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SENATE

THURSDAY, APRIL 30, 1959

The Senate met at 10:30 o'clock a.m.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O God, who hath taught us that in quietness and confidence shall be our strength.

In all the shouting and tumult of these tempestuous days Thou wouldst speak to us not so much in the wind or the fire or the earthquake as in the still, small voice.

These daily moments of prayer fenced about by quietness remind our feverish spirits that if we are to listen we must be still. How can we hear Thy accents, if our eyes are filled with our own clamorous voices and the raucous noises of the world about us. Only as we turn from our strident business, obeying Thy word, "Be still and know that I am God" can we bring to the bar of judgment the hopes which have misled us, the methods which have failed us, the values which have cheated us, and the false paths which have ended in blind alleys.

Teach us anew that life can be transformed only from within and that the only thing that can pass the locked portals of the heart is a voice, Thy voice, small and still. Hear us as we pray, "Speak Lord, for Thy servant heareth." Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, April 29, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent the Committee on Labor, the Permanent Subcommittee on Investigations of the Committee on Government Operations, and the Subcommittee on Insurance of the Committee on Post Office and Civil Service were authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Antitrust and Monopoly Legislation Subcommittee of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORCHIDS TO SENATOR MURRAY

Mr. MANSFIELD. Mr. President, in the Lewistown, Mont., Daily News of April 26, 1959, there appears an editorial entitled "Orchids to Senator MURRAY." I ask unanimous consent that this editorial be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ORCHIDS TO SENATOR MURRAY

Senator MIKE MANSFIELD on the Senate floor last week praised the work of Senator JAMES MURRAY in the preservation and development of our forest resources.

The tribute is well deserved.

Only a few days ago, Senator MURRAY'S office advised this newspaper that $3 million in Forest Service funds had been approved by the Senate Appropriations Committee. Subject to approval in the House, the funds will be spent in Montana not only to improve our forest resources but also to relieve our unemployment.

A considerable portion of the new funds will be earmarked for the Lewis and Clark Forest in this area.

This is as it should be since Lewis and Clark has often been the red-headed stepchild, taking the crumbs left over from the larger and more glamorous forests.

We commend Senator MURRAY for his work in behalf of our forests and we are particularly grateful to him for including our own local forest area in the proposed development.

Mr. MANSFIELD. Mr. President, the publisher and editor of the Lewistown Daily News, Edward Fike, is one of the Northwest's outstanding newspapermen. What he has to say about Senator MURRAY is well deserved, and I am delighted that this recognition is being given to my distinguished senior colleague, who has done so much for the development of the resources of this country. It is personally most pleasing to me that such evidence of esteem is forthcoming at the hands of this extremely able newspaperman.

Mr. JOHNSON of Texas. Mr. President, I am pleased to observe that I had an opportunity to visit with Mr. Fike when he was in Washington recently. I had a most stimulating experience. He is a very able man, a man of vision and understanding, and I am delighted that he has seen fit to record his impressions of one of the most beloved men in the Senate, Big JIM MURRAY of the State of Montana.

Mr. MANSFIELD. Mr. President, since Mr. Fike's return to Montana, after having had the opportunity of meeting and visiting with the distinguished majority leader, the sentiments which the majority leader have expressed with regard to Mr. Fike have been reciprocated by Mr. Fike.

SMALL BUSINESS ACT AMENDMENTS OF 1959

The PRESIDENT pro tempore laid before the Senate a letter from the Administrator, Small Business Administration, Washington, D.C., transmitting a draft of proposed legislation to amend the Small Business Act, and for other purposes, which (with the accompanying papers) was referred to the Committee on Banking and Currency.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROBERTSON, from the Committee on Banking and Currency, without amendment:

S. 1559. A bill to provide for the striking of medals in commemoration of the one hundredth anniversary of the first significant discovery of silver in the United States, June 1859 (Rept. No. 237).

DEFERMENT OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS FOR 1960 CROP OF WHEAT—REPORT OF A COMMITTEE

Mr. ELLENDER, from the Committee on Agriculture and Forestry, reported an

original joint resolution (S.J. Res. 94) to defer the proclamation of marketing quotas and acreage allotments for the 1960 crop of wheat until June 1, 1959, and submitted a report (No. 236) thereon, which joint resolution was read twice by its title and placed on the calendar.

ATTENDANCE OF CONGRESSIONAL DELEGATIONS AT MEETING OF COMMONWEALTH PARLIAMENTARY ASSOCIATION—REPORT OF A COMMITTEE

Mr. FULBRIGHT, from the Committee on Foreign Relations, reported an original concurrent (S. Con. Res. 29) authorizing attendance of delegations from the Senate and House of Representatives at meeting of Commonwealth Association, and submitted a report (No. 238) thereon; which concurrent resolution was referred to the Committee on Rules and Administration, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Vice President and the Speaker of the House of Representatives are authorized to appoint four Members of the Senate and four Members of the House of Representatives, respectively, to attend the next general meeting of the Commonwealth Parliamentary Association, to be held in Australia at the invitation of the Australian branches of the Association, and to designate the chairmen of the delegations from each of the Houses to be present at such a meeting.

SEC. 2. The expenses incurred by the members of the delegations and staff appointed for the purpose of carrying out this concurrent resolution shall not exceed $15,000 for each delegation and shall be paid from the contingent fund of the House of which they are Members, upon submission of vouchers approved by the chairman of the delegation of which they are members.

ATTENDANCE OF SENATE DELEGATION AT MEETING OF COMMONWEALTH PARLIAMENTARY ASSOCIATION—REPORT OF A COMMITTEE (S. REPT. NO. 238)

Mr. FULBRIGHT, from the Committee on Foreign Relations, reported an original resolution (S. Res. 114) authorizing attendance of a delegation from the Senate at meeting of Commonwealth Parliamentary Association, and submitted a report thereon; which resolution was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Vice President is authorized to appoint four Members of the Senate as a delegation to attend the next general meeting of the Commonwealth Parliamentary Association, to be held in Australia at the invitation of the Australian branches of the Association, and to designate the chairman of said delegation.

SEC. 2. The expenses of the delegation including staff members designated by the chairman to assist said delegation shall not exceed $15,000 and shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—FEDERAL EMPLOYMENT AND PAY

Mr. BYRD of Virginia. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit a report on Federal employment and pay for the month of March 1959. In accordance with the practice of several year's standing. I ask unanimous consent to have the report printed in the RECORD, together with a statement by me.

There being no objection, the report and statement were ordered to be printed in the RECORD, as follows:

FEDERAL PERSONNEL IN EXECUTIVE BRANCH, MARCH 1959 AND FEBRUARY 1959, AND PAY, FEBRUARY 1959 AND JANUARY 1959

PERSONNEL AND PAY SUMMARY

(See table I)

Information in monthly personnel reports for March 1959 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures is summarized as follows:

Total and major categories	Civilian personnel in executive branch			Payroll (in thousands) in executive branch		
	In March numbered—	In February numbered—	Increase (+) or decrease (−)	In February was—	In January was—	Increase (+) or decrease (−)
Total [1]	2,337,495	2,335,209	+2,286	$952,220	$1,059,512	−$107,292
Agencies exclusive of Department of Defense	1,261,863	1,257,040	+4,823	496,100	572,473	−76,373
Department of Defense	1,075,632	1,078,169	−2,537	456,120	487,039	−30,919
Inside continental United States	2,154,435	2,152,492	+1,943			
Outside continental United States	183,060	182,717	+343			
Industrial employment	562,706	563,996	−1,290			
Foreign nationals	192,737	195,416	−2,679	22,670	[2] 23,138	−468

[1] Exclusive of foreign nationals shown in the last line of this summary.

[2] Revised on basis of later information.

Table I, below, breaks down the above figures on employment and pay by agencies.

Table II, page 5, breaks down the above employment figures to show the number inside continental United States by agencies.

Table III, page 7, breaks down the above employment figures to show the number of Federal personnel outside continental United States employed by executive agencies.

Table IV, page 8, breaks down the above employment figures to show the number in industrial-type activities by agencies.

Table V shows foreign nationals by agencies not included in tables I, II, III, and IV.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during March 1959, and comparison with February 1959, and pay for February 1959, and comparison with January 1959*

Department or agency	Personnel				Pay (in thousands)			
	March	February	Increase	Decrease	February	January	Increase	Decrease
Executive departments (except Department of Defense):								
Agriculture	84,462	83,561	901		$32,395	$35,639		$3,244
Commerce [1]	30,947	30,564	383		13,414	14,412		998
Health, Education, and Welfare	57,767	57,604	163		24,537	26,239		1,702
Interior	49,717	49,255	462		21,913	24,248		2,335
Justice	29,931	30,028		97	15,503	17,071		1,568
Labor	5,832	5,854		22	2,778	3,169		391
Post Office	543,251	541,907	1,344		198,642	249,140		50,498
State [2]	[3] 35,498	[4] 35,330	168		14,499	14,588		89
Treasury	79,131	78,717	414		35,229	38,019		2,790
Executive Office of the President:								
White House Office	391	400		9	225	254		29
Bureau of the Budget	423	425		2	295	326		31
Council of Economic Advisers	32	30	2		24	33		9
Executive Mansion and Grounds	73	73			29	34		5
National Security Council [5]	70	62	8		38	41		3
Office of Civil and Defense Mobilization	1,656	1,654	2		948	1,034		86
President's Advisory Committee on Government Organization	5	6		1	4	4		
President's Committee on Fund Raising Within the Federal Service	4	4			3	4		1

[1] March figure includes 213 seamen on the rolls of the Maritime Administration and their pay.

[2] March figure includes 12,952 employees of the International Cooperation Administration as compared with 12,865 in February, and their pay. These ICA figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The March figure includes 1,993 of these trust fund employees and the February figure includes 2,017.

[3] Subject to revision.

[4] Revised on basis of later information.

[5] Exclusive of personnel and pay of the Central Intelligence Agency.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during March 1959, and comparison with February 1959, and pay for February 1959, and comparison with January 1959*—Continued

Department or agency	Personnel				Pay (in thousands)			
	March	February	Increase	Decrease	February	January	Increase	Decrease
Independent agencies:								
Alaska International Rail and Highway Commission	2	2			$2	$2		
American Battle Monuments Commission	516	511	5		71	87		$16
Atomic Energy Commission	6,735	6,715	20		3,821	4,259		438
Board of Governors of the Federal Reserve System	606	605	1		314	354		50
Boston National Historic Sites Commission	3	3			2	1	$1	
Career Executive Board	4	4			3	1	2	
Civil Aeronautics Board	688	686	2		406	442		36
Civil Service Commission	3,864	3,876		12	1,842	2,022		180
Civil War Centennial Commission	6	6			4	4		
Commission of Fine Arts	4	4			2	3		1
Commission on Civil Rights	67	59	8		34	38		4
Development Loan Fund	64	65		1	42	48		6
Export-Import Bank of Washington	226	225	1		140	152		12
Farm Credit Administration	851	849	2		454	502		48
Federal Aviation Agency	31,663	31,005	658		15,658	17,225		1,567
Federal Coal Mine Safety Board of Review	7	7			4	4		
Federal Communications Commission	1,226	1,231		5	672	743		71
Federal Deposit Insurance Corporation	1,232	1,231	1		630	698		68
Federal Home Loan Bank Board	950	942	8		483	528		45
Federal Mediation and Conciliation Service	339	336	3		234	282		48
Federal Power Commission	818	802	16		441	485		44
Federal Trade Commission	720	721		1	430	471		41
Foreign Claims Settlement Commission	73	75		2	46	54		8
General Accounting Office	5,181	5,209		28	2,535	2,792		257
General Services Administration [6]	27,915	27,964		49	10,831	11,746		915
Government Contract Committee	28	28			14	14		
Government Printing Office	6,541	6,497	44		2,889	3,259		370
Housing and Home Finance Agency	11,003	10,944	59		5,429	5,917		488
Hudson-Champlain Celebration Commission	3	3			1	1		
Indian Claims Commission	17	17			13	16		3
Interstate Commerce Commission	2,270	2,249	21		1,197	1,317		120
Lincoln Sesquicentennial Commission	8	8			5	5		
National Aeronautics and Space Administration	8,685	8,534	151		4,694	5,120		426
National Capital Housing Authority	307	299	8		116	[4] 115	1	
National Capital Planning Commission	31	31			17	20		3
National Gallery of Art	315	316		1	111	122		11
National Labor Relations Board	1,425	1,413	12		837	898		61
National Mediation Board	119	114	5		80	88		8
National Science Foundation	530	482	48		223	240		17
Outdoor Recreation Resources Review Commission	11	11			3	1	2	
Panama Canal	14,077	14,075	2		3,899	3,924		25
Railroad Retirement Board	2,328	2,348		20	1,026	1,109		83
Renegotiation Board	314	314			207	224		17
St. Lawrence Seaway Development Corporation	154	149	5		72	79		7
Securities and Exchange Commission	929	926	3		507	553		46
Selective Service System	6,430	6,394	36		1,630	1,780		150
Small Business Administration	1,857	1,788	69		930	992		62
Smithsonian Institution	1,026	1,007	19		394	446		52
Soldiers' Home	1,001	1,003		2	270	298		28
South Carolina, Georgia, Alabama, and Florida Water Study Commission	12	8	4		1	1		
Subversive Activities Control Board	31	32		1	23	25		2
Tariff Commission	223	223			134	146		12
Tax Court of the United States	148	150		2	98	105		7
Tennessee Valley Authority	14,947	14,951		4	7,189	7,988		809
Texas Water Study Commission	12	11	1		3	2	1	
Theodore Roosevelt Centennial Commission	2	2			1	2		1
U.S. Information Agency	10,767	10,737	30		3,349	3,636		287
Veterans' Administration	172,315	172,367		52	61,022	66,706		5,684
Virgin Islands Corporation	1,047	1,002	45		139	106	33	
Total, excluding Department of Defense	1,261,863	1,257,040	5,134	311	496,100	572,473	40	76,413
Net change, excluding Department of Defense			4,823				76,373	
Department of Defense:								
Office of the Secretary of Defense	1,714	1,701	13		1,049	1,128		79
Department of the Army	403,850	405,402		1,552	162,863	[4] 176,964		14,101
Department of the Navy	355,115	355,857		742	154,053	169,163		15,110
Department of the Air Force	314,953	315,209		256	138,155	139,784		1,629
Total, Department of Defense	1,075,632	1,078,169	13	2,550	456,120	487,039		30,919
Net decrease, Department of Defense			2,537				30,919	
Grand total, including Department of Defense	2,337,495	2,335,209	5,147	2,861	[3]52,220	1,059,512	40	107,332
Net change, including Department of Defense			2,286				107,292	

[6] Includes 3 employees of the Federal Facilities Corporation.

TABLE II.—*Federal personnel inside continental United States employed by the executive agencies during March 1959, and comparison with February 1959*

Department or agency	March	February	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	83,240	82,348	892	
Commerce [1]	30,350	29,972	378	
Health, Education, and Welfare	57,255	57,088	167	
Interior	49,081	48,624	457	
Justice	29,580	29,668		88
Labor	5,744	5,769		25
Post Office	541,194	539,873	1,321	
State [2]	[5] 8,829	[4] 8,765	64	
Treasury	78,234	77,828	406	

Department or agency	March	February	Increase	Decrease
Executive Office of the President:				
White House Office	391	400		9
Bureau of the Budget	423	425		2
Council of Economic Advisers	[3]32	30	2	
Executive Mansion and Grounds	73	73		
National Security Council [5]	70	62	8	
Office of Civil and Defense Mobilization	1,656	1,654	2	
President's Advisory Committee on Government Organization	5	6		1
President's Committee on Fund Raising within the Federal Service	4	4		

[1] March figure includes 213 seamen on the rolls of the Maritime Administration.
[2] March figure inclues 1,861 employees of the International Cooperation Administration as compared with 1,839 in February.
[3] Subject to revision.
[4] Revised on basis of later information.
[5] Exclusive of personnel of the Central Intelligence Agency.

TABLE II.—*Federal personnel inside continental United States employed by the executive agencies during March 1959, and comparison with February 1959*—Continued

Department or agency	March	February	Increase	Decrease
Independent agencies:				
Alaska International Rail and Highway Commission	2	2		
American Battle Monuments Commission	14	14		
Atomic Energy Commission	6,704	6,683	21	
Board of Governors of the Federal Reserve System	606	605	1	
Boston National Historic Sites Commission	3	3		
Career Executive Board	4	4		
Civil Aeronautics Board	688	686	2	
Civil Service Commission	3,854	3,866		12
Civil War Centennial Commission	6	6		
Commission of Fine Arts	4	4		
Commission on Civil Rights	67	59	8	
Development Loan Fund	64	65		1
Export-Import Bank of Washington	226	225	1	
Farm Credit Administration	841	839	2	
Federal Aviation Agency	30,175	29,529	646	
Federal Coal Mine Safety Board of Review	7	7		
Federal Communications Commission	1,212	1,217		5
Federal Deposit Insurance Corporation	1,230	1,229	1	
Federal Home Loan Bank Board	950	942	8	
Federal Mediation and Conciliation Service	339	336	3	
Federal Power Commission	818	802	16	
Federal Trade Commission	720	721		1
Foreign Claims Settlement Commission	73	75		2
General Accounting Office	5,102	5,131		29
General Services Administration [6]	27,864	27,915		51
Government Contract Committee	28	28		
Government Printing Office	6,541	6,497	44	
Housing and Home Finance Agency	10,825	10,764	61	
Hudson-Champlain Celebration Commission	3	3		
Indian Claims Commission	17	17		
Interstate Commerce Commission	2,270	2,249	21	
Lincoln Sesquicentennial Commission	8	8		
National Aeronautics and Space Administration	8,681	8,530	151	
National Capital Housing Authority	307	299	8	
National Capital Planning Commission	31	31		
National Gallery of Art	315	316		1
National Labor Relations Board	1,401	1,389	12	
Independent Agencies—Con.				
National Mediation Board	119	114	5	
National Science Foundation	530	482	48	
Outdoor Recreation Resources Review Commission	11	11		
Panama Canal	403	396	7	
Railroad Retirement Board	2,328	2,348		20
Renegotiation Board	314	314		
St. Lawrence Seaway Development Corporation	154	149	5	
Securities and Exchange Commission	929	926	3	
Selective Service System	6,252	6,215	37	
Small Business Administration	1,828	1,763	65	
Smithsonian Institution	1,010	991	19	
Soldiers' Home	1,001	1,003		2
South Carolina, Georgia, Alabama, and Florida Water Study Commission	12	8	4	
Subversive Activities Control Board	31	32		1
Tariff Commission	223	223		
Tax Court of the United States	148	150		2
Tennessee Valley Authority	14,947	14,951		4
Texas Water Study Commission	12	11	1	
Theodore Roosevelt Centennial Commission	2	2		
U.S. Information Agency	2,669	2,658	11	
Veterans' Administration	171,152	171,189		37
Total, excluding Department of Defense	1,202,236	1,197,621	4,908	293
Net increase, excluding Department of Defense			4,615	
Department of Defense:				
Office of the Secretary of Defense	1,671	1,659	12	
Department of the Army	347,170	348,651		1,481
Department of the Navy	322,251	323,254		1,003
Department of the Air Force	281,107	281,307		200
Total, Department of Defense	952,199	954,871	12	2,684
Net decrease, Department of Defense			2,672	
Grand total, including Department of Defense	2,154,435	2,152,492	4,920	2,977
Net increase, including Department of Defense			1,943	

[6] Includes 3 employees of the Federal Facilities Corporation.

TABLE III.—*Federal personnel outside continental United States employed by the executive agencies during March 1959, and comparison with February 1959*

Department or agency	March	February	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	1,222	1,213	9	
Commerce	597	592	5	
Health, Education, and Welfare	512	516		4
Interior	636	631	5	
Justice	351	360		9
Labor	88	85	3	
Post Office	2,057	2,034	23	
State [1]	[3] 26,669	[3] 26,565	104	
Treasury	897	889	8	
Independent agencies:				
American Battle Monuments Commission	502	497	5	
Atomic Energy Commission	31	32		1
Civil Service Commission	10	10		
Farm Credit Administration	10	10		
Federal Aviation Agency	1,488	1,476	12	
Federal Communications Commission	14	14		
Federal Deposit Insurance Corporation	2	2		
General Accounting Office	79	78	1	
General Services Administration	51	49	2	
Housing and Home Finance Agency	178	180		2
National Aeronautics and Space Administration	4	4		
National Labor Relations Board	24	24		
Panama Canal	13,674	13,679		5
Independent Agencis—Con.				
Selective Service System	178	179		1
Small Business Administration	29	25	4	
Smithsonian Institution	16	16		
U.S. Information Agency	8,098	8,079	19	
Veterans' Administration	1,163	1,178		15
Virgin Islands Corporation	1,047	1,002	45	
Total, excluding Department of Defense	59,627	59,419	245	37
Net increase, excluding Department of Defense			208	
Department of Defense:				
Office of the Secretary of Defense	43	42	1	
Department of the Army	56,680	56,751		71
Department of the Navy	32,864	32,603	261	
Department of the Air Force	33,846	33,902		56
Total, Department of Defense	123,433	123,298	262	127
Net increase, Department of Defense			135	
Grand total, including Department of Defense	183,060	182,717	507	164
Net increase, including Department of Defense			343	

[1] March figure includes 11,091 employees of the International Cooperation Administration as compared with 11,026 in February. These ICA figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The March figure includes 1,993 of these trust fund employees and the February figure includes 2,017.

[2] Subject to revision.

[3] Revised on basis of later information.

TABLE IV.—*Industrial employees of the Federal Government inside and outside continental United States employed by the executive agencies during March 1959, and comparison with February 1959*

Department or agency	March	February	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	2,761	3,201		440
Commerce	2,039	2,000	39	
Interior	6,852	6,846	6	
Treasury	5,427	5,467		40
Independent agencies:				
Atomic Energy Commission	152	154		2
Federal Aviation Agency	820	820		
Federal Communications Commission	13	13		
General Services Administration	1,236	1,247		11
Government Printing Office	6,541	6,497	44	

TABLE IV.—*Industrial employees of the Federal Government inside and outside continental United States employed by the executive agencies during March 1959, and comparison with February 1959*—Continued

Department or agency	March	February	Increase	Decrease
National Aeronautics and Space Administration	8,685	8,534	151	
Panama Canal	7,003	6,942	61	
Tennessee Valley Authority	12,148	12,152		4
Virgin Islands Corporation	1,047	1,002	45	
Total, excluding Department of Defense	54,724	54,875	346	497
Net decrease, excluding Department of Defense			151	
Department of Defense:				
Department of the Army:				
Inside continental United States	[1] 133,475	[2] 134,066		591
Outside continental United States	[1] 7,650	[2] 7,662		12
Department of the Navy:				
Inside continental United States	200,037	200,581		544
Outside continental United States	5,171	5,157	14	
Department of the Air Force:				
Inside continental United States	158,023	158,032		9
Outside continental United States	3,626	3,623	3	
Total, Department of Defense	507,982	509,121	17	1,156
Net decrease, Department of Defense			1,139	
Grand total, including Department of Defense	562,706	563,996	363	1,653
Net decrease, including Department of Defense			1,290	

[1] Subject to revision.

[2] Revised on basis of later information.

TABLE V.—*Foreign nationals working under U.S. agencies overseas, excluded from tables I through IV of this report, whose services are provided by contractual agreement between the United States and foreign governments, or because of the nature of their work or the source of funds from which they are paid, as of March 1959 and comparison with February 1959*

Country	Total		Army		Navy		Air Force	
	March	February	March	February	March	February	March	February
Belgium	13	12					13	12
England	4,081	4,158					4,081	4,158
France	21,992	22,142	16,656	16,777			5,336	5,365
Germany	84,055	84,528	71,934	72,405	57	56	12,064	12,067
Japan	70,000	72,112	25,950	27,981	15,996	16,033	28,054	28,098
Korea	7,966	7,688	7,966	7,688				
Malta	79	81			79	81		
Morocco	3,945	4,082	6	12	825	829	3,114	3,241
Netherlands	37	39					37	39
Norway	23	25					23	25
Trinidad	546	549			546	549		
Total	192,737	195,416	122,512	124,863	17,503	17,548	52,722	53,005

STATEMENT BY SENATOR BYRD OF VIRGINIA

Executive agencies of the Federal Government reported civilian employment in the month of March totaling 2,337,495. This was a net increase of 2,286 as compared with employment reported in the preceding month of February.

Civilian employment reported by the executive agencies of the Federal Government, by month in fiscal year 1959, which began July 1, 1958, follows:

Month	Employment	Increase	Decrease
July	2,373,410	6,306	
August	2,373,934	524	
September	2,356,493		17,441
October	2,355,482		1,301
November	2,354,767		715
December	2,351,833		2,934
January	2,337,820		14,013
February	2,335,209		2,611
March	2,337,495	2,286	

Total Federal employment in civilian agencies for the month of March was 1,261,863, an increase of 4,823 as compared with the February total of 1,257,040. Total civilian employment in the military agencies in March was 1,075,632, a decrease of 2,537 as compared with 1,078,169 in February.

Civilian agencies reporting the larger increases were Post Office Department with 1,344, Agriculture Department with 901, and Federal Aviation Agency with 658.

In the Department of Defense decreases in civilian employment were reported by the Department of the Army with 1,552, the Department of the Navy with 742, and the Department of the Air Force with 256.

Inside continental United States civilian employment increased 1,943, and outside continental United States civilian employment increased 343. Industrial employment by Federal agencies in March totaled 562,706, a decrease of 1,290.

These figures are from reports certified by the agencies as compiled by the Joint Committee on Reduction of Nonessential Federal Expenditures.

FOREIGN NATIONALS

The total of 2,337,495 civilian employees certified to the committee by Federal agencies in their regular monthly personnel reports includes some foreign nationals employed in U.S. Government activities abroad, but in addition to these there were 192,737 foreign nationals working for U.S. military agencies during March who were not counted in the usual personnel reports. The number in February was 195,416. A breakdown of this employment for March follows:

Country	Total	Army	Navy	Air Force
Belgium	13			13
England	4,081			4,081
France	21,992	16,656		5,336
Germany	84,055	71,934	57	12,064
Japan	70,000	25,950	15,996	28,054
Korea	7,966	7,966		
Malta	79		79	
Morocco	3,945	6	825	3,114
Netherlands	37			37
Norway	23			23
Trinidad	546		546	
Total	192,737	122,512	17,503	52,722

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. ROBERTSON, from the Committee on Banking and Currency:

Earl Freeman Hastings, of Arizona, to be a member of the Securities and Exchange Commission;

William J. Hallahan, of Maryland, to be a member of the Federal Home Loan Bank Board; and

Henry C. Wallich, of Connecticut, to be a member of the Council of Economic Advisers.

By Mr. EASTLAND, from the Committee on the Judiciary:

S. Hazard Gillespie, Jr., of New York, to be U.S. attorney for the southern district of New York.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HART:

S. 1835. A bill for the relief of Cesare Giuseppe Tambornini;

S. 1836. A bill for the relief of Martha Uchacz Bartoszyce; and

S. 1837. A bill for the relief of Marguerite Fueller; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 1838. A bill to provide for a separate session of Congress each year for the consideration of appropriation bills, to establish the calendar year as the fiscal year of the Government, and for other purposes; to the Committee on the Judiciary.

By Mr. MAGNUSON (for himself and Mr. JACKSON):

S. 1839. A bill authorizing the establishment of the Pig War National Monument; to the Committee on Interior and Insular Affairs.

By Mr. BYRD of Virginia:

S. 1840. A bill for the relief of Inga Maja Olsson Nylander; to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina:

S. 1841. A bill to amend section 401 of the Postal Field Service Compensation Act of

1955, as amended, with respect to the salaries of certain Postal Transportation Service substitutes;

S. 1842. A bill to provide compensation for extra duties assigned to postal employees; and

S. 1843. A bill to establish a system for the classification and compensation of scientific and professional positions in the Federal Government, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. JOHNSTON of South Carolina (by request):

S. 1844. A bill to provide certain survivor annuities payable from the civil service retirement and disability fund; and

S. 1845. A bill to amend title 35 of the United States Code relating to patents; to the Committee on Post Office and Civil Service.

By Mr. HUMPHREY (for himself, Mr. BYRD of Virginia, Mr. BUSH, and Mr. JAVITS):

S. 1846. A bill to facilitate the discovery and recovery by the States of unclaimed personal property in the custody of Federal agencies, and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. DOUGLAS (for himself, Mr. GRUENING, and Mr. PROXMIRE):

S. 1847. A bill relating to the appointment of the Architect of the Capitol; to the Committee on Public Works.

(See the remarks of Mr. DOUGLAS when he introduced the above bill, which appear under a separate heading.)

By Mr. HART:

S. 1848. A bill to declare certain rights of all persons within the jurisdiction of the United States, and for the protection of such persons from lynching, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. HART when he introduced the above bill, which appear under a separate heading.)

By Mr. ELLENDER:

S.J. Res. 94. Joint resolution to defer the proclamation of marketing quotas and acreage allotments for the 1960 crop of wheat until June 1, 1959; placed on the calendar.

(See reference to the above joint resolution, when reported by Mr. ELLENDER, which appears under the heading "Reports of Committees.")

CONCURRENT RESOLUTION

Mr. FULBRIGHT, from the Committee on Foreign Relations, reported an original concurrent resolution (S. Con. Res. 29) authorizing attendance of delegations from the Senate and House of Representatives at meeting of Commonwealth Parliamentary Association, which was referred to the Committee on Rules and Administration.

(See the above concurrent resolution printed in full, which appears under the heading "Reports of Committees.")

RESOLUTION

Mr. FULBRIGHT, from the Committee on Foreign Relations, reported an original resolution (S. Res. 114) authorizing attendance of a delegation from the Senate at meeting of Commonwealth Parliamentary Association, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full, which appears under the heading "Reports of Committees.")

UNCLAIMED PERSONAL PROPERTY ACT

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to facilitate the discovery and recovery by the States of unclaimed personal property in the custody of Federal agencies.

This bill is similar to Senate bill 3937, which I introduced in the 85th Congress.

By way of background on this measure it should be stated that the National Association of Attorneys General at its 1956 conference established a Committee on Escheats which was directed to draft a bill to facilitate States in the discovery and recovery of unclaimed property in custody of officers, departments, and agencies of the United States.

The U.S. Government possesses large sums of moneys—credits—and some tangible property remaining unclaimed by owners whose identities or whereabouts have not been determined. There is no such thing as Federal escheat, except in the District of Columbia and in those Territories where the power has not been delegated. The States wherein unknown or missing owners last resided have a clear legal right to acquire possession of unclaimed funds and property. Systematic recovery, however, has been impracticable for want of information enabling the discovery of assets.

In order to facilitate the recovery by the States of such unclaimed funds and property, the Committee on Escheats requested the introduction of the bill which I am offering today. This bill would provide means whereby Federal agencies would be required to examine records in their custody or control relating to unclaimed property and report on their findings to the Administrator of General Services. A State shall be eligible to recover unclaimed property as disclosed by such examinations and reports if within such State there is in effect law providing means whereby the Government shall be, first, held harmless against all claims including claims of true owners; and, second, compensated for the costs of examination.

Mr. President, on behalf of myself, the Senator from Virginia [Mr. BYRD], the Senator from Connecticut [Mr. BUSH], and the Senator from New York [Mr. JAVITS], I am pleased to again introduce this measure. I ask unanimous consent that the bill lie on the desk through May 8, for additional cosponsors.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Minnesota.

The bill (S. 1846) to facilitate the discovery and recovery by the States of unclaimed personal property in the custody of Federal agencies, and for other purposes, introduced by Mr. HUMPHREY (for himself, Mr. BYRD of Virginia, Mr. BUSH, and Mr. JAVITS), was received, read twice by its title, and referred to the Committee on Government Operations.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Unclaimed Personal Property Act".

DECLARATION OF POLICY

SEC. 2. It is the policy of the Congress that—

(a) The United States Government recognizes that the States may escheat or acquire as lawful custodians unclaimed property in custody of officers, departments, and agencies of the United States whenever the owners of such property have or may have had a vested interest therein and whenever claims for delivery and possession thereof have not been made by or on behalf of such owners or their heirs, assigns, or representatives.

(b) The United States Government shall not assert an interest in such property by reason of any delay in the presentation of claims or demands for payment or delivery by or on behalf of original owners if a State may escheat or become the lawful custodian of the property.

(c) The United States Government shall assist the States in discovering and recovering such property.

DEFINITIONS

SEC. 3. As used in this Act—

(a) The term "unclaimed property" means any tangible personal property or intangible personal property, including choses in action in amounts certain, and all debts owed or entrusted funds or other property held by any Federal agency or any officer or employee thereof, whether occasioned by contract or operation of law or otherwise, except as limited by section 7 of this Act, which has remained unclaimed by the owner for:

(1) twenty years from the date of maturity or call for payment, if arising from transactions under the public debt; or

(2) twenty years after the last transaction concerning principal or interest, if deposits in the postal savings system; or

(3) five years after the property became payable, demandable, or returnable, if arising from any other transaction.

(b) The term "gratuity" means a payment authorized by any statute of the United States to be made to any person other than a payment due and payable—

(1) upon a contract obligation of the United States or any Federal agency;

(2) in satisfaction of a judicially enforcible vested right arising from the provisions of a statute of the United States; or

(3) from a fund established by a statute of the United States (A) the corpus of which fund is composed in whole or in part of voluntary or involuntary contributions made thereto, or Federal taxes paid thereto or for the account thereof, by individuals, and (B) which was established to provide for the payment of retirement, disability, dependency, or other benefits to individuals of any class or classes.

(c) The term "owner" means any person, including his legal representative, who has or had a legal or equitable interest in unclaimed property.

(d) The term "State" means any State of the United States, including any antecedent commonwealth, republic, territory, or other jurisdiction, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam.

(e) The term "person" includes any individual, partnership, corporation, unincorporated association, or other legal entity.

(f) The term "Federal agency" means (1) any executive or military department, agency, or independent establishment in the executive branch of the Government, (2)

any wholly owned Government corporation, and (3) any establishment in the legislative or judicial branch of the Government (except the Senate, the House of Representatives, and the Architect of the Capitol and any activities under his direction).

(g) The term "Administrator" means the Administrator of General Services.

DISCOVERY OF UNCLAIMED PROPERTY

SEC. 4. (a) Under rules and regulations prescribed pursuant to section 8 of this Act, each Federal agency shall, within one year after the date of enactment of this Act and at least once in each fiscal year thereafter, conduct an examination of all records in its custody or control relating to unclaimed property. Upon the basis of each such examination, each Federal agency shall determine, record, and transmit to the Administrator the following information with respect to all unclaimed property disclosed by such examination:

(1) The name and last known address of each owner of any such property;

(2) The date upon which each item of such property became unclaimed property, as determined under such regulations;

(3) The recoverable value of each item of such unclaimed property, if funds; otherwise, a description of the property and its estimated reasonable market value, as determined under such regulations;

(4) The transaction whereby such unclaimed property is held in custody by such Federal agency; and

(5) The actual and necessary cost incurred directly by such Federal agency in the conduct of such examination.

(b) Except as otherwise provided by section 2575 of title 10 of the United States Code, all property in the custody of any Federal agency so reported to the Administrator as unclaimed property shall—

(1) if tangible property, be transferred to the custody of the Administrator, who shall retain custody thereof pending its disposition pursuant to the provisions of this Act; and

(2) if intangible property, be held by such Federal agency subject to the direction of the Administrator for disposition pursuant to the provisions of this Act.

ELIGIBILITY OF STATES TO RECOVER UNCLAIMED PROPERTY

SEC. 5. (a) A State shall be eligible to recover under this Act unclaimed property disclosed by any examination made under section 4 if—

(1) such State has paid to the Administrator its proportionate share of the aggregate cost actually and necessarily incurred directly by all Federal agencies in conducting such examination, as determined by the Administrator in conformity with the provisions of this Act; and

(2) there is in effect within such State law making effective provision, as determined by the Administrator with the concurrence of the Comptroller General, whereby the United States will be saved harmless from all claims which may be made against it with respect to any unclaimed property transferred to such State under this Act.

(b) For the purposes of paragraph (1) of subsection (a), the proportionate share of the cost of any examination made under section 4 which shall be paid by any State to render it eligible to recover unclaimed property under this Act shall be a sum equal to the product obtained by multiplying the aggregate actual and necessary cost incurred by all Federal agencies in making such examination, as determined by the Administrator, by a fraction the numerator of which is the aggregate estimated value of all unclaimed property disclosed by that examination to be recoverable by that State under this Act upon the establishment of its eligibility therefor pursuant to this section and the denominator of which is the total estimated value of all unclaimed property disclosed by that examination to be recoverable by all States under this Act upon the establishment of their eligibility therefor pursuant to this section. From the amount thus ascertained there shall be subtracted any sums previously paid by that State to the Administrator to reimburse the United States for the cost of that examination.

(c) Upon the completion of any examination made under section 4 and the establishment by any State under this section of its eligibility to recover under this Act any unclaimed property disclosed by that examination, the Administrator shall report to such State all information in the possession of all Federal agencies relevant to all such property which that State is or may be eligible to recover under section 6 of this Act.

(d) All sums paid to the Administrator by States under this section shall be covered into the Treasury as miscellaneous receipts.

RECOVERY OF UNCLAIMED PROPERTY BY STATES

SEC. 6. (a) Upon (1) written request made by any State which has established under section 5 its eligibility to recover unclaimed property disclosed by any examination made under section 4, and (2) delivery to the Administrator, by that State, its authorized representative, or a proper fiduciary of the owner of any unclaimed property disclosed by that examination, of a duly certified order or judgment of a court of that State declaring the right of such State or fiduciary to escheat, acquire custody, or obtain possession of any such unclaimed property, the Administrator shall deliver or pay to that State the unclaimed property described in that order or judgment.

(b) Where according to the records of the United States the last known address of an owner of unclaimed property is in a State, such unclaimed property held by any Federal agency for purposes of this Act shall be subject to (1) escheat or custodial taking by that State or its authorized representative, or (2) collection by a fiduciary who has been appointed by a court in that State for the purpose of collecting assets of a deceased, disappeared, or missing person or of an owner of unclaimed property where the property will be escheated or taken into custody by the State if the owner or his successors do not claim the property.

(c) For the purposes of this Act—

(1) it shall be presumed that the situs of unclaimed property is in the State of the last known or presumed address of the owner;

(2) the owner of any unclaimed property shall be conclusively presumed to be the person to whom unclaimed property was or is payable or returnable according to the records of the U.S. Government; and

(3) if two or more persons are interested in the property, and the extent of their respective interests is unknown, it shall be presumed that their interests in such property are equal.

(d) In case of any unclaimed property disclosed by records of the United States to be owned by two or more persons—

(1) if the last known addresses of owners are in one State, any owner's address which is unknown shall be presumed to be in that State;

(2) if the last known addresses of owners are in more than one State, the addresses of owners whose addresses are unknown shall be presumed to be in the State where the Federal agency having custody of such property initially acquired possession of the property;

(3) if the records of the United States do not disclose the address of any owner of unclaimed property, such address shall be presumed to be in the State where the Federal agency having custody of such property initially acquired possession of the property; and

(4) if it cannot be determined where possession of the property was initially acquired by that Federal agency, such address shall be presumed to be within the District of Columbia.

(e) The expiration of any period of time specified by statute or court order, during which an action or proceeding may be commenced or enforced to obtain payment of a claim for funds or recovery of property shall not affect the right of a State, its authorized representative, or a proper fiduciary of the owner to escheat, acquire custody, or obtain possession of unclaimed property in accordance with the provisions of this Act.

(f) All questions arising in the administration of this Act as to the facts disclosed by the records of the United States with respect to any unclaimed property shall be determined by the Administrator under regulations prescribed under section 8 of this Act, and his determination with respect to any such question shall be conclusive upon all Federal agencies and upon all States.

LIMITATIONS

SEC. 7. No property shall be treated as unclaimed property for the purposes of this Act to the extent that such property—

(a) came into the custody or control of a Federal agency under any provision of title 11 of the United States Code, relating to bankruptcy;

(b) constitutes the whole or any part of any trust fund established by any statute of the United States other than section 17(a) of the Act of June 26, 1934 (48 Stat. 1230; 31 U.S.C. 725p);

(c) is composed of sums payable under any provision of title 38 of the United States Code (relating to veterans' benefits) other than chapter 19 thereof (relating to insurance); or

(d) constitutes a gratuity, as defined by section 3(b) of this Act.

RULES AND REGULATIONS

SEC. 8. The Administrator, with the concurrence of the Comptroller General, shall prescribe such rules, regulations, forms, systems, and procedures for Federal agencies as may be required for the administration of the provisions of this Act.

APPROPRIATIONS

SEC. 9. There is hereby authorized to be appropriated to each Federal agency, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this Act.

AMENDMENTS

SEC. 10. (a) Subsection 203(m) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 484(m)), is amended to read as follows:

"(m) Subject to the provisions of section 2575 of title 10 of the United States Code, the Administrator is authorized to take possession of abandoned and other unclaimed property on premises owned or leased by the Government, and to retain custody thereof pending its disposition pursuant to the provisions of the Unclaimed Personal Property Act. Except in the case of property transferred to the Administrator pursuant to that section, such disposition shall not be made until (1) the Administrator has made a diligent effort to determine and locate the owner of the property, his heirs or next of kin, or his legal representative, and (2) one year has expired after the date of receipt of such property by the Administrator."

(b) The text of section 2575 of title 10 of the United States Code is amended to read as follows:

"(a) Subject to the provisions of sections 4712 and 9712 of this title, if money or other personal property of a deceased member of an armed force of the United States is in the custody of a military department, the Secretary concerned shall keep it in safe custody

and make a diligent effort to determine and locate the heirs, next of kin, or legal representative of the deceased member. Property remaining unclaimed two years after the death of the member shall be transferred to the Administrator of General Services, who shall dispose of such property pursuant to the Unclaimed Personal Property Act.

"(b) Whenever any other lost, abandoned, or unclaimed property is in the custody of a military department, the Secretary concerned shall make a diligent effort to find the owner, his heirs or next of kin, or his legal representative. If the owner, his heirs or next of kin, or his legal representative cannot be found within one year after such property is received at a storage point designated by the Secretary concerned, the Secretary shall transfer such property to the Administrator of General Services, who shall dispose of that property pursuant to the Unclaimed Personal Property Act, except that if the owner, his heirs or next of kin, or his legal representative is determined but not found, such property may not be so transferred until the expiration of one hundred and twenty days after the date when notice, giving the time of the intended transfer, has been sent by registered mail to that person at his last known address."

(c) Subsections (e), (f), and (g) of section 4712 of title 10 of the United States Code are amended to read as follows:

"(e) If the summary court-martial cannot dispose of the effects under subsection (d) because there are no persons in those categories or because the court finds that the addresses of the persons are not known or readily ascertainable, the court shall transmit the effects to the Department of the Army for disposition pursuant to section 2575 of this title.

"(f) The summary court-martial shall make a full report of the transactions under this section, with respect to the deceased, to the Department of the Army for transmission to the General Accounting Office for action authorized in the settlement of accounts of deceased members of the Army."

(d) Subsections (e), (f), and (g) of section 9712 of title 10 of the United States Code are amended to read as follows:

"(e) If the summary court-martial cannot dispose of the effects under subsection (d) because there are no persons in those categories or because the court finds that the addresses of the persons are not known or readily ascertainable, the court shall transmit the effects to the Department of the Air Force for disposition pursuant to section 2575 of this title.

"(f) The summary court-martial shall make a full report of the transactions under this section, with respect to the deceased, to the Department of the Air Force for transmission to the General Accounting Office for action authorized in the settlement of accounts of deceased members of the Air Force."

(e) Sections 4713, 6522, and 9713 of title 10 of the United States Code are repealed.

(f) Section 2042 of title 28 of the United States Code is amended by—

(1) striking out the words "in the name of and to the credit of the United States" contained in the first sentence of the second paragraph thereof, and inserting in lieu thereof the words "subject to disposal pursuant to the provisions of the Unclaimed Personal Property Act"; and

(2) striking out the words "Any claimant" contained in the second sentence of the second paragraph thereof, and inserting in lieu thereof the words "Before such disposal, any claimant".

(g) Section 17(a) of the Act of June 26, 1934 (48 Stat. 1230; 31 U.S.C. 725p), is amended by inserting therein, immediately after the first sentence thereof, the following new sentence: "All sums transferred to such account pursuant to section 20(a) of this Act shall be subject to disposal pursuant to the terms of the Unclaimed Personal Property Act.".

(h) The second sentence of section 3(f) of the Railroad Retirement Act of 1937 (45 U.S.C. 228c(f)) is amended by striking out the words "shall escheat to the credit of the Railroad Retirement Account", and inserting in lieu thereof the words "shall be disposed of pursuant to the provisions of the Unclaimed Personal Property Act".

EFECTIVE DATE

SEC. 11. This Act shall take effect on the first day of the second month beginning after the date of enactment of this Act.

THE ARCHITECT OF THE CAPITOL

Mr. DOUGLAS. Mr. President, on behalf of the Senator from Alaska [Mr. GRUENING], the Senator from Wisconsin [Mr. PROXMIRE] and myself I am introducing, for appropriate reference, a bill which provides that in the future the Architect of the Capitol shall be appointed, not by the President of the United States, as now, but by the President pro tempore of the Senate and the Speaker of the House of Representatives jointly, and shall hold office for a term of 4 years.

The bill also provides that no person shall be appointed Architect of the Capitol unless he is a qualified architect. The debates of the past few days indicate very clearly that we need to change the whole procedure and conduct of the office of Architect of the Capitol.

The President of the United States appoints the Architect of the Capitol.

His nomination does not have to be confirmed by the Senate. He holds office at the pleasure of the President, but yet he has all the housekeeping details of the Congress to look after. He has embarked Congress upon a gigantic and largely unnecessary program of building, costing more than $100 million for which we in Congress are being criticized but which is under the direction of an appointee of the President.

The present Architect of the Capitol is not an architect at all. He is a former Representative in Congress. That is a reputable occupation, but it does not qualify one to be the chief Architect of the Capitol.

So I think it is highly important that Congress take over control of the office of Architect of the Capitol, and that the Architect should be a qualified man.

Mr. President, I ask that the bill lie on the table for a week, in order that Senators who wish to add their names as sponsors may have the opportunity to do so.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the table for a week, as requested by the Senator from Illinois.

The bill (S. 1847) relating to the appointment of the Architect of the Capitol, introduced by Mr. DOUGLAS, for himself and other Senators, was received, read twice by its title, and referred to the Committee on Public Works.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that the bill may be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Architect of the Capitol shall be appointed by the President pro tempore of the Senate and the Speaker of the House of Representatives, acting jointly, on or after the first day of each odd-numbered Congress for a term expiring on the first day of the succeeding odd-numbered Congress.

(b) No person shall be appointed Architect of the Capitol unless he is a qualified architect.

SEC. 2. (a) This Act shall take effect on the first day of the Eighty-seventh Congress or upon the occurrence of a vacancy in the office of Architect of the Capitol, whichever is earlier.

(b) No person shall hold the office of Architect of the Capitol after January 3, 1961, unless he shall have been appointed in accordance with this Act.

FEDERAL ANTILYNCHING ACT

Mr. HART. Mr. President, I introduce, for appropriate reference, a bill on a subject that is not new to the Congress. According to the Library of Congress, more than 200 bills dealing with the same subject have been introduced since 1900. In checking the status of bills before this Congress, however, I was surprised to find that no proposed legislation on this subject has as yet been introduced in the Senate during this session, although four bills on the subject are now before the House of Representatives. The House, in fact, has passed proposed legislation on this subject five times since 1937.

I refer, Mr. President, to proposed legislation dealing with the question of Federal responsibility in cases in which physical violence resulting in great bodily injury or death has been committed against any person because of his race, religion, color, or national origin, or against any person who is either suspected of, or is in custody for committing, a criminal offense.

Admittedly, Mr. President, I made this check because of the incident in Poplarville, Miss., last week. I should like to comment briefly on that incident, so that no one will misunderstand my intentions in placing this bill before the Senate.

Mob violence is a horrible thing. Dragging a man from a jail; inflicting brutal injury, possibly death; denying anyone a fair trial; taking the law into private hands—these are unconscionable things. Few Americans anywhere condone them. I am informed that Governor Coleman of Mississippi, responded immediately, when informed of the incident, ordered a vigorous State investigation, and, within 18 minutes, had asked for assistance from the FBI. Not all local officials in some of the sections given to "finger pointing" have acted as promptly or as strongly in the face of mob violence. I know that every Member of the Senate joins me in the hope that those responsible will quickly be brought to justice. Thus, while this recent incident has reopened the question of how we are best to prevent mobs

from running over local officers of the law, I want to make it clear that it is not greatly different from some of the incidents involving mob action when Negro families have moved into new neighborhoods in Michigan. The same violation of constitutional guarantees providing for the equal protection of the laws may be involved. Basic motivations, I am sure, are the same.

I am, therefore, Mr. President, introducing this bill in the hope that it may provide an additional way to strengthen cooperation between the Federal law enforcement agencies and those of our individual States. Governor Coleman and the local law enforcement officials of Mississippi have taken an important step toward building that cooperation. Attorney General Rogers has assured me that his department is receiving and giving every assistance. At the very least, I believe that we here in the Senate should seek constructive ways to broaden the legal tools available to both State and Federal officials. We have come a long way in the right direction from the outbreaks in the 1930's and that worst hour, on the 19th day of June 1943, in Detroit, Mich., without the help of the bill I am now introducing.

It may be that this bill is not the best answer. If some better suggestions are forthcoming, I shall welcome the chance to support them. But I cannot, in good conscience, agree with those who may now suggest that the case has been made for no congressional action. We need every means of prevention that we can find.

Mr. President, I ask unanimous consent, that a brief summary of the provisions of this bill be printed in the RECORD at this point, together with the text of the bill and excerpts from a most lucid and informative report on the same subject filed by the Senator from Missouri [Mr. HENNINGS] and the Senator from North Dakota [Mr. LANGER], of the Judiciary Committee, in the second session of the 84th Congress. I commend them to the Senate.

Mr. President, although I do not ask that the bill be held at the desk, in case other Senators may wish to join in sponsoring it, I would welcome, of course, cosponsors and would move for inclusion of the names of cosponsors at any time.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the summary, bill, and excerpts from the report will be printed in the RECORD.

The bill (S. 1848) to declare certain rights of all persons within the jurisdiction of the United States, and for the protection of such persons from lynching, and for other purposes, introduced by Mr. HART, was received, read twice by its title, and referred to the Committee on the Judiciary.

There being no objection, the summary, bill, and excerpts from the report were ordered to be printed in the RECORD, as follows:

SUMMARY OF ANTILYNCHING LEGISLATION

The purposes of the bill are twofold: (a) to insure that all persons enjoy equally the rights, privileges, and immunities guaranteed by the Constitution, and (b) to safeguard our system of criminal justice. It guarantees to all citizens the right to be free from lynching.

The bill defines two forms of lynching: whenever two or more persons knowingly in concert: (a) commit physical violence against any person because of his race, religion, color, or national origin resulting in great bodily injury or death, and (b) undertake, by violence, to correct or punish any person in the custody of any governmental officer or who is suspected, charged, or convicted of a criminal offense.

The bill provides for criminal penalties against both persons who take part in the lynching (a maximum of $10,000 in fines and 20 years' imprisonment) and governmental officers who have neglected, refused, or knowingly failed to make all diligent efforts to prevent the lynching (a maximum of $5,000 in fines and 5 years' imprisonment).

Finally, the bill provides for an investigation by the Attorney General whenever governmental officers have failed to prevent a lynching or are failing to undertake to apprehend those responsible.

Unlike S. 505 in the 85th Congress, the bill does not include damages to property in the definition given lynching for the reason that separate legislation is now before the Senate dealing with this problem in what appears to be an equally effective manner. The definition of lynching has also been sharpened somewhat to focus emphasis on personal injury. Provision for civil damages has not been included because the question of governmental responsibility constitutes the essential core of the action that is required. Civil remedies could very well be added, however.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Antilynching Act".

PURPOSES

SEC. 2. The Congress finds that the succeeding provisions of this Act are necessary in order to accomplish the following purposes:

(a) To insure the most complete and full enjoyment by all persons of the rights, privileges, and immunities secured and protected by the Constitution of the United States, and to enforce the provisions of the Constitution.

(b) To safeguard the republican form of government of the several States from the lawless conduct of persons threatening to destroy the systems of public criminal justice therein and threatening to frustrate the functioning thereof through duly constituted officials.

RIGHT TO BE FREE OF LYNCHING

SEC. 3. It is hereby declared that the right to be free from lynching is a right of all persons, whether or not citizens of the United States, who are within the jurisdiction of the United States. As to all such persons, such right accrues by virtue of the provisions of the Constitution of the United States. As to citizens of the United States, such right additionally accrues by virtue of such citizenship. Such right is in addition to the same or any similar right or rights they may have as persons within the jurisdiction of, or as citizens of, the several States, the District of Columbia, the Territories, possessions, or other areas within the exclusive jurisdiction of the United States.

DEFINITIONS

SEC. 4. (a) Whenever two or more persons shall knowingly in concert (1) kill or attempt to kill or commit or attempt to commit serious physical injury upon any person or persons because of his or their race, creed, color, or national origin, or (2) exercise or attempt to exercise any power of correction or punishment over any person or persons in the custody of any governmental officer or employee or suspected of, charged with, or convicted of the commission of any criminal offense, by killing or committing serious physical injury upon or attempting to kill or commit serious physical injury upon such person or persons, with the purpose or consequence of preventing the apprehension or trial or punishment by law of such person or persons, or of imposing a punishment not authorized by law, such persons acting knowingly in concert shall constitute a lynch mob within the meaning of this Act. Any such action, or attempt at such action, by a lynch mob shall constitute lynching within the meaning of this Act.

(b) The term "governmental officer or employee", as used in this Act, shall mean any officer or employee of a State or any governmental subdivision thereof, or any officer or employee of the United States, the District of Columbia, or any Territory, possession or other area within the exclusive jurisdiction of the United States.

PUNISHMENT FOR LYNCHING

SEC. 5. Any person, whether or not a governmental officer or employee, (a) who is a member of a lynch mob or (b) who knowingly instigates, incites, organizes, aids, abets, or commits a lynching by any means whatsoever, shall, upon conviction, be fined not more than $1,000, or imprisoned not more than one year, or both; *Provided, however,* That where such lynching results in death or maiming or other serious physical or mental injury, constituting a felony under applicable State, District of Columbia, Territorial, or similar law, any such person shall, upon conviction, be fined not more than $10,000, or imprisoned not more than twenty years, or both. A felony, for purposes of this section, shall be deemed an offense which, under applicable State, District of Columbia, Territorial, or similar law, is punishable by imprisonment for more than one year.

PUNISHMENT FOR KNOWING FAILURE TO PREVENT OR PUNISH LYNCHING

SEC. 6. Whenever a lynching shall occur, (a) any governmental officer or employee who shall have been charged with the duty or shall have possessed the authority as such officer or employee to prevent the lynching, but shall have neglected, refused, or knowingly failed to make all diligent efforts to prevent the lynching, and (b) any governmental officer or employee who shall have had custody of a person or persons lynched and shall have neglected, refused, or knowingly failed to make all diligent efforts to protect such person or persons from lynching, and (c) any governmental officer or employee who, in violation of his duty as such officer or employee, shall neglect, refuse, or knowingly fail to make all diligent efforts to apprehend, keep in custody, or prosecute any person who is a member of the lynch mob or who knowingly instigates, incites, organizes, aids, abets, or commits a lynching by any means whatsoever, shall be guilty of a felony and upon conviction thereof shall be punished by a fine not exceeding $5,000 or by imprisonment not exceeding five years, or by both.

DUTY OF ATTORNEY GENERAL OF THE UNITED STATES

SEC. 7. The Attorney General of the United States shall cause an investigation to be made to determine whether there has been any violation of this act, whenever information on oath is submitted to him that a lynching has occurred, and (a) that any governmental officer or employee who shall have been charged with the duty or shall have possessed the authority as such officer or employee to prevent such lynching, has neglected, refused, or knowingly failed to make all diligent efforts to prevent such lynching, or (b) that any governmental officer or employee who shall have had custody of a person or persons lynched and has

neglected, refused, or knowingly failed to make all diligent efforts to protect such person or persons from lynching, or (c) that any governmental officer or employee, in violation of his duty as such officer or employee, has neglected, refused, or knowingly failed to make all diligent efforts to apprehend, keep in custody, or prosecute any person who is a member of the lynch mob or who knowingly instigates, incites, organizes, aids, abets, or commits a lynching by any means whatsoever.

SEVERABILITY CLAUSE

SEC. 8. If any provision of this act or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the act and of the application of such provision to other persons and circumstances shall not be affected thereby.

EXCERPTS FROM REPORT

The issue here presented has engaged the committee's attention on previous occasions. Hearings on similar legislation were conducted in the 74th, 76th, 80th, and 81st Congresses. The legislation was reported to the Senate in the 74th, 75th, 76th, 80th, and 81st Congresses.

While it is true that in recent years lynchings have become comparatively rare, nevertheless the action is so repugnant that it is well to establish as part of the law of the land that such actions of mob violence are unlawful and will be punished to the full extent of the Federal power. When this legislation has been considered on previous occasions, its constitutionality has been questioned. Most of these assertions are based upon the suspicion that lynching is nothing but murder and the Federal Government has no constitutional right to punish lynching any more than it has to punish murder. This analogy, however, between murder and lynching is dispelled upon closer examination. In murder, one or more individuals take life generally motivated by some personal reason. In lynching, a mob sets itself up in place of the State, in disregard of the processes of law, and attempts to mete out punishment to persons accused or suspected of crimes. The mob in such cases sets itself up as the judge, the jury, and the executioner. In murder, the accused merely violates the laws of the State. In lynching, the mob arrogates to itself the powers of the State and the functions of the Government. It is, therefore, not only an act of killing but a usurpation of the functions of the Government, and it is this combination of acts which this legislation seeks to prevent. If there is no usurpation of governmental authority and a homicide has been committed, the homicide, if punishable, is punishable under State laws. But where a homicide occurs, having as its basis the denial of justice to a person because of his race, color or religion, or any associated reason, the crime committed is against the sovereign and should be punishable acordingly.

Where does the Congress derive authority for the punishment of such actions? First of all, from its authority to punish attempts to usurp Federal authority; secondly, from its constitutional power to guarantee to each State of the Union a republican form of government; thirdly, from the constitutional power to enforce the provisions of the 14th amendment, prohibiting States from depriving any person of due process and equal protection of the laws. Also from the constitutionally delegated authority to define and punish offenses against the law of nations and from the authority conferred upon Congress to carry into effect all of the foregoing powers.

It should be clear that those who participate in mob violence and lynching know no boundaries or sections. The evil which is to be corrected is not confined to any geographical area or political subdivision nor does this legislation treat the offense as if it were a local or sectional problem.

The committee anticipates that enactment of the pending bill will result in substantial improvement in the protection of persons accused or suspected of criminal activity. Federal and local officials faced with surer punishment if they fail to exercise their authority and do their duty, will take more adequate steps to prevent lynchings and mob violence. Government subdivisions faced with the prospect of suits for civil damages will be impelled to see to it that lynchings are not permitted within their jurisdiction.

This Government which is looked upon as a model form of government by many peoples of the world, cannot afford to see its authority flouted by the lawless mob. The prestige of this Nation, its form of government and its advocacy of equal justice under law is at issue. The establishment of criminal and civil procedures against mob violence directed at individuals and groups by reason of race, creed or color, would serve to restore and enhance the prestige of this Nation in the eyes of those at home and abroad who look to our Government for hope and inspiration.

WORLD PEACE THROUGH WORLD LAW—ADDITIONAL COSPONSOR OF CONCURRENT RESOLUTION

Under authority of the order of the Senate of April 23, 1959, the name of Mr. MCCARTHY was added as an additional cosponsor of the concurrent resolution (S. Con. Res. 25) favoring a general conference to review the United Nations Charter, submitted by Mr. CLARK (for himself and other Senators) on April 23, 1959.

RECOGNITION OF JURISDICTION OF INTERNATIONAL COURT OF JUSTICE IN CERTAIN CASES—ADDITIONAL COSPONSOR OF RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the name of the Senator from New York [Mr. JAVITS] may be added as a cosponsor of the resolution (S. Res. 94) relating to the recognition of the jurisdiction of the International Court of Justice in certain legal disputes hereafter arising, submitted by me on March 24, 1959.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. HUMPHREY:

Address delivered by him before Chamber of Commerce luncheon, Washington, D.C., April 27, 1959.

Address delivered by him before Sixth National Conference on International Economic and Social Development, at Washington, D.C., on April 30, 1959.

By Mr. MANSFIELD:

Article entitled "Reviewing U.S. Role on World Stage," being an interview with Senator FULBRIGHT by Courtney Sheldon, of the Christian Science Monitor, and published in the April 29, 1959, issue of that newspaper.

NOTICE OF HEARING ON NOMINATION OF C. DOUGLAS DILLON TO BE UNDER SECRETARY OF STATE

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate today received the nomination of C. Douglas Dillon, of New Jersey, to be Under Secretary of State, vice Christian A. Herter.

In accordance with the committee rule, the pending nomination may not be considered prior to the expiration of 6 days.

THE LABOR REFORM BILL

Mr. MORSE. Mr. President, I ask unanimous consent that there be printed in the body of the RECORD Walter Lippmann's column of this morning, entitled "The Labor Reform Bill." I think it contains a very keen analysis of the problem which confronts not only the Congress, but the President and the Nation, in respect to labor legislation.

I wish to extend my very sincere compliments to Walter Lippmann. I think he has one of the keenest analytical minds of any writer in America today, whether he picks up his pen on a domestic issue, such as labor reform, or upon some subject in his special field, in which he is recognized as an expert, namely, that of foreign policy. He always gives us thoughts which I think deserve the very careful study of Members of Congress who have such responsibilities as ours.

On another occasion I said I thought he would make a great Secretary of State. I say that with no reflection whatsoever upon Mr. Herter. I think we would do well as a Congress and as a people to give great heed to the analyses of foreign policy subjects which Mr. Lippmann presents to us from time to time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE LABOR REFORM BILL

(By Walter Lippmann)

Having been passed by the Senate, the labor reform bill now goes to the House which is expected to hold hearings throughout the month of May. The main debate will be on whether the amended Kennedy bill should be toughened or softened. In fact, however, the overriding national interest is that a bill should be passed which establishes the principle, as does the Senate bill, that there is a public interest in the internal management of the labor unions, and that the right to regulate them is legally recognized and universally accepted.

This is ever so much more important than any specific provision of the bill. For the regulation of labor unions in order to prevent the crimes and abuses revealed by the McClellan committee is a vast undertaking. There are in this country some 200 national unions and some 60,000 local unions. They have a membership of about 17 million workers. It is easy to say that these unions must all be honestly and faithfully administered in a democratic way. But it will not be easy for the Federal Government to enforce these desirable criteria in a vast and complex community like the labor unions. As an undertaking, it is comparable in its

difficulty with the problem of achieving equal civil rights in all parts of the country.

As in the problem of civil rights, the crucial question is what is the maximum that can be achieved in the way of observance and enforcement by assent and consent, without imposing upon the Government impossible tasks of enforcement. It is no good to say "there ought to be a law" against this or that when the real question is what kind of law can be expected to work. Anybody can write a bill which commands what he thinks should and should not be done. But what counts is a bill which not only points in the right direction but offers a good prospect of moving in that direction.

By this test the Senate bill is a good one. The proof that it is good is that it was passed unanimously, taking account of Senator GOLDWATER's dissent for the sake of the record. The bill has the support of the responsible labor leaders, beginning with Mr. George Meany. Thus, if enacted into law, we may expect that there will be a large amount of voluntary observance and a limited need for measures of enforcement.

I have not in recent months followed in detail the exposures of the McClellan committee. But a year ago, its sensational exposures of racketeering and corruption had covered only 7 out of nearly 200 national unions. No doubt there are others which need to be exposed. But no doubt also, there are a great many which are honestly and faithfully run. Their example and support are very necessary to effective regulation of the labor movement.

In my view, the critically important and desirable feature of the bill is the requirement for detailed financial reports. For if this requirement can be enforced, if there is full and continuing disclosure of the income, the investments, and the expenditures of the unions, the foundation of effective regulation will have been laid. This will not be the last bill to regulate the unions which is to come before Congress. The regulation of corporations was not done in one bill. It has evolved with experience. The same will be true of the regulation of the unions.

For this reason, it is an exaggeration to become too much concerned about the softness or toughness of the provisions about labor union practices. As for the provisions to make the internal government of the unions democratic, they may be regarded as in a class with laws deploring the sinful nature of man.

It would be a great pity if in an excess of zeal and of righteousness, this very promising bill were lost.

Mr. MOSS subsequently said: Mr. President, I ask unanimous consent that my brief remarks may be printed in the RECORD immediately following the remarks of the Senator from Oregon [Mr. MORSE], who in the morning hour made comment about the labor bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? The Chair hears none, and it is so ordered.

Mr. MOSS. Mr. President, there is a great deal of discussion going on as to whether the Kennedy labor reform bill passed by the Senate last week should be toughened or softened by the House.

In my opinion, this discussion misses the point. The question at issue is what type of regulations to assure union democracy, and curb racketeering and wrongdoing, can be evolved which will not place an impossible enforcement burden on both the unions and the Federal Government.

This thesis is ably developed by the distinguished columnist Walter Lippman in this morning's Washington Post, which the distinguished Senator from Oregon [Mr. MORSE] submitted for printing in the CONGRESSIONAL RECORD. In furtherance of this thesis, I ask unanimous consent to have included in the CONGRESSIONAL RECORD the editorial from the Washington Post and Times Herald of April 28, commenting on the final passage of the bill, and the form in which it passed.

The almost unanimous passage of a highly constructive measure is a tribute to the Senate leadership, and to the wise and reasonable attitude with which the Members approached this most important reform measure.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WELL DONE, SENATE

The most pointed commentary on the much amended Kennedy-Ervin labor reform bill is the 90-to-1 vote by which it passed the Senate. Even Senator GOLDWATER, who cast the lone negative vote, admitted that the bill has been immeasurably improved. Many other Senators have reservations about some parts of the bill, but the passage of a broad-gaged measure on so controversial a subject with general approval on both sides of the aisle is a very striking performance.

Virtually unanimous action was possible because the Senate avoided extremes. The one decision which seemed to cut loose from well-digested reform, the adoption of Senator MCCLELLAN'S so-called bill of rights, was wisely modified despite the heated row this effort provoked. The Senate clung to the substance of the bill of rights while discarding some of its sweeping language that might have given unions difficult administrative problems.

The Senate was similarly restrained in handling various other difficult problems. It did not deal comprehensively with secondary boycotts, but it voted to prohibit common interstate carriers from signing labor contracts that would prevent them from handling "hot cargo" from strikebound or nonunion plants. At least this strikes at one conspicuous facet of the secondary boycott problem. Similarly the Senate extended Senator KENNEDY'S very limited curb on picketing to some additional situations in which picketing is indefensible, without venturing into the most controversial sphere and the danger of thwarting legitimate aims.

Certainly the Senate has not spoken the last word on these highly complex aspects of the labor-management problem. But it has gone as far as it thought prudent in this urgent reform bill. If the House acts with comparable judgment, a constructive labor bill will soon be on its way to the White House. It is scarcely conceivable that the President would veto such a measure.

For the outcome in the Senate much credit is due to Senator KENNEDY even though the Senate found it advisable to stiffen his original bill in many particulars. Special credit is also due to Senator ERVIN, the cosponsor, Senator MCCLELLAN, and the group of liberal Republican and Democratic Senators who worked out the bill of rights compromise. With continued good management, this bill may well stand out as one of the chief landmarks of the present session.

CLARE BOOTHE LUCE

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "'Luce Wit'—Caustic Clare Can't Resist a Wisecrack," published in the Washington Post of today.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

'LUCE WIT'—CAUSTIC CLARE CAN'T RESIST A WISECRACK

Clare Boothe Luce has been having the last word for many years, and so far the word—caustic though it may be—has never been finis to any of her many brilliant careers.

Her public retort to Senator WAYNE MORSE, of Oregon, after she was finally confirmed as U.S. Ambassador to Brazil, is the kind of "Luce wit" to which this literary lady has been addicted all her life. She was just being consistent when she followed up the stormy sessions on her Latin American appointment by shocking old time diplomats here with a "typical Luce-ism" her friends and critics say. The author of that acid Broadway hit, "The Women" was echoing one of her own characters, they say.

"We must now wait until the dust settles," she stated shortly after the Senate had made her Uncle Sam's next envoy to Rio de Janeiro, overriding the strong protests of Senator MORSE. Then, she went on, "My difficulties, of course, go some years back and began when Senator MORSE was kicked in the head by a horse."

A little research into the written and spoken word of Clare Luce upon the public scene reveals that she just can't resist a wisecrack.

Back in 1943, in her maiden speech as a new Member of the House of Representatives from Connecticut, Mrs. Luce coined the word "globaloney." She used it as a tag for some of the global thinking of Henry Wallace. This dramatic little word was heard all around the world, and it roused the then Vice President of the United States to take to the public podium to answer the lady.

Observers who covered the 116 campaign speeches which Congresswoman Luce had made, said that neither her beauty, nor her charm, nor her fame as a writer had nailed down the election. Her own witty words had turned the trick.

In that election, she called her unsuccessful opponent, Representative Leroy D. Downs, "a faceless man who spends a lot of time trying to get his face in the papers."

When Mrs. Luce plunged actively into campaigning for Wendell Willkie in 1940, she learned some basic political lessons the hard way. She leveled off at Journalist Dorothy Thompson, a Roosevelt supporter, by calling her, "The Molly Pitcher of the Maginot Line." Miss Thompson promptly called Clare Luce, "The Fisher body of the Republicans."

"I learned," said Mrs. Luce, "never to indulge in such exchanges with other women in politics. When two women get into a thing like that, it is called a 'cat fight.' With two men, it's a political discussion."

But, she has always had her wits about her when discussing the men. President Roosevelt's Secretary of the Interior, Harold L. Ickes, himself no mean phrasemaker, was described by Mrs. Luce as a "prodigious bureaucrat with the soul of a meat ax and the mind of a commissar."

Former Assistant Secretary of State Adolf A. Berle was charged with "arousing a mischievous political 'hurly-burly' which might cause misunderstanding" with our allies.

In the brittle and brilliant language which made her the love of the GOP, Clare Luce made a political speech in 1948, in which she called the Democrats a hodgepodge rather than a party, a "mish-mash of die-hard, warring factions."

Mrs. Luce was an even more active critic of President Franklin D. Roosevelt than Senator MORSE accused her of being during the hearings on her new appointment. The

Senator said he did not feel that Mrs. Luce was acting like a diplomat when she had accused President Roosevelt of having "lied us into war."

She flayed FDR for not coming to the defense of Nehru back in 1943 when the present leader of India was jailed. She said that most Americans did not share the President's "Pontius Pilate silence" about Nehru.

At the Republican National Convention in Chicago in 1944, Mrs. Luce coined a new word. In a bitter attack on the Democrats, she said that American democracy was "becoming a dictatorial bumbledom."

After a tour of European battlefronts in 1945, she said in a speech that it is time we "draw a moral balance sheet on communism. That balance sheet comes out in the red—and that red will come out in blood, not ink," she said.

In 1947, she took aim again at Henry A. Wallace, called him a "devilishly messianic windbag spirit."

Former Secretary of State Dean Acheson came in for his share when Mrs. Luce, in 1952, said that "Achesonism, and not McCarthyism, is the real menace to America." Just 2 years before this, she had given the Democrats an unexpected pat when she called Mrs. Franklin D. Roosevelt "the best loved woman in the world." Yet, Mrs. Roosevelt came in for her own share of hat pin darts from Mrs. Luce.

In 1948, Mrs. Luce declared herself to be "through with politics," but she was certainly not through with talking. She called President Harry Truman a "gone goose" and Henry Wallace, "Stalin's Mortimer Snerd."

In 1950, Mrs. Luce took off on a nonpartisan attack on her former colleagues in Congress. She enraged a group of congressional wives on both sides of the political fence by saying the legislative bosses up on the Hill were filled with laggard lame brains and backward dimwits. Her exact words were not noted, but this is the consensus of the memory of some 200 wives present upon that occasion.

About the only period in her life when Clare Luce put a noose on her own tongue were the years when she was U.S. Ambassador to Italy. From 1953 on, diplomacy seemed to gag the lady as she worked hard at her desk in the American Embassy in Rome.

Even the Democrats began saying nice things about her. The current vice chairman of the Democratic National Committee, Katie Louchheim, went to Rome, found things so much to her liking in the U.S. Embassy there, that she wrote back a flattering dispatch to the Washington Post.

When Mrs. Luce did speak her mind during her Italian stay, she spoke seriously and to high purpose. The Italians, who hadn't wanted a woman envoy in the first place, were won over by her charm and her serious espousal of their problems.

Every time Mrs. Luce came home on leave from Italy, she was a woman masked in silence. Nobody could get to her. Then in July 1956, came a bombshell from the pages of her husband's own magazine. Henry Luce's Time scooped the rest of the American press on the fact that his wife was resigning as U.S. Ambassador to Italy because she had been "poisoned." According to Time, Mrs. Luce had been taking arsenic every morning in her coffee. It seems that the ancient paint on the ceiling of her bedroom in Rome had flaked down its arsenic base into her demitasse. Or so, everyone said except Mrs. Luce. She kept mum * * * resigned in November 1956 because of ill health.

A month later, Clare Luce was talking again. This time, she launched a drive to lend pictures, stored here in our art museums, to decorate the bare walls of U.S. embassies abroad.

Mr. MORSE. Mr. President, I offer this article for the RECORD as a basis for the direction of a few questions to the President of the United States.

I have been very much disappointed in the failure of the White House press corps to ask such vital questions of the President. Having waited for them to do it, and they not having done it, I believe that for the historical record they should be directed to the President from the floor of the Senate. This is particularly justified in view of the comments which he made at his press conference yesterday about the Luce appointment. Comments which I think show his complete lack of grasp of the implications of the inexcusable mistake he has made in sending to Brazil a political diplomat rather than a career diplomat. It is especially unfortunate that he has nominated this particular political diplomat who has slandered not only President Franklin Roosevelt but in a very real sense has slandered the office of the Presidency of the United States.

President Eisenhower spoke yesterday about his survey of opinion in Brazil. Let me say to the President that other surveys of opinion in Brazil have been and are being made. As chairman of the Subcommittee on American Republics Affairs of the Committee on Foreign Relations I wish to advise the President that I have some information about opinion in Brazil, as well. It does not correspond to his. He will discover, no doubt, in due course of time, how unfortunate his selection was when he hears of the reaction within Brazil among many people in the rank-and-file population of Brazil.

Mr. President, there is no man to whom President Eisenhower is more indebted than he is to former President Franklin Delano Roosevelt. After all, the great opportunity for the military career which Mr. Eisenhower has had was due to the confidence placed in him by Franklin Roosevelt. It was President Roosevelt who promoted Eisenhower over the heads of many senior officers.

So I ask, from my desk on the floor of the Senate today, these questions:

President Eisenhower, do you think Franklin Roosevelt lied our country into war?

The next question: Do you think you have no obligation to the American people, as the President of the United States, to make a statement as to what your position is in regard to Mrs. Luce's slanderous remarks against President Roosevelt, repeated in substance when she stood by her previous slanderous statement on April 15, 1959?

President Eisenhower, do you think you have no obligation to the history of the Presidency of the United States to do what you can to clarify this slander? Do you think Mr. President, that you have no obligation to either rise to the defense of your Commander in Chief in World War II and call the slander of Clare Luce for what it is or tell the American people that you are willing to condone the besmirching of the memory of Franklin Roosevelt?

Do you think, Mr. President, that during World War II you were leading American boys to their death under the direction of a Commander in Chief who had lied our country into war?

If you do, say so. If you do not, then tell the American people how you can possibly justify sending as the American Ambassador to Brazil this slanderer of the great President of the United States, Franklin Roosevelt. Mr. President, you are now the guardian of the Office of the Presidency of the United States. What is your answer for history to these questions?

I ask that there be printed in the CONGRESSIONAL RECORD at this point, and as a part of my remarks, the language appearing in a great cartoon published in this morning's Washington Post. It is too bad it is not possible to reproduce a cartoon in the CONGRESSIONAL RECORD. This is indeed a great cartoon. However, I wish to read for the RECORD the language in Herblock's great cartoon this morning. All one need do is to read the transcript of the President's remarks at his press conference yesterday to realize how apropos is the language in the cartoon:

Well, you see, she didn't think she was speaking for publication, or maybe I mean I think her husband's publication is unspeakable. Anyhow, she's a very good diplomat, only she's not very diplomatic. Well, her husband naturally thinks she's great, so naturally he said that she should resign. Mind you, I'm not one to kick, even when somebody beats this old bag of bones. Now I just happen to have here a psychiatric report in the form of a poem and * * *

I had not intended to say any more on this subject, but I decided that it was my duty to say more, because I, too, have heard from Latin America. I repeat, Mr. President, if this nominee goes to Latin America it will not strengthen United States-Latin American relations. You may find it difficult to tell her to stay home but if you do not, history will record your failure to defend the honor and reputation of a great President and your great Commander in Chief during World War II.

INFLATION PSYCHOLOGY

Mr. BENNETT. Mr. President, one of the grave dangers of creeping inflation is a very real threat that the creep will turn into a gallop. The catalyst that could turn the trick in such a situation is an inflation psychology among our people. This is represented by a feeling that inflation is inevitable and, therefore, instead of facing up to it and fighting it, our only hope is to adjust to it. But in the very process of making these adjustments, we create new and more powerful inflationary forces.

I ask unanimous consent to have printed in the RECORD an excerpt from the April 1959, issue of the monthly letter of the First National City Bank of New York, entitled "How To Beat Inflation."

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

HOW TO BEAT INFLATION

There is an old political adage that runs, "if you can't lick 'em jine 'em." This same philosophy seems to have spread into the financial arena as more people have come to believe in the inevitability of a dwindling

dollar and have sought to shield themselves accordingly. Indeed, for many, the attitude is more than mere capitulation to the forces of inflation: it is a willingness to relax and enjoy it in the belief that they are clever enough to stay at least one whirl ahead in the spiral.

Growing inflation consciousness may seem unwarranted in view of official assurances that the cost of living will be quite stable in the months ahead. Excess productive capacity, tightening up on business efficiency during the recession, and lower food prices should help to hold consumer prices in check over the near term.

Those who foresee long-pull inflation (interrupted now and then by periods of overall price stability) base their belief on continuance of the cold war with its requirement of heavy defense spending, pressures of higher wages and taxes, Government full employment policies, and generally the growth of the welfare state which emphasizes abundance of spending power.

There is no lack of evidence that fears of continued inflation have been influencing people's investment decisions. As a consequence, ironically, the worst price inflation has been in popular inflation hedges, such as the stock market.

SEEKING INFLATION "SHIELDS"

Cost-of-living escalator clauses in wage contracts now cover over 4 million workers—more than double the number in 1955, according to the U.S. Labor Department. Last August the American Federation of Government Employees called for an escalator plan of annual adjustments that would "keep pay in line with living costs." Not long ago a business leader urged the Treasury to put out "inflation proof" bonds with interest payments tied to the cost of living. And a prominent economist suggested last month that social security checks be fitted with the same kind of escalator clauses.

Variable annuity plans have been developed under which assets would be invested in part in common stocks and annuity payments would vary with investment results, including dividends and changes in market value. Price supports for agriculture put farmers on a sort of escalator which increases their income as their costs go up.

In the money market, higher interest rates reflect among other things the demand of savers for better rates and the expectation that the dollar repaid tomorrow may be worth less than the dollar lent today. In the security markets, investor eagerness for stocks and lack of enthusiasm for fixed-income bonds stems in part from what a Federal Reserve Board Governor described not long ago as "almost psychotic fears of inflation in the future." And, finally, another sign of the times is the announcement last week that New Jersey will put some of its $750 million pension funds in stocks. Previously, they could only be invested in bonds.

This heightened interest in inflation "shields" makes timely an analysis of their effectiveness as safeguards against the hardships and inequities brought on by a currency that steadily loses value.

RIDING ON ESCALATORS

First, a word or two about escalator clauses in wage contracts, which link wages to the cost of living through the consumer price index.

While the buying power of the paychecks covered by such contracts might be preserved in the face of price rises, that of other items not covered—such as insurance policies, bank accounts, Government savings bonds, etc.—would go down. And, of course, gains to those able to hedge through escalator arrangements are at the expense of everyone else in the community whose incomes do not go up and whose purchasing power is reduced by the higher prices.

Perhaps more fundamental, wage escalation weakens the resistance of workers to inflation, even giving them a sense of profiting from the process. Thus, they fail to support efforts to get at basic causes, including excessive Government spending and deficits financed by "cheap" money. Inflation becomes "built in." As higher wages and costs bring on higher prices, escalators give wages a further push. Then, as costs go up, prices rise again, bringing still another turn of the wage screw, and so on in a mounting spiral.

Dr. Paul McCracken, a former member of the President's Council of Economic Advisers, summed up the impact of escalation in the Michigan Business Review of September 1955:

Price inflation is the way market forces endeavor to boil the surplus purchasing power out of the system. But if we set up escalator machinery by which as fast as the excess is removed it is promptly pumped back into the economy, the end result of a policy of slowly rising prices is certain to be prices rising not so slowly.

RETIREMENT OF DR. EDGAR B. BROSSARD

Mr. BENNETT. Mr. President, today marks the close of the brilliant Government career of Dr. Edgar B. Brossard, retiring Chairman of the U.S. Tariff Commission. It is with deep regret that we who have known him intimately for these many years see him step down from the work to which he has so devotedly given his life. Of all the excellent Utahans who have filled positions of prominence in Government over the years, none has served with more distinction than has Dr. Brossard.

It has been my personal privilege to know him as an intimate friend since before be came to Washington and to know of the many services he had rendered to the young people of his own State and of other States in the nearly 50 years he has spent here.

His 42 years of Federal Government service have been unique. Thirty-four of these years have been with the U.S. Tariff Commission, he being appointed and reappointed by five different Presidents.

Dr. Brossard's early Government service was with the Department of Agriculture. He was appointed an economist with the Tariff Commission September 1, 1923. President Calvin Coolidge appointed him a member of the Commission on July 9, 1925. He was reappointed a member of the Commission by Presidents Herbert Hoover, Franklin D. Roosevelt, Harry S. Truman, and Dwight D. Eisenhower. Presidents Hoover and Eisenhower each appointed him Chairman of the Commission.

When, having reached the mandatory retirement age of 70 on April 1, Dr. Brossard tendered his letter of resignation, President Eisenhower accepted the retirement with deep regret. In a letter to Dr. Brossard the President said:

Your service has not only been valuable in and of itself, but an example of the highest dedication to the work of such important commissions as the one which you so ably head. Your devotion to duty, your abilities and experience, and your long dedication have truly benefited the United States • • • and you are deeply appreciated by your country and me.

In his Tariff Commission responsibilities, Dr. Brossard has served as alternate U.S. delegate to the International Conference of Trade and Employment held in Geneva in 1947 and in Havana in 1948. He also was an official delegate to the 1956 Geneva International Conference on Trade and Employment. He is Chairman of the Committee for Reciprocity Information and a member of the Interdepartmental Committee on Trade Agreements.

Dr. Brossard was born on a cattle ranch at Oxford, Idaho, April 1, 1889. In 1900 his family moved to Logan, Utah, and even with his many years of service in Washington, D.C., that State has remained his official residence. He is an economist holding the bachelor of science and honorary doctor of laws degrees from the University of Minnesota. He also has done graduate work at Cornell University.

As members of the Church of Jesus Christ of Latter-day Saints, he and his wife, Laura Cowley Brossard, will be long remembered by the thousands of Utahans and Latter-day Saint Church members who have made the Brossard home in Washington, D.C., their headquarters for the past third of a century. Particularly during the war years, up to 150 persons, chiefly lonely servicemen, have crowded into their home on Sunday evenings for a fireside of fellowship, spirituality, and warm reminder of the homes and faith which they represented.

It is appropriate that we in the U.S. Senate today recognize and express appreciation for the work of this great American to his Government, to his country, and to his people.

UNCONSTITUTIONALITY OF THE PART OF THE CIVIL RIGHTS ACT OF 1957 EMBODIED IN SECTION 1971(c) OF TITLE 42 OF THE UNITED STATES CODE

Mr. ERVIN. Mr. President, some time ago the Attorney General of the United States instituted a civil action in the District Court of the United States for the Middle District of Georgia in the name of the United States, as plaintiff, against James Griggs Raines, and others, defendants, for the avowed purpose of obtaining a decree against the defendants under the provisions of that portion of the Civil Rights Act of 1957 embodied in section 1971(c) of title 42 of the United States Code. A few days ago, the Honorable T. Hoyt Davis, U.S. district judge for the Middle District of Georgia, entered an order dismissing the complaint of the Attorney General upon the ground that this part of the Civil Rights Act of 1957 is unconstitutional because it undertakes to authorize "the Attorney General to seek an injunction against a private citizen for an individual act, divorced completely from State action."

The ruling of Judge Davis was accompanied by a well-considered legal opinion, which, it seems to me, constitutes an unanswerable argument for the validity of the order of dismissal.

In view of the fact that the opinion of Judge Davis has a direct bearing upon

certain extreme so-called civil rights bills now pending before the Subcommittee on Constitutional Rights of the Senate Committee on the Judiciary, it ought to be made available to all Senators so that they may be able to determine for themselves whether the Congress would be constitutionally justified in considering the enactment of such pending so-called civil rights bills.

To this end, I request, on behalf of myself and the distinguished junior Senator from Georgia [Mr. TALMADGE], that the order and opinion of Judge Davis be printed at this point in the RECORD as part of my remarks.

There being no objection, the order and opinion were ordered to be printed in the RECORD, as follows:

ORDER DISMISSING COMPLAINT

IN THE DISTRICT COURT OF THE UNITED STATES FOR THE MIDDLE DISTRICT OF GEORGIA, AMERICUS DIVISION—UNITED STATES OF AMERICA, PLAINTIFF *v.* JAMES GRIGGS RAINES, DIXON OXFORD, ROSCOE RADFORD, REGISTRARS OF TERRELL COUNTY, GA.; F. LAWSON COOK, SR., AND MRS. F. LAWSON COOK, SR., DEPUTY REGISTRARS, DEFENDANTS—CIVIL ACTION NO. 442

In accordance with the opinion filed in the above stated case on this date, it is hereby ordered and adjudged that the complaint in said cause be and the same is hereby, dismissed. Costs are taxed against the United States.

This the 16th day of April, 1959.

T. HOYT DAVIS,
United States District Judge.

OPINION OF DISTRICT JUDGE DAVIS

IN THE DISTRICT COURT OF THE UNITED STATES FOR THE MIDDLE DISTRICT OF GEORGIA, AMERICUS DIVISION—UNITED STATES OF AMERICA, PLAINTIFF *v.* JAMES GRIGGS RAINES, DIXON OXFORD, ROSCOE RADFORD, REGISTRARS OF TERRELL COUNTY, GA.; F. LAWSON COOK, SR., AND MRS. F. LAWSON COOK, SR., DEPUTY REGISTRARS, DEFENDANTS—CIVIL ACTION NO. 442

This is an action instituted by the Attorney General of the United States in the name of and on behalf of the United States under the provisions of the Civil Rights Act of 1957. The complaint is one seeking preventive relief against the alleged deprivation of voting rights of certain named persons on account of their race or color. The action is brought against James Griggs Raines, Dixon Oxford, Roscoe Radford, registrars of Terrell County, Ga.; F. Lawson Cook, Sr., and Mrs. F. Lawson Cook, Sr., deputy registrars of Terrelle County, Ga. It is alleged that these defendants have engaged in wrongful acts and practices, which will deprive otherwise qualified persons of the right to vote because of their race or color. No attack is made upon any State law, but rather, it is alleged that the wrongful deprivation of voting rights will result from the improper and wrongful administration of the Georgia registration laws by the named defendants. It is against this allegedly wrongful administration of the registration laws that this complaint seeks relief.

The complaint was filed on September 4, 1958. On September 23, 1958, a motion to dismiss said action was filed on behalf of all named defendants. This motion was set down for hearing in Americus, Ga., on January 26, 1959. Briefs were subsequently filed by counsel for all parties. Reply briefs and supplemental briefs were likewise filed. The court has given careful consideration to the pleadings, oral arguments and extensive and exhaustive briefs filed with the court.

The motion to dismiss is based primarily upon four main grounds. The first is the unconstitutionality of the section authorizing the Attorney General to file this action. This contention is grounded on two arguments. The defendants argue that the sections involved are not appropriate legislation within the meaning of section 2 of the 15th amendment to the Constitution of the United States. Secondly, they urge that Congress had no authority to authorize the Attorney General to file a suit of this nature since it is neither an action in law or equity. This deals in part with the authority of Congress to authorize the grant of an injunction without regard to exhaustion of other available remedies. The second main ground of the motion to dismiss is the failure of the complaint to state a cause of action under the Civil Rights Act of 1957, even if constitutional. The third ground asserts that the cause should be dismissed by the court in the exercise of its sound discretion. Because of the court's ultimate judgment in this matter and to facilitate clarity of presentation, these grounds will be considered in reverse order.

In the third ground of their motion, the defendants argue that the court should exercise its discretion and deny the relief sought, even though it be decided that the act under which it is brought is constitutional and the complaint states a cause of action under the statute. In support of this ground, it was pointed out that no emergency existed, such as that contemplated by Congress when this act was enacted. Though a general election was held in Georgia in November 1958, this complaint did not seek a temporary restraining order, or any other remedy which might have enabled the allegedly wronged parties to vote in that election. It seeks instead to secure an injunction at a time when the next scheduled election is over a year in the future. The defendants argue that the State can afford the desired remedy prior to any election and that no such emergency exists as would justify this court's intervention.

While some of the language of the congressional hearings does indicate that this remedy was primarily designed for emergency use, the wording of the statute imposed no such limitation. This court cannot so limit the applicability of the statute. Similarly, the failure of the complaint to seek such relief as might have protected the voting rights of the allegedly wronged parties prior to the November election does not impede the operation of the statute. It may raise some question as to the motive of the litigation, but the court without hearing any of the evidence would not be disposed to dismiss the proceedings in the exercise of its discretion. It is true that equitable relief may be denied in the exercise of the court's discretion, but it should be a discretion informed by evidence. The court is of the opinion that, based on the complaint alone, it is not in possession of sufficient facts to dismiss the complaint in the exercise of its sound discretion.

The court next comes to a consideration of the question of whether or not this complaint states a cause of action under the provisions of 42 U.S.C. 1971. The complaint alleges that the defendants, as individuals, acting in the exercise of their State-given authority as registrars and deputy registrars of Terrell County, Ga., engaged in certain acts and practices, designed and intended to deny otherwise qualified persons the right to vote because of their race and color. It is alleged that they delayed handling of Negro applications for registration, arbitrarily refused to register Negroes who demonstrated their qualifications to vote, and for purposes of discrimination, applied more difficult and stringent registration standards to Negro applicants than to white applicants.

It is further alleged that registration is a legal prerequisite to voting in Georgia, and that this discrimination in administration of registration procedures was on account of the race of the applicants.

There can be no question but that these allegations are sufficient to bring the allegedly wrongful conduct of the defendants within the coverage of 42 U.S.C. 1971. Whether that statute be construed as one limited to State action, as argued by the United States, or as extending to purely individual action, as contended by the defendants, the language of the complaint would state a cause of action. It alleges that these defendants have engaged in certain acts or practices which will deprive others of their right to vote, when otherwise qualified, without distinction as to race or color. The acts and practices alleged are those of the defendants while acting (even though wrongfully) in the exercise of State given authority. Thus, under any reading of the statute, the facts alleged make out a cause of action.

So it is, that this is not a case such as *Collins* v. *Hardyman*, 341 U.S. 651, where the court can avoid the question of constitutionality. Having determined that none of the other grounds of the motion to dismiss are valid, the court now passes to the final and most important point raised by that motion: to wit, the constitutionality of the act under which this action is brought.

The first prong of the constitutional attack on the statute questions the authority of Congress to authorize the Attorney General to bring an action in this court, which is neither an action in law or equity. It is urged that this is not a legal action, seeking as it does injunctive relief. On the other hand, it is argued that it is not an equitable action, since it violates one of the oldest rules of equity, the unavailability of the injunctive process where other legal remedies are available. The defendants thus contend that this is neither a suit in law or equity; and that Congress had no right to authorize it. This court cannot accept this contention.

While a court may question the wisdom of overruling an old and well established maxim of equity, the court knows of no limitation on the powers of Congress to legislate in this field. The fact that Congress in subsection (d) of section 1971 provided that the courts shall exercise that jurisdiction "without regard to whether the party aggrieved shall have exhausted any administrative or other remedies that may be provided by law," does not change the nature of this action from one in equity. It merely provides that in such an equitable proceeding a certain well established principle shall not be applicable. The court knows of no limitation on the right of Congress to so legislate. It is well known that the Federal courts have often refused to act because the complainants had failed to exhaust their other remedies. *Peay* v. *Cox*, 190 F. 2d 123, 125 (5th Cir.). This rule, however, could hardly be applied where Congress has expressly directed the courts to exercise their jurisdiction without regard to such fact.

The defendants contend that such a limitation of the court's exercise of their jurisdiction is an invasion by the legislative branch of matters properly committed to the judicial branch and thus violative of the separation of powers doctrine. The court is far from convinced as to the soundness of this argument, but has not explored it extensively because it does not seem necessary, in view of the ultimate disposition of this motion.

This brings us, finally, to what appears to be the most substantial contention of the defendants; that is, that 42 U.S.C. 1971 is not appropriate legislation within the meaning of section 2 of the 15th amendment and exceeds the jurisdiction of the Congress.

It should be noted at the outset that this action is one brought by the Attorney General in the name of and on behalf of the United States. It is not an action by the

allegedly wronged party under the provisions of 42 U.S.C. 1983, and differs materially from those cases. In that type of case, the self-executing ban of the 15th amendment prescribes certain conduct and section 1983 provides a remedy therefor, without resort to 42 U.S.C. 1971. It was the availability of this self-executing ban which has heretofore allowed the Supreme Court to apparently bypass a clear ruling on the constitutionality of section 1971–(a). (*Terry* v. *Adams,* 345 U.S. 461, 481.)

In the instant case, however, the Attorney General has no standing for the bringing of this action, except the recently enacted provisions of section 1971. Any right that he has to seek preventive relief, where citizens allegedly have been or are about to be denied their right to vote on account of race, is based on section 1971(e). Prior to its enactment, such an action could not have been entertained. Thus, it is that the question of the constitutionality of that section cannot be sidestepped or bypassed. Due to the wording of subsection (c) of the statute and the way in which it is tied to subsection (a), the latter must also be given its first really critical examination.

As originally enacted and as it remained on the statute books of this country from 1870 until 1957, the present subsection (a), (formerly section 1971 in its entirety), was merely a general statement of principle or of rights, without providing any sanction or remedy for its violation. (*U.S.* v. *Reese,* 92 U.S. 214; *U.S.* v. *Cruikshank,* 92 U.S. 542.) For this reason, no action could ever be based upon this section alone. Many actions were filed under sections 1983 and 1971, relying also on the 15th amendment. It will be noted that in any suit filed under section 1983, there could be no question such as is here presented, since section 1983 is applicable only to persons acting "under color of any statute, ordinance, regulation, custom, or usage, of any State or Territory." By its unmistakably clear language, section 1983 did not authorize any action for purely private acts, even though such practice resulted in a person being deprived of the right to vote on account of his race.

This brings into focus the question which is now presented for determination by this court. Under section 1971 as passed in 1957, is the Attorney General permitted to institute proceedings for preventive relief, where the alleged wrongful deprivation is that of a private citizen, not a State officer, not acting under color of any State law, custom or usage?

In considering this question, we must close our mind to the allegations of the complaint in the instant case. The question is, not what the Attorney General has done here, but what Congress has authorized him to do. As was clearly demonstrated in the case of *U.S.* v. *Reese, et al.* (92 U.S. 214), where a statute is enacted in general terms sufficiently broad to apply to wrongful acts, outside as well as within the constitutional jurisdiction of Congress, such a statute cannot be limited by judicial construction so as to make it operate only on that which Congress might rightfully prohibit. "To limit this statute in the manner now asked would be to make a new law, not to enforce an old one." Ibid. It is well to note that the Supreme Court was there considering one section of the act of 1870, of which section 1971(a) was a part.

Thus, it is not for this court to decide whether this particular fish is properly within the net, but whether the net is so large as to catch many fish not properly within it.

It is clear beyond question, that the 15th amendment to the Constitution relates "solely to action by the United States or by any State, and does not contemplate wrongful individual acts." *James* v. *Bowman* (190 U.S. 127). The statute which is here under consideration, as did the one in the above cited case, "on its face * * * purports to be an exercise of the power granted to Congress by the 15th amendment. The Government of the United States is one of delegated, limited, and enumerated powers. Therefore, every valid act of Congress must find in the Constitution some warrant for its passage." *U.S.* v. *Harris* (106 U.S. 629). The power of Congress to legislate at all upon the subject of voting at State elections rests upon the 15th amendment. Prior to its enactment there was no constitutional guaranty against discrimination on account of race, color, or previous condition of servitude. *U.S.* v. *Reese, et. al.* (92 U.S. 214).

Thus, it will be seen that, if section 1971(c) is constitutional, it is because of the power given Congress by the 15th amendment. As stated, that amendment relates solely to action by the United States or by any State and does not contemplate wrongful individual acts. The court is mindful, of course, of the cases holding that a State acts through its lawfully constituted officials and that action by one exercising his State given authority (even though wrongly exercising it) constitutes State action. Thus, for present purposes, it will be assumed that the 15th amendment authorizes Congress, by appropriate legislation, to prohibit and punish deprivation of voting privileges on account of race or color by any State or by the officers of any State while in the exercise of State given authority. It does not, however, authorize Congress to prohibit or punish purely individual and private action depriving another of his right to vote on account of his race or color.

This brings us to the meat of the controversy here: What does section 1971(c) seek to do? It is limited to State action, as previously defined, or is it sufficiently broad to encompass wrongful action by individuals?

In determining the scope of section 1971 (c), the Court must first consider the language of that section. Is there any limitation within the section itself? The section, as enacted in 1957, reads, as follows:

"Whenever any person has engaged or there are reasonable grounds to believe that any person is about to engage in any act or practice which would deprive any other person of any right or privilege secured by subsection (a) or (b) of this section, the Attorney General may institute for the United States, or in the name of the United States, a civil action or other proper proceeding for preventive relief, including an application for a permanent or temporary injunction, restraining order, or other order. In any proceeding hereunder the United States shall be liable for costs the same as a private person." (42 U.S.C. 1971(c).)

It will be noted at the outset that the section itself includes no limitation as to the persons subject to suit under it. It includes any person engaging in or about to engage in a certain type of conduct. By its own terms the section is applicable to any person engaging in the type of action described herein. Thus, it follows that the only limitation, if any there be, must come from the act or practice described therein. In other words, any person capable of engaging in the type of act or practice described would be subject to suit by the Attorney General. If any person other than one clothed with State authority can engage in such act or practice, then the section is broad enough to allow suit against him and is not limited to State action. It will be particularly noted that the section makes no reference to color of law, a phrase with which the Congress is very familiar, having used it in other sections of this, as well as other civil rights acts. More will be said about this later.

Now, what is the proscribed act or practice which brings this section into play? It is not any act or practice which would deprive another of his rights under the 15th amendment. If that were the language, there could be no doubt about its limitation to State action, since a private citizen acting individually cannot deprive another of his rights under the 15th amendment. As argued in *James* v. *Bowman,* 190 U.S. 127, 135, a statute in such general language aimed only at such acts as deprived another of whatever rights he had under the 15th amendment, could not be unconstitutional. It would just be up to the courts then to determine in each case whether or not the statute applied to the conduct alleged in the complaint. The statute itself would proscribe only that which violated the amendment. Any set of facts falling short of a violation of the amendment would not state a cause of action under the statute.

Here, however, Congress did not so limit the statute. The action prescribed therein is "any act or practice which would deprive any other person of any right or privilege secured by subsection (a) or (b) of this section." Again we come to the question: Can any person other than one clothed with the authority of the State engage in such an act or practice? To properly determine that, we must first determine what rights and privileges are secured by subsection (a) of section 1971. (All parties concede that subsection (b) is not here involved.)

Subsection (a) of 42 U.S.C. 1971 was originally passed in 1870, as a part of what was known as the Enforcement Act, consisting of 23 sections. It was enacted soon after the adoption of the 14th and 15th amendments. It was in some respects a sort of preamble to the Enforcement Act, in that it merely stated a right or privilege, while the sections that followed it sought to establish remedies for specific violations of civil rights. The section, as originally enacted, was reenacted in 1957 as subsection (a) of section 1971. Theretofore it had been the entire section.

The subsection reads as follows:

"All citizens of the United States who are otherwise qualified by law to vote at any election by the people in any State, Territory, district, county, city, parish, township, school district, municipality, or other territorial subdivision, shall be entitled and allowed to vote at all such elections, without distinction of race, color, or previous condition of servitude; any constitution, law, custom, usage, or regulation of any State or Territory, or by or under its authority, to the contrary notwithstanding." (42 U.S.C. 1971(a).)

Now, what is the right or privilege secured by this subsection? In this court's opinion, it is the right and privilege of all persons otherwise qualified to vote to be entitled and allowed to vote, without distinction of race or color and to effectuate this right all State constitutional provisions, laws, customs, usages, and regulations to the contrary are expressly set aside.

But, this right to be entitled and allowed to vote, as stated, is not simply the right to be free of State interference but is the right to be free of interference from any source on account of one's race or color. It may be that the word "entitled," as used, carries with it some idea of State action only, since entitlement to vote can come from the State alone and can be denied only by the State, acting through its officials. Entitlement is a legal status, which can neither be conferred nor denied by a private citizen. But, the phrase "allowed to vote" carries with it no such idea of State action or legal status. It denotes the physical action of voting and it may be interfered with or denied to another by any person, State official, or private citizen. A person who is kidnaped at the polls and spirited away has been denied his right to be allowed to vote. One who is prevented from voting through threats or intimidation has been denied his right to be allowed to vote, just as completely as if the poll manager had refused to accept his ballot.

It thus appears to this court that the right secured by this subsection is such a right of which a person can be deprived, by the act or practice of any other person, State official, or private citizen.

This view is strengthened by a look at the other provisions of the Enforcement Act of 1870, of which this subsection, verbatim, was the first section. As previously stated, it was a sort of preamble to that act, in that it stated general principles while the following sections contained the "teeth."

The court feels that it is, therefore, proper to consider the fact that in section 5 of the Enforcement Act of 1870, Congress made it a crime for any individual to hinder, control or intimidate others by bribery or threats from exercising their right of suffrage guaranteed by the 15th amendment. While this section was declared unconstitutional in the case of *James* v. *Bowman,* 190 U.S. 127, on the same grounds here urged, and is no longer on the books, it does have some bearing, in that it reflects the thinking of the Congress which originally enacted this legislation. In this court's opinion, the imposition of a criminal sanction, for purely private and individual action, indicates that the previous general statement of principle and rights was sufficiently broad to include the right to be free from private as well as State interference.

It is of interest to note that sections 3, 4, and 5 of the act of 1870 have since been declared unconstitutional as in excess of the jurisdiction conferred upon Congress by the 15th amendment. This, to say the least, waters down considerably any presumption that Congress on this occasion was acting within the scope of its legislative authority. Any such presumption is further weakened by the principle that the Government of the United States, being a government of limited and enumerated powers, every valid act of Congress must find in the Constitution some warrant for its passage. (*U.S.* v. *Harris,* 106 U.S. 629, 636.)

In carefully scrutinizing this passage, in order to determine whether the right therein declared is limited to the right to be free from State discrimination, the court is impressed with the reasoning of the dissenting opinion of Justices Burton, Black, and Douglas, in the case of *Collins* v. *Hardyman* (341, U.S. 651, 663, 664), wherein it was stated: "The language of the statute refutes the suggestion that action under color of State law is a necessary ingredient of the cause of action which it recognizes. R.S. section 1980(3) speaks of 'two or more persons in any State or Territory' conspiring. That clause is not limited to State officials. Still more obviously, where the section speaks of persons going 'in disguise on the highway * * * for the purpose of depriving * * * any person or class of persons of the equal protection of the laws,' it certainly does not limit its reference to actions of that kind by State officials. When Congress, at this period, did intend to limit comparable civil rights legislation to action under color of State law, it said so in unmistakable terms."

It is the opinion of this court that this statement applies with equal force to subsections (a) and (c). In 1870, when (a) was first enacted, and in 1957 when (c) was enacted, Congress in other and similar legislation demonstrated its ability to limit such legislation to State officials by the use of clear and unequivocal language. The term "under color of law" was employed in subsection (b) of the act of 1957. Other sections of the act of 1870 employed the phrase "whenever, by or under the authority of the constitution or laws of any State."

It is interesting to note, in this connection, that the complaint of the United States in this case defines the rights and privileges secured by subsection (a) of the statute in paragraph 1, in the following language: "the right and privilege of citizens of the United States who are otherwise qualified by law to vote at any election by the people in the State of Georgia to be entitled and allowed to vote at all such elections without distinction of race or color."

This statement of the right secured completely omits any reference to State constitutions, laws, usage, custom or regulations. The right is similarly defined in the majority report of the House committee which recommended passage of the act. (H. Rept. 291, United States Code Congressional and Administration News, 85th Cong., 1st sess., 1957, p. 195W.)

The language of the subsection following the semicolon; to wit: "Any constitution, law, custom, usage, or regulation of any State or Territory, or by or under its authority, to the contrary notwithstanding", was not intended to qualify and limit all that had gone before it in the section. To so hold would mean that even direct and positive State action of discrimination in voting rights on account of color could not be reached under this statute, unless the State action was based on some constitutional provision, law, custom, usage or regulation. Clearly, this was not intended when the section was reenacted by Congress in 1957. This point is supported by the testimony of Attorney General Brownell during the House hearings on the Civil Rights Act of 1957, wherein he stated:

"For example, if you have a registrar of voters who arbitrarily strikes off several thousand names of Negro voters shortly before the deadline for qualification of voters and gives no hearing to them or an inadequate hearing, then I would think that would be a case that would alert the Attorney General under this bill to the need for some injunctive action, which would give those people their day in court and allow them, like any other citizen, the right of franchise." (Hearings of subcommittee of House on the Civil Rights Act of 1957, serial No. 1, p. 601.)

Clearly, it could not be argued that such conduct by one registrar in contravention of state law was based on any constitutional provision, statute, usage, custom, or regulation. An isolated example could hardly be termed a State custom or usage. Congress did not intend to so limit the application of this section. If it was not an absolute limitation as written, it could hardly be reworded by the courts to limit the section to a deprivation of voting rights by State officials only.

It may be argued, and has been, that the reliance on this section over the years proves its constitutionality. In viewing this contention, it must be remembered that this section was in no wise remedial. It was relied upon only in cases brought under remedial statutes, which included the term "under color of statute, ordinance, regulation, custom, or usage, of any State or Territory", and other similar language. When the 2 sections were construed together, they clearly did not provide any remedy against private, individual action. Thus, there was no reason for any attack on subsection (a). Now, however, Congress seeks to tie together 2 sections, neither of which is limited to State action or action by State authority. This it cannot do. When linked with a remedial statute properly limited, subsection (a) is harmless. But, when linked, as here, with a remedial section which uses the phrase "any person", it renders the remedial section beyond the jurisdiction of Congress and unconstitutional.

Subsection (c) creates a remedy against purely private, as distinguished from State, deprivation of voting rights on account of race or color. The fact that the instant case is a suit against State officials cannot alter the scope of the statute. This illustrates the danger of this type of legislation, which danger was recognized as early as the case of *United States* v. *Reese, et al.,* 92 U.S. 214. There the Court held: "We are, therefore, directly called upon to decide whether a penal statute enacted by Congress, with its limited powers, which is in general language broad enough to cover wrongful acts, without as well as within the constitutional jurisdiction, can be limited by judicial construction, so as to make it operate only on that which Congress may rightfully prohibit and punish. For this purpose, we must take these sections of the statute as they are. We are not able to reject a part which is unconstitutional and retain the remainder, because it is not possible to separate that which is unconstitutional, if there be any such, from that which is not. The proposed effect is not to be attained by striking out or disregarding words that are in the section, but by inserting those that are not now there." It is true that there the Court was dealing with a penal statute. Here we are dealing with a statute authorizing an injunction, violation of which may carry its own penalty. The same principle would seem applicable.[1] When a person is enjoined from violating a statute, he is entitled to know what that statute prescribes, without awaiting the finality of an authoritative court opinion.

As stated in the Reese case, supra: "It would certainly be dangerous if the legislature could be a net large enough to catch all possible offenders, and leave it to the courts to step inside and say who could be rightfully detained, and who should be set at large."

That this is exactly what this section seeks to do is demonstrated by the testimony of Attorney General Brownell in the Senate hearings before the Subcommittee on Constitutional Rights while considering the Civil Rights Act of 1957. On page 25 of those hearings, Mr. Brownell testified: "These sections 4 and 5" (subsections (c) and (d) of the law as enacted) "are added here as machinery to enforce whatever the constitutional authority of the Federal Government may be in this area, and does not add to the substantive provisions of the statute."

Again, at page 51, he testified: "Our guiding principle will be that only those statutes, parts of statutes that are constitutional, would be enforced by us, and we would not act in any way contrary to a Supreme Court opinion which holds that a statute or any part thereof that is unconstitutional." This indicates that the statute as written is sufficiently broad to include unconstitutional matter, but that the Attorney General expressed his intention of administering it in such a way as to seek no unconstitutional relief. While this is a noteworthy sentiment, the tenure of the Attorney General being what it is, the courts can hardly rely on his intentions as to the administration of an act which in itself would support the grant of unconstitutional relief, if requested.

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[1] During the subcommittee hearings on the Civil Rights Act of 1957, Senator ERVIN made the following remark: "If Congress has no power to provide any criminal penalties for those acts under the Constitution because it has no right to legislate in that particular area, it certainly would have no right to enact a civil law."

To which Mr. Brownell replied: "That is correct, and we are not asking for it." The difference between the type of remedy provided would not seem to alter the right of Congress to legislate with reference to it. Hearings before the Subcommittee on Constitutional Rights of the Committee on the Judiciary, U.S. Senate, Feb. 14, 1957, p. 25.

The court has explored this question with particularity, because it is not unmindful in the least of the seriousness of the problem. This court has never and shall never condone wrongful deprivation of the constitutional rights of any person by a State official or a private citizen. On the other hand, this court is also sensitive to the dual sovereignty system of government under which we operate and is sincerely devoted to its preservation.

It is this Court's considered opinion that this statute would allow the Attorney General to seek an injunction against a private citizen for an individual act, divorced completely from State action. It is the province of the several States to protect the rights of one citizen against the wrongful practices of another person. *James* v. *Bowman*, 190 U.S. 127. Congress should not be allowed to extend the authority of the Federal Government into this field. This it has tried to do. The Court is of the opinion that, if Congress intended only to authorize the Attorney General to enjoin or seek preventive relief against wrongful State action, it could easily have been accomplished, without resort to such confused legislation. Similarly, if Congress wishes to leave the courts some latitude in determining what may and what may not be enjoined, this may be accomplished by tying the remedy directly to the 15th amendment, rather than to another section, the constitutionality of which is far from clear.

For the reasons set forth above, the Court concludes that section 1971(c) of title 42 is beyond the jurisdiction of Congress and unconstitutional. It is not appropriate legislation within the meaning of section 2 of the 15th amendment to the Constitution of the United States. There existing no other basis for an action by the Attorney General in the name of the United States seeking the remedy here sought, the motion to dismiss should be, and the same is hereby, granted.

Ordered filed, this the — day of April, 1959.

T. HOYT DAVIS,
U.S. District Judge.

DISARMAMENT

Mr. SYMINGTON. Mr. President, the question of disarmament has been, and is, of great interest to me.

In March 1955, I submitted Senate Resolution 71, on the subject of disarmament, which was approved by the Senate unanimously.

Possible methods of disarmament have been discussed with the Soviets for the last 13 years.

For some years there were proposals for general disarmament. Now disarmament discussion centers around nuclear test cessation as the first step.

The latest proposal by the United States to limit testing to outer space—31 miles above the earth—and underground has great merit, and I earnestly hope it will be agreed to by the Soviet Union.

In this connection, I ask unanimous consent to have printed at this point in the RECORD a thoughtful recent article entitled "Khrushchev's Reply Dims Hope on Tests," written by Thomas J. Hamilton, and published in the New York Times of April 26, 1959.

This article, more than any I have read recently, shows the difficulties under which our able Ambassador, James J. Wadsworth, is currently negotiating at Geneva.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KHRUSHCHEV'S REPLY DIMS HOPE ON TESTS—PRESIDENT SUGGESTED END TO BLASTS IN ATMOSPHERE THAT ARE MAIN FALL-OUT DANGER—NOW UP TO THE SUMMIT

(By Thomas J. Hamilton)

The Moscow radio announced yesterday that the Soviet Union had rejected President Eisenhower's solution of the deadlock over halting nuclear bomb tests. As a result the Geneva negotiations, which started off rather promisingly last October, seem to have come to a dead end. In fact, it now appears that if an agreement on any phase of the disarmament question can be reached this year, it will develop only at a summit meeting.

President Eisenhower's proposal was based on the fact, as he said in his letter to Premier Nikita S. Khrushchev, that "no basis for an agreement" was in sight in the Geneva negotiations. Accordingly, the President suggested that the Soviet Union, the United States and Britain agree to suspend tests on the surface of the earth and up to a height of 31 miles. He thus gave important new emphasis to the proposal that had been laid before the Geneva conferees by U.S. Delegate James J. Wadsworth.

This would still permit the three nuclear powers to conduct tests in outer space and underground. The Soviet rejection was based on the claim that a partial limitation would still permit the development of new and more deadly nuclear weapons.

However, the suspension of nuclear tests at the surface of the earth and in the lower atmosphere would have virtually solved the problem of radioactive fallout, as far as the present nuclear powers are concerned. It would also have strengthened mutual confidence and prepared the way for a more meaningful disarmament program.

SURPRISING MOVE

Russian propagandists have been demanding the cessation of tests ever since 1954, when India originated the idea. It had seemed possible that the Soviet Government shared the belief of the rest of mankind that radioactive fallout is a growing danger that must be warded off before it is too late.

The flat rejection of the proposal is the more surprising in view of the concessions made by both sides last year. The Geneva negotiations were made possible by the fact that the United States and Britain had abandoned their long-standing position that nuclear tests should be stopped only as part of an overall disarmament agreement.

The Soviet Union, for its part, agreed last summer that a worldwide inspection system with 170 observation posts, must be set up to detect unauthorized explosions. But precisely the same difficulty emerged in Geneva that has plagued all the efforts since 1946 to achieve any sort of regulation of armaments and armed forces.

This is the refusal of the Soviet Union to permit international inspectors to operate on its territory with the freedom that is necessary for an effective control system. Hence, the recent Soviet demand that only Russian personnel be assigned to observation posts on Soviet territory.

Since the first of the year, both sides have made concessions on this point, and an agreement would not be too difficult. The fundamental difficulty arises from the fact that the scientists in the observation posts would have great difficulty in distinguishing between an underground nuclear explosion and tremors produced by natural causes.

ON-SITE CHECK

If an underground explosion was suspected, therefore, it would be necessary to send an inspection team to the spot to determine what had actually happened. Just as in 1946, the Soviet Union is insisting that it must have a veto over such a decision, while the United States and Britain are standing firm on their position that there must be no veto over day-to-day operations.

The Eisenhower proposal would have bypassed this difficulty. Observation posts would be required on Soviet territory and elsewhere to detect unauthorized test explosions at the surface of the earth and up to a height of 31 miles. But it would not be necessary to send out inspection teams.

One reason, it must be assumed, for the rejection of the proposal was the fact that there is one thing that it would not do: it would not prevent the expansion of the nuclear club. Since no country can be sure that its bombs will explode until it actually tries one, if there were no more tests, no fourth country would be likely to become a nuclear power.

STILL POSSIBLE

But, while it would be more difficult for France, West Germany, or any would-be nuclear power to conduct a test explosion underground rather than in the atmosphere, it could be done.

Since the desire to restrict membership of the nuclear club is one of the principal reasons for the Soviet campaign to stop tests, this must have been an important factor in the rejection of a partial suspension.

The President's letter said that if the Soviet Union insisted upon a complete stoppage of tests, this would require Mr. Khrushchev "to change your present position on the veto, on procedure for on-site inspection and on early discussion of concrete measures for high-altitude detection." There is no sign that the Soviet Union would make such concessions. If, as seems inevitable, the Geneva talks are suspended, the United Nations Disarmament Commission will try to take over. The commission has not met this year because it was waiting for the conclusion of the Geneva negotiations, but the present atmosphere is not a good augury for success.

U.N. COMMITTEE

The United Nations Committee on the Peaceful Uses of Outer Space, which also has failed to meet this year, has now scheduled a meeting on May 6. However, the Soviet Union is boycotting the committee, and some members are afraid that this will prevent it from accomplishing very much. In any event, the committee's assignment is largely confined to methodology and has nothing to do with the limitations or prohibitions of missiles.

No negotiations on the disarmament problem as such have taken place anywhere since August, 1957. Although the foreign ministers' conference had been called to deal with the German problem, it may take up some phases of the disarmament question in connection with the problem of European security.

But the most likely forum for a disarmament discussion is the summit meeting. This would give Mr. Khrushchev a chance, if he desired, to offer to reconsider his position on nuclear tests. For the time being, however, the disarmament question is almost in the same position that it was when the negotiations began at Lake Success nearly 13 years ago.

A FARM PROGRAM BASED ON DIRECT PRODUCTION PAYMENTS

Mr. MURRAY. Mr. President, I have recently received from the New Orleans Cotton Exchange a copy of an advertisement they have inserted in a number of southern newspapers and the Washington Post supporting a farm program based on direct production payments.

The advertisement is of such significance that I ask unanimous consent for its inclusion in the RECORD. It is my judgment that we will not get out of the agricultural mess which has been created by the deliberate sabotage of farm programs in the past 6 years until we move to the sort of program the New Orleans Cotton Exchange has now joined in supporting.

There being no objection, the advertisement was ordered to be printed in the RECORD, as follows:

TO YOU WHO ARE CONCERNED

Do you know that there are 7½ million bales of cotton held in Federal storage, almost a year's supply of all cotton used by every American—and another crop is on the way?

Do you know that there is a year and a quarter's supply of wheat in your Government's hands—and another crop is on the way?

Do you know that there is a half year's supply of corn controlled by your Federal Government—and another crop is on the way?

And above all, do you know that these unbelievable statistics represent only a part of our agricultural surpluses, excess stocks that should be building human sinews for all of the free world's population, or clothing part of the world's misery, instead of piling up large storage charges in American warehouses? $7 billion, nearly one-fifth of our domestic Federal budget, is earmarked for programs of the Department of Agriculture, a staggering total, with the net result of stemming world commerce, rather than fostering agricultural consumption through world trade channels.

And you, the public, are tolerating the existence of this condition by your silence.

By any and every means at our command we must break this dam that denies to the world the magnificent products that are the abundance of America's farms. The farmer's health, and the welfare of his economy are paramount in a healthy and strong America, but under present conditions the fruits of farm labor are useless and unmerchantable. Day by day, and year by year, the farmers' markets are being usurped by synthetics and cheap foreign farm products, the result of our farm programs.

We are living in an artificial economy, and we continue to pile upon the Nation as a whole the largely waste cost of maintaining its smaller economic segments—in conflict with, and to the destruction of, free markets and the merchandising know-how of American drive. Washington must now know that the system of growing crops to sell to the government instead of the world's consumers has created much of the fantastic burden that is playing havoc with even our high tax structure.

The time to face up to the facts is past due—the time to make a change is here.

The New Orleans Cotton Exchange has for 89 years been a key part of the marketing system of the American cotton industry. Our business is the providing of price insurance to both the producer and the processor. The exchange buys nothing. The exchange sells nothing. We have neither a profit interest nor a secret one in whether cotton sells high or low. Our only purpose and function is to provide the marketplace where statistics of known supply and demand establish the going price at each minute of each market day—that all may know these facts quickly and accurately.

Individually, our business is the buying and selling of cotton contracts at today's market price for delivery at a future date, a highly regulated and controlled business. We have traditionally competed with each other to the interest and profit of both the cottongrower and the cotton processor. But we cannot longer compete with our own Government—which this year will amass, at your expense, 60 percent of the cotton crop, and by the end of the crop year be the owner of 83 percent of the total supply of cotton in the United States.

This is not a 1-year, one-time situation but has become an uneconomic way of life. It cannot longer even be claimed that fixed support prices and the use of the Government loan as a depository helps the farmer. It is in the interest of his economic welfare as well as that of every segment of agriculture that we at last see hope in legislation now before the Congress of the United States.

The basis for a new farm program—cheaper to operate and founded upon traditional theories and practices that have made America great—is under study in both Houses of Congress. It remains only for us to make our feelings known.

We ask you to join with us to:

1. Urge the adoption of direct production payments to the American farmer, sufficient in size to provide his just share of our American way of life, and yet permit him to sell his crops to the world markets.

2. Advocate and urge the return of free marketing, permitting the use of the American's innate ability to get his share of any market, and under any circumstance.

Advocate the reestablishment of our historic one-price system, the same price to the American mills as to their foreign competitors.

Tell your Congressmen and Senators that the time has come to shelve our horse-and-buggy farm program, substituting these three principles then we will have a strong farm economy and an economically strong America.

NEW ORLEANS COTTON EXCHANGE.

ADDRESS BY DON G. MITCHELL BEFORE U.S. CHAMBER OF COMMERCE

Mr. KUCHEL. Mr. President, last night, along with Vice President NIXON and many of my colleagues in Congress, I listened to a distinguished and highly successful American businessman speak at the 47th annual meeting of the Chamber of Commerce of the United States. I refer to Mr. Don G. Mitchell, president of the General Telephone & Electronics Corp., and chairman of the board of Sylvania Electric Products, Inc., of New York City.

His address was excellent and stimulating. He spoke about the future of America. He spoke constructively and optimistically. He used the phrase "the soaring sixties." He described what Americans can do working together for the future, not alone of our own people, but, beyond that, for the future of all the world.

It was a stimulating experience to listen to Mr. Mitchell, and I ask unanimous consent that the text of his address be printed in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am very grateful for your asking me to be with you this evening not only because of my great respect for the Chamber of Commerce of the United States, but I also say it because you represent a true cross section of American business—with all of its drive, its accomplishments, its public service, and its tremendous faith in this country.

It goes without saying that all of us in business have a great many problems and questions in our minds these days. If you happen to be an exception, I warmly congratulate you. However, most of us are in the other category, and I thought it would be in order for me to act tonight as a sort of catalyst for your thoughts, and first take a brief look at the current business situation and then make some predictions about the future.

I am going to direct my attention for the next few moments not only toward the opportunities that will be available to all of us between now and 1970, but also to the challenges that you and I will have to deal with if these opportunities are to be turned into real progress for this country. Ladies and gentlemen: Let's not delude ourselves. These opportunities can be missed. The choice is squarely up to us. Whether or not you and I succeed is entirely in our hands.

First, let's look briefly at how our economy is doing today, before we start thinking about tomorrow. Just a year ago, you will recall, the recession hit bottom, and here we are with the economy producing goods and services at a new record annual rate of $465 billion—think of it: a national output of nearly half a trillion dollars. Once again, the amazing resiliency of our free enterprise system has confounded the pessimists who felt that we were in for a long, hard pull, and it has disappointed the Communists who hoped that we would go into a state of collapse and demoralize the free world.

It is extremely important to bear in mind that this has been a steady, relatively solid recovery in most areas of our economy, and this has been achieved without any increases in consumer prices. There are soft spots, of course, particularly in the unemployment situation. At the same time, however, employment is at a high level, and unemployment should continue to show a marked improvement in the coming months, particularly as the automobile and capital goods industries get back into full swing. I don't think my namesake need worry about having to eat his hat on the steps of the Labor Department Building.

In other words, ladies and gentlemen, the American economy is once again pointed toward a decade of unprecedented growth and development on every front. We are approaching the soaring sixties, if you will pardon my enthusiasm, and the eyes of every American businessman should be fixed on the future more firmly and more piercingly than ever before. I don't know of any better way to express my confidence in the future than to tell you that General Telephone & Electronics is planning to double its capacity over the next 7 or 8 years—and that will mean substantially more than a billion dollars of new facilities and equipment.

There are enormous opportunities ahead for all of us businessmen in doing our basic job of satisfying human needs—and I mean satisfying them more fully, more effectively, and more broadly than any of us would have dreamed possible just a few years ago. During the next few moments, as I project into the 1960's some of the trends which already exist and which have clearly indicated that they are going to keep right on climbing, just ask yourselves this question: "Will I be ready for it, or will I muff the ball?"

First, let's look at our potential markets. Today, there are 180 million of us here in America, and that represents an increase of more than 30 million in the past 10 years, and now the trends are pointing to another 30 million in the next decade with our population easily exceeding 200 million before 1970. Families are getting bigger, people are living longer, and more women are getting married—and that may come as a surprise to this city of Washington where, I understand, there is a superabundance of unmarried young ladies. All of this adds up not only to more people but to more households, and the next 10 years will see the number of

households rise from 51 million today to more than 60 million in 1970.

From the standpoint of sheer numbers of consumers, there will be a staggering growth in your markets in the years ahead. And then when you consider such additional major factors as a steadily rising standard of living, increased leisure time, broader interest in travel, recreation, and hobbies, you begin to see what this will mean to the manufacturing industries, to housing, to agriculture, to transportation, to distribution, to communications, to entertainment, and every other segment of our economy. These enormously increased demands will require a greatly increased flow of new and better goods and services, new ideas and new ways of doing things, new methods of making our products, and new ways of getting them to the consumer.

If you would like to reduce all of this to numbers, our national total of goods and services should at least continue to increase at the present average rate of 4 percent per year, and should rise gradually to 4½ percent or even higher. That will mean a gross national product of more than $725 billion and probably $750 billion by the end of the Soaring Sixties, and would represent about $3,500 for each man, woman, and child in the country, against $2,600 today.

However, if you stop right there, and think only in terms of dollars and cents, you will be ignoring one of the most dramatic aspects of our way of life. I am referring to the expanding frontiers of technology—ranging all the way from the unearthing of new fundamental information about the laws of nature, to the application of that information to new products and new services to meet human needs.

The great expansion of research and development in recent years is demonstrated by the fact that the entire country's research and development expenditures have increased during the past 10 years from less than $3 billion to more than $10 billion last year—and that enormous effort reaches not only into the traditional fields but into some that are so new that we don't know how to describe them.

The time lag between laboratory and the market place is becoming narrower all the time, and today it ranges anywhere from 7 to 12 years, depending on the industry. I would guess that the average is about 10 years, but the point is this: If you were to interview a cross section of leading companies today, they would tell you that from 50 to 75 percent of their sales are derived from products which did not exist or are basically different from the products of 15 years ago.

As we move into the 1960's, the spending for research and development will climb to $20 billion annually because our technology is becoming more and more complex with each passing day. Industry knows that research is its life-blood, and we must keep narrowing that gap between laboratory and market. "No research, no future" is our motto today, because we know from past experience that research has paid off at the rate of from 100 percent to 200 percent a year, and over a 25-year period that means $100 spent on research will bring back anywhere from $2,500 to $5,000, realizing that there will be variations from industry to industry and for different companies within an industry. Progressive management certainly doesn't need any more proof than that.

Here are some of the developments you can expect to see over the next few years: a single communications system in your home, combining telephone, television, and radio; your television screen will be a flat panel hanging on the wall; there will be radar steering on your automobile; machines will type spoken words directly on paper, and other machines will translate foreign languages as fast as they are spoken. There will be scores of new synthetic materials, and gas-turbine-powered automobiles, and the production of electricity direct from atomic energy. These are only a few highspots because the new products of the 1960's will extend across the entire spectrum of science.

Paralleling these achievements in the laboratories will be extremely significant technical progress in the manufacturing plants—and I am speaking about greatly increased mechanization and automation. Industry has no choice in the matter if our national output is to keep pace with the demands of our growing population. Although the working force will approach 89 million in the next 10 years, there won't be enough people in that working force to produce $750 billion of goods and services by 1970 unless we speed up our automation program. An enormous variety of new types of manufacturing equipment will be needed—not to throw people out of work, but to help them do their jobs, by extending the breadth of their minds and the skill and power of their hands.

There have been some rather emotional attacks on automation in some quarters, and some people try to portray the machine as a Frankenstein. But you and I know the truth of the matter is, as it always has been, that broader mechanization eliminates obsolete jobs and eliminates drudgery, and creates many more new jobs and better jobs than the ones it obsoletes. Certainly there are some short-term dislocations. I don't like to see them any more than anyone else does, and a major responsibility of management is to minimize those dislocations as much as humanly possible. But the fact remains that mechanization or automation, or whatever you want to call it, is part of that phenomenon known as progress, and it symbolizes man's eternal struggle and determination to improve his entire way of life.

Every so often, when someone sounds off about big business, I feel like calling him on the phone and asking him this question: If it weren't for big business, where would all the impetus for billions of dollars for research and new products, and new manufacturing processes come from? I have no quarrel with anyone who is seeking to correct the abuse of bigness—whether that abuse comes from big business, or big labor unions, or big government. But all I can say is thank heaven industry was big enough to tackle those challenges in the past, and let's hope we're big enough for the challenges ahead of us.

This opportunity to do a little missionary work for big business is especially welcome to me, but I'm not going to apologize for our size. You don't grow big and stay big unless you produce something the public wants. We in industry should be proud of it, because there are all too many countries where big business is nonexistent, not because they don't believe in it, but because they haven't been able to produce it.

Big business means big opportunities and big progresss—and it means enormous benefits to the shareowners who have invested their savings in our enterprise, and the employees, the plant communities, the customers, and the country as a whole. But we're not so big that we have lost sight of the fact that we are completely dependent upon millions of small businesses, and that we wouldn't get very far without them, any more than they would get very far without us. The person who tries to create an image of big business against small business is talking through his hat. We're inseparable, both ways, and down deep he knows it.

He should remember that 95 percent of this country's business enterprises employ fewer than 20 people. And he should read David and Goliath again, or attend one of our company's staff meetings where the boys describe how some smaller company is giving them a run for their money. Those small businesses may be small in sales or payroll, but in some lines of activity they can do a better job than any big company ever hoped of doing.

For the past few minutes, we have been looking at the opportunities ahead of us—and I want to stress that word "opportunities" again, because there is nothing that I know of that will deliver them on a silver platter or guarantee their happening. We will have to go out and work for them. This means we will have to face up to a number of extremely serious challenges during the next few years.

No. 1 on the list, of course, is inflation, and I want to say right here and now that I don't know of anyone who is more acutely aware of the dangers of inflation, and who is doing a better job of pointing out these dangers to the public than the President of the United States. Several weeks ago Mr. Eisenhower challenged you, and me, and every other businessman in the country to do something about it. And I want to repeat his urging to all of us to help assure a balanced Federal budget, and to let our Congressmen know how we feel about it. Let me repeat his words: "The need for a balanced budget is not an isolated issue but is inseparable from our national strength in all of its aspects. To indulge in the shortsighted luxury of continued deficit financing in the face of both growing prosperity and incipient inflation wold be a denial of public responsibility."

And you, Mr. Vice President and your Cabinet Committee deserve the strongest praise for your anti-inflation program, especially in the area of price stability.

One aspect of this inflation problem is the feeling in some quarters that "a little inflation is a good thing." Secretary Anderson effectively buried that argument when he pointed out the other day that you are only courting disaster when we let the demands upon our resources run ahead of our productivity. Let me repeat his basic theme: If we cannot live within our means today, when economic conditions are at recordbreaking levels, when can we ever expect to do so?

It seems to me that we must bear constantly in mind that you cannot create prosperity out of thin air—you cannot take more out of our economy than you put in it. Some people are always tempted to try, however, and if they keep trying hard enough, this country certainly will end up with a recession that will curl your hair. If labor takes all of the productivity increases in the form of wage increases, there will be nothing left to plow back into the business. If industry simply passes along its increased costs by raising prices, inflation will go up still higher. If Government keeps on financing deficits, there won't be anything left for anybody. The danger is particularly strong in our international trade, because inflation will price us right out of the market, and will create a host of unhappy situations, both here and abroad.

There isn't any bucket of gold for labor, or management, or Government, or anybody else. But if enough people think there is, we will end up the victims of a type of creeping socialism that will turn this country from the dynamic economy that it is today into a mass of mediocrity from top to bottom. Gone will be the challenges, the incentives, the competition, and the thrill of accomplishment.

Certainly, I am not unmindful of the fact that urgently needed advances in social legislation have been made in the past 25 years. At the same time, however, there are always those who would like to carry this further and further, until we would become an

economy in which Big Brother leads you and me around by the hand. That kind of thinking isn't what developed this country in the first place, and it isn't the kind of thinking that will get us anywhere in the future.

Britain seems to have learned what creeping socialism can do to you. The tax cuts they announced the other day mean one thing: They have learned that a national budget must be the best budget for everybody. It must be a budget which increases the demand for goods by increasing the public's real purchasing power. This is the kind of "pump-priming" that really means something, and I think we should be tremendously encouraged by what we see going on over there.

As I read the newspapers these days, the whole spirit is that somebody is against somebody—that management is against labor, and labor is against management; that big business is against little business, and little business is against big business; and the Government is against everybody, and everybody is against the Government. There is an enormous danger in that philosophy. Why can't all of us be for something—why can't we take the positive approach, and think in terms of everybody for everybody, and everybody for the entire country. Certainly, I realize that every group in our society has its own story to tell, and they are always going to try to put their best foot forward. But we're all in this together. Let's take that emphasis away from who is against whom. The differences are really pretty trivial when you compare them with the enormous stakes we all have in attaining our common goals. Let's be statesmen in our respective fields, and take a broader and more constructive point of view, and do what is best not only for us but for everybody.

This, ladies and gentlemen, is what I am talking about: Every businessman in this country has to make up his mind that he cannot operate his business in a vacuum. He has to roll up his sleeves and do something about assuring that the businessman isn't required to approach the opportunities of the next decade with one hand tied behind his back. You and I must work vigorously for a better business climate. This doesn't mean simply a better climate for businessmen; it means a better climate for every segment of this economy—no special privileges, no undue influence—just a climate that works for everyone, in the best interests of everyone.

Other groups are campaigning, effectively, tirelessly, and sometimes viciously for what they want. When are businessmen going to realize that they not only have the same opportunity and the same responsibility, but an even greater opportunity and an even greater responsibility to stand up and be counted—and to campaign for what you know is good and right for the entire country.

Does any other group know more about what is right for this country? Does any other group have a greater interest, a greater awareness of what is needed for the 1960's? Of course they don't, but the answer is that some of them are doing something about it—and you and I are not doing nearly enough.

For many years, all of us have understandably been preoccupied with the day-by-day demands of running a business. We felt we were doing enough, and congratulated ourselves warmly—when we were able to get the goods out and sell them at a reasonable profit. If we were able to do some long-term planning in the bargain, that was a bonus—but most of the time we dealt with the problems that were staring us in the face, with little time given to thinking about problems that might arise in the future.

Then we began to learn the facts of life, and we saw that we had to look farther ahead and develop a long-range course for our ship, instead of being confronted with one series of uncharted reefs after another. Today, the challenge to every businessman is to think more and to plan more about the long-term—not only about such matters as scientific research, new produce development, bigger and better facilities, and new ways of getting the goods to market, but about the entire backdrop for our business—the overall climate in which business operates.

Let me emphasize the basic principle upon which this entire better business climate activity is based. It is based upon the fundamental fact that when there is a healthy business climate in your community, every man, woman, and child in that community benefits from it. That is far more than a case of helping business; it is a case of helping the entire community—the people who own businesses, those who work in them, those who buy their products, those who sell to them.

Some of you here tonight are already engaged in better business climate programs, but for those of you who have yet to get started, let me reassure you for a moment. In this complex economy of ours, the idea of doing something about the conditions in which you and I do business might seem impossibly complicated. Where do you start? What do you do? Well, you will find to your surprise that instead of some vast complicated situation beyond your control, the business climate in your community can be broken down into identifiable, tangible situations that you can do something about. Just bear this in mind: What goes on here in Washington, and what goes on in your State capitals, reflects the active and expressed points of view in all of the hometowns across the Nation.

If you need one clinching argument to convince you of the job that needs to be done, let me remind you that government at all levels—Federal, State, and local—is spending an amount equal to about one-third of this Nation's income. How can you help but be involved; you have no choice, because you already are. Your only choice is whether you are going to sit back and watch, or stand up and do something. To the businessman who says he hasn't time to be actively interested in what the Federal, State, and local governments are doing, I would like to point out that government certainly has shown it has the time to be actively interested in you.

Let me say this in conclusion, ladies and gentlemen. When you say to yourself: "I'm going to be ready for the 'soaring sixties,' and I'm going to get out from under my bushel basket and not only stand up and be counted but go out and do some counting on my own"—when you say all that and mean it, then there won't be any roadblocks to worry about. There isn't a roadblock in the world that we American businessmen can't circumvent by imaginative, straight thinking, and applying our ideas and convictions with strength and determination.

If we work with others, if we work together, we can attain every goal we can ever dream of, but if we work against each other, we will muff those opportunities, and the "soaring sixties" will soar right out of the window. The decision is entirely up to you.

Let me wish you and the folks back home minding the store the very best of success and good fortune in the years ahead.

Thank you very much.

SECOND SUPPLEMENTAL APPROPRIATIONS, 1959

The PRESIDING OFFICER (Mr. McNAMARA in the chair.) Is there further morning business? If not, morning business is closed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Chair lay before the Senate the unfinished business.

The PRESIDING OFFICER. Without objection, it is so ordered, and the Chair lays before the Senate the unfinished business, which will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 5916) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes.

Mr. MANSFIELD. Mr. President, I call up the amendment, which is at the desk, offered by the senior Senator from Illinois [Mr. DOUGLAS] and myself, and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed to insert after line 9, page 10, a section entitled "Military Personnel, Marine Corps" and thereafter the following words:

The Department of Defense Appropriation Act, 1959, Public Law 85-724, approved August 22, 1958, is amended, in title IV thereof, by striking the period after the word "Fund" in the section entitled "Military Personnel, Marine Corps", inserting a colon and adding the following words: "*Provided*, That Marine Corps personnel paid from this appropriation shall be maintained at an end strength of not less than 200,000 for the fiscal year 1959.

Mr. CHAVEZ. Mr. President, on behalf of the committee, I am willing to accept the amendment.

Mr. JOHNSON of Texas. Mr. President, before the Chair puts the question and the Senate acts on the amendment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Montana [Mr. MANSFIELD] offered for himself and the Senator from Illinois [Mr. DOUGLAS].

Mr. MANSFIELD. Mr. President, during yesterday's consideration of H.R. 5916, the Senate inserted the amendment requiring the maintenance of the Army at a strength of not less than 900,000.

The distinguished junior Senator from Louisiana [Mr. LONG] in proposing this amendment, pointed out that such an amendment was entirely consistent with the intent of Congress in passing the defense appropriation bill for fiscal 1959. The able junior Senator from Louisiana included in his statement of yesterday, in support of his amendment, the following excerpt from the report of the House of Representatives with respect to the strength of the Army:

It is the belief of the committee of conference that the national defense requires the maintenance of a Regular Army of not less than 900,000 and it is the intent that the planned strength for fiscal year 1959 be maintained at that level in accordance with the funds provided (p. 5, H. Rept.

2503, 85th Cong., 2d sess., dated Aug. 6, 1958).

Also in the course of the debate yesterday, the distinguished senior Senator from Louisiana [Mr. ELLENDER], in endorsing the amendment requiring the Army be maintained at 900,000, in his remarks included the following quotation from the report of the Senate Committee on Appropriations:

> The committee has approved the action of the House in recommending an increase in the strength of the Regular Army from 870,000 to 900,000, and has agreed to the Department's request to restore to a direct appropriation, $100 million, which the House had provided by transfer.

In spite of the clear-cut intent of Congress that the Army should be maintained at 900,000 in these critical times, the Pentagon has disregarded the intent of Congress and has directed the reduction of the Army to 870,000. Consequently, I believe that the Senate acted in the best interest of national security and constitutional processes by adopting the Army strength amendment of yesterday.

At the time this amendment was offered by the distinguished junior Senator from Louisiana I inquired as to a combination amendment requiring the maintenance, in accordance with congressional intent, of the Marine Corps at 200,000.

I was informed by the distinguished junior Senator of Louisiana that he had no objection to a similar amendment at the proper place in the bill.

The importance of such an amendment on the Marine Corps was further justified by the distinguished chairman of the Defense Subcommittee of the Senate Appropriations Committee, who stated yesterday to the Senate that "it was the intention of both the Committee on Armed Services and the Committee on Appropriations last year to have the number in the Marine Corps fixed at 200,000."

Members of the Senate will undoubtedly recall the specific, clear-cut, and unmistakable language with which the Senate, in its Appropriations Committee report, supported action of the report of the House Appropriations Committee which stated that the funds to support a Marine Corps of 200,000 "will enable the Marine Corps to maintain itself at the minimum strength required and will enable the Corps to fulfill its traditional role in the national defense posture of this country as the Nation's force in readiness."

In amplifying the Senate intent, the Senate Appropriations Committee report stated:

> This decision to appropriate the funds necessary for a 200,000-man Marine Corps was made with full considerattion of the fiscal and military limitations. The committee desires that it be clearly understood by appropriate agencies in the executive branch of the Government that it is the clear-cut intent of the committee, and of the proposed appropriating legislation, that the Marine Corps be maintained at the strength of 200,000.

It would be impossible for Congress to make more clear to the Pentagon the congressional intent with respect to the strength of elements of the armed forces. Since congressional intent has been disregarded, this time with respect to the Marine Corps, the Senate has no choice but to act in accordance with its constitutional responsibility, which the distinguished senior Senator from Louisiana stated so clearly yesterday when he said, "I remind Senators that while the President, under the Constitution, is Commander in Chief of the Army and Navy, it is the Congress which is charged, under that same Constitution, with raising and supporting armies."

With actual and potential crises being created by the Kremlin in Berlin, the Middle East, and the Far East, I concur with my colleagues in the belief that this is no time for our Nation to weaken its defenses.

Particularly, this is no time for Congress to permit, contrary to its clearly delineated intent, a reduction in the Marine Corps, our national force-in-readiness.

It must be realized, of course, that the Marine Corps, in carrying out the directives of the Pentagon, is in the process of reducing its strength from that directed and appropriated by Congress to 175,000 set by the Pentagon. Any difficulties that may be experienced in returning to 200,000, which the Marine Corps requires to maintain the three combat divisions and three air wings specifically required by law, is squarely the responsibility of the Pentagon. Therefore, in obtaining and maintaining the 200,000 mandatory Marine Corps strength required by this amendment, it is incumbent upon the Pentagon and all other governmental agencies concerned with national security to assist and facilitate the accomplishment of this manpower goal by the Marine Corps.

Mr. President, the purpose of the Douglas-Mansfield amendment now before the Senate is to maintain, in line with the intent of the Congress, the strength of the Marine Corps at 200,000 men, which the administration stated must be reduced to 175,000 this fiscal year. I point out that this amendment requires no additional appropriation. The money has been appropriated in the 1959 budget. The intent is to maintain a mobile striking force of 200,000 men in the Marine Corps.

Mr. DOUGLAS. Mr. President, I am happy to associate myself with the remarks of the Senator from Montana. Similar provisions are included in the bill not only for the Army, but also for the National Guard and the Reserves. Since the Marines are part of the striking force of the country, I think it is very important that Congress should make its intent clear and unmistakable, so that we will not allow the administration to further reduce our capacity to fight limited wars.

This amendment should, however, be called the Mansfield-Douglas amendment, rather than the Douglas-Mansfield amendment.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the chairman of the subcommittee.

Mr. CHAVEZ. If I understand the intent of the amendment, it is to clarify what Congress did last year on this subject.

Mr. MANSFIELD. Yes, for this fiscal year.

Mr. CHAVEZ. For 1959.

Mr. MANSFIELD. Yes.

Mr. CHAVEZ. It is desired to make sure there is carried out in the fiscal year 1959 what Congress set forth for the fiscal year 1959. Is that correct?

Mr. MANSFIELD. Yes.

Mr. CHAVEZ. Mr. President, I am willing to accept the amendment.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I call to the attention of the Senator from Montana, the Senator from Illinois, and also the Senator from New Mexico, chairman of the subcommittee, that the strength of the Army was set at 900,000 and the strength of the Marine Corps was set at 200,000 in the conference report of last year. The amendment which was accepted yesterday in the Senate was attached to the operations and maintenance account. It set the strength of the Army at a 900,000-man figure. If the language is applied merely to the money in the supplementary budget, that is one thing; but if the money from the supplementary budget is included and put into one common fund with the operations and maintenance account, then the whole account is subject to the limiting language of the amendment. I interpret the amendment to mean that no part of the maintenance and operation funds may be used for the purpose of reducing the Army below 900,000 men. I have the exact figures as of March 31. The strength of the Army presently is 878,692. If that is true, the Army strength would have to be put back to 900,000 men between now and the 1st of July.

The same statement applies to the amendment now offered by the Senator from Montana relating to the Marine Corps. The strength of the Marine Corps is presently, as of March 31, at 183,400.

I think I shall not oppose the amendment. The chairman of the subcommittee has accepted it. However, I call attention to the fact that the amendment is subject to a point of order. I shall not make the point of order, because I think this is a matter which should be straightened out in conference between the two Houses.

I know the conferees, of which I was one last year, adopted similar language in its conference report. I am confident that in attaching such language to the supplemental appropriation bill no Member of the Senate will want to impede the operations of the Army or Marine Corps.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from New Mexico.

Mr. CHAVEZ. The reason why I was so strongly in favor of the amendment

submitted by the Senator from Louisiana [Mr. LONG] and other Senators yesterday, and the reason why I favor the amendment submitted by the Senator from Illinois and the Senator from Montana today, is that the Executive did not carry out the intent of Congress which was included in the language of the appropriation bill last year. I think it is time Congress let the administration know once and for all what Congress means.

Mr. MANSFIELD. May I say to the distinguished chairman of the Defense Subcommittee of the Committee on Appropriations that the funds have already been appropriated by the Congress, and the intent has been expressed.

Mr. CHAVEZ. That is correct, but the administration did not carry out either the purposes of the fund or the expressed intent of the Congress.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed with what I have said relative to this matter, remarks I made as printed in the March 2, 1959, issue of the CONGRESSIONAL RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

NATIONAL SECURITY—RESOLUTION OF THE VETERANS OF FOREIGN WARS

Mr. MANSFIELD. Mr. President, I am in receipt of a letter from an old friend and fellow Montanan, the national commander of the Veterans of Foreign Wars, John W. Mahan, of Helena, Mont. In his letter, which is addressed to every Senator, Mr. Mahan sets forth his views on the need to maintain the defenses of our country. For example, he states that, according the present plans, our forces are going to be cut, insofar as the Marine Corps and the Army are concerned.

Mr. President, the Marine Corps, according to press reports, has been directed to reduce its strength to 175,000 men by the end of June 1959, even though last year the Congress appropriated funds to maintain the Marine Corps at a strength of 200,000 men. In addition, Mr. President, the Army has been given directions to reduce its strength, by the 30th of June 1959, to 870,000, rather than the 900,000 which was the intent of the Congress when additional funds were appropriated last year.

Mr. President, it is my hope that this matter will be given the most serious reconsideration by the administration, not only in view of the difficulties which have faced us in the past, but also in view of the difficulties which well may face us in the future.

Therefore, I ask unanimous consent that at the conclusion of my statement a table from the February 16 issue of Newsweek, and an article by Hanson W. Baldwin, be printed in the RECORD, together with a copy of the letter from Mr. John W. Mahan, commander in chief of the Veterans of Foreign Wars of the United States.

There being no objection, the tables, article, and letter were ordered to be printed in the RECORD, at the conclusion of the statement:

"STATEMENT BY SENATOR MANSFIELD

"The Marine Corps, according to press reports, has been directed to reduce its strength to 175,000 by the end of June 1959.

"This is a drastic cut below the current actual strength of 190,000 and an even more sizable cut below the 200,000 strength for which Congress appropriated and directed the Marine Corps to maintain for the current year.

"This reduction in the Marine Corps has serious implications, to which I will allude later, that go far beyond military matters. But first, there is the matter of our national requirement for a fully manned, adequate, combat-ready, versatile striking force of marines. Recent events underline with irrefutable logic this requirement.

"The crises which have followed one upon the other—Suez, Lebanon, and the Formosa Straits—have demonstrated not only the need for our Marine national force in readiness but also the precise and effective manner in which the Marines fulfill that requirement. Lebanon and Formosa are by no means the last of our international difficulties. We are confronted with an international situation that exists now and will continue to exist well into the foreseeable future; a situation characterized by many potential Communist-sparked crises.

"So, with the need for marines great or greater than ever before, our Marine Corps is being deliberately, arbitrarily, precipitately reduced. This Pentagon assault on the Marine Corps merits closest congressional and public scrutiny. It is no secret in official governmental circles that there has long been an effort within the Pentagon to reduce the Marines to merely a ceremonial status. This currently directed cut is just another step in that direction.

" 'Those who cannot remember the past are condemned to repeat it.' With Santayana's warning in mind, let's examine the recent history of Marine Corps strength.

"At the conclusion of World War II, during the congressional hearings incident to the passage of the National Security Act of 1947, it was apparent that determined efforts were being made to reduce the Marine Corps to a ceremonial organization. To assure its continued existence as a hard-hitting force in readiness, Congress spelled out, in detail, the roles and missions of the corps.

"This action by the legislative branch was taken against concerted and vigorous opposition from certain factions in the Pentagon.

"In spite of these elaborated precautions to assure that the Marine Corps would continue to exist to fill an obvious and vital requirement in our Nation's defense structure, the strength of the corps was reduced battalion by battalion until on the eve of the Korean war it had fallen to six infantry battalions. It is worth noting that although Congress had appropriated sufficient funds to support a measurably larger force in 1950–51, the then Secretary of Defense refused to permit the existence of more than six battalions.

"The lightning suddenness of the Korean conflict revealed in stark detail the bankruptcy of those policies. The Pentagon had reduced our ready force to the point that invited a national disaster.

"Working against overwhelming odds in matters of time and space, the Marine Corps was able to provide a brigade that turned the swelling Communist tide at Pusan and saved the perimeter. Then, at Inchon, a division of marines speedily assembled, literally from opposite sides of the earth, converted the battle for South Korea into a rout of the Communist hordes.

"The vital importance of a strong force in readiness had been demonstrated once again with nerve shattering clarity. The lesson was not lost on Congress.

"While the Korean war was still in progress, Congress went to great effort to assure that the Nation would not again find itself so nearly without such a force. In 1952 legislation was enacted to prescribe a Marine Corps of not less than three combat divisions and three air wings.

"With such a firm and unambiguous requirement established in the law, Congress felt it had assured the existence of a constantly ready combat force of sufficient strength to serve as the first echelon of the Nation's limited war force.

"However, in 1955, the Pentagon began a new round of reductions in the Marine Corps over vigorous congressional opposition. In the face of Pentagon plans to reduce the Marine Corps to 193,000, Congress appropriated sufficient funds to maintain the corps at 215,000 for fiscal year 1956. Over $37 million of the funds thus appropriated were impounded by the then Secretary of Defense and the Marine Corps was maintained at 200,000.

"Fiscal year 1958 brought a new attack on the strength of the corps. After Congress had appropriated funds to maintain the Marines at 200,000, the Pentagon refused to allocate funds for a strength beyond 190,000.

"The budget for fiscal year 1959 revealed a new assault on Marine strength with a reduction from 190,000 to 175,000. Faced with this effort to reduce the corps by 12½ percent below that set by the legislative branch in its appropriations, Congress took new steps to make its position clear.

"The House Appropriations Committee found that 'a strong Marine Corps is essential to our National Defense Establishment. The striking power of the operating forces of the Marine Corps consists primarily of three combat divisions and three air wings with supporting forces as provided by law. These forces, deployed in this country, aboard ship, and in advance bases in the Pacific and the Far East, form a striking force immediately available and prepared to fight in a general war, a small war, or a limited war. The budget recommended by the President did not make adequate provision for these specifically authorized Marine Corps forces.'

"In support of this finding the committee recommended, and the House of Representatives approved, appropriations to maintain the Marines at a strength of 200,000.

"The Appropriations Committee of the Senate did not rest content with a mere affirmation of the findings of its brethren in the House. It chose to make abundantly clear that this was not a hastily conceived sentimental salute to a particular service. The committee stated this decision to appropriate the funds necessary for a 200,000-man Marine Corps was made with full consideration of the fiscal and military implications. The committee desires that it be clearly understood by appropriate agencies in the executive branch of the Government that it is the clear-cut intent of the committee, and of the proposed appropriating legislation, that the Marine Corps be maintained at the strength of 200,000.

"The Senate approved these conclusions and the action of the House of Representatives by appropriating the funds necessary to establish a Marine Corps of 200,000.

"Although confronted by this clear and unmistakably congressional mandate, the Pentagon has nevertheless directed a reduction of the Marines to 175,000.

"When placed in the perspective afforded by recent history, the current actions by the Pentagon fit the old discredited and disastrous pattern of a step-by-step gutting of the Marines to the status of a ceremonial outfit.

"The lessons of history, recent and remote, are ignored. The blind unreasoning refusal to look at the world situation continues. The probability of new situations similar to those we were compelled to face in Korea, Indochina, Suez, and Lebanon is blandly rejected.

"Can we attribute the Pentagon attitude solely to a desire for economy? The amount involved will not support this conclusion. Careful study by the Appropriations Committees established this amount at $45,200,000; a small sum, indeed, to maintain the force-in-readiness tailored to provide the versatility and flexibility we need so desperately today.

"The complete rejection by the executive branch of the most carefully formulated conclusions of the legislature on matters of

military policy, such as Marine Corps strength, is not supported by history or by the current world situation. Nor is it sound governmental procedure.

"I have watched with increasing concern and dismay the deterioration of the constitutionally established partnership between the executive and the legislative branches which is so vital to an effective military policy.

"At the risk of belaboring the obvious, I feel compelled to state that a partnership cannot endure and prosper when the convictions of one partner are ignored, or arbitrarily rejected, by the other.

"The vitality of the doctrine of separation of powers, the cornerstone of our form of government, rests upon the self-restraint of each of the three branches of our Government. In the absence of such self-restraint, characterized by the profound respect for the lawful areas of responsibility of each branch of our Government, a balance of power cannot exist.

"As it has demonstrated in the past, Congress is not powerless to enforce its views in matters of military policy. A statutory floor has been placed on the strength of the Army National Guard and the Army Reserve in the Department of Defense Appropriations Act for fiscal 1959.

"The Pentagon complains that such action is unduly restrictive upon the executive branch. I suggest to them that by their repeated high-handed rejections of the views of Congress, of which the Marine Corps reduction is a prime example, they compel resort to the rigid prescriptions of statutory law.

"Marine Corps strength is the principal illustration. The views of Congress on this matter have been repeatedly expressed and repeatedly flouted or ignored by the Pentagon. A mandatory floor on the strength of the Marine Corps, set forth in the law, appears to be the only means for Congress to insure that its carefully considered judgment will not be thwarted by administrative action.

	"Appropriated strength, fiscal year 1958	Actual strength Dec. 31, 1957	Appropriated strength, fiscal year 1959	Directed end strength, June 30, 1959
Army	1,000,000	918,111	900,000	870,000
Navy	675,000	629,566	630,000	630,000
Marine Corps	200,000	190,708	200,000	175,000
Air Force	925,000	878,657	850,000	850,000

"From Public Law 85-724, 85th Congress (an act making appropriations for the Department of Defense for the fiscal year ending June 30, 1959 and for other purposes):

"From title III, Department of the Army, Military Personnel: 'For pay, allowances, individual clothing, interest on deposits, and permanent change of station travel, for members of the Army on active duty (except those undergoing reserve training); expenses incident to movement of troop detachments, including rental of campsites and procurement of utility and other services; expenses of apprehension and delivery of deserters, prisoners, and soldiers absent without leave, including payment of rewards (not to exceed $25 in any case), and costs of confinement of military prisoners in nonmilitary facilities; donations of not to exceed $25 to each prisoner upon each release from confinement in an Army or contract prison (other than a disciplinary barracks) and to each person discharged for fraudulent enlistment; authorized issues of articles to prisoners other than those in disciplinary barracks, subsistence of enlisted personnel, selective service registrants called for induction and applicants for enlistment while held under observation, and prisoners (except those at disciplinary barracks), or reimbursement therefor while such personnel are sick in hospitals; and subsistence of supernumeraries necessitated by emergent military circumstances; $3,175,961,000, and in addition, $375 million, to be derived by transfer from the Army Stock Fund: *Provided*, That section 212 of the act of June 30, 1932 (5 U.S.C. 59a), shall not apply to retired military personnel on duty at the U.S. Soldiers' Home: *Provided further*, That the duties of the librarian at the U.S. Military Academy may be performed by a retired officer detailed on active duty."

"Reserve personnel

" 'For pay, allowances, clothing, subsistence, transportation, travel and related expenses, as authorized by law, for personnel of the Army Reserve while on active duty under section 265 of title 10, United States Code, or undergoing Reserve training or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps; subsistence for members of the Army Reserve for drills of 8 or more hours duration in any one calendar day; $222,759,000: *Provided*, That the Army Reserve personnel paid from this appropriation shall be maintained at an end strength of not less than 300,000 for the fiscal year 1959.'

"ARMY NATIONAL GUARD

" 'For pay, allowance, clothing, subsistence, transportation, and travel, as authorized by law, for personnel of the Army National Guard while on duty under section 265 of title 10, United States Code, while undergoing training or while performing drills or equivalent duties; expenses of training, organizing, and administering the Army National Guard, including maintenance, operation, and alterations to structures and facilities; hire of passenger motor vehicles; personal services in the National Guard Bureau and services of personnel of the National Guard employed as civilians without regard to their military rank, and the number of caretakers authorized to be employed under provisions of law (32 U.S.C. 709) may be such as is deemed necessary by the Secretary of the Army; subsistence for officers attending drills of 8 or more hours' duration in any 1 calendar day, travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard of the several States, Territories, and the District of Columbia, as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft); $342,093,000: *Provided*, That obligations may be incurred under this appropriation for training of units designated for early deployment under mobilization plans and for installation, maintenance, and operation of facilities for antiaircraft defense without regard to section 107 of title 32, United States Code: *Provided further*, That the Army National Guard shall be maintained at an average strength of not less than 400,000 for the fiscal year 1959."

"Military personnel, Marine Corps

" 'For pay, allowances, subsistence, interest on deposits, gratuities, clothing, permanent change of station travel (including expenses of temporary duty between permanent duty stations), and transportation of dependents, household effects (including storage thereof), and privately owned automobiles, as authorized by law, for Regular and Reserve personnel on active duty (except those on active duty while undergoing Reserve training), $635,692,000, and, in addition, $25 million to be derived by transfer from the Marine Corps stock fund.'

"From Senate Report No. 1937 (Department of Defense appropriation bill) 85th Congress, 2d session, page 8:

" 'The Senate committee has approved the action of the House in adding funds to maintain the Marine Corps strength at 200,000 in reducing the appropriation by $1,200,000 in the permanent change-of-station travel account, and in utilizing $25 million of revolving funds in lieu of appropriations.

" 'The events in the Middle East during the past months have established beyond question, in the considered judgment of the committee, that the security of our Nation demands that the Marine Corps be maintained at a minimum strength of 200,000.

" 'This decision to appropriate the funds necessary for a 200,000-man Marine Corps was made with full consideration of the fiscal and military implications. The committee desires that it be clearly understood by appropriate agencies in the executive branch of the Government that it is the clear-cut intent of the committee, and of the proposed appropriating legislation, that the Marine Corps be maintained at the strength of 200,000.'

"From page 5, of the same report:

" 'Subsequent to the House action, additional budget estimates were submitted in Senate document 103, requesting consideration of an additional $179,561,000 for increased pay costs. This, the Senate committee has approved. In addition, the committee has approved the action of the House in recommending an increase in the strength of the Regular Army from 870,000 to 900,000, and has agreed to the Department's request to restore to a direct appropriation, $100 million, which the House had provided by transfer.'

"From House Report No. 1830 (Department of Defense appropriation bill) 85th Congress, 2d session, page 49:

" 'A strong Marine Corps is essential to our National Defense Establishment. The striking power of the operating forces of the Marine Corps consist primarily of three combat divisions and three air wings with supporting forces as provided by law. These forces deployed in this country, aboard ship, and in advance bases in the Pacific and the Far East, form a striking force immediately available and prepared to fight in a general war, a small war, or a limited war. The budget recommended by the President did not make adequate provision for these specifically authorized Marine Corps forces. It was based on a reduction in the fiscal year 1959 end strength to 175,000 men, 25,000 below the amount determined to be the minimum essential force level of the corps. Accordingly, the committee has provided funds for the maintenance of the Marine Corps which will enable them to reach a strength of 200,000 military personnel at the end of fiscal year 1959. The additional funds required for this personnel increase total $45,200,000 and have been allocated to various appropriations items as follows:

" 'Military personnel, Marine Corps	$36,650,000
" 'Troops Corps troops and facilities	4,875,000
" 'Medical care, Navy	1,175,000
" 'Aircraft and facilities, Navy	2,500,000

" 'The funds recommended by the committee will enable the Marine Corps to maintain itself at the minimum strength required and will enable the Corps to fulfill its traditional role in the national defense posture of this country as the Nation's force in readiness.'

"From page 32 of the same report:

" 'In the light of all the facts, including the committee's decision to exceed the budget by increasing the strength of the Marine Corps, the Army Reserve, and the Army National Guard and make other improvements in the readiness of our defense such as additional Polaris submarines and acceleration of the

Minuteman and Hound-dog missile programs, the committee has decided not to exceed the budget for the 870,000-man Army. However, it is the committee's desire that the Army be provided with the most modern equipment and weapons, and along these lines it was testified that much of the current available equipment does not meet the tactical requirements of the reorganized pentomic forces.'

"From conference report on Department of Defense appropriation bill (H. Rept. 2503) from page 5:

"'Amendment Nos. 5, 6, and 7: Military personnel: Appropriate $3,175,961,000 instead of $2,946,400,000 as proposed by the House and $3,225,961,000 as proposed by the Senate; provide for transfer from the Army Stock Fund of $375 million instead of $425 million as proposed by the House and $325 million as proposed by the Senate; and delete the provision of the Senate that the Regular Army shall be maintained at not less than 900,000 strength during fiscal year 1959. It is the belief of the committee of conference that the national defense requires the maintenance of a Regular Army of not less than 900,000 and it is the intent that the planned strength for fiscal year 1959 be maintained at that level in accordance with the funds provided.'

"From page 6 of the same report:

"'Amendment Nos. 19 and 20, Military personnel, Marine Corps: Appropriate $635,692,000 as proposed by the Senate instead of $604,056,000 as proposed by the House, and delete provision of the Senate that the Marine Corps shall be maintained at not less than 200,000 strength during fiscal year 1959. As with the strength of the Regular Army it is the belief of the committee of conference that the national defense requires that the Marine Corps be maintained at a strength of not less than 200,000 and it is the intent that the planned strength for fiscal year 1959 be maintained at that level in accordance with the funds provided.'

"[From Newsweek, Feb. 16, 1959]

"ADDING UP MILITARY POWER

"Missile power

"United States: ICBM's, none; IRBM's, 10.

"U.S.S.R.: ICBM's, none; IRBM's, 500–1,000.

"Air power

"United States: 850,000 men, 1,000 B–47 (medium) bombers, 500 B–52 (long range) bombers, 35,500 other aircraft.

"U.S.S.R.: 700,000 men, 350–850 medium bombers, 100–150 long-range bombers, 24,000 other aircraft.

"Sea power

"United States: 640,000 sailors, 189,000 marines, 15 attack carriers, no battleships, 11 antisub and other carriers, 14 cruisers, 240 destroyers, 112 submarines, 500 auxiliaries, 2,500 patrol vessels.

"U.S.S.R.: 850,000 sailors, no carriers, 3 battleships, 27 cruisers, 150 destroyers, 200 attack submarines, 250 coast-defense submarines, 250 auxiliaries, 1,000 patrol vessels.

"Land power

"United States: 870,000 men, 14 infantry divisions, 2 infantry brigades, 8 infantry battle groups, 6 armored regiments.

"U.S.S.R.: 2.5 million men, 100 infantry divisions, 75 mechanized and tank divisions."

"THE NAVY BUDGET: FLEET WILL REMAIN AT CURRENT SIZE BUT AIRCRAFT INVENTORY WILL BE CUT

"(By Hanson W. Baldwin)

"The Navy's share of the administration's defense budget for the fiscal year 1960 will maintain a fleet of approximately the present size.

"Some 864 ships, the same number as are now in service, are scheduled to be in commission in the next fiscal year; 389 will be warships and 475 will be supporting vessels, amphibious craft, and so on. The Navy's active aircraft inventory will drop to 9,117 by June 30, 1960, compared with 10,533 on June 30, 1958. Only some 7,200 of these will be operational. Forty-seven percent will be jet powered.

"Fourteen attack aircraft carriers will be maintained instead of the 15 of last June, but new *Forrestal*-type carriers are replacing the old wartime *Essex* class.

"Submarine war stressed

"The 1960 budget will maintain 16 carrier air groups—2 of them replacement groups—the same number as this year. More than 600 antisubmarine aircraft will be modified with new radar, and 2 new antisubmarine warfare task forces will be organized.

"Patrol and warning squadrons will increase from 39 to 42, and the reorganization of the Naval Air Reserve, to orient it toward an antisubmarine mission, will continue.

"The manning level for the active fleet will average about 81 percent of normal war strength per ship and squadron, about the same as this year.

"With new procurement funds the Navy will buy 668 aircraft, which is less than one-half of the annual procurement needed to maintain an active operating naval air arm of 7,200 planes.

"Air arm shrinking

"Officials believe that given the present rate of procurement of piloted aircraft, the naval air arm will decrease by 4,000 to 5,000 aircraft by 1963–64.

"There is also considerable concern about the growing obsolescence of the fleet. The 1960 shipbuilding program provides for 18 new ships, including a conventional powered aircraft carrier of the Forrestal class, 6 guided-missile destroyers and frigates, 3 more nuclear-powered submarines, and 8 other vessels.

"Nine Polaris missile-firing submarines had been provided prior to the 1960 budget, but the administration has withheld funds for some of them and has adopted a building program of about three a year and one aircraft carrier every other year.

"The 1960 budget contains funds for long leadtime items for three more Polaris submarines, in addition to the nine already provided, but does not authorize or provide funds for the full costs of the three additional submarines.

"The building program also includes the conversion and modernization of 13 old ships, including a cruiser, 8 destroyers, and 4 other vessels.

"The present naval construction program of about 20 new ships a year is less than half the number needed to replace overage ships if the operating fleet's present size of 864 vessels is to be maintained.

"The Marine Corps is already undergoing a reduction from an authorized strength of 200,000 to 175,000 during the current fiscal years; its strength is to remain at the 175,000 level in the fiscal year that begins next July 1.

"President Eisenhower's budget message declares that 'the Marine Corps will continue to support three divisions and three air wings in their traditional state of high combat readiness.'

"Marines deplore cuts

"The Marine Corps flatly disputes this. Gen. Randolph McC. Pate, the Commandant, has testified that the current reduction to 175,000 men will mean the elimination of 6 battalion landing teams out of the corps' current 27, and the elimination of 6 air squadrons.

"The Marines will activate additional antiaircraft battalions to operate the Army-developed Hawk missile, designed for use against low-flying aircraft.

"During the next 18 months an old aircraft carrier—the Princeton—is earmarked for use as a Marine helicopter landing ship. The use of this carrier, which will be operated with no material physical alterations, will give the Marines three ships from which to practice the technique of helicopter assault. Two have already been specially converted.

"The administration's 1960 budget provides funds for maintaining a total of 1,030,000 Reserves, both Army and Air National Guard, in a paid status, as compared with 1,082,000 this year.

"The President's budget envisages funds during the fiscal year 1960 for 330,000 Army reservists, 360,000 in the Army National Guard, 75,000 in the Air National Guard, 145,000 in the Navy Reserves, 48,000 in the Marine Corps Reserve, and 72,000 in the Air Force Reserve.

"The Army National Guard will man an increased number of Nike antiaircraft battalions, and the Naval Reserve will provide at least cadre crews for 48 destroyers or destroyer escorts by the end of 1960.

"The Air National Guard, its aircraft already 90 percent jet-powered, will be furnished more modern types in 1960.

"The average cost of maintaining a Regular serviceman in uniform increases from $3,885 annually in 1958 to $4,150 in 1959 and to a figure estimated at $4,220 in 1960. This is chiefly due to pay increases and other added costs."

"VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Kansas City, Mo., February 27, 1959.

"The Honorable MIKE MANSFIELD,
U.S. Senate, Washington, D.C.

"MY DEAR SENATOR: As commander in chief of the Veterans of Foreign Wars, I recently had an opportunity to meet with leaders from your State during our annual legislative conference in Washington, D.C. Since talking with your constituents, I thought it advisable to write you on a matter that concerns all of us—national security.

"The VFW, by resolution and by unanimity of opinion, feels that our country is losing basic military strength through proposed plans to reduce our Defense Establishment. We believe, and we are on record, that our country should have a balanced defense which is ready to move at a moment's notice whether on the ground, on the seas, or in the air. We further believe that a reduction in our ground forces in the face of the Khrushchev challenge over Berlin is unthinkable. Even though the Berlin situation might be settled peaceably, there are still many trouble spots in the world where American support has already been committed.

"It is our understanding that unless plans to reduce forces are halted, the Army will lose one division and the Marine Corps will suffer drastic cuts in its combat strength. Our military strength must be great enough to insure peace.

"We are told that Russia has 27 divisions on the borders of Western Europe alone. Instead of a reduction of forces, the VFW knows that the American people are willing to pay more for defense, if necessary, and we should keep our ground forces at least at the level recommended by the Congress which was 900,000 in the Army and 200,000 in the Marine Corps.

"We would appreciate hearing from you on this matter and if you agree with us, I sincerely hope that you will lend your influence and support toward maintaining our military and naval forces at the above strength.

"Sincerely yours,

"JOHN W. MAHAN,
"Commander in Chief."

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. SALTONSTALL. I want to make it clear I am not opposing what the Senator says at the present time.

Mr. MANSFIELD. The Senator has made it clear.

Mr. SALTONSTALL. I simply point out that in my opinion, and also in the opinion of the counsel of the Department of Defense the language will have to be considerably altered if it is to be included in the bill. I am sure the Senator from Montana does not want the complete operation of the Army stopped and does not want the complete pay of each man in the Navy stopped, which may be the effect of the present language.

Mr. MANSFIELD. I will say, most respectfully that, in my opinion what he mentions will not happen. If those in authority can find a way to reduce the Army and the Marine Corps, I am sure they can find a way to bring about a restoration of strength both with regard to an Army of 900,000 and to a Marine Corps of 200,000, in line with the intent of the Congress.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. DOUGLAS. All we want to do is to serve clear notice on the administration that we want an Army of 900,000 men and a Marine Corps of 200,000 men, and that we do not want these cuts to continue; and that we want their strengths to be built up at the earliest possible moment.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. SALTONSTALL. I understand that completely, I will say to the Senator from Illinois, but I am confident that the Senator from Illinois wants this done so that the complete operation of all the 870,000 men in the Army and the complete pay for all the men in the Navy and the Marine Corps will not be stopped.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. JOHNSON of Texas. I commend the Senator from Illinois for his statement. I hope those in authority understand it. I know the Senate understands it.

I think it is high time that those who are trying to run the Army understand what the Congress intends for them to do. The Congress made itself clear last year, and the Congress is making itself clear now. This is a coequal branch of the Government. We have some voice in the matter, and we have some interest.

I commend the Senator from Illinois for what he has said. I think he has put it on the line. I think those who are running the Army ought to sit up and take notice.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MANSFIELD], for himself and the Senator from Illinois [Mr. DOUGLAS].

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas [Mr. JOHNSON] to lay on the table the motion of the Senator from Montana [Mr. MANSFIELD] to reconsider.

The motion to lay on the table was agreed to.

Mr. BYRD of West Virginia. Mr. President, I wish to express my gratitude and my compliments to the chairman of the Appropriations Committee and to the other members of that committee for including funds in the bill for forest land development. I offered an amendment in committee, in behalf of the Senator from West Virginia [Mr. RANDOLPH] and myself, to add a little over $2 million for forest land development to be used for the development of national forests, and forest roads and trails in areas of the country that are burdened with substantial unemployment. The committee accepted the amendment, but increased the amount to $3 million, $2.5 million of which would be used for forest land development, and $500,000 for forest roads and trails. The $2.5 million would be utilized for timber stand improvement, reforestation, forest pest control, recreation improvements, watershed rehabilitation, fire protection, rehabilitation of storage buildings and fire lookouts, wildlife habitat, and general land improvements; and the $500,000 would be used for road and trail construction, including bridge construction and replacement.

Mr. President, the total cash receipts from the sale of national forest timber and related resources now exceeds a billion dollars. This amount is expected to be doubled within the next 10 years. Research in new uses for hardwoods, better protection from insects and disease, and improved quality of tree growth are needed. As Secretary Ezra Taft Benson has said, what is done in the next 10 to 15 years will largely determine whether these vastly important public lands will contribute by the year 2000 their fair share to a greatly expanding national economy. The demand for quality timber will continue to increase, and from the standpoint of national security, it is important that we not only conserve our national forests, but that we also improve the quality of the timber and reforest many areas that have been robbed of natural tree growth. Protection of watersheds and water quality is always a primary objective, and much of the Nation's water flow originates in our national forests. Water is already a most precious commodity in many areas, and no realistic dollar value can be placed on water from the national forests. A vigorous national forest conservation program will improve soil stabilization, result in more regular stream flow, enhance water quality, and foster infiltration of water in underground storage. These results will ultimately lessen the need for construction of surface reservoirs.

Recreation has now become a major forest use. People from our cities are traveling increasingly to the national forests for recreation, hunting, camping, and fishing, and to enjoy the scenic beauty of nature's great out-of-door theater. The recreational use of our national forests is expected to double within the next 10 years. As America's population and economy expand, we in the Congress should make sure that the management, protection, and use of the resources of our national forests expand also.

Mr. President, I believe that the inclusion of these additional monies for forest land management and forest roads and trails is a step in the right direction. I hope that a program can be successfully initiated which will pay tremendous dividends to the Nation in terms of conservation of forest and land and water resources. At the same time, many of the unemployed individuals in areas of substantial unemployment can be put to work in wholesome surroundings and in a wholesome way. He who plants a tree does not plant it for himself, but for future generations; and money spent in preserving and improving our national forests is money spent in the building of a stronger and better Nation.

Mr. RANDOLPH. Mr. President, as a cosponsor of this amendment, it is with genuine earnestness that I speak in its behalf. I have strongly supported legislation to aid the national forests—particularly those within West Virginia—throughout my service in the Congress. While a Member of the House of Representatives, from the West Virginia Second District, I worked with diligence for the development of the George Washington National Forest and the Monongahela National Forest, both of which are within that area. In fact, the headquarters for the Monongahela National Forest is situated in my own home town of Elkins, W. Va. Therefore, my support of this present amendment to improve our national forests is based upon a background of effort on this subject.

Mr. President, I firmly believe that the matter under discussion—submitted by my colleague from West Virginia [Mr. BYRD] and myself for the purpose of intensifying national forest operations in States that are afflicted by severe unemployment—is a reasonable program by which we might pursue a double goal. Not only will we be bringing economic relief to those families and communities and areas which are feeling the agonizing pinch of joblessness, but we will also bring to those sections the multitude of benefits that come from improved forest lands.

My colleague the junior Senator from West Virginia [Mr. BYRD] has comprehensively outlined the many rewards that would be shared from the betterment of the improvement of the forests. And I will not elaborate upon them, except to point out that the valuable projects were not hastily dreamed up as a make-work proposition. I am informed by the U.S. Forest Service that the money is to be spent for projects which have long been planned and under study, but for which adequate funds have not been available. By providing these funds, Mr. President, we will give our regions of joblessness a twofold benefit which I believe is more than worth the

relatively modest amount of money that will be required.

Mr. ELLENDER. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 7, lines 19 and 20, it is proposed to strike out "$200,000,000" and to insert in lieu thereof "$100,000,000."

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the amendment, so that all Senators will be on notice. The Senator from Louisiana informs me that he anticipates his address will last about an hour. We will then have a little time for reply, and all Senators can be on notice that we will have a vote thereafter.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, the purpose of my amendment is to reduce the supplemental appropriation for the Development Loan Fund to $100 million. This would bring the committee's bill in agreement with what the House has provided for the Development Loan Fund. The Senate Committee on Appropriations has recommended $200 million for this purpose.

Mr. President, I wish that more Senators were on the floor to hear what I have to say regarding the Development Loan Fund. As all Senators know, I have made yearly trips abroad for the purpose of investigating our foreign aid program.

Mr. President, as I have often stated on the floor, I make no apologies for supporting the Marshall plan as it was originally presented to this body. All of us know that the Marshall plan was begun on a more or less loan basis, but the wide-eyed bureaucrats who were placed in charge of the program thought that method was too slow. Instead they effected changes which made our foreign aid program into one almost wholly dependent on grants. In the last 13 years we have spent in excess of $70 billion in order to assist our friends across the seas.

Two years ago, when the concept of grant aid began to get into trouble as a result of a short-lived economy drive which engulfed the country at that time, the Development Loan Fund was placed on the statute books. I feared then, that the Development Loan Fund was going to take the same course as the already discredited grant-aid program.

In the floor debate last year on the mutual security appropriation bill, I said:

> If any kind of a foreign aid program can be justified, it is in the establishment of various loan funds—be it the Development Loan Fund, or this new fund President Eisenhower has suggested to aid in the development of the Arab countries.

But at the same time, I also voiced a warning about what could happen to the Development Loan Fund if Congress did not keep a close watch on it. I said at that time:

> Under the circumstances, I approach the loan fund idea with fear and trepidation, but, as I have stated, I am compelled to more or less endorse it because it holds out the only prospect of our obtaining some return, no matter how small, on any further foreign aid expenditures the Congress may provide. However, I warn Senators that they must not regard the Development Loan Fund as a bright and shining hope. * * *
>
> I must warn the Senate that the rats have been in the corncrib already. The Development Loan Fund already shows signs of being raided by the big-shot bureaucrats who administer the program.
>
> I urge Senators to keep a close eye on this Fund. It should not be used to assist countries that have already received a bountiful share of our generosity. If we turn our backs, it will be raped, just as the philosophy behind the original Marshall plan has been torn and shredded by the would-be empire builders in the executive branch.

Much to my regret, it is my duty to inform Senators that my apprehensions have borne fruit. What I feared has come to pass.

When the development loan fund program was originally justified to the Congress, we were told that its assets would be made available to the newly independent and underdeveloped countries of the world—and that in this connection it would be particularly helpful to our good friends in Latin America.

We were told that the Development Loan Fund would be a means of reducing grant assistance to countries all over the world.

We were told that these loans would be made in such a manner as to encourage private enterprise and aid the underdeveloped countries to fight the specter of socialism, which would end their democratic lives before they had really begun.

Finally, we were told that we must continue our foreign aid program—including the Development Loan Fund—on the basis that it is our Christian duty to do so.

I should like to discuss in some detail a few of the reasons for the establishment of the Development Loan Fund, particularly in light of what has transpired over the 2 years that the Fund has been in existence.

Although the loans were to be made to independent and underdeveloped countries of the world, events show that before the ink was dry on the $300 million appropriation made for the fiscal year 1958, the guardians of the Fund had made a loan of $3 million to the Government of the Netherlands to finance a housing project in Australia which was being constructed to effect the resettlement of Dutch emigrants from the East Indies.

Mr. President, I would like to know who in this chamber can classify the Netherlands and Australia as either newly independent or underdeveloped countries.

Yet, the managing director of the Development Loan Fund told the Senate Appropriations Committee that, in his opinion, Australia is an underdeveloped country, in some respects.

I point out that if Australia is an underdeveloped country, since it contains some sections which have not yet been completely industrialized, then our 49th State of Alaska can very well apply for loans from the Development Loan Fund under this same line of reasoning.

Many other States, particularly those in the West, could also qualify under this broad definition of "underdeveloped."

This particular $3 million loan disturbed me, Mr. President, because I could already sense that changes were being effected in the original idea of creating a fund to loan money for worthwhile projects in underdeveloped countries. I could feel that the original plan was being molded into the image of the existing foreign aid program, namely, that by sheer volume of money alone, we can buy all the allies we need—all the military and economic strength the free world requires for survival.

It should be abundantly clear by now to all of our dreamy-eyed foreign aid planners that this theory has not worked, and never will work. Yet they continue to push their discredited theory. Now that their concept of foreign aid has been proven a failure they seek to hide their actions by perverting the Development Loan Fund, which originally was advanced and justified as a worthwhile program, designed to assist backward countries to help themselves.

I questioned the Director of the Loan Fund, Mr. Dempster McIntosh, at length, in an effort to obtain some rational justification for the Australian housing project loan. At this point, Mr. President, I ask Senators to turn to page 645 of the hearings on the second supplemental bill for 1959. I will read from that page now, so that Senators who were not able to attend the hearings will learn how the director justified this $3 million Netherland-Australia loan. I quote from the hearings:

> Mr. MCINTOSH. The loans which have been concluded in Europe are a loan to the Netherlands in connection with the resettlement of immigrants in Australia.
>
> Senator ELLENDER. Will you describe that loan to us and tell us why it was made?
>
> Mr. MCINTOSH. That loan was made largely because of the legislative history of the Development Loan Fund. During the debate on the basic authorizing legislation for the Development Loan Fund several Members of Congress brought up the matter of financing the settlement of Dutch immigrants into Australia and put on the record the statement that this was one of the purposes for which the Development Loan Fund would be formed.
>
> So it was in recognition of that that it was recommended that the loan should be made.
>
> Senator ELLENDER. Why didn't Australia make the loan?
>
> Mr. MCINTOSH. Australia is also financing it in part.
>
> Senator ELLENDER. Why doesn't Australia contribute the whole amount? Certainly its financial situation is good and it will be the beneficiary since it is in dire need of immigrants.

I leave my prepared remarks to say that I have visited Australia on four occasions in the past 13 years, and I have seen much prosperity there. Australia could easily have financed this program. But no, our do-gooders had the development-loan pie available and just had to find ways and means to dispose of it. This Fund was to be used for the benefit of underprivileged and underdeveloped countries, and not for the purpose

of supplying funds to a prosperous, established country.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. TALMADGE. I wish to associate myself with the remarks of the distinguished Senator from Louisiana, and to commend him for the diligence with which he has fought this flagrant waste of money throughout the world.

Is it not true that the money we are lending or giving away is money which we have borrowed from our own citizens?

Mr. ELLENDER. It is all borrowed money. That is true of every dollar used in the foreign aid program. The entire $3.9 billion which has been requested by the administration for the Mutual Security Program for fiscal year 1960 must be derived entirely from borrowed funds. As a matter of fact, I may say to my good friend, the Senator from Georgia, that as of the end of the current fiscal year the estimated deficit will approximate $13 billion. But, not withstanding these facts, the administration continues to advance money to countries which are better off than we.

Mr. TALMADGE. Is it not true that some of our own bonds are selling for as much as 15 points below par?

Mr. ELLENDER. That has been pointed out on the floor of the Senate many times.

Mr. TALMADGE. Does the Senator from Louisiana know of any Australian bonds which are selling at 15 points below par?

Mr. ELLENDER. I have never looked into the matter, but I am sure Australia is better off than we are. As I said before, Australia is one of the most prosperous countries in the world. It has a population in excess of 8 million, and land area almost equal to that of the United States. Yet the Board of the Development Loan Fund has approved this loan of $3 million.

Mr. TALMADGE. I congratulate the distinguished Senator from Louisiana. I assure him that he has the support of the junior Senator from Georgia in his endeavors to bring some reason into these economic and foreign aid programs.

Mr. ELLENDER. I hope the distinguished Senator from Georgia will remain a little longer on the floor. I want to show how the original concepts of the Development Loan Fund are being perverted.

Mr. TALMADGE. I assure the Senator that I shall remain on the floor and listen with interest to his further remarks.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. DOUGLAS. The Senator from Louisiana has touched on a very important point. Can he tell the Senate whether there has ever been put into the RECORD a list of the loans upon which commitments have been made?

Mr. ELLENDER. I shall present the list to the Senate.

Mr. DOUGLAS. I note that on pages 673 and 674 of the committee report there is a list of some loans. However, they do not total more than $300 million.

Mr. ELLENDER. That is not a complete list.

Mr. DOUGLAS. Those have never been made public up to now, have they?

Mr. ELLENDER. They are now being made public.

Mr. DOUGLAS. But they are not printed in the RECORD anywhere, are they?

Mr. ELLENDER. No.

Mr. DOUGLAS. Therefore, the Senator is introducing evidence which the public has not previously had, is he not?

Mr. ELLENDER. The Senator is correct.

I now return to my prepared text and continue my quotation from the testimony of the Development Loan Fund Director, Mr. McIntosh, before the Senate Appropriations Committee:

Mr. MCINTOSH. We made that loan for several reasons, one being that it was part of the record of the legislative history expressed by various Members of Congress that this loan was the type of loan for which the Development Loan Fund was created.

Mr. TALMADGE. Mr. President, will the Senator yield again?

Mr. ELLENDER. I am glad to yield.

Mr. TALMADGE. I hold in my hand a copy of the Wall Street Journal for Thursday, April 30, 1959. On page 25 thereof are shown quotations of the market price of foreign bonds. I read as follows:

Australian 5s, of 1972. The high yesterday was 102. The low yesterday was 101¼. The closing price yesterday was 102.

Australian 5s, of 1978. The high yesterday was 100¾. The low was 100¾. They closed at 100¾.

Australian 4¾s which mature in 1973. The high, low, and close yesterday was 100. That is exactly par. The other bonds were quoted above par.

Australian 4½s of 1971. They closed yesterday at 98.

Australian 3⅜s, maturing in 1962. They closed yesterday at 96⅞.

I would point out to the Senator from Louisiana that our Government now is paying in excess of 4 percent to borrow money, whereas Australia's 3⅜ bonds yesterday closed at 96⅞.

I would also point out to the Senator that the bonds of the Government of Australia are bringing a premium over our own bonds. Yet we find the Government of the United States in the ridiculous position of borrowing money which it does not have and paying a higher interest rate than the citizens of Australia would have to pay; yet our own bonds are selling for less than par.

Mr. ELLENDER. I thank the Senator from Georgia for his contribution. To go back to my quotation from the testimony of Mr. McIntosh:

Senator ELLENDER. Will you name those Congressmen? Did you follow their advice?

Mr. MCINTOSH. Yes, we would follow the advice of the Senate as included in the legislative history. We take such advice into consideration in making our loans.

Senator ELLENDER. Do you mean individual Senators or the Senate as a body? How many Congressmen advised you to make this loan to Australia?

Mr. MCINTOSH. I think three or four Congressmen went on record that they were in favor of it.

Senator ELLENDER. And that is one of the reasons you made it?

Mr. MCINTOSH. That is one of the reasons—the legislative history—that this was an example of the type of project for which the Development Loan Fund should make loans.

Senator ELLENDER. To encourage emigration to a country which is well able to take care of the problem itself?

In other words, Mr. President, because three or four Congressmen requested it, a $3 million loan was made to this project, according to Mr. McIntosh.

In my judgment, this answer is only begging the question. The loan was made in clear and obvious violation of the concepts of the Development Loan Fund.

If this were the only loan made by the Development Loan Fund which was subject to criticism, then I would have no real reason to oppose the action taken by the committee.

But, Mr. President, this is not the case.

The record is replete with many more examples.

Mr. President, let me list for Senators only a few: $300,000 to a company wholly owned by the Italian Government, for resettlement of Italian immigrants in Brazil; $350,000 to a Brazilian company for the resettlement of Dutch immigrants in Brazil; $300,000 to a company wholly owned by the Italian Government for resettlement of Italian immigrants in Costa Rica; $12 million for a fertilizer plant in Greece which would be completely owned by the Greek Government.

A total of $225 million in application for loans to Spain and Yugoslavia.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. TALMADGE. The Senator is the very able chairman of the Committee on Agriculture and Forestry. As the Senator knows, there has been some criticism on the part of some taxpayers in this country with respect to our own farm program, which seeks to aid the very low income of the American farmers. Can the Senator justify a loan or gift to the Government of Greece for a fertilizer factory in Greece when our own farmers are being pushed off the farms and forced to move to cities to try to find employment?

Mr. ELLENDER. Of course it cannot be justified. It is absolutely shameful.

As I pointed out previously, one of the arguments advanced for the creation of the development loan fund was that a fair portion of it would be used to help our good friends to the south of us.

We all recognize that the nations of Latin America are in need of additional credit so that they can fully expand their economic capabilities. Many of us are also well aware that the future of the United States is inexorably linked with that of the nations to the south of us.

Vast amounts of the raw materials needed to feed the industrial machines of our Nation are located there. And there, too, is also the largest potential

market for U.S. products, both industrial and agricultural.

Mr. President, I spent 7 weeks, following the adjournment of the 85th Congress, traveling through South and Central America.

My findings during that trip are included in the report I made to the Senate, entitled, "A Review of U.S. Government Operations in Latin America."

I would like to read to Senators what I included in the section of that report entitled "Conclusions":

The United States needs materials for its factories, outlets for its manufactured products, the assurance of growing mutual trade with the nations to the south. In fact, I would venture to again say that if the wheels of our great industrial facilities are to continue to turn at their present rate, we will be compelled to look to the south of us for raw materials.

In my judgment, our needs and the needs of our Latin American neighbors, if properly directed, can be the basis of mutual growth, stability and prosperity. We must revitalize the good neighbor policy—we must restore the spirit in which it was conceived.

Truly, the two continents of the Western Hemisphere are neighbors, and neighbors we must remain. The factors of geography alone so dictate.

Our aspirations are similar; our origins are essentially the same. We are joined by a common bond of history and a common desire for freedom. Our ideals are founded on a spiritual concept of man. Our belief in the rights of the individual is so sacred that we willingly sacrifice our all to protect them.

These concepts, of themselves, offer assurance that no part of the Western Hemisphere is likely to succumb to a totalitarian state.

Above all, just as the United States and our Latin American neighbors share a joint past, so much we share a joint future. As neighbors, linked by common bonds of friendship, history, tradition, and culture, we must join hands today, as partners in tomorrow.

This is what I said following my visit to South and Central America. I feel the same way today.

I wish I could furnish Senators with the exact figures for the 1960 economic grant program for Greece. When I was there 3 years ago, I was told, as my report will show, that economic grants were to be stopped because the economy of Greece had increased to such an extent that it was self-sustaining. Instead, we find that grants for Greece have actually increased.

I have been informed that I cannot give the exact figures for Greece, because that information is secret. But I invite any Senator to come to my desk, where he can see exactly what has been done for Greece in the past and what we will do for Greece in fiscal year 1960.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CHAVEZ. I also invite Senators to come to my desk, where they may see information which I cannot give to the Senate in public, although I wish I could. Not only will it show the figures for each country, but also it will disclose that we are supplying aid to some countries which do not need it as much as others. For instance, we talk about how much we like Latin America. I want Senators to come to my desk and see the difference between the amount of money which we have supplied Taiwan and the amount we have supplied to Latin America.

Mr. ELLENDER. My hope that a fair portion of money allocated to the Development Loan Fund was to be used in South and Central America was one of the very real reasons for my support of the creation of the Fund.

Once again I must report to the Senate that another original concept of the Development Loan Fund has gone by the board.

The fact of the matter is that out of the $697 million in loans already approved by the Development Loan Fund, only $63 million—or less than 10 percent of the total—is going to Latin America.

What is more, out of $1.5 billion in applications now on hand, only $62 million—or a little more than 4 percent—come from Latin America.

This, then, raises the question, where does the bulk of the Development Loan Fund money go?

As is so often the case, these exact figures cannot be made public because of a security classification slapped upon them which, in my judgment, is more to hide what is happening from the eyes of the American public than from the eyes of our enemies. I have at my desk a listing of exactly who gets how much, and I will be glad to show it to any interested Senator.

However, I can say publicly that more than 60 percent of the loans signed and applications on hand are from 11 countries—Spain, Greece, Yugoslavia, Turkey, Formosa, Korea, Pakistan, India, Vietnam, Thailand, and the Philippine Islands.

Are the names of the countries familiar? They should be, for they are those which we have helped most handsomely in the past. I wish that I might state here, in public, for the benefit of the American people, the exact dollar value of the aid we have extended to each of these countries in the past and the amount proposed by the President for fiscal 1960. Security classifications imposed on these data forbid public disclosure on a country-by-country basis. Suffice it to say that the amounts are staggering.

However, Mr. President, I do have figures which indicate the scope of our past aid to those countries which account for the bulk of Development Loan Fund commitments and applications.

This tabulation shows that agreements totaling $697.9 million out of a total of $700 million made available to the Fund thus far have been signed with countries which we have already assisted to the tune of over $10 billion in military aid, $9.1 billion in economic grant aid, and $1.3 billion in loans under section 402 of the Mutual Security Act and other authorities granted by the Congress.

This does not include aid granted under Public Law 480, which I shall later call to the attention of the Senate. Put another way, Mr. President, the countries to whom we have already committed nearly all of the available Development Loan Fund assets provided to date have already received from us, since World War II, a grand total of over $20 billion.

But, evidently, the best is yet to come, because these countries already have filed applications for another $1.5 billion in loans from the Fund.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table which shows the amount of foreign aid to countries which have obtained or have applied for loans from the Development Loan Fund. The table is not detailed by country because of security classification, but it will give the Senate and the American people an idea of how much we have given to certain areas of the world.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Summary of foreign aid to countries which have obtained or have applied for development loans, period of time covered as indicated in each column

[Amounts in thousands of dollars]

Region and country	Development loans through Mar. 31, 1959		Total Development Loan Fund through Mar. 31, 1959	Military grants through June 30, 1959	Economic assistance through June 30, 1959		
	Agreements	Applications			Grants	Loan agreements (excluding Public Law 480)	Total
Africa	$29,640	$140,218	$169,858	$44,733	$240,716	$53,400	$294,116
Europe	53,100	255,153	308,253	2,222,200	1,701,509	277,498	1,979,007
Near East	134,700	304,361	439,061	3,155,813	2,241,882	307,157	2,549,039
South Asia	250,450	405,958	656,408	418,769	449,578	475,256	924,834
Far East	166,876	306,273	473,147	3,986,097	4,178,297	192,500	4,370,797
Latin America	63,140	62,488	125,628	198,935	308,118	23,150	331,268
Grand total	697,906	1,474,451	2,172,357	10,026,547	9,120,100	1,328,961	10,449,061

Mr. ELLENDER. Mr. President, as I indicated a moment ago, the figures I have made available to the Senate do not incorporate the funds which were made available to these countries through the Public Law 480 program. The total amount of sales agreements concluded with these same countries is estimated at $3,555,609,000 through fiscal 1960. Of this amount, $2,339,046,000 is scheduled to be used by ICA to extend further aid by means of both grants and loans.

While the names of the countries involved are familiar, the projects within these countries, for which Development Loan Funds have either been approved or requested, are disgustingly familiar, too.

Let us consider the little country of Formosa—an island which, figuratively speaking, one could almost jump across.

I have before me a summary of Development Loan Fund obligations and commitments as of March 31, 1959. I ask Senators to indulge me just a moment while I compare a few of the projects for which loans have been approved with several I found in operation during my visit to Formosa back in 1956. Believe it or not, they are often the same.

For example, let us consider the Shihmen multipurpose dam. Back in 1956, the ICA estimated the total cost of this project, with two power units, at about $46 million. Of this amount the United States Government was to provide $16 million. I wish to remind the Senators that was back in 1956.

It turns out that the Development Loan Fund has approved a loan for the further financing of this project, but now we find that it will cost over $72 million, and Uncle Sam's share has jumped considerably—from $16 million to more than $29 million. By the time this project is completed, if it ever is, we can only guess at what its actual cost will be.

Mr. President, I was in Formosa in 1955, as well as in 1956. I visited the ICA offices there. At that time plans were already made for construction of the Shihmen Dam.

As chairman of the Public Works Subcommittee of the Appropriations Committee, I have had an opportunity to learn much about public works in our own country, and I believe I have a fair knowledge of such projects.

When I was in Taiwan in 1955, as well as in 1956, I questioned the wisdom of building the Shihmen Dam. I stated then that I did not believe the benefits which would be derived from its construction would be sufficient to justify the cost.

I also stated in 1955, and again in 1956, that no doubt the good old U.S.A. would end up paying for the entire cost of construction. That is exactly what is happening now.

To make matters worse, Mr. President, the cost of this project has now increased from the 1956 estimate of $46 million-plus to $72 million-plus.

Mr. O'MAHONEY. Mr. President, will the Senator yield for a question or two?

Mr. ELLENDER. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. Is the Shihmen Dam, of which he is speaking, the dam in Formosa, or Taiwan, as it is properly called, which is being constructed by the government of Chiang Kai-shek as a multipurpose dam?

Mr. ELLENDER. Yes.

Mr. O'MAHONEY. In other words, it is a dam of the government of Chiang Kai-shek, to create a reservoir to make public power, to provide recreation, to provide waters for irrigation, and for various other purposes.

Mr. ELLENDER. And also flood control.

Mr. O'MAHONEY. And flood control, in addition.

Mr. ELLENDER. That is correct.

Mr. O'MAHONEY. Is it not a fact that the cost of the project is now almost twice as much as it was estimated it would be when it was first initiated?

Mr. ELLENDER. The Senator is correct.

Mr. O'MAHONEY. Is not the project included in the projects which the Department of State wants to build abroad under the development loan program?

Mr. ELLENDER. That is correct.

I would also like to call to the attention of my good friend that most of the contributions made by the local government would be derived from counterpart funds made available to the Chinese Government through grants.

Mr. O'MAHONEY. Is it not a fact that this is the project for which the State Department last fall released a loan from the Development Loan Fund of $21,500,000?

Mr. ELLENDER. The Senator is correct.

Mr. O'MAHONEY. Are not the funds of which we speak, the $21,500,000 in the latest loan, drawn from the Treasury of the United States in the form of American dollars?

Mr. ELLENDER. The Senator is correct.

Mr. O'MAHONEY. The loan is to be repaid. Can the Senator advise us how it will be repaid?

Mr. ELLENDER. In soft money; that is, Taiwan dollars. And I might point out that we now have so many Taiwan dollars that we do not know what to do with them.

Mr. O'MAHONEY. I remember so well the release of the State Department regarding the $21,500,000, which was a small item as development loans go. The Department stated it was a 30-year loan, and that it would be repaid at 3½ percent interest, and that both the interest and principal would be repaid to the United States in Chinese currency.

May I ask the Seantor from Louisiana if the Chinese currency would be acceptable by the Treasury of the United States as a payment on any maturing bond or as interest upon a bond of the United States?

Mr. ELLENDER. Of course not. It would not be so accepted.

Mr. O'MAHONEY. Could we spend that money anywhere in the United States?

Mr. ELLENDER. I do not know of any way or place it could be spent except on the Island of Formosa. That same situation applies not only in Formosa, but also in South Vietnam, South Korea, and, in fact, almost all of the countries to which development loans have been made. I do not recall the exact percentage of the loans which will be paid back in dollars, but it is very small.

Mr. O'MAHONEY. Is it not a fact that the loan will not be paid back in dollars at all?

Mr. ELLENDER. I am talking about all loans made. I am not confining my statement to loans made only to Taiwan.

Mr. O'MAHONEY. I want to be specific and confine my statement to the loan made to Taiwan.

Mr. ELLENDER. Very well. That loan is not to be repaid in dollars.

Mr. O'MAHONEY. Can the Chinese currency which will be used to repay the development loan for the Shihmen Dam be spent in India?

Mr. ELLENDER. No.

Mr. O'MAHONEY. Can it be spent in Europe?

Mr. ELLENDER. No.

Mr. O'MAHONEY. Can it be spent in any other country?

Mr. ELLENDER. It can be spent only in Formosa, as I have said.

Mr. O'MAHONEY. Only in Formosa.

Mr. ELLENDER. Yes.

Mr. O'MAHONEY. Does it not amount to a statement that the Chinese funds cannot be spent anywhere except in Formosa? Is it not a fact that in most of the countries which issue soft money, which are supposed to repay our loans and pay for interest on our American dollars, the funds cannot even be used except for local U.S. expenditures.

Mr. ELLENDER. Yes.

Mr. O'MAHONEY. And not without the consent of the Taiwan government itself, for fear of causing inflation?

Mr. ELLENDER. The Senator is correct. I repeat, except in a few countries, all the loans are to be repaid in soft currencies. The funds can be used only in the borrowing country.

Mr. O'MAHONEY. Is it not a fact that the Soviet Government is waging an economic war against this country?

Mr. ELLENDER. It surely is.

Mr. O'MAHONEY. Is it not a fact that when we take American dollars out of the Treasury of the United States and spend them under the development loan program, to be repaid in soft currencies, we are only helping the Communists to wage their economic war against us?

Mr. ELLENDER. As I shall say later in my address, the Senator from Wyoming is correct.

Mr. O'MAHONEY. Is it not a fact that the $200 million which the Senate is asked to provide today is an appropriation that will be added to the expenditures of this Government during the fiscal year 1959

Mr. ELLENDER. The money will be committed.

Mr. O'MAHONEY. But it will be allocated as an expenditure in 1959?

Mr. ELLENDER. Of course we will be obligated.

Mr. O'MAHONEY. Is it not a fact that the deficit of the U.S. Government for fiscal 1959 is already over $12 billion?

Mr. ELLENDER. As I said a while ago, it is estimated, that our Government will end up with a deficit of $13 billion for fiscal year 1959.

Mr. O'MAHONEY. There is not any question about that.

Mr. ELLENDER. There is no question about it.

Mr. O'MAHONEY. So when we are appropriating $200 million of American money from the Treasury of the United States to be repaid to the people of the United States in the soft currency of foreign countries, we are in force and effect making grants to those countries, are we not?

Mr. ELLENDER. There is no doubt about it. Although we may be able to use some infinitesimal part of the repayments, if made, for our own use, for

example, the operation of our Embassies.

Mr. O'MAHONEY. Is it not a fact that when the Development Loan Fund was established, and last year Congress was asked to appropriate for the Fund, the President of the United States asked for a sum considerably larger than what the Congress granted?

Mr. ELLENDER. Yes, that is correct.

Mr. O'MAHONEY. Is it not a fact that the appropriation was something like $250 million, as against a request for $500 million?

Mr. ELLENDER. The request was for $625 million. As I remember, Congress appropriated $400 million.

Mr. O'MAHONEY. This request, then, is to restore for 1959 the amount of the request Congress rejected in the last session. Is that correct?

Mr. ELLENDER. That is correct insofar as the Development Loan Fund is concerned.

Mr. O'MAHONEY. Yes. I am talking only about the Development Loan Fund. Is it not also a fact that the President has submitted a request to the Congress for some $750 million for the Development Loan Fund for fiscal 1960?

Mr. ELLENDER. I believe the figure is $700 million.

Mr. O'MAHONEY. If we talk about balancing the budget, how can we make sense by appropriating American dollars and transmuting them into foreign currencies?

Mr. ELLENDER. I will let the Senator answer that question.

Mr. O'MAHONEY. It makes no sense.

Mr. ELLENDER. It makes no sense whatever.

Mr. O'MAHONEY. I thank the Senator. I felt the Senator from Louisiana made a wonderful struggle a year ago, and I know he is making a wonderful struggle now, to prevent the unwise expenditure of American funds which cannot be restored. I would rather by far make a grant than to pursue this policy, which cloaks the grant as though it were something to be repaid, but provides for repayment only in paper money which nobody in the United States can spend for the benefit of the United States, at a time when the United States is confronted with a terrific economic war being waged against it by Nikita Khrushchev every day.

I thank the Senator.

Mr. ELLENDER. I thank the Senator from Wyoming.

Mr. RANDOLPH and Mr. BYRD of West Virginia addressed the Chair.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Louisiana yield; and, if so, to whom?

Mr. ELLENDER. I yield to the senior Senator from West Virginia.

Mr. RANDOLPH. Mr. President, the Senator from Louisiana has perhaps no peer in this body with respect to information on the particular subject matter which he brings to our attention. I pay deserved tribute to his research and the diligence with which the Senator from Louisiana has pursued this important phase of aid from the United States to other nations of the world.

I like to think, as does the Senator, generally in broad gage terms of our national responsibility to international good will and growth. However, I should like to ask the Senator if the particular project he was discussing, and as to which the colloquy with the Senator from Wyoming ensued, was in the amount of $21,500,000.

Mr. ELLENDER. Yes, letters of advice approving a loan of $21½ million have already gone out. Does that answer the Senator's question?

Mr. RANDOLPH. Yes. I specifically had in mind the amount of money for this one project as compared with the request made by my colleague from West Virginia [Mr. BYRD] when, as a member of the Committee on Appropriations, he presented an able argument on a request for only $2 million for the Summersville, W. Va., Reservoir, a project which needs completion and which is ready to have funds appropriated to bring it not only to completion but to fruition.

It is difficult for the Senator from West Virginia who is now speaking, to understand the reasoning by which the amount requested by my colleague from West Virginia was denied. I say to the Senator from Louisiana that the West Virginia delegation as a whole is appreciative of the support which the Senator from Louisiana gave to the request made by the Senator from West Virginia [Mr. BYRD], for himself and for those of us who are intensely interested.

As we give necessary funds to other countries—and certainly in many instances this is very desirable—we should remember that in a State such as West Virginia, or in any other State, there are meritorious projects involving relatively small amounts of money which also should have funds provided for them.

I thank the Senator for yielding.

Mr. ELLENDER. I will say to my good friend from West Virginia, I am sure he is familiar with the no-new-start policy advocated by the President and the Bureau of the Budget. Under terms of this policy a new project, like the one submitted by the Senator's colleague from West Viriginia [Mr. BYRD], cannot be started. I wish more Senators had been present yesterday when I conducted hearings before the Senate Subcommittee on Public Works of the Committee on Appropriations. Delegation after delegation came before the committee. Some were from Kentucky and some from Virginia.

Mr. RANDOLPH. I was also present. I had the privilege of testifying early yesterday, before the Senator was at the hearing.

Mr. ELLENDER. These delegations were desirous of actually saving communities, which had suffered tremendous losses in the last 3 or 4 years from floods.

If we are to follow what the President has said, namely that the Bureau of the Budget should not permit new starts, the project to which the Senator refers and those other worthy projects which came to my attention yesterday will also have to go by the wayside. My point is that on one hand we are being told that we cannot begin worthwhile projects in our country but, on the other hand, we are asked to do abroad what the administration refuses to do in the United States.

Mr. RANDOLPH. Mr. President, may I add one comment?

The PRESIDING OFFICER. Does the Senator from Louisiana yield further?

Mr. ELLENDER. I yield.

Mr. RANDOLPH. I appreciate the Senator's courtesy.

My comment is, Mr. President—and I say this in good humor and in good faith—we have an attitude today, I think, within too many echelons of the present administration, which is a so-called caretaker attitude instead of a creative approach. I feel that a balanced budget, desirable as it is on the surface, must be realistically approached as we study these matters. When we look beneath the surface, as it were, we may find, perhaps, that a balanced budget in some instances and in some degree can be a deficit budget, when measured against the needs of the people or the valid reasons for the extension of such a project as was sponsored by my colleague from West Virginia.

Sometimes, I repeat, balanced budgets can become deficit budgets. When we fail in regard to our own people sometimes, I think it is necessary that the Senate be reminded of this very compelling fact.

Mr. BYRD of West Virginia rose.

Mr. ELLENDER. Mr. President, I now yield to the junior Senator from West Virginia.

Mr. BYRD of West Virginia. Mr. President, I want to congratulate the Senator from Louisiana for the tremendous job he is doing in this field. I have served with the Senator on the committee, and I know that he is deeply earnest about this important matter.

I know the Senator has conscientiously and vigorously opposed further wasting of moneys, as we are doing in the foreign aid "rathole." I compliment him for devoting long hours of study to this subject, in order that he might bring it to the attention of the Senate.

We hear a great deal about balancing the budget. I know that the Senator from Louisiana will join me in saying that every effort has been made by the administration to cut appropriations or to prevent appropriations which might be used in initiating construction of new projects in my own State and in other States, where such projects would redound to the best interests of our country, and where they would provide employment for many of our fellow human beings; but at the same time the President insists that the congressional woodman spare that foreign aid tree—

> Touch not a single bough.
> In youth it sheltered me,
> And I'll protect it now.

I join the Senator from Louisiana in his opposition to this program. This is only another name for a giveaway program, as is evident from the statement made by Mr. McIntosh. It is pertinent to refer to the statement at this point,

because a moment ago the Senator from Wyoming [Mr. O'MAHONEY] asked a question as to the percentage of loans which we might expect to be repayable in dollars. In answer to a question by the Senator from Louisiana, who asked what percentage of the loans would be repayable in dollars, Mr. McIntosh replied, "about 20 percent."

I think it is evident from that statement, and from the excellent statement the Senator from Louisiana has made today, that we are making "soft" loans. There is no security for them. I do not believe that the government of a recipient country is required to secure a loan made to a private borrower there.

We are making loans about 80 percent of which will be paid back in foreign currencies which cannot be converted.

I think it is ridiculous to prostitute the English language by calling this kind of transaction a loan. It is nothing but a continuation of a giveaway program in which we have been engaged for many years.

I am in favor of spending a dollar wherever it will redound to the best interests of Uncle Sam. I think there are a few countries which need our assistance, and I am for assisting countries which are interested in helping themselves, and which will stand with us when the chips are down. I do not believe we can long continue to waste money in 65 or 70 foreign countries when our own national debt is greater than the total of the national debts of all the other countries of the world combined.

I am in favor of extending sound loans, but we must reduce the program of soft loans, which are in reality grants. We are going to have to come to our senses and stop squandering the taxpayers' money by scattering it promiscuously all over the globe if we hope to remain a stable, secure, and solvent nation.

I thank the Senator from Louisiana, and I intend to support his amendment to cut the appropriation by $100 million.

Mr. HOLLAND. Mr. President, will the Senator yield for a brief statement?

Mr. ELLENDER. I yield.

Mr. HOLLAND. I do not wish to refer to the principal subject of discussion, but solely to the subject just discussed by the two distinguished Senators from West Virginia.

Let me make it clear for the record that no one could have been more eloquent, persuasive, or allout in his appeal for the granting of the four items of public-works appropriations, three for construction and one for advance planning, than was the distinguished junior Senator from West Virginia [Mr. BYRD] in committee. The same observation is completely true, as well, to the eloquent speech just made by the distinguished senior Senator from West Virginia [Mr. RANDOLPH]. It was not because of any lack of advocacy or lack of warmth of support that a majority of the committee was persuaded that it would be unwise to include those particular projects in a supplemental bill.

In fairness to the majority of the committee, who, I am sure, feel as does the Senator from Florida, who was among the majority, we wish very much to help the Senator from Louisiana and the members of his Subcommittee on Public Works in making new starts where work needs to be done, particularly in areas of great unemployment such as West Virginia now is.

I propose to follow that course this year with reference to the projects mentioned in West Virginia, and other similar projects. Let me make it clear, first, that I support the Senator from Louisiana in his heroic efforts year after year to start new and important projects, particularly in places where they will do the most good from the standpoint of relieving unemployment.

I wish the RECORD to show the reasons which, to me, at least, were compelling, why it was unwise for the committee to grant the eloquent, determined, and dedicated request made by the Senators from West Virginia. The junior Senator from West Virginia [Mr. BYRD] is an able and active member of the Appropriations Committee. He was certainly within his rights in advancing the interests of his own State as is the senior Senator from West Virginia in his address on the Senate floor.

Likewise, the able junior Senator from Virginia [Mr. ROBERTSON] is an equally dedicated, eloquent, and constructive member of the Appropriations Committee. In his State, only a few miles away from one of the projects advanced by the Senators from West Virginia, and also in an area of great unemployment which results from distress in the coal mining areas, is a proposed project which I think is on terms of equality with those advanced by the Senators from West Virginia.

There are similar projects in the State of Michigan and in Pennsylvania, which are other States of great unemployment. Such projects are equally entitled to consideration by our committee, but we were without the benefit of the presence on our committee of Senators representing those two great States, which are unfortunately going through a heavy unemployment problem.

The Senator from Florida can speak only for himself, but he does not doubt that other members of the committee feel as he does about getting good projects underway. However, under the conditions described, it was felt that it would be unwise to place such projects in this particular bill. There is no hostility to the projects. West Virginia happens to have been the State of residence of my mother before she came to Florida, as Senators well know. The State of West Virginia happens to be the only State in which the Democratic Party has asked me to participate actively in a difficult campaign for the election of Democratic Senators, which I have gladly done.

At the same time, we must stand for sound principles in approaching problems of this kind. I believe that sound principles require projects of this kind to be considered in connection with the general annual bill. I hope that such projects, including not only the projects advocated by the Senators from West Virginia, but others of equal importance and concern to the people of other States such as Pennsylvania, Michigan, and perhaps other States, will be included in the general bill this year.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. JOHNSTON of South Carolina. First I wish to commend the Senator from Louisiana for offering this amendment. I know that he has done so because he feels that it is right and just, and will be in the best interests of all the taxpayers of the United States, and also eventually in the best interests of all concerned.

I have always voted for amendments along this line. It is a pleasure for me to join the Senator from Louisiana at this particular time in support of his amendment.

We have many problems at home. When I consider the condition of the farmers of this Nation, and see how little we are doing, I think of how we are pouring out many billions of dollars to the people of other lands, who do not carry the burden of paying the taxes which result from such expenditures.

For that reason I wish to commend the Senator from Louisiana for his thoughtfulness in bringing the amendment before the Senate. I hope the Senate will approve it.

Mr. ELLENDER. I thank the Senator.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. ROBERTSON. The distinguished Senator from Louisiana will, of course, recall that in committee the junior Senator from Virginia voted against this increase in the House item of $100 million. Needless to say he is going to support the current effort to take it out of the bill. Is it not a fact that we face a potential deficit in the current fiscal year of more than $12 billion?

Mr. ELLENDER. That is correct.

Mr. ROBERTSON. Is it not a fact——

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). The Senator will suspend until the Senate is in order. Those wishing to converse will please retire to the cloakrooms. The Senator will not continue until the Senate is in order.

The Senator may proceed.

Mr. ROBERTSON. If we do not increase the first-class postal rates from 4 cents to 5 cents, to get an additional $350 million, and increase the gasoline tax, in order to get $400 million more, is it not a fact that, despite the fine leadership of our splendid and able majority leader to give the President a smaller budget than he has recommended to us, we will still have a deficit in fiscal 1960, and that that will mean that whatever we now give away or lend is going to be out of borrowed money, for which we will pay for an indefinite period perhaps 3½ percent interest; and that, if so, in 30 years we will have given away or loaned twice what we are giving away or lending now? Is it not also a fact that we have recently voted to put between $2

billion and $3 billion more of our assets behind the International Bank for Reconstruction and Rehabilitation and in the International Monetary Fund, and that we have also enlarged very greatly the capital of the Export-Import Bank? Is it not also a fact that through these two international banks the nations which have a bankable proposal, which means that they have a chance to succeed and have a reasonable chance to repay the loans, can get an advance from those agencies?

Mr. ELLENDER. That was the hope of those who sponsored those institutions.

Mr. ROBERTSON. Is it not a fact that we have recently increased the total obligation on our part in this international agency by more than $3 billion; and that aside from the points raised by the distinguished Senator from Florida [Mr. HOLLAND] there is unemployment in our coal fields and a great need for expenditure on public works, for example, and though the Senate has approved projects which would help to relieve unemployment, we are handicapped in our Committee on Public Works because of the vast deficit which will be increased by $100 million if the proposal of the Senator from Louisiana is not followed?

Mr. ELLENDER. That is correct. I should like to place in the RECORD at this point excerpts from my report, as well as from the hearings before the Appropriations Committee on the pending bill, dealing with the Shihmen Dam in Formosa.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Shihmen Dam project

	U.S. dollars	N.T. dollars
Cost with 1 power unit	14,937,000	616,398,000

Equivalent to NT$986,536,000 or US$39,810,000.

	U.S. dollars	N.T. dollars
Cost if second power unit is added	16,723,000	719,810,000

Equivalent to NT$1,134,195,000 or US$45,770,000.

Annual fund requirement (approximate)

	U.S. dollars	N.T. dollars[1]
Fiscal year:		
1956	4,000,000	73,000,000
1957	4,900,000	105,000,000
1958	3,600,000	150,000,000
1959	2,000,000	140,000,000
1960	437,000	110,000,000
1961		38,398,000
Total	14,937,000	616,398,000

[1] To be paid by the Chinese Government from their own revenues.

Of the above cost NT$585,356,000 is allocated as an irrigation cost. Of this amount, it is planned that the beneficiaries from irrigation water will repay to the Chinese Government NT$30,320,000 annually during an amortization period estimated at 23 years, and operation and maintenance costs thereafter. The annual repayment of NT$30,320,000 by the water users is calculated on the basis of their ability to repay and represents the repayment of principal plus 1.5 percent interest during the 23-year period.

Mr. ELLENDER. As I shall point out, the same thing holds true with respect to other projects. For instance, here is a loan for the Ingalls-Taiwan Shipbuilding Corp. for expansion of their shipyard in Taiwan. During 1956 we spent $297,000 on this project. Prior to that we spent quite a number of dollars on this same project. Yet here we are called upon to put up a loan of $6½ million.

It strikes me that the Ingalls Co. of Pascagoula, Miss., is certainly capable of getting credit on the open market to operate these facilities.

Mr. President, I ask unanimous consent to place in the RECORD at this point excerpts from my report on that matter.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

39–431 (N) Shipyard expansion: $297,000. U.S. dollar and 402 fund account aid is programed for procurement of one 35-ton crane for the building berth of Taiwan Shipbuilding Corp., as well as additional arc welding machines, acetylene generating and piping system, and electric apparatus. The underwater section of No. 2 building berth will be extended to permit simultaneous construction of fishing boats and coastal vessels, leaving drydock No. 1 available full time for ocean ships repair. TShC will provide NT$2,000,000 for customs duties, installation costs, etc.

Mr. ELLENDER. We are also financing another factory, which I discussed in my report following my visits to Taiwan in 1955 and 1956. We are putting up money to expand an aluminum factory in Formosa.

I ask unanimous consent to place in the RECORD at this point excerpts from my report pertaining to this project.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

23–418 (N) Aluminum plant modernization: To improve efficiency and reduce costs for the Kaohsiung plant of the Taiwan Aluminum Co., procurement of equipment to the value of US$525,000 is provided for (a) reconstruction of potline with enlarged anode and vertical studs, (b) purchase of two additional units of d.c. rectifiers of 6,000 amperes each, (c) installation of new cryolite plant equipment to recover fluorine gas, and (d) recovery of byproducts from the red mud (caustic soda, aluminum, and iron). A section 402 loan of NT$7 million is required to cover part of local currency costs for local procurement and installation. TAICo is providing NT$7 million to complete this project.

Mr. ELLENDER. Mr. President, a small industry fund in Taiwan will receive $2.5 million from the Development Loan Fund. Uncle Sam was supporting that undertaking back in 1956, too.

I should like to quote from the hearings, which are excerpts from my report, as follows:

Small industry fund: A million and a half dollars. This project, begun in 1954, was designed to make available industrial development loans to a great number and wide variety of small, privately owned industries. Delayed payments for U.S. dollar aid equipment and machinery and local currency loans for plant expansion are extended through three privately owned and managed commercial banks with branches situated in all major cities of Taiwan.

In this connection, during my visit I was informed that these loans are being repaid at a rapid rate. However, I was informed that borrowers are required to pay 6 to 7 percent interest rate on 80 percent of the amount borrowed and 15 percent interest on the remaining 20 percent which is advanced by the banks referred to above. In addition, I was told that the banks charged 1 percent on the total amount borrowed for merely collecting the installments as they come due. I think such a system is unconscionable. It is a bonanza to the banks, and I recommend most emphatically that our mission take steps to see that more reasonable rates are promulgated.

The record is barren as to what interest rate the poor Formosan borrowers will pay but I imagine it will be substantial. It certainly will be if the loan operations are conducted in 1959 and 1960 the way they were conducted in 1956. I harbor grave doubts, Mr. President, just how much goodwill a 12 or 15 percent interest rate will bring to the United States, particularly when the major beneficiaries of such interest rates will not be the people as a whole, but the Chinese moneylenders.

I could continue at great length, for we have granted quite a few loans to the countries I have mentioned, and in instance after instance, the proceeds will be used to continue existing projects, projects which were initially begun under the foreign aid program, either through development assistance or defense support.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a description of some of the projects. I shall not take the time of the Senate to read them.

There being no objection, the description was ordered to be printed in the RECORD, as follows:

PAKISTAN

Karachi water and sewage

Loan amount and terms: $5,500,000 repayable in 30 years at 3½ percent in Pakistan rupees.

Borrower: Government of Pakistan.

Status: Loan agreement signed.

The purpose of this loan is to assist in financing the import of equipment and materials for use in the construction of a water supply and sewage disposal system for the city of Karachi. The proceeds of the loan will be used primarily for purchasing reinforcing wire to be used in the manufacture of prestressed concrete pipe and for construction, workshop, and maintenance equipment.

The objective of this project is to provide a water supply and sewage disposal system adequate for the present needs of Karachi. The population of Karachi has increased from 400,000 in 1947 to 1,500,000 in 1954 and is expected to reach 2 million by 1960. The present supply of water is about 20 million gallons per day (MGD) against a need for 70 MGD. An expanded water supply and sewage disposal system is considered essential for health and sanitation and to provide the water needed by present and future industry.

Pakistan Industrial Credit and Investment Corporation (PICIC)

Loan amount and terms: $4,200,000 repayable in 5 years at 5 percent in Pakistan rupees.

Borrower: Pakistan Industrial Credit and Investment Corporation (PICIC) a privately owned development corporation established in 1957.

Status: Loan agreement signed.

PICIC assists industrial enterprises within the private sector in Pakistan by making loans or by acquiring equity capital in new or existing enterprises and by rendering other forms of assistance.

The corporation has been sponsored by and received the support of the Pakistan Government and the International Bank for Reconstruction and Development. The International Bank assisted in the formation of the corporation initially by providing technical assistance for drawing up the main outlines for such a financial institution.

The DLF loan will provide foreign exchange resources to meet the external costs of medium term loans made by the corporation. The term of loans made by the corporation from the Development Loan Fund will range from 2 to 5 years. The fund will be utilized by private borrowers for the purchase abroad of machinery, equipment, materials, and services for economic development purposes.

Pakistan's economy is essentially agricultural but in the decade since independence considerable industrial development has taken place as a result of the Government's efforts to achieve diversification, increase industrial output, provide greater employment, expand manufactured exports and satisfy growing demand for many industrial items from local resources. With this increase in the tempo of industrial development, however, there developed an increasing need for setting up an institution to cater to the credit requirements of the private sector in Pakistan. Particularly apparent was the need for a specialized institution which could provide not only the requisite credit but would also assist in the actual technical and financial details involved in the establishment of private industries. The Pakistan Industrial Credit and Investment Corporation was established to meet this need.

West Pakistan high tension grid

Loan amount and terms: $14,700,000 repayable in 25 years at 3½ percent in Pakistan rupees.

Borrower: Government of Pakistan.

Status: Letter of advice issued.

This loan is to assist in financing the costs of acquiring equipment, materials, supplies, and services required for power transmission lines of the west Pakistan high tension grid, a part of a major power development program now underway in the most important industrial area of the country. This program includes expansion of generation capacity from a present level of about 150 MW in summer and 130 MW in winter to 470 MW in summer and 440 MW in winter by 1960; plans are also being made for further expansion after 1960.

The DLF loan will assist in meeting the foreign exchange requirements of the following construction: A double circuit 132-kilowatt power transmission line between Lyallpur and Daudkhel, a route distance of 155 miles; a double circuit 132-kilowatt power transmission line between Warsak and Daudkhel, a route distance of 100 miles; a single circuit 132-kilowatt power transmission line strung on double circuit towers between Lyallpur and Lahore, a route distance of 110 miles; a single circuit power transmission line strung on double circuit towers between Lyallpur and Montgomery, a route distance of 56 miles. New substations at Sarghoda and Daudkhel are also planned, as are extensions or modifications of substations now in existence or under construction at Lyallpur, Peshawar, Wah, Rawalpindi, Jhelum, Shalimar, Kot Lakhpat, and Montgomery.

The grid is designed to integrate distribution of hydroelectric power generated in plants which are or will be located in the north, and thermal power, generated in plants which for the most part are or will be located in the south. Such integration will insure maximum availability of thermal power on the system during periods when the generation of hydroelectric power is reduced by low water flow. It will also provide maximum scope for the distribution of hydroelectric power during periods when hydroelectric capacity is increased by high water flow.

PHILIPPINES

Small Industry Loan Fund

Loan amount and terms: $5 million repayable in 7 years at 5¼ percent in Philippine pesos.

Borrower: The Central Bank of the Philippines.

Status: Letter of advice issued.

The Central Bank of the Philippines is a public institution, subject to the control of the government, which performs the normal functions of a central bank, exercising fiscal functions of the government and regulatory functions with respect to the banking system of the country.

The loan will be used to finance foreign exchange costs of the acquisition of materials, equipment, and services by privately owned small industries. Many such requests are channeled to the Central Bank through local commercial banking institutions which are approached by their customers for funds to establish a new industry or expand existing facilities. Preferential consideration will be given to sugar centrals, logging and sawmill industries, cottage industries, coconut oil and copra oil concerns, plywood and veneer plants, and mining companies. The loans will be of a size too small individually to be handled directly by the DLF.

Roads, bridges and rehabilitation of equipment

Loan Amount and Terms: $18,750,000, the first $9 million repayable in 5 years, and the balance in 10 years at 3½ percent in Philippine pesos.

Borrower: Department of Public Works and Communications of the Government of the Republic of the Philippines.

Status: Letter of advice issued.

This loan is designed to assist the Government in carrying out a program to improve and expand its highway system. The total amount of $9 million will be used for procurement of spare parts to rehabilitate and put in first-class condition equipment already owned by the department of public works and communications. This will expedite planned work for maintaining and extending highways and local roads. This portion of the loan will provide assistance throughout the islands, as the equipment which will be repaired is dispersed over the country.

The balance of the loan will be used for specific highway projects, namely, the Sayre Highway in Mindanao, for which $1 million will be used; a diversion road leading north from Manila requiring $2,700,000, and a diversion road leading south from Manila requiring $1,400,000. The funds will be used to import road and bridge-building materials, including asphalt and structural steel, and road and bridge-building equipment required specifically for these projects. The Sayre Highway is a major travel artery in the southern island of Mindanao which is rapidly being developed, and the two diversion roads north and south of Manila will provide urgently needed expansion of traffic facilities out of the city and will relieve the overburdened and overcrowded two-lane highways now in use.

Damage to bridges sustained during World War II has not been permanently overcome in the Philippines. There are many temporary bridges in use throughout the islands which are costly to maintain and require frequent replacement as a result of typhoon damage. Of the above loan, $4,650,000 will be used to import structural steel and equipment required to replace selected bridges throughout the islands, including a number of World War II U.S. Army Bailey bridges on the Kennon Road which leads into a developing mining and industrial area in northern Luzon.

KOREA

Tong Yang cement plant

Loan amount and terms: $2,140,000 repayable in 8 years at 5¼ percent in Korean hwan.

Borrower: Tong Yang Cement Manufacturing Co., Ltd., a privately owned concern, with its plant and head office in Sam Chok, Korea. This company is one of the two large producers of cement in the country.

Status: Loan agreement signed.

The proceeds of the loan will assist in financing the importation of equipment, materials, supplies, and services required in the expansion of the company's plant at Sam Chok, Korea. This expansion will increase rated maximum capacity of 90,000 metric tons per year by 120,000 metric tons bringing the total rated capacity to 210,000 metric tons.

Use of cement in Korea, which up until recently has been comparatively limited in relation to the extent of its use in more industrialized areas, is increasing. The country's production is now about 280,000 M/T per year. The Government of the Republic of Korea estimates that consumption in 1958 was about 400,000 M/T per year, will increase to 500,000-600,000 M/T in the near future and will gradually rise to 1 million M/T by 1963. To date, the deficiency has been made up by imports largely financed with ICA funds. Even with the expansion of this plant by 120,000 M/T per year thereby raising the total yearly production to about 400,000 M/T it is anticipated that, with the increasing requirements, there will remain a deficit for some time to come.

Domestic telecommunications

Loan amount and terms: $3,500,000 repayable in 20 years at 3½ percent in Korean hwan.

Borrower: Government of the Republic of Korea.

Status: Letter of advice issued.

This loan is to be used to assist in the financing of the importation of equipment, materials, supplies and services required for the expansion and improvement of telephone and telegraph facilities and services in Korea; $2,250,000 of the total will be devoted to expansion and improvement of local exchange and local services (intracity); $850,000 will be utilized for the expansion and improvement of the long-distance telephone facilities and services (intercity); $400,000 will be spent for expansion and improvement of the telegraphic facilities and services. The total requirement for the project, including local currency costs to be met from Republic of Korea resources, is estimated at $5.5 million.

The telecommunications system of Korea was 80 percent destroyed during the Korean war. Since the end of the war it has been rehabilitated in some measure by the efforts of the Korean Government and in large part with the assistance of ICA. The present project is designed to contribute to the further improvement and expansion of the communications system so as to meet the increasing demands upon the system which are being brought about by the general rehabilitation and improvement of the economy of Korea.

While this project will help expand presently existing facilities, it will meet only a portion of current and expected demand. It

will remedy only the most pressing inadequacies of the present system.

Mr. ELLENDER. Mr. President, the second point I wish to emphasize, which was brought out by proponents in the original debate on the creation of the Development Loan Fund, is that it would be a means of reducing grant assistance to countries all over the world. This was one of the main arguments advanced in order to create the Development Loan Fund.

Things have not worked out that way, Mr. President.

Again, security regulations preclude me from making public a country-by-country breakdown to prove my point, although I have such a breakdown at my desk if Senators would like to see it. However, I do have a little summary which certainly proves my point.

Mr. President, I ask unanimous consent that the table entitled "Military and Economic Assistance to Countries Which Have Obtained Or Have Applied for Loans From Development Loan Fund—Fiscal Years 1958 Through 1960," be printed at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Military and economic assistance to countries which have obtained or have applied for loans from Development Loan Fund, fiscal years 1958 through 1960

[In thousands of dollars]

Region and country	Military assistance				Economic assistance			
	Fiscal year 1958	Fiscal year 1959	Fiscal year 1960	Total	Fiscal year 1958	Fiscal year 1959	Fiscal year 1960	Total
Latin America	$22,844	$39,612	$48,925	$111,381	$66,220	$51,845	$56,875	$174,940
Far East	426,072	535,429	371,220	1,332,721	524,455	517,400	541,400	1,583,255
South Asia	84,840	75,817	61,973	222,630	67,393	97,300	118,950	283,643
Near East	420,244	329,588	352,991	1,102,823	146,051	202,130	213,000	561,181
Europe	61,437	67,381	49,059	177,877	66,317	62,900	53,500	182,717
Africa	8,656	9,460	7,379	25,495	73,538	118,046	126,600	318,184
Grand total	1,024,093	1,057,287	891,547	2,972,927	943,974	1,049,621	1,110,325	3,103,920

Mr. ELLENDER. Mr. President, if it were true that as the Development Loan Fund came into operation, grant assistance would decline, then the fiscal 1960 total for economic aid should be reduced below that of fiscal 1959.

Let us see what has happened. For Latin America, Development Loan Fund agreements through March 31 of this year totaled about $63 million. The fiscal 1960 economic aid budget for Latin America shows an increase over fiscal 1959 from $51.8 million to nearly $57 million.

In the Far East, the same is true. Development Loan Fund agreements through March 31 totaled nearly $167 million. Proposed economic assistance for fiscal 1960 totals over $541 million, compared with $517,400,000 in fiscal 1959.

Consider South Asia. Development Loan Fund loans as of March 31: More than a quarter of a billion dollars. Yet, the President proposes to increase economic aid to South Asia in fiscal 1960 from some $97,300,000 in fiscal 1959 to nearly $119 million in 1960.

Is the Near East an exception? Let us see.

Development Loan Fund agreements through March 31: $134,700,000.

The fiscal 1960 foreign aid budget proposes $213 million in economic aid for the Near East, compared with $202 million in fiscal 1959.

Finally, there is Africa. Africa has received around $30 million in Development Loan Fund loan agreements as of March 31. The fiscal 1959 economic aid budget for that area aggregated almost $127 million compared with about $118 million in 1959.

Thus it becomes obvious that the economic assistance burden which we have so magnanimously assumed is not growing smaller as the Development Loan Fund proceeds, but, on the contrary, actually is increasing.

I cannot help being reminded of the imagination used in the past by our big-eyed planners in dreaming up names for economic aid. Senators will recall that today we have defense support, which is economic aid pure and simple. We also have special assistance. Only a few years ago the boys with the rose-colored glasses were talking about the President's Asian regional development program. I fear that unless Congress tightens its grip on the foreign aid purse strings, the Development Loan Fund—a program which could be of immense benefit if properly administered—may well turn into no more than another fancy name for the same old program which we have been supporting since 1948.

It should also be pointed out that the majority of the countries which receive development assistance, also receive military assistance.

In other words, some of our so-called allies have managed to get three hands instead of two into our Treasury.

Of the 11 countries which will get the bulk of Development Loan Fund money, 9 presently receive military assistance and defense support from the U.S. Government. The only two that do not are Yugoslavia and India.

As all Senators know, the line of reasoning that has been dinned into our ears in support of our current foreign aid program goes something like this: First, we extend military assistance to certain countries so that they can develop, train, and equip armies which, we piously hope, will join with the United States and fight Communist aggression when and if that day ever comes.

However, because the establishment of these armies has caused drains on the economies of such countries, we are, it is said, duty-bound to extend additional foreign aid—defense support—to take up the slack between the economic capabilities of those countries and the additional funds needed to maintain the armies we impose on them.

This so-called defense support is supposed to represent the amount of money necessary to build sufficient economic strength to support armies for which the United States is paying handsomely under another phase of the aid program.

In addition to all this, Development Loan Fund proceeds are being injected into these countries to aid in their growth because, it is said, the money which would normally be available for internal development must be devoted to maintaining the large armies that the United States is equipping and training.

I say that before adding a third layer on the economic cake which we are passing out to these countries, we ought to take a long look and see whether it might not be smarter to reevaluate the military aid program.

In other words, because we are asking these countries to form large armies to fight on our side, we not only have to give them an outright grant to support these armies; we are now being asked to give them the lion's share of the loans which will be made out of the Development Loan Fund.

I contend that in only 2 years we have strayed far afield from the original purposes and concepts, of the Development Loan Fund, just as our current foreign aid program has strayed far afield from the original concepts laid down by General Marshall—namely, that we should extend a helping hand to our less fortunate friends, to help them get back on their feet.

It should be brought out here and now that if the United States is going to be continually asked to supply funds to these countries, because we have asked them to maintain large armies, then, I repeat, there is a crying need to reexamine this entire program.

Are there present any Senators who honestly believe that these paper armies we have been building around the globe will stop the Soviet armies, in the event total war comes?

We have been told many times that the purpose of these armies is to fight the so-called "brush-fire" wars. Who was it that landed in Lebanon? The newspaper accounts I read told of no one going ashore except United States Marines and United States Army troops.

I am sure that all Senators are aware of the creation a few years ago of the Strategic Army Corps, otherwise known as STRAC. The very existence of this arm of our Armed Forces shows that our military leaders have very little confidence in the ability of foreign paper armies to put out brush-fire wars.

Under the organization of STRAC, four divisions have been molded into what the Army calls "a mobile combat-ready force—operationally ready at a moment's notice."

Thus, Mr. President, our military leaders have already recognized the futility of trying to equip paper armies in small and backward countries to a point

where these forces could be of any use in turning back an act of armed aggression.

In other words, we are being asked, in effect, to hire a group of foreign nationals for our own protection, knowing full well that they will be of little real use to us in the event of all-out war. What is even more, we are being asked to pay for the hire of these soldiers—I almost said mercenaries—not once, but three times—through military assistance, defense support, and now the Development Loan Fund.

I again repeat: the time has come for a reexamination of our total foreign policy. Clearly the money that we have spent on foreign aid—heretofore the foundation of our foreign policy—has brought us no real security. The cold war is still with us; our proximity to a hot war is just about the same, if not worse.

The paper armies, equipped in large part with obsolete equipment, have brought us little, if anything, in the way of increased national security.

I urge the Senate to support my amendment. We cannot allow the original purposes of the Development Loan Fund to be so twisted that it will, in time, become only another means of inducing, through gifts, our so-called friends to stay with us.

The original supporters of the Development Loan Fund urged, in support of the program, that the Fund would be used in such a manner as to encourage private enterprise and to aid the underdeveloped countries in fighting the spectre of socialism.

If Senators will turn to page 656 of the hearings on the second supplemental appropriation bill, they will find a table which was placed in the record in response to a question propounded by the distinguished Senator from South Dakota [Mr. MUNDT].

This table reveals that of the 78 loans made by the Development Loan Fund through March 31, 1959, 57—or approximately 73 percent—were made directly to the governments of the respective countries. The dollar amount of these loans was $590,286,000, or approximately 85 percent of the total of approved loans to date.

The trend seems to continue to be in that direction, Mr. President. Just listen to some of the Government-owned endeavors we would help finance under pending loan applications—endeavors which should be privately owned and should be operated under a private enterprise system.

LOAN APPLICATIONS RECEIVED FROM FOREIGN GOVERNMENTS FOR OPERATION OF PRIVATE TYPE ENTERPRISES

First. Tuna clipper ships.
Second. Cement factory.
Third. Flour mill.
Fourth. Iron mining.
Fifth. Floating dry dock—ship construction.
Sixth. Cellulose and paper factory.
Seventh. Fibers and chemical plants.
Eighth. Oil drilling rigs.
Ninth. Fertilizer plants.
Tenth. Tractor part plant.
Eleventh. Road transport equipment.
Twelfth. Nylon plant.

None of these will be owned by private industry; instead, they will be operated by the governments.

Is this the way to promote private enterprise? Is this the way to head off socialism?

It seems to me, Mr. President, that we may be actually fostering socialism through exactions from the American taxpayer—as was brought out so eloquently a few minutes ago by the distinguished Senator from Wyoming [Mr. O'MAHONEY]. I warn Senators that if the Development Loan Fund is permitted to go its merry way in the future, as it has in the past, then we shall be aiding and abetting the rise of socialism. We may actually help bring about, ultimately, the destruction of the free enterprise system in the world at least as we know it today.

The cry has also been raised that the Development Loan Fund should receive the full amount of its request, because that would be the Christian thing to do, that we must help our fellow man.

Mr. President, this country has already given to our fellow man until it hurts. We find ourselves now in the position of giving away money which we must borrow, on the open market, at 4½ percent interest. And while we do this, we watch our national debt steadily rise.

Mr. President, I think this attempt to confuse Christianity and waste is unconscionable. One cannot excuse waste and possible damage to the economy of our country by merely pinning the label of "Christian charity" on it.

I cannot believe that this is simply another of the multitude of slick public relations tricks that those who favor and profit from the giant give-away program in the past have attempted to foist upon the American public. Yet, I wonder if that might not be the case. If so, Mr. President, it is about on a par with some of the other "trick sells" that have been advanced by these people.

From a bright, promising idea—one which, if properly carried out, would have helped solve many of the problems that face less fortunate nations of the world—the Development Loan Fund has, I fear, degenerated into merely another adjunct, an appendage, of the current foreign aid program, which has been already clearly proved to be most wasteful.

The Congress was told that the Development Loan Fund would be made available to the newly independent and underdeveloped countries of the world, with Latin America to get its fair share. But that has not happened.

However, Mr. President, I have not lost all hope. I still feel that, if properly handled, the Development Loan Fund could be one of the best weapons forged in our continuing fight against the encroachment of communism.

I still believe that the Development Loan Fund could accomplish every one of its original purposes. But if this is to come to pass, it will happen only because the Congress of the United States has so insisted.

The Congress must impress upon the executive branch—which includes those bureaucrats who constantly scheme and plot as how best to spend more of our money—the fact that the will of Congress must be done.

The Senate today has an opportunity to show the way.

I have offered an amendment that the supplemental request for the Development Loan Fund be cut to $100 million, rather than be eliminated entirely.

It is my judgment that if Congress can force the administrators of the Development Loan Fund to move slowly and carefully, and to live up to the spirit, as well as the letter, of the Fund's authority, it can still be rescued.

As I argued to the Senate last year, this is a program which will bear the close watching of Congress. Apparently, we have not watched it as closely as we should have in days past.

But I am sure that time is on our side. Slowing the program down to a reasonable rate will do much to undo the damage already inflicted. Let us not overlook the old adage—haste makes waste.

The value of these three words can nowhere else be measured as they can in the deliberations of this body.

We have seen examples of great waste in our current foreign aid program when we pressed too much money into the hands of bureaucrats who apparently believe that borrowed tax dollars are the universal panacea—the magic balm to soothe all the world's ills.

I respectfully submit that much of this waste is due to our making too much money available for these programs at one time.

The tendency is then to spend the money as fast as possible so that the administrators of the program can go back to Congress and ask for more money the next fiscal year.

As most Senators know, I am an exponent of preservation of this country's water resources. There are many worthwhile navigation and flood control projects all over the country that I, personally, would like to see completed as soon as possible.

In my judgment, we are only wasting natural resources and money if we do not complete these projects as fast as we can.

However, I base my decision on how much money each project will receive in 1 fiscal year or how much can be economically spent in its construction each year.

That, to my mind, is what we ought to do with the Development Loan Fund. It should be furnished with only enough money that it can economically spend, in conformity to its original purposes.

It is my hope that the Senate will approve my amendment and call a halt to this haste which makes waste.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a summary of Development Loan Fund obligations and commitments as of March 31, 1959.

There being no objection, the summary was ordered to be printed in the RECORD.

Summary of Development Loan Fund obligations and commitments as of Mar. 31, 1959

[In thousands]

Country	Loan description	Obligations [1]		Other loan commitments [2] as of Mar. 31, 1959	Total obligations and commitments as of Mar. 31, 1959 (2)+(3)
		Cumulative as of Jan. 31, 1959 (1)	Cumulative as of Mar. 31, 1959 (2)	(3)	(4)
Africa:					
Liberia	Sawmill expansion	$190	$190		
	Telecommunications improvement	3,000	3,000		
	Subtotal, Liberia	3,190	3,190		$3,190
Libya	Tripoli electric power			$5,000	5,000
Nigeria	Apapa warehouse			800	800
Somalia	Credito Somalo (agricultural lending)		2,000		2,000
Sudan	Cotton textile mill			10,000	10,000
Tunisia	National Railroad (rolling stock)			2,400	
	Esparto pulp factory			6,250	
	Subtotal, Tunisia			8,650	8,650
	Total, Africa	3,190	5,190	24,450	29,640
Europe:					
Netherlands	Resettlement of emigrants in Australia	3,000	3,000		3,000
Spain	Irrigation (earthmoving equipment)			7,700	
	RENFE-railway track rehabilitation			14,900	
	Subtotal, Spain			22,600	22,600
Yugoslavia	Nitrogen fertilizer plant	22,500	22,500		
	Diesel locomotives			5,000	
	Subtotal, Yugoslavia	22,500	22,500	5,000	27,500
	Total, Europe	25,500	25,500	27,600	53,100
Near East and South Asia:					
Ceylon	Colombo Railroad (motor coaches)	750	750		
	Highway development equipment	900	900		
	Irrigation and land development	1,600	1,600		
	Subtotal, Ceylon	3,250	3,250		3,250
Greece	Nitrogen fertilizer plant	12,000	12,000		12,000
India	Railways (steel for locomotives and rolling stock)	40,090	40,000		
	Road transport equipment; cement and jute industry machinery	35,000	35,000		
	Steel for public projects	18,000	18,000		
	Steel for private projects	22,000	22,000		
	Equipment for railway development	35,000	35,000		
	Equipment for public power development	10,000	10,000		
	Capital equipment for private industry	15,000	15,000		
	Subtotal, India	175,000	175,000		175,000
Iran	Plan organization projects (agricultural machinery, silos, municipal development, electric network extension, railroad equipment, roads, etc	47,500	47,500		47,500
Israel	Development Loan (power, railways, agricultural and industrial develop)	15,000	15,000		
	Industrial institution (development bank)			5,000	
	Subtotal, Israel	15,000	15,000	5,000	20,000
Jordan	Electric power and phosphate			3,700	3,700
Lebanon	Development projects [2]			4,000	4,000
Pakistan	Karachi water and sewerage	5,500	5,500		
	Industrial Credit Corporation	4,200	4,200		
	West Pakistan high tension grid (power transmission)		14,700		
	Karnafuli multipurpose dam		17,500		
	West Pakistan ground water development (reclamation)		15,200		
	Railway rehabilitation equipment		9,100		
	Development of port facilities—Chittagong and Chalna			4,000	
	Sui gas transmission			2,000	
	Subtotal, Pakistan	9,700	66,200	6,000	72,200
Turkey	Industrial Development Bank	10,000	10,000		
	Aerial mineral survey			900	
	Zonguldak coal development			14,500	
	Plastics and related chemicals plant			6,100	
	Development projects [3]			16,000	
	Subtotal, Turkey	10,000	10,000	37,500	47,500
	Total, Near East and south Asia	272,450	328,950	56,200	385,150
Far East:					
Indonesia	Railway rehabilitation			3,000	
	Harbor rehabilitation			6,000	
	Subtotal, Indonesia			9,000	9,000
Korea	Tong Yang cement plant	2,140	2,140		
	Chung Ju power, design engineering			1,500	
	Telecommunications improvement			3,500	
	Subtotal, Korea	2,140	2,140	5,000	7,140
Malaya	North Klang Straits, port development		10,000		
	Road and bridge construction		10,000		
	Subtotal, Malaya		20,000		20,000

See footnotes at end of table.

Summary of Development Loan Fund obligations and commitments as of Mar. 31, 1959—Continued

[In thousands]

Country	Loan description	Obligations [1]		Other loan commitments [2] as of Mar. 31, 1959	Total obligations and commitments as of Mar. 31, 1959 (2)+(3)
		Cumulative as of Jan. 31, 1959 (1)	Cumulative as of Mar. 31, 1959 (2)	(3)	(4)
Far East—Continued					
Philippines	Small Industry Loan Fund			$5,000	
	Roads, bridges, and rehabilitation of public-works equipment			18,750	
	Development projects [3]			26,250	
	Subtotal, Philippines			50,000	$50,000
Taiwan	Railway modernization	$3,200	$3,200		
	Shihmen multipurpose dam	21,500	21,500		
	Improvement of fishing industry equipment		686		
	Cement plant	2,750	2,750		
	Ingalls-Taiwan Shipbuilding [4]	6,500	6,500		
	Byproduct coke oven		1,000		
	Aluminum Corp.			1,350	
	Small Industry Fund			2,500	
	Subtotal, Taiwan	33,950	35,636	3,850	39,486
Thailand	Bangkok power distribution		20,000		
	Channel dredge			1,750	
	Subtotal, Thailand		20,000	1,750	21,750
Vietnam	Saigon-Cholon water distribution system			19,500	19,500
	Total Far East	36,090	77,776	89,100	166,876
Latin America:					
Argentina	Transportation, power, industry		24,750		24,750
Bolivia	Sugar mill		2,500		2,500
Brazil	Rural Resettlement—Carembei/Castrolanda		240		
	Rural Resettlement—Anhumas/Pedrinhas			300	
	Subtotal, Brazil		240	300	540
Chile	Airport design engineering			150	150
Costa Rica	Resettlement [4]	300	300		300
Ecuador	Pan American Highway		4,700		4,700
Guatemala	Rubber production			5,000	
	Kenaf bag factory			400	
	Subtotal, Guatemala			5,400	5,400
Haiti	Artibonite Valley development			4,300	4,300
Honduras	Highway development	5,000	5,000		5,000
Nicaragua	Public utilities, Matagalpa			600	600
Paraguay	Waterworks, Asuncion	1,000	1,000		
	Road to Brazil	2,500	2,500		
	International Products Corp. (ranching, meatpacking, quebracho)	2,600	2,600		
	Subtotal, Paraguay	6,100	6,100		6,100
Uruguay	UTE telephone			8,800	8,800
	Total, Latin America	11,400	43,590	19,550	63,140
	Grand total	348,630	481,006	[5] 216,900	697,906

[1] Loan and guarantee agreements signed.
[2] Loans approved by the board of directors, for which letters of advice have been issued to borrowers. Also includes country development project commitments mentioned in footnote [3].
[3] Agreement to finance projects within country development programs, subject to approval of the specific projects.
[4] Includes loan guarantee of $4,500,000.
[5] Reflects inclusion of 1 approved project on which the letter of advice has not yet been issued.

Mr. GOLDWATER. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. Yes, surely.

Mr. GOLDWATER. I should like to learn of the pay-back procedures of the fund. When we lend foreign countries our money under the Development Loan Fund program, do they pay the loans back in our currencies, or in their own?

Mr. ELLENDER. Only 20 percent of the money already obligated is to be repaid in dollars. The rest is to be repaid in the currencies of the countries to which we are lending the money.

Mr. GOLDWATER. I thank the Senator.

Mr. ELLENDER. As I stated previously, the bulk of the money is being loaned to countries to which we have already given until it hurts.

Mr. GOLDWATER. Mr. President, will the Senator yield for one more point?

Mr. ELLENDER. Yes.

Mr. GOLDWATER. Is the currency paid at a stabilized rate or at the current rate?

Mr. ELLENDER. At the current rate.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. ELLENDER. Yes, I yield to my friend from Idaho.

Mr. DWORSHAK. Mr. President, I rise to commend the Senator from Louisiana for his persistent and courageous efforts to reveal some of the waste and inefficiency inherent in our foreign aid program during the past decade.

We can recall that when the Marshall plan began in 1948 Paul Hoffman—the first Administrator—told us it was a plan to stabilize the economies of our allies, and that the entire program would last only about 4 years.

Unfortunately, at the conclusion of the Marshall plan, another plan conceived to encompass different projects, was adopted, merely as a subterfuge to justify the continuance of a program under which we have dissipated billions and billions of dollars of our national resources.

I have in my hand a copy of the Washington News Bulletin, published by Paul Peters, editor, under date of April 20, 1959, listing foreign aid expenditures under these various programs.

During the war, of course, there was some justification for the lend-lease program, which amounted to an expenditure of about $60 billion. A small percentage of the amount was repaid in subsequent years.

Immediately following the conclusion of World War II, a postwar program was started even prior to the adoption of the Marshall plan, beginning with fiscal year 1946, when a total of almost $7 billion was made available.

Throughout the years, down through March 31, 1959, a total of $80,812 million has been appropriated for various

aspects of foreign military and economic aid.

The senior Senator from Louisiana has pointed out, in reports which he has made following his trips around the world to inspect these programs, and in his testimony before the Appropriations Committee, that many subterfuges have been used for foreign aid. I do not criticize the beneficiary countries, as is the usual procedure to do, because I think the responsibility for so much blundering and inefficiency rests upon the administrators of the foreign aid programs within our own Government.

On the one hand, they have said we must stabilize the economies of our allies; we must build up their capabilities in a military sense so we can have dynamic, forceful support from our allies to resist Communist aggression. But the record shows that, through maladministration and inefficiency. U.S. representatives have literally forced upon these various countries the loans and grants which we have made. In so doing we have destroyed their independence and self-reliance. We have discouraged a display of the national fortitude and resourcefulness which are indispensable if we are to expect any worthwhile aid from these beneficiary nations in meeting military threats.

So I want to compliment the Senator from Louisiana. Very few Members of Congress seem to be interested in this overall program. Many outside commissions have been named by the President to make a survey and a study of these programs. Invariably they have come back with reports, which are lacking in any worthwhile recommendations for a reappraisal of the program to determine how this entire procedure may be improved.

I realize that when yea-and-nay votes on foreign aid have been had in the past, there has been bipartisan support. I do not quarrel with my colleagues. Probably they believe, as the President does, that the only way we can strengthen our allies is to dissipate our own resources, to weaken ourselves financially and militarily, while at the same time we are dismally failing in our efforts to strengthen the recipient countries.

Mr. President, in reality, this program is not achieving the objectives which were originally envisioned. Unless we do have a reappraisal at some early date, we shall probably too late realize the futility and the lack of efficiency and good results of this expensive program.

Mr. ELLENDER. I wish to thank my good friend from Idaho. I am glad he brought up one point which I did not touch upon this year—that the tragedy of all this is that it is our own people abroad who make up these wasteful budgets. Taiwan officials could not come before the Appropriations Committee and justify anything they asked for. It is our own people who are responsible.

We have forces in the thousands who actually go around to these countries and make up the budget requests for the countries in which our foreign aid program is conducted.

Mr. DWORSHAK. It is self-perpetuating.

Mr. President, I ask unanimous consent to have printed in my remarks at this point the tabulation compiled in the Department of Commerce, showing all the appropriations which have been made for foreign aid.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Report on wartime and postwar foreign aid programs of the United States—Period: July 1, 1940, through Mar. 31, 1959

WORLD WAR II PERIOD

Fiscal 1941:	
Grants	$203,000,000
Credits	115,123,052
Dollar outlay	274,443,834
Total	592,566,886
Fiscal 1942:	
Grants	$6,205,122,095
Credits	476,699,333
Dollar outlay	1,273,716,986
Total	7,955,538,414
Fiscal 1943:	
Grants	9,165,977,760
Credits	47,894,356
Dollar outlay	2,730,758,500
Total	11,944,630,616
Fiscal 1944:	
Grants	16,650,353,676
Credits	122,948,106
Dollar outlay	3,827,988,633
Total	20,601,290,415
Fiscal 1945:	
Grants	15,758,641,526
Credits	90,818,352
Dollar outlay	2,926,153,103
Total	18,775,612,981
World War II total	59,869,639,312

POSTWAR FOREIGN AID

Fiscal 1946:	
Grants	3,288,535,118
Credits	1,412,400,910
Other	2,203,186,778
Total	6,904,122,806
Fiscal 1947:	
Grants	2,074,982,401
Credits	4,766,374,998
Other	1,682,120,213
Total	8,523,477,612
Fiscal 1948:	
Grants	2,583,000,000
Credits	2,802,000,000
Other	1,702,000,000
Total	7,087,000,000
Fiscal 1949:	
Grants	5,169,000,000
Credits	1,138,000,000
Other	1,295,029,206
Total	7,602,029,206
Fiscal 1950:	
Grants	4,617,000,000
Credits	405,000,000
Other	1,316,536,000
Total	6,338,536,000

Report on wartime and postwar foreign aid programs of the United States—Period: July 1, 1940, through Mar. 31, 1959—Con.

POSTWAR FOREIGN AID

Fiscal 1951:	
Grants	$4,280,286,000
Credits	419,000,000
Other	1,925,000,000
Total	6,624,286,000
Fiscal 1952:	
Grants	4,440,000,000
Credits	658,000,000
Total	5,098,000,000
Fiscal 1953:	
Grants	6,283,000,000
Credits	747,000,000
Total	7,030,000,000
Fiscal 1954:	
Grants	4,073,000,000
Credits	1,120,000,000
Total	5,193,000,000
Fiscal 1955:	
Grants	4,529,000,000
Credits	−16,000,000
Total	4,513,000,000
Fiscal 1956:	
Grants	4,688,000,000
Credits	−40,000,000
Total	4,648,000,000
Fiscal 1957:	
Grants	4,116,000,000
Credits	−208,000,000
Total	3,908,000,000
Fiscal 1958:	
Grants	4,049,000,000
Credits	612,000,000
Total	4,661,000,000
Fiscal 1959: Total to Mar. 31	2,681,582,350
Postwar foreign aid to Mar. 31, 1959	80,812,033,974

SUMMARY ON FOREIGN AID

Grants and credits, World War II period	59,869,639,312
Grants and credits, postwar period	80,812,033,974
Total reported cost	140,681,673,286

(NOTE.—Dollar outlays include sums spent by our Government and its agencies for materials and equipment for foreign allies during the war period.)

Against the gross foreign aid there were allowable deductions consisting of reverse lend-lease amounting to approximately $3 billion and repayment of credits for surplus property and installments on loans of approximately $8.5 billion.

Not to be overlooked in the total cost of foreign aid is the interest on the moneys borrowed during periods of deficit financing to carry on the foreign aid programs. The interest cost from the beginning to the present time is estimated conservatively at $20 billion total.

This bulletin compiled from statistics issued by the Office of Business Economics and predecessor agencies, in the Department of Commerce.

Mr. JOHNSON of Texas. Mr. President, in order that Senators may be on notice, I am informed that the distinguished chairman of the Committee on Foreign Relations, the Senator from Arkansas [Mr. FULBRIGHT], expects to speak for not more than 5 minutes, and the distinguished acting minority leader, the Senator from Massachusetts [Mr. SALTONSTALL], expects to speak for not more than 5 minutes; therefore, I ask unanimous consent that at the end of 10 minutes there be a quorum call and that the Senate then proceed to vote on the pending amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. SALTONSTALL. Mr. President, I rise as a member of the Committee on Appropriations to oppose the amendment offered by the distinguished Senator from Louisiana. I have the utmost respect for the sincerity of the Senator, who has been consistent in his position, as I think I have been consistent in mine.

Mr. President, I should like to bring to the attention of the Senate the fact that we had a long discussion in the conference committee last year, between the House Members and Senate Members, with regard to the Development Loan Fund. As a result of that conference, and in order to get together on the figure of $400 million, the conferees said in their report:

> It is understood that if additional funds are needed next January for the purposes contained in this bill, the Appropriations Committees of the House and Senate will give earnest consideration to the recommendations of the Executive in view of the importance of maintaining friendly relations with countries with whom we have undertakings.

As a result of that suggestion of the conferees, the Department of State, under Under Secretary Dillon, has gone ahead and considered loan applications and undertaken loan activity which would amount to over $700 million, with the idea that in the supplemental budget there would be a request for additional money to maintain the level of funding provided in the authorization for the Fund. There was either that alternative or the alternative of reducing their level of loan activity to stay within the total $700 million appropriated, with whatever injury that might bring to the Fund. Therefore, the program went ahead on the basis stated.

Very briefly, Mr. President, the total authorizations for the Fund in the fiscal years 1958 and 1959 were $1,125 million. In fiscal year 1958 $300 million was appropriated, and in fiscal year 1959 $400 million more was appropriated, making a total appropriated of $700 million.

The Senate Appropriations Committee recommends an additional $200 million. With respect to that $200 million, the Senator from Louisiana asks us to cut $100 million.

I simply wish to state that to date the Fund has made 78 loans in 36 countries, and has received about $3 billion in loan applications. Of the $3 billion in loan applications, about $830 million of proposals were later withdrawn or found to be unacceptable or more appropriate for private or other public financing. At the present time the Fund has obligated and committed about $698 million of the appropriation of $700 million, leaving only about $800,000 after including administrative expenses to continue the program for the last quarter of this fiscal year. The Fund has pending before it at the present time $1.5 billion in requests.

We should remember that every request which the Fund receives is screened very carefully. All loan requests are checked against similar requests received by the Export-Import Bank, the International Bank and other lending institutions.

As I have said, only 78 loans have been made. We should remember that the Communists in the last 4 years have made loans to certain less developed countries in the amount of $1.7 million.

Mr. President, we face the alternatives of going ahead on a grant-for-economic-assistance basis, or of going ahead on a loan basis. About 80 percent of the loans will be repaid in soft currency as the Senator from Louisiana has brought out, but these are still loans. A small percentage of the repayments is expected this year.

The program is proceeding on a reasonable, carefully-thought-out basis.

For these reasons, Mr. President, I hope that the committee action will be approved.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a brief speech I had prepared, which goes into more detail on the Development Loan Fund, which I am prepared to deliver, but will not in view of the time limitation.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR SALTONSTALL ON DEVELOPMENT LOAN FUND

We are considering today a request for a supplemental appropriation for the last quarter of fiscal year 1959 for the Development Loan Fund, a part of our mutual security program.

The Development Loan Fund was established under the Mutual Security Act of 1957 and incorporated under the act of 1958. It was established to assist in the economic development in the less developed areas in response to the aspirations for economic growth of our allies and friends in less developed areas. This program is certainly an important instrument of our foreign policy and therefore important to the security and welfare of the United States.

The Congress authorized $500 million to be available for use by the Development Loan Fund beginning in fiscal year 1959 and $625 million for fiscal year 1959. Under the authorization, $300 million was appropriated to the Fund in fiscal year 1958 and $400 million in fiscal year 1959, making a total of $700 million available for loan activity. At the time the fiscal 1959 appropriation was being considered, the Fund had been actively considering loan applications only since January 1958 and many Members of Congress felt that more time should be allowed for the Fund to determine its capacity to make effective use of the full sum authorized. In approving the amount of $400 million of the requested $625 million for fiscal year 1959, the conference committee of the Senate and House Appropriations Committees inserted in the conference report on the Mutual Security Appropriation Act of 1959 the following statement:

"The amounts contained in the bill agreed to by the conferees were too small in the view of some of the conferees, especially in the Development Loan Fund. It is understood that if additional funds are needed next January for the purposes contained in this bill, the Appropriations Committees of the House and Senate will give earnest consideration to the recommendations of the Executive in view of the importance of maintaining friendly relations with countries with whom we have undertakings."

Today, 18 months after the Fund was created, the Fund has received a total of almost $3 billion in loan applications. Of this $3 billion, $830 million in proposals were later withdrawn. The Fund has approved loans and commitments totaling $698 million of the $700 million appropriated. At the present time, therefore, after allowing for administrative expenses, only about $800,000 of the Fund's appropriated capital of $700 million is available for loans, and the Fund has on hand about $1.5 billion of requests awaiting consideration. The Fund has made 78 loans in 36 countries. One-third of our loans will directly benefit private enterprise in less developed areas. A total of $92 million in loan commitments have been made directly to private borrowers, another $132 million have been made directly to governments for the purchase of imported equipment which will be made available to local private industries.

I think it is important to point out, Mr. President, that of the $698 million in approved loans and commitments, about $481 million is in loans and guarantee agreements which have been signed and obligated, and $217 million in loan applications has been committed and is awaiting formal obligation. Like the Export-Import Bank and other similar Government lending agencies the Development Loan Fund considers any outstanding commitment or promise to make a loan a charge against its capital, and once the Fund has committed a portion of its capital to one borrower it cannot commit that portion to another borrower. It has been alleged by some that the Fund needs no new capital because it has not obligated all currently available funds. I believe that this is fallacious reasoning, Mr. President, since commitments under the present Fund policy constitute the pledged word of the U.S. Government and must as such be honored.

Secretary of State Herter in testifying before the Senate Appropriations Committee aptly stated that "the economic hopes and aspirations of the peoples of the less developed areas are powerful realities of our era and pose a challenge for the entire free world. These hopes and aspirations manifest themselves in an economic and social revolution which is sweeping the underdeveloped two-thirds of the free world. We cannot ignore this revolution because its outcome is important to our own security and welfare." I think it most important to note that in the last 4 years Communist economic assistance to a selected few of the less developed countries has totaled about $1.7 billion and we know that the activities of the Communists are increasing in this field. I think it is also important to recall that the establishment of the Development Loan Fund was the result of congressional initiative. The Congress recommended the establishment of a development loan institution to assist the efforts of free peoples to develop their economic resources and increase their productive capabilities. The President responded to this recommendation by proposing the creation of the DLF which the Congress did establish.

Since its establishment, the Development Loan Fund has been staffed and administered with vigor and efficiency. The administration deserves commendation for effectively carrying out the will of Congress in this important program.

The President has asked for $225 million, relying in part on an invitation from the Congress. In making that invitation, the 85th Congress gave the President a virtual assurance that his request would be favorably considered. The $200 million recommended by the Senate committee would enable the Fund to continue its operations at a rate that it has succeeded in achieving so far. I believe that any level of funding less than this would constitute a change in the policy of the Congress with respect to the purpose and scope of the operation of this important instrument of our foreign policy. Nothing has happened since the DLF was established to warrant such a change. The conditions which led Congress to take its past actions on the Fund have if anything grown more urgent. The record of the operation of the Development Loan Fund in the last 18 months certainly justifies our maintaining no less than the level of funding proposed by the Appropriations Committee.

Mr. FULBRIGHT. Mr. President, I am surprised that it can be seriously proposed that the amount to be appropriated for use of the Development Loan Fund should be reduced from $200 million to $100 million. I can think of few actions which we might take at this critical time which would be more disastrous to our foreign policy.

Only a few days ago, on April 9, Mr. Allen Dulles pointed out the nature of the economic challenge which we face. Last year he noted that although the Soviet Union was producing only 1 automobile for every 50 we produce in the United States it was turning out 4 machine tools to our 1.

The Soviets are doing the same thing in the underdeveloped areas. During the past 10 years nearly a billion people in 21 nations have become independent. These people are determined to achieve a better way of life by industrializing, and we may be sure that the nations which help in this industrialization process will be the ones which will ultimately have political influence in those countries and will be the nations which can expect to expand trade in these new areas.

Mr. Dulles had this to say:

The leaders of world communism are alert to the opportunity which this great transformation provides them. They realize the future of communism can be insured only by expansion, and that the best hope of such expansion lies in Asia and Africa. While they are attempting to focus all our concern on Berlin, they are moving into Iraq with arms, economic aid, and subversion, and giving added attention to Africa.

The Communist bloc trade and aid programs in undeveloped countries by the bloc in this year. In the 4-year period ending 1958, the total of grants and credits totaled $2,500 million, of which $1,600 million came from the U.S.S.R. and the balance from the satellites and China. Three-fifths of the total delivered to date has been in the form of arms to the U.A.R.—Egypt and Syria—Yemen, Iraq, Afghanistan, and Indonesia. These same countries, plus India, Argentina, Ceylon, Burma, and Cambodia, have received the bulk of the economic aid.

I had thought, Mr. President, that the big decision to confront the Senate and the American people was the decision of whether to put the Development Loan Fund on a long-term basis substantial enough to do the job.

The Development Loan Fund was created largely as a result of a unanimous recommendation of a Special Senate Committee To Study the Foreign Aid Program. That committee in 1957 recommended that "economic development assistance should be put on a repayable basis through the mechanism of a development fund." The report of that committee continued, stating that the concept of a Development Loan Fund "should be such as to permit the Fund to supplement the lending operations of the Export-Import Bank and the International Bank, to promote the flow of capital abroad, and to encourage the development of private enterprise within recipient countries." If this Nation is not willing by loans to assist newly independent nations to get their economies on a self-sustaining basis, we cannot expect them to have a very high opinion of the free capitalistic system, or of the free world generally.

Only yesterday the President, during his press conference, endorsed amendments which I will propose later to the Development Loan Fund to give it continuity and to provide it with adequate funds. The President said:

We have got to carry forward a program that each year is going to be something stronger than what we are now doing, if we are going to serve our own interests in this world.

We might as well realize a very simple fact—that the United States cannot continue to grow richer and richer, while the rest of the world grows poorer and poorer. This does not mean that I think we should share the wealth. It does mean, however, that we should, at a minimum, be willing to assist other nations to increase their standards of living. To fail to do this is but to invite ultimate economic disaster in this country and in the free world.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HUMPHREY. I rise to support the chairman of the Committee on Foreign Relations. It is my view that the Development Loan Fund is the most effective part of our mutual security program. While there undoubtedly have been limitations and there undoubtedly have been mistakes and abuses, it appears to me the proposal we have before us is not the way to cure those. In fact, we might, in the process of cutting the Fund, actually destroy what we have already put into it so far as effectiveness is concerned.

Mr. FULBRIGHT. The Senator is quite correct. The Fund has been too small to be effective. The complaint which has been made—that it has not yet been turned entirely into a loan program, and that we are still making grants—results primarily from the fact that, after the proposal in 1957, the heart was cut out of the Development Loan Fund and it has been nothing but a shell up to now, so it could not possibly answer the legitimate needs which have been submitted to it.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER]. All time for debate having expired, the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HRUSKA (when his name was called). On this vote I have a pair with the Senator from Illinois [Mr. DIRKSEN]. If he were present and voting he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

Mr. MAGNUSON (when his name was called). On this vote I have a pair with the Senator from West Virginia [Mr. RANDOLPH]. If he were present and voting he would vote "yea." If I were permitted to vote I would vote "nay." I withhold my vote.

Mr. MANSFIELD (when his name was called). On this vote I have a live pair with the senior Senator from Georgia [Mr. RUSSELL]. Were he present and voting he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Oregon [Mr. NEUBERGER], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

I also announce that the Senator from Nevada [Mr. BIBLE] is absent because of a death in his family.

I further announce that the Senator from Delaware [Mr. FREAR] is absent because of illness.

On this vote, the Senator from Nevada [Mr. BIBLE] is paired with the Senator from Oregon [Mr. NEUBERGER]. If present and voting, the Senator from Nevada would vote "yea" and the Senator from Oregon would vote "nay."

I further announce that, if present and voting, the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Florida [Mr. SMATHERS], and the Senator from Alabama [Mr. SPARKMAN] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from New Jersey [Mr. CASE] and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

The Senator from Nebraska [Mr. CURTIS], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Ken-

tucky [Mr. MORTON] are necessarily absent.

On this vote, the Senator from New Jersey [Mr. CASE] is paired with the Senator from Nebraska [Mr. CURTIS]. If present and voting, the Senator from New Jersey would vote "nay," and the Senator from Nebraska would vote "yea."

The pair of the Senator from Illinois [Mr. DIRKSEN] has been previously announced. If present and voting, the Senator from Kentucky [Mr. MORTON] would vote "nay."

The Senator from Kansas [Mr. CARLSON] is detained on official business, and if present and voting, would vote "nay."

The result was announced—yeas 24, nays 54, as follows:

YEAS—24

Byrd, Va.	Ervin	McClellan
Byrd, W. Va.	Goldwater	O'Mahoney
Cannon	Gruening	Robertson
Capehart	Johnston, S.C.	Stennis
Chavez	Jordan	Talmadge
Dworshak	Kerr	Thurmond
Eastland	Langer	Williams, Del.
Ellender	Long	Young, N. Dak.

NAYS—54

Aiken	Green	McNamara
Allott	Hart	Martin
Anderson	Hartke	Morse
Beall	Hayden	Moss
Bennett	Hennings	Mundt
Bridges	Hickenlooper	Murray
Bush	Hill	Muskie
Butler	Holland	Pastore
Carroll	Humphrey	Prouty
Case, S. Dak.	Jackson	Proxmire
Church	Javits	Saltonstall
Clark	Johnson, Tex.	Schoeppel
Cooper	Keating	Scott
Cotton	Kefauver	Smith
Dodd	Kuchel	Symington
Douglas	Lausche	Williams, N.J.
Engle	McCarthy	Yarborough
Fulbright	McGee	Young, Ohio

NOT VOTING—20

Bartlett	Gore	Neuberger
Bible	Hruska	Randolph
Carlson	Kennedy	Russell
Case, N.J.	Magnuson	Smathers
Curtis	Mansfield	Sparkman
Dirksen	Monroney	Wiley
Frear	Morton	

So Mr. ELLENDER'S amendment was rejected.

Mr. SALTONSTALL. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS obtained the floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. JOHNSON of Texas. I am informed that the Senator from Illinois [Mr. DOUGLAS] has one amendment which he wishes to offer. He does not expect to discuss it for more than 5 minutes. I know of no other amendment to be offered to the bill. I should like to have Senators remain in the Chamber, because we expect to have a yea-and-nay vote on the passage of the bill.

Mr. President, I now ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that we may have an allotment of time on the amendment, 5 minutes to be controlled by the Senator from Illinois [Mr. DOUGLAS] and 5 minutes to be controlled by the Senator from Arizona [Mr. HAYDEN], the chairman of the committee.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from New York [Mr. JAVITS] may yield for the purpose of the consideration of the amendment and the yea-and-nay vote on the bill, and that he may obtain the floor upon the completion of the yea-and-nay vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I may say to Senators, many of whom have routine business which they wish to transact, that I shall, of course, accommodate them once I have been recognized following the vote. The majority leader prefers that that not be done now. I plan to make a speech with respect to the Supreme Court, and I shall be more than happy if Senators will participate in a discussion. However, I shall accommodate Senators who wish to transact routine business and then must leave the Chamber.

Mr. JOHNSON of Texas. I thank the Senator from New York for his complete cooperation during the debate.

Mr. DOUGLAS. Mr. President, I call up my amendment designated "4–28–59—C," and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 11, it is proposed to strike out all language in lines 12 through 15.

Mr. DOUGLAS. Mr. President, the amendment would remove from the bill the language which would allow the Department of Defense to increase the limitation on the amount of money which it can use from the sale of scrap, salvage, and surplus material for the expense of disposing of surplus property.

At present, the Department of Defense can use some $49 million from the sale of surplus property for its program to dispose of surplus property. The Department is now asking that an additional $5 million be added to that limitation, so as to increase the funds which would be available to the Department for the disposal of the property, and therefore diminishing the net income of the Government by another $5 million, so the total limitation will be raised to $54 million from the existing $49 million.

In my judgment, there are several reasons why the amendment should be adopted. First, I think the whole program of disposal of surplus property by the Government needs a very real probing. The records show that last year the Department of Defense sold surplus military supplies, the original cost of which had been approximately $6 billion, for approximately $200 million. The Department has charged off approximately $50 million as the expense of selling that surplus material, so the net received by the Government for the sale of $6 billion of surplus property was only approximately $150 million, or 2½ cents on the dollar.

I hope the Committee on Government Operations and the Comptroller General will probe this whole problem. From inquiries which I have made, it seems probable that in a number of instances, at the very time the Department of Defense has been disposing of certain property which is surplus, it has been buying either identical or similar articles and, of course, paying 100 cents on the dollar for them. Still the Department wants to diminish the net amount which the Government will receive, which is already scanty, by another $5 million. If the Department receives only $200 million this year for the disposal of $6 billion worth of surplus property, this will mean a further loss of $5 million to the taxpayers.

In addition to that, there are several other reasons why, in my opinion, the amendment should be adopted. First, it would prevent another type of backdoor financing with the funds which are obtained from the sale of such surplus property. At present, the Department of Defense is allowed to use those funds, up to a total amount of $54 million, without having a further appropriation made.

The Bureau of the Budget, the President, and the minority leader have prepared all sorts of data pretending to show that we Democrats are wild spenders. When we, in turn, have proven beyond a doubt that we have cut the President's budget year by year by year, they have in turn replied that while that is true we Democrats have authorized back-door methods of spending money and must thus bear responsibility for the items which the administration has spent which are over and above the amount which we have appropriated.

Yet, this amendment, which was requested by the administration, not only continues, but extends, the very practice about which they complain. Therefore, in order to avoid a further extension of back-door financing, the amendment should be adopted.

Second. I think we should be very careful in giving to any agency the right to spend the money it gains through surplus sales or from any other activity without a specific appropriation. The reason for this is that in the case of surplus property, there is always the danger that the agency will sell additional property, and property which should not be sold as surplus, merely for the purpose of enlarging its own funds, building a greater bureaucracy, and for its own aggrandizement.

I have already pointed out numerous examples of cases in which the military forces appear to be selling as surplus, items which are still quite usable and items for which the military are asking funds to buy anew, at the same time that similar items are being sold as surplus.

Third. Let me say that very recently the Department of Defense requested that the amount be increased from $41 to $49 million; and the increase was made.

Fourth. Under Public Law 152 of the 81st Congress, which is known as the General Services Act, and which created the General Services Administration, it was thought that all surplus disposal would eventually be in the hands of the

GSA. That was to be done for two purposes. On the one hand, it was to provide a coordinated program for surplus disposal. On the other hand, it was to relieve the military services of this program, in order that they could concentrate their personnel and their energies on their primary duty—namely, to defend this country against our enemies.

However, that overall plan has not been put into effect. This item of the bill increases the amount which the Department of Defense may spend on this program some 10 years after the GSA was established to put the plan into effect. The facts appear to show that GSA is actually delegating this authority back to the military services, or at least is not expanding the coordinated program of surplus disposal.

For all of these reasons, Mr. President, this amendment should be adopted. As a result the amount of money will be cut by $5 million.

The PRESIDING OFFICER (Mr. McCARTHY in the chair). The time available to the Senator from Illinois has expired.

Mr. CHAVEZ. Mr. President, the argument of the Senator from Illinois appears to be very reasonable. However, he did not inform the Senate that every year a large amount of scrap and salvage is accumulated.

As for the suggestion that the House is not a spender, the Senator will recall that the other day my good friend, the Senator from Illinois, said the Senate was the "up-er."

This item was included in the bill as it came to us from the House of Representatives, because the House wished to save money by means of this procedure. For several years this limitation has been placed by the Congress on the amount of proceeds of the sale of scrap and salvage which may be utilized in connection with expense of such sales. It is true that this item increases the amount the agency can spend. But, stated simply, the effect is like that of a newspaper advertisement by a store which wishes to increase its sales. That example shows all there is to this item of the bill.

The Department of Defense requested an increase in the limitation and the House and the Senate committee have approved an increase of $5 million.

In 1958 the Department disposed of $6 billion worth of material.

If the "limitation" funds were not provided, the surplus would increase, causing additional costs to the Government in storage space and deterioration. To the extent that the proceeds of sale are available for reimbursement to the maintenance and operation accounts, for expenses in connection with the disposal program, an incentive is provided to continue the acceleration of disposal. This provides further savings in the areas of storage and deterioration. Actually, the limitations result in a decrease in Federal costs, by providing this incentive.

The amendment of the Senator from Illinois could cost the Government money, rather than save any. If the language now contained in the bill is deleted, it will mean that $5 million in funds generated from the sale of scrap cannot be used to prepare more scrap and salvage for sale. Thus, the disposal program will be slowed down. Additional storage space will have to be utilized. The scrap will deteriorate, thus reducing its resale price. The amendment, unfortunately, would not reduce costs, but actually could increase costs to the taxpayer, and could defer the disposal of excess material.

Mr. SALTONSTALL. Mr. President, will the Senator from New Mexico yield to me?

The PRESIDING OFFICER (Mr. Moss in the chair). Does the Senator from New Mexico yield to the Senator from Massachusetts?

Mr. CHAVEZ. I yield.

Mr. SALTONSTALL. Is it not true that this year an additional $2 billion worth of excess and surplus property is being disposed of; and, in that connection, this item of the bill increases the limitation by $5 million in order to dispose of an additional $2 billion worth of this property. Furthermore, it should be noted that more than half the cost of disposing of scrap is for demilitarizing it—in other words, removing the ammunition and making the scrap safer.

Mr. CHAVEZ. That is correct.

Mr. SALTONSTALL. So if this additional $2 billion worth of property is to be disposed of, it is necessary that this $5 million increase in the limitation be made.

Mr. CHAVEZ. Yes. Of course it is necessary to reduce the amount of scrap, which now is increasing.

Mr. CARROLL. Mr. President, will the Senator from New Mexico yield for a question?

Mr. CHAVEZ. I yield.

Mr. CARROLL. Has any comparative analysis been submitted in regard to the cost which might be incurred if this item were not included in the bill?

Mr. CHAVEZ. No. However, a comparative analysis is available. The Senator from Illinois has referred to it.

The PRESIDING OFFICER. The time available to the Senator from New Mexico has expired.

Mr. DOUGLAS. Mr. President, do I have any time remaining?

The PRESIDING OFFICER. All available time has expired.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that both sides be allowed an additional 2 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CHAVEZ. Mr. President, let me say that the original cost of the property sold was $6 billion; but all that was received for it, following the sale, was $200 million. Furthermore, the expenses of preparing the material for sale came to $50 million.

Mr. CARROLL. In view of the item now included in the bill, what would be the cost if this item were to be stricken out? The Senator has referred to the storage costs and the other costs.

Mr. CHAVEZ. Yes.

Mr. CARROLL. Has any estimate of those costs been stated?

Mr. CHAVEZ. The point to bear in mind is that it will be impossible to dispose of this property unless this item is included in the bill.

Mr. GRUENING. Mr. President, will the Senator from New Mexico yield to me?

Mr. CHAVEZ. I yield.

Mr. GRUENING. Those of us who would like to vote on this matter in the interest of economy and saving to the taxpayers would like to have the Senator's view as to which would have the more economical result—the committee's proposal or the amendment of the Senator from Illinois.

Mr. CHAVEZ. The proposal was made by the House, which, as I stated before, is not a spending agency. The House put the item in the bill. The House reduced quite a few items. The Senate has restored some of these. However, a decrease of $82 million in the budget request was made. Nevertheless, the House put the salvage item in the bill. All the committee did was agree to it, because we thought the item would accelerate sales and save money for the Government.

Mr. HAYDEN. Mr. President, will the Senator yield to me?

Mr. CHAVEZ. Yes.

Mr. HAYDEN. My recollection is that most of the scrap now being disposed of was material acquired during World War II and the Korean conflict. Much of it is ammunition, and material of that kind. The powder has to be removed from the ammunition, and much work must be done before the material can be sold. It is in that connection that the expense is incurred. In any event, the point is that this is not money out of the Treasury of the United States. We originally allowed the use of $49 million of the proceeds from the sale of the scrap to demilitarize and make material ready for additional sale. That is all there is to this matter. The objective is to get more of the scrap on the market, sell it, and stop having to pay storage for it.

The Senator from Illinois mentioned the fact that perhaps the General Accounting Office should look into the methods of the Army in disposing of the scrap. I am not saying the Army is using the best methods of disposing of the material. I should be glad to have the General Accounting Office, which is an arm of the Congress, look into the matter. But the material has to be disposed of. The longer we keep it, the more we lose.

The PRESIDING OFFICER (Mr. Moss in the chair). The time of the Senator has expired.

Mr. DOUGLAS. Mr. President, mention is made of scrap. But more than scrap is involved in this program. We have records of surplus property including bulldozers, trucks, typewriters, buses, cranes—perfectly usable products—being disposed of to civil defense, and civil defense giving them, without charge, to private enterprise carrying on building activities.

If one visits army surplus stores all over the country, he will find on many of the goods which are for sale the words

"genuine Army surplus." The word "genuine" generally indicates it is the "real McCoy."

We purchase about $23 billion worth of goods each year. There are $44½ billion worth of supplies and equipment in storehouses and in the supply system inventory of the Defense Department. Six billion dollars worth of those supplies and equipment are sold each year, resulting in a gross return of $200 million from them, and a net of $150 million. To my mind it is necessary to shake up the whole service, and for the military services to use up millions of dollars of the supplies and equipment, which are kept in storage or are sold for 2½ cents on the dollar, and thereby save 100 cents on the dollar. The military could thus draw down on these usable items rather than to dispose of them as surplus while at the same time it buys vast quantities of exact or similar items.

My amendment is offered for the purpose of serving notice on the supply services that we mean business and we do not mean to have this waste continue.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DOUGLAS]. The yeas and nays have been ordered——

Mr. JOHNSON of Texas. Mr. President, the yeas and nays have not been ordered on the amendment; they have been ordered on the passage of the bill.

The PRESIDING OFFICER. It was the understanding of the Chair that the yeas and nays have been ordered on the amendment, but the record may show differently.

Mr. JOHNSON of Texas. The yeas and nays were requested on the passage of the bill, not on this amendment.

Mr. DOUGLAS. Mr. President, I am not shirking a yea-and-nay vote on the amendment. If the chairman of the subcommittee wants a yea-and-nay vote, I am perfectly willing to have it.

Mr. CHAVEZ. No.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was rejected.

Mr. CHAVEZ. Mr. President, I ask unanimous consent to have printed in the RECORD some statistics with regard to the appropriation for the New Senate Office Building, which was discussed yesterday.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

New Senate Office Building

1949: Estimated cost of complete building and equipment if project had proceeded at that time	$20,600,000
1954: Estimated cost of modified building and equipment	20,600,000
1959: Estimated cost of modified building and equipment	24,196,000

CUBAGE

	Cubic feet
1949: Total estimated cubage	9,600,000
1954 and 1959: Estimated cubage	8,790,000

New Senate Office Building—Continued

USABLE FLOOR SPACE

	Square feet
1949: Total estimated usable floor area, excluding corridors, stairways, public toilets, elevators, and garage	442,000
1954 and 1959: Estimated usable floor area	391,000

ESTIMATED CUBAGE COSTS—BUILDING CONSTRUCTION ONLY

	Per cubic foot
1949: Complete building	$1.75
1954: Modified building	2.05
1959: Modified building	2.22

RISE IN CONSTRUCTION INDEX COSTS

	Percent
1949 to 1954	23
1954 to 1959	27
Total rise in construction index costs 1949 to 1959	50

Superstructure contract awarded September 1955.

Changes in contract work ordered 1955–59.

Mr. COOPER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, at this point before the vote on final passage of the supplemental appropriation bill, a statement on the appropriation for forest roads and trails, and forest development.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR COOPER

I wish to commend the Committee on Appropriations for including in the supplemental appropriation bill an amount for forest land development, and for forest roads and trails, in national forests near "areas of the country that are especially burdened with unemployment."

Early this year, I pointed out to officials of the Forest Service the conditions of distress I had found in my trips through eastern Kentucky, and asked if projects planned for the Cumberland National Forest, which crosses 16 counties and extends from just below the Ohio River in Kentucky southwestward to the Tennessee border, could be accelerated. I believe this appropriation will enable them to do so.

I hope that in conference with the House, the Senate conferees will work to sustain the full amount of this needed appropriation, and that it will not be reduced—certainly that they will not allow it to be cast aside.

While the amount of $3 million being provided by the Senate is not large, especially when viewed as a small addition to the regular appropriation of $65 million for national forest protection and management, and $26 million for forest road and trail construction, the action of the Senate committee has further value. It clearly recognizes both the fact that some areas of our country need and deserves special attention at this time, and that existing programs can be shaped to provide work while carrying out the purposes of established programs. Often, as in this case, planned work projects need only be taken off the shelf.

So, I point out to Senators who took an interest in the area redevelopment bill passed by the Senate on March 23, that there are other approaches to that problem. Even before passage of new legislation aimed at long-range solutions, much can be done immediately within existing law and under established programs—if we will but see that it is done.

I suggest that many other existing programs of the Federal Government, and Federal-State cooperative programs, could be focused more sharply toward areas of high unemployment and underemployment—while still working entirely within the framework of existing plans, and with benefits to the entire Nation. If this is not done soon, expensive welfare or relief type programs, may be required. As one example of what can be done, I have introduced in the Senate proposals to earmark a portion of Federal highway funds for accelerating road work in these distressed areas.

I am convinced that established farm credit tools, Small Business Administration assistance, public works programs, research programs, small watershed development, rural development projects, surplus food distribution, and other existing programs can be shaped to better meet the needs of regions which, in fact, know real want today as serious as that of the great depression.

I hope the departments of Government will analyze each of their programs with a view toward adjusting them to these conditions of particular need; in many cases, I do not believe legislation would be required to do so. But if the executive departments will not act, or do not act, I hope the Congress will take steps, as the Senate is doing today, to help meet the pressing need for work, for food, and for hope in these areas.

And having established this sound principle of concentrating some portion of existing programs on the special needs of distressed areas, I hope very much that the Congress will now take further steps—and will encourage the executive departments to take all reasonable steps—to focus full attention under other established programs on the areas of greatest need, including my State of Kentucky.

In connection with the provision for forest work now before the Senate, I point out that the latest figures (March 1959) from the Department of Labor show that the ratio of unemployment to the total labor force is 12.8 percent in Corbin, Ky., 16.2 percent in the Middlesboro-Harlan area, and 17.9 percent in Hazard, Kentucky. These are three of the areas measured by the Department of Labor which are closest to the Cumberland National Forest. For this reason, I am sure that this appropriation will permit the acceleration of Forest Service work in eastern Kentucky, and I understand from officials of the Department of Agriculture that additional work is planned for Kentucky, as well as for West Virginia and other States, if the amount is approved by Congress.

I wish to commend the junior Senator from West Virginia [Mr. BYRD] who, as a member of the Appropriations Committee, suggested this and other supplemental items, and established in the hearings how these projects could provide jobs.

Finally, I note that in response to questions from the Senators from Montana [Mr. MANSFIELD and Mr. MURRAY], the chairman of the committee [Mr. HAYDEN] has pointed out that there is a tremendous backlog of work in these forests, that all these projects are now included in work plans of the Forest Service and will in any event be done sometime, and that in addition to creating a sizable number of job opportunities at this time, the work "needs to be done in our national forests to conserve this priceless resource."

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question now is, Shall the bill pass? On this question the yeas and nays have been ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The question is, Shall the bill pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Pennsylvania [Mr. CLARK], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. NEUBERGER], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Florida [Mr. SMATHERS], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

I also announce that the Senator from Nevada [Mr. BIBLE] is absent because of a death in the family. The Senator from Delaware [Mr. FREAR] is absent because of illness.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Pennsylvania [Mr. CLARK], the Senator from Nevada [Mr. BIBLE], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. NEUBERGER], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Florida [Mr. SMATHERS], and the Senator from Alabama [Mr. SPARKMAN] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Jersey [Mr. CASE] and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

The Senator from Nebraska [Mr. CURTIS], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent because of illness in his family, and, if present and voting, would vote "yea."

The Senator from Kansas [Mr. CARLSON] is absent on official business.

If present and voting, the Senator from Kansas [Mr. CARLSON], the Senator from New Jersey [Mr. CASE], the Senator from Nebraska [Mr. CURTIS], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Kentucky [Mr. MORTON] would each vote "yea."

The result was announced—yeas 80, nay 1, not voting 17, as follows:

YEAS—80

Aiken	Bridges	Cannon
Allott	Bush	Carroll
Anderson	Butler	Case, S. Dak.
Beall	Byrd, Va.	Chavez
Bennett	Byrd, W. Va.	Church
Cooper	Jackson	Mundt
Cotton	Javits	Murray
Dodd	Johnson, Tex.	Muskie
Douglas	Johnston, S.C.	O'Mahoney
Dworshak	Jordan	Pastore
Eastland	Keating	Prouty
Ellender	Kefauver	Proxmire
Engle	Kerr	Robertson
Ervin	Kuchel	Russell
Fulbright	Langer	Saltonstall
Goldwater	Lausche	Schoeppel
Green	Long	Scott
Gruening	McCarthy	Smith
Hart	McClellan	Stennis
Hartke	McGee	Symington
Hayden	McNamara	Thurmond
Hennings	Magnuson	Williams, N.J.
Hickenlooper	Mansfield	Williams, Del.
Hill	Martin	Yarborough
Holland	Monroney	Young, N. Dak.
Hruska	Morse	Young, Ohio
Humphrey	Moss	

NAY—1

Talmadge

NOT VOTING—17

Bartlett	Curtis	Neuberger
Bible	Dirksen	Randolph
Capehart	Frear	Smathers
Carlson	Gore	Sparkman
Case, N.J.	Kennedy	Wiley
Clark	Morton	

So the bill (H.R. 5916) was passed.

Mr. HAYDEN. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. Moss in the chair) appointed Mr. HAYDEN, Mr. RUSSELL, Mr. CHAVEZ, Mr. ELLENDER, Mr. HILL, Mr. MAGNUSON, Mr. PASTORE, Mr. BRIDGES, Mr. SALTONSTALL, Mr. YOUNG of North Dakota, and Mr. MUNDT conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Represenatives, by Mr. Bartlett, one of its reading clerks, informed the Senate that the House had proceeded to reconsider the bill (S. 144) to modify Reorganization Plan No. II of 1939 and Reorganization Plan No. 2 of 1953, returned by the President of the United States with his objections to the Senate; and it was resolved that the said bill do not pass, two-thirds of the House of Representatives not agreeing to pass the same.

ENROLLED JOINT RESOLUTION SIGNED

The message announced that the Speaker had affixed his signature to the enrolled joint resolution (H.J. Res. 301) providing for printing copies of "Cannon's Procedure in the House of Represenatives," and it was signed by the President pro tempore.

SPOKANE VALLEY PROJECT, WASHINGTON AND IDAHO

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 143, Senate bill 994.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 994) to authorize the Secretary of the Interior to construct, operate, and maintain the Spokane Valley project, Washington and Idaho, under Federal reclamation laws.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JACKSON. Mr. President, on behalf of my distinguished senior colleague [Mr. MAGNUSON] and myself, I wish to make a brief statement on the bill.

The proposed Spokane Valley irrigation project will serve some 10,290 acres located east of Spokane, Wash., including some 197 acres in Idaho.

The development plan calls for replacing existing diversion works and a canal distribution system which were constructed by private enterprise in the early 1900's. The existing works have deteriorated to the point where they no longer provide the service needed for the irrigated agriculture of the area. The existing works could fail at any time, and thus seriously damage the economy of the area.

The plan of development recommended by the Bureau of Reclamation would replace the existing works which divert water from the Spokane River with a system for pumping ground water from a number of wells and delivering it, under pressure, through a closed-pipe distribution system.

The estimated total cost of the project is $5,100,000.

The bill before the Senate is exactly the same as S. 2215 which was approved by the Senate last year. It provides that about 27 percent of the cost will be repaid from surplus power revenues of the Bonneville Power Administration. There is ample precedent for this provision. At least 14 irrigation projects receive assistance from power revenues, varying from 6 percent to 90 percent of the total irrigation costs.

With assistance from power revenues, the water users will be able to repay within 50 years the 73 percent balance of the cost.

The Spokane area has been hard hit by unemployment—approximately 12 percent of the labor force being idle. By guaranteeing the continued existence of the irrigated agriculture of the area, we shall be adding significant strength to the entire economy of the area.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purpose of providing a supplemental and substituted irrigation water supply for the Spokane Valley project in Washington and Idaho and the rehabilitation of existing water service facilities, the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388 and

Acts amendatory thereof or supplementary thereto) so far as the same are not inconsistent with the provisions of this Act, is authorized to construct, reconstruct, rehabilitate, operate, and maintain the facilities of the Spokane Valley project, Washington and Idaho, substantially in accord with the physical plan set forth in the report of the Regional Director, Bureau of Reclamation, dated August 1956, as proposed and recommended by the Commissioner of Reclamation dated March 4, 1957, and approved by the Secretary of the Interior on March 15, 1957.

SEC. 2. Contracts to repay that portion of the cost of the Spokane Valley project which is allocated to irrigation and assigned to be repaid by irrigation-water users (exclusive of such portion of said cost as may be derived from temporary water-supply contracts or from other sources) shall be entered into pursuant to subsection (d), section 9, of the Reclamation Project Act of 1939 (53 Stat. 1187), and may provide that the general repayment obligation, which in no event shall be less than $3,700,000, shall be spread in annual installments, which may be varied as to any required annual payment in the light of economic factors affecting the ability of the contracting organization to pay and of water-supply and water-requirement conditions but in number and amounts, satisfactory to the Secretary over a period of not more than fifty years, which period shall be exclusive of any permissible development period for any project unit or for any irrigation block if the project contract unit be divided into two or more irrigation blocks. Costs allocated to irrigation in excess of the amount specified to be repaid by the irrigation-water users shall be returned to the reclamation funds, during a period of time which shall not exceed the period of repayment by the irrigation water users by more than ten years, from net revenues derived by the Secretary of the Interior from the disposition of power marketed through the Bonneville Power Administration.

SEC. 3. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this Act.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

NEW DIRECTIONS FOR FOREIGN ECONOMIC AID

Mr. SYMINGTON. Mr. President, on April 20, the Honorable CHESTER BOWLES, Representative from Connecticut, presented to the Congress a challenging speech on one of the major issues of our times. This dedicated public servant presented his thoughts on "New Directions For Foreign Economic Aid," which appear in the CONGRESSIONAL RECORD for that date, starting on page 6327.

Mr. President, I ask unanimous consent that an editorial from the St. Louis Post-Dispatch for April 21, entitled, "The Bowles Analysis," be inserted at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE BOWLES ANALYSIS

If CHESTER BOWLES were to sit silent in Congress for the rest of this session, the speech he delivered Monday would be enough in itself to have made his election last November by the voters of the Second Connecticut District a national public service.

Mr. BOWLES' subject was the mutual security program, often mistakenly called "foreign aid," and frequently denounced as "worthless giveaways." What the former Ambassador to India had to say about it constituted a refreshingly frank and constructive criticism by an understanding friend.

There is no question where Representative BOWLES stands. He is for mutual security wholeheartedly and he is going to vote for the full authorization requested by President Eisenhower. But this does not keep Mr. BOWLES from seeing the need for basic improvements in the program. He proposes steps designed to "compel less expediency, less waste, less confusion and consequently better performance."

There ought to be widespread approval for Mr. BOWLES' very first recommendation, for a revised statement of purpose. He would deemphasize communism as the chief reason for the mutual security program, stressing instead the long-term interest of this country "in a worldwide atmosphere of expanded freedom."

Mr. BOWLES is under no illusion about the necessity for keeping the United States well armed in these uncertain times. Neither would he cut off military assistance where it can continue to be of real assistance in strengthening the free world. He cites Western Europe, Greece, Turkey, Yugoslavia, Korea, Taiwan, and Vietnam as cases where military assistance from the United States continues to be essential.

Yet there can hardly be any doubt now that the United States has put too many guns in its mutual security basket. He names two large continents—Africa and South America—as areas in which military assistance has virtually no place. And in that vast arc of Asia that stretches from Lebanon to Manila, as Mr. BOWLES describes it, "the principal threat to world peace comes not from the Soviet tanks and jets but from economic strangulation, injustice and frustration." He adds:

"The haphazard granting of American military equipment to governments whose only claim to our support is their often fragile anticommunism, seldom actually coincides with our long-term security interests, much less with those of the people in the country concerned.

"The more arms we pour into such situations, the more we inflate the power of the local army, the easier it is for ambitious officers to seize power and the further we stray from our essential democratic purposes."

An outstanding merit of the Bowles' analysis is that it proposes specific means for improving the conditions and machinery of mutual security. He calls for the establishment of standards to assure that the funds distributed by Washington will result in measurable gains on the side of freedom. He would give priority to helping nations with effective internal tax programs, controls over the importation of luxuries, constructive land reform measures, a relatively competent civil service and a relatively stable government with popular roots.

Congress has before it no more important international business than mutual security. All that it has done in the past is outdated by CHESTER BOWLES' call for a new approach.

SERVICE RECORD OF PAN AMERICAN WORLD AIRWAYS

Mr. BEALL. Mr. President, several years ago Pan American World Airways applied to the Civil Aeronautics Board for authority to operate regular air service between Philadelphia, Washington-Baltimore, and San Juan.

In early 1958 the CAB gave its approval to the route and Pan American inaugurated the service late in April of that year. At the outset service was provided on a twice weekly basis. Almost immediately successful, the service was expanded to three weekly round trips. On June 1, 1959 Pan American will expand the service even further to five weekly round trips.

Not only have the communities of Philadelphia, Washington and Baltimore and surrounding areas responded enthusiastically to this service but the Government of the Commonwealth of Puerto Rico has been equally gratified with the results. There is little doubt but what this service has considerably enhanced the attractiveness of Puerto Rico as a year round vacation center.

Today marks the first anniversary of this new service and Pan American's flight No. 213 will depart from Philadelphia International Airport at 10:00 p.m., d.s.t., and from Friendship International Airport at 11:30 p.m., d.s.t. on this very date.

Now, Mr. President, Pan American has offered another plan to serve the people of the Washington-Baltimore area through Friendship International Airport.

This proposal will undoubtedly be studied as part of the proceeding which the President has directed the Civil Aeronautics Board to make on Pacific air route matters, but I would like to make a few comments about it at this time.

For Pan American, as such, I hold no brief. Ordinarily, I would not support one carrier as opposed to another. In this case, however, there are on file with the CAB official documents which state that at present Pan American—alone—proposes to make the greater Baltimore and Washington areas an important terminal on the trade routes to the Orient.

This case is unusual, Mr. President. This matter before the CAB proposes that Pan Am fly from Baltimore, via Chicago, on to Fairbanks, Alaska, and then on to Tokyo and other vital trade centers of the Orient. To stand aside while support of this proposal is being sought would make me derelict in my obligations, not only to my own State, but to the traveling public as well.

Now, lest it be imagined that the administration of Friendship is standing still while all this aviation progress is being made, it is my pleasure to report that great things are happening at Friendship. Already plans are being drafted for runway and hangar facilitation extensions which will cost in excess of $3 million. Already Friendship is anticipating approximately 20 jet operations per day, within 1 year.

In conclusion, Mr. President, I would like to pay tribute again to the 1 year of invaluable service which Pan American World Airways has rendered to the

traveling public of Baltimore and Washington, and to express my hopes that this same area will soon be linked with the Orient by a route such as has been proposed by Pan Am.

SELECTION OF SENATOR HILL TO RECEIVE FIRST ANNUAL "HEALTH U.S.A." AWARD

Mr. KEFAUVER. Mr. President, I think it is timely and fitting that my good personal friend and able colleague, Senator LISTER HILL, has been selected to receive the first annual Health—U.S.A. Award.

LISTER HILL's dedication to the interests of the people of America has followed many courses. His determined fight on the side of public power and the TVA, especially in the case of the notorious Dixon-Yates fraud, is an example of his devotion to the little people.

And this devotion has been demonstrated especially in Senator HILL's outstanding contribution in the national health field.

Senator HILL has been for a long time a consistent and determined champion of health legislation. His efforts to obtain more medical research and health activities in the Government field have been unflagging.

He has always been deeply concerned about the enemies of our national health, such as cancer and other unconquered diseases. His concern should be the concern of every one of us until these battles are won.

I wish to join with my other colleagues and the thousands who know of LISTER HILL's great dedication to national health. I extend my warmest congratulations to him for the honor he has received. I can think of no other man in this great Nation of ours who so richly deserves this honor.

GRAIN AND COTTON STORAGE PAYMENTS

Mr. WILLIAMS of Delaware. Mr. President, upon my request the Department of Agriculture has compiled a report on our grain and cotton storage payments. This report shows the manner in which storage rates have substantially increased during the past few years. For example, the storage rate on corn has increased from 13¼ cents a bushel in 1952 to nearly 19 cents in 1959.

The storage rates on oats have increased from 10.8 cents a hundred in 1950 to 14.5 cents in 1959.

The storage rates on grain sorghum have jumped from 15½ cents a bushel to 21½ cents in 1959.

These storage rates on grain are on an annual rate and a per-bushel basis.

At the same time, it is noted that storage rates on cotton have jumped from 32 cents a bale per month in 1952 to an average of 43 cents a bale per month in 1959.

The argument is advanced in support of these increased rates that costs—labor and so forth—have increased during this interval. No doubt that can account for a part of the increase, but certainly it cannot account for all of it.

The major part of the increased costs and rates is attributable to the shortage in available storage space resulting from the accumulation of our $10 billion inventory. Also a part of the increased costs can be attributed to the policy of allowing 5 years amortization of new grain warehouse facilities, and then to allow all this accelerated rate of depreciation as a part of immediate cost factors when determining storage rates.

Storage charges on our record inventories of surplus agricultural commodities are about $1 billion annually. Therefore we cannot ignore these rates and charges.

With that thought in mind, I requested this report on our storage expenditures from the Agriculture Department, and I ask unanimous consent that the letter from the Department, together with the exhibits, be incorporated in the RECORD at this point as a part of my remarks.

There being no objection, the letter and exhibits were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, April 29, 1959.

Hon. JOHN J. WILLIAMS,
United States Senate.

DEAR SENATOR WILLIAMS: This is in reply to your letter dated March 26, 1959, requesting information concerning storage rates and payments made by the Commodity Credit Corporation to commercial warehouses.

The rates paid by the Corporation for commercial warehousing of grain are set forth in a uniform grain storage agreement between the warehousemen and CCC. The amounts shown in the following schedule represent one in-charge, one out-charge, and storage for 12 months, and are averages of UGSA rates which may vary according to locality:

Average annual per bushel rates

Period	Corn	Oats	Grain sorghum and wheat
June 1, 1949 to May 31, 1952	$0.1325	$0.1087	$0.1562
June 1, 1952 to May 31, 1954	.1590	.1337	.1865
June 1, 1954 to May 31, 1956	.1824	.1388	.2021
June 1, 1956 to present	.1889	.1455	.2150

The per bale storage rates for cotton over the past 10 years have averaged approximately as follows:

[Cents per bale]

	1949	1950 and 1951	1952 through 1957	1958
Warehouses				
1. Loan and acquired cotton	38	40	48	51
2. Reconcentrated loan and acquired cotton	37	37	45	48
Compresses				
1. Loan and acquired cotton	33	35	43	46
2. Reconcentrated loan and acquired cotton	32	32	40	43

Receiving charges for cotton must be paid by producers prior to obtaining CCC loans. Outhandling charges are generally for the account of the buyer of CCC-owned cotton and average about 15 cents per bale.

Prior to 1957 rates paid warehousemen for the storage of CCC-owned rice were not established at the Washington level. The CSS commodity offices were authorized to negotiate the lowest practicable rates; however, such rates were not to exceed the warehousemen's posted tariffs.

The following table shows the rates currently in effect for the storage and handling of rice as compared with those in effect prior to the 1957 crop:

[In cents per hundredweight]

State and period	Handling		Storage			Turning, per season	Fumigating, per season
	In	Out	Commission, per month	Modified commission, per month	I.P. per month		
Arkansas:							
Present rate	4	4	6	5	4½	----------	----------
Old rate	4	4	5	4½	3	5	3
Louisiana:							
Present rate	4	4	6	5	4½	----------	----------
Old rate	4	4	5	4½	2½	5	6
Texas:							
Present rate	4	4	6	5	4½	----------	----------
Old rate	4	4	5	4½	2¾	5	5
California:							
Present rate	4	4	6	5	4½	----------	----------
Old rate	4	4	5	4½	3	6	5

The enclosed schedules submitted for your use are entitled as follows:

Exhibit A: "Recipients of Storage Payments in Excess of $500,000 Made in the Calendar Year 1958 to Companies Operating Under Uniform Grain and Rice Storage Agreements."

Exhibit B: "Recipients of Cotton Storage Payments in Excess of $500,000 Made in the Calendar Year 1958."

Exhibit C: "Recipients of Cotton Storage Payments in Excess of $100,000 Made in the Calendar Years 1955 and 1958."

Exhibit D: "Recipients of Rice Storage Payments in Excess of $100,000 Made in the Calendar Years 1955 and 1958."

Exhibit E: "Estimated Annual Storage Cost of CCC-owned Processed Commodities Stored in 15 of the Largest Cold Storage Warehouses as of December 31, 1955, and Storage Payments Made in the Calendar Year 1958."

If you have any questions, or desire additional information, please call on us.

Sincerely yours,

MARVIN L. MCLAIN,
Assistant Secretary.

[Enclosures.]

EXHIBIT A

U.S. DEPARTMENT OF AGRICULTURE,
COMMODITY CREDIT CORPORATION.

Recipients of storage payments in excess of $500,000 made in the calendar year 1958 to companies operating under uniform grain and rice storage agreements

Firm	Amount	Location or home office	Major commodities [1] stored
C-G-F Grain Co	$14,787,434.06	Fort Worth, Tex	W, GS.
		Atchison, Kans	W, C, GS.
		Salina, Kans	W, GS.
		Topeka, Kans	W, C, GS.
		Wichita, Kans	W, GS.
		Lincoln, Nebr	W, C, GS.
Cargill, Inc	13,226,340.57	Minneapolis, Minn	W, C, GS, B, O, S.
		San Francisco, Calif	C, GS.
Union Equity	6,452,587.00	Enid, Okla	W.
Archer-Daniels-Midland Co.	6,240,198.56	Minneapolis, Minn	W, C, GS, B, O.
Continental Grain Co	5,833,689.55	Fort Worth, Tex	W, GS, O.
		Kansas City, Mo	W, C, GS, O.
		Norfolk, Va	W, GS, O.
		Buffalo, N.Y	W, C, B, O, S.
		Minneapolis, Minn	C, R.
		Chicago, Ill	W, B.
Harvest Queen Mill & Elevator Co.	5,514,064.00	Plainview, Tex	W, GS.
Goodpasture Grain & Milling Co.	3,676,577.00	Brownfield, Tex	W, GS.
Farmers Union Grain Terminal Association.	3,328,487.79	St. Paul, Minn	W, B, R.
Norris Grain Co	2,587,197.81	Memphis, Tenn	C.
		Chicago, Ill	W, C, B, O.
		Kansas City, Mo	W, C, GS.
		Duluth, Minn	W, B, O.
Farmers Cooperative Commercial Co.	2,463,575.63	Hutchinson, Kans	W, GS.
		Wichita, Kans	W, GS.
F. H. Peavey Co	2,428,860.48	Minneapolis, Minn	W, C, B.
Burrus Mills	2,176,168.66	Fort Worth, Tex	W, GS.
		Kansas City, Mo	W, GS.
Bartlett Grain Co	2,107,568.23	do	W, C, GS.
		Sioux City, Iowa	W, C.
Standard Milling Co	2,018,375.71	Kansas City, Mo	W, GS.
		Buffalo, N.Y	W, C, B, O.
		Minneapolis, Minn	W.
Morrison Quirk Grain Co.	1,867,761.77	Hastings, Nebr	W, C, GS.
Dannen Mills, Inc	1,761,137.56	St. Joseph, Mo	W, C, GS.
International Milling Co.	1,698,513.98	Kansas City, Mo	W.
		Minneapolis, Minn	W, C, B, O, R.
Producers Grain Corp	1,644,824.31	Amarillo, Tex	W, GS.
Occident Elevator Co	1,643,145.60	Minneapolis, Minn	W, B, O.
General Mills, Inc	1,634,936.21	Enid, Okla	W, GS.
		Minneapolis, Minn	W, B.
Sam P. Wallingford	1,627,102.41	Wichita, Kans	W, GS.
Kimbell Milling Co	1,570,497.00	Fort Worth, Tex	W, GS.
Vandusen Harrington	1,551,696.28	Minneapolis, Minn	W, B.
Westcentral Cooperative Grain Co.	1,522,929.76	Omaha, Nebr	W, C, GS.
Gano Grain Co	$1,293,167.20	Hutchinson, Kans	W, GS.
Wichita Terminal Elevator.	1,269,345.77	Wichita, Kans	W, GS.
Sherley Anderson Grain Co.	1,256,320.00	Bovina, Tex	W, GS.
J. C. Crouch Grain Co	1,237,579.00	Dallas, Tex	W, GS.
Morrison Grain Co	1,233,801.08	Salina, Kans	W, GS.
Pfeffer & Son Warehouse	1,220,709.00	Houston, Tex	W, GS, Ri.
Osborne McMillan Elevator.	1,204,572.75	Minneapolis, Minn	W, B.
Galveston Wharves	1,192,274.00	Galveston, Tex	W, GS.
Stockton Elevators	1,179,720.10	Stockton, Calif	C, GS, B, Ri.
Farmers Grain Dealers Association of Iowa.	1,134,364.85	Des Moines, Iowa	C, S.
Simonds-Shields-Theis Grain Co.	1,116,631.91	Kansas City, Mo	W, C.
Heard Elevator	1,099,263.00	Fort Worth, Tex	W, GS.
Houston Public Elevator	896,418.00	Houston, Tex	W, GS.
Uhlman Elevator Co	888,387.00	Fort Worth, Tex	W, GS.
Rice Growers Association of California.	871,636.74	Sacramento, Calif	Ri.
Arkansas Rice Growers Cooperative.	835,195.00	Stuttgart, Ark	Ri.
Colorado Mill & Elevator Co.	800,843.33	Denver, Colo	W, B.
Equity Union Grain Co	782,336.22	Lincoln, Nebr	W.
Early & Daniel Co	727,872.67	Cincinnati, Ohio	W, C.
Farmers Union Jobbing Association.	718,025.30	Kansas City, Mo	W, GS.
Friona Wheat Growers	630,467.00	Friona, Tex	GS.
Central Soya Co., Inc	613,678.69	Fort Wayne, Ind	W, C, S.
Pitman Grain Co	611,022.00	Hereford, Tex	W, GS.
Crawford Austin Co	609,867.00	Waco, Tex	W, GS.
North Pacific Grain Growers, Inc.	603,735.74	Portland, Oreg	W, B.
American Flour Mills	602,607.34	Newton, Kans	W, GS.
Pillsbury Co., Inc	587,706.66	Minneapolis, Minn	W, C, B.
S.E. Cone Grain & Seed Co.	566,278.00	Lubbock, Tex	W, GS.
Bunge Grain Corp	546,357.60	Minneapolis, Minn	W, O.
Interstate Grain Corp	533,922.00	Fort Worth, Tex	W, GS.
Salina Terminal Elevator.	528,725.32	Salina, Kans	W.
Neucess Co	526,893.00	Corpus Christi, Tex	GS.
The McCabe Co	524,625.55	Minneapolis, Minn	W, B, O.
Louis Dreyfus Corp	522,503.97	do	W.
Hunter Milling Co	520,105.18	Wellington, Kans	W.
Rodney Milling Co	517,396.36	Kansas City, Mo	W, GS.
Total	119,368,024.26		

[1] B=barley; O=oats; S=soybeans; C=corn; R=rye; W=wheat; GS=grain sorghum or milo; Ri=rice.

EXHIBIT B

U.S. DEPARTMENT OF AGRICULTURE,
COMMODITY CREDIT CORPORATION.

Recipients of cotton storage payments in excess of $500,000 made in the calendar year 1958

Firm	Location	Amount
Federal Compress & Warehouse Co	Memphis, Tenn	$4,447,038.65
Panhandle Compress & Warehouse Co	Lubbock, Tex	1,132,588.20
Farmers Cooperative Compress	do	911,625.88
Union Compress & Warehouse Co	do	855,604.91
Gulf Atlantic Warehouse Co	Houston, Tex	774,063.87
Union Compress & Warehouse Co	Memphis, Tenn	$746,601.73
Traders Compress Co	Fort Worth, Tex	659,266.60
West Texas Compress & Warehouse Co	Lubbock, Tex	610,623.20
Total		10,137,413.04

EXHIBIT C

U.S. DEPARTMENT OF AGRICULTURE,
COMMODITY CREDIT CORPORATION.

Recipients of cotton storage payments in excess of $100,000 made in the calendar years 1955 and 1958

Firm	Location	Payments	
		1955	1958
Federal Compress & Warehouse Co	Memphis, Tenn	$10,976,046	$4,447,039
Panhandle Compress & Warehouse Co	Lubbock, Tex	916,514	1,132,588
Farmers Cooperative Compress	do	753,987	911,626
Union Compress & Warehouse Co	do	815,231	855,605
Gulf Atlantic Warehouse Co	Houston, Tex	1,135,251	774,064
Union Compress & Warehouse Co	Memphis, Tenn	1,265,888	746,602
Traders Compress Co	Fort Worth, Tex	1,143,792	659,267
West Texas Compress & Warehouse Co	Lubbock, Tex	718,684	610,623
Central Compress & Warehouse Co	Sudan, Tex		461,093
Farmers & Merchants Compress & Warehouse Co.	Dallas, Tex	530,095	441,018
North American Compress & Warehouse Co., Inc.	do	541,144	440,122
Western American Warehouse Co	Lubbock, Tex	369,224	416,354
Texas Compress & Warehouse Co	Lubbock, Tex	$231,192	$370,547
United Compress & Warehouse Co	do	314,660	356,259
Trinity Compress & Warehouse Co	do	192,907	331,961
Memphis Compress Co	Memphis, Tex	222,188	317,790
Plainview Cooperative Compress, Inc.	Plainview, Tex	239,579	304,853
Western Warehouse Co	Lubbock, Tex		281,059
Manchester Terminal Warehouse	Houston, Tex	505,400	259,487
Agricultural Enterprises	Dallas, Tex		251,371
Exporters & Traders Compress & Warehouse.	Waco, Tex	386,035	231,095
Western Compress & Storage Co	Abilene, Tex	329,775	226,479
Memphis Compress Warehouse	Memphis, Tenn	191,980	221,043
Aransas Compress Co. of Texas	Corpus Christi, Tex.		209,273

Recipients of cotton storage payments in excess of $100,000 made in the calendar years 1955 and 1958—Continued

Firm	Location	Payments		Firm	Location	Payments	
		1955	1958			1955	1958
North Carolina Cotton Growers Co-operative Association.	Raleigh, N.C.	$169,003	$199,573	Cummings Bonded Warehouse	Huntsville, Ala.	$181,505	
Calcot Compress & Warehouse	Bakersfield, Calif.	117,672	191,477	Northwestern Compress Co.	Fort Worth, Tex.	177,092	
The Cotton Warehouse, Inc.	Lovington, N. Mex.		177,977	Batesville Compress Warehouse	Batesville, Ark.	176,572	
Georgia Carolina Warehouse	Augusta, Ga.	269,900	176,802	Sikeston Compress Warehouse	Sikeston, Mo.	172,914	
Levelland Cotton Storage Co.	Levelland, Tex.		164,013	Union Bonded Warehouse	Union, Miss.	169,717	
Plains Compress & Warehouse Co., Ltd.	Lubbock, Tex.	136,722	145,279	Navy Yard Compress Warehouse	Memphis, Tenn.	163,466	
Levelland Compress Co., Inc.	Levelland, Tex.	254,178	144,285	Dell Compress Warehouse	Dell, Ark.	153,594	
Gulf Compress	Corpus Christi, Tex.		138,849	Shippers Compress Warehouse	New Orleans, La.	153,221	
Southern Compress Warehouse	Brinkley, Ark.	113,289	133,723	Cameron Compress Warehouse	Cameron, Tex.	151,043	
American Compress Warehouse	Shreveport, La.	252,854	116,069	Lubbock Compress Co.	Lubbock, Tex.	147,198	
El Paso Valley Warehouse Co.	Fabens, Tex.	377,931	114,322	Cotton Concentration Co.	Galveston, Tex.	143,571	
Temple Compress Warehouse	Temple, Tex.	137,223	114,259	Rowland Warehouse	Sumter, S.C.	142,189	
Vernon Compress Co., Inc.	Vernon, Tex.	127,386	106,796	Palmetto Compress Warehouse	Columbia, S.C.	141,381	
North Plains Storage Co.	Tulia, Tex.		106,404	Mississippi Gulfport Warehouses	Gulfport, Miss.	134,868	
Moody Compress & Warehouse Co.	Galveston, Tex.	492,321		Lepanto Compress Warehouse	Lepanto, Tex.	130,329	
Aransas Compress Co.	Corpus Christi, Tex.	380,767		The Cotton Producers Association	Savannah, Ga.	127,657	
Cotton Trade Warehouses, Inc.	New Orleans, La.	337,019		Paymaster Warehouse	Pecos, Tex.	127,114	
Marked Tree Compress Warehouse	Marked Tree, Ark.	298,463		Georgia Ports Authority Warehouse	Savannah, Ga.	120,820	
Ship Channel Compress Warehouse	Houston, Tex.	290,915		Southwestern Warehouse Co.	Galveston, Tex.	119,633	
Producers Warehouse	Memphis, Tenn.	285,699		Bayside Warehouse Co., Inc.	do	118,488	
Farmers Compress Co., Inc.	Las Cruces, N. Mex.	284,161		Jones Black & Co., Childress Warehouse.	Childress, Tex.	118,129	
Hattiesburg Compress Warehouse	Hattiesburg, Miss.	211,350		The Standard Warehouse Co.	Columbia, S.C.	117,464	
Dallas Bonded Warehouse	Selma, Ala.	209,877		Henderson Compress Warehouse	Henderson, Tenn.	115,951	
Caruthersville Compress Warehouse	Caruthersville, Mo.	207,649		Greenwood Compress & Storage Co. Warehouse.	Greenwood, Miss.	112,461	
Lindsey Bonded Warehouse	Bernice, La.	207,614		Alabama State Docks Bonded Warehouse.	Mobile, Ala.	110,394	
Public Compress Bonded Warehouse	Jackson, Tenn.	198,184		Farmers Cooperative Warehouse & Gin Co.	Boaz, Ala.	108,142	
Arbyrd Compress Warehouse	Arbyrd, Mo.	196,030		Houston Compress Warehouse	Houston, Miss.	104,442	
Texas Compress Co.	Houston, Tex.	195,877		Mississippi Compress Warehouse	Brookhaven, Miss.	103,973	
Greenville Compress Warehouse	Greenville, Miss.	188,165		Selma Compress Warehouse	Selma, Ala.	103,720	
Clacot Texas Warehouse	Houston, Tex.	185,008		Delta Cooperative Compress Warehouse.	Greenville, Miss.	102,585	
Brownsville Compress & Warehouse Co.	Brownsville, Tex.	182,233		Blytheville Compress Warehouse	Blytheville, Ark.	101,015	
				Total		32,237,710	$17,287,046

EXHIBIT D

U.S. DEPARTMENT OF AGRICULTURE,
COMMODITY CREDIT CORPORATION.

Recipients of rice storage payments in excess of $100,000 made in the calendar years 1955 and 1958

Firm	Location	Payments		Firm	Location	Payments	
		1955	1958			1955	1958
Rice Growers Association of California	Sacramento, Calif.		$871,637	Palora Warehouse Co.	San Francisco, Calif.		$108,100
Arkansas Rice Growers Cooperative	Stuttgart, Ark.	$771,932	826,133	Rio Bonito Warehouse Corp.	do		101,964
Pfeffer & Son Warehouse	Houston, Tex.	605,479	559,593	Shreveport Bag Co.	Shreveport, La.	$163,479	
Lake Charles Harbor & Terminal	Lake Charles, La.	299,054	252,919	American Rice Growers	Houston, Tex.	151,642	
Comet Rice Mills	Houston, Tex.	124,458	251,164	Producers Rice Mill	Stuttgart, Ark.	124,757	
Federal Warehouse	do	188,641	208,486	Southern Warehouse Corp.	Houston, Tex.	115,932	
Linbeck Enterprises	do		191,924	St. Francis Valley Seed	Marked Tree, Ark.	105,366	
Rice Warehouse Co.	Stuttgart, Ark.	107,576	142,457	Commercial Press Warehouse	New Orleans, La.	101,763	
Triple E, Inc.	New Orleans, La.		139,819				
Stuttgart Storage Co.	Stuttgart, Ark.	150,496	139,663	Total		3,010,575	4,036,606
Newman Rice Mills, Inc.	Alvin, Tex.		128,375				
Stockton Elevators	Stockton, Calif.		114,372				

EXHIBIT E

U.S. DEPARTMENT OF AGRICULTURE,
COMMODITY CREDIT CORPORATION.

Estimated annual storage cost on CCC-owned processed commodities stored in 15 of the largest cold storage warehouses, as of Dec. 31, 1955, and storage payments made in the calendar year 1958

Firm	Location	Commodities stored in 1958 [1]	Estimated storage cost for 1 year based on commodities stored at Dec. 31, 1955 [2]	Payments in calendar year 1958	Firm	Location	Commodities stored in 1958 [1]	Estimated storage cost for 1 year based on commodities stored at Dec. 31, 1955 [2]	Payments in calendar year 1958
Fulton Market Cold Storage Co.	Chicago, Ill.	B & C	$122,088	$255,844	Chicago Cold Storage Co.	Chicago, Ill.	B & C	$80,448	$33,807
Atlas Warehouse & Cold Storage Co.	Green Bay, Wis.	B & C	187,320	218,337	Inland Cold Storage Co.	Kansas City, Mo.	B & C	38,208	30,763
Merchants Refrigerating Co.	New York, N.Y.	B, C, & M	65,016	181,164	Atlantic Co.	Atlanta, Ga.	B & C	20,124	16,493
U.S. Cold Storage Corp.	Chicago, Ill.	B, C, & M	78,336	74,543	Grand Trunk Warehouse & Cold Storage Co.	Detroit, Mich.	B & C	20,028	13,342
Central Cold Storage Co.	do	B & C	402,660	71,319	Alford Refrigerated Warehouses.	Dallas, Tex.	B & C	15,840	749
North American Cold Storage Co.	do	B & C	39,072	63,696	Harborside Warehouse Co.	Jersey City, N.J.	B & C	80,064	595
Seaboard Terminal & Refrigeration Co., division of City Produce Corp.	do	B & C	78,900	37,099	Natural Storage Co.	Bonner Springs, Kans.	None	240,828	
					Omaha Cold Storage Co.	Omaha, Nebr.	None	3,852	
					Total			1,472,784	997,751

[1] Abbreviations Butter, B; cheese, C; and milk, M.
[2] Represents cost of 1 receiving charge, plus 1 loadout charge, plus storage for a 12-month period. Rate applicable to butter was used.

FIRST ANNIVERSARY OF PAN AMERICAN AIRWAYS OPERATIONS FROM FRIENDSHIP AIRPORT TO THE CARIBBEAN

Mr. BUTLER. Mr. President, today marks the first anniversary of Pan American Airways operations from Friendship Airport to the Caribbean. In commemoration of this event, which is so important to the progress of Friendship International Airport as well as to the benefit of the economy of the State of Maryland, I would like unanimous consent at this time to insert in the body of the RECORD a statement which I have prepared in comment on this matter.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BUTLER

The RECORD is well filled with assertions by the senior Senator from Maryland on the adequacy of Friendship International Airport to serve as the international air gateway for the Baltimore-Washington area.

It would appear that today a milestone is being reached. One year ago, Mr. President, Pan American World Airways began operations between Friendship and San Juan, P.R., and beyond—beyond to the enchanted islands of the Caribbean and the lusty, growing Republics of South America.

When that first Pan Am flight took off from Friendship 1 year ago, neither travelers from the Washington-Baltimore area nor Pan Am knew exactly what to expect. I am happy to report that the success of these operations has been, perhaps, far beyond our collective dreams.

Twelve short months ago, Friendship was failing to live up to its name as an international airport. Except for periodic diversions on international flights—diversions resulting because other airports on the eastern seaboard were closed in by weather—no regularly scheduled international traffic originated from Friendship.

Today, I am happy to report, Friendship has come of age. In that 12-month period, Pan American has carried more than 15,000 passengers between the points of Baltimore and San Juan. Cargo handled by Pan Am out of Baltimore, during the first year of operations, exceeds 50 tons. Add to that more than 3 tons of mail and it becomes readily apparent that Friendship, as an international airport, has come of age.

It is fine to congratulate the greater Baltimore area for its response to this new service. It is splendid to salute Pan American on its first anniversary of the Friendship-San Juan run. But more important to me, Mr. President, is the establishment of the fact that Friendship International Airport has the capacity, the equipment and the desire to be more than adequate to the needs of the greater Baltimore-Washington area.

All Baltimore needs is the carriers. And I should like to point out at this time that Pan American has applied for the privilege of giving even greater international service. We know that Pan American is not allowed to fly domestically. We know that the only device prohibiting Pan Am from being a truly worldwide airline is a philosophy at the Civil Aeronautics Board which specifies that Pan Am shall not operate from the east coast to the west coast, despite the fact that foreign lines enjoy that privilege. Only recently the CAB made it possible for the government-owned British carrier, BOAC, to fly nonstop between our west and east coast gateways.

Mr. President, the President of the United States, in a most momentous letter of February 18, 1959, to the chairman of the Civil Aeronautics Board, said:

"As you are aware, this administration is firmly committed to the view that the public interest requires competitive American-flag service at the earliest feasible date on all international air routes serving major United States gateways. With such competition the benefits to the Nation of international air transportation—increased trade and friendly relations abroad—become the greater.

"Over the North Atlantic our objective has been substantially achieved, but in the Pacific, because so far it has not been deemed feasible, very little progress in the desired direction has been made. This history only emphasizes that the American flag service we ultimately envision for the Pacific must be developed as rapidly as it can be justified by the growth of United States-Orient traffic.

"The statistical information you have furnished me indicates that total U.S. revenue traffic in the Pacific is continuing to grow. This overall growth was maintained last year despite a slight decline in the passenger traffic carried by American-flag lines. This latter situation will undoubtedly be improved, however, by the recent determination that American-flag carriers may schedule additional flights between United States gateways and Tokyo.

"The present Pacific route situation, as I understand it, finds both Northwest's authority to service Okinawa, Formosa, Hong Kong, and the Philippines from Seattle-Portland and Pan American's authority to serve Tokyo via Honolulu expiring in 1960. Other authorizations have expired or are about to expire. And a number of applications are pending—for example, Northwest's application to serve San Francisco and Los Angeles and Pan American's application to serve New York, Baltimore-Washington, Detroit, Chicago, Seattle, and Portland.

"I believe it is essential to our foreign policy and administration objectives that the entire Pacific route complex be promptly considered as a whole by the Civil Aeronautics Board. Accordingly, I request the Board immediately to initiate a proceeding consolidating all Pacific air route matters into a single record and I further request that the board present its recommendations to me at the earliest possible date."

In light of the foregoing, Mr. President, it seems to me that Friendship now has an opportunity to come into its own. The trail was blazed 12 months ago when Pan Am began international services from Friendship to San Juan and beyond. This is an anniversary but let us hope that it can be observed regularly in years to come, with bigger and greater service from Baltimore to the world.

FIRST ANNIVERSARY OF PAN AMERICAN INAUGURAL FLIGHT FROM PHILADELPHIA TO SAN JUAN, P.R.

Mr. SCOTT. Mr. President, today marks the first anniversary of Pan American's flight from Philadelphia to San Juan, P.R. This service has been a distinct benefit to Philadelphia in providing a much-needed service.

As a matter of fact, Pan American's inaugural flight to San Juan a year ago tonight, April 30, originated from Philadelphia approximately 1 hour and a half before it took off from Friendship Airport. Utilizing DC6B equipment requiring approximately 45 minutes to make the flight from Philadelphia International Airport to Friendship, Pan American departs from Philadelphia at 10 p.m., and from Friendship at 11:30. So you can see that the Pennsylvania people bound for San Juan were old established inaugural flight hands before their Baltimore and Washington traveling companions were even boarded.

Seriously, Mr. President, I hope along with the distinguished senior and junior Senators from Maryland that this is only the first in a series of anniversaries of international flights connecting these two great metropolitan areas with the trade centers of the world. On the occasion we are particularly concerned with, we have the picture of an air carrier, receiving no Government subsidy, perfectly willing to risk its own capital on a brand new service on a route which could hardly be called anything less than speculative.

San Juan is in the tropics; the service was inaugurated at a time when winter vacation travel was virtually at an end; after a most auspicious start there were many flights operating from Philadelphia to San Juan with alarmingly low load factors. Yet, the airline did not falter or apply to suspend the service. It began, instead, the hard sell. It sold its service and it sold Puerto Rico as a vacation paradise.

Now the route is an established part of Pan American's Latin American operations. It is successful, and I understand that Pan Am is projecting even heavier load factors beginning in autumn which will probably necessitate a daily service to Philadelphia and Baltimore in each direction by next winter.

Pan American has the equipment; it has the pioneering know-how. Philadelphia and Baltimore will welcome additional Pan American services.

THE ST. LAWRENCE SEAWAY

Mr. LANGER. Mr. President, on Saturday, April 25, the St. Lawrence Seaway opened its locks for business, terminating 5 years of work on a 2,400-mile system making the Great Lakes the eighth largest sea.

Mr. President, I was among the original sponsors of the St. Lawrence Seaway and I am happy of the fact that it has now been completed, opening a great means of transportation to the north central States, among them the great State of North Dakota. I ask unanimous consent that an article from the Sunday Star of Washington, D.C., setting forth the details of the opening of the St. Lawrence Seaway, be printed at the conclusion of my remarks.

Mr. President, last year I introduced S. 1058, and reintroduced S. 1067 this year, cosponsored by Senators Mr. YOUNG of North Dakota, Mr. HUMPHREY, Mr. MANSFIELD, Mr. MURRAY, Mr. MUNDT, Mr. CASE of South Dakota, and Mr. MCCARTHY. This bill will direct the Office of Defense Mobilization to conduct a survey in order to assist in promoting the production of lignite ores found in the States of North Dakota, South Dakota, and Montana to combine with the iron ores of Minnesota, Wisconsin, Michigan, and Montana for the production of many products for the defense and security of our Nation and aiding our economy.

The use of the St. Lawrence Seaway and the Great Lakes during the entire

year will promote tremendous expansion of facilities for industry and will aid this industrial complex of lignite and iron ores found in the States above mentioned. This bill also provides for a study in making the Great Lakes and the St. Lawrence Seaway available for transportation during the entire year.

Mr. President, there have been several new processes in which the waters in the extreme cold areas have been kept open. If processes similar to these can be used to keep the Great Lakes open 12 months of the year, then it will bring a new era of industry and transportation through the St. Lawrence Seaway and the Great Lakes.

Mr. President, I hope that the Senate will give favorable consideration to S. 1067. I ask unanimous consent that a press release that I issued at the time of the introducing of S. 1067, be printed at this point in my remarks.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

Senator WILLIAM LANGER, Republican of North Dakota, stated today that on behalf of himself, Senator YOUNG of North Dakota; Senators HUMPHREY and MCCARTHY, of Minnesota; Senators MANSFIELD and MURRAY, of Montana; and Senators MUNDT and CASE of South Dakota, he introduced a bill to direct the Director of the Office of Defense Mobilization to conduct a particular survey in order to assist in utilizing the lignite ores of the Dakotas and Montana in the production of concentrated ore and steel from the vast iron ore deposits in Minnesota, Wisconsin, Michigan, and Montana.

Senator LANGER pointed out that very essential in this program is the opening of the St. Lawrence Seaway and the finding of ways and means in keeping the Great Lakes-St. Lawrence Seaway open during the frozen winter months. This program calls for an industrial complex involving chemicals, explosives, iron ore, alumina, aluminum reduction and electrical power generators and the coordination of the various types of transportation by rail, and by ship through the Great Lakes and the St. Lawrence Seaway, which will result in a tremendous boon to the manufacturing industries of the areas contiguous to the Great Lakes.

Senator LANGER stated that the bill will require the Director of the Office of Defense Mobilization to conduct a survey of national significance in the defense and economy of our country to determine ways and means of affirmatively encouraging the production of concentrated iron ore for steel and its related products from the sources of ore and fuel contiguous to the Great Lakes areas, including means of making the Great Lakes and the St. Lawrence Seaway available for transportation during the entire year. The Director of the Office of Defense Mobilization is directed to report the result of such survery to the Congress and to make such report public within 90 days after the date of enactment of this Act.

Mr. LANGER. Mr. President, the Honorable Gordon Gray, at that time the Director of the Office of Defense Mobilization, appeared before Senators and Congressmen from the States of North Dakota, South Dakota, Montana, Minnesota, Wisconsin, and Michigan to discuss S. 1058 of the 85th Congress. Following the conference, Mr. Gray, in a letter to me, stated as follows:

This is in response to a letter dated April 30, 1957, from Mr. Peter N. Chumbris of your committee, requesting copies of letters from ODM to the Departments of Commerce, Interior, and ICC, calling for a study on the mobilization base for iron ore and steel, as well as information as to the scope of the study.

The scope of the study encompasses the entire mobilization base for iron and steel metallics. It involves an analysis and evaluation of the present and projected supply of these metallics, both foreign and domestic, the geographical location and capacities of the various facilities in existence at present and as planned over the next 7 or 8 years, availability of energy and fuel, transport, storage, manpower, and essential services, and the present and probable effects of improved technology. The study will include an analysis of the Great Lakes transportation systems and projected development in the iron and steel industry resulting from the increased use of the Great Lakes transport arising out of the St. Lawrence Seaway project.

The first steps in regard to this comprehensive study were taken early in 1955, at a time when all of the expansion goals in iron, steel, coal, and coke were being reviewed. At that time, Commerce was requested to make an analysis of the mobilization base for iron and steel scrap and pig iron, and Interior was requested to make an analysis of iron ore, coke, and metallurgical coal. Correspondence between ODM, Commerce, and Interior on this subject does not constitute the full instruction on the type of study requested. Staff conferences between ODM, Commerce, and Interior have expanded the scope of these initial studies to encompass the entire mobilization base for iron and steel metallics, as set forth above.

Completion of this study is awaiting development of new mobilization requirements estimates. These figures are presently under review. Notwithstanding this, preliminary work on the study has been progressing. Commerce has completed a study on iron and steel scrap (see report to Congress on scrap dated Jan. 31, 1957) and is well along on the pig iron portion of the study. Interior has done a great deal of work on coal and coke, availability and sources of the various grades of iron ore and on beneficiation and agglomeration of low-grade ores. ICC has furnished, through the ODM transportation area, data on the Great Lakes and alternate transportation systems.

As soon as appropriate requirements data are available, Commerce will complete its combined scrap and pig iron study, and Interior will then complete its portion of the study with ICC assistance on the transportation and storage phases. ODM will then consolidate all data into a comprehensive study of our basic defense position on iron and steel.

Mr. President, now that the St. Lawrence Seaway is open, which is one of the integral parts of the industrial complex contemplated by S. 1067, it is hoped that the Senate will enact S. 1067 which I believe will be of great benefit to the defense, security, and economy of our Nation.

I ask unanimous consent that an article by Gerald Waring from the Washington Evening Star, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOUR HUNDRED AND SEVENTY-FIVE MILLION DOLLAR SEAWAY OPEN TO WORLD'S SHIPS—5 YEARS' WORK ON 2,400-MILE SYSTEM MAKES GREAT LAKES "EIGHTH GREAT SEA"

(By Gerald Waring)

ABOARD THE ICEBREAKER "D'IBERVILLE," April 25.—The St. Lawrence Seaway opened its locks for business today when the stubby prow of this powerful icebreaker nosed cautiously into the St. Lambert lock opposite Montreal.

Behind the *D'Iberville* followed the smaller icebreaker *Montcalm*. Strung out behind her was a procession of 17 ships—Canadian, American, British, French, Dutch, German, and others with varied cargoes for United States and Canadian lake ports.

The inauguration of the $475 million seaway built jointly by the United States and Canada anticipated by 2 months and 1 day the official opening June 26, when Queen Elizabeth and President Eisenhower will sail into the St. Lambert lock aboard the royal yacht *Britannia*.

The project, which opens traffic as far as 2,400 miles inland, has been debated by the 2 Governments for 50 years, but was completed by 15,000 workers in 5 years. In effect, it transforms the Great Lakes into the world's eighth great sea.

About 500 members of the Canadian Parliament, officials of the Canadian and American Governments and newspapermen vied for vantage points on the bow of the *D'Iberville* as the icebreaker became the first major ship to enter the seaway at its mouth.

Two tiny speedboats buzzed around the 285-foot vessel as she moved slowly ahead toward the lock. The manufacturer of these outboard craft had his movie cameraman on the *D'Iberville* to shoot them leading the procession into the lock, for advertising purposes.

But as Capt. C. A. Caron nosed the *D'Iberville's* 66-foot breadth into the 80-foot wide lock, twice grazing lock fenders in the process, the outboard eggshells withdrew rather than risk being crushed between the icebreaker's 4-inch-thick plates and the concrete wall of the lock.

The black-hulled icebreaker with its tan-and-white superstructure crowded with the seaway's first passengers—cameramen had even climbed the foremast—was gay with signal flags whipping from her signal halyards in the chill wind. The skippers of the *Montcalm* and the freighters also had dressed their ships for the inaugural voyage.

Ships' whistles gave out their steamy bleat, car horns along the embankment sounded, and hundreds of early risers cheered from the canalside as the *D'Iberville* moved in under the 80-foot lift span of the Victoria Bridge—hoisted after three peremptory blasts from the *D'Iberville*.

The helicopters from the *D'Iberville's* flight deck circled the ship, along with a half dozen private planes.

The *D'Iberville* was locked in at 9:15 a.m., along with the *Montcalm*. Then the floodgates were opened and the two ships rose 15 feet, to the level of the water above the lock. At 10:05 the lead vessel began to move out of the lock.

LOCKING IS SLOWER

It takes only 3 to 5 minutes to fill or empty the lock of its 20 million gallons of water, so the locking through of the first ships was slower than it might have been. But Captain Caron was taking no unnnecessary chances. He had only a foot of water under his ship's hull. The *D'Iberville* draws 25 feet; the seaway is 27 feet deep.

The opening of the new trade artery for ocean shipping into the Great Lakes had been postponed a week because of ice conditions. However, the icebreakers had no work to do. The only ice sighted was several sun-rotted pans stranded in shallow water in the St. Lawrence River bordering the canal.

The St. Lawrence makes a great horseshoe bend before Montreal, and the skyline of the Quebec metropolis was in sight throughout the voyage up the canal and lock system following the shoreline opposite the city—first off the starboard bow, then off the beam, and finally off the quarter.

POLITICIANS' HOLIDAY

It was a politicians' holiday. Perhaps 150 Canadian Members of Parliament made the trip, many of them having risen well before dawn to board buses which left Ottawa at 5 a.m. Montreal MP's called to friends among lockside spectators, and avidly sought to be in the way of cameramen.

Chief officials aboard were the Canadian Minister of Transport, George Hees; the president of the Canadian St. Lawrence Seaway Authority, B. G. Roberts, and the Administrator of the American St. Lawrence Seaway Development Corporation, I. G. Castle, who headed a group of seven from the U.S. seaway entity.

"I think it's a day for great jubilation and gratification," Mr. Castle told the Star. "The seaway will be of great value to the economies of the two countries," he said, noting that the achievement had been made possible by "two friendly nations meeting at the international boundary and organizing this great undertaking in an atmosphere of harmony and understanding."

After debarking from the *D'Iberville* at the Cote Ste. Catherine lock, the second of the five Canadian and two American locks built between Montreal and Lake Ontario, Mr. Castle and his party intended to go to Massena, N.Y., to greet the first vessels passing through the U.S. locks. In addition to the 27 freighters now westbound in the seaway from Montreal, 19 ships which wintered in the Great Lakes are eastbound to Montreal and the sea.

FOREIGN AID APPROPRIATIONS

Mr. LANGER. Mr. President, on April 21, 1959, the Wall Street Journal noted that since 1945, there has been a total outlay of $72 billion for foreign aid.

Mr. President, I have been against foreign aid of any kind since its inception and have voted against it each time. Although I will have more to say on this subject when it comes before the floor, I ask unanimous consent that the article from the Wall Street Journal be printed at this point of the RECORD, and further a speech that I made on the Senate floor on August 20, 1956, also be printed in the body of the RECORD.

There being no objection, the article and speech was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Apr. 21, 1959]

U.S. FOREIGN AID HIT $5.1 BILLION IN 1958, NEAR 1957—FIGURE BRINGS TOTAL OUTLAYS TO $72 BILLION SINCE 1945, AGENCY REPORTS—GROUP ASKS CUTS IN PROGRAM

WASHINGTON.—Uncle Sam gave and loaned foreign countries another $5.1 billion in 1958, about the same as a year earlier, the Government reported.

The outlay brings to $72 billion the amount the United States has made available to other nations since the end of World War II, officials said. This includes $3.5 billion Uncle Sam has put into the World Bank, International Monetary Fund and International Finance Corporation. About $7 billion of the total outlays have been returned as loan repayments, and about $12.5 billion more is supposed to be repaid eventually.

The report, issued by the Commerce Department, is the broadest official measurement of Government transfers to foreign lands. It counts such outlays as farm surplus giveaways and Export-Import Bank loans, in addition to the regular military and economic aid programs.

GROUP ASKS CUT IN OUTLAYS

Issuance of the report came as an organization called the Citizens Foreign Aid Committee urged Congress to cut the aid program in half next fiscal year, starting July, and end it entirely in 3 years. The newly formed group, headed by Milwaukee businessman Walter Harnischfeger, claimed U.S. contributions to the World Bank and International Monetary Fund would insure continued help for world economic development.

Mr. Harnishchfeger and retired Brig. Gen. Bonner Fellers told the House Foreign Affairs Committee the aid program does not guarantee American security in case of war and deprives the U.S. economy of much-needed capital when this country is taxed to provide money for overseas grants or loans. The committee is considering the administration's request to authorize a $3.9 billion aid program for the fiscal year starting July 1.

Strong support for the program was voiced in a 90-minute floor speech by Representative BOWLES, Democrat, of Connecticut. However, he suggested it should be reshaped to tone down its anti-Communist aspects. Present U.S. policies, the lawmaker commented, make "a noisy Communist minority * * * worth its weight in gold" to a country seeking aid.

Representative REUSS, Democrat, of Wisconsin, testifying before the House committee, also proposed some changes. He suggested the International Cooperation Administration—which runs the aid program—should be abolished and the State Department should take over.

The Commerce Department report showed military outlays of $2.6 billion last year rose $100 million from 1957, while economic aid dropped about the same amount. Counting all aid, net grants came to $4.2 billion, net credits to $577 million, and net aid through cutrate sales of farm surpluses to $269 million, the agency figured.

Comparing nonmilitary Government aid payments with outlays by Americans to other countries for such things as commercial imports, the report said such aid amounted to 9 percent of U.S. payments.

"Because of a $3 billion contraction in total foreign purchases from the United States," the Government added, "the share of these purchases financed by U.S. Government assistance in 1958, was higher * * * than in the previous year."

It is said Federal schemes "financed a major part—35 percent—of the 1958 exports of agricultural commodities." The federally financed farm exports came to $1.4 billion in 1958, the report figured.

INDEBTEDNESS OF FOREIGN COUNTRIES

"The net credit outflow of $577 million in 1958 raised the indebtedness of foreign countries on U.S. Government credits provided since the beginning of World War II to a new high of $12.5 billion. It noted that not all these loans are repayable in dollars. In 1958, Uncle Sam collected $290 million in interest and commissions on its outstanding loans, the agency said.

Geographically, the largest amount of aid went to Far East and Pacific countries, for a total of $1.7 billion. Near Eastern, African and south Asian countries ranging from Greece to India received $1.5 billion. Western Europe and its dependencies received $1 billion. Latin America received $600 million; Eastern Europe got $99 million, largely in aid to Poland, and $106 million was unspecified as to area.

[From the CONGRESSIONAL RECORD, Aug. 20, 1956]

THE TRUTH ABOUT OUR FOREIGN AID

(Extension of remarks of Honorable WILLIAM LANGER, of North Dakota, in the Senate of the United States, Friday, July 27, 1956.)

Mr. LANGER. Mr. President, by virtue of the Mutual Security Act of 1956, we have voted away $3.7 billion of this country's money. This type of thoughtless extravagance is by no means new or unique. When Woodrow Wilson took office on March 3, 1913, our national debt was $1,195,684,244.

Then after World War I, through his Secretary of the Treasury, William Gibbs McAdoo, money was loaned in sums totaling $2,521,121,825.45. Now, how much of this money was repaid? Repayments totaled $14,361,173.38. The two figures do not match very well, do they?

I wish to insert at this point a table showing the amounts loaned and the amounts repaid. The little country of Finland was the only country repaying its loan.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

"Money loaned in the following amounts

"Belgium	$177,434,467.89
Cuba	61,974,041.10
France	1,027,477,800.00
Great Britain	581,000,000.00
Greece	15,000,000.00
Italy	617,034,050.90
Liberia	26,000.00
Rumania	25,000,000.00
Yugoslavia	16,175,465.56

"Money repaid in the following amounts

"Belgium	$2,003,656.21
France	64,301,901.29
Great Britain	72,171,061.42
Italy	364,319.28
Rumania	1,798,632.02
Yugoslavia	720,600.16"

Mr. LANGER. I call your attention to the fact that under the Republican administrations of Harding, Coolidge, and Hoover, these loans were not increased, that interest was demanded, and in some instances paid, although these countries, angry because Uncle Sam wanted his money back, called Uncle Sam, Uncle Shylock.

Instead of making more loans under the Republican Presidents, $3,108,000,000 was paid in the reduction of the national debt.

Our national debt today is $272,719,052,855.57—July 1, 1956.

At the end of World War II came the visit from Winston Churchill. We saw Great Britain receiving a loan of $3,750,000,000, under promises, not a single one of which was ever kept.

Then we find—leaving out the war and the billions of dollars we contributed to it—that since July 1, 1945, and through March 31, 1956, we have given $54,150 million away for foreign aid.

I wish to insert at this point a table showing the amount of loans made to foreign countries since World War II, up to 1952.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

"Post World War II

Western Europe and dependent areas	$25,857,000,000
Austria	1,013,000,000
Belgium-Luxembourg	806,000,000
British Commonwealth	7,441,000,000
Denmark	291,000,000
Finland	128,000,000
France	5,070,000,000
Germany	3,891,000,000
Greece	1,209,000,000
Iceland	28,000,000
Ireland	147,000,000
Italy	2,647,000,000
Netherlands	1,243,000,000
Norway	328,000,000
Portugal	47,000,000
Spain	41,000,000
Sweden	112,000,000
Trieste	46,000,000
Turkey	239,000,000
Yugoslavia	525,000,000
Unspecified Western Europe	605,000,000
Other Europe	1,160,000,000
Czechoslovakia	213,000,000

"Post World War II"—Continued

Poland	$443,000,000
U.S.S.R.	465,000,000
Unspecified Other Europe	39,000,000
Near East and Africa	448,000,000
Egypt	19,000,000
Iran	42,000,000
Israel	218,000,000
Liberia	24,000,000
Saudi Arabia	21,000,000
Union of South Africa	28,000,000
Unspecified Near East and Africa	97,000,000
Asia and Pacific	5,600,000,000
Afghanistan	17,000,000
Australia-New Zealand	27,000,000
Burma	17,000,000
China	1,070,000,000
India	258,000,000
Indochina	37,000,000
Indonesia	208,000,000
Japan and Ryukyu Islands	2,414,000,000
Korea	717,000,000
Philippines	807,000,000
Thailand	17,000,000
Unspecified Asia and Pacific	11,000,000
American Republics	818,000,000
Canada	150,000,000
International and unspecified	928,000,000

Mr. LANGER. Apparently Uncle Sam had learned nothing from his experience of the giveaway program after World War I.

Although these World War I debts are still carried on the books of the Treasury as obligations owing the United States, we allowed ourselves to the bilked into loaning many times this amount following World War II.

In fact, this Democratic administration went around begging countries to take money, and created such a scandal in foreign countries that Sweden refused to take $20 million, even as a gift.

Charity begins at home. Evidently this is an axiom that has not entirely penetrated the governmental mentality. After World War I we were the epitome of ludicrous laxity about collecting our accounts receivable on the international level. We see in this the incipient beginnings of the grotesque notion that friendship may be bought in the marketplace. Look at the treatment accorded our own farmers.

Did our Government, like Canada, cancel the seed and feed loans to them? It most certainly did not. Foreign governments which we had already aided to the limit, and in many cases beyond all reason, were accorded preferential treatment over productive citizens of our own country.

Time enough to worry about the economic plight of foreign nations when our own backyard is swept clean.

But this giveaway doctrine continued in 1953 when we donated $7,900,000,000. In 1954 when we donated $5,927,000,000. In 1955 when we gave away $3,676,000,000, and this year $3,766,570,000 was voted away for foreign aid.

The overwhelming percentage of this $3.7 billion is nothing more than an outright gift to our so-called allies, who are the same gentlemen who, after receiving billions of dollars from us in the Korean war, allowed 95 percent of the dying to be done by American boys and 95 percent of the paying to be done by the taxpayers of the United States.

The people of the United States are entitled to know the truth about this so-called foreign aid and giveaway program—how it began, how it was developed, and what it cost American people in the blood of their sons and daughters.

Mr. President, I have voted against every dollar of this giveaway program.

When I was back in North Dakota, some critics of these loans asked me why President Eisenhower, after being elected on the platform that the taxpayers thought would stop the making of these loans, continued to seemingly throw good money after bad.

The answer I was obliged to give was that the Democratic Presidents, Roosevelt and Truman, had made so many commitments that our Government was obliged to fulfill that the Republican President, Dwight D. Eisenhower, had to make these commitments good just like ordinary farmers and businessmen have to when they have made a commitment to the bank.

In order that you may know what a billion dollars is, in ascertaining what these figures are I have a statement from the State tax commissioner of North Dakota, Mr. J. Arthur Engen, showing that in 1954 all the real and personal property in the State of North Dakota was assessed at $1,678,952,473. The public utility and railroad property was assessed at $182,352,363.

Last year the interest on the national debt was $6,791,000,000; just the interest, you understand. That is nearly $7 billion. This is enough to buy the entire State of North Dakota, lock, stock, and barrel, three and a half times over.

It is hard to understand why this spending to no purpose continues, why we constantly milk our own financial resources with no hope of any reasonable return on our investment. I leave you with a question. When will we, the Senators and Representatives of the United States of America, learn that among nations, even as among individuals, friendship is won, not bought?

PRESIDENT SUSTAINED IN VETO OF REA BILL

Mr. SCOTT. Mr. President, I have just received word that the House of Representatives has voted to sustain President Eisenhower's veto of S. 144, the so-called Rural Electrification Administration bill, by a vote of 280 to 146 in favor of overriding—4 votes short of the necessary two-thirds.

In taking this action, Mr. President, the House of Representatives has upheld President Eisenhower's judgment that if the proposal became law it would mark a major retreat from sound administrative policy and practice; that it was necessary to have a clear line of authority reaching down through every step of the organization and no subordinate should have authority independent of that of his superior; and that, finally there is nothing in the recent history of the REA which affords any basis for concluding that the best interest of the agency or the public would be served by removing the Administrator's loan making authority from the general direction and supervision of the Secretary of Agriculture.

I recall, Mr. President, that on Monday, April 27, some of my colleagues from the other side of the aisle, opposing the President's veto, spoke out strongly against the constant frustration of Congress' efforts by the use of the President's veto, and that it is about time that Congress make up its mind that government by veto shall come to an end.

There are some figures available on this point which are very interesting. In more than 6 years, President Eisenhower has vetoed only 138 measures. In 7½ years, President Truman vetoed 250 measures, 12 of which vetoes were overridden. In 12 years, President Roosevelt vetoed 629 bills and joint resolutions, 9 of which were overridden.

I believe, Mr. President, that this comparative record of vetoes between two Democratic Presidents and one Republican President, coupled with the impressive fact that not one of President Eisenhower's vetoes has been overridden, demonstrates that the Eisenhower administration has not at all overused or ill used the power of Presidential veto a power given the Chief Executive by the Constitution of the United States, and which forms an important part of the balance of power arrangements under which our democratic system of government operates.

AGREEMENT WITH REPUBLIC OF VIETNAM RELATING TO PEACEFUL USES OF ATOMIC ENERGY

Mr. PASTORE. Mr. President, as chairman of the Subcommittee on Agreements for Cooperation of the Joint Committee on Atomic Energy, I ask unanimous consent to have printed in the RECORD copies of the following documents concerning a proposed agreement between the United States and the Republic of Vietnam concerning the peaceful uses of atomic energy:

First. Letter dated April 24, 1959, to Senator CLINTON P. ANDERSON, chairman of the Joint Committee on Atomic Energy, from John A. McCone, Chairman of the Atomic Energy Commission.

Second. An executed agreement for cooperation between the Government of the United States of America and the Government of the Republic of Vietnam concerning civil uses of atomic energy.

Third. A letter, dated March 16, 1959, from the Commission to the President recommending approval of the agreement.

Fourth. A letter, dated March 31, 1959, from the President to the Commission containing his determination that it will promote and will not constitute an unreasonable risk to the common defense and security, approving the agreement, and authorizing its execution.

This proposed agreement will constitute another significant agreement between the Government of the United States and governments of friendly allies to work together in the development of the peaceful uses of atomic energy. It makes possible assistance on research reactors, and use of radioisotopes in biology, medicine, agriculture, and industry.

I am having these documents printed in the RECORD for the information of all Members of Congress, because the Atomic Energy Act of 1954 provides that such proposed agreements shall lie before the Joint Committee for a period of 30 days while Congress is in session before they may become effective.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

UNITED STATES ATOMIC ENERGY COMMISSION,
Washington, D.C., April 24, 1959.

Hon. CLINTON P. ANDERSON,
Chairman, Joint Committee on Atomic Energy,
Congress of the United States.

DEAR SENATOR ANDERSON: Pursuant to section 123c of the Atomic Energy Act of 1954,

as amended, there is submitted with this letter:

1. An executed Agreement for Cooperation Between the Government of the United States of America and the Government of the Republic of Vietnam Concerning Civil Uses of Atomic Energy;

2. A letter dated March 16, 1959, from the Commission to the President recommending approval of the Agreement; and

3. A letter dated March 31, 1959, from the President to the Commission containing his determination that it will promote and will not constitute an unreasonable risk to the common defense and security, approving the Agreement, and authorizing its execution.

This agreement makes cooperation possible between the United States and the Republic of Vietnam on the design, construction and operation of research reactors, including related health and safety problems; the use of such reactors in medical therapy; and the use of radioactive isotopes in biology, medicine, agriculture, and industry.

The Republic of Vietnam, if it desires to do so, may engage United States companies to construct research reactors, and private industry in the United States will be able, under the agreement, to render other assistance to the Republic of Vietnam. No restricted data would be communicated under this agreement.

The Atomic Energy Commission is authorized under article IV to lease to the Government of the Republic of Vietnam uranium enriched in the isotope U^{235} for use as fuel for research reactors. The quantity of such uranium in the custody of the Government of the Republic of Vietnam at any time is not to be in excess of six kilograms of U^{235} contained in uranium enriched up to a maximum of 20 percent U^{235} plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of the reactors while replaced elements are cooling or in transit. Article V of the agreement would permit the Commission to transfer specified limited quantities of special nuclear materials, namely, U^{235}, U^{233} and plutonium, for defined research projects related to the peaceful uses of atomic energy.

Article VIII of the agreement records the obligations undertaken by the Government of the Republic of Vietnam to safeguard the special nuclear materials to be leased by the Commission and article IX contains the guarantees prescribed by section 123 of the Atomic Energy Act.

In article X of the agreement, the two governments affirm their common interest in making mutually satisfactory arrangements to avail themselves, as soon as practicable, of the facilities and services of the International Atomic Energy Agency.

The agreement will enter into force when the two governments have exchanged notifications that their respective statutory and constitutional requirements have been fulfilled.

Sincerely,

JOHN MCCONE,
Chairman.

AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF VIETNAM CONCERNING CIVIL USES OF ATOMIC ENERGY

Whereas the peaceful uses of atomic energy hold great promise for all mankind; and

Whereas the Government of the United States of America and the Government of the Republic of Vietnam desire to cooperate with each other in the development of such peaceful uses of atomic energy; and

Whereas the design and development of several types of research reactors are well advanced; and

Whereas research reactors are useful in the production of research quantities of radioisotopes, in medical therapy and in numerous other research activities and at the same time are a means of affording valuable training and experience in nuclear science and engineering useful in the development of other peaceful uses of atomic energy including civilian nuclear power; and

Whereas the Government of the Republic of Vietnam desires to pursue a research and development program looking toward the realization of the peaceful and humanitarian uses of atomic energy and desires to obtain assistance from the Government of the United States of America and United States industry with respect to this program; and

Whereas the Government of the United States of America, acting through the United States Atomic Energy Commission, desires to assist the Government of the Republic of Vietnam in such a program;

The parties agree as follows:

ARTICLE I

For the purposes of this agreement:

(a) "Commission" means the United States Atomic Energy Commission or its duly authorized representatives.

(b) "Equipment and devices" means any instrument or apparatus and includes research reactors, as defined herein, and their component parts.

(c) "Research reactor" means a reactor which is designed for the production of neutrons and other radiations for general research and development purposes, medical therapy, or training in nuclear science and engineering. The term does not cover power reactors, power demonstration reactors, or reactors designed primarily for the the production of special nuclear materials.

(d) The terms "restricted data," "atomic weapon," and "special nuclear material" are used in this agreement as defined in the United States Atomic Energy Act of 1954, as amended.

ARTICLE II

Restricted data shall not be communicated under this agreement, and no materials or equipment and devices shall be transferred and no services shall be furnished under this agreement to the Government of the Republic of Vietnam or authorized persons under its jurisdiction if the transfer of any such materials or equipment and devices or the furnishing of any such services involves the communication of restricted data.

ARTICLE III

1. Subject to the provisions of article II, the parties hereto will exchange information in the following fields:

(a) Design, construction, and operation of research reactors and their use as research, development, and engineering tools and in medical therapy.

(b) Health and safety problems related to the operation and use of research reactors.

(c) The use of radioactive isotopes in physical and biological research, medical therapy, agriculture, and industry.

2. The application or use of any information or data of any kind whatsoever, including design drawings and specifications, exchanged under this agreement shall be the responsibility of the party which receives and uses such information or data, and it is understood that the other cooperating party does not warrant the accuracy, completeness, or suitability of such information or data for any particular use or application.

ARTICLE IV

1. The Commission will lease to the Government of the Republic of Vietnam uranium enriched in the isotope U^{235}, subject to the terms and conditions provided herein, as may be required as initial and replacement fuel in the operation of research reactors which the Government of the Republic of Vietnam, in consultation with the Commission, decides to construct and as required in the agreed experiments related thereto. Also, the Commission will lease to the Government of the Republic of Vietnam uranium enriched in the isotope U^{235}, subject to the terms and conditions provided herein, as may be required as initial and replacement fuel in the operation of such research reactors as the Government of the Republic of Vietnam may, in consultation with the Commission, decide to authorize private individuals or private organizations under its jurisdiction to construct and operate, provided the Government of the Republic of Vietnam shall at all times maintain sufficient control of the material and the operation of the reactor to enable the Government of the Republic of Vietnam to comply with the provisions of this agreement and the applicable provisions of the lease arrangements.

2. The quantity of uranium enriched in the isotope U^{235} transferred by the Commission under this article and in the custody of the Government of the Republic of Vietnam shall not at any time be in excess of 6 kilograms of contained U^{235} in uranium enriched up to a maximum of 20 percent U^{235}, plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of the reactor or reactors while replaced fuel elements are radioactively cooling in Vietnam or while fuel elements are in transit, it being the intent of the Commission to make possible the maximum usefulness of the 6 kilograms of said material.

3. When any fuel elements containing U^{235} leased by the Commission require replacement, they shall be returned to the Commission and, except as may be agreed, the form and content of the irradiated fuel elements shall not be altered after their removal from the reactor and prior to delivery to the Commission.

4. The lease of uranium enriched in the isotope U^{235} under this Article shall be at such charges and on such terms and conditions with respect to shipment and delivery as may be mutually agreed and under the conditions stated in article VIII and IX.

ARTICLE V

Materials of interest in connection with defined research projects related to the peaceful uses of atomic energy undertaken by the Government of the Republic of Vietnam, or persons under its jurisdiction, including source materials, special nuclear materials, byproduct material, other radioisotopes, and stable isotopes, will be sold or otherwise transferred to the Government of the Republic of Vietnam by the Commission for research purposes in such quantities and under such terms and conditions as may be agreed when such materials are not available commercially. In no case, however, shall the quantity of special nuclear materials under the jurisdiction of the Government of the Republic of Vietnam, by reason of transfer under this article, be, at any one time, in excess of 100 grams of contained U^{235}, 10 grams of U^{233}, 250 grams of plutonium in the form of fabricated foils and sources, and 10 grams of plutonium in other forms.

ARTICLE VI

Subject to the availability of supply and as may be mutually agreed, the Commission will sell or lease, through such means as it deems appropriate, to the Government of the Republic of Vietnam or authorized persons under its jurisdiction such reactor materials, other than special nuclear materials, as are not obtainable on the commercial market and which are required in the construction and operation of research reactors in the Republic of Vietnam. The sale or lease of these materials shall be on such terms as may be agreed.

ARTICLE VII

It is contemplated that, as provided in this article, private individuals and private organizations in either the United States of America or the Republic of Vietnam may deal directly with private individuals and private organizations in the other country. Accordingly, with respect to the subjects of agreed exchange of information as provided in article III, the Government of the United States of America will permit persons under its jurisdiction to transfer and export materials, including equipment and devices, to and perform services for the Government of the Republic of Vietnam and such persons under its jurisdiction as are authorized by the Government of the Republic of Vietnam to receive and possess such materials and utilize such services, subject to:

(a) The provisions of article II.

(b) Applicable laws, regulations, and license requirements of the Government of the United States of America and the Government of the Republic of Vietnam.

ARTICLE VIII

1. The Government of the Republic of Vietnam agrees to maintain such safeguards as are necessary to assure that the special nuclear materials received from the Commission shall be used solely for the purposes agreed in accordance with this agreement and to assure the safekeeping of this material.

2. The Government of the Republic of Vietnam agrees to maintain such safeguards as are necessary to assure that all other reactor materials, including equipment and devices, purchased in the United States under this agreement by the government of the Republic of Vietnam or authorized persons under its jurisdiction shall be used solely for the design, construction, and operation of research reactors which the Government of the Republic of Vietnam decides to construct and operate and for research in connection therewith, except as may otherwise be agreed.

3. In regard to research reactors constructed pursuant to this agreement, the Government of the Republic of Vietnam agrees to maintain records relating to power levels of operation and burnup of reactor fuels and to make annual reports to the commission on these subjects. If the Commission requests, the Government of the Republic of Vietnam will permit commission representatives to observe from time to time the condition and use of any leased material and to observe the performance of the reactor in which the material is used.

4. Some atomic energy materials which the Government of the Republic of Vietnam may request the Commission to provide in accordance with this agreement are harmful to persons and property unless handled and used carefully. After delivery of such materials to the Government of the Republic of Vietnam, the Government of the Republic of Vietnam shall bear all responsibility, insofar as the Government of the United States of America is concerned, for the safe handling and use of such materials. With respect to any special nuclear materials or fuel elements which the Commission may, pursuant to this agreement, lease to the Government of the Republic of Vietnam or to any private individual or private organization under its jurisdiction, the Government of the Republic of Vietnam shall indemnify and save harmless the Government of the United States of America against any and all liability (including third party liability) from any cause whatsoever arising out of the production or fabrication, the ownership, the lease, and the possession and use of such special nuclear materials or fuel elements after delivery by the Commission to the Government of the Republic of Vietnam or to any authorized private individual or private organization under its jurisdiction.

ARTICLE IX

The Government of the Republic of Vietnam guarantees that:

(a) Safeguards provided in article VIII shall be maintained.

(b) No material, including equipment and devices, transferred to the Government of the Republic of Vietnam or authorized persons under its jurisdiction, pursuant to this agreement, by lease, sale, or otherwise will be used for atomic weapons or for research on or development of atomic weapons or for any other military purposes, and that no such material, including equipment and devices, will be transferred to unauthorized persons or beyond the jurisdiction of the Government of the Republic of Vietnam except as the Commission may agree to such transfer to another nation and then only if in the opinion of the Commission such transfer falls within the scope of an agreement for cooperation between the United States of America and the other nation.

ARTICLE X

The Government of the United States of America and the Government of the Republic of Vietnam affirm their common interest in making mutually satisfactory arrangements to avail themselves, as soon as practicable, of the facilities and services of the International Atomic Energy Agency and to this end the parties will consult with each other from time to time to determine in what respects, if any, they desire to modify the provisions of this agreement for cooperation.

ARTICLE XI

It is the hope and expectation of the parties that this initial agreement for cooperation will lead to consideration of further cooperation extending to the design, construction, and operation of power producing reactors. Accordingly, the parties will consult with each other from time to time concerning the feasibility of an additional agreement for cooperation with respect to the production of power from atomic energy in the Republic of Vietnam.

ARTICLE XII

1. This agreement shall enter into force on the date on which each government shall have received from the other government written notification that it has complied with all statutory and constitutional requirements for the entry into force of such agreement and shall remain in force for a period of 5 years.

2. At the expiration of this agreement or of any extension thereof the Government of the Republic of Vietnam shall deliver to the United States of America all fuel elements containing reactor fuels leased by the Commission and any other fuel materials leased by the Commission. Such fuel elements and such fuel materials shall be delivered to the Commission at a site in the United States of America designated by the Commission at the expense of the Government of the Republic of Vietnam and such delivery shall be made under appropriate safeguards against radiation hazards while in transit.

In witness whereof, the undersigned, duly authorized, have signed this agreement.

Done at Washington, in duplicate, this 22d day of April 1959.

For the Government of the United States of America:

WALTER S. ROBERTSON,
Assistant Secretary of State for Far Eastern Affairs.

JOHN MCCONE,
Chairman, U.S. Atomic Energy Commission.

For the Government of the Republic of Vietnam:

———,
Ambassador of the Republic of Vietnam.

UNITED STATES ATOMIC ENERGY COMMISSION,
Washington, D.C., March 16, 1959.

The PRESIDENT,
The White House,

DEAR MR. PRESIDENT: The Atomic Energy Commission recommends that you approve the enclosed proposed agreement entitled "Agreement for Cooperation Between the Government of the United States of America and the Government of the Republic of Vietnam Concerning Civil Uses of Atomic Energy" and authorize its execution. The Department of State supports the Commission's recommendation.

The agreement has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, and is, in the opinion of the Commission, an important and desirable step in advancing the development of the peaceful uses of atomic energy in Vietnam in accordance with the policy which you have established.

The agreement would permit cooperation between the two governments with respect to the design, construction and operation of research reactors, including related health and safety problems; the use of such reactors in medical therapy; and the use of radioactive isotopes in biology, medicine, agriculture and industry. The Commission is authorized under article IV to lease to the Government of the Republic of Vietnam uranium enriched in the isotope U^{235} for use as fuel for research reactors. The quantity of such uranium in the custody of the Government of the Republic of Vietnam at any time is not to be in excess of 6 kilograms of U^{235} contained in uranium enriched up to a maximum of 20 percent of U^{235} plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of the reactors while replaced elements are cooling or in transit. You will also note that article V of the agreement would permit the Commission to transfer specified limited quantities of special nuclear materials, namely, U^{235}, U^{233} and plutonium, for defined research projects related to the peaceful uses of atomic energy.

No restricted data would be communicated under this agreement and all of the guarantees prescribed by the Atomic Energy Act of 1954, as amended, are contained therein.

The Republic of Vietnam, if it desires to do so, may engage United States companies to construct research reactors, and private industry in the United States will be able, under the agreement, to render other assistance to the Republic of Vietnam. The agreement expresses the hope and expectation of the two governments that this first stage of cooperation will lead to further discussions and agreements relating to other peaceful uses of atomic energy in Vietnam.

Article X is a new provision, not a part of previous research agreements for cooperation although a similar but somewhat more detailed provision is included as standard language in comprehensive bilateral agreements, in which the two governments affirm their common interest in making mutually satisfactory arrangements to avail themselves, as soon as practicable, of the facilities and services of the International Atomic Energy Agency. In view of continuing United States policy to give support to the agency, it is planned to include such a provision in future research agreements or amendments to existing research agreements.

Following your approval and subject to the authorization requested, the agreement will be formally executed by the appropriate authorities of the Government of the United States of America, represented by the Atomic Energy Commission and the Department of State, and the Government of the Republic of Vietnam. In compliance with section 123c of the Atomic Energy Act of 1954, as

amended, the agreement will then be placed before the Joint Committee on Atomic Energy.

Respectfully,

W. LIBBY,
Chairman.

THE WHITE HOUSE,
Washington, March 31, 1959.

The Honorable JOHN A. MCCONE,
Chairman, Atomic Energy Commission,
Washington, D.C.

DEAR MR. MCCONE: Under the date of March 16, 1959, the Atomic Energy Commission recommended that I approve the proposed agreement entitled "Agreement for Cooperation Between the Government of the United States of America and the Government of the Republic of Vietnam Concerning Civil Uses of Atomic Energy," and authorized its execution.

The proposed agreement, negotiated pursuant to the Atomic Energy Act of 1954, as amended which, in the opinion of the Commission, is an important and desirable step in advancing the development of the peaceful uses of atomic energy in Vietnam, has been reviewed. The recommended agreement calls for cooperation between the two governments with respect to the design, construction, and operation of research reactors, including related health and safety problems; the use of such reactors in medical therapy; and the use of radioactive isotopes in biology, medicine, agriculture, and industry.

The Republic of Vietnam, if it desires to do so, may engage U.S. companies to construct research reactors, and private industry in the United States will be able, under the agreement, to render other assistance to the Republic of Vietnam. The agreement contains all of the guarantees prescribed by the Atomic Energy Act of 1954, as amended. No restricted data would be communicated under the agreement.

The Commission is authorized under article IV to lease to the Government of the Republic of Vietnam uranium enriched in the isotope U^{235} for use as fuel for research reactors; the quantity of such uranium in the custody of the Government of the Republic of Vietnam at any time is not to be in excess of 6 kilograms of contained U^{235} in uranium enriched up to a maximum of 20 percent U^{235}, plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of the reactors while replaced elements are cooling or in transit. Article V of the agreement would permit the Commission to transfer specified limited quantities of special nuclear materials, namely, U^{235}, U^{233}, and plutonium, for defined research projects related to the peaceful uses of atomic energy.

In article X of the agreement, the two governments affirm their common interest in making mutually satisfactory arrangements to avail themselves, as soon as practicable, of the facilities and services of the International Atomic Energy Agency.

Pursuant to the provisions of section 123 of the Atomic Energy Act of 1954, as amended, and upon the recommendation of the Atomic Energy Commission, I hereby

(1) Determine that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States; and

(2) Approve the proposed Agreement for Cooperation Between the Government of the United States of America and the Government of the Republic of Vietnam enclosed with your letter of March 16, 1959; and

(3) Authorize the execution of the proposed agreement for the Government of the United States of America by appropriate authorities of the United States Atomic Energy Commission and the Department of State.

It is my hope that this agreement represents but the first stage of cooperation in the field of atomic energy between the United States and the Government of the Republic of Vietnam, and that it will lead to further discussions and agreements relating to other peaceful uses of atomic energy in Vietnam.

Sincerely,

DWIGHT D. EISENHOWER.

ORDER FOR ADJOURNMENT TO 12 O'CLOCK NOON TOMORROW—LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Let me say for the information of Senators that no business will be transacted tomorrow. It is the intention to adjourn from tomorrow until Tuesday.

For the further information of the Senate, it is quite possible that on Tuesday the Executive Calendar will be considered, and the nomination of Mr. Justice Potter Stewart, of Ohio, will be brought up.

PRINTING OF ADDITIONAL COPIES OF REPORT ON OBSERVATIONS OF THE UNITED NATIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 222, Senate Resolution 110.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 110) to print with additional copies a report by Senators MANSFIELD and HICKENLOOPER. on their observations of the United Nations.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution, which had been reported from the Committee on Rules and Administration with an amendment, at the beginning of line 2, insert "a report by Senator BOURKE B. HICKENLOOPER and Senator MIKE MANSFIELD, Members of the United States Delegation to the Thirteenth General Assembly of the United Nations", so as to make the resolution read:

Resolved, That "Observations on the United Nations", a report by Senator BOURKE B. HICKENLOOPER and Senator MIKE MANSFIELD, Members of the United States Delegation to the Thirteenth General Assembly of the United Nations, be printed as a Senate document, and that 5,000 additional copies be printed for the use of the Committee on Foreign Relations.

The amendment was agreed to.

The resolution, as amended, was agreed to.

CONSTRUCTION OF MODERN NAVAL VESSELS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 145, H.R. 3293.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 3293) to authorize the construction of modern naval vessels.

Mr. MANSFIELD. I may say that I am asking that the bill be made the unfinished business of the Senate so that the distinguished Senator from New York, who has been more than gracious, may proceed.

Mr. JAVITS. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

THE AMERICAN BAR ASSOCIATION RECOMMENDATIONS CONCERNING THE SUPREME COURT—AN APPRAISAL

Mr. JAVITS. Mr. President, it is my intention today to proceed in a rather detailed way to develop an analysis of the actions of the special committee of the American Bar Association which reported, about 6 weeks ago, on the many cases in the Supreme Court, especially those involving issues of internal subversion; and also to deal with the resolutions of the house of delegates of the American Bar Association which were passed in connection with that report.

Mr. President, I do this because I believe we all wish to have a balanced understanding of the situation. It is especially pertinent because the Internal Security Subcommittee of the Committee on the Judiciary is holding hearings on a number of bills intended to overturn some of the same court cases at which the Jenner-Butler bill was directed. Seven of these bills apparently propose to implement the recent report issued by the American Bar Association and the recommendations adopted by its house of delegates, urging legislation to remedy the effect of certain U.S. Supreme Court decisions dealing with internal security.

Mr. President, I wish to emphasize in what I say that I agree that in certain fields some legislation may be necessary. I will explain that in detail in my speech. What I am really driving at is that there is, within the context in which the special committee's report was issued, and in which the American Bar Association resolutions were adopted as well as in the series of bills before the Judiciary Committee, grave danger of a climate which is inimical to the future of the Court, by throwing the Court's role in our constitutional life, out of focus, and encouraging those whom I called last year the court raiders to undertake new forays against the Court. Therefore it is my desire to get the situation into focus again by analysis of, first, the general situation and, second, of the individual cases cited by the special committee.

I should like to explain what I mean by "court raiders." I define "court raiders" as those who would move to

deprive the Court of its appellate jurisdiction in constitutional cases. The words are descriptive of the men raiding its jurisdiction. I should like to point out, as I see my colleague from Maryland [Mr. BUTLER] on his feet, that I would hope not to include him in that group, and for this reason: I see a very clear distinction between the original approach of the Jenner bill, which was a direct limitation upon the Court's appellate jurisdiction in constitutional cases, and the approach which was made by the subsequent bill bearing the name of the Senator from Maryland, which sought to deal with specific situations, to which the Court itself had called attention and with many others though I disagree thoroughly with the bill's proposed solutions.

However, I believe that the Senator from Maryland did not deal nearly so much with the fundamental drive at the Court's basic jurisdiction as was the situation when the subject was first approached.

But I point out that there are many people around the country who still have the idea that the Court's jurisdiction on every question of constitutional law ought to be taken away from it or limited. I do not want to see that approach encouraged.

I point out, also, that at least one section of the Jenner-Butler bill, as I recall it, dealt with the idea of depriving the Court of its appellate jurisdiction. I feel very strongly about it as court raiding, as I have just described. However, I believe that the main thrust of the Jenner-Butler bill was directed more toward dealing with the Court's decisions in individual cases than it was with the idea of depriving the Court of its basic constitutional jurisdiction.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. BUTLER. I thank the Senator for yielding. The question that I wished to propound to the Senator has been answered to my entire satisfaction. I may say, however, that 41 Senators voted for the amended Jenner-Butler bill. The only place in which the bill touched the appellate jurisdiction of the Court was in the first section.

Mr. JAVITS. Yes; dealing with bar admissions.

Mr. BUTLER. In an area where we felt the Supreme Court, itself, had said it had no jurisdiction, and one in which one could reasonably conclude that the Court had usurped jurisdiction.

Mr. JAVITS. I thank my colleague for his comment, though I do not agree.

In times of crises, history records that the basic concept of the Supreme Court as the protector of individual liberties often becomes a prime target of attack by critics who would sharply limit the independence of the judiciary. Despite the defeat suffered last year by those whom I have described as "court raiders," events in 1959 indicate that once again it may be open season on the Supreme Court.

The Supreme Court's jurisdiction was curbed by Congress immediately after the Civil War, when a law was passed forbidding the Court to hear a case upon appeal involving constitutional rights. Congress, in 1937, rejected the court-packing plan devised by those who considered the existing Court too conservative in makeup.

The Senate, in 1958, voted down the Jenner-Butler bill, which was an attempt at court raiding, through limitation of the Supreme Court's jurisdiction and reversal of several of its decision in the field of civil liberties.

Mr. President, if my speech today is taken—as I hope it will be—as a defense of the Supreme Court, I am very proud to defend it.

I wish to make it very clear that I have the deepest respect for the American Bar Association, of which I am a member. As a lawyer who has spent a lifetime in the practice of law, I recognize it as my trade association. I am very proud of its honored and distinguished long-time record, and I consider particularly laudable the association's historic efforts on behalf of world peace through world law inaugurated under President Charles Rhyne and now continued by President Ross L. Malone.

I strongly support these efforts to strengthen the role of the World Court in the adjudication of international disputes.

However, when my association issues pronouncements on constitutional law, as it has in a set of resolutions and a special committee report which I have described, with some of which I find myself in very serious policy disagreement, I believe it is in the highest public interest to speak out on such matters. There my responsibility is clear.

I believe it especially my duty to deal with this whole subject as a member of the Bar and of the American Bar Association, as well as a Senator, for I consider it the lawyer's highest responsibility to take a position on so vital a matter to the administration of justice and to security of the freedoms of all Americans.

It is fair to say that in response to defenders of the Court, the president of the association stated that the American Bar Association's recommendation did not even imply an attack on the Court itself; and indeed the association had also adopted a resolution stating explicitly that the American Bar Association "disapprove proposals to limit any jurisdiction vested in the Court." Yet when the resolutions adopted are read with the special committee's report on which they are based, I regret to say, though I believe it is unwitting on the part of the American Bar Association, that the impression is bound to be left that some recent decisions have endangered our security and that the Court has thereby been made to appear to be insufficiently mindful of security needs.

Particularly is this the implication of the "whereas" clauses of the fourth resolution:

> Whereas recent decisions of the U.S. Supreme Court, in cases involving National and State security and with particular reference to Communist activities, have been severely criticized and deemed unsound by many responsible authorities; and
>
> Whereas problems of safeguarding National and State security have been exposed or created thereby.

Perhaps, especially when read in conjunction with the special committee's report, it is really what the association's resolutions fail to say rather than what they do say that gives rise to their implication.

I have described the implication that the Court has somehow been unconstitutionally unmindful of our security needs and that its decisions could have endangered the Nation's security. For the resolutions—and this is the main burden of my argument—do not specifically support the duty of the Supreme Court to protect individual liberties, even if unpopular, and even if the objects of such protection are unworthy. I emphasize, as a lawyer, the importance of protecting individual liberties, even if they are unpopular, and even if the objects of such protection are unworthy. For we know as lawyers how the liberties of the individual may be tapped and drained away once we begin to confer liberty on the basis of a judgment as to whether the individual is worthy. What the special committee's report does, in effect, is to raise a serious doubt in the public mind—a doubt extending to whether the Court ought to continue to have the power to declare such legislative actions unconstitutional—as to the quality of responsibility in making the decisions involving unpopular cases, particularly relating to subversion, which have come from the Court in recent years, whatever may be the specific words of the American Bar Association resolution regarding continuing Supreme Court appellate jurisdiction. In short, taking all the events together, I believe it necessary to avoid giving aid and comfort in end effect to the "court raiders," who may be impatient of and displeased with the Supreme Court's protection of the individual's constitutional rights.

I believe that no such case for court raiding is made out, but that, on the contrary, should this climate of opinion become fixed in the country, its end result would be an effort to inhibit the Court from declaring unconstitutional those measures which it sincerely believes to violate the Constitution, and more particularly those which may be enacted to overrule these very decisions of the Court which have been brought into question. As the Court will obviously not be so inhibited, the conflict would become more acute, with the ever-present residual danger of a new assault on the Court's appellate jurisdiction in constitutional law cases—a subject upon which Congress has the power to legislate—or in some renewed effort to pack the Court. It is for this reason that I believe it essential to analyze the validity of the conclusions arrived at by the special committee and by the American Bar Association resolutions in their view that "problems of safeguarding national and state security have been created" by "recent decisions of the U.S. Supreme Court." It is also for this reason that together with Senators CLARK, HENNINGS, HUMPHREY, LANGER, MORSE, NEUBERGER, and PROXMIRE I have introduced a con-

stitutional amendment to secure such appellate jurisdiction in the Supreme Court in constitutional law cases.

When the resolutions were adopted, the association's governing body stated that in accordance with its customary practice, the adoption of the committee's recommendations did not constitute endorsement of statements in the committee report itself. However, the report is the document which purportedly supports the resolutions and which, moreover, clarifies the general references in the resolutions. Thus, the resolutions refer generally to "recent decisions of the U.S. Supreme Court," without specification; the reference apparently is to some or all of the decisions discussed in the report. Furthermore, the special committee report seems to have been widely distributed and was inserted in the CONGRESSIONAL RECORD; therefore, in and of itself, it warrants consideration.

I shall endeavor to show that on an overall consideration of the recent terms of Court and taking the whole record together, there is no basis for assuming that its general line of decisions involving communism are departures from sound principle or an unreasonable balance between society's interest in security and individual rights deleterious to security. This is not to say that there are not specific situations where statutory change is desirable—there are—but there is nothing in the Court's conduct which indicates a need for wholesale correction through action upon the Court's authority.

In support of my conclusion, I shall show that it would be a mistake to conclude that all the cases which came before the Court in recent terms involving internal security were decided against the Government. In fact, during the self-same terms in which the Court decided the cases listed by the committee as weakening security in their view, the Court also issued decisions involving internal security which were favorable to the Government. I shall also show that the committee is unjustified in criticizing the Court for deciding many of the cases involving security on too narrow grounds, because the Court thereby followed customary and desirable practice. It will further be noted that every member of the Court subscribed to the majority position in some of the decisions listed by the committee; they are not the product of any grouping on the Court. Moreover, it could hardly be thought that every member of the Court was afflicted with a disregard for security needs. Indeed, the proportion of these decisions which are unanimous is about the same as the overall proportion of unanimous to split decisions during a term. In addition, I shall show that most of these decisions either did not detract at all from the structure of governmental powers to deal with internal security or narrowed these powers only in minor respects.

I shall show that in the main the decisions listed by the American Bar Association committee were based on well-established principles of general applicability. Thus, while there might be a difference of opinion as to the Court's evaluation of the law in a particular instance, these decisions can be criticized as a group only if principles are to be upheld or abandoned depending on the issues and persons involved. No adherent of the rule of law could take that position: rights are guaranteed for all, or they are not secured for any.

In addition to the general resolution with respect to remedying Supreme Court decisions, the American Bar Association recommended several specific statutory amendments which would override the result in some of the decisions listed in the report. I shall show that certain of these legislative recommendations should be rejected, insofar as they override decisions that construed statutes in the light of the constitutional guarantees and arrived at reasonable and desirable results. On the other hand, I agree that statutory amendment would be desirable with respect to some of the matters with which the American Bar Association recommendations deal; namely, the powers of the House Un-American Activities Committee, the Foreign Agents' Registration Act, the denial of passports, and the power to retain restrictions over aliens.

Finally, I shall review some of the cases which the American Bar Association committee summarized in its report as representing "the principal cases which have been criticized as illustrative of how our security has been weakened."

This collection of 24 disparate cases is important in connection with the American Bar Association recommendation for legislation to correct Supreme Court decisions only in that the mere collection of this number of decisions may give a sinister impression of mass, which may overshadow lucid consideration of the pros and cons of particular proposed legislation, which would deprive the court of jurisdiction to decide constitution cases involving the Constitution.

Also, the choice of these cases raises again the specter of last year's Jenner-Butler bill approach to the Supreme Court, which would go far beyond legislative correction, and would deprive the Court of jurisdiction to decide certain constitutional cases. This list contains every one of the cases which Jenner-Butler bill attempted—including cases decided on constitutional grounds rather than on statutory interpretations.

I make that point again, because I think it is important that we understand that the Jenner-Butler bill, as I developed in the colloquy with the Senator from Maryland [Mr. BUTLER] contained one section which sought to deprive the Court of its fundamental constitutional law jurisdiction.

Although most of these 24 cases are not the basis for legislative recommendations, their presence, in some cases with only a partial discussion of the issues involved, clearly points up the serious implications of the report and the conclusions which may be drawn from it.

Mr. President, I also wish to emphasize my complete disagreement with the Jenner-Butler bill's approach to overruling the Supreme Court in regard to a number of cases in which the bill did not seek to deprive the Court of jurisdiction. I wish to make that point very clear, because I think it is inherent and fundamental in connection with the vote cast by the Senate in refusing to pass the Jenner-Butler bill. However, I respectfully submit—I believe this point is very clear from the views of all the lawyers who have argued this question—that the thing in which we are basically interested is maintaining intact the authority of the Court in constitutional law cases. We feel that if we do that, and if that is accepted by the country, then we can argue out the individual changes which are sought to be made in any particular set of laws, and we can deal with them separately, on their merits. But the attempt which is being made is also, very essentially, an attempt to raid the Court's jurisdiction, and an endeavor, directly or indirectly or by implication, to deprive the Court of appellate jurisdiction in constitutional law cases. Now that I have generally discussed the effect of the resolution of the American Bar Association, I should like to analyze some of these cases, Mr. President.

The second part of the resolution adopted by the American Bar Association reads as follows:

Be it further resolved, That wherever there are reasonable grounds to believe that as a result of court decisions weaknesses in internal security have been disclosed, remedial legislation be enacted by the Congress of the United States.

Then the resolution goes on to suggest certain specific areas in which, in the view of the American Bar Association, legislation of that kind should be enacted.

One of the fundamental difficulties I find with the special committee's report is due to the fact that it concerns itself with only the 24 cases which are set out as the basis of its report, but does not range over the whole area of the cases which relate to the Court's jurisdiction. It does not show what the Court has done affirmatively, at the same time that it deals with what it thinks the Court has done negatively, in respect to internal-security matters. I think that is the main reason why the opinion has spread abroad that this report and the resulting resolution of the American Bar Association must result in some condemnation of the Court.

The special committee has dealt with cases of the Court since 1956 in which there was involved a Communist or an issue of Communist activity, and in most of which the decision invalidated, either in whole or in part, an action of a Federal or a State agency or a criminal judgment. This aspect of the cases is the only common thread running through them, and is the only aspect that is highlighted. The circumstance that the committee is concerned only with one factual aspect of the decisions is a reflection of the particular assignment of the committee, for the report is the work of the special committee on Communist tactics, strategy, and objectives. As the report states, there has

not been sufficient opportunity for this committee to discuss the problems with the association's special committee on individual rights as affected by national security.

Thus, the report and the resolutions submitted and adopted, with slight modification, by the association were the product of a committee which had the sole function of appraising communism and its menace, rather than appraising our legal institutions.

Indeed, the committee's focus is reflected in the devotion of much of the report into hortatory passages in regard to preparedness against Russia and to nonlegal matters respecting foreign affairs, such as the decline of the U.S. gold reserves because of the Soviet menace, the deceitfulness of the Soviet pleas for peaceful coexistence, the failure of Red China to release American prisoners, the execution of Hungarian leaders, and other matters. Also, the report neglects to mention that during the same terms of court in which the listed cases were decided, the Court issued decisions which were favorable to the Government in regard to cases involving alleged Communists or Communist activity. The committee's failure to mention these decisions might give the impression that all the cases involving Communist matters that came before the Court in this period were decided against the Government. Outstanding among those validating Government action, particularly in view of the committee's emphasis on the Government's investigative power in the internal security field, is the case of *Ullman* v. *United States* (350 U.S. 422). In that case, the Court upheld the constitutionality of the recently enacted immunity statute which enables the Government, by an offer of immunity, to preclude a witness before a grand jury, in an investigation of security matters, from remaining silent in constitutional reliance on the fifth amendment's privilege against self-incrimination.

Mr. President, the details of that case are not vital in this connection. The point is that the case was not mentioned in the committee's report, although, under the definition of those who are critical of the Court, the decision in that case affirmatively safeguarded the activities of our Government.

Mr. PROXMIRE. Mr. President, will the Senator from New York yield?

The PRESIDING OFFICER (Mr. GRUENING in the chair). Does the Senator from New York yield to the Senator from Wisconsin?

Mr. JAVITS. Certainly.

Mr. PROXMIRE. Mr. President, I commend the distinguished Senator from New York for the speech he is delivering to the Senate this afternoon. I particularly commend him for the responsible and considerate way in which he is delivering it.

It is never easy for a Senator to disagree with an organization of which he is a member—in this case, the American Bar Association. The Senator from New York has proceeded in this matter by recognizing that the splendid organization he is talking about has many good attributes, that fine people represent it. At the same time, he has documented by chapter and verse, where its criticism of the Supreme Court is in error.

I hope the speech will be read very carefully by all Members of the Senate, because I think it is one of the significant speeches to be made in the Senate this year.

Last year the Supreme Court was under serious attack and its authority was in grave jeopardy.

I have read the preliminary outline of the speech of the Senator from New York, and I have heard the parts of the speech which he has delivered thus far. I believe he is addressing himself to the fundamental danger which confronts the Court—namely, the very distinct possibility that the Congress might enact legislation which would seriously endanger or encroach upon the jurisdiction and the rights of the Supreme Court and—and this is much more important—the right of individual American citizens to have redress.

In conclusion, let me say again that what the senior Senator from New York is doing is, in my opinion, a great service. He is doing it in the masterful and able way in which he addresses himself to all subjects, and in a way which has, I am sure, required a very great amount of work. He is presenting significant amounts of documentation. Certainly he deserves a great deal of credit.

Mr. JAVITS. I thank the Senator from Wisconsin.

Mr. MORSE. Mr. President, will the Senator from New York yield to me?

Mr. JAVITS. I yield.

Mr. MORSE. I wish to join the Senator from Wisconsin in paying my compliments to the Senator from New York for his very sound defense of the U.S. Supreme Court. It comes as no surprise to me that the former attorney general of the Empire State would make this speech today.

I am pleased to tell him that in February, I delivered, at the University of Minnesota Law School, a lecture on the subject, "Congress, Civil Rights, and the Supreme Court"; and in that lecture I discussed some of the very cases the Senator from New York has discussed in his speech.

He was very kind to send me an advance copy of his speech. I wish to say it is a very scholarly piece of work; and I am proud to stand shoulder to shoulder with him, as a lawyer and as a member of the American Bar Association, on this issue.

As I said in my lecture at the University of Minnesota Law School, and as I said in the early part of March in a similar lecture which I gave in St. Louis, Mo., there was a time, in the history of the American legal profession, when, if an attack similar to the sinister attack made by the house of delegates of the American Bar Association, by means of its resolution, on the judicial process, had been made, every local bar association in the country would have raised its voice in protest. I am somewhat at a loss to understand what has happened to our profession. I wish to say most kindly, but, I believe, unanswerably, that no longer is it true that the legal profession as a profession is performing the watchdog function over American liberties that it once performed.

As I said in my lecture at the University of Minnesota Law School, I wonder whether that is because, for some unfortunate reason, many American lawyers think they are private practitioners of the law. There is not such a person. There is not such a thing as a private practitioner of the law. Every lawyer is a public official. He is an officer of the courts of America. And one of the great ethical obligations of lawyers, in my judgment, as I said in the lecture, is always to stand as guardians of the judicial system of America and guardians of the civil and constitutional liberties that make us free.

As a fellow lawyer, I wish to thank the Senator from New York for the great contribution he has made to this highly controversial subject in America today, because I think it is a fitting speech to get into this RECORD preliminary to what I am willing to predict today will be some historic debates, before we adjourn this summer, as various types of anti-Supreme Court legislation comes to the floor of the Senate.

The Senator from New York stood with me, and I with him, last year—in the closing hours, in fact, of the session—when he and I and the Senator from Colorado [Mr. CARROLL] took it upon ourselves to fulfill what we thought was our function as lawyers in respect to our obligations to the judicial system of our country, by exercising our prerogatives in the Senate to block the Mallory bill until such time as hearings could be held and constitutional authorities could testify on the bill.

I am deeply moved in giving this high praise to the Senator from New York, because I think he is deserving of it.

Mr. JAVITS. I am very grateful to the Senator from Oregon.

May I point out that the New York City Bar Association has dissociated itself from the resolutions of the American Bar Association. I emphasize that, as lawyers, we still have to get the issue across to the people, even when a bar association states it is seeking to take jurisdiction away from the Supreme Court only where it thinks the State appellate courts have jurisdiction, and is trying to exclude itself from the term "court raiders." The fact is that by taking such an attitude it is less than militant, with respect to the civil liberties which the Supreme Court is seeking to protect, in failing to take affirmative action on that issue. I do not think it is doing all the things we expect of it as our trade asociation. If it does not protect these liberties, we must do it, for unless we do, a climate is created in the country in which the court raiders can pursue their ends. The fact that the American Bar Association is citing the catechism of what it is not trying to do may satisfy it, but that is not enough. That is the essence of my point.

To continue, the special committee of the American Bar Association listed the cases with which it disagreed, in which

the Supreme Court decided against the Government, but it failed to talk about cases which were decided in favor of the Government and which, even by the committee's own definition, helped the Government in its internal security affairs.

Another of those cases is *Black* v. *Cutter Laboratories* (351 U.S. 292). In that case an employee had been discharged. An arbitration board, acting under union control, had the employee reinstated. The employer contended that reinstatement would endanger security, because the employee was a Communist. In that case the Supreme Court upheld the decision of the highest court of California that reinstatement was against public policy.

The Supreme Court acted similarly in the case of *Wilson* v. *Loew's, Inc.* (355 U.S. 597) a case in which moving picture actors and other employees of that industry, who became known as the Hollywood 10 brought an action against the industry on the ground that it was conspiring to blacklist them and keep them out of the moving picture business. Again the Supreme Court failed to disturb the State court decision for the employers.

Even in the field of Government employment, in which special concern is shown in the American Bar Association resolution and the special committee report, the Supreme Court rendered two decisions favorable to the Government, which had greater applicability and effect than two, if not all three, of the adverse cases in the field.

I refer to the case of *Beilan* v. *Board of Public Education* (357 U.S. 399) and the case of *Lerner* v. *Casey* (357 U.S. 468).

In the Beilan case a public schoolteacher with 22 years of service had been discharged for refusing to testify whether he had, 8 years before, been active in a Communist organization. In the Lerner case, in which I had the honor to file a brief as attorney general of the State of New York, assigning the solicitor general to argue the case, a subway conductor had been discharged for his refusal to answer whether he was a member of the Communist Party.

It should also be noted that the famous decision in the Yates case, which is highlighted in the report recommending legislative changes by the American Bar Association and the special committee, only partially invalidated the State court decision and indeed upheld it in a very important respect. While the Court ordered the acquittal of 5 of the 14 defendants, it held, over the objection of 2 dissenting Justices there was sufficient evidence against the other 9 to warrant their retrial.

While the decisions demonstrate graphically that the Court is not blind to security factors, it is true that there have been more cases touching on security decided unfavorably to the Government than there have been favorably decisions for the Government—again from the viewpoint of a group like the special committee of the American Bar Association. However, this is not surprising considering the mass of State and Federal acts and proceedings involving this issue over the past decade and the many novel and unprecedented questions which were presented by the impact of that interest. Also it may be that Government officials, feeling encouraged by favorable decisions in the previous terms of the Supreme Court, sought to induce the court to overextend its own rulings, and ran afoul of the court's sensitivity to the protection of civil liberties.

One of the other major complaints of the American Bar Association special committee was that the Supreme Court adopted much narrower grounds for decisions in the various cases which it decided than those urged by the opponents of the Government action. Thus, it was said, in a Subversive Activities Control Board case, the Court refused to pass on the contention that the Board was unconstitutionally established, and passed only on the question of procedure. The contention that the Board should consider whether perjured evidence had been used was the ground on which the case was sent back.

In the famous Watkins case, the Court refused to issue a definitive holding on the question of whether the mandate of the House Un-American Activities Committee was constitutional or whether questions by the investigating committee violated the free speech protection of the Federal Constitution.

In the Sacher and Flaxer cases, which also involved congressional investigations, reversals of contempt findings were on narrow rather than broad grounds.

The same was true in the Cole case, which involved discharging a Federal Government employee.

In the Witkovitch, Yates, and the passport cases, the Court is said to have avoided the issue by ruling on broad rather than narrow constitutional issues.

Mr. President, in debating this issue, I am seeking not to go out of my way to find opponents, but am seeking to confine the issues to specific grounds. So, for example, while I would debate with my colleague from Maryland the provision in his bill which seeks to deprive the Court of jurisdiction, I am also willing to debate the other aspects of his bill of last year strictly upon the merits of each particular areas in which it endeavored to take action in respect to a Supreme Court decision.

Now let us consider the Court's use of narrow grounds for decision. The position of the American Bar Association committee, I think, shows marked inconsistency. It first says "these cases might readily have been disposed of without so broadly limiting national and State security efforts." On the other hand, the report criticizes the course of the decision in the Subversive Activities Control Board case on the ground that the Court failed to immediately determine the constitutional issue of the Board's validity as soon as litigation involving a Board decision came to it.

It seems to me that it is standard practice for the courts to adopt narrow rather than broad grounds of decision, if they can do so. That has always been considered a good practice, and the Court should be complimented for following it, rather than criticized because it did not decide broad constitutional issues when it did not have to do so. For all the proponents of that position may know, the Court may have decided those constitutional issues against them and, in their view, made the situation even more difficult so far as they are concerned.

Another matter to which I should like to refer is the participation of all the judges in these decisions. The implication that the American Bar Association committee's collection of decisions represents a disregard of the requirements of security gives rise to the question whether the cases were decided merely by one group of judges on the Court. One would not suppose that every member of a court was afflicted with such a disregard as the special committee seeks to import into this situation.

In fact, of the 22 finally adjudicated listed decisions, 5 were unanimous. This is about the same proportion as the overall proportion of unanimous to split decisions during a normal term. In the decisions which were not unanimous, the composition of the majority varied.

The Justices who most often dissented—Justices Clark, Burton, Whittaker, and Harlan—nevertheless joined the majority in some of the nonunanimous decisions.

Justice Clark, who was a sharply critical dissenter in some decisions, wrote the majority opinion in the Slochower case, which also comes under attack, and in the second Yates decision.

Justice Burton, who was also a dissenter, wrote the United Mine Workers decision, which is one of the 24 cases coming under attack.

Justice Whittaker, also a dissenter, wrote the decision in Bonetti, which is also one of the 24 cases coming under attack.

Justice Harlan authored the majority opinions in Cole, Service, and the first Yates decision, which were, again, three of the 24 decisions coming under attack.

Indeed, only three of the decisions out of the whole 24—certainly a small proportion—were 5-to-4 decisions, and in one of those the dissenters agreed with the principle adopted by the majority; that is, in the Slochower case.

In the other two cases, the passport decision cases, the differences between the majority and the dissenters appear to be of more significance. Though not explicit in the dissent, the split in those cases may stem from a difference in value judgment as to liberty and security in the travel and passport situation.

In any case, it is very clear that all the Justices participated in the majority groupings in at least some of these decisions.

Again, I repeat, no one could reasonably say that all the Justices in their criticisms would be unmindful of security—again using the approach to this question of the special committee. All the Justices would not have the same point of view; nonetheless, all of them participated in some phases of this criticized line of decisions.

The next point, Mr. President—and this is perhaps the most persuasive point of all—is that these decisions were based upon very important legal principles and precedents. These decisions were not simply plucked out of the air, as some people would have us believe. They were not legislative action by the Supreme Court but, on the contrary, these decisions came fully within the context of the Court's prior decisions.

I wish to point out also that, on the question of the Court reversing itself, this often works for the advantage of those who think themselves very conservative as well as for the advantage of those who think themselves very liberal. The Court, for example, reversed its decison in a case involving the National Industrial Recovery Act some years ago, and that decision may very well have been pleasing to the conservatives, whereas in making one of the decisions which we have before us in this list of 24, the decision of the Court may have pleased some of the liberals. That is, after all, the essence of the Court.

I wish to give some examples, to show how most of these 24 cases followed the established precedents.

The Gold decision, which was one of those criticized, was squarely based on *Remmer* v. *United States,* which was a case of income tax fraud, decided in 350 U.S. 377, 347 U.S. 227. That case was decided in 1954. The decision in Remmer, which said that tampering with a juror was only "presumptively prejudicial" in a trial, was translated in the Gold ruling. This was a logical extension of the ruling in the Remmer case, decided some years before.

Again, in the Subversive Activities Control Board case, which was so much criticized, there was involved the claim that three major witnesses on whose testimony the Board had relied a total of 85 times had committed perjury. The Court noted that the "untainted administration of justice is certainly one of the most cherished aspects of our institutions."

The Watkins case, in which Justice Clark alone dissented, and which has been very bitterly criticized, was based upon the principle of constitutional and criminal law that a defendant must be informed of the standard of criminality before the commission of the alleged offense.

In the decisions construing statutes, there generally is no possibility of following precedents in the same manner as in other cases, since the problem is, "What does the individual statute mean?" But it can be asserted with regard to the decisions involving statutory construction in this list that the Court relied on the traditional aids to construction—legislative history, a proposition laid down long ago; the rule that penal statutes are to be strictly enforced; the rule that statutes are to be construed, wherever possible, to avoid constitutional questions; and so on.

Let us consider another example. The two cases of Schware and Koenigsberg were cases which dealt with admissions to the bar. Both cases were decided under the constitutional due process rulings. These go back to the post-Civil War period, when efforts were made to disbar sympathizers with the Confederacy. In these cases the Court held, just as it held years and years before, that a State cannot arbitrarily deprive a person of his right to follow his chosen profession, which in these cases was the practice of law.

Now, in some of the cases in which the majority construed a statute so as to avoid a constitutional problem, a value judgment was involved in the conclusion that a grave constitutional problem would arise from a contrary construction. Of course, the Court had a perfect right to—and did—indicate it was avoiding a question which would raise grave constitutional questions. But a value judgment can always give rise to a difference of opinion. However, there is no indication that the judgment of the Justices was not applied as conscientiously in this group of cases as it was applied in any other cases involving their value judgments.

Mr. President, I believe the Jencks case merits separate mention, because there the Court extended, or at least reinterpreted, its prior decisions. It will be recalled that the Jencks case, which was also very heavily criticized, was a case in which a union officer convicted of filing a false non-Communist affidavit was denied access to an FBI report, notwithstanding the testimony against him of the man who had prepared that report.

The decision in the Jencks case is based upon precedent—and very soundly established precedent so far as the Supreme Court is concerned. In that particular respect we go back to cases like *Gordon* v. *United States* (344 U.S. 414) and *Berger* v. *United States* (295 U.S. 78). Both were decided some years ago. They dealt substantially with the same matters, and the decisions were substantially along the same line.

We have already enacted a statute as a result of the Jencks decision, prescribing procedure for the production of prior statements of a witness. This procedure, in substantial effect, prescribes the procedure which the Supreme Court indicated in the Jencks decision itself would be constitutional.

It seems to me that this is a fair way to proceed, without trying to capture the Court's jurisdiction. At the same time, this procedure is fully protective of the Court's indispensable value to the American people.

I point out that since we have passed a bill to deal with the decision in the Jencks case, subsequent decisions have not indicated any difficulty or hardship in applying the rule of Jencks. That, it seems to me, is an extremely important point, because most of the hobgoblins which are raised with respect to this decision are not based upon what we actually realize in terms of dangers, but upon what dangers we might realize by virtue of the decisions.

I come now to another point, and that is an overall conclusion as to the recent decisions of the Supreme Court. As in the case of any group of Supreme Court decisions, a study of those digested in the American Bar Association report may indicate the need for legislation in some individual respect; but the foregoing overall consideration reveals no basis for the assumption that its decisions in this field are departures from sound principles, or represent an unreasonable imbalance between society's interest in security and individual rights deleterious to security.

I believe that the American Bar Association's special committee offers no support for its charge that our security has been weakened through the recent Supreme Court decisions; that they have encouraged an increase in communistic activity in the United States; or that they have caused a paralysis of our internal security.

It seems to me that neither our total internal security apparatus nor the effect of the specific rulings is appraised in the committee report. Indeed, most of the decisions either did not detract at all from the governmental arsenal of powers to combat communism, or narrowed those powers only in minor respects.

For example, in the Bonetti case, with respect to which legislation is recommended, Bonetti was allowed to enter the United States in 1923. He left the Communist Party in 1936. He left the United States again in 1937, returning in 1938. He was not a Communist when he entered the United States in 1938, or at any time since then. The law as it stood at that time allowed him to enter the country. The law as it has stood since 1950 would keep him out of the country. So whatever door might have been opened in that case, which is indeed a unique case, is now closed. Nevertheless, the case is cited as one of the 24 requiring a change to protect our internal security.

In the Service case, one of the 24 rulings criticized, the ruling was based upon the principle that regulations validly prescribed by a Government administrator are binding upon him as well as upon the citizen.

It seems to me that this is a very salutary principle, and that it can easily be implemented by regulations validly prescribed by a Government administrator. The difficulty in the Service case was that that was not the situation.

In the Witkovitch case, which relates to the Government's power to maintain restrictions over aliens, it was held that we have a right to decide exactly what restrictions we wish to have maintained, subject to their being constitutional.

I wish to make clear one point which must be clear in discussing this whole situation—it is the duty of lawyers to reject any suggestion that we must condemn or correct a decision merely because it is unfavorable to the Government, and allegedly affects communism. No believer in the rule of law should take the position that principles are to be upheld or abandoned depending upon the issues and the persons involved. Rights are guaranteed for all, or they are not guaranteed for any. If a bond were abrogated whenever it was found that its payment would cause a hard-

ship, there would be no security in bonds at all.

I come now to the concluding section of my remarks, dealing with the bar associations recommendations for corrective legislation. I say at the outset that there are some situations which need corrective legislation, and with respect to which I believe corrective legislation is indicated, not only because of the imperfections of our own statutory enactment, but also by the Court's own statements in other cases, in which a statutory change is requested.

But wholesale corrective legislation, as suggested by the resolutions leads in one of two dangerous directions. On the one hand, it could lead us into unconstitutionality. One of the grave dangers of the American Bar Association action in this connection is that the Supreme Court itself is not inhibited from declaring unconstitutional even a new act of Congress, which seeks to correct some situation in these cases. I do not believe the Court will be inhibited, no matter what we do or no matter what the American Bar Association does. But I believe that when a climate is created which looks with disfavor upon the Supreme Court's declaring unconstitutional a law which the Congress has passed to correct one of these decisions, we then have a pitched battle between the Supreme Court and the climate of the country, which I believe is a dangerous invitation to Court raiding. It is dangerous because Congress does have the power to take away the Court's appellate jurisdiction in constitutional law cases, either in whole or in part.

The Jenner bill originally was a Court raiding bill. It sought to take away the Court's appellate jurisdiction entirely. The Jenner-Butler bill was a Court raiding bill only in one of its sections.

The important point is that the Congress can do it. It seems to me that we must protect ourselves and the Court againt public opinion becoming so crystalized on this subject, without a balanced understanding of all the facts and merits on both sides, as to bring us into a situation in which Court raiding might find real receptivity in the Congress.

I believe that the analogy between Court raiding and Court packing is most important. In both cases it is not sought to do something about a particular case within the constitutional framework, but to strike at the very foundations of the Court as an institution.

As to legislative solutions, I shall deal with those very quickly.

The first case I wish to discuss under this heading is the Nelson case. In bills to overturn the Nelson case, an effort was made to provide that States should have jurisdiction, parallel with that of the Federal Government, to redress sedition against the Federal Government, or to redress the offense of anyone who preaches, in violation of the Smith Act, the overthrow of the Government by force—that is, as the Court has defined it, preaches with incitement to action.

It seems to me—and I have given the subject very careful thought—that this is very unwise. It is unwise for reasons detailed most eloquently by the Association of the Bar of the City of New York, which in all these matters has had a most forward looking point of view. Its report is valuable to everyone. I shall not seek to place it in the RECORD. It is a fairly lengthy report.

Suffice it to say that the reasons detailed there, which to me are absolutely persuasive, come down to this:

I believe that here is a national effort directed at sedition against the Federal Government and if it were distorted, that national effort might be thwarted; for example, if a prosecution were started too soon in a State before the whole nest of people involved could be uncovered. The national scheme of enforcement of Federal laws against sedition would be far more efficient and effective if the matter were kept within the Federal jurisdiction.

There was a time when I was attorney general of New York State, when I looked with some sympathy upon the possibility of a Federal statute to overrule the Supreme Court's decision in the Nelson case, from a practical standpoint.

However, when I came to Washington, I saw efforts being made to lift Federal preemption in many other fields, and that this proposal was just the opening gun, and I realized the multitudinous problem of asserting Federal jurisdiction in this kind of case, and how this thing could be complicated by the assertion of State jurisdiction with so many State laws differing in this field, I came to the conclusion that I should change my mind, and I did change my mind. I concluded that the struggle against sedition ought to be kept in the Federal Government. I concluded that the Court was right, not only in terms of its decision, but also in terms of its persuasive reasons why it ought to be a national policy.

Furthermore, in view of decisions by the Supreme Court in two recent cases, Bartkus against Illinois, and Abatte against United States, I am of the opinion that there now need be no fear that State prosecution for sedition will preclude a person from being prosecuted under the Smith Act. Let us remember that a State can prosecute anyone for sedition against the State. There is nothing in the Nelson decision which inhibits such procedure. The fear might have been, or at least it might have been argued, that a person who was tried for such a crime within a State could not be prosecuted in a Federal court under the Smith Act, because to do so would involve double jeopardy. The Supreme Court has laid that fear at rest in the two decisions I have mentioned. That becomes, therefore, an added reason why legislation in the field of the Nelson case is not required.

Mr. KUCHEL. Mr. President, Will the Senator yield?

Mr. JAVITS. I yield.

Mr. KUCHEL. The able Senator from New York is making an excellent and very timely presentation of a most important subject. I do wish to allude to the able Senator's comment with respect to the so-called Nelson decision. Certainly no one can rightfully or reasonably use the Nelson case as a basis for denouncing the Supreme Court. The able Senator from New York, based upon his experience as the chief law enforcement officer of his State, which is our largest and most populous State in the Union, has concluded that policy-wise Congress should not pass legislation designed to indicate that the Federal Government has not preempted the field. However, is it not true that, regardless of how he or I or anyone else might feel with respect to the policy, the Nelson decision, on the basis of present Federal statutes, is unassailable?

Mr. JAVITS. I thoroughly agree with the Senator from California. I would suggest that on policy—and I do not know his view on it, and perhaps it is not necessary that I know it now—I see it is a debatable question. That is why I have been very careful in defining what I mean by "Court raiding." However, no matter how strongly I might disagree with the views of those who may wish to change a statute, in order to meet a line of objections which the Supreme Court has set out, or to move in another direction from what the Court has indicated the statute means, I say that is an arguable case. I may feel very strongly about it, and disagree, and we could argue about it. However, I have been very careful about it. I agree with my colleague that the Nelson case, under the law as it stands now, is unassailable.

I have my views as to what ought to be done. I believe it ought to be allowed to rest where it is. On the other hand, I would fully respect and would be willing to debate the views of others who might think differently about this and other matters.

I repeat that, as I shall show in a short time, there are some statutory enactments that should be made where the Court has shown us that the law as it now stands is not adequate. I point out that even this is a service, namely, to show us where the law is not adequate. We may be disappointed with the contingency in which the Supreme Court has shown us we have not covered the situation. However, is that not the essence of why we have a Supreme Court? For all the Court knows, Congress never intended it should be covered. At least, Congress gets another look at what it has done imprecisely.

In the situation of a man who has been fired from a Government position, or held up to public obloquy, where nine Justices of the Supreme Court, or at least a majority of them, feel the law has been stated imprecisely, is there not at least enough reasonable doubt that it ought to be sent to us to make it precise?

Mr. KUCHEL. I wish to commend the Senator for his very timely address on this most important subject.

Mr. JAVITS. I thank my colleague. I now continue with my analysis of the cases in which some change is recommended as desirable or undesirable.

We next come to the Watkins case, in which the Court spoke critically of the breadth and vagueness of the mandate of the House Un-American Activities

Committee. The recommendation that the mandate be rewritten in less broad and vague language and to make the vague language precise is helpful.

When I was in the other body that subject was a topic of very heated debate. It was urged time and time again. However, it took action by the Supreme Court in the area where it hurt in order finally to bring the other body to the realization that witnesses ought to know what they are up against when they appear before a committee. We cannot assume that because so many witnesses are people we do not like—and that includes me—that is any reason for writing different laws as to them.

The next point I wish to raise relates to the Yates decision. There two issues were raised. They both illustrate the very important aspects of my whole view of this situation. One aspect deals with conspiring to organize a society of persons who advocate the overthrow of the Government by force and violence; and the second issue was as to what is meant by conspiring to advocate such overthrow.

On the first one the Court held the word "organize" means the Communist Party when it was first formed.

Again the Court has shown us where we went astray, and we ought to be pleased, rather than angry.

On the other point, however, a fundamental issue has been raised, because it is a question whether advocacy means advocacy of action or advocacy of belief.

Mr. President, I wish to say, advisedly, that if we pass a statute which condemns advocacy of belief, my own opinion is that it is unconstitutional and that the Supreme Court can and should declare it unconstitutional. Such a statute is completely inimical to American liberty, because we cannot set ourselves up as the arbiters of what people should think, or as the arbiters of the ideas which they should spread abroad for discussion. We can set ourselves up to legislate against liberty becoming license. There, we are in a perfectly sound and sure area of precedent, for Mr. Justice Holmes, years and years ago, made that distinction when he compared ordinary free speech with a person getting up in a crowded moving picture and yelling "Fire," stating that the latter was not free speech, but was an incitement of action which was actionable on the part of the Government.

I make that point in respect of the Yates case, because I fear very much that in the debate which will take place about changing the law, we will get fuzzy and may very well, in our zeal to catch all the Communists in the country—and I am all for that, in terms of their exposure or punishment if they have violated the laws of our country—begin to write unconstitutional laws on this subject, thinking that we have scared the Supreme Court, and that the Supreme Court will hold such laws constitutional. I am confident we will not scare the Court. I feel deeply that we should not pass any such laws which we know to be constitutionally imperfect at their very inception.

I proceed now to another group of cases, the Slochower, Beilan, and Lerner group. These relate to the proposition whether a person shall or shall not be subject to discharge if he fails to answer a question or questions in a congressional or other investigation. It seems to me that there, again, we are in an area where the Supreme Court has given us excellent ground rules, and we should not be so unwise as to fail to follow them. The distinction and practical effect which the Court has made is this: in a job requiring accountability in those to whom the employee is responsible, can the employer question the employee about his activities? If the employee refuses to divulge his activities, even if the employee has a perfect right to refuse in terms of protecting himself, that does not mean he is a desirable employee. The Court says, in the Lerner case, that he may be fired merely for the refusal to answer.

But in dealing with a peripheral matter, as in the Slochower case, the case of someone answering or not answering a legislative committee, where there are all kinds of complications about what the committee's authority may be and what the individual situation may be before the committee, where it is not at all clear that it is germane to his employment or to his relationship between himself and those who employed him, then, the situation is different. At the very least, we should be very clear as to what will be the penalty for answering such a legislative committee or failing or refusing to answer it, and also realize that his constitutional liberties can just as easily be denied by tying the hands of the person so that he cannot assert them, as they might be by depriving a person of those liberties directly and out of hand.

So in those cases, if we do have legislation, I would want to see us follow the line of judgment which is exercised in the Court's decisions, rather than going off again on the proposition that when one works for the Government, no matter who asks anything about anything, and no matter what may be one's constitutional rights, he is a different kind of citizen and has to answer or suffer the penalty of being fired from his job. What is worse than the obloquy of having been fired on grounds of that kind?

The next resolution to which I wish to address myself is the question of the exclusion of aliens. This was the situation in the Bonetti case.

As I have stated, we now have built into the law safeguards which will prevent such a situation from occurring again except in the most remote situation. So I hope that we will not again get fuzzy and pass some law dealing with the situation, when the situation is really academic.

But there is a situation in respect of aliens awaiting deportation, raised by the Witkovich decision, with which I think we must deal. Again, we ought to deal with it precisely and clearly. That is, we must determine the specific information the Attorney General of the United States needs to determine whether an alien is amenable to the process of the Federal Government in terms of his deportation, and also how that alien is comporting himself in his normal relations in his community.

I point out that in the Witkovich case the Supreme Court would not permit the Attorney General to question the alien, except on the fact as to whether the alien was holding himself in readiness for the call to be deported, when it came. The Court did not permit the Attorney General to question the alien as to his activities or how he spent his time, although he was here by sufferance, because we could not deport him along with everyone else who was being deported.

It seems to me that a parallel arises between an alien in that status and a person on parole. I am not for clapping a person on parole into jail for life any more than I am for clapping an alien into jail for life.

The maximum 6-month period of detention allowed by the statute appears reasonable, but I feel that parole rules can be written which would give the Attorney General a little more authority than he has under the Witkovitch decision. I believe the Attorney General should endeavor to make out a case that he needs that authority, and I point out again that we cannot undertake to enforce all the criminal and civil laws of the United States under cover of that kind of regulation. I only utter the injunction, again, that we must be wise about what we do in that regard, although it seems to me that this is an area in which there is room for some legislative action.

I pass now to another of the legislative actions urged by the American Bar Association resolutions; that is, the right to fire summarily those in nonsensitive Federal jobs, in order to deal with the situation presented by the so-called Cole case. I believe that in this area no legislation is needed, for this reason: I believe that in this situation there are existing techniques in the Federal Government for firing an employee. The question is, Is there a right to fire summarily? That is the real issue raised by the Cole case. That is largely a question of time and the procedures involved, rather than a question of a substantial ground upon which a person might be discharged from the Federal service.

It seems to me that the very fact that a person is in nonsensitive employment dictates its own answer. If he is in sensitive employment, there is no law that he cannot be discharged summarily, considering all the danger which is involved. But we ought to give the benefit of the regular procedures to any employee so long as we are sure that the grounds by which he may be let go from the Federal service remain the same. The only difference is the question of summary rather than more orderly discharge.

I come, lastly, to a group of cases listed in the American Bar Association's special committee report, which are characterized by the committee as weakening our national security and which contain every one of the decisions which the Jenner-Butler bill of last year tried to overturn.

I have already discussed the Nelson and Yates cases. I have already discussed the Watkins case. I shall now move to the cases regarding the admission of persons to the bar of their own States. It will be recalled—and I repeat it again—that this constituted the first section of the Jenner-Butler bill, and involved what I consider to be Court raiding. There the effort was made to take away Court jurisdiction. These two cases were based upon due process, in terms of the equal protection to which every citizen is entitled under the law, in terms of his qualifications for a particular profession.

I respectfully submit—and I think this point is very important in this particular connection—that in those cases the Court was not proceeding out of context. It was proceeding on the basis of a well-established and long line of decisions giving the background and the authority for not depriving a person of the right to practice a profession or to engage in a particular calling, based upon standards which were appied in these two cases. In that respect, in the memorandum which I shall submit, I cite a number of cases which relate to this entire general situation.

Finally, Mr. President, and by way of summing up the matter—because I think I have completed my analysis of the cases—I come now to the bills which are before the Internal Security Subcommittee; I refer to the bills by which it is sought to "correct situations which have been revealed by the decisions of the U.S. Supreme Court."

Mr. President, the Internal Security Subcommittee of the Senate Judiciary Committee is now holding hearings on several bills which carry out the major recommendations of the American Bar Association, as follows: They give State antisedition statutes concurrent effect with the Federal law known as the Smith Act; they amend the Smith Act to redefine the word "organization," so that it includes the recruiting of new members, and to make "advocacy" illegal, even when it is abstract and is not directed at specific action; they amend the Immigration Act, so as to give greater discretion to the Secretary of State to deny passports; and they expand the authority of Federal agencies to summarily suspend employees who hold nonsensitive jobs.

Mr. President, I have already stated my disagreement with the proposal to give State antisedition statutes concurrent effect with the Smith Act, and also my disagreement with the proposal to change the definition of the word "advocacy" in the Smith Act—because I believe to do so would be unconstitutional—and also my disagreement with the proposal to expand the authority of Federal agencies summarily to suspend employees who hold nonsensitive jobs.

I wish to refer now to the proposal to amend the Immigration Act, so as to give greater discretion to the Secretary of State to deny passports.

I think that the practical effect of the Supreme Court's opinions on that subject is that, under the freedom to travel, which is one of our proper freedoms, a passport can be denied only to a person who is not a citizen, or to a person who has been in the United States illegally and is not a lawfully admitted alien, or to a person who is subject to criminal jurisdiction at the time—for instance, because he is on parole or because he is subject to being sentenced for a crime, or because of similar situation, and that in all other cases the Secretary of State has to grant a passport.

I believe that law needs to be made more precise. But I also believe that the bill now before the Internal Security Subcommittee is much too broad; and, indeed, I believe it is so broad that it, too, is likely to come afoul of constitutional restrictions.

The practical effect of that bill, which is Senate bill 1303, is to make it possible for the Secretary of State to deny a passport first when he believes that the person concerned will further the aims and objectives of any party, group, or association found by the courts or by any agency or officer of the United States duly authorized by the Congress to be seeking to alter our form of government or to be organized or utilized for the purpose of advancing the aims of the Communist movement, and so forth; second—and this, again, I think is also subject to constitutional dangers—when there is reasonable ground for believing that any such person is going abroad to engage in activities and associations of one or more of the condemned kinds, one of which is prior membership in any party, group, or association described previously as essentially being part of the world Communist movement. Mr. President, I believe that such standards will get the Congress into trouble again, and again will create conflicts with the Supreme Court.

I believe the proper standard which should be established—and I believe the Court would quite properly allow the Congress to suggest such a standard—is where such a person is seeking to go abroad to do something which will jeopardize the national security, a passport may be denied. In such cases, if we establish essential due process procedures—for instance, in regard to hearing, and so forth, and confrontation—which are in line with the Jencks case, to the extent that even when such a person is affected by a confidential file, he will be confronted with the information by which he is affected, then I think that will be procedure on sound ground in respect to passport cases. I say that because—as I also say in respect to other of the passport cases—I wish to issue a word of caution against fuzzy thinking.

Mr. President, I desire to conclude my remarks with the following: There is no question about the danger to all our institutions if the Supreme Court's jurisdiction in constitutional law cases is imperiled. There is also no question about the right of Congress to legislate wherever the Supreme Court has indicated there is an area for legislation which is constitutional. But in doing so, we must do two things: First, we must beware that we do not pass another unconstitutional statute, and then get even madder at the Court than we were before, because it overrides that statute—as is its duty; and, second, we must beware that our thinking is not led astray by an evil which we are trying to correct, so that we do something fuzzy about it, something contrary to our own national interest and our own national policy.

Mr. President, I am grateful to the colleagues who have participated in this debate. I hope very much this presentation will give us a ready reference for the debates which undoubtedly will ensue, and for use in connection with the specific pieces of proposed legislation which now are before the Judiciary Committee, some of which, at least, may very likely come before us on the floor of the Senate.

Mr. President, I ask unanimous consent that the text of my memorandum on the specific cases cited in the special committee report may be printed in the RECORD following my remarks.

Mr. President, I now yield the floor.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MEMORANDUM OF SENATOR JAVITS ON THE RESOLUTIONS OF THE AMERICAN BAR ASSOCIATION AND ON THE REPORT OF THE SPECIAL COMMITTEE ON COMMUNIST TACTICS, STRATEGY, AND OBJECTIVES

I. OVERALL VIEW OF RECENT SUPREME COURT DECISIONS

The second part of resolution I, adopted by American Bar Association, reads:

"*Be it further resolved*, That wherever there are reasonable grounds to believe that as a result of Court decisions weaknesses in internal security have been disclosed, remedial legislation be enacted by the Congress of the United States."

The first part of resolution IV reads:

"Whereas recent decisions of the U.S. Supreme Court, in cases involving National and State security and with particular reference to Communist activities, have been severally criticized and deemed unsound by many responsible authorities; and

"Whereas problems of safeguarding National and State security have been exposed or created thereby which this association feels would be best solved by the careful study of each decision, and the prompt enactment of sound amendments to existing law within the constitutional powers of the Congress: Now, therefore, be it

"*Resolved*, That this association recommend to the Congress the prompt and careful consideration and study of recent decisions of the U.S. Supreme Court and the preparation and passage of separate amendments to the laws involved so as to remove any doubt as to the intent of the Congress, and to remedy any defect in the existing law revealed by the decisions."

While resolution 1 has no definite implication as to the effect of the Court's decisions, No. 4 indicates that recent decisions affirmatively require remedial legislation, apparently referring to some or all the 24 cases digested in the committee's report.

It may be noted that Arthur Krock's column in the New York Times on March 17, 1959, entitled "Decisions That Cannot Be Legislated Away," assumed that the resolution was intended to refer to all the listed decisions.

The committee report itself goes further in implying that the Supreme Court's decisions have been deleterious to security. Thus, the report states:

"Many cases have been decided in such a manner as to encourage an increase in Communist activity in the United States * * * although these cases might readily have been disposed of without so broadly limiting National and State security efforts."

Again, the committee report states, as an introduction to the collection of 24 case digests:

"The following are the principal cases that have been criticized by the public, public officials, and the bar in varying degrees as illustrative of how our security has been weakened."

The American Bar Association resolution—and even more the resolutions together with the committee report and case digests—give the impression that the Supreme Court has continuously decided cases with careless disregard for the security of this country and that wholesale correction of its work is necessary to protect our form of government against domestic threats. What support is offered for this conclusion? The report is devoid if any attempt to appraise the entire work of the Court during the period that the 24 listed cases arose, or the significance of the listed decisions from the standpoint of our total national security apparatus, or even the specific effect on security of the listed decisions; it relies instead on general statements such as those quoted above. Even more surprising in a lawyer's document is the absence of any critique of the listed decisions from the standpoint of legal principles or judicial precedents.

What the committee has done is to collect cases decided in the last few terms of Court (since 1956) in which there was an issue involving an alleged Communist or Communist activity and in which there was a decision invalidating in whole or in part the action of a State or Federal agency or modifying a criminal judgment. This aspect of the cases is the only common thread running through them and is the only aspect highlighted. The circumstance that the committee is concerned only with one factual aspect of the decisions is a reflection of the particular assignment of the committee. For the report is the work of "The Special Committee on Communist Tactics, Strategy, and Objectives." As the report states, there had not been "sufficient opportunity" for this committee to discuss the problems with the association's special committee on individual rights as affected by national security. Thus, the report and the resolutions submitted and adopted (with slight modification) by the association, are the product of a committee with the sole function of appraising communism and its menace rather than our legal institutions. Indeed, the committee's focus is reflected in the devotion of much of the report to hortatory passages as to preparedness against Russia and to nonlegal matters respecting foreign affairs, such as the decline in U.S. gold reserves because of the Soviet menace, the deceitfulness of Soviet pleas for peaceful coexistence, the failure of Red China to release American prisoners, the execution of Hungarian leaders, etc.

A. Other decisions of Supreme Court in security cases in recent terms. Because of the particular thesis and focus of the American Bar Association committee, the report has neglected to mention that during the self-same terms of Court in which the listed cases were decided there were decisions involving alleged Communists and Communist activity that were favorable to the Government. The committee's failure to mention these decisions might give the impression that all the cases that came before the Court in this period involving a Communist matter were decided against the Government. Outstanding among those validating Government action, particularly in view of the committee emphasis on the Government's investigative powers in the security field—5 of the 24 listed cases concern investigations—is *Ullmann* v. *United States,* 350 U.S. 422. There the Court upheld the constitutionality of the recently enacted immunity statute. That statute enables the Government, by an offer of immunity, to preclude a witness before a grand jury, in an investigation of security matters, from remaining silent in reliance on the fifth amendment's privilege against self-incrimination. Ullmann had attempted to invoke the privilege when asked by the grand jury about his knowledge of espionage and his and others' membership in the Communist Party. When offered immunity, as provided by the statute, Ullmann maintained that he could nevertheless rely on the fifth amendment. The majority held that the statute was constitutional, and that Ullmann and any witness granted immunity provided by the statute must answer or be jailed for contempt. This statute is of obvious large importance in investigating and prosecuting in the security field.

Another decision involving security decided favorably to the Government was *Black* v. *Cutter Laboratories,* 351 U.S. 292. Here an employee who was a union officer had been discharged and an arbitration board acting under the union contract had ordered her reinstated. The employer contended that her reinstatement would endanger security because she was a Communist. Despite its customary enforcement of arbitration awards, the Supreme Court of California refused to enforce the reinstatement award saying that compelled reinstatement was against public policy because the employee's membership in the Communist Party might make her a danger in the employer's plant. The U.S. Supreme Court upheld this decision, holding that enforceability of the award was a matter for State determination. The Court acted similarly in *Wilson et al.* v. *Loew's Inc. et al.,* 355 U.S. 597. There a number of movie actors and other employees of the movie industry alleged that the defendants conspired to blacklist them and to see that they were barred from any further employment in the entire movie industry, because they had invoked the fifth amendment's privilege against self-incrimination before the House committee. The Supreme Court refused to disturb the State court decision that the employees had no cause of action. This Supreme Court decision obviously obviated difficulty for the House committee, and also permitted the continuance of blacklisting of persons invoking the privilege. In view of the emphasis in the American Bar Association resolutions on the importance of the House committee, this case seems worthy of mention.

In the field of Government employment for which there is special concern both in the American Bar Association resolutions and the report, the Supreme Court rendered two decisions favorable to Government action which undoubtedly have greater effect and applicability than two, if not all three, of the adverse cases dealing with employment that are digested in the report. The decisions are *Beilan* v. *Board of Public Education,* 357 U.S. 399, and *Lerner* v. *Casey,* 357 U.S. 468. In Beilan a public school teacher of 22 years' standing had been discharged on the ground that he had refused to answer when asked whether he had been active 8 years before in the Communist Political Association. In Lerner a subway conductor had been discharged by the City of New York for his refusal to answer whether he was a member of the Communist Party. The Supreme Court upheld the constitutionality of the State action in both cases, on the ground it was reasonably related to the legitimate purpose of the State's securing loyal employees. It is to be noted that Lerner's discharge as a security risk was sustained despite the contention that he was not in a sensitive position, his job being simply to open and shut subway doors (357 U.S. at p. 474).

It should also be noted that the Yates decision (Case No. 13) which is highlighted insofar as two recommended legislative amendments are based thereon (Resolution IV (a) and (b)), only partially invalidated the Government's position, upholding it in an important respect. That is, while the Court ordered the acquittal of 5 of the 14 defendants, it held, over the objection of dissenting Justices Douglas and Black, that there was sufficient evidence against the other 9 to warrant their retrial, and, more important as a matter of principle in the trial of Smith Act and similar cases, also held that the overt act required for conviction of unlawful conspiracy could consist of participation in an entirely lawful public meeting. (The Court also held the Government was not estopped as against one of the defendants by a prior judicial holding in his favor.)

While these decisions demonstrate graphically and beyond argument that the Court is not blind to security factors, I recognize, of course, that there have been more decisions adverse to the Government touching on security in the recent terms of Court, than favorable. This is not, however, surprising, considering the mass of State and Federal acts and proceedings involving this issue over the past decade, many of a novel and unprecedented nature. And possible factors in this statistical imbalance might be that Government officials may have felt encouraged by favorable decisions in the previous terms of the Supreme Court in cases involving communism to overextend their powers, and that there may have been pressure to ignore customary principles as to the fair administration of justice when the proceeding involved the issue of communism. For, as will appear, a number of the Supreme Court decisions digested by the American Bar Association committee merely involved the application of such principles.

B. American Bar Association committee's criticism of narrow grounds of decision: In a number of the listed cases, the Court adopted much narrower grounds for decision than those urged by the opponents of the Government action. Thus, for example, in the Subversive Activities Control Board case (case No. 2), the Court refused to pass on the contention that the Board was unconstitutionally established, and passed only on a question of procedure: the contention that the Board should consider whether perjured evidence had been used. Again, in Watkins (case No. 3), the Court refused to issue a definitive holding on the much-urged contentions that the mandate of the House Un-American Activities Committee was wholly unconstitutional or that questions by an investigating committee of the type at issue violated the first amendment. While the Court strongly indicated that the former contention was correct and gave some indication in the latter direction as well, it relied only on the narrow ground of the House Committee's failure to inform the witness as to the pertinence of the questions he refused to answer. In Sacher and Flaxer (Nos. 18 and 23), also involving congressional investigations, the reversals of contempt convictions were likewise made on narrow grounds. In Cole (No. 4) the ruling dealt only with the procedure for discharging a Federal Government employee from a nonsensitive position, rather than the basic validity of such a discharge; in Witkovich, Yates, and the passport decisions (Nos. 8, 13, 19, and 20), the Court construed statutes so as to avoid constitutional problems, rather than ruling on the constitutional issues that would have been posed if the statutes had been interpreted as authorizing the Government action.

As to the Court's use of narrow grounds for decision, the position of the American Bar Association committee shows marked inconsistency. It first says "these cases might readily have been disposed of without so broadly limiting National and State security efforts." On the other hand, the report criticizes the course of decision in the Subversive Activities Control Board case on the

ground that the Court failed to immediately determine the basic constitutional issue of the Board's validity as soon as litigation involving a Board decision came to it.

That the Court decides a case on the narrowest grounds available and disposes of all procedural points before proceeding to constitutional ones, is of course the most firmly established principle of Supreme Court practice. It can be equally disagreeable, from a partisan standpoint, both to the opponents and supporters of the action under consideration. The latter of the American Bar Association Committee's criticisms is factually correct: the Court adhered in this group of cases to its practice of deciding cases on narrow grounds. But if the Court had abandoned this practice and plunged into decision of these cases on broad constitutional grounds, then I believe the Court would be justifiably subject to criticism for treating these cases in an exceptional manner.

It is of course true that narrow procedural decisions delay the ultimate determination of basic validity in these as in all other cases. The Subversive Activities Control Board litigation has been protracted, as the American Bar Association committee states; however, its duration is certainly not exceptional, particularly if compared to an antitrust proceeding which it resembles, in that it involves the taking of evidence and finding of fact on numerous complex points. In any event, the American Bar Association committee cannot have it both ways. Since it is unwilling to propose that the Constitution be abandoned whenever the case involves communism, then to urge that the Court take up all issues of basic validity in every case presented, means to risk unnecessarily broad invalidations of Government power. Thus for example, the Court did not adjudicate the basic validity of the mandate of the House Committee on Un-American Activities in the Watkins case. If it had and had ruled adversely on the House Committee, the Committee would have had to cease functioning; instead the House Committee has continued to operate, and has been subject only to the rule established in Watkins as to its hearing procedure.

C. Participation of all judges in decisions: The implication that the American Bar Association committee's collection of decisions represents a disregard of the requirements of security gives rise to the question whether they were decided merely by one group of judges on the Court; for one would not suppose that every member of the Court was afflicted with such a disregard. In fact 5 of the 22 finally adjudicated listed decisions were unanimous. In addition, in case No. 21 the dissenters agreed with the majority's view, but thought the Court should have adopted an additional position favorable to the defendant. This is about the same proportion as the overall proportion of unanimous to split decisions during a term. In the decisions that were not unanimous, the composition of the majority varied. The Justices that most often dissented (Clark, Burton, Whittaker, and Harlan) nevertheless joined the majority in some of the non-unanimous decisions. Indeed, Justice Clark who was a sharply critical dissenter in some decisions, wrote the majority opinion in Slochower, and the second Yates decision (Nos. 16 and 21); Justice Burton wrote United Mine Workers (No. 17); Justice Whittaker wrote Bonetti (No. 22); and Justice Harlan authored the majority opinions in Cole, Service, and the first Yates decision (Nos. 4, 12, and 13).

Only three of the decisions are 5 to 4 decisions. In one of these, Slochower (No. 16), the dissenters agreed with the principle asserted by the majority—that guilt could not be presumed from invocation of the fifth amendment's privilege against self-incrimination—but thought that the case did not present this issue. In the other two, the passport decisions (Nos. 19 and 20), the difference between the majority and the dissenters seem of more significance. Though not explicit in the dissent, the split may stem from a difference in value judgment as to liberty and security in the travel and passport situation. The passport decisions, I would agree, point to a problem requiring a careful evaluation of the national interest and the liberty of the individual and formulation of a program in regard thereto.

D. Principles and precedents involved in decisions: With the possible exception of the Jencks decision (No. 11), all of the decisions digested in the American Bar Association committee report employ well-established principles of general applicability and follow precedent.

For example, in the area of the fair administration of justice, the Gold decision (No. 7) is squarely based on *Remmer* v. *United States* (350 U.S. 377; 347 U.S. 227), which was a case of income tax fraud. Gold had been convicted of filing a false non-Communist affidavit; the district court judgment had been affirmed by an equally divided court of appeals. One of the issues was whether Gold had been deprived of a fair trial because "an FBI agent, investigating another case in which falsity of a non-Communist affidavit was also charged," had asked three members of the jury whether they had received the propaganda literature, and because other members of the jury as well had heard the FBI contacts (see 237 F. 2d at p. 775). In a 6 to 3 per curiam decision, the Supreme Court held that a new trial should be granted "because of official intrusion into the privacy of the jury" (352 U.S. at p. 985). It is true, as the dissenters stated in Gold (see 352 U.S. at p. 985), that the Remmer opinion had said that tampering with a juror was only presumptively prejudicial (347 U.S. at 229). However, in Remmer, the case was, at the time of the last Supreme Court opinion, "here for the third time" (350 U.S. at p. 377) and the Supreme Court in that opinion decided that the presumption could not be deemed rebutted. The Gold ruling seems an appropriate and expeditious application of the Remmer doctrine; on the facts, it would seem there was as much or more likelihood of prejudice in Gold as in Remmer. In both cases the Court indicated that it would be a rare case in which jury tampering could be deemed nonprejudicial.

Again, the preservation of "the untainted administration of justice" (351 U.S. at p. 124) was the basis of the 6 to 3 decision in the Subversive Activities Control Board case (No. 2); there involved was the claim that 3 major witnesses, on whose testimony the Board had relied a total of 85 times (351 U.S. at p. 123), had committed perjury. The Court noted that "the untainted administration of justice is certainly one of the most cherished aspects of our institutions" (351 U.S. at 124). Watkins (case No. 3), in which Justice Clark alone dissented, was based on the principle of constitutional and criminal law that a defendant must be informed of "the standard of criminality before the commission of the alleged offense" (354 U.S. at p. 208).

In decisions construing statues, there generally is no possibility of following precedent in the same manner as in other cases since the problem is what does the individual statute mean. But it can be asserted that in the listed decisions involving statutory construction, the Court relied on the traditional aids to construction: legislative history (e.g., No. 5, *Leedom* v. *International Union*, 352 U.S. 145, 149–150); the rule that penal statutes are to be strictly construed (e.g., No. 13, *Yates* v. *United States*, 354 U.S. 298, 304); and that statutes are to be construed whenever possible to avoid constitutional questions (e.g., No. 8 *United States* v. *Witkovich*, 353 U.S. 194, 201–202).

The precedent for Schware and Koenigsberg (Nos. 9 and 10), both constitutional due process rulings, goes back to the post-Civil War period when efforts were made to disbar sympathizers with the Confederacy (see *Ex parte Garland; Cummings* v. *Missouri*, cited at 353 U.S. p. 239). In these cases the Court held that the state cannot arbitrarily deprive a person of his right to follow his chosen occupation; that this principle applies to the practice of law; that "any qualifications must have a rational connection with the applicant's fitness or capacity to practice law"; and that the exclusion of Schware and Koenigsberg had no reasonable basis (353 U.S. at p. 239). It is true of course that in decisions of this type, determining whether Government action is "arbitrary," the place of value judgments seems more conspicuous than in other decision-making. By the same token, in some of the decisions where the majority construed a statute so as to avoid a constitutional problem, a value judgment was involved in the conclusion that a grave constitutional problem would arise from the contrary construction (i.e. *Witkovich*, Case No. 8; Kent and Briehl and Dayton, Nos. 19 and 20). A value judgment, needless to say, can always give rise to a difference of opinion, but there is no indication that the judgment of the Justices was not applied as conscientiously in this group of cases as in other cases requiring value judgment.

The Jencks decision (case No. 11) merits separate mention because there the Court extended, or at least reinterpreted its prior decisions. Jencks held that when a witness for the prosecution has made a statement prior to the trial of the FBI about the events as to which he has testified, the statement must be produced for the defendant's inspection, and use, if he so desires, to attempt to impeach the witness. To secure the production, the defendant need not show inconsistency between the report and the testimony, because, unless the witness "admits conflict, as in Gordon, the accused is helpless to know or discover conflict without inspecting the reports" (353 U.S. at p. 668).

Jencks, a union officer, had been convicted of filing a false non-Communist affidavit with the labor Board, on circumstantial evidence of his Communist Party membership, consisting of testimony by 2 witnesses as to meetings attended between 1946 and 1949 and statements by him in 1950. One witness testified he had made reports to the FBI "immediately following each meeting, while the events were still fresh in his memory" (353 U.S. at p. 665), and the other testified: "I don't recall what I put in my reports 2 or 3 years ago" (at p. 667). In ordering that these contemporaneous reports be produced, the Court said: "Every experienced trial judge and trial lawyer knows the value for impeaching purposes of statements of the witness recording the events before time dulls treacherous memory * * *. Because only the witness is adequately equipped to determine the effective use for purpose of discrediting the Government's witness and thereby furthering the accused's defense, the defense must initially be entitled to see them to determine what use may be made of them. Justice requires no less * * *the interest of the United States in a criminal prosecution 'is not that it shall win a case, but that justice shall be done' (*Berger* v. *United States*, 295 U.S. 78, 88)" (353 U.S. at pp. 667–669).

The Court indicates that it is overruling *Goldman* v. *United States*, 316 U.S. 129, where it had held "that the trial judge had discretion to deny inspection when the witness 'does not use his notes or memorandums (relating to his testimony) in court'" (353 U.S. at p. 668). However, Goldman seems

in fact to have been overruled, without attracting attention to the point, in *Gordon* v. *United States*, 344 U.S. 414, a decision having no connection with security questions. In Gordon production of prior statements was ordered although, unlike Goldman, the witness had not used them at the trial. Nevertheless, on one point Jencks involved a further step than Gordon. The witness in Gordon had admitted that his prior statement was inconsistent with his testimony at the trial; but, the Court said in Jencks, though it had mentioned this circumstance in Gordon, a showing of inconsistency was not part of the necessary foundation for an order of production. All the Justices except Justice Clark agreed on this extension or crystallization of Gordon, the only difference between Justices Harlan and Burton and the six-judge majority being on whether the statements should be submitted to the judge or directly to the defendant.

There is slight misstatement in ABA committee digest; only two Justices, Burton and Harlan, rather than three, as the digest states, thought the documents should first be produced for examination by the Court, rather than being submitted directly to the defendant.

Justice Clark, the sole dissenter from the view that the reports should be produced, no doubt stimulated the heated attacks on this decision since he stated that the Court has afforded criminals "a Roman holiday for rummaging through confidential information as well as vital national secrets" (353 U.S. at pp. 681–682). This fear seems exaggerated; for the decision was limited to statements by witnesses who had already appeared with respect to the events about which they had already testified—neither their identity nor the events were any longer confidential.

In any event, we have already enacted a statute as a result of this decision (18 U.S.C. 3500), prescribing procedure for production of prior statements of a witness. The statute in substantial effect prescribes the procedure which the Supreme Court established in Jencks; that is, in the Jencks situation, the procedure under the statute would have been the same as that prescribed by the Court. The cases have regarded Jencks and the statute as being of similar tenor. See *Papworth* v. *United States*, 256 F. 2d 125 (C.A., 5, 1958); *United States* v. *Grunewald*, 162 F. Supp. 621 (S.D.N.Y., 1958) and cases there cited.

The statute includes a provision to cover an issue that was not presented in Jencks; it provides that in the event the entire statement produced by the FBI does not relate to the subject of the witness' testimony, the statement should be submitted to the judge and he should excise the irrelevant passages from the document before giving it to the defendant. However, there was no reason to think this would not have ben the ruling of the Supreme Court in the Jencks case; there was no issue there as to the statement including any matter other than that relating to the witness' testimony against Jencks.

The subsequent decisions have not indicated there is any difficulty or hardship in application of the rule of Jencks and section 3500, and therefore there is no need to contemplate statutory amendment.

That the principles applied in the cases digested by the ABA committee are of general applicability, rather than of peculiar coinage in relation to communism, is graphically illustrated by Jencks. The Gordon case on which the Court relied in Jencks involved the crime of possession and transportation of stolen goods, and now pending in the Supreme Court among the cases involving the Jencks principle are several arising under the antitrust laws (see *Pittsburgh Plate Glass Co.* v. *United States; Golax Mirror Co., Inc.* v. *United States*, October term 1958, Nos. 489, 491).

E. Overall conclusion as to recent decisions: As in the case of any group of Supreme Court decisions an inspection of those digested in the American Bar Association committee's report may indicate the need for legislation in some individual respect. But the foregoing overall consideration of the Court's decisions in cases involving security reveals no basis for an assumption that its decisions in this field are departures from sound principle, or an unreasonable balance between society's interest in security and individual rights, deleterious to security. As I pointed out before, the American Bar Association committee offers no support for its charges that our security has been weakened through the recent Supreme Court decisions, that they have encouraged an increase in Communist activity in the United States, and that they have caused a paralysis of our internal security. Neither our total internal security apparatus nor the effect of the specific rulings is appraised in the committee report. In fact, most of the decisions either did not detract at all from the governmental arsenal of powers to combat communism, such as those that merely required procedural fairness, or narrowed those powers only in very minor respects.

In the latter category, for instance, is the Bonetti case (No. 22), to which recommended legislation is apparently directed (see resolution No. IV(d)). Bonetti was an alien who entered the United States in 1923, left the Communist Party in 1936, left the United States in 1937, and returned to the United States in 1938, disclosing his past Communist membership. He was not a Communist when he entered in 1938, or at any time since then. A statute provides that an alien is deportable if he has been a Communist at any time after "entry." The question was whether his entry for the purpose of determining whether he was deportable because of Communist Party membership after "entry," was in 1938 or in 1923, when he first entered. The Court held that his deportability depended on whether he was a Communist since his 1938 entry, because it was this latest entry which would be nullified by his deportation. The decision obviously will not have frequent application. Justice Whittaker, for the majority, pointed out that the case involved "rare and novel facts" (356 U.S. at p. 699), and that it would not be possible for ex-Communists now to take advantage of the decision and neutralize their records by leaving the United States and reentering. For, while Bonetti was not excludable in 1938, by virtue of his past Communist Party membership an alien would now, under the Internal Security Act of 1950, be refused admission or readmission if he had ever been a member of the Communist Party in the United States (356 U.S. at p. 698).

An example of a decision with even less effect on security is the Service case (No. 12). The ruling there was based on the principle "that regulations validly prescribed by a government administrator are binding upon him as well as the citizen" (354 U.S. at p. 372)—a salutary principle which precludes an administrator from according rights to one person who appears before him and discriminatorily denying them to another. In consequence, the Court invalidated the discharge of a State Department employee because the procedure used for his discharge was not authorized by the regulations then in effect. Considering that the procedure is no longer even in existence, the Government's power to discharge employees for security reasons is not impaired by this decision.

Of the decisions collected in the ABA report, there are, however, a few which may affect in a substantial respect the powers possessed by the Government in the security field. Thus, Witkovich (case No. 8), relates to the Government's power to maintain restrictions over aliens; and the passport cases (Nos. 19 and 20) relate to the power to deny permission to U.S. citizens to leave and enter the United States. These cases raise difficult problems as to the proper compromise between security and individual rights and I shall discuss them specifically later.

Let this be clear: lawyers must vigorously reject any suggestion that a decision is to be condemned or "corrected" merely because it is unfavorable to Government action allegedly to affect communism. No believer in the rule of law could take the position that principles are to be upheld or abandoned depending on the issues and persons involved. Rights are guaranteed for all, or they are not guaranteed for any: if a bond were abrogated whenever the court found that its payment imposed hardship, there would be no security in bonds. As the Supreme Court said years ago with respect to encroachment on constitutional rights:

"It may be that it is the obnoxious thing in its mildest and least repulsive form; but illegitimate and unconstitutional practices get their first footing in that way, namely, by silent approaches and slight deviations from legal modes of procedures" (*Boyd* v. *United States*, 116 U.S. 616, 635).

II. THE NEED FOR CORRECTIVE LEGISLATION

Many of the decisions digested by the ABA committee do not involve matters of statutory construction, and an attempt to legislate a change in the result of certain others would be so unfeasible, violative of basic principles of fairness, or actually unconstitutional that the suggestion for legislation could not be seriously intended in regard to them.

Some of the Court rulings are, however, susceptible to legislative modification, and I now turn to the ABA's specific legislative recommendations.

It may be noted at the outset that there is no discussion in the ABA committee report of the legislative recommendations nor any arguments in support thereof.

A. Resolution I: The provision of American Bar Association resolution I "that State statutes prescribing sedition against the United States shall have concurrent enforcibility" is an outgrowth of the Nelson decision (case No. 1). It has been pointed out by eminent lawyers, such as the Federal Legislation Committee of the Association of the Bar of the City of New York, that the Nelson decision, in which the U.S. Supreme Court affirmed the Supreme Court of Pennsylvania, was well based in principle and precedent, and indeed had been anticipated by legal commentators. Further, it was pointed out that advocacy of overthrow of the U.S. Government, to which alone the decision relates, is a national problem over which centralized national control is desirable. As Justice Clark, who was one of the Nelson majority, said in a later dissenting opinion, the purpose in Nelson was "to suspend State action only in the field of subversion against the Nation and thus avoid a race to the courthouse door between Federal and State prosecutors. Cases concerning subversive activities against the National Government have such interstate ramifications that individual State action might effectively destroy a prosecution on the national level" (354 U.S. at p. 268).

Considering the point asserted by Justice Clark; considering that in fact all important prosecutions in this field had been brought by the Federal Government under the Smith Act—indeed Nelson himself was under a Federal sentence at the time of the Pennsylvania prosecution; and considering that Nelson in no way curtails the State's power to punish sedition (against itself), sabotage, or violence of any kind (350 U.S. at p. 500), the Nelson decision raises no substantial problem to the protection of national security.

The recent decisions of the Supreme Court in *Bartkus* v. *Illinois* (March 30, 1959) and *Abatte* v. *United States* (March 30, 1959) upholding parallel State and Federal prosecutions as not involving double jeopardy must be considered in this connection. There should be no fear that a State prosecution for sedition would now preclude the Federal Government from prosecuting the same person under the Smith Act.

In this connection, I want to mention that the Nelson case was used last year, and is again being used, as a vehicle for a massive attack upon the entire area of Federal-State relationship and the doctrine of preemption. This goes far beyond the area of national security, and strikes at long-established relationships in areas like labor relations, railroads and agriculture. I had a feeling at one time that the Federal preemption as to subversion against the Federal Government might be lifted, but this was dispelled by the broad results sought to be attained by it (see S. 3, S. 294, S. 1299).

B. Resolutions II and III: Resolution II arises from the Watkins decision (case No. 3) in which the Court spoke critically of the breadth and vagueness of the mandate of the House Un-American Activities Committee. The recommendation that the mandate be rewritten in less broad and vague language is helpful, as is resolution III that a congressional committee should furnish a subpenaed witness with a copy "of the precise terms of the basic authority of the committee."

Paragraph 25 of rule XI of the House of Representatives now requires that—

"(i) The chairman at an investigative hearing shall announce in an opening statement the subject of the investigation;" and

"(j) A copy of the committee rules, if any, and paragraph 25 of rule XI of the House of Representatives (the paragraph from which I am quoting) shall be made available to the witness." This could well be expanded as resolution III suggests, though that is, of course, for the other body to determine.

C. Resolution IV: I have already discussed the first part of resolution IV, recommending generally the study of recent Supreme Court decisions and legislation relating thereto.

Paragraphs (a) and (b): Paragraphs (a) and (b) of the second part of resolution IV[1] arise from the Yates decision (No. 13). In Yates the defendants had been charged with violating two sections of the Smith Act: (1) Conspiring to organize a society of persons who advocate overthrow of the Government by force and violence; and (2) conspiring to advocate such overthrow. The Court, by Justice Harlan held that "organize" in the Smith Act referred to the creation of a new organization and that acts to expand an existing organization were not included.

The committee digest regarding this case misstates the dissents. Here Justice Clark dissented from all the majority's ruling that were unfavorable to the prosecution. Justice Burton dissented only from the majority's interpretation of "organize." Justice Black and Douglas did not disagree with majority's rulings, except that they would have gone further and ordered the acquittal of all the defendants and did not think overt acts in furtherance of the conspiracy could be proved from the record.

Under the Court's definition, the "organizing" count could not be maintained against the defendants. The Court pointed out that the statute had been so interpreted in the lower courts prior to the instant case, and relied, in the absence of persuasive legislative history either way, on the "normal usage" of the word and "the familiar rule that criminal statutes are to be strictly construed" (354 U.S. at p. 310).

There is no constitutional objection to the American Bar Association recommendation that the Smith Act be amended to include "activities of an organizational nature performed by members of existing clubs" (S. 527, S. 1300). Even at present, however, there is still ample power under the "advocacy" section to punish those engaged therein or connected therewith.

The American Bar Association's second proposal in regard to the Smith Act and the Yates decision is somewhat puzzling. The language it recommends is substantially the present language of the Smith Act, and the objective it espouses, of protection of the Government before damaging acts are committed, has always been endorsed by the Court. Apparently the intention of the recommendation, however, is to override the Court's holding in the Yates case that in interpreting the term "advocacy" in the Smith Act "the essential distinction is that those to whom the advocacy is addressed must be urged to do something, now, or in the future, rather than merely believe in something" (345 U.S. at pp. 324–325). In this holding, as Justice Harlan pointed out, the Court was not making new law, but was following its holding in Dennis (354 U.S. at p. 320–324); the charge to the jury in the Dennis case included the element of incitement which the charge in Yates lacked (354 U.S. at p. 326).

The Court, by Justice Harlan, further pointed out that its interpretation of "advocacy" avoided a "constitutional danger zone" (354 U.S. at p. 319); in other words, an interpretation that speech could be punished though it did not involve a call to action might well have rendered the statute unconstitutional. As the Court had said in Dennis:

"Congress did not intend to eradicate the free discussion of political theories, to destroy the traditional rights of Americans to discuss and evaluate ideas without fear of governmental sanction * * * the basis of the First Amendment is the hypothesis that speech can rebut speech, propaganda will answer propaganda, free debate of ideas will result in the wisest governmental policies" (Dennis, 341 U.S. at pp. 502–503, majority opinion by Vinson, C. J.).

Thus, I believe that the holding in Yates with respect to the type of speech that is criminal—a holding from which only Justice Clark dissented probably cannot be revised by legislation without rendering the statute likely to be found unconstitutional. (S. 1305).

Paragraph (c): Paragraph (c) of the second section of resolution IV recommends legislation to:

"(c) Establish the right of each branch of Government to require as a condition of employment that each employee thereof shall not refuse to answer a query before a duly constituted committee of the Congress or before duly authorized officers of either the Executive or Judicial Branches of the Government with respect to Communist, Communist front or other subversive activities or any other matter bearing upon his loyalty to the United States, as the Government has a right to know his record."

As I have already noted, the ABA committee report digests one decision with regard to a discharge from Government employment because of a refusal to answer as to Communist membership (Slochower case No. 16), but ignores 2 others in the last term of Court. (Beilan and Lerner). The Court has never indicated that a governmental employer was limited in inquiring into the loyalty of its employees, and in Beilan and Lerner the Court upheld, as it had previously upheld in *Garner* v. *Los Angeles Board*, 341 U.S. 716, the right of the State to discharge an employee who refused to answer as to Communist Party or Communist political association membership. There has been no case in the Supreme Court, or as far as is known, in any court, as to the refusal of a Federal employee to answer questions on loyalty; apparently a refusal to answer has not been a problem in the administration of the Federal program. If the issue arose, it is likely that a discharge of a Federal employee for refusal to answer questions asked by the employing agency would be upheld as have discharges of State employees. (S. 1301).

The Slochower decision which seems to have given rise to the American Bar Association resolution, was a holding that it was arbitrary and therefore violated due process for the New York City Board of Education to automatically discharge an employee because he refused to answer before a congressional committee, relying on his privilege against self-incrimination under the fifth amendment. Slochower, a professor of 27 years' standing, had answered questions as to the period since 1941 but had refused to answer as to 1940–41.

In holding that his automatic discharge on this ground was unreasonable, the Court mentioned the factor emphased on the American Bar Association committee digest; that the employer already had had the professor's answer to these questions. However, the major ground of decision is that no "conclusive presumption of guilt" can be drawn from the invocation of the fifth amendment privilege (see 350 U.S. at pp. 559, 557; see dissenting opinions, pp. 561, 565). The Court emphasized that here a teacher of 27 years' experience was automatically discharged because of his invocation of the privilege, regardless of the remoteness of the period to which the questions related or any other factors. The Court said: "The heavy hand of the statute falls alike on all who exercise their constitutional privilege, the full employment of which every person is entitled to receive. The privilege against self-incrimination would be reduced to a hollow mockery if its exercise would be taken as equivalent either to a confession of guilt or a conclusive presumption of perjury. As we pointed out in Ullmann, a witness may have a reasonable fear of prosecution and yet be innocent of any wrongdoing. The privilege serves to protect the innocent who otherwise might be ensnared by ambiguous circumstances" (350 U.S. at pp. 557–8).

The major emphasis in the Supreme Court's opinion was on the principle that no "conclusive presumption of guilt" can be drawn from invocation before a congressional committee of the privilege guaranteed by the fifth amendment (350 U.S. at pp. 559, 557). The Court also stressed the fact that under the New York practice discharge automatically followed a refusal to answer regardless of the remoteness of the period

[1] They read: *"Be it further resolved,* That legislation be promptly enacted to eliminate obstacles to the preservation of our internal security in the following areas:

"(a) Amend the Smith Act to define the word 'organize' to include the recruitment of new party members, the formation of new party units, and the regrouping, expansion or other activities of an organizational nature performed by members of existing clubs, cells, classes and other units so as to insure the applicability of this section of the Act to Communist activities, agents, organizers, colonists or members currently performing organizational work.

"(b) Amend the Smith Act to make it a crime intentionally to advocate the violent overthrow of the Government of the United States or to teach the necessity, desirability, or duty of seeking to bring about such overthrow; in order that (1) this Nation might take protective steps to prevent acts which, if not prevented, could result in bloodshed and treachery; and (2) this Nation need not be forced to delay the invoking of the judicial process until such time as the resulting damage has already been wrought. (See *Yates* v. *U.S.*)"

with which the question dealt or any other circumstances, and that the inqury was not made by Slochower's employer or to determine his fitness for employment (350 U.S. at p. 558). It was on the latter basis that the case was distinguished in Beilan and Lerner (see 357 U.S. at pp. 408–409, 477); and the latter holdings made it clear that the Slochower decision does not curtail the employer's right to determine fitness.

The American Bar Association recommendation would attempt to legislate an all-inclusive authority to discharge automatically for a refusal to answer before any Government body; it was authority of this indiscriminate type that the Court held to be arbitrary and a violation of due process in Slochower. Thus the broadside rule recommended by the American Bar Association may well be unconstitutional under Slochower.

The rule would mean, for example, that even if the committee is violating the employee's first amendment rights, the employee cannot challenge the violation but must cooperate in it in order to keep his job: if the committee oversteps constitutional limits when questioning Government employees, the witness might nevertheless be coerced to accede to such overstepping by the prospect of immediate loss of employment.

The Court's implementation of the fifth amendment privilege has been noticeable in a number of cases in recent terms, some far removed from the Communist question. See, i.e., *Gruenwald* v. *United States*, 353 U.S. 391, 418–434: assertion of the privilege in tax fraud case.

Paragraph (d): Paragraph (d) of the second section of resolution IV recommends that legislation be enacted to

"(d) Invest the executive branch of the Government with the right to protect our internal security against the activities of aliens who were Communists at the time of their entry into the United States or became Communists at any time subsequent to their entry into the United States by providing for their deportation without any deprivation of due process; and the right to make and enforce reasonable restrictions on aliens awaiting deportation to prohibit them from engaging in any activities identical or similar to those upon which the alien's deportation order was based, with the further right fully to interrogate aliens awaiting deportation concerning their subversive associates or activities."

The purpose of the first portion of the recommendation is not clear. The existing statute provides that an alien is deportable if he has been a Communist at any time after "entry," and in this respect the American Bar Association recommendation repeats existing law. It seems likely that the recommendation was intended to be aimed at the Bonetti situation (case No. 22) since there is no mention in the report of any other relevant matter. There the alien had entered the United States twice, and the Court construed "entry," for the purpose of determining whether he was deportable because of Communist membership after entry, to refer to the second entry. The Court reasoned that the alien had abandoned his rights under his first entry when he left the country, and it was the residence acquired through the second entry that the deportation was cancelling (356 U.S. at p. 698).

To consider, however, whether a change is required, it is first necessary to consider existing statutory provisions for deportation because of Communist membership at or before entry. These are: (1) An alien who was excludable at the time of entry, and mistakenly admitted, is deportable. (2) An alien who entered since 1950 was excludable at the time of entry, and is therefore deportable if he was ever a member of the Communist Party in the United States, though not a Communist at the time of entry or at any time since then. (3) The 1950 law explicitly provided than an alien who is a Communist at the time of entry is excludable and therefore deportable. If he entered before 1950 and was a Communist at the time of entry, he would be deemed to have been excludable, and therefore now deportable, under the general provision for exclusion of aliens advocating overthrow of the Government. Thus, the Bonetti ruling applies only to an alien whose present period of residence commenced before 1950, was not a Communist when he entered for such residence, and has never since been a Communist, but who had a previous period of residence in the United States during which he had been a Communist. There is no apparent necessity from the security standpoint to increase the provisions for deportation of ex-Communists by including therein aliens in this rare and novel class (356 U.S. at p. 699) to which the Bonetti ruling applies.

There have been frequent governmental and nongovernmental proposals for revision of the complex provisions for deportation on grounds of past political belief, and there is doubtless warrant for consideration of some amendments. But none could be supported without a thorough study, which is lacking with respect to the American Bar Association recommendation.

The second provision of paragraph (d), respecting restrictions on aliens awaiting deportation, stems from the Witkovich decision (case No. 8). An alien who has been found deportable can be held in detention for 6 months pending his deportation. If after 6 months his deportation still has not been arranged because his country of origin won't accept him or for other reasons, he can no longer be detained. However, the statute provides for his supervision and interrogation by the Attorney General after the 6 months' period, and for as long as he remains in this country. He is subject to a fine of $1,000 and imprisonment for a year for a failure to give required information. In Witkovich the lower court held that the alien could only be questioned to elicit "such information as is necessary to enable the Attorney General to be certain that the alien is holding himself in readiness to answer the call to be deported when it comes" (353 U.S. at p. 196).

The Supreme Court with only Justices Clark and Burton dissenting, affirmed this ruling. It thought that "availability for deportation" was the problem at which supervision was aimed, in the light of the entire statutory scheme. Furthermore, a contrary ruling—and by the same token amendment of the statute to achieve the contrary result—would mean that, though the alien had not been convicted of a crime and was not engaging in criminal conduct, he could be forced to account for his beliefs and associations for an indefinite period. As the Court said: "Supervision of the undeportable alien may be a lifetime problem. In this circumstance, issues touching liberties that the Constitution safeguards, even for an alien 'person,' would fairly be raised" (353 U.S. at p. 201).

Resident aliens are subject to certain disabilities which do not apply to citizens and to which citizenship is deemed relevant (for example, certain occupations are closed to aliens). And they are of course subject to the major disability of deportability. However, in general it is a principle of our law that all those within our borders are subject to the same rule of law and the same Constitutional protections. (See *Truax* v. *Raich*, 239 U.S. 33, 39, and cases there cited.) In this respect our domestic law mirrors an advance over the past centuries in international custom with respect to the treatment of aliens. (See Briggs, "The Law of Nations (1944)," pp. 498–502.) The American Bar Association's recommendation to change the Witkovich ruling would impose an indefinite period of accountability, and thereby would be a restraint, for lawful beliefs and associations, on aliens, which does not apply to citizens. The recommended amendment might also, as the Supreme Court suggested in Witkovich, be unconstitutional. For these reasons, it must be most carefully considered. (S. 1302).

Paragraph (e): The final legislative recommendation of the ABA is that legislation be enacted to:

"(e) Insure the effectiveness of the Foreign Agents Registration Act of 1948 by a requirement that political propaganda by agents of foreign principals be labeled for what it is where such agents are situated outside the limits of the United States, but nevertheless directly or indirectly disseminate such propaganda within the United States."

This recommendation does not relate to any Supreme Court decision. Like the recommendation on changes in the law relating to deportation, it relates to a complex matter on which a number of proposals have been made and which requires thorough study before a change can be recommended. The Post Office, Justice, and State Departments are presently working on this problem.

D. Committee recommendations: The American Bar Association committee report contains two recommendations for legislation which apparently were not included in those offered to the American Bar Association governing body. As in the case of the resolutions adopted by the full American Bar Association, there is no supporting argument in the report for these recommendations.

The first is legislation to "restore to the executive branch of our Government the right to determine and to dismiss, if required, those who are security risks in both sensitive and nonsensitive positions in the Government service." This recommendation arises from the Cole case (No. 4), but seems based on a misunderstanding of it.

The issue there was merely whether the statute providing for unreviewable and summary dismissal in cases of doubtful loyalty applied to nonsensitive as well as sensitive positions. The Court, in an opinion by Justice Harlan, pointed out that the Government had the power to discharge employees from either type of position for doubtful loyalty; the question in Cole related to what procedure was applicable in discharging employees from nonsensitive positions. The Court was persuaded that the statutory scheme indicated the summary procedure only applied to sensitive positions and that this was a reasonable conclusion because there was no emergency with regard to discharging persons, though of possibly doubtful loyalty, from positions where there was no indication "they could bring about any discernible adverse effects on the Nation's security" (351 U.S. at p. 546). Thus, under the statutes as presently interpreted, the executive branch of the Government can discharge employees in nonsensitive as well as sensitive positions on loyalty grounds, but in the former the procedure assures a more careful and accurate review. This result seems eminently sound (S. 1304).

The other legislative recommendations in the report stems from the Kent and Dayton decisions (Nos. 19 and 20) and concerns the power to grant or deny passports: it recommends among other things the establishment of "clear and unequivocal * * * criteria and standards," but does not specify their content.

The committee's underlying criterion for the denial of a passport is that "action hostile to the national security of the United States must be reasonably anticipated, as opposed to mere speech or the holding of

opinions" Freedom to Travel (report of bar association committee p. XXII).

The majority's opinion in these cases was based on the view that the statutory grant of power to the Secretary of State to deny passports had been made in the light of a proceeding practice to deny passports only on the grounds of noncitizenship or evidence that the applicant was engaging in conduct in violation of the U.S. laws (357 U.S. at p. 127). The Court therefore construed the statute as granting a power to deny passports only on these grounds. In addition, it relied on the basic principles that a statute should be construed to avoid constitutional doubts, and that "we will construe narrowly all delegated powers that curtail or dilute them" (our liberties) (357 U.S. at p. 129). For the latter principle it cited, among other cases, Ex parte Endo, in which the Court ordered the release of Americans of Japanese ancestry from detention camps. As to the liberty involved in the passport problem, the Court said: "Freedom to travel is, indeed, an important aspect of the citizen's liberty. * * * Freedom of movement * * * was a part of our heritage. Travel abroad, like travel within the country, may be necessary for a livelihood. It may be as close to the heart of the individual as the choice of what he eats, or wears, or reads. Freedom of movement is basic in our scheme of values" (357 U.S. at 127, 126). As to the denials of passports at issue in these cases, the Court said: "We deal with beliefs, with associations, with logical matters. We must remember that we are dealing with citizens who have neither been accused of crimes nor found guilty" (357 U.S. at p. 130). For this reason the Court reasoned there would be doubt as to the constitutionality of the statute if it were construed to authorize the denial of passports in these cases—the constitutional question was avoided through the Court's construction.

A number of thorough studies of this subject have already been made, including one published last year by a committee of the Association of the Bar of the City of New York. This report pointed out the constitutional limitations on restriction of travel, and made specific recommendations which, I believe, could well serve as the proper basis for legislative consideration. These recommendations would permit area restraints in situations of exceptional gravity, with the possibility of exceptions for specific groups or individuals, and individual restraints where there is reasonable ground for anticipating resulting danger to national security. This is distinguished from denial solely on the basis of membership in an organization. The study also provided for nonsecurity denials and hearing procedures. (S. 1303.)

III. CASES CITED IN THE SPECIAL COMMITTEE REPORT

Lastly, I shall address myself to some of the cases digested in the American Bar Association special committee report, which I have not yet discussed. These cases, characterized by the committee as weakening our national security, contain every one of the decisions which the Jenner-Butler bill of last year tried to overturn. Of these, I have already discussed the Nelson case, dealt with in Jenner-Butler, section 3, and the Yates case, which was specifically referred to in section 4 of the Jenner-Butler bill.

Watkins v. *United States* (No. 3): The digested cases also included the Watkins case to which section 2 of the Jenner-Butler bill was directed.

The American Bar Association committee's statement of the holding in this case is not complete: the holding was that if the subject at which the investigation is directed is not clearly apparent, and if the witness objects that a question is not pertinent, the committee must then state the subject under inquiry and the manner in which the propounded question is pertinent thereto (354 U.S. at pp. 214–215).

When called before the House un-American Activities Committee, Watkins, a union organizer, was entirely candid about his own cooperation some years before with the Communist Party, but refused to answer when asked whether people were Communists whom he had known years before and "who to the best of my knowledge and belief have long since removed themselves from the Communist movement. I do not believe that * * * this committee has the right to undertake the public exposure of persons because of their past activities" (354 U.S. at p. 185). While it was argued in court that the subject of the investigation had been labor, the persons he was asked about included a beauty parlor operator, a watchmaker, and persons identified as "just citizens" (354 U.S. at p. 213).

The contempt statute under which Watkins was convicted punishes a refusal to answer a question asked by a congressional committee only if that question is "pertinent to the question under inquiry" (2 U.S.C. 192). Accordingly, when a witness is asked a question there must be "adequate opportunity for the defendant to have awareness of the pertinency of the information" he is asked to give (354 U.S. at p. 217) so that he has a fair opportunity to know whether or not he is committing a crime if he refuses to answer. Only thus will the witness be assured the right guaranteed by the due process clause of the Constitution "to defendants in all other criminal cases * * * to have available, through a sufficiently precise statute, information revealing the standard of criminality before the commission of the alleged offense" (354 U.S. at p. 208).

Indeed even the dissenting Justice, Clark, did not dissent from the proposition that the witness should be made aware of the subject of the hearing and the pertinence of the questions to which he objected, but he thought Watkins had this knowledge.

It would seem that this ruling can only affect the practices of congressional investigating committees for the better. The very basis of the power of an investigating committee is that its questioning is serivng a legislative purpose; and the Watkins ruling implements this basic principle. For it prevents a committee from engaging in aimless questioning, which is in any event outside its legitimate functions. The Watkins rule only requires that the committee's questions have a valid purpose. As the Court said: "A measure of added care on the part of the House and Senate in authorizing the use of compulsory process and by their committees in exercising that power would suffice. That is a small price to pay if it serves to uphold the principles of limited, constitutional government without restricting the power of Congress to inform itself" (354 U.S. at pp. 215–16).

The American Bar Association committee report states that "no court could function smoothly under such an impediment" as laid down in the Watkins decision. This is a surprising statement considering that in a judicial proceeding objection and argument can always be made on grounds of relevance as well as numerous other grounds.

Schware v. *Board of Examiners* (No. 9), *Koenigsburg* v. *State Bar of California* (No. 10): These cases were the subject-matter of the first section of Jenner-Butler, though they were decided on constitutional grounds which do not permit legislative change. This was recognized—for what Jenner-Butler did was to take away the Supreme Court's appellate jurisdiction in respect of bar admission cases, since it could not change the basic law itself. This would have been "Court-raiding" contrary to all historical precedent except during the immediate and much condemned Reconstruction period following the Civil War.

Both cases were brought by applicants to the bar who had been refused admission.

Schware's application to take the New Mexico bar examination was denied on the ground that petitioner had not shown good moral character in view of his past membership in the Communist Party, his use of aliases and his record of arrests. Schware had quit the Communist Party in 1940, and had told the dean of his law school about his past Communist membership when he entered law school in 1950. The dean had "told him to * * * put behind him what had happened years before" (353 U.S. at p. 238). Schware, unlike other individuals, did not invoke the fifth amendment and was frank and candid with regard to his past Communist activities. The Supreme Court reversed the State Supreme Court of New Mexico holding that Schware's exclusion violated due process, stating that the record did not support the conclusion that petitioner had not shown good moral character.

Koenigsberg was based on the same principle of due process as Schware.

Petitioner refused to answer as to present and past membership in the Communist Party put to him by the California State Bar Examiners. He was thereupon refused admission to the bar on the ground that he had failed to prove that he was of good moral character and did not advocate the overthrow of the Federal or State Governments by unconstitutional means. The majority's opinion that Koenigsberg's exclusion from the bar had no reasonable ground was based in large part on its view that a lack of good moral character could not be inferred from a person's good faith refusal to answer on Constitutional grounds, before a governmental or semigovernmental body. "Obviously, the State could not draw unfavorable inferences as to his truthfulness, candor or his moral character in general if his refusal to answer was based on a belief that the U.S. Constitution prohibited the type of inquiries which the committee was making" (353 U.S. at p. 270). The refusal was as to the propriety of questions regarding political beliefs under the 1st and 14th amendments, and not under the 5th amendment's self-incrimination provisions.

The effect of the decision is to discourage the use of a person's refusal to answer as a substitute for actual adverse evidence against him. The Court's assertion that a good faith invocation of constitutional rights cannot be treated as adverse is a salutary response to the widespread assumption in recent years that an individual's assertion of his constitutional rights before a governmental body or in an interrogation should be condemned and that complete acquiescence in the Government's every action is required to show loyalty.

The Court pointed out that the only evidence of Koenigsberg's alleged Communist connection was the testimony of one person that she had seen him at meetings of a Communist discussion group in 1941 (353 U.S. at p. 266), and even as to this 1941 connection counsel for the California bar committee stated before the Supreme Court that "identification of this man is not all that you might wish." The Court held that it was arbitrary and therefore a violation of due process to exclude Koenigsberg from the bar on this evidence; that this testimony could not reasonably be thought to overcome the attestation of 42 reputable persons: a monsignor, rabbis, professors, etc., who had known him over the past 20 years; and that "a lifetime of good citizenship is worth very little if it is so frail that it cannot withstand the suspicions which apparently were the basis for the committee's action" (353 U.S. at pp. 273–274).

Leedom v. *International Union* (No. 5); *Amalgamated Meatcutters* v. *N.L.R.B.* (No. 6); *United Mineworkers* v. *Arkansas Oak Flooring Co.* (No. 17): Each of the Leedom, Amalgamated, and Mineworkers cases deals in some respect with the non-Communist affidavit required under the Taft-Hartley Act to make union eligible for the benefits of Labor Board proceedings. In the first two, Leedom and Amalgamated, the decision of the Supreme Court was unanimous, and in the third case, there was a single dissent. These three cases are particularly interesting, because they illustrate how far afield the special committee went, in order to find cases which could be added to its list.

In the Leedom case, the National Labor Relations Board, after an administrative investigation and hearing, found that an officer of the plaintiff union had filed a false non-Communist affidavit. The Board, in accordance with the National Labor Relations Act which denies the benefit of the act to unions whose officers have not filed such affidavits and makes union officers who have filed false affidavits subject to criminal penalties, issued a decompliance order barring the union from the benefits of the act until it complied. The U.S. Supreme Court held that this order was beyond the Board's authority and that the only remedy which the act permits in the case of false affidavits is the criminal penalty.

This unanimous opinion was based on an unmistakable legislative history as to the intention of Congress. The Court particularly stressed Senator Taft's explanation to the Senate that the submission of false non-Communist affidavits to the Labor Board subjected the affiant to a criminal penalty but that the Board was not to investigate the truth or falsity of the affidavit because of the undue delay such a procedure would cause in Board proceedings. There is of course no constitutional objection to amendment of the National Labor Relations Act to reverse the Leedom result, and the major policy question seems to be the same one originally debated by Congress as to the efficient administration of the National Labor Relations Act.

The identical issue was involved in Amalgamated. The case indicates the complexity which might ensue if the National Labor Relations Act were amended so that the truth of the non-Communist affidavit, rather than merely its filing, would be considered in determining whether the union was entitled to the benefits of Board proceedings. The judgment that the Supreme Court here reversed was that the union was not so entitled because the affidavit was false. In concluding that the affidavit was false, the lower court had referred to the fact that the affiant had been convicted a year earlier of filing in the preceding year a false affidavit. Justice Potter Stewart, then sitting in the court of appeals, in dissent, pointed out that it could not be presumed that the previous year's circumstances had continued and that the affiant was again committing the criminal offense of filing another false affidavit a year later (353 U.S. at pp. 156–157).

However, it was in the Mineworkers case that the committee went furthest afield.

Louisiana State courts had enjoined picketing by a union which had failed to file data required by the National Labor Relations Act including the non-Communist oath. The Supreme Court held that the State courts had no power to enjoin the picketing, on the ground that, while the union could not resort to the NLRB because of its failure to comply with the filing requirements, it could nevertheless take other lawful action, e.g. peaceful picketing. This was actually the side on which the solicitor general had filed an amicus curiae brief.

This case actually does not involve the non-Communist affidavit any more than it involves any of the other data a union is also required to file in order to be eligible for the benefit of Labor Board proceedings. Here the union had failed to file any of the required data, and the Court said that it would consider the case on the assumption that what it had failed to file was information as to the salaries and election of officers (351 U.S. at pp. 70–71). The Labor Board here agreed with the position advanced by the union and adopted by the Supreme Court. It is apparent from this case that the problem is broader than merely the problem of filing a non-Communist affidavit.

Yates v. *United States* (No. 21): In the second Yates case, involving only the question of punishment, the Court was unanimous in finding the sentencing improper, though three of the members of the Court wished to go even further and reverse the conviction. The case again illustrates how far the special committee went to find cases which had any connection with communism, for this decision was strictly one of the sentencing cases.

In the course of a Smith Act trial Yates refused to answer 11 questions relating to whether other persons were members of the Communist Party. The trial court held her in contempt for each refusal and imposed 11 concurrent sentences of 1 year each. The Supreme Court reversed two lower Federal courts holding that this action constituted an improper multiplication of contempts, because the witness when first inquiry was made stated that she would not identify any Communist Party members. The Supreme Court reversed all but the first conviction which was vacated and remanded for resentencing in the cool reflection of subsequent events.

At the outset of her examination, the witness stated that she would not answer whether a person was a Communist when her answer "could only lead to a situation in which a person could be caused to suffer the loss of his job * * * and perhaps be subjected to further harassment, and * * * I cannot bring myself to contribute to that. However many times I am asked and in howevery many forms, to identify a person as Communist, I can't bring myself to do it" (355 U.S. at p. 68). The Court held that she could not be held guilty of contempt for such refusal to answer when the prosecution continued to ask her identifying questions: "The prosecution cannot multiply contempts by repeated questioning on the same subject of inquiry within which a recalcitrant witness already has refused answers" (355 U.S. at p. 73). This ruling was a matter of the fair administration of justice, in which the Communist question of course had no significance. Indeed, the ruling stemmed from the decision in *United States* v. *Costello*, 198 F. 2d 200 (C.A. 2, 1952), which involved an investigation of a "crime syndicate." If the Court had approved the contrary practice, it would mean that the contempts could be multiplied without limit, and that a witness who was willing to answer questions except in a certain area could be punished more severely than one who refused to give any testimony at all (355 U.S. at p. 73).

It is of interest that the Yates case reached the Supreme Court a third time—though the American Bar Association committee did not cite that case. (356 U.S. 363.) After the Supreme Court had remanded the case for resentencing, the district court reimposed the original maximum 1 year sentence. Since the district court disregarded the gentle intimations of the necessity for such actions of the Supreme Court in this matter, the Supreme Court in a six to three per curiam decision, itself ordered the sentence adjusted, under its supervisory power over the administration of justice in the Federal courts.

CLARE BOOTHE LUCE

Mr. MORSE. Mr. President, this morning there appeared in the Washington Post an editorial which is entitled "Let There Be Luce."

Under rule XIX I am not privileged to insert in the RECORD the entire editorial. But I am free to read the part of the editorial which pays its disrespects to the senior Senator from Oregon. It states:

> Then came the disclosure that Mr. MORSE, despite his tender sensibilities, had earlier had the consummate gall to telephone Mrs. Luce's personal physician to ask whether she had been consulting a psychiatrist—an invasion of privacy which, we should think, would have sent the Senate liberals into a tizzy.

Mr. President, apparently the editorial writers of the Washington Post do not read either their own newspaper or the CONGRESSIONAL RECORD, nor do they take other measures necessary to ascertain the truth.

That comment causes me to modify a comment I made some time ago about editors, such as those of the Washington Post, namely, that I thought they were nonreaders, except in the case of their own writings. But this editorial does not even show that they are very good readers of their own writings, as I shall show in a moment, Mr. President. Therefore, I should like to reiterate for their benefit what I said here yesterday on this point, namely, that the initial information concerning Mrs. Luce's stability came from a reliable newspaperman, who had suggested that the Senate Foreign Relations Committee should look into this area of her qualifications, and at the time I saw no reason to pursue that line of inquiry.

This newspaperman advised me that the doctor would be glad to have me call him. I made that very clear in the CONGRESSIONAL RECORD on several occasions, Mr. President, but apparently the Washington Post editors were so anxious to dip their pens in my blood that they did not take the time to read the RECORD as to what happened in regard to the incident the minority leader raised on the floor of the Senate yesterday. And, after all, it was raised by the minority leader, not by the senior Senator from Oregon. But for the benefit of the editors of the Washington Post, I place in the RECORD again my statement which appears on pages 6996–6997 of the CONGRESSIONAL RECORD for April 29:

> When I sought to call the elder doctor—who, as I have said, I found, when I placed the call, had died 2 weeks ago—I did not call him with any understanding or belief that he was the doctor of Mrs. Luce. I knew from the newspaper clippings that at one time he had treated her for some physical ailments. But I judged from the newspaper clippings that he probably was no longer her doctor. I was led to believe that he was not now her doctor by the representation of the newspaper correspondent who gave me the information, and who told me that it was his understanding that if I would place that call the doctor would give me some information bearing on this nomination. I placed the call for that purpose—only to discover that the doctor was dead, and that I was talking to his son, who had taken over his father's practice. When his son advised me

that he presently was the doctor of Mrs. Luce, it was the senior Senator from Oregon who said, in effect, "Well, that settles it, but I want you to know the nature of the call that I was going to make to your father."

Then, as appears later on the same page, I said:

Second, as I have already pointed out, I was not calling the elder doctor, who, as I said, I discovered had died 2 weeks before, on the belief that he was her doctor at the present time. I did not believe he was her doctor; but, quite to the contrary, that he was not her doctor. Furthermore, so far as I know, he was not a psychiatrist. I was not calling him on the basis of his being a psychiatrist. I do not know, as a matter of fact, as to whether or not he was a psychiatrist, but it is my belief and understanding he was not. But I could not raise my right hand and say I know that to be a fact. I was advised that here was a doctor, however, who thought that information ought to be obtained from him to the effect that there was a question as to the mental health of the nominee.

As a Senator it was my duty, as I saw it, to talk to the doctor and ascertain what his point of view was, and discuss it with him, as I would have if he had been alive, in greater detail than I did with his son, because I dismissed the inquiry when I saw he was not available and I was talking with the son, who had not been involved. I would have talked to the elder doctor had he been alive to learn whether or not the information he might present to me should be made available and whether I should make public use of it.

It is too bad that in the interest of good journalism the Washington Post editors did not take the time to do their book work before they wrote their editorial. But I am so accustomed to that in the Washington Post. There was a time when it was really a great liberal newspaper, and I am sad at its degeneration. But it is not the only newspaper in America that fails to live up to its journalistic responsibilities to the American people. So I suppose we will just have to accept it as one of those losses to the journalistic profession.

It was after Mrs. Luce's appearance at the committee hearings that I felt I ought to follow up the advice of the newspaper correspondent—who, I may say again, was not a columnist, but was a newspaper correspondent—and carry out his suggestion to call this doctor and see what he wanted to say to me.

It was a matter of regret to me to find that since the newspaper correspondent had first made the suggestion to me and the time I called, the doctor had passed away.

When I called this doctor who had treated Mrs. Luce upon her return from Italy, the one who had stated to the press that he did not treat her for the arsenate of lead poisoning that was given as the reason for her resignation, I learned that he had recently died. The doctor with whom I did talk was his son, who had taken over his father's practice, including Mrs. Luce.

Thereupon, I told him what I had intended to call his father about, and then I dropped the matter; it rested there until it was raised in public by the Senator from Illinois [Mr. DIRKSEN].

Second, another interesting thing about this matter is that the principal clipping I inserted in the RECORD last Monday was from the Washington Post of July 20, 1956. It quoted Mrs. Luce's physician of that time—the elder Dr. Rosenbluth, who recently died, and whom I sought to call, without knowing of his death—as saying that the relationship of the arsenate of lead which was alleged to have caused her illness, and the elements for which he was treating her was, and I quote, "very unclear."

This article in the Washington Post in 1956 was entitled "Doctor Doubts Paint Poisoning Is Cause of Mrs. Luce's Illness."

It was an Associated Press story by John Scali.

Now, Mr. President, let the RECORD show that the Washington Post story goes on to say:

Dr. Rosenbluth was interviewed by telephone in New York.

Apparently the press interviewed Mrs. Luce's doctor prior to the story in the Washington Post of July 20, 1956, by telephone, at the very time of her illness, an interview which the Washington Post apparently thought perfectly proper at the time if conducted by a newspaperman.

The senior Senator from Oregon called, or tried to call, the same doctor 3 years later, with the understanding that he was no longer her doctor. I did so after Mrs. Luce's appearance before the Senate Foreign Relations Committee had indicated to me, by my observations, that she was highly emotional and unstable, and raised some grave doubt in my mind as to whether or not a person of such manifest instability should be our representative in Brazil.

I called under those circumstances. In fact, when I learned I was speaking to the physician who was treating her currently, I dropped the matter, only to have it raised again by the minority leader.

Third, I wish to call to the attention of the Washington Post editorial writers and the general public the statement made yesterday in his news conference by President Eisenhower, in which he declared that he had sent Christian Herter to a clinic to ascertain his physical ability to carry on a difficult job for the next 2 years. I ask unanimous consent to have printed at this point the excerpt from the President's news conference on this matter, as it appeared in today's New York Times.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

MERRIMAN SMITH, of United Press International. "Mr. President, in Augusta on April 15, in announcing the resignation of Secretary Dulles, you told us that you would name a sucecssor within a matter of days. And then you were asked whether this meant that you might be considering someone other than Mr. Herter, and you said that there were a number of people in Government who had particular talent in this field; and there were all kinds of considerations to be studied.

"Well, in the period between your press conference down there and the morning of April 18, when you announced the selection of Mr. Herter, there was a degree of speculation and interpretation in Washington that this had been a delay damaging to Mr. Herter and indicative, possibly, of some reluctance on your part to appoint him.

"Now, what is your reaction to that sort of thing, sir?"

Answer. "Well, I think it was a lot of unnecessary speculation and unprofitable speculation.

"From the very beginning of his illness, Foster Dulles, whose mind has not been impaired in the slightest—and I visited him only Monday afternoon—took voluntarily—took up with me voluntarily the identity of his successor, should this become necessary, and he thought that we should, no need for jumping into this thing with haste, that we'd look over the whole field and see what we had better do.

"He and I both came to the conclusion that when this, if this ever came about, this necessity for replacement, that Mr. Herter should do it. But we didn't want to start any great speculation because I did not know, neither did the Secretary know, whether he would experience a period of upturn in his disease, or whether there would be no improvement and he would have to withdraw.

"Now, the one thing that concerned us very definitely was Mr. Herter's health. And so when I got the final, definite notice—well, I don't know the exact date, let's say the 14th, something like that—and the doctor said this would, that it would be better for him to resign, and he decided he should resign, then I—Mr. Herter was sent over to a clinic that had nothing to do with Government and where it would be not his own doctor, to be an objective examination, and the report came back, that was a report that needed to be read, but it was nevertheless, gave him, in my opinion, clear health certificate for going ahead for certainly for 2 years.

"At this time it was merely a question of how to get hold of Mr. Herter now to make certain that I could give him his appointment in a dignified way. And I asked him to come see me."

DOUBLE STANDARD OF THE WASHINGTON POST

Mr. MORSE. Mr. President, apparently the Washington Post and Times Herald takes the view that it is perfectly all right for a newspaperman to interview a doctor about one of his patients, if there is anything newsworthy in it, and that it is all right for the President of the United States to consult continuously with the physicians attending the Secretary of State, or to send a prospective nominee to a clinic for a physical checkup before nominating him, but when a Senator inquires into the health of a person upon whose judgment and qualifications he is required to pass, that is "consummate gall" and "an invasion of privacy."

I have learned to expect that kind of journalism from the Washington Post and Times Herald, so I do not expect that there will be a correction of the ridiculous statement which was published in this morning's edition about my actions, but I intend to keep the official record of the Senate clear about the matter. I intend, for purposes of reiteration and reemphasis, to read for the benefit of the Washington Post and Times Herald their observation on July 20, 1956, which appear in the April 27 issue of the CONGRESSIONAL RECORD.

Mr. President, I said last Monday:

Mr. President, this is an article which was published in the Washington Post of Friday, July 20, 1956. It bears on the remarkable explanation which was given by Time magazine for Mrs. Luce's resignation from

her post in Rome—an explanation which a large body of opinion considers to be fantastic. I share that point of view. It is an exceedingly fantastic explanation. However, I am glad to read the article. It says:

"Ambassador Clare Boothe Luce's physician yesterday said her latest illness may have had no connection whatever with poison paint specks that allegedly dropped from her bedroom ceiling.

"Dr. Milton Rosenbluth said the ailments for which he treated Mrs. Luce in New York 2 months ago were enteritis and iron-deficiency anemia.

"Their relation—if any—to traces of arsenate of lead detected in a specimen is "very unclear," he said, because the suspected ceiling of her Rome Embassy bedroom had been covered and repainted 13 months earlier.

"Dr. Rosenbluth was interviewed by telephone in New York.

"(In Rome, the architect who prepared the villa for Mrs. Luce when she arrived 3 years ago said today the painted ceiling that reportedly poisoned her had not been touched in 40 or 50 years, Reuters reported.

"Paolo d'Anna, an American of Italian origin who has lived in Rome for many years, said he decorated the villa for Mrs. Luce just before she arrived in Rome. He added: 'But the ceiling was not touched. As far as I know, the ceiling has not been touched for the past 40 or 50 years.')

"Time magazine reported "a deadly fallout" of the poison caused the long series of illnesses that have beset Mrs. Luce since she became Ambassador to Italy more than 3 years ago. The Ambassador's husband, Henry R. Luce, is editor-in-chief of the publication.

"The magazine said a second investigation uncovered 'a high content' of arsenate of lead from painted roses in the ceiling of her 17th century embassy residence in Rome.

"For 20 months it said, Ambassador Luce had been breathing arsenated fumes, had been eating food and drinking coffee powdered day after day with the deadly white dust.

"Dr. Rosenbluth said it was far from certain her latest illnesses were 'arsenic-induced infection,' as the magazine reported.

" 'Whatever she had in 1954 I would regard as cured,' he said. 'Her latest illness seemed to be related to some liver infection she had in Italy.

" 'Specifically, what she had now was not poisoning.'

"He said it is possible the earlier illness could have so debilitated her to the point where she was more susceptible to the later ailment, but that even this is uncertain.

"Time magazine had no immediate comment on Dr. Rosenbluth's remarks.

This is a very interesting exhibit, Mr. President. I know one has to reiterate and reiterate and reiterate for the benefit of the editors of the Washington Post and Times Herald, to get an idea through to them, so let me reiterate it again, for their benefit.

Around July 20, 1956, the press interviewed Dr. Rosenbluth about the nature of Mrs. Luce's health or illness, because so many people, including the senior Senator from Oregon, thought her story as carried in Time magazine was fantastic. It was an incredible account which found its way into her husband's powerful journalistic empire, Time magazine.

Apparently the press had some doubts about the authenticity and reliability of this bit of journalistic fantasy on the part of Time, so they called her doctor. At least, the story leaves no room for doubt that the doctor had treated Mrs. Luce. I cannot raise my right hand and swear that the day the newspapermen called he was her doctor, but the story says that he had treated Mrs. Luce.

I presume it is considered to be all right for a newspaperman to do this.

OBLIGATIONS OF A SENATOR

U.S. Senators have a great trust in their office to investigate and examine into the qualifications of a nominee of a President of the United States to determine whether that person possesses an emotional balance which is needed if she is to be sent to an Embassy in Brazil. But when I follow a recommendation of a very reliable newspaperman—I will say to the Washington Post and Times Herald, a very reliable one—who has advised me that if I call the doctor the doctor will be glad to converse with me about the subject, that the doctor did not want to call himself but would be glad to be called, and when I then would have talked to him, if in the meantime he had not passed away, then, in the opinion of the editors of the Washington Post and Times Herald, that is consummate gall and an invasion of privacy.

SENATE MUST JUDGE SOUNDNESS OF NOMINEES

Let me make clear once more for the record that so long as I serve on the Committee on Foreign Relations of the U.S. Senate, and Presidential nominations made by Republican or Democratic Presidents are before me and there is sufficient cause to believe that the President has nominated someone who is not emotionally stable, as I am satisfied is true in this case, I shall carry out such a line of inquiry as I deem necessary to determine whether or not there is any question of that person's mental health. Historically, as I have pointed out over and over again in many speeches on nominations in the last 15 years, one of the cardinal criteria to be applied under the advice and consent clause is the criterion of character and mental soundness.

OBLIGATION OF PRESIDENT

Mr. President, I wish to say again that I hope the President of the United States will take a long, hard look at this nomination. I hope he will not receive that protection around the White House House which will keep from him the questions which I raised on the floor of the Senate earlier in the day, for him to answer to the American people. For purposes of emphasis, let me restate one or two of them.

The American people are entitled to answers to these questions before the President sends Clare Boothe Luce to Brazil.

As I have stated, President Dwight D. Eisenhower is more indebted to Franklin D. Roosevelt than to any other human being. It was President Roosevelt who promoted Dwight D. Eisenhower over the heads of many generals his senior, and placed him in charge of American Armed Forces in World War II. He served in that capacity with distinction, under Franklin D. Roosevelt as his Commander in Chief.

Once again I say from this floor to the President of the United States this afternoon: "What is your answer to this question, Mr. President? Did you lead thousands of American boys to their death in World War II under the direction of a Commander in Chief who lied us into a war? Answer yes or no; and if your answer is no, then over this weekend tell the mothers and fathers of America, and all Americans, your justification for sending this slanderer to Brazil as your Ambassador to Brazil, this nominee who, as recently as April 15, 1959, in an open public hearing before the Senate Foreign Relations Committee, refused to change her statement in regard to Franklin Roosevelt."

She said, as the record shows, that she stood by that statement. I say: "Mr. President, tell the American people your justification for sending such a slanderer as your Ambassador to Brazil, in the light of the fact that you served under that Commander in Chief throughout World War II."

"Mr. President, let me refresh your memory about a great obligation you owe to history. So long as you occupy the office of President of the United States, you are the guardian of the honor of that office. A great American, your Commander in Chief in World War II, occupied that office. Your great benefactor, President Roosevelt, sat in your chair before you in the White House. When you sit there you are not occupying a cottage outside London. You are occupying the greatest house in the world, the White House.

"I ask you, Mr. President, what is your statement to the American people about the honor of Franklin D. Roosevelt? Did he lie us into war? You know he did not; but you have a historical obligation to write your page of history on this subject now.

"In my judgment, Mr. President, you have no moral right to send to Brazil your nominee without justifying it to the American people, in the light of her evident emotional instability and in the light of her slandering the illustrious name of the great Franklin D. Roosevelt."

In my opinion, the President's report yesterday, to the effect that Mrs. Luce would be a very popular ambassador to send to Brazil, was a mistake in judgment on the part of the President. I stated that in my position as chairman of the Subcommittee on Latin American Affairs, I, too, receive a good deal of information, as is to be expected, including messages.

To the President I say in all sincerity, "I fear you will buy a great deal of trouble for American-Brazilian relations if you send Clare Boothe Luce to Brazil as our Ambassador. We have many evidences that her penchant for invective often overcomes her judgment. And you will live to learn, Mr. President, that down in the rank and file of the population of Brazil, in many homes where people are poor, in which people have a great reverence for the memory of the architect of the good neighbor policy, your nomination will not be rejoiced over. Your nomination will weaken American-Brazilian relations."

I hope that over the weekend reason will prevail at the White House, and that

steps will be taken—as we know they can be taken—which will result in an announcement that, for whatever reason it is desired to assign, she will not go to Brazil.

Again I say that this is not a pleasant duty; but I shall continue to do my duty in regard to this nomination so long as it is necessary to keep the record straight. The Senator from Oregon does not intend to follow any advice or counsel to the effect that we should not discuss the nomination further. It shall be discussed so long as statements are issued which, in my judgment, call for an answer.

FULL DEBATE SHOULD HAVE BEEN PERMITTED

It is unfortunate that a procedure was followed on the floor of the Senate the other afternoon, when six or seven or eight of my colleagues who intended to make statements on the Luce nomination after the vote felt they were estopped from making them, as many of them have said to me, because another item of business was quickly brought to the floor and made the unfinished business, although it was obvious that those Senators wished to make statements.

I am sorry those statements are not in the RECORD. They should be. After Mrs. Luce's press release from New York the other afternoon, at least seven other Democratic Senators, in addition to those who did speak on the nomination, came to me and said they had intended to support my position. They told me they would have made it clear in the Senate that if they had it to do over again, they would not vote for the nominee.

They told me they felt that her New York statement proved my case of her mental instability. I wish this to appear in the RECORD. If another course of procedure had been followed the other afternoon, those statements would be in the RECORD. I believe that a procedure should have been followed which would have made it possible for them to go into the RECORD.

Finally, let me refer to an article entitled "The Mystery of the Villa Taverna." It is not a very long article. It is written by Ronald W. May, Washington correspondent of the Madison (Wis.) Capital Times. I ask unanimous consent that it may be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE MYSTERY OF THE VILLA TAVERNA

(By Ronald W. May, Washington Correspondent, Madison (Wis.) Capital Times)

Scanning a Washington newspaper while drinking coffee in bed on the morning of July 17, I ran across a startling news item. It was like having a piece of the ceiling fall into my cup.

The International News Service story, datelined New York on the previous day, was printed below the front page fold of the Washington Post and Times Herald. A cryptic headline announced: "Clare Luce Held Ill of Poisoning."

I read on, having wondered with other newsman whether Mrs. Luce's recent lingering illness, described by the State Department as a "rundown condition," might be something more serious.

The first paragraph whetted my interest at once.

"Time magazine said tonight that Clare Boothe Luce has been repeatedly poisoned during her 3 years as Ambassador to Italy."

Why, I wondered, had the Post played the story of what seemed to be an attempted assassination of a U.S. Ambassador so small and so far down the page?

When no logical answer came, I returned to the story. But the two remaining paragrahps failed to verify the sinister implication of the first. The writer, apparently proud as punch of his sensational lead, offered no proof for it, but neither did he destroy its effect by quoting a statement I found later in a Time magazine story, which said that the poisoning was accidental. Instead, the two remaining paragraphs of the Washington Post and Times Herald piece hinted slyly at skullduggery and cloak-and-dagger dirty work.

"The magazine will publish the story Thursday. It will say Central Intelligence Agency investigators and embassy officials found the paint on the ceiling of her bedroom contained a high portion of arsenate of lead; and that dust of it apparently was jarred into her food at breakfast by servants walking overhead.

"Since mid-May Mrs. Luce has been undergoing treatments to correct the arsenic-induced infection, Time said, and her general health has greatly improved."

The story raised more questions than it answered. I realized, of course, that a Post editor may have cut the end from a longer INS dispatch, thus omitting clarifying details, but the fact that Time called the poisoning an accident was certainly important enough to mention in the three opening paragraphs.

Over fried eggs and Virginia ham, I told my wife that Time was coming out with a strange story to the effect that Mrs. Luce had been poisoned—perhaps by Italian servants.

My wife read the Post story admiringly. A former assistant city editor of a conservative daily, she still nurtures hopes of editing a lurid tabloid. She remarked that in the absence of more facts, the INS man should have speculated on why the near-lethal concentration of arsenic was contained in ceiling paint, and he should also have commented on the detective story aspects of the case—happening so conveniently in a country with a long history of poisonings.

The next newspaper story on the subject that I saw—in the tabloid Washington Daily News—made a stab at Jeanne's latter approach, describing the painted floral designs on Mrs. Luce's bedroom ceiling as "Borgian white roses." But on the whole it was a dull piece which failed to make the most of a great opportunity.

I was walking past the Treasury Building on Pennsylvania Avenue shortly after noon when the clumsy headline on the day's first edition of the News, lying on a sidewalk newsstand, pulled me up short: "Secret Is No Secret: Roses on the Ceiling Poisoned Clare Luce."

News headline writers, easily the cleverest in Washington (several years ago, they heralded the isolation in a test tube of the common cold germ with "Baby, Your Cold's Outside"), had strained too hard on this one. And I found they had done the same with the inside headline: "Sleep That Knits Up the Raveled Sleeve."

The play on Shakespeare seemed obscure, and I turned to the United Press story beneath, datelined New York. The only news item among ads on the second page, it was more than a column in length:

"The nausea, nervous fatigue, irritability, falling hair, loose teeth, broken fingernails, and general rundown condition that have beset the U.S. Ambassador to Italy, Clare Boothe Luce, for the past 2 years are the result of arsenic poisoning.

"Central Intelligence agents traced the source to white-painted roses on her bedroom ceiling.

"Time magazine, in its issue appearing Thursday, will say that for 20 months Mrs. Luce breathed fumes, ate food, and drank coffee powdered with deadly white dust.

"The Borgian white roses in her 17th century Villa Taverna bedroom had been brushed with paint having a high content of arsenate of lead."

The rest of the piece was a concise résumé of the Time article. The News quoted the magazine as calling the discovery "one of the best kept secrets of U.S. diplomacy"—certainly an exaggeration.

The United Press story said that Mrs. Luce first noticed the symptoms of serious anemia and nervous fatigue in the late summer of 1954, came to the United States soon afterward for medical examination, and returned to Rome 2 months later feeling better.

In a short time, the newspaper story said, the ghastly reactions enumerated in the lead began occurring, and she went to the U.S. Naval Hospital in Naples. Navy doctors sent to the U.S. Naval Hospital at Bethesda, Md., laboratory specimens from Mrs. Luce. They were labeled from "Seaman Jones."

It was on Tuesday morning that the Washington News quoted Time's upcoming Wednesday night story, which had, I supposed, been released a day early by the magazine's publicity staff. The tabloid piece reported that Time would say that the Bethesda doctors messaged back: "Seaman Jones is a victim of arsenic poisoning."

The News ran near their story a picture of a serious, Girl-Scoutish Mrs. Luce wearing a knotted kerchief. The cutline identified her as: "Madame Ambassador—20 months on a deathbed."

The mystery was taking shape. If the source of the poisoning had been discovered in late 1954, which apparently was the case, why did she return to the United State late this spring suffering from what were reportedly the same symptoms? Why were our Central Intelligence Agency investigators permitted to snoop about in a friendly foreign country? Why was the story held up for almost 2 years? Why was it being released now? How was it possible that a few painted roses on the ceiling could cause the serious symptoms described? Why hadn't Mrs. Luce noticed and put a stop to the fall of white dust into her breakfast food and coffee? Why hadn't previous occupants of the room complained of the same reactions?

With these and other questions in my head, I began reading every news account of the affair I could find. At the National Press Club later the same afternoon, I picked up a copy of the New York Times. On the first page of the second section I found a rewrite of the still unpublished Time article. There were some additional details: Mrs. Luce had discovered once, in alarm, that she hardly could manage a waltz at an art festival because her right foot had become numb; the CIA men had investigated both American and Italian employees of the Embassy; the recovered Ambassador was scheduled to leave that week for a 3-week cruise in the Mediterranean before returning to the repainted Villa Taverna.

That night—Tuesday—the Washington Evening Star ran a 3-column piece at the bottom of its first page. It was an Associated Press story datelined Rome, although much of the copy obviously originated in Washington and New York. The headline said: "Italy stirred by Mrs. Luce's illness from arsenic in paint in her bedroom."

This was the first public notice I had seen of any doubts about the Time version. The article led off with skeptical Italian reactions:

"The bizarre story that the long illnesses of United States Ambassador Clare Boothe

Luce stem from arsenic in the paint of her bedroom ceiling stirred Italy today.

"Italians and diplomats expressed amazement."

Since the news had broken too late to make the previous day's paper, this was the Star's first story. The Associated Press dispatch covered the ground of earlier accounts but showed unmistakable wariness by beginning its résumé of the magazine report with the hedging phase: "By Time's account."

The Star piece opened the floodgates of expert opinion:

"One of Rome's biggest paint stores said it sold a lot of paint containing arsenic, but had never heard of anyone being poisoned by it. Similarly, a Rome hospital spokesman said he had never heard of such a case of arsenic poisoning.

"But in Washington, a paint chemist declared if there was lead arsenate in the paint of Mrs. Luce's bedroom ceiling 'it was added deliberately either to kill someone or to kill flies.'

"That idea was advanced in an interview by Francis Scofield, chief of the technical division of the National Paint, Varnish and Lacquer Association."

My questions still remained unanswered, and I didn't wait for my wife to bring me my coffee the following morning before picking up the Washington Post at the door and settling back on a pillow with pleasant anticipation of finding more clues in what was fast becoming for me the best mystery story in years.

I located the story on page three under a promising headline: "Mrs. Luce Planning Return to Rome: Experts Doubt Paint as Poison Source."

Before turning to the experts, the anonymous staff writer quoted Lincoln White, a State Department press officer, who offered the official line: "The fact that the paint had arsenic in it is purely an accident and there is absolutely no indication that it was otherwise."

The writer tried to offset these killjoy words following with an observation of his own:

"The secret of Mrs. Luce's illness turned into a case of poisoned diplomat and read at first like a cloak-and-dagger fiction with overtones of a Borgian poison plot."

His attempt to inject some drama into the tale was awkward—far less effective than the innuendo of the first day. Drama is not the Post's strong suit, since Post men take seriously the paper's efforts to be the New York Times of Washington.

The parade of experts continued with a statement from New York by the Ambassador's personal physician, Dr. Milton B. Rosenbluth, who said that there was nothing sinister in the poisoning, and a remark by the president of the National Paint, Varnish and Lacquer Association, Joseph F. Battley, who backed up the earlier words of his technical chief by advising officials to seek other sources of arsenic than in paint. He suggested that agriculture sprays intended for the elimination of bugs and rodents might be the cause.

Next came a contradictory statement from an anonymous paint toxicologist of the National Institutes of Health, in Washington, who testified that paint from the previous century could have flecked off with later coats and dropped with them on Mrs. Luce's food.

Conjecturing more freely, the Post man offered another possible solution: Arsenic might have been added to a casein paint, made from a milk derivative, to ward off insects attracted by the sweet mixture. But he had no evidence that this had happened.

I put aside the paper with a sense of disappointment; the clues had been meager. The opinion of one expert seemed to balance that of another, reminiscent of the battle of scientists fought in the public print several months earlier over the likelihood of recurrence of President Eisenhower's ileitis. That battle ended in a draw.

Important facts on the Luce case still were missing. Solid evidence to help readers solve the mystery could come only from the victim herself, from the CIA agents, from the Bethesda naval scientists, and from others directly involved, but so far editors still were treating the story as a 1-day wonder and were not bothering to help amateur detectives like me.

When I picked up my Washington Daily News later in the day, I was happy to see that the newspaper's headline-writing staff was back to its old racy form. Squat, black letters asked: "Was the Luce Paint Story Varnished?"

Two new facts appeared in the story: The roses on the bedroom ceiling were now covered with painted tarpaper, and Ellsworth Bunker, our previous ambassadorial resident of the Villa Taverna, had told reporters that his wife remembered flecks of paint falling from the ceiling but that neither of them had suffered any ill effects. Well, at any rate, that answered one of my questions.

Now I began glancing through New York dailies in the various offices I visited around town, at the National Press Club, and at the Senate Press Gallery. The stories I found in the New York newspapers of July 17 were all from press services and differed little from those that had appeared in Washington dailies.

It wasn't until the second and third days (the 18th and 19th) that some editors awoke to the full possibilities of the Luce story. The impetus plainly came from reports seeping into the United States telling how the ebullient Italian editors were having a field day with the subject.

The first hint of the Italian press reaction came to my attention in the Daily Mirror story of the 18th, hiding unobtrusively on page five. It was headed: "Luce Poisoning Has Rome Abuzz."

The piece, over the byline of Wilfred Alexander and apparently written in New York, began:

"The diplomatic world buzzed with amazement Tuesday at the revelation that U.S. Ambassador Clare Boothe Luce's illness was caused by arsenic dust sifting down from painted white roses on the ornate ceiling of her bedroom in the 17th Century Villa Taverna in Rome."

Alexander said the story made the front page of most Roman newspapers.

On the same day, the New York World-Telegram headed a UP story from Washington with the report that: "Italy Doubts Arsenic Made Mrs. Luce Ill."

But my search for clues remained unsatisfied. I found in this UP piece only one new development which might be significant: "But Il Tempo of Rome reported that one of the two toy poodles that Mrs. Luce had brought to Italy apparently was a victim of the poison. 'To tell the truth, the one who got caught in this was a small beast, a little white dog who apparently was a victim of poison,' Il Tempo said."

I filed this bit of information away in my mind, but in the days that followed, I never read another word about the toy poodles. Nevertheless, it was the first clue any newspaper I saw had dug from a source close to the poisoning.

Most of the New York newspapers on the 18th used a UP dispatch which called the case "something very much resembling the mystery of the month" and said openly that "questions have been raised about the accuracy of CIA's detective work."

In the AP story in the Herald Tribune, I found statements from two more experts, both doctors in Rome, but again their opinions canceled each other. One doctor said he had seen "a number of cases of similar paint poisoning in the city—'most frequently in the cases of green paint'." (The roses were white.) The second doctor said he had never heard of a similar case of arsenic poisoning.

The World-Telegram was the only newspaper to make editorial comment on the Luce revelation, doing so under the heading "Seaman Jones." The W-T's ivory tower boys revealed themselves as more aware of the story's intrinsic flavor than their supposedly hot-typewriter colleagues downstairs. The editorial began:

"The fallout that hit Ambassador Clare Boothe Luce proves the old adage that truth, skillfully handled, can be stranger and more exciting than fiction, or any TV script.

"It had everything: A beautiful woman, herself a former playwright, a suspected poison plot, with Mrs. Luce losing her hair by the brushful, her teeth loosening, and her fingernails brittling. A mysterious boudoir in an Italian 17th century villa, a glittering society waltz that soured one night because Mrs. Luce's right foot turned numb."

This had more dash than anything I had yet seen.

Now, at last, I spotted a copy of the July 23 issue of Time in a hotel news rack. The piece on the editor's wife was importantly placed under a section near the front entitled "Foreign Relations" and was illustrated by a head shot of Mrs. Luce looking sincere and glowing.

While at the news counter, I happened to glance over the shoulder of a mustachioed British Army officer who was obviously entranced by a pocket-sized magazine called People Today. I found him lingering over an advertisement which promised the reader that for $1 "you can own all—40-22-25½—of Jayne Mansfield * * * by ordering your big-as-life pinup today." The illustration showed busty Jayne clad in what appeared to be two elm leaves and panties.

Eventually the officer flipped the page, skimmed past more pictures of girlies and stopped at a shot of Mrs. Luce's face. He laid the magazine flat on the counter and we read together the accompanying paragraph:

"Recent illness of Clare Boothe Luce, U.S. Ambassador to Italy, was caused by dust particles, containing arsenate of lead from crumbling ceiling, on her daily breakfast tray. At first officials thought she might be the victim of a poison plot. It was just an accident."

"My word," said the British officer.

A Time editor later told reporters that it was the publication of this incomplete account in People Today that impelled Mrs. Luce to ask her husband to print a fuller version in his own Time magazine. But who leaked to the small magazine "one of the best kept secrets of U.S. diplomacy?" Clearly all the mystery was not in the poisoning story alone.

The People Today paragraph offered a logical reason for Time to release its story now, so another of my questions seemed to be answered, no matter how imperfectly.

The Journal American, in an INS dispatch from Rome, carried a clue which seemed to tip the scales, until then evenly balanced, in favor of the published doubts of Time's explanation. The Journal American story opened with the testimony of a secret witness: "A housepainter who worked many times on the Villa Taverna residence of U.S. Ambassador Clare Boothe Luce suggested today insect spray, not paint, may have caused the poisoning which afflicted Mrs. Luce."

The painter was quoted as saying that an arsenic compound was used extensively on the flowers and plants on the building's well-kept gardens and grounds.

Although still searching in vain for a word from Mrs. Luce herself, I did find an item about her in the New York Times on the 19th. It said that in 2 days she would fly

from Washington to Lisbon and that she would there be a guest on the yacht of the millionaire Greek shipowner, Stavros Miarchos, for a 3-week Mediterranean cruise before returning to Rome. The announcement was carried the same day or the next day by every New York and Washington newspaper.

Mrs. Luce's doctor was reached again by a reporter on Thursday, the 19th. It apparently was late in the day, for I did not see a report until the following morning. The Washington Post of the 20th carried an Associated Press dispatch about it by John Scali in which Dr. Rosenbluth said that Mrs. Luce's latest illness, for treatment of which she had flown back to the United States some weeks earlier, was a combination of enteritis and anemia, not poisoning. But he added that these disorders may have had a connection with the poisoning which presumably ended 13 months before. This was as inconclusive as earlier statements, and I kept my eyes open for a development that would definitely sew up or tear apart the Times theory.

I thought I had it on the 22d, when I spotted the last paragraph of an AP story in the New York Times which quoted Capt. J. M. Amberson, acting head of the Naval Medical School, at Bethesda, as saying that it was "impossible" for tests his laboratory made on Mrs. Luce's specimens last year to have determined that she was suffering from arsenic poisoning.

Excited at the unexpected break in the case, I grabbed my Washington Post, which I had not yet read, and found a fuller account of the Amberson interview:

"Capt. J. M. Amberson was quoted by the Associated Press as saying the school laboratory had found small traces of arsenic in a specimen sent to it by the Central Intelligence Agency.

"Captain Amberson said the medical school could not have concluded that Mrs. Luce was suffering from arsenic poisoning without seeing her personally. 'It is chasing phantoms,' he said, 'to base such a finding on the laboratory tests.' "

Both these Amberson reports were buried far down in the stories of the first and only published interviews with Mrs. Luce, which, however, were unrewarding as far as yielding other useful information was concerned. The victim merely said she was now entirely cured of her maladies. She was reached by reporters as she enplaned at Washington's National Airport for her rendezvous with Niarchos.

I now had decided to send an open letter of protest to American newspaper editors for failure to search out adequate clues when I chanced on a column by Dorothy McCardle in the women's section of the Washington Post. More than once in the past I have discovered important news in her chatty column, and I wasn't disappointed this time:

"A thinner but still dynamic Clare Boothe Luce is about to return to her first love—writing. While home on sick leave, Mrs. Luce discussed plans with her New York publishers for a book dealing with a 'philosophic' approach to her diplomatic career as U.S. Ambassador to Italy.

"The projected opus will almost certainly make the best seller list, particularly if an exciting chapter entitled 'Arsenic and Old Paint' is included.

"Her friends in New York report that Mrs. Luce has given her publishers a 'half promise' to start her next book on January 1.

"However, that half promise all depends on one thing. Her friends speculate that she will keep it unless someone high up in the American Government persuades her to exercise a woman's privilege and change her mind.

"Every 4 years it's protocol for all U.S. Ambassadors to submit their formal resignations right after presidential election day, even when the same President has just been reelected. Of course, most Ambassadors hope their resignations won't be accepted.

"But not Clare Luce, we are told. She is anxious to get back to her first love and life's work, writing.

"It's been rumored that she has tried to resign before, has always been talked out of it. This time she says she hopes to make her resignation 'stick.' Then she'll get down to the daily grind at the typewriter, modestly recounting the brilliant job everyone agrees she has done as Uncle Sam's top woman Ambassador."

This was an entirely different kettle of fish. Mrs. Luce hopes to write a book about her experiences in Italy—a book which will explain her illness. All sorts of hypotheses now leaped into my mind, but they remained just that—hypotheses. The clues, separately and in conjunction, did not add up to a strong case for any of the theories.

The story began to disappear in the American press. Remembering press service references to the extravagant treatment of the case by Roman editors, I visited the State Department to have a look at files of Italian newspapers.

There was no mistake about it; the newspapers of Rome had had fun. The first daily I picked up was the independent Corriere Della Sera, of July 18. A four-column headline was splashed across the front page: "Poisoning of Mrs. Luce caused by paint in her room."

Underneath was a three-line "bank" or lesser head which offered further factual information: "The Ambassador's trouble dates back some time at the Villa Taverna, her residence in Rome. The difficulty diagnosed as arsenic poisoning may now possibly be completely cured."

This was a first-day story, and the newspaper had no time to embroider the Time account, which apparently arrived by wire from New York. The lead paragraph said:

"Villa Taverna, the residence of U.S. Ambassador to Rome Mrs. Clare Boothe Luce (a beautiful structure built about the end of the 17th century by Cardinal Consalvi and surrounded by a rich park of shade trees), this morning suddenly jumped into the center of general interest and curiosity following a sensational article in Time magazine which revealed the illness that has immobilized Mrs. Luce until some time ago."

That was the most conservative story about the affair that I was to see in any of the Rome newspapers. The Christian Democratic Il Popolo, for example, printed on its back page on the same day a story covered by a three-column headline: "Arsenic and Old Roses Poisoned the Ambassador."

Above it was a "kicker" line announcing: "A true story almost like a who-dun-it."

Whereas most other Rome newspapers complained that their photographers were not permitted to snap a picture of the Ambassador's bedroom, the Communist L'Unita apparently reached into its secret files and came up with a clear shot of the room showing two neatly made beds, a gaudy chandelier, and, on the far side, latticed french doors. Heavy beams were visible on the ceiling, but no plaster roses. The newspaper also carried a three-column photograph of the Villa Taverna, nearly obscured by trees and bushes.

On the first day, the Red writer tried only weakly to imply that Time was pulling a trick and, of course, he mentioned frequently the CIA men making secret investigations on Italian soil. One paragraph of L'Unita's report on the 18th said:

"The disease symptoms, according to some, make one doubt the cause could be the paint in the ceiling of the villa. On the other hand, studies made in the past centuries confirm that in those days similar poisonings happened often. Secret investigators of American police in Rome went to work on the case."

Later, L'Unita demanded a government investigation of every aspect of the matter but eventually dropped the issue.

By July 19, 2 days after the story reached Italy, the editors of Corriere Della Sera had had a chance to think over the story. The front page story, datelined New York, said, in part:

"Not everyone considers the explanation of the illness as credible. Among other things, arsenic has not been used in paint for a long time.

"No detective novel by Simenon or Agatha Christie has aroused as much interest as the news of the arsenic poisoning suffered by Mrs. Luce. And no final explanation has ever left the readers so unsatisfied and doubtful.

"All papers have devoted stories and editorials to the episode, which has become a topic of such exciting interest that the Journal American has now published an article by its scientific editor in order to calm worried readers. 'Paint on the walls of your home cannot cause poisoning of the type attributed to Ambassador Luce,' says the article, 'for the simple reason that arsenic is not used here.' "

On the following day, the 20th, the newspaper published an interview with Moviemaker Alfred Hitchcock, then in Rome. The Luce case was brought up:

"In the course of the pleasant conversation (with Hitchcock) a mention was made of the poisonous powder dropping from the ceiling of the Villa Taverna, which, as had been said, caused Ambassador Luce to become infected. The movie director's murder mystery imagination seemed stimulated by the unique accident. He jokingly observed that it would be an interesting subject for a picture, to be entitled: 'The Restless Murder.' A man silently and indefatigably walking on the floor of the room above causes through the small shaking of the floor a continuous, invisible precipitation of poisonous dust from the ceiling to the room below."

In the same issue, a Corriere Della Sera reporter commented on the local reaction:

"In the diplomatic and journalistic circles of Rome one hears many comments and references to the Luce affair, often based on free and fantastic flights of imagination. The only thing that seems by now ascertained is that the ceiling of the bedroom was not touched after the renovation of 1922 and that in 1951 only the side walls were repainted using water-mix colors without an arsenic or lead base, types of paint that have been forbidden here for 30 years."

The newspaper Avanti, organ of the pro-Communist Nenni Socialists, remarked slyly:

"Malicious persons attribute the story to an attempt to throw a merciful veil over the falsity of her (Mrs. Luce's) diplomatic successes."

On the following day, Avanti pushed the time of the Villa Taverna's construction back a hundred years to the 16th century so it could compare the Luce rose poisoning with similar (but clearly intentional) poisonings perpetrated by Lucretia Borgia. The newspaper went on to say:

"These (Borgian) elements of the story are mixed well with the elements of a classic "who-dun-it" by the bartenders of the press and then served to American readers in bathing suits. You will find also the cloak-and-dagger element, not without a bit of the political machinations that Senator McCarthy loves so much."

The weekly Il Mondo, a respected, intellectual newspaper published by the radical party, devoted nearly a full column of its

small print to the poisoning. The writer gave his imagination free rein:

"Each of those who, during the residence of Mrs. Clare Luce in Rome, has had a chance to send her a bunch of roses, has been affected in the last few days by a subtle feeling that they are unjustly and atrociously suspected.

"Each of these rose donors of Rome has been pointed out by the quick-witted American press as a possible poisoner of the gentle and pale blonde who represents the United States. 'A Rose a la Borgia for the Woman Ambassador' can be read, as a matter of fact, each day in large headlines in all the tabloids sold from the Atlantic to the Pacific.

"It is true that the roses of which the newspapers speak are the roses of the plaster which ornaments the ceiling of the bedroom of Clare Boothe Luce in the Villa Taverna, her private Roman residence.

"But the exact facts are hidden between the lines of the newspaper stories, which speak of these roses as more evident and efficient than the other possibly guilty roses sent in homage to the delicate lady.

"The American psychosis has, however, exploded tremendously and rapidly, helped by the deep American conviction that there still exists in Italy something of the Borgia's customs and that the old national hobby of poisoning people, inherited now by the Communists at the service of Moscow, is now being practiced on innocent Americans.

"An undersecretary of the State Department in Washington has felt the urge to officially declare that there is no reason to think that it was a plot against poor lady Clare. Although a land of poisoners, the official wanted to point out that Italy is sufficiently guarded by secret FBI agents so that the American officials may feel safe.

"On the other hand, something else could be proved. For example, that the victim of the hidden poison is a person rather inclined toward eccentricities.

"This tale of the Borgian arsenic which rained on her head during the course of her Roman sleep has the taste and the feeling of one of those tremendous and cold sillinesses which are read in certain illustrated tabloids, reporting the adventures of Mandrake the Magician; of Vana, the discoverer of twin earths; of Brick Bradford; of Lothar, the good giant; and of very many other heroes of the contemporary tabloids.

"Once upon a time there was a beautiful lady ambassador who slept in the dark castle in a strange country where a group of enemies, with the aim of disturbing the relations between allied nations, plotted a frightful scheme to slowly poison her.

"That is a plot to fascinate the artists and writers of the King Features Syndicate, to which Clare Boothe Luce has a splendid chance of getting a job narrating the story that she has reported to the editors of her husband's magazine.

"Arsenic of lead to kill someone has been deliberately added to the made-up story, the New York tabloids write. And arsenic of lead has now been added to the list of poisons known to American experts. These experts have also acknowledged as an attenuating circumstance that the intended victim of the poison could have been only a fly. But this reservation is made in skeptical tones and what really counts remains the main proposition."

The stories now ceased entirely both in the United States and in Rome, and I was left in suspense, like a person who is forced to leave an Alfred Hitchcock movie after only two-thirds have been seen.

The next issue of Time carried nothing further about the tribulations of the editor's wife. But, in the August 6 issue, I was surprised to see a letter:

"Sir: The story of the poisoning of our Ambassador to Italy reported in Time, July 23, would make a great mystery play. Why not call it 'Arsenic and Old Luce'?"

The cover story of this issue of Time was dedicated to Ship Tycoon Stavres Niarchos, whose deals were then in the news.

He and Mrs. Luce would be able to compare clippings.

ORDER FOR ADJOURNMENT FROM FRIDAY TO TUESDAY OF NEXT WEEK

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns tomorrow, it adjourn to meet at 12 o'clock noon on Tuesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the benefit of the Senators from California [Mr. KUCHEL and Mr. ENGLE] and the Senators from New Mexico [Mr. CHAVEZ and Mr. ANDERSON], I wish to inform the Senate that on Tuesday, or as soon thereafter as possible, the Senate will consider Calendar No. 141, S. 44, to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley Project, Calif.; and Calendar 142, S. 72, to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan Chama project as participating projects of the Colorado River storage project.

Also on Tuesday, the nomination of Justice Stewart will be before the Senate for consideration.

CONSTRUCTION OF MODERN NAVAL VESSELS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 3293.

The PRESIDING OFFICER. That is the pending business. Without objection, the Senate will resume the consideration of the bill, which will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 3293), to authorize the construction of modern naval vessels.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to insert in the RECORD at this point a statement relative to the measure.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MANSFIELD

This bill would provide tonnage authority for the construction of five of the ships in the Navy's 1960 shipbuilding program. These five ships are: Two amphibious warfare vessels, two escort vessels, and one hydrofoil submarine chaser.

The Navy has adequate authorization from prior laws to build the other ships and crafts in the 1960 program.

In this connection I should mention that the Navy has permanent replaceable authority for the construction of warships. For this purpose the term warships includes carriers, battleships, cruisers, destroyers, and submarines. The Navy does not have replacement authority for other types of ships that were developed principally in recent years. These ships for which authorizations have been granted from time to time as necessary consist of amphibious warfare and mine warfare vessels, patrol vessels, auxiliaries, and service craft.

Two of the vessels that would be authorized by this bill, the amphibious assault ship and the amphibious transport dock, have a combined tonnage of about 19,000. In this category of construction the Navy has available authorization of only 6,883 tons, an amount obviously insufficient to permit the construction of these two ships. The other three vessels that would be authorized by this bill, two escort vessels, and a hydrofoil submarine chaser, which are classified as patrol vessels, have a combined tonnage of 3,360. In this category of construction the Navy has available only 314 tons from prior authorization.

I shall discuss briefly the ships that this bill proposes to authorize. The amphibious transport dock (LPD) and the amphibious assault ship (LPH) are new types developed by the Navy and the Marine Corps especially for use in assault by vertical envelopment. The LPD is designed to carry transport helicopters and landing craft. It is capable of transporting and landing about 900 troops with their landing equipment. The troops would be landed by helicopter. Equipment and cargo too heavy to be transported by helicopter will be landed from the ship by boat. Both the landing craft and the helicopters may be launched when the ship is under way or stopped.

This ship is intended to replace the attack transport (APA) and the attack cargo ship (AKA). Its big advantage is that the troops and their equipment may be carried in the same ship. The first ship of this type was authorized in the 1959 program.

The LPH is designed for transporting Marine Corps troops and helicopters but not landing craft. The troops and their essential landing equipment may be landed from the ship by transport helicopters from dispersed positions at sea to effect a vertical envelopment. This will eliminate some of the hazards of concentrating large numbers of men and equipment in a beach area in the early stages of an assault landing as was done in World War II.

This ship is also capable of carrying antisubmarine helicopters and of operating as an antisubmarine warfare ship when not in amphibious use.

The two new patrol ships, or destroyer escorts, are of a new design. These DE's will be the first new ships to carry an integral bow mounted long range sonar and drone antisubmarine helicopters. These vessels are intended to improve the antisubmarine capabilities of our fleet.

The other vessel in the patrol category is a submarine chaser. It is also a new design with hydrofoils added.

This ship operates on the "grasshopper" principle. When traveling at a slow speed its hull goes into the water. At this speed sonar soundings may be taken. If contact is not gained, the sonar is retracted and, using the hydrofoils, the ship moves at high speed to the next position.

The total cost of the ships proposed to be constructed under the authority contained in this bill is $110,700,000.

I shall be glad to attempt to answer any questions about this authority. If there are no questions, I urge that the measure be approved.

The PRESIDING OFFICER. The bill is before the Senate and open to amend-

ment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

APPOINTMENT OF AN ASSISTANT TO THE SECRETARY OF STATE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 174, S. 455.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 455) to provide for the appointment of an Assistant to the Secretary of State to assure joint policy and planning and equitable budgeting of exchange of persons programs and administrative cooperation between staffs engaged in carrying out such programs.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HUMPHREY. Mr. President, this bill is identical with one which the Senate passed last year. It authorizes the appointment of an Assistant to the Secretary of State, who is to be known as the Assistant for Cultural Relations. His appointment will be subject to the advice and consent of the Senate. His rate of pay will be the same as an Assistant Secretary of State.

The duty of this special assistant will be to coordinate all exchange programs involving the training of foreign nationals. At the present time foreign nationals are brought to this country by the State Department, ICA, the U.S. Information Agency, the Department of Defense, and many other agencies. No one individual has clear authority to develop a coordinated program so that these exchanges may serve the national interest.

I hope the Senate will pass this bill, to which no objection has been heard, and which has the full support of the administration.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there shall be in the Department of State an assistant to the Secretary of State to be known as the Assistant for International Cultural Relations (hereafter referred to in this Act as the "assistant"), who shall be appointed by the President by and with the advice and consent of the Senate.

(b) The annual rate of basic compensation for the position of assistant created by subsection (a) of this section shall be established by the Secretary of State in an amount not to exceed the annual rate of basic compensation established by section 106(a) of the Federal Executive Pay Act of 1956 for Assistant Secretaries of State.

SEC. 2. It shall be the duty of the assistant, under the general direction of the Secretary of State, (1) to coordinate the international exchange programs of the Department of State under section 32(b)(2) of the Surplus Property Act of 1944, as amended, the United States Information and Educational Exchange Act of 1948, as amended, the Mutual Security Act of 1954, the International Cultural Exchange and Trade Fair Participation Act of 1956, or other provisions of law relating to the exchange of persons, with a view to assuring joint policy and planning and equitable budgeting of such programs, and administrative cooperation between staffs engaged in carrying out such programs, and (2) to perform such other functions as may be assigned by the Secretary of State or prescribed by law.

NORTH ATLANTIC TREATY PARLIAMENTARY CONFERENCE FOR 1959

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 175, House Concurrent Resolution 34.

The PRESIDING OFFICER. The concurrent resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A concurrent resolution (H. Con. Res. 34) favoring the meeting of the North Atlantic Treaty Parliamentary Conference for 1959 in Washington, D.C.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. HUMPHREY. Mr. President, this concurrent resolution constitutes an invitation from the U.S. Congress to the North Atlantic Treaty Parliamentary Conference. The NATO parliamentarians are invited to hold their annual meeting in 1959 in Washington, D.C.

This invitation is extended as a result of action taken at the last conference in Paris last fall. Among the delegates were Senators GREEN, DIRKSEN, BRIDGES, and KUCHEL.

It is anticipated that if this resolution is passed, funds in an amount not to exceed $100,000 will be required in order adequately to arrange for the conference in Washington. Passage of the resolution will afford us good opportunity to show a distinguished group of European parliamentarians the hospitality of Washington.

It is my understanding that a separate resolution would be required to authorize the expenditure of funds for this conference.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to as follows:

Resolved by the House of Representatives (the Senate concurring), That the Chairmen of the United States delegation to the North Atlantic Treaty Parliamentary Conference be requested to invite the North Atlantic Treaty Parliamentary Conference to hold its annual meeting for the year 1959 in Washington, District of Columbia.

The PRESIDING OFFICER. Without objection, the preamble will be approved.

BARGAINING BY COOPERATIVE ASSOCIATIONS OF MILK PRODUCERS WITH PURCHASERS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 182, S. 753.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. Calendar No. 182, S. 753, to authorize cooperative associations of milk producers to bargain with purchasers singly or in groups, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HUMPHREY. Mr. President, cooperative associations of dairy farmers, in bargaining for the sale of milk to handlers, encounter a special problem under the antitrust laws which ought to be corrected.

The cooperative associations, representing dairy farmers, bargain for prices to be paid to farmers for milk by the handlers who process and distribute it. The problem arises particularly in metropolitan fluid milk markets where farmers' associations must negotiate prices with more than one handler.

The prices charged by marketing associations must be uniform as to all handlers on the market to avoid a charge of price discrimination under the Robinson-Patman Act. In practically all fluid markets of any substantial size there are several handlers. Trying to negotiate separately with one handler at a time for a price which must be uniform as to all handlers involves endless running back and forth and is impractical and inefficient. Since the price to all handlers must be the same, the cooperative should be permitted, if it choses, to call all the handlers together and negotiate with them as a group for the price to be paid for the milk which the association has for sale.

The cooperatives insist that they have this right under the present law. However, it is not clearly spelled out either in the statute or by court decisions, and the Department of Justice has raised questions about it. This has created a condition of uncertainty which is hindering the marketing process. Many dealers are fearful that they will become involved in an action by the Department of Justice if they bargain in a group, and some cooperatives share this concern. This has served to slow up and impede the effective marketing of milk.

Unless Congress acts, this uncertainty will hang over the market like a cloud for many years until it is resolved eventually by expensive and time-consuming court action. Since this is a right which should be recognized, Congress can perform a valuable service to the dairy industry by clarifying it and thus freeing the market from the needless and hampering uncertainty which now exists.

The proposed legislation would permit one or more associations as sellers of milk to bargain with a group of handlers

as purchasers of milk. Bargaining would be in good faith, at arm's length, between seller and buyer, and no collusion between seller and buyer would be permitted. The right of marketing associations to bargain in a group as seller and the right of handlers to bargain in a group as buyer would be limited to the milk owned and controlled by the marketing associations, and no agreement as to retail prices would be permitted. The proposed bill would not adversely affect the antitrust laws. It merely would recognize a practical application of them to the realities of present-day milk marketing.

This bill is identical to S. 2444, as passed by the Senate last July. It would provide exemptions from the antitrust laws to permit milk marketing cooperatives and their marketing agencies—as those terms are defined in the Capper-Volstead Act—and purchasers from such cooperatives or agencies to bargain in good faith in groups for milk and milk products. The cooperatives are already authorized by the Capper-Volstead Act to bargain through marketing agencies in common. Consequently, permitting the cooperatives themselves to sit down in a group for bargaining purposes does not represent a significant change in substance, although such action may, at present, be prohibited by the antitrust laws. By permitting joint negotiation with all handlers at one time, the bill would provide a more direct, efficient way of reaching the result now required by the Robinson-Patman Act and achieved only by negotiations back and forth between handlers, that is, providing a uniform nondiscriminatory price to all handlers.

The bill also makes it clear that business done for the United States is not to be considered as either member or nonmember business in determining whether a cooperative association meets the requirements of the Capper-Volstead Act. This is similar to a provision set out in section 521(b)(5) of the Internal Revenue Code of 1954.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That cooperative associations of producers, and marketing agencies in common owned or controlled by such associations, may bargain in good faith singly or in groups for the sale of milk and milk products and at the request of any one or more of such associations or marketing agencies, acting singly or in groups, dealers, handlers, processors, and other purchasers may bargain in good faith singly or in groups with such association, marketing agency, or group for the purchase of milk and milk products. Nothing in this Act shall be construed to authorize any agreement relating to the price at which milk or any product thereof may be sold by any such dealer, handler, processor, or other purchaser. For the purposes of this Act, "cooperative associations of producers" and "marketing agencies in common" mean such associations and marketing agencies as meet the requirements of the Capper-Volstead Act (42 Stat. 388, 7 U.S.C. 291–292). In determining compliance with said Act, business done for the United States or any of its agencies shall not be considered either member or nonmember business.

EXTENSION OF SPECIAL MILK PROGRAM FOR CHILDREN

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 184, S. 1289.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. The bill (S. 1289) to increase and extend the special milk program for children.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with an amendment on page 1, at the beginning of line 5, to strike out "ending June 30, 1959, not to exceed $80,000,000, and for the fiscal year ending June 30, 1960, not to exceed $85,000,000, and for the fiscal year ending June 30, 1961, not to exceed $90,000,000" and insert "beginning July 1, 1958, not to exceed $78,000,000, and for each of the two fiscal years thereafter, not to exceed $80,000,000", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276), is amended to read as follows: "That for the fiscal year beginning July 1, 1958, not to exceed $78,000,000, and for each of the two fiscal years thereafter, not to exceed $80,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, this bill with the committee amendment, would increase the maximum amount of money which may be used for the special school milk program during the fiscal years ending in 1960 and 1961 to $80 million, an increase of $5 million over the amount originally authorized. School enrollment has been increasing and Congress recently increased the amount available for the current year to $78 million in order to permit the program to continue at its present level. The amounts required for 1960 and 1961 are not likely to be less than those for the current year.

I should like to say that it does not necessarily mean that the amount we authorize would all be spent. The record will bear me out when I say that all the amounts we have authorized in the past have not been spent, but that some were turned back into the Treasury.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. HUMPHREY. It is also included in the report on the bill that the Secretary of Agriculture shall give us advance information, about three months prior to the end of the fiscal year, as to the status of the milk fund. Is that correct?

Mr. JOHNSTON of South Carolina. That is correct; so that we may know what to do in advance in connection with the milk program.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SUSPENSION OF NUCLEAR WEAPON TESTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 195, Senate Resolution 96.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 96) favoring an international agreement for a suspension of nuclear weapon tests.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the resolution, which had been reported from the Committee on Foreign Relations with amendments on page 2, line 11, after the word "and", to strike out "that he asked the Soviet Government to transmit the resolution to the Soviet people"; at the beginning of line 13, to strike out "leaders and people alike will know of"; and in line 15, after the word "Senate", to insert "will be known and be made clear"; so as to make the resolution read:

Resolved, That the Members of the Senate support the efforts of the United States to continue to negotiate for an international agreement for the suspension of nuclear weapons tests; and be it further

Resolved, That it emphatically endorse the principle that an adequate inspection and control system must be part of any such international agreement involving a suspension of nuclear weapons tests; and be it further

Resolved, That the Senate requests the President of the United States to submit to the Soviet Government the contents of this resolution and so that the desire of the American people speaking through their representatives in the Senate will be known and be made clear for the successful outcome of the negotiations in Geneva for an effective and reliable agreement for the discontinuance of nuclear weapons tests.

The preamble was proposed to be amended, so as to read:

Whereas the goal of the people of the United States is a just and lasting peace; and

Whereas the peace of the world is threatened by an arms race of major proportions among the leading powers of which key aspects are the continuing development of devastating nuclear weapons and the maintenance of large standing armies by some states; and

Whereas for thirteen years negotiations to control and limit armaments and armed forces have not led to agreement; and

Whereas representatives of the United States, the United Kingdom, and the Soviet Union are now meeting in Geneva for the purpose of drafting a treaty on the discontinuance of nuclear weapons tests; and

Whereas an effective international control system is a necessary component of any worldwide agreement on the cessation of nuclear weapons tests in which all states are to have confidence; and

Whereas an agreement regarding the discontinuance of nuclear weapons tests under an effective control system would provide an opportunity to ease world tensions and realize a small but significant first step toward the goal of the control and reduction of nuclear and conventional armaments and armed forces: Therefore, be it

Mr. HUMPHREY. Mr. President, I submit additional amendments and ask that they be read.

The PRESIDING OFFICER. The amendments will be stated for the information of the Senate.

The CHIEF CLERK. On page 1, in the preamble between lines 13 and 14, insert the following:

Whereas an effective agreement to discontinue nuclear weapons tests would result in a reduction of the hazard from radioactive fallout which contaminates the air that the people of the world must breathe, and which is a matter of grave concern to all mankind; and

On page 1, in the preamble in the last line on that page, after the word "effective", to strike out "international" and insert "world-wide"; and

On page 2, in the preamble, in the first line on that page, to strike out the word "worldwide" and insert "international".

So as to make the preamble read:

Whereas the goal of the people of the United States is a just and lasting peace; and

Whereas the peace of the world is threatened by an arms race of major proportions among the leading powers of which key aspects are the continuing development of devastating nuclear weapons and the maintenance of large standing armies by some states; and

Whereas for thirteen years negotiations to control and limit armaments and armed forces have not led to agreement; and

Whereas representatives of the United States, the United Kingdom, and the Soviet Union are now meeting in Geneva for the purpose of drafting a treaty on the discontinuance of nuclear weapons tests; and

Whereas an effective agreement to discontinue nuclear weapons tests would result in a reduction of the hazard from radioactive fallout which contaminates the air that the people of the world must breathe, and which is a matter of grave concern to all mankind; and

Whereas an effective worldwide control system is a necessary component of any international worldwide agreement on the cessation of nuclear weapons tests in which all states are to have confidence; and

Whereas an agreement regarding the discontinuance of nuclear weapons tests under an effective control system would provide an opportunity to ease world tensions and realize a small but significant first step toward the goal of the control and reduction of nuclear and conventional armaments and armed forces: Therefore, be it

The PRESIDING OFFICER. The clerk will state the amendment of the Senator from Minnesota to the text of the resolution.

The CHIEF CLERK. On page 2, line 5, after the word "That", to strike out "it" and insert "the Senate."

The PRESIDING OFFICER. Without objection, the amendments to the text of the resolution are agreed to.

Mr. HUMPHREY. Mr. President, Senate Resolution 96 was reported favorably with amendments by the Committee on Foreign Relations on Friday, April 17, 1959. The report No. 206 enumerates the purposes of the resolution; namely, that the Senate supports continued negotiations by the United States for an international agreement on the suspension of nuclear weapons tests, and that the Senate specifies any such agreement must be accompanied by an effective and workable control and inspection system. The resolution also requests the President to submit the contents of the resolution to the Soviet Government so that the interests of the American people for a successful outcome of the negotiations now underway at Geneva will be made known.

The Committee on Foreign Relations made a few changes in the language of the resolution. The most important consists of modifications to show more clearly the need for control and reductions in conventional armaments and Armed Forces as well as control and reductions in the field of nuclear weaponry. The committee felt that the broad objectives in our efforts to achieve progress in disarmament ought to be stated in addition to stating approval of the specific and more limited objective of a controlled cessation of nuclear weapons tests.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD letters which the Foreign Relations Committee received from the Department of State and the Atomic Energy Commission favoring the purposes of the resolution. The insertion of these letters should make clear the opinion of these two executive agencies.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, April 3, 1959.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations, U.S. Senate.

DEAR SENATOR FULBRIGHT: As you requested in your letter of March 27, 1959, addressed to the Acting Secretary of State, the Department of State has reviewed Senate Resolution 96, which was introduced in the 86th Congress on March 26, 1959, by Senator HUBERT HUMPHREY.

The Department believes Senate Resolution 96, "favoring an international agreement for a suspension of nuclear weapons tests" should be enacted. The resolution, which is in keeping with U.S. policy on testing, would serve to reaffirm the determination of this Government in achieving a safeguarded discontinuance of nuclear weapons tests. Moreover, when the Geneva Conference on the discontinuance of nuclear weapons tests resumes on April 13, following the current recess, Senate Resolution 96 would lend valuable assistance to our delegation's efforts in the negotiations proper by making clear that the Members of the Senate fully support the U.S. position.

In reviewing the resolution, however, the Department has viewed with some concern the phrase "* * * and that he ask the Soviet Government to transmit the resolution to the Soviet people so that leaders and people alike will know of the desire of the American people speaking through their representatives in the Senate for the successful outcome of the negotiations in Geneva for an effective and reliable agreement for the discontinuance of nuclear weapons tests."

While the Department recognizes the desirability of having the Soviet people informed of the U.S. position on testing, we believe submission of the resolution's content, which constitutes an official communication from this Government to the Soviet Government, should properly be restricted to that level.

The Department has been informed by the Bureau of the Budget that there is no objection to the submission of this report.

Sincerely yours,

JOHN S. HOGHLAND II,
Acting Assistant Secretary
(For the Acting Secretary of State).

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., April 15, 1959.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations, U.S. Senate.

DEAR SENATOR FULBRIGHT: You asked me April 7 for the Commission's comments regarding Senate Resolution 96, which was introduced by Senator HUMPHREY. This resolution endorses the efforts of the United States to negotiate what it regards as a sensible international agreement under which weapons tests would be suspended if an adequate inspection and control system were a part of the agreement.

We have always thought here in the Commission that an international agreement suspending weapons tests without an adequate inspection and control system would endanger the national security. We have, however, vigorously supported the efforts of the U.S. Government to reach an agreement with effective controls and, as you know, this effort has so far been unsuccessful.

We would favor passage of the resolution. However, in doing so, we would suggest careful consideration and perhaps modification of the wording of the preamble and resolution to clearly state the ultimate goal of control of conventional as well as nuclear weapons.

We are most anxious that the resolution not leave room for the implication that the Senate seeks nuclear disarmament alone. I feel that the security of this country and the free world would be irreparably damaged if such an implication were to gain currency and conventional disarmament be disassociated from nucelar disarmament. Such an event could lay ourselves and our allies open to the marching hordes of communism.

The Bureau of the Budget has advised that there is no objection to the submission of this report.

Sincerely yours,

JOHN A. MCCONE.

Mr. HUMPHREY. Mr. President, by this resolution we make clear the dedication of the Government of the United States, both the executive and legislative branches, to the proposal of the reduction of armaments, known as disarmament, and to the suspension of nuclear tests.

The amendment just acted upon, to the resolution, has been suggested by the Senator from Tennessee [Mr. GORE], who is out of town on official business and unfortunately could not be present today. This amendment would add a new whereas clause to the resolution which would state the concern of the Senate with the problem of radioactive fallout. The language of the amendment is:

Whereas an effective agreement to discontinue nuclear weapons tests would result in a reduction of the hazard from radioactive fallout which contaminates the air that the people of the world must breathe and which is a matter of grave concern to all mankind; and

It would be inserted between the fourth and fifth whereas clauses.

I believe that this amendment strengthens the resolution substantially and I am indebted to the Senator from Tennessee for bringing it to my attention.

The Senator from Tennesse, as a long-standing member of the Joint Committee on Atomic Energy, as a congressional adviser to the Geneva test ban talks, and as a member of the Foreign Relations Committee and its Subcommittee on Disarmament, was one of the first Members of this body to bring to our attention the problem of the contamination of the atmosphere from radioactive fallout resulting from the testing of nuclear weapons. He was so concerned that when he returned from the Geneva Conference last fall he made a bold and imaginative proposal to the President that regardless of the outcome of the Geneva negotiations the United States should unilaterally suspend for a period of 3 years all nuclear tests in the atmosphere. Such a step, the Senator from Tennessee rightly contended, would greatly reduce further contamination of the atmosphere. I firmly believe that without the initiative displayed by the Senator from Tennessee [Mr. GORE] and also by the Senator from Idaho [Mr. CHURCH], who also made a highly constructive proposal, the President would not have written to Premier Khrushchev offering a Gore-Church alternative proposal in an attempt to have the Geneva test ban conference succeed. I also think that it was this proposal on the part of the President that might be causing the Soviet Premier to begin to consider an alteration of what had been a rigid and adamant Soviet position on the question of the veto and mobile inspection teams. I shall have more to say on this subject at a later time but I wanted to mention in particular the role of Senator GORE in the Geneva test ban talks and the fact that he has suggested this amendment to the resolution.

The other amendments are of a technical and clarifying nature. The first is: In the fifth whereas clause, cross out the word "international" and substitute the word "worldwide"; and cross out the word "worldwide" and substitute "international." The clause would then read "Whereas an effective worldwide control system is a necessary component of any international agreement on the cessation of nuclear weapons tests in which all states are to have confidence; and"

The second amendment would correct a small printer's error on line 11 page 2. It would strike out the word "and" in line 11.

For the information of other Senators I may say that the Department of State has no objection to these amendments.

The PRESIDING OFFICER. Without objection, the resolution, as amended, is agreed to, and without objection, the amendments to the preamble are agreed to, and the preamble, as amended, is agreed to.

REPRINTING OF HOUSE DOCUMENT NO. 451, 84TH CONGRESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 221, House Concurrent Resolution 95.

The PRESIDING OFFICER. The concurrent resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A concurrent resolution (H. Con. Res. 95) authorizing the reprinting of House Document No. 451 of the 84th Congress.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. MANSFIELD. Mr. President, the purpose of calling up the concurrent resolution is to have some business pending before the Senate. Earlier I stated that Calendar No. 141, S. 44, to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes; and Calendar No. 142, S. 72, to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes, would be considered on Tuesday or as soon thereafter as possible.

I desire to notify the Senate that the same statement can be made about Calendar No. 185, S. 1120, to amend the Federal Reserve Act with respect to the required reserves; and also Calendar No. 186, S. 1062, amending the Federal Deposit Insurance Act with respect to bank mergers.

The majority leader announced yesterday that Calendar No. 183, S. bill 690, providing for increased industrial use of agricultural products, would very likely be considered today. At the request of a Senator, the consideration of that bill will be postponed for a few days. It will not be considered before next week.

For the information of the Senate, when the Senate meets tomorrow, it will be for the purpose of enabling Senators to make insertions in the RECORD and to make speeches. There will be no proposed legislation considered and no votes taken.

SUSPENSION OF NUCLEAR WEAPON TESTS

Mr. HUMPHREY. Mr. President, at the time I was speaking about Senate Resolution 96, I hoped the distinguished Senator from Idaho [Mr. CHURCH] might come into the Chamber. I see that he is now present. He was a great force and influence in having the resolution prepared and adopted. All of us are deeply indebted to the Senator from Idaho for his excellent leadership.

Without losing my right to the floor, since I have another item to present, I ask unanimous consent that I may yield to the Senator from Idaho to make a statement relating to Senate Resolution 96.

Mr. CHURCH. I thank the Senator from Minnesota.

Mr. President, I am very much gratified by the action the Senate has taken and thankful for the initiative of the distinguished Senator from Minnesota in drafting and bringing to the floor the resolution which has just been adopted.

I think it is most important that we demonstrate, not only to the people of the country, but also to the people of the world, that the U.S. Senate, in exercising its constitutional responsibility to advise the President in the field of foreign affairs, has placed itself so solidly on record behind the effort that we are making in Geneva to achieve a ban on nuclear tests.

Two weeks ago the President of the United States made it clear, in his message to Premier Khrushchev, that a first-step agreement might be made in the form of a limited ban on atmospheric tests, to break the deadlock at the conference; and that the United States did not propose to assume and hold a frozen position at Geneva, but intended to do its utmost to find a way to reach an agreement which would contribute toward ending the continued contamination of the air through fallout.

Again, today, the Senate of the United States, composed of the elected representatives of our 49 sovereign States, has demonstrated that the legislative branch of our Government stands solidly behind the President in this effort. Thus our negotiators at Geneva will, I think, be strengthened and our position before the world will be subject to no question whatever.

I think that very special credit should be given to the chairman of the Subcommittee on Disarmament. He, for a long, long time, has persisted in attempting to bring home to the American people the grave importance of finding a way to suspend nuclear weapon tests, and to establish an international control system which, in the future, can be used for such further efforts as protecting us against surprise attacks and giving us a method to enforce compliance with future disarmament agreements.

All these are steps which we must take if we are to pull our country out of the current that is carrying it so steadily nearer the precipice of thermonuclear war.

So I am proud of the action the Senate has taken, and I am proud to be as-

sociated with the distinguished Senator from Minnesota [Mr. HUMPHREY] in the continuing effort he is making in this regard.

Mr. HUMPHREY. Mr. President, I thank the distinguished Senator from Idaho.

TRIBUTE IN CONNECTION WITH CHILD HEALTH DAY, MAY 1, 1959

Mr. HUMPHREY. Mr. President, the greatest asset of this or any other nation is its children.

May 1 marks the annual celebration of Child Health Day. Of course, throughout the year there are other special observances in honor of other phases of America's health. But no single aspect of health could be more important than the well-being—mental and physical—of the children of the Nation. Similarly, it is clear that the fate of mankind hinges on the growing minds and bodies of its children throughout the globe.

Accordingly, in the international health study, in connection with which it is my privilege to serve as chairman of the subcommittee of the Committee on Government Operations, we are concentrating on child health, among certain other selected topics.

I have been in touch with the widest variety of child-interested organizations, public and private, in the United States and abroad. Those contacted include the able Chief of the U.S. Children's Bureau, Mrs. Katherine B. Oettinger, and such private leaders as the director for the Association for the Aid of Crippled Children, Mr. Leonard W. Mayo. He is also, I should like to add, the able president of the International Union for Child Welfare. So, too, I have contacted the Secretary General of the International Union for Child Welfare, Dr. D. Q. R. Mulock Hower; and on the official front I have contacted Mr. Maurice Pate, the very capable director of UNICEF. Here in the United States, a wide variety of organizations interested in whole or in part in the needs of children have corresponded with me. They include the American Association for Social Work, the International Council for Exceptional Children, the Child Welfare League, the Congress of Parent-Teachers' Associations, the American Academy of Pediatrics, the American Speech and Hearing Association, United Cerebral Palsy, the National Foundation, Child Study Association, the National Society for Crippled Children and Adults, the Muscular Dystrophy Association, the National Association for Mental Health, the National Association for Retarded Children, and many others.

Further publications of our subcommittee will reflect the status of health of the world's children.

In connection with Child Health Day, I should like to pay tribute to all those throughout the land who labor for the welfare and well-being of children—to the teachers, the doctors, the nurses, the social workers, the clergymen, the boys' clubs, the 4–H clubs, the Boy Scouts, the Campfire Girls, the Girl Scouts, the Big Brothers, and similar groups, and the leaders of all these groups. I should like to pay particular tribute to all those who serve in children's hospitals and in children's rehabilitation centers throughout the land. And above all, Mr. President, let me also pay tribute to the parents of America, who indeed are the first to provide for and care for their children.

I am thinking, for example, of such great centers as Boston Hospital, founded by Dr. Francis Henry Brown. Three years after the Civil War, Dr. Brown had stated, in urging the establishment of a hospital devoted to children:

> I am convinced that physiologically a child is not just a little man. Our children are without proper medical consideration for their special needs.

Thanks to people such as Dr. Brown, America's children are now getting better medical consideration for their special needs.

Few, if any, child needs stand higher than the need for the conquest of cancer among children. Here we look to great leaders such as Dr. Sidney Farber, the Medical Director of the Children's Research Center Foundation, who has served since 1927 in Boston. I cite him as but one illustration of the dedicated persons who across the land open up new horizons for those who are most innocent and most deserving of our love and guidance, our care and treatment.

But whatever the enemy of children—whether it be cancer, emotional problems, epilepsy, birth defects, cystic fibrosis, rheumatic fever, muscular dystrophy, blindness, speech or hearing defects, accidents at home or on the streets, or any of hundreds of other maladies or disablers—the child commands our best efforts.

He who invests in children makes the greatest investment in the world—an investment which cannot fail to pay off in both intangible and tangible good.

It is my hope and my expectation that the subcommittee of which I am privileged to be the chairman, will be able to make at least some small contribution toward furthering the well-being of all youngsters—here and throughout the world.

NINETEEN HUNDRED AND FIFTY-NINE LAW DAY, U.S.A.

Mr. HRUSKA. Mr. President, for every American and for a growing number of others throughout the world who are concerned with the alarming growth of communism, May Day is assuming a new and hopeful meaning. Nineteen hundred and fifty-nine is the second consecutive year when President Eisenhower has proclaimed the 1st of May as Law Day, U.S.A.

On the eve of such a celebration, it is appropriate to inquire why we have designated one particular day as Law Day. The answer could be given in many ways, but none could be phrased more eloquently than in the following statement by Dean Roscoe Pound, at Harvard Law School, last year:

> Is it not because we recognize and value the work of those who have gone before us in giving us a system of adjusting relations and ordering conduct which enables 2¾ billion of human beings in the world to live, on the whole, active and useful lives; and 170 million in America to develop the powers with which nature has endowed them, in peace and freedom?

The aspiration of all people to live active and useful lives and to live them in peace and freedom has given a powerful force and direction to the law. Although law has reached its highest development in the present-day democracies, the struggle for order and justice has hardly subsided. At this time a new ideology challenges their premise and denies their validity.

So Dean Pound was wise to remind us that "until the millennium makes over human nature, or communism suppresses it, or anarchy wrecks abundance, there is an assured need of law and of lawyers."

"Law Day," President Eisenhower has said, "reminds us all that we, as Americans, live, every day of our lives, under a rule of law."

The truth of this fact may escape our notice. It is so self-evident that everybody may take it for granted. But what does the rule of law mean to us in everyday life?

Implicit in such a concept is the sanctity of the individual and the protection of his rights against those who would infringe upon them. The rule of law is paramount to the will of any individual or group of individuals, regardless of how powerful the individual or how large the group. This means that all men are equally subject to the law; no one is placed above it.

These concepts have been expressed time and time again. They reflect, in various ways, our understanding of individual freedom under law.

In recalling the importance of law in the lives of all free men, however, we do more than enumerate a bill of human rights. We emphasize the necessity of respect for the law and the administration of justice and the hope to maintain them.

The latter aspect cannot be too strongly emphasized. Much is said about the individual freedom which exists in our country. Unfortunately, at the same time we are witnessing a disturbing rise of lawlessness.

The evidence of a breakdown of our traditional respect for the rule of law is apparent when we consider that last year crime increased 9 percent throughout the Nation and since 1952 our juvenile population has increased 22 percent, while in the same period juvenile arrests increased 55 percent.

This rise in the national crime rate cannot be attributed to the activities of organized crime. The record will show that Americans of all ages, backgrounds, and walks of life engage in the foul business of crime.

The rule of law in our country goes hand in hand with a total respect for law and order. To increase our respect for law and order and the manner in which justice is administered has always been the duty of every citizen. In these troubled times, when our system of

government is threatened by the conspiracy of communism, it is imperative, as a simple matter of survival, that adherence to law is observed by all Americans.

In this regard, there are many specific things which a citizen can do to increase respect for law and order. The American Bar Association, in conjunction with the American Heritage Foundation, proposes a basic list of duties, among which are:

The acceptance of jury duty when called, regardless of personal inconvenience.

Appearing as a witness, giving evidence and otherwise cooperating in the administration of justice.

Publicly complimenting law enforcement officers and jurists when they render extraordinary service.

While the observance of Law Day serves to inculcate a fuller sense of responsibility in our citizens toward our Government, this is not its only mission. It is not by happenstance that May 1 was chosen as Law Day. A more effective way to dramatize our way of life at the time when totalitarianism boasts its own on the same day cannot be imagined.

The Overstreets in their recent book "What We Must Know About Communism," have vividly portrayed the respective philosophies underlying the two celebrations:

> While Khrushchev, in Moscow's Red Square, proclaimed the growing might of communism to be the world's best safeguard against the war aims of Great Britain and the United States, Roscoe Pound * * * spoke a different language: "The law is the highest inheritance the sovereign people has, for without the law there would be no sovereign people and no inheritance."

In recent years we have been waging a cold war against the forces of communism.

It is contended that democracies are not geared for waging such cold wars on a long, sustained basis. Among the reasons assigned for this are that they are too critical and that factions of normal political life sometimes form and contend with each other more than they do against the enemy on the otuside. There may be other reasons on this score. But we also know that democracies, if aware that a crisis exists, are tougher, more resourceful, and more productive of results through voluntary discipline than are the regimented means and methods of totalitarian countries.

One of the elements which goes to make for greater effectiveness of democracies in this regard is law.

The observation of May 1 as Law Day should continue to be an occasion when many spokesmen of eminance in their respective fields, but particularly in the field of law, should speak forth on law as a great and vital living force.

The Overstreets, in their book already referred to, put it in this way:

> By their common testament, and by that of man's experience, law is not that which coerces human beings who would otherwise be free; it is that which stands between human beings—even the least—and that which would otherwise coerce them, rob them of their freedom, force them to live in terror * * *.
>
> No one, we would believe, whose mind has been shaped by the Anglo-American tradition—be he lawyer or layman—can become familiar with the terrible tawdriness of what passes for law within the Communist orbit and not feel obligated to rededicate himself to the spirit and practice of liberty under law. Rigged trials, forced confessions, arrests for no specified reasons, the abolition of the writ of habeas corpus, the abolition of civil rights, secret police: these are the essence of terror; and these are the demonstrated essence of Communist class law. Also, therefore, they are a basic reason why communism must not be permitted to extend its empire to embrace—and have at its mercy—yet other human beings.

For our own interest, we need to know more about this system of law which is founded upon and operated upon the concept of force.

Mr. Charles S. Rhyne, past president of the American Bar Association, recently made a report in the hope of finding out whether the Bar Association's program for world peace through law could possibly be accepted by Russia.

Mr. Rhyne's impressions are quite remarkable. He observes:

> In education, science, agriculture, sports, and other fields * * * the Russians give overwhelming emphasis to their competition with and desire to outdo Americans. In those fields they go to great length to demonstrate their ever-growing capacity.
>
> But law is never mentioned by them as a field for competition. It is Russia's greatest weakness. Her greatest shame.

Mr. Rhyne goes on to say that "by throwing a spotlight upon this glaring weakness we may encourage or shame Russia into progress on law. Such progress can but augur good for the world."

Law Day, U.S.A., focuses exactly such a spotlight on this weakness. Whether such attention can shame Soviet countries into progress on the law is quite doubtful, at least in regard to her own citizens' welfare.

Nonetheless, our dedication to the principle of world peace through law will have a positive effect on Russia to the extent that it would compel her in her relations with other nations to conduct herself in a lawful nature or to risk exposure or censure by world opinion without recourse or excuse.

By creating a fuller understanding of, and a greater respect for, the rule of law on the part of all Americans, we best equip ourselves to defend our system of government. The very concept of liberty under law which prevails here is becoming more and more dependent upon an alert and informed citizenry. In no better way can we perceive the "terrible tawdriness," as the Overstreets have expressed it, which passes for law in the Communist countries.

In its second year, the celebration of Law Day has thus already achieved profound results. By our reexamination of traditional concepts of free men and the bold exploration of new fields for their application, Law Day has served and will serve to generate an exciting force for universal peace with justice.

The American Bar Association has performed a distinguished service, not only to its honored profession, but to the citizens of the world for its parts and for its role in conceiving and encouraging the Law Day program.

ADJOURNMENT

Mr. HRUSKA. Mr. President, pursuant to the order previously entered, I move that the Senate stand adjourned until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock 16 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Friday, May 1, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 30, 1959:

State Department

C. Douglas Dillon, of New Jersey, to be Under Secretary of State, vice Christian A. Herter.

Federal Coal Mine Safety Board of Review

Edwin R. Price, of Maryland, to be a member of the Federal Coal Mine Safety Board of Review for a term expiring July 15, 1962. (Reappointment.)

Collector of Customs

Robert Higgins, of 1429 Balboa Avenue, Burlingame, Calif., to be collector of customs for customs collection district No. 28, with headquarters at San Francisco.

Coast and Geodetic Survey

Subject to qualifications provided by law, the following for permanent appointment to the grades indicated in the Coast and Geodetic Survey:

To be captains

Clarence R. Reed
William C. Russell

To be ensigns

Claude B. Carter, Jr.
John M. Doherty
Richard I. Greene
Melvin E. Jones
Billy M. Kelter
Clifford H. Lantz
James S. Midgley
Charles H. Nixon
Jim L. Piter
Jerome M. Slackman
Robert D. Weese

In the Regular Air Force

The following persons for appointment in the Regular Air Force in the grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be prescribed by the Secretary of the Air Force:

TO BE MAJOR, USAF (CHAPLAIN)

John F. Graf, AO503435.

TO BE MAJOR, USAF (JUDGE ADVOCATE)

Henry J. Cotman, AO560834.

TO BE MAJORS, USAF (MEDICAL)

James S. Clarke, AO1736406.
Claude K. Leeper, AO1766569.

TO BE CAPTAINS, USAF (JUDGE ADVOCATE)

Kenneth W. Linsley, AO2087966.
Nile G. Peterson, AO2251447.

TO BE CAPTAINS, USAF (MEDICAL)

Charles H. Beckmann, AO3076249.
Charles A. Coltman, Jr., AO3077155.
John N. Dunn, AO3002430.
Paul F. Gilliland, AO3045945.
Carroll D. Gregory, AO3076352.
Charles E. Kovar, AO3077541.
Robert O. Olson, AO2260303.
John D. Ross, AO3045981.
Thomas F. Shields, AO3076192.

TO BE CAPTAINS, USAF (DENTAL)

John A. Barton, Jr., AO3000497.
Philip D. Marano, AO3078843.
Albert F. Morgan, AO3043913.
Robert H. Scott.
Wesley G. Slack, AO3002310.

TO BE CAPTAIN, USAF (MEDICAL SERVICE)

Robert T. Maykoski, AO2234869.

TO BE FIRST LIEUTENANTS, USAF (JUDGE ADVOCATE)

Vern D. Calloway, Jr., AO3030613.
Thomas N. Frisby, AO1880011.
Richard G. Trout, AO3060544.

TO BE FIRST LIEUTENANTS, USAF (MEDICAL)

Robert H. Bonner, AO3075355.
John R. Broadwater, AO3075054.
Ronald E. Costin, AO3075071.
John R. Crew.
Larry O. Goldbeck.
Carlos J. G. Perry, AO3075811.
Eric Schaab, AO3088645.
Howard F. Shortley, Jr., AO3088646.
Fred R. Stowe, Jr., AO3075135.
Donal F. Sweeney, AO3078158.
Windell Vickers, AO3078096.

TO BE SECOND LIEUTENANT, USAF (NURSE)

Barbara A. Boor, AN3078448.
Joan L. Chatelain, AN3077443.
Erma Flitsch, AN2242244.
Barbara M. Moran, AN3078114.
Frances M. Ready, AN2243245.
Joyce M. Snavley, AN2241780.
June J. Spirek, AN2244142.
Virginia M. Walsh, AN2242023.
Mary K. Wimmer, AN3078839.

TO BE SECOND LIEUTENANTS, USAF (NURSE)

Mary J. Walker, AN3078271.

The following persons for appointment in the Regular Air Force, in the grades indicated, under section 8284 of title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

TO BE MAJORS

Leo I. Beinhorn, AO2023075.
John R. Bell, AO727078.
Hugh Bodiford, AO720757.
John S. Bonner, Jr., AO667924.
Wallace A. Burket, AO666621.
John A. DePue, AO414454.
Frank D. Furlow, AO1117792.
Frank Mitchell, AO681691.
Clifford H. Muller, Jr., AO437248.
Clyde A. Perry, AO675001.
Burton T. Poole, AO578897.
Charles Ready, Jr., AO670432.
Harvey E. Steinberg, AO570379.
Edmund R. Verdieck, AO1001481.
Allen S. White, AO672531.

TO BE CAPTAINS

Robert S. Bothwell, AO1864782.
Lloyd E. Gibson, AO2056789.
David N. Leavitt, AO2236116.
Clifford W. Nelson, AO944920.
Walter C. Newton, AO2223590.
William B. O'Donnell, AO939875.
Robert L. Rodee, AO2223513.
August J. Zoeller, AO729663.

TO BE FIRST LIEUTENANTS

Emil R. Anastasio, AO3053523.
Edwin A. Arnold, AO3050216.
Richardson M. Bentley, AO3064398.
Lawrence E. Brockman, Jr., AO3053382.
William C. Coltman, AO3064322.
Walter C. Cornelison, Jr., AO3051726.
William A. Cusimano, AO3053507.
Jan W. de Graaf, AO3051246.
John R. Dell Isola, AO3049972.
Claude S. Dodd, Jr., AO3029553.
Glenn D. Dysart, AO3049348.
Lloyd W. Emerson, AO3052227.
Sherwin Estrin, AO3053508.
Loahman E. Forshee, AO3051871.
Hal W. Hendrick, AO3029979.
David E. Hiestand, AO3053409.
Charles J. Januska, AO3047529.
Richard J. Jarvis, AO3053796.
Leary J. Johnson, AO3064325.
Robert K. Kinnebrew, AO3064431.
Jimie Kusel, AO3050291.
Homer E. Morgan, AO3064361.
Franklin C. Moyer, AO3058840.
James E. Obenauf, AO3057997.
Charles E. Painter, AO3064363.
Donald W. Rayment, AO3064366.
Joe C. Rodgers, AO3027314.
Warren N. Sams, Jr., AO3051698.
Daniel C. Schaffner, AO3051735.
Daniel A. Schaller, AO3064317.
Charles E. Schuster, AO3056212.
Robert A. Stein, AO3053153.
George T. Stone, AO3051249.
James C. Tsivourakis, AO3053352.
David M. Williams, AO3049248.
Nicholas Yankowski, AO3048731.

TO BE SECOND LIEUTENANTS

Distinguished officer candidate graduates

William F. Flood, AO3101374.
James M. Kiser, AO3101416.
Richard C. Schaefer, AO3101479.
Paul G. Smith, AO3101166.
Lester D. Waymire, AO3101502.

Distinguished aviation cadet graduates

Conrad B. Edgett, Jr., AO3082184.
Allen J. Fulleton, AO3082245.
Howard H. Ginn, AO3082162.
Dickie E. Landers, AO3082199.
Frank I. Luddington, Jr., AO3082170.
Ross A. McLean, AO3081864.
Richard A. Skovgaard, AO3082189.
William E. Stearns, Jr., AO3082255.
Edward F. Sullivan, AO3081971.
Jan A. Wells, AO3082176.
William H. Williams, AO3082257.
Donald G. Wolpert, AO3081974.
Allan C. Youngblood, AO3082177.
Herbert O. Zoeller, AO3081975.

Subject to medical qualification and subject to designation as distinguished military graduates, the following distinguished military students of the Air Force Reserve Officers' Training Corps for appointment in the Regular Air Force in the grade of second lieutenant under section 8284 of title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

John Stakle, Jr.
Ronald W. Unnerstall.

The following-named midshipmen, United States Naval Academy, for appointment in the Regular Air Force, in the grade of second lieutenant, effective upon their graduation, under the provisions of section 8284 of title 10, United States Code. Date of rank to be determined by the Secretary of the Air Force:

Louis Samuel Cohen.
Frank Wallace Franklin, Jr.
George Edward Gifford.
Robert Arthur Nash.
Jack Rousseau Nickel.
Charles Anthony Vickery.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 30, 1959

The House met at 11 o'clock a.m.

Rev. James Pickett Wesberry, D.D., LL.D., pastor of the Morningside Baptist Church, Atlanta, Ga., offered the following prayer:

God is our refuge and strength, a very present help in trouble.—Psalm 46: 1.

On the threshold of another day in Congress, O God, we approach Thy throne in deep humility of spirit. Deeply conscious of our insufficiency we cast ourselves upon Thine all-sufficiency. Thou art our help in ages past, our hope for years to come, and our shelter from the stormy blast.

We feel deeply the sting and sorrow of our sins and most humbly confess them and beg Thy merciful forgiveness. Let the healing shadow of Thy cross rest upon us, giving us peace with everybody and everything.

How good Thou art to let us live in a land where the individual does not lose his halo. May everything we do be supplanted by the overwhelming desire to love, lift, and lighten. To this end we would rededicate our lives, our talents, our all, as instruments in Thy hands for the good and peace of the world.

Grant, we most reverently beseech Thee, to all who bear the burdens and responsibilities of Government, patience in tribulation, fervency in spirit, joy in hope, steadfastness in purpose, consistency in character, persistence in righteousness, and efficacy in prayer. Give us the able mind, the large heart, the magnanimous soul, the far vision, the warm, friendly, strong hand, and true wisdom to find our refuge and strength in Thee. Through Jesus Christ our Lord who strengtheneth us to do all things. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, without amendment, bills and a joint resolution of the House of the following titles:

H.R. 7. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Boy Scouts of America for use at the Fifth National Jamboree of the Boy Scouts of America, and for other purposes;

H.R. 296. To authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and to provide transportation and other services to the Boy Scouts of America in connection with the World Jamboree of Boy Scouts to be held in the Philippines in 1959; and for other purposes;

H.R. 1411. An act for the relief of T. V. Cashen;

H.R. 1453. An act for the relief of Mrs. Mathilde Ringol;

H.R. 1462. An act for the relief of Logan Duff;

H.R. 1535. An act for the relief of Sister Mary Damion (Maria Saveria D'Amelio), Sister Maria Tarcisia (Maria Giovanna Fenuta), and Sister Mary Regina (Maria Lizzi);

H.R. 1691. An act for the relief of Oliver O. Newsome;

H.R. 1727. An act for the relief of Dimitrios Kondoleon (also known as James Kondolous);

H.R. 2063. An Act for the relief of Otis Parks, W. B. Dunbar, and J. C. Dickey;

H.R. 2099. An act to provide for a posthumous cast award in recognition of the scientific contributions in the field of electronic ordnance made by the late Paul M. Tedder;

H.R. 2237. An act to amend Chapter 13—Wage Earners' Plans—of the Bankruptcy Act;

H.R. 2281. An act to provide for the payment of relocation expenses to Milo G. and Patricia Wingard;

H.R. 2295. An act for the relief of the Sterilon Corp.

H.R. 2603. An act for the relief of the American Hydrotherm Corp.;

H.R. 2949. An act for the relief of Lois K. Alexander;

H.R. 2975. An act to validate payments of certain quarters allowances made in good faith, and pursuant to agreements by authorized officials, to employees of the Department of the Navy, but which were subsequently determined to be inconsistent with applicable regulations;

H.R. 3095. An act for the relief of Hilary W. Jenkins, Jr.;

H.R. 3939. An act for the relief of Virginia E. Speer;

H.R. 4121. An act for the relief of certain members of the Armed Forces of the United States, or their survivors, who were captured and held as prisoners of war in the Korean hostilities;

H.R. 4314. An act for the relief of Samuel Abraham, John A. Carroll, Forrest E. Robinson, Thomas J. Sawyers, Jack Silmon, and David N. Wilson;

H.R. 4615. An act to relieve certain members and former members of the naval service of liability to reimburse the United States for the value of transportation requests erroneously furnished to them by the United States, and for other purposes;

H.R. 4913. An act to amend the National Aeronautics and Space Act of 1958 to authorize the National Aeronautics and Space Administration to lease buildings in the District of Columbia for its use; and

H.J. Res. 301. Joint resolution providing for printing copies of "Cannon's Procedure in the House of Representatives."

The message also announced that the Senate had passed bills, a joint resolution, and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 29. An act for the relief of Magda Kusen Canjuga;

S. 33. An act for the relief of Bertha Glickmann;

S. 114. An act to provide for equal treatment of all State-owned hydroelectric power projects with respect to the taking over of such projects by the United States;

S. 178. An act for the relief of Wong Bick Quon (Maria Wong);

S. 181. An act for the relief of Mary (Marija) Grom;

S. 182. An act for the relief of Yong Chul Jurgens;

S. 199. An act for the relief of Stanislawa Siedlecka (Rejman);

S. 219. An act to provide for the construction of a fireproof annex building for the use of the Government Printing Office, and for other purposes;

S. 245. An act for the relief of Umeko Parker;

S. 334. An act for the relief of Hilda M. Humpole Goldschmidt;

S. 441. An act to extend the duration of the Federal air pollution control law, and for other purposes;

S. 498. An act to extend the life of the Alaska International Rail and Highway Commission, and to make a change in the membership of such Commission;

S. 524. An act for the relief of Giovanni Malara;

S. 548. An act granting the consent of Congress to a Great Lakes Basin Compact, and for other purposes;

S. 587. An act to provide for the advancement of Capt. Edward J. Steichen, U.S. Naval Reserve (retired), to the grade of rear admiral on the Naval Reserve retired list;

S. 593. An act for the relief of Angelinas Cuacos Steinberg;

S. 601. An act to authorize and provide for the construction of the Bardwell Reservoir;

S. 611. An act for the relief of Harry H. Nakamura;

S. 625. An act for the relief of Sophie Stankus also known as Sister Saint Ignace;

S. 626. An act for the relief of Maria Wolfram;

S. 843. An act for the relief of Ursula Gewinner;

S. 848. An act for the relief of Petar Trbojevic;

S. 940. An act for the relief of Anthony Lousedes;

S. 1034. An act for the relief of Asae Nishimoto;

S. 1197. An act to amend the Atomic Energy Act of 1954, as amended;

S. 1228. An act to amend Public Law 85-590 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes;

S. 1239. An act for the relief of Herbert Westermann.

S. 1315. An act for the incorporation of the Blue Star Mothers of America, Inc.;

S. 1368. An act to amend sections 503 and 504 of the Federal Aviation Act of 1958 to facilitate financing of new jet and turboprop aircraft;

S.J. Res. 16. Joint resolution to designate the lake to be formed by the waters impounded by the Dickinson Dam in the State of North Dakota as Edward Arthur Patterson Lake;

S. Con. Res. 21. Concurrent resolution favoring the suspension of deportation in the cases of certain aliens; and

S. Con. Res. 22. Concurrent resolution to print additional copies of certain hearings on transportation problems in Maryland, Virginia, and the Washington metropolitan area.

CALL OF THE HOUSE

Mr. NATCHER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, no quorum is present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 33]

Alford	Diggs	Rodino
Bush	Dorn, N.Y.	Weaver
Carter	King, Utah	Westland
Celler		

The SPEAKER. On this rollcall 420 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MODIFICATION OF REORGANIZATION PLAN NO. II OF 1939 AND REORGANIZATION PLAN NO. 2 OF 1953

The SPEAKER. The unfinished business is the further consideration of the veto of the President of the bill S. 144, to modify Reorganization Plan No. II of 1939 and Reorganization Plan No. 2 of 1953.

The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

The Chair recognizes the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Speaker, every Member of this House understands the purpose of the legislation and the President's objections thereto as set forth in the veto message. The issues are clear. We understand the reasons for the adoption of the legislation and the President's objections.

Mr. Speaker, the principle embodied in S. 144 has been under review by the Congress for 2 years. Extensive hearings have been held; many witnesses, both pro and con, have been heard; and otherwise extensive consideration has been given to this whole question.

All of us here are in complete agreement as to the necessity for and the benefits derived from the Rural Electrification Administration.

The purpose of the legislation and the reasons for its adoption have heretofore been thoroughly debated in this body. Therefore, I shall briefly summarize the issue.

The legislation restores to the Administrator of the Rural Electrification Administration the authority to approve or disapprove loans to be made under the Rural Electrification Act of 1936. There are other purposes, but this is the principal one.

After the adoption of Reorganization Plan No. 2 of 1953, wherein all functions and operations of the REA were transferred to the Secretary of Agriculture, the Secretary of Agriculture immediately redelegated all such functions and operations to the Administrator of the Rural Electrification Administration. So that for all practical purposes the Administrator of the REA was independent, particularly for loan-making purposes, except for general administrative supervision, just as he was prior to the adoption of the reorganization plan.

In 1957, however, the Secretary of Agriculture instituted a new policy whereby an official of his Department exercised a review of all applications for loans from the REA. This had the effect of restricting the authority of the Administrator to approve loans, since he could not grant final approval without this prior review. The purpose for such review was, as admitted, to have influence on the policies of such loan applications prior to the time that the loan was agreed to. These events were specifically brought out in the testimony of the committee and are alluded to in the original debate on the passage of the legislation, appearing on page 5852 of the CONGRESSIONAL RECORD for April 14, 1959.

This action taken by the Secretary of Agriculture was contrary to the understanding of many Members of Congress when the Reorganization Plan of 1953 was adopted. It was felt by them that this new procedure was a substantial change in the method of the operation of the REA, and that the Secretary of Agriculture, before instituting such a change, should have consulted with the Members of Congress, as he had agreed to do, at the time of the adoption of the 1953 Reorganization Plan.

In view of the admission of the Director of Agricultural Credit Services, that such procedure was a direct effort to influence policies on granting of a loan prior to its approval by the Administrator of REA, many of us felt that this was an unwarranted interference with

the judgment and discretion of the Administrator of the Rural Electrification Administration and the operation of his office. Furthermore, such a concept conflicted directly with the original intent of Congress in establishing the office. The Administrator of the REA is a Presidential appointee with a 10-year term of office, to be confirmed by the Senate, so as to remove him somewhat from the direct pressures of political policies emanating from changes in administration.

It is obvious and was admitted in the testimony that other standards and criteria than those called for in the Rural Electrification Act were being applied to the loan applications, and that there is a superimposing on or a substituting of the judgment and decisions of the Administrator of the REA program, which had heretofore never been exercised.

The argument that the proposal in the legislation is bad administration in that the Secretary would have the responsibility for the operation of the REA as an organization within his Department and yet would not have the administrative and other control necessary for good management is without weight. There are many other ways by which the administration can express its policies regarding this program.

As a matter of fact, the REA would be retained as an identifiable unit within the Department of Agriculture. The Secretary would have complete supervisory and administrative responsibility and jurisdiction. The Administrator of REA, however, would have the sole right to approve or deny a loan. The criteria, standards, the purposes and necessity for such loans are clearly set forth by Congress in the lawmaking and providing for such loans. There is no cogent reason for nonlegislative policy decisions.

Those who oppose this legislation choose to overlook the fact that the REA and its Administrator have in fact operated under the concepts proposed in this legislation from 1939 to 1957, during which time, all are agreed the operation was beneficial, accomplished its purposes, and without any undue administrative burden.

Therefore, the issue is simply that the Secretary of Agriculture in 1957 chose to change this method of operation and interject his policy decisions. The majority of both Houses of Congress do not agree with this. There is a direct issue concerning the intent of the Congress about a program of tremendous merit which has had outstanding success in bringing light and power to rural America since 1936.

While the issue is simple, the necessity of retaining congressional intent in the operation of this program is vital and urgent to its continued operation. The injection of administration policies into the loan operations of the REA in my opinion should be removed.

Therefore, Mr. Speaker, I urge that the bill, S. 144, be passed, the veto of the President to the contrary notwithstanding.

Mr. Speaker, I ask unanimous consent that I may revise and extend my remarks and that all other Members who desire to do so may have the same privilege.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WEAVER. Mr. Speaker, it has not been often during my tenure in this House that I have chosen to set myself as opposed to the President of the United States. Such a decision is a hard one for a person of my political beliefs to make. Believe me, it was only after long and careful consideration, deep and concentrated thought, that I have made that decision.

With all due respect to the man who has so ably led this Nation through troublesome times, I believe that his veto of the Rural Electrification Administration reorganization program should not be sustained by the House.

Mr. Speaker, when the bill was first before the House I voted in favor of it. I did so then because, as a representative of a State which has grown greatly during the years in which REA has been in operation, I believe Rural Electrification has been largely responsible for this growth. I feel very strongly that the Administrator of this vital agency must have that kind of freedom of action which will continue to benefit the rural areas of our Nation, unhindered by the stultifying effects of too much adverse departmental control.

I felt those reasons to be valid when I voted in favor of the bill in the House. I still feel them to be valid reasons, despite the action by the President.

In voting for the bill originally I knew I was taking a course that differed from that of the President. I did so after deep thought and consideration. I do not believe there have been developments which would alter that course.

Therefore, Mr. Speaker, I am in favor of overriding the President's veto of this bill, S. 114.

Mr. SANTANGELO. Mr. Speaker, I rise to support S. 144, which the President has vetoed and returned to this House. S. 144 has two purposes. First, to restore to the Administrator of the Rural Electrification Administration the authority to approve or disapprove loans to be made under the Rural Electrification Act of 1936. The second purpose is to establish in the Rural Electrification Administration functions which it had prior to the passage of Reorganization Plan No. 2 of 1953 and to modify the effect of that plan and the 1939 plan so that the Secretary of Agriculture will not be able to distribute the functions of REA and diversify them to other departments or officials within the Department of Agriculture.

As a member of the House Appropriations Subcommittee on Agriculture, I have had the opportunity to study the administration of the rural electrification program, not only in the United States, but also on the Island of Puerto Rico. Coming from the City of New York as I do, you may wonder what concern a New York Representative has with a program which deals ostensibly only with rural electrification. From my studies and observations, I have concluded, and it is a demonstrable fact, that rural electrification is intimately connected with the welfare and the economy of the industrial cities and the industrial areas. Electrification of rural areas and farms has given a tremendous impetus to the utilization of electrical appliances and diversified equipment. Since the initiation of the rural electrification program, 96 percent of the farms in the United States have been electrified. On some farms, there are over 400 different methods and uses of electricity. As a consequence, farming has improved and electrical consumption has increased tremendously.

The farmers and residents of rural areas are using a great number of televisions, freezers, frigidaires, radios, small electrical appliances, and many other gadgets. They have utilized electrical instruments for the storage of their grains, for the breeding of their hogs, whereas formerly they could not complete or perform this type of work. The income to the farmer consequently has increased and their mode and manner of living has improved. With the electrification of every rural farm has developed an outlet for the purchase of goods sold in the cities and in the industrial areas. We, in our factories, have been able to manufacture more electrical equipment, provide greater employment, and increase the total wages earned by the workers in the cities.

The rural electrification program is one of the outstanding social and economic developments in American agriculture in the 20th century. It has brought about profound changes in farm living and in the productive capacity of the American farm. With this development has come a profound change in industrial production. We in the cities have profited by the expansion of this system in the farms.

Some facts and statistics demonstrate the extent of this program. Since 1935, REA has made loans to 1,050 organizations for the provision of electric service in rural areas. The loans amount to $3.8 billion. Of the borrowers, 950 are the farmer-owned type; 76 are the public-owned type; and 24 are electric power companies. The loans were made to finance service for more than 5 million consumers from 1.4 million miles of line. The typical REA electric borrowers serves about 3,700 consumers and operates approximately 1,300 miles of line. It has received $2.9 million in loans.

Last year and this year, we learned that the Secretary of Agriculture and his advisers, and also the Republican administration, sought to revise the policy of making loans to rural cooperatives and groups. It believed, and does believe, that the 2-percent rate of interest which these cooperatives and organizations pay to the Rural Electrification Agency is too low and that these cooperatives should pay a higher rate of interest to private banks and other financial institutions. The policy, therefore, of the administration of the Secretary of Agriculture has been to discourage the expansion of REA loans and urge the borrowers to go to private lenders for their financing. The purpose of this bill is to make sure that if a borrowing group meets the standards set forth by the Rural Electrification Act

and qualifies under those standards that they should not be denied loans because a Secretary of Agriculture or an administration, as a matter of policy, feels that the rate of interest is too low.

We are not concerned with filling the pockets of private lenders and financial overlords at the expense of the electrical consumers on the farms. There should be no politics in the administration of the rural electrification program. The Administrator of the program, Mr. David A. Hamil, has done a wonderful job. Only 1 out of 1,050 loans has defaulted in the payment of principal and interest, and even this one has rearranged its program so that it is now financially straightened out to make its payments. Every one of the electrical borrowers has paid its principal and interest, totaling $1.1 billion, including over $140 million in advance of due dates. This excellent record is a high tribute to the integrity and efficiency of the people who organize and operate the REA financed systems.

At this point, I would like to put in the RECORD a statement uttered by Clyde T. Ellis, general manager of the National Rural Electric Cooperative Association:

President Eisenhower's veto of the Humphrey-Price bill (S. 144) further repudiates the concept of nonpolitical administration of REA and ought to be promptly overridden.

For a quarter of a century, REA loans have been made on the basis of merit according to technical standards established by the Rural Electrification Act. Two years ago, without consulting the Congress, the Secretary of Agriculture restricted the Administrator's authority and injected a new and secret standard for loans. Despite the fact that the REA Administrator is appointed by the President for a 10-year term of office, and is confirmed by the Senate, a political appointee in the Department of Agriculture was given veto powers over the Administrator's loan decisions.

S. 144 will correct this. It will do so simply by reestablishing what has worked with such great success in bringing light and power to rural America since 1935. It will provide for good administration that we know will work and it will remove the shadow of political influence in the loanmaking function of REA.

The President's veto repudiates the judgment as expressed by the overwhelming vote in both Houses of Congress that REA should again be a nonpolitical agency as before the Benson order. The President disregards the judgment of thousands of rural people serving on rural electric boards who in the last 2 years have expressed time and again the need for this legislation.

We hope the President's unfortunate action may be corrected by friends of REA, in both Houses of Congress and in both political parties, as they join in a vote overriding the veto. We are confident Congress will not allow political cronyism within the Administration to block this needed and deserving legislation.

While only 4 percent of the rural populations has not received electrification, still, according to American standards, 4 percent is too many. We must not permit a hostile administration or a Secretary of Agriculture, hostile to the purposes of the program to have the power to exercise a veto over loans which qualify and meet the standards set forth in the electrification program. I, therefore, feel it my duty to vote for the passage of the bill and override the veto of the President of the United States.

Mr. JOHNSON of Wisconsin. Mr. Speaker, I know I am speaking for the 35,000 rural electric co-op members in my district as well as for myself when I urge my colleagues to join me in voting to override the President's veto of the Humphrey-Price REA bill.

I feel that the rural electrification program has done more for rural America than any other Government program. When REA was started in 1935, only 11 percent of the Nation's farmers had central station electricity. Today 96 percent of the country's farms are electrified. The city folks have benefited, too. Over the years, farmers have spent better than $12 billion for electrical equipment, thus providing a vast new market for the products of our factories.

Anyone who has watched the rural electrification movement as closely as I have knows of its many intangible benefits. Once a farm home has electricity, the standard of living for the family rises sharply. How can a person adequately describe the human benefits of indoor plumbing, of hot water, of refrigeration, of electric cooking, of radio and television, and of just light itself?

Mr. Speaker, something as important to the welfare of this country as the rural electrification program should not be allowed to be made into a political football, to be kicked this way and that way until eventually it is destroyed. The Humphrey-Price bill would effectively end the practice instituted in 1957 by Agriculture Secretary Benson of having his political appointee pass judgment on loans before the REA Administrator can sign them. As I observed when this bill was before the House on April 15, I do not feel it is the intent of Congress to have a well-paid and competent Administrator of the REA program sitting on the knee of the Secretary of Agriculture, taking his orders and mouthing his words like a well-disciplined Charlie McCarthy. The fact that the Humphrey-Price bill passed both the House and Senate by wide margins shows Congress does not think the Secretary of Agriculture should have veto power over REA loans.

Two days ago, the Senate voted to override the Presidential veto on the Humphrey-Price bill. I hope the House will do likewise, and by so doing, will remove the threat of political interference with the REA loan program and restore the organizational setup that has worked so well and accomplished so much in the past 24 years.

Mr. SMITH of Iowa. Mr. Speaker, the President in his veto of S. 144 has rendered a body blow to the cause of Government reorganization. Many in Congress have voted for Government reorganization plans reluctantly with a desire for more efficient and economical government but also with the fear the executive department might abuse the power they were being given. The Presidential veto not only approved the abuse of power by Secretary Benson in the issuance of the secret order of 1957 in violation of his promise to Congress, but also the veto displayed an intent to continue to abuse reorganization powers granted regardless of the overwhelming vote of the Congress to stop such abuse. Congressmen who were formerly merely reluctant to support grants of power to reorganize departments are now fortified in their previously subdued opinion that such power should not be granted for fear it would be abused. The President's attitude has rendered a great disservice to the cause of Government reorganization.

Even if the veto is overriden, those of us who believe in reorganizing the Government to avoid duplication must expect tremendous resistance from now on based upon the fact that one administration not only abused the power given, but also would have continued the abuse but for the fact that the vote against it was 2 to 1 in both legislative bodies. Under these circumstances, it takes a margin of 2 to 1 to recoup what 51 percent granted.

Failure to override the veto would also encourage the administration to use every device the friends of REA have feared would be used to raise interest rate costs for REA expansions. This might be done by issuing orders that loans will not be approved until the applicant can show it cannot acquire a loan elsewhere at a higher rate of interest. This is possible under the procedure established by the secret order of 1957 and such a procedure was used under the Watershed Act without the authority of Congress.

REA was given an assignment of providing power for that portion of the population which lives on farms and in communities of 1,500 or less where public power had not supplied them with electricity. It is recognized that high interest rates could not be paid and provide reasonable power rates to these customers, because the investment per customer was so high. All workers, manufacturers, and merchandisers of electrical equipment have benefited greatly from this new market and will continue to have such a market if these customers can secure more electric current for new electrical equipment.

The use of power granted under reorganization acts to raise interest rates and curtail such expansion would be against the public interest and would certainly further chill the attitudes of Members of the Congress toward Government reorganization. It is important to the cause of both REA and future Government reorganization to promote efficiency and economy that the veto be overridden.

Mr. DERWINSKI. Mr. Speaker, ladies and gentlemen of the House, I feel I would be avoiding my responsibility to the people of my district, and in fact the people throughout the Nation, if I did not call your attention to the obvious fact that the Humphrey-Price bill which the President has wisely vetoed, is, despite its technical nature, being used at the moment as a "Trojan Horse" to open the door for excessive spending programs to be placed upon the backs of the already over-burdened taxpayers of America.

I will not discuss the technical question involved further—and I will not discuss any of the problems or indulge in charges and countercharges relative to the REA. I leave that task to my distinguished colleagues who are experts in that field, and in particular, I leave the task of defending the administration's handling of the REA to my good friend, ANCHER NELSEN, Second Minnesota District.

The facts are that this bill is a political attack upon Secretary of Agriculture Benson. Representing an urban district, I feel, as I pointed out, my responsibility to the people whom I represent by showing them that this attempt to override the veto is merely designed to show the Democratic Party muscles. If successful on this technical issue, the spenders here in Congress will then attempt to regiment this majority vote in favor of the unnecessary extravagant spending proposals which if enacted would provide them political ammunition with which to run the next campaign, but would also bankrupt the country and the generations to follow.

The militant, constructive, progressive thinking Republican minority which is interested in the welfare of all citizens as taxpayers is all that is keeping the wild spending, self-styled liberals from forcing through unrealistic Federal programs which would not alleviate any of the major problems of the day, but would push us further down the road to ruinous inflation.

I urge my colleagues to give these thoughts your serious consideration and vote to sustain the President in his veto of this bill.

Mr. NELSEN. Mr. Speaker, I rise in support of the President of the United States in his veto of this bill. I also rise in support of the farmers of the Nation because I am interested in the power that REA delivers to the farmer, not the politics that it will deliver to the politicians.

This measure seeks to amend the law under which I operated as Administrator of this program, and I wish to say that at no time and under no circumstances from any level was my operation interfered with. I am advised by the present Administrator, Mr. Hamil, that never has his final decision been interfered with. Under these circumstances, to me it is obvious that the issue is a phoney one, and judging from the performance that we have seen, it obviously is intended to be used as a political issue without any intention of producing any benefits to the farmers of America.

The administration of government is no different than a business. In this case the President has been selected by the people as the head of our Government; he in turn selects the cabinet officers, and they in turn have under their direction various departments of government and they are directly responsible for the performance of those departments. If they are responsible, they must have some authority. Without it they would be in no position to guide the programs under their direction.

This proposed measure develops into an administrative hybrid that says to the Secretary of Agriculture: "You are responsible for the REA program, but in certain phases of the program you have no authority." This could mean that at some future time you might have an unfriendly REA administrator and no one would be in a position to do anything about it.

The charges that have been made, on which this issue has been so cleverly built, are not borne out by the facts. The charge that the Secretary has denied approval of loans is false. The truth of the matter is, according to the testimony, that the Secretary has asked to be advised of some of the larger loans only. The facts are that in no instance has the Secretary denied approval of a single loan. There is only one way to prove these statements and that is to look at the record.

As previous testimony has indicated, under the Eisenhower administration, $1,200,000,000 has been loaned in the electric program, as compared with $2,600,000,000 in the previous 17½ years. The generation of power, a most important part of this program, finds the amazing record of 1,116,000 kilowatts of capacity installed throughout the Nation. This compares with 1,145,000 kilowatts of capacity in the previous 17½ years.

In the electric program we now find that the rate of delinquency is the lowest in history; we find the cost of power the lowest in history. All of these things are possible because of the fact that under the Eisenhower administration it has been the dedicated objective of the administrators, including myself, to cultivate a climate of cooperation in the utility field, whether it be power companies, municipalities, government, or co-op. The result has been that instead of controversy, we have cooperation, and in cooperating in this field, lower costs are bound to result.

In the administration of this program today there is approximately a half billion dollars of unadvanced funds, which simply means that the administrator has approved the loans, but they have not drawn these funds because they have an adequate supply of their own, but the money is in the bank waiting for them.

In the telephone program, the record has been still better. In 1953 when I became the Administrator, only 7,500 farm families were served with the RTA—telephone—program. Today over 800,000 are receiving telephone service because of this program.

So in adding the score, there can only be one conclusion, and that is that the Eisenhower administration has delivered to the farmer all that he needs, and some to spare. This program has served us in a manner that we can be proud of, and certainly no one has a justifiable complaint.

During the time that I served as Administrator, out of Washington came the propaganda line of calamity and catastrophe, time after time. Farmers were told that things were about to collapse. They never did, and they never will if we take care of our housekeeping by careful management of the systems that we serve.

If the proponents of this measure believe what they say, they were voting for the wrong bill. In the other legislative body we had what was known as the Curtis bill. This measure would have set up REA as a separate agency, which as a matter of comparison put it almost at Cabinet level. Under such a process, the Administrator would be in charge, and no one would be in a position, except the President of the United States, to interfere in any way whatsoever.

The bill under consideration is also an administrative hybrid because it fails to do what it says it is attempting to do. It does not strip the Secretary of authority over loans, because by directive to the Legal Division, which is under the Secretary's Office, interference could easily be effected, and further damage could be done by the reshuffling of personnel, or by the disrupting of administrative policies. Moreover, by lack of cooperation on loan fund requests, a future Secretary could easily damage the program.

The conclusion is that you have, in effect, a situation that has not been corrected as far as the proposed legislation is concerned; and you have at the same time evidence to prove that there is no situation which needs to be corrected. It is therefore a doubly phony issue.

The REA program has great political appeal because of its tremendous value to the American farmer. The result is that, today, too many times it has become a political instrument for some of the politicians who wish to use it. The farmers of America deserve better treatment than they have received, and it is my intention to stand firmly by to see that they get it. I am convinced that the House of Representatives will sustain the President in his position.

Mr. REES of Kansas. Mr. Speaker, I regret the final vote on this proposed legislation has become a "political football" rather than a vote on the merits of legislation. Since this measure was considered in the House several days ago, I have gone over the record rather carefully. I do not find any serious maladministration or mismanagement of the REA by those presently assigned to administer the act. I have also been assured that the present policy will be continued by those in charge.

REA Administrator David L. Hamil, appointed by this administration, performed outstanding service. Mr. Hamil in his testimony before the committee said as follows:

> In not a single instance has Secretary Benson or Director (of Agricultural Credit Services) Scott interfered in the discharge of my responsibilities as Administrator of REA. I make the loans.

According to the record and I quote again:

> Electric loans approved since January 1, 1953, total $1.2 billion, compared to $2.6 billion loaned in the previous 17½ years of the program. More than 79 percent of all telephone loans have been made since January 1, 1953. Since January 1, 1953, REA electric borrowers have accumulated more than half of their current net worth. They have made 66 percent of their total principal repayments, and 60 percent of their total interest payments. On January 1, 1953, the number of delinquent REA electric borrowers was

45; in April 1959, the number had been reduced to one. The basic policies which guide REA were developed in the early days of the program, and they have been reaffirmed by successive REA Administrators.

The REA has made an outstanding record. The Director, the Regional Directors and State Directors, as well as all those in charge of administering the act have performed outstanding service. The record proves it. They are all to be commended for the splendid service they have rendered to the people whom they serve, and to the country.

I should also add there has been no activity more helpful to the farmer of this country than the service of the REA.

It seems to me in view of this record it is only fair that those in charge of this great service be given opportunity to carry on their splendid work in administering the REA. If there are complaints on the part of those who receive service from REA, I am sure the Members of Congress will be glad to see that the rights of REA membership are properly protected.

Mr. SCHWENGEL. Mr. Speaker, I take the floor today to talk briefly on reasons for sustaining the Presidential veto of S. 144.

The record will show that I voted for this legislation on the House floor recently. I did so because I thought a basic issue was involved and because I thought this would be one step in the direction of taking the REA entirely out of the Department of Agriculture. I would have much preferred voting for S. 75, the Curtis bill. This, the record shows, was defeated in the other House.

If the Presidential veto is sustained, and I now hope it is, I shall support any move in the future that will attain what I thought was the original objective of S. 144 or what is provided for in the Curtis bill and I sincerely hope that this matter would be given further consideration by the proper committee and by the Congress.

Mr. Speaker, until this morning I had reluctantly decided that I would vote to override the veto even though I feared that this whole proposition was fraught with partisan politics, and even though I also feared that this might be the first of a whole series of attempts to override Presidential vetos this session. However, this morning I received a letter from Mr. Clyde Ellis, general manager of the National Rural Electric Cooperative Association and enclosed with the letter was a statement by Mr. Ellis on the Humphrey-Price bill which has caused me to change my mind. This letter and the enclosed statement have reaffirmed a suspicion that I have had for a long time and that is that Mr. Ellis unfortunately has been and is trying to gain advantages by unfair means.

He apparently, at times, has very little regard for the truth. Since the REA program has done so much good for such a large cross section of an important group in our farm communities and since the REA has such a fine record of achievement for the farm people, the things that they need and ask for could very well stand on this excellent record of service and achievement. An appeal to reason, to what is right and citing their true record of achievement, almost unparalleled in the history of mankind, should and could be their most potent weapon to get improvements needed by legislation. It should not be necessary to try to gain advantage by implying that certain people are unfriendly to the program, when in fact they are actually friendly, by implying that only one political party has the public welfare at heart in this regard and by allowing the publication facilities of this organization to be used in an attempt to gain unfair political advantage.

This morning I received the following statement by Clyde Ellis:

President Eisenhower's veto of the Humphrey-Price bill (S. 144) further repudiates the concept of nonpolitical administration of REA and ought to be promptly overridden.

For a quarter of a century, REA loans have been made on the basis of merit according to technical standards established by the Rural Electrification Act. Two years ago, without consulting the Congress, the Secretary of Agriculture restricted the Administrator's authority and injected a new and secret standard for loans. Despite the fact that the REA Administrator is appointed by the President for a 10-year term of office, and is confirmed by the Senate, a political appointee in the Department of Agriculture was given veto powers over the Administrator's loan decisions.

S. 144 will correct this. It will do so simply by reestablishing what has worked with such great success in bringing light and power to rural America since 1935. It will provide for good administration that we know will work and it will remove the shadow of political influence in the loanmaking function of REA.

The President's veto repudiates the judgment as expressed by the overwhelming vote in both Houses of Congress that REA should again be a nonpolitical agency as before the Benson order. The President disregards the judgment of thousands of rural people serving on rural electric boards who, in the last 2 years have expressed time and again the need for this legislation.

We hope the President's unfortunate action may be corrected by friends of REA, in both Houses of Congress and in both political parties, as they join in a vote overriding the veto. We are confident Congress will not allow political cronyism within the administration to block this needed and deserving legislation.

There is only one implication that can be drawn from this and that is that during the last 5 or 6 years loans have not been made on standards previously adopted. My investigation shows conclusively that every loan application which has been submitted to the Rural Electrification Administration which meets the qualifications of the criteria set forth in the act and the rules and regulations of REA pursuant to the act which was in effect before 1952 have been approved subsequent to 1952. I hereby challenge Mr. Ellis to submit for the record one application that meets these criteria that has been filed that has not been approved. Mr. Ellis further says:

Two years ago without consulting the Congress the Secretary of Agriculture restricted the Administrator's authority and injected a new and secret standard for loans.

Obviously, if all of the loan applications that have been received by the Department of Agriculture which meet the criteria that was established prior to 1952 have been approved there could not be any truth in this assertion. Furthermore, on March 6, 1959, before the House Committee on Government Operations, REA Administrator David A. Hamil testified as follows:

In not a single instance has Secretary Benson or Director (of Agricultural Credit Services) Scott interfered in the discharge of my responsibilities as Administrator of REA. I make the loans.

The fact that in June 1957 it was suggested by the Secretary that loans in excess of $500,000 and new telephone lines should be forwarded to the Director of Agricultural Credit Services for his information before final approval by the REA Administrator does not form the basis for any such assertion as was made by Mr. Ellis. You would think a charge such as Mr. Ellis has made would at least have the justification of some loans having been denied or delayed but a check shows that this is not the case.

Certainly the administration which has approved $1.2 billion worth of electric loans since January 1, 1953, a period of approximately 5 years, when only $2.6 billion were loaned in the previous 17½ years of the program makes such statements as Mr. Ellis' appear downright ridiculous. In fact, in my own district one of the largest single generating plants in Iowa was approved by the Administrator of REA on March 4, 1957. It was for the eastern Iowa light and power generating plant at Wilton Junction, Iowa.

The third sentence says:

Despite the fact that the REA Administrator is appointed by the President for a 10-year term of office and is confirmed by the Senate, a political appointee of the Department of Agriculture was given veto powers over the Administrator's loan decisions.

Here again there is the clear implication that there has been a change of policy in the Department and that a political appointee of the Department was given a veto power over the Administrator's loan decision. This is untrue and I challenge Mr. Ellis to present any evidence that it is true. The Secretary of Agriculture, has assured me of this fact in writing and I have the word of Mr. David A. Hamil, Administrator of REA, that Mr. Ellis' statement is untrue and furthermore that there has been no dictation whatsoever by anybody with respect to how he administers the law.

Mr. Ellis has charged the Eisenhower administration with an attempt to deliver the Nation's REA system "into the hands of Wall Street bankers." Mr. Ellis is reported in the Rural Electrification magazine March 1959, page 47, as having said:

That crowd is hellbent on handing us over to the Wall Street bankers and the Wall Street-controlled power companies and they're not going to rest until they do it.

It is typical of those who are guilty to try to throw the naive and unsuspecting off the track, by charging someone else with the guilt that is their own. Wall Street is a heinous devil to be held up to farmers throughout the country when you are trying to create fear, but

Wall Street to Mr. Ellis appears to be a fine place to obtain money and enhance your own power when you can make a deal for your own personal benefit. For example, Mr. Ellis in the Rural Electrification magazine for January 1959 on page 4 explains how he proposes to establish a pooled reserve investment fund. This is all set forth in quite persuasive and proper terms. The tip to what is going on appears in the last paragraph as follows:

To date, we have received several formal proposals from trust companies and others for the handling of systems' reserve on a pooled basis.

Perhaps Mr. Ellis would like to come before a committee of the Congress and explain just what it was he was proposing to do with the Bankers Trust Co. of "Wall Street," New York in order to set up this reserve pool. The article does not point it out to the membership clearly, but nevertheless the idea set forth what Mr. Ellis proposed to do was to gain control of all of the reserves of all of the REAs which would amount to over $300 million.

As further proof that there is no anti-REA feeling in the Agriculture Department I should like to point to the following report:

PROGRESS OF THE REA PROGRAMS SINCE 1952

Profound post-war changes in the character of rural America—including the growth of a large non-farm population, the increasing use of electricity for farm and home chores, and the development of new rural industries and processing plants—have greatly increased the demand for adequate and reliable electric service in rural areas. In addition, the growing interdependence of city and country has made modern dial telephone service a virtual necessity in rural America. Since 1952, the Rural Electrification Administration has steadily increased the tempo of its activities to help 985 active electric borrowers and 638 rural telephone systems to meet this continuously growing demand for their services.

LOAN NEEDS MET FULLY

Loans to rural electric systems approved during calendar year 1958 totaled $213.8 million, bringing total electric loans approved since inception of the program to more than $3.8 billion. About $1.2 billion of this total has been made since January 1, 1953. Telephone loans reached the record high of $102.9 million in calendar year 1958. More than 79 percent of all telephone loans and about 31 percent of all electric loans have been made since January 1, 1953.

EIGHT HUNDRED THOUSAND CONSUMERS ADDED IN 6 YEARS

Some 800,000 new consumers and 180,000 miles of line have been added to the systems of REA electric borrowers since January 1, 1953. The current rate of addition is more than 120,000 consumers a year. Among these new users, non-farm consumers outnumber farm consumers 3 to 1. Power sales to non-farm establishments now are greater than to farmers. Besides this growth in numbers, consumers are using more kilowatt hours of electricity each year. Annual consumption averaged 3,050 kilowatt-hours per consumer in 1953; in 1958, it was estimated at 4,450 kilowatt-hours. Power sales on systems financed by REA rose 10 percent over 1957 during calendar year 1958, reaching an estimated 21.7 billion kilowatt-hours.

MORE POWER ASSURED FOR RURAL CONSUMERS

Particular attention has been given to borrowers' needs for an expanding supply of power at low cost. REA has pressed the search for more economical means of power production and has assisted borrowers to obtain substantial savings in initial investment and operating costs through interconnection, joint operation, and more efficient generating units. In calendar year 1958, REA approved loans to provide 214,000 kilowatts of additional generating capacity. Installed capacity stood at nearly 1.3 million kilowatts on January 1, 1959.

During the first 17½ years of the REA electric program, loans provided for a generating capacity of 1,145,000 kilowatts. During the next 6 years—beginning January 1, 1953—loans were approved providing for an additional 1,116,000 kilowatts of generating capacity. Generation and transmission loans have accounted for almost 31 percent of the total loaned for rural electrification since January 1, 1953, compared with 19 percent before that date. Forty-three percent of the 1958 loans were approved for generation and transmission facilities.

During the past 6 years, first loans have been made to five new generation and transmission cooperatives. In addition, one cooperative has successfully negotiated with AEC for construction of a nuclear reactor as part of AEC's power demonstration program, and 20 borrowers or groups or borrowers have obtained access permits for information from AEC. REA itself is keeping abreast of nuclear developments.

FARMERS PAY LESS FOR ELECTRICITY

The average price of power paid by rural residential consumers has dropped more than three-fourths of a cent per kilowatt hour since 1952. This is due largely to the increased use of electricity. The average price is now about 2.68 cents per kilowatt hour, lowest in REA history. The wholesale cost to REA distribution borrowers is also at a record low—about 8 percent lower than in 1952.

BETTER TELEPHONES AND MORE OF THEM

In early 1953, only 40 REA telephone borrowers had cut over 85 dial central office to bring new or improved service to 7,500 subscribers. As of January 1, 1959, 488 borrowers had cut over 1,855 new dial exchanges. Loans approved since January 1, 1953, will benefit about 800,000 farm families and other rural subscribers. Total telephone loans to date will benefit about 1,100,000 rural subscribers.

BORROWERS BUILD FINANCIAL STRENGTH

Given encouragement toward independence and self-reliance, REA borrowers have made substantial financial progress since 1952. Net worth of electrification borrowers has more than tripled, increasing from $161 million at the end of December 1952 to $512 million on December 31, 1958. During the 6-year period January 1, 1953, to January 1, 1959, the number of electrification borrowers behind in their loan payments dropped from 45 to 6. In the same period, the balance of payments on debt made in advance of due dates rose from $52.5 million to about $139 million. In the much newer telephone program, the balance of advance payments now exceeds $1 million, and all but 16 borrowers are current or ahead of schedule on debt payments.

EFFICIENCY BENEFITS ALL

REA has streamlined its procedures to speed processing of loans, to give improved service to borrowers, and to reduce administrative costs. With 11 percent fewer employees today than in 1952, REA is administering much bigger electric and telephone programs. Working with industry REA carries on constant research to hold down construction costs and to improve performance and service.

PLANNING FOR FUTURE GROWTH

To help borrowers keep ahead of new power demands, the Rural Electrification Administration has developed new techniques of long-range planning for rural electric systems. As a result, borrowers will be able to schedule construction several years in advance and to expand at minimum cost. New telephone construction also is being planned to meet needs over an extended period.

Apparently it all depends on who is using "Wall Street" whether it is good or bad.

Mr. Ellis persists in dragging REA's into the public versus private power fight as a partisan advocate of public power. For example, recently in Jacksonville, Fla., he said:

I want to tell you today what I have said many times in the past—that we in NRECA are pleased to have the opportunity of working with the American Public Power Association and its outstanding general manager, Alex Radin, and his able staff.

While the most constant contact between these two associations in Washington is important in our mutual understanding of public affairs and technical problems, I firmly believe that the combined influence that we exert in the legislative field is of vital importance to all of us here today. Because, in the final analysis, it is on the legislative front where the day-to-day skirmishes culminate in the showdowns that affect the very existence of public power and therefore the future of all consumer-owned and operated utilities.

Another and more disturbing example is a statement by Clyde T. Ellis entitled "Mobilize and Counterattack," delivered before 10 regional meetings of the NRECA in the fall of 1958:

We must make every effort to get legislation to * * * authorize and permit the establishment of public power districts, and for converting electric cooperatives and all other non-Government power facilities within the power district's borders into such districts, as might be necessary.

Clearly this is a proposal to liquidate the local REA cooperatives. And still Mr. Ellis poses as a friend of the REA cooperations and castigates others who are the real friends of REA.

I have no intention of standing idly by and letting men like the present General Manager of NRECA liquidate REA cooperatives. I am sure the farmers in my district, all over America, would be opposed to their cooperatives being liquidated and delivered into the hands of the Government.

Mr. Speaker, because of the fact that I originally intended to vote to override the presidential veto, it might be interpreted that the REA has been mistreated by this administration and by the very fine Administrators we have had in ANCHER NELSEN and David Hamil; and further, since it is apparent now the decision is purely a partisan political one on the part of Mr. Ellis, and for other reasons which time does not permit me to develop now, I have decided I am fully justified in sustaining the President's veto. However, I do this with the hope that I might have an opportunity later to work for and vote for a proposition which will take the whole REA question entirely out of the Agriculture Department and let it stand on its own as an

independent organization which I believe it is well able and qualified to do now.

Mr. DIXON. Mr. Speaker, last Tuesday the Senate bowed to the altar of petty politics and overrode the President's veto of the Rural Electrification Administration bill for which there was no semblance of justification.

I hope the House today will have enough real statesmen who will rise above petty politics to sustain this veto. In my opinion the chief purpose of the bill was to "crucify" Secretary Benson.

The authority of the Secretary of Agriculture over the REA loans was established under President Roosevelt.

The following is just a brief summary of why this bill was a phony.

It would keep the REA in the Secretary's Department and hold him responsible, but deny him any control.

It would create a double-headed organization contrary to good government and the Hoover Commission's recommendation.

It attempted to take control of loans away from the Secretary when REA Administrator David A. Hamil testified that "in not a single instance has Secretary Benson or Director Scott interfered in the discharge of my responsibilities as Administrator of REA. I make the loans."

When the REA was established, only a few farmers enjoyed its electric service, now 96 percent have electricity.

Loans of more than $1 billion have been made during the last 6 years under Secretary Benson. This is nearly half as much as was loaned by the agency in the 17 years prior to Secretary Benson's administration.

Mr. MEADER. Mr. Speaker, I hope the House will not override the President's veto of S. 144; a bill which removed the power of the Secretary of Agriculture over loans by the Rural Electrification Administration.

I opposed the House measure when it was before us April 15, 1959, setting forth my reasons which appear on pages 6006–6008 of the CONGRESSIONAL RECORD of that day.

After the bill had passed the House, I wrote to the President urging him to veto the bill and in addition, wrote a newsletter to my constituents reporting on this legislation and my participation in the debate. I incorporate a copy of that letter at this point in my remarks:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 20, 1959.

DEAR FRIEND: The House last week passed, 254 to 131, a bill stripping Agriculture Secretary Benson of his authority over loans by the Rural Electrification Administration, created to finance cooperative electric power and telephone companies in farming areas.

The Rural Electrification Administration was established in 1936 as an independent agency and was incorporated into the Agriculture Department in 1939 by a reorganization plan proposed by President Roosevelt. Congress, in 1953, approved President Eisenhower's reorganization plan based on Hoover Commission recommendations, giving the Secretary of Agriculture complete authority and responsibility over subordinate agencies in his Department, including the REA.

The bill, as passed, amends both reorganization plans and prevents the Secretary of Agriculture from exercising any authority over the granting or denial of REA loans.

As one of the managers of floor debate, I urged the House to reject this measure on the ground that it violated sound principles of administration and good government and that no case had been made to warrant a change in existing law, and I said:

"I appeal to my colleagues not to embark on the dangerous course of creating autonomous little kingdoms in the executive branch of the Government. If the cooperative association lobby succeeds in this movement to place REA outside the channels of control of the administration of the executive branch, what will come next? The Corps of Engineers, the Bureau of Reclamation? What other bureaus having functions of interest to a particular segment of our population will seek to free themselves from supervision and control of Cabinet officers?

"It is perfectly obvious that if the precedent established today encourages a widespread movement toward dispersal and fragmentation of Government functions, the executive branch of the Government must become an unmanageable hodgepodge of sovereign, autonomous bureaucracies. Congress will find its control weakened to the point of disappearance."

The bill now goes to the President. I have urged him to veto it, which I believe he will.

Sincerely,

GEORGE MEADER.

Mr. Speaker, I received a great many replies from constituents commending me upon the position I had taken, one of which was from Mr. Fred R. Harris, president of the Southern Telephone Co., of Brooklyn, Mich., in my congressional district, whose company has received substantial financing from the Rural Electrification Administration. Mr. Harris expressed the hope that the President would veto the legislation and because of his long experience with REA financing, I believe his comments will be of interest to my colleagues.

I am, therefore, incorporating the text of his letter at this point in my remarks:

SOUTHERN TELEPHONE CO.,
Brooklyn, Mich., April 22, 1959.

Mr. GEORGE MEADER,
Member, House of Representatives,
Second Michigan District,
Washington, D.C.

DEAR CONGRESSMAN MEADER: I have your letter of April 20, 1959 with reference to your position on the bill to strip the Department of Agriculture of authority over loans by the Rural Electrification Administration.

The writer, as engineer-contractor, built the first REA financed Electric Cooperative in Michigan. This was, and is, the Southeastern Michigan Electric Coop. with headquarters in Adrian. We performed this work in 1937.

The REA was incorporated into the Department of Agriculture in 1939 because it was felt by the cooperatives that the Department would be of material aid in obtaining larger appropriations from Congress.

Our organization built the first REA financed telephone rehabilitation project in Michigan in 1952. This was for the Peninsula Telephone Co. located on Old Mission Peninsula north of Traverse City. There are no telephone cooperatives in Michigan. There are 13 privately owned rural telephone companies in Michigan that are borrowers from REA.

I disposed of my interests in our engineering and construction organization (The Harris-McBurney Co.) 3 years ago. Since then I have become interested in the rehabilitation, modernization, and expansion of rural telephony in Southern Michigan. The Southern Telephone Co., of which I am president, is the result of the consolidation into one organization of the following old switchboard associations—Brooklyn, Cement City, Summerset Center, North Adams, Jerome, and Moscow. We are now engaged in taking over Hanover and Horton. The day of the small telephone company has passed. Modern telephony requires a size sufficiently large to support experienced management, trained technicians, and proper accounting. My experience leads me to believe that this cannot be done economically with much less than 2,000 customers. Upon the completion of our program, we will have obtained from REA approximately one and one-quarter million dollars and will be giving modern dial telephone service to approximately 3,500 rural establishments in Southern Michigan.

We have borrowed this money from the U.S. Government at 2 percent. It is my firm belief that we could have accomplished all that we have should the interest rates have been 3½ percent without materially affecting our rate structure.

During the past 2 years I have been approached by financial people from both New York and Chicago with offers to furnish funds in the millions, for the purchase of small rural telephone companies to be modernized with REA loans. They may have gotten someone else.

I sincerely hope the President will veto the bill which would release the REA from the control of the Department of Agriculture and also that REA will not make loans at interest rates less than the cost of money to the Government.

Sincerely yours,

FRED R. HARRIS,
Chief Engineer, Michigan Public Utilities Commission; President, League of Michigan Municipalities; Member, Telephone Advisory Committee, U.S. Department of Agriculture.

Mr. Speaker, I sincerely hope the House will sustain the President's veto of this ill-advised step in the direction of disorganization of Government agencies. It would establish a bad precedent contrary to sound principles of administration and good government. It should not become law.

Mr. McGOVERN. Mr. Speaker, it is my earnest hope that the House will follow the commendable action of the other body and vote to override the President's veto of the REA bill.

As one of the cosponsors of this legislation, I regard this vote today as one directly related to the welfare of rural America.

I was greatly disturbed 3 years ago when the President vetoed the 90-percent price-support bill for agriculture. I was disappointed again last year when he vetoed our price freeze legislation. I do hope that this time we can be successful in overriding what I am sincerely convinced is an ill-advised veto.

Mr. FASCELL. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Under the Constitution, this vote must be determined by the yeas and nays.

The question was taken; and there were—yeas 280, nays 146, not voting 7, as follows:

[Roll No. 34]

YEAS—280

Abbitt	Garmatz	Morrison
Abernethy	Gary	Moss
Addonizio	Gathings	Moulder
Albert	George	Multer
Alexander	Giaimo	Murphy
Alford	Granahan	Murray
Andersen, Minn.	Grant	Natcher
	Gray	Nix
Anderson, Mont.	Green, Oreg.	Norrell
	Green, Pa.	O'Brien, Ill.
Andrews	Griffiths	O'Brien, N.Y.
Anfuso	Gross	O'Hara, Ill.
Ashley	Hagen	O'Hara, Mich.
Ashmore	Haley	O'Konski
Aspinall	Hall	O'Neill
Bailey	Hardy	Oliver
Barden	Hargis	Passman
Baring	Harmon	Patman
Barrett	Harris	Perkins
Bass, Tenn.	Harrison	Pfost
Beckworth	Hays	Philbin
Bennett, Fla.	Healey	Pilcher
Berry	Hébert	Poage
Blatnik	Hechler	Porter
Blitch	Hemphill	Powell
Boggs	Herlong	Preston
Boland	Hogan	Price
Bolling	Holifield	Prokop
Bonner	Holland	Pucinski
Bowles	Holtzman	Quigley
Boykin	Horan	Rabaut
Boyle	Huddleston	Rains
Brademas	Hull	Randall
Breeding	Ikard	Reuss
Brewster	Irwin	Rhodes, Pa
Brock	Jarman	Riley
Brooks, La.	Jennings	Rivers, Alaska
Brooks, Tex.	Johnson, Calif.	Roberts
Brown, Ga.	Johnson, Colo.	Rogers, Colo.
Brown, Mo.	Johnson, Md.	Rogers, Fla.
Buckley	Johnson, Wis.	Rogers, Tex.
Burdick	Jones, Ala.	Rooney
Burke, Ky.	Jones, Mo.	Roosevelt
Burke, Mass.	Karsten	Rostenkowski
Burleson	Karth	Roush
Byrne, Pa.	Kasem	Rutherford
Cannon	Kastenmeier	Santangelo
Carnahan	Kee	Saund
Carter	Kelly	Scott
Casey	Keogh	Selden
Celler	Kilday	Shelley
Chelf	Kilgore	Sheppard
Clark	King, Calif.	Shipley
Coad	Kirwan	Sikes
Coffin	Kitchin	Sisk
Cohelan	Kluczynski	Slack
Colmer	Kowalski	Smith, Iowa
Cook	Landrum	Smith, Miss.
Cooley	Lane	Smith, Va.
Daddario	Langen	Spence
Daniels	Lankford	Staggers
Davis, Ga.	Lennon	Steed
Davis, Tenn.	Lesinski	Stratton
Dawson	Levering	Stubblefield
Delaney	Libonati	Sullivan
Dent	Loser	Teague, Tex.
Denton	McCormack	Teller
Dingell	McDowell	Thomas
Dollinger	McFall	Thompson, La.
Donohue	McGinley	Thompson, N.J.
Dowdy	McGovern	Thompson, Tex.
Downing	McMillan	Thornberry
Doyle	Macdonald	Toll
Dulski	Machrowicz	Trimble
Durham	Mack, Ill.	Tuck
Edmondson	Madden	Udall
Elliott	Magnuson	Ullman
Everett	Mahon	Vanik
Evins	Marshall	Vinson
Fallon	Matthews	Walter
Farbstein	Metcalf	Wampler
Fascell	Meyer	Watts
Feighan	Miller, Clement W.	Whitener
Fisher		Whitten
Flood	Miller, George P.	Wier
Flynn		Williams
Flynt	Mills	Willis
Fogarty	Mitchell	Winstead
Foley	Moeller	Wolf
Forand	Monagan	Wright
Forrester	Montoya	Yates
Fountain	Morgan	Young
Frazier	Moorhead	Zablocki
Friedel	Morris, N. Mex.	Zelenko
Gallagher	Morris, Okla.	

NAYS—146

Adair	Dorn, S.C.	Milliken
Alger	Dwyer	Minshall
Allen	Fenton	Moore
Arends	Fino	Mumma
Auchincloss	Ford	Nelsen
Avery	Frelinghuysen	Norblad
Ayres	Fulton	Osmers
Baker	Gavin	Ostertag
Baldwin	Glenn	Pelly
Barr	Griffin	Pillion
Barry	Gubser	Pirnie
Bass, N.H.	Halleck	Poff
Bates	Halpern	Quie
Baumhart	Henderson	Ray
Becker	Hess	Reece, Tenn.
Bennett, Mich.	Hiestand	Rees, Kans.
Bentley	Hoeven	Rhodes, Ariz.
Betts	Hoffman, Ill.	Riehlman
Bolton	Hoffman, Mich.	Robison
Bosch	Holt	Rogers, Mass.
Bow	Hosmer	St. George
Bray	Jackson	Saylor
Broomfield	Jensen	Schenck
Brown, Ohio	Johansen	Scherer
Broyhill	Jonas	Schwengel
Budge	Judd	Short
Byrnes, Wis.	Kearns	Siler
Cahill	Keith	Simpson, Ill.
Canfield	Kilburn	Simpson, Pa.
Cederberg	King, Utah	Smith, Calif.
Chamberlain	Knox	Smith, Kans.
Chenoweth	Lafore	Springer
Chiperfield	Laird	Taber
Church	Latta	Taylor
Collier	Lindsay	Teague, Calif.
Conte	Lipscomb	Thomson, Wyo.
Corbett	McCulloch	Tollefson
Cramer	McDonough	Utt
Cunningham	McIntire	Van Pelt
Curtin	McSween	Van Zandt
Curtis, Mass.	Mack, Wash.	Wainwright
Curtis, Mo.	Mailliard	Wallhauser
Dague	Martin	Weis
Derounian	Mason	Wharton
Derwinski	May	Widnall
Devine	Meader	Wilson
Dixon	Merrow	Withrow
Dooley	Michel	Younger
Dorn, N.Y.	Miller, N.Y.	

NOT VOTING—7

Belcher	Rivers, S.C.	Weaver
Bush	Rodino	Westland
Diggs		

So, two-thirds not having voted in favor thereof, the veto of the President was sustained and the bill was rejected.

The Clerk announced the following pairs:

Mr. Weaver and Mr. Rodino, for, with Mr. Bush against.

Mr. Rivers of South Carolina and Mr. Diggs for, with Mr. Westland against.

The SPEAKER. On this vote the yeas are 280, and the nays are 146.

Two-thirds not having voted in the affirmative, the bill is rejected and the message and bill are referred to the Committee on Government Operations and ordered to be printed.

The Clerk will notify the Senate of the action of the House.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATION BILL, 1960

Mr. FOGARTY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6769) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1960, and for other purposes; and, pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, the time to be equally divided and controlled by the gentleman from Wisconsin [Mr. LAIRD], and myself.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Rhode Island.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6769, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. FOGARTY. Mr. Chairman, it is my privilege again for the ninth time in 13 years as chairman of this committee to bring to the House the annual appropriation request for the Departments of Labor, and Health, Education, and Welfare.

First, I would like to express my appreciation to the members of our subcommittee. This has been a long year with regard to hearings. The testimony we received covered over 600 pages more than we had last year, and the attendance of the subcommittee was on a par with any subcommittee that I have served on. I especially want to thank the Member on the Democratic side, the gentleman from Indiana [Mr. DENTON], for the able support and cooperation that he has given our committee and because of his knowledge of the programs for which we have the responsibility of appropriating funds. This applies also to the gentleman from Minnesota [Mr. MARSHALL], without whose help I do not know how we could get along, because he certainly has been a tower of strength on this committee. Then, too, on the Republican side, the gentleman from Wisconsin [Mr. LAIRD] has been with us now for some time, and I certainly appreciate the cooperation that he has given to me as chairman and his attendance and his willingness to sit during long hours and long days of hearings. He has done a really good job for his side of the aisle.

This year we had a new member, the gentleman from Michigan [Mr. CEDERBERG], and I also want to say that we appreciate his support and cooperation and the wonderful job that he is doing on this committee. Then, of course, no committee can get along without a good clerk, and I think I can say without fear of contradiction that we have the best clerk of the Committee on Appropriations on this particular subcommittee, Robert Moyer. He has been doing a wonderful job. He is fair to all. He is familiar with all the programs, and he keeps us right on the ball and lets us know whether something is right or wrong and keeps us on our toes. So, we have a very good committee, and I think we have an excellent report. I hope that every Member of the House will take the time to read it.

Mr. Chairman, in the time available to me I would like to go down the recommended appropriations for 1960 as compared with 1959. The total we are recommending for 1960 is $3,915,084,000. This figure compares with $3,862,029,000 in 1959, and with the estimates that were given by the agencies appearing before us of $3,756,848,000. In other words, we are asking the Congress to appropriate this year $53 million more than it did in 1959 and $158,235,000 more than the Budget Bureau requested the Congress to appropriate.

We have a few changes in the Department of Labor. I will go down those briefly. The committee reduced the Secretary's office of the Department of Labor $10,000. We cut the Bureau of Labor Standards $192,000. Grants to States, under the Bureau of Employment Security were reduced $12,865,000, and grants to States for unemployment compensation for veterans and Federal employees, $10 million on the basis of the recent estimates of the Department of Labor as to the prospective improvement in the employment situation in the latter part of this calendar year.

We reduced the request for the Bureau of Labor Statistics $45,500, which makes a total reduction of $23,112,500 for the Department of Labor.

For the Department of Health, Education, and Welfare we have increased the amount for the Food and Drug Administration for salaries and expenses by $2 million. I think many of the Members will remember that just a few years ago, when Mrs. Hobby was Secretary of the Department of Health, Education, and Welfare, she appointed a special Citizens Committee to review the activities of the Food and Drug Administration and report back as to what should be done to improve this important program. We have allowed $13,800,000, an increase of $2 million over the budget. This is just a little bit less than the report the Citizens Committee would indicate ought to be expended in 1960.

The progress in technology has presented problems in the growing, manufacture, processing, and distribution of our food supply unheard of only a few years ago. One of the outstanding examples is the extensive use of pesticides in crop production. Residues remaining on crops at the time of harvest are a major problem.

Today, radioactivity is getting into the food supply of the Nation, yet FDA does not have the facilities to determine the extent of the problem let alone establish the safe tolerances levels which it is required by law to issue. Today, there is serious question about the safety of waxes used to coat cardboard milk containers. Some scientists believe that they may contain cancer-producing chemicals but FDA does not have the funds or facilities to determine whether this disturbing suspicion is fact. Today, nutritionists seriously question the safety of fats that are heated and reheated in the french frying of foods. They are believed to cause serious nutritional disturbances. FDA has not the facilities to determine whether these widely used substances actually present a threat to the health of the Nation. Today, extremely potent drugs used to treat arthritis and related diseases are being used in tremendous quantity on sick people throughout the Nation. They are recognized by doctors as having an extreme possibility for harm if given in too great a dosage. Adequate methods for analyses of these drugs are not available and FDA does not have the necessary funds to develop these methods which are essential for protection of the public health.

Many on our committee think the report of Mrs. Hobby's citizens committee is outdated because of the things I have mentioned, new activities that have been added by law to the Food and Drug Administration, the increase in products on the market, and the increase in the number of establishments subject to the act, but at least this $2 million increase will allow them some expansion and will allow them to do a considerably better job than would have been possible under the budget.

For Gallaudet College we have allowed $162,000 over the request. This is, as you know, the only college for the deaf in the country. We started a building program 2 or 3 years ago. I am sorry to say that we have not been able to give them more of an increase and allow funds for two or three buildings for which plans have been drawn. We ought to be building at this time. However, this increase will put them in a little better situation than they would have been under the budget.

For the Office of Education we have added $1,100,000 to the vocational education program for the training of practical nurses. That would bring this amount up to the $4 million that they had in 1959.

For grants for library services we have restored a cut of $850,000, which will bring that item up to $6 million, the same amount that they had available in 1959.

The budget recommendation of $5,150,000 was a 14-percent decrease from the $6 million appropriated by the Congress for the current fiscal period. The unobligated funds do not make up the difference. All funds appropriated under the Library Services Act are allocated to the States even though a State does not use its full allotment. These allocations remain available to specific States for 1 succeeding fiscal year unless the State certifies that it will not be using its funds. No States have certified they will release any funds for redistribution in fiscal 1960.

Furthermore, Delaware and Wyoming are planning to enter the program in July of this year and will be requesting their allotments for fiscal 1959 which are included in this balance.

Under the budget at least 37 States would have less money in 1960 than in fiscal 1959. For instance, Ohio would have $26,000 less in fiscal 1960, Wisconsin would be cut by $12,000, California's loss would be $31,000, Mississippi would have $24,000 less and Minnesota would be cut by $21,000 to mention a few. The difference between allocations under the present $6 million appropriation and allocations under $5,150,000 would amount to an average loss of about $20,000 for each of these States.

This reduction in Federal funds would mean that these States would not be able to initiate new projects, the towns and villages which have been planning and looking forward to having library service in 1960 and have already taken necessary legal action to provide necessary matching funds would be denied this opportunity. Every State already has more applications for library extension projects than it has local, State and Federal funds to carry out the plans.

There are still approximately 25 million people in rural areas without any public library service and another 50 million with only inadequate public library service.

The next change is in for payments to school districts and school construction under Public Law 874, and Public Law 815. Under these laws we provide funds for the maintenance and operation of schools in federally impacted areas and for the construction of schools in these federally impacted areas. We allowed 100 percent of what these school districts are entitled to under the law. We restored the 15 percent cut that was made by the Bureau of the Budget. The increase for payments to school districts was $21,657,000, and for school construction $22,635,000, above the request.

The Office of Education has told our committee that this will allow these districts that are eligible under the formula set up by the law to get the full 100 percent they are entitled to.

The budget justification submitted for the school construction program showed that federally impacted school districts would have an increase of 57,000 federally connected children who need to be provided with school facilities, and that more than $61 million is needed to pay the eligible districts the Federal share of this construction cost, but the budget requested appropriation of only $38.5 million.

When funds appropriated under Public Law 815 are not enough to pay the requirements of eligible districts, the funds available are given to the high priority cases. What justification is there for the Federal Government to say to some 63 percent of the eligible school districts "you can have all you are entitled to under the act," and say to the remaining 37 percent "you get nothing." "You don't get any help even though 7,400 of the children new in your school districts for whom you must build school facilities live on nontaxable Federal property." That will be the result if we appropriate only the amount requested by the Department.

It must be remembered that a school district is not eligible for Federal construction funds unless it has a substantial increase in the number of federally connected children and no school facilities to house this increase. Thus, if the full amount needed is not appropriated, hundreds of school districts will be unable to build the additional school buildings required for this increase. The result will be more overcrowding, double

sessions, and temporary or makeshift arrangements for federally connected children in these areas where our most important defense and other Federal projects are located. The federally impacted areas already have an abnormal increase in non-Federal children and their facilities and resources are strained to the limit. They cannot build the required schools without Federal help.

Then regarding the appropriation for payments to school districts under Public Law 874.

The justification submitted by the Department showed that approximately 4,000 school districts would be eligible during the 1960 fiscal year for entitlements amounting to approximately $164 million. The administration requested that $142,300,000 be appropriated which is suffcient to pay only 85 percent of each district's entitlement.

There are hundreds of school districts in the Nation that are accepting responsibility for providing free public education for children that live on Federal property and for which they receive no local taxes for the support of schools. The greatest worry of local school districts who are accepting this responsibility is that the appropriations made under Public Law 874 will not permit payment of 100 percent of the funds to which they are entitled. If the full appropriations are not made, many of these school districts will not be able to supply the additional 15 percent of the funds required for free public education during the year.

If these districts cannot get even the local share of the cost of educating these children who live on Federal property and for whom they receive no local school taxes, they will say to the Federal Government, "You educate them under section 6 of the act and pay the full cost of their education." The failure to appropriate the full amount of the entitlements to these districts may well result in a greater cost to the Federal Government and, in addition, could create a system of Federal education throughout the country for children who live on Federal property.

Grants for waste treatment works construction was cut back in the executive budget, by $25 million. Because of the testimony we had before our committee, we restored that cut of $25 million. We are allowing $45 million for 1960, which is the exact amount appropriated for 1959.

Last year sewage treatment construction for cities totaled a record high of $400 million—up from $200 million annual average for the years 1950–55. Federal grants were about 10 percent of the total cost. These Federal grants were the major factors in accelerating State and local actions on pollution abatement. This is no time to disrupt this essential work.

The growing pollution problem requires a construction level for city sewage works of $500 million a year. We are now approaching this level. A cutback to $20 million would certainly reverse this upward trend.

The matter of water pollution control is not a question of desirability but one of necessity to conserve our water resources to support our economic growth. From the standpoint of public health more than 100 million people get their drinking water from these polluted streams.

Everybody agrees we must build these sewage treatment plants. The record shows that the grants are stimulating construction. We must restore the $25-million cut proposed in the President's budget to sustain this progress. There are more than 1,000 grant applications pending. Construction of essential sewage treatment works is a must and the longer we delay in building these plants, the greater will be the cost.

For Indian health activities we have increased the budget request by $2 million and the item, "Construction of Indian Health Facilities" by $1,500,000.

We have on our committee one of the outstanding experts in this field the gentleman from Minnesota [Mr. MARSHALL], who has been paying particular attention to the program dealing with the health problems of the Indians in our country. He has taken the time to go out and visit these reservations and upon his recommendation we have added amounts which will continue the progress in providing better health facilities and better health services for the Indians of our country.

We increased the request for hospital construction by $42,500,000 from $101,200,000 to $143,700,000. The Executive budget cut this program $85 million and we restored 50 percent of the cut. This is the old Hill-Burton program, which I think is one of the most popular programs in the Federal Government. The recommendation in the bill is still $42,500,000 less than they had available in 1959. But, it is a compromise the committee agreed on and one that I will support as chairman of this subcommittee.

Assuming that the States follow the same pattern of project planning in 1960 as in the past, the $100 million in construction grant funds requested for 1960 would produce approximately 15,050 hospital and nursing home beds. Approximately 25,400 beds will be built outside the Hill-Burton program or a total of 40,450 beds.

Population increases and the replacement of hospital beds which become obsolete each year require approximately 58,650 beds each year. This is 18,200 beds in excess of the expected bed production that would result from the $100 million included in the President's budget and construction outside the program, but only 11,000 in excess of the beds which will be produced if the Hill-Burton grant funds are increased to $142,500,000. Accordingly, the proposed increase is essential if we are to avoid making substantial additions to the considerable backlog of hospital and nursing home beds in this country.

Nursing homes and chronic disease facilities are sorely needed in many areas of this country. A mere beginning has been made in providing beds for the medical and nursing care of our country's aged population. Communities are reluctant, however, to undertake the construction of long-term care facilities until such time as acute facilities are built up to adequacy.

State Hill-Burton agencies report that if there were no limitation on Federal funds they could, during 1960, approve 847 hospital projects, costing slightly more than $1 billion, using $393 million in Federal funds. In addition, they report that 347 projects for nursing homes, rehabilitation centers, chronic disease hospitals, and diagnostic and treatment centers could be approved costing a total of $189 million using Federal funds amounting to $76 million. Increasing the grant funds to $142,500,000 would assure that a number of these communities needing hospitals and other types of facilities would not have to further postpone construction, but it is also clear that much will remain to be done in the future.

Next we come to the National Institutes of Health.

Every Member of Congress, and particularly every member of an Appropriations Committee, knows how often one is torn between the need to provide additional funds for critically important national programs and the need to retain appropriate restraints on Federal spending. This dilemma is particularly acute when the programs affect all instead of just some of the people, and when the programs are intimately identified with the people's hopes and expectations instead of dealing with expedients and abstractions.

In the recent consideration by our committee of the 1960 appropriation request made by the administration on behalf of the Department of Health, Education, and Welfare, it became abundantly clear as the testimony unfolded that arbitrary fiscal ceilings had been imposed on many of its programs without regard for their needs, their merit, or their public support. In other words, the concept of the balanced budget was applied regardless of the public interest.

Nowhere was this more evident than in the requests for the National Institutes of Health.

I want to make my personal position in this matter crystal clear on the record. I believe in the elimination of nonessential Federal spending. I believe that as individuals and as a Nation of interdependent individuals, we should try to live within our income. But I do not believe that we can apply flat, mathematical restrictions to any single item of Federal financing without first considering the effect it has and will have on the lives of the people. And I do not believe we can consider 1 year's appropriation without first considering whether it is an investment with a certain return at compound interest, or merely an expenditure.

All of us make our budgets, of course. But we also make sure that in so doing, we provide adequately for the essentials and cut back on items that are less essential. This makes budgeting a judgmental as well as a mathematical calculation.

Who among us, in making his budget, would say, "This is all I will spend for

the health of my children and my family—I do not care if prices have gone up, I do not care if by increasing my investment this year I can help them be more healthy and productive in years to come—this is all I spent last year, and I will spend exactly the same amount this year, regardless." Yet this is the slide-rule approach that has been taken by the administration in planning many of its programs for 1960.

THE ADMINISTRATION'S 1960 BUDGET PROPOSALS FOR THE NATIONAL INSTITUTES OF HEALTH

Let me illustrate by summarizing what the record shows concerning the appropriation requests for the National Institutes of Health—that part of the U.S. Public Health Service which has the primary Federal responsibility for medical research today and for building the Nation's resources for an even stronger research attack on disease in the years to come. All of us here know that the National Institutes of Health have won a tremendous amount of public and professional support in recent years. We know, too, that such support means three things: First, that these programs meet a need that is widely recognized and accepted; second, that these programs have produced and are producing knowledge that the people can see is paying off in the reduction of disability and the prevention of premature death; and third, that these programs are conducted with scrupulous care so that scientific considerations govern the use of the funds and at the same time the public interest is protected.

Yet, in that part of our committee's work that relates to the appropriation levels for the National Institutes of Health, we were this year confronted with a bewildering and inexplicable set of contradictions.

The President's 1960 budget request for the National Institutes of Health is for the same amount of money that the Congress appropriated last year for these programs—$294 million. Both the President and the Secretary of Health, Education, and Welfare indicated their own general dissatisfaction with this submission, saying that the matter remained under study and that the results of the study would be made available to the Congress. Starting with the President's budget message in January and continuing through the Secretary's testimony before our Appropriations Committee in March, it has been perfectly evident that the administration did not want to be identified with or committed to its own budget request for medical research. It has also been perfectly evident that the Secretary of Health, Education, and Welfare was trying to persuade the Office of the President that the 1960 appropriation requests for the National Institutes of Health should be amended upward to meet at least some of the glaring deficiencies in the President's budget. But the administration kept the matter open instead of taking a firm position on what these appropriations for medical research should be.

Our committee gave the administration every possible chance to clarify its final position on this matter. We even interrupted our hearings for a period of 5 weeks because the Secretary told us he needed additional time to prepare and present his views to those who make the fiscal policy for the administration. Finally, in order to avoid disruption of these programs through delay in the appropriations, the committee felt it necessary to resume its hearings and consider the National Institutes of Health appropriations on the basis of their merits and needs.

The record of those hearings speaks for itself and should be read by every Member of Congress. The witnesses for the National Institutes of Health were in an awkward, almost intolerable position. They were called upon to defend an indefensible budget request. Their own conservative estimate of need—both their preliminary estimate in the summer of 1958 and their estimate resubmitted in February of 1959, after months of careful reappraisal—was nearly $60 million above the President's budget. They knew that the administration was still considering some compromise figure at about half that amount. Yet the budget request they presented and were asked to defend was a "hold the line" figure identical with their 1959 appropriations of $294 million.

As the hearings progressed, it became abundantly evident to every member of the committee that the President's budget for the National Institutes of Health is not a responsible budget. It is not even a "hold the line" budget, since some $15 million will be required just for the increased cost of doing the same amount of business in 1960. The executive budget made no provision for such increased costs. Moreover, it cuts another $10 million from the funds available in 1959 for matching grants to assist in the construction of research facilities—a program to which the medical schools and universities give top priority. Thus the President's budget, defended as a continuation in 1960 of program levels established in 1959, is in fact a $25 million cutback in terms of the substance of the program it would support.

More important, however, is the fact that a $294 million budget request for NIH is a repudiation of principles and programs that have been built up consciously as a matter of policy during the past 15 years. During this time, there has been ample evidence of widespread, wholehearted, and enthusiastic support of what these programs stand for—support that is virtually without dissent in a society where the freedom and opportunity for dissent is axiomatic. With Congress in a position of leadership, often in the face of lethargy or even overt opposition from the administration, there has been built up gradually a medical research program of which we as a Nation can justifiably be proud.

I do not want to be part of any action that threatens the stability or effectiveness of these splendid programs—and "threatens" is not too strong a word. The thing the Bureau of the Budget apparently does not recognize or accept is that an essential characteristic of what has been created is stability based on assurance of a normal increment of growth. We can not let it stand still or go backward.

We have encouraged the training of brilliant young scientists for careers in medical research—a $60 million program under NIH appropriations alone this year. Are we, then, to deny these scientists the opportunity to do the research for which they are trained?

We have stimulated the construction of modern research facilities—a $30 million program of NIH this year. Are we, then, to liimt their effective use by failing to provide funds for the research projects to be carried out in these new facilities?

We have helped create a comprehensive pattern for the support of high quality medical research in non-Federal institutions—a program which this year provides funds for some 8,000 research projects. Are we going to say to these scientists and scientific institutions, by our action, that their support this year may be reduced or terminated next year—that Federal funds are uncertain and unstable—that they are unwise if they count on research grants from the Government as part of their individual and institutional long-range plans?

The responsiveness and stimulus of Congress have been instrumental in bringing into being the NIH's own splendid facilities and productive program at Bethesda, Md. Are we now to say to these laboratory investigators and clinical investigators that they must pay for the increased cost of living and of working in a research environment by eliminating certain of their own research projects?

These are some of the reactions I have to the $294 million budget, which I feel to be completely inadequate. If it were to be even seriously considered, it would have an unfortunate impact on the whole of medical science, since it would show lack of confidence on our part and would inevitably raise the question of whether Congress might not withdraw even further from its established responsibilities to the scientists and scientific institutions participating in this program.

DISCUSSION OF MORE ADEQUATE PROPOSALS FOR NIH APPROPRIATIONS

Since the budget request before the committee was essentially useless and evidently unrelated to any reasonable 1960 appropriation action by the Congress, we elected to give our primary attention to the substance of the program contained in a set of figures that we caused the witnesses to enter into the record, representing what the National Institutes of Health officials themselves thought should be their 1960 appropriation.

We felt we had to get these facts if we were to make a sound recommendation to the full committee and to the House of Representatives.

The record provides convincing evidence that a $351 million proposal made by the Public Health Service to the Secretary this February, after months of study, was a conservative figure. One can understand how this might be when he thinks of the circumstances under which it was evolved. Speaking personally, I am always reassured when I

find that budget requests to Congress are characterized by conservative estimates.

The $351 million proposal, however, which was not accepted by the administration, would permit these programs to move ahead instead of being cut back. It would provide funds to finance grant applications from promising new investigators with new ideas and to extend support to areas of emerging research need. It would permit more emphasis to be given to training for research and academic careers in the basic sciences as well as critical shortage areas in clinical research fields. It would enable the NIH scientists at Bethesda to carry out plans for qualitative strengthening of research and better use of facilities, including occupancy of the new Biologics Standards Building that is now nearing completion. And it would permit modest extension of efforts to apply research knowledge in certain control, demonstration, and technical assistance programs.

I cannot, myself, understand why the administration was unwilling to accept these conservative proposals. Year after year the Congress, the American people and the professional world have stated their conviction that these programs should move forward, and have demonstrated their conviction in action. It is hard to believe that the administration has not yet received the message.

One wonders what has become of the forthright administration policy of several years ago, which in essence said that no sound research project involving a fully trained investigator in a suitable research environment should go unsupported for lack of funds.

One also wonders if the administration has heeded in any major respect the advice and recommendations of the group of distinguished consultants headed by Dr. Bayne-Jones, whose advice—under any interpretation—was to move ahead with affirmative leadership in this field of medical research.

I know of no year in my many years of experience on this subcommittee when the members have found themselves to be in such accord on [these] appropriation items. We were in unanimous agreement that substantial increases would have to be made above the President's 1960 budget request for the National Institutes of Health. And I would like [again], as one who feels it a great privilege to chair this subcommittee, to acknowledge and pay tribute to my distinguished colleagues—Congressmen DENTON of Indiana, MARSHALL of Minnesota, LAIRD of Wisconsin, and CEDERBERG of Michigan—who have devoted a tremendous amount of time and attention to the work of this committee. The people of the United States are fortunate indeed to have their interests represented by men of such vision and integrity.

It was only after we had completed our action and prepared our report to the full Committee on Appropriations that I received a communication from the Secretary of Health, Education, and Welfare telling me that the administration has decided not to amend its budget request for medical research and related activities under appropriations to the National Institutes of Health.

It is interesting to note that although this was the decision, the letter also states that the Secretary regards the field of medical research "as of very high priority and deserving of broad and increasing national support."

Our Committee on Labor and HEW Appropriations agrees with the Secretary on this latter point. And I am pleased to say that the full Committee on Appropriations concurred with our recommendation to provide such increasing support.

MEDICAL RESEARCH AND THE PEOPLE'S HEALTH

My discussion up until this point has been focused on dollar levels for the support of medical research through the programs and activities of the National Institutes of Health. This is understandable, not so much because we are an appropriations committee, but because there has been so much fiscal uncertainty associated with the administration's request.

But I never forget, and I know you, my colleagues, can never forget, that these dollars are invested rather than spent. They are invested in the better health of more people, now and in years to come.

Scientists like to say that we can't buy results in a literal sense. In a literal sense, I agree with them. And I recognize the inadvisability of bringing that kind of pressure to bear on the scientific world.

I do know, however, from our experience of the recent past, that we can buy results in a more general sense. We can do this by just what we have been doing—by helping make it possible for more and more scientists to carry out studies in their chosen field, by fostering a total creative research environment, and by strengthening the Nation's resources for medical research in the future.

The product of such an effort we can see all around us and—in many instances—experience for ourselves. This child is born free of defects associated with childbirth. This youngster can have a hole in his heart chamber repaired. This man can live comfortably and productively with high blood pressure. This woman had cervical cancer diagnosed early and was cured. This child escaped damage to his heart because rheumatic fever was prevented. This young man has been cured of his epilepsy by brain surgery. This elderly lady can live comfortably with her arthritis. This man lost a lung in his fight against cancer, but his life was spared. This baby, born prematurely might have been blind, but because of medical research her eyes are perfect.

There are so many such benefits from health research all around us that they are too often taken for granted. We must never forget that they are derived from study—from the opportunity given scientists to satisfy their endless curiosity to know more about man, man's health, and man's disease. And we must never forget that a few short years ago, most of the advances now taken for granted would have been considered miracles.

There are other, even greater, miracles ahead. We cannot know what they are, in specific terms, nor when they will be revealed.

There was a time, long since, when I was among those who gave support to medical research on the basis of faith. Now, my support is a matter of conviction. I know that somewhere, perhaps just around the corner, perhaps at or near the horizon, there are answers to questions that need to be answered if people are to be free of doubts and fears about their health, and free of the terrible and all-too-frequent realization of those doubts and fears in the form of tragic disablement or premature death. I feel that in no small measure, man's ability to cope with the baffling issues of an ever more complex and challenging set of social and political forces is dependent upon his ability to face those issues with complete physical and emotional well being.

I, for one, am unwilling to be a factor in any process that, on the basis of short-sighted fiscal expediency, will delay sustained progress toward the goal of better health.

THE ISSUE OF STABILITY AND GROWTH IN MEDICAL RESEARCH

In a very real sense, we are today at a turning point in the acceptance of our Federal share in the responsibility for medical research.

Ever since World War II, we have been building a solid foundation for medical research in this country. No one part of our society has been alone in this undertaking. For the building process has been carried out in a truly American tradition. Industry, voluntary health agencies, foundations, State and local sources, private and public agencies of all kinds have taken part. Underlying the whole effort has been the sense of urgency and purpose of the American people.

One part of the structure that is being created—a major part—is the medical research done as a result of the appropriations to the National Institutes of Health. The funds we make available for its programs constitute more than two-thirds of the Federal Government's total support for medical research and more than one-third of America's total investment in medical research. Thus the final action of Congress on these appropriations has a tremendous impact on what we are doing as a Nation to protect the people's health.

We have a good plan and a sound foundation. The question is, are we ready to build? For anyone whose ear is attuned to what the people want and expect, there can be only one answer to that question.

How fast shall we build? My answer to that is that we should build as fast as is consistent with sound construction practices, according to the consensus of the judgments of professional experts. But I want us to build. I do not want us merely to stand and observe the foundation and think about what a fine building may be constructed there—some day.

What are we building for? The people answer that question with questions of their own:

Can we find a way to prevent mental retardation and the other diseases and deformities associated with the period before and during the birth process?

Can some way be found to prevent cancer, as by a vaccine? If not, can we find better ways to diagnose cancer early, and better ways to treat it?

Can we, by diet or some other means, find a way to prevent the occurrence of heart attacks?

Can we find better ways to treat mental illness? And—even more important—can we learn to understand what causes severe mental disturbance and thus be better able to prevent it?

It is worth noting that although people tend to be most intensely interested in the particular disease or condition from which they or their loved ones suffer, they are deeply concerned with progress in all fields. There are few ways in which man more clearly demonstrates his basic humanity.

A REASONABLE STEP FORWARD IN 1960

The records of the House of Representatives will show that I have been continously identified with health and medical research appropriations since World War II. For about half of that time, I have served as chairman of the committee with responsibility for these and other programs in the education and welfare fields.

During this time, my stand as an individual on the question of medical research, as on all matters that come before the committee, has been conservative and realistic and practical. My position has been that medical research must move forward to new frontiers, but that there must be ample evidence that the funds provided are not wasted or used for purposes other than those for which they are appropriated. I take a great deal of pride in the fact that my emphasis has been on determination of how funds can effectively be used, not just on how they can be used.

During this time, I have acquired a deep respect for the judgment and integrity of the officials at the National Institutes of Health and a sincere admiration for the programs and mechanisms they have developed for providing funds to medical schools, universities, hospitals, and other research institutions. In this process, a great deal of attention is given to the quality of the research to be supported. And twice in the last 5 years sizable amounts of money have been returned to the Treasury at the end of the year instead of being expended for projects of whose excellence the scientists could not be absolutely certain.

I have found, too—in part because of their basic conservatism, and in part because of the varying but almost always severe restraints placed on them by the administration in the budget formulation process—that the NIH officials usually come before the Congress with an appropriation request that is significantly below the true needs of the scientists and research institutions for support of projects of outstanding quality and promise. Thus in every year but one in the past decade, the final action of the Congress has been to increase the appropriation request made by the administration for the National Institutes of Health.

As we look at 1960, it seems perfectly evident that we will again be required to follow this pattern if we are to act in the public interest.

Speaking for our committee, I therefore propose that we set aside the President's 1960 budget for the National Institutes of Health as the empty gesture that it is, and that we appropriate a total of $344 million for these vitally important medical research activities. If we do this, we will be making available approximately the amount of the NIH's own conservative estimate of need. Actually it is approximately $7 million more than this estimate for research and training, since the NIH estimate included $14 million for increased allowance for indirect costs which the committee has not allowed.

In addition to the increases proposed for research, research training, and related activities, we propose restoration of the $10 million cut in the President's budget from funds authorized for matching grants to assist in the construction of health research facilities. This program, which is also administered by the National Institutes of Health, has been at a level of $30 million for several years. I know from firsthand observation that it is a most effective program that meets one of the pressing needs of the medical schools and other research institutions as they seek to meet their growing responsibilities in future years. I simply cannot comprehend why the administration would seek to cut this program back by one-third, unless it was just another part of the effort to make the President's 1960 budget appear temporarily balanced at the time of its transmission to Congress in January. I urge continuation of this program in 1960 at its authorized and its present operating level.

H.R. 6769 provides that additional funds totaling $50 million, exclusive of construction, be made available for the heart, cancer, mental health, and other research programs of the National Institutes of Health. The committee, in its report, expresses full confidence that the additional funds within each appropriation will be distributed wisely and used effectively. It is assumed that, in general, the distribution will be similar to that established in recent years, in which some 80 percent of each appropriation is invested in non-Federal institutions—in medical research and in research training carried out in medical schools, universities, hospitals, and other research and educational centers. The committee also expects a small portion of the increase to be used to strengthen the Public Health Service's own medical research activities at Bethesda, to extend the application of research knowledge in fields of special promise, and to maintain and extend the scientific review processes which are a primary reason for the tremendous amount of professional as well as public support that these programs have won.

MEDICAL RESEARCH PROVIDES ECONOMIC AS WELL AS HUMANITARIAN BENEFITS

For those of my friends and colleagues who are concerned with the rising inflationary spiral, as I am; and who are sincerely convinced that the Federal Government must exercise the greatest of economy in the use of tax funds, as I do; and who are reluctant to see the Federal expenditure exceed the Federal income in 1960, as I am—I would point out that investment in medical research is not inflationary with respect to its impact on the national economy.

In the first place, medical research results in a decrease in expenditures for the care and treatment of diseases which cause a serious drain on our national economy. Moreover, as the results of medical research are applied in medical and public health practice, there is an increase in the productivity of our working force and of our Nation as a whole. Thus expenditures for medical research pay the kind of dividends that can be realized by few other long-term investments.

All of us know that it is standard industrial practice to reinvest up to 10 percent of profit in research. Certainly this does not contribute to inflation. Here, our investment is in life itself. And the cost is small as compared with the economic benefits that the Nation receives. One disease alone—mental illness—costs the Nation more than a billion dollars a year just for care and hospitalization. This year, our total national investment in all fields of medical research is only about half of that.

It is not possible to prove this out on a profit and loss sheet. But if we assume—and it is a straightforward and fair assumption—that anything that constitutes a drain on our national economy without providing something in return damages the economy itself, then it is perfectly clear that illness and premature death adversely affect the economy. How can we reduce this adverse effect? By reducing the incidence and prevalence of disease. How can we accomplish this? By using today's knowledge better, to be sure—by making the best medical care services available to more of our people. But we also need to know more about how to prevent and control disease, and this is the knowledge that medical research has given us in abundant measure in the past and will provide even more abundantly in the future.

I have seen estimates that the 400,000 people who die from arteriosclerosis—one-third of them in the most productive age group—represent an annual loss of income of some $600 million and an annual Federal income tax loss of about $75 million.

Of the more than 4½ million Americans with high blood pressure, the economic burden from the high rate of disability is staggering.

During World War II, rheumatic fever alone immobilized more than 40,000 men in the Armed Forces at a total cost to the Government of $640 million. At least a million Americans today have had or

will have an attack of rheumatic fever, and half of these will be left with residual heart damage.

Respiratory diseases represent a cost in billions to industry through absenteeism and reduced productivity. During only a 4-month period last year, there were 63 million new cases of respiratory illness involving at least 1 day in bed.

It has been estimated that there are over 100 million days of disability each year among those who suffer from allergic diseases.

If the Nation's sufferers from intestinal disorders can be saved only one day of sickness a year, the tax gain to the Treasury will pay for the current level of research in this field for the next 8 years.

The 700,000 cases of cancer under treatment at any given time run up an annual hospital bill of $300 million. The total economic burden of cancer on the Nation is some $12 billion a year.

Although 90 percent of those suffering with epilepsy have normal or nearly average mentality, many have been placed in State institutions at an approximate annual cost of $35 million. A conservative estimate of the cost of epilepsy to the Nation is probably more than $80 million a year.

These are just samples of the economic burden of illness.

When we look at the other side of the coin—the progress that has taken place leading to a reduction of such intolerable economic burdens—we find the record dramatic and convincing. The ability to diagnose and treat some forms of cancer; means for keeping diabetes under control; improvements in the treatment of schizophrenia; better management of arteriosclerosis and hypertension; significant improvements in all forms of surgery; preventive measures for many of the major infectious diseases; new ways to treat arthritis and rheumatism; marked improvement in tuberculosis therapy; these and literally dozens of other major advances signify millions of dollars saved and the significant reduction of burden on the national economy.

The Nation's investment in medical research seems small indeed compared with the gains of the past and the grave problems of the future on which the attention of medical research is focused.

In sum, my colleagues, I ask you to join in a forthright, eyes open effort to move ahead toward the prevention and control of disease through increased support of medical research.

First, the resources—both manpower and facilities—are available for an expanded effort; moreover, our actions in the past have had no small part in making these resources available.

Second, the confidence of the scientific community would be badly if not irreparably damaged if we were to accept a timid approach which is geared only to political economies and overlooks the public interest.

Third, the people want and expect the Congress to continue to give affirmative leadership in this field, having demonstrated by their words and by their deeds that they consider the search for better health through research to be a vital and appropriate Federal function.

Fourth, there is ample evidence that advances even more dramatic than those of the recent past are within reach if we but sustain and strengthen our medical research effort.

I do not minimize the importance of $60 million in terms of the national economy.

On the other hand, when viewed from the point of view of the people's health, and the economic and social burden of illness, disability, and premature death, $60 million is a small added price to pay indeed for assuring stability, continuity, and forward movement in that part of the national medical research effort which is the responsibility of the Federal Government.

I urge your acceptance and wholehearted endorsement of the committee's proposal to increase the President's 1960 budget request for programs administered by the National Institutes of Health by a total of $50 million, plus an additional $10 million for research facilities.

To continue with the other increases and decreases, we did not allow the request of $150,000 for the construction of animal quarters at Hamilton, Mont.

For the Public Health Service, in total, we have allowed an increase of $131 million more than the budget request, but $25 million less than they spent in 1959.

The next change is in the Children's Bureau, where you remember last year under the social security amendments the Congress raised the authorization for grants for maternal and child welfare $15 million. The budget requested no increase whatsoever. We allowed a small increase of $3 million over the $43,500,000 requested in the budget.

The population under 18 years has increased by 26 percent in 8 years, 47 million in 1950 to 59 million in 1956. Hospital costs have increased from about $17 a day in 1950 to about $25 in 1956, a 47-percent increase and they continue to rise. Salaries for professional staff have likewise gone up—increasing by about 60 percent for physicians and 75 percent for nurses. These facts point out the impossibility of maintaining even the present level of services with the same Federal appropriations.

The high cost of medical care is resulting in marked increases in patients seeking prenatal care from health departments and resulting in overcrowding in well-baby clinics all over the country. Many clinics report the doctor can spend only 5 to 10 minutes with each baby and mother. We fear that infant mortality which rose last year for the first time in 22 years will continue to go up unless better basic preventive health services can be provided.

Polio is ocurring now chiefly among the poorer families, which need to come to the public clinics if they are to be immunized. Unless additional funds are forthcoming it will not be possible to do the job of health education and to provide the Salk vaccine. It is much more costly to try to treat the paralyzed patient.

The mental retardation programs are off to a good start but already the clinics are overcrowded and have waiting lists. Additional funds are necessary to enable more States to start programs and increase the staff of existing clinics so they can take more patients.

The State crippled children's programs are in serious financial difficulties. Many have had to stop hospitalizations this winter except for emergencies. This program is feeling the full impact of the steady rise in costs of hospital and medical care. The newer methods of treatment cost far more than those of 10 or 15 years ago. All of the millions put into medical research cannot benefit the people unless the newer methods of treatment are placed within their reach.

The committee has eliminated the item of $1,785,000 for grants for social security training and studies.

In the Office of the Secretary, where he asked for an increase of $180,000, we cut that in half and allowed $90,000. He asked for an increase of $31,000 in the transfer from the OASI Trust Fund, and we cut that in half and allowed $15,500.

For the Office of the General Counsel, an increase of $58,600 was requested. We have cut that in half and allowed $29,300 increase over what they had in 1959, but a decrease of $29,300 from what they asked for. We also reduced by one-half, the increase in transfers of $17,600 which they requested.

We are very happy to bring this report to you. It is a unanimous report from our subcommittee.

This is one of the most difficult bills to cut that Congress has to deal with, because we are providing funds that affect the life of every human being in this country.

We think we are presenting a really good bill to the House today—one that the Members can support and be proud of.

Mr. DENTON. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to my friend, a member of the committee, the gentleman from Indiana [Mr. DENTON].

Mr. DENTON. Mr. Chairman, I want to take this opportunity to commend the chairman for the way in which he has performed an extremly difficulty task. I have served for a number of years on this committee, of which the gentleman has been the chairman for many years. I know how well the gentleman from Rhode Island knows this subject and this budget. I think the gentleman from Rhode Island [Mr. FOGARTY] has made an ideal chairman because of his humane approach to these questions.

He has certainly done an exceptionally excellent job this year because, in my opinion, we were confronted with one of the most difficult questions we have had since I have been on the committee. He has said that, for some of these programs, this was the worst budget that he had ever seen. I am sure, since I have been on the committee, that this was one of the worst budgets that has been submitted. There were cuts made in the name of economy when anybody who made those cuts knew that the country

would never stand for them and that the Congress would never stand for them. I speak, for example, of the cutback in funds for schools in federally impacted areas. We had agreed that we would give them a certain sum of money and then it was proposed to cut that amount back 15 percent and shortchange the people. The budget that was proposed undertook to cut back research for heart disease, cancer research, and mental health, and other programs of that kind. It was unthinkable to cut back the hospital construction program and the sewerage construction program and other such vitally necessary programs.

The easy path, of course, would have been to say, "Well, let us go along with the budget and let somebody else do the job." But our chairman, the gentleman from Rhode Island [Mr. FOGARTY], showed courage and showed that he would consider the welfare of the country first. He did not think of political considerations. He restored the amounts that were cut in the executive budget because that is what the country wanted. I think he should be highly commended for the work that he has done.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to my colleague, the gentlewoman from Missouri.

ONE OF MOST VITAL BILLS WE WILL CONSIDER

Mrs. SULLIVAN. Mr. Chairman, I, too, want to congratulate the chairman of this subcommittee and its members for the courageous job they did on this particular appropriation bill.

This appropriation bill before the House this afternoon, H.R. 6769, providing funds for the Departments of Labor and Health, Education, and Welfare, will probably be passed today with limited discussion and very little controversy. I personally wish we would spend a week or more on it. For in this one piece of legislation—this one bill which we will pass in just a few hours' time—we are performing one of the most important assignments we will have in this entire congressional session.

The Congress has been criticized for having so little to show for the 4 months we have been in session. I have made some of those criticisms myself. But if we did nothing more than enact this one bill—as it was reported to us from the Committee on Appropriations—I would say that this first session of the 86th Congress would have accomplished a great thing. Of course we must do a whole lot more than pass this bill—we have a vast amount of legislation which we must enact before we can feel our work for this year has been done—but I venture to say that no bill we pass will be more important from a long-range viewpoint than this one.

PUBLIC SHOULD KNOW OF SIGNIFICANCE OF THIS LEGISLATION

I say I wish we could spend a week in discussing it here—preferably with lots of controversy and fireworks over individual provisions of the bill—so that the public would then quickly come to know some of the details of this legislation. For truly, to any citizen who may ask what is so special about this bill, it can honestly be said in reply: "Your life may depend upon it."

Millions of Americans may owe their lives to the work done on this bill by Chairman JOHN E. FOGARTY and his colleagues on the subcommittee which handled this legislation. I am personally grateful to Congressman FOGARTY for the things he has succeeded in putting into the bill in line with requests I had made. But more than that, as a citizen and as a person I am grateful for what he has accomplished in this legislation for every member of the human race.

Money cannot buy health; but money is vital to research into the diseases which destroy health. And included in this bill is money which can save the lives of millions of persons otherwise doomed to premature death from one or another of the dread diseases which stalk our world.

NO "FRITTERING" OF TAX FUNDS

This is one of the few appropriation bills we pass each year where our concern is directed less at what the budget recommends than it is at what the situation requires. I would say that the other area of appropriations in which the budget's adequacy is similarly questioned is in the field of defense. But in most other fields we use the budget as a guide as to what might be useful expenditures, and then cut below those estimates. In this case, however, we are virtually scrapping the budget—because, as Chairman FOGARTY has so clearly showed—the budget is woefully inadequate when it comes to recommending funds for medical research and many other activities covered by this bill.

Some of the businessmen in my district have written me to denounce the Congress for, as they put it, "frittering away" billions upon billions of dollars. I have replied that in connection with the recommendations in this bill now before us, I was going to vote for far more than the budget suggested—for instance, for research into cancer, arthritis, heart disease, and so on, and for the Food and Drug Administration and many other activities—and that I had no apology for doing so. In fact, I am proud to do so.

ATTACK OF POLLUTION

There are many things in this bill which are important to our health in addition to the so-called glamor items of research funds for the National Institutes of Health. One of the most significant items from the standpoint of our Nation's cities is the additional $25 million over and above budget recommendations, for sewage-treatment works. Pollution of our streams and rivers is one of the most serious health hazards facing this country. Some really hair-raising information on this problem has been placed in the CONGRESSIONAL RECORD from time to time by our colleague from Michigan, Congressman DINGELL, under the caption "Poison in Your Water." And the hearings in the past by the Committee on Interstate and Foreign Commerce, as well as those by the Fogarty Subcommittee on Appropriations have thoroughly documented the importance of antipollution work.

Yet the President's budget for the work of the Public Health Service in this field recommended slashing in half or to less than half the funds provided last year, to only $20 million. This bill restores all of that money for a total of $45 million. The importance of this item is impressively outlined in a letter I received in February from Mr. William Q. Kehr, executive director of the Metropolitan St. Louis Sewer District, as follows:

METROPOLITAN ST. LOUIS
SEWER DISTRICT,
St. Louis, Mo., February 20, 1959.

The Honorable Mrs. JOHN B. SULLIVAN,
House of Representatives,
House Office Building,
Washington, D.C.

DEAR MRS. SULLIVAN: The Metropolitan St. Louis Sewer District has been following with considerable interest the water pollution control program under the administration of the U.S. Public Health Service. We were quite concerned to note that a substantial reduction is proposed in the appropriation to this activity for the coming fiscal year.

It has been the observation of district personnel that this program has been worthwhile and that it has resulted in a substantial increase in the construction of pollution abatement facilities. Such facilities are vital to the welfare of the Nation as a part of a broad, overall water resources program which must be accomplished if an adequate supply of water of suitable quality is to be available to take care of the rapidly growing needs of industrial and domestic users. Failure to accomplish a satisfactory program will inevitably result in delaying much-needed industrial development and in deterioration of an esesntial natural resource.

The metropolitan sewer district is now engaged in a program which it is anticipated will lead to the treatment of wastes from the metropolitan St. Louis area, probably the largest metropolitan area in the Nation without adequate sewage-treatment facilities. Should congressional action be such that the people of the area can assume the Federal Government has lost interest in this program, our job will be made much more difficult if not impossible. The fact that the St. Louis area has been without treatment for so long in itself constitutes a big obstacle to securing the favorable consideration of the bond issue which will be necessary to provide needed facilities. A substantial reduction in appropriations for the coming year would, in all probability, be taken by the general public as a decreasing interest on the part of the Federal Government in this important program.

While any grants-in-aid which may be available under the present law would provide only token assistance to the St. Louis area, the fact that the Congress is showing a continuing interest in pollution abatement to the extent of continuing them even at the present minimum level would, we feel, have an important effect on the attitude of the people at the time the bond issue is presented, probably in 1962. Certainly in smaller municipalities where such grants constitute a much greater incentive and where the need for financial assistance is much greater, the program is most important.

We sincerely hope you will weigh very carefully the effect of any major changes which might tend to minimize or slow down the present water pollution control program, and that the Congress will continue to support this vital program.

Yours very truly,

WILLIAM Q. KEHR,
Executive Director.

HOSPITAL CONSTRUCTION FUNDS

Another item I want to mention in connection with long-range health needs is the additional $42,500,000 over the budget included in this bill for grants for hospital construction under the Hill-Burton Act. The budget recommended $101,200,000; this bill carries $143,700,000. The importance of this action to St. Louis and to Missouri can best be shown by the following report I received in March from Dr. H. M. Hardwicke, deputy director and acting director of the Division of Health of Missouri showing the applications on file for hospitals seeking to expand facilities under the Hill-Burton program:

THE DIVISION OF HEALTH OF MISSOURI,
City of Jefferson, March 30, 1959.

The Honorable Mrs. JOHN B. SULLIVAN,
Missouri Member of Congress,
House Office Building, Washington, D.C.

DEAR MADAM: We are writing you in regard to the need for additional Hill-Burton funds in the State of Missouri. At the present time, we have applications from the communities on the enclosed list to be considered at the next hospital advisory council meeting when the funds allowed by Congress are distributed according to our State plan for the coming fiscal year.

This is not an attempt on the part of the division of health to enlarge its program, but rather is the recognition by us that we have a responsibility of assisting local communities in solving some of their medical problems. I am sure that you can see from the enclosed list that there is still a real need for Hill-Burton funds in order that adequate medical facilities may be provided for the citizens of Missouri in these areas.

Your consideration will be appreciated when these funds are reviewed by Congress.

Very truly yours,

H. M. HARDWICKE, M.D.,
Deputy Director and Acting Director,
Division of Health.

Fiscal year 1960–61

Name of project	Location	Beds		Estimated cost	Federal share
		Type	Number		
Cape Osteopathic Hospital	Cape Girardeau	General	75	$1,000,000	$500,000
St. John's Hospital	St. Louis	do	324	9,632,699	4,816,349
		Mental	39	586,603	293,301
		Chronic	57	604,603	302,301
		Nurses' school and residence		2,209,618	1,104,809
		Diagnostic and treatment		387,067	193,533
		Rehabilitation		270,760	135,380
Mercy Hospital	Springfield	Nursing home	80	1,000,000	500,000
		Chronic	80	1,200,000	600,000
		Nurses' school and residence		600,000	300,000
Missouri Methodist Hospital	St. Joseph	Mental	50	746,851	373,425
		Chronic	100	1,667,000	833,500
Kansas City General Hospital	Kansas City	Diagnostic and treatment		734,145	367,072
		General		573,467	286,733
St. Joseph Hospital	Kirkwood	Chronic	77	1,258,500	629,250
Howard County Hospital	Fayette	General	50	970,000	485,000
St. Vincent's Hospital Association	Monett	do	22	351,500	175,750
		Nursing home	27	300,000	150,000
Putnam County Hospital	Unionville	General	30	450,000	225,000
Pulaski County Hospital	Waynesville	do	75	1,450,000	725,000
Wayne County Health Center	Greenville	Health center		75,000	37,500
Ray County Nursing Home	Richmond	Nursing home	80	800,000	400,000
Homer G. Phillips Hospital	St. Louis	Diagnostic and treatment		1,131,500	565,750
Washington County Hospital	Potosi	General	60	1,000,000	500,000
Kirksville College of Osteopathy and Surgery	Kirksville	Diagnostic and treatment		70,000	35,000
Sullivan Community Hospital	Sullivan	General	35	550,000	275,000
Springfield Baptist Hospital	Springfield	do	50	440,200	220,100
Dent County Hospital	Salem	do	42	700,000	350,000

	Total cost	Federal share
Public Law 482:		
Diagnostic and treatment	$2,322,712	$1,161,355
Nursing home	2,100,000	1,050,000
Rehabilitation	270,760	135,380
Total	4,693,472	2,346,735
Public Law 725:		
General	17,192,866	8,596,432
Public Law 725—Continued		
Chronic	$4,730,103	$2,365,051
Mental	1,333,454	666,726
Nurses' school and residence	2,809,618	1,404,809
Total	26,066,041	13,033,018
Grand total	30,759,514	15,379,753

INSTITUTES OF HEALTH

Of course, the really dramatic appropriations in the bill are the $36,500,000—$7,430,000 above budget—for general medical research, $83,300,000—$8,090,000 above budget—or cancer, $60,400,000—$8,025,000 above budget—for mental health activities, $52,700,000—$7,150,000 above budget—for heart disease research, $9,725,000—$2,305,000 above budget—for the Institute of Dental Health, $37,800,000—$6,575,000 above budget—for arthritis and metabolic disease activities, $30,300,000—$6,215,000 above budget—for allergy and infectious diseases, $33,600,000—$4,210,000 above budget—for neurological and blindness research, and the $30 million—$10 million above budget—for construction of research facilities. The budget recommendations for the National Institutes of Health, as the subcommittee pointed out, were shamefully small in comparison.

SOME EDUCATION ITEMS

On the educational programs covered by this bill, the Committee also did a fine job. I am particularly pleased with the restoration of the more than $1 million cut out by the budget for practical nurse training under the vocational education program; making the total for vocational education $33,702,000; the appropriation of the necessary $1 million authorized by Congress late last year for the training program for teachers of mentally retarded children—a program in which I am deeply interested and which I hope soon to see expanded to provide for training teachers for all categories of exceptional children, as proposed in my bill, H.R. 12; also, Mr. Chairman, I am most pleased with the Committee's action recommending the full budget amount of $150 million for activities under the National Defense Education Act for the coming fiscal year. There is widespread support also in Missouri for the appropriation of an additional $6 million for the Library Services Act, an increase of $850,000 over the $5,150,000 recommended in the President's budget.

FOOD AND DRUG ADMINISTRATION NEEDS RECOGNIZED

By far the most satisfying thing to me in this whole bill—and I think I have made clear that this bill is full of very wonderful programs—but to me the greatest satisfaction comes from the action of the Committee in agreeing to add an additional $2 million above the budget for the Food and Drug Administration.

Year by year since I have been in the Congress, I have worked and fought to increase the funds for this neglected and ill treated Government agency. Several years ago, when the need was urgent and obvious, Secretary Hobby suggested that nothing be done to increase the funds until a citizens' committee could report on how well or how

poorly the agency did its job with the money it already had.

Out of that study came confirmation of what many of us had already been saying; that is, that the FDA was doing a superhuman job under unimaginable difficulties, the most serious being the desperate lack of funds.

EISENHOWER ADMINISTRATION SLOW TO ACT ON FDA NEEDS

The Citizens Committee appointed by Mrs. Hobby called for a three to fourfold increase in size and funds of the Food and Drug Administration in from 5 to 10 years. That was in 1955. I tried immediately to get action on this recommendation, but unfortunately the Eisenhower administration had to spend a full year studying the recommendations before it was ready to agree to seek extra funds to carry out even partially the recommendations of the Advisory Committee. And ever since, the administration has dragged its feet in asking for the funds to achieve even the minimum expansion program recommended. The administration wasted a whole year before asking for any funds to begin carrying out the Citizens Advisory Committee report; then, year by year since 1956, it asked for less than enough to meet even the threefold 10-year expansion timetable. In the current fiscal year, the agency is running nearly 100 positions behind where it should have been by now if the minimum 10-year timetable had been followed. Under the budget proposed for next year, the agency would be running about 200 positions short. This bill now before us, by adding $2 million to the Food and Drug Administration's funds over and above the $11,800,000 suggested in the President's budget will bring the agency up to the very minimum level of expansion recommended by the Citizens Committee. That is far from adequate. But it is a great step forward. Once again, the Fogarty subcommittee has demonstrated the determination of Congress that the needs of the American people must take precedence over dollars.

BIG JOB FOR FOOD AND DRUG ADMINISTRATION

As one of the sponsors of the food additives amendment we enacted last year, requiring pretesting of all chemicals used in food to establish their safety before they can be used, I am aware of the extra burden this has placed on the FDA. We must make sure the agency has the necessary scientific staff not only to carry out this new law, but also its day-to-day responsibilities in protecting the American people against filthy, adulterated, misbranded, or fraudulent foods, drugs, and cosmetics. It is a tremendous job and one which is vital to all of us.

RESEARCH WORK PROVIDED FOR IN BILL

The additional funds provided for FDA in this bill, over the President's inadequate budget will also cover some tremendously important research projects which could not otherwise go forward. It is incomprehensible to me that the President, or the Budget Bureau, could have eliminated from the agency's budget certain proposed research projects which altogether will cost about $774,800 in the coming year. They include:

First. Detection and identification of pesticide residues, $169,400.

Second. Determination of effect of radioactivity on foods and drugs, $230,500.

Third. Investigation of presence of carcinogens in container waxes, $114,200.

Fourth. Study of presence of toxic properties in fatty acids, $114,500.

Fifth. Investigation of bacterial contamination of frozen foods, $47,500.

Sixth. Development of methods of analysis for adrenal and cortex hormones, $17,500.

Seventh. Additional effort in food standards and cosmetics, $81,200.

Of these proposed research activities, Mr. Chairman, the President's budget eliminated all but $33,400 for food and cosmetic standards, and $35,700 for research on bacterial contamination of frozen foods. I am glad this bill reverses the budget on this item.

The few extra dollars made available by the subcommittee in this bill to carry out the research programs listed above are among the most important dollars we can appropriate. We are concerned, and rightly so, over radioactivity in the foods we consume, over the dangers from unintentional thawing and then the refreezing of frozen food, over the increasing use of pesticides and the residues of pesticides left on foodstuffs, and over all of the problems in public health that this research will cover.

Mr. Chairman, this is an excellent bill, on the whole, a remarkable one. I am happy to support it.

Mr. GEORGE P. MILLER. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. GEORGE P. MILLER. Mr. Chairman, I congratulate the gentleman from Rhode Island [Mr. FOGARTY] for restoring certain sums before bringing this bill to the floor of the House. I am particularly happy to see that he has restored the funds for the National Institutes of Health. We are spending more than $300 million a year on a missile program. No one denies that this is important, but if it is important to probe space for the future, it is certainly just as important to maintain the health of our people in the present. Any economy that can stand that expenditure can afford additional expenditure for health.

Mr. FOGARTY. I thank the gentleman.

Mr. GEORGE P. MILLER. I also want to thank him for restoring the cuts in the school program.

Mr. FOGARTY. I thank the gentleman.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. BOLAND. I join with my colleagues who have paid tribute to the manner in which the gentleman from Rhode Island, as chairman, has handled this program. From the worst budget which the Department has submitted to the Congress you have made it one of the best. This is the kind of program that touches the hearts and lives of Americans.

Last year the committee made available an item of $700,000 for the treatment of alcoholism. Is there any money in this year's budget for this program?

Mr. FOGARTY. We have allowed additional funds for the Mental Health Institute under which this program is being carried out. We allowed $700,000 for this fiscal year to start this new program. Grants have been made to some of the health and medical schools of the country.

Mr. BOLAND. I thank the gentleman. May I again say that the gentleman from Rhode Island [Mr. FOGARTY] has done a magnificent job in bringing this budget to the floor. No one in this Congress or any other Congress, to my knowledge has made such a study of the problems of the diseases that affect mankind. I commend him for his activity in this field and express the appreciation of the people of this Nation, who are interested in these programs, to Congressman FOGARTY for the devotion he has shown to these causes.

Mr. FOGARTY. Mr. Chairman, I yield myself 2 additional minutes.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mrs. CHURCH. Has Howard University received its proper and needed share in this appropriation bill?

Mr. FOGARTY. I think they have. We have given them every cent they asked for. There was no indication by the witnesses who appeared before the committee that they could use more. We gave them what they asked for.

Mrs. CHURCH. And what the Bureau of the Budget requested?

Mr. FOGARTY. That is true.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. BAILEY. Once more, the distinguished gentleman from Rhode Island and the members of his subcommittee have taken the necessary action, as he has over the past years, to restore the confidence of his colleagues in the House in the efforts we are making for better health conditions and education throughout the Nation.

Mr. FOGARTY. I thank the gentleman.

Mr. BAILEY. I want to thank the gentleman for his very good work.

Mr. FOGARTY. I thank the gentleman very much.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. O'HARA of Michigan. I want to congratulate the gentleman from Rhode Island on the perspicacity he has shown in piercing the smokescreen with which the administration surrounded its budget requests for health activities. I am concerned about the cut of more than a million dollars in the tuberculosis control program. I hope this will not result in a repetition of the unfortunate results that followed similar cuts in the venereal disease control program in past years. Medical advances through research are of little value unless they are followed by adequate educational and control programs.

Mr. McGOVERN. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. McGOVERN. I want to congratulate the gentleman and his committee on these constructive proposals, which deal with some of the most important problems facing our country today. I especially appreciate an item relating to the expansion of teaching of mentally retarded children.

As the sponsor of this program authorized by the 85th Congress, I have a special interest in the approval of this modest request for funds to execute the program.

Mr. FOGARTY. I thank the gentleman.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. FOLEY. I want to join my colleagues in paying tribute to the gentleman and his committee. I want to point out a significant contribution he has made in supporting the impacted area Federal aid program. This program has been in existence for several years. The chairman succeeded in restoring cuts made in the 1959 budget, and through his leadership again he has done yeoman service and has seen that this Congress provide support in full to this program for 1960.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. PERKINS. I wish to congratulate the gentleman from Rhode Island for bringing before this committee a realistic budget for the National Institutes of Health. The gentleman from Rhode Island has always supported our school programs and I am proud that the committee increased the impacted funds which will permit the school systems to count on the same level of Federal support in fiscal 1960 which they received this year.

In the district that I am privileged to represent, we have many communities that are unable to construct sewage treatment plants on their own without assistance from the Federal Government. I am proud that they saw fit to increase the appropriation to $45 million. This amount is more than double President Eisenhower's $20 million budget request which is completely unrealistic in view of the fact that we now have applications pending that cannot be reached for more than 3 years under the present budgeted amount of $20 million.

Mr. Chairman, I cannot think of any better way to spend a few million dollars for the general welfare of the people.

Again I want to thank the committee for their courage.

Mr. FOGARTY. I thank the gentleman.

Mr. MONAGAN. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. MONAGAN. I join with my colleagues in their words of commendation to the chairman of the subcommittee on the excellent job he has done. I am particularly pleased to see restoration of the funds in the National Institutes of Health. This is one of the great governmental enterprises of our country and it has great importance for the future health of our country. I am glad the funds have been restored to permit this work to go on.

We certainly need make no apology about increasing the budget in this regard.

The CHAIRMAN. The time of the gentleman from Rhode Island has again expired.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD, if they care to do so.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Chairman, on February 15, 1939, the President of the United States—Franklin D. Roosevelt—in a message to Congress, pointed out the unprecedented advances in water cleanup made possible by the public works and work relief programs during the preceding 6 years. He concluded with this statement:

> On the basis of recent experience it (Federal participation in pollution abatement) should be supplemented by a system of Federal grants-in-aid and loans organized with due regard for the integrated use and control of water resources and for a balanced Federal program for public works of all types. The time is overdue for the Federal Government to take vigorous leadership along these lines.

Until enactment of Public Law 660 in 1956, the Federal Government had not provided vigorous leadership. The professionals in the field of sanitary engineering are unanimous in their conclusion that water pollution day by day and year by year has become progressively worse during the past 40 years, except for that brief period when the public works and work relief programs made positive progress toward alleviation of this critical problem. Water quality in the United States is still going downhill.

Mr. Chairman, with the implementation of Public Law 660, this great national resource began to climb out of the sewers. We are making progress in this vital field under Public Law 660. To accept a cutback in construction grant funds is unthinkable.

As one of the authors of Public Law 660, I am deeply concerned that this worthwhile program move ahead with all possible speed.

The people of the United States have spoken. They have spoken in a language that everyone can understand. They have spoken in a language of dollars. They have provided $4 from local sources for every dollar of Federal funds provided. I ask you, in what other dollar sharing cooperative program have they spoken so clearly?

Mrs. DWYER. Mr. Chairman, I should like to call special attention to the committee's interest in a relatively new field of medical research—that of cystic fibrosis.

Because of the committee's interest last year and its determination to help organize an effective fight against the disease, there are already a number of encouraging developments.

Most encouraging, however, is the committee's continuing interest in cystic fibrosis. I was delighted that the committee report specifically stated its expectation that the National Institute of Arthritis and Metabolic Diseases would continue to emphasize its research program in this field.

As the Institute noted in its report to the subcommittee, cystic fibrosis presents to medical research the rare challenge of a new disease. Though it has been identified as a specific disease for barely 20 years, it has recently become the second most common post-mortem diagnosis in children's hospitals in the United States. Present estimates make it clear that of the 4 million children born annually in this country, several thousand have cystic fibrosis.

Research efforts to date have determined that the disease is not inevitably fatal, and that early diagnosis and proper treatment can at least prolong the lives of young patients.

On the other hand, cystic fibrosis is just beginning to be known to physicians and laymen alike, the incidence of the disease is still uncertain, the range and variety of its symptoms has just begun to be appreciated. Furthermore, it has just been realized that cystic fibrosis may involve many more tissues and organs of the body than earlier thought, that the control of accompanying infections may become increasingly difficult, and that the root causes of the disease are exceedingly complex.

Fortunately, Mr. Chairman, congressional support of this vital research program is already bearing fruit. Two of the National Institutes in January of this year cosponsored the first international research conference on cystic fibrosis. I understand this conference was well organized and extremely effective, attracting some of the best minds in the field and stimulating a vigorous interest in more intensive investigation along a broad range of research possibilities.

In addition, both institutes—the National Institute of Arthritis and Metabolic Diseases and the National Institute of Allergy and Infectious Diseases—have well coordinated and detailed research programs in operation this year, together with related programs at other medical centers carried on with the grant assistance of the institutes.

The Congress last year directed that $375,000 be devoted by each institute to increase research support in the field of cystic fibrosis. It appears, from the subcommittee's hearings, that this money is being effectively spent.

It is a privilege to acknowledge the imaginative and effective work the subcommittee has been doing in this field. Its chairman, the gentleman from Rhode Island [Mr. FOGARTY], and its members deserve support and appreciation for their indispensable contribution.

Mr. BLATNIK. Mr. Chairman, I want to take this opportunity to extend my heartiest congratulations to the distinguished gentleman from Rhode Island for bringing to this House a responsible yet adequate appropriation bill

for the Departments of Labor and Health, Education, and Welfare.

His deep knowledge of the subject matter covering as wide a variety of fields as any other bill that comes to this House is truly a great tribute to a fine and courageous gentleman who does what he thinks ought to be done for the best interests of the country and the welfare of the people.

This bill before us today is a result of his foresight and courage. We can all be thankful for his leadership and that of the members of his subcommittee.

I was especially pleased with the committee's action regarding grants for waste treatment works construction. The administration, as we all know, has opposed this program from the beginning, although it tried to take credit for its enactment during the 1956 Presidential campaign. They expected the program to fail or never get off the ground, but they were fooled. The program is working beyond all our expectations, as I will describe in more detail later, so now the administration has decided to hasten the day of this new program's failure by starving it to death through inadequate appropriations rather than attempting to kill it outright, as even the most naive observer knows it can never accomplish because of the program's great popularity and almost unanimous public support.

The administration's request for $20 million to carry out the construction grant program under Public Law 84–660 is, as the committee stated in its report, "completely unrealistic in view of the needs." Stated simply, the needs in the field of waste treatment plant construction are enormous. An independent survey by three of the Nation's State sanitary engineers, presented recently to the Committee on Public Works, shows that in order to meet the needs of municipalities for sewage treatment works, the Federal Government would have to contribute $100 million in grants each year for the next 8 years. This amount is needed to stimulate $575 million worth of construction each year which is necessary to eliminate our huge backlog of treatment plant construction needs and provide for plant obsolescence and population growth.

A $20 million appropriation would support about 225 projects for a total project cost of approximately $100 million or contract cost of $85 million. At this rate, Mr. Chairman, we would not even be holding our own against the water pollution problem, much less making progress toward its elimination. This becomes evident when we examine contract awards in 1958 which reached an alltime high of $389 million. Approximately $235 million of this total involves projects not receiving Federal aid under the existing program. There is no reason to believe, and none has been shown me in over 10 years of study of this problem, that construction during any single year will exceed $250 million, plus that which can be attributed to Federal aid.

Contract awards for sewage treatment projects financed entirely by local funds averaged $222 million annually from 1952 through 1956. With the advent of the Federal grant program in 1956 nonfederally aided construction totaled $233 million in 1957 and $246 million in 1958. The great increase in construction in those 2 years can be attributed, and must be attributed, to the Federal aid being made available under this program. This aid amounted to $118 million in 1957 and $143 million in 1958. This leaves us still far short of our goal of $575 million, and it would be unthinkable therefore to cut the Federal share as is recommended by the administration.

The demoralizing effect of sharply reduced appropriations would have immediate repercussion in State water pollution control programs. The development of needed sewage treatment projects is a tedious and difficult process. Federal grants have proven to be a very useful tool for this purpose. The elimination or weakening of this tool could virtually halt progress now being made in the control of pollution. The reduction or elimination of the appropriation item contained in this bill for sewage treatment plant construction grants would be a serious and costly mistake. To those who would eliminate these funds for the reason of economy I can only say that it is far better for the Federal Government to participate in the present limited program, which has had such marked success, than to be forced into an all-out and costly crash program in the future to preserve a wasted water supply. This is money we literally cannot afford not to spend.

The Nation's health and economic development and national security depend on an adequate quantity of water of the right quality. Recognizing that the control and abatement of water pollution is primarily a local and State matter, we must at the same time face the fact that the Federal Government has a direct interest and duty. It can fill that responsibility in a number of ways, most important of which is by financial assistance to the local communities for the construction of waste treatment facilities.

This program has been endorsed by every major national conservation group, by civic garden clubs, by the Nation's State and Territorial health officers, and by many, many others, except, of course, the NAM, the National Chamber of Commerce, and the administration, that well-known triumvirate of balanced budget worshipers. An interesting sidelight to the position taken by the administration is the fact that the President's Water Pollution Control Advisory Board had wholeheartedly endorsed this program and not only recommended full appropriations for it, but overwhelmingly endorsed my bill, H.R. 3610, which would double the funds available for this program.

The other day I received a letter from Nelson A. Rockefeller, Governor of New York. He supports this program and advocates increasing the appropriation from $50 million to $100 million a year. The Governor of Oregon supports this program and urges that appropriations be made in the fully authorized amount. It would seem, Mr. Chairman, that some of these younger Republican Governors, close to their States' problems, recognize the worth of this program that goes unnoticed by older heads of their party.

Mr. CARNAHAN. Mr. Chairman, I speak in support of the $45 million appropriation for water pollution control. This is not solely a local, State, or even regional problem. It is a national problem and a national responsibility. Pollution control was on a local or State level for many years prior to 1956, and pollution steadily increased.

Even with limited Federal participation since 1956 the problem has not been solved, yet Federal participation has definitely stepped up the building of much needed waste treatment works.

During this period the rate of construction has doubled. The incentive effect of Federal construction grants is well illustrated by the fact that communities, to the end of 1958, put up $480 million to match $113 million in Federal funds. Every dollar of Federal aid has been matched by more than four local dollars.

Under Public Law 660, contract awards for treatment facilities rose to $350 million in 1957 and an unprecedented $400 million in 1958. This is real progress, when compared to an annual average of $222 million in the 5 years preceding Public Law 660—1952 through 1956—before Federal construction grants.

Many communities in all the States are building with Federal aid. As of March 31, 1959, sewage treatment works construction grant offers totaling $120.3 million had been made for 1,443 projects having estimated total project costs of $637.3 million.

The American system has proved time and again that many problems cannot be solved on a local level and that Congress must assist on a national level. I would cite several other phases of water conservation to which we now provide Federal aid: flood control, reclamation and irrigation, multiple-purpose dams, small watershed management, and experiments in saline water conversion. All are aimed at retaining or increasing the usable supply of water for a fast increasing population. Shall we then neglect the one conservation measure—cleansing our sewage and waste waters for re-use—that can prolong the usefulness of our waters on their way to the sea—the one conservation measure that will provide water for the greatest number of people, for the most uses, over the longest period of time?

I should like to emphasize that every dollar of Federal aid in the construction grants for sewage treatment plants has been met by more than 4 local dollars. In many other Federal cost-sharing programs, the ratio leans in the other direction, with Federal cost outweighing State or local shares sometimes three to one.

The recently published Rockefeller report on the U.S. economy states:

> Any serious effort to project our growth potential for the future must take account of our supply of natural resources. The drain on our traditional supplies has been prodigious. We must face the fact that our

supplies are not inexhaustible. The Nation's water problem, already serious in important areas, may well become, in the next 10 to 15 years, one of the most difficult issues facing our economy.

To lessen Federal participation and loosen the strings of Federal leadership at this time in the important job of water pollution control, would be an unforgiveable act of regression. Within the next two decades our present 175 million population will have increased another 100 million. Water experts say that we will by that time have reached the peak in water use that our available supply will permit.

I earnestly urge your support of the $45 million appropriation for construction grants in municipal sewage treatment, in order that the good work underway may continue next year at least on an equal with accomplishments of this and the preceding 2 years.

Mr. FULTON. Mr. Chairman, I strongly urge support of the full authorization of $45 million for the Public Health Service program of construction grants to help local communities build sewage-treatment works.

Early this month, Secretary Flemming of the Department of Health, Education, and Welfare, in testifying before the Committee on Public Works, stated:

Surely we can all agree on the increasing importance of water in our national life and economy. This matter of water, without question is about to become, indeed if it has not already a critically urgent national problem.

The Secretary said that in 21 short years we would be using more than double the amount of water we are now using.

Mr. Flemming went on to say:

As I see it, we don't stand a chance of meeting these accelerating requirements unless we make marked progress in the direction of cleaning up our streams and keeping them clean. For 40 years, we have been dumping more pollution into the surface waters of the Nation than we have been removing through waste treatment.

Under Public Law 660 of the 84th Congress, the very successful administered program of Federal construction grants was inaugurated. Unfortunately the bill was amended to provide only $50 million in grants annually—instead of $100 million as was originally determined to be needed for 10 years to wipe out the construction backlog and return our waters to the quality necessary to meet the demands of an expanding population and industry.

Under the Federal authorization, construction of sewage treatment works has jumped from a 1952–56 average of $222 million to $400 million in 1958. The construction needed to meet the objective of this legislation is still short some $200 million a year.

The budget provides not for the $100 million needed, not for the $50 million Federal expenditure authorized in the law, but only $20 million, which I believe must clearly be raised.

I urge your support for the full authorization for this worthy program provided in Public Law 660.

I will close with Secretary Flemming's closing statement before the Committee on Public Works:

This problem is so important to the welfare of our Nation that action and not words should characterize the approach of all public and private groups to the problem.

Mr. JOHNSON of Colorado. Mr. Chairman, I have been directed by the president of the Welfare Directors Association of my State, by the chairman of the Board of Public Welfare of the City and County of Denver, by the State director of public welfare, and by the Denver director of public welfare to express my profound regret that H.R. 6769 as it was reported to this House failed to include the sums requested by the administration in the amount of $1,785,000 for social security training and studies.

The various units of government, Federal, State, and local, are now spending some $3 billion on public assistance every year. Much of this is spent through staff members who are not adequately trained to give the help to the recipients that they need; they are not able to help rehabilitate and restore these persons to self-sufficiency; yet, surely, it is the intent of Congress that they be so helped.

Instead, the staff helps to process the applications and we spend the money month after month and year after year. We do not give the professional help that the recipients need.

The legislature of my own State, Colorado, during the session it just completed, voted an appropriation of $104,000 for the purposes of rehabilitation and incentive budgeting. In the aid to dependent children program, and the aid to the disabled program, the legislature itself initiated this program out of a study which it had made of these two programs. The State gives 80 percent and the counties put up 20 percent. The counties, therefore, will participate in this program to the extent of 20 percent of costs, and Denver has already indicated its willingness to join in a project of this sort.

I submit that if one State, a State, Mr. Speaker, which is less than 1 percent of the Nation in population has been persuaded on its own to spend $104,000 in the expectation that it will save more than that amount in its own State, then this Congress could well afford to authorize at least the sums called for by the administration.

I hope that our friends in the other body will use good judgment and restore to H.R. 6769 at least the amount requested by the administration; for, if you can persuade a State legislature that this kind of program will pay off, it certainly must be a good program. Actually, from my own experience in years past, I know that these training programs do help make the staff members more efficient. They more than pay for themselves in improved service and in lower costs, and certainly these public assistance programs are in great need of reexamination. If through cooperative research and study the program can be improved, or recommendations can be brought back to the Congress for the improvement of the laws with respect to the programs, the taxpayers as well as the recipients will be the better for that decision.

Actually, I hope the administration and the Congress next year will cooperate in making available the whole amount authorized by the Congress in 1956.

The original authorization in the 1956 amendments to the Social Security Act was $5 million for training and $5 million for cooperative research in welfare and social security. The request this year for $1,785,000, is only about one-sixth of the amount of funds of the Department of Health, Education and Welfare the administration considered necessary and desirable.

Measured against the current Federal and State expenditures for public assistance alone, which run about $3 billion a year, this request represents five one-hundredths of 1 percent of these expenditures and constitutes, therefore, extremely modest proposals.

COOPERATIVE RESEARCH AND DEMONSTRATION PROJECTS IN WELFARE AND SOCIAL SECURITY AND RESEARCH PROJECTS

Seven hundred thousand dollars of these funds would be used for financing projects of local welfare departments, voluntary agencies and universities designed to provide the administrators of these public assistance programs with evaluation of methods for preventing and reducing dependency, the improvement of coordination between public and private welfare agencies, and demonstration of ways and means for improving the administration and effectiveness of public assistance programs. These cooperative research funds would make it possible for a number of important questions to be examined and some methods developed for testing how people can be more effectively and significantly served in our public welfare programs.

Quickly stated in outline form, here are some of the questions and problems that deserve study and analysis:

What are the factors that produce a pattern of disorganization among certain families which, in some instances, carries on from generation to generation?

What are the best methods and procedures for motivating dependent persons to become more self-reliant? Are there certain rehabilitation procedures that might be employed with respect to persons with a long history of dependency on public assistance?

Are there ways in which individuals now admitted to State institutions because of senility could be assisted and helped to stay in the community at considerably less cost and with some hope that they might be helped to retain some capacity for managing their own affairs?

How can the problem of desertion be dealt with more effectively, and what are the most significant methods for bringing about uniting of families or at least securing a degree of support from the deserting father?

There is an obligation upon government—which spends so many billions of dollars for public assistance—to ascertain, with the aid of qualified agencies and universities, how our public assistance program can fulfill its humanitarian purpose more effectively for these millions of dependent individuals.

Research needs to be conducted also on ways and means for reducing administrative costs in public assistance through the study and examination of procedures that will provide assistance and services as efficiently as possible without, however, any violation of human dignity.

Fortunately, the costs of public assistance are beginning to level off as the old-age and survivors and disability insurance program has increasing impact. This is, therefore, both the time and occasion to develop methods for more significant help to the lowest income group in the country—the sick, aged, the disabled and handicapped, and the children who are not protected by survivors benefits. This investment of $700,000 could be one of the wisest appropriations the Congress will make.

TRAINING OF PUBLIC WELFARE EMPLOYEES

An appropriate and necessary parallel program to cooperative research is one for training of the employees of public welfare agencies who are called upon to administer grants and services to that section of our population with the highest complex of problems—social, economic, and psychological.

Whether in teaching the young or serving the sick, there is no substitute for qualified personnel in the area of services to people. For a variety of reasons, including, of course, salary levels, recruitment of public welfare personnel is confined largely to the residents of a particular State. Many of these public welfare staff members, who have had no professional preparation for their arduous and important jobs, have a strong desire to be more helpful to the people they serve and wish to prepare themselves, through inservice training and graduate training, to fulfill that desire. The $1 million requested would make it possible for something in the order of 350 of these individuals throughout the country to secure some degree of training, ranging all the way to full graduate training in a school of social work. There are about 29,000 case workers handling grants to the needy. Only 20 percent of these have had graduate training. There may well be at least 1,000 individuals who are prepared now to take advantage of proposals for further preparation of themselves to perform their jobs more significantly.

It must be recognized that until more skilled professional personnel are made available for the administration of grants and services in our public welfare program, the public assistance rolls will continue in many parts of the country to be analogous to a community equivalent to the back wards of our mental institutions. The mental health field has gradually demonstrated that one of the key factors in preventing a chronic and nonreversible condition is sufficient and well qualified personnel. The mental health field has made progress in this area and the action of the Appropriations Committee urging still further funds for the field of mental health and for the training of personnel for mental health assures still further progress. People on the back wards of the public assistance rolls have got to be helped and this takes dedicated and qualified personnel.

Modest as this request is for cooperative research and training of public welfare personnel, it can, in the course of time, make a significant contribution to the reduction of the cost of public assistance to the Federal Government and, of course, to the States, for it is an application of the old adage that it is the ounce of prevention that saves a pound of cure.

Mr. VANIK. Mr. Chairman, I am pleased to support H.R. 6769 as recommended by the committee.

However, I want to take this opportunity to direct the attention of Congress to the appropriation of $2,033,500,000, to the several States for public assistance.

A great portion of the appropriation for public assistance grants, over $650 million, is set aside for aid to dependent children. Add this to what is spent by State and local sources and you arrive at an astounding total cost to the taxpayers of this Nation of more than $1,100,000. This sum does not include other costs to the taxpayers. We must also include the cost of public housing facilities for these families as well as health, medical care, and poor relief.

There are great areas of need that are completely neglected. On the other hand, there are possibilities for wiser spending and shifting a proper share of this burden from the backs of innocent taxpayers to the shoulders of runaway fathers who have deserted their children and forsaken their family obligations.

It is estimated that $200 million of these Federal appropriations are spent as Federal grants-in-aid to the several States to help support the children of runaway fathers. When one adds the State and local expenditures, the total cost reaches the incredible sum of $540,000 every day.

The frustrating fact is that the Federal Government itself can eliminate most of this costly taxpayer burden.

The Social Security files include wage reports of these men including the addresses of their employers. Local authorities are pleading for access to this information in order to track down these fathers and make them pay toward the support of their children. But Social Security has permitted this to be done only in a limited number of cases on a temporary trial basis. The agency objects even to this meager help.

Although I support this appropriation and the invaluable efforts of the committee, I call the attention of this House to several pending bills which direct the Social Security Administration to provide the necessary employer addresses to the proper local authorities seeking to locate runaway fathers.

I know of no better way to save the American taxpayers hundreds of millions of dollars each year in this ever-increasing burden.

Mr. PORTER. Mr. Chairman, I want to discuss specifically the need for the amount requested for waste treatment plant construction which has been recommended by the committee. From reports I read and letters I receive it is clear that there are sufficient demands from communities in our country to warrant this amount and more.

It is a mystery to me how the President's budget can ask for only $20 million. This fiscal year the amount of $45 million is being well used. I do not believe we can justifiably appropriate less.

I do not believe any Member, once he was aware of the value of the Water Pollution Control Act, would oppose this committee recommendation. I think water pollution control is essentially a Federal problem. It is too great a burden for local authorities. The program as it is now in operation has been of real value in the Fourth Congressional District of Oregon. Five cities in the district already have benefited from Public Law 660. I understand there are now 12 new applications from Oregon cities pending in the regional office. Four come from my district.

This fine pioneering sort of program has won bipartisan support. It should. Water pollution control knows no party. And it should not. If the administration's request for $20 million had not been increased the benefit to Oregon would have been cut by almost two-thirds. Our water supply is too valuable to squander.

I have received many letters and telegrams in support of this program. They come from the National Wildlife Federation, the Oregon Wildlife Federation, the Governor of my State, the Oregon State Game Commission, the Oregon division of the Izaak Walton League, the Interstate Pollution Abatement Committee, the Oregon State fisheries director, and from others.

I support this program to the fullest possible extent.

PROTECTING OUR WATER SUPPLY

Mr. McGOVERN. Mr. Chairman, the Federal Water Pollution Control Act of 1956 authorizes an annual appropriation of $50 million for grants-in-aid for municipal sewage treatment facilities construction. The Congress appropriated $50 million for fiscal 1957, $45 million for fiscals 1958 and 1959. The President's budget recommends a reduction for 1960 to $20 million.

That $50 million is an insufficient amount was recently established in the hearings and report on H.R. 3610, a bill to amend the Federal Water Pollution Control Act by, among other things, upping the annual appropriation authorization to $100 million. During the hearings the overwhelming preponderance of the testimony received from State, city, and interstate agencies, national organizations and conservation groups endorsing the bill, urged the need for an accelerated construction program.

That the Nation's vital water resources are being wasted by pollution discharged by cities and industries, and that this waste must be stemmed is not in dispute. Nor are the facts that the available amount of water cannot be increased, and that demands for water are increasing, as is its waste, at an alarming rate. It has been estimated that between now and 1975 the demand for

water will increase by 90 percent with a pollution potential proportionately increased. Already the available supply for domestic and industrial use is in short supply in enough areas to have made the matter one of national concern.

The immediately available means of stabilizing the situation and meeting the future demands for usable water is by its reuse, made possible through pollution control and treatment of wastes. This is an aim of the Federal Water Pollution Control Act, and the construction grant program is designed to promote immediate action.

It has been estimated that construction costing an average of $575 million per year for the next 10 years, an increase of approximately 50 percent over the present annual average, to eliminate the huge backlog of construction needs, will be necessary if we are to have an adequate supply of water to meet our needs. The authorized $50 million annual aid is infinitesimal in comparison to our needs and the urgency of the situation.

A failure to provide a sum commensurate with the Federal responsibility in this matter would be tantamount to putting our civilization in jeopardy. The States have been doing and will continue to do their part in sharing the financial burden of this undertaking. From 1956 to date, while Congress appropriated $140 million for the past 3 years, contract awards for construction of sewage treatment facilities costing $1,094 million were made by non-Federal public bodies.

There is no reason to think expenditures of this magnitude will not continue.

In consideration of all factors I feel an appropriation less than that made for the previous years would be indefensible.

Mr. METCALF. Mr. Chairman, I regret that the committee saw fit to delete from the budget request an item of $150,000 for construction of animal quarters at the Public Health Service's Rocky Mountain Laboratory at Hamilton, Mont.

As you know, this fine laboratory has become a world center for the study of rickettsial diseases, of which Rocky Mountain spotted fever is one. Researchers there developed the first vaccine against spotted fever and one of the first against this whole group of diseases, which includes typhus.

Subsequently they learned much about how these diseases spread and how they could be controlled.

Scientists now are making progress on Colorado tick fever, brucellosis, encephalitis and tularemia. One study, in a new program of development and improvement of vaccines, is concerned with tuberculosis. There is existing evidence that it may be possible to produce a vaccine against tuberculosis by using specific parts of the tubercle bacilli. The laboratory, which you will recall was the sole wartime producer of the essential yellow fever vaccine, also is doing research on allergy.

Now all of these programs are slowed down by the inability of temporary and inadequate facilities for breeding and rearing the needed experimental animals, guienea pigs and rabbits.

Because of its location, in the Bitterroot Valley of western Montana, and because these animals are not commercially available in the immediate vicinity, and often not even in the general area, the laboratory must depend upon its own facilities.

An alternative, which has been used, is to ship needed experimental animals from Bethesda to Hamilton, a distance of some 2,400 miles. I submit that this is both uneconomic and inefficient. It is difficult at best. Some of these animals are lost in the shipping process. Some arrive sick. Some are affected by changes in air pressure and temperature encountered on their long trip.

A major contribution to the work of this fine laboratory on diseases of importance to the Northwest and to the Nation would be provision of facilities adequate to produce the animals necessary for their research.

At this time, I wish to compliment the committee for their general support of health, education, and welfare.

An example is Montana's experience with Federal aid to local communities for construction of pollution abatement facilities. The budget request was for $20 million, a reduction of $25 million below the appropriation this year.

Montana's allocation this year was $512,475. Had the cut stood, our allocation for next year would have been $206,570.

According to the executive officer of Montana's State Board of Health, Dr. G. D. Carlyle Thompson, who wrote me on March 5, all sewage treatment construction grants had been fully committed, with this year's grant being used by January 1, 1959.

Dr. Thompson continued:

In the 3 years of the program we have 34 projects that have been aided and stimulated through the grant program. Already in this fiscal year we have five communities with priorities with applications exceeding $275,000 for which we lack funds. We know of planning in several communities which could result any day in applications being received where the priorities would be high, amounting to another $350,000. At the present rate of financing we would expect another 4 or 5 years of programing in order to bring into existence treatment facilities in communities now dumping raw sewage, and improved facilities in communities now partially or inadequately treating.

We believe the Federal construction grant has materially assisted Montana in correcting sewage treatment problems. We feel that discontinuing the program would seriously delay accomplishing the balance of the job. * * *

The job of obtaining proper sewage treatment in Montana is not yet half completed. We certainly are hoping that the program will continue so that there will be no interruption in steady progress which is now evident.

Part of the file on this program this year is a letter from Clayton V. Berg, of Helena, City-County Sanitarian, who wrote regarding benefits Montana's capital city has received from Federal aid in sewage disposal facility construction. He also expressed the fear that, without continuation of this aid, Montana "stands a very good chance of losing what probably will be eventually her greatest asset—clean water."

A matter of record are statements in support of this program from the director of the Montana State Department of Fish and Game, mayors of several of our leading cities, the Montana Municipal League, and spokesmen for conservation and health groups.

Mr. GROSS. Mr. Chairman, I cannot support this bill, H.R. 6769, for the reason that it calls for spending $53 million more than was appropriated for the same purposes in the present fiscal year and more importantly because it calls for the spending of $158 million more than is provided in the budget for the coming fiscal year.

From what source is the money to be raised for this spending? Are the supporters of this bill advocating a tax increase or is it proposed that the Government borrow the money? Of course, there is no proposal that tax revenues be increased.

Congress will soon be confronted with legislation to increase the astronomical debt ceiling. This cannot go on indefinitely.

I have no doubt that there are many excellent programs and projects in this bill which involves a total of nearly $4 billion, but in view of the financial condition of the U.S. Treasury this bill ought to have been held even below the budget figures.

Mr. Chairman, let the record show that if there is not to be a rollcall vote, I am opposed to this bill.

Mr. GEORGE P. MILLER. Mr. Chairman, our friends on the other side, the Republicans, have said that they stand for clean rivers and streams for all America. They differ from us, they say, only in how to go about doing the job.

The way they want to do it is to turn part of the telephone tax over to the States. They hope the States would take this money and build sewage-treatment plants to keep the poisonous pollution of our cities and industries from choking our rivers to death.

But they are not sure the States would do this. Why? Because there is no constitutional way to force a State to use funds in any particular way.

However, the program you are voting on today—the $45 million grant to the States and cities and towns of the United States—this program is not only working fine but is completely constitutional.

There may be no better authority on the constitutionality of this program than the late Senator Robert A. Taft, of Ohio.

On August 22, 1947, in discussing a bill for stream pollution control he said that the proposed bill "provided a clear case for Federal interference."

I shall quote briefly the colloquy that ensued:

From a constitutional standpoint, as far as the river itself is concerned, there isn't any question about the Federal Government's interest. There is a constitutional

question as to how far the Federal Government is interested in the pollution of upper branches of the Ohio which are entirely within one State. If they undertook a general Federal control there might be some constitutional question.

However, what is proposed here is that the Federal Government simply cooperate with the State and, in the way of money, extend two assistances. The first would be assistance of 33⅓ percent for sewage-disposal works and other waste-control works undertaken by cities, municipalities, and public bodies. That is in the nature of a grant.

The other is loans——

Senator CHAVEZ (interposing). Does that go to the extent of technical assistance, or does it go to the extent of getting down to the plants themselves?

Senator TAFT. One-third of the actual cost of the plants. The State or city must put up two-thirds. I think it is not more than one-third. I think the Federal Security Administrator perhaps could make it less if he wished to, if the appropriations are not sufficient.

Senator MARTIN. Senator Taft, would those grants be somewhat along the model of the highway grants? Would there by any Federal supervision over the expenditure?

Senator TAFT. The Public Health Service, I think, has to approve the plans of any works in which aid is to be given; isn't that correct, Doctor?

Mr. Chairman, the late Senator Taft was a great constitutionalist. He saw no likelihood of weakening the States by the cooperative State-Federal sewage plant building program. Nor did he see any threat to our economy from the modest grants the Federal Government allotted to States.

Let us support the $45 million grant item for sewage treatment plants so that our streams and rivers and lakes may once again adorn our country instead of degrading it. So that once again we can say with pride as Americans:

> I love thy rocks and rills,
> Thy woods and templed hills.

Mr. McGOVERN. Mr. Chairman, there are many essential programs in the legislation before us. The security and well-being of the American people depend upon our continued support for these activities.

I believe that it is especially important that we maintain the full amount requested by the Committee on Appropriations for the Office of Education.

There has never been a time in American history when the education of our young people was so essential as it is today. The complex demands of the age offer a special challenge to the educational programs of the Nation.

I strongly urge the House to follow the recommendation of the committee in appropriating adequate funds to meet the full obligations under Public Laws 815 and 874. These two programs which provide funds for school operation and construction in federally impacted areas are essential. I am pleased that the committee is recommending sufficient funds to pay 100 percent of entitlements under the authorizing legislation. The committee recommendation would restore the 15-percent cut made by the Bureau of the Budget.

Last year, when the funds for this program were reduced, it soon became clear that our federally impacted school areas would be placed in an impossible position. Only timely action by the Congress in this session in restoring the cuts saved these school districts from sharp reductions in their educational programs. It should now be clear that the committee recommendation is no larger than necessary for the proper operation of legislation authorized by the Congress and proved by experience.

To indicate the support for this program in my State, many educators wrote, wired, or telephoned their dismay over the cuts that were made last year. Following are some of the persons urging the supplemental appropriation which we passed successfully a few weeks ago:

Mr. M. L. Reynolds, superintendent of schools, Pierre, S. Dak.

Mrs. W. T. McIlravy, clerk, Buckeye School District No. 13, Pierre, S. Dak.

School board, Wahehe School District No. 83, Greenwood, S. Dak.

Mr. C. J. Fiedler, superintendent of schools, Peever Independent School District No. 3, Peever, S. Dak.

Mr. C. L. Lehman, superintendent, Edgemont Independent School District 27, Edgemont, S. Dak.

Mr. Glenn H. Frary, superintendent of schools, Hot Springs, S. Dak.

Mr. Bernard E. Aho, superintendent of schools, Piedmont, S. Dak.

Mr. Ross P. Korsgaard, superintendent of schools, Igloo, S. Dak.

Mr. O. K. Ehlers, superintendent, Smee Independent School District No. 4, Wakpala, S. Dak.

Mr. Gordon A. Aaland, superintendent of schools, Wagner, S. Dak.

Mr. E. E. Grunwald, superintendent of schools, Sturgis, S. Dak.

Mr. S. M. Stickdale, superintendent, Todd County Independent School District, Mission, S. Dak.

Mr. M. P. Livingston, president, board of education, Pickstown, S. Dak.

Wileta M. Hawkins, clerk, Dry Run School District No. 12, Pierre, S. Dak.

LIBRARY SERVICES

The legislation before us also includes funds needed for the continued operation of our rural library service. This program has been of inestimable value to the people of rural America. It does not cost a great deal of money and it returns great dividends in the form of broader understanding, cultural advancement and reading enjoyment for our rural citizens. I urge the approval of this much needed item.

PRACTICAL NURSE TRAINING

There is great need in the country today for additional numbers of trained practical nurses. This is a need which gives every indication of becoming more acute in the years ahead. Here again, we have a fund request that is small in size but big in the dividends that it will return to the health and well-being of our people.

EXPANSION OF TEACHING IN EDUCATION OF THE MENTALLY RETARDED

I am especially pleased that the Committee on Appropriations and the Budget Bureau have recommended a million dollars to carry out the program which we enacted in the last Congress to benefit mentally retarded children.

As the sponsor of this program to expand the number of qualified teachers working with mentally retarded children, I know that it has widespread support throughout the country.

There are approximately 1 million mentally retarded youngsters in the United States who require specialized teaching if they are to become useful citizens. Unfortunately only about 15 percent of these children are given the opportunity to study under the direction of qualified teachers. The funds now being requested will begin a modest program designed to increase the number of specially trained teachers through grants to institutions of higher learning and to state educational agencies.

On next Saturday, I am to be the guest of the South Dakota Association for Retarded Children at their annual convention in Rapid City, S. Dak. This splendid association, whose current president is Mr. Laurie Larson of Sioux Falls, has performed an invaluable service to the people of South Dakota in providing understanding, public support, and facilities for the training of our mentally retarded children. I hope that I will be able to report to them that we have acted favorably on this modest request for funds to implement a most worthy program.

NATIONAL DEFENSE EDUCATIONAL ACTIVITIES AND VOCATIONAL EDUCATION

As one of the subcommittee members who drafted the National Defense Education Act passed by the last Congress, I, of course, hope that the Congress will approve the funds requested to carry on this program in the next fiscal year.

The activities authorized in this act have won the enthusiatic support of those interested in education across the Nation on a scale that goes beyond even the most optimistic hopes of those of us who drafted the program.

I urge my colleagues to grant the amount which this legislation calls for and to support also the funds requested for carrying on the time-tested programs in the field of vocational education.

Mr. LAIRD. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this is the fourth year I have had the privilege of serving on this subcommittee of the House Appropriations Committee. During this time I have become immensely impressed by several things to which I would like to call the attention of this body this morning.

First, I would like to mention the thoroughness with which the chairman and the members of this committee review the estimates of the various departments and agencies which are reviewed by our subcommittee. The Chairman has served as a member of this committee since 1946 and has been chairman for nine of these years. He has a great knowledge of these various programs. It is a pleasure to serve on this subcommittee.

I have enjoyed my association with the gentleman from Indiana, [Mr. DENTON] and the gentleman from Minne-

sota [Mr. MARSHALL]. I would particularly like to express my appreciation to the gentleman from Michigan [Mr. CEDERBERG], for his real help and counsel on this important appropriation bill.

Mr. Chairman, there are many programs in the Department of Health, Education and Welfare which are very dynamic in their aspects and which have a great deal of support throughout the United States, particularly here in the Congress. There are many Members of Congress who support these programs but they do not want to support them well enough to pay for them; they are willing to go along and talk about the fine programs but they are unwilling to face up to the cost and to the responsibilties which we all have of paying the bills for the benefits we receive from these programs in the fields of health, education, and welfare.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield for a comment?

Mr. LAIRD. I yield to my distinguished colleague.

Mr. HOFFMAN of Michigan. Is not that characteristic of our activities here? As long as a program is worthwhile, beneficial, and desirable, we do not even take a glance at the cost or the question of whether we can afford it.

Mr. LAIRD. I think that is true, and I do want to call it to the attention of the Congress and of the American people. I think the time has come when we should talk about cost as well as benefits. When we talk about benefits we also should talk about costs.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. Chairman, the programs of this Department are concerned with so many different aspects of our developing society that the budget cannot possibly remain static from one year to another. Changing circumstances demand that in some of the areas of responsibility of this Department additional protection or services be provided to the American people. Our problem is to determine whether there are other areas in which offsetting decreases can be made. And as the Nation grows in size and complexity and need for types of service which State and local governments are not readily able to provide, it is increasingly difficult to find these offsetting decreases.

Mr. Chairman, I am impressed with the fact that year after year approximately two-thirds of the budget of the Department of Health, Education, and Welfare is in a single appropriation over which the Appropriations Committee has virtually no control. More than $2 billion goes for "Grants to States for Public Assistance." These funds are paid out on a formula basis, with an "open-end" appropriation, and constitute a clear obligation of the Federal Government. It would be idle to cut this appropriation, since it would only mean a supplemental appropriation next year.

And finally, I am impressed with the lack of flexibility and reducibility in the remainder of the budget of the Department of Health, Education, and Welfare. As is evident from the committee report and the bill itself, there are more than 60 different appropriations, each for a specified purpose. Virtually every one of these appropriations is made in response to a specific law, carefully considered and enacted by the Congress. The large number of appropriations is thus a direct reflection of the number of separate programs which are of genuine and deep interest to the American people. When each is viewed in the context of the purposes which it is meant to serve, the opportunities for reducing the appropriations in any appreciable degree and still maintain the key services to the American people to which the Congress has committed itself are almost nonexistent.

Except for a limited number of items which I shall mention in a moment, I think the President submitted a carefully considered budget—a budget which we found was well and solidly built. The budget continues forward progress in the fields of labor, health, education and welfare to the American people. It provides for strengthening the enforcement of the pure food and drug laws, augmenting the programs for the vocational rehabilitation of the handicapped, promoting a broader attack on public health problems, and for increasing at numerous other key points the funds available for health, education, and welfare services. On the whole, therefore, I am convinced that the basic philosophy and approach of the President, as reflected in his budget, represents a sound recognition of the value of the contributions to the strength of this country represented by investments in our human resources.

I believe very deeply that the President is both courageous and right in his strong campaign to have the Federal Government set an example of financial integrity by balancing its budget in 1960. I believe that the 1960 budget should be balanced, and that the Congress must help the President achieve this objective.

I am supporting some of the increases recommended by the committee because I believe, with them, that sound investments in medical research and training will, in the long run, save the Government money in other ways, and increase the productivity and income of the Nation. In this respect, such expenditures are anti-inflationary, not, of course, in the specific year in which they are made, but in the long run. Medical research has made sufficient strides in recent years so that it seems eminently sensible to continue to increase our investment in this field. Certainly when we weigh even the off chance that we may achieve a significant breakthrough in discovering cures for such causes of human misery as heart disease, cancer, mental illness, nervous disorders, and numerous other illnesses, the expenditure of an additional $50 million per year does not seem expensive. The committee report enumerates areas in which additional investments have been made over the past several years, many at the instigation of your committee. There is no doubt in my mind that these investments have been wise. I see no reason whatsoever to call a halt to our continuing efforts to expand this important program.

Additional funds are included in this bill for grants to States and local communities for the construction of hospitals—the Hill-Burton Act. This, too, is an area in which the Federal Government can and should continue to bear its fair share of the cost of essential health facilities. Experience has demonstrated that if the Federal appropriation for this purpose is cut, the State and local appropriations and fund-raising efforts by private groups decline correspondingly. We do not wish this to happen. The needs are great and the funds contained in this bill are, in my judgment, a reasonable Federal share toward meeting those needs. Your committee has recommended an increase of $42,500,000 over budget which was submitted to us. This figure is higher than I think necessary but realizing the temper of this Congress for a higher figure I will support this compromise.

An increase is likewise contained in this bill to restore to the full annual level envisaged by Congress the program for grants for the construction of municipal sewage treatment works. This, too, is a program which was enacted over my objections. The administration plans to recommend that this program, together with funds released by modification of the Federal tax on telephone service, be turned over to the States for full operation. There is no doubt in the minds of those who have reviewed this program that it is serving an important purpose. Until the Congress has reviewed and acted upon the administration's recommendation for modification of the structure and financing of this program, a majority of the committee thought the Federal Government's share of the total should be financed as it has for the past 3 years.

Similarly, Mr. Speaker, a majority of the committee took the same position with respect to the program of Federal aid for schools in areas burdened by Federal activity. The administration has in mind, and will propose in the near future, certain amendments to Public Laws 815 and 874 which provide assistance to such areas of Federal impact. The administration has always heretofore taken the position that these two laws should be fully financed. Until the Congress has considered and acted upon the administration's recommendations, whatever they may be, your committee recommends that these two laws be fully financed in 1960. This action of the majority will require an addition of $44 million over the budget estimate.

The committee report is in some respects critical of the Department of Health, Education, and Welfare for the budget justifications which it submitted, particularly with respect to the National Institutes of Health. Circumstances made some of the figures seem confusing, but I am convinced that there was no intent to mislead the committee. I should like to call particular attention to what I believe was a misunderstanding between the committee and witnesses of the Department of Health, Education, and Welfare. Testimony was given early

in the hearings to the effect that increased costs for research financed through the programs of the National Institutes of Health would amount to about $5 million in 1960. Subsequently, a detailed analysis was made which showed that the increased costs for all of the programs of the National Institutes of Health, including the training programs, would probably be approximately $15 million. It might be inferred from the committee report that the information provided in the initial instance was inaccurate or misleading information. This, I feel sure, was not the case. The $5 million was concerned with the increased costs of research alone, whereas the $15 million was concerned with the total functions of the National Institutes of Health. A substantial part of the discrepancy arises from this difference in terminology and a difference in understanding as to what the figures covered. I cite this to illustrate my conviction that the Department of Health, Education, and Welfare prepared its justifications in good faith. The fact that I did not reach the same conclusion as did the Department as to the amount of funds which should be appropriated to the National Institutes of Health should in no way be interpreted as a reflection upon the manner in which the Department handled its testimony and presented its justifications.

Mr. Chairman, I would like to insert at this point in the RECORD a letter from Dr. James Shannon addressed to the gentleman from Rhode Island [Mr. FOGARTY]:

APRIL 16, 1959.

Hon. JOHN E. FOGARTY,
House of Representatives,
Washington, D.C.

DEAR MR. FOGARTY: Since our hearings before the House Subcommittee on Appropriations on April 7 through April 9, I have had an opportunity to read the February 20, 1959, testimony by Secretary Flemming relative to the increased cost involved in continuing certain NIH activities at the same levels in 1960 as in 1959.

I would like especially to call to your attention the fact that the Secretary's estimate of $5 million for increased costs, shown on pages 24 through 26 of the published hearings, was in the context of research grants only and did not relate to the total of increased cost for all NIH activities. The figures which Dr. Van Slyke presented in his testimony of April 7th, on the other hand, which were developed at the request of your committee following Secretary Flemming's testimony, did cover the total of our activities. Included in Dr. Van Slyke's figures, totaling $15 million, was the adjusted estimate of $7 million for maintaining the program activity of research grants at the same level in fiscal year 1960 as in the present year. In each instance, of course, figures are approximations.

Sincerely yours,

JAMES A. SHANNON, M.D.,
Director.

CONQUEST OF DISEASE—AMERICA'S MOST ESSENTIAL SCIENTIFIC ENDEAVOR

Mr. Chairman, last year when the Committee on Appropriations for the Departments of Labor and of Health, Education, and Welfare came to the floor of the House with its report, I rose to speak in support of the report and its recommendations. I said then that I was particularly interested in discussing the increases proposed for the National Institutes of Health, which provided for a significant expansion of medical research.

Again this year I should like to address myself especially to the program of medical research support which our House committee report proposes.

I do so because I believe strongly that it is most essential for us to sustain and strengthen activities which lead to better health for the American people and permit us as a Nation to maintain leadership in medical research—a scientific field in which the United States is not behind any nation, but is the acknowledged leader. The funds spent on medical research will return greater dividends to our people than the vast appropriations made for missiles, space, and other research.

U.S.A.—WORLD LEADER IN MEDICAL RESEARCH

We can insure the maximum in medical progress. We can make our position secure as the world leader in medical research, if we continue to provide the necessary means for maintenance and growth of America's most essential scientific endeavor—the conquest of disease.

Therefore, I stand in support of the Committee's position on the appropriations for the National Institutes of Health. And I urge the Members of the House to confirm the committee's judgment that these appropriations should be at the $344 million level for fiscal year 1960. This is $50 million more than appropriated last year. It is sufficiently above last year's appropriations to give us a strong balanced research attack against the diseases that cripple and prematurely kill the people of the United States and other nations of the world.

Having served on this committee in the 83d, the 85th, and now in the 86th Congresses, I have naturally been deeply concerned with how these appropriations and the programs they represent affect the lives, well-being, social, and economic welfare of every American, since the funds provided are used for activities ranging from social security and education to health and medical research.

I have been deeply interested in medical research because it not only brings human benefits by giving better health to more people, but also means greater productivity and thereby, economic benefits to families and to the Nation as a whole. Moreover, I am concerned with medical research because I come from Wisconsin. Perhaps this deserves a word of explanation.

WISCONSIN'S LEADERSHIP IN RESEARCH

My State, I am proud to say, is a leader in medical and other fields of research. To mention one example—the discoveries that led to the life-saving drugs that prevent and help control blood clotting came from Wisconsin research.

In addition Wisconsin people recognize that research is a necessary step toward practical achievement, and our statesmen as well as our scientists have long been known for leadership in the growth and development of research. Many of you, perhaps, are thinking at this moment, as I am, of a man who, a decade and more ago, rose from this same floor to propose that the United States launch an all-out attack upon disease through research.

I am referring, of course, to the late Representative Frank B. Keefe of Wisconsin.

Some of you here had the privilege of knowing and working with him, and I know I need not dwell upon his inspired leadership and his vision.

I shall only mention a fact that should be well remembered: that Frank Keefe championed the launching of medical research as a truly nationwide effort assisted through public funds. He was chairman of the appropriations subcommittee when the decision to support research throughout the United States upon a large scale was first made. The present chairman, the Honorable JOHN E. FOGARTY of Rhode Island, was a member of that committee and has served continuously and with distinction ever since. It is now my privilege to occupy the position of ranking Republican.

Speaking of the promise of advances that are to come against such great killers and cripplers as heart disease, cancer, and mental illness, the largest newspaper of my home State, the Milwaukee Journal commented, "When the breakthroughs occur, the late Representative Frank B. Keefe (Rep., Oshkosh) will be entitled to much of the credit because of his persistent campaigning a decade ago for money for medical research."

I know the members of this House of Representatives would heartily concur with this tribute to Frank Keefe. It is in his tradition, and that of my State, that I recommend additional, strengthened medical research support for the coming year.

The Milwaukee Journal also said, in the same issue quoted above, that no Federal funds are being spent to better purpose and effect than those going into medical research. It also spoke of how benefits would flow "across the Nation and beyond, now and for generations to come." It is for such reasons, too, that I endorse this increase in the funds made available for medical research during the coming fiscal year.

Let me summarize very briefly some of the considerations that lead me to take this position.

WHY SUCH A BIG APPROPRIATION INCREASE THIS YEAR?

Among these considerations is the question of what progress is being made and what further effort is needed to guarantee progress in the future. Our committee inquired particularly into this and received, throughout the year as well as during our recent hearings, detailed reports that demonstrate convincingly the advances that are being made on many medical fronts and the opportunities that lie ahead. Furthermore, as was true of other members of the committee, I made it my business, through visits to research institutions and discussions with research scientists, to obtain firsthand knowledge and impressions of the kinds of work we are doing and supporting through the National Institutes of Health appropriations.

One cannot help being tremendously impressed with the competence and dedication of these men and women whose life work is devoted to the acquisition of new knowledge which will permit us, and our children, and our children's children to have better health.

There is not one of us who is unaware of the benefits which research in the medical sciences is already bringing us. Scarcely a day passes without some of them being reported in the daily press. Usually these press reports tell of the things that are being applied, or nearly ready for application, in prevention or treatment of disease to save or extend life. There are many, many other advances, however, of a more basic nature, which do not make the headlines. Yet these are occurring, too, and give confidence that new breakthroughs are coming, upon which new preventives and cures will be based.

There is no need to emphasize here the intense interest the people have in seeing medical research grow in quality and in dimension. This is, not merely something which the scientists desire, but which the public demands and vigorously supports.

This research in recent years has helped us become a stronger Nation through improvement of health and reduction of disease. We should never overlook this fact or take it for granted, although it is true that many diseases are dramatically reduced without our being fully aware of it.

To emphasize this point, I need only mention the long-ago victories over such illnesses as smallpox, typhoid, diphtheria, typhus, yellow fever, malaria, syphilis, and other infectious diseases. More recently, there have been great gains over dread diseases such as tuberculosis and polio. And even against the greatest killers, cancer and heart disease, there have been dramatic advances through surgery and drugs.

Yet these are only harbingers of future, greater conquests. We are making sure and steady steps forward in research in many fields against the chronic illnesses that are our biggest health—and a tremendous and growing economic—problem.

NEW MEDICAL FINDINGS OF 1958

During our recent hearings we learned of exciting research findings in each of the fields supported through the National Institutes of Health. Let me sketch a few of these, by way of illustration, in a sort of headline form. All of these illustrations, I should emphasize, are from new findings of just 1 year, 1958.

NATIONAL CANCER INSTITUTE

In the field of cancer:

New information on cancer viruses in animals continue to reinforce hope for preventive vaccines.

Cytologic screening program for uterine cancer succeeds; deserves expansion.

Needlelike probe helps detect brain tumors.

Anticancer drug research uncovering new agents of promise in cancer therapy.

NATIONAL HEART INSTITUTE

In heart disease:

New synthetic anti-coagulant found found unusually promising.

New blood-pressure lowering agents developed, improving management and treatment of high blood pressure.

Rheumatic heart disease and rheumatic fever fight gets new aid from new technique for quick diagnosis of strep germs.

Abnormal openings in heart walls detected by new technique.

NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

In allergy and infectious diseases:

New hormone shows high potency in treatment of allergic conditions.

Discovery of two new viruses responsible for much respiratory disease.

Probability of new and better vaccines for certain virus-caused respiratory illnesses increase.

NATIONAL INSTITUTE OF ARTHRITIS AND METABOLIC DISEASES

In arthritis and metabolic diseases:

Pain-killing drug at least 10 times more powerful than morphine synthesized.

Better treatment for gout discovered.

New oral antidiabetic drugs in use; others nearing application.

NATIONAL INSTITUTE OF DENTAL RESEARCH

In dental research:

Improved understanding of periodontal disease (of the gums).

Increasing success in development of techniques for transplantation of full-term molar teeth in animals.

NATIONAL INSTITUTE OF MENTAL HEALTH

In mental illness:

Each chemical step in breakdown of epinephrine (adrenalin) within the body described for first time.

New drug, structurally related to a tranquilizer, shows promise in treatment of depression.

New test for tranquilizing drugs avoids some disadvantages of earlier tests; may be useful in testing a variety of drugs.

NATIONAL INSTITUTE OF NEUROLOGICAL DISEASES AND BLINDNESS

In neurological diseases and blindness:

Anticoagulant therapy found helpful in early brain thrombosis and may prevent or postpone onset of threatening brain stroke.

Function restored to paralyzed diaphragm by surgical nerve substitution.

Major step in search for responsible factor in development of senile eye cataract comes in study of rabbit eyes which show chemical changes characteristic of the aging process.

I must stress, of course, that these are only examples, in capsule or headline form, taken almost at random from hundreds of illustrations presented to our Committee of the past year's progress in medical research supported through the appropriations of the National Institutes of Health. I have deliberately cited one or two from each of the several Institutes' programs for the purpose of indicating the complex range of problems being attacked and the wide scope of the progress being won.

Much more could be said, of course, about this progress. Yet I think enough has been mentioned to buttress my position that the outlook for greater advances is very bright indeed, if we continue to give wholehearted support to medical research according to the ability of scientists to use the funds effectively.

In the past several years the Congress has appropriated increasing funds to the Institutes, and the money has, I am convinced been well and fruitfully used. I believe we can rely on this record for assurance that increased funds provided for 1960 will be well used in the public interest. Our Committee will insist that the highest standards are used in passing on research grant applications.

The record of the current fiscal year shows that this has been true for the increases we voted last year for medical research, research training, and research construction. I would like to mention here that the building of medical research resources for the future is as essential as the support of current research. The research training programs of the National Institutes of Health provide for the development of skilled scientific manpower in the health sciences; and it is as important to the Nation to support this scientific training as it is in any field that can be named, such as nuclear physics or space science.

MEDICAL RESEARCH MANPOWER

On the score of manpower and of research studies, let me say that the essence of my endorsement of additional funds lies in a simple fact that can be very briefly stated:

There are brilliant young people ready to be trained for medical research; there is sound new work ready to be started by researchers of proved caliber; but there will not be enough money to provide for these investments in the future unless we increase this year's funds for the National Institutes of Health.

We have found solid evidence that the medical schools and universities, where research is carried out and scientists are trained, not only can use additional support well, but also must have it if they are to exploit the highly promising new leads uncovered in many fields and give training opportunities to those qualified for and deeply interested in obtaining them. We have found that we cannot expect, for fiscal year 1960, a desirable minimum of new research investigations unless the level of support is above the level for 1959. We have found also that there will undoubtedly arise this next year, as in the past, new areas of need and potential progress where greater and faster growth can be implemented by increases which, with available resources and timeliness of opportunity, form a combination that permits advances which otherwise would be postponed or lost.

It is upon such considerations that my endorsement of strengthened funds for medical research and training activities of the National Institutes of Health is based, together with my conviction that

such investment is sound national economy.

This is so because medical research is the avenue along which we must move if we are to decrease spending for the care and alleviation of disease, and because medical research is the road upon which we must march to achieve increased productivity of our people. Quite apart from humane considerations, these two factors justify our investing more in medical research than we are now doing.

We will not, of course, place these factors, the dollar marks as it were, above the humanitarian values which characterize our Nation's tradition. We can justly support a greater research attack upon disease for the human benefits alone which it will bring—the increased numbers of lives saved and extended, the untimely death and disability prevented, the individuals and families made healthier and happier.

Yet, even upon an investment-in-dollars basis alone, we can justifiably support the $344 million appropriation recommended in this bill for the National Institutes of Health. The investment is small compared to the potential economic benefits which will come as medical research achieves new knowledge to bring the killing and crippling diseases of today progressively under control.

At the present time we have set up a highway trust fund. This highway trust fund has been established to pay the cost of our highway aid program throughout the United States. Certain use taxes were established to go into this particular trust fund to pay the cost of the highway construction program. I think it is about time in the field of medical research and public health that we established a health trust fund. I think we should find a way to levy a tax to pay for the cost of these health programs that we are presently enjoying so that we can place this program on a self-supporting basis. I believe that medical research in the public health field by the Federal Government is supported by a majority of our people; but I also hold the opinion that the people are willing to pay for the benefits they receive from these programs rather than pass the cost on to some future generation to pay for in the form of a still larger national debt.

DEPARTMENT OF LABOR

Mr. Chairman, in appropriating funds for an executive department, the Congress must consider not only the requirements of the statutes which the Department administers, but the effectiveness of its operations. The people of our country pay heavy taxes. They do not mind paying them to obtain needed services. They do, however, seriously object to unnecessary expenditures or waste through inefficiency.

It is therefore a special pleasure for me to be able to assure my colleagues and the people of our Nation that the budget for the Department of Labor for fiscal year 1960 is for needed services and that it will not be dissipated through inefficiency. The bill before us endorses the budget of the President for the Department of Labor for fiscal year 1960.

Your committee went over every item of expense with great care. We reduced the requests where justified, for example, by improvement in economic conditions which will lessen the need for unemployment insurance. We also found some areas in which savings could be effected for other reasons. We did not, however, cut funds for any essential services.

Our appropriation for the Department of Labor also takes account of the fact that James P. Mitchell is Secretary of Labor. We are satisfied that under his leadership the moneys will be wisely spent, and the country will get a dollar's worth of performance for every dollar expended.

The efficiency of the Department's operations under the Eisenhower administration supports and justifies the budget presented to the House at this time. That record is a proud one in the annals of our Government. It reflects the dedication of the President and his administration to the welfare of the working people.

If there are any questions on an item in this bill for the Department of Labor I will be glad to answer them now.

Mr. Chairman, I support this bill. I hope that we can send it on its way to the other body for consideration. I realize the temper of this Congress and I feel that perhaps this is the best bill that we can get through the House at this particular time.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I am delighted to yield to the distinguished gentleman from Ohio.

Mr. BOW. Can the gentleman give us some idea of the amount of funds in this bill for payment to impacted school areas within a radius of say 50 miles of the seat of Government, the District of Columbia?

Mr. LAIRD. Of the total amount of funds in this bill it would be almost one-quarter.

Mr. BOW. A quarter of the amount in this bill is actually used for the impacted school districts within the area to which I refer.

Mr. LAIRD. A 50-mile radius of the seat of Government, yes, I would think it that high. The boundaries you use are difficult to fix in my mind.

There has been a change in the law which puts Montgomery, Fairfax County and these nearby counties in a much higher category this year and last year than they were previously. They are receiving a greater amount of aid.

I happen to live in Montgomery County. My children go to school in Montgomery County. I pay the same property taxes as the man who happens to live next door to me who works in the District, in private business. But because I happen to be employed on Federal property, Montgomery County receives aid in addition to my real estate taxes for my children who are attending that school. The children of the man next door the county receives no aid.

The whole philosophy behind the impacted aid program, as I see it, was to provide funds for the particular school districts which were adversely affected through the removal of property and who were affected in their school burden through the lack of their ability to tax people to provide local revenues to support the schools.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I am delighted to yield to the gentleman who represents one of the areas that does very well under this particular program.

Mr. BROYHILL. I would like to reverse the example the gentleman just used concerning Montgomery County, which is not one of my counties.

Mr. LAIRD. I saw the gentleman on the floor, and that why I used as an example Montgomery County.

Mr. BROYHILL. Will the gentleman agree that in the case of a resident of the District of Columbia working in Montgomery County on privately-owned property, Montgomery County does receive taxes on that privately-owned property, but on Federal property, where the District of Columbia resident works, Montgomery County does not receive any taxes?

Mr. LAIRD. That is right. The only difficulty involved in the example used by the gentleman from Virginia is that regardless whether the parent works on property that is off the tax rolls, or whether he works on property that is not even in the county, the same amount of aid is paid for his child. That is not and was not the purpose of this law.

Mr. BROYHILL. The gentleman will agree that Montgomery County should have some payment in lieu of taxes for federally owned property out there?

Mr. LAIRD. I would say for federally owned property and the children of people who are employed on the particular property, yes. But if the gentleman will go up to my congressional district or many other districts in the United States he will find that there are vast areas in national forests and recreational areas owned by the Federal Government. These whole areas are taken off the tax rolls, but there is no school aid for the children that live in these townships. In many of these areas there has not been a single cent of revenue even from the sale of timber.

Mr. BROYHILL. That probably does not create any expense to the local community for services.

Mr. LAIRD. The gentleman is wrong on that particular problem. We would like to be developed further. We would like additional trade. The people of your district in Virginia like to have the District of Columbia located near you. I do not think your area would have been developed to the extent it has if the District of Columbia had not been located right here.

This is what our committee report states on this problem:

> The committee action on this (payments to school districts) and the preceding item (school construction assistance) reflects its feeling of responsibility to provide the affected school districts with the funds that Congress, by its action on the basic legislation last year, has led them to believe would be forthcoming. The committee recognizes that these school districts have planned the financing of their school

systems with the expectation that they would receive these funds. Thus, to make reductions now would be unfair and would certainly disrupt many educational programs. However, it is also the committee's belief that serious consideration should be given the basic legislation with a view to possible revision to remove from eligibility, or considerably reduce the entitlements of school districts in areas where it is highly questionable that the Federal activities have an adverse effect on the financing of the school system. The committee has in mind areas such as those around Washington, D.C., where children of parents who work on Federal property but pay local taxes that support the school system, just the same as do their neighbors who do not work on Federal property, are nonetheless included in the count of children for which Federal payments under the two programs are made.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield to my friend the gentleman from Iowa.

Mr. GROSS. In other words, the gentleman has plenty of room in his district for some of the departments and agencies of Government that supply the payroll that they like in Virginia and over in Maryland. Is that correct?

Mr. LAIRD. I am sure they would be very anxious to have any of these buildings located there. The people of nearby Virginia and Maryland come around with this sad story after the location of facilities, but you should hear them howl when an attempt is made to close or curtail the operation of a Federal agency in their area.

Mr. GROSS. They would be the first to complain, the first to object, if we tried to disperse some of this Government out over the country, would they not?

Mr. LAIRD. I am sure the gentleman is correct.

Mr. GROSS. May I ask the gentleman a question concerning this White House Conference on the Aged? A considerable amount of money is being spent on that item, apparently. Can the gentleman tell me briefly what is accomplished at this conference, or by these conferences?

Mr. LAIRD. It is hoped that this conference—which has been proposed by the President, supported by the Secretary of Health, Education, and Welfare and approved by the Congress—will contribute much to the problems of the aged. I will insert at this point a fact sheet on this White House Conference:

FACT SHEET ON THE WHITE HOUSE CONFERENCE ON AGING

The law: By act of Congress, the first White House Conference on Aging was authorized, and President Eisenhower signed the measure into public law September 2, 1958. The act specifies that the Conference will be held in Washington, D.C., in January 1961.

Direction: Under direction of Health, Education, and Welfare Secretary Arthur S. Flemming, the HEW special staff on aging is laying the foundation for the Conference in cooperation with the Federal Council on Aging, which is composed of Cabinet-level representatives of interested Federal departments and agencies, and local and State government agencies and private groups and organizations interested in the field of aging.

Former Congressman Robert W. Kean, of New Jersey, has accepted chairmanship of the National Advisory Committee.

Secretary Flemming is expected to announce shortly the appointment of the full National Advisory Committee of outstanding citizens reflecting broad but expert viewpoints on the problems of the aging. This committee will have overall direction of the conference.

Planning: Congress has authorized but not as yet appropriated funds to provide grants from $5,000 to $15,000 to the States to help them finance the collection of facts about aging, conduct State and local conferences and develop recommendations for discussion at the 1961 conference.

The White House Conference will be preceded by a series of forums and conferences at local, State, and territorial levels. These activities are expected to stimulate a good deal of action and program development prior to the 1961 Conference.

Recommendations: The White House Conference on Aging, expected to draw a minimum of 2,500 delegates in January 1961, will make recommendations for a course of positive action in dealing with the problems of the aging. The congressional act requires the submission of a final report containing recommended action to the President not later than 90 days following the conclusion of the Conference.

Objectives: In authorizing the White House Conference on Aging, Congress declared "that the Federal Government shall work jointly with the States and their citizens to develop recommendations and plans for action * * * which will serve the purposes of:

"1. Assuring middle-aged and older persons equal opportunity with others to engage in gainful employment which they are capable of performing, thereby gaining for our economy the benefits of their skills, experience, and productive capacities; and

"2. Enabling retired persons to enjoy income sufficient for health and for participation in family and community life as self-respecting citizens; and

"3. Providing housing suited to the needs of older persons and at prices they can afford to pay; and

"4. Assisting middle-aged and older persons to make preparation, develop skills and interests, and find social contacts which will make the gift of added years of life a period of reward and satisfaction and avoid unnecessary social costs of premature deterioration and disability; and

"5. Stepping up research designed to relieve old age of its burden of sickness, mental breakdown, and social ostracism."

Numbers involved: Between 1900 and 1950 the number of those aged 45 to 64 in the United States roughly tripled to 31 million, and those aged 65 and over quadrupled to 12 million. Present estimates are that today there are 15 million Americans 65 years and older, and that by 1975 this figure will climb to more than 20 million. Those aged 45 and older will be affected directly by the White House Conference, since their employment health, housing, and retirement problems will be given consideration. Also the findings and recommendations of the Conference will have an impact on younger Americans, since they inevitably share in the responsibility, directly or indirectly, of supporting programs designed to add purpose and usefulness to the lives of senior citizens. They, too, eventually will grow older and benefit from programs recommended as the result of the White House Conference.

Preparation: A National Leadership Training Institute for the White House Conference on Aging to help States, communities, and national organizations in their planning for and in advance of the Conference will be conducted by the HEW Special Staff on Aging June 24 through 26 at the University of Michigan. Representatives of other Federal departments and agencies, national organizations, and other private and public agencies having programs in the field of aging will assist in conducting the institute.

Mr. GROSS. The gentleman thinks that something worth while is being accomplished?

Mr. LAIRD. I hope so. I cannot predict what may come out of the conference, but I hope it will be a worthwhile conference. There has to be a lot of ground work done in the States and communities before it can be a success. I assure the gentleman that our committee will watch it closely.

Mr. GROSS. This is not the first time this conference has been held?

Mr. LAIRD. We have had State and local conferences on the aged, but we have never had a White House conference on the aged.

Mr. GROSS. I see that there is an appropriation of $200,000 for a White House Conference on Children and Youth in 1960. Has that conference previously been held?

Mr. LAIRD. The White House Conference on Children and Youth has been held before. I believe it was held 10 years ago. The funds appropriated were authorized by the Congress. When the original bill was up the amount of authorization was drastically reduced, but this is in accordance with legislation passed by the Congress.

Mr. GROSS. Is not this going to be a permanent thing? They are establishing a secretary at a salary of $16,500 a year. This is now bound to become a permanent thing.

Mr. LAIRD. It is not intended that this White House Conference will become a permanent agency of the Government.

Mr. GROSS. Does the gentleman suppose when this White House Conference on Children and Youth is held this year in Washington they will be advised of the $286 billion debt we have in this country, and that there will be some discussion of how the children and youth of today, the citizens of tomorrow, are going to find the means of paying off this debt? Does the gentleman believe that will be discussed there?

Mr. LAIRD. I hope some discussion will be had on the basic economic problems of government and to paying for governmental benefits as we increase the costs. If we are going to have benefits from the Government, we have to be willing to pay the cost. I do not know personally whether that is on the agenda, but I am sure the gentleman's recommendation will be given real consideration by the people that are running the conference.

Mr. GROSS. I thank the gentleman.

Mr. FOGARTY. Mr. Chairman, I yield such time as he may desire to my distinguished colleague, the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, my service on the subcommittee dealing with Departments of Labor and Health, Education, and Welfare appropriations is one of the most rewarding experiences I have enjoyed in the Congress. No other committee, to my knowledge, deals so comprehensively with so many of the

programs that directly affect almost every citizen in our country. I wish every Member of the Congress could sit in on our hearings, particularly when the Nation's leading medical scientists recount the breakthroughs they are making on every front in the never-ending fight on the most serious of human ailments. The combined accomplishments of these dedicated men make a fascinating story.

Our chairman, JOHN FOGARTY, has always been closely identified with these programs and has taken the deepest personal interest in the whole field of health activities and this personal devotion to the welfare of the American people is evident in the bill before you today. We know him as a conscientious and dedicated chairman always mindful of the wishes of his committee. My colleagues, WINFIELD DENTON, MELVIN LAIRD, and ELFORD CEDERBERG, have demonstrated a genuine interest in all of these programs and while we have minor differences of opinion, we know we share a common purpose in attempting to shape effective programs that meet the needs of the millions of people served daily by the Departments of Labor and Health, Education, and Welfare.

Many Members of the House have discussed Indian health activities of the Federal Government with me. I am pleased to report that steady progress is being made in this worthwhile work. Despite some shortcomings, we can say that the situation is constantly improving. Dr. Leroy Burney, Surgeon General of the Public Health Service, has shown a great deal of personal interest in this program. Your committee has worked closely with Dr. Burney, Dr. Shaw, and other members of the staff and we have been pleased with the spirit of cooperation of the Public Health Service based upon our mutual desire for aggressive and efficient efforts to improve the health of our Indian citizens. At times, in our hearings and reports and personal conversations, we have made suggestions in the interest of improving the organization and the services provided. The Public Health Service has taken a constructive attitude toward these suggestions and have adopted some which we both think have strengthened their work.

Indian health problems are not simple. There are no easy answers. In fact, these are the most difficult problems with which the Public Health Service must deal, in my opinion. The limited economic resources of Indian families and the inadequate standard of living create health problems of every kind. The Indian population is scattered over 250 reservations in 24 States and in several hundred villages of Alaska. Patients must travel long distances on foot, by cart or dogsled, by automobile or airplane. The health and medical services provided are often made more difficult and costly because of these circumstances.

The problems are real enough. Consider the fact that the Indian's average age at death is 39 compared to 61 for the rest of the population. Twenty-three percent of all Indian deaths occur among children under 1 year of age, compared with only 7 percent in the general population.

When we speak of progress being made, we are speaking of human lives being saved. Tuberculosis was once the leading cause of death among Indian people. Within 3 years—1955–57—the tuberculosis death rate has been reduced by 24 percent outside Alaska. In Alaska, this death rate has been reduced by 63 percent since 1954. Indian deaths from gastroenteric diseases have been cut by more than 25 percent over the last 4 years.

To provide the kind of medical treatment and health services desperately needed by the Indians means that we must continue to develop hospital and clinical facilities in many parts of the country. I, for one, wish that progress could be made even more rapidly.

Last year when the bill was before us, the committee was much concerned over the delay in construction of four hospitals. We are pleased to report that the situation has improved. The construction contract has been awarded for a 200-bed medical center at Gallup, N. Mex., and the building is expected to be completed in November 1960. The contract for the 50-bed hospital at Kotzebue, Alaska, was awarded on January 30, 1959, and construction will be completed in December 1960. A new 75-bed hospital is under construction at Shiprock, N. Mex., and should be completed by December of this year.

Members will recall that funds were requested for a 50-bed hospital at Sells, Ariz. These funds are in the second supplemental appropriation bill and it is expected that the hospital will be ready for occupancy in October 1960.

The present budget makes provision to replace a 29-year-old hospital at San Carlos, Ariz., which is obsolete and completely inadequate to meet the needs of the 4,500 Indians it serves. Plans also call for replacing a hospital at Keams Canyon, Ariz., which serves the Hopi Indians.

One of the most serious problems facing the Public Health Service in providing medical and health services is inadequate housing for doctors and nurses. As housing improves, it is possible to relieve the critical shortage of doctors and nurses. In 1955, half of the hospitals had only one doctor who was on call around the clock 7 days a week. Now all hospitals except several of the smallest have at least two physicians.

Funds were requested for the construction of 32 new housing units. Our committee has been concerned about improving the situation at a faster pace and has included funds for 52 additional units. The locations of these units are listed on page 317 of the hearing. It would not be fair to imply that this will solve the whole housing problem. The program as suggested by the committee will barely help to keep us abreast of the housing that is deteriorating.

It will be recalled that a temporary housing operation was put into effect. Investigation has proven this to be both costly and unsatisfactory. Many still in use are shacks more than 40 years old without adequate sanitation, wiring, heating, or sewage disposal facilities. By providing an additional $1,500,000 for the specific purpose of easing the housing squeeze, the committee feels that economy will be best served in the long run since it will reduce per unit construction and maintenance costs.

Last year we made available $1,750,000 as Indian matching funds in construction of community hospitals under the Hill-Burton Hospital Construction Act. This program made a good start last year. The Public Health Service feels that the carryover of funds will be sufficient to cover the projects planned for the next fiscal year. These funds are used only for the portion of the hospital specifically needed for Indians. The number of beds in most such hospitals is relatively small so that the share charged to Indians is also relatively small. Yet the program offers the prospect of real economies and permits Indians to be treated within their own communities and along with the general population. Experience so far has been very satisfactory but I hope that we can make even more progress in the future.

I want to direct the attention of the House to a problem we are encountering with regard to medical care for indigent Indians not living on reservations. Some States have a very good record of cooperation with the Federal Government in this matter. A few, unfortunately, deliberately avoid the responsibility of medical assistance for their Indian citizens, forcing them to return to the reservation in order to be eligible for Federal care.

The committee considered taking drastic steps to correct this situation such as barring any State which discriminates against its Indian citizens from receiving any Public Health Service grants. It would be entirely within the jurisdiction of the Congress to take such action since the Indian citizens are counted as part of the total population of each State and so qualify the States for a larger share of Federal funds under the various grant programs.

It was felt, however, that this remedy might be too drastic for immediate use so we discussed the matter with Public Health Service officials and urged them to work with the States concerned in correcting the situation. We hope prompt corrective action will be taken since it would be unfortunate to have to withhold Federal funds from States which need them. However, it is unfair to all citizens to permit any State to evade its responsibility through discrimination against Indians unable to pay their medical expenses. We have asked the Public Health Service to keep us advised of the progress made in this regard.

Mr. Chairman, in discussing Indian health activities, it is proper that we should pay tribute to the dedicated men and women in and out of the Public Health Service who are devoting their time and talents to serving the Indian citizens of our country. This spirit of dedication, more than anything else, gives us the hope that many of our most serious problems can and will be solved in the forseeable future. These are the

people who live with the problem day in and day out and perform the countless works of mercy that cannot be cataloged. This is done without public recognition or public acclaim.

I had an opportunity to see personally some of the work being done by Creighton University in promoting medical care for Indians. I cannot praise too highly the contribution this great university is making to the welfare of Indian citizens. Its excellent staff and the finest specialists in medicine and surgery are assisting Indians. The spirit of cooperation between the university and the Public Health Service is in the best traditions of the medical profession in humanitarian causes. Creighton University justly deserves our highest commendation.

Insofar as Indian health funds in this bill are concerned, Mr. Chairman, I think they are adequate to support the steady progress we have made and must continue to make in this worthwhile effort. I wish we were making as much progress in meeting the economic and social problems of our Indian citizens as we are making in providing medical care. It is my feeling that the health program is a good one and that we are beginning to see results. This in itself will accelerate the rate of progress as more and more young doctors and nurses are attracted to a great humanitarian work that is interesting, informative, and inspirational. Money is necessary but this program, more than many others, depends for its ultimate success on the dedicated men and women who daily treat the ailments of their fellow citizens of Indian descent.

All of us have received letters from rural areas all over the country testifying to the success of the Library Services Act. Over 800 rural counties with more than 11 million people have new or improved library services available because of this act.

It is impossible to measure what this means in learning and recreation for adults and children who have been deprived of the precious resource of good books simply because they live in the less-populated parts of our country.

Hardly a day passes that we are not reminded of the great need for improving educational opportunities to meet the demands of the time in which we live. Our first President, George Washington, put it simply when he pointed out that democratic government makes special demands of its citizens:

> In proportion as the structure of a government gives force to public opinion, it is essential that public opinion should be enlightened.

There is no greater contribution to education and to enlightened public opinion than a ready and free source of good books. Any measure that gives more people access to more books is an educational program of the first order. Children enrolled in smaller schools and living in rural communities should not be deprived of the opportunities enjoyed by their big city cousins. The growth and development of minds knows no geographical boundaries. We all know that there is no greater stimulation for a child than an adequate and accessible supply of good books.

To insure the continued success of this program, your committee has again included $6 million for grants to the States. Unobligated funds remaining at the end of the current fiscal year will make approximately $7 million available overall for next year. The experience so far has been that State and local sources spend $2 for every dollar of Federal grant, which again illustrates the enthusiasm with which this program has been received.

Another program of general interest to Members is the Water Pollution Control Act as administered by the Public Health Service. The bill includes $45 million for grants for construction of waste treatment works.

We are all aware of the widespread concern over the future of our water supply. The rapid growth of population and industry in this country daily multiplies our problems of water supply and water pollution. Costs for sewage and industrial waste treatment works are increasing and many communities still find it difficult to build treatment plants.

Progress has been made since enactment of the Federal grant program in 1956. Up to January 1, 1959, grant offers had been made to 1,337 communities in the total amount of $113.7 million. Together with $481.3 million in local funds, this is resulting in the construction of waste treatment works costing $595 million. Experience under this program to date therefore indicates that Federal grants represent approximately 20 percent of the cost of a project.

Another 673 approved applications are now pending so that if we had accepted the President's request we would be beginning the fiscal year with a 3½-year backlog if not another application was received.

The effort to protect our water supplies is part of the overall job of conserving our natural resources. Soil, water, and air are certainly the most essential and most basic resources we have. We need all of them. Money invested in protecting and conserving them is money invested in survival. The future cost of neglect in terms of both money and human life is almost beyond comprehension.

Some of the best-known parts of the bill before us, of course, are the sections dealing with appropriations for the National Institutes of Health. It is not my intention to discuss them in any detail since our chairman is everywhere recognized as the Congress' leading spokesman in this field. I do want to recommend, however, that every Member avail himself or herself of the opportunity to read the testimony we received from the Nation's leading medical men on the work of the Institutes. There is no more dramatic presentation of the fight against human suffering and of the hopes and fears we all share than the record of this testimony. Because each project is so readily translated into human terms, the program naturally receives sympathetic consideration.

This is not to imply that these items are not thoroughly scrutinized. The record of the hearing will witness the fact that these items are probably among those most thoroughly examined. Because every step forward is of such tremendous importance to millions of people, we are always anxious to know that the funds are being used for the most important research by the most competent scientists. This applies not only to the Institutes themselves but to the more than 700 non-Federal institutions which receive assistance in medical research and medical research training. While there are always differences of opinion over administrative operations and practices, the committee shares the high confidence demonstrated by the Congress in promoting these research activities.

The committee report adequately explains the difficulties we encountered in attempting to understand the original justifications and explanations received with the budget requests. We lost almost a month waiting for the administration to give us firm figures and understandable justifications. Finally, it was necessary to proceed on our own and to elicit the information we needed from the various Directors of the Institutes as they appeared. The fault was not with the scientists who are carrying on their vital work each day but with the administration "policymakers" who declined the opportunity of telling us what the policy was. Whether because of neglect or intent, the result was the same.

There is no better example of the value of research than in the field of mental health. As the result of new treatment developed by medical research, the number of mental hospital beds has been reduced by 43,000 over the past 3 years. This represents a saving of $860 million. This year we are including $60 million in the bill for the Institute of Mental Health.

Minnesota has generally been recognized as having one of the most progressive mental hospital programs in the country. Tranquilizing drugs were first introduced on a wide scale in Minnesota mental hospitals in 1955. In that year there were 11,524 patients in Minnesota State hospitals. This year there are 10,999 patients in the same hospitals, a reduction of 525 patients in 5 years. Since the average yearly cost of maintaining a mental patient in a Minnesota hospital is approximately $1,200, this represents a saving of $630,000 a year. Out of a total mental hospital budget of about $15 million, this is a significant saving.

However, continued progress represents even greater savings in the future. Before the use of current treatments, the Minnesota mental hospital population was increasing at the rate of 200 per year. Over a 5-year period, this would require 1,000 additional beds. However, instead of an increase, the reduction of 525 patients meant an overall saving of 1,525 beds. Figured at the present cost of $20,000 a bed, this is a saving of approximately $30.5 million.

Minnesota, by keeping abreast of the latest developments in medical research,

has done a real service both to the patients involved and to the taxpayers of the State. This is an example of what I mean when I say that the return on the investment we are making in this important field far exceeds the initial appropriation.

The committee feels that the level of appropriations recommended in the bill before you is realistic and consistent with maintaining the rate of progress we are making against the diseases and ailments so costly to our people. The men and women who are being returned to work and who will be returned to work as a result of medical research, even apart from the human suffering alleviated or prevented, make this investment one of which the American people can be justly proud.

Physical and mental illness are costly not only to those who are suffering but to the Government itself. They are doubly costly because they often mean increased expenditures for medical care for those unable to provide it as well as loss of revenue from those unable to earn any income. While our primary concern is with the lives of people, we should not overlook the economic wastefulness of neglect in the area of preventable or curable human ailments.

If there are any errors of judgment in this bill, we can take comfort that they are made on the side of the universal desire to relieve the suffering of mankind.

Compared to the military budget which is still to come, the total bill before you today seems almost ridiculously low. Yet it directly affects every citizen of this country every day of their lives. Many, no doubt, wish that we could do more for one or another of the programs. The very times in which we live, however, impose limitations and demand self-restraint. Your committee offers it as a reasonably constructed budget that will serve us adequately in the year to come and that is within our ability to pay if we exercise the necessary frugality or less worthy undertakings.

Mr. FOGARTY. Mr. Chairman, I yield such time as he may desire to the distinguished gentleman from New York, a member of the Committee on Appropriations [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Chairman, I wish to commend the gentleman from Rhode Island [Mr. FOGARTY], the chairman, for the wonderful work he has done in connection with the appropriation bill on Labor and Health, Education, and Welfare. I support this bill.

I note with regret, however, that the committee has reduced the appropriation for the control of tuberculosis to the extent of $1,049,000 or a reduction of 16 percent as compared to the appropriation for the last fiscal year.

The Secretary of Health, Education, and Welfare attempts to justify this reduction on the supposition that the number of tuberculosis cases is falling off and that the States should be saddled with this expense. This problem is an interstate problem; many people coming into the State of New York come from adjoining States or from the Commonwealth of Puerto Rico. They are carrying with them these germs which are causing a continuation of the tuberculosis condition.

While the number of cases nationwide has dropped, the number of tuberculosis cases has not dropped substantially in the city or State of New York. The number of cases in the city of New York has fallen from 11,364 in 1957 to 10,153 in 1958. The number of cases of tuberculosis in the part of my congressional district known as East Harlem has fallen from 437 in 1957 to 398 in 1958, or a reduction of 9 percent. Tuberculosis claimed 34 in 1958 as compared to 36 deaths in 1957 in my district. In order to combat this disease, I and other public officials have been traveling through the streets and byways of my district with a tuberculosis mobile unit, urging the public to take chest X-rays and to protect themselves against the ravages of this disease.

Cures are easy with today's antibiotics if a person learns early that he is affected. There is no need for suffering.

I know, as a member of the Appropriation Subcommittee on Agriculture, that we have eradicated tuberculosis in hogs and cattle. Can we do any less for human beings?

I urge that the Department of Health allocate more funds to the State of New York and to the city of New York, and especially to my congressional district, to combat this disease.

Mr. FOGARTY. Mr. Chairman, I yield such time as he may desire to the distinguished Delegate from Hawaii [Mr. BURNS].

Mr. BURNS of Hawaii. Mr. Chairman, on page 26 of H.R. 6769, lines 4 and 5, there is an item appropriating a maximum of $1 million to the Territory of Hawaii for care and treatment of persons afflicted with leprosy or Hansen's disease.

This line item appropriation is in accordance with the provisions of Public Law 411, 1952, the intent and purpose of which was to reimburse Hawaii for expenditures made by Hawaii for care and treatment of Hansen's disease patients.

In 1957 I learned that the reimbursement funds by the Federal Government were falling $200,000 per year behind the expenditures of Hawaii. On November 29, 1957, I wrote to the Hon. Marion B. Folsom, Secretary of the Department of Health, Education, and Welfare, drawing this matter to his attention. I pointed out that the intent and purpose of Public Law 411, 1952, was for the full reimbursement of operating expenditures, pointing out also that Hawaii assumes the burden of all capital expenditures.

On December 26, 1957, Secretary Folsom advised me that the matter had been drawn to his attention too late for consideration in the development of the formal budget presentation for fiscal 1959. I was informed that the Department of Health, Education, and Welfare would undertake a staff study timed for completion prior to the development of the 1960 budget. I received no further information on this matter, and on August 20, 1958, further inquiry was directed to the Honorable Arthur S. Flemming, Secretary of Health, Education, and Welfare, who had replaced the Honorable Marion B. Folsom. In response to this letter, Secretary Flemming informed me, by letter dated September 6, 1958, that a staff study had been made and that its results showed that Federal payments fell short of covering the cost by about $200,000. I was informed that this need was under consideration for inclusion in the President's estimate for 1960. The letter is as follows:

DEAR MR. BURNS: This refers to your inquiry of August 20, 1958, concerning our progress in the analysis of the adequacy of payments to the Territory of Hawaii for the care of patients afflicted with leprosy.

Our staff study on this subject has been completed and its results show that Federal payments fall short of covering the costs by about $200,000, which is the amount estimated in your letter. At the present stage of the budget process this need is under consideration for inclusion in the President's estimate for 1960.

Thank you for your very kind wishes. They are particularly appropriate at a time when I am undertaking a new set of responsibilities. I hope all goes well with you and yours.

Sincerely yours,

ARTHUR S. FLEMMING,
Secretary.

Mr. Chairman, I find on checking H.R. 6769 that the line item for reimbursement to Hawaii for care and treatment of persons afflicted with leprosy calls for $1 million instead of $1,200,000. The extremely knowledgeable and very able chairman of the subcommittee, the Honorable JOHN FOGARTY, informs me that the matter was not drawn to the attention of the subcommittee and was not included in the budget for the Department of Health, Education, and Welfare as the Secretary of the Department of Health, Education, and Welfare indicated it would be.

The Federal Government has a distinct responsibility in this matter. It is my belief that this obligation should be met. I might point out that in connection with the Carville Leprosarium of Louisiana, the Federal Government assumes the full cost for the care and treatment of Hansen's disease patients, including capital expenditures.

It is my very real hope that before this bill is finally passed that the provisions relating to reimbursement to Hawaii will be amended so as to include the full amount rightfully due Hawaii.

Mr. Chairman, I join those who have commended the chairman and members of the Subcommittee on Appropriations for Health, Education, and Welfare whose dedication to the health and welfare of the people of the Nation and their posterity is guided by need and genuine charity—to the credit of all Americans.

Mr. FOGARTY. Mr. Chairman, I yield such time as he may desire to the distinguished gentleman from Pennsylvania [Mr. RHODES].

Mr. RHODES of Pennsylvania. Mr. Chairman, the $1 million provided for in this bill to carry out the public health training activities at schools of public health, authorized by Public Law 85–544, is an important step forward in recognizing the Federal responsibility in this important field.

I congratulate the distinguished chairman of the subcommittee, the gentleman from Rhode Island [Mr. FOGARTY], the other able members of his subcommittee, and the full committee for voting the full amount authorized for this program and also for increasing the inadequate funds requested by the administration for other important programs affecting the health, well-being and strength of our people.

As the recent report of the National Conference on Public Health Training pointed out, there is much yet to be done to meet the critical shortages of trained public health personnel. There are more than 2,500 vacancies in official public health agencies alone, while thousands more require additional training to keep pace with modern techniques and new challenges in the public health field. In addition we as a Nation will need some 6,100 more specialized, trained public health workers within the next 5 years to meet demands for service due to population growth and new health hazards. This is double the present estimated number of graduates from schools of public health.

This program of Federal assistance to the public health schools will help meet this problem. But the full amount appropriated in this bill will actually meet less than one-third of the current annual deficit incurred by these schools in training students currently enrolled under sponsorship of some agency of the Federal Government.

Congress must soon face up to the overall problem of deficiencies in all phases of public health training. I trust that we will be able to meet these problems.

Mr. LAIRD. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. CEDERBERG].

Mr. CEDERBERG. Mr. Chairman, this is probably one of the most difficult appropriation bills that we have to contend with here in the Congress because it affects many of the vital areas in which we have a real human interest. When we start talking about the problems of the National Institutes of Health, hospital construction and so forth, of course, we feel that we want to make all the progress that is humanly possible in these areas. I trust no one will get the idea that any of these programs, proposed in this appropriation bill, are going to be damaged in any way because of a lack of appropriations. As a matter of fact, in my opinion, I believe we are trying to proceed too rapidly in many areas and far in advance of what research might provide in the way of results. We should never get the idea that dollars will necessarily produce results in these fields. I think we, as responsible Members of this body, are going to have to face certain economic facts of life. While I recognize we all have a very human interest in these programs, we also have a real economic and fiscal interest and responsibility as well. When we bring before this body an appropriation bill that increases the budget figures by some $158 million then, as responsible legislators, we ought to be willing to provide the necessary funds to pay the bill.

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 35]

Belcher	Holland	Rodino
Bush	Jackson	Rogers, Mass.
Cramer	Kilburn	Smith, Miss.
Davis, Tenn.	McDowell	Steed
Diggs	Magnuson	Teague, Tex.
Flynn	Mahon	Weaver
Gavin	Powell	Westland
Giaimo	Rains	Whitten
Gubser	Rivers, S.C.	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 6769, and finding itself without a quorum, he had directed the roll to be called, when 392 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Michigan has the floor.

Mr. CEDERBERG. Mr. Chairman, I hesitate to take further time on this bill because I recognize that the overwhelming majority of the membership are apprised of most of the parts of this bill. We hear from time to time from various organizations that have a very special interest, whether it be libraries, hospital construction, sewage treatment works, or whatever it may be. They apprise us of the situation as they see it.

As I was saying in my remarks previously, it seems to me that if we are going to go along with increases of $158 million in the budget we had better be prepared to pay the bill. Very seldom do we find these organizations that advocate these increased expenditures state that they are willing to provide support to increase taxes to pay for the very services in which they have a special interest.

We have had very distinguished men appear before our subcommittee advocating tremendous increases for the National Institutes of Health. Who are we to dispute their authority in these matters? Certainly, they are great men in their field. But I asked one of these distinguished doctors, "What are we going to use to pay the bill? Would you advocate an increase in taxes or an increase in the national debt?"

The answer was something like this: What we should do is cut out some of the less essential services. So we would ask them what were the less essential services, and they would say that is up to the Congress to decide.

As far as I am concerned, we are going to have to meet this issue head-on.

As to some of the proposals in this bill, although I voted to report it, I have serious question as to whether the Federal Government ought to be in these activities. My personal opinion is, if there was ever an area in which there should be local responsibility, it is in taking care of local communities' sewage-treatment facilities. If that is a Federal responsibility, then, as far as I am concerned, we have gone all the way down the road of Federal participation in every area of our activities. I think we had better be very cautious about going forward too fast with many of these programs.

We have Federal aid to impacted areas. The original intent of that law, in my opinion, has been far exceeded. We have gone far afield from the original intent of that law. We have an ample illustration of that right in the vicinity of the Nation's Capital.

As these programs expand, we get into areas into which we never intended to go.

I say to you that I am disappointed that we present to you a bill with $158 million. In view of these programs, which are heart rending, and which have much merit in many areas, we had better start as Members of this body to stand up and show the American people and tell them further that if they want these services they had better be ready to pay for them.

Mr. LAIRD. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Chairman, I would first of all like to express appreciation on behalf of the people I represent in the Congress and compliment the committee on appropriating the full amount of the funds authorized by Public Laws 815 and 874.

It is most difficult for these school districts that are operating under very close budgets at best to operate efficiently when they do not know well enough in advance what percentage of these Federal payments they are going to receive. I must confess, however, that I was somewhat disappointed and concerned about the item contained in the report in regard to aid to impacted areas. I am not concerned about the fact that the committee felt we should review the program and reduce entitlements in areas that are not injured by the Federal impact. However, I am concerned about any statement to the effect that the area surrounding our Nation's Capital is not as much entitled to assistance from this program as are other areas in this great Nation of ours.

I can appreciate the fact that this is a very confusing law. I have no quarrel with my colleagues who do not experience the difficult of having federally impacted areas, and who, therefore, are not quite as sympathetic with our problems as we would like to have them be.

As I say, it is a confusing law. Some colleagues interpret it as a Federal handout to which many communities are not entitled. Others of us feel it is a payment in lieu of taxes, a formula by which the Federal Government can meet a portion of its obligations to the communities in which it is operating.

I submit the Washington area is one of the greatest areas of impact in numbers of employees. In fact, the children

of employees in our schools in the northern Virginia area exceed 50 percent of the enrollment. It is the greatest impact in percentage of Federal installations. I mean by that that in our area here the Federal Government is not only our principal industry but practically our only industry of any consequence.

If you took the steel industry off the tax rolls of the city of Pittsburgh there would be an economic problem created there. The same is true in Detroit. If the automobile industry were taken off the tax rolls, there would be a serious economic problem there.

Our Chamber of Commerce has tried to get other industries into the area to help absorb some of our tax load, but a community cannot support itself if all the industries and the places where the people earn their money are not subject to some form of local taxation. We would prefer the right to receive some taxes on this land that the Federal Government owns in our area even if it were only 50 percent of what private industry would be required to pay, if it were owned by private industry. In fact, if we were able to assess it at 50 percent, we would receive millions of dollars more than we would receive under this particular formula. But, I recognize the difficulty of having such a law created because some of this land, as was pointed out by the gentleman from Wisconsin, does not create any particular problem to the community. Then, in the case of the Pentagon building, many of the people working there do live in the District of Columbia and many other areas that have been absorbing some of this impact do not have any Federal installation. This formula provides a way for communities to meet some of these expenses created as a result of the Federal installation being in the area. One of the primary expenses created is for the education of the children of those employees who are working on nontaxable property. This impact assistance program in the minds of some of the people was supposed to be a temporary measure and they felt it was an emergency measure and eventually it would be eliminated. I submit that our area is continuing to grow and it is still an emergency problem. In Fairfax County, for example, we had 44,000 pupils in the schools out there last year. This current year, we have 48,000.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. LAIRD. Mr. Chairman, I yield 3 additional minutes to the gentleman.

Mr. BROYHILL. And we expect to have an additional growth of 5,000 students every year for the next 6 or 7 years. That is quite a financial burden to a community to provide additional schools to educate those children when their parents are working on nontaxable property.

On Thursday, 2 weeks ago, certain statements made by the Secretary for Health, Education, and Welfare before the Appropriations Committee were made public. The Secretary told the subcommittee of that group that a recommendation to deprive nearby Virginia and Maryland areas of impacted school funds would be forthcoming during the current session of Congress.

Without in anywise detracting from Mr. Flemming's qualifications for the important office he holds in the administration, I confess to amazement at his apparent lack of knowledge of the intent of this Congress in enacting the impacted area assistance measures. He has either neglected his home work, been woefully misinformed or purposely, with inadequate information, seeks to weaken the assistance program voted by Congress over a period of the past decade as part of what Congress considers to be its obligation to communities impacted by reason of intensive Federal activity.

For example, the distinguished Secretary told the subcommittee, and I quote:

> I am living in Montgomery County and I am working in the District of Columbia. Why under the sun, the Federal Government should give Montgomery County any money because I have two boys in the Bethesda-Chevy Chase High School, I just cannot understand.

Now, Mr. Chairman, that statement sounds reasonable as far as it goes. But the Secretary purposely, or otherwise, neglects to remind us that literally thousands of people living in the District of Columbia work in the Pentagon and in various other Federal installations in neighboring Maryland and Virginia. Yet their local government is the recipient of millions in Federal aid. This year the contribution of Uncle Sam totals $22,504,450. As a matter of fact, up until recently, the annual payment made by the Federal Government to the District of Columbia has enabled the citizens of the District to enjoy a lower tax rate than citizens living in metropolitan area Maryland and Virginia communities. Time and again committees of the Congress have commented on this low rate of taxation at times when the local government was pressing for increased Federal assistance.

Please do not misunderstand me. I think the Nation's Capital is entitled to generous Federal aid because of the impact of Federal activities on this city. But by the same token, I believe, and the Congress has concurred, that nearby areas impacted to a lesser extent, are likewise entitled to a proportion of Federal aid consistent with the prevailing situation.

Strangely, Mr. Chairman, the Secretary of Health, Education, and Welfare directed his criticism at communities adjacent to the District of Columbia. Are we to assume that he favors impacted aid to many other communities in the United States adversely affected by unusual Federal Government activity? Are we to assume that he plans to grossly discriminate against the cities of Alexandria and Falls Church and the counties of Arlington, Fairfax, Montgomery, and Prince Georges? If so, Mr. Chairman, I submit that I for one am unwilling to accept this rank discrimination without a fight.

Whether he knows it or not, the impacted area program is simply an in-lieu-of-taxes program. Government installations—tax-free Government installations if you please—are located in my district and in Maryland. If Uncle Sam paid taxes on these installations and the land he holds in nearby areas, the amount would be much greater than the $7 million granted these areas for school maintenance and construction. The Congress recognizes the problem presented by this situation. It has assumed an obligation to help out rather than create a precedent by permitting local subdivisions to tax Government property. It is most heartening that the Senate and House have shown no disposition to favor the Secretary's disregard of a moral obligation to these areas.

It appears obvious from the Secretary's statement that he has no sympathy with the impacted area program as it applies to adjacent communities. It appears also that if he is successful in cutting off Federal funds to these communities he will eventually be successful in cutting off funds to all impacted areas in the United States including, perhaps, the Nation's Capital.

I submit, Mr. Chairman, that under the circumstances the impacted-area program, approved again and again by Congress, is in unfriendly hands. I respectfully suggest that Congress weigh the situation carefully to the end that we state emphatically the program is an in-lieu-of-taxes program and transfer its administration from the hostile hands of the Secretary of Health, Education and Welfare to the hands of the General Services Administration. Perhaps GSA will give greater consideration to the intent of Congress and provide the kind of administration we have a right to expect.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield.

Mr. FOLEY. I wish to associate myself with my colleague, the gentleman from Virginia [Mr. BROYHILL]. I am not sure whether I can go along with his removal of the administration of this program from Health, Education, and Welfare, but I agree with him 100 percent in his position, his statement of the justification for this program, and also in his conclusion that it is basically a payment in lieu of taxes.

Am I correct in understanding that the Secretary of Health, Education, and Welfare, who resides in my home county, misconceives the basic principles that give rise to the impacted area program? He has stated that because he works downtown for the Government and lives in Montgomery County, this program should not apply in his instance. Does he not forget that he was brought here by the Government, and his family came with him because of Government service, and that that is the basic underlying fact: That the attraction of thousands of people to this area by the Government justifies this program?

Mr. BROYHILL. The gentleman is absolutely correct in his observation. As I said a moment ago, we could reverse his example, considering the people living in the District of Columbia working in Montgomery County. Montgomery County receives taxes from the privately owned property on which this District of Columbia resident works but does not receive taxes from the Federal property

on which his next door neighbor may work, even though it is located in Montgomery County. However, under this current formula, Montgomery County would receive no assistance in lieu of taxes because the employee lived in Washington and his children attended District of Columbia schools. But when the Federal employee lives in Maryland and works in the District of Columbia, Montgomery is entitled to assistance.

Mr. FOLEY. This is basically a program in lieu of taxes.

Mr. BROYHILL. That is true. I am not so certain but that it is just as fair a formula as assessment on the land, because it is the expense created to the community as a result of Federal activity that causes the tax burden; not the land itself being taken off the tax rolls, because some of that could be wasteland. But it does create an expense to the community when property is taken off the tax rolls and a Federal installation is constructed which requires community services and necessitates community facilities be provided for the additional employees.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from West Virginia.

Mr. BAILEY. I would like to remind the distinguished gentleman from Virginia that this is one of the policies carried on by the present administration. In redrafting the legislation my Committee on Education last year faced recommendations from the administration that we cut out all of this program except the category one. That is their policy. They cut down all appropriations in accordance with their program. What we have done here is to try to carry out our program. That is the only issue involved. The administration is against it.

Mr. BROYHILL. That is correct.

Mr. LAIRD. Mr. Chairman, I yield 3 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I rise to read into the RECORD a magnificent tribute by an able commentator, Fulton Lewis, to Bill Cunningham, a great commentator and a great dedicated American who lost his voice as a result of throat cancer. We in Massachusetts are individually proud of him. I feel deep gratitude to the gentleman from Rhode Island [Mr. FOGARTY] the chairman of this subcommittee for his tireless fight for medical research work. Mr. Cunningham's suffering brings the necessity for this very close to us.

I do not see how anyone could refuse to want medical research to go on, especially in the case of cancer. Some of my colleagues know my tremendous interest in pushing the frontiers of this dreadful disease. I feel confident a breakthrough will be made by our scientists. Bill Cunningham would be happy if his experience could help others.

The testimonial I refer to reads as follows:

HUB TESTIMONIAL THRILLS

WASHINGTON.—As a rule, I am a studious avoider of testimonial dinners. They are, too often, a manifestation of the rah-rah element of professional civic do-goodism, inspired principally by the desire for a night out or a personal place in the sun.

The food is nyah, the speeches are tedious and too long, and the guest of honor, more likely than not, has had a gloved hand in the whole project from the beginning.

I have experienced one glorifying exception to the rule, however, in the recent affair put on in the gymnasium of Boston College for my distinguished colleague of newspaper and radio, Bill Cunningham; and most of the difference, I suppose, was the difference between Bill and his Doris, and the usual run of honorees.

This was billed as a "Salute to a Champion," and so it was.

For this Methodist Texas boy, who went to New England to make not a national but an international name for himself, was eulogized by a Cardinal of the Roman Catholic Church as one of the great Christian souls of these times. It was one of the most profoundly impressive performances within my memory.

It was a magnificent eulogy, which compared Bill Cunningham to St. Paul of old, who achieved strength out of his adversity, and leadership from his infirmities.

It was a speech that did good for the souls of the great and the near great, who had trekked there to Boston from every corner of the Nation, just for this occasion. It did good for them because they knew that what Richard Cardinal Cushing was saying was true. They knew that Bill Cunningham would go on to greater heights than ever, despite the fact that for the moment he sat there, silent and a little drawn-faced. It was only 7 months ago that Bill Cunningham's larynx was removed because of cancer. For one of the great radio commentators of the age, that can be a crushing blow, I'm sure it was to him, at first.

But it need not be so, and in his case I'm sure it will not be.

It is not the voice that counts. Voices, believe me, are a dime a million. I've seen them hire themselves to microphones and read copy into the ether waves, without the slightest idea of what they were saying.

The thing that matters—the only thing that matters—is the thinking behind the voice, and in the case of Bill Cunningham that has not been impaired in the slightest degree. Indeed, because of what he has been through, in his communions with his God in this ordeal, I know confidently that his is greater and wiser and more compassionate than ever.

Some years back, Bill Cunningham used to take over my own mike for me when I went on summer vacations. Invariably, when I returned to it, there was a tide of mail, commenting on his fighting material and praising his stalwart Americanism. I began to wonder, at times, whether Bill Cunningham was filling in for 4 weeks for me, or whether I was filling for the other 48 weeks for Bill.

But once again, that wasn't the voice. It was the things the voice had said. It was the fact this man had a massive courage and integrity, and a consuming devotion to the America that has allowed him to serve it.

It was the fact that Bill Cunningham always sought out the largest and most dangerous dragons to slay, while tinhorn imitators and opportunist fly-by-night with Madison Avenue promotion campaigns to build them up, slobbered doubletalk and gush to a synthetic public that existed only in synthetic listener ratings.

The 1,200 people who attended that Boston dinner did so not because Bill Cunningham can no longer speak, as he once did, but because a merciful and benign Providence had seen fit to spare him for the mind and the courage and the fidelity to principle that is his.

When it comes to voices, he has, after all, a considerable due-bill with me—with compound interest over the years. If he has need of a voice to express his thoughts in sound rather than on paper, he has mine for the mere beckon of a finger.

This was one testimonial dinner that was worth while.

Mr. LAIRD. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, forgetting that they asked for it, thousands of voters in the areas served by the Chicago Tribune have sent in clippings from the Tribune, protesting the fact that the recent and present legislative program of the Congress will continue to lessen the value and purchasing power of the savings, insurance, pensions, bonds, income, and social security of every individual who has any one of the six, and, it well might have added, increase the cost of living of everyone. And all must eat, have shelter and clothing. There are at least two reasons for this situation.

One is that Members of the Congress desire to be elected; hence, yield to the demands of individuals and pressure groups which demand the expenditure of Federal dollars. And there are no Federal dollars except those contributed by you, the taxpayers. Hence, the cost of your living goes up.

A second reason is that Members of Congress naturally wish to please, are sympathetic to suffering, are not averse—in fact, are very willing, as is everyone—to be helpful to their constituents, especially if they can do so through the use of someone else's dollars.

Basically, the fault for an ever-increasing public debt—more than $280 billion, an annual interest charge, which buys nothing, of approximately $8½ billion—is that of the people themselves—the members of those powerful pressure groups which demand additional millions for a desirable but unnecessary program and who threaten political reprisal if their demands are not granted.

The people asked for the legislation and the appropriations which caused the present situation against which they now so vigorously protest, although they did not realize what the result of the granting of their requests would be. The deplorable and ruinous course of spending more than we have will not end—get that—until the people cease their demands.

That they still continue to ask for more than we have can be demonstrated by stepping into any congressional office and looking at the mail or reading the propaganda put out by various groups.

At every election and in between, bitter, vitriolic protests come to me because so often I have voted against appropriations which, while desirable, could not be granted without adding to the public debt. I will not attempt to enumerate the demands. If you do any thinking, any listening or reading, you know some but probably not all of them. Of some you may have approved.

The possibility of another demand which will call for several additional million dollars which will add to the debt and deficit was disclosed by my colleague

of the Third Congressional District of Michigan, AUGUST E. JOHANSEN, because of testimony before the Committee on Post Office and Civil Service which brought the suggestion that it may not be long before Government workers are demanding a paid holiday on their birthday. If that seems absurd, far-fetched, and unlikely, just remember that a somewhat similar provision is already carried in some industrial contracts.

The March 1959 AFL–CIO Collective Bargaining Report suggests that each worker should on his birthday be granted a paid holiday, and this in addition to the pay granted for the already recognized holidays. Ninety percent of 1,736 major collective bargaining agreements provide for time and a half or double or premium pay for work on one or both days outside of the normal workweek. Seventy-five percent of the agreements specified Saturday as premium pay day.

If a paid holiday on a birthday, how about a holiday or double pay on each anniversary of a marriage? What about a holiday or double pay on the birthday of the first child? And are we to bypass the unmarried ones? And should there be a limit on the number of holidays?

If you think I am spoofing, send for Congressman JOHANSEN's newsletter of April 24. He is on the committee which heard the plea for a more liberal holiday policy for Government employees. He knows the facts.

Really, folks, do not put all the blame for the crushing public debt, the oppressive taxes, for the ruinous inflation accompanied by the high cost of living from which you are suffering, on the Congressmen. We try to please you. We try to do the right thing. But some of us have found it physically and mentally impossible to either travel or think in opposite directions at the same time.

Mr. FOGARTY. Mr. Chairman, I have no further requests for time.

Mr. LAIRD. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1960, namely:

TITLE I—DEPARTMENT OF LABOR

Office of the Secretary

Salaries and Expenses

For expenses necessary for the Office of the Secretary of Labor (hereafter in this title referred to as the Secretary), including payment in advance when authorized by the Secretary for dues or fees for library membership in organizations whose publications are available to members only or to members at a price lower than to the general public; and purchase of uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); $1,611,000, of which not more than $232,485 shall be for international labor affairs and not to exceed $2,000 shall be for official entertainment expenses.

Office of the Solicitor

Salaries and Expenses

For expenses necessary for the Office of the Solicitor, $2,695,000.

Bureau of Labor Standards

Salaries and Expenses

For expenses necessary for the promotion of industrial safety, employment stabilization, and amicable industrial relations for labor and industry; performance of safety functions of the Secretary under the Federal Employees' Compensation Act, as amended (5 U.S.C. 784(c)) and the Longshoremen's and Harbor Workers' Compensation Act, as amended (72 Stat. 835); performance of the functions vested in the Secretary by title I of the Labor-Management Relations Act, 1947 (29 U.S.C. 159(f) and (g)) and by sections 8 (b) and (c) of the Welfare and Pension Plans Disclosure Act (72 Stat. 997); and not less than $224,472 for the work of the President's Committee on National Employ the Physically Handicapped Week, as authorized by the Act of July 11, 1949 (63 Stat. 409); $2,488,000: *Provided,* That no part of the appropriation for the President's Committee shall be subject to reduction or transfer to any other department or agency under the provisions of any existing law; including purchase of reports and of material for informational exhibits and expenses of attendance of cooperating officials and consultants at conferences concerned with the work of the Bureau of Labor Standards.

Bureau of Veterans' Reemployment Rights

Salaries and Expenses

For expenses necessary to render assistance in connection with the exercise of reemployment rights under section 8 of the Selective Training and Service Act of 1940, as amended (50 U.S.C. App. 308), the Service Extension Act of 1941, as amended (50 U.S.C. App. 351), the Army Reserve and Retired Personnel Service Law of 1940, as amended (50 U.S.C. App. 401), and section 9 of the Universal Military Training and Service Act (50 U.S.C. App. 459), and the Reserve Forces Act of 1955 (69 Stat. 598), $592,000.

Bureau of Apprenticeship and Training

Salaries and Expenses

For expenses necessary to enable the Secretary to conduct a program of encouraging apprentice training, as authorized by the Acts of March 4, 1913 (5 U.S.C. 611), and August 16, 1937 (29 U.S.C. 50), $4,047,000.

Bureau of Employment Security

Salaries and Expenses

For expenses necessary for the general administration of the employment service and unemployment compensation programs, including temporary employment of persons, without regard to the civil-service laws, for the farm placement migratory labor program; $7,262,000, of which $1,252,000 shall be for carrying into effect the provisions of title IV (except section 602) of the Servicemen's Readjustment Act of 1944.

Grants to States for Unemployment Compensation and Employment Service Administration

For grants in accordance with the provisions of the Act of June 6, 1933, as amended (29 U.S.C. 49–49n), for carrying into effect section 602 of the Servicemen's Readjustment Act of 1944, for grants to the States as authorized in title III of the Social Security Act, as amended (42 U.S.C. 501–503), including, upon the request of any State, the purchase of equipment, and the payment of rental for space made available to such State in lieu of grants for such purpose, for necessary expenses including purchasing and installing of air-conditioning equipment in connection with the operation of employment office facilities and services in the District of Columbia, and for the acquisition of a building through such arrangements as may be required to provide quarters for such offices and facilities in the District of Columbia and for the District of Columbia Unemployment Compensation Board, subject to the same conditions with respect to the use of these funds for such purposes as are applicable to the procurement of buildings for other State employment security agencies, and for expenses not otherwise provided for, necessary for carrying out title IV of the Veterans' Readjustment Assistance Act of 1952 (66 Stat. 684) and title XV of the Social Security Act, as amended (68 Stat. 1130), $315,819,000, of which $15,000,000 shall be available only to the extent necessary to meet increased costs of administration resulting from changes in a State law or increases in the numbers of claims filed and claims paid or increased salary costs resulting from changes in State salary compensation plans embracing employees of the State generally over those upon which the State's basic grant (or the allocation for the District of Columbia) was based, which increased costs of administration cannot be provided for by normal budgetary adjustments: *Provided,* That notwithstanding any provision to the contrary in section 302(a) of the Social Security Act, as amended, the Secretary of Labor shall from time to time certify to the Secretary of the Treasury for payment to each State found to be in compliance with the requirements of the Act of June 6, 1933, and, except in the case of Puerto Rico, Guam, and the Virgin Islands, with the provisions of section 303 of the Social Security Act, as amended, such amounts as he determines to be necessary for the proper and efficient administration of its unemployment compensation law and of its public employment offices: *Provided further,* That such amounts as may be agreed upon by the Department of Labor and the Post Office Department shall be used for the payment, in such manner as said parties may jointly determine, of postage for the transmission of official mail matter in connection with the administration of unemployment compensation systems and employment services by States receiving grants herefrom.

In carrying out the provisions of said Act of June 6, 1933, the provisions of section 303(a)(1) of the Social Security Act, as amended, relating to the establishment and maintenance of personnel standards on the merit basis, shall apply.

None of the funds appropriated by this title to the Bureau of Employment Security for grants-in-aid of State agencies to cover, in whole or in part, the cost of operation of said agencies, including the salaries and expenses of officers and employees of said agencies, shall be withheld from the said agencies of any States which have established by legislative enactment and have in operation a merit system and classification and compensation plan covering the selection, tenure in office, and compensation of their employees, because of any disapproval of their personnel or the manner of their selection by the agencies of the said States, or the rates of pay of said officers or employees.

Grants to States, next succeeding fiscal year: For making, after May 31 of the current fiscal year, payments to States under title III of the Social Security Act, as amended, and under the Act of June 6, 1933, as amended, for the first quarter of the next succeeding fiscal year, such sums as may be necessary, the obligations incurred and the expenditures made thereunder for payments under such title and under such Act of June 6, 1933, to be charged to the appropriation therefor for that fiscal year.

Unemployment Compensation for Veterans and Federal Employees

For payments to unemployed veterans and Federal employees, either directly or through payments to States, as authorized by title XV of the Social Security Act, as amended, and title IV of the Veterans' Readjustment Assistance Act of 1952, $125,000,000.

Unemployment compensation for veterans and Federal employees, next succeeding fiscal year: For making, after May 31 of the current fiscal year, payments to States, as authorized by title XV of the Social Security Act, as amended, and title IV of the Veterans' Readjustment Assistance Act of 1952, such amounts as may be required for payment to unemployed veterans and Federal employees for the first quarter of the next succeeding fiscal year, and the obligations and expenditures thereunder shall be charged to the appropriation therefor for that fiscal year.

Compliance Activities, Mexican Farm Labor Program

For expenses necessary to enable the Department to determine compliance with the provisions of contracts entered into pursuant to the Act of July 12, 1951, as amended, $873,000.

Salaries and Expenses, Mexican Farm Labor Program

For expenses, not otherwise provided for, necessary to carry out the functions of the Department of Labor under the Act of July 12, 1951 (65 Stat. 119), as amended, including temporary employment of persons without regard to the civil-service laws, $1,336,700, which shall be derived by transfer from the farm labor supply revolving fund: *Provided,* That reimbursement to the United States under agreements hereafter entered into pursuant to section 502 of the Act of October 31, 1949, as amended (7 U.S.C. 1462), shall include all expenses of program operations except those compliance activities of the type separately provided for herein.

Bureau of Employees' Compensation

Salaries and Expenses

For necessary administrative expenses and not to exceed $102,000 for the Employees' Compensation Appeals Board, $3,080,000, together with not to exceed $51,700 to be derived from the fund created by section 44 of the Longshoremen's and Harbor Workers' Compensation Act, as amended (33 U.S.C. 906).

Employees' Compensation Claims and Expenses

For the payment of compensation and other benefits and expenses (except administrative expenses) authorized by law and accruing during the current or any prior fiscal year, including payments to other Federal agencies for medical and hospital services pursuant to agreement approved by the Bureau of Employees' Compensation; continuation of payment of benefits as provided for under the head "Civilian War Benefits" in the Federal Security Agency Appropriation Act, 1947; the advancement of costs for enforcement of recoveries in third-party cases; the furnishing of medical and hospital services and supplies, treatment, and funeral and burial expenses, including transportation and other expenses incidental to such services, treatment, and burial, for such enrollees of the Civilian Conservation Corps as were certified by the Director of such Corps as receiving hospital services and treatment at Government expense on June 30, 1943, and who are not otherwise entitled thereto as civilian employees of the United States and the limitations and authority of the Act of September 7, 1916, as amended (5 U.S.C. 796), shall apply in providing such services, treatment, and expenses in such cases and for payments pursuant to sections 4(c) and 5(f) of the War Claims Act of 1948 (50 U.S.C., App. 2012); such amount as may be required during the current fiscal year: *Provided,* That, in the adjudication of claims under section 42 of the said Act of 1916, for benefits payable from this appropriation, authority under section 32 of the Act to make rules and regulations shall be construed to include the nature and extent of the proofs and evidence required to establish the right to such benefits without regard to the date of the injury or death for which claim is made.

Bureau of Labor Statistics

Salaries and Expenses

For expenses, not otherwise provided for, necessary for the work of the Bureau of Labor Statistics, including advances or reimbursement to State, Federal, and local agencies and their employees for services rendered, $9,419,500.

Revision of the Consumer Price Index

For expenses necessary to enable the Bureau of Labor Statistics to revise the Consumer Price Index, including temporary employees at rates to be fixed by the Secretary of Labor without regard to the civil service laws and Classification Act of 1949, as amended, $230,000, to remain available until June 30, 1964.

Women's Bureau

Salaries and Expenses

For expenses necessary for the work of the Women's Bureau, as authorized by the Act of June 5, 1920 (29 U.S.C. 11–16), including purchase of reports and material for informational exhibits, $509,000.

Wage and Hour Division

Salaries and Expenses

For expenses necessary for performing the duties imposed by the Fair Labor Standards Act of 1938, as amended, and the Act to provide conditions for the purchase of supplies and the making of contracts by the United States, approved June 30, 1936, as amended (41 U.S.C. 35–45), including reimbursement to State, Federal, and local agencies and their employees for inspection services rendered, and not to exceed $3,000 for expenses of attendance of cooperating officials and consultants at conferences concerned with the work of the Division, $11,489,000.

This title may be cited as the "Department of Labor Appropriation Act, 1960".

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

American Printing House for the Blind

Education of the Blind

For carrying out the Act of March 3, 1879, as amended (20 U.S.C. 101–105), $400,000.

Food and Drug Administration

Salaries and Expenses

For necessary expenses not otherwise provided for, of the Food and Drug Administration, including purchase of not to exceed twenty-five passenger motor vehicles for replacement only; reporting and illustrating the results of investigations; purchase of chemicals, apparatus, and scientific equipment; payment in advance for special tests and analyses by contract; and payment of fees, travel, and per diem in connection with studies of new developments pertinent to food and drug enforcement operations; $13,800,000.

Salaries and Expenses, Certification, Inspection, and Other Services

For expenses necessary for the certification or inspection of certain products, and for the establishment of tolerances for pesticides, in accordance with sections 406, 408, 504, 506, 507, 604, 702A, and 706 of the Federal Food, Drug, and Cosmetic Act, as amended (21 U.S.C. 346, 346a, 354, 356, 357, 364, 372a, and 376), the aggregate of the advance deposits during the current fiscal year to cover payments of fees for services in connection with such certifications, inspections, or establishment of tolerances, to remain available until expended. The total amount herein appropriated shall be available for purchase of chemicals, apparatus, and scientific equipment; expenses of advisory committees; and the refund of advance deposits for which no service has been rendered.

Freedmen's Hospital

Salaries and Expenses

For expenses necessary for operation and maintenance, including repairs; furnishing, repairing, and cleaning of wearing apparel used by employees in the performance of their official duties; transfer of funds to the appropriation "Salaries and expenses, Howard University" for salaries of technical and professional personnel detailed to the hospital; payments to the appropriation of Howard University for actual cost of heat, light, and power furnished by such university; $3,190,000: *Provided,* That no intern or resident physician receiving compensation from this appropriation on a full-time basis shall receive compensation in the form of wages or salary from any other appropriation in this title: *Provided further,* That the District of Columbia shall pay by check to Freedmen's Hospital, upon the Surgeon General's request, in advance at the beginning of each quarter, such amount as the Surgeon General calculates will be earned on the basis of rates approved by the Bureau of the Budget for the care of patients certified by the District of Columbia. Bills rendered by the Surgeon General on the basis of such calculations shall not be subject to audit or certification in advance of payment; but proper adjustment of amounts which have been paid in advance on the basis of such calculations shall be made at the end of each quarter: *Provided further,* That the Surgeon General may delegate the responsibilities imposed upon him by the foregoing proviso.

Gallaudet College

Salaries and Expenses

For the partial support of Gallaudet College, including personal services and miscellaneous expenses, and repairs and improvements, as authorized by the Act of June 18, 1954 (Public Law 420), $904,000: *Provided,* That Gallaudet College shall be paid by the District of Columbia, in advance at the beginning of each quarter, at the rate of $1,295 per school year for each student attending and receiving instruction in elementary or secondary education pursuant to the Act of March 1, 1901 (31 D.C. Code 1008).

Construction

For alteration, renovation, and other improvement of buildings and facilities on the grounds of Gallaudet College, as authorized by the Act of June 18, 1954 (Public Law 420), under the supervision of the General Services Administration, including planning, architectural, and engineering services; and including $150,000 for athletic fields; $300,000, to remain available until expended.

Howard University

Salaries and Expenses

For the partial support of Howard University, including personal services and miscellaneous expenses and repairs to buildings and grounds, $4,617,000.

Plans and Specifications

For a survey of a steam and electrical production and distribution system, under

the supervision of the General Services Administration, on the grounds of Howard University, $21,000.

Construction of Auditorium-Fine Arts Building

For payment of obligations incurred under authority previously provided, to enter into contracts for the construction of the auditorium-fine arts building, $860,000.

Office of Education

Promotion and Further Development of Vocational Education

For carrying out the provisions of section 3 of the Vocational Education Act of 1946, as amended (20 U.S.C. 15j), and section 202 of said Act (20 U.S.C. 15bb), section 4 of the Act of March 10, 1924 (20 U.S.C. 29), section 1 of the Act of March 3, 1931 (20 U.S.C., 30), the Act of March 18, 1950 (20 U.S.C. 31–33), and section 9 of the Act of August 1, 1956 (20 U.S.C. 34), including $4,000,000 for extension and improvement of practical nurse training, and $180,000 for vocational education in the fishery trades and industry including distributive occupations therein, $33,702,081: *Provided,* That the apportionment to the States under section 3(a), (1), (2), (3), and (4) of the Vocational Education Act of 1946 shall be computed on the basis of not to exceed $30,367,081 for the current fiscal year: *Provided further,* That the amount of allotment which States and Territories are not prepared to use may be reapportioned among other States and Territories applying therefor for use in the programs for which the funds were originally apportioned.

Further Endowment of Colleges of Agriculture and the Mechanic Arts

For carrying out the provisions of section 22 of the Act of June 29, 1935, as amended (7 U.S.C. 329), $2,501,500.

Grants for Library Services

For grants to the States pursuant to the Act of June 19, 1956, as amended (20 U.S.C. 351–358), $6,000,000: *Provided,* That the amount of any State's allotment from this appropriation which such State certifies will remain unpaid to it on June 30, 1961, may be reallotted by the Commissioner among other States applying therefor in proportion to their rural population, and deemed part of such allotments, except that no State's allotment shall be so increased as to exceed the allotment which would be made to it were this appropriation equal to the maximum authorized under such Act.

Payments to School Districts

For payments to local educational agencies for the maintenance and operation of schools as authorized by the Act of September 30, 1950, as amended (20 U.S.C., ch. 13), $163,957,000: *Provided,* That this appropriation shall also be available for carrying out the provisions of section 6 of such Act.

Assistance for School Construction

For an additional amount for providing school facilities and for grants to local educational agencies in federally affected areas, as authorized by the Act of September 23, 1950, as amended (20 U.S.C., ch. 14), including not to exceed $1,000,000 for necessary expenses during the current fiscal year of technical services rendered by other agencies, $61,135,000, to remain available until expended: *Provided,* That no part of this appropriation shall be available for salaries or other direct expenses of the Department of Health, Education, and Welfare.

Defense Educational Activities

For grants, loans, and payment under the National Defense Education Act of 1958 (72 Stat. 1580–1605), $150,000,000, of which $30,000,000 shall be for capital contributions to student loan funds; $1,000,000 shall be for loans for non-Federal capital contributions to student loan funds; $60,000,000 for grants to States and loans to nonprofit private schools for science, mathematics, and modern language teaching facilities and $4,000,000 for grants to States for supervisory and other services; $7,000,000 for grants to States for area vocational education programs; and $15,000,000 for grants to States for testing, guidance, and counseling.

Expansion of Teaching in Education of the Mentally Retarded

For grants to public or other nonprofit institutions of higher learning and to State educational agencies, pursuant to the Act of September 6, 1958 (72 Stat. 1777), $1,000,000.

Salaries and Expenses

For expenses necessary for the Office of Education, including surveys, studies, investigations, and reports regarding libraries; coordination of library service on the national level with other forms of adult education; development of library service throughout the country; purchase, distribution, and exchange of educational documents, motion-picture films, and lantern slides; and cooperative research, surveys, and demonstrations in education as authorized by the Act of July 26, 1954 (20 U.S.C. 331–332); $12,800,000, of which not less than $550,000 shall be available for the Division of Vocational Education as authorized.

Office of Vocational Rehabilitation

Grants to States

For grants to States in accordance with the Vocational Rehabilitation Act, as amended, $51,900,000, of which $50,400,000 is for vocational rehabilitation services under section 2 of said Act; and $1,500,000 is for extension and improvement projects under section 3 of said Act: *Provided,* That allotments under section 2 of said Act to the States for the current fiscal year shall be made on the basis of $59,500,000, and this amount shall be considered the sum available for allotments under such section for such fiscal year.

Grants to States, next succeeding fiscal year: For making, after May 31 of the current fiscal year, grants to States under sections 2 and 3 of the Vocational Rehabilitation Act, as amended, for the first quarter of the next succeeding fiscal year such sums as may be necessary, the obligations incurred and the expenditures made thereunder to be charged to the appropriation therefor for that fiscal year: *Provided,* That the payments made pursuant to this paragraph shall not exceed the amount paid to the States for the first quarter of the current fiscal year.

Research and Training

For research, training, and traineeships, and other special project grants, pursuant to section 4 of the Vocational Rehabilitation Act, as amended, for carrying out the training functions provided for in section 7 of said Act, and for expenses of studies, investigations, demonstrations, and reports, and of dissemination of information with respect thereto pursuant to section 7 of said Act, $12,500,000.

Salaries and Expenses

For expenses, not otherwise provided for, necessary in carrying out the provisions of the Vocational Rehabilitation Act, as amended, and of the Act approved June 20, 1936 (20 U.S.C., ch. 6A), as amended, $1,738,000.

Public Health Service

For necessary expenses in carrying out the Public Health Service Act, as amended (42 U.S.C., ch. 6A) (hereinafter referred to as the Act), and other Acts, including expenses for active commissioned officers in the Reserve Corps and for not to exceed one thousand nine hundred commissioned officers in the Regular Corps; and for expenses of primary and secondary school of dependents, in foreign countries, of Public Health Service personnel stationed in foreign countries, in amounts not to exceed an average of $250 per student, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately for the education of such dependents, and for the transportation of such dependents between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation; and for the payment of compensation to consultants or individual scientists appointed for limited periods of time pursuant to section 207(f) or section 207(g) of the Act at rates established by the Surgeon General not to exceed $15,000 per annum; as follows:

Assistance to States, General

To carry out the purposes, not otherwise specifically provided for, of section 314(c) of the Act; to provide consultative services to States pursuant to section 311 of the Act; to make field investigations and demonstrations pursuant to section 301 of the Act; to provide for collecting and compiling mortality, morbidity, and vital statistics; and not to exceed $1,000 for entertainment of officials of other countries when specifically authorized by the Surgeon General; $22,497,000.

Control of Venereal Diseases

To carry out the purposes of sections 314 (a) and 363 of the Act with respect to venereal diseases and for grants of money, services, supplies, equipment, and use of facilities to States, as defined in the Act, and with the approval of the respective State health authorities, to counties, health districts, and other political subdivisions of the States, for venereal disease control activities, in such amounts and upon such terms and conditions as the Surgeon General may determine; $5,400,000.

Control of Tuberculosis

To carry out the purposes of section 314 (b) of the Act, $5,452,000, of which not less than $3,000,000 shall be available only for grants to States, to be matched by an equal amount of State and local funds expended for the same purpose, for direct expenses of prevention and case-finding projects including salaries, fees, and travel of personnel directly engaged in prevention and case-finding and the necessary equipment and supplies used directly in prevention and case-finding operations, but excluding the purchase of care in hospitals and sanatoriums.

Communicable Disease Activities

To carry out, except as otherwise provided for, those provisions of sections 301, 311, and 361 of the Act relating to the prevention and suppression of communicable and preventable diseases, and the interstate transmission and spread thereof, including the purchase, erection, and maintenance of portable buildings; purchase of not to exceed three passenger motor vehicles for replacement only; and hire, maintenance, and operation of aircraft; $8,015,000.

Sanitary Engineering Activities

For expenses, not otherwise provided, necessary to carry out those provisions of sections 301, 311, 314(c), and 361 of the Act relating to sanitation and other aspects of environmental health, including enforcement of applicable quarantine laws and interstate quarantine regulations, and for carrying out the purposes of the Acts of July 14, 1955 (42 U.S.C. 1857–1857f), and July 9, 1956 (33 U.S.C. 466–466d, 466f–466k), including $2,700,000 for grants to States and $300,000 for grants to interstate agencies; purchase of not to exceed four passenger motor vehicles for replacement only; hire, maintenance, and operation of aircraft; and purchase, erection, and maintenance of portable buildings; $14,590,000 to remain available only until June 30, 1960.

Grants for Waste Treatment Works Construction

For payments under section 6 of the Water Pollution Control Act, as amended (33 U.S.C. 466e), $45,000,000, to remain available only until June 30, 1961: *Provided*, That allotments under such section 6 for the current fiscal year shall be made on the basis of $50,000,000.

Grants for Hospital Construction

For grants and loans under parts C, D, and G, title VI, of the Act, as amended, $143,700,000, of which $121,500,000 shall be for hospitals and related facilities pursuant to part C, $1,200,000 shall be for the purposes authorized in section 636 of part D of the Act, and $21,000,000 shall be for facilities pursuant to part G, as follows: $6,500,000 for diagnostic or treatment centers, $6,500,000 for hospitals for the chronically ill and impaired, $4,000,000 for rehabilitation facilities, and $4,000,000 for nursing homes: *Provided*, That allotments under such parts C and G to the several States for the current fiscal year shall be made on the basis of amounts equal to the limitations specified herein.

Salaries and Expenses, Hospital Construction Services

For salaries and expenses incident to carrying out title VI of the Act as amended, $1,604,000.

Hospitals and Medical Care

For carrying out the functions of the Public Health Service under the Act of August 8, 1946 (5 U.S.C. 150), including $2,167,000 to be available only for payments for medical care of dependents and retired personnel under the Dependents' Medical Care Act (37 U.S.C., ch. 7), and under sections 321, 322, 324, 326, 331, 332, 341, 343, 344, 502, 504, and 810 of the Public Health Service Act, Private Law 419 of the Eighty-third Congress, as amended, and Executive Order 9079 of February 26, 1942, including purchase and exchange of farm products and livestock; conducting research on technical nursing standards and furnishing consultative nursing services; purchase of not to exceed eight passenger motor vehicles for replacement only; and purchase of firearms and ammunition; $45,600,000, of which $1,000,000 shall be available only for payments to the Territory of Hawaii for care and treatment of persons afflicted with leprosy: *Provided*, That when the Public Health Service establishes or operates a health service program for any department or agency, payment for the estimated cost shall be made in advance for deposit to the credit of this appropriation.

Foreign Quarantine Activities

For carrying out the purposes of sections 361 to 369 of the Act, relating to preventing the introduction of communicable diseases from foreign countries, the medical examination of aliens in accordance with section 325 of the Act, and the care and treatment of quarantine detainees pursuant to section 322(e) of the Act in private or other public hospitals when facilities of the Public Health Service are not available, including insurance of official motor vehicles in foreign countries when required by law of such countries, $4,460,000.

Indian Health Activities

For expenses necessary to enable the Surgeon General to carry out the purposes of the Act of August 5, 1954 (42 U.S.C. 2001) (including not to exceed $10,000 for temporary services at rates not to exceed $100 per diem for individuals, when authorized by the Surgeon General); purchase of not to exceed thirty passenger motor vehicles, of which twenty shall be for replacement only; hire of passenger motor vehicles and aircraft; purchase of reprints; payment for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; and the purposes set forth in sections 321, 322(d), 324, and 509 of the Public Health Service Act; $45,500,000.

Construction of Indian Health Facilities

For construction, major repair, improvement, and equipment of health and related auxiliary facilities, including quarters for personnel; preparation of plans, specifications, and drawings; acquisition of sites; purchase and erection of portable buildings; and purchase of trailers; $4,587,000, to remain available until expended: *Provided*, That such expeditures may be made through the Department of the Interior at the option of the Secretary of the Department of Health, Education, and Welfare: *Provided further*, That the unexpended balance of appropriations heretofore granted under this head shall be merged with this appropriation.

General Research and Services, National Institutes of Health

For the activities of the National Institutes of Health, not otherwise provided for, including research fellowships and grants for research projects and training grants pursuant to section 301 of the Act; regulation and preparation of biologic products, and conduct of research related thereto; and grants of therapeutic and chemical substances for demonstrations and research; $36,404,000: *Provided*, That funds advanced to the National Institutes of Health management fund from appropriations included in this Act shall be available for purchase of not to exceed fifteen passenger motor vehicles for replacement only; not to exceed $2,500 for entertainment of visiting scientists when specifically approved by the Surgeon General; and erection of temporary structures: *Provided further*, That all appropriations made to the Public Health Service in this Act, and available for research or training projects, may be expended pursuant to contracts made on a cost or other basis for supplies and services, including indemnification of contractors to the extent and subject to the limitations provided in title 10, United States Code, section 2354, except that approval and certification required thereby shall be by the Surgeon General.

National Cancer Institute

To enable the Surgeon General, upon the recommendations of the National Advisory Cancer Council, to make grants-in-aid for research and training projects relating to cancer; to cooperate with State health agencies, and other public and private nonprofit institutions, in the prevention, control, and eradication of cancer by providing consultative services, demonstrations, and grants-in-aid; and to otherwise carry out the provisions of title IV, part A, of the Act; $83,308,000.

Mental Health Activities

For expenses necessary for carrying out the provisions of sections 301, 302, 303, 311, 312, and 314(c) of the Act with respect to mental diseases, $60,409,000.

National Heart Institute

For expenses necessary to carry out the purposes of the National Heart Act, $52,744,000.

Dental Health Activities

For expenses not otherwise provided for, necessary to enable the Surgeon General to carry out the purposes of the Act with respect to dental diseases and conditions, $9,725,000.

Arthritis and Metabolic Disease Activities

For expenses necessary to carry out the purposes of the Act relating to arthritis, rheumatism, and metabolic diseases, $37,790,000.

Allergy and Infectious Disease Activities

For expenses, not otherwise provided for, necessary to carry out the purposes of the Act relating to allergy and infectious diseases, $30,286,000, of which $150,000 shall be available for payment to the Gorgas Memorial Institute for maintenance and operation of the Gorgas Memorial Laboratory.

Neuroloy and Blindness Activities

For expenses necessary to carry out the purposes of the Act relating to neurology and blindness, $33,613,000.

Grants for Construction of Health Research Facilities

For grants pursuant to the Health Research Facilities Act of 1956, as amended by the Act of August 27, 1958 (72 Stat. 933), $30,000,000.

Research Facilities Construction and Site Acquisition

For the acquisition of a site for research facilities for large animals, including repairs, alterations, and construction of auxiliary facilities and temporary buildings, $150,000, to remain available until expended.

Operations, National Library of Medicine

For expenses, not otherwise provided for, necessary to carry out the National Library of Medicine Act (42 U.S.C. 275), $1,566,000.

Retired Pay of Commissioned Officers

For retired pay of commissioned officers, as authorized by law, and payments under the Uniformed Services Contingency Option Act of 1953, such amount as may be required during the current fiscal year.

Salaries and Expenses

For the divisions and offices of the Office of the Surgeon General and for miscellaneous expenses of the Public Health Service not appropriated for elsewhere, including preparing information, articles, and publications related to public health; and conducting studies and demonstrations in public health methods, $5,816,000.

Saint Elizabeths Hospital

Salaries and Expenses

For expenses necessary for the maintenance and operation of the hospital, including clothing for patients, and cooperation with organizations or individuals in the scientific research into the nature, causes, prevention, and treatment of mental illness, $3,715,000.

Major Repairs and Preservation of Buildings and Grounds

For miscellaneous construction, alterations, repairs, and equipment, on the grounds of the hospital, including preparation of plans and specifications, advertising, and supervision of construction, $330,000, to remain available until June 30, 1961.

Social Security Administration

Limitation on Salaries and Expenses, Bureau of Old-Age and Survivors Insurance

For necessary expenses, including the purchase of two passenger motor vehicles, not more than $191,600,000 may be expended from the Federal old-age and survivors insurance trust fund: *Provided*, That such amounts as are required shall be available to pay the cost of necessary travel incident to medical examinations for verifying disabilities of individuals who file applications for disability determinations under title II of the Social Security Act, as amended: *Provided further*, That $10,000,000 of the foregoing amount shall be apportioned for use pursuant to section 3679 of the Revised Statutes as amended (31 U.S.C. 665), only to the extent necessary to process claims workloads not anticipated in the budget estimates and after maximum absorption of the costs of such claims workload within the existing limitation has been achieved: *Provided further*, That persons who have been

admitted to practice before a Federal or State court of record who have had a minimum of three years' experience in the adjudication or consideration of claims for retirement, survivors, or disability benefits may be temporarily appointed by the Commissioner of Social Security to hold hearings under title II of the Social Security Act, as amended, but such temporary appointments shall terminate not later than December 31, 1960: *Provided further,* That no person shall hold a hearing in any case with which he has been concerned previously in the administration of such title II.

Advances to States, next succeeding fiscal year: For making, after May 31 of the current fiscal year, advances to States under section 221(e) of the Social Security Act, as amended, for the first quarter of the next succeeding fiscal year, such sums as may be necessary from the above authorization may be expended from the Federal old-age and survivors insurance trust fund.

Grants to States for Public Assistance

For grants to States for old-age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled, as authorized in titles I, IV, X, and XIV of the Social Security Act, as amended (42 U.S.C., ch. 7, subchs. I, IV, X, and XIV), $2,033,500,000, of which such amount as may be necessary shall be available for grants for any period in the prior fiscal year subsequent to March 31 of that year.

Salaries and Expenses, Bureau of Public Assistance

For expenses necessary for the Bureau of Public Assistance, $2,345,000.

Salaries and Expenses, Children's Bureau

For necessary expenses in carrying out the Act of April 9, 1912, as amended (42 U.S.C., ch. 6), and title V of the Social Security Act, as amended (42 U.S.C., ch. 7, subch. V), including purchase of reports and material for the publications of the Children's Bureau and of reprints for distribution, $2,300,000: *Provided,* That no part of any appropriation contained in this title shall be used to promulgate or carry out any instructions, order, or regulation relating to the care of obstetrical cases which discriminate between persons licensed under State law to practice obstetrics: *Provided further,* That the foregoing proviso shall not be so construed as to prevent any patient from having the services of any practitioner of her own choice, paid for out of this fund, so long as State laws are complied with: *Provided further,* That any State plan which provides standards for professional obstetrical services in accordance with the laws of the State shall be approved.

Grants to States for Maternal and Child Welfare

For grants to States for maternal and child-health services, services for crippled children, and child-welfare services as authorized in title V, parts 1, 2, and 3, of the Social Security Act, as amended (42 U.S.C., ch. 7, subch. V), $46,500,000, of which $16,000,000 shall be available for services for crippled children, $17,500,000 for maternal and child-health services, and $13,000,000 for child-welfare services: *Provided,* That any allotment to a State pursuant to section 502(b) or 512(b) of such Act shall not be included in computing for the purposes of subsections (a) and (b) of sections 504 and 514 of such Act an amount expended or estimated to be expended by the State: *Provided further,* That $1,000,000 of the amount available under section 502(b) of such Act shall be used only for special projects for mentally retarded children.

Salaries and Expenses, White House Conference on Children and Youth

For necessary expenses for a 1960 White House Conference on Children and Youth, $200,000: *Provided,* That a conference director may be appointed by the Secretary, without regard to civil service laws and the Classification Act of 1949, as amended, at a salary not to exceed $16,500 per annum.

Salaries and Expenses, Office of the Commissioner

For expenses necessary for the Office of the Commissioner of Social Security, $337,000, together with not to exceed $276,000 to be transferred from the Federal old-age and survivors insurance trust fund.

Grants to States, next succeeding fiscal year: For making, after May 31 of the current fiscal year, payments to States under titles I, IV, V, X, and XIV, and section 705 of title VII, respectively, of the Social Security Act, as amended, for the first quarter of the next succeeding fiscal year, such sums as may be necessary, the obligations incurred and the expenditures made thereunder for payments under each of such titles to be charged to the appropriation therefor for that fiscal year.

In the administration of titles I, IV, V, X, and XIV, respectively, of the Social Security Act, as amended, payments to a State under any of such titles for any quarter in the period beginning April 1 of the prior year, and ending June 30 of the current year, may be made with respect to a State plan approved under such title prior to or during such period, but no such payment shall be made with respect to any plan for any quarter prior to the quarter in which such plan was submitted for approval.

Office of the Secretary

Salary and Expenses

For expenses necessary for the Office of the Secretary, $2,061,000, together with not to exceed $302,500 to be transferred from the Federal old-age and survivors insurance trust fund.

Salaries and Expenses, Office of Field Administration

For expenses necessary for the Office of Field Administration, $2,735,000, together with not to exceed $926,000 to be transferred from the Federal old-age and survivors insurance trust fund.

Salaries and Expenses, Office of the General Counsel

For expenses necessary for the Office of the General Counsel, $589,700, together with not to exceed $27,000 to be transferred from the appropriation "Salaries and expenses, certification and inspection services", and not to exceed $510,200 to be transferred from the Federal old-age and survivors insurance trust fund.

Surplus Property Utilization

For expenses necessary for carrying out the provisions of subsections 203(j), (k), (n), and (o), of the Federal Property and Administrative Services Act of 1949, as amended, relating to disposal of real and personal excess property for educational purposes, civil defense purposes, and protection of public health, $703,000.

White House Conference on Aging

For necessary expenses in carrying out the provisions of the White House Conference on Aging Act, $452,000.

General provisions

SEC. 202. Appropriations under this title available for salaries and expenses shall be available for payment in advance for dues or fees for library membership in organizations whose publications are available to members only or to members at a price lower than to the general public and for payment in advance for publications available only upon that basis or available at a reduced price on prepublication orders.

SEC. 203. Appropriations under this title available for salaries and expenses shall be available for uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131).

SEC. 204. None of the funds appropriated by this title to the Social Security Administration for grants-in-aid of State agencies to cover, in whole or in part, the cost of operation of said agencies, including the salaries and expenses of officers and employees of said agencies, shall be withheld from the said agencies of any States which have established by legislative enactment and have in operation a merit system and classification and compensation plan covering the selection, tenure in office, and compensation of their employees, because of any disapproval of their personnel or the manner of their selection by the agencies of the said States, or the rates of pay of said officers or employees.

SEC. 205. The Secretary is authorized to make such transfers of motor vehicles, between bureaus and offices, without transfer of funds, as may be required in carrying out the operations of the Department.

SEC. 206. None of the funds provided herein shall be used to pay any recipient of a grant for the conduct of a research project an amount for indirect expenses in connection with such project in excess of 15 per centum of the direct costs.

SEC. 207. Hereafter any appropriation available for the pay and allowances of commissioned officers of the Public Health Service may be utilized for the payment of claims as authorized by the Act of September 2, 1957 (71 Stat. 575).

SEC. 208. Any obligational authority for planning or construction of any building made available to the Department of Health, Education, and Welfare, which otherwise expires for obligation on June 30, 1959, shall remain available until June 30, 1960.

This Act may be cited as the "Department of Health, Education, and Welfare Appropriation Act, 1960".

TITLE III—NATIONAL LABOR RELATIONS BOARD

Salaries and expenses

For expenses necessary for the National Labor Relations Board to carry out the functions vested in it by the Labor-Management Relations Act, 1947 (29 U.S.C. 141–167), and other laws, including rental of temporary space in the District of Columbia, and uniforms, or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131), $14,230,000: *Provided,* That no part of this appropriation shall be available to organize or assist in organizing agricultural laborers or used in connection with investigations, hearings, directives, or orders concerning bargaining units composed of agricultural laborers as referred to in section 2(3) of the Act of July 5, 1935 (29 U.S.C. 152), and as amended by the Labor-Management Relations Act, 1947, and as defined in section 3(f) of the Act of June 25, 1938 (29 U.S.C. 203), and including in said definition employees engaged in the maintenance and operation of ditches, canals, reservoirs, and waterways when maintained or operated on a mutual, nonprofit basis and at least 95 per centum of the water stored or supplied thereby is used for farming purposes.

TITLE IV—NATIONAL MEDIATION BOARD

Salaries and expenses

For expenses necessary for carrying out the provisions of the Railway Labor Act, as amended (45 U.S.C. 151–188), including stenographic reporting services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); temporary employment of referees under section 3 of the Railway Labor Act, as amended, at rates not in excess of $75 per diem; and emergency boards appointed by the President pursuant to section 10 of said Act (45 U.S.C. 160); $1,357,000: *Provided,* That the unexpended balances of appropriations for the fiscal years 1958 and

1959 for "Salaries and expenses", "Arbitration and emergency boards", and "Salaries and expenses, National Railroad Adjustment Board", shall be merged and accounted for in one account.

TITLE V—RAILROAD RETIREMENT BOARD

Limitation on salaries and expenses

For expenses necessary for the Railroad Retirement Board, including uniforms or allowances therefor, as authorized by the Act of September 1, 1954 (68 Stat. 1114), $9,460,000, to be derived from the railroad retirement account.

TITLE VI—FEDERAL MEDIATION AND CONCILIATION SERVICE

Salaries and expenses

For expenses necessary for the Service to carry out the functions vested in it by the Labor-Management Relations Act, 1947 (29 U.S.C. 171–180, 182), including expenses of the Labor-Management Panel as provided in section 205 of said Act; expenses of boards of inquiry appointed by the President pursuant to section 206 of said Act; temporary employment of arbitrators, conciliators, and mediators on labor relations at rates not in excess of $75 per diem; and Government-listed telephones in private residences and private apartments for official use in cities where mediators are officially stationed, but no Federal Mediation and Conciliation Service office is maintained; $3,905,400.

TITLE VII—INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN

Contribution to Interstate Commission on the Potomac River Basin

To enable the Secretary of the Treasury to pay in advance to the Interstate Commission on the Potomac River Basin the Federal contribution toward the expenses of the Commission during the current fiscal year in the administration of its business in the conservancy district established pursuant to the Act of July 11, 1940 (54 Stat. 748), $5,000.

TITLE VIII—UNITED STATES SOLDIERS' HOME

Limitation on operation and maintenance and capital outlay

For maintenance and operation of the United States Soldiers' Home, to be paid from the Soldiers' Home permanent fund, $10,948,000, of which $5,587,000 shall remain available until expended, for construction of buildings and facilities, including plans and specifications: *Provided,* That this appropriation shall not be available for the payment of hospitalization of members of the Home in United States Army hospitals at rates in excess of those prescribed by the Secretary of the Army, upon the recommendation of the Board of Commissioners of the Home and the Surgeon General of the Army.

TITLE IX—GENERAL PROVISIONS

SEC. 901. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 902. Appropriations contained in this Act, available for salaries and expenses, shall be available for services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

This Act may be cited as the "Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1960".

Mr. FOGARTY (interrupting reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open for amendment at any point and open to points of order at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The CHAIRMAN. Are there any points of order? [After a pause.] Are there any amendments to the bill?

Mr. JOHANSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time primarily to direct some questions to the chairman of the subcommittee, the gentleman from Rhode Island [Mr. FOGARTY], if I may.

I wish to ask first of all, Mr. Chairman, as to whether there are any appropriations in this bill for the purpose of financing the pupil testing program for which a contract was made in February of this year by the Office of Education with the University of Pittsburgh or the American Institute for Research.

Mr. FOGARTY. I may say to the gentleman from Michigan that there is no prohibition in the bill preventing funds being used for that purpose.

Mr. JOHANSEN. I think the gentleman misunderstood me. I used the word "appropriation" not "prohibition."

Mr. FOGARTY. There are appropriations under the Defense Educational Act that I believe can legally be used for those purposes. I may say to the gentleman from Michigan that I read the newspaper article that appeared referring to the statement the gentleman made. Doctor Derthick was appearing before our committee at the time, and I think I asked Dr. Flemming about this. They said at that time that program that was being carried on was somewhat different than that suggested by the newspaper article.

Mr. JOHANSEN. Do I understand that the answer of the gentleman is that there are no funds in this appropriation bill for the purpose of financing that particular testing program?

Mr. FOGARTY. Not for financing that particular project, no.

Mr. JOHANSEN. Can the gentleman say as to when the funds were appropriated which will be used for that purpose?

Mr. FOGARTY. The funds were appropriated in the supplemental appropriation bill. They were also appropriated the day before we adjourned last August under the Defense Educational Act.

Mr. JOHANSEN. Does the gentleman anticipate there will be additional funds required to be appropriated to finance this pupil testing program?

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I yield to the gentleman from Iowa.

Mr. GROSS. Let us see if I can get this straight, if I may ask the gentleman from Rhode Island a question. Do I understand that funds are available to the American Institute of Research to carry on a testing program?

Mr. FOGARTY. Testing was authorized under the original Defense Education Act that was passed by the Congress last year.

Mr. GROSS. Then there are funds available for this contract with the American Institute of Research?

Mr. FOGARTY. Yes. We appropriated funds last August and we again appropriated funds in the supplemental bill that was passed about a month ago and is now before the Senate.

Mr. GROSS. Can the gentleman tell me, is this another of Dr. Flanagan's famous cost-plus 6 percent contract?

Mr. FOGARTY. I could not tell the gentleman about that.

Mr. GROSS. Does the gentleman know the kind of contract that has been entered into to carry on this testing program?

Mr. FOGARTY. I am just trying to recollect. I think the gentleman and I got into a colloquy when the supplemental bill was considered in reference to this particular program.

Mr. GROSS. Well, at that time I was advised there were no funds in the supplemental bill for that purpose.

Mr. FOGARTY. That is right. And, there are no funds in this bill for that specific purpose.

Mr. GROSS. But there are funds available.

Mr. FOGARTY. For counseling and testing, yes.

Mr. GROSS. Counseling and testing?

Mr. FOGARTY. Yes.

Mr. GROSS. The gentleman is not saying that they have not entered into another one of these 6 percent cost-plus contracts?

Mr. FOGARTY. No. There is nothing in here for specific contracts.

Mr. JOHANSEN. May I ask the gentleman if there are funds in this appropriation bill for the payment of costs of contracts under the cooperative research legislation as distinguished from the National Defense Education Act?

Mr. FOGARTY. Yes.

Mr. JOHANSEN. Is there any reason why those funds may not be applied to the contract with the University of Pittsburgh or the Dr. Flanagan outfit?

Mr. FOGARTY. There is nothing in the bill that would prohibit the Commissioner of Education from using these funds for those purposes if it is otherwise legal.

Mr. JOHANSEN. I thank the gentleman. It seems to me that that would indicate that there are funds in this bill which, once made available to the Office of Education, can then be used for this massive pupil testing program under the research legislation previously enacted by the Congress. And, I want to say that Dr. Flanagan, who is the head of this particular program, has in testimony before the Manpower Utilization Subcommittee acknowledged that he has consistently and repeatedly sought out and is on the prowl for every kind of a program that he can sell to the Federal Government and make a good cost-plus commission on. And, we have on record testimony of what he is doing.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. GROSS. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan [Mr. JOHANSEN] may proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I yield.

Mr. GROSS. Do I understand it is contemplated under one or more of these programs to set up regional testing outfits over the country?

Mr. JOHANSEN. Well, I am glad the gentleman raised the question. I would be interested to know whether anyone on the Committee on Appropriations can answer as to that. I have seen public statements from responsible sources attributing to the Commissioner of Education the design and purpose to have five regional Federal educational offices set up within the United States. And, I wonder if the distinguished gentleman from Rhode Island [Mr. FOGARTY] or any member of the committee, can state whether he has any knowledge of the proposal, even of the most tentative sort, to set up five regional offices of education.

Mr. FOGARTY. They have already, I think, representatives in the regional offices of the Health, Education, and Welfare agencies.

Mr. JOHANSEN. Does the gentleman have any knowledge of any purpose or intent to expand the staffs or give additional prestige or standing to the offices and the so-called representatives of the Office of Education in these regional offices?

Mr. FOGARTY. There will be some extension under this budget for next year.

Mr. JOHANSEN. I thank the gentleman.

I would just like to offer the comment on the basis of the statements made here and on the basis of what has been reported that we are enjoying the opportunity of witnessing the prenatal development and growth of a vast new bureaucracy as the result of our excursion into the field of Federal aid to education and into the field of inevitable Federal control of education which must result.

With respect to the matter which I mentioned earlier, I should like to put this House and this committee on notice that I intend to do everything in my power to determine the extent to which moneys are going into the organizations with which Dr. Flanagan is associated for the purposes, particularly of pupil testing, involving some 1,400 high schools in this country; a program that has already been stated would cost the Federal Government at least a million dollars and a program which involves the bootlegging in a Federal pupil testing program of the kind that no one presumed to bring up here under the National Defense Education Act.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. MOULDER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. MOULDER. Mr. Chairman, of our natural resources, water has become the number one concern of the Nation. In more and more areas the steadily increasing demands for water are exceeding the readily available supplies. Recently during 1 year more than 1,000 cities experienced domestic water shortages; many industries are finding it difficult to secure suitable water to maintain production. With our expanding economy, water shortages are spreading further and becoming more severe. The Nation's water supply, however, is constant. To meet the present and future demands, more and more repeated reuse of water will be necessary. This can only be accomplished by treatment of sewage and industrial wastes prior to discharge into our waters. This can only be made possible through adequate sewage and waste treatment.

Because the national interest is involved, a responsibility commensurate with that interest rests with the Federal Government for solving the Nation's water shortage. Congress has seen fit to discharge this responsibility through State action but by offering support to the States and their instrumentalities in the form of research, technical assistance, and financial assistance for both administration and construction of treatment facilities. That this arrangement has been successful is not questionable.

During the first 2¾ years of the grant program, Federal aid for construction went to 1,403 projects costing $118.9 million of Federal money and $509.7 million of State and local funds. This indicates a considerable increase in construction over the years prior to the grants program. This represents a clean-up or more than 14,000 miles of streams and restoring the water quality for a multitude of water uses.

It has been estimated that an expenditure of $575 million annually for the next 10 years will be required to eliminate the huge backlog of municipal construction needs and provide for plant obsolescence and population growth. Since initiation of the Grant program, the annual average of $222 million for construction of municipal treatment facilities—1952–1956—rose to $370 million—1957–1958.

While this record shows a good beginning nothing must be permitted to hinder an increase in the annual average. The situation is critical and must be met with the best weapon affordable to Congress, an adequate appropriation. This is not the time to compromise the national health and welfare. An appropriattion of only $20 million would not do that. While $45 million as provided in this bill is not sufficient to do the job required it is enough to hold the line for the coming fiscal year.

Mr. Chairman, the construction grants program, and this particular appropriation, have been strongly endorsed by the Honorable James T. Blair, Governor of Missouri. It is supported by the State water pollution board and by the other State and private organizations concerned with the conservation and wise use of water resources of Missouri.

We have crystal clear running streams, beautiful lakes and wonderful fishing in my district of Missouri. We also have some polluted streams and we are working to clean them up.

Mr. EDMONDSON. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I asked for this time primarily to direct a question or two to the member of the subcommittee who I understand is most familiar with the Indian health aspects of this bill. I would like to begin by stating that I deeply appreciate, as a Representative of a district with many Indians, the increases that are provided for Indian health in this bill.

We had before our Subcommittee on Indian Affairs this morning the evidence that the very latest figures show that the infant mortality rate among Indians is still double the non-Indian rate, and the death rate from tuberculosis is between three and four times as high as the non-Indian rate. So I think this is a recognition of a problem on the part of this committee which is deeply appreciated.

There is some language in the report which applies to the question of the treatment of Indians who do not live on reservations. This has aroused some concern on my part. The gentleman, I am sure, is aware of the fact that there are many Indians in this country who live on land that is considered trust land or restricted land, but not reservation land. This land is tax exempt. The local communities and the States are unable to tax this land, although it is not classified as reservation land within the general meaning of that term. Yet, many of these people living on hill land or barren land are without any resources for medical care and unable to obtain it locally.

It is my hope that there is no intention, by the language in the report, to exclude Indians in that category from treatment in Indian hospitals.

Can the gentleman reassure me on that point?

Mr. MARSHALL. Mr. Chairman, I would like to say to the gentleman that that language was written in the report because of some personal observation that I made in connection with the treatment of Indians in some States. We feel very definitely, and I am sure it was the intent of the Congress when health matters were transferred to the public health people, that the public health people within the States accept their responsibility for the care of Indians. The gentleman mentioned lands that are tax exempt. The gentleman may be surprised to know that there are many Indians who are living on taxable land who are discriminated against in some States. And it is that phase of the matter that this committee was attempting to get at, because we think that an American Indian, a citizen, pays taxes and works in employment off the reservation on land which is taxable, that he is as any citizen of that State and ought to be a responsibility of the State. We think, particularly in the control of tuberculosis, that this has been one of the sources of infection of tuberculosis in certain States. It is a matter that must be corrected, and that is what our language was directed toward doing.

It is not a situation that exists in all States, and I cannot say whether or not it exists in the gentleman's State, because I am under the impression that it does not. But it is a condition which exists in some States.

Mr. EDMONDSON. In the State of Oklahoma, the gentleman, I am sure, is aware of the fact that practically all reservation land has been allotted individually to Indians. Those Indians, who comprise a very large segment of our population, can obtain hospital care where they elect to obtain the hospital care without discrimination on that point. But we do have Indian hospitals to take care of them. I wanted to be sure that the language of the report was not directing that they could not use this Indian hospital service unless they were on reservations.

Mr. MARSHALL. I want to say to the gentleman that I have not heard one complaint from anyone about the manner in which the State of Oklahoma has carried out its responsibilities in the treatment of Indians in that State.

Mr. EDMONDSON. I share the feeling of the gentleman.

Mr. MARSHALL. So I am sure that as far as our committee is concerned, from what the gentleman is saying, the situation we are attempting to correct does not exist in Oklahoma.

Mr. EDMONDSON. What the gentleman is attempting to do is stop discriminatory practices against the Indians but not to exclude any Indians from the Public Service hospitals for treatment. Is that correct?

Mr. MARSHALL. There may be a few little ramifications there about which there might be a question, but what the gentleman is saying is substantially correct.

Mr. EDMONDSON. I thank the gentleman, and commend the committee for a very fine bill.

Mr. JOHANSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHANSEN: On page 19, after line 20, insert "*Provided, however*, That none of the funds herein appropriated shall be used to finance pupil testing programs directly authorized and financed by the U.S. Office of Education."

Mr. JOHANSEN. Mr. Chairman, under the appropriations called for in this bill there are funds for so-called cooperative research and survey programs of the Office of Education. It is under the guise of this authority and under the guise of legislation authorizing the Office of Education to institute such research and survey programs that a contract has been entered into between the Office of Education and the University of Pittsburgh and the research organization headed by Dr. Flanagan.

Under this program, as I pointed out earlier, it is proposed to have federally sponsored and federally conducted pupil testing programs to cover one-half million American high school students in 1,400 high schools throughout the United States.

The purpose of this amendment is to prohibit the use of any funds appropriated in this bill under the guise of cooperative research or cooperative educational survey projects of the Office of Education for this purpose.

Under the National Defense Education Act adopted by this Congress last year it was spelled out that any program for the use of Federal funds for pupil testing would be through the normal and proper channels of State-authorized programs, State-approved programs for which Federal funds would then be assigned.

Under the guise of this cooperative research organization, as I said before, the Office of Education has set up a direct form of pupil testing on a massive scale. It was done without the authority of Congress and without the opportunity of debating whether we want to enter this new field of educational activity, a field that relates directly to the control of curriculum, the control of the pupils and of the educational processes of our country.

I should like to point out that a very distinguished educator, Dr. Frederick Raubinger, the New Jersey Commissioner of Education, himself for many years a high school principal, announced that this plan was to be introduced by the Office of Education. He announced it at the meeting of the American Association of School Administrators at Atlantic City a few days before it was revealed by the Office of Education. In a speech before that association on February 15 he positively and strongly condemned this new venture of the Federal Government and Federal finances into the field of education and into the direct control of the educational processes.

It is the purpose of this amendment to prevent the use of such funds and to put a stop to a program which, by the acknowledgment of Dr. Flanagan, had been promoted by him and his outfit for years. The statement was even made in one instance that this particular group of psychologists and educators had dreamed for years of this program, and only the Soviet sputnik made it possible to fulfill that dream.

I hope this amendment will be adopted.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all debate on this amendment, and all amendments thereto, close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Chairman, when this controversy broke out in the newspapers last February, we asked the Secretary of Health, Education, and Welfare, Mr. Flemming, about it, and we checked with Dr. Derthick, Commissioner of Education. He said this was a cooperative project and that some of the things which appeared in the paper were not quite as they appeared.

Mr. Chairman, this amendment is a limitation but for all practical purposes it consitutes legislation on an appropriation bill. When the Congress passed the defense education act, it was written into the bill that counseling and testing would be part of that legislation. The overwhelming majority of educators we have heard from are fully in favor of this particular part of the program.

Mr. Chairman, I ask for a vote on the amendment and I hope that it is voted down.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the Committee do now rise and report the bill to the House with the recommendation that the enacting clause be stricken out.

Mr. HOFFMAN of Michigan. Mr. Chairman, I wanted to offer a motion to prohibit the use of any of the money appropriated by this bill to put on the curriculum of any State-supported university a course to teach sport fishing and hunting, but apparently I did not get around to it in time.

May I ask the Chairman a question.

I learned that, in Michigan, at least, two of our State-supported institutions have courses on fishing and hunting—not commercial, but sport fishing and hunting. Is there anything in this bill that would support that kind of a course?

Mr. FOGARTY. There is nothing in the bill for courses on fishing and hunting.

Mr. HOFFMAN of Michigan. Is there anything that would prevent the State from using the money obtained from this bill for that type of teaching, because that is just what they are doing, I am told.

Mr. FOGARTY. Well, I would hope the States would not use it for that purpose.

Mr. HOFFMAN of Michigan. Well, are you against education for the purpose of teaching young people to enjoy themselves by fishing and hunting?

Mr. FOGARTY. No, but I do not think the Federal Government has a responsibility to support that type of course. Of course, if the State of Michigan is spending some money in training people how to fish and hunt, I am sure the gentleman from Michigan, who is one of the greatest in that field, would be in favor of that.

Mr. HOFFMAN of Michigan. I might want a professorship if that is the case, for herring are in recent years striking artificial lures, which is a new activity for the herring, and someone may want to have a Federal tax-supported agency inquire how and why the herring have changed their ways of life by accepting artificial lures at the end of a fisherman's line as a substitute for food and whether it promotes the number and weight of the fish.

Mr. FOGARTY. If you think a letter of recommendation from me would do any good, I would be glad to write it for you.

Mr. HOFFMAN of Michigan. I think if you were sincere about it as I know you would be if you wrote such a letter, and told them so, it would be of a great deal of benefit and be helpful at least toward the spending program—very, very helpful because, when Michigan is so far behind the lighthouse that they either will have to misuse the veterans

fund in order to meet the current payroll or the payroll that is coming up, or postpone payment, I think it is about time that we get out from under Soapy and Mr. Reuther and their policies so that we can meet our honest obligations and permit industry to go ahead.

I cannot see why, when there are so many things that people need and must have, we spend so much for nonessentials. For example, I would object, I guess, if they taught methods of commercial fishing because that is a private industry and they ought to be able to get along themselves if we give protections against Reuther, his goons, and Hoffa's extortionists. But the absurdity of it, when we need to know more about how to earn money which will enable us to live better and in accordance with our former standards, and then wasting so much on nonessentials.

It is about time we cut out some of the things that the universities are spending money to teach until we can pay as we go. Why should they teach my great grandson how to trap a rabbit or how to dig out skunks when about the first thing he should learn is how to support himself and the wife and, I hope, the children who will be born to his wife and to him?

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Michigan [Mr. HOFFMAN].

The motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. JOHANSEN].

The amendment was rejected.

Mr. PRICE. Mr. Chairman, I move to strike out the requisite number of words.

I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. PRICE. Mr. Chairman, the Public Works Committee recently held hearings on H.R. 3610, a bill by the gentleman from Minnesota, my own bill, H.R. 246, and similar bills to enlarge the sewage-treatment construction grants program and otherwise speed up the water pollution control work. H.R. 3610 has subsequently been reported favorably.

During those public hearings, millions of American citizens, through their group leaders testifying there, gave an overwhelming nod to stepped-up continuation of pollution control in public waters.

They came from all walks of life. They represented every type of water use. There were hunters, fishermen, garden clubbers, business women, home makers, industrialists, farmers, municipal and State governments, represented in the "aye" votes represented there.

These people, through their organizations, are keenly aware of the importance of water in their daily lives; of the vital need to keep our streams free of pollution to meet the needs of an exploding population and an American industry and economy which depend on water for continued expansion.

The opposition voiced to H.R. 3610 was in noticeable minority.

Ten years ago it was believed our population would reach 170 million by 1975. Instead we passed the 170 million mark 2 years ago. In 1957 the census bureau revised its estimates and predicted a population of 220 million by 1975. Last November the estimates were again revised upward to predict a population of 272.5 million by 1980—an increase of 100 million in the next 21 years.

While population growth and the well known concentration of people in metropolitan areas have had a fierce impact on water pollution, industrial growth has been equally spectacular and its pollutional consequences even more crucial. As a result our water resources are being subjected to ever-increasing amounts of sewage and industrial pollution.

At the same time many more millions of Americans are becoming dependent on the same pollution-ridden waters as sources of public supply. Industry is seeking still more billions of gallons of usable water. Agriculture's demands for irrigation are mounting incredibly. Many more millions of people are demanding and needing public waters for recreation.

Clearly such voluminous needs for clean waters for so many purposes are deserving of national concern. They transcend the local or single-purpose approach to solving the problems involved. Positive and well-planned Federal leadership is indicated, and this we have in the progress made these past 2½ years under Public Law 660, to give strength to local, State, and interstate efforts to roll back pollution—today's greatest waster of our most important natural resource.

Many of us felt 2 years ago that $100 million per year for the next 10 years was needed to catch up with the backlog of pollution control needs nationwide. With the reduction of that figure to $50 million and then to $45 million in 1957 and 1958, the construction of waste treatment works barely kept pace with new pollution added through population and industrial growth.

To reduce the program at this time by cutting appropriations or by transferring to the States the very capable leadership of Federal Government would be a setback which the country cannot afford. Just as we begin to see the beneficial workings envisioned 2 years ago under Public Law 660, shall we change horses in midstream?

The very least we can do is hold steady to the course and hope that the gains will be as great in 1960 as they have been these past 2½ years. I, therefore, strongly urge that we consider nothing less than the $45 million appropriation—equal to that of last year—for the Federal share in municipal-pollution control.

The CHAIRMAN. Are there any further amendments?

Mr. FOGARTY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House, with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 6769, making appropriations for the Departments of Labor and Health, Education, and Welfare and related agencies for the fiscal year ending June 30, 1960, and for other purposes, directed him to report the same back to the House with the recommendation that the bill do pass.

Mr. FOGARTY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the appropriation bill just passed.

The SPEAKER. Is there objection?

There was no objection.

Mr. FOGARTY. I ask unanimous consent, Mr. Speaker, to revise and extend my remarks made on the bill just passed, and to include extraneous matter.

The SPEAKER. Is there objection?

There was no objection.

Mr. LAIRD. Mr. Speaker, I also ask unanimous consent to revise and extend the remarks I made in the Committee of the Whole and to include extraneous matter.

The SPEAKER. Is there objection?

There was no objection.

HON. CARLTON H. MYERS (H. DOC. NO. 123)

The SPEAKER laid before the House the following communication:

APRIL 28, 1959.

The Honorable the SPEAKER,
House of Representatives.

SIR: The Clerk has received a communication from the Honorable Carlton H. Myers, candidate for the office of Representative in Congress from the 22d Congressional District of the State of Illinois at the election held on November 4, 1958, complaining about the conduct of the said election.

The copy of this complaint, which was filed personally by the candidate in the Clerk's office today, is being transmitted for consideration by the appropriate committee, since there is no record of the receipt of the original of this communication by the Clerk.

Respectfully yours,

RALPH R. ROBERTS,
Clerk, U.S. House of Representatives.

The SPEAKER. Referred to the Committee on House Administration and ordered printed.

LEGISLATIVE PROGRAM FOR THE BALANCE OF THE WEEK AND NEXT WEEK

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, I do this to ascertain the program for the balance of the week and next week.

Mr. McCORMACK. There is no further program for the balance of this week.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, at this time I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection?

There was no objection.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. McCORMACK. Mr. Speaker, as far as next week is concerned, Monday is Consent Calendar day. Also there are two suspensions, H.R. 6319, a bill relating to the control of veterans' estates, and H.R. 4821, a bill relating to the Disaster Relief Act Authority for Texas City.

For the rest of the week I have no program to announce, except that Friday will be the 75th birthday anniversary of former President Harry S. Truman.

There is nothing for the rest of the week unless some rules come out of the Rules Committee. In the event of a rule being reported out on the Housing Act, if we could get a Republican vote over there, I would program that for next week.

Mr. BYRNES of Wisconsin. The majority control of the Rules Committee is on the Democrat side.

Mr. McCORMACK. Yes. Seven hundred and fifty percent of the Democratic members of the Rules Committee are right, and a thousand percent of the members on the Republican side are wrong.

Then if a rule comes out on the TVA self-financing bill I will program that for next week.

I understand the Committee on Rules will probably meet on Monday, Tuesday at the latest. I might say that the Committee on Rules has been very responsive and cooperative outside of the housing bill, and on that bill I am hoping there will be the cooperation that will enable it to come up on the floor of the House so that Members may debate it and offer amendments under an open rule. After the Rules Committee acts I will announce any change in the program for next week as quickly as I can, to keep the Members advised.

The usual reservation is made to make changes in the program and, of course, conference reports will be in order at any time.

Mr. BYRNES of Wisconsin. I gather from what the gentleman says that outside of the specific bills he mentioned there will be no action on Monday or Tuesday.

Mr. McCORMACK. There is one other bill pending before the Rules Committee that may come out. They conducted hearings today on the TVA self-financing bill. Of course, we met at 11 o'clock and they had to adjourn.

Mr. BYRNES of Wisconsin. The point I make is that it could not come up before Wednesday, even if reported on Tuesday.

Mr. McCORMACK. Should it be reported out on Tuesday I would not call it up until Wednesday because under the rule to call it up before would require a two-thirds vote.

I may say that on Tuesday there are primaries in Indiana and Maryland, and if any rollcall should be requested on Monday or Tuesday—and, of course, there is nothing for Tuesday—if any should be called for, agreement has been made that the rollcall would go over until Wednesday.

If it is agreeable to the gentleman from Wisconsin, I will ask unanimous consent now that in the event of any rollcall on Monday or Tuesday further consideration of such bill upon which a rollcall might be asked be postponed until Wednesday of next week.

Mr. GROSS. Mr. Speaker, reserving the right to object, what is going on on Monday to require that there be no rollcall that day, should one be demanded? The Kentucky Derby will be over, will it not?

Mr. McCORMACK. The Kentucky Derby was not in my mind. There are primaries in Indiana.

Mr. GROSS. On Tuesday?

Mr. McCORMACK. Yes. I imagine that if there were primaries in Massachusetts and I had friends who were candidates I would want to be there the day before, and I am sure the gentleman would should such be the case in Iowa.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

POSTAL WAGE SCALES, WORKING CONDITIONS, AND PERSONNEL PRACTICES

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, day by day, more people and more business concerns are utilizing services of the U.S. Post Office Department. With increasing burdens, the Department is required to make adjustments in its operating procedures.

Unfortunately, because it is a Government agency that must conform to the rules and regulations established by Congress, authorized changes to meet new and compelling conditions are slow in coming. The law's delay in revising wage scales, working conditions, and personnel practices, places the Department under a serious handicap in expediting the mails.

The excellent reputation of the Department obscures the fact that it too must make adjustments, similar to private enterprise, in order to do its job efficiently. For this, it must look to Congress for amendments to the laws governing the hours of employment and the rates of pay for its personnel.

There are pressure periods during the year when a postal worker is required to do additional work involving greater responsibilities, but there is no discretion under the present laws to compensate him accordingly. This is a demoralizing factor that inhibits the Department in the effective employment of personnel to cope with emergencies.

Heretofore, an employee could be assigned to a position of higher responsibility for a period of 30 days before he would become eligible to receive the higher salary commensurate with his new duties. This waiting period was a convenient device that led to exploitation of the worker involved. His ability could be utilized at a higher level for a period just under 30 days, without entitling him to the added compensation he had earned.

I believe that this is manifestly unfair. If a man is called upon to help out the Department by performing services of greater scope and value than those described in his regular job assignment, he should be paid accordingly.

I, therefore, propose that we should amend the Postal Field Service Compensation Act of 1955 to eliminate certain restrictions on the receipt by postal field service employees of the compensation of higher salary levels in connection with temporary assignments thereto.

In my bill, I specifically stress the following quote:

> Each employee who at any time has received basic salary under authority of the immediately preceding sentence (39 U.S.C. 964 b, as amended) shall be paid, immediately upon his reassignment to duties and responsibilities of such higher salary level, a basic salary computed in accordance with the provisions of section 502(a), notwithstanding the 30-day requirement contained in the immediately preceding sentence and notwithstanding any other provision of law.

RESEARCH ON KILLING AND CRIPPLING DISEASES

Mrs. GRANAHAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a letter.

The SPEAKER. Is there objection to the request of the gentlewoman from Pennsylvania?

There was no objection.

Mrs. GRANAHAN. Mr. Speaker, I am proud and happy to join in and support

the recommendations of the Committee on Appropriations for substantially increased research by the National Institutes of Health of the U.S. Public Health Service into the crippling and killing diseases which afflict mankind.

The chairman of the subcommittee handling this appropriation bill, Representative Fogarty of Rhode Island, has again demonstrated broad vision and deep humanitarianism in leading the fight for more adequate appropriations for the Institutes. He and all of the members of the subcommittee deserve the thanks of all of the American people.

I am delighted at the recommendations of the subcommittee and of the full Committee on Appropriations to go far beyond the starvation level of appropriations recommended by President Eisenhower in his budget for the coming year for these vital research activities intended to find the key to the ills which cause such suffering among mankind. I just cannot conceive of a desire to pinch pennies on research which could give us the key to the conquest of such diseases as cancer, or heart disease, or arthritis, or mental health, blindness and the other disabling or fatal illnesses which confront us and take such a heavy toll each year.

CYSTIC FIBROSIS RESEARCH

While endorsing and supporting all of the items in this bill for substantially expanded medical research and completely convinced that the additional $131 million recommended for the Public Health Service over and above the Budget recommendations will be the best outlay our Government could possibly make, I want to devote my brief remarks today primarily to a mystery disease which we hope to see conquered as a result of research authorized under this bill.

I am referring to cystic fibrosis, which strikes at—and strikes down—children in a baffling and tragic pattern. Last year, under the leadership of Mr. FOGARTY and his subcommittee, we in the House were able to make possible a belated but effective start on research into cystic fibrosis as part of the arthritis and metabolic disease activities of the National Institutes of Health. This was a great forward step. The money which was appropriated a year ago is doing good—we know that from the reports of the Institutes officials.

PRESIDENT'S BUDGET INADEQUATE

This year, the President's budget merely calls for a continuation of that work at the same level of $750,000 a year. But as the Fogarty subcommittee pointed out, this is not enough if we are to take advantage of the research opportunities which are opening up.

Out of the additional $6,500,000 provided for in this bill for arthritis and metabolic disease activities over and above the $31,215,000 suggested in the President's budget, the committee report looks for further expansion of research in all of the diseases included in this group, so that more than the $750,000 provided last year will be available for cystic fibrosis.

I know it is the concensus of the House of Representatives that cystic fibrosis receive a fair share of the increased funds.

PHILADELPHIA ORGANIZATION VERY ACTIVE

In Philadelphia, we have a very active organization engaged in publicizing and fighting cystic fibrosis, and I have been impressed at the zeal and dedication of the members of this group. They have completely sold me on the need for more and more research in seeking the causes and solution of this child-killing disease. I am, as I said, proud today to have a part in assuring more Federal funds for this vital research.

Mr. Chairman, I made it a point earlier this year to inquire of the Surgeon General about the status of current research as a prelude to my vote on this legislation today, and I sincerely believe the information I received from Dr. Paul Q. Peterson of the National Institute of Allergy and Infectious Diseases in reply to my inquiry to the Surgeon General will be of broad general interest to all of the Members of the House interested in this problem.

FACTS ON CYSTIC FIBROSIS

For that reason, I include as part of my remarks the letter from Dr. Peterson and a cystic fibrosis fact sheet which he sent me. This material outlines the facts available on cystic fibrosis—the second most common post mortem diagnosis in children's hospitals in the United States, Canada, Great Britain and Australia. Its victims who survive infancy seldom live to adulthood. The average age at death is 4. It is a frightening thing for many, many families and a disease which must be conquered. Dr. Peterson's letter tells what the National Institutes of Health program is doing in this field. This material follows:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
PUBLIC HEALTH SERVICE,
Bethesda, Md., March 16, 1959.

Hon. KATHRYN E. GRANAHAN,
House of Representatives,
Washington, D.C.

DEAR MRS. GRANAHAN: Your communication of February 26 addressed to the Surgeon General has been referred to this Institute, a center for information on National Institutes of Health cystic fibrosis programs.

I wish that we could report some new finding that offered immediate benefit to cystic fibrosis children; but medicine is able at present only to fight a holding action against this disease. A growing realization of the need for progress has led to increased support by Congress for additional research. A national conference, attended by leading investigators in this country and abroad, was held in January of this year to discuss the cystic fibrosis problem and research objectives. A scientific report on this conference is expected to be published in the future.

Meanwhile, of course, many investigations are under way seeking both to improve treatment and to find the basic cause of the condition and a means of prevention or cure.

Here at the National Institutes of Health our scientists are carrying out a long-term investigation of cystic fibrosis on study patients admitted to the Clinical Center. As you know, children with this disease have a marked susceptibility to pulmonary infection, particularly with staphylococcal organisms. Because of the critical importance of infections in these patients, the major effort in this project is directed toward investigation of factors responsible for increased susceptibility to infection. This involves studying the effects of extended antibiotic therapy and other management procedures on the progression of pulmonary complications of the disease, how antibiotics alter the bacterial flora of the respiratory tract, and whether prophylactic antibiotic therapy is of value. Approximately $60,000 a year is presently being spent on this project.

The National Institutes of Health also supports 23 research projects on cystic fibrosis in nongovernmental institutions amounting to $324,241. A list of these grants is enclosed.

As you know, $750,000 was made available in the 1959 appropriation by Congress for the direct support of cystic fibrosis research. The research projects referred to above do not therefore present a complete picture of developments in this field. As a result of recent council action and anticipated awards which will be made on applications presently under review, an additional number of new grants on cystic fibrosis will be made by the end of the year.

In addition to the above mentioned research, the National Institutes of Health is supporting a considerable number of studies in areas which do not relate to a specific disease but which are potentially important in advancing basic knowledge of many diseases, including cystic fibrosis. This is especially true of research involving such disciplines as genetics, physiology, and immunology.

Congress has also provided increased funds to support research on staphylococcal infections, which present a particular threat to hospitals. This work has direct implications for cystic fibrosis, inasmuch as staphylococci are responsible for many of the infections which afflict CF patients.

We are enclosing a fact sheet which provides general background information on cystic fibrosis.

If we may be of further service to you, please let us know.

Sincerely,

PAUL Q. PETERSON, M.D.,
Acting Director, National Institute of Allergy and Infectious Diseases.

CYSTIC FIBROSIS FACT SHEET

(Prepared by the Information Office, National Institute of Allergy and Infectious Diseases to provide general background information on cystic fibrosis)

Just 20 years ago cystic fibrosis was unrecognized as a separate disease. Today it is being identified with increasing frequency. Of about 4 million babies born yearly in the United States, several thousand have this condition. It is estimated that in every 800 to 1,200 live births one infant is afflicted. Cystic fibrosis is the second most common post mortem diagnosis in children's hospitals in the United States, Canada, Great Britain, and Australia.

It is called a disease of childhood only because its victims in the past seldom lived to adulthood. Most died within a few months. The cause of death often was recorded as pneumonia, one of the respiratory infections common in this disease. One of childhood's greatest enemies, it is more common than juvenile diabetes, paralytic poliomyelitis in children, or rheumatic fever.

The average age at death of cystic fibrosis patients was estimated in 1956 by Dr. Schwachman, of Children's Hospital, Boston, to be 4 years. At present, about a dozen young people known to have the disease are

attending college, and recently a 31-year-old patient was found to have "CF," as it is commonly known to its investigators.

WHAT IS CYSTIC FIBROSIS?

Cystic fibrosis apparently is an inborn error in the functioning of the exocrine gland system. These are the glands which discharge their secretions through body tubes or ducts. The disease has been called exocrinosis. Mucus, tear, salivary and sweat glands may be involved. The precise nature of this error is not understood but the gross effects can be observed. Mucus glands fail to produce a thin, clear fluid; instead, they form an abnormal, thick, and sticky mucus which may interfere with breathing, digestion, or both. Mucoviscidosis is another name for cystic fibrosis.

Cystic fibrosis is worldwide in its occurrence, though Negroes seldom have it and it has not been found in orientals thus far.

It is equally common in boys and girls.

The disease, once established, is not preventable and cannot be outgrown. It is not contagious, although the victim is particularly susceptible to certain contagious diseases.

Inheritance of the disease is believed to be due to a recessive gene which must occur in both parents. It is estimated from genetic studies that the carrier state, or recessive gene, is present in 1 in 16 people in the population. The majority of the carriers show no evidence of the disease although 25 percent of the parents of children with cystic fibrosis have abnormal elevations of sodium and chloride in their sweat, and a relatively higher incidence of bronchitis.

Neither the birth order of the child nor the age of the mother seems to be significant. In different families only 1 in 10 or several of 10 children may be afflicted. Where cystic fibrosis has appeared in the children, there is approximately one chance in four that a next child will have the disorder.

WHAT ARE THE SYMPTOMS?

The major symptoms, almost always apparent during the first several months, result from mucus interference with lungs or pancreas or both. Excessive sweating, especially around the head, is common. Varying degrees of severity of the disease lead to great variation in symptoms.

Respiratory irritation: The thick mucus may lodge in the windpipe causing fits of coughing. It may plug up passages in the lungs. Some of the air sacs become overdistended, others may collapse. After a time, the child may contract bronchitis along with a hacking cough. His lungs are damaged and in compensation he will begin breathing rapidly and hard. To the observer the child's chest will become distorted and enlarged. If he does not now contract pneumonia or some other grave infection of the lungs, he may die of heart strain.

Pancreatic involvement: The pancreas, one of the very important endocrine factories of the body, can be affected. Its ducts become clogged and since it is charged with a very important function, that of producing enzymes for the digestion of food, the child becomes ravenous in his hunger. He may triple his intake with little effect. Most of it will pass undigested from his body as enormous and fatty stools. He is literally in danger of starving.

Combined difficulties may produce coughing, loss of sleep, poor nutrition, and repeated bouts with infection. The patient with severe symptoms may be pale with dark circles under the eyes, clubbed fingers, blue lips, and may have a chronic cough.

Symptoms may resemble other diseases, such as celiac disease, which also results in abnormal bowel movements, failure to gain weight, and abdominal distension.

Less severe or atypical cases of cystic fibrosis may be particularly difficult to diagnose.

TESTS FOR CYSTIC FIBROSIS

Two tests currently considered most reliable are duodenal intubation, by which normal or abnormal secretion of certain pancreatic enzymes is checked, and a sweat-salt test.

In duodenal intubation a small tube is passed through the child's nose to the stomach and small intestine. The position of the tube can be observed on a fluoroscopic screen. Food and liquids are withheld prior to the test to obtain a sample of digestive juices. These may show deficiencies suggestive of cystic fibrosis. This procedure is time-consuming and often difficult to perform.

The sweat test helps establish a presumptive diagnosis more quickly and without regard to meals. One method is based on the amount of salt in sweat collected while the child is in a plastic suit. Another test employs a sheet of gelatin-like agar, laced with silver nitrate and potassium chromate. The heavily salt-laden perspiration on the cystic fibrosis child's hand or foot will instantly etch a sharp print on the treated agar sheet.

Stool analyses, X-rays of lungs and intestines, and glucose tolerance are among other tests.

TREATMENT

Treatment is generally expensive and may include prolonged use of antibiotics; inhalation therapy with vaporizing equipment; special diet; large amounts of vitamins; and replacement of absent digestive enzymes with pancreatic preparations. Extra salt may be supplied to counterbalance the high rate of loss during perspiration. A small percentage of cystic fibrosis children are born with especially thick mucus obstructions of the intestines, and require surgery.

In their constant but not always successful fight to ward off or cure infections in susceptible CF children, doctors generally use a variety of drugs. However, antibiotics used continually may lose effectiveness; some children do not tolerate them; and certain strains of microbes, notably the staphylococci, become drug-resistant. New antimicrobial agents are needed constantly

Diets given cystic fibrosis patents generally are high in protein and low in fat but do not differ greatly from the usual diet recommended for good nutrition.

Cystic fibrosis children must be given special care to avoid even common infections. One simple example is that gamma globulin may be indicated for some cystic fibrosis children who have been exposed to measles.

THE OUTLOOK

Today, with early diagnosis and good care, many cystic fibrosis children should reach adolescence or beyond. Unless research finds a preventive, we may have 50,000 to 100,000 young people with cystic fibrosis in our population within the next 25 years. Some will be of child-bearing age. Since the disease is inheritable, they increase the chance that it will be more prevalent in coming generations. Thus, the effort to control this disease, and eventually to understand and prevent it, is now engaging research and treatment centers throughout the Nation.

Scientists of the Public Health Service's National Institutes of Health, at Bethesda, Md., are carrying out long-term investigations on study patients admitted to the Public Health Service Clinical Center.

The National Institute of Allergy and Infectious Diseases, for example, has undertaken research designed primarily to determine the role of bacterial infection in this disorder. In cooperative studies, the National Institute of Arthritis and Metabolic Diseases is investigating the basic physiologic mechanisms. It is also planned that the perinatal study groups of the National Institute of Neurological Diseases and Blindness will collaborate in determining the incidence of cystic fibrosis and in evaluating diagnostic procedures. Others of the seven Institutes comprising Public Health Service's National Institutes of Health are also participating in cooperative research on this affliction. Many of these studies are supported by grants from the Institutes, as researchers in universities and medical centers throughout the country are conducting studies in areas related to this disease—in disciplines such as genetics, physiology and immunology, where the real answer is just as likely to originate as in those areas specifically oriented toward the problem itself.

Furthermore, a private voluntary agency, the National Cystic Fibrosis Research Foundation, 2300 Westmoreland Street, Philadelphia, Pa., has been organized to support research and public education on this disease.

While it is possible to present this general outline of the problem, the family doctor is in the best position to answer questions related to a specific case.

National Institutes of Health research projects relating to cystic fibrosis of the pancreas (Active as of January 6, 1959; paid from fiscal year 1959 funds)

SUMMARY

Institute	Number Projects	Total fiscal year 1959 funds	Institute	Number Projects	Total fiscal year 1959 funds
National Institute of Arthritis and Metabolic Diseases	13	$189,894	National Institute of Allergy and Infectious Diseases	7	[2] $77,897
National Institute of Neurological Diseases and Blindness	1	12,075	Division of General Medical Sciences	1	30,000
National Cancer Institute		[1]	Grand total	23	324,241
National Institute of Dental Research	1	14,375			

[1] National Cancer Institute supports no projects on cystic fibrosis per se. Several investigators are involved in research which may have implications in this area, however. For example, C–1975 and C–2143, "Histochemical approach to the investigations of diseases of children."

[2] National Institute of Allergy and Infectious Diseases has transferred $28,000 of fiscal year 1959 funds to the Children's Bureau, Department of Health, Education, and Welfare, for studies on cystic fibrosis as a national health problem. This increases the total of National Institute of Allergy and Infectious Diseases' support of cystic fibrosis research to $105,897.

NIH research projects relating to cystic fibrosis of the pancreas

LIST OF INDIVIDUAL INVESTIGATIONS

Investigator	Grant No.	Amount	Institution	Short title
NATIONAL INSTITUTE OF ARTHRITIS AND METABOLIC DISEASES (13 grants, $189,894)				
Spencer, S., et al	A-1982	$8,629	University College of South Wales and Monmouthshire, Cardiff, Great Britain.	Metabolism of sulphated mucopolysaccharides.
Walser, M	A-2306	11,638	Johns Hopkins School of Medicine, Baltimore	Chronic alterations in extracellular fluid composition.
Platt, D	A-2318	11,434	University of Pittsburgh	Studies of protein-polysaccharide interactions.
Powers, S. R., Jr	A-2381	7,624	Albany Medical College of Union University, Albany, N.Y.	Metabolic alterations in acute pancreatitis.
Kwart, H	A-2426	11,580	University of Delaware	Polar interaction of proteins and polysaccharides.
White, T. T	A-2472	19,975	University of Washington	Studies of pancreatic function.
O'Brien, D	A-2484	7,247	University of Colorado Medical Center, Denver, Colo	Cell water and ionic changes in hyperelectrolytemia.
Howard, J	A-2723	35,955	Hahnemann Medical College	Studies of pancreatitis and its treatment.
Mulholland, J	A-2785	11,743	New York University	Changes in thoracic duct chyle in surgical patients and in dogs effected by the pancreas.
Zak, F. G	A-2849	12,218	Mt. Sinai Hospital, New York, N.Y	Fibrosis influenced by changes of internal environment.
diSant'Agnese, P. A	A-2856	35,421	Columbia University, New York, N.Y	Investigations of cystic fibrosis of the pancreas.
Davidson, E. A	A-2903	11,433	Duke University School of Medicine, Durham, N.C	Biosynthesis of mucopolysaccharides and their components.
McIntosh, R	A-2946	4,997	Columbia University, New York, N.Y	Research conference on cystic fibrosis of the pancreas.
NATIONAL INSTITUTE OF NEUROLOGICAL DISEASES AND BLINDNESS (1 grant, $12,075)				
Erickson, O	B-1055	12,075	Stanford University	Lacrimal protein; paper electrophoresis. (Biophysical studies of abnormal electrophoretic patterns of lacrimal proteins from a variety of diseases including glaucoma, arthritis, leukemia, stress, arteriosclerosis, allergy, and pancreatic cystic fibrosis.)
NATIONAL INSTITUTE OF DENTAL RESEARCH (1 grant, $14,375)				
Henry, J	D-302	14,375	Howard University	Hereditary defects in an intermarried clan. (Genetic and biochemical factors of salivary gland secretions in pancreatic cystic fibrosis.)
NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES (7 grants, $77,897 [1])				
Huang, N	E-1105	[2]	St. Christopher's Hospital for Children, Philadelphia, Pa.	Immunologic responses of infants and children. (Antibody response of children with chronic diseases to bacterial and viral antigens.)
Cook, C	E-1170	9,966	Harvard University	Studies on respiratory physiology in infancy and childhood. (Bacteriologic and biophysical studies of pulmonary involvement in a variety of lung diseases including pancreatic cystic fibrosis, asthma, bronchiolitis, tuberculosis, and pneumonia.)
Shwachman, H	E-1560	15,000	Children's Medical Center, Boston, Mass	Pancreatic cystic fibrosis and pulmonary infection. (Bacteriologic and biochemical studies on the role of staphylococci in the production of abnormal mucoproteins.)
Hoeprich, P	E-1792	5,750	University of Utah	Antibiotic prophylaxis in patients with white blood cell dyscrasias. (Bacteriologic studies and evaluation of prophylactic use of antibiotics in hematologic disorders; significance of infections in nephrosis pancreatic fibrosis and hepatic cirrhosis.)
Yow, E. M	E-2394	11,833	Baylor University	Acute infections complicating preexisting disease.
Shapiro, J. L	E-2536	20,537	Vanderbilt University	Relation of virus infection to fibrocystic disease.
Curnen, E. C	E-2626	9,815	University of North Carolina	Studies on cystic fibrosis of the pancreas.
McIntosh, R	E-2641	4,996	Columbia University	Research conference on cystic fibrosis of the pancreas.
DIVISION OF GENERAL MEDICAL SCIENCES (1 grant, $30,000)				
Powers, S	RG-2926	30,000	Union University, Albany, N.Y	Trypsinogen activation and its role in pancreatitis. (Biochemical and pathologic features associated with the onset of pancreatic necrosis following anastomosis between the pancreatic and common bile ducts; the effect of alcohol on pancreatic secretion.)

[1] Plus $28,000 to the Children's Bureau.

[2] $5,491 paid out of fiscal year 1958 funds; project period dates extended to August 1959.

ANNOUNCEMENT OF HEARINGS ON RADIOACTIVE EFFECTS OF NUCLEAR WEAPON TESTING

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, announcing hearings of the Special Subcommittee on Radiation, and to include therein an outline of the hearings and certain extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, in recent months considerable attention has been focused throughout the Nation and the world on the problem of radioactive fallout from nuclear weapons tests. Public concern of possible dangers of fallout has risen sharply during the past year as a result of new disclosures on fallout patterns and data.

There has been a good deal of confusion over interpretation of this new data. Many discussions on fallout have been highly emotional in nature and have produced more heat than light.

For this reason, among others, the Special Subcommittee on Radiation of the Joint Committee on Atomic Energy is planning to hold public hearings May 5 through 8 to receive expert testimony on this problem. A major aim of the hearing will be to bring the joint committee and the Congress up to date on developments since the comprehensive hearings on fallout which were held by the subcommittee back in 1957.

In addition to updating the 1957 hearings the subcommittee will discuss new problems such as local "hot spot" areas

which have occurred in various parts of the country, together with the question of nonuniformity of stratospheric fallout and evidence of direct intake of fallout to leaves and animals and humans.

We have scheduled a group of expert witnesses who will provide the facts and present opinions in areas where we do not have the facts. We have tried to get witnesses who represent varied points of view, both on technical parts of the problem and organizational matters, so that the overall presentation will be well balanced.

Mr. Speaker, I would like to insert in the RECORD at this point a statement I made April 26 regarding these hearings, together with a functional outline of the hearings and a schedule of witnesses who will appear. I believe this material will be useful and informative to all those who are interested in this important problem which bears directly on vital issues of our national policy.

The statement and other material follows:

NEWS RELEASE FROM THE OFFICE OF THE JOINT COMMITTEE ON ATOMIC ENERGY

Representative CHET HOLIFIELD, chairman of the Special Subcommittee on Radiation of the Joint Committee on Atomic Energy, today made public plans for hearings on the radioactive fallout problem and Government plans to cope with it.

Attached to the news release are a functional outline of the scope of the hearings scheduled for May 5-8 and extracts from the summary-analysis of the 1957 subcommittee hearings.

In connection with the hearings, Representative HOLIFIELD said:

"We have planned the hearings on fallout for several reasons. First, it has been 2 years since the special subcommittee made its first study of fallout and its effects on man, and it is time that that study is brought up to date.

"Second, and possibly most important, public concern over possible dangers of radioactivity has risen sharply in recent months with disclosures of new fallout patterns and data, and the causes of this concern merit our special attention.

"The recent revisions relaxing the standards of maximum permissible accumulation of strontium 90, issued by the National Committee on Radiation Protection and Measurements, will also be considered. We will want to see whether these revisions are consistent or contradictory with fallout standards issued by the International Committee on Radiation Protection.

"Finally, the recently publicized issue of what agency should be responsible for radiation regulations is directly related to fallout and requires our study.

"In all phases of our inquiry, it is my intention to develop information and considered judgments rather than mere opinions. I think the subcommittee's primary function is to get this information into the record.

"Our study 2 years ago left us with many unanswered question, as our summary-analysis of the hearings indicated. We must try to find out if the answers are any closer.

"In line with our policy of getting all the information available on the fallout problem, we have tried to the greatest extent possible to seek witnesses representative of all points of view—both as to technical phases of the problem and organizational matters.

"In order that the public may understand this technical problem, we have asked witnesses to express themselves as much as possible in laymen's terms. The subcommittee intends to do its best to seek in clear language the answers to the questions that appear to be bothering the public.

"The attached outline emphasizes that in addition to updating the 1957 hearings, new and emerging data and problems will be covered. This includes the problem of local 'hot spot' areas such as those affecting wheat in Minnesota, the question of non-uniformity of stratospheric fallout, and evidence of direct intake of fallout from leaves to animals and humans.

"Testimony will also be heard on the effects, from a fallout standpoint, of alternative types of testing, including underwater, underground, atmospheric, and stratospheric testing.

"As the outline indicates, the subcommittee will study the effects of fallout from nuclear testing. At a later date, probably the week of June 1, the subcommittee will hold hearings on the hypothetical fallout implications of an all-out nuclear war."

SCOPE AND PURPOSE OF FALLOUT HEARINGS

(FUNCTIONAL OUTLINE)

GENERAL

The purpose of the new hearings will differ from that of the 1957 hearings. The new hearings will not attempt to cover the broad background information covered in 1957. Rather, the emphasis will be twofold:

(1) To update the 1957 hearings by covering the important developments concerning the distribution and uptake of fallout and concerning the biological effects of radiation, with particular reference to the "key points" and "major unresolved questions" set forth in the Joint Committee's Summary-Analysis of the Committee's 1957 hearings (pages 2, 3 and 4—copy attached).

(2) To dig more deeply and more clearly into specific topical points of interest and relevance to current fallout problems, and scientific and policy questions. Thus, for example, the current problem of "hot spot" areas, the role of direct uptake of fallout from leaf surfaces, and the problem of carbon 14, should be considered.

The emphasis this time, therefore, will be to cover and communicate a much fewer number of points more effectively. All this does not mean that no one will have to stop and define "curie" again, but this sort of thing will be a natural part of the discussion on topical points rather than a point in itself. (A glossary of terms is being prepared.)

SUBJECT MATTER

I. Basic distinctions and their importance in a discussion of the fallout situation.

(a) Local versus worldwide fallout—difficulty of precise distinction, contrast in types of problems involved and in programs and administration to cope with each type.

(b) Monitoring-surveillance versus research—a distinction in goals or purpose rather than in actual activity; problems of public understanding caused by confusing the two.

(c) Population versus individual risk; and controlled versus uncontrolled risk—the relationship of the type of risk to the type of protection standard applicable and to the type of policy decision being considered.

(d) Variability of fallout distribution (on the ground)—global, regional, and local. Relationships to different types of models.

II. How have worldwide fallout levels and their distribution changed since 1957? Consider levels in the atmosphere, and biosphere, up to and including human body burdens or external exposure. Consider new topics such as C^{14}. Compare Sr^{90} and Cs^{137}.

III. What are the developments since 1957 in our understanding of basic worldwide fallout mechanisms? What are the main sources of uncertainty and how can these be attacked and how are they being attacked?

IV. What types of forecasts of future worldwide fallout levels can be made and what types are useful? What is the basis of such forecasting? What are the forecasts?

V. What are the developments since 1957 in our understanding of the biological effects of radiation? Discuss genetic and pathologic effects. Emphasize statistical nature of findings.

VI. What is a rational basis for estimating and forecasting the hazard to man of worldwide radioactive fallout? How can such estimates be used? How should they relate to Government decision and policy problems?

VII. What is the basic nature and purpose of existing radiation protection standards? What is their applicability to the worldwide fallout situation? How do and should they relate to Government decision and policy problems?

VIII. As an example of the workings of the complex relationships involving scientific data, radiation protection standards, hazard evaluation, and policy, discuss the problem of so-called hot spots, how they arise, how they are discovered, what they imply scientifically, and what can and should be done about such problems.

IX. How is and how should the Government be organized to deal with the general problem of environmental contamination from worldwide radioactive fallout? At what levels in Government, or by what agencies, are and should policy, budget, and research—program decisions be made? How are potentially hazardous situations dealt with? How are problems of public understanding handled? What about the relationships between AEC and PHS, FDA, DOD, OCDM, ICRP, NCRP, and the U.N. Committee, etc.? What about relationships with State and local governments and with private groups?

X. How are data collected and reported in the worldwide fallout program? What is the present and future scope and direction of the research and monitoring—surveillance programs in the Government?

EXTRACT FROM SUMMARY ANALYSIS OF 1957 HEARINGS ON "THE NATURE OF RADIOACTIVE FALLOUT AND ITS EFFECTS ON MAN"

SUMMARY OF KEY POINTS

Some general observations may be made on the results of the hearings:

1. Origin of fallout: It was pointed out that all nuclear explosions can be expected to produce some radioactive materials. However, certain kinds of explosions produce very much less radioactivity than others. Although there is no such thing as an absolutely "clean" weapon (that is, there is no such thing as a nuclear weapon detonation completely free of accompanying radioactivity), the amount of the radioactivity produced can be substantially altered in relation to the size of the explosion.

2. Distribution of fallout: There was substantial, but far from complete, agreement on what happens to radioactive debris produced in man's environment, how much is there now, how and where it is distributed, and how much is in man himself. There was considerable evidence presented to indicate that in no part of the atmosphere is fallout uniformly distributed and that, therefore, the effects of fallout on the world's population could not necessarily be expected to be uniform.

3. Biological effects of radiation: There was general agreement that any amount of radiation, no matter how small the dose, increases the rate of genetic mutation (change) in a population. There was, on the other hand, a difference of opinion as to whether a very small dose of radiation would produce, similarly, an increased incidence of such somatic (nongenetic) conditions as leukemia or bone cancer, or a decrease in life expectancy, in a population.

4. Tolerance limits: There was general agreement that there is a limit to the amount of radioactivity and, hence, to the amount of fission products that man can tolerate in his environment. The extent to which existing and future generations will be affected by manmade radiation was shown to be intimately tied to certain decisions, moral as well as scientific, that must be made as to how much radiation can be tolerated by the peoples of the world.

5. Effects of past tests: It was clearly shown that man's exposure to fallout radiation including strontium 90 is and will be in general small, for the testing already done, compared with his exposure to other, "normal background" sources of radiation (a fraction of 1 to 10 percent), and even compared with variations in "normal background" sources. But it was not agreed on how this information should be interpreted.

6. Effects of future tests: There were differences of opinion on how to forecast the consequences of further testing. The differences hardest to reconcile appear to be those concerning the biological effects of radiation. Pending a resolution of differences, it would appear from the information presented that the consequences of further testing over the next several generations at the level of testing of the past 5 years[2] could constitute a hazard to the world's population. It is very difficult, if not impossible, to forecast with any real precision the number of people that would be affected.

7. Effects of nuclear war: The catastrophic nature of the radiation effects from a multiweapon (atomic and hydrogen bombs) attack on the United States were clearly portrayed. This, of course, could be applied to any nation.

These points will be discussed in more detail.

MAJOR UNRESOLVED QUESTIONS

A number of unresolved questions emerged from the hearings. Among the chief of these are:

1. How "clean" can nuclear weapons actually be made? The solution to this question lies in the future of weapons development.

2. To what degree is the distribution of radioactive fallout uniform or irregular throughout the world? Vigorously conducted sampling programs will help to answer this question.

3. To what extent do the biological processes of plants, animals, and human beings—under normal conditions—exhibit a preference for or "discriminate" against strontium 90 and other potentially hazardous isotopes that are taken up into the human body? Sampling and metabolic studies underway will develop a better answer to this question.

4. Is there a safe minimum level of radiation or threshold below which there is no increase in the incidence of such somatic (nongenetic) conditions as leukemia or bone cancer, or no decrease in life expectancy, in a population, resulting from radiation? The answer to this question appears difficult to find experimentally.

5. What is the genetic doubling dose of radiation to man? That is, what dose of radiation will cause the spontaneous genetic mutation (change) rate to double?

6. Should a distinction be made between absolute numbers of persons affected by fallout and percentages relating these numbers to the total population of the world, i.e., can we accept deleterious effects on a relatively small percentage of the world's population when the number of individuals affected might run into the hundreds of thousands? This question cannot be answered by considering scientific data only. Overall national policy and great moral issues are also involved.

These questions will be discussed in greater detail.

NEED FOR FURTHER RESEARCH

There was strong agreement among the witnesses that even greater efforts and even larger budgetary outlays, both private and governmental, are required for our research program in the sciences related to fallout. There was testimony advocating sharp increases in budget, with emphasis in specialized fields. There was also testimony for more gradual long-term increases with emphasis on stability and continuity. But most witnesses appeared to feel that some increase is necessary if we are to accomplish our objectives of understanding the nature of radioactive fallout and its effects on man at an earlier date.

JOINT COMMITTEE ON ATOMIC ENERGY, SPECIAL SUBCOMMITTEE ON RADIATION—PUBLIC HEARINGS ON FALLOUT FROM NUCLEAR WEAPONS TESTS (MAY 5–8, 1959)

SCHEDULE

Tuesday, May 5

Morning session, 10 a.m.

Opening remarks by Chairman HOLIFIELD (10 minutes).

I. Introduction:

A. General review of development since 1957 hearings (75 minutes):

1. General introduction covering distinctions between local, tropospheric and stratospheric fallout; distinctions as to mechanisms of uptake; somatic and genetic effects; permissible doses; and predictions as to future effects of fallout from continued testing.

2. Discussion of current "hot spot" area problem, showing how explanation of problem involves consideration of several alternative hypotheses which will be taken up in greater detail in the course of the hearings.

Presentation by Dr. C. L. Dunham, Chief, Biology and Medicine Division, AEC.

B. Comment by Public Health Service (45 minutes): Dr. Francis J. Weber, Chief, Division of Radiological Health, Public Health Service.

Afternoon session, 2 p.m.

II. Summary of new data on atmospheric fallout: (Gummed film, rainpots, soil, air, etc.).

A. Presentations:

1. Mr. Joshua Holland, Division of Biology and Medicine, AEC (20 minutes).

2. Dr. Frank Shelton, technical director, Armed Forces special weapons project (20 minutes).

III. Global fallout: Mechanisms for determining: Statements to update theories and models of fallout patterns, uniformity vs. nonuniformity, banding, etc.

A. Presentations:

1. Dr. Lester Machta, U.S. Weather Bureau (40 minutes).

2. Dr. E. A. Martell, Cambridge Research Center, U.S. Air Force (20 minutes).

3. Dr. W. F. Libby, Atomic Energy Commission (20 minutes).

4. Dr. Frank Shelton, technical director, Armed Forces special weapons project (10 minutes).

Wednesday, May 6

Morning session, 10 a.m.

B. Roundtable on global fallout (1 hour).

Participants: Dr. Wright Langham, Dr. Lester Machta, Dr. E. A. Martell, Dr. Willard F. Libby, Mr. Merril Eisenbud, Mr. Hal Hollister, Mr. Joshua Holland, and Dr. Frank Shelton.

IV. Summary of new data on uptake in milk, food, human bone (1 hour).

A. Dr. Wright Langham, Los Alamos Scientific Laboratory.

B. Dr. Conrad Straub, Taft Sanitary Engineering Center, Public Health Service, Cincinnati.

Wednesday, May 6

Afternoon session, 2 p.m.

V. Fallout mechanisms, uptake.

A. Soils, plants, and foliar deposition: Dr. Robert Reitemeier, AEC and Agricultural Research Service, Beltsville, Md. (30 minutes).

B. Animals, persons, discrimination, etc.: Dr. C. L. Comar, Cornell University (30 minutes).

C. Roundtable on fallout mechanisms and uptake in plants, soils, animals and people.

Participants: Dr. Wright Langham, Dr. William Neuman, Dr. C. L. Comar, Dr. Robert Reitemeier, Dr. Arthur Wolf, and Dr. Harry A. Claypool.

Thursday, May 7

Morning session, 10 a.m.

VI. Developments in radiation biology (2 hours).

A. Somatic effects:

1. Dr. Austin Brues, Argonne National Laboratory.

2. Dr. Lloyd W. Law, National Cancer Institute, Public Health Service.

B. Genetic effects:

1. Dr. James Crow, University of Wisconsin.

2. Dr. W. L. Russell, Oak Ridge National Laboratory.

Thursday, May 7

Afternoon session, 2 p.m.

VII. Discussion of permissible exposure levels (30 minutes):

A. Presentation:

Dr. G. Failla, Columbia University.

Dr. James Crow, University of Wisconsin.

B. Roundtable on permissible exposure levels in relation to weapons testing (30 minutes).

Participants: Dr. G. Failla, Dr. James Crow, Dr. Clinton Powell, Dr. K. Z. Morgan, Dr. Forrest Western, Dr. Jack Schubert, and Dr. Lauriston Taylor.

VIII. Status and implications of testing (30 minutes).

A. Presentations (witness to be selected).

B. Roundtable discussion (30 minutes).

Participants: Dr. William Neuman, Dr. Wright Langham, Dr. Willard F. Libby, Mr. Joshua Holland, Dr. Frank Shelton, Dr. Lester Machta, Mr. Hal Hollister, Mr. Merril Eisenbud, Dr. Walter Selove, and Dr. James Terrill.

CARPETS NOT A LUXURY BUT PERFORM A USEFUL AND NECESSARY SERVICE, ESPECIALLY IN PUBLIC BUILDINGS

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Speaker, the other day a distinguished Member of the other body took issue with an appropriation recently proposed in the other body for the expenditure of $150,000 for carpets in various offices in the New Senate Office Building.

I am not familiar with the problems of this specific building, except that from the newspapers I judge that it is not all that it might be and has not measured up fully to the expectations which Members of the other body had for so expen-

[2] It has been estimated that about 50 metagons equivalent yield of fission products have been put into the atmosphere so far by all countries.

sive a structure, but I do fear that this Member of the other body may have unintentionally created an impression about the function of carpets in general which is not only incorrect but also runs the risk of confusing the minds of those of us who have the responsibility for the operation of Government buildings in general with regard to the highly important and essential services which carpets perform.

I may say, Mr. Speaker, that I speak with some feeling on this subject, since I have the honor to represent a district which includes one of the great carpet manufacturing centers of the United States, the city of Amsterdam, home of the Mohasco Carpet Industries.

In the remarks to which I have just referred, this Member of the other body said, for example, that if the Senate would reject the appropriation of $150,000 for carpeting, he would personally buy rubber heels for every clerk in every senatorial office in the New Senate Office Building, provided members of the other body would supply him with the foot measurements of their employees, men and women alike.

Mr. Speaker, I have strongly supported the so-called distressed areas legislation which recently passed the other body, whose primary purpose it is to ease the impact of unemployment in many areas of our country. It so happens, Mr. Speaker, that the carpet industry is one of those which has been most severely hurt by this unemployment, to some extent as the result of unfair competition from abroad; in fact the great carpet city of Amsterdam, N.Y., in my district, is one of those cities which is suffering from some 18 percent of unemployment and would be eligible today, Mr. Speaker, under the provisions of the bill already passed by the other body for the kind of relief provided under the terms of that legislation. I am sure no Member of Congress in either House would wish to do anything that would negate the help that this bill, which I have myself joined in sponsoring, might provide to the hard hit carpet industry and to the thousands of people who are currently unemployed in Amsterdam because of a declining demand for domestically manufactured carpets, nor would anyone wish, certainly, to add to the unemployment problem which the bill is designed to relieve.

Actually, Mr. Speaker, carpets perform a very useful function not only in providing the necessary silence and dignity in Government office buildings, which I am sure was in the mind of the Architect of the Capitol when he first suggested the addition of carpets in the New Senate Office Building, but they also provide something which all of us should be particularly conscious of in these bright spring days in Washington, namely, rest and relief for the tired visitor from home who is spending his busy day viewing the sights of our capital city.

I know from talking with many of my constituents that one of the season's major ailments is what has been referred to aptly as "museum fatigue," an ailment to which those who visit art galleries, historic shrines, and public buildings here in the city of Washington are particularly prone. Indeed, as the heat gets greater in the coming weeks, I predict that the incidence of this disease will rise sharply.

In all seriousness, Mr. Speaker, the strain of walking and standing on hard floors is something which we legislators cannot ignore. It should be considered along with the reduction in noise and the elimination of the hazard of accidents on smooth and slippery floors when we think of appropriate floor covering.

Not only will carpeting ease the strain of constituents who will be visiting Washington in the months ahead, but it will make their visit to the Capital safer, and with the reduction of noise will also eliminate some of the nervous strain and tension involved in any long sightseeing tour. The Members of the other body, who have been somewhat concerned with the field of nervous tension in recent days, Mr. Speaker, ought to be particularly sensitive to this advantage of carpeting.

I might also point out to those who are interested as I am in economy in Government, that thousands of dollars in cleaning bills alone can be eliminated by the use of carpets and rugs.

I don't believe, Mr. Speaker, that a public building needs to be a cold or forbidding place. I feel indeed that it ought to be a warm and inviting spot, whether it be an office building for the use of the Members of the other body or whether it is a museum or art gallery. Nothing, of course, enhances the livability and warmth of a building or a home more than good carpeting. And we in the Federal Government ought to set an example in this regard and should not move lightly away from a tradition which has been so much a part of American life for so many years, particularly when our actions might well contribute to the very unemployment which we are trying so hard to eliminate.

One thing in particular that disturbs me, Mr. Speaker, is that there has been a tendency on the part of certain officials in Government to regard carpeting as a special luxury, because I am advised that in the executive departments office carpeting is restricted to officeholders in the rarefied atmosphere of GS–15 and above—in other words, to those receiving a minimum salary of $12,770. I think it is time that we rose up here as a body and protested this discrimination against the rank and file hardworking employees of the Government in being excluded from one of the real elements of fine American living by this policy. Indeed, I think it is time that we in the New House Office Building ought to speak out against the discrimination from which we ourselves suffer in comparison with our friends in the Old House Office Building in this regard.

I am advised that the entire Federal Government spends less than $3 million annually on carpeting. At a time when so many Government commissions are being set up to study so many matters of vital interest and concern to the Government, I wonder if it is not time that this body should establish another commission to look into the whole subject of carpeting, the benefits to be gained from its use, and the extent to which an insidious policy may be underway to play down the importance of carpets in American life.

I feel sure that if, as I have suggested, this body will reverse this trend and insist that many of our public buildings in this great city which are tourist attractions are carpeted, then we will not only provide comfort for the thousands and thousands of our constituents who visit Washington every year, but we will also have contributed greatly to the comfort and emotional stability of our dedicated career Government employees.

Mr. Speaker, I am grateful that the other body has seen fit by a vote of 55 to 34, to proceed with the original plans for carpeting in the New Senate Office Building. I hope this action will not only set a new trend here on Capitol Hill with regard to the importance of carpeting, but will also presage a return to this important type of floor covering which will bring added benefits both to our Government and also to the people of the 32d Congressional District of New York.

OBJECTIVES AND OPERATION OF THE DEVELOPMENT LOAN FUND OF THE MUTUAL SECURITY PROGRAM

The SPEAKER. Under previous order of the House, the gentleman from Maine [Mr. COFFIN] is recognized for 75 minutes.

THE DEVELOPMENT LOAN FUND—REPORT TO THE CONGRESSIONAL BOARD OF DIRECTORS

Mr. COFFIN. Mr. Speaker, not much over a year ago a corporate entity which we created—the Development Loan Fund—began its operation. As of March 31, 1959, it had made loan commitments of $697,906,000, out of a lending authority of $698,991,000. It had received loan applications of $2,955,603,000 and had on hand serious proposals under consideration of $1,427,590,000. In short, here is a financial institution carrying on a banking business in 37 countries, of vital importance to this Nation.

Yet, although we have come to use the initials DLF with familiarity, and although we have debated with vigor and some heat whether it should have a supplemental appropriation to carry on its activities until the end of this fiscal year, most of us have proceeded with some ignorance as to the details of its operation. We know that the purpose of the fund is to make loans for sound projects in countries needing intensive economic development, where repayment in dollars may at present be an impossibility. We know that the fund represents a refreshing change from the grant approach and establishes a lender-borrower relationship. We know that its approach is tied to the soundness of a project rather than an arbitrary allotment to a country.

But aside from these basic principles, whether we support or oppose the DLF, our knowledge of its operations is no greater than that of "the Old Lady of Threadneedle Street." Mr. Speaker, the

Development Loan Fund, or the "young lady of I Street," deserves greater attention. She deserves this attention partly because she is our creation, partly because she is a sizable financial institution which merits our critical scrutiny, and partly because her activities are a vital part of free world economic pioneering.

Mr. Speaker, I would like to make a personal, informal, but I hope informative report on the DLF to its Congressional Board of Directors. As background for this report, in addition to participating in the hearings and debate on the fund since its creation in 1957, I have visited its offices for two lengthy conferences with its top loan officials, have studied every loan which has been made, in some instances asking for specific additional data, have inspected some of the files, and have read as many of the reports of operation as I could find. I shall try to report to you as factually as possible what its organization is, how it operates, the kinds of projects it has backed, and what its record has been. Insofar as is possible, I shall try not to duplicate the general type of information presented in the pamphlets and statements available to all Members.

I should say, Mr. Speaker, that the so-called Red Book describing in great detail the operations of the Development Loan Fund is the only book of its kind under the mutual security program that has been declassified.

The Development Loan Fund book is the only one that is available outside the committee room and I am assured that if any Member of the House desires a copy, DLF will be glad to supply it.

1. ITS STAFF AND STRUCTURE

The first impressive fact about the DLF operation is its modest overhead. It is not a top-heavy organization. Its administrative expenses, up to March 31, 1959, were less than one-third of 1 percent of its capital or lending authority—and also less than one-third of 1 percent of its loan commitments. This is a substantially smaller percentage than obtains in either the Export-Import Bank or the International Finance Corporation.

Its staff at present is approximately 65 personnel. Of these, 32 are in the higher professional grades. This is to be compared with a staff of 593 in the World Bank, which is currently loaning at about the same rate as DLF.

The experience and professional background of the staff are impressive. Twenty-seven of the top thirty-two have had prior service in the Government. At least two-thirds of these have had extensive oversea service. Over one-fourth have had prior banking experience. I was impressed by the fact that, while possessing considerable experience, two-thirds of the top staff were in their thirties or forties. They evidence a keen sense of enthusiasm for and dedication to this new venture in oversea economic activity.

The staff occupies several floors of a small building on I Street. I walked through most of the offices. While the Managing Director and several of the top officials have fairly large offices facing on I Street, most of the other employees, including loan officers and lawyers, share office space with several others. Glass partitions are used to provide some privacy. In short, the offices are neither lush nor elegant, but rather crowded and geared to essentials.

The organization of DLF is simple. Apart from the Managing Director and his special assistants, the Secretary's office, and the office of General Counsel, there are two divisions. One, under the Deputy Managing Director for Finance and Development, develops financial policies and special programs such as promoting private investment and local development banks. The bulk of the routine work of DLF is done by the Loan Operations Division, through 10 loan officers, assisted by 2 engineers, and the services of ICA auditors and engineers, as well as outside engineers. Work in the field is done through ICA and Embassy personnel. Each loan officer is in charge of a certain area and occasionally makes on-the-spot visits. This, in an era of giantism in Government, is an example of a small organization doing a big job through the intelligent use of available resources.

The Fund will need to increase its personnel during the coming year up to about a hundred, for the simple reason that it will have reached the stage where it will be facing for the first time the task of administering, followup, and checking on the work being done and on repayments. This kind of postloan work, according to the experience of the World Bank, accounts for about 70 percent of the burden. Even after this increase, the Fund will remain a tiny office when compared with many a motor pool, military commissary, or other governmental grouping. And yet upon its effectiveness will rest a large share of our chances for success abroad in the years ahead.

2. LOAN PROCEDURES

Mr. Speaker, an intelligent appraisal of the Development Loan Fund cannot be made without a detailed understanding of its procedures for screening loan applications, acquiring all relevant information, executing loan agreements, and following up on each project as moneys are disbursed. To secure this background, I spent about 7 hours on 2 days in the DLF offices, studying each step, discussing actual cases, and reviewing the pertinent records.

Origin of the loan application: Applications reach DLF usually in one of two ways. They can be presented directly to the Washington office by a company or country ambassador. Or they can be presented to an ICA mission or embassy abroad. In the past there has been no specialization of function but in the future one person in the ICA Mission or the Embassy will serve as the DLF local representative.

There is, as I shall bring out, a philosophy at DLF against having a large number of forms. This, to me, is a refreshing revolution in bureaucracy. The philosophy is first evident in the absence of a special form for an application. When I asked why no form was used, I received the sensible answer that a form might indicate to the applicant in the underdeveloped country that getting the loan was just a matter of filling out a form.

An important point to note is that the applications are prepared by the prospective borrower—not by our Mission representative. We do not, contrary to the suspicions of some, try to drum up business. What our people in the field do try to do is to encourage a prospective borrower to get sound engineering help in preparing data to support an application.

They also make clear the standards governing consideration of applications. The four basic guidelines are, first, other sources of financing on reasonable terms must be explored and found not available; second, the project must be sound; third, it must be the kind of project which helps develop resources or productive capacity; fourth, it must not be the kind of project that would react adversely on the U.S. economy.

DLF policies, implementing these statutory guidelines, preclude loans to exporters to finance sales abroad, loans to finance imports for resale, working capital loans, and refinancing loans.

Finally, the field officer, if he forwards the application, also sends in a preliminary appraisal of the applicant. If the loan is presented to DLF by the applicant, the field officer is also asked for a preliminary appraisal.

Preliminary screening: One of the most misunderstood steps in the DLF procedures is the preliminary screening that is given all applications and inquiries. A Special Assistant to DLF's Managing Director scrutinizes every inquiry and application, applying such tests as the following:

(a) Is the proposal from or does it involve a project in an underdeveloped friendly nation?

(b) Would it appear to make a contribution to the economic growth of the nation?

(c) Does it tend to earn or save foreign exchange or increase per capita production of essential goods?

(d) What efforts have been made to obtain financing elsewhere?

(e) Adverse effect if any on U.S. economy?

(f) Attitude of the host government and priority?

(g) If in the public sector is financing of local costs available?

(h) If in the private sector is a contribution to capital in an amount approximately equal to the loan sought disclosed?

(i) Refunding, refinancing or working capital loans generally dismissed.

(j) Joint ventures between United States and foreign investors encouraged.

(k) Production of consumers' goods and service industries discouraged.

This screening has resulted in the final rejection of proposals such as those to finance luxury hotels in Jamaica, uncompleted office and apartment buildings in Bolivia, housing schemes in Mexico, a new airline in the United Kingdom, an oil pipeline in France, industrial plants in Sweden and Denmark, or projects in Japan.

From June 1958 to April 1959 some 250 inquiries and applications with a dollar amount of about $900 million were weeded out at this stage. Now the source of great misunderstanding in the Congress is this: when DLF reports that after having made loan commitments of $698 million—March 31, 1959—with backlog proposals under consideration of $1.4 billion, the frequent assumption is that in this backlog are included the "dogs," hare brain ideas, utterly fantastic dream castles. This is not the case. In the last 9 months almost a billion dollars of "chaff" have already been winnowed out from the "wheat". The backlog consists only of proposals which have survived the rigorous preliminary screening.

THE REVIEW PROCESS

First. Further information. After preliminary screening it often happens that not enough information is available to determine whether the application merits serious consideration. The applicant is notified, and the U.S. Operations Mission receives a copy of the letter. If the needed information is not forthcoming, the file is closed. If the information is developed the application starts through its regular processing.

Second. Export-import action: The first regular step in the post-screening process is to send a copy of the application to the Export-Import Bank, ICA, the U.S. operations mission in the area, and the U.S. Embassy if there is no U.S. operations mission in the country. Nothing further is done with the application until the Export-Import Bank states that it is not interested. If, however, the Export-Import Bank expresses an interest, the borrower is notified that the proposal has been turned over to it.

That this step is highly productive is proven by the record. As of mid-February, 49 applications in 28 countries totaling $282 million had been forwarded to the Export-Import Bank, and had not been returned to the Development Loan Fund. In 31 of these instances, nothing further was heard from the prospective borrower, even after DLF notified it that the Export-Import Bank was interested. Nine of the projects were currently under review by the Export-Import Bank. Three loans from the Export-Import Bank had been approved. Two were possibilities for later action. One was sent to the World Bank, one was a case where the Export-Import Bank notified the borrower it had no interest, and two were cases where the borrower failed to follow through.

Third. Loan officer processing: One of the ten loan officers begins his work in earnest after the Export-Import Bank shows no interest in the application. He maintains a steady, but informal, relationship with his opposite number in the World Bank—International Bank for Reconstruction and Development—which is within walking distance.

When an application reaches this stage, which is called category B—active consideration—a loan committee is established for the project. Consisting of an engineer—either one of DLF's two engineers or an ICA engineer assigned to DLF on a reimbursable basis—and a DLF lawyer, under the leadership of the loan officer, this committee stays with the loan until it is repaid.

(a) Acquiring additional information: The committee looks into every phase—technological, economic, financial. Almost always it finds that it has insufficient information. It seeks to acquire this information from the borrower, from the U.S. operations mission in the field, from ICA Washington, from Export-Import Bank personnel, from the World Bank, and from our own departments such as Commerce and Agriculture.

(b) Other sources of financing: The loan officer must also consider other sources of financing. He must probe whether the project could be financed from private sources. He will therefore discuss the application with several U.S. financial institutions. If a borrower has a regular bank, that institution will often be approached. With the creation of a new Office of Private Enterprise in ICA, that office will often be approached. In my own investigation, I made a particular point of inquiring if private banks had been critical of DLF from the point of view of taking opportunities where they could have done the job. I found only one case where a private financial institution initially raised an objection. On further investigation it appeared that the terms of the proposed private loan were these: First, a loan at 10 percent interest; second, a 10 percent equity in the enterprise; and third, repayments in 13 months. The loan officer who is called on to judge whether other financing can be found on reasonable terms can hardly be objectively criticized for going ahead on the loan. Indeed the private corporation which made the offer has since admitted that DLF made a proper judgment in this particular case.

This entire process of surveying the loan proposal may take from a week to a year. The average time is several months. I had the opportunity of reviewing a number of files. The applications vary from sparse documents of a half dozen pages to completely documented projects containing volumes of economic and engineering reports. One of the latter involved a loan application for Malaya, involving a comprehensive port development at North Klang Straits. Here the engineers had done a most meticulous job. In other cases, the engineering must be done at the request of the loan officer. We do not do this engineering. The borrower must do it on his own or with the help of his government. Sometimes a government has a contractual relationship with an engineering firm which is in a position to help loan applicants.

(c) Chronology of a loan: In order to show the extent of explorations made during the active review stage of a loan application, I am inserting at this point the résumé of an actual file, deleting only the name of the country.

DLF PROJECT REVIEW PROCESS—CASE STUDY WATER DEVELOPMENT PROJECT

Pre-1958: Extensive surveying and technical assistance for 4 years on ground water needs by ICA; utilized services of U.S. Geological Survey team.

1957, December 27: Local government prepares preliminary loan project application, sends to DLF in January 1958.

1958, February 12: DLF requests USOM comment on: power sources, power distribution, costs.

February 18, 20, 28, March 19: USOM submits brief justification for assigning highest priority this project; replies February 12 DLF request; promises longer report.

April 23: With further information now submitted by borrower, DLF calls for formal engineering appraisal of application by ICA engineers.

May 9: USOM forwards its long report on project.

May 12: Application amended by applicant from $11.7 to $15.2 million.

May 23: DLF forwards U.S. Geological Survey (USGS) report to the ICA engineers appraising project and asks for early response.

May 27: ICA indicates to DLF cannot approve project as would contribute to production of cotton which is in world surplus.

June 3: DLF cables USOM for further breakdown on application for use in Staff Screening Committee.

June 13: ICA engineers provide DLF with appraisal recommending approval only if suitable engineering plan developed, power supply assured.

June 17: DLF presents project to DLF Board (Loan Committee) for approval, together with analysis of cotton problem, indicating that foodstuffs and miscellaneous items comprise more than 80 percent of present production in area affected and that, in view current world market situation for cotton and demand for additional food grains for domestic consumption, it would be unrealistic to expect any substantial increase in production of cotton; the Board defers action pending USGS technicians report.

July 11: Board hears U.S. Geological Survey technicians report on project; defers action until can be considered together with High Tension Grid project.

August 8: Board approves loan subject to: (1) availability of funds from Congress, (2) consideration of High Tension Grid project.

August 25: Project submitted to National Advisory Council on International Monetary and Financial Problems.

September 8: NAC registers "no objection."

September 10, October 15: Correspondence with local government terminating with issuance of letter of advice.

October 13: DLF requests USOM ask local government nominate consulting engineer.

October 14, 31: DLF transmits to country's Embassy draft "terms of reference" for engineer; transmitted to USOM October 31.

November 21: ICA indicates high priority for water project per DLF request of October 9.

December: Draft loan agreement transmitted to DLF through USOM to local government.

1959: February 18: Loan agreement signed at DLF.

January–February: Director of local government water and power authority arrives and has series of discussions concerning engineering problems, method of obtaining disbursement of DLF funds, terms of reference of engineering consultant, consultant he wants to consider employing, and other aspects of carrying out the project.

Next immediate step—formal DLF approval of engineering consultants; issuance of letter instructing borrower in the detailed actions necessary and procedures to be followed in obtaining disbursement of DLF funds.

(d) Adverse impact on U.S. economy: One of the issues gone into by the Loan Committee is the possible adverse impact

on the economy. Many applications obviously raise no problem. Projects involving food and some manufacturing enterprises raise the question. That the inquiry into this issue is a real one is proven by the record. One project was turned down because it posed the possibility of export of a citrus fruit product to the U.S. market. Another proposal, including development of lead and zinc mining facilities, was modified to exclude the lead and zinc part of the proposal. On the other hand, a shipbuilding facility on Taiwan was approved only after the American Shipbuilders Council gave it a green light. A textile mill in Sudan was approved only after it was ascertained that the product would be sold locally, in a market where U.S. products are not and could not be sold. A Turkish coal mine was approved only after it was found that the product would be used in Turkey which was not an importer of U.S. coal.

I might add that I am as sensitive on this point of possible adverse effect on our economy as anyone in Congress. It was at my initiative that this loan criterion was written into the Mutual Security Act. I come from a textile area which has been hard hit by technological developments, development of mills in the South, and foreign competition. Last fall when I learned about the negotiations for a textile mill loan in the Sudan, I wrote the Secretary of State for details. The answer convinced me that DLF had very thoroughly analyzed the impact of the proposed plant on our economy, and that it was not adverse. I had to agree with the analysis and the conclusion.

After all these explorations are concluded and the needed information accumulated, the loan committee prepares a paper on the project under review.

Fourth. Internal staff review: The paper is then thrown open for discussion at a meeting of top staff people in DLF. The soundness of the project is tested from every viewpoint before the paper is presented to personnel of other agencies.

Fifth. Interagency staff review: The paper is then presented to staff members from ICA, the Export-Import Bank, Treasury, the State Department, and the Deputy Managing Director of the DLF. At this meeting questions on policy are raised and the decision may be changed. While the points of view of the other departments are considered, DLF reserves the right to make the final decision at this level.

After this presentation, the paper is redone for the Board of Directors of the Fund.

Sixth. Board review: The Board consists of the Under Secretary of State for Economic Affairs, Mr. Dillon, the Director of ICA, the Chairman of the Board of the Export-Import Bank, the DLF Managing Director, and the U.S. Executive Director of the World Bank. Each of these individuals must, by the bylaws, come in person. No proxies are recognized. The loan officer makes the presentation.

The Board may change the recommendation, or reject it, approve it, remand it for further analysis or information, or delay its implementation. The Board records its action in a formal resolution, incorporating the basic terms of the loan, if one is approved.

As of recently, the Board had acted on 105 applications. It had approved 78 loans and had either rejected or held in abeyance 27. It can be seen that review at this level, even after intensive loan committee processing, is not perfunctory.

Seventh. Review by National Advisory Council: Even if a loan application has survived all tests thus far, it must still be brought before the National Advisory Council on International Monetary and Financial Problems. This consists of representatives of Treasury, State, the Export-Import Bank, the Federal Reserve, Commerce, and others who may be interested, such as Agriculture, Bureau of the Budget, and Interior. Although this group's opinion is advisory only, such issues as possible adverse impact on our economy are gone into from different points of view.

COMMITTING THE LOAN

After these 11 steps have been taken, assuming favorable action at all levels, the loan commitment is made. It takes the form of a letter of advice to the borrower which performs two functions. It sets forth the basic terms of the loan, including principal amount, purpose, interest terms, terms of repayment of principal, the amount of paid-in capital or local contribution required, and reference to the detailed terms of the forthcoming loan agreement. It also arranges a date for public announcement of the loan.

At this point the amount is recorded as a DLF commitment. When an offer is made the DLF follows the practice of any private bank in considering the funds committed and no longer available for further lending. Not only would it be, from a practical viewpoint, impracticable to consider it otherwise, but this practice is in accord with the procedure of such Federal lending institutions as the Export-Import Bank, the Housing and Home Financy Agency—in its urban renewal and college housing programs—Public Facility Loans, the Public Works Planning Advance Program, and the Federal Housing Administration.

THE LOAN AGREEMENT

As soon as staff capacity allows, the final loan agreement is dispatched to the borrower. At first a period of several months elapsed. The gap is now reduced to several weeks. It is DLF's intention in the near future to have the loan agreement sent along with the letter of advice, which would serve chiefly as a letter of transmittal.

There is no automatic boilerplate loan agreement. But with increasing experience DLF has developed many useful provisions which are now included in most agreements. I have inspected the type of agreement frequently used. As a lawyer I have been impressed by two facts: The completeness of the document, and the lack of reference to external regulations or other documents. Reading the agreement is a far cry from reading a section of the Internal Revenue Code.

The agreement begins with the amount—which allows DLF to use local currencies instead of dollars where they are available—the purpose, and the use of the loan. The terms of repayment are carefully spelled out, including necessary technical provisions as to rate of exchange. These provisions are favorable to the United States in that the rate on invisible transactions such as dividend transfers where such a rate exists, is the rate required on local currency repayment. Another article deals with the mechanics of handling promissory notes, their terms, form, transfer, and so forth. The procedure of advancing funds is covered by provisions for letters of commitment and other forms of disbursement. There are stringent requirements for legal opinions and cutoff dates for performance of such conditions precedent. An important article concerns rules governing procurement, with requirements of reasonable prices, competitive bidding, notice to the ICA office of Small Business, confinement to free world sources, and incorporation of the 50-percent American shipping provision.

The provisions on covenants and remedies of DLF should satisfy any lawyer's scrutiny. Conformity to plans, maintenance of equipment, appropriate marking of supplies and equipment, keeping adequate books with a right to examine, right to inspect the project, notice of adverse developments, control over fees and commissions are the major covenants. The conditions of default and termination are also meticulously itemized, including even the unilateral determination by DLF that the borrower will be unable to perform its obligation or that the loan will not fulfill its purpose. An interesting provision is that in case of default, not only is the principal amount due immediately, but it is then repayable in U.S. dollars.

From this brief review of the loan agreement I think you will agree that it is a lawyerlike document and fully protects the interests of the United States.

3. POSTLOAN PROCEDURES

IMPLEMENTATION LETTER

After the loan agreement has been negotiated to the satisfaction of lender and borrower, the next step is the implementation letter. This tells the borrower specifically what it has to do to begin activity, such as the kinds of records and reports needed, how to open lines of credit, etc. The borrower can choose between obtaining letters of credit for the suppliers to draw against and direct reimbursement by DLF on presentation of vouchers.

Most projects require a resident engineer, whose choice is subject to a veto by DLF. If a project is very complex, a management firm may be required.

AUDITS

Auditing is a controller function and is done by ICA on a reimbursable basis. As funds reach the disbursing stage, the cost of this function will increase.

SURVEILLANCE

The importance attached to adequate followup procedures is evidenced by the

fact that a Deputy Chief for Loan Implementation is in charge of this area. A new approach is being developed, which promises a high degree of systematic efficiency. Rather than conduct checks and studies on end uses of materials, DLF is seeking to build into each loan agreement a system of targets and reports. Not only does this approach force better planning, but it provides to the loan officer a series of progress indicators at a minimum of effort. Supplementing the reports would be trips to the site of the project.

In this area of followup, DLF must pioneer in some procedures, for its task is unique. Its period of concern is much longer than that of ICA in its grants. Indeed, one of the great advantages of the loaning process is that both careful preloan planning and detailed postloan checking are expected and accepted by the borrower. In the case of grants they are often resented.

DLF's postloan obligations are more extensive than those of the Export-Import Bank, which finances exports and has less need for a lengthy surveillance system.

As of March 31, 1959, although DLF had committed all but $844,000 of its capital of $700 million, its actual expenditures were only $32.7 million. The coming year will see a greatly increased rate of disbursement as plans reach final form. The implementation function of DLF will then leave the drawing board and be a most important activity. This is the chief reason for the need of additional personnel for fiscal year 1960.

4. THE RECORD TO DATE

I have attempted to study each of the 78 loans committed as of March 31, 1959. Where the available information raised questions in my mind, I asked them. I would like to review the existing loan record as it appears to me.

TYPES OF PROJECTS

The great majority of the loans can be divided into categories which on their face evidence an obvious and direct connection with the basic kind of economic development which DLF seeks to stimulate. I have made the following tabulation:

Telecommunications projects — improving the basic communications system of a country: Liberia, Iran, Korea, Uruguay.

Power facilities—including dams, design work, gas transmission: Libya, Israel, Jordan, India, Pakistan, Taiwan, Thailand, Korea, Nicaragua.

Manufacturing facilities: Sudan—textile; Tunisia—pulp; Greece—fertilizer; Turkey—coal, plastics, and chemicals; Yugoslavia—nitrogen; Jordan—phosphates; India—cement, jute, chemicals, sugar, paper, metallurgy; Korea—cement; Taiwan—cement, shipbuilding, coke oven, alumium; Nigeria—warehouse; Guatemala—bag factory; Bolivia—sugar; Liberia—logging.

Port development: Pakistan, Indonesia, Malaya, Thailand, Chile—airport.

Highways and railroads: Tunisia, Ceylon, India, Pakistan, Yugoslavia, Indonesia, Malaya, Philippines, Spain, Taiwan, Argentina, Ecuador, Honduras, Brazil.

Water and irrigation: Iran, Israel, Ceylon, Pakistan, Vietnam, Paraguay, Spain, Haiti.

Loan funds—for reloaning to local banks and small private industry: Somalia, Israel, Turkey, Pakistan, Philippines, Taiwan. In addition, there is a loan to the Government of Guatemala which will be reloaned to private producers of rubber.

Miscellaneous: Some loans do not easily fit into the categories I have listed. Such is a loan for an aerial mineral survey for Turkey, and loans for steel shipments to India.

A particular type of loan deserving a special mention is that made to resettle immigrants. Such loans have been made in Brazil, Costa Rica, and to the Netherlands. While being directly connected with economic development, these, in my opinion, stem from direct legislative history constructed on the floor of the House during debate, when it was stated that resettlement of Dutch immigrants in Australia and resettlement projects in Latin America would be eligible for DLF assistance.

THE PRIVATE SECTOR

It is an objective of our foreign policy and of DLF to stimulate economic activity in the private sector. Many of the projects I have listed are basic economic projects which are necessary to set the stage and create a framework within which private business can develop and prosper.

Many loans, however, have a direct and immediate effect on private industry. Three major types of loans are involved. The first is loans made to private firms. As of March 31, 1959, 23 of 78 loans were made either to a private borrower alone or—in four cases—to a combination of public and private interests, for a dollar total of $92,370,000.

The second type of loan directly affecting the private sector is that made to local development banks. Such institutions are the Credito Somalo—Somalia; Taiwan Land Bank; Small Industry Fund—Taiwan; Industrial Development Bank—Turkey; Pakistan Industrial Credit and Investment Corporation; Israel Industrial Institution; Small Industry Loan Fund—Philippines.

It is through these organizations that DLF is able to reach the small private businessman whose application is under $100,000. Approximately $30 million has been loaned through this medium. This in my opinion is one of the most effective policies of DLF, since it is directed toward the creation of small, indigenous private enterprise.

The third type of loan benefiting private enterprise is that which is made to a government, or a government instrumentality, but which is used by private concerns. Loans of this type amount to $157,474,000.

A fourth means of supporting private investment is through a guarantee of a private loan. So far DLF has made one guarantee, for the Ingalls-Taiwan Shipbuilding project, covering a $4.5 million loan from the Bank of America and the Marine Midland Bank. I look forward to increasing use made of this device, as DLF's loan experience broadens.

DOLLAR REPAYMENT

Although the purpose of DLF is to make loans in situations where dollar repayment cannot ordnarily be expected, there are occasions when ordinary financial channels cannot be used and yet repayment can be made in dollars. Such an instance would be where a commercial bank would be willing to loan for only a very short period. It is for this reason that DLF, up to February 28, 1959, had made 18 loans calling for dollar repayment in the amount of $133,315,000. Up to that date this represented about 25 percent of the loans made and 20 percent of the total value—considerably higher than the earlier estimate of 7½ percent.

If there is any criticism of this record, it is not one which the American taxpayer is likely to make, or one consistent with the usual giveaway label.

EVALUATION

This study of DLF leads me to draw several conclusions which I deem amply supported by the evidence. Let me summarize them briefly.

First. The staff is well trained, competent, experienced, and remarkably small in numbers.

Second. DLF's procedures avoid the extremes of redtape while adequately providing for sound loans sensibly administered from the viewpoints of both lender and borrower.

Third. Its loans to date have been carefully selected to promote the purposes of the legislation.

Fourth. The purpose of the DLF has been made more important, not less, by the events of the past 2 years. The Soviet cannot compete in the field of sound, long range, businesslike planning of the kind which takes place when borrower and lender sit down to work out a problem. This relationship makes it possible for us to insist upon sound engineering and planning before a loan is made, without appearing to be patronizing or overweening. In the course of working out the plans for the loan, as well as following up in its implementation, there are developed an interest in the managerial skills which are most needed by an underdeveloped country. The loan process itself is a powerful incentive to the creation and expansion of trained private and governmental executives. Another inevitable result of the process is a closer tie with the borrower, based on both technology and the relationships of inspection, reporting, and payment created by the loan.

Fifth. The constant objective of the loan program is adherence to those philosophies and procedures that will bring the borrowing country to the point where it can, with a minimum of outside overseeing, execute its own projects and assume responsibility for self-development. This reflects a sharp change from the more lenient and paternalistic attitude of a grants-in-aid program which serves a different purpose and has a quite different objective. Because of

the nature of DLF's objective, its progress should be measured in terms of accomplishment and not, as is often the case, in terms of the rate of disbursement.

Sixth. One basic psychological advantage of DLF is that it proceeds on a project, rather than a country basis. It will only transfer its funds for specific identifiable activities that contribute directly to increased productive growth. Even in those cases when urgent economic requirements and political necessity required some broad commitments, those commitments were contingent on approval of specific projects. This focus on projects tends to take the operation out of the context of simply being an anti-Communist, cold war weapon. The paradox is that since this is so in the minds of recipients, it is all the more effective.

Seventh. The vital function served by the DLF, which distinguishes it from all other parts of the mutual security program, is best described by an analogy. Such parts of the program as military assistance, defense support, and special assistance are like the minimum amount of calories a person must take to subsist. They are a survival diet. But if a person is not merely to exist but to grow, he must have an added amount of calories. This added growth intake is what is supplied by DLF. The only ultimate chance of ending the necessity of providing the survival diet, in addition to the cessation of the Sino-Soviet military threat, is the long-range growth effect of the DLF calorie contribution. To confine our efforts to the survival diet would be both shortsighted and wasteful.

Eighth. The major roadblock to increased effectiveness of DLF is the lack of certainty as to its continued operation. No other banking institution would endeavor to operate on a year-to-year basis, at unknowable and fluctuating levels. It is false economy to project short-term authorization and funding procedures to the banking and loan field, desirable as they are for the operation of many Government activities.

Apart from technical cooperation—and a necessary complement to it—the Development Loan Fund can become our most successful single long-range foreign policy if we have both the courage and the sense to take off the wraps and allow it to do the job which 2 years' experience have proven it can do.

Mr. MONAGAN. Mr. Speaker, will the gentleman yield?

Mr. COFFIN. I am glad to yield to my colleague.

Mr. MONAGAN. I compliment the gentleman for his explanation of the activities of this agency. Certainly, in any questions that I may have, I do not suggest that I am opposed to this form of activity because I think it is most constructive and provides a better form for doing what we want in the world today than some of the direct grant programs that we have had in the past and have at the present time. But, I would like to say this. In my district, there is the Farrel-Birmingham Manufacturing Co. in Ansonia, Conn. This is a manufacturing organization which makes machinery. I recently had communication with this company concerning the Development Loan Fund, and it seems very appropriate to mention this at this time for any comments that the gentleman may wish to make. But, in the annual report of this company, the president says that one of the major disappointments was the loss of a sugar mill for Bolivia through German competition and that this mill is being paid for by U.S. Government funds under the Development Loan Fund. Incidentally, the value of this mill is approximately $500,000. This letter is written by Mr. Franklin Farrel III. He goes on to say: "It was my understanding when the law was passed it was with the thought that underdeveloped countries could be helped." But, he feels that the condition has changed and also he thinks it is ridiculous, as he says on the one hand, to support programs such as this to permit the purchase of equipment outside the country and then to talk about large programs for distressed areas because of unemployment.

I wonder if the gentleman would be willing to comment on this observation made by Mr. Farrel.

Mr. COFFIN. I would be happy to do so. First of all, I certainly can understand and appreciate his concern. I think the decision made by the Fund in this case is probably the only decision which it could make under the law in the absence of a Presidential finding. The gentleman cited a company whose bid for this mill was the highest among the three. I understand that the borrower and the purchaser who finally bought the equipment in West Germany would have preferred to use a U.S. source, if there had been even a 5 or 10 percent differential. But, as the bids finally arrived, the highest bid was 20 percent higher than the next lowest bid. Now, half or over half of the money spent in these loans is being spent for products made in this country, in the United States, such as caterpillar tractors and other machinery for this mill. But it was this $500,000 item that finally did not go to the United States. Now, the choice is ours to make. We can say, "Well, we are going to protect our own." But, if we protect our own, it means that the cost of any program is going to be increased and the costs go up 20 percent. I think, on the loan fund, you will find by and large most of the purchases have been made, or a very sizable proportion have been made, in the United States. This does not make your constituent at all happy; but, as a matter of basic policy, if we had a preference clause in there, it would limit the ability of our dollars to do the job overseas that we think needs to be done.

Mr. MONAGAN. Even though there may not be a preference clause in the legislation, is there in fact any rule whereby some preference is given to American vendors?

Mr. COFFIN. Let me say it is the procedure in the Loan Fund profit that the ICA Office of Small Business must receive notice from the borrower whenever he lets out bids for equipment. ICA must give a list of all the things and services being contracted for.

It is my hope that we shall improve our methods of notifying the business community so that our people will know ahead of time where the parts are to be purchased in this overseas business. I think we have an advantage in terms of quality of service which the borrower in this instance recognized and would have bought even at a slightly higher price because of the satisfaction he had before from another company.

Mr. MONAGAN. As the gentleman says, we have had experience with this program in other sections of the country, but naturally enough the impact is strong in this particular instance. I think that the reaction of the gentleman is understandable, in view of the size of the contract and the portion of the annual business that this would represent. It is that position I am interested in, in presenting here today, because I think it is a growing problem as this program expands.

Mr. COFFIN. I would like to say to the gentleman I would hope that as we develop a steady point of view toward Development Loan Fund operations, we can maintain a continuing level of sound projects. If we do this and develop our communications to the business community, then I would hope and think that we would have frequent opportunities to participate.

Mr. MONAGAN. Mr. Speaker, I ask unanimous consent to include an editorial from the Ansonia Evening Sentinel.

The SPEAKER pro tempore. Is there objection?

There was no objection.

A JOB FOR THE LAWMAKERS

We recommend to readers of the Sentinel thoughtful perusal of the remarks Franklin Farrel III, president of Farrel-Birmingham Co., Inc., made to the annual meeting of the directors today, and then ask themselves whether or not in certain aspects of our foreign aid program we have failed to take into consideration circumstances as they have been altered since some of the measures were written into law.

"One of the major disappointments," Mr. Farrel said, "was the loss of a sugar mill for Bolivia to German competition. The mill was paid for by U.S. Government funds under the Development Loan Fund. It is my understanding that when the law was passed it was with the thought that underdeveloped countries could be helped not only by this equipment that was ultimately being installed but also by giving work in making the equipment to countries that were just getting back on their feet. It seems to us that this condition has changed and that we as a country should take another look at some of the programs such as this."

Mr. Farrel went on to say that his company's bid had been very close to actual cost, that it was well under other domestic bidders' prices, but nevertheless too high to compete with the German price.

"It seems to me that it is high time for the American public to take a good look at what it expects in the future. It seems ridiculous on the one hand to support such programs as the Development Loan Fund and permit the purchase of equipment out of the country and then talk about passing multimillion-dollar programs for distressed areas in this country.

"The least we could do is to take advantage of what we are doing under one program to help ourselves."

Mr. Farrel made it clear his comments were intended in no way as criticism of the

administrators of the Fund for, he pointed out, by the way the law is written they are forced to act in certain ways.

Our United States Senators and Congressmen owe it to the American Nation to undertake a careful reappraisal of such programs in the light of altered conditions. To do this is not to scuttle the foreign aid program but rather to amend it in intelligent recognition of the economic changes in the situation certain phases of it were designed to fit.

It seems plain that in the case of the Development Loan Fund, Congress has failed to keep abreast of the times. An early reappraisal of such aspects of the foreign aid program is certainly in order, to give the American people a clear idea of where the laws enacted under other conditions are leading us under today's conditions.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. COFFIN. I yield.

Mr. GROSS. I regret that I did not hear all of the gentleman's remarks. I understand you are talking about the Development Loan Fund.

I call attention to a loan to Yugoslavia for the purchase of some 16 diesel locomotives and other equipment running into a good many million dollars. Are they going to purchase those locomotives here?

Mr. COFFIN. It is my understanding, based on the testimony in the hearings in the other body, that they will be purchased in this country.

Mr. GROSS. In reading a list of the loans that have been made or are proposed to be made under the Development Loan Fund, I was surprised to find there was a loan to Sudan, in which it was stated that the product they got in competition, the product derived from the loan, but there is no such statement with respect to the loan to Yugoslavia for the purchase of diesel locomotives and other railroad equipment.

Mr. COFFIN. The loan would enable them to purchase diesel locomotives to help rehabilitate their transportation system. There is no production of an exportable commodity involved.

Mr. GROSS. Has the gentleman mentioned a loan to Israeli, that has been made to provide that the money be loaned to Israeli that they may in turn loan it to their people?

Mr. COFFIN. It is the only way, or I will say the best way, that these loans can go to small businessmen. Where you have loans under $100,000, rather than making every one come here and go through all the redtape, there are in several countries small loan organizations. They may be agencies of the government. They usually are.

They make the final loans to fishermen and small business of many kinds in Israel, the Philippines, and some other countries. I think this is one of the best parts of the program.

Mr. GROSS. The gentleman thinks this policy of lending money to a country and they in turn lending it without further knowledge on our part is a good thing? We do not know how much money is lent, what rate of interest will be charged, or anything. Is the gentleman saying that is good policy?

Mr. COFFIN. I will say to the gentleman that we control the repayment of the principal, the covenants, the termination, the default clauses; those are in the original agreement with the principal borrower. In a sense we have got to trust its judgment because through it we will get the money back.

Mr. GROSS. But that has got to be from lending money to a country. Its recommendation will be regarded the real guarantee of repayment.

Mr. COFFIN. I will say to the gentleman that the purposes of the subloans must be in conformity with the purposes of the major loan, and they have got to be in conformity with the purposes of the act. They cannot use them to train chorus girls in dancing in so-called underdeveloped countries.

Mr. GROSS. I wonder, if the gentleman will yield further for an observation and a question, whether if such loans are to be made you would turn them over to any government and say to the government, "You go ahead and lend it to your people." The point of my question is, how are you going to conduct the operation of that sort of loan? How large an army of investigators would we need?

Mr. COFFIN. The gentleman realizes that we have not disbursed great moneys up to this point. It takes a long time to execute a loan and then the money goes out at a slow rate. But I will say that there is a system which is being developed, and I think it is an admirable system, for following up these loans to save the use of personnel, and specifically it is this: When the loan agreement which we have described is signed then there is an implementation letter and that letter tells the borrower what he has got to do, and it incorporates time limits, that is, target dates, for reporting. It is very specific and should save a lot of shoe leather in finding out just how this loan is being used, and the progress of work under the loan. Actually, it should save a great deal of bird dogging and other reporting in keeping track of them.

Mr. GROSS. If the gentleman will yield further, do I understand that the gentleman feels it is a good thing that we do buy equipment in other countries under certain conditions? I believe the gentleman said a moment ago in response to another question that we would save money by buying in foreign countries. Is that correct?

Mr. COFFIN. No; I said the basic policy decision is a matter that has received very careful consideration.

Mr. GROSS. How does the gentleman feel about the proposition of whether we should buy products in foreign countries or should not buy products in foreign countries? How does the gentleman feel about that?

Mr. COFFIN. I would like to continue as we are doing now, buying most of the things in this country, but buying some things in other countries that will make the project less expensive to the American taxpayer.

Mr. GROSS. I will say to the gentleman that we are now, in the committee of which I am a member, we are now holding hearings on a bill that would pay direct subsidies from the U.S. Treasury to the New England fishing industry that is flat on its back, according to all witnesses testifying.

Mr. COFFIN. Flat as a flounder.

Mr. GROSS. Yes, flat as a flounder, or flat as a groundfish, whatever they are. The New England fishing industry is on its back because of imports of foreign fish. That is what every witness has told us. The only alternative to this situation, these witnesses tell us, is to grant the right to purchase in foreign countries, to buy fishing vessels manufactured in Japan, produced or constructed in Japan or some other country, or a subsidy from the U.S. Treasury. That is getting around to the same thing the gentleman is talking about here. What is the committee going to do? Are we going to amend the Shipping Act?

Mr. COFFIN. It is not getting around to the same thing I am talking about. I appreciate the gentleman's point of view but I am talking about the Development Loan Fund, which is an instrument of policy to help us in so many nations of the world achieve not only stability but a growth rate that will eventually make these countries stable politically and will eventually make them greater partners to our mutual profit in the long run. It is a long-range proposition.

Mr. GROSS. I will say to the gentleman that when either the mutual security bill, the foreign give-away bill, or the Development Loan Fund bill comes to the floor of the House I shall be ready with an amendment to take some of the money from that to give your New England fishing people who are in extreme difficulty because of the extension of the Trade Agreements Act, the Reciprocal Trade Agreements Act, which is reciprocal on a one-way street only. I will be here with an amendment to give you some money out of that bill.

Mr. COFFIN. I appreciate the gentleman's concern over a real problem and I always look forward to his amendments with relish.

Mr. CARNAHAN. Mr. Speaker, will the gentleman yield?

Mr. COFFIN. I yield to the gentleman from Missouri.

Mr. CARNAHAN. I want to compliment the gentleman for the informative, constructive statement he is making. I wanted to ask the gentleman: Loans are made to private industry as well as to governments, is that correct?

Mr. COFFIN. Yes. I may say to the gentleman that loans are made to private industry in several ways. The statistics are, as of March 31, that 23 of the 78 loans have been made either to a private borrower or to a combination of public and private interests for a total of about $92 million. In addition to that, we have local development banks in several countries. We have 7 or 8 of them and the money is made available by these banks to small industries in a particular country.

Mr. CARNAHAN. Just one further short question. Loans are also made from the Development Loan Fund in connection with applications for loans from the Export-Import Bank and the World Bank?

Mr. COFFIN. The Development Loan Fund has joined on a number of occasions with the Export-Import Bank and in some cases with the World Bank.

Mr. COHELAN. Mr. Speaker, will the gentleman yield?

Mr. COFFIN. I yield to the gentleman from California.

Mr. COHELAN. First of all, I would like to compliment the gentleman for a very informative discussion on this very vital topic. I hope that the information forthcoming from the discussion will help guide us in our work. I personally hope that it leads to a reconsideration and a further nourishment of the Development Loan Fund. I was particularly interested in the gentleman's colloquy with the gentleman from Iowa. I am wondering if the gentleman would have any information about the amount of these subsidies to the Government of Japan in connection with occupation and the general governmental supports that have been given to that Government in recent years as opposed to some of the trade problems that would permit them to finance and support their own Government economically.

Mr. COFFIN. I would like to say that we do not have any loans in Japan. It is not an underdeveloped country. The figures on previous aid and trade I do not have at my fingertips.

Mr. COHELAN. I hope the gentleman will forgive me. As I pointed out, my remarks are associated with the discussion that started between the gentleman and the gentleman from Iowa. Is it not true that in order to sell we have got to be able to put other countries in a position to buy?

That means that they have to have a balance of payments that will permit them to buy from us; is that not correct?

Mr. COFFIN. I would say that I know of no economist who would deny the truth of that principle.

Mr. COHELAN. You would agree, then, with a program whose object it would be to encourage a velocity of circulation of trade between the countries of the world, particularly in this time when we are trying so hard to protect the free world?

Mr. COFFIN. I think that would be a laudable objective.

Mr. COHELAN. I thank the gentleman.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. COFFIN. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. The point has been made before, I have no doubt, on this floor, and will be made again, that the United States has the greatest volume of trade per capita with the richest nations. Would you agree with that general observation?

Mr. COFFIN. That is certainly true.

Mr. JOHNSON of Colorado. The obverse or reverse of that position was stated by a good friend of mine very simply, that you cannot do business with paupers. Therefore, anything we can do to raise the standard of living, the level of income of persons overseas or in other countries, ultimately will increase their ability to buy from us; would you not agree?

Mr. COFFIN. I would agree.

Mr. JOHNSON of Colorado. Therefore, essentially what I gather you are asking us to do is to take those steps which would increase their ability to buy from us and therefore make it possible for Americans to enjoy a higher standard of living, even as people overseas would have an opportunity.

Mr. COFFIN. I think that is our long-range objective.

Mr. COHELAN. Mr. Speaker, will the gentleman yield?

Mr. COFFIN. I yield to the gentleman.

Mr. COHELAN. I wonder if the gentleman would comment on the areas where we are paid in foreign currencies where we agree to accept foreign exchange. Do I understand that through the Fund we make this type of agreement?

Mr. COFFIN. Yes; that is the usual type.

Mr. COHELAN. I am wondering to what extent there have been any studies made in connection with what we do with this money after we get it.

Mr. COFFIN. Yes, there have been studies made and at the present point I think the chief focus of the studies is the extent of the accumulation and where the accumulation is. Last year the ICA had a study made of currency accumulations throughout the world. I think several committees of the Congress are making this study. I can say in all candor that I think we have not made as adequate a study as we shall have to of the use to which these currencies shall be put without imposing an inflationary thrust on local economies or without engendering local distrust and suspicion because of the growing accumulation. I think this is a problem we can lick. And I will say to the gentleman that the Development Loan Fund staff has a person working on just this problem.

Mr. COHELAN. I am delighted to hear that, and I thank the gentleman for this information, because this has been a concern of mine. I am delighted to hear that we are examining that area of the problem.

Mr. COFFIN. My final feeling on this point is this. When people come to me and say, We cannot do this because we are just piling up these local currencies, and we would not get them back and we may cause some resentment, I have them look at the alternative. I say that if you have a wound and if you put iodine on it, it may smart. But it does the trick. The alternative is infection. And here, if we do not proceed with this type of program with problems that have to be licked, and I think they can be—if we do not, then the alternative is, I think, rather disastrous.

Mr. COHELAN. May I comment further with the gentleman's permission? My major concern in regard to this problem without any technical information, is with the possible impact and imbalance it may create in connection with our foreign policy and in connection with the effect on the political life of the particular country. It seems to me that we have seen some warning signs in one or two countries where forces that are opposed to a development of democratic forces are using this in their propaganda against our country.

Mr. COFFIN. I think the gentleman is right. It is a problem, but I think we can handle it with a great deal of tact. I think ultimately it may be very useful to us.

Mr. COHELAN. I thank the gentleman.

Mr. LEVERING. Mr. Speaker, will the gentleman yield?

Mr. COFFIN. I yield to the gentleman.

Mr. LEVERING. Mr. Speaker, I rise to compliment the distinguished gentleman from Maine for the very valuable discussion which he is leading today on this very important subject. Personally, Mr. Speaker, while I am on my feet, I want to take this opportunity to call the attention of my colleagues to the brilliant address which the distinguished gentleman from Maine made in my congressional district in Ashland, Ohio, on Saturday last. I compliment the gentleman on his discussion today. I believe the loan approach should more and more characterize our foreign assistance program. Perhaps this subject has already been covered, but I wonder if the gentleman from Maine would make some observations on how this type of program is received by our friends abroad as compared with the more-or-less giveaway program we have been carrying on.

Mr. COFFIN. I thank the gentleman for his remarks. I will say briefly that this is accepted very well. The people would rather be on a borrower-lender basis. When the Development Loan Fund people sit down with a recipient or a borrower and say, "In order for this loan to be approved you have to come up with certain plans, it has to be sound," he accepts this because he expects it in a banking context. If we gave them money and also said, "You have to have your project constructed in such and such a way," they would say, "This is capitalistic imperialism." So it changes the whole framework of our dealings with these people. It also makes it possible for us to follow up on the project without being considered interlopers. I think this is a very subtle but very vital point in the whole program.

Mr. IRWIN. Mr. Speaker, will the gentleman yield?

Mr. COFFIN. I yield.

Mr. IRWIN. I have not risen until now to address my remarks to the gentleman because I have sat and learned more than any time since I have been in Congress. You have spoken of a subject which I agree will become more and more and more important in the years to come. Your exposition has been brilliant.

As the gentleman knows, I was born and raised in Argentina. That is not necessarily an undeveloped country, but the value of this type of program down there where the Communist threat is not important but certainly latent and dangerous, is tremendous. I think a careful exposition of the method of operation, an exposition of this includes many traditional American concepts, concepts of free enterprise, have been invaluable.

I know the people in my district in Connecticut are deeply indebted to you, and the people of Maine who sent you here.

Mr. COFFIN. I thank the gentleman.

Mr. BURDICK. Mr. Speaker, will the gentleman yield?

Mr. COFFIN. I yield.

Mr. BURDICK. I would like to commend the distinguished gentleman from Maine for his able remarks this afternoon. As I understand, an application for a loan can only be made after it has been turned down by the Export-Import Bank and by the World Bank before he would be eligible here.

Mr. COFFIN. That is so.

Mr. BURDICK. I understand the loans are made to governments as well as to individuals and corporations?

Mr. COFFIN. That is correct.

Mr. BURDICK. And that the consideration may be paid in hard money or local currency?

Mr. COFFIN. It varies from case to case. Sometimes both in one loan.

Mr. BURDICK. My question is this: Are these local applicants—are they local as to the country or are they of a foreign nature?

Mr. COFFIN. Both. Many times they are indigenous people. The textile mill in Sudan, that loan is to a private individual who was an inhabitant of Greece, an anti-Communist; then left and went to New York and was successful in business, and he started this operation in the Sudan, bringing in technicians. You would not find in Sudan enough experienced people to guarantee a successful operation. I do not know the breakdown of how many are indigenous or how many are from the outside.

Mr. BURDICK. But there is nothing in the act that prevents a loan to a nonresident of a particular country?

Mr. COFFIN. No.

Mr. BURDICK. And there would be nothing in any repayment?

Mr. COFFIN. There is a requirement in the particular agreement.

Mr. BURDICK. But nothing in the act?

Mr. COFFIN. No. The act states that one of the four criteria is that this is a sound project and will contribute to the economic development of the country. But nothing referring to what particular currency it shall be repaid in, except this: If credit from a normal source is not available on reasonable terms, this means in many instances that they cannot get dollars.

Mr. BURDICK. Do you know to what extent loans were made to foreigners of a particular country?

Mr. COFFIN. In the Red Book that information is public on a case-by-case basis; whether it is private. But the borrower, as in the case referred to—a contract for a sugar mill in Bolivia—was a private company, local to Bolivia. But there will be others that will be U.S. citizens. There is one large Latin American loan to a U.S. citizen. I think I sense what is in the gentleman's mind. Would you agree with me we would like to stimulate local people going into business in their own country?

Mr. BURDICK. I agree fully.

Mr. COFFIN. And I agree with the gentleman. But I do not think we can do it all at once. There are many instances where you have got to have Americans go into that country and begin to show that the industrial project can be created and run successfully. So it is a matter of partnership. Not only to favor the policy of helping our U.S. businessmen but to see that projects are administered most successfully.

Here we have gone full cycle. We had an earlier colloquy on the question of directing all business to U.S. citizens. This tends to show that there is also something to be said for dealing with local nationals in the country of disbursement.

Mr. BURDICK. Again I would like to thank the gentleman.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. COFFIN. I yield to the gentleman from Massachusetts.

Mr. CONTE. I, too, would like to compliment the distinguished gentleman from Maine, and I would like to join with him in his remarks on this complex, vexing subject matter before the Congress. His speech is most informative and instructive, one the preparation of which has taken a great deal of time. He certainly is to be congratulated.

Mr. COFFIN. I thank the gentleman.

Mr. HALPERN. Mr. Speaker, will the gentleman yield?

Mr. COFFIN. I am happy to yield to the gentleman from New York.

Mr. HALPERN. I have been a consistent advocate of the Development Loan Fund, and I want to congratulate the gentleman from Maine for his intelligent, enlightened, informative presentation here today. I want to thank him most profoundly for focusing my own thoughts on the subject and for enriching the Nation through this forum by giving this very valuable information. My compliments to you.

Mr. COFFIN. I am very grateful to the gentleman.

Mr. Speaker, I yield back the balance of my time.

FRIENDSHIP INTERNATIONAL AIRPORT

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Maryland [Mr. FRIEDEL] is recognized for 10 minutes.

Mr. FRIEDEL. Mr. Speaker, today has great significance for the people of Baltimore and for Friendship International Airport. It was just 1 year ago today that the first international flight by Pan American World Airways was inaugurated out of Friendship Airport.

In 1950, when Friendship International Airport was completed, it was immediately hailed as one of the truly fine air terminals of the world.

In fact, when this airport was planned, the use of fast jet aircraft was clearly envisioned with the result that today this superb airport is ready to accommodate and adequately serve the needs of the largest and most modern superfast jet aircraft.

That Friendship's runways are entirely adequate for the largest jets now being planned was amply demonstrated when Friendship Airport was used as the eastern terminal for the Boeing 707's record-setting flight from Seattle.

Since that time American Airlines' 707 jet has visited Friendship setting a transcontinental record from Los Angeles. The Russian TU–104–A also landed at Friendship on a flight from Moscow. The British Comet III and IV have also been here, as well as the French Caravelle.

In addition, a number of new turboprop airplanes have been here, including the Fairchild F–27, the Bristol Brittania, the Lockheed Electra, and, of course, Capital Airlines' Viscounts are steady customers.

Friendship International Airport is the only airport in the country to have handled all of these jet airliners.

As a result of a joint study made by the Baltimore Airport Board and representatives of the various airlines, additional facilities required for efficient handling of these huge jets were installed and are now ready. These improvements include further extension of some of the taxiways, special fueling facilities, passenger-handling facilities, and so forth.

As I mentioned above, today has a great significance for the people of Baltimore and of Washington.

It was 1 year ago today that Pan American World Airways instituted regular service between Friendship and San Juan, P.R., our beautiful commonwealth in the Caribbean.

This has been a most happy new service for the people of the Baltimore and Washington area and a most productive one for Pan American.

This service has provided Friendship with its first direct link to the islands of the Caribbean and to the Republics of South America.

Many of Pan Am's long haul operations spread out from San Juan to such islands as St. Croix, Antigua, Guadeloupe, Barbados, and Trinidad; others proceed from San Juan to Brazil, Uruguay and Argentina.

Thus, Friendship became a truly international airport 1 year ago on the occasion of Pan American's first flight from Baltimore to San Juan. At the outset service was provided on a twice weekly basis. Almost immediately successful, the service was expanded to three weekly round trips, and on June 1, 1959, this service will be augmented still further to five weekly round trips. For this service the people of Baltimore are truly grateful.

That this new service has been tremendously successful for Pan American—the old pioneer—is added proof of the justification of the faith we have long held in the ultimate destiny of Friendship as a vital center of international air transport operations.

Mr. Speaker, apparently this is only the beginning of the fulfillment of Friendship's destiny.

I have learned that Pan American has applied for direct service from Friendship to the Orient, using the newest of long-range, high-speed, jet aircraft to place the Baltimore and Washington

traveler only 8 hours from Fairbanks, Alaska, and only 15 hours from Tokyo.

I am told, further, that the city of Baltimore and its active civic bodies are enthusiastically behind this application of Pan American.

For too long there has been an unbalance of competition in service from the east coast to the Pacific and the Orient, to the disadvantage of Baltimore, Washington and other east coast cities.

Several weeks ago President Eisenhower directed the Civil Aeronautics Board to proceed immediately "to initiate a proceeding consolidating all Pacific air route matters into a single record," and the President requested the Board to present its recommendations to him at the earliest possible date.

At the time of the public disclosure of the President's letter, I congratulated him on his action and joined with him in the hope that the Board would proceed swiftly to develop a clearcut policy of competition of air carriers between the east coast, over the great circle route to Seattle, Alaska, and the Orient.

I am more convinced than ever of the soundness of this objective.

In the past year Pan American has carried more than 10,000 passengers from Friendship to San Juan and beyond. It has airlifted more than 100,000 pounds of cargo. It has carried more than 15,000 pounds of Latin American-bound mail. Given the opportunity there is no doubt that Pan American can increase these figures to fantastic proportions in the opposite direction.

It is gratifying to me to know that the people of the Baltimore-Washington area are at last being offered the service to which they are entitled.

Eagle Airways first started flights from Friendship to Bermuda on March 21 with one flight per week. Just a few weeks later—on April 25—they increased this service to two flights per week.

I am happy to announce that Trans World Airlines and American Airlines will also inaugurate service out of Friendship very shortly.

TWA will start regularly scheduled jet plane service to San Francisco and Los Angeles on May 29, and American Airlines will begin regular jet service to the west coast from Friendship starting June 7.

To illustrate the growth of Friendship Airport I would like to point out that passenger traffic increased 24 percent in February 1959 over the corresponding month last year.

When regular jet service becomes an everyday event it is expected that connecting flights will be added so that Friendship will offer a wide selection of high class service so attractive to the residents of a large area of Maryland and the District of Columbia that flights will be heavily patronized.

Mr. Speaker, the past year has been one of genuine achievement for Friendship International Airport, making it a truly international air terminal.

I have every reason to believe that the bright future of Friendship will continue to expand in scope—and that the public can expect decided improvement in airline service.

Friendship—truly an international air terminal—has arrived and is fully prepared for this wonderful jet age.

Mrs. GRANAHAN. Mr. Speaker, will the gentleman yield?

Mr. FRIEDEL. I yield to the gentlewoman from Pennsylvania.

Mrs. GRANAHAN. Mr. Speaker, Philadelphia has reason to join with our distinguished colleagues from Baltimore in calling attention to this anniversary, and for precisely the same reasons.

We, too, were without direct service to San Juan until a year ago today. Pan Am's thrice-weekly flights to Puerto Rico, in fact, originate in Philadelphia and then fly on to Baltimore. Conversely, on the return trips, the flights terminate in Philadelphia.

Actually, this is no "first" for Philadelphia as far as Pan Am is concerned. Several years ago this carrier began operations to Europe from Philadelphia International Airport. Even now, we connect via Pan Am with Idlewild Airport for that airline's jet operations to Europe.

Likewise, Philadelphia is one of the Eastern cities, in addition to Baltimore and Washington, which Pan American seeks to serve on its proposed route to the Orient. Like our friends from Baltimore, we also hope for expedited action by the Civil Aeronautics Board in order that this valuable service can start as quickly as possible. The city administration of Philadelphia, the Government of the State of Pennsylvania and innumerable civic bodies are enthusiastic about this proposal and will lend all possible assistance to Pan Am's application.

Mr. FRIEDEL. I thank the gentlewoman from Pennsylvania for her remarks.

GENERAL LEAVE TO EXTEND REMARKS

Mr. FRIEDEL. Mr. Speaker, I ask unanimous consent that any Member who desires to do so may have permission to extend his remarks in the RECORD following my statement on the subject discussed.

The SPEAKER pro tempore (Mr. ROBERTS). Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. FALLON. Mr. Speaker, I should like to join with enthusiasm in the remarks of my distinguished colleague. I should also like to point out to him that Friendship has never been busier than in the past year. Already the Baltimore City Airport Board has announced plans to spend $3 million in the next year to handle the 20 daily jet transport operations which the Friendship management anticipates.

It may be only a coincidence, Mr. Speaker, but the record would seem to indicate that the accelerated activity at Friendship coincided with the beginning of Pan American's service to San Juan.

No member of the Baltimore congressional delegation, I feel sure, carries the flag for one airline as against another. But when a carrier does come forward and propose a specific formula for not only increasing operations in and out of Friendship but in improving Baltimore's economic position on the trade routes of the world, it behooves us to encourage that airline.

I join again with my distinguished colleague, Mr. Speaker, in hoping for an expedited hearing on Pan American's application to serve the Orient from Friendship. Only 2 weeks ago, our Government certificated another foreign airline, this time BOAC, to cross our country, a privilege that has been consistently denied Pan American.

Mr. FERNÓS-ISERN. Mr. Speaker, I think it appropriate to call attention to the first anniversary of direct flight by Pan American World Airways between Friendship Airport in Baltimore, Md., and San Juan, P.R. I am informed that these operations, which also serve Philadelphia, accommodated 20,000 passengers during the first year, which commenced on the basis of two round trips per week and after 2 months were increased to three round trips per week.

There is no doubt that this service, which takes only 5¾ hours, has convenienced many persons having occasion to visit Puerto Rico from the Washington-Baltimore-Philadelphia area. Pan American World Airways has announced that commencing on June 1, 1959, this service will be increased to five round trips per week, and I understand that possibly when more equipment becomes available, this service may be increased to one flight each way daily. I understand further that when more express equipment becomes available, faster airplanes may be used, bringing Puerto Rico even closer in point of time to persons in this area.

Puerto Rico's discovery by increasing numbers of visitors from the continent, both vacationists and businessmen, prompt this kind of improved travel service between the mainland and the island. As new hotels are constructed and other tourist facilities are expanded at a steadily increasing rate, air service must keep pace. This has been true in the past and it will be true in the future.

It has been found that having discovered Puerto Rico and carrying recollections of a carefree vacation in this tropical paradise, visitors plan for repeat vacations in the same setting. This serves further to increase air traffic and to place additional demands on airline facilities, calling for better and faster equipment, such as has been illustrated in the case of the Friendship/San Juan run. I am looking forward to the day when jet aircraft may be used over this route slicing additional hours from flying time, and I hope that all my colleagues who have not visited Puerto Rico, may have an opportunity to do so in the near future, and that those who have visited Puerto Rico, may soon come to see us again.

WOBURN MAN RECOVERED FIRST CERAMIC CONE EVER FIRED INTO SPACE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include an article appearing in the Woburn Daily Times.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the following article appeared in the Woburn Daily Times of April 24, 1959:

WOBURN MAN RECOVERED FIRST CERAMIC CONE EVER FIRED INTO SPACE

(Two Woburn men are in the news very much today in the history which will remain with us for generations. They are Richard Carbone, age 29, of Karen Road which is off School Street and who is a Boston College graduate and Dr. Charles Petty, a 34-year-old physician who resides on Glenwood Road in the Shaker Glen section of the West Side.)

The first ceramic shielded nose cone ever fired into space, after being sighted in the Atlantic Ocean by Carbone, has been recovered and is undergoing scientific tests and trials at the Avco plant in Wilmington.

The research tests are being conducted by the Research and Advanced Development Division of the Wilmington laboratories. The cone was recovered through the use of a monitoring program set up in cooperation with the Air Force and Navy by the Avco-Everett Research Division in Everett.

Richard Carbone, 29, of Karen Road, Woburn, a Boston College graduate was participating in the monitoring program aboard an aircraft when he sighted the dye marker in the ocean marking the location of the cone April 8.

The cone was found in the South Atlantic off Ascension Island.

Carbone identified other members of the optical monitoring team with him as Rochelle Prescott, of Arlington, and Dr. Charles Petty, of Woburn, both scientists, and Frank Pettis, of Wakefield; Frederick Conner, of Reading; Alan Evans, of Roxbury, all technicians, and Richard Buck, of Methuen, an engineer.

The cone came from a Thor Able two-stage rocket fired at Cape Canaveral April 8. It completed a 6,000-mile journey through space before reentering the earth atmosphere.

Carbone was flying at 6,000 feet about 200 miles an hour when he spotted the dye.

Carbone, father of two small girls, and son of Mr. and Mrs. Michael A. Carbone, of 58 Proctor Avenue, Revere, is one of a team at Avco-Everett, working on the design of monitoring equipment.

POINT PREDICTED

He said he was assigned to watch for the descent of the cone and to head for a predesignated splash point that was figured before the missile was fired at Cape Canaveral.

"We didn't see the cone descend, but flying over the splash point area I suddenly spotted a dye marker in the water. I grabbed a microphone and shouted, 'There she is' several times before I found out the microphone was not engaged. A crew man ran up to notify the pilot, but by this time the dye was out of sight.

"We swung back and picked up its location. Our radio message brought other aircraft over the scene and then a Navy ship made the pickup. The nose cone came down by parachute and had balloons attached to it to hold it up in the ocean."

The nose cone was taken to Wilmington Monday and tests will be conducted at the laboratory which is under the direction of Dr. E. R. Scala.

According to Avco officials, the nose cone is 6 feet high and partly constructed of a reinforced ceramic known as Avcoite, an advanced heat shielding material developed at Everett and Wilmington.

Mr. Speaker, the Avco has now a very wonderful plant in my district at Wilmington, Mass., and on the 14th of May they are dedicating another $20 million plant in Wilmington. It will be one of the finest defense plants in the country. I hope on that day to congratulate the brilliant president of Avco, Mr. Victor Emmanual, for selecting Wilmington and locating in Wilmington. I am deeply grateful to him and to his staff for their very great scientific achievements.

CLARE BOOTHE LUCE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Massachusetts [Mr. CONTE] is recognized for 10 minutes.

Mr. CONTE. Mr. Speaker, because of the grave importance of the appointment of Clare Boothe Luce as Ambassador of the United States to Brazil, I have taken the liberty today to write to Mrs. Luce as the result of numerous articles that I read in this morning's newspapers. I would like to read that letter which I address to her in this morning's mail.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 30, 1959.

Hon. CLARE BOOTHE LUCE,
Ridgefield, Conn.

MY DEAR MRS. LUCE: I am aware of the risks involved in urging a lady to disregard her husband's advice. Yet I do urge you to accept the appointment as Ambassador of the United States in Brazil, the position to which you have been nominated by the President and confirmed by the Senate. I do so because I believe that you can make a unique contribution toward better relations between the United States and Brazil and toward the cause of freedom throughout the world.

Your record in Italy offers abundant evidence of your ability in diplomacy. There you helped to resolve some of the most vexing of Italy's problems in foreign relations and to make Italy a stanch and reliable friend of the United States and a bulwark of freedom. This great task was done with such tact that you won the hearts of the Italian people in the process.

In judging your fitness to serve as Ambassador to Brazil, we have but one relevant test to apply. That test is to measure your record in your previous diplomatic assignment against what we might reasonably expect an American Ambassador to Italy to accomplish in the crucial period during which you served in Rome. You pass that test with flying colors.

May I point our considerations that deserve to be weighed carefully in making the decision that now confronts you?

In the process of confirmation of your appointment, you were subjected to a denunciation which Senator BUSH called the most bitter attack on a Presidential appointee he had ever heard. The boorish and spiteful exhibition directed against you offends every instinct of decency, fairness, and gentlemanliness. Your feeling, after your ordeal, may well be, "Why put up with all this?"

Yet, if you resign because of the tactics used against you, how much more difficult it will be in the future to persuade other able and respected citizens to serve their Government. If demagogery carries the day in this instance, any irresponsible minority bent on blocking the execution of our foreign policy may well conclude that abuse of appointees will drive out of public life the most effective representatives of the policy they oppose.

Because of your writings and your service in Italy, you personify the determination of the American people to defend freedom in its conflict with communism. If you resign, will many friends of freedom in Brazil and Italy and elsewhere conclude that we are not as resolute in our opposition to communism as they believed and hoped? If you resign, will this mean, in the broader context of the worldwide contest between freedom and communism, some kind of moral victory for those who are sworn foes of human liberty?

I trust that you will not consider it presumptuous of me to offer advice in a decision which must be yours alone. However, I think that you should know how some of us in Government feel regarding the importance of your accepting this challenge.

With my very best wishes, I am,

Cordially yours,

SILVIO O. CONTE.

Mr. HALPERN. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. HALPERN. I should like to compliment the gentleman from Massachusetts on his letter to Mrs. Luce. I heartily concur in the text of that letter and the thoughts behind it. It is a worthy expression of confidence in a great lady, a brilliant citizen, and an outstanding public servant. Again, I compliment the gentleman from Massachusetts on his forthright expression to Mrs. Luce.

H.R. 5777—A BILL TO MODERNIZE THE FEDERAL CREDIT UNION ACT

Mr. PATMAN. Mr. Speaker, the 50-year history of the credit union movement in the United States has been an illustrious one.

The first 25 of these years is the history largely of a crusade by a few extraordinarily devoted people whose only concern was in helping establish a badly needed institution of self help. These individuals foresaw, and they demonstrated, that credit unions would be a tremendous force for encouraging thrift. They foresaw, and later demonstrated, that credit unions would be a practical means whereby people in moderate circumstances would make their savings available to one another in times of financial need, and at reasonable rates. All of the headaches and heartaches which so many people of modest means had suffered at the hands of the loan sharks were, they thought, unnecessary.

The remarkable success of credit unions was fully demonstrated in this 25-year history.

Twenty-five years after the first credit union was established, Congress passed, in 1934, the Federal Credit Union Act. This act not only provided for credit unions in States where State laws had not yet provided for them, but also tended to set a standard for credit unions which State legislatures have been inclined to follow in providing for appropriate regulations, limitations, and so on.

Today, 25 years later, there are 9,539 Federal credit unions. More than 10 million families belong to credit unions, either State or federally chartered. The operating record of these credit unions is one of tremendous success. Their loans to members are character loans, and their record in the field of personal finance is most enviable. During the

last 25 years the amount of loans which members have failed to repay has amounted to less than one-half of 1 percent of the several billion dollars which have been lent and repaid. During these years the credit unions have, furthermore, weathered a prolonged and severe depression. During both World War II and the Korean war millions of their members went into military service but the credit unions continued to serve these members as though they had never left home.

The soundness of credit unions has been established beyond any question. There is no question now by anyone that I know of as to whether credit unions are permanent institutions.

The Federal law is, however, out of date in a number of respects. Changes are needed which are not of a greatly consequential nature, yet they are most important to the credit unions as a means of easing some of their methods of operation.

I have introduced a bill, H.R. 5777, which would bring about these changes. These changes have been universally recommended by the local leaders of the credit unions. To mention the most important changes, they are as follows:

The present law allows the credit unions to make signature loans only up to $400. Practical circumstances have greatly changed since that limit was set. Personal incomes are much greater and so, too, are prices, costs of hospital and doctors' bills, and so on. That limit would be raised to $1,000. Similarly, the maximum term for which a loan can now be made is 3 years; that needs to be increased to 5 years. Another item of importance to the credit unions is that they be permitted to appoint a loan officer to act on loan applications under certain circumstances without requiring a meeting of the full Credit Committee.

State chartered credit unions can and do deposit their funds in other credit unions, or in what are called "central" credit unions, in times when they have a surplus, so that these funds may be made available to other credit unions. The Federal law, however, does not permit federally chartered credit unions to invest their funds in any except Federal securities and insured building and loan associations. So another amendment the bill contains is to allow the Federal credit unions similar privileges of depositing their surplus funds in central credit unions and, where needed, federally chartered central credit unions may be formed.

The honorable JOHN SPARKMAN, U.S. Sentaor from Alabama has introduced an identical bill in the Senate—S. 1786.

For a complete review of all the changes which H.R. 5777, S. 1786, would make, I offer the following summary:

SUMMARY OF CHANGES PROPOSED IN FEDERAL CREDIT UNION ACT (H.R. 5777)

This bill would:

First. Provide for the chartering of Federal central credit unions with a field of membership of Federal and State chartered credit unions, and directors and committee members of such credit unions within a well-defined geographical area.

Second. Increase loan maturity limit from 3 to 5 years.

Third. Increase signature loan limit from $400 to $1,000.

Fourth. Permit appointment by the credit committee of one or more loan officers to approve loans up to the unsecured limit, or in excess of such limit if the excess is fully secured by unpledged shares.

Fifth. Permit loans to directors and committee members up to the amount of their shareholdings in the credit union plus the total unencumbered and unpledged shareholdings in the credit union of any member pledged as security for the obligation of such director or committee member.

Sixth. Permit investment by Federal credit unions in the shares of central credit unions.

Seventh. Permit the charging of a reasonable fee for the cashing or selling of checks.

Eighth. Provide for appointment of the supervisory committee by the president, one of whom may be a director other than the treasurer; such appointment subject to ratification by the board.

Ninth. Provide for one or more vice presidents.

Tenth. Change position called "clerk" to that of "secretary."

Eleventh. Prohibit compensation to any director, committee member or officer other than the treasurer for services rendered as such.

Twelfth. Permit appointment by the board of a membership chairman to act upon applications for membership within limitations prescribed by the board.

Thirteenth. Authorize board to compensate necessary clerical and auditing assistance (requested by the supervisory committee) and loan officers (appointed by the credit committee).

Fourteenth. Provide for declaration of dividends by the board of directors.

Fifteenth. Permit annual or semiannual dividends as the bylaws of each credit union may provide.

Sixteenth. Provide for review of an expulsion of a credit union member (if requested by such member) by the Director of the Bureau of Federal Credit Unions.

Seventeenth. Permit dividend credit for a month on shares which are or become fully paid up during the first 5 days of that month.

Eighteenth. Permit allocation of space in Federal buildings to credit unions having a membership composed of at least 95 percent of persons who are either presently Federal employees or are retired employees and members of their families.

Nineteenth. Expand act to apply to the several States, the District of Columbia, the several Territories and the several possessions of the United States, the Panama Canal Zone and the Commonwealth of Puerto Rico.

Twentieth. Include provision for conversion from Federal to State charter and vice versa.

Twenty-first. Include Bureau of Federal Credit Unions under provisions of Administrative Procedure Act.

Twenty-second. Make robbery of a Federal credit union a crime under Federal statute.

HEARINGS BEFORE COMMITTEE MAY 11

Subcommittee No. 3 of the House Banking and Currency Committee will commence hearings on H.R. 5777, and related bills, May 11, 1959.

LAW DAY

The SPEAKER pro tempore. Under previous order of the House, the Chair recognizes the gentleman from New York [Mr. HALPERN] for 10 minutes.

Mr. HALPERN. Mr. Speaker, President Eisenhower on January 2, 1959, proclaimed tomorrow, May 1, 1959, as Law Day in the United States of America. It is eminently fitting that our Chief Executive should thus direct the attention of the world to the liberty that freemen enjoy under law and order. It is important to emphasize the accomplishments of our system of free enterprise in contrast to the tyranny which enslaves so many people today behind the Iron Curtain. The United States on May Day celebrates "rule by law"; Russia celebrates "rule by man."

But let us look beneath the generalities. What is the necessity for the rule of law? Why is the supremacy of the law essential to the existence of the Nation?

What do we mean by this "law," which we thus pause to honor? There is "law," of sorts, behind the Iron Curtain. The life of men there is governed by regulations; their civil liabilities are laid down and criminal responsibilities defined. Is law in the United States so different? Here, too, we are met by law on all sides and at all stages, from the cradle to the grave—and beyond—if our estate was big enough.

The great difference lies in the source of the law and the nature of its claim to our obedience. The law to which we pay tribute tomorrow is law formulated by our freely chosen representatives in legislature assembled; law which thus reflects the wishes of the people governed thereby; and which, when it no longer does so reflect their wishes, can be changed accordingly.

It is law, whether Federal or State, based upon and measured by, a written constitution. And whence come those constitutions? Again, from the people governed thereby.

We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defence, promote the general welfare, and secure the Blessings of liberty to ourselves and our posterity, do ordain and establish—

Our forefathers who drew up that Constitution believed that the essence of the law is justice for all. For them the

Declaration of July 4, 1776, was a current, living statement:

All men are created equal—endowed by their Creator with certain inalienable rights, among them Life, Liberty and the Pursuit of Happiness. * * * To secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed.

Upon these principles was our Nation founded. The governmental structure built thereon has withstood the stress and strain of wars at home and abroad; for over a century and a half it has been an inspiration to peoples all over the world—an example of a government founded upon the idea of justice under law.

Thirteen times in this 170 years the people of the United States have amended their Constitution. They have clarified it in spots, they have added new principles as social progress throughout the country has called for them, but always within the orderly processes laid down by the original document. Today as ever, we have in this country a government of law. True, the law is administered by men, and men are not yet perfect nor infallible; but the principles of justice and equality embodied in the Declaration and the Constitution and the legislation enacted thereunder are more enduring than the lawyers who write them or the judges who administer them.

Today the free world stands in a period of unprecedented crisis and danger. Free people have never faced a greater challenge. There has never been a greater need than now for men who believe in law and order to stand and work together for the preservation of those ideals and standards upon which a government by law is built. Government, law, and the individual are indispensable to each other, if men are to remain free.

U.S. GOVERNMENT LONG-TERM SECURITIES BEING SOLD AT RIDICULOUS PRICES ON THE UNSUPERVISED, UNREGULATED MARKET

The SPEAKER pro tempore [Mr. ROBERTS]. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 10 minutes.

Mr. PATMAN. Mr. Speaker, on yesterday, for the first time since the early twenties the yield on U.S. Government long-term securities increased to more than the 4.25 percent.

The following market report appeared in the Washington Post this morning:

GOVERNMENT BONDS

NEW YORK.—Closing over the counter U.S. Government Treasury bonds, bid, asked, net change and yield for—

	Bid	Asked	Net change	Yield
T-2½s 60	97.23	97.25	−0.1	3.62
2¾s 65-60	99.24	99.28	.....	2.77
T-2¾s 61	97.4	97.8	−.2	3.97
T-2½s 61	96.2	96.6	−.1	4.10
T-2¼s 62-59 June	94.20	94.24	−.4	4.03
T-2¼s 62-59 December	94.6	94.10	−.2	3.95
T-2½s 63	93.20	93.24	−.4	4.10
T-3s 64	95.8	95.12	−.4	4.04
T-2½s 65	91.20	91.24	−.4	4.25

GOVERNMENT BONDS—Continued

NEW YORK.—Closing over the counter U.S. Government Treasury bonds, bid, asked, net change and yield for—

	Bid	Asked	Net change	Yield
T-3s 66	93.8	93.12	−.4	4.06
T-2½s 67-62	88.12	88.20	−.8	4.17
T-2½s 68-63	86.16	86.24	−.8	4.18
T-2½s 69-64 June	85.12	85.20	−.8	4.26
T-4s 69	98.16	98.24	−.8	4.15
T-2½s 69-64 December	85	85.8	−.12	4.23
T-2½s 70-65	84.20	84.28	−.8	4.25
T-2½s 71-66	84	84.8	−.12	4.20
T-2½s 72-67 June	83.28	84.4	−.16	4.07
T-2½s 72-67 September	83.18	83.26	−.10	4.08
T-2½s 72-67 December	83.28	84.4	−.14	4.02
T-3⅞s 74	97.2	97.10	−.6	4.12
T-4s 80	98.2	98.10	−.2	4.13
T-3¼s 83-78	88.8	88.16	−.4	4.00
T-3¼s 85	87.28	88.4	−.4	3.99
T-3½s 90	89.24	90	−.4	4.07
T-3s 95	83.30	84.6	−.6	3.81

The yield on 2.5-percent bonds on yesterday was increased to 4.26 percent as you will notice. Of course, the yield is increased by the prices of the bonds being lowered in value on the unsupervised, unregulated U.S. Government securities market. Bonds went down to around 83 on yesterday, which enabled the selling price to be on the basis of an interest rate annual return of 4.26. We have regulations and carefully supervised markets on which different stocks are traded and on which commodities such as onions are traded, but no supervised market for Government securities. We are careful about our onions but reckless with our bonds. In other words, the people trading on the U.S. Government securities market are not guaranteed an honest fair deal.

Under the present law, the Treasury cannot issue bonds and sell them providing in excess of 4¼ percent, so this market rate is in excess of the rate allowed by law. Naturally, these bonds did not sink to that rate because of any law, but because of the management of our monetary policies by the Federal Reserve Board and the U.S. Treasury. We have gone through two major wars and a major depression without anything like the present rates on Government bonds.

AFTER WORLD WAR I

After World War I, when Government bonds went down to about where they are now, the people of the Nation raised up in arms almost against such practice being allowed. It was terrible. It was a disgrace. We never did think that it would be done again. You know speculators were going over the country buying up those bonds at 85 cents, 84 cents, and 83 cents on the dollar, and in some remote areas 75 cents on the dollar. Then after they were all pretty well concentrated in the hands of a few people, the policies were changed and the bonds went up to 100 cents on the dollar and the speculators made a profit or a windfall of that difference. That disgraceful situation should never have happened again, but it has happened right here in broad daylight. Right here in the good old United States of America. Right here in the sight of the 436 Members of the House of Representatives and the 98 U.S. Senators. **What are we doing about it? We are doing absolutely nothing about it. Are we giving any consideration to it? Individuals are, yes, but as to committees, I do not know of any committee in the House or Senate that has taken any action concerning it.**

HIGH INTEREST INFLATIONARY

High interest has been very devastating to our economy in the last few years. High interest has caused our national debt to be increased. High interest is inflationary. The only inflation we have in the National today that I can see, and I am just as much against inflation as anybody in the United States, is the high interest inflation.

I doubt that many Members of the Congress have taken the trouble to find out for themselves that the dollar is worth less today in comparison, let us say, to 1946 when it comes to the payment of interest on U.S. Government short-term securities than for the purchase of any other commodity or service. The interest rate for 1946 on short-term loans compared to Government short-term interest rates today are today almost exactly 10 times as high.

A 10-CENT DOLLAR FOR INTEREST PAYING PURPOSES

That means that the interest paying dollar of 1946 is worth 10 cents today. A 10-cent dollar for the paying of interest on short-term obligations by the U.S. Government that gets its money from the taxpayers. So that money that we are collecting from the taxpayers to pay interest on short-term Government obligations today is worth 10 cents on the dollar. If any Member knows of any other commodity or service where the dollar has gone as low as that, I wish that Member would speak up because I do not know of any case where the dollar has sunk so low as in the payment of interest on short-term obligations.

HIGH INTEREST INCREASED OUR NATIONAL DEBT

Had it not been for the interest rate increase commencing January 1953, our national debt today would be at least $25 billion less. We would not have been compelled to increase the national debt more than once. We have increased it twice and maybe more than twice and we will continue to have to increase the national debt limit if we do not stop the outrageously high interest rates that are now in effect in the United States of America. Why we, as Members of the Congress, permit this to go on, I do not understand except we have so much to do and we are being pressed to do other things and we just do not have the time to take up all of these things.

But this has become so increasingly important that I think the Members of Congress should forget everything else and do something about settling this problem of the increasing interest rates. It has to be done or we will wreck our country. If the Communists in Russia want to wreck our country, and we are told that they do, they are certainly applauding what is being done in the United States today to increase interest

rates, because increased interest rates will unbalance every budget in America. It will unbalance the national budget, all State budgets, the budgets of all counties, cities, subdivisions, and even individuals and partnerships and corporations. All budgets are unbalanced by high interest rates. There is not one thing that can be accomplished that will have such a devastating effect upon the whole country and every person in the country as the increase in interest rates. So something must be done to stop this increase. Otherwise we are on the road to ruin.

I urge every Member to give serious consideration to what happened yesterday when the yield on Government bonds went above the rate allowed by law. That should not happen. Let me give you an illustration. This was told to a congressional committee of which I am a member. The Federal Reserve Board last year furnished the banks enough free reserves, absolutely free, without a penny cost, for them to go into the market and purchase $10,400 million in U.S. Government securities. That was manufactured money. That was money created on the books of the banks. Every dollar of that money must be paid. By whom? Every bill says "U.S. Government will pay on demand" so many dollars. That is how. That is you. That is the people. In other words, it is a mortgage upon all the property and upon all the incomes of all the people of the United States to pay that money which was created by the flick of a pen on the books of the banks in 1958 in order to buy these bonds totaling $10,400 million. If any Member of Congress can justify that, I wish that Member would speak out and I wish that Member would take the floor of this House and say that it can be justified. I know now that no Member will do that because no Member will try to defend that policy. It cannot be defended. But we have remained silent. We have not done anything about it. Now it has overtaken us in a devastating, ruinous way. We must immediately pay some attention and see if we cannot do something about it.

Yields on long-term Government bonds, by months, 1919 to present

[Percent per annum]

	January	February	March	April	May	June	July	August	September	October	November	December	Year
1919	4.63	4.70	4.73	4.72	4.67	4.69	4.72	4.78	4.73	4.71	4.81	4.90	4.73
1920	4.93	5.05	5.09	5.28	5.58	5.54	5.57	5.67	5.43	5.08	5.21	5.40	5.32
1921	5.23	5.28	5.27	5.24	5.25	5.27	5.26	5.22	5.12	4.83	4.64	4.47	5.09
1922	4.45	4.50	4.41	4.28	4.26	4.24	4.14	4.12	4.19	4.30	4.33	4.32	4.30
1923	4.32	4.33	4.38	4.39	4.37	4.34	4.34	4.35	4.36	4.40	4.37	4.35	4.36
1924	4.30	4.28	4.28	4.23	4.15	3.98	3.94	3.91	3.92	3.87	3.90	3.96	4.06
1925	3.96	3.95	3.96	3.93	3.87	3.79	3.79	3.85	3.85	3.82	3.79	3.80	3.86
1926	3.77	3.71	3.71	3.70	3.67	3.67	3.68	3.70	3.70	3.68	3.62	3.56	3.68
1927	3.51	3.48	3.37	3.35	3.31	3.34	3.36	3.32	3.30	3.29	3.23	3.17	3.34
1928	3.18	3.19	3.17	3.20	3.24	3.29	3.42	3.48	3.46	3.47	3.38	3.45	3.33
1929	3.52	3.62	3.74	3.64	3.64	3.69	3.64	3.71	3.70	3.61	3.35	3.36	3.60
1930	3.43	3.41	3.29	3.37	3.31	3.25	3.25	3.26	3.24	3.21	3.19	3.22	3.29
1931	3.20	3.30	3.27	3.26	3.16	3.13	3.15	3.18	3.25	3.63	3.63	3.93	3.34
1932	4.26	4.11	3.92	3.68	3.76	3.76	3.58	3.45	3.42	3.43	3.45	3.35	3.68
1933	3.22	3.31	3.42	3.42	3.30	3.21	3.20	3.21	3.19	3.22	3.46	3.53	3.31
1934	3.50	3.32	3.20	3.11	3.02	2.98	2.92	3.03	3.20	3.10	3.07	3.01	3.12
1935	2.88	2.79	2.77	2.74	2.72	2.72	2.69	2.76	2.85	2.85	2.83	2.83	2.79
1936	2.80	2.77	2.71	2.68	2.66	2.66	2.65	2.61	2.60	2.62	2.53	2.51	2.65
1937	2.47	2.46	2.60	2.80	2.76	2.76	2.72	2.72	2.77	2.76	2.71	2.67	2.68
1938	2.65	2.64	2.64	2.62	2.51	2.52	2.52	2.51	2.58	2.48	2.50	2.49	2.56
1939	2.47	2.44	2.34	2.30	2.17	2.13	2.16	2.21	2.65	2.60	2.46	2.35	2.36
1940	2.30	2.32	2.25	2.25	2.38	2.39	2.28	2.25	2.18	2.10	1.97	1.89	2.21
1941	1.99	2.10	2.01	1.96	1.92	1.91	1.90	1.94	1.94	1.88	1.85	1.96	1.95
1942	2.48	2.48	2.46	2.44	2.45	2.43	2.46	2.47	2.46	2.45	2.47	2.49	2.46
1943	2.46	2.46	2.48	2.48	2.46	2.45	2.45	2.46	2.48	2.48	2.48	2.49	2.47
1944	2.49	2.49	2.48	2.48	2.49	2.49	2.49	2.48	2.47	2.48	2.48	2.48	2.48
1945	2.44	2.38	2.40	2.39	2.39	2.35	2.34	2.36	2.37	2.35	2.33	2.33	2.37
1946	2.21	2.12	2.09	2.08	2.19	2.16	2.18	2.23	2.28	2.26	2.25	2.24	2.19
1947	2.21	2.21	2.19	2.19	2.19	2.22	2.25	2.24	2.24	2.27	2.36	2.39	2.25
1948	2.45	2.45	2.44	2.44	2.42	2.41	2.44	2.45	2.45	2.45	2.44	2.44	2.44
1949	2.42	2.39	2.38	2.38	2.38	2.38	2.27	2.24	2.22	2.22	2.20	2.19	2.31
1950	2.20	2.24	2.27	2.30	2.31	2.33	2.34	2.33	2.36	2.38	2.38	2.39	2.32
1951	2.39	2.40	2.47	2.56	2.63	2.65	2.63	2.57	2.56	2.61	2.66	2.70	2.57
1952	2.74	2.71	2.70	2.64	2.57	2.61	2.61	2.70	2.71	2.74	2.71	2.75	2.68
1953	2.80	2.83	2.89	2.97	3.11	3.13	3.02	3.02	2.98	2.83	2.86	2.79	2.94
1954	2.69	2.62	2.53	2.48	2.54	2.55	2.47	2.48	2.52	2.54	2.57	2.59	2.55
1955	2.68	2.78	2.78	2.82	2.81	2.82	2.91	2.95	2.92	2.87	2.89	2.91	2.84
1956	2.88	2.85	2.93	3.07	2.97	2.93	3.00	3.17	3.21	3.20	3.30	3.40	3.08
1957	3.34	3.22	3.26	3.32	3.40	3.58	3.60	3.63	3.66	3.73	3.57	3.30	3.47
1958	3.24	3.28	3.25	3.12	3.14	3.20	3.36	3.60	3.75	3.76	3.70	3.80	3.43
1959	3.91	3.92	3.92										

NOTE.—Long-term Government yields from January 1919 through Oct. 14, 1925, are unweighted averages of yields of all outstanding partially tax-exempt Government bonds, due or callable after 8 years, and those from Oct. 15, 1925, through December 1941 of all such bonds due or callable after 12 years. Averages for the 2 sets of bonds were identical from Oct. 15, 1925, through July 16, 1928. Beginning January 1942 through Mar. 31, 1952, yields are based on taxable bonds neither due nor callable for 15 years; beginning Apr. 1, 1952, through Mar. 31, 1953, on bonds neither due nor callable for 12 years. From Apr. 1, 1953, to present, series based on bonds maturing in 10 years or more.

Source: Board of Governors of the Federal Reserve System, "Banking and Monetary Statistics," 1953; Annual Report of the Secretary of the Treasury, 1958; and Treasury Bulletins.

THE LATE HONORABLE JOHN C. KLECZKA

Mr. DANIELS. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. ZABLOCKI] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, it is my sad duty to report to this House the passing away of the former Representative from the Fourth District of Wisconsin, the late Honorable John C. Kleczka. Judge Kleczka died last week of a heart ailment, in his home in Milwaukee.

Judge Kleczka was a highly respected member of our community. He was an able lawyer, and a distinguished jurist. His public service to our community, and the Nation, spanned a period of over half a century. His personal and professional integrity, his civic activities, and his conduct on the bench, left an indelible mark upon our city.

Judge Kleczka was born in Milwaukee on May 6, 1885. He received his early education at the St. Stanislaus School. He was graduated from Marquette University in 1905, and took postgraduate work at the Catholic University in Washington, D.C., and at the University of Wisconsin. He was admitted to the bar in 1909.

At the age of 23, Judge Kleczka was elected to the Wisconsin State Senate from the eighth district. He served two terms in the State senate, and headed a special income tax committee which formulated the present State income tax law. In 1918, he was elected to the U.S. Congress from the Fourth District of Wisconsin—the district which I have the honor to represent in this body. He was reelected in 1920, thus serving in the 66th and 67th Congresses. He did not seek reelection in 1922, choosing, instead, to return to his law practice.

In 1930, Judge Kleczka was appointed to the circuit court of Milwaukee. He

continued as judge until ill health compelled him to retire in 1953. He did, however, resume his law practice, and held the position of a conciliation judge and court commissioner at the time of his death.

Judge Kleczka was always very active in civic and fraternal affairs. He was one of the founders, in 1928, of the Gen. Casimir Pulaski Council, an organization of representatives of the many organizations in the Milwaukee County, composed of Americans of Polish ancestry. He served as the first president of that council. In addition, Judge Kleczka was associated with the Wisconsin Bar Association, American Bar Association, South Division Civic Association, Modern Woodmen of America, Polish National Alliance, Knights of Columbus, the Holy Name Society, and various other organizations.

In Judge Kleczka's death, our city, State, and Nation has lost one of its distinguished and prominent citizens.

On behalf of Mrs. Zablocki and myself, I convey our deep sympathy to his widow, Wanda, and to his family. May they draw some consolation from the thought that the good Lord has called him to be with His very own.

ADDITIONAL LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, in announcing the program for next week I scheduled two suspensions to come up on Monday. I also desire to announce that there may be a suspension on Monday relative to the Railroad Retirement Act, in order to correct a mistake.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. CHARLES C. DIGGS, JR. (at the request of Mr. MACHROWICZ), for 1 week, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. CONTE for 5 minutes today and to revise and extend his remarks.

Mr. RHODES of Pennsylvania for 60 minutes on Monday next.

Mr. HALPERN for 10 minutes today, to revise and extend his remarks and include extraneous matter.

Mr. PATMAN, for 10 minutes, today, to revise and extend his remarks and to include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mrs. GRANAHAN and to include extraneous matter.

Mr. PHILBIN in three instances, in each to include extraneous matter.

Mr. MARTIN (at the request of Mr. GROSS).

Mrs. BOLTON and to include a résumé she has made of certain testimony given in the Committee on Foreign Affairs.

Mr. SMITH of Iowa.

Mr. BRADEMAS.

Mr. BROOMFIELD.

Mr. PORTER.

The following Members (at the request of Mr. CURTIN) and to include extraneous matter if so desired:

Mr. SCHERER.

Mr. KEITH.

Mr. AYRES.

The following Members (at the request of Mr. DANIELS) and to include extraneous matter, if so desired:

Mr. ZELENKO.

Mr. KARTH.

Mr. BARING.

Mr. IRWIN.

Mr. VINSON.

SENATE BILLS, JOINT RESOLUTION, AND CONCURRENT RESOLUTIONS REFERRED

Bills, a joint resolution, and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 29. An act for the relief of Magda Kusen Canjuga; to the Committee on the Judiciary.

S. 33. An act for the relief of Bertha Glickmann; to the Committee on the Judiciary.

S. 114. An act to provide for equal treatment of all State-owned hydroelectric power projects with respect to the taking over of such projects by the United States; to the Committee on Interstate and Foreign Commerce.

S. 178. An act for the relief of Wong Bick Quon (Maria Wong); to the Committee on the Judiciary.

S. 181. An act for the relief of Mary (Marija) Grom; to the Committee on the Judiciary.

S. 182. An act for the relief of Yong Chul Jurgens; to the Committee on the Judiciary.

S. 199. An act for the relief of Stanislawa Siedlecka (Rejman); to the Committee on the Judiciary.

S 219. An act to provide for the construction of a fire-proof annex building for use of the Government Printing Office, and for other purposes; to the Committee on Public Works.

S. 245. An act for the relief of Umeko Parker; to the Committee on the Judiciary.

S. 334. An act for the relief of Hilda M. Humpole Goldschmidt; to the Committee on the Judiciary.

S. 441. An act to extend the duration of the Federal air pollution control law, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 498. An act to extend the life of the Alaska International Rail and Highway Commission, and to make a change in the membership of such Commission; to the Committee on Interior and Insular Affairs.

S. 524. An act for the relief of Giovanni Malara; to the Committee on the Judiciary.

S. 548. An act granting the consent of Congress to a Great Lakes Basin Compact, and for other purposes; to the Committee on Foreign Affairs.

S. 587. An act to provide for the advancement of Captain Edward J. Steichen, U.S. Naval Reserve (retired), to the grade of rear admiral on the Naval Reserve retired list; to the Committee on Armed Services.

S. 593. An act for the relief of Angelinas Cuacos Steinberg; to the Committee on the Judiciary.

S. 601. An act to authorize and provide for the construction of the Bardwell Reservoir; to the Committee on Public Works.

S. 611. An act for the relief of Harry H. Nakamura; to the Committee on the Judiciary.

S. 625. An act for the relief of Sophie Stankus, also known as Sister Saint Ignace; to the Committee on the Judiciary.

S. 626. An act for the relief of Maria Wolfram; to the Committee on the Judiciary.

S. 843. An act for the relief of Ursula Gewinner; to the Committee on the Judiciary.

S. 848. An act for the relief of Petar Trbojevic; to the Committee on the Judiciary.

S. 940. An act for the relief of Anthony Lousedes; to the Committee on the Judiciary.

S. 1034. An act for the relief of Asae Nishimoto; to the Committee on the Judiciary.

S. 1239. An act for the relief of Herbert Westermann; to the Committee on the Judiciary.

S. 1315. An act for the incorporation of the Blue Star Mothers of America, Inc.; to the Committee on the District of Columbia.

S. 1368. An act to amend sections 503 and 504 of the Federal Aviation Act of 1958 to facilitate financing of new jet and turboprop aircraft; to the Committee on Interstate and Foreign Commerce.

S. J. Res. 16. Joint resolution to designate the lake to be formed by the waters impounded by the Dickinson Dam in the State of North Dakota as "Edward Arthur Patterson Lake"; to the Committee on Interior and Insular Affairs.

S. Con. Res. 21. Concurrent resolution favoring the suspension of deportation in the cases of certain aliens; to the Committee on the Judiciary.

S. Con. Res. 22. Concurrent resolution to print additional copies of certain hearings on transportation problems in Maryland, Virginia, and the Washington metropolitan area; to the Committee on House Administration.

ENROLLED JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 301. Joint resolution providing for printing copies of "Cannon's Procedure in the House of Representatives."

ADJOURNMENT

Mr. DANIELS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 57 minutes p.m.), under its previous order, the House adjourned until Monday, May 4, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

912. A letter from the Clerk, U.S. House of Representatives, transmitting a communication from the Honorable Carlton H. Myers, candidate for the office of Representative in Congress from the 22d Congressional District of the State of Illinois at the election held on November 4, 1958, complaining about the conduct of the said election (H. Doc. No. 123); to the Committee on House Administration and ordered to be printed.

913. A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting the quarterly report of Federal contributions for the quarter ending March 31, 1959, pursuant to subsection 201(i) of the Federal Civil Defense Act of 1950; to the Committee on Armed Services.

914. A letter from the Comptroller General of the United States, transmitting a report on the examination of the programs for constructing and equipping the Air Force Academy, Colorado Springs, Colo., pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67); to the Committee on Government Operations.

915. A letter from the Secretary of Health, Education, and Welfare, transmitting the Annual Report of the U.S. Department of Health, Education, and Welfare, for the fiscal year 1958; to the Committee on Education and Labor.

916. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting correspondence regarding the cases of Erica Weisz, A-6619080, and Otto Weisz, A-6226754, involving suspension of deportation under the provisions of section 244(a)(1) of the Immigration and Nationality Act of 1952, and requesting that the cases be withdrawn from those now before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

917. A letter from the Assistant Secretary of the Interior, transmitting a draft of a proposed bill entiled "A bill to facilitate the administration of the public lands, and for other purposes"; to the Committee on Interior and Insular Affairs.

918. A letter from the Administrator, Small Business Administration, transmitting a draft of proposed legislation, entitled "Small Business Act Amendments of 1959"; to the Committee on Banking and Currency.

919. A letter from the Director, Administrative Office U.S. Courts, transmitting a draft of proposed legislation, entitled "A bill to repeal subdivision c of section 18 of the Bankruptcy Act (11 U.S.C. 41c) so as to eliminate verification under oath of pleadings"; to the Committee on the Judiciary.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BONNER:

H.R. 6815. A bill to amend title 46, United States Code, section 601, to clarify types of arrestment prohibited with respect to wages of U.S. seamen; to the Committee on Merchant Marine and Fisheries.

By Mr. CELLER:

H.R. 6816. A bill to amend section 57a of the Bankruptcy Act (11 U.S.C. 93(a)) and section 152, title 18, United States Code; to the Committee on the Judiciary.

H.R. 6817. A bill to amend sections 1 and 3 of the Foreign Agents Registration Act of 1938, as amended; to the Committee on the Judiciary.

By Mr. DOWDY:

H.R. 6818. A bill to amend the act of August 16, 1950, relating to exclusion from the mails of obscene articles, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 6819. A bill to amend section 3929 of the Revised Statutes, relating to the mail of persons conducting lotteries or fraudulent schemes; to the Committee on Post Office and Civil Service.

By Mr. FOLEY:

H.R. 6820. A bill to amend the act of April 10, 1924, to provide a refund to retail dealers for taxes paid the District of Columbia on motor vehicle fuels lost due to evaporation and shrinkage; to the Committee on the District of Columbia.

H.R. 6821. A bill to prohibit certain persons from engaging in the general practice of law in the District of Columbia; to the Committee on the District of Columbia.

By Mr. GUBSER:

H.R. 6822. A bill to clarify the legal status of employer or joint industry contributed apprenticeship funds and other joint or individual apprenticeship activities; to the Committee on Education and Labor.

By Mr. HERLONG:

H.R. 6823. A bill to amend sections 130, 131, and 1201 of the Tariff Act to provide for the carriage by U.S.-flag commercial vessels of at least 50 percent of the gross tonnage of importations of crude, fuel or refined petroleum, or in the alternative for an ad valorem duty; to the Committee on Ways and Means.

By Mr. JUDD:

H.R. 6824. A bill to amend section 610 of the Civil Aeronautics Act of 1938 to prohibit the serving of alcoholic beverages to airline passengers while in flight; to the Committee on Interstate and Foreign Commerce.

By Mr. LANE:

H.R. 6825. A bill to amend the Postal Field Service Compensation Act of 1955 to eliminate certain restrictions on the receipt by postal field service employees of the compensation of higher salary levels in connection with temporary assignments thereto; to the Committee on Post Office and Civil Service.

By Mr. LINDSAY:

H.R. 6826. A bill to amend titles I, II, and III of the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

H.R. 6827. A bill to amend the International Claims Settlement Act of 1949, as amended, and for other purposes; to the Committee on Foreign Affairs.

By Mr. MARTIN:

H.R. 6828. A bill to amend the Internal Revenue Code of 1954, so as to restore competitive equality to retailers and other distributors with respect to certain sales to business and other organizations; to the Committee on Ways and Means.

By Mr. CLEMENT W. MILLER:

H.R. 6829. A bill to provide for the granting of a nonquota immigrant status to certain immigrants who are the brothers, sisters, sons, or daughters of citizens of the United States; to the Committee on the Judiciary.

By Mr. MURRAY:

H.R. 6830. A bill to provide for uniformity of application of certain postal requirements with respect to disclosure of the average numbers of copies of publications sold or distributed to paid subscribers, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. POFF:

H.R. 6831. A bill to amend the Social Security Act to provide that the Secretary of Health, Education, and Welfare shall, under certain circumstances, disclose the current addresses of husbands and parents who have deserted their families; to the Committee on Ways and Means.

By Mr. TOLLEFSON:

H.R. 6832. A bill to amend title 46, United States Code, section 601, to clarify types of arrestment prohibited with respect to wages of U.S. seamen; to the Committee on Merchant Marine and Fisheries.

By Mr. VAN ZANDT:

H.R. 6833. A bill to amend the Career Compensation Act of 1949, as amended, to correct certain deficiencies; to the Committee on Armed Services.

By Mr. WIER:

H.R. 6834. A bill to prohibit the serving of alcoholic beverages to passengers on aircraft in flight; to the Committee on Interstate and Foreign Commerce.

By Mr. RIVERS of Alaska:

H.R. 6835. A bill to amend the act of August 10, 1939, authorizing the Postmaster General to contract for certain powerboat service in Alaska; to the Committee on Post Office and Civil Service.

By Mr. TOLL:

H.R. 6836. A bill to provide for the establishment of a commission for the prevention of discrimination in employment in connection with the performance of certain contracts; to the Committee on the Judiciary.

By Mr. BASS of New Hampshire:

H.J. Res. 358. Joint resolution to provide interim authorization for home mortgage insurance; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FARBSTEIN:

H.R. 6837. A bill for the relief of Marcel and Klara Moscona and minor son, Moshe; to the Committee on the Judiciary.

By Mrs. KEE:

H.R. 6838. A bill for the relief of Adel Nassib Masri; to the Committee on the Judiciary.

By Mrs. KELLY:

H.R. 6839. A bill for the relief of Ariel Shapiro; to the Committee on the Judiciary.

By Mr. LEVERING:

H.R. 6840. A bill for the relief of Mrs. Victoria Pazan; to the Committee on the Judiciary.

H.R. 6841. A bill for the relief of James Montzroszis; to the Committee on the Judiciary.

H.R. 6842. A bill for the relief of Anna Wala; to the Committee on the Judiciary.

H.R. 6843. A bill for the relief of Daniel Wilging; to the Committee on the Judiciary.

By Mr. MACHROWICZ:

H.R. 6844. A bill for the relief of Hripsime Arakelian Ohanian; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

171. The SPEAKER presented a petition of E. E. Richardson and others, Melbourne, Fla., petitioning consideration of their resolution with reference to the enactment of legislation granting social security coverage to U.S. Goverment employees in addition to civil service retirement, which was referred to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

Moving Forces in the History of Mankind

EXTENSION OF REMARKS
OF
HON. HUBERT H. HUMPHREY
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES
Thursday, April 30, 1959

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address which I delivered before the Sixth National Conference on International Economic and Social Development, at Washington, D.C., on April 30, 1959.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SPEECH BY SENATOR HUBERT H. HUMPHREY BEFORE SIXTH NATIONAL CONFERENCE ON INTERNATIONAL ECONOMIC AND SOCIAL DEVELOPMENT, WASHINGTON, D.C., APRIL 30, 1959

What are the moving forces in the history of mankind? Philosophers and historians have long debated this question.

There was a time—and not so very long ago—when history was written in terms of famous men—generals, emperors and presidents. In Shakespeare's plays, for example the common people take the stage only as prosy clowns and buffoons; the timeless poetry comes from royal or noble lips.

But more recently history has been written in terms of the changes in methods of production—or even of destruction. The progress from the stone axe to the automated factory—the progress, if one can call it that, from the caveman's club to the intercontinental ballistic missile—each has had great effect.

We are met today to pay tribute to one of those truly great ideas which transforms history—the proposal, put forward in President Truman's inaugural address 10 years ago, that America and the other industrialized nations should, in his words:

"Help the free peoples of the world, through their own efforts, to produce more food, more clothing, more materials for housing, and more mechanical power to lighten their burdens."

This bold new program was the fourth point in President Truman's list of foreign policy objectives for the United States. It is important to note that point 4 was designed to be an integral part of a much broader program. The point 4 program is not a substitute for adequate military defense. It is not a substitute for sound trade policies. It is not a substitute for any other necesary element in our overall foreign policy. But it is a valuable, and, indeed, indispensable, element to any effective foreign policy, specially in the less-developed areas of the world whose future may determine the destiny of all mankind.

Mr. Truman's point 4 captured the minds and hearts of men everywhere, both because it was new and bold and yet drew its inspiration from our heritage. Like all great ideas in history, it did not spring full-grown from the brow of one man. Great ideas emerge from the accumulated wisdom, experience, and aspirations of men, and they have their greatest force when their time has come.

The point 4 idea is rooted in the humanitarian imperative of all great religions—the strong should help the weak, the rich should help the poor—"Do unto others as you would have them do unto you."

Point 4 was really the projection of our unique historical experience—the international application of the lessons that we learned in the development of the American frontier.

In developing the American West, we formulated a new approach to training and education—land-grant colleges, vocational education, the county agents, all the many practices and institutions that were the prototypes for the point 4 projects of recent years.

At the same time, there was strengthened in the American character the qualities of optimism, of confidence, of initiative, and of impatience with obstacles that make up one of our greatest strengths as a nation.

What is needed in our foreign policy more than anything else today is that we draw on this great heritage of ours, this well of national strength, to carry through admittedly difficult and discouraging undertakings.

Much of the force of the point 4 idea was its timeliness. President Truman understood the mighty struggle between totalitarianism and freedom. It was he who launched the Truman doctrine which saved Greece and Turkey from communism. He knew then, as we all know now, that in the many-faceted world struggle the economically underdeveloped and politically unalined nations may well hold the balance of power.

We should be proud of the humanitarian roots of the point 4 idea. We should not be apologetic about the fact that rightly used it can be an instrument of greater peace and stability in the struggle between freedom and totalitarianism. Let us be grateful that there is a program which is humanitarian and politically relevant at the same time—a happy and fortunate combination.

And, speaking of humanitarian values, what is more humanitarian than helping to prevent "darkness at noon" from spreading over areas where new freedom and new hope have just been born?

In retrospect, we can see that "point 4" was long foreshadowed—indeed, was implicit—in the United Nations Relief and Rehabilitation Administration and in the Marshall plan. Yet, when President Truman put it forward, it caught even some of his own officials unprepared. As one of them has recalled:

"Messages of surprise and delight poured in from all over the world, and a hurried meeting of department representatives was held to consider the practical problems in meeting the expectations which the President's words had produced overnight. As we gathered in the State Department's conference room, the atmosphere was a curious mixture of excitement and perplexity.

"A senior official of the Department was the first to speak. 'Well, fellows,' he said with a smile, 'what do you suppose he meant?'"

Such was the sweep and the dynamism of the President's idea that even today, after 10 years of living with it and working with it, we are still discovering in it fresh meanings and fresh dimensions.

But an idea is a dazzling, even a blinding, thing—and there is every human tendency to dim it down a bit, so that it is more comfortable to live with.

So, for a while, too many of us put on heavily tinted glasses before we dared look this idea in the face.

First, there was a tendency to "sell it cheap." All we had to do, we assured ourselves, was to pass on to other peoples our so-called know-how and then leave them to their own resources. It was the easiest kind of virtue, costing us little more than words.

Second, when we began to realize that know-how is paralyzed without some material backing—be it something as simple as fertilizer or as elaborate as a hydroelectric project—we felt a need to avoid even the appearance of generosity. So we began calling much of our economic aid "defense support" and applying the label "mutual security program" to the whole enterprise.

Oversea aid suffered—and still suffers—from these heavy military overtones. Too often, we give the impression that our main interest is to "buy allies in the cold war."

Third, we seemed fearful that we might not get full credit for the element of genuine generosity which remained in the program. We wanted the tag, "Made in America," fastened firmly to it.

Although we did join in the U.N. expanded technical assistance program and more recently in the U.N. special fund, we have preferred to keep most of our aid in our own hands.

Unfortunately, this is a game that two can play. Khrushchev does not hesitate to pick up a good idea when he sees one—even from the capitalists he professes to despise. The Russians, it's true were "Ivans-comelately" in this field, but they are catching up fast. Their loans and their technicians are already at work in many crucial areas of the world.

It is a real measure of the basic soundness of the point 4 concept that it has survived 10 years of cold war and worldwide turmoil.

A curious attitude has developed about this whole oversea aid program—a sort of national inferiority complex. We seem to think of Uncle Sam as Uncle Sap, constantly being sold a bill of goods by European, African, and Asian leaders of dubious loyalty to our side. As the Draper report puts it:

"In our fascination with our own mistakes, and the constant use of foreign aid as a whipping boy, we may be gradually choking this vital feature of our national security to death."

Mistakes will be made in any great enterprise, but what bothers me more than the mistakes is the way we dwell upon them—rather than taking them as lessons to be learned while we move forward.

Too often our aid programs have been sold to the American people on the basis of being against communism, rather than being for humanity. They have been considered painful expedients—hopefully short-term—rather than the heart of a constructive American foreign policy designed to build a stable and enduring peace through the conquests of poverty, disease, and suffering.

The motivation for these important and valuable programs should not come from the fear of communism, but rather from the requirements of our political and religious heritage. We must never forget that our true strength lies in the moral and political principles upon which our society is based—the principles of human dignity, equality, and brotherhood. Our own revolution was based upon a belief in the God-given rights of life, liberty, and the pursuit of happiness. It is these thoughts and these ideals which should motivate us today.

We are indeed our brother's keeper and we must act in that capacity. We are blessed with abundance and we have a moral duty to share it.

Programs and policies that are designed only to resist the evil forces of communism are never as effective as efforts that are

made to help humanity. As President Truman said almost 8 years ago: "The only kind of a war we seek is the good old fight against man's ancient enemies—poverty, disease, hunger, and illiteracy."

President Truman knew, as we know, that words, however eloquent, are not enough; nor do good intentions, however generous, suffice. Deeds, not words, are needed. We must be for peace and progress—and not simply against the evil threat of communism.

The real trouble is not so much what the Communists are attempting to do in the world, but how much less we are doing than we can and should do. We can be sure that the Communists will be glad to fill in any gaps we leave.

And we need to recapture the enlightened enthusiasm that guided American policy in the great days of innovation and daring under the Marshall plan and the point 4 programs of President Truman. These early programs were characterized by imagination, vision, substance, and long-term planning.

It is not enough to merely perform the ritual in foreign aid—there must be faith—a faith in the importance and soundness of our policies. We need more than the form—we need the spirit, if our programs of assistance are going to be genuinely constructive and effective.

And we must recognize the task of helping other nations to help themselves is a continuing task. It will not be finished next year or the year after. Therefore, let us plan ahead. Our struggle against communism and against man's ancient enemies of poverty, disease, and hunger will be a long-drawn out battle.

So let us prepare ourselves accordingly. To be effective our foreign aid programs should be established on a longer term basis, so that both we and those we seek to help can plan ahead and can rely on a sustained effort.

Therefore, we must make at least three major efforts to strengthen the economic and technical assistance programs of the United States:

1. Place our aid programs on a long-term planning basis, in order to provide the assurance of continuity to the leadership of developing nations, and to avoid the tremendous waste of stop-and-go, hot-and-cold programing.

2. Seek to supplement bilateral programs at every opportunity with multilateral approaches, using existing instrumentalities such as the United Nations and its associated agencies.

3. Design the aid programs not in terms of defensive stopgaps, but rather as the affirmative, constructive building blocks of a world free of poverty and suffering.

To carry out this program I have proposed what I like to call the works of peace.

I have recently proposed a food for peace program, which will put to use the God-given abundance of our farms—not haphazardly, not as a veiled device for dumping surpluses, not on a hand-to-mouth, year-to-year basis, but as an integral part of our total foreign policy effort, planned for 5 years ahead.

Together with Senator LISTER HILL, I have proposed a health for peace program, designed to mobilize the medical and scientific resources of America and of all nations for a concerted attack upon the dread diseases which weaken, cripple, and kill millions of persons throughout the world.

I have called, also, for an eduaction for peace program of worldwide educational development and expanded East-West exchanges of scholars—to be financed largely out of the several billion dollars of "soft currencies" or "counterpart funds" being accumulated by the United States in exchange for food shipments or as repayment of loans. We must wage war on illiteracy.

I can evisage a science for peace program, which, among other things, would seek breakthroughs in economic development—such as a practical process for the de-salting of sea water which would make many of earth's deserts bloom.

And, last week, I was happy to join with two esteemed colleagues—Senator FULBRIGHT and Senator KENNEDY—in sponsoring amendments to the Mutual Security Act which will transform it into something much more like the development for peace program we all want.

First, and most important, we are proposing that the Development Loan Fund be financed to the extent of $1.5 billion a year for a period of 5 years—$7.5 billion in all. And we are proposing—as the administration, indeed, proposed 2 years ago—that the Fund be empowered to borrow this money from the Treasury, as the Export-Import Bank already does, so that it will not have to seek fresh appropriations—and risk fresh curtailments—each and every year.

Second, we are proposing to rewrite the preamble and statement of purposes of the act, to brush away the cobwebs that have gathered on it over the years, and put it in language worthy of our best traditions as a liberal and democratic Nation—with emphasis on economic progress and political freedom.

Third, as a step toward decreasing the present heavily military character of the program, we are proposing increased authority for the President to transfer funds originally allocated for "military hardware" to economic purposes. And, for the same reason, we propose increased authority for our Ambassadors to coordinate military aid with economic and political objectives.

We seek to make a clean break with the argument so often used in Congress, that the mere fact that the funds available for a given year are not fully used is a reason for curtailing next year's effort.

No great business enterprise is conducted upon such a hand-to-mouth, ever-bare-cupboard basis.

Instead, we wish to use the availability of adequate funds—and I emphasize the word "availability"—as an inspiration to our friends throughout the world to prepare sound, well-considered programs of economic development—in effect, to set their own national goals.

We are now nearing the end of the era of Western colonialism, and (I wish I could say the same about the new imperialism of the Soviet Union and Red China). The great struggles for independence which have characterized our generation have been, for the peoples involved, a challenging and inspiring experience. They have written a heroic chapter in the world's history.

But, after the fireworks, after the celebrations of independence, there comes the letdown. We knew it ourselves, after the triumph of our own revolution. Then came the equally difficult task of establishing orderly and free government.

Nationalism is a steed you can ride to independence—but, by itself, it does not carry people further than the first "Fourth of July." The plain truth is that some of the new nations are floundering badly, and most of them are feeling the chill gray dawn of the morning after.

Political independence must be related to economic interdependence. The passion of nationalism must be translated into hard national goals.

And these goals are incomplete without timetables for achieving them. When I participated as an American delegate at the United Nations, I had occasion to observe how insistent—and rightly so—our Asian and African friends were on timetables for the achievement of political independence.

We need goals for tomorrow's kind of independence—independence from poverty—and we need timetables by which the progress toward these goals can be assessed.

These will vary from country to country. Some countries, like India, have formulated their national purposes, set their goals, and are well on the way to achieving them. We—and I include other industrialized nations such as Britain, France, Canada, Western Germany, and Japan—can and do sit down with the Indian leaders and see how we can move toward these goals in a great partnership of nations.

In other countries, what is needed are the preconditions for establishing such goals. The U.N. Special Fund, under Paul Hoffman's able leadership, is already busy laying the groundwork, making the basic surveys of resources and potentialities which are too often lacking. In many countries it should be possible, after this essential preliminary work has been done, to set both short-term and long-term goals.

There is every reason why some of these goals should be projected on a regional basis. We could take the lead in the Organization of American States, for example, in mounting a 5- or 7-year development plan for Latin America—spelling it out in terms of miles of roads, kilowatts of electricity, and tons of steel. We could do the same with the Colombo plan nations, in cooperation with Japan, and in the Middle East, with its tremendous oil resources—and in emergent Africa, too.

In all these undertakings, we would, of course, look to private investment to do its full share, and I might say that by "full share" I mean substantially more than it is doing now. The conditions suitable for private investment must often be created by public funds. And public-financed projects usually cannot achieve their full potential without private investment. There is no essential conflict between those two complementary sources of development capital.

Thus, we would be building upon the experience of the Marshall plan—the most spectacularly successful example of our postwar economic policy—which succeeded because it had a goal, and because the participating nations, with wise leadership from the United States, set targets for themselves and mobilized their resources to meet them.

I would go further. There will be a summit conference this summer, and I hope that President DeGaulle will have the opportunity to repeat—with his grand command of language—what he said last month:

"In our time, the only quarrel worthwhile is that of mankind. * * * Why should we not put together a percentage of our raw materials, our manufactured goods, our food products, some of our scientists, technologists, economists, some of our trucks, ships, aircraft, to defeat poverty, develop resources, and help the work of the less developed peoples?

"Let us do this—not that they should be the pawns of our policies, but to improve the chances of life and peace."

Let us always remember, however, what King Hussein of Jordan so wisely said—that the United Nations is the summit conference of the small nations. If only the Big Four could go forward from their own summit to mankind's summit at the United Nations—and could come prepared to work together for the welfare of all humanity. What clouds of frustration and fear would be cleared from our human horizons.

The United Nations represents one of our great hopes for a just and lasting peace. It should be made a more effective instrument. As a step in that direction I have introduced a resolution in this Congress to strengthen the United Nations' International Court of Justice by deleting the so-called Connally amendment from our declaration of acceptance of the Court's jurisdiction. It is for this reason also that I have joined with Senator CLARK and others in sponsoring a resolution recommending that

the Charter of the United Nations be reviewed to determine what changes should be made in it to promote peace through the development of enforceable world law.

At the United Nations, the great goals could be formulated—let us call them targets—for the 20th century. And, each year, its proceedings would be dominated, not by bitter harangues, but by sober assessment of the progress of its member nations toward these goals.

This is a bold idea—but no bolder than President Truman's was 10 years ago. For, all too often, we forget this vital passage in his inaugural address:

"We invite other countries to pool their technological resources in this undertaking. Their contributions will be warmly welcomed. This should be a cooperative enterprise in which all nations work together through the United Nations and its specialized agencies, wherever practicable. It must be a worldwide effort for the achievement of peace, plenty, and freedom."

Tax Reform

EXTENSION OF REMARKS
OF
HON. HASTINGS KEITH
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 30, 1959

Mr. KEITH. Mr. Speaker, through the efforts of the Greater New Bedford Junior Chamber of Commerce, more than 12,000 persons residing in the Ninth Massachusetts District have spoken with singleness of voice and purpose in an urgent appeal to the Congress to effect a program of tax reform that would stimulate and stabilize the economy of the Nation.

The petition signed by these 12,000 citizens, and the public spirit this monumental task represents, are most laudable, and deserve immediate attention and action. I resolutely endorse the objectives set forth in this petition, and call upon my colleagues on both sides of the aisle to dedicate or rededicate themselves to these objectives.

In order that the Jaycees' case be accurately stated and clearly understood, may I quote the text of this petition:

We, the undersigned, citizens * * * of Massachusetts do hereby petition and recommend to the Congress of the United States and to other appropriate legislative bodies that they recognize the necessity for reducing or removing present obstacles to the expansion and growth of the economy so that new businesses and more jobs will be created which will result in an even higher standard of living and ever greater national abundance. To this end, the burden of Government expenditures should be reduced to the lowest practicable level and a program of tax reform should be instituted which would result, over a reasonable period of time and on an orderly basis, in a tax rate structure—particularly in regard to the Federal income tax—which would be moderate at all levels and permit the maximum development of the Nation's economic potential.

Mr. Speaker, I recognize that the United States is carrying heavy and necessary commitments in this crucial cold war period, and that we are deep in national debt. It is vitally essential that we continue to meet these obligations and take a more responsible approach to reducing and finally eliminating our national debt.

Nevertheless, there is soundness in the junior chamber of commerce point of view that tax reduction would spur the economy. I salute the Jaycees with the assurance of my continuing support of every reduction and reform in our tax structure that will not impair the economic health of the country. And I would like to single out for special commendation Mr. Charles E. Sharek, a member of the New Bedford Junior Chamber of Commerce, for having been selected Massachusetts' representative to the Jaycees' recent Washington conference on tax reduction. With 12,031 names on the above-quoted petition against wasteful Federal spending, collected in greater New Bedford, Mr. Sharek, chairman of the drive in that area, obtained more signatures than anyone else in the country.

As a prize he won a 3-day expense-paid trip to Washington. If we here heed the Jaycees' message, everybody will be a winner.

Mr. Speaker, this determination of my constituents to move into the arena on the side of a sound fiscal policy against irresponsible and unjustifiable waste in Federal spending is not confined to only one area. At the extreme other end of my district some 240 members of the Women's Republican Club of Norwell, Mass., which this year is celebrating its 35th anniversary, have signed a letter calling on me and other members of the legislative and executive branches of our Government to work with President Eisenhower toward achieving a balanced budget.

These appeals are not idle and meaningless gestures. They are not mere formalities. The citizens, whose chief means of being heard is through their duly elected representatives, are aroused over the trend toward further spending beyond our means. They are, as they have every right to be, insistent that we in Congress run the business of this country on a sound, businesslike basis. We are obligated not to do less.

Tackle Unemployment Now

EXTENSION OF REMARKS
OF
HON. PHILIP J. PHILBIN
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 30, 1959

Mr. PHILBIN. Mr. Speaker, many of us have been greatly concerned about the continuance of rather startling unemployment rates in various communities and areas throughout the country, notwithstanding the current prosperity boom which the country is enjoying as a whole.

I will not go into some of the reasons for these trouble spots of unemployment because they are numerous and complex. Undoubtedly, extremely injudicious monetary policies played their part, and there are other factors as well that I cannot deal with here. However, it is very clear that in the interest of the Nation, not to speak of the several million unemployed workers and their families who are involved, that the Congress must do something constructive and substantial about this problem at a very early date.

I think that we have seriously lagged in coping with this substantial unemployment which in some States and communities reaches alarming percentages and is causing stagnation, paralysis, and privation in many historically prosperous areas.

The situation constitutes a real challenge to the Government and we have no choice in my opinion but to give the problem urgent consideration and work it out so as to alleviate the unemployment and restore the afflicted communities to a condition of prosperity and industrial good health and well-being.

This is an American problem. It cannot in these days be swept under the table and overlooked. We all must recognize that State and local authorities alone cannot solve this problem. The Federal Government must take action. And it must be taken now.

Reviewing U.S. Role on World Stage—Interview With Senator Fulbright

EXTENSION OF REMARKS
OF
HON. MIKE MANSFIELD
OF MONTANA
IN THE SENATE OF THE UNITED STATES
Thursday, April 30, 1959

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a capital interview with Senator J. WILLIAM FULBRIGHT, chairman of the Senate Foreign Relations Committee, conducted by Courtney Sheldon, and published in the Christian Science Monitor of April 29, 1959, be printed in the CONGRESSIONAL RECORD. I think Mr. Sheldon has done a distinct service in conducting this interview, and that, in turn, the Senator from Arkansas has rendered a service in expressing his views relative to the foreign policy of this country.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REVIEWING U.S. ROLE ON WORLD STAGE—A CAPITAL INTERVIEW WITH SENATOR FULBRIGHT

(By Courtney Sheldon)

WASHINGTON.—Senator JAMES WILLIAM FULBRIGHT, of Arkansas, a thoroughgoing scholar on foreign affairs, a persistent critic of the Eisenhower foreign policies, and now in a strategic position as chairman of the influential Senate Foreign Relations Committee, says:

"The more dangerous area to us is in the nonmilitary (when it is a question of the relative importance of military and economic aid).

"The President's requests for foreign aid are very modest relative to the need.

"Our international manners are often atrocious.

"Our whole country has not recognized our proper role.

"I have felt in the past that we [Secretary Herter and I] * * * judge the world and many of our problems in a somewhat similar manner.

"I rather regret the size of the United Nations now. It grew too fast."

Of the numerous East-West differences, Senator FULBRIGHT, are there any you feel could be discussed now at a summit meeting with some hope of accord?

"Well, Mr. Sheldon, I am not particularly optimistic about reaching any solutions in the first, or even the second meeting. My approach is rather that these matters need to be solved, and that we should start talking about them and find out if there is any hope for an adjustment of our differences.

"I would prefer emphasis upon the established diplomatic channels, but the Russians seem disinclined to do that and therefore they wish this procedure. I'm perfectly willing to go along with that."

By regular diplomatic channels you are referring to ambassadorial relations?

"Yes, I would hope that our ambassadors could carry on constant negotiations with the Russians.

"For some reason or other the Russians seem to be extremely reluctant to enter into serious negotiations over the settlement of such things as the Berlin business or the Middle East. It leads one to suspect their motives. And I have grave doubt whether the Russians really want to compose these differences.

"But those doubts, in my opinion, do not justify refusing to enter into summit discussions. Now it may be they only want to make propaganda, but I don't know why we cannot make propaganda the same as they do. On the other hand, they are peculiar people and maybe they will gradually consent to serious negotiations. All I am saying is that we ought to find out what they are doing and pursue opportunities to find out."

When you mentioned regular diplomatic channels were you referring at all to the U.N.?

"Well, it can be used in certain circumstances, but it is a rather awkward organization. It has so many members now. I think it has really gotten too large. I rather regret the size of the U.N. now. It grew too fast in size before we had perfected its procedures and established traditions that would support orderly procedure. I won't wish to abandon it, of course. I think it is still a hopeful organization."

Would you cite some of the specific differences that you feel could be usefully negotiated now?

"Well, the most immediate ones, of course, are the status of West Berlin and Germany and the so-called nuclear ban, at least on the restricted basis that has recently been brought forward as a kind of salvage operation, the one which does not require extensive monitoring within the adversary's country."

The Western proposal for a ban on atmospheric tests only?

"That certainly is a possibility, and the discussion of the Middle East is a possibility. I see no reason to exclude any of our differences. These are discussions in the first instance. I don't think we should expect solutions growing out of a meeting immediately. I think it is more of an exploratory discussion to feel one another out."

You are not at all opposed to what is called an open agenda then?

"No, I think it should be an open agenda. They waste more time trying to decide an agenda than anything else. If they don't wish to talk about anything seriously or relevant, why adjourn. We have at least proved that we are not afraid to sit down and talk. I think this reluctance to have a talk has created the impression we're afraid of them, and that we have no ideas and no policy.

"I realize there has been a very persuasive argument made that they are adept at propaganda, and that they will use a meeting merely to embarrass us. Well that is another way of saying we are so stupid we don't know how to make propaganda or how to combat it. If we are, we had better learn. I think it is that kind of world and we have to accept it."

What do you regard, Senator FULBRIGHT, as the notable successes and failures of the administration on foreign policy in the last 7 years?

"Well, I think the highly unsatisfactory state of our international relations and the tension that exists throughout certainly the Middle East at the moment, and existed only recently in the Far East, would indicate that the successes have not been very great or notable.

"I don't mean to leave the implication that the administration is entirely to blame. I think the people, our whole country, has not recognized our proper role and we have not applied ourselves.

"But to be more specific, as you know I took serious issue with the so-called Eisenhower doctrine. I opposed it, spoke against it, worked against it. I was also highly critical of the decision of the Secretary [Dulles] on the Aswan Dam proposal, that is our relations with Nasser. I think it was poorly handled, and I think his judgment at the time of Russian strength and activity was not based upon realities.

"I suppose you could say our most satisfactory relations at the moment have been with Germany. The preservation, at least, of a fairly high degree of unity among the NATO partners, I believe, would be regarded as the most successful area of activity. The preservation of reasonably good relations with Japan is also a successful area.

"Of course, I think the deterioration of our Latin American relations is another example of failure, largely of neglect. I don't know anything positive that we have done that has alienated them. We just haven't done anything affirmative to conciliate them and make them feel we are interested in them. In this case I think it is not such a material matter. It is an attitude, a matter of good manners. Regarding them as important people, and being courteous to them is very essential. Our international manners are often atrocious."

What would you say has been the trend of American prestige and influence in the world recently?

"I think it has clearly declined. We have presented an image, a picture of indecision, I think, of inconsistency. We talk one way and we act another in many instances, notably in the field of trade and tariffs. I think very often our statements have not been realistic. We have not been able to live up to them. I think we have talked too much and been too brash in some of our statements."

Do you feel that the appointment of Mr. Herter as Secretary of State is going to change this trend?

"I have great respect for Mr. Herter's integrity and his capacity. He has had long experience and I am very pleased with his appointment. I look forward to working with him as closely as I can, and I hope that we continue to agree on many of the basic factors that afflict us. I have felt in the past that we have a good deal in common, that is in our attitudes, that we judge the world and many of our problems in a somewhat similar manner."

On the question of the mutual security program, do you favor giving the President the full amount asked for the program?

"My amendments request a good deal more for the development loan fund than he asked. I think his requests are very modest relative to the need."

This is economic aid you are talking about?

"Yes."

If there were to be a cutback in mutual security, you would prefer it to be in the military rather than the economic?

"I would as a matter of relative threat to our security in coming years, if you have to make a choice. The more dangerous area to us is in the nonmilitary."

Pricing Ourselves Out of Markets

EXTENSION OF REMARKS
OF
HON. GORDON H. SCHERER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 30, 1959

Mr. SCHERER. Mr. Speaker, on last Friday I addressed the State convention of the Ohio Private Employment Agency Association in Cincinnati, Ohio. This speech discusses the factors which are causing us to price ourselves out of both foreign and domestic markets as a result of the inflationary spiral and our trade policies.

My remarks follow:

They say that one of the ingredients of a successful speech is if the speaker is in a position to discuss a current issue of mutual interest and concern.

Your business is to find jobs and people with the necessary skills to fill those jobs. You are meeting here this week in Cincinnati to discuss new and improved techniques in order that you may do a better job. But no matter how hard you try, your business will not be successful and prosper unless in this country we have a sound and growing economy to provide the generally broad basis for jobs.

We have heard a great deal in the last year about recession and unemployment. Just 3 weeks ago the labor leaders arranged for a march on Washington by the unemployed for the purpose of demonstrating to the Congress and to the President the seriousness of the unemployment situation in this country. So you can see why I say that you and I have something in common.

I along with my colleagues in the Congress have been challenged to provide jobs for the unemployed. However, our task, I am told, is comparatively simple.

All we have to do is to authorize the spending of additional billions and billions of dollars for new and expanded activities of the Federal Government and—presto—the unemployment problem, whatever it might be, is solved. The lobbies and pressure groups behind all of these new-fangled spending programs will then say I am a fine fellow and a good Congressman who is alerted to the needs of the common man.

Furthermore, I will be a much better Joe if I don't even suggest raising taxes to pay for this new spending spree and just quietly pass this bill on to your and my children, as we have been doing regularly during the last two decades.

Oh yes, it is the easy and popular way out. Just have Uncle Sam borrow the money, for which he will sign a few more billion I.O.U.'s This will give the employment situation a temporary and exhilarating shot in the arm, and the politicians and labor bosses a chance to take a bow and perhaps win an election or two.

While we are on this lost weekend binge, we can conveniently forget that in doing this we have given the devastating enemy of inflation a potent and permanent upsurge which accelerates pricing ourselves out of our foreign and domestic markets.

You know the result. Instead of more things for more people at lower prices, the cost of everything we buy soars. The American dollar is further eroded not only here but all over the world. Production necessarily declines, and we are again on the toboggan slide of unemployment. The unemployment agencies become unemployed.

Of course, the politicians who took the easy and popular way out should crawl under the table. But they will not worry too much. Some will solve their personal unemployment problems by squeezing relatives on the pubic payroll.

It should not be inferred from anything I have said that I am insensible or unconcerned about the unemployment that exists in the United States. I don't believe, however, that the unemployment situation generally is as bad as represented by some groups.

No one will deny that there are pockets of serious unemployment in the United States, the causes for which I will discuss later. However, these pockets of unemployment in a generally prosperous economy are being used as an excuse and a weapon for the promotion of some harebrained, socialistic, astronomical spending programs.

LYNDON JOHNSON'S Special Commission on Unemployment Problems will soon conduct hearings in these bad areas and, with the help of certain people who have an ax to grind, will exploit before television these truly bad unemployment areas, to make it appear as if the whole country is in a terrible state.

Certain labor bosses and pressure groups will use this cleverly aroused public opinion to clobber Congress into passing these high-cost, ill-conceived, socialistic measures which otherwise would not have a ghost of a chance of adoption. This maneuvering will, of course, distract attention from some of the practices and basic causes of this novel, spotty unemployment dilemma in which we find ourselves.

Of course, government, along with labor and management, should adopt all sound and reasonable measures to wipe out the causes and practices which lead to this unique unemployment situation. The trouble is that today here in America we have developed a mania that the mere spending of more dollars can solve all of our problems.

Let's see if what I have said is not true. We have been trying to buy friends and allies for many years. After Sputnik the answer to curing the deficiencies in our educational system was more money. The current upsurge in juvenile delinquency is attributed to our unwillingness to spend money on a whole variety of programs and panaceas.

I know someone will say—and justifiably so: "SCHERER, what do you suggest if you're so smart?"

I am convinced that more profligate, deficit spending by the Federal Government will eventually worsen the situation rather than better it.

I know that at a time when the American dollar is eroding and depreciating all over the world—when credit of the United States is being pushed to the breaking point—when our national debt is $50 billion greater than the total combined debt of all the other nations of the world, such spending is courting disaster, bankruptcy, and the destruction of the economy of the United States. This is exactly what the Soviets want us to do. This is what they have planned for our internal deterioration.

General Claire Chennault, who died last August of cancer, was one of the truly great soldiers of our time. He was the leader of the famous Flying Tigers and later commanded the U.S. Air Force in the Far East.

He was a man who understood the Communists because he had fought them for more than 20 years. The Committee on Un-American Activities wanted the American people to have the benefit of his experience and expert knowledge before he died.

General Chennault said in his testimony just a few weeks before he died, and I quote:

"You know that communism is depending on ruining the United States financially, more so than on any military action against the United States * * * Lenin and Stalin both talked about not engaging in war if it can be avoided. Their plan for many years was to ruin the financial structure of the United States.

"I believe that if things go on as they are now, eventually they will achieve that purpose of ruining the United States financially."

In another part of his testimony, he said:

"I believe the Communists will not take over a lot of Asia where they could. They want us to continue pouring aid into those areas * * * year after year, until our currency is no longer of any value. Then they will be ready to take the United States in turn."

For years before I went to Congress, I complained and campaigned against the ever-increasing bureaucracy of the New Deal, the astronomical expenditures of the Federal Government, and the ever-increasing taxload on the American people and American business.

I did not go to Washington to support programs and legislation which augment those evils. I did not go to Washington to participate in the dissolution of the economy or fiscal stability of the United States.

Just remember that we are never going to get tax reductions that are justified and do not adversely affect the economy of the United States until we put a stop to unbridled spending. Tax cuts without spending cuts lead to greater debt, move us closer to fiscal collapse, and, of course, fan the fires of ruinous and uncontrollable inflation.

I have on occasion opposed new and expanded activities for the Federal Government which have merit and are desirable. There are two principal reasons, however, for my opposition:

First, because we cannot afford them. Because these programs would further increase the indebtedness of the Federal Government, the tax burden on our people, and weaken the fiscal structure of the United States.

Second, because I felt that the project or program was one that should be carried on by local or State government.

Let me give you an example:

Those who have opposed various Federal-aid programs for education have been charged with being insensible to the welfare of the children of the country, benefits for teachers, and education generally. Just the opposite, however, is true.

Everyone with a grain of sense knows that eventually any type of Federal-aid program results in Federal interference, domination, and control. To argue differently is to disregard the record completely.

Whenever you pour Federal money into local government, Federal control eventually follows as night follows day. Education is one of the last major activities that we have kept in the hands of the local authorities.

If the Federal Government takes over—and I predict that it will if the present trend continues—you are going to have a department of education filled with thousands of new bureaucrats that will dwarf all other departments of Government with the exception of Defense. Your schools, your children, your teachers, and your curriculums will eventually operate under mandate from Washington.

I believe our school boards, our school administrators, our teachers, and our PTA's can do a better job for our schools with our own tax dollars than can some bureaucrat in Washington, just as I believe that our city councils, our planning commissions, and our citizens' development committees can do better and more economical jobs at urban redevelopment, free from the redtape and dictation of Washington bureaucrats. You know that for every educational and urban redevelopment dollar Ohio sends to the Potomac, it will be lucky if it gets 50 cents back.

I realize that the States and local governments would have an easier time meeting their financial obligations if the Federal Government did not siphon off so much of the tax dollar. That is one reason why the handful of conservatives in the Congress continue to oppose the ever-expanding activities and programs of the Federal Government—so that the Federal Government will not continue to siphon off more and more tax dollars to the detriment of local government.

But let's get back for a few minutes to unemployment. Oh yes, I can hear those who are calling for more Government spending as the panacea to aid unemployment saying that SCHERER in unconcerned. That is not true. I am looking for basic causes of unemployment and the employment of measures to remove these causes.

As I have pointed out, the unemployment situation which we are facing at the present time is different and unusual. In most of the country employment is good; in many places it is above average. But there are pockets of unemployment where admittedly the situation is bad. This is an unusual and unique situation, different from what we have ever faced.

I certainly am not an expert in this field. Far from it. But from what I have been able to learn, the problem is acute in those industries and areas where we have priced ourselves out of markets and where we are no longer able to compete with the products of foreign manufacturers.

Charles Lucey, the able writer for Scripps-Howard newspapers, deals with this subject in a recent series of articles. He said: "Evidence grows that domestic United States inflation is shoving up our costs so that overseas nations can undersell us."

There is no question but that he is right. This inflationary spiral in the United States has not only priced us out of foreign markets but out of our domestic markets as well. It is a basic economic fact that every time you raise the price of a television set, a washing machine, a refrigerator, or an automobile by $50, there are thousands fewer families who are able to buy one or more of these items.

Excessive Government spending, especially deficit spending where the Government spends money it has to borrow, as sure as night follows day, lessens the purchasing power of each dollar, and consequently is one of the major factors in the inflationary spiral.

Also making major contributions to the inflationary spiral, the ever increasing cost of living or the declining purchasing power of the dollar are men like Reuther and McDonald and some of the big industrialists who produce basic raw materials.

Over the past decade certain labor leaders in order to maintain their own positions of power within their unions have consistently pushed and pushed for wages that far exceeded the increased cost of living. The industrialists to whom I have referred have readily granted excessive and unwarranted wage increases because these increases offered them an opportunity and an excuse for a price increase which included not only the

wage differential but also a substantial and often unjustified profit margin.

As a result, the man on a fixed income, the pensioner, the schoolteacher, and the white-collar worker, whose increases, if any, lag behind have suffered most. In turn, industry loses these people as customers.

Remember our economy today is at a high point largely because of the tremendous expenditure of defense dollars. Markets or production caused by defense spending can in a sense be said to be artifically created. If this cold war should end, and we all pray that it will, defense spending and production will come to a grinding halt. You can readily see how the United States will then need badly every possible market or outlet for its industrial program. One can see how vital it is that we preserve our markets for tomorrow.

As a result of high taxes caused by the Government spending I have been talking about and high production costs, industry after industry in the United States today is establishing plants in foreign countries to take advantage of low labor costs and tax concessions. Now I believe we should invest private American capital abroad, but for other reasons than to avoid taxes and to take advantage of low labor costs.

If we continue to invest capital, as we have in the past few years, at an accelerated rate, for building plants all over the world that would have otherwise been spent for normal plant expansion in the cities of the United States, we are headed for a real hair-curling unemployment one of these days.

We have lost many world markets today simply because we can no longer compete. We are going to continue to lose more and more of these markets, in industry after industry, because daily foreign countries, with our technical help and our money, are entering new fields and are manufacturing commodities with the most advanced mass production machinery available. They are doing it without paying astronomical taxes and with labor costs that are only a fraction of ours.

A Ford assembly-line worker gets a wage, including fringe benefits, of approximately $2.94 per hour, compared with 69 cents in Cologne, Germany. Yet a few weeks ago we reduced tariffs on German cars.

It does not take a genius to see why we are not only losing our European markets but our domestic markets as well.

Some industrialists who 6 years ago, when I first came to Congress, urged me as vehemently as they dared to vote against liberalization of our trade policies, have today reversed their position. They want no tariff barriers or quotas. Why this change? Simply because during these 6 years they have built plants abroad and now want to import their low-cost, foreign-made products into this country without quotas or tariff barriers.

What happens if this flow of American capital abroad for the establishment of plants all over the world continues at the expense of industrial expansion at home? What happens to small business and industry—the backbone of this country—which cannot establish plants in Europe, which, in order to maintain our high standard of living, must continue to pay high labor costs, the 52 percent corporate tax, and even higher personal taxes to sustain this orgy of spending in which we are engaged?

Keeping in mind our unprecedented population growth, what happens to American labor and small business when it will be compelled in the next 2, 5, and 10 years to compete with goods made abroad at an increasing rate and produced at a fraction of the cost of those made here?

President Eisenhower, in his latest economic report to the Congress, said:

"While imports were well maintained, exports declined sharply after 1957. From the first half of 1957 to the first half of 1958, the value of U.S. merchandise exports fell more—in relative as well as in absolute terms—than those of all other countries combined."

In last Sunday's Washington Post the well-known business writer, Bernard D. Nossiter, said this:

"But imports and other purchases abroad ran ahead of exports by $900 million, and in national income bookkeeping this is on the minus side of the ledger."

As I said, we recently reduced the tariff on foreign cars coming into this country by about 8.5 percent. Today most European countries fix quotas on American cars. Only a handful are admitted, and the tariffs are exorbitant. The cheapest kind of Chevrolet or Ford costs $6,500 in France, approximately $8,000 in England, and $10,000 in South America. Is this reciprocal trade?

Automobile imports have increased almost 15 times in the past 5 years—from 29,505 in 1953 to 431,608 in 1958. Export of U.S. cars has decreased from 186,262 in 1953 to 125,834 in 1958.

Let's go from automobiles to a little thing like nails. Imports of nails supply more than one-third of U.S. market. Imports are more than 50 times as great as exports of nails.

Barbed wire, an American invention, a few years ago came almost solely from U.S. concerns, both big and small. Today more than one out of every two rolls of barbed wire sold in this country is made in foreign mills, using foreign steel.

Imports of barbed wire amount to more than 50 times our exports. Why? Simply because a Dayton, Ohio, jobber can buy a ton of barbed wire made in Germany for $40 less than the same product made in nearby Cleveland, where steel wages are three times as high.

The industry estimates that the excess of imports over exports, in terms of man-hours required to produce the barbed wire, equals about 650 full-time jobs. There is no tariff on imports of barbed wire.

Most of the sewing machine business has gone to foreign factories. The White Co., which was No. 2 in this field, gave up in late 1957 after 80 years of business and now has its machines made in Japan.

In 1956 and 1957 we shipped abroad only 80,000 sewing machines. We imported 2 million.

There are steady increases in imports of portable typewriters and calculating and other types of business machines. One company with an oversea plant makes identical machines in the United States and in Germany. It pays an average of $2.25 per hour to workers in its American plant, less than 60 cents an hour to its workers in Germany. An official of this company recently said: "We are being forced into setting up oversea plants, where labor costs are lower, in order to compete with foreign companies."

In 1957 we exported about 100,000 typewriters and imported 337,000. From January to September of 1958, we shipped only 42,000 typewriters overseas and brought in 280,000.

Last year 800,000 bicycles arrived. Our exports were negligible.

We find that we have similar situations existing with reference to such items as fishing tackle, jeweled watches, clocks, clothespins, woolen gloves, plywood, dinnerware, woolen fabrics, cameras, cotton cloth, and transistor radios.

Insofar as transistor radios are concerned, some U.S. manufacturers, in order to stay in business, have arranged to bring in transistor portables from Japan to sell as part of their own line. Other companies in this field are considering importing sets or parts from Japan.

Now such an arrangement may overcome the companies' current problem of competition, but what happens to the rank and file of American labor that has been making these transistors and parts in U.S. factories?

If one thinks that this problem is confined to small items only, he is sadly mistaken. The Tennessee Valley Authority, after quite a hassle, recently decided to buy a huge steam turbine generator from a British company that underbid U.S. firms by several million dollars.

Let's see how this one purchase affected workers in four cities of the United States. It was Westinghouse and General Electric which were outbid. They have plants which manufacture turbines and turbine parts in East Pittsburgh, Lester, Pa.; Schenectady, N.Y.; and Fitchburg, Mass. All four of these cities are in depressed areas where unemployment is high.

The loss of this contract meant the loss of about 350 full-time jobs for 2 years on direct production and 700 or more other jobs indirectly connected with the project. Again, British wage rates are only 37 percent of those in the United States for similar work.

Here is a headline from Monday's Wall Street Journal: "Producers Spur Imports From Own Oversea Plants, Cite Savings—Harvester Gets First Units."

The news story said: "This week International Harvester Co., the largest manufacturer of farm equipment in the world, imported into the United States the first farm tractors made in Harvester factories overseas."

This week's issue of U.S. News & World Report, in discussing this very subject, says: "U.S. producers trying to meet this kind of competition have two alternatives if they want to stay in business: Turn to more automation, using fewer people, or shift production overseas."

It has been going overseas at an alarming rate.

As foreign countries take on the manufacture of more and more items which they formerly purchased in this country, they will be able to do some real bargaining under our present trade policies. The prices for commodities made in this country will be so high that under no condition will we be able to compete with their domestic products. They will then be able without fear to remove all tariffs on American-made products because we cannot possibly compete with them in their markets. They will grant tariff concessions to us gladly for similar ones on their products coming into the United States.

So you can readily see what I say is true; namely, that we are losing our European markets and soon, under our present trade policies, will be well on our way to losing our own American markets to foreign-made commodities shipped into this country.

Let me give you an example: The manufacturers of sporting equipment laid on my desk the highest quality baseball gloves, basketballs, footballs, etc., manufactured in this country for many, many years. They placed beside this equipment similar items of exactly the same quality made by the Japanese. It was pointed out that under our foreign-aid program we gave to the Japanese the most modern, scientific, mass-production, leather goods machinery.

The American labor that went into these products averaged $2.50 an hour compared to Japanese labor at 40 cents an hour. Japanese taxes, both business and personal, are considerably lower than ours.

The old argument that American know-how, ingenuity, and mass-production methods can overcome the differential in taxes and labor costs no longer applies. The machinery which the Japanese were given was a later model and more efficient than much of the machinery still used in American plants.

Furthermore, as we all know, the Japanese are a smart and industrious people. Need I point out to you that under these circumstances it is impossible for our manufac-

turers to compete in our own markets with the Japanese products?

Of course, the free traders will tell you that we must allow a certain number of industries to go by the boards in this country because liberalized trade policies are advantageous to our American exporters. True it is that over the years, the United States being a great industrial country, its exports have exceeded its imports. If they had not, the United States would have been in a bad way. That is what we are complaining about now. The gap between our exports and our imports is closing fast; in fact, too fast.

I am well aware of the Biblical injunction that we must be our brother's keeper, but we can fulfill that injunction only so long as we are able to keep ourselves.

Challenge to American Business

EXTENSION OF REMARKS
OF
HON. HUBERT H. HUMPHREY
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES
Thursday, April 30, 1959

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address I made before the chamber of commerce luncheon on April 27, 1959, entitled "Challenge to American Business."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

CHALLENGE TO AMERICAN BUSINESS

(Remarks of Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, chamber of commerce luncheon, Washington, D.C., April 27, 1959)

I am grateful for this opportunity to address the business leaders of America and to discuss with you a problem that concerns me deeply.

I refer to a declaration of war Mr. Khrushchev has issued against us—a declaration of economic war.

I need not remind you gentlemen of the all too painful fact of the American recession. I share your rejoicing that we are again on the upgrade; but none of us should ever forget that there is still far too much slack in our economy.

Millions are still jobless. Too many plants are working short workweeks. America is far from hitting on all cylinders.

As you may know, I have recently visited Russia, and I can tell you that the Soviets are pulling out all of the production stops, pressing hard against their full economic capacity, and making great sacrifices to increase that capacity.

Russia is a part of the world where optimism rivals that of America's boldest optimists.

Premier Khrushchev has said that he has declared economic war on us. His aim: to "catch up and surpass America."

The Soviet countryside is strewn with signs bearing these words.

Khrushchev is looking ahead 10 to 20 years. He is using the vast powers of Russia's state machinery to plan and program the great resources of his empire. He has called his first 7-year plan, "Russia's Offensive Opens," and under this plan he has programed vast increases in the capacity of Russia's heavy industries.

By 1965, he aims at adding nearly 30 millions tons of steel capacity; more than 100 million tons of oil production; nearly 300 billion kilowatt-hours of electricity.

And while the emphasis is clearly on capital goods to add to Soviet military and economic power, there are also important planned increases in consumer goods. Meat production is to more than double by 1965; butter production, already almost equal to ours, is to increase by almost 400,000 tons. There are to be more shoes and clothes and the gadgets of life for the Russian people, who, you must remember, know nothing of the rich material life we live here.

We would be foolish indeed to discount these plans and programs, ambitious as they may seem. For the Soviets have made ambitious plans before—and they have made them a reality.

Not only have they achieved economic goals; they have taken giant steps in science and technology as well.

The first man-made earth satellite bears a stamp, "Made in Russia."

The first artificial planet to be placed in our solar system likewise is labeled, "Made in Russia."

And to the struggling nations of the world, this label says more. It says, "Made in Russia—only 40 years ago a primitive, uneducated, rural nation, a nation without science, without technology."

To the Indian or the Egyptian, the Burmese or the Syrian, Russia's meteoric rise from laggard to leader in the world of science and invention has the same inspiration as the rags-to-riches rise of the self-made man of America.

If Russia can do it, they say, why can't we?

And so we would be ill advised to underestimate Russia's progress. More important, we would be foolish to ignore the potent effect of Russia's progress on the rest of the world.

Khrushchev's 7-year plan is not just an economic document; it is a political and psychological document, too. The Russians are using it as a major weapon of foreign policy, and they are getting an interested audience in all those teeming underdeveloped countries of Asia, the Middle East, Africa and even Latin America where people are searching desperately for an escape from a life of abject poverty.

Many leaders in India, Burma, Indonesia, Egypt, Iraq, and elsewhere are fascinated with what is going on in Russia, and it is hardly surprising. Those leaders are not blind to the hideous cost to humanity which the industrial revolution under communism has entailed; but they hope to avoid paying this cost.

At the same time, they know their people will have to make sacrifices if they are to grow in economic strength.

Before these people, the Russian flaunt their 7-year plan, and they get an interested audience.

For what alternative is offered in its place? What is the experience of the prosperous West that seems relevant to their dire problems?

What, they ask us, do you have to offer?

You and I know that we have plenty to offer. But have we been offering it? Have we been sharing our best qualities, our greatest talents as fully as we might have?

I do not think so—and I would like to suggest a way in which American business and American businessmen can help export to other countries one of the most precious commodities we have: managerial know-how.

For it is this talent which has contributed so greatly to America's unprecedented wealth and standard of living.

We need to export this talent because the real determinant of a country's economic progress is people.

Certainly a country with vast natural resources can develop more readily than a country with no natural resources—all other factors being the same. However, there are many examples of countries, like Indonesia, rich in natural resources, which suffer the pangs of abject poverty. Yet other countries, like Switzerland and Belgium, with extremely limited resources, have become highly industrialized and highly productive and their people enjoy high living standards.

Israel and Puerto Rico are dramatic examples of what can be done by energetic people with limited resources.

The key to economic progress is in the know-how, in the talents, in the abilities, in the training, in the experience of the people. But in most of the underdeveloped countries, especially those that have become newly-independent, there is a tragic lack of managers and operators—people who know how to do things, how to get results, how to perform.

It is not that the people of these countries lack inherent ability. There is no country in the world where one cannot find outstanding individuals. The trouble is there are so very few of them.

Training and experience take time. The process of developing know-how is tragically slow.

Under our Point Four program and other public and private efforts, tens of thousands of loyal and dedicated Americans have been living and working as advisors and consultants and teachers overseas, trying to provide the technical assistance which the underdeveloped countries so desperately need.

To these soldiers in the front line of the war against poverty, we all owe a great debt of gratitude.

Where we have failed is in making available in substantial measure America's managerial talents, America's capacity to do, to perform, to get things done.

The greatest reservoir of management talent in the entire world is in American industry. Our corporations have the men and women who know how to organize and get results, how to operate and how to manage. Far too little of this talent has been made available to the underdeveloped countries.

Here lies the greatest challenge to American business in the war against poverty—in the war for free enterprise.

As you well know, managment is not produced by any simple formula. Managers and enterpreneurs are not created ready-made by our universities. No one knows better than you that there is no substitute for practical experience.

It isn't enough for us to send advisors and consultants and experts overseas. Yes, they are tremendously valuable and make a marked contribution, but even more important is the need to make available managerial talent. In this area, only American business can meet the challenge.

Will you meet the challenge and meet it in time?

Many have said that private investment abroad can do the entire job. A combination of American capital and American know-how through private investment is highly desirable and must be given every possible encouragement. But for the long-run good of the underdeveloped countries, is this enough?

The best way to encourage free enterprise is to help build local industries, not merely branches of American firms.

In the long run, the underdeveloped countries will become developed only if their own businesses grow and expand and become stronger.

Only American business can determine whether the United States will help the underdeveloped countries secure the management they need for rapid progress. It would be well if every American corporation were to think seriously how it can contribute to meeting this challenge.

We could achieve spectacular results if we could make available hundreds or thousands of management technician teams who

go abroad from 2 to 5 years under management contracts for the purpose of actually running locally owned business. Such a program could result in increasing output, in raising living standards, in brightening American prestige and in thwarting expansion of communism.

Who can doubt that American business can beat the Communists in helping the underdeveloped countries, if it is willing to make the effort?

By making the effort, I do not mean sending only retired people, and adventurous youngsters who have the zeal but not the experience and maturity to be effective. We must make available some of our best people in their most productive years, and they must stay on the scene long enough to show the local business community how to manage and how to run enterprises.

Simultaneously, people from the developing countries must be brought to America and given opportunities to work within our corporations, alongside good management personnel.

Our Government can help induce individuals and companies to participate in such a program. We now provide tax exemption up to $20,000 a year for Americans who are abroad 18 months or more. To lift this upper earnings limit, would be a small price to pay for the certain fruits of lending our managerial talents to those who need them most.

There are other ways our Government might join hands with business in a joint endeavor. Government might make up the difference between what a local enterprise could pay an American executive and the salary he has been getting. Government might also provide technical assistance funds to dollar-starved countries to facilitate the exporting of executives.

Many countries might be induced to provide local tax exemption for such management teams so that there would be opportunities for large personal savings, thus affording attractive financial rewards.

Of course, in order for American corporations to induce their best people to take these assignments, the companies would have to protect seniority rights. But there is nothing novel about this. We did it for the men who went to fight in the hot war after Pearl Harbor. Why shouldn't we do the same for those who are willing to fight in the front lines of a war just as urgent and just as important to our survival: the cold war against communism?

You should not overlook the possibility that your own management people might learn something from working abroad, and be all the more valuable when they return. After all, we do not have all the knowledge, and we can learn as well as teach.

What I am suggesting is that American business create its own point 4 program.

What I am suggesting is that American business get into the business of exporting free enterprise to other countries—in the form of that greatest of American geniuses—our managerial talent.

And I can think of no more fitting organization than your own to take the leadership in implementing this point 4 program for American business.

What I am suggesting makes good humanitarian sense—and that alone is a good reason for undertaking it.

But it also makes good business sense, in the long run, for America.

You, as businessmen, know that good customers mean good business. Our own economy has grown in large measure because we have had expanded purchasing power and larger markets for our goods.

The same is true of the world markets. As we help underdeveloped countries to grow and prosper, they will become not competitors, but customers for American products.

Of course, there will be some added competition. But when world trade expands, America and her business community are bound to benefit. And our world trade will expand as the poor countries, with our help, grow more prosperous.

The matter of lending management to other countries will not be easy. There will be many headaches and heartaches and frustrations. But who here does not know that nothing worthwhile was ever won without sweat, hard work, and frustration?

The fight against poverty and against Communism is not going to be easy in any of its phases. But surely, in America, there are enough companies, and enough individuals, who will be willing to join in a crusade of commercial missionaries.

America must become recognized throughout the world as the leading force in this Twentieth Century war against poverty. This is a popular war. It is a moral war. It is a war that we can win.

And in winning that war for humanity, we increase the chances of winning peace and survival for ourselves, as well as for men and women and children everywhere.

Someday Poland Will Exist Again as a Free and Independent Nation

EXTENSION OF REMARKS
OF
HON. WILLIAM S. BROOMFIELD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 30, 1959

Mr. BROOMFIELD. Mr. Speaker, some 168 years ago, Poland adopted its first constitution establishing the rights of its people to enjoy the fruits of liberty and justice. It is well for us to pause for a moment to take note of what has happened to that valiant nation and its people since that time.

Today we find Poland swallowed up in the depths of the Soviet Union's plans for world domination. The freedoms which the people of Poland were guaranteed have been lost in the meaningless mouthings of her Red puppet leaders. Her claim to an independent nation is in doubt because of the string pulling of her Soviet masters housed in the Kremlin.

The people of Poland have suffered terribly in the past generation. Atrocities by both the Russians and the Germans cut down her brave young men and even her women and children in wholesale, senseless slaughter. Her people were sent both eastward and westward to provide the backbreaking work force for factories, mines, and farms. Families were split asunder, never again to be reunited.

After World War II came the bitter enslavement of the Communists, of Russian troops on Polish soil, of heartless suppression of freedom and individuality. Finally, the Poles revolted and won the promise of an end to religious persecution and collective farms. But the Red masters had no intention of carrying out their promises. Since the revolt in 1956, the newly won freedoms are being spirited away, one at a time, until now Poland is once again completely under the heel of a brutal police state.

It is the hope of all of us that someday Poland will exist again as a free and independent nation, free to determine her own destiny.

On this day, it is wise for us to contemplate the fate of those who were forced to deal with the Communists, and who now find themselves under their subjugation.

Protection of Wild Horses and Burros

EXTENSION OF REMARKS
OF
HON. WALTER S. BARING
OF NEVADA
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 30, 1959

Mr. BARING. Mr. Speaker, I ask unanimous consent to have inserted in the RECORD a letter I have received from Mr. Emory S. Avant, executive director of Peoples Lobby, Inc., regarding the slaughter of wild horses and burros to provide food for dogs and other domestic pets. The sad plight of these animals has been told in several national magazines and other publications.

Mustangs, as has been written, are as traditional to the West as the six gun, and they are now facing extinction. In Nevada alone there are but 50 still remaining of a herd that at one time numbered 70,000. This is all due to mechanized roundups to capture them to sell as dog food.

Low-flying planes herd the horses to flatlands, where other hunters, waiting in trucks, run them to the point of exhaustion. They are then roped and hobbled until they can be hauled to slaughter. By the time they reach the slaughterhouses their hides have been practically torn to pieces and they are more dead than alive from the brutal treatment they have received.

Hunters who have contracted to bring these mustangs to slaughterhouses have devised this inhumane technique because it is the only way they can effectively round up large herds of animals at a cost low enough to sell the carcasses at a profit.

On January 19, 1959, I introduced H.R. 2725, to amend chapter 3 of title 18, United States Code, so as to prohibit the use of aircraft or motor vehicles to hunt certain wild horses or burros on land belonging to the United States. The full text of the bill follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 3 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 47. Use of aircraft or motor vehicles to hunt certain wild horses or burros; pollution of watering holes.

"(a) Whoever uses an aircraft or a motor vehicle to hunt, for the purpose of capturing or killing, any wild unbranded horse, mare, colt, or burro running at large on any of the public lands or ranges shall be fined not more than $500, or imprisoned not more than six months, or both.

"(b) Whoever pollutes or causes the pollution of any watering hole on any of the

public land or ranges for the purpose of trapping, killing, wounding, or maiming any of the animals referred to in subsection (a) of this section shall be fined not more than $500, or imprisoned not more than six months, or both.

"(c) As used in subsection (a) of this section—

"(1) The term 'aircraft' means any contrivance used for flight in the air; and

"(2) The term 'motor vehicle' includes an automobile, automobile truck, automobile wagon, motorcycle, or any other self-propelled vehicle designed for running on land."

(b) The analysis of such chapter 3, immediately preceding section 41, is amended by adding at the end thereof the following new item:

"47. Use of aircraft or motor vehicles to hunt certain wild horses or burros."

I might say here that the State of Nevada enacted similar legislation a number of years ago to regulate the capture of wild horses and burros on lands other than those belonging to the United States.

Mr. Avant's letter follows:

PEOPLES LOBBY, INC.,
Washington, D.C., March 17, 1959.

Hon. WALTER S. BARING,
Member of Congress,
House Office Building, Washington, D.C.

DEAR MR. BARING: We are receiving a great deal of mail regarding the killing of the little burro and the wild horses of several States. Many of those that have written know about your bill, H.R. 2725. While there are only a few States that have wild horses and burros, there are 600 humane organizations over the land with a large membership and these humanitarians are very much interested in your bill.

Several years ago, while in the West, I was invited to a burro barbecue. The thought of eating the flesh of the little animal that was left by the miners to starve and who found water and food where it did not exist, was so revolting that I was unable to eat anything for several days.

The Members of Congress are, as a whole, humane and I have no doubt but that your bill will pass both Houses.

Sincerely yours,

EMORY S. AVANT,
Executive Director.

Justice for Army Chaplains

EXTENSION OF REMARKS
OF
HON. PHILIP J. PHILBIN
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 30, 1959

Mr. PHILBIN. Mr. Speaker, I have offered an amendment to the Reserve Officers Personnel Act of 1954 as it applies to the service of Army chaplains in order to eliminate the present disadvantages and discriminations against clergymen serving in the Army.

We all recognize the great importance of qualified, ecclesiastically endorsed clergy to serve as chaplains in the Armed Forces. Up to this time we have had a particularly favorable experience in securing highly qualified, splendid chaplains to carry out the spiritual duties in our armed services.

It has been pointed out that the Reserve Officers Personnel Act of 1954, when it becomes fully implemented in July 1960 as applied to the Army, will possibly completely cripple the ability of denominational endorsing agencies to provide chaplains for the Army in the future.

This handicap and anticipated difficulty arises from the fact that the average age for the appointment of Infantry officers, as distinguished from chaplains, in the Army is 23 years. Since most officers retire in the rank of lieutenant colonel, it is therefore possible for the average Infantry officer to complete 30 years of service at the age of 53 as provided by the above law presently applicable to the Army. No one would question the desirability of the Army and all the services for younger officers and that is not an issue in this matter.

In the case of clergymen, the average age at entrance into the Army is 30 years according to a study made by the office of the Chief of Chaplains of the Army. The usual college graduation age is 22. Seminary studies may continue for an additional period of 3 years or 6 years in some major denominations.

In addition, some denominations require that a graduate clergyman must serve a period of 1 or 2 years before he can receive ordination. Some require a year of successful assistant pastorship after the second year in the seminary before the student is permitted to enter the third year. Other denominations require an ordained clergyman to serve a minimum of three years in civilian parishes before he can be granted ecclesiastical endorsement to serve in a chaplaincy.

While all of the practices referred to above insure a professionally well-qualified clergyman prepared to cope with the difficult problems of the chaplaincy, the fact is that chaplains enter the Army at a considerably greater age, and it is stated by competent officials that the average age entrance of 30 for chaplains is essential to conduct a successful ministry for service personnel.

The way the Reserve Officers Personnel Act of 1954 works out, if a clergyman comes on duty as chaplain during his 30th year then he can only complete 23 years of duty as compared with 30 years of possible duty for other officers.

In the event that a clergyman wishes to spend additional time in professional study looking toward a masters or doctors degree he may well pass the maximum entrance age of 34 and not be able to complete even 20 years of service. Thus, chaplains entering the service under these circumstances, that is, at a later age, must under present law, face the prospect of being separated from the service at age 53 with a maximum benefit of only 50 percent retirement, or in many cases with no retirement at all. Hence there is a justifiable reluctance on their part to volunteer for spiritual duties with the Army. Of course, the same situation applies to Army Reserve chaplains not on active duty and National Guard chaplains.

The purpose of the amendment which I am offering to exempt Army chaplains from the current age provision of the Reserve Officers Personnel Act of 1954 and place them in the same status as chaplains in the Air Force and the Navy seems to me to be highly meritorious and necessary in order to insure the proper flow of qualified chaplains into the Army. There would seem to be no justification for present unequal treatment of Army chaplains.

This amendment is endorsed by accredited officials of all basic denominations serving the armed services, and I hope and urge that the committee and Congress will approve it. To my mind, it is the least we can do for those who are rendering such valuable and vital service to our national defense. Spiritual ministrations in the armed services is of great consequence and importance not only to service personnel, but to their parents, families and friends who are naturally concerned that our service boys and girls shall have available to them at all times the counsel, advice and help of their own spiritual leaders. The value of such service to the personnel and to the Nation could not possibly be adequately measured in concrete terms. It is a must for all the Armed Forces.

Search for Peace

EXTENSION OF REMARKS
OF
HON. KATHRYN E. GRANAHAN
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 30, 1959

Mrs. GRANAHAN. Mr. Speaker, like the weather, everybody talks about peace, but few people do anything about it.

In my home city of Philadelphia, however, WIP, an independent local radio station, has been doing something about it for over a year. For its efforts, expressed through a public service program series, "Search for Peace," it has been honored with a national award.

Mrs. Ellen Stoutenberg, producer of "Search for Peace," has been awarded a McCall golden mike, the highest honor given exclusively to women in the radio and television field. She is one of seven women in the United States to win this coveted award, all of whom, in the words of the editors of McCalls, felt part of their responsibility is to help narrow the gap between the world as it is and the world as it can be.

"Search for Peace" is a unique effort for a single radio station, in that it strives to carry its message beyond normal coverage in the Philadelphia area, to the entire world. Benedict Gimbel, Jr., president and general manager of WIP, has, from the beginning, offered tapes of the commentaries of world-famous personalities to stations anywhere in the world.

The response to this has been overwhelming. Almost 100 stations in the United States, including one in each of our newest States, Alaska and Hawaii, carry this program. In addition, it is heard over the 100 stations of the Australian Broadcasting System, over the

Canadian Broadcasting Co., and by individual stations as remote as Aruba, Netherlands Antilles. The Voice of America brings it to countries normally beyond the reach of American radio.

In addition to congratulating my good friend Ben Gimbel, Mrs. Stoutenberg, and the entire staff of WIP, I should like to add a word of praise for the Philadelphia Junior League. As pointed out in the award citation, the coast-to-coast distribution of this worthwhile radio series was made possible through the efforts of this fine organization of young women.

In a day when broadcasting is often criticized for its preoccupation with rock and roll and western movies, I am proud that a radio station in Philadelphia has placed the public good above gain. Through "Search for Peace," again in the words of the citation, "Man's oldest yearning took on fresh interest and excitement."

We Will Always Need the Guard

EXTENSION OF REMARKS
OF
HON. CARL VINSON
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 30, 1959

Mr. VINSON. Mr. Speaker, the National Guard of the United States is the Nation's oldest fighting force.

Throughout the years, the National Guard has had a long and honorable history. Today it is rightfully considered as our first line Reserve component, always ready to fight.

Its greatest attribute is that the guard is made up entirely of volunteers, enlisted men and officers, who perform their training willingly and without compulsion.

This has brought about a camaraderie, a sense of esprit de corps, if you will, so necessary to a first-class fighting machine. Undoubtedly this comes about because of the guard's militia status and the fact that it is essentially a State force where men from the same community serve together for a mutual cause.

This militia status is one that must always be maintained in the guard. For many years, more than I can remember, there have been those who would strip the guard of its status and federalize it like every other Reserve and Regular component. This would be a serious blunder for not only does it offend the sensibilities of those of us who believe in living within the spirit and meaning of the Constitution—wherein the maintenance of a militia is guaranteed—but it would tend to treat the guard like every other Reserve component merely for the benefit of uniformity.

In my opinion, we have something outstanding in the guard and I will continue to oppose any change which would deprive it of its dual status.

The guard also has a job to do in this connection. It must never be an obstructionist. It must not oppose sensible changes or reorganization when such would be in the interest of national defense. The guard, although old in tradition must be young, alert, and forward looking, in its present thinking.

We are passing into a new age of missiles which travel on the wings of supersonic speed, of space warfare and weapons too terrible to contemplate for use in a civilized world. Nevertheless, we will always need the guard. Its State missions will always be a responsibility and this will be true no matter how far we advance in technology. And it will have its Federal mission as well, for the day of conventional warfare has not passed. So long as men are required to fire weapons, to operate machines and to take and hold the territory of the enemy, the guard will be needed.

So the guard must insist that it has its place in this new world and it must struggle to retain it. A fight is not new to the guard so I have no delusions about the outcome.

Now, contractors for the National Guard Association are completing the National Guard Memorial Building. It is appropriate that such a building should be erected here at the seat of the Government. True, it memorializes those of the guard who have fallen in defense of their country. But in another sense it will be dedicated to the living, to those guardsmen who give unstintingly of their time and talent that this Nation may have a strong reserve force.

When future history is written, the guard will be just as prominent as in the history of the past. The strength and durability of this memorial epitomizes the strength and durability of the National Guard.

Special Citation to Farrell Lines, Inc.

EXTENSION OF REMARKS
OF
HON. HERBERT ZELENKO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 30, 1959

Mr. ZELENKO. Mr. Speaker, outstanding service in the interest of the general public is always to be commended; especially is this true when the operation in question directly affects the well-being of the traveling public. Such recognition has just been given by the Surgeon General of the Public Health Service of the United States through award of the special citation to Farrell Lines, Inc., for the third consecutive year. The award is made in recognition of the excellent sanitation maintained on the company's vessels during 1958.

Farrell Lines has ever been noted for the maintenance of high standards, and is to be congratulated for this attainment. The presentation was made by Dr. David E. Price, Assistant Surgeon General, and was received by Adm. George Wauchope, executive vice president of Farrell Lines, Inc., at ceremonies on board the company's vessel SS *African Star* at the 33d Street Pier in Brooklyn.

When it is realized that this corporation operates 16 vessels which earned a rating of 95 or better on official Public Health Service inspection, which includes 166 separate items of sanitary construction and maintenance, it is evident that the accomplishment affords reason for justifiable pride on the part of both the management and all employees of the company.

Labor Legislation

EXTENSION OF REMARKS
OF
HON. WILLIAM H. AYRES
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 30, 1959

Mr. AYRES. Mr. Speaker, the following newsletter, written by the able junior Senator of New Hampshire, the Honorable NORRIS COTTON, should be of interest to all:

YOUR SENATOR REPORTS
(By NORRIS COTTON)

Trustbusting Teddy Roosevelt said, "The corporation has come to stay as the trade union has come to stay. Each has done great good. Each should be favored as long as it does good, but each should be sharply checked when it acts against law and justice." When he made that statement, he was in the midst of a bitter war against the Fat Cats of Wall Street who named Presidents, made and unmade Senators and Congressmen, throttled competition, starved and exploited labor. Nonetheless, he clearly foresaw the hour when the pendulum would complete its swing and the reins of power would shift from the corporation to the trade union.

That hour came this week when an unhappy Senate writhed under the whiplash of giant labor. It came as the culmination of 26 months of probing by the McClellan committee, during which it published 46 volumes—16,939 pages—1,257 witnesses. It found millions of union funds pocketed by union officers, unions without elections for more than 10 years, members deprived of voice or vote in union affairs, conspiracies between union officials and employers, felons fresh out of prison in places of authority. "The abuses, thievery, skullduggery, and skull-splitting tactics are practiced more often against the workers than the employers. The arbitrary power over workers thus acquired is almost invariably used for personal power and enrichment."—Senator MCCLELLAN. Labor itself was shocked by these revelations, and the topflight chieftains of AFL–CIO, whose integrity and respectability is unquestioned, took disciplinary action against 7 unions having 2½ million members.

Three key issues highlighted the 9-day Senate struggle: misuse of union funds, dictatorship in union affairs, abuse of union power.

Dishonest officials who filched at least $10 million from members' treasuries spent it in various ways—a $35,000 yacht, a $57,000 private plane, a stable of thoroughbred horses, and large sums spread over a wide field ranging from Cadillacs and TV sets to theater tickets and women's finery. Dictatorship and abuse of power was even worse. It is an established and accepted fact that

union membership is not voluntary. Workers must join or forfeit their jobs. Dues are deducted from their pay just as the Government withholds a tax. But, in addition to this, they have frequently been deprived of their vote for years at a time, forbidden admission to stacked meetings with doors barred by steel chains, forced to pay initiation fees as high as $1,000 for the right to work at their trade, and, in some instances, beaten by goons if they dared to protest.

Chairman MCCLELLAN rebelled against the mild Kennedy bill and offered a bill with teeth in it. In a nutshell the difference between the two bills was the difference between report and reform. The Kennedy bill merely required officers of a union to report periodically to the Secretary of Labor on the use of funds and on a variety of internal union affairs. For the ordinary union member the Secretary is a long way off. The McClellan version wrote the remedy into the law of the land, enforced by a hundred U.S. district attorneys in every part of the country. It laid down a fundamental bill of rights for every union member (freedom of speech, freedom of assembly, freedom from arbitrary initiation fees and kickbacks, protection of right to sue and to participate in union elections, etc.). It outlawed extortion, secondary boycotts, and blackmail picketing. After a desperate battle MCCLELLAN'S first amendment, the bill of rights, was adopted by a hairbreadth margin of one vote.

It was then that the full fury of the astonished labor leaders burst upon the Senate, especially on those Senators who had gained their election from labor's support. One by one the further McClellan provisions were watered down or beaten until finally another vote was secured on the bill of rights and a weakened, diluted version substituted. Most of the Members who had stood up and voted for it only 2 days before reversed themselves, reminding one a little of Ralph Waldo Emerson's remark that, "A hero is no braver than an ordinary man, but he is brave 5 minutes longer." Thus, for a second year in succession the Senate has marched up the hill and down again, passing a bill that is "against sin" but hardly more than the expression of a pious hope that labor's racketeers will be good.

Des Moines and Mississippi River Flood-Control Program

EXTENSION OF REMARKS
OF
HON. NEAL SMITH
OF IOWA
IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1959

Mr. SMITH of Iowa. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my testimony given before the House Committee on Appropriations concerning the Des Moines River Valley flood-control program, which is of vital concern to the entire Mississippi River Valley, in particular, and to the whole country, in general. My testimony was as follows:

STATEMENT OF NEAL SMITH, MEMBER OF CONGRESS, FIFTH DISTRICT, IOWA, BEFORE THE SUBCOMMITTEE ON PUBLIC WORKS APPROPRIATIONS OF THE HOUSE COMMITTEE ON APPROPRIATIONS, APRIL 30, 1959

Mr. Chairman and members of the subcommittee: I appreciate the privilege of appearing before your subcommittee to enter a formal request for $2 million to be included in the 1960 public works appropriations bill for the Red Rock Dam and Reservoir on the Des Moines River. The reservoir site, approximately 60 miles downstream from the city of Des Moines will be chiefly in Marion County, which is in the congressional district I represent, but four congressional districts in Iowa are directly affected, as well as States bordering the Mississippi River. I feel certain that the citizens of at least 25 congressional districts would be benefited by construction of the Red Rock Dam.

Permit me, first, Mr. Chairman, to commend your subcommittee for its untiring efforts in endeavoring to assign priority to the many worthy projects brought before your subcommittee. I am also aware, Mr. Chairman, of the serious admonishment you delivered in the House of Representatives earlier this week, on April 27. I agree that there are unnecessary expenses we have been doing without and can continue to get along without. My request is not in this category. The project will be an investment in every sense of the word, not a mere expense. It is an investment to save human lives and property. The ratio of benefits compared to costs for this project is 1.51. Few projects in which you ever invested money had that favorable ratio. This is a good investment from a business point of view. For the reasons hereinafter stated, I respectfully request that you give favorable consideration to the request for an appropriation of $2 million for the Red Rock Reservoir.

CHRONOLOGY

Over 21 years ago, in the Flood Control Act of June 28, 1938, the Congress approved a general comprehensive plan for flood control and other purposes in the Upper Mississippi River Basin "with such modifications thereof as in the discretion of the Secretary of War and Chief of Engineers may be advisable." The plan included a reservoir on the Des Moines River, then known as Howell Reservoir and now designated as Red Rock Reservoir (Howell site), with dam site 142.9 miles above the river mouth.

That same year a further study was authorized of the Des Moines River Basin flood problems. In the survey report of 1943 (H. Doc. 651, 78th Cong., 2d sess.) the Chief of Engineers recommended construction of Red Rock Reservoir, with the dam site 155.6 miles above the river mouth.

By the Flood Control Act of 1944, the Congress authorized the 1938 comprehensive plan, "including the project for Red Rock Dam substantially in accordance with the recommendation of the chief of engineers in document 651."

The 1943 report of the Corps of Engineers was reviewed following the major floods of 1947, which cost seven lives in the Des Moines River Basin, the evacuation of over 6,000 persons, left tens of thousands of citizens without drinking water in the tap for a month, and caused millions of dollars in damages. The engineers found that the Red Rock site would not have contained the 1947 flood and recommended construction of the authorized Red Rock Reservoir at the Howell site and a reservoir above Des Moines at the Saylorville site, with dam at mile 213.7.

RECURRING MAJOR FLOODS

The Corps of Engineers in its various reports for flood control on the Des Moines River has continuously directed attention to the recurring floods of major proportions, which have caused many millions of dollars of damages to urban areas and serious crop losses. Their magnitude and frequency are a matter of record—June 1851, June 1858, April 1862, June 1865, July 1869, July 1875, April 1876, July 1881, April 1888, May 1892, April 1897, July 1902, June 1903, June 1917, June 1935, May and June 1944, June 1946, June 1947, and June 1954—an average of a major flood every 5½ years. Moreover, every year significant flood damages are experienced, resulting in average annual flood losses, based on 1952 prices, in excess of $2 million in the lower valley below the proposed Red Rock Dam.

Local protection measures have been adopted through the years, and our State of Iowa is grateful to the Corps of Engineers for its assistance and cooperation. While these measures have served to lessen somewhat the amount of our economic losses, it is a matter of official record that our local programs are inadequate without the Red Rock Reservoir.

During the 1947 flood, Ottumwa in the fourth district—which has always suffered heavy losses from Des Moines River floods—was without an approved public water supply for 30 days. In the past few years alone, Ottumwa has obligated itself to $5 million for levees, channel improvements, and storm-water pumping stations, which will supplement the Red Rock Reservoir. In 1956 the city began construction of these improvements after approval by the Corps of Engineers. Within the city limits of Des Moines, approximately 5.5 miles of levees have been constructed. Through the years the district engineer has had to tell Iowans owning land bordering the river that nothing can be done on their losses because their properties lie in the area of the basin authorized for a dam.

Mr. Chairman, the citizens of my State have spent millions—yes, millions of dollars—in local improvement works. While these local works and the soil and water conservation programs that have been inaugurated are helpful in reducing flood costs, they cannot be substituted for the flood-control purposes of the Red Rock Reservoir.

The city of Ottumwa has now undertaken bonded indebtedness to the limit permitted by law in an effort to protect its citizens and its business district from flood damage. They have done all they can do locally and that investment is threatened, by a major flood, which could again easily occur on the Des Moines River, would probably destroy the large investment and sacrifice made by the city of Ottumwa. Citizens on a local level can go only so far with self-help projects. They now need the cooperation of Congress to begin construction of the project long recommended by the Army engineers as the project that should be constructed first.

Many sections of Iowa and Minnesota that are drained by the Des Moines River and its tributaries have experienced dry weather for the past several months. But droughts in this area have been followed by floods, and people are still holding their breath, hoping that floods will not occur. The presently swollen tributaries from Des Moines downstream can be carried by the Des Moines River channel, but additional rain on the upper end will cause serious trouble.

If the dam under consideration had been constructed before 1947, the high water crest in the 1947 flood as far south as Hannibal, Mo., could have been reduced by 2 feet and saved the entire Mississippi Valley millions of dollars in damage, and great human sickness and misery.

The Des Moines River drains an area through central Iowa and Minnesota that receives heavy rainfall. Holding back the flood waters from central Iowa and Minnesota would benefit the entire Mississippi River Valley, and the most logical place to invest in flood control is in the headwaters in this area of high precipitation.

RED ROCK NOT A "NEW START"

With reference to the present policy against "new starts," this request for funds

for the Red Rock Reservoir should not be considered a new start. As a matter of fact, construction funds of $1 million were allotted to the Red Rock Reservoir under the Civil Functions Appropriations Act of June 25, 1948. It was necessary to defer construction, however, following the major flood of 1947 which almost doubled the previous recorded flood heights at some points on the river, and as a result of the Presidential deferment directive during the Korean conflict.

It should also be noted that, while many river valleys have had several projects completed, the Des Moines River Valley has been without any project, and it should not now be doubly penalized because Federal funds have not previously been spent for construction there.

IMPORTANCE OF DES MOINES RIVER FLOOD-CONTROL PLAN

The century-old record of severe and frequent flooding in the Des Moines River area, the steadily increasing population in the 21 years since the authorization of the Red Rock Reservoir, the greatly expanded industrial development—these factors all warrant the appropriation of funds at this time in order that construction of the Red Rock Dam can finally be undertaken. Our citizens are uneasy over the possibility of having to wait still longer for the start of this project. They appeal to me and point out that apart from past economic losses, which for the last two major floods amounted to more than 30 percent of the estimated cost of the Red Rock project, each year of delay, each year of postponement, means they are exposed to the hazards of additional flood devastation.

Plainly, the size and importance of the area affected by the Des Moines River Basin and the severity and frequency of flooding compel the Congress to see to it that construction is now begun on the Red Rock Reservoir.

When completed, the Red Rock Reservoir and the Saylorville Reservoir (Public Law 85-500, approved July 3, 1958), together with the Des Moines local protection works, will provide flood protection to 213 miles of the Des Moines River below the Saylorville Reservoir and to the entire area subject to flooding by the waters of the Mississippi. The President's 1960 budget included $113,000 as the amount necessary to complete the little planning that remained to be done and is now being completed. The Corps of Engineers has advised me that from an engineering standpoint $2 million can be efficiently utilized for the Red Rock project during the 1960 fiscal year. They could begin work on the project almost immediately.

There, of course, is also need for continuing the studies and surveys for the authorized upstream reservoir at Saylorville. Under the comprehensive plan another pool would be contained near Saylorville. About $200,000 is needed for making surveys relative to Saylorville. Under the plan of improvement, as now authorized, the Red Rock Reservoir will have an earth dam at the Howell site. The dam would be about 108 feet high and 6,100 feet long. The flood-control pool would cover 65,500 acres at elevation 780 feet above sea level. Saylorville Reservoir would have an earth dam 125 feet high and 6,000 feet long. Its flood-control pool would cover 15,500 acres at elevation 884.

The Corps of Engineers has very recently estimated the tangible benefits of these two projects at $6.9 million a year, on the average. On the basis of prices obtaining in 1952, the cost of the Red Rock Reservoir has been estimated at about a $70 million total. We are asking for $2 million now. Had the Red Rock Reservoir been in operation in 1947, damages in the Des Moines River Basin would have been reduced by over $26 million—the amount of damages caused by the 1947 and 1954 floods. This is small compared to the damage to Mississippi River cities that this river valley could deliver.

These authorized projects will practically eliminate flood damage to towns, farms, roads, and railways on the Des Moines River below Saylorville. Along the Mississippi River downstream from the mouth of the Des Moines River, important levee districts and cities, including Quincy in Illinois and Canton, LaGrange, and Hannibal in Missouri would be benefited. The cost of Federal and other highway bridges in the area below the dams would be greatly reduced, and the area including the big ordnance plant near Burlington would be protected. Twice during World War II citizens of the valley had to take time out from fighting the war to fight the Des Moines River. The river should be an asset rather than a menace.

I cannot think of any investment in the future of America that is more justified and worthwhile. It is in full accord with all reports and authorizations of the Army Engineers over the past 21 years. On behalf of thousands of Mississippi Valley citizens, I respectfully request your approval of this investment.

It's Time To Return Precious Liberties to the Freedom-Loving People of Poland

EXTENSION OF REMARKS
OF
HON. DONALD J. IRWIN
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 30, 1959

Mr. IRWIN. Mr. Speaker, on Sunday afternoon, May 3, I will be privileged to speak in Bridgeport, Conn., to a group of Polish-Americans anxious to see the democratic way of life we enjoy restored to their homeland.

The flame of freedom burns brightly in the hearts of the Polish people, not only those who are now Americans but also those still in Poland and subject to the traditional Communist pattern of violating and denying the basic human rights.

This Sunday, one of the most important Polish national holidays, celebrating the adoption of the May Constitution by the Polish Diet, is to be observed.

Accordingly, Mr. Speaker, this is a time for reflection on our part—a time in which we should renew vigorously our support of the people of Poland who are enduring a difficult period in their history.

The present situation in Poland had its roots in the partition of Poland by the Molotov-Ribbentrop Pact of August 25, 1939.

In collusion with Nazi Germany, the Soviet Union invaded Poland on September 17, 1939, and on September 28, 1939, the Soviet Union and Germany signed an agreement proclaiming the dissolution of the Polish state and the partition of its territories between themselves, the Soviet Union annexing the northeastern part of Poland.

These acts violated both the Treaty of Riga and the Polish-Russian nonaggression pact.

Except for the partitioners and the allies of Nazi Germany, the world continued to recognize the legal Polish Government, which moved to London.

On July 30, 1941, the Soviet Government concluded a pact with the Polish Government in London by which it recognized "that the Soviet-German treaties relative to the territorial changes in Poland have lost their validity."

On December 4, 1941, the Soviet Union concluded a declaration of friendship and mutual assistance with the London government.

However, under the pretext of being insulted by the suspicion that it might have been guilty of the Katyn Forest massacre, which the Germans revealed in 1943, the Soviet Union broke off relations with the London government in April 1943—though it never actually withdrew its recognition of that government.

In the latter part of World War II, when the Red army entered Polish territory on July 22, 1944, its political commissar, General Bulganin, issued a proclamation to the Polish people declaring the liberation of Poland and the establishment of the Polish Committee of National Liberation.

At Yalta in February 1945, Soviet Russia wrested from the other great powers approval of the Soviet plan for a provisional government of national unity, created in June 1945 with an overwhelming majority of Communists.

The government was recognized by the Allied Powers on the condition that it hold "free, unfettered elections at the earliest possible time." This essential condition was never kept.

Finally, in January 1947, elections took place under conditions of fraud and terror. Backed by the presence of Soviet troops, the Polish Workers—Communist—Party organization exerted pressure to induce voting for the government list of candidates, and although another independent list of the Polish Peasant Party was permitted there was no public control over the counting of votes and the declared results were grossly falsified.

The rape of Poland by the Communist and Moscow-dominated regime of a dictatorial police state continued.

But in June 1956, the political and moral oppression and the economic misrule and exploitation by the regime, clearly subservient to Moscow, resulted in the Poznan revolt. It forced the Communists to make concessions and to liberalize the regime headed by Wladyslaw Gomulka, the new first secretary of the party. Moscow, fearing repercussions in the other captive nations, protested violently but in the showdown in Warsaw in October 1956 Khrushchev, who had personally flown in to stem the tide, had to give way lest an attempt at brutal oppression lead to disastrous results.

Among the gains won by the Polish people were the regime's new policy toward the church, which again permitted religious teaching in schools and other concessions which led to the liquidation of the collective farms so detested by the peasants; the relaxation of censorship which permitted greater free-

dom of the press—though criticism was tempered by the common knowledge that Soviet Russia would not permit the installation of a non-Communist regime; and the cessation of terror by the security police. Although these achievements by no means restored the full enjoyment of human rights, they were important.

As the Communist Party regained control of the situation, the improvement was short lived. Developments in the court of 1958 have been marked by intensified repression of the people, retrogressing toward the conditions in force before October 1956. This retreat from the gains of the Polish October is particularly evident with regard to the freedom of intellectuals, to workers' rights and church-state relations. There are many signs that the gains of October are to be further reduced.

For several months, a ruthless press campaign has been waged against the church and against religion. The Minister of Education on August 4, 1958, forbade religious instruction in state schools by members of religious orders and congregations. On August 9, 1958, the Catholic hierarchy lodged a protest, calling the order an unconstitutional violation of the basic church-state agreement.

Recent statements by leading party members indicate that collective farms are to be reinstated. Gomulka himself stated on September 7, 1958:

> The only correct road must in the long run lead to the collectivization of Polish agriculture.

There has been no genuine freedom of opinion in Poland since the loss of independence, and even the freedom of criticism which Gomulka announced at the Eighth Plenum in 1956 lasted less than a year. Censorship has been reestablished. Many papers have been banned, including the outspoken organ of the young Communist intellectuals, Po Prostu; party control was increased over newspapers and the planned weekly Europa was not allowed to appear at all. In May 1958 a ruthless campaign against the more independent newspapermen and writers was proclaimed by Werblan, head of the party propaganda machine. Today the press and other media of information are again becoming as subservient to the party and the regime as before October 1956.

I think, Mr. Speaker, we in America who enjoy our freedom must remember that the people of Poland have always manifested a strong attachment to the Western World.

We should remember, too that in celebrating the 168th anniversary of the Polish Constitution of 1791 they would like to regain the liberties accorded them by that liberal document, written chiefly by Ignatius Potocki, supported by King Stanislaw Augustus, and passed at another critical time in Polish history.

In 1772, Russia, Prussia, and Austria had taken away large sections of Polish territory in what became known as the first partition.

Facing possible annihilation, all forces in Poland united behind the new constitution that was greatly influenced by the liberal movements in America, England, and France.

Among the major provisions of the constitution were the following:

> All power in civil society is derived from the will of the people.

Commoners were granted the right to acquire land; to become commissioned officers; religious freedom was guaranteed; powers of the government were divided between the legislative, executive, and judicial branches; and a two-chamber legislature established.

Within a few years after passage of the May Constitution, Poland was completely overrun by the armies of Russia, Prussia, and Austria.

During the century and a quarter of foreign oppression that followed, the May constitution served the Polish people as a symbol of democracy and independence.

It is time, Mr. Speaker, that the gallant people of Poland regain the precious liberties given them by the Constitution of 1791 but of which they have been deprived for so many years by the tyranny of foreign oppression.

Food for Peace

EXTENSION OF REMARKS
OF

HON. JOSEPH E. KARTH

OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1959

Mr. KARTH. Mr. Speaker, in the May 1959 issue of the Capper's Farmer, a transcription of an interview with the distinguished senior Senator from Minnesota appears concerning his food for peace bill. Although Senator HUMPHREY's and Congressman WOLF's, of Iowa, United Nations food bill utilize the food and fiber resources in different ways, the purposes of the bill are similar. Both bills have as their respective goals the utilization of our food resources in ways which will aid the underdeveloped nations of the world and the starving peoples of this world in their quest for a better life.

Mr. Speaker, too many have thought of our great food and fiber abundance as a millstone around our necks. It is refreshing to know that through the leadership and explanations of Senator HUMPHREY and others, we are beginning to see the enormous use and value of our food resources—that it is a gift to be used for man; not for the purpose of rotting in food storage tanks.

Under unanimous consent, I include the interview of Senator HUMPHREY in the RECORD:

FOOD FOR PEACE—OUR MIRACLE WEAPON

(An interview with Senator HUBERT HUMPHREY)

(EDITOR'S NOTE.—Minnesota's Senator HUMPHREY is introducing a bill in the Senate to establish a Food for Peace Administration. Here he tells how this program would work.)

Question: "Senator, what would your proposed food for peace program do that is not now being done under Public Law 480?"

Answer: "We intend to use Public Law 480 as a base and expand upon it. We need a Food Administration—a Food for Peace Administrator. Our present arrangement is clumsy. There is really no one spot where the responsibility for the use of food and fiber as an instrument of foreign policy is centered.

"Part of the responsibility is in the Department of Agriculture and part is in the Department of State."

Question: "One objective then will be to make Public Law 480 more effective?"

Answer: "Yes; and to improve its administration. But we need a Food for Peace Administration with vitality, imagination, and momentum. The present program is short of something to make it work. We are missing the great opportunity. And I want to say that if we keep on missing it for another 5 years we won't have any more chances."

Question: "What countries would receive our food for peace?"

Answer: "I am thinking of the new nations, the rising countries, those just coming out of colonialism that need capital for development. I mean those countries that do not have American dollars.

"The great opportunity in this program is that we can sell to these countries for their own money. That is a key to Public Law 480. But we have failed to make full use of it."

Question: "Can we make use of all these foreign currencies?"

Answer: "We use what we need to pay our bills in those countries. But here is where our products become 'food for peace.' We can loan the money back to them for their economic development—to build roads, schools, factories, or whatever they may need to improve themselves."

Question: "Haven't we been criticized for delay in putting these loan funds to work?"

Answer: "Yes. The sheer bureaucratic delay in negotiating some of these loans is tragic. We not only hold back opportunity for the new countries to develop. But while the money lies idle, inflation may be eroding away its value.

"We could be building future trade and permanent good will for our country. We could be helping new countries promote health, education, and business expansion."

Question: "Education then would be a big part of a food for peace program?"

Answer: "If we can sell food to these countries for their money, they can use their supply of American dollars to buy other things they need for industrial development. We can loan their money back to them for scholarships, school facilities, laboratories, classrooms, books, and visual aids."

"Question: "Senator, Capper's Farmer readers are asking if an expansion of Public Law 480 is only a substitute for an adjustment of production that would prevent surpluses."

Answer: "We are justifiably concerned over surpluses because they are depressing farm prices. Unfortunately, lower farm prices do not show up in lower consumer prices.

"If a food for peace program were developed on a big enough scale, it would siphon off our depressing surpluses and put them to work in parts of the world that are short of food and fiber. It would upgrade our own economy and that of deficit countries.

"We could make food for peace the greatest instrument we have ever had to maintain a prosperous agriculture at home and create good will abroad."

Question: "If we expanded the Public Law 480 program, would we be accused of dumping our surpluses in the markets of our friends?"

Answer: "We could upset normal trade patterns if we acted like ignoramuses. But this kind of program would be carefully

planned. I can't imagine that we would proceed without careful cooperation with our friends and allies.

"Food for peace would not be sold in our normal dollar or pound sterling markets. It would operate where there are no dollars or British pounds."

Question: "How much control would we have over the funds that we loaned back to these countries?"

Answer: "The projects would be decided upon by negotiation between the Food for Peace Administration and the recipient country, in accordance with such law as Congress might enact. But the purposes of the loan and the terms of repayment would be set forth in an agreement."

Question: "Isn't there a danger that food for peace might retard agricultural progress in such a country?"

Answer: "We are not thinking of a world-wide relief program. And, of course, our food surpluses are not unlimited. But the need of these countries is great. The pressure for a better standard of living is unbelievable. Either we must help them through democratic processes or they will fall captive to totalitarianism."

Question: "Senator, what set you at work on the food for peace idea?"

Answer: "I caught the idea on a trip to the Middle East about a year ago. I saw what food can really mean. I came back with the feeling that our military aid program in this area was accomplishing little.

"For example, we put millions of dollars in military aid into Iraq. What happened? They used the guns to kill the very government that we were supporting. And the people felt no gratitude to the United States.

"But I am confident that if we had loaned them money for a school lunch program, or helped them with health and education improvement that could have been identified with the humanitarian impulses of the American people, we would have a reservoir of goodwill in Iraq today."

Question: "Would Food for Peace be limited to the amount of our crop surpluses?"

Answer: "Such a program should not be wholly based on the accident of surpluses. First of all, we should have a national security reserve. I mean certain amounts of foods that should be set aside for emergencies that might happen to us or our allies.

"A food reserve is as important as a stockpile of atom bombs. What good would bombs do if we had no food? One of the first acts of an enemy would be to contaminate our fields and livestock. It is good national security to have a surplus of foods."

Question: "Is cost of our farm program high compared to that of our missiles?"

Answer: "We should quit complaining about the cost of food surpluses. We are not complaining much about military stockpiles or the obsolescence of weapons. We put billions into rockets and missiles that will never be fired. Yet that is done in the name of research and security.

"Food is security too. And it will win more friends than weapons. A few tons of powdered milk in Africa will do us more good than a ton of uranium.

"Furthermore when other nations look to us for part of their food needs they will think twice before joining any bloc antagonistic to us."

Question: "From your visit in Russia last year did you get the impression that the Soviets are pushing their farm program for the purpose of using food as a tool in furthering Soviet influence?"

Answer: "Yes; definitely. Premier Khrushchev pointed out how the Soviet Union had sent foods to less prosperous countries. I predict that in 5 years Russia will be a food-exporting country.

"Imagine what Mr. Khrushchev would be doing today if he had our billion-bushel wheat surplus. He'd be the world's biggest wheat salesman and not be worrying how many rubles it would bring. He'd be spending Soviet influence with every kernel."

Question: "Senator, are you looking forward to a world food bank in your food for peace proposal?

Answer: "Yes, the food surplus producing countries might eventually get together in an international food bank. But I don't think we should wait until we can have a perfect project. We've already learned a lot from the use of Public Law 480. We should build from that and work out bilateral arrangements with nations that need our food now."

Pending a Reply From State, a Fact-Finding Trip to Nicaragua

EXTENSION OF REMARKS
OF

HON. CHARLES O. PORTER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1959

Mr. PORTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following press release issued from my office on April 29, 1959:

WASHINGTON, D.C., *April 29, 1959.*

Following is the text of an English translation of a letter to Congressman CHARLES O. PORTER, Democrat, of Oregon, from the Ambassador of Nicaragua, inviting Mr. PORTER to visit that country, and the text of a letter from Mr. PORTER to Secretary of State Christian A. Herter in which he invites the State Department to comment on the merits of the proposed visit.

PORTER said that "pending a reply from the Secretary of State, which I shall certainly weigh carefully before making the decision, I feel as though such a visit might well help the cause of democracy in this hemisphere as well as add considerably to my own knowledge on this subject." The names of those PORTER intends to take with him if he undertakes the fact finding expedition to Nicaragua are listed in the letter to the Secretary of State.

APRIL 24, 1959.

The Honorable CHARLES O. PORTER,
The House of Representatives,
Washington, D.C.

DEAR MR. REPRESENTATIVE: I am pleased to confirm the invitation which I personally extended to you on April 9, 1959, on behalf of the President of Nicaragua, Luis A. Somoza D., to visit our country accompanied by a group of persons whom you may wish to travel with you.

President Somoza has special interest in discussing with you general aspects of policy relative to Central America, as well as in affording you an opportunity of seeing by direct appreciation the real truth about Nicaragua in all its facets. He has instructed me to inform you, on his behalf, that it would be a pleasure to receive you and your companions as guests of the Republic of Nicaragua.

In order that you may more completely enjoy your sojourn in Nicaragua, we have decided not to prepare a formal program. Naturally, the protocol section of our foreign ministry will be at your disposal should you find it desirable to avail yourself of its services.

For the purpose of informing the Nicaraguan people of your visit, we will appreciate it very much if you would advise us some time in advance of the date of your arrival to Managua.

I take advantage of this opportunity to renew to you, sir, the assurances of my highest consideration.

GUILLERMO SEVILLA SACASA,
Ambassador of Nicaragua.

APRIL 28, 1959.

Hon. CHRISTIAN A. HERTER,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: The President of Nicarauga has invited me to visit his country as his guest. He wants me to see for myself that Nicarauga, contrary to opinions I have expressed on occasion, is a democracy, not a dictatorship. I can bring with me any persons I choose to help me investigate the facts. Of course, I am to be entirely free to go any place and talk to anyone.

The suggestion of this visit was first made to be by our Ambassador to Nicarauga, Thomas E. Whelan, when he was in my office early in March. Later the Ambassador of Nicarauga invited me personally and we discussed the matter at length. I told them both that I had my doubts about whether anything useful could be accomplished and that I would consult with the Department of State upon receipt of a written invitation.

A copy of the invitation and a copy of the translation are enclosed. I will appreciate your comments and an opportunity to confer with Department specialists in due course.

If I accepted the invitation, my present plans would be as follows: Set aside a long weekend when I would miss no business on the floor of the House, which would mean I would have a maximum of 4 days for the visit.

Ask to accompany me the following: Robert Alexander, author of "Communism in Latin America" and professor at Rutgers University; Martin Agronsky, NBC commentator; John O'Rourke, editor of the Washington Daily News and former president of the Inter-American Press Association; and Ulises Carbo, subeditor of Presna Libre, Havana, Cuba; Fabricio Ojeda, Caracas, Venezuela; and perhaps others.

The trip would be publicized in and out of Nicaragua. Informed persons would be encouarged to write to me. We could stop briefly in both Costa Rica and Honduras to talk with exiles before going to Nicaragua. The entire group would of course be extensively briefed before leaving the United States.

In Nicaragua we would stay at a hotel and would not be entertained by the Somozas or the Government or by any other political faction. We would split up into groups of two or three to cover the prisons, the schools, the press, radio, the opposition, peasants, businessmen, and others, all more or less at random.

I told both Ambassador Whelan and Ambassador Sevilla-Sacasa that it is possible our report would be inconclusive because of the short time available. My own opinion, at present, is based on many talks with Latin Americans, including Nicaraguan exiles, and with U.S. experts, including several in your Department. I believe President Somoza achieved his office by force and fraud and maintains himself by the same means. I believe any liberalization of policy, such as allowing a free press and radio (which I understand do exist) and proclaiming amnesties (which I understand are more proclamation than fact), arise from his fear of revolution and the Somozas' wish to remain alive and continue to be enriched by the extensive wealth in Nicaragua which somehow has accumulated to their family.

My opinion is that any freedoms we might observe could be and would be set aside by

the Somozas the minute they felt their dignity or wealth to be endangered.

These opinions of mine, widely held in Latin America, are not news to Ambassador Whelan or the Somozas. They apparently believe that I would alter them if I consented to visit Nicaragua.

If in fact, the Government of Nicaragua is firmly committed to democratic institutions, and if I could so decide from such a visit, then I'd like to say so publicly and rejoice accordingly. Of course, from here at this time, it would seem that one of the best proofs of good faith would be to arrange for free elections immediately.

Apart from the question whether I could do any good is the question whether the trip would do harm to surging democratic forces in Latin America. One Latin American friend of mine, a leading democrat, says Somoza wants to "use" me and that my visit would create confusion among the democratic forces of Latin America and disappointment to the Nicaraguan youth.

It is not clear to me why these results would have to occur. With this in mind I am releasing this correspondence to the press in the hope that others will express their opinions of the advisability of this trip and the best ways to make it worthwhile if I do decide to accept the invitation.

Very truly yours,

CHARLES O. PORTER,
Member of Congress.

Communism and Immigration Policy

EXTENSION OF REMARKS
OF
HON. PHILIP J. PHILBIN
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 30, 1959

Mr. PHILBIN. Mr. Speaker, I have been very much disturbed about the changed policy of this Government that has resulted in deportation proceedings against some Polish refugees.

The apparent basis assigned by the Government for this change of policy is that political changes have occurred in Poland that now renders it possible for refugees to be returned to Poland from this country without danger of political persecution, retaliation, or oppression.

While some temporary gestures of conciliation and softening of policy occurred under the so-called Gomulka government, they were shortlived indeed. In the American press, in our diplomatic reports, in all the evidence that is available, it is clear that the leopard has not changed his spots and that the Polish Government is still a Communist puppet and can be no more depended upon to administer impartial justice or refrain from ruthless actions than any other Communist government whether it be Hungary or Red China.

All the responsible evidence that we have available indicates that in fields that by any stretch of the imagination constitute a real test of fair-minded, impartial, humane treatment of human beings, that the Polish Communist Government fails to measure up to standards that free-minded peoples would expect and that the United States above all should insist upon in its relations with other nations.

It is clear from available evidence that the concessions made by the Polish Government following the events of October 1956 are being systematically withdrawn and that no reasonable expectation exists that democratic freedoms and human rights are being or would be consistently observed or recognized by the present Polish Communist government.

What reasonable man could doubt on the current evidence that the Polish Communist Government is a government by edict, dominated by force and committed to ruthless regimentation of the Nation's political and economic systems and of the people.

The following facts cannot be denied—

First. Workers in Poland have been placed under strict party rule and discipline contrary to their will.

Second. Censorship in Poland has become more rigorous than ever.

Third. Free speech, free expression, free inquiry, free publication in Poland are ruthlessly suppressed.

Fourth. Rigid control of religious practices and worship and bans on religious education are in existence in Poland and constitute another shocking repression of individual rights.

Fifth. Religious symbols like crucifixes and other articles of great sacredness to sincere religious worshipers have been banned in Poland by the mailed fist of violence and heavy penalties on so-called offenders.

Sixth. Religious charitable activities have been repressed and religious relief services profaned in Poland so that the National Catholic Welfare Council has suspended all large shipments of relief goods to Poland.

Seventh. Malignant attacks against the religious hierarch have occurred and fake, trumped-up charges of crime brought against religious leaders in Poland characterized by particularly false, fraudulent, and unfounded claims of militarism, fanaticism and intolerance made against religious believers.

Eighth. Despicable unfounded charges were leveled against the Cardinal Primate of Poland and an unwarranted invasion of that Primate's institution at Jasna Gora Monastery was conducted by the government, its offices raided, its books, pamphlets and other documents of historic worth and deep religious significance were confiscated.

Ninth. The offices of Bishop Boleslaw Kominek were raided and searched by minions of the police state.

Tenth. The institution of higher religious education at Wroklaw was seized by the government and all its activities stopped.

Eleventh. Other leading clerics whose only offense was their devotion to God were arrested and jailed on trumped-up charges of violating governmental restrictions on the use of newsprint.

Twelfth. Ministers of the Gospel were imprisoned for their religious sermons to their flocks.

Thirteenth. The religious educational activities in the schools, programs of scientific research and studies were interfered with and the schools required to take active part in the building of communism in People's Poland.

Fourteenth. The autonomy of the legal profession was limited, thus making lawyers mere puppets and instruments of the state and depriving individuals of proper legal representation.

Fifteenth. Threats of violence and imprisonment were made against youth leaders in religion and democracy.

The very substantial flight of Poles from their country to escape these policies and acts of oppression continues and many Poles deeply attached to their native soil and nation are leaving it, driven to despair and fear to flee from oppression and persecution.

During the past 2 years the number of Poles asking for asylum in Western Europe has shown a steady increase. These facts and statistics are well known to American officials. They are also not only well known, but have been confirmed, by the Voice of the Council of Europe as attested in the statement of October 17, 1958, of Mr. Frans Goedhart, delegate from the Netherlands who declared:

> In Poland, we have seen possibly a more dramatic swing back toward the old days than in any of the other countries. Nearly all the gains by the Polish people in 1956 appear now to be lost. The freedom of the press has virtually disappeared. Travel abroad has now been curtailed, not by any regulations, but by the simple process of raising the cost of passports by no less than six times within the last year.

The British delegate, Mr. Mulley said:

> I believe that it is absurd to try to understand the situation in Poland, unless we take cognizance of the fact that there are 22 Soviet divisions in Eastern Germany.

The Denver Conference on Immigration held December 6, 1958 among other recommendations for reform of our immigration laws, recommended that our laws and the administration thereof should, to a great extent, practice the time-honored American tradition of granting asylum to victims of racial, religious and political persecution.

How can any reasonable person believe that there is anything in the history of the relations between the Soviet and enslaved countries to justify the belief that an individual's stand criticizing or opposing existing Communist governments would not be followed by forceful, repressive action and persecution of the individual and possibly his family and friends.

The facts clearly show that uprisings in Poland, Hungary and East Germany have been cruelly repressed by Soviet military force. Dissenters against Communist oppression have been murdered in cold blood. It is clear, or it should be clear, to any fairminded, thinking person that it is the fixed policy of Communist governments to persecute those who refuse to submit themselves to Communist ideology, Communist irreligion and Communist hatred of democratic convictions.

In the light of all this evidence which, I repeat, is available to our Government from its own agents, as well as from authenticicated reports from other governments, and other authoritative observers and commentators on conditions inside Poland, it is impossible for me to understand how this Government

could even think of changing its policy granting asylum and protection to those seeking a haven in this freedom-loving Nation, who, if they were to be returned to Poland, by every test of logic and experience, might well be exposed to ruthless treatment and possible liquidation.

This Government is becoming naive indeed, if it believes that there has been any basic change in the attitude of Communist governments toward freedom-loving, God-fearing individuals, or any assurances that these governments will not continue as in the past to punish believers in a Divine Being and in democratic principles, by ruthless persecution, imprisonment and death.

I hope that our great President, who is always so deeply concerned in a humane way with the plight of the oppressed and perseucted throughout the world, will take appropriate action to redefine and clarify the position of our Government so that the time-honored, historic principle of asylum for oppressed and persecuted peoples may not only be continued but safeguarded, and every effort made to depart from this principle shall be speedily eliminated from the American political scene.

It is not only millions of Americans of Polish blood and their friends who are interested in this problem, but all true lovers of freedom in the American Nation are interested and vitally concerned that our Government adhere to its noble traditions of protecting the weak and helpless and giving shelter to the oppressed and persecuted.

It would be a most unconscionable policy indeed for this Government to direct the deportation of any Poles or persons of any other nationality to a Communist-controlled state where such a strong likelihood exists that they would be subject to persecution, oppression, and possible liquidation.

With all my heart, I urge our great President and the administration to abandon its present course regarding the principle of asylum and make it clear that in America, the land of the free and the home of the brave, we intend to the best of our ability to protect human beings against the dread persecution of communism and that under no circumstances will we return law-abiding persons resident in this country to the control of ruthless Communist governments.

I recently appealed to the distinguished Commissioner of Immigration and Naturalization Service, Gen. J. M. Swing, and his reply is pleasing and reassuring. It is as follows:

U.S. DEPARTMENT OF JUSTICE,
IMMIGRATION AND NATURALIZATION SERVICE,
Washington, D.C.

Hon. PHILIP J. PHILBIN,
House of Representatives,
Washington, D.C.

DEAR MR. PHILBIN: This will reply to your letter regarding the deportation cases of Polish refugees.

Approximately 75 cases of Polish nationals whose claims of physical persecution have previously been approved are now being reviewed. You are assured that no single one of these cases will result in an order to deport until I personally have reviewed the file.

The matter of physical persecution claims of Polish nationals, as well as nationals of other countries which are concededly Communist dominated or controlled, is the subject of continuing discussions between the Service and the immigration committees of the Congress.

Sincerely,

J. M. SWING,
Commissioner.

In view of this letter, I am very hopeful that the very serious problem presented by the Polish refugee deportation cases is well on its way to satisfactory and humane solution, and I earnestly hope that this will be the case.

A Bill To Correct an Inequitable Discrimination in Administration of an Excise Tax

EXTENSION OF REMARKS
OF
HON. JOSEPH W. MARTIN, JR.
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 30, 1959

Mr. MARTIN. Mr. Speaker, I have today introduced a bill designed to correct a flagrant and equitable discrimination that has risen under the admintration of a tax law.

For decades retailers have been competing with wholesalers and manufacturers in the premium, award and prize market. This involves sales made to business and other organizations for such purposes as sales premiums, incentive and merit awards to employees, for disposition as prizes, scholastic awards, and so forth. Basically these awards are given, as business incentives for scholastic or athletic accomplishment and cultural achievement in furtherance of our economic and social life. Several recent Federal court decisions ruled that sales of this nature are not retail sales as provided for in the Internal Revenue Code and therefore are not subject to the retail excise tax. These decisions, which in part lean on debates in Congress which have tended to define the term "retail," placed these products which are normally taxed at retail on an equal competitive basis in this business and organizational market with other products not normally taxed when sold at retail. In administering these decisions, a tax ruling was issued which restricted their application to sales made by firms "not engaged in retail business." The greatest impact of this interpretation is to deny tax-exempt sales to retailers as well as to restrict the application of the exemption to manufacturers and wholesalers not selling at retail. Strenuous efforts by retailers and others to obtain corrective rulings have been unsuccessful.

The net effect of this situation is to deprive the retailer as well as many wholesalers and manufacturers of any possibility of continuing to compete equitably in this premium, award, and prize market.

The inequity involved here is compounded by the character of the parties against whom it is inflicted. From an economic point of view the retail industry is, generally speaking, the weakest element in our business structure. By far, the greatest number of retailers are "small business" in every sense of the word. And yet here, through an unfortunate distinction between them and some of their suppliers they are stripped from opportunity to equitably compete in a market that they heretofore have enjoyed.

This bill will clearly establish equitable status for all sales of these incentive awards whose value is well founded by their historical use by business and industry. In this regard this amendment clarifies but does not change existing law. Last year Congress, in the Excise Technical Changes Act, in effect, recognized the value of achievement awards by exempting from Federal retail excise taxes purchases of these products by nonprofit educational organizations. The court decisions referred to previously recognize that other organizations have the same privilege in recognizing scholastic, athletic, economic or cultural achievement without tax.

This amendment will restore retailers to a competitive equality insofar as this premium, award, and prize market is concerned with other levels of industry and thus correct the discrimination that has arisen under the administration of our tax law. It is compatible with previous Congressional decisions that clarify the term "retail" as used in other laws and Government regulations.

It is my earnest desire that the Congress take prompt and favorable action on this bill.

Heartful Aspects of the Mutual Security Program

EXTENSION OF REMARKS
OF
HON. FRANCES P. BOLTON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 30, 1959

Mrs. BOLTON. Mr. Speaker, so much attention is given the military aspects of mutual security that we may tend to overlook the more heartful work carried on under the program. While the total amount of funds allocated to these activities is comparatively small, the dividends realized in terms of friendship and goodwill are enormous. Through these programs Americans are enabled to express their concern for the less fortunate peoples of the world, a concern which is inherent in the conscience of America.

Certain of these activities were described to the Foreign Affairs Committee on April 17 by the following witnesses: Mr. William H. McCahon, Chief, Voluntary Foreign Aid Staff, ICA; Mr. Richard B. Farnsworth, Deputy Chief, Education Division, ICA; Dr. Eugene P. Campbell, Chief, Public Health Division, ICA; Dr. Paul F. Russell, Rockefeller Foundation; and Dr. John D. Porterfield, Deputy Surgeon General, Public Health Service, Department of

Health, Education, and Welfare. As their presentation covered four programs which are of very real interest and importance, I shall summarize their testimony under the respective program heading.

OCEAN TRANSPORTATION COSTS

This program, for which $2.3 million is requested, is designed to defray ocean transportation costs of U.S. voluntary agency gift shipments to needy persons abroad. These gifts which are distributed in the name of the American people, include food, clothing, medicines, hospital supplies, school supplies, hand tools, and other self-help items. The salient points, observations, and facts bearing upon this program are as follows:

First. All supplies involved come from private U.S. sources as voluntary donations either in cash or in kind.

Second. All costs including procurement, processing, packaging for export, and delivery of supplies to U.S. port are borne by the voluntary agencies.

Third. For every appropriated dollar spent on ocean freight, roughly $15 worth of these privately donated supplies are delivered to needy persons overseas.

Fourth. During the past 3 years, the value of these supplies has averaged $27 million annually.

Fifth. Thirty-two U.S. voluntary nonprofit agencies are participating in this program, including the relief arms of the three major faiths, CARE, and the American Red Cross.

Sixth. Eligible agencies are those registered with the Advisory Committee on Voluntary Foreign Aid. This Committee was created in May 1946. It has 10 members at present, all serving without compensation, and is chaired by Mr. Charles P. Taft.

Seventh. As a condition of such registration, the voluntary agencies keep the Committee fully informed of their activities. An annual public audit is filed by each registrant. These are available for public inspection.

Eighth. The U.S. origin of the goods is made known to the recipients through labeling, special posters and literature, as well as by personal contacts of the American citizen field representatives maintained by the voluntary agencies.

Ninth. The authorities of the recipient countries exempt the supplies from all duties, tolls and taxes. Inland transportation and related costs from port of entry abroad to ultimate distribution center is paid by the recipient countries or from other non-U.S. Government sources.

Tenth. Forty countries and areas are now included in this program, 16 having been added in December 1958. The additional $200,000 requested is needed to take care of this and other possible expansion in the number of countries to be served. It is believed that with this modest increase the amount requested will be adequate to finance all estimated shipments in the coming year.

In addition to their material aid shipments, these voluntary agencies are carrying out many other useful services in the fields of refugee care and resettlement, technical assistance and self-help. These people-to-people activities serve as a useful and important supplement to the government-to-government assistance programs. They provide a good example of how Government and our private citizens can join hands to accomplish mutually desired ends.

AMERICAN-SPONSORED SCHOOLS ABROAD

Funds made available under section 400(c) of the Mutual Security Act are designed to further mutual security objectives by increasing the number and quality of human resources available to participate in economic development. Section 400(c), title 5, of the Mutual Security Act of 1954, as amended, provides that "the President is authorized to use not to exceed $10 million of funds appropriated" to assist "schools and libraries abroad, founded or sponsored by citizens of the United States and serving as study and demonstration centers for ideas and programs of the United States, notwithstanding any other act authorizing assistance of this kind." The amounts available for this program in subsequent years have varied according to demands upon appropriated funds, with $5 million proposed for the coming year.

The primary objective of this program is to enable American-sponsored schools abroad to contribute more significantly to the development of the human resources so desperately needed by the developing countries. An American-sponsored school is defined as one that provides educational facilities of two nations—namely, those characteristic of the United States on the one hand, and on the other hand, those of the host country. The student bodies include nationals of the country, third country nationals, and may include U.S. citizens. American-sponsored schools abroad are cooperative enterprises supported by U.S. citizens and local citizens. Particular emphasis is placed upon technical education at the college and university level by virtue of the mutual security program objectives.

Graduates of these schools will be among the scientific, political, and economic leaders in their countries. One of the American University of Beirut's most famous alumni is Charles Malik, President of the United Nations General Assembly. Robert College in Turkey, by virtue of its long establishment there, enjoys a wide range of contacts. At the present time it numbers among its graduates three Turkish Ambassadors, the head of one of the major political parties, senior officials of the Industrial Development Bank and a host of industrialists and technicians in private industry. Most of the American-sponsored schools in Latin America, Africa, and the Far East are elementary and secondary schools, nevertheless they also can claim economic, political, and social leaders as their alumni.

In addition to their function of actually training productive citizens and other important elements, is the fact that the American-sponsored schools abroad serve as models and demonstration centers which influence the educational systems of the host countries and thereby improve the type of education offered all the students in the country. They serve as a local demonstration of improved educational methods, materials, and teaching procedures.

In a broader sense the schools aided provide one means of contributing toward the sound objectives of developing better understanding between the people of the United States and the peoples of the countries in which the schools are established. The students of the host country who attend such schools tend to learn U.S. methods and standards without affecting their basic sense of values toward their own countries. In addition, with an American educational background, these students are ideally qualified for local employment with U.S. firms. They are also better prepared to enter American colleges and universities for advanced training.

In summary, by assisting American-sponsored schools abroad we are supporting American private initiative, we are capitalizing on existing investments, and are utilizing the skills and knowledge of Americans already working in the educational field abroad. The enormity of the developing countries' needs for trained manpower requires that we make maximum use of all our available resources.

MALARIA ERADICATION

The administration has requested that $35 million of special assistance funds be made available to continue worldwide efforts to eradicate malaria. The avowed goal of this program is the elimination of malaria from nations of the world in which reside more than 1 billion persons who are or have recently been exposed to malaria infection. Since the first appropriation for this purpose was received in fiscal year 1958, major progress has been made in 26 nations which have signed bilateral malaria eradication agreements with ICA and in some 50 additional nations receiving indirect U.S. assistance through the special malaria accounts of the World Health Organization and the Pan American Health Organization.

The role that the United States plays in the malaria eradication program is crucial to the success of the worldwide effort. Our leadership in this field was well established some years ago when we initiated a program for the eradication of malaria in the United States and followed it through to a successful conclusion. As early as 1942, we began to share with neighboring countries our knowledge of how to combat this disease.

Today, most of the underdeveloped countries where malaria is still a serious problem have manpower and can finance local costs, but do not have the equipment and materials needed nor the foreign exchange with which to purchase them. These items which we furnish can be provided only from the United States in the quantity and quality necessary for a program of this magnitude. In addition to commodities, we are also providing the top-level leadership and technical assistance where this is required.

Under the present program U.S. assistance is being extended to 26 of the

76 countries now concerned with malaria eradication. Certain of the remainder require no assistance and others are being aided by the World Health Organization, the Pan American Health Organization, or the United Nations Children's Fund. Once malaria has been eradicated by a country, it is neither difficult nor expensive to maintain that condition.

Our Government plans to continue support to many nations of the world through contributions to the special malaria accounts of the World Health Organization in the amount of $3 million and of the Pan American Health Organization in the amount of $2 million. The World Health Organization and its Regional Office for the Americas, the Pan American Health Organization play a key role in coordinating the efforts of all nations in the worldwide malaria eradication program and provide technical support for individual country programs through provision of consultation, training fellowships, training facilities, and conferences. These organizations are uniquely capable of carrying out these functions through their official channels with the nations of the world and by their ability to employ scarce experienced malaria experts without regard to nationality. Most important of all, these organizations operate in many countries and territories in which there are no ICA health programs. This is particularly significant since the mosquito is no respecter of political boundaries. The WHO and PAHO also are participating directly in and coordinating field investigations of special problems such as mosquito resistance to insecticides, and the role of drugs in eradication of malaria from tropical Africa.

It is expected that U.S. participation in the malaria eradication program will require about 5 years. Where eradication problems are particularly difficult for technical or other reasons, assistance may be required beyond fiscal year 1962. The program is expected to reach its peak during the coming year.

Described as the greatest nonmilitary international cooperative effort in history, the malaria eradication program has already made substantial progress. Malaria has already been eliminated from large areas and experience to date indicates that the objectives of worldwide eradication are technically possible and within reach. U.S. leadership and participation in this program not only results in improved conditions of health throughout a large part of the world, but also represents a truly international cooperative effort in human welfare.

COMMUNITY WATER SUPPLY PROGRAM

The sum of $5 million in special assistance funds is proposed to be used for improving community water supply facilities. Lack of safe water supplies for drinking and personal cleanliness is a keenly felt need by people almost everywhere in the newly developing countries. This situation is most critical in the smaller and moderate-size communities. Major efforts and resources have been dedicated to providing piped water for the very largest cities, but even so the urbanization growth has been so rapid as to outstrip existing capacities, often inadequately planned when installed. It is not unusual to find capital cities with one-fourth to one-half of the urban populace unserved by the public water supply. The industrial and economic development of the smaller cities and towns, so necessary to stabilize shifting population, almost without exception is contingent upon the availability of water. If it is not provided, industry will rarely come into an area.

This program is designed to spearhead greatly increased efforts attacking the gastrointestinal diseases through the stimulation of national programs to provide safe water supplies for human needs. Technical support on a broad front is needed to encourage and aid the organization and adoption of practical programs to serve the water supply needs for better health, increased productivity, industrial expansion, and improved standards of living. This attack will be carried out in collaboration with other nations, with WHO and the Pan American Health Organization.

This proposal has evolved from recent actions on many fronts to focus attention on this primary cause of much sickness and death in major world areas—the diarrheal diseases. The World Health Organization, Pan American Health Organization, the U.S. Public Health Service, and on more than one occasion President Eisenhower, have all called for combined efforts to help do away with this obstacle to economic advancement in many less developed countries.

The Inter-American Committee of Presidential Representatives in 1957 endorsed a public water-supply program for the Western Hemisphere. The worldwide needs were considered of high priority by the International Development Advisory Board. In March 1958, the Surgeon General of the U.S. Public Health Service recommended such a program, along with others, to ICA as appropriate for early implementation. The 88 member nations represented at the World Health Organization—WHO—General Assembly at Minneapolis in May 1958 resolved in favor of increased emphasis on worldwide community water-supply efforts. President Eisenhower in his August 1958 address before the U.N. General Assembly indicated water shortage and disease as two major challenges to Near East development. A resolution adopted by the Pan American Sanitary Conference, October 1958, called attention to the importance of water supply and urged further consideration in program planning. Supporting these affirmations of needs and feasibility is the 16 years' experience in such activities by ICA and the Institute of Inter-American Affairs, which have demonstrated the technical, administrative, and economic soundness of water-supply development programs.

Each year an estimated 500 million persons have one or more of the gastrointestinal diseases, which are preventable with clean water. Approximately 5 million infants die each year from these diseases, which include cholera, typhoid, and paratyphoid fever. In addition to the human suffering and death these diseases cause, they represent a tremendous economic loss to the development of growing nations.

The funding of this program is expected to highlight U.S. interest and support of a critically needed public health measure. Soundly conceived, the community water supply program should prove highly popular with the underdeveloped nations and make an effective contribution to improved health and economic development.

Address of U.S. Senator A. S. Mike Monroney, of Oklahoma, at Paul M. Butler Testimonial Dinner in South Bend, Ind.

EXTENSION OF REMARKS

OF

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 30, 1959

Mr. BRADEMAS. Mr. Speaker, on April 29, 1959, in South Bend, Ind., nearly 800 friends and neighbors from throughout the State gathered to pay tribute to one of Indiana's most distinguished citizens, the hard working, courageous and dedicated chairman of the Democratic National Committee, the Honorable Paul M. Butler.

The principal speaker at this great banquet in honor of Paul Butler was one of the finest Members of the U.S. Senate and another distinguished American, the junior Senator from the State of Oklahoma, the Honorable A. S. MIKE MONRONEY.

I am proud to include in the CONGRESSIONAL RECORD the splendid address delivered by Senator MONRONEY on this occasion:

I am a lucky Senator indeed to be invited here for this very happy occasion.

It's always a pleasure to come to Indiana to address the front-line fighting troops of the Democratic Party. It's much different here than in my State of Oklahoma. Here, in this area, it's hard to be a Democrat. Old, bad habits are hard to break, and so you face an uphill fight in every election.

In Oklahoma and other parts of the great Southwest it's hard not to be a Democrat. And so I am always glad to salute the people who turned the tide to win outstanding victories for our party in Indiana.

But to be here on this occasion—when a dear friend of yours and mine is honored by his fellow townsmen and others of Indiana—gives me particular pleasure. This warm and enthusiastic testimonial dinner is a well deserved tribute to a great Democratic leader—Paul Butler.

When the invitation was extended to me I wondered why, out of all 64 Democratic Senators, I was lucky enough to be chosen to speak on this occasion.

Reflecting that South Bend's most famous product is the great Notre Dame football team, and knowing that Paul Butler is Notre Dame's No. 1 fan, I finally figured out why this honor came to me.

I asked myself what State had done the most in recent years for Notre Dame and I came to the very definite conclusion that undoubtedly it was Oklahoma. On the 50th anniversary of our statehood, November 7, 1957, Oklahoma was kind enough to Notre

Dame to terminate our record-breaking chain of victories and to establish Notre Dame as the outstanding team in the Nation for that year.

It was a footnote for football history that the team we beat in starting this chain—Notre Dame—turned out to be the one that broke our long winning streak in the end. And so I was happy to accept this invitation as partial payment on South Bend's debt to Oklahoma.

I hope that before we turn to the urgent business of discussing the Republican Party and its current Washington product, you will permit some brief observations on the Democratic Party and its present chairman.

Many Democrats in the past have written distinguished records in the position that Paul Butler fills today, but few, if any, have matched his achievement in rebuilding the party from the ashes of an overwhelming defeat in 1952 to the healthy, robust, aggressive force that it is today. With the party treasury deeply in debt, with even the bastions of the South in political ruins, Paul Butler began the long, hard task of creating an alert, alive, and effective Democratic Party.

He didn't do this on a one-State or a one-section basis, but sought to place the Democratic Party again in the forefront as the truly great national party.

Lets' face it—perhaps Paul stepped on a few toes, hurt the feelings of a few leaders in various sections—but his concern was for the health of the entire Democratic Party, and his courage and drive rebuilt this party to its effective position today.

It was inevitable that in this process, there should be sectional criticism. For Paul Butler has faced no less a task than to articulate for the Nation the broadest aspirations of a national party during a period when that party lacked the natural public platform which the Presidency provides.

Certainly we in Congress can take considerable pride in the fact that the record of the Democratic Party in both Houses contributed substantially to winning the sweeping public endorsement in last fall's elections. But we all are practical enough politicians to realize that elections are not won alone in the halls of Congress, but in the tens of thousands of precincts throughout the Nation. It was in rebuilding this party machinery for the Nation—to the State, to the county, to the township levels, that Paul Butler committed his attention and his leadership so effectively.

No one today who has seen the shambles of the Republican national organization—confused and befuddled, even though they still control the vast powers of the executive department of this Government—can help but realize the superb achievement that Paul Butler has wrought for his party. There has been no patronage; there have been no fancy appointments to ambassadorships; there have been no Cabinet posts—in fact, no executive power to serve as convenient leverage for Paul's rebuilding job. It all had to be done with bare hands and a determination that the Democratic Party would again be resurgent.

The record of the last congressional elections indicates the degree of this resurgence—when Maine joined our ranks with the election of Governor MUSKIE to the Senate, and Vermont sent to the Congress its first Democrat in more than a century.

The extent of this devastating defeat administered to the Republicans portends great days ahead in 1960.

This was done by Paul Butler—not by sitting in a Washington office and issuing pious declarations—but by traveling the long, tedious paths to the 48 States and in these States to the county seats, to insure that every party worker was trained and encouraged in performing the duties required in his particular area of responsibility.

This program has virtually transformed the great western reaches of our country from a happy hunting ground for musclebound Republicans to what approaches a monopoly of Democratic representation in the Congress and in the Governors' chairs.

I predicted in my closing campaign speech at Evansville that after November 4, 1958, the GOP would not be able to run the Republican elephant any more—they would just have to stuff him. And sure enough, not long ago they stuffed the world's largest elephant and placed it in the Smithsonian museum for all to see.

I am proud of the part that Paul Butler has played in stimulating young men of character and ability to enter the political field and to give us the greatest asset a party can have—young, enthusiastic and energetic candidates for positions of responsibility in State and National Governments.

The best illustration I know is here in South Bend, because the consensus among the press and others who watch young Congressmen come and go is that one of the brightest young stars of this victory is your own JOHN BRADEMAS.

Few men have come to the Congress or to the Senate, during my 20 years here, so well equipped as JOHN BRADEMAS. His educational background, his experience in the teaching field, and his practical experience in government make him one of the most brilliant young leaders in the new Congress. Of course, this was perhaps apparent to me somewhat earlier than to others, because of the insight he showed in selecting his administrative assistant.

But my opinion, which might be somewhat open to question, is shared by Speaker SAM RAYBURN, Majority Leader JOHN MCCORMACK, and the Democratic whip, CARL ALBERT. The fact that in his first term he won an assignment to the committee that handles two of the most important fields of government—namely, labor and education—proves the regard that the House leadership has for him.

I have the great pleasure also of serving with your new Democratic Senator, VANCE HARTKE, who has been my long-time friend. I met VANCE when he was promoting the first Jefferson-Jackson Day dinner at Evansville many years ago, when I was fortunate enough to be invited as speaker. I recognized his leadership then. I have admired and respected his progress upward in the political field, and I rejoiced, as you did, in his overwhelming victory in the election last November.

He has already won his spurs in the Senate. His ability has been recognized by the choice committees to which he has been assigned. I have the honor of sitting with him on the important Interstate and Foreign Commerce Committee, where he has already proven his competence in the wide field in which this committee must legislate.

Winning a position on the tremendously important Finance Committee is unheard of for anyone who has not had at least 6 to 12 years of experience in the Senate—yet he was given this assignment by LYNDON JOHNSON and the Senate leadership.

Because of his grasp of municipal affairs he also is making a mark for himself as a member of the District of Columbia Committee. This is indeed a record of achievement and one that marks him as a man to watch.

Other examples of Indiana's great Democratic resurgence reversed the ratio in the House of Representatives. Where once RAY MADDEN and WINFIELD DENTON held out against nine Republicans, the Democrats now have eight seats and the Republicans only three. Every crap-shooter knows that "eight" is a much better point than "two." But better still, let's concentrate on capturing those three to roll an "eleven" in 1960.

It is now my sad duty to turn to a less pleasant subject—namely "the team"—which is what the Republicans call the Eisenhower administration—to the chagrin of all good football fans. You know, even the worst football teams usually excel in some department. They've got a guy who can pass—or maybe a place kicker—or maybe a good center. If they haven't got any of those—then they at least have a good cheer leader, or pep club, or drum majorette, or band. But not this team. All it's got is a publicity agent.

But you just can't sell a bad performance no matter what kind of press agentry you use. The fans are lots smarter than the Republicans realize. Even the kids are too smart for the Madison Avenue selling job.

Let's look at the record. The farm front has folded up under Benson's hammer blows. While living costs are hitting new highs each month, farm prices are scraping bottom with new lows. This is the Benson policy of killing two birds with one stone—the consumer with high prices and the farmer with low prices.

The Benson policy was to reduce the farm surpluses by reducing the acreage and the price support levels and thus reduce production and the cost of the farm program. Shades of Wrong Way Corrigan—our surpluses are higher, our support prices much lower, our production greater. And the cost of the program to put the farmer in the fix he is in is six times greater than it was under the Truman administration—$6 billion today against $1.05 billion under the Democratic program of farm prosperity.

Instead of liquidating the surplus, Secretary Benson has liquidated the farmers. A total of 4,231,000 of our farm population has left the farms since 1950. What Secretary Benson referred to as the swollen bureaucracy of the Department of Agriculture in 1953 has gained in population under Benson by nearly 7,000 since that date.

But perhaps we can excuse the team on the farm front. After all, they only pass by the farms on the way to the golf courses. But with so many men from big business brought into this administration you would expect some degree of expertness in fiscal affairs.

Instead of the sound fiscal policy that was promised throughout 1952 and 1956—we have had a record number of fiscal fumbles to mar the game. Management of the budget has led to a continuing series of red figures and heavy deficits. This year the budget deficit will range upward to $12 billions in the red. The cost of paying the interest on the public debt in 1952 was $5.9 billion. This year the budget asks for over $8 billion to meet the new Republican interest cost for the largest debt in the Nation's history. An increase of over $2 billion because Secretary of the Treasury Humphrey, the Republican fiscal giant, planned it that way.

This interest cost—I might remind you—is second only to the cost of national defense in the budget. This $8 billion added cost buys nothing—it is a deadweight upon the taxpayers as this administration raised its own rent on the borrowed money.

The new fairytale budget—which the President and all of his Cabinet are urging us not to unbalance—never was balanced. The reliable Joint Committee on Revenue and Taxation has declared that the budget overestimates expected income in the amount of $1.6 billion. And even before that, the fairytale balance had been achieved by listing revenue from increased postage rates and gasoline taxes not enacted nor likely to be enacted by Congress.

Meanwhile, as a consequence of its tight money policy as an alleged weapon against inflation, the cost of interest rates to little business, farmers, cities and towns has climbed to the stratosphere to the tune of some $20 billions. These higher interest rates have had a direct impact upon the ever increasing cost of living for everyone.

During the campaign last November, the resistance to the Republican policy of tight

money and higher interest rates voiced in Congress and by the Democratic National Committee played a definite part in the Democratic sweep.

People found out the hard way that the old definition of what the two parties stand for still holds true: The Republican Party believes in high wages for money—and the Democratic Party believes in high wages for people.

The sad fact is that the Republican piety over a balanced budget is a complete fraud—because it applies only to the budget for fiscal year 1960, the last complete budget year before the next election. It is to be achieved by cramming everything possible into the budgets for 1959 or 1961.

The budget for 1959 is already unbalanced and the Republicans couldn't care less whether it's unbalanced by $12 billion or $15 billion, as long as the 1960 budget is lily white. Likewise they aren't interested in 1961, since that is too late to have any immediate political benefit.

This administration is avoiding deficits—it's just shuffling them from 1 fiscal year to the other—in the hope that the political hand will be quicker than the voter's eye. The real tragedy is that the pea in this political shell game is our Nation's safety.

Remember the promises of 1952 and 1956 for a strong national defense? While our commitments abroad have multiplied like Texas jackrabbits, the administration's economy ax has cut deeper and deeper into the numbers and equipment of our military forces.

Year after year the manpower of our Army, Navy, Marine Corps, and Air Force has been cut. New weapons, ballistic missiles, and airlift have been squeezed to the minimum.

It has been the leaders of the Democratic Party that have sounded the warning and led Congress to vote more instead of less to strengthen our defense against the threat of expanding Communist military strength.

Our lagging missile program was drastically stepped up. Cuts in manpower proposed by the Eisenhower administration were resisted in Congress, and money was voted to build up—rather than tear down—our ground and sea forces. Most of the additional funds voted by the Congress were frozen by the administration—as was our fighting strength.

Even funds for our National Guard and our Reserve forces—made even more necessary by the reductions in the Regular Army—were cut by the administration, and restored by Congress.

But it has been in the field of foreign policy that our greatest shortages in ideas and ideals have occurred. We have slipped, and slipped badly, in furnishing leadership in this most vital field where the peace of the world hangs in tenuous balance.

The democratic leadership of the Congress has time after time rescued the President on the vital issues of foreign aid and foreign trade to overcome heavy Republican opposition. Congress cannot make foreign policy, but wisely and patriotically the democratic policy has been to keep it out of partisan politics.

Democrats in Congress have repeatedly offered new ideas and new ideals in the struggle to win the hearts and minds of the world's people. One billion people—almost one-third of the world's population—swing in the balance between communism and freedom. These are the populations of the new nations which have only recently won independence from colonial rule. They are looking for a new way of life. Our programs and our leadership can bring to their new freedom a new hope of an improved standard of living.

The shape of tomorrow's world will be decided by the way this billion uncommitted people choose. If they join the billion already under communism, then two-thirds of the world will be under a slave-state system—and the one-third of the world's people living under democratic governments will face gradual erosion of the areas committed to freedom.

The Democrats have shown great understanding of the need for a long-range modernized approach to meeting this Communist challenge in the cold war of economics. In the Senate in the last session of Congress we moved to change our outdated foreign-aid program from one of grants or accommodation-lending by Uncle Sam alone. We urged the administration to get the free world to join in an international banking system for a long-range program to supply financing for economic development by sound banking methods. To achieve this end, a substantial use could be made of the local currencies of these nations which we receive from the sales of our agricultural surpluses abroad.

The Democrats have supported also the vast expansion of peaceful uses of atomic energy. We have a deep feeling that instead of emphasizing the capacity of our bombs for catastrophic destruction, we would impress these billion uncommitted people more by showing how the horror of the atomic bomb could be beaten into a plowshare—to become mankind's greatest servant.

Instead of telling the world how many millions we can cremate with one big blast of a hydrogen bomb, we could far better tell them how we have developed means for making it work for man's survival.

Already we have crossed the threshold to find some 100 uses for atomic isotopes in the diagnosis and treatment of diseases. Soon, with enough research, we may find in atomic medicine the cure for cancer or other dread diseases that have beset mankind throughout history.

In agriculture, atomic wastes and byproducts can be useful in producing better strains of fruits and vegetables. New livestock breeds of greater size can be created through other byproducts of atomic energy.

In engineering, underground blasts have indicated great new uses for atomic energy in mining and petroleum recoveries. Perhaps some day underground blasts may develop new harbors along our coasts or along the coast of South America from one single explosion.

In large areas of the world where deserts meet the sea, poverty and starvation occur because of the lack of water for irrigation and human consumption. We are nearing a solution to the problem of transforming sea water to fresh water by desalting processes. Surely atomic reactors can hasten the time when we can make many areas, now worthless deserts, bloom like the Garden of Eden.

Many of you have seen the great transformation of farm life when the REA lines reach the farm homes of America. Life comes from the darkness of the 19th century into the brilliantly lighted world of the 20th century by the magic of electricity.

In most of the areas where these one billion uncommitted people of the world live, electricity is nonexistent or so expensive that only the very few can use it. This is because oil or coal must be shipped halfway around the world to supply the energy required to generate electricity.

If we could mass produce atomic reactors at relatively low cost and sell them on long terms, it would bring the hope of the electrical age to thousands of towns and villages of the world now in darkness. Instead of fuel of great bulk shipped at great expense, atomic fuel could be sent in by airmail. A package no larger than a pack of cigarettes can furnish the energy to light and heat a village of 10,000 people for an entire year.

These are but a few of the things we can and should do if the face of Uncle Sam which the world sees is to be the kindly smiling face that we know it to be. But the rest of the world does not automatically know the great spiritual values we hold. Deeds, not words, are required.

I feel if we can spend some 44 billions on the science of death, for our weapons and defense—and I'm for that amount and more—that we should tithe, and spend one-tenth of that amount on science for life.

We have the duty to provide the continuing leadership required if the world of tomorrow is to see our hopes of today realized. Thus can our generation give thanks for the blessings of our science—by sharing with others the abundance it can produce.

SENATE

FRIDAY, MAY 1, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, turning aside for the moment from the threatening violence and turbulence of human strife, we would hush the words of the wise and the prattle of the foolish, for without Thy guidance our wisdom is but folly.

Teach us by the adventure of faith how to be victors over life, not victims of it.

Save us from being embittered by ingratitude and pettiness, and from turning coward in this day of battle.

In such a day, as stewards of the world's future, give us, O Lord, a dauntless trust, a firm hope, an understanding charity, and a will to labor valiantly for the things for which we pray.

In the Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. CHURCH, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, April 30, 1959, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H.R. 6769) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1960, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 6769) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1960, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. CHURCH, and by unanimous consent, the Judiciary Subcommittee of the Committee on the District of Columbia was authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. CHURCH. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

RESOLUTION OF RHODE ISLAND GENERAL ASSEMBLY

Mr. GREEN. Mr. President, I present for appropriate reference, a resolution adopted by the Rhode Island General Assembly during the January session, 1959, memorializing the Congress of the United States relative to providing free medical care to aged persons.

The VICE PRESIDENT. The resolution will be received and appropriately referred.

The resolution was referred to the Committee on Labor and Public Welfare, and, under the rule, ordered to be printed in the RECORD, as follows:

S. 559

Resolution memorializing the Congress of the United States relative to providing free medical care to aged persons

Whereas there is presently before the Congress of the United States a bill to provide for free medical care to aged persons; and

Whereas it is essential to the economy and well being of the people of the United States that those persons on the social security rolls be provided with hospital, surgical, and nursing care; and

Whereas those persons receiving social security are on limited fixed incomes which do not provide for such emergencies; and

Whereas such persons should not be required to look for assistance in such emergencies to public or private welfare agencies; and

Whereas it is essential that immediate consideration be given to this serious problem: Now, therefore, be it

Resolved, That the members of the General Assembly of the State of Rhode Island earnestly request the Senators and Representatives in the Congress of the United States to enact legislation providing for free hospital, surgical, and nursing care for those persons qualified under the social security provisions of the old age and survivors insurance law and that the President of the United States approve such legislation; and, be it further

Resolved, That the secretary of state is hereby authorized and directed to forward duly certified copies of this resolution to the President of the United States, to the Vice President of the United States, to the Speaker of the House of Representatives in the Congress of the United States, and to the Senators and Representatives from Rhode Island in the Congress of the United States earnestly requesting that they lend their best efforts in carrying out the purposes of this resolution.

RESOLUTION OF HAWAII HOUSE OF REPRESENTATIVES

Mr. GRUENING. Mr. President, when the history of this decade is written, it is my conviction that the national accomplishment that will be deemed most outstanding is the admission of the 49th and 50th States.

The world has been, and is, passing through a highly troubled era in which many time-honored conceptions about the strength, purposefulness, and leadership of the United States in the world have been doubted and challenged. It is perhaps fair to assume that for our Nation the decade of the fifties will, in general, be recorded by historians as a holding operation against Communist imperialism, and possibly one in which the holding was not too successful.

If that somewhat dispiriting judgment has not been nullified by events to date, I am confident it will be offset to a great degree by the extension of the frontiers of democracy to America's farthest north and farthest west.

The inclusion in the Union, for the first time, of two great noncontiguous areas established a most important precedent. It will stand out as a mid-century pinnacle of achievement. It demonstrated, among other things, that the United States is still young, still vigorous, still advancing, still receptive to new variations of sound and cherished ideas, still steeped in the basic principles established by our forefathers—principles as a result of which our Nation has grown to greatness. These ideas and principles translated into action expanded a thin fringe of colonies along the Atlantic into a continental domain.

Now, in the short course of less than 1 year, the Congress has enabled our Nation to leap far beyond these already cosmic boundaries, and to advance the front line of equality and freedom into the Arctic, far into the Pacific, and, in the case of Alaska, even into the Eastern Hemisphere.

From the 50th State, which will contribute so much to the appreciation of the United States beyond the seas, and brings such valuable cultural diversity into our Union, come grateful acknowledgments of the assistance given by Members of the Congress in Hawaii's 60-year struggle for statehood. Among these is a resolution expressing Hawaii's special thanks and fondest "aloha" to a distinguished Member of this body, Senator FRANK CHURCH, of Idaho, whom I am happy to see here on the floor.

It is particularly gratifying for me to submit this resoluiton and to ask that it be printed in the RECORD after my remarks, for although many Members of the Senate and of the House—and others, both in and out of Government—have contributed mightily to the historic achievement of bringing in the 49th and 50th States, probably no newly elected Senator more quickly took so deep and so effective an interest in both these causes—statehood for Alaska and Hawaii—and, by his eloquent and devoted support of them, played so vital a part in bringing them to fruition.

Alaskans will always be grateful for the major address which Senator FRANK CHURCH made on May 5, 1958, in behalf of Alaskan statehood. It was a memorable oration, comparable in eloquence to the historic addresses made in this body by such statesmen as Daniel Webster, William H. Seward, and Charles Sumner. Following that address, throughout the debate on Alaskan statehood, Senator FRANK CHURCH actively supported, by engaging in the colloquy, the speeches favoring statehood, and took issue with opposing arguments. He did no less for Hawaii.

A pleasing recognition of his gallant and effective advocacy has been expressed by the House of Representatives of the 30th Legislature of the Territory of Hawaii—Hawaii's last territorial legislature—by means of its resolution of appreciation of the services and contributions of the distinguished Senator from Idaho, FRANK CHURCH.

I present the resolution, and ask that it be appropriately referred.

The resolution was ordered to lie on the table, and, under the rule, was ordered to be printed in the RECORD, as follows:

HOUSE RESOLUTION 63

Whereas the hopes and aspirations of the people of Hawaii for equal rights and privileges with all other citizens of the United States have been realized by the passage of the bill admitting the State of Hawaii into the Union; and

Whereas it is particularly appropriate that special thanks be given to those Members of the Congress of the United States whose patient and tireless personal efforts on behlaf of the people of Hawaii brought about the eventual fulfillment of those hopes: Now, therefore, be it

Resolved by the House of Representatives of the 30th Legislature of the Territory of Hawaii, That the special thanks and fondest Aloha of the people of Hawaii be and they are hereby given to Senator FRANK CHURCH, of the great State of Idaho, for his patient, forceful, and untiring efforts on their behalf to attain for them full and equal rights and privileges with all other citizens of the United States by the granting of statehood to Hawaii; and be it further

Resolved, That a duly certified copy of this resolution be sent forthwith to the Honorable FRANK CHURCH.

BENNETT F. CRAVALHO,
Speaker, House of Representatives.
HERMAN T. F. LUM,
Clerk, House of Representatives.

RESOLUTION OF NEWARK, N.J., ARCHDIOCESAN FEDERATION, HOLY NAME SOCIETIES

Mr. CASE of New Jersey. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Newark Archdiocesan Federation Holy Name Societies on April 26, 1959. The resolution pays appropriate tribute to the Newark office of the Federal Bureau of Investigation.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

THE NEWARK ARCHDIOCESAN FEDERATION,
HOLY NAME SOCIETIES,
Ridgewood, N.J., April 30, 1959.

HON. CLIFFORD P. CASE,
U.S. Senator,
Senate Offie Building,
Washington, D.C.

DEAR SIR: It is my privilege and pleasure to transmit to you the following resolution

which was unanimously adopted by approximately 550 members of the Roman Catholic clergy, and of the Holy Name Societies of New Jersey at the annual convention of the Newark Archdiocesan Federation Holy Name Societies, held at St. Mary's Church, Dumont, N.J., on Sunday afternoon, April 26, 1959:

"Whereas the Federal Bureau of Investigation has, since its creation many years ago, performed commendable service in helping to protect these United States and its people against criminals of all types and also against subversives of all species of cunning and mendacity; and

"Whereas in all its work and activities, the Federal Bureau of Investigation has shown a deep regard for the constitutional rights of all individuals and thereby has added to the dignity and respect of our democratic system of government; and

"Whereas much of the splendid record and achievements of the Federal Bureau of Investigation can be credited to its director, the Honorable J. Edgar Hoover, who by his efficiency and devotion to duty, has given to the Bureau a very remarkable leadership based on morality and patriotism; and

"Whereas Special Agent William G. Simon, presently in charge of the Newark office, and his predecessors in that office and the many agents serving under them have performed their work in an efficient and dignified manner: Therefore be it

"Resolved by the Newark Archdiocesan Federation of Holy Name Societies in convention assembled at Dumont, N.J., on the 26th day of April 1959, That our sincere thanks be extended to the Federal Bureau of Investigation, its Director, J. Edgar Hoover, to Special Agent William G. Simon in charge of the Newark office, and all the personnel of the Bureau for their diligent and dignified efforts to protect our country against its enemies, both foreign and domestic; and be it further

"Resolved, That a copy of this resolution be forwarded to Director J. Edgar Hoover, to Special Agent William G. Simon, to our U.S. Senators, to our Congressmen and to the newspapers."

Respectfully yours,

JOSEPH M. NAAB,
Secretary.

BILL INTRODUCED

A bill was introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GRUENING (for himself and Mr. BARTLETT):

S. 1849. A bill to amend the act of August 10, 1939, authorizing the Postmaster General to contract for certain powerboat service in Alaska; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. GRUENING when he introduced the above bill, which appear under a separate heading.)

AUTHORIZATION FOR POSTMASTER GENERAL TO CONTRACT FOR CERTAIN POWERBOAT SERVICE IN ALASKA

Mr. GRUENING. Mr. President, I introduce, for appropriate reference, a bill to require the Postmaster General, in letting a contract for the transportation of mail throughout the Aleutians, to stipulate that any steamboat or other powerboat employed in the performance of such contract is to be used exclusively for mail service along such route.

Experience has amply demonstrated, Mr. President, that, because of the distances involved and the weather conditions encountered, regularity of mail delivery to the residents of the Aleutians can be insured only if a vessel is dedicated exclusively to such service. If additional stops are included on the vessel's itinerary, there can be no assurance that schedules will be maintained or that all the communities which must be served will be reached twice a month.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1849) to amend the act of August 10, 1939, authorizing the Postmaster General to contract for certain powerboat service in Alaska, introduced by Mr. GRUENING (for himself and Mr. BARTLETT), was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

MUTUAL SECURITY ACT OF 1959—ADDITIONAL COSPONSORS OF AMENDMENTS

Under authority of the order of the Senate of April 24, 1959, the names of Senators HART and JAVITS were added as additional cosponsors of the amendments intended to be proposed by Mr. FULBRIGHT (for himself, Mr. HUMPHREY, and Mr. KENNEDY) to the bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. HILL:

Speech delivered by him at the opening of the new laboratory facilities at the Wistar Institute, Philadelphia, Pa., April 17, 1959.

By Mr. WILLIAMS of New Jersey:

Article entitled "This Problem Can't Wait," written by Senator MORSE, and published in the American Federationist magazine, relating to minimum wage legislation.

RESPONSIBILITY FOR THE NEW SENATE OFFICE BUILDING

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article entitled "Why Blame George?" written by Ed Koterba, and published in the Washington Daily News of yesterday, April 30.

Mr. President, the author of the article is 100 percent correct. Neither the U.S. Senate nor its Building Commission can dodge responsibility in connection with this matter.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY BLAME GEORGE?

(By Ed Koterba)

There is poor George right in the middle of a mess. He works in the basement, dead center of the Capitol, under 535 bosses, lawmakers all, trying to please 'em.

But it's apparent he's not succeeding.

Of late, J. George Stewart, Architect of the Capitol, has become scapegoat for that monstrous mistake, otherwise designated the new S.O.B.—Senate Office Building.

There was Senator PAUL DOUGLAS (Democrat, of Illinois) pacing up and down the mauve rug of the Senate floor, blaming it all on George.

Mr. Stewart, he said, is spending $100 million on the Hill, putting up new buildings, tearing down old porches, and burrowing tunnels for senatorial trolleys.

And now, he said, George wants to cover the fine rubber tile floors in that nightmare of errors with $150,000 worth of carpets.

A noble gesture this is for one Senator to attempt to save the day for us taxpayers. But why blame George?

I looked up the record on that new $25 million building, and there it was in black and white. It was the Senators who voted for it, 70 to 26. George didn't cast a vote.

Well, who planned the building? George didn't. Six private architects did. They were hired by a committee of nine Senators, including such economy-wise men as Senator DENNIS CHAVEZ (Democrat, of New Mexico), and Senator LYNDON JOHNSON (Democrat, of Texas). Mr. Stewart is simply a member of this troupe—their front man, so to speak.

And it was those Senators, appointed by the Senate as a whole, who OK'd wall-to-wall carpeting for their own private offices and rubber tile floors for the offices of their staffs.

When the Senators moved into the new building, the phone began a-ringing in Mr. Stewart's office. The Senators were moaning that their staffs didn't like their hard floors.

Thus, it was our Senators, not George, who wanted that expensive tile covered over with expensive carpets.

Two years ago, I sat in the press gallery and watched the Senators steamroller a resolution through for $1 million in new furniture.

So, now here was Senator DOUGLAS blaming George again, because he found 400 old chairs in the halls and attic of the old building.

Mr. Stewart, who is a civil engineer by trade, has only one count against him. He once was a Congressman. He served as a Republican from Delaware. Because he was appointed in 1954 by President Eisenhower, the Senator from Illinois said it was the fault of the Republican administration for all this high spending.

The VICE PRESIDENT. Is there further morning business?

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

GOVERNMENT SPENDING AND AID FOR SCHOOLS AND EDUCATION

Mr. MURRAY. Mr. President, in today's issue of the Washingotn Post and Times Herald there is a report of the results of a recent Gallup poll which undertook to find out what the voters of this country really thought about the issue of increased or decreased Government spending. The questions asked in this poll were completely objective and unpointed.

The first question was: "Do you think there is anything for which the Government should be spending more money

than it is at present?" It is interesting to note that the highest percentage of those questioned answered that more money should be spent for schools and education. More voters listed this item as the area in which more funds should be spent than in any other—including defense. Furthermore, there was no significant group which felt that less money should be spent on schools and education, while as many favored a decrease in defense spending as favored an increase.

I think this report indicates the firm support for aid to education which exists throughout the country. Legislation in this field has been demonstrated to be necessary. Nationwide polls taken over the past several years have shown that all groups of the American people favor Federal aid. Now the results of this Gallup poll make it clear that, despite all the furor raised by those advocating reduced Government expenditures in all areas, there is firm support for increasing expenditures to aid our schools.

Mr. President, because of the objective finding of need for aid to schools, and because of the desires of the American people, legislation for this purpose should be made a must in this session of Congress. I call upon my colleagues in the Senate and the Members of the House to look behind the obstructive arguments of those who oppose this necessary action for personal economic reasons, and to lend their overwhelming support to the current legislative proposals—S. 2 and H.R. 22.

ST. LAWRENCE SEAWAY: STIMULUS TO WORLD TRADE

Mr. MUNDT. Mr. President, the opening of the St. Lawrence Seaway this past week marked the beginning of a new era for the Nation. It is a new era in which citizens from the heart of America can touch hands with our neighbors overseas through the inland waterway which is now a fourth seacoast.

In view of the tremendous accomplishment that has been made in opening this great channel to ocean shipping, I think it is particularly timely to call to the attention of Senators a recent address by the Honorable Lewis G. Castle, administrator of the St. Lawrence Seaway Development Corporation. Mr. Castle's remarks were made before the Chicago World Trade Conference.

Mr. President, I ask unanimous consent that Mr. Castle's address be included as a part of the RECORD at this point.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ST. LAWRENCE SEAWAY: STIMULUS TO WORLD TRADE

(Address by Lewis G. Castle, Administrator, St. Lawrence Seaway Development Corporation, before Chicago World Trade Conference)

The St. Lawrence Seaway has been such a controversial subject for so many years past that only a few are aware that the project is practically complete at this time. Furthermore, only a few are aware that between Last July 4 and December 6, we transited 5,289 vessels through the two locks on the St. Lawrence River which were constructed by the St. Lawrence Seaway Development Corporation. So we are now in business, and very little remains to be done to make the U.S. portion of the seaway 100 percent complete.

It will be an historic day next April when the 1959 shipping season opens for deep draft traffic through the modernized facilities provided by the Canadian and U.S. seaway entities, and this project of such great magnitude and importance will be officially dedicated by the President of the United States and the Queen of England on June 26 at Montreal.

There have been some features of the Seaway venture which need frequent clarification. One belief widely accepted is that the cost of the Seaway construction is paid for out of Government appropriated funds, resulting in a burden on the taxpayer. This is not the case. Every dollar which our Corporation has spent to construct the Seaway is a borrowed dollar on which we pay an average of 3½ percent interest. These funds are borrowed from the Treasury Department of our Government, which accepts our promissory notes to cover advances, and these notes must be retired, both principal and interest within a 50-year period from toll revenues derived from all shipping. We are, therefore, created and will remain as a self-sustaining and self-liquidating corporation.

The entire construction of seaway facilities has been performed in coordination with our Canadian counterpart in an atmosphere of friendly and mutual understanding. The Canadian investment constitutes more than twice our outlay for the U.S. portion of the Seaway. Consequently, the division of toll revenues will be approximately a 70–30 basis, which will assure the retirement of all construction, operation, and maintenance costs of both Seaway entities, plus interest, within 50 years.

What a great inheritance is the Great Lakes Basin. It is adjacent to such a wealth of natural resources; it is adjacent to a large concentration of population and industrial production, plus being served by ample transportation services provided by railways, waterways, highways, and airlines. The fresh water available in this lake basin is important for human consumption, navigation, development of power, and also most essential for industrial use. In the States of Illinois, Wisconsin, Michigan, Minnesota, Indiana, Iowa, and Missouri, there are estimated to be nearly 32,000 operating commercial plants manned by about 2,800,000 employees. Were we to add the States of New York, Ohio, and Pennsylvania to this number, the above figure could possibly be doubled.

The success of the Seaway is assured by the apparent factors of savings in cost of transportation, and also by the stimulation of export-import commerce which will develop as a result of population growth alone. Guy Rutland, president of the American Trucking Associations, Inc., recently said: "I believe that the time is coming when all the wheels—the railroad wheels, the truck wheels, the airliner wheels, and the wheels in the pilot houses—will be moving in closer concert for the good of agriculture and industry."

Now the subject of my address is: "St. Lawrence Seaway—Stimulus to World Trade." This is closely akin to that old question, "Which came first—the chicken or the egg?" Maybe it would be more fitting to say: "World Trade—Stimulus to the St. Lawrence Seaway." At any rate, the import-export commerce in our country has at one time reached a volume of trade representing $27 billion. That is quite a sizable amount.

With the increase in our industrial production in United States and Canada, we will see both nations increasing efforts to seek foreign markets for their surplus production. To assure sales of our products abroad, we must make certain that the buyer has available, U.S. dollars. That source of dollar supply must originate from our purchases of foreign goods, or imports. Import-export trade cannot be a one-way street.

In approaching the subject of the Seaway's economic value to the Midwest and foreign trade, there is comfort in the knowledge that all water routes of prominence have indicated continuous gains in volume of tonnage over the years.

Between 1915 and 1957, the Panama Canal grew in tonnage from 5 million to 50 million. The Suez Canal in 1870 began with one-half million net registered tons; in 1955 the volume was 116 million net registered tons. The inland waterways of our country have gained in volume from 9 million ton-miles in 1931 to 109 million ton-miles in 1956. The port of Manchester tripled its volume between 1946 and 1956. The ports of Chicago, Milwaukee, Toronto, and other lake ports have already shown impressive tendencies toward increased tonnage, increases in numbers of shiplines served, as well as the number of ship sailings. In addition to this, we are aware that the year 1959 will witness not only an increase in the number of shiplines operating, but the inauguration of vessel traffic on a much larger scale, involving the use of modern high-speed vessels of larger capacity, operating over extended routes.

Nor is this all. It is well known that U.S. flagships operated by American companies are seeking, and will no doubt be extended, the privilege of operating in the Great Lakes trade under subsidies. Therefore, what we have seen thus far is only the beginning of a mass movement involving all manner of vessels engaged in the general cargo trade, operating in the overseas service.

With these evidences of encouragement concerning the subject of waterborne commerce, let me quote one warning—namely, the effect of inflation on the future of foreign trade. I quote from a recent statement made in the annual report of J. P. Morgan & Co.: "The cruelties and injustices worked by a depreciated dollar need no detailing. * * * This country's status as an exporter of goods has already been hurt by inflated costs. It will hurt more if the spiral is allowed to resume. Our Nation's domestic prosperity, as well as its world economic role, needs a vigorous foreign trade, with a large volume of both imports and exports."

Completion of construction of the St. Lawrence Seaway is on a par with the successful orbiting of the satellite Explorer. The satellites are ready for interplanetary travel. We are now ready for intercontinental trade.

As in the case of conquering space, we too, have an important task confronting us. We must reeducate a multitude of people—we must supplant the archaic dogma that has become habitual with many of our shippers with a fresh, modern approach to transportation as it is today.

The Seaway can be a tremendous impetus, a powerful stimulant to world trade and economic betterment. For those communities and individuals who take actual and constructive steps toward utilziing its inherent opportunities, it will prove to be a great boon.

Now you shall of course hear, from many speakers at this conference, various ways and means by which the benefits to be derived from the Seaway can and shall be reaped. Therefore, I shall confine my remarks to a general review of the opportunities that are inherent to the Seaway.

First and foremost, it opens up this vast hitherto inland empire, the greatest concentration of industrial and agricultural might in existence, to 80 percent of the vessels having access to the markets of the world. Shipment by water has been, and continues to be, the cheapest method of

mass transportation available. Many Midwestern shippers have long been aware of the savings in transportation costs available to them through the use of the smaller vessels plying the old 14-foot St. Lawrence Waterway. Now the entry into the trade of larger vessels will result in even greater savings. One large vessel carrying general cargo, with an operating expense not greatly in excess of that of the smaller vessel heretofore serving the area, can carry up to five times the cargo carried by its predecessor. And bulk cargo vessels can carry up to 10 times the former limitations.

Much has been written regarding the economic benefits of the St. Lawrence Seaway. Complete and repetitious as this publicity has been, I believe that the evidence thus far made known is still of a superficial nature. By that I mean that much of the publicity has resulted from enthusiasm generated by the proponents of the Seaway. As a matter of fact, the implications go far deeper than such a surface concept. In dealing with this subject, the Corporation had a study prepared 4 years ago regarding the potential traffic available to the Seaway. This survey was for the most part an entirely independent and original investigation. The conclusions reached were optimistic. It was thought perhaps too optimistic. Within the past year a review was made of the original investigation and the surprising result was that there was justification for much higher optimism, and that the potential was much greater than anyone had previously dared to indicate.

One thing, however, was pointed out in these studies. Recognizing a potential is one thing, and this is, of course, of primary importance. Developing the potential, however, is a procedure which requires the attention and zealous efforts of not only the shippers and carriers, but producers and consumers as well. It calls for the effort of not only individual corporations, not merely the ports, but everyone concerned in a mass effort to correlate the various agencies of production and transportation in order that the full benefits may be realized. I feel safe in saying that no one has yet penetrated the full depths nor the full meaning nor the full benefits of the St. Lawrence Seaway.

The growth in population of the world is unmistakable. It is increasing at the rate of 45 million people each year. Likewise the population growth of the United States is a certainty. When we consider that the center of the population of the United States is moving continually westward and northward, it must be realized that the future of the midcontinental area of the United States contiguous to the Great Lakes and St. Lawrence River are destined to embrace a density of population, and as a consequence a destiny of economic significance beyond the dreams of anyone now living. When we view the future in the light of these events the development of the area will prove to be nothing short of an economic renaissance.

Therefore, it is well to keep in mind the indestructible words of that great civic developer, Daniel Burnham, of Chicago, who advised: "Make no little plans for they do not stir the mind of man." Now who are we going to get to do this job? Surely we can depend upon men like Mayor Daley, Judge Butler, Max Cohen, George Weiss, Tom Coulter, Hjelmar Johnson, Bill Huggett, and Harry Brockel, of Milwaukee, as well as the Chicago Association of Commerce and Industry, the Chicago Board of Trade, the Chicago Regional Port District, Illinois Manufacturers Association, etc. Can anyone imagine what the result would be if men and organizations like these and others would lend their energies and talents in this great movement.

Greater cargo capacity is not the only influence the Seaway will have on lower transport costs. Ships do not earn money while under way—they only spend it. The modern and fewer locks, and improved channels of the St. Lawrence Seaway will cut the round trip transit time from Montreal to Chicago by an estimated 3 days.

Imagine it—3 days less operating expense, plus 5 to 10 times more cargo capacity per vessel. There is but one inevitable result—reduced transportation costs.

Now there are those Doubting Thomases, and outright opponents of the Seaway who say, "Well, that all sounds very nice and rosy, but look at the other side of the coin. The Seaway tolls will eat up any savings." Gentlemen, that is an utterly silly assumption. Using the toll rates that have been recommended but not officially adopted, the following is of interest. For the entire transit of the Seaway, they consist of a charge of 6 cents per gross registered ton of the vessel, plus an assessment of either 42 cents or 95 cents per ton on the cargo, dependent upon whether it is classified as bulk or general.

Let's convert that to actual toll costs of a hypothetical voyage. Let us assume our vessel has a gross registered tonnage of 7,920 tons—this is subject to a basic 6 cents per gross registered ton toll charge. Our vessel carries 8,000 tons of cargo, 50 percent of its classified as bulk and 50 percent classified as general cargo—4,000 tons each subject to a charge of 42 cents and 95 cents per ton respectively. The total charge for the one-way passage through the Seaway would result in an average tolls cost of 77.44 cents per ton. For those accustomed to computing transportation costs by the hundredweight, the average tolls would be 3.9 cents per 100 pounds.

When one considers the savings in transportation costs made possible by the Seaway, a tolls assessment of 3.9 cents per hundredweight will not be a deterrent to a normal flow of traffic.

Yes, tremendous opportunities are presented by the completion of construction of the St. Lawrence Seaway. The Midwest and Great Lakes Basin is strategically located. It is an important hub of our country. It is served by all forms of transportation and serves in impressive hinterland of trade and population. The future of import-export trade is in your hands gentlemen. I implore you not to ignore your opportunities.

ONE HUNDRED AND SIXTY-EIGHTH ANNIVERSARY OF POLAND'S CONSTITUTION DAY

Mr. McNAMARA. Mr. President, next Sunday, May 3, will be celebrated by Polish-Americans, and by friends of a free Poland throughout the world, as the 168th anniversary of Poland's Constitution Day.

It is difficult for those of us who enjoy American citizenship to know of the frustration and sorrow which has been the lot of the people of Poland throughout her history. The United States was successful in its first fight for freedom from foreign dominion.

Poland has waged a centuries long battle against foreign domination. Because of her central location between Russia and Western Europe, Polish territory has been one of the most prized areas on the European Continent.

Yet throughout the several tyrannies under which the Polish people have lived, their ultimate goal has never been in doubt—the creation of a free Poland.

The last two decades have been perhaps the most tragic in Poland's history. Her invasion by Hitler in 1939 was the official signal that World War II had begun. The end of that conflict resulted in Soviet domination.

In the 14 years since the end of the war Poland has been the victim of Soviet economic and political exploitation. In addition, the church, Poland's most cherished institution, has been the target of Communist abuse and subversion.

In 1956 a revolt against the Communist regime took place at Poznan. That revolt gave the lie to Russian claims that the Polish people had accepted the rule directed from Moscow. The Poznan uprising shocked the satellite Polish regime into a realization that some freedoms must be restored, a realization that was grudgingly accepted by the Kremlin.

Now, however, after 3 years of the new policy, the Communists have regained most of their lost power. The State-controlled press is in full cry against the church, and demands a return to the iron control of pre-Poznan years.

Mr. President, the tragedy of Poland is a tragedy for the entire free world.

In my State of Michigan, Americans of Polish descent make up the largest single nationality group in the State. The tremendous efforts this group has made on behalf of my State's progress and welfare are one of the major reasons why Michigan enjoys the well-being that it does.

I join with the Polish-Americans of Michigan in urging that the Congress, and the Executive, do all that is possible to further the cause of a free Poland.

Our continued determination to help in any manner possible will bolster the efforts of those whose single purpose is the restoration of liberty to Poland.

Mr. BEALL. Mr. President, next Sunday, a day the Senate will not be in session, will mark the 168th anniversary of Poland's Constitution Day.

On May 3, 1791, Poland enacted the first or one of the first constitutions for a democratic government in Europe.

Today Poland feels the heel of the oppressor. The puppet government in Warsaw for the past few years has been forced by the will of the Polish people to allow them to commemorate their Constitution Day privately. The independent spirit of the Poles lives on despite Poland's subjugation by the Soviet Union.

Senators will recall the uprising in Posnan a couple of years ago; workers demonstrated against Communist tyranny. Thus we had a demonstration that the world's largest army cannot forever intimidate the spirit of freedom.

In our own United States we are blessed with the contribution made by the Polish people to our national culture and economy. Many of our best citizens are of Polish descent. They are of an energetic, cooperative, warmhearted, generous nature.

Mr. President, I feel that on this Sunday all Americans would do well to honor in spirit the Polish people. As best we may, we should express friendship and admiration for their courage, and confidence that the inevitable collapse of the Soviet satellite government will find

these great people once again in the vanguard of the forces of freedom.

I feel that it is incumbent upon us to do anything we can, consistent with the interests of the United States, to help our friends in Poland in speeding the day when, once again, they will enjoy the democratic privileges symbolized in their history by the date of May 3.

Mr. PROXMIRE. Mr. President, Sunday, May 3, marks one of the most important Polish national holidays, one which is significant to Americans in a number of ways.

This day is the anniversary of the adoption of the Polish Constitution of 1791. This constitution was greatly influenced by liberal movements in the United States and France, and one of its major provisions was the declaration that "all power in civil society is derived from the will of the people." This and certain other liberal provisions of this constitution were not generally accepted on the continent of Europe at that time, and this Polish Constitution is therefore a fundamental milestone in governmental philosophy of the Western European democracies which are allies and partners today in our own search for peace and freedom with honor.

The present Government of Poland is not one of our allies and partners in this effort, of course. But there is ample evidence that the true faith and hope of the Polish people does look in the same direction as ours. Quite clearly, only Communist military might, both within and surrounding the Polish nation, maintains the Communist government. And Moscow was forced not long ago to make some significant concessions toward liberalizing the regime headed by Wladyslaw Gomulka, in order to prevent an uprising that might have been as fervent and even stronger than that in Hungary.

More recent developments in Poland have been much less encouraging for those who hope for a return to democracy in that country. Many of Moscow's 1956 concessions have been methodically withdrawn, and the Communist regime gives evidence of resuming its pressures against the Catholic Church, its campaign to collectivize agriculture, tight censorship of the press, and suppression of the privilege of expressing criticism of the government.

And so on this occasion it is well for Congress and our Government to recognize the Polish people's attachment to the Western World and their desire for a democratic way of life as exemplified by the people of present-day Poland and by the millions of loyal Americans of Polish descent in this country.

We extend to them our assurance that a basic principle of our foreign policy will be to restore their right to national independence and self-government. We are confident that when Poland once again has this right, the principles of the Polish Constitution of 1791 will again give direction to a democratic Poland.

Mr. CASE of New Jersey. Mr. President, May 31 will mark the 168th anniversary of the adoption of Poland's Constitution.

To the people of the United States, this occasion serves as an apt reminder of the sufferings of the Polish people in their long struggle for national independence and survival. Few nations in history have known the agony that has been Poland's, and few peoples have displayed such heroism and steadfastness in resisting the forces of foreign tyranny.

Because of its unhappy geographic position, Poland has often been the victim of invasion and dismemberment by ruthless and stronger neighbors. The last time was in 1939 when the armies of Hitler and Stalin crushed the country between them. Although devastated by this infamous campaign, the Polish people never ceased, during the grim years of World War II, to fight for independence. The price was appallingly high, but the contributions made by Polish men and women to the Allied cause will never be forgotten.

Since that time, Poland has been under the grim shadow of Communist rule. Like her other unfortunate neighbors behind the Iron Curtain she has had to endure ceaseless and methodical oppression from regimes backed by the armed might of Soviet Russia.

Yet, despite their precarious position, the Polish people have not succumbed to the blandishments and threats of their Communist masters.

The Poznan revolt of June 1956, which resulted in the establishment of a more moderate regime headed by Wladyslaw Gomulka, clearly demonstrated the fierce spirit of Polish resistance. Neither the objections of the Soviet leadership nor the threat of Russian military intervention could force the Poles to back down, and the result was some small measure of freedom for the nation.

Poznan was a spectacular defeat for world communism. It seriously damaged the presitge of the Kremlin leadership and gave hope to other peoples behind the Iron Curtain that they too might achieve control of their destinies.

Although the Gomulka regime has not fulfilled the expectations of 1956, its very existence serves at least to keep alive the promise of something better for Poland. For the spirit of freedom which made possible its existence lives on. That this spirit will yet triumph is the hope of all who cherish the ideals and aspirations of free government.

SOVIET RUSSIA'S DEVELOPMENT OF SIBERIA

Mr. GRUENING. Mr. President, earlier this week I inserted in the CONGRESSIONAL RECORD the first of a series of articles appearing in the New York Times on the transformation by the Soviet Union of Siberia.

My purpose in doing so was to call the attention of my colleagues to the fact that while the administration's policy of no new starts is holding back the fullest economic growth of our own country, the Soviet Union seems to be pursuing an opposite policy.

I do not advocate a national policy which states blandly and categorically that we should do something merely because the Soviets are doing so. But I do say that we must not lag behind in the development of our own natural resources to the fullest possible extent in the face of these Soviet developments. In these times, to stand still is in reality to fall behind.

For example, each day that the mighty waters of the Yukon are permitted to flow unharnessed means a continued loss of its huge power potential.

In order that my colleagues may be apprised of Soviet efforts in building up Siberia and be in a position to compare those efforts with our own lack of effort in tapping the resource potential of my own State of Alaska, I ask unanimous consent that the second in the series of articles from the New York Times be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 28, 1959]

FOUR SIBERIAN CENTERS TYPIFY SOVIET EFFORT TO OVERTAKE UNITED STATES

(By Max Frankel)

Moscow.—When a Soviet city wants to blow its horn these days, it outlaws horn blowing on its streets.

That is what they are doing in Irkutsk and Khabarovsk, thinking of doing in Chita and dreaming of doing in Yakutsk. Everyone talks about the new law (old in Moscow). It implies deafening traffic noises and is far better testimony to the new urbanity in remote Siberia than anything you might see on the inevitable Lenin or Karl Marx Street.

Irkutsk, Chita, Khabarovsk, Yakutsk. The names sound strange in New York, exactly half way around the world from Irkutsk.

But thousands toil there in summer heat and winter cold to overtake the United States some day in industrial output and standard of life. The American learning about the Soviet Union can no longer look only to Moscow, unfamiliar enough as are its ways.

What lies beyond, far beyond?

Optimism despite hardship. Opportunity despite nature's limitations. A pattern of growth imposed from afar, through 7-year plans and by officials and scientists come to serve higher ambitions than those of the parochial local Siberian.

Yet throughout Siberia there is pride and hope. Soviet plans for Siberia are grandiloquent, and many Russians seem willing to work and wait for the new world of communism.

These are some notes on four cities far from Moscow yet large on the Soviet map of the future.

IRKUTSK

Irkutsk is 2,600 miles from Moscow, but only half way to the Pacific from the border of Europe and Asia in the Ural Mountains. It is as far north as the northern tip of Newfoundland yet in the southernmost part of Siberia crossed by the Trans-Siberian Railway to the sea.

For weeks police cars have been chasing the many lumber-bearing trucks and the few passenger cars to enforce the no-honking statute.

Thus there are a few decibels less din in the sprawling, bleak city. All the clearer, therefore, the deep-throated moans and shrill howls of the trains chugging through railroad yards. The air is still but clouded by smoke that pours from chimneys of factories where gold dredges and agricultural machinery are produced.

About 340,000 persons live in Irkutsk. That puts it in the class of Rochester, N.Y., the visitor notes before he disciplines himself to forget about comparisons. Beside the chimneys in the skyline are the remains

of 12 large churches that once served the fortress city. Some churches are now meeting halls, others are abandoned. One twin-domed church is a planetarium.

FEW LARGE BUILDINGS SEEN

Czarist Irkutsk had a few dozen other large stone buildings. But most residents today, as before the Bolshevik revolution, live in the snug, small wooden Siberian homes, with slant-eye windows surrounded by intricate carved-wood lace. The homes snuggle against each other at rakish angles along little hills on both banks of the powerful Angara River.

But stone is coming. And the sight of red brick and tall cranes lugging it skyward to the men and women on the scaffolding arouses the warmest feelings all over Siberia.

[From the New York Times, Apr. 28, 1959]

URBAN HUBS TOIL FAR FROM MOSCOW—RAW TOWNS OF LOG HOUSES LOOK TO BRIGHTER FUTURE OF BRICK AND STONE

The strategy of growth is remarkably alike in this huge land. The stately old buildings that survived revolution and civil war have been turned to social uses. The turreted headquarters of the former Russian-American Co. is a hospital facing a gesticulating statue of Lenin on Lenin Square.

Other old Czarist buildings house science and education, the twin pillars on which Siberia expects to build. Irkutsk is to be the center of learning and research in eastern Siberia, and the two diciplines also get the choicest new structures.

Around another large square are other imposing facades, including one for the local railroad authorities. Communist Party and Government offices are also settled well.

ANGARA DAM VISITED

Needed scientists and educators, party officials and factory managers must be housed too, and new apartment buildings blossom all over town. It will be a long time before all of Irkutsk can live in such houses. But people take heart from what they see and work on, for their children if not for themselves.

At the new Angara Dam near Irkutsk, a smooth-cheeked, agile, alert young engineer named Makhorin, in his late twenties, 2 years out of engineering school, runs perfunctorily through power statistics, then speaks romantically of the beauty of Lake Baikal, which feeds the river.

Mr. Makhorin points to a large field littered with iron junk and pyramidal concrete blocks. "This will be our common—trees and park around the club, there." He looks at the mud creeping up around his shoes, "children will play here."

In a wooden bookstore, Mr. Makhorin, as he does every day, inquires about a technical book he wants for further study. "Some day it will arrive," he says. "It is good to have the food and book stores so handy, though, even if they are not as good as shops downtown."

GOODS IN MODEST SUPPLY

The shops downtown are larger, but not impressive. Only children's clothes are attractive and reasonably priced. For 110 rubles you can have a child's fur coat or a striped, cheap man's shirt. (An average monthly wage is 800 rubles.)

Modest supplies of toys, cheap perfumes and soaps, rubbers and boots, ready-made clothes, cotton and rayon material, kitchen utensils. Outside the old department store, a smiling Buryat Mongol woman sells cigarettes and matches with sputniks pictured on the box.

At the Mayakovsky Secondary School Iosif A. Drits, the principal, tells of his gratitude for the new annex being built and how the students pitch in with the building.

The school reorganization will produce more skilled builders for his native Siberia, he says. Each school will have a specialty—Mayakovsky's will be electronics—and students in the upper grades will concentrate in the specialty in addition to the usual academic training. If they choose a different specialization they will be sent to other schools.

Mr. Drits is a short, youthful man, a vigorous speaker. Sometimes he sounds like the long articles in the party newspapers. But there is more to him.

In the hall is a plaque bearing the names of the school's gold-medal (A-average) students of the last 12 years. The principal looks over the list and comments on every name: He is in the Antarctic, he is a satellite tracker, a party worker in Leningrad, a doctor here, a scientist, a geologist up north. Mr. Drits smiles. "They all write often and don't forget us."

At a collective farm near Irkutsk, old-time Siberians live on the main street, near the club and school, in fenced-in little yards with woodshed, cowshed, and small overheated house, stuffed with furniture, draped in lace and festooned with greenery. The new settlers are up on the hill, piling fresh planks upon planks with the help of neighbors.

The farm population of 1,800 struggles with 22,000 cold acres for rye and wheat and with 3,700 acres for potatoes and vegetables for the builders in town. There are 800 cows, soon to be supplied with self-feeders, 2 greenhouses, 36 tractors, 19 combines. Twelve hundred more workers are needed and solicited through modest advertising.

FAMILY INCOME LISTED

Of 930 families, 87 have arrived since 1950. The average family earned 3,600 rubles, 3,000 pounds of grain, some honey and vegetables last year. Nine farmers got vacation passes to the Caucasus. Most of the peasants venture into town, 15 miles away, only during vacations.

At Listvyanka, 45 miles from Irkutsk, 2,000 settlers live on the magnificent shore of Lake Baikal, larger than Lake Erie, deeper (more than a mile in spots) than any lake in the world.

Boys play ice hockey on the lake, but trucks did not long trust the ice during the warm winter. Soon hunters will inch out on treacherously thin ice to await the Baikal seals as they break through toward the spring sun and the boys will switch from study and play to work in the local boatyard.

Even here one large new brick building rises among the wooden homes. It is the hundred scientists come to Listvyanka to serve Siberia.

CHITA

Move 400 miles east from Irkutsk, 2 hours by plane, 22 by train. You are now in Chita, capital of a Siberian province larger than California.

In a way the history is the same: from the railroad stop to village to city to provincial capital, big stone facades and block upon block of log homes.

But this is home to a different 175,000 persons. They are in a picturesque valley surrounded by wooded hills, their air so pure and dry that at night you stare at a planetarium sky, wonderful for watching satellites, you are told.

It is easier to take 40° below Fahrenheit here than 20° below in Moscow, Chita residents insist. The visitor takes a stroll at 20° above without overcoat to prove them right. But spring may not be here yet. At the barbershop they still talk about the six men who froze to death back in 1939 when their car broke down 60 miles from town—on an April 26.

The pattern of progress in Chita is the same as in Irkutsk, though on a smaller scale. New buildings are set far back from the roadway in anticipation of a boulevard that is to be built some day, after the last wooden home is gone, when the lampposts are installed, when the side streets are paved.

TRAFFIC SAFETY TAUGHT

Traffic is even less of a bother than in Irkutsk, but at the movie a short graphically depicts the plight of the careless pedestrian.

No fruit in town at the moment, but pleasant waitresses serve tasty Ukrainian dishes to parties of army officers. Russians and Ukrainians predominate among the residents all along the Trans-Siberian Railway.

The local railroad administration has a huge new building, the industrial management offices regional have moved to where the railroad was and a polyclinic has inherited the local headquarters of the gold mining industry. Thirty-two physicians and dentists—all women—tend to 700 or 800 outpatients until 3 p.m. at the clinic and then start their home calls.

Doctors and techers are needed in this and other Siberian regions. Chita has begun to train its own. Yuri D. Ryzhkov, a biochemist, is director of the 6-year medical school, with 1,200 students and a staff of 140. The first class of 200, chosen from 800 applicants, will graduate this year. By design, half are men.

The medical school is housed in two old Army staff buildings, dark, narrow, and small. The students have set up their own models, charts and museum, they have good microscopes and basic equipment, a vigorous, young faculty of physicians from Leningrad and Kiev.

Across the street, the first building of a new 25-million-ruble campus is going up The director inspects it every day. Summers and in spare time, the students help cart bricks.

Four of every five students get monthly stipends of up to 300 or 400 rubles, depending on need and ability. The least able students with the least need get little or nothing. After graduation, the young physicians can expect starting salaries of 700 or 800 rubles a month ($200 at the official rate of exchange, $80 at the tourist rate).

The students, 18 to 35 years old, live in a 4-story dormitory, 4 or 5 to the room. Cleanliness is policed by the school's Young Communist League. Students do their own cleaning and repairs, paint the walls when necessary. They seem ambitious, courteous and proud.

FACTORY IS CONVERTED

Chita's main factory, built up by women and children to make agricultural machinery during the war, was converted last year to the production of 50 compressors a month and 350 medium-size refrigeration units a year. Most of its 900 workers today are young men and women who came from school for on-the-job training.

With twice as many workers the factory hopes by 1965 to triple the output of compressors and to turn out six times as many refrigeration units. A new main building is going up and the workers, in free time, help build "because they know working conditions will be better in the new plant," the diretcor says.

Water for showers is still trucked to the machine factory, but pipes are on order. Across the street, the fourth of several planned 20-unit apartment buildings is going up and the half-dozen officials who met the visitors are especially proud of the new food store.

Stores seem important, because the main ones on the old streets do not amount to much. Chita's department store is about one-fourth the size of a five-and-dime and commensurably stocked. Merchandise is poorly displayed but it is doubtful that Lord & Taylor's could do better with what is at hand. A cup and saucer for 10 rubles, a woman's slip for 100 rubles. Materials, though cheap and poor, are plentiful, and children again come off best.

Up on the hill, in the new sports compound among the evergreens, are a new wooden stadium for 15,000, courts and rinks, a gym, and a busy modest swimming pool. The cement is already poured for a new Olympic-size pool, with grandstand and all.

KHABAROVSK

Almost at the end of the trans-Siberian line, 9 days' train ride and 9 hours' jet flight from Moscow, is Khabarovsk.

Still the pattern holds. The imprint is Moscow's, not that of Manchuria, 40 miles away, and not that of the Pacific, 200 miles away.

Khabarovsk is the turntable of the Soviet Far East, wheeling and dealing out all manner of goods along the two railroad lines to the ocean and along the Ussuri and the mighty Amur Rivers.

The city developed hastily after the Bolshevik Revolution of 1917. Its population today is about 300,000, but it seems greater. The city is a producer as well as trader with scores of plants for heavy and light industry.

Khabarovsk gives the impression of a city working hard to get itself out of the slum-and-mud state, to atone for years of hasty growth. At the center are the older buildings, again the party headquarters and party school, the waterway and railroad administrations, the large officers' club and the telegraph office, the Government agencies running large parts of the Far East, all housed well.

And again, all around, the neighborhoods of wooden homes that cannot be uprooted while there is a shortage of housing. Then come some marshy gaps, where the Amur spills over in summer, and on the outskirts, new little communities of brick, rising up to only five stories to save the cost of elevator installation.

STREET PATTERN CHANGING

New buildings often go up at strange angles to the old, betraying plans for future street patterns. Near a flour mill are a new hospital and school. The Park of Culture and Rest is being leveled, the river beach widened and improved for the hot summer. Railroad engineers are being trained in a large colonnaded new school.

Khabarovsk is not an attractive city, but it seems ambitious and important. Much work is still to be done by the builders, and also by new citizens' groups being organized all over the country to fight drunkenness and other public misbehavior.

The visitor, sitting at the railroad station, happy to be leaving, is reminded that, ugly or not, Khabarovsk represents a home and a future to people. The construction team leader flirts with the waitress, coaxes an extra bottle of beer from her limited stock and says: "Our plans are good."

"Did you see my building behind the school?" he goes on. "Oh, we'll get them up, just get us the materials we need. And more skilled hands. Why does the same house turn out well here and badly across the street?"

And a radiant young girl who left family and friends in central Asia and school in Moscow to teach in Khabarovsk says:

"I miss heavy snow in the winter. I love snow, you know. I'm one of the Far East patriots, though. Didn't you like the city?"

YAKUTSK

Technology and geography will probably conspire to bring plumbing and jetplane service to Yakutsk at about the same time.

It now takes a twin-engine passenger plane, with crates of fruit aboard, 7 hours to reach Yakutsk from Irkutsk. The 300-year-old frontier post and former fortress is about 3,000 miles from Moscow.

Yakutsk is the capital of Yakutia, an area twice the size of Alaska and only somewhat more densely settled with a population of 450,000. The Yakuts, a people of Turkic origin, dominate the rural population and are in the majority even among the nearly 100,000 in the capital.

Until recently, gold and guts seems to have kept the place going. Vodka probably helped.

Now have come discoveries of diamonds and the promise of natural gas. Soviet planners have begun to talk of a rail line. Scientists are encamped in a large gleaming white building. Past the building trudge the long-haired Siberian horses lugging water and sewage to and from the neat and sturdy wooden Yakutsk homes.

The visitor keeps his coat on in the Yakutian spring. Residents reminisce about a December and January of constant 50 to 75 degress below, and await the brief summer, usually in the eighties.

Yakutsk, too, is building for a future. A new theater opened last year, its imposing front and glittering chandeliers probably short-changed by a mere 500 seats. Going up are a hotel, a post office, and the first brick apartment houses, with plumbing, in which the editor of a local paper, for one, finds he can live "as well as in Moscow."

UNIVERSITY BUILDING DUE

Work on a 50-million-ruble university campus will begin this year. But the training of teachers, doctors, physicists, geologists, linguists, engineers, veterinarians, and botanists in the newest and most northern Soviet university is not deferred. For 3 years, the 1,428 students, including 829 Yakuts, and a faculty of 156, have been meeting wherever there is available space.

The projected classroom building, for 2,500 students, will be the largest in Yakutsk. Graduates will be expected to stay in the region.

The Yakuts are the most numerous of the original Siberian peoples. They not only are talented in the regional arts of hunting, fishing, reindeer breeding, but have raised many of their sons in learned professions. The university president is a Yakut. The city of Yakutsk is truly bilingual, with a radio station, newspaper and theater vaunting communism and Shakespeare alike in the Yakut language.

Small plants in the city serve local needs. Bread and beer are made from grains raised on the shores of the Lena, still another great Siberian river, 10 miles wide at Yakutsk. It is navigable from the end of May to early October.

Hundreds pass through Yakutsk daily and camp in the small wooden air terminal to await the scheduling of flights to goldfields, hunting camps, and other remote outposts.

A traveler coming from the South finds the city surprisingly characterless and primitive. But a few minutes watch shows what the city means to local transients; new boots for the Yakut farmer, volume V of a world history series for the teacher from the Aldan gold area.

There is as fine a collection of materials in the main store as in most places in Siberia. Tea at the restaurant comes with lemon and the transients suck the lemon dry and talk about vitamins.

Films are shown in the Yakutsk Central Theater at about the same time as they play in Moscow. But life for most is not at all like life in Moscow, in Yakutsk, you wash in ingenious tin basins, the water running from a shoulder-high can to a pail below. If you live in Yakutsk, you bed your family among reserves of potatoes and cabbage to tide you over the unavoidable periods of shortage, as they are described.

As recently as 5 years ago, Yakutsk and other parts of Siberia were found by a western correspondent to be dispirited and overspirited, bawdy and ill disciplined. Today the visitor does not argue with the Moscow actor's judgment that this and other icy outposts will someday outgrow the frontier phase. And it is on the Yakutsk run that the shawled woman shouts to her passenger-comrades, "Let's go; we must be first, hurry."

LAW DAY, 1959

Mr. KEATING. Mr. President, it is a great pleasure for me to call the attention of the Senate to the fact that today is Law Day. In appropriate ceremonies all over the Nation, the virtues of the rule of law and the need to extend its acceptance and practice, are being set forth.

Nowhere in the world is greater reliance placed on law as an instrument for the solution of social, political and economic problems than in the United States. As a result, we are almost constantly preoccupied with efforts to improve it and correct its errors or defects. Valuable as this effort is, it carries the danger that we will overemphasize the shortcomings of our legal institutions and lose sight of the protection they afford for the most precious values of our civilization.

It is well for us to pause occasionally to reflect on the great contributions law has made to the development of our Nation. We should think too, of the debt we owe to our courts for their faithful and courageous adherence to the rule of law. Courts are the medium through which law is made a living reality in the lives of our people. Like other human agencies, they may err from time to time. When they do it is our right and duty to criticize their decisions and to take measures to correct them. But disagreement with an occasional decision should not diminish our respect for the courts as institutions, nor our appreciation of the indispensable function they perform in upholding the ideals of the law.

By its guarantees of equality and freedom, the law has fostered the full and free development of the spiritual resources of our people. By banishing fear of the tyrant, it has released their energies and thus made possible our unparalled economic growth. By giving assurance that the fruits of one's labor will not be taken away without due process of law, it has provided a powerful incentive for the industry and thrift which have made this Nation strong.

This climate of freedom and security is as essential for continued progress in the future as it has been in the past. But it is not self-sustaining. It will endure only as long as it has the active support and loyalty of the people whom it serves. Fortunately powerful bar associations, notably the American Bar Association and the New York State Bar Association, have taken the lead in sponsoring well-conceived programs to increase public understanding of what law means in their personal affairs, and in the relations between men and nations.

Not the least of the ways in which law has promoted progress in the United States has been its influence in attracting to our shores millions of courageous men and women fleeing from tyranny in the old world. Not only have they made magnificent contributions to our

cultural, political, and scientific progress, by interpreting our ideals to their kindred in other lands, they have also prepared the way for sympathetic cooperation between other people and ourselves in promoting the rule of law in international relations.

Now that the genius of the scientist has compressed time and space and made all nations neighbors, such an extension of the rule of law offers the best hope for an enduring peace. The initiative taken by the American Bar Association and various individuals in exploring ways and means of establishing new international machinery for the settlement of international disputes is a most encouraging step toward this end. On this Law Day 1959, I am pleased to join with Americans everywhere in reaffirming my devotion to, and respect for, our law and our courts. I join them, too, in dedicating my best efforts to make the goal of peace under law a reality throughout the world.

FREE ENTERPRISE AND THE NATIONAL DEFENSE

Mr. MARTIN. Mr. President, ever since 1955 when the Senate embarked on an extensive investigation of our antitrust laws, I have been concerned that rather than perfecting our charter of economic freedom, some antibusiness groups have attempted to use this investigation as a vehicle to attack bigness per se.

An examination of the records of the United Nations Economic and Social Council clearly shows that those countries who would destroy America's freedom would like nothing better than to attack the economic base upon which our security must rest.

During recent weeks, as a member of the Aeronautical and Space Sciences Committee, I have had the opportunity to visit many defense and contractor installations which demonstrate the great progress our country is making in this new field. The one outstanding conclusion which is left with any objective student in this area is that big business is destined to play an important role in America's efforts in the space age.

On July 6, 1955, before the Senate Antitrust and Monopoly Subcommittee commenced its hearings, I said:

It is quite apparent that the Communists read the American newspapers and the CONGRESSIONAL RECORD. They are aware of what President Truman said in the 1952 campaign.

Mr. President, too many of our own Members have used the term "monopoly" indiscriminately. They have applied it loosely to any big business. Hence, it is not surprising that the Russians feel justified in quoting them and in taking the same course of action. Committees of the Congress are presently holding hearings to determine whether our antitrust laws should be revised. This is an important subject, which merits careful and deliberative study. My concern is to be sure that in making these studies we refrain from any actions which can damage our own internal unity and which will provide additional ammunition for those who wish to discredit the American free enterprise system which I am proud to call capitalism. I have no hesitancy in taking a forthright position in support of capitalism.

On July 7 last year it was my great privilege to include in the body of the RECORD the Independence Day address of former President Herbert Hoover at the Brussels Fair. I take pardonable pride in the fact that he was born and raised in West Branch, Iowa. He said:

We are often depicted as living under the control of wicked men who exploit our economic life through gigantic trusts and huge corporations. They are supposed to grind the faces of the poor and to exploit other nations. All this ignores the fact that our laws for nearly 70 years have prohibited the existence of trusts and cartels. In few other nations have the fundamentals of fair and open competition been so zealously maintained.

This competition has spurred our industries to adopt every laborsaving device. And to create them, there are more than 5,000 industrial research laboratories that pour out new ideas which become open to all the world.

Insofar as large corporations are concerned, they are the property of millions of our people. The largest of them has more than 1,500,000 individual stockholders, not one of whom owns more than one-thirtieth of 1 percent of the corporation.

The distinguished minority leader, the junior Senator from Illinois [Mr. DIRKSEN], in his individual views on administered prices in the steel industry, Senate Report No. 1387, said:

The minority has long observed that at international conferences, the Soviet Union and its satellites have used documents produced by our own Government to embarrass U.S. representatives. A review of the debates in the United Nations Economic and Social Council amply documents this statement.

Many American firms have encountered unwarranted difficulties in their operations abroad, because the Communist bloc was successful in labeling large American firms as cartels and American monopolies, even though there is no justification for such a characterization.

Every Member of the Congress has a responsibility in terms of our national welfare to avoid exaggeration, partisan statements, and criticism not supported by the evidence developed in committee hearings or otherwise in the preparation of congressional reports. Every congressional report may become an official Government document.

The minority regrets that the majority has accepted the unwarranted and prejudiced assumptions of the staff in the preparation of its views. It is satisfied that they have unwittingly provided propaganda which may be used to our national detriment.

Subsequently, in his individual views on administered prices in the automobile industry, he further amplified his statement and commented on President Hoover's address as follows:

It is regrettable that the majority has permitted the longstanding prejudices and biases of its staff to influence the preparation of its views. They may tend to negate Mr. Hoover's great efforts to show that never before in the history of mankind has any economic system produced so many benefits which were so widely shared. Free-enterprise capitalism as it has developed in this country is the only economic system which at all times reflects the wishes of consumers through their purchases in free markets. It has provided incentives to producers. In fact, it has literally remade civilization. Attacks which reflect on its performance, while not attributing guilt to anyone and providing no suggestions for legislative remedies, are a great disservice to the American people.

More recently, these self-evident truths are becoming apparent to informed Americans everywhere. Look magazine, in its issue of March 31, 1959, contained a feature editorial entitled "The Russians Are Trying To Turn Our Best Weapon Against Us." I ask unanimous consent that this editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE RUSSIANS ARE TRYING TO TURN OUR BEST WEAPON AGAINST US

What is that weapon? It is mass production by big integrated industries—fast, efficient, economical. This is our greatest asset in a cold war which has become an economic struggle. It is the source of our strength and the basis of our position as a world power.

But other countries, especially the Russians, are imitating our great integrated productive industries as completely as possible. For our big corporations they substitute gigantic trusts and combines.

It would be one of the ironies of history if, while the Russians integrate their industries to achieve lower production costs, we turned in the other direction and weakened the ability of our industries to compete in world markets by making them smaller and less integrated.

No longer do our big producers find most of their competition among other American companies. Increasingly, American industries derive more and more of their business from overseas. Of the largest, several now obtain from 40 percent to 70 percent of their income from operations in other countries.

ELECTRICAL APPLIANCES FOR EVERYBODY

Among those U.S. industries selling widely overseas are the makers of electrical equipment.

Few have done more to make the comforts and conveniences of life widely available. Their radios, refrigerators, washers, and dozens of other products have brought better living to Americans and many other peoples worldwide.

Here in America the amount of electricity used has roughly doubled every 10 years. The investments required to generate it, and to provide appliances to use it, have gone up in proportion.

As a result of the billions that have been spent to research and develop such electrical equipment, the householder who worked 580 hours to buy a refrigerator in 1931, had to work only 188 hours to buy one in 1958. And the same is true of virtually all other electrical appliances.

Yet despite its rapid growth, and the constant increase in the invested capital required by the electrical industry, there are more small electrical suppliers today than there were 10 years ago.

This demonstrates the wealth-generating attribute of big business, supporting and energizing a vast and always increasing host of small businesses.

THE TRUTH ABOUT BIGNESS

In the light of these facts, it is time to reexamine the credo that bigness means monopoly and higher prices. In America, bigness has meant just the opposite. It has raised our living levels year by year. And now when we need it most, we find that bigness—with its resulting efficiency and economy—is also the armory of our defense.

If at this juncture we decide to stifle bigness and efficiency, we can be sure that the Russians will not. Nor will our other competitors in world markets.

Such a policy could result in the loss of our world business, a drastic lowering of our

standard of living, and our inevitable decline as a world power.

We have plenty of checks today against any bad effects of bigness * * * such as exorbitant profits. What we should be more concerned about is whether our industries will stay strong enough to meet tough foreign competition in world markets and make any profit at all.

They will, if they are able to keep their prices low enough. And the only way they can do this and still pay our American workers the high wages they should get is to use our mass production weapon to the utmost.

If in this crisis we decide to go the other way—if we force big industries to split themselves into smaller, less efficient units—only three more words remain to be written.

We've had it.

Attacks on big business are also attacks on the high productivity that makes your high living level possible. When you read or hear such statements, don't let them go unanswered. In your own interest, speak up.

Mr. MARTIN. Again, Mr. President, one of our most distinguished weeklies, U.S. News & World Report, has recently raised the question whether our big business organizations are in fact large enough to meet the challenge of the Soviets. I ask unanimous consent that an article entitled "Big Business Not Big Enough?" which appeared in the March 30, 1959, issue of U.S. News & World Report may be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BIG BUSINESS NOT BIG ENOUGH?—THE STORY OF THE GROWING DEMANDS UPON INDUSTRY IN AMERICA

Once again, Government is making a strong attack on "bigness" in American business. This attack is coming just at a time when "big business" itself is more convinced than ever that it is not big enough.

This question is raised: When is big business too big?

The Government's Department of Justice has suggested that General Motors Corp. is too big. Moves are being started that may lead to the breakup of that giant of the motor industry.

Bethlehem Steel Corp. and Youngstown Sheet & Tube Co. recently were denied the right to merge, on the ground that the combined company would be too big. The Pillsbury Co. is being told that it must give up two flour-milling concerns it purchased. Continental Can Co., Inc., has been told that its acquisition of Hazel-Atlas Glass Co. and the Robert Gair Co. violates the antitrust laws.

Both the Justice Department and a committee of the U.S. Senate have launched investigations to determine whether a few big companies dominate prices and markets in steel and autos. There is powerful support in Congress for a new law to require that Government be notified in advance before any important merger is carried out.

At the Federal Trade Commission, officials continually scan moves that might limit business competition.

All along the line, in many areas of Government, the attack is on bigness.

PRESSURE FOR GROWTH

Yet "big business," now as in the past, is under great and growing pressure to grow bigger. "Small business," at the same time, is turning to the Government for more and more help. The aim of most small enterprises is to prosper and grow bigger.

Actually, the giants among this country's business concerns are relatively few in number. As the accompanying chart shows, there are only 3,550 firms employing 1,000 or more workers. The number employing fewer than 1,000 is more than 4.3 million.

Another measure of size is found in the total assets of a business. Using that scale, you find there are about 1,000 companies large enough to have assets of more than $100 million. Only a few have assets of $1 billion or more.

A glance at the chart prepared by the economic unit of U.S. News & World Report, shows you the Nation's 15 largest nonfinancial companies ranked according to total assets. These firms, and others like them—the real giants of American industry—are numbered in scores, rather than in hundreds or thousands.

It is on this segment of business, small in number but great in importance, that the Government is concentrating its attack.

In the face of attack, however, big business keeps growing bigger. In 1958, the Federal Trade Commission reported, there were 899 mergers of major corporations. That came on top of 941 major-corporation mergers in 1957.

WHY GIANTS TEAM UP

What accounts for the trend toward greater and greater size in American business?

When you look into this question, you find many answers.

Mammoth strides are being made in science and technology. Vast resources in capital and new equipment are required to develop the products that science makes possible.

Research itself has become so stupendous in scope that big business, large as it is, cannot undertake it all. Government finds that it must invest billions of dollars each year to supplement private research.

As industry expands and population grows, there is growing need to find new sources of raw materials. Again, huge investment is required—so big that even the giants among corporations are forced to band together to provide the capital needed for development.

Thus, in the worldwide search for oil, joint ventures have been organized by the big producing firms to find new petroleum reserves and get them to market. In Saudi Arabia, for example, four American oil companies have invested more than $800 million to develop oil fields and lay a 1,000-mile pipeline to the Mediterranean Sea. In steel, five big U.S. steelmakers have banded together to bring iron ore from remote fields in Labrador and Quebec. High in the Peruvian Andes Mountains, four American metal-mining companies have joined to develop a copper deposit that will soon be producing 30,000 tons of ore a day.

In scores of other industries, big corporations are working as partners to share the risks and the expense of tackling new and complex jobs.

A coal producer and an oil company, for instance, have formed a new corporation to make the giant electrodes needed in producing aluminum. A steel firm and an electrical-products manufacturer have formed a company to produce titanium. In Alabama, a maker of chemicals and a textile firm are jointly operating a synthetic-fiber plant, and, in the resource-rich province of Alberta, a Canadian oil company and a U.S. papermaking company have teamed up to build a $42 million pulp mill.

STRUGGLE FOR WORLD MARKETS

In today's world competition for markets is intense. When American businessmen venture into world markets, they must compete with foreign firms that often have the backing of governments themselves.

U.S. companies now are meeting keen competition from concerns in Western Europe and in Japan—areas where labor costs are far lower than in this country. Companies in many foreign areas can get together to set prices and divide up markets. Steel companies in the United States note that such foreign-produced items as nails, barbed wire, and some types of steel sheets often can be made abroad and shipped to this country to sell at prices lower than those of similar products made in Pittsburgh, Chicago, or Cleveland.

Soviet Russia, in effect, is one big company. Its rigidly controlled economy can be directed to turn out whatever products the Russian leaders choose, without regard to the needs of Soviet consumers, Russia can dump products on world markets and undercut any competitor.

A SPUR TO COST CUTTING

To counteract the threats of lower priced imports, the big companies in this country find they must spend increasingly large sums for new equipment, automatic machinery and other devices to hold down their manufacturing costs. Only by pouring huge sums into modernized plants can they hope to offset rising costs of labor and raw materials, and the continual squeeze on profit margins.

Such spending tends to foster the growth of the largest companies, which are able to float big stock and bond issues and retain some money from their annual earnings. Less efficient operators, unable to produce profitably and stand up to sharp competition, are forced to sell or go out of business.

Look at what has happened, over the years, in the auto industry. Only five makers of passenger cars have managed to fight rising costs and sharp competition and stay in business over the years. Thirty years ago, there were 13 auto makers. Of today's remaining manufacturers, the Big Three—General Motors, Ford, and Chrysler—account for about 90 percent of all the cars produced.

TAXES VERSUS HORATIO ALGER

Today's high tax rates have a double-barreled effect on business concerns. By siphoning off dollars that might go for expansion, Federal tax policy tends to keep smaller enterprises from growing larger in the way some of America's companies grew a few decades ago.

"The Horatio Alger story of the Ford Motor Co.—which, beginning with $28,000 in 1903, was worth nearly $1 billion by 1930—could not be repeated under the present-day tax structure," one financial authority notes.

At the same time, high taxes force existing companies to be as large and successful as possible. Only by earning tremendous sums, to be split with Uncle Sam, do big companies have money left for reinvestment and for creating new jobs.

Each new job given to a worker today calls for the investment of about $15,000, according to one recent study. B. B. Turner, president of Ethyl Corp., notes: "Such spending by the big business concerns has helped build America's prosperity. It has brought a continual increase in output among workers in industry, permitting higher wages, more leisure, and extra job benefits."

These pressures—from bigger tasks to be done, from rising costs, from stiff foreign competition—are only a few of the factors that are operating to bring about bigger and bigger enterprises under single management.

BIG UNIONS AND BIG DEFENSE

Big and powerful labor unions add another pressure. Unions operate outside the antitrust laws that govern business. A single union, under a single direction, is able to shut down the Nation's basic industries. This power of big unions adds to the demand for an offsetting bigness on the management side.

Another push comes from national defense. Government finds that no single company and no single industry is big enough to do all the research and development for today's new weapons. Yet Government, in turn, is forced to look to big business for the skills

in management and organizational ability that are required to carry through the production of the new jet planes, rockets, missiles, and other weapons in the Nation's defensive arsenal.

In other fields vital to the Nation's future, all the signs that Government officials see—even as they battle against bigness—indicate that big business is going to grow bigger still.

ATOMS AND OUTER SPACE

Take the development of atomic energy for peacetime use: Huge investments are required. There is little chance that early efforts to generate nuclear power will pay off in profits. Though groups of companies have joined to build atomic reactors, the projects are so expensive that there is more and more pressure for Government itself to move into the development of nuclear power.

Big as the large companies are today, they are not big enough to afford the vast sums needed to explore outer space and finance the rockets and missiles that will aid this exploration. Government is putting up most of the funds now being channeled into space projects.

In still another field, that of producing electric power, past notions of size are being revised. Says Robert Paxton, president of General Electric Co.:

"To provide a rising standard of living for the rapidly expanding population of the United States, this country must have electric-generating capacity of 1 billion kilowatts within 30 years. That means building the equivalent of six new power systems as big as the electric-power industry was in 1957, at an indicated cost of $360 billion or more, in 1958 dollars. Obviously, utility companies and their suppliers, including General Electric, will have to grow several times larger than they are at present, if the need for increased generating capacity is to be satisfied."

THE SHRINKING DOLLAR

Inflation, continuing steadily, has put higher price tags on the jobs industry must do. Only big, well-to-do firms can afford the outlays. The cost of drilling an oil well in 1948 was about $49,000, on the average. Today, an identical well costs more than $70,000. The cost of building a new 50,000-barrel-a-day oil refinery is 30 percent higher now than it was a decade ago.

Since the end of World War II, the companies in the Bell Telephone System have had to raise about $13 billion in new capital to pay for expansion of phone service in the United States. That outlay is more money than the entire Federal Government was spending per year for all purposes as recently as 1940.

HOW GIANTS COME AND GO

Businessmen have found that mere size, by itself, is no guarantee that a company will grow and prosper.

"Unless you convince your customers every single day that you are giving them good value—better than they can get somewhere else—you won't stay long at the top," says the president of one electrical appliance company.

A long-time study of the way giant industrial concerns have ranked by size over the years bears out this comment. The Brookings Institution traced the fortunes of the 100 largest industrial companies over four decades starting in 1909.

Of the 100 big companies on the 1909 list, only 36 still were among the largest in 1948. By 1955, only 29 remained. Some of the original companies had completely disappeared. Others were still in business, but had been outstripped by faster growing rivals.

Many corporations that have gotten steadily larger in recent years are selling to a diminishing share of the total market, simply because of the way the country is growing.

Fifty years ago, for example, United States Steel Corp. made 67 percent of all the steel produced in this country. Today, though it has quadrupled its capacity, it produces only about 30 percent of the Nation's steel.

Standard Oil Co. (New Jersey) in the last 10 years has vastly increased its volume of business—from roughly 1,250,000 barrels of oil a day to more than 2,250,000 barrels. But it still accounts for just about the same percentage of the free world's petroleum operations as a decade ago, because the whole industry has grown in the meantime.

A TWO-WAY STREET

One charge often made against "big business" is that it tends to squeeze small enterprises out of existence. On the other hand, growth and expansion of large firms often open new markets which small companies can share.

Small firms also depend on the large companies for orders. This interdependence of big and little firms holds true in every type of industry. General Electric Co. buys parts, materials and services from 42,000 suppliers. United States Steel buys supplies from 50,000 small concerns and in turn furnishes steel to nearly 100,000 small companies.

Discovery and development of new products, largely as a result of research by big companies, have provided many new business opportunities. Look at just one field—the manufacture of chemicals—and you get a glimpse of the spectacular progress in new-product development over the past few decades. Since 1920, for instance, the Nation has seen such chemical advances as these: antibiotic drugs, plastic packaging films, radioactive isotopes, synthetic fibers and plastics, detergents, weedkillers, hormones, rubber-base paints, improved motor fuels, synthetic fertilizers, and synthetic rubber.

THE NEW OWNERS

Today's big businesses find it continually necessary to raise new capital for developing new products and producing them efficiently and economically. The sale of securities for this purpose tends to make ownership of the big concerns more widespread.

The Du Pont Co., for example, has more than 45 million shares of common stock and 2.4 million shares of preferred stock outstanding. In addition to the individuals who own Du Pont shares in their own names, the stock is also held by 600 schools and colleges, 200 hospitals, more than 500 churches, nearly 700 charitable institutions and more than 500 insurance companies.

Small shareholders gradually are getting an increasing stake in stock ownership. Even in the country's largest company in terms of assets, American Telephone & Telegraph Co., no individual shareholder owns as much as one-thirtieth of 1 percent of the stock.

Millions of individuals today, through ownership of life insurance policies, investment funds, and equities in pension and retirement plans, are indirect owners of the big, successful companies.

Much of the criticism leveled at big business concerns today is based on practices that were discarded decades ago. "The days of child labor, 'union busting,' and sweatshops are as outmoded as the gasoline that used to run the tin lizzie," an oil-company executive declares.

Over the years, laws have been passed and agencies created to regulate various types of businesses. The Federal Government and the various States have "watchdog" agencies in transportation, communications, banking, securities trading, and other fields. Much of the Federal regulation stems from the Reconstruction era following the Civil War, when pools and trusts were created to maintain production and prices in key industries.

New suggestions for regulating big businesses continue to be made. Only a few days ago—on March 18—a proposal was made in the U.S. Senate that prices of steel and other heavy metals should be controlled in much the same way as public utility rates are regulated.

THE RIGHT HAND AND THE LEFT

Sometimes, businessmen say, the Government appears to be working at cross-purposes in its desire to make business more competitive and, at the same time, to make use of the facilities of the Nation's big enterprises.

David E. Lilienthal, former Chairman of the Atomic Energy Commission, gives this example: He asked the Bell Telephone System to take over the tremendously difficult task of redesigning and mass-producing the atomic bomb. But, at about the same time, another Federal agency, the Justice Department, was suing to split off the Western Electric Co. from the Bell System and to divide Western Electric into several parts.

In other words, a Bell System executive remarked, the Government was asking for the destruction of the very things most needed for a job vital to the Nation's security—size and organizational unity.

The debate over bigness in business still goes on. There is continued questioning about the part big organizations should have in the U.S. economy. But this much seems certain: As the Nation grows and develops, there will be many jobs for the big, financially strong, research-minded companies. These firms, holding their places in the rough-and-tumble competition of American business, have the facilities and the depth of leadership to tackle the giant tasks that people want to see accomplished.

America's business giants [1]—The 15 biggest companies, ranked by amount of assets

	Total assets	1958 profits	Number of workers	Number of stockholders
American Telephone & Telegraph Co	$19,494,000,000	$952,000,000	725,000	1,620,000
Standard Oil Co. (New Jersey)	7,900,000,000	564,000,000	155,000	500,000
General Motors Corp	6,891,000,000	634,000,000	520,900	750,700
United States Steel Corp	4,436,000,000	301,000,000	223,500	311,700
Gulf Oil Corp	3,430,000,000	[2]	56,000	93,600
Socony Mobil Oil Co	3,238,000,000	157,000,000	75,000	207,000
The Texas Co	3,112,000,000	310,000,000	52,500	138,300
Pennsylvania RR. Co	2,963,032,000	12,000,000	78,900	137,100
Ford Motor Co	2,962,000,000	96,000,000	165,000	265,000
Standard Oil Co. (Indiana)	2,769,000,000	118,000,000	46,000	151,900
E. I. du Pont de Nemours & Co	2,649,000,000	341,000,000	85,800	209,400
New York Central RR	2,626,000,000	[2]	62,000	40,000
Standard Oil Co. of California	2,451,000,000	258,000,000	38,400	154,000
General Electric Co	2,421,000,000	243,000,000	249,700	395,500
Bethlehem Steel Corp	2,195,000,000	138,000,000	140,500	186,700

[1] Excluding banks and insurance companies.
[2] Profits for 1958 not yet available.

NOTE.—Profits are after taxes.

Source: Latest financial reports.

Mr. MARTIN. Mr. President, during my 20 years of service in the Congress, the defense of our country has always been one of my principal concerns. In World War II, during the Korean emergency and during the present cold war, I have learned that we need big business with its research skills, its trained manpower, and its facilities to protect the welfare of all of us. This statement is in no way incompatible with the philosophy I share with every other Member of this body that small business has a vital role to play in the advancement of America's future. I am unwilling, however, to identify bigness with badness. I am opposed to monopoly in any form, but an examination of the record shows that in most areas large firms are meeting keen competition from other firms equally endowed with capital, resources, and management skills.

As we approach the time where our leaders must meet with the Soviets at a summit conference, we must close ranks and stop these senseless attacks on the business community which if continued may destroy one of our greatest assets.

EXPLANATION OF SENATOR DODD'S VOTES ON KENNEDY-ERVIN BILL

Mr. DODD. Mr. President, like other Senators, I have received a considerable amount of mail concerning my votes on proposed labor reform legislation. My vote in favor of the original McClellan "bill of rights" amendment has received particular mention.

While the great preponderance of mail has supported my action, there have been a number of union officials, many of whom I know and respect, who have expressed shock and disappointment.

I know that my action was in the best interest of union members and of organized labor, and of the people of this country.

But I believe it is important that union leaders, and especially rank and file union members, clearly understand what was involved and why I and other Senators acted as we did. For that reason I have taken some pains to answer letters on this subject in considerable detail. I ask unanimous consent to have printed in the RECORD correspondence between myself and Joseph M. Rourke, a distinguished and able Connecticut labor leader whom I have known and admired for many years.

There being no objection, the telegram and letter were ordered to be printed in the RECORD, as follows:

Senator THOMAS J. DODD,
Senate Office Building,
Washington, D.C.:

Cannot understand your vote on the McClellan amendments to Kennedy-Ervin bill. Members of Connecticut labor unions do not deserve this treatment. Am deeply shocked and grieved by this vote.

JOSEPH M. ROURKE,
Secretary-Treasurer, Connecticut State Labor Council.

MAY 1, 1959.

Mr. JOSEPH M. ROURKE,
Secretary-Treasurer, Connecticut State Labor Council, New Haven, Conn.

DEAR MR. ROURKE: You have expressed an interest in my position on labor reform legislation and I would, therefore, like to explain my action on this important issue and the reasons that led me to it.

On September 10, 1958, during my campaign for election to the Senate, I appeared before the State convention of the AFL–CIO in Hartford. I told the convention clearly and frankly that the need for labor reform legislation was long overdue; that the Kennedy-Ives reform bill was only a beginning; and that I favored more comprehensive reform legislation with stronger enforcement provisions.

Since this year's Kennedy bill was essentially the same as last year's, it should have been clear that I would support attempts to strengthen it. There is, therefore, no reason why anyone who has followed my public statements on this issue should be surprised by my course of action.

The Kennedy-Ervin bill, as it was reported out of committee and brought to the floor of the Senate, contained many admirable provisions and a number of defects.

Its requirements for financial accounting, for conflict of interest reporting, for inspection of records, for codes of ethical practices, and other provisions were reasonably effective. But the bill also contained a number of weaknesses.

Its provisions regarding union elections, the banning of criminals from union office, and the imposition of trusteeships were inadequate. Moreover, it did not adequately deal with the complex problems of National Labor Relations Board jurisdiction; with reprehensible forms of picketing; or with unjustified secondary boycotts.

I supported successful floor amendments which (a) reduced the "no man's land area" with regard to NLRB jurisdiction; (b) tightened provisions concerning the holding of union office by convicted criminals; (c) outlawed some improper boycott practices (i.e., the "hot cargo" amendments); and (d) stiffened criminal penalties under some sections of the act.

I supported the McClellan bill of rights amendments to assure the observance of constitutional rights within union affairs, rights which the record proves have been repeatedly violated in considerable segments of organized labor.

My support of the McClellan bill of rights amendments has caused considerable controversy. It has been condemned by some union officials, and generally acclaimed by the public and the press. My position was based on the conviction that fundamental, constitutional rights are being violated day by day in the affairs of some unions, and that these rights should be protected by law.

While I recognize that the bill of rights provisions impose some bothersome requirements on decent unions, the requirements are no more burdensome than those long ago imposed on business, agriculture and other elements of our society with the enthusiastic backing of organized labor.

The honest unions need have no fear of the bill of rights. When it was discovered that some provisions of the original bill of rights amendment would place undue and unintended burdens on decent unions, a number of changes were proposed in it which Senator MCCLELLAN agreed to and which I was happy to support.

The bill of rights amendment which finally emerged had the overwhelming support of the Senate and it is my hope that it will effectively protect the constitutional rights of all union members. While I was pleased to see improvements made in the original bill of rights amendment, it must not be forgotten that had the original amendment failed to pass, there would not now be any bill of rights in this legislation.

It has been charged that my vote made it possible for the original McClellan amendment to pass (47 to 46). If that be true, I am glad of it and I shall always look back on that vote with pride.

I thought that the proposed safeguards for free, secret elections in the Kennedy-Ervin bill were defective in that they did not provide for written notice of all elections to all union members at least 15 days prior to such elections. I know that many union members, especially those whose work involves travel, are not familiar with election dates and have not in the past taken part in the voting. Effective democracy in unions or anywhere else rests upon widespread participation. My amendment sought to assure this participation by providing written notice of all elections. It was passed and is now part of the Senate bill.

I also felt that the Kennedy-Ervin provisions were deficient concerning the imposition of trusteeships by national unions upon local unions. These provisions allowed a national union, on its own authority, to take over control of a local, and destroy the autonomy of that local. In the past, some union leaders have used this trusteeship device to rig union elections, to destroy local union freedom, to milk local union treasuries and for many other illicit aims.

My amendment provided that any national union must submit clear and convincing proof to the Secretary of Labor that a trusteeship was justified before such union would be allowed to take over local union control. This amendment was hotly debated and finally defeated in a rollcall vote by a margin of 51 to 41. While I was sorry to see this amendment defeated, I realize that it sometimes takes years of effort to enact laws of this kind. I am encouraged by the strong showing that this amendment had in its initial offering and I shall continue to press for it.

As a result of the defects which I pointed out in the committee bill concerning trusteeships, two significant changes were made, which are now part of the Senate bill: The period for which a trusteeship may remain in effect was reduced from 18 months to 12 months. The appeal procedures by which local union members may have trusteeships set aside were made easier.

These were important steps toward fuller protection for local union self-government and I am thankful that my action succeeded to this extent. These two advances are by no means enough but they do represent progress.

I voted against a number of amendments which I thought went far beyond reform of corrupt practices and struck at the heart of legitimate union practices.

I believe that some legislation is necessary to eliminate unjustified forms of picketing and secondary boycotts. I supported on the floor some amendments which did make an advance in this direction. But I also opposed amendments which would eliminate all picketing and all secondary boycotts.

There are some forms of picketing and some types of boycotts which are justified and which have been upheld by the Supreme Court for decades. It is very difficult to delineate in legislation the line between justified and unjustified picketing and boycotts. Most of the amendments that were offered did not make this distinction and I voted against them.

We have been assured that a select group of the most respected labor authorities in the country are now working out legislation aimed at striking the proper balance between right and wrong practices in these areas. It is my understanding that this legislation will be acted upon by the Senate before the end of the summer, and I intend to press vigorously for such action.

During the course of debate over a period of 2 weeks one argument was frequently raised against the reform measures which I

supported. It was said that they constituted unwarranted interference by the Federal Government in matters that are not the business of the Federal Government.

This argument is basically inconsistent. It is only under Federal law and regulation that the union movement has flourished and expanded. More than 17 million Americans are union members and in most instances union membership is a requirement for their employment. When one adds to this number the families of these members, who are vitally effected by everything that happens to them; when one considers the tremendous impact of this great segment of society upon our laws, the political, commercial, and social life of this Nation; who can doubt that Federal intervention is called for. Federal regulations to insure honesty, responsibility, and democratic procedures are justified and the long and dismal record spelled out in over 40 volumes of committee hearings proves that they are needed.

In my remarks to the Connecticut Labor Convention on September 10, 1958, I said:

"A few Hoffas and Becks are tearing down the good name of labor that was built up by generations of honest and idealistic labor leaders through a century of sacrifice and struggle. Try as it might, organized labor by itself cannot drive out these corrupt elements. They are strongly entrenched. Through use of their great wealth, through the terrorism of their hoodlum element and through the cooperation of weak politicians, they have thus far been able to resist the efforts of honest labor to drive them out. That is why the real friends of labor in Congress favor reform legislation that will end these abuses and help the labor movement to stand before the public as 95 percent of its leaders want it to stand—honest, progressive, and patriotic."

I have stood by my campaign promises and have worked to enact a law which I think is good for union labor and good for the country.

Sincerely yours,

THOMAS J. DODD.

REPRINTING OF HOUSE DOCUMENT 451, 84TH CONGRESS

Mr. CHURCH. Mr. President, there appearing not to be further morning business, I ask that the unfinished business be laid before the Senate.

The PRESIDING OFFICER (Mr. MCCARTHY in the chair). The Chair lays before the Senate the unfinished business, which will be stated by title.

The CHIEF CLERK. A concurrent resolution (H. Con. Res. 95) authorizing the reprinting of House Document 451 of the 84th Congress.

LEGISLATIVE PROGRAM FOR TUESDAY NEXT

Mr. CHURCH. Mr. President, an announcement was made yesterday, by the majority whip concerning the Senate's program for Tuesday next. I ask unanimous consent that the announcement may be included in the RECORD at this point.

The PRESIDING OFFICER (Mr. GRUENING in the chair). Is there objection?

There being no objection, the announcement was ordered to be printed in the RECORD, as follows:

Mr. MANSFIELD. Mr. President, the purpose of calling up the concurrent resolution is to have some business pending before the Senate. Earlier I stated that Calendar No. 141, S. 44, to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes; and Calendar No. 142, S. 72, to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes, would be considered on Tuesday or as soon thereafter as possible.

I desire to notify the Senate that the same statement can be made about Calendar No. 185, S. 1120, to amend the Federal Reserve Act with respect to the required reserves; and also Calendar No. 186, S. 1062, amending the Federal Deposits Insurance Act with respect to bank mergers.

The majority leader announced yesterday that Calendar No. 183, S. bill 690, providing for increased industrial use of agricultural products, would very likely be considered today. At the request of a Senator, the consideration of that bill will be postponed for a few days. It will not be considered before next week.

For the information of the Senate, when the Senate meets tomorrow, it will be for the purpose of enabling Senators to make insertions in the RECORD and making speeches. There will be no proposed legislation considered and no votes taken.

Also on Tuesday, the nomination of Justice Stewart will be before the Senate for consideration.

ORDER FOR ADJOURNMENT TO TUESDAY NEXT

Mr. CHURCH. Mr. President, I ask unanimous consent that when the Senate adjourns today, it stand adjourned until 12 o'clock noon on Tuesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CHALLENGE OF BERLIN

Mr. BYRD of West Virginia. Mr. President, when the guns of the Second World War became silent, this Nation made a historic decision to help in the defense of freedom wherever it might be threatened. We have reaffirmed this decision on many occasions—when we sent aid to Greece and Turkey, when we signed the North Atlantic Treaty, and when we fought in Korea. Ten years ago we proved by the Berlin airlift that, whatever the devious manner used by the Communists to extend their power, we could respond with equal ingenuity and determination.

We will soon be tested to see whether we still have the perseverance and the purpose to carry out our decision to defend freedom wherever it is threatened. Our challenge is once again in Berlin where the Soviet Union is waging another cunning offensive to drive liberty from its outpost in West Berlin. The time and place of our testing will be at the Conference of Foreign Ministers in Geneva on May 11. Do we have the skill and determination to stand firm?

Mr. President, I am aware that this may appear to be a rhetorical question. Everyone claims to be in agreement that we should stand firm. Certainly no responsible person, so far as I know, has suggested that we yield to any of Mr. Khrushchev's bluffs and threats by turning West Berlin over to the Communists. If the issue were so clearcut as whether or not to continue our protection of West Berlin, I am sure the American people would respond with near unanimity that we should not withdraw. A spot check of public opinion during March by the New York Times showed overwhelming popular support for President Eisenhower's decision to stand firm in Berlin.

Unfortunately, the decisions to be made at the Conference of Foreign Ministers will not be so black and white as whether or not to stay in Berlin. Instead, the issues will be subtle and deceptive. I cannot help but wonder whether we are adequately prepared, as a Nation, to give Mr. Herter, who will represent us, the support he will need.

The same spot check by the New York Times which I mentioned a moment ago showed an appalling lack of information about the facts involved in the Berlin crisis. Thirty-nine percent of those interviewed did not know that Berlin was deep within the territory of Eastern Germany. Policy in a democracy can only be as strong as the foundation of knowledge on which it rests. Moreover, even among those highly informed on world affairs there is general vagueness about what "standing firm" means in terms of concrete policies and specific situations. There are some who in one breath speak of the necessity of "sticking to our guns" in Berlin, and in the next breath speak of concessions which we might make.

It is because I feel the need for widespread knowledge and discussion of the Berlin situation and the issues to be faced at the Foreign Ministers Conference that I have chosen to speak again on the challenge of Berlin. I believe there are some people in positions which enable them to mold public opinion who, in their wish to bring about a world in which relations among nations are less strained than today, are being guided by that wish rather than by the lessons of history. If these voices should be successful in reconciling the American people to seemingly minor concessions or adjustments in our Berlin policy or our European policy at this crucial time, I fear there is grave danger that the groundwork of European security will gradually disintegrate. Any changes which are to be made in our German policy should be the result of careful, prolonged thought, not a hasty improvisation to meet Soviet threats and pressures.

THE SOVIET ULTIMATUM OF NOVEMBER 27

The immediate crisis stems from the note delivered by the Soviet Union simultaneously to the United States, France, and the United Kingdom on November 27, 1958. In some respects the note was like most other Soviet notes—lengthy, obviously designed for propaganda purposes, and full of omissions and distortions. It attempted to rewrite the history of the postwar period in such a fashion that the Western Powers would appear responsible for the Berlin situation, the continued division of Germany, the

lack of a German peace treaty, and for the cold war itself.

For example, the Soviet note accused the United States, the United Kingdom, and France of violating the Potsdam Agreement. The Soviets claimed, for instance, that the West had violated the economic portions of the Potsdam Agreement by refusing to honor their commitments regarding the transfer to the Soviet Union of the agreed amount of industrial equipment from West Germany. This agreement we all know was reduced to a scrap of paper, not by us, but by the Soviet Union itself. Actually, the Western nations had been impelled to suspend reparations shipments because of the failure of the Soviet Union to live up to its economic obligations under the agreement. The unfulfilled Soviet obligations included delivering food and other raw materials in exchange for some of the capital equipment, as well as the commitment to treat Germany as an economic unit. If we had not suspended the transfers, the greed of the Soviet Union would have bled Germany white and allowed the people of Western Germany to remain dependent on economic aid from us indefinitely.

Undoubtedly, many agreements have been violated in regard to Germany. But, as I will show in more detail later, it is the Soviet Union, not the Western Powers, which bears the guilt.

In addition to charging that the Western allies had violated the Potsdam Agreement, the Soviet note alleged that it was the policy of the West which had prevented the peaceful unification of Germany. I shall read a few of the ridiculous assertions of the Soviet note:

> The Soviet Union stands for complete noninterference in the internal affairs of the German people, or in those of any other people. * * *
>
> The governments of the three powers are seeking to keep in force the long-since obsolete part of the wartime agreements that governed the occupation of Germany and entitled them in the past to stay in Berlin. At the same time, as stated above, the Western Powers have grossly violated the Four Power agreements, including the Potsdam Agreement, which is the most concentrated expression of the obligations of the powers with respect to Germany.

These distortions of the Soviet Union are an attempt to justify the Soviet Union's intention to bluff and bludgeon the Western Powers into relinquishing their rights in Berlin. This purpose became obvious in the note itself. The Soviet Union by its own words showed that it wanted to add to its list of treaty violations by denouncing those few agreements on Germany which are still in effect. And it wished to escape the ignominy of this act by proclaiming the lie that the Western Powers had already violated these agreements. I quote further from the note:

> The Soviet Government can no longer consider itself bound by that part of the Allied agreements on Germany which has assumed an unequal character and is being used for the maintenance of the occupation regime in West Berlin and for interference in the internal affairs of the German Democratic Republic.
>
> In view of this, the Government of the U.S.S.R. notifies the Government of the United States that the Soviet Union regards as null and void (1) the "protocol of the agreement between the U.S.S.R., the United States, and the United Kingdom on the occupation zones of Germany and the administration of Greater Berlin," dated September 12, 1944; and (2) the associated supplementary agreements, including the agreement on the control mechanism in Germany concluded between the U.S.S.R., the United States, Great Britain, and France, May 1, 1945—that is, the agreements which were to be effective during the first years after the surrender of Germany. * * *
>
> Of all the Allied agreements on Germany there is, in fact, only one which is complied with today. It is the agreement on what is known as the quadripartite status of Berlin. The three powers are demanding the preservation for their own sake of the occupation privileges based on the quadripartite agreements, which they have themselves flouted.

The Soviet note then proposed that Western Allies abandon their occupation rights in West Berlin in favor of a so-called free city. East Berlin would remain under the control of the Communists, however. If this proposal was not accepted by the West in 6 months, or if negotiations were not under way for reaching an agreement to the taste of the Soviet Union, the note indicated that the Soviet Union would consider itself free of its obligations to them in relation to Berlin. These obligations, of course, include the crucial ones of permitting access to West Berlin.

Finally, the Soviet note carried a flagrant threat of force. It implied that the defense of the West's position in West Berlin might unleash a world war. It also stated that any violation of the frontiers of East Germany—without specifying whether use of the corridors into West Berlin would be interpreted as such a violation—would cause appropriate retaliation by the nations of the Warsaw Treaty.

Although we have learned to expect anything from the Soviet Union, this note was an unusually rash act. The establishment of a time limit for us to comply with the Soviet demands, the threat to denounce its treaty obligations, and the not-too-subtle hint of force are all very serious actions, and verge on being insults. For all its talk of reducing tensions in the cold war, this note clearly shows that it is the Soviet Union which perpetuates the cold war. If it does nothing else, this note should convince any who have been taken in by the Soviet propaganda in favor of peaceful coexistence between the free world and the Communist world. Even preventing the cold war from turning into a hot war requires some degree of restraint on both sides. When both sides have more than enough nuclear weapons to wipe the other off the globe, the fear of being obliterated is usually enough to keep even the Communists from indiscriminate threats of force. Nevertheless, the existence of Communist and free world forces within a few feet of each other in Germany and elsewhere requires that both sides act with restraint so that a war is not started accidentally and unintentionally. Coexistence, which implies a lifting of tensions, would require even more restraint, restraint which this note proves the Communists would never exercise for long.

In this very note the Soviet Union said "methods of blackmail and reckless threats of force are least of all opportune in solving such a problem as the Berlin issue. Such methods will not help to settle a single question; they can only aggravate the situation to danger point." Yet, in the same breath the Soviets made one of the most blatant attempts at blackmail, one of the most reckless threats since the death of Stalin.

This, then, is our challenge. Do we allow the Soviet Union to change the course of world events in the direction they want by a note of threats and of blackmail? Or do we continue to steadfastly pursue the course we have set for ourselves, determining situations according to their merits, not allowing them to be influenced by Soviet bluffs?

Mr. President, no one knows exactly what Mr. Khrushchev has in mind, beyond the obvious intention of creating enough tension to bring about a change in Berlin or Germany which would be more to Soviet advantage than the status quo. Since the November 27 note, Mr. Khrushchev has made many speeches, making the situation sound more or less grim according to whichever interpretation he felt at the moment would most advance his cause. In a speech at Leipzig on March 5 Mr. Khrushchev proposed that if a peace treaty with Germany was not signed, he would proceed unilaterally with a peace treaty with East Germany. In other speeches he has admitted that until a peace treaty is signed the Western forces do have a right to remain in Berlin, and he has made it clear that May 27 was not the firm deadline of an ultimatum.

Mr. President, I regret to say that to some extent this country has already allowed itself to be bluffed. We have not had confidence enough in our own policies in Berlin, and we have been too eager to look for ways in which we can appease the Soviets to prevent them from carrying out their ultimatum. Of course, we had to take the situation seriously, but we did not have to rush ahead with negotiations as if we had to get under the wire by a certain date.

ESTABLISHING RIGHT OF HIGH ALTITUDE FLIGHTS

A far better course of action than rushing headlong into negotiations has been our calm preparation to establish a new airlift into West Berlin if necessary. The large, modern transport planes which we would want to use in the event of a new airlift, the C–130's, require higher altitudes than the piston-driven planes we have used previously. Therefore, the United States decided to challenge the Soviet claim to the right to limit flight altitudes to 10,000 feet and to establish our right to fly our planes at any altitude we choose. As long as regular air traffic precautions are taken, there is no reason the Communists should have the right to tell us how high we can fly.

Therefore, on March 27 we filed a flight plan for a C–130 turboprop transport plane, crossing the air corridor at 25,000 feet. The Soviet air control officer protested and, when the plane was in flight, three Soviet jet fighters buzzed

it throughout its flight. Nevertheless, we had made clear that we had not and would not accept any altitude ceiling in the air corridors. At first the Soviets warned that incidents might result if this were tried again, but later, when we demonstrated that we were undaunted, the Soviets retracted their warning to a simple statement that air collisions might result but that it did not mean any American aircraft would be molested or attacked.

On April 14 a second American transport plane flying above 10,000 feet was harassed by Soviet planes and again the United States has protested. Undeniably this is a war of nerves, but I see no reason we should have any fear that our nerves are not just as strong as those of the Communists. The Soviets are just as uneasy as we are, they just have such complete control of speech and press in the Soviet Union that they can appear always as unperturbed as they wish. I think that we are overlooking this tremendous force in the Berlin crisis, that the Soviet Union is just as uneasy, and just as reluctant to get into a big war, as we are. I wish we would challenge the Soviet Union more. We can challenge them more on the presence of their troops in the satellite nations of Eastern Europe. We can challenge them to free the peoples of Eastern Europe.

If the Soviet Union continues to put pressure on us in Berlin, we can put pressure on them. One method of applying pressure which has been suggested is the establishment of a naval blockade of the Soviet Union in the Dardanelles and Baltic Sea area. Turkey, which controls the Bosporus and Dardanelles Straits, is one of the most fearless of the NATO powers, and Denmark, which lies across the outlet from the Baltic Sea, is also a staunch participant in the free world security system.

There are other measures short of war which have long been recognized in international law as methods of bringing physical pressure against a state. In the past such methods have included the rupture of diplomatic relations, embargoes, suspension of treaties, and boycotts. These indeed would be serious steps, but I mention them to show that if the Communists choose to apply pressure, there are counterpressures we can apply if we wish until they return to acceptable behavior.

In addition, the free world needs to take every opportunity to demonstrate unity of purpose in regard to Berlin, as we did at the recent Council meeting of the North Atlantic Treaty Organization. This meeting was an excellent occasion to reaffirm a united stand because it marked the 10th anniversary of the signing of the North Atlantic Treaty. Still unified, working together more closely than ever, NATO symbolizes the ability of 15 different nations, encompassing 450 million people, to work together in defense of freedom. In the communique issued at the end of the meeting, the Council noted its "unanimous determination to maintain the freedom of the people of West Berlin, and the rights and obligations of the Allied powers." Representative after representative rose to attest to the will of his country to do what was necessary to defend the people of Berlin. Our new Secretary of State, Christian Herter, is to be commended for his statement that the essential point is that the Communists understand in advance that the NATO nations are firm in the resolve to use military power if necessary, for if they understand that, they will not risk war. I hope this is a true indication of his deepest feelings, for much now depends on him.

Paul-Henri Spaak, the Secretary-General of NATO, said:

> Moscow is playing a game in which the ultimate stake is (our) very existence. * * * We must, therefore, even more resolutely than before, intensify our collective defense effort, strengthen our political solidarity and extend our cooperation.

Finally, I would like to quote President Eisenhower's remarks as he illustrated the necessity for unity by opening his hand and then closing it into a fist:

> Look at the hand. Each finger is not of itself a very good instrument for either defense or offense, but close it in a fist and it can become a very formidable weapon of defense. * * * The need, as we reach for a lasting peace with justice, is the abandonment of the Communist purpose of world domination.

Unfortunately, much of the loud and formal talk about the firm determination of the West and the unity of the Allies is being undermined by persistent rumors of divisions among the Allies and the proposals of many to consider drastic changes in the European security system which, whatever the schemes are called, would mean a reduction of Allied strength at the very points where it is needed most.

There is an eagerness to negotiate as if negotiation in itself will solve all the problems of the world. This simply is not true. Negotiations will not solve anything unless the negotiators wish to solve the problem. Nevertheless, many seek negotiations as if they offer a haven in the cold war. They think "as long as we are talking, bombs won't be falling." Let us remember that we were negotiating with the Japanese, but that did not prevent Pearl Harbor.

FORCES FOR APPEASEMENT

Mr. President, I contend that there are many in this country and abroad who are forgetting the unpleasant truth about the objectives and practices of international communism. In their eagerness to improve the international climate which is undeniably unpleasant to us all, they imagine that negotiating with the Soviet Union is no different from dealing with any other country. Therefore, they look for solutions and so-called reasonable concessions in the same fashion in which we approach differences with our allies. These people, among them columnists in our daily papers, refuse to look history in the face, and allow themselves to be guided by wishful thinking. Let me make it clear that I in no way question the loyalty of these people. Moreover, I would defend with all my heart their right to express their opinions. As I said in the beginning, I think it is essential that we have full debate throughout the country on a matter as serious as the Berlin crisis now confronting us.

Nevertheless, I think that many are too ready to believe that the Soviet Union is willing to make agreements which would be in our interest as well as theirs. Predominant among those holding such views are our very good friends and allies, the British.

Mr. President, my respect for the English people is broad and deep. We owe to them some of our finest concepts of justice and liberty. No people have sacrificed more to defend their heritage against conquest by totalitarian states. In two World Wars, as in Korea, our soldiers have fought side by side with the British, united in the same determination to protect the liberties which our laws guarantee.

Unfortunately there are now, as there have been in the past, a few leaders among the British people who apparently believe that appeasement is the way to avoid war. Who can forget the unfortunate Neville Chamberlain and the Munich Pact in which certain areas of Czechoslovakia were surrendered to Germany in the hope that Hitler's voracious appetite would be appeased. After his return from Munich on September 30, 1938, Mr. Chamberlain told the British people:

> For the second time in our history a British Prime Minister has returned from Germany bringing peace with honor. I believe it is peace for our time. * * * Go home and get a nice quiet sleep.

We well know the consequences of Munich. Hitler was not appeased, but emboldened by his success. Six months later Hitler destroyed Czechoslovakia and 1 year after Munich World War II was under way. Prime Minister Macmillan is doing everything he can to obtain a summit conference. Although he agreed to put in the British note to the Soviet Union that a summit conference must be justified by the approaching Foreign Ministers' Conference, it is clear from recent events that he is very desirous of having a summit conference. All through the United Kingdom apparently there is a wistful belief that if the heads of government could just get together, the knotty problems of the world could be solved. Domestic politics have become involved. Mr. Macmillan, and others who wish to have a summit conference, will be urging a summit conference if the Foreign Ministers' Conference makes even a semblance of progress. Mr. Macmillan reportedly believes the Soviet Union genuinely wants to negotiate. The British position appears to be based on several different assumptions that the internal problems of the Soviet Union might somehow increase if it had fewer international tensions and that some other way to maintain security can be substituted for continued conduct of a cold war that is costly, dangerous, and unpleasant.

Among the British are some of the most prominent advocates of disengagement in Europe, a loose idea which encompasses a variety of plans for reducing or thinning out troops in central

Europe or the establishment of other arms limitations along that line, such as the plan proposed by Polish Foreign Minister Adam Rapacki to prohibit nuclear weapons in a zone in central Europe. It is on these issues, as well as the question of the future of Berlin, that we must remain firm when we go to Geneva. In fact, it is on issues such as these that we will have to be especially cautious.

British policy and opinion have recently appeared so detrimental to the interests of West Germany that Chancellor Adenauer was driven to public protest that he feared there was anti-German sentiment in England.

In making these comments, let me make it clear that the British are by no means saying that we should agree to the Communist demand for a free city in West Berlin. They are not suggesting that we should let the Soviets have everything they want in Eastern Europe. However, they are flirting with the idea of trading our policy of firmness for a policy of flexibility. If we believe in the foreign policy we have been pursuing in Berlin, in Germany, indeed in Europe itself, then flexibility in that policy will have to involve compromises in that policy with the Soviet Union.

It is my belief that our present policy is sound and intelligent and should not be compromised. I believe we cannot accept any plan for disengagement in Europe unless it is linked with genuine political settlement. Such a settlement must be consistent with the general principles of our postwar policy toward West Germany. This means that we cannot allow any solution which would now or in the future have the effect of depriving the West Germans of their freedom. We cannot agree to any plan which would demilitarize Western Germany in such a fashion that they would have no protection from future Soviet aggression. We cannot impose upon them a neutral status, as has been done with smaller states from time to time. If they wish it, they have the right to defend themselves and to ally themselves with nations which share their beliefs and offer them a greater security than they could devise on their own.

As I explained in more detail in my speech of March 20 consideration of disengagement except in the context of broader political settlements must be considered unrealistic and unacceptable. Withdrawal of military forces from Western Germany would hand to the Soviets something they have long wanted. In addition, unless based on basic political settlements, it would be very likely to lull the free world into a sense of false security, encourage the further weakening of defense efforts, and possibly eventually bring about the end of the North Atlantic Treaty Organization, something for which the Russians have labored 10 long years.

At this time, it is gratifying that a great deal of firmness is being demonstrated by the French. According to all reports, the French are opposed to conciliatory measures advocated by the British. It is as if France has learned well that vacillation and hesitation can lead only to weakness and conquest. The French did not move with speed and determination to stop Hitler when he fortified the Rhineland and when he annexed Austria. The time for effective action soon passed, with the result that France spent 4 grim years under Nazi domination.

To some extent the British have already been successful in their objectives. Certainly they have succeeded in giving us a swift push to negotiations which, considering our recent change in leadership in the State Department, do not come at the most advantageous time for us. Our new Secretary of State will scarcely have had time to move into his new office before he will be asked to enter the lion's den and take on an opponent which would have been a challenge to Mr. Dulles himself.

Because of the fact that Mr. Herter is going to have a task which will be so difficult, and because there does not appear to be deep-seated unity among the Allies on some of the issues which will be faced, I hope that my fellow Senators, opinion formers, and the American people will think over the implications of this conference. I hope that we can unite in our support of Mr. Herter to continue in the tradition of Mr. Dulles. I do not believe we can fulfill our responsibility to him by merely wishing him well. Rather it is necessary to show that our determination to stand firm in Berlin, a determination I am sure we all share, is not merely an empty phrase but a mandate from the people, a studied commitment to support him in this policy in every way we can.

THE FOREIGN MINISTERS' CONFERENCE OF MAY 11

It is not too late, however, to ameliorate the situation. Looking at the brightest side, it is even fortunate that the United States will soon have an opportunity to prove that it can and will stand firm on Berlin. It is imperative that we use the Conference of the Foreign Ministers of France, the Soviet Union, the United Kingdom, and the United States on May 11 to demonstrate our unity and resolution. This meeting, proposed on February 16 by the United States and its Western allies, is an opportunity to clarify and reaffirm our position on Berlin, Germany, and European security. Although the conference is a result of the panicky reaction to the Soviet ultimatum, it can still be turned to good ends.

First of all, it will provide us an opportunity to reaffirm the unity of the free world. Let us never forget that the division of the nations of the free world is a keystone in Soviet strategy. Lenin wrote in 1920:

> As long as we have not conquered the whole world, as long as, from the economic and military standpoint, we are weaker than the capitalist world, we must adhere to the rule that we must know how to take advantage of the antagonisms and contradictions existing among the imperialists.

Mr. Khrushchev is watching for differences of opinion among the Allies like a vulture for prey. If we mend all differences within the allied forces, this in itself will reinforce our position.

The need for great caution at this conference, however, cannot be overemphasized. As the Bible says:

> Be sober, be vigilant; because your adversary the devil * * * walketh about.

No sooner has the United States proposed a conference of Foreign Ministers than the Soviet Union set about to turn it into a stepping stone to the summit conference which they have sought so long. They did this by implying that only a summit conference would be useful. In turn, the Western Powers, in notes of March 26, said that they would be ready to participate in a summit conference "as soon as developments in the foreign ministers' meeting justify holding a summit conference." On this condition, the Soviet Union formally agreed to attend the Foreign Ministers' Conference.

In their note of acceptance of March 30, the Soviet Union carried out its usual practice of trying to distort the conference terms for its own purpose. They ignored the condition for a summit conference placed by President Eisenhower on the holding of a summit conference, namely, that the progress in the Foreign Ministers' Conference justify a summit conference, and stated matter-of-factly that this country had agreed to a summit meeting. It is clear that they care very little about what happens at the Foreign Ministers' meeting; all they are interested in is getting a conference of the heads of government where they can get the ears and eyes of the peoples of the world focused on their propaganda.

It is my opinion that it would not only be a foolish error, but a tragic blunder to allow ourselves to be stampeded into a summit conference, without real fulfillment of the condition laid down by President Eisenhower, namely that the Foreign Ministers' Conference justifies it. And what is meant when we say "unless the Foreign Ministers' Conference justifies it, a summit conference should not be held?" This means that there must be clear progress toward agreement at the Foreign Ministers' Conference itself. The Soviet Union must show its readiness to do a lot of hard diplomatic work at the conference, and they must demonstrate that they are ready to end the crisis on Berlin which they have manufactured. In other words, it must be clear that there would be some constructive purpose to be served by having the summit conference.

As a matter of fact, I think we sometimes overlook the fact that Mr. Khrushchev could end the crisis in Berlin at any time he wished. It was he who manufactured the crisis; he could end the crisis by a mere word, by calling in representatives of the United States, France, and Great Britain and retracting the ultimatum he so blatantly served upon us.

In a speech on March 20 on the floor of the Senate, I expressed my doubt that the Soviets are really prepared for serious negotiation at the summit or anywhere else, if by negotiation we mean a genuine give and take, a willingness to give up something in order to attain

something else. In recent negotiations the Soviet Union has been perfectly willing to take anything they could get from us, but they have not been willing to make true concessions on their own part.

Let us look at the Geneva negotiations on nuclear weapons tests as an example. The Soviet Union purportedly wants to bring an end to the testing of all nuclear weapons, but it has not yet been willing to give up a little bit of its shield of secrecy so that we could send inspectors to investigate events which might possibly have been underground nuclear explosions.

One argument frequently made by those who wish to have a summit conference is that, since the Soviet Union is a dictatorship, it is necessary to deal with the dictator in order to reach any agreement. Any lower level diplomats, the argument runs, do not have the power necessary to make concessions; they are dependent continually on instructions from Moscow. Undoubtedly the Soviet Union is a dictatorship, and Mr. Khrushchev's position enables him to have more leeway in negotiations than would be found in any other possible negotiator. But let us remember that some of the most violated Soviet agreements—the Yalta agreement and the Potsdam protocol, for example—have been signed by the head of the state himself. This fact did not render these agreements any more immune to violation.

Moreover, on many occasions when the Soviet Union has wanted to reach agreement, it has been reached without the benefit of the presence of Mr. Khrushchev or any of his predecessors. The Austrian Peace Treaty was negotiated by Foreign Ministers' deputies and signed by the Foreign Ministers. Last summer, at a conference on the scientific requirements of an inspection system which would be able to detect hidden nuclear weapons tests, the agreement was reached by scientists. The ending of the Berlin blockade was initially arranged by the Soviet and American representatives to the United Nations. Undoubtedly each of those agreements was the decision of the Soviet Premier, but his actual presence was not necessary. I am sure that, similarly, in the future any time Mr. Khrushchev really wants an agreement, the negotiations will not be impeded by being beneath the summit.

DANGER AT THE SUMMIT

We went to a summit conference at Geneva with the Soviet Union in July, 1955. There was a great deal of smiling and good fellowship at the conference; and everyone agreed that, as a result of that conference, tensions were considerably relaxed. But how do the books on the Geneva Conference balance 4 years later? The only achievement on the positive side of the ledger is provision for an increased program of exchange of persons. I do not discount this achievement. If the Soviet Union is ever to be brought to change its way of life, if the people of the Soviet Union are to learn of the greater significance given to each individual under democracy rather than under Soviet communism, if there is any hope for the Soviet Union to move toward greater freedom, it will depend on having the people of the Soviet Union learn the value of freedom. There is no better way for them to learn about the democratic way of life than through visits of their citizens to our country, and visits of American people to the Soviet Union.

Otherwise, however, the conference was fruitless. The Soviet Union agreed to the reunification of Germany by free elections, and it explicitly recognized the close link between the reunification of Germany and European security. But in later attempts to get the Soviet Union to consider seriously the reunification of Germany by free elections, it would not do so. Nor were any other problems solved. Eastern Europe still remains in the captivity of the Soviet Union. The Soviet Union is still carrying out its unceasing campaign to subvert democratic governments everywhere and to put Communists in control.

The fact that the last Geneva summit conference did not accomplish anything is reason enough to avoid another one. But if my only complaint about the 1955 Geneva summit conference were that it was a waste of time, I would not protest another one so vigorously. But I believe that some of the consequences of the Geneva Conference were harmful.

In the wake of the relaxation of tensions at Geneva, this country and countries allied with us allowed our resolve to continue building our military strength to be weakened. I shall speak more of this later; but it is apparent to any observer that in the last few years our military superiority over the Soviet Union has steadily declined. I think some of this weakening may well be attributed to the relaxation of tensions caused at Geneva, a relaxation which rested only on a few smiles, rather than on any concrete progress.

The Geneva Conference of 1955 also affords us an example of the dangers of having a summit conference without adequate diplomatic preparation. In the invitation to the Soviet Union to participate in the Geneva Conference 4 years ago, it was suggested that first there should be a meeting of the heads of Government, accompanied by their Foreign Ministers, for an exchange of views. The meeting was not intended to achieve agreement upon substantive answers to the major problems of the world, but only to provide a new impetus to their solution and to lay the foundation for the subsequent Foreign Ministers' Conference, at which time the problems would be examined in detail.

It is not difficult to see what happened. The leaders of the Soviet Union drank cocktails and ate caviar with the Western leaders for a few days, put on a pretense of being good, peace-loving men, and held the world's attention while they repeated the propaganda they never cease to issue. However, the problems remained unsolved. At the Foreign Ministers' Conference which followed, where the details of the fine sounding principles agreed to at Geneva were to be worked out, no specific agreements could be reached.

This time, let us profit from our last experience with a summit conference. Let us see that the Foreign Ministers make headway with the details before we go to the summit.

WHY SOVIETS WANT A SUMMIT CONFERENCE

When considering the advantages and disadvantages of a summit conference, let us ask ourselves why the Soviet Union is so eager to have one. Obviously the Soviets must consider it would be much to their advantage. Correspondence on the subject was initiated in December 1957, when Bulganin was still the head of the Soviet Government; and ever since then the Soviet Union has been pressing for a summit conference.

I believe the Soviets want a summit conference for many reasons, not the least of which is simply domestic politics. Ever since the death of Stalin, Mr. Khrushchev has attempted to make himself popular in the Soviet Union by improving living conditions, raising living standards, simply giving the Soviet people more to eat, better homes, more clothing. The hope has been held out to the Soviet people that in their present 7-year plan, they will overtake the U.S. production of many commodities, and that soon they will have a standard of living comparable to the living standard in the West. Mr. Khrushchev feels that he will enhance his stature in the eyes of his people if he can continue to reduce the pressures and tensions of living.

In addition, Mr. Khrushchev must constantly be on his guard against his fellow Communists. The Soviet Union is a totalitarian state in which Mr. Khrushchev holds the reins of power, but his position is not the same as Stalin's. There are many strong Communists who do not share Khrushchev's views. Many of them would like to return to the policies of Stalin which call for more stress on military forces in dealing with the West. Many of them would like to see Khrushchev fail. To solidify his rule, Mr. Khrushchev needs a summit conference to enhance his prestige within the inner circle of Communists, as well as with the Russian people.

Moving now to a consideration of the situation outside the Soviet Union, it is apparent that the Soviets believe their position within the Communist bloc would be strengthened by a summit conference. The tensions in the eastern European satellites, which now and then erupt—as in East Germany, in 1953; and in Hungary, in 1956—continue to seethe underneath the surface. The attainment of a summit conference—a victory for Soviet foreign policy, just as it would be a defeat for our policy—would increase the prestige of the Soviet Union throughout the Communist bloc. It would make the satellite peoples feel that the Soviets were gaining in strength, and that their hope for eventual freedom was diminishing.

A summit conference which would improve the Communist position in Germany is especially needed to help the status of Eastern Germany and to strengthen the position of the puppet government there. For years, rehabilitated, beautiful West Berlin has provided

a sharp contrast with the drab picture presented by the Communist portion of the city. In both East Berlin and East Germany there has been a population decline, in comparison to population increases in West Berlin and West Germany. The Communist regime in Eastern Germany, whatever its achievements, can scarcely look successful when it stands next to the thriving Federal Republic.

Finally, the Soviets hope that through a summit conference they will be able to advance their objectives throughout the world. For this purpose they do not need to reach any concrete agreement, although we can be sure they will try to devise agreements which will advance their aims. Whereas we have said time and again that we do not wish to participate in a summit conference unless we can be sure that something constructive will emerge from it, the Soviet Union would not consider any summit conference fruitless. One of their main objects in pressing for a summit conference is simply to have a further opportunity to put forth their propaganda. Since they do not hesitate to lie and distort the truth, they would proclaim to the world the Soviet policies, and would phrase them so as to deceive peoples everywhere. They would try to lead the world to believe that the Soviet Union is the proponent of peace and that the United States blocks progress toward peace. No matter what policies we pursued, their propaganda would be much the same.

The Communists know well, as Shakespeare wrote in "As You Like It," "All the world's a stage." They do not hesitate to set that stage so they will appear in the most favorable light. They know the importance of holding the attention of the people of the world, and, once having gained an audience, feeding them lies in such quantities that people begin to believe there is truth in the lies. "Peace, peace, peace," shouted Khrushchev at the end of his speech in Leipzig, after he has just made a new threat to the West. "Peace, peace, peace," cry Communists throughout the world, as they try to infiltrate free governments and spread their way of life further around the globe. If they cry "peace" enough, they ask, will not the peoples of the free world believe that there is really less need to keep up the guard which requires many precious resources to be used for defense?

A summit conference would be just one more effort to convince the world that the Soviets are peace loving. It would be just one more effort to get us to forget the need for unity and strength and to lead us to lower our guard. Once having created the illusion that tensions were subsiding, once having sweet-talked the free world into giving up some of its military strength, I have no doubt that the Communists would launch an aggressive campaign to add to their empire one way or another.

THE NATURE OF INTERNATIONAL COMMUNISM

None of us wishes to live in a world of international tensions and an atmosphere of cold war. All of us would like to bask in the sunshine of good will among all the nations of the world. But we would be foolish to pretend that such good will exists when it does not. We would be foolish if, in our desire to have an end to the cold war, we would delude ourselves into believing that the Soviet Union would really be content to coexist peacefully with us, or that they had given up their goal of world dominion.

As I pointed out in my speech of March 20, the record of Communist intentions speaks for itself. However much the Communists may speak of peaceful coexistence, their own doctrine and ambitions will not permit it. Lenin said in 1920:

> As long as capitalism and socialism exist, we cannot live in peace: in the end, one or the other will triumph—a funeral dirge will be sung over the Soviet Republic or over world capitalism.

Ever since they acquired power, the Soviet Communists have been talking about extending that power until it encompassed the whole world, in full realization that this would inevitably mean conflict with the non-Communist democracies. The Communists are willing to use whatever tactics suit their purposes at the moment, be it military aggression, subversion, or economic warfare. But they have never departed from their goal of world domination. A reading of Communist ideology warns us not to be deceived when a Communist peace offensive is under way. Stalin himself pointed out in 1929:

> It is not for nothing that the proverb says, "An obliging bear is more dangerous than an enemy."

To those who think that the Communists now in control of the Kremlin have altered objectives, however much they may have altered tactics, I recall the statement of Mr. Khrushchev on September 16, 1955:

> If anyone thinks that our smiles mean the abandonment of the teachings of Marx, Engels, and Lenin, he is deceiving himself cruelly. Those who expect this to happen might just as well wait for shrimp to learn how to whistle.

It is often said that actions speak louder than words. On this score, too, there is ample evidence that the Soviets are prepared to practice their theory that international obligations not only may, but must, be set aside to promote their objective of world domination. They have violated treaty after treaty. Most of the Soviet empire has been acquired by violation of treaty obligations. Estonia, Latvia, and Lithuania, who entered nonaggression pacts with the Soviet Union, were later invaded by the Soviet Union and annexed. Portions of Poland, Rumania, and Czechoslovakia were incorporated despite treaty provisions that should have prevented it. Again as a result of treaty violations, satellite governments were established in Poland, Rumania, Hungary, Bulgaria, East Germany, Czechoslovakia, China, and North Korea.

The Soviet Union has not lived up to its commitments under the U.N. Charter, and has been condemned by the General Assembly of the United Nations for "depriving Hungary of its liberty." The Communists have truly lived up to Lenin's teaching that "promises are like pie crusts—made to be broken." It is almost impossible for us, who were raised with admonitions to always keep our promises, to imagine that others could enter an agreement intending to violate it if it served their purpose. However, the warped doctrine of international communism has instilled the philosophy of furthering the cause of communism by every means to such an extent that breaking promises for the advancement of their ends is as much an ethical requirement of communism as keeping promises is of the American way of life.

Mr. President, when one considers the black record of the Communists, it is clear that it should take a tremendous amount of progress at the Foreign Ministers' Conference before we consider that a summit conference is justified. In fact, I question whether it can ever be justified as long as the head of the Soviet state subscribes to the ideology of communism. Why should our President, a man of good will, sit down with lawless representatives of the underworld whose hands drip with the blood of Hungarian patriots and whose lips have sworn our burial?

Let us remember the experience of Jesus. Our Lord went to the summit with Satan, the summit of a mountain, and Satan tempted Him by offering Him the world. But our Lord said, "Get thee behind me, Satan." He could resist all temptations. Let us say, as Christ said, "Get thee behind me, Satan," and let us refuse to be tempted by the evil tricks of the Communists.

HISTORY OF SOVIET EFFORTS IN GERMANY

Looking at Soviet policy toward Germany during the past 15 years, it is clear that the Soviet Union has no intention of allowing Germany to be unified in any way which would permit them to maintain their freedom for long. When viewed in the perspective of postwar history, it is clear that today's crisis is just another step in the Soviet Union's determined drive to expel the Western Powers from Germany so that the Communists can gain control. A review of this history will make it clear that if the Russians had desired a unified Germany, as they profess, they had many opportunities to permit one. Instead they blocked all efforts toward unification by means of free elections. Because I believe an understanding of this is essential, I would like to step back 15 years and trace the history of events in Germany from those crucial days near the end of World War II when the direction of postwar events was chartered.

I am sure we all remember that day of rejoicing, May 8, 1945, when the war in Europe was officially ended. Behind our joy lay the sober realization that a monumental task still lay ahead. We had defeated Germany. It was now our responsibility to treat Germany in the fashion which, above all else, would contribute to the peace of the world. There was much to be done. A political vacuum existed in Germany, for there was no effective government in Germany to minister to the people's needs. The economy needed support desperately, for like much of the rest of Europe, Germany lay in rubble. All through Germany the

evils which had been perpetrated by Hitler stared us in the face. There was need for social and psychological rehabilitation as well as economic and political reorganization.

It was not for us alone to decide how to carry out this task, however. Our major allies, the United Kingdom, France, and the Soviet Union, had shared the burden of the war and were entitled and required to share the burden of peace. The three Western allies, with their great traditions of democracy, in spite of some differences of opinion, were able to work together united by basic goals. They wished to eliminate the vestiges of Hitler's rule and assure that the forces of militarism would never again become dominant in Germany. However, they also wished to help Germany regain its self-respect, rebuild its economy, and lead a useful life among the family of nations.

It soon became apparent that these aims were not shared by the Soviet Union, however much Marshal Stalin had given lipservice to them during the war. The Soviet Union saw in Germany an opportunity for progress toward the goal of communization of the world, and its policies were directed toward making Germany a Soviet satellite. Any bonds which had been forged by fighting together in the war were not strong enough to bridge the gap between the Communist aim of world domination and the Western aim of a world safe for democracy. But we were not then as wise to the ways of the Communists as we are now.

The war in Europe over, President Truman, Prime Minister Attlee, and Premier Stalin, the heads of governments of the three chief allies, met at Berlin to consider, among other international problems, the principles with respect to Germany which should be followed. The Potsdam protocol, as their agreement was called, had provisions for demilitarization, denazification, and reparations. These were the negative measures, designed to weed out influences which might cause Germany to become an aggressive or militaristic country again. The Potsdam agreement also prescribed certain positive measures designed to build a peaceful, prosperous, democratic future for Germany. Local self-government was to be restored on democratic principles. Freedom of speech, press, and religion were to be permitted. The nation was to be treated as a single economic unit, and economic rehabilitation was to begin.

Pending a peace treaty with Germany, it was decided to divide Germany into four zones for purposes of administration, each to be occupied by the troops of one of the victorious powers. There was to be joint occupation and administration of Berlin. To carry out these decisions, certain changes in locations of troops from their positions at the cessation of hostilities were necessary. For example, when the fighting ended, the armies of the Western allies were occupying more than one-third of what was subsequently occupied by the Soviet authorities, and the Soviet Union was the sole occupier of Berlin. On the basis of agreements of September 12, 1944, and May 1, 1945, the Western allies withdrew from significant portions of the territory they held to permit Soviet occupation of the area agreed upon to be the Soviet zone of occupation. The quid pro quo for this withdrawal, in effect, was that the Western Powers occupied the western sectors in Berlin.

In each zone of occupation, the commander in chief of the Allied armies in Germany was responsible for carrying out the Potsdam protocol, and together the four commanders in chief formed the Allied Control Council to decide jointly matters affecting Germany as a whole. In Greater Berlin the allied governing body was the Kommandatura.

At the beginning of the occupation, Berlin was governed as a single city, although a sector was assigned for occupation purposes to each of the four Allies. It was the unceasing attempt of the Soviet Union to gain complete control of the city which brought about the division of Berlin which exists today. In the brief period during which the Soviet Army was the sole occupier of Berlin, the Soviets laid the groundwork for the Communist takeover of any subsequent government. The Soviet occupation authorities appointed the first provisional government of Berlin and licensed four political parties there—the Social Democrats, the Christian Democratic Union, the Liberal Democrats, and, of course, the Communists. Then they brought these four parties together under the Anti-Fascist democratic bloc, a device by which the parties could be controlled and their actions limited to those approved by the Communists and the Soviet Union.

Later in 1946, hoping to legitimize Communist rule in Berlin and East Germany by permitting an election, the Soviets attempted to maneuver the political parties in such a way that the Communists would be sure to win control. Their scheme backfired, however. Non-Communist forces were able to win control in the first democratically elected city parliament. The people of Berlin refused to be dictated to by the Soviet Union and the Communists refused to cooperate with democratically elected authorities. Eventually on November 30, 1948, while the Soviet blockade was in existence, the Berlin Communists formally divided the government of Berlin by establishing their own government in the sector occupied by the Soviet Union.

Throughout Germany it quickly became evident that the Soviets, while eager to carry out punitive measures, were unwilling to carry out constructive measures.

The U.S.S.R. would agree to the principle of German reconstruction, but by means of delay and diversion would prevent the principle from being carried out. It became clear that it was all part of their master plan for world domination. The Soviet Union wanted a divided, weak Germany which could never vie with the Soviets for power and which would make fertile ground for the growth of communism. Because of the Soviet attitude, the Council of Foreign Ministers, which met at London at the end of 1947, was unable to reach agreement on the problem of reunification of Germany and the establishment of a central German government with which a peace treaty could be negotiated. When the United States proposed economic aid to Europe, including Germany, for the purpose of recovery instead of mere relief, the Soviet Union intensified its pressures. Whereas previously the Soviets had been content to prevent progress by dragging their feet, they now launched a vigorous offensive to keep Germany divided and weak.

The first objective of this Soviet offensive was abolition of the Allied position in Berlin. On March 20, 1948, the Soviet Union walked out of the Allied Control Council for Germany. On April 1 it imposed rail and road restrictions on Allied traffic to Berlin from the Western zones and soon expanded this to a total blockade.

Who can forget the magnificent response of the free world to this blatant attempt of the Soviets to drive freedom from Berlin. From June 1948 until September 30, 1949, the U.S. Air Force and the British Royal Air Force supplied the basic materials including food, coal, and raw materials which were necessary to sustain the 2,100,000 inhabitants of the three western zones of Berlin. Weather permitting, nearly 8,000 tons were delivered daily. At the height of the Allied effort planes arrived in the capital on an average one every 2 minutes. The operational costs alone of the U.S. Air Force were more than $252 million.

The issue of the Berlin blockade was submitted to the United Nations by the United States, Britain, and France. However, when a resolution calling for lifting of transport restrictions on traffic to Berlin, sole use of Soviet Zone currency in Berlin, and further meetings among the Big Four, was submitted, it was vetoed by the Soviet Union. It was not until May 12, 1949, after the Western Powers had demonstrated that they would carry on the airlift indefinitely if necessary, that the Soviets agreed to end the blockade. In return, the West agreed to end the retaliatory counter-blockade it had imposed on East Germany.

At the Council of Foreign Ministers meeting in Paris on May 4, 1949, the Soviet Union and the three Western Powers also agreed—and I quote because this is one of the agreements which the Soviets threaten to violate:

> As regards the movement of persons and goods and communications between the Eastern zone and the Western zones and between the zones and Berlin and also in regard to transit, the occupation authorities, each in his own zone, will have an obligation to take the measures necessary to insure the normal functioning and utilization of rail, water, and road transport for such movement of persons and goods and such communications by post, telephone, and telegraph.

Meanwhile, in the rest of Germany the Western allies were proceeding to carry out the Potsdam agreement as best they could in view of the complete noncooperation of the Soviet Union. On May 23, 1949, free elections were held in Western Germany, a constitution was approved, and the Federal Republic of

Germany was established. In Eastern Germany the so-called German Democratic Republic was proclaimed. Thus by the end of 1949 the cold war and the unwillingness of the Soviets to allow unification had divided Germany. The Federal Republic, with approximately 75 percent of Germany's postwar territory and more than two-thirds of its population, is a democratic parliamentary state and an integral part of the free world.

As the years have passed and its choice of freedom and rejection of communism have been proved, the Federal Republic has been integrated more closely into the free world community.

In contrast, the so-called democratic republic was educated in the ways of totalitarian states by the Soviet Union. Even during the war, groups of German Communists were training in the Soviet Union. Among these Moscow-trained German Communists were Wilhelm Pieck, Walter Ulbricht, and other current leaders in the puppet regime in East Germany. Captured German officers and soldiers were given Communist political indoctrination and formed cells among military men. Many of these now are leaders in the East German regime and the East German armed forces.

Moreover, in spite of all its profession of fear of German militarism, the Soviet Union lost no time in giving arms to the Communists of East Germany so that they could keep the rest of the population in subjugation. By 1950 some 50,000 East Germans in so-called police alert units were receiving basic infantry, artillery, and armed training and were equipped with Soviet military weapons. By the end of 1953 the Soviet Zone had a police force of 100,000 supplemented by an additional 140,200 military personnel which included three mechanized divisions and an air force.

In response to the remilitarization of East Germany, the Western Powers were forced to reconsider the policy of demilitarization which had been agreed upon at Potsdam. The United States and the other Western Powers had taken the obligation of demilitarization seriously, for though we had confidence that there was nothing in the German personality which made the Germans any more likely to undertake aggression than any other state, we respected the fears of the neighbors of Germany, including the Soviet Union, who had twice known devastation from a war started by the Germans. In 1945 in the U.S. Zone, for example, the German armed forces had been disbanded and prohibited from reforming. All known war material was collected and destroyed or converted to peacetime use. All industrial plants especially constructed for the production of tanks, general armament, aircraft, war explosives, and poison gas were destroyed or dismantled. In addition, in 1945, 1946, and 1947 we attempted to negotiate a treaty which would effectively guarantee against resurgence of German militarism, but this was killed by the Soviet Union.

To continue to keep West Germany demilitarized in the face of the flagrant arming of East Germany would have been to invite aggression from the East. Consequently, on October 3, 1954, the free nations of Western Europe signed a treaty to end the occupation regime in the Federal Republic of Germany and to provide for the accession of Western Germany to the North Atlantic Treaty and the Brussels Treaty. As we all know, Western Germany is now a bulwark in the defense of the free world.

Thus it is clear that Germany is divided and Berlin is divided and isolated solely because of Soviet policies. If the Soviets had wished a united Berlin, the Communists in Berlin could have cooperated with the duly elected city officials instead of establishing a rump government in East Berlin. If they had intended to agree to the unification of Germany, there have been other Foreign Ministers' conferences at which they could have consented to end the division of Germany. If they had wished to keep the levels of forces in Western Germany low, they could have refrained from arming the East Germans, withdrawn their troops from the other satellite states in Eastern Europe, and pursued a policy of cooperation instead of building a huge war machine and threatening with bombs and missiles whenever they wish.

We have not been shown any evidence to support the belief that the Soviet Union has the slightest intention of changing its policy toward Germany or toward Eastern Europe generally. We devised our present policies and we built up our present military forces in Western Europe to meet the threat posed by the Soviet Union. In the past we have felt these forces were necessary to prevent Soviet aggression and to meet it if it should occur. The threat has not diminished. There is no reason to believe that the Communists will change the policies they have followed for the past 15 years. If we yield to the current Soviet pressure, we stand to lose everything which we have sacrificed so much to obtain. That is why we must not agree to anything which immediately would or potentially could weaken our position. We must not allow appeasement.

OUR COURSE FOR THE FUTURE

My remarks thus far have been devoted to cautioning against a course of action leading toward appeasement, a course which I believe would be disastrous. I want to make it clear that I also believe there are many positive, affirmative steps which we can take. Under other circumstances we might consider a wide range of possible solutions to problems which have persisted for years and which increase the possibility of war through accident or miscalculation. But we should not consider taking these steps in response to Soviet pressure. To respond to the Soviet ultimatum by changing our policies would be an invitation to the Soviet Union to manufacture a crisis or send us an ultimatum whenever our policy is making life too difficult for the Communists. If we have not wanted a summit conference up till now, there is no reason we should allow ourselves to be blackmailed into one.

We must never forget that, whether we like it or not, we are engaged in a cold war. The Communists will not forget this fact and, no matter how much they talk about reducing tensions, they will be competing with us and attempting to undermine our position in the world by military, political, economic, or any other method which promotes their cause. Since we are engaged in cold war, let us wage it with strength and vigor. Let us fight for democracy with the same dedication and devotion as we fought for democracy in two World Wars.

Mr. President, I fear that we have been too much on the defensive against the Soviet Union. We have failed to proclaim our own objectives and our own beliefs. We have let the Soviet Union take the initiative in shaping events in the world. The Soviets have been able to manufacture crisis after crisis and then offer pious proposals on how peace might once again be obtained. We have too often been guided by the mistaken notion that the neutral nations of the world expected us to compromise with the Soviet Union, and that if we did not these neutral nations would be driven into the arms of the Soviet Union.

In relation to the neutral countries, I would like to point out two things. First, as much as we wish to help the uncommitted peoples of the world find that system of government which is most conducive to the development of the individual, democracy, we cannot let our foreign policy be determined by them. Second, the best way of winning them to our side is not by vacillating in dealing with the Communists, but by being strong and unrelenting in our defense of freedom. The contrast between the free nations of the world and the Communist nations will quickly become apparent. India has just witnessed the actions of the Chinese Communists in Tibet. Can we believe that she is deceived by Communist words? I sometimes think that it is belittling the intelligence of the governments of neutral nations to believe that they are deceived by Communist propaganda.

NEED FOR MAINTAINING MILITARY STRENGTH

Part of our weakness and fear in the present situation is simply a result of letting our military position vis-a-vis the Soviet Union be steadily weakened. We have significant forces available in Europe but not enough, according to President Eisenhower, to consider a ground war, a war with conventional weapons against the Soviet Union.

Let us compare the forces of the two sides. It is estimated that there are some 315,000 Soviet troops in East Germany, including 22 armored or mechanized divisions and additional artillery and antiaircraft units. The ground forces have modern equipment which include amphibious tanks, other heavy tanks, and a wide variety of tactical field artillery rockets and missiles, some apparently capable of delivering atomic warheads. There are about 100 light bombers and some 600 fighters and fighter-bombers based in East Germany.

In addition, East Germany maintains around 75,000 men in its armed forces plus some 45,000 paramilitary East German policemen. In the other Soviet European satellies there are believed to be another 7 Soviet divisions and 72 satellite divisions.

On our side, the Western allies have in West Berlin around 11,000 men. NATO forces in West Germany, in a high state of training and readiness, include five U.S. divisions and three armored cavalry regiments. Although the tank and antitank strength of the 7th Army is heavy, it does not compare to Soviet tank strength. The main strength of the 7th Army lies in its capacity to deliver nuclear weapons by missiles or rockets and strong tactical air force support also capable of delivering nuclear weapons.

In addition to the U.S. forces in Germany, according to Hanson Baldwin of the New York Times, there are 48,000 British troops, 2 understrength French divisions, 2 Belgian divisions, a third of a division from Luxembourg, and another third from Canada, and 7 understrength West German divisions. The total is about 21⅔ divisions. They are backed by 6,000 to 7,000 Atlantic Pact planes in Europe and reserve divisions of all the NATO countries.

The disparity of forces is less in the forces in being than in the forces not now on the spot which could be brought to the scene in the event of conflict. According to General Maxwell Taylor, reinforcements for the American units in Germany would have to come from the Army's Strategic Army Reserve in the United States, which consists of four divisions and is now being cut to three. Although limited reinforcements could reach Europe quickly, it would take 2 to 3 months to put complete divisions overseas. Our whole Army only has 15 divisions, and several of these are committed elsewhere.

The Soviet Union, much closer to the scene, has a total of 175 divisions. However, not all of these could be used in Europe. The Soviet Union also has to keep some of its divisions at other strategic locations. Fifteen of the Soviet divisions are believed to be stationed in central and southern Russia, and another 37 to 52 divisions are believed to be in Siberia, the Far East, or northern Russia. Moreover, the reliability of some of the satellite divisions mentioned earlier must be highly questionable. Nevertheless, the manpower advantage of the Communist forces is immense. To make up for this manpower gap we have necessarily protected ourselves by developing nuclear weapons for our forces. To keep our budget low, however, I am afraid we may have put such heavy stress on nuclear weapons, at the expense of conventional weapons, that we have worked ourselves into an atomic straitjacket.

It seems to me that one reason for our great alarm over the Berlin ultimatum is that if it would become necessary to use force to defend our rights in Berlin, we do not have broad enough strength to choose the kind of military force we wish to use. Instead we have so whittled down our conventional forces, and become so dependent on nuclear weapons, that if military force were brought into play we would almost certainly be compelled to use nuclear weapons if we did not wish to be defeated. This situation narrows our choice of action, in the event the Soviets would use force to prevent us from exercising our rights, to either using nuclear weapons or retreating.

I want to make it clear that if the defense of freedom is dependent on the use of nuclear weapons, this country would have to use them. I believe we should keep our nuclear arsenal stocked with a wide variety of nuclear warheads. Our superiority in nuclear weapons is our trump card in any showdown with the Soviet Union, for the Soviets know that with nuclear and thermonuclear warheads we could wipe out every vestige of communism. We can deliver these warheads by missile, plane, or submarine. With them we can compensate for any disparity in numbers of forces.

Yes, we must always be prepared to use nuclear weapons if it becomes necessary. If that day of decision ever comes, when the use of either a small nuclear shell or a tremendous missile with a thermonuclear warhead means the difference between freedom and submission to Communist slavery, we must not hesitate. On the other hand we must not allow ourselves to be placed in the position, as is rapidly becoming the case, wherein any situation which calls for military force we have no choice of weapons, except among nuclear weapons, purely because we do not wish to spend the money to maintain a balanced defense force.

We cannot ignore the fact that a general nuclear war would mean our own destruction as well as the destruction of the Communist world. The Soviet Union has a nuclear arsenal which, while it may not contain weapons as big as some of ours or as small as some of ours or as many as ours, is still enough to destroy every major city in the United States and Western Europe. And the Soviet Union has the means of delivering these weapons. It is still a debatable scientific question whether or not the nuclear fallout from bombs in such an attack would kill all the rest of the life in this country and throughout the world, but in any case our civilization would certainly be destroyed.

Again emphasizing that we must not flinch from using nuclear weapons when it becomes necessary, let me also point out that there are bound to be some situations in which we need to use military force to defend ourselves and yet which really do not require the use of nuclear weapons. It would be a terrible error if, in such a situation, the United States did not have non-nuclear weapons which could do the job.

The United States has been confronted with many difficult situations in which the use of nuclear weapons would not have been warranted. Perhaps the best example is the situation in Lebanon. It is difficult to imagine any circumstances there, outside the intervention of the Soviet Union with nuclear weapons, which would have justified our use of nuclear weapons. But the important thing is that we leave ourselves a choice and are not driven on the one hand to yield before threats or on the other to initiate a nuclear war.

My main concern is not our present military posture, although it could certainly be improved. An even greater fear is that we will allow our present overall military superiority over the Soviets to slip to a clear, undeniable inferiority. Instead of striving to fill the gaps where Soviet strength is already greater than ours, the United States, solely for the sake of a balanced budget, is continuing to reduce its strength. As a result of the 1959 budget, the divisional strength of the Army is being cut back from 15 to 14 divisions. The fleet of our Navy is getting old. More than 80 percent of the fleet was built during World War II and needs to be replaced. Our conventional forces appear to be bearing the brunt of our budget cuts. But even our retaliatory deterrent power, the planes and missiles necessary to deliver nuclear bombs to the heart of the Soviet Union, faces a possibility of inadequacy in the future. By 1961–62 it is estimated that the Soviet Union may have a 3-to-1 lead over the United States in intercontinental missiles. Military authorities believe that at the present time we are still stronger than the Soviet Union. But there is grave danger that our superiority is rapidly going to fade away.

If we wish to win in our battle against communism, if we only wish to hold our own, we cannot continue to allow our military strength to be budgeted away. We have to be so strong, so powerful, so capable of delivering terribly destructive blows, that the Soviets cannot force us to yield to political blackmail, and indeed will not even try. If the Soviet Union ever gets the upper hand, if it ever achieves its goal of military superiority over us, we can be sure they will not hesitate to use their power. If we are militarily strong, we can always call the bluff of the Soviet Union. But if we sacrifice military strength on the altar of a balanced budget and permit ourselves to fall behind in the arms race, the Soviet's bluffs will become deadly serious threats.

The key to the triumph of freedom over communism is military strength, and the moral strength, fortitude, and integrity to use it. There is no sense negotiating with the Communists unless we negotiate from a position of strength, because force is the only language they understand.

NEED FOR STRONG LEADERSHIP

It is extremely unfortunate that the Western Powers at this time are losing two of their strongest leaders, Chancellor Adenauer and Secretary Dulles. Mr. President, I wish to take this opportunity to pay tribute to Secretary Dulles and to the courageous policy which he pursued with firm determination. Democrats and Republicans alike recognize that Mr. Dulles' name had become synonymous with free-world determination to preserve liberty and defend free peoples from any threat by communism. Mr. Dulles refused to make a deal with the Soviet Union which would perpetuate the Soviet rule of its satellites or divide Europe permanently. He made it clear that the United States would not be bluffed and, if need be, would not hesitate to call the bluff of the Communists

even if it meant going, as Mr. Dulles said, to the brink of war.

I am sure that the people of the Nation share my deep sorrow in learning that Mr. Dulles has resigned. Our hearts and prayers are with him in his illness. His physical condition undoubtedly left Mr. Dulles little choice, for we all know that Mr. Dulles' record of physical stamina is such that if he had been able to remain in office, he would have done so. However, there is also no doubt that this country will sorely miss his leadership in the days ahead. It is up to each of us to show our new Secretary of State that we wish him to continue with the same determination of purpose as was steadfastly shown by Secretary Dulles.

The loss of Mr. Dulles is made even more serious because of the news that Chancellor Adenauer will also soon leave his present position to run for election as President of the Federal Republic, an office of high honor but without the political and administrative power exercised by the Chancellor. I am sure that in his new position as President, to which he will undoubtedly be elected, Chancellor Adenauer will continue to help guide the Federal Republic along the course of freedom, and his wisdom will be sought by the German people. But it is equally apparent that with the loss of a leader so strong and determined, great care will have to be taken by the German people to keep from slipping into a leaderless, indecisive period. As in the case of Mr. Dulles, Chancellor Adenauer's name has become synonymous with stalwart defense of Western freedom against Soviet pressure. Again, as in the case of Mr. Dulles, Chancellor Adenauer's decision is understandable in view of his 83 years. Fortunately, Chancellor Adenauer's withdrawal from the active political center will not take place until after the Foreign Ministers' Conference.

In the absence of both Secretary Dulles and Chancellor Adenauer, there is grave danger in the period immediately ahead, a danger which can be met only by the emergence of new leaders of equal caliber. What we need are strong leaders who will build American strength and not be afraid to use it if necessary, men like Teddy Roosevelt, who could see what needed to be done and then took the initiative to do it. We need a leader like Woodrow Wilson, who was willing to exhaust every method of pacific settlement to resolve differences but who, when the chips were down, was willing to go to war for a principle in which he believed. We need a leader like Harry Truman who, being notified of North Korean aggression against South Korea, could decide without hesitation to send our forces to help the South Koreans defend their liberty. This is the kind of leadership which we must have in the days ahead, and the best way to get this kind of leadership is by making it clear that we are behind the policy of firmness against the Communists.

I believe that President Eisenhower has the inclination to stand firm and will insist that we do so if he knows he is supported by the American people.

The important thing to remember is that inaction will not influence the stream of events. Yielding will only lead to further threats, further aggression, and ultimately a greater chance of war. The only way to prevent a third world war is to wage unceasing and relentless cold war. We must parry every thrust of the Communists. We must challenge them on the political front, the economic front, and the military front. We must spread the teachings of freedom and democracy with greater zeal than the Communists preach of communism. We must always be prepared for a showdown if it comes. If we do all these things, I am confident not only that we can survive and live in dignity as free men should but also that eventually it will be the Communist states which wither away.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I yield.

Mr. CHURCH. I commend the Senator from West Virginia for having laid before the Senate so comprehensive a study of the events which have led up to the Berlin crisis. I commend him particularly for the emphasis he has given to the fact that this is a crisis of Russian manufacture; that if the Russians, in fact, desire peace in middle Europe, it can easily enough be arranged by the Russians themselves.

The Senator should also be commended for having drawn a sharp distinction between the kind of negotiations which we should pursue, in conformity with our principles, as distinguished from any form of appeasement, which could lead only to ultimate surrender and to the destruction of free governments in Western Europe and elsewhere in the world.

The Senator from West Virginia, who draws upon a store of knowledge gathered in his service in the Committee on Foreign Affairs of the other body, brings to the Senate a perspective which will be of service to us as we approach the impending Foreign Ministers Conference, and will be of service to the country as the people of the United States focus their attention upon the serious problems which the Russians have provoked in Middle Europe.

I commend the Senator for the service he has rendered in making his views clear and placing them upon the record.

Mr. McGEE. Mr. President, will the Senator from West Virginia yield?

Mr. BYRD of West Virginia. I yield to the distinguished Senator from Wyoming.

Mr. McGEE. This is another indication of the valuable contributions which my fellow freshman colleague has been making to the thinking and edification of this distinguished body. As a member of the freshman class, as is also the distinguished Senator from Alaska [Mr. GRUENING], who is now in the chair, I am proud to be associated with the Senator from West Virginia. I associate myself with his remarks this afternoon.

The PRESIDING OFFICER (Mr. GRUENING in the chair). The Chair is very happy to concur in the remarks just made by the distinguished junior Senator from Idaho and the distinguished junior Senator from Wyoming.

Mr. BYRD of West Virginia. Mr. President, I appreciate very much and shall long cherish the memory of the remarks made by the distinguished junior Senator from Idaho, the distinguished junior Senator from Wyoming, and the distinguished junior Senator from Alaska.

I yield the floor.

ADJOURNMENT UNTIL TUESDAY

Mr. CHURCH. Mr. President, in conformity with the previous order, I move that the Senate adjourn until 12 o'clock noon on Tuesday next.

The motion was agreed to; and (at 1 o'clock and 58 minutes p.m.) the Senate adjourned, under the order previously entered, until Tuesday, May 5, 1959, at 12 o'clock meridian.

EXTENSIONS OF REMARKS

World Health: A New Dimension to the American Revolution

EXTENSION OF REMARKS
OF
HON. LISTER HILL
OF ALABAMA
IN THE SENATE OF THE UNITED STATES
Friday, May 1, 1959

Mr. HILL. Mr. President, on April 17, 1959, I had the privilege of speaking at the symposium held on the occasion of the opening of new laboratory facilities at the Wistar Institute in Philadelphia, Pa. I spoke on "World Health: A New Dimension to the American Revolution," and I ask unanimous consent to have my remarks printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY U.S. SENATOR LISTER HILL AT THE OPENING OF NEW LABORATORY FACILITIES AT THE WISTAR INSTITUTE, PHILADELPHIA, PA., APRIL 17, 1959

It is indeed a privilege for me to speak today at the dedication of the magnificent new Wistar Institute—an institute so deeply rooted in the history of American medicine, located here in Philadelphia in the very cradle of American medicine.

The founding of the Pennsylvania Hospital in 1751, the establishment at that hospital in 1763 of the first public medical library in the Colonies, and 2 years later, in 1765, the coming into being of America's first medical school, the medical department of the College of Philadelphia, are but a few of the evidences of the great efforts made to lift the level of medical practice in the Colonies.

Caspar Wistar, who was born in 1761, reflected during his entire lifetime the excitement and enthusiasm of an active participant

in the birth of medicine on a new continent. After the battle of Germantown in 1777, many of the wounded were brought to the Wistar home for care. That early exposure to the suffering of his fellow man led Wistar, a devout Quaker, to choose medicine as a career. He apprenticed himself at the early age of 16 to Dr. John Redman, who had studied medicine at Leyden. In 1779, he enrolled at the medical department of the College of Philadelphia, where he received instruction from such distinguished physicians as Benjamin Rush, John Morgan, and William Shippen, Jr.

Upon completion of his studies in Philadelphia, he went abroad for 3 years to complete his medical education. He did most of his work at the medical school of the University of Edinburgh, from which he received his doctorate in medicine. It was the common practice in those days for American students to go abroad and tap the accumulated wisdom of European medicine. The extent of that practice is revealed in one simple statistic—in the period from 1765 to 1779, 112 Americans received doctorates in medicine from the University of Edinburgh alone.

In 1787 Wistar returned to Philadelphia and began the practice of medicine. It was a most challenging time for a disciple of the art of healing. Diseases, some of which we have conquered and many of which we have forgotten, continually threatened the existence of most Philadelphians. Hearty infants, who survived the threats of nutritional deficiencies, infections, and diarrhea, were later exposed to measles, diphtheria, and scarlet fever. Tuberculosis, the dread white plague, was the greatest killer of that time. Swamps, insanitary drinking water, and flies spawned malaria, dysentery, yellow and typhoid fever. Yellow fever was an annual threat to the 50,000 inhabitants of Philadelphia. During the most terrible epidemic of 1793, Caspar Wistar was one of the heroic doctors who remained in the city and cared for scores of stricken patients.

The teaching of medicine also had its hazards. Following the European tradition, the faculty members of the Medical College of Pennsylvania taught anatomy by providing the students with bodies to dissect. That this was a fairly controversial practice is indicated by the fact that Dr. William Shippen, Wistar's predecessor as professor of anatomy at the medical school, several times barely escaped with his life. On one occasion, his house was attacked by mobs, and on another his carriage was showered with stones and a musket ball passed through the center of it.

Despite all these hazards, Wistar valiantly carried on and made enormous contributions to the medical and cultural life of Philadelphia and of America. As a professor of anatomy, he considered the anatomical specimens at the university inadequate, so he acquired, over the years, a large collection of models in wood and in wax. These very models later became the basic collection of the Wistar Institute of Anatomy and Biology. In 1811 Wistar published his famous two-volume "System of Anatomy," the first anatomical text to appear in this country and long the principal anatomical textbook in use in the United States. Anatomists recognize Caspar Wistar as the first to discover and describe the pyramidal protuberances of the ethmoid bone, which are still called Wistar's pyramids.

Like most prominent physicians of his day, Wistar played an active part in the cultural life of our young Nation. He succeeded his friend, Thomas Jefferson, as president of the American Philosophical Society which had been founded by Benjamin Franklin in 1743. I am happy to note that, unlike most of his Federalist friends, he was a Democrat. At one time he was offered the Democratic nomination to Congress which he was forced to decline because of the heavy demands of his medical and teaching duties. His home was the weekly scene of gatherings of scientists and literary figures from here and abroad. After his death and for more than a century the famous Wistar parties continued.

The life and times of Caspar Wistar bring home to us the enormous debt we owe in medicine, and particularly in medical research, to the peoples of the world. Throughout the latter part of the 18th century, and for practically all of the 19th century, American medical practice was almost totally dependent upon the medical teaching and research resources of Europe. In Colonial times and in the first decades of the Republic, our medical men sat at the feet of their British and Scotch colleagues. During the four decades preceding the Civil War, French medicine was in a period of ascendancy; for the remainder of the 19th century it was the German medical school and the German medical research institutes which received the bulk of American pilgrims.

As well you know, medical research requires a considerable degree of maturity and a toleration of philosophical speculation. In the formative decades of this great Republic, the gigantic task of building a new nation developed in us a practical turn of mind which had little appreciation of contemplative research. In 1837 Gerhard, returning to Philadelphia from his studies in Paris, was able to announce for the first time the important diagnostic distinction between typhoid fever and typhus. This vital discovery made little impression in an America concerned only with practical cures.

Although individual physicans in America made valuable contributions in research, primarily in new techniques in surgery, in 1876 John Billings, in a single chapter in his "A Century of American Medicine," was able to describe the total achievements of American medical research. We had developed no tradition of Government support of medical research similar to that which existed in Germany and in France. Private support of medical research was practically nonexistent, and it is interesting to note that the Wistar Institute, formally opened on May 31st, 1894, was the first anatomical research institute to be established in America.

The opening of the Institute was made possible by the generous gift of $125,000 by Gen. Isaac J. Wistar, the grand nephew of Caspar Wistar. General Wistar is one of the most fabulous figures in American history—farm worker, dry goods store clerk, digger of gold in California and later in Colorado, trader and trapper in Indian country and Indian fighter, transporter of salmon, fish oil, and lumber on the west coast, seaman, Philadelphia lawyer, successful president of large canal companies, traveler in distant lands, distinguished and wounded general in the Union Army during the Civil War and, above all, a leader of men, the master of his fate, the captain of his soul.

In outlining our debt to world medicine and world medical research, we could go back to Hippocrates and then cite the names and contributions of scores of medical researchers down through the centuries. For purposes of illustration, however, I would like to cite a disease which was very common in the South during my boyhood, pellagra. This disease, which we now know to be due to a nutritional deficiency, had a high and debilitating incidence. Furthermore, the mental breakdown which accompanied its more severe manifestations filled the wards of many a southern mental hospital with its victims.

For the understanding which led to the conquest of this disease, we have to go back to 1554 when Johannes Lange published his famous treatise on nutritional anemias. Interestingly enough, he prescribed marriage as a means of curing young girls afflicted with such anemias—probably a sound prescription today. In 1735, Gaspar Casál, known as the Spanish Hippocrates, wrote the first clear description of pellagra. He applied the name "mal de la rosa" to the condition because of the reddish hue characteristic of the skin of pellagrous individuals. From Casál, a long chain of further research efforts culminated in 1920 in the epic discovery by the American, Joseph Goldberger, that pellagra was due to a deficiency of niacin in the diet.

Here at the Wistar Institute, where one of your main lines of inquiry is the study of the proliferating cell as it affects the cancer process, I know you are deeply conscious of the debt you owe to cancer investigators who have labored for many centuries in all parts of the world. Cancer was frequently referred to in the ancient medical writings of Egypt and India, and more than 4,000 years ago the surgical removal of tumors was widely practiced by Indian physicians. In the Western World, it was Hippocrates who first delineated the distinction between benign and malignant tumors. A century ago, in his famous "Cellular Pathology," Rudolph Virchow outlined the methods by which cancer could be diagnosed by microscopic tissue examination. In 1895 the German physicist, William Roentgen, discovered the X-ray, and 3 years later Pierre and Marie Curie isolated radium. All of these and many subsequent discoveries not only advanced the treatment of cancer but they provided an invaluable set of tools for fundamental medical research on the nature of the malignant cell.

In a very real sense, you are now discharging your debt to these discoverers of the past. The research laboratory which we dedicate here today is shining evidence of the union of our National Government, private medicine and private enterprise in a joint effort to foster medical research on a level not hitherto reached in the entire history of mankind. Matching funds for this laboratory have come from the Federal Government under the authorization of the Health Research Facilities Act of 1956, which I was privileged to author and which proclaimed the intent of the American people to help support through their Government the construction of research laboratories in all parts of the country.

Yours is truly an international staff. The director of the Institute, Dr. Hilary Koprowski, came to the United States from Poland that he might further his studies in cellular biology. His able coworkers on the staff include scientists from Belgium, Canada, England, France, Germany, Italy, India, Sweden, Australia, and the United States. It is particularly significant that one of the first fruits of this collaboration is the present mass vaccination with an oral vaccine against poliomyelitis of the people of the Belgian Congo.

Over the past few years many of us in the Congress have been concerned with the role America should play in lifting the health standards of the peoples of the world. In this second half of the 20th century America holds an increasingly solid position as the medical fountainhead of the world. Reversing the trend of the 18th and 19th centuries, the trek is now westward across the Atlantic to keep abreast of the latest developments in the art and science of medicine.

But in a world which modern communication and transportation make smaller each day, we become increasingly aware of the plight of our fellow men in many parts of the world. At the turn of the century the great physician, Sir William Osler, wrote, "Humanity has but three great enemies: fever, famine, and war; of these, by far the greatest, by far the most terrible, is fever." His words still ring true. We are aware of the fact that an underprivileged two-thirds of the human race is constantly afflicted by the ravages of disease. Millions of these people

suffer from the age-old scourges of malaria, tuberculosis, and the various intestinal infections. In many countries of the world a third of the babies die during the first year of life, and life expectancy falls 30 and 40 years short of the Biblical 3 score and 10.

At present we are engaged in an effort to stem the spread of Communist imperialism, which is competing with us for the uncommitted peoples of the world. Communism finds a ready breeding place in the ill health and poverty of the submerged peoples of the world. Communist forces of militant medicine are on the march. We have reports that Russia is sending about 2,000 doctors a year to do medical missionary work in these underdeveloped areas.

Yet we who once fired the shot "heard round the world," and gave a new dimension to personal liberty in the founding of a republic which guaranteed life, liberty, and the pursuit of happiness to all of its citizens, have been slow to meet this challenge.

In the closing days of the 85th Congress, I introduced a bill which would provide the mechanism through which this country would join with all the countries of the world in a united medical research offensive against the major killers and cripplers of mankind. The bill would create a National Institute of International Medical Research as part of the National Institutes of Health. The Institute would be charged with the support of worthy medical research projects submitted by competent investigators from any part of the world. It would also support the training of specialized research personnel here and abroad, and it would encourage and support the rapid international exchange of research knowledge concerning disease and disability.

In introducing this bill on the Senate floor, I pointed out that the unfinished tasks facing medical research are truly staggering in nature. For example, cancer, that most ancient enemy of man, is rising in its incidence in 33 countries of the world. What more priceless bounty could be given to the suffering peoples of the world than a cure for this universal disease?

In the current session of the Congress, 58 Senators joined me in the reintroduction of this legislation. During the last week in February of this year, hearings were held on this International Medical Research Act, and I think it is fair to state that it received unprecedented and overwhelming support from doctors, scientists, voluntary health organizations, and civic leaders.

Testifying on behalf of the American Medical Association, its president, Dr. Gunnar Gundersen, told our Senate committee of "a growing recognition that medicine with its resources and influence fully mobilized can perhaps do more for world peace than the billions of dollars being poured into armaments." Mr. John T. Connor, the president of one of the largest pharmaceutical companies in America, told the committee that "the International Medical Research Act stirs the imagination with its opportunities for a new breakthrough in international relations as well as in medical research."

Your own Dr. I. S. Ravdin, the distinguished surgeon who is currently serving as vice president for medical development of the University of Pennsylvania, told us that "we who have gained so much from the research of our own scientists and those from other countries, where good research has been done and is being done, must realize that the more quickly we can assist those less fortunate to begin to achieve what we have so fortunately achieved, the more quickly universal understanding will be won in our troubled world."

In essence, the Health for Peace Act is a 20th century enunciation of the ideals and aspirations which so influenced Caspar Wistar and his contemporaries in the early days of our Republic. In simple terms, it states our belief that disease is a universal threat to the family of man, and that we must unite our medical research efforts to wipe out this threat. It accepts the fact that no nation has a monopoly on medical research and that our own self-interest dictates a maximum effort toward the rapid pooling of the fruits of such research.

When this legislation has passed the Congress, and the National Institute for International Medical Research has come into being, I know that you here at the Wistar Institute will play a significant role in making medical research truly universal. Your contributions are precious today, but when they can be transmitted to the entire family of man they will become priceless.

So much has Caspar Wistar taught us, so much did he leave us in his example of dedicated service. Above all I should say he gave to us his impregnable and motivating philosophy in his own words—words spoken as he lay dying—

"I wish well to all mankind."

Minimum Wage Legislation

EXTENSION OF REMARKS
OF

HON. HARRISON A. WILLIAMS, JR.

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Friday, May 1, 1959

Mr. WILLIAMS of New Jersey. Mr. President, this month's American Federationist magazine contains an article by the distinguished senior Senator from Oregon [Mr. MORSE] entitled, "This Problem Can't Wait." The problem which cannot wait is that of raising the minimum wage to enable all of our citizens to make an equal adjustment to rising costs of living and the pressures of inflation.

I have the privilege of being a cosponsor with the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. MORSE], and several other colleagues of S. 1046, a bill which would raise the minimum wage to $1.25 an hour, and extend its coverage. This bill would bring the Fair Labor Standards Act in line with the present day cost of living and the general standard of wages in the country.

I request unanimous consent that Senator MORSE's very cogent and pertinent article on this minimum wage question be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE WAGE-HOUR ISSUE: THIS PROBLEM CAN'T WAIT

(By Hon. WAYNE MORSE, U.S. Senator from Oregon)

On February 16 I had the privilege of joining with Senator JOHN F. KENNEDY, of Massachusetts, in introducing S. 1046, a bill which would raise the minimum wage to $1.25 an hour and greatly extend the coverage of the act to employees not now covered.

There is at present a process in our social and economic life which bodes ill for the future of our great country, a gradual development among American wage-earners of a permanent depressed class numbering hundreds of thousands who have little realistic hope of keeping pace with the majority or of attaining what we like to consider a typical American way of life.

This development has been under way for nearly a decade. It has proceeded in boom times and in recessions alike. It is virtually unaffected by the rise and fall of employment or by the progress of organized labor at the bargaining table. It is unrecognized by most of our countrymen. Yet, unless it is checked, it can have the most profound impact upon our society.

This depressed class consists of American citizens whose earnings are keyed to the Federal minimum wage and a substantial fraction of the 20 million other workers who are wholly devoid of wage-hour protection because of exceptions now provided by law.

These are employees who, if covered by the Fair Labor Standards Act, earn $1 an hour or a few cents more and, if not covered, may earn as little as 50 cents an hour, with no premium for overtime.

Bear in mind that these are employed workers performing useful, indeed indispensable, functions in a wide range of business, industrial, and commercial enterprises. They are employed, but no matter how long and hard they toil, they cannot earn enough to meet a basic minimum standard of food, shelter, clothing, and medical care.

Congress long ago decided that such a state of affairs was contrary to the national interest. The original Fair Labor Standards Act, which became law in 1938, pledged to correct and as rapidly as possible to eliminate conditions of employment detrimental to the minimum standard of living necessary for health, efficiency and general well-being of workers. The policy is clear enough; so, unfortunately, is our failure to carry it out.

It is an astonishing and tragic fact that the law is farther away from fulfilling its objectives today than it was 21 years ago. The minimum wage itself is less adequate, and a greater proportion of the working force is denied protection.

A few figures are illuminating.

The 1938 act set the minimum hourly wage at 25 cents, with a raise to 30 cents mandatory after a year and with a further increase to 40 cents provided through the operation of industry committees. At that time the average hourly wage in American industry as a whole was 63 cents.

Today the legal minimum is $1 an hour—but the industrial average is $2.19. A difference of 38 cents has become a difference of $1.19.

Equally startling is the record since the minimum of 75 cents an hour was established in 1950. At that time the average industrial wage was $1.38. The average has climbed 81 cents and is still rising; the minimum has gone up only 25 cents.

Even in the 3 years since the $1 minimum took effect, the average has gone up 30 cents.

And wages are only a part of the story. Paid vacations and paid holidays, pensions to supplement social security, sickness and accident benefits, medical and hospital insurance, supplementary unemployment benefits and many other socially desirable terms have become typical fringe benefits for many industrial employees.

Though the general public undoubtedly thinks otherwise, these terms are far from universal. To the depressed class of workers they are almost unknown.

Numerous studies of low-wage occupations, whether or not they are now covered by the law, have shown that the progress of the higher paid, organized workers does not trickle down to the rest. Let me note, in passing, that the reverse is also true. Since the very beginning, increases in the Federal minimum have had little direct impact on wages substantially above the minimum.

Moreover, the gulf between the lowest paid workers and others will continue to grow unless a remedy is found. Millions of workers are now covered by cost-of-living and

improvement factor clauses, assuring them of regular wage increases even when basic contracts remain unchanged.

Thus the depressed class is not merely a low-paid group. It has assumed a distinct identity as a class increasingly isolated from the great mass of wage earners, a class that is denied the voice, the power and the progress of other American workers, a class condemned to poverty.

The penalties imposed upon these workers are not merely relative. The present minimum wage is simply not enough to meet minimum human needs. According to a Department of Labor study, a family of four requires an income of at least $2.25 an hour. Other studies have estimated the minimum living costs of a single person at nearly $3,000 a year, or nearly $1.50 an hour. At best, members of the depressed class are 33⅓ percent below a living wage.

Let me cite a truly ironical fact. In many cities the employed head of a family of four, who earns $1 an hour, would be better off if he quit his job and went on home relief—because home relief budgets for families of this size, even though they are designed simply to ward off starvation, frequently call for more than $2,000 a year.

I have referred only briefly to the question of wage-hour coverage, but this is of at least equal importance. The price of the 75-cent minimum in 1950 was a reduction in the number of workers protected by the law. Among those wholly excluded are workers in the retail and service trades, whose numbers are relatively greater with each passing year.

What does all this mean to the rest of us? In the narrowest and most selfish terms, it means money.

Poverty below the subsistence level, as we all should know by now, is quickly translated into slums, delinquency, and disease—and, therefore, into higher taxes to curb these evils.

Moreover, our national economic health is at stake. An expanding national economy, one that will absorb both the present unemployed and the 700,000 or so new workers who enter the labor market annually, can be achieved only if we have the ability to consume what we produce. We can't reach that goal while millions of our citizens are unable to afford even the bare necessities.

Our recovery from last year's recession is an apt example. All the economic signs were favorable toward the end of 1958. There was clearly a pentup demand for goods of all kinds; inventories were depleted; the shakeout had apparently run its course.

But in a matter of months the much-heralded revival had lost headway. Production soared, but sales lagged behind. Employment fell off. Inventories began to grow again. There weren't enough customers with money to buy what they wanted and needed.

We in the United States have never sought to bring about economic equality among our people. We picture our country as a land of opportunity, in which each of us can reasonably expect to prosper in proportion to his diligence and skill.

To be sure, we have not fully realized this goal, but for the most part, until recent years, we have recognized our shortcomings and tried to correct them. The Fair Labor Standards Act itself is an example.

Unless we continue on this course, unless we strive ceaselessly to make this a land of opportunity for all, we make a mockery of our own pretensions and place a heavy burden on our conscience as a people.

What do we propose?

First, we propose to raise the minimum hourly wage to $1.25—a modest step when it is considered that industrial wages as a whole have gone up 30 cents an hour since the $1 minimum was instituted.

Second, we propose to extend the coverage of the law to some 7,500,000 additional workers, most of them in the retail and service trades, with lesser numbers in a dozen other fields. This, too, is modest enough. It would leave more than 12 million workers still unprotected.

What possible objections can be raised against these proposals? Knowing the opposition as I do, I predict there will be three principal points of attack. One will come from the self-appointed "defenders of small business," who are in reality lobbyists for the huge chain and department stores. They will be raising a wholly untenable argument.

Our bill would apply to retail establishments with gross annual sales of $500,000 or more. These include only 3 percent of the Nation's retail enterprises, yet these 3 percent employ more than half the Nation's retail workers. The other 97 percent, the bona fide small businesses, would not be involved.

These big operations can certainly afford a $1.25 minimum and a 40-hour week. But surveys have shown that in practice they pay more of their workers less than $1 an hour than do the single-owner stores. By forcing the huge chains to met fair labor standards and by increasing the purchasing power of the lowest paid, we will help small businessmen, not hurt them.

Another equally specious argument will undoubtedly be raised by the Eisenhower administration—that our bill will be inflationary. But studies by the Department of Labor after each previous increase in the minimum wage have proved that this is simply not true. There has been no significant effect upon either prices or wages, and there is no reason to expect a different result this time.

Finally, the diehard opposition from low-wage States and low-wage industries will raise the tattered banner of local autonomy. They will claim that minimum wage regulation in retail and service industries should be left in State hands. But the record shows that the need is greatest in those very States where no action will ever be taken. The few effective wage-hour laws at the State level are in the States where wages are already higher than average and where union organization is strongest.

I hope that this year Congress will not be deterred by these baseless objections.

The problem confronting us is both grave and urgent. It must be met promptly and firmly if we are to maintain a sound economy, a good conscience, and the cause of democracy throughout the world.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 4, 1959

The House met at 12 o'clock noon.

Rev. Wm. Kenneth Lyons, minister, Anacostia Methodist Church, Washington, D.C., offered the following prayer:

I love the Lord, because He hath heard my voice and my supplications.—Psalm 116: 1.

Our Heavenly Father, we thank Thee for this new day, with its privileges and opportunities. May we in gratitude for Thy love and mercy, serve Thee today with sincere hearts. Give us grace to do Thy will, and to accept Thy purposes for us in the spirit of joyful obedience, believing that Thy will is always best.

Keep our hearts from sin, our minds pure, and our motives true. Forgive us when we fail. Whether the day brings prosperity or loss, sunshine or shadow, blessings or bereavement, may our faith remain firm, our love unfailing, our hope undaunted. Through us today may mankind be blessed, and the coming of Thy Kingdom hastened, for His name's sake. Amen.

The Journal of the proceedings of Thursday, April 30, 1959, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill and a concurrent resolution of the House of the following titles:

H.R. 3293. An act to authorize the construction of modern naval vessels.

H. Con. Res. 34. Concurrent resolution favoring the meeting of the North Atlantic Treaty Parliamentary Conference for 1959 in Washington, D.C.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 5916. An act making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. RUSSELL, Mr. CHAVEZ, Mr. ELLENDER, Mr. HILL, Mr. MAGNUSON, Mr. PASTORE, Mr. BRIDGES, Mr. SALTONSTALL, Mr. YOUNG of North Dakota, and Mr. MUNDT to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 455. The act to provide for the appointment of an assistant to the Secretary of State to assure joint policy and planning and equitable budgeting of exchange of persons, programs, and administrative cooperation between staffs engaged in carrying out such programs;

S. 753. An act to authorize cooperative associations of milk producers to bargain with purchasers singly or in groups, and for other purposes;

S. 994. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Spokane Valley project, Washington and Idaho, under Federal reclamation laws; and

S. 1289. An act to increase and extend the special milk program for children.

POLISH CONSTITUTION DAY

Mr. ROONEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Speaker, yesterday, May 3, marked the 168th anniversary of the adoption of the Polish constitution, one of the most remarkable

documents known to Western civilization. In its aspirations for cementing a nation of free people, it compares favorably with our great Declaration of Independence. Its structure closely followed our own form of representative government as initiated by our Founding Fathers.

The Soviet Iron Curtain has never been able to dim the ardor of the Polish people for freedom and independence. They have long now endured unbearable physical and mental suffering. However, their ordeals have strengthened the moral fiber of the Polish people and have increased their determination to help themselves at the earliest opportunity to regain their freedom. We should all have an abiding respect for those resolute men and women who displayed such courage and fortitude in the face of tremendous odds and the most brutal reprisals by the Soviet tyrants.

A passion for liberty denied them in their homeland resulted in the migration of many Poles to our shores. Poland's loss was our gain as they came here endowed with a high purpose of patriotism. They helped cultivate our soil, developed our coal and iron mines, and made tremendous contributions in all fields to the expansion of our industry. They greatly contributed to the spiritual and religious growth of our country.

The 168th anniversary of the Polish constitution is an appropriate occasion for all of us to express appreciation to all Americans of Polish birth or descent for their contributions in the defense and development of our great country. It is my fervent hope that the day may soon come when Poland will have a rebirth of freedom under the type of constitution whose establishment is now being commemorated.

CONFIDENCE IN SECRETARY HERTER

Mr. REUSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, Secretary of State Herter deserves the widest support from the Congress and the President for the beginning he has made at Paris. He has achieved unity among the West—Great Britain, France, West Germany, and ourselves.

And this unity has produced a negotiating position that recognizes the two fundamental elements in a viable Central European settlement: That Communist troops and armaments must be limited in the area if it is to evolve toward freedom; and that Western, and particularly West German, troops and armaments must likewise be limited in the area if Russia's legitimate security interests are to be recognized.

If, as appears to be the case, these two fundamentals are the essence of the West's position, we have at last disengaged ourselves from the idea that world opinion will let us merely say no to every Soviet proposal without advancing a constructive proposal of our own.

This disengagement makes the best of sense. Our diplomacy can be firm without being sterile.

When Secretary Herter goes to Geneva, our full confidence should go with him.

NATIONAL RADIO MONTH

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RABAUT. Mr. Speaker, it would be hard to find a public service privately financed and administered more vital to the local and the national interest than radio. It is because of this complete integration of radio in the lives of the American people that I wish to be recorded as a devoted believer in the designation of May as National Radio Month. We in the Congress have of course an acute awareness of the now indispensable service that radio performs for the people on behalf of government. Radio is without the shadow of a doubt, the most powerful bulwark to democracy since printing. It is bringing the spoken word to 66 milion Americans every day, over more than 3,900 AM and FM stations. It means that government and news, educaton and entertainment, and enlightened salesmanship and advertising are within easy and pleasant earshot of 97 percent of all American homes. These enjoy a total of no less than 150 million radio sets. This is to say nothing of the radios in 38 million automobiles. There is the incalculable life and treasure saving performance, on the heroic scale, that is now the daily self-accepted duty of radio, warning us of disasters, helping us when catastrophe strikes. It is in one sense the very heartbeat of our system of defense. Like few other services I can call to mind the work of radio in the public interest makes it the champion of the people's needs and desires and earns it our very special gratitude and applause. I take pride in saluting the radio industry in this National Radio Month.

HAS SECRETARY OF DEFENSE McELROY CHANGED HIS MIND ABOUT THE ADEQUACY OF THE 1960 MILITARY BUDGET?

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Speaker, no member of the Eisenhower administration has been more eloquent in defending the adequacy of the 1960 defense budget than has Secretary of Defense Neil McElroy.

In testimony before the Committee on Armed Services of the House and other committees of this Congress Secretary McElroy has repeatedly said that even though the Russians may be outproducing us in guided missiles, we still do not have to worry about matching their production item for item in 1960.

I was amazed then to find that on April 27, in an address before the Bureau of Advertising of the American Newspaper Publishers' Association dinner in New York City he declared that the Soviets may be increasing their military spending by as much as 50 percent over the next 7 years, and that such action would force us in this country to match the Soviets or even better them in the field of military production. This situation, said the Secretary, would confront the Nation with one of the hard choices which we may soon have to make.

I wonder if this speech means that the Secretary has changed his thinking about the adequacy of the 1960 military budget? It certainly looks that way. It does seem to me that at the very least Secretary McElroy owes it to the Congress to come back here and tell us whether he has changed his thinking. If, as he says, we are going to have to face up to some hard choices with regard to our military strength because of increased Soviet productive capacity, then perhaps we in Congress ought to start thinking about those hard choices now rather than waiting until later on. I think the speech of the Secretary deserves the conscientious consideration of every Member of this body, and I am asking that it be inserted in the RECORD.

MILITARY ACADEMY APPOINTMENTS

Mr. SCHENCK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include a copy of a letter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SCHENCK. Mr. Speaker, on Thursday of last week, I had occasion to call the attention of my colleagues here in the House to a letter I received from the Adjutant General of the Army stating that preliminary physical examinations for West Point applicants would be discontinued. You recall that I objected strongly to the notice and wrote the Adjutant General to give my reasons for opposing such a change in the examining procedures.

I thought that those of you who agreed with my position would like to see the reply I received from the Adjutant General and am making it a part of these remarks. It is most gratifying to learn that the Department of the Army has no objection to permitting the Members of Congress to continue to use the service medical facilities to test the physical fitness of their applicants.

The letter follows:

HEADQUARTERS,
DEPARTMENT OF THE ARMY,
OFFICE OF THE ADJUTANT GENERAL,
Washington, D.C., April 30, 1959.

Hon. PAUL F. SCHENCK,
House of Representatives.

DEAR MR. SCHENCK: This is in reply to your letter of April 22 concerning medical examinations for your West Point applicants.

It is not the intent of the Department of the Army to refuse or otherwise deny a preliminary medical examination to any young man seeking a congressional nomination to the U.S. Military Academy.

The matter of preliminary testing, whether it be mental or medical, is the prerogative of the nominating authority. If you prefer to authorize a preliminary medical examination at Wright-Patterson Air Force Base in advance of nomination, you are entirely at liberty to do so.

In appreciation of your interest, and in the hope that you will find this reply satisfactory, I am,

Sincerely yours,

R. V. LEE,
Major General, U.S. Army, the Adjutant General.

CALL OF THE PRIVATE CALENDAR

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the call of the Private Calendar on tomorrow be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDING THE RAILROAD RETIREMENT ACT OF 1937, THE RAILROAD RETIREMENT TAX ACT, AND THE RAILROAD UNEMPLOYMENT INSURANCE ACT

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the proceedings whereby the bill H.R. 5610 was laid on the table, the amendment agreed to, the bill engrossed and read a third time, and passed, be vacated for the purpose of offering an amendment.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. BENNETT of Michigan. Reserving the right to object, Mr. Speaker, will the chairman of our committee explain the purpose of this request?

Mr. HARRIS. The purpose of this unanimous consent request is that the bill H.R. 5610 be reconsidered, after the vacating of the proceedings of the House of last week in connection therewith, for the purpose of agreeing to an amendment.

Mr. BENNETT of Michigan. I withdraw my reservation of objection, Mr. Speaker.

Mr. AVERY. Mr. Speaker, reserving the right to object, I do so to remind the House of the recommendation of my distinguished chairman and the majority of the members of the committee the other day. It certainly was not in the public interest to approve a bill in the House of Representatives that nobody had read. That is exactly what we did. We were urged, as I recall, to accept a bill on faith with a very brief explanation of what were to be five major amendments to a bill, and they were never fully explained. Notwithstanding what happened, the House took its course of action which they deemed to be in the public interest. Here we are back in this situation today. Although I feel certainly inclined to object, I am not going to object, but I hope after this the House will at least have the consideration to accept the recommendation of its legislative committee rather than adopt a measure that they have not even had a chance to read.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. HARRIS]?

There was no objection.

Mr. HARRIS. Mr. Speaker, I move to strike out all after the enacting clause and insert an amendment, which I send to the Clerk's desk.

The SPEAKER. The Clerk will report the amendment.

CALL OF THE HOUSE

Mr. CURTIS of Missouri. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 36]

Adair	Dulski	Moeller
Addonizio	Durham	Moore
Andersen, Minn.	Dwyer	Morgan
Anderson, Mont.	Fallon	Multer
Aspinall	Farbstein	Mumma
Barrett	Fino	Murphy
Bass, N.H.	Flynn	Nix
Belcher	Fogarty	Norblad
Blitch	Gallagher	Philbin
Boggs	Gavin	Pillion
Bolton	Giaimo	Powell
Bonner	Glenn	Prokop
Bow	Hall	Reece, Tenn.
Bowles	Halleck	Rivers, S.C.
Boyle	Healey	Rodino
Brewster	Hess	Rogers, Tex.
Buckley	Hoffman, Ill.	Roosevelt
Bush	Hosmer	Rostenkowski
Cahill	Irwin	St. George
Carnahan	Jennings	Santangelo
Carter	Judd	Scherer
Celler	Kearns	Taylor
Coad	Kilgore	Teller
Colmer	Lafore	Thompson, N.J.
Cook	Libonati	Thomson, Wyo.
Cooley	Lipscomb	Thornberry
Corbett	McGovern	Toll
Daniels	McMillan	Tuck
Davis, Tenn.	McSween	Vanik
Denton	Macdonald	Watts
Diggs	Madden	Weaver
Dixon	Merrow	Williams
Dooley	Michel	Withrow
Dorn, N.Y.	Miller,	Wolf
Downing	Clement W.	Zablocki
	Miller, N.Y.	Zelenko
	Minshall	

The SPEAKER. On this rollcall 301 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDMENTS TO THE RAILROAD RETIREMENT ACT OF 1937, THE RAILROAD RETIREMENT TAX ACT, AND THE RAILROAD UNEMPLOYMENT INSURANCE ACT

The SPEAKER. The Clerk will read the amendment.

The Clerk read as follows:

Strike out all after the enacting clause and insert the following:

"PART I—AMENDMENTS TO THE RAILROAD RETIREMENT ACT OF 1937

"SECTION 1. (a) Section 2(a)3 of the Railroad Retirement Act of 1937 is amended to read as follows:

" '3. Individuals who will have attained the age of sixty and will have completed thirty years of service or, in the case of women, who will have attained the age of sixty-two and will have completed less than thirty years of service, but the annuity of such individual shall be reduced by one one-hundred-and-eightieth for each calendar month that he or she is under age sixty-five when the annuity begins to accrue.'

"(b) Section 2(d) of such Act is amended by adding at the end thereof the following new sentence: 'If pursuant to the third sentence of this subsection an annuity was not paid to an individual with respect to one or more months in any calendar year, and it is subsequently established that the total amount of such individual's earnings during such year as determined in accordance with that sentence (but exclusive of earnings for services described in the first sentence of this subsection) did not exceed $1,200, the annuity with respect to such month or months, and any deduction imposed by reason of the failure to report earnings for such month or months under the fifth sentence of this subsection, shall then be payable. If the total amount of such individual's earnings during such year (exclusive of earnings for services described in the first sentence of this subsection) is in excess of $1,200, the number of months in such year with respect to which an annuity is not payable by reason for such third and fifth sentences shall not exceed one month for each $100 of such excess, treating for the last $50 or more of such excess as $100; and if the amount of the annuity has changed during such year, any payments of annuity which become payable solely by reason of the limitation contained in this sentence shall be made first with respect to the month or months for which the annuity is larger.'

"(c) Section 2(e) of such Act is amended by striking out 'than an amount' and inserting in lieu thereof 'than 110 per centum of an amount'.

"(d) Section 2(g) of such Act is amended by inserting after 'wife under age 65' the following: 'other than a wife who is receiving such annuity by reason of an election under subsection (h))'.

"(e) Section 2 of such Act is further amended by adding at the end thereof the following new subsection:

" '(h) A spouse who would be entitled to an annuity under subsection (e) if she or he had attained the age of 65 may elect upon or after attaining the age of 62 to receive such annuity, but the annuity in any such case shall be reduced by one one-hundred-and-eightieth for each calendar month that the spouse is under age 65 when the annuity begins to accrue.'

"SEC. 2. (a) Section 3(a) of the Railroad Retirement Act of 1937 is amended (1) by striking out '3.04', '2.28', and '1.52' and inserting in lieu thereof '3.35', '2.51', and '1.67', respectively; and (2) by striking out '$200' and inserting in lieu thereof '$250'.

"(b) Section 3(c) of such Act is amended by inserting after 'or in excess of $350 for any month after June 30, 1954,' the following: 'and before the calendar month next following the month in which this Act was amended in 1959, or in excess of $400 for any month after the month in which this Act was so amended,'.

"(c) Section 3(e) of such Act is amended (1) by striking out '$4.55', '$75.90', and 'his monthly compensation' and inserting in lieu thereof '$5.00', '$83.50' and '110 per centum of his monthly compensation', respectively; (2) by striking out 'is less than the amount, or the additional amount' and inserting in lieu thereof 'is less than 110 per centum of the amount, or 110 per centum of the additional amount'; (3) by inserting after 'age sixty-five,' the following: 'women entitled to spouses' annuities pursuant to elections made under subsection (h) of section 2 to be entitled to wife's insurance benefits determined under section 202(q) of the Social Security Act,'; and (4) by striking out 'such amount or such additional amount' and inserting in lieu thereof '110 per centum of such amount or 110 per centum of such additional amount'.

"SEC. 3. (a) Section 5(f)(2) of the Railroad Retirement Act of 1937 is amended by striking out 'and 7 per centum of his or her compensation after December 31, 1946 (exclusive in both cases of compensation in excess of $300 for any month before July 1, 1954, and in the latter case in excess of $350 for any month after June 30, 1954),' and by inserting in lieu thereof the following: 'plus 7 per centum of his or her compensation paid after December 31, 1946, and before January 1, 1959, plus 7½ per centum of his or her compensation paid after December 31, 1958, and before January 1, 1962, plus 8 per centum of his or her compensation paid after December 31, 1961 (exclusive of compensation in excess of $300 for any month before July 1, 1954, and in excess of $350 for any month after June 30, 1954, and before the calendar month next following the month in which this Act was amended in 1959, and in excess of $400 for any month after the month in which this Act was so amended),'.

"(b) Section 5(h) of such Act is amended by striking out '$33', '$176', and '$15.40' wherever they appear and inserting in lieu thereof '$36.30', '$193.60', and '$16.95', respectively.

"(c) Section 5(i)(1)(ii) of such Act is amended by striking out 'or in which month he engaged on seven or more different calendar days in noncovered remunerative activity outside the United States (as defined in section 203(k) of the Social Security Act)' and inserting in lieu thereof the following: 'or, having engaged in any activity outside the United States, would be charged under such section 203(e) with any earnings derived from such activity if it had been an activity within the United States'.

"(d) Clause (A)(i) of section 5(l)(9) of such Act is amended by striking out the word 'and' appearing after 'July 1, 1954,' and by inserting after 'June 30, 1954,' the following: 'and before the calendar month next following the month in which this Act was amended in 1959, and any excess over $400 for any calendar month after the month in which this Act was so amended,'.

"(e) Clause (A)(ii) of section 5(l)(9) of such Act is amended (1) by serting 'and before 1959' after '1954' where it first appears; (2) by inserting after '$4,200' where it first appears the following: ', or for any calendar year after 1958 is less than $4,800,'; (3) by striking out '$350' and inserting in lieu thereof '$400'; and (4) by striking out 'and $4,200 for years after 1954, by' and inserting in lieu thereof the following: ', $4,200 for years after 1954 and before 1959, and $4,800 for years after 1958, by'.

"(f) Section 5(l)(10) of such Act is amended by striking out '44', '11', '$350', '$15.40', '$36.66', '$27.50', and '$14.66' wherever they appear and inserting in lieu thereof '49', '12', '$400', '$16.95', '$40.33', '$30.25', and '$16.13, respectively.

"SEC. 4. Section 20 of the Railroad Retirement Act of 1937 is amended (1) by inserting '(a)' immediately after 'SEC. 20.'; and (2) by adding at the end thereof the following new subsection:

"'(b) Pensions and annuities under this Act or the Railroad Retirement Act of 1935 shall not be considered as income for the purposes of section 522 of title 38 of the United States Code.'

"SEC. 5. All pensions under section 6 of the Railroad Retirement Act of 1937, all joint and survivor annuities and survivor annuities deriving from joint and survivor annuities under that Act awarded before the month next following the month of enactment of this Act, all widows' and widowers' insurance annuities which began to accrue before the second calendar month next following the month of such enactment, and which, in accordance with the proviso in section 5(a) or section 5(b) of the Railroad Retirement Act of 1937, are payable in the amount of the spouse's annuity to which the widow or widower was entitled, and all annuities under the Railroad Retirement Act of 1935, are increased by 10 per centum.

"SEC. 6. (a) The amendments made by section 1 (other than subsection (b) thereof), by subsections (a) and (c) of section 2, and by subsection (b) of section 3 shall be effective only with respect to annuities (not including annuities to which section 5 applies) accruing for months after the month of enactment of this Act. The amendment made by subsection (b) of section 1 and by subsection (c) of section 3 shall be effective with respect to annuities accruing during the calendar year 1959 and subsequent calendar years. The amendment made by subsection (a) of section 3 shall be effective only with respect to lump-sum payments (under section 5(f)(2) of the Railroad Retirement Act of 1937) in the case of deaths occurring after the month of enactment of this Act. The amendments made by subsection (f) of section 3 shall be effective only with respect to annuities accruing for months after the month of enactment of this Act and lump-sum payments (under section 5(f)(1) of the Railroad Retirement Act of 1937) in the case of deaths occurring after the month of enactment of this Act. Sections 4 and 5 shall be effective only with respect to pensions due in calendar months after the month next following the month of enactment of this Act and annuities accruing for months after the month of enactment of this Act.

"(b) All recertifications required by reason of the amendments made by this part shall be made by the Railroad Retirement Board without application therefor.

"PART II—AMENDMENTS TO THE RAILROAD RETIREMENT TAX ACT

"SEC. 201. (a) Section 3201 of the Railroad Retirement Tax Act is amended to read as follows:

"'SEC. 3201. RATE OF TAX.

"'In addition to other taxes, there is hereby imposed on the income of every employee a tax equal to—

"'(1) 6¾ percent of so much of the compensation paid to such employee for services rendered by him after the month in which this provision was amended in 1959, and before January 1, 1962, and

"'(2) 7¼ percent of so much of the compensation paid to such employee for services rendered by him after December 31, 1961,

as is not in excess of $400 for any calendar month: *Provided,* That the rate of tax imposed by this section shall be increased, with respect to compensation paid for services rendered after December 31, 1964, by a number of percentage points (including fractional points) equal at any given time to the number of percentage points (including fractional points) by which the rate of the tax imposed with respect to wages by section 3101 at such time exceeds the rate provided by paragraph (2) of such section 3101 as amended by the Social Security Amendments of 1956.'

"(b) Section 3202(a) of the Railroad Retirement Tax Act is amended (1) by striking out 'after December 31, 1954' wherever it appears and inserting in lieu thereof 'after the month in which this provision was amended in 1959'; (2) by striking out '$350' wherever it appears and inserting in lieu thereof '$400'; (3) by striking out 'after 1954' and inserting in lieu thereof 'after the month in which this provision was amended in 1959'.

"(c) Section 3211 of the Railroad Retirement Tax Act is amended to read as follows:

"'SEC. 3211. RATE OF TAX.

"'In addition to other taxes, there is hereby imposed on the income of each employee representative a tax equal to—

"'(1) 13½ percent of so much of the compensation paid to such employee representative for services rendered by him after the month in which this provision was amended in 1959, and before January 1, 1962, and

"'(2) 14½ percent of so much of the compensation paid to such employee representative for services rendered by him after December 31, 1961,

as is not in excess of $400 for any calendar month: *Provided,* That the rate of tax imposed by this section shall be increased, with respect to compensation paid for services rendered after December 31, 1964, by a number of percentage points (including fractional points) equal at any given time to twice the number of percentage points (including fractional points) by which the rate of the tax imposed with respect to wages by section 3101 at such time exceeds the rate provided by paragraph (2) of such section 3101 as amended by the Social Security Amendments of 1956.'

"(d) (1) Section 3221 of the Railroad Retirement Tax Act is amended by striking out 'In addition to' and all that follows down through '$350' the first time it appears, and inserting in lieu thereof the following:

"'(a) In addition to other taxes, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to—

"'(1) 6¾ percent of so much of the compensation paid by such employer for services rendered to him after the month in which this provision was amended in 1959, and before January 1, 1962, and

"'(2) 7¼ percent of so much of the compensation paid by such employer for services rendered to him after December 31, 1961,

as is, with respect to any employee for any calendar month, not in excess of $400'.

"(2) Such section 3221 is further amended (A) by striking out 'after December 31, 1954' and 'after 1954' wherever they appear in that section and inserting in lieu thereof 'after the month in which this provision was amended in 1959'; (B) by striking out '$350' wherever else it appears in that section and inserting in lieu thereof '$400'; and (C) by adding at the end thereof the following new subsection:

"'(b) The rate of tax imposed by subsection (a) shall be increased, with respect to compensation paid for services rendered after December 31, 1964, by a number of percentage points (including fractional points) equal at any given time to the number of

percentage points (including fractional points) by which the rate of the tax imposed with respect to wages by section 3111 at such time exceeds the rate provided by paragraph (2) of such section 3111 as amended by the Social Security Amendments of 1956.'

"SEC. 202. The amendments made by section 201 shall, except as otherwise provided in such amendments, be effective as of the first day of the calendar month next following the month in which this Act was enacted, and shall apply only with respect to compensation paid after the month of such enactment, for services rendered after such month of enactment.

"PART III—AMENDMENTS TO THE RAILROAD UNEMPLOYMENT INSURANCE ACT

"SEC. 301. (a) Section 1(i) of the Railroad Unemployment Insurance Act is amended by striking out the proviso in the first sentence and inserting in lieu thereof ': *Provided, however,* That in computing the compensation paid to any employee, no part of any month's compensation in excess of $300 for any month before July 1, 1954, or in excess of $350 for any month after June 30, 1954, and before the calendar month next following the month in which this Act was amended in 1959, or in excess of $400 for any month after the month in which this Act was so amended, shall be recognized'.

"'(b) The first proviso of section 1(k) of the Railroad Unemployment Insurance Act is amended by striking out "$400" and inserting in lieu thereof "$500".'

"SEC. 302. (a) Section 2(a) of the Railroad Unemployment Insurance Act is amended by striking out the language between '(i)' and '(ii)' and inserting in lieu thereof the following: 'for each day of unemployment in excess of four during any registration period, and'.

"(b) Section 2(a) of such Act is further amended by striking out columns I and II and inserting in lieu thereof the following:

"'Column I Total Compensation	Column II Daily Benefit Rate
$500 to $699.99	$4.50
700 to 999.99	5.00
1,000 to 1,299.99	5.50
1,300 to 1,599.99	6.00
1,600 to 1,899.99	6.50
1,900 to 2,199.99	7.00
2,200 to 2,499.99	7.50
2,500 to 2,799.99	8.00
2,800 to 3,099.99	8.50
3,100 to 3,499.99	9.00
3,500 to 3,999.99	9.50
4,000 and over	10.20'.

"(c) The proviso in such section 2(a) is amended by striking out '50' and '$8.50' and inserting in lieu thereof '60' and '$10.20', respectively.

"SEC. 303 (a) Section 2(c) of the Railroad Unemployment Insurance Act is amended by striking out the period at the end thereof and instreing in lieu of such period a colon and the following: *'And provided further,* That, with respect to an employee who has ten or more years of service as defined in section 1(f) of the Railroad Retirement Act of 1937, who did not voluntarily leave work without good cause or voluntarily retire, and who had current rights to normal benefits for days of unemployment in a benefit year but has exhausted such rights, the benefit year in which such rights are exhausted shall be deemed not to be ended until the last day of the extended benefit period determined under the following schedule, and the maximum number of days of, and amount of payment for, unemployment within such benefit year for which benefits may be paid to the employee shall be enlarged to include all compensable days of unemployment within such extended benefit period:

"'If the employee's "years of service" total—	The extended benefit period shall begin on the first day of unemployment following the day on which the employee exhausted his then current rights to normal benefits for days of unemployment and shall continue for successive fourteen-day periods (each of which periods shall constitute a registration period) until the number of such fourteen-day periods totals—
10 and less than 15	7 but not more than 65 days)
15 and over	13

but not such extended benefit period shall extend beyond the beginning of the first registration period in a benefit year in which the employee is again qualified for benefits in accordance with section 3 of this Act on the basis of compensation earned after the first of such successive fourteen-day periods has begun. For an employee who has ten or more years of service, who did not voluntarily leave work without good cause or voluntarily retire, who has fourteen or more consecutive days of unemployment, and who is not a "qualified employee" for the general benefit year current when such unemployment commences but is or becomes a "qualified employee" for the next succeeding general benefit year, such succeeding benefit year shall, in his case, begin on the first day of the month in which such unemployment commences.'

"(b) An employee who has less than ten years of service as defined in section 1(f) of the Railroad Retirement Act of 1937, and who has after June 30, 1957, and before April 1, 1959, exhausted (within the meaning prescribed by the Railroad Retirement Board by regulation) his rights to unemployment benefits, shall be paid unemployment benefits for days of unemployment, not exceeding sixty-five, which occur in registration periods beginning on or after June 19, 1958, and before July 1, 1959, and which would not be days with respect to which he would be held entitled otherwise to receive unemployment benefits nnder the Railroad Unemployment Insurance Act, except that an employee who has filed, and established, a first claim for benefits under the Temporary Unemployment Compensation Act of 1958 may not thereafter establish a claim under this subsection, and employee who has registered for, and established a claim for benefits under this subsection may not thereafter establish a claim under the Temporary Unemployment Compensation Act of 1958. Except to the extent inconsistent with this subsection, the provisions of the Railroad Unemployment Insurance Act shall be applicable in the administration of this subsection.

"(c) The Secretary of Labor, upon request, shall furnish the Board information deemed necessary by the Board for the administration of the provisions of subsection (b) hereof, and the Board, upon request, shall furnish the Secretary of Labor information deemed necessary by the Secretary for the administration of the Temporary Unemployment Compensation Act of 1958.

"SEC. 304. Section 3 of the Railroad Unemployment Insurance Act is amended by striking out '$400' and inserting in lieu thereof '$500'.

"SEC. 305. Section 4 (a-2) of the Railroad Unmployment Insurance Act is amended by striking out subdivision (iv), and by striking out the semicolon at the end of subdivision (iii) and inserting in lieu thereof a period.

"SEC. 306. Section 8 (a) of the Railroad Unemployment Insurance Act is amended (1) by inserting after 'June 30, 1954' where it first appears the following: ', and before the calendar month next following the month in which this Act was amended in 1959, and is not in excess of $400 for any calendar month paid by him to any employee for services rendered to him after the month in which this Act was so amended'; (2) by inserting after 'June 30, 1954' where it appears for the second time the following: ', and before the calendar month next following the month in which this Act was amended in 1959, and to not more than $400 for any month after the month in which this Act was so amended'; (3) by inserting after 'June 30, 1954' where it appears for the third time the following: ', and before the calendar month next following the month in which this Act was amended in 1959, or less than $400 if such month is after the month in which this Act was so amended'; (4) by striking out 'December 31, 1947' in paragraph 2 and inserting in lieu thereof 'the month in which this Act was amended in 1959'; and (5) by striking out the table (except the column headings) in such paragraph 2 and inserting in lieu thereof the following:

	Percent
'$450,000,000 or more	1½
$400,000,000 or more but less than $450,000,000	2
$350,000,000 or more but less than $400,000,000	2½
$300,000,000 or more but less than $350,000,000	3
Less than $300,000,000	3¾'.

"SEC. 307. Section 8(b) of the Railroad Unemployment Insurance Act is amended (1) by striking out '3 per centum' and inserting in lieu thereof '3¾ per centum'; and (2) by inserting before the period at the end of the first sentence the following: ', and before the calendar month next following the month in which this Act was amended in 1959, and as is not in excess of $400 paid to him for services rendered as an employee representative in any calendar month after the month in which this Act was so amended'.

"SEC. 308. (a) Subsection (d) of section 10 of the Railroad Unemployment Insurance Act be amended to read as follows:

"'(d) Whenever the Board finds at any time that the balance in the railroad unemployment insurance account will be insufficient to pay the benefits and refunds which it estimates are due, or will become due, under this Act, it shall request the Secretary of the Treasury to transfer from the Railroad Retirement Account to the credit of the railroad unemployment insurance account such moneys as the Board estimates would be necessary for the payment of such benefits and refunds, and the Secretary shall make such transfer. Whenever the Board finds that the balance in the railroad unemployment insurance account, without regard to the amounts transferred pursuant to the next preceding sentence, is sufficient to pay such benefits and refunds, it shall request the Secretary of the Treasury to retransfer from the railroad unemployment insurance account to the credit of the Railroad Retirement Account such moneys as in its judgment are not needed for the payment of such benefits and refunds, plus interest at the rate of 3 per centum per anum, and the Secretary shall make such retransfer. In determining the balance in the railroad unemployment

insurance account as of September 30 of any year pursuant to section 8(a) of this Act, any moneys transferred from the Railroad Retirement Account to the credit of the railroad unemployment insurance account which have not been retransferred as of such date from the latter account to the credit of the former, plus the interest accrued thereon to that date, shall be disregarded.'

"(b) The amendment made by this section shall take effect on the date of enactment of this Act.

"SEC. 309. The amendments made by section 301(b) shall be effective with respect to days in registration periods beginning after June 30, 1959. The amendments made by sections 302, 303(a), and 305 shall be effective with respect to benefits accruing in general benefit years which begin after the benefit year ending June 30, 1958, and in extended benefit periods which begin after December 31, 1957. The amendment made by section 304 shall be effective with respect to base years after the base year ending December 31, 1957. The amendments made by clauses (4) and (5) of section 306 and clause (1) of section 307 shall be effective as of the first day of the calendar month next following the month in which this Act was enacted, and shall apply only with respect to compensation paid for services rendered in calendar months after the month in which this Act was enacted."

Mr. HARRIS (interrupting the reading of the amendment). Mr. Speaker, I ask unanimous consent that the further reading of the amendment be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, for the information of the Members of the House, I have asked unanimous consent that the proceedings whereby the bill H.R. 5610 was laid on the table, the amendment agreed to, the bill engrossed and read a third time and passed, be vacated, for the purpose of offering an amendment.

The unanimous consent request was agreed to, and I have offered an amendment, which has just been read.

The amendment to the bill H.R. 5610 which I have just offered strikes out all after the enacting clause and inserts the provisions of the bill that passed the Senate last week.

You will recall that H.R. 5610, to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, was considered in the House last Wednesday. A substitute was offered by the distinguished gentleman from West Virginia [Mr. STAGGERS]. The substitute was practically the same bill that was considered and passed by the other body, with the exception of one amendment, which had to do with section 4. Under this amendment pensions and annuities under this act or the Railroad Retirement Act of 1935 will not be considered as income for the purposes of section 522 of title 38 of the United States Code. The Senate had considered that amendment, which is not out of line with other provisions of law in other matters of this kind. So that is the matter that is before us now.

The necessity for this action is that last week after the House had taken the action it did, we, as usual, when we have a bill from the other body on the same subject on the Speaker's table, asked that that bill be taken from the Speaker's desk, that all after the enacting clause be stricken out, and that the House-passed bill be inserted. That was the usual procedure we followed, and I made the request after the House had taken its action last week. It later developed that that was not the correct action that should have been taken because there are tax provisions in this legislation. The Constitution provides, as you know, that all legislation relating directly to tax measures, revenues, must originate in the House of Representatives. Therefore, this action to vacate that proceeding is in order to comply with the constitutional provision by passing this legislation in order to accomplish what the House intended last week after it considered this matter rather extensively.

Mr. ROBERTS. Mr. Speaker, the amendment to section 20 of the Railroad Retirement Act of 1937 made by section 4 of the amendment provides that payments under such act shall not be considered as income for purposes of section 522 of title 38, United States Code. Under that section, pension for non-service-connected permanent and total disability is not paid to a veteran whose annual income exceeds $1,400 if he has no dependents or $2,700 if he has one or more dependents. Under existing law, certain items are disregarded in determining whether a veteran has exceeded the income limitations, and the amendment will add to the list of such items payments under the Railroad Retirement Act of 1937.

The cost of this amendment is negligible.

The amendment was sponsored in the other body by Senator HILL, of Alabama. I was happy to sponsor it in the House.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the proceedings whereby S. 226, an act to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes, as amended, was read a third time, and passed, be vacated, and the bill be indefinitely postponed.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to revise the remarks I have made on this subject, and further that all Members may have permission to extend their remarks on this subject if they so desire.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

BOISE AND PAYETTE NATIONAL FORESTS

The Clerk called the bill (H.R. 2497) to add certain lands located in Idaho to the Boise and Payette National Forests.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Reserving the right to object, Mr. Speaker, as I understand this bill it provides for an exchange of land. I am wondering whether suitable land will be available to tourists and others who have been using this land for campsites, and so forth.

Mrs. PFOST. I should like to answer the gentleman to say that it will make available additional lands for tourist and recreational use. In other words, this reclamation land has been acquired and is in excess or in surplus of the needs for flooding purposes for the reservoir. Therefore, it allows the Forest Service to incorporate some 2,400 additional acres into the forest lands. They will place picnic tables and make other recreation spots as the facilities are available to take care of the public in the area.

Mr. GROSS. Mr. Speaker, that is my only concern: whether we will be depriving the public of recreational facilities they have been using without providing substitute land and facilities.

Mrs. PFOST. On the contrary, it will be to their advantage.

Mr. GROSS. I thank the gentlewoman. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the exterior boundaries of the Boise National Forest, located in the State of Idaho, are hereby extended to include the following described lands:

Lots 4, 5, 6, and 7 of section 6; lots 1, 2, 3, and 4, the east half of the northwest quarter, and the east half of the southwest quarter of section 7; the northwest quarter of the southwest quarter, the south half of the southwest quarter, the southwest quarter of the southeast quarter of section 17; lots 1, 2, 3, and 4, the northwest quarter of the northeast quarter, the southwest quarter of the northeast quarter, the east half of the northwest quarter, the northeast quarter of the southwest quarter, the southeast quarter of the southwest quarter, and the southeast

quarter of section 18; the northwest quarter of the northeast quarter, the south half of the northeast quarter, the north half of the northwest quarter, the southwest quarter of the northwest quarter, the southeast quarter of the northwest quarter, the west half of the southwest quarter, the east half of the southwest quarter, the northeast quarter of the southeast quarter, the northwest quarter of the southeast quarter, the southwest quarter of the southeast quarter, and the southeast quarter of the southeast quarter of section 20; the northwest quarter of the southwest quarter, and the south half of the southwest quarter of section 21; the southwest quarter of the northeast quarter, the northwest quarter, the west half of the southwest quarter, the east half of the southwest quarter, the northeast quarter of the southeast quarter, the west half of the southeast quarter, and the southeast quarter of the southeast quarter of section 28; the northeast quarter, the west half, the northeast quarter of the southeast quarter, the west half of the southeast quarter, and the southeast quarter of the southeast quarter of section 33; and the west half of the southwest quarter of section 34, all in township 14 north, range 3 east of the Boise meridian, in Valley County, State of Idaho.

Lots 3 and 4 of section 31 in township 15 north, range 3 east of the Boise meridian, in Valley County, State of Idaho.

SEC. 2. The exterior boundaries of the Payette National Forest, located in the State of Idaho, are hereby extended to include the following described lands:

The east half of the southeast quarter of the southwest quarter, the east half of the west half of the southeast quarter of the southwest quarter, the west half of the west half of the southeast quarter of the southwest quarter, and lots 13 and 14 of section 18; lots 2, 3, 4, 5, 8, 9, 10, and 11, the east half of the east half of the northeast quarter of the northwest quarter, the west half of the northeast quarter of the northwest quarter, the west half of the east half of the northeast quarter of the northwest quarter, the southeast quarter of the northwest quarter, the east half of the southwest quarter, the northeast quarter of the southwest quarter of the southeast quarter, the west half of the southwest quarter of the southeast quarter, the southeast quarter of the southwest quarter of the southeast quarter, and the southeast quarter of the southeast quarter of section 19; lots 3 and 4 of section 20; and lot 1, the northeast quarter of the northeast quarter, the northwest quarter of the northeast quarter, and the northeast quarter of the northwest quarter of section 30, all in township 16 north, range 3 east of the Boise meridian, in Valley County, State of Idaho.

SEC. 3. Lots 1, 5, and 6 of section 1 in township 14 north, range 2 east of the Boise meridian within the boundaries of the Boise National Forest, in Valley County, State of Idaho, and all of those lands described in sections 1 and 2 hereof owned by the United States are hereby, and any of said lands hereafter acquired by the United States in connection with the Cascade Reservoir reclamation project shall be, added to and made parts of the respective national forests and shall be subject to all laws, rules, and regulations applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended.

SEC. 4. (a) It is hereby declared that the sole purpose of sections 1, 2, and 3 of this Act is to subject the lands referred to therein to laws and regulations applicable to national forests, and nothing in this Act shall be construed to authorize the United States to acquire any additional lands or any interest therein, nor to diminish or in anywise affect any valid rights in or to, or in connection with, any such lands which may be in existence on the date of enactment of this Act.

(b) The Secretary of Agriculture shall make available, from the lands referred to in the foregoing sections of this Act, to the Bureau of Reclamation of the Department of the Interior, such lands as the Secretary of the Interior finds are needed in connection with the Cascade Reservoir reclamation project.

(c) The Secretary of the Interior is authorized to enter into such agreements with the Secretary of Agriculture with respect to the relative responsibilities of the aforesaid Secretaries for the administration of, as well as accountings for and use of revenues arising from, lands made available to the Bureau of Reclamation of the Department of the Interior pursuant to subsection (b) as the Secretary of the Interior finds to be proper in carrying out the purpose of this Act.

SEC. 5. The Secretary of the Interior may sell, under such terms and conditions as he deems desirable, any lands acquired in connection with the Cascade Reservoir reclamation project which in his judgment are surplus to the needs of the project and are not described in sections 1, 2, and 3 of this Act.

With the following committee amendment:

Page 5, line 15, strike out section 5 and insert in lieu thereof the following language:

"SEC. 5. (a) The Secretary of the Interior shall prepare lists of lands acquired for the Cascade Reservoir reclamation project which are not described in sections 1, 2, and 3 of this Act and which, in his judgment, are excess to the needs of the project. The lands so listed shall be divided into two classes: those which are now or are likely, within ten years, to become chiefly valuable as home, cabin, recreation, or business sites (hereinafter referred to as Class A lands), and all other lands (hereinafter referred to as Class B lands). Lands of either class shall hereafter be sold or exchanged only in accordance with the provisions of this section.

"(b) The Secretary may exchange lands of either class for non-Federal lands of not less than approximately equal value situated within 300 feet of the shoreline established by the normal water surface elevation of 4,826.0 feet of the Cascade Reservoir and outside the exterior boundaries of the Boise and Payette National Forests as extended by this Act.

"(c) The Secretary may sell by competitive bidding, at not less than their appraised fair market value, lands of either class. Class A lands shall be sold in tracts of not more than five acres, with such reservations or dedications to public use of rights-of-way for roads, streets, and public utilities and upon such terms and conditions as he may deem appropriate. The Former owner of lands so offered for sale shall have a personal nontransferable preference right to reacquire, within thirty days after the highest bid is declared, any class B lands which were formerly owned by him and one tract of class A lands which were formerly owned by him at, in either case, a price equal to the highest bid received for such lands. But in no case shall the former owner be required to pay more than three times the appraised fair market value of the lands. Where the ownership of lands at the time of their acquisition by the Government was in more than one person, and two or more such former owners assert a preference right for the same tract, the preference right applicants shall be given a period of thirty days in which to file a joint purchase application or otherwise to compose their conflict. If they fail to do so, the Secretary shall determine the order of preference among them by lot. Any lands remaining unsold after competitive bids have been solicited may be sold by the Secretary in such manner as he shall deem proper but at not less than their appraised fair market value. The Secretary may at any time withdraw from sale any unsold lands and reoffer them at a reappraised fair market value.

"(d) As used in this section, the term 'lands' includes interests in land, and the term 'former owner' includes the surviving spouse of a deceased former owner."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WRIGHT BROTHERS NATIONAL MEMORIAL

The Clerk called the bill (H.R. 5488) to revise the boundaries of Wright Brothers National Memorial, N.C., and for other purposes.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in furtherance of the Act of March 2, 1927 (44 Stat. 1264), the following described lands are hereby added to the Wright Brothers National Memorial in the State of North Carolina:

TRACT 1

Beginning at a point on the existing eastern boundary line of the Wright Brothers National Memorial where said line intersects the northerly line of Roanoke Avenue; thence north 70 degrees 30 minutes east, 500 feet, more or less along the northerly line of Roanoke Avenue to the intersection of said line with the westerly right-of-way line of the relocated North Carolina State Highway Numbered 158; thence north 19 degrees 30 minutes west, 4,087.5 feet, more or less, along the said westerly right-of-way line of the relocated North Carolina State Highway Numbered 158 to the intersection of said line with the southerly property line of land now or formerly owned by R. W. Rowland; thence south 70 degrees 30 minutes west, 2,435 feet along the said southerly property line of land now or formerly owned by R. W. Rowland to a stake; thence south 19 degrees 30 minutes east, 1,057.5 feet, more or less, to a point on the existing northern boundary line of the Wright Brothers National Memorial; thence north 70 degrees 30 minutes east, 1,935 feet, more or less, along the existing northern boundary line of the Wright Brothers National Memorial to the northeastern corner of the said memorial; thence south 19 degrees 30 minutes east, 3,030 feet, more or less, along the existing eastern boundary line of the Wright Brothers National Memorial to the point of beginning, the tract as described containing approximately 95 acres.

TRACT 2

Beginning at a stake or other marker on the westerly line of Old North Carolina State Highway Numbered 158, sometimes known as the Virginia Dare Trail, where said line intersects the southerly line of Lowell Avenue; thence south 70 degrees 30 minutes west, 925 feet, more or less, along the southerly line of Lowell Avenue to the intersection of said line with the easterly right-of-way line of the relocated North Carolina State Highway Numbered 158; thence south 19 degrees 30 minutes east, 720 feet, more or less, along the said easterly right-of-way line of the relocated North Carolina State Highway Numbered 158 to the intersection of said line with the northerly line of Woodmere Avenue; thence north 70 degrees 30 minutes east, 925 feet, more or less, along the said northerly line of Woodmere Avenue to the intersection of said line with the westerly line of Old North Carolina State Highway Numbered 158; thence north 19 degrees 30 minutes west, 720 feet, more or less, along the said westerly line of Old North Carolina State

Highway Numbered 158 to the point of beginning, the tract as described containing approximately 16 acres.

SEC. 2. Lands added to the memorial pursuant to section 1 hereof shall be subject to all the laws, rules, and regulations applicable to said memorial.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DONATING TO PUEBLO OF ISLETA CERTAIN FEDERAL PROPERTY, NEW MEXICO

The Clerk called the bill (H.R. 5460) to donate to the pueblo of Isleta certain Federal property in the State of New Mexico.

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that the Senate bill, S. 1271, to donate to the pueblo of Isleta certain Federal property in the State of New Mexico, be considered in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all of the right, title, and interest of the United States in the land described below, together with the buildings and improvements thereon, is hereby declared to be held in trust for the pueblo of Isleta, New Mexico: A tract of land within section 31, township 8 north, range 3 east, New Mexico principal meridian, more particularly described as follows: Beginning at a point which bears north 17 degrees 20 minutes east, 171 feet from the point where the northeast corner of the Antonio Gutierrez and Joaquin Sedillo grant and the northwest corner of the Lo de Padilla grant touch the Government corner on the south line of the Isleta Pueblo grant; thence west 180 feet; thence north 325 feet; thence east 180 feet; thence south 325 feet to the point of beginning, containing 1 3/100 acres, more or less, and located within the exterior boundaries of the pueblo of Isleta in the State of New Mexico.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 5460) was laid on the table.

AMENDING SECTION 6 OF THE ACT OF SEPTEMBER 11, 1957

The Clerk called the bill (H.R. 6118) to amend section 6 of the act of September 11, 1957.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I understand this bill provides that persons afflicted with tuberculosis can be brought into this country. Is that the purpose of the bill?

Mr. WALTER. This is an extension of the act that expires in June, for a period of 2 years. It permits the spouse, the child, or the parent of an American citizen or of a lawfully admitted alien to come into the United States under specified safeguards, notwithstanding the fact that such immigrant is afflicted with tuberculosis. Continuous scrutiny and supervision of the administration of existing law has indicated to the Committee on the Judiciary the advisability of continuation of the discretionary authority vested in the Attorney General under the 1957 law. Medical testimony received by the committee appears to justify the committee's opinion. We believe that the temporary law has operated satisfactorily and in the interest of the United States. It is humanitarian in nature, and has not adversely affected public health and the general welfare of the United States, while serving the worthy purpose of keeping family units together by preventing separation of close relatives.

Mr. GROSS. I understand there are six persons, of those who have come in, who have not gone to a public health hospital. I wonder where they are? Are they at large in this country?

Mr. WALTER. No; these 6 people of the 1,507 who came in under the provisions of the law are now under deportation orders. This means that there has been noncompliance by less than one-half of 1 percent of the aliens admitted. According to the U.S. Public Health Service, in all cases of noncompliance an effort is being made to obtain compliance and if such efforts fail, the Immigration and Naturalization Service is informed for the purpose of enforcing the law.

Mr. GROSS. Mr. Speaker, that is the question I was concerned with in reference to this bill. I thank the gentleman from Penusylvania.

Mr. Speaker, I withdraw my reservation of objection.

Mr. FULTON. Mr. Speaker, further reserving the right to object, I would like to say I support the legislation strongly.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Act of September 11, 1957 (71 Stat. 640), is hereby amended by substituting "1961" for "1959".

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That section 6 of the Act of September 11, 1957 (71 Stat. 640)), is hereby amended to read as follows:

" 'SEC. 6. Notwithstanding the provisions of section 212(a)(6) of the Immigration and Nationality Act as far as they relate to aliens afflicted with tuberculosis, any alien who (A) is the spouse or child, including the minor unmarried adopted child, of a United States citizen, or of an alien lawfully admitted for permanent residence, or of an alien who has been issued an immigrant visa, or (B) has a son or daughter who is a United States citizen or an alien lawfully admitted for permanent residence or an alien who has been issued an immigrant visa, shall, if otherwise admissible, be issued a visa and admitted to the United States for permanent residence in accordance with such terms, conditions, and controls, if any, including the giving of a bond, as the Attorney General, in his discretion, after consultation with the Surgeon General of the United States Public Health Service, may by regulations prescribe. No visa shall be issued under the authority of this section after June 30, 1961.' "

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CREDITING POSTAL REVENUES CERTAIN AMOUNTS IN CONNECTION WITH POSTAL ACTIVITIES

The Clerk called the bill (H.R. 4644) to credit to postal revenues certain amounts in connection with postal activities, and for other purposes.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of section 4050 of the Revised Statutes (39 U.S.C. 782) is amended by inserting immediately following the last semicolon in such sentence the following: "all commissions on toll telephones located in buildings under the custody of the Post Office Department or the Postal Field Service; all amounts collected from officers and employees of the Post Office Department or the Postal Field Service on account of payments to them by courts of witness fees and allowances for expenses of travel and subsistence in cases in which such officers and employees have been subpenaed to testify in private litigation in their official capacities or to produce official records;".

(b) The second sentence in the seventh paragraph under the heading "Office Of The Third Assistant Postmaster-General." in the Act of May 27, 1908 (35 Stat. 415; 39 U.S.C. 784), is amended by inserting "as part of the postal revenue" immediately before the period at the end of such sentence.

SEC. 2. The amendments made by the first section of this Act shall become effective on such date as may be specified by the Postmaster General but not later than the sixtieth day following the date of enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISCLAIMING ANY INTEREST ON THE PART OF THE UNITED STATES IN CERTAIN LANDS IN THE STATE OF COLORADO

The Clerk called the bill (H.R. 3454) to disclaim any interest on the part of the United States in certain lands in the State of Colorado, and for other purposes.

Mr. PELLY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

REVISING BOUNDARIES OF MONTEZUMA CASTLE NATIONAL MONUMENT, ARIZ.

The Clerk called the bill (H.R. 5262) to revise the boundaries of the Montezuma Castle National Monument, Ariz., and for other purposes.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to facilitate the administration and protection of the Montezuma Castle National Monument, Arizona, the boundaries thereof are hereby revised to include the following described lands:

GILA AND SALT RIVER BASE AND MERIDAN

Township 14 north, range 5 east: section 9, that portion of the southwest quarter southwest quarter located south and west of Beaver Creek, comprising about 2 acres; and section 16, southwest quarter southwest quarter northwest quarter and section 17, southeast quarter southwest quarter northeast quarter and south half southeast quarter northeast quarter, comprising about 40 acres.

Township 15 north, range 6 east: section 31, that portion of the northwest quarter southeast quarter located south and east of Beaver Creek and not heretofore included in the Montezuma Well section of the said monument, comprising approximately 17 acres.

SEC. 2. The Secretary of the Interior is authorized to acquire by purchase, donation, with donated funds, or otherwise and subject to such terms, reservations, and conditions as he may deem satisfactory, the land and interests in lands that are included within the boundaries of the Montezuma Castle National Monument as revised by section 1 of this Act. When so acquired, they shall be administered as a part of the Montezuma Castle National Monument, in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535), as amended.

The bill was ordered to be engrossed and read the third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SETTING ASIDE AND RESERVING MEMALOOSE ISLAND, COLUMBIA RIVER, OREG., FOR THE USE OF DALLES DAM PROJECT AND TRANSFERRING PROPERTY TO YAKIMA TRIBE OF INDIANS IN EXCHANGE THEREFOR

The Clerk called the bill (H.R. 5728) to set aside the reserve Memaloose Island, Columbia River, Oreg., for the use of the Dalles Dam project and transfer certain property to the Yakima Tribe of Indians in exchange therefor.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of June 25, 1926 (44 Stat. 768), concerning the withdrawal and use of Memaloose Island, Wasco County, Oregon, is repealed and the island, as described in said Act, is withdrawn from entry, sale, or other disposition and set aside for use by the Department of the Army in connection with the Dalles Dam project on the Columbia River.

SEC. 2. There is hereby taken by the United States, for the Dalles Dam project, the entire interest held in Memaloose Island by the Yakima Tribe of Indians, or any individual Indians; and in exchange therefor the Secretary of the Army or his designee shall transfer to the Secretary of the Interior the substitute burial ground designated as the Wishham Cemetery in Klickitat County, Washington, containing approximately eight and five-tenths acres of land. Title to such land shall be held in trust for the Yakima Tribe of Indians, but the tribe shall be responsible for maintenance of the burial ground and the United States shall have no responsibility therefor.

With the following committee amendments:

Page 1, line 3, strike out the date "June 25, 1926" and insert in lieu thereof the date "June 24, 1926".

Page 1, line 8, strike out the words "the Dalles" and insert in lieu thereof the words "The Dalles".

Page 2, line 1, strike out the words "the Dalles" and insert in lieu thereof the words "The Dalles".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING SECTION 17(B) OF THE RECLAMATION PROJECT ACT OF 1939

The Clerk called the bill (H.R. 1778) to amend section 17(b) of the Reclamation Project Act of 1939.

There being no objection the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 17, subsection (b), of the Reclamation Project Act of 1939, as amended, is hereby further amended to read as follows:

"The Secretary is hereby authorized, subject to the provisions of this subsection, to defer the time for the payment of such part of any installments of construction charges under any repayment contract or other form of obligation as he deems necessary to adjust such installments to amounts within the probable ability of the water users to pay. Any such deferment shall be effected only after findings by the Secretary that the installments under consideration probably cannot be paid on their due date without undue burden on the water users, considering the various factors which in the Secretary's judgment bear on the ability of the water users so to pay.

"The Secretary may effect the deferments hereunder subject to such conditions and provisions relating to the operation and maintenance of the project involved as he deems to be in the interest of the United States. If, however, any deferments would affect installments to accrue more than twelve months after the action of deferment, they shall be effected only by a formal supplemental contract. Such a contract shall provide by its terms that, it being only an interim solution of the repayment problems dealt with therein, its terms are not, in themselves, to be construed as a criterion of the terms of any amendatory contract that may be negotiated and that any such contract must be approved by the Congress unless it does not lengthen the repayment period for the project in question beyond that permitted by the laws applicable to that project, involves no reduction in the total amount payable by the water users, and is not in other respects less advantageous to the Government than the existing contract arrangements."

SEC. 2. The Act of March 6, 1952 (66 Stat. 16), as amended, is hereby further amended by deleting therefrom the words "and by section 3 of the Act of April 24, 1945 (59 Stat. 75, 76)".

SEC. 3. The provisions of section 17, subsection (b), of the Reclamation Project Act of 1939, as amended by section 1 of this Act, shall apply to any project within the administrative jurisdiction of the Bureau of Reclamation to which, if it had been constructed as a project under the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), these provisions would be applicable.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

APPORTIONMENT OF CERTAIN COSTS OF YAKIMA FEDERAL RECLAMATION PROJECT

The Clerk called the bill (H.R. 3335) to provide for the apportionment by the Secretary of the Interior of certain costs of the Yakima Federal reclamation project, and for other purposes.

There being no objection the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior shall determine the portion of the cost of constructing the water supply works of the Yakima Federal reclamation project which is properly assignable to the furnishing of water, as provided by the Acts of August 1, 1914 (38 Stat. 582, 604), and July 1, 1940 (54 Stat. 707), to the Wapato Indian irrigation project. If the remainder is less than the sum of the obligations heretofore undertaken with respect to water supply construction costs by the water users' organizations of the Yakima project, including the obligation of the Bureau of Indian Affairs with respect to two hundred and fifty thousand acre-feet of water for the "B" lands of the Wapato Indian irrigation project, the Secretary shall make such reduction in the obligation of those organizations as he finds to be proper to carry out the provisions of their contracts relating to reductions to conform the obligation to the Secretary's final determination of the cost of constructing said facilities.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONTROL OF ESTATES OF INCOMPETENT VETERANS DERIVED FROM VETERANS' BENEFITS

The Clerk called the bill (H.R. 6319) to amend chapter 55 of title 38, United States Code, to establish safeguards relative to the accumulation and final disposition of certain benefits in the case of incompetent veterans.

Mr. McFALL. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

ADJUSTMENT OF IRRIGATION CHARGES ON WAPATO PROJECT, WASH.

The Clerk called the bill (H.R. 839) to approve an order of the Secretary of the Interior adjusting, deferring, and canceling certain irrigation charges against non-Indian-owned lands under the Wapato Indian irrigation project, Washington, and for other purposes.

There being no objection the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with the Act of June 22, 1936 (49 Stat. 1803, 25 U.S.C. 389–389e), the order of the Secretary of the Interior canceling $35,700.72 of delinquent irrigation charges, providing for the deferred payment of $13,851.98, and providing for the removal of two hundred thirty-two and fifty-six one hundredths acres of assessable land from the Wapato Indian irrigation project, as shown in the Wapato designation report 1953–1954–1955 part II, is hereby approved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. That is the last eligible bill on the calendar.

AMENDMENT TO THE TEXAS CITY DISASTER RELIEF ACT

The SPEAKER. The Chair recognizes the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4821) to amend the act of August 12, 1955, Public Law 378, 84th Congress (69 Stat. 707) so as to provide additional relief for losses sustained in the Texas City disaster, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is a second demanded?

Mr. HENDERSON. Mr. Speaker, I demand a second.

The SPEAKER. The Clerk will read the bill.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of August 12, 1955, Public Law 378, Eighty-fourth Congress (69 Stat. 707), as amended, is further amended as provided herein.

SEC. 2. The Secretary of the Army or such person as he may designate shall apply the following rules:

(a) Each instance of death or personal injury shall be considered as having created a separate claim.

(b) A claim for death shall be deemed not to have abated on the death of the claimant before award under this Act and shall be settled by payment to the person or persons entitled to the estate of the deceased claimant under the laws of Texas, who shall be deemed claimants for this purpose.

(c) A brother or sister of a deceased person who was totally dependent on the deceased person and which brother or sister was permanently and totally disabled at the time of the death of such deceased person shall be entitled to assert a claim for death, but no award shall be made if it would diminish the award justly due other survivors of the deceased person under the Texas Wrongful Death Act or under subsection 2(b) of this section.

(d) Where a corporation sustained property damage in the Texas City disaster and filed a civil action against the United States for losses sustained in the Texas City disaster and thereafter was dissolved, and the claim filed on behalf of the dissolved corporation by it and by its two stockholders was administratively consolidated by the Secretary of the Army with other claims filed by said stockholders, the Secretary of the Army shall settle the claim, treating it as a claim asserted by the dissolved corporation.

(e) The Secretary of the Army shall consider and settle all claims based on death or permanent disability. "Permanent disability" under this subsection shall include only those permanent disabilities which are deemed to be 40 per centum or more disabling in accordance with the standard schedule of rating disabilities in current use by the Veterans' Administration.

SEC. 3. Section 3 is amended by the addition of the following sentence at the end of subsection (a) of that section: "The limitations of this subsection shall not apply to claims based upon death or upon permanent disabilities which are deemed to be 40 per centum or more disabling in accordance with the standard schedule of rating disabilities in current use by the Veterans' Administration, or to claims asserted by the brother or sister of a deceased person who was totally dependent on the deceased person and was permanently and totally disabled at the time of the death of such deceased person.

SEC. 4. Section 7 is amended to read as follows:

"The Secretary of the Treasury shall pay, out of moneys in the Treasury not otherwise appropriated, the claims referred to in this Act in the amounts approved for payment by the Secretary of the Army, and the administrative costs of the investigation and settlement of claims under this Act."

SEC. 5. Within two years from the effective date of this Act, the Secretary of the Army or his designee shall fix and determine the awards, if any, on claims reconsidered or submitted under this Act. The authority of the Secretary of the Treasury to make payment of awards so fixed and determined or those awards heretofore made under the Act of August 12, 1955, shall terminate three years from the effective date of this Act.

Except as otherwise provided herein, the law of the State of Texas shall apply.

SEC. 6. The Secretary of the Army, two years and six months after the date of enactment of this Act, shall transmit to the Congress, in addition to any such information relating to the Act of August 12, 1955, which has not been reported heretofore—

(a) a statement of each claim reconsidered or submitted to the Secretary of the Army in accordance with this Act which has not been settled by him, with supporting papers and a report of his findings of fact and recommendations; and

(b) a report of each claim settled by him and paid pursuant to this Act. The reports shall contain a brief statement concerning the character and justice of each claim, the amount claimed, and the amount approved and paid.

SEC. 7. Claimants shall submit their claims in writing to the Secretary of the Army, under such rules as he prescribes, within ninety days after enactment of this Act.

SEC. 8. The Secretary of the Army is directed to reconsider and settle claims affected by the provisions of this Act without regard to any release of and assignment to the United States heretofore executed by the claimants.

SEC. 9. All departments and agencies of the Government upon the request of the Secretary of the Army or his designee are authorized to furnish any information available relevant to the reconsideration and settlement of claims under this Act.

SEC. 10. The Secretary of the Army, in settling the claims herein directed to be settled, shall proceed to consider the claims heretofore filed, if sufficient in form, and may at his option require the claimant to file an additional claim or submit additional evidence of loss. The Secretary of the Army shall forthwith notify all claimants or their attorneys, if any, whose claims are to be reconsidered under the provisions of this Act, that such reconsideration is being undertaken. When a file relating to a claim previously submitted under this Act shows that a person other than a person who submitted the claim would be entitled to recover if he submitted a claim, the Secretary of the Army or his designee shall notify the person of his right to submit a claim.

SEC. 11. In making the settlements authorized by this Act, the Secretary of the Army shall proceed under all of the limitations and directions of the Act of August 12, 1955, except as herein amended, and shall make such settlements under the regulations and procedures used in making settlements under the Act of August 12, 1955, except as to such changes necessitated by this Act, and all of the provisions of the Act of August 12, 1955, except as herein amended, shall apply to settlements made under this Act.

SEC. 12. This Act may be cited as the "1959 Amendment to the Texas City Disaster Relief Act".

Mr. LANE. Mr. Speaker, the purpose of this proposed legislation as recommended by your Committee on the Judiciary is to further amend Public Law 378 of the 84th Congress known as the Texas City Disaster Relief Act, to make it possible to extend compassionate relief to certain claimants in various categories outlined in this bill. These categories are those which your committee felt merit relief in the light of standards of compassionate relief provided for in the act.

Public Law 378, the Texas City Disaster Relief Act, was passed by Congress to compensate persons who suffered injury or loss as a result of the disaster which occurred on September 16 and 17, 1947, when two ships loaded with general cargo which included bagged ammonium nitrate fertilizer, exploded in the port of Texas City, Tex. This explosion and the fires that took place as a result of this disaster, destroyed or damaged approximately 1,000 buildings. There were 576 known dead as a result of these explosions and about 3,500 were injured.

The act of August 12, 1955, provided for means of settlement of most of those claims and by that act, we in the Congress recognized or assumed compassionate responsibility for the losses sustained as a result of the explosions, and we authorized the Secretary of the Army to investigate and settle certain claims. The Chief, Claims Division, Office of the Judge Advocate General, and all the officers of his staff were so designated. The program has now been completed, and under the act the Secretary of the Army was required to transmit to the Congress a statement of each claim not settled by him, with his findings and recommendations. The Secretary of the Army also transmitted to the Congress report of all claims settled, character of the claim and the amount paid.

In compliance with the law, the Secretary sent to Congress a report that 321 unsettled claims are still pending and his supplemental report was filed in January of this year. The report shows and discloses that a total of 1,719 claims were filed, 1,390 were settled, and 329 remain unsettled.

The claims which would be provided for under the terms of this bill, H.R. 4821, are those which your committee feels merits relief and is intended to be the final enactment for the settlement of all claims based on the Texas City disaster. It is felt that unless these claims

are recognized in the form provided under this bill now before the House for consideration, the individual cases will of course become the subject of private bills and your Committee on the Judiciary will be called upon to consider each of them individually on the basis of private relief. We feel that the procedure provided for in this bill will establish a fair and more uniform way to settle these pending claims.

The Judiciary Committee has carefully considered the matter of cost in connection with this legislation. As reflected in the final report made to the Congress concerning claims settled under the original act, the experience of the Army has been that as an overall proposition, the total amount paid out was about one-quarter of the amount originally claimed. Perhaps the breakdown by categories will give a better picture of how the claims were reduced in the course of settlement. The approximate figures and percentages were: Property damage, 12.8 percent; personal injury, 26 percent; death, 31.5 percent. The total maximum amount which can be expected to be claimed on the basis of this bill—on the basis of estimates—is $4,038,379.09.

H.R. 4821 was introduced in the form suggested by the Department of the Army in report made to this committee and with the exception of limitations imposed by the committee amendments, the committee has accepted the suggestions of the Army regarding the language of the bill.

The provisions of the bill as modified by the amendments suggested by the subcommittee would enable the Secretary of the Army to settle claims in accordance with the following rules:

First. Each instance of death or personal injury shall be considered to have created a separate claim.

Second. A claim for death will not be considered to have abated on the death of a claimant before an award was made under the original act, and shall be settled by payment to the person or persons entitled to the estate of the deceased claimant under the laws of Texas.

Third. A totally dependent brother or sister of a person who died in the disaster will be permitted to assert a claim where that brother or sister was permanently and totally disabled at the time of the death.

Fourth. The claim of a dissolved corporation shall be considered as a claim of that corporation where the corporation filed a suit against the United States for disaster losses and then was dissolved and its claim was filed as a joint claim by its two stockholders and was subsequently administratively consolidated with the other claims of those two stockholders.

Fifth. The Secretary would be further empowered to settle all death claims arising from the disaster which had not been settled, and also all claims for permanent disability of 40 percent or more which were not settled under the original act.

The balance of the bill contains provisions which make it possible for the Secretary to proceed under the changes provided for in the foregoing rules, and to settle and pay the claims.

Mr. BECKWORTH. Mr. Speaker, will the gentleman yield?

Mr. LANE. I yield to the gentleman from Texas.

Mr. BECKWORTH. How many claims does the gentleman feel there are in connection with the group that are not disabled to the extent of 40 percent or more?

Mr. LANE. It is hard to say definitely, but the committee felt there would not be too many of them; there would be a limited number. May I say to the gentleman from Texas that your subcommittee has agreed to this phraseology as a result of legislation that is now on the statute books governing claims in the Veterans' Administration. We have used the exact wording.

Mr. BECKWORTH. Would the gentleman object to the RECORD showing, even if he does not have the information now, about how many people there might be suffering disability of less than 40 percent but will get nothing, as I understand, under the terms of this bill?

Mr. LANE. As I understand it from the hearings, we had no information given to us and at the present time the Department is unable to give us the information and and is not in position to obtain that information, but in order to help the gentleman from Texas, we will try further today to see if we can get something in the RECORD as soon as possible.

Mr. BECKWORTH. I am in great sympathy with this legislation, and know of a number of instances where people who have sustained less than that have received nothing.

Where a person, for example, had a building worth $5,000 or $10,000 that was completely destroyed and where that person did not file a suit in the Federal court at any time, is there anything in this legislation that would reimburse him?

Mr. LANE. Yes; if he still had a claim filed. As you recall, all of these claims at that time were investigated by the Federal Bureau of Investigation for the Department of Justice, so that the Government has a record of all those claims filed, although a good many who filed claims did not resort to the courts.

Mr. BECKWORTH. Must the claim have been filed in the court for him to get reimbursement for the loss of his building?

Mr. LANE. Under our bill, in section 5 that I will read. The Secretary would be further empowered to settle all death claims arising from disaster which had not been settled and also all claims for permanent disability of 40 percent or more which were not settled under the original act.

Mr. BECKWORTH. But that would not include the man who had lost the $5,000 or $10,000 building?

Mr. LANE. That is correct.

Mr. BECKWORTH. Does the gentleman feel that that type of claim should receive any consideration, in view of the fact that we have paid for hundreds of them?

Mr. LANE. May I say to the gentleman that the original bill that was filed would have taken in all of those claims. It would have opened the gates wide even though they had never filed a claim; even though the claim had never been investigated, and the claimant would now be coming in at this late date. Your committee felt we did not want to strike out the original section of the bill, and by way of compromise we went to this section, which, of course, does not help the particular case the gentleman is interested in at this time.

Mr. BECKWORTH. It would not be my purpose at all to advocate the inclusion of any claim that is not bona fide, but if the U.S. Government is going to pay people money who sustained losses, the mere fact that a person did not file his claim in court or the mere fact that he did not make it known in the orderly way is not good reason to deny him relief.

Mr. LANE. I thank the gentleman. Some members of the committee felt as the gentleman does, but for the most part we felt that the Congress had gone a long way in connection with the Texas City disaster. This is the third time now that we have had the bill before the Congress. We felt that this should be the third and last and final enactment of legislation, even though perhaps it does not take in all of the cases the gentleman is interested in, as well as other members of the committee.

Mr. BECKWORTH. The gentleman has done a good job, I know, but I do not think the door should be closed to these claims where, in some instances, the people lost all they had.

Mr. LANE. I thank the gentleman. I am now informed by the Department of the Army that there are possible claims amounting to about 2,680 of these personal injury claims in the category of less than 40 percent disabled.

Mr. HENDERSON. Mr. Speaker, this bill as it comes to the floor of the House this morning is part of the unfinished work of the Congress. A decision was made by this body when the basic law was passed several years ago to pay the sufferers of this disaster of 1947. This bill represents the final stage of legislation for the settlement of claims caused by the Texas City disaster.

Mr. Speaker, this bill is made necessary because of natural imperfections that we have in the legislative process; the fact that, although committees are diligent, it is possible sometimes to overlook certain legal or factual situations; because in the administration of any piece of legislation occasionally there results some inequitable or unfair treatment of one class or another and, finally, because of administrative interpretations of what the Congress had enacted several years ago. The object of this bill is to offer fair treatment and equality. And so it is necessary that we pass this cleanup bill.

As the chairman has explained there are five categories that this legislation would include. One would be that class of cases in which there was more than one claim for death or injury; for instance, where there were several children of a family who were killed. By the interpretation of the authorities administering this act it was held that only the maximum amount of one claim could

be paid for the death of all. And so language is provided that will permit each instance of death or personal injury to be considered as a separate claim. It is estimated that this will involve an expenditure of $80,134.93.

Another is for the payment of claimants who have become deceased since the time of the filing of their claims. It is estimated this will involve expenditures to a maximum of $106,251.50. Another change provides for payment to a totally and permanently disabled dependent sister or brother of a person killed in this disaster. Under the Texas law brothers and sisters are not dependents. Only those who are legally the dependents of the deceased person are entitled to recover. This provision would change that situation, and it is estimated that that would involve an expenditure of $25,000.

Mr. SAYLOR. Mr. Speaker, will the gentleman yield at that point?

Mr. HENDERSON. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. Is that going to change the inheritance laws of the State of Texas?

Mr. HENDERSON. I would reply to the gentleman that it would not change the inheritance laws of the State of Texas.

Mr. SAYLOR. The gentleman just said that there was no responsibility to this sister. We are now going to pass a law saying she may now recover. The reason she could not recover before under the laws of Texas is that she was not allowed to. The reason I ask this question is that there are some people who are vitally concerned with States rights. If the States rights issue is going to be raised, let us raise it in all of these bills, not just a few of them.

Mr. HENDERSON. The fourth classification which is provided for in this legislation is that of payment to stockholders of a claimant corporation which has since dissolved. It is estimated that the expenditure in this class of cases would be $25,000.

The final classification is that group of cases in which claims have been made for death or for permanent disability in excess of 40 percent. It is estimated that this class of cases would require a maximum expenditure of $3,801,992.66.

The provisions of the bill require claims to be made within 90 days after the enactment of the bill; that the Secretary of the Army make his decision within 2 years, and that within 2½ years the Secretary report to Congress. The Secretary of the Treasury has 3 years within which to pay the claims.

It is my hope that the House will follow the recommendation of the committee and pass this legislation.

Mr. MEADER. Mr. Speaker, will the gentleman yield?

Mr. HENDERSON. I yield to the gentleman.

Mr. MEADER. Can the gentleman state the total amount of money carried in this bill?

Mr. HENDERSON. The maximum amount which the Army estimates could be expended would be $4,038,379.09. I would like to point out to the gentleman who asked the question that the experience of the Army authorities has been that it has paid about 25 percent of the maximum amount which has been claimed. For instance, $60 million has been claimed already under the Texas disaster legislation and only $16 million has been allowed.

Mr. MEADER. Does the gentleman anticipate that same ratio will apply to the additional claims provided for in this measure?

Mr. HENDERSON. There is nothing in the testimony which would indicate that the ratio would be any different.

Mr. MEADER. So that we might reasonably expect something of the order of $1 million will be the cost of this additional legislation?

Mr. HENDERSON. That is what the committee anticipated.

Mr. MEADER. May I also inquire of the gentleman whether or not the Committee on the Judiciary, on which the gentleman and I both serve, and the Subcommittee on Claims, on which the gentleman serves, limited the original legislation so that it provided a somewhat lesser amount to be drawn from the U.S. Treasury than would be the case if the bill had been passed in its original form?

Mr. HENDERSON. May I say to the gentleman that as the bill came to the committee it had a provision which would open the door completely. The committee upon the basis of the testimony presented decided that considerable restraint was needed. Limiting language was suggested and was passed as an amendment to the bill that is now before the House.

Mr. MEADER. The gentleman feels that the measure as it is presented to the House is far better for the Government and the taxpayers generally than the original legislation?

Mr. HENDERSON. Indeed I do.

Mr. MEADER. I thank the gentleman.

Mr. LINDSAY. Mr. Speaker, will the gentleman yield?

Mr. HENDERSON. I yield to the gentleman from New York.

Mr. LINDSAY. In connection with the questions asked about the dependent sister who is 40 percent or more disabled, does the gentleman recall what was testified before the Senate Committee on the Judiciary by the Army? As I recall it, the Army had testified that there were not more than one or two cases covered by that.

Mr. HENDERSON. That is correct.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HENDERSON. I yield to the gentleman from Iowa.

Mr. GROSS. Will the gentleman refresh my memory? Was this strictly a Government operation at Texas City when this explosion occurred? In other words, has the Government assumed responsibility that it should not have assumed in this case?

Mr. HENDERSON. The gentleman is familiar with the history of this legislation. The question has arisen before. Our committee in this instance did not go back to the basic question of liability. The Congress made that decision several years ago. The question before the committee and now before the House is one of equality of treatment, once that decision had been made. I think the gentleman is aware of the controversy that did arise when that legislation was originally before this House.

Mr. GROSS. Has the Bureau of the Budget changed its position with relation to this legislation? I understand from the report that the Bureau of the Budget is opposed to this legislation.

Mr. HENDERSON. The committee has no information as to the Bureau of the Budget's having changed its position.

Mr. GROSS. So it is opposed to this legislation?

Mr. HENDERSON. That is my understanding.

Mr. GROSS. Is the Department of the Army opposed to this legislation?

Mr. HENDERSON. It is my understanding the Department of the Army favors the legislation as it has been rewritten by the committee.

Mr. GROSS. But the report carries the statement that the Bureau of the Budget is positively opposed to this legislation?

Mr. HENDERSON. The statement as the gentleman has read it is the only word we have heard from the Bureau of the Budget.

Mr. THOMPSON of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMPSON of Texas. Mr. Speaker, when the basic Texas City disaster legislation was passed in the 84th Congress, it was realized by the committee and those of us who had been working on the measure that the Army, in making the settlement, faced a complicated, and, in many instances, a technical problem.

There were thousands of claims, most of which were easily evaluated and settled. There remained some, however, in which the Army was not entirely sure whether they came under the provisions of the act.

In such cases, under the provisions of the act, the Army was instructed to report back to the Congress with a detailed description of each claim and the reasons why it was not settled.

It was the intent of Congress that each such case should be scrutinized by the committee and that then the Army should be instructed as to the intent of the Congress.

That is exactly what the present legislation is designed to accomplish.

The procedure follows that used in the Port Chicago case in which the Navy made the basic settlements and then reported back to the Congress with borderline cases or others which had merit but in which the Navy felt that they should have further instructions.

We come to you now with all outstanding unsettled claims: each category of which, and in many cases, each individual claim of which has been carefully studied by the Judiciary Committee.

To my knowledge, there is not one in which the Army has said that the claimant does not deserve to have settlement. As a matter of fact, the individuals who handled the claims for the Army have said, unofficially, that they think these claims should be settled. I have no desire to commit them. They can speak for themselves, and if the bill passes, they will speak for themselves and for the Government in adjudicating the unsettled claims and making final settlement.

There are five categories in which the Army asked for further instructions. You will find them listed 1, 2, 3, 4, and 5 on page 2 of the report. I shall take a case in point to show you the necessity and the justice for asking for favorable instruction.

The first covers this example: Suppose two sons were killed in the explosion and the parents made claim for the death of each. The Army takes the position that this is one claim even though there were two deaths. Manifestly, that was never the intent of the Congress; and this bill would make settlement for each death.

In the second category the Army took the position that if a father were killed in the disaster, and the mother filed a claim and then died before the claim could be settled, a surviving child would not receive the proceeds of the claim. This, too, is manifestly unfair. Incidentally, it is not in accord with the laws of Texas, which are supposed to govern in doubtful cases.

The third case in point covers a case where a brother who was killed had been supporting a totally dependent brother or sister who was permanently and totally disabled. There is only one in this category, but it is a very just claim, and the committee recommended that it be settled.

The fourth category has only one claim involved. A corporation filed and was entitled to the maximum of $25,000 for damages sustained. The corporation was then dissolved. Had it remained intact, it would have received the maximum settlement. Under the Texas law the stockholders would have been entitled to the proceeds. The Army asked for instructions and the committee felt that the stockholders are still entitled to settlement.

The fifth and last category covers cases where, through no fault of the claimant, a suit was not filed in the original act against the Government generally due to advice of the counsel or perhaps to lack of information on the part of the possible claimant. This category was studied with particular care by the committee, and the subsection involved was drafted in the committee.

Here is a case in point: Suppose a claimant went to an attorney back in 1947, when the first civil suit was being prepared. The attorney advised that the Tort Claims Act did not apply and that there was no use filing the suit. This would have been good advice. The Tort Claims Act was held by the Supreme Court on a 4 to 3 decision to be inapplicable. Then comes the act of Congress providing for settlement. The claimant in this case got good advice from the attorney, but because he took that advice he would not be eligible to participate under the act. This manfestly is unfair, and I do not believe it is the intent of the Congress.

Another case, and there are quite a few in this category—a son was killed in the disaster. Subsequently, the mother and father were divorced, and the mother moved away. The father filed a claim and was awarded one-half of the maximum amount of the settlement. Later the mother learned of the case. In most such instances she had moved away and was not in touch with what was going on in Texas City. The committee felt that she should not be foreclosed from her share in the settlement.

All of these are just and equitable claims. The committee felt that they should be settled. This is a cleanup bill, just as was that passed in the case of Port Chicago. I trust that the House will again take favorable action.

The SPEAKER. The question is on suspending the rules and passing the bill H.R. 4821, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

CONTROL OF ESTATES OF INCOMPETENT VETERANS

Mr. TEAGUE of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6319) to amend chapter 55 of title 38, United States Code, to establish safeguards relative to the accumulation and final disposition of certain benefits in the case of incompetent veterans.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 3202(d) of title 38, United States Code, is amended by adding at the end thereof the following sentences: "In the event of the death of a mentally incompetent or insane veteran, all gratuitous benefits under laws administered by the Veterans' Administration deposited before or after the date of enactment of this sentence in the personal funds of patients trust fund on account of such veteran shall not be paid to the personal representative of such veteran, but shall be paid to the following persons living at the time of settlement, and in the order named: The surviving spouse, the children (without regard to age or marital status) in equal parts, and the dependent parents of such veteran, in equal parts. If any balance remains, such balance shall be deposited to the credit of the applicable current appropriation; except that there may be paid only so much of such balance as may be necessary to reimburse a person (other than a political subdivision of the United States) who bore the expenses of last sickness or burial of the veteran for such expenses."

(b) Section 3203(a)(2)(B) of title 38, United States Code, is amended by inserting "under the last two sentences of section 3202(d) of this title or" immediately before "under this paragraph" both places it appears.

SEC. 2. Section 3203(b) of title 38, United States Code, is amended by redesignating paragraph (3) as paragraph (4) and by striking out paragraphs (1) and (2) thereof and inserting the following:

"(1) Where any veteran having neither wife, child, nor dependent parent is being furnished hospital treatment, institutional or domiciliary care by the Veterans' Administration, and is rated by the Veterans' Administration in accordance with regulations as being incompetent by reason of mental illness, the pension, compensation, or retirement pay of such veteran shall be subject to the provisions of subsection (a) of this section; however, no payment of a lump sum herein authorized shall be made to the veteran until after the expiration of six months following a finding of competency and in the event of the veteran's death before payment of such lump sum no part thereof shall be payable.

"(2) In any case in which such an incompetent veteran having neither wife nor child is being furnished hospital treatment, institutional or domiciliary care without charge or otherwise by the United States, or any political subdivision thereof, and his estate from any source equals or exceeds $1,500, further payments of pension, compensation, or emergency officers' retirement pay shall not be made until the estate is reduced to $500. The amount which would be payable but for this paragraph shall be paid to the veteran as provided for the lump sum in paragraph (1) of this subsection, but in the event of the veteran's death before payment of such lump sum no part thereof shall be payable.

"(3) Where any benefit is discontinued by reason of paragraph (2) of this subsection the Administrator may nevertheless apportion and pay to the dependent parents of the veteran on the basis of need all or any part of the benefit which would otherwise be payable to or for such incompetent veteran. Paragraph (2) of this subsection shall not prevent the payment, out of any remaining amounts discontinued under that paragraph, on account of any veteran of so much of his pension, compensation, or retirement pay as equals the amount charged to the veteran for his current care and maintenance in the institution in which treatment or care is furnished him, but not more than the amount determined by the Administrator to be the proper charge as fixed by any applicable statute or valid administrative regulation."

SEC. 3. The amendments made by this Act shall take effect as of the first day of the first calendar month which begins more than ninety days after the date of enactment of this Act.

The SPEAKER. Is a second demanded?

Mrs. ROGERS of Massachusetts. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, this bill is designed to prevent the payment of gratuitous benefits for incompetent veterans, who are receiving care at public expense, from accumulating in excessive amounts and passing, upon the death of the incompetent veteran, to relatives having no claim against the Government on account of the veteran's military service.

It provides first that where the incompetent veteran has no wife or child and is being cared for at public expense his rights to gratuitous benefits—pension, compensation, and so forth—shall terminate when his estate reaches $1,500 and shall not be restored until the estate is reduced to $500. If the veteran regains competency he will be paid in full the

amount of the unpaid benefits, and if he has a dependent parent, benefits not otherwise payable may be apportioned to the parent or parents.

It is also provided that where a veteran is being cared for in a State institution and there is a charge for such care, payment would be permitted out of the benefits otherwise payable.

In addition, the bill provides that amounts held today in the account designated "personal funds of patients," and derived exclusively from gratuitous benefits paid by the Veterans' Administration, shall, upon the death of the veteran leaving no wife, child or dependent parent, be retained by the United States, instead of passing to the personal representative as existing law provides.

About $65 million is involved in the "Personal Funds of Patients," a considerable portion of which it is believed will be saved by the passage of this legislation. However, no definite estimate of savings is possible at this time.

I insert in the RECORD at this point the favorable report of the Veterans' Administration on this bill:

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR
OF VETERANS' AFFAIRS,
Washington, D.C., April 22, 1959.

Hon. OLIN E. TEAGUE,
Chairman, Committee on Veterans' Affairs, House of Representatives, Washington, D.C.

DEAR MR. TEAGUE: The following comments are furnished pursuant to your request for a report by the Veterans' Administration on H.R. 6319, 86th Congress.

The purpose of the bill is to establish additional statutory safeguards so that upon the death of a mentally incompetent veteran large amounts representing gratuitous benefits provided for the veteran will not be paid to persons having no equitable claim to such benefits.

To accomplish this general purpose, the bill contains certain changes in the present law, briefly described as follows:

1. It provides that upon the death of a mentally incompetent veteran all gratuitous benefits deposited by the Veterans' Administration before or after enactment of these amendments in the personal funds of patients' accounts held by VA hospital and regional office managers shall be payable only to the surviving spouse, or the children (without regard to age or marital status) if there is no spouse, or the dependent parents if there is neither a surviving spouse or child. Any balance would be deposited to the applicable current appropriation except for reimbursement to a person who bore the expense of the last sickness or burial of the veteran. At present, these funds at the death of the incompetent institutionalized veteran are disposed of as a part of his estate and, in some instances, would therefore be paid to remote heirs.

2. The present law provides that where the Veterans' Administration is furnishing hospital treatment or domiciliary care to a mentally incompetent veteran without certain dependents payments of compensation, pension, or emergency officers' retirement pay will be discontinued when his estate from any source equals or exceeds $1,500 and will not be resumed until it is reduced to $500. The bill would make this limitation applicable where the incompetent veteran is being cared for in other Federal institutions or in State or similar public institutions. In recognition of the fact that many of the latter classes of institutions charge for the maintenance of the veteran, the bill generally permits payment out of the benefit which would otherwise be discontinued because of the $1,500 limitation to cover the amount charged for the veteran's current care and maintenance.

In addition, the bill broadens the $1,500 limitation with respect to family status of the veteran. At present, it applies only where the veteran being furnished care by the Veterans' Administration has no wife, child, or dependent parent. Under the bill, this limitation would apply where the incompetent veteran is being furnished care by the Federal Government, or any political subdivision of the United States, if he has no wife or child. This safeguard against large accumulations of benefits would thus apply where the institutionalized incompetent veteran has a dependent parent, but no wife or child. However, the bill contains specific authorization to the Administrator to apportion and pay to dependent parents, on the basis of need, all or any part of the benefit which would otherwise be discontinued pursuant to this limitation. Since the bill also contains limitations on disposition of personal funds of patients, this extension of the $1,500 safeguard is of particular significance where the veteran has a guardian to whom payments are being made.

We believe that this bill will provide much more effective methods for achieving its basic purposes than does the present law. In reports on prior bills, the Veterans' Administration has noted that some difficulties may be encountered with respect to the provisions limiting distribution of amounts in the personal funds of patients' accounts which have been paid into those accounts by the Veterans' Administration prior to enactment of the proposed amendments. However, we fully appreciate and endorse the objectives of these provisions of the bill.

Because the family status of veterans is so variable, it is not possible to determine the number of incompetent veterans who will die in the future under circumstances in which the bill would have a definite impact. However, it is believed that its enactment will result in material savings to the Government while at the same time serving the sound purpose of precluding distribution of benefits intended for the veteran to persons having no proper claim upon the Government for them. There is presently in the personal funds of patients' accounts an aggregate exceeding $65 million, the major portion of which is probably composed of the proceeds of gratuitous benefits, out of which an indeterminate amount would revert to the applicable appropriation under this bill.

This bill contains the major elements, with some revisions, of the recommendations recently made in our report to you on H.R. 4302, 86th Congress. We, therefore, recommend favorable action on H.R. 6319 by the committee.

Advice has been received from the Bureau of the Budget that there would be no objection to the submission of this report to the committee.

Sincerely yours,
SUMNER G. WHITTIER,
Administrator.

I appointed a special subcommittee to consider this matter and named the gentleman from Georgia [Mr. MITCHELL] as chairman. The other members were, the gentleman from Pennsylvania [Mr. QUIGLEY], the gentleman from Wisconsin [Mr. FLYNN], the gentleman from Iowa [Mr. CARTER], the gentleman from Indiana [Mr. ADAIR], the gentleman from Pennsylvania [Mr. SAYLOR], and the gentleman from California [Mr. TEAGUE]. The subcommittee is to be commended for the thought and effort which went into this legislation.

Mr. Speaker, I now yield to the chairman of the subcommittee, the gentleman from Georgia [Mr. MITCHELL], such time as he may require.

Mr. MITCHELL. Mr. Speaker, the bill, H.R. 6319, is remedial legislation and strikes at a problem or at an ill that has plagued a certain area in our veterans' program for many, many years. It concerns the payment of benefits to incompetent veterans. The committee in its study several years ago determined that in many instances incompetent veterans were accumulating large sums in their estates. They had no close relatives and, as a result, these gratuities which were paid by the Federal Government to these incompetent veterans over this long period of time were being paid at their death to extremely remote collateral heirs. There are many examples where the accumulation in the estate amounted to $25,000 or $75,000 or $100,000 and these sums were paid to heirs, some of whom did not know the veteran and had no connection with him during his lifetime. That is the precise problem which this legislation seeks to solve. The bill, H.R. 6319, in my judgment, is a bill which will carry out the intent of the Congress. It was the intent of this body and of the other body, when legislation was enacted to provide gratuities for our veterans, that this money be provided to take care of the veterans and their immediate families and their dependents during the veterans' lifetime. This bill will help to carry out that intent and, yet, prevent these vast accumulations that I spoke of. May I emphasize in this connection that we are not here speaking of guardianship accounts of veterans who are under the control of a court. We are primarily concerned here with what are known as personal funds of patients. These special funds are in the hands of the manager of the veterans' hospital where a veteran is hospitalized or in the case of a veteran who is hospitalized in a State institution, this fund is in the hands of and under the control of the manager of the Veterans' Administration regional office nearest to the hospital. At the present time this special fund totals around $65 million. The bill, in effect, accomplishes three changes in existing law.

First, under present law, if an incompetent veteran dies while he is being cared for in a Veterans' Administration hospital or domiciliary, the amount in the personal fund of the patient will be paid to the personal representative of the veteran who will make distribution of this amount and, in some cases, pay it to rather remote heirs. The bill changes that provision to limit the payments to the surviving spouse, children—without regard to age or marital status—and, if there is no spouse, to the dependent parents. Any balance would revert to the United States. If there are no beneficiaries within the permitted class, no payments would be made, and the entire amount would be retained by the United States.

The second change provided in this bill is to enlarge the scope of what is known as the $500 to $1,500 formula

which now applies where an incompetent veteran is receiving hospital or domiciliary care and who has neither wife, child, nor dependent parent. At the present time this provision applies only to Veterans' Administration hospitals or domiciliaries. The bill would extend this to the State institutions who are furnishing care for veterans and authorize payments to be made to the State for whatever charges are levied against the Veterans' Administration for the care of this veteran.

The third change involves the class of beneficiaries who are eligible under this $500–$1,500 formula to which it applies, the veteran with neither wife nor dependent family. Under this bill it is limited to veterans having neither wife nor child, but provision is made where a dependent parent exists that an apportionment may be given to the dependent parent on the basis of need.

I think it might be wise at this point to give some explanation with reference to the $500–$1,500 formula. This formula has been in existence for many years. In effect, when an incompetent veteran's estate reaches $1,500 the benefits are stopped until it has been reduced to the sum of $500. This in the past has proven to be an effective control against accumulation of estates of incompetent veterans.

In this bill we are strengthening this formula. Our subcommittee held hearings and went into the subject in great detail and considered it carefully in a rather lengthy executive session prior to reporting the bill to the full committee. The subcommittee was unanimous in its view that this legislation is positive in its approach to the problem, and that it will save a considerable sum of money to the taxpayers without reducing or withholding benefits which are needed by an incompetent veteran.

I would like to stress that the class of beneficiaries covered by this are the classes which are eligible for survivor benefits of a noncontractual nature. These benefits today are restricted to the widow of the veteran, his children, and dependent parents; and this bill maintains this same class. There is no basis, in the opinion of the committee, of remote, collateral heirs benefiting from the estate of an incompetent veteran who is being furnished hospital care at public expense.

I would like to emphasize, Mr. Speaker, that this legislation will also prevent in the future, by establishing advance controls, the vast accumulation of funds in the special fund for incompetent veterans to be paid to extremely remote heirs.

This bill, I would like to emphasize, Mr. Speaker, would in future save the taxpayers money while at the same time, because of the reversion clause, actually make more money available for our living veterans who are in need. I sincerely hope that very quickly the House will suspend the rules and pass H.R. 6319.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Pennsylvania [Mr. SAYLOR].

Mr. SAYLOR. Mr. Speaker, I would like to take this opportunity to commend the chairman of the special subcommittee, the gentleman from Georgia [Mr. MITCHELL] for his patience in dealing with a complex and a intricate problem affecting the veterans of our country. As a result of his patience in the hearings which were held the Veterans' Affairs Committee has brought to the floor a bill which I feel can have the active support of every Member of the House.

It is important to realize that in this bill there are no new principles of law. This bill merely extends the existing provisions of the law to a new class, and by extending these existing provisions it is to prevent the building up of money in veterans' accounts in the case of an incompetent veteran who has no close relatives or dependents.

Some Members of Congress who were here in prior sessions will recall that when a similar bill with a retroactive feature in it was presented, that bill was recommitted. I would like to impress upon all Members of the House that this bill has no retroactive features insofar as guardianship accounts are concerned. It will only take effect from date of enactment forward, and it cannot affect any veterans' guardianship accounts that are now in existence. These will be paid in accordance with State laws. All of my comments apply to incompetent veterans who are being hospitalized at public expense and who have neither wife, child, nor dependent parent.

What this bill actually does is to withhold moneys where they are not needed by a veteran and are not needed by his family because the veteran is already being taken care of fully and completely. They are receiving care in a veterans' institution. This bill has a provision which I think is very unusual, that in case any veteran who is incompetent and is affected by this bill at any time in the future recovers his competency or her competency, every dollar that he or she would have gotten had this bill not been passed will become available to that competent veteran.

There are some people who say that if this bill were not in effect some brothers and sisters of veterans would receive benefits. But let us look at this matter a minute. During World I, World War II, and the Korean war, we had many men lose their lives who had brothers and sisters. The Federal Government said that as a matter of policy there is no duty upon the Federal Government to make any payment to a brother or a sister, they are outside of the scope of those in the family that we take care of. We take care of the wives, children, and dependent parents. Other people are outside of the scope of the veterans' benefit laws. Bear in mind always, these veterans are in VA or State hospitals and being cared for at public expense.

This bill takes cognizance of that fact and makes sure that all of the classes of relatives Congress said are worthy of consideration will be taken care of. It will have the effect of preventing large sums of money going to people who have had no responsibility for the veteran in the past.

That is the purpose of the bill, and I urge suspension of the rules and passage of the bill at this time.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I realize that in the short time allotted under suspension of the rules nothing can be done to change the bill. It should not pass—there is something inside of me that bitterly resents the taking away of the money that is owed the veteran by the Government. The fact that he is incompetent makes it infinitely worse. Worse than if the Government took it away from a blind man because he would have his mind to fight with. You, who have worked day in and day out with these veterans and have seen their families visiting the men in the hospitals, know full well the feeling that the veteran has for his family, particularly his brothers and sisters and the feeling they have for him. I know many a veteran who was worried very much about his brothers and his sisters and others of his family who would lose by this bill, who would be hurt by passage of this bill before he was taken so ill. This bill reaches down into the pockets of these poor veterans who cannot fight for themselves, who cannot think for themselves, and yet a so-called benign Government would take that money away that has accumulated for their benefit. Take for instance, the small amounts that are paid into various funds for the veterans by the veterans' organizations, such as Poppy Day. How do you suppose the public and they would feel when they realize that some of that money will not go to the veterans or their families? I shall vote against the bill. I shall not argue any more against it, because I shall wait for the other body, believing that some Members of the other body who have talked with me, who feel as I do about it, will defeat the bill over there as they did before. This money is earned by the veterans and it rightfully belongs to them. I cannot, in good conscience, vote for it.

GENERAL LEAVE TO EXTEND

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks on the pending bill.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

POLISH CONSTITUTION DAY

Mr. WALTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, I believe that today's discussion on the floor should not be confined to historical reminiscences of Poland's glorious past. The time that we spend today on discussing Polish affairs should be at least in part devoted to casting a cold and realistic look at present-day Poland.

In the last 2 years, since the Gomulka regime was installed in Poland in October 1956, comparisons are being made between Poland and Yugoslavia, between Gomulka and Tito. I would like to advise those who make these comparisons and arrive at the conclusions that both Poland under Gomulka and Yugoslavia under Tito have veered away from Moscow and practice what some refer to as their own road to socialism to look a little closer at what is going on in both countries at the present time. It may be true that in the beginning Gomulka succeeded in his attempt to create in the Western World the impression that he is following in Tito's footsteps and cutting some of the strings that kept him, a puppet, attached to the fingers of the Moscow manipulators. It may be that the temporary relaxation of terrorism in Poland and a wider exchange of persons between Poland and the West has led some foreign observers to jump to the conclusion that Poland has regained some of the freedom and some of the independence of which the Soviet invaders deprived it in 1945.

Recent events show conclusively that these optimistic conclusions were entirely wrong. Contrary to Tito, Gomulko has not attempted and certainly not succeeded in leaving the militant international Communist conspiracy and after having for a short while built a flimsy front of respectability, has rather quickly returned to the Communist fold.

Again, as before October 1956, the Polish people live not only under the shadow of Moscow's might but also wholly within the Soviet imperialist orbit. Contrary to Tito, Gomulko remains a puppet and a most servile executor of orders issued at the Kremlin. More than that, in the field of foreign relations, Warsaw, the capital of Poland, has become the capital of the Soviet foreign policy, a place where aggressive pacts are being written and signed by the Kremlin's servants, a place where aggression against the Western World is being hatched by the reoccurring meetings of the leaders of the Soviet empire, a place where ideas hostile to the freedom-loving Western World are being put into reality.

In view of these events and in view of the Gomulka regime's unflinching loyalty to Soviet Russia, it becomes increasingly difficult to accept the theory that today's Poland is in any degree more free and more independent from Moscow than it was in the last decade.

POLISH CONSTITUTION DAY

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BOLAND. Mr. Speaker, today we pause to commemorate Polish Constitution Day—a significant date in the proud but tragic history of Poland.

One hundred sixty-eight years ago, Poland's enlightened leaders led their countrymen from the feudal path of the Middle Ages to the broad, democratic highways of modern times by accomplishing the most liberal and progressive reform in central and eastern Europe. By the constitution of May 3, 1791, Poland moved peacefully from an unlimited autocracy to a limited monarchy. For a brief period, Poland's torch of freedom and progress was allowed to burn brightly, but was quickly extinguished by her powerful aggressive neighbors.

For over a hundred years Poland's light glowed only in the hearts and minds of her suffering people. Again briefly after World War I, the Poles tasted freedom only until aggression descended upon them in 1939 when Nazi Germany and Soviet Russia conquered and despoiled their land.

While World War II brought freedom to many, it left Poland in the tenacious grip of Communist tyranny. Today, although Poland is reduced to the level of a Soviet satellite, her people continue to resist oppression, to keep faith in the future, and to maintain the ideal of a free and democratic Polish Republic. The spirit of the Constitution of 1791 lives in the minds and hearts of freedom-loving Poles throughout the world.

Today, as we proudly join Poles everywhere in rededication to the cause of freedom, we pay humble tribute to a brave people who have suffered much in their struggle against tyranny. Their fearless determination to preserve freedom and justice against overpowering odds has been an example to us all. Such spirit cannot be destroyed. It will keep the hidden flame of freedom lit until it can once again blaze brilliantly and openly in a free and independent Poland.

ONE HUNDRED LOCAL CHAMBERS OF COMMERCE DISAGREE WITH NATIONAL CHAMBER POLICY ON WATER RESOURCES DEVELOPMENT

Mr. EVINS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. EVINS. Mr. Speaker, I am sure we all have a high regard for many of the able men throughout the country who are members of the U.S. Chamber of Commerce—and who, through the local chambers of commerce, work effectively for the progress of their communities. Locally as we all know, the chamber of commerce is usually in the forefront working for projects for the betterment of their communities and for developing the resources of their areas.

It seems, however, that on the national level, the staff of the U.S. Chamber of Commerce do not know the facts—they are not aware of the facts like the members of our local chambers of commerce. Thus, we often see officials of the national level taking positions contrary to those held by the chambers of commerce on the local level.

Last week, Mr. Speaker, we witnessed another example of this very thing happening here in Washington. The Chamber of Commerce of the United States, during their convention adopted a number of resolutions—policy declarations—including one under the heading "Valley Authorities"—which was aimed largely at the Tennessee Valley Authority—and this action demonstrated again the failure of the national officials of the U.S. Chamber of Commerce to understand the purposes of the TVA and to view the programs of this great agency of our Government objectively.

I want to point out that earlier this year the policy committee of the chamber of commerce met here in Washington to formulate their policy declarations—and during this time a large delegation of members of the local chambers of commerce from the South appeared before the policy committee objecting to these proposed recommendations. As a result of their objections the policy committee abandoned the more extreme points and modified their declaration considerably. However, at the convention held last week, this policy recommendation was submitted to the convention and as presented it still evidenced a lack of knowledge of the true facts about the Tennessee Valley Authority.

We have all read the press reports of the repressive and restrictive resolution adopted by a majority of those attending the convention.

I merely want to say, Mr. Speaker, that I regret that the chamber of commerce representatives from other areas of the country are not as informed—at least as far as the TVA is concerned—and they are not as enlightened as the members of the chambers of commerce from the TVA area.

I am proud that Mr. Barrett C. Shelton, of Alabama, president of the Associated Valley Chambers of Commerce, and many others, Mr. Carmack Cochran, Nashville; Mayor George Dempster, Knoxville, and others from the South, spoke out. I congratulate them and although they were outvoted, it is to be hoped that their protests—and the protests from more than 100 chambers of commerce from the South, who know the TVA best, will yet lead the National Chamber of Commerce to reexamine their position on the TVA and other great water resources development projects.

The national chamber should consult their local chambers more fully—when formulating their policy pronouncements—they would then be better informed and more representative in attempting to express a national point of view—instead of supporting positions which are preconceived and prejudiced.

I respectfully urge favorable action upon H.R. 3460, soon to be considered, and let me say that on July 29, 1958, upon this bill, the TVA Board of Directors, all of them appointed by President Eisenhower, said in the letter to the committee that—

We welcome the opportunity to express our deep concern that the legislation now before your committee to authorize TVA to issue revenue bonds be favorably reported and approved by the House at this session of the Congress. We believe the bill, as approved by the Senate last year provides a workable basis on which to undertake this new means of financing.

That is the word from the Tennessee Valley Authority Board on this issue.

H.R. 3460 when enacted into law will first, be an improvement upon the present businesslike corporate structure of TVA; second, further safeguard the Government's and our investment in this joint venture; third, provide for, in a sound and orderly manner, the necessary normal growth additions to TVA's electricity facilities; and fourth, greatly reduce, the annual argument over TVA.

Let us follow the people, and the local chambers of commerce, rather than these who would stop progress in America.

FOOD COLORS

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I have today introduced a bill to provide relief to the edible fat industries by allowing them to continue to use for a limited period certain necessary yellow food colors at levels found safe by the Food and Drug Administration. The need for this amendment to the Federal Food, Drug, and Cosmetic Act arises from the following situation:

In December of last year the Supreme Court decided that the Food and Drug Administration has no statutory authority to certify any coal tar color for use in food unless an unlimited amount of the color could be fed to test animals without causing harm. As we all know, virtually any substance could cause harm if fed in sufficient quantities. But as the Federal Food, Drug, and Cosmetic Act has now been interpreted, the Food and Drug Administration is in the peculiar position of being unable to continue to certify coal tar colors for use in food, even though the color is perfectly safe in the levels of use employed by food manufacturers.

The Food and Drug Administration, as you know, for years prior to the Supreme Court decision had certified numerous coal tar colors for use in food, notably certain blues, greens, reds, yellows, and a violet. Even after the Supreme Court decision, the Food and Drug Administration has not acted to bar continued use of all of the food colors that would be vulnerable under the new and strict interpretation of the act. The Food and Drug Administration has continued to list and certify the blues, greens, and violet. Industries who use these colors are thus faced with no immediate legal problem.

Several years ago the Food and Drug Administration ordered discontinuance of the use in food of a red coal tar color used to color oranges. As you know, this action posed severe problems to the citrus industries of Florida and Texas. At that time, the Congress enacted temporary legislation allowing continued use of a red coal tar color for use on oranges. When that legislation was about to expire in March of this year, the Congress again came to the relief of these citrus growers and in this session enacted Public Law 86–2 which was signed by the President last March. Under that law, a commercially necessary food color, safe under the conditions of use, has continued to be available.

Those colors that have not been delisted by the Food and Drug Administration pose no real question of safety. No one has suggested that when used at their present levels they are capable of causing harm to any consumer. However, the Administration has delisted certain colors required by the edible fat industries, known as F. D. & C. yellows 3 and 4. Those who use these yellows are thus in a unique and unfortunate position. Unless my bill is enacted, on May 7—the effective date of the delisting order—food producers dependent on the use of these colors will be denied an essential ingredient in the manufacture of various edible fats. This will be true even though no one has suggested that the use of those colors at the levels at which they have been used for decades has ever caused any harm to any consumer.

As I am sure you are aware, general color additive legislation will shortly again come before the Congress. A general color additive bill introduced by me last session failed of enactment. The Food and Drug Administration, however, has circulated a draft bill. They have asked for the comments of all interested parties by April 27. But long before any general legislation could possibly be enacted, the use of yellow food colors for edible fats will because of the curious situation which I have described become illegal. Of the four yellow food colors delisted, yellow Nos. 1 and 2 are water soluble and are of no concern here because there are other water-soluble yellows available. What we are concerned with are the fat-soluble yellow Nos. 3 and 4 since no appropriate substitute fat-soluble coloring is available.

Yellow Nos. 3 and 4 are extremely important to producers of edible fat. The bill I have introduced would allow continued use of these colors at safe levels for a limited period until September 1961, or the earlier enactment of general color additive legislation, or the development of suitable fat-soluble replacements.

Essentially the bill I have introduced gives those who use yellow Nos. 3 and 4 the same kind of relief as the Congress gave the people who use red coloring on their oranges. Thus, it would in no respect usurp the function of the Food and Drug Administration in prescribing the level of safe use. The bill would leave entirely to the Food and Drug Administration the function of prescribing the conditions, including quantitative tolerance limitations, under which yellow Nos. 3 and 4 may be used. This is precisely what was done for citrus red.

The users of yellow Nos. 3 and 4 face a problem that I hope will be resolved by the enactment of general color legislation. Since all agree that there is no question of public safety involved here, I have introduced this bill in order to provide emergency relief for the users of yellow Nos. 3 and 4. The simplest way of resolving this temporary but acute problem is to do in the case of yellow Nos. 3 and 4 what was done for citrus red No. 2. The use of a coloring material in relatively small quantities to achieve a desirable purpose should not be barred because the presence of that material in quantities many times in excess of the quantity in fact used is believed by some to be a potential source of harm. Clearly the Secretary should have the power to permit the use of that material under proper quantitative restrictions. I hope this bill can receive the prompt attention of the Congress.

AIRPORT ON SUBSIDY-FREE BASIS AIM OF COMMITTEE

Mr. SCHENCK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SCHENCK. Mr. Speaker, during the extended hearings in our Committee on Interstate and Foreign Commerce, of which I am privileged to be a member, and during the debate on the floor of the House recently in connection with Federal aid to airports, a great deal was said in favor of communities making all-out efforts to have self-supporting airports.

There is no question that the tremendous increase in air travel requires adequate airport facilities and that the safety features of these facilities are of primary importance. Dayton, Ohio, as has been said many times, is both the birthplace and the cradle of aviation. The facilities of the James M. Cox Municipal Airport are designed to meet this ever-increasing need. Civic leaders join with city and community officials in achieving these results.

I am very happy to note a story of their progress in the Dayton Journal Herald of April 29, 1959, and under unanimous consent I include it with these remarks in the RECORD, as follows:

AIRPORT ON SUBSIDY-FREE BASIS AIM OF COMMITTEE—ADVISORY GROUP RECOMMENDS THREE STEPS AT CONFERENCE WITH DAYTON OFFICIALS

The 3-month-old Dayton Airport Advisory Committee yesterday showed definite signs that it will grow into a husky influence in Dayton's aviation future.

In a brief, action-filled meeting with Dayton officials, a 5-man subcommittee headed by John P. Fraim, L. M. Berry executive, called for a positive approach aimed at operating Cox Municipal Airport on as near a subsidy-free basis as possible.

The subcommittee recommended the following courses:

1. Raise charges paid by fixed base operators to let them bear a greater and more equitable share of airport costs.

2. Limit proposed new fixed base leases to 1 year with the understanding that they would be reviewed for fairness at the end of that period.

3. Take immediate steps to formulate a land use program on which to base future rentals as a means of securing the maximum equitable income from other than airline sources.

Fraim also called for a city study of rates being charged by fixed base operators at Cox airport to see that excessive charges are not driving industrial or private business away.

FOUR ALREADY IN AGREEMENT

Under proposed new leases, to which he said four of the fixed base operators have already agreed, Jack Unterberger, Dayton engineer in charge of airport projects, reported the city will realize about $27,000 in increased income in the next year.

Unterberger said Skyways, Inc., Ohio Aviation, Southern Ohio Aviation, and National Cash Register Co. (which will take over the hangar formerly used by the Kettering interests) had agreed to the following terms:

1. Increase electricity charge per hangar from $46 to $200 a month.

2. Increase the base rate for heating from $1 to $1.30 per 1,000 pounds of steam supplied.

3. Increase the city's share of gasoline sales from the present 2 cents to 2.5 cents per gallon.

Unterberger reported further hikes in the airport income from hangar users may be expected from adjustments in utilities charges to the Air Mod branch of the Cook Electric Co. and from charges to TWA when their lease expires next month.

MASTER PLAN SLATED

City Manager Herbert W. Starick said the 1 year leases would give the city enough time to draw a master plan for future land use and charges at the airport.

Urging such a program was John W. Gower, cochairman of the full advisory committee. He expressed dissatisfaction with a recent 3-year lease extended to the Cook Electric Co. for part of its airport facilities.

Thomas H. Wasmuth, vice president of the Rike-Kumler Co., pressed for limiting fixed base leases to 1 year pending drawing of the land use master plan.

Gerald Weller, Standard Register official, said fixed base operators would find the master plan to their advantage. It would permit the Dayton commission to consider leases of up to 20 years or more, Weller pointed out.

Skyways, Inc. plans construction of a number of T-hangars but will need long-term leases to secure financing, Weller said.

COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. MOULDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. MOULDER. Mr. Speaker, because of widespread publicity given to statements made by our former President Harry Truman, I am impelled to take this opportunity to clarify any misunderstanding some people may have concerning his criticism of the Committee on Un-American Activities.

First, no person without bias or prejudice can or would dispute the fact that this great American as President of the United States used every method of peaceful negotiation and then forceful and aggressive action in our fight against communism. No other man was ever called upon to make such momentous decisions in opposing the threat and spread of communism throughout the world. No other man has ever met this challenge with more immediate action of aggressive international diplomacy and with force on the battlefield.

However, in his courageous fight against the international Communist movement, Harry Truman has not lost sight of the value and importance of preserving our American way of life as a great democracy. And in this respect, he has such deep devotion for the Bill of Rights and the Constitution of the United States that he has no hesitancy in criticizing a congressional committee when he believes that some of the procedures used by that committee violate the Bill of Rights. It is on this principle that he criticizes our Committee on Un-American Activities. I personally know that Mr. Truman is in complete accord with our objectives of exposing communistic activities in this country and in agreement with the purpose of legislative actions reported by the committee to preserve our internal security. His criticism is directed to the past actions of certain individual members of the committee who have used demagoguery on the committee in the process of exploiting sensational publicity for personal political gain without regard for the Bill of Rights. Mr. Truman does not attack or criticize the individual membership of the present committee nor the outstanding ability of our great chairman, FRANCIS WALTER. In fact, he believes that Chairman WALTER and other members of the committee have improved committee procedures and conduct of hearings.

ENDING SUBSIDIES FOR FARM DRAINAGE IN THE PRAIRIE POTHOLE AREA

Mr. REUSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, three-fourths of all the wild ducks bred in the continental United States come from the prairie pothole area of Minnesota, North Dakota, and South Dakota. In recent years, under agriculture conservation program subsidies, almost one-third of these potholes have been drained and thus ruined as waterfowl habitat.

Alarmed at the serious threat to our waterfowl by the drainage program, Congress last year enacted Public Law 85–585, earmarking the $6.5 million which will accrue annually starting in fiscal 1960 from the $3 duck stamp to a program of purchasing and leasing wetland areas.

Because of the imminent start of the wetland acquisition program, and because of the obvious conflict which would be created with it by continued subsidized farm drainage, I recently wrote Assistant Secretary of Interior for Fish and Wildlife, Ross L. Leffler, as follows:

Mr. ROSS L. LEFFLER,
Assistant Secretary of Interior for Fish and Wildlife, Department of the Interior, Washington, D.C.

DEAR MR. LEFFLER: I shall be grateful if you can convey to me certain information concerning the program of the Bureau of Sport Fisheries and Wildlife for acquiring wet lands in the upcoming fiscal year (that commencing July 1, 1959), and the relationship to it of wetlands drainage:

1. What areas, by county or other subdivision, in Minnesota, North Dakota, and South Dakota, do you consider most eligible for acquisition, by purchase or lease, under the wetlands acquisition program set up by Public Law 85–585 of August 1, 1958? In the fiscal year starting next July 1, for the first time the proceeds of the $3 duck stamp—the sum amounting to more than $6 million annually paid for by the more than 2 million hunters—will be almost entirely earmarked for the leasing and purchase of wet lands valuable to waterfowl. How important in your total acquisition program is the so-called prairie pothole area? What percentage of the total funds available for purchase and lease are to be earmarked for this area? In addition to the Federal program, do any other agencies of State or local government have wetlands acquisition programs for this area? In what probable amounts?

2. In his testimony before the Intergovernmental Relations Subcommittee of the House Committee on Government Operations on August 15, 1957, Daniel H. Janzen, Director of the Bureau of Sport Fisheries and Wildlife, testified:

"The position of the U.S. Fish and Wildlife Service is that the Federal Government should not offer subsidies for drainage in the prairie pothole region of the Dakotas and Minnesota, because of the national interest in the 4 million acres of waterfowl wet lands there * * * in keeping with current economic policies in Government, substantial savings of somewhat more than $1 million annually could be achieved by abolishing subsidies for drainage in the 3 pothole States."

I invite your comment on whether this statement is still true today.

3. Is substantially all of the farm drainage now practiced in the prairie pothole area materially damaging to waterfowl habitat? If subsidized farm drainage were ended in the prairie pothole area (of course, farmers would still be entitled to drain their lands at their own expense even in this area), would this substantially accomplish the goal of withdrawing Federal subsidies for farm drainage materially harmful to waterfowl habitat?

4. If Federal subsidy for wetlands drainage in the prairie pothole area is allowed to continue, what will be its effect on the wetlands acquisition program under Public Law 85–585? Will it, in your opinion, raise the cost of Federal leasing and purchasing under Public Law 85–585?

Sincerely,

HENRY S. REUSS,
Member of Congress.

There follows Assistant Secretary Leffler's reply to me of April 30, 1959:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C. April 30, 1959.

HON. HENRY S. REUSS,
House of Representatives,
Washington, D.C.

DEAR MR. REUSS: In your letter of April 22 you asked that I send you certain information concerning the program of the Bureau of Sport Fisheries and Wildlife for acquiring wet lands in fiscal year 1960 and subsequent

years, and the relationship of that program to wetland drainage.

The enclosed summary contains the requested information based on the most recent data available from the Bureau's files. Where possible, we have given specific answers to questions raised in your letter. However, as I am sure you will appreciate, in some instances only a qualified answer can be made at this time. The numbered sections in the summary correspond to the numbered paragraphs in your letter of April 22.

In the event that you desire elaboration of any of the points involved, we will be pleased to provide further details

Sincerely yours,

ROSS LEFFLER,
Assistant Secretary.

SUMMARY OF PROPOSED WETLAND ACQUISITION PROGRAM IN RELATION TO WETLAND DRAINAGE

1. The waterfowl production areas considered most eligible for acquisition by purchase or lease under the acquisition program established by Public Law 85–585 are pothole wetlands located in all or portions of 91 counties which contain the best remaining waterfowl breeding habitat. As shown in table 1, 23 of these counties are in Minnesota, 34 are in North Dakota, and 34 are in South Dakota.

The prairie pothole area is the most important single segment of our overall acquisition program to preserve waterfowl habitat in the United States. This ranking denotes the importance of the prairie pothole section as the breeding grounds from which comes annually about three-fourths of the waterfowl produced in this country. It reflects the imminence of destruction of the section as a major waterfowl production area and the concern with which this is viewed by wildlife authorities and conservationists, generally.

We believe that you will be interested to know that recently the Mississippi Flyway Council, comprising directors of fish and game departments in 14 States, adopted a council report recommending that first priority be given to the acquisition of waterfowl breeding habitat in the United States.

The planning of the program for acquisition of pothole wet lands by the Bureau of Sport Fisheries and Wildlife is being given major emphasis in fiscal year 1959. Detailed field investigations to identify areas having high waterfowl breeding history and potential for production are being conducted. The Staff of appraisers in the Minneapolis Regional Office of the Bureau is being expanded to handle the anticipated increased work load which will follow initiation of the pothole wetland acquisition program in fiscal year 1960.

Funds available for acquisition of pothole wet lands in fiscal year 1960 will be limited inasmuch as a majority of funds available for acquisition in that year are already committed for acquisition of areas previously approved by the Migratory Bird Conservation Commission. As yet, no determination has been made as to what percentage of the total funds available annually from the $3 duck stamp will be programed for the acquisition of pothole wet lands. Until actual field experience with the program is gained in fiscal year 1960 such a determination will not be possible. However, it is anticipated that a substantial portion of the overall funds available for acquisition will be earmarked for the pothole area in fiscal year 1961 and future years.

In addition to the Federal program, all three of the major pothole States, Minnesota, North Dakota, and South Dakota, have programs for the acquisition of waterfowl breeding areas. While these are Statewide programs, the emphasis on acquisition of wet lands is concentrated in the pothole sections of the respective States.

Minnesota initiated an accelerated wetlands preservation program in October 1951, and to date has acquired about 56,100 acres at a cost of about $1,770,000. In 1957 a surcharge of $1 was placed on upland game bird licenses to provide additional funds for wetland acquisition. This provision is to remain effective as long as $200,000 from the annual Federal Aid in Wildlife Restoration apportionment is spent for acquisition for wetland preservation.

Including license surcharge funds and Federal aid funds, about $550,000 per year is available for the wetlands acquisition program of the Minnesota Department of Conservation and this rate is expected to continue. At recent prevailing land prices, it is estimated that these funds will be sufficient to purchase about 17,000 acres per year.

The North Dakota Game and Fish Department has acquired about 15,000 acres of wet lands at a cost of about $212,000. Wetlands acquisition is proceeding at a rate of about 1,100 acres per year, using about $15,000 of Federal aid funds.

South Dakota has acquired about 30,100 acres of wet lands at a cost of about $754,327 of Federal aid funds. During the past 20 years South Dakota has acquired about 30,000 acres of land, using its regular funds. Most of these latter areas contain some wet lands of value for waterfowl production.

In recent years $5 of each nonresident hunting license sold in South Dakota has been earmarked for land acquisition and development. The last session of the State Legislature enacted a law which earmarked $9 of each nonresident hunting license fee for the acquisition of wet lands beginning in 1960. If South Dakota nonresident license sales continue at about the present rate, this will mean that an additional $250,000 or so per year will become available for wetlands acquisition by the State. Total wetlands acquisition funds available from all sources for South Dakota will be about $450,000 annually in 1960 and thereafter.

From the foregoing estimates it appears that together the three major pothole States will be spending about $625,000 to acquire perhaps 20,000 acres of land this year. Beginning in 1960 the total funds available for wetlands acquisition by these States will be about $1,015,000, which should purchase about 36,000 acres at current prices.

2. We believe that the statement quoted from testimony given before the Intergovernmental Subcommittee of the House Committee on Government Operations on August 15, 1957, by Mr. Daniel H. Janzen, Director of the Bureau of Sports Fisheries and Wildlife, would still be valid today. The position of the U.S. Fish and Wildlife Service on Federal subsidies for drainage in the prairie pothole region has not changed. Expenditures by the Agricultural Conservation Program Service and the Soil Conservation Service directly related to drainage work in the three-State area as a whole are still somewhat more than $1 million annually.

3. Substantially all of the farm drainage now practiced in the 91 counties listed in table 1 is materially damaging to waterfowl.

If subsidies for agricultural drainage in the pothole region are withdrawn, the major immediate threat to waterfowl breeding areas in the United States will be substantially reduced. It is believed that the rate of private drainage will be much less than that at which subsidized drainage has been carried out.

However, there are also important areas of wintering habitat which have been adversely affected by subsidized agricutural drainage. This has resulted from direct drainage, and from excessive turbidity, silting and upset of salinity balances in downstream areas.

4. Under Federal drainage subsidy a landowner is able to drain wet lands, converting them to croplands, at only a fraction of the cost of private drainage. The prospect of immediate financial return resulting from increased crop production with only a nominal personal investment, will undoubtedly affect the attitude of the landowner toward sale and leasing of wet lands. In effect this will mean active competition between drainage programs and the wetlands preservation program for the same wetland areas. An inevitable result of continued drainage subsidy will be greater difficulty of negotiating lease and purchase agreements under the waterfowl program, with increased rates and a higher overhead cost.

TABLE 1—NINETY-ONE COUNTIES WHEREIN ACQUISITION OF POTHOLE WET LANDS IS PLANNED

Minnesota, 23 counties: Murray, Lyon, Yellow Medicine, Renville, Lac qui Parle, Chippewa, Kandiyohi, Swift, Big Stone, Traverse, Stevens, Stearns, Grant, Douglas, Otter Tail, Wilkin, Clay, Becker, Mahnomen, Norman, Polk, Lincoln, and Pope.

North Dakota, 34 counties: Barnes, Burleigh, Dickey, Divide, Emmons, Kidder, La Moure, Logan, McIntosh, McLean, Mountral, Ransom, Richland, Sargent, Stutsman, Williams, Benson, Bottineau, Burke, Cavalier, Eddy, Foster, Griggs, McHenry, Nelson, Pierce, Ramsey, Renville, Rolette, Sheridan, Steele, Towner, Ward, and Wells.

South Dakota, 34 counties: Beadle, Brookings, Brown, Campbell, Clark, Codington, Day, Deuel, Edmunds, Faulk, Grant, Hamlin, Hand Hughes, Hyde, Kingsbury, Marshall, McPherson, Potter, Roberts, Spink, Sully, Walworth, Brule, Aurora, Charles Mix, Lake, Hanson, Miner, McCook, Minnehaha, Douglas, Jerauld, and Sanborn.

As was said in the April 24, 1959, bulletin of the International Association of Game, Fish, and Conservation Commissioners:

It makes little sense for the Government to continue paying for the destruction of valuable duck-nesting marshes in the very area where the Fish and Wildlife Service proposes to invest substantial amounts of the $3 duck stamp revenues in acquiring enough wet lands to save the resource.

If the subsidized drainage of wet lands in the prairie pothole area is to continue, it will simply bid up the price of valuable marshland and thus make the Federal program of wetlands acquisition more costly and difficult. If subsidized drainage continues, it will cost more than $1 million annually for the drainage subsidy program in the prairie pothole area. Incidentally, the $1 million annually spent for drainage subsidies in the prairie pothole area is far less than what will be spent on wetlands acquisition in the same area starting in fiscal 1960 under the wetlands acquisition program. Under the Federal program, this is likely to be at least one-third of $6½ million available, or more than $2 million. In addition, Secretary Leffler's letter indicates that more than $1 million will be available for wetlands acquisition on behalf of the three States of Minnesota, North Dakota, and South Dakota. Thus the million dollars in drainage subsidies which prairie pothole farmers would lose if the drainage program were ended in that area would be three times less than the amount they will gain under the wetlands acquisition program.

Mr. Speaker, I sincerely hope that this year's agriculture appropriation bill, for which hearings have just been conclud-

ed before the House Committee on Appropriations, will contain a limiting amendment prohibiting further payments for draining wet lands in the 91 Minnesota, North Dakota, and South Dakota counties listed by Secretary Leffler as the area where preserving our remaining wet lands for the future is vital.

POLISH CONSTITUTION DAY

The SPEAKER pro tempore (Mr. MACHROWICZ). Under previous order of the House, the gentleman from Illinois [Mr. PUCINSKI] is recognized for 2 hours.

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and also that any of my colleagues who so desire may extend their remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PUCINSKI. Mr. Speaker, yesterday throughout the United States, in many of our large and small communities, tribute was paid to the people of Poland who, 168 years ago, on May 3, 1791, startled all Europe by adopting a constitution which included within its framework the fundamentals of freedom written into the U.S. Constitution only 4 years earlier. This Polish constitution was so broad in scope in providing a democratic process for the people of Poland that despotic rulers of Europe could not tolerate such concepts for their own people. Through a violent conspiracy led by Russia and her neighbors, Poland and her constitution were quickly submerged. We Americans have for years paid tribute to the May 3d constitution of Poland because it tried to introduce among the nations of Europe those principles of respect for human dignity which our own forefathers in this country had so heroically carved out for this nation during the American Revolution.

It is fiitting that these celebrations were held yesterday; fitting because they remind the entire world again that the same spirit and yearning for freedom which led the Poles to adopt their May 3d Constitution in 1791 continues among the people of Poland today, even though tragically that nation again must endure the indignity and oppression of Communist rule under its present regime.

Mr. Speaker, I think I speak with some authority when I assure all of you assembled here today that the fibers of freedom are so deeply ingrained in the Polish people that they transcend time itself. During the entire 1,000 years of Poland's history, this gallant nation periodically had been submerged by her tyrannical neighbors and had been the tragic victim of various invasions. But, through her entire glorious history, the people of Poland have never abandoned their firm dedication to the cause of freedom.

Poland's firm ties to religious beliefs have helped these people during their tragic periods of oppression, and even today these strong beliefs in religion continue to menace and deter the Communists' hopes for turning the Polish people away from their inherent belief in freedom and submit rather to the dogma of Communist oppression.

Just as tyrants have failed to crush the spirit of freedom in the Polish people during the past 1,000 years, so will they again fail in their present effort. This great charter, the May 3 Constitution of 1791, has been the rallying point for the Poles during the past 168 years, and I know that the people of Poland will not yield in their determined resistance to oppression until this constitution again becomes a living document in Poland.

These tributes to Poland's constitution of May 3 should again remind those in America and the entire free world that there can be no lasting peace so long as Poland, Czechoslovakia, Lithuania, Latvia, Estonia, Hungary, Rumania, and the other captive nations, traditionally our friends and allies, remain enslaved in Communist bondage. To those who, for the sake of expediency, would be willing to forget the great dedication to freedom which these unfortunate nations have demonstrated so herocially in the past, I say they are making a fatal mistake—a mistake which sooner or later will reflect on the very freedom which we, as Americans, cherish so deeply in our own country. For liberty requires great sacrifices whether it is in our own country or any other part of the world. Ours is a polyglot nation. We Americans have taken the best that cultures of nations throughout the world have to offer and have welded them into one concept which we call America, the land of the free.

The Poles have indeed been an inspiration. They have been a source of great inspiration to people throughout the world in their great struggle for freedom and their dedication to those principles. They have fought in Europe and they have fought in this country. We need only to remind ourselves of the Polish immigrants who came here in the American Revolution—Pulaski, Kosciuszko, and in the War Between the States, Kyzanowski, and the Polish immigrants who came here as early as 1610 to help build a greater America. Also those gallant Poles who throughout World War I and World War II demonstrated their great heroism and dedication.

The gallant Army of Poland wrote some of the most inspiring chapters during these two last wars; the Warsaw uprising, the heroic battle at Monte Casino; the gallant defense of London against Nazi Messerschmidts by the Kosciuszko Squadron of the Polish Air Force—all these were definite evidence of the burning dedication to freedom and justice by these undaunted people.

Therefore, I say, Mr. Speaker, that I hope the United States will never yield in its stubborn determination that the people of Poland and the people of all enslaved nations must have their full freedom restored. And not until the captive nations of the world can again rule themselves under constitutions such as the one adopted in Poland on May 3, 1791, can we as Americans hope for a lasting peace in our time.

Mr. O'HARA of Illinois. Mr. Speaker, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Illinois.

Mr. O'HARA of Illinois. Mr. Speaker, annually since I have been in the Congress I have attended and participated in the ceremonies in this Chamber observing the anniversary of the Polish constitution, and it is with a sense of pride in a fellow Chicagoan that I am moved to observe that never have I listened to a presentment of the cause of Poland more moving, eloquent and convincing than that of the distinguished gentleman from Illinois, Mr. PUCINSKI, who is responsible for the opportunity we have today again to voice our unending loyalty to the people of Poland in their strife to break the chains of bondage.

In commending the distinguished gentleman, and applauding the excellence of his remarks in content and in delivery, it seems to me not improper to remind my colleagues that high on the roll, of American war veterans of Polish blood is the name of Roman Pucinski, one of the first American fliers to bomb Tokyo in World War II.

The Polish Constitution of May 3, 1791, the anniversary of which is honored today in the House, is a proud and glorious document to every Pole. This is true to a great extent because of the historical circumstances under which this old constitution was originally drawn up and approved by the Polish people.

This occurred at a particularly grim and critical time in Poland's history. In the latter part of the 18th century the Polish state trembled on the brink of obliteration. Hemmed in on nearly all sides by much stronger and unfriendly powers—Russia, Prussia and Austria—Poland had become the object of their rivalry and greed. In 1772 the three powerful neighbors of Poland bit off large portions of Polish territory and it became clear to the hapless Poles that a dismembering process was underway which might well result in their annihilation.

The shock of this thought spurred internal movements for reform in economic, social, and political life, and, as a result, Poland had a remarkable resurgence. Armed forces were mobilized, the economy was at least partially restored, and a movement for political change became more intensive. Throughout all this revival Poland's great neighbors did their utmost to block reform and sap Poland's will to resist. The monarchs that governed Russia, Prussia, and Austria, already made nervous by republican upheaval in France, looked with hostility upon the resurgence of liberty in Poland and strove to thwart it.

Undaunted by this opposition the Poles went ahead with their plans and approved the now famous constitution of 1791. By today's standards this political document would seem rather tame, but in Poland of that time it was a big step forward in internal liberty and a gesture of defiance to her surrounding enemies. The constitution envisaged responsibility of cabinet ministers and a fixed period of

work for the national parliament. It extended new civic rights to townsmen. It was, in short, an advance in constitutional government bolder than anything hitherto attempted in central Europe. With the adoption of this constitution the Polish people reached a new pinnacle of national greatness.

Sadly, however, it was only the prelude to the end. Almost immediately the soldiers of Russian Empress Catherine entered the country, and within a few short years Poland had been swallowed up. This began what was destined to be a long period of submergence and trial for the Polish nation.

Poland today is again passing through trial and difficulty, the nature of which is well known to us all. As we commemorate the constitution of 1791 in our speeches today we extend our sincerest sympathy to our Polish friends in their tribulations. Yet mere words seem hardly enough. Words can cheer and words can encourage, but words in themselves cannot actually better a bad situation. What would be far more appropriate, and in the long run more comforting and helpful to the Poles, would be the adoption of concrete measures by the American people that would really help the Poles to improve their lot.

It is in this spirit, therefore, that I propose the following five-point program of assistance for the Polish people.

POINT I—MORAL PRESSURE

First, I propose that we carry on a vigorous policy in the United Nations and elsewhere of exerting continuous moral pressure on the Kremlin to end, or at least relax its grip, on the affairs of Poland and other captive countries in Eastern Europe. Several times in the past the United Nations has sought to bring the U.S.S.R. and the Communist puppet governments in Eastern Europe to an accounting for violations of human rights and national freedoms.

In 1949 and 1950 the United Nations General Assembly passed resolutions aimed at winning greater respect for human rights in the Communist captive countries of Bulgaria, Hungary, and Rumania, but without effective result. Earlier, in 1948, the Security Council had sought to investigate the role of the U.S.S.R. in the Communist coup in Czechoslovakia, but the representatives of Moscow blocked effective action. In 1956 when the Hungarian uprising was squelched by Red Army tanks and artillery, the United Nations tried to investigate the facts but was prevented by Soviet obstructionism. The Assembly condemned the Soviet intervention and a special United Nations committee made a forceful and revealing report on the fate of the insurrection in June 1958.

These are all instances in which the United Nations as a vehicle of world opinion has brought the moral authority of mankind to bear on the Soviet policy of oppression in Eastern Europe. While the Soviet Union has rejected these efforts, it has not done so with impunity. Every rejection by the Kremlin of a United Nations resolution has actually been a defeat before the judgment seat of mankind.

My regret is that the United States has made so few efforts over the years to bring the U.S.S.R. to an accounting before the bar of the United Nations. There is much more that we can and should do. The condition in the captive countries, especially Poland, is now such that the concerted pressure of international opinion, exerted through the United Nations, could have a favorable effect. I recommend that the U.S. delegation at the United Nations at the earliest opportunity take appropriate action to place on the agenda of the United Nations the question of Soviet intervention in, or of deprivation of human rights and freedoms in, Eastern European captive countries. By this means we can speed the day of greater freedom for our Polish friends.

POINT II—ECONOMIC AID

Secondly, I suggest that we continue our policy of extending economic aid to the Poles in order to assist them to pursue an independent policy. One of the main instruments of Soviet infiltration or control is the economic bond. The less absolute this bond the more propitious conditions are for a freer political life. The Poles need economic aid. We recognized that in June 1957, when we agreed upon a program of aid amounting to $95 million, and also in February 1958, when we authorized an additional assistance sum of $98 million. Part of this program has been in loans and part in sales of U.S. goods for Polish zlotys. Most of this aid has consisted of surplus agricultural commodities, although some machinery and medical equipment has been included.

This is not a program that demands vast sacrifices by the American taxpayer, but it can pay off richly in political dividends. It can help reinforce the currents of freedom that are now flowing a little more perceptibly in Poland, and thus it can assist not only our Polish friends but can also contribute to the establishment of a more peaceful situation in eastern and central Europe.

POINT III—MORE REFUGEE RELIEF

Thirdly, I propose that the Congress enact legislation to permit more refugees and escapees from Poland and other Communist-dominated countries to find a haven in the United States. Many Poles and others who fled or escaped from communism were admitted under the Refugee Relief Act passed by Congress in 1953, but that act eventually expired. It was followed by Public Law 316 of September 11, 1957, which authorized the admission of some 18,600 expellees and refugees, in addition to other categories. As of the present time the quota under this legislation for refugees and expellees from communism is practically entirely allotted. That leaves us therefore with meager legal authority to offer a home under our flag to any more of those who have had the courage to abandon their Communist-ruled homelands. Consequently, I urge the Congress to consider this question seriously so that appropriate legislation might be passed at this session to take care of these homeless people.

POINT IV—LIBERALIZING IMMIGRATION

Fourth, I propose that our basic immigration law be amended so that it may be applied more liberally to those who wish a permanent home in the free air of America. Out of the total quota of approximately 155,000 immigrants allowed by the Immigration and Nationality Act of 1952 only about two-thirds is used. This is due to the way in which the various nationality quotas are assigned, to the kinds of preferences imposed, and to other factors. Thus each year there is a large group of unused immigration quotas that are going to waste, so to speak, because of the inflexibility of the law. At the same time there are many refugee-victims of communism who deserve our sympathetic attention. For this reason I urge that the unused quotas be pooled so that they can be applied to those nationalities where the need exists and where the most good can be accomplished in our effort to help Communist-persecuted peoples. At the same time, the preferences should be amended to give top priority status to members of families of those who are already residents in this country.

POINT V—WESTERN TERRITORIES

Finally, I would like to make a suggestion that could have a cogent effect on the position of Poland in the cold war. Of the many complex forces that are now working upon the Polish people and affecting their relations with Moscow, one of the most powerful in its emotional impact is the question of the so-called western territories—those lands, formerly occupied by Germans, to the east of the Oder-Neisse Rivers which were placed under Polish administration by the victorious Allies at Yalta and Potsdam. The Poles now occupy these territories, rule these territories, need these territories for injecting new vigor into their war-drained and looted economy, and want to retain these territories with all their hearts.

Yet the policy of uncertainty deliberately followed by the Western governments, the policy of rigid adherence to the principle that final legal disposition of these territories must await conclusion of a German peace treaty, is greatly embittering our relations with the Poles. Not only that, it is providing them with a very persuasive reason for continued reliance upon Moscow, for Moscow has championed the Polish side on this issue and is squeezing every possible drop of political benefit from it.

We should immediately recognize these territories as definitely Polish. That would not only be in accord with the hard facts, but it would be a stroke of immense political value. President de Gaulle of France has already broken the ice of Western policy on this point. I urge that we follow suit and formally acknowledge these lands to be Poland's.

Adoption of the short program I have outlined here today would do much to improve the lot of the Polish people, to cement Polish-American friendship, and to give hope and impetus to the Polish movement for independence and freedom. It would demonstrate in a concrete way how much we respect the prin-

ciples symbolized by the Polish Constitution of 1791. I heartily recommend that it be thoughtfully considered.

Mr. LANE. Mr. Speaker, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Massachusetts.

Mr. LANE. Mr. Speaker, I want to endorse the fine and eloquent remarks of my colleague from Illinois and say to him that we in the Congress appreciate the fact that he has this special order so that we may give proper recognition to the people of Poland.

Mr. Speaker, the people of Poland never surrender their faith in God and in freedom. Even under the false government imposed on them by Soviet Russia, they look forward to the day when they will be independent and self-governing again.

How it must irritate the Kremlin at this time each year to observe the celebration of Polish Constitution Day in many other countries throughout the world. The descendants of Polish emigrants are joined by free men everywhere as they honor this day which, remembering the past, points to the future.

This is the spirit which communism can never conquer. Even the ruthless Stalin did not dare to annex Poland after World War II. He remembered that Russia and Germany on other occasions had tried to dismember and swallow their smaller neighbor, with painful results to themselves. Instead, backed by the power of the occupying Red Army, he installed a puppet government of Polish Communists, reinforced by secret police one-party dictatorship, censorship, and all the repressive elements of the new tyranny.

Hateful as it is, this restriction of Polish freedom is but a passing phase. Throughout their history, the Polish people have demonstrated a tenacity for freedom that has worn down every occupying power or tyrant that has attempted to enslave them.

I suspect that Gomulka and his jumpy associates often wonder how long they will last. In the meantime, the free world should send more economic aid to the Polish people as evidence of our sincere desire to help them. Material help, as well as moral support, will hasten the day of eventual liberation.

At the coming summit conference, the United States has a rare opportunity to speak up for the captive nations, and those within the Soviet sphere of influence. We must state, clearly and firmly, that we will never recognize the status quo in Eastern Europe.

The Communist government does not represent the Polish people because it was established by, and is the tool of, Red Russian imperialism.

The Soviet Government can never be trusted until it honors its treaty obligations in fact. If it wants a relaxation of international tensions, it can prove its intent by cooperating with the West in promoting a free choice through free elections in Poland.

Only by such leadership can the United States, in this year of 1959, keep faith with the Polish people.

This would be a fitting celebration for the 168th anniversary commemorating the adoption of the Polish Constitution.

Polish people everywhere look to us for this moral leadership.

Mr. PUCINSKI. I quite agree with the views expressed by the gentleman from Massachusetts. We in the United States can do a great service to the people in Poland in keeping alive the spirit of freedom and reminding them constantly that this Nation is not forgetting them, because they have over the years proved themselves a gallant and a free people.

Mr. Speaker, I yield to the gentleman from Illinois [Mr. DERWINSKI].

Mr. DERWINSKI. Mr. Speaker, I am deeply impressed by the statements of my distinguished colleagues this afternoon and their obvious interest and sympathy with the plight of the Polish nation.

May 3 commemorated the 168th anniversary of the day when Poland established a constitution that has been a model for democratic principles ever since. The present-day oppressed condition of the Polish people has its parallel in historic events of the past. From 1795 through to the resurrection of the Polish nation after World War I, Czarist Russia was the brief oppressor of the freedom-loving people of Poland. Today this same Poland, despite the utterances of its puppet government, is enslaved behind the Iron Curtain under the heel of atheistic Soviet communistic oppression.

We realize, of course, that the unfortunate conditions in the Yalta agreement are directly responsible for the present plight of the Polish people.

However, it is to the future that we direct our thoughts and energies and rededicate ourselves to the principle and cause that Poland and all of the other freedom-loving peoples enslaved behind the Iron Curtain will some day, and we certainly hope soon, be free to establish a government of their own choice.

As an American of Polish extraction, I am proud of the great traditions of my forefathers and the great historic accomplishments of the Polish nation.

There are close to 7 million Americans of Polish ancestry here in the United States, and I personally have always felt that the strong love of freedom and sound moral traditions of the Polish nation have made these people valuable assets to the growth and development which has made the United States of America the greatest nation in the world.

At the close of World War II, when the thought of victory inspired the hope that the captive nations would again be free to rule their own destiny, the Polish nation found, to its sorrow, that communistic oppressors had taken away all rights of self-government.

Mr. Speaker, all Americans have been shocked and angered by the religious persecution of the Polish people by their oppressors. We know that the Communists have struck at the church with fire and sword and imprisonment. We know that they have tried—and failed—to substitute a progressive church movement. We know that this false movement, this sham, has been boycotted by the vast majority of the Polish people who are opposed to all of its activities and aims.

The Polish people have never bowed to anyone. As they resisted Nazi aggression in the past, they are today resisting Communist enslavement. This resistance is not a futile shooting war. It is a silent, moral resistance of the spirit.

There is no lull in this battle. The peasant resists who opposes collectivization. The worker resists who refuses to be forced into labor speedups. The father and mother resist who tell their children of Poland's proud tradition and glorious history. The priest resists by spreading the gospel of Christ, the arisen. The intellectual resists by adding to the freedom of thought.

Peasant, worker, parent, priest, and intellectual—all are part of the struggle for Polish liberty which communism will never be able to win. One hundred and seventy-five million Americans share the prayers, the hopes, the aspirations for the day when Poland will again be free. A century ago, the Polish hero, Mickiewicz, wrote:

> Poland, you will be taken out of the tomb because you are believing, loving, and full of hope.

With all my heart, I believe in the truth of these ringing words.

So, as we commemorate Polish Constitution Day, we fervently hope and pray that the God-loving democratic people of Poland, in whose hearts there beats great respect and admiration for the principles on which our Government is founded, will soon have an opportunity to regain control of their own government and their own destiny.

Mr. Speaker, once again I commend my colleagues for their noble expressions and their appreciation and their support of principles and the policy to free Poland and the other enslaved European countries so they will once more see the dawn of free government.

I believe the gentleman should be commended on his insistence that we here should remember in this fine fashion Polish Constitution Day.

Mrs. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. PUCINSKI. I yield.

Mrs. CHURCH. Mr. Speaker, we rise today in tribute to a brave nation and to a people in whose blood runs the strength and hope of men who would be free. Seldom has the world witnessed such fortitude and heroic struggle against tyranny as has been written in the pages of Polish history. Although surrounded by strong and aggressive neighbors who throughout the centuries have partitioned the country and subjected its people to political and moral oppression, the Polish people have never ceased to fight for freedom, not only for themselves but for man everywhere.

The Polish Constitution, adopted on May 3, 1791, is indeed a symbol of their faith. In an effort to ward off continuing alien attack, the wise statesmen of Poland on that memorable day in 1791, gave to the people an instrument inspired by

the ideals of our own Declaration of Independence and by the French proclamation of the rights of man. This document reaffirmed the independence of Poland and gave voice to the historic aspirations of its people. Political, economic, and social reforms characterized the new government. Ministerial responsibility was established and a parliamentary system was adopted. Poland became, in the east of Europe, an outpost of democracy.

Tragically, time was not given to the new government to bring to maturity the fruits of freedom. Again the nation was crushed by powerful neighbors. Yet, despite occupation throughout almost all of the 19th century, the unquenchable spirit of human liberty prevailed and gave rise to frequent insurrections.

It was not until World War I, however, that an independent Polish state was again a reality. For 20 years, as we know, Poland was a distinct and distinctive member of the family of nations. Her advance in social, economic, and cultural endeavors was marked. She continued to champion the cause of freedom. She deserved—and will forever deserve—to remain a free nation.

We must not forget that the situation of Poland today has its roots in the Molotov-Ribbentrop Pact of August 25, 1939, The invasion of Poland on September 17, 1939, produced the spark that blew into flame World War II. The seed was laid for the dissolution of the Polish state and the partition of its territories between the Soviet Union and Nazi Germany on September 28, 1939. It is true that when the Red army entered Polish territory on July 22, 1944, its political commissar proclaimed to the Polish people the liberation of their country. No doubt remains, however, that through the temporary establishment of the Polish Committee of National Liberation under the chairmanship of a Russian citizen and its transformation later into a Communist and Moscow-dominated Polish Government, freedom was quenched and a dictatorial police state ruthlessly installed. Even though the persistent denial of basic human freedoms resulted in the tragic Poznan revolt of June 1956 with some gains, such gains and hopes were again short-lived.

And so today, as we rise in the Congress of this great and free Nation to pay tribute to Poland, we grieve with her over her temporary present enslavement. We say temporary, because we know that while love of freedom lasts, no people who have so exemplified and fought for that freedom will ever permanently accept a deprivation of their rights and of their human dignity. Equally, we must remind ourselves of the self-evident truth that so long as even one human individual is deprived of his right to life, liberty, and the pursuit of happiness, freedom nowhere is completely safe and the peace of the world cannot be assured. We choose this day, commemorating the glory of a free Poland, to rededicate ourselves to this great cause of freedom. We stand fast with those who refuse to abandon that cause.

Mr. WIER. Mr. Speaker, will the gentleman yield?

Mr. PUCINSKI. I yield.

Mr. WIER. Mr. Speaker, I, too, want to participate in this tribute to a great nation. I am here today representing a substantial bloc of Polish people in the city of Minneapolis. It has been my privilege, and I deem it an honor to be able to represent these fine people in my city because through the years I have come to know them rather well. Many of them work in our industries in Minneapolis and I have become acquainted with them because of their activity and membership in our trade union movement. They are as loyal there, as they are loyal in their dedication to their motherland, and last but not least, great devotion and loyalty to our way of life here in the United States.

Mr. Speaker, I do not know what further tribute I can pay to these people, not only of my city, but nationwide and those in Poland, than to repeat what I said on May 3, 1956, and I ask unanimous consent to revise and extend my remarks and include this statement as the best contribution that I can make in the commemoration of this great day.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The remarks referred to are as follows:

IN TRIBUTE TO POLAND, THE FIRST ALLY

(Extension of remarks of Hon. ROY W. WIER, of Minnesota, in the House of Representatives, Thursday, May 3, 1956)

Mr. WIER. Mr. Speaker, I consider it an honor to participate in the celebration of the anniversary of Polish independence and to pay tribute to a heroic people. Today all people of Polish extraction greet this eventful date with a song on their lips, the Third of May Mazurka, and I am sure that even though the Iron Curtain alters the tones and distorts the words, the echo repeats from all sides: "Poland is not dead yet, while we are alive."

On May 3, 1791, Poland guaranteed freedom to all her citizens by adopting a constitution, and became the first nation in Europe to have a written democratic document proclaiming the principles of human liberty.

On September 1, 1939, Poland was the first nation to take up arms to resist Nazi aggression—the first who had the courage to say, "No," to Hitler. Poland in her international policy was faithful at all times, not only to the letter but also to the spirit of her treaties, and did not allow herself to be led astray by the Nazi proposal to take part in an attack on Soviet Russia, and refused to cooperate in any anti-Soviet plot, abiding by her neutrality and striving for peace. Yes; Poland was first to fight, and for this honor paid dearly with the blood of her soldiers, not only in Poland during the September campaign but on all Allied fronts—in Norway, France, in the Battle of Britain, Africa, Italy, Belgium, Normandy, Holland, Germany—on the seas, and in the skies over Europe.

Poland was the first ally. While Poland was the mother of the United Nations, she was excluded from the Conference of the United Nations, convened on April 25, 1945, at San Francisco. Yet the thought that was to guide the work of the San Francisco Conference was expressed by a Polish king in 1750— Stanislaw Leszczynski, one of the early protagonists of international cooperation, who wrote a memorandum on strengthening the general peace. The thought underlying his plan was that the community of nations should go to the assistance of any country attacked. Likewise in 1833, Poland's greatest poet, Adam Mickiewicz, proclaimed in his works the ideal of the common brotherhood of man—a genuine international organization.

The Polish people have always been brave to the point of folly and they have always been believers in freedom. Time and again they have been found defending the rights of men and women to live their own lives in their own way. The Polish people fought against a German invader trying to steal other peoples' lands as far back as the year 963. In 1241 they saved Europe from the invading Tartar hordes. In 1685 it was Sobieski and the gallant Poles who protected and saved Christianity from the ravages of the Mohammedan sword and stopped the infidel hordes from overrunning Europe and destroying the Christian people. The liberty-loving Poles came to the aid of our American Colonies in the Revolutionary War. Wherever liberty and justice are at stake, the sons of Poland never fail to rally. Thousands of Polish boys from my State fought courageously on the battlefields of Korea.

Poland has always been devoted to the cause of humanity. Her contributions to human liberty and free institutions are glorious. She is a symbol of freedom and of peace.

In observing this anniversary of a great event in the history of Poland, let us recognize that the fate of this old, brave, great nation still disturbs the world and America. At Yalta, Teheran, and Potsdam, we played a role not entirely compatible with our ideals. Let us all hope and pray that Poland, the first nation in Europe to adopt a democratic form of government, will be permitted to work out her own destiny under a government of her own, chosen by her own people.

Mr. BENTLEY. Mr. Speaker, will the gentleman yield?

Mr. PUCINSKI. I yield.

Mr. BENTLEY. Mr. Speaker, I want to pay particular tribute to the gentleman from Illinois who has the floor on this occasion of Poland's Constitution Day, and as has been done previously to point out the gentleman's own distinguished record with the Polish fraternal organizations and, in particular, the Polish-American Congress. I understand that he is the head of the Illinois division of the congress, if I am not mistaken. I had the privilege, Mr. Speaker, of making a visit some 2 years ago to Warsaw and coming back and reporting to the Committee on Foreign Affairs and to the Congress, at that time, the situation, as I had seen it and observed it there in the brief few days when I was visiting that city and the country of Poland. At that time, of course, all of us here in the United States were thrilled over the developments of the previous year in Poland and we had high hopes that the coming to power of the Gomulka regime would, perhaps, signify a new era in Poland's struggle to liberate herself from the enslavement by international communism. Unfortunately, and I am sure the gentleman from Illinois would agree with me in this, it seems that during the past 2 years the situation has deteriorated again from the high point it reached, as I say, nearly 3 years ago in Poland. Now, I recall in the early summer of 1957, we here in the House debated at some length the propriety and wisdom of extending economic assistance to the present Polish Government. It was finally approved by the Congress, as I recall, by a very large vote in both Houses of Congress. Of course, we have had a continuing pro-

gram since that time and I understand the Polish regime has made a new request, I believe, for some new credits to be granted by this Government. In view of the fact that the Gomulka regime has been either unwilling or unable to fulfill the high hopes placed in it when they came to power some 2 or 3 years ago, I was wondering if the distinguished gentleman from Illinois has any thoughts that he would care to share with the House at this time regarding the wisdom of continuing the economic assistance program that we have, as I say, been carrying on now for approximately 2 years.

Mr. PUCINSKI. Mr. Speaker, the continuing program of economic assistance to the people of Poland is not only a wise one, but one that is extremely necessary. Here you have a nation of 27 million people who have over the years demonstrated repeatedly that they will not abandon their great belief and dedication to democracy and freedom, and freedom of religion. And there are these great ties that hold America and Poland together.

I think we must distinguish between the present rulers of Poland who undoubtedly are nothing but puppets of the Kremlin—they have repeatedly made statements that indicate they are getting their orders from Moscow—I think we have to distinguish between that particular regime and the Polish people themselves. It becomes increasingly difficult for any nation to continue in the great struggle for ultimate liberation when you see your youngsters dying from starvation, when you see many other hardships, similar to those the Poles have endured under previous oppressors; being repeated today in Poland under the present regime.

In the matter of this economic assistance we are giving to the people of Poland, it is to the people, not to Gomulka; and let those who think for one second that the Communist regime can endure, can perpetuate itself in office a day longer because of any assistance we may send to that nation, let them make no such mistake. A mistake like that would be tragic and fatal, because at the first opportunity, I am sure, the Polish people are going to reaffirm their great dedication to those principles which we in the United States hold so dear. And we try to distinguish, then, when we send economic assistance, between the regime which does not at all represent or speak for the people, and the people themselves. That is why I would certainly hope that we would continue making that distinction.

Mr. BENTLEY. Mr. Speaker, I join with the gentleman in expressing the objective he has in mind in that respect. I take it from his remarks that he feels that the assistance which has been going to Poland during the last 2 years has actually been given primarily for the benefit of the Polish people, and will not have served merely to perpetuate, to use the gentleman's own words, a regime of puppets in power.

Mr. PUCINSKI. That is correct. I think we can find ample evidence of the good our aid has done in the constantly increasing demands of the people of Poland for more freedom and more and more liberty; and I would say that Mr. Gomulka is certainly sitting in a most uneasy chair in Warsaw today.

Mr. BENTLEY. I agree with the gentleman; but, as I say, the thing that disturbs me is that during the time this program has been in effect, and I was one of its ardent supporters when it was first initiated, the situation in Poland during that period of time for which we have had a program has deteriorated. It disturbs me, as I say, because certainly we want to help the Polish people, and it seems to me that the situation has been getting worse. I am not saying this because we have had an American assistance program, but I am wondering because of this substantial amount of deterioration over the past 2 years whether or not it would be feasible and wise to take another look at the program as to whether or not it is accomplishing the objectives for which it was originally intended.

Mr. PUCINSKI. Perhaps we can look at it from another viewpoint, if the gentleman will permit an interruption.

Mr. BENTLEY. Surely.

Mr. PUCINSKI. Certainly the situation has been deteriorating over the last 2 years because of increasing pressure from Moscow on the Gomulka government. There is no question that Moscow is most concerned about the manifestation that took place during the Poznan uprising. I think one of the great deterrents to Moscow today has been the undaunted spirit of these Poles. Moscow knows better than anybody else, whether it is Khrushchev, Molotov, or anyone else, they know they cannot count on the Poles to give them any assistance if they ever start serious trouble in this world. They know the Poles are going to march against Russia and not against the West, should serious trouble happen.

Mr. BENTLEY. I appreciate the gentleman's thought on the question on this pressing problem that we have just taken the time to discuss. I think the airing of this important question brought out in the colloquy that occurred between the gentleman and myself has been helpful and timely at this particular point.

Mr. PUCINSKI. I thank the gentleman. Mr. Speaker, I should like to read a recent editorial which appeared in the Polish-American Journal, a newspaper published in Pennsylvania, which I believe illustrates the point I have been trying to establish that the people of Poland will never accept communism. The editorial, which has as its title "Poland—Not a Communist Nation," follows:

POLAND—NOT A COMMUNIST NATION

The present Polish regime calls Poland a Communist country, and they use every means of propaganda to prove their point. Many U.S. news writers, columnists, correspondents, and news analysts refer to Poland as "Communist Poland." This type of reporting is a great injustice to the Poles—99 percent of whom hate, despise, and refuse to belong to any organization tinted Red.

The way the Poles celebrated Easter this year is proof that, though Poland is dominated and ruled by Communists, the Poles are not all a Communist nation.

Easter services were attended by large throngs in all churches of Warsaw and other towns and villages of Poland.

On Holy Saturday, during the traditional visit to the Lord's sepulchre, the churches in Warsaw were so overcrowded that thousands of persons lined up in the streets. The police had to regulate traffic so as to avoid excessive crowding. Warsaw did not merely go to church. From Good Friday through the day the city seemed to stay at church.

Even the Communists themselves—real or alleged ones—submitted to the Easter spell, and even cooperated. Offices were closed Good Friday and Holy Saturday. The Saturday newspapers appeared in special enlarged issues, and the next ones appeared only on Tuesday, March 31. Both radio and television programs and the press extended wishes of happy holidays to listeners and readers. But they avoided any mention of what the holidays mean and why they are observed. Municipal transportation in Warsaw was almost completely stopped on Easter Sunday morning, and only in the afternoon a larger number of trolleys and buses appeared.

The Poles were not at church during Holy Week and Easter Sunday for reasons of politics, but for reasons of religion.

Mr. BENTLEY. Mr. Speaker, it is a pleasure and privilege to join my colleagues in calling the attention of the House to the fact that Sunday, May 3, was the 168th anniversary of the adoption of Poland's Constitution. As I have done in the past, I wish to make a few remarks on the question of the feeling of the American people toward Poland as well as to refer to the present situation of the Polish nation under Communist domination.

There can be no question as to the historic and genuinely friendly feeling on the part of the American people toward the people of Poland. Ever since Thaddeus Kosciuszko came to our shores to assist our forefathers in their struggle for independence, the mutual feeling of gratitude which has existed between our two peoples has become increasingly strengthened over the years and reached its climax on the creation of a free Poland following World War I. More recently, the American people have noted with sympathy the enslavement of Poland by international communism and sympathize with the heroic efforts of the Polish people to liberate themselves from domination by Moscow.

My visit to Poland some 2 years ago is still, for me, an unforgettable experience. At that time, it was hoped and believed that the Polish Government was disengaging itself from the clutches of the Kremlin and would be enabled to pursue its own path toward peaceful progress and development. It was for that reason that I strongly advocated legislation which would authorize some form of economic assistance for the Polish Government and people. Unfortunately, developments since that time seem to indicate that the Gomulka regime is again hewing closely to the policies laid down by Moscow. While I sympathize, as do all freedom-loving Americans, with the present plight of the Polish people and with their desire to enjoy the maximum degree of independence which is possible under present circumstances, I am not convinced that a further extension at this time would be in the best interests either of our own

Government or of the people of Poland themselves. Our moral support for the Polish nation can be taken for granted; economic assistance which will merely serve to perpetuate the Communist regime in power without benefiting the people under it is something entirely different. I must, therefore, reserve my judgment as to the extension of further economic assistance at this time.

On the occasion of this glorious anniversary in the history of Poland, I am again happy to extend my good wishes and heartfelt sympathy to the people of Poland and my sincere hopes and prayers that the day will soon come again when they may enjoy complete rights of freedom and self-determination. I am sure that the cause of a free, independent, and democratic Poland will live forever in the hearts and minds of the American people, and I am convinced at this time that we can best assist this cause by renewing our determined opposition to international communism throughout the entire world.

Mr. PUCINSKI. I thank the gentleman.

Mr. MEYER. Mr. Speaker, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Vermont.

Mr. MEYER. Mr. Speaker, I would like to compliment the gentleman from Illinois for his very fine statement on behalf of Poland and the Polish people. It seems to me today in connection with Poland's Constitution Day that we should notice Poland's long history of support for the principles of independence and that they should be in the spotlight today.

This is a proper occasion to call attention to the fact that after World War II, Poland was not properly reconstituted, and has not been given a chance to be free and independent so that she could work to set up democratic government.

This situation applies also to the other countries of Eastern Europe, including the Baltic States.

We should not formally agree to the existing order. We should attempt to renegotiate the old Potsdam and other agreements to achieve our aims and pledges.

We should have done this as a countermeasure when Russia precipitated the present Berlin crisis by demanding new terms in Berlin. This was a positive step toward a constructive foreign policy that we could have taken. We would have had to make some offer of withdrawal elsewhere, but Russia would then have been forced to withdraw, or to refuse our offer and be judged before the bar of world opinion.

We should constantly press for the achievement of a solution which will include the self-determination of the peoples of eastern and central Europe. I believe this is a proper occasion to rededicate ourselves to this cause.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Speaker, I would like to join with the gentleman from Illinois, my very distinguished friend, in paying tribute to the Polish people on the occasion of the observation of Polish Constitution Day. This occasion is important, Mr. Speaker, because it underlines again the very close relationship that exists between this country and the people of Poland in their fight for liberty and freedom. Not only was the Polish Constitution in part an outgrowth of the participation of such great Polish patriots as Pulaski and Kosciuszko in the war for freedom which we underwent in 1776 and which led to the development of our own Constitution, but it also symbolizes the extent to which we in America are under obligation to the Polish people for the part which they played in our own battle for independence.

Adopted by Poland just 19 years after the first partition of Poland occurred by Russia, Prussia, and Austria, this constitution came at a critical time in Poland's history when she was still threatened by foreign aggressors whose appetites could not be satisfied with less than the entire country. But the brave Polish people would not be intimidated. In May of 1791 they announced that all men are free and in this way hurled their blow at dictatorship.

Written by Ignatius Potocki and supported by King Stanislaw Augustus, the great Polish Constitution served to inspire and sustain the will of the Polish people. It proclaimed for all the world the Polish faith in the liberal doctrines they saw at work in the new United States and stated its simple faith that "all power in civil society is derived from the will of the people." It restored man's faith in himself for it laid the blueprint for the most challenging form of government in the history of civilized man—democracy. It provided for the election of a two-chamber legislature and established three branches of government like our own. It granted religious freedom to all, full protection under the law to commoners and restricted the rights of the king.

In spite of the long, tragic history of oppression which the Polish people have continued to suffer, in spite of the development of this great constitution of theirs back in 1791, this same clear understanding of the principles of liberty and this same burning passion to achieve independence are still today clearly alive in the hearts of the people of Poland themselves, as well as in the hearts and minds of all Americans of Polish extraction.

I agree with my colleague, that we have a deep obligation, Mr. Speaker, to help the people of Poland carry on their fight for eventual freedom. I agree particularly with the remarks made a moment ago by the gentlewoman from Illinois [Mrs. CHURCH] that as long as anyone lives in slavery all of us are in part slaves. We have an obligation today as Americans to continue to work to help the people of Poland regain their freedom.

I came back a month ago, Mr. Speaker, from an opportunity to see both East Berlin and West Berlin. One can readily understand the difference between the free way of life and the Communist way of life when you compare the brightness of West Berlin with the darkness of East Berlin.

When we realize that the people of Poland are living today under the same kind of dark and sinister oppression that is the fate of the people of East Berlin, then it can only reinforce our determination as Americans to back up the people of Poland in their gallant struggle so that in the very near future they too can achieve full independence.

Mr. PUCINSKI. I thank the gentleman.

Mr. MEADER. Mr. Speaker, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Michigan.

Mr. MEADER. Mr. Speaker, I should like to join those who are commending the gentleman from Illinois for calling the attention of the House of Representatives to this important day in Polish history, Polish Constitution Day.

Mr. Speaker, in my congressional district in Jackson, Mich., there are many Polish Americans. I have had occasion to visit with their fraternal groups on commemorative holidays of interest to the Polish people. I have developed a high regard for the patriotism and the determination and the devotion to principles of democracy of the Polish people.

Today, we commemorate a significant event in the history of the Polish people. On May 3, 1791, Poland enacted one of the first democratic constitutions in Europe. That constitution and our own, adopted only 2 years earlier, are perpetual monuments asserting man's desire to be free, to cherish and respect the dignity of the individual, and to allow him to live in a society where individual freedom of choice and equality of opportunity are paramount.

The free spirit embodied in that document has withstood the political, moral, and economic exploitation by the regime, clearly subservient to Moscow, with the Poznan revolt of 1956 as clear evidence. Following the October rebellion the prospects of freedom in Poland became brighter. Communists were forced to make concessions and to liberalize the Gomulka regime, for to do otherwise would have necessitated more brutal repressions similar to those in Hungary and such a pattern may have led to disastrous consequences to the campaign of the Russian imperialists.

Religious teaching in schools was permitted. The collective farm system, detested by the peasants, was eliminated. Greater freedom of the press was permitted and some of the terrors imposed by the security police ceased. But these hopeful reforms were short lived. Soviet policy has demonstrated once again that it will not tolerate too much liberalism nor a return to democracy. As the Communist Party regained control of the situation the sugar pills were withdrawn and recent developments reveal intensified repression of the people to pre-Poznan conditions.

Today there are some 5 Red army divisions in Poland standing ready to forcefully compel Soviet exploitation.

Ruthless press campaigns have been waged against the church and religious instructions in the state schools again is forbidden. The collective farms are being reinstated and Gomulka himself stated in September of last year that: "The only correct road must in the long run lead to the collectivism of Polish agriculture."

Censorship has been reestablished and all media of communication are again becoming subservient to Soviet tyranny. The quest of the Polish people for freedom and recovery from the disastrous economics forced on them by Soviet exploitation is once again being obliterated.

Soviet Russia should never have been permitted to subjugate the Polish people by a puppet Communist government, approved by American representatives in agreements at Yalta, Teheran, and Potsdam. The Poznan revolt clearly demonstrates that the world's largest army cannot subjugate a people determined to be free and we must answer the call of those Polish patriots who want to be free. We must extend our support to them to help them combat Russian imperialism and keep alive hope in the hearts of people suffering totalitarian tyranny behind the iron curtain. We express our friendship and sympathy to these people of Poland and I think that we can best honor them by reasserting our friendship to them. Through our indifference and laxity a well-organized minority seized the vast powers of government in Poland and they have imposed a disruptive economy on those people which has drained them of their freedom and resources. But Poland must and will be free again and I am confident that the spirit of freedom which kindled in the hearts of the framers of the Polish Constitution still exists and as such the present oppression will not last.

I am proud to join with freedom-loving Polish people everywhere in commemorating this anniversary and it is my fervent hope that the time will soon come when Poland will again be able to celebrate this occasion free from the subjugation of Soviet oppression.

Mr. PUCINSKI. Mr. Speaker, I yield to the distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I, too, want to congratulate my friend, the gentleman from Illinois [Mr. PUCINSKI], in having the House set aside the period of time that it has today for the gentleman to make his very important and effective remarks and to enable other Members to join with him.

Everyone knows of the strong desire and inherent desire that has never been quenched that exists in the minds of the people of Poland for liberty and independence. There is no people in the history of mankind that has been more individualistic, with the possible exception of the Irish, than those of Poland in their desire for liberty and independence, and throughout the generations, their constant fight for liberty and independence. I might say that there is a pronounced similarity between the history of Poland and Ireland historically and from many angles. They are both very individualistic people. I am not excluding others, of course. The history of their governments has been very much the same throughout the generations. They have shown their devotion, as I have said, for liberty and independence, and today we all know that probably 98 percent of the people of Poland are awaiting for the day of deliverance when they will have a restoration of their independence as a nation and their complete liberty as a people.

Mr. Speaker, I am a little concerned about some broader implications today. We know that there is going to be a foreign ministers meeting shortly, and in my opinion that meeting is going to be one of the most important in the history of time. Out of that meeting will come either strength or weakness in the efforts of people to retain their independence, or those from whom it has been taken, to regain their independence, in the effort of mankind to retain liberty under their own laws. I completely support the position taken by President Eisenhower that before a summit meeting is held there must be evidence of progress being made on a foreign ministers level. In connection with the foreign ministers meeting, it is very interesting to note that General De Gaulle has taken a very firm position and that Chancellor Adenauer has also taken a very strong position and that President Eisenhower has taken a position which, if he adheres to it, will receive the support of the great majority, if not all, of the people of America. I hope that the foreign ministers meeting will show results, because if the foreign ministers meeting is a failure, I am afraid that going into a summit meeting at any price might be dangerous, and from that would lead a journey that might be along the line of weakness and indecision, and weakness and indecision is along the road of appeasement. So, I hope that the foreign ministers meeting will develop results, something that will be a step, at least, in the direction of a world of peace.

I hope that President Eisenhower will adhere to what he has already said, that unless there is evidence of progress on that level he would have hesitancy in going into a summit meeting, because I think that a summit meeting at any price would be fraught with danger.

Furthermore, at any summit meeting I should hope that no agreement will be made that would freeze the status quo of Europe, because if that is done, it will mean that one of our greatest strengths, to which the gentleman from Illinois [Mr. PUCINSKI] and other Members have referred, countless of millions of persons behind the Iron Curtain who hate the Communists and who are waiting for their day of deliverance, would be destroyed, because they would become disappointed and disillusioned. They look to America with hope. They look toward Moscow with despair.

If we enter into any agreements—I do not say that we will—but if by chance at the summit meeting or at the foreign ministers meeting an agreement is made freezing the present European situation, the only construction that could be placed upon that would be that we have sold down the river 100 million human beings behind the Iron Curtain who want their freedom. That would be a very bad blow to us from every angle, psychological and otherwise.

Mr. Speaker, I am a great believer in firmness. I believe in negotiation, but I believe in negotiating from firmness. There are inherent weaknesses on the part of the West, I am sorry to say, from what I read in the newspapers and from what I have observed in my talks with some people. But I hope those weaknesses will be lessened between now and the foreign ministers meeting.

We have had a man who was compelled because of ill health just recently to retire from his position as Secretary of State, John Foster Dulles. In my opinion, he is one of the greatest Americans we have ever had. I am a great admirer of his and have said so openly on all occasions. He is a man of firmness, a man of deep faith, and a man with convictions. It was a sad blow to us and to the free world that he became ill at this time. But succeeding him is a man of great capacity, Christian Herter, whom I know. I hope that Christian Herter will exercise that Yankee tenacity of his and remain firm, that he will not manifest uncertainty or weakness which would bring about a situation where the foreign ministers meeting, if it is a failure, will result in a summit meeting at any price.

So, Mr. Speaker, there are broader implications involved. There is not only Poland, but there is Czechoslovakia, there is Latvia, there is Lithuania, Estonia, and other satellite nations; and right in the Soviet Union there are tens of millions of Soviet Union citizens who, as we know, despise their Communist overlords. In the Ukraine, for example, there are millions who would like to see liberty restored to them, who would like to see freedom and independence given to them.

So we have this great reservoir of strength. I know that there are many complicated questions that cannot all be covered. But one thing is certain so far as the foreign ministers meeting and the summit meeting are concerned. I hope that progress will be made, but under any conditions, I hope that no agreement will be made which would provide officially for the status quo in Europe. Because if that were done, in my opinion, it would represent a great defeat for the Western World.

Mr. Speaker, in the last decades of the 18th century unhappy Poles were having internal and international difficulties. Their governmental machinery was autocratic and unwieldy, and the country was surrounded by three powerful neighbors—Austria, Prussia, and Russia. These three ambitious powers had already grabbed part of Poland, and it seemed that they were preparing to partition Poland once more. Poles were fully aware of such dangers and evil designs. They felt that if their governmental machinery could be reformed, and old obstructive methods could be abandoned, then internally the country would become stronger, and thus better prepared to face external dangers. With

that clear purpose in mind they began the reforming and reconstructing move in 1788, which culminated in the Constitution of 1791.

This Constitution forms a true landmark both in Poland's history and also in the history of liberal, constitutional government in all Europe. It was one of the earliest efforts, put forth without resorting to revolutionary methods, in which the unlimited and autocratic authority of the monarch was reduced and definitely restrained. Responsible cabinet form of government was established, and the popularly elected legislature took on real importance. Townsmen were given certain political rights, and the peasantry was brought under the protection of the law. Religious freedom was guaranteed and freedom of speech was tolerated. For all these liberal and progressive provisions the Constitution was hailed as a real charter for the liberties of the underprivileged. It is true that the unfortunate turn of international events prevented the carrying out of the provisions of the Constitution, but the fine ideas embodied in that historic document became the political creed of all freedom-loving Poles, and to this day they cherish those ideas as fervently as did their forefathers 168 years ago when the Constitution of 1791 was promulgated.

Mr. PUCINSKI. Mr. Speaker, I wish to thank the distinguished majority leader for his courageous remarks. The name JOHN MCCORMACK is well known today not only among the people of Poland, but among the people of Polish descent in this country who know of his distinguished record over the years, of never yielding in the struggle for the rights of those individuals, and in their great struggle for freedom.

Mr. NELSEN. Mr. Speaker, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Minnesota.

Mr. NELSEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. NELSEN. Mr. Speaker, I wish to add my congratulations to the distinguished gentleman; and not only congratulations but my thanks, because I am sure that the work that he has done, and others like him, has given encouragement to the people of the world.

I think we might well say that democracy not only in this country but worldwide is dependent on how we encourage those who subscribe to our philsophy worldwide, and encourage them to stand with us.

Mr. Speaker, I noted with interest the statement of the gentleman from Massachusetts [Mr. MCCORMACK] referring to the Irish. Under the circumstances, I should like to add a word for the Danes.

For many years it was my privilege to represent McLeod County in the affairs of government. This prosperous rural community was made up of immigrants from many countries, including a fine, honest, and dedicated group of Polish people.

Our whole Nation is made up of loyal nationality minorities who have banded together to make a new nation. Back home the Poles join with my Danish minority to celebrate our important festivals, and we join with the Poles in celebrating a day like May 3, Polish Constitution Day.

We have enjoyed a fine friendship over the years.

Today it is my privilege to bring a message from the Poles of the Minnesota Second District, adding their voice to the celebration of this day throughout the world. Knowing these fine folks as I do, I can assure you that this message comes from the heart.

CHURCH OF ST. ADALBERT,
Silver Lake, Minn., April 23, 1959.

Hon. ANCHER NELSEN,
Congress of the United States,
House of Representatives,
Washington, D.C.

DEAR MR. NELSEN: May 3 of this year will mark the 168th anniversary of the adoption of Poland's Constitution. People of Polish descent in this community join in extending a message of congratulations on this occasion.

It is with mingled feelings of pride and sadness that their thoughts turn to their motherland. Pride in the heritage of indomitable courage and love of freedom that keeps Poland's faith burning, and sadness for the suffering under oppression which strives to destroy religion, freedom, and human dignity.

It is our wish, as a group representative of Polish-Americans, that in sending you this message it may help those who fight to know that they are not forgotten in prayers, deeds, and thoughts.

Thank you for this opportunity and for your consideration. With best personal wishes, we remain,

Sincerely yours,
THE USHERS CLUB OF CHURCH OF ST. ADALBERT, SILVER LAKE, MINN.
Rev. S. JULKOWSKI, *Pastor.*

(Signed by the following members and wives: Louis Wawrzyniak, Mrs. Louis Wawrzyniak, Leo Metkowski, Mrs. Leo Metkowski, Clarence Juncewski, Mrs. Clarence Juncewski, Cosimer Rozeski, Mrs. Cosimer Rozeski, Sylvester Pokornowski, Mrs. Sylvester Pokornowski, Francis Pokornowski, Mrs. Francis Pokornowski, Ernest Kuras, Mrs. Ernest Kuras, Edward Nowak, Mrs. Edward Nowak, Mrs. Virgil Fiecke, Virgil Fiecke, Mrs. Delbert Merrill, Delbert Merrill, Joseph Benz, Mrs. Joseph Benz, Mrs. Arthur Nowak, Arthur Nowak, Clifford Pilorski, Mrs. Clifford Pilorski, Simon Shimanski, Mrs. Simon Shimanski.)

I offer my congratulations to the gentleman from Illinois, and hope he keeps up his good work, because I am sure somehow a message will reach the people of his country and encourage them to continue their efforts in behalf of democracy and a free world. They will be helping themselves and us along with it.

Mr. PUCINSKI. Mr. Speaker, I yield to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, I should like very much to associate myself with the statement of the very distinguished gentleman from Minnesota. I concur in all he has said. It happens of course that I am of Danish ancestry, people who were born and raised in Denmark, as were his parents. We have another colleague in this House whose parents were born in Denmark, the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

I know some Polish people in my district, and I hold them in the highest regard. They are good people; they are liberty loving people.

I congratulate the gentleman who has the floor on this dedication he is carrying on for the Polish people on their Constitution Day. I hope and pray that it will not be long until those peace-loving people of Poland will be free. I am sure that God is on their side and that in God's good time they will be free.

Mr. PUCINSKI. I thank the gentleman from Minnesota and the gentleman from Iowa for reminding us of the great spirit of the Danes. This is what makes America. This is the vigor, this is what has given us our great strength, that we have taken from all nationalities and brought into this country the best their cultures have had to offer. Today, working as Americans, we have done tremendously great things simply because in this country we have permitted all of our people, of all nationalities, to work together as Americans.

Mr. Speaker, I yield to the gentleman from Indiana [Mr. BRADEMAS].

Mr. BRADEMAS. Mr. Speaker, this is a week of deep significance to every person who is a friend of freedom. Yesterday—May 3—marked the 168th anniversary of the putting into effect of the Polish Constitution.

This anniversary commemorates the long struggle of the people of Poland for political liberty and self-determination.

The battle of the people of Poland for freedom has been a lengthy and a frustrating one. Hemmed in by powerful neighbors, Poland has been subjected to wave after wave of invasion and foreign domination. Again and again, the Polish people have had to expend their energies in the defense of their rights. Not since the end of the 18th century have the Poles enjoyed the peace and economic stability essential to the development of political liberty.

The constitution of May 3, 1791, was put into effect with the full support of the people and the Polish King. At that hour of history and in that place, the constitution of May 3 was considered revolutionary because of its liberalism. Autocracy was replaced by constitutional monarchy, the responsibility of cabinet ministers was established and the rights of the peasants were greatly increased.

Indeed, Catherine the Great of Russia recognized the constitution as a symbol of a potential threat to liberty, and, in concert with Prussia and Austria, Russia attacked Poland and overran the country.

With the exception of the brief span between World Wars I and II, Poland has not known the blessings of liberty. Even today, improved though the situation may be over the immediate postwar years, the people of Poland do not live in a free land. Their future is darkened by the long shadow of the armed might of the Soviet Union.

Mr. Speaker, throughout the United States this week, many will rise to speak

in commemoration of Polish Constitution Day. For in our own country are many fine Americans of Polish ancestry whose hearts are understandably heavy when they think of their friends and relatives who still stand in the Communist shadow that beclouds the lives of those behind the Iron Curtain.

In South Bend and Mishawaka, Ind.—two cities in the congressional district I represent—it has been my privilege to give some time and effort to encouraging the CARE for Poland program to send assistance to the brave people of this great country. Indeed, I am proud of the many contributions to the civic, cultural, and economic life of Indiana made by our many citizens of Polish ancestry.

I speak therefore with personal knowledge and understanding of the feelings of so many citizens whom I have the honor to represent.

All America sympathizes with the plight of the people of Poland, and we pray that the day may soon come when they may in the 20th century have the freedom envisaged in the constitution of the 18th century.

Mr. PUCINSKI. Mr. Speaker, I wish to thank the gentleman from Indiana. I am well aware of the magnificent work he has done in his own district helping to send CARE packages to Poland. I am sure he has merited and earned the eternal thanks of the people of that country for his efforts in getting the food packages to Poland—food packages to help these people to continue their spirit of resistance.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. PUCINSKI. I yield.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I, too, congratulate the gentlemen of Polish descent so much for taking this time today in order that we might join in the praise of the people of Polish nationality everywhere and express our deep appreciation for the gallantry and patriotism of the brave people of Poland. Many nationalities are represented in the great citizenry of America, and all of them have made a distinguished contribution, and certainly among them are the loyal, able, patriotic American citizens of Polish descent. Many are residents of my district and my home city of Lowell.

The Polish people are courageous and brave. Their history is glorious. Today Poland stands boldly and strongly, surrounded by communism, but, even so, like a great block of granite, solid and pure, defiant and unbreakable. Everyone here surely would be proud to possess some of this stubborn, resolute Polish blood in their veins. There always will be a Poland.

The Polish people possess another wonderful quality that endears them to others. They are gentle and kind. I was in Poland for a visit one time when there was illness in my family. I have never forgotten the gentleness and kindness extended to me. Every effort, every sacrifice was made to provide the best in care and comfort.

Recently a great golden jubilee, a beautiful pageant occurred in my home city, celebrating the coming to Lowell and to the Commonwealth of Massachusetts the first of the Polish people. Here was a sight, Mr. Speaker, that I shall never forget. There was column after column of marching Polish soldiers together with those of other nationalities, and I have them all, I am sure, in my district. Marching with the soldiers were the merchants, the lawyers and the doctors and everybody who has contributed so much to my own fine city of Lowell. Everyone from Lowell and the surrounding towns came and joined in this celebration and in this march. Also included were the little children with their lovely Polish costumes.

I never saw a more beautiful or a more magnificient day, Mr. Speaker, and one thing I want to mention particularly is the applause which burst out so spontaneously in appreciation and admiration along the line of march. Except after a great victory in the war, Mr. Speaker, I never heard such genuine applause in the streets of Lowell. This applause was for the Polish people. People were applauding the Polish fighting spirit, Mr. Speaker. They were applauding the tremendously gallant fight Poland is making against communism.

Truly, I thank God for the Americans of Polish descent and their great contributions to our country. I am grateful for the courage and stamina possessed by the Polish people in Poland in their admirable stand against allowing communism to absorb and destroy their noble national life. Great respect I have for the Polish people everywhere. It is an honor to be included in the warmth of their friendship.

On the 350th anniversary of the landing of the first Polish settlers at Jamestown I salute the Polish people. They are proven patriots of liberty and freedom. They are fighters for the free way of life. Again I commend the gentleman.

Mr. PUCINSKI. I thank the gentlewoman from Massachusetts.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from New York.

Mr. BARRY. Mr. Speaker, it must be a source of sorrow and regret for all Americans to reflect today that the constitutional Government, established by the people of Poland only 4 years after the adoption of our own Constitution, must be memorialized, on this 168th anniversary of Constitution Day, by a people held in virtual slavery and denied the basic rights of freedom of religion, freedom of speech, freedom of the press, and all of the guarantees of the essential dignity of man which we take so much for granted.

What consolation can we offer our Polish friends? First, our promise to hold inviolate this bastion of freedom as a hope to the world; second, to promise to continue to work to the best of our ability, in the light of the dangers which beset us all, for the fundamental right of the governed to a free voice in their government, and third, perhaps, the promise which has through all recorded history demonstrated its truth—that right does triumph, however long and dark the road.

Mr. O'HARA of Michigan. Mr. Speaker, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Michigan.

Mr. O'HARA of Michigan. Mr. Speaker, it is fitting that this Congress should for a moment lay aside the tasks at hand and pay tribute to the courage, patriotism, and genius of the Polish people. On May 3, 168 years ago, the Polish Constitution was adopted. This instrument is a monument to their love of liberty and their devotion to freedom. Poland since the late 18th century has been dismembered no less than 4 times. She has valiantly faced aggressors from the east and the west throughout her history.

We, in this Congress, are living witnesses to the aggression against Poland and atrocities perpetrated by the Nazis during World War II. We are all aware of the occupation and the oppression of the Polish people by the Soviet Union in more recent years. We are living witnesses to the undying courage and determination of the Polish people to preserve their nation and to regain their freedom.

Fresh in our memory are the pictures of the Poznan riots and the efforts of the Polish people in what is now referred to as the October Revolution. The Polish people, against overwhelming odds, demonstrated their determination to preserve their basic human rights. While they were not able to throw off the yoke of Soviet oppression, their efforts brought substantial gains. Unfortunately most of the gains of the October Revolution have now been lost. The security police are again raiding monasteries, the administrator of education is doing all that he can to destroy religious education in Poland. The Communists have indicated their plans to pursue their ruthless program of collectivization for Polish agriculture. Freedom of speech and of the press are again being restricted with typical Communist ruthlessness. One important gain remains, however, Poland is still permitted to maintain contacts with the West.

Mr. Speaker, I hope that we will be able to maintain our link with Poland. I hope our Government will continue to encourage mutual contacts between our two countries. I hope as a nation we will continue to give economic aid to Poland, and to do all that we can to relieve the burden that has been placed upon those magnificent people.

On this anniversary of the Constitution of 1791 let us reaffirm our faith in Poland and in the Polish people. Let us continue to hope and pray that they will once again be able to turn back the forces of tyranny and enjoy a free and bountiful life.

Mr. GEORGE. Mr. Speaker, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Kansas.

Mr. GEORGE. Mr. Speaker, Poland's continued struggled for freedom has the gratitude and the admiration of every American. On May 3, 1791, Poland adopted a constitution, which we pay tribute today on its 168th anniversary, inspired by the American Declaration of

Independence and the French Declaration of the Rights of Man.

Since that date the people of Poland have been in a constant struggle for the preservation of their rights and freedoms. Being in close proximity with her Russian neighbor, she has always been and is at the present time threatened and attacked by this suppressor of human rights and freedoms. Poland finally became free in 1918 only to face an enormous task, that of rebuilding what had been destroyed by World War I and of restoring to the people their rights and freedoms that had been downtrodden by the 123 years of domination by foreign powers. The American people showed concern over the fate of the Polish people and in the Versailles Treaty called for a free and independent Poland.

With the outbreak of the Second World War, Poland again fell under the boot of the oppressor, this time in the form of the Germans. Finally, near July's end of 1944 some relief was in sight. The Red army was near Warsaw and was pressing for a victory over the German troops. Pleas went out to the Polish underground for assistance. Poland, seizing the opportunity to liberate herself from the Germans, revolted and on August 3, 1944, the city again was free. But the Russians had ideas of their own and instead of coming to the aid of the Polish people, they completely blockaded the city from any supplies or aid. The Poles held out for 63 days but finally fell. The Russians had seized the opportunity to destroy the then last free Polish Government. With the termination of the Yalta Agreement the Communists took control of the Polish Government and since that time the Polish people have been under the heal of the Communist dictatorship.

The people of Poland have not, however, stopped their struggle for freedom. They have fought both forcibly and cunningly to free themselves from this totalitarian regime which enslaves not only their bodies but also tries to enslave their minds. On October 19, 1957, the strength of the Polish people lessened the embrace of the Russian regime. Poland succeeded in doing what other satellites had been trying by force. She had won a moral victory and relative freedom for the Polish people. Mr. Gomulka won for the people increased commercial activity, more private initiative, the creation of a higher standard of living, a breakdown of rigid state controls, elastic economic policies and the freedom of religion under the leadership of Cardinal Stefan Wyszynski.

The U.S. Government, realizing the significance of this move, sent economic aid to Poland in the form of farm commodities, mainly cotton and wheat, plus mining and agricultural machinery to help Poland support herself. When Poland needed assistance she turned to the West; and the United States, admitting the risk, met the Polish people halfway by granting this aid and helped Poland strengthen her people's will to resist and drive a still further wedge between the Polish Government and the Kremlin. This could lead to a chain reaction and accomplish from within what the free world cannot do from without.

Poland's freedom was short lived, however, and again the Communists are beginning to grind the heel of oppression down upon the people of Poland. Poland's people love and want their freedom and will never give up to the Communist threat. Many of the Polish people seek to live in the free world and many desire homes in the United States. Many have received help from the United States, and I am certain that all Americans would want the needs of the people of all suppressed nations to receive consideration from the free world.

Many of those who have settled within the boundaries of the United States have become outstanding citizens within their respective communities. Here I wish to pay tribute to my many Polish friends who have contributed so much to America. May I mention two, both of whom reside in Kansas City, Kans. First is Joseph Ksiazek who is the President of the Polish-American Club and has been for a quarter of a century. The other is Frank A. Koska who is clerk of the city court and conducts an important office in our county government. These men are good examples of the great Polish contribution to the United States of America.

In closing, Mr. Speaker, it is my sincere desire to congratulate the people of Poland for the struggle that they are waging against communism within their own country and to wish for them full and lasting freedom.

Mr. SCHWENGEL. Mr. Speaker, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Iowa.

Mr. SCHWENGEL. Mr. Speaker, first I would like to commend the gentleman for taking the time on this very significant day to pay tribute to a great people; a people who today need encouragement probably more than any other people in the world, because I think the Polish people have a sincere desire to be free and to adhere to the great principles we know and foster in this country of ours.

I am glad to take this opportunity to join with my colleagues, who have spoken so appropriately on this question, and I find it hard to make any new or additional contributions. Today, however, I do think it is important to note that a very significant contribution was made by the people of Poland through their leaders to our country in the early history of our country. I recall that in Lafayette Square, north of the White House, seeing a monument built to a great Polish soldier, Kosciuszko, who came here during the Revolutionary War to support a foreign program in which our country was beneficiary.

He, with the great Pulaski, made a contribution in that very significant war in the history of the world. It is not hard for me to imagine, as I read the history of that time, that had it not been for these two gentlemen there would not be the great United States of America as we know it. I think it is worthy of note as we think on matters of foreign aid for other nations that we at one time were the beneficiaries of a foreign aid program, and the type that was extended was a very important one.

I want to mention to my colleagues here a project that Mrs. Schwengel and I had the privilege of participating in some 11 years ago. Through a combination of fortunate circumstances, we were called upon and invited to participate in a displaced persons program. Before our share of the program was completed, we were responsible for 11 Polish people who were brought to this country. I want to say that has been a great experience for both of us. We feel as if we have had a part in making American citizens out of these fine people. I have never noted as great an appreciation as these people have expressed for the opportunity—not only of what we were able to do for them personally—but for the opportunity to come to this great country to enjoy the freeedoms and liberties that we enjoy here. It is a source of great strength to them. This has caused them to launch out on a type of foreign aid of their own. One family gives over 30 percent of its income each month to send back home to their people in order to make life a little easier there. It is their way of telling the story of this great country of ours.

I want to commend the gentleman and join with all of those who have paid tribute to these very fine people and this great nation, in the hope and prayer that they may some day soon begin to enjoy the freedom and liberties that we enjoy in this great country of ours.

Mr. PUCINSKI. I thank the gentleman for his very kind remarks.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. I thank the gentleman, too, for the very fine remarks he has made on this day and for the cause that he has given us to pause and reflect upon the very great importance of constitional government in this world. Since our majority leader has reflected upon the country of his national origin and praised it, and the gentleman from Minnesota has praised the country of his national origin, and the gentleman from Indiana has done likewise, I would like to praise the countries of my national origin. That is, almost all of the countries of the world, because I am a "Duke's mixture." I do this because I think that this is a way of saying that the people in all countries want peace and they want what we have in the United States, but, for one reason or another, many have become subjugated to governments or rulers that exercise authority by the armed forces of their government so that the citizens cannot enjoy the liberties that we enjoy in this country. It would be good for the people of the United States to stop and reflect upon the necessity, the very dire necessity, of making the Government in this country work and making democracy work so that our people will not become subjugated through circumstances such as people in other countries have and which have eventually caused them to lose their freedom. We must work together to make our Government a good example.

I thank the gentleman for his very fine statement.

Mr. McDONOUGH. Mr. Speaker, on May 3 freedom-loving people of Polish ancestry in every part of the world observed the 168th anniversary of the adoption of Poland's Constitution which was adopted on May 3, 1791, just 2 years after the adoption of the Constitution of the United States.

Poland's history has been the history of a people's determined struggle to gain and maintain political freedom from tyranny.

It is tragic that Poland has enjoyed only brief periods of liberty as a nation since the adoption of its constitution. But in spite of the crushing weight of oppression which the Polish people have been forced to endure, they have never relented in their valiant struggle to regain national independence for Poland.

With the dedication to principle of the Polish people and their indomitable will to regain Poland's former position as a free nation, they must eventually triumph over the evil forces of Communist oppression.

The people of the United States join with the people of Poland and those of Polish ancestry in the observance of the 168th anniversary of the adoption of the Polish Constitution, and in a sincere and devout prayer for the reestablishment of Poland as a free and independent nation.

Mr. YATES. Mr. Speaker, to liberty-loving and independent Poles their Constitution of 1791 is almost as important as their political independence. They have always attached extraordinary significance to this historic document because they felt, and still feel, that by the implementation of its liberal, novel, and sweeping provisions they were to be freed from the shackles and obstructive intricacies of their old, unwieldly and inefficient regime. With that worthy goal in mind their leaders framed, adopted and promulgated that Constitution, which, by its democratic and progressive provisions, was considered a moderate, modest, and model charter for the Poles.

The Constitution drastically limited the powers of the king and made Poland a constitutional monarchy. Responsible cabinet form of government was established; the old system of class distinctions was eliminated. The upper legislative chamber lost some of its powers, and the second chamber was vested with genuine legislative authority. Economic barriers existing between the nobility and the bourgeoisie were practically obliterated, and the peasantry was taken under the protection of the law. In many ways the Constitution abolished the worst abuses from which Poland had been suffering for centuries. Its promulgation was hailed not only by the Poles, but it was also acclaimed by liberals in other countries. Unfortunately the Poles were not given the chance to test the efficacy of this Constitution. Soon after its promulgation the country was overrun by its inveterate enemies; it was partitioned, and Poland's independence was no more. But the spirit of the Constitution of 1791 lived in their hearts, and today they celebrate the 168th anniversary of its promulgation. I am glad to join them in this anniversary celebration.

Mr. LAIRD. Mr. Speaker, this 168th anniversary of the Polish Constitution Day is an appropriate occasion for all Americans to express appreciation to our Polish-Americans for their contributions in the defense and development of our great country. It is also an opportune time to assure Americans of Polish descent that we join in their prayers for their enslaved relatives and friends in Poland.

The historical ties between Americans and Poles, based on a comman devotion to freedom and national independence, canot be severed. Today we renew this mutual faith and our strong bonds of friendship and proclaim that we shall never be reconciled to the bondage of the Polish people.

It is therefore the more fitting that we in this body pause to reaffirm our concern and our friendship for the people of Poland, and to express our confidence that the indomitable Polish spirit that has triumphed against all difficulties in the past will yet triumph again.

Mr. FLOOD. Mr. Speaker, America has been often referred to as the melting pot of racial and religious groups. But this statement is true only in a certain sense. Immigrants from every corner of this distracted world have been welcomed here; they have enjoyed equal opportunities under equal justice, and they all have availed themselves of the privilege of becoming industrious, law-abiding, and patriotic citizens of this great Republic. They all have helped in making America great, and have vowed to defend its institutions and the democratic way of life. In that sense America is a great melting pot.

At the same time all ethnic and religious groups here have retained many of their ethnic traditions and have held firm to their religious beliefs. In this sense, America is far from being a melting pot of radical and religious groups. It is perhaps better to say America is a country in which we seek unity and strength in diversity and in individuality. So we have today, as we have had in the past, our nationality groups in all parts of the country, each possessing its peculiar characteristics, and all of them patriotic citizens of the country.

Poles numbering many millions, are among the larger of our nationality groups, and they have played a large role in making America great. We have known them here as sturdy, hard-working, law-abiding, and brave citizens. In and out of their historic homeland they are known as indefatigable workers in the building of democratic institutions, and stouthearted defenders of democratic principles. Ideas such as political equality, justice, freedom, and independence, have always been dear to them. They have cherished such ideas in their misery and misfortune, and they have clung to them most fervently and resolutely. When they were enjoying freedom and independence, they have tried to retain their independence; and when they had the misfortune to lose it, then they have worked with all their might to regain it. The Constitution of 1791 is a case in point.

As the result of the first partition of Poland in 1772 the Poles had lost more than half of their country, and their independence seemed to be in jeopardy. At the time it was thought that one way to forestall future dangers was to reform the governing institutions. The Great Diet, or the Assembly, was very much taken up with this idea in 1788, and a group called patriots was the spearhead of the movement. Finally a document was drawn up and adopted on May 3 of 1791, which came to be known as the Constitution of 1791.

That memorable document embodied many liberal and progressive ideas, and represented a decisive advance over anything of the same kind yet attempted in any country in central and Eastern Europe. By this Constitution Poland became a limited, constitutional monarchy. Ministerial responsibility was introduced; the intricate and obstructive features of the old system were abolished, and many class distinctions were eliminated. Personal privileges formerly enjoyed by the gentry alone were made available to all townsmen, and the peasantry was placed under the protection of the law. Provisions were also made whereby periodic reforms could be introduced and other alterations enacted. In short it was a model constitution. Poles were anxious to see it work, but before they had any chance to put it to work, the international situation played a tragic trick upon them.

Soon after the promulgation of the Constitution Poland's inveterate enemies—Hapsburg, Austria, Prussia, and Russia—invaded the country, overran it, and partitioned it once more, which eventually led to the loss of Poland's independence. In this tragedy the Constitution of 1791 was also sacrificed, but not the ideas and ideals embodied in them. The great democratic principles lived in the hearts and minds of liberty-loving Poles. Today, under Communist totalitarianism, they still cling to those principles as did their forefathers. And in free countries of the West they annually observe the anniversary of the promulgation of that Constitution. I gladly join Americans of Polish descent in the celebration of that anniversary, the 168th Polish Constitution Day.

Mrs. GRIFFITHS. Mr. Speaker, Sunday, May 3, is Polish Constitution Day. This day has been celebrated for 168 years by the people of Poland and throughout the Polish communities in the world as a glorious occasion commemorating the Constitution of 1791 whereby Poland moved from an unlimited autocracy to a limited monarchy without bloodshed—the most advanced governmental reform in central and Eastern Europe of the time.

It is a sad commentary on our times that today more than 25 million Poles are not even permitted to celebrate this Constitution Day, due to the political and moral oppression of a regime clearly subservient to Moscow.

After the Poznan revolt of June, 1956, some gains were made by the Polish people toward the restoration of their basic

human rights—rights we have so long taken for granted. But these gains have been short lived. A retreat from the gains of the Polish October is particularly evident with regard to the freedom of intellectuals, to workers' rights, Church-State relations, and freedom of opinion and the press.

Increasingly, the regime in power in Poland is resuming the traditional Communist pattern of violating and denying the basic human rights and freedoms. The people of Poland have always had a strong attachment to the Western World. Their fortitude and love of freedom have long been a source of inspiration to all freedom-loving people everywhere.

It is important that these people know that they have our support as long as it is needed to regain the rights and freedoms that are so well known to us all.

May the prayers of this Nation be with these people on Sunday, May 3.

Mr. VAN ZANDT. Mr. Speaker, it is a pleasure to join my colleagues in Congress in paying tribute to the Polish race on the 168th anniversary of the Polish Constitution adopted in 1791.

The Polish people are recognized throughout the world and especially in America as sturdy, hardworking, and stouthearted citizens. They are equally well known for their devotion to the principles of liberty and freedom. In this connection, many American patriots of Polish descent have fought in every war in which this great Republic has been engaged.

Like many other freedom-loving nations now behind the Iron Curtain, political equality, justice, freedom, and independence have always been basic principles in the national life of Poland. These national characteristics which are possessed in such abundance by liberty-loving Poles command our Nation's highest admiration.

Because of their sincere devotion to the lofty principles of honesty, justice, and freedom, the Polish people in America whether they are naturalized citizens of this great Nation or native-born Americans of Polish descent are daily offering their prayers for the delivery from bondage of those in their homeland who are sufferers under a most despicable regime that has robbed them of every vestige of freedom and independence.

In the great State of Pennsylvania and especially in my congressional district comprising Blair, Centre, and Clearfield Counties, we have many families of Polish descent who have contributed greatly to the material and spiritual growth of the Keystone State. These God-fearing American citizens are mindful of the precious heritage of all Americans and as a result they have played and are playing an important part in the daily life of every community where they are respected and esteemed for their many fine qualities and high type of citizenship.

It is a pleasure on this 168th anniversary of the promulgation of the Polish Constitution of 1791 to join the Polish people everywhere in observing such a memorable event and to once more unite my prayers with their supplications that God will look kindly on the Polish nation and answer the pleas that freedom and liberty be restored to that valiant nation now reduced to virtual slavery under the cruel heel of its Russian oppressors.

Mr. MACHROWICZ. Mr. Speaker, just as July 4 is enshrined in the hearts of all Americans as the anniversary date of the independence of the United States, so is May 3 enshrined in the hearts of the Polish people as its own date of independence.

It is with great pride and pleasure that I join freedom-loving peoples everywhere in paying tribute on this solemn occasion to the Polish people. Those of us who share a background of Polish heritage and ancestry are both proud and humble as we recall the glorious but tragic history of the Poles.

One hundred sixty-eight years ago Poland produced a memorable constitutional document which held out to the Poles and to the world a great promise for the future. The constitution of May 3, 1791, made one of the greatest contributions toward the ideals of human freedom, expressed in this significant statement that all power in civil society is derived from the will of the people. Our American Declaration of Independence contains almost the same words—at least the thought of the words—that governments are instituted among men, deriving their just powers from consent of the governed, which, in both instances, resolves itself to but one idea and principle, that all men are created equal.

Today we pay tribute to the Polish constitution of 1791, to a great nation, and to a brave people.

Peace, liberty, security, and progress are fundamental objectives sought by nations everywhere. Such goals are seldom completely achieved; but some lands are more fortunate than others. Throughout her history Poland has been one of the most unfortunate of nations in her quest for these ideals.

Since the first partition of Poland in 1772, with the exception of a brief period between World Wars I and II, the Poles have known only oppression and strife. Within the Polish annals of glorious deeds and sad tragedies, the Constitution of May 3, 1791, stands out as a magnificent chapter in Polish history. In the past, Poland has fallen under aggression and dismemberment four times by her stronger and greedy neighbors. In 1772, her lands were divided between Austria, Prussia, and Russia; 1792 between Russia and Prussia; in 1795 between Austria, Russia, and Prussia; and in 1939, between Germany and the Soviet Union. Each time Poland has risen from apparent death to re-create a new state for her people.

Late in the 18th century, after Poland suffered her first partition, her wise leaders, realizing that Poland was not strong enough to prevent such external threats, decided that the country's governmental machinery must be improved and strengthened by the solid support of the populace, thereby strengthening their country internally and enhancing Poland's prestige externally. With that purpose in mind, the Poles revamped their government by drawing up what has come to be known as the Constitution of May 1791.

To the people of Poland, it meant the promise of a better life. The peasantry was brought under the jurisdiction of the law. Towns were given administrative and judicial autonomy, and were entitled to a certain measure of parliamentary representation. Freedom of conscience was guaranteed and absolute religious toleration was established. Certainly all these measures represented genuinely democratic forward steps.

The opportunity to fulfill the promise of the new-found freedom was not fully attained by the Poles. Their day of liberty was glorious, but brief. The darkness of aggression and tyranny fell upon Poland almost immediately after the adoption of her liberal document. Poland's enemies feared that the birth of liberal ideas in Poland might spread to their lands. They would not tolerate the blossoming flower of human spirit, not permit human dignity and freedom, to flourish so close to their borders. Furthermore, the Polish document contained elements which promised to create a strong Poland.

Even before the constitution was put into force, Poland found herself under attack. She could not long resist such superior forces. Thus Polish hopes for the future were soon crushed. The second partition followed in 1793. Poland's Constitution became a dead, defunct document; Poland herself ceased to exist as a nation in 1795, as she was parceled out among her three powerful neighbors.

For more than a hundred years Poland lived only in the hearts and minds of suffering Poles. But never did they give up hope of regaining their national independence and reviving the spirit of their Constitution. The freedom, so desired by the Poles, was not regained until after World War I, when a great American President, Woodrow Wilson, resurrected it by proclaiming a great American doctrine that all people had the inherent God-given right to determine its own destiny.

Poland once again began to live up to the status of a great nation, its people bringing forth the best that could be had in the realm of agriculture, industrial progress, shipping, mining, and general development of the resources of its country. No less effort was spared to develop their educational standards and artistic culture.

In September 1939, however, Poland was again despoiled by her powerful neighbors, Nazi Germany and Soviet Russia. Then, at the close of World War II, when all the free world believed that peace, freedom, security, and progress would again exist in the world, Poland was seized once more and brought forcibly into the Communist empire. Although the Polish state and Constitution exist today, for all practical purposes the Communist seizure of Poland has meant the destruction of the Polish state—again by Russia.

Poland today has been reduced to the level of a Soviet satellite. The present Polish Government will not accept the principle of the Polish Constitution of May 1791 and does not permit the Polish

people to celebrate and honor the date of the birth of Poland. We, here in America, are aware of that fact and so are all the freedom-loving nations of the world. We must speak for them because they cannot freely speak for themselves.

We are cognizant of the fact that the Polish people have hated their Russian oppressors and have boldly made threatening noises at their conquerors. In 1956 world attention was focused on the turbulent revolt in Warsaw—a stirring and heart-lifting spectacle of a brave captive people attempting to break loose many of their shackles. The cruel stranglehold of Communist tyranny, however, was too great for the Poles to overthrow. Nevertheless, their oppressors recognized in these people a spirit of freedom which could not be ignored. The suppression of freedom has persisted in Poland, and though the Communist regime continues to dominate the actions and thoughts of these captive Poles, there is always the indication of a continuing resistance against Soviet rule and their aversion to every form of communism.

This 168th anniversary of the Polish Constitution is a day of national dedication for all freedom-loving Poles. Many of us proudly share a Polish heritage. Let us rededicate ourselves to the cause of our forefathers—to the cause of constitutional democracy. We must rededicate ourselves for freedom's sake if we expect to inspire the downtrodden and oppressed.

Poland is now a captive of conspirators who plan to destroy freedom throughout the world and substitute their own oppressive despotism. We free Americans of Polish descent have the duty to speak out for our own enslaved brothers. We must support them in their tireless struggle for freedom. The historic ideal of a free and democratic Polish Republic continues to live in Polish hearts. The Constitution of 1791 and the place of honor it has in Polish hearts is proof of that. This spirit cannot be forever enslaved. The promise it held over a century and a half ago still lives in the hearts and minds of freedom-loving Poles throughout the world.

On this day we proudly join Poles everywhere in fervent prayer that the spirit of the 1791 Constitution will soon prevail again in a free and independent Poland.

Although we express hope that Poland and all other enslaved nations will be delivered from the oppressive tyrants now dominating millions of freedom-loving peoples, we must be alert to the fact that we ourselves are not immune to being dominated by despots and their tyrannical governments. It seems that we lack the vision of being under the domination of a despotic regime, for these events are taking place far away from our shores. But we soon would realize the necessity of a firm stand for freedom if one of our glorious States ever fell to despotic rule which could be forced upon its neighbor. Our cry would be to prevent the expansion of this tyrannical rule and restore the freedom to those already oppressed.

Today we think only of Poland, but let us not forget the many other enslaved nations who suffer under the same yoke of communism and who are also entitled to their free expression regarding their choice of government and leadership.

The gallant people of Poland have not lost hope that they will regain their freedom and we must give them assurance that their hopes are not in vain. It is up to us to show the necessary leadership toward this end.

Mr. BROCK. Mr. Speaker, the spirit of freedom-loving people dies hard. Today we commemorate a memorable achievement of such a people: the Polish Constitution of 1791.

The charter drawn up in May of that year was a political instrument in advance of its time. It provided for separation of powers, the abolition of the old and harsh class distinctions, for establishing a bicameral legislature, and an extension of the suffrage. It was a constitution based upon the principles of the freedom and dignity of man. Thus it provided for true religious toleration, and it was designed to establish a government founded on the will of the governed and the rule of the majority. It can be truly said that this noble ideal signified a new beginning for the Polish people.

But the ideal was not permitted to become reality, for soon afterward a Russian army marched into Poland and hopes for a better life were dashed. A few years later, Poland was partitioned, and its people came under the rule of brutally powerful but politically less enlightened neighbors. For the next century and one-half, Poland languished in this manner, without freedom, and without the right to determine its national destiny.

After the end of World War I, however, Poland again became independent—for a longer period of time, to be sure, but only to be crushed once again under the brutal and ignorant tyranny of nazism. The people and land have not been free since, but there is no doubt at all that their love of freedom continues as strong as ever. Many of us hoped, as a result of the workers revolt at Poznan and the October revolution in 1956 that Poland would quickly regain her freedom. Now we see that it cannot come so quickly. But we must continue to strive for Poland's freedom, and to do all we can to loosen the Soviet hold on this great nation.

The Constitution of 1791 should remain an inspiration in that work, for as the leader of the free world we have an obligation to stand as the living ideal for which both our own Constitution and the short-lived Polish Constitution stand. And we have a further obligation not to let Poland down, for over the generations during which the old country was not free many of her most industrious sons and daughters came to our own country. Their labors have enriched the lives of all of us, both our culture and our material development. For that reason, too, we grieve at Poland's bondage today.

I join with all sons of Poland in commemorating this 168th anniversary of one of their most noble achievements: the Constitution of 1791.

Mr. WALLHAUSER. Mr. Speaker, I am most happy to join today with my distinguished colleagues in solemn commemoration of the 168th anniversary of the Polish Constitution—a sacred anniversary for all lovers of and believers in liberty and freedom.

It should be a day of joyous celebration for the people of Poland and for their relatives and friends throughout the world, for the Polish Constitution is a great landmark in the centuries-old struggle of mankind for liberty and freedom. It is a document that ranks with our own Declaration of Independence and with the Magna Carta.

But because of a cruel oppressor those abiding in Poland must keep their joy within their hearts. The people of Poland must pray silently to the memory of those brave patriots who brought into being the memorable Constitution. They must pray silently for the day when Poland will be free again.

Here in the United States of America in the hallowed Halls of Congress we join these brave people in their prayers and with them we look forward eagerly to the day when Poland once again will take its rightful place among the free nations of the world. We pray that the day soon will come when the people of Poland will be free from the yoke of their communistic oppressors.

It is an oppression that has endured for 20 years, but it has not dimmed the desire and dreams of the Polish people for liberty despite the many indignities visited upon them by the masters of the Kremlin and their cruel stooges. Though the clouds still are dark the light of ultimate victory shines behind them, for the Polish people do not believe in the ungodly philosophy of the Communists.

Poland must and will be free again and stand in its rightful place as one of the great nations of Europe. For more than 200 years, in spite of partitions, in spite of attempts at suppression, the great spirit of the Polish people has stood firm. Poland has remained a nation even when it was under the heels of the oppressor.

We may ask, why have attempts to wipe out Poland proved unsuccessful? For the answer, we only have to look at our friends and neighbors of Polish origin who live among us to understand the strength and spirit of the Polish people. Law abiding and industrious, Americans of Polish descent have made a real contribution to the American scene and the American way of life.

In my own State of New Jersey, we owe much to those who migrated from Poland to America and to their descendants for the fine traditions which they carried on. They contributed greatly, and are continuing to contribute greatly, to the development of New Jersey.

On this Polish Constitution Day, let us reaffirm the friendship of the American and Polish people. Let us assure our Polish friends that our sympathies are with them as they work for the reestablishment of their nation as an independent force in world affairs through which they may enjoy the liberties and freedoms which they so devotedly cherish.

Mr. ADDONIZIO. Mr. Speaker, free men throughout the world salute the Polish people on the 168th anniversary of the adoption of the 1791 Constitution of Poland. Wherever freedom rings, tributes will be paid to the heroic people of Poland and to their early constitutional recognition of the great democratic principles of liberty, justice, and equality.

In 1791, Poland guaranteed freedom to all her citizens, when she became the first nation in eastern Europe to have a written constitution proclaiming the principles of human liberty.

The glorious deeds of the Polish people in defending liberty and fighting oppression have seldom been equaled and never surpassed. The Poles fought against invaders from Germany as far back as 983. In the 13th century, they helped save Europe from the barbaric hordes of the Tartars. It was Sobieski and the gallant Poles who battled the ravaging swords of the Moslem fanatics to prevent Europe from being overrun and Christian civilization from being destroyed. The freedom-loving Poles came to the aid of our American colonies in the Revolutionary War. In our time, Poland was the first country to take up arms against Nazi oppression. During World War II, her valiant youth fought courageously not only on the soil of Mother Poland, but also on the battlefields of Norway, France, North Africa, Italy, Normandy, Belgium, Holland, and Germany. Thousands of Polish boys from New Jersey fought communism in Korea.

It is tragic that a nation so consecrated to liberty—not only by work, but by centuries of dedicated and heroic action—should have its freedom overwhelmed by the heavy hammer of Communist tyranny.

The document whose birth we honor today was an important landmark in the development of modern constitutional government. The Polish Constitution of 1791 affirmed the principle of popular sovereignty, stating that "All power in civil society is derived from the will of the people." This great document gave commoners the right to own land, to hold commissions in the army, and to be employed in the civil service. The rights of peasants under law were afforded more effective guarantees. Religious freedom was established for all citizens. This constitution embodied the principle of separation of power among the legislative, executive, and judicial authorities.

The oppressed people of Poland continue to draw inspiration from the great principles embodied in the Constitution of 1791. The brave resistance of the Poles to tyranny has forced the Communists to moderate some of their extreme policies aimed at the destruction of traditional Polish society. As a result, since 1956 the program for collectivizing agriculture has been virtually suspended, the church enjoys more freedom and is subject to less abuse, the universities are permitted more independence from party control, and some limitations have been imposed on the dreaded secret police.

Recent events, however, are not encouraging. Cooperation between Moscow and Warsaw has become closer. Poland's relations with the outside world are rigidly coordinated with the foreign policy of the Soviet Union. The faction led by Wladyslaw Gomulka is rebuilding the Polish Communist Party into a more monolithic and stronger instrument of totalitarian rule.

The Communists may suppress the celebration of the adoption of the great Constitution of 1791. But they will never extinguish the fires of freedom which blaze in the history of the Polish nation and continue to warm the aspirations of the subjugated Poles for liberty, justice, and national independence.

America looks forward to the time when the people of Poland will be free and able to join with us in celebrating this great historic event in mankind's struggle for freedom and dignity.

Mr. BARRETT. Mr. Speaker, today Americans of all national backgrounds join especially with their friends and neighbors of Polish descent in a tribute to all sons of Poland. But their homeland is not a free nation today, and for that reason it is doubly important that we mark with honor this 168th anniversary of Poland's Constitution of 1791.

Among the charters of political liberty to which men look for instruction and inspiration, the Constitution of 1791 holds a place of great importance. For its time, it was truly unique; and even today it bespeaks principles which are basic to the freedom and dignity of man. For in May 1791 that charter established a bicameral legislature, and true religious toleration. The old class distinctions that helped make life so difficult for the peasants were abolished. The Constitution of 1791 provided for separation of powers, an extension of the suffrage, and respect for property rights.

Certainly these developments made it seem that a new era was dawning for the Polish people, and if they had been allowed to come to full fruition Poland would have been in the van of the world's free nations. But it might be said almost literally that no sooner was the ink dry on the Constitution of 1791 that this spark of enlightenment was extinguished. The armies of the tsars marched into Poland and smothered these new freedoms.

In 1795 Poland was partitioned by her more powerful and less politically advanced neighbors. As a sovereign nation Poland ceased to exist, and it was not until the end of World War I that independence was regained. But we may be certain that the spirit of freedom did not die during those long years. It survived even the tyranny of the Nazis, and as all the world saw in 1956, the indomitable spirit of the magnificent people of Poland cannot be crushed even by the cruelest—because it is the most efficient tyranny of all—Russian communism. Poland will be free again—the hearts of all Americans are with her in that cherished hope.

Mr. FARBSTEIN. Mr. Speaker, 168 years ago today, leading Polish notables declared their adherence to a constitution remarkable for its liberal and modern quality. Poland's plight at that time was desperate. Prussia, Austria and Russia, Poland's three powerful neighbors, each feared the other would grow stronger by annexing Polish territory. In 1772 they agreed to snatch parts of Poland all at the same time, leaving a much reduced and very vulnerable state.

This outrage aroused Polish spirits and led to a series of reforms. One of the most memorable was the constitution, far in advance of those of its neighbors. Reflecting the spirit of the enlightenment in western Europe and the English political philosophers who contributed so much to our own development, the constitution provided for a regular elected legislature, and might have foreshadowed a responsible cabinet form of government. The monarch accepted limits surrounding his whim and absolute rule. The government service was opened to young men who were not of noble birth; commoners obtained the right to own land when hitherto only the nobility had had that right. The protections of the law were extended even to the peasantry.

Unhappily, shortly therafter, Russian forces entered the remaining Polish lands and together Poland's three large neighbors extinguished Poland's independence.

After World War I, Poland again emerged as an independent country out of the destruction of the Prussian, Tsarist, and Habsburg Austrian Empires. Then, at the outset of World War II, Poland was once more overrun. And, today, its people remain under the shadow of Soviet domination through the Polish Communist Party and the continued presence of the Red army.

Ironically, after more than 150 years, the Polish people have not yet been able to achieve in their homeland the liberties which they set for themselves so many years ago. Indeed, it was the unfulfilled longing for freedoms and for opportunity that inspired so many of Poland's sons and daughters to come to this country.

Poland's loss was America's gain. Outstanding Poles helped us to gain our own independence. The name of General Pulaski is known to all Americans. Countless Americans of Polish descent have served in every conflict the United States has ever been engaged in.

Polish immigrants came to our shores determined to work hard and make their way. Indirectly they helped to enrich this Nation by their industry. Immigrants from Poland broke and conquered the prairie; they helped to build the railways and the roads that now bind our Nation together. They helped dig out the coal and other minerals that have made our industrial power great. It is appropriate on this day that we should acknowledge our debt to the descendants of the Polish people who have contributed so much to our country.

And it is equally appropriate that we should turn our thoughts today to those Poles in the homeland who are still without these freedoms for which they have so often striven. We should make it clear that we will assiduously work for those conditions in the world which will

once again give them the opportunity to choose their rulers for themselves, a government restrained by the rule of law and ready to recognize the freedoms all men deserve.

It is our pleasure and duty to pay tribute to these people who, throughout history, have fought to preserve their national integrity. The heroic struggle waged by the peoples of Poland, on behalf of liberty, freedom, and independence must of its nature gain the undying admiration of all freedom-loving people. We are glad to know that that same spirit is alive in Poland today in its struggle to thwart the Soviet oppressive system that subjects it; a struggle which serves to make these among the more glorious hours of that nation's history.

Mr. BECKER. Mr. Speaker, overwhelmingly fine tributes are being paid to Poland today. We all know the valor, perseverence, and honor with which she sustains her long, hard fight against the Communist intruder. We cannot but admire the courage of her endurance throughout the years. Those of us who treasure those blessed privileges guaranteed by our Constitution can only hope, and pray, that soon, very soon, Poland will join that union of free peoples throughout the world. My best wishes go to Poland and to her people in the United States on this 168th anniversary of her Constitution Day.

Mr. BOYLE. Mr. Speaker, we in this country always join hands with the Poles in celebrating their national holidays, and in the observance of memorable anniversaries. We rejoice in their successes and achievements, and are sometime aggrieved when some misfortune overtakes them. We do this gladly not only because of the high esteem in which we hold our loyal, patriotic, hard-working and devout citizens of Polish descent, but also because we have always had a profound sympathy for the Poles suffering in their homeland under the oppressive yoke of alien rulers. For these and other reasons there has been created a bond of mutual friendship and spiritual alliance between the people of this great Republic and the sturdy Poles of unfree Poland. Misery and misfortune have been their unfortunate lot for hundreds of years, as it is today under totalitarian dictatorship, but stout-hearted and liberty-loving Poles, even under the most cruel of regimes and most heartless of oppressors, cling to the fine and noble ideals embodied in their great Constitution of 1791.

That Constitution has been rightly regarded, by Poles as well as by liberals everywhere, as a model instrument for the just administration of the affairs of a people who have always had as their goal freedom and justice. It was the work of a band of great patriots who framed it after years of calm and calculated deliberation, and promulgated it on May 3, 168 years ago. But the truly great ideas and ideals embodied in it still stand on their own merits, and the Poles still cling to them as fervently as ever, and wherever they may be, they observe the anniversary of the promulgation of that Constitution with due solemnity. I gladly join them on this memorable anniversary.

Mr. BYRNE of Pennsylvania. Mr. Speaker, 168 years ago today, on May 3, 1791, a bold new constitution was unanimously adopted in Poland. Establishing a hereditary monarchy with ministerial responsibility, designating the period of work for the national parliament, and extending civic rights, the Constitution placed Poland in the vanguard of the movement in central Europe for more democratic government. Within a few years, however, despite the valiant efforts of the Polish people, the vulnerable geographic location of Poland resulted in the partition of Poland between Russia and other states. Since that time the history of Poland has been a perpetual battle to regain or maintain freedom.

The nation of Poland is once again under the domination of Russia, but as we know even the Communists cannot suppress the Polish determination to constantly move toward greater freedom. Today Poland has a unique position behind the Iron Curtain with a greater measure of freedom, for example, freedom of speech, than exists in the other countries which have been pulled into the Soviet orbit. In their attempt to walk the delicate tightrope to greater liberty with the breath of Soviet soldiers upon their necks, the Polish people have our admiration, our heartfelt support, and our sincere hopes for success.

In this country, the anniversary of the adoption of the Polish Constitution of 1791 serves as a rallying point for the 6 million Americans of Polish extraction. It is a day to pause in their role of American citizens and remember their Polish heritage. It is a day to be thankful for freedom here and pray that freedom will come again to Poland and to all the countries under foreign subjugation. It is a day to take pride in the men and women who have made Poland's contributions to the world unforgettable, men like Chopin, Kosciuszko, Pulaski, and Paderewski.

For all Americans Polish Constitution Day is a day to pause and reflect on the blessings of liberty. Let us take this opportunity to honor Kosciuszko, Pulaski, and the hundreds of other Polish patriots who fought with the Continental Army and helped us to obtain our freedom. Let us express our gratitude to the many more thousands of Americans of Polish descent who fought in the First and Second World War. Above all, let us pledge ourselves to carry on the never-ending fight for freedom in renewed unity and strength.

Mr. CELLER. Mr. Speaker, I join with my colleagues in marking the 168th anniversary of Polish Constitution Day, May 3, 1959—a memorable date in the history of Poland, when the Polish people demonstrated profound belief in the principles of freedom and individual liberty. These principles and ideals, which we in the United States hold dear, continue to be the guides by which the Polish people mark their past and frame their future.

The history of the world proves conclusively that no tyranny nor tyrant can long endure. The activities of the people of Poland bear out this unassailable truth. True, freedom comes hard and slow, but the values placed upon these very small victories portend the liberation of Poland. One need not be a prophet to foresee this.

Mr. CURTIS of Massachusetts. Mr. Speaker, I am glad to join in the observance of Polish Constitution Day.

America is fortunate that so many sons of Poland have come to our country and contributed much to its cultural, spiritual and economic growth. Their freedoms and their rights are protected by the Constitution of the United States.

The Polish Constitution of 1791, adopted at nearly the same time as ours, granted similar rights and freedoms, but due to the might of oppressors those freedoms are no longer enjoyed by the people of Poland.

We share the sadness of our Polish friends over the present plight of Poland under Communist bondage, and look to the day when the people of Poland will again be free and enjoy the right of life, liberty and the pursuit of happiness.

Mr. DELANEY. Mr. Speaker, in these days of chronic crisis, it is fitting that freedom-loving people of every national descent pause to pay homage to a great event in the history of man's uphill fight toward liberty. May 3 marked the anniversary of the signing of the Polish Constitution of 1791. One hundred and sixty-eight years ago Poland joined France and the young Republic of the United States in adopting a constitution providing for widespread reforms. Sweeping aside centuries-old traditions, the Polish Constitution boldly rested the sovereignty of the nation in the people. The Constitution incorporated principles of parliamentary government, reduced the powers of the nobility, and established basic religious freedom. As astonishing and gratifying as the reforms themselves, was the bloodless manner in which they were brought about.

But the Constitution of 1791 was to be short lived. The absolute monarchs of Russia, Prussia, and Austria could not tolerate the growth of the democratic spirit in such close proximity to their territory. Catherine of Russia sent troops into Poland, and although the Poles rose in gallant defense of their freedom, the Russians conquered Poland and abolished the Constitution. But the conquest of Poland and the renewal of tyrannical rule could not quench Polish thirst for freedom and independence.

We have had repeated proof of Polish devotion to the principles of human dignity and freedom. As nation after nation trembled before Nazi demands, the Polish people rose to defend their freedom in a valiant, but hopeless, stand in 1939. After the Nazis had enslaved their homeland, large numbers of Poles fled to the West to continue their struggle against tyranny. The heroism of the Polish Legions in World War II won the unstinted admiration of the troops of the armies in which they fought.

It is tragic and ironical that the end of the war brought Poland, not victory and its cherished independence, but a

new enslavement. The cruel yoke imposed by the Soviet Union is a mockery of the sacrifices of the brave men who fought and died that Poland might achieve its longed-for freedom. But, as so dramatically demonstrated by the Poznan revolt of 1956, the flame of liberty has not been extinguished in the hearts of the Polish people. We know that their belief in the principles incorporated in the great Constitution of 1791 continues as strong as ever. May the unquenchable patriotism and unconquerable democratic spirit of the Poles live on until Poland once again takes its rightful place among the free nations of the world.

Mr. DOLLINGER. Mr. Speaker, the history of the Poles has been marked by heights of glory and fraught with years of tragedy. May 3, the 168th anniversary of the adoption of Poland's Constitution, calls attention to the sad plight of the Poles who are today under the Communists' rule.

I am happy to have the opportunity to join with the friends of Poland in commemorating the day when the people of Poland first tasted real freedom; when Poland advanced from an unlimited autocracy to a limited monarchy; when townsmen were given new privileges; when some freedom of religion was in sight; when it achieved the most advanced governmental reform in central and eastern Europe. However, Poland's imperialistic neighboring powers, fearful of the birth of liberal ideas in Poland, attacked her, and she, in suffering defeat, was a nation no longer, but was partitioned and parceled out among Austria, Prussia, and Russia.

Although Poland now exists only in the hearts of her countrymen, her people have kept alive their spirit of freedom and their hope of regaining their independence as a nation. The Polish Government is now Communist, but the Polish people are not.

The Poznan revolt of June 1956 forced the Communists to make certain concessions; there was relaxation of censorship, religious teaching was permitted; there was greater freedom of the press and some relief from the terrors inflicted by the security police. These achievements brought some encouragement to the people, but we know now that the gains of that October are fast disappearing and the Poles face even greater hardships and violations of their basic human rights and freedoms.

The people of Poland, by adoption of their Constitution, proved their desire for the democratic way of life. We must do all in our power to let them know of our understanding, our hopes for them, and our moral support in these tragic years.

Mr. DULSKI. Mr. Speaker, Poles are known for their bravery and daring, and are particularly noted as gifted and great masters of the arts and sciences. They have also made considerable contribution to statesmanship and statecraft, in the art of government. This was brought out quite clearly late in the 18th century by their liberal and democratic Constitution, adopted after calm and quiet deliberation and promulgated on May 2, 1791.

That Constitution is a veritable landmark in the progressive process of evolving a constitutional form of government, in an orderly and democratic way, in Poland as well as in all countries of east central Europe. By that historic document Poland accomplished peacefully what many other countries had hoped to accomplish only by revolution and bloodshed. The king's autocratic and unlimited powers were sharply reduced, and a constitutional government was established with a responsible cabinet. The upper chamber lost some of its powers, while the lower and popularly elected chamber gained considerable legislative power. Religious liberty was guaranteed, and the peasants were taken under the protection of the law. Townsmen recovered their judicial autonomy, and received a number of political rights. For all these and other liberal, progressive features the Constitution was hailed as a great advance step. Unfortunately, patriotic Poles who framed and enacted the Constitution into law, were not given the chance to see it work. Soon after its promulgation, Poland was attacked and overrun, and finally partitioned among its three greedy neighbors.

But the spirit of freedom and progress embodied in that Constitution did not die; the Poles of today still cling to the fine ideas of the Constitution in 1791.

Mr. GREEN of Pennsylvania. Mr. Speaker, yesterday, May 3, men and women of every nationality with faith in democratic principles joined with those of Polish ancestry in commemorating the 168th anniversary of the Polish Constitution of May 3, 1791, which forms a true landmark in Polish history, and began an important period in modern European history. That document, with its progressive, liberal, and democratic provisions, marks a turning point in Poland's history. By this Constitution Poles hoped to bring about sufficient important changes in the governmental structure of their country so that it could cope with their acute national internal and external problems.

The Constitution, as adopted and promulgated 168 years ago, provided for the curtailment of king's authority, and the establishment of a responsible cabinet form of government. The lower chamber of the Diet, the popularly elected legislative body, was empowered with more authority, and the upper chamber lost some of its powers. Religious freedom was guaranteed, and freedom of opinion was tolerated. The peasantry was brought under the protection of the law, and provisions were made for the periodic revision of the Constitution.

This model document, designed to remedy some of the defects of Poland's governing institutions, never had a chance to prove its usefulness and efficacy. Soon after its promulgation Poland was overrun by its enemies and once more divided among the three autocrats of Austria, Prussia, and Russia. Of course, the Constitution became a dead letter, but not the spirit embodied in it. Since then all Poles have cherished the liberal and democratic ideas of that Constitution, and they still cling to those fine ideas and ideals.

I gladly join Americans of Polish descent on the 168th anniversary celebration of that epoch-making document, the Polish Constitution of 1791.

Mr. KEOGH. Mr. Speaker, as we enjoy, from year to year, the privileges, joys, and responsibilities of continuing freedom, it is fitting that we reflect from time to time on the plight of those peoples of the world whose heritages of liberty have been snatched from them by totalitarian oppressors.

Because our ties with the Polish people date from the birth throes of our own Nation, we welcome the opportunity to join them in memorializing the adoption of the Polish Constitution 168 years ago. In recent years, this has not been a joyous anniversary. There is in being a Polish nation and a Polish Government, but the one is not completely the historic homeland of the Poles and the other is far from the traditional concept of a Polish republic.

In 1956, the free world was given dramatic evidence that the Poland it once knew and called friend was not dead but remained vital and courageous behind the Communist cloud. The Poznan revolt, while failing to win freedom for Poland, did give the Kremlin pause and prompt concessions which, in the granting, provided proof that a militant spirit of freedom still had the strength to go on march in the land of the Poles.

There was an easing of the repression of the church, and religious teaching again was permitted in the schools. It appeared that the collective farm idea, whereby the land-loving Polish peasants were deprived of their ancestral holdings, was to be put on the shelf. The cruel security police were ordered to take it easy, and the press was allowed to raise its voice slightly above a whisper.

Now, it is 1959, and it is important that we note what has happened to these small but significant gains in the struggle of the Poles to come back to the light and clear air of liberty. Religious instruction in the state schools again has been repressed. The controlled press has inveighed against the church. Communist Party leaders have made plain that the drive for collectivizing Polish agriculture is being resumed. Intellectual freedom has been the object of intensified official contempt and harassment, to the extent that even the publication for young Communist thinkers has been banned. Once again, the press must mumble the party line, and that alone.

Let there be no mistake—as we recall the declaration of freedom made by the Poles 168 years ago, our felicitations do not go forth to Gomulka and company, the complaisant minions of the Kremlin. We are thinking of, and praying for, the great body of the Polish people, from which has come, over the years, as from many other peoples, recurring infusions of new vigor for our own national strength. Through their prayers, and those of all who cherish freedom throughout the world, and pursuant to the destiny of the resilient human spirit everywhere, we express today renewed confidence that the principles of the

Polish Constitution again will be the valid charter of the Poles.

Mr. KLUCZYNSKI. Mr. Speaker, today in the free world we again celebrate the 168th anniversity of the Polish Constitution of May 3, 1791, which embodies the following sentence:

All power in civil society should be derived from the will of all people, its end and object being the preservation and integrity of the state, the civil liberty and the good order of society on an equal scale and on a lasting foundation.

Although these truly magnificent words express the desire of any civil and democratic society, the Polish puppets in Warsaw, who consistently claimed tolerance toward the masses, would not dare to publish or to advocate them today. These are pointed phases. Are any words too strong to remind the discontented masses in Poland of their wretched life? The government in Warsaw—elected by the central committee of the only party existing at present in Poland—is desperately attempting to convince the world of its democratic character and makeup. Unfortunately there still are some people who believe in the slogans broadcast daily from Warsaw and published in the Polish press. They are the same individuals who claim that since the coming to power of Gomulka things in Poland have changed considerably and that concessions have been made.

It must be conceded that some minor changes have taken place in Poland, and we know also there are other countries behind the Iron Curtain which suffer a great deal more than Poland. However, one can never forget that the answer to this question lies within the heart of the Polish people themselves. It is the spirit and faith of these unsuppressible people that has enabled them to keep their heads high throughout their struggle against the Communist tyranny.

On the 2 days preceding Easter and on Easter Sunday, churches all over Poland were crowded. The New York Times correspondent told us that on those days before the holiday the greatest paradox of Poland was on casual display in the streets of Warsaw. The only real life of this city has been in its churches, nothing else—work, politics, play, or officialdom seems meaningless living in the city.

Yes, Mr. Gomulka and Mr. Zawadzki and General Spychalski, you can deprive the Polish people of many things, but you cannot take away from them their religion and faith.

Much has been said about concessions on the part of Gomulka's regime. Granted, that the infamous UB—secret police—officially has been abandoned, the files of the hundreds of thousands innocently denounced have been turned over to the central committee of the Communist Party, whose members are the elite of Poland today.

Only a month ago the Polish Communists boasted about another achievement—the arrival of the last trainload of 250,000 Polish repatriates from the Soviet paradise. This concluded the Polish-Soviet agreement of November 1956. However, not a single publication in Poland asked what happened to well over 1 million Poles deported in 1939 and again after the so-called liberation of Poland in 1945. Of course, we do know that large numbers of them perished in the land of the liberators.

Many of them starved to death and countless numbers died of malnutrition and exhaustion in the slave labor camps of the Urals and Siberia. Twelve thousand of them were annihilated in the Katyn Forest massacre, when the Soviet-Nazi relations were at the peak.

If you walk through the streets of Polish cities today you will observe the people standing in lines patiently waiting to enter stores and shops. No matter what you desire to buy, you must take your place in the waiting line. The stores which are state owned have a waiting line before you gain admittance to make purchases. This situation exists with respect to busses and other transportation, with office buildings, to mail a letter, and for practically everything one requires. These lines have become a part of the life of the Polish citizen, who has been told for the past 19 years, "It's for a better future, Comrade."

Poland, once Europe's chief source of coal, was freezing last winter. Most of the fuel was shipped to Russia for prices far below what Poland could have received from any other importer. People had to buy wood at exorbitant prices, instead of coal, to try and keep warm. To give you just one example of the average market price, a pair of good shoes cost around 1,200 zloties, or the average monthly income of the Polish white collar worker.

On March 1, 1959, the Warsaw illustrated magazine Swiat published an article which was taken from a weekly printed in Chicago in 1909. The article was an attempt to poke fun at the clergy, and attempted to leave the impression that the people from Galicia, Central Poland, were peasants who worked as much as 10 and 12 hours a day in factories, mines, and on road construction.

I would like to remind the Polish Communist publication Swiat, and its masters in Warsaw, that there is nothing new in the fact that 95 percent of Polonia was made up of peasants and workers who fled political oppression in Poland at the turn of the century, just as they have been fleeing from that country since 1945. It was this free country, its Constitution, and its democratic character that permitted the people to assemble and to express their thoughts openly. They were permitted to work wherever they pleased, and they needed no permission, as is the case in Poland today. They were free to travel and to select the kind of work that suited them best. They organized themselves without Moscow's blueprints and when they became displeased with their employers, they had the foresight to form labor organizations for their protection. They certainly did not look for orders from Moscow or from any foreign state. Whatever our Polish forefathers did here, they did so of their own free convictions and conscience. And that is why today we can proudly say that Polonia which counts close to 7 million Americans of Polish descent, are sons, daughters and grandchildren of those peasants and workers who came here to remain in this free society, where they are free to speak, free to write, free to assemble and organize. There is no need to talk about the results. The people in Poland know that. They have seen the hundreds of thousands of air packages and the millions in dollars that have poured into Poland from their relatives in the United States.

I am proud that I also am one member of this large Polish-American community, still able to quote the lines written by my ancestors 168 years ago on this date which are:

All power in civil society should be derived from the will of the people.

Mr. LIBONATI. Mr. Speaker, the sadness of this day is reflected by the domination of the freedom loving Polish people by their Soviet masters. No one realizes more than a patriotic American the human miseries that are suffered by a captive people; their every word and action are under the close scrutiny of Godless leaders, who have by stealth taken the very earth of their homeland; and seek to captivate the soul and quench the firey flame of its ambitious spirit for freedom.

The love of liberty permeates the soul of man and forges the iron will of his destiny to seek again through leadership the realization of the sacred possession of men—liberty.

The history of Poland and its leadership, as memorialized in the drawing of its historical document, patterned after our Constitution, is locked in the hearts of its people. It only awaits reawakening through the realization that in the future by the will of God and the positive action of other liberty loving nations; then the Iron Curtain will be thrust aside.

Love of religion and the belief in God alone makes a people strong and certainly Poland has demonstrated to the world the great moral and spiritual strength that sustains its people—even in servitude. Poland has lost its identity as a nation but has demonstrated a great power to follow its religious life. This has only been possible because of a great fortitude inherent in each individual to suffer and sacrifice while building up a great moral courage that in its strength will rise up and destroy the enemy.

For belief in God and country are the sacred words that keep the souls of men free.

The millions of Polish citizens in America, together with the men and women of Poland, cannot fail to instill in liberty loving nations its cause for freedom. We of America should reflect with admiration upon the great accomplishments of the Polish people to withstand aggression and yet hold their heads high, acclaiming their religious independence.

The historical document, the Constitution of Poland, enunciates the great spirit of freedom that has permeated its life through the centuries.

It is for us to redeem ourselves by being ever watchful to effectuate the release of Poland from the iron grip of godless communism and secure the liberty of Poland. God knows that is our trust.

Mr. MADDEN. Mr. Speaker, today the Congress very fittingly sets aside a period to commemorate the 168th anniversary of Poland's Constitution Day. During my service in Congrss, I have joined other Members each year in observing this outstanding event which marks a milestone in the long battle which the Polish people have constantly waged for liberty and self-government over past generations.

Our most important duty as representatives of a free nation is to aid the Polish people to again secure independence and self-government. This cannot be attained until the yoke of communism is released from the enslaved Polish people and other satellite nations now under Soviet tyranny.

On April 13 of this year, I addressed the House in a speech entitled "Lest We Forget—Soviet Diplomacy." It might be well at this time to remind the Members of a few statements which I made concerning the coming Summit Conference which if successful, will contribute greatly toward the eventual defeat of communism in Poland and other Iron Curtain nations. I will quote a few paragraphs from my remarks of that date:

Mr. Speaker, the 1959 meeting of Foreign Ministers and the proposed summit conference may decide the destiny of world freedom and self-government for generations to come. The cold war conducted by the Kremlin since World War II will meet success or failure at the coming summit meeting. Appeasement and the granting of concessions to the demands of the Communists will shatter hope for millions behind the Iron Curtain and greatly weaken the confidence of neutral nations in free world leadership.

Our State Department and allied representation attending the conference must not forget the history of Soviet international diplomacy over the last 30 years.

The record of Communist leaders as it pertains to violation of international agreements, treaties, and pacts with other nations should be No. 1 on the summit meeting agenda. Our leaders at the proposed summit meeting would commit a gross injustice to millions of enslaved people behind the Iron Curtain if they did not demand a complete review of the treaty and international agreement violations which the Soviets have committed in the last 30 years. The sanctity of international agreements and the wholesale violations of the same must be placed on the coming summit conference agenda.

Representatives to the summit conference from the free world will, by their silence, be accused of endorsing and ratifying the Soivet international treaty violations and aggression crimes by millions of people now under Communist enslavement.

I also submitted excerpts from the testimony of but a few of the witnesses who testified before the Katyn Forest Massacre Committee in the 82d Congress and the Select Committee Investigating Communist Aggression in the 83d Congress. I am herewith resubmitting excerpts from testimony of 4 Polish leaders made before these two congressional committees:

Gen. T. Bor-Komorowski, of Poland, page 1126, volume 3:

Congressman MADDEN. Now, General, one final question. With all your experience as a soldier and statesman, and dealings with the Communist, do you think that these meetings and conferences that are being held at Geneva, Panmunjon, and Korea, do you think that the free nations are ever going to make any progress or gain anything by conferences with the Communists?

General BOR-KOMOROWSKI. I do not think the free nations will come to any real conclusion with the Communists through conferences. The Soviet aim is to conquer the world. They need conferences only in order to have time for their underground and fifth column preparation to undermine the world.

Congressman MADDEN. In other words, their conferences are part of the strategy to get more time in order to carry out their program to conquer the world.

General BOR-KOMOROWSKI. Yes.

Gen. Wladyslaw Anders, of Poland, pages 1180, 1186, volume 3:

General ANDERS. I understand, but I must explain that I am not a politician. I am a soldier. From my long experience as a soldier, I know that when an army attacks, everything depends on the leaders. If the leaders advance well in front of a company, all the men will follow them, but if the leaders stop and waiver, the whole company is sunk. The situation today is similar. If the United States leads with determination and strength, all other people will go with them. But if the United States were to stop at words without facts and action to confirm them, such weakness would spread to other people. But I think the U.S. military leaders do not realize that today the leadership is theirs. It is necessary to understand that today it is the United States that leads the free world against its greatest enemy—Soviet Russia.

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General ANDERS. Yes; that is right. Molotov said that it was very fortunate. You must remember that Poland had a nonaggression pact with Russia at that time, which Russia broke on the 17th of September, 1939 by invading Poland. But I ask you what agreement has not been broken by Russia? Only one, that was with Hitler from 1939 to 1941 because Hitler was strong.

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General ANDERS. I think you are absolutely right. Conferences are regarded necessary by Bolsheviks only for two reasons: One is to spread their propaganda across the world, the other to gain time. Ever since Lenin and Stalin, the Bolsheviks have said the same thing: Their aim is to dominate the world. If necessary, they will use blackmail. If necessary, they will momentarily retreat—if such is the decision of the Communist hierarchy, they will go ahead again with double force.

Mr. Charles Rozmarek, president, Polish National Alliance and Polish American Congress, page 703, volume 3:

Mr. ROZMAREK. I think history has demonstrated since 1939 that you cannot do business with Soviet Russia, and in view of the fact that you cannot do business with them as a civilized nation, I think it certainly is time to put them outside the pale of the families of civilized nations.

Joseph Lipski, former Polish Ambassador to Germany, page 802, volume 3:

Congressman HILLINGS. Then would you say this is correct that every effort that has been made in the past to work out some sort of peaceful coexistence with the Soviet has not been successful?

Mr. LIPSKI. Yes. I am quite definite on that because I firmly believe that guiding principles of a moral nature are decisive principles in the international life of nations. If these principles are lacking, my experience has shown me that there are no good results with all these agreements if they are not based on international ethics and morals. The same happened with Hitler. I had quite a good insight for 6 years, being Ambassador in Berlin and I followed up the whole thing. I am speaking here as somebody who worked on these matters very thoroughly.

If the free world representatives at the summit conference follow the advice of these Polish leaders, Communist aggression will be curtailed, eventual freedom for Poland and other subjugated nations will be restored, and the world released from the threat of communistic tyranny.

Mr. MERROW. Mr. Speaker, this day marks the 168th anniversary of the adoption of the May Constitution by the Polish Diet. In the spring of 1791 this now revered document held forth the promise of new liberties and justice for all the Polish people. In the Polish Constitution we find these words:

All power in civil society is derived from the will of the people.

This shattered many of the old class barriers to social justice. Commoners gained the right to own land, to become commissioned army officers, and to be employed in the formerly aristocrat-dominated civil service. No longer was it true that being a peasant meant being denied the full protection of the law. Moreover, religious freedom was guaranteed to all Polish citizens. But the constitution went even beyond extending these rights and privileges to the Polish people. It sought to guarantee their future protection by providing for the separation of powers between the legislative, executive, and judicial branches.

The Constitution of 1791 is remembered not only because it marked such a high point in the struggle for personal liberty in Poland, but it is remembered also because it provides an inspiration to the Polish people today who live under a foreign dominated Communist government.

Soon after the adoption of the May Constitution, Poland was conquered by the armies of three great powers—Russia, Prussia, and Austria. This began the long night of foreign domination from which Poland did not emerge as an independent state until the end of World War I. This new found Polish independence was short lived. On the 1st of September, 1939, the armies of Nazi Germany marched into Poland and thus began a new night of foreign domination. This is not yet over, for Soviet Russia still tyrannizes the Polish nation.

Since the 1956 insurrection, Wladyslaw Gomulka has been at the head of the Polish Government. The world is watching to see what Gomulka's brand of "national communism" will mean for Polish freedom. In the last 2 years we have seen many of the new found freedoms of 1956 whittled away. Polish-Soviet cooperation has increased and Gomulka is establishing rigid control over the

Polish Communist Party and eliminating all opposition. Still there is no reign of terror in Poland and religious freedom does survive. The Polish people have some freedom of movement and Poland is maintaining some contact with the United States and Western Europe.

It would be a rash prophet who would venture to say what will be the fate of Polish freedom under Gomulka. Certainly it is out of the question that the Communist boss Gomulka will provide the freedoms celebrated in the Polish Constitution of 1791. The May Constitution remains an inspiration to the Polish people and to those everywhere who will rejoice on the day when Poland does achieve this true freedom and independence.

Mr. MOORHEAD. Mr. Speaker, it is a great privilege to join my colleagues in this recognition of the 168th anniversary of the enactment of the Polish Constitution on May 3, 1791. Coming from a district which is proud of its large number of Poles, I know the value of this recognition of Poland's most important anniversary. All possible encouragement to Poland is imperative. For a brief space of time the invincible spirit of the Poles seemed to be forcing back, to some degree, the imperialistic forces holding them in bondage. A few improvements were made, as in the case of the farmers who seemed to have defeated the hated collectivization movement. But now we know that heavier and heavier controls are being applied. The Poles are living in such crushing poverty that we can scarcely comprehend the full meaning of their condition. This poverty is not only economic, debilitating as that is, but even more serious—it reaches into intellectual and spiritual realms. Only a nation of consummate courage could resist complete capitulation in the face of this brutal domination.

The fate of the Poles holds an important lesson for us. With a history of democracy as old as our own, and with a tradition of bravery famous back into the Middle Ages, this was a difficult nation to conquer. The Poles were well aware of the true situation and well equipped to resist these forces. Knowing this, we cannot look at these people and feel any complacency about the odds we may face ourselves in the future, whether we find ourselves forced into a hot or cold war, limited or unlimited, bacteriological or atomic.

Mr. MURPHY. Mr. Speaker, the Polish Constitution of 1791 was a great liberal document containing many democratic and progressive principles. It was the work of a band of zealous and liberty-loving patriots who, sensing the deficiencies of their antiquated governmental institutions, and the need for urgent reforms, wanted to recast and reconstruct Poland's governmental machinery. With these lofty ideas in mind, they framed a progressive and model constitution, one that was deemed sufficiently advanced and eminently liberal in those days.

Many fine ideas and ideals were embodied in that Constitution. Much of what we today regard as basic human rights were included in it. The king's authority was drastically curbed, and that of the elected legislative chamber greatly enhanced. The wealthy lost some of their privileges, and the peasantry was brought under the protection of the law. In general, it was an instrument which restrained the powerful, and guaranteed the rights of the weak. At the same time, it aimed to strengthen the national government of Poland. Unfortunately, the Poles never had the chance to put the Constitution to work. Soon after its promulgation, Poland was overrun by its neighbors, partitioned once more, and soon lost its political independence. Thus the Constitution remained on paper, but the ideas and ideals embodied in it have become the political creed for all Poles. That is the reason why the date of its promulgation, May 3, is celebrated annually by Poles everywhere.

I am glad to join all loyal Americans of Polish descent on the observance of this anniversary, the Polish Constitution Day.

Mr. ROOSEVELT. Mr. Speaker, May 3 is a memorable day in the annals of Polish history, for on this day, 168 years ago, the Polish Constitution was adopted. This document expresses to the world the devotion the Polish people attach to freedom and liberty.

The history of Poland consists of one continuous struggle to preserve these principles and to maintain Poland's national independence. Even now the peoples of Poland are waging that struggle, and the Soviet menace which confronts them is undoubtedly the most serious threat to their national integrity to date.

Yet, in spite of this, it is my firm conviction and my deepest hope that once again the Polish people will successfully reassert their right to national existence.

Mr. ROSTENKOWSKI. Mr. Speaker, on May 3, 1791, the people of central Europe saw a ray of hope for freedom break through the dark clouds of tyranny and aggression. On that day, Poland adopted a constitution which closely follows our own form of representative Government as initiated by our Founding Fathers.

This year marks the 168th anniversary of the struggle by the courageous people of Poland to rekindle their torch of freedom. During the course of these 168 years the Polish people have been the target of tyrants and dictators, who know that when the seeds of freedom are planted a strong and powerful nation which will defeat their sadistic ideas will grow.

Today the people of Poland do not enjoy the liberties set forth in their precious document. A new and more dangerous foe of freedom, the Soviet Union, has thrown an Iron Curtain over their land. These are the darkest days the Polish people have ever faced. This cancerous growth called communism has sought to enslave not only the bodies but the minds and hearts of Polish and other subject peoples.

In spite of the untruths and malicious propaganda that circulates throughout their land, the desire for liberty and justice is strongly embedded in the hearts and souls of these fine people. This is the type of courage that will one day conquer all forms of enslavement of people. This is characteristic of the Polish people and as a nation they are proud of their great deeds and accomplishments, and they are fully justified in that pride. They have proven themselves as diligent and skillful workers and they are also well known as accomplished masters in the arts and the sciences. In leafing through the pages of history, you will find the names of all the Poles who have given their lives for freedom. These names would be too numerous to mention. Two of the more outstanding names, Gen. Thaddeus Kosciusko and Gen. Casimir Pulaski, are best known to the people of our country because of their heroic action in helping us gain our independence. Never have the Poles sought to be aggressors; never have they wished to dominate.

We, as a nation, have a moral obligation to fulfill to the Polish people and the other nations in Europe who wish to be unshackled from the chains of communism. We are the symbol of hope for all enslaved nations because of our desire to keep the liberties written in our own Constitution. Let us tell these people by every means possible that we stand behind their cause for freedom. Let us encourage their spirit and let us stoke the fire of freedom that burns in their hearts. The moral and economic support, that we can provide to the Polish nation and other enslaved nations in the most difficult days they now endure, will carry them through until they can again lift their heads high and breathe the fresh clean air of a free nation.

Mr. WOLF. Mr. Speaker, I join with the people of Polish descent everywhere in honoring the heroic, freedom-loving men and women of Poland who have given their lives in the fight for freedom in their own homeland and abroad in the 168 years since adoption of the Polish Constitution. We honor those immortal Polish heroes, Count Casimir Pulaski and Thaddeus Kosciusko, who came to the aid of our struggling forefathers in their quest for independence in the Revolutionary War. We cannot forget the heroic exploits of the Polish Allied contingent in Italy, France, Germany, Holland, and North Africa during World War II.

There are almost no peoples on the face of the earth who have fought more consistently for independence and democracy and who have enjoyed less of it than have the Poles. I salute that indomitable spirit which is the inheritance of the Polish people and which will not let them accept with acquiescence subjugation by any foreign oppressor.

I was in Poland in 1957, on the first anniversary of the Poznan riots. It was a depressing sight to see the military police in Warsaw moving through the celebrants with machineguns, and yet it was an encouraging sight to see these people, in whose countenances burned the yearning for freedom and glowed the determination to achieve it one day. In 1957 hope was buoyant because it appeared that some permanent gains had been achieved by the Poznan riots: the Communist regime had again permitted

religious teaching in schools, there was in progress the liquidation of the collective farms so despised by the peasants, greater freedom of the press was being permitted, and the security police had let up on its reign of terror.

We all know now that this renewed enjoyment of human rights by the Polish people was not to be a permanent achievement. Information reaching us in recent times indicates that there is an intensified repression of the people, and that conditions seems to be reverting toward those prevailing prior to the Poznan riots.

We all know, also, that although the present Polish Government is Communist the Polish people are not. Because of their love of freedom and their fortitude, they remain an inspiration to oppressed people throughout the world.

Let us join with Americans of Polish descent and friends of Poland everywhere in the prayer that the Polish people will soon regain their rightful heritage of freedom.

Mr. FORAND. Mr. Speaker, May 3 of this year marks the 168th anniversary of the adoption of the Polish Constitution, and on this anniversary the minds of Congressmen and people throughout the world turn to the enslaved Polish people suffering under Communist domination.

As we in the Congress express our feelings and our hopes for Poland's early liberation, we again underscore our warm friendship for the Polish people. Throughout the years before I had entered the world of government and politics I lived close to many friends, some who were born in Poland and others who could trace their ancestry to that country. We worked together, we played together, and as I think back I can remember the qualities in my many Polish friends that, had they been in Poland, I am sure they would have been part of the Poznan revolt in 1956. To these people I want to offer these remarks.

The relationship of our two peoples is traditional and historical and no matter how hard the Communists may try they cannot erase it. The people of Poland have always manifested a strong attachment to the Western World, particularly to America, because our free way of life is also their way.

The American people have always supported the struggle for a free and independent Polish nation and we will continue to do so in the future. For a time, during and after the Poznan revolution, we had hoped that a new and promising era would ensue and that Poland would somehow succeed in breaking away from the grip of Soviet oppression. The promising new era was short lived. Consequently, freedom of religion is again being suppressed, the collective farms are back again, there is a marked absence of freedom of speech and thought. The tyranny over the mind of man is in full bloom.

There has been no genuine freedom of opinion in Poland since the loss of independence, and even the freedom of criticism which Gomulka announced at the eighth Plenum in 1956 lasted less than a year. Censorship has been reestablished. Many newspapers have been banned, including the outspoken organ of the Young Communist intellectuals, Po Prostu, party control was increased over newspapers and the planned weekly Europa was not allowed to appear at all.

Although the Poznan revolt was quelched, there were gains that were won by the Polish people, such as the regime's new policy toward the church, which again permitted religious teaching in schools, and other concessions which led to the liquidation of the collective farms so detested by the peasants, the relaxation of censorship, but increasingly, the regime in power is resuming the traditional Communist pattern of violating and denying the basic human rights and freedoms.

The people of Poland have always manifested strong attachment for the United States and their desire for the democratic way of life which we enjoy. That is why, Mr. Speaker, that it is important that this flame in the hearts of freedom-loving Polish people be not permitted to be extinguished.

Here, today, we should all give voice to the courage of the enslaved people of Poland. Someday they will join us in our free way of life, and I predict that it will take on greater proportions than the Poznan incident. To that end we wish them God's speed.

Mr. DANIELS. Mr. Speaker, yesterday, May 3, marked the 168th anniversary of the adoption of Poland's Constitution and at this time, I desire to extend my warmest felicitations to all people of Polish extraction and particularly to those Poles still under communistic domination in the old country. I urge that they keep up their faith and spirit in their brave effort to regain their freedom.

The people of Poland at all times exhibited strong attachment to the Western World and their desire for our democratic way of life.

It is important that this burning desire for freedom for Poland be not permitted to be extinguished.

There has been no genuine freedom of opinion in Poland since the loss of independence. Censorship has been reestablished. Many papers have been banned and today the press and other media of information are again becoming as subservient to the Communist regime as before October 1956.

The Poznan revolt in June 1956 forced the Moscowites to make concessions and to liberalize the regime headed by Wladyslaw Gomulka but developments since then have progressively reverted to a point where living conditions are again becoming intolerable.

In extending the hand of friendship to the people of Poland on this anniversary, I wish to reassure them of our sincere interest in their fight for freedom and independence.

Mr. DADDARIO. Mr. Speaker, the May Constitution of Poland, now 168 years old, is a tangible expression of the freedom and democracy which the Polish people covet. Its words, written by their patriot Ignatius Potocki during the period of enlightened liberalism, continue to nourish Poland's desire for freedom for they express thoughts of social, economic, and religious freedom and the very thing which is unknown in Poland today, a government based on the will of the people. Although the rights established by the Constitution were lost after the partition of Poland in 1791 by Russia, Prussia, and Austria, the Constitution served to whet Poland's appetite for democracy, an appetite which has proved to be undying.

Of the three countries which partitioned Poland in the 18th century, Hapsburg Austria and Prussia have long since declined in power and left the scene. But Russia remains as a parasite interfering in Polish affairs and holding Poland as a captive state. Polish discontent has been manifested on many occasions. These spirited people overlook the awesome military might of Russia and dare to rebel as they did in the Poznan Revolt of 1956. It is true that the Communist regime at that time granted some freedoms, but these freedoms were quickly and quietly revoked when the world's attention had been withdrawn from the scene. Today the Communists are tightening their controls on the press, the church and commerce.

Throughout Poland's history of oppression, Poles have looked to America for hope, as they do today. Many immigrated here at the beginning of the century and refugees continue to seek entry. The Polish element in America has been a strengthening agent. In my own State of Connecticut, the Polish residents have served the community industriously and loyally. The Americans of Polish extraction give empiric proof that Poland could be a great and powerful ally if only her potential and desire for freedom were not being suppressed by Communist interference.

On this day our thoughts and prayers are directed towards Poland and her plight, in hopes that soon she will be free to take her place among the free nations of the world.

Mr. HOLLAND. Mr. Speaker, today, May 3, 1959, is the 168th anniversary of Poland's Constitution. It is my pleasure to take this opportunity to pay tribute to the freedom-loving peoples of Poland, and their undying struggle to attain the most cherished dream of mankind, individual liberty.

The Polish Constitution of 1791 provides ample evidence of Poland's dedication to the principles of independence and liberty which Poland's sons have, throughout history, fought to preserve.

The strategic location of Poland, situated in the midst of mighty nations, has required that the Polish people maintain an ever watchful eye on their national integrity. Today Poland continues to wage that struggle, and yet, in the face of adversity, that nation's patriots have proven worthy of undying fame in the annals of democracy.

Indeed, though Poland is subject to the ruthless oppression of Soviet tyranny, the flame of liberty continues to burn within their hearts. And of greater importance is the fact that the Polish people who have left Poland, and their sons and daughters as well, have not forgotten

the old country. Indeed, we are glad that the traditions and ancestral heritage of the noble land continue to find expression in the lives of Polish-Americans. For as long as this continues to be the case then Poland continues to exist as a nation; and the ideals contained within their Constitution of 168 years ago continue to be a reality

Indeed, it is our fervent hope and wish this day that the abnormal condition which cloaks present day Poland will soon be removed. It is our fervent desire that the peace-loving peoples of Poland once again wil be masters of their own destiny; and that they shall know the liberty and independence which constitute such a prominent feature of their national character.

Mr. RAY. Mr. Speaker, on the anniversary of the adoption of the Polish Constitution of 1791, I wish to comment briefly on the importance of doing all we can to keep the spirit of freedom alive in Poland. Inasmuch as May 3, the date on which Americans of Polish descent are celebrating constitution day, falls on Sunday when the Congress is not in session, this is an appropriate time for these remarks.

We have close ties to Poland. The Poles have been passionately devoted to freedom through their entire history, and their age-old struggles against tyranny from whatever quarter undoubtedly provided inspiration to our own Founding Fathers. They gave us substantial help in our own battle for freedom. I will not recite the classic examples of Pulaski and Kosciusco—their stories are known to every schoolboy.

It is worth mentioning that neither of those brilliant officers came over alone. Each brought with him a small entourage of trained subalterns. And in the light of the colonists' shortage of trained professional officers, the Polish contribution was a far more vital one than the numbers of those who came would seem to indicate. We certainly never should forget Pulaski and Kosciusko. But of more importance in encouraging the fight for human freedom today, is recognition of the necessity of doing all in our power to assist Poland, as of now, in its struggle for freedom.

It is no historical novelty for Poland to be struggling under the heel of an invader. Poland has been invaded many times. It never has been conquered. It has not been conquered now. It is only a question of time when, once again, it will emerge a free and independent nation as it has done in the past.

Large numbers of our fellow citizens of Polish background are working toward that end. They ask and expect from the rest of us moral support and such material support as may be effective. And it seems only right and just that they should have it. Love of their ancestral land in no way impairs their loyalty to the United States. If it were possible to obtain accurate figures, I venture to say we would find that more persons of Polish blood served in the American Army in World War II than the Polish nation was able to put in the field in that same war.

I hope that in the distribution of economic aid, our Government will see to it that Poland gets enough to strengthen its people in their determination to shake off the Kremlin yoke. Gomulka, the Communist puppet in Poland, is undoubtedly an obedient Kremlin stooge. But the Polish people are far from bowing supinely to his leadership.

So it would seem that by careful planning and adroit handling of any economic aid given Poland we can make the lot of the Polish people now suffering under Communist forces a bit easier without strengthening the Communist regime. We should do all we can in that direction.

Mr. MONAGAN. Mr. Speaker, I am proud to rise today to speak in observance of Polish Constitution Day.

Even though the proud and long-suffering Polish people are today the unhappy subjects of a despotic and godless government which is an instrument of the Kremlin, nevertheless this pause to remark the anniversary of a day when Poland was free and independent is not without significance.

There are many reasons why we should note this day and date.

First of all, it calls to mind the sad contrast between the bright and prosperous Poland under democratic auspices and the drab and poverty-stricken country that we know today under its Communist overlords. This comparison between our two systems should furnish food for thought for those who ponder the value of membership in the Red satellite system.

Second, it provides us with a tragic, object lesson as to the extent to which the Communist word can be trusted and relied upon since the agreement to permit free elections in Poland was a specific pledge of Stalin at Yalta. The speed with which this promise was broken provided ample proof of the folly of believing that it is possible to deal with the Communists on a fair and equitable basis. This lesson has significance for us today as we approach another summit meeting.

Third, this remembrance of other times brings vividly to our minds the courage and fortitude of the Polish people today as they eke out an existence under the harsh regimen of the police state. And yet theirs has not been a hopeless and abject submission. Even in the face of the tommygun and the tank, they have shown admirably that patriotism and love of liberty cannot be eradicated by the severest privations.

The humor, the cheerfulness, and the forbearance of the Poles under the greatest provocations from their government of turncoats has won the admiration and applause of the free world. And the threat of their anger if pushed too far has even won grudging concessions from their Red overlords.

Foremost among the sustaining and consoling forces for the Poles has been their strong reliance on their religion. Amid persecution and propaganda, they have remained steadfast in the faith of their fathers and one can never forget the pictures of throngs of Polish people packed tightly together in his cathedral to hear the message of Cardinal Wyszynski, newly restored to them. The light and pride and faith in those uplifted faces was a message of inspiration for the world and was a reminder too that this sort of faith can never be destroyed.

Finally, the observance of this day gives us in free America a chance to send a message of cheer and consolation to our Polish brothers and to reaffirm our resolution that we stand by them in their days of trial.

We must keep the plight of the Polish people ever vivid before the bar of world public opinion. We must encourage their reasonable efforts toward the control of their own national destiny. We must lend them moral support, but we must also be willing to make available to them such material aid as will assist them in their struggle for survival.

The light of freedom which the Polish people have so bravely kept alight must not be extinguished. It must be fed and nurtured so that one day it will again shine unfettered and strong in observance of the new Polish Constitution Day which will surely come.

Mr. RABAUT. Mr. Speaker, yesterday marked the 168th anniversary of the adoption of Poland's Constitution, and I take this opportunity to express America's feeling toward Poland and to evaluate the situation of the Polish nation under Communist domination.

History is studded with landmarks of the ascendancy of mankind over oppression. The Polish Constitution of May 3, 1791, has remained a landmark of the unquenchable determination of man to be free and equal. The anniversary of Poland's Constitution is more than the commemoration of an event. It is living evidence that the same will which brought that Constitution into being still survives. It is an expression of hope and determination that persists not only in Poland but in the hearts of all men who have known, and all men who yearn for freedom and equality.

The Polish Constitution broke with the heritage of feudalism, serfdom, a privileged gentry, extreme discrimination, state centralism, and recognized that "All power in civil society should be derived from the will of the people, its end and object being the preservation and integrity of the state, the civil liberty, and the good order of society, on an equal scale, and on a lasting foundation."

While that Constitution remained in effect no longer than 1 year, the lasting foundation has remained in the hearts of the Polish people. Though Poland has been carved into bits by imperial Russia and Prussia—invaded and trampled upon by Nazi Germany—and notwithstanding the present captivity to the dictates of the Soviet Union, the same will which 168 years ago found expression in the Polish Constitution continues to demand a substantive expression.

Free Americans of all nationalities join today with the people of Poland in ardent support of that tenacious will for freedom. So long as this brilliant shaft of light penetrates the shadowy murk which envelops Poland there can be no doubt of the ultimate realization of freedom.

Mr. CUNNINGHAM. Mr. Speaker, I join my colleagues on this historic day in thinking of the people of Poland. This 168th anniversary of the adoption of the Polish Constitution still finds the people of Poland living under the heel of Soviet tyranny.

So-called freedoms given the people of Poland as a result of the Poznan revolt are disappearing. Concessions by the Communists, as we in the free world should know by now, are given only because it is to the advantage of the Communists.

It was to the advantage of the Moscow-dominated rulers of Poland to announce the end of collective farms, new policies toward the church, and relaxation of newspaper censorship after the new regime which followed the Poznan revolt. Yet slowly these new freedoms have been melting away, because the Communists have decided it is now time to ignore what they promised a short time ago.

So once more the Polish people face the prospect of collective farms, persecution of the church, and a party-controlled press. It is not a pretty picture to view on this anniversary. Is this the showplace of the Communist world, the nation which proves to the free world that people can rule themselves and be free of Moscow domination but still be linked to Russia? If this is what the Soviets mean when they speak of coexistence with small nations bordering the Soviet Union or its satellite neighbors, let it be a warning to the world.

For Poland is just as much a part of the Russian nation today as is Moscow. Freedoms as we in the Western World know them are not found in Poland, even under the new self-rule regime. And the Polish people must wonder if they will ever again know the freedoms that they had under the constitution adopted so many years ago.

Let us assure the people of Poland that we in America share their love of freedom and independence. We mark this historic day in Polish history with renewed pladges of friendship to the people of Poland and with our prayers for their eventual liberation from the oppression of the Soviets.

Mr. AUCHINCLOSS. Mr. Speaker, there is one thing about the love of freedom which is recognized all over the world and is engraven deeply in the hearts of men and that is that most people are always ready to fight for it. Love of freedom never dies but sometimes because of faint hearts the fight for it is neglected and it is apt to suffer materially or perish. It is the inspiration and the courage and the deep faith of afflicted people like the people of Poland that keep the fires of freedom burning bright.

Crushed by the tryanny of godless communism and beset on every side by oppression, violence, murder and rape, the Poles fight on, firm in the belief that someday theirs will be the victory and peace will take the place of oppression and goodwill the place of hatred. It is a privilege if not a duty for the citizens of the United States to do all we can to encourage this undying faith and fortitude and I join with the people of the free world on this anniversary of their Constitution Day in admiration for these people and I resolve that I will cooperate in every way possible to aid in the preservation of their honor and to bring about the realization of their hope to reestablish freedom in their country.

Mr. HALPERN. Mr. Speaker, on this, the 168th anniversary of the Polish Constitution, we are reminded that freedom-loving nations must be ever-vigilant in order to safeguard their liberty and independence.

Conditions in Poland during the 18th century were of a desperate nature. Her neighbors, Russia, Austria and Prussia each coveted a portion of Polish territory in order to counterbalance the advantage each would gain by annexation. In 1772 Poland was partitioned. Outraged by this overt act, the peoples of Poland instituted a series of reforms, one of which was the adoption of the Constitution of May 3, 1791. It was a most liberal document, and in fact it reflected the spirit of enlightenment and the ideologies of the English political philosophers then prevalent in Western Europe.

Unfortunately the constitution never became firmly established in peacetime, because again Poland's neighbors invaded her, dissected her, and deprived her of independence. Indeed Poland's history consists of a series of valiant efforts to maintain Poland's national integrity.

Today, Poland is again the victim of her neighbor. The Soviet menace that confronts her is by far the most serious threat to date. Yet, in spite of this, it is our firm conviction that the spirit of freedom, liberty and love of Polish independence is so deeply rooted in the hearts of her patriots, that as in previous situations, they will emerge the victors. When this is done, Poland will enjoy the ideologic principles that are so much a part of its national character; and the theory embodied in the Constitution of 1791 may again become a reality.

Mr. CHAMBERLAIN. Mr. Speaker, I want to join in the recognition of Poland's Constitution Day which yesterday marked the 168th anniversary of the first democratic constitution in Poland.

It is one of history's ironies that two nations whose peoples had such similar loves of human liberties should have been destined for such dissimilar paths as the United States and Poland during those 168 years.

The United States, in 1791 a struggling young nation whose own Constitution was only 4 years old, whose independence had been recently won with the aid of Polish patriots, has not since known the tyrant's heel.

Poland, whose people love freedom no less, as we well know from the many outstanding citizens of Polish descent in our own country who have fought in our wars, served in our Government, and charaterized democracy in every way, was to know little relief from oppression.

Today, Poland is in the grasp of communism and the United States is the bulwark of the free world. But the continued observance of their Constitution through all these years of hardship only illustrates how deeply ingrained the spirit of liberty is in the Polish people. It is a spirit of liberty which will ever strike a sympathetic chord in all Americans, and serves as an inspiration to keep up the fight to restore freedom not only to Poland but to oppressed peoples everywhere.

Mrs. BOLTON. Mr. Speaker, Sunday, May 3, was Poland's Constitution Day, a day which marked the 168th anniversary of the Polish Constitution's adoption. Once again this meaningful occasion was celebrated by Poland's many friends in this country, which her own people could unfortunately commemorate only in their hearts.

Inspired by the ideals proclaimed in our own Declaration of Independence, the Constitution of May 3, 1791, represents an outstanding achievement in creative statesmanship. The principles enunciated therein survived Poland's early struggles for independence, and were retained in the constitutional laws of the reborn Polish State after World War I. These high principles were observed up until the ravages of World War II, when two brutal despots conspired to eliminate independence and freedom from central Europe. Today, the terrible force of international communism continues that despotic rule.

However, despite the imposition of a Communist constitution in 1953, together with other measures of subjugation and repression, the spirit of freedom still lives within the hearts of the Polish people. The Poznan revolt of 1956 was clear indication that Soviet domination will not be indefinitely accepted, and that resistance to communism will continue.

By reason of their courage in the face of Communist dictatorship, the Polish people have been a source of inspiration to freedom-loving men and women the world over. Their adherence to the values set out in the 1791 Constitution remains steadfast despite persistent efforts by the Communists to eliminate all vestige of liberty and freedom.

The city of Cleveland is proud to include many persons of Polish descent among its populace. They have contributed significantly to every aspect of community endeavor, and are keenly alert to the responsibilities accompanying citizenship in a free and democratic society.

As we renew our bonds of friendship with the people of Poland on this solemn occasion, let us remember that our basic and cherished constitutional documents were inspired by common ideals.

In this spirit let us therefore dedicate this day to the Polish people, joining them in the prayer that they will soon once again be free to join in its celebration.

Mr. PRICE. Mr. Speaker, as we speak in this House of an anniversary that is dear to the hearts of Americans of Polish ancestry—the 168th anniversary of the great liberal Polish Constitution of 1791—we have a special obligation this year to think of the difficulties of Poland's present position among nations.

Let us remember that the Polish people are situated by the facts of geography

on the borders of an overwhelming neighbor, the Soviet Empire. Let us remember that Poland's western borders—in an area that for centuries has been a center of struggle, grief and torment—are not as yet recognized as fixed and lawful by the NATO powers, but only by the Soviet Union. Let us recall that when the Marshall plan was launched, the Polish Government of the time sought to participate—and that the Soviet reaction was swift and terrible. Let us remember that even today the Polish Government is seeking to keep open windows to the Western World—that Western correspondents are secure in Warsaw even though they suffer censorship or expulsion in Moscow, that the Polish people have successfully insisted upon maintaining a certain basic freedom from the image of the Soviet monolith.

We need to think of these things, on this anniversary of the 1791 Constitution, because we must recognize that it may be years or decades before the Polish people once more will be truly independent and we must be as patient as they will surely be compelled to be.

They have a reason for their patience, because the Polish people have proved themselves in circumstances even more frozen and difficult than those they know now.

It was only a few years after the Constitution of 1791 was adopted that the celebrated third partition of Poland ended the country's existence as a separate nation for five generations. Her great neighbors, which had contended for her territory, gobbled her up in a total bite, in a deal between kings and emperors that gave the Polish people no choice.

The passing of five generations, however, did not mean that Poland had died. There were Polish patriots in many lands and Polish leaders in self-imposed exile. There were the Polish people themselves in their villages and cities, on their farms and small holdings, who longed constantly for a national restoration. And in the end there was a restoration.

The central symbol of Polish freedom that gave her people the strength and ideal to hold on for five generations was the 1791 Constitution—a document that deserves a high rating in the annals of statesmanship.

In the heart of eastern feudalistic Europe, under the menace of greedy and contentious enemies, the Polish people proclaimed in that constitution that the source of all government power was the people themselves. The feudal system died as commoners gained the right to acquire land, to rise to the ranks of commissioned officers in the army, to hold posts of honor in the civil service. Religious freedom was guaranteed and the powers of the government were divided between the separate branches, precisely as only 4 years earlier in this country they were divided between the legislative, executive, and judicial departments.

In short, in this constitution Poland proclaimed freedom in the modern sense, in the sense of a declaration of the rights of man. Poland came of age—and it was a decisive fact in her survival after she was temporarily extinguished from the rollcall of nations. Poland remained a reality and a nationality because her people thought of themselves in those terms, and freedom still lived in Warsaw.

Despite Communist efforts to thwart it, freedom lives in Warsaw today, we may be sure, and it is appropriate for us to join in a commemoration of Poland's national holiday. We have reason for faith, out of generations of history, that Poland's people in the fullness of time once more will be the masters of their own destiny.

Mr. GRIFFIN. Mr. Speaker, I am very pleased to join here today in the tribute being paid to the people of Poland and to the citizens of this country who are of Polish ancestry.

Unfortunately, the people of Poland do not now enjoy the basic freedoms set forth in and guaranteed by their Constitution of May 3, 1791. Poland, along with other nations of Eastern Europe, has come under the heel of a vicious form of colonialism—Soviet international communism, a crude philosophy designed to subjugate freedom and to make slaves of people all over the world.

In America, Mr. Speaker, we are familiar with the special contribution to our fight for freedom made during the Revolutionary War by Gen. Casimir Pulaski and Gen. Thaddeus Kosciuzko. The Polish people recognized then that we needed help, and that help was readily provided.

Today the people of Poland need help more than at any other time in her history. Communism has virtually destroyed the Polish economy. Starvation and economic dislocation are prevalent.

There has been no genuine freedom of opinion in Poland since the loss of independence, and even the freedom of criticism permitted in 1956 lasted less than a year. Censorship has been reestablished. Today the press and other media of information are again becoming subservient to the Communist Party.

In my congressional district in Michigan, there are many American citizens of Polish ancestry. They are fine and respected people. They have achieved high positions in the learned professions. They have been honored with public office. As Americans they fought heroically in World War I and World II, and in the Korean conflict. These distinguished American citizens look forward to the time when the country of their ancestry will again be independent and free. They look forward, as do all Americans, to the time when the destiny of Poland will again be in the hands of its own people.

Mr. Speaker, I am sure that all Americans join in this expression of friendship and sympathy for the people of Poland, for their courage, and for the hope that the people of Poland will soon be in the vanguard of the forces of freedom once more.

Mr. PHILBIN. Mr. Speaker, May 3 marked the 168th anniversary of the adoption of the Polish Constitution, and it is most fitting that the Congress today once more should honor Poland's Constitution Day with these tributes on the floor of the House.

I am happy to join with my colleagues in praising the loyalty and courage of the great Polish people who have been fighting the battle for freedom for centuries with a tenacity and a bravery that could never possibly be surpassed or exceeded.

Yes, Mr. Speaker; it is very appropriate that on the day of the anniversary of the Polish Constitution that the Congress hail this great historic event and laud the gallantry, courage, and fidelity of the sorely afflicted Polish people and thus strengthen the hopes and ideals and strivings of the Poles for their liberation from tyranny and oppression.

As lovers of freedom, all Americans deplore the bondage in which the Polish people are held by a ruthless Communist tyranny. Anyone who believes that the Polish people have become converts to communism or are permitting themselves to be used as stooges by the Soviets is simply not familiar with the temperament, the loyalty and the courage of this great people who for centuries have struggled and sacrificed beyond measure to establish and to preserve their God-given liberty. The unfortunate plight of the gallant Poles calls for a renewed pledge of assistance by all Americans to sustain and strengthen the aspirations for freedom and democratic government of their own choice of oppressed peoples everywhere.

It is to the great credit and glory of the Polish people that they have never surrendered their rights, they have never forfeited their freedom, they have never ceased their resistance to tyranny. On the contrary, this courageous people are working for liberation from the yoke of Russian bondage, ready to proclaim their determination for freedom, ready to make all sacrifices to recover their stolen liberties.

We are all proud of the loyal, unswerving allegiance of the Polish people to the cause of democracy and freedom. Let us hope that the American Government and the United Nations will insist upon the establishment of boundaries for Poland heretofore agreed upon by the Soviet Government at the Council of Riga in 1921. Under this solemn agreement, the boundary was fixed at the Rivers Oder and Neisse. If justice is to be done, the Soviet Government should be urged to respect this agreement into which it entered after the question had been carefully discussed.

The plight of Poland is one of the great political crimes of the ages. The cruel betrayal of this people at Yalta is a stain and blemish upon democratic government that cannot be erased. Let us then today in the name of freedom, let us reiterate our loyalty to Poland and the sacred cause of Polish liberty. Let us work courageously for Poland's liberation and the self-determination of oppressed peoples everywhere.

On this Polish Constitution Day, let all true Americans rally to the cause of Polish freedom, pledging anew to the Polish people our assistance in their struggle for independence. Let us offer our friendship, our support and our help

in this fight for human freedom and justice. Let us work for the day when Poland is again a free and independent nation.

Mr. MULTER. Mr. Speaker, in material things, progress seems synonymous with the passage of time. We can be fairly certain that 10 years from now science and technology will bring to man new and better ways of controlling his physical environment. And when we compare our comforts with those of our ancestors, the differences are truly amazing.

But in the realm of morals, values, and ideals progress often means returning to principles laid down long ago. This is true, for example, of religion, of philosophy, of art, and of music. It is also true of political principles.

Among the charters of political liberty to which men return for instruction and inspiration, the Polish Constitution of 1791 occupies a position of preeminence.

As accepted by the Polish Diet, the Constitution of 1791 incorporated principles that always have been and always will be basic to the freedom and dignity of man—government founded on the will of the governed and on the rule of the majority. The Constitution of 1791 also provided for separation of powers, a bicameral legislature, and an extension of the suffrage. Finally, it respected property rights and preserved the religious traditions of the Polish people.

In 1795 Poland was partitioned by her more powerful and less politically enlightened neighbors. This act of greed destroyed neither the liberty-loving spirit of the Polish people nor the principles of the Constitution of 1791.

One hundred and fifty years later Communist tyranny and the Red Army dealt another heavy blow to Poland's hopes and ideals. Yet, the forces of tyranny and their false promises of progress never have prevailed for long and never will prevail for long against the spirit and precepts of freedom.

As the Poles' love of liberty and the principles of their Constitution of 1791 have withstood oppression in the past, so will they endure in the future.

Mr. MILLIKEN. Mr. Speaker, a most important Polish national holiday, the celebration of the 168th anniversary of the Polish Constitution, was observed yesterday. The annals of the Polish people are marked by suffering, glorious deeds, tragedies, and the ability to rise above what might crush a lesser nation.

The first partition of this brave country took place in 1772, when Austria, Prussia, and Russia callously helped themselves to large pieces of Polish territory in what is known in history as the first partition of Poland. This first partition had a profound effect upon public opinion in Poland; far from crushing the spirit of the people, it galvanized them into action which finally resulted in the new Constitution adopted on May 3, 1791. Just a few years after the passage of this Constitution, the soldiers of Austria, Russia, and Prussia overran the country in the second partition.

We all know the outcome of the Molotov-Ribbentrop Pact of August 25, 1939, when, in collusion with Germany, the Soviet Union invaded Poland and an agreement was proclaimed parceling out its territories between Germany and Russia.

It is a pleasure for me today to salute those of Polish extraction in my congressional district and throughout the United States. We owe much to the memory of those Polish patriots, statesmen, scientists, soldiers, and musicians who came to this country, adopted it as their own, and contributed so much to our history.

I should like also to pay tribute to the brave people of Poland now enslaved behind the Iron Curtain, and to express the hope that the liberties which they purchased so dearly with the Constitution of 1791 and then lost, may soon be regained, and that the spirit which has carried Poland through centuries of adversity and hardship may continue to endure.

Mr. ZELENKO. Mr. Speaker, May 3, 1959, has been designated by the Congress of the United States as a day on which to commemorate Polish Constitution Day. This will mark the 168th anniversary of the adoption of Poland's Constitution.

Annually on this day we Americans express our feeling of brotherhood and compassion toward the freedom-loving people of Poland and extend to them our hand and hope that they will shortly break the yoke of oppression and assume their rightful place among the great independent nations of the world. This expression of ours which we make voluntarily one day a year, nevertheless is in our hearts each and every minute of each and every day of each and every year. History has shown that the spirit of godliness, freedom, independence, brotherhood and peace always remains steadfast in the heart of every Polish person. History has shown that tyranny and oppression have never long survived in Poland, nor will it this time.

The right thinking people of the world salute our Polish brothers and pray with them that the day of their deliverance will soon be at hand. During the trying days of the birth of our own country, it was with the unrepayable assistance of Polish patriots who sacrificed themselves in our cause that we were able to achieve our freedom. This we must never forget. Let us hope that the next anniversary of this great day will be celebrated by the rebirth of free Poland.

Mr. ZABLOCKI. Mr. Speaker, the development of institutions which provide for the participation of citizens in their government, and which enable the people of a nation to live in peace and freedom under just laws, has been a slow and painstaking process.

For that reason, concrete achievements in this direction have always been prized and celebrated by freemen of different times, and of different lands.

Today we are commemorating one of those important milestones in the history of man's advancement in freedom.

That milestone is the famous Constitution of May 3, adopted by the Polish nation 168 years ago.

It is fitting and proper that we pause in our delibérations in the Congress of the United States, to recall that illustrious document and to honor the Polish nation which gave it birth.

The Constitution of May 3 was one of the outstanding milestones in the evolution of democracy in Europe, and represented a considerable achievement even for Poles who were known through the centuries as the Nation of Parliaments.

For we must remember that, of all the nations and states of continental Europe which survived to the 20th century, Poland alone had an unbroken record of adherence to parliamentary principles and institutions. She maintained her parliamentary system without break down to the end of her independent existence as a state. For almost 1,000 years, the Poles adhered to a concept of legality which required the absolutely freely expressed agreement of all those interested. To the Poles, only that was legal, justified, and obligatory which was resolved by a decision of the people or of their delegates—that is, either through a plebiscite or by way of Parliament.

Realizing this historical tradition of the Polish nation, we must nevertheless marvel at the tremendous achievement embodied in the constitution of May 3. Through that constitution, the Poles accomplished a fundamental reform of their parliamentary system. And they did this peacefully and joyfully, without bloodshed or internal dissention.

The Constitution of May 3 is similar in many respects to the basic document adopted by our own Nation. It is based on the principle of the sovereignty of the people in the State—not the sovereignty of the state itself. It divided the powers of the Government between the legislative, the executive, and the judiciary. It reaffirmed the principle of religious freedom, which was one of the characteristics of Poland's historical tradition. It was humanitarian and tolerant in its spirit. And, what is very important, it corrected the basic weakness of Poland's parliamentary system by departing from requirement of unanimous consent in arriving at legislative decision.

It is no wonder that the Polish people chose to elevate the anniversary of the adoption of their Constitution of May 3 to the rank of their national holiday. It commemorates one of the most glorious moments in their national history.

How different was that moment from the tragic plight of the Polish nation today.

Although the Poles enjoy a somewhat larger degree of freedom today than they did 2 or 3 years ago, their nation is still dominated by the Communists. The Poles are subject to a system which is alien to their every tradition. Their nation remains a victim of the despotic tyranny of Soviet communism.

In view of the forthcoming negotiations in Geneva, it is timely to consider the fate and the future of the Polish nation—and of the other nations enslaved by Soviet Russia.

Last week's reports from Paris indicated that the Western Big Four foreign ministers reached an agreement on a package proposal which will be pre-

sented to the Soviet Union at Geneva on May 11.

Included in that package, according to all reports, are questions relating to the future of the city of Berlin, to reunification of Germany, and to European security arrangements.

It seems obvious to me that we cannot hope to achieve progress on the issue of European security without raising the question of Poland, and of the other countries behind the Iron Curtain.

Adequate security arrangements are necessary to promote peace in Europe and in the world—but I firmly believe that such arrangements will not materialize while millions of subjugated peoples behind the Iron Curtain suffer under the Communist yoke.

Full national independence, and the right to self-determination for the nations of central and eastern Europe are the prerequisites for achieving decent and just security arrangements in Europe. Such arrangements are inconceivable without them.

I believe that if the forthcoming negotiations in Geneva will result in an agreement to take up the issue of European security at the summit, we must then press the following conditions:

First, that free, supervised elections be held in Poland and in the other enslaved countries behind the Iron Curtain; and

Secondly, that the governments chosen in the course of such free elections be invited to meet with the big powers, and with representatives of other European nations, to negotiate the necessary security arrangements for Europe.

The peoples of central and eastern European nations have the right to govern themselves—and they equally have the right to speak for themselves during the preparation of security arrangements for their continent.

I hope that the actions of our Government will contribute to the achievement of these goals.

Mr. Speaker, in concluding my remarks, I want to express my deep admiration for the people of Poland who produced the famous Constitution of May 3, 1791, and who have never succumbed to the totalitarian doctrines of their oppressors.

The people of Poland, I am confident, will continue their allegiance to the principles of freedom and democracy. I pray to God that their tragic plight may soon end, so that they may resume their rightful place in the family of free, democratic nations of the world.

Mr. DINGELL. Mr. Speaker, on May 3, 168 years ago, the Polish Constitution was adopted. It is a monument to the heroic ideals which inspired its creation.

The Polish Constitution of May 3, 1791, gives full expression to the Polish peoples' love of liberty and independence, and, therefore, it is particularly fitting to take note of that memorable document because those same principles are still very much alive in the Polish nation today. In spite of the efforts of succeeding conquerors to destroy that love for independence, Poland has continued down through the ages. Needless to say, it is my firm conviction that the present Soviet oppressors will be no more successful in their devious schemes to destroy that dynamic spirit.

Polish Americans have every reason to be proud of their ancestral heritage, as indeed all freedom-loving people share that pride. The heroic patriots of Poland who gave their lives to confirm the sacredness of the individual have bequeathed to their heirs a noble legacy; which legacy I am convinced will continue to instill in the Polish people that determination to preserve their national character. It is my deepest wish that one day soon they will prove successful in their efforts to secure their nation from the yoke of tyranny.

Mr. FEIGHAN. Mr. Speaker, this year Polish Constitution Day has a very special meaning. As negotiations are now under way at the diplomatic level for the holding of another summit conference, the case of Poland today warrants the careful consideration of all thinking men.

It will be recalled that the Polish constitution of May 3, 1791, in its basic elements, was patterned after the American Declaration of Independence and our Constitution. On several occasions in the recent past, I have singled out article 5 of that Constitution as worthy of review in light of the present world situations and particularly in view of the present plight of the Polish nation. Article 5 of the constitution reads as follows:

> All power in civil society should be derived from the will of the people, its end and object being the preservation and integrity of the state, the civil liberty, and the good order of society, on an equal scale and on lasting foundation.

From this reading it is clear that the founding fathers of the modern day Polish nation intended that all power in civil society should be derived from the will of the people. This guarantee has as much if not more meaning to the people of Poland today as it did to those Polish patriots who enunciated the basic Constitution in 1791. Today the Polish people are denied this basic right of civilization. This right is denied them by the alien power which now controls their civil affairs and which remains in control only by virtue of the military presence of the Russian Army.

In the springtime of 1956 the Polish people expressed their contempt for the alien occupier of Poland by a series of popular demonstrations and uprisings. This spirit of discontent with alien rule swept through most of central and eastern Europe and was climaxed by the Hungarian freedom revolution. A similar national freedom revolution in Poland was averted by the Russian despots through their intermediary, Gomulka, who then took on the disguise of a Polish patriot and went through the well staged motions of speaking up to the Russian leaders on behalf of the Polish nation. With the passage of time the true character and role of Gomulka and his small clique of collaborators has been unmasked by the continuing demands of the Polish people for true liberty and freedom and genuine national independence.

The Russian leaders seek a conference at the summit with the Western Powers in order to wring from the leaders of freemen the recognition of a status quo. Khrushchev has, on innumerable occasions during the past year, taken the position in public speeches that as a precondition to such a summit conference the Western nations must agree to the recognition of a status quo. He has sharply defined this to mean that there can be no discussion about the internal affairs of the once free and independent nations of central and eastern Europe. This is the price the Russians are asking for a summit conference in which they will seek to extract additional concessions from the West and thus set in motion an inevitable trend which will lead either to World War III or a worldwide victory by the Russian Communists by what they call peaceful coexistence. The Russian leaders need a recognition of the status quo in order to give them time to consolidate their empire. The spirit of nationalism which is on a rapidly rising wave behind the Russian imposed Iron Curtain, has created grave problems for the Kremlin and thrown tremendous stress upon the machinery of control which the Kremlin uses to hold its modern-day empire together. There are signs that the stresses and strains of nationalism are rapidly outdistancing the capabilities of the Russian-controlled mechanisms. As this ideological conflict enters into a critical stage the Russian leaders now seek the assistance and cooperation of the leaders of the United States, Great Britain, and France, together with other free countries, in their struggle against the desire of Poland and all the other non-Russian nations to be free and independent. This is what motivates the Russian leaders to seek a so-called conference at the summit. This will be their basic objective when and if such a summit conference takes place. It is important to note that the Russian leaders can win their objective without formal agreement to such a proposal by the leaders of the free nations. If a summit conference is convened under an agenda which fails to include the future status of the subjugated nations of central and eastern Europe, the Russians will have won de facto recognition of a status quo. The failure of the West to support the people of Poland and other non-Russian nations in their desire to establish a government whose powers shall derive from the will of the people will be regarded by all thinking people as tacit agreement to the Russian proposal for a status quo.

There are overriding reasons why the leaders of the United States must insist upon a discussion of the future of Poland and the other enslaved countries at any summit meeting. The Atlantic Charter, which set forth the war aims of the Western Powers and which was endorsed by Stalin, guaranteed governments expressive of the will of the people for all of the liberated territories, and denounced any and all territorial aggrandizement. The Declaration of Liberated Territories of 1944 gave further guarantee that the Government of Poland would be representative of the freely expressed will of the people. Our own security and future as a free and

independent nation depends upon our ability to bring about the fulfillment of these guaranties.

The only position the leaders of the United States and other free nations can take in preparations for another summit conference is to insist that the first point to be taken up at such a conference is the case of Poland and the other non-Russian nations which today suffer under the enforced control of the Kremlin. It is only by the removal of foreign rule of vast areas of Europe and Asia, followed by the introduction of free and representative governments, that we may remove the political tensions which now grip the world.

It is my hope on this Polish Constitution Day that the leaders of our Government will stand fast by our solemn wartime commitments which, if realized, will give real life and meaning to the Polish Constitution which today stands as the hope and aspiration of all the Polish people.

Mr. DENT. Mr. Speaker, on Sunday, May 3, we celebrated the anniversary of the famous Polish Constitution of 1791. This celebration is a solemn occasion for the Polish people, for Americans of Polish ancestry, and for friends of freedom everywhere. If we should look at the Polish Constitution today and compare it with our own or with many of the other liberal constitutions which have been written over the past century and a half, we might wonder why this particular constitution has attracted so much attention. The answer is quite simple. At the particular time in which it was drawn up it was a very large step forward for the Polish Nation. It granted the Polish people significant freedoms which they had not possessed before. Indeed, it was one of the most significant political documents in the history of central Europe during the latter part of the 18th century.

It is extremely important for us to recall today this ancient document of Polish liberty because the Polish people are oppressed by a foreign tyranny. Today they do not have the full measure of human rights such as we are so fortunate to enjoy in this great democratic country of ours. We who are so blessed with liberty can deeply sympathize with those who are not. More than that, we can and should do all within our strength and power to help them regain the freedom and rights which they once fully enjoyed. We should exhaust all the resources of peaceful diplomacy and of the United Nations to help bring about this desired end. Fortunately we have seen signs within the past couple of years that the cause of freedom in Poland may not be completely hopeless. We should encourage in every discreet way we can those currents of independence that are stirring in the Polish nation. If we do so, we may yet see a much larger measure of liberty restored to the Polish people in the not too distant future. This should be one of the prime aims of American foreign policy as we celebrate the anniversary of the renowned Polish Constitution drawn up more than a century and a half ago.

Mr. MACK of Washington. Mr. Speaker, the 168th anniversary of the establishment of the truly first democratic constitution in all of Europe, the Polish Constitution, was celebrated yesterday. It was then and still is an outstanding document which removed restrictions on the individual, assured religious freedom and discarded the heritage of class distinction. It has remained to this day one of the outstanding examples of democratic thinking.

Unfortunately, the Polish people who led all of Europe in demonstrating the values of democratic processes, have been themselves deprived of this freedom for the past 20 years.

In September 1939 the Nazi hordes of Adolph Hitler invaded Poland. The valiant Polish people fought to protect the precious liberties they cherished so highly but were overwhelmed by sheer force of numbers. Even then the Polish people felt that they would soon again regain their national autonomy through the aid of their allies.

This hope was shattered almost immediately when the Soviet Union joined hands with Germany and invaded Poland from the east. Subsequently, history is well remembered. The Russian Army, once established in Poland, aided the small Communist Party in crushing opposition whenever it arose. Through the secret police, the prison camp, and the other terrors they use so frequently, the Communists have managed to control the freedom-loving people of Poland. Poland is today cut off from the West with which it shares the closest cultural, economic, and religious ties.

The policy of this country toward Poland must be clear and unflinching.

As we are exploring the possibilities of an enduring peace and the harsh realities of coexistence, none of us can forget our long friendship with this gallant nation, and an unpaid debt that goes back as far as our own revolution in which so many sons of Poland bore arms at our sides.

We know in our hearts that coexistence is not the solution to the problems of the world so long as it must be based upon the cruel injustices of the Soviet occupation of Poland and the other free nations engulfed behind the Iron Curtain. We have not forgotten them. We have not turned our backs on their sad plight. And I know that whatever the expediencies of the moment may be so far as official foreign policy is concerned, the American people will never abandon their resolve to hope for the freedom of our friends and welcome them once more into the family of independent, sovereign, and liberated members of the family of nations.

Mr. LESINSKI. Mr. Speaker, Poland has had a long and glorious history, replete with examples of courage and independence in the face of oppression and injustice. One of the milestones in her history was the adoption on May 3, 1791, of a constitution which was an innovation for a country in her position.

The Constitution was adopted at a time when Poland's greedy neighbors were seeking once more to partition Poland among themselves. Polish leaders hoped, with the adoption of this progressive document, to stave off the impending danger. By its provisions, Poland turned from an autocratic to a limited and constitutional monarchy. A liberal parliamentary system was introduced. The electorate was enlarged and certain privileges formerly enjoyed by a few were made available to more people. The entire peasantry was brought under the protection of the law and the landlord's prerogatives were sharply curtailed. Absolute religious freedom was introduced.

Poland wanted to prove by this Constitution that she was fully prepared to take advantage of the democratic ideas that were then sweeping the West, and she wanted to be the first to democratize political institutions through constitutional means.

The Poles were not able to carry through the intent of this historic document, for her three powerful neighbors—Austria, Prussia, and Russia—overran Poland and divided her among themselves.

Although the Constitution of 1791 died with Poland's loss of independence at that time, the spirit of that document lived and lives in the hearts and minds of all freedom-loving Poles. The Poles are proud of their great deeds and accomplishments, and they are fully justified in the pride which is theirs. They are well known as diligent and skillful workers, as fearless warriors and stalwart defenders of democracy, and as accomplished masters in the arts and sciences. Present day Poles, descendents of their brave forebearers, are not likely to deviate from the goals of the Constitution of 1791, adopted 168 years ago today. They want freedom, liberty, and national independence, as do all the enslaved nations of the world.

It is particularly significant that 2 days ago, on May 1, we in the United States observed loyalty day, a day on which we all rededicate ourselves to the preservation of liberty and freedom. Today we mark Polish Constitution Day, a day which saw the birth of liberty and freedom in a nation. We have noted the celebrations in the Communist countries of May Day, May 1, a day dedicated by them to the destruction of liberty and freedom.

Liberty and freedom are precious inheritances to be cherished and protected with all the strength and determination within us. As we contemplate these three celebrations and their significance, let us become increasingly alert to the dangers from within and without that threaten our own freedoms and resolve that we shall ever stand firm against the challenges of our enemies.

Mr. REUSS. Mr. Speaker, the 3d of May marks one of the most significant actions in the long history of mankind's constant striving for freedom under law. This year lovers of liberty throughout the world observe the 168th anniversary of the adoption of the Polish Constitution of 1791.

This great liberal document declared that "all power in civil society is derived from the will of the people." It granted the people full protection of the laws, religious freedom, the right to acquire land, and to be appointed to the civil

service. It guaranteed basic human rights.

It is with profound sadness that we recall that the people of Poland have enjoyed those freedoms for only brief periods during the last 168 years. Many tyrants have ruled Poland, and none more evil and unfeeling for the rights of man than the yoke of oppressive communism under which the Polish people groan today.

The hearts of all freedom-loving Americans, and particularly of the sons and daughters of Poland who have contributed so much to our great democracy, go out to the courageous people of Poland who have not and will never cease their struggle for liberty and justice.

As the United States, with our allies of the West, enters discussions with the Soviet Union at Geneva, let our negotiators keep prominently in their minds that any approaches to a settlement of the problems of Berlin and Germany must keep open the path to restoration of full freedom for the people of Poland and of the other captive nations.

Mr. RHODES of Pennsylvania. Mr. Speaker, I join my colleagues in paying tribute to the spirit of freedom in the hearts of the Polish people, in celebrating this 168th anniversary of their Constitution Day.

The heritage of the citizens of Poland to free, representative government has come down through these many years of struggle and oppression since the establishment of their Constitution in 1791. Because of this tradition of liberty, Polish-Americans have proved themselves to be good citizens of Reading, Berks County, and in communities throughout our Nation. Their contributions to our way of life have been significant.

Three years ago the heroic struggle of the working people of Poznan against the dictatorship of the Soviet puppet regime gave renewed hope to millions of freedom-loving people behind the Iron Curtain. This spirit and devotion to the principle of democratic government will eventually triumph.

Polish descendants in this country can well be proud of their culture and traditional love of freedom. I join in saluting them on this important anniversary of their first Constitution.

Mr. FRIEDEL. Mr. Speaker, I wish to take this opportunity to once again pay tribute to one of Europe's most brutalized but valiant nations.

I refer, of course, to Poland. Today is the 168th anniversary of the Polish Constitution. It is one of the tragedies of the modern world that the Polish people have never been allowed more than a mere taste of the freedom that this document promised. Conceived in the full flush of American and French inspired liberalism of the late 18th century, Polish leaders of such stature as Kosciuzcko and Potocki fought bravely to establish a free Government. This dream was smashed in less than 2 years. In 1793 Poland's land-hungry neighbors, Austria, Prussia, and Russia began the process of Polish partition in earnest. The once proud nation was literally carved to pieces.

Poland has never fully recovered from that century of bloodletting. Indeed, the wounds have been opened again and again. Today the people of Poland labor under as real a system of terror as any that man has yet devised. Still these people are not broken. It is my firm conviction that they will never be broken. The constitution of 1791 may be more symbolic than realistic, but as man has proved time and time again, the most powerful thing in the world is an idea. The rulers of the Kremlin would do well to see the double edge of their ideological sword. Rebellion is the ultimate reaction to tyranny.

I am pleased to join the people of Poland in commemorating their national holiday. May their hopes and dreams prove a speedy reality.

Mr. CEDERBERG. Mr. Speaker, I am pleased to join my colleagues today in recognizing the 168th anniversary of the Polish Constitution.

On May 3, 1791, the people of Poland took a bold step in enacting a document which was one of the first democratic constitutions in Europe. Like our own U.S. Constitution, it became a reality after trials and tribulations.

These brave people were willing to cast off the shackles of the past and venture into an entirely new realm of government. Many of their descendents came to the United States in later years and here participated even more fully in the democratic processes of our own land. They became citizens of our country and they became good citizens. Many of them live in the 10th Congressional District which I represent.

The spirit with which their forefathers was imbued has not died out in Poland. Even though Poland has been the target of military might in the years since May 3, 1791, the seeds of freedom have not been crushed by the conquering hordes.

From time to time—and in this period—sparks of freedom have been fanned anew by liberty loving citizens of Poland. Even atheistic communism which holds the Polish people in its clutches today has not succeeded in quenching those sparks. This has been demonstrated by the concessions these people have been able to obtain from the Communist bosses.

I join in paying respect to Polish people who have not forgotten their heritage of liberty and who look for a new day when the principles of democracy will again be theirs.

Mr. DORN of New York. On May 3, the free world joins freedom-loving Poles everywhere in commemorating the adoption of the Polish Constitution of 1791.

But—this document is now defunct; the nation it served is now a Soviet satellite; its people are subjected to Communist tyranny. Why, then, do we pay tribute to a ghost, a thing of the past?

The answer is simple. It is not a document we salute today, but a people and their noble spirit, which was so magnificently manifested in this liberal and progressive document, and which has remained undaunted despite centuries of aggression and subjugation.

Devotion to freedom, a basic quality of the Poles, found expression in their historic Constitution of 1791—truly a remarkable achievement in democratic constitutional development. During a period of violence, terror and war, in 18th century Europe, Poland moved from an unlimited autocracy to a limited monarchy in a peaceful, orderly manner. That she was able to achieve such reform without bloodshed or violence was due almost entirely to the genius and character of the Polish people themselves. Poland's enlightened leaders were reformers who reconciled the dominant political thought of the times with the realities of Polish life. The constitution they produced promised peace, stability and progress within a framework of an orderly constitutional system of government. If given the chance, it undoubtedly would have brought Poland to the threshold of national greatness.

Unfortunately, the Poles have had little opportunity to practice their ideas of freedom and democracy. Four times in its tragic history their land has been partitioned and oppressed. Today the Poles suffer under a most vicious and tenacious Communist tyranny. The liberties they love so much are banned; the freedom they have so often fought for is lost. But the spirit of freedom and democracy—their beloved Constitution of 1791—has a place of honor in their minds and hearts. We gladly join Polish people throughout the world in fervent prayer that this spirit will soon prevail again in a free and independent Poland.

Mr. GALLAGHER. Mr. Speaker, recently in Berlin, I had an opportunity to meet several people who had just fled from Poland. They once again emphasized to me the great Polish desire for freedom.

One hundred and sixty-eight years today, the people of Poland committed themselves to the proposition that government proceeded from and was committed to the people. They echoed in distant central Europe the principles of government then finding root in Western Europe and in the United States. They set down these principles in a remarkable constitution. Included in it was the right of the people to be landowners, a privilege hitherto possessed only by the nobility. It extended the protection of the law to the common people. The document symbolized the search of Poland's men and women for the air of freedom and the institutions of law and right.

This Constitution was, to the Polish people's great dismay, short lived. Poland's large neighbors soon overwhelmed her and the Polish state did not arise again until the end of World War I. Poland had lost none of its democratic desire, but its existence lasted only 20 years. Then again the curse of Poland's geographic position was visited upon it once again. Nazi Germany and Soviet Russia together overran the state.

Many times by many nations have the oppressors tried to stamp out the Polish desire for freedom. None have ever succeeded.

So it is today that the malignant colossus of Soviet Russia finds on its hand this fierce desire of Poland to once again obtain freedom.

So great and so real is this desire that only in Poland have the Communists backed down and acceded to the demands of the great Polish people, who demonstrated in the Poznan revolt of 1956 that they may be subjugated to Russia, temporarily, but that they would never accept dishonor.

Khrushchev had to fly in to personally stem the tide when he recognized that the continuation of Communist brutality would lead to disastrous results.

One thing is certain, however, that Poland's desire for freedom will outlast Mr. Khrushchev and his successors. For Poland has seen oppressors and totalitarians come and go, but none have ever dampened its ardor for democracy.

We here in the United States who enjoy the blessing of freedom should never relax in our efforts to see that the flame of freedom in Polish hearts is never extinguished.

And so today let us salute the men and women of Polish descent who have come to our shores and contributed so much to our national life. I join with them in pausing to remember that great day 168 years ago when the Polish people, in the heart of feudal Europe, asserted the very modern—yet inalienable—rights of free men. We look to the future when this burning desire for freedom in Poland will survive long after the cancer of communism has consumed itself. We cannot rest until this desire becomes reality.

Mr. CONTE. Mr. Speaker, today we take appropriate notice of a great day in the history of Poland—the 3d of May, the date of the great Polish Constitution, the first democratic constitution in the world.

This document guaranteed to all Poles, regardless of their class or rank, whether they were peasant or merchant, laymen or clergy, the great rights of equality, freedom of conscience, religion and speech, and a share in the Government for every citizen. This constitution was to be revised every 25 years. It was an ideal constitution, a forerunner of our modern democracy, and later it was used as a model by nations seeking to perfect their own way of government.

We all know the great tragedies which befell the Polish Nation and her brave people. But we know too that, despite the sufferings of invasions, partitions, and occupations, the desire for liberty has always remained strong in the hearts of the Polish people.

It was this longing for freedom—so often unattainable in their homeland—that brought many Poles to American shores. Poland's loss was to be America's gain. Once in this country they assisted us in our struggle for independence.

Ever since the American Revolution, Polish blood has been shed for American liberty. Thaddeus Kosciuszko, Casimir Pulaski, and hundreds of other Polish patriots fought with the Continental Army.

Americans of Polish descent fought in the Mexican, Civil, and Spanish-American Wars for the preservation of liberty. More recently in World War I, 300,000, and in World War II over 900,000 served to make our country secure.

Not only did Polish-Americans contribute to the security of our land, but they also aided in its development. These Polish immigrants came to this country endowed with a capacity for industry and love of God. Their assiduousness contributed to the growth of America. They assisted in the cultivation of our soil, in the construction of our railways, in the development of our coal, iron, and copper mines and in the expansion of our industries. Their religious faith made them peaceful, honest, and loyal American citizens. In addition, their cultural achievements have become an integral part of the varied culture of America.

It is appropriate on this anniversary of Polish Constitution Day that all Americans express their appreciation to the Polish-Americans for their contributions to the defense and development of our country.

At the same time all Americans should take this opportunity to reiterate their deep concern for the brave people of Poland who are deprived of freedom today. We want to assure these courageous men and women that we will never enter into any agreement with the masters of the Kremlin which will legalize and help to perpetuate the enslavement of the Polish Nation.

Until these men and women, who have so clearly shown their deep love for freedom, are free to choose their own way of government and live without fear of political persecution, we in America cannot enjoy our freedom to the fullest extent. For our hearts are burdened by the knowledge of the burden carried by our fellow men in Poland and the other brave nations now under Soviet control. In the deepest sense, their struggle must be our struggle, and our freedom will only be perfect when we have won for them the precious freedom for which they have struggled so long and courageously.

Mr. QUIE. Mr. Speaker, I call to the attention of the House the fact that May 3 marked a historic anniversary in the calendar of human rights and progress.

May 3 is a date of tremendous importance to the freedom-loving people of Poland who, while imprisoned behind the Iron Curtain, have the same aspirations for liberty as we.

It is a significant anniversary to the people of Polish extraction who are splendid citizens of our own country. They have contributed much and, in a very real sense, share the suffering which is being endured by their friends and relatives who are deprived of their liberties in Poland.

Finally, it is a date of great consequence for all of us who admire that nation's great role in the history of constitutional liberty.

May 3 was Poland's Constitution Day, marking the 168th anniversary of the adoption of Poland's Constitution.

It is more than just a date for the history books. It serves notice to the future that free Poland will rise again, will take its place once more with the free nations of the world.

The heroic revolution of June 1956 served notice to the Communist overlords, too. It told them, in graphic, human terms, that the Polish spirit cannot be extinguished by the naked force of totalitarianism.

We in this Nation have been edified by the noble resistance which has been exemplified by the Polish people. We pledge them that we shall not fail them, that we shall not forget their oppression.

Their imprisonment is a challenge to us all. It is a challenge to ourselves—for the man who proudly boasted that he will bury us cannot understand agreements.

Our only hope is to stand with the oppressed—for their courage is enough to sustain us as we wage the peace, as we stand determined not to bargain for temporary peace at the expense of those who are subjected to ruthless authoritarianism.

Mr. Speaker, May 3 and the days which follow it should be remembered as days in which the world lives in the twilight zone of half slave and half free. I pray that the day is fast dawning when all men will be allowed to take up their liberties where the gallant Polish people left off, when they were ruthlessly abducted by world communism.

I wish to extend my very best wishes and my fervent hope for liberty to the people of Poland, and to their relatives who have made such an edifying contribution to the heritage of our own country.

Mr. DAGUE. Mr. Speaker, no one who believes in the sanctity of human freedom can remain silent in the face of the oppression that has been suffered by the gallant Polish people.

When the revolt against Poland's Communist overlords occurred in 1956 most of us entertained the fond hope that at long last a new day was dawning for those oft-oppressed but never subservient lovers of liberty.

In the 2 years that have intervened, however, we have seen the Communists reassert their authority and with the return to collective agriculture and the suppression of the press we can see these brave people once more being pushed toward the shackles that have been their lot decade after decade.

For as many years as we have been free this Nation has championed the cause of subject peoples everywhere and there have been times in the past when we have lent material aid to their liberation. Of late, however, we have too often pulled back and have been content to let our support center in pious platitudes and words of sympathy.

As we prize liberty for ourselves, even so do we have a responsibility to keep alight the flame that burns in the hearts of others. Let us with all of the resources at our command extend the hand of fellowship to our Polish brothers and implement our words with material aid.

Mr. KARTH. Mr. Speaker, on May 3 many thousands of Americans of Polish ancestry celebrated the anniversary of the Polish Constitution of 1791. My colleague and friend, Congressman FRANK KOWALSKI, of Connecticut, has prepared a most fitting statement for this day which I would like to record.

The Polish people have a long and proud history of producing leaders of strength, courage and deep conviction. Americans of Polish ancestry have proved themselves time and again equal to and reflecting the image of the great Polish leaders.

It is my belief that as Americans who know the value of freedom, we should work continuously to help the Polish people gain greater independence from Soviet Russia. Those who seek our refuge from the present tyrants who control Poland should be welcomed to our shores.

Indeed, we must do all we can economically and diplomatically to help free the Polish people from the domination and rule of atheistic communism. There is another thing all Americans can do, each in their own way, that is to ask the Supreme Being to give the liberty loving Poles the courage, hope, and grace to carry on the struggle for freedom.

The statement follows:

POLISH CONSTITUTION DAY

(By Hon. FRANK KOWALSKI, of Connecticut)

May 3 is one of the most significant landmarks in the history of the Polish people. It was 168 years ago that the great Diet of Poland adopted a remarkable instrument of government that effected a peaceful revolution without resort to the violent and terrifying methods of the French Revolution. By the creation of that liberal and progressive Constitution, Poland's leaders led their countrymen from the feudal path of the Middle Ages to the broad and democratic highways of modern times.

By a very fitting double coincidence, the anniversary of the Polish Constitution falls in the midst of the 16th anniversary of the heroic uprising in the Warsaw ghetto—April 19 to May 16—which is being solemnly observed in Jewish communities throughout the world—and during the weekend in which Loyalty Day is celebrated in the United States.

The Constitution of 1791 introduced the principle of ministerial or cabinet responsibility in the Polish Government. The intricate and obstructive features of the old system and the many class distinctions associated with it were eliminated. A bicameral legislature with full lawmaking authority was created. Economic and social barriers between the nobility and the burghers were lowered. The townsmen recovered the local authority over the courts which they had formerly enjoyed but later lost to the central government. Religious toleration was established and the peasantry was taken under the protection of the law. The Constitution of 1791 thus abolished the worst abuses from which the Polish people had been suffering for centuries and proclaimed the great principles of political equality and representative government that have inspired the democratic movements of modern times.

The Communists have tried in vain to crush religion in Poland. The spirit of Polish resistance is symbolized by the Catholic Church, which has boldly challenged the effort of the Soviet overlords to erase the great religious traditions of the Polish people. Writers, students, and men and women in every walk of life have followed the lead of the church in opposing communism, even at the risk of their freedom and their very lives.

While this spirit lives—and it always will—the people of Poland will pray, and struggle, to win back their heritage of freedom.

Today America is proud to join in celebrating the anniversary of the Polish Constitution of 1791. The contributions which Americans of Polish ancestry have made to every facet of the life and culture of the United States are well recognized and strongly appreciated by all of our citizens.

Today our hearts are heavy because the Poles in their homeland are not permitted by their Communist oppressors to join with us in commemorating this great day. Yet the spirit of liberty, justice, and national independence in Poland cannot be exterminated by any totalitarian conqueror. The Congress of the United States joins all Americans of Polish descent in this celebration and heartily expresses its hope that once again the people of Poland will be able to observe freely and without fear the anniversary of their great Constitution and all that it means to the cause of freedom and justice.

Mr. CANFIELD. Mr. Speaker, the Poznan revolt of June 1956, was but another demonstration of Poland's deep-seated dedication to democracy and freedom, a dedication which was first evident on May 3, 1791, when the Polish people proclaimed Europe's first written constitution. And today, as we watch the rulers in Poland tighten their hold and repress human rights, we are saddened, for this, too, has been the lot of Poland for hundreds of years.

The country was partitioned throughout the 19th century, yet the national image was kept alive by the continuing fight for freedom, a fight, incidentally, accompanied by a significant intellectual development. In 1918 independence was once again achieved, but 20 years later Poland again became an unwilling pawn in Europe's power politics. We will not forget that Poland in 1939 was the first nation to take up arms against violence and aggression.

Present-day Poland is living through an uneasy period. The freedom promised in 1956 lasted less than a year. As many of us feared, the Communist leaders grew impatient with the toleration of rights and freedoms, and they reverted to the traditional pattern of Communist rule—subservience to the party. We in the United States salute Poland on the 168th anniversary of Constitution Day, and we sincerely hope that one day soon it may again enjoy real freedoms.

Mr. MORGAN. Mr. Speaker, I need not recite on this floor the long history of friendship and association between the Polish and American peoples, a history which goes back to the very foundation of this country. Nor need I recite, Mr. Speaker, the proud achievements of our Americans of Polish descent who have played such a prominent role in the development of our country. As I look around me here in the House of Representatives, I see living and convincing proof on that score.

Mr. Speaker, 168 years ago Poland secured her Constitution. I only wish that Poland had been as fortunate as was the United States in having had an opportunity to develop its resources and its institutions without partition, dismemberment, and without the more recent enslavement by the Red tyranny of Soviet aggression.

Poland was not to be so fortunate for, following World War II, the Red wave engulfed the Polish nation. A few years ago we were heartened by the sudden resurgence of the Polish national spirit and the Polish love of freedom. When the Polish people rose up and endeavored to throw off their Soviet yoke, we felt a thrill at their bravery and we were hopeful that a new day had dawned for our friends in Poland. We still have that hope. There is no doubt that the lot of the Polish people has improved but there are serious doubts as to the future course of the Polish Government. We only hope and pray that the Polish people will ultimately have their full freedom and independence so as to realize their full capabilities and their dignity as a completely independent nation.

Mr. VANIK. Mr. Speaker, on Sunday, May 3, Americans in communities throughout the Nation celebrated the 168th anniversary of Polish independence. I join my colleagues in paying special tribute to the framers of the Polish Constitution of 1791. The people of Poland and those Americans of Polish descent can be proud of this rich heritage of freedom which stemmed from the adoption of their constitution. This document was inspired by the American Declaration of Independence and it included within its framework the fundamentals of freedom written into the U.S. Constitution several years earlier. It is fitting and proper that we remember each year this sister document of freedom which symbolizes with our own the will of man to achieve liberty for himself, his family, and his community.

While the people of Poland have been less fortunate than we in preserving their freedom in their homeland, they have persevered in their efforts to regain liberty each time it was taken from them by war and political partitions. In addition to their brave resistance to tyranny at home, they have sent to our own shores their sons and daughters who have made a major contribution in our own struggle to maintain the institutions of democracy. Americans of Polish descent who live in Cleveland as well as in every other American community have been stable, prudent, and reliable citizens. They have contributed in every line of endeavor. They have been a part of the greatness of our country.

It is to be hoped that a relaxation of artificial barriers which exist in Europe will permit greater communication between citizens of the free world and Iron Curtain countries. Communism cannot long survive in its present tyrannical form if it is thus exposed to the free exchange of ideas which would result from increased personal contacts between citizens of our countries.

Mr. COLLIER. Mr. Speaker, Polish genius has demonstrated its presence in nearly every phase of human activity. The West is indebted to the Poles in innumerable ways. In the arts they have been superb; in literature they have been no second-raters; in science they have had more than their quota among the great immortals. Of course, they are also noted for their bravery and daring, and for their almost endless struggle for freedom and independence. But in certain fields they are not as well known as they should be.

The Constitution of 1791 is proof that Poles deserve to be known in governmental reforms as pioneers in central and eastern Europe. That historic document marks not only a decided advance in progressive reforms in governmental institutions in Poland, but it also stands as one of the earliest attempts at reform by peaceful and deliberative methods.

Unfortunately, all the liberal and democratic provisions of that Constitution, and all the good and noble intentions of its patriotic framers, could not forestall impending dangers that were threatening Poland. As one partition followed another, leading to the eventual extinction of Poland's independence, it was, of course, impossible to implement the Constitution. But all patriotic and liberty-loving Poles have always held sacred the ideas embodied in that memorable document, and to this day they commerate its promulgation as a national holiday.

I gladly join all American citizens of Polish descent on the observance of the 168th anniversary of that historic event.

Mr. LINDSAY. Mr. Speaker, I am delighted to join with so many of my colleagues in observing the anniversary of Polish Independence Day. It is important that we set aside a bit of time each year to remind ourselves just how much the endeavors and achievements of this remarkable people has meant to the United States.

Their single-minded struggle to achieve and maintain independence has been an example and signal to oppressed peoples at many times and in many corners of the world. They are now engaged, as so often before, in an effort to throw off the schackles of foreign oppression. The dramatic Posnan revolution of 1956, and the successful achieving of some degree of equilibrium afterward, gives promise that Poland will again achieve its independence. I hope the United States will, as it always has, continue to befriend the Polish nation in this struggle.

Mr. PUCINSKI. Mr. Speaker, I thank my colleagues for joining in this 168th anniversary tribute to the Polish Constitution Day of May 3, 1791.

May I call the attention of the House to the fact that yesterday in Chicago there was a great celebration commemorating this holiday. It attracted 150,000 people who joined in this tribute.

THE NATION'S CHOICE OF THEIR NATIONAL FLOWER

The SPEAKER pro tempore. Under previous order of the House, the gentlewoman from New York [Mrs. WEIS] is recognized for 10 minutes.

Mrs. WEIS. Mr. Speaker, these are serious times in which we are living, and it certainly was pointed up today in the magnificent tributes paid to Poland on this anniversary of her Constitution Day. Many things were said about Poland's bravery and Poland's gallantry. But, there are two qualities of the Polish people I do not think were touched on, and they are the gaiety and love of beauty that are so inherent in the Polish people. Those are two qualities that I think we must not lose sight of lest we become overburdened with the gravity of our responsibilities and lose our saving sense of proportion. Therefore, with due respect for the essential and serious purpose of the Congress, but in an effort to serve the people at a lighter level, on April 8 I blossomed forth with my maiden speech to this important body. At that time, I suggested that a national referendum be taken to determine the Nation's choice of their national flower.

Tomorrow evening, some of our good brethren from the other House are staging a full-scale debate on this issue, for the umpteenth time. They have been having considerable trouble with chairs and rugs and subways and the like, and in an effort to provide them with a little guidance, and to let them know what the people—who should have the deciding voice—are thinking on the subject, I have conducted my own national poll. It has been conducted according to established procedure, and we have received an honest response—with the possible exception of one vote for the rose which came from a basset hound by the name of Grace. After careful deliberation, this vote has been disqualified. The response to the poll has been gratifying, interesting, and often amusing; and I have been somewhat surprised by the passionate fervor displayed by some of my correspondents in the espousal of the flower of their particular choice. I am also grateful to my colleagues who have cooperated so well in this effort by forwarding the communications they have received from their constituents.

Though I am sure that Dr. Gallup need not fear that this poll is a threat to his eminence in the field, the returns came from every section of the country and were sufficient in number to give a very clear indication of the will of the people.

I have received ballots from organizations such as the General Federation of Women's Clubs, representing 5 million American women, with a strong endorsement for the rose, while the good members of the Gardeners of the Crooked Billet of Hatboro, Pa., plumped for the mountain laurel, as did the Garden Club of Nashville, Tenn. A distinguished citizen, former Vice President Henry Wallace, came out of hibernation with his hybrids to support the corn tassel. In fact, his enthusiasm for this blossom caused him to circulate a large number of the Members.

One of my colleagues, HASTINGS KEITH, in a very flowery letter, cast his vote for the trailing arbutus, the State flower of Massachusetts, with the rather novel suggestion of the beach pea for his second choice.

The letter from one correspondent contained larger implications. In it she said:

> How thrilled I was to read in the Washington Post today that after 5 years in the District of Columbia, I could vote for anything.

This vote I shall refer to the District Committee.

Many other flowers were mentioned, including the violet, daisy, dogwood, carnation, and one voter, who obviously does not suffer from hay fever, proposed that beautiful yellow menace, goldenrod. I must also report that if Senator MORTON, who must now begin concerning himself more with the grassroots than grass itself, prevails in tomorrow's flower debate, it will be purely a forensic triumph, as no one supported his beloved Kentucky bluegrass.

I have enjoyed conducting this poll. Some letters have contained beautiful poetry, others erudite discussions of the origins and development of the flowers they love. Most of them have been intelligible, while a few were illegible, but all have been sincere. Most of all I have enjoyed the result, for cards and letters from over half the States in the Union once again indicate the rose as the overwhelming national favorite, this time by at least a 6-to-1 majority over its nearest rival, the corn tassel, with the mountain laurel a weak third.

The Bible was quoted in support of the rose—so was Greek mythology. And I am happy to report that the support of the rose was not only nationwide but also bipartisan. My Republican friends in the 38th District were quick to come to the defense of our roses, but equally outspoken were the ladies of the Nez Perce Democratic women's organization, across the country in Lewiston, Idaho, with their unanimous vote for the wild rose.

The rose, acclaimed in every poll ever taken as the first choice of the American people, is once again victorious, and I shall report these findings to my good friend, the junior Senator from Pennsylvania, who will be doing battle for the rose in tomorrow's debate.

PUBLIC HEALTH TRAINING ACT OF 1959

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. RHODES] is recognized for 60 minutes.

Mr. RHODES of Pennsylvania. Mr. Speaker, I have today introduced a bill to implement the recommendations of the National Conference on Public Health Training, held in Washington on July 28–30, 1958, pursuant to the requirements of the Health Amendments Act of 1956—Public Law 911, 84th Congress.

Important progress has been made during the past decade in the fields of medical research and public health. We in Congress can take pride in the establishment of the National Institutes of Health and the amount of funds voted for the various activities carried out by the Institutes in seeking the cause and cure of such killing and crippling diseases as cancer, heart disease, arthritis, tuberculosis, poliomyelitis, dental diseases, mental illness, and many other diseases which threaten the health and strength of our Nation.

Under the effective leadership of such farsighted men as the distinguished gentleman from Rhode Island [Mr. FOGARTY] and the senior Senator from Alabama [Mr. HILL], Congress has also

enacted the Health Research Facilities Act sponsored by the distinguished chairman of our subcommittee on Health and Safety, the gentleman from Alabama [Mr. ROBERTS]. Congress also enacted the Health Amendments Act, the National Heart Act, the National Dental Research Act, the National Mental Health Act, the Medical Facilities Survey and Construction Act, the National Health Survey Act, and, of course, the Hospital Survey and Construction Act.

Special mention must also be made of the important role played by the House Interstate and Foreign Commerce Committee, which has legislative jurisdiction in this field. Under the able chairmanship of the late Percy Priest, of Tennessee, and our present distinguished chairman, the gentleman from Arkansas [Mr. HARRIS], our committee has recognized the far-reaching effect of public health programs and has provided the necessary leadership and support for legislation establishing these programs to meet the growing needs in the public health field.

The outstanding work of the present chairman of the Health and Safety Subcommittee, the distinguished gentleman from Alabama [Mr. ROBERTS], assures that public health matters will continue to receive the attention they deserve. In addition to the chairman and myself, the other members of the subcommittee are the gentleman from New York [Mr. O'BRIEN], the gentleman from Florida [Mr. ROGERS], the gentleman from Nebraska [Mr. BROCK], the two gentlemen from Ohio [Mr. SCHENCK and Mr. DEVINE], and the gentleman from Minnesota [Mr. NELSEN].

Members of the Appropriations Committee have been diligent in their support and evaluation of established public health programs, constantly searching for ways to improve the administrative and technical aspects of these programs so that the fullest benefit will accrue from each budget dollar spent.

Mr. Speaker, despite the advances in the field of public health, the new knowledge and technology developed is effective only to the extent to which it can be applied to existing health problems. Prevention of disease as part of our overall health protection efforts requires a complex group of skills and technical knowledge of specialized physicians, nurses, engineers, dentists, nutritionists, health educators, sanitarians, and other personnel adequately trained in the development and execution of public health programs.

For many years public health agencies of government have suffered from an acute shortage of trained personnel. The full extent of this training gap was revealed by the report of the National Conference on Public Health Training. This problem was discussed in the report as follows:

> The conference found that the data indicate a serious deficiency in the training of many currently employed personnel, and document the areas of need for additional adequately qualified personnel to develop the specific health programs authorized by Congress and other public bodies. At the beginning of this year, for example, in official public health agencies alone, there were well over 2,500 vacancies in professional categories due to lack of trained personnel.
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> In addition, because of this shortage of trained personnel, many positions have been filled during the past several years with inadequately trained people. As a result, over 20,000 professional workers now employed by governmental and voluntary health agencies do not have the formal specialized training they need to provide for the people the health protection made possible by today's technology.
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> To these 22,500 people who need training for today's health programs, there must be added 6,100 more specialized, trained professional workers who, it is conservatively estimated, will be needed for the inevitable expansion of the next 5 years to meet demands for service due to population growth and new health hazards. These estimates of needs for the immediate future are especially significant. Equally important, is the conclusion of the Conference, that just over the horizon are needs in health and health-related programs, which have not been formulated or have been incompletely developed by State or local health departments. One such field is that of radiation and health. Very little is known about the scope, the threat, and the hope that radiation knowledge may bring for human health. A second field is the changing health hazards incident to our rapidly developing industrial technology. The shifting patterns of the environment in which we work and live in both urban and rural areas further add to the growing complexity of maintaining public health protection. No one can more than speculate on the future extent of the needs for qualified people in such changing fields. Just as even the most ambitious automobile or electrical industry executive of 1910 in his wildest dream would not have come close to estimating the needs in his profession 20 years ahead, so the public health administrators who have submitted their estimates have kept their feet firmly on the ground of present known and demonstrable need. That fact alone adds urgency to their recommendations. The public health agencies are not staffed as they should be now. Much less are they prepared for even the known hazards that lie ahead. The above is but an indication of the facts upon which the Conference based its recommendations.

Additional urgency for an expansion of public health training was stressed in last month's report to the Surgeon General by the National Advisory Committee on Radiation. In advocating a comprehensive program of radiation protection in the United States, the Committee pointed out that the Public Health Service and various State and local health agencies presently need 150 radiation health specialists, trained to the level of a master's or doctor's degree in the problems of radiation protection and radiation control. This need will increase to an estimated 650 trained persons by 1966 and to 1,200 by 1970.

In addition, the report estimates that 4,000 radiological technicians, trained to operate radiation measuring equipment, will be needed by 1970. These figures are over and above those currently required by the Atomic Energy Commission for the conduct of its safety programs.

Yet last year the total enrollment of the 11 schools of public health was less than 1,200 graduate students, of whom 800 were graduated with advanced degrees in the various public health categories. It is obvious that there must be a tremendous expansion of public health training facilities, in enrollment, faculty, and in the scope of courses offered if we are to fill the backlog of public health agency needs and keep pace in the application of modern medical technology in the practical, day-to-day struggle against varied public health problems.

They include air and water pollution, food additives, atomic radiation, accident hazards in transportation, in the home, in the factory, and on the farm. Also included are the increasing importance of prevention and control of heart disease, cancer, mental illness, and other diseases frequently occurring in the adult and the aged, the rehabilitation of disabled individuals, and many other similar health hazards of our complex civilization.

Mr. Speaker, the recommendations of the National Conference on Public Health Training are a sound and reasonable approach to this vital problem. The full text of this report may be found in the CONGRESSIONAL RECORD of January 28, 1959, at pages 1261–1265. Participants in the conference represented a broad cross-section of the country and included outstanding authorities in the public health field. Invitations to attend the conference were issued by the Surgeon General and were chosen after a careful review of persons broadly representative of State and local health departments, graduate schools of public health, schools of nursing, other university departments, medical schools, research institutions, hospitals, foundations contributing to health progress, medical departments of industry, and voluntary health agencies.

Prior to the National Conference meeting in Washington, numerous State meetings on public health training were held and their results and recommendations made available to the National Conference. Data on personnel and training needs and resources were assembled from all States and Territories, from local health departments, from teaching institutions throughout the country, from voluntary health organizations, and from other agencies. This data was assembled and issued to all participants.

At the conference the participants were divided into four groups, each of which independently studied and discussed all of the comprehensive reports and reached separate conclusions on each phase of the study. The four groups pooled their findings in reaching the final conclusions and recommendations contained in the report.

The bill which I am introducing today, Mr. Speaker, implements all of the specific recommendations of the conference report which require legislative action and that are sufficiently clear in their meaning and purpose to permit the drafting of appropriate language.

To clarify my proposal I have made a section-to-section analysis of the bill so that my colleagues may better understand the merits of this legislation.

SECTION-BY-SECTION ANALYSIS OF PUBLIC HEALTH TRAINING ACT OF 1959

The proposed bill amends the Public Health Service Act to provide for a comprehensive public health training program, implementing the specific legislative recommendations of the National Conference on Public Health Training. This Conference was called by the Surgeon General pursuant to the requirements contained in the Health Amendments Act of 1956 (Public Law 911, 84th Cong.), and was held in Washington, D.C., July 28–30, 1958.

SECTION 1—SHORT TITLE

This section contains the title of the bill, the "Public Health Training Act of 1959."

SECTION 2—PUBLIC HEALTH TRAINING PROGRAM

This section amends the Public Health Service Act (42 U.S.C., ch. 6A) by adding a new title, title VIII, "Public Health Training Program."

SECTION 801—DECLARATION OF POLICY

Section 801 contains the following congressional findings and declarations of policy:

Subsection (a) that an adequate supply of professional public health personnel is necessary to promote the health, welfare, and security of the Nation.

Subsection (b) that the number of these adequately trained personnel and the rate they are being trained are grossly inadequate to meet the current needs of local, State, Federal, and international health programs.

Subsection (c) that modern technological and social developments require even larger numbers of trained public health personnel.

Subsection (d) that the major obstacles to accelerating the rate and broadening the scope of such training are inadequate facilities, high costs of training programs, and shortages of scholarship funds to attract an adequate number of trainees.

Subsection (e) states that it is therefore the policy of Congress to provide funds to assist in overcoming these obstacles and to increase the amount and scope of public health training.

SECTION 802—DEFINITIONS

Section 802 defines five specific terms as used in this title.

Subsection (1) defines the term "Advisory Committee" as the Advisory Committee on Public Health Training provided for in section 803(d) of the bill.

Subsection (2) defines the term "construction" to include (A) the construction of new buildings and the expansion, remodeling, and alteration of existing buildings, and (B) equipping new buildings and existing buildings, whether or not expanded, remodeled, or altered.

Subsection (3) defines the term "cost of construction" as including architect's fees, but does not include the cost of acquisition of land or off-site improvements.

Subsection (4) defines the term "school of public health" as a public or nonprofit institution in the United States or its Territories or possessions accredited for the degree of master of public health by a body or bodies recognized by the Surgeon General.

Subsection (5) defines the term "nonprofit" as applied to a school or institution as a school or institution owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

SECTION 803—TRAINEESHIPS FOR PROFESSIONAL PUBLIC HEALTH PERSONNEL

Subsection (a) of section 803 extends title I of the Health Amendments Act of 1956 (section 306 of the Public Health Service Act), due to expire on June 30, 1959, for a 5-year period, authorizing such sums as the Congress may determine, to cover the cost of traineeships for graduate or specialized training in public health for physicians, engineers, nurses, and other professional health personnel.

No provisions are contained in this bill to extend title II of the Health Amendments Act of 1956 (sec. 307 of the Public Health Service Act), also due to expire on June 30, 1959, because this program was not within the scope of the National Conference on Public Health Training, but was dealt with by a separate conference. Since this bill deals only with public health training matters, reference to traineeship program for advanced training of professional nurses is necessarily omitted.

Subsection (b) provides for the award of traineeships by the Surgeon General either (1) directly to any individual whose application for admission has been accepted by a public or other nonprofit institution providing the training, or (2) through grants to any such institution which is located in a State.

Subsection (c) specifies that payments under this section may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Surgeon General finds necessary. Such payments to institutions may be used only for traineeships and shall be limited to such amounts as the Surgeon General finds necessary to cover the cost of tuition and fees, and a stipend and allowances (including travel and subsistence expenses) for a trainee.

Subsection (d) provides for the appointment by the Surgeon General of an Advisory Committee on Public Health Training, composed of persons representative of the principal health specialties in the fields of public health administration and training, to advise him in connection with the administration of this title, including the development of program standards and policies. Provisions are included for the compensation of members of the Advisory Committee not otherwise in the employ of the United States, at a rate not to exceed $50 per diem, and expenses as authorized by law (5 U.S.C. 73b–2).

Subsection (e) directs the Surgeon General to call a conference between June 30, 1962, and December 1, 1962, representative of the professional and training groups interested in and informed about training of professional public health personnel, including members of the Advisory Committee, to assist him in appraising the effectiveness of the programs authorized under this title and in considering modifications which may be desirable to increase their effectiveness. The Surgeon General is directed to submit to the Congress, on or before January 1, 1963, the report of such conference, including any recommendations by it relating to the limitation, extension, or modification of this title.

SECTION 804—GRANTS FOR TRAINING OF PUBLIC HEALTH PERSONNEL IN SCHOOLS OF PUBLIC HEALTH

Subsection (a) of section 804 authorizes the appropriation of $6 million for the fiscal year ending June 30, 1961, and for each succeeding fiscal year, to enable the Surgeon General to make grants in aid, under such terms and conditions as may be prescribed by regulations of the Surgeon General, for provision of comprehensive professional public health training in schools of public health. This subsection extends the 2-year emergency program enacted as Public Law 85–544, as recommended by the conference.

Subsection (b) provides that the Surgeon General shall allocate funds made available under this section among the schools of public health in accordance with a formula developed by him and prescribed by regulation after consultation with representatives of such schools.

SECTION 805—GRANTS FOR CONSTRUCTION OF TRAINING FACILITIES AT SCHOOLS OF PUBLIC HEALTH

Subsection (a)(1) of section 805 authorizes an appropriation of $5 million for the fiscal year ending June 30, 1960, and for each of the 4 succeeding fiscal years there is authorized an appropriation of such sums as the Congress may determine (except that the aggregate of sums appropriated under this section for the 5 fiscal years beginning on July 1, 1959, and ending on June 30, 1964, shall not exceed $15 million), to enable the Surgeon General, upon recommendation of the Advisory Committee, to make grants-in-aid for the construction of facilities at schools of public health. Such facilities are intended primarily for the training of graduate students in the field of public health.

Subsection (a)(2) provides that funds appropriated under this subsection shall remain available until expended.

Subsection (b) provides that any school of public health desiring a grant under this section may file an application with the Surgeon General for the fiscal year in which such grant is desired. The application shall contain such information as the Surgeon General may prescribe by regulation and shall contain adequate assurances that such school will continue to be operated as a public or nonprofit institution, and comply with all provisions of this section and regulations promulgated pursuant thereto.

Subsection (c) limits each grant to 70 percent of the cost of construction of the facility or the amount recommended by the Advisory Committee, whichever is lesser.

Subsection (d) provides that subject to subsection (c), the Surgeon General in accordance with regulations, shall determine the amount to be paid from appropriations under this section to each school of public health for which an application has been approved and shall certify to the Secretary of the Treasury the amounts so determined. Payment in accordance with such certification shall be made by the Secretary of the Treasury, prior to audit or settlement by the General Accounting Office.

Subsection (e) specifies that all regulations under this section shall be made by the Surgeon General, but only after obtaining the advice and recommendations of the Advisory Committee.

SECTION 806—GRANTS FOR TRAINING PUBLIC HEALTH NURSES

Subsection (a) of section 806 authorizes an appropriation of $1 million for the fiscal year ending June 30, 1960, and for each succeeding fiscal year, to enable the Surgeon General to make grants-in-aid for the purpose of providing public health training for nurses in public or nonprofit institutions accredited for such training by a body or bodies recognized by the Surgeon General, under such terms and conditions as may be prescribed by him. No grant-in-aid shall be made under this section for such training in any educational institution which is not located in a State.

Subsection (b) provides that the Surgeon General shall allocate funds made available under this section among such educational institutions in accordance with regulations developed in consultation with representatives of such institutions.

SECTION 807—GRANTS TO STATES FOR PUBLIC HEALTH TRAINING

Subsection (a) of section 807 authorizes an appropriation of $3 million for the fiscal year ending June 30, 1960, and for each succeeding fiscal year, to enable the Surgeon General to make grants-in-aid to States for use by the States and their political subdivisions in training of personnel for State and local public health work.

Subsection (b) provides that amounts appropriated under this section shall be allocated by the Surgeon General among the

States in accordance with regulations made by him which shall take into consideration such factors as population, financial need, and the extent of the training problem in the several States.

Subsection (c) provides that a State desiring to receive a grant under this section shall submit to the Surgeon General through its State health authority an application containing such information as prescribed by him in regulations.

Subsection (d) provides that the Surgeon General shall determine the amount to be paid from appropriations under this section to each State for which an application has been approved and shall certify to the Secretary of the Treasury the amounts so determined. Payment in accordance with such certification shall be made by the Secretary of the Treasury, prior to audit or settlement by the General Accounting Office.

Subsection (e) specifies that moneys so paid to any State shall be expended solely in carrying out its approved training program and such moneys shall be paid only upon the condition that there shall be spent in such State during any fiscal year for the same general purpose funds of the State or its political subdivisions in an amount equal to at least one-half of the amount of moneys paid to such State under this section for such fiscal year.

Subsection (f) provides that regulations under this section shall be promulgated by the Surgeon General, but only after consultation with a conference of the State health authorities.

SECTION 808—GENERAL PROVISIONS

Section 808 safeguards against any Federal encroachment into the curriculum or administration of any school or educational institution or the admission of applicants thereto.

SECTION 3—TECHNICAL AMENDMENTS

Section 3 of the bill makes certain technical amendments in existing laws.

Subsection (a) renumbers the titles of the Public Health Service Act.

Subsection (b) includes new title VIII in the short title of the original act.

Subsection (c) repeals section 306 of the Public Health Service Act (Traineeship Program for Professional Public Health Personnel), due to expire on June 30, 1959, but extended by section 803 of this bill.

Subsection (d) repeals section 314(c) of the Public Health Service Act (Public Law 85–544), due to expire on June 30, 1960, but extended by section 804 of this bill.

Mr. Speaker, the public health training needs of the Nation have been documented and defined by the report of the National Conference. Specific recommendations of this Conference to meet these crucial needs have been submitted to Congress through the Surgeon General. The bill which I have introduced today would carry out these recommendations and assure the American people of the essential prerequisite step needed to provide an adequate supply of trained specialists to fulfill public health responsibilities at all levels of government in the years ahead.

Long-range objectives, recommended by the Conference, would be effectively met by the programs extended by this bill and by the related programs which would be established. They include:

1. To build the public health profession on a sound career basis and maintain standards by current scrutiny and long-range planning.

2. To enable the Federal Government to do those things which cannot be done so well by the States separately or which can be done adequately by only a few of them.

3. To treat the relationship between the Public Health Service and the States and universities as primarily a professional relationship, a collaboration for public service in a highly technical field rather than a matter of governmental power and jurisdiction.

4. To treat the schools of public health and other university institutions as partners with operating agencies in a professional enterprise, and to so administer exchanges of personnel and other relationships as to stimulate and maintain standards of the highest quality.

5. To stimulate initiative and high standards in Federal, State, and local health departments and in university professional education.

6. To so guide the development and staffing of the Nation's health programs that public service in this field will continue to be an honorable career enjoying public confidence with full incentives to each individual to improve his own professional abilities to serve the public.

In view of the June 30, 1959, expiration date of the present traineeship program, it is imperative that early hearings be scheduled on this legislation so that all related aspects of the public health training problem may be considered by our committee.

The distinguished chairman of the Health and Safety Subcommittee, the gentleman from Alabama [Mr. ROBERTS], is cosponsoring this bill in the House and has indicated his intention to begin hearings in the near future. The bill is also being cosponsored by the distinguished gentleman from Rhode Island [Mr. FOGARTY], chairman of the Labor-HEW Appropriations Subcommittee, and by the gentleman from Massachusetts [Mr. MACDONALD], the gentleman from Pennsylvania [Mr. MOORHEAD], and the gentleman from California [Mr. COHELAN].

Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have permission to extend their remarks following my own statement.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. RHODES of Pennsylvania. Mr. Speaker, I yield to my distinguished colleague, the gentleman from Pennsylvania [Mr. MOORHEAD].

Mr. MOORHEAD. Mr. Speaker, I rise in support of the farsighted legislation proposed by the gentleman from Pennsylvania.

The gentleman is to be congratulated on his significant and imaginative leadership in a field as modern as tomorrow and as timeless as the plagues which have ravaged mankind through the centuries.

Many of us, I suppose, think of public health in terms of eradicating old diseases which have fed for so long on poverty and ignorance.

Public health is this, but much more.

It is man's search for the real truth about the danger of radioactive fallout; it is his efforts to rehabilitate the physically handicapped; it is his fight against pollution of our streams and air; against heart disease, cancer, mental illness, and polio.

Modern science has given man the key to progress against many of these problems. How well he uses this key will now depend on providing the money and facilities necessary to train the public health worker in medicine and allied fields.

These are some of the domestic reasons why we should enact this Public Health Training Act of 1959.

But this great and growing field of public health goes far beyond our borders. As the recent Asiatic flu epidemic illustrated, plagues know no national boundaries.

Furthermore, the public health worker, in another role, can and often has become America's most effective ambassador to the underdeveloped areas of the world.

When I mentioned polio a moment ago, many of you probably thought of the great work of Dr. Jonas Salk at the University of Pittsburgh in my district.

If so, it was a most appropriate association because it illustrates how the successful efforts of a relatively small team of researchers become national and even international in the scope of their benefits.

This is the most important point for Congress to consider in relation to this bill, for the 11 schools of public health which would benefit most directly from these amendments are not local schools in any sense.

Just as their research efforts have had and are having worldwide application, their graduates are serving many State, local, and national governments.

Because the University of Pittsburgh's Graduate School of Public Health in my district is one of the newest and best of the 11 such schools in the country, I would like to pass on to the House information I gathered from the school's officials to illustrate both the needs and the potential benefits in the public health field.

The University of Pittsburgh's School of Public Health has been in operation for only 8 years. During that period it has trained 356 graduate students.

These students are not merely Pennsylvania students. As a matter of fact, they have come from 32 States of the United States and from 32 countries outside of the United States.

Only 89 of these 356 graduates, or 25 percent of the total, are now working in Pennsylvania. In other words, three-quarters of the benefit of the expenditures by Pennsylvanians for this public health education is exported to other States and other countries.

These expenditures are large. It costs a great amount of money to train personnel properly for public health service.

The ratio of professors to students in public health schools is higher than in almost any other field of education. Public health personnel must be taught by experts in narrow fields of specialty.

The average cost of educating one public health student per year for all schools in the United States is $5,200, whereas the average revenues per student per year from tuition, fees, and so forth, is $1,000.

In other words, for all public health schools in the United States there is an average deficit per year per student of $4,200 which must be made up from private endowment or local taxes.

The average deficit per student per year for the University of Pittsburgh's School of Public Health is, I regret to say, much larger. In fact, for its size, the School of Public Health is the university's greatest financial burden.

Mr. Speaker, this situation cannot and should not continue.

Because the benefits from these schools are national and international in scope, it is proper that the Federal Government give them financial assistance.

With the type of aid proposed in this bill, the University of Pittsburgh and the other public health schools can expand and improve their facilities and help fill the tremendous need in this country for trained public health servants.

I am introducing a bill today identical to the bill proposed by my colleague from Pennsylvania.

As he has explained in greater detail, this bill does three things:

First. It authorizes more grants for training graduate students at these schools.

Second. It authorizes $6 million per year for grants-in-aid for faculty development and other general use by public health schools.

Third. It authorizes $5 million a year for 5 years for grants for the construction of training facilities at public health schools.

Good health, Mr. Speaker, is a precious asset for an individual or a nation.

This proposed legislation will help us preserve and improve the health of the people of our Nation and the world.

Mr. RHODES of Pennsylvania. Mr. Speaker, I want to thank my distinguished colleague from Pennsylvania for his interest and valuable help with this legislation. I join with him in commending the University of Pittsburgh which has made a tremendous contribution in this important field of public health not only to the people of the United States but to the people of other nations as well.

Mr. COHELAN. Mr. Speaker, at its home campus in Berkeley, Calif., in the Seventh Congressional District, the University of California maintains one of the 11 schools of public health which supply all of the trained public health physicians and other graduate health specialists in the United States. Furthermore, the University of California School of Public Health is the only one of that group located west of the Mississippi River.

The need for the legislation we are introducing today is amply shown in the record of the university's School of Public Health. Under the stimulation provided by Federal training stipends, there has been an increase in the number of graduate students enrolled in our school of virtually 100 percent. Prior to Public Law 911, we had 84 such students. In this current year, we have 165 graduate public health students registered at University of California's School of Public Health. Of that total, only 90 are residents of California. Another 53 come from 28 other States, including Puerto Rico, the District of Columbia, and the Marshall Islands. The remaining 22 students come from 16 different foreign countries.

Clearly the University of California—and this is true for all of the other schools of public health, public and private—is training for the public health needs, not only of the State of California, but also for the needs of the Nation and of the world.

Dr. Charles E. Smith, dean of the University of California School of Public Health, was a participant in the National Conference on Public Health Training which, at a session held in Washington, D.C., in July of 1958, recommended the program set forth in this legislation. Dr. Smith is also a member of the Executive Board of the American Public Health Association and president of the California State Board of Public Health.

He describes this legislation as—

> A notable contribution to the continued progress of our school and, far beyond it, to the health and welfare of our State, Nation, and, indeed, the entire world.

In a recent letter which I will summarize for brevity, Dr. Smith makes these remarks with reference to various provisions of this legislation:

First. Continuation and expansion of Federal training stipends:

> These have been most effective in stimulating recruitment for public health. There has been virtually a 100 percent increase in the number of our graduate students in public health. Not only in our school, but nationally, this eliminated the downward trend in public health recruitment. Public Law 911 expires this year and the provisions of your bill will extend and expand its critically important provisions.

Second. Provisions for the continuation and expansion of Federal aid to schools of public health:

> When one notes the tremendous expansion of our graduate student body, he sees why the very success of the program of Federal public health traineeships resulted in inordinate burdens on our schools. * * * The amounts now required are identified. Now we should move ahead on a long-range basis.

Third. Matching funds for construction of schools of public health:

> The National Conference pointed out the importance of this provision for the current research construction available in public health does not meet the teaching needs of the schools. The notable increase in enrollments provides the obvious reason why.

Fourth. Federal aid for public health nursing:

> Because public health nurses are our largest single professional component in health departments, and since many are taught outside schools of public health, the National Conference made this recommendation. * * * As with the schools of public health, only those schools of nursing in which public health programs are accredited would qualify, thus insuring high standards.

Fifth. Matching fund grants to States for training:

> When there are pressures of finances, the various State departments of finance or of budgets characteristically and, indeed, invariably, attack training. The National Conference recognized that patterns of training differ among the States and the ground rules—age, experience, and even amounts of awards—suitable on a national basis must be made more flexible in the State. Thus funds for training in accordance with the patterns of each State are very necessary. For these reasons the Conference recommended these earmarked matched funds.

Mr. ROBERTS. Mr. Speaker, it is a great honor for me to cosponsor with the gentleman from Pennsylvania [Mr. RHODES] a bill to carry out the recommendations of the National Conference on Public Health Training.

I want to congratulate the gentleman from Pennsylvania on giving so much of his time to such a worthwhile undertaking.

The extension and improvement of public health training in the United States is a most important factor in bringing to the American people the benefits which flow from medical research.

It is my hope that the Subcommittee on Health and Safety, of which I am chairman, will be able to hold early hearings on these bills. Early hearings are particularly urgent since two titles of Public Law 911, 84th Congress, dealing with public health training are due to expire on June 30, 1959, and continuity in these programs is of paramount importance. Therefore, I hope that all those who are interested in public health training will make a prompt study of the provisions of the bill introduced by Mr. RHODES and myself so that they will be in a position to assist the subcommittee by giving testimony when hearings are scheduled on relatively short notice.

SOCIALISM OR FREEDOM FOR AMERICA—I TOOK THE OATH

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Iowa [Mr. JENSEN] is recognized for 60 minutes.

Mr. JENSEN. The Speaker, the question is, Shall we have socialism or freedom for America? We must never forget that the power not to tax uniformly is also the power to destroy.

Twenty-one years ago the people of the Seventh District of Iowa did me the great honor to elect me their Representative in the Congress of the United States. As I first stood here in the well of this House I took an oath to uphold the Constitution of the United States. This, of course, is the oath each of us takes as we enter into each new session of Congress, which I quote in full:

> I, BEN F. JENSEN, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God.

In keeping with that oath I will support and defend the Constitution so long as there is a breath in my body. I shall resist with all the power at my command every effort to weaken or undermine the effectiveness of that great document.

THE BIRTH OF A NATION AND FREEDOM

This Nation was founded upon one basic principle—freedom. Thousands

upon thousands migrated from the tyranny and enslavement of the Old World to achieve freedom of one kind or another in a new land. Some wanted freedom to worship God in their own way. Others wanted freedom from political tyranny. Still others wanted to achieve economic freedom by the labor of their own hands.

To achieve and perpetuate this freedom our forefathers executed the greatest document of all times—the Constitution of the United States. Operating under this charter of freedom, individual initiative and the competitive free enterprise system have made this the greatest Nation on earth today. Our standard of living is the highest in the world. However, this freedom of ours is taken too much for granted and therein lies the danger of losing it.

Throughout history there have been those that believed a socialistic or communal system could be made to work which would achieve the greatest good for the greatest number. Their theory was "From each according to his ability and to each according to his needs." Human nature being what it is, this theory has failed throughout all history, wherever tried. The worker bee will not long tolerate the drone. An incentive is needed for the highest achievement.

ASSAULT ON AMERICAN FREE ENTERPRISE SYSTEM

There has been in this country of ours a continual assault on the free enterprise system by these socialist inclined groups. Finding frontal attack ineffective, many indirect methods have been utilized. The dangers inherent in these indirect methods are not always apparent. It is to some of these dangers I wish to direct your earnest consideration.

The electric utility industry in particular has long been the objective of these socialistic planners. For they knew as did the Fabian Socialists in England that electric power was a logical starting point and could be used as a powerful leverage to socialize other industries.

SOCIALIZATION OF ELECTRIC POWER IN ENGLAND

The British Socialists working through the Liberal or Labor Party, told the people that if they owned the basic industries they would get all the profits as well as all the service. That they would be immune from the risks of unemployment, since they would be their own employers; they would avoid the booms, which filled the rich man's pockets, and the slumps, which brought starvation to the workers.

Their claim was that under private enterprise electric service was inefficient and wasteful—what a familiar cry—in face of the fact that electricity was one of their cheapest commodities. Electric power in England had been reduced in cost nearly 40 percent during the prior 15 years while the cost of coal—which is needed to produce the power—had gone up to 2½ times what it had cost 15 years earlier.

How did the British Socialists get control? They asked the housewife, the farmer, the businessmen and the industrialist this simple question: "Do you want electricity?" Of course, they must have it. "OK, then get on our bandwagon."

INCREASE IN COST BY SOCIALIZATION

What was the effect of nationalization of the electric utility industry in Britain? The British publication The Recorder on September 4, 1948, had this to say:

Two months after nationalization, increases in the cost of electricity ranged from 20 percent to 50 percent in different parts of the country.

And a recent order of the British Electric Authority, which brings into force a country-wide minimum charge of three-fourths penny a unit, means that electric consumers will pay an additional £2 million a year.

It is of interest to note that even though 60 percent of the electric utility industry in Britain was run by local public authorities, their facilities were also taken over by the Government and without compensation other than to assume outstanding obligations. The municipal, REA, and other public electric utility systems in this country might well heed this fact and not think "it cannot happen here."

INVESTOR OWNED ELECTRIC UTILITY INDUSTRY IN AMERICA

There are nearly 4 million direct stockholders of the privately owned electric power companies, while nearly a hundred million other Americans are indirect owners through stock or bond ownership by insurance companies, mutual savings, fraternal, religious, charitable, and educational institutions, foundations, and so forth.

These investors in the electric utility stocks and bonds have, over the years, provided the major portion of the funds for the expansion of the electric utility from a small beginning in 1882 with 59 customers to the present in excess of 50 million customers. About 80 percent of these customers today are served by these investor-owned utilities.

The technological development and ever increasing efficiency in production of electric power is one of the greatest factors in our being the most productive Nation on earth today. Electric power is one of the cheapest items we can buy today. Its unit price has been reduced over the years so that it is over 10 percent cheaper than it was 25 years ago, while the cost of living has increased nearly 100 percent during the same period. Electric power is the willing servant on our farms, in our factories, in our stores and in our homes throughout these United States. And we should take heed that it shall continue to be our servant and not the means for socializing our country and the losing of the freedoms we cherish and so often have fought for.

THE FIRST STEP TO SOCIALISM IN AMERICA

Socialization of power was the first step to be taken in the ultimate goal of eliminating the American free enterprise or profit system in America. The socialistic advocates well knew that the control of electric power means the ultimate control of all industry. In the forefront of the movement for the socialization of electric power and other major industries was a man named Carl D. Thompson who at various times was director of information and national campaign manager for the Socialist Party. And at one time at a Socialist convention, his name was placed in nomination as candidate for President. Starting in the early 1920's, Mr. Thompson was secretary and guiding spirit of the Public Ownership League of America.

An off-shoot of the Socialist Party, that was organized as the Intercollegiate Socialist Society in 1905 and changed its name in 1921 to the League for Industrial Democracy, was also active at that time in fostering socialism and government ownership of industry. Norman Thomas, Harry W. Laidler, Paul Blanshard, were among the prominent Socialists that were directors or members of this organization.

In the early 1920's and prior thereto many of the advocates of governmental control of industry openly espoused their cause through the Socialist Party organizations. The 1920 platform of the Socialist Party contained the following:

1. All business vitally essential for the existence and welfare of the people, such as railroads, express service, steamship lines, telegraphs, mines, oil wells, power plants, elevators, packing houses, cold storage plants, and all industries operating on a national scale, should be taken over by the Nation.

2. All publicly owned industries should be administered jointly by the Government and representatives of the workers, not for revenue or profit, but with the sole object of securing just compensation and humane conditions of employment to the workers and efficient and reasonable service to the public.

This was followed up in 1928 with the following platform statements:

1. Nationalization of our natural resources, beginning with the coal mines and water sites, particularly at Boulder Dam and Muscle Shoals.

2. A publicly owned giant power system under which the Federal Government shall cooperate with the States and municipalities in the distribution of electric energy to the people at cost.

3. National ownership and democratic management of railroads and other means of transportation and communication.

4. An adequate national program for flood control and flood relief, reforestation, irrigation, and reclamation.

5. The recognition of the Russian Soviet Government.

Socialist Party literature in those early days proclaimed:

The Socialists will push their campaigns. They will elect more representatives in the States where they already have them. They will win seats in new States. They will capture cities. Later they will control State legislatures, and finally the U.S. Congress and the Supreme Court.

States under the direction of this Socialist program, and finally the Nation, will take over one after the other of the public utilities, mines, railroads, interurban electric lines, powerplants, telegraph and telephone systems, waterways, forests.

FAILURE OF DIRECT APPEAL FOR SOCIALIZATION IN AMERICA

These early direct appeals for support of the Socialistic Party and its objectives were not successful. Realizing this back in 1927, Mr. H. Stephen Raushenbush, a bright young member of the Intercollegiate Socialist Society, counseled his Socialist friends on "How Shall the Socialists Attack the Abolition of the Profit

System?" Mr. Raushenbush advocated a program of gradual socialization of industry, and with regard to the electric power industry he stated that—

We cannot hope to take over the whole $8 billion industry successfully, even if it were desirable to do so at the moment.

But a scattered series of great generating plants selling their power within 300-mile radii might be expected to have a very considerable influence upon the extension of public ownership to the transmission lines and the whole industry.

Mr. Raushenbush in discussing the transition to socialism said that—

The students coming from colleges today * * * can be of enormous use to the movement, as government officials, starting in small, definitely working on the reasonable hope that in the course of another 10 years we shall have government control of a much more definite kind over trusts, banks and general industries.

And—

One good man with his eyes, ears, and wits about him, inside the Department—whether it is the Interior * * * or the Treasury, * * * can do more to perfect the technique of control over an industry than can a hundred men outside.

Mr. Raushenbush later practiced what he preached, entering the Department of the Interior, working up to the position of Chief of Economics and Statistics of the Department's Division of Power from which he resigned in 1947 when our committee caught up with him and his philosophy. The Socialist Carl D. Thompson also went over to the New Deal and was employed, during the years 1938 to 1948, as a consultant by Bonneville Power Administration to foster public power in the Pacific Northwest. Thompson also was a member of the Department of the Interior Power Policy Committee in 1936.

There can be no doubt that the power policy of the New Deal Democrats was largely influenced by these and other members of the Socialistic groups who decided that their Socialistic aims could better be realized by indirection through the Democrat Party and a Democrat administration than through the Socialist Party itself. They had found that the American people would not go for socialism directly. Even the prominent New Dealer—Governor Harriman—in testifying before a Senate committee on March 14, 1952, relative to the Mutual Security Act, was naive enough to admit the Socialistic nature of the New Deal and Fair Deal Democratic Party when he said:

In many countries the Socialist Party is what we would call here the New Deal Party or a Fair Deal Party.

In 1924 the Public Ownership League under the leadership of Socialist Carl D. Thompson promoted a Public Super Power Conference in Washington, D.C. It was reported in the League journal "Public Ownership" that a prominent Senator from Nebraska had agreed to introduce a suitable measure in Congress providing for the creation of a national public super power system. This measure, S. 2790, was introduced on March 10, 1924.

This attempt to create a nationwide super power system failed and 2 years later the same public ownership group proposed the completion of Muscle Shoals as the nucleus of a power system in the Tennessee River basin. This and other similar trys in 1927 also failed.

These failures to obtain passage of acts putting the Federal Government directly in the power business taught the socialistic promoters a lesson in how to write laws that would have a better chance of passing and how to join forces with the New Deal to secure their passage.

THE INDIRECT ROAD TO SOCIALISM

In 1933 this same prominent Senator from Nebraska was prevailed upon to introduce the original TVA Act, the preamble of which did not even mention electric power. The act itself claimed that electric power was to be incidental to the principal purposes of navigation and flood control. By leaving power out of the preamble, it could be claimed that TVA was not being created to go into the power business, and would lessen the possibility of having the act declared unconstitutional.

TVA—A DICTATORSHIP EMPIRE WITHIN THE U.S.A.

The TVA Act, established in effect, for the Tennessee Valley area, a dictatorship empire of its own within our free American Republic. Democrat Congresses have continued to appropriate millions of your tax dollars to this growing empire. Even its many thousands of employees are not under the U.S. civil service laws, but only beholden to its three appointed Board members who have dictatorial powers to rule their empire with an iron hand, because they have your money to do just that; and which is more than the State governments in the Tennessee Valley have to spend altogether.

There are bills considered by the 85th and 86th Congresses which would give this growing empire even more power and practically eliminate all control by Congress. We are told by TVA officials and proponents that TVA belongs to "all the people" and yet they brazenly propose measures which would provide in effect that all control by "the people's" representatives in Congress be relinquished. Of course this is not the first time TVA officials and proponents have been inconsistent in their claims and later actions and pronouncements. These bills contemplate giving TVA the authority to issue $750 million of revenue bonds. TVA representatives admit this is only the start. No one knows what the ultimate requirement would be or where we go from there. Under the provisions of the bill three men appointed by the President would have, in addition to the $750 million bond revenue, power revenues of $250 million or more annually to spend as they please. Please think of it, my colleagues.

WHAT TVA SAID

TVA, in defending the constitutionality of its operation, told the U.S. Court of Appeals in 1938 that:

With regard to single purpose power dams the Authority has not constructed or recommended for construction and has no intention and no authority under the Tennessee Valley Authority Act to construct such dams.

And that with respect to the Muscle Shoals steam-electric plant or any other steam-electric plant:

The defendant alleged that the said steam-electric generating plant has not been, and is not being, operated and that there is no plan or intention to operate said plant now or in the future, or to construct or operate any other steam-electric generating plants. The said plant is merely held by the defendant, Tennessee Valley Authority, as an emergency standby plant for national defense purposes in connection with the munitions plants located near Muscle Shoals, Ala.

The defendant, Tennessee Valley Authority, has disposed of, and will dispose of only such electric energy as generated from the power inevitably created by the operation of the said dams for navigation and flood control and which is not needed for governmental purposes and which would otherwise be wasted.

FAILURE OF TVA TO ADHERE TO ITS DECLARATIONS

It is a matter of record that TVA has not adhered to its solemn statement made to the high U.S. court. Like many other bureaucratic Federal agencies, it has gradually assumed and claimed powers that were never intended that it should have.

In violation of its contention to the U.S. court TVA has constructed single-purpose hydroelectric plants, purchased and operated single-purpose hydroelectric plants, purchased and operated steam-electric generating plants, constructed and operated steam-electric generating plants, disposed of single-purpose project electric energy, disposed of steam-electric generated energy from plants constructed by TVA, disposed of steam-electric and hydroelectric energy purchased from others, all contrary to its statement to the court.

The record of TVA's adherence to the yardstick criteria, set up early in its existence, is a like record of failure to perform in accordance with the nationwide and worldwide pronouncements made by TVA on this yardstick criteria. For instance, TVA told Congress that the TVA yardstick's rates would provide for interest on the power investment at 3½ percent, tax equivalent to local, State, and Federal rates of taxes paid by private utilities, depreciation and all operating costs, and the amortization of the entire TVA investment over a 50-year period. Since that time, we have not heard quite so much talk about the TVA yardstick, due no doubt to the failure of TVA to adhere to the yardstick criteria originally proclaimed and the resulting shrinkage to about half the lengths of an honest yardstick.

The Chairman of the TVA Board of Directors even went so far as to deny in 1948, in testimony before a Senate committee, that TVA ever claimed that it was to be a yardstick for power. Here are his exact words:

Well, there have been claims made that the TVA power system would set up a yardstick. The TVA has not developed or elaborated on that or made that claim.

Even though TVA has failed to operate as its officials and proponents said it would in order to obtain court and

congressional approval for continuing in operation, the TVA officials and proponents even now have the effrontery to proclaim that they are in effect providing for comparable taxes, interest, and so forth, as private utilities do.

For instance, we are told that TVA has earned an annual net revenue from its power operations which represents a return of around 4 percent on the taxpayers' investment. The fact that TVA used the greater part of this so-called return to construct more powerplants for their empire does not prevent them from insisting that it is a return to the taxpayers because "all the people" own TVA.

This same so-called net return is used by TVA officials and proponents to claim that they provide for taxes comparable to those paid by private utilities. Only a bureaucrat could make such outlandish claims.

If TVA had operated on the basis it testified to at the House appropriations hearings early in its existence, it would have a deficit of around $500 million, instead of a claimed accumulated net revenue of $468 million.

It might surprise you to know that the TVA revenue from the sale of power in the fiscal year 1957 was over $234 million and was estimated to be over $250 million for fiscal year 1959. TVA now claims to have almost unlimited power to utilize this revenue as its Directors dictate.

But this is not the whole story: Congress was told at the start that the total TVA cost would be less than $150 million. To date Congress has appropriated over $1,944 million in interest-free funds for TVA. All told including power revenues, TVA has had a total of over $3,750 million to spend from 1933 to the present. The TVA investment in electric power facilities including work in progress now totals over $1,850 million. Only about 15 percent of the power investment has been repaid during the 20-odd years of TVA operation. If TVA had to pay interest on the power investment, as some of the other federally financed power projects are scheduled to do, the interest cost would be over $50 million for the year 1959 alone. As it is, you and the other taxpayers of the Nation pay the bill.

You farmers and home owners who still have to chop wood or shovel coal to heat your homes might be interested to know that your tax money has contributed to the construction of over 1¼ million kilowatts of electric generating capacity that is required to supply electric power for house heating of some 300,000 homes in the TVA area. The cost of power facilities needed to generate and transmit this house heating power would approximate $250 million or much more than Congress was told at the beginning that the entire TVA development would cost. The low rate of around 7 mills per kilowatt-hour for this house heating use is due in large part to the free ride at the expense of the Nation's taxpayers.

TVA REPAYMENT REQUIREMENT

Back in 1947 when I was chairman of the Government Corporations Subcommittee of the House Appropriations Committee, it was amply clear from the record that TVA did not intend to make proper repayment of the taxpayers' investment even though its officials and proponents had solemnly told us TVA would provide for such payment.

Therefore I insisted that something had to be done about it and the following language was put into the Government Corporations Appropriation Act, 1948:

Tennessee Valley Authority: Not later than June 30, 1948, and not later than June 30 of each calendar year thereafter, until a total of $348,239,240 has been paid as herein provided, the Board of Directors of the Tennessee Valley Authority shall pay from net income derived the immediately preceding fiscal year from power operations (such net income to be determined by deducting power operating expenses, allocated common expense, and interest on funded debt from total power operating revenues) not less than $2,500,000 of its outstanding bonded indebtedness to the Treasury of the United States exclusive of interest, and such a portion of the remainder of such net income into the Treasury of the United States as miscellaneous receipts as will, in the 10-year period ending June 30, 1958, and in each succeeding 10-year period until the aforesaid total of $348,239,240 shall have been paid, equal not less than a total of $87,059,810, including payment on such bonded indebtedness exclusive of interest on such bonded indebtedness. Total payments of not less than $10,500,000 shall be made not later than June 30, 1948.

Amounts equal to the total of all appropriations herein and hereafter made to the Tennessee Valley Authority for power facilities shall be paid by the Board of Directors thereof, in addition to the total of $348,239,240 specified in the foregoing paragraph, to the Treasury of the United States as miscellaneous receipts, such payments to be amortized over a period of not to exceed 40 years after the year in which such facilities go into operation.

None of the power revenues of the Tennessee Valley Authority shall be used for the construction of new power producing projects (except for replacement purposes) unless and until approved by act of Congress.

As will be noted, minimum repayments are provided for. TVA figures indicate that it has exceeded the minimum legal repayment requirement by $139,441,000 as of this date. Looking at it through TVA eyes this may be technically correct. Let us examine, however, the actual fiscal transaction and see who is paying whom. A presently proposed amendment to the TVA Act would eliminate this minimum payment requirement.

Without any consideration of the interest cost on the taxpayers' investment in TVA or the loss of Federal taxes that would be realized if the area was served by a private utility, we find that in the 25 years since its inception TVA has never in any year returned more to the U.S. Treasury than it has obtained from the Treasury. So, insofar as the taxpayer is concerned, TVA has been putting a little money in one of Uncle Sam's pockets while taking much more out of the other pocket. And as a matter of fact, the so-called repayment that resulted from the Government Corporation Appropriation Act of 1948 is considerably less than the accumulated interest cost at 3 percent on the investment in TVA power facilities.

TVA ASSUMPTION OF UTILITY RESPONSIBILITY

The TVA Act never gave TVA a utility responsibility to serve all the power requirements of the area it now serves. This so-called utility responsibility is something TVA has gradually assumed. In the early years TVA told the Congress that it has no intentions of buying and operating the steamplants of the private utilities—that the municipalities were to take over and operate the steamplants. As an example, a TVA spokesman told a congressional committee that there was a large steamplant at Memphis which the city could take over and operate and that such an arrangement would be better than TVA operating the plant, and that the same thing would apply at Nashville. TVA, however, never carried out such a plan but instead took over and operated the steamplants acquired from the private utilities. Not only that—it executed "captive contracts," that made TVA the "sole supplier" of these various public power groups in the TVA region.

In this connection I want to say that Memphis, at the expiration of its 20-year captive contract, in effect, took the course that TVA 20-odd years earlier had said Memphis should take.

A few years ago a private utility group known as Dixon-Yates was ready to build a 700,000-kilowatt steamplant in West Memphis, Ark., just across the river from Memphis, without expense to the taxpayers of the Nation. Actually, the Memphis area is outside the borders of the Tennessee River Valley; however, present Members of the House and Senate from Tennessee together with other Federal power advocates screamed giveaway and favoritism to free enterprise and demanded that Congress appropriate some $100 million to construct a TVA steamplant on the Mississippi River north of Memphis at Fulton, Tenn. Congress refused to approve such a plan. Finally Memphis decided to build its own steamplant and it is expected to be in operation shortly. The other municipalities and major distributors of TVA power could also construct generating plants to supply their increased power needs if TVA had not executed captive contracts that prevent such action. TVA wants to maintain its autocratic control of all power in the TVA area.

ENTICEMENT OF INDUSTRY TO TVA REGION

TVA officials early in its history publicly stated that TVA should take an active part in getting industry developed in the TVA region. Later when an outcry was raised against TVA for the enticement of industry into the TVA region, the same TVA officials denied any attempt was being made by TVA to entice industry to the TVA region.

The fact remains that even in recent years at a time when TVA was claiming it was going to be short of power to serve its load, the State of Tennessee was running large advertisements in the newspapers of other States which in bold type portrayed the economic advantage of low power rates to be had by constructing plants in or moving plants to the TVA region. Some of the larger TVA

power distributors also put out large advertisements along the same line indicating that unlimited low cost power was available for industrial expansion. Many industries have moved to or located in or expanded plants in the TVA region as a result of the enticement of low power rates. This has been at the expense of laborers, businessmen, and farmers of those States—which would otherwise have retained or obtained these plants or plant expansions—who are paying a part of the TVA electric bill in unseen taxes.

PEOPLE OF TENNESSEE

I do not believe that the people of the Tennessee region are any less patriotic than the people in the rest of the country. And I am sure they want to carry their fair share of the expense of running the Federal Government and do not expect a handout at the expense of the people in the other States. The fact is the Tennessee Valley people also have been misled by the propaganda of TVA and its proponents into believing that they are paying their own way. Of course Members of Congress from the TVA region try hard to defend TVA and endeavor to obtain your tax dollars to expand this "empire" within the United States of America. It is a great political game to use for personal political advantage.

EXPANSION OF TVA UNDER DEMOCRAT CONGRESSES

The Democrat-controlled Congresses have appropriated hundreds of millions of the taxpayers' dollars to TVA for the construction of steam-electric generating plants. They also approved the use by TVA of power revenues by the hundreds of millions for constructing additional steam-electric generating units without first advising Congress. These millions in power revenue—so we are told by TVA and its proponents—belongs to "all the people" yet the "people's" representatives are now denied the opportunity to say how these funds are to be used. Electric power for defense was often used as the claimed justification for building more steam-electric generating capacity in the TVA area. That this was not strictly in accord with the facts was brought out on page 322 of the Public Works Appropriations Committee hearing for the fiscal year 1957 when I asked the TVA Chairman, Gen. Herbert D. Vogel, this question: "Is it not a fact that if TVA power were today sold only to preferred customers and to defense plants TVA today would have a surplus of power?" General Vogel replied, "That is correct, sir."

TVA WAS TO BE ONLY THE BEGINNING

As I have pointed out, the advocates of the socialization of the electric power industry, failing to get legislation enacted for a nationwide Federal superpower system, persuaded Congress and the New Deal administration to embark upon what was to be a river basin by river basin approach, using navigation and flood control as the vehicle for what was called incidental electric power. TVA was to be only the first of such developments. As one of the TVA proponents said on the floor of the House:

> Our great leader in the White House has had the vision to see what it will mean to the great section of my own State in the development of the great Tennessee River Valley Basin, and he stated that in his opinion it is just the forerunner of similar developments which will take place throughout the country.

Attempts were later made to establish other individual valley authorities such as a Columbia Valley Authority. Fortunately, this and other similar attempts to establish other valley authorities—Missouri River Valley and Arkansas River Valley, to mention two others—were defeated. Many speeches were made in opposition to the establishment of such river valley authorities. You will find my remarks in the CONGRESSIONAL RECORD, volume 95, part 13, page A1439, on this subject. Others took up the fight—alert citizens, organizations, radio and newspaper commentators and editors—to the end that a majority of the people stopped the great planners from achieving these socialistic aims. However, our citizens must be ever on the alert, as even now there are attempts being made to achieve the same ends by proposals for similar regional authorities under different names.

HOW FEDERAL HYDROPOWER IS MARKETED

With the exception of the hydroelectric powerplants in the TVA area—which as I have pointed out is an autocratic power empire unto itself—the power from the Federal hydroprojects is marketed by the Department of the Interior.

For the hydroelectric plants constructed by the Bureau of Reclamation, that agency with slight exception markets the power from such projects. For the hydroplants constructed by the Corps of Engineers the power is turned over to the Department of the Interior to market. The Bonneville Power Administration, the Southwestern Power Administration and the Southeastern Power Administration are the three agencies set up within the Interior Department as the marketing agencies for this hydropower. In the case of Bonneville Power Administration, it also markets power from the Grand Coulee project of the Bureau of Reclamation. In general the power from the Bureau of Reclamation and Corps of Engineers projects is required by law to be sold at rates which will return with interest the investment allocated to power, generally over a 50-year period.

In many instances, however, a large part of the project costs are allocated to interest-free reclamation or to nonreimbursable uses such as flood control, navigation, recreation, and so forth.

In 1944 I became a member of the Interior Subcommittee of the Appropriations Committee of the House of Representatives and was chairman of that subcommitee in 1948, 1953, and 1954. The Interior Subcommittee had, until 1955, the duty of recommending to the Congress the amount of money to be appropriated to the Interior Department for transmission lines, substation and other facilities required to market the Federal hydropower. Inasmuch as many of the transmission lines requested by the Interior power agencies duplicated existing lines or the electric utilities of the affected areas were willing and able to construct transmission lines to carry or wheel the electric power from the Federal projects, about 75 percent of these requests for transmission lines were disapproved.

In 1950, several alert, patriotic, top officials of the Electrical Workers Union appeared before our committee and pleaded with us to disapprove the funds for most of the hundreds of miles of transmission lines which had that year been requested by the Southeastern Power Administration in the Southeast from Virginia to Florida. They all said they wanted to continue to work for private, Federal taxpaying companies, who were willing and ready to build the needed lines. Our committee did disapprove and our committee action was approved by the Congress.

Since that time the Congress has, with few exceptions, effectively used this unwritten yardstick:

> Where investor-owned electric utility companies, and/or REA's and/or municipal power systems have adequate transmission facilities to supply a given area or are able and willing to construct such facilities and will agree to wheel Federal hydropower to preferred customers and others according to law, at reasonable rates, the Congress is not justified in spending the taxpayers' money to construct such facilities.

Congress has also refused to authorize or spend money for projects that are almost wholly for power, such as Hells Canyon, where local interests are willing and able to fully develop such power in accord with the Federal Power Act. Many of the socialistic tax-free boys scream "giveaway" to their heart's content, but they should know by now that most of the American people read and think for themselves and they cannot be fooled all the time.

ATTEMPT TO TAKE OVER REA LINES

Now listen to these facts which I am sure will astound you. During the past 15 or 20 years the Federal Government constructed a number of hydroelectric dams in the Texas, Arkansas, Oklahoma, and Missouri region. The Interior Department was given the job of disposing of the electric power from these projects. The Southwestern Power Administration was set up in the Interior Department as the marketing agency. This agency then set up plans for a gigantic power empire complete with hundreds of miles of high voltage transmission lines and steam-electric plants.

When Congress refused to go along with this grandiose scheme, Southwestern Power Administration developed a scheme to get the REA's to pull its chestnuts out of the fire by building hundreds or thousands of miles of transmission lines. Then, before the REA-owned transmission and distribution co-ops in that area could purchase Federal hydropower from these dams, they were obliged to sign a contract with the Southwestern Power Administration which provided, in plain words, that after the REA's had completely repaid their loan to the U.S. Treasury, South-

western Power Administration could pay to the REA's $10, only $10 mind you, and take over all the thousands of miles of transmission lines which the REA's had constructed. These lines would then become the property of the Federal Government. That fact is hard to believe but nevertheless true. The affected REA officials objected long and strenuously to that demand, but finally signed the contracts because thousands of farmers in that great area were told that was the only way they could get electric power. The REA's in northwestern Iowa and the REA's in other Missouri Valley States were obliged to sign similar contracts before they could buy electricity from Federal hydro dams on the Missouri River.

When I learned of this provision in these contracts shortly after the election of a Republican Congress in 1953, I as chairman of the subcommittee handling the Interior Department appropriation, along with other subcommittee members, insisted that these confiscatory provisions of the contracts had to be deleted. This has now been done to the gratification of every REA that had signed such contracts.

THE COMMUNIST PLAN

To accomplish the extension of valley authorities, bills were introduced in Congress in 1937 which would have set up seven valley authorities to cover the Nation. This was in keeping with a program being put forward by Communist groups in the mid-1930's. A friend of mine of long standing, formerly a colleague in the House and now a Member of the other body, told me of having been asked if he would like to attend a Communist meeting during that period. Here is a synopsis of what my colleague and his wife saw and heard at a Communist meeting, just as they told it to me:

> In the middle 1930's while they were visiting some old friends in one of our larger cities, to their great surprise the man of the house asked if they would like to attend a Communist meeting that night. How could they? "Well," said the man, "if you will go with me and keep your mouths shut, I will get you in." "You see," said the man, "I am a member." So to the Communist meeting they went.
>
> In due time the speaker hung on the wall a large map of the United States, which was divided into nine sections—each section containing one of our great river valleys, of which the Tennessee Valley is one. "Now," said the speaker, "since river valleys are no respecters of State lines, and since America can never be communized so long as there are 48 sovereign States, we must create 9 river valley authorities, like the Tennessee Valley Authority, where 3 men who are not elected by the people, but who are simply appointed by the President, are in full control. When this is accomplished, then 27 all-powerful men will be in complete control of the United States—then all city, county and State governments will be forced to surrender their sovereign powers and we will be in complete control, because we Communists will see to it that the right 27 men are appointed."

The sad part is that they were so adept in covering up their true objectives that for many years quite a number of good patriotic Americans went all out for their cleverly, well-planned, anti-American program. And even to this day a few unthinking people, including some public servants now in high public office, still advocate programs almost as dangerous.

WE TOOK THE OATH SERIOUSLY

This colleague, who stood beside me with right hand upraised in the House of Representatives of the United States of America as we swore to uphold and defend the Constitution of the United States against all enemies, foreign and domestic, about 15 years ago, and only a few days after he learned that I had been named a member of the Interior Subcommittee of Appropriations, told me of this experience, and said to me, "Ben, it appears quite clear we have a duty to perform." My reply was, "OK, my friend, I'll be in it to the finish—come what may." I have been, and so has he along with many other well informed Americans in and out of Congress.

IS TVA SOCIALISTIC?

With respect to whether TVA is socialistic we have the word of Norman Thomas the perennial candidate for president on the Socialist Party ticket who so aptly described it in these words:

> The TVA is the only genuinely socialistic act (in the New Deal)—a flower in the midst of weeds.

We now come to a few important phases of the story of the socialistic plan to eliminate the private electric power industry as a step toward complete socialization of all industry. One of these is the matter of taxation, another is the preference clause in the disposal of electric power from Federal projects, and a third is the question of repayment of interest cost on the taxpayers' funds used to construct the Federal projects.

THE TAXING POWER

You have heard the statement, "The power to tax is the power to destroy," which holds just as true today as when the words were first spoken. Too often overlooked, however, is the fact that "The power not to tax uniformly is also the power to destroy."

Our Constitution in article I, section 8, says:

> All duties, imposts, and excises shall be uniform throughout the United States.

Note carefully the word "uniform." From this word it is evident that our forefathers in framing the Constitution of the United States intended that each citizens should bear his fair share of the tax burden for operating the Federal Government. If every person were taxed uniformly and equitably in his or her kind of business or vocation, then all would have an equal opportunity with his fellow men, but such is too often not the case. The electric utility industry is a case at hand as is the case of any privately owned Federal tax paying business with a competitor across the street who pays little or no Federal tax.

TAXES PAID BY ELECTRIC UTILITIES

Over 80 percent of the electric customers in the United States are served by investor-owned electric utility systems that pay more than $1 billion in Federal taxes annually to the U.S. Treasury. In contrast, similar facilities built by your tax dollars go scot free of Federal taxes, as do the non-Federal publicly owned electric utility systems.

In addition to Federal taxes, these same investor-owned electric utility companies pay annually more than $600 million in State and local taxes or over 3½ mills on every kilowatt-hour of power they market. Altogether on the average over 23 percent of the income they receive from the sale of electric power is returned to local, State, and Federal governments to be used for schools, roads, police, national defense, old age and soldiers' pensions, and other expenses of running our town, county, State, and Federal Government. The balance of the revenue is used to pay for labor, repairs, administration, and other operating costs, and to pay fair dividends and interest on the funds provided by good Americans from all walks of life, and let us remember that the officers of these taxpaying utilities from top to bottom are all just employees of the shareholders nothing more, nothing less.

With respect to local and State taxes, most Federal projects make no provision for such payments, while others provide for payments in lieu of taxes that are usually only a fraction of those paid by private utilities.

TAX SUBSIDY TO PUBLIC POWER SYSTEMS

It is easy to see how the investor-owned electric utility systems that pay an average of nearly 24 percent of their revenue for Federal, State, and local taxes are at quite an economic disadvantage in comparison with the Federal or non-Federal public-owned electric utilities that pay little or no taxes. This tax treatment constitutes a considerable subsidy to the public power systems.

This advantage of no Federal tax was largely responsible for the promotion, by a rather smooth operator, one Guy C. (Flash) Meyers, of the total public electric power, Federal tax free operations in one of Iowa's neighboring States. This same operator was responsible to a great extent for the large-scale promotion and development of the public utilities districts in the Pacific Northwest. Faced with the threat of destruction through the distribution of subsidized tax-free Bonneville power, large segments of the private utility system in the Pacific Northwest area were forced by a State law to dispose of large parts of their systems to the public Federal tax-free agencies. For a more complete discussion of the operation of this tax evasion scheme, I refer you to my remarks in the CONGRESSIONAL RECORD, volume 95, part 3, page 3419.

SURVIVAL OF FREE ENTERPRISE

A factor that played a large part in the survival of the major private utilities of the Pacific Northwest was the formation of the Northwest Power Pool with its resulting interconnections and integration of power facilities to achieve maximum use of all facilities at lowest cost. It is almost unbelievable how the taxpaying private investor owned electric utilities of the Pacific Northwest have

been able to compete with Federal tax-free power. There is only one answer—private initiative and efficiency have always been able to meet most any kind of competition if given half a chance. There is a limit, however, and that is why I am speaking out against the unfair competition that may ultimately be the means of destroying our present freedoms and American way of life. I for one do not want my children, nor my children's children nor yours to be living under the straight jacket of a socialized or sovietized America. Khrushchev, the Russian dictator, has said that our grandchildren would be living under socialism. This boast will not come true if Americans everywhere wake up to this threat of socialism and really do something about it.

INTEREST SUBSIDY

Often the long-term interest cost on the Federal funds, required to construct Federal power projects or as a loan source for non-Federal public power projects, is greater than the interest cost to be charged against the project and repaid to the Treasury. Such differential represents a taxpayers' subsidy. And it is usually true that interest cost to the private utility industry is higher than that obtainable by the Treasury. With regard to TVA no interest is paid on any part of the nearly $2 billion of all the peoples' tax dollars appropriated by Congress to that agency since its inception.

The no interest or lower interest component obtained by Federal or public power groups represents a subsidy and patently unfair business advantage over the private utility system. Such unfair governmental competition with the tax-paying private enterprise of its citizens can only lead to ultimate destruction of the tax source which maintains that government.

PUBLIC UTILITY DISTRICTS

In the early New Deal days, there were only a few public power utilities in being in the Pacific Northwest, so Bonneville officials, under orders from Washington, did everything possible to create public ownership groups. For a full account of such practice, I refer you to my statement and insertion in the CONGRESSIONAL RECORD, volume 95, part 4, page 4537.

COULD INDEPENDENT FARMERS COMPETE WITH SUBSIDIZED SOCIALIZED FARMING?

How would the farmers of my district compete with a Federal farm authority who was given Federal tax dollars to set up a gigantic farm development in an adjoining district or State? Could they compete with a farm purchased with Federal tax dollars, provided with all the most modern machinery and with unlimited capital to operate on, all tax and interest free? There is, of course, only one answer. They could not compete at the marketplace. Facts are they would soon go broke. The joker is that my people would be putting up their tax money to provide the funds for the tax-free and interest-free operation against which they would have to compete in the marketplace. Carried to the ultimate extreme, it brings up the question of who is going to put up the taxes and what would happen to our freedoms and private initiative if the Federal Government took over all farming and industry? When such proposals were openly presented to the American people by the Socialist Party, they would have none of it. Nor should the American people now accept it under a new name. It matters not what it is called. It would mean the elimination of the free enterprise system and the ultimate elimination of our present freedoms.

It does not make sense to me for the Federal Government to take the tax dollars to construct Federal power projects where local interests are willing and able to provide for their own electric power needs. Nor is it fair and just for the customers of the Federal and publicly owned electric utilities not to pay, through their electric rates, an equivalent and fair share of taxes to the Federal Government and to local and State governments. Surely every good, thinking American is willing to pay his fair share of the cost of government. And before it is too late, every American should take a more active interest in how his Government is being operated and what his tax dollars are being used for.

TAX SUBSIDY SHOULD BE ELIMINATED

The basic unfairness of such subsidized competition raises the question as to whether some means should be provided for collecting from the Federal and non-Federal power systems a Federal tax or "in lieu of" payment equivalent to the average unit tax paid by the customers of the investor privately owned utilities.

TVA BOND BILL

I feel obligated to speak out at this time against proposed legislation that I believe is contrary to the provisions of the Constitution of the United States. I refer to the proposed amendment to the Tennessee Valley Authority Act commonly referred to as the "revenue bond proposal." The proposal for a Federal agency to issue bonds that do not have the full faith and credit of the Federal Government back of them is something new in Federal agency financing. If permitted, it could and no doubt would be the forerunner of an extension to other agencies of the Federal Government. Certainly it is contrary to the provisions and intent of the Constitution of the United States. Nor is it in keeping with the principles and standards upon which this Nation was founded.

I believe that Congress has the right and the duty to pass annually upon the financing of the Federal Government and its various agencies. This right is inherent in the Constitution that provides that—

> No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

Year after year proposals are made to use the back-door approach to the Federal Treasury or to obtain money for Federal agencies or programs by methods not in keeping with the Constitution of the United States.

This bond issue proposal and many other features of H.R. 3460 are not in keeping with the Constitution and the basic principles on which this Nation was founded. I am duty bound to oppose it with all the strength at my command. I can do no less.

This bond bill, H.R. 3460, would practically eliminate all the financial and other control of TVA by the people's representatives in Congress. I do not believe a representative acting for the people has the right to evade and forfeit his or her responsibilities in this manner. In my opinion, the entire proposal is not in accord with the Constitution of the United States, which each Member of Congress took an oath to support. It is another manifestation of a well-organized drive toward eventual socialization of the entire economy through the back door. It would be the forerunner of other similar proposals for other Federal agencies in other sections of the country. To give to three men the responsibilities that belong to the entire Congress is anti-American. It is more power than three good men should want or three bad men should have. The record of TVA does not recommend such action.

THE MYTH OF TVA LEADERSHIP

Year after year TVA reports and TVA officials and proponents have bragged about the development that has taken place in the TVA region. For instance, TVA reports consistently inferred that TVA was doing a wonderful job of farm electrification. In the fiscal year 1954 report TVA had this to say:

> Rural electrification has made great strides during the 8-year period, 1946–54. The number of farms served was multiplied 3½ times, from 125,000 to 436,000. * * * But more important from the Nation's viewpoint is the fact that rural electrification in the Tennessee Valley region pioneered the vast national development of rural electrification that burgeoned after 1935.

Actually, pioneering work on rural electrification had been started back in 1923 by the formation of the National Committee on the Relation of Electricity to Agriculture.

The record also shows that the farm electrification criteria set up by TVA in the early days was on a restrictive basis that did little to promote area-wide service. In fact, it was a sort of cream skimming type of farm electrification extension policy that public power proponents accused and condemned the investor owned utilities of doing.

The per customer use of electric power on the farms in the TVA region has consistently lagged behind the national average for farms east of the 100th meridian. Farm income in the TVA region has continued to lag behind that of most other sections of the country. In 1954 a TVA spokesman admitted that three out of four farms in the TVA area did not have running water. This is a sad commentary on TVA's vaunted leadership.

INDUSTRIAL DEVELOPMENT IN TVA AREA

In industrial development, the TVA area, even with the enticement of subsidized power rates has not been able to keep up with the industrial development in other areas of the South.

The people of the TVA area might well ask themselves if the total price of the so-called low cost power has not been too high when one counts in the loss of personal freedom, loss of personal and private initiative, loss of economic progress in keeping with the balance of the South, and loss of personal satisfaction of doing for themselves and carrying their proper share of the cost of the Federal Government.

Perhaps the TVA paternalism might be likened to an opiate which creates an illusion of well being. The realities may not become apparent unless the opiate is taken away.

IS TVA THE BLESSING CLAIMED?

There have been indications in recent years that the people of the Tennessee Valley area are beginning to realize that TVA has not been the blessing that its officials and proponents would have us believe.

As an example, I quote from an editorial in the Tupelo, Miss., Journal of June 12, 1953—Tupelo was one of the first towns to distribute TVA power:

The time has come for TVA to back up and admit that the fastest growth in the South actually has taken place outside the TVA area and we who live within its borders are still as a whole just about the poorest people in America.

This of course would be quite true. For with the exception of giant projects like the Oak Ridge atomic energy plant that Uncle Sam has plunked down in Tennessee the TVA area has shown less rapid industrial growth than several other portions of the South.

And in income, the TVA area is still dollar for dollar further behind the national average than it was in 1933 when the Tennessee Valley Authority was first established.

And then there is the statement of Dr. Hoskins, president of the University of Tennesse, condemning the TVA for permanently flooding thousands of acres of the finest land in Tennessee.

FLOOD CONTROL—TVA STYLE

The preamble to the Tennesse Valley Athority Act states that it is "An act to improve the navigability and to provide for the flood control of the Tennesse River."

Let us examine how TVA has solved the flood control problem of the Tennessee River.

It has eliminated a major part of the flood control problem along the Tennessee River by permanently flooding hundreds of thousands of acres of the finest lands in Tennessee. It is like cutting off one's head to cure a headache—effective but drastic.

It was this wanton flooding of the finest land in Tennessee, land that has been estimated to have produced as much as $27 million worth of crops annually, that led to the denunciation of this TVA policy by Dr. Hoskins, president of the University of Tennessee. There follow some excerpts from his statement on the subject:

The proposed construction of the Douglas Dam on the French Broad River above Knoxville and near the Jefferson and Sevier County lines raises an important, even a critical, question involving the welfare of a large section of Tennessee.

* * * * *

Altogether, this proposed dam will cut a considerable slice from east Tennessee—from its body politic—from its body social—from its body economic. And altogether, too, let us observe—it is a seizure of common wealth for special purposes.

And what is all this for? What are the benefits to accrue that would make this social and economic destruction worthwhile? What is our democracy contemplating in thus altering the face of nature and the course of human affairs?

* * * * *

Here let us pause before a most critical question. Let us be careful of our words. If it is the purpose of the Tennessee Valley Authority to develop this region—what is the meaning of the word "develop"? If it is a democracy we are to defend—what is the meaning of democracy?

Can we achieve development—can we preserve democracy—by destroying the homes, the common wealth, and community life of our people?

* * * * *

I appeal to the Tennessee Valley Authority and to the Federal Government for a proper development of this region—for a development that leads to a fuller life for our people—to the welfare and security and defense of our democracy. * * * The function of east Tennessee is that of a whole democratic community essential to the welfare of the whole. I beg of you to preserve it in this right.

ARE WE TO LEAVE A HERITAGE OF SOCIALISM FOR OUR GRANDCHILDREN?

In conclusion I want to plead with my colleagues and the American people to awake to the danger of leaving a heritage of socialism for our grandchildren. The Russian dictator Khrushchev has said that our grandchildren will be living under socialism.

Are we to permit that to happen by apathy to programs for socialization of the electric power industry as the forerunner to eventual socialization of all industry, including farming—farming being the greatest of all industries under our American free private enterprise system of government?

I know that the American people as a whole are proud of the heritage of freedom that gallant patriots fought and died to create and maintain. Are we to fritter away this birthright of freedom through the failure to recognize the gradual encroachment of a socialistic welfare state? I am sure the majority of the American people are too smart and too patriotic to let that happen.

I beseech every good American to think twice before he or she supports any program, or any candidate for high office that advocates a program which will lead us down the road toward socialism and a welfare state. Such programs tend to cripple or destroy our Federal-taxpaying, private enterprise—from the farmer to the corner grocer and from the peanut vendor to the large corporation—whose revenue is so desperately needed to keep our local, State, and Federal Treasury solvent.

It will take the combined efforts of every American who wants to preserve our free institutions—our American heritage if you please—to be ever on guard to see that these taxpaying enterprises continue to operate.

Our free enterprise system has made us the most prosperous Nation on earth with the highest living standards. Are we to throw away this heritage for socialism and a welfare state? I am sure the majority of the American people's answer is, no, no, no. If only they can be made to realize the danger confronting them. Each patriotic American should do his part to awaken the Nation to the insidious danger confronting us today.

So I beg each of you to join in a crusade to halt this trend toward the Khrushchev goal of socialism and slavery for our grandchildren.

AGRICULTURE HAS MADE ITS IMPACT ON THE STABILITY OF OUR NATION

Mr. NATCHER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. NATCHER. Mr. Speaker, there is never justification for stopping debate or stilling disagreement about the problems that face our Nation. However, there are times for thinking of the broader aspects of differences and what the issues are that should be emphasized. Today we are searching for a constructive answer to the farm problem. Agriculture is undergoing a cost-price squeeze, whereas other segments of our population are prospering. It is unfair and dangerous that farmers, alone among the great economic groups in our country, are not sharing in the current prosperity. The farmer is 13 percent of the population and receives 6 percent of the income. The interest of our family-size farmer must be fully protected. The owners of small farms must prosper if the Nation is to prosper. The difficulties that beset the farmer pose grave problems which cannot be solved overnight. These problems have been made more difficult by neglect, indifference; and postponement. While many of us may maintain different points of view, all of us must be guided only by the politics of responsibility. We should ever be reminded of the nearness of God to the affairs of man.

From the birth of our Republic new methods of cultivation were developed in agriculture. An aggressive search for improvements started which has continued to this day. Farming was man's fundamental pursuit. It was Jefferson who said:

Those who labor in the earth are the chosen people of God.

Certainly in the Second Congressional District of Kentucky those who labor in the earth are meeting the challenges of present day living, and their hopes of attainment should be guaranteed.

Mr. Speaker, the Second Congressional District of Kentucky is primarily an agricultural district, producing all types of commodities. We have been blessed by virtue of the strong farm organizations and soil conservation districts in our midst. Also we have been fortunate in the high caliber men and women who serve as county extension

agents, home demonstration agents, and vocational agricultural leaders in the various counties of our district. These dedicated men and women are responsible for carrying forth information directly to our farm people. It is satisfying to realize that the young people in my congressional district do not lack necessary leadership and knowledge. I cannot too highly commend the Future Homemakers of America, the Future Farmers of America and the 4–H Clubs in our section of Kentucky. The very foundation of our Christian civilization is based on the family unit, and it is to the wives and mothers that we look to provide the cohesive and stabilizing influence so necessary to the continuance of the family unit. Kentucky was the first State to charter the Future Homemakers of America. In the Second Congressional District the influence of the local chapters on their communities is felt in innumerable ways. The young women of the FHA are indeed prepared to face the future with warm courage and high hope.

This year the period of February 22 through the 28th was designated as National Future Farmers of America Week, and March 1 through March 7 was set aside to focus attention on the past achievements and future goals of the 4–H Clubs. I know of no national student organizations more deserving of praise than the Future Farmers of America and the 4–H Clubs. The training these young peeople are now receiving will be of immeasurable benefit to them in the years to come. By living up to their high principles, today's youth will grow into a mature citizen anxious to assume his share of responsibility in improving the community of which he is a part. One of the main reasons why our Future Farmers of America and 4–H Clubs are so successful in the Second Congressional District of Kentucky is due to the efficient instruction and able guidance furnished by our county agents, home demonstration agents, and vocational agricultural teachers. They stand ready with advice, suggestions, and encouragement, but the young person is impressed with the fact that for him to grow in knowledge, self-reliance, perseverance, and maturity he must solve the problem himself. We have in my district a group of young people, who, by reason of ambition, ability, and energy, have won many top honors and offices in connection with their agricultural pursuits. For the second consecutive year a young man from the Second Congressional District of Kentucky won first place in the statewide soil conservation essay contest in which contest 33,000 essays were submitted. This year's recipient of the award is Glenn C. Dockery, of Route 1, Beaver Dam, Ky. In addition to Glenn C. Dockery, winners in this year's soil conservation essay contest from our district are: Jean Goodman, Scottsville, Allen County; Johnnie Hines, Hardinsburg, Breckinridge County; G. McCoy, Morgantown, Butler County; Mary Alice Wethington, Utica, Daviess County; Jackey Pearl, Big Clifty, Grayson County; Jacqueline Stephens, Pellville, Hancock County; Brenda Briscoe, Hebbardsville, Henderson County; Lena Villines, Nebo, Hopkins County; Sarah Miller, Sacramento, McLean County; Joyce DeBruler, Fordsville, Ohio County; Lynn Caudill, Franklin, Simpson County; Shelby Woodring, Morganfield, Union County; Joe R. Cowles, Bowling Green, Warren County.

On January 24, 1959, the Kentucky 4–H champions were named, and Joseph Wesley Sprague, of Sturgis, Union County, Ky., was selected as the champion in agriculture in the 1958 4–H Club achievement contest. On February 14, 1959, Danny Duvall, Route 7, Bowling Green, Ky., was chosen top Future Farmer of America in Kentucky.

Mr. Speaker, this is only an example of our young people's accomplishments. Many other boys and girls have been recognized in their agricultural endeavors. What we may expect of the youth of today can well be exemplified by William T. Roark, of Simpson County, Ky., who was chosen by the Kentucky Junior Chamber of Commerce as the outstanding young farmer for 1958.

We of the Second Congressional District of Kentucky have always been convinced that farming is not only an essential industry entitled to its fair share of the national income, but that it is something more—it is a way of life that must be preserved, it is indispensable to the stability and the continuity of any civilized society. And, in spite of the many problems facing our farmers, agriculture has most assuredly made its impact on the stability of our State. The initial impact of the rural development program has been responsible for many improvements in Kentucky, and particularly is this true in Butler County, located in my district. Under the rural development program pilot counties were designated in many States. The three such counties in Kentucky are Butler County, Metcalfe County and Elliott County. The citizens of Butler County are convinced that the rural development program is the soundest approach yet devised to gaining long-range economic development and growth in our rural towns and communities. Here we have witnessed an example of success so far as the rural development program is concerned, and likewise the citizens of Butler County have set a splendid example of time and effort successfully spent in saving small farms, and their owners from economic downfall.

While citizens collectively have been striving for improvement in agricultural conditions, it is equally true that many individuals have directed their vision and leadership toward lifting the farming profession to a higher level. Such an individual is Mr. Charles L. Taylor, of Bowling Green, Ky., who for 30 years headed the agricultural department at Western Kentucky State College. Mr. Taylor has devoted practically his entire life to the furtherance of agriculture, and in so doing he has ever kept in mind that our farm problem is basically a problem of conservation—of conserving not only the very roots of our national economy, but also a way of life. Through his knowledge of the great potential that lies in the soil of our land, he has endeavored to see to it that this gift of our inheritance is not forfeited. On April 16, 1959, Mr. Taylor was named Kentucky's "Man of the Year" in agriculture. It is fitting that his services should be recognized, for certainly there is no person in the State of Kentucky more deserving of such an honor.

Mr. Speaker, I am humbly grateful that the people whom I represent have an appreciation of the rewards and satisfaction to be achieved from a life devoted to farming. It is comforting to realize that there are civic-minded citizens who are dedicated to the principle that abundant agricultural production is the backbone of America's strength. Our country will always have room for imaginative, reasonable and responsible men and women such as I am privileged to number among my constituents. They are aware that soil and water and vegetation and wildlife are important not so much for themselves, but for the effect they have on people. Conservation means not just conserving topsoil and trees, but conserving the values which make human beings human.

Our forefathers knew that agriculture must prosper if our new Nation was to prosper. Farming was man's fundamental pursuit. Our early farmer helped to develop a democratic spirit and pride in the virtues of industry, thrift and labor which is present today on our farms in the Second Congressional District of Kentucky. I am convinced that their love and concern for the soil, its use, conservation and nature will continue on into the future. We must not forget to pass on the lesson that the men and women who founded our Nation knew so well; that our lands, one of our most valuable possessions, must be jealously protected and strengthened by each generation.

GOVERNOR ROCKEFELLER VETOES HIGH INTEREST BILL—IDENTICAL ISSUE TO BE SETTLED IN BOTH STATE AND NATIONAL GOVERNMENTS

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] may extend his remarks at this point and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PATMAN. Mr. Speaker, the New York Times of yesterday reports that Gov. Nelson Rockefeller vetoed a bill passed by the Legislature of New York which would have increased the ceiling on small loans from $500 to $800, and would also have increased interest rates under the usury laws. The bill would have raised the monthly rate of interest

which a lender may charge on that portion of a loan in excess of $300 from the present rate of one-half of 1 percent per month to 1 percent per month.

This bill, as I understand it, would have applied to savings and loan associations. Yet to be considered, according to the New York Times' report, is a bill to amend the banking laws which will have the effect of creating a large loophole in the usuary laws of the State. Judging from the newspaper description of this bill, it is the same proposal, to apply to State banks, which Congress considered last year with reference to national banks, and which the Congress will consider again this year.

The nub of the proposal, which is before Congress, is to eliminate an essential part of the usury provisions contained in the National Bank Act which was signed by Abraham Lincoln. This is the part of the provision which forbids the national banks to make loans and discounts at a rate above that specified in the law. The proposal, specifically, is this: When consumer paper or the small business paper is made up by the automobile dealer, the appliance dealer, or the loan sharks, or by anyone else, the bank will be exempt from the maximum interest rate allowed by the usury laws when it advances money on such paper. In other words, the theory is that the bank will be purchasing the paper in the open market although, of course, as a usual practice the automobile dealer, the appliance dealer, the furniture store or whoever sells the paper to the bank does so under a full recourse agreement which requires the seller of the paper to make good the loan in event the consumer defaults.

Evading the usury laws on this theory has been foreclosed since 1881. In that year the Supreme Court of the United States slapped down the theory in *National Bank* v. *Johnson* (104 U.S. 271). However, some of the bankers have had a drive on in recent years to write this theory into both the Federal and State usury laws. Thus the financial institutions bill, a 252-page bill which would overhaul all of the banking laws, contains provisions which would put this loophole, plus several other lopholes, into the Federal usury law. The financial institutions bill was passed by the Senate in the 85th Congress, but was finally beaten in the House Committee on Banking and Currency. This proposal appears by no means dead, however. The financial institutions bill has been reintroduced in the present Congress; and from all appearances the bankers are working on the State legislatures to get this loophole placed into the State laws applying to State banks.

The forces for breaking down the usury laws are powerful and very insistent, because huge amounts of money can be made by charging usurious interest rates, and some of the banks and other financial institutions are quite willing and able to make money in this way. Last year the Attorney General of one of the States brought an injunction against one of the national credit organizations which revealed that this organization was charging the people of that State interest rates amounting to as much as 72 percent a year for financing automobiles.

The New York Times report of May 3, 1959, to which I have referred, is titled "Legislators Saw Money Bank Bills." The report is as follows:

The Governor vetoed a bill that would have increased the ceiling on small loans from $500 to $800, and increased from one-half of 1 percent to 1 percent the monthly rate of interest a licensed lender may charge on the portion of a loan in excess of $300. The bill also would have permitted precomputation of interest, default charges, and the sale of insurance.

In killing the measure the Governor said it would have increased the costs of borrowers and the earnings of lenders. He added:

"In view of the fact that the earnings of the industry are not now insufficient, and the fact that the public interest requires that loan ceilings and rates be fixed as low as possible consistent with maintenance of the necessary lending facilities, the changes wrought by this bill appear to be unduly favorable to the lender and unfavorable to the borrower."

The Governor vetoed a bill amending the general business law to apply to savings and loan associations the usury rules applying to banks and trust companies under the banking law. The amendment would have made violators of the statute liable to forfeiture of double the amount of interest collected. Their contracts, however, would have remained valid.

* * * * *

An amendment to the banking law that would have permitted banks to purchase commercial paper at discounts greater than 6 percent was held in the banking committees of the senate and assembly.

The last paragraph of the news item above refers to a 6-percent discount rate. It means an effective rate of about 12 percent. In the FHA, modernization loans which provide for a 5-percent rate on a discount basis really means an effective rate of 9.7 percent that the borrower pays.

IN SPITE OF THE VETO THREAT, CONGRESS SHOULD PASS NEW FARM LEGISLATION

Mr. SMITH of Iowa. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SMITH of Iowa. Mr. Speaker, in our present situation, we depend heavily upon income tax receipts to balance the budget. Most of our public debt was accumulated during the war, and we are now paying such high interest rates on that debt that 10 percent of our taxes are required to pay the interest on the debt. In this situation we cannot afford depression for any segment of our economy. Low farm income and high unemployment are of great concern and importance to all of us. I received through the mail a copy of the April 24, 1959, commodity letter of Daniel F. Rice & Co., of Chicago. They are a firm with branches in Iowa, Illinois, New York, and Florida, and members of the New York and other stock exchanges, and have set forth some worthwhile statistics and observations. The letter is as follows:

COMMODITY LETTER

APRIL 24, 1959.

The Nation as a whole is enjoying a boom and experiencing a wave of inflation. The textbooks tell us that primary producers, especially farmers, benefit first and most from inflation. This one is not going according to the book. The farm situation is deflating. The rest of the economy is eating better than it ever has in history without having to pay a proportionate increase in cost. Why has farm income lagged during inflation?

Consumer expenditures for all goods and services increased from $178 billion in 1948, to $291 billion in 1958. This is an increase of 63 percent. Between the same two times, consumer expenditures for food increased from $48 billion to $68 billion, only 42 percent. Food expenditures have lagged behind other uses of income.

But this is not the whole of the story. Farmers got only a tiny share of the increased food costs of consumers. In 1948, the retail store equivalent cost of consumer foods (adjusting for meals eaten in restaurants) was $39 billion. Farmers got $19.2 billion and marketing agents $19.8. In 1958, the retail store equivalent cost was $53.7 billion. Farmers got $20.7 and marketing agents $33 billion. Farmers got an increase of $1.5 billion but marketing agents realized $13.2 billion.

During the same 10-year period, total farm receipts increased slightly from $34.9 billion to $37.6 billion. But this was only because of the very favorable weather in 1958. Gross farm income in 1957 was $34.3 billion, or less than it was in 1948. Production expenses increased from $18.9 billion to $24.5 billion so that net farm income went down from $16.1 billion in 1948 to $13.1 billion in 1958. The farmers were caught in an inflationary vise.

What has happened to net farm income during the tenure of our present Secretary of Agriculture? In 1952, net farm income was $14.4 billion versus $10.8 billion in 1957, a decrease of 25 percent. Between 1952 and 1957, consumer income went up from $239 to $305 billion, an increase of 28 percent—25 percent down for farmers and 28 percent up for consumers.

If it were argued that there is an increasing number of consumers and a decreasing number of farmers, an analysis of per capita income would fortify our position:

Per capita income:	*1952*	*1957*
Farm	$711	$658
Nonfarm	$1,849	$2,082
Percent farm to nonfarm income	38	32

This disparity is not confined to consumer incomes. A comparison of the 1958 levels to 1947–49 levels reveals: Industrial prices up 26 percent, hourly earnings of food marketing employees up 63 percent, railroad freight rates up 42 percent—but farm prices were down 4 percent. Dow-Jones industrial averages were $269 on January 2, 1952, and $608 on April 13, 1958—a 2.3-fold increase.

Winston Churchill once proudly said he did not become Prime Minister to preside over the liquidation of the British Empire. Why did Ezra Taft Benson become Secretary of Agriculture? Certainly, he has not sought to improve the poor lot of the farmer and the position of agriculture.

Cabinet officers and executive departments all work to benefit that segment of society in which they function. No so with the Secretary of Agriculture whose activities have injured farmers while aiding food processors, grain storage companies, and other nonfarm groups.

Those who are interested in balancing the budget without hampering our growth should seriously consider the facts set forth in that letter as additional evidence that we need a better approach to our farm problems. The more our programs have been designed to please the administration, the lower the farmers' income has been. I admit that many Members cite the undeniable fact that a program that would not be vetoed would be of little or no benefit in raising farm income and would probably lower farm income. The President vetoed bills passed by Congress previously that would have helped this situation. I also admit that since we failed to override the veto of the REA bill, there is now considerable evidence that the veto of a good farm bill would be difficult to override. After all, it is difficult in any deliberative body to get a 2 to 1 vote on such matters. I do believe, however, that we should work on and pass a farm bill in time to affect the 1960 crop year.

Increasing farm income to a parity with other incomes would increase income tax receipts and help greatly to balance our Government budget. I hope Members of Congress will not become so discouraged at the obstacles being placed in our path that they will give up. Let us review the facts set forth in that letter and other facts we have at hand and pass new farm legislation.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to:

Mr. LIBONATI (at the request of Mr. PRICE), for Monday, May 4, 1959, on account of official business.

Mr. ANDERSON of Montana, for an indefinite period, on account of being called to active duty, in the Official Army Reserve, on orders.

Mr. MULTER (at the request of Mr. ROONEY), for Monday, May 4, 1959, on account of illness.

Mr. HOSMER (at the request of Mr. ARENDS), for the period May 4, to May 15, 1959, on account of illness.

Mr. THOMPSON of New Jersey (at the request of Mr. ANFUSO), for Monday, May 4, 1959, on account of official business.

Mr. HESS (at the request of Mr. ARENDS), for the period May 4 to May 8, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. JENSEN, for 60 minutes, today.

Mr. GUBSER, for 60 minutes, on Monday, May 11.

Mrs. ROGERS of Massachusetts, for 10 minutes, today.

Mr. LINDSAY (at the request of Mr. GRIFFIN), for 45 minutes, on Thursday.

Mr. PORTER (at the request of Mr. PUCINSKI), for 60 minutes, on Wednesday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BOLAND in three instances.

Mr. BAILEY.

Mr. SHIPLEY.

Mr. STRATTON and to include extraneous matter.

Mr. EVINS in four instances and to include extraneous matter.

Mr. PORTER in three instances and to include extraneous matter.

Mr. BROWN of Ohio and to include a copy of a letter he recently wrote to the Director of the Bureau of the Budget.

Mrs. MAY.

Mr. PRICE and to include a transcript of a television program "Face the Nation."

(At the request of Mr. GRIFFIN, the following Members were given permission to revise and extend their remarks in the CONGRESSIONAL RECORD:)

Mr. ZELENKO.

Mr. VAN ZANDT.

Mr. ALGER.

(At the request of Mr. PUCINSKI, and to include extraneous matter, the following:)

Mr. HEMPHILL.

Mr. MULTER.

Mr. HOLTZMAN.

Mr. FORAND.

Mr. DINGELL.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 455. An act to provide for the appointment of an assistant to the Secretary of State to assure joint policy and planning and equitable budgeting of exchange of persons programs and administrative cooperation between staffs engaged in carrying out such programs; to the Committee on Foreign Affairs.

S. 753. An act to authorize cooperative associations of milk producers to bargain with purchasers singly or in groups, and for other purposes; to the Committee on the Judiciary.

S. 994. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Spokane Valley project, Washington and Idaho, under Federal reclamation laws; to the Committee on Interior and Insular Affairs.

S. 1289. An act to increase and extend the special milk program for children; to the Committee on Agriculture.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 7. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Boy Scouts of America for use at the Fifth National Jamboree of the Boy Scouts of America;

H.R. 296. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force Equipment and to provide transportation and other services to the Boy Scouts of America in connection with the World Jamboree of Boy Scouts to be held in the Philippines in 1959;

H.R. 1411. An act for the relief of T. V. Cashen;

H.R. 1453. An act for the relief of Mrs. Mathilde Ringol;

H.R. 1462. An act for the relief of Logan Duff;

H.R. 1535. An act for the relief of Sister Mary Damion (Maria Saveria D'Amelio), Sister Maria Tarcisia (Maria Giovanna Fenuta), and Sister Mary Regina (Maria Lizzi);

H.R. 1691. An act for the relief of Oliver O. Newsome;

H.R. 1727. An act for the relief of Dimitrios Kondoleon (also known as James Kondolous);

H.R. 2063. An act for the relief of Otis Parks, W. B. Dunbar, and J. C. Dickey;

H.R. 2099. An act to provide for a posthumous cash award in recognition of the scientific contributions in the field of electronic ordinance by the late Paul M. Tedder;

H.R. 2237. An act to amend chapter 13—wage earners' plans—of the Bankruptcy Act;

H.R. 2281. An act to provide for the payment of relocation expenses to Milo G. and Patricia Wingard;

H.R. 2295. An act for the relief of Sterilon Corp.;

H.R. 2603. An act for the relief of the American Hydrotherm Corp.;

H.R. 2949. An act for the relief of Lois K. Alexander;

H.R. 2975. An act to validate payments of certain quarters allowances made in good faith, and pursuant to agreements by authorized officials, to employees of the Department of the Navy, but which were subsequently determined to be inconsistent with applicable regulations;

H.R. 3095. An act for the relief of Hilary W. Jenkins, Jr.;

H.R. 3293. An act to authorize the construction of modern naval vessels;

H.R. 3939. An act for the relief of Virginia E. Speer;

H.R. 4121. An act for the relief of certain members of the Armed Forces of the United States, or their survivors who were captured and held as prisoners of war in Korean hostilities;

H.R. 4314. An act for the relief of Samuel Abraham, John A. Carroll, Forrest E. Robinson, Thomas J. Sawyers, Jack Silmon, and David N. Wilson;

H.R. 4615. An act to relieve certain members and former members of the naval service of liability to reimburse the United States for the value of transportation requests erroneously furnished to them by the United States; and

H.R. 4913. An act to amend the National Aeronautics and Space Act of 1958, to authorize the National Aeronautics and Space Administration to lease buildings in the District of Columbia.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on April 30, 1959, present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 301. Providing for printing copies of "Cannon's Procedure in the House of Representatives."

ADJOURNMENT

Mr. PUCINSKI. Mr. Speaker, I move that the House do adjourn.

The motion was agreed to.

Accordingly (at 2 o'clock and 51 minutes p.m.), the House adjourned until tomorrow, Tuesday, May 5, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

920. A letter from the Acting Secretary of Agriculture, relative to submitting additional material pertaining to a letter dated March 5, 1959, which recommended enactment of a bill which would amend section 377 of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

921. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting a report on plans for works of improvement pertaining to the Little Paint Creek watershed, Alabama; Big Park watershed, Iowa; Jennings Creek watershed, Tennessee; and the American Fork-Dry Creek watershed, Utah, pursuant to the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1005), and delegated to the Director of the Bureau of the Budget by Executive Order No. 10654 of January 20, 1956; to the Committee on Agriculture.

922. A letter from the Assistant Secretary of Defense (Supply and Logistics), transmitting reports on Army, Navy, and Air Force prime contract awards to small and other business firms completed during the month of February 1959, and in fiscal year 1959 through February, pursuant to Public Law 85–536; to the Committee on Banking and Currency.

923. A letter from the Assistant Secretary of State, transmitting a draft of proposed legislation entitled "A bill to amend the act of May 26, 1949, as amended, to strengthen and improve the organization of the Department of State, and for other purposes"; to the Committee on Foreign Affairs.

924. A letter from the Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to authorize the establishment of the Arctic Wildlife Range, Alaska, and for other purposes"; to the Committee on Merchant Marine and Fisheries.

925. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting a report on plans for works of improvement pertaining to the Frye Creek-Stockton Wash watershed, Arizona, Brule Creek watershed, South Dakota, and the Sulphur Creek (supplement) watershed, Texas, pursuant to the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1005), and delegated to the Director of the Bureau of the Budget by Executive Order No. 10654 of January 20, 1956; to the Committee on Public Works.

926. A letter from the Chairman, U.S. Atomic Energy Commission, transmitting a draft of proposed legislation entitled "A bill to amend the Atomic Energy Act of 1954, as amended"; to the Joint Committee on Atomic Energy.

927. A letter from the Chairman, U.S. Atomic Energy Commission, transmitting a draft of proposed legislation entitled "A bill to amend subsection (c) of section 4 of the Euratom Cooperation Act of 1958"; to the Joint Committee on Atomic Energy.

928. A letter from the Acting Secretary of State, transmitting a draft of proposed legislation entitled "A bill to authorize the acquisition of land for donation to the Pan American Health Organization as a headquarters site"; to the Committee on Public Works.

929. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated February 20, 1959, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of Moriches and Shinnecock Inlets, Long Island, N.Y., authorized by the River and Harbor Act, approved March 2, 1945 (H. Doc. No. 126); to the Committee on Public Works and ordered to be printed with three illustrations.

930. A communication from the President of the United States, transmitting amendments to the budget for the fiscal year 1960 involving an increase in the amount of $433,635 for the legislative branch (H. Doc. No. 127); to the Committee on Appropriations and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 6845. A bill to supplement the provisions of the act of August 12, 1955, and the act of August 28, 1958, in order to provide opportunity for Government employees to obtain career-conditional and career appointments in the competitive civil service in certain additional cases; to the Committee on Post Office and Civil Service.

By Mr. BARRY:

H.R. 6846. A bill to establish a Central Security Office to coordinate the administration of Federal personnel loyalty and security programs, to prescribe administrative procedure for the hearing and review of cases arising under such programs, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BENTLEY:

H.R. 6847. A bill to provide an income credit in the case of civil-service annuities received by nonresident alien individuals not engaged in trade or business within the United States; to the Committee on Ways and Means.

By Mr. BOLAND (by request):

H.R. 6848. A bill to amend the Internal Revenue Code of 1954 to provide that the full amount of any pension or annuity received under a public retirement system shall be excluded from gross income; to the Committee on Ways and Means.

By Mr. BOYKIN:

H.R. 6849. A bill to authorize benefits under laws administered by the Veterans' Administration when the service department having jurisdiction does not certify "not in line of duty"; to the Committee on Veterans' Affairs.

By Mr. CHENOWETH:

H.R. 6850. A bill to amend title III of the Servicemen's and Veterans' Survivor Benefits Act to provide for payment of the death gratuity in certain cases involving deaths after June 27, 1950, and before January 1, 1957; to the Committee on Armed Services.

H.R. 6851. A bill authorizing the establishment of a national historic site at Bent's Old Fort near La Junta, Colo.; to the Committee on Interior and Insular Affairs.

By Mr. CURTIS of Missouri:

H.R. 6852. A bill to amend the Federal Food, Drug, and Cosmetic Act to permit the temporary listing and certification of F.D. & C. Yellow Nos. 3 and 4 for coloring edible fat under tolerances found safe by the Secretary of Health, Education, and Welfare, so as to permit continuance of established coloring practices in the edible fat industries pending congressional enactment of general legislation for the listing and certification of food color additives under safe tolerances; to the Committee on Interstate and Foreign Commerce.

By Mr. DULSKI:

H.R. 6853. A bill to extend the coverage of military service under the old-age, survivors, and disability insurance system to include inactive duty training; to the Committee on Ways and Means.

By Mr. FOGARTY:

H.R. 6854. A bill to extend the application of the Classification Act of 1949 to certain positions in, and employees of, the executive branch of the Government; to the Committee on Post Office and Civil Service.

By Mr. FOLEY:

H.R. 6855. A bill to establish a Central Security Office to coordinate the administration of Federal personnel loyalty and security programs, to prescribe administrative procedure for the hearing and review of cases arising under such programs, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. GEORGE:

H.R. 6856. A bill to amend title II of the Social Security Act to provide that a widow under retirement age or a former wife divorced may continue to receive mother's insurance benefits even though none of the children of her deceased husband are any longer entitled to child's insurance benefits, if she is 50 years of age or over when the last such child ceases to be so entitled; to the Committee on Ways and Means.

H.R. 6857. A bill to amend title II of the Social Security Act to broaden and make more realistic the definitions of "disability" for purposes of entitlement to disability insurance benefits and the disability freeze; to the Committee on Ways and Means.

H.R. 6858. A bill to amend title II of the Social Security Act to provide that certain illegitimate children may be entitled to benefits thereunder notwithstanding provisions of State law which would otherwise prevent such entitlement, and for other purposes; to the Committee on Ways and Means.

H.R. 6859. A bill to amend title II of the Social Security Act to increase from $1,200 to $1,800 the amount of outside earnings permitted each year without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. HÉBERT:

H.R. 6860. A bill to amend section 5(B) (4) of the Federal Alcoholic Administration Act, title 27, United States Code, section 203(b)(4); to the Committee on Interstate and Foreign Commerce.

By Mr. HOEVEN:

H.R. 6861. A bill to provide for a specific contribution by State governments to the cost of feed or seed furnished to farmers, ranchers, or stockmen in disaster areas, and for other purposes; to the Committee on Agriculture.

By Mr. HOLLAND:

H.R. 6862. A bill to supplement the act of July 30, 1956, by providing in certain additional cases for the granting of the status of regular substitute in the postal field service; to the Committee on Post Office and Civil Service.

By Mr. KOWALSKI:

H.R. 6863. A bill to amend title II of the Social Security Act to provide that a fully insured individual may qualify for the disability "freeze" and for disability insurance benefits, in certain cases, with 10 quarters

of coverage; to the Committee on Ways and Means.

By Mr. McDOWELL:

H.R. 6864. A bill to provide for the representation of indigent defendants in criminal cases in the district courts of the United States; to the Committee on the Judiciary.

By Mr. METCALF:

H.R. 6865. A bill to further amend an act of September 27, 1944, relating to credit for military or naval service in connection with certain homestead entries; to the Committee on Interior and Insular Affairs.

H.R. 6866. A bill to amend the Social Security Act to provide that the Secretary of Health, Education, and Welfare shall, under certain circumstances, disclose the current addresses of husbands and parents who have deserted their families; to the Committee on Ways and Means.

By Mr. MOULDER:

H.R. 6867. A bill to permit the transmission as third- or fourth-class mail of medical prescriptions with written or printed instructions for the use thereof; to the Committee on Post Office and Civil Service.

H.R. 6868. A bill to amend the Communications Act of 1934, with respect to the hours of operation of certain broadcasting stations; to the Committee on Interstate and Foreign Commerce.

By Mr. NELSEN:

H.R. 6869. A bill to provide that the milk ordinance and code, 1953, recommendations of the Public Health Service, will be in effect in the District of Columbia; to the Committee on the District of Columbia.

By Mr. REES of Kansas:

H.R. 6870. A bill to provide for uniformity of application of certain postal requirements with respect to disclosure of the average numbers of copies of publications sold or distributed to paid subscribers, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. RHODES of Pennsylvania:

H.R. 6871. A bill to amend the Public Health Service Act to provide for a public health training program, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. COHELAN:

H.R. 6872. A bill to amend the Public Health Service Act to provide for a public health training program, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MOORHEAD:

H.R. 6873. A bill to amend the Public Health Service Act to provide for a public health training program, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS of Colorado:

H.R. 6874. A bill to repeal the tax on transportation of persons; to the Committee on Ways and Means.

By Mrs. ROGERS of Massachusetts (by request):

H.R. 6875. A bill to amend chapter 15 of title 38, United States Code, to provide for payment of a pension of $100 per month to World War I veterans who have attained the age of 60 years; to the Committee on Veterans' Affairs.

By Mr. THOMPSON of New Jersey:

H.R. 6876. A bill to amend the International Cultural Exchange and Trade Fair Participation Act of 1956 to authorize the President to provide for participation by foreign governments and citizens of other countries in artistic and cultural activities in the United States, and for other purposes; to the Committee on Foreign Affairs.

By Mr. TRIMBLE:

H.R. 6877. A bill to provide for the establishment of a U.S. Foreign Service Academy, and for other purposes; to the Committee on Foreign Affairs.

By Mr. UTT:

H.R. 6878. A bill to repeal the cabaret tax; to the Committee on Ways and Means.

By Mr. WILSON:

H.R. 6879. A bill to liberalize the tariff laws for works of art and other exhibition material, and for other purposes; to the Committee on Ways and Means.

By Mr. ZELENKO:

H.R. 6880. A bill to provide for the issuance of a national health research stamp for the support of the National Institutes of Health; to the Committee on Post Office and Civil Service.

By Mr. HARGIS:

H. J. Res. 359. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. MONTOYA:

H.J. Res. 360. Joint resolution to authorize participation by the United States in parliamentary conferences with Mexico; to the Committee on Foreign Affairs.

By Mr. ROBERTS:

H. J. Res. 361. Joint resolution to establish a National Institute for International Health and Medical Research, to provide for international cooperation in health research, research training, and research planning, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SIKES:

H.J. Res. 362. Joint resolution to provide for the acceleration of the various reforestation programs of the Department of Agriculture and the Department of Interior, and for other purposes; to the Committee on Agriculture.

By Mr. DOLLINGER:

H. Res. 257. Resolution to provide for the unity of Ireland; to the Committee on Foreign Affairs.

By Mr. WALTER:

H. Res. 258. Resolution authorizing the printing of additional copies of House Report No. 259, current session; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By Mr. FORAND: Memorial of the Rhode Island General Assembly memorializing Congress to work for the passage of a U.S. constitutional amendment denying any State an unfair process of taxation; to the Committee on the Judiciary.

Also, memorial of the Rhode Island General Assembly memorializing the Congress of the United States relative to providing free medical care to aged persons; to the Committee on Ways and Means.

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to atomic energy and radiation protection; to the Joint Committee on Atomic Energy.

Also, memorial of the Legislature of the State of Rhode Island, memorializing the President and the Congress of the United States relative to providing free medical care to aged persons; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of South Carolina memorializing the President and the Congress of the United States relative to the civil rights bills now under consideration before the subcommittees of the Senate and the House of Representatives of the Congress of the United States; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Alaska, memorializing the President and the Congress of the United States relative to urging that proper legislation be passed protecting the rights of homesteaders in the State of Alaska to the minerals on and in those homestead lands; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURNS of Hawaii:

H.R. 6881. A bill for the relief of Francisco P. Pascua; to the Committee on the Judiciary.

By Mr. COHELAN (by request):

H.R. 6882. A bill for the relief of Mrs. King-Ngu Wong; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 6883. A bill for the relief of Leong Lun Do; to the Committee on the Judiciary.

By Mr. KITCHIN:

H.R. 6884. A bill for the relief of Mrs. Barbara May Boswell; to the Committee on the Judiciary.

By Mr. McFALL:

H.R. 6885. A bill for the relief of Neal Anderson; to the Committee on the Judiciary.

By Mr. WALTER:

H.R. 6886. A bill for the relief of Liliana Caprara; to the Committee on the Judiciary.

By Mr. YATES:

H.R. 6887. A bill for the relief of Mieko Nishikawa Yoshida; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

172. By Mr. BENTLEY: Petition of the editors of Szavad Magyarsag, an American-Hungarian newspaper, published in the city of New York, concerning free elections in Hungary and other captive nations; to the Committee on Foreign Affairs.

173. By the SPEAKER: Petition of the secretary-treasurer, International Council of Sugar Workers and Allied Industries Unions, Delta, Colo., petitioning consideration of their resolution with reference to voicing approval of the Sugar Act of the United States, as amended in 1956, and calling for the extension of the act prior to its expiration on December 31, 1960; to the Committee on Agriculture.

174. Also, petition of the acting city clerk, city of Chelsea, Mass., with reference to supporting proposed legislation eliminating the telephone tax; to the Committee on Ways and Means.

175. Also, petition of the chairman, Todd County Taxpayers League, Inc., Mission, S. Dak., relative to true facts concerning the Indian affairs of the State of South Dakota; to the Committee on Interior and Insular Affairs.

176. Also, petition of Benjamin Torres and others, Central Mercedita, P.R., petitioning consideration of their resolution with reference to requesting favorable consideration of proposed legislation to be presented to Congress that would establish Puerto Rico as the 51st State in the Union, also authorizing a referendum; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

Congressional Control of TVA Maintained

EXTENSION OF REMARKS
OF

HON. JOE L. EVINS
OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1959

Mr. EVINS. Mr. Speaker, in view of the great interest in the effect that H.R. 3460, the TVA self-financing bill, might have on the control of the TVA by the Congress, I request unanimous consent to insert in the CONGRESSIONAL RECORD the following analyses of this legislation in regard to this matter.

Some time ago I requested the Board of Directors of the TVA to prepare an analysis on this point. Such an analysis was transmitted to me on April 16 in a letter signed by Mr. Arnold R. Jones on behalf of the TVA Board of Directors. I might recall to my colleagues that Mr. Jones was formerly an assistant director of the Budget Bureau, and I think we may safely presume that his concurrence with this analysis is evidence that it is an accurate and objective analysis.

Director Jones' letter and analysis follows:

TENNESSEE VALLEY AUTHORITY,
Knoxville, Tenn., April 16, 1959.

The Honorable JOE L. EVINS,
House Office Building,
Washington, D.C.

DEAR MR. EVINS: As requested in your letter of February 26, we are transmitting herewith a statement concerning the major points raised in the remarks of Representative BEN F. JENSEN, of Iowa, which were printed in the CONGRESSIONAL RECORD for February 24 at page 2913.

We hope that the facts set out in the statement will be of help to you.

Sincerely yours,

A. R. JONES,
Director.

CONGRESSIONAL CONTROL OF TVA UNDER THE REVENUE BOND FINANCING LEGISLATION

TVA is a creature of Congress, and subject at all times to legislation Congress may enact. Accordingly, Congress always has had control of TVA and would continue to have such control under the revenue bond financing legislation.

The purpose of H.R. 3460 and similar bills is to authorize TVA to finance the electric generating and transmission capacity required to meet the increasing demands on its system by issuing revenue bonds. These revenue bonds would be payable solely out of the power revenues received from TVA's consumers. Payment of the bonds would not be guaranteed by the United States. The proceeds of the bonds would, in effect, be considered as part of the corporate funds of TVA. Their proposed use by TVA would remain subject to the same continuing review by Congress as presently exists with regard to use of TVA's power earnings.

H.R. 3460 does not exempt TVA from any of the budgetary procedures normally applicable to Government corporations. These would still require TVA to submit to the President, and the President to present to the Congress, estimates of TVA's financial condition and operations for the current and ensuing fiscal years, together with the facts concerning TVA's actual financial condition and results of operations for the last complete fiscal year. The annual review of these budgets would bring to light any actions of TVA which might call for action by Congress.

H.R. 3460 contains additional safeguards against loss of congressional control over TVA. Under its provisions, TVA would be required to include a detailed statement of its revenue bond financing operations in each of its annual reports to the Congress. The General Accounting Office would continue to audit all of TVA's operations each year and to file annual reports of such audits with the Congress. TVA could not begin construction of any new power-producing project until Congress and the President were notified of its plans and 90 days of a single session of Congress elapsed without passage of a concurrent resolution disapproving the project. TVA would be authorized to issue bonds only up to a total of $750 million outstanding at any time. According to present estimates, TVA would have to have additional authorization within 5 years. This would present Congress with an opportunity for any review of TVA's past actions and future plans that might be desirable.

I should like also, Mr. Speaker, to insert herein the portion of the report of the Public Works Committee on H.R. 3460 which refers to congressional control:

PROVISIONS FOR CONGRESSIONAL REVIEW

Under H.R. 3460, TVA's bond financing operations will be subject to continuous congressional scrutiny. The bill provides no exemption from the budgetary procedures normally applicable to Government corporations. TVA's annual budgets will be submitted each year, and will include a report of TVA's anticipated use of bond proceeds just as its past budgets have always included reports of anticipated use of revenues.

The hearings on this and previous bond financing bills have revealed considerable misunderstanding of the budgetary procedures applicable to Government corporations under the Government Corporation Control Act. Under sections 102 and 103 of that act, each corporation is required to submit to the President, and the President transmits to Congress as part of the annual budget, a full report of the corporation's financial condition and the results of its operations for the last completed fiscal year. Estimates of its operations for the current and ensuing fiscal years are presented at the same time. In the case of a corporation whose statute permits it to issue bonds or utilize its revenues for specified purposes, the presentation includes its anticipated use of such bond proceeds or revenues. When its actual use of revenues or bond proceeds varies from the estimates so presented, the corporation must be prepared to furnish an explanation of the variations when it presents its estimates the following year.

The authority to issue bonds and use bond proceeds and revenues (as distinguished, in the case of most Government corporations, from use of funds for administrative expenses) is not granted by annual appropriation acts but by the corporation's basic statute. Section 104 of the Government Corporation Control Act, which provides for congressional review of the budget programs of Government corporations, expressly states that its provisions "shall not be construed as preventing Government corporations from carrying out and financing their activities as authorized by existing law, nor as affecting the provisions of section 26 of the Tennessee Valley Authority Act, as amended" [under which TVA is authorized to use its revenues for purposes connected with its power program]. Accordingly, restrictions on issuance of bonds or use of bond proceeds or revenues as authorized by a corporation's basic statute requires substantive legislation. The annual budget presentation and appropriation committee review, however, bring to the attention of Congress any actions of a corporation which may call for such substantive legislation.

TVA will also be subject to two additional reporting provisions which will keep Congress fully informed of TVA's actions and plans. One of these is a requirement, written into H.R. 3460, that TVA include a detailed statement of its operations under the bill in the annual report which it files with the Congress in December of each year. The other is the existing requirement, which will not be affected by the bill, that the General Accounting Office audit TVA's operations annually and file a report covering each such audit with the Congress.

In addition, the bill contains a special provision under which, except with the approval of the President during a national defense emergency, no bond proceeds or power revenues may be used to begin construction of a new power-producing project until Congress and the President are notified and 90 days of a single session of Congress have elapsed without the enactment of a concurrent resolution disapproving such construction.

Apart from these specific provisions, the committee is aware that the limitation in the bill on the maximum amount of bonds outstanding at any one time to $750 million will mean that TVA can finance under the bill only those new power facilities that will be required over the next 5 to 7 years. Before the end of this period, TVA will have to return to Congress with a request for new legislation increasing the amount of bonds which can be outstanding. This will furnish an occasion for an exhaustive review by Congress of the whole subject.

Some opponents of H.R. 3460 proposed amendatory provisions which would have limited TVA's use of bond proceeds and power revenues to the exact estimates contained in the annual budget submitted to Congress as modified in appropriation bills. Amendments such as this are often described as making TVA subject to the Government Corporation Control Act. In fact, they would have the contrary effect. With respect to TVA's use of its power revenues, such amendments would actually change the existing provisions of the Government Corporation Control Act as quoted above; and with respect to the use of bond proceeds, such an amendment would subject TVA to a far more inflexible procedure than the Government Corporation Control Act now makes applicable to other Government corporations authorized to issue bonds, even including those issuing bonds directly to the Treasury or bonds which are guaranteed by the United States.

Successful revenue bond financing will necessitate efficient management. To call on TVA to finance needed new capacity by this method, and at the same time deny it such essential management tools as the flexibility in the use of its revenues which it has had in the past, or the flexibility in the use of bond

proceeds which the discharge of its responsibilities will require and which other corporations have at the present time, would defeat the whole purpose of the bill.

In this connection also, I would like to call the attention of my colleagues to the remarks made by Mr. Charles J. McCarthy, general counsel of the TVA, during the hearings on this bill, as reported on pages 66, 67, 75, and 76 of the hearings:

This bill submits bond issues to the same type of budgetary controls as the revenues of the Tennessee Valley Authority, and the bond issues of other corporations.

If you will bear with me for a minute, I think it would be helpful if I take just a couple of minutes to discuss the Government Corporation Control Act.

That act was enacted back in 1945. At the time it was enacted there were some 40 different corporations. Some of them were incorporated under State law without any express authority from Congress. Congress was seeking some way to bring their operations under congressional scrutiny.

The Government Corporation Control Act recognized the fact that corporations had been created to do special jobs that required greater flexibility than was available under the procedures applicable to Government departments. It did not provide that the expenditures of Government corporations might be controlled by the appropriation process. It provided a special procedure for corporations. A corporation is obligated under section 101 of the Government Corporation Control Act to submit to the President its estimate of expenditures during the current and ensuing years. The President includes estimates in his budget which goes to the Congress. That budget is presented to the Appropriations Committee. But the Appropriations Committee does not have to include a provision in the bill authorizing the expenditure of corporate funds. Those funds can be spent in accordance with the basic authority of the corporation.

The corporation may exceed those estimates if necessary, explaining each year. There is a special provision as to the Tennessee Valley Authority that nothing in the control act shall affect the rights which the Tennessee Valley Authority has under section 26 of the TVA Act, which section authorizes it to use revenues.

In 1947 an attempt was made to amend the Government Corporations Control Act, so as to put the expenditures of corporate funds under the appropriation process. That proposal was defeated and instead a provision was adopted which authorizes inclusion in the Appropriations Act of limitations applicable to administrative expenses. The act says in the administrative and operating expenses but the legislative history makes clear that the term "operating" was not intended to make the requirement any broader than the normal administrative expenses of the corporation. So any corporation can use its funds to carry out its statutory programs without getting express authority, and an attempted limitation on that authority in an appropriation act is subject to a point of order.

I might add that the limitation as to administrative and operating expenses is not applicable to the Tennessee Valley Authority, because section 26 of the act expressly authorizes the use of revenues for those purposes.

Far from providing for getting out from under Budget control, this bill retains and preserves Budget control over bond proceeds, in the same way that Congress exercises that control over the programs of other corporations.

There are other provisions in this bill for congressional control. The Tennessee Valley Authority is required in its annual report filed in December of each year to advise Congress fully of the operation of this section. Its accounts are subject to audit by the General Accounting Office, which files a report each year with the Congress. In addition to that there is a $750 million ceiling which, as Mr. Wessenauer points out, will require that the Tennessee Valley Authority come back to Congress in a very short time for a review of its operations under this section.

There is a further provision that no new project can be undertaken until the Tennessee Valley Authority notifies Congress and 90 days have elapsed during a single session.

* * * * *

I would like to say just a word about this question of control again; to say that Congress is losing control over the Tennessee Valley Authority seems to me to be a very odd statement. Congress could not lose control over the Tennessee Valley Authority if it wanted to. The TVA is a creature of Congress. Congress can repeal the TVA Act tomorrow. It can amend the act, or do anything it wants to with it.

As indicative of the tightness of control, there is even a provision in the Tennessee Valley Authority Act which permits the Congress to remove the Directors by concurrent resolution.

The question is not—and I am perhaps getting into a philosophical discussion here rather than a legal one, but the question is not whether the Congress is going to lose control over the Tennessee Valley Authority; the question is how that control is going to be exercised—what control devices are appropriate to the relationship that we have here to the task which Congress has entrusted to the Tennessee Valley Authority?

When Congress passed the Tennessee Valley Authority Act it set up a corporation and gave it a certain degree of flexibility, because it recognized that the program that it wanted the TVA Board to carry out could not be carried out by one of the old-line Government departments. That flexibility was necessary.

It gave the Tennessee Valley Authority Board responsibilities, it gave it the tools that it needed to carry out those responsibilities.

Congress said to the Tennessee Valley Authority Board, We are going to keep an eye on you. We are going to keep you accountable, but we are going to give you a reasonable degree of flexibility and hold you accountable for the results.

The Tennessee Valley Authority is the sole source of power supply for an area of about 80,000 square miles. The utility business is a natural monopoly, as Wendell Willkie himself testified back in 1939 on the bill to authorize the Tennessee Valley Authority to issue bonds to buy the Tennessee Electric Power Co. properties.

The Tennessee Valley Authority has an obligation to produce the power that is necessary to serve the needs of its customers. Congress has told it to do that. The question now is, what controls do you need?

Well, the market itself is the basic control. There is no reason for the Tennessee Valley Authority to build any plants beyond those needed, but when there is a question of how many kilowatts of capacity should be installed, or where a plant should be located, that should not be a political question. That is an engineering and economic question. And the Tennessee Valley Authority Board has to make that decision on the basis of the studies made by its staff.

If you say to the Tennessee Valley Authority Board, finance capacity you need by issuing revenue bonds, but you have to come to Congress and get what amounts to an appropriation authorizing you to put in so many kilowatts before you can issue any bonds, you are taking that control over engineering and administration out of the TVA Board, and you are putting it in Congress. If that is where Congress wants it, that is one thing; but if Congress is going to exercise that type of control, then TVA cannot operate a power system.

So, Mr. Speaker, it is clear from the TVA Board, the General Counsel of the Authority, and the committee that ample congressional controls are incorporated in this legislation.

Gen. Milan Stefanik, a Slovak Hero

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, May 4, 1959

Mr. MULTER. Mr. Speaker, Europe, cradle of human liberty, has bred many champions of the rights of men and nations. Among these could be counted Gen. Milan Stefanik, the great Slovak hero, who saw his people achieve independence after the First World War and died in a tragic accident soon after.

Milan Stefanik was a brilliant young man who could have devoted himself happily and successfully to his great love, astronomy. In his early youth he had had to leave his native land, which was under foreign domination, and go to France in order to pursue the scientific studies which were his absorbing interest. After many trials and disappointments the young Slovak scientist at last gained recognition and by 1914 he was in fact regarded by continental learned societies as one of the brilliant young astronomers of Europe. But he could not smother love of his own land nor forget the shackles which bound his compatriots. When war came in 1914, Stefanik, 34 years old at the time and at the height of his career, abandoned it all to enter the French Air Force and fight for the victory of the Allies. Combined with his active service was work in organizing the Czechoslovak military forces in exile, who played an effective role in the war, and the Czechoslovak National Council from which the independent state of Czechoslovakia was to evolve. Victory brought with it its own sweet fruits of independence for his homeland and a position of national honor and service in his new country for the young war hero. In May 1919, an untimely accidental death cut short his fruitful and dedicated life.

We can hope that the Europe of our day will find other great souls like Stefanik's to lead and organize and fight in pursuit of the ideals of human liberty and democracy which he held dear. New times brings with them new problems. In Stefanik's day the problem was national independence for particular European groups. Today the problem is how to achieve a unified, independent, and democratic Europe. In such a Europe Stefanik's Czechoslovakia, free of its Communist masters, could have a worthy place.

We could find no better way of honoring the memory of Milan Stefanik than

in emulating his dedication and selflessness in advancement of the ideals of freedom which are yet so far from universal fulfillment.

The Fallacy of Blaming Inflation on Wage Increases

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Monday, May 4, 1959

Mr. PORTER. Mr. Speaker, everybody is against inflation. We know the great harm it does to helpless people. The problem is complex. Companies who can purchase full page ads ought, in my opinion, to show more responsibility about the kind of facts they peddle. The correspondence set out here below, under a previous consent, shows that the Warner & Swasey Co. has selected wages as the cause of price increases, omitting completely any consideration of profits, administered prices, and other factors far more in the control of the employer than wages are in the control of the employee.

The correspondence follows:

MARCH 11, 1959.

Dr. HUGH ELSBREE,
Director, Legislative Reference Service, Library of Congress, Washington, D.C.

DEAR DR. ELSBREE: Enclosed is an advertisement that appeared in the U.S. News & World Report for February 27. I think these figures are either wrong or misleading or both. Wages minus productivity doesn't equal a meaningful figure because there are two different bases, so how can they talk about the 2 percent difference?

I'd like to have one of your economists fill in the correct statistics and confirm or deny my feeling that this reasoning is highly fallacious.

Sincerely yours,

CHARLES O. PORTER,
Member of Congress.

EARN YOUR WAGE INCREASE OR YOU'LL LOSE IT

All the labor contracts in the world can't beat arithmetic—either you earn your wage increase by enough increased production to pay it, or lose it by rising prices that you help cause. Since the war, wages have gone up 5 percent per year. Productivity has gone up only 3 percent. Where else could the 2 percent difference come from except higher prices? And that is exactly what has happened—prices up an average of 2 percent per year.

Why not enjoy your wage increase? Demand modern machines, use them to increase efficiency of your production, and you'll be worth more without costing more. Everybody benefits—you most of all.

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, D.C., March 30, 1959.

To: The Honorable CHARLES O. PORTER.
From: Sar A. Levitan.
Subject: Attached Warner and Swasey Advertisement.

This is in response to your recent request for comment on the Warner & Swasey ad which appeared in the U.S. News & World Report, February 27, 1959.

The ad states in part:

"Since the war, wages have gone up 5 percent per year. Productivity has gone up only 3 percent. Where else could the 2 percent difference come from except higher prices? And that is exactly what has happened—prices up an average of 2 percent per year."

An analysis of each of the assertions follows:

1. "Since the war wages have gone up 5 percent.":

It is assumed that the statement refers to World War II. There are no data for average hourly earnings for all American industry dating back to 1945. The U.S. Department of Labor publishes gross hourly earnings for production workers in manufacturing and other industries.

According to the Bureau of Labor Statistics, gross average hourly earnings since World War II have more than doubled; consequently, the average hourly rate of manufacturing employees in current dollars has risen by more than the 5 percent claimed by Warner & Swasey.

The Bureau of Labor Statistics has published recently data for average hourly wages and salaries in nonagricultural employment going back to 1947. According to this series, the average hourly wages and salaries between 1947 and 1958 rose 73.3 percent. This would mean 6 percent a year, rather than the 5 percent claimed in the ad.

2. "Productivity has gone up only 3 percent."

Again, according to the U.S. Department of Labor real product per employee man-hour rose 29.2 percent between 1947 and 1958, or 2.5 percent per year.

3. "Prices up an average of 2 percent per year."

The Consumer Price Index rose between 1947 and 1958 a total of 28.2 percent, or about 2.4 percent per year. Between 1945 and 1958 the Consumer Price Index rose by 60.4 percent, or almost 5 percent a year.

It appears that whatever claim Warner & Swasey have as producers of precision machinery does not extend to the use of precise statistics. But while the data used in the ad may be questioned, there can be little disagreement with the conclusion that the source of increased real wages lies in rising productivity.

However, the implication left from the ad is that prices rise as a result of wage increases. Few economists would agree with this broad statement. Causes for price increases obviously are much more complicated. While wages are a major factor in costs—about two-thirds of total American income is paid in wages and salaries—one may still question the extent to which rise in prices brings about wage increases and the impact of rising wages upon prices.

This in a nutshell is, of course, the basic current debate about the causes of inflation. The Warner & Swasey ad disregards all other factors and leaves the impression that rising wages are the only cause of inflation.

APRIL 6, 1959.

WARNER & SWASEY,
Cleveland, Ohio.

GENTLEMEN: I refer you to your ad on page 1 of U.S. News & World Report for February 25, 1959. Your machinery may be precise but your statistics are not.

Of course, I agree with you that the source of increased real wages lies in rising productivity, but your cavalier use of percentages borders on the irresponsible. I assume this was unintentional and that you relied on your advertising agency. That is why I am taking the trouble to point out your errors.

Enclosed is a copy of an analysis I had prepared by the Legislative Reference Service of the Library of Congress. I would be glad to have your comments, especially an explanation as to how the persons who prepared that ad could be so far off base.

Sincerely,

CHARLES O. PORTER,
Member of Congress.

CLEVELAND, OHIO, *April 21, 1959.*

The Honorable CHARLES O. PORTER,
Congress of the United States,
House of Representatives,
Washington, D.C.

DEAR MR. PORTER: Thank you very much for writing to us about our advertisement, "Earn your wage increase or you'll lose it," and for having had an analysis prepared by the Reference Library.

With regard to the preciseness of our statistics, I'm afraid that I must raise the question as to what statistics on these subjects are precise? Frankly, we were not trying to be particularly precise, and I admit asking our copywriter to modify his figures to eliminate as many arguments as possible.

As your report shows, we can get statistics that will show much higher increase in gross average hourly earnings, and we can get statistics that will show that productivity has gone up less than we stated. We can also get statistics to show that prices have gone up more than we stated. We were trying to paint a picture, and we felt that the figures we quoted were shocking enough so that we did not need to use extreme figures.

Actually, I am not sure that I would be willing to accept any set of statistical figures on these subjects as being accurate; but I am perfectly willing to accept what I believe to be fact, and that is that if costs of production go up faster than increases in productivity, we are going to have higher prices, and if we have higher prices, increased wages are of little avail.

Admittedly, the entire picture is confused. On many items, present day prices are less in terms of hours worked by the average person; but in other cases, prices are higher in terms of hours worked by the average person. This, in my opinion, does not change our major premise, namely, that management, government, and labor should strive to continually increase the amount of goods produced, and that if wages increase faster than the increase in production per worker, prices will rise and wage increases will, in effect, be lost.

Yours very truly,

(Signed) WALTER K. BAILEY,
President.

P.S.—I spent a day in Portland last week. The weather was beautiful, and I admired everything out there. I regret to say that I had not been there in a good many years.

Kennedy-Ervin Bill

EXTENSION OF REMARKS
OF
HON. EDWARD P. BOLAND
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, May 4, 1959

Mr. BOLAND. Mr. Speaker, the Labor Committee in the House will be holding hearings this month on the Kennedy-Ervin bill which passed the Senate last Saturday by a near-unanimous vote. The Members of this body will then be called upon to vote on this vital piece of legislation.

HONEST WORKINGMEN AND CLEAN LABOR UNIONS STIGMATIZED

I am sure that all of my colleagues are well informed on abuses that have

been revealed during the last 2 years by the McClellan committee in the Senate. There is no question but that reform legislation is desirable and needed. Senator KENNEDY, of Massachusetts, a member of the McClellan committee and chairman of the Labor Subcommittee in the Senate, is to be commended for the hard work and long hours he has put in on the labor bill which has now come over to the House for consideration. Both he and the senior Senator from North Carolina, Mr. ERVIN, recognized the need for legislation in this session of Congress if we are going to move in the right direction to protect some 17 million honest workingmen in this country from the stigma that has been associated with labor unions because of some few crooked and unscrupulous labor bosses.

CORRECTIVE LAW NEEDED

Mr. Speaker, Columnist Walter Lippmann wrote about the need for enacting this labor bill in his Washington Post article last Thursday. Senator WAYNE MORSE, of Oregon, had the Lippmann article inserted in the RECORD on that day. I would suggest that my colleagues read the column.

Increased Medical Research

EXTENSION OF REMARKS
OF
HON. HERBERT ZELENKO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, May 4, 1959

Mr. ZELENKO. Mr. Speaker, I have today introduced a bill to provide funds for increased medical research by the National Institutes of Health, without adding to the Federal Budget or increasing the Federal deficit.

The bill will authorize the Postmaster General to issue a specially designed stamp of 4-cent denomination that would be sold to the public at a price of 6 cents. Purchase and use of this stamp would be strictly voluntary.

Two cents of each sale would be segregated by the Postmaster General as trustee of a national health research fund and turned over to the Secretary of Health, Education, and Welfare for use, as a gift from the American public, for additional research in cancer, mental health, heart disease, arthritis, and other of the medical research needs of the National Institutes of Health.

This bill would make it possible for over 170 million Americans to contribute directly and substantially toward medical research and to add their gifts to the funds now being spent by governmental and private agencies. At a trifling cost, the purchasers of these stamps, which will be usable as the equivalent of all U.S. postage stamps of equal denomination, would each add his or her might to the intensive efforts now being made by American scientists, doctors, and researchers, and have an important individual part in the medical discoveries that will result from this public fund. This mass contribution should amount to about $10 million a year.

Everyone receiving a letter bearing this distinctively designed stamp would know that the sender is playing a vital role in a total national effort for the improved health and well-being of all humanity.

This legislation was suggested to me by Mr. Paul Taubman, of New York, eminent composer and owner of the famous Steinway stamp collection.

By means of this law many millions of persons who do not earn enough to make substantial contributions toward worthy health projects can thus, in their small monetary but great charitable attitudes, render assistance toward medical research. I urge the passage of this legislation.

Rhode Island Independence Day

EXTENSION OF REMARKS
OF
HON. AIME J. FORAND
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
Monday, May 4, 1959

Mr. FORAND. Mr. Speaker, May 4 is a glorious day in the history of Rhode Island. One hundred and eighty-three years ago, on May 4, 1776, Rhode Island became the pioneer State to declare its independence of monarchial rule. The formal severance took the form of the repeal of "an act for the more effectual securing to His Majesty the allegiance of his subject in this, his colony, and dominion of Rhode Island and Providence Plantations." Under this act the general assembly struck the king's name from all commissions, writs, process, and other legal proceedings, substituting the following phrase: "The Governor and Company of the English Colony of Rhode Island and Providence Plantations."

This declaration of independence, characteristic of Rhode Island's individuality and courage, must have been an inspiration to the more cautious and hesitating colonies and an incentive to the Continental Congress in its declaration for all the Colonies on the memorable Fourth of July. The heroic men who struck that courageous blow for civil and political liberty, struck not for themselves alone nor for us, but for humanity. Today, when a tyranny more sinister than that which they knew is pressing everywhere against the frontiers of the free world, their act should be an inspiration to all of us.

That act, by which Rhode Island stood forth the first free and independent commonwealth on the American Continent, was in keeping with a long standing tradition of freedom in the colony and the State. Rhode Island's first great contribution to the cause of liberty was in its founding. The independence of Rhode Island began, in fact, when Roger Williams first set foot on that free soil. He initiated the lively experiment of founding a most flourishing state in civil things alone with a full liberty in religious concernments. When in 1656 other colonies urged sanguinary edicts against the Quakers and threatened to sever all commercial intercourse unless Rhode Island joined in the persecution, this was their answer:

> We shall strictly adhere to the foundation principles on which this colony was settled, to wit: that every man who submits peaceably to civil government in this colony shall worship God according to the dictates of his own conscience, without molestation.

In his gift to the world of the doctrine of religious liberty, Roger Williams stands among the few preeminent benefactors of mankind.

Another field in which Rhode Island took the initiative was the opposition to British taxation acts. In the agitation over the Sugar and Stamp Acts, Rhode Island was conspicuously aggressive. In 1733 Richard Partridge, the colony's agent in London, wrote Governor Wanton a letter in which he said:

> The levying a subsidy upon a free people without their knowledge, against their consent—a people who have no representatives in the state here * * * is, I understand, a violation of the right of the subject.

Partridge presented a petition to Parliament for the colony, for the first time putting forth the doctrine which forbids taxation without representation, a doctrine which became the bugle call of American independence.

When war began, Rhode Island was not wanting in initiative. The day following the Battle of Lexington found 1,000 men on the march from Providence to Boston, but they were stopped by dispatchers from Lexington. Rhode Island troops were not only among the first to respond but they were apparently the best prepared. Washington Irving in his "Life of Washington" wrote:

> One of the encampments, however, was in striking contrast with the rest, and might vie with the British for order and exactness. Here were tents and marquees pitched in the English style; soldiers well drilled and well equipped; everything had an air of discipline and subordination. It was the body of Rhode Island troops, which had been raised, drilled, and brought to the camp by Brigadier General Greene of that Province.

In days of prosperity and luxury patriotic sentiment may lose its keen edge. Let us strive to keep alive our historic past. The knowledge that the light of religious liberty dawned in Rhode Island and that the principles of free democracy there reached, at an early date, a high state of development, must ever be a proud heritage to every citizen of our State.

Rural Development Workshop

EXTENSION OF REMARKS
OF
HON. CLEVELAND M. BAILEY
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 4, 1959

Mr. BAILEY. Mr. Speaker, at this time, I wish to call attention to an important national meeting that will be held at the Jackson's Mill State 4-H

Camp in my district, May 11 to 15. During that week, State and county leaders in the national rural development program will come together in workshop sessions to evaluate the program and discuss improved methods of moving forward with county, area, and State projects. Thirty States participating in the rural development program will be represented at the meeting, as will the cooperating Federal agencies.

According to present plans, leaders from the States will compare experiences and develop methods and procedures for further implementing and improving the program. State delegations, upon their return to their respective States, will provide similar training to their county workers. In other words, this will be a "how to do it" type of workshop.

Among other objectives will be a review of experiences to date in the various States; identification of the most common problems and the most productive procedures for conducting rural development work in the States and counties.

It will be a work conference in the strictest sense, with a minimum of formal presentations. The talks or presentations will be in the areas where the people from the States have signified a need for help.

The Jackson's Mill workshop on rural development marks an important milestone in the progress of this national program. Out of the 5-day conference should come a clearer understanding of what can be done within the framework of present programs to promote the economic development of the Nation's rural areas, small towns, and rural communities.

The workshop should act as a seedbed of ideas, generating many new and more effective development efforts in rural areas throughout the Nation. My district is honored to be selected as the site of this important meeting.

A Bill To Provide Additional Means of Securing and Protecting the Civil Rights of Persons Within the Jurisdiction of the United States

EXTENSION OF REMARKS
OF
HON. LESTER HOLTZMAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, May 4, 1959

Mr. HOLTZMAN. Mr. Speaker, I am this week introducing in the House of Representatives a bill which will amend the Civil Rights Act of 1957, by including therein some of the provisions which had been proposed in my previous bill in the 85th Congress, specifically the antilynching provision.

The legislation introduced at that time contained the 4-point program of the President, and, in addition, four other provisions, among them the strengthening of basic civil rights statutes by increasing punishment where death or maiming result from violation of these statutes.

During the hearings several years ago, some of our colleagues had suggested that there be a moratorium on a strong antilynching provision. Unfortunately, such a provision was not included in the bill as finally enacted, and recent happenings in Mississippi prove that now is not the time for a moratorium.

The entire country, and indeed the entire world, was horrified by the tragic demonstration of mob violence in Poplarville, Miss., and I am sure that the many justified protests against such a brutal and heinous crime are echoed by men and women of good conscience throughout the country.

We cannot assure that legislation of this nature will prevent the recurrence of such ruthless acts, but, as in the case of the Federal laws against kidnaping, the statute called for would certainly serve as a deterrent to those who would commit these atrocities.

Our Constitution is one of the greatest documents in the history of the world, and guarantees the protection of his life, property, and civil rights to each and every citizen, regardless of his race, creed, color or national origin. It is morally right that freedom apply equally to all Americans, and if we are to continue to preach democracy, freedom and equality to the rest of the world, we must practice what we preach. When our own house is swept and clean, then and only then will these goals have true meaning.

It is most important that we prove to the world, particularly to those nations behind the Iron Curtain, and those on the brink, that the United States is a land where freedom and individual rights are respected and protected by the highest standards of justice. We cannot and must not countenance defiance of what is legally and morally right. We have a wonderful and enviable heritage to maintain, and it is up to us in the Congress to fulfill our responsibilities of leadership and to enact strong laws which will guarantee these basic rights, and wipe out the shame and disgrace all decent Americans experience when these acts of violence are perpetrated against our fellow citizens.

In the light of recent developments, I cannot overemphasize the importance of strengthening our Civil Rights Act, and I urge my colleagues to join with me in this move to restore our national pride.

The text of the bill follows:

A BILL TO PROVIDE ADDITIONAL MEANS OF SECURING AND PROTECTING THE CIVIL RIGHTS OF PERSONS WITHIN THE JURISDICTION OF THE UNITED STATES

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congress hereby finds that, despite the continuing progress of our Nation with respect to protection of the rights of individuals, the civil rights of some persons within the jurisdiction of the United States are being denied, abridged, or threatened, and that such infringements upon the American principle of freedom and equality endanger our form of government and are destructive of the basic doctrine of the integrity and dignity of the individual upon which this Nation was founded and which distinguishes it from the totalitarian nations. The Congress recognizes that it is essential to the national security and the general welfare that this gap between principle and practice be closed; and that more adequate protection of the civil rights of individuals must be provided to preserve our American heritage, halt the undermining of our constitutional guarantees, and prevent serious damage to our moral, social, economic, and political life, and to our international relations.

(b) The Congress, therefore, declares that it is its purpose to strengthen and secure the civil rights of the people of the United States under the Constitution, and that it is the national policy to protect the right of the individual to be free from discrimination based upon race, color, religion, or national origin.

(c) The Congress further declares that the succeeding provisions of this Act are necessary for the following purposes:

(1) To insure the more complete and full enjoyment by all persons of the rights, privileges, and immunities secured and protected by the Constitution of the United States, and to enforce the provisions of the Constitution.

(2) To safeguard to the several States of the United States a republican form of government from the lawless conduct of persons threatening to destroy the several systems of public criminal justice and frustrate the functioning thereof through duly constituted officials.

(3) To promote universal respect for, and observance of, human rights and fundamental freedoms for all, without distinction as to race or religion, in accordance with the undertaking of the United States under the United Nations Charter, and to further the national policy in that regard by securing to all persons under the jurisdiction of the United States effective recognition of certain of the rights and freedoms proclaimed by the General Assembly of the United Nations in the Universal Declaration of Human Rights.

(d) To the end that these policies may be effectively carried out by a positive program of Federal action the provisions of this Act are enacted.

SEC. 2. The Civil Rights Act of 1957 is amended by adding at the end thereof the following:

"PART VI—CREATION OF A JOINT CONGRESSIONAL COMMITTEE ON CIVIL RIGHTS

"SEC. 171. There is established a Joint Committee on Civil Rights (hereinafter called the 'Joint Committee'), to be composed of seven Members of the Senate, to be appointed by the President of the Senate, and seven Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives. The party representation on the joint committee shall as nearly as may be feasible reflect the relative membership of the majority and minority parties in the Senate and House of Representatives.

"SEC. 172. It shall be the function of the Joint Committee to make a continuing study of matters relating to civil rights, including the rights, privileges, and immunities secured and protected by the Constitution and laws of the United States; to study means of improving respect for and enforcement of civil rights; and to advise with the several committees of the Congress dealing with legislation relating to civil rights.

"SEC. 173. Vacancies in the membership of the Joint Committee shall not affect the power of the remaining members to execute the functions of the Joint Committee and shall be filled in the same manner as in the case of the original selection. The Joint Committee shall select a chairman and a vice chairman from among its members.

"SEC. 174. The Joint Committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act

at such places and times, to require, by subpena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony as it deems advisable. The provisions of sections 102 to 104, inclusive, of the Revised Statutes, as amended (2 U.S.C. 192, 193, 194), shall apply in case of any failure of any witness to comply with a subpena or to testify when summoned under authority of this section. Within the limitations of its appropriations, the Joint Committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistance, to procure such printing and binding, and to make such expenditures as, in its discretion, it deems necessary and advisable.

"SEC. 175. Funds appropriated to the Joint Committee shall be disbursed by the Secretary of the Senate on vouchers signed by the chairman and vice chairman.

"SEC. 176. The Joint Committee may constitute such advisory committees and may consult with such representatives of State and local governments and private organizations as it deems advisable.

"PART VII—PROHIBITION AGAINST DISCRIMINATION OR SEGREGATION IN INTERSTATE TRANSPORTATION

"SEC. 181. (a) All persons traveling within the jurisdiction of the United States shall be entitled to the full and equal enjoyment of the accommodations, advantages, and privileges of any public conveyance operated by a common carrier engaged in interstate or foreign commerce, and all the facilities furnished or connected therewith, subject only to conditions and limitations applicable alike to all persons, without discrimination or segregation based on race, color, religion, or national origin.

"(b) Whoever, whether acting in a private, public, or official capacity, denies or attempts to deny to any person traveling within the jurisdiction of the United States the full and equal enjoyment of any accommodation, advantage, or privilege of a public conveyance operated by a common carrier engaged in interstate or foreign commerce, except for reasons applicable alike to all persons of every race, color, religion, or national origin, or whoever incites or otherwise participates in such denial or attempt, shall be guilty of a misdemeanor and shall, upon conviction, be subject to a fine of not to exceed $1,000 for each offense, and shall also be subject to suit by the injured person or by his estate, in an action at law, suit in equity, or other proper proceeding for damages or preventive or declaratory or other relief. Such suit or proceeding may be brought in any district court of the United States as constituted by chapter 5 of title 28, United States Code (28 U.S.C. 81 et seq.), or the United States court of any Territory or other place subject to the jurisdiction of the United States, without regard to the sum or value of the matter in controversy, or in any State or Territorial court of competent jurisdiction.

"SEC. 182. It shall be unlawful for any common carrier engaged in interstate or foreign commerce, or any officer, agent, or employee thereof, to segregate, or attempt to segregate, or otherwise discriminate against passengers using any public conveyance or facility of such carrier engaged in interstate or foreign commerce, on account of the race, color, religion, or national origin of such passengers. Any such carrier or officer, agent, or employee thereof who segregates or attempts to segregate such passengers or otherwise discriminate against them on account of race, color, religion, or national origin shall be guilty of a misdemeanor and shall, upon conviction, be subject to a fine of not to exceed $1,000 for each offense, and shall also be subject to suit by the injured person in an action at law, suit in equity, or other proper proceeding for damages or preventive or declaratory of other relief. Such suit or proceeding may be brought in any district court of the United States as constituted by chapter 5 of title 28, United States Code (28 U.S.C. 81 et seq.), or the United State court of any Territory or other place subject to the jurisdiction of the United States, without regard to the sum or value of the matter in controversy, or in any State or Territorial court of competent jurisdiction."

SEC. 3. (a) Sections 241 and 242 of title 18, United States Code, are amended to read as follows:

"SEC. 241. Conspiracy against civil rights; interference with such rights

"(a) If two or more persons conspire to injure, oppress, threaten, or intimidate any inhabitant of any State, Territory, or District in the free exercise or enjoyment of any right or privilege secured to him by the Constitution or laws of the United States, or because of his having so exercised the same; or

"If two or more persons go in disguise on the highway, or on the premises of another, with intent to prevent or hinder his free exercise or enjoyment of any right or privilege so secured, they shall be fined not more than $5,000 or imprisoned not more than ten years, or both.

"(b) If any person injures, oppresses, threatens, or intimidates any inhabitant of any State, Territory, or District in the free exercise or enjoyment of any right or privilege secured to him by the Constitution or laws of the United States, or because of his having so exercised the same; or

"If any person goes in disguise on the highway, or on the premises of another, with intent to prevent or hinder his free exercise or enjoyment of any right or privilege so secured, such person shall be fined not more than $1,000 or imprisoned not more than one year, or both; or shall be fined not more than $10,000 or imprisoned not more than twenty years, or both, if the injury or other wrongful conduct herein shall cause the death or maiming of the person so injured or wronged.

"(c) Any person or persons violating the provisions of subsections (a) and (b) of this section shall be subject to suit by the party injured, or by his estate, in an action at law, suit in equity, or other proper proceeding for damages or preventive or declaratory or other relief. The district courts, concurrently with State and Territorial courts, shall have jurisdiction of all proceedings under this subsection without regard to the sum or value of the matter in controversy. The term 'district courts' includes any district court of the United States as constituted by chapter 5 of title 28, United States Code (28 U.S.C. 81 et seq.), and the United States court of any Territory or other place subject to the jurisdiction of the United States.

"§ 242. Deprivation of rights under color of law

"Whoever, under color of any law, statute, ordinance, regulation, or custom, willfully subjects, or causes to be subjected, any inhabitant of any State, Territory, or District to the deprivation of any rights, privileges, or immunities secured or protected by the Constitution and laws of the United States, or to different punishments, pains, or penalties, on account of such inhabitant being an alien, or by reason of his color or race, than are prescribed for the punishment of citizens, shall be fined not more than $1,000 or imprisoned not more than 1 year, or both; or shall be fined not more than $10,000 or imprisoned not more than 20 years, or both, if the deprivation, different punishment, or other wrongful conduct herein shall cause the death or maiming of the person so injured or wronged."

(b) Chapter 13 of title 18, United States Code, is amended by adding after section 242 thereof the following new section:

"§ 242A. Enumeration of certain civil rights

"The rights, privileges, and immunities referred to in section 242 of this title shall be deemed to include, but shall not be limited to, the following:

"(1) The right to be immune from exactions of fines, or deprivations of property, without due process of law.

"(2) The right to be immune from punishment for crime or alleged criminal offenses except after a fair trial and upon conviction and sentence pursuant to due process of law.

"(3) The right to be immune from physical violence applied to exact testimony or to compel confession of crime or alleged offenses.

"(4) The right to be free of illegal restraint of the person.

"(5) The right to protection of person and property without discrimination by reason of race, color, religion, or national origin.

"(6) The right to vote as protected by Federal law."

(c) The analysis of chapter 13 of title 18, United States Code, immediately preceding section 241, is amended as follows:

(1) Strike out—

"241. Conspiracy against rights of citizens."

and insert the following—

"241. Conspiracy against civil rights; interference with such rights."

(2) Immediately after—

"242. Deprivation of rights under color of law."

insert the following—

"242A. Enumeration of certain civil rights."

SEC. 4. Section 1980 of the Revised Statutes (42 U.S.C. 1985) is amended by adding at the end thereof the following new paragraph:

"Fourth. The several district courts of the United States are invested with jurisdiction to prevent and restrain acts or practices which would give rise to a cause of action pursuant to the first, second, and third paragraphs of this section, and it shall be the duty of the Attorney General to institute proceedings to prevent and restraint such acts or practices."

Passage of TVA Self-Financing Bill Vital in the Public Interest

EXTENSION OF REMARKS

OF

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1959

Mr. EVINS. Mr. Speaker, in connection with our consideration of H.R. 3460 which is expected to reach the floor this week, I am sure that many Members of this body would welcome a review of the need for this legislation and a brief legislative history; therefore, under unanimous consent, I am inserting it in the RECORD.

The purpose of this bill is to relieve the Federal Government of financing additions to the TVA's power system by appropriations. Instead, it will permit the TVA to sell revenue bonds for building additional generating capacity.

The general provisions of this legislation are summarized in the report of

the Committee on Public Works on this legislation, and I quote:

PURPOSE OF BILL

H.R. 3460 would authorize the Tennessee Valley Authority to finance needed additions to its power system by the issuance of revenue bonds in the maximum amount of $750 million outstanding at any one time. The bonds will be secured solely by the revenues of the TVA power system. They will be neither obligations of, nor guaranteed by, the United States.

The bill contains provisions essential for effective use of the bond financing authority. It permits TVA to fix the terms and conditions of the bonds and to enter into appropriate covenants with bondholders and trustees. It requires TVA to charge rates sufficient to operate the system, service the bonds, and meet obligations specified in the bill with respect to the appropriation investment in its power system. Under the bill, these obligations will include (1) payment to the Treasury of an annual cash return to be calculated by applying to the appropriation investment the average interest rate payable by the Treasury on its total marketable public obligations as of the beginning of the fiscal year, and (2) an annual payment of $10 million in reduction of the appropriation investment itself.

The bill does not change the basic provisions of the TVA Act governing the manner in which the TVA Board of Directors shall perform its statutory duties. Under the bill, the Board will continue to have sufficient flexibility to enable it to discharge its responsibilities efficiently and to enable Congress to hold it fully accountable for results. The bill does include a number of special requirements to insure that Congress will be kept fully informed of the use being made of the bond issuing authority. It also contains a provision limiting the area within which TVA power may be sold.

I know there are those who want no bill at all on this general subject. I know that there are those who feel that, if we are to have any legislation on this subject, it should be the most restrictive and most repressive possible legislation that this Congress could enact into law.

There are others who regard this bill as the most vital and important piece of legislation that this Congress will consider. It is most important to many of us because what we do here this week will affect the lives of the people of a great section of our country—an area of 80,000 square miles, comprising parts of seven States, for the TVA service area embraces parts of seven States and has a population of 6 million people.

Today, more than 150 municipally owned power systems and REA cooperative distribution systems in this area have an investment of $781 million, including the great steam plant being constructed by the city of Memphis, Tenn., which is now nearing completion and will go into service in a few months.

There are more than 1½ million power customers in the TVA area who, last year, purchased 19,000,900,000 kilowatt-hours of electricity. The TVA is the sole source of power for these 150 distributing systems with their 1½ million power consumers.

Therefore, I repeat, what we do here this week vitally affects the 6 million people of this great section of our country and these 6 million people are necessarily interested and concerned in this legislation and what we do about it. Our people need this legislation to finance their future power needs because as we all know the TVA has been denied any appropriations for necessary additions to its power capacities for the past 6 years. We are all aware of the continuing repressive actions and climate toward the TVA which has existed during those years. We know that no appropriations at all have been made for TVA's power needs in the past several years.

During these last few years, TVA has been using portions of the profits from power sales to make some needed additions to its power system. But, we all know that no utility can possibly keep up with the demand for power in its area if it is limited to using only the revenue from its own power operations. The additional capacity the TVA has built and is building with its power revenue will not be enough to meet the growing demand for TVA power inside its present service area. Its margin of capacity over the demand is getting narrower and narrower. Unless it is able to find other funds, this great area of our country is certain to suffer a power shortage in 2 or 3 years.

What we will consider this week is an alternative method of financing—self-financing by the TVA and by the people of the area. A good portion of the bonds that will be authorized by this legislation will be sold to the people of the TVA area—and I assure you that they will buy them. They will be gilt-edge bonds which will be paid off by the TVA from the power sales to the people of the TVA area.

Surely, at this time, when we are so concerned with the need for reducing appropriations, the Congress will permit the people of our area to finance their own progress through enactment of this self-financing legislation. The bonds are taxable. They are not tax exempt bonds and they will thus produce revenue for the Government and yet the bonds will not be obligations of the Government and will not increase the national debt.

In short, this bill will permit the self-financing of the TVA—it will permit a great agency of our Government to meet its needs and obligations—and the local people who purchase the TVA power will not only pay the entire eventual cost, but they will purchase a large proportion of the bonds when they are issued and thus themselves finance the cost of the power they need.

Mr. Speaker, in our discussions on the TVA—a subject on which almost everyone has a most pronounced point of view—I sometimes think that we become so concerned with "fear" that one region of our great common country may make progress at the expense of another area, that we lose sight of the great contributions to the welfare of the entire Nation that the TVA has made and continues to make.

I am continually surprised to discover that many do not realize that well over 50 percent of the power produced—52 percent at this time—by the TVA goes to meet national defense needs in Federal establishments—in other words to the Federal Government itself. Among the great Federal agencies which obtained great blocks of power from the TVA are the Atomic Energy Commission plants at Oak Ridge and Paducah, Ky.; the great Arnold Engineering Development Center with its jet windtunnel testing facility at Tullahoma, Tenn. in the district which I have the honor to represent. There is also the great Redstone Arsenal at Huntsville, Ala., where Dr. von Braun and other brilliant scientists are developing, improving, and perfecting the Thor, the Jupiter and our overall rocket and missile potentials and capabilities.

The savings in the cost of power to the Government as a result of the above direct service to Federal agencies are in themselves enormous. For several years now, the Federal Government has used more than 30 billion kilowatt-hours of TVA power annually. A saving of just 1 mill per kilowatt will represent a saving of $30 million a year but this is not the entire saving. As we know, the private utility industry has constructed two large powerplants that also serve the Atomic Energy Commission—EEI in southern Illinois and OVEC in Portsmouth, Ohio. The contracts under which this power is delivered were designed in such a way so as to come as close as possible to the TVA rate and in fact they are almost identical. In other words, these plants were built to meet the challenge of the TVA rates. Now these plants supply AEC with about 20 billion kilowatt-hours annually. And here a difference of only 1 mill per kilowatt would make a difference of $20 million a year in the cost of this power. Of course, nobody can tell what the AEC would have had to pay for power if the TVA had not existed, but in any event it is not at all likely that it would have been able to buy power as cheaply as it now does. So that the savings to the Federal Government in the cost of the power it uses itself, in its own defense establishments, are enormous—I would venture to guess in the area of $150 million a year.

There are many other ways in which the TVA has benefited the whole Nation. I think it is beyond argument that by providing a yardstick of power costs it has held down the cost of electric power throughout the country. It is notable that although we have suffered inflation costs in almost every other field, the cost of power throughout the United States has risen very little.

The TVA has also helped to develop more efficient means of generating electric power. The giant steamplants which it has been constructing have served as guinea pigs in engineering new and better steam generators which have been installed not only in the TVA area but through private utilities throughout the country.

In addition, the TVA has also helped the national economy in the purchases by TVA—and the 150 TVA power distributors—of materials and equipment. Over the past 12 years alone the TVA has bought $1,700 million worth of equipment and about $1 billion of that was purchased from States outside the TVA area.

Mr. Speaker, I should like to insert in the RECORD at this point a list of TVA procurement sources showing the amounts of purchases made in the various States of the United States last year and for the entire 25-year period that the TVA has been in existence. This table shows clearly that some portion of the funds expended by the TVA has gone to every State in the Union and that, indeed, most of the TVA money has been spent outside the TVA area:

TVA procurement sources

	1958	Total (1934-58)
Alabama	$4,085,918	$136,282,777
Georgia	1,080,134	31,255,106
Kentucky	42,470,818	221,187,036
Mississippi	231,017	9,452,169
North Carolina	245,815	14,524,458
Tennessee	40,253,475	486,824,250
Virginia	5,937,621	29,481,906
Total Valley States	94,304,798	929,007,702
Arizona	13,143	142,940
Arkansas	11,932	1,240,729
California	826,645	12,030,849
Colorado	22,730	1,197,154
Connecticut	369,385	8,384,414
Delaware	5,738	19,287,650
District of Columbia	71,234	2,574,982
Florida	164,716	8,472,350
Idaho		2,302,188
Illinois	13,027,423	149,059,385
Indiana	3,978,114	28,664,361
Iowa	79,542	1,760,898
Kansas	35,449	639,819
Louisiana	963,677	12,103,501
Maine	15,514	620,277
Maryland	892,084	7,564,450
Massachusetts	1,830,759	42,347,587
Michigan	1,365,356	22,339,208
Minnesota	71,615	8,482,668
Missouri	1,917,398	30,074,369
Montana	259	166,084
Nebraska	8,405	514,269
Nevada	187	139,108
New Hampshire	83,908	1,805,847
New Jersey	1,631,610	45,926,147
New Mexico	3,688	59,219
New York	20,822,877	189,965,956
North Dakota		54,009
Ohio	4,364,384	137,947,812
Oklahoma	1,203,828	5,606,991
Oregon	133,485	1,805,890
Pennsylvania	8,378,664	348,918,170
Rhode Island	226,072	2,526,362
South Carolina	43,971	1,935,643
South Dakota		708,660
Texas	820,065	8,172,520
Utah	786	2,882,587
Vermont	8,873	211,289
Washington	11,043	1,383,254
West Virginia	70,389	4,774,292
Wisconsin	1,346,649	64,094,053
Wyoming		29,113
Total other States	64,821,597	1,178,917,054
Foreign	422,763	5,676,659
Total	159,549,158	2,113,601,415

Furthermore, the TVA has stimulated the national economy by creating a great market for new electric appliances. In the TVA area, the purchases of electric appliances are running at the rate of a quarter of a billion dollars a year and since the war two and a half billion dollars worth have been purchased. I can assure you that somewhere around 99 percent of those appliances came from outside the Tennessee Valley.

In view of the above, it is apparent that this legislation is not only vitally necessary to the TVA area, but that its passage will benefit the Nation as a whole.

BILL REPRESENTS REASONABLE COMPROMISE

I want to point out and to emphasize that this bill, H.R. 3460, represents a reasonable compromise of many views after long and detailed consideration and deliberation. The issues of this bill have been debated both in the Congress and outside of Congress for more than 5 years.

No fewer than five sets of hearings have been held in the House and in the Senate on this legislation in the 84th, 85th, and the present Congress. The Senate passed a compromise version in the last session. But, the House in its crowded schedule did not get an opportunity to act on this matter, notwithstanding the excessive hearings and a favorable report on the bill.

Thus, the bill as it has reached us here has had just about all the sharp edges knocked off it and all the most controversial issues have been modified and compromised.

PRESIDENT RECOMMENDS BILL IN BUDGET MESSAGES

I might point out too that this legislation was proposed by President Eisenhower in his budget message of January 17, 1955—and I quote:

The Tennessee Valley Authority is giving immediate attention to the possibilities of financing further expansion of its power system by means other than Federal appropriations. The Authority has been requested to complete its studies in time to permit consideration by the Congress in this session of any legislation that may be necessary.

The requested legislation was submitted to the Congress later in 1955 and hearings were held on it in that year. On January 16, 1956, in the budget for the fiscal year 1957, we find this:

There is pending before the Congress legislation which the administration has proposed for financing steam-power facilities of the TVA through the sale of revenue bonds.

On January 16, 1957, in the budget for the fiscal year 1958 we find the following:

Legislation is recommended to authorize the TVA, subject to regular budgetary review, to finance new generating facilities by the sale of revenue bonds.

In his budget message of January 13, 1958, the President said—and I quote:

In accordance with my earlier recommendations, both Houses of the Congress have had under consideration legislation which would authorize the sale of revenue bonds by the Tennessee Valley Authority. I hope that action on appropriate legislation will be speedily concluded.

In the budget for this year, we find the following:

Proposed legislation will again be recommended to the Congress, its purpose being to permit the issuance of revenue bonds as an additional means of financing needed power facilities.

So Mr. Speaker, the President advanced this idea for this legislation in the first place and he has repeatedly called for passage of this legislation in his various messages to the Congress.

The members of the present Board of Directors of the TVA—Gen. Herbert D. Vogel, Mr. Arnold R. Jones, and Dr. Frank J. Welch—who has, as we know, recently resigned—were all appointed by President Eisenhower. I think it is significant that this Board has approved this legislation. May I quote from the letter written to our colleague, Mr. DAVIS, stating the Board's opinion on this bill:

TENNESSEE VALLEY AUTHORITY,
BOARD OF DIRECTORS,
July 29, 1958.

HON. CLIFFORD DAVIS,
House of Representatives,
Washington, D.C.

In response to your inquiry we welcome the opportunity to express our deep concern that the legislation now before your committee to authorize TVA to issue revenue bonds be favorably reported and approved by the House at this session of the Congress. Enactment of self-financing legislation is urgently required to enable TVA to meet the growing defense and domestic demands for power in the area. We believe Senate bill 1869 as approved by the Senate last year provides a workable basis on which to undertake this new means of financing. Managerial flexibility commensurate with responsibilities delegated to the Board by law should be retained in bill in order to permit effective and efficient operations, and to insure minimum costs, including those of procurement, design, construction, and interest. TVA's plans, programs, and experience under the new legislation will be fully reported to the President and the Congress each year under existing law, as well as under special provisions for consultation and reporting incorporated in that bill. In addition the ceiling of $750 million included in the bill means that the Congress will have an early opportunity for full review of our initial experience. If the legislation is enacted we pledge our best efforts to administer it effectively.

HERBERT D. VOGEL, *Chairman.*
A. R. JONES, *Director.*
FRANK J. WELCH, *Director.*

H.R. 3460 represents a reasonable compromise of many views. The provisions of this legislation reflect 4 years of very careful analysis and consideration. In that time and in the process of going through the committees and through passage in the other body, this legislation has been changed and amended as no other legislation in my recollection ever has been. There are still some things in here that some people appear not to like. I might say that there are some things in this bill that we who represent the TVA area would prefer to have otherwise. As it stands now before you it is a reasonable bill that offers a reasonable solution to the continuing TVA controversy. As a matter of fact, in the form that it comes before you this bill apparently meets the approval of at least the greater number of the private power companies adjoining the TVA.

In this connection, I want to call your attention to the fact that Mr. Harllee Branch, Jr., president of the Southern Co., which is the parent company of five of the utilities which serve the area adjacent to the TVA, appeared before the committee. During the hearings Mr. Cramer asked Mr. Branch—and I quote:

As far as you are concerned, with the Vinson amendment, which merely provides congressional control over expansion of territories, and the Treasury Department and

the Bureau of the Budget review of the actual selling and timing of the bonds, are you satisfied the latter as well as the former is needed so far as Government control of this bond issue is concerned; is that correct?

Mr. Branch replied—and I quote:

With respect to my companies, if there is protection against an expansion of TVA into our territory, my companies, as companies, have no concern:

He added:

The only thing I can speak for them on is to the point, please do not permit an unwarranted and unjustified encroachment in our territory.

In other words, he said that whatever his own personal opinions as an individual might be as to Treasury or Bureau of the Budget control, and speaking solely as a representative of his companies, and on behalf of the companies, their concern was for a territorial limitation.

It has been 4 years since the President made his first proposal for self-financing the TVA, and 4 years since Congress began to consider this measure. Meanwhile, the TVA has received no appropriations for increasing its power capacity. TVA's ability to meet the power needs of its area is becoming desperately limited.

A crisis caused by a shortage of power would deprive our people of the power needed for normal growth and would severely threaten the ability of the area to enjoy, on equal terms, the opportunity for development with the rest of the Nation.

The people of the TVA area have been thwarted on every hand and from many fronts—appropriations have been denied, opposition has been expressed against any further use of surplus corporate funds; and now sincere efforts to pass a workable and equitable self-financing plan are being opposed.

For years, the opponents of the TVA have been telling us that they are opposed to financing TVA's power operations through appropriations and suggesting that TVA go to the open money market for funds for additional capacity. That is precisely what the legislation now being considered by Congress proposes—to let TVA stand on its own feet. For years the enemies of TVA have been saying that they had no desire to destroy the TVA but merely wanted to remove the TVA from dependence on the Treasury. That is precisely what this legislation proposes. Despite his own expressed misgivings about the TVA, the President has said that he wants to maintain the TVA at maximum efficiency but he insists that he wants to free the Treasury of the financial burden for TVA's power function. That is precisely what this legislation would accomplish.

It is time that we disposed of this problem and faced up to our responsibilities, not only to the TVA area, but to the Nation. I, therefore, urge my colleagues not to be misled by misrepresentations and propaganda about this legislation.

Time To Face Facts and Meet the Increased Cost of Medical Care

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Monday, May 4, 1959

Mr. PORTER. Mr. Speaker, on March 13, 1959, I introduced H.R. 5667. It is a bill to amend the Social Security Act and the Internal Revenue Code so as to provide insurance against the costs of hospital, nursing home, and surgical service for persons eligible for old age and survivors insurance benefits, and for other purposes.

This bill is identical to the Forand bill, H.R. 4700. My able colleague from Rhode Island [Mr. FORAND] is well-aware of the pressing need in our Nation today to help senior citizens meet the mounting costs of medical care.

Other Members of this House have introduced legislation identical or nearly identical to the Forand bill. This bill and others like it are currently pending before the Ways and Means Committee. I understand that no action is scheduled.

I hope the committee will be able to hold hearings on this legislation. I believe a series of hearings held in various parts of this country would soon point up specifically the burdens now facing men and women in this country who need medical and surgical care.

An excellent fact sheet on our social security program as it was initiated, showing how it has developed, appears in the AFL–CIO News for May 2, 1959. Under leave to extend my remarks in the RECORD, I include it and a copy of the press release I prepared after introducing this legislation.

I am aware that there are programs now being developed by private firms to help face this problem of the cost of medical care. I am hopeful they may provide part of the framework for better and broader programs.

The article and release follow:

[From the AFL–CIO News, May 2, 1959]

MEDICAL LOBBY FIGHTS HEALTH CARE FOR AGED—STUDY SUPPORTS NEED FOR CONGRESS ACTION

On August 14, 1935, President Franklin Delano Roosevelt signed into law one of the most important and lasting improvements in our national policy, the Social Security Act.

The act provided for several programs: Old-age assistance, aid to dependent children, aid to the blind, and unemployment compensation. But the best known program which it established was the old-age benefit system which, in 1939, became the old age and survivors insurance program (OASDI). The D for disability was added in 1956. This is what most people mean when they think of social security.

In the years since 1935, many needed improvements in the social security program have become obvious, and some of them have been met. Coverage of the law, either voluntary or required, has been extended to include almost all employed and self-employed individuals in the Nation except doctors and Communists.

In 1956, after much controversy, an additional program was established to provide for social security protection for workers 50 years of age and older who are totally and permanently disabled, and therefore unable to hold jobs.

At that time Congress also lowered the retirement age for women from 65 to 62.

Furthermore, from time to time, Congress has increased the maximum and minimum benefits to keep up with the rising cost of living.

The social security program has weathered some vigorous attacks. In 1953, following the election of the Eisenhower Administration and a Republican Congress, a few reactionaries in the House conducted a series of hearings under the chairmanship of Representative (now Senator) CARL T. CURTIS, Republican of Nebraska. It became apparent that the committee was out to discredit, and perhaps destroy, the social security system.

But they misjudged the temper of the people and of their own administration. Substantial support was given the social security program, and during the following year Congress extended it instead of injuring it.

SENATE FIGHT ON DISABILITY

Political views on innovations in the system may be illustrated by the fight over granting benefits to disabled persons in 1956. The bill passed the House, which has proved generally more eager to make social security improvements, by a vote of 372 to 31.

In the Senate, however, the Finance Committee eliminated the disability provisions from the bill after 2 months of hearings, precipitating a vigorous political struggle.

On the Senate floor, the late Senator Walter F. George, Democrat, of Georgia, sponsored an amendment to restore the disability provision to the bill. His amendment was adopted by a vote of 47 to 45. Six Republicans and 41 Democrats supported the George amendment; 38 Republicans and 7 Democrats opposed it.

Historically, the establishment and expansion of social security programs have had the strong opposition of business groups and the medical profession, and the strong support of liberal and labor organizations. These groups are active today whenever social security legislation is considered by Congress.

Basically, the social security system is designed to give insured protection to all individuals from economic hardships caused by retirement, disability, or the death of the family breadwinner.

In large part this objective has been met. In recent years, however, an old problem has become more and more apparent and more in need of solution. This problem is the cost of medical care of old-age and survivors insurance beneficiaries; the aged and widows with dependent children.

PRIVATE INSURANCE FALLS SHORT

Despite the general expansion of private health insurance plans within recent years including those growing out of collective bargaining agreements, the Government reported recently that about three out of five aged persons had no health insurance protection at all, either because such protection was not available to them at all or because the cost was prohibitive.

Typically, health insurance for older persons has many restrictions. It may cover only a few weeks of hospital care each year. The insurance company may reserve the right to cancel it at any time. Benefits may be inadequate. Therefore, health insurance protection may be wholly inadequate even to those who are covered.

Another obvious factor is the frequency of illness. Retired persons are much more likely, as a group, to experience serious illness than younger persons. Those who need health-insurance protection most, then, are those who have it least.

In response to this need, Representative AIME J. FORAND, Democrat, of Rhode Island, in 1957 introduced a bill to amend the Social Security Act by making hospital care and nursing home services available to social-security beneficiaries.

ADMINISTRATION OPPOSES BILL

The Forand bill received the immediate support of the AFL–CIO and other groups concerned with the welfare of retired persons. It also received widespread support from retirees themselves.

The bill was greeted with the opposition of the Eisenhower administration.

Initially, congressional response was cool. The House Ways and Means Committee, of which FORAND is a member, failed to hold hearings on the bill until late 1958, and then only as part of general hearings on all parts of the Social Security Act. The hearings were sufficient, however, to draw the battle-lines on the Forand medical care proposals.

Opposing the Forand bill, in addition to the administration, were:

American Medical Association, American Dental Association, National Association of Accident and Health Underwriters, Health Insurance Association of America, Blue Shield Medical Care Plans, National Association of Life Underwriters, Chamber of Commerce of the United States, National Association of Manufacturers, American Farm Bureau Federation, National Grange.

Those who support expansion of social security to include medical care, as proposed by FORAND, were: AFL–CIO, American Nurses' Association, National Consumers League, Group Health Federation of America, National Farmers Union, American Public Welfare Association, National Association of Social Workers.

Although no further action was taken by the 85th Congress on the Forand medical care proposals, the Ways and Means Committee did request a study and report from the Department of Health, Education, and Welfare.

The report has since been submitted to the committee. It contains abundant statistical evidence that retired workers have incomes too low to meet the rising costs of medical care.

REPORT SHOWS NEED

Furthermore, it shows that hospital and nursing benefits for old-age and survivors insurance beneficiaries are entirely practical.

However, the report did not indicate any change in the administration's opposition to the program.

On February 18, 1959, FORAND reintroduced his bill, H.R. 4700. Several Members of the House and Senate have introduced the same or similar bills.

In announcing its support for the Forand bill, the AFL–CIO Executive Council said:

"The nationwide interest in the Forand bill has further demonstrated the need for making hospital care and nursing home service available to social security beneficiaries. The high cost of medical services should no longer be permitted to bar older people and widows from required health care.

"Proposals advanced by organized medicine and the commercial insurance industry as alternatives to the Forand bill are grossly inadequate and unfair to older people. Only prepayment during years before retirement can make extensive and lasting health insurance available to the great majority of the aged."

Jurisdiction over H.R. 4700 in the House is in the Ways and Means Committee, which is currently considering unemployment compensation legislation.

The AFL–CIO has urged the committee to hold hearings as a first step in securing enactment of legislation providing hospital care and nursing home service for old-age and survivors insurance beneficiaries during this session of Congress.

PRESS RELEASE FROM THE OFFICE OF REPRESENTATIVE CHARLES O. PORTER

Legislation providing certain prepaid health insurance benefits for senior citizens eligible for old-age and survivors insurance benefits under the Social Security Act has been reintroduced by Representative CHARLES O. PORTER, Democrat, of Oregon.

PORTER'S bill, H.R. 5667, is identical to legislation introduced by Representative AIME FORAND, Democrat of Rhode Island. The Oregon Congressman joined Congressman FORAND in sponsoring the bill during the 85th Congress. There are minor revisions in the new bill.

As written, the bill provides certain hospital and nursing home services and surgical services. It is financed by increasing contribution rates of employers and employees by one-fourth of 1 percent each and of self-employed by three-eighths of 1 percent. The health benefits would cause about half the additions to total cost.

Under the section concerning hospital and nursing home services, an eligible person would be insured against the cost of hospital care. This includes a semiprivate room and such services as the hospital customarily furnishes its bed patients. The insurance system would not pay the attending doctor's bills, except for surgical services. There would be a certain freedom of selection of a surgeon except in emergency cases.

A patient would receive up to 60 days of hospitalization in a 12-month period. Nursing home care could total up to 120 days, less the number of days spent in the hospital during the same 12-month period.

Representative PORTER said he had found during his professional career as a politician and lawyer that illness in the family could be financially catastrophic.

"As people grow older they need more medical care, but they usually have less money," he said. "It is difficult to get adequate protection through private insurance.

PORTER said he had in no way closed his mind to the fact that it may be possible for private industry to take care of the Nation's rapidly increasing medical problem. He said he was hopeful that certain programs now being developed such as those designed for retired teachers might provide part of the framework for more expansive programs.

To date 10 Members of Congress have joined Representative FORAND in introducing his bill or similar legislation.

Walla Walla Centennial

EXTENSION OF REMARKS
OF
HON. CATHERINE MAY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1959

Mrs. MAY. Mr. Speaker, it gives me particular pleasure and a great deal of pride to call to the attention of the Congress a forthcoming event in my home State of Washington, and more particularly in Walla Walla, a city of which the entire State is justifiably proud. The event is a triple centennial, celebrating the 100th anniversary of the formation of the Walla Walla County government, the naming of Walla Walla, and the charter for Whitman College.

The event, which is expected to attract notice from many parts of our country, takes place from May 11 to May 31 of this year. Program highlights include Western Week, May 11–17, Whitman Week, May 24–31, and the biggest day, May 16, which will include a centennial-Armed Forces Day parade among the many entertainment features.

The Walla Walla Centennial Association and the Whitman College Centennial Committee have made elaborate plans for this event which can be celebrated only once in a hundred years. An important part of the planning includes proper recognition to the famed Whitman College. On December 20, 1859, the legislature of the Territory of Washington granted a charter to Whitman Seminary, from which Whitman College has sprung by amendment of its original charter in 1883. This year Whitman College, in celebrating its centennial, commemorates the founding of the first chartered educational institution in the State of Washington.

I am very pleased to be able to invite all interested to come to Walla Walla in the State of Washington and participate in any of the many events which have been planned, and assure you of a most cordial welcome.

Tribute to Milan R. Stefanik

EXTENSION OF REMARKS
OF
HON. EDWARD P. BOLAND
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1959

Mr. BOLAND. Mr. Speaker, today we pay tribute to a great patriot of Czechoslovakia. General Milan R. Stefanik was the third of the "triumvirate of savants" who, in October 1918, founded the Czechoslovak State. Masaryk and Benese were the other two members of this famous trio.

Stefanik is in the grand tradition of men who gave their all for their country. During his youth he left his native land and went to Paris to study astronomy. He was a brilliant student and very highly regarded in his field. Ample evidence to this effect is provided in the fact that soon after his academic training he was appointed secretary of the Astronomical Observatory in France. This position sent him all over the world on astronomical missions. It was during this time that he became imbued with the spirit of forming the State of Czechoslovakia.

With the advent of World War I, Stefanik abandoned his career and enlisted in the French Army. His many faceted brilliance included the vocation of a military strategist. This was at once apparent and he soon was promoted to the rank of general. Combined with his active, effective role in the war, he

was instrumental in organizing the Czechoslovak military forces in exile, and the Czechoslovak National Council which was to be the backbone of the new European state. After the war he was justly rewarded in his homeland with the cabinet rank of Minister of National Defense. Even though in ill health, Stefanik worked fervently and with great diplomacy for his newly constituted nation. Many here in the United States undoubtedly remember his learned and erudite lectures, especially those in Carnegie Hall, New York, in which he explained the Czechoslovak situation so expertly.

It was indeed a tragedy when, at the height of his world prestige, Gen. Milan Stefanik was killed in a plane accident on May 4, 1919. He was but 39 years old. In tribute to him, the Czechoslovakian Government erected a monument in his memory at the place of his death.

It is with pride and respect that I salute this man of many talents. May his guiding spirit be a source of continued hope and inspiration to the subjugated peoples of Czechoslovakia today.

Farmer Stanley Yankus

EXTENSION OF REMARKS
OF
HON. GEORGE E. SHIPLEY
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, May 4, 1959

Mr. SHIPLEY. Mr. Speaker, many of us have been reading the past several months about one Stanley Yankus, the farmer who owned and operated a farm in the great State of Michigan. He received a lot of support when the Government levied a $5,072 fine against him because he planted 35 acres of wheat on his farm when they had ordered him to plant only 15 acres. In receiving this attention, he has made a lot of friends. But when I picked up the Washington Post Friday, May 1, 1959, I read the following: "Farm Rebel Yankus To Go to Australia."

It is said that his decision was made primarily for his two sons, Russell, 13, Dennis, 11, and daughter, Karen, 3, and he has sold his farm and plans to leave the United States within 30 days. He has said that he thinks freedom has a greater future in Australia than in the United States. Stanley Yankus thinks that he has been done a great injustice by our Government, because he was penalized by one of the laws of this country. Has he forgotten or is he ignoring all the other laws that have protected and helped him so much? Is he going to ignore all the freedoms that he has had in this country, because he simply does not like or does not believe in one law and only one law. Every country must have laws to protect its people and economy, and so forth, but because of one law that he does not like he is willing to forsake the United States for a new country. Has he forgotten that the draft law is a law that many people do not like? Has he forgotten the mothers and fathers who lost their sons because of this law? Has he forgotten the income tax law, which none of us particularly enjoy, but we accept it as part of the great freedoms that we enjoy here. Now because of one law he has decided to tuck his tail and run.

Has Stanley Yankus thought about how the Communist Party and the Kremlin will contort, misrepresent, and blow his picture up in other countries as a man who was abused so terribly by our Government that he has given up this country. Has he thought of the injustice he is doing to the United States by making this decision. This country has given him more opportunities as a freeman than any country in the world, and yet he is so quick to denounce and stain this Government which has been so kind to him and his family and the millions of others who live here.

If after very careful consideration, his decision still remains the same that he will move to Australia then I say to him take your bags and move out of this country, because you are not worthy to live here. Is he forgetting that only in this country could a farmer, build up his farm and prosper the way he has and then be able to sell this farm for $30,000.

Another privilege that he is enjoying is the fact that he can leave this country any time he wishes. This is another law we have here and he is not hesitant about accepting it. I think he should be ashamed to turn away from a country that has been so kind to him in so many ways and his given him so much. He is running away from the problem. Where is his backbone and his stamina? Where is his fight? Is not this country worth fighting for, Stanley Yankus? The parents who had sons killed in our past wars did not move out of this country because they disagreed with the draft law. They stayed here and continued to fight for and enjoy the freedoms this country has to offer. They did not turn and tuck their tails and run like a scared hound dog.

"Mr. Yankus, if you honestly and sincerely believe that freedom has a better future in Australia, why are you retaining your U.S. citizenship for 5 years? Are you afraid that you are wrong or do you know that you are wrong and intend to come back.

"If you sincerely believe what you have said about the United States, Stanley Yankus, I say to you, pack your bags, get on the plane and relinquish your U.S. citizenship, because you have no right here."

Self-Financing Bill Will Increase TVA Payments to the Treasury

EXTENSION OF REMARKS
OF
HON. JOE L. EVINS
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Monday, May 4, 1959

Mr. EVINS. Mr. Speaker, in connection with H.R. 3460, which we are scheduled to consider this week, one of the points at issue is the matter of the payments which TVA should make on account of the appropriation investment in the TVA power system.

There is much misunderstanding on how H.R. 3460 affects the payments by the TVA to the Treasury. In order to clear up these misunderstandings, I include in the CONGRESSIONAL RECORD an analysis of H.R. 3460 in regard to this matter.

The fact of the matter is that under H.R. 3460 the payments of the TVA into the Treasury will be at least 33⅓ percent greater than required under present law.

In this connection, Mr. Speaker, I believe a review of the record of the TVA in meeting its payment obligations under the present law is relevant and significant because it indicates and evidences the willingness and desire of the TVA to go far beyond the strict legal requirements of the statutes in discharging its obligations to the Treasury.

The TVA was required to make payments on the appropriation investment in 1948—a little over 10 years ago—through a rider to the Government Corporations Appropriations Act of 1948. The provisions of this rider are quite complicated. There are two interpretations of the payment requirements—which we may call the minimum and maximum requirements. It is very interesting to note that the payments the TVA has actually made in the 10-year period from 1948 and through the fiscal year of 1958, are greater than either the minimum or maximum requirements. This is clearly indicated by the following table which shows the minimum payment in column A, the maximum required payment in column B, and the actual payments made by TVA in column C.

SCHEDULE C–1.—*Payments to U.S. Treasury from power income under provisions of the Government Corporations Appropriation Act, 1948*

Fiscal year	(A) Minimum required under 1948 law	(B) Maximum required under 1948 law	(C) Actual payments
1948	$10,500,000		$10,500,000
1949	13,000,000	$8,705,981	16,000,000
1950	15,500,000	17,411,962	21,500,000
1951	18,000,000	26,561,589	30,500,000
1952	20,500,000	36,295,559	42,500,000
1953	23,000,000	48,551,875	57,500,000
1954	25,500,000	66,034,351	77,500,000
1955	28,000,000	87,627,219	127,500,000
1956	30,500,000	115,579,248	186,500,000
1957	33,000,000	148,436,909	216,500,000
1958	87,059,810	183,752,757	226,500,000

It will be noted first that the payments made by the TVA each year have exceeded both the minimum and the maximum requirements of the law. It will also be noted that the minimum legal payment required at the end of fiscal year 1958 was $87 million. The TVA has actually paid $226,500,000 or $139 million more than the minimum legal requirement.

Furthermore, it will be seen that under the most generous interpretation of the present law the TVA would have been required to pay $183,750,000 by the end

of fiscal year 1958. Thus, the $226,500,000 the TVA actually has paid in that period is $42.8 million more than required by the most generous interpretation of the law.

H.R. 3460, which we will be considering, repeals the present payment provisions and substitutes for them provisions which will guarantee in return to the Federal Government at least 33⅓ percent more than under present law. I call the attention of my colleagues to the following paragraphs in the report of the Public Works Committee on H.R. 3460.

PAYMENTS BY TVA ON ACCOUNT OF THE APPROPRIATION INVESTMENT

Approximately $1,200 million of the total investment in the TVA power system has been supplied by appropriations and transfers of property from other agencies. The bill recognizes the position of the Government as the owner of the Corporation, and provides for a return on that investment in the nature of a dividend equal to the Government's current average cost of money. The Government is thus assured of a return equal to the current cost of the money invested in the past. In addition, there is provision for a payment of $10 million per year in reduction of the appropriation investment.

These cash payments are substantially larger than those required under present law. They represent, of course, only a part of the actual earnings by the Government on its investment. Over the years TVA has earned enough to cover operating and maintenance expenses, including full straight-line depreciation, and to provide in addition an average return on the total investment of 4 percent. That part of the earnings which has not been paid into the Treasury has been reinvested in new power facilities. As a result, the TVA power system is today a Government asset of much greater value than the net amount of the appropriations invested.

Some opponents of the bill have also suggested that TVA's obligation to make payments on account of the appropriation investment be placed on a parity with its obligation to bondholders. This suggestion disregards the fact that the Government is not a creditor of TVA, but its owner and sole stockholder. Bondholders always have a claim prior to that of stockholders, but the stockholders own and control the corporation and share in the equity built up by earnings and the bondholders do not. While the Government, as owner, is thus in a basically different position from that of bondholders, it will be assured of receiving the payments provided for since the bill requires that TVA charge rates for power sufficient to provide for the specified payments as a return on, and in reduction of, the appropriation investment, as well as payments on its bonds. The bill further protects the owner, the Government, as well as the lenders, the purchasers of TVA's bonds, by a requirement that TVA reinvest all depreciation accruals, or use them to pay off bonds or to reduce the appropriation investment.

Let me translate this into dollars and cents. The present Federal investment in the TVA is about $1.2 billion. Under the most generous interpretation of the present law, the TVA would be required to pay about 2½ percent of the investment annually or about $30 million. Under H.R. 3460, the TVA would be required to pay to the Treasury as dividends, an amount equal to the cost of the money to the Treasury. This year this would amount to something over 3 percent. Thus, the TVA would be required under H.R. 3460 to pay $36 million as dividends. In addition, it would have to pay $10 million toward retiring the Government investment. These two items total about $46 million this year or about $15 million more than would be required under present law.

In addition to this, let us not overlook that H.R. 3460 provides that the TVA must use all depreciation accruals either to pay off bonds, to reduce the appropriation investment, or to reinvest them in power facilities.

The fact that the TVA has repaid to the Treasury under present law far more than it was required by the strict legal interpretation of the law, indicates that we may well expect the TVA in the future as in the past to do more than the law requires.

Mr. Speaker, to summarize the requirements on the payments to the Treasury under H.R. 3460 we will be providing for a much greater return to the Federal Treasury than under present law.

TVA has a great record of payment into the U.S. Treasury—ahead of schedule.

Asbury Park, N.J., Observed Loyalty Day, Sunday, May 3, 1959

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1959

Mr. VAN ZANDT. Mr. Speaker, on Sunday, May 3, 1959, Post No. 1333 of the Veterans of Foreign Wars of the United States of Asbury Park, N.J., sponsored its third annual Loyalty Day parade with some 10,000 participants from all over northern New Jersey. In addition to the parade Post No. 1333 of the Veterans of Foreign Wars of the United States turned over to the city of Asbury Park a beautiful memorial which included a water fountain located in the community park.

This great demonstration of loyalty was witnessed by hundreds of the residents of Asbury Park and vicinity and it was my pleasure to deliver the principal address for the occasion which follows:

LOYALTY DAY ADDRESS BY REPRESENTATIVE JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA, SUNDAY, MAY 3, 1959, 2:30 P.M., ASBURY PARK, N.J.

It is an honor to have been invited to participate in your annual Loyalty Day program which this year has nationwide significance since 1959 marks the first time the observance has been sanctioned permanently by the U.S. Government under Public Law 85-429, approved July 18, 1958.

As many of you know, it was my privilege for several years to introduce legislation in Congress annually designating May 1 as Loyalty Day.

Last year, it was possible through approval of House Joint Resolution 479, which I sponsored in the House of Representatives, to have the observance of Loyalty Day on the 1st day of May each year made permanent.

The department of New Jersey Veterans of Foreign Wars of the United States has been among the pioneers in VFW circles on the east coast that inaugurated the observance of Loyalty Day over 10 years ago.

The VFW sponsorship of Loyalty Day was enthusiastically received and was accorded national recognition by receipt of seven consecutive awards from Freedoms Foundation at Valley Forge.

The awards included the top award of the George Washington Honor Medal for the 1955 program and the foundation's highest recognition in 1953, 1954, 1955, and 1956—the distinguished service scroll for winning the fourth, fifth, sixth, and seventh awards.

As many of you know, it has been my privilege on several occasions to speak in New Jersey during the observance of annual Loyalty Day programs sponsored by the Veterans of Foreign Wars and supported by city, county, and State officials and other patriotic organizations.

This splendid community cooperation has made possible the success of Loyalty Day programs in the past and now that May 1 has all the aspects of a national holiday, it is no longer a VFW-sponsored observance but, in fact, is now officially approved by the U.S. Government and thus is deemed worthy of universal recognition and patriotic support.

It is always a pleasure to return to New Jersey because in my official capacity as commander in chief of the Veterans of Foreign Wars of the United States for three successive terms, I visited this great State on numerous occasions and, as a result, bonds of friendship were formed which have grown stronger down through the years.

Therefore I am enjoying this opportunity to once again visit my many friends in the Garden State.

It is indicative of the community spirit sweeping America in connection with Loyalty Day programs to observe that today's program is made possible by the zealous efforts of the third annual Loyalty Day parade committee comprised of representatives of the city of Asbury Park, the county of Monmouth, together with the district posts of the Veterans of Foreign Wars, the American Legion and their respective ladies' auxiliaries.

The fine parade and the excellent program marking the 1959 observance of Loyalty Day in this community have earned the warmest commendation for all organizations and committees which have labored hard to achieve the success that has been attained.

Loyalty Day gives all Americans an appropriate occasion to lay stress on our blessings as free people at a time when the Kremlin is staging worldwide demonstrations and proclaiming that Russia is a workers' paradise.

It has been truly said that "loyalty means liberty" and since loyalty is everybody's job, it behooves all red-blooded Americans to maintain a vigilant attitude and to speak out in no uncertain terms against the danger of subversive forces within and the peril of international gangsterism without.

We should heed the admonition of Mr. David Sarnoff, chairman of the board of directors of the Radio Corp. of America, who said in speaking of loyalty in an address on Veterans' Day 1958, "loyalty to our country is loyalty to ourselves."

To Mr. Sarnoff's timely advice I should like to add that what we need as a people in providing inspiration and strength is a double-barreled dose of good old-fashioned patriotism.

To many people in the United States patriotism has become outdated and nationalistic.

The custom of displaying the Stars and Stripes proudly before the home on national holidays is almost a thing of the past.

Today the Communists of America as well as of the world are working harder than ever to bring America under the spell of the Kremlin dictators.

Only recently a top American official said that more espionage agents are at work in America today than any time in our history.

On Red May Day in the Red Square of Moscow, Nikita Khrushchev praised the Communist world and spread the Communist propaganda of the day.

His statements were publicized throughout the universe and carried on the front pages of the world press.

As usual the American people and our goal of world peace were held up to ridicule, by the Kremlin's No. 1 propagandist.

Mind you, even in the face of the Kremlin's brutal attacks on our Government and way of life, we have some Americans who are content to sit idly by and call patriotism outdated and nationalistic.

Yes, this same group are the ones who say we should not worry about Communists and ignore their constant efforts to destroy us as a nation.

Now let us talk frankly about our arch enemy, communism.

It is a deadly enemy. It is a deadly enemy because never for a moment does it abandon its two basic aims: to remake man, and to conquer the world.

It is particularly our enemy—not because we so choose, but because it has chosen us as its prime target.

Communism regards the strength and the way of life of the United States as the chief obstacle to its plan to remake its own people and to remake the world in the image of its blueprint.

Yes. We have been picked as enemy No. 1. No matter what President Eisenhower says or does, no matter whether the Secretary of State conducts himself with tact or tactlessness, no matter how well the tourist behaves when he visits the Soviet Union, nevertheless, we will still be enemy No. 1.

Whether our working class is prosperous, or hungry and jobless, or jobless and not hungry, we will still be enemy No. 1.

Whether we treat racial minorities decently, or indecently—we will still be enemy No. 1.

Whether we pull out of Berlin, Quemoy, or the Middle East or do not pull out of Berlin, Quemoy, or the Middle East we cannot disengage ourselves from this enemy.

Let us not listen to the siren song of those who tell us that we can get a release of tensions and a little peace in our time if we only disengage ourselves.

If we disengage ourselves we leave another strip of land to be occupied—a new place from which battle will begin.

Ladies and gentlemen, the Communists know, to be sure, that they cannot conquer us. They know a lot about our economic and military strength. And with this knowledge they do not covet for a moment the risks of all-out war with us.

There are two things which the Communists are determined with all of their might to avoid: One is all-out war—the other is all-out peace.

In their clever and deceitful manner they will keep us involved in this cold war as long as they have the power to do so.

Frankly, they do not wish an all-out war because they believe that time and history are on their side.

Let me repeat again, ladies and gentlemen, the Communists have picked us as enemy No. 1, and in so doing they have singled us out as the enemy of the things they are trying to do to their people and to their neighbors.

Regardless of the fact that in the Kremlin's eyes America is Russia's No. 1 enemy, the fact remains that not a day passes but that our Government makes a sincere effort to terminate the cold war and usher in an era of just and lasting peace.

In trying to achieve the goal of universal peace it is a significant and deplorable fact that Russia, as a government, lacks national integrity, as evidenced by her long record of broken promises.

Today there are more demands for American-Soviet talks, and some are already under way.

Unfortunately, the odds are 13 to 1 that every Soviet promise will be broken, and to justify this statement let me remind you that in 1943 four pacts with Russia were signed by an American President, and all four were broken. In 1945 six pacts were signed with Russia, and five were violated.

In 1955 President Eisenhower traveled to Geneva to meet the Russians and the trip was fruitless.

In addition, between American and Soviet Foreign Ministers there have been 426 days of talks since 1943 with these results:

(a) In 1943 three pacts signed and all of them violated by Russia.

(b) In 1945 and 1946 a total of 11 pacts were signed and only one was kept.

(c) In 1947 one pact was signed and Russia violated it.

In the field of disarmament nearly 500 meetings have been held and nothing has been settled as yet.

In fact, they keep asking us back on their terms for another round of so-called conferences.

Thus we see the Communist mentality and the utter lack of integrity on the part of the Kremlin.

The present threat to world peace over Berlin so carefully played up by the Russians should answer those smug Americans who think patriotism is outmoded and who prefer to ignore the fact that we are the No. 1 enemy of ruthless communism whose lack of integrity is evident by the long list of broken promises.

Ladies and gentlemen, involved as we are in a cold war that from the standpoint of cost could destroy us economically, the time for unity has come in meeting the challenge of the Kremlin.

As David Sarnoff said in comparing a cold and a hot war—"We can 'freeze' to death as well as 'burn' to death."

Ladies and gentlemen, this need for national unity must rise above partisan politics—for every American must stand shoulder to shoulder—to let the Red rulers and the world know we are standing firmly against Communist aggression that has plagued the world for 40 years.

In seeking national unity we have a strong ally in Loyalty Day because in its short history it has kindled the fires of patriotism by counteracting the mass demonstrations formerly held by the Communists here in the United States on May Day.

Unquestionably, Loyalty Day has struck the Reds a severe blow.

But, ladies and gentlemen, let us not sit back and bask in past glories but rather make our voices heard around the world, shouting that we are free, loyal, and united Americans, ready to fight if necessary to defend the heritage that has made this country a giant among free nations.

Let us pray that Loyalty Day will inspire, strengthen, and unite us as a nation so that all of us will receive "that double-barreled dose of good old-fashioned patriotism" which I have prescribed.

Such a brand of patriotism will give us a keener and deeper appreciation of our American system of government and those who founded and preserved it.

It will continue to inspire us to keep faith with those illustrious Americans who since the founding of this Republic have given their lives on the altar of freedom.

After all when we as Americans realize the true value of our blessings then we will give full time to promoting an unadulterated type of real love of country.

All of these things, ladies and gentlemen, are part and parcel of the broad field of true patriotism.

I say to you: True patriotism is the most effective antidote to godless communism and the ruthless cold war challenge of Soviet Russia.

By working together to protect, preserve, and to promote American ideals we repay our debt as a nation to the American way of life that has done more for more people than any form of government yet devised.

One of the most inspiring features of Loyalty Day programs such as your program is the participation of proud Americans whose ancestry may be traced to foreign lands yet who appreciate the precious blessings they enjoy as American citizens.

Loyalty Day definitely provides a time for us to examine and restate in terms of today's needs the rights and responsibilities of American citizenship.

Loyalty Day is a day which should bring us to our feet to salute the flag of our country.

Also, it should awaken us to a state of continual alertness to the causes which would undermine our Nation.

Furthermore, this appreciation of our American citizenship will be stimulated throughout the year by individual and collective effort to learn more of the history and ideals of our great American heritage of liberty and freedom.

Ladies and gentlemen, as I conclude, let me leave this thought with you.

Today we are hearing a lot about the so-called wave of hysteria and fear resulting from the efforts to ferret out Communists and subversive elements in every walk of life.

Let me assure you that we have nothing to fear as a nation if every American worthy of the name will measure up to the high standards of citizenship as embodied in the type of Americanism exemplified by our forefathers and defended to this day on the field of battle by succeeding generations.

In short these are perilous times, for the Soviet challenge to the American way of life was never more real or of a more definite threat.

Therefore, on this loyalty day of 1959, let us heed the stern admonition of George Washington when he said that in times of dire emergency we should make certain that we put only Americans on guard.

Law Day

EXTENSION OF REMARKS

OF

HON. ROBERT W. HEMPHILL

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1959

Mr. HEMPHILL. Mr. Speaker, under leave to revise and extend my remarks in the RECORD today to give a belated commendation to the Institute of Military Law, and the Federal Bar Association, I include the Pentagon's observance from the Office of the Judge Advocate General. Enclosed is their program on Law Day, May 1, 1959. We were not in session on Friday or I would have made appropriate remarks at that time. Since this is the first day of session since Law Day, I hasten to give observance.

I would also like to include herein the President's remarks, issued at the Pentagon and to thank Major General Harmon and his staff for having such a fine program. I have had the privilege of working as a Reserve officer with these distinguished soldiers and lawyers, and

they are dedicated advocates and professional lawyers of the highest ability and integrity.

I enclose at this point a program:

LAW DAY PROCLAMATION BY THE PRESIDENT OF THE UNITED STATES

I, Dwight D. Eisenhower, President of the United States of America, do hereby designate Friday, May 1, 1959, as Law Day in the United States of America. I urge the people of the United States to observe Law Day with appropriate public ceremonies and by the reaffirmance of their dedication to our form of government and the supremacy of law in our lives. I especially urge the legal profession, the schools and educational institutions, and all media of public information to take the lead in sponsoring and participating in appropriate observances throughout the Nation.

PENTAGON LAW DAY OBSERVANCE, MAY 1, 1959, PENTAGON INNER COURT

(Sponsored by the Institute of Military Law; Federal Bar Association, Pentagon Chapter; the Judge Advocates Association)

The Institute of Military Law: Comdr. Gay E. Milius, Jr., USNR, president.

The Judge Advocates Association: Col. Franklin Berry, USAR, president.

The Federal Bar Association, Pentagon Chapter: Conrad D. Philos, Esq., president.

PROGRAM

Maj. Gen. Reginald C. Harmon,
The Judge Advocate General U.S. Air Force
Presiding

Presentation of Colors--Joint Services Color Guard
U.S. Army Field Band
Maj. C. E. Whiting, Director

The National Anthem---The U.S. Army Field Band and Chorus

Invocation-------Chaplain (Brig. Gen. R. P. Taylor
Deputy Chief of Air Force Chaplains

Selection-----The U.S. Army Field Band and Chorus

Recognition of distinguished guests.

Address-----The Honorable Stanley F. Reed, Associate Justice,
Supreme Court of the United States

Benediction--Capt. Francis T. O'Leary, CHC, UNS
Assistant Director of Navy Chaplains

Recessional.

COMMITTEES

Maj. Gen. Reginald C. Harmon
The Judge Advocate General, USAF
Honorary Chairman

General Chairman Cmdr. G. E. Milius, Jr., USNR

Finance:
Maj. Gen E. M. Brannon, USA (JAGC) retired
Chairman
Col. C. E. Straight, USA (JAGC)
Col. A. J. Clark, USAF

Operations:
Maj. T. G. O'Shea, USAF
Chairman
Maj. N. J. Cipriano, USA (JAGC)

Press, radio, TV:
Maj. C. E. Barnes, USAF
Chairman
Lt. Col. R. W. Michels, USAF
Lt. F. L. Crowley, USA (JAGC)

Music:
Col. C. M. Munnecke, USA (JAGC)
Chairman
Col. J. L. Searles, USA (JAGC)

Reception:
Comdr. Katherine E. Shilling, USN
Chairman
Capt. Dorothy M. Schomp, USAF

Program:
Conrad D. Philos, Esq.
Chairman
Lt. Col. Mort Gold, USAF

PENTAGON OBSERVES LAW DAY U.S.A. IN COLORFUL CEREMONY

With the reading of the President's proclamation by Maj. Gen. Reginald C. Harmon, the Judge Advocate General of the Air Force, chairman of the event and spokesman for the military legal community, followed by a color presentation by the Joint Armed Forces Color Guard and a resounding rendition of the national anthem by the world famous U.S. Army Field Band and Chorus, military observance of Law Day U.S.A. was inaugurated at the inner court of the Pentagon today. In a ceremony reminiscent of an old-fashioned Fourth of July, area members of the various military services and Defense Department employees took a short time out from the business of running the Nation's Military Establishment to pay tribute to the body of law under which we live.

The program was conspicuously marked by the inspiring address of Associate Justice Stanley F. Reed, longtime member of the U.S. Supreme Court. Justice Reed, commenting on the concept of the rule of law and of government under law, took the opportunity to describe significant development in the rule of law between nations arising out of the United Nations Organization. Attention was also drawn to the body of military law which governs our Armed Forces and the role that the military lawyer plays in that regard.

Deputy Chief of Air Force Chaplains, Brig. Gen. R. P. Taylor, gave the solemn invocation. Prominent members of the military and civilian component of the Department of Defense participated, as did notable members of the Washington area bench and bar and many of the chief military law practitioners. The ceremony closed with a benediction by Chaplain Francis T. O'Leary, CHC, USN, Assistant Director of Navy Chaplains.

In programing this musical military and patriotic tribute to the law and the legal profession, the Institute of Military Law supported by the Pentagon chapter of the Federal Bar Association and the Judge Advocates Association, joins the nationwide effort of the civilian bar, initiated by the American Bar Association, designed to increase the appreciation of the importance of law in the daily lives of our citizens and to emphasize the contrast between the freedom under law which we enjoy and the tyranny which enslaves the people of one-third of the world today. In furtherance of the latter aim, the Pentagon ceremony was particularly significant.

Musical selections by the Army Field Band and Chorus, under the direction of Maj. Chester E. Whiting, before and throughout the ceremony created a holiday atmosphere in the attractively landscaped open area of the inner court of the Pentagon.

Comdr. Gay E. Milius, USNR, president of the Institute of Military Law, indicated that this was the first of what is hoped to be an annual affair.

At the end of the program Justice Reed made a marvelous address and I include his address as part of my remarks here:

Americans gather today in numerous groups, at the suggestion of our civil and military chief, President Eisenhower, to rededicate ourselves to the principle of government under law. It is a satisfaction to have this opportunity, under the auspices of this Institute, to participate in this ceremonial Law Day. It is gratifying to have this reconfirmation that our citizens, civil and military alike, fully realize that we are a people whose Government thus seeks freedom and justice for all under our Constitution. We cherish our liberties as matters of right, not as grants of a benevolent autocracy.

Today our military forces must necessarily be large. We are no longer isolated from the danger of sudden attack. Modern technology has so contracted the world that infractions of our peace, without time for long preparations, are possible. These forces are our protectors, however, with members drawn generally from our families, not a special military clique for enforcement of military rule. Our Founding Fathers felt little need for standing armies and deprecated their establishment for fear that arrogant militarism might get a foothold here and weaken civilian resistance to military usurpations of power. That danger seems imaginary now and will continue to be, so long as the whole people will to live in ordered liberty under law.

The law we honor today is the body of governmentally enforceable rules controlling the relations of man with his fellows. International law lies outside that definition except as our courts may adopt as their own the recognized practices for adjusting differences between citizens of different States or nations to settle disagreements as to their respective rights. As has been suggested by the Vice President, Mr. NIXON, and the Attorney General, Mr. Rogers, we would further the rule of law if nations, including ourselves, would now grant a wider jurisdiction to the International Court of Justice, of which our representative, Judge Green H. Hackworth, for many years Legal Adviser to the Department of State, is a member.

The American Bar Association is making an effort through its Committee on World Peace Through Law, under the chairmanship of Charles Rhyne, for such an advance. If we are not ready as yet to submit to binding decisions on treaties, as to matters essentially within our domestic jurisdiction, such as immigration or currency value or exports, we could have advisory opinions of such a court which would be useful as coming from an authority least likely to be influenced by ulterior reasons.

Thoughtful men even in the midst of exacerbating controversies over matters from Berlin to Formosa are actively working to extend the domain of the law into the world's international relations. If there can be accomplished a worldwide mobilization of men of the law throughout the nations, it will mark a true forward step toward a method for the adjustment of the inevitable frictions that arise in international affairs. Such an effort has especial appeal to our citizens.

It is to be hoped that we are seeing the beginning of the extension, as Wilfred Jenks surmizes in his recent work, of international law, relations between nations, to a "common law of mankind." With individuals of separate nations intermingling in worldwide trade, the creation of international organizations and area treaties such as NATO and the European community, the necessity is obvious. From this necessity springs the Declaration of Human Rights, the effort to agree on the seaward limits of national sovereignty, efforts to settle jurisdiction over Antarctica, and rights in outer space. The rule of law approaches new fields.

There was a striking example of the effectiveness of treaties through the creation of the crime of aggressive war, by the Kellogg-Briand Peace Pact of 1928 to which Germany was a party, applied by the allies at Nuremberg to punish the German leaders who violated it.

We have seen the controversies and misunderstanding between our State sovereignties softened and largely satisfactorily adjusted through the use of judicial decisions to settle disputes. From the vantage point of today we see nothing unusual in having courts settle the boundary lines of States. Even when the Tidelands decision barred the rich oil stores of adjacent waters from exploitation by bordering States, the decision was accepted as binding until congressional action gave these public lands to the adjacent States. How much better to live under a rule of law where, for example, the waters

of the Colorado may be equitably divided between the States that it touches, rather than to be appropriated by the strongest or wasted into the sea.

Our laws are not improvisations to meet unexpected situations but the product of generations of experience that reaches through the centuries. Our military law, too, has that background. The Founding Fathers were not unaware that life in the military forces differs from life among civilians even in peacetime. Only too well they knew the necessities for rigorous control during war. So it was that the Articles of Confederation provided that "The United States, in Congress assembled, shall have the sole and exclusive right and power of * * * making rules for the government and regulation of the said land and naval forces, and directing their operations." That is practically identical to our present constitutional provision. In fact Mr. Madison's notes show it was "added from the existing Articles of Confederation." If our national forces had been left to the control of the respective States, as No. 4 of the "Federalist" points out, we would not have had unity of command or absence of rivalry for military power between the States or sections.

This solicitude for the maintenance of a national army in accordance with the disciplines that experience had shown, persisted through the adoption of our Bill of Rights. Therefore the fifth amendment, by specific exception, omits the military forces from the requirement of a grand jury indictment, and the sixth amendment, by construction in ex parte Milligan, from the requirement of a petit jury. Since these exceptions withdraw from the military forces protections from arbitrary action greatly valued by civilians, they have been strictly construed in favor of the individual by the Supreme Court, as the recent cases of *Toth* v. *Quarles* and *Reid* v. *Covert* make plain.

Law is dynamic. It gathers "meaning from experience." The scientific advances of the first half of the 20th century, with its revolutionary introduction of motors, planes, electronics, its chemical discoveries in drugs and plastics, automation and atomic energy has not and will not leave society and economics unchanged. Nor will law be left unchanged. Certainly the field of law has felt the impact of these new forces, as has government. But however the tornado may toss the sea, it remains the sea. However strong the pressures of change, the basic concepts of justice remain unimpaired and adaptable to changing circumstances.

Momentous days lie ahead for law and lawyers. Our law must adjust itself not only to the advances of science, as it did when Causby marked for aerial flights a free space for navigation, or when *Reid* v. *Covert* extended concepts of our constitutional law as to jury trial in capital cases to include American citizens accompanying the Armed Forces in foreign lands. The lawyers of the Armed Forces must continue their labors with an open mind, be earnest in their readiness to learn from past errors, and adjust when experience and reflection show a wiser course. Present rules are at best abstractions from the current norms of society.

When words such as reasonable, fair, due process, negligence, or equal protection control judicial interpretation, guided by court precedents and legislation, their meaning will vary with ethical and social experience. The earnest efforts of many minds are needed to continue our life under a rule of law. We made a real contribution toward the rule of law when we accepted judicial determination of disputes between the States of our Union, and concerning the powers of Government under our Constitution. Would not that experience induce us to take the lead in submitting at least many of our international disputes to decision by the International Court of Justice at The Hague? Such a step would brighten the prospect of the achievement of mankind's hope of a world under law. It might save what Mr. Justice Birkett called the "supreme international crime" a war of aggression supreme because that crime contains within itself all of accumulated evil.

It is only comparatively recent that it has been recognized that citizens have rights as well as governments have power, and that only under a rule of law both needs could be satisfied. Since in a republic "all the citizens, as such, are equal, and no citizen can rightfully exercise any authority over another, but in virtue of a power constitutionally given by the whole community," machinery was necessary to adjudge rights. The 17th century philosophers who taught the theory of the inherent rights of man left unnamed the arbiter whose decision would determine when fundamental rights were invaded by government. Obviously each individual cannot decide that for himself. "Fire burns both in Hellas and Persia; but men's ideas of right and wrong vary from place to place." If we are all to have our way, each would have a universal war against everyone—bellum omnium contra omnes. Everybody would sit in judgment on everybody. We found our answer in judicial review of actions challenged as unconstitutional.

Despite violent reactions against judicial decisions of constitutional problems that have continued since *Marbury* v. *Madison*, *M'Culloch* v. *Maryland*, and *Cohens* v. *Virginia*, no other solution has received general approval. Judicial review as to the validity of legislative or executive action has difficulties in administration but the alternative of unreviewable action has more.

Few governments allow judicial review on the issue of the constitutionality either of legislation or of executive action. The power of courts to pass upon the conformity of such actions with constitutional requirements was an American contribution to the evolution of democracy. Order requires that the power of decision as to constitutionality rest in some body. Our choice has been the courts, which can only interpret after open hearing, with full discussion, and a reasoned opinion.

We lawyers can be proud of the contributions of law to liberty and peace. All of us look forward hopefully to the perpetuation of our democracy through a fair administration of justice. May each member of our profession contribute his full powers to that high purpose.

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1959

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of May 2, 1959:

WASHINGTON REPORT
(By Congressman BRUCE ALGER, Fifth District, Texas)

Failure by the House to override the Presidential veto was the big event of the week. The Senate had already done so by a vote of 64–29. That put it up to the House. The vote was 280 to override the veto to 146 against it. (I was against, the only Texan of either House or Senate.) This all started with a bill to transfer from Secretary of Agriculture Benson to the Rural Electrification Administration (REA) Administrator the authority to approve or disapprove the REA loans. Far short of making a logical or factual case for the need of such a move, this bill became a political move to discredit Secretary Benson, whom some critics would blame for the farm program mess inherited from earlier administrations (and for the failure of Democratic Congresses to change it by legislation). Easily overlooked were the facts (1) that the Secretary had never disapproved an REA loan, (2) that the American Farm Bureau backed Secretary Benson and the President in their position, and (3) that the existing law is the result of Hoover Commission streamlining of Government. So it became strictly a political issue, as many saw it. Democrats voted to override the President (plus six Republicans) while Republicans (plus four Democrats) voted to support the President. There's far-reaching significance here, considering that many spending bills to exceed the budget are awaiting the outcome, as a precedent. It appears now that a veto will not be overridden on spending beyond the budget, an issue more easily understood. I believe the public will support the President and those of us who believe in not spending more than we take in.

The Health, Education, and Welfare appropriation bill passed handily, but with misgivings by some of us who think there is a limit to how much money should be spent. The bill totaling $3,348 million exceeded the budget by $181 million. Items receiving more money than last year (when expenditures exceeded the budget by $13 billion) include: (1) Washington's Howard University for Negroes, $4.6 million, (2) vocational education grants to States $34 million, (3) sewage treatment plants $45 million, (4) a host of health services. Valid points to remember: (1) Costs, as well as benefits, should be weighed by Congress. It isn't enough idealistically to recognize a need; we must weigh its cost as well as determine if it's a Federal prerogative, (2) programs, once established as Federal in scope and need should be made self-supporting; this means either cutting the amount to be spent (or limiting increase) or raising taxes to pay for them. Otherwise, we are not being fiscally responsible. An encouraging factor is the reduction of Labor Department appropriation by $23 million below budget estimates. It can be done.

Amendment to the Railroad Retirement Act, and Unemployment Insurance Act passed handily. Retirement benefits were increased 10 percent (as they were 4 years ago). Justifiable concern was felt over a program already running $169 million yearly in the hole. As an effort to correct this, taxes will be increased to employers and employees alike and will keep going up in future years (as a companion measure to social security taxation). The tax increases are intended to make the program actuarially sound but there is still some question about this. Unemployment and sickness compensation was increased from the present 50 percent of daily pay to 60 percent, and the daily amount ranges from $4.50 (to total of $699) to $10.20 (to maximum of $4,000).

For my part, I am concerned that the already financially jeopardized railroads are being overloaded with additional employer costs, with attendant risk to financial solvency to railroad management and workers alike, particularly in view of recent Federal loan aid to help railroads make both ends meet. The expenses of featherbedding still go unchecked, almost uncriticized.

Item of interest: Michigan under Governor Williams, political protege of Walter Reuther cannot meet its State employees' payroll (despite tax advances willingly made by the businessmen so badly maligned by both Reuther and Williams). And Messrs. Williams and Reuther would tell other States and the Federal Government politically how

to operate government. Surely now, running out of money proves the fallacy of their teachings, that we cannot spend ourselves rich.

Debatable topic: Can individual human beings, whose intrinsic worth is undisputed by our religious beliefs, develop to their full potential in any society other than capitalistic? I have some ideas about this. How about you?

Need for Central Single Management and Procurement System

EXTENSION OF REMARKS
OF
HON. CLARENCE J. BROWN
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1959

Mr. BROWN of Ohio. Mr. Speaker, as a matter of record, I wish to extend my remarks in the CONGRESSIONAL RECORD and include therein a copy of a letter I recently sent Hon. Maurice H. Stans, Director of the Bureau of the Budget, relative to enforcement of Public Law 81–152—the Federal Property and Administrative Services Act of 1949—dealing with management and procurement matters, recommended by the Hoover Commission and approved by Congress, as well as the McCormack amendment to section 202 of the National Security Act:

APRIL 28, 1959.

Hon. MAURICE H. STANS,
Director, Bureau of the Budget,
Washington, D.C.

DEAR MR. STANS: I am in receipt of your letter of March 17, 1959, and have given it careful study, and do not believe that it responds properly to my letter of February 21, 1959, as to content or spirit.

I am sure that you know, or at least your staff knows, of the interest I have had for many, many years in improving the supply management activities of the Government and, particularly, in the Department of Defense where so many billions of dollars are expended. Partly because of this long and intense interest, I was prompted to sponsor both Hoover Commissions, and have spent a great amount of time and effort in this area, which I consider lends itself more than any other to economy and efficiency.

When former Director Brundage indicated to the Government Operations Subcommittee on May 28, 1957, that the Bureau of the Budget recognized the importance of this area of management and was working on it, I was pleased, though it was immaterial to me whether the approach to improvement was through a reorganization plan, or pursuant to the Budget and Accounting Act of 1921, or through the Federal Property and Administrative Services Act of 1949, or through the general authority of the President of the United States, or otherwise.

I was interested in results and, quite frankly, I have seen small evidence of substantial accomplishments in this most important area. Certainly, I have seen no recent evidence that the Bureau of the Budget, which is the overall management arm of the President in these matters, has taken vigorous action with respect thereto.

Your letter of March 17 correctly indicates that I have opposed the concept of establishing still another supply service which would operate over and above the numerous existing supply services in the Department of Defense. What I think should be done is to merge or integrate, rather than create still more services. I think we need one effective supply service, rather than many separate and competing services.

It is also true that I have advocated that GSA should be given the tasks which were contemplated with the passage of Public Law 152, and also the means of redeeming them. This action was strongly advocated by the first Hoover Commission. GSA is now 10 years old, and I am sure that you are aware of the fact that it will never operate as planned unless it has the strong backing of the Bureau of the Budget. Specifically, GSA can never operate successfully in the large supply and service areas unless it is organized, staffed, and equipped to take over some of the large common supply and service activities now performed by the military agencies. Here again, I do not favor building up GSA and leaving the military agencies intact. There must be a transfer of stock, buildings, personnel, etc., if there is to be more efficiency, and this is a top management matter affecting organization.

I would suggest, Mr. Director, that the Bureau immediately try to delineate areas of common supply, particularly administrative-type items which can be turned over to GSA from the military agencies.

As a start, why not give it all types of office supplies, equipment, furniture, furnishings, etc., which are used not only by the military, but by numerous civilian agencies? I understand that GSA is serving the Air Force in this field, so why not extend the program to the Army and Navy also? In such a program I would expect, of course, that there would be less organization after transfers were made, than under current operations.

I also note from your letter that you tend to support the single manager systems which have been developed for a few classes of items in the Department of Defense. I am sure you realize that there are only 44,000 items in the single manager systems, and though some of these items are large in volume, the program is relatively small compared to the sum total of common items in the Department of Defense. For example, the general stores items in the services include 100,000 items or more, and even a cursory inventory analysis indicates there is a large duplication in these items in the military services. What has the Bureau done, or what does it plan to do to place these items under a single manager? I note from the Department of Defense appropriations hearings for 1960, part I, page 993, that criteria have been developed for the expansion of the single manager program, and also for the designation of the managers to operate the new plans. If this is so, why should there be long delays in starting other single manager categories? Certainly, with a vigorous standardization program there could be even more commonalty with respect to these items.

I have made some inquiry concerning the unity in the military systems in the so-called theaters of joint command and find that a great amount of work needs to be done in the development of standard forms, procedures, regulations, etc., etc., in order that there may be effective and responsive supply systems to back up the unified commands.

I presume that you are aware that the Air Force has started a study as to its communication requirements in the space age. Many people, including myself, wonder why such a study was not directed to the communications needs of the Department of Defense at this time when the idea of joint commands is commonly accepted.

Within the last few days I have noted that the Navy is contemplating a rather important reorganization of some of its ordnance activities involving two or more services. Newspaper articles indicate that legislative action will be required in this respect. I wonder what overall studies are in contemplation at the Bureau of the Budget with respect to ordnance requirements among the three services.

I have also noted that the Army is currently developing a worldwide surplus property program. To what extent is this being geared to the entire program? And what is being done to stop the creation of needless surpluses? You stated in a recent "Face the Nation" program that, "we have consultations going on with the Department of Defense even now, currently, on that subject." This has been a live problem since 1942, and something more than consultations are required to make progress. Now, I am not unmindful of the factor of technological change and obsolescence in this picture. But, frankly, there are too many military services buying, storing, and distributing the 3½ or more million items in the Department of Defense supply systems. This is particularly so for common type items.

Frankly, I think that we must solve the organizational and other problems which help cause the annual generation of $8 to $10 billion in surpluses. If you think that the McCormack amendment, section 202(c)(6) of the National Security Act, as amended, is the correct basis to get the job done, may I inquire what is being done with the Bureau's support in developing an overall program to accomplish the objective? Here again, I am not unaware that good accounting is a tool to good management, but good tools are not enough by themselves.

I have written this letter at some length to indicate the scope and nature of some of the problems which confront us in the supply and service field as I have viewed them over a long period of time. The GAO has issued approximately 200 reports in the last year dealing with some of these matters, though they have not as yet, so far as I know, studied and reported on the organizational weaknesses in the supply and service systems themselves.

It seems to me that the Bureau of the Budget which represents the executive branch topside in management matters, including reorganization, and which has the responsibility for presenting the budget, should be extremely active at this time in an area where the stakes are the national defense and the national economy. If this is not a management and organizational problem of the highest order, then there is none.

Sincerely yours,

CLARENCE J. BROWN,
Member of Congress, Seventh Ohio District.

Loyalty Day

EXTENSION OF REMARKS
OF
HON. EDWARD P. BOLAND
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1959

Mr. BOLAND. Mr. Speaker, on last Friday, May 1, Americans throughout the world observed Loyalty Day for the first time as a countermeasure to Communist May Day activities.

This past weekend was known as Loyalty Weekend because many of the parades and observances were held on Saturday and Sunday in communities throughout the United States. One of the most spectacular parades and demonstrations of American loyalty took place in South Hadley Falls, Mass., in my Congressional District, where the

parade was sponsored by the Massachusetts Department of the Veterans of Foreign Wars. More than 5,000 marchers participated, including Mayor Thomas J. O'Connor, of Springfield; Mayor Walter M. Grocki, of Chicopee; and Mayor Samuel Resnic, of Holyoke.

Mr. Speaker, the first observance of America's Loyalty Day was sparked by the Veterans of Foreign Wars who received the cooperation of President Eisenhower and the Congress. Mr. John W. Mahan, commander in chief of the Veterans of Foreign Wars of the United States, described what loyalty really means in an exclusive article for Parade magazine published Sunday. I had intended to include Commander Mahan's article with my remarks, but I was pleased to note that Congressman METCALF had it inserted in the RECORD with his remarks.

Conservation, Not Conservatism

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Monday, May 4, 1959

Mr. PORTER. Mr. Speaker, Senator HUBERT HUMPHREY'S forceful speech, "Conservation—America's Frontier," delivered in my hometown, Eugene, Oreg., on April 21, 1959, was warmly received. I want to make the text available as widely as possible, so, under a previous consent, I am including it following these remarks.

Mr. HUMPHREY has many friends in Oregon, as indeed he does in each of the 50 States of this Union. I have received many letters about his recent trip there. People are enthusiastic about him and many urge that he be the Democratic standard bearer in 1960.

Oregon has an early primary. This means that presidential possibilities like HUBERT HUMPHREY have an opportunity to find out where they stand at the ballot box early in the year. It is my belief that Senator HUMPHREY'S recent trip to Oregon gave him many new and enthusiastic friends.

CONSERVATION: AMERICA'S FRONTIER

(Remarks of Senator HUBERT H. HUMPHREY at Democratic dinner meeting, Eugene, Oreg., April 21)

Anyone who travels over the great West, and sees the massive timber stands, the powerful rivers, the vast grazing lands, realizes that the West is the storehouse of America's great natural wealth.

Now, there is sometimes a tendency to believe that the West is the only part of the country that is deeply concerned about preserving and developing those resources.

Well, that might have been partly true a few years ago, when our conservation programs were moving steadily forward. Then many people were probably inclined to take these resources for granted.

But in the last few years, everyone in America has had an education on the value of their natural resources and, believe me, the cost of tuition has been mighty high. For this administration has not only failed to develop our resources—it has launched a program of giving them away.

I don't need to recite the full record for you people here in Oregon, for this is home territory for the big giveaway—the Al Sarena land grab, for example, and the fiasco about the Klamath Indian Reservation.

I am sure you know about the granting of special oil leases on wildlife refuges to favorites of the Eisenhower administration, and the threat to the national forests by a small group seeking special privileges.

And there would have been more, had it not been for Democratic Senators and Congressmen, such as those from Oregon. They have sounded the alarm. They have focused a spotlight on the big giveaway.

Yes, the American people have been getting quite an education on the value of conserving natural resources. I suppose you might call it a liberal education.

But the evils of the past are not as important as the needs of the future.

Now when I talk about the resource needs of America I am not just thinking of the material resources—the food and fiber, the minerals and chemicals it takes to supply a growing population. I am thinking of other human needs that must also be met—nonmaterial needs.

I am thinking of the need for recreation, for example. America is abundantly supplied with bigger, better, and more powerful cars to take the family off on a vacation, but America is not so well off in places for them to go to enjoy themselves. Our national parks are overcrowded; many of our streams and rivers are polluted—hardly the ideal site for a family vacation.

America has a big job to do in assuring resources for the future.

Today there are 172 million people in the United States. By 1975, just about when today's babies will be getting out of school, the Census Bureau tells us there will be some 215 million people. By the year 2000, some say we will have 300 million people—but estimates run as high as 360 million—twice the population we now have.

To supply this exploding population will require twice the agricultural output, more than again as much water as we are now using, 50 percent more timber growth, and double the output of minerals.

How are we going to get these?

Well, one thing is certain. We are not going to achieve these goals unless we plan ahead. I don't need to tell you people here in Oregon that a tree doesn't grow in a year—either in Brooklyn or in Oregon—nor is a dam built or a grazing range revegetated in a matter of months.

In the field of resources, this country has been living on the heritage of two Roosevelts: Teddy Roosevelt, the first great conservationist President this country ever had, and another Roosevelt, who had the good sense and the imagination to put young men, as well as rivers, to work in rebuilding and conserving America's natural wealth. I mean, of course, the Democratic Roosevelt—Franklin Delano Roosevelt.

Harry Truman kept up the Roosevelt tradition. He knew the value of resource development. He too cared deeply for America's future.

But in the last 7 years, we have been coasting along, living on the past, ignoring the pressing needs of the future.

Other nations through history have followed a similar course, and they have paid dearly for it. The price they paid is written in the seared, overgrazed, and deforested Middle East. Where once stood the magnificent Cedars of Lebanon, there is barren desert; and the ingenious irrigation works of ancient Babylon are silted up from the floods that swept the overgrazed watersheds of the Tigris and the Euphrates.

America today is not the Middle East; far from it. But the price of a do-nothing policy on resources is dear indeed.

What is the job to be done in protecting and building America's natural wealth?

One of the first jobs is to get an up-to-date accounting of just what resources America has. We are now a 49-State Union, and before the year is out there will be 50 States. I am told that two-thirds of the new State of Alaska has never even been subjected to an accurate geological survey. Who knows what wealth may lie in the unexplored areas of Alaska? Perhaps Hawaii has hidden natural treasures as well—I'm sure it has.

But there are pressing jobs to be done in developing the resources we have within our traditional borders.

For example, to meet the needs of our growing population, we will have to expand the output of our forests by 50 percent in the next 50 years. This means the reforestation of some 28 million acres of currently bare land.

It means timber stand improvement measures on 140 million acres of poorly stocked land.

It means an intensified effort to protect our forests against insects, disease, and fire.

These programs must begin soon, for a forest does not spring up overnight.

Next, our growing population demands urgent attention to the problem of water—that precious substance we so often take for granted. How are we to supply a growing nation with an adequate supply of water—clean, usable water? Today, there are thousands of miles of rivers and streams which are too polluted for municipal or recreational use without expensive treatment.

One of the urgent priorities for Government action is the construction of the water treatment plants needed to serve not only the domestic needs but the growing industrial needs of America.

As one step toward meeting this problem, I have joined with Congressman BLATNIK of my State in introducing legislation to rapidly expand our construction of pollution treatment facilities with Federal assistance to States, municipalities, and industries.

As could be expected, this Republican administration opposes that measure. It wants to pile the burden of pollution control onto the already overburdened States.

But rivers flow across State boundaries, and they affect all our people. The responsibility here is clearly a Federal one. Even the Old Guard Republicans ought to recognize that.

Now, instead of devoting its energies to opposing a sound antipollution program, this Republican administration ought to be throwing its full energies behind pressing forward at top speed toward a breakthrough in the desalting of sea water. For here lies the brightest hope, not only in America, but in water-starved countries the world over.

Fresh water cheaply available in the United States would bring prosperity to domestic areas that have too long suffered in drought.

Fresh water cheaply available in the Middle East, North Africa, and the arid parts of western South America, would bring a spectacular rise in the standard of living to some of the poorest areas of the world.

This is the kind of a struggle we should be seeking with the Russians—a struggle to see who can break through first in research programs for the desalting of sea water.

But instead of doing everything in our power to accomplish this, the Eisenhower administration is making this vital research program a repository of defeated politicians. Speaking for myself, I am not enchanted by the thought of the water problems of America running off a lame duck's back.

But water is not only a blessing; it can also be a curse when it sweeps uncontrolled over

our plains and spills over the banks of our rivers.

Whether water be blessing or curse depends in large measure on what we do with our watersheds—whether we permit them to lie bare or whether we cover them to stop or control the flow of water.

Nearly 300 million acres of watershed land need terracing, stripcropping, grass cover, or other water-arresting measures.

This, too, is an urgent job for America, if we are to control our water, and prevent our best soil from being washed off the lands and into the rivers.

On the rangelands, such as those here in eastern Oregon and throughout the intermountain area, overgrazing has taken its toll. Revegetation by newly developed methods of brush busting and reseeding to crested wheat grasses can greatly improve these lands and offers the hope of doubling the cattle-carrying capacity of much of this land.

Here again we have a choice: fertile, productive grazing lands, or intermittent dust bowls which permit much of our natural wealth to be scattered to the four winds.

There are other jobs to be done in the resource field: As productivity and leisure increase, so well the need for recreation areas. At the direction of a Democratic Congress, the Government has just begun a review of our outdoor recreation resources, but already some private estimates indicate a need for acquiring and devoting some 3 million additional acres to recreational needs.

These are some, but by no means all, of the jobs that need doing if our country is to protect and develop her natural wealth.

No doubt, those of us who advocate these programs, will be labeled spenders—that worst of GOP epithets.

But we are not spenders—but prudent investors—investors in the future of America—the soundest investment on any market.

It is the Republicans who are extravagant; they are wasters—they are the exploiters.

Every pound of our soil that is washed from our farms by flood that could be saved by watershed cover is a waste.

Every drop of water that flows in our rivers that could be harnessed to produce energy and power, but is allowed to run free to the sea, is a waste.

Every acre of timberland that is allowed to stand unimproved, every acre of grazing land that needs reseeding but lies bare, is a waste.

The Democrats who believe in conserving and building resources are not the spenders.

It's the Republicans who pursue a do-nothing policy and a giveaway policy on resources who are the real spenders—spenders of our national wealth.

The way this administration seems to size up things is this:

We can afford 4½ million people out of work, but we can't afford to do the things needed to build our country's future.

To me, this just doesn't make sense. If there is one thing we can't afford, it's to have people without jobs. That's the biggest waste I can think of—not just economic waste, but, more important, human waste.

One of the reasons I have recommended the establishment of a Youth Conservation Corps—patterned after the CCC of Franklin Roosevelt—is to put our young people to work conserving and building our resources. There is plenty of work to be done—some estimate that it would take 150,000 men working for 10 years to do the minimum conservation work that I have just described.

Isn't it tragic to allow this work to go undone while we permit millions of men to remain idle, unable to find work—an inexcusable waste of men and resources.

The Republicans have never understood the West.

They cannot understand the West, for the West is new; the West is frontier, while the Republican Party is addicted to the past and the status quo.

The Republican Party cannot understand the West because it is a party based in the financial houses of the East.

It seeks to feed on the West, not to develop it.

What better proof of that could there be than the fact that since the Republicans took over in Washington 6 years ago, there has not been one single new start on a multi-purpose dam.

Harry Truman stood at Hungry Horse Dam in Montana when it was inaugurated in 1952 and said, "Take a good look at this—it's the last you'll see for a long time."

And he was right. It was the last dam we've seen—and the last we will see until the Democratic Party regains the White House.

And regain it we will.

In the long, hard, cold war with the Communists, our resources could well become the decisive factor.

Make no mistake, this will be a long struggle. In part, it is a battle between men and systems of government and patterns of social order.

But it is also a contest of materials and resources.

The great Northwest, so rich in natural resources, represents the Nation's stockpile and its reserves in the waging of the cold war.

The judgment of posterity will depend on how we, today, care for and develop those precious resources.

Israel Independence Day, 1959

EXTENSION OF REMARKS

OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1959

Mr. DINGELL. Mr. Speaker, on May 3, Israel celebrated the 11th anniversary of her independence. Over the years the ties that bind together the people of America and Irsael have grown stronger. What is more, our two nations are drawn together by the bonds of common heritage and by the recognition that we both face the threat of Soviet Communist imperialism. This joining of popular feeling and national interest has created a union of America and Israel that is strongly and deeply rooted. Our national policies must be conceived in light of these realities.

There are few lands beyond our own shores for which the American people have as deep an affection as they have for Israel. This is true, in part, because of the many Jewish people in the American community. But our mutual respect is much deeper and more widespread than that. We recall Hitler's effort to obliterate the Jews who were unfortunate enough to live within his tyrannical empire. And we recognize that the Jewish people have created a modern democracy in the Middle East where democracies are few and far between.

When the State of Israel was created we rejoiced at the news, because we knew that at last these people who had endured so much would find a home in the land of their historic kingdom. As they fought for their statehood and finally secured their independence against overwhelming numbers of Arab bands, we rejoiced again and contributed materially to help establish the new nation. It is no exaggeration to say that the aid that has gone directly from the American people to the people of Israel since 1948 has been more than double the official foreign aid that has gone from the U.S. Government to the Government of Israel.

Our friendship and respect for Israel continued as we watched the desert blossom and a democratic society spring up. It is widely recognized that Israel has used American foreign aid to better advantage than any other state in the Middle East. A well-educated, industrious people, they have set forth with the enthusiasm and vision that only pioneers can muster to their cause. They have worked hard and have built a thriving, modern nation where formerly there was little but desert, poverty, and disease.

Today Israel lives in uneasy peace. There is the longstanding bitter dispute with her Arab neighbors which always threatens to erupt in violent border incidents. But now there is also the increasing Russian activity in the Middle East. The Soviets exacerbate local problems to gain influence and perhaps domination in some countries there.

Israel and the United States stand together on their most vital interests in the Middle East. Israel's security depends ultimately upon reaching some agreement with the Arab countries so that she can devote her resources to peaceful economic development in cooperation with her neighbors. Israel's security is also threatened by Soviet expansion. The United States desires the establishment of peace and voluntary cooperation among the Middle Eastern countries. Therefore, our two countries must work together for peace and cooperation in the Middle East.

On this day when Israel celebrates the 11th anniversary of her independence we extend our best wishes to the Israeli Government and to the heroic people of Israel.

Radiation Fallout From Nuclear Bomb Tests

EXTENSION OF REMARKS

OF

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1959

Mr. PRICE. Mr. Speaker, under unanimous consent, I include in the CONGRESSIONAL RECORD a television dialog between a panel of interrogators and my colleague the gentleman from California the Honorable CHET HOLIFIELD. The importance of the subject of radiation fallout from nuclear bomb tests is considered in the dialog. This subject will be explored further this week during hearings by the special Subcommittee on

Radiation, of which Mr. HOLIFIELD is chairman:

"FACE THE NATION"

(As broadcast over the CBS Television Network and CBS Radio Network, May 3, 1959)

Guest: The Honorable CHET HOLIFIELD, Democrat of California, U.S. House of Representatives.

Moderator: Stuart Novins.

Panel: John W. Finney, New York Times; George Herman, CBS News; Nat S. Finney, Buffalo Evening News.

Producer: Ted Ayers.

Mr. NOVINS. Much has been said about the dangers of radioactive fallout, and most of what has been said has been contradictory. We have been told that there is danger, and we have been told that there is not danger. We have been told that experts in atomic energy are holding back important information from the public, and we are told that they are not holding back such information.

It is with the hope that some clear statement will be forthcoming that we turn to Congressman CHET HOLIFIELD, who is here now to "Face the Nation."

Representative HOLIFIELD, your subcommittee of the Joint Atomic Energy Committee goes into the fallout problem this week. But, of course, you have been close to it for a long period of time. So let's start the questions, if you will, with the first one from Mr. Finney.

Mr. HOLIFIELD. Fine.

Mr. JOHN FINNEY. Well, Mr. HOLIFIELD, with that introduction, in your opinion, how great a threat does fallout pose to mankind?

Mr. HOLIFIELD. It depends upon the intensity of the fallout, and we must recognize that up until the moratorium, which is in existence now, that there has been an increasing tempo of bomb tests, and we will get into the degree of that intensity as we go through these questions today, I suppose.

But I would say that at the present time I do not think that there is a tremendous danger involved. There may be some danger which has not yet been able to be proven in a laboratory, but certainly there will be danger if bomb test increases in the geometric ratio that it has in the past 10 years.

Mr. HERMAN. Mr. HOLIFIELD, this danger does not exist in a vacuum. How can you compare it to the danger from other radiation sources, from X-ray machines, radium dials, and so forth? How big a danger is it, viewed that way?

Mr. HOLIFIELD. Well, let me attack it in this fashion. The natural background radiation which exists in all parts of the world is generally conceded to be about 7 roentgens over a 70-year lifetime. The bomb test fallout to date has that raised one-tenth. In other words, in the place of ten-tenths of normal background radition, you have eleven-tenths. You have one-tenth more.

Now, one mouth X-ray might give you from 10 to 20 roentgens. Now, that's on a specialized part of the body; that's not the all-over body exposure. But a GI who goes through the complete set of X-rays may get as many as 25 to 50 roentgens.

Mr. NAT FINNEY. Representative HOLIFIELD, I'd like to ask you a couple of related questions.

I believe that, as a member of the Joint Committee on Atomic Energy, you must have approved, either explicitly or implicitly, the various series of tests that have been conducted by the Atomic Energy Commission so far.

Is that correct?

Mr. HOLIFIELD. No. Those tests are held under the Department of Defense, in conjunction with the Atomic Energy Committee, but it is part of our national policy, and our committee does not approve specific tests.

Mr. NAT FINNEY. Well, have you—have you disapproved of any of them, or attempted to stop any of them?

Mr. HOLIFIELD. No; we have not.

Mr. NAT FINNEY. I take it, sir, then, that it hasn't been in your mind that these tests that were conducted would do a substantial physical injury to the people of the United States, else you would have attempted to have prevented them, I take it.

Mr. HOLIFIELD. You are right. It is the unanimous position of all the 18 members of the Joint Committee on Atomic Energy that these tests are not detrimental, in a global way, to the people of the world. If there are—if there is any danger involved, it would be of such infinitesimal amount that I doubt if it could be proven in a laboratory to be of deleterious effect upon a human being.

Mr. NAT FINNEY. And that, sir, is the basis upon which you have been agreeable to having these tests go on?

Mr. HOLIFIELD. That is true. We feel that the national defense is important enough that if there is some risk involved, we must take that risk.

Mr. JOHN FINNEY. Well, then, Mr. HOLIFIELD, if this does not pose such a great danger, the threat of fallout is not a valid reason, then, for us to stop atomic tests at this point?

Mr. HOLIFIELD. It depends upon what you mean by the threat of fallout. If bomb testing continues, and it gets to the point where they have more and more radioactive fallout release, then it will become dangerous, and I think it is the fear of future danger more than the fear of present existing danger which has alarmed the people of the world.

Mr. NOVINS. Mr. HOLIFIELD, in the interest of clarification, is it true that this fallout is cumulative and that the danger is cumulative, it isn't just a case of being exposed at one time and if you get away with that, being safe? The stuff keeps building up, doesn't it?

Mr. HOLIFIELD. That is true. All radiation is cumulative and the figures I give you of the increase of one-tenth of normal background radioactivity is an accumulative figure.

Mr. HERMAN. Mr. HOLIFIELD, it is usually said that the quid pro quo in the danger from testing is that we are building up a deterrent force with which to prevent a nuclear war which would be vastly more horrible. Can we afford to stop testing?

Mr. HOLIFIELD. Well, this is a $64 question, of course.

Now, the national policy at this time, as expressed by the President and the Secretary of State, is to the effect that if the Soviets will agree with us to cease testing, and if they will inaugurate a system of detection and inspection which will prove that they are keeping their word, then we are willing to stop testing for the time being.

Mr. HERMAN. Then does the committee, the Joint Congressional Committee on Atomic Energy believe, with the administration, that a halt in all further testing will keep the relative military positions of the Soviet Union and the United States, as far as nuclear weapons are concerned, unchanged—their relative positions?

Mr. HOLIFIELD. I could not answer for the full committee on this, because I think there is a diversity of opinion on the committee.

I would say that the problem of obtaining an adequate inspection and detection system is very great.

There is one factor which has never been brought into the political discussions between the negotiators in Geneva, and that is the problem of the great land mass of Red China, and it would be entirely possible for the Soviets and the United States to agree to cease testing, and it would be possible that unless the land mass of Red China was included in the detection and inspection system that there could be surreptitious tests by the Russians in the land mass of Red China.

Mr. HERMAN. What I mean, sir, was aside from the question of detecting tests, if the ban is carried cut in good faith, does one side or the other stand to lose more in relative military strength?

Mr. HOLIFIELD. Well, this is a question I do not think can be answered.

We do not know exactly what the Soviets have. We are confident that we are ahead of them, I believe, in most of the weapon development.

Mr. JOHN FINNEY. Mr. HOLIFIELD——

Mr. NAT FINNEY. Mr.——

Mr. NOVINS. Mr. John Finney, please.

Mr. JOHN FINNEY. Mr. HOLIFIELD, let's get it on the record here. Are you in favor of a test ban, and if so, under what conditions?

Mr. HOLIFIELD. I am in favor of a test ban providing I could be assured that there was a detection and inspection system, worldwide, in effect which would insure that another nation would not obtain an advantage in the development of weapons.

Mr. JOHN FINNEY. In other words on terms which the Soviet Union thus far has refused to accept.

Mr. HOLIFIELD. That's right.

Mr. NOVINS. Mr. Nat Finney, please.

Mr. NAT FINNEY. Representative HOLIFIELD, John Foster Dulles, in talking about these negotiations that we are now in, in Geneva, said that one of the reasons for going there was the imponderables of the situation, the world situation. And, it was quite clear, he made it clear that one of these imponderables is a worldwide agitation about fallout which makes, builds a level of anxiety.

Now, there are people in this town who believe firmly that the hearings that you are about to hold provide a perfect sounding board for that agitation against the United States.

Mr. HOLIFIELD. Well, I do not share that opinion. I believe that in a democracy the people are entitled to the facts. It will be the attempt of this committee to bring out nothing but the facts. We will have men from both sides of the question testify before us. They will be scientists, in the main, who know something about it from a professional standpoint. Each side, the side that wants the tests stopped will be given, allowed to, individuals will be given, allowed the privilege of testifying, and the people that want them continued will be given the chance to testify. But in each case they will be asked to testify not on philosophical or political opinions, but to give us their professional opinion as to the specific scientific data involved.

Mr. NAT FINNEY. You don't think—do you think the harm that that will do the position of the United States in the world, and I take it that you watched the press tables during the first hearings——

Mr. HOLIFIELD. Yes.

Mr. NAT FINNEY. That that harm is justifiable?

Mr. HOLIFIELD. I do not believe that there will be any harm done. I never believe that in bringing the truth to the people about scientific facts which have a very important impact upon their destiny, that in a democracy that you are doing harm. I think that you, as you spread enlightenment and knowledge to the people in a democracy, it enables them to participate in the function of government more intelligently.

Mr. JOHN FINNEY. Well, along this line, Mr. HOLIFIELD, there have been frequent charges that the Atomic Energy Commission was suppressing and withholding facts about fallout from the American people.

Since your hearings, earlier hearings in 1957 when much of this field was brought out into the open, do you think the Atomic

Energy Committee has been guilty of suppression of fallout information?

Mr. HOLIFIELD. I do not know of any specific case where vital information which should be made public has been withheld deliberately. There may have been some omissions or some slowness in letting some of this information out until it was properly checked.

You see, this is a very complicated subject. Our hearings 2 years ago filled two great volumes like this, and we expect to fill two more now on these hearings which will bring up to date the information which has not been publicized to the general public but which may have been released in many instances in scientific bulletins with very low circulation.

Mr. JOHN FINNEY. Well, then do you think the Commission has done a commendable vigorous job in exploring fallout and what threat it does pose to us?

Mr. HOLIFIELD. Yes. I think that in the last year or so that they have been very diligent. Last year the Joint Committee on Atomic Energy furnished them with $17 million for this purpose. This year they are furnishing them with $20 million for monitoring and testing, and testing soil samples and air samples and water samples and milk samples and all these sort of things so that we can get the information.

Mr. HERMAN. Mr. HOLIFIELD, aside from the question of diligence do you think it is wise in principle to have the same organization which is putting strontium 90 and other fallout products into the air, being the judge and making the measurements and telling the people whether they are or are not safe from the products that they themselves are putting in the air?

Mr. HOLIFIELD. In principle, I think that a separate agency should have the function of monitoring all radiation of every type, because you have X-ray radiation and other types of radiation. From a practical standpoint, it seems that right at this time the AEC has the greatest number of trained people, and they are also able to get $20 million a year. I doubt if any civilian agency could get that much money to do this job. And until I'm sure that some separate agency can get that much money to continue the contractual work and the actual laboratory work that they are doing now in the AEC, I would be against changing.

Mr. NOVINS. Mr. Nat Finney.

Mr. NAT FINNEY. Sir, wouldn't that apply to the Joint Committee on Atomic Energy of Congress, quite as well as to the Atomic Energy Commission? Don't you have both responsibilities too in the committee?

Mr. HOLIFIELD. We have the responsibility as long as it remains in the AEC. If for instance this responsibility was transferred to the Public Health Service, then it would go before another committee of the Congress.

Mr. NAT FINNEY. Then in principle sir, you believe that you should give it up?

Mr. HOLIFIELD. In principle, I would be willing to give it up, providing I was sure the Public Health Service could get $20 million a year. But you and I both know that on Capitol Hill it's very easy to get money for the Pentagon and it's very easy to get money for the AEC, but it's very difficult to get money for the Public Health Service.

Mr. NOVINS. Mr. HOLIFIELD, you pointed out a few moments ago that you thought you justified the risks of fallout on the basis of national security, that we had to take certain risks in order to stay at least equal to and hopefully ahead of the Russians.

But you also pointed out that even if the Soviet Union and the United States were to reach agreement on suspension of weapons tests, there still remains this vacuum which you described as the land mass of Red China.

Now, do you feel that on, again on the basis of national security, that it would be worth the recognition of Red China in order to arrive at some kind of means of negotiation with that government to insure that it be brought into any agreement that might be found possible?

Mr. HOLIFIELD. This gets into a different problem and a political problem of evaluation in which many things must be considered.

I think, I'd like to answer you in this way: that I think the most important thing that could happen would be to do—to take any step which might be necessary to prevent a nuclear war. I do not see at this time how the detection and inspection system could function safely for our information, unless the land mass of Red China and every other satellite nation in the world was included in the inspection system.

Mr. NOVINS. Well, then, the implication of what you are saying is that if it is necessary to recognize Red China in order to include it, you would go along with that?

Mr. HOLIFIELD. If it means the difference between having a nuclear war and not having one, and this is a first step toward preventing it, then I would say yes.

Mr. JOHN FINNEY. Well, Mr. Holifield, we have heard a lot of dogmatic statements from people on both sides of this issue of fallout. I'd like to ask you just one, two, three questions here, as to what we know for certain about fallout.

Do we know for certain how long that radioactive debris stays in the air, and how it comes down to earth?

Mr. HOLIFIELD. No; we do not. They are constantly revising their predictions on this. At first, I think Dr. Libbey thought that it would be 7 to 10 years before all of the stratospheric fallout of a particular bomb would come down. I understand that he has recently reduced that now to about 6 years.

I understand that there are people in the Defense Department that think it may be as short as 2 or 3 years.

Now, this does not change the factor of measurements. We are making the same measurements, whether it's 3 years or 10 years, so in one way, you might say, well, if all of a bomb radiation comes down in 3 years, at the rate we are measuring now, it would be less than if it came down in 10 years.

On the other hand, there is another factor that enters into it. Some of the short-life isotopes come down in the first 2 or 3 years, and they have not yet decayed, they have not burned out, in other words, where, if they stayed up there 10 years, they would burn out.

So this is a, this is a mathematical computation that is very difficult.

Mr. JOHN FINNEY. All right. Well, that's a very important and unknown factor.

Now, the second factor: Do we know what happens to that debris once it gets on the ground, how it goes into the plants, how quickly, how much the plants absorb, and how much they reject, and how it gets into animals and food supply? Do we know the exact ratios?

Mr. HOLIFIELD. We do not know the exact ratio. We have a great deal of information on that. We can measure the strontium 90 deposit on the soil. We can tell how deep it goes, how much there is there. We can measure it on the foliage. We can, in some instances, we can certainly detect it in milk, when it goes from the alfalfa the cow eats, into the milk, we can detect it there, and we can actually detect it in the bones of children after they drink the milk.

Mr. JOHN FINNEY. All right. Now we've got it into the children, and into the human beings.

Do we know how much damage is caused by a certain amount of strontium or cesium 137?

Mr. HOLIFIELD. I don't think we know exactly what—what the damage would be.

Mr. JOHN FINNEY. So we have three great unknowns still, don't we, in this whole fallout picture?

Mr. HOLIFIELD. Oh, I think we have many more than that, but three—I will agree to those three you mentioned.

Mr. HERMAN. May I speak to the point of a fourth?

Do we know where fallout is going to come, how it is to be distributed around the earth, in what regions, in what rainy or dry regions, and what belts of latitude?

Mr. HOLIFIELD. Well, we have some information on that and we are going to have more that will be released in these hearings. We know this, that most of the fallout falls in the Temperate Zone. We know that it falls where rainfall falls, more than in desert areas.

Mr. NAT FINNEY. Mr.——

Mr. HOLIFIELD. So we are accumulating some knowledge of it.

Mr. NAT FINNEY. I'd like to ask just one followup question to that.

Mr. HOLIFIELD. Yes.

Mr. NAT FINNEY. Do we have, do we know of one single human being who has become ill or has died from global fallout?

Mr. HOLIFIELD. No, sir; we do not.

Mr. HERMAN. Well, I'd like to speak to that point also, Mr. HOLIFIELD.

Does that actually prove anything? If we have an increase in numbers from, say, so many leukemia deaths to twice that many leukemia deaths, could anyone point to any one case of leukemia and say this comes from strontium 90, and this comes from an X-ray, a foot X-ray machine, and this comes from background radiation?

Mr. HOLIFIELD. You are speaking the truth. You cannot detect the difference, and we do not have enough years of statistical knowledge in order to say at this time that leukemia deaths are increasing or that they are not increasing, as a result of bomb tests.

Mr. NOVINS. Mr. HOLIFIELD——

Mr. HOLIFIELD. This is something we haven't found out yet.

Mr. NOVINS. In view of the fact that there are always unknown quantities and that there has not been enough time elapsed yet to collate all this information and to evaluate it, how can you possibly say that something is not dangerous, when you don't know what effect is being caused?

Mr. HOLIFIELD. Well, we, we say that from the best scientific knowledge that we have, judging on the intensity of the radiation that we do not believe that it is harmful, at least it's not harmful enough that we can detect it.

Mr. NOVINS. You mean harmful to people currently alive?

Mr. HOLIFIELD. Now let me—let me give you an illustration, a quick illustration.

If you get 7 roentgens in a lifetime from background radiation which includes normal background radiation and bomb test radiation, and if it takes, let us say—well, let us take the case of the Russell experiment on mice. Mr., or Dr. Russell used 100 roentgens on 5,000 mice and then he traced the genetic effect on 100,000 descendants of that 5,000 mice and found out that it did do genetic damage. But I point out to you that he used a hundred roentgens on a mouse in order to trace the genetic damage.

Now, when you talk about one-tenth of 7 roentgens or seven-tenths of 1 roentgen, causing leukemia or these other diseases, then I think you are in the realm of speculation and you are not in the realm of proven laboratory experiments.

Mr. HERMAN. Mr. HOLIFIELD, you have overwhelmed us with numbers on that, but is it not generally acknowledged by the geneticists at least that even an infinitesimal extra dose of radiation leads to at least an infinitesimal extra amount of damage to future generations?

Mr. HOLIFIELD. That is a theory they all subscribe to but they cannot prove it.

Mr. NOVINS. Mr. HOLIFIELD, let us—

Mr. HOLIFIELD. The threshold—the threshold—the threshold of radiation damage has never been set, whether it is at 0 or 0.6 or 0.7.

Mr. NOVINS. Mr. HOLIFIELD, let me see if I can break through some of these fractions of roentgens——

Mr. HOLIFIELD. All right.

Mr. NOVINS. And get to what I think most people are probably interested in.

If I asked you, sir, what this current radiation and the foreseeable radiation is going to do to me or to any children I may have, what is your answer?

Mr. HOLIFIELD. I would say that I do not know, nor neither do the scientists know exactly.

Mr. NOVINS. Then how can you say that this is safe?

Mr. HOLIFIELD. Well, I don't think I have said that it was safe.

Mr. NOVINS. How can you say there is no danger in this fallout that is appreciable?

Mr. HOLIFIELD. I said that I did not believe that there was any danger because it is impossible to prove that there is any danger in any kind of a laboratory experiment that I know anything about—of this degree of intensity of radiation. And I feel like that in this instance where there is no proof that this low degree of radiation causes deleterious effects, that the security of the Nation involves taking what risks there may be.

Mr. JOHN FINNEY. Mr. HOLIFIELD——

Mr. NOVINS. Mr. John Finney.

Mr. JOHN FINNEY. I would like to take a reverse side of this coin, that fallout is often used as a reason why we should stop tests. I would like to go into the military reasons why we might have to continue tests.

Do we not have to continue tests if we are going to have small high-yield warheads for our defensive missiles against enemy ballistic missiles?

Mr. HOLIFIELD. Yes; we do have. This is a very important question that you have asked, because at this time our foreign policy is based on massive retaliation with large hydrogen weapons, megathons—1-megathon, 5-, 10-megathon weapons. We are completely ignoring the small weapon field. Now it might be possible that if you had small weapons that you could get by without using big ones. But if you put all your eggs into one basket of big ones, you either are not going to use them because your—you don't want to start that kind of a war, or if you do use them you have started something that I think will be very bad for civilization.

Mr. JOHN FINNEY. Well then are you as a member of the Atomic Energy Committee saying that we should continue tests to develop small tactical defensive war heads?

Mr. HOLIFIELD. I am saying that unless there is the proper kind of a detection and inspection system that we can depend upon, where everybody stops, that we, that we should continue making tests for these small weapons. And I might point out that these tests can be made underground for small weapons without releasing any radioactivity into the air.

Mr. NAT FINNEY. Representative HOLIFIELD, I would like to take you in a little different area.

Mr. HOLIFIELD. All right.

Mr. NAT FINNEY. An old acquaintance of yours over a long period of years is in the switches over in the Senate, Secretary of Commerce-designate Lewis L. Strauss and the other day some pretty extreme statements were made about him.

May I ask, do you think that he should be confirmed?

Mr. HOLIFIELD. Now; I would rather not answer that question. It has nothing to do with these particular hearings and I am not a Senator, I do not have to vote on confirmation.

Mr. NAT FINNEY. Do you think Dr. Inglis' statements about him are substantially true?

Mr. HOLIFIELD. I haven't read Dr. Inglis' statements.

Mr. HERMAN. Let me put it to you this way: Do you have any feeling of national guilt because of the American program of developing nuclear weapons?

Mr. HOLIFIELD. No, sir, I do not; because we are faced with the development of the Soviets of these weapons and I felt that we had to do it in self-defense.

Mr. JOHN FINNEY. Mr. HOLIFIELD, I would like to go to the question of who is watching out for our health on this? Who is watching out about the milk and how much strontium there is in it? Who is watching out about that Minnesota wheat in which we got some instances in which it had very high concentrations of strontium?

Mr. HOLIFIELD. Well, part of this $20 million that the Joint Committee on Atomic Energy has furnished the Atomic Energy Commission is being used for that very purpose. I have the reports here of the radioactivity in milk for many different places throughout the United States.

Mr. NOVINS. Do they vary very much—excuse me, Mr. Finney, go ahead.

Mr. JOHN FINNEY. They didn't find that Minnesota wheat, did they? That came from Minnesota.

Mr. HOLIFIELD. Well, there are—are many different universities that are testing. Some of them are under contract to the AEC, and some of them are operating on their own. I think the Minnesota detection, soil detection program was under the University of Minnesota, I believe.

Mr. NAT FINNEY. Representative HOLIFIELD, do you consider that 113 units in that one sample of wheat, just taken alone, to be beyond the danger point?

Mr. HOLIFIELD. No, sir. No. You must remember that these measurements are in millionths of a millionth of a curie. They are very small measurements.

Mr. NAT FINNEY. Isn't it true, sir, that the average for the year, which is what you go by, was well within a safe range?

Mr. HOLIFIELD. It was well within what?

Mr. NAT FINNEY. Well within the safe range.

Mr. HOLIFIELD. Yes; it was. It was about, I think, one-tenth of the permissible level.

Mr. HERMAN. In this same line of questioning, since we are asking you questions in the form of statements, as they do in the House, on occasion, would it not also be true to say that a maximum permissible concentration in wheat is the level at which if you eat wheat alone and nothing else for 50 to 70 years, you would get to a danger point in your body?

Mr. HOLIFIELD. That's right. It, the maximum permissible level is for a 70-year lifetime period, and you would have to eat wheat alone to get it.

Mr. HERMAN. So that if wheat is a small part of your diet, then over-maximum permissible concentrations is not anything of a threat?

Mr. HOLIFIELD. Well, there are many other factors that enter. The body discriminates and releases a great deal of that.

Mr. JOHN FINNEY. Mr. HOLIFIELD, just one quick question:

What do you think of the British proposal on the test ban issue, their idea that we set up a predetermined number of inspections on each side and attempt to get around this present deadlock?

Mr. HOLIFIELD. I can't pass judgment on that, because I think there is a bigger problem involved, and that's the land mass of Red China. I think that has to be solved, and why they are not working on this I don't know, because any kind of a test suspension ban without including the land mass of Red China would be worthless.

Mr. NOVINS. Do you feel the State Department should be working on this, sir?

Mr. HOLIFIELD. I certainly do.

Mr. NOVINS. Mr. HOLIFIELD, thank you very much, indeed, for coming here today to face the Nation.

Our thanks also to today's panel of newsmen: to Nat Finney, of the Buffalo Evening News; George Herman, of CBS News; and John W. Finney, of the New York Times.

Self-Financing Bill Maintains Congressional Control Over TVA

EXTENSION OF REMARKS

OF

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1959

Mr. EVINS. Mr. Speaker, as we all know, H.R. 3460, the TVA self-financing bill, will soon reach the floor for consideration.

In order to clear up some misunderstandings regarding congressional control, I am inserting in the CONGRESSIONAL RECORD, under unanimous consent, an analysis of the effect that H.R. 3460 will have on congressional control over the TVA.

Mr. Speaker, I have examined this matter carefully. I have studied the analysis of the bill made by both the proponents and opponents. I believe it is clear that this bill does not reduce congressional control but increases control over the TVA.

Let me make clear at the outset that in this matter of congressional control there is one very great difference between the TVA and most of the other Government corporations covered by the Government Corporation Control Act. Unlike most of the other corporations, the TVA comes to the Congress each year for appropriations for its nonpower program. It will continue to do so even after the passage of this bill.

As a member of the Subcommittee on Appropriations that hears TVA budget requests each year—I want to report that over the years during which I have had the distinction of serving on this committee I have observed and can testify that the TVA has been subject to more intensive, grueling and close budgetary scrutiny than perhaps any other agency of our Government.

With that in view, let us see what this bill provides in the way of congressional control.

First. This bill does not exempt the TVA from any of the budgetary procedures normally applicable to Government corporations.

Second. The TVA would still submit to the President and the President would still submit to the Congress not only TVA requirements for appropriations, but also TVA's budget for its power operations.

Third. Thus, when reviewing the appropriation budget of the TVA, the Congress would continue in the future as

it has in the past to look over the corporate budget and the budgets for its power operations.

Fourth. I can assure you that in this Appropriations Subcommittee the members of the subcommittee look over the power budget very carefully and I can assure you that if ever the TVA should propose to do anything in regard to its power program that required action by Congress, that fact would be called to the attention of the Congress in the hearings of the Appropriations Committee and during the consideration of the appropriations bill on the floor.

Fifth. TVA will be required to include a detailed statement of its revenue bond financing operations in each of its annual reports to the Congress. That report would also be available for review by the Appropriations Committee and other committees of the House.

Sixth. Furthermore, the General Accounting Office would continue to audit all of TVA's operations, including those under the bond program and to file an annual report of such audits with the Congress. This, too, would be available to the Appropriations Committee and other committees of the House, as well as to the membership as a whole.

Seventh. In addition, TVA could not begin construction of any new power producing projects—whether it was to be financed from bond proceeds or power revenues—until Congress and the President were notified of its plans and 90 days of a single session elapsed without passage of a concurrent resolution disapproving the project.

Eighth. Finally, this bill authorizes the TVA to issue only up to a total of $750 million worth of bonds outstanding at any time. This will call for an early and orderly review of TVA operations under this bond authorization. And the Congress will have the opportunity to review this whole program and make any changes it finds desirable.

Ninth. I should like to recall also that TVA is completely a creature of the Congress. The Congress may at any time repeal the TVA Act or make any changes it desires to make in that act. As a matter of fact, that is precisely what we are about to do this week.

Tenth. Finally, I might remind my colleagues that there is one other aspect in which the Congress exercises far greater control over the TVA than it does over any other Government agency to my knowledge. I refer to the fact that the Congress may remove any director or all of the directors of the TVA at any time by a joint concurrent resolution. This is provided in the TVA Act.

So, Mr. Speaker, this is ample control. I cannot see how any reasonable person could say that the TVA is not properly under the control of the Congress. All these controls give to the Congress the power to formulate the policies of the TVA, but they grant to the board of directors of the TVA the power of decision over the purely detailed business operations which any corporation, performing a business function, must have to operate efficiently and economically. I am very much afraid that those who propose more stringent control are far more interested in hindering and hampering the TVA then in preserving proper controls by the Congress.

The fact is that those who are criticizing the lack of control by the Congress are really objecting to the fact that this bill does not give the Budget Bureau and the Secretary of the Treasury complete control over the TVA.

I might point out that the history of the TVA legislation all along the line from the beginning makes clear that it has always been the intent of Congress to maintain the independence of the TVA from the executive branch—so that it would be removed from politics and political considerations.

It is alleged for example that this legislation would exempt the TVA from operations of the Government Corporations Control Act. A careful reading of the legislation and of the Government Corporations Control Act makes clear, as the report of the Public Works Committee develops, that the TVA will receive precisely the same treatment under the Government-Corporations Control Act as other Government corporations that have the same authority to sell bonds to the public. For example, the Government Corporations Control Act does provide that the Secretary of the Treasury will have control over bonds issued by Government corporations which sell the bonds directly to the Treasury or which are guaranteed by the United States—but it exempts from Treasury control the bonds of other Federal corporations which are not guaranteed by the Federal Government and sold to the public. The bonds of the TVA will not be guaranteed by the Federal Government and they will be sold to the general public. They, thus, fall into the same category as the bonds of the Federal intermediate credit banks, Federal land banks, and the banks for cooperatives, which are all exempt from control.

I believe we all agree that Government corporations should all be treated the same way depending on their functions and responsibilities. This bill provides that the TVA will advise and consult the Secretary of the Treasury before issuing any bonds. By doing this and giving the Treasury adequate control over the timing of TVA bond issues, this bill actually gives the Treasury more control over the TVA bonds than it now exercises over the bond issues of other Federal corporations.

In this connection, I might point out that our colleague, Mr. AUCHINCLOSS, made a very significant comment during the hearings. Mr. AUCHINCLOSS, as we all know, has had some experience in the financial world and during these last hearings on this legislation he said:

> It would appear to me that if the Secretary of the Treasury does not give his approval to the offer of these bonds, it would be very difficult to sell them. For instance, if these bonds were to be issued, and the Secretary of the Treasury asked for a deferral for 45 days for certain reasons, and those reasons were not acceptable to the Corporation, I think the Corporation would have a great deal of difficulty in marketing the bonds with the Treasury Department's objection still standing.

And I further quote:

> Do you think that the general public would buy these bonds, if there were an outstanding objection on the part of the Treasury Department with regard to them?

In other words, Mr. AUCHINCLOSS points out that whatever is or is not written in any bill, if the Secretary of the Treasury announced publicly that he did not approve of some bonds offered by some Government corporation, it is very unlikely that there would be a market for such bonds. In view of this, there is no necessity to give the Secretary of the Treasury power that he does not need. Our history makes plain that if we give somebody the power to do something—and in this instance we would be giving the Secretary of the Treasury the power to intervene and even veto the plans of the TVA—that power eventually wil be used, and probably used contrary to the policy of Congress.

If we in the Congress want to maintain control of the TVA it would be highly inconsistent to give control to the Secretary of the Treasury who has no knowledge of the problems of the TVA. The bill maintains and insures, not Budget Bureau, but congressional control.

Secretary McElroy Explores the Possibility of Vastly Increased Military Spending—Has He Changed His Mind?

EXTENSION OF REMARKS

OF

HON. SAMUEL S. STRATTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 4, 1959

Mr. STRATTON. Mr. Speaker, the subject of the status of our national defense and the specific requirements of the 1960 budget has already been explored in some detail during this session of Congress by Members of this body as well as by Members of the other body. One of the most eloquent and outspoken proponents of the administration's defense budget has been, of course, the distinguished Secretary of Defense, Neil H. McElroy. In testimony after testimony taken here on Capitol Hill, Secretary McElroy has defended the present level of military spending as adequate, and he has joined with other members of his administration in deploring what he has regarded as the serious consequences that might accrue as the result of any increase in military spending that might be proposed by this Congress. The Secretary maintained this position even though the Soviets have been outstripping us in the field of ICBM's.

I recall in this connection, Mr. Speaker, that when the Secretary appeared before the House Committee on Armed Services, he replied to a question which I directed to him on this particular subject, and it appears on page 915 of the

so-called military posture briefings before the committee:

Mr. STRATTON. How does the calculated risk that we are taking in the budget compare with the calculated risk that we took in 1959? Is it greater or less?

Secretary MCELROY. That is a question that I wouldn't know the answer to. My belief is that there is no serious calculated risk in any of these, and I think the fact that the Joint Chiefs of Staff have given me a signed memorandum which says that they see no serious gaps in the program indicates that the best people that we have in the military also feel this away.

Incidentally, Mr. Speaker, the signed memorandum to which the Secretary referred was the same memorandum to which each of the four Chiefs of Staff had also written certain detailed reservations, and the reservations were later submitted to the Preparedness Subcommittee of the other body and also appeared in full in the New York Times.

As is well known, Secretary McElroy has announced his impending retirement from the Government within the next few months.

In view of Secretary McElroy's stanch position in support of the military budget, I was profoundly surprised to read the other day in the press accounts of an address which the Secretary made to the Bureau of Advertising of the American Newspaper Publishers Association dinner in New York City on April 23, in which the Secretary was reported to have said that since the Soviet Union may shortly increase its military production by some 50 percent this country must also be prepared to match or better that increase, either by an overall boost in our gross national product or by some serious restriction of expenditures in nonmilitary fields.

The Secretary's speech, which seemed to fly completely in the face of his sworn testimony before the Congress and to represent a related recognition of the validity of the position of those Members of Congress who have questioned the adequacy of the 1960 military budget, struck me as an amazing document. I obtained a copy of the speech and I believe that it deserves very serious study by every Member of this body.

I also believe that the Secretary's speech raises certain very serious questions which ought to be fully explored by the committees of this Congress without delay. If the Soviet potential is so substantial in the military field, and if it seems likely in the very near future that we may have to undergo such a drastic increase in military spending as the Secretary has suggested then how can we be quite as certain as the Secretary has been that the military expenditures for fiscal 1960 as proposed by the administration are indeed adequate and that no serious element of risk is involved?

In view of this statement by the Secretary, one might even wonder whether the Secretary's impending retirement really stems from a desire to return to civilian life or whether the Secretary is perhaps not quite as completely satisfied with the adequacy of the 1960 military budget as he has suggested.

To me the amazing thing about the Secretary's address is that it has caused such a minor ripple in the press. Only one article, to my knowledge, has explored the implications of this address, a report by Mr. R. H. Shackford, of the Scripps-Howard newspapers, which appeared in the Washington Daily News, Monday, April 27. Mr. Shackford suggests that the Eisenhower administration is, as he put it, "very gingerly trying to prepare the American people for bad news ahead—more taxes, harder work, greater productivity, fewer luxuries, and maybe even more governmental controls."

Secretary McElroy in his address says that the threat of increased Soviet military spending is something "which may force us to make some hard choices."

Mr. Speaker, if hard choices have to be made, then is it not well that the Secretary should discuss these hard choices now with the Members of Congress before the 1960 military budget is adopted? Perhaps if these hard choices do have to be made, then we ought to begin thinking about them this year rather than at some future date. Because the longer we put off such hard choices, the greater will be the risk we run that our response to the Soviet challenge will not be sufficiently great.

Under leave to extend my remarks, I include both the text of the Secretary's address and also the text of the article by Mr. R. H. Shackford, which appeared in the Washington Daily News:

THE FREE WORLD'S COMPETITION WITH COMMUNISM

(Talk by Neil H. McElroy, Secretary of Defense, Bureau of Advertising dinner, New York City, N.Y., April 23, 1959)

The last time a Secretary of Defense was given the opportunity to address this distinguished group was in 1948—just 11 years ago—when Mr. Forrestal reported to you on the state of the Nation's defenses.

That year, 1948, was a year of great and historic change in the military and foreign policies of this Nation. Just to illustrate how momentous these changes were, I might remind you that on one day in June 1948—the Senate of the United States passed the first peacetime draft law in the history of our Nation and on the very next day, by an overwhelming vote, approved the Vandenberg resolution—a resolution that charted the course of collective security for the United States and the nations of the free world—a course we have been following ever since. These were 2 days in which the stream of our history was diverted into new and untried channels.

The draft law of 1948, plus a supplemental military appropriation of over $3 billion in the same year, represented our first concrete efforts to rebuild our Military Establishment from its postwar low.

The Vandenberg resolution—in the foreign policy field—was an unprecedented departure from anything we had ever before attempted. Through this resolution the Senate of the United States advised the President of certain steps it thought he should take in the field of foreign policy. You all know that President Truman took this advice—first by negotiating the North Atlantic Treaty. In succeeding years President Truman—then President Eisenhower—established a whole series of mutual security arrangements—which today form the warp and woof of our national security policy. Undermine them or take them away and we would have to evolve a brandnew defense strategy, if we were given the time.

You gentlemen who publish newspapers know better perhaps than any other group in America what caused us to take those momentous steps in 1948. You remember because you lived through those postwar days of frustration.

Earlier, you had written about the hope for the United Nations Charter and world peace through international resolve and agreement. Then as the years 1945, 1946, and 1947 unfolded, your papers were forced, in truth and objectivity, to publish a different story—a story of partial disillusionment—of shaken faith in a scarred United Nations, stranded on the rocks of the Soviet veto. Gradually it became painfully apparent to you and, through you, to the American people, that the Communists had no intention of abiding by the spirit of the charter; that they were intent on nothing less than world domination; and finally, that we—the United States—were the main stumbling block in their path.

Like the practical people we are—we reacted to the all too apparent danger. Perhaps it was the brutal suppression of Czechoslovakia in February of 1948 that started us down the dual highway of rearmament and collective security we have been following ever since. Certainly this first forcible Communist conquest of a stable free government was a profound shock to our people. Again what they read in news accounts and your editorial pages shed an altogether new light on the power and complete ruthlessness of Communist aggression.

If Czechoslovakia wasn't enough to spell out the ultimate Communist aims—the beginning of the Berlin blockade in the following months of 1948 was the convincer. This was the first great probe into the moral and military backbone of the United States. Would we allow 2 million Berliners to starve? Would we turn them over to the Russians to be exploited? Or, would we take heroic measures?

You told the American people that story too—the story of the airlift—we flew supplies into beleaguered Berlin for month after month. We moved atomic bomb capable B–29 bombers to England. We broke the Berlin blockade. But, more important, we demonstrated to the Russians and the whole world that we would not yield a rightful position to a threat of force. We had met our first great postwar test. It was only the first of many more to come in the years between then and now.

But in 1948, as you told this story, up and down the face of this peace-loving land—and told it as only a free objective press can—our people got the point. They always will when the facts are made clear to them. America's security was in danger. "Do something about it," they told their leaders. So their leaders did.

The Marshall plan sped through Congress—so did the Draft Act and large supplemental appropriations for the Armed Forces. Finally, in the closing days of the Congress, the Senate passed the Vandenberg resolution.

These steps were not easy for America to take. The Senate resolution was violently attacked on the floor of the Senate and in the editorial columns of some newspapers—as an absolute and utter abandonment of traditional American foreign policy. Opponents cried that it violated the counsel of George Washington and Thomas Jefferson to avoid permanent or entangling alliances. It undermined the United Nations. It would bring on a third world war.

Actually, the collective security policy of our Government was approved by our people in the beginning because it made sense to them as a way to avoid a third world war. It makes just as good sense today.

I have gone into this bit of history between Mr. Forrestal's appearance before you

and mine tonight—for the reason that I think a clear understanding of the events of his day are essential to a comprehension of today's policies. If the people know why the Nation had no option but to go forward with collective security in 1948, they will better understand why we cannot go backward in 1959 and beyond.

I believe it is important for all of us to reexamine—and then retell—the story of the beginnings of today's military and foreign policy. The plain fact of the matter is that the strategic concept of this country for survival is collective security. It is a concept on which the military posture of the Nation is based. The reasons which led to the adoption of this national policy of collective security in the forties—have not lost their urgency or their cogency in the fifties, nor will they in the foreseeable future.

Basically, the doctrine of collective security requires strength among our allies around the world. They have the manpower and they have the will to preserve their independence. What most of the free world countries lack, is weapons to match the manpower and the will of their people. What we do, through our program of military assistance, is to provide such countries with appropriate weapons and with training in the use of those weapons.

The administration of the military assistance program has not been perfect, but it has been effective. The measure of its effectiveness will always be its deterrent effect on Communist advances into free world territory—direct and indirect. The program was inaugurated, just 10 years ago, to build up peaceful barriers to further conquest by Soviet communism. I believe it has fulfilled that purpose admirably, in spite of occasional blunders of administration.

Repeated, bitter attacks on our foreign assistance programs leave in their wake a very large, never answered question—What is the alternate national security policy to be if the doctrine of collective self-defense is abandoned?

The President's Committee To Study the United States Military Assistance Program—otherwise known as the Draper committee—has recently given an answer to that question. The only alternate they could see to our foreign assistance program—and they so reported to President Eisenhower—was to take "our first stand in the last ditch." The Draper committee put it this way:

"The choice our country faces is very real and near at hand. In our fascination with our own mistakes, and the constant use of foreign aid as a whipping boy, we may be gradually choking this vital feature of our national security to death."

To this I can only add—with the full unanimous support of our Joint Chiefs of Staff—when we choke the military assistance program we have a strangle hold on our own military policy. That program is as much in our national self-interests as the weapons in the hands of our own forces. Both are absolutely essential to our own protection.

Now let's take a hard look at our own defenses—our own weapons systems, never forgetting that they are integrated into the system of collective security I have just discussed.

Any nation which builds its defense position soundly does so on the basis of its special advantages. That is exactly what America has proceeded to do over the years. We believe—considering our geographical position, our allies and our military know-how—that the weapons systems we have evolved offer the best possible combination to keep anyone from attacking us.

Our planned programs for the future are responsive to all the variables in the formula which best defines America's security needs. They will respond to future intelligence of Soviet capabilities, to technological breakthroughs—which we constantly seek—and to the changing strengths of our collective security arrangements.

America has today the strongest air striking force in the world. This force is composed of the largest heavy bomber force in existence, as well as the largest medium bomber force. These forces are backed up by mobile carrier-based aircraft and tactical fighter bombers stationed in many strategic places around the world.

You may be sure that these bomber forces—all four of them—will be kept in any status of alert required to insure their ability to deliver unacceptable punishment to any nation which might attack us. They are peaceful barriers to aggression—peaceful but effective.

I feel before I leave the weapons business and get into other fields that affect the country's security I should make some comment on the so-called missile gap. There may develop within the next few days a disparity between the number of long-range intercontinental ballistic missiles in our stockpile and those in the Soviet Union's. I said "may develop," because whether a gap opens up depends in large measure on the willingness of the Kremlin to concentrate on the production of missiles to the full-rated capacity of the Russian nation and its satellites.

I believe it is wrong, and the Joint Chiefs of Staff believe it is wrong, to compare our heavy weapons delivery systems, category by category, and insist on being numerically greater in each. Our Armed Forces are built to fit our needs—presumably the Soviet's are selected to fit what they consider to be their needs. So long as the United States continues to have an overall preponderance of capability to deliver high-potency weapons—on target—we need not fear attack. We have such a preponderance now, and no one in this administration—civilian or military—has any intention of allowing this condition to change.

The military strength of this or any nation is best measured by adding a sum total of its separate strengths into a composite whole. When this is done our military leaders, and again I refer to the Joint Chiefs of Staff, conclude that our composite strength is adequate and has no serious gaps.

This calendar year 1959 we expect to add to our powerful mixture of weapons delivery systems an initial intercontinental ballistic missile capability—not a large capability numerically—but we believe approximately as large as what the Soviet Union will have in 1959. Our planned future deployment of ICBM's, as we are financing them in the 1960 budget, provides numbers which in concert with our other weapons systems—such as our massive aircraft strength and the Polaris system—we believe to be fully adequate to deter the outbreak of general war. The military program of this country is based solely on what is required for national security. It is not determined by budgetary considerations.

Next year a number of our atomic submarines will be carrying deadly Polaris missiles. Just one of these Polaris submarines on station, ready to fire, will have striking power hundreds of times more effective than the first and only atomic bombs dropped in combat.

The Soviets have made no claim to the development either of a nuclear powered submarine or a Polaris type missile. They are fully aware of the military advantages and relative invulnerability of this weapons system. So, while it must be assumed that at some future time, the Soviet arsenal will include Polaris type submarines, it seems clear that the United States has a considerable lead in this highly important weapons system.

Next year also, this country will add to its offensive armament powerful air-to-ground atomic missiles—which can be fired from our heavy bombers hundreds of miles outside target defense areas.

We confidently expect that our own military strength integrated with our collective security strategy will continue to be successful in discouraging Communist military attack on the free world. But acceptance of the belief that the Communists will hesitate to use military conquest as a means to their objective of world domination does not mean they will have given up the objective. It only signifies that the Soviets may decide that the use of military conquest has become unprofitable. We may be sure that such possible abandonment of one means will only cause the Communists to concentrate their efforts on other avenues they believe will lead them to absolute world power.

Thus, the United States and the other nations of the free world are bound to be projected into other spheres of competition. We must be alert to the dangers which may develop in the new areas. Let me name a few of these spheres. First and most important—the competition for the mind of man—all else is subsidiary to this battle — second, economic competition — third, competition in the field of education.

In the competition for the mind of man the free world has for export the best and most admired product in the history of mankind—freedom—freedom wrapped in all kinds of packages—packages so attractive that man has always jammed the world's marketplaces wherever they could be possessed.

There is freedom of religion so ardently desired by the Buddhists of Tibet and the Moslems of the Middle East, not to mention millions of people behind the Iron Curtain—who have already lost this freedom to Communist godlessness.

There is freedom of speech and of the press so respected by you and by me and so abhorrent to Communist countries where control of information media is indispensable to oppression. Freedom of the press and freedom of expression rocked all of Hungary in a few hours. It is something no Communist country can tolerate and survive. They let a hundred flowers bloom—in words of Mao Tse-tung—only so they can snip off the heads of the 99 they won't want to mature into dangerous thought.

There are many lesser freedoms—all of which we have and consider essential to happiness—and all of which the history of the modern world tells us man aspires to possess. There is freedom to travel, freedom to live as one wishes and where one wishes, freedom to work as one pleases, and at what one pleases and freedom to save and invest in ways which permit the individual to share in the growth of the country. All these freedoms are denied in the Communist world and will be denied to the people of any nation which comes under Communist domination.

The recent brutal aggression by Communist China against Tibet is a classic example of the utter worthlessness of Communist promises and agreements. The world remembers the words of Chou En-lai at the Bandung Conference—honeyed soothing words, cooing to all its neighbors that China stood—I believe "resolutely" is the Communist word—for noninterference in the internal affairs of others.

The dramatic flight of the Dalai Lama in the face of a formal agreement to respect the religious beliefs and political system of Tibet should convince the rest of Communist China's neighbors of its true intentions. Those intentions do not differ from those of the Communist Party of the Soviet Union. They were aptly put by Mr. Allen Dulles just a few days ago, when he stated: ["Their] mission continues to be the subversion of the entire free world, starting, of

course, with those countries which are the most vulnerable."

The problem we must solve is how to prevent those most vulnerable nations from being sucked into the maw of Communist promises, and thus lose their status as free nations. Somehow we must make the classic Communist pattern of penetration and subversion so obvious that it will be rejected summarily. Recent news dispatches and editorials from the Middle East and India indicate that Communist heavyhandedness in the Berlin crisis, in Iraq, and in Tibet is making its mark on the mind of uncommitted men. More of our resources and ingenuity must be devoted to delineating clearly these true images of the Communist technique and displaying them in the showcases of the world.

One of the dramatic demonstrations of popular decision between communism and the free world took place several months ago in Berlin where, as you well know, the Communist system exists in the very same city with a free government. In a city election where the lines were clearly drawn the Communist Party candidates of West Berlin received less than 2 percent of West Berliners' ballots. We expect and are confident that the world will make this same choice whenever free government and the Communist variety compete in the open market.

Now, I would like to speak about some of the tough decisions which face the people of this country if we are to prevail in nonmilitary as well as military spheres of competition with the Communist system. I have, in the past, labeled these as "hard choices."

We have a system of government by laws—where as much freedom of choice is left to the individual as is consistent with those laws. No one tells our large corporations how much of their profits must be plowed back into industrial expansion nor what kind of product they shall make for X years into the future. Similarly, no one tells Johnny or Mary or their parents, what their education and their profession shall be.

The Communist system of government controls is the very antithesis of ours. It prescribes what will be made, how it will be made and what will be done with the finished product. Then it decides how much of what is produced will be used for the direct benefit of the people—and how much will be used for military purposes or reinvested in expansion of the means of production. It likewise subordinates the wishes of the individual in its system of education—a system where quotas are established in each category deemed by the state as essential—and all facilities and resources—including human resources—are mobilized to meet the estimated needs.

Since we are in competition with a country which operates by a totally different set of rules, it may be necessary for us to tighten our belts and step up our national effort. Thus, in our long range competition with the Soviet Union in the economic and educational fields we may be faced with some difficult decisions.

In the economic field, for instance, the Soviet Union, for all its failure to meet announced goals, has made tremendous strides in developing its economy. Its total output is still less than half of ours but by diverting dictated percentages into designated channels they manage to stay on a par with us in some fields and perhaps even go ahead of us in others. For one example, the Soviet Union devotes twice as great a percentage of its gross national product to military ends as the United States for about the same total military expenditure as ours. They, similarly, devote nearly twice as great a percentage of their total output to industrial expansion as this country. All of these things they can do because the state wills that the people must do without the consumer goods their people want—and our people have in abundance.

The Soviet Union has recently announced a new 7-year plan and boasts that by 1970 or sooner she will advance to first place in both volume of production and per capita production. Our intelligence discounts this claim as propaganda but the discount is not so deep as to encourage complacency on our part. Indeed, we anticipate enough economic progress by the Soviets to predict probable necessity for change in some of our economic thinking and practices.

Mr. Allen Dulles estimates that the Soviet Union could, as a result of increased productivity over the next 7 years, increase her present military spending by 50 percent. This is an area where the Soviet Union's effort must be matched or bettered. It is, therefore, one of those areas which may force us to make some hard choices. We either have to boost our own gross national product so that whatever increase may be required in military spending will not disturb other areas of our economy or we have to cut down on expenditures in those other areas to compensate for the increased military budget.

The Soviet Union may also channel a large percentage of her increased resources over the next few years to expand her trade and aid policies with those vulnerable but uncommitted nations of the world. This course, too, may mean changes in emphasis in our own economy and sacrifices for our people.

We can no more afford to lose the economic competition with communism than we can afford to fall behind militarily. One of the major influences in attracting the mind of man to one system of government as opposed to another is demonstrated success in economic growth. Today the United States is the acknowledged leader. To maintain that position of leadership we may have to divert more of our output into upholding our worldwide responsibilities and less into what our people would like to have.

The only way I know to meet Soviet economic competition is to increase our own output. This may mean plowing back a larger percentage of our gross national product into capital investment for industrial expansion, the kind of expansion which will provide facilities for greater production of all types of goods including, if need be, more military hardware. It may mean that our people will have to learn to get along with less in current consumption. Othewise, we may come out second best in a competition for which there is no second prize.

I believe our economic system—like our social system—is the greatest in the world. We must keep both systems so healthy that no country to which a freedom of choice is still open would think of choosing the Communist way.

In the field of educational competition we likewise must surge forward. Not only must we keep pace with the rising demands of technology—but we must train more and better leaders in all fields of human activity—publishers, military, business, labor, teachers, politicians, diplomats, and many others. We must contrive to do this, within the basic framework of the freedom we prize so highly. This can be accomplished only by a truly massive national effort to encourage, help, and persuade our youth along educational lines which will marshal the Nation's intellectual resources.

We must devise means to reduce mental wastage to a minimum. This means identifying our talented youngsters early. But identifying them and their special talents is only a small part of the problem. They must then be encouraged and stimulated to continue their education in the fields for which they are best fitted. Parents, teachers, and community leaders must join in the effort to influence youth toward right decisions in the field of education.

Youngsters need guidance and intelligent persuasion. Both must come from knowledgeable and interested adults. It follows that a need exists to educate adults not only in what the Communists are truly after but in how their aims, objectives, and practices require certain special and continuing efforts in our own educational system. I know a great many of you publishers have taken the lead in fostering adult education along the lines I have suggested. This is a continuing task which requires community and individual leadership of the highest order. Those who understand the threat we face must communicate that understanding to all who touch the lives of our children to the children themselves.

The fact that we operate in this country on the principle of freedom of choice doesn't mean that we can't do something about guiding our young minds into channels which will increase our productivity and our capacity to give true leadership—intellectual and cultural as well as economic and military—to the free world.

We have certain known, well-defined gaps in our educational system—such as weaknesses in science, mathematics, and language instruction. Our educational leaders and responsible members of our communities are hard at work defining the extent of our educational gaps and now they may be bridged. Already they have concluded we will need better teachers and more of them and that we will have to pay them more. This will mean more taxes for our people—an unpleasant but, in my judgment, a necessary price to pay for the development of our most valuable resource. Another hard choice.

I know it is clear to all those here present that America does face a struggle for survival. In facing this fact we should occasionally remind ourselves that we have tremendous advantages over those who have announced that they will bury us.

We have stronger defense forces and we intend to keep this posture.

We have strong and loyal allies. We can and must keep those allies strong with whatever military and economic assistance is required.

We have a strong, healthy, efficient economy—the economic growth of Soviet Russia raises questions for us as to how we may best use the output of our economy in order to serve our own people and the free world.

We have a system of education which has made our country great—has offered opportunity unlimited for individuals with the right kind of guidance and the right kind of inner drive. Some gaps have developed—in curriculum weakness, in neglect of the teaching profession, and in lack of pupil motivation. These gaps are inconsistent with the requirements placed on us by our position of world leadership. They must be closed.

We have freedom—all the freedoms in the spectrum—freedoms without which the spirit of man withers and dies. Here, above all, is the source of our strength—the shine of our example for the rest of the world.

We seek only to preserve those freedoms—for ourselves, and for others who aspire to live and worship outside the suffocating, godless, Communist system. With these advantages and a sense of dedication to their preservation there is no struggle we cannot win.

[From the Washington Daily News, Apr. 27, 1959]

MORE TAXES, FEWER LUXURIES ARE IN OFFING—U.S. NEW "DIG IN" ERA TO TOP RED, EXPERTS WARN

(By R. H. Shackford)

Very gingerly, the Eisenhower administration seems to be trying to prepare the American people for bad news ahead—more taxes,

harder work, greater productivity, fewer luxuries, and maybe even more governmental controls.

If high administration spokesmen mean what they are saying, they believe such steps will be necessary if the United States is to meet an intensified Soviet military-economic challenge.

The administration prophets so far are Central Intelligence Agency Director Allen W. Dulles and Defense Secretary Neil McElroy. Their cautious soundings are being made in the midst of the budget battle with Congress, but also as the economy surges toward record highs.

WARNING

Allen Dulles launched the first trial balloon in this direction early this month in a speech warning about the rapid rate of increase in industrial production in the Soviet Union.

He estimated that further Soviet increases in the next 7 years would make it possible for Nikita Khrushchev, if he wishes, to increase military spending 50 percent and divert large resources to his trade-and-aid campaigns in uncommitted nations.

The unpleasant possibilities in this for Americans was left to Mr. McElroy to discuss in his address to the American Newspaper Publishers Association. Although there was emphasis on the claim that the United States militarily is stronger today than the Soviet Union, the most important section of the address discussed the hard choices Americans will have to make to keep the balance that way.

HIS VIEWS

Mr. McElroy warned that the United States cannot let the Soviets best us in either military strength or economic competition. His picture went like this:

Military: "The Soviet Union's effort (possible 50 percent increase) must be matched or bettered. * * * We either have to boost our own gross national production so that whatever increase may be required in military spending will not disturb other areas of our economy, or we will have to cut down on expenditures in those other areas to compensate for the increased military budget."

Economic: "One of the major influences in attracting the mind of man to one system of government as opposed to another is demonstrated success in economic growth. Today the United States is the acknowledged leader. To maintain that position of leadership we may have to divert more of our output into upholding our worldwide responsibilities and less into what people would like to have."

THE LIST

Some things Mr. McElroy said would have to be done if we are to stay ahead of the Soviets:

Plow back a larger percentage of the gross national product into capital investment for industrial expansion.

Produce more military hardware, if the Soviets move in that direction.

"Learn to get along with less in current consumption."

"More taxes" to pay for better education.

"We anticipate enough economic progress by the Soviets," Mr. McElroy said, "to predict probable necessity for change in some of our economic thinking and practices."

He didn't detail changes contemplated, but warned that if we fail to meet the Soviet economic-military challenge, "we may come out second best in a competition for which there is no second prize."

SENATE

TUESDAY, MAY 5, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, God, before the day's perplexities close in about us, we are grateful for these sacred moments dedicated to the upward look.

When we peer down we see only the baser and more ignoble part of life. If we look about us we see only the confusions and limitations.

If we lift our eyes to the skyline we begin to see the unity and the order of life.

If we raise our eyes to the hills, even as Thy servant, the psalmist of old, we are conscious of ranges and powers beyond our puny reach.

We confess that as we tread the drab and dreary path of clutching daily duties, we so often do not see high enough or far enough, and so we are caught in a confusion which blinds and cheats us.

Teach us that we shall find the way out only as we look away from our baffiements to the unchanging mountain peaks of truths and values and relationships which pierce the horizons of faith and which are always waiting to gladden our questing vision and quiet our perturbed souls.

And so, as we lift our eyes to the hills, by the alchemy of Thy grace may our prayers turn to pageants of living and giving.

In the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, May 1, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

PRELIMINARY CONCLUSIONS OF PRESIDENT'S COMMITTEE TO STUDY MILITARY ASSISTANCE PROGRAM—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following communication from the President of the United States, which, with the accompanying document, was referred to the Committee on Foreign Relations:

THE WHITE HOUSE,
Washington, April 29, 1959.

The Honorable RICHARD M. NIXON,
The President of the Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: In my mutual security message last month, I stated that the bipartisan Committee To Study the U.S. Military Assistance Program would soon render an interim report, and that after study of this report I would submit to Congress such recommendations thereon as I should deem appropriate.

The Committee, composed of eminent Americans, has made an excellent study of the grave perils inherent in Communist military, economic, and political activities throughout the world. It has pointed out that without a continuing and effective mutual security program our single and unthinkable alternative is "to seek survival in isolation—a state of siege—as the world continues to shrink." The Committee has highlighted the necessity for a truly mutual effort, and after firsthand observation by its members has noted the important strengthening of the free world through our assistance—assistance which strengthens us as it strengthens our allies.

Rightly the Committee has emphasized the need for modernization of free world military forces, particularly in the NATO area. It has recommended a substantial increase in the level of commitments in fiscal year 1960, pointing out that such an increase would not involve a significant increase in expenditures during that year. I believe, with the Committee, that NATO force modernization must go forward as rapidly as sound decisions permit.

The unanimous findings of the Committee in its interim report confirm the imperative need for Congress to authorize and appropriate the full amount requested for both economic and military assistance in the mutual security program for fiscal year 1960. With this full amount available, I shall, in support of the Committee's recommendations, direct full use of the flexibility which Congress has wisely provided in the Mutual Security Act, including the contingency fund. Progress to implement the Committee's recommendations can be made in this way. Nonetheless, even including these measures, as well as our continuing efforts to improve the operational efficiency and economy of the program, it may well be that the carrying out of essential equipment and training programs, including the force modernization recommended by the Committee, will require additional authority to obligate funds in fiscal year 1960. Undoubtedly more funds will be required should the Congress fail to appropriate the full amount already requested.

Late this fall, I shall review the then-current status of our efforts to implement the Committee's recommendations. This review will encompass then-existing world conditions as shaped by developments over the next few months, the rate of force modernization, particularly in the NATO area, and, of course, the progress of 1960 procurements for NATO and other areas. In the light of this review, I will make appropriate recommendations to the Congress. This review will enable me to take full account of the Committee's recommendations also in the formulation of the military assistance budget for fiscal year 1961.

I again emphasize that the program already before the Congress is the minimum required to support our own Nation's security and the common defense of the free world.

I enclose the Committee's interim report for the earnest consideration of the Congress.

Sincerely,

DWIGHT D. EISENHOWER.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 1271) to donate to the pueblo of Isleta certain Federal property in the State of New Mexico.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 839. An act to approve an order of the Secretary of the Interior, adjusting, deferring, and canceling certain irrigation charges against non-Indian-owned lands under the Wapato Indian irrigation project, Washington, and for other purposes;

H.R. 1778. An act to amend section 17(b) of the Reclamation Project Act of 1939;

H.R. 2497. An act to add certain lands located in Idaho to the Boise and Payette National Forests;

H.R. 3335. An act to provide for the apportionment by the Secretary of the Interior of certain costs of the Yakima Federal reclamation project, and for other purposes;

H.R. 4664. An act to credit to postal revenues certain amounts in connection with postal activities, and for other purposes;

H.R. 4821. An act to amend the act of August 12, 1955, Public Law 378, 84th Congress (69 Stat. 707), so as to provide additional relief for losses sustained in the Texas City disaster;

H.R. 5262. An act to revise the boundaries of the Montezuma Castle National Monument, Ariz., and for other purposes;

H.R. 5488. An act to revise the boundaries of Wright Brothers National Memorial, N.C., and for other purposes;

H.R. 5610. An act to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes;

H.R. 5728. An act to set aside and reserve Memaloose Island, Columbia River, Oreg., for the use of the Dalles Dam project and transfer certain property to the Yakima Tribe of Indians in exchange therefor;

H.R. 6118. An act to amend section 6 of the act of September 11, 1957; and

H.R. 6319. An act to amend chapter 55 of title 38, United States Code, to establish safeguards relative to the accumulation and final disposition of certain benefits in the case of incompetent veterans.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H.R. 7. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Boy Scouts of America for use at the fifth national jamboree of the Boy Scouts of America;

H.R. 296. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and to provide transportation and other services to the Boy Scouts of America in connection with the world jamboree of Boy Scouts to be held in the Philippines in 1959;

H.R. 1411. An act for the relief of T. V. Cashen;

H.R. 1453. An act for the relief of Mrs. Mathilde Ringol;

H.R. 1462. An act for the relief of Logan Duff;

H.R. 1535. An act for the relief of Sister Mary Damion (Maria Saveria D'Amelio), Sister Maria Tarcisia (Maria Giovanna Fenuta), and Sister Mary Regina (Maria Lizzi);

H.R. 1691. An act for the relief of Oliver O. Newsome;

H.R. 1727. An act for the relief of Dimitrios Kondoleon (also known as James Kondolous);

H.R. 2063. An act for the relief of Otis Parks, W. B. Dunbar, and J. C. Dickey;

H.R. 2099. An act to provide for a posthumous cash award in recognition of the scientific contributions in the field of electronic ordnance by the late Paul M. Tedder;

H.R. 2237. An act to amend chapter 13—wage earners' plans—of the Bankruptcy Act;

H.R. 2281. An act to provide for the payment of relocation expenses to Milo G. and Patricia Wingard;

H.R. 2295. An act for the relief of Sterilon Corp.;

H.R. 2603. An act for the relief of the American Hydrotherm Corp.;

H.R. 2949. An act for the relief of Lois K. Alexander;

H.R. 2975. An act to validate payments of certain quarters allowances made in good faith, and pursuant to agreements by authorized officials, to employees of the Department of the Navy, but which were subsequently determined to be inconsistent with applicable regulations;

H.R. 3095. An act for the relief of Hilary W. Jenkins, Jr.;

H.R. 3293. An act to authorize the construction of modern naval vessels;

H.R. 3939. An act for the relief of Virginia E. Speer;

H.R. 4121. An act for the relief of certain members of the Armed Forces of the United States, or their survivors who were captured and held as prisoners of war in Korean hostilities;

H.R. 4314. An act for the relief of Samuel Abraham, John A. Carroll, Forrest E. Robinson, Thomas J. Sawyers, Jack Silmon, and David N. Wilson;

H.R. 4615. An act to relieve certain members and former members of the naval service of liability to reimburse the United States for the value of transportation requests erroneously furnished to them by the United States; and

H.R. 4913. An act to amend the National Aeronautics and Space Act of 1958, to authorize the National Aeronautics and Space Administration to lease buildings in the District of Columbia.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H.R. 839. An act to approve an order of the Secretary of the Interior adjusting, deferring, and canceling certain irrigation charges against non-Indian-owned lands under the Wapato Indian irrigation project, Washington, and for other purposes;

H.R. 1778. An act to amend section 17(b) of the Reclamation Project Act of 1939;

H.R. 2497. An act to add certain lands located in Idaho to the Boise and Payette National Forests;

H.R. 3335. An act to provide for the apportionment by the Secretary of the Interior of certain costs of the Yakima Federal reclamation project, and for other purposes;

H.R. 5262. An act to revise the boundaries of the Montezuma Castle National Monument, Ariz., and for other purposes;

H.R. 5488. An act to revise the boundaries of Wright Brothers National Memorial, N.C., and for other purposes; and

H.R. 5728. An act to set aside and reserve Memaloose Island, Columbia River, Oreg., for the use of the Dalles Dam project and transfer certain property to the Yakima Tribe of Indians in exchange therefor; to the Committee on Interior and Insular Affairs.

H.R. 4644. An act to credit to postal revenues certain amounts in connection with postal activities, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 4821. An act to amend the act of August 12, 1955, Public Law 378, 84th Congress (69 Stat. 707), so as to provide additional relief for losses sustained in the Texas City disaster; and

H.R. 6118. An act to amend section 6 of the act of September 11, 1957; to the Committee on the Judiciary.

H.R. 6319. An act to amend chapter 55 of title 38, United States Code, to establish safeguards relative to the accumulation and final disposition of certain benefits in the case of incompetent veterans; to the Committee on Finance.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Antitrust Subcommittee of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

LEGISLATIVE AND EXECUTIVE CALENDAR

Mr. JOHNSON of Texas. Mr. President, in a moment I shall ask unanimous consent that the Senate proceed to the consideration of the nominations on the Executive Calendar, beginning with the nomination to the Council of Economic Advisers. I announce that when we complete the call of the Executive Calendar and the morning hour, we shall return to executive session, to consider the nomination of the distinguished Associate Justice of the Supreme Court, Mr. Potter Stewart.

I wish to announce that during the week though not necessarily in the order I shall list them, we expect to have the Senate proceed to the consideration of—

Calendar No. 221, House Concurrent Resolution 95, authorizing reprinting of House Document 451 of the 84th Congress;

Calendar No. 141, Senate bill 44, to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes;

Calendar No. 142, Senate bill 72, to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes;

Calendar No. 185, Senate bill 1120, to amend section 19 of the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits; and

Calendar No. 186, Senate bill 1062, to amend the Federal Deposit Insurance Act to provide safeguards against mergers and consolidations of banks which might lessen competition unduly or tend unduly to create a monopoly in the field of banking.

We have an agreement between members of the policy committee that Calendar No. 185, Senate bill 1120, and Calendar No. 186, Senate bill 1062, will not be considered on Wednesday. So I should like to have those bills considered either today or Thursday.

A little later in the day I shall give the Senate further information, as I am able to obtain it from the members of the committee.

Mr. President——

The VICE PRESIDENT. The Senator from Texas.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move the Senate proceed to consider executive business, to consider the nominations on the Executive Calendar, beginning with the nomination to the Council of Economic Advisers.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nomination of Donald R. Kempton, to be postmaster at Laurelville, Ohio, which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a convention was submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without reservation:

Executive B, 86th Congress, 1st session. A convention between the United States of America and Cuba for the conservation of shrimp, signed at Havana on August 15, 1958 (Exec. Rept. No. 3).

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the calendar, beginning with the nomination to the Council of Economic Advisers, will be stated.

THE COUNCIL OF ECONOMIC ADVISERS

The Chief Clerk read the nomination of Henry C. Wallich, of Connecticut, to be a member of the Council of Economic Advisers.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

FEDERAL HOME LOAN BANK BOARD

The Chief Clerk read the nomination of William J. Hallahan, of Maryland, to be a member of the Federal Home Loan Bank Board for a term of 4 years expiring June 30, 1963.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

SECURITIES AND EXCHANGE COMMISSION

The Chief Clerk read the nomination of Earl Freeman Hastings, of Arizona, to be a member of the Securities and Exchange Commission for a term expiring June 5, 1964.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

U.S. ATTORNEY

The Chief Clerk read the nomination of S. Hazard Gillespie, Jr., of New York, to be U.S. attorney for the southern district of New York for a term of 4 years.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938, RELATING TO PRESERVATION OF UNUSED ACREAGE ALLOTMENTS

A letter from the Acting Secretary of Agriculture, referring to letter of March 5, 1959, transmitting a draft of proposed legislation to amend section 377 of the Agricultural Adjustment Act of 1938, as amended, relating to the preservation of unused acreage allotments, and suggesting a modification in the bill submitted; to the Committee on Agriculture and Forestry.

REPORT ON FEDERAL CONTRIBUTIONS PROGRAM

A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting, pursuant to law, a report on Federal contributions, for the quarter ended March 31, 1959 (with an accompanying report); to the Committee on Armed Services.

REPORT ON MILITARY PRIME CONTRACTS WITH BUSINESS FIRMS IN THE UNITED STATES FOR EXPERIMENTAL, DEVELOPMENTAL, AND RESEARCH WORK

A letter from the Assistant Secretary of Defense (Supply and Logistics), transmitting, pursuant to law, a report on military prime contracts with business firms in the United States for experimental, developmental, and research work (with an accompanying report); to the Committee on Banking and Currency.

IMPROVEMENT OF DEPARTMENT OF STATE

A letter from the Assistant Secretary of State, transmitting a draft of proposed legislation to amend the act of May 26, 1949, as amended, to strengthen and improve the organization of the Department of State, and for other purposes (with an accompanying paper); to the Committee on Foreign Relations.

REPORT ON EXAMINATION OF PROGRAMS FOR CONSTRUCTING AND EQUIPPING AIR FORCE ACADEMY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of the programs for constructing and equipping the Air Force Academy, Colorado Springs, Colo., dated April 1959 (with an accompanying report); to the Committee on Government Operations.

PUBLIC LAND URBAN AND BUSINESS SITES ACT

A letter from the Under Secretary of the Interior, transmitting a draft of proposed legislation to authorize the classification, segregation, and disposal of public lands chiefly valuable for urban and business purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

PUBLIC LAND ADMINISTRATION ACT

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to facilitate the administration of the public lands, and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

ESTABLISHMENT OF ARCTIC WILDLIFE RANGE, ALASKA

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to authorize the establishment of the Arctic Wildlife Range, Alaska, and for other purposes (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

REPEAL OF SUBDIVISION C, SECTION 18, BANKRUPTCY ACT

A letter from the Director, Administrative Office of the U.S. Courts, Washington, D.C., transmitting a draft of proposed legislation to repeal subdivision c of section 18 of the Bankruptcy Act (11 U.S.C. 41c) so as to eliminate verification under oath of pleadings (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAMES

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the names of Erica Weisz and Otto Weisz from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on Jan-

uary 15, 1958; to the Committee on the Judiciary.

REPORT OF DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report of that Department, for the fiscal year 1958 (with an accompanying report); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of California; to the Committee on Public Works:

"ASSEMBLY JOINT RESOLUTION 29

"Relative to the dredging of Redwood City Harbor

"Whereas in 1945 the U.S. Congress in the River and Harbor Act of March 2, 1945, authorized the improvement of the Redwood City Harbor to be accomplished by deepening the channel across San Bruno Shoal, deepening the entrance channel from the bay to the harbor, and enlarging the existing turning basin; and

"Whereas the importance of the port of Redwood City to the San Francisco Bay area is illustrated by the fact that the statistics of the U.S. Army Engineers show the total ocean commerce handled at the port of Redwood City to be 46 percent as large as that handled at the port of San Francisco and for outbound ocean commerce alone the statistics show that the tonnage handled at the port of Redwood City was 94 percent of that handled at the port of San Francisco; and

"Whereas since the approval by Congress of these proposed channel improvement large sums of money have been expended by the port of Redwood City out of its earnings in contemplation of these authorized improvements and also large sums of money have been expended by private industry in contemplation of these improvements, including an investment of about $1 million by the Leslie Salt Co. in providing facilities for the expeditious loading of salt, in bulk, to vessels, which facilities through contractual arrangement with the port of Redwood City are to be made available to the port for the loading by direct movement between rail cars and vessels of commodities in bulk other than salt; and

"Whereas the cargo tonnage now handled at the port, 3,037,461 tons in 1958, far exceeds what was considered prospective when the improvement project for the harbor was approved by Congress in 1945 by a ratio of nearly 3 to 1; the number of deep-draft vessels now calling at the port, 151 in 1958, far exceeds the number that was contemplated at the time of the 1945 authorization; and an additional 2,175 barges loaded with cargo transited the port's channel during 1958: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Congress of the United States is respectfully requested to take all necessary steps to provide for the immediate construction of the improvements provided for in the 1945 authorization for improvements for the port of Redwood City; and be it further

"Resolved, That the chief clerk of the assembly be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Joint Committee on Atomic Energy:

"ASSEMBLY JOINT RESOLUTION 15

"Relative to atomic energy and radiation protection

"Whereas California is a large user of atomic energy and radioactive materials in industry, medicine, agriculture, and research; and

"Whereas radiation, if improperly used, presents a potential hazard to the health and safety of the people of this State; and

"Whereas since the enactment of the Atomic Energy Act of 1954 by the Federal Government there has been a considerable amount of uncertainty as to the effects of that act upon the State's traditional responsibilities in the field of health and safety; and

"Whereas there exists a questionable area of State jurisdiction regarding facilities and materials licensed by the United States Atomic Energy Commission which are potentially dangerous to the health and safety of human beings; and

"Whereas while the Atomic Energy Commission has indicated upon many occasions its desire to cooperate with the States and its desire for State assistance in inspection and enforcement, neither Congress nor the Commission has clarified the relationship between the Federal Government, including the Atomic Energy Commission, and the States in this regard: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the Congress of the United States to enact an amendment to the Atomic Energy Act of 1954 which will clarify the jurisdiction of a State with regard to the protection of the health and safety of the public from radiation hazards incident to the possession or use of those facilities and materials licensed by the Atomic Energy Commission under the provisions of the Atomic Energy Act of 1954; and be it further

"Resolved, That the chief clerk of the assembly be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A resolution of the General Assembly of the State of Rhode Island; to the Committee on Labor and Public Welfare:

"S. 559

"Resolution memorializing the Congress of the United States relative to providing free medical care to aged persons

"Whereas there is presently before the Congress of the United States a bill to provide for free medical care to aged persons; and

"Whereas it is essential to the economy and well-being of the people of the United States that those persons on the social security rolls be provided with hospital, surgical and nursing care; and

"Whereas those persons receiving social security are on limited fixed incomes which do not provide for such emergencies; and

"Whereas such persons should not be required to look for assistance in such emergencies to public or private welfare agencies; and

"Whereas it is essential that immediate consideration be given to this serious problem: Now, therefore, be it

"Resolved, That the members of the General Assembly of the State of Rhode Island earnestly request the Senators and Representatives in the Congress of the United States to enact legislation providing for free hospital, surgical and nursing care for those persons qualified under the social security provisions of the old-age and survivors' insurance law and that the President of the United States approve such legislation; and, be it further

"Resolved, That the secretary of state is hereby authorized and directed to forward duly certified copies of this resolution to the President of the United States, to the Vice President of the United States, to the Speaker of the House of Representatives in the Congress of the United States and to the Senators and Representatives from Rhode Island in the Congress of the United States earnestly requesting that they lend their best efforts in carrying out the purposes of this resolution."

A concurrent resolution of the Legislature of the State of South Carolina; to the Committee on the Judiciary:

"Concurrent resolution expressing to the Governor of the State and the distinguished citizens who appeared with him the appreciation of the members of the general assembly and of the people of the State, whom they represent, for the very able manner in which they presented the views of this State on the civil rights bills now under consideration before the subcommittees of the Senate and the House of the Congress of the United States

"Be it resolved by the senate, the house of representatives concurring, That the members of the general assembly, on behalf of the people of this great State, whom they represent, congratulate the committee of distinguished citizens from the State, composed of the Honorable Ernest F. Hollings, Governor; the Honorable Edgar A. Brown, national committeeman; the Honorable Thomas H. Pope, State chairman of the Democratic Party; the Honorable Daniel McLeod, attorney general; the Honorable L. Marion Gressette, State senator from Calhoun County, and the Honorable R. E. McNair, representative from Allendale County, chairmen of the senate and house judiciary committees, respectively, for the very practical and able manner in which they presented to the subcommittee of the U.S. Senate and House Judiciary Committees the views of the people of this State in the hearings on civil rights held in Washington on the 14th of April.

"Not only the people of our State, but the people of the Nation, will do well to read and ponder the testimony given before the subcommittees by these patriotic citizens of these United States.

"The statements made by Governor Hollings and other members of his delegation have been extensively publicized in the press of this State.

"While we find it difficult to even attempt to abbreviate these statements, we wish to point out just a few of the high points of the testimony given by the Governor—

"First, he said that the people of South Carolina are a people of tolerance and understanding and have lived in peace and harmony with racial and religious differences for many years. This was aptly illustrated by reference to the fact that for the past 16 years a citizen of the Jewish faith had been speaker of the house of representatives, a predominantly Protestant body; that during the past week, Jimmy Leventis, a Greek boy, had been elected president of the student body of the University of South Carolina, and by other incidents of like nature.

"Then he pointed out that schools are intended for education and not for integration or social experimentation.

"He called attention to the fact that the State of South Carolina has now in its employ more than 7,200 Negro school teachers, more Negro school teachers than are employed by the populous States of New York, New Jersey, Delaware, Rhode Island, Massachusetts, and Connecticut combined, thus

illustrating, in a very practical way that we, in South Carolina, don't just speak of opportunity in idle terms, but actually give it. He pointed out with convincing clarity how the enforcement of the provisions of the bills would encompass the rights of all of the States in the Union in areas now reserved to them other than the integration of schools.

"Finally, he pleaded with great force and sincerity not to destroy the friendship, education, culture, and opportunity of both races by passage of the civil rights bills then pending before the committee.

"In order that the subcommittees which have the bills under consideration may know that the presentation made before them by the distinguished South Carolinians has the unqualified approval of the general assembly of the State of South Carolina, it is further resolved that certified copies of this resolution be sent to the chairmen of the respective subcommittees and to the clerks of the Senate and the House of Representatives. The general assembly also expresses to the Senators and Members of the Congress from this State its appreciation for the cooperation which they gave to the delegation in presenting the views of the delegation to the subcommittee, and requests that copies of this resolution be sent to each of them."

A letter, in the nature of a petition, signed by George Washington Williams, of Baltimore, Md., relating to foreign aid; to the Committee on Foreign Relations.

The petition of Frank B. Scheetz, Washington, D.C., relating to labor-management relations; to the Committee on Labor and Public Welfare.

A resolution adopted by the Verdugo District, California Federation of Women's Clubs, Glendale, Calif., expressing appreciation for the work of the House Un-American Activities Committee, ordered to lie on the table.

CONCURRENT RESOLUTION OF SOUTH CAROLINA LEGISLATURE

Mr. THURMOND. Mr. President, on behalf of myself and my colleague, the senior Senator from South Carolina [Mr. JOHNSTON], I present a concurrent resolution of the General Assembly of the State of South Carolina memorializing Congress to retain Fort Jackson as a permanent training installation. I ask that the resolution be appropriately referred.

There being no objection, the concurrent resolution was referred to the Committee on Armed Services, and, under the rule, ordered to be printed in the RECORD, as follows:

CONCURRENT RESOLUTION MEMORIALIZING CONGRESS TO RETAIN FORT JACKSON AS A PERMANENT TRAINING INSTALLATION

Whereas the United States is constantly faced with the problem of defending itself from attacks of our enemies; and

Whereas since World War II many of our training installations have been abandoned by our Government, only to be reactivated at great expense; and

Whereas Fort Jackson is presently operating as a basic training installation for young men undergoing infantry training and is ideally situated for year-round training and as such can be fully utilized; and

Whereas the members of the general assembly have had an opportunity to visit Fort Jackson and to observe for themselves the splendid facilities and training being carried on there under its commanding general, Maj. Gen. Christian H. Clarke, Jr.; and

Whereas with the present facilities available and the vast area embodied within its confines, future expansion could be easily made with the least amount of cost to the Government and it would be impracticable and costly to ever discontinue the use of this installation; and

Whereas the relationship with the people of this State and the personnel at Fort Jackson has always been one of cordiality and cooperation and the people in this State desire Fort Jackson continue as a permanent installation: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That Congress be memorialized to continue Fort Jackson as a permanent installation for our military forces and, if Congress deems it necessary that our training facilities be expanded, that Fort Jackson be utilized for this purpose; be it further

Resolved, That copies of this resolution be forwarded by the clerk of the house, to each Senator, and to each Member of the House of Representatives in Congress from South Carolina and to the Armed Services Committee of each House.

YOUTH CONSERVATION CORPS—RESOLUTION

Mr. HUMPHREY. Mr. President, I am extremely pleased that the chairman of the Committee on Labor and Public Welfare has recently appointed a special subcommittee, whose chairman is the Senator from West Virginia, JENNINGS RANDOLPH, to conduct hearings on the bill proposing a Youth Conservation Corps of 150,000 young men to work on needed conservation projects on our national and State lands—S. 812.

Hearings are scheduled on May 11 and 12, which will be good news for very many organizations in both the field of conservation of natural resources and the conservation of youth.

Mr. President, typical of the widespread support which this legislation is receiving, is the resolution No. 16 adopted by the Izaak Walton League of America at their 37th annual convention on April 25, 1959, relative to this proposal.

I ask unanimous consent that this resolution be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION 16—YOUTH CONSERVATION CORPS

Whereas there exists a great backlog of important but neglected opportunities for resource improvement through applied conservation practices; and

Whereas this backlog is beyond the scope of present Federal and State conservation programs and is estimated to require an outlay during a 10-year period of $3 billion for forest improvement and management, $4.5 billion for soil conservation and watershed protection, $1 billion for rangeland improvements, $2 billion for development and improvement of outdoor recreation facilities, and $1 billion to improve wildlife refuges; and

Whereas there exists an increasing number of young men in the 16- to 22-year age bracket who are finished with formal education, and are finding rewarding employment opportunities increasingly difficult to secure, resulting in a waste of their abilities and talents, and in lowered morale; and

Whereas the Civilian Conservation Corps program of the depression years proved an effective and efficient means for accomplishing essential conservation work while providing worthwhile employment, a wholesome and healthful environment, and excellent education and training advantages for the young men enrolled; and

Whereas a distinguished, bipartisan group of Senators and Representatives have proposed legislation to establish a Youth Conservation Corps, adapting experiences gained under the CCC program to the productive employment of the young men of today in the field of resource conservation, to the benefit of the young men themselves, of society, of the natural resources involved: Now, therefore, be it

Resolved by the Izaak Walton League of America in 37th annual convention assembled in Philadelphia, Pa., this 25th day of April 1959, That it commends the sponsors of the legislation, endorses the principles and objectives expressed therein, and urges prompt committee hearings in order to perfect the details of the legislation to accomplish those principles and objectives; and be it further

Resolved, That the Congress, during its deliberations on the legislation, consider the practicability of extending the program to include young women as well.

RESOLUTIONS OF THE ASSOCIATION OF AMERICAN PHYSICIANS AND SURGEONS

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD resolutions adopted by the Association of American Physicians and Surgeons, at Fort Worth, Tex.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTIONS ADOPTED BY THE ASSEMBLY AND DELEGATES OF THE ASSOCIATION OF AMERICAN PHYSICIANS AND SURGEONS, 16TH ANNUAL MEETING, APRIL 4, 1959, FORT WORTH, TEX.

RESOLUTION ON THANKS

Extending sincere thanks to the retiring Association of American Physicians and Surgeons officers and directors; to the American Medical Association for its assistance given to the 1959 essay contest; and to all those who contributed to the success of the 1959 Fort Worth, Tex., annual meeting.

RESOLUTION ON ESSAY CONTEST

Whereas the essay contest for high school students, through 13 consecutive years of sponsorship, has demonstrated its value as an educational program for informing high school students on the advantages of the system of private practice of medicine and the system of American free enterprise; and

Whereas the task of informing students must be sustained from year to year because each year a new group of students is brought into the high schools: Therefore, be it

Resolved, That the assembly and house of delegates of the Association of American Physicians and Surgeons, Inc., in regular session assembled in Fort Worth, Tex., this 4th day of April 1959 recommend and request the Association of American Physicians and Surgeons' Freedom Programs, Inc., to sponsor a 1960 essay contest (14th annual); that the 1960 conditions, rules, and regulations be the same as those used in the 1959 contest; that the topics be: "The Advantages of Private Medical Care" and "The Advantages of the American Free Enterprise System" or such other titles as may be selected by the essay contest committee, and that students may be granted a choice of the two subjects on which to write; that the president of the Freedom Programs, Inc., appoint a special committee to manage the contest and that the Association of American Physicians and Surgeons' Freedom Programs, Inc., spend a sum not to exceed $2,675 in cash prizes to be awarded on the following basis: 1st prize, $1,000; 2d prize, $500; 3d prize, $250; 4th

through 7th prizes, $100 each, and 8th through 14th prizes, $75 each; be it further

Resolved, That the entire conduct of the contest including the personnel of the essay contest committee, shall be subject to the approval of the directors and delegates of the Association of American Physicians and Surgeons, Inc.

RESOLUTION ON FEDERAL AID TO EDUCATION

Whereas various bills (S. 2, H.R. 22, H.R. 965, and others) have been introduced in Congress to provide Federal aid to education at public school and college levels; and

Whereas Federal subsidy of schools and colleges inevitably would lead to Federal control of education; and

Whereas the control of education is a right reserved to the States by the Constitution (10th amendment); and

Whereas the Federal Government, now approximately $288 billion in debt, cannot afford the expenditure even if it were justified: Therefore be it

Resolved, That the assembly and house of delegates of the Association of American Physicians and Surgeons, Inc., in regular session assembled in Fort Worth, Tex., this 4th day of April 1959, oppose any type of Federal aid to education.

RESOLUTION ON THE KEOGH-SIMPSON BILLS (H.R. 9 AND 10)

Whereas the Keogh-Simpson bills (H.R. 9 and 10), now pending in Congress, would tend to equalize tax privileges through permitting the self-employed to treat as tax free up to $50,000 of income during a lifetime for self-pensioning; and

Whereas the proposed legislation would correct a tax inequity suffered by millions of self-employed American taxpayers: Therefore, be it

Resolved, That the assembly and house of delegates of the Association of American Physicians and Surgeons, Inc., in regular session assembled in Fort Worth, Tex., this 4th day of April 1959, approve and endorse the Keogh-Simpson bills (H.R. 9 and 10) and urge the Congress to enact the legislation.

RESOLUTION ON THE FORAND BILL (H.R. 4700)

Whereas the Forand bill (H.R. 4700) proposes to furnish hospitalization, surgery, and nursing home care for the beneficiaries of social security (about 13 million persons); and

Whereas the Forand bill would constitute the initiation of compulsory national health insurance for one segment of the American public at the expense of working citizens; and

Whereas compulsory health insurance (socialized medicine) historically has led to the deterioration of medical care to the detriment of patients; and

Whereas unlimited financing of the services would increase social security taxes by raising both the ceiling of the taxable income and the tax rate; and

Whereas these increased expenses would further strain an already unbalanced social security financial structure; and

Whereas care of the aged—medical or otherwise—is and should be morally a responsibility of families and localities: Therefore be it

Resolved, That the assembly and house of delegates of the Association of American Physicians and Surgeons, Inc., in regular session assembled in Fort Worth, Tex., this 4th day of April 1959, oppose H.R. 4700 and urge the Members of the Senate and House to vote against its enactment.

RESOLUTION ON THE MURRAY-DINGELL SOCIALIZED MEDICINE BILLS (S. 1056 AND H.R. 4498)

Whereas the Murray-Dingell bills (S. 1056 and H.R. 4498) propose a system of national compulsory health insurance socialized medicine; and

Whereas there is indisputable evidence that similar schemes of socialized medicine (compulsory health insurance) have been a dismal failure in other nations and have led to the deterioration of medical care to the detriment of patients: Therefore be it

Resolved, That the assembly and House of delegates of the Association of American Physicians and Surgeons, Inc., in regular session assembled in Fort Worth, Tex., this 4th day of April 1959, oppose the Murray-Dingell bills and urge the Congress and the President of the United States to reject this plan.

RESOLUTION ON HOUSE JOINT RESOLUTION 23

Whereas the Association of American Physicians and Surgeons has repeatedly and consistently supported House Joint Resolution 23 which states in part:

"SECTION 1. The Government of the United States shall not engage in any business, professional, commercial, financial, or industrial enterprise except as specified in the Constitution.

"SEC. 4. Three years after the ratification of this amendment the 16th article of amendments to the Constitution of the United States shall stand repealed and thereafter Congress shall not levy taxes on personal incomes, estates, and/or gifts"; and

Whereas business competition of the Federal Government with private industry is now greater than ever and has resulted in Government ownership and/or control of 40 percent of the land area and 20 percent of the industrial capacity of this Nation; and

Whereas the American Progress Foundation in conjunction with the Organization To Repeal Federal Income Taxes is now launching a nationwide movement at the grassroots for the purpose of obtaining adoption of resolutions by the legislatures of various States demanding that the Congress submit House Joint Resolution 23 to the legislatures for ratification as an amendment to the Constitution of the United States: Therefore be it

Resolved, That the assembly and house of delegates of the Association of American Physicians and Surgeons, Inc., in regular session assembled in Fort Worth, Tex., this 4th day of April 1959 does hereby recognize the urgent necessity for adoption of House Joint Resolution 23; and be it further

Resolved, That the assembly and house of delegates urge each member of the Association of American Physicians and Surgeons, Inc., to cooperate fully with all efforts to secure adoption of resolutions supporting House Joint Resolution 23 by the several State legislatures; it is further recommended that the members generate and if necessary initiate support for House Joint Resolution 23 in their local communities to the end that many State legislatures will adopt such resolutions during the year 1959; and be it further

Resolved, That this resolution be spread upon the minutes of this meeting and that a copy of this resolution be mailed to each member of this association together with appropriate descriptive supporting information.

RESOLUTION DEFINING FREE CHOICE OF PHYSICIAN AND THIRD PARTY PAYOR

Whereas the current controversy about free choice of physician and third party payor demands a clear definition of the terms used; and

Whereas the code of medical practice of the Association of American Physicians and Surgeons, Inc., requires that the association take a position on matters involving these terms: Therefore be it

Resolved, That the assembly and house of delegates of the Association of American Physicians and Surgeons, Inc., in regular session assembled in Fort Worth, Tex., this 4th day of April 1959, establishes the following definition for free choice of physician: "Free choice of physicians is the right of the responsible individual to select whatever legally qualified physician he chooses to provide his own medical care and the medical care for those persons for whose medical care and the results thereof, he is legally responsible"; and be it further

Resolved, That the association establishes the following definition for third party payor: "The third party payor is an agent who, through his administration of funds belonging to or assignable to the patient, is in position to affect the freedom of the bilateral patient-physician relationship."

RESOLUTION OPPOSING THE RELATIVE VALUE SCALE

Whereas the determination of a physician's fees is an individual matter, to be arrived at by mutual understanding between the physician and his patient; and

Whereas any attempt by any other party, including organized physician-groups, to influence the conduct of the individual patient-physician relationship, in the matter of arriving at a satisfactory charge for service, is unjustified and endangers personal liberty; and

Whereas there has been devised and promulgated, by organized physician-groups, a coding of weights of several medical and surgical procedures, known as the Relative Value Scale; and

Whereas the use of the relative value scale, in conjunction with a conversion factor, to be determined by the organized physician-groups in given geographic or political areas, results in creating a fixed fee schedule, and

Whereas such a scale and its companion, the conversion factor, which are announced by organized physician-groups themselves, serve the interests of unions, insurance companies, and other groups both as a club to promote their insistence on the acceptance of a fixed set of physicians rates, and as a wedge to divide those physicians unwilling to participate from their colleagues; and

Whereas such a scale, with its conversion factor, in the face of organized group and general public pressures against justifiable rate increases, would impose undesirable economic restrictions, which with continuing inflationary trends, would prove to be a financial hardship to physicians from which the only hope for relief would be in the direction of bargaining with representatives of labor, the insurance companies, and others: Therefore, be it

Resolved, That the assembly and house of delegates of the Association of American Physicians and Surgeons, Inc., in regular session assembled in Fort Worth, Tex., this 4th day of April 1959, condemn the relative value scale as a dangerous device capable of doing great harm to physicians and the medical profession.

RESOLUTION ON REPORTING THE FINANCIAL CONDITION OF THE ASSOCIATION

Whereas the Association of American Physicians and Surgeons, Inc., has reached the mature age of 16 years; and

Whereas in the early organizational period there were good and substantial reasons for not publicizing the financial status of the organization; and

Whereas in the interest of orderly growth and greater stability it is essential that knowlege of the financial status of the Association of American Physicians and Surgeons, Inc., be not limited to the occupants of the offices of president and treasurer: Therefore be it

Resolved, That the assembly and house of delegates of the Association of American Physicians and Surgeons, Inc., in regular session assembled in Fort Worth, Tex., this 4th day of April 1959 have the executive director furnish a monthly statement and also a certified yearly audit of the financial status of the Association of American Physicians and Surgeons, Inc., to all the officers and the board of directors of the Association of American Physicians and Surgeons, Inc.

RESOLUTION ON "FREE CHOICE IS FUNDAMENTAL TO GOOD MEDICAL CARE"

Whereas the question has been asked: "Is the concept of free choice of physician to be considered a fundamental principle incontrovertible, unalterable and essential to good medical care without qualification?": Therefore be it

Resolved by the assembly and house of delegates of the Association of American Physicians and Surgeons, Inc., in regular session assembled in Fort Worth, Tex., this 4th day of April 1959, That the free choice of physician is indeed fundamental to good medical care, to be altered or contraverted only in specific instances justified by circumstances which have been demonstrated to the satisfaction of an appropriate committee of the area medical society.

RESOLUTION ON DISAPPROVAL OF PHYSICIAN PARTICIPATION IN SYSTEMS WHICH RETRICT FREE CHOICE

Whereas the question has been asked: "What is the attitude regarding physician participation in those systems of medical care which restrict free choice of physician?"; and

Whereas the alternative to free choice of physician is monopoly; and

Whereas no monopolistic system of medical care can exist without the participation of physicians; and

Whereas the 1957 revised code of ethics of the AMA in section 6 states, that "a physician should not dispose of his services under terms of conditions which tend to interfere with or impair the free and complete exercise of his medical judgment and skill or tend to cause a deterioration of the quality of medical care"; and

Whereas the restriction of free choice of physician does tend to cause deterioration in the quality of medical care: Therefore be it

Resolved by the assembly and house of delegates of the Association of American Physicians and Surgeons, Inc., in regular session assembled in Fort Worth, Tex., this 4th day of April 1959, That our attitude regarding physician participation in systems which restrict free choice is one of disapproval.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. HUMPHREY, from the Committee on Government Operations, with amendments:

S. 1474. A bill to make permanent the provisions of the Reorganization Act of 1949 (Rept. No. 239).

STUDIES FOR DEVELOPMENT OF NATIONAL POLICY FOR SURVIVAL IN CONTEST WITH WORLD COMMUNISM

Mr. JACKSON. Mr. President, I have been instructed by the Committee on Government Operations to report an original resolution requesting funds for studies as to the effectiveness of present governmental organization and procedures for the development and execution of national policy for survival in the contest with world communism.

This resolution was ordered reported favorably by a unanimous vote of the Committee on Government Operations.

Many have questioned whether our Government has appropriate machinery for producing and implementing the integral national policy needed to cope with the overall challenge of Soviet power and the cold war. Time and again we substitute last-minute trial and error decisions for orderly planning. In one critical field after another we fail to think ahead. Where problems cut across many fields, we end up with poorly coordinated and often conflicting policies.

There is general agreement that the ability and skill to produce national policies equal to the Sino-Soviet challenge are here. But in large part this talent is not being focused on the burning issues of national policy. Our country contains an invaluable reservoir of talent, now going largely untapped.

Our shortcomings in these respects have long been apparent and cannot be placed at the door of any one administration. Today, however, the life and death contest in which we are engaged no longer permits the luxury of second-rate policy making or policy implementation.

Members of the Government Operations Committee believe that a highly useful purpose can be served by a thorough, objective and nonpartisan review of our present governmental mechanisms for national policy development, coordination, and execution.

At this time, I report the resolution entitled "To authorize studies as to the effectiveness of present governmental organization and procedures for the development and execution of national policy for survival in the contest with world communism."

The VICE PRESIDENT. The resolution will be received and appropriately referred.

The resolution (S. Res. 115) to authorize studies as to the effectiveness of present governmental organization and procedures for the development and execution of national policy for survival in the contest with world communism, reported by Mr. JACKSON from the Committee on Government Operations, was referred to the Committee on Rules and Administration, as follows:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by section 134 of the Legislative Reorganization Act of 1946, and in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Government Operations, or any subcommittee thereof, is authorized, from the date of approval of this resolution through January 31, 1960, to make studies as to the efficiency and economy of operations of all branches of the Government with particular reference to—

(1) the effectiveness of the present organizational structures and operational methods of agencies and instrumentalities of the Federal Government at all levels in the formulation, coordination, and execution of an integrated national policy for the solution of the problems of survival with which the free world is confronted in the contest with world communism;

(2) the capacity of such structures and methods to utilize with maximum effectiveness the skills, talents, and resources of the Nation in the solution of those problems; and

(3) development of whatever legislative and other proposals or means may be required whereby such structures and methods can be reorganized or otherwise improved to be more effective in formulating, coordinating and executing an integrated national policy, and to make more effective use of the sustained, creative thinking of our ablest citizens for the solution of the full range of problems facing the free world in the contest with world communism.

SEC. 2. For the purposes of this resolution the committee, from date of approval of this resolution to January 31, 1960, inclusive is authorized—

(1) to make such expenditures as it deems advisable;

(2) to employ upon a temporary basis and fix the compensation of technical, clerical, and other assistants and consultants: *Provided,* That the minority of the committee is authorized at its discretion to select one such person for appointment, and the person so selected shall be appointed and shall receive compensation at an annual gross rate not less by more than $1,200 than the highest gross rate paid to any other employee; and

(3) with the prior consent of the head of the department or agency concerned, and the Committee on Rules and Administration, to utilize on a reimbursable basis the services, information, facilities, and personnel of any department or agency of the Government.

SEC. 3. Expenses of the committee under this resolution, which shall not exceed $60,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

REPORT ENTITLED "THE SMALL INDEPENDENT FIRM'S ROLE IN THE FOREST PRODUCTS INDUSTRY" (S. REPT. NO. 240)

Mr. SPARKMAN, from the Select Committee on Small Business, submitted a report entitled "The Small Independent Firm's Role in the Forest Products Industry," which was ordered to be printed.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMATHERS:

S. 1850. A bill for the relief of Roger Robert Baudry; to the Committee on the Judiciary.

By Mr. HUMPHREY (for himself, Mr. CAPEHART, Mr. MUNDT, Mr. GRUENING, Mr. MUSKIE, Mr. YARBOROUGH, and Mr. KEATING):

S. 1851. A bill for the establishment of a Commission on a Department of Science and Technology; to the Committee on Government Operations.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. BEALL:

S. 1852. A bill for the relief of Alcide Arconti; to the Committee on the Judiciary.

S. 1853. A bill to permit unmarried annuitants under the Civil Service Retirement Act of May 29, 1930, as amended, to elect survivorship annuities upon subsequent marriage; to the Committee on Post Office and Civil Service.

S. 1854. A bill to amend the act of October 24, 1951, to provide that the police of the National Zoological Park shall receive salaries at the same rates as officers and members of the Metropolitan Police force of the District of Columbia; to the Committee on Rules and Administration.

By Mr. GRUENING (for himself and Mr. BARTLETT):

S. 1855. A bill to amend the Mineral Leasing Act of 1920 in order to increase certain acreage limitations with respect to the State of Alaska; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. GRUENING when he introduced the above bill, which appear under a separate heading.)

By Mr. MORSE:

S. 1856. A bill for the relief of Frank Podany; to the Committee on the Judiciary.

By Mr. ENGLE (for himself and Mr. KUCHEL):

S. 1857. A bill to promote the foreign trade of the United States in grapes and plums, to protect the reputation of American-grown grapes and plums in foreign markets, to prevent deception or misrepresentation as to the quality of such products moving in foreign commerce, to provide for the commercial inspection of such products entering such commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HARTKE:

S. 1858. A bill to revise, extend, and otherwise improve the Communications Act of 1934 (47 U.S.C. 315) to bring into focus and more proper perspective that section of the law governing political broadcasts; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. HARTKE when he introduced the above bill, which appear under a separate heading.)

By Mr. FULBRIGHT (by request):

S. 1859. A bill to promote the foreign policy of the United States by amending the U.S. Information and Educational Exchange Act of 1948 (Public Law 402, 80th Cong.); to the Committee on Foreign Relations.

(See the remarks of Mr. FULBRIGHT when he introduced the above bill, which appear under a separate heading.)

By Mr. BRIDGES (for himself and Mr. COTTON):

S. 1860. A bill to provide for the settlement of certain claims resulting from jet flight activities at Pease Air Force Base, N.H.; to the Committee on the Judiciary.

(See the remarks of Mr. BRIDGES when he introduced the above bill, which appear under a separate heading.)

By Mr. KEFAUVER:

S. 1861. A bill to permit the filing of short estate tax returns in certain cases where the value of the gross estate does not exceed $120,000; to the Committee on Finance.

S. 1862. A bill for the relief of Harve M. Duggins;

S. 1863. A bill for the relief of Chau Yau Pik; and

S. 1864. A bill for the relief of Auva Constance Lewis; to the Committee on the Judiciary.

By Mr. BIBLE:

S. 1865. A bill for the relief of Man-Yeh Chow; and

S. 1866. A bill for the relief of Caterina Parmiggiani; to the Committee on the Judiciary.

S. 1867. A bill to provide for the representation of indigents in judicial proceedings in the District of Columbia; to the Committee on the District of Columbia.

(See the remarks of Mr. BIBLE when he introduced the last above-mentioned bill, which appear under a separate heading.)

By Mr. BIBLE (by request):

S. 1868. A bill to provide for the regulation of credit life insurance and credit accident and health insurance in the District of Columbia;

S. 1869. A bill to amend the District of Columbia Teachers' Salary Act of 1955, as amended; and

S. 1870. A bill to provide for examination, licensing, registration, and for regulation of professional and practical nurses, and for nursing education in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. MANSFIELD (for himself, Mr. AIKEN, Mr. ANDERSON, Mr. BYRD of West Virginia, Mr. COOPER, Mr. HART, Mr. KUCHEL, Mr. MURRAY, Mr. RANDOLPH, and Mr. STENNIS):

S.J. Res. 95. Joint resolution to provide for the acceleration of the various reforestation programs of the Department of Agriculture and the Department of the Interior, and for other purposes; to the Committee on Agriculture and Forestry, and Interior and Insular Affairs, jointly.

(See the remarks of Mr. MANSFIELD when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTION

Mr. JACKSON, from the Committee on Government Operations, reported an original resolution (S. Res. 115) to authorize studies as to the effectiveness of present governmental organization and procedures for the development and execution of national policy for survival in the contest with world communism, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. JACKSON, where it appears under the heading "Reports of Committees.")

COMMISSION ON A DEPARTMENT OF SCIENCE AND TECHNOLOGY

Mr. HUMPHREY. Mr. President, on behalf of myself, and Senators CAPEHART, MUNDT, GRUENING, MUSKIE, and YARBOROUGH, I submit for appropriate reference a bill providing for the establishment of a Commission on a Department of Science and Technology.

This bill has been drafted under my direction by the staff of the Committee on Government Operations to conform to recommendations made to the Subcommittee on Reorganization and International Organizations at its recent hearings on the bill, S. 676, to create a Department of Science and Technology and to transfer certain agencies and functions to such department. The president and the vice president of the Engineers Joint Council and the executive secretary of the American Chemical Society recommended to the committee that there was an urgent need for the appointment of a commission patterned along the lines of the Hoover Commissions to conduct a study as to whether or not a Department of Science should be created, and, if such a department was found to be desirable, that the proposed commission should recommend to the President and to the Congress which function now being performed by other departments and agencies of the Government should be transferred to such department.

It was suggested that the commission should be composed of eminent authorities in the field of science and who are recognized leaders of the scientific community, representatives of the Federal Government agencies which were engaged in basic civilian science activities, and of members of the legislative branch of the Government.

Practically every witness who testified during the first 2 days of hearings on S. 676 were in agreement that, in order to insure the establishment of a workable and acceptable program for the proper coordination of Federal science activities, drastic reorganizations in existing Federal agencies dealing with science, technology, or engineering would be required. Some of the witnesses supported the objectives of S. 676, and others expressed opposition to the creation of a Department of Science and Technology, primarily because there was general disagreement as to what agencies of the Federal Government should be incorporated in the proposed new Department or in any agency that may be established for the centralization of such activities.

In testifying before the subcommittee, in opposition to S. 676 as drafted by the staff of the Committee on Government Operations, the Secretary of Commerce, Lewis L. Strauss, in reply to a question which I directed to him as to his views on the proposal to create "an impartial commission along the lines of the Hoover Commission formula," stated:

> I think it would be an excellent idea * * * I would say that such a survey * * * would be a very salutary thing.

In supporting the bill, Dr. Wallace Brode, chairman of the board and past president of the American Association for the Advancement of Science, and now the Science Advisor to the Secretary of State, stated that—

> Two major decisions are required, one as to whether a Department of Science should be formed, and, second, as to the composition of such a Department. A commission of governmental and nongovernmental experts in science and nonscience areas, similar to a "Hoover Commission" type, might consider these problems, and especially the second phase; if a Department of Science is inevitable, just what activities of the Government should be included.

The bill I am introducing at this time would establish such a commission. Its authority would provide that the Commission would conduct two basic studies, first, the desirability of establishing a Department of Science and Technology; and, second, what functions should be transferred to such Department if established, and to submit its report and recommendations to the President and the Congress not later than May 31, 1960.

In drafting the bill the subcommittee gave consideration to extending the authority of the proposed Commission to include specific requirements, in the declaration of policy and in the section dealing with the duties of the Commission, that the Commission should also study and report on problems relating to (a) the need for strengthening American science and technology as one of our essential resources for national security and welfare; (b) the promotion of better centralization and coordination of Federal science programs and operations through necessary and desirable reorganizations of existing departments and agencies which relate directly to Federal science and research; and (c) to formulate effective policies for training, recruiting, and utilization of scientific and engineering manpower.

There are other areas of great importance to the Federal science program, such as meteorology, oceanography, and so forth, which are not specifically outlined in the bill. For instance, oceanography certainly should come within the purview of the studies to be conducted by the Commission if a complete review is to be made of all Federal science activities. The importance of this program is set forth in the subcommittee's report to the Senate—Senate Report 120, 86th Congress, pages 51–57—which includes the text of a report submitted by the Subcommittee on Oceanography of the National Academy of Sciences—National Research Council. Also Dr. L. B. Berkner, president, Associated Universities, Inc., in recommending the creation of a Department of Science, proposed specifically that a division or bureau of oceanography should be incorporated within such department.

While these directives are not specifically spelled out in the bill as introduced, it is the view of the subcommittee that studies would be made into these areas of Federal science activities since this type of information would be essential to members of the Commission before a report and recommendations could be made to the President and the Congress.

Section 3, relating to the membership of the Commission, deviates from the composition of the Hoover Commissions in that it would provide for the appointment of 16 members—8 by the President and 4 each by the Senate and House of Representatives—whereas the Hoover Commission consisted of 12 members—4 by the President and 4 each by the Senate and House of Representatives.

The objectives in recommending the increased number of members to be appointed by the President is, primarily, first, to give recognition to the desirability of having the President initiate any program calling for the creation of a Department of Science and Technology; and second, to permit the President to designate at least four members from the executive branch who are responsible for the operations of major Federal science programs—for instance, the Special Assistant to the President and head of the Council on Science and Technology, and the heads of Atomic Energy Commission, the National Aeronautics and Space Administration, and the National Science Foundation, may wish to be represented—and to permit him to appoint four members who are outstanding in the scientific community, in addition to four eminent scientists who would be appointed by the legislative branch. This authority for appointment of not less than 16 members, 8 of whom would represent the scientific community, would permit a wider selection of qualified representatives of the sciences involved. It is the view of the subcommittee that, before any Department of Science is created, the scientists themselves should actively participate in the development of any program that may be recommended by the proposed Commission.

In addition to granting authority to the Commission to employ such technical personnel as may be required—section 7—the bill would authorize the Commission to establish a Science Advisory Panel of not less than 100 competent and experienced members of the scientific community of the United States to serve on request as scientific consultants to the Commission or to individual members.

Mr. President, further hearings on S. 676 will be necessary in order that the subcommittee may have the benefit of the views of several witnesses who could not be heard on April 16 and 17, when the first hearings were held. These hearings will be resumed May 25, and witnesses invited to testify at that time will also be requested to give the subcommittee their views and recommendations on the bill I am introducing today.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from New York.

Mr. KEATING. Mr. President, I should like to ask unanimous consent that my name be added to the list of sponsors of the bill.

Mr. HUMPHREY. I am very pleased and honored to have the Senator from New York add his name as a cosponsor of the bill.

Mr. KEATING. The bill gives promise of some constructive and important work in this field, and I should like to be associated with it.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Is there objection? The Chair hears none, and the name of the Senator from New York may be added as a cosponsor.

The bill will be received and appropriately referred.

The bill (S. 1851) for the establishment of a Commission on a Department of Science and Technology, introduced by Mr. HUMPHREY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Government Operations.

AMENDMENT OF MINERAL LEASING ACT OF 1920, RELATING TO INCREASED ACREAGE LIMITATIONS IN ALASKA

Mr. GRUENING. Mr. President, on behalf of my colleague, the senior Senator from Alaska [Mr. BARTLETT] and myself, I introduce for appropriate reference a bill to increase the limitation on the amount of public lands which any one individual, company or association may hold under oil and gas leases or options in the State of Alaska.

Because both its immediate and long-range effects will be highly beneficial to the new 49th State, this proposed legislation has the complete and hearty support of the Acting Governor of Alaska, Hugh T. Wade, as well as of the natural resources department and other State officials who see in it an opportunity to help meet the problems of statehood.

It also has the full support of the entire Alaska delegation in Congress.

It is in full accord with the land leasing policies and procedures recently laid down by the first Alaska State Legislature.

Mr. President, we have the bare beginnings of an oil producing industry in Alaska—but only the bare beginnings. Petroleum deposits of considerable magnitude may lie deep beneath the 270 million acres of open Federal public lands within the State's boundaries. But how big that oil domain really is—if, indeed, it actually exists in any significant amount—is not yet actually known and cannot be known until many hundreds of holes have been drilled at great cost in areas where no extensive exploration has yet taken place. Before Alaska's oil potential can be fully proved—or disproved, as the case may very well be—the men who prospect for oil must be ready and able to risk great quantities of money, time, scientific know-how, and hard work. They also must have access to adequate amounts of land on which to operate before they dare undertake the risks involved.

The bill sponsored by my distinguished colleague and by me, and in the other body by Representative RALPH J. RIVERS, will make available the one remaining ingredient needed to insure an all-out exploratory effort in Alaska. At the same time, it will greatly increase revenue accruing to the State of Alaska—at no additional cost to the Federal Government.

The Mineral Leasing Act now permits any individual, corporation, or association to hold 100,000 acres of public land under lease in Alaska and an additional 200,000 acres under option. This bill sets the permissible holding at 1 million acres, including both lease and option acreage. It applies only to public lands in Alaska and makes no other change in the Mineral Leasing Act.

When one realizes how large an area is involved, 1 million acres is not a large amount. Consider these facts:

First. The 270 million acres of available "open" public lands in Alaska constitute more than 60 percent of all such available lands in all of the United States.

Second. Alaska's public lands total about twice as much leasable acreage as is available in the great eight Western States, Arizona, California, Colorado, Montana, Nevada, New Mexico, Utah, and Wyoming.

Third. Oil and gas properties in these eight States can, under present law, control a total of 246,080 acres of public land in each State—or an aggregate of almost 2 million acres. Those operating in Alaska, which has twice the leasable acreage, may control only about one-seventh of that figure. The bill which we are proposing would raise that latter figure only to about one-half.

Fourth. Furthermore, because Alaska has virtually no acquired lands, actually it is possible to hold much more total acreage in many of the smaller States than in Alaska. The Acquired Lands Act having the same acreage limitations as the Mineral Leasing Act, it is now permissible to hold a total of 492,160 acres in States with acquired lands, whereas the practical limitation in Alaska is 300,000 acres.

This bill deals only with Federal lands, but by making these greater holdings possible, it will provide a source of considerable new revenue to the State at no

expense to the Federal Government. This is because, as Senators well know, the States receive 90 percent of the revenue from rentals and royalties on public lands.

Volume leasing of oil and gas lands is a large item in the State's budget of prospective income. If the Federal acreage now under lease in Alaska—about 20 million acres—could be doubled, it would increase the State's revenue from this source by about $9 million annually.

But, Mr. President, Alaska cannot attract additional leaseholders unless it has land available for them. Many firms, large and small, which are willing to send large amounts of venture capital to the Alaska frontier find themselves restricted by the present unrealistic limitation upon the amount of permissible acreage. As potentially promising new areas are suggested by geophysical findings and other exploratory work, these companies find themselves foreclosed from entering new fields because they are already fully subscribed as to leases.

This raises another vital point. Alaska, if its oil potential is to be developed, must be able to compete immediately for venture and risk capital with other areas in the Western Hemisphere which are anxious to develop a petroleum industry. In Canada, Central America, and some parts of South America, the oil explorer who is willing to take a chance is granted concessions of from 500,000 to 4 million acres for no consideration other than the promise to spend his money in the search for oil.

Mr. President, I ask unanimous consent that there be printed in the CONGRESSIONAL RECORD, immediately following my remarks, a letter from Alaska's able Commissioner of the newly created Department of Natural Resources, approving the provisions of this bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1855) to amend the Mineral Leasing Act of 1920 in order to increase certain acreage limitations with respect to the State of Alaska, introduced by Mr. GRUENING (for himself and Mr. BARTLETT), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The letter presented by Mr. GRUENING is as follows:

TERRITORY OF ALASKA,
DEPARTMENT OF MINES,
Juneau, Alaska, April 20, 1959.

Hon. ERNEST GRUENING,
U.S. Senate,
Washington, D.C.

DEAR ERNEST: In response to your telegram addressed to the Governor's office and received today, we are forwarding a copy of what will be our new Land Act (2d CS for Senate bill 77) which has been corrected to show last-minute floor amendments.

As mentioned in our letter of April 15, 1959, we see no conflict between the provisions in the Alaska Land Act and the proposed legislation which would increase total holdings by lease and option on Federal public domain lands in Alaska to 1 million acres.

Kindest personal regards.

Sincerely,

PHIL R. HOLDSWORTH,
Commissioner, Department of Natural Resources.

FAIR POLITICAL BROADCASTING ACT OF 1959

Mr. HARTKE. Mr. President, I introduce, for appropriate reference, what I hope will be referred to as the Fair Political Broadcasting Code. Certainly this legislation is not new to the Congress. The present law which relates to political broadcasts dates to 1927. Over the years bills have been introduced to amend that law, but it is largely unchanged. The very able and distinguished senior Senator from Washington [Mr. MAGNUSON] in his capacity as chairman of the Senate Interstate and Foreign Commerce Committee has been a leader in the many attempts to clarify and bring into focus those laws dealing with the broadcasting industry. He has not labored alone in this field. The senior Senator from Missouri [Mr. HENNINGS] as chairman of the Senate Rules Subcommittee dealing with fair election laws, has long advocated the improvement in the Communications Act that this bill would affect.

So, it is not with any pride of authorship that I join with my colleagues in introducing this measure. But having recently emerged from a strenuous campaign for the U.S. Senate, I am acutely aware of the shortcomings of the present law. Mr. President, I feel most strongly about the need for change.

Radio and television have played, and will continue to play, an ever increasing role in the conduct of election campaigns. Meanwhile, rulings have been made by that branch of the Federal Government, whose duty it is to regulate the broadcasting field, that have placed a tremendous burden not only on the industry but on many candidates for public office. Because of interpretations of the existing law, many broadcasters refuse to take any part in a political campaign. Who suffers? The American public suffers, Mr. President. It suffers in its right to know.

The basic intent of section 315 of the Communications Act of 1934 is to insure that a broadcasting station use its time equally among equally qualified candidates. That little three letter word "use" has become a giant. It means use of a broadcasting station by a candidate for his benefit. All sorts of interpretations have been given it. However, I hold with the position of former Senator Fess who noted during Senate debate on the original Radio Act of 1927 that the word "use" might be interpreted to include all appearances by a candidate, and stated to one of the original sponsors of the equal-opportunity amendment:

> I am sure the Senator (Dill) does not intend to write this meaning into the amendment.

Senator Dill indicated that to do so would be unwise. He felt, as do I, that it was preferable to "allow the Commission to make rules and regulations governing such questions rather than to attempt to go into the matter in the bill." Because of the rulings that have been made, Mr. President, and because of the gross distance we have come from the original intent of Congress, this bill attempts to preserve the American people's right to know and be fully informed by eliminating news broadcasts, panel discussions, and similar programs from unreasonable shackles.

Adequate safeguards are written both in section 315 and other sections of the Communications Act to preclude unfairness by licensees. They certainly will not risk forfeit of license to broadcast. If one does discriminate against or in any way advance the cause of any candidate and does not give the legally qualified opposition fair and equal coverage, then he would be responsible for violation of the act and subject to a loss of his license.

The present law does not allow any broadcaster to in any way censor the material to be broadcast by a legally qualified candidate. My amendment seeks to clarify and make part of the law the opinions of many courts that the broadcaster is not to be held responsible in any courts for remarks made by the candidates using the facilities.

The third major point of my amendment, Mr. President, would clarify who is a legally qualified candidate for the Presidential and Vice Presidential offices and thus eligible for equal public service time. A careful review of the wording will clearly show that it does not exclude any minority party candidate. Indeed, the provisions are liberal enough to allow any bona fide candidate to take advantage of the section. However, there is no doubt that many "nuisance" candidates such as we have seen in the past will be eliminated or assume the burden of some serious work to qualify to participate on the level with hard-working and sincere candidates.

That then, Mr. President, is the extent of my proposed amendment. I realize that it may not be a perfect bill. But I also feel that in light of the evidence established by many congressional hearings, decisions of the courts, and rulings made by the Federal Communications Commission, it is a workable bill and designed to promote the best interests of our freedom of expression and right-to-know heritage. It was designed, in the words of that great American President, Abraham Lincoln, "with malice toward none and charity and justice for all."

Mr. President, I ask unanimous consent that the bill lie on the table until the close of business on Friday next in order to give Senators an opportunity to cosponsor it, if they so desire.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE. Mr. President, I also ask unanimous consent that the bill may be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1858) to revise, extend, and otherwise improve the Communications Act of 1934 (47 U.S.C. 315) to bring into focus and more proper perspective that section of the law governing political broadcasts, introduced by Mr. HARTKE, was received, read twice by its title, referred to the Committee on Interstate

and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fair Political Broadcasting Act of 1959."

SEC. 2. The Congress finds (1) radio and television as a means of mass communication have played, and will continue to play, an ever-increasing role in the conduct of election campaigns; (2) the basic purpose of section 315 of the Communications Act of 1934 is to insure that a broadcasting licensee, which allows its facilities to be used by a legally qualified candidate, affords fair and equal opportunities to all opposing legally qualified candidates; (3) the great variety of factors which are relevant in deciding what constitutes "fair and equal" opportunity have afforded constant frustration and pitfalls to legally qualified candidates for public office and the broadcast industry; and (4) recent rulings by the Federal Communications Commission concerning the interpretation of section 315 as it now stands have tended to be inconsistent with the original intent of the Congress and thus with the objectives of public service and public enlightment. Therefore, it is the purpose of the Congress to extend, revise, and improve the Communications Act of 1934 to bring into focus that section of the law governing political broadcasts.

SEC. 3. Section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended to read as follows:

"SEC. 315. (a) If any licensee shall permit any person who is a legally qualified and nominated candidate for the office of President or Vice President of the United States to use a broadcasting station, he shall afford fair and equal opportunity in the use of such broadcasting station to every other such candidate for such office—

"(1) who is the nominee of a political party whose candidate for that office in the preceding presidential election was supported by not fewer than 4 percentum of the total popular votes cast; or

"(2) whose candidacy is supported by petitions filed under the laws of the several States which in the aggregate bear a number of signatures equal to at least 1 per centum of the total popular votes cast in the preceding presidential election and which signatures are valid under the laws of the States in which they are filed.

"(b) If any licensee shall permit any person who is a legally qualified or substantial candidate for nomination by a political party for the office of President or Vice President of the United States to use a broadcasting station, such licensee shall afford fair and equal opportunity in the use of such broadcasting station to every other such candidate for nomination to such office by such party.

"For the purposes of subsection (b) of this Section 315, a candidate for Presidential or Vice Presidential nomination who is otherwise legally qualified shall be presumed to be substantial if:

"(i) he is the incumbent of any elective Federal or statewide elective office of any State; or

"(ii) he has been nominated for President or Vice President at any prior convention or caucus of his party; or

"(iii) his candidacy is supported by petitions filed under the laws of the several States which, in the aggregate, bear a number of signatures, valid under the laws of the States in which they are filed, equal to at least—

"(a) one per centum of the total popular vote cast in the preceding Presidential election for the candidate of such party, or

"(b) 200,000, whichever is smaller.

"(c) If any licensee shall permit any person who is a legally qualified candidate for any other public office to use a broadcasting station, he shall afford fair and equal opportunities to all other such candidates for that office in the use of such broadcasting station.

"(d) No licensee shall have any power of censorship over the material broadcast under the provisions of this section. No action, either civil or criminal, shall be maintained by any person in any court against any licensee or agent or employee of any licensee, because of any defamatory or libelous statement made by a legally qualified candidate for public office in a broadcast made under the provisions of this section, unless such licensee, agent or employee participated in such broadcast willfully, knowingly, and with intent to defame.

"(e) Appearance by a legally qualified candidate on any regularly scheduled or bona fide newscast, news documentary, panel discussion, debate, or similar type program where the format and production of the program are under exclusive control of the broadcasting station, or by the network in case of a network program, as to content, presentation, length, time, and all other details, and determined in good faith in the exercise of the broadcaster's judgment to be a newsworthy event and in no way designed to advance the cause of or discriminate against any candidate shall not be deemed to be use of a broadcasting station within the meaning of this subsection.

"(f) The charges made for the use of any broadcasting station for any of the purposes set forth in this section shall not exceed the charges made for comparable use of such station for other purposes.

"(g) The Commission shall—

"(1) prescribe appropriate rules and regulations to carry out the provisions of this section, and

"(2) determine, and upon the request of any licensee notify such licensee concerning, the eligibility of each candidate for the office of President or Vice President of the United States to receive equal opportunity under subsections (a) and (b) of this section in the use of any broadcasting station.

"(h) No obligation is hereby imposed upon any licensee to allow the use of its station by any such candidate."

SEC. 4. The amendment made by this Act shall be effective as of January 1, 1960.

PROMOTION OF FOREIGN POLICY BY AMENDING THE U.S. INFORMATION AND EDUCATIONAL EXCHANGE ACT OF 1948

Mr. FULBRIGHT. Mr. President, by request, I introduce, for appropriate reference, a bill to amend the Information and Educational Exchange Act of 1948—Public Law 402, 80th Congress. This bill was submitted to the Vice President by letter on April 24, 1959.

The proposed legislation has been requested by the Secretary of Defense and concurred in by the Director of the U.S. Information Agency. I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill may be printed at this point in the RECORD, together with a sectional analysis of the bill, the letter from the Secretary of State to the Vice President, and the letter from the Director of the U.S. Information Agency to the Vice President.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill, sectional analysis, and letters will be printed in the RECORD.

The bill (S. 1859) to promote the foreign policy of the United States by amending the U.S. Information and Educational Exchange Act of 1948 (Public Law 402, 80th Cong.), introduced by Mr. FULBRIGHT (by request), was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 201(a) of the United States Information and Educational Exchange Act of 1948 is amended by striking out the second sentence and substituting therefor the following: "The Secretary may provide for orientation courses and other appropriate services and materials in the case of persons coming to the United States from other countries and for persons going to other countries from the United States."

(b) Section 201 of such Act is further amended by adding a new paragraph as follows:

"(c) The Secretary may provide for (1) the attendance of nationals of a cooperating country at selected institutions or places of study in any cooperating country for the purpose of study of subjects pertaining to the United States, (2) the support of seminars in American studies or American educational techniques and (3) the support of chairs in American studies to be held by American or American-trained professors: *Provided,* That this paragraph shall not authorize the Secretary to provide for the attendance of any foreign national at any institution in any country dominated or controlled by international communism."

SEC. 2. Section 602(a) of such Act is amended (1) by inserting before the period at the end thereof a colon and the following: *"Provided,* That no office under a State university, land-grant college, or other similar educational institution shall be deemed to be a compensated Federal or State office for the purposes of this subsection"; and (2) by adding the following new sentence: "After December 31, 1959, the Commission on Information shall consist of seven members, not more than four of whom shall be from any one political party; and the appointments of the two additional members initially shall be for terms ending in January 1963 but thereafter shall be for 3-year terms."

SEC. 3. Section 603 of such Act is amended by striking out the words "a semiannual" and substitute the words "an annual" therefor.

SEC. 4. Title VI of such Act is amended by adding at the end thereof a new section as follows:

"USE OF BINATIONAL COMMISSIONS

"SEC. 604. The Secretary is authorized, wherever practicable, to utilize in the administration of exchange programs under this Act the services of any binational commission or foundation established under authority of any other law providing for similar exchange programs."

SEC. 5. Section 801(6) of such Act is amended (1) by striking out the period at the end of the first sentence and inserting in lieu thereof a semicolon, and by adding the following: "and from time to time to hold meetings of representatives of United States cultural and educational institutions and other organizations interested in programs under this Act for the purpose of making reports on, and obtaining comments and suggestions with respect to, such pro-

grams. Such persons will not be considered as persons 'employed or assigned to duties by the Government' within the meaning of the Act"; and (2) by striking from the last sentence the words "and not to exceed $10 per diem in lieu of subsistence and other expenses" and substituting therefor the following: "and per diem in lieu of subsistence and other expenses at the rate prescribed by or established pursuant to section 5 of the Administrative Expense Act of 1946, as amended (5 U.S.C. 73b-2),".

SEC. 6. Section 802 of such Act is amended by striking "and" at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof a semicolon, and by adding after paragraph (4) the following new paragraph:

"(5) to pay emergency medical expenses and expenses of travel incurred by reason of illness for participants in activities authorized by this Act and to pay for accompanying medical attendants in such cases."

SEC. 7. The first sentence of section 902 is amended by inserting after the words "other government" the words "or any international organization of which the United States is a member."

SEC. 8. Section 1008 of such Act is amended by inserting before the period at the end thereof a comma and the following: "except that the report concerning activities under the educational exchange programs authorized by this Act shall be submitted annually on or before the thirty-first day of December of each year to apply to activities conducted during the previous fiscal year."

SEC. 9. The Act is further amended by adding the following new section at the end thereof:

"UNITED STATES INFORMATION SERVICE

"SEC. 1012. The Agency established by section 1 of Reorganization Plan Numbered 8 of 1953 shall hereafter be known as the 'United States Information Service' and all references in such reorganization plan or in any statute, regulations, agreement, or other legal instrument to the 'United States Information Agency' shall be construed to refer to the 'United States Information Service'. Nothing in this section shall be construed to alter or affect in any way the functions, authorities, or responsibilities of the Agency."

The sectional analysis and letters presented by Mr. FULBRIGHT are as follows:

SECTIONAL ANALYSIS

At the outset, it would be noted that the various proposed provisions granting new authority which will require the expenditure of funds are all permissive in nature. No additional funds are to be requested for the implementation of the new provisions during fiscal year 1960, but certain changes will be made in programing to permit the use of some funds for the new activities. The estimated costs of each amendment, based on the planned program for 1960, are indicated at the end of the sectional analysis.

SECTION 1(A)

Section 1(a) amends the second sentence of section 201 of the U.S. Information and Educational Exchange Act of 1948, as amended, by inserting the words "and materials" and deleting the words "upon their arrival in the United States."

The first change makes it clear that appropriate materials, as well as services, may be furnished for those receiving grants as participants in the program. These materials would include those necessary for initial orientation and others as required to produce maximum results from the exchange experience. For example, a trade journal or magazine in the field of the major interest of the grantee adds to the success of the exchange experience and serves to keep the experience fresh in the mind of the exchangee after his return home.

The second change permits orientation both in the United States and abroad. The Department considers it essential that grantees be properly prepared for their grant experience. Predeparture orientation provides an opportunity for new grantees to meet with and benefit from the experiences of former grantees. Bicultural briefings by Embassy officers facilitate rapid adjustment of grantees to the new environment.

SECTION 1(B)

Item (1) of section 1(b) will permit the Secretary to arrange for the attendance of nationals of cooperating countries at institutions of learning or places of study in any cooperating country for the purpose of studying subjects pertaining to the United States. This would provide specifically for the sending of foreign nationals to such fine American schools as the American University of Beirut or Robert College, as well as to other selected institutions where special courses in American subjects are available. To a large extent this is now permissible under the Fulbright Act and the Department feels it should also be authorized under the Smith-Mundt Act.

Items (2) and (3) would provide the basis for such projects as the supporting of chairs in American studies in educational institutions abroad utilizing American and American-trained professors, and the arranging for special seminars abroad. It would authorize the bringing together of groups of American professors, lecturers and researchers, already abroad under this program or the Fulbright program, for the purpose of presenting an intensive course in various phases of American subjects. These activities may now be financed with foreign currencies derived from the sale of surplus agricultural commodities under section 104(o) of the Agricultural Trade Development and Assistance Act of 1954, as amended. This would permit the use of appropriated dollars for the same type of activities in countries where foreign currencies are not available to the United States for this purpose.

These special seminars and conferences would be attended by foreign nationals who had been exchange visitors under the program, as well as some foreign nationals who had not had such an experience. For the former, this would be a refresher or follow-up session where they could renew and reinforce the attitudes developed during their stay in this country and thus become even more effective as advocates, among their people, for the things learned through their experiences in the United States. For those attending such sessions who have not, and in many instances cannot, become exchangees, it will give them an insight into American subjects and American educational techniques. For example, a group of foreign high school teachers of American history or English could attend such sessions, even though they might not be able to come to this country under this program. The cost would be small when compared with the cost of bringing them to this country.

Situations arise where an activity of this type would be extremely helpful and most effective. For example, the Department might want to bring together a group of Latin American English teachers in say, Quito, Ecuador, to take an intensive course under American professors in the teaching of English as a foreign language.

The Department might find it desirable to bring together nationals of several Asiatic countries at the University of the Philippines for courses in American literature, American history, etc., either under American professors or under Filipino professors who had received training in the United States.

SECTION 2, ITEM 1

Section 2(1) will permit officers of State universities and land-grant colleges to be considered for appointment to the U.S. Advisory Commissions. It is believed that such persons should be eligible. The inclusion of the provision would improve and simplify the procedures for the selection of persons for the Commission in that it would enlarge the field from which members could be chosen and would make it unnecessary to examine State constitutions and statutes before selections are made from certain educational institutions. The members of these Commissions are appointed by the President and confirmed by the Senate.

This will solve a problem that exists, especially in connection with the membership of the Commission on Educational Exchange.

SECTION 2, ITEM 2

Section 2(2) adds a new sentence to section 602(a) of the act increasing the membership of the United States Advisory Commission on Information from 5 to 7. The increased membership will provide a broader representation of American experience, knowledge, and pursuits on the Commission.

SECTION 3

The change in section 603 of the act would permit the Advisory Commission to report to the Congress annually rather than semiannually as now required. In general, reporting on an annual basis would produce reports that would be more complete and meaningful because the programs are planned and administered in terms of the fiscal year. A period of 1 year is required to complete a single cycle of the educational exchange program. This change would not preclude the submission of interim reports, however, as a given situation might require.

SECTION 4

Section 4 authorizes the Secretary of State to utilize binational commissions, created under the Fulbright Act, in administering the programs authorized in the Smith-Mundt Act. No authority is requested for creation of any new commissions. The use of the existing commissions in countries where programs are conducted under both acts will assure maximum coordination and acceptability of the combined program in the host country, at a minimum of additional expense under this act. The budgets of these commissions are in foreign currencies exclusively under the Fulbright Act and they are subject to the approval of the Secretary of State.

SECTION 5, ITEM 1

Section 5 amends section 801(6) of the act to authorize the calling of meetings to obtain advice and assistance of private and public educational institutions and other similar organizations. This would permit better cooperation between governmental and nongovernmental programs so that the effectiveness of both would be increased, especially in the exchange of persons area. Persons attending such meetings at the invitation of the Government would not require full field investigations of the kind conducted for persons employed or assigned to duty. Such investigations are not considered necessary since the persons attending would serve in advisory capacities only and would not have access to classified material.

There is general authority now under which individuals may be brought in for consultation and advice, but specific authority as a part of this act would be extremely helpful in attracting the type of individuals needed for this program.

SECTION 5, ITEM 2

Section 5 further amends section 801(6) of the act to authorize an increase from $10 to $15 in the per diem rates payable to members of advisory commissions and committees. Such persons serve without compensation. The $15 rate conforms to the general rate now prescribed for consultants and others serving without compensation. The

authority requested would bring these commission and committee members under the general legislation prescribing rates of per diem for experts and consultants serving the Government without compensation.

SECTION 6

Section 6 provides authority for payment of emergency medical expenses for participants in the program. The lack of authority in the Act to pay such expenses in emergency cases has given rise to serious problems.

Under the exchange program, foreign participants are really guests of this Government while in this country and the inability of the Government to meet their emergency hospital and medical expenses, which the individuals often are unable to meet, places them in an embarrassing position. The same is true of American participants abroad. Authority is requested also to pay the expense of travel incurred by reason of illness. In a number of instances, participants in the program have suffered mental or physical disorders that require their return home accompanied by an attendant. The proposed provision would permit payment of travel costs incurred under such circumstances.

SECTION 7

Section 7 of the bill amends section 902 of the act to permit the acceptance of funds from international organizations of which the United States is a member for operation of programs authorized by the act. Authority now exists for the acceptance of such funds from foreign governments. The additional authority is needed to permit this Government to assist in administering some of the fellowship programs of the United Nations. The funds would be accepted and used for only those specific projects for which they are made available by such organizations.

For example, under the United Nations fellowship program, a grantee from India seeks training of the type given in the Bureau of Standards. United Nations has the funds to pay for such training, but authority is needed to accept and use the funds.

This would grant such authority and would permit handling the project in the same way it would be handled had the request for training come directly from the Government of India.

SECTION 8

The change proposed in section 1008 would permit the Secretary of State to report to the Congress on the educational exchange program annually. He is now required to report semiannually. Since a year is required to meet a complete cycle of the exchange program, reports presented on this basis would be more complete and more meaningful.

SECTION 9

The proposed new section changes the name of the U.S. Information Agency to the U.S. Information Service. The reason for this proposal is that the overseas information offices and personnel of the United States have functioned for a number of years under the name of the "U.S. Information Service." After establishment of the U.S. Information Agency under that name by Reorganization Plan No. 8 of 1953, it was decided to preserve the title "U.S. Information Service" for all overseas operations of the Agency, because that name (USIS) had become so well known in foreign countries. Unfortunately, the existence of two names for the Agency has caused considerable confusion. It is not clear to many whether there is one agency or two, or what the relationship is between USIS and USIA. To eliminate this confusion and cumbersomeness, it is considered important to bring the domestic name of the organization into conformity with the name by which it is already so well known overseas—the "U.S. Information Service"—so that operations may be carried on under a single name both domestically and abroad.

ESTIMATED ANNUAL COST OF PROPOSED AMENDMENTS

Section 1(a): No additional cost.
Section 1(b), item 1: Estimated cost, $53,000.
Section 1(b), items 2 and 3: Estimated cost, $107,000.
Section 2, item 1: No additional cost.
Section 2, item 2: Estimated cost, $1,000.
Section 3: A small savings would result.
Section 4: Estimated cost, $4,000.
Section 5, Item 1: Estimated cost, $5,000.
Section 5, item 2: Estimated cost, $1,500.
Section 6: Estimated cost, $10,000.
Section 7: No additional cost.
Section 8: A small savings would result.
Section 9: No additional cost.

APRIL 24, 1959.

The Honorable RICHARD M. NIXON,
President of the Senate.

DEAR MR. VICE PRESIDENT: I am transmitting herewith a proposed bill "To promote the foreign policy of the United States by amending the U.S. Information and Educational Exchange Act of 1948 (Public Law 402, 80th Congress)," together with detailed explanations and estimates of increased costs.

The draft bill embodies several proposed amendments to the U.S. Information and Educational Exchange Act of 1948. Certain of these amendments relate to the overseas information program and are proposed by the U.S. Information Agency, while others relate to the international educational exchange program and are proposed by the Department of State. All of these proposals were submitted to the last Congress in substantially the same form and appeared in S. 1583. The provisions of the consolidated bill are primarily of a technical and clarifying nature.

It is hoped that the Congress will approve the proposed bill which is designed to improve and make more effective the administration of the international information and educational exchange programs.

The Department has been informed by the Bureau of the Budget that there is no objection to the submission of this proposal to the Congress for its consideration.

Sincerely yours,

CHRISTIAN A. HERTER.

U.S. INFORMATION AGENCY,
Washington, April 27, 1959.

The Honorable RICHARD M. NIXON,
President of the Senate.

DEAR MR. VICE PRESIDENT: The Secretary of State has transmitted to the Senate a draft bill "to promote the foreign policy of the United States by amending the U.S. Information and Educational Exchange Act of 1948, as amended." This bill contains certain proposals which apply to the activities of the Educational Exchange Service under the Department of State, certain proposals applicable to the U.S. Information Agency, and certain other proposals applicable to both.

The U.S. Information Agency joins with the Department of State in recommending this legislation. We hope that it may have early consideration, and to that end my staff and I are prepared to offer testimony at any time.

Sincerely yours,

GEORGE V. ALLEN,
Director.

SETTLEMENT OF CERTAIN CLAIMS RESULTING FROM JET FLIGHT ACTIVITIES, PEASE AIR FORCE BASE, N.H.

Mr. BRIDGES. Mr. President, on behalf of my colleague, the junior Senator from New Hampshire [Mr. COTTON], and myself, I introduce, for appropriate reference, a bill to authorize the Secretary of the Air Force to settle claims of certain persons owning property in the vicinity of Pease Air Force Base at Newington, N.H.

The provisions of the bill permit the Secretary of the Air Force to pay compensation to property owners living in the vicinity of Pease Air Force Base for depreciation in value to their property which has directly resulted from jet flight activities at the air base.

Application for compensation must be filed with the Secretary of the Air Force within 180 days after enactment of this bill, and the Secretary of the Air Force must advise the Congress within 2 years thereafter the disposition of all claims received by him.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1860) to provide for the settlement of certain claims resulting from jet flight activities at Pease Air Force Base, N.H., introduced by Mr. BRIDGES (for himself and Mr. COTTON), was received, read twice by its title, and referred to the Committee on the Judiciary.

DISTRICT OF COLUMBIA LEGAL AID ACT OF 1959

Mr. BIBLE. Mr. President, I introduce for appropriate reference, a bill to provide legal aid for indigents in the District of Columbia, where as a matter of constitutional or statutory right a person is entitled to be represented by counsel.

Basically, proceedings in which such representation is required are in the several stages of criminal cases. They include also proceedings before the Mental Health Commission of the District and court review of such proceedings involving as they do men's rights to liberty; and finally, proceedings in the juvenile court, where the protection of the welfare and rights of children calls especially for sympathetic and adequate council.

The problem in the District is a unique one. In the several States the bulk of these proceedings are matters of State jurisdiction. In the District all of these matters are within the Federal jurisdiction. The pending bills for public defenders, in consequence, do not address themselves to this very special problem.

A substantial full-time staff is required in the District. Provisions addressed to the problem of organization, therefore, require consideration. The appointment of counsel in particular proceedings is, of course, retained to the judges. Organization of a staff is put into the hands of a Director. A Board of Trustees is established to act as an overall governing body. This Board is appointed by the chief judges of the several courts involved and the President of the Board of Commissioners of the District of Columbia. This will give the legal aid agency a desirable insulation from the prosecuting side represented by the Department of Justice. The desirability

of the independence of these two offices, one from the other, seems clear. On the other hand, the fiscal affairs of the agency will be governed by the Administrative Office of the United States Courts and the Board of Trustees will, as I have noted, be selected by the judiciary.

The bill envisions the bulk of the work to be handled by full-time employees. Where necessary to supplement their services, however, the Board of Trustees may employ volunteer attorneys on a modest honorarium basis.

The existing system in the District is inadequate to a fair representation of indigents, though large segments of the bar of the District have given unselfishly of their services, at large inconvenience and often at considerable expense to themselves, in an effort to meet the problem. The responsibility rightfully belongs to the whole community. The present arrangements are unfair not only to the bar but the indigents who deserve proper counsel and advice.

Prompt enactment of this measure will meet a sore need in the District and provide a pilot project subject to the constant scrutiny of the Congress which may well give us intimate and needed instruction about problems that may have wider implications.

The services to be provided are in large measure a responsibility of the District of Columbia government. The bill therefore provides that 60 percent of the expenditures of the agency will be chargeable to the District.

Certainly a basic premise of our constitutional form of government is that every man is entitled to be represented by legal counsel in the courts of this land. I believe this bill will carry out that doctrine in the Capital City of this Nation.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1867) to provide for the representation of indigents in judicial proceedings in the District of Columbia, introduced by Mr. BIBLE, was received, read twice by its title, and referred to the Committee on the District of Columbia.

ACCELERATION OF VARIOUS REFORESTATION PROGRAMS

Mr. MANSFIELD. Mr. President, on behalf of myself and Senators AIKEN, ANDERSON, BYRD of West Virginia, COOPER, HART, KUCHEL, MURRAY, RANDOLPH, and STENNIS, I introduce, for appropriate reference, a joint resolution to provide for the acceleration of the various reforestation programs of the Department of Agriculture and the Department of the Interior.

I am also pleased to state that companion legislation is being introduced in the House of Representatives by 16 of our colleagues, as follows: LEE METCALF, Democrat, of Montana; LEROY ANDERSON, Democrat, of Montana; JOHN BENNETT, Republican, of Michigan; JOHN BLATNIK, Democrat, of Minnesota; JACK BROOKS, Democrat, of Texas; FRANK COFFIN, Democrat, of Maine; LEON GAVIN, Republican, of Pennsylvania; JAMES FULTON, Republican, of Pennsylvania; KEN HECHLER, Democrat, of West Virginia; BYRON JOHNSON, Democrat, of California; HAROLD JOHNSON, Democrat, of California; WILLIAM MEYER, Democrat, of Vermont; CLIFFORD MCINTIRE, Republican, of Maine; CARL PERKINS, Democrat, of Kentueky; HENRY REUSS, Democrat, of Wisconsin; BOB SIKES, Democrat, of Florida.

Mr. President, the joint resolution I have sent to the desk is a review resolution on reforestation. Its sole purpose is to put before the Congress a vehicle for the consideration of a problem—one which in my humble judgment deserves careful and earnest consideration. We already have on the statute books a number of laws designed to insure reforestation of public and private land. Unfortunately funds specifically authorized are not being sought. Funds that could be secured under general authority are not being requested. The solution I believe lies in a reassessment by the Congress of the separate parts of the problem, coupled with a consensus of the collective opinions of all concerned on the new course we should take.

The Department of the Interior manages over 12 million acres of commercial forest land. About half of this is on Indian reservations; the balance is on the public domain. The Secretary of the Interior has general authority to request funds for tree planting, but only token amounts are being sought.

On the national forests, with some 80 million acres of forest land out of the 160 million total, the same situation prevails. Planting is going on at a higher rate, but the size of the problem is greater than ever before. In 1950 the Congress passed the Anderson-Mansfield Act; and, in addition, the Secretary of Agriculture could actually request funds under his general authority.

Mr. President, this is the situation in brief, and I submit for inclusion in the CONGRESIONAL RECORD a table showing what has happened.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

U.S. DEPARTMENT OF AGRICULTURE

FOREST SERVICE

National forest protection and management reforestation and stand improvement

Fiscal year	Authorization under Anderson-Mansfield Act for reforestation	Funds appropriated [1]	Tree planting and seeding (acres)
1951	$3,000,000	$1,166,536	25,576
1952	5,000,000	1,204,006	19,702
1953	7,000,000	1,162,533	23,980
1954	8,000,000	884,520	22,756
1955	10,000,000	867,650	13,770
1956	10,000,000	1,230,000	18,174
1957	10,000,000	1,850,000	21,628
1958	10,000,000	2,228,600	27,009
1959	10,000,000	3,015,000	[2] 40,000
1960 [2]	10,000,000	3,015,000	[2] 40,000

[1] Adjusted to reflect activity structure in the 1958 estimates, including transfers, comparative transfers, etc.
[2] Estimate.

Mr. MANSFIELD. A close study of this table makes it very clear that we are now so far behind the Anderson-Mansfield authorization that the situation borders on the tragic.

In addition, the Federal Government also has a number of aids which can provide for the far larger job of tree planting needed on private land. The Clarke-McNary Act authorizes funds. The budget for this year requests only a mere $290,000 for this vital program. Work can be done under the authority of the Soil Conservation Service, the soil bank, and the Small Watershed Act—to name the major authorities. Here again the record shows small progress.

On October 1, 1957, the Chief of the Forest Service said in his annual report:

> In spite of interest and an upward trend in planting, progress made to date on public and private land has not materially reduced the backlog of 52 million acres in need of planting. Acreage is added to the backlog currently as planting needs are created through cutting and fire.

On October 24, 1958, the Chief of the Forest Service said, in his next annual report:

> Within the next 10 years 48 billion trees need to be planted, mainly on small ownerships, if the wood requirements of a larger population are to be met by the year 2000.

In view of these warnings, supplemented with additional facts, we cannot in good conscience stand back from the task. We as a nation cannot continue to enjoy the benefits of our now bountiful supply of timber and continue to disregard our responsibility in this area.

Mr. President, today the air is filled with talk of a balanced budget. In the instance of timber we have a budget that is far out of balance. Can we blithely stand by and say, "Oh, yes; overall timber growth is in balance with drain," and be satisfied? The answer is "No." Our drain on coniferous trees far exceeds their growth. Throughout much of the Nation we permit the ravages of unscientific logging and fire to replace the useful pines with scrub hardwoods. The timber budget is out of balance; and this is an extremely serious problem, meriting far more consideration than it receives. The trees we need on forest land do far more than produce trees for lumber and paper. These trees serve the more useful purpose of protecting the soil in our upland watersheds and, by that process, assuring us the water we need.

As we permit the deterioration of our timber, we underwrite the destruction of our soil and our water. We shall not long survive as a powerful nation if our resource base is impaired.

We cannot afford unwittingly to write the obituary of our Nation on the eroded mountainsides of this now beautiful mountain land.

The job before us is plainly visible. As reasonable men with the welfare of our Nation at heart, we must explore what has been done in the field of reforestation. We must examine why we have failed to attain the rate of progress that is so vitally needed.

For my own part, I shall leave to the conservationists the role of advancing suggestions on the ways to achieve the needed goals.

I express but one firm thought on the shortcomings on Federal lands. The Federal Government has not fulfilled its obligation to reforest its own lands on

the national forests, the public domain, and the lands it manages for our Indian citizens. There is no reason that I can see why the executive branch should not have been requesting the funds to do this job on the Federal lands.

It is my hope that the committees with jurisdiction of these lands will first isolate this situation, and then will devise their recommendations. If the committees elect to proceed separately and cooperatively, I shall look forward to their bringing forth joint and unanimous conclusions.

On the more complex problem of how to get private lands reforested, particularly lands in small ownerships, I respectfully express the hope that our able Committee on Agriculture and Forestry will make a careful review of these Federal programs.

Mr. President, before concluding, I should like to make reference to the youth conservation bill sponsored by the Senator from Minnesota [Mr. HUMPHREY] and other Senators. The chairman of the Committee on Labor and Public Welfare, the senior Senator from Alabama [Mr. HILL] has announced that hearings will begin May 11 on this proposed legislation; and it will be considered by the subcommittee headed by the Senator from West Virginia [Mr. RANDOLPH]. I am delighted, and even more so since he is a cosponsor of this reforestation joint resolution. I know I need not commend this joint resolution to his subcommittee's attention. Over 4 million acres of Federal land alone are in need of reforestation. Should there be any question on what constructive work a Youth Conservation Corps could undertake, here is one big job, ready and waiting. It is a job that cries out to us that we have but 10 quick years to accomplish it.

Mr. President, in order to afford other Members of the Senate who may wish to have an opportunity to join in sponsoring this measure, I ask that it lie at the desk for 3 days.

I also ask unanimous consent that the joint resolution be referred jointly to the Committee on Agriculture and Forestry and the Committee on Interior and Insular Affairs.

The PRESIDING OFFICER. The joint resolution will be received and referred, as requested by the Senator from Montana; and, without objection, the joint resolution will lie on the desk, as requested.

The joint resolution (S.J. Res. 95) to provide for the acceleration of the various reforestation programs of the Department of Agriculture and the Department of the Interior, and for other purposes, introduced by Mr. MANSFIELD (for himself and other Senators), was received, read twice by its title, and referred to the Committees on Agriculture and Forestry, and Interior and Insular Affairs, jointly.

CONSTRUCTION OF SAN LUIS UNIT OF CENTRAL VALLEY PROJECT, CALIFORNIA—AMENDMENTS

Mr. DOUGLAS (for himself, Mr. MORSE, and Mr. NEUBERGER) submitted amendments, intended to be proposed by them, jointly, to the bill (S. 44) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes, which were ordered to lie on the table and to be printed.

NAVAJO INDIAN IRRIGATION PROJECT AND SAN JUAN-CHAMA PROJECT—AMENDMENT

Mr. HAYDEN (for himself, Mr. KUCHEL, Mr. BIBLE, Mr. CANNON, Mr. GOLDWATER, and Mr. ENGLE) jointly proposed an amendment to the bill (S. 72) to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes, which was ordered to be printed.

AMENDMENT OF FEDERAL-AID HIGHWAY ACTS OF 1956 AND 1958—EXTENSION OF TIME FOR BILL TO LIE ON TABLE

Mr. RANDOLPH. Mr. President, on April 29, I introduced the bill (S. 1826) to amend the Federal-Aid Highway Acts of 1956 and 1958 by extending the approval of the estimate of cost of completing the Interstate System for an additional year, and for other purposes, which was to have remained on the table until the close of business today for additional signatures, and is a measure which many Senators believe to be important.

I ask unanimous consent that the bill may be allowed to remain on the table for possible further signatures until the close of business on Thursday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. RANDOLPH:

Address delivered by him at dedication of Sheltered Workshop and Rehabilitation Center Building, Davis Memorial Goodwill Industries, Washington, D.C., May 3, 1959.

By Mr. DOUGLAS:

Address entitled "United States, Israel, and the World Crisis," delivered by Senator HUMPHREY at the Jewish National Fund dinner honoring Judge Abraham Marowitz, in Chicago, on April 1, 1959.

By Mr. O'MAHONEY:

Statement prepared by him entitled "Inflation Can Destroy Us," explaining Senate bill 215, introduced by him.

By Mr. WILEY:

Statement prepared by him on school safety patrols.

By Mr. SMATHERS:

Statement prepared by him relating to convention of the National Association of Plumbing Contractors to be held in Miami Beach, Fla., from May 31 to June 4, 1959.

NOTICE OF HEARINGS ON PROPOSED GENERAL IMMIGRATION LEGISLATION

Mr. EASTLAND. Mr. President, on behalf of the subcommittee on immigration and naturalization of the Committee on the Judiciary, I wish to announce that public hearings have been scheduled to begin on Wednesday, May 20, 1959 at 10:30 a.m. in room 2228, New Senate Office Building, on general immigration legislation.

Anyone desiring to testify or submit a statement for the RECORD should notify the office of the subcommittee, room 2306, New Senate Office Building, phone extension 2347, as soon as possible so that a schedule of witnesses may be prepared.

ONE HUNDRED AND SIXTY-EIGHTH ANNIVERSARY OF ADOPTION OF THE POLISH CONSTITUTION

Mr. LAUSCHE. Mr. President, last Sunday marked the 168th anniversary of the adoption of Poland's Constitution. It is indeed fitting that Polish-Americans and all those who love liberty and freedom observe the Polish Constitution Day as a tribute to the sacrifice of lives and fortunes in behalf of Polish liberty.

The Poznan revolt of June 1956, forcibly reminded us of the political and moral oppression suffered by the Poles under the iron fist of their Communist overlords. Economic misery and a cruel exploitation of the workers by the Communist regime continue to hold the people of Poland under bonds of slavery and fear.

It was hoped by many after the people's revolt was quenched by ruthless force and a blood-purge, that the present Communist regime would give some recognition to the human rights of its citizens. Yet, today, the pattern of force and brutality has been resumed, and every basic human right and freedom violated.

The citizens of the Western World extend to the Poles their sincere sympathy, and urge the Polish regime to reestablish the rights and privileges, first bestowed in their ancient constitution, to all the citizens of the Polish Republic.

Mr. BUSH. Mr. President, with each succeeding year it becomes more apparent that an eventual transition will come about in those countries which are under the subjugation of the Soviet Union. The transition to which I refer is one which will bring to the captive peoples the full measure of the freedom which they so strongly desire and for which they have suffered so much.

I speak of this today since we once again have occasion to bring to mind the gallant struggle of the people of Poland for freedom. Sunday, May 3, was the 168th anniversary of the Polish Constitution, which was adopted in 1791, less than 2 years after the ratification of the Constitution of the United States. Freemen everywhere might well remember that Poland was among the first nations to develop modern constitutional government. Among the principles embodied in that Constitution are religious toleration, the secret ballot, and freedom of

thought and expression. These principles are no less revered by the people of Poland today than they were upon the inception of their Constitution, despite their present enslavement by communism.

Under present circumstances we find that, even under the overwhelming weight of the Soviet Union, some concessions were made to the indomitable spirit of the people of Poland. The Poznan revolt of June 1956 came about as a result of the terrible moral oppression and exploitation of the Polish people by the Communist regime. For a time after the revolt some religious freedom was allowed and a mild reversal was instituted in the cruel system of collectivization. These concessions were made only through the fear of the Communists that an open revolt in Poland would spread to the other satellite countries as well. In the interim, however, the gains made in 1956 have been lost. The Communists, bound as they are to their atheistic and materialistic philosophy, have once again taken steps to stamp out religion, and have reinstituted the policy of collectivizing the farms. Censorship has once again been intensified. It is obvious that the concessions were a tactical measure by which the Communists hoped to avoid widespread revolt.

The people of Poland might have become discouraged by this reversal. Indeed, a people less dedicated to the principle of freedom might easily despair of ever breaking the yoke of such oppression. But the patience and the courage of the people of Poland appears to be infinite. The sustaining force which keeps alive the hope of eventual freedom is, without a doubt, their deep and abiding faith in God. It is the unshakable faith of the people of Poland which will undoubtedly play a key role in the ultimate overthrow of those who would remove all vestiges of the spiritual from the face of the earth. Such strength of spirit as is evidenced in the character of the people of Poland transcends the mere physical. Indeed, it is the moral force of religion everywhere that will ultimately spell defeat for godless communism.

In this objective the people of Poland may take heart in that, as they work, hope, and pray, the entire free world is working, hoping, and praying for victory in the present ideological struggle.

On this anniversary of a glorious day in their history, we express to them our warmest admiration, and extend to them our assurances that we share a parallel faith in ultimate victory.

Mr. KEATING. Mr. President, it was my honor and privilege to participate Sunday in a giant Polish Constitution Day rally in New York City, sponsored by the Downstate New York Division of the Polish American Congress. At this inspiring meeting, messages of hope were transmitted to the Polish people, and tribute was paid to the many Polish leaders who over the years have maintained that nation's proud traditions of freedom and liberty. Particular stress, of course, was laid on the importance of the Polish Constitution in Poland's history.

The Polish Constitution of 1791 was framed by the gifted and talented patriots of Poland, and adopted and promulgated on May 3 of that year as the best means of reforming Poland's internal administration and of strengthening her against foreign foes. As such it was deemed well suited to serve this double purpose. At the same time, it was a significant instrument in the progressive evolution of governmental institutions.

This memorable constitution made Poland a limited, constitutional monarchy. The cabinet form of government, with ministerial responsibility, was introduced. Intricate and obstructive features of the old system were eliminated and many class distinctions were abolished. The towns were given administrative and judicial autonomy, and also a measure of parliamentary representation. Personal privileges formerly enjoyed by the gentry alone were made available to all townsmen. The peasantry was placed under the protection of the law. Absolute religious toleration and freedom of conscience was guaranteed. Provisions were also made whereby periodic reforms could be introduced and other alterations enacted.

Judged in the light of current ideas of full, unhampered freedom, and compared with the long list of present-day human rights, the Polish Constitution of 1791 might be considered a real instrument of democratic government. It was acclaimed by all liberals everywhere, and won the admiration of that great British champion of liberalism, Edmund Burke.

It is a pity that the people of Poland never had the chance to see the working of this model democratic constitution. Before it was put into force, Poland's grasping neighbors carried out their evil designs of partitioning Poland again, and reducing that country to a fraction of its former size. Thus in this, and in the final partition of Poland in 1796, that free country and the Constitution of 1791 ceased to exist. But the fine and noble ideas embodied in that historic document lived during all these years in the hearts and minds of unhappy but freedom-loving Poles. They have clung to these ideas firmly and steadfastly, and today, on the 168th anniversary of that constitution, they still abide by the spirit of that constitution.

Mr. President, it is vital for us in the free world to mark occasions such as this because it is one concrete means for assuring those people now trapped behind the Iron Curtain that they are not forgotten. We know, from reports filtering out from Poland, that the spirit of liberty still burns bright in the hearts of the noble people of that land. No amount of Soviet oppression, no measure of Soviet tyranny, can erase that hallmark of Poland's heritage.

Today, as we look back to that day in 1791 when the Polish Constitution was promulgated, let us also look forward to Poland's future. Let us hope and pray tomorrow will bring a brighter day for these courageous and talented people who continue to hold high the banner of freedom. For until Poland once more takes her rightful place in the family of free nations, until brave Poland again basks in the sunlight of freedom, no true adherent of liberty and human equality can rest.

Mr. SALTONSTALL. Mr. President, on May 3 the people of Poland celebrated the 168th anniversary of the adoption of Poland's Constitution. The Polish people have always been fiercely independent. Their love of freedom has led them to throw off the yoke of tyranny on more than one occasion in the past.

At the present time, Poland is behind the Iron Curtain and is subject to the whims of the Soviet Government. Censorship has been reestablished and the country labors under the domination of the collectivization programs.

However, the people of Poland feel as they always have felt. No nation, however powerful, can ever dominate their minds, which remain their own. The proud successors of Kosciusko and Pulaski will once again rise from under foreign domination.

Mr. DIRKSEN. Mr. President, for a number of years, in the month of May, I have paid my tribute to May 3, the great day in the Polish calendar, which marks the anniversary of the adoption of the Polish Constitution. I do so again in this year of 1959.

A relatively few great human documents embody man's aspirations for the fruits of responsible freedom.

Of these, one stands out in tragic relief today. That document is the Constitution of Poland, which was adopted only 2 years later than our own Constitution, on May 3, 1791.

Though the Polish Constitution of 1791 still lives, it is caged—as the people of Poland are caged—by the tyranny of international communism.

Some concessions to the Polish love of freedom have been first granted, then taken away. At times freedom lovers outside of Poland see a flicker of hope within Poland. At other times only the black light of Communist confinement is visible.

Despite these rising, then falling, hopes, the fact is that there has been no genuine freedom in Poland since the loss of independence.

What has caused our hope for the Polish people to rise is their own courage in frustrating the onslaught of communism as best they can under the circumstances.

What has caused our hopes to fall is the relentless Communist pressures which are brought to bear on the people of Poland. That the Polish people have withstood these pressures to the extent which they have is little short of miraculous.

Therefore, it is fitting, on the 168th anniversary of the adoption of the Polish Constitution, that we express our deep respect for the Polish people, and our sincere gratitude to them for preserving freedom's flame in the very midst of the storm.

Soviet domination of Poland's government, and its attempted domination of Poland's people, are great losses to the cause of freedom and human progress in the world. An even greater loss would be the extinction of the Polish love of freedom.

Even love of freedom needs sustenance. It devolves upon us and others

who are in a position to enjoy the fruits of freedom to assure the people of Poland that we stand with them—that our cause is their cause.

We cannot slash their bonds, but we can assure them that we are with them in the cold war against tyranny, and that with them we are striving in behalf of freedom for all peoples who desire it.

We can pray with them and work with them toward the day when some future Polish Constitution Day can be celebrated within Poland in freedom.

Mr. HUMPHREY. Mr. President, once again, Poland's Constitution Day, May 3, reminds us of the continuing battle of the freedom-loving people of Poland in behalf of Western civilization.

Poland has a long heroic tradition of resistance to tyranny and to foreign domination. This tradition goes back to King Boleslaus the Brave in the 11th century and the successful repelling of the Mongol invasion in the 13th century. The tradition continues with King John Sobieski who turned back the Turks in 1683 to save Vienna for the West.

The Poznan revolt of June 1956 raised a new landmark of hope in the cruel, dangerous terrain which the captive peoples behind the Iron Curtain must cross before they achieve the ancient goal of justice and freedom.

Although the Poznan revolt brought a temporary relaxation of the Communist rule over the Polish people, recent developments indicate the Government is pushing its campaign of censorship and repression against the church, the workers, and the freedom of the press with new vigor.

The people of Poland can be sure that we in the United States take pride in the historic attachments and friendships between our countries. The sufferings of the Polish people and their heroic resistance to Communist tyranny have earned the respect, admiration, and sympathy of all who cherish freedom.

Mr. SCOTT. Mr. President, Sunday, May 3, was the 168th anniversary of the date on which the people of Poland adopted their famous constitution that has been honored through the intervening years as an achievement in statesmanship. The constitution of 1791 was influenced by the principles contained in many American state papers of the time. And well might these people draw from American ideals, since they helped shape them and make them live through men like Casimir Pulaski and Thaddeus Kosciusko during our own Revolution.

This constitution, of course, is not in effect today when Communists control the Government of Poland. But it is worth noting that this heritage of freedom still burns strongly in the hearts of the Polish people. Despite current Communist rule, they have succeeded in winning a certain degree of individual rights.

Within the past 2 years the United States has concluded two economic agreements with Poland. These have been especially important to the people of Poland who benefited directly from the medical equipment, the grains and the other materials we have been able to supply.

I hope the United States can continue to pursue policies which will indicate clearly that we are deeply concerned with the welfare of the Polish people. We must also make it very clear that nothing our Government does is to be interpreted as acquiescing to Communist control of Poland. The people of this captive nation will yet decide who shall rule their land.

Mr. DOUGLAS. Mr. President, 168 years ago on the 3d of May, the nation of Poland first expressed its attachment to the idea that government should be by law, restrained by bounds beyond which no government authority had the right to go. Government by the whim and pleasure of the all-powerful monarch was to be replaced by constitutional government. The constitution of 1791 breathed into Polish life the freedoms but recently established in the American colonies and widely accepted in other parts of Western Europe. A biennial parliament was established; religious toleration guaranteed. The ancient privileges of the nobility were restricted. Commoners were given the right to enter the civil service, a privilege hitherto reserved to the nobility. Commoners could acquire land. Peasants were given the protection of the law for the first time.

Unhappily, the independent existence of this constitutional government in the heart of Central Europe was shortlived. Poland's larger neighbors, Prussia, Russia, and Austria, all of them deeply fearful of such radical innovations, partitioned Poland, added her territory to their own and thus terminated her independent existence.

After World War I, an independent Poland again arose, out of the ashes of Tsarist Russia and Prussian Germany. But after two decades, Germany and Russia again overran Poland. And now Russia occupies and dominates Polish affairs once more.

Today, again, there are those within Poland who seek to replace the arbitrary rule of the Communist Party. The Poznan revolts of 1956 demonstrated the unrest that simmers beneath the surface. When President Gomulka took power in the wake of these disturbances, Communist Party rule was temporarily relaxed. There was some freedom of the press, articles criticizing the regime appeared, and students dared to debate the merits of the Communist system. New accords with the church were reached, and Archbishop Wyszynski, the Primate of Poland, was the only Cardinal allowed to go from the Iron Curtain countries to Rome for the election and coronation of Pope John XXIII. Writers and artists were even allowed to ventilate their problems and to criticize the regime within restricted bounds.

More recently, however, the party has again been tightening its control. Censorship has become more stringent; public criticism has been stifled. Newspapers have been banned. Collectivization of agriculture is again threatened. The church is under renewed pressure. As the common Communist pattern of supressing human freedom is resumed, the earlier relaxation of 1956 is seen to have been a temporary tactic to blunt the drive of the people's discontent.

I trust that American policy will continue to support the Polish people's quest for liberty in their present travail, by every proper means at its disposal.

The rights of the captive peoples to self determination and free elections should be steadfastly supported by our Government. These rights are in line with the Atlantic Charter and other postwar international agreements, and we should continue to make clear to the rest of the world that the violations of these solemn promises by the Russian Communists are a major cause of the world tensions today.

The free nations must necessarily concentrate upon the problems of maintaining the independence of West Berlin and its integral relationship with West Germany, as the Communist monolith chooses at this moment to make that a prime point of attack. But as another Summit Conference to discuss the most pressing threats to peace becomes more likely, we should not ignore or forget the plight of the captive nations of Eastern Europe. The focus upon Berlin must not cause us to waiver in our support of their freedom, or to make any agreement to the status quo of Russian enslavement of the peoples now behind the Iron Curtain.

Polish Constitution Day is a good day on which to reaffirm our support of these basic principles of American foreign policy and of world peace and justice.

On this 168th anniversary of the Polish Constitution, I salute the Polish people. I am particularly mindful of the contribution of Americans of Polish descent to our own great Republic. By their labor and by their gifts they enrich our heritage and strengthen our life. By our country's strong support of the aspirations for freedom of their blood relatives in Poland, we may perhaps help to share with those captive peoples the blessings of liberty which they sought to secure 168 years ago.

Because it is still so timely in view of the prospects of another Summit Conference, Mr. President, I ask unanimous consent to have printed at this point in the RECORD a memorandum submitted to President Eisenhower by the Conference of Americans of Central and Eastern European Descent, together with the American Conference for the Liberation of the Non-Russian Nations of the U.S.S.R., which I was pleased on April 29, 1958, to join with Senator Smith, of New Jersey, Congressman Feighan, of Ohio, and Congressman Judd, of Minnesota, in presenting to the Secretary of State.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM ON THE PROSPECT OF ANOTHER SUMMIT CONFERENCE, SUBMITTED TO PRESIDENT DWIGHT D. EISENHOWER BY THE CONFERENCE OF AMERICANS OF CENTRAL AND EASTERN EUROPEAN DESCENT, TOGETHER WITH THE AMERICAN CONFERENCE FOR THE LIBERATION OF THE NON-RUSSIAN NATIONS OF THE U.S.S.R.

It appears that another meeting of the heads of state of the United States, Great Britain, France, and the Union of Soviet So-

cialist Republics is imminent. The pressure for such a meeting, generated by the vast propaganda machine of the Russian imperialists, has sought to stampede the leaders of free and representative governments into a sudden and ill-prepared gathering to consider an agenda developed at the recently concluded meeting in Moscow of the leaders of the international Communist movement. That meeting was called ostensibly to celebrate the 40th anniversary of the Bolshevik takeover of the Russian Federalist Soviet Socialist Republic, but in reality to prepare the final assault against the still-free nations of the world. The manifesto released to the information mediums of the world upon the conclusion of that meeting provides ample evidence that the leaders of the Kremlin have openly rededicated themselves to the fundamental Communist goal of total world conquest. The propaganda for another summit meeting which now emanates from Moscow is only an effort of the leaders of world communism to implement their recent manifesto.

It is against the political reality of this background that the refusal of the Government of the United States to be stampeded into such a Russian beartrap has the overwhelming support of the American people.

The importance which the Russians attach to an early meeting at the summit with the leaders of the free world is underscored by the following:

(a) The open threats made by the Russian leader Khrushchev against all the European members of the North Atlantic Treaty Organization should they continue to take steps to preserve their national integrity and individual independence. In effect, the Kremlin has sought to frighten our allies into peaceful submission with the specter of atomic warfare if they refuse to do so;

(b) The Russian tactical campaign of threats and intimidation is accompanied by a carefully planned and activated drive which offers peaceful coexistence as the only alternative to further Russian aggression through atomic warfare. The Russians leaders are candid in admitting that their offer of peaceful coexistence is only a maneuver to weaken the defenses of the still-free nations so as to make in due time peaceful surrender a necessity.

This worldwide Russian propaganda campaign has been capped by the demand of the Russian leader Khrushchev that the free world accept the status quo, as it now exists in the world. Thus, we, as a nation, are now being invited to extend de facto, if not de jure, recognition to the Russian occupation of the national of central and eastern Europe and Asia. It is patently evident the leaders of the Kremlin are seeking a meeting at the summit to force such recognition from the statesmen of the free world.

Here, in the United States a number of activities have been and are being launched in order to prepare the climate for a summit meeting which cause us, the undersigned, grave concern. We wish respectfully to call your attention to these activities and their certain consequences in the spirit of good Americans seeking to aid the leaders of our country meet this latest Russian threat to world peace and justice.

1. The argument is advanced that we must not speak about the long record of black deeds perpetrated by the Russian Communists against the people of many nations now held against their will within the present-day Russian empire. Fear is expressed that by so doing we will provoke the Kremlin into taking unfriendly action against us. Meanwhile, the worldwide Communist propaganda machine is inciting hatred and hostility against the people of the United States in every country of the world.

2. Another argument is advanced that if we take a firm and critical attitude toward the Russian Communists in our various language broadcasts beamed to the Soviet Union and central Europe, we will incite the people therein to premature revolt. This argument disregards the fact that the despotism of Russian Communist occupation carries with it a powerful stimulus for freedom revolutions, aside from what we may think or do, and that our long-range security interests are best protected when we clearly express our political allegiance with the oppressed nations.

3. A tempting but unfounded prospect of unlimited markets for American consumer goods among the people behind the Russian Iron Curtain is now being cleverly portrayed by the Kremlin. This is the empty reward being offered big business in the United States in exchange for their participation in the game of peaceful coexistence. This tactical economic operation of the Kremlin is skillfully timed to capitalize on present economic trends in the United States. The recent arrival of the new Russian Ambassador, Menshikov, who is a trade expert protege of Commissar Mikoyan, is therefore significant.

4. The press recently reported that the Voice of America, in the interest of economy, was giving thought to reducing the number of language broadcasts to the Soviet Union, holding out the possibility that since the ruling class spoke Russian the Voice of America might follow the example of the British Broadcasting Co. and thus limit such broadcasts to the Russian language. Such thinking may unintentionally lead to the serious weakening and likely to dissolution of the vital role intended for the Voice of America. A weak Voice of America subject to continuing public attack and suspicion, is unquestionably a primary objective of the Russian Communists. If economy in this vital work is a pressing need and our psychological warfare is to be regulated by the ceiling of budgetary expenditures, then priority attention should be given to reducing the already overweighted broadcasts in the Russian language so as to make needed provision for more non-Russian-language broadcasts to central and Eastern Europe and Asia.

We believe, Mr. President, that before any meeting at the summit is entered into, additional steps should be taken by our Government to prepare a constructive and fresh climate of world opinion. We respectfully recommend that careful consideration be accorded the following recommendations which we believe serve that purpose:

1. That the United States reaffirm its support for the guaranties set forth in the Atlantic Charter, at the same time noting the many violations of these solemn promises by the Russian Communists;

2. That the United States reaffirm its support for the political principle of national self-determination for all people while declaring our intention to create a world atmosphere in which this basic human right may be exercised;

3. That the United States place the blame for world tensions where it properly belongs by announcing our refusal to accept the status quo as created by Russian aggression and deceit and in violation of the solemn pledges given that the governments of the liberated nations would be representative of the freely expressed will of the peoples concerned;

4. That the Voice of America be strengthened by increasing the number of non-Russian-language programs beamed to the Soviet Union and that the program content be governed by the overriding need to present to the peoples behind the Iron Curtain the unvarnished truth about world affairs and, above all, about national and cultural traditions and aspirations of the enslaved nations which are being subjected to communization and russification. The same policy of a strengthened American psychological warfare effort should be equally applied by American private organizations which are engaged in political broadcasting programs directed to the enslaved nations under Communist domination, such as Radio Free Europe and Radio Liberation. Money should not be a consideration to dictate the urgency and quality of our broadcast programing, inasmuch as we are spending billions for national defense, and consequently we should not hesitate to provide for the most powerful weapon which we possess—the ideals of freedom and human values.

5. That the United States take the lead in advocating support for free, regional federations of independent nations, in which the principle of equal among equals prevails, as a positive and eventual goal for the nations of Central and Eastern Europe and Asia.

In conclusion, Mr. President, we must be wary of why the Russians are so exceedingly anxious and eager to have a summit conference at this time. Their drive to maintain a status quo now is not motivated primarily by their alleged technological and military superiority, but rather by the general insecurity and unrest caused by the unwavering opposition and restlessness of the non-Russian nations held in captivity by the Kremlin in the vastly overextended Russian Communist Empire. This very weakness of the Russian Communist state is the principal reason which prevents the Russian Communist leadership from pushing further its aggressions and encroachments against the free nations of the world.

Only a daring and fearless attitude toward the Russian threats and intimidations can justify the hope and expectation of the many millions in the world who still see and respect the United States of America as a great power and leader in these troubled and insecure times in which the world finds itself today.

Respectfully yours,

Conference of Americans of Central and Eastern European Descent: Very Rev. Msgr. John Balkunas, President; members: Albanian American Literary Society, Peter Burzuku; American Bulgarian League, Luben M. Christov; Czechoslovak National Council of America, Andrew J. Valusek; Estonian National Committee in U.S.A., Richard Espenbaum; Hungarian American Federation: Eastern division, Joseph Hattayer; American Latvian Association, Charles Stankevitz; American Lithuanian Council, Mary Kizis; Polish American Congress, Dr. Sigmund Siuszka; Romanian American National Committee, Pamfil A. Riposanu; Ukrainian Congress Committee of America, Dmytro Halcychyn.

American Conference for the Liberation of the Non-Russian Nations of the U.S.S.R.: Prof. Roman Smal-Stocki, president; members: American Committee for the Independence of Armenia, Edward F. Sahagian; Azerbaijani Union in the U.S.A., Zahid Khan-Khoysky; Byelorussian Congress Committee of America, John Kosiak; Cossack American National Alliance, Inc., George Jaramenko; Georgian National Alliance, Leon Dumbadze; American Council for Independent Idel-Ural, Dr. Salih Faizi; Turkestanian Association, M. Marsud-Bek; Ukrainian Congress Committee of America, Dr. Lev E. Dobriansky.

Mr. LANGER. Mr. President, many Americans feel an acute sense of pain at the mere mention of the name Poland.

Psychologists tell us that we form word-thought patterns on an almost instantaneous basis. That is to say, a word reminds us or makes us think of a particular thing. The word Poland, I would guess, exacts a similar response from a great many people. It is synonymous with suffering, with pain, with tragedy.

Rightfully, no people in the world are more proud than the Poles. From Kosciuszko and Pulaski to Chopin and Paderewski the Polish people have consistently given the world greatness in every form of human endeavor.

Mr. President, the people of Poland have not known freedom long enough since the end of the 18th century for the word to have any meaningful reality. The 18th century was the age of enlightenment, of sweeping political liberalism in the cause of freedom, democracy and the self-determination of peoples everywhere. It is little wonder that Poland brings a sense of pain to many hearts. But even this expression is nothing compared to the faces of Polish people that I have seen. If one wants a lesson in how potent is Communist tyranny, of how brutally terrorizing it is, then let him look at the men and women—the all too few men and women—who have escaped the curtain of iron, iron mixed with blood. No joy of escape, of freedom, of life even, can erase those deep lines of torment and fear.

Today, May 3, is a day of bitter irony for Poland. It is the 168th anniversary of the Polish Constitution. During these past 168 years the Polish people have had to consistently fight for the principles stated in that document. The fight still continues. I know no nation that is more illustrative of the present battle between East and West than Poland. Here is the bloody ground of Communistic hypocrisy. Let us not deceive ourselves; the ideology of communism as preached through their propaganda is Utopian to the extreme. The makers of doctrine preach the classless society, the withering of the State and the ultimate freedom of the individual. But, and this is the bitter lesson, once a nation has gone Communist, then it is too late, for here enters the hypocrisy. The men of the Kremlin want power. That is obviously their sole aim. They are like spiders waiting to feast on their prey once the sweet sugared web of propaganda and the threat of overwhelming power lures a new victim.

Poland was an early victim and the Polish people have paid an awful price. They have paid with their lives; with their hopes; with their dreams.

In 1956 rebellion broke out in Poznan. We do not know the details of that upheaval as we do of that in Hungary, but our imaginations can guess. The rebellion was crushed; and since that time Poland has once again been buried behind the smiling but fear ridden face of Gomulka.

It is true that at the present time the United States cannot liberate the Polish people. We cannot promise them their freedom. But there is one thing we can do; we can remember what is happening to all the peoples of Central Europe; we can hold out hope and understanding, and we can try to undermine the oppressor.

Moscow has a new set of Czars. They came as liberators but they have become beasts. However, the long hand of history seems to move in slow, concentric circles. "Power corrupts; absolute power corrupts absolutely." So goes the saying. Absolute power must resort to tyranny to maintain itself. By so doing a great mistake is made. One way in which the dignity of man is expressed is in his final and irrevocable ability to say "No." Sooner or later tyranny has to come to grips with this absolute, and when it does, tyranny is the loser.

People of Poland—my greetings, my friendship, my faith.

Mr. KEFAUVER. Mr. President, Sunday, May 3, marked the 168th anniversary of the adoption of Poland's constitution.

In my opinion, Members of the Congress, and indeed all citizens of the free world, should pause on this occasion to pay respect and extend sympathy to the brave and oppressed people of Poland.

It would appear from the course of recent events that history has run against Poland. The Second World War began there and the nation endured 5 years of brutal Nazi occupation. With the approach of Soviet troops near the close of that war, Polish patriots bravely moved from their underground implacements and fought their Nazi enemies in a death struggle which was watched—apparently with savage satisfaction—by nearby inactive Red army troops.

After the slaughter, Red army troops moved in for a so-called liberation of Poland. Since then, the noble liberty-loving people of Poland have been under the domination of their Soviet oppressors. Today in Poland, there is no true freedom of thought, speech, religion, press, or government.

It is indeed a tragedy which grieves me very much and I extend my heartfelt sympathy, with the hope that fate soon will smile on those who now live in oppression.

Mr. CARROLL. Mr. President, Sunday was the 168th anniversary of the Polish Constitution of 1791. I think we ought to take note of this historic event.

Distinguished Poles such as Count Casimir Pulaski and Thaddeus Kosciuszko fought in our revolution and helped us gain our independence. The principles for which we fought were embodied in the Polish Constitution as well as in our own.

Throughout the years the Polish people have shared with us the strong desire for freedom and independence. Often they have been deprived of both, but this desire has never ceased to inspire the Polish people to continue to have faith in their future.

Woodrow Wilson's ideals of self-determination resulted in the creation of a free Polish nation. Thus America sought to repay the people of Poland for the services rendered in our struggle in the American Revolution.

World War II began in Poland, however, and since 1939 the Poles have never regained freedom. Victory over Hitler's Germany brought only the Russian Communists' rule in Poland. The Polish people are now suffering under that tyranny.

In spite of all that has happened, however, the Polish people have never quit battling for their ideals or for their faith in democracy.

The active hostility of the Polish-American community to Russian communism is a reflection of the hatred of the people of Poland for their foreign masters.

The silent battle of wills now being waged in Poland between the decent freedom-loving people of the nation and the Soviet Union has brought only a small measure of independence today. But the hope of freedom becomes stronger and stronger with each passing year. Only the threat of overwhelming force and brutal reprisals deters the Polish people from overwhelming the Communist state.

Russia gave notice by the merciless suppression of the Hungarian revolution that it will stop at nothing to preserve its domination over Eastern Europe. Realizing this, the Polish people have refrained from outright revolution, but they have demonstrated in a thousand ways their hatred of their oppressors and their desire to be free. Time and patience are on their side.

I salute these brave, suffering people and extend my congratulations on the success they have achieved. I also express my deep and abiding conviction that in the end their fight will be successful and that a free Poland will again some day take its proper place among the free and independent nations of the world.

SUMMONS TO GREATNESS

Mr. MANSFIELD. Mr. President, every once in a while I come across a truly fine expression of sincerity and enlightening commentary on the modern age in which we live. More often that not such expressions originate with plain, ordinary folk with little or no experience in the journalistic field.

A letter to the editor of the Lewistown Daily News, of Lewistown, Mont., has recently come to my attention. The letter was written by a sheep herder in central Montana, and presents a real challenge to the Nation. It is worthy of the attention of every one of us in the U.S. Senate.

Therefore, Mr. President, I ask unanimous consent to have the letter to the editor, written by Ed Willems, and the introduction prepared by Edward L. Fike, publisher of the Lewistown Daily News, printed at the conclusion of my remarks in the body of the CONGRESSIONAL RECORD.

There being no objection, the editorial and the letter were ordered to be printed in the RECORD, as follows:

SUMMONS TO GREATNESS

Ed Willems is a sheepherder of Judith Gap. He makes no pretensions at being any more than an average American citizen concerned over the drift of events. He has written this newspaper a letter which is published across the way on this page. We commend this letter to our readers for its sincerity, its eloquence and its timely message.

We wish every American—and particularly every lawmaker at the local, State and national levels—could read this heart-felt summons to greatness by this humble son of our soil.

LETTERS IN THE EDITOR'S MAIL

To the EDITOR:

In the Book of Daniel we read that in the last days, knowledge shall be increased, and many shall run to and fro. Our leaders scuttle back and forth from court to court, and propositioning a Communist is as hopeless as asking the Devil to turn down his thermostat. In our superior wisdom we have strayed far from God's will, that by the sweat of our brow we should eat bread. The people are losing and leaving the land.

In the last days, says the Bible, we shall have pocketbooks with holes. And so we gather in the shekels and they pour out the other end, as our statesmen prate about security and avoiding a recession. We live in mortgaged houses, drive debt-loaded cars on unpaid-for highways, and send our children to unpaid-for schools. Yet we have billions to give away to other nations.

We have eyes that see not, and ears that hear not. We have turned on the wrong program and picked the wrong show.

A nation's strength is in the ideals of its people. We have sold our birthright for a mess of postage. For sake of leisure and paper promises we have allowed ourselves and our children to be led down the road of the rainbow trail of: if it's easy it's good, and if it's profitable, be for it.

Now we stand rich and unclothed as the storm approaches. Where will we find the fortitude and vision to regain and uphold the freedom we took for granted?

He is patriotic, who is ever vigilant to guard and cherish, that which is above price, and without which no self-respecting man can face the future, namely freedom.

There is not time to fix the pump when the barn is on fire. If we don't start putting principle above purse and put the foundation of government back in the family instead of in the hands of scheming politicians and money mad bureaucrats we will end up sacking salt for the little fat man with the smile full of guile.

They say the Bible is the world's best seller. However, I don't think it is standard reading in Russia. It just might be wise and a paying precaution to read and believe it while we still have it. For we read that, in the last days, one man shall say to another, "hold thy tongue, for we may not make mention of the word of God" (Amos 6: 10).

And so, as we switch on the lights in our gas-heated homes, put on our pretty pants and climb into our cute limousines, it would be only reasonable to remember that all that glitters is not gold. And the Devil comes as an angel of light seeking whom he may devour.

Neither parity nor rocking chair pay, nor insurance untold will protect us from decay and death as a nation. For victory is for the strong, and woe be to the conquered. If in doubt, ask the Hungarians.

ED WILLEMS.
JUDITH GAP.

THE NORTHERN FOREST FIRE LABORATORY

Mr. MANSFIELD. Mr. President, on the 24th of April 1959, groundbreaking ceremonies were held in Missoula, Mont., on the occasion of the commencement of construction of the new Northern Forest Fire Laboratory.

The construction of this new laboratory will be of tremendous value in the U.S. forest fire research program. I received a copy of the program and the remarks made by Mr. Jack S. Barrows, Chief of the Division of Forest Fire Research; Mr. Reed W. Bailey, the Director; and Mr. Charles L. Tebbe, regional forester.

Because of its general interest, I ask unanimous consent to have this material printed in the body of the CONGRESSIONAL RECORD.

There being no objection, the program and statements were ordered to be printed in the RECORD, as follows:

PROGRAM, NORTHERN FOREST FIRE LABORATORY, GROUNDBREAKING CEREMONY, APRIL 24, 1959, MISSOULA, MONT.

Master of ceremonies: J. S. Barrows, Chief, Division of Forest Fire Research, Intermountain Forest and Range Experiment Station.

Introductions:

Architects: Fox, Ballas & Barrow, Witwer & Price, associated architects, Missoula, Mont.; Bouillon, Griffith & Christofferson, engineers, Seattle, Wash.

Contractors: E. F. Matelich Construction Co., Kalispell, Mont.; C. W. Schmid Plumbing & Heating, Missoula, Mont.; Palmquist Electric Co., Helena, Mont.

Groundbreaking:

Director, intermountain forest and range experiment station, Reed W. Bailey.

Regional forester, northern region: Charles L. Tebbe.

Response: Russell W. Lindborg, Missoula Chamber of Commerce.

Intermountain forest and range experiment station.

NORTHERN FOREST FIRE LABORATORY GROUNDBREAKING CEREMONY, MISSOULA, MONT., APRIL 24, 1959

REMARKS BY JACK S. BARROWS, CHIEF, DIVISION OF FOREST FIRE RESEARCH, INTERMOUNTAIN FOREST AND RANGE EXPERIMENT STATION

Today, we are giving official recognition to the beginning of construction of the Northern Forest Fire Laboratory. This ceremony signals another step forward in the conservation, management, and wise use of the Nation's forest resources.

Operated as a unit of the Intermountain Forest and Range Experiment Station, the Northern Forest Fire Laboratory will be dedicated to research for the benefit of a vast heritage of forest resources. This means research for the benefit of all of the people of this Western country and the Nation. It means painstaking investigation of the mysteries of fire and the effects of fire on the forest. It means scientific experimentation and development leading to better methods for the prevention and suppression of forest fires.

Two broad missions have been assigned to the Northern Forest Fire Laboratory: first, to perform basic and applied research on assigned fire problems of national importance; and second, to perform special regional research on the fire problems of the intermountain West and Alaska. In tackling the first mission the Northern Forest Fire Laboratory will be working under a coordinated nationwide program with her sister U.S. Forest Service laboratories—the Southern Forest Fire Laboratory at Macon, Ga., and a forest fire laboratory planned for construction in California. Work on the second mission means research aimed at the fire problems on 335 million acres of forest and watershed lands in Montana, Idaho, Utah, Nevada, western Wyoming, northwestern South Dakota, eastern Washington, Alaska, and a portion of California east of the Sierra Nevada range. Therefore, this laboratory located in Missoula will be both a regional and national center for forest fire research.

This laboratory is planned as a center for cooperative research. Programs already underway are being carried out in partnership with a number of private, State and Federal agencies and institutions. In particular, we expect to work closely with the universities and colleges of this region. The location of the laboratory in Missoula offers mutual benefits for Montana State University and the Forest Service. Other fire research projects are underway or planned in cooperation with Washington State College, the University of Washington, the University of Arizona, and the University of Idaho.

It is fortunate that this new laboratory is being erected directly adjacent to the aerial fire depot and smokejumper center. The division of fire control of region 1 and the smokejumpers are strong partners in the program to be undertaken here. The already existing facilities lend essential support to the fire research efforts and help promote economy in the overall program.

We are fortunate in many other features of the laboratory site. Location of the laboratory with taxiways to the Missoula County Airport will facilitate the use of aircraft in the development of new methods for fire control. The adjacent office of the U.S. Weather Bureau will provide many of the meteorological services needed in fire research. Directly above us on the 8,000-foot peak known as Point 6, a planned U.S. Weather Bureau radar unit will provide the laboratory with unique facilities for the study of lightning and other atmospheric factors related to forest fire control.

I will not attempt to describe the laboratory building which we are starting today. I can tell you that this will be the finest laboratory for forest fire research erected to date in the United States. Those of us who have had a part to play in conceiving this laboratory are deeply grateful that the citizens of this country as reflected by the actions of the Congress and the administration have authorized this project. Our concern now is to carry on this project in a manner which will yield full rewards to the people of this community and region and to the Nation.

NOTES ON REMARKS BY DIRECTOR REED W. BAILEY, INTERMOUNTAIN FOREST AND RANGE EXPERIMENT STATION

Ladies and gentlemen, I am very happy to be in Missoula today and to participate in the ground-breaking ceremony for the Northern Forest Fire Laboratory. There are several reasons why this occasion can be considered significant. First, it signals the construction of a research laboratory from which will come information and knowledge that will be used in conservation and management of not only Montana's forests but also the forests of the Rocky Mountain West States and Alaska. It is the first such laboratory in the West and will be well equipped.

This laboratory can be considered symbolic of the shift that is taking place, not only in the field of forest fire research but in all forestry fields, from the empirical and applied research to more basic experimentation; to a research program which will be concerned with the fundamentals of forestry and which answers the questions of how and why. Past procedures have yielded a rich harvest of facts and understanding that have helped the users of forest properties to develop management plans. It becomes necessary now in order to get full productivity and use of our forest resources to delve more deeply into the problems, and greater emphasis must be placed in the future on basic research.

A forest, especially in mountainous country such as ours, is a great complex of biologic, ecologic, physiologic, and meteorologic elements. It has a great diversity of soils and plant cover, slope and aspects, which must be understood as individual components of the environment as well as a part of the whole. To do this kind of research adequately requires laboratories and other scientific facilities such as we are building here. A basic research program in the Forest Service is getting under way with the authorization and construction of the Northern Forest Fire Laboratory, but other laboratories designed to investigate other phases of forestry are envisioned—biologic

laboratories where forest diseases and insects can be studied more effectively than has been possible in the past; genetics institutes where we can apply the science of breeding to produce the kind and quality of trees which the future will demand; hydraulic and soils laboratories which will give us the facts to equip us to use our forest resources without damage to the watershed but rather to permit the most favorable streamflow and the highest quality of water. In a sense building of this laboratory in Missoula can be considered breaking new ground for a national program of basic research in forestry.

The architects, engineers, and builders will provide us with a modern laboratory equipped with the best facilities and the most scientific instruments available, but these are not enough. Men and women trained and disciplined in the various scientific fields will have to be provided to ask the right questions of nature, to intelligently use the laboratory and its facilities, to design the experiments, to conduct the studies, and to determine the correct answers to the problems.

This laboratory will be a beautiful building but it will not contribute to solution of the problems of resource use and management without a staff of well-trained experts. I am confident that the Congress which provided funds for the construction of the laboratory will support its research program, and I am confident that with the able leadership of Jack S. Barrows, Chief of the Division of Forest Fire Research of the Intermountain Forest and Range Experimental Station, well-trained men will be found. With the valued cooperation of Regional Forester Tebbe and his staff, the University of Montana, the Montana State Forester, and cooperators in other States and educational institutions I am sure the research findings from this institution for which we are breaking ground today will fully justify the investment made by the American public and the support you people in Missoula and Montana have given the project.

REMARKS BY CHARLES L. TEBBE, REGIONAL FORESTER

I am honored to participate in this ground breaking ceremony marking the start of the new forest fire laboratory. This is a most significant event which secures to Missoula lasting leadership in the highly important business of forest fire control.

There will be two other forest fire laboratories, in widely separated parts of the country. But this one will have the finest facilities, and nowhere else can there be the juxtaposition of facilities and close working relationships between research and the nerve center of a big regional fire control organization, such as we have here.

National forest administration relies heavily upon research to guide its action programs. Not enough research is being done as yet, in many fields, to fully meet our needs. But this laboratory, and the increased staffing and strength of the fire research organization which it augurs, gives promise of valued help in fire control, on a much more adequate scale.

I am delighted. I am delighted, too, with the research leadership we have in Director Reed Bailey and Jack Barrows. I cannot resist mentioning that when I was here before, in charge of the Northern Rocky Mountain Forest and Range Experiment Station, Jack Barrows was one of my staff. I had a hand in getting him into fire research work, and have taken much satisfaction in seeing him grow in knowledge and competence.

I cannot let the occasion pass without prominent and laudatory mention of the name of Harry Gisborne. Many of you knew him. He was the pioneer forest fire researcher in this country and the world. Thirty-five years ago, right here in Missoula, he began his studies—working on a shoestring, but turning out, from the start, scientific information, in usable form, that men charged with responsibility for fire control were mighty glad and mighty lucky to have: (1) rate of spread of fire in different fuels; (2) the effect of fuel moisture, relative humidity, temperature, and wind on the outbreak and spread of fire; (3) fire meteorology—the idea of cloud and weather modification to prevent lightning fires, was first Harry Gisborne's, and he pushed it farther than any man in his time; (4) down in the basement of the Federal Building is a wind tunnel, installed by him in the thirties when that building was built—because he realized even then that such was necessary to study fire and fire behavior under controlled conditions—to understand some of the fundamentals of fire in the woods.

Harry died studying the Mann Gulch fire of 1949, trying to understand the behavior of that fire that took the lives of 13 men. What happened? Why did it happen? How can one recognize the conditions that make for a conflagration, and thus safeguard against such costs and losses?

These are some other unknowns about fire behavior that Jack and his fine crew, working with their wonderful new facilities, can now tackle, with greatly increased prospects for success.

I sincerely wish Harry Gisborne were here today. He would be indescribably happy to see what is taking place.

NEED FOR FISCAL DISCIPLINE IN ORDER TO PRESERVE THE CREDIT OF THE UNITED STATES

Mr. BUSH. Mr. President, on Saturday, May 2, I had the privilege of addressing the New Hampshire Council of World Affairs at Manchester, N.H., as did the distinguished senior Senator from Minnesota [Mr. HUMPHREY]. I discussed the need for fiscal discipline in the Federal Government in order to preserve the credit of the United States, upon which the defense of the entire free world depends, and the need for restraint in price and wage policies by management and labor.

In connection with the latter problem, I noted that there are disturbing signs that American industries are pricing themselves out of world markets and out of markets here at home. I stated:

It is time for both business leaders and union leaders to pay more attention to the needs and desires of consumers. It is time for them to be less insistent on price and wage increases which may have the effect of reducing present employment opportunities and of preventing the new job opportunities the American economy must create for the youngsters coming out of schools and colleges in the years immediately ahead.

Mr. President, I ask unanimous consent that a press release containing my remarks on that occasion may be printed in the RECORD at the conclusion of my remarks.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

PROBLEMS OF FOREIGN ECONOMIC POLICY: SENATOR BUSH CALLS FOR FEDERAL FISCAL DISCIPLINE—PRICE-WAGE RESTRAINT BY MANAGEMENTS AND LABOR

MANCHESTER, N.H., May 2.—U.S. Senator PRESCOTT BUSH called tonight for more fiscal discipline in the Federal Government "in order to preserve the credit of the United States upon which the defense of the free world depends."

Discussing problems facing America in the field of foreign economic policy, the Connecticut Senator also declared there is "need for American industry and labor to exercise the responsible statesmanship required to maintain their competitive position in world and domestic markets; the need, in other words, to exercise restraint in wage and price policies and to pay more attention to the interests of consumers."

Senator BUSH, speaking at a dinner of the New Hampshire Council on World Affairs, said he rejected "the view that because we face these problems we should surrender our leadership of the free nations; that we should withdraw into a shell of new isolationism; that American industry and labor should retreat behind a new and high wall of protectionism.

"The world is too much with us to permit any of these defeatist actions, still advocated by a minority among us, to offer any solutions."

A partial text follows:

"First, let us consider two important things affecting foreign economic policy—

"1. Nations should try to keep their external accounts—their balances of international payments—in order.

"2. Nations should balance their internal budgets. They should follow orderly fiscal procedures.

"Do you know that the World Bank will not lend at all except on government credit, either direct or guaranteed?

"And that it insists that any government be solvent if it becomes a borrower?

"To be solvent, a government must have its own fiscal house in order, or be prepared to take the steps—sometimes unpleasant—which are required to put it in order. It must be prepared to exercise financial discipline over a period of years.

"Some governments are more willing than others to impose this self-discipline.

"A recent article in the New York Times reported that Brazil, which is in deep financial trouble, wants another large U.S. loan—some $300 million—but will not agree to suggested measures for putting her house in order.

"Well, why should we not require Brazil to adopt orderly measures to stabilize her economy?

"Unless Brazil does these things, any lender will eventually be left holding the bag, as the United States has repeatedly done in former years in lending abroad, particularly in the post World War I period.

"And governments can set their own houses in order.

"Perhaps the most dramatic example is the case of West Germany, whose rise from the ashes and rubble of destruction since the close of World War II has astonished the world.

"What is the key to West Germany's amazing recovery?

"Her leaders have not been afraid to exercise fiscal discipline.

"She has balanced her Federal budgets.

"She has kept her manufacturing costs highly competitive, setting the pace for Europe.

"She has successfully fought inflation.

"Real wages in West Germany have increased more rapidly than in other countries of Europe. Instead of trudging the treadmill of wage increases constantly followed by price increases, her workmen have received increased compensation in terms of ability to buy more goods and services in currency of a relatively stable purchasing power.

"Other governments in Europe, probably stimulated by the increasing competition of West Germany, have begun to take the steps required for fiscal soundness.

"The United Kingdom, after a whirl on the wage-price merry-go-round, stepped down and resumed the soberer path of responsibility.

"The McMillan government proposed—and the British people accepted—a policy of fiscal discipline—'austerity,' the Prime Minister called it.

"You recall that in order to keep sterling from flight and to protect her slender reserves of foreign exchange, Britain had the courage in 1957 to raise the bank discount rate to 7 percent. This stopped the flight of capital and did the trick. The British put their house in order and are meeting their foreign obligations in an orderly way. But it took courage—it took discipline. And the British people supported it.

"Premier De Gaulle has exhibited the same kind of courage in France, and the French people appear to be supporting the program of austerity and taxation he has proposed.

"Why don't we insist that all governments wishing to borrow from us do the same?

"It may be that we suffer from a feeling of embarrassment because we don't practice what we preach.

"William McChesney Martin, the distinguished Chairman of the Federal Reserve Board, who was initially appointed by President Truman and reappointed by President Eisenhower, last year traveled in the Far East. Listen now to what he said after his return. I quote:

" 'One distressing experience was to find among intelligent and perceptive men in those countries a growing distrust over the future of the American dollar. Whether or not it is justified—and certainly I think it is not—it is important to recognize that this feeling exists. To the foreigner, much more than to Americans, the dollar is a symbol of this country's strength. A decline in the value of the dollar would suggest to the foreigner a decline in the faith and credit of the United States, signaling in his mind a decline not only in American economic strength, but also in moral force.'

"So, I make the point that the United States—leader of the free world—upon whose strength depends the security of the free world—is delinquent in its duty when it fails to do itself what it demands that other nations do.

"By not practicing what we preach, we not only lose the confidence of the free countries, but we weaken the very foundation of strength—the credit of the Government of the United States—upon which our own and their freedom from Communist domination depends.

"The creation of long term debt for paying current operating deficits is, basically wrong and cannot forever go unpunished at Government levels any more than it can in your home or mine.

"One would think sometimes that American politicians believe our people might be offended if their Congress insisted that we practice fiscal discipline at the Federal level.

"Yet, throughout history, what governments have been accounted as good governments? They have been in the nations, the states and towns and cities that manage their affairs in orderly fashion, living within their incomes, restraining extravagance and waste, avoiding debt wherever possible, except for productive purposes, and repay their debts promptly.

"We need discipline and responsibility in Government and we need it also in private enterprise.

"Collective bargaining on wage levels, and price determinations by management, have been conducted in some industries in the past in an atmosphere of comfortable confidence that the bill could always be passed on the consumer. Larger profits for stockholders, and higher wages for production workers, could be assured if the consumers could be counted upon to pay.

"I suggest that this no longer may be true.

"Consumer resistance to higher and higher prices already has been evidenced in the home markets for many American products. Imported goods of comparable quality at cheaper prices are winning in the competition for the housewife's dollar.

"At the same time, there has been a sharp decline in American exports.

"These are factors which must be taken into consideration when business and labor sit down at the wage bargaining table, and when managements determine pricing policies.

"American investments abroad, and a thriving trade with the free world, are vital. Such basic necessities as iron ore, bauxite, manganese, natural rubber, tin, and many other materials urgently needed for our military and industrial strength either are not produced within our borders or are not produced in sufficient quantities to satisfy our requirements.

"Trade in these materials and in manufactured products, supported by the foreign investments of American corporations and by Government loans, must continue.

"Yet, there has been a trend in our foreign trade and in our foreign investments which is cause for uneasiness and concern.

"I refer to the growing number of American manufacturers who have been forced to invest in foreign operations in order to improve their competitive position at home, as well as to satisfy demands in friendly countries.

"Take the automobile industry, for example. During 1957 and 1958, I spoke often on the Senate floor of the dangers I perceived in the apparent determination of the American automobile industry to force down the throats of the buying public wider, longer, more expensive models each year.

"It gives me no satisfaction in 1959 that much of what I predicted came to pass. We have seen American-built cars priced out of markets at home and abroad. We see small, inexpensive foreign-made cars being landed on our shores in increasing numbers. We have seen the great automobile companies—Ford, General Motors, and Chrysler—establish more and more plants abroad to produce the smaller, cheaper models, not only for their foreign markets but also for shipment to this country.

"We have seen diminishing exports of the American chrome-plated giants to foreign markets in which they once enjoyed great prestige and large sales.

"And, most regrettably, we see high levels of unemployment in Detroit and other centers where industry depends on the auto industry.

"I believe the automobile folks have finally realized their danger, and by going into production of American-made small cars can regain the ground they have lost. But it has been and there remains a painful process of readjustment for the production workers in the automobile industry and for the many thousands of workers in businesses which supply the auto industry with component parts.

"Similar situations exist in other industries. In my own State, for example, a manufacturer of textile knitting needles has found it necessary to establish a factory in West Germany to remain competitive.

"The list is growing. Cars, farm machinery, typewriters, and other office equipment—these are only a few of the products which American manufacturers find it more profitable to manufacture abroad and import into this country to undersell goods produced domestically.

"Thus, as we export capital we also export job opportunities. We have created jobs for workers in other lands while American working men and women remained idle.

"Another powerful motive leading American manufacturers to establish plants abroad has been the creation of the European Common Market. With its activation in January, the United States achieved one of its major international objectives—the creation of conditions for greater economic unity and strength in Western Europe.

"But at the same time was created a powerful competitor for international markets. The combined world trade volume of the Common Market countries is roughly equal to that of the United States.

"As the position of American firms in competition for world and domestic markets has become less favorable than the very lush conditions they enjoyed in the years immediately following World War II, there have arisen increasing pressures for more protection.

"Increasing imports of foreign goods have brought demands for higher tariffs and import quotas, not only from businessmen but also from the labor unions immediately affected. During times of recession, these pressures are intensified.

"And I venture to predict that if the automobile industry—the traditional stronghold of 'freer trade'—fails to regain its markets by the steps it is now taking, there will be demands for higher tariffs from that source. And if employment in the automobile industry does not substantially improve, it wouldn't surprise me to see Walter Reuther leading a march on Washington to urge substantial protection for that industry.

"But higher tariffs and import quotas offer no sound and permanent solution.

"If it is true that some American industries and labor are pricing themselves out of world markets and out of markets here at home—and there are disturbing signs that it is true—then the answer to the problem lies elsewhere.

"I believe it is time for managements and the leaders of labor unions to consider closely and carefully what actions must be taken to keep American industries competitive with industries abroad which are anxious for a larger share of world markets as well as a bigger share of the American market.

"Unless the productivity of American industry and labor increases as rapidly as in competitive foreign industrial countries, notably Japan, Western Germany and Russia, we are heading for trouble.

"It is time for both business leaders and union leaders to pay more attention to the needs and desires of consumers. It is time for them to be less insistent on price and wage increases which may have the effect of reducing present employment opportunities and of preventing the new job opportunities the American economy must create for the youngsters coming out of schools and colleges in the years immediately ahead.

"We must recognize that the United States is no longer the sole supplier to the world. The early postwar period was abnormal. The disruption and damage that occurred during the war put our competitors out of business and left the field to us. Some in this country drew the wrong conclusions from this temporary state of affairs. They concluded that the United States was bound forever to undersell every other industrialized country because of our labor skill, rapid technological progress, and great capital.

"We should not now—noting the drop in U.S. exports—move to the other extreme and conclude that the United States has lost its competitive potential. But it is salutary to remember that a country can lose its position in international markets if it permits its domestic economy to deteriorate. We are no more immune than other countries to the internal and external difficulties and distortions that inflation can bring.

"Our job at home is twofold: to give every encouragement to economic growth and to maintain stable prices.

"We also have a job to do abroad, a job that is vital to our domestic security and welfare, and that is to help other countries of the free world to grow. We must help them to grow and prosper because if they can maintain satisfactory levels of employment, their ability to resist communism will be fortified and they will add to the strength of the free world. And, if I may strike a note of enlightened commercial self-interest, their growth and prosperity will make them better markets for U.S. goods.

"We can promote their growth in several ways. One is by keeping the domestic economy vigorous and stable and by keeping the channels of trade open so that others can earn by trade the wherewithal for growth. But a prosperous domestic economy and an expending world trade, while of fundamental importance, are not enough. The countries of the free world, especially the less developed countries of Asia, Africa and Latin America, need capital and they need technical skills. We are not the only source, but we are, by virtue of our wealth and strength, the most important source of these key ingredients for growth.

"In closing, I would like to discuss for a few minutes what attitude we, as Americans, must take toward our increasing responsibilities in the modern world.

"I have spoken of some of the problems I see facing us in the months and years ahead—

"The need for more fiscal discipline—austerity, if you will—in the Federal Government in order to preserve the credit of the United States upon which the defense of the entire free world depends; and

"The need for American industry and labor to exercise the responsible statesmanship required to maintain their competitive position in world and domestic markets; the need, in other words, to exercise restraint in price and wage policies and to pay more attention to the interests of consumers.

"I reject the view that because we face these problems we should surrender our leadership of the free nations—that we should withdraw into a shell of new isolationism; that American industry and labor should retreat behind a new and high wall of protectionism.

"The world is too much with us to permit any of these defeatist actions, still advocated by a minority among us, to offer any solutions.

"Isolationism may once have been a valid foreign policy for America. George Washington's admonition, in his Farewell Address, to shun foreign entanglements may have been sound advice in the early days of the Republic, and in its growing years.

"But the march of events, especially since World War II, has made isolationism an exercise in futility.

"Science and invention have shrunk the world. Modern communications make us as aware of trouble in a remote corner of the globe, as we are of trouble in our own hometown. We may travel, by jet plane, from New York to London in 6 hours in contrast with the 6 weeks it took our grandfathers to accomplish the same journey. When the intercontinental ballistic missile becomes fully operational—and that day may be only a short time away—Washington and Moscow—and Manchester, N.H.—will be equally vulnerable to destruction, with only 15 minutes warning. The possibilities for exploration on earth have become so limited that men now confidently plan space journeys to the moon, and to more distant planets.

"These facts demand recognition of the additional fact that isolationism, as a valid policy for the United States, is as dead as the dodo. Whether we like it or not—and, for my part, I find the challenge stimulating rather than depressing—the requirements of the modern world have thrust America into a position of world leadership.

"We are in the van of a coalition of free nations, united in resistance to Communist aggression. We face a long, hard struggle. I expect it to continue for many years ahead. Many of us in this room will not live to witness the ultimate outcome.

"But I have abiding confidence in the ability of the people of the United States to face reality, once the danger is fully apparent, and to make the sacrifices which appear necessary to meet the threat to our freedoms.

"And I have abiding confidence that a system of government which exalts the individual above the state can defeat a system in which the individual is nothing and the state everything.

"In short, I believe that freedom will eventually defeat slavery."

HEAVY GOLD FLOW FROM UNITED STATES CAUSES GLOBAL CONCERN

Mr. BUSH. Mr. President, an article in the New York Times on Sunday, May 3, 1959, by Mr. Edwin L. Dale, Jr., was headlined "Heavy Gold Flow From United States Causes Global Concern—Inflation Blamed as Losses on Trade Deficit for 2 Weeks Top 179 Million."

Mr. Dale reported that the resumption of a heavy outflow of gold is causing some concern, although not alarm, among American and international financial officials, and that the main reason for the outflow is the continued sluggishness of American exports while imports remain strong.

Mr. Dale also reported that there is an increasing body of opinion that a solution to the problem lies only in an increase in American exports, and that this, in turn, will depend on the future of the U.S. price level—in other words, on the avoidance of further inflation.

Mr. President, I ask unanimous consent that the article to which I have referred may be printed in the RECORD at the conclusion of these remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HEAVY GOLD FLOW FROM UNITED STATES CAUSES GLOBAL CONCERN—INFLATION BLAMED AS LOSSES ON TRADE DEFICIT FOR 2 WEEKS TOP $179 MILLION

(By Edwin L. Dale Jr.)

WASHINGTON, May 2.—The heavy outflow of gold from the United States has resumed. The situation has caused some concern, though not alarm, among American and international financial officials.

In the last 2 weeks, the United States has lost $179 million in gold, or more than in the entire first quarter of the year. Last year, the United States suffered its biggest gold outflow ever at $2,300 million.

The reason is that the United States is running a deficit in its transactions with the rest of the world. The main reason for the deficit is that American exports have remained sluggish while imports have been strong.

TWENTY BILLION GOLD STOCK

The United States has such a huge stock of gold—about $20,300 million—that it can withstand a deficit in its international balance of payments without much strain. But the deficit cannot continue indefinitely without trouble.

The results have led some authoritative international financial experts to revise their opinions about the outlook for this year. Some now feel that the United States this year will be a fairly heavy loser of gold, though they had earlier thought the balance this year would right itself.

The continued sluggishness of U.S. exports has led more and more officials to take seriously the problem of American goods' pricing themselves out of world markets, though the statistics so far give little support to this idea.

In any case, some major figures in the international financial world have concluded that it is imperative that the United States not allow any resumption of inflation, on international payments grounds alone. Some believe that the steel settlement this summer will have a major bearing on the situation, for both practical and psychological reasons.

The gold outflow has also reinforced the determination within the Government to use the Government's fiscal and monetary weapons—balanced budgets and "tight money"—to prevent renewed inflation.

Although precise figures are not available, there is some evidence that the sudden resumption of gold departure in April can be accounted for by a special situation related to Britain.

The British have been gaining reserves all this year in their ordinary transactions. But they apparently decided to leave their gains in dollar form, rather than convert the dollars into gold, in order to build up the necessary balance to repay $200 million to the International Monetary Fund in March.

FURTHER GAINS PUT IN GOLD

That payment was made. Thus any further gains in reserves by the British were probably converted promptly into gold, according to traditional British custom. That is what probably happened in April to account for a large part of the outflow of gold in that month.

However, this explanation really means only that the slowing of the outflow of gold in the first 3 months of the year was artificial. That is, the U.S. balance of payments was still strongly in deficit, but that for a special reason the gold figures did not show it.

Probably the major hope of those who believe the balance of payments will soon improve is that measures to promote economic expansion in Europe and Britain will soon take hold and that Europe will then begin taking more imports from the United States. Europe has been in a mild recession. Virtually all governments have lowered interest rates and taken other measures to spur demand.

DIFFERENTIAL IN INTEREST

The interest rate differential has high rates in New York and lower rates in London and Amsterdam and Frankfurt. It should also help the U.S. balance if the differential becomes great enough.

Short-term funds flow to the money center where the best interest yields are available. Such a flow into New York has the same effect on the U.S. payments balance as an equivalent amount of exports of goods.

But only a pickup in U.S. exports, it is believed here, will provide any lasting solution to the problem. More and more, it is believed that the future of exports will depend in major degree on the future of the U.S. price level.

EFFECT OF WAGE INCREASES IN THE STEEL INDUSTRY

Mr. BUSH. Mr. President, my attention was recently attracted to an article in the New Haven Register of April 29, 1959, by Mr. Samuel Lubell, a widely known sampler of public opinion who has been interviewing people at the grassroots level during the past few

months. Mr. Lubell's article was headlined "Steel Workers Hostile to Union's Call for Pay Rise as Peril to Living Costs."

Mr. Lubell reported that of the steelworkers he interviewed, five of every six were opposed to further wage increases. The bulk of the steelworkers, he reported, "are fed up with the constant upward spiraling of prices, wages, and taxes that has followed each steel wage boost through the postwar years."

This attitude on the part of the steelworkers themselves was in sharp contrast to the position taken by leaders of the United Steel Workers of America, as reported in an article in the New York Times of about the same date, which was headlined "Steel Union Asks for Record Gains—Wage Policy Group Sets Target for Negotiators—Meany Pledges Aid."

Mr. President, I hope that in the labor-management negotiations in the steel industry both sides will exercise responsibility and restraint, and that the conclusions reached will recognize the interests of consumers and will take into account the impact of decisions upon the national economy.

Mr. President, I ask unanimous consent that the article by Mr. Lubell may be printed in the RECORD at the conclusion of these remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STEELWORKERS HOSTILE TO UNION'S CALL FOR PAY RISE AS PERIL TO LIVING COSTS

(By Samuel Lubell)

On the eve of negotiations for a new steel contract, most steelworkers are opposed to having their union press for further wage increases.

During the last 2 months this reporter has been traveling around the country talking with housewives, storekeepers, and farmers, clerks and businessmen—the employed and the jobless—about the major issues facing the Nation.

As part of this survey I have systematically interviewed typical steelworker families in 10 steel-producing cities in 5 different States.

Of the steelworkers interviewed, five of every six are against further wage hikes.

MANY GRUMBLE

This hostility to wage boosts does not reflect any sudden burst of affection for the steel companies. Many of the same millhands who declare, "I wouldn't lift a finger for a wage increase," grumble bitterly that "the companies are getting more work out of every man" or that "they owe us something on the record profits they're making."

But it is also plain that the bulk of the steelworkers are fed up with the constant upward spiraling of prices, wages, and taxes that has followed each steel wage boost through the postwar years.

Repeatedly when I asked, "Do you want a wage increase?" the emphatic response was, "No. Everything else goes up and you're no better off."

Other typical comments ran:

"Wage increases are as useless as fuzz on a frog."

BIGGEST MISTAKE

"The biggest mistake the union could make would be to go after higher wages. They don't help. That's been proven."

"You can be sure if we get 10 cents more the company will raise steel prices 20 cents. We can't win in that game."

Often it is asserted that labor leaders have little choice but to demand ever higher wages because of pressures from their own membership. It was largely to test this thesis that I undertook to survey varied steel communities before the union had made public their demands. My talks with steelworkers leave little doubt that currently the main pressures for "more" are being generated by the union leaders and not the rank and file.

Roughly a third of the workers who were interviewed felt "I'm satisfied to sign up for what we have now." This feeling was particularly strong among the older workers, with the highest seniority, who were steadily employed through the recession.

Among the younger workers, who bore the brunt of last year's unemployment, one finds a sharp edge of grievance, but most of them tend to feel "it's not higher wages we need but steady work."

Many other workers shrugged off the question of what they wanted in the contracts, saying, "We'll go along with what the union asks."

FRINGE BENEFITS

Generally the changes in the new contract that were urged ran to additional fringe benefits, such as expanded hospitalization, paid-up insurance and—the one demand with the strongest support—a lower retirement age with more generous pensions.

This shift in the workers' desires from higher wages to fringe benefits merits special emphasis. Some workers explain the change by saying, "A wage boost puts you into a new tax bracket. But they can't tax fringe benefits."

Other millhands, particularly in communities where steel is dominant, see fringe benefits as a means of outwitting those downtown merchants who raise their prices as soon as there is even talk of a wage increase.

In Gary, Ind., a steel mill electrician explained, "If I get a 15-cent raise I never see it. Rent, food, everything else is marked up. If I get another week's vacation they can't take it away from me."

UNEMPLOYMENT FEAR

But the really big concern that gnaws most steelworkers today is the dread of unemployment. "Look at the new production records the companies are hitting" is a frequently voiced complaint, "and yet there are fewer men working."

Asked what would help make more jobs, most workers agreed higher wages are not the answer. Many, in fact, feel that raising wages may mean less jobs.

"The higher you push costs the more machinery the company puts in to cut costs," volunteered one Youngstown, Ohio, millhand. "It used to take us a month to make a million feet of pipe. Now we go through that steel like spaghetti and do it in a week."

Other workers point out that higher steel prices are encouraging foreign imports. In Buffalo, several steelworkers protested angrily, "They're using Italian steel on a power project only a few miles from our steel plant." A pipe roller in Pittsburgh, pointing to several new homes down the street, said, "Some of the steel in those houses came from Germany. Who is going to buy those houses if steelworkers have no jobs?"

FAIL TO CONVINCE

Through most of the weeks I was doing my interviewing the steelworkers' union was running a series of newspaper advertisements pitched to the theme that a billion-dollar steel wage increase would generate a tremendous economic pickup in the country. But it was plain these advertisements had failed to convince the union's own membership.

The overpowering impression left with this reporter, from all my interviews, was that of talking with men and women who felt themselves trapped in a squirrel cage that they couldn't get out of.

"Sure, we'll get a wage increase," grumbled a south Chicago welder. "It won't do us any good. But the union thinks it has to get us something each year."

A Cleveland worker remarked gloomily, "Wage increases won't help, but I don't know that holding back on our wage demands would make any difference. It's too late now to stop this automation."

Others ask, "How do we know the steel companies won't raise prices anyway, regardless of what we do?"

To sum up, if many steelworkers feel "there's no more point to higher wages," they still see no effective alternative. And, as they talk among themselves more of them are coming to feel "we need some way of spreading the work."

ARGUMENT AGAINST CREEPING INFLATION

Mr. BUSH. Mr. President, there appeared in the Sunday magazine section of the New York Times of May 3, 1959, an article by Jules Backman, professor of economics at New York University, which was headlined "Argument Against Creeping Inflation." Those who believe it to be an inescapable price for economic growth are wrong, says an economist who holds that it actually slows growth and fosters unemployment.

Mr. Backman forcefully makes a point which I have made on the Senate floor and elsewhere over the past few years, namely, that price stability is an indispensable condition for achieving economic growth and expanding employment.

Mr. President, I ask unanimous consent that his article may be printed in the RECORD at the conclusion of these remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARGUMENT AGAINST CREEPING INFLATION

(By Jules Backman)

There is general agreement that economic growth is indispensable for a strong America. However, there has been considerable public debate about the ideal rate of growth and how to achieve it.

One school of thought asserts that "an inescapable cost" of a desirable rate of growth is creeping inflation. It holds that the alternatives are "creeping inflation and economic growth" or "price stability and unemployment." In this way, creeping inflation is given "respectability by association," while price stability is subject to "guilt by association."

The second school of thought holds not only that we can have both a desirable rate of growth and stable prices, but that we can maintain our growth only by keeping prices stable.

Creeping inflation refers to a price rise of 2 percent or 3 percent a year. Prof. Sumner Slichter, one of the exponents of the first school, states that this type of "slow inflation must be expected to continue more or less indefinitely." Such an annual rate of increase does not seem to be very large, but an annual rise of 2 percent will wipe out half of the purchasing power of the dollar in 35 years, and a 3 percent rate will result in a similar reduction in less than 25. This is the simple arithmetic of creeping inflation.

Nevertheless, apologists for creeping inflation argue that it is unavoidable if we are to achieve the rate of economic growth which is necessary to enable us to attain

our aspirations at home and to meet the threat from Russia. They explain that it is inevitable because labor costs rise more rapidly than output per man-hour. According to this argument, trade unions are so powerful that these excessive increases in wages and other labor costs could be stopped only by stringent governmental monetary and fiscal controls. The result of such curbs would be large-scale unemployment, which would limit economic growth. We are told that we must, therefore, accept creeping inflation as a lesser evil.

There is no disagreement concerning objectives between the creeping inflationists and those who are opposed. We are agreed that our goal is a maximum achievable rate of economic growth. We are agreed that unemployment is undesirable and exacts a high social cost. We are agreed that inflation—creeping or any other kind—is not desirable as a way of life. We disagree as to the means by which we may achieve our goals. The creeping inflationists say that we cannot achieve all three goals; that we must choose among them. The anti creeping inflationists say we can achieve growth, a minimum level of unemployment and price stability.

The arguments against creeping inflation may be summarized as follows: (1) it slows long-term economic growth; (2) it makes recessions worse; (3) it hurts fixed-income groups and savers; (4) not everyone can be protected against it by "escalator clauses"; (5) it leads to galloping inflation; (6) it is not inevitable in an expanding economy.

1. Creeping inflation slows long-term economic growth.

There is general agreement that to meet the threat of the expanding Russian economy our own economy must continue to grow as rapidly as possible. Some say we must step up our rate of growth to about 5 percent a year as compared with our long-term record of about 3 percent. While the difference between 3 percent and 5 percent appears to be small, it becomes enormous with the passage of time. With a growth rate of 3 percent, total output of goods and services in our economy increases fourfold in about 50 years. With a 5 percent rate of increase, on the other hand, total output in a half century would be more than 10 times as large as it is at present.

Everyone is in favor of the highest possible rate of economic growth. But there are practical limits to expansion which must be faced. When we exceed these limits the pressures for inflation become intensified. President Eisenhower properly has pointed out that a stable price level is "an indispensable condition" for achieving the maximum growth rate in the long run.

History does not support the assumption that economic growth must be accompanied by rising prices. Economic growth has occurred in many periods of stable or declining prices. Two such major periods in the 19th century—the 1820's and 1830's and the last third of the century—were periods of declining prices. During the 1920's, when prices remained relatively stable, national output rose about 4 percent a year. On the other hand, from 1955 to 1957, when prices crept upward almost 3 percent a year, national output rose less than 2 percent annually.

Two major factors have contributed to economic growth in this country: higher productivity and an expanding population. Two-thirds of our 3 percent annual rate of growth has been accounted for by rising output per man-hour, about one-third by increasing population. Increases in productivity, therefore, provide the key to future economic growth. Output per man-hour is affected by many factors but the most important has been the investment in new machines and equipment. The magnitude of such investments depends upon the level of savings. Savings will be discouraged by creeping inflation, and thus long-term economic growth will be stultified.

Confronted by creeping inflation, savers are more interested in speculating—to protect themselves against losses in purchasing power—than in providing capital for industry. There is ample evidence of this tendency in the rampant speculation now taking place in stocks. If inflation should continue to be a threat, more and more persons would try to protect themselves in this manner. The result would be a speculative binge which would ultimately collapse. Such a development could only act to retard economic growth.

To stimulate economic growth it is necessary to create an environment in which savings will be encouraged and business will be willing to convert those savings into new plant and equipment. Price stability encourages savings, while tax incentives could be used to induce new investments. This is the road to greater economic growth.

Creeping inflation also interferes with business planning. When protection against price rises becomes a dominant factor, businessmen are not likely to plan boldly for expansion. One result is an adverse impact on job creation.

2. Creeping inflation makes recessions worse.

It is true that fear of higher prices may give a temporary stimulus to the economy. But this development induces speculation in inventories. Eventually, the inventories become burdensome, then the economy experiences a setback. The 1948–49 downturn properly has been described as an inventory recession. Inventory liquidation also was significant in the 1953–54 and 1957–58 recessions.

When protection against tomorrow's higher costs becomes a major factor in industry decisions to expand capacity today, the net result tends to be overexpansion—followed by a sharp decline in new investment in plant and equipment. The current lag in the capital goods industries reflects the aftermath of the overexpansion of 1955–57. Thus, creeping inflation means more cyclical unemployment. It is not an alternative to unemployment; it is a significant cause of unemployment. And it is little solace to those who become unemployed that they may have received overtime pay during the boom.

We normally anticipate that there will be 2.5 to 3 million workers unemployed even when the economy is operating at full speed. This frictional unemployment usually is short term, representing individuals changing jobs or seasonably unemployed (as in the construction, apparel, or retail trades). Therefore, when we have a total of 4.3 million unemployed, our real problem is how to create about 1.5 million jobs. The economic cost of unemployment must be measured in terms of this smaller figure.

The hardships attending unemployment should not be minimized. The price in terms of broken homes, loss of self-respect, loss of national output, and related developments is a heavy one indeed. This is why every effort must be directed to adopting the proper policies to reduce unemployment.

Creeping inflation exacts a double toll: first, a loss in the buying power of our money; second, added unemployment. It carries a high price tag.

3. Creeping inflation hurts fixed-income groups and savers.

Persons with fixed or relatively fixed incomes—those who live on proceeds of life-insurance policies, pensioners, those who work for nonprofit organizations, Government employees, and bondholders—are hardest hit by any cut in the purchasing power of money. Ask the pensioner who planned his retirement 20 years ago how he gets along today with the dollars that buy less than half of what they bought then.

With an increasing number of senior citizens in our population, and with the growth of private pension plans, this is a matter of serious national concern. The hardships experienced by these persons can be just as tragic as those suffered by the unemployed.

In addition, families with savings accounts, U.S. savings bonds, and other types of savings find their purchasing power steadily eroding. These various forms of savings aggregate about $400 billion. Every increase of 1 percent in the price level, therefore, wipes out $4 billion in purchasing power.

This problem cannot be evaluated in terms of 1-year or 2-year results. As we noted earlier, creeping inflation could cut the total value of savings in half within 25 to 35 years. This is a heavy cost and cannot be ignored.

Nor can workers escape the adverse effects of creeping inflation. Higher prices cut the purchasing power of wages and benefits received under security programs. The part of a wage increase which is excessive is taken away—in whole or in part—by price inflation. Reduced profits mean reduced incentives to invest in new plant and equipment; one result is fewer job opportunities. And unemployment, which thus may attend excessive labor-cost increases, means that those who hold their jobs obtain part of their higher real earnings at the expense of those who lose their jobs or who fail to obtain jobs.

4. Not everybody can be protected against creeping inflation by escalator clauses.

It is significant that not even the apologists for creeping inflation regard it as something to be encouraged. Rather, we are told, it is an evil which must be tolerated and to which adjustment must be made. One suggestion is that escalator clauses, such as those now contained in many union contracts, might be extended to pensioners, insurance beneficiaries, bondholders, and the like. This proposal acknowledges the ill effects of inflation, but suggests that the burden could be neutralized.

But not everybody can ride the escalator. It is the height of folly to imagine that we can inflate without some groups paying the price.

Professor Slichter has suggested that under the conditions of creeping inflation people "should not hold long-term bonds or other long-term fixed-income investment unless the yield is sufficient to compensate them for the probable annual loss in purchasing power." What would happen to our financial system if bondholders should attempt to liquidate their investments en masse? The basic weakness of the apology for creeping inflation is reflected in the recognition of the problem in this area.

5. Creeping inflation leads to galloping inflation.

Psychology plays an important role in economic decisions. As the purchasing power of money steadily erodes, more and more persons will seek to protect themselves against future price rises. The resulting flight from money into goods would accelerate the rate of increase in prices. Creeping inflation could then become galloping inflation, and finally runaway inflation.

It is true that such a development would require support from monetary and fiscal inflation. But that this support would be forthcoming seems probable as long as we persist in tolerating wage inflation and insist upon full employment.

6. Creeping inflation is not inevitable in an expanding economy.

Many factors are at work today to raise or hold up prices. They include the agricultural support program, the high level of Federal, State, and local government spending, the increases in various sales and excise taxes, featherbedding and make-work rules, controls affecting imports and the steady expansion in private debt.

The primary cause of creeping inflation, however, as Professor Slichter has pointed out, is wage inflation—labor costs rising faster than output per man-hour. When wage inflation abates, price inflation also is moderated. It is noteworthy that, despite business recovery in the past year, consumer prices have remained stable and wholesale prices have risen only fractionally. This temporary stability reflects the likelihood that output per man-hour has risen more rapidly than the long-term rate (a typical recovery performance), and that, as a result, wage inflation has been at a minimum—perhaps even nonexistent—for the economy as a whole during this period.

The basic problem, then, is to counteract wage inflation. Two factors make this difficult. One is the national objective to maintain full employment, the other is the growth of powerful labor unions.

The full-employment policy makes it difficult to impose those stringent monetary and fiscal checks to rising prices which would create deflation and unemployment. The national concern over unemployment has assured union leaders that their wage policies will be underwritten by new inflationary measures when necessary. In other words, full-employment policies have increased the bargaining strength of the unions.

The problem of wage inflation could be ameliorated if union leaders and the workers they represent accepted the the fact that our average standard of living cannot rise faster than national productivity. Only as we produce more can we obtain more goods and services, or more leisure, or some combination of both.

However, since it is the job of union leaders to get as much for their members as fast as they can, there is little point in criticizing them for taking full advantage of the present situation.

We can make more progress by taking action on two fronts:

First, the power of the unions must be curbed. There is little agreement on how this may be accomplished. Some students of the problem have suggested applying the antitrust laws to limit unions' monopoly power. Others have proposed more drastic remedies, such as limiting the power to strike, or curbing the size of unions.

Each of these proposals involves serious difficulties which must be carefully evaluated. Possibly some other solution will be forthcoming. However, unless some means is found to curb excessive union power and its abuse, this source of pressure for creeping inflation will continue.

Second, the Employment Act of 1946 should be amended to include the goal of stabilizing the purchasing power of the dollar as well as the goal of maintaining high-level employment. This would provide a guide against which to measure proposed policies. It would not mean wage or price controls. Individual prices would continue to fluctuate as at present but public policy would have as one objective the prevention of marked changes in the general price level.

Uncertainty would be substituted for the present certainty that inflationary wage increases will be supported by governmental actions. The new element of uncertainty might impose some restraint upon unions. It might also make industry less willing to grant excessive wage increases because it would make their recovery through higher prices less certain.

One important caution must be noted. There is no magic in a stable price level. Stability of prices during the 1920's did not prevent the most catastrophic depression in modern history. Stability of prices from 1952 to early 1956 did not prevent the 1954 recession—or the 1955–57 boom. General price stability may conceal important disparities in price relationships or in cost-price relationships which in turn upset the effective functioning of the economy. In other words, general price stability is not a cure-all for the problem of the business cycle.

Nevertheless, if these limitations are kept in mind, the inclusion of the goal of price stability in the Employment Act will focus national attention on inflation and its causes. The public will be made aware of the dangers that are inherent in monetary and fiscal inflation with their impact upon total demand, wage inflation with its impact on costs, and other policies which act to raise or hold up prices. And, certainly, full awareness of the sources—and evils—of creeping inflation is an indispensable step in mobilizing public opinion against inflationary policies.

PERSONAL STATEMENT BY SENATOR MORSE

Mr. MORSE. Mr. President, I should like to have the attention of the majority leader for a moment, and the attention of the minority leader also, as I rise to a point of personal privilege.

Over the weekend the Senator from Indiana [Mr. CAPEHART] made some charges to the effect that he was contemplating submitting a resolution of censure against the senior Senator from Oregon. Yesterday I released a press statement, of which the following is a part:

> Now that Senator CAPEHART has tried his charges against me in the press over the weekend, I challenge him to file a resolution of censure against me when the Senate convenes on Tuesday.
>
> My colleagues in the Senate who have read the debate on the Luce nomination know that there was nothing improper about my course of conduct in investigating the qualifications of the nominee.
>
> The fact is there is no basis whatsoever in support of his charge.
>
> However, when a Senator publicly indicts his colleague, as Senator CAPEHART has done in this instance, he owes it to the Senate to either file with the Senate his proposed resolution of censure stating his reasons or to publicly retract his charges.
>
> I surmise that what Senator CAPEHART really would like to do is censure me because he knows there is no basis in fact for the Senate to censure me.

All I desire to say to the majority leader and the minority leader is that, in view of the charges made by one Member of the Senate against another Member of the Senate, I think they should make very clear to the Senator from Indiana [Mr. CAPEHART] that there will be the fastest possible expediting of any resolution the Senator from Indiana may wish to file against the Senator from Oregon.

I wish to say to the majority and the minority leaders that I am ready to place myself on trial whenever the Senate wishes to proceed with such a resolution. Further I wish to say the Senate of the United States, if such a resolution is filed, owes it to itself to proceed without delay to an immediate trial.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the majority leader.

Mr. JOHNSON of Texas. I merely desire to observe, apropos of what the distinguished senior Senator from Oregon has said, that I have had no discussion with anyone in connection with this subject. All I know about it is what the Senator from Oregon has said on the floor of the Senate.

I vividly recall the insistence of the Senator from Oregon that another Member of this body receive the protection of the rules of the Senate in connection with an attempt to censure him, and to see that that Member got a fair hearing before this body. I have not always agreed with the Senator from Oregon, but on that occasion I thought he made a very great speech.

First, I express the hope that no such resolution will be submitted. Certainly, I would not, on the basis of any knowledge I have, expect to support such a resolution. Should it be filed, however, I can assure the Senator that, with the limited influence I might have in the matter, I would do everything I could not only to see that the Senator got a fair hearing, but to see to it that every Member of the Senate had an opportunity to participate, and that action was expedited in accordance with the Senator's hopes.

LEGISLATORS OF REPUBLIC OF COLOMBIA WELCOME CONGRESSIONAL DELEGATION TO BOGOTÁ

Mr. MUNDT. Mr. President, careless critics of the United States frequently attempt to convince our people that our Latin American neighbors are unfriendly to the United States of America and that our policy of good neighborliness is not functioning well. More informed students of Latin American reactions, however, recognize that there is actually a warm affinity between our two Americas and that superficial criticism at times should not conceal the fact that our common interests and our common resistance to communism far outweigh the occasional differences of opinion which we have with one another.

During the Easter congressional recess five of us from Congress—the Senator from Wyoming [Mr. MCGEE], the Senator from Nebraska [Mr. HRUSKA], Representative ALBERT, of Oklahoma; Representative WINT SMITH, of Kansas, and I myself—attended a Latin American trade-development meeting in Bogotá, Colombia. While we were there, to our surprise and gratification the Chamber of Representatives of the Republic of Colombia passed a resolution of appreciation over our visit. I ask unanimous consent of the Senate to reproduce that resolution, together with the reply which as the senior member of our delegation I sent to the Chamber of Representatives.

There being no objection, the resolution and letter were ordered to be printed in the RECORD, as follows:

BOGOTÁ, COLOMBIA, *April 3, 1959.*

To the Senators, Representatives, and Officers of the Congress of the United States of America:

I take pleasure in transcribing to you below the proposal [resolution] approved by the chamber in its session of yesterday:

"PROPOSAL [RESOLUTION] NO. 118

"The Chamber of Representatives of Colombia presents its regards to the Senators, Representatives, and officers of the Congress

of the United States of America who are visiting the city of Bogotá at the present time on the occasion of the Latin American Conference on Agricultural Markets, which it wishes to extend [also] to all participants in the Conference, and at the same time conveys its best wishes for its success, for the benefits of [inter-]American solidarity."

Very truly yours,

LUIS ALFONSO DELGADO,
Secretary General [Chief Clerk],
Chamber of Representatives.

BOGOTÁ, COLOMBIA, *April 4, 1959.*

To the Members of the Chamber of Representatives of Colombia:

As the senior member of the congressional group attending the U.S. Department of Agriculture Conference on Agricultural Marketing Problems in Latin America, I wish to express our deep appreciation of the thoughtfulness of the Chamber of Representatives of Colombia in adopting Resolution No. 118. The resolution's wish for inter-American solidarity based on mutual interest and benefit is warmly reciprocated by my colleagues in the Congress of the United States.

All the delegates to the conference have been most impressed by the friendship and courtesy of the Colombian people and their leaders. The officials and citizens of Bogotá have been most gracious during our stay so that we are doubly honored by the action of the legislature.

Cordially yours,

KARL M. MUNDT,
U.S. Senator.

CARDINAL SPELLMAN'S 70TH BIRTHDAY ANNIVERSARY

Mr. KEATING. Mr. President, yesterday marked the 70th anniversary of the birth of His Eminence Francis Cardinal Spellman. The beloved cardinal, whose great energy and spiritual devotion are legendary, will also observe, on May 22, the 20th anniversary of his installation as Archbishop of New York.

The inspiration to faith and good work of this great man has been immeasurable. The people of New York, who have had an opportunity to observe at firsthand his deep and good influence upon men of all faiths, as well as the servicemen of our Nation whom the cardinal has visited on his many world travels as U.S. Military Vicar, can testify to the charm, the wit and the dedication of this fine church leader. Deeply conscious of the social as well as spiritual obligations of his post, he has been in the forefront of every important endeavor for civic betterment in New York City in recent years. He has not allowed his exalted position to shut him off from his flock, but rather, has kept himself accessible to all.

Perhaps this accessibility epitomizes best the deep and abiding humanity and spiritual faith of Cardinal Spellman. From it can be traced much of the love and reverence in which he is held by all men of good will the world over, regardless of their religious faith. Clearly, his profound respect and understanding for other religious groups has contributed much to a fostering of better relations among the great faiths of the world.

Above all, perhaps, His Eminence has made his mark as a champion of peace and justice, based on principles of stern morality and spiritual values. Through his efforts, our world has moved closer to peace and the day when good will among men will prevail everywhere.

On this anniversary of his birth, I am pleased and proud to pay tribute to this great churchman and to wish him many more years of happiness and success in his labors. Long may he continue his fruitful and selfless work, which has contributed so much to so many people of all faiths.

Mr. President——

The PRESIDING OFFICER. The Senator from New York.

LOYALTY DAY, 1959

Mr. KEATING. Mr. President, I take this opportunity to salute my fellow members of the Veterans of Foreign Wars for their outstanding leadership in connection with recent celebrations of Loyalty Day. In numerous ceremonies all across America, the VFW organized patriotic observances of this occasion and gave expression to the dedication of the American people to the ideals and aspirations upon which our Nation was founded.

At a time when the mettle of the American way and American freedoms are being tested and challenged, rededication to the principles in our heritage is most appropriate and desirable. We need a renewal of patriotism in America and we need a new emphasis on our traditions and ideals. I am hopeful Loyalty Day, 1959, has helped spur a resurgence of devotion to our country.

Mr. President, Sunday's edition of Parade, the Sunday picture magazine, carried an eloquent statement by the commander in chief of the VFW on the subject of loyalty. I ask unanimous consent that this article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT LOYALTY REALLY MEANS

(By John W. Mahan, commander in chief, Veterans of Foreign Wars of the United States)

(For years May 1 has been used by the Communists as a day on which to flaunt their disrespect for American institutions. Recently a countermove has arisen, and more and more Americans have been marking May 1 as a day to reaffirm their allegiance. Last July 18 President Eisenhower made this official by signing a bill designating May 1 as Loyalty Day. In recognition of this first observance, the head of one of our outstanding organizations of veterans writes this exclusive article for Parade readers.)

Today, as the nation observes its first official Loyalty Weekend, every citizen should pause to ask himself, "What does loyalty really mean?"

Does it mean only that you love America's mountains, lakes, and gadgets? I hope not. I also hope your concept of loyalty is not a society where merely to disagree is to be disloyal.

To me, the greatest test of loyalty—of love for country—is your day-to-day respect of the rights of your fellow man. Your neighbor's right to voice his own opinion, his right to privacy, his right to his own property—these basic freedoms are the heart of our loyalty to the great American ideals of Washington, Jefferson and Lincoln.

I think it is ironic that the Communists, who preach peace and freedom, live in terror—terror of their neighbors, terror to speak their minds, fear of the midnight knock on the door. Loyalty to them is not in their hearts—it's a gun in their backs.

As a parent, I feel that my greatest responsibility to my children and my country is to pass on to the younger generation the inspiring ideas that have made Americans truly free men.

War is horror and bloodshed. But there are fates worse than death. Over the years Americans have known this. Battlefields throughout the world are testimony to America's allegiance to freedom.

To me, this allegiance—and loyalty—certainly must be one and the same.

FISCAL AND ECONOMIC PROBLEMS OF THE TREASURY

Mr. SALTONSTALL. Mr. President, this morning I read in the New York Times an article entitled "Banquo's Ghost at Treasury Auctions," written by Arthur Krock. We have heard a great deal in this session about a balanced budget. One of the problems connected with a balanced budget is that of the Treasury in connection with short term financing. We read in the newspapers that this week the Treasury must finance, on a very short term basis, $4,900,000,000 on I O U's. When the Treasury must finance its obligations on the basis of I O U's, they must be sold to the highest bidder. The Treasury may ultimately have to pay more interest, because the I O U's sell at less than 100 cents on the dollar.

Furthermore, the operation may involve an increase in the number of bills the Federal Reserve banks must issue. When that happens, it is another form of starting the printing presses. A very difficult problem is created for the Treasury.

I believe the article to which I have referred explains the situation very clearly. I ask unanimous consent to have the article printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BANQUO'S GHOST AT TREASURY AUCTIONS

(By Arthur Krock)

WASHINGTON, May 4.—The Treasury's decision to auction, and on very short terms, $4.9 billion of its I O U's this week is the direct consequence of the most serious fiscal and economic problem now confronting the Government of the United States. The problem is how to sell more securities at lower interest rates than those which prospective buyers now require to divert them from other investments, and to extend maturity dates beyond 1 year—say 3 to 5.

The administration's primary solution for this problem is a balanced Federal budget. And though there are increasing signs that a fiscal 1960 balance may yet be effected, the market plainly does not put much confidence in this; otherwise the Treasury would not have felt compelled to employ the auction and short-term sales procedure.

This problem and the perils to the economy it represents are under the surface of the current news. But they work closer and closer to the surface with every budget deficit that recurs. These deficits have persuaded the buyers of Government securities that a new round of inflation is inevitable, and soon, and that when this happens they will get higher rates of interest than in the present leveling-off period between inflations.

Investors reason this way because the Treasury is now in a condition where it has to replace the huge sum of $75 billion each year in maturing securities, besides having been obliged to raise $13 billion to finance the deficit in the current fiscal year.

THE BASIC ISSUE

The auctions this week are to market at the highest bids below face value of the securities that the buyers will offer for redemption at face value, Treasury bills in the following amounts and for these periods: $1 billion, 91 days; $400 million, 182 days; $2 billion, 340 days; and $1.5 billion, 221 days.

The basic issue in the procedure is not the inability of the Treasury to raise money, but the compulsion the condition of the market imposes on the Treasury to redeem its paper at the end of such brief periods. This procedure is fundamentally inflationary, by enlarging the floating debt, which has already risen to a staggering figure. And the larger the quota of purchases of these securities by commercial banks, the more the procedure will be tantamount to printing new money. Though the Treasury has been fairly successful in keeping its paper out of the portfolios of the commercial banks, the total money supply has continued to increase.

The situation is not dramatic because it has not yet attained the point of crisis. But the threat implicit in it weakens the equipment of the Treasury and the Federal Reserve Board to deal effectively with the next round of inflation, which can best be resisted by demonstrations that inflation is under control. Foremost among these demonstrations would be a balanced Federal budget.

EFFECT ON HOLDOUTS

It would be foremost because, in addition to the basic anti-inflationary effect of a budget in balance, the Treasury would be relieved of the pressing need to go to the market for new cash. And buyers, realizing from these developments that the interest rates might stabilize, would not have the reason they now have for holding off—the prospect they envisage that delay will assure a more profitable investment.

These helpful elements in the management of the huge public debt that a balanced budget would provide for Secretary of the Treasury Anderson largely account, it would seem, for the intensity of his efforts in behalf of this balance. The President's equal intensity can be similarly accounted for, since he is completely receptive to the Secretary's point of view on fiscal and economic problems. This point of view includes a commonsense realization that the economy is strong enough to absorb a budget deficit, if that were all that is involved in another gap between Federal income and outgo. It is the inflationary potential, emphasized by the short-term auction procedure to which the Treasury has been driven, that has made them fight so hard for a surplus, however small, on the Federal ledger.

The administration also is concerned with such reflexes of the continued inflation threat as the outflow of gold and the indications of doubts abroad of the stability of the dollar. But it sees them as only incidental to the problem reflected in this week's marketing of the Treasury's I O U's.

PROBLEMS OF CORRUPTION AND UNDEMOCRATIC PRACTICES IN THE LABOR AND MANAGEMENT FIELDS

Mr. MORSE. Mr. President, a week ago the Senate concluded a lengthy and detailed debate on proposed legislation to deal with problems of corruption and undemocratic practices in the labor and management fields. On Saturday, April 25, the Senate, by the nearly unanimous vote of 90 to 1, passed the Kennedy-Ervin Labor Management Reporting and Disclosure Act of 1959 and sent it to the House for further action by that body. When a bill dealing with the subjects covered in this proposed legislation is enacted into law—as I feel sure it will at this session of the Congress—it will govern the operations of every trade union and many employers and middlemen engaged in industries affecting commerce.

The investigations of the McClellan committee have brought to light conditions involving a few unions and a few employers which have naturally been of concern not only to the Federal Government but, also, to some of the States. One State, New York, has, indeed, enacted a State anticorruption statute. In my judgment, however, this development is fraught with serious danger to labor-management relations in this country. The effect of such State legislation covering the same subject matter will, I am convinced, lead to great confusion and conflict and can clearly lead to double penalties for the same conduct.

Because I consider the problem of Federal-State relations in this area to be one of great importance and complexity, I believe that the Members of this body will be interested in the testimony given by Arthur J. Goldberg, special counsel, AFL–CIO, before the Committee on Elections and Federal Relations of the Ohio House of Representatives on last Tuesday, April 28.

Mr. Goldberg's testimony casts a great deal of light on this problem; and what he has to say about some of the provisions of the specific bill on which he was testifying, namely, Ohio substitute house bill 573, should be of interest to all my colleagues and to the Members of the other body struggling with the difficult and complicated problems in this field.

Therefore, Mr. President, I ask unanimous consent that a copy of Mr. Goldberg's statement be included in the body of the RECORD as part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TESTIMONY OF ARTHUR J. GOLDBERG, SPECIAL COUNSEL, AFL–CIO, BEFORE THE COMMITTEE ON ELECTIONS AND FEDERAL RELATIONS OF THE OHIO HOUSE OF REPRESENTATIVES

My name is Arthur J. Goldberg. I am special counsel for the national AFL–CIO. I am appearing here on behalf of the Ohio AFL–CIO, at its request to President George Meany of the national AFL–CIO.

I want to begin by thanking the committee for permitting me to express my views with respect to substitute house bill No. 573. I am not, as you are no doubt aware, a resident of Ohio or an Ohio lawyer. The bill which you are considering, however, is of tremendous significance, not only to the labor movement in Ohio but also to the entire labor movement in the United States. Accordingly, I believe it is not inappropriate for me to appear before you on behalf of the Ohio AFL–CIO, as well as the AFL–CIO nationally, to give you my views on this legislation.

There is yet another reason for my appearance here. In my capacity as special counsel for the Ohio AFL–CIO, I have served as counsel for the AFL–CIO ethical practices committee since the committee was formed. I am intimately familiar with the actions which that committee has taken and with the ethical practices codes which that committee recommended for approval by the AFL–CIO. Since it has been said that the bill which you are considering is modeled in large measure on the AFL–CIO ethical practices code, I think that I may be in a position to give the committee some information in that regard.

Turning to the bill itself, I wish to make two preliminary observations. The first of these observations is that I oppose, as does both the national AFL–CIO and the State AFL–CIO, the enactment of State-by-State legislation in this field unless such legislation is limited to labor organizations not subject to Federal regulation. As the members of this committee are no doubt aware, the Senate of the United States has concluded just last week, a very lengthy and detailed debate on legislation dealing with the same subject matter as is proposed to be covered by substitute house bill No. 573. This debate followed extensive hearings and very careful examination of the subject matter. And while I personally feel that in some respects the bill which passed the Senate goes too far in interfering with the internal operations of honest trade unions, certainly it cannot be said that this legislation was drafted without the most extensive and intensive investigation and consideration.

The Federal legislation now goes to the House of Representatives, where again it will be subject to extensive consideration and debate. Finally, a Federal statute will be enacted. This statute will govern the operations of every trade union engaged in the representation of employees affecting interstate commerce. This means, in substantial effect, that it will govern every trade union in America.

In the face of imminent Federal legislation covering all unions, it seems to me plain that the effect of any State legislation covering the same subject matter will lead to conflict and confusion. At the very least it will lead to the imposition of double penalties for the same conduct.

In this connection it is important to note that substitute house bill No. 573 does not only apply to local unions operating in Ohio. Even if it were so limited, it would completely overlap the proposed Federal legislation. But substitute house bill No. 573 goes further. By its definitions it includes, as a labor organization subject to all of the provisions of the bill, every national or international union that has a single local in the State of Ohio. This means that the officers of each such union, whether or not they ever set foot in Ohio, are subject to criminal penalties if they violate the restrictions in the bill.

If Ohio passes such a law, I think it fair to assume that other States will feel free to do likewise. And this will mean that virtually every national union operating in the United States will be subject to a multitude of restrictions, varying from State to State, all of them applicable to the officers of the national union in addition to the Federal restrictions. I think that you would recognize that such a situation would be intolerable.

I do not mean by this to suggest that no legislation dealing with venal and corrupt union officials is desirable. To the contrary, the AFL–CIO has supported appropriate Federal legislation in this area. Because we have supported appropriate Federal legislation, we oppose and will continue to oppose the enactment of legislation on a State-by-State basis which will inevitably create a crazy-quilt pattern which will severely hamper the operations of honest trade unions. In this connection I should like to submit to the committee a copy of a

letter sent out by President George Meany in December 1958, to all State bodies affiliated with the AFL–CIO. As indicated in that letter, compliance with 50 different laws covering the same subject matter would place a wholly impossible burden on honest, legitimate trade unions—and the effect of substitute house bill No. 573 on such unions is my only concern here.

The objection of the AFL–CIO to a State-by-State handling of this problem would apply to legislation in any State. The second preliminary observation I am about to make applies with particularity to Ohio.

Federal law, first in the Wagner Act and then in the Taft-Hartley Act, as well as in the Norris-La Guardia Act, has provided a basic framework of union and employer rights which constitutes the foundation upon which so-called union reform legislation is based. The prime justification of Federal legislation, dealing with internal union affairs is that the Federal Government, through the National Labor Relations Act, has protected the rights of employees and the unions to establish collective bargaining and has provided that the union chosen by a majority of the employees shall constitute the exclusive representative of all the employees in a collective bargaining unit. Added to this basic protection are, of course, the provisions of Federal law limiting the injunctive jurisdiction of the Federal courts and providing for remedies against employer unfair labor practices. It is this statutory framework which is sought to be filled out by Federal law dealing with the responsibility of union officers to their members.

The legislation which you are considering, however, has no such statutory foundation. Ohio has no labor relations statute. It does not provide administrative machinery to implement the desire of employees to be organized collectively, to restrain employer unfair labor practices, or to constitute a union representing a majority of the employees as the exclusive representative of all. Ohio has no anti-injunction act. Ohio, in short, does not provide the basic protections to union organizations and employees who belong to such organizations from employer action which Federal law provides, and which constitutes the basis for the Federal legislation presently under consideration.

In this connection it is interesting to compare the provisions of substitute house bill No. 573 with the provisions of the statute recently enacted in the State of New York. I am quite familiar with the New York statute. It was passed as the result of a lengthy and detailed investigation by a commission of experts in the field appointed by former Governor Harriman. Following that commission's final report, the newly elected Republican Governor, Nelson Rockefeller, after detailed consultation with representatives of both management and labor, proposed the bill which was recently enacted. In my capacity as special counsel for the AFL–CIO and at the request of the New York AFL–CIO I both appeared before the commission appointed by Governor Harriman and consulted, at his request, with Governor Rockefeller concerning the proposed legislation.

I intend to make more detailed comparisons between substitute house bill No. 573 and the New York law later in my testimony. Here I want to emphasize the statement of findings and policy upon which the New York statute is premised. The first sentence of that statement—indeed the first sentence in the New York law—reads as follows:

"The rights of employees to organize and bargain collectively through labor organizations of their own choosing have been affirmatively protected by the constitution and statutes of this State and by parallel Federal laws."

As noted in this sentence, New York has a little Wagner Act. It has a little Norris-La Guardia Act. I believed, and the New York AFL–CIO believed, for the reasons set forth in the earlier part of my testimony, that it was nevertheless unwise for New York to legislate in the area we are now considering. The AFL–CIO therefore opposed passage of the New York law. But at least it can be said that the New York legislation complemented existing legislation protecting the basic rights of labor organizations. This cannot be said of Ohio.

I wish to turn now to the specific terms of the legislation which you are considering. Quickly summarized, the bill contains the following provisions:

The first section (4199.01) contains definitions.

The second section (4199.02) prohibits actions conflicting with the fiduciary obligations of union officers.

The third section (4199.03) regulates the application for and issuance of charters to local unions.

The fourth section (4199.04) deals with the embezzlement of union funds.

The fifth and sixth sections (4199.05 and 4199.06) make certain individuals ineligible to serve as officers of labor organizations.

The seventh and eighth sections (4199.07 and 4199.08) deal with violence by officers or members of a labor organization, or by employers, incident to a strike.

The ninth section (4199.09) prohibits conspiracies to violate provisions of the bill, and the last section (4199.99) provides for penalties.

I will deal with each of these sections below. First I want to state, however, that it is simply not true that this bill is modeled on the ethical practices codes of the AFL–CIO. Section 4199.02 of the bill does bear some superficial resemblance to those codes, and I will deal with that in my discussion of that section. The other sections have no resemblance to any provisions in the AFL–CIO ethical practices code and I think it is most unfortunate that the representation has been made that the bill as a whole is based on the codes. I now turn to the particular sections of the substitute bill.

Section 4199.01 simply contains definitions. It is copied almost word for word from the statute recently passed by the State of New York. It differs only insofar as the subsequent substantive provisions which are also modeled on the New York statute differ from those adopted in New York, and I shall comment on those points in connection with the subsequent sections.

I should like here to particularly emphasize my preliminary observations that labor organization is defined in section 4199.01 as including any organization which exists, in part, for the purpose of dealing with employers who have a place of business in Ohio and specifically includes the parent national or international organization of a local labor organization. This means that every national or international union having a local which deals with employees in the State of Ohio is made subject to the provisions of this legislation.

Section 4199.02 deals with what has been called the conflict of interest area. It is copied, with significant variations, from the statute recently enacted in New York. Before dealing with these variations, I want to make a general comment with respect to the New York legislation.

The bill which recently passed the U.S. Senate contains provisions dealing with conflicts of interest. After much testimony and deliberate consideration, it was the opinion of the Senate Labor Committee and of the Senate of the United States as a whole that the best method of dealing with this area was a comprehensive reporting requirement, joined with provisions insuring union democracy, rather than criminal provisions.

The New York law, and substitute house bill No. 573, deal with the same subject matter as the Kennedy bill but deal with that matter as a criminal matter. In this I believe both the New York law and substitute house bill No. 573 adopt the wrong approach.

I think we would all agree with the general principle that union officers should not engage in activities which lead to a conflict of interest. The AFL–CIO ethical practices codes so provide. But the precise definition of what constitutes a conflict of interest is very difficult. The important thing is that the members of a labor organization be fully informed of the activities of their officers which may constitute a conflict of interest. If the members have this information, it may be assumed that they will take appropriate action if the conflict of interest is such as to make the union officer less than faithful to his trust.

This is in accordance with the general principle contained in Federal law with respect to other fiduciaries. Corporate officers very often have interests which might be argued to represent a conflict of interest with the interest of their stockholders. In order to deal with this situation Federal law requires the filing of registration statements with the SEC in which the personal interests of each of the corporate officers must be disclosed. It does not forbid corporate officers to have a particular interest but it does insure that interested stockholders can learn what those interests are. Criminal prohibition, on the other hand, requires the establishment of standards by law and, inevitably, such standards must either be so vague as to be unenforceable, if not unconstitutional, or so narrow as to be of little utility.

This is demonstrated by the actual provisions of section 4199.02. While the particular words in the section are copied, with some changes, from the New York law, certain very significant differences appear. The New York law establishes, in language comparable to subsection (A) of 4199.02, a general prohibition of conflicts of interest. It then goes on in language comparable to subsection (B) of section 4199.02 to prohibit certain specific actions which are deemed to be contrary to a union officer's fiduciary obligations. In the New York law only the specific prohibitions contained in the equivalent of subsection (B) are made crimes. The general provisions setting forth the duty of union officers not to have conflicts of interest with their fiduciary obligations are not made the basis for criminal sanctions for the very obvious reason that this generalized kind of standard is wholly inappropriate to a criminal statute.

The drafters of substitute house bill No. 723 have ignored this careful distinction. They have made it a crime for any officer of a labor organization to have or acquire any pecuniary or personal interest which conflicts with his fiduciary obligation to the labor organization. While I think we could all agree with this as a matter of principle, and indeed this principle is expressed almost in those words in the AFL–CIO ethical practices codes, I hardly think that this constitutes the kind of a standard which should be enacted in a criminal code.

I also believe that every officer of a labor union should be genuinely devoted and dedicated to the achievement of better wages, hours, and working conditions for the members of his union. This is a salutory principle to which I am sure all unions would agree. Yet I would hardly suggest that it is desirable to make it a crime for a union officer not to have such devotion to duty.

To put the matter in other words, there are certain standards of ethical conduct, many of which are contained in the AFL–CIO ethical practices code, which involve areas of judgment and evaluation and which are therefore highly desirable as statements of

principle but which do not lend themselves reasonably to incorporation in a criminal statute. In this respect I do not think it is an unfair analogy to point to the Ten Commandments. Certainly there will be no disagreement among us that these constitute ethical and moral standards for the entire community. But I daresay that everyone would recognize that this is not a sufficient reason to enact them, as a body, into a criminal law.

For the same reason I think it is wholly improper to place every trade union leader, honest or dishonest, under jeopardy of criminal prosecution, his guilt to be known only when a jury decides whether a particular action was taken in furtherance of the interest of his organization or in furtherance of his own pecuniary or personal interest. The New York statute does contain these generalized standards but it does not make them the basis for criminal indictment or prosecution. Substitute house bill No. 573 does.

There are other differences between section 4199.02 of substitute House bill No. 573 and the New York statute. The New York law covers "officers and agents" of unions. The bill you are considering has been enlarged to cover also all "employees" of unions. It thus imposes fiduciary obligations not only on the elected or appointed officers but also upon janitors, secretaries and every manner of person who may be employed in any capacity, by a labor union.

Other changes have been made. The New York statute exempts from its prohibition against ownership by union officers the ownership of publicly traded securities, or of shares in investment companies, provided that no more than 1 percent of the outstanding securities of a company are acquired. The drafters of the Ohio bill omitted this provision. The Ohio bill thus makes it a crime for any employee of a labor organization to invest in a mutual fund if that fund holds shares in a company with which the union bargains or in a company which sells to or buys from the company with which the union bargains. The New York law permits officers of labor organizations to receive gifts of nominal value. The Ohio bill omits this provision, and I assume that a union officer who received the pen with which the employer's representative signed a labor agreement as a memento of the occasion would be a criminal under the Ohio statute.

The foregoing are small points. My last point is not a small one. The New York statute makes it unlawful for union officers to have certain specified financial dealings with employers. Substitute house bill No. 573 copies these prohibitions, as well as making a broad criminal prohibition against conflicts of interest. The New York law goes on, however, to also make it a crime for any employer or employer organization or any labor relations consultant to knowingly participate in or induce action by a union officer which would violate the act.

Substitute house bill No. 573 contains no such prohibition. This is grossly unfair. Presumably the whole purpose of section 4199.02 of substitute house bill No. 573 is to prevent the kind of a situation in which an employer buys off a union labor leader either by gifts (which are specifically provided for in section 4199.02(B)(4)) or by giving him a financial interest in the company, or otherwise providing him with bait which will prevent him from exercising his greatest diligence to protect those whom he is supposed to represent. The bill punishes those labor leaders who are false enough to their obligations to accept this bait. But it lets off, scot free, those who offer it. This, in my view, is unpardonable. I think everyone who has had any serious connection with this area, including such people as Senator McCLELLAN, the chairman of the Senate select committee, has said that an employer who offers a bribe is just as guilty as the union leader who takes it. But the proposed Ohio bill punishes only the taker of the bribe, not the giver.

I now turn to the remaining provisions of substitute house bill No. 573. Section 4199.03 makes it a crime for anybody to apply for a charter for a labor organization to function in Ohio unless he first files with the secretary of state a written statement setting forth the purposes for which the labor organization is organized. In the original version of this bill, the applicants for a charter were required to file a "prospectus." The word has been eliminated in the substitute bill. But the philosophy remains. That philosophy is that the people who organize labor unions are somewhat like the financial operators who float securities. If you are in the business of floating securities, it may properly be assumed that you know enough about that business so that it is not a burden to require you to file a registration statement or prospectus with some government official before you seek to place the securities for sale.

Workers who want to form a local labor organization are not businessmen. They may not even be organizers. But this section of the proposed bill would make them criminals if they get together and decide to petition a labor organization to issue them a charter so that they can become affiliated with an existing union.

The proposed section would not, to be sure, interfere too seriously with the vicious people who deal in proper charters for phony locals about whom the McClellan committee has heard much testimony. Those people are professionals. and I am sure that they would be able to put forward a form of words as to their purpose in securing a charter which would at least meet the requirements of the proposed section 4199.03. The only people who will get caught under that section are the nonprofessionals, that is, simply, workers who want to organize themselves into a union and request a charter for that purpose.

In addition to requiring the filing of a prospectus, by whatever name called, section 4199.03 makes it unlawful to apply for a charter or to issue one, if the purpose for which the local is being organized includes acts prohibited by the proposed bill. I am frank to say that I don't understand this. It seems to make a perfectly innocent act, the application for or the issuance of a charter, a crime if it can be shown that the reason why the charter was applied for or was issued was to violate some other provision of the statute. What other provision? The provision prohibiting the conflicts of interest, the provision prohibiting embezzlement of union funds, the provision dealing with violence in connection with strikes?

Section 4199.04 makes embezzlement by an officer, agent, or employee of a labor organization a crime. I am not an Ohio lawyer but I have always assumed that embezzlement is already a crime in Ohio. Hence I am bound to inquire as to the purpose of this provision. I assume that it has some purpose. One of those purposes may be the penalty provided in section 4199.99(C), which provides for a prison term of from 5 to 20 years for the embezzler of $60 or more of union funds. I do not know whether this term is the same as is provided generally in the statutes of Ohio for embezzlement. If it is, I see no point to the statute. If it is not, I think the statute is grossly discriminatory.

A man who embezzles money from a church, from a school, from a bank, or from a corporation is just as much a thief as a man who embezzles from a union. Both should be punished. And both should be punished under the same statute and be subject to the same penalty. Crooks are crooks. I am not here to defend them, either in or out of the labor movement. I think they all ought to be punished and I think they all ought to be punished without discrimination.

Section 4199.05 makes it a crime for any person to serve as an officer, agent, or employee of a union who has been convicted of violation of any provision of the proposed bill. This section underlines the problems created by State legislation in this area. The Kennedy bill which passed the Senate contains a comparable provision. But the Kennedy bill is limited in two ways in which this bill is not. First of all, it makes the convicted individual ineligible for office for a period of 5 years, not forever. Secondly, it exempts employees who have custodial or clerical duties. It is thus much more reasonable than the proposed Ohio statute. More importantly, if both the Federal statute and the Ohio statute are enacted, there will be dual standards for qualification for union office. And if other States pass their own standards in addition to the Federal statute, there will be multiple tests. I do not believe there is any reason for so chaotic a condition.

Directing myself exclusively to the provisions in section 4199.05, I note not only its failure to exclude clerical and custodial employees, but also the fact that, taken in conjunction with the vague and broad provisions of section 4199.02, as well as some of the later provisions which I shall comment about below, it makes it highly likely that individuals who cannot possibly be characterized as being crooks or racketeers will be made ineligigle, forever, from holding union office. Thus, an individual who may innocently have a financial interest which some jury may later find does not meet the vague standards set up in section 4199.02(A) may, because of his error in judgment, be permanently disqualified. An individual who gets into a fist fight on a picket line and who thereby violates section 4199.07 would be permanently disqualified.

I recognize that the AFL–CIO ethical practices code sets forth the principle that crooks and racketeers should not hold positions in organizations affiliated with the AFL–CIO. But AFL–CIO ethical practices code 3 also says, in conjunction with this statement of general principles that "it is not possible, nor is it desirable, to set down rigid rules to determine whether a particular individual in a position of responsibility or leadership in the trade union movement is a crook, racketeer, a Communist, or a Fascist." The code constitutes a directive to be administered as a matter of good judgment by affiliated trade unions. Rigid prohibition based on arbitrary standards are thus not modeled on but are completely contrary to the AFL–CIO code.

My only comment on section 4199.06 is a minor one. That section bars from holding union office any person who has been a member of any organization which has as a purpose the overthrow of the Government by force, violence, or other unlawful means and who has been convicted of any crime committed in furtherance of such purpose. In plain language what this seems to mean is that any Communist who has been convicted under the Smith Act shall be ineligible to hold union office. This certainly cannot be attacked as being too broad and is, indeed, narrower in its coverage, although not in its retrospective application, than the provision of many union constitutions. I have only two questions. The first is, simply, whether there is anyone to whom the section would apply. The second is whether we should wholly discount the possibility of reformation by former Communists. The AFL–CIO is firmly opposed, as I am, to Communist union leadership. And as I have noted, many of them have broader provisions against present members or supporters of the Communist Party than are contained in section 4199.06. But few

if any unions place bars in the way of what I assume to be the object of all of us—the achievement of genuine understanding by those who have been misled by Communist propaganda of the vicious nature of the Communist conspiracy. For that reason I have some small doubt of the wisdom of the approach of section 4199.06, although its practical application would be of almost no significance.

Section 4199.07 is, to my mind, probably the most dangerous in this altogether dangerous bill. In discussing this section I want to make clear at the outset that it has nothing—absolutely nothing—to do with the issue of union corruption or union reform. This section cannot be proposed as a method of dealing, even tangentially, with the problems presented by union leaders who are not faithful to their trust. Unlike the other provisions of the bill, therefore, this section does not duplicate the provision of any proposed Federal legislation. It is not modeled on the New York law. Its only parallel, I believe, is in the laws of States which are frankly antiunion.

Section 4199.07 makes it a crime for any officer, agent, employee, or member—and I underline member—of a labor organization to commit any act of violence on anyone in any manner incident to a strike.

What is the purpose of this provision? It plainly is not to make violence criminal. For violence is already criminal. Assault, battery, breach of the peace—all of these I assume are criminal in Ohio as they are criminal elsewhere. All of these crimes have statutory punishments which the legislature has thought appropriate for the nature of the crime. Why then this new provision?

I think I know the answer. The answer must be that the drafters of the statute wanted to impose higher penalties and greater punishments upon those who committed violent acts in connection with a strike than upon those who commit the same actions in some other connection. If a man gets drunk and gets into a fist fight he is to be punished under the general law if the fight takes place in a tavern or anywhere else but on a picket line. But if the first fight takes place on a picket line, then special punishments are to be imposed. If a man destroys the property of his neighbor, deliberately and wantonly, for reasons of pure spite, he is to be punished under the general law. If he commits the same act in connection with a strike, he is to be punished under a special statute and more severely.

In condemning this proposal I do not want it to be understood that I am condoning violence. I do not condone violence. I am opposed to it whether it takes place on the picket line or any place else. But I think it discrimination of the worst sort to impose special penalties and special punishments for those who may commit minor acts of violence in connection with a strike. And I shudder at the proposal that anyone who has been convicted of committing a minor act of violence in connection with a strike shall be made forever thereafter incapable of holding any union office or position.

Section 4199.07 is not modeled after the New York act. It is not comparable to any provision in the Kennedy bill which passed the Senate of the United States. It is modeled after the picketing regulation statutes of certain Southern States and in particular after the infamous O'Daniel law of Texas. Unlike the O'Daniel law, however, it is not limited to violence on the picket line but covers any act of violence, to person or property, which is in any manner incident to a strike.

Similar comments apply to section 4199.08. This provides special penalties for employers or persons acting in the interest of employers who commit acts of violence incident to a strike. Curiously it does not mention lockouts. Nor does it mention violence to union organizers and members which occurs as an incident to union organization campaigns. Employer agents who beat up union organizers as a method of intimidating them and preventing organization are subject only to the general criminal law, not this special statute. And it would seem that if the prohibition in section 4199.08 were to be of comparable breadth to that provided for in section 4199.07, it should also include stockholders as well as the managing officers of an employer corporation.

But I do not wish to be misunderstood. I do not advocate broadening the criminal provisions of section 4199.08. To the contrary, I think that employers as well as employees are entitled to be treated equally with other citizens. And I therefore believe that both 4199.07 and 4199.08 are undesirable forms of legislation.

The last substantive section in the bill is 4199.09. This places a conspiracy provision on top of specific criminal provisions in the preceding sections. If two or more individuals get together to procure the commission of any act which is in violation of any of the preceding provisions, they are guilty of an additional crime which, pursuant to section 4199.99(H) is punishable with a minimum prison sentence of 5 years and a maximum of 20. Without going into this section in great detail, I think it plain that the severity of this punishment is wholly disproportionate to the nature of the crimes which may be encompassed by it, particularly the relatively innocent actions which may be held to constitute a violation of section 4199.03.

I have discussed in some detail the specific provisions in the proposed bill. On the basis of this analysis, I think that only one conclusion is possible.

This is thoroughly unsound legislation. It is unreasonable, illogical and probably unconstitutional. It is fair neither to labor, to management, or to the public. In so characterizing the bill I think I can speak with assurance for the millions of members of honest trade unions who have a great desire in maintaining and preserving a free and honest trade-union movement and in the elimination of the few venal leaders who have abused their trust.

The honest trade unions of America have a great and affirmative interest in eliminating corruption and venality. The basic purpose of such unions, after all, is the protection and advancement of the interests of their members. A corrupt union leader does tremendous damage to such unions. His sin is that he fails to represent, with the diligence and good faith to which he should be committed, the interest of his members. In failing to do so, he weakens the position of all trade unions and of the members of all trade unions. Reasonable legislation, dedicated to the elimination of this kind of corruption from the trade-union movement is, therefore, highly to be desired. It will strengthen the position of unions generally and it will strengthen the position of the leadership of honest trade unions.

But this bill is not such a bill. I am not concerned with the effects which this bill will have on crooks and racketeers in the trade union movement. I am concerned only with the effect this bill will have on honest trade unions and honest trade union leaders, and I am convinced by my analysis of the bill, by comparison with comparable provisions in the proposed Federal legislation and by comparisons with the provisions of the statute enacted in New York, that this bill is designed to hamper and intimidate honest trade unions.

I also believe that this bill is unconstitutional. Its criminal provisions are so vague and all embracing that I am sure they could not withstand their first test. Furthermore, insofar as the bill attempts, as a matter of State law, to set forth the qualifications of those who can and who cannot represent organized workers in collective bargaining, it undoubtedly intrudes into an area in which Federal law has already preempted the field.

In conclusion, I wish to restate my major propositions with respect to this bill. First, I believe that in view of the proposed Federal action in this area and in view of the national scope of most unions who would be affected by any legislation, it is inappropriate and unwise for any State to legislate on this subject matter, no matter how well conceived its legislation. Second, I believe that even if, contrary to my view, a State determines to legislate in this area, it should only place restrictions upon union action only if it has first provided the basic protections for employee and union activities which are contained in Federal law and the law of the only other State, New York, which has enacted legislation in this area. Finally, I believe that, even apart from these views, the particular bill which you are considering is both unfair and unconstitutional.

For all of these reasons I urge you most strongly to reject this bill. I do so on behalf of the Ohio AFL–CIO and the national AFL–CIO. And I do so because the AFL–CIO favors prompt and effective action against the minority of crooks and racketeers who have infested the labor movement. This legislation, by placing shackles on the honest trade union movement would, in reality, reduce the effectiveness with which those unions can combat the traitors in their midst and would immensely complicate the task of obtaining proper and uniform national legislation.

PRESENTATION OF 10TH ANNUAL ALBERT LASKER MEDICAL JOURNALISM AWARDS

Mr. NEUBERGER. Mr. President, it is said that knowledge is power. In the fields of medicine and health, knowledge also can mean life itself. Ten years ago the Albert and Mary Lasker Foundation began a wise and fruitful program of encouraging the widest possible dissemination of knowledge and facts in these fields, through the bestowing of generous annual awards for outstanding medical reporting. This pertained to the four realms of newspapers, magazines, television and radio.

The articles and programs thus encouraged have served to inform and enlighten millions of Americans regarding one of the most vital of all topics—their health. This series of awards has helped to expose quackery, it has widened and extended medical research, it has brought fame to medical and scientific people who deserve fame, it has stimulated brilliant journalists and writers to inquire into the health of the people of our Nation.

On April 30, in New York City, the Albert Lasker Medical Journalism Awards for 1958 were formally presented. Dr. Howard A. Rusk, distinguished medical editor of the New York Times, was the toastmaster. I had the privilege of delivering the principal address. Mrs. Mary Lasker, creator and donor of the awards, was present for the occasion.

STUDY OF HEART DISEASE HEADS MAGAZINE LIST

These were the four winners:

Magazines: Francis Bello, of Fortune magazine, for his article "The Murder-

ous Riddle of Coronary Disease," published in September of 1958.

Newspapers: Joseph Kahn, of the New York Post, for a series of articles entitled "Controversy Over Contraceptive Counselling in New York Municipal Hospitals," published from May to October in 1958.

Radio-television: "Today," for its daily coverage over the National Broadcasting Co. network of the significant events in public health and medical research during the year of 1958, including its notable mental health program on the Central Islip State Hospital, New York, on October 8. This is the famous Dave Garroway Show.

Radio-television: Al Wasserman, of CBS, a special citation, for his two programs on "The Addicted" in the Twentieth Century Series of the Columbia Broadcasting System, from November 30 to December 7, 1958.

Mr. President, the Lasker awards are sufficiently generous and distinguished to encourage the most talented and gifted creative thinkers to compete for them. Each of these winners received a check for $2,500, an illuminated scroll and a silver statuette of the Winged Victory of Samothrace, which symbolizes in this instance victory over death, suffering and deadly disease.

LASKER AWARDS SEEK TO WIDEN HORIZONS OF HEALTH

I cannot commend such a program too highly. Mrs. Lasker has encouraged full and free discussion of a subject of paramount and overwhelming importance—the health of each of us and our loved ones. All kinds of other awards are given—so-called Oscars for acting, most-valuable-player awards in baseball, all-American scrolls in football, Pulitzer Prizes in journalism, National Booksellers' Awards in literature. I do not deprecate the importance and stature of any of these. They are truly important; they are valuable. Yet, Mr. President, our health is everything, because without health nearly all other attainments become impossible. The Albert Lasker Medical Journalism Awards are designed to help us push back the frontiers of ignorance and mystery in our quest for better health and for the conquest of grim disease. What awards have a higher mission?

After 10 years of successful operation, the Lasker awards have achieved an eminence which annually attracts leading figures in medicine and journalism and broadcasting to their presentation. On April 30 the editors or staff members of such magazines as Reader's Digest, Fortune, Look, This Week, Coronet, Saturday Evening Post, and many others were in attendance, as well as high officials of CBS, NBC, and other broadcasting networks. It was a high honor for me to be privileged to address this blue-ribbon audience on the crucial importance of an expanded Federal program of medical research through the National Institutes of Health.

Mr. President, I believe the program of the 10th annual Albert Lasker Medical Journalism Awards Luncheon may be of interest to my colleagues because we in the Senate face the responsibility of considering soon the funds for the National Institutes of Health which will be reported to us by the able senior Senator from Alabama [Mr. HILL], who is this Chamber's leading exponent of medical and health legislation. The discoveries reported and detailed by many of the winners of the Lasker awards are often a result of the research grants sponsored and made by the National Institutes of Health.

Therefore, I ask unanimous consent to include in the CONGRESSIONAL RECORD a release from the Albert and Mary Lasker Foundation describing the winners of the 10th annual Albert Lasker Medical Journalism Awards, as well as a summary of my own address to the representative audience gathered at the Sheraton-East Hotel in New York City, N.Y., for this eventful occasion.

SULLIVAN BACKS $500 MILLION PROGRAM

I also ask unanimous consent to have printed in the RECORD an article from the New York Times of May 1, 1959, describing the Lasker awards function and a column by Ed Sullivan from the New York Daily News of the same date, in which the noted columnist supports my bill (S. 1162) to provide $500 million in funds for a crash program of research to be sponsored over a continuing number of years by the National Cancer Institute.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RELEASE FROM ALBERT AND MARY LASKER FOUNDATION

NEW YORK, April 30.—Four Albert Lasker medical journalism awards were given today for distinguished reporting of major developments in medical research and public health programs during 1958.

Reports on progress and problems in heart disease, mental illness, narcotics addiction, and planned parenthood were chosen as the year's outstanding examples of medical journalism among the Nation's newspapers, magazines, and radio-television stations. They were the 10th annual awards for medical reporting conferred by the Albert and Mary Lasker Foundation.

The awards were presented at a luncheon in the Sheraton-East Hotel to a newspaper reporter, a magazine writer, a daily network television program, and a television writer-director.

The recipients of the 1958 awards were:

Newspapers: Joseph Kahn, the New York Post, for a series of articles on the "Controversy Over Contraceptive Counselling in New York Municipal Hospitals," published from May to October 1958.

Magazines: Francis Bello, Fortune magazine, for his article, "The Murderous Riddle of Coronary Disease," published in September 1958.

Radio-television: "Today," for its day-to-day coverage over the National Broadcasting Co. television network of the significant events in public health and medical research during 1958, including its notable mental health program on the Central Islip State Hospital, New York, October 8, 1958.

Radio-television: Al Wasserman, special citation for his two programs on "The Addicted" in the Twentieth Century series, Columbia Broadcasting System television network, November 30 and December 7, 1958.

Each winner received $2,500, an illuminated scroll and a silver statuette of the Winged Victory of Samothrace, symbolizing in this instance victory over death and disease.

Senator RICHARD L. NEUBERGER, Democrat, of Oregon, a leading advocate of medical research legislation and a recovered cancer patient, was the principal speaker. Dr. Howard A. Rusk, associate editor, the New York Times, was luncheon chairman.

Joseph Kahn, winner in the newspaper field, was cited by the awards committee "for a notable example of journalistic enterprise in lifting the shadows of medical complacency and public confusion obscuring a subject of primary concern to New York City and the entire world; for patient, persistent investigation and exposure of the unwritten ban against therapeutic contraceptive practices in New York City hospitals and other agencies; for overcoming a barrier of indifference, evasion, and hostility in developing his story without distorting the human facts of this health controversy; and, finally, for a pioneering contribution to the advancement of contraceptive counseling throughout the United States through his fearless reporting in the best traditions of public health education by the American press."

Francis Bello, winner in the magazine field, was cited for a comprehensive and illuminating report on the present status of our knowledge concerning coronary heart disease and its underlying affliction, arteriosclerosis, the number one killer in America today; for a masterful examination of the relation to heart attacks and strokes of these suspect factors: heredity, obesity, overweight, high-blood pressure, lack of exercise, elevated blood cholesterol, and excessive smoking; and, finally, for an unusual example of creative journalism in assembling and integrating into a meaningful report the diverse and seemingly contradictory research aspects of the Nation's most crucial disease problem.

"Today," winner in the radio-television field, was selected "for presenting to a vast network audience regularly in vivid and meaningful forms the problems and progress of health and medical research in this country; for motivating public understanding and attitudes in vitally needed new directions by program emphasis on special areas such as mental health; for an excellent exposition of the 'Open Door' mental hospital philosophy as exemplified in the visit by Dave Garroway to Central Islip Hospital; and, finally, for illustrating the primary concern of the National Broadcasting Co. for expanding the scope and influence of medical reporting through ingenious employment of the direct and immediate techniques of television."

Al Wasserman was honored "for revealing in unprecedented television terms the social and medical significance of a 'hidden' public health problem, narcotics addiction; for his artistry and extraordinary creativity in depicting the interaction of the addict with his environment, including the community, the law, the family and the hospital; for offering a striking example in these two programs of the television medium's unique ability to inform and educate national audiences on the pressing problems of medicine and health through candid examination with camera and microphone; and, finally, as writer-director, epitomizing the development of individual craftsmanship made possible by the encouragement of the enlightened public affairs department of CBS News."

Mr. Wasserman is the first television journalist to be honored twice with the Lasker award. He previously received a 1956 award for his program on mental illness, "Out of Darkness," presented over the CBS Network.

The annual Albert Lasker Medical Journalism Awards were inaugurated in 1949 to encourage the writing and publication in general newspapers and national magazines of outstanding articles on public health and medical research. This category was broadened in 1956 to include radio-television broadcasting.

The foundation seeks to recognize journalism that contributes to a better public understanding of current medical research or highlights public health programs affecting those diseases which are the main cause of death or disability; especially heart disease, cancer, mental illneses, arthritis, blindness, and neurological diseases.

The advisory committee for the 1958 awards included Dr. C. P. Rhoads, director, Sloan-Kettering Institute for Cancer Research, New York; Dr. Marcus D. Kogel, dean, Albert Einstein College of Medicine and former commissioner of hospitals, New York City; Edward K. Thompson, managing editor, Life magazine; James Monahan, senior editor, the Reader's Digest, and previous Medical Journalism Award winner; and Mrs. Allmon Fordyce, vice president, Albert and Mary Lasker Foundation.

ADMINISTRATION APPROACH TO HEALTH RESEARCH INADEQUATE, NEUBERGER TELLS NEW YORK MEDICAL JOURNALISM AWARDS LUNCHEON

(Summary of address by Senator RICHARD L. NEUBERGER, of Oregon, Apr. 30, 1959)

NEW YORK.—Political budget juggling outweighed concern for American health needs in President Eisenhower's requests for medical research funds in fiscal year 1960, Senator RICHARD L. NEUBERGER, of Oregon, declared today at the annual Albert Lasker Medical Journalism Awards Luncheon held at the Sheraton-East Hotel.

"People cannot go to the drugstore and buy their own cancer research," NEUBERGER said. "They must rely upon taxes paid to support Government sponsored organizations such as the National Cancer Institute or contributions to private groups such as the American Cancer Society."

NEUBERGER, who recently underwent surgery and radiation therapy for cancer himself, said he was shocked by the fact that the administration's recommendations in the field of cancer research and study of other major diseases were so inadequate that "the chairman of the House Appropriations Subcommittee felt compelled to terminate Health, Education, and Welfare Secretary Arthur Flemming's testimony and request that he come back to the committee when he had more realistic proposals to present.

"The resignation of Secretary Dulles because of cancer came during the same week that the President dedicated the Capitol Hill bell tower to the memory of Senator Robert A. Taft, who was a cancer victim in 1953," NEUBERGER noted. "Surely these two events should challenge the administration into adopting a genuine crash program of cancer research."

NEUBERGER heralded the Albert and Mary Lasker Foundation for its sponsorship of programs designed to increase Federal support of medical research.

"Mrs. Lasker and her associates have taken the leadership in alerting us to the comparatively pitiful sums allocated by Government for the protection of health, as compared with the far larger sums frittered away on things of much lesser significance," he said. "Just as it took Upton Sinclair to awaken the Nation to the filth and disease in meatpacking plants, just as it took Gifford Pinchot to arouse America to the looting of its natural resources, it will take courageous citizens to make this country fully realize that we have been investing infinitely too little in seeking the answer to such grim riddles as cancer, heart disease, and mental illness.

"The administration's fiscal 1960 budget for medical research is a static one," NEUBERGER declared. "It allows for the support of very few new research projects in the major disease areas. It freezes the rate of growth of these programs at the current level."

NEUBERGER pointed out that House hearings on medical-research expenditure estimates indicated that the President's budget actually involved a cutback of $12 million, since the administration asked for an increase in research overhead cost without requesting the additional funds to defray it.

He said the inadequacy of the administration's $294 million health research budget was highlighted by recent statements by non-Government scientists who indicated that approximately $455 million could be effectively utilized by the National Institutes of Health during fiscal year 1960.

"Their figure is not just some illusory goal," NEUBERGER asserted. "It was based upon careful documentation as to what researchers could spend fruitfully right now in the various major disease categories.

"For example, Dr. Sidney Farber, Chairman of the National Cancer Chemotherapy Committee, requested $109 million in cancer research generally for fiscal 1960. In the field of chemotherapy, he asked for an additional $10 million merely to continue the present growth in the program of screening promising chemical compounds against various forms of cancer."

NEUBERGER said failure to increase appropriations for cancer research from the $75 million asked by the administration to the $109 million recommended by Dr. Farber and others would result in loss of vital programs, including $11.8 million for establishment of 10 to 12 cancer research centers in medical schools and hospitals, $8.5 million for contracts with industry in the screening and development of new compounds against cancer, and $5 million earmarked for research and contract programs on the relation of viruses to cancer.

"Establishment of these research centers is one of the most important proposals made in the cancer field this year," NEUBERGER declared. "The centers would be outposts of Bethesda. They would use the latest diagnostic and detection techniques, and they would speed the extension of new surgical and drug treatments to patients."

NEUBERGER noted that the Eisenhower administration's estimates of funds needed for all medical research have been revised upward by Congress each year. Appropriations for cancer research have increased from $20 million to $75 million during the last 5 years, he pointed out.

The Oregon Senator said administration failure to request sufficient funds is apparent in other aspects of the President's overall health budget. He noted that the Hill-Burton hospital construction program was cut from $186 million to $101 million and that the research laboratory construction program was reduced by $10 million, despite a backlog of requests in excess of $100 million.

"I come from a State which is sparsely settled in comparison with the urban States of the East," NEUBERGER said. "Many of the small communities in Oregon would be without essential medical and hospital facilities were it not for the Hill-Burton program."

"No person can know when his own life or that of a loved one may be totally dependent on medical research," he said. "Federal funds which I helped obtain in Congress have aided in development of cobalt-60 radiation therapy. This treatment has been vital to my recovery from cancer."

"Despite the forward strides which we have made in medical research, the causes and cures of many major diseases still elude us. The machinery of our Federal Government provides a means by which we may press to the optimum extent our fight against disease.

"An adequate federally supported program can effectively insure continuity and stability in research, permit expansion of basic as well as applied research, and free researchers from some of the financial limitations which cramp the ingenuity of the mind," NEUBERGER said. "Allocation of resources through the appropriation process permits a determination of overall need and the direction of resources to those areas where research opportunity and disease significance in terms of human suffering are greatest."

NEUBERGER URGES MORE CANCER AID—SCORES PRESIDENT FOR CUT IN RESEARCH FUNDS—FOUR GET LASKER WRITING AWARD

The Eisenhower administration is not spending enough money on cancer research, Senator RICHARD L. NEUBERGER charged yesterday.

He said this was true, even though cancer had forced the resignation of former Secretary of State Dulles in the same week that the President dedicated a memorial to another cancer victim, the late Senator Robert A. Taft.

Senator NEUBERGER, who recently recovered from cancer, urged that the administration adopt a crash program of cancer research. He asked that funds for medical research not be cut just to balance the budget.

Speaking at the Albert Lasker Medical Journalism Award luncheon at the Sheraton-East Hotel, the Senator, a Democrat from Oregon, said that "despite the forward strides which we have made in medical research, the causes and cures of many major diseases still elude us."

He noted that the administration's fiscal 1960 budget for medical research allows for the support of very few new research projects in the major disease areas.

Senator NEUBERGER said that Dr. Sidney Farber, chairman of the National Cancer Chemotherapy Committee, had asked for $109 million to support general cancer research. But he said the President's budget called for only $75 million.

VITAL LOSS CITED

If President Eisenhower's figure is approved, the Senator went on, it would result in the loss of vital programs. These include $11,800,000 for the establishment of 10 to 12 cancer research centers in medical schools and hospitals; $8,500,000 for contracts with industry to develop new compounds against cancer, and $5 million for research on the relation of viruses to cancer.

Four Lasker awards were presented for distinguished reporting of major developments in medical research and public health programs in 1958.

The recipients were Joseph Kahn of the New York Post for his series of articles on contraceptive counseling in New York municipal hospitals; Francis Bello of Fortune magazine for his article "The Murderous Riddle of Coronary Disease," published in September; Al Wasserman of the Columbia Broadcasting System for his 2 television programs on "The Addicted" in the Twentieth Century series, and to the television program "Today."

"Today" was honored for its day-to-day coverage over the National Broadcasting Company of the significant events in public health and medical research, particularly its mental health program on the Central Islip State Hospital in New York on October 8.

Each winner received $2,500, an illuminated scroll and a silver statuette of the Winged Victory of Samothrace, symbolizing victory over death and disease.

[From the New York Daily News, May 1, 1959]

MY SECRETARY, AFRICA, SPEAKS

(By Ed Sullivan)

DEAR BOSS: Senator RICHARD L. NEUBERGER'S bill to get $500 million as a Federal cancer research grant may get additional support now that the cases of John Foster Dulles and Arthur Godfrey have dramatized anew the ravages of public enemy No. 1. His request

should actually be doubled, if the job is to be done. * * * Years ago, Dr. Joseph Lazarus pointed out in this column that unless the Government stepped into the fight against cancer with a grant of $1 billion for a crash program that it was almost hopeless to expect a solution. Dr. Lazarus emphasized that unless cancer research could be made attractive to young doctors, in terms of complete security for their wives and children, cancer research would continue along in fits and starts and that hundreds of thousands of people would continue to be struck down by it. Senator NEUBERGER, himself a cancer victim, apparently has the same definite feeling. Perhaps his political prestige and the page 1 impact of the Dulles and Godfrey cases will persuade Washington that $1 billion would be a cheap investment.

Just imagine the effect on world opinion if Russia's Khrushchev stepped in while Washington continued to lag and announced that the Russians were endowing a cancer research program with $1 billion. It would be the greatest propaganda device that the Kremlin could conjure up. The United States had better beat the Soviets to the punch. * * * Before the Brussels World's Fair, you proposed that the United States be represented at Brussels in terms of our humanity to man; that we send Dr. Jonas Salk there as well as Herbert Hoover and Dr. Howard Rusk, who could show the world press what we have accomplished in terms of human rehabilitation. The suggestions fell on deaf ears but perhaps, if readers will clip this column and send it along to their representatives in the Senate and House, it will light a bonfire.

ADDRESS BY SENATOR GOLDWATER AT GEORGE WASHINGTON DINNER OF THE AMERICAN GOOD GOVERNMENT SOCIETY

Mr. BYRD of Virginia. Mr. President, I take great pleasure in asking unanimous consent to have printed in the body of the RECORD a notable speech made by Senator BARRY GOLDWATER on the occasion of the George Washington dinner, sponsored by the American Good Government Society, at the Sheraton-Park Hotel, Washington, D.C., April 30, 1959.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR BARRY GOLDWATER, SHERATON-PARK HOTEL, WASHINGTON, D.C., APRIL 30, 1959

Mr. Chairman, Senator McClellan, Senator Byrd, Congressman Halleck, Admiral Strauss, and fellow Americans, I can't begin to tell you the honor that I feel at having been asked to speak tonight about our first President, and to speak about the problems of Government as I see them today. I can imagine no better place to discuss these things than with 800 Americans who are dedicated to the American principles of our Republic, and I can think of no greater honor that could become mine than to be asked to make this address on the same night that two of my close friends are being honored by this organization.

Now, ladies and gentlemen, 170 years ago today George Washington was inaugurated as our first President. What better time is there then to take a look at ourselves than the anniversary of that occasion because we have come a long way since that first inauguration—we have come a long way in ways that are good—we have come a long way in ways that are bad, and it is to those things that I want to address myself tonight.

For a generation now, ever since the stock market collapse in 1929, we have been living on the razor edge of a crisis in human affairs.

The dangers have come from economic depression and economic boom. They have come from international wars, police actions, and cold wars. They have come from the drastic alteration of our world by science and technology.

It is beyond my ambition and capacity to interpret these conditions. I sincerely doubt if the sum total of them is within the grasp of human understanding, notwithstanding the valiant efforts of H. G. Wells, Toynbee, Durant, Lord Russell, and others who have ventured to interpret history and the course of civilization.

We are here tonight in the interest of good Government. This alone is a subject of formidable dimensions as everyone in this distinguished audience is aware. So all I can promise you tonight are some personal reflections on what disturbs me about trends in our national Government.

Profound changes are taking place in the form and practice of the American Government. Those who are bringing about these changes argue that the revolutionary developments of our times make the old rules obsolete. In their book, anyone who builds the temple of his thought on the foundations of our country is a reactionary.

I think these people are taking liberties with history when they conclude that the crises and revolutionary temper of our times justifies the demolition of our country's foundations.

I would like to ask them, have they forgotten that these foundations were laid in revolutionary times? You may remember that Thomas Paine wrote, "These are the times that try men's souls," when the American system of Government was in the labors of its birth. War rocked the Old and the New World. An industrial revolution was at its height. Social relations everywhere were in upheaval.

Thus, turmoil, crisis, and revolution were the conditions pressing upon the men in Philadelphia as they laid the foundations for our American Government.

And then in 1856, Lincoln said this: "We live in the midst of alarms; anxiety beclouds the future; we expect some new disaster with each newspaper we read." * * *

The Nation was soon to go through the greatest of all crises—civil war—while it was on the eve of revolutionary changes in agriculture, industry, and social relations.

How, then, does it happen that our Nation was formed in times of crisis, preserved in times of crisis, now must be radically altered because of what is called the crisis of our times?

While the outward conditions of life have radically changed throughout the years, the basic problems of our times are no different than they were in Washington's time or Lincoln's time. Nor are the eternal truths of human relations and the principles of natural law and good government altered merely because we exchange the horse for the tractor, handcrafts for the machine, gunpowder for the atom bomb, or find the means to probe the depths of the sea and soar into space.

I say this to you, my friends, at bottom, and with all the trappings of modern times stripped away, the real crisis of our times is in the thoughts and the actions of men. Men, not conditions, are responsible for our progress or our decay.

The Founding Fathers in their wisdom wove the true values of good government into the fabric of the American system.

Lincoln preserved them in the Nation"s darkest hour.

I will say to you, if this heritage is fated for destruction, it can come about only through the blind and sometimes callous disregard of men for the true values in what constitutes good government.

I say that no definition of good government can describe the good government which is the heritage of the American people.

But let me summarize the eternal truths which miraculously were given institutional form by our Founding Fathers.

First, this Nation was founded on belief in Almighty God, whose divine precepts order the affairs of men and of nature. In the inspired foundation of the American system, the "inalienable rights of man" were lifted above the caprice of temporal powers and vested in the doctrine of higher law. The dignity and freedom of man is thus inseparable with his creation, as it has been all through time. His duties to God and his duties to his fellowmen are grounded in immutable law and individual conscience.

Second, in the elements of good government and closely associated with liberty is the idea that government must be with the consent of the governed.

If men do not consent, they are not free; and tyranny prevails. Simple and obvious as this is, it took centuries of struggle and slaughter for the deliverance of man from the power of man.

That the people should dominate the government instead of the government dominating the people stem from antiquity. Solon was renowned for the idea; the Stoics championed it, but in our epoch it was still a radical idea when it became a foundation stone of the American system.

It was embodied in the Constitution in the phrase in the Preamble "We the people * * *" in the limitations on the powers of government which run through that document, and in the 9th and in the 10th amendments we recognize and reserve, the powers for the people.

Is this, too, not an eternal principle of good government, valid for all time?

Now let us turn to the third of the great elements of good government in the American heritage: the diffusion of power in government.

The Founding Fathers knew that at the heart of man's inhumanity to man was the simple problem of power.

From a wide knowledge of history and politics, they knew that the concentration of power—whether in the hands of one, a few, or the many—has poisoned the governments of all ages.

Oppression by a majority was at least as bad if not worse than oppression by a minority. In Lord Action's maxim, none is excepted from the rule that "power corrupts and absolute power corrupts absolutely."

This follows from the overwhelming evidence of history that the possession of unlimited power corrodes the conscience, hardens the heart, and confounds the understanding.

Essentially practical, as every reader of the "Federalist" knows, the Fathers took these eternal truths into consideration in framing our Constitution.

They adopted the Federal form of government to divide powers between the Nation and the States.

They described the powers as "delegated" rather than "inherent" to indicate limitations on powers as well as to retain the ultimate control by the people.

They divided the Federal authority into three branches and the legislative branch into two chambers, each with different tenure and different constituencies. And to make sure of constant change in the body with longest tenure, the Senate has a turnover of one-third every 2 years. The whole arrangement of powers was made subject to an intricate set of checks and balances.

And always, the ultimate sovereignty came to rest in the people, but even here power was checked. The people were not one

organized, coordinated body capable of acting as a unit; but people scattered over many States with diverse interests. They could act only through freely chosen representatives and not en masse in the public square.

And I might call to your attention what is to me one of the most damnable things that has happened in this country in the last 30 years, and that has been the forwarding of the idea that in America we have common people. But I suggest to you that we are 170 million of the most uncommon people that God ever put on the earth. The pigeonholing, the cataloging of our people into ethnic groups, into groups of color, into groups of this belief or that belief to be pulled out at the politicians' whim is another thing in the same category that those who have perpetrated it upon the American people should forever be ashamed of. There is no such thing as a hyphenated American, we are American, period.

But we protected these people in their inalienable rights by specific declarations, by what we know as a Bill of Rights, and by limitation on National and State powers.

No more ingenious means of diffusing power has ever been conceived by the mind of man. Its wisdom is grounded on the eternal truths distilled from thousands of years of mankind's history.

It required only that the people safeguard and use the remarkable tools given them if they valued their liberties and were determined to keep them.

It is an elementary proposition that institutions of Government are made by man, and man is responsible for what happens to them.

Benjamin Franklin noted this when he was asked what the men at Philadelphia had wrought, and you will remember what he said, "A Republic, if you can keep it."

A half a century later, Lincoln spoke in the same vein, when he said: "If destruction be our lot, we must ourselves be its author and finisher. As a nation of free men, we must live through all time or die by suicide."

And today, tonight, men all over the Nation are gravely concerned about what is happening to this American heritage of good government.

For at least the first century of our national existence, a free people under God and free government built the most powerful, most prosperous Nation on earth.

But since then a process of corrosion has set in which has greatly accelerated in the last 25 years.

It would take a book to cover the details of how the American system of government is being altered. Just let me touch a few of the highlights.

In the last 30 years, the Federal authority has been extended and enlarged far beyond the limits originally set in the Constitution. Today, it either preempts or strongly encroaches upon the powers of State and local bodies and covers almost every interest formerly of private concern.

The whole conception of a division of powers between Federal, State, and local governments is corroded. This concentration of power in the Federal Government cancels out the great principle of divided power on which all history shows liberty depends.

It weakens the idea of government by consent of the governed by substituting centralized government for government closest to the people.

Government itself is weakened when it attempts to overreach its natural jurisdiction. The result is written in a law of diminishing returns which shows up in extravagance, in inefficiency, in waste, and in corruption. We have that, too.

Already we have created a series of no man's lands in vital areas of public policy and administration. This is evident in labor-management relations, in safeguarding the Nation against Communist subversion, and in protecting the citizen from double jeopardy.

My friends, not only has centralized government grown, but it has concentrated powers in its structure. A whole network of Government commissions, bureaus, and agencies has been set up and endowed with a powerful combination of legislative, executive, and judicial powers in total disregard of the principle of separation of powers on which freedom depends.

And I suggest to you that with this weakening of constitutional principles and limitations, the way was opened for a struggle for power between the several branches of Government.

That, too, we have been witnessing over the past 30 years. The President has gained stronger powers in relation to the Congress than the Constitution ever contemplated giving him. The judiciary—chiefly the Supreme Court—has seized upon legislative powers never vested in them by the Constitution.

Perhaps the most damaging effects of this corrosion in principles of good government is the corruption of the democratic processes.

As major government powers are drawn to a central source, the vitality and the spirit and the character of the people are altered.

With government operating at a distance from them and exceedingly complicated, the people grow confused and discouraged from doing things for thmselves. Their self-reliance is weakened. The lazy become parasites on the workers. They lose interest in acquiring the knowledge they need to hold government accountable. They give up the hope of influencing government. You think they don't—already, less than half of our potential voters trouble to go to the polls.

Now when the public is in this weakened state, the self-interest groups move in, and even though pressure groups represent only minority interests, they can wield considerable power because they are tightly organized, and the public is not. It is the same situation in which a small inside minority controls a corporation when the stockholders are many and scattered.

Now, I will say this to you that we have come pretty far along in bad government, when a bill to end flagrant corruption in labor unions has to have a sweetener in it to make it palatable to the labor leaders.

And I say this to you, too, that we have come a long way down the wrong road when those who need controlling dictate not only the terms, but write the language of the terms under which they are going to operate.

Ladies and gentlemen, our public men are also affected by this corruption of democracy. They move from the high ground of principle to the sinkholes of expediency. They compete in outpromising each other, and elections become little more than a trade of favors for votes.

The dismal consequences of these trends are inevitable.

More and more, the people are compelled to look to government for solutions to their problems; and the perverters of democracy respond with more government. The road they travel is socialism, the infirmity that attends mature democracies.

Government spending goes beyond all bounds. Not only the Federal Government, but a growing list of States are in deep financial difficulty.

Every sizable voting group demands its cut in the form of subsidies.

Legislation is cut loose from principles. In its place we have expedient improvisation or surrender to the blackmail of pressure groups.

Taxes skyrocket and destroy initiative.

Public debt mounts to astronomical heights and cannot be paid off except by ruinous inflation or repudiation. The Federal debt, my friends, is a time bomb hanging over the security of our people.

Ultimately the public faith in government is destroyed, and in the chaos that follows, the people willingly accept a dictator. The price they pay is their liberty.

And I say to you the hollowest phrase we hear today is the one that declares, "It can't happen here."

But look around you today. Have you ever seen such outrageous taxation, such a staggering national debt, such a waste of public money, such a pyramid of Government subsidies, dangerous inflation, so many lavish political promises, such a gigantic Federal bureaucracy, so much Government favoritism to special groups, such moral laxity, and so little responsibility in public life?

And in this appraisal, my friends, let us look at ourselves, the American people. As politicians bent on their own perpetuation promised more and more and gave more and more of what was taken from the people, the people have grown to expect and demand more from government.

Let me ask you a question. How much Federal aid did our forefathers receive; what they did they did with their own abilities; what they provided in the way of schools and roads and hospitals they did with their own savings or taxes at the local level. What they had was character; all they did was work; all they wanted was self respect; but look at us today. Security is above self respect, we ask more money for less work, we are weaklings who want government to take care of us when we should be taking care of ourselves, we pamper criminals and subversives when we should punish them and we condemn those among us who have the traits of their forefathers as reactionaries. I suggest to you that we have so accepted the arguments of compromise that we are willing to send men to run our governments who will compromise away basic principles, men who are even willing to appease in the name of compromise. Now all of us in the business know that compromise is a tool of the lawmaker but to fritter away principle for expediency, to destroy values for fear of disagreement is using that tool dangerously.

Here we are just a little over year from a presidential election and where are the words of strength from the candidates? Who in seeking the highest office in our land is speaking of self reliance, harder work—yes, even self respect. No we are hearing the hackneyed shiboleths of giveaway—more for nothing—unbalanced budgets—give in to the union bosses for they have political power—the States can't do it any more, centralize government. Now I tell you tonight that these aren't new ideas; they have wrecked every government in the history of man who tried them and will wreck ours if allowed to continue.

These trends I have described have happened again and again in history—not to poor, undeveloped nations—but to nations at the height of their development in industry, culture, prosperity, and military might. Years of self respect and hard work made this country, but these trends we see today and that we know exist can destroy us.

I would not want to end on this bleak note. I do not despair the American Republic; I have strong faith in it.

When it is informed and alerted, it can act swiftly and with powerful force. As Lincoln said: "Our Government rests in public opinion. Whoever can change public opinion, can change the Government."

But to be effective, the public must be informed. It must be alerted. It must have a newspaper press to educate, not to arouse

passions and conflict. It must have courageous men to concentrate its force and to speak for it.

This brings me to the heart of my theme, "Today's crisis is in the thoughts and actions of men."

We need more men of principle, men of conviction, men of courage. It takes principle and conviction and courage to throw off the blanket of conformity which suffocates public life today.

We need more men like Bob Taft, whose dedication to the public interest surpassed even his own life ambition.

We need men like Senator JOHN J. WILLIAMS who fought doggedly for years, and often single-handed, to expose corruption in the Internal Revenue Service.

We need men like Joe McCarthy who, despite his shortcomings, did so much to alert our people to Communist subversion of American Government.

We need men like Senator STYLES BRIDGES who realizes the significance of a balanced budget to a free country and hammers away for Government economy in the Appropriation Committee on the floor of the Senate. Yes, we need more men like HARRY BYRD. We need more men like Admiral Rickover and Herbert Hoover.

And we need men like John Foster Dulles who, more than any man in Government today, understands the true nature of the Communist threat and has the courage to stand up to the Communists and expose them.

And I say this—let us have more men like those we honor today—Admiral Strauss and Senator JOHN MCCLELLAN.

Others have and others will extol their virtues, but I would like to say this: These men are today being bitterly assailed because they have the courage to act in the public interest—because they dare to speak for causes, not unpopular with the people, but unpopular with the special interest groups which seek to dominate the Government.

One of these great men is being attacked by small men over small issues—the other is being attacked by powerful men over powerful issues and you can make your choice.

In these circumstances your citation is more than an honor to my good friends. It inspires them and others to persist and fight harder in righteous causes. It shows them they have distinguished support, and that they do not stand alone. It alerts the attention of the public. It helps to clarify the public mind on the real issues at stake. It encourages wider public support, and thus helps to neutralize the strident, biased voices of the special interests.

In this way we can increase and strengthen that rare element in public life—the number of men of principle and courage.

This is the way to restore good government, to preserve good government, and to insure the survival and progress of free government.

Ladies and gentlemen, the challenge is yours. Make no bones of it—the enemy is here, the enemy is active, the enemy is so powerful in this country that I say to you in all honesty and sincerity that I fear far more the failure of the American people in this hour of crisis than I do any attack from our enemies from without.

I think Abraham Lincoln in his Gettysburg Address was trying to warn us that government is a perpetual problem, a perpetual challenge to the people. I think he was trying to say to people of all generations, if this Government of ours ever fails it will fail because of the weakness of the people and again I say I am more frightened by this weakness created by an active enemy who knows they can destroy us by destroying the morals of our people, by destroying the incentives of our people, the initiative of the American people—by destroying our monetary system. They can do this far faster than Communists can ever move unto our shores with a bomb, or a submarine, or an airplane.

Once in our history the question was asked of American men, "Where do you stand, sir?" And I think tonight across this land that question should be asked again, "Where do you stand, sir?" And I think Americans across this land would resound with an overwhelming, "I stand with the men who founded our country. I stand with George Washington, with Thomas Jefferson, with the men of both parties who down through the years have added strength to the concept that man is free because he is a child of God, and that man walks this earth with dignity because he is that child of God." Thank you.

ADDRESS BY SENATOR BYRD OF VIRGINIA, IN PRESENTING AWARD OF THE AMERICAN GOOD GOVERNMENT SOCIETY TO HON. LEWIS L. STRAUSS

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the remarks made by me when I had the pleasure of presenting to Secretary of Commerce Lewis L. Strauss the award of the American Good Government Society on the occasion of the George Washington dinner of that society at the Sheraton-Park Hotel on April 30, 1959.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am honored by the privilege tonight to present to Lewis L. Strauss the George Washington award tendered to him by the American Good Government Society.

I know of few men in our history who have given a more dedicated and useful public service. He deserves in the highest measure the tribute we pay to him tonight.

Among his many public assignments Lewis Strauss was secretary to Herbert Hoover in 1917–19 as U.S. Food Administrator. He then served as Chairman of the Commission for Relief to Belgium. Mr. Hoover, himself, recently described Lewis Strauss to me as one of the ablest, most reliable and thoroughly honest public officials with whom he has ever come in contact.

He entered the Naval Reserve in 1926. He was on continuous active duty during World War II, and was the first rear admiral in the Naval Reserve to be appointed by President Roosevelt.

President Truman appointed him to the first Atomic Energy Commission in 1946, and there he served with great distinction until 1950.

Then President Eisenhower appointed him Chairman of the Atomic Energy Commission, and he served from 1953 to 1958. His service on the Atomic Energy Commission was of enormous importance, as it was during that period that policies relating to the use of atomic energy were formulated.

President Eisenhower appointed him Secretary of Commerce on October 24, 1958.

For the sake of brevity, I have omitted many other public assignments in which he has served since he began his public career back in 1917. So the man we honor tonight has served under and had the confidence of four Presidents—two Democratic and two Republican—in positions of immense importance. I dare say no man living has such a record.

Knowing Lewis Strauss as I have for many years, I can best describe him as a man of intense patriotism, able and conscientious, and whose aim in life is to serve his country well, and this he has done.

CONSERVATION LEADERSHIP OF IZAAK WALTON LEAGUE

Mr. NEUBERGER. Mr. President, an excellent review and analysis of problems related to recreational use of lands and waters of the United States is contained in an article by Mr. J. W. Penfold, Washington, D.C., conservation director of the Izaak Walton League of America, which appeared in the New York Times on May 3, 1959. Mr. Penfold, who is a colleague of mine on the National Outdoor Recreation Resources Review Commission, has outstanding qualifications for discussion on this subject. I think many Senators will benefit from the information he provides about the principal factors involved in better use of private resources for sports and outdoor activities. I ask consent to include the article in the body of the RECORD with my remarks.

Mr. Penfold's article is based on a symposium held during the national convention of the Izaak Walton League in Philadelphia last month. Besides the discussion of conservation issues, the convention took action on important resolutions, including three relating to the protection of anadromous fish runs of the Columbia River Basin.

At its annual meetings, the Izaak Walton League has pioneered many legislative trails by action it has taken on resolutions. Because of its outstanding record of accomplishment and leadership, I believe there is great significance to the action taken by the Izaak Walton League for protection of the Columbia River fish runs.

Mr. President, I ask consent to have included with my remarks the text of the resolutions adopted at the 37th annual convention of the Izaak Walton League regarding limitation of Federal Power Commission authority, Nez Perce Dam, and establishment of a Salmon River sanctuary.

The league also has played a leading part in establishing sound practices for use and development of our natural resources, and I ask consent to include the resolutions adopted on public land administration and access to public lands.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 3, 1959]

TOMORROW'S CONSERVATION—A GROWING POPULATION AND RESTRICTED LANDS CREATE DILEMMA

(By J. W. Penfold)

A problem of ultimate importance to the future of public outdoor recreation was the subject of pinpoint discussion at the recent 37th annual convention in Philadelphia of the Izaak Walton League of America. A day-long symposium dealt with the recreational use of private lands and waters.

The participants represented a cross section of U.S. geography and major points of view. The conclusion, unanimously reached, was that good outdoor manners, a sportsman's code of ethics involving consistent, vigorous self-discipline, is essential to perpetuate the traditional American opportunity to hunt, fish, camp, boat, and otherwise find recreation, in the broadest sense of the term, in the outdoors.

While national and State forests and parks, wildlife refuges and others public lands, provide recreation opportunity for increasing millions of Americans, about three-fourths of the United States is in private ownership. Traditionally, these private lands and waters have contributed a major portion of the total available recreation.

For example, between 80 and 85 percent of all the hunting in the Nation occurs on privately owned lands and waters. Even in the Northwest Douglas-fir region, four big game animals are bagged on private tree farms for every one taken in a national forest.

Ownership of wildlife is vested in the States in their sovereign capacity for the use and enjoyment of all the people. This is a cherished principle which goes back to England's Magna Carta of 1215 and the Charter of the Forest 2 years later. An equally cherished principle is that the landowners shall have the right to determine who may come upon his land to hunt it. As our population has increased, such trespass laws have become increasingly restrictive.

AMERICANS ARE URBAN

In America we have become predominantly an urban people. Whereas a half century ago about 50 percent of us were rural dwellers, today only 12 percent can be so classified, and the percentage decreases year by year. The "wilderness dwellers" of olden times have become city dwellers, dependent upon private lands for most of their outdoor recreation. Moreover, they have little opportunity to associate with their rural neighbors and so develop a code of ethics necessary to get along with them.

Deterioration in landowner-sportsman relations has been accompanied by a great increase in private lands posted against trespass. In Colorado during the past decade, the proportion of trout streams available to the public, as opposed to those privately controlled, has decreased from 90 percent to only 50 percent. During the same period, fishing pressure quadrupled.

As sportsmen pressure concentrates on the remaining open areas, the burden on the landowner of inconvenience, loss of privacy, outright sportsman-caused damage to his property becomes insupportable. He gives up and posts his land against trespass. The problem is again compounded.

Now another complicating force moves in. An individual or a group with adequate finances purchases outright or leases the right to hunt or fish on some choice land or water. They, too, post against trespass by others, and the public's rights in the domains of fish and wildlife are effectively thwarted.

Still another factor must be recognized and faced. Vast areas of public lands and waters are not available for public use because access to them is denied by intervening private lands. Along our Atlantic, gulf, and Pacific coastlines there remain scant areas for public access and use. With private development constantly adding to the capital investment, such lands are soon priced out of the market insofar as public purchase is concerned. If adequate steps are not taken during the next decade to acquire public ownership of key areas along our coasts, it will be too late. The vast recreational potentials of our coastal waters will have been lost.

Inland the same problem exists. A comprehensive survey in Colorado has revealed the shocking fact that over a million and a half acres of public lands are denied the public by strips of private ranchlands which control access. Preliminary studies in other of the public land States demonstrate comparable problems generally.

The total problem now is difficult enough. But projecting it into the future points up the fact that it may become desperate. Recreation pressure is developing at a fantastic rate. Laurance Rockefeller, chairman of the newly established national Outdoor Recreation Resources Review Commission, pointed this out in his keynote address at the Izaak Walton League convention. He attributed the increase to four major factors: increase in population (3 million and more per year), more leisure, higher real wages and greater mobility because of improvement in transportation facilities.

Thus there are more and more people with the interest, leisure, and finances to enjoy outdoor America, coupled with a growing scarcity of areas open and available for their use. The full scope of the problem will get detailed scrutiny from Mr. Rockefeller's commission, with the assistance and cooperation of all the Federal departments, State agencies, universities, and private organizations. The commission will present its report to the President, the Congress, and the States late in 1961, together with its recommendations for programs needed to assure adequate outdoor recreational opportunities to meet the needs of future generations.

Meanwhile there are positive programs under way which offer a great deal of hope. Foremost of thees in the citizen's mind is public acquisition of lands for recreational use: national and State parks, wildlife refuges and management areas, access points to water-supply reservoirs and to coastal waters come to mind. Currently before Congress are measures to establish a Cape Cod National Park, the Oregon Dunes National Park, the Indiana Dunes, National Monument on Lake Michigan and others.

NEED IS TOO BIG

Important as such areas are, they can never reach the number required or the geographical distribution to satisfy the need. Moreover, there is powerful resistance to taking sizable areas off the tax rolls, a fact that cannot be avoided. The public must look elsewhere as well.

State game and fish agencies in most sections of the country have made substantial gains in acquiring right-of-way across private lands to shores of lakes and along streams for fishermen. Some of these have been obtained without compensation to the landowner other than the assurance of reasonable supervision of the sportsmen by the State agency. More often, there has been some financial arrangement satisfactory to the landowner.

This latter approach to the problem recognizes another principle, which will become increasingly important in the years ahead as population grows, industry expands and cities sprawl outward, engulfing farms, ranches and space just to accommodate people. The principle has been called "multiple-use," the practical theory and practice that land and water can serve more than one beneficial use at the same time.

This principle, applied deliberately to major portions of our geography today, whereas in the past it was a matter of course, offers the single greatest hope. Seventy-five percent of the U.S. lands and waters in private ownership produce agricultural crops, forage for livestock, trees for lumber and pulp and other products of prime commercial value. In addition, with minimum outlay, they can and do produce wildlife crops and recreational opportunities of importance to the public. Why not recognize this truth and act on it in positive fashion?

The major obstacle to this appears to be the sportsman himself. He is apt to beat his chest and complain that free hunting and fishing are among the great freedoms of America. Granted, but like all the other freedoms, their maintenance exacts a price in self-discipline as well as other inescapable, material costs. The sportsman happily, or grudgingly, pays a minimum license fee to hunt or fish and thereby supports programs of fish hatcheries, bird farms and law enforcement activities. Is it a great step to approve programs which will assure areas where he may exercise his skill with rod or gun?

We think it is no great step because the sportsman has already proved that he will, for a type of special privilege, purchase or lease prime fishing or hunting areas for his exclusive use, or utilize commercial fishing or shooting preserves for his sporting experience.

Through public programs, with minimum unit costs, major portions of the Nation's total of private lands and waters can be opened for public use. Through such programs, also, a high degree of scientific management can be achieved, thereby assuring an optimum production of wildlife in relation to the requirements of the prime commercial production of the lands. The landowner, the sportsman and the State wildlife agency in partnership can assure this portion of a worthwhile outdoor future.

OUTDOOR MANNERS

But none of these several types of positive programs will get the needed job done, if good outdoor manners, that is, good sportsmanship, is not the prime ingredient. The careless, surly gunner is not welcome back at the commercial shooting preserve. He is not good business for the proprietor. A couple of his type and the most generous of private landowners will cancel his arrangement with the authorities and post his land. The thoughtless, perhaps well-meaning but ignorant, sportsman is not much of a cut ahead. A broken-down fence, trampled crops or a woodlot fire are just as damaging, whether deliberate or not.

Nor is the sportsman the sole offender. Just check on the rubbish left by the Sunday picnickers in any city park, or add up the number of picnic tables and benches broken up for firewood during a summer season.

The participants of the symposium at the Walton convention represented sportsmen, the public, public agencies and landowner interests and they seemed to agree on one major truth. If the small percentage of the outdoor recreation-seeking public which is the actual offender will not correct its unspeakable outdoor manners it does not matter much in the long run what else we try to do to perpetuate the best of outdoor America. We shall lose it and its opportunities for wholesome, valuable recreation.

RESOLUTION 8, ANADROMOUS FISH RESEARCH IN COLUMBIA BASIN

Whereas existing and proposed dams in the Columbia River Basin and other western streams for power, flood control, irrigation and navigation jeopardize the preservation and perpetuation of anadromous fish runs of vast commercial and recreation importance; and

Whereas present lack of knowledge concerning adequate and successful means for passing the young and adult of such migrating species over such obstacles emphasizes

the critical need for accelerated research into this pressing problem: Now, therefore, be it

Resolved by The Izaak Walton League of America, in 37th annual convention assembled in Philadelphia, Pa., this 25th day of April 1959, That Congress be urged to appropriate adequate funds in accordance with the request of the Columbia Basin Interagency Committee to expedite research leading to early solution of fish passage problems.

RESOLUTION 15, FEDERAL POWER COMMISSION AUTHORITY

Whereas the Coordination Act provides procedures whereby Congress which is responsible directly to the people for its actions, may be assured of having before it, during consideration of any Federal water development project, full information regarding the effects which such project would have on fish, wildlife, and related recreation resources; and

Whereas such procedures enable Congress to make its decision with respect to such a project in terms of all the public values involved; and

Whereas the Federal Power Commission, a regulatory agency established by Congress and not responsible directly to the people for its actions, has authority to issue licenses for the construction of non-Federal water development projects and may issue such licenses without regard to their effect on fish, wildlife and related recreation resources; and

Whereas the Federal Power Commission has in fact demonstrated a disregard for the anadromous fish runs of the Columbia River system, for example, when it urged construction of the Nez Perce Dam, stating that the fisheries presented no problem in spite of overwhelming evidence to the contrary presented by all Federal and State fisheries authorities concerned; and

Whereas there are proposed a number of non-Federal projects which may come before the Federal Power Commission for licensing and which, if constructed, might obliterate a major portion of the remaining anadromous fish runs of the Columbia River system; and

Whereas fish, wildlife and related resources on other waters in other sections of the country may be similarly affected under existing practices: Now, therefore, be it

Resolved by The Izaak Walton League of America, in 37th annual convention assembled in Philadelphia, Pa., this 25th day of April 1959, That it respectfully urges the Congress to provide for full consideration and effective protection of fish and wildlife resources in exercise of Federal Power Commission functions, through enactment of legislation embracing the principles of S. 1420, or in otherwise restricting the authority of the Federal Power Commission so as to retain to Congress alone the power to destroy irreplaceable fish and wildlife resources, if such action is deemed necessary in the broad general interest.

RESOLUTION 19, NEZ PERCE DAM

Whereas the greatest threat to the runs of salmon entering the Snake River, a tributary to the Columbia, is a dam known as Nez Perce below the confluence of the Snake River with the Imnaha River in Oregon and the Salmon River in Idaho; and

Whereas Nez Perce Dam, because of its height of approximately 700 feet, the fluctuating pool level of over 100 feet and its proximity to the major salmon and steelhead producing streams, the Salmon and Imnaha Rivers present such problems that it is opposed by every fishery agency both State and Federal in the Pacific Northwest; and

Whereas the location of the dam being so near to the point of inflow of the three major water sources namely, the Snake River, Salmon River, and Imnaha River, presents serious problems never before encountered in fish passage; and

Whereas no biologist or fishery engineer that has spoken on this subject can point to any device or plan that offers a solution to the fish passage problem at Nez Perce Dam; and

Whereas the Board of Review of the U.S. Corps of Engineers is now studying the 308 Review Report of the Master Water Control Plan for the Columbia River Basin; and

Whereas this Board of Review has been urged by certain groups to alter the program of the division engineer and include Nez Perce Dam in said master control plan on a delayed schedule: Now, therefore, be it

Resolved by the Izaak Walton League of America in convention assembled at Philadelphia, Pa., this 25th day of April 1959, That we again reassert our unalterable opposition to Nez Perce Dam on any schedule; and be it further

Resolved, That the president of the Izaak Walton League of America forthwith appoint a committee to present this and other resolutions bearing on the Snake River area to the Chief of the Corps of Engineers of the U.S. Army at the earliest possible hour.

RESOLUTION 18, SALMON RIVER SANCTUARY

Whereas the Salmon River in Idaho is the most important tributary of the Columbia River Basin now available to migratory fishes, particularly spring Chinook salmon and summer run steelhead trout; and

Whereas it is vital to the maintenance of these runs of fish which are so important both recreationally and commercially that no dam be constructed that will obstruct their passage either up or downstream; and

Whereas there is an ever-present threat of such construction unless Congress declares the Salmon River a fish sanctuary: Now, therefore, be it

Resolved by the Izaak Walton League of America in convention assembled in Philadelphia, Pa., this 25th day of April 1959, That Congress be urged to declare the Salmon River of Idaho a fish sanctuary, forbidding the construction of any dam thereon or on the Snake River below the confluence of the Salmon that will prevent successful passage up and downstream of spring Chinook salmon and steelhead trout.

RESOLUTION 20, PUBLIC LAND ADMINISTRATION

Whereas the U.S. Department of Interior has been delegated responsibility for the management of approximately 178 million acres of public land in the United States not including Alaska and Hawaii; and

Whereas the importance of these public lands to the people of the United States becomes progressively greater as the increasing population demands more water, recreation, timber, livestock, and other resources of the public lands; and

Whereas the existing laws, regulations, and appropriations pertaining to the management of the public lands have been influenced by special interest pressures and do not provide a sound multiple-use program or adequate protection of the basic soil and water resources; and

Whereas abusive land management practices, primarily overgrazing, have often resulted in depletion of vegetative resources, destroyed watershed and recreational values, and greatly reduced the capacity of the public lands to produce timber, livestock, wildlife, and other wealth; and

Whereas some commercial users of public lands have effectively restricted public access to said lands for recreation and other lawful purposes through closure of roads and trails upon their adjacent private lands: Now, therefore, be it

Resolved by the Izaak Walton League of America, That the Secretary of Interior exercise all existing authority to initiate a sound multiple-use land management program, resolve the many grazing and access problems upon the public lands, and recommend to the Congress the legislation and appropriations required to fulfill that objective.

RESOLUTION 11, ACCESS TO PUBLIC LANDS

Whereas recent field studies in Colorado and Oregon have shown that the public in many instances is denied access to substantial acreages of Federal public lands for hunting, fishing, and other lawful recreation purposes where such Federal public lands are surrounded by private land holdings or where private land holdings separate such Federal public lands from existing and recognized public thoroughfares; and

Whereas this condition prevents public use and enjoyment of these public land resources, for which there is an ever-growing need, and may seriously limit necessary harvest and impede proper management of fish and wildlife resources; and

Whereas there is evidence that the same condition, in varying degrees, exists in other States embracing extensive Federal land holdings: Now, therefore, be it

Resolved by the Izaak Walton League of America in 37th annual convention assembled in Philadelphia, Pa., on April 25, 1959, That it request the chairmen of the Senate and House Committees on Interior and Insular Affairs, respectively, to investigate the problems to determine its magnitude, to appraise the effectiveness of programs which may be underway to solve the problem, and to determine what further action should be taken at the Federal level to protect the public interest in these lands; and be it further

Resolved, That the Izaak Walton League of America request the Governors of the States involved to institute comparable studies through appropriate State agencies.

THE FARM PROBLEM

Mr. DIRKSEN. Mr. President, the May issue of Farm Journal has just reached the newsstands and its more than 3 million subscribers throughout the Nation. This issue contains a survey of the agricultural economists of our 49 land-grant colleges which deserves careful consideration and evaluation by every Member of Congress.

John Strohm, a highly respected agricultural writer from Woodstock, Ill., conducted the survey and he reports that four out of five economists say that—first, any laws further hamstringing the free market will hurt the farmer, the consumer, and the Nation; second, legislation has not and cannot solve the farm problem, although the right kind might help. But few economists believe we have had the right kind in the past, and most are pessimistic about getting it in the future; third; schemes in foreign countries to guarantee all farmers a fair income have been costly failures; and fourth, the law of supply and demand is not out of date—there is no substitute for the free market.

He quotes the comment of a university of Georgia economist who said:

I doubt that legislation of the type we've had will help. On the contrary, I think it adds to the problem.

It vividly points up the need for an incisive analysis of existing farm programs which history has proven to be ineffective. The time is here and now for Congress to take definitive action and make the necessary revision of obsolete farm laws.

I know many of my colleagues have commented on the Farm Journal poll of farmers, which appeared in the April issue of the magazine. Questionnaires returned by 10,000 farmers in all the States again indicate that 8 out of 10 farmers favor the objectives of the administration in providing more freedom for farmers and less Government restriction. I hope that each Senator will take time to examine the report, especially the returns from his home State.

Without exception, the majority of farmers in every State replying to this poll, favor the general objectives and policies of the administration, a position which I know is shared by many Members of Congress on both sides of the aisle. If this be the case, we might well ask the question: Why is Congress delaying any longer?

Mr. President, I submit that these two surveys of farmers and nonpartisan agricultural economists of our land-grant colleges reemphasized the need for development of new farm legislation which will benefit farmers and ranchers throughout the Nation.

This frank response by some of the leading agricultural minds in the world—farmers and educators—deserves the attention of every Member of Congress, and I therefore ask unanimous consent that the Farm Journal surveys in their entirety be printed in the RECORD following my remarks.

There being no objection, the surveys were ordered to be printed in the RECORD, as follows:

[From the Farm Journal, May 1959]

CAN NEW LAWS SOLVE THE FARM PROBLEM?

(By John Strohm)

Those questions you see at the extreme right were part of a list that I recently sent to agricultural economists at every one of our 49 land grant colleges.

I wanted to know what these economic doctors had to say about our farm problem, and what they thought of congressional efforts to solve it.

I believe that the answers I got back (from 37 of the 49) will shock a lot of Congressmen. Because four out of five economists say that—

Any laws further hamstringing the free market will hurt the farmer, the consumer, and the Nation.

Legislation has not and cannot solve the farm problem, although the right kind might help. But few economists believe we've had the right kind in the past, and most are pessimistic about getting it in the future.

Schemes in foreign countries to guarantee all farmers a fair income have been costly failures.

The law of supply and demand is not out of date—there is no substitute for the free market.

"I doubt that legislation of the type we've had will help," warns a University of Georgia economist. "On the contrary, I think it adds to the problem."

How would the economists do it then? Three specific proposals bobbed up in most of their replies:

1. Bring capacity to produce into balance with markets by shifts in land use and migration out of agriculture.

2. Get Government out of agriculture.

3. Put agriculture on the same basis as business and industry from the standpoint of price protection.

A University of Nebraska economist puts it this way: "We need more energetic policies to adjust land use and remove people from low-income, labor surplus areas."

Which farm programs have worked best? Sugar and wool by a wide margin, say the economists. But most pointed out the reason: the U.S. imports both commodities and therefore is trying to stimulate domestic production.

Which have been the worst failures? Wheat and cotton won this dubious distinction. Unwise legislation has piled up unmanageable surpluses, lost markets and delayed badly needed adjustments, they said.

By an overwhelming margin, they agree that our free market system, with its weaknesses, is still vastly superior to any developed anywhere in the world. Only two think that the cooperative marketing systems of the Scandinavian countries might be better.

"Producers now selling in relatively free markets have probably fared at least as well as those selling in government-supported markets," says a University of California economist. "Adjustments under free market conditions tend to be more severe but usually occur more quickly."

All economists warn that government guaranteed prices inevitably bring regulations over production, although few feel that farmers recognize this fact.

Has Congress learned anything from the failures of the past? The economists aren't sure. A majority feel that farmers will have less freedom to plan, plant, and sell in the next 5 to 10 years. They predict we'll have farm programs and controls with us for a long time.

WHAT FARM ECONOMISTS SAY

1. Can legislation solve the farm problem? Yes, 2 percent; no, 46 percent; right kind can help, 50 percent; maybe, 2 percent.

2. Have Government attempts to raise prices hurt or helped farmers? Hurt, 38 percent; helped, 38 percent; hurt and helped, 24 percent.

3. Some people argue that the law of supply and demand is out of date. Agree, 3 percent; disagree, 94 percent; both 3 percent.

4. In foreign countries that have fixed farm prices and controlled production, are farmers better off financially as a result? Yes, 6 percent; no, 94 percent. Do consumers there pay more or less for food, if you include taxes they pay for subsidies? More, 86 percent; less, 9½ percent; same, 4½ percent.

5. In your opinion, will U.S. farmers have more or less freedom to plant and sell in the next 5 to 10 years than they've had? More, 19 percent; less, 47 percent; same, 34 percent.

[From the Farm Journal, April 1959]

THE FARM PLAN YOU VOTED FOR

(By Claude W. Gifford)

Eight out of ten Farm Journal readers want lower price supports and fewer controls in the future—instead of higher price supports and strict controls.

And more than half (55 percent) want the Government to get clear out.

That's the way farmers voted who mailed in ballots printed on page 41 in the February issue. The article accompanying the ballot sized up the situation this way:

Farm productive capacity is racing ahead faster than the growth in population and demand. This tightens the squeeze on farm prices. At the same time, support programs are piling up Government surpluses at an alarming rate. So, the article asked, which of five general directions (see choices left and below) do you think future Government price support policy should take?

Results from the first 10,000 ballots mailed by farmers show that 78 percent favor the first 3 choices—each of which calls for less support and more freedom than past or present support programs. By all odds the most popular choice is to chuck all supports and get the Government clear out—let farmers' own decisions and management ability determine who'd produce what.

This poll reveals that the South's Farm Journal readers are no longer the high price support and strict control advocates they were once assumed to be. Midwestern States gave high price supports a larger vote than the other three regions—but still only one Midwestern farmer out of five favors 90 to 100 percent of parity. It may surprise you that Iowans, who are often held up as typical of all farmers, are less inclined to "kick the Government out" than farmers in any other State.

Among the different commodities, farmers specializing in either poultry, beef, or fruit and vegetables are the most inclined to chuck supports. Wheatgrowers and feed grain producers are least disposed to do this—although nearly half of them think it's the thing to do.

How dependable are these figures? Statisticians say, they're sound. The ballot tabulations were checked in these ways:

Tentative percentages were figured after the first 2,000 ballots were counted. These percentages proved highly accurate when 10,000 had been tabulated.

Farm Journal statisticians say that counting several thousand more ballots wouldn't change the regional and national percentage figures except possibly by one or two points here and there. Percentage figures from the small States with fewer farms have the best possibility of being nonrepresentative.

The results are a pretty good barometer of farm thinking across the Nation for these reasons:

Farm Journal's circulation—a whopping 3.1 million—covers all parts of the country.

The number of ballots mailed is amazingly close to the proportion of circulation in each State—there was no "run on the ballot box" from one State or region to upset the final percentages.

When the vote of readers is adjusted for the actual number of farms in each region (1954 census figures), the final percentages are almost identical to the ones from our sample. The difference: 2 percent more in favor of the "no support" choice, and 1 percent fewer in favor of "high supports."

As a further check, a 14-State survey was made among fathers of vocational agriculture students—some Farm Journal readers, and some not. Eight out of ten (82 percent) favored the first three choices (compared with 78 percent by mail).

This poll also checks closely with a survey made in the December 1957 Farm Journal when 50 percent of the readers responding voted that the Government should get clear out of farming.

Age makes little difference in the attitude of the readers voting. The slight difference is that young farmers in the 20- to 30-year-old bracket and farmers 60 and over are slightly more in favor of lower supports and fewer controls.

Two ballots were returned from Alaska, one by a haygrower and one by a potato grower—

both voted for no supports. One Illinois corngrower mailed his ballot from Canada. The oldest voter was an Idaho wheatgrower at an even 100 years. Five said their most important farm product is "children."

HOW THE UNITED STATES VOTED ON THE FIVE CHOICES

No supports, no controls, no floors; free market prices; get the government clear out, 55 percent.

Emergency supports to prevent disaster from a huge crop or sudden loss of markets; floors set at, say, 50 percent of parity, or 75 percent of the average 3-year market price. No controls, 15 percent.

Adjustment supports such as 90 percent of the average 3-year market price. Permits gradual adjustment to normal markets. Moderate production control when necessry to ease adjustments, 8 percent.

High price supports—90 to 100 percent of parity. Cross-compliance and tight production controls to restrict output to available markets—bushel-and-pound allotments to limit what you could sell, 14 percent.

Production payments—let markets fall, then pay farmers in cash to make up the difference between the market price and the support level. Extend supports to perishables, such as beef, pork, eggs and fruit. Strict bushel-and-pound controls to hold down costs of the program, 8 percent.

[In percent]

	No supports	Emergency	Adjustment	High supports	Production payments
Connecticut	50	25	5	0	20
Delaware	91	5	0	4	0
Maine	71	9	5	4	11
Maryland	70	19	8	2	1
Massachusetts	77	18	5	0	0
New Hampshire	62	33	5	0	0
New Jersey	84	7	1	3	5
New York	78	12	5	2	3
Pennsylvania	80	13	3	2	2
Rhode Island	57	43	0	0	0
Vermont	72	28	0	0	0
West Virginia	75	17	6	0	2
Eastern States	77	14	4	2	3
Illinois	44	20	7	20	9
Indiana	57	13	8	12	10
Iowa	24	17	13	33	13
Kansas	46	20	10	19	5
Michigan	66	14	8	5	7
Minnesota	30	15	13	25	17
Missouri	52	15	7	15	11
Nebraska	38	15	13	25	9
North Dakota	34	14	11	31	10
Ohio	71	12	4	8	5
South Dakota	39	16	9	26	10
Wisconsin	45	12	13	14	16
Central States	47	16	9	18	10
Alabama	61	15	9	8	7
Arkansas	56	18	9	9	8
Florida	79	9	2	8	2
Georgia	62	3	16	11	8
Kentucky	51	6	22	16	5
Louisiana	51	17	20	5	7
Mississippi	57	14	14	12	3
North Carolina	61	4	6	23	6
Oklahoma	53	22	5	14	6
South Carolina	71	17	7	5	0
Tennessee	65	8	7	11	9
Texas	54	12	10	13	11
Virginia	72	15	2	10	1
Southern States	59	13	9	12	7
Arizona	48	21	24	4	3
California	73	13	6	3	5
Colorado	58	11	5	18	8
Idaho	51	15	9	16	9
Montana	55	17	5	18	5
Nevada	90	5	5	0	0
New Mexico	55	21	13	6	5
Oregon	63	12	7	6	12
Utah	71	9	9	6	5
Washington	70	15	6	6	3
Wyoming	53	18	8	18	3
Western States	63	14	7	10	6

What different commodity groups want

CENTRAL

[In percent]

Kind of farmers	No supports		Emergency		Adjustment		High supports		Production payments	
	United States	Central	United States	Central	United States	Central	United States	Central	United States	Central
Beef	69	59	14	15	6	8	7	11	4	7
Dairy	59	50	14	13	8	9	9	13	10	15
Feed grains	50	44	14	15	7	8	20	22	9	11
Fruit and vegetables	69	63	12	15	6	8	5	8	8	6
General	66	55	12	12	7	10	9	16	6	7
Hogs	44	40	19	19	11	12	14	16	12	13
Poultry	77	73	14	14	1	2	3	5	5	6
Sheep	64	42	14	29	6	3	6	13	10	13
Wheat	43	41	18	16	9	11	24	25	6	7

EAST

Kind of farmers	United States	East	United States	East	United States	East	United States	East	United States	East
Beef	69	76	14	22	6	2	7	0	4	0
Dairy	59	68	14	19	8	7	9	2	10	4
Feed grains	50	87	14	6	7	2	20	4	9	1
Fruit and vegetables	69	80	12	8	6	5	5	2	8	5
General	66	86	12	12	7	2	9	0	6	0
Hogs	44	88	19	6	11	0	14	0	12	6
Poultry	77	80	14	14	1	1	3	3	5	2
Sheep	64	81	14	8	6	4	6	0	10	7
Wheat	43	78	18	17	9	5	24	0	6	0

WEST

Kind of farmers	No supports		Emergency		Adjustment		High supports		Production payments	
	United States	West	United States	West	United States	West	United States	West	United States	West
Beef	69	77	14	11	6	5	7	3	4	4
Cotton	41	33	17	33	16	21	15	9	11	4
Dairy	59	62	14	15	8	7	9	7	10	9
Feed grains	50	68	14	12	7	3	20	11	9	6
Fruit and vegetables	69	65	12	14	6	6	5	6	8	9
General	66	68	12	12	7	8	9	7	6	5
Poultry	77	76	14	12	1	3	3	0	5	9
Sheep	64	70	14	10	6	8	6	5	10	7
Wheat	43	44	18	20	9	8	24	23	6	5

SOUTH

Kind of farmers	United States	South	United States	South	United States	South	United States	South	United States	South
Beef	69	78	14	13	6	5	7	2	4	2
Cotton	41	43	17	13	16	15	15	15	11	14
Dairy	59	72	14	14	8	3	9	8	10	3
Feed grains	50	68	14	11	7	5	20	10	9	6
General	66	64	12	8	7	9	9	6	6	13
Peanuts and rice	42	39	21	18	21	23	12	16	4	4
Poultry	77	74	14	17	1	2	3	2	5	5
Tobacco	60	51	2	2	16	19	21	26	1	2
Wheat	43	49	18	22	9	4	24	21	6	4

INFLATION

Mr. DIRKSEN. Mr. President, this morning before the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary, there appeared as a witness Ralph Cordiner, who at one time was in the Government service in wartime and thereafter. He testified on Senate bill 215. In the April 30 issue of the Wall Street Journal there appeared a rather interesting editorial entitled "How Not To Control Inflation," which bears on the bill, and I ask unanimous consent that the editorial may be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HOW NOT TO CONTROL INFLATION

An instructive example of upside down economic thinking is on display in the Senate Antitrust subcommittee. The group, headed by Senator KEFAUVER, is holding hearings on Senator O'MAHONEY's bill to require companies in concentrated industries to give the Government advance notice—and justification—of any price increases.

Consider, to begin with, this notion of concentration. What does it mean? It is apparently supposed to mean that some companies in industries like autos and steel are so powerful they can administer prices without regard to market forces.

This assumption overlooks some rather plain facts. There are many steel companies, big, medium and small, and they are highly competitive. And there are few places where competition is fiercer than in the auto industry—competition among the big three and between divisions of them, and formidable new competition from smaller firms and foreign makers. So it just does not seem reasonable to contend that these industries are impervious to market forces; they are in fact propelled by them.

Well, then, why don't such prices come down in periods of lower demand? One answer is that some steel prices were reduced last year, and that what amounted to reduction in various forms of absorption was fairly prevalent. But to the extent that prices didn't come down more, a simple explanation is that wages are not permitted to decline in response to lower demand; auto wages, for instance, actually went up during the recession.

Anyway, concentration can only be a relative thing. If there is any concentration in industry, it is negligible compared to the obvious concentration of power in labor unions. Unions can shut down whole industries, and they can and do administer wage levels without regard to market conditions. That is sheer monopoly power; there is nothing like it in supposedly concentrated industries.

So here is the subcommittee studiously looking for concentration in the wrong places, and not looking in the right ones.

But there is more, or perhaps less, than that in the approach of this bill. Its aim, of course, is to combat inflation by at least throwing the glare of publicity on proposed price increases. Senator O'MAHONEY denies it is a price-control bill, but it does not take a fevered imagination to see that it points in that direction.

Suppose the bill were law and the Government were empowered to conduct hearings on proposed price increases. Suppose the Government didn't like the price increases under study and could not persuade the companies to hold the line. What is the Government to do? The next step would be to get the power to forbid the increases. Naturally.

And this would be to plunge headlong into one of the oldest of economic fallacies. Price controls are not an answer to inflation because price increases are not a cause of inflation; at the most they may be an effect of inflation. The prime source of inflation is not hard to find; it is in persistent Federal budget deficits financed in such a way as to swell the money supply. Mr. KEFAUVER and Mr. O'MAHONEY, though, seem uninterested in looking in that place either.

In addition, imposing these controls in peacetime would have serious and unpleasant consequences. It would introduce new rigidities into an economy already suffering from the rigidity of administered wages, and constitute another new depressant on sound economic growth. It would be putting the world on notice that the United States had decided to abandon the market economy which has made it thrive.

At this moment there is a good deal of doubt that the O'Mahoney bill will pass this year. But it is nonetheless important both as a study in futility and as a warning that if inflation is permitted to grow, more such proposals will be forthcoming. And that one of them may pass.

The need to control inflation is indeed urgent. The way to control it, however, is not to regiment the people. It is to control the Government.

DEATH OF SIDNEY N. GUBIN

Mr. DIRKSEN. Mr. President, the Nation has suffered a great loss in the passing of an outstandingly capable and devoted public servant. His many friends and associates are deeply saddened by the untimely passing of Sidney N. Gubin while on duty in the Commodity Stabilization Service of the Department of Agriculture.

It was my privilege and that of many other Members of the Congress during more than two decades to have the great benefit of the wisdom and outstanding capability of this eminently qualified and dedicated public servant. His was an unusual talent in the field of agricultural economics. Probably no other individual was so well versed in the history, the applicability and the effects of farm legislation, particularly those affecting agricultural price supports and price influencing operations, as was Sid Gubin.

Mr. Gubin's great ability to analyze legislation and understand what the consequences would be was of immeasurable value to several Secretaries of Agriculture. In his years as a civil servant, Sidney Gubin served outstandingly and was as devoted and dedicated to one Secretary as to another. On a number of occasions he rendered distinguished service to his country while on foreign missions. He was held in very high esteem not only by a host of his own countrymen, but also by the representatives of other countries with whom he sat around the international conference tables on agricultural matters.

Sidney Gubin's philosophy was one which might well be emulated by many of us. His was a philosophy of always doing his best, cheerfully, and without the necessity or desire of the limelight, of following the precepts of honesty and integrity. To his bereaved family we offer our profound sympathies.

ADDRESS BY HENRY J. KAISER, JR., AT RECENT INTERNATIONAL PRESS CONGRESS

Mr. FULBRIGHT. Mr. President, Henry J. Kaiser, Jr., vice president, Kaiser Industries Corp., was asked to make a major address at the recent International Press Congress held at the University of Missouri, Columbia, Mo., as a part of the 50th anniversary celebration of the School of Journalism of the university. This is the world's first school of journalism.

Attending the International Press Congress were leading journalists from more than 50 countries including the United States. Ghana, India, Japan, Israel, Mexico, Brazil, Cuba, Turkey, France, Norway, and the Netherlands were other countries represented. Byron Price, former Assistant Secretary General of the United Nations, served as director general of the Congress.

The purpose of the Congress was to promote the welfare and good service of journalism and journalists throughout the world.

The principal speaker at the dinner meeting on the opening day of the Congress, Mr. Kaiser, was the only nonjournalist invited to address the delegates. This young industrialist called upon the journalists of the free world to face up to the challenge of communism and seize the initiative from the Communists.

He said the free press of the world can do this by giving life and force to the ideal of individual liberty. He urged the delegates to form an alliance among the free press representatives of the world and adopt a long-range program to carry the battle of ideas to the Communists.

I ask unanimous consent that Mr. Kaiser's address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

PARTNERSHIP FOR A FREE WORLD

Less than 200 years ago, a small group of men came together in a hall in Philadelphia and signed into being a paper called the Declaration of Independence. Upon the principle of this document, the American people chose to build this Nation. We declared ourselves an independent people with certain inalienable rights, and we declared ourselves ready to defend these principles.

We further declared, that each man deserves free representation in government, and the right to life, liberty, and the pursuit of happiness. It was not a new idea. Nor was the government we chose to form, a new kind of government. It was, in fact, an old idea and an old form of government. But when our young Nation declared this idea it was new to us—and so it is with all men when they come to declare freedom, and individual liberty, for themselves. We in America welcome the nations of the free world who are now experiencing this same idea in all its freshness, and who are responding to its principles with vigor.

Here in this room tonight are gathered together the thought-leaders of millions of people from all parts of the earth.

England is here in this room, and the new Government of Ghana. Mexico is here, and Brazil; Japan is here, and India. Israel is here; Norway, Scotland, France, Guatemala, Turkey, the Netherlands, Jordan—all of these great countries are here—and many more. But the wonderful thing is this—under what title are you here? The free press. And what is the theme under which you are meeting? "A Stronger Free Press for a Better Free World."

This, then, is the bond which draws you together. You are anxious to find a way of strengthening the liberty you now have, and through such strength to contribute to lasting freedom among the peoples you represent.

As a businessman I am thrilled to have been invited to play some small part in this extraordinary conference. I am proud that you should wish to hear what an outsider might have to say on this question of a free press—and, more particularly, on the relation of this free press to a world, now locked in such serious conflicts.

My part is a simple one. The premise on which I would like to base my remarks is this: I believe that freedom of the press depends upon the success and continuance of our free enterprise system throughout the world. More simply stated, if there is no free world there can be no free press.

I further believe that this system, in all its various forms, is being challenged for its very existence by the idea of totalitarianism, the chief exponents of which are represented in Moscow and Peiping.

To these beliefs, I would add a third. I believe that the free press is faced with a challenge and responsibility greater than any in its history. The challenge is this: In the face of Communist economic and political conspiracy and propaganda, the free press, for its own survival, must develop a dynamic, long-range plan of counterattack designed to support and further the objectives and meaning of free enterprise. It must go further. The free press must take the initiative away from the Communists by giving life and force to the ideal of individual liberty upon which each of our economic and political systems is based. Doing this, we will prevail against those who state to the world that the only answer to its many problems is the answer of regimentation.

Finally, I would suggest that the free press find a means of activating such a program in the shortest time possible. The hours left us for such action, are rapidly waning.

Publishing and selling newspapers may no longer be enough. The mere reporting of facts may no longer suffice. Ideas must be reported. And I am not speaking here of propaganda; I am speaking of truth, of making use of the truth that is all around us.

Here I would like to turn aside, for a moment, to lodge what I hope will be taken as a friendly complaint. Thirty years, in my opinion, is too long a time to let pass between conferences such as these. The last Press Congress of the World, I find, took place as long ago as 1926.

To me, this is a very serious timelag, considering the vital role your profession can and should be playing in a world seriously in need of direction. I should hope that it would appear feasible to hold such a press congress—not every 30 years, but every 4 or 5 years—and to move it around the world, with future meetings in such places as Bombay, Tokyo, Ghana, Brazil, and so on.

The 50th anniversary of this great Missouri School of Journalism, which this press congress observes, can be the foundation for future programs of equal strength and renewed dedication to the principles set forth in your current theme.

Returning to my own theme, I feel a definition may be called for—regarding the words "free enterprise." Obviously, there are as many different expressions of such a concept as there are nations represented in this room.

As I use it here, however, I mean it to represent that system of economic and political government which provides maximum opportunities for individual freedom and personal responsibility. It may be weighted, in some of our countries, toward more privately owned enterprise, and, in others, toward a more state-managed economy. But throughout its spectrum, individual liberty is the goal and the guiding spirit.

Freedom and dignity of the individual are paramount, and are sought, universally, as the ultimate goal, and the ultimate good.

Opposed to this concept of free enterprise—is the totalitarian idea—which occurs, again and again, wherever there are men, or groups of men, who would seize power and accumulate privilege, for the purpose of exploitation. The totalitarian, or Communist idea, is basically nonrevolutionary, in its determination to inhibit and stifle, individual progress and expression. Its chief exponents are Soviet Russia and Communist China—jointly bent on stamping out free enterprise, wherever it exists—in order to gain final and complete dominion over all our peoples.

Undermining our drives toward independence, even as they gather momentum, the Communist idea sows suspicion between our governments and our peoples. It creates discord, thrives on chaos, and would extend its despotism indefinitely.

In a world desperately seeking direction and purpose—it offers quick panaceas—sweeping, overnight regimentation—a glowing picture of social brotherhood—sacrifice of liberty today, for attainment of economic equality tomorrow. And, in true dictatorship style, it rallies support for its ideas through the creation of a bogeyman—in this case the mock-devil, is labeled "Western imperialism."

Taking advantage of our many acknowledged mistakes of the past—and the well-founded discontent of underdeveloped nations—the Soviets are twisting the free enterprise system into a picture designed to bring about its expulsion from one nation after the other.

Our free world partners, and ourselves, are portrayed as colonialists—the enemies of nationalism—the supporters of dictators—the exploiters of the workingman—and, of course, as the upholders of white supremacy.

Side by side with this infectious campaign of words, phrases, interpretations, whispers, innuendoes—the Soviets have launched—quite arrogantly—a so-called economic war upon the free world. It predicts that through such a war, it will bring us to our knees—divide us from each other—and marshal us, one by one, into the totalitarian camp.

We have made mistakes—many of us—my country and others as well. We have not always put our best foot forward. We have sometimes acted selfishly—shortsightedly—naively. But in the long run we have never once abandoned, nor sold out, the principle of individual freedom, and the rights of the common man. We have held to this principle—we have cherished it—and we have come to believe in it with passionate conviction.

In a world teeming with revolutionary aspirations—it is the free world—not communism—which should be rallying the masses of the people to our banner. If ever any system truly stood for nationalism—which is individualism at the national level—that system is represented here tonight.

And yet, our story is going untold. When communism points a finger, we attempt to defend ourselves—and because it is, only a defense—who listens? Who believe us?

Look at the world population. By the year 2000 the number of people in our world will have doubled. The greatest increase will occur in Asia, where resources are already strained. What about these people? What is to happen to them? How are we to bring them forward? Through communism? To be molded into totalitarian slavery—is not to be brought forward—but to be stopped in midflight, and diverted into channels, serving blind technocracy.

We can help these people—we are helping them—the concerted might of the free world, is being thrown more and more into this battle. Much more will have to come. There is self-interest in this, on the part of each of us. We know that unless we work together—unless we recognize how truly interdependent we are—then we shall perish separately, one by one. It is that simple.

But we are not getting our free enterprise story across. We are being confounded, not only by Soviet propaganda, but by our past histsory—our own stereotypes, which we have not yet shaken off ourselves. We need a new evaluation of what we really are. We need to know what we stand for. We need to realize that the hope of the masses of African, Asian, Latin American, European, and Middle Eastern peoples—lies in us, and us alone—because only the free world can offer freedom.

Is it not freedom which the underdeveloped nations are searching for? Is not the desire for economic growth, and industrialization, and a higher standard of living—simply a desire for freedom? For only when we are free from poverty, disease, ignorance, racial inequality—only then, are we truly free.

As thought-leaders of this free world—this free enterprise system of individual liberty—it is you who must interpret this system, to this world of rising expectations. It is you who must defend this system, exposing Communist imperialism for what it is. Most important, it is you, who must carry the offensive thrust of this system, telling of its dynamic truths—so that the democratic idea is linked to the very heart of the desire of each nation—for its rightful place in the sun.

The irony of it all, of course, is that the picture being drawn of our free way of life, is instigated by a country which, since World War II, has taken the following steps in its so-called concern for the common man.

It has overrun and subjugated Czechoslovakia, Bulgaria, Vietnam, Poland, Albania, China, Hungary, East Germany. It has ruthlessly extended its domination over some 700 million people since World War II, annexing 5 million square miles of free peoples territory.

It has purged its enemies right and left. It has forbidden free elections. It has marshaled free peoples into labor camps, and has regimented family life, and crushed the individual rights of the workingman. It has thrown down his gods—told him what books he should read, and instructed his children on what facts they should learn.

And yet we have hopes for this country. We have hopes that by blocking Soviet imperialism, which is bent on undermining the industrialized areas—dominating the as yet underdeveloped areas—the Soviet rulers must retreat to their own borders—and in time be swept aside by their own people—who yearn for the freedom which we enjoy.

The true test of this partnership between free enterprise and the free press—will depend, in the last analysis, on how well this system works. You, as our communications leaders, cannot be asked to sell a product—if I may use such a business-like term—unless you have a product to sell. If we are to convey the image of greatness, we must act greatly—by leadership—and by genuine service.

We need intensive modernization, on a worldwide scale, in order to create the resources, to feed, cloth, and house the new multitudes, which will appear in the decades ahead. We need to stimulate and encourage industrial and agricultural growth—so that nations may experience rising export incomes. We must underpin, by a sound and international commerce, the expansion and virilization of world trade.

We need to encourage the accumulation of capital through these processes—and to make far-reaching investments in education and training. Roads need to be built, ports, public utilities.

Public, private, and international capital, including loans, low-interest rate, long-term credits—and some direct grants, where needed—should be provided according to each nation's needs and capacities.

In short, we need an international approach in the field of free enterprise—as dearly as we need an international approach, in the area of the free press.

The development of the United States was brought about, in large part, by the aid of investment capital from Europe. In turn, we feel we can be of great assistance, along with our other free world partners, in bringing capital and technical aid to the areas where they are most needed.

I think you may be interested in hearing of one of the ways in which private business firms in this country are trying to work overseas. In this instance, I will speak of our own Kaiser Co.—not because it is unusual but because I know it best. Firms such as Sears, Roebuck & Co., Pan-American, Grace, Firestone Rubber, and many, many others, are undertaking oversea programs which, to me, are examples of responsible self-interest. While developing opportunities for their own growth, they seek to strengthen the economy of the countries in which they are located.

Profit is an essential ingredient in our system of economy. Obviously, we're interested in making profits—you've got to eat—that's the law of our economy and, incidentally, of nature. But beyond this we have grown increasingly aware of the interdependence of nations and peoples. And in this too, we are obeying a law of nature—the law of survival. A strong South America means a strong North America. A strong Middle East means a strong Africa. A strong Asia means strength for each of us. The road to survival lies through supernational

unity. The day we look upon ourselves as a multiracial family, with a common purpose and a common belief, we will achieve true democratic solidarity—against which the Communist threat will hurl itself in vain.

In this call for a one-world partnership, I do not mean to imply we should strive for a single economic, racial, or political system. Just the opposite. I believe our true strength will lie in the further development, and encouragement, of nationalism and individuality among nations.

The "one world" I speak of is a world where nations can be equal partners, joined by a common respect and understanding.

In the years following World War II, the Kaiser companies established plants and operations in many different countries. I would like to speak of two of our automotive operations in Latin America.

We have established in Argentina, Latin America's only fully integrated automotive plant—in partnership with some 10,000 Argentine stockholders. Ground was broken for the plant in 1955; and, following a definite policy between ourselves and the Argentine Government, we now have a situation where over 80 percent of the material content of our vehicles is manufactured locally. When we first began almost all of our parts had to be imported from our main U.S. plant at Toledo. This form of progressive phasing from U.S.-manufactured parts to locally manufactured is a prime goal of our oversea automotive policy.

A saving of some $40 million per year of exchange dollars, through the elimination of the need for importing the complete vehicle is thus offered to both Argentina and to Brazil, where we have our other plant.

Our share in any of these overseas programs of our Willys organization, never exceeds 50 percent—and we prefer our share to be even less. Why? Because we think there are great benefits to be derived from having the majority ownership in the country in which you are working. Many firms still insist upon 100 percent ownership in overseas manufacturing operations. We feel very differently about this. We feel that it is only through a true partnership that benefits can be derived for both sides. Such a program, in our opinion, is the only sensible way to pursue mutually beneficial goals.

At Sao Paulo, Brazil, we have established another automotive plant—where we again share ownership with some 15,000 Brazilian stockholders. This year, both Brazil and Argentina will be producing in the range of 30,000 to 40,000 vehicles each at these two plants—and should be 50 percent above that next year.

Naturally, we do not suggest that such a program would suit every country in the free world—these are things which must be worked out according to local conditions, needs, and attitudes. But we do say that through the spirit of partnership—through a recognition of the mutual benefits to be obtained from working together, and sharing together, much can be accomplished.

In America, directly or indirectly, the automotive industry employs about one out of every seven people. A full-scale automotive industry in Latin America will likewise, we feel, create more and more jobs, more opportunities for advancement, new industries, new needs for raw materials.

The free-enterprise system today has as its objective the raising of living standards of free peoples all over the world. International and national governments and agencies, together with private institutions and business firms, can join together to meet the challenges with which we are faced.

Free enterprise cannot, and would not, deserve to exist, unless it could perform a needed service. This is both its practical and its moral function.

But as I have stated before, we need to tell this story, and we need to tell it clearly and dynamically.

In this light, I would like to suggest, if indeed it has not already been done, that a committee be formed among the free press representatives of the world, in order to adopt a coordinated, long-range program which will carry the battle of ideas to the Communists, and put them to rout.

Such a committee, formed on an international basis—and perhaps split into regional subgroups—might study these few points initially:

1. The means by which Communist propaganda techniques are working against the free-enterprise system, and the free nations.

2. The means by which the true picture of free enterprise might best be presented, on a continuing basis, through all media of communication.

3. The means by which Communist propagandists can be put on the defensive—and instead of constantly giving their utterances full-scale publicity as we are now doing—to relegate these to their proper perspective. In addition, the means by which Communist imperialism may be shown in its true light, and by the facts of history, to be antidemocratic, antilabor, and antinationalistic.

4. The means by which free enterprise in each country may best be encouraged, in order to stimulate economic growth and free world cooperation.

5. The means by which the flow of news between our countries and regions may be accelerated, and deepened.

6. The means by which we may enlarge our foreign news coverage and provide more thorough education of our overseas correspondents—in the customs, language, and history of the country to which they are sent.

7. The means by which we may all jointly work toward the objectives of peace, through the stimulation of greater unity and understanding through all our peoples.

The dynamics are all on our side. Communism, in its present form, and under its present government, has nothing to sell but slavery.

The day that Soviet Russia truly proves her interest in human welfare and freedom, and her desire to give her satellite countries and her own people true voting privileges—we would welcome her with rejoicing. We have hopes that this will one day happen. But until it does—and armed with the knowledge we have—we must all be on guard, and must repel her imperialism wherever it appears.

We recognize the need for trade with all countries—and we do not condemn it—but where it is used to gain domination, then it must be stopped—and stopped by the concerted efforts of the entire free world.

In closing I would like to leave you with this brief reminder of what I feel is ours to tell the world:

It is not the goods which free enterprise has to offer—but the good.

Not a higher standard of living—but a higher standard of life.

Not the material rewards, but the spiritual blessings.

Not the prosperity, but the freedom.

Not the profits, but the opportunities.

Not the right to receive—but the privilege to serve.

It is a great story to tell. It is an even greater story to live and to practice. By working together—the free nations of this world will not only reap the blessings of a rewarding future—but through their united strength—will earn for their children—a just and lasting peace.

Thank you friends, good luck and God bless you.

INCREASING IMPORTANCE OF WOMEN AND WOMEN'S ORGANIZATIONS IN MANY AREAS OF THE WORLD

Mr. FULBRIGHT. Mr. President, I have been most impressed recently with the increase in importance of women and women's organizations in many areas of the world. It is especially notable that this is happening even in societies formerly associated with purdah or the veil. While I realized that the executive agencies of our Government were well aware of this development, I wondered if we could not do more to turn it to the advantage both of the areas concerned and of the United States.

I therefore wrote last month to the heads of the Department of State and the U.S. Information Agency, raising this question and giving some tentative thoughts on the subject. The replies received from Mr. George V. Allen and from Mr. Loy Henderson for the Acting Secretary of State, were eminently satisfactory. Believing that this matter is one of considerable interest to my colleagues—and, indeed, to all citizens—I wish to make these responses fully accessible by placing them in the RECORD.

It was clear from Mr. Allen's letter that the Information Agency is making a substantial effort to keep abreast of the worldwide changes in the position of women. The Agency nevertheless stated that a great deal more needs to be done, and promised to increase its efforts. In this regard, Mr. Allen seemed to look most favorably on my suggestion that women be appointed as special assistant cultural attachés in key countries with the primary duty of finding ways to give concrete effect to the potential of women in those countries.

The letter from Mr. Henderson also gave me the feeling that this was a useful initiative. Among other points, he assured me that the Department would not only reassess its own endeavors in this field, but would also "welcome the assignment of as many women to public affairs staffs abroad as the U.S. Information Agency program can appropriately support." In terms of the Department's own attention to the issue, Mr. Henderson made the interesting point that there currently are 291 women Foreign Service officers, as compared with 18 just a decade ago. However, he was not certain that these officers had been assigned to the best advantage; he assured me that he would investigate this matter.

In sum, I consider that this stimulus and the cooperative response from the executive agencies concerned have been most worthwhile, and are of general interest.

Mr. President, I ask unanimous consent that a copy of my identical letter to the Information Agency and the State Department, and copies of the replies from Mr. Allen and Mr. Henderson, be printed in the RECORD as a part of my remarks.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

MARCH 12, 1959.

Hon. GEORGE V. ALLEN,
Director, U.S. Information Agency,
Washington, D.C.

DEAR MR. ALLEN: I wish to draw the attention of the U.S. Information Agency and the Department of State to the increasing emergence of women in leading roles throughout the world and to the need for greater recognition of this development.

In many underdeveloped countries—India, for example—there has been virtually a metamorphosis in the position of women, who are now exerting substantial influence in political and other spheres. Although neither the Information Agency nor the Department has ignored this fundamental change, it is my impression that more could be done to utilize it to the advantage of both the country concerned and of the United States. I am not in the habit of invoking the Soviet example as an argument for a course which we should take on its merits, but I feel there is good reason in this case to point out that the bloc is making a more determined effort in this field than is apparent on our side.

I do not pretend to know just what might be done to promote our interests in this regard. The subject is somewhat intangible at best. However, as an example of the type of action I have in mind, I wonder if it would be practical to appoint women officers as special assistant cultural attachés at certain of our oversea posts. Among their other duties, these officers would have responsibility for finding ways to utilize the potential of women in the countries to which they were accredited.

Surely there are other ideas which might be brought forth by a determined effort to stimulate them in the Information Agency and in the Department. I assure you that the committee would be most interested in learning of measures to ensure that this important factor in our foreign relations is given full consideration.

Very truly yours,

J. W. FULBRIGHT,
Chairman.

(Identical letter sent to Acting Secretary of State Herter.)

U.S. INFORMATION AGENCY,
Washington, March 23, 1959.

The Honorable J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations,
U.S. Senate.

DEAR MR. CHAIRMAN: I appreciate your writing me on the subject of the rapid emergence of women into roles of leadership throughout the world, and on the implications this has for the information program. We do indeed realize that a significant change is taking place in the influence of women, and have been endeavoring to give them a correspondingly increased attention in our program activity.

To assist the Agency in carrying out this work with women leaders and women's organizations overseas, we established in January 1958 the position of Women's Activities Advisor. Miss Virginia Geiger, one of our experienced field officers, fills this position. Miss Geiger guides our media services in the preparation of materials especially designed to appeal to women, and encourages our staffs at the oversea posts to develop new techniques for reaching the woman audience.

You may be interested in two examples of this latter function. A circular airgram was sent to all of our posts in January of this year requesting a special assessment of the role of women in each country, as preparation for fiscal year 1960 program planning. A basic planning paper on women's activities in the field operation is now ready to go out, describing various techniques which have been used successfully at a number of our posts.

I know you are well aware of the fact that the information program has given certain attention to the women in the foreign audience since its inception. For some years we have been sending a women's packet to all posts containing articles for placement in local newspapers and magazines. A number of our Voice of America broadcasts are directed toward women. Every communications technique we utilize does include material in the areas of particular interest to women. We have a considerable number of women officers in our Foreign Service, and they, as well as many of our official wives, are able to make effective contributions in women's activities.

Nonetheless, we recognize that a great deal more needs to be done in a thoughtful extension of our contacts with women leaders, and will definitely increase our efforts.

I very much like your suggestion that special assistant cultural attaches be appointed in key countries to work in women's activities. We are now looking into the feasibility of appointing two such officers, on an experimental basis, to priority countries where women are in the process of attaining high status in social and political fields. I believe that such a project could be extremely effective, and would merit extending to other posts as our personnel ceiling permits.

We will keep the committee informed of measures we are taking to meet the information problems raised by the changing status of women. Thank you for sharing your thoughts with me on this important subject.

Sincerely,

GEORGE V. ALLEN,
Director.

DEPARTMENT OF STATE,
Washington, March 20, 1959.

The Honorable J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations,
U.S. Senate.

DEAR SENATOR FULBRIGHT: Your letter of March 12, 1959, addressed to the Acting Secretary, calls the Department's attention to the increasing influence of women in many foreign countries. I agree with you that this is a very significant development indeed and the overseas experience of many of us supports the correctness of your view that every effort should be made to give full recognition to it. It may well be that the Department has not been as resourceful as it might have been in seeking ways for its officers at posts abroad to take the fullest advantage of the emergence of this element in foreign societies.

I understand that the U.S. Information Agency has been giving growing attention to the potentialities which your letter mentions. There is a real opportunity for USIA in this field and for our part we would welcome the assignment of as many women to public affairs staffs abroad as the U.S. Information Agency program can appropriately support. The women USIA has already sent abroad are doing an excellent job at many posts in several phases of USIA activity, including the one whose value you suggest. If USIA finds it possible to increase its emphasis in this field, for example by the assignment of more women officers to certain of their oversea posts, it is clear that they will have a challenging and productive area in which to work.

The appropriate role of our own Foreign Service officers is, of course, somewhat different from that of USIA personnel, but I feel sure that we may be able to do more than we are now doing in seeking opportunities for our officers to extend the range of their contacts among important segments of foreign societies. Women Foreign Service officers should be able more easily to develop fruitful associations with the women who are assuming leadership roles in their own countries than their male colleagues. You might be interested in knowing that there are at the present time 291 women Foreign Service officers as compared with 18 in 1949. However, I am not sure that we have always given enough consideration to the potentialities you mentioned in making their assignments. Your letter provided a timely stimulus for me to discuss this matter with the regional bureaus of the Department in order to make certain that we are sending women Foreign Service officers to the countries where they can do the most good in our country's interest. Many of our women officers are fully competent to exploit the new opportunities which are being presented to them and we should certainly encourage them to do so. We must not lose sight either of the hard work which has been done over the years by Foreign Service wives in establishing and maintaining intimate contact with prominent women and women's organizations in many countries; I think it would be useful to study this area of activity carefully and make certain that its possibilities too are fully understood.

I appreciate your writing us to express your interest and the interest of the committee in the Department's taking full advantage of the possibilities inherent in the larger role played by women in many other countries. I shall be happy to keep the committee informed of the measures we find it possible to take after a thorough study of what more can be done.

Sincerely yours,

LOY W. HENDERSON,
Deputy Under Secretary
for Administration.

TREES

Mrs. SMITH. Mr. President, a few days ago through the courtesy of the Forestry Service and the Extension Service of the Department of Agriculture, the junior Senator from Alaska [Mr. GRUENING] presented an Alaskan cedar tree to me for transplanting in Maine in the Harpswell, Maine area, a section of the State in which my executive assistant lives.

I enjoyed this ceremony tremendously because of the deep interest I have in trees and the love that I have for trees. In fact, I have transplanted many trees at my home in Skowhegan and at my Washington residence. A very basic part of the beauty of Washington is its trees—the beautiful trees that linger in the memories of visitors long after they have left Washington.

It is in this spirit that I ask unanimous consent to place in the body of the RECORD a very fine column by the Senate Chaplain appearing in the April 26, 1959, issue of the Washington Sunday Star, entitled "Tree and Traffic."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TREES AND TRAFFIC

(By Dr. Frederick Brown Harris)

One of the poems former generations committed to memory from the "Readers" in the country schools of long ago began:

"Woodman spare that tree
Touch not a single bough
In youth it sheltered me,
And I'll protect it now."

In the very urgency of those lines, throbbing with indignation and determination, even as children we could sense that by some sinister plot "a poem lovely as a tree" had been doomed to die. To the woodman with upraised ax the verse became a personal protest that a tree with its valiant record of shade and shelter should thus be brought down ignominiously to the ground which had nourished it.

In later years, as the battle for conservation took shape, that verse, for some of us, has sounded a defiant challenge to the assumption that in the name of progress nature's glories can legitimately be sentenced to extinction to clear the way for the thoroughfares of expansion.

What we call our expanding "civilization" is proving a creeping blight whose emblem is the bulldozer. Whenever and wherever woodsy reservations owned by people are threatened by the devouring juggernaut of traffic, ethical and spiritual concerns are involved. Wanton modern disregard of the people's rights in forests and rivers and mountain majesties has brought its tragic harvest in desecrated park areas and polluted and poisoned rivers.

In the one city which belongs to all America we have a vivid illustration how callous disregard of rustic beauty and of the public interest tempts officials who are subjected to terrific commercial pressures for highways and freeways. In this case those in whose hands the possibility of such a perversion lies are not at all in the category of vandals for personal gain. They are honorable and patriotic officials whose better judgment may be drowned by the harsh cries of the market and of the teeming city's demands unless the lovers of God's great outdoors make their voices heard and their will known.

In the year that the writer became a resident of the Nation's Capital, in 1924, two citizens of Washington, Charles Glover and Mrs. Anne Archbold, presented to this expanding world city a glorious tract of unspoiled woodland. It is so located that it is really an island of wilderness area surrounded by the ever-increasing traffic thunder of a great metropolis. The acreage was a munificent gift which any city might covet. It contains miles of forest paths, luring on through meadows and over hilltops, by green pastures, and the gentle waters of a murmuring brook which meanders through the bottomland of the lush valley. It was set aside with the specific stipulation that it be preserved as a primevial piece of nature's woodland for the present and for the future.

A lover of this threatened park bears witness: "The trunks of century-old tulip trees, sycamores, and oaks rise skyward with Gothic effect to form a heavy green canopy. It is a private world, cooled and hushed, that can provide an effective antidote to the Washington heat and business." This cathedral of nature's handiwork, with its arching trees and sylvan aisles, which for untold years has been the choir loft for feathered songsters with their varied surpliced vestments, is easily accessible from many streets far removed, because the nave of this primitive sanctuary is of such length.

With unbelievable blindness to the artistic, spiritual, and recreational values of this priceless asset, it is now proposed to build a four-lane highway along the whole length of the valley. Such a piece of official vandalism would put the crowded thoroughfare through the entire nave of the leafy temple—leaving but a fringe, like shattered windows and ruined transepts. It is unthinkable that such irreplaceable riches should be used to funnel multitudes of people in a hurry into the heart of the teeming city. Have we gone city mad? Callous utilitarianism which thinks solely in terms of traffic problems and commercial advantage is poising a Damoclean blade over this living valley through which the Capital of the Republic breathes.

The final decision regarding this vital matter is now in the hands of the subcommittee of the U.S. Senate Appropriations Committee. This is a group of eminently fair and objective legislators headed by an outstanding Senator who is judicial in temperament and accustomed to weighing evidence. In but a few days this group will either pronounce the death sentence for this verdant valley or they will decree that in spite of all pressures this oasis of unspoiled nature shall not be taken from the people to whom it was given, in order that it may be made into a macadam monstrosity.

If you feel deeply about this massacre of woodland, if you passionately desire the stubborn ounces of your regard for the future to be put on the scales, then petition the committee that the park be saved for the purpose for which it was given in trust, and that the funds now proposed for its destruction be refused appropriation. Direct your protest to the Senate Appropriations Committee. There is yet time if you act now for trees to win over traffic.

GTA DAILY RADIO ROUNDUPS

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD the GTA Daily Radio Roundups, dated April 27, April 28, and May 1, 1959.

There being no objection, the Roundups were ordered to be printed in the RECORD, as follows:

GTA DAILY RADIO ROUNDUP FOR APRIL 27, 1959

Wheat is the main story in Washington this week. But the chances for a happy ending seem small indeed. And it is more than just the fate of wheat that is in issue because the Washington reporters say that the very future of price support programs seems to center on what happens to wheat.

At any rate, the wheat story is moving to a climax. The House Agriculture Committee is meeting in closed session, trying to reach an agreement on wheat legislation. On Wednesday, the Senate farm committee is scheduled to act on its version of a wheat bill.

There are lots of ideas and lots of wheat bills but apparently little or no agreement. A farm bloc, as such, doesn't exist. There is no cohesive force to put up a unified resistance as administration forces work to pick farm programs to pieces commodity by commodity.

For the farmers, watching their winter wheat grow or planting their spring wheat, this program on this year's crop is assured as a result of last year's referendum. But it is what will happen in 1960 and the years after that worries them. And that's where the Washington reports are particularly gloomy.

Washington Farmletter editor Wayne Darrow, a familiar speaker at GTA annual meetings the past few years, says that a near-paralysis grips the farm crowd in Washington. Even the optimists talk a defeatist line as far as 1959 action is concerned. They blame their agriculture committee leaders, Secretary of Agriculture Benson, farm organizations, the press, radio, and TV. But ask about any proposed wheat bill and nearly every one of them picks it to pieces.

The Farmletter editor says it looks more and more like no new wheat plan will pass this year. The best that can be hoped for is some kind of stop-gap measure.

So that's the situation as a dry and cold April fades into May and farmers hopefully watch the sky for rain.

The Secretary of Agriculture, who must announce wheat referendum choices by May 15, is keeping mum. But high USDA officials indicate that a 1960 program of no controls at all on wheat production, with a 60-percent-of-parity price support, would be acceptable to the administration.

Two of the major farm organizations, the Farmers Union and the Grange, are definitely committed to different wheat programs. They don't agree. The third big group, the Farm Bureau, seems to be against anything. Washington Reporter Darrow says the Bureau wants first to bust the wheat referendum, then do away with all controls and let the free market take over.

In the next few days we'll tell you about some of the wheat plans that have been proposed and we'll keep you posted, right up to the minute, on Washington developments. This is an important week for wheat farmers because their prices for 1960 and the years after are being made in Washington. So be sure to tune in each day to GTA, the co-op way.

GTA DAILY RADIO ROUNDUP FOR APRIL 28, 1959

American wheat farmers this year are planting 55 million allotted acres of wheat—some 30 percent less than they planted back a few years ago. The 1959 price support will be about $1.81 per bushel.

But even on that reduced acreage farm efficiency produces more wheat than we can use at home or sell abroad. Thus, the wheat problem.

Most wheat farmers understand that farm prices are made in Washington. So they have cooperated intelligently except for a few well-publicized renegades, with wheat-planning programs. For 5 straight years they have voted overwhelmingly in democratic referendums to hold production down in return for a price support. But, sadly, the administration has cut the price support until it is now only 75 percent of parity.

So on their limited acres wheat farmers are almost forced to fertilize heavily and produce all they can per acre in an attempt to keep up with the high and fixed costs of operating.

There will be another referendum this year, probably in June, to decide what to do about the 1960 crop. The administration must announce the alternatives in that referendum by May 15. There is a growing fear among wheat farmers that it will offer a doctored deal aimed at busting the wheat program just as it did the corn program.

That's why farm leaders in Congress are rushing to try to get some kind of new and better legislation—something that farmers can vote for in good faith and with hope of correcting an unfortunate situation. We hope that all Congressmen will pull together for such a program in 1960. The wheat farmers desperately need it and it is difficult for farm organizations like GTA to offer sound leadership when major Federal decisions are not yet made.

The word from Washington now is that House and Senate farm leaders may come up with something for wheat. The House is said to be looking with favor on a plan to cut wheat acreage another 20 percent, compensating for that loss with a boost in the price support to 85 percent of parity. And that seems to be a step in the right direction.

The Senate farm committee is reported to be ready to approve a plan that would hold the price support at the present 75 percent of parity, but would cut allotments 5 percent on the first 200 acres and 10 percent on all above 200 acres.

Both bills would tighten up on exemptions for farmers growing less than 15 acres of wheat. Both would tighten controls, regulations, and penalties. Both would end controls on wheat used as feed on the producer's farm.

So it looks like both House and Senate are at least looking in the same direction

and it remains for them to get together on the details and send a wheat bill to the President. And that may be the biggest hurdle of all, because there is the ever-present threat of a veto on any measure that Secretary of Agriculture Benson does not approve. We'll keep you posted.

GTA DAILY RADIO ROUNDUP FOR MAY 1, 1959

The REA bill is dead. It was a simple bill with just one purpose, and that was to take away from Secretary of Agriculture Benson his power to say "No" to major REA loans. That purpose was commendable, according to REA farm leaders, particularly in view of the Secretary's and the administration's dislike of programs for agriculture.

Both Senate and House passed the bill originally. The President vetoed it on Secretary Benson's advice, Washington sources say. The Senate overrode that veto. The House sustained it. So the Secretary keeps his stranglehold on REA loans.

That's the story in brief. There are few farmers who have not watched it with deep interest because REA is dear to their hearts. So the vote in the House is worth reviewing.

Minnesota's GOP Congressman ANCHER NELSEN led the fight on Secretary Benson's side. He saved the President from suffering his first veto defeat. The vote was 280 to 146. Essentially, it was a strictly party-line vote except for the strong farm Republicans who jumped party lines, and a few Democrats who deserted their party.

Six GOP Members voted against Secretary Benson. They were H. CARL ANDERSEN and ODIN LANGEN, of Minnesota; H. R. GROSS, of Iowa; E. Y. BERRY, of South Dakota; ALVIN O'KONSKI, of Wisconsin; and WALT HORAN, of Washington.

The upper Midwest Republicans who voted for Secretary Benson were JUDD and QUIE, of Minnesota; SHORT, of North Dakota, and WITHROW, of Wisconsin.

All upper Midwest Democrats voted to override the veto. The four Democrats who jumped to the Republican side are from other States.

Secretary Benson personally joined the political maneuvering in Congress and hailed the farm defeat as a personal victory. Washington reporters say the Secretary is justified in making that claim, just as he can claim substantial credit for defeating most other farm measures during the past 6 years.

For congressional reaction, here is a wire the GTA newsroom in St. Paul received from Senator HUBERT HUMPHREY:

"Deeply disappointed that the House failed to override President's veto of bill to reestablish independence and integrity of REA. Yet the vote, just short of two-thirds of the entire membership of the House of Representatives, in itself is a gauge of Congress' distrust of the Secretary of Agriculture's policies and administration. * * * Secretary Benson must now consider that over two-thirds of the Senate and 280 Members of the House have no confidence either in him or in the administration's farm policies."

And that is Senator HUMPHREY's wire as received in our newsroom.

Now wheat farmers are awaiting the outcome of bills in Congress that would affect their 1960 and 1961 crops. So to keep up on the latest farm news—tune your radio in every day to—GTA, the co-op way.

THE LATE WALTER D. POWELL

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a brief newspaper article entitled "Walter D. Powell Made Contribution to North Dakota History."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WALTER D. POWELL MADE CONTRIBUTION TO NORTH DAKOTA HISTORY

Historians of the future may have cause to look back with considerable admiration on the accomplishments of Walter D. Powell, who died in Fargo a few days ago at the age of 90.

He was a frontier traveling salesman who roamed about western North Dakota selling stocks of shoes to remote storekeepers. But he was possessed of an unquenchable curiosity, and he acquired interest in archeology.

As he covered his large territory with horse and buggy, he whiled away the time behind the dashboard by studying the land over which he was passing and keeping his eyes open for historic sites, particularly the remains of Indian villages.

On May 27, 1936, while passing along a trail in south central Burleigh County, he was startled to observe the remains of a village of considerable antiquity along an old bed of Apple Creek.

He steppped down from his buggy and began examining it more closely. He found signs of the remains of old lodges, defense walls, a moat, and a considerable number of artifacts.

Further study led to his discovery that the site fitted the description of an Indian village visited by the explorer Verendrye in the year 1838 to a much closer degree than other sites suggested by earlier scholars.

If his theory were true, a completely new concept of the route of Verendrye through North Dakota would result, making possible further study and other discoveries. At the same time other marked sites would have to be eliminated, among them the one near New Town, near the Little Knife.

Other researchers and archeologists were impressed with Powell's find, and his theory is taken into account in modern Verendrye lore, yet the intensive fieldwork that may pin the new concept down was not done in his lifetime. Perhaps his death may renew enough interest in the Menoken field to solve the mystery of the explorer's route for all time.

In the meantime, the State historical society has acquired the Menoken site and is preserving it for future exploration.

One man's curiosity may eventually result in an important archeological and historical revelation.

Mr. DIRKSEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

INTEREST ON THE FEDERAL DEBT

Mr. PROXMIRE. Mr. President, in the past year interest rates have shot up so fast that in 1959 alone, the Federal Government is going to pay at the rate of more than $1,080 million in additional interest charges just on its new borrowing and refunding.

Here is why:

In the past year the cost of 90-day Treasury money has jumped from 1⅛ percent to 3⅛ percent. One year money has soared from 1½ percent to 3⅞ percent. Other increases are comparable. This huge jump in interest means the Government is paying a fat 2 percent more for its money than last year.

Already just since January of this year the Federal Government has had to secure more than $5.1 billion in new money—amply corrected for cash attrition and double counting. Additional hard money interest on this at 2 percent is $102 million. This is just the increase to the Federal Government in interest cost over last year.

We have also had to refund some $14.9 billions in maturing obligations since January. And we have had to pay a whopping $298 million more for this in annual interest costs than we would have if interest rates had been kept down to what they were last year.

Net borrowing of new cash with which to pay Government bills in the rest of 1959 will come to more than $7 billion. Additional Government interest spending for this will be $140 million. That $140 million is entirely and exclusively the added cost of hard money.

During the present month of May Treasury officials are in the process of offering about $4.5 billion in new securities to holders of issues that will mature in May. The hard-money interest cost of this to the American taxpayer will be $90 million.

In August $13.5 billions in Federal debt will come due; additional hard money taxpayer cost of refunding, $270 million.

Before the year is over $9 billions more will be up for repayment; annual additional hard money interest bill for the American taxpayer on this, $180 million.

Mr. President, these additional interest costs add up to a fantastic $1,080 million. If interest rates were at the same level this year as last year the taxpayer would have saved every nickel of this huge sum.

This is unmitigated, scandalous waste. It will contribute seriously to unbalancing the budget. It will raise future taxes. But it will not buy a single dollar of additional defense, provide a nickel of welfare or a penny of services.

It is the direct result of the deliberate, premeditated, tight-money, high-interest rate policy of this Government.

Mr. President, the entire cost in the 1960 budget of the housing program which passed the Senate and has been the object of a vast nationwide propaganda attack led by the White House as a wasteful spending measure, is $122 million. And all except $4,100,000 of this is loaned money which will be returned in full to the taxpayer.

The entire cost of the widely denounced airport program in the 1960 budget as it passed the Senate was $100 million, plus an additional $65 million of obligational authority. Very little if any of this $65 million is likely to be needed in 1960 and charged against the budget.

The entire cost of the third program which has been passed by this body and widely denounced as spendthrift—the Depressed Areas bill—was $389,500,000. And $300 million of this was loans which would be repaid to the Federal Government as an agent of the taxpayer.

Mr. President, if we total the full cost of all these three big spending programs,

they add up to $676,500,000, including obligational costs in full. But the hard money cost to the Federal Government will exceed this by more than 50 percent. The hard money expenditure will not buy a house. It will not build an airport. It will not provide a single job in a depressed community.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. LONG. The Senator from Wisconsin will recall that only the other day the Senate consumed much time debating the question whether the Nation could afford to buy a few rugs for the floors of the New Senate Office Building. A great economizing Senator urged that it was not necessary to purchase rugs for the secretaries and clerical help to walk on, and offered to purchase rubber heels and soles to be attached to their shoes, to prevent them from slipping on the rubber tiles. I made the point that for its money, the Government would at least get rugs.

Some of those who have advocated the high interest rate policies which have imposed a hidden tax on the people of the Nation pay for the $15 billion in additional interest. Those paying this hidden tax are not getting anything for it—not even a rug or a rubber heel.

Mr. PROXMIRE. The Senator from Louisiana is exactly correct. I appreciate his remarks, although I feel that the purchase of $150,000 worth of rugs for the New Senate Office Building is extravagant though not a complete waste of money. Having trod on those rubber tiles for more than a month, I think they are adequate. There is not much value in rugs to cover them. On the other hand certainly there is much more value in a rug than there is in the hard-money policy, which provides nothing. One billion and eighty million dollars of additional money has been spent this year for absolutely nothing. It is a total, complete waste of the taxpayers' funds.

Mr. LONG. I believe the Senator perhaps knows that the hard-money policy is tied to the high interest rates policy. The two work hand in glove. Tight money makes high interest rates possible.

Mr. PROXMIRE. That is correct.

Mr. LONG. It seems to me that the real objective of the administration has been to help the rich. The high interest rate policy in a general sense operates as a tax on the poor for the benefit of the rich at an annual cost of $15 billion a year. In simple terms, that is what it means to some of us.

Of course, one can complicate matters by saying that grandma draws an old age social security check or might receive a small sum in indirect benefits from the high interest rate, tight-money policy. But in general the high interest rates are tributes paid by the masses of the people in general to the classes.

Those who derive the benefits from such a policy—the banks and the insurance companies—enjoy a tremendous advantage at the hands of the Republican administration, which is making certain that they acquire vast profits at the expense of the rank and file of the Nation.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. SCOTT. Before we lose our economic footing entirely, would not the distinguished Senator from Wisconsin agree that the interest rates are fixed by the Federal Reserve System, an independent agency, not an executive agency of this administration?

Mr. PROXMIRE. I would say that since 1951 that has been true. As the distinguished Senator from Pennsylvania knows, the President makes appointments to the Federal Reserve Board; and the members of the Federal Reserve Board are constantly in communication with the Secretary of the Treasury, and their policies are determined in no small part by the interests of the Federal Government, as expressed by the Secretary of the Treasury. Apparently the Secretary of the Treasury has not indicated that he favors the kind of relatively easy money policy which I favor; and the President and the administration generally have taken a hard money position. Nothing could be more obvious to me than the fact that if the President wanted to change the monetary policy and wanted to persuade the Federal Reserve Board to change its position, he would be successful in doing so.

Mr. SCOTT. Does not the distinguished Senator recall that over the years there have been many fluctuations in interest rates, both up and down? Would the Senator agree with the distinguished Senator from Louisiana that every time the interest rates in the country rise, that is a method of exacting tribute by some ulterior, evil power over the masses of the country, for the benefit of the classes, as the distinguished Senator from Louisiana has just observed? I thought it too bad to let that point pass without asking the distinguished Senator from Wisconsin whether he agrees with that economic theory.

Mr. PROXMIRE. In a moment I shall yield to the Senator from Louisiana, to permit him to state how he feels about the question asked by the Senator from Pennsylvania. But, first, I should like to say, for myself, that I do not attribute bad or evil motives to anyone, particularly to reputable officials of high integrity; and I think the members of the Federal Reserve Board—as I shall state during the course of my prepared remarks—sincerely and honestly believe that the way they have proceeded is the way to fight inflation. But I think they are badly mistaken, and I think I can show why they are badly mistaken.

In my opinion, the consequences of this policy are to reward those who have large amounts of capital to invest. There is no question that that is the consequence.

Mr. LONG. Mr. President, will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. I yield.

Mr. LONG. To keep the record straight, I did not say that action was taken by some evil person with ulterior motives. I said it was done by Republicans, in line with the Republican policy.

I am here to say that I know—if the Senator from Pennsylvania does not know it, although I suspect he does—that no one is appointed to the Federal Reserve Board unless he is first cleared with the Secretary of the Treasury and also with the President; and if such a prospective appointee is opposed to the hard money policy, he is not likely to be appointed or reappointed. The Senator from Pennsylvania should know that, because it is very important to the country.

Mr. SCOTT. Mr. President, will the Senator from Wisconsin yield further to me?

The PRESIDING OFFICER (Mr. HARTKE in the chair). Does the Senator from Wisconsin yield to the Senator from Pennsylvania?

Mr. PROXMIRE. I yield.

Mr. SCOTT. I understand that the Senator from Louisiana said that is a form of tribute which is exacted from the masses by the classes.

I have heard that sort of oratory many times, sometimes from the other side of the aisle and sometimes from my side of the aisle. I think that kind of oratory rather speaks for itself.

But I wish to develop the point a little further, and I am very glad that my friend, the distinguished Senator from Wisconsin, does not indulge in the kind of statement which would indicate that rises or declines in the interest rate are brought about in order to crush or take advantage of any segment of the population. There are economic reasons why these things happen. The Senator from Wisconsin has his own opinion about them. Frequently I may agree with him, or frequently I may disagree.

But I do not believe that there march across the land any powers or political bodies who are determined to crush the people of the country. I say that because it is obvious that neither political party could survive if it believed in any such doctrine. I may say that I, personally, do not believe it; and I rebut it here and now, insofar as my opinion is concerned.

Mr. LONG. Mr. President, will the Senator from Wisconsin yield again to me?

Mr. PROXMIRE. I yield.

Mr. LONG. I am not saying that every rise in interest rates is evil. But interest rates on Federal notes do not rise in 1 year from 1 percent to 3 percent without very handsome profits for moneylenders and without the cooperation of the President and his appointees.

Mr. PROXMIRE. The Senator from Louisiana is correct. This policy is a deliberate, premeditated one. What happens, as is well known, is that the Federal Reserve Board, through open-market operations, through raising or lowering the rediscount rate, and reserve requirements deliberately adjusts interest rates to the level it thinks desirable.

I am perfectly willing to attribute to the Board the best motive in the world, and to say that its motive is to stabilize the economy. But I wish to state that I believe the Board is wrong; and, in the second place, I believe such a result penalizes those who are in need of capital and who pay interest—whether small

businessmen, farmers, those in local communities who need to build schools, and so forth.

Mr. SCOTT. I think it proper at this time to observe that for the past year the cost of living in the country has remained relatively stable, and recently there have been reductions in the cost of living. Those have occurred under a Republican administration. If we are to be blamed when the cost of living rises, certainly we are to be credited when the cost of living remains stable.

If we, as a party, are to be blamed when the cost of living rises—and I am not saying, by any means, that the Senator from Wisconsin is saying that; I am referring to the entire colloquy in regard to the cost of living—then, by the same token, we should blame a party which is in power when the cost of living rises 4 or 5 times more, under a different administration, and in a different era.

I do not believe that these are party matters. I do not believe the cost of living rises or falls because a particular person at the time happens to be President of the United States—certainly not necessarily so.

But I wish to point out that we are very fortunate that the cost of living has remained relatively stable during the past year; and I hope that is also due to such wisdom as we may be able to generate in the two bodies of the national legislature.

Mr. PROXMIRE. I thank the Senator from Pennsylvania.

I should like to call his attention to the fact that this is one of the very few times in the history of our country or in the life of any free economic system when prices were actually rising at the same time when serious unemployment has existed simultaneously with very great excess capacity in industrial plants. It is true that in the last few months there has been relative price stability. Furthermore, we anticipate that the cost of living may go down. If so, it will again be at the expense of the farmers.

But, by and large, we have had the almost unparalleled situation of price rises, or at least no fall in prices, at a time when there have been serious unemployment and excess capacity in industrial plants.

Mr. SCOTT. Of course all of us are much concerned whenever unemployment exists, and we want to do everything we can to reduce it.

Mr. McNAMARA. Mr. President, will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. I yield.

Mr. McNAMARA. I thank the Senator from Wisconsin for yielding.

I think it should be pointed out that today the cost of living is at an all-time high. Furthermore, while we are talking about the manipulation of the money market, is it not true that approximately 10 percent of every dollar paid in Federal income taxes now goes to the bankers?

Mr. PROXMIRE. The fact is—and it is a shocking one—that service on the national debt is now 10 percent of our total budget; in fact, it is by far the largest single increase in the Eisenhower budget, and it is now larger than any other item of expense, except expenditures for the national defense.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Louisiana.

Mr. LONG. To broaden somewhat the record on this point, it might be well to point out that when people talk about increasing interest rates to fight inflation or keep prices down, such a statement bears analysis as to who is getting the benefit of the higher rates. If a person is buying a home with a 25-year mortgage, an increase of 1 percent in the interest rate means that he must pay 10 percent more every month for the next 25 years. Or, if a person is renting a house, and the landlord had to borrow money in order to build the house, the cost of rental housing is going to increase 10 percent if there is a 1 percent increase in the interest rate.

I believe the Senator is familiar with those facts. If not, I can provide that information from the record of the hearings.

Mr. PROXMIRE. The Senator is correct.

Mr. LONG. Some persons say that those who have money on deposit in banks are getting a lot of benefit as a result of increases in interest rates. I point out that in most instances those who have money on deposit in banks have the money on deposit in checking accounts, and therefore get no benefit from increased interest rates which bankers receive on the money deposited. A large portion of the holdings of banks are in savings—perhaps half, or a little less than half—and the money in savings accounts has had the benefit of about a 1 percent increase in interest rates. So that, on the whole, I should imagine that an average of about half or three-quarters of 1 percent additional interest is paid on money in banks, while the banks are getting on the average more nearly 2 percent extra. It appears to me that fact would be enough to result in a major increase in the profits of banks without depositors getting nearly so great a deal of increase in the interest received on the moneys on deposit.

I also believe the Senator will find there has been a great benefit resulting to insurance companies, who receive a stipulated amount of money each year and pay out a stipulated amount when an insured person dies. The insurance companies have based their risks on a certain assumed level of interest to be paid on the money they lend, while the interest on the money they have invested has greatly increased. There again the middleman is in a position to profit handsomely—particularly the stock insurance companies—without the person who holds the policy getting any particular benefit from the increase in the interest collected by the insurance company.

Mr. PROXMIRE. I thank the Senator from Louisiana. I certainly agree with his analysis.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Pennsylvania.

Mr. SCOTT. I wish to comment on the reference just made to the increase in the cost of servicing the debt. It is perfectly true that the interest on our national debt is a very large part of our budget. I think it is also true that the greater part of our national debt arises from expenditures made in past wars and preparation for possible future wars, and from payments to veterans of our wars, and that in recent decades we have suffered as a result of two very terrible and expensive wars. Therefore, to blame on this administration the high cost of paying for obligations which we incurred because of wars, as I gathered may have been a part of the import of the interrogation by the distinguished Senator from Louisiana, reminds me a good deal of the story of the man who was on trial for having murdered his father and his mother, and who threw himself on the mercy of the court on the ground that he was an orphan. I thank the Senator.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PROXMIRE. I shall yield to the Senator from Louisiana in a moment. Before I do so I may say to the Senator from Pennsylvania that he is completely correct. There is no question that a large part of the national debt was incurred largely as a result of two wars. I think the Senator from Pennsylvania has put the problem in a nonpartisan and in a fair way. However, the point we have made, or are trying to make, is that the rate of interest on that debt is what determines, in very large part—in significant part, certainly—the cost of servicing the debt. If the interest rate on the overall debt doubles, then the service cost doubles, even though the debt remains the same.

The argument I am trying to make is that the Federal Reserve Board should have that fact in mind as one of the considerations in adopting the monetary policies it prescribes.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PROXMIRE. Yes, I yield to the Senator from Louisiana.

Mr. LONG. I wish to make it clear that I do not blame the Republican Party for the wars. I am quite satisfied the Republican Party is not responsible for the wars or the debt that grew out of them. All I am blaming the Republican Party for at this moment is doubling the interest rate, which means doubling the cost of carrying the national debt. That is all I am blaming the Republican Party for, and that cost is very heavy. Their high interest policy is especially bad for people who are trying to buy homes even though they have no direct connection at all with the national debt.

I am satisfied, and I believe the Senator is satisfied, that if there were in the White House an Executive who did not like the high interest rate policies, and was not committed to them, and had a desire to reverse the policies, he would

have all the cooperation from Congress he needed.

As a matter of fact, a majority of the Congress would like to stop the increasing of interest rates. The trouble is if Congress tried to tell the Federal Reserve Board how to do its job, and the Board did not want the policy of Congress to work, the Board could find a dozen different ways to prevent it from working in the way it should. If the Board is not willing to cooperate, it is almost impossible for the Congress to do the Federal Reserve Board's job for it.

On the other hand, if the President and the Congress cooperated together and made it clear to the Federal Reserve Board they were against high interest rates, I am very much inclined to the view that the Board would follow the views of the President when it knew he had Congress on his side.

So far as I am aware, there has never been a time when the Board has gone directly against the policy of the President. I would be curious to have someone point out to me an instance where that occurred. The nearest instance I have been able to discover was an instance when Secretary of the Treasury Humphrey testified that he thought the Board was going a little too fast in raising interest rates although he did not interpose any particular objection.

Mr. PROXMIRE. Mr. President, the Senator from Louisiana has made an excellent point, and one which needs emphasis. It is often said that monetary policy is the job of the Federal Reserve Board, and is not a part of the function of Congress. The Senator from Louisiana has pointed out the true situation, which is that in every single instance the policy of the Federal Reserve Board has simply been a reflection of the policy of the President of the United States.

In all fairness, the hard money policy is sincerely followed as a method of keeping prices down. But it is very badly mistaken. It proceeds on the assumption that high interest rates discourage borrowing by increasing its price, and in doing so prevents borrowed money from driving up the price of goods and services in short supply.

The theory is mistaken because goods and services are not in short supply now, have not been, and are unlikely to be for some time. More than 4 million people are out of work. Except for steel, which is producing heavily in anticipation of a possible strike or price increase on July 1, most industries have a great deal of unused capacity.

With farm technology virtually exploding, production of food, which is the biggest single factor in the cost of living, is in abundant supply. And there is little evidence that interest rates affect food prices, anyway.

The cost of shelter is another vital element in the cost of living. But higher interest is much more likely to have a price inflating rather than a price deflating effect, because of the enormously important element interest constitutes in the cost of housing.

Mr. President, the theory that high interest tends to reduce prices does indeed dominate many academic theoreticians today. But it was conceived, grew, and became imbedded in economic theory before any economic statistics became available on which to test it. It is only in the past 25 years that comprehensive statistics on prices, employment, wages, production, and other factors have been available.

For a long time now I have been challenging hard money proponents to support their position with empirical evidence. To date none of them have been able to do it. I have just received a letter from Gov. William McChesney Martin, Federal Reserve Board Chairman, in reply to my challenge on this issue. Martin argues eloquently, but can show nothing to prove that monetary policy can significantly assist in fighting inflation.

Mr. President, even if the hard money boys are completely correct in their theory, even their theory would not support their present policy. The theory does not suggest that prices will be kept from rising if we push interest rates up when there are millions unemployed and a vast excess of productive capacity. Indeed, classical economic theory would suggest lower interest rates under these circumstances. But the hard money boys claim to foresee all kinds of scarcities in the future so they drive up interest sharply. The result: This theory, which is wholly unproven, which is mistakenly applied under today's circumstances, is going to cost us an additional $1,080 million in annual spending before this year is out. For this cost, it will provide the American citizen and his Government with nothing. There is no excuse for this kind of waste.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Louisiana.

Mr. LONG. I wish to commend the Senator for the very fine statement he has made. The Senator is completely correct in stating that there is simply no proof whatsoever that the manner in which the tight money, high interest rate policies have been used have done anything at all to control inflation. There is simply no evidence available to support that view, based on the experience we have had with the use of this type of policy. That has been the argument, and it has been said it might work, but while one can argue the matter in theory one cannot prove it.

I agree with the Senator that the additional $1 billion of taxes on the public, in order to carry the national debt for this one transaction, is bad enough, but I believe we should keep in mind that so far as the rank and file of American citizens are concerned—the homeowners, those trying to buy automobiles, those paying on mortgage notes, those who have to pay interest charges in various and sundry ways, and those who by buying commodities have to pay higher interest charges industry passes along to them—these increases are costing them about $15 billion a year, and not merely the $1 billion to which the Senator refers.

Mr. PROXMIRE. Once again I thank the Senator from Louisiana. I want to emphasize what the Senator said.

As I was about to say, this is simply one of a series of speeches which I intend to make in the coming weeks, with regard to the hard money policy, pointing out its total cost to the American citizens. As Federal taxpayers, we can be precise and explicit as to how much this policy is costing us, and the fact that this absolute waste gives the taxpayer nothing.

Furthermore, as the Senator from Louisiana has said, costs to the American citizen as a local taxpayer have increased tremendously. When the local governments desire to finance hospitals, schools, streets or any other kind of community construction, money has to be borrowed on a long-term basis, and interest constitutes a very important—often the most important—element of cost.

In addition to those items, of course, the farmers who have to borrow, the small businessmen who have to borrow, and the home buyers—and they are perhaps the largest single group of borrowers—are forced to pay more and more and more.

The reason I am emphasizing this matter in my first speech on interest rates is that our good friends of the Republican Party, as usual, have one issue and only one issue. This is economy in government. That is the one issue they have talked about for 20 years, and I am sure they will make it the big issue for the next 20 years. That is the No. 1 issue of the distinguished Vice President and the President of the United States for the coming campaign. They want to speak of economy in government, and the way economy in government relates to a balanced budget and relates to the cost of living. That is why I think it is very important to emphasize to the American people that the hard money policy being followed is completely wasteful. It means the spending of a billion dollars without getting a single thing in return for the money.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Louisiana.

Mr. LONG. The Senator will find that the tight money program will not prevent depressions, and it will not reduce unemployment in any respect whatever. This policy will not to any noticeable degree prevent inflation. It can and will double the interest take of the moneylenders. I believe in that respect the policy has achieved that which those responsible for it had in mind when they put it into effect.

The Senator can, if he wishes, attribute the best of motives to those responsible, but I believe they knew what they were doing, and I believe they achieved what they set out to do, which was to double the income of certain people who were engaged in lending money. Conceivably they did not have that in mind and perhaps it was merely an accidental effect, but I think they knew it would happen. In my judg-

ment, the $15 billion annual increase in interest extractions from the public was the main purpose of the program. The rest of the argument looks to me like an effort to confuse the victims of the program and excuse it to those who would not be inclined to permit it.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that an article from U.S. News and World Report entitled "Bear Market in Bonds: Why It Worries Washington" be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From U.S. News & World Report, May 4, 1959]

BEAR MARKET IN BONDS: WHY IT WORRIES WASHINGTON

(Bonds now sell at about the lowest prices and highest yields in 25 years. Result: Trouble for Government, other borrowers. This is the grim picture at a time when the Treasury faces a big deficit and heavy borrowing. And money is to get tighter, not easier, in months ahead. What's the solution? Here are informed views from official agencies and Wall Street.)

(Reported from New York and Washington)

At this time, on the average, you can get an income from high-grade bonds that is a full third higher than the income to be had from stocks bought at present prices.

In the past, a rise in bond yields to levels above stock yields always had led to a sharp decline in stock prices. Now, the advantage of bond yields over stock yields is the highest it has been in any period of stock-market boom since the weeks just before the market crash late in 1929.

Investors, even so, indicate that they strongly favor stocks over bonds. Prices of industrial stock have been bid up to levels that, on the basis of recent dividends, offer the investor yields averaging little more than 3 percent.

Bond prices, even after a modest recovery recently, are near their lowest levels since 1932.

You can buy Government bonds, maturing in just a little more than 4 years, at a price that offers a guaranteed yield of more than 4 percent.

Or you can put money into Treasury bills that mature in 91 days and get more than 3 percent on your savings. Good-grade corporation bonds can be bought at prices that offer yields of 5 percent.

TREASURY'S DILEMMA

It is against the background of bond prices that Government officials are surveying the serious financing problems of the Treasury.

If the Government should try to borrow for periods of more than 5 years, all indications are that it would fail, with the present limit of 4¼ percent interest that the Treasury can legally pay.

Yet the Treasury has an enormous amount of financing to do in the months ahead. Net borrowing of new cash with which to pay Government's bills is to be on a smaller scale than in months past. But it still will come to more than $7 billion in the rest of 1959.

In addition, there are old debts coming due, and these must be repaid with issues of new securities. Right now, for example, officials are in the process of offering about 4.5 billions in new securities to holders of issues that will mature in May. In August, 13.5 billions of debt will come due. And, before year end, an additional 9 billions will come up for repayment.

SEARCH FOR SOLUTION

In the present financial situation, the administration may be forced to do one or more of these four things:

1. Offer nothing but short-term securities, on which there is no legal limit to interest rates. Since these are likely to be bought most heavily by banks, this course runs the risk of expanding the money supply and fostering the inflation the administration is trying to avert.

2. Try to get Congress to permit the Treasury to pay more than 4¼ percent on issues of longer-term bonds. There is no prospect that the Administration will ask—or that Congress would grant—this authority.

3. Induce the Federal Reserve System to move in and buy Government bonds to support the market. The Administration is firmly committed against that.

4. Balance the federal budget and, so, ease Treasury borrowing schedules.

It is for the fourth of these courses of action that strong forces now are pushing.

INFLATION THE KEY

Talk to Government officials and to dealers in the bond markets, and you find that behind the slump in bonds and the spectacular rise in stocks is the fear of continued inflation—or, at least, inflation pressure—in the months and years ahead.

"The Treasury," says one well-known dealer in Government bonds, "is selling now in an environment in which buyers know they will have a loss tomorrow on the bonds they buy today. The Treasury's efforts to sell bonds overlook the fact that there is a 'secondary tax,' in addition to income taxes, on the return from its bonds. Buyers aren't overlooking that tax. It may be described as the 2 to 3 percent average annual erosion in the purchasing power of the dollar that results from inflation."

In the opinion of that particular dealer, the main thing the Government can do to avoid inflation, and quiet fears of inflation, is to balance its budget.

A Government official has a slightly different view: "I don't think people are convinced there will be more inflation. But I think they expect the threat of inflation to bring on 'tighter' money.

"After all," this official explains, "the business news is nearly all good, except for a sizable amount of unemployment. There are signs that the slowest element—business spending on new plant and equipment—may be moving up fairly well soon. Many investors look for a real business boom that will bring tightening money and, as a result, lower bond prices and higher interest rates. And who wants to buy a bond today if he thinks it's going down in price tomorrow?"

THE OTHER SIDE

Are many investors—individuals and institutions—exaggerating the prospect for rising interest rates and falling bond prices? Many bond dealers think so.

"Where," one asks, "can you see any big increases in the demands for money—increases of the sort that would force interest rates on up? The Treasury is going to be borrowing, sure—but it will not be coming to market for anything like the amounts it has required recently.

"Corporations are offering a smaller volume of bonds by far than they were a year ago. And, until there's a sharp upturn in spending on new plant and equipment or on inventories, corporations are going to have idle cash to buy Government securities.

"Only State and local governments and home builders are increasing their demands for long-term credit."

Against that picture of the demand side of credit this dealer notes that there is a huge flow of savings that must be invested each month. All in all, this dealer regards the Treasury's problems as serious, but not critical.

THE PROSPECT

Most bond dealers look for the Treasury to play a waiting game while it presses for a budget in balance, or near balance. If they are right, the Treasury will offer short-term securities and hope that more of them will be bought by ordinary corporations than by banks. Then, if time proves that fears of inflation and tightening money have been overdone, the Treasury can resume its efforts to sell long-term bonds.

What if a boom and an unbalanced budget produce a strong rise in demand for long-term credit? Then, dealers say, there will be real trouble, with a determined squeeze on credit by the Reserve System and some of the highest interest rates the United States has ever seen.

Yields on bonds—a 25-year high—highs and lows in bond yields since 1920

	U.S. Government bonds (percent)	High-grade corporate bonds (percent)
1920 high	5.67	6.38
1928 low	3.17	4.46
1929 high	3.74	4.80
1931 low	3.13	4.36
1932 high	4.26	5.41
1946 low	2.08	2.46
1948 high	2.45	2.86
1950 low	2.19	2.57
1953 high	3.13	3.40
1954 low	2.47	2.85
1957 high	3.73	4.12
1958 low	3.12	3.57
1959 latest	4.05	4.22

Source: U.S. Treasury, Moody's Investors Service.

The investor's return—up on bonds, way down on stocks—yields at stock-market highs since 1929

	Industrial stocks (percent)	High-grade corporate bonds (percent)	Spread—stock yields over bond yields
1929	3.47	4.80	−1.33
1937	3.81	3.32	.49
1946	3.20	2.51	.69
1953	5.18	3.02	2.16
1957	3.75	3.99	−.24
Latest week	3.15	4.22	−1.07

Source: Moody's Investors Service.

Mr. PROXMIRE. Mr. President, as I conclude I want to thank the distinguished Senator from Pennsylvania [Mr. SCOTT], who took such a helpful part in this colloquy. I want to thank also the senior Senator from Michigan [Mr. MCNAMARA]. I particularly want to thank the Senator from Louisiana [Mr. LONG] who was extremely helpful in emphasizing and underlining this issue, which I think is very important to the American people, and which will become increasingly important in the coming months.

Mr. President, I yield the floor.

PAYMENTS TO MEMBERS OF CONGRESS UNDER THE FARM PROGRAM

Mr. YOUNG of North Dakota. Mr. President, in today's issue of the Washington Daily News there is this bold headline, "Payoffs to Hill Farmers Bared," and on the second page there is a subheadline also saying "Payoffs to Hill Farmers Bared."

This article is written by Dickson Preston. Mr. Preston in many of his articles, I think, has done a real service to the public in revealing some information which the public should have. If Mr. Preston would stick to the truth, however, he would do much more for the people of America. This article is so false that it is pitiful.

Mr. Preston has done a very good job of falsifying the record, and when one falsifies the record it is not much different from lying about it. Half truths can be equally vicious.

Mr. Preston mentions several Senators who participated in farm payments and programs.

In one paragraph of the story Mr. Preston writes concerning me:

> Senator MILTON R. YOUNG, Republican of North Dakota, an ardent friend of high price supports, together with his three sons has received $85,378.88. About $44,000 of this was in price support loans which the Youngs repaid.

I suppose if Mr. Preston had taken in all my kinfolk and all my neighbors he could have built this up into a sizable amount of money. He does not say how long a period of time is involved, but apparently he refers to a 3-year period, and it appears he refers to loans which we secured under the price support program. I myself do not participate in the soil bank program. My three sons do, to a limited degree on land they own. This item to which Mr. Preston refers might include some very small payments under the soil conservation program, but those payments would be very small indeed.

Mr. Preston says we paid back $44,000. That is where we paid back the loan and took possession of the grain. I assume that the balance or $41,000 was for price support loans under which my three sons and I turned over the grain to the Government.

Mr. Preston does not say in this article that for this $41,000 the Government obtained the grain, most of it wheat. No. 1 Hard Northern Spring wheat, which we produce in that area, if of very high quality is even now selling at near support price levels. It is a rare occasion when the cash price of this wheat is 5 percent below the support level. The support level at the present time is 75 percent of parity or 75 percent of a fair price. The most the Government could have lost would have been 5 or 6 percent of $44,000. The Government got the grain.

If one wished to go back a few years earlier, with respect to the grain which the Government acquired under the price support program previous to World War II, it would be found that the Government made a huge profit. It also made a large profit on the cotton obtained under the price support program during this period.

The implication in this article is that Senator YOUNG received a large part of the $85,000 as a subsidy check. Actually the only checks we received were for the grain which the Government took possession of, plus some very small soil conservation payments. If Mr. Preston had wanted to come to my office I would have been glad to let him look at all my books and records.

In another part of the article Mr. Preston says:

> Yet under today's outmoded farm program, many of them—
>
> Meaning Members of Congress—
>
> are collecting part of the $6 billion it is costing the U.S. taxpayers per year.

Here again is a falsification of the record which we hear so often these days. The average taxpayer or consumer actually believes that the farmers are receiving checks in the amount of about $6 billion a year.

Let me read a portion of a statement issued by the Department of Agriculture at the request of the Subcommittee on Agricultural Appropriations of the Senate Appropriations Committee, of which the distinguished Senator from Georgia [Mr. RUSSELL] is chairman. We practically had to pry this information out of the Department, but it gives a very fair picture as to the cost of the farm program.

The budget for 1959, the present fiscal year, is $7,341 million. The budget for next year is about $1 billion less, or $6,450 million.

What are some of the items listed in the $6,450 million which Mr. Preston thinks the farmers are getting checks for?

The first item is "Price support, supply and purchase programs, Commodity Credit Corporation."

The amount is $2,835 million. This is nearly the exact cost of the price-support program. The cost of this program is far too much. I am hopeful that this Congress will enact better legislation, which will mean less costly programs, but programs which will still assure the farmers a fair price for the commodities they have to sell. I believe that every farmer in America would be perfectly willing to go it alone, to abandon price-support programs, and all other subsidies of every kind, if other segments in the Nation's economy were willing to abandon all the subsidies and advantages they enjoy.

The second item is "Milk and other dairy products for Veterans Administration and Defense Department." The 1960 estimate is $45 million. This is for milk which goes to veterans in hospitals and elsewhere throughout the Nation.

The next item is "Title I of Public Law 480," for which the 1960 estimate is $1,033 million. A part of that goes for famine relief to foreign nations. A part of it represents food packages which church organizations and CARE distribute throughout the world. That is one of the finest programs the Government has ever undertaken. It represents a total loss to the Department of Agriculture and is charged as a subsidy to agriculture. However, it is impossible to measure the amount of good will created by this program among the hungry people of foreign lands.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. RUSSELL. Of course, considerable quantities of such foodstuffs are exchanged for housing for our troops, and other facilities which we use in foreign countries. There has been a very noticeable improvement in the troop housing in some countries, particularly France, since the program was inaugurated.

Mr. YOUNG of North Dakota. I am glad the Senator mentioned that program. That is a part of the program under which we receive the equivalent of dollars for our food surpluses.

Most of the rest of the program deals with the sale of our food for the currencies of foreign countries. The Department of Agriculture is reimbursed for the actual value of such currencies. The amount under that heading is $1,033 million. Based upon past experience, the Department will be reimbursed for about 75 percent of this sum or possibly even more. This is, in effect, a foreign aid program, and at least a part of the cost should be so charged.

Next, there is an item of $225 million for the "Barter program for supplemental stockpile." Of course, the Department of Agriculture has a cash outlay under the barter program; but under this program we obtain strategic materials, for which the Department of Agriculture is reimbursed, dollar for dollar. Most of the materials we have in the stockpile as a result of this program today are worth more than they were when we acquired them.

There are many additional items. I mention only a few. I invite attention to the item "Removal of surplus agricultural commodities," for which the 1960 estimate is $150 million. This program represents surplus food which we contribute to the school-lunch program. Schoolchildren all over the Nation receive the benefit of the $150 million in surplus food. Yet, in this article, as in many others, it is charged as a subsidy to agriculture. What an unjust and unfair situation.

I wish to read a few more items. One is entitled "Special milk program," and involves an estimate for 1960 of $74 million. This also represents milk given mostly to schoolchildren. Most people believe that the farmers are receiving checks for the $74 million.

Another item is entitled "Rural Electrification Administration," involving an estimate for 1960 of $335 million. These are funds from which the REA Administrator makes loans to REA co-ops. The REA co-ops have a record of repayment on these loans of nearly 100 percent; yet this item is charged as a subsidy to agriculture.

The next item is "Farmers Home Administration," and the estimate for 1960 is $216 million. These loans are made to farmers, mostly veterans of World War II and the Korean war who are unable to obtain credit anywhere else. Yet there is an amazing record of repayment of almost 90 percent.

The next item is "School-lunch program," in the amount of $101 million. Does any Senator think any fairminded person would charge that item as a subsidy to agriculture?

Another item is entitled "Agricultural Research Service," with an estimate of $174 million. This program has been of great benefit not only to farmers, but to the entire Nation. I wish we spent for

agricultural research 5 percent of the money which we spent for all other purposes.

The next item is "Forest Service," and the 1960 estimate is $174 million. This item is charged as a subsidy to agriculture. It goes mostly for the administration of forests held by the Federal Government, and for the building of forest roads. Through the sale of timber and other forest income the Federal Government is reimbursed far more than the $174 million which the program costs.

The next item is "Soil Conservation Service," and the 1960 estimate is $129 million. This is mostly for technical assistance to farmers, to enable them to do a better job of conserving the soil. I submit that this program is of great importance to everyone in the United States.

There are many other items to which I should like to invite attention, but time will not permit.

Mr. President, I ask unanimous consent that the entire statement furnished by the Department of Agriculture be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

U.S. Department of Agriculture: Net expenditures, fiscal year 1954 to 1960 (estimated)

[Millions]

Program	1954	1955	1956	1957	1958	1959 estimate	1960 estimate
Price support, supply and purchase programs (Commodity Credit Corporation)	$1,333	$3,049	$2,874	$1,058	$940	$3,073	$2,835
Milk and other dairy products for Veterans' Administration and Defense Department	-------	26	24	29	47	45	45
Title I of Public Law 480	-------	130	615	1,338	1,073	1,049	1,033
International Wheat Agreement	59	100	92	90	82	65	(1)
Barter program for supplemental stockpile	-------	-------	-------	217	84	129	225
National Wool Act	-------	-------	2	61	57	21	81
Acreage reserve program	-------	-------	4	344	620	713	1
Removal of surplus agricultural commodities	178	59	179	171	125	150	150
Sugar Act	66	70	65	67	70	68	75
Acreage allotments and marketing quotas	40	40	39	40	41	40	39
Other	13	12	7	15	12	33	6
Subtotal	1,689	3,486	3,901	3,430	3,151	5,386	4,490
Title II of Public Law 480 and predecessor laws	74	91	94	125	121	106	94
Special milk program	-------	22	46	57	67	74	74
Conservation reserve program	-------	-------	-------	37	113	141	343
Agricultural conservation program	171	235	215	262	214	231	230
Rural Electrification Administration	217	204	217	267	297	325	335
Farmers Home Administration	187	170	185	259	282	308	216
School lunch program	84	83	83	99	100	144	101
Agricultural Research Service	86	103	128	139	151	174	174
Forest Service	112	107	129	152	164	184	174
Soil Conservation Service	68	74	83	88	100	127	129
All other (EXT, AMS, FAS, etc.)	229	62	96	91	115	141	90
Total	2,917	4,637	5,177	5,006	4,875	7,341	6,450

[1] Continuation of the International Wheat Agreement is currently under consideration.

Mr. YOUNG of North Dakota. I am sorry that Mr. Preston saw fit to write a story which is so far from the truth as the one to which I have referred. It is true that the farm program is costing a great deal of money. Anyone who owns a farm probably participates in the program in one way or another. He could hardly do otherwise, because the Government has something to do with the prices directly or indirectly of most all commodities. I do not know why we have not adopted the domestic parity or some form of a two-price system for wheat and a few other commodities long ago. It is a sensible program, and would save us a great deal of money. We would not have to pay any export subsidies. But that program is opposed by Secretary Benson.

In closing, Mr. President, I wish to thank the Secretary of Agriculture, Mr. Benson, and his associates, for making this information available to Mr. Preston. I wished it had been more complete and accurate. It is his type of Secretary we had in office back in the late twenties and early thirties which helped bring on the depression of the 1930's. If Mr. Preston wishes to go back to those years, he will find that Senator YOUNG, of North Dakota, had to take out several feed and seed loans in the late twenties, and also in the early thirties. I paid back every one of them with interest, and that interest amounted to more than the principal. It is a record of which I am proud. I was never on relief, but probably I should have been. I was broke like most other farmers.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. RUSSELL. Mr. President, there has come to my attention what is apparently a news release in the form of a newspaper column entitled "This Week in Washington With Clinton Davidson." The subtitle of the article is "Billions for Farmers?"

I shall not read all of the article, but I do wish to read a few paragraphs from it, particularly the last two paragraphs, which read as follows:

When all of the nonfarm items in the budget are removed, only a little more than $1 billion actually will reach farmers, and that mostly for carrying out practices prescribed by the Government for conserving our soil, water and other natural resources.

The irresponsible attacks cast unfair reflections upon all farmers and upon the largest and most vital section of our economy—agriculture. The press has a responsibility to get the facts—and to print them.

Mr. President, I ask unanimous consent that all of the article may be printed in the body of the RECORD at this point. It is in line with the statement made by the Senator from North Dakota, in which he analyzes the charge that $7 billion has been appropriated to finance the Department of Agriculture.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BILLIONS FOR FARMERS?

When Congress takes up the 1960 fiscal year budget for the U.S. Department of Agriculture in a few days it will be the signal for another public indignation outburst against subsidizing farmers.

The House Appropriations Committee has worked out a budget that calls for the appropriation of almost $7 billion for financing the Department in the fiscal year starting next July 1. The entire amount will be labeled farm aid.

The city press and Congressmen from urban districts will, as they have in the past, complain that farmers are being fattened financially out of the Federal Treasury at the expense of taxpayers. They'll say, again, that Government farm programs are responsible for high food prices.

Farmers will take another public flogging in the press and over the radio. A prominent New York paper already has begun the whipping by charging that consumers must pay high prices for food while paying high taxes to keep prices high.

WHAT ARE THE FACTS?

The facts are that only a small portion of that $7 billion will ever reach the pockets of farmers, and food prices have increased less than almost any other item of living costs in the past 10 years.

Government programs have not increased food costs. The Government does not support the price of meat, poultry products, vegetables and fruits—food items, which have advanced most in price in recent years.

While food prices generally have averaged about 10 percent higher than in 1949, farmers are selling their produce for 20 percent less than they did 10 years ago. Meanwhile, their production costs have gone up by almost 20 percent.

Almost no one contends that the present farm program is a good one, or that it isn't costing too much. But whatever blame there is belongs to Congress and the administration for failure to adopt a better program, not to farmers.

WHERE THE MONEY GOES

About $3 billion of the $7 billion budget will be earmarked for price support loans on commodities which the Government will eventually sell for about $2.5 billion, or give away under various foreign aid programs.

Another $1 billion will be paid to private firms for storage of surpluses. Approximately $1.5 billion will be used to finance sales abroad at cut-rate prices. This is more foreign aid than farm aid.

One big chunk of the budget is half a billion dollars for school milk and lunch programs, food distribution to the needy, food label protection, pest and disease control, and improvement of food quality.

Part of the agricultural budget is to finance loans to the Rural Electrification and Farmers Home Administrations. These are gilt-edge investments and will be repaid in full, with interest. These total about $650 million.

When all of the nonfarm items in the budget are removed, only a little more than $1 billion actually will reach farmers, and that mostly for carrying out practices prescribed by the Government for conserving our soil, water, and other natural resources.

The irresponsible attacks cast unfair reflection upon all farmers and upon the largest and most vital section of our economy—agriculture. The press has a responsibility to get the facts—and to print them.

Mr. YOUNG of North Dakota. Mr. President, I thank the Senator for inserting the article in the RECORD. It is a very good article. I wish more articles like that were written and published.

INFLATION

Mr. BRIDGES. Mr. President, a major domestic issue, which also has a direct bearing upon international affairs, is the question of inflation.

Nearly all thinking persons agree that inflation is bad, but apparently there is some confusion as to whether a little inflation may be necessary to attain a rate of economic growth needed for continuing prosperity at home and needed to meet the challenge of communism abroad.

My own opposition to even a little more inflation is well known, and I do not intend at this time to speak at length on this subject.

But I do wish to draw attention to a thoughtful article which appeared in the New York Times Magazine of May 3, entitled "Argument Against Creeping Inflation."

The author, Jules Backman, a noted economist, points out that inflation is not necessary for economic growth, but in fact actually slows growth and fosters unemployment.

The article first advances and then supports these six arguments against creeping inflation:

(1) It slows long-term economic growth; (2) it makes recessions worse; (3) it hurts fixed-income groups and savers; (4) not everyone can be protected against it by escalator clauses; (5) it leads to galloping inflation; (6) it is not inevitable in an expanding economy.

Mr. President, I suggest that this article will be of interest to all Senators, no matter what their own views on the subject may be, and I ask unanimous consent that it be printed at this point in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARGUMENT AGAINST CREEPING INFLATION

(Those who believe it to be an inescapable price for economic growth are wrong, says an economist who holds that it actually slows growth and fosters unemployment.)

(By Jules Backman)

There is general agreement that economic growth is indispensable for a strong America. However, there has been considerable public debate about the ideal rate of growth and how to achieve it.

One school of thought asserts that an inescapable cost of a desirable rate of growth is creeping inflation. It holds that the alternatives are creeping inflation and economic growth or price stability and unemployment. In this way, creeping inflation is given respectability by association, while price stability is subject to guilt by association.

The second school of thought holds not only that we can have both a desirable rate of growth and stable prices, but that we can maintain our growth only by keeping prices stable.

Creeping inflation refers to a price rise of 2 percent or 3 percent per year. Prof. Sumner Slitcher, one of the exponents of the first school, states that this type of "slow inflation must be expected to continue more or less indefinitely." Such an annual rate of increase does not seem to be very large, but an annual rise of 2 percent will wipe out half of the purchasing power of the dollar in 35 years, and a 3 percent rate will result in a similar reduction in less than 25. This is the simple arithmetic of creeping inflation.

Nevertheless, apologists for creeping inflation argue that it is unavoidable if we are to achieve the rate of economic growth which is necessary to enable us to attain our aspirations at home and to meet the threat from Russia. They explain that it is inevitable because labor costs rise more rapidly than output per man-hour. According to this argument, trade unions are so powerful that these excessive increases in wages and other labor costs could be stopped only by stringent governmental monetary and fiscal controls. The result of such curbs would be large-scale unemployment, which would limit economic growth. We are told that we must, therefore, accept creeping inflation as a lesser evil.

There is no disagreement concerning objectives between the creeping inflationists and those who are opposed. We are agreed that our goal is a maximum achievable rate of economic growth. We are agreed that unemployment is undesirable and exacts a high social cost. We are agreed that inflation—creeping or any other kind—is not desirable as a way of life. We disagree as to the means by which we may achieve our goals. The creeping inflationists say that we cannot achieve all three goals, that we must choose among them. The anti creeping inflationists say we can achieve growth, a minimum level of unemployment and price stability.

The arguments against creeping inflation may be summarized as follows: (1) is slows long-term economic growth; (2) it makes recessions worse; (3) it hurts fixed-income groups and savers; (4) not everyone can be protected against it by escalator clauses; (5) it leads to galloping inflation; (6) it is not inevitable in an expanding economy.

(1) CREEPING INFLATION SLOWS LONG-TERM ECONOMIC GROWTH

There is general agreement that to meet the threat of the expanding Russian economy our own economy must continue to grow as rapidly as possible. Some say we must step up our rate of growth to about 5 percent a year as compared with our long-term record of about 3 percent. While the difference between 3 percent and 5 percent appears to be small, it becomes enormous with the passage of time. With a growth rate of 3 percent, total output of goods and services in our economy increases fourfold in about fifty years. With a 5 percent rate of increase, on the other hand, total output in a half century would be more than ten times as large as it is at present.

Everyone is in favor of the highest possible rate of economic growth. But there are practical limits to expansion which must be faced. When we exceed these limits the pressures for inflation become intensified. President Eisenhower properly has pointed out that a stable price level is "an indispensable condition" for achieving the maximum growth rate in the long run.

History does not support the assumption that economic growth must be accompanied by rising prices. Economic growth has occurred in many periods of stable or declining prices. Two such major periods in the 19th century—the 1820's and 1830's and the last third of the century—were periods of declining prices. During the 1920's, when prices remained relatively stable, national output rose about 4 percent a year. On the other hand, from 1955 to 1957, when prices crept upward almost 3 percent a year, national output rose less than 2 percent annually.

Two major factors have contributed to economic growth in this country: higher productivity and an expanding population. Two-thirds of our 3-percent annual rate of growth has been accounted for by rising output per man-hour, about one-third by increasing population. Increases in productivity, therefore, provide the key to future economic growth. Output per man-hour is affected by many factors but the most important has been the investment in new machines and equipment. The magnitude of such investments depends upon the level of savings. Savings will be discouraged by creeping inflation, and thus long-term economic growth will be stultified.

Confronted by creeping inflation, savers are more interested in speculating—to protect themselves against losses in purchasing power—than in providing capital for industry. There is ample evidence of this tendency in the rampant speculation now taking place in stocks. If inflation should continue to be a threat, more and more persons would try to protect themselves in this manner. The result would be a speculative binge which would ultimately collapse. Such a development could only act to retard economic growth.

To stimulate economic growth it is necessary to create an environment in which savings will be encouraged and business will be willing to convert those savings into new plant and equipment. Price stability encourages savings, while tax incentives could be used to induce new investments. This is the road to greater economic growth.

Creeping inflation also interferes with business planning. When protection against price rises becomes a dominant factor, businessmen are not likely to plan boldly for expansion. One result is an adverse impact on job creation.

(2) CREEPING INFLATION MAKES RECESSIONS WORSE

It is true that fear of higher prices may give a temporary stimulus to the economy. But this development induces speculation in inventories. Eventually, the inventories become burdensome, then the economy experiences a setback. The 1948–49 downturn properly has been described as an inventory recession. Inventory liquidation also was significant in the 1953–54 and 1957–58 recessions.

When protection against tomorrow's higher costs becomes a major factor in industry decisions to expand capacity today, the net result tends to be overexpansion—followed by a sharp decline in new investment in plant and equipment. The current lag in the capital goods industries reflects the aftermath of the overexpansion of 1955–57. Thus, creeping inflation means more cyclical unemployment. It is not an alternative to unemployment; it is a significant cause of unemployment. And it is little solace to those who become unemployed that they may have received overtime pay during the boom.

We normally anticipate that there will be 2.5 to 3 million workers unemployed even when the economy is operating at full speed. This frictional unemployment usually is short term, representing individuals changing jobs or seasonably unemployed (as in the construction, apparel, or retail trades). Therefore, when we have a total of 4.3 million unemployed, our real problem is how to create about 1.5 million jobs. The economic cost of unemployment must be measured in terms of this smaller figure.

The hardships attending unemployment should not be minimized. The price in terms of broken homes, loss of self-respect, loss of national output, and related developments is a heavy one indeed. This is why every effort must be directed to adopting the proper policies to reduce unemployment.

Creeping inflation exacts a double toll: First, a loss in the buying power of our money; second, added unemployment. It carries a high price tag.

(3) CREEPING INFLATION HURTS FIXED-INCOME GROUPS AND SAVERS

Persons with fixed or relatively fixed incomes—those who live on proceeds of life-insurance policies, pensioners, those who work for nonprofit organizations, Government employees and bondholders—are hardest hit by any cut in the purchasing power of money. Ask the pensioner who planned his retirement 20 years ago how he gets along today with the dollars that buy less than half of what they bought then.

With an increasing number of senior citizens in our population, and with the growth of private pension plans, this is a matter of serious national concern. The hardships experienced by these persons can be just as tragic as those suffered by the unemployed.

In addition, families with savings accounts, U.S. Saving Bonds and other types of savings find their purchasing power steadily eroding. These various forms of savings aggregate about $400 billions. Every increase of 1 percent in the price level, therefore, wipes out $4 billions in purchasing power.

This problem cannot be evaluated in terms of 1-year or 2-year results. As we noted earlier, creeping inflation could cut the total value of savings in half within 25 to 35 years. This is a heavy cost and cannot be ignored.

Nor can workers escape the adverse effects of creeping inflation. Higher prices cut the purchasing power of wages and benefits received under security programs. The part of a wage increase which is excessive is taken away—in whole or in part—by price inflation. Reduced profits mean reduced incentives to invest in new plant and equipment; one result is fewer job opportunities. And unemployment, which thus may attend excessive labor-cost increases, means that those who hold their jobs obtain part of their higher real earnings at the expense of those who lose their jobs or who fail to obtain jobs.

(4) NOT EVERYBODY CAN BE PROTECTED AGAINST CREEPING INFLATION BY ESCALATOR CLAUSES

It is significant that not even the apologists for creeping inflation regard it as something to be encouraged. Rather, we are told, it is an evil which must be tolerated and to which adjustment must be made. One suggestion is that "escalator clauses," such as those now contained in many union contracts, might be extended to pensioners, insurance beneficiaries, bondholders and the like. This proposal acknowledges the ill effects of inflation, but suggests that the burden could be neutralized.

But not everybody can ride the escalator. It is the height of folly to imagine that we can inflate without some groups paying the price.

Professor Slichter has suggested that under the conditions of creeping inflation people "should not hold long-term bonds or other long-term fixed-income investment unless the yield is sufficient to compensate them for the probable annual loss in purchasing power." What would happen to our financial system if bondholders should attempt to liquidate their investments en masse? The basic weakness of the apology for creeping inflation is reflected in the recognition of the problem in this area.

(5) CREEPING INFLATION LEADS TO GALLOPING INFLATION

Psychology plays an important role in economic decisions. As the purchasing power of money steadily erodes, more and more persons will seek to protect themselves against future price rises. The resulting flight from money into goods would accelerate the rate of increase in prices. Creeping inflation could then become galloping inflation, and finally runaway inflation.

It is true that such a development would require support from monetary and fiscal inflation. But that this support would be forthcoming seems probable as long as we persist in tolerating wage inflation and insist upon full employment.

(6) CREEPING INFLATION IS NOT INEVITABLE IN AN EXPANDING ECONOMY

Many factors are at work today to raise or hold up prices. They include the agricultural support program, the high level of Federal, State and local government spending, the increases in various sales and excise taxes, featherbedding and makework rules, controls affecting imports and the steady expansion in private debt.

The primary cause of creeping inflation, however, as Professor Slichter has pointed out, is wage inflation—labor costs rising faster than output per man-hour. When wage inflation abates, price inflation also is moderated. It is noteworthy that, despite business recovery in the past year, consumer prices have remained stable and wholesale prices have risen only fractionally. This temporary stability reflects the likelihood that output per man-hour has risen more rapidly than the long-term rate (a typical recovery performance), and that, as a result, wage inflation has been at a minimum—perhaps even nonexistent—for the economy as a whole during this period.

The basic problem, then, is to counteract wage inflation. Two factors make this difficult. One is the national objective to maintain full employment, the other is the growth of powerful labor unions.

The full employment policy makes it difficult to impose those stringent monetary and fiscal checks to rising prices which would create deflation and unemployment. The national concern over unemployment has assured union leaders that their wage policies will be underwritten by new inflationary measures when necessary. In other words, full employment policies have increased the bargaining strength of the unions.

The problem of wage inflation could be ameliorated if union leaders and the workers they represent accepted the fact that our average standard of living cannot rise faster than national productivity. Only as we produce more can we obtain more goods and services, or more leisure, or some combination of both.

However, since it is the job of union leaders to get as much for their members as fast as they can, there is little point in criticizing them for taking full advantage of the present situation.

We can make more progress by taking action on two fronts:

First, the power of the unions must be curbed. There is little agreement on how this may be accomplished. Some students of the problem have suggested applying the antitrust laws to limit unions' monopoly power. Others have proposed more drastic remedies, such as limiting the power to strike, or curbing the size of unions.

Each of these proposals involves serious difficulties which must be carefully evaluated. Possibly some other solution will be forthcoming. However, unless some means is found to curb excessive union power and its abuse, this source of pressure for creeping inflation will continue.

Second. The Employment Act of 1946 should be amended to include the goal of stabilizing the purchasing power of the dollar as well as the goal of maintaining high-level employment. This would provide a guide against which to measure proposed policies. It would not mean wage or price controls. Individual prices would continue to fluctuate as at present but public policy would have as one objective the prevention of marked changes in the general price level.

Uncertainty would be substituted for the present certainty that inflationary wage increases will be supported by governmental actions. The new element of uncertainty might impose some restraint upon unions. It might also make industry less willing to grant excessive wage increases because it would make their recovery through higher prices less certain.

One important caution must be noted. There is no magic in a stable price level. Stability of prices during the 1920's did not prevent the most catastrophic depression in modern history. Stability of prices from 1952 to early 1956 did not prevent the 1954 recession—or the 1955–57 boom. General price stability may conceal important disparities in price relationships or in cost-price relationships which in turn upset the effective functioning of the economy. In other words, general price stability is not a cure-all for the problem of the business cycle.

Nevertheless, if these limitations are kept in mind, the inclusion of the goal of price stability in the Employment Act will focus national attention on inflation and its causes. The public will be made aware of the dangers that are inherent in monetary and fiscal inflation with their impact upon total demand, wage inflation with its impact on costs, and other policies which act to raise or hold up prices. And, certainly, full awareness of the sources—and evils—of creeping inflation is an indispensable step in mobilizing public opinion against inflationary policies.

RADIOACTIVE FALLOUT

Mr. BRIDGES. Mr. President, in the CONGRESSIONAL RECORD of April 24, 1959, I indicated my concern over the increasing fallout from nuclear experimentation. I had previously outlined a program to minimize the fallout risk which provided for explosions to be conducted in the ionosphere and in the earth's subterranean area. Those recommendations have since become the official position of the administration.

An editorial which appeared in the April 30, 1959, issue of the Exeter (N.H.) News-Letter illustrates the seriousness and magnitude of this problem. I commend its reading to my colleagues, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Exeter News-Letter, Apr. 30, 1959]

MOST IMPORTANT OBSTRUCTION

It is rapidly becoming clear that the most important obstruction to world peace today is the failure to reach agreement on nuclear explosion tests.

The threat of radioactive fallout is of more importance to the United States and Canada than it is to the rest of the world. Recently established as a fact is that radioactive fallout from nuclear explosions in the northern regions of the earth concentrate in the North Temperate Zone. By contrast the debris from atomic explosions over the Equator tend to distribute evenly over the earth.

The alarming aspect of the above conclusions is the estimate of prominent scientists that this year the radioactive fallout in the United States is expected to increase about one-third. This does not mean that the coverage of Strontium 90 over the United States has reached dangerous proportions. It does, however, indicate that the increase is caused by Soviet nuclear explosions in the Arctic regions, with the debris drifting over Canada and the United States.

If such be the case then the Soviet's deliberate evasiveness in working out an agreement on nuclear control would in time give the Kremlin tremendous bargaining power at the Summit meeting and thereafter. A continuation of test explosions in the Arctic can only mean that the health and well-being

of the peoples of the United States and Canada are endangered as the result of concentration of strontium 90.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business for action on the nomination of Potter Stewart to be an Associate Justice of the Supreme Court of the United States.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

Mr. MANSFIELD. Mr. President, for the information of the Senate, as soon as the distinguished Senator from Georgia [Mr. RUSSELL] has concluded his remarks, I intend to suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HART in the chair). The clerk will state the nomination.

The legislative clerk read the nomination of Potter Stewart to be an Associate Justice of the Supreme Court of the United States.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

Mr. RUSSELL. Mr. President, it is always a matter of regret when I am impelled to withhold my consent to any nomination made by the President of the United States. Feeling as I do that the nomination of Mr. Justice Stewart is a part of a deliberate policy by the Department of Justice to perpetuate some recent decisions of the Court, which decisions were partly based on amicus curiae briefs submitted by the Department of Justice, I have no alternative. I shall vote against this nomination.

My opposition to Mr. Justice Stewart is not based on personal or professional considerations.

Mr. President, I have never met the nominee. I am advised by some of those who knew him in college that he is a personable man, of good character. All the information at hand indicates that he is a lawyer of ability. Indeed, in this instance the President has seen fit to nominate a man who has had some judicial experience. Mr. Justice Stewart has never presided on a trial bench, but he has served for more than 3 years on the circuit court of appeals, giving him much more judicial experience than a majority of the Court with which he is associated.

Mr. President, the deviation by the present Court from long-established rules of construction applied by great jurists to the 14th amendment poses to those I am honored to represent the most momentous issue of several generations.

I am convinced that these decisions were sponsored by the Department of Justice and that, through a process of screening and making recommendations to the President, that Department has made sure that no man will be nominated to the Senate who does not wholeheartedly embrace the 1954 decision of the Court on school segregation, which was admittedly based on psychology rather than law.

I do not know that any poll has been taken of outstanding judges and lawyers of the country relative to the departure from legal precedent set by real judges and to the obeisance to psychology and Myrdal of the 1954 decision.

Mr. EASTLAND. Mr. President, will the distinguished Senator from Georgia yield for a question?

Mr. RUSSELL. I yield.

Mr. EASTLAND. Does the Senator not believe that that decision was based on Communist dogma, because the Court cited and quoted from the Myrdal book, in which Myrdal said the Constitution of the United States had outlived its usefulness and was a plot against the common people?

Mr. RUSSELL. The statement that the Constitution of the United States was a plot against the common people; that the Founding Fathers were the wealthiest men in the new Republic; and that they were using their position as the authors of the Constitution to oppress the masses—has been one of the constant propaganda themes of communism since the first days of Lenin and Trotsky.

Mr. President, I was stating—that I did not know that any poll had been taken of the views of lawyers and judges on the 1954 school decision by the Supreme Court. However, I believe that more lawyers disagree with it than agree with it. I cannot help feeling that the Department of Justice has carefully selected for promotion only those who approve of and will continue to sustain that decision.

While it has been said that the Attorney General only makes recommendations to the President, it is a matter of common knowledge that of late—and particularly in the case of appointments to the Supreme Court—the recommendations by the Department of Justice have been conclusive.

I still have a vivid recollection of the first Supreme Court vacancy which the present administration was called upon to fill, namely that created by the death of Chief Justice Vinson in September 1953. The then Attorney General, Mr. Brownell, made a secretive and what the press called a sudden flight to Sacramento for a conference with Gov. Earl Warren, of California.

Upon Mr. Brownell's return to Washington, the newspapers reported with no air of doubt that Mr. Warren would be appointed the new Chief Justice on the basis of Mr. Brownell's recommendation to the President. Indeed, the headline in the New York Times of September 29, 1953, proclaimed: "Warren Slated for Appointment as Chief Justice—Action by Monday—Brownell to Urge Choice on President."

The following day, on September 30, President Eisenhower confirmed Mr. Brownell's selection of Mr. Warren as Chief Justice. I read the President's announcement from a transcript of the press conference:

> I could start off, I think, by confirming something that is certainly by no means news any more, and that is I intend to designate Gov. Earl Warren as Chief Justice of the United States.

Mr. President, I submit that this episode involving Mr. Warren's appointment shows clearly that the Justice Department did something more than merely make a recommendation. Since that first appointment, the Department's role has been no less influential in the selection of Supreme Court Justices.

The Eisenhower administration has now appointed four members of the Supreme Court, not counting the pending nomination of Justice Stewart. If his nomination shall be confirmed, he will be the fifth. The other four Justices have participated in various desegregation cases and have concurred in the astounding decision of the Supreme Court in the school cases of 1954.

In that decision, the Court undertook to rewrite and amend the Constitution by denying the States the right to operate separate but equal schools for the races. It found on the basis of textbooks and other writing on psychology—not lawbooks—that segregated schools were inherently unequal and a violation of the 14th amendment.

That decision overturned more than 75 years of law, history, and precedent upholding the right of the States to maintain separate schools for white and Negro children.

It not only reversed the judicial precedents established by a long and unbroken line of decisions written by eminent judges of the U.S. Supreme Court; it likewise struck down a number of decisions by supreme courts of States, including States wherein the movement for the adoption of the 14th amendment had originated.

It ignored the fact that 24 of the 37 States that made up the Union in 1868, at the time of submission of the 14th amendment, continued or adopted segregation statutes.

It disregarded the fact that Congress itself—which is supposed to have the sole authority to apply the 14th amendment—had explicitly sanctioned the right of the States to maintain separate but equal school facilities after the 14th amendment was ratified.

Furthermore, the present Court, as noted by Professor Wechsler in his Holmes lecture at Harvard last month, has extended the strange doctrine laid down in the school cases to other public facilities, such as transportation, parks, golf courses, bathhouses, and beaches This has not been done by decisions explaining the Myrdal doctrine in detail, as was the case in the school decision, but by per curiam orders which give no explanation.

It is no wonder that the trend of recent decisions by the Supreme Court has provoked mounting criticism from the most reputable and responsible sources.

The chief justices of the several States have voiced grave concern over the tendency of the Supreme Court to press extension of Federal power and to press it rapidly through its interpretation of the 14th amendment in the school cases and others.

Judge Learned Hand could well have been thinking of the school decision when he said:

> Another supposed advantage of the wider power of review seems to be that by the

moral radiation of its decision a court may point the way to a resolution of social conflicts involved better than any likely to emerge from a legislature. In other words, courts may light the way to a saner world and ought to be encouraged to do so. I should indeed be glad to believe it, and it may be that my failure hitherto to observe it is owing to some personal defect of vision; but at any rate judges have large areas left unoccupied by legislation within which to exercise this benign function. Besides, for a judge to serve as communal mentor appears to be a very dubious addition to his duties and one apt to interfere with their proper discharge.

Judge Hand is recognized by impartial members of the bench and bar throughout the Nation and, indeed, throughout the world, as one of the greatest judges ever to adorn the Federal bench. I must say that under the policy which now prevails in the Department of Justice of submitting nominations for Justices of the Supreme Court, I do not believe Judge Hand could ever have been nominated. It may be the reason why he never was nominated. He has been recognized as a great and outstanding judge for two or three decades. He is much too independent, and the Department of Justice could not know in advance whether he would accept their views and paraphrase their briefs in any case.

In view of the mounting criticism, the Court has now adopted the novel policy in cases in this legal area of having all nine of the judges "sing" decisions in chorus. In the case of Cooper against Aaron, Mr. Justice Warren and his eight colleagues all saw fit to sign the decision as authors. They do not state whose hand held the pen, but, from my standpoint, it appears that more than one had his hand on the pen. That probably accounts for some of the conflicts which appear in that decision.

I have not checked to see whether this is another first on the part of this Supreme Court, but in my study of the decisions of that body I have never run across any other decision where all of the judges found it necessary to coauthor a decision.

It is also worthy of note that not only did each and every Justice sign his name, but the Court pointed out that the three judges who had come onto the Court since the Brown decision all held to the same view.

That was a remarkable procedure. What was its purpose? It seems to me to have been an attempt to intimidate the judges of the lower courts, including the State courts, as well as citizens generally who might disagree with and protest against the decision of the Supreme Court.

Mr. President, appointment to the Supreme Court of course has been considered one of the greatest honors that could be conferred on any lawyer. I am not surprised that the Department of Justice has been able to find four or five appointees who are willing to become ardent disciples of Mr. Warren and who are willing to disagree with the legal giants of the past—such as Chief Justices Taft and Stone and Associate Justices Holmes and Brandeis—on the interpretation of the rights and powers of the States under the 14th amendment.

However, Mr. President, it is remarkable that none of the able men in the country who disagree with that philosophy—namely, that the Court has the power to amend the Constitution—and who are eminently qualified to serve on the Supreme Court have been selected for nomination and appointment to the Court.

Mr. President, on May 17, 1954, the day the Brown decision was rendered by the Supreme Court, I issued a statement in which I pointed out the danger to our system of government when the Attorney General, as the political spokesman of the administration, dictates to the Supreme Court. I referred to the great danger inherent in permitting the Attorney General, as the political spokesman of the Government, to influence directly or indirectly the decisions of the Court. Every event since I issued that statement has confirmed my conclusion that for political reasons the Department of Justice, through its process of screening and recommendation, can deny appointment to the Supreme Court to any lawyer or judge, however able he may be, who does not agree with the Department's position and does not approve of its part in the original decision in the Brown case.

Mr. President, the people I am honored to represent are more concerned over the violence done our Constitution by that decision and those which have followed it than by any other issue before the country. Under this system, as I have stated, it is impossible for any person who does not represent the views of the Department of Justice to be appointed to the Supreme Court.

Mr. President, in order to protest against this system and against the unconstitutional decision of the Supreme Court that this system is devised to protect, I shall be compelled to oppose all nominations to the Supreme Court that are a product of this system and of this philosophy.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD, as a part of my remarks, the statement I issued on May 17, 1954, dealing with this original decision.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR RICHARD B. RUSSELL, OF GEORGIA, ON SUPREME COURT DECISION IN SCHOOL SEGREGATION CASES, MAY 17, 1954

The decision of the Supreme Court in the school cases is a flagrant abuse of judicial power. It strikes down the right of the States, plainly guaranteed by the Constitution, to direct their most vital local affairs. It reverses and nullifies numerous decisions handed down by courts composed of real lawyers and experienced judges confirming the authority of the States to regulate the State-supported school system.

It is a clear invasion of the prerogatives of the legislative branch of our Government of divided powers. It demonstrates that the Supreme Court is becoming a mere political arm of the executive branch of the Government.

The Attorney General is now the political spokesman for the party in power. This has been particularly true of the present administration and its predecessor in office. Where political implications and pressure groups are involved, the Attorney General consistently intervenes in an effort to influence the votes of these groups in key States. This is true even where the United States is not a proper party to the case. The Court then supinely transposes the words of the briefs filed by the Attorney General and adopts the philosophy of the brief as its decision.

In the instant decision, the Court again proclaims its inability to maintain its position as a coequal and coordinate branch of the Government, by requesting the advice of the Attorney General in formulating its final decrees.

The decision is unique in one respect. For the first time, the Court admittedly substitutes psychology for law and legal precedent in construing the Constitution. If we are to permanently abandon law and precedent in favor of psychology, the rights of the American people should not be subjected to the findings of amateur psychologists whose chief background and experience is in the field of practical politics. Either trained psychologists should be added to the personnel of the Court; or, at the least, provision should be made for a Court psychologist of proper qualifications to appear with the Attorney General to help the Court in formulating its rulings.

In its grasping for more and more power, the executive department is now using the Court as its pliant tool to acquire the authority to direct every activity in the life of our people from Washington. This is making mere satrapies out of once sovereign States.

Ways must be found to check the tendency of the Court to disregard the Constitution and the precedents of able and unbiased judges to decide cases solely on the basis of the personal predilections of its members as to political, economic, and social questions. Unless this is done, the Court will bring about the destruction of the dual system of government which has enabled this country to achieve its present greatness.

The decision in this case will cause great confusion and will work a hardship on thousands of innocent people. It may well result in the destruction of the common school system of some States.

Mr. TALMADGE. Mr. President, will my colleague yield to me?

Mr. RUSSELL. I am glad to yield to my colleague, Mr. President.

Mr. TALMADGE. Mr. President, I desire to commend my distinguished senior colleague for the remarks he has made about this appointment. I associate myself with his remarks. I think one of the most calamitous things which has ever occurred in the history of our country has been the trend in recent years to appoint judges, not for what they knew, but for what they would do. We have witnessed a revolution in our country, a revolution which has taken place from the bench of the Supreme Court of the United States. We have seen the Constitution of the United States of America amended in fact by judicial usurpation. People are alarmed about this trend—not only the people of the great State my colleague and I have the honor to represent, but people throughout the length and breadth of the country.

Mr. RUSSELL. It is not confined to any area.

Mr. TALMADGE. Certainly it is not. That is clearly borne out by the fact that the chief justices of the supreme courts of all the States of the Union have severely criticized the United States Supreme Court. As I recall, the vote was

approximately 36 to 8, among the chief justices of the supreme courts of the States of the Union.

We have also seen the American Bar Association—which normally refrains from any criticism of any court—adopt resolutions regarding this trend of the Court. Many newspapers and magazines throughout the country, in all parts of the land, have become alarmed about it.

With reference to the question of confirmation of the nomination of Associate Justice Potter Stewart, let me say that I do not know whether my colleague has had occasion to read the decision in the case of *Henderson* v. *Bannan,* cited as 256 Federal 2d, at page 363.

Mr. RUSSELL. I am not familiar with that decision, I regret to say.

Mr. TALMADGE. That case deals with a Negro who raped a white woman in Michigan. He was apprehended. He plead guilty. He was sentenced to life imprisonment.

Then a writ of habeas corpus was issued in behalf of James Henderson; and the issue finally reached the Circuit Court of the United States for the Sixth District. At that time Justice Stewart dissented; he wanted to release the criminal in that case.

The strange thing was that he was the only judge who took that position. The case went all the way from the trial judge in Michigan to the U.S. Supreme Court. The decision was affirmed, of course, by the judge who tried the case. The decision was also affirmed by eight judges of the Supreme Court of Michigan. The decision was reviewed by three Federal court judges, before it went to the U.S. Supreme Court. It was participated in by most of the Justices of the U.S. Supreme Court. Yet, among all that vast array of legal talent, State and Federal, Associate Justice Potter Stewart is the only one who dissented and took the position that the criminal should be freed after he had committed that atrocious crime.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, the decision referred to and the dissent therefrom, in the case of *Henderson* v. *Bannan.*

There being no objection, the decision and the dissent were ordered to be printed in the RECORD, as follows:

JAMES HENDERSON, APPELLANT, *v.* WILLIAM H. BANNAN, WARDEN, APPELLEE, No. 13208—U.S. COURT OF APPEALS, SIXTH CIRCUIT, JUNE 4, 1958

Habeas corpus proceeding by accused who, on the same day, was arrested and was sentenced in State court to life imprisonment on his plea of guilty to rape charge. The U.S. District Court for the Eastern District of Michigan, Arthur F. Lederle, chief judge, denied the petition for the writ, and the petitioner appealed. The Court of Appeals, McAllister, circuit judge, held that where accused understood the rape charge against him and accused knew whether the act of intercourse was with the girl's consent, in which event he would be innocent, or whether it was by threat of killing her, in which event he would be guilty, and accused knew that he could be sentenced to life imprisonment on his guilty plea, the failure of Michigan trial court to appoint counsel for accused did not constitute denial of due process of law.

Affirmed.

Stewart, circuit judge, dissented.

1. Habeas corpus (85.5(4, 9)): In habeas corpus proceeding by State convict who, on the same day, was arrested and was sentenced in State court to life imprisonment on his plea of guilty to rape charge, record failed to show that rape case was rushed through in order to keep accused from obtaining counsel, changing his plea, and requesting a trial.

2. Habeas corpus (85.5(2, 4)): In habeas corpus proceeding by accused who, on the same day, was arrested and was sentenced in State court to life imprisonment on his plea of guilty to rape charge, record disclosed that accused was arraigned before a justice of the peace and that accused waived examination.

3. Habeas corpus (85.5 (2, 7)): In habeas corpus proceeding by accused who, on the same day, was arrested and was sentenced in State court to life imprisonment on his plea of guilty to rape charge, evidence failed to show that accused was denied permission to get in touch with his brother or that his confession and guilty plea were induced by fear of mob violence.

4. Criminal law (264): Under Michigan law, where an accused is not offered legal counsel, he must establish, in order to invalidate a plea of guilty, that because of lack of counsel, an ingredient of unfairness actively operated in the process that resulted in his being sent to prison.

5. Habeas corpus (85.5 (4, 9)): In habeas corpus proceeding by accused who, on the same day, was arrested and was sentenced in State court to life imprisonment on his plea of guilty to rape charge, evidence disclosed that accused knew the consequences of his guilty plea and that he knew that he was entitled to counsel, and that he did not request counsel.

6. Constitutional law (268): Due process does not require that counsel be made available to defendants in a criminal prosecution, except in certain cases; it is only when, because the defendant does not have the benefit of counsel, an ingredient of unfairness actively operates in the process resulting in his conviction, that there is a denial of due process (U.S.C.A., constitutional amendment 14).

7. Constitutional law (268): Where accused understood the rape charge against him and accused knew whether the act of intercourse was with the girl's consent, in which event he would be innocent, or whether it was by threat of killing her, in which event he would be guilty, and accused knew that he could be sentenced to life imprisonment on his guilty plea, the failure of Michigan trial court to appoint counsel for accused did not constitute denial of due process of law (U.S.C.A., constitutional amendment 14).

8. Constitutional Law (268): That a counsel, if appointed for accused, might have advised accused to plead not guilty to rape charge, and might have obstructed and delayed the prosecution as much as possible and might have compelled the complaining witness to submit to cross-examination, did not justify the conclusion that there was a denial of due process because of failure of trial court to appoint counsel for accused (U.S.C.A., constitutional amendment 14).

Ernest Goodman, Detroit, Mich. (Goodman, Crockett, Eden & Robb, G. Leslie Field, Detroit, Mich. on the brief), for appellant.

Samuel J. Torina, Lansing, Mich. (Thomas M. Kavanagh, attorney general, Daniel J. O'Hara, Perry A. Maynard, assistant attorneys general, on the brief), for appellee.

Before McAllister, Miller and Stewart, circuit judges.

McAllister circuit judge.

This is an appeal from an order of the district court denying appellant's petition for a writ of habeas corpus.

Appellant was arrested on August 5, 1942, for the crime of rape. He pleaded guilty on that day and was sentenced to life imprisonment by the circuit court for Macomb County, Mich. More than 5 years after he had been sentenced to prison, on October 20, 1947, appellant filed with the Circuit Court for Macomb County an application for leave to file a delayed motion for a new trial and to set aside the sentence imposed upon him. In his motion for a new trial, he set forth among other contentions, that his constitutional rights were disregarded on his trial, and that he did not have the assistance of counsel. He further set forth that he had not known the full consequences of a plea of guilty; but he did not claim that he was innocent of the crime charged. The circuit court thereafter denied appellant's application to file a delayed motion for a new trial, on March 31, 1948.

On June 24, 1952, a further motion for a new trial was filed by counsel presently representing appellant. The circuit court for Macomb County denied this motion also.

Thereafter, application for leave to appeal to the Michigan Supreme Court was filed, and, in June 1953, was denied without opinion.

A petition for a writ of certiorari was then filed with the U.S. Supreme Court; but before that court had taken any action upon the application, the Michigan Supreme Court, on the petition of the Attorney General of Michigan, in 1953, remanded the case to the circuit court of Macomb County for the purpose of taking additional evidence, and for reconsideration.

On the remand, the circuit court for Macomb County heard 12 witnesses in open court, including appellant, and in a written opinion, again denied the motion for a new trial.

An appeal was taken to the Michigan Supreme Court, which, in a comprehensive opinion, *People* v. *Henderson* (343 Mich. 465, 72 N.W. 2d 177) affirmed the order denying a new trial. Thereafter, a motion for rehearing was denied. Subsequently, a petition to the U.S. Supreme Court for a writ of certiorari was denied (351 U.S. 967, 76 S. Ct. 1033, 100 L. Ed. 1487).

After the conclusion of all the above proceedings, appellant filed the petition for a writ of habeas corpus in this case, on August 1, 1956, in the district court, and, on December 21, 1956, Judge Lederle, after filing findings of fact and conclusions of law, denied the petition for the writ. From the denial of the petition, appeal was taken to this court.

On this appeal from the order of the district court denying the writ of habeas corpus, Henderson claims: (1) That his conviction and sentence were not in accordance with the due process clause of the 14th amendment, under the circumstances disclosed by the record, since he was without legal counsel and was not offered counsel; and (2) that appellant was denied due process, under the circumstances disclosed by the record, since his plea and conviction took place at a specially convened night session of the court, and that he pleaded guilty because of fear of action by a mob then surrounding the courthouse.

The more detailed factual background of the case, as appears from the State court hearing on the plea of guilty, is as follows: Appellant, a Negro, had resided in Mount Clemens, Macomb County, Mich., for about 7 years before the incidents herein related. On the morning of July 29, 1942, he obtained a job at a tavern near Mount Clemens. This job required that he live on the premises. At about midnight of his first day of work, the manager of the tavern asked a waitress,

who was a young married white woman, to drive appellant, in her car, to the place where he stayed in Mount Clemens, in order that he could pick up his clothing, and then to bring him back to the tavern. She agreed, and proceeded to drive appellant to the place where he stayed. It was during this drive that, after midnight, she claimed rape occurred. Immediately thereafter, appellant disappeared. In the morning, the woman filed a complaint against him, charging him with the crime of rape committed against her. It appears that appellant went that night to Detroit, afterward to Ypsilanti, and then to Chicago where he got a job for a few days. He subsequently went to South Bend, Ind., and on August 5, came back to Ypsilanti, on his way to Mount Clemens, where he had been waiting to be drafted into the Army. He returned because he thought the time had arrived for the draft. While in Ypsilanti, he stopped with friends who told him that the police had been at their home looking for him; and they showed him a newspaper stating that he was wanted for rape. Appellant's friends then told him that if he were not guilty, he had better go back to Mount Clemens and see what he was wanted for. Appellant replied to them that there was nothing for him to do except turn himself in. He went to the State police office in Ypsilanti and identified himself. The State police then took him to their barracks near Detroit, where the Mount Clemens police met him and took him to the jail in Mount Clemens. Appellant stated that he was questioned at the jail and that he there signed a confession. Some hours later, he was taken to the courtroom of Judge James Spier, the circuit judge for Macomb County, about 10 p.m. Thereafter, Judge Spier arrived and opened court about 10:20 p.m. The case against appellant was then called and the information which charged him with rape was read, in open court. There then took place a comprehensive questioning and examination by Judge Spier, and by the prosecuting attorney.

PROCEEDINGS ON PLEA OF GUILTY

Judge Spier first inquired of Henderson whether he knew what he was charged with, and appellant replied that he did. In answer to the questions of the court, appellant stated that he wanted to plead guilty of his own free will; that nobody had threatened him, or "beat up" on him, or promised him anything to get him to plead guilty; and that the reason he pleaded guilty was because he had actually forced the woman to have intercourse with him. In response to questions of the prosecuting attorney, appellant stated, in open court, that he had wanted to tell the prosecutor "all about it" when the latter came to the jail; that the prosecutor had explained what his constitutional rights were; that everything the appellant told the prosecutor was of his own free will, and done with knowledge that it could be used against him; that he wanted to make a full confession and get the matter over; that he was told, by the prosecutor, that no threats or promises or inducements of any kind could be made or offered to get him to make any statement; that no one could in any way intimidate him or use any force to make him confess; that no such tactics were used upon him, by any police or law enforcement officer; and that no one had laid hands upon him, or touched him.

Appellant told the court, further, that he had never seen the woman before that one day that he worked at the tavern, where she was a waitress. He stated that his job was to rise early in the morning, to clean the place up. It was understood that he was to stay out of the public part of the tavern. Appellant further stated that the manager of the place, in his presence, had asked the young woman if she would drive appellant to his place to get his clothes; and that she, at the request of, and as an accommodation to the manager, agreed. Appellant then told the court that, that night he had with him a piece of steel about 14 inches long, with black cloth around it; that, after the young woman had driven him a certain distance, he took the steel out of a bag and "made out" that it was a knife; that he then threatened her with the "knife," to frighten her into submitting to intercourse with him; that he made her stop and get out of the car; that the girl was in fear of her life, because of his threats with the knife, and told him: "Don't hurt me, I will do anything you want"; and that, because of her fear of being killed, she let him have intercourse with her. After getting into the car again, he had her continue to drive and then forced her to have intercourse again with him; that "the second time I did not threaten her, but I guess she was still scared from the first time from seeing (the knife) so she said 'put it away, I am going to do what you said.'" In answer to the question of the circuit judge, appellant stated that when he had intercourse with the girl, he knew she was in fear of her life and that that was the reason she submitted. Finally, on the highway to Detroit, appellant had the car stopped and got out. He stated that he had taken everything the girl had in her purse, amounting to $2.90. She had practically no gasoline left, and when he was leaving her in the midst of the country, sometime after midnight, and had no money to get any gas, as he told the court, he gave her back 50 cents of the money that he had taken from her.

Appellant at the time he pleaded guilty, told the court that he had previously been convicted of robbery, unarmed, in Detroit, Mich., and had been sentenced to serve 1 to 10 years. After serving 18 months in the Ionia Reformatory, he had been released. Appellant had also been arrested in Cleveland, Ohio, for having intercourse with a girl under the age of consent, but told the court that he had been released because it had taken place in a disorderly house. He further admitted to Judge Spier, at the time of the hearing on his plea of guilty, that he had had syphilis, but had been cured. As to appellant's knowledge of the fact that his guilt of the rape might carry a life sentence, appellant stated that, in spite of that fact, he would not change his plea because he knew he was guilty and that there was no use trying to fight it.[1]

A reading of the long and comprehensive examination of the appellant in open court, by Judge Spier and the prosecuting attorney, that runs to 27 printed pages, leaves the impression that both the sentencing judge and the prosecuting attorney were actuated by a sincere desire to accord to appellant his constitutional rights; to ascertain the facts; to make sure that appellant understood what he was charged with committing, and that his plea of guilty was of his own free will, and was not made as the result of threats, promises, or inducements of any nature, by police officers or law enforcement authorities of any character, and that no one had used any force upon appellant—that no one had laid any hand on him or ever touched him.

After the extensive examination of appellant, and upon the motion of the prosecuting attorney for the maximum sentence on the ground that Henderson was guilty not only of rape but of armed robbery, and that he was not "the type that should ever be allowed to mingle with society again," the court imposed a life sentence.

MOTION FOR A NEW TRIAL

In his motion for a new trial, or, in the alternative, a motion for leave to file a delayed motion for a new trial—under the liberal Michigan practice in such cases—which was here filed 10 years after he had been sentenced, appellant contended that the sentence was illegal and void for the reason that he had been interrogated, arraigned, convicted, and sentenced "without the advice of counsel or the opportunity to obtain an attorney, without the counsel of friends or the opportunity to communicate with friends, without a public trial, without the interrogation of the complaining witness against him, and solely on the basis of a confession of guilty made by the defendant following threat of mob violence by persons gathered outside the court building at the time." Appellant, in his motion, further contended that the trial, conviction, and sentence, under the circumstances set forth in his attached affidavit, constituted a denial of due process, contrary to the provisions of the 14th amendment to the Federal Constitution; that appellant confessed to the crime of rape only because of the circumstances surrounding his detention and interrogation, and because of the threats made against him, and not because he was guilty of the crime; that he would not have pleaded guilty if he had had the opportunity of consulting with counsel or friends or relatives, and if the entire proceedings had not been hastily rushed through at a closed night session, during a period of approximately 3 hours; that he was entitled to have his guilt or innocence determined by an impartial jury at a public trial, with sufficient time for preparation, after being afforded the right of counsel, without intimidation by a hostile mob outside the courtroom and after presentation of evidence against him, and particularly the testimony of the complaining witness; and that there had been a substantial miscarriage of justice and denial to defendant of his rights under the Michigan and Federal Constitutions, which could only be rectified by the granting of a new trial.

Appellant's motion for a new trial was based upon his affidavit attached thereto, in which he set forth a number of alleged facts, which he claimed sustained his motion for a new trial.

Among the sworn statements in his affidavit attached to his motion for a new trial, appellant set forth that he was interrogated in the Mount Clemens jail, on the evening of his arrest, by the chief of police and the justice of the peace; that he had denied that he was guilty of the crime of rape and told them of the incidents which had occurred during the night of July 29, and the early morning of July 30, 1942, negating any such crime or intent to commit any such crime; that while he was in the cell at the Macomb County Jail, several policemen told him that a mob had gathered on the outside of the jail and that unless he confessed to the crime, they would turn him loose to the mob; that thereafter, and at approximately 9 p.m., to the best of his knowledge and belief, he was taken out of the cell and

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[1] In reply to Judge Spier's questioning on this point, appellant answered:

"Q. You know the seriousness of what you have done? A. Somewhat, sir.

"Q. What kind of sentence you think you ought to get? A. I am ready for anything that is supposed to come to me.

"Q. What? A. I am will for anything supposed to come to me, sir.

"Q. You know it carried a life sentence, do you? A. I didn't know that, no sir, I didn't know that, sir.

"Q. Do you have any idea what kind of sentence it carried? A. Somewhat, sir. I have heard of cases, sir.

"Q. What? A. I have heard of several cases, sir.

"Q. The fact it might carry a life sentence, that make any difference in your plea of guilty? A. I wouldn't change my plea because I know I am guilty; no use trying to run around—trying to fight it."

led through a tunnel from the jail to the Macomb County Courthouse and there taken by elevator to the ninth floor where he was brought into the courtroom of Judge Spier; that while in the courtroom, he was further interrogated by police, detectives, and officials in an effort to obtain from him a confession of the crime; that he continued to deny that he had committed any crime and requested that his brother or some other member of his family be called so that he could talk to them. This and similar requests were denied. That during the period of this questioning, a police officer told him to look out of the window to the street below, that a mob had gathered and that he would be turned loose to the mob if he did not confess. That he did look through the window and saw a large number of people below, some of them looking up in his direction. That as the interrogation continued, he again asked to see a relative or a lawyer. He was advised by the persons who were interrogating him to confess to the crime. He was told by one of the persons who interrogated him that he would get a break if he confessed. He asked on several occasions why the police didn't bring the complaining witness to court. He was told that she was not available. Finally, despondent, under the continuous questioning and because of the lack of a friend, adviser, or lawyer, by reason of the threat of the mob on the street below and despite the fact that he then knew, as he does now, that he was innocent of the charges against him, agreed to confess to the crime of rape which he did not commit. All of these claims formed the principal basis of appellant's contention that his conviction and sentence were illegal and void, and that he had been deprived of due process of law.

In addition to the foregoing, appellant set forth in his affidavit attached to his motion for a new trial, that shortly after 10 p.m. on that same day of his arrest, Judge Spier convened court; that numerous statements were made by the judge and the prosecuting attorney, and that he was questioned at considerable length, during which questioning he admitted that he had committed the crime of rape; that during the entire period he was in the courtroom, it was not open to the public, and no members of the public, to the best of his knowledge and belief, were even permitted to come into the courtroom, and that the only persons present were the court officials, attachés, police, detectives, and newspaper reporters; that so far as he knew, appellant was not arraigned before the justice of the peace, nor was he asked to waive an examination, nor did he do so; that he was sentenced at approximately 11 p.m., and taken by the police to the prison in Pontiac, and the following day to the State prison at Jackson. Appellant further set forth that he had obtained copies of the Mount Clemens daily newspaper published on July 30, July 31, and August 6, 1942, "with respect to the threats and the mob," which he attached to his motion for a new trial; and appellant deponed that the information was true to the best of his knowledge and belief.

DENIAL OF NEW TRIAL

In denying appellant's motion for a new trail, Judge Spier in a detailed opinion that runs to 10 printed pages found that appellant's statements in his affidavit attached to the motion for a new trial were untrue, and that the principal claims set forth were, to the personal knowledge of the court, completely false.

As to the contention that appellant pleaded guilty because of fear of a mob, Judge Spier found, in his opinion denying the motion for a new trial, that the claimed existence of a mob was a fabrication. In discussing this aspect of appellant's claim, the court referred to appellant's affidavit in support of his motion for a new trial, in which he swore that he had been taken out of his cell and led through a tunnel from the jail to the Macomb County Courthouse. The court found that this statement was false, as there was no such tunnel in existence, and that the only way prisoners could be taken from the jail to the courthouse was across a main thoroughfare, to the opposite side of the street where the courthouse was located. The salient point of this circumstance is obvious. If there was a mob gathered around the courthouse when appellant was removed from the jail to be taken to court, he would have seen the mob at that time and have been obliged to pass through the mob to get to court. But, of course, he did not pass through such a mob; nor did he claim that he did; nor did he claim that he saw a mob when he came from the jail to court. To account for the fact that he did not see the mob at that time, and was not forced to pass through the mob to get to court, he had recourse to the story of the tunnel; and the only explanation why he concocted the story of the tunnel must be that he had remembered, from the time he was previously sentenced in Detroit, on the charge of robbery unarmed, that, in that city, prisoners came from the jail through a tunnel to the courthouse; and he, evidently, assumed that there was also such a tunnel at Mount Clemens. But his statement was false.

As to appellant's statement in his affidavit that when he was taken to the courtroom, during the period before the judge appeared on the bench, he looked through one of the windows of the courtroom and could see the mob below in the street, the court observed that the affidavits of the officers who were in charge of appellant at that time declared that appellant had not been allowed to go about freely in the courtroom; that he was kept close to them; and that at no time, was he near any window. Furthermore, Judge Spier found that "Because of abutments it is physically impossible to see the street or sidewalks from the courtroom windows where defendant was arraigned, with the exception of one window from which can be seen the intersection of streets and sidewalks located one block west of the intersection on which the jail is situated. Neither the jail, nor street intersection located there, nor the sidewalk between the jail and the main entrance of the county building, can be seen from this one and only unobstructed window." Judge Spier further stated, in his opinion denying the motion for a new trial, that if there had been any unusual number of people interested in the proceedings, there was nothing to stop them from coming into the building or courtroom; that all doors were unlocked at the time, and an elevator was running for public use, as other public gatherings were going on in the building; and that defendant's affidavit itself indicated that only the usual persons customarily found present at arraignments—even at morning or afternoon sessions, namely, newspapermen and court attendants—were present. Judge Spier went on to say, in his opinion, that he himself would have been aware if there had been any unusual number of persons either around the jail or the courthouse, and would have had a lasting memory of such a situation; that, in his experience of 23 years as a judge, there had never been the formation of a mob, in connection with any case before his court, and that there had never been even an intimation of such a mob, prior to the filing of appellant's affidavit. In finding that the allegation of the existence of a mob was a fabrication, the court stated that it was based upon a newspaper article that had quoted the officers as merely saying that their fear of violence was the reason for asking for an immediate hearing; but that the news article in no way intimated the existence of imminence of any mob, or even curious groups; and that the affidavits of the officers showed that no mob existed.

With regard to appellant's claims that he had been in fear of a mob because of statements of officers at the jail before he had admitted his guilt, and that he had been denied opportunity to advise with his friends, the court remarked that he had every opportunity, while before the court, to make known any such desire in the course of the free discussion that took place at the time of his plea of guilty and his questioning, which, as mentioned, extended through 27 printed pages of the record. The court further observed that appellant had some familiarity with court proceedings since he had been through an identical experience in 1936 when he pleaded guilty in court; and that, then, the next day, he had changed his plea to not guilty, and had a lawyer appointed; and then had later pleaded guilty again. Judge Spier mentioned after reviewing the record, that appellant, at the conclusion of his examination in open court, had finally stated: "I wouldn't change my plea because I know I am guilty; no use trying to run around trying to fight it."

While Judge Spier declared that false statements by officers to an accused, of threatened or probable mob violence could readily be held to be sufficient grounds for a new trial if the accused were intimidated thereby—even though no actual mob ever existed—nevertheless, in this case, appellant had destroyed the reliability of his claims as to threats or intimidation, by falsely swearing to the actual existence of a mob, and to having seen it with his own eyes.

In the course of his opinion denying the motion for a new trial, on January 15, 1953, Judge Spier observed that appellant had previously filed, on October 23, 1947, an application for leave to file a delayed motion for a new trial and to set aside the sentence, together with a motion for a new trial and a writ of habeas corpus ad testificandum, as well as a brief in support of the motion for a new trial and to set aside sentence; that these papers consisted of 50 typewritten pages; that the motion was argued before the court on February 9, 1948, by counsel who had filed appearance for appellant 3 weeks prior to that time; that, on February 24, 1948, the court had filed a 15-page opinion denying the motion for a new trial, analyzing the principal grounds on which it had been submitted and argued, namely, the absence of counsel for the defendant at the time of arraignment; that on March 31, 1948, the motion was denied; that on May 15, 1948, counsel for appellant filed a motion for rehearing of the motion for a new trial; that in neither of the motions was there any claim that appellant had been intimidated, or that he was innocent; that the court had read every paper filed by appellant or his counsel during the 10-year period, subsequent to his plea of guilty, and that nowhere did appellant, or his counsel, make any claim that he had entered his plea of guilty by reason of any fear or intimidation or threats of violence, or mob violence, nor did any of these papers filed by appellant or his counsel discuss any claim, or give any intimation that appellant was not guilty of the crime to which he had pleaded guilty; and that the entire claim and theory of appellant and his counsel in all the proceedings during that 10-year period was only that he had been denied his constitutional rights, in that he was not represented by counsel at the time of his arraignment. In this regard, Judge Spier said that neither the Constitution nor the decisions of the Supreme Court requires that counsel be appointed in every case, when not requested; that appellant had every opportunity to make such a request; that there was no denial of this right; that the court knew, and the record showed that appellant knew

what he was doing when he pleaded guilty; and that he knew the possible consequence of his plea.

Accordingly, Judge Spier found that appellant had not pleaded guilty as a result of fear or intimidation; that the plea of guilty was voluntarily made; that the court was satisfied that the defendant was guilty of the offense charged; and that he pleaded guilty because of that fact.

As above mentioned, after entry of the order denying the motion for new trial, appellant filed, with the Michigan Supreme Court, application for leave to appeal, which that court denied. Appellant then filed application for a writ of certiorari to the U.S. Supreme Court, and while that application was pending, the Supreme Court of Michigan, on motion of the attorney general of that State, set aside its order denying leave to appeal, and remanded the case to the court below for the purpose of taking testimony in the trial court from witnesses who might have knowledge of the truth or falsity of appellant's assertions.

HEARING ON REMAND

On December 28 and 29, 1953, the testimony of all witnesses desired by either the appellant or the prosecution was taken in open court. Appellant was present with his counsel at all times, and unlimited cross-examination was accorded appellant's counsel. Appellant himself took the witness stand; and the prosecuting attorney confined his cross-examination to the sole issue of appellant's claim that his plea of guilty was induced by fear and intimidation. The court found that there was obvious falsity in some of the basic allegations in appellant's affidavit; that, for instance, appellant's claim of a lengthy interrogation and threats while in the courtroom to get him to confess was false—he had already signed a confession in jail; that the claim that there was "a mob in the street below" was false; and that appellant's claim that he was led through the tunnel was false—there was no tunnel. The court further considered other claims of appellant: that he had denied to the officers that he was guilty of any crime; that he had been told there was a mob outside the jail; that there had been threats to turn him loose to the mob, if he did not confess; that his requests to see his brother, or other members of his family, while in the courtroom; and that he had been taken to a courtroom window by an officer and shown a mob, or a large number of people on the street, some of them looking up in his direction. Every one of these allegations, said the court, had been denied by several witnesses under oath. Sergeant Campbell also testified that he heard Chief of Police Rosso ask appellant if he had an attorney or wanted one, and the appellant replied no, that he would like to get it over with as soon as possible. It is not necessary to augment the details of all the facts and circumstances. The trial court observed that appellant had just procured a job in the tavern. "If he were innocent of any wrongdoing that night, why did he not return to that job and keep up his contact with his newly found and willing (as he claims) sexual outlet? Is it not more logical to assume that, having assaulted, and had intercourse with a married woman, he disappeared for a few days, banking on the possibility that the victim would not want to face the disgrace and publicity of making a criminal complaint, which frequently happens, especially in the case of a married woman with children; and that when he found she had made a complaint, he gave himself up, and, as he said, 'wanted to get it over with as soon as possible'?"

However, the trial court recognized that "there are certain features of the case requiring the closest scrutiny of all testimony of all parties. Those are the rapidity of the disposition of the matter, and the calling of a night session of the court." But, the court went on, as to the actual arraignment, there was nothing hasty; the appellant had been examined at length in an atmosphere and surroundings that were quiet and free from any tension or antagonism and questioned by a judge who did all he could to make sure the defendant knew what he was doing and what he wanted to do. The trial court, after the remand, denied the motion for a new trial.

APPEAL

On leave granted, appeal was taken from the denial of the new trial to the Supreme Court of Michigan, which, in a comprehensive opinion by Mr. Justice Boyles, speaking for a unanimous court, held that the record left no room for doubt that appellant was guilty of the crime of rape to which he had pleaded guilty 10 years before; that the claim that he was induced to plead guilty by coercion and fear was not supported by the record; that the fact that there had been such a speedy trial did not establish that justice required that appellant be given a new trial; and that appellant, having pleaded guilty, was not entitled, under the Constitution, to a trial to determine his guilt, since his plea of guilty was not refused, or set aside, by the trial court. The order denying the motion for a new trial was, accordingly, affirmed (343 Mich. 465, 72 N.W. 2d 177).

A petition to the U.S. Supreme Court for a writ of certiorari was subsequently denied (351 U.S. 967, 76 S. Ct. 1033, 100 L. Ed. 1487).

HABEAS CORPUS

In his petition in the district court for a writ of habeas corpus, appellant alleged that his detention was in contravention of the U.S. Constitution in that his confession was induced by fear of mob violence; that he was denied a public trial; and that he was denied the right to counsel.

After discussing all of the various State court proceedings, and the decision of the Supreme Court of Michigan in the case, the district court, in its conclusions of law, held that appellant's claim that his confession was induced by fear of mob violence had been given full and fair consideration by the State courts, and no sound reason had been advanced why the district court should not accept the State court's determination that this claim was false, citing *Brown* v. *Allen* (344 U.S. 443, 73 S. Ct. 397, 97 L. Ed. 469). The court further held that, while it was admittedly unusual for court proceedings to be held at 10 p.m., it appeared that the courthouse and courtroom were open for any spectators that had wanted to attend, and that receiving appellant's plea of guilty at that time did not introduce such an element of unfairness into the proceedings as to justify voiding the sentence. With regard to the fairness of proceedings without counsel for a party, in noncapital cases, that, said the court, depended on the circumstances of the case, the most important of which was the ability of the accused to understand the charges against him and the consequences of his plea of guilty without the aid of counsel; and the court held that the record of the case affirmatively shows that the petitioner understood the charge made against him, and that he could be sentenced to life imprisonment on his plea of guilty.

In conclusion, the district court held that the petitioner had failed to sustain the burden of proving such a disregard of fundamental fairness in the imposition of punishment by the State as would justify a Federal court's invalidating the sentence by reason of the due process clause, citing *Quicksall* v. *People of State of Michigan* (339 U.S. 660, 70 S. Ct. 910, 94 L. Ed. 1188), and *Brown* v. *Allen*, supra; and the court denied the writ.

(1) Appellant claims that while the fear of mob violence motivated the police and prosecutor in the lightning rapidity with which they expedited the proceedings, Judge Spier had a different motivation—concern that the appellant might obtain counsel, change his plea, and request a trial. In the argument before this court, appellant's counsel stressed, more than any other consideration, this claimed motivation of Judge Spier—that the case was rushed through to keep appellant from obtaining counsel, changing his plea, and requesting a trial. This claim is based upon a statement Judge Spier made during the oral argument on the motion for a new trial, before remand by the Michigan Supreme Court. We are of the view that this contention is based upon a misreading of an excerpt of Judge Spier's comment at that time, and appears to be an unjustified reflection upon the judicial competence and character, as well as the humane concern, of the judge for this accused man. A reading of the judge's observations during the oral argument is convincing that the judge was not motivated by any consideration of preventing appellant from obtaining counsel, changing his plea, and having a trial.

Because of the paramount importance attached by appellant's counsel, to the trial judge's observations as disclosing the alleged motivation of the judge to prevent appellant from obtaining counsel, and, in order to place the matter in its proper perspective, which indicates the true concern of the trial judge that appellant should know what he was charged with, and that the court should be certain his plea was voluntary, a more extensive part of the judge's observations during the oral argument for a new trial—including the excerpt relied upon by appellant—is set forth in the margin.[2]

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[2] During the argument on the motion for a new trial, Judge Spier made the following observations:

"I should make some statement here in respect to the practice that used to exist some 10 to 20 years ago and previous, the practice that still continues, I think counsel will find, in many rural areas, holding court at any hour of the day or night at convenience of the public officials, witnesses, parties interested, and that was the practice in this circuit until I doubt if it happened within the past 8 or 10 years. This is 10 years ago this happened. I think we are fairly safe in saying that is about the time the practice ceased. It is not to be commended in criminal cases. I think those of us engaged in judicial work have frowned upon it and through our practice and conclusions because of the fact in some instances it did result in injustice, resulted in the adoption of court rules which now practically stop this objection of so-called speedy justice.

"The court rules now outline the proceeding to be followed and they also prescribe that before sentence the defendant should be referred to the probation department. In other words, we are constantly putting safeguards around anyone accused of an offense to insure fair and impartial consideration under any and every circumstance. I think I can safely say that perhaps the most difficult work of any judicial officer, the thing that causes him to lie awake nights, is the worry and fear that in some moment of haste or inadvertence there may be an injustice committed, particularly in a criminal case where the liberty of an individual is involved. For that reason I think that every court should exhaust every means at hand to ascertain that the party brought before him knows what he is doing and understands the nature of the charge against him, and that he enters any plea of guilty freely and voluntarily, without any intimidation or force. That certainly has been the practice of the courts in this circuit.

(2) Appellant stresses, as one of his principal points indicating that he was wrongfully denied counsel, the fact that, upon the remand by the Michigan Supreme Court to the circuit court of the motion for a new trial, he testified, on arraignment before the Justice of the Peace, that he asked the Justice "why they wouldn't let me call my brother and why wasn't it possible to have an attorney," and that, to this plea, the Justice's only answer was that there was nothing he could do and that his hands were tied; and that this testimony of appellant was uncontradicted by the Justice or by the assistant prosecutor who was present. At the hearing, as previously stated, the testimony of all witnesses desired by either the appellant or the prosecution was introduced, and unlimited cross-examination was accorded by the Court to both parties. Neither the Justice of the Peace nor the former Assistant Prosecutor was called as a witness by either party. But the testimony of appellant that the justice of the peace stated that "his hands were tied" and that he could do nothing about letting appellant call his brother, or secure an attorney, was strongly rebutted by other testimony on the part of the prosecution.

In his affidavit for a new trial, appellant swore that, as far as he knew, he was not even arraigned before the justice of the peace, "nor was he asked to waive an examination, nor did he do so," although he testified that he knew the Justice in question personally. The return to the circuit court of Frank E. Jeannette, the justice of the peace, shows that appellant was brought before him, that the charge of the crime was distinctly read to him, and that he thereupon expressly waived an examination before the Justice, as to the matters charged in the complaint and warrant. While, in his affidavit for a new trial, apellant stated he was not arraigned and did not waive an examination, he did not, in his subsequent testimony, mention any claim that he was not arraigned, or that he did not waive examination; and, therefore, it appears from the record of arraignment, and from the testimony of other witnesses, that the statements in appellant's affidavit that he was not arraigned before a justice of the peace, and that he did not waive examination were without any foundation.

(3) During appellant's examination as a witness on the hearing of the motion for a new trial, after remand, he was questioned as to whom he asked, during the course of the evening, for permission to get in touch with his brother, and his answer was: "I just made my appeal in general to anybody when I was in the office and they wouldn't listen. Several times, it wasn't done once, several times."

Sgt. Stanley Campbell and Sgt. Eugene Smith, the police officers who brought appellant from the State police barracks to Mount Clemens testified that appellant freely admitted the rape to them on the trip to Mount Clemens, and told them he wanted to get it over as soon as possible. Campbell testified that when appellant was first put in his cell, Chief of Police Rosso asked him if he had an attorney, or wanted an attorney, and that he said, "No, he would like to get it over as soon as possible." Chief Rosso's testimony was not available, in this regard, as he had died before the last hearing. Sergeant Campbell's testimony that appellant said he did not want an attorney was uncontradicted. Sergeant Smith testified that appellant had freely told what had happened; that he made no denial; and that his admission of what had taken place was so close to what had been told by the young woman who had made the complaint against him of rape that there was no need of further investigation in the matter. "We were satisfied, because of the two stories coinciding as they did, that Mr. Henderson was telling us the truth when he made this admission." When Sergeant Smith was asked whether appellant was interrogated by police, detectives, and officials in the courtroom, before Judge Spier took the bench, in an effort to obtain from his confession of the crime, as appellant had claimed in his affidavit, Sergeant Smith answered that no such interrogation was made; that he and Sergeant Campbell were sitting in the courtroom on either side of appellant, "and because of the fact, as I have already told you, that he willingly told us the entire story, there was nothing further to question him about." As to appellant's claim that officers continued their efforts to obtain a confession from appellant in the courtroom before Judge Spier arrived, this appears in-

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"As I say, some 10 years ago or better this practice of entertaining pleas of guilty during the evening hours was not infrequent, although no longer practiced. Now, the purpose back of that was purely one of disposing of the case promptly; secondly, for the reason that it is a known fact that a party arrested and accused, associating over in jail any length of time with more experienced criminals, very often was talked into fighting the case regardless whether he was guilty or innocent, and very often advised that it cost him nothing to put up a fight, why plead guilty, the State will appoint an attorney. It resulted in many times trials that resulted in the same net expense, except it was at considerable more expense to the taxpayers and no injustice to our knowledge was incurred other than—well, I can't say * * * no, because there have been cases before me that I have set aside pleas of guilty because I was satisfied that the respondent did not know his full rights, he had not had experience before, or for some reason I was not satisfied that the plea was free and voluntary.

"It happens every year. I recall certainly not less than 2 years ago one Negro boy case that was remedied. I think any court will be quick to set aside a plea of guilty and sentence where the court feels there is any question about the voluntariness of such a plea, but back in those years at the request of the prosecutor or State police, it was occasionally resorted to—we have someone who has confessed, has waived examination, and they want to dispose of it, before he changed his mind. That is, frankly, the situation that used to exist. There were occasions then when the court was opened, the building was opened, the elevators were running, the public had access to the courtroom, the parties would be openly brought across and arraigned, if they were not out on bond, and arraignment and plea entered and record made here.

"That apparently was done in this case, the unusual feature being that he had only been arrested that same afternoon apparently. Now, counsel is correct in saying that is a circumstance to be carefully considered in determining whether or not the plea was a free and voluntary one. Counsel is correct on the other points he has raised. We have no quarrel whatever with any of the law counsel cited. He is correct, and I will say counsel very ably presented the picture in taking advantage of every point that apparently could be raised in this case.

"Counsel is absolutely correct in saying that had there been the least intimation there was a mob or threats made that the court should not have accepted such a plea. There apparently is nothing in the record or anything about any mob or crowd or group or threats made against the defendant, only his own affidavit now made 10 years later, but somewhere along the line apparently subsequent to the other motion for a new trial there must have been some intimation made to the court because there was some inquiry made at that time and the court was informed that there was no truth of the mob story insofar as any mob was concerned, that there were six or seven people, curiosity seekers, around the jail, such as would normally be found where there had been an arrest and police cars come in with someone under arrest. There was no undue commotion or 'unusual crowd.' That is not to say this defendant might not be informed there was, but from the factual standpoint the court was informed at that time. I do not understand why there is not some affidavit in that respect in the record but we will have to take the record as it is. We have only the mob article. We are bound to take the point that newspaper writers are bound to seize upon the spectacular and prone to exaggerate for the purpose of making a story sometimes. That standing all by itself, the newspaper article would certainly not justify granting a new trial.

"Another circumstance which we should consider carefully is the fact that this respondent filed—and obviously with the help of somebody because he certainly had help and advice in order to prepare—the pages are not even numbered, but there are obviously some 30 pages of typewriting in very legal language—counsel has probably perused it—he had some assistance in filing a motion which was heard here in 1948, February, and at that time, even though apparently counsel who argued the motion did not prepare the motion, he had full opportunity, of course, and presumably did, interview the respondent, covered the motion, and, with a reputation as capable attorneys, firm well known, most presumably have taken advantage of every angle, every then existing reason for seeking a new trial.

"Now, there is no point in any of those papers filed or in the argument was the claim made by the defendant—that was back in 1948 or 1947 when it was filed—that would be about five years after the offense—at no time did he make any claim then that the plea was not voluntary or that it was made by reason of any force or intimidation. The main issue was he was not accorded counsel which was guaranteed him under the Constitution. It is significant that he did not at any time up to that point deny he was guilty. He merely stated he was not accorded his rights in having counsel. That point was clearly argued. Every other point raised, none of them included this question of intimidation or this mob question.

"The Court gave it very careful consideration, great many hours spent in studying the case and lengthy opinion filed. Still there was no claim of any force or intimidation."

In his opinion denying the motion for a new trial, after remand by the Michigan Supreme Court, Judge Spier said:

"This type of problem is a source of great concern and worry, to the trial judge. He accepts the defendant at face value as he appears before the court. If he appears ill at ease, or worried, or frightened, his statements are not accepted without serious questioning, or further investigation However, when the defendant, as in this case, has been through the similar court proceedings before, and has asserted and been given his rights, and has every appearance of knowing what he is doing and wants to do, and indicates freedom of thought by denying certain details and correcting the court in others, the judge naturally places more reliance upon the defendant's own representations, appearance, and statements. When under such circumstances the defendant tells the court: 'I wouldn't change my plea because I know I am guilty; no use trying to runaround—trying to fight it,' the court believes him, unless there is something to indicate to the court to the contrary"

credible since appellant had already signed a confession prior to the time he was arraigned before the justice of the peace. Both Sergeant Campbell and Sergeant Smith testified that they were in the jail, while appellant was there, and were so placed that they knew who was talking with him; that no one threatened appellant with respect to a mob, or told him about any mob, contrary to appellant's claim in his affidavit and in his testimony; that appellant never asked permission to call anybody, or to get in touch with anybody; that he never said he was not guilty; that he said he was guilty; and wanted to get it over as soon as possible.

There is no evidence that anyone said anything to appellant about a mob, except his own statement; and appellant's testimony in this regard, was denied under oath by several witnesses. An attempt was made to attribute statements, intimidating appellant, to Chief Rosso, who died 5 years after appellant's plea of guilty. No charge, however, was actually made that Mr. Rosso had ever, in any way, intimidated appellant or had ever mentioned anything to him about taking precautions against demonstrations by angered citizens. It does appear that Chief Rosso, because of the nature of the case, did consider that precautions should be taken; but appellant knew nothing about this at the time of his plea of guilty, or for a long time afterwards. But all of the claim of mob action appears to have subsequently taken form as a result of appellant's learning of certain newspaper articles after he had been sent to prison. In the articles, Chief of Police Rosso was quoted as saying that half a dozen men, neighbors of the woman who was attacked, visited the jail the night of July 30, 1942, threatening to avenge the crime. Appellant was arrested 5 days later, and a news story was carried "rehashing," as the court said, "the previous story * * * and again referring vaguely to 'rumblings indicated possible violence from incensed Harrison Township acquaintances.'" Neither of these articles came to appellant's attention prior to his plea of guilty. The trial court referred to them by saying that "We are bound to take the point that newspaper writers are bound to seize upon the spectacular and prone to exaggerate for the purpose of making a story sometimes." The court further said: "There is every indication that the claim of threats was an afterthought and inspired by the newspaper articles, which were all based on one conversation some neighbors allegedly had with the chief of police, now deceased, on the night of the offense, and this was some 6 days prior to defendant's arrest and arraignment. All testimony clearly shows there were no untoward incidents of tension or unusual conditions or gatherings on the night of August 5, 1942" (the night appellant pleaded guilty). Further, the court said: "The news article in no way intimates the existence or imminence of any mob or even curious group. The affidavits of the officers also show no mob existed." And in his observations, during the argument of the motion for a new trial, the judge remarked: "That standing all by itself, the newspaper article, would certainly not justify granting a new trial."

In this case the Michigan courts did not believe appellant's allegations that he had not been allowed to communicate with his family, his friends, or a lawyer, and that his confession and plea of guilty had been induced by fear of mob violence; and appellant's testimony was disbelieved by the tribunal especially qualified to sit in judgment on his credibility. His claim that he had been brought through a tunnel between the jail and the courthouse while a mob surrounded the courthouse was proved to be entirely false—and was finally admitted to be, since there was no tunnel. His claim that he looked through the window of the courtroom and saw the crowd below was proved to be false, since it was impossible to see the street below from the window because of stone abutments. His claim that police officers rigorously questioned him to secure a confession while he was in the courtroom before Judge Spier opened court, seems unbelievable since he had already signed a confession before he had been arraigned before the justice of the peace. Opposed to his claim that he had repeatedly asked to see his relatives and a lawyer is the testimony of the officers that, when they first went to bring him to Mount Clemens after he had surrendered to the authorities, he had freely admitted the crime, and later told the chief of police that he did not want a lawyer but wanted to get the matter over with as soon as possible. The examination of appellant by Judge Spier in open court, the absence of tension or antagonism during the proceeding, the detailed questioning by the judge, in quiet surroundings, in an effort to find the true facts, the denial by appellant of certain details, and correcting other details, of his story, the statement by appellant that he would not change his plea, even if it resulted in a life sentence, because he knew he was guilty, all contribute to give his answers during the examination the imprint of truth, and negate coercion and intimidation.

Appellant's explanation why he failed to return to his job after 1 day of work, as well as his explanation why he left the State for several days immediately after the claimed crime, undermine his credibility as a witness from still another aspect, in addition to his claim that he came through a tunnel, and that he had seen a mob as he looked from the courtroom window.

It is to be recalled that the girl who filed the charge of rape against appellant was a young, white, married woman, living with her husband, and with a child 4 years old. She had never seen appellant until the night when she was asked by her employer to drive appellant to his place so that he could pick up his clothes there, and then return him to the tavern. Appellant himself stated that he had never seen the girl before, did not know who she was, and had not even heard of her previously. Appellant was a man 25 years old, who had been married, but was not living with his wife. He had previously been arrested in Cleveland when he had intercourse with a girl under age, but was released because the girl was in a disorderly house. He had had syphilis. He had been convicted of robbery unarmed, and served more than a year and a half in prison. The first time, appellant says, that he thought of having intercourse with the girl, in this case, was after she had started to drive him from the tavern to his home to get his clothes that night. He had intercourse with her, in a matter of minutes after they left the tavern, which the girl charged was a rape, and which appellant, 10 years later, claimed, for the first time, was voluntary on her part. The last of the 2 occasions he had intercourse with her was just past midnight, on a lonely road in the country. Later, on the same day, the girl filed the criminal charge that appellant had criminally assaulted and raped her.

When appellant, on the hearing of the motion for a new trial, was asked the reason why he had disappeared that night and left the State, and why he had not returned to his job at the tavern, he gave this explanation: "Well, after having relations with this girl, she got afraid she would talk to her husband or somebody, and would come out, and would be some trouble, and she didn't think I should stay around, so having concern for herself and myself also, I decided the best thing maybe was to leave."

The conclusion that appellant's credibility was worthless appears inescapable, from this testimony, and from his testimony that his plea of guilty was induced by the fear of a mob which he saw gathered at the courthouse. The State court disbelieved appellant's claims, after giving them full and fair consideration. Since no sound reason was advanced why the district court should not accept the State court's determination that appellant's claims were false, the district court's conclusion in this regard should be sustained on the authority of *Brown* v. *Allen* (344 U.S. 443, 73 S. Ct. 397, 97 L. Ed. 469).

No request was made by appellant to Judge Spier for legal counsel.

In *Quicksall* v. *People of State of Michigan* (339 U.S. 660, 665, 70 S. Ct. 910, 913, 94 L. Ed. 1188), in a somewhat similar case, involving, however, a plea of guilty to a charge of murder, Mr. Justice Frankfurter, speaking for the Court, said:

"Petitioner makes no claim that he did not know of his right to be assisted by counsel, see Michigan Statutes Annotated, section 28.854 (Henderson 1938), Comp. Laws 1948, section 763.1 and in view of his 'intelligence, his age, and his earlier experiences in court,' the Supreme Court of Michigan rejected the notion that he was not aware of his right to be represented by an attorney (322 Mich. 351 at p. 355, 33 N.W. 2d 904, at p. 906. Cf. *Gryger* v. *Burke* (334 U.S. 728, 730, 68 S. Ct. 1256, 1257, 92 L. Ed. 1683)). Since the Michigan courts disbelieved petitioner's allegations that he had not been allowed to communicate with his family, his friends, or a lawyer, and no request was made by him for legal aid, the only question is whether, in the circumstances of this case, the failure of the record to show that he was offered counsel offends the due process clause.

"At least 'when a crime subject to capital punishment is not involved, each case depends on its own facts' (*Uveges* v. *Commonwealth of Pennsylvania* (335 U.S. 437, 441, 69 S. Ct. 184, 186, 93 L. Ed. 127); *Betts* v. *Brady* (316 U.S. 455, 462, 62 S. Ct. 1252, 1256, 86 L. Ed. 1595)). To invalidate a plea of guilty the prisoner must establish that 'for want of benefit of counsel an ingredient of unfairness actively operated in the process that resulted in his confinement' (*Foster* v. *People of State of Illinois* (332 U.S. 134, 137, 67 S. Ct. 1716, 1718, 91 L. Ed. 1955); see *Gibbs* v. *Burke* (337 U.S. 773, 781, 69 S. Ct. 1247, 1251, 93 L. Ed. 1686)). Here petitioner's claim * * * was disbelieved by the tribunal especially qualified to sit in judgment upon its credibility. See *Wade* v. *Mayo* (334 U.S. 672, 683–684, 68 S. Ct. 1270, 1275–1276, 92 L. Ed. 1647). In the light of what emerged in this proceeding upon a scrutiny of what took place before the same judge 10 years earlier, when petitioner's plea of guilty was tendered and accepted, it would stultify the due process clause to find that any right of the petitioner was infringed by the sentence which he incurred" (*Foster* v. *People of State of Ilinois*, supra (332 U.S. at p. 138, 67 S. Ct. at p. 718); *Bute* v. *People of State of Illinois* (333 U.S. 640, 670–674, 68 S. Ct. 763, 778–780, 92 L. Ed. 986)).

(4) In the Quicksall case, as appears, appellant therein, at the time he pleaded guilty, had not requested counsel, and the court did not offer to appoint counsel for him. Appellant in the instant case, as in the Quicksall case, made no claim that he did not know of his right to be assisted by counsel. As the trial court found, he was familiar with criminal proceedings. He had been arrested in Cleveland, in connection with the underage girl. "He had been arrested in recorder's court, Detroit, pleaded guilty to robbery unarmed, changed his plea to not guilty, then upon the State furnishing him with a lawyer, who consulted with him in jail, he pleaded guilty on his lawyer's advice,"

and served a term in prison. From the decision in the Quicksall case, it appears that where an accused is not offered legal counsel, he must establish, in order to invalidate a plea of guilty, that because of lack of counsel, an ingredient of unfairness actively operates in the process that resulted in his being sent to prison. In the instant case, the district court held that appellant had failed to establish such a disregard of fundamental fairness in the process that resulted in his imprisonment by the State, as would justify the district court in invalidating the sentence by reason of the due process clause of the U.S. Constitution.

Appellant relies on *De Meerleer* v. *People of State of Michigan* (329 U.S. 663, 67 S.Ct. 596, 91 L.Ed. 584), in which it was held that, under the circumstances of that case, a sentence to life imprisonment on a plea of guilty, entered without benefit of counsel, was a denial of due process. In that case, the defendant, who was a boy 17 years old, of limited education, being confronted with a serious criminal charge, was hurried through unfamiliar legal proceedings, and the court did not explain to him the consequences of his plea of guilty. None of those circumstances are present in the instant case.

Since the argument of this case, our attention has been directed by counsel for appellant to the recent case of *Moore* v. *State of Michigan* (355 U.S. 155, 78 S. Ct. 191, 195, 2 L. Ed. 2d 167). There the defendant in a case in which he was charged with rape and murder was offered counsel by the court, but refused the offer, and pleaded guilty. After serving 12 years of a life sentence, he made application for leave to file a delayed motion for a new trial, which was denied by the State trial court, and the State Supreme Court affirmed. On certiorari to the U.S. Supreme Court, the judgment was reversed, and the case remanded for further proceedings, in a five to four opinion. In the prevailing opinion, the Court held that the defendant was denied due process, inasmuch as he did not intelligently and understandingly waive his right to counsel, and that the trial court should have appointed counsel for him in spite of his disavowal of a desire to have such counsel, and the circumstances of the case compelled the conclusion that the defendant's rights could not have been fairly protected without the assistance of counsel.

In the Moore case, the court pointed out that the defendant, at the time of his plea of guilty, was 17 years of age, and had a seventh grade education; that the record showed possible defenses which might reasonably have been asserted at trial, but that the extent of their availability raised questions of considerable technical difficulty obviously beyond the defendant's power to comprehend; that one of these possible defenses, shown by the record, was insanity, and another such defense, shown by the record, was mistaken identity; that the proceedings to determine the degree of murder, the outcome of which determined the extent of punishment, introduced their own complexities, and that with the aid of counsel, the defendant might have done much to establish facts and make arguments which would have mitigated the sentence. The court went on to say that the defendant developed evidence at the hearing on the delayed motion for a new trial which sustained his burden of showing that the disavowal of a desire for counsel was not intelligently and understandingly made, and was not a waiver; that this evidence was not known to the trial judge who sentenced him, and was brought out on cross-examination of the county sheriff on the hearing of the delayed motion, and concerned conversation between the sheriff and defendant before the petitioner confessed to having committed the crime. In this regard, the sheriff testified that he had told defendant that if he was guilty, "he might better own up on it because I says there could be trouble. Tension is very high outside, and there could be trouble." The sheriff testified he told him that if he was not guilty, "I would stand pat forever after." He further told him that he would have to take him to municipal court for his arraignment, and then back again; that he would be entitled to a hearing in the lower court. He then said that he told the defendant: "It is my duty and it is up to me, to protect you, to use every effort at my command to protect you, but I says, 'the tension is high out there and I am just telling you what could happen if it was started by someone' * * * what I was putting over to him was the fact that if you are guilty and will be sent away, you might better be getting away before trouble, because I had information there was certain colored fellows, a group of them that was going to interfere with me, and also that there was a bunch of Holland fellows going to meet me when I go to Jackson, they would meet me there at Galesburg there, and, therefore, when he was sentenced, I avoided the main route and went way through by Gull lake and across over in the hills there."

Although the trial court rejected defendant's testimony as unworthy of belief, the Supreme Court pointed out that, in this instance, the sheriff corroborated the defendant who testified that the sheriff had told him "that if I didn't plead guilty to this crime, they couldn't protect me, under those conditions, they says, during the riot they didn't know what people they would do, and that they couldn't protect me." Defendant further testified he pleaded guilty because of this statement of the sheriff, and said: "After the man tell me he couldn't protect me then there was nothing I could do. I was mostly scared than anything else." With regard to the circuit court's finding that the sheriff's testimony was insignificant because other evidence showed there was no mob or riotous gathering, and that there was nothing to indicate defendant had been coerced into a false plea, or that he had been placed in fear of insisting upon his constitutional rights, the Supreme Court held that it was of no moment that the situation described to the defendant by the sheriff did not exist, and that expectation of mob violence planted by the sheriff in the mind of the boy raised an inference that his refusal of counsel was motivated to a significant extent by the desire to be removed from the jail at the earliest possible moment. "A rejection of Federal constitutional rights," said the court, "motivated by fear cannot, in the circumstances of this case, constitute an intelligent waiver. This conclusion against an intelligent waiver is fortified by the inferences which may be drawn from the age of the petitioner * * *, and the evidence of emotional disturbance * * *."

None of the circumstances deemed controlling by the court in *Moore* v. *State of Michigan*, supra, are present in the instant case.

Instead of a 17-year-old boy, there is, here, a man 25 years of age; instead of a 7th grade education, an 11th grade education; instead of a possible defense, as disclosed by the record, of insanity, no such evidence; instead of a possible defense, as disclosed by the record, of mistaken identity, an admission of identity, with only the question, in this regard, whether the complaining witness consented to the act; instead of a boy with limited mental capacity, a man "whose self-possession, conduct, and demeanor on the stand, showed him," as the trial court stated, "to be a very intelligent and aggressive personality, keenly alert to his legal rights and defenses, as borne out by his handling of his answers and testimony"; instead of a defendant whose vital testimony was corroborated as truthful by the chief witness for the prosecution, a defendant whose principal statements were demonstrably false; and instead of a defendant who was motivated, to a significant extent, in pleading guilty, by the expectation of mob violence—and the desire to be removed from the jail, and to prison—admittedly planted in his mind by the sheriff, we have, in the instant case, a defendant, all of whose claims of intimidation and inducement of his plea of guilty because of fear of mob violence, are either patently false, or are denied by several witnesses under oath. The circumstance that the chief of police, now deceased, was afraid that there might be mob violence, when the appellant was arrested, was never communicated to appellant, according to the testimony of the two officers who were in charge of appellant, and were present whenever the chief of police saw him. As the trial judge stated: "False statements by officers to an accused, of threatened or probable mob violence, could readily be held to be sufficient grounds for a new trial, if the accused were intimidated thereby, even though no actual mob ever existed. However, as pointed out, the accused here has destroyed the reliability of his claims of threats or intimidation by falsely swearing to the actual existence of a mob." In view of this record, the trial court was not obliged to accept appellant's uncorroborated testimony that the officers intimidated him and induced him to plead guilty by threats of mob violence, or by communicating such fears to him, in the face of the direct testimony on behalf of the State that there was no such intimidation or communication to him.

One other recent case appears deserving of consideration in this regard. In United States ex rel. *Savini* v. *Jackson* (2 Cir. 1957, 250 F. 2d 349), the court had occasion to pass upon the appeal of the respondent from an order of the district court granting a writ of habeas corpus on the petition of Savini, who had been sentenced by the New York State court under the State multiple offender law, penal law, McKinney's Consolidated Laws, chapter 40, section 1941, as a second offender. The first offense claimed had resulted in petitioner's conviction of rape in a State court in Michigan. Thereafter, in various proceedings, he had attempted to review the validity of the conviction, variously, by petitions for writs of error coram nobis, which were denied. On appeal, the Supreme Court of Michigan had vacated the last order denying his petition for a writ of error coram nobis, and directed a hearing, and remanded it to the lower court for a hearing, if and when Savini found it possible to be present in open court. He was, however, then imprisoned in New York and could not arrange for such required presence. He thereafter filed a petition for a writ of habeas corpus in the District Court for the Northern District of New York, in which the court, after finding that appellant had exhausted his State court remedies, took jurisdiction of the case, and granted the writ.

The factual background was as follows: Savini, the petitioner for the writ, was a man 21 years old, married, and a private in the U.S. Army, on duty at Fort Custer at the time of the claimed offense. He was arrested on a charge of rape, and after a night in solitary confinement, was arraigned the next morning. When, on his arraignment, an information was read, charging him with rape, he immediately pleaded guilty. In answer to questions from the court, he stated his plea was given without inducement by promise of leniency, or by coercion. After an interview with the judge in his chambers, Savini was immediately thereafter sentenced to a prison term of from 7½ to 15 years. He had never been advised that he was entitled to counsel—and did not have counsel. On the hearing of the petition for the writ of

habeas corpus in the district court in New York, he testified, without contradiction, that, at the time of the alleged offense, both the prosecutrix, whom he had met for the first time on the date of the offense, and he himself were intoxicated; that, at his arraignment, he was scared and confused; that he never understood the implications of the charge, and the consequences of his plea of guilty; that although he could not deny he had committed the offense, he did not actually know that he was guilty either. He had not been advised what could be a defense to the charge, which, among others, was that specific intent might be negatived by proof of voluntary intoxication.

The district court found that, in the Michigan case, Savini had failed to understand and appreciate the gravity of the offense charged; that he was unaware of his right to be represented by counsel; and that he was ignorant of the consequences of his plea.

(5) The Savini case is distinguishable in all important aspects from the instant case. In the Savini case, the uncontradicted and unimpeached evidence, on the hearing, showed that the petitioner had a defense to the charge, and that he did not know it; that he did not know he could have had counsel, and did not know what might be the consequences of a plea of guilty. The evidence in the instant case shows that, according to appellant, he knew he did have a defense but did not assert it because of fear—although his present claimed defense is impeached by overwhelming evidence. The evidence further shows that he knew he was entitled to counsel; and that he knew of the consequences of his plea of guilty. In the Savini case, the court granted the writ on the ground that the circumstances were such as to lead to the conclusion that the petitioner was not given the traditional protection afforded persons charged with crime, because of the undisputed proof of ignorance on the part of petitioner as to what constituted the crime charged; because of petitioner's ignorance of his right to counsel; and because of petitioner's ignorance of the consequences of his plea. In the instant case, the district court denied the writ because it concluded that the State court, after full and fair consideration, had found that appellant's confession was not induced by fear of mob violence, and that there was no sound reason advanced why the district court should not accept the State court's determination that appellant's claim that his confession had been so induced, was false; that the record showed appellant understood the charge against him and the consequences of his plea; and that, subsequent to his confession and plea of guilty, appellant had failed to sustain the burden of proving such a disregard of fairness as would justify a Federal court invalidating the State court's sentence, by reason of the due process clause.

We have heretofore stated our concurrence in the reasons given by the district court for denial of the writ.

There remains for discussion and comment, the arguments most strongly emphasized by appellant with regard to the speed with which the criminal proceedings were conducted, and the failure of the trial court to appoint counsel.

It is argued by appellant that the speed of the proceedings was due to fear of possible mob violence; that this fear was communicated to the two officers guarding appellant; that it was also communicated to one of the assistant prosecuting attorneys; and that it was further communicated to a newspaper reporter. Yet the Michigan courts found, upon substantial evidence after a full hearing, that appellant's testimony that he had been told of, or was aware of such possible mob violence, was false. The district court accepted such finding, and as pointed out in the accompanying opinion, this court also properly accepts such finding. In sum, there is before us for determination no question of appellant's pleading guilty because of being intimidated by fear of mob violence. He was not so intimidated.

(6, 7) In conclusion, there is only the final argument to be considered—whether the failure of the trial court to appoint counsel for appellant in this case resulted in his conviction, and was, therefore, so unfair to him that it constituted a denial of due process of law. We are agreed that due process does not require that counsel be made available to defendants in a criminal prosecution, except in certain cases. It is only when, because a defendant does not have the benefit of counsel, and an ingredient of unfairness actively operates in the process resulting in his conviction, that there is a denial of due process. Clearly, there is no rule which requires the appointment of counsel for indigent defendants in all criminal cases in State courts *Betts* v. *Brady* (316 U.S. 455, 62 S. Ct. 1252, 86 L. Ed. 1595). As said in that opinion, failure to have counsel or denial of counsel is not automatically lack of due process. The question is to be tested by an appraisal of the totality of facts in a given case. "That which may, in one setting, constitute a denial of fundamental fairness, shocking to the universal sense of justice, may, in other circumstances, and in the light of other considerations, fall short of such denial" (316 U.S. at p. 462, 62 S. Ct. at p. 1256).

The cases have referred to circumstances which make the failure to appoint counsel constitute lack of due process. In *Betts* v. *Brady*, supra, the opinion refers to the situation where the defendant is unable to employ counsel and is incapable adequately of making his own defense "because of ignorance, feeble-mindedness, illiteracy, or the like" (316 U.S. at p. 463, 62 S.Ct. at p. 1257). In *Wade* v. *Mayo* (334 U.S. 672, 68 S.Ct. 1270, 92 L.Ed. 1647), it is said that there are some individuals who, by reason of age, ignorance or mental capacity, are incapable of representing themselves adequately in a prosecution of a relatively simple nature and that where such incapacity is present, the refusal to appoint counsel is a denial of due process (334 U.S. at p. 684, 68 S.Ct. at p. 1276).

The case before us ultimately boils down to the question, whether by reason of such disability the trial court should have appointed counsel to represent appellant, even though he did not request it. On this issue, some statements made in *Wade* v. *Mayo*, supra, seem particularly pertinent. It is there said that this incapacity is purely personal and can be determined only by an examination and observation of the individual; and the court indicates that the finding on this issue is a purely factual one, peculiarly within the province of the trial judge, which finding should be accepted unless clearly erroneous.

In the instant case, the district court pointed out that the important question, in this regard, was the ability of the accused to understand the charges made against him and the consequences of his plea of guilty without the aid of counsel. The court then declared that the record of the case affirmatively showed that the appellant understood the charge made against him and that he could be sentenced to life imprisonment on his plea of guilty. This finding, in our opinion, was not clearly erroneous, and is controlling on the issue (*Wade* v. *Mayo* (334 U.S. 672, 683, 684, 68 S.Ct. 1270, 92 L.Ed. 1647)).

(8) It seems relevant, in the light of appellant's argument, to consider how he could have been helped by court-appointed counsel, and why failure of the court to appoint such counsel was denial of due process. The mere fact that such counsel might have advised appellant to plead not guilty, or to obstruct and delay the prosecution as much as possible, does not justify the conclusion that there was a denial of due process because of failure of the court to appoint counsel; nor does the fact that such counsel might have compelled the complaining witness to submit to cross-examination, result in failure of due process on the ground that such counsel was not appointed.

It is not meant to be suggested that appellant would have been convicted, whether he had counsel or not, and that, therefore, the question of counsel is unimportant. On the contrary, what is to be emphasized in this regard, is that appellant knew what he had been charged with; that he knew that his guilt or innocence depended upon the simple proposition of whether he had forced the girl, or whether she had consented; that, admittedly, appellant was under no fear or intimidation when he stated that he had forced her at knife point to submit to him; and that, assuming, as we must, that he was under no fear or intimidation when he admitted forcing the girl, appellant would not have needed a lawyer to furnish him with advice as to whether he was guilty. It is true that in some cases guilt of a criminal offense depends upon many complicated factors. But not in this case. If he forced her at knife point, he knew that he was guilty; if she consented, he knew that he was innocent. It was that simple.

If appellant was guilty of the crime of rape, he had the right to plead guilty and get it over with, as he said at the time, as soon as possible. It is not unusual for one accused even of a heinous crime to want to plead guilty, voluntarily, and be sentenced at once. The charge in this case was not complicated. Appellant knew whether the act of intercourse was with the girl's consent, in which case he would be innocent, or whether it was by threat of killing her, in which case he would be guilty. The only reason appellant gives for his pleading guilty now, 12 years after, is that he was intimidated into so pleading by threats of mob violence. But that claim has been resolved against him as false. Appellant does not now claim that he did not understand what he was charged with. On the contrary, he did understand what he was charged with. He does not claim that legal counsel would have been able to explain anything more about the charge than he already knew. If appellant was not subjected to intimidation or threats when he told the court that he forced the girl to submit to him by threatening to kill her if she refused, it is difficult to see how legal counsel could have helped him except to tell him not to plead guilty under any circumstances. If appellant knew that he was charged with forcing the girl to submit to him under threat of killing her; if he was not subjected to threats or intimidation by fear of violence, when he pleaded guilty, then, under the record before us, the trial court's finding that his plea of guilty was voluntarily and intelligently made, must be sustained; and if appellant intelligently and voluntarily pleaded guilty, and wished to get the matter over with as soon as possible, then the speed of the proceedings does not require that the conviction be set aside for denial of due process.

A careful reading of the proceedings, both on the original hearing and plea of guilty, and the proceedings on remand, indicate the most careful consideration by the trial judge; and the dispatch, now complained of, does not disclose that the trial judge himself was hurried, precipitous, or prejudiced in his consideration or determination.

During the hearing in open court, at the time of the plea of guilty, appellant gave a detailed circumstantial account of the places where he forced the girl to stop the car, and where, on two different occasions, he forced her, at knife point, to submit to him. His entire claim now is that she willingly consented to the intercourse; and his claim as to her consent is belied and contradicted by

the girl's swearing out a warrant charging him with rape, that same day.

Of course, it is not here suggested that it was unnecessary to give appellant an opportunity to consult a lawyer, because he had completed the eleventh grade of school, and was a man 25 years old, who had gone through one criminal case with court-appointed counsel. These facts are referred to, as showing that the trial court, the Michigan Supreme Court, and the district court were justified in their view that appellant's plea of guilty was intelligently and voluntarily made. These considerations, upon which the various courts based their determination, were, as heretofore mentioned, strikingly like those which were discussed, and controlled decision, in *Quicksall* v. *People of State of Michigan* (339 U.S. 660, 70 S. Ct. 910, 94 L. Ed. 1188).

Appellant's contention that the Government now claims that he did not need a lawyer, since he had completed the 11th grade in school and was familiar with criminal proceedings, is therefore, seen to be not at all what the Government claims. If such were the case, we would be confronted by a high-handed and arbitrary attitude of the Government. But that is not this case. In this regard, as above mentioned, the Government contends that, as the trial court found (and as is apparent from many parts of the record), appellant was an intelligent and aggressive personality, keenly alive to his legal rights and defenses, as borne out by the handling of his answers and testimony. Counsel may, at times overlook the fact that the trial court has a far better opportunity of judging the character and the intelligence of a witness with regard to his rights and his understanding of the questions asked him, than does an appellate court. The trial court is consequently a better judge, and, in law, the sole judge, of the credibility of such a witness and of the weight to be attached to his testimony; and we would act contrary to the firmly established principles of an appellate court's review of a trial court's findings if we were to ignore its conclusions as to an appellant's demeanor, intelligence, and credibility as well as his ability to understand the questions asked him. As far as appellant's statement that his request for counsel was denied, this was not claimed to have occurred before the court in which he pleaded guilty, but before the justice of the peace—and, in any event, rests only on appellant's own statement. In this, too, the Government's evidence is that, even prior to his appearance before the justice of the peace, appellant was asked whether he wished the opportunity to have counsel, and he clearly stated that he did not. If the Michigan trial court, and supreme court, as well as the district court accepted the Government's evidence in this regard, it would not seem proper for this court to reject such evidence, and accept, instead, appellant's testimony that he had always insisted on his right to counsel.

Appellant, in our opinion, has not shown that the trial court's failure to provide him with legal counsel resulted in fundamental unfairness to appellant in the criminal proceedings in the Michigan court.

In accordance with the foregoing, the order of the district court dismissing appellant's petition for a writ of habeas corpus is affirmed on the findings of fact and conclusions of law of Judge Lederle.

Stewart, circuit judge (dissenting).

I

Late in the afternoon of August 5, 1942, James Henderson learned from a friend that the police of Mount Clemens, Mich., were looking for him in connection with an alleged rape that had occurred a few days earlier. He went to the office of the State police, identified himself, and was taken into custody.[3] About 7:30 that evening he was turned over to the Mount Clemens police, and at about 8:30 p.m. was delivered by them to the Mount Clemens jail. Two and a half hours later he had been sentenced to prison for the rest of his life.

The brief period Henderson spent in the Mount Clemens jail was an eventful one. He was registered and fingerprinted. He was taken to the office of the police chief in the jail, where he was questioned by the chief, by his assistant, and by an assistant prosecuting attorney. At about 9:30 p.m., he signed a typewritten confession. Then, arraigned before a justice of the peace who had been summoned to the jail, he waived examination, and on default of bail of $100,000 was ordered held until the present term of the circuit court in and for said county to answer to such information as might be filed against him. The assistant prosecuting attorney next prepared and lodged an information charging Henderson with the crime of rape. Finally, at about 10 o'clock Henderson was taken to the courthouse across the street from the jail.

Court was convened at 10:20 p.m. The information was read, and Henderson pleaded guilty. He was then questioned as to the circumstances of the alleged offense by the same assistant prosecutor who had obtained his confession scarcely an hour earlier. He was also interrogated by the judge. The only others in the courtroom were the police chief, the two police officers in whose custody he had been since 7:30 p.m., another prosecutor, and the court stenographer. At no time during these proceedings in court was Henderson, thus friendless and alone, advised by the judge or by anyone else of a right to counsel, asked if he wanted counsel, offered the assistance of counsel, or given an opportunity to obtain counsel. When the interrogation was concluded the judge imposed sentence. Henderson was then hustled to another jail in a neighboring county where he was held overnight. On the following day he was transferred to the State prison to spend the remainder of his life.

II

What was the reason for these speedy proceedings in the dead of night? The motivation seems clearly to have been fear of possible mob violence.[4] The record shows that this fear was communicated to the two officers charged with guarding Henderson. It was communicated to one of the assistant prosecuting attorneys. It was also communicated to the press, and thereby to the general public.[5]

The day after Henderson's arrest and sentence the same newspaper carried an article which stated: "Moving with lightning rapidity to avoid possible mob violence, and at the same time, to mete out swift justice, Mount Clemens courts and law enforcement officers combined late last night to send a 27-year-old Negro to prison for the rest of his natural life following his confession to having twice attacked a 26-year-old white Harrison Township housewife.

"To minimize the possibility of violence the man, James Henderson, was rushed to Pontiac for safekeeping overnight and was picked up there by Macomb County deputy sheriffs this morning for transfer to the Southern Michigan Prison at Jackson." * * * "Held [the prosecutor] and Police Chief Arthur I. Rosso, both said that rumblings indicated possible violence from incensed Harrison Township acquaintances of the outraged white woman had prompted them to rush through arraignment and sentence of the confessed attacker."

At the hearing on the motion for a new trial Henderson testified that he too had been told of the authorities' fear of mob violence:

"A. I can't remember all the questions that was asked me. I do know during the course somebody was questioning me somebody would say now and then about hurry up and talk, they are not going to be responsible for me if the mob breaks in, they are not going to lose their lives protecting me."

The Michigan courts have found, however, that this testimony of Henderson's was false, and that the fear of mob violence which pervaded the jail and courtroom on the night he was sentenced was in no way communicated to him. That finding, made upon substantial evidence after a full hearing, was accepted by the district court and must be accepted here. This was conceded in oral argument by Henderson's counsel. Further discussion of this aspect of the case would therefore be bootless.

III

It is upon an issue quite different that my dissent is based. I am convinced that the undisputed circumstances made this a case where the intervention of counsel, unless intelligently waived by Henderson, was an essential element of the due process of law guaranteed by the 14th amendment of the U.S. Constitution.

It is of course settled that due process does not require that counsel be made available to every defendant in a State criminal proceeding: *Betts* v. *Brady* (1942, 316 U.S. 455, 62 S. Ct. 1252, 86 L. Ed. 1595). The principles which determine when it is that Federal organic law does require a State to give a criminal defendant in a noncapital case the opportunity to obtain the assistance of a lawyer have been elaborated in many decisions of the Supreme Court. *Smith* v. *O'Grady* (1941, 312 U.S. 329, 61 S. Ct. 572, 85 L. Ed. 859); *Rice* v. *Olson* (1945, 324 U.S. 786, 65 S. Ct. 989, 89 L. Ed. 1367); *Canizio* v. *People of State of New York* (1946, 327

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[3] "Q. And did anything arise there which prompted you to go to the State police? A. Mrs. Smith showed me a newspaper article stating there was a warrant out for me, which alleged the crime of rape, and the State police had been in her house looking for me.

"Q. She told you that? A. Yes.

"Q. So what did you then do? A. I read the article and asked if she believed I had done it and she said no and she asked me what I was going to do and I told here there was nothing else for me but to go down and turn myself in and I told here then, 'I will see you on Friday.'

"Q. Did you go to the State police office? A. Directly.

"Q. How did you go there? A. Walked."

[4] The record suggests only one other possible reason for rushing through the proceedings, a reason considerably less commendable. During argument of the motion for a new trial several years later, the trial judge observed: "* * * As I say, some 10 years ago or better this practice of entertaining pleas of guilty during the evening hours was not infrequent, although no longer practiced. Now, the purpose back of that was purely one of disposing of the case promptly; secondly, for the reason that it is a known fact that a party arrested, and accused, associating over in jail any length of time with more experienced criminals, very often was talked into fighting the case regardless whether he was guilty or innocent, and very often advised that it cost him nothing to put up a fight, why plead guilty, the State will appoint an attorney."

[5] Two days after the alleged attack Mount Clemens' only newspaper had published an article which stated: "Meanwhile, Rosso said that a half dozen irate Harrison Township men—neighbors of the woman—visited the jail last night where they threatened to avenge the crime. 'If you've got that ——— ———, we want him,' Rosso quoted them as saying."

U.S. 82, 66 S. Ct. 452, 90 L. Ed. 545); *De Meerleer* v. *People of State of Michigan* (1947, 329 U.S. 663, 67 S. Ct. 596, 91 L. Ed. 584); *Foster* v. *People of State of Illinois* (1947, 332 U.S. 134, 67 S. Ct. 1716, 91 L. Ed. 1955); *Gayes* v. *State of New York* (1947, 332 U.S. 145, 67 S. Ct. 1711, 91 L. Ed. 1962); *Bute* v. *People of State of Illinois* (1948, 333 U.S. 640, 68 S. Ct. 763, 92 L. Ed. 986); *Wade* v. *Mayo* (1948, 334 U.S. 672, 68 S. Ct. 1270, 92 L. Ed. 1647); *Gryger* v. *Burke* (1948, 334 U.S. 728, 68 S. Ct. 1256, 92 L. Ed. 1683); *Townsend* v. *Burke* (1948, 334 U.S. 736, 68 S. Ct. 1252, 92 L. Ed. 1690); *Uveges* v. *Commonwealth of Pennsylvania* (1948, 335 U.S. 437, 69 S. Ct. 184, 93 L. Ed. 127); *Gibbs* v. *Burke* (1948, 337 U.S. 773, 69 S. Ct. 1247, 93 L. Ed. 1686); *Quicksall* v. *People of State of Michigan* (1950, 339 U.S. 660, 70 S. Ct. 910, 94 L. Ed. 1188); *Palmer* v. *Ashe* (1951, 342 U.S. 134, 72 S. Ct. 191, 96 L. Ed. 154); *Chandler* v. *Fretag* (1954, 348 U.S. 3, 75 S. Ct. 1, 99 L. Ed. 4); *Massey* v. *Moore* (1954, 348 U.S. 105, 75 S. Ct. 145, 99 L. Ed. 135); *Commonwealth of Pennsylvania ex rel. Herman* v. *Claudy* (1956, 350 U.S. 116, 76 S. Ct. 223, 100 L. Ed. 126); *Moore* v. *Michigan* (1957, 355 U.S. 155, 78 S. Ct. 191, 2 L. Ed. 2d 167). It must be shown that for want of benefit of counsel an ingredient of unfairness actively operated in the process that resulted in the defendant's conviction. *Foster* v. *People of State of Illinois* (332 U.S. at page 137, 67 S. Ct. at p. 1718); *Gibbs* v. *Burke* (337 U.S. at p. 781, 69 S. Ct. at p. 1251); *Quicksall* v. *People of State of Michigan* (339 U.S. at p. 665, 70 S. Ct. at p. 913). Due process requires that counsel be afforded where it is shown that the lack of a lawyer's assistance made the State criminal proceedings so apt to result in injustice as to be fundamentally unfair (*Uveges* v. *Commonwealth of Pennsylvania; Moore* v. *Michigan; De Meerleer* v. *People of State of Michigan,* all supra).

The mere recital of the headlong succession of events which culminated in the imposition of Michigan's extreme penality in this case is enough to evoke grave doubt that the fundamentals of due process of law could have been observed without counsel to assist the defendant. A closer inspection of the record is even more revealing. For the record clearly shows that the help of a lawyer was essential to protect Henderson's rights.

The gloss which Michigan decisions have put upon the rape statute of that State has made the question of a defendant's guilt of that offense far from the simple matter that an ignorant layman might be led to believe (*United States ex rel. Savini* v. *Jackson* (2 Cir., 1957, 250 F. 2d 349, 353)). Thus the Michigan Supreme Court has held that to constitute rape "resistance to the utmost" is an essential element (*People* v. *Geddes* (1942, 301 Mich. 258, 3 N.W. 2d 266, 267)). It has held that if there has been "consent by the prosecutrix during any part of the act" the offense of rape cannot be committed (*Brown* v. *People* (1877, 36 Mich. 203)). In Michigan rape cases the court must, if requested by counsel, instruct the jury on each of the three cognate offenses of rape, assault with intent to commit rape, and simple assault (*People* v. *Jones* (1935, 273 Mich. 430, 263 N.W. 417)). Noting these distinctions which the Michigan courts have made, the court of appeals for the second circuit recently made an observation which applies directly here: "If in contemplation of State law a lay juror, to understand the essentials of the offense charged, needs such instruction, surely the lay accused, under the pressures normally attendant upon arraignment, needed more than the legal language of the formal information as it was read to him in the courtroom in order intelligently to formulate a plea" (*United States ex rel. Savini* v. *Jackson* (250 F. 2d 349, 353). Cf. *Mullreed* v. *Bannan* (D.C.E.D. Mich., 1956, 137 F. Supp. 533).

Instead of giving Henderson any intimation of the elements of the crime of which he was charged, and its included cognate offenses, the judge and the assistant prosecutor by a series of leading questions constructed the case against him. The following interrogation is illustrative:

"Q. Now, James, the first time you had intercourse with her you knew she was in fear of her life because of acts and words spoken at that time, is that right? A. That is correct.

"Q. She had no reason to presume other than what you would use violence to get her to have intercourse? A. That is correct.

"Q. She was in fear of her life at that time and that is the reason she submitted to your act? A. Yes."

Moreover, the entire transcript of the proceedings at the night court session reveals that the judge assumed the truth of the statement which had been made by the complaining witness, although she was not present, and although there is nothing to indicate that the judge had ever even seen her. At the very end of the interrogation, and a moment before sentencing the prisoner to life imprisonment, the judge stated: "If her story is true it is even worse than your story here today. There is no reason for doubting her story."

Finally, it is clear from reading the transcript that at the time he entered his plea of guilty Henderson did not know that it could result in a life sentence. When this fact was indicated to him late in the proceedings and after his responses to the judge's and prosecutor's leading questions had placed him in a completely irretrievable position, the vital information was imparted in a most tentative and hypothetical way:

"Q. You know it carried a life sentence do you? A. I didn't know that, no sir, I didn't know that, sir.

"Q. Do you have any idea what kind of sentence it carries? A. Somewhat, sir, I have heard of cases, sir.

"Q. What? A. I have heard of several cases, sir.

"Q. The fact it might carry a life sentence, that make any difference to your plea of guilty? A. I wouldn't change my plea because I know I am guilty; no use trying to run around—trying to fight it."

This record thus convinces me that the absence of counsel operated to deny Henderson the elements of due process of law under the circumstances of this case. Had a lawyer been available to assist Henderson, he first of all could have forestalled the precipitous haste of the proceedings. He could have investigated the prosecuting witness and checked her story against the surrounding circumstances. He could have investigated the possibility that, if not completely innocent, Henderson was not guilty of rape, but of a lesser included offense under Michigan law. He could have unequivocally explained to Henderson the significance and consequences of a guilty plea. He could have seen to it that any hope for Henderson was not demolished by leading questions.

IV

A suggestion which seems to pervade the majority opinion, unless I have missed the point, is that even if counsel had been provided, Henderson would after all probably have been convicted anyway. The complete answer to that suggestion, if suggestion it is, is well expressed in the recent words of Circuit Judge Pope: "It is my interpretation of the decisions of the Supreme Court that it will not compromise with a denial of a constitutional right. Thus it is inconceivable to me that that Court would listen to an argument that although the accused had been improperly denied his right to assistance of counsel, yet the evidence of the defendant's guilt was so overwhelming that counsel could not have done him any good; * * * When a defendant has been denied due process, his guilt or innocence is irrelevant. He has not been tried by civilized standards, and cannot be punished until he has been" (*Riser* v. *Teets* (9 Cir., 1958, 253 F. 2d 844, at 847) (dissenting opinion)).

The point has also been made throughout the postconviction proceedings, State and Federal, that Henderson was no doubt completely aware of his legal rights and defenses because he had gone through the 11th grade in an orphan's school, was 25 years old, and was familiar with criminal proceedings. In the light of the record this reasoning is unconvincing. Henderson's previous experience with court proceedings, about which so much has been made, was hardly instructive. The entire evidence on this point came from Henderson and was as follows:

"Q. What did you do which caused your arrest? A. Well, I was on my way out to Ford's one morning walking out West Fort Street, and about 4 o'clock the police picked me up and said, told me stick them up, and I asked what was the matter and they said, 'You are the one, all right,' and I said, 'One what?' They said I had held up a woman and took some money. I didn't have no money on me at that time because when I left my uncle's house I didn't have a red cent on me, so carried me back to the Forest Street Station. That is the first time I was ever in jail in my life. I didn't know just what to do at the time. They carried me back and took me out and talked to me and carried me back again and called me out and talked to me and talked to me again and they carried me in a little room and I got afraid and pleaded guilty and they carried me to Central Station about 9 that morning and I changed my plea from guilty to not guilty and they sent me State's lawyer and he listened to the case and told me to plead guilty and I would get off easy and I did plead guilty and sentenced me from 1 to 10."

His one other brush with the law was even less edifying:

"Q. Have you ever had any difficulty of a sexual nature with any other person? A. Well, one time I went to a disorderly house, so next day I didn't know the girl was under age and her mother tried to have me arrested. I was over at Berea. I went over to Cleveland where they wanted me at police headquarters and she told them to turn me loose; was no charge against me because this girl was in a disorderly house."

V

If then, as I think, the record conclusively shows that for want of benefit of counsel an ingredient of unfairness actively operated in the process that resulted in Henderson's confinement, the question that remains is whether or not he waived the right to the assistance of counsel.

The Michigan courts apparently found that there was such a waiver. But in Michigan the rule seems to be that a plea of guilty without benefit of counsel itself amounts to a waiver of the right to counsel. In re *Elliott* (1947, 315 Mich. 662, 668–669, 24 N.W. 2d 528); *People* v. *De Meerleer* (1946, 313 Mich. 548, 21 N.W. 2d 849, reversed 1947, 329 U.S. 663, 67 S. Ct. 596, 91 L. Ed. 584). As aptly stated in the appellant's brief, the application of that rule in the present case would end consideration of the constitutional issue at the very point where it should begin. (See *People* v. *Henderson* (343 Mich. 465, 72 N.W. 2d 177.))

In any event, such a rule has no place in the standard of the Federal Constitution. A plea of guilty without benefit of counsel is not of itself a waiver of the right to counsel under the 14th amendment (*Rice* v. *Olson* (1945, 324 U.S. 786, 788, 65 S. Ct. 989, 89 L. Ed. 1367); *Smith* v. *O'Grady* (1941, 312 U.S. 329, 61 S. Ct. 572, 85 L. Ed. 859); *Williams* v. *Kaiser* (1945, 323 U.S. 471, 65 S. Ct.

363, 89 L. Ed. 398); *Tompkins* v. *State of Missouri* (1945, 323 U.S. 485, 65 S. Ct. 370, 89 L. Ed. 407); *De Meerleer* v. *People of State of Michigan* (1947, 329 U.S. 663, 67 S. Ct. 596, 91 L. Ed. 584); *Foster* v. *People of State of Illinois* (332 U.S. 134, 137, 67 S. Ct. 1716, 91 L. Ed. 1955); *Uveges* v. *Commonwealth of Pennsylvania* (1948, 335 U.S. 437, 441, 69 S. Ct. 184, 93 L. Ed. 127); *Commonwealth of Pennsylvania ex rel Herman* v. *Claudy* (1956, 350 U.S. 116, 122, 76 S. Ct. 223, 100 L. Ed. 126)).

The only suggestion in the record that Henderson waived his right to counsel appears in the testimony of one of the police officers given in 1953 at the hearing upon Henderson's second motion for a new trial:

"Q. Did you or anyone in your presence question him at the time he was put in the cell? A. I didn't question him myself. The chief at that time asked him——

"Q. Who was that? A. Asked him if he had an attorney or wanted an attorney.

"Q. What did he say? A. Said no, he would like to get it over with as soon as possible.

"Q. Who was the chief? A. Arthur Rosso."

Arthur Rosso was dead at the time of the hearing.

On the other hand, Henderson testified at the same hearing that when arraigned before the justice of the peace in the jail he asked for a lawyer, and that his request was refused:

"Q. Did you say anything to Mr. Jeannette? A. I asked him why they wouldn't let me call my brother and why wasn't it possible to have an attorney. He told me there was nothing he could do; his hands were tied."

This testimony was uncontradicted.[6]

In view of the judge's failure to advise Henderson of his right to counsel at the nig t proceeding of the court—his failure to make any inquiry whatsoever upon the subject—and in view of Henderson's uncontradicted testimony that his request for counsel had been denied, I think the burden of showing that he did not waive his right to counsel has been sustained.

The uncorroborated statement of the police officer as to what the chief asked Henderson in his jail cell was insufficient in my opinion to support a conclusion that Henderson was either apprised of or intelligently waived a constitutional right which the circumstances of this case made such a vital one. "Where the right to counsel is of such critical importance as to be an element of due process under the 14th amendment, a finding of waiver is not lightly to be made." (*Moore* v. *State of Michigan* (355 U.S. 155, 161, 78 S. Ct. 191, 195, 2 L. Ed. 2d 167)).

The prompt and vigorous administration of the criminal law is to be commended and encouraged. But swift justice demands more than just swiftness. Fully mindful that the extraordinary writ of habeas corpus is to be vigorously guarded and sparingly used, I would set aside the district court's order of dismissal with directions to issue the writ.

Mr. TALMADGE. Mr. President, I assure my colleague that I shall vote against confirmation of this nomination; and I thank my distinguished colleague for yielding to me.

Mr. RUSSELL. I thank my colleague.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). The question is, Will the Senate advise and consent to this nomination?

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EASTLAND. Mr. President, as chairman of the Committee on the Judiciary, I presided over the hearings respecting the nominee. I think Mr. Stewart is an able lawyer, a man of integrity, a man who is very conscientious, and I think he will be an improvement over what we now have on the Supreme Bench. And when I say "what we now have," I am not speaking with a laudatory inflection in my voice.

I cannot vote for the nominee because of several reasons. First, as pointed out in the minority views filed by the distinguished senior Senator from South Carolina [Mr. JOHNSTON]—and I think it is evident from the hearings—the nominee endorses the Brown case.

Mr. President, in addition, he is a victim of a system. I believe it is inherently wrong that the Department of Justice select the individuals whom the President appoints Supreme Court Justices and then appears before the Supreme Court as a party litigant in cases. It puts the other side at a tremendous disadvantage. Mr. Stewart, even though he is honorable, in my judgment is bound to be swayed by the position the Department of Justice takes in cases which will come before him. It is something that is natural.

Last year there came to the Supreme Court, from Little Rock, the case of Aaron against Cooper, reported in 358 U.S., page 1.

I ask unanimous consent that excerpts from that opinion be printed in the RECORD at this point in my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Justice Warren for a unanimous Court:

The constitutional rights of children not to be discriminated against in school admission on grounds of race or color declared by this Court in the Brown case can neither be nullified openly and directly by State legislators or State executive or judicial officers, nor nullified indirectly by them through evasive schemes for segregation whether attempted ingeniously or ingenuously.

It is, of course, quite true that the responsibility for public education is primarily the concern of the States, but it is equally true that such responsibilities, like all other State activity, must be exercised consistently with Federal constitutional requirements as they apply to State action. The Constitution created a Government dedicated to equal justice under law. The 14th amendment embodied and emphasized that ideal. State support of segregated schools through any arrangement, management, funds, or property cannot be squared with the amendment's command that no State shall deny to any person within its jurisdiction the equal protection of the laws. The right of a student not to be segregated on racial grounds in schools so maintained is indeed so fundamental and pervasive that it is embraced in the concept of due process of law. *Bolling* v. *Sharpe*, 347 U.S. 497. The basic decision in Brown was unanimously reached by this Court only after the case had been briefed and twice argued and the issues had been given the most serious consideration. Since the first Brown opinion (May 17, 1954) three new Justices (Harlan, Brennan, Whittaker) have come to the Court. They are at one with the Justices still on the Court who participated in that basic decision as to its correctness, and that decision is unanimously reaffirmed. The principles announced in that decision and the obedience of the States, according to the command of the Constitution, are indispensable for the protection of the freedoms guaranteed by our fundamental charter for all of us. Our constitutional ideal of equal justice under law is thus made a living truth.

Mr. EASTLAND. Mr. President, it is very peculiar that in that case the Chief Justice stated:

Since the first Brown opinion * * * three new Justices (Harlan, Brennan, Whittaker) have come to the Court and that they are at one with the Justices still on the Court who participated in that basic decision as to its correctness, and that decision is unanimously reaffirmed.

Mr. President, so far as I have been able to determine, that was the first time in the history of the United States when new Justices coming on the Court have had it said for them that they have endorsed a record they have never read, and have endorsed a decision in a case in which they did not participate. It shows the weakness of a system whereby Supreme Court Justices are recommended by the Department of Justice and are, therefore, beholden to the Department of Justice. It means litigants on the other side of the case cannot get a square deal.

In Little Rock, Ark., according to the press of yesterday there sat a judge—one of three—who I know was selected for appointment by the Department of Justice. I say that when the Department of Justice goes before him, states its side of the case, and outlines in minute detail what remedies it thinks should be adopted, the people of the city of Little Rock cannot get a square deal at his hands.

Of course, it is basic, under our system of government, that there must be a judiciary that is fair and square and that will render justice in every case.

I think the case from Little Rock last year was an attempt by the Department to coerce and intimidate the Federal judiciary, and it was able to do so because of a system which has prevailed in both Republican and Democratic administrations—it is not a party or partisan matter—of permitting the Department of Justice to do what actually amounts to a de facto appointment of judges.

Mr. President, on yesterday the Supreme Court, in the Scull case, destroyed all the rights of the States of the Union when it stripped the States of their police powers. The Court arrogated to itself the right to determine what a State legislature could or could not investigate under its legislative powers. It denied to

[6] Henderson had two brothers living in Mount Clemens. He was acquainted with the justice of the peace, Mr. Jeannette, because his cousin had worked for Mr. Jeannette's mother. Jeannette's was the one familiar face that Henderson saw during the whole night.

the courts of the great Commonwealth of Virginia the right and power to determine whether a witness before a legislative committee, in refusing to answer questions, was warranted in his action under the circumstances.

The Supreme Court of Virginia, the highest court of the Commonwealth, had ruled on that question. Of course, it has been a rule throughout all the history of this country that when the highest court of a State makes a decision on a statute of the State or the law of the State, it is binding. That rule was swept away yesterday by the Supreme Court of the United States when it overruled the Legislature of Virginia and overruled the courts of Virginia and held that questions asked by a legislative committee of a State were not pertinent and that the witness had not been notified of the pertinency of the questions and the purpose of asking them. Mr. Justice Stewart participated in that decision. Because of that, among other reasons, I do not think that his nomination should be confirmed.

Mr. President, in the case of Clemons against the Board of Education of Hillsboro, reported in 228 Fed. 2d, 853, Mr. Justice Stewart, in an opinion of the court written by him, reversed a U.S. district judge and required the integration of white and Negro children in the public schools of Hillsboro, Ohio. In that case he went far beyond the Brown decision, which shows that with regard to the racial integration question, one of the great domestic questions before the country, indeed, in my judgment, the greatest domestic question which confronts the people of the United States, he cannot be fair. In fact, he so testified under oath before the Judiciary Committee, when he stated he believed in the logic of the Brown decision because he was reared north of the Mason and Dixon Line.

As I have said, I think Mr. Justice Stewart is an honorable, forthright man. I consider him to be a good lawyer, but I do not believe he can do justice to every section and to all the people of the United States, which is the first requirement of a Supreme Court Justice.

Mr. President, I think it is perfectly plain from the hearings that Mr. Justice Stewart thinks the Court can amend the Constitution and the statutes of the United States in order to meet modern conditions. I say, Mr. President, that the fundamental of all fundamentals in our system of government is the premise that the Constitution of our country shall be interpreted strictly in accordance with the understanding of the members of the Constitutional Convention who submitted it and of the States which adopted it. In fact, if that fundamental is not adhered to then we shall have lost our system of government—and we have a school of thought which believes our Constitution can be molded to meet the whims, the predelictions and the thoughts of the temporary occupant of a very high position.

I make these remarks with all due deference to Mr. Justice Stewart. In my judgment, even though he denied it before the committee, it is implicit from the record that he believes the Court can change by judicial construction the basic charter of liberties of the American people. That is another reason I shall vote against the confirmation of his nomination.

Mr. DIRKSEN. Mr. President, first I pay a compliment to the distinguished chairman of the Committee on the Juidicary for putting his case on high ground. He pays testimony to Justice Stewart. He takes issue, of course, with Justice Stewart's views insofar as they have been expressed in his decisions and also in the testimony before the committee on several occasions.

Mr. President, I attended the sessions of the committee when it took testimony, and I was deeply impressed with the nominee. First, I wish to mention that in 1954 Mr. Justice Stewart was suggested to the Department of Justice and to the President as a desirable person for appointment as a justice of the Sixth Circuit Court of Appeals, which circuit embraces Kentucky, Tennessee, Michigan, and Ohio. The interests of that area are varied, and Justice Stewart served in that capacity for something over 4 years.

The distinguished Senator from Ohio appeared before the Committee on the Judiciary and reaffirmed his confidence and faith in Justice Stewart, indicating that in his judgment he would make an excellent Justice of the Supreme Court of the United States and, with the factor of age on his side, would in due course of time, become one of our truly great jurists.

Justice Stewart was nominated to serve on the Circuit Court of Appeals, and his nomination was confirmed by the Senate. There is no question as to what is in the record. We had abundant opportunity to note it. All the information which is available to the FBI comes to the attention of our chairman, so we had a clear field when Justice Stewart's nomination first came up, by virtue of a recess appointment last fall, which was not passed upon by the Senate at that time because the Senate was not in session.

Under the rule, and under the Constitution, the name of a person given a recess appointment must be resubmitted. The Constitution is quite clear on that point, and gives to the President authority to fill vacancies by making what we commonly refer to as recess or interim appointments. Such appointments endure after the nomination has been resubmitted until the end of the next session of the Senate. That is the language of the Constitution.

It is interesting to note that the provision was borrowed from the charter of North Carolina, as I understand, when the question was being thrashed out in the Constitutional Convention in Philadelphia. Evidently the provision for the filling of vacancies and the making of recess appointments came to the attention of some of those who attended the Constitutional Convention, so the language found its way into the Constitution of the United States, and it completely clothes the President with the authority to make recess appointments.

So Justice Stewart was appointed in a recess period. His nomination was submitted when the 86th Congress convened, and it is now before the Senate, after having gone through the customary procedures. We were first notified under the 6-day rule that his nomination was before us. Second, everyone who wished the opportunity was given the opportunity to appear for or against the confirmation of the nomination. We went through the ceremony of hearings not before the subcommittee of the Judiciary Committee but before the entire committee.

Justice Stewart is a rather interesting person, in my judgment. First of all, he is only 44 years of age. I do not have the comparative figures in mind, but I presume he will be the youngest Justice on the Supreme Court of the United States.

The early education of Justice Stewart was at Yale and also at Cambridge, and then he was admitted to the practice of law. He is a member of the American Bar Association, of the Ohio Bar Association, and also of the Bar Association of the city of New York.

In the course of World War II Justice Stewart did his stint as a patriot in the U.S. Navy.

I was impressed with the personality of Justice Stewart. I was impressed also, as I have from time to time been impressed, with the delicacy of the proceedings, when a sitting member of the U.S. Supreme Court comes before the appropriate committee of the Senate for hearings with regard to approval of his nomination so that his name can go on the executive calendar and the confirmation of his nomination can be considered.

It is not an easy thing for a Justice fully and without inhibition to express himself with respect to questions which are asked. Sometimes matters are referred to about which there will be litigation, and the question will then be whether in future days he should disqualify himself. Then come the more pointed questions which seek to ascertain his general point of view. They can be somewhat political in a refined sense, or they can be economic, or social. I think he was very forthright in his answers to all the questions put to him by members of the committee.

I never quarrel with anyone who opposes a nominee on the high ground that he disagrees with his viewpoint, and therefore has the conviction that, perhaps, in the judgment of the person who opposes him, he cannot deal fairly with all the problems and controversies which arise in various sections of the country. I thought the nominee's answers were quite forthright, and that he gave an excellent account of himself.

Moreover, I believe he indicated that he was a competent lawyer, with a knowledge of constitutional history. I think he manifested the judicial temperament so indispensable in a man who sits on the bench and is called upon to resolve the equities and questions of justice which arise among our citizens, as well as between citizens and the State, in all the fields in which the Supreme Court

has at the same time original and appellate jurisdiction.

I am heartily in favor of the nomination, which comes before the Senate by reason of an overwhelmingly favorable vote of the Senate Judiciary Committee.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. BUSH. I compliment the Senator on his comments with respect to Mr. Justice Stewart, whom I happen to know very well. I applaud his appointment wholeheartedly.

I ask the Senator from Illinois if it is not true that before his retirement from the Senate Senator Bricker of Ohio strongly supported the nomination of Potter Stewart.

Mr. DIRKSEN. The Senator is correct.

Mr. BUSH. I mention that fact because of Senator Bricker's long connection with this body, extending over a period of 12 years, because of the many friends he had here during those years, and because of the great respect in which he was held, as well as because of his great respect for the Supreme Court as an institution.

I believe that the support by former Senator Bricker of the nomination of Potter Stewart is very significant. It might very well be taken into consideration by Senators who today are raising questions about the nomination.

I very heartily join my friend the distinguished Senator from Illinois and compliment him upon his analysis of the nomination. I hope the nomination will be confirmed by an overwhelming vote.

Mr. DIRKSEN. I appreciate the comments of my friend from Connecticut.

Mr. MORSE. Mr. President, I join the distinguished Senator from Illinois in support of the nomination of Mr. Justice Stewart. I know the nominee. He has a brilliant legal mind. He has demonstrated that he has a fine judicial temperament. I think those are the two controlling qualities which we should look for in a judicial appointee. I am very pleased to join in support of the nomination.

Mr. DIRKSEN. I thank the distinguished Senator from Oregon.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. LANGER. I checked this nomination very carefully, as the distinguished Senator knows.

One of my nephews was a classmate of the nominee at Yale. As the Senator says, Mr. Stewart is an outstanding lawyer. He was one of the most outstanding men in his class. I am delighted to join in support of the nomination.

Mr. DIRKSEN. Mr. President, I should like to add one comment. No judicial nomination is impersonal with me, even though the nominee might come from another State.

It has been my good fortune to name and to secure the confirmation of 10 or more members of the judiciary, 3 on the Circuit Court of Appeals for the Seventh Circuit, 7 on the District bench, also one on the Court of Tax Appeals.

I have always operated on the theory that the Congress and the President may sometimes feud; they may have political differences. We may feud with the courts, and sometimes we do. Upon occasion we have taken exception to the decisions of the courts and have charged the high tribunal with the usurpation of legislative power.

But when all is said and done, the real hope of perpetuity of freedom in this country reposes in our judiciary.

At long last, a citizen of this country, no matter how humble he may be, can place himself before the Court, and there ask for justice and obtain it. So, no matter what our excesses may be in the legislative branch, no matter what our feuding may be, no matter how misguided we may be as to policies, when it comes to the essential factors which are the very essence of a free land, the citizen can go before the State courts or the Federal courts and be assured of justice.

I think it was John Fiske who said, in commenting on the Constitution of the United States, that were it not for the judicial system as it is established, it is doubtful whether the Constitution could have been made the practical working document it turned out to be.

So I regard every nomination to the Court with respect to which I am successful in obtaining confirmation as something of a monument. After having been trustees for a transient hour in our own jurisdiction, we shall be gone; but those who will be left on the courts will be the real monuments.

To the degree that we find good judges with a solid sense of equity and justice, judges who are mindful of their high responsibilities, and who, in the language of the day, will "call them as they see them," we may have assurance of the continued well being of this great free land.

I am glad to vote for the confirmation of the nomination of Potter Stewart.

I share the opinion and hope expressed by the distinguished Senator from Connecticut [Mr. BUSH] that the nomination will be confirmed by an overwhelming vote.

Mr. YOUNG of Ohio. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. YOUNG of Ohio. I hold in the highest esteem and admiration the statements made by the distinguished minority leader regarding the great history of the Supreme Court of the United States, and of U.S. courts in general.

As a citizen of Ohio, I have been a practicing lawyer in that State for many years. At the time of my election last November, I was the head of my law firm. I had been president of the Cuyahoga County Bar Association, which is the second largest bar association in the United States.

As a trial lawyer, I came to know of and to hear about various lawyers and judges in Ohio. In my judgment, President Eisenhower, in nominating Potter Stewart, of Cincinnati, to be an Associate Justice of the Supreme Court has made a fine choice. I predict, I may say to the distinguished minority leader, that not only will Potter Stewart be a great Justice of the Supreme Court, but he will become an outstanding Justice of the Supreme Court of the United States.

I believe that everyone in Ohio who knows him or knows of him will feel great satisfaction today when the Senate confirms his nomination to be an Associate Justice of the Supreme Court.

I conclude these few remarks by saying that it is my opinion that the present Supreme Court is a fine Supreme Court, and that the addition of Potter Stewart to the Supreme Court will add to its prestige. He will become a truly great Justice.

I am proud to have this opportunity to add my word of commendation.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. LANGER. Mr. President, I intend to vote for the confirmation of this nomination, as I have stated. However, frankly, as I said in the committee, I do not like the situation in which the retirement of Justice Burton of Ohio, who has been on the bench for 15 years, is followed immediately by the nomination of another man from Ohio to take his place.

Time and time again I have brought to the attention of the Senate the fact that there are approximately 30 States which have never had an appointee on the Supreme Court of the United States. Those States should be represented. Seven States have never had an Ambassador or member of the Cabinet. I once more wish to bring to the attention of the Senate the fact that these States, sooner or later, are entitled to have one of their citizens, who is capable, appointed to one of those positions.

If I may have the attention of the Senator from Florida [Mr. HOLLAND], I should like to say that Florida has been a State for 109 years, and on one occasion when I spoke on this subject, he corrected me and said, "Why, we have had a member of the Cabinet from Florida. Jefferson Davis, who headed the Confederacy, named a man from Florida to be Secretary of the Navy." In 109 or 110 years that is the only man from Florida who had ever been appointed to a Cabinet post. It is typical of what has happened with respect to other States.

I remember that President Roosevelt had six members of his Cabinet who had been appointed from New York State. I realize that New York is a great State. However, Montana is a great State, also. So is Idaho, and so is South Dakota. I am not speaking about North Dakota, because, as all Senators know, we finally got an Ambassador appointed. He was the State chairman of the Republican Party. He was appointed by a Democratic President, Harry Truman. I am speaking in behalf of States with small populations. I believe the time has come when we in the Senate, who confirm nominations to public office, should let the powers-that-be know that sooner or later the small States, that is, small from the standpoint of population, should be represented.

Mr. KEATING. Mr. President, I should like to say to my distinguished friend from North Dakota that on this very day New York State has had the interest of North Dakota at heart. This morning I received a call from a constituent of mine in New York telling me that there was a vacancy in the chairmanship of the Federal Trade Commission. He very strongly recommended my support for a man from North Dakota for that position. I was happy to say to him that it was not prejudicial to this gentleman in any way that he should come from North Dakota; in fact, that my experience with North Dakotans indicated that the people from that State with whom I have come in contact are people whom I very much admire and respect, as they are also admired and respected by my colleagues. I desired to make this short statement to make sure that the Senator from North Dakota understood that New York has the interest of North Dakota at heart.

Mr. LANGER. I thank my friend from New York. However, I am not speaking for North Dakota today. We finally got an Ambassador. I am speaking in behalf of the numerous States of small population, that have never had an Ambassador or a member of a Cabinet appointed from among their prominent citizens; or have never had a Supreme Court Justice appointed.

I believe it would be wise for those who make appointments to look around to see if they could not find some qualified men or women in the small States who could fill some of these positions.

Mr. HART. Mr. President, as a junior member of the Committee on the Judiciary, this has been my first experience in considering the nomination of a Justice of the Supreme Court of the United States. I had always assumed that there would be difficulties whenever a committee attempted to carry out its responsibilities to the full Senate in preparing the record on which the Senate might give its advice and consent to the nominee of the President. However, the difficult position in which both the nominee to the Supreme Court and the members of the committee are placed when the nominee has been given an interim appointment by the President and has been sitting on cases at the time of his confirmation hearings, had never been fully brought home to me.

Mr. President, I believe that the practice of making interim appointments to the High Bench and the appointee taking his place on the Court is one which should cease. I believe it was not merely because I am a very junior member of the Committee on the Judiciary that I felt a great handicap in properly interrogating the nominee when the nominee is a Justice of the Court and has been sitting for some 6 months. I am reasonably sure that it is embarrassing and difficult for a nominee under such circumstances to have to come before the the Senate committee and be subjected to questions which may in some manner bear on cases before the Court.

It is my considered opinion that the Senate might well inform the President that it is the sense of this body that the practice of making such interim appointments—a practice which had not been followed for more than 52 years before the interim appointment of Chief Justice Warren—is seriously hampering the Senate in fully performing its constitutional duties. I suggest further that it is not in the best interest of the Supreme Court, the nominee who may be involved and, conceivably, litigants before the Court during such interim period.

It should be remembered that it is for the benefit of litigants, not for the comfort of the Senate or of the appointee, that appointments to the Federal Court are for a lifetime. It is done to assure the judge's complete independence of mind. I would suggest that something less than that is the case when the judge is sitting in the Court and must come before a Senate committee where hearings are held.

I have read with a great deal of interest the excellent brief which has been prepared by the chairman of the committee, the Senator from Mississippi [Mr. EASTLAND], and the senior Senator from South Carolina [Mr. JOHNSTON], and submitted as the minority views of the committee. Their discussion of the constitutional history of interim appointments to the Supreme Court is most persuasive. I desire to make it clear that I do not feel, as they have concluded, that the Senate should withhold its advice and consent from this nominee. Actually I believe a better case might be made that the Senate—faced with an interim appointee—should have moved with more speed to bring the matter to an early decision, while at the same time taking some positive action to indicate its views to the President that extreme restraint be practiced in making further interim appointments.

Fifteen Justices of the Supreme Court have been given recess appointments and were subsequently confirmed by the Senate. But for more than 100 years before the appointment in 1953 of Chief Justice Warren, no recess appointee to the Supreme Court took his seat in advance of Senate confirmation. The only instances previous to 1953 where an interim appointee took his seat in advance of confirmation were Justice Rutledge in 1795, and Justice Curtis, in 1851. In this administration we have seen interim appointees taking seats on the bench and participating in decisions prior to Senate confirmation in the instances of Chief Justice Warren, Justice Brennan, in 1956, and now Justice Stewart, appointed October 14, 1958, taking his seat the same day, and now awaiting confirmation, on this day of the Lord May 5, 1959.

I for one advise the present administration that I feel interim appointments to the Court are most unfortunate and should be avoided except in the most extreme cases. Certainly the participation of such an appointee in Court work prior to Senate confirmation is unwise. I realize that this may cause difficulties during the interim months when the Court is under strength, particularly at a time when the Court may be evenly divided on many crucial cases. However, it is my feeling that in such situations the Senate of the United States would understand the need for all due speed, and would be far better able to perform its constitutional responsibilities in giving its advice and consent.

For myself, I believe Justice Potter Stewart will make an outstanding Justice. I believe he answered many difficult questions put to him during the hearings with honesty and with a show of most substantial ability. His record as a judge of the Sixth Circuit Court of Appeals, which circuit includes Michigan, was outstanding. I expect to vote for the confirmation of his nomination, and welcome the opportunity to do so.

Mr. DIRKSEN. I wish to make one comment on the observations of the distinguished Senator from Michigan. The Constitution does not make it mandatory on the President to make interim or recess appointments. It says that the President has the power to do so. Consequently, he may do so or not, as he may delay the matter or not, as he chooses. Many nominations have become practical considerations.

One other matter comes sharply to mind. I believe it was at the end of the first session of the 85th Congress that the name of a judge was pending before the Committee on the Judiciary when a circumstance came to the attention of one member of the committee who felt that we ought to bring the nominee before us for further testimony. It was the last week of the session. Having concluded the testimony—and it was a little on the dramatic side—the Senator in question suggested that the nomination go over for a week. But by going over for a week, the Senate adjourned, and that was the end of the matter. So the nomination automatically had to be a recess appointment, if it was to be effective at all.

But there are problems of judicial congestion today. If the Senate is not in session, and there is a hiatus period, I doubt very much whether it is wise to incur a long delay and thus burden the other members of the court, whether it be a court of district judges or appellate judges, or members of the Supreme Court.

In every case, practical considerations are involved, plus the fact that if the conditions are such as to require the filling if a vacancy, the President has the power to appoint, but does not have to exercise it unless and until the Senate is here to entertain the nomination and to pass judgment upon it.

Mr. HART. I was not unmindful of those considerations. Still, for more than 100 years the Nation and its judicial establishment survived and avoided a situation which I think we all agree should be avoided if it is at all possible to do so.

In the absence of a showing of urgency, I think it is very desirable that an appointee not sit until after the Senate, through its committee, has had an opportunity to review his qualifications to sit on the Supreme Court.

Mr. DIRKSEN. I make one observation with respect thereto. The growth and the complexity of the affairs of the country have obviously enhanced and augmented the business of the judiciary.

Not only is there the Supreme Court; there are also the special courts, such as the Tax Court, the Customs Court, and the Court of Customs and Patent Appeals. I think today there are, roughly speaking, 243 Federal district judges, including those who sit in Washington, D.C. There are now 11 Circuit Courts of Appeals, including the one in the Nation's Capital. They are a part of a judicial system whose growth has, I think, reflected the growth of the Nation, the growth of its commercial business, and the growth of its judicial business.

Mr. JOHNSTON of South Carolina. Mr. President, I commend the distinguished junior Senator from Michigan [Mr. HART] for having raised the particular question which the distinguished Senator from Mississippi [Mr. EASTLAND] and I discussed in great detail in our minority views. We did not say that such an appointment could not be made. I think the newspapers have misinterpreted our minority views. But we did call the attention of the Senate and the Nation to the fact that, in our opinion, this is a bad precedent to establish, especially with respect to the Supreme Court.

I make this statement because the Supreme Court attempts to lay down the law, so to speak, when it interprets the laws of the Nation. Recess appointments, such as the one under consideration when not investigated and confirmed by the Senate are much more dangerous because the Court has such great power. The Senator from Mississippi and I tried to bring this point as clearly as we could to the attention of the Senate, in order that it might then be brought to the attention of the people of the Nation, including the present President and future Presidents, that we do not approve of the system which has been followed in this particular case.

Another reason why I oppose the confirmation of the nomination of Judge Stewart is that I am a believer in States rights. If his nomination is confirmed and he takes his seat on the Supreme Court, I do not believe we can expect any decisions to be made by the Court which will be different from the decisions made in recent days.

I believe all lawyers must agree that the Supreme Court has gone far afield in the interpretation of the Constitution in order to give the Federal Government more power and the States less power. I believe that is interpreting the Constitution in reverse, because the Constitution provides that all power not delegated to the Federal Government is reserved to the States. I believe that doctrine means something. I believe it means that if power is not delegated to the Federal Government, then the Supreme Court ought to make certain that the power delegated to the States is not taken from them.

I believe that if the decisions of the Supreme Court in recent years are studied closely, it will be found that time and time again the Court has not followed that section of the Constitution in rendering its decisions. We have heard that statement made on the floor of the Senate, not only on the Democratic side of the aisle, but also on the Republican side. We have heard it made by judges of the State supreme courts and the attorneys general of the States. We have heard it made also by the American Bar Association. It is not only the South which is speaking; it is not only the North, the East, or the West which is making that statement. We hear from all over the land the plea: "Please do not let the Supreme Court delegate to the Federal Government the rights which properly belong to the States."

For these reasons, after hearing the testimony concerning the nomination, I am convinced that Potter Stewart will continue to render decisions on the Supreme Court along the same line as the decisions handed down by the Supreme Court in recent years. I shall, therefore, vote against the confirmation of his nomination.

Mr. KEATING. Mr. President, I desire to deal with some of the arguments which are advanced in the minority views against the confirmation of the nomination of Potter Stewart, and to speak also concerning his qualifications.

I believe the President of the United States is to be commended for advancing this relatively young man, who has already established himself as a brilliant jurist, to the Highest Court. His outstanding record as a judge of the Court of Appeals for the Sixth Circuit won him widespread acclaim. He will bring to the Supreme Court a trained legal mind, a mind already accustomed to the special requirements of appellate practice. His reputation for fairness, his intellectual talents, his personal integrity, and his dedication to his mission as a jurist are qualities which aptly fit him for the important role he is to assume.

I was gratified to hear the chairman of the committee, in expressing his opposition to the confirmation of the nomination, describe Potter Stewart as an able lawyer, a man of integrity, and conscientious. I would not be sure that he would represent an improvement over the present members of the Supreme Court, because there are many members of the Supreme Court in whom I have great confidence. I feel that the nominee from Ohio will be a valuable addition to the Supreme Court.

Potter Stewart has been a practicing lawyer, as well as a judge. That is most important to those who will practice before the High Court. His training at the bar and on a court is responsible, perhaps, for his rather widespread reputation as a lawyer's judge. To me, this is a particularly appealing reputation for any nominee to the High Court, since it implies a dedication to our system of law beyond any personal predilections and objections.

Mr. President, I believe we can confidently expect Potter Stewart to remain true to the tradition of growth in our law without undermining confidence in the stability and permanence of its principles.

Potter Stewart was a forthright and an honest witness before the Senate Committee on the Judiciary. He answered all questions as best he could without interfering with his future duties or position in judging cases. I feel sure that his candor won him the respect of all of the members of the committee, even including those who disagreed with some of the views he expressed.

I know that his service on the Court will win him the respect and admiration of all the American people. Seldom has a nominee to the Supreme Court enjoyed the training, the experience, and the all-around ability possessed by Potter Stewart. His background and his outlook ideally suit him for this high honor and this sacred obligation.

Mr. EASTLAND. Mr. President, will the Senator from New York yield to me?

Mr. KEATING. I am glad to yield.

Mr. EASTLAND. Mr. President, I understand that the Senate rule does not permit the printing in the RECORD of minority views in their entirety. Therefore, I ask unanimous consent that page 6 and the top of page 7, down to the heading "Judges' Commissions," of the minority views, be printed in the body of the RECORD at the conclusion of the remarks of the distinguished junior Senator from New York.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EASTLAND. Mr. President, I thank the Senator from New York for yielding to me.

Mr. KEATING. Mr. President, I apprehend that this is neither the time nor the place to discuss the merits of specific decisions by the Supreme Court. In the light of remarks which have been made, I desire to say that I am completely in personal agreement with the unanimous decision of the Supreme Court in the case of Brown against Board of Education. I think it would have been a most surprising evolution in the law if the Supreme Court had reached any other decision.

I find myself in disagreement with certain other decisions of the Supreme Court, and no doubt I will be in disagreement with other of its decisions in the future. But this is not the place, in my view, to deal with that question.

I call attention to the minority views, which comprise 10 pages. With the exception of the last, one-sentence, paragraph, they in no way deal with the qualifications of this particular nominee. They deal, rather, with a problem which has been discussed here, namely, that of interim appointments. They are directed to some constitutional inhibition against such interim appointments. I now read the next to the last paragraph of the minority views:

> If this be interpreted to mean that the President, by means of a recess appointment, can place a man on the Federal bench with no recourse even in the Congress to challenge such placement, then it would appear that the only sanctions open to either House of Congress are (1) for the Congress to enact legislation to deal with this subject—

Mr. President, I have no quarrel with that. If the Congress sees fit to do so, and if it is within constitutional limitations for the Congress to say that such interim appointments shall not be made,

let us bring that question out into the open and thresh it out, both pro and con. My inclination would be to oppose such a proposal; but certainly that is the direct way to deal with that problem.

Then, in this part of the minority views, we find the following—

and (2) for the Senate to seek to discourage the making of such recess appointments, by refusing to confirm the subsequent nomination of any such recess appointee, without regard to the qualification of the appointee himself.

Mr. President, I repeat the last words, "without regard to the qualifications of the appointee himself."

That is truly an astounding observation, namely, that we should deny confirmation without giving any consideration to the qualifications of the appointee; that, no matter how good he may be, no matter whether he is the paragon of all the virtues as a judge—regardless of considerations of that sort—his nomination should be rejected by us, because of that argument.

Mr. President, there are questions about the entire problem of interim appointments. I am conscious of the difficulties involved. But it strikes me that there can be no question about the constitutionality, legally, of recess appointments to the Supreme Court. In my opinion there is no doubt, under the clear provision of the Constitution, that such appointments are valid. The language of the Constitution is explicit in this regard. In article II, section 2, clause 3, the Constitution states:

The President shall have power to fill up all vacancies—

"All vacancies," Mr. President—

that may happen during the recess of the Senate, by granting commissions which shall expire at the end of their next session.

That provision does not state an exception in the case of Justices of the Supreme Court, and none can reasonably be added by any process of inference. The plain language supported by historical practice dating back almost to the time of the adoption of the Constitution. In all, 15 Justices have been granted recess appointments, and their nominations have subsequently been confirmed by the Senate. It is noteworthy that if this practice had been ended, there would have been eliminated from service on the Supreme Court bench such giant figures as Rutledge, Curtis, Harlan, Holmes, and many others. A practice which is so well entrenched in our constitutional history and is evidenced by the action of the father of our country, George Washington, in granting a recess appointment to Justice Thomas Johnson, in 1791, cannot be lightly disregarded.

Mr. HART. Mr. President, will the Senator from New York yield to me?

Mr. KEATING. I am happy to yield to the distinguished Senator from Michigan.

Mr. HART. I wonder whether the Senator from New York intended to make the sweeping statement that we would have lost such giants from the bench. Is it not true that the only way we could have lost them would have been if the appointing authority had changed his mind in the interim?

Mr. KEATING. That is true; and the explanation the Senator from Michigan has given is correct, with this modification: All of us know that the circumstances at the time in connection with a nomination to the Supreme Court have much to do with the turn of events. Whether it would have happened that the same nomination would later have been made, and whether the action of the Senate would have been the same, no one can know.

However, I think my statement was too sweeping. However, I intended to convey the impression that among those who had been appointed by recess appointment, under whatever the circumstances were, however great the need was at the moment, are some of our leading justices.

What I have said deals with the constitutional question raised in the minority views. The letter of the Constitution, and the spirit which has been breathed into it by the long line of unbroken precedents dating from the very founding of the Republic, destroy any force of the minority's position as a legal matter.

This does not mean that there is not some merit in the position taken as a practical matter, since anyone can appreciate the added difficulties raised by the confirmation of recess appointments. Some of the difficulties are unavoidable. But, the Supreme Court which, year after year, has more and more business, should be kept at full strength, and the possibilities of an equally divided Court should be reduced to a minimum. If one Justice is taken away from nine, eight remain. There have been so many decisions on a five to four basis that some litigants might very well be placed in the position of not really having had their cases decided at all, if we were to take away the power, which is to be exercised with restraint, to name interim appointees.

There may be some merit in the suggestion which has been made, and which might obviate some of the difficulties, namely, of having a sitting judge give notice in advance that he intends to resign. Such notice, of course, would not cover every case, but it would cover a great many cases. We all realize it is not always possible to do so. A vacancy may come about because of other events. Such notice should not, in any event, be required by law.

I concede that recess appointments complicate the process of confirmation both for the incumbent—in this case Mr. Justice Stewart, who had to skate so carefully, and I believe he did so skillfully, in his answers to questions—and for the Senate itself. When recess appointments can be avoided without interfering with the operations of the Court, certainly they should be avoided; but it is carrying a practical objection altogether too far to urge such considerations as a bar to the approval of the present nominee.

Mr. HART. Mr. President, will the Senator yield?

Mr. KEATING. Yes.

Mr. HART. Lest the RECORD in any respect be uncertain, I share the view which has just been stated by the Senator from New York; namely, it goes beyond all reasonable bounds to suggest that the nomination of this very able man be rejected in order that we can make the point that recess appointments are undesirable. I do not associate myself with the last sentence of the minority views. I most certainly welcome the suggestion the Senator from New York has just made, that, as I understand, recess appointments are to be avoided unless there is a very compelling circumstance.

Mr. KEATING. Mr. President, the minority views, in all 10 pages, with the exception of the last sentence, deal with the question of interim appointments. Then is added this sentence:

We are further opposed to Justice Stewart because it is evident from the hearings that Justice Stewart thinks the Supreme Court has the power to legislate and to amend the Constitution of the United States.

If that reason were advanced in utmost seriousness as an objection to this nominee, I think it would merit more than a single sentence of that kind. However, I desire, in order that the record may be abundantly clear—and the nominee has made it clear in his extensive judicial experience—to refer to two or three instances where it seems to me he very clearly set forth the proper role of the Supreme Court and showed his complete agreement with fundamental constitutional principles.

The Senator from South Carolina [Mr. JOHNSTON] asked:

Senator JOHNSTON of South Carolina. Do you not think that each case should be dependent upon the record in that particular case?

Mr. STEWART. That is the way I have decided cases. You have a specific case before you, based on the record of that case and applying to it, the law and the Constitution.

At another point the distinguished Senator from the State of Wyoming [Mr. O'MAHONEY] put to him this question, which relates to a portion of the Constitution of the United States:

Let me ask you this question: Do you, in contemplation of the necessity of taking an oath to support and defend the Constitution of the United States, understand that such oath will demand that you support and defend the provisions of article I of the Constitution? [Reading:]

"All legislative powers herein granted shall be vested in a Congress of the United States which shall consist of a Senate, and House of Representatives."

Mr. Stewart's forthright answer was:

Yes, sir; I do.

He added:

That article and the entire Constitution.

Sentor O'MAHONEY. And by that I take it you mean that you will be bound by such oath not to participate knowingly in any decision to alter the meaning of the Constitution itself or of any law as passed by the Congress and adopted under the Constitution?

Mr. STEWART. May I have that full question?

Senator O'MAHONEY. Let me give it again.

Mr. STEWART. I didn't quite understand it.

Senator O'MAHONEY. Therefore, you will be bound by such oath not to participate knowingly in any decision designed to alter the meaning of the Constitution itself, or of any law as passed by the Congress and adopted under the Constitution?

Mr. STEWART. Yes, sir; I will.

Finally the chairman addressed this question to the prospective nominee:

Do you think that the Supreme Court has the power to amend the Constitution of the United States?

Mr. STEWART. Certainly not to amend it. No.

The CHAIRMAN. You kind of qualified that statement. Just in what way do you mean?

Mr. STEWART. Well, the Constitution itself provides how it can be amended. That is well known.

The CHAIRMAN. Yes.

Mr. STEWART. And it cannot be amended by the Supreme Court.

It seems to me, Mr. President, Mr. Justice Stewart has clearly indicated his approach to his duties as a Supreme Court Justice will be such as should commend itself completely to the Members of the Senate who are called upon to perform the important task of voting on the confirmation of his nomination.

There was only one other point raised in the debate as to which I should like briefly to comment. It was said by several Members that it was a bad thing to have the appointment of Supreme Court Justices recommended to the President by the Department of Justice. I understand the basis for that argument. I have some sympathy with it. I simply do not know, under our system, where the President can best turn for advice as to who would serve in the finest manner as a Supreme Court Justice if he cannot turn to the Justice Department.

On this I can speak with some personal knowledge. The President of the United States today does not necessarily take the recommendation made to him by the Department of Justice. In a specific instance with which I am personally familiar the President of the United States asserted on his own responsibility his desire to name a person to the Federal Bench, and he made the decision practically singlehandedly.

I do not understand where the President should turn, if not to the Department of Justice. I recognize the fact that the Supreme Court will have before it cases which will involve the interests of the Department of Justice, and to that extent there is something approaching a built-in conflict of interest.

It has been the practice, as I understand, for the President to confer with the Department of Justice about appointments to the Supreme Court since the Department of Justice was established in the early days of the Republic. It may be that the Senate of the United States could come up with a better suggestion. Certainly it is something which should engage the attention of the Executive.

It has been my experience that the Attorney General, both the present Attorney General and those in the past—at least those in the immediate past, with whom I have a closer familiarity—have been extremely careful in making selections for the Bench, as of course he should be.

Mr. DIRKSEN and Mr. RUSSELL addressed the Chair.

Mr. KEATING. I am happy to yield to the Senator form Illinois.

Mr. DIRKSEN. Mr. President, I ask for the yeas and nays on the confirmation of this nomination.

The yeas and nays were ordered.

Mr. KEATING. Mr. President, I yield to the Senator from Georgia.

Mr. RUSSELL. For the RECORD, I should like to ask the distinguished Senator from New York, if he does not object to answering, whether the appointment to which he referred, was the appointment of a member of the Supreme Court of the United States?

Mr. KEATING. No; it was not.

Mr. RUSSELL. I realize the strength of the Senator's argument that this has been the process for a long time, and I certainly did not make my argument as a partisan one. When Presidents of my own party were in power, they took the advice of the Attorney General even as to the appointment of an Attorney General to succeed him. Of course the Senator is correct in stating this is not an entirely new process.

When an issue of this nature which has political aspects—we might as well be frank about it—is concerned, the President should insist on more than one recommendation before he makes a nomination.

Mr. KEATING. I entirely agree with the distinguished Senator. I feel reasonably certain that in this specific case the President had more than one recommendation. I cannot state that as a fact. Certainly the President should make some independent investigation of his own, and should not rely solely upon the advice of the Attorney General. In fact, I feel sure that he does not do so entirely, although undoubtedly the President is guided more by the advice of the Attorney General than by the advice of any other person.

Mr. President, it seems to me that since the actual qualifications of this nominee are without question, except in the minds of those who may differ with the legal conclusions he draws, since there is no constitutional inhibition against his appointment, his nomination should be confirmed, and I hope it will be confirmed by a large majority.

EXHIBIT 1

(Excerpt from minority views on nomination of Potter Stewart, Executive Rept. No. 2, 86th Cong., 1st session)

Fifteen Justices of the Supreme Court have been granted recess appointments, and subsequently confirmed by the Senate. They were Thomas Johnson, appointed August 5, 1791, nominated after Congress reconvened on October 24, 1791, confirmed on November 7, 1791, and seated at the August term of the Supreme Court in 1792; John Rutledge, appointed July 1, 1795, nominated after Congress reconvened on December 7, 1795, confirmed December 17, 1795, and seated August 12, 1795; Bushrod Washington, appointed September 29, 1798, nominated after Congress reconvened on December 3, 1798, confirmed December 20, 1798, and seated in the February term of 1799; Alfred Moore, appointed October 20, 1799, nominated after Congress reconvened on December 2, 1799; confirmed on December 10, 1799, and seated in the August term of 1800; Henry B. Livingston, appointed November 10, 1806, nominated after Congress reconvened on December 1, 1806, confirmed on December 17, 1806, and seated in the February term of 1807; Smith Thompson, appointed September 1, 1823, nominated after Congress reconvened on December 1, 1823, confirmed on December 19, 1823, and seated February 10, 1824; John McKinley, appointed April 22, 1837, nominated after Congress reconvened on September 4, 1837, confirmed on September 25, 1837, and seated in the January term of 1938; Levi Woodbury, appointed September 20, 1845, nominated after Congress reconvened on December 1, 1845, confirmed on January 3, 1846, and seated in the January term of 1846; Benjamin Curtis, appointed September 22, 1851, nominated after Congress reconvened on December 1, 1851, confirmed on December 20, 1851, and seated December 1, 1851; David Davis, appointed October 17, 1862, nominated after Congress reconvened on December 1, 1862, confirmed on December 8, 1862, and seated in the December term of 1862; John M. Harlan, appointed March 29, 1877, nominated after Congress reconvened on October 15, 1877, confirmed on November 29, 1877, and seated December 29, 1877; Oliver W. Holmes, appointed August 11, 1902, nominated after Congress reconvened on December 1, 1902, confirmed on December 4, 1902, and seated December 8, 1902; Earl Warren, appointed October 2, 1953, nominated after Congress reconvened on January 6, 1954, confirmed on March 1, 1954, and seated October 5, 1953; William J. Brennan, appointed October 15, 1956, nominated after Congress reconvened on January 3, 1957, confirmed on March 19, 1957, and seated October 16, 1956; Potter Stewart, appointed October 14, 1958, nominated after Congress reconvened on January 7, 1959, nomination pending action in the Senate, and seated October 14, 1958.

WARREN BROKE 100-YEAR PRECEDENT

It is significant that for more than a hundred years before the appointment of Chief Justice Warren, no recess appointee to the Supreme Court took his seat in advance of Senate confirmation. The only previous instances where this was done were in the case of Mr. Chief Justice Rutledge, seated August 12, 1795, and not confirmed until December 15, 1795,[1] and Mr. Justice Benjamin Curtis, who although appointed September 22, 1851, deferred taking his seat until the same day Congress reconvened, December 1, 1851, and was not confirmed until December 20, 1851, about 3 weeks later. After Curtis, no other Justice until Warren took his seat before confirmation by the Senate.

Following the Warren precedent, Mr. Justice Brennan took his seat October 16, 1956, though not confirmed until March 19, 1957.

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[1] On July 1, 1795, the President of the United States issued a commission to John Rutledge of South Carolina as Chief Justice of the United States, to serve "until the end of the next session of the Senate." The Senate next met on December 9, 1795, and the following day the nomination of Mr. Rutledge "to be Chief Justice of the Supreme Court of the United States" was transmitted. On December 15, 1795, the Senate rejected this nomination. Notwithstanding this fact, the Congress appears to have recognized Rutledge as having been a Chief Justice of the United States, at least to the extent of having authorized the execution of a bust of Mr. Rutledge to be placed in the Supreme Court chamber, along with the busts of other Chief Justices. It is perhaps noteworthy that Rutledge had served earlier as a Justice of the Supreme Court, under a regular appointment, "with the advice and consent of the Senate."

And Mr. Stewart, appointed October 14, 1958, took his seat the same day.

Mr. THURMOND. Mr. President, I rise in opposition to the confirmation of the nomination of Potter Stewart to be an Associate Justice of the U.S. Supreme Court.

The greatest enemy of the United States and of the free world today is communism. Communism is a satanic, brutal, wicked enemy. We must keep this country prepared and be ready to combat any aggression which might be attempted by the Communists.

Even a greater danger than the Communists, I believe, Mr. President, from an outward standpoint, are two things which are taking place in this country today. The first is the big spending by the Congress, and the second is the decisions of the U.S. Supreme Court which encourage Communists and subversion.

Last week I sent out in a weekly newsletter a few words along this line, which are as follows:

RED BILL OF RIGHTS

In recent years the U.S. Supreme Court in decision after decision has been drawing up for American Communists and their fellow travelers and sympathizers a long bill of rights, which the Communists say have made it much easier for them to operate in this country. In a recent issue of the Worker, the official news organ of the Communist Party, the paper's general manager, Mr. William L. Patterson, urged more boldness by party members with these words:

"Let's be bolder, McCarthyism has sustained a heartening defeat in our country. American reaction has in fact sustained a number of defeats on the political as well as moral front.

"We say this because it must be made clear that the prevailing political atmosphere permits increasing activities with lessening danger of victimization."

Here is the Supreme Court's bill of rights for Communists:

1. A citizen can be a member of the Communist Party without being in violation of the law (SACB case).

2. A Communist—or any other citizen—may legally advocate forcible overthrow of the Government as an abstract doctrine (Yates case).

3. A Communist organizer cannot be prosecuted for forming new Communist cells (Yates case).

4. A Federal employee cannot be fired from a nonsensitive job merely for association with Communists (Cole and Service cases).

5. A witness before a congressional committee cannot be compelled to answer questions about Communist affiliations unless the questions are shown clearly to be pertinent to the subject under investigation (Watkins case).

6. A defendant can compel the Government to show him, through the trial judge, statements that witnesses against him made to the FBI in secret, pretrial investigations (Jencks case).

7. A person cannot be denied a passport to travel abroad merely because of Communist beliefs or associations (Dayton case).

8. A professor cannot be questioned by a State agency as to his belief in communism or his advocacy of communism in the classroom (Sweezy case).

9. A board of education cannot fire a teacher for refusing to answer questions about Communist activity (Slochower case).

10. A Communist cannot be prosecuted by a State for the crime of sedition (Nelson case).

11. A State cannot deny bar membership to a lawyer who refuses to say whether he is a Communist (Schware and Koningsberg cases).

12. A Communist who has been told to leave this country under a deportation order more than 6 months old cannot be kept under surveillance by the U.S. Attorney General (Witkovich case).

13. An alien who violates the Internal Security Act by joining the Communist Party after entering the United States can wipe out this crime by leaving the country, quitting the party, and then reentering the country (Bonetti case).

For the latest favoritisms to Communists, watch your Supreme Court decisions.

Sincerely,

STROM THURMOND.

Today, Communists in the United States are enjoying a field day. I do not know of any group, including the Communists themselves, which could have written a platform that would better suit the Communists than the decisions which have recently been handed down by the Supreme Court of the United States. In my opinion the Supreme Court of the United States is a menace to the people of this country. When I say that, I have a high regard for the Court as an institution, but I am speaking of the nine temporary occupants of seats on that Court. When they hand down decisions such as those to which I have just referred, which encourage and foster communism, and apparently do everything in their power, in their decisions, to promote communism, they are indeed a dangerous menace to our country.

It is my opinion that internal subversion in this country is even more dangerous than the threat of an attack from outside.

I am cognizant of the situation in which we find ourselves in Berlin, in Korea, and in various other places throughout the world. In order to combat communism we must remain strong—the strongest nation on the face of the earth.

We know that Lenin said in 1917 that the aim of the Communists is to be the gravediggers of, and the heirs and successors to other governments of the world. We know that the aim of communism is to take over the United States and the free world. We know that it is a great danger. But it is my opinion that the decisions of the U.S. Supreme Court which have been handed down in recent years constitute a much greater danger than the threat of communism from without.

I do not expect to support this nomination. I understand that Mr. Stewart was asked whether or not he approved of the decision in Brown against Board of Education. He stated that he did. If Mr. Stewart believes in that decision, then he believes that the Constitution of the United States can be amended by the Supreme Court. If he believes in that decision, he does not believe in the division of power which is clearly set out in the Constitution.

The 10th amendment to the Constitution of the United States provides that all powers not delegated to the Federal Government are reserved to the States. There were States before there was a Federal Government. The States formed the Federal Government. The Federal Government did not give the States their powers. The States gave the Federal Government its powers. The States gave the Federal Government its powers when they adopted the Constitution drafted in Philadelphia in 1787. In examining the powers which were delegated to the Federal Government, we note that the field of education was not covered. It has not been covered by an amendment since then. The word "education" is not even to be found in the Constitution of the United States. Therefore, the field of education is reserved to the States under the Constitution.

I do not feel that I can permit myself to vote to seat as an Associate Justice of the U.S. Supreme Court a man who would construe the Constitution in such a way.

In my opinion such a decision is erroneous. In my opinion, affirming such a decision is erroneous; and if that is his judgment in that sort of case, I am sure it will be equally bad in some other respects.

On behalf of Mr. Stewart, I will say that I understand he is an honorable and a capable man. From all I have heard about him, he would be an improvement over the other occupants of seats on the Supreme Bench; but when I make that statement, I must add that in my opinion he would not have to be too good a lawyer to be an improvement.

In my opinion the members of the Supreme Court of the United States today are very mediocre lawyers. I believe that in most cases they were placed on that Court for political purposes—either to pay political debts, to swing blocs of votes, or to get votes in the future.

I do not believe that the members of the Supreme Court of the United States today are unbiased judges who can justly pass on the lives and rights of the people of the country, and on questions dealing with the property of the people.

Mr. President, I could speak at much greater length on this subject. I wish to be on record as opposing confirmation of the nomination of Mr. Stewart, for the reasons I have cited.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MONRONEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is, Will the Senate advise and consent to the nomination of Potter Stewart, to be an Associate Justice of the Supreme Court of the United States?

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Pennsylvania [Mr. CLARK], the Senator from Utah [Mr. Moss], the Senator from Montana [Mr. MURRAY], and the Senator from West

Virginia [Mr. RANDOLPH] are absent on official business.

I also announce that the Senator from Missouri [Mr. SYMINGTON] is necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. CLARK], the Senator from Utah [Mr. Moss], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. RANDOLPH] and the Senator from Missouri [Mr. SYMINGTON] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Indiana [Mr. CAPEHART], and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

The Senator from Nebraska [Mr. CURTIS], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from New York [Mr. JAVITS] are necessarily absent.

If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. CURTIS], the Senator from New York [Mr. JAVITS], and the Senator from Wisconsin [Mr. WILEY] would each vote "yea."

The result was announced—yeas 70, nays 17, as follows:

YEAS—70

Aiken	Frear	Mansfield
Anderson	Goldwater	Martin
Bartlett	Gore	Monroney
Beall	Green	Morse
Bennett	Gruening	Morton
Bible	Hart	Mundt
Bridges	Hartke	Muskie
Bush	Hayden	Neuberger
Butler	Hennings	O'Mahoney
Byrd, W. Va.	Hruska	Pastore
Cannon	Humphrey	Prouty
Carlson	Jackson	Proxmire
Carroll	Johnson, Tex.	Saltonstall
Case, N.J.	Keating	Schoeppel
Case, S. Dak.	Kefauver	Scott
Chavez	Kennedy	Smathers
Church	Kerr	Smith
Cooper	Kuchel	Williams, N.J.
Cotton	Langer	Williams, Del.
Dirksen	Lausche	Yarborough
Dodd	McCarthy	Young, N. Dak.
Douglas	McGee	Young, Ohio
Dworshak	McNamara	
Engle	Magnuson	

NAYS—17

Byrd, Va.	Holland	Russell
Eastland	Johnston, S.C.	Sparkman
Ellender	Jordan	Stennis
Ervin	Long	Talmadge
Fulbright	McClellan	Thurmond
Hill	Robertson	

NOT VOTING—11

Allott	Hickenlooper	Randolph
Capehart	Javits	Symington
Clark	Moss	Wiley
Curtis	Murray	

So the nomination of Potter Stewart to be an Associate Justice of the Supreme Court of the United States was confirmed.

Mr. DIRKSEN. Mr. President, I move that the vote by which the nomination was confirmed be reconsidered.

Mr. JOHNSON of Texas. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CASE of South Dakota. Mr. President, I wish to state that the bells in the New Senate Office Building are not ringing. The Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. DWORSHAK], and I accidentally heard that a yea-and-nay vote was being taken in the Senate; and we got here just in time to participate in the vote. I think the employees should be advised that the bells in the New Senate Office Building are not ringing, and steps should be taken to have them ring properly.

Mr. JOHNSON of Texas. Mr. President, I appreciate the statement the Senator from South Dakota has made; and I hope the attachés on both sides will take proper notice.

Mr. CASE of South Dakota. I thank the Senator from Texas.

Mr. JAVITS subsequently said: Mr. President, I wish to make a brief statement on the nomination of Justice Potter Stewart. Because of a luncheon speech engagement in New York and a delay in an airline flight, I was unable to be present during the consideration of the nomination.

I wish to state that I favor what the Senate has done today on the nomination. I think it is a very wise decision on our part to confirm the nomination of Potter Stewart as an Associate Justice of the Supreme Court.

I should like to call attention to what I consider to be an historic answer in American life in connection with the qualifications of the Justice of the U.S. Supreme Court. When Mr. Justice Stewart was asked about his views in the case of Brown against Board of Education, the school desegregation case, and was strongly pressed on the subject by a member of the Judiciary Committee, he said, "I would not like you to vote for me upon the assumption that I am dedicated to the cause of overturning that decision, as I am not. I have no prejudgment against that decision."

Mr. President, I think under the circumstances, when a man whose nomination is up for confirmation for a very high office demonstrates this kind of quality, this kind of character, and this kind of American outlook, which we have every right to expect, we should be extremely pleased. I am delighted that Associate Justice Potter Stewart has brought to realization our hopes and expectations in that way.

I make this statement only because I did not have the privilege of voting for the confirmation of his nomination, and I wish to be recorded as very much in favor of it.

I am very grateful to my colleague from Illinois for yielding to me for this brief time.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

AMENDMENT OF THE RAILROAD RETIREMENT ACT OF 1937

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of House bill 5610, to amend the Railroad Retirement Act.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 5610) to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 5610) to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes, which was read the first time by title and the second time at length.

Mr. JOHNSON of Texas. Mr. President, if I may have the attention of the Senator from Oregon [Mr. MORSE], let me say that the House passed, on May 4, H.R. 5610, which amends the Railroad Retirement Act. H.R. 5610 is identical with Senate bill 226, which was passed by the Senate on April 29, and which had been reported by the Senator from Oregon [Mr. MORSE].

The House adopted every line, every word, every punctuation mark in the Senate bill—including a misplaced quotation mark.

I am informed that the House took that action because the bill contained a revenue feature, inasmuch as the bill increases the rate of tax on employers and employees under the railroad retirement system. However, the tax-increase provision is only one of many charges effected by the bill in the railroad retirement law.

Senate bill 226, as passed by the Senate, is not primarily a tax measure. The increase in tax is only part of a bill which is designed to provide much needed increases in the benefits under the Act. In my mind there is no doubt about the constitutional power of the Senate to initiate such a measure. The Supreme Court has long held that the Senate can initiate and can pass general legislation which contains, as an incidental feature, a revenue provision. The case of Millard vs. Roberts, decided in 1906, is specific on this point. The annotated Constitution, compiled by Professor Corwin, contains numerous citations in support of this view.

I have conferred with the distinguished chairman of the subcommittee who handled the bill, the Senator from Oregon [Mr. MORSE]. It is our conclusion that we do not wish to quibble over the matter; we are primarily concerned with sending this proposed legislation to the

President at an early date. In our judgment, the power of the Senate to initiate and to dispose of proposed legislation such as Senate bill 226 is clear and beyond any doubt; and we do not intend to delay the taking of final action on this matter by arguing the procedural question. It is far more important to the railroad workers that such a bill be passed and go to the President and be signed by him into law, rather than that there be long argument over the question of whether the bill bear a House bill number or a Senate bill number.

So, Mr. President, after conferring with the Senator from Oregon and other members of the committee, I urge immediate Senate consideration of House bill 5610, which is identical in every respect with Senate bill 226, which was passed by the Senate on April 29, I believe, by unanimous vote.

Mr. President, I yield now to the Senator from Oregon, so that he may make whatever comments he desires to make, and that then the Senate may perhaps take action on the bill.

Mr. MORSE. Mr. President, the majority leader has explained the reason why there has been some confusion in regard to railroad retirement legislation. In my judgment he has stated the law accurately. There is no question about the fact that it was within the province of the Senate to initiate such proposed legislation and to pass it. I quite agree with the Senator from Texas that we should proceed to repass the bill, this time in the form of House bill 5610.

In making legislative history on the bill, our obligation is to make sure that no question at all in regard to the legislative process can be raised successfully by anyone in any future litigation.

Mr. President, until yesterday we had thought a conference would be necessary in order to resolve a difference between the bill which was passed by the Senate—Senate bill 226, the Morse bill—and the bill which was passed last Wednesday by the House—House bill 5610.

Yesterday, however, the House passed a new bill, numbered H.R. 5610, with language identical to that of the Morse bill, Senate bill 226, as passed by the Senate.

It is much to be desired that the Senate now pass House bill 5610, and thus permit a railroad retirement bill to reach the White House as soon as possible. In urging that the Senate take this action, I assure this body that such action by it will merely reaffirm the action the Senate took last week in passing Senate bill 226.

Mr. JOHNSON of Texas. Mr. President, I yield to the minority leader first. Then I shall yield to the Senator from Louisiana [Mr. LONG].

Mr. DIRKSEN. Mr. President, I think we had some discussion of this matter when the bill first came up in the Committee on Labor and Public Welfare. I did not feel there was any doubt whatsoever that the Senate had authority to consider this bill originally and send it to the House. I do indeed concur in the opinion expressed by the majority leader; but, in the interest of felicity as between the two Houses, if this is what it takes in order to expedite action, certainly I have no objection.

Mr. LONG. Mr. President——

Mr. JOHNSON of Texas. I yield now to my friend from Louisiana.

Mr. LONG. Mr. President, as one of those who greatly admire the majority leader, I hope he is not going to permit the House, in matters of this sort, continually to downgrade the Senate. This type of procedure can hardly be more than an excuse for the House to claim to be the author of legislation by acting first. If the House had proceeded expeditiously, it could have acted first on this measure, rather than second, as it has. Then the Senate might properly be denied credit for being the body of Congress to act first on this bill. The Senate is already bound in a number of ways when the House insists, unreasonably in some instances, on having its way. For example, the Senator from Louisiana has several times sponsored legislation involving veterans insurance, which the House has failed to consider because of objection on the part of a single Member of the House.

I urge the majority leader to see that the responsibilities, duties, and powers of the Senate are maintained. I hope he will try to do something about it, as time goes on, so that the House will act reasonably in such matters.

Mr. JOHNSON of Texas. I appreciate the remarks of the Senator from Louisiana. I shall do all I can, in a constructive manner, to see that the responsibilities of the Senate are recognized. In this instance I do not agree with the way the House has acted, but I do not see that there is any good purpose to be served by further quibbling and delay, and I certainly do not want to emulate the action of the House in this instance.

Mr. President, if we can get action on this bill——

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be offered, the question is on the third reading of the bill.

The bill was ordered to a third reading and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill was passed.

Mr. MORSE. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE STRAUSS NOMINATION

Mr. DIRKSEN. Mr. President, on April 7 there was inserted in the CONGRESSIONAL RECORD an editorial from the Courier-Journal of Louisville with respect to the pending Strauss nomination. An answer to that editorial, in the form of a letter signed by Mr. Strauss, was also published in the Louisville Courier-Journal on April 13, 1959.

I ask unanimous consent to have the entire letter printed in the RECORD as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SECRETARY STRAUSS DEFENDS AN EXPORT BAN

It has been brought to my attention that a facsimile of your March 16 editorial dealing with my rejection of an application for a license to export large diameter steel line pipe to the Soviet Union is being sent to members of the U.S. Senate in a campaign against confirmation of the President's nomination of me to be Secretary of Commerce.

With respect to trade with the Communist dictatorships, it is your privilege, of course, to express your convictions which appear to differ from my position and that of the Government. But in doing so in the instanced editorial, you have based your conclusions on complete inaccuracies as to the facts and as to my action.

Since I feel sure that you would not deceive your readers by misrepresentation, I rely upon your fairness to correct the false impression which you have created and therefore to publish this letter.

DENIAL OF A LICENSE

Your editorial accused me of stirring up "interdepartmental mischief" because in keeping with the U.S. policy, I denied a license for export of 28–30 inch line pipe to the Soviet Government. The editorial further stated that this was my "third rejection of the same application" and declared that "this time the State Department took the unusual step of making public the fact that it had advised" me not to reject the application. The editorial also states that the Department of State "questioned" my account of the proceedings, which you termed "an even more unusual performance." The editorial continues with a prejudiced attack on my motives. All of these statements in your editorial are false.

An entirely different picture is presented by the facts, including those released by the Commerce Department on the date of my decision, March 11, substantiated the next day by the State Department and on March 18 described in full detail at the Senate hearing on my confirmation.

First, as to action on the license: Ten months before I became Secretary of Commerce, the initial application was considered and denied in accordance with policy established through an interdepartment Advisory Committee on Export Policy, on which are representatives of the Departments of State, Defense, Treasury, and Commerce, among others.

The application was submitted a second time in November 1958, and was again denied by the Department in accordance with the same policy determination that was applied in the first denial and which had been reviewed by the committee and reconfirmed by my predecessor just prior to the receipt of the second submission of the application. Early this year, a third effort was made to override the two previous rejections. This was brought to my attention—the first and only time it had come before me. I sought the counsel of the committee on this particular case. (Your editorial falsely states: "This is the first time he has consulted the interdepartmental committee although this was his third rejection of the same application.") Acting on the composite advice of the committee, and from my own convictions, and in concord with precedents established before I became Secretary, I denied the application for the export license.

As to your contention that the State Department advised me not to reject the license application, it is possible that you may have echoed a story that an unidentified source in the State Department had hinted that I had acted unilaterally. You would have learned had you checked it that this story had no foundation in fact.

On the same day that this untrue story appeared in the press, the State Department's official spokesman announced, "The Department of State did not object to the decision by the Department of Commerce to deny this (line pipe) license. The decision was taken by the Secretary of Commerce after consulting his Advisory Committee on Export Policy of which the State Department is a member."

"THE NECESSARY VIGILANCE"

Furthermore, my denial of the license and previous denial by my predecessor, were in conformity with the export Control Act of 1949, which specifically directs the Secretary of Commerce to exercise "the necessary vigilance over exports from the standpoint of their significance to the national security"—and for some other restricting reasons.

For doing my pledged duty under the law and for acting in what I sincerely believe is the national interest, you have published a false and biased picture of my actions and my attitude, which you describe as "dangerous."

Moreover, you either did not know or, if knowing, failed to inform your readers that many peaceful goods have been licensed for shipment to the European Soviet bloc. In fact, more than 900 products require no specific license at all. We shall continue to favor the export of goods for peaceful purposes which the underprivileged people of Russia need—that is to say, to the extent that the Russian Government, which alone does all the importing, will permit the Russian people to have such goods. But we do not propose to lower our guard simply to raise our level of trade.

Though your editorial indicates that you differ with this policy, we shall, nevertheless, deny licenses for exports which we have reason to conclude are susceptible of use by the Soviet Government in a manner inimical to the national interest of the American people.

Sincerely,

LEWIS L. STRAUSS.

NAVAJO IRRIGATION AND SAN JUAN-CHAMA PROJECTS, NEW MEXICO

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Order No. 142, Senate bill 72.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 72) to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. ANDERSON. Mr. President, during the 85th Congress the senior Senator from New Mexico [Mr. CHAVEZ] and I introduced S. 3648, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project. The bill was favorably reported by the Senate Interior and Insular Affairs Committee, and passed the Senate unanimously. The passage came too late in the session for action by the House.

At the beginning of the present session of Congress the senior Senator from New Mexico [Mr. CHAVEZ] and I introduced S. 72, which carries the same authorizations and same language as S. 3648 of the 85th Congress. The pending bill, S. 72, was reported unanimously by the Senate Interior and Insular Affairs Committee April 8, 1959.

Senate bill 72, as did S. 3648, has as its objectives:

First. The irrigation of 110,630 acres of land, and provides approximately 17,000 Navajo Indians with an economy equal to that of non-Indians in the area.

Second. The construction of the initial stage of the San Juan-Chama diversion with sufficient capacity for future diversion from the San Juan River of an annual average of 235,000 acre-feet.

The total amount of the authorized appropriations for the two developments is $221 million, plus such amounts as may be required by reason of changes in construction costs.

Both of these developments were contemplated when the upper Colorado River storage project was authorized by the Act of April 11, 1956.

In fact, the initial development of the Indian phase—Navajo Dam and Reservoir on the San Juan River—was authorized and is now under construction. When completed in a few years, water will be stored for the irrigation phases of the project. With the authorization of the irrigation features, the stored water will be released and put to beneficial use.

The Navajo Indians represent an important segment of the economy of New Mexico. The irrigation development contemplated by S. 72 will stimulate their ability to sustain themselves. The estimated cost of the Navajo irrigation development approximates $135 million. The benefit cost ratio over a 100-year period is 1.61 to 1, which approximates the average for reclamation projects in the West. Over a 50-year period the benefit cost ratio is 1.3 to 1.

Under the provision of the Colorado River Storage Act of 1956, the Indian irrigation costs are deferred as long as the lands remain in Indian ownership.

SAN JUAN-CHAMA INITIAL STAGE

The initial stage of the San Juan-Chama project contemplates an average annual diversion of about 110,000 acre-feet from the Colorado River system for utilization in the Rio Grande basin. This water would be principally for additional municipal, industrial, and national defense purposes. The city of Albuquerque, one of the Nation's fastest growing cities, is particularly in need of supplemental water. We are all aware that this need arises as a result of some of our most important defense installations being located in and near Albuquerque. These defense needs must be met.

The project will also provide supplemental irrigation water for tributary irrigation units and the Middle Rio Grande Conservancy District.

The estimated construction cost of the initial phase of the San Juan-Chama diversion is $86 million, which includes $400,000 for basic recreation facilities.

The benefit cost ratio of the initial stage of the San Juan-Chama diversion over a 100-year period is 1.26 to 1. Over 50 years, it is 0.81 to 1. Both ratios compare favorably with other projects in the Upper Colorado River development.

OTHER STATES PROTECTED

In recommending S. 72 as in the case of S. 3648 last year, the Committee on Interior and Insular Affairs was zealous in seeing that the interests of other States in the Colorado River basin and Texas are protected. That assurance is renewed in Senate Report No. 155.

The committee is satisfied that the water to be diverted and used under S. 72 is clearly within New Mexico's entitlement under the Upper Colorado River Compact. Further particular attention was given to the interests of Colorado in the proposed Animas-La Plata project. Assurances are that adequate water for the Colorado phases of this latter development are available.

Mr. President, we are happy and pleased to have provided in the language of the bill protection of the State of Arizona and other States.

I am happy the coauthor of the bill, the senior Senator from New Mexico [Mr. CHAVEZ], is present.

Mr. CHAVEZ. Mr. President, I was in the midst of a committee hearing at the New Senate Office Building when I was notified that this bill had come before the Senate. In order to save time, I ask unanimous consent that a statement which I had prepared on the bill be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CHAVEZ

I should like to say that I believe Senate bill 72 is one of the most important pieces of legislation to come before the Senate in a long time. The bill introduced by Senator ANDERSON and myself would authorize the construction of the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project.

These two projects were assigned priorities insofar as planning work is concerned in Public Law 485, 84th Congress, 2d session, which authorized the initial units of the Colorado River storage project. The investigation on these two projects has been underway for many, many years and we in New Mexico have worked long and hard in bringing the plans for these projects to their present status. We have helped to make many other water resources projects become a reality. I have always favored such projects as I know their value to our national strength and economy.

The projects, I am sure, have been very carefully planned and present a program for the best utilization of New Mexico's portion of the upper Colorado River water. This water comes from the San Juan River and its tributaries and is the last remaining undeveloped water resource available to the State of New Mexico. Every other stream and river in the State has been completely developed and in many cases uses have reached the point where there is insufficient water to supply the demands. We have several water salvage, and also a salinity alleviation, projects in the State in order to make available additional usable water for my State.

The Navajo Indian irrigation project will include a net area of 110,630 acres. As I

mentioned before, the proposal to develop a large irrigable acreage in the area has been considered for many years and such a plan was actually initiated in the early 1900's. Ever since that time, the people of northwestern New Mexico have been looking to the day when this project would become a reality. We have finally succeeded in having work started on the Navajo Dam which will be needed to serve this project.

The Navajo irrigation project is one of the measures of a program to help the Navajo people in solving their very difficult problem. The Navajo population is now in excess of 80,000 and their agricultural resources on which they depend is very limited. The poverty among these people is a disgrace to our Nation. We have foreign aid programs to help underdeveloped countries, yet we have great difficulty in helping our own people. We took an initial step in helping the Navajo people when we enacted the Navajo-Hopi Rehabilitation Act of 1950. At that time, we recognized that the construction of this and other irrigation projects is essential in attempting to solve the Navajo Indian problems.

It has been estimated that the Navajo irrigation project would place about 1,100 Navajo families on the irrigated farms which would be provided. It is estimated that another 2,000 families will find employment in service and other activities. This project means that about 15,000 to 18,000 Navajo men, women, and children would be direct beneficiaries of the project.

To understand the problem of the Navajo people, one must go across the Navajo reservation and observe the difficult situation under which these people live. The only opportunity to obtain any large amount of water being along the San Juan River. In the valley of the San Juan River, the Government has developed two very successful irrigation projects of the Navajos. They are the Fruitland and Hogback projects which are contributing substantially to the agricultural development of the valley. In spite of the handicaps of small holdings on these two projects, the Navajo families are at least deriving a subsistence from them. With the Navajo irrigation project it will be possible to have larger farms and allow the Navajo to have sufficient land on which to earn a living and raise his family.

The Navajo Tribal Council is now spending over $100,000 in maintaining a school to train their people in irrigated farming in order to equip them to make the best use of the irrigated land which the Navajo irrigation project would provide. In addition the Navajo Tribal Council spends large sums in developing industries which will provide for a local economy balanced between agriculture and industry. Their aim is to make the Navajo people self-supporting and develop a prosperous community contributing its share to the wealth of our Nation. All of this is of course dependent on intensive water development.

The estimated cost of the Navajo irrigation project is about $135 million and the benefit to cost ration of the project has been determined to be 1.6 to 1 on the basis of total benefits. I do not believe that this expenditure is at all out of line in developing a project which is as essential in the rehabilitation and improvement of the lot of this important segment of the population of our country. There is much more involved than cost—we cannot assign a dollar value to something which is needed to supply the human need of our own people.

The San Juan-Chama project, which would divert water from the headwaters of the San Juan River into the Chama and the Rio Grande, has been under study since the early 1930's and after many years of study and negotiations by the people of the San Juan, Chama and Rio Grande basins agreement has been reached between these people which enabled us to come forth with the plan for this project.

The San Juan-Chama project is designed to divert an average annual amount of 110,000 acre-feet of water from the San Juan basin into the Chama and the Rio Grande basin. The water diverted into the Rio Grande basin would be used to replace water used for the irrigation of additional lands on the Chama River and in the vicinity of Questa, Cerro, Taos, Espanola, Nambe Creek, and lands in the Middle Rio Grande Conservancy District. The water would also be used to provide municipal and industrial water supplies to Albuquerque and other communities.

The project plan for the San Juan-Chama calls for the utilization of 57,300 acre-feet of water for municipal and industrial uses which would be used largely by Albuquerque, Espanola, Bernalillo, Belen, and Socorro. The plan calls for the use of 30,100 acre-feet for supplemental irrigation on 39,330 acres of land along the tributaries of the Rio Grande and lands along the Rio Grande above Espanola. The plan also provides for supplemental supply of water for about 81,610 acres of land in the Middle Rio Grande Conservancy District in the amount of 22,600 acre-feet. The tributary units in the San Juan Chama plan are as follows:

Cerro unit: Involving a storage reservoir on Red River, a diversion canal from Red River to lands located at Questa and in the vicinity of Cerro. Also, several diversion dams and canals to improve diversion of water from Cabresto, Rio Medio, Rio Primero and Latir Creeks to lands in Questa-Cerro area. The total irrigable lands amount to 11,820 acres.

Taos unit: Provides for the construction of a dam and reservoir on the Rio Hondo and a dam and reservoir on the Rio Grande del Rancho, the construction of 9 new diversion dams and 30 miles of connecting canals. The plan provides works for serving an irrigable area of 20,550 acres between Ranchos de Taos and Arroyo Hondo. Some 4,050 acres of this land is owned by the Taos Pueblo Indians.

Llano unit: The Llano unit would be located along a narrow beach paralleling the main stem of the Rio Grande in the vicinity of Espanola. Lands in the upper end of the unit would be adjacent to the lands of Alcalde Village and the San Juan Pueblo. Lands in the lower end of the unit would comprise lands of the Santa Cruz irrigation district. The project works would consist of a diversion dam on the Rio Grande near Velarde and about 19 miles of main canal plus a distribution and drainage system. The area to be served includes 1,900 acres of Indian lands and 2,620 acres of the Santa Cruz Irrigation District lands.

Pojoaque unit: The plan for unit provides for supplementing the water supply for about 2,440 acres of land along Pojoaque and Nambe Creeks through the construction of a dam immediately above Nambe Falls, two diversion dams and a canal system. Both Indian and non-Indian lands would be served by the project.

It is my understanding also, the Secretary of the Interior would be authorized to contract with communities such as Farmington, Gallup, and other municipalities for municipal and industrial water supplies.

The Rio Grande Valley is the oldest continually occupied area in the United States and the site of the first Spanish settlement, and is also one of the oldest agricultural areas in the United States. The pressing need for water in the basin vitally affects the welfare of more than half the population of the State and the water supply condition, already critical, has been aggravated by continued drouth and increased uses. Shortage of water supplies has resulted in the inability to satisfy the irrigation and other demands and has resulted in many complex problems.

The economic plight of the small communities on the tributary streams in the northern part of the basin in New Mexico has long been recognized as a major problem. The residents of these areas depend largely on irrigated agriculture with water supplies being obtained by diversion of the unregulated flows of the streams. The only other opportunity for a livelihood has been to seek wage work outside the area. The most critical need in most areas is to expand the present resources by developing an adequate water supply and to permit optimum utilization of the lands now served by irrigation water and to extend facilities to serve additional lands. The need for storage reservoirs is not only to regulate stream flows for irrigation, but to protect diversion works from floods which frequently occur. I believe that such improvements are very essential to the economy of the upper Rio Grande area of New Mexico and since New Mexico is entitled to this water, we should utilize it to improve the economic condition of those people who have been unable to help themselves.

We have a large number of Indian pueblos located in the Rio Grande basin and they have small irrigated tracts (and could have more) which should be provided with a supplemental water supply. I was pleased to observe that the Bureau of Reclamation, in their criteria for water supply studies, has given a high priority to the irrigation needs of the Rio Grande tributary areas because of the large number of rural people both Indian and non-Indians who depend on irrigated land for subsistence.

The plan provides for additional water for the Middle Rio Grande Conservancy District, which also contains a large number of Indian and non-Indian families, who certainly can use a supplemental water supply.

The city of Albuquerque, the largest city in the State, which has had phenomenal growth during the past few years is in need of municipal and industrial water. The city is presently obtaining its water supplies from wells which are located to a large extent in the valley floor adjacent to the Rio Grande. It has been stated by authorities that the pumping of these wells has affected the flow of the river and it would therefore follow that as the city grows and additional water supplies are obtained from wells there would be a continued effect on the flow of the river. The city of Albuquerque must do everything possible to maintain the stability of the agricultural development in the area since it is one of the principal trade centers in the State. If this city is to grow and supply the water needs of the city and the military installations at Sandia Base and Kirtland Field, additional water will be required.

It is noted that the total estimated construction cost of the initial stage of development would amount to about $86 million and that of this amount over $29 million is allocated to municipal and industrial water which will be fully reimbursable with interest. Other reimbursements would be made by the irrigators to the extent of their repayment ability and other costs would be taken care of out of New Mexico's share of the income from the power projects in the upper Colorado River storage system. In other words this will be a fully reimbursable project with the exception of a small amount for basic recreational facilities at the reservoirs.

I can think of nothing more vital to the economy of my State and the strength of our Nation than the development of these water resources. I not only apply this philosophy to my own State but to every State and Territory in our country. How else can our country progress and be strong if we fail to provide the basic commodity, which is water.

Mr. HAYDEN. Mr. President, we are all aware that section 14 of the act of April 11, 1956, authorizing the Secretary of the Interior to construct, operate, and maintain the Colorado River storage project provides:

> In the operation and maintenance of all facilities, authorized by Federal law and under the jurisdiction and supervision of the Secretary of the Interior, in the basin of the Colorado River, the Secretary of the Interior is directed to comply with the applicable provisions of the Colorado River Compact, the Upper Colorado River Basin Compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, and the Treaty with the United Mexican States, in the storage and release of water from reservoirs in the Colorado River Basin.

That question was evidently before the committee, and in relation thereto the committee report states:

> That the rights of all other States in the waters of the Colorado River system, in the Rio Grande, and all other affected streams are fully protected and that the two developments proposed to be authorized impinge in no way on these rights of any State.

Mr. President, I have conferred with my colleague from Arizona and the Senators from Navada and California. In order to make double sure, we think an amendment should be made in the bill. We believe it would do no possible harm and would clarify the bill. A law enacted by one Congress can be amended by a law enacted in another Congress. So as to make sure that this bill will not in any way change the Upper Colorado River Basin Act, I submit an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment submitted by the Senator from Arizona for himself and other Senators will be stated.

Mr. ANDERSON. Mr. President, I ask unanimous consent that the reading of the amendment may be waived.

The PRESIDING OFFICER. Without objection it is so ordered; and the amendment will be printed in the RECORD.

The amendment offered by Mr. HAYDEN, for himself, Mr. KUCHEL, Mr. BIBLE, Mr. CANNON, Mr. GOLDWATER, and Mr. ENGLE, is as follows:

> On page 12, after line 9, insert the following:
>
> "SEC. 10. The diversion of water for either or both of the projects authorized in this Act shall in no way impair or diminish the obligation of the 'States of the Upper Division' as provided in article III (d) of the Colorado River Compact 'not (to) cause the flow of the river at Lee Ferry to be depleted below an aggregate of 75,000,000 acre-feet for any period of 10 consecutive years reckoned in continuing progressive series beginning with the first day of October next succeeding the ratification of this Compact.' "

Mr. ANDERSON. Mr. President, both Arizona Senators have approached me on this subject, and both California Senators have mentioned it. If my colleague, the senior Senator from New Mexico [Mr. CHAVEZ], will agree, I am prepared to accept the amendment.

Mr. CHAVEZ. I am happy to accept it.

Mr. ANDERSON. Mr. President, we are prepared to accept the amendment.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the Senator from Oregon.

Mr. MORSE. I understand the primary purpose of the bill is to provide sufficient water for an Indian reservation. I also understand that white farmers off the reservation will get some aid in the way of a limited amount of water, but as to them the 160-acre limitation will apply.

Mr. ANDERSON. I assure the Senator from Oregon that is correct.

Mr. MORSE. I have no objection to the bill.

Mr. LAUSCHE. Mr. President, I should like to ask the sponsors of the bill whether there has been an opinion expressed on the bill by the Bureau of the Budget and by the other governmental agencies directly in contact with this item.

Mr. ANDERSON. I do not believe the Bureau of the Budget has expressed an opinion on it this time. The bill has been up for consideration several times. It involves an obligation to trust Indians, and contains a financing provision which is different from those in ordinary irrigation project bills. The Indians will be permitted to have the construction work without the usual repayment provisions required by other similar bills.

Mr. HAYDEN. I may point out that there is contained in the report a letter written by Phillip S. Hughes, Assistant Director for Legislative Reference, to the chairman of the committee, commenting on the bill.

Mr. LAUSCHE. Has there been made a study as a result of which the Bureau of the Budget has been able to say that the project should go forward?

Mr. ANDERSON. The Bureau of the Budget has not made the study. The Department of Interior is responsible for the complete study, and it believes the project to be entirely feasible. The Bureau of the Budget reported that the study which they had contemplated had not been completed.

Mr. CHAVEZ. I will say to the Senator from Ohio that, to my knowledge, study has been going on with regard to this project for 15 or 20 years.

At the time the Colorado River Compact was entered into, a certain amount of water was designated for the Upper Basin States of Utah, Wyoming, Colorado, and New Mexico. Some of that water was to go to the Navajo Indian Reservation. The main provisions of the bill under consideration are for the construction of the Navajo Dam, to irrigate approximately 125,000 acres of land for the Navajo Indians.

Under the same compact the white people of New Mexico are entitled to a small amount of water. All the bill would do would be carry out the compact made among the States.

Mr. LAUSCHE. It is my understanding that the Department of the Interior sent a letter to the committee stating that an adequate study had not yet been made and, therefore, it was recommending unfavorable action on the bill. Am I correct in that understanding?

Mr. HAYDEN. That statement is correct, according to the Bureau of the Budget. The letter says:

> Accordingly the Bureau of the Budget would recommend that your committee defer action on S. 72 until a report has been submitted to the Congress in accordance with established procedures.

The point is that we are considering authorizing legislation which does not provide for the appropriation of any money. In my view the Bureau of the Budget would come into the picture when a request is made for money to do some work. If there were any question at that time, the Bureau of the Budget could raise it.

Congress can authorize anything it pleases. If we appropriated the money, the President would not have to spend it if it did not satisfy him to do so.

Mr. KEATING. Will the distinguished Senator yield to me?

Mr. HAYDEN. I yield.

Mr. KEATING. The Department of Interior says, as stated on page 13 of the report:

> We are not in a position to make any recommendation with respect to the enactment or provisions of the bill, and it is suggested that the committee may wish to defer action on authorizing legislation until the planning report has been submitted to the Congress.

The Department of the Interior would naturally be the Department to make a recommendation as to authorizing legislation. The department does not request affirmative action.

Mr. CHAVEZ. There is one exception. I believe the two Senators from Arizona and the two Senators from California—and I know this is true with regard to the Senator from New Mexico—know more about Indians than all those in the Indian Bureau put together. If the Senator will go to the Commissioner of Indian Affairs, who happens to come from New Mexico and who is deeply interested in the Indians, I am sure the Commissioner will tell the Senator he is favorable to the bill.

I know that we talk about how nice we are to the Indians, but when we try to pass some proposed legislation which will be beneficial to the Indians, then Senators start to worry about a report from the Bureau of the Budget.

The Bureau of the Budget should come into the proposition when the money is proposed to be spent. We are now talking about authorizing a project which will be beneficial to the Indians.

We have been promising the Navajos certain projects, under treaty obligations. The Navajos derive their original rights not as citizens, which they are now, but originally under treaty obligations between the entire nation of the Navajos and the United States of America. Included in the treaties were provisions for the development of the land. This is what the proposed legislation would cover.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. LAUSCHE. The thought I wish to express is that in the report from the Department of the Interior and the report from Mr. Phillip S. Hughes, Assistant Director for Legislative Reference, Bureau of the Budget, it is pointed out that an adequate study has not yet been made about the feasibility of this project, and therefore they are in no position to recommend it.

I should like to read the language. I read first an excerpt from the letter of the Department of the Interior:

> The processing of the report has not yet been completed. Therefore, we are not in a position to make any recommendation with respect to the enactment or provisions of the bill, and it is suggested that the committee may wish to defer action on authorizing legislation until the planning report has been submitted to the Congress.

Further in the report it is stated:

> The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee.

Further in the report which has come from the Bureau of the Budget it is stated:

> The review of the proposed report of the Secretary of the Interior on the Navajo Indian irrigation project and the San Juan-Chama project under the procedures set forth in Executive Order No. 9384 has not been completed. Until this review has been completed, the Bureau of the Budget has no basis for appraising the merits of S. 72.

My position is that it is rather difficult to vote affirmatively on an authorization bill of this type, when neither of the responsible administrative agencies is in a position to say that the project is feasible. These agencies ask that we delay the matter, to enable them to complete their studies, so that they can tell us whether the project is or is not feasible.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. LAUSCHE. I have finished.

Mr. HAYDEN. From the point of view of the actual expenditure of the taxpayers' money, when the time comes to spend the money we will then have to have a budget estimate and we will have adequate engineering studies.

In my experience I have found many times that authorization bills hasten the day when we can get construction started. That is the reason why I think it is entirely proper to pass the bill now.

I know the Senator is desirous of protecting the American taxpayer, but he can be sure that not one red cent will the taxpayer be called upon to pay until we have adequate budget estimates and adequate engineering information before the Appropriations Committee.

Mr. CHAVEZ. I should like to add a word for the information of the Senator from Ohio.

If the bill is passed, the Senator can rest assured that the Department of the Interior will get busy. Unless the bill is passed, it perhaps might be 10 years before the Department finished its study.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. WILLIAMS of Delaware. The Senator from Arizona has suggested that no money could be spent until after the project is approved and a report submitted. Would the Senator have any objection to incorporating in the bill a specific provision that no money can be spent until there has been an affirmative report from the departments?

Mr. CHAVEZ. We cannot get any money.

Mr. HAYDEN. As a practical matter, what is the Senator asking?

Mr. WILLIAMS of Delaware. As a practical matter, the authorization would be void unless there were an affirmative report from the departments.

Mr. HAYDEN. It would void the law.

Mr. WILLIAMS of Delaware. I am not desirous of voiding the law if a favorable report is submitted. We have all seen bills passed on the basis that they were mere authorizations and would not cost any money. Then after the authorization bill passed, the appropriation request came in, and many times it was passed over the objection of the Bureau of the Budget.

Certainly there is no object in passing the bill presently under consideration if we do not expect to appropriate the money. I agree with the Senator from Ohio that the wise thing to do would be to postpone action until we receive the report.

Mr. CHAVEZ. I feel differently. I take my responsibility rather seriously, and I would dislike to promise anyone that I would not ask for a dime for the Navaho Indians unless the Secretary of the Interior and the Bureau of the Budget approved it. I would rather have Congress determine that matter.

Mr. WILLIAMS of Delaware. I was sure that would be the position the Senator and the Senate would take. We all know it would be a very simple matter, once the project is authorized, to come forward tomorrow to ask for the money.

Mr. CHAVEZ. That is correct.

Mr. WILLIAMS of Delaware. I think now is the time for us to stop the proposed legislation until we at least get a report from the Department.

Mr. CHAVEZ. Mr. President, I think the bill is good. I know that if anyone deserves fair treatment at the hands of this body it is the Navajos. I hope the Senate will pass the bill.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. LAUSCHE. My expressions should not be construed as opposing eventual construction of this project. I want to be of help, but I think it is not prudent to go forward when both responsible departments of the Government tell us that adequate studies have not been made.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the bill be passed over temporarily until the other author of the bill has an opportunity to appear on the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIFORNIA

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 141, Senate bill 44.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 44) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with amendments.

WORLD COURT AND WORLD LAW

Mr. HUMPHREY. Mr. President, I was pleased to note, in the Washington Post of May 4, 1959, an excellent editorial entitled "Undercutting World Law," which advocates repeal of the so-called Connally reservation to our country's declaration of acceptance of compulsory jurisdiction of the International Court of Justice.

The widespread support for my proposal, Senate Resolution 94, to delete such reserve clause has been most encouraging and welcome. If we truly desire to strengthen the United Nation's International Court of Justice as an instrument of world peace, deletion of the reserve clause is a necessary first step.

When I submitted my resolution on March 24, I mentioned that the President in his state of the Union message in January made reference to the International Court of Justice and indicated that he would make certain recommendations concerning our own relationship to the Court. I expressed hope that such recommendations would be shortly forthcoming.

On April 13, Vice President NIXON, in a major address in New York City, spoke in favor of the International Court of Justice and he indicated that shortly the administration would present to the Senate its recommendations for modification of the reserve clause.

I commended the Vice President on his speech, and I indicated how pleased I was to have assurances that the administration would soon take action. To date, however, the administration has come forth with no proposals.

To be perfectly frank, I am beginning to wonder when the administration expects to present its recommendations. It has been telling us since the first of the year that it intends to do so. It is now the middle of spring, and we are still waiting.

The time has come, in my opinion, for more than mere words. Those of us who are supporting the strengthening of the World Court through concrete proposals such as my resolution welcome, of course, the administration's general statements on the World Court, but we would welcome even more some definite indication that the administration proposes to work actively and strive for deletion of the Connally amendment.

The simple truth is that if we sincerely desire to promote world peace through law, a fundamental required first step is adoption of my resolution. This fact is brought out in two recent

newspaper articles. I refer to a column by Roscoe Drummond entitled "Life for World Court" from the Washington Post of April 25, 1959, and an article by Thomas Hamilton entitled "New World Court Proposal Requires U.S. Policy Shift" from the Denver Post of April 26, 1959.

Mr. Drummond writes:

The fact is that unless the Senate repeals or radically amends the Connally amendment—the amendment which almost completely nullifies our adherence to the World Court—the United States is effectively inhibited from doing anything to promote the wider and better use of the Court

Mr. Hamilton states:

If the United States really wants to encourage the use of the Court, repeal or revision of the Connally amendment offers the best opportunity.

I ask unanimous consent that both of these articles, along with the editorial from the Washington Post of May 4, be inserted at this point in the RECORD.

There being no objection, the articles and editorial were ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 4, 1959]

UNDERCUTTING WORLD LAW

Belgium and the Netherlands are giving the world a significant demonstration of the manner in which international disputes ought to be settled. They are now arguing their conflicting claims to 35 acres of land on the border in the Baarle-Hertog area before the International Court of Justice. Both governments have bound themselves to accept the verdict. A legal controversy between two nations will thus be settled through the judicial process without any diplomatic crisis, threat of war or military coup.

In view of the thousands of international disputes that today cloud the horizon, cases of this kind ought to be routine in the World Court. Actually that tribunal has handed down only 10 decisions in 13 years. It has not emerged as a common arbiter of legal disputes between nations largely because the United States, the greater exemplar of rule by law in its domestic affairs, has not expressed confidence in the rule of law internationally or in the integrity and fairness of the International Court.

To be sure the United States is a member of the Court, but in voting to accept such membership the Senate attached the Connally reservation which makes this country, rather than the Court itself, the judge of whether any case filed against it is domestic or international. Actually the World Court has no jurisdiction over domestic disputes in any event. So the Connally reservation was not necessary to keep all truly domestic disputes in American courts. It has served only to chill world confidence in the adjudication of international disputes and as Charles S. Rhyne recently noted, to reduce the World Court to the status of a forgotten forum where 15 judges are paid $20,000 each year to waste their time waiting to decide cases that are never filed.

The effect of the Connally reservation came into very sharp focus when the United States filed a claim for damages against the Soviet Union for shooting down an unarmed American plane. Russia's answer was that the shooting was within her domestic jurisdiction. This forced the Court to dismiss the case. The Connally reservation thus swung around and hit the United States a powerful blow in the back of the neck.

The world would understand a lawless nation sabotaging the World Court with such a restriction. It cannot understand the United States doing so. Or to put the matter another way, in the light of what this country has done to the World Court, many of our friends abroad, to say nothing of our enemies, find it impossible to believe that Americans are interested in the promotion of world law as a means of bringing order and stability into the relations between nations. It is time to bring repeal of the Connally reservation out of the category of desirable objectives and put it alongside those issues requiring urgent action.

[From the Washington Post and Times Herald, Apr. 25, 1959]

LIFE FOR WORLD COURT—SENATE MUST REPEAL CONNALLY AMENDMENT FIRST

(By Roscoe Drummond)

The American Bar Association is getting terrific support for its crusade in behalf of world peace through law.

Its objective is to put some life and law into the World Court and to begin to use it by giving it some business.

Not many projects can enlist the backing of President Eisenhower, Prime Minister Harold Macmillan, Chancellor Adenauer, Premier Nehru, President Frondizi of the Argentine, President Garcia of the Philippines, Sir Winston Churchill, John Foster Dulles, and Thomas E. Dewey. Vice President NIXON is for it—and so is Senator WAYNE MORSE, of Oregon. Attorney General William Rogers is for it—and so is Senator HUBERT HUMPHREY, of Minnesota.

This is, indeed, an impressive endorsement. In fact, it suggests that this move to activate the World Court is either exactly the right step at the right time or it is a wistful, meaningless gesture which nobody quite has the heart to oppose.

I believe it is radiantly right.

But there is one great danger. The danger is that as the leaders of this crusade are generating mounting and massive support for the large ideal of putting the World Court to work, they will fail to generate adequate support focused sharply on the vital, first step without which the whole thing will falter and fall to pieces.

The fact is that unless the Senate repeals or radically amends the Connally amendment—the amendment which almost completely nullifies our adherence to the World Court—the United States is effectively inhibited from doing anything to promote the wider and better use of the Court.

This means that unless President Eisenhower and the leaders of both parties, who say they are for strengthening the Court, and the leaders of the American Bar Association, who have sparked this whole thing, set about promptly to persuade the Senate to alter the Connally amendment, they will end up with a cargo of idealism and no engine in the ship.

Or at least the engine won't work because the Connally amendment disconnects it.

Here is what happened: In 1946 the Senate approved our adherence to the Court and accepted "compulsory jurisdiction" by a vote of 62 to 2. Simultaneously, the Senate stipulated that not only would we refuse the Court's jurisdiction in domestic disputes, but also that the United States alone would decide what constituted a domestic dispute.

Thus, by action of the Senate, the United States has simultaneously accepted compulsory jurisdiction of the Court and reserved the right to escape jurisdiction of the Court any time it wants to say that the issue is domestic.

When we sought to hail the Soviet Union before the Court for damages caused by shooting down an unarmed American plane over the Sea of Japan, Moscow blandly denied the Court's jurisdiction on the ground that it was a domestic matter. The Court had to agree on the premise that so long as the United States reserved to itself the right to decide when an issue was domestic, the right must be conceded to all countries.

The American Bar Association is keenly aware that the Connally amendment must be changed, or the grand design of its crusade will come to nothing.

So far the Eisenhower administration, though avowing its intention to propose changes in the Connally amendment, has put nothing before the Senate. The alert Senator HUMPHREY has introduced a repeal resolution.

This whole American Bar Association-World Court project is so right, so timely, that it ought to have wide ranging bipartisan initiative and it seems to me that the active leadership of the President is indispensable.

[From the Denver Post, Apr. 26, 1959]

NEW WORLD COURT PROPOSAL REQUIRES U.S. POLICY SHIFT

(By Thomas J. Hamilton)

Vice President RICHARD M. NIXON has performed a useful service by appealing for the increased use of the International Court of Justice in settling legal disputes among states.

The basic philosophy of NIXON's speech was promptly endorsed by Secretary General Dag Hammarskjold, who had previously drawn attention on many occasions to the potential usefulness of this neglected United Nations organ.

With his customary discretion, Hammarskjold made only a veiled allusion to the fact that United States policy was one of the reasons why the 15 judges on the court have had so little to do.

Although the United States has accepted the compulsory jurisdiction of the Court, the Senate attached a crippling reservation with the Connally amendment, which provides that Court jurisdiction shall not apply to "disputes with regard to matters which are essentially within the domestic jurisdiction of the United States of America as determined by the United States of America."

Thirty-four of the 82 members of the United Nations, plus Switzerland and Lichtenstein, have accepted the compulsory jurisdiction of the Court.

However, most of them have attached reservations, and France and Pakistan have copied the limitation of the Connally amendment.

This was invoked by the United States last year in denying that the Court had jurisdiction in the Interhandel case.

This involved Switzerland's request that the Court order the United States to hand over $200 million in shares of the General Analine & Film Corp. to the Interhandel Co., a Swiss firm.

Although the court ruled last month in favor of the United States, it did so on the technical ground that Interhandel had not exhausted the remedies available to it in American courts.

Some of the judges, in fact, declared the suits involved an issue of international law, the Connally amendment notwithstanding.

Since any government that the United States might bring before the Court has the right to invoke the Connally amendment on its own behalf, this reservation has greatly limited the Court's jurisdiction.

But the effect has not been as serious as the refusal of the Soviet Union to accept compulsory jurisdiction.

In the early days of the cold war, Albania accepted the Court's jurisdiction in the Corfu Channel case.

However, Albania refused to pay when the Court held her responsible for mines that had damaged British warships and handed down an award of $2.4 million.

Otherwise, the Soviet satellites have followed Moscow's example, which emphasizes the ironic fact that three of the nine cases now before the Court involve claims for

damages against Bulgaria by the United States, Britain, and Israel.

These arose from the loss of life resulting when Bulgaria shot down an Israeli passenger plane over her territory in 1955.

Back in the 1920's Bulgaria accepted the compulsory jurisdiction of the Court's predecessor, the Permanent Court of International Justice.

The three plaintiff states took advantage of the failure of the Communist Government in Sofia to realize that this document is still valid.

The International Court of Justice is the direct descendent of the Permanent Court of International Justice, which was a part of the League of Nations.

Judges are elected jointly by the General Assembly and the Security Council, and only one judge can come from any one country. The Soviet Union and Poland are the only Communist countries which are now represented on it.

Other pending cases involve minor boundary questions or disputes over business enterprises established in foreign countries.

Apart from the case of the Israeli plane, the only important political issue is Portugal's 3-year-old complaint against India's refusal to permit Portuguese officials to cross Indian territory in going from the Portuguese colony of Goa on the coast to Portuguese enclaves in the interior.

The court's slowness seems to be part of a cautious policy it has adopted as a result of the obvious fact that great political disputes must be settled by political means.

The only major international issue with which the International Court has attempted to deal, the oil dispute between Britain and Iran, is an instructive example. The court accepted Iran's claim that it lacked jurisdiction.

With other business lacking, the court has devoted much of its time to advisory opinions interpreting the United Nations Charter.

Here it has expounded a doctrine of implied powers that is similar to the Supreme Court's interpretation of the U.S. Constitution.

However, the International Court's policy of broad interpretation cannot overcome a basic flaw in the United Nations system: while the charter forbids member nations to take the law into their own hands, the court's jurisdiction is limited to those states that are willing to accept it.

Is there any way out of this dilemma? Hammarskjold suggested the other day that it would be useful to separate the legal and the political aspects of an international issue, then try to solve the legal questions first.

This is the method that the Secretary General has used in his continuing efforts to prop up the shaky Israeli-Arab armistice settlement.

Moreover, he has had under consideration for some time the idea of referring to the court the legal aspects of the Berlin crisis—if they could ever be separated from the political.

Nixon has recommended that the United States include in future treaties and agreements with the Soviet Union a provision that disputes over interpretation be referred to the court.

However, this has already been tried many times in the post-war era, and almost invariably the Russians have refused to accept language calling for either arbitration or a decision by the court.

If the United States really wants to encourage the use of the court, repeal or revision of the Connally amendment offers the best opportunity.

This was suggested by President Eisenhower in his state of the Union message last January. But the spirit that produced the Bricker amendment is not dead and it remains to be seen whether the Senate will agree.

Mr. MORSE. Mr. President, will the Senator yield at that point?

Mr. HUMPHREY. I yield to the distinguished Senator from Oregon.

Mr. MORSE. I am very happy that the Senator from Minnesota has once again raised the question of the need for an amendment to the original resolution which the Senate adopted in connection with the compulsory jurisdiction of the World Court.

It so happened that in 1945 I was the author of that resolution. It bore my name; but I have many times given credit where credit is really due. Credit is really due the International Law Committee of the American Bar Association, the committees of Catholic church organizations, the Council of Christian Churches, the Friends Organization, and a group of other committees which were represented in Washington at that time, and really supplied me with the support I needed in order to get that resolution through the Foreign Relations Committee.

In 1945, the resolution was unanimously reported favorably from the Foreign Relations Committee to the Senate. There was debate on the resolution, as the CONGRESSIONAL RECORD will show, and Senator Connally, of Texas, then chairman of the Foreign Relations Committee, offered the so-called Connally amendment. The Connally amendment, in effect, contains the reservation that the resolution shall not apply to domestic issues.

I was opposed to the amendment, as the RECORD will show, but I also wish to point out that the Senate finally adopted the resolution. I remember very well the conferences we had with Senator Vandenberg at the time. He was one of my great sources of strength in pressing for action on the resolution on the floor of the Senate during that debate.

There were conferences with some of the outstanding international law experts of the State Department. We realized that after the amendment had been adopted, we should press for the adoption of the Morse resolution with the so-called Connally reservation added to it.

Let me say to the Senator from Minnesota that several weeks ago I had conferences with representatives of the State Department who were sent to me to discuss some of the international law features of this problem.

Although I am very much of the opinion that, for purposes of clarity, we should repeal the Connally amendment, I say most respectfully that there is a great deal of misunderstanding in the Congress and in the country as to the import of the Connally amendment. The fact is that the World Court would not have jurisdiction over a domestic issue anyway.

Mr. HUMPHREY. The Senator is correct.

Mr. MORSE. That was brought out in the debate. I remember very distinctly pointing out in 1945 that the Connally amendment did not mean what a great many newspaper editors who are not lawyers sought to read into it.

The question of jurisdiction is up to the World Court. The World Court has jurisdiction to pass upon questions of jurisdiction, just as any court has jurisdiction to pass upon questions of jurisdiction. The World Court has no jurisdiction, and never has had jurisdiction, over a purely domestic issue without the consent of the parties to the issue; but the question of whether an issue is a domestic issue is, after all, for the Court to determine.

I say most respectfully that, in my judgment, the World Court has been rather timid in exercising its judicial power to pass upon the question of jurisdiction. I can well understand that the World Court has been feeling its way in this field of international law, so I have always taken the position—and I wish to restate it today—that there is nothing in international law which would prevent the World Court from taking jurisdiction over an issue which, in fact, is not a domestic issue, irrespective of what reservation any country might make. It is a paradox for a country to say, "We accept the jurisdiction of the World Court over any international law issue in a contest with any other country which likewise accepts the jurisdiction of the court, but we reserve the right to deny the jurisdiction of the court."

Mr. President, that is an anomaly and a paradox. I have always said that technically and strictly the Connally reservation has never in fact barred the World Court from taking jurisdiction over any issue which it might believe in fact is not a domestic issue.

However, I also quite agree with the Senator from Minnesota that the very presence of the reservation in the American acceptance of compulsory jurisdiction of the World Court, contained in the Morse resolution of 1945, seems to have the tendency to cause the Court to lean over backward, so to speak, in respect to taking jurisdiction.

At some time in the future, I shall discuss the precedents at length. I am working on a major speech on this subject matter in support of the Senator from Minnesota and of the position he is taking. However, I wish to say that the precedents which are being cited in regard to the World Court's refusing to take jurisdiction are not on all fours with what I am talking about when—to use a hypothetical—there comes before the World Court an issue which could not possibly be considered to be a domestic issue, and over which the World Court would agree to exercise jurisdiction, and the United States says, "We reserve the right not to go before you if we say we do not want to go before you, because the issue is a domestic issue."

In my judgment, under existing international law, the World Court could say to the United States—and under the circumstances should say to the United States—"We take jurisdiction because it is in fact, under international law, not a domestic issue, and you are bound by the compulsory jurisdiction of the World Court over any issue that is nondomestic in nature."

Mr. President, I wish to make these comments this afternoon because I believe they outline the question of international law in respect to the assumption of jurisdiction.

However, I quite agree with the Senator from Minnesota that what we ought to do is to clean up the World Court resolution, so to speak, by making an amendment to it in the Senate, or adopting a resolution which would strike the Connally reservation from the resolution.

Mr. HUMPHREY. Mr. President, I wish to express my thanks to the distinguished Senator from Oregon for his very fine explanation of the situation which prevailed at the time the Connally amendment to the Morse resolution was adopted.

At the time I presented S. 194, I referred to the legislative history of the amendment and the resolution, and noted with considerable pleasure the splendid activity of the Senator from Oregon in his proposal that our Government accept the jurisdiction of the World Court. I shall await with interest the remarks of the Senator on this subject, because he is a very highly respected lawyer, particularly in the field of World Court jurisdiction.

ORDER FOR ADJOURNMENT TO THURSDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns today, it adjourn to meet on Thursday next at noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. KEATING. Mr. President, may I ask the acting majority leader if he can inform us as to what the first order of business will be on Thursday?

Mr. MANSFIELD. At the conclusion of consideration of Calendar No. 141, Senate bill 44, which is now the pending business, it is the intention of the leadership to take up Calendar No. 185—S. 1120—to amend section 19 of the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits; and Calendar No. 186—S. 1062—to amend the Federal Deposit Insurance Act to provide safeguards against mergers and consolidations of banks which might lessen competition unduly or tend unduly to create a monopoly in the field of banking.

Both the latter bills have been reported by the Committee on Banking and Currency, and both will be considered at that time.

Mr. KEATING. Is it the intention to take up either Calendar No. 185 or 186 tonight?

Mr. MANSFIELD. No; on Thursday.

Mr. KEATING. Could the Senator inform us with any degree of certainty how long the debate on those two measures will take? Do they involve seriously contested issues?

Mr. MANSFIELD. So far as I know, several Senators have filed supplementary views on both measures. I anticipate that there will be some discussion of the bills, but I expect that both will be disposed of on Thursday.

FOOD FOR PEACE ACT

Mr. HUMPHREY. Mr. President, with greater interest and emphasis on education, it is most encouraging to see the increasing activity on the part of our own Government in the field of international education. Since 1938, when the U.S. Government entered this field through the establishment in the State Department of a Division of Cultural Affairs, significant strides have been made.

Excellent résumés of what our Government has been doing to promote international education are contained in two articles by George W. Oakes in the Washington Star. I ask unanimous consent, Mr. President, that these articles be inserted in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUMPHREY. Mr. President, in the International Food for Peace Act of 1959, S. 1711, which I introduced this past month on behalf of myself and 15 other Senators, it is proposed that Public Law 480 be amended to authorize the President to negotiate and carry out agreements with friendly nations to provide for the establishment in such countries of nonprofit binational foundations to foster and promote education in addition to research, health, and public welfare. It is my contention, Mr. President, that our food surpluses should be treated not as a curse but rather as a blessing and a means whereby we may assist in alleviating famine, poverty, and illiteracy.

The time is propitious for America to inaugurate such a program. We are a Nation of generous and warm-hearted people who have never failed when the opportunity presented itself to aid those in need. Passage of the International Food for Peace Act would be in keeping with the humanitarian spirit of our great country. We have the means whereby we can institute such a program; let us not now miss this opportunity to use our God-given food supplies to aid our fellow man.

Mr. President, I wish to note for the RECORD, with respect to the bill, that the support which has come to me from all over America for S. 1711 is most gratifying and encouraging. I have received articles and letters and editorials by the dozen. They indicate the interest of the American people in converting what is a problem in the domestic economy, namely, our food abundance, into a great asset for the economies of other nations who have food deficits.

We can make food a powerful instrument of foreign policy. The time is at hand to do it.

EXHIBIT 1

[From the Washington Sunday Star, Mar. 22, 1959]

FOREIGN EDUCATION A BIG BUSINESS TO UNITED STATES

(By George W. Oakes)

International education has become such an extensive activity in government that the need has arisen for its operations to be concentrated in one spot. The State Department has accepted the responsibility for dovetailing all the programs involving scores of governmental agencies, thousands of American and foreign exchange students. In money about $150 million a year is involved.

The State Department last December appointed a special assistant to the Secretary to fit together the many and varied programs now in operaion and to devise ways of making them more effective.

Congress is interested, too. During this session, under the leadership of Senators FULBRIGHT and HUMPHREY and Representatives FRANK THOMPSON, JR., and WAINWRIGHT, legislation is expected that will give the State Department statutory authority over other departments, to try to assure joint policy and planning of these multifarious international education activities.

The U.S. interest in international education dates from 1938, when the State Department formed a Division of Cultural Affairs. During the early war years Nelson A. Rockefeller put great stress on cultural and scientific exchanges with Latin America and thus laid the foundation for the present activity.

In 1946 Senator FULBRIGHT established an extensive academic program outside Latin America by using funds obtained from the sale of surplus war property. Two years later Congress authorized a permanent global education exchange program.

In January Representative PORTER HARDY, JR., of Virginia, chairman of the International Operations Subcommittee of the House, published a voluminous report describing in detail present Government programs. It suggested that Government policy in international education be more clearly defined and directed by one department.

Now the State Department is collecting data from all agencies concerned and also is informing itself on the many private operations carried out for many years by foundations like Ford, Carnegie, and Rockefeller.

THE LARGEST PROJECTS

The Government's two largest programs are conducted by the State Department's International Educational Exchange Service and the International Cooperation Administration.

In the State Department the Fulbright and leader-grant programs, in operation for a decade, bring annually to the United States about 4,000 foreign students, teachers, lecturers, and specialists from 80 countries and send about 2,000 Americans overseas.

The ICA technical assistance program arranged last year for some 5,600 foreigners from about 60 countries to receive special training in the United States and sent 500 non-Government specialists abroad.

Yet these Government programs, plus those conducted by such diverse organizations as the Defense Department, Public Health Service, Atomic Energy Commission, National Science Foundation, and Library of Congress, are responsible for only a small proportion of the 47,000 students, 7,500 doctors and 1,400 faculty members who will be studying in the United States this year.

Nearly 70 percent of these visitors will be supported by their own funds or by private organizations, according to the Institute of International Education, the chief organization in this country concerned with both Government and private programs.

Although the present number of foreign students in the United States is almost twice as many as 10 years ago, it still is only 1.5 percent of our total higher education student population. In Britain, for example, 12 percent of the students are from foreign countries. To have the same proportion of foreign students enrolled here as in England or France would mean a foreign student population of 400,000.

A third of all foreign students in the United States come from the Far East. Twenty-one percent come from Latin America. As might be expected, Canada with over 5,000 sends more than any other country.

EXCHANGES WITH RUSSIA

The State Department's most significant exchange activity this past year has been the new program with Russia.

Here is the way it has developed: January 28, 1958, to January 26, 1959—

	Americans to U.S.S.R.	Soviets to the United States
Scientific and technical	392	267
Cultural, including sports and entertainment	355	254
Academic	205	44
Total	952	565

These exchanges ranged from cotton growers to pediatricians, from geologists to foresters, from architects to veterinarians. Most of them stayed for relatively brief periods of time, varying from days to a few weeks. However, there are now 22 American graduate students enrolled in 2 Soviet universities for the 1958–59 academic year and 17 Russian students in 5 American universities. At Columbia, for example, three are studying American history and one journalism.

In many ways the international education activities of ICA—largely of a technical training nature—are the most widespread in that they affect more different U.S. Government departments. Hence this may be the area in which the State Department may have the widest scope. Essentially ICA's education activities involve training foreigners in the United States and third countries, as well as supplying U.S. technical advisers and funds to foreign education systems and institutions.

The program whereby American universities, under contract with ICA, loan their outstanding experts to guide the economies and governments of underdeveloped countries is perhaps one of the most useful, as well as least expensive, of any now in operation. These specialists conduct education research and training programs in economics, engineering, medicine, agriculture, public and business administration.

Acting on the conviction that many Far Eastern countries must develop a competent civil service in order to survive, University of Indiana professors in Thailand have been trying to revise concepts of civil service and public administration. Also, in the Philippines, the University of Michigan and the University of the Philippines have established an Institute of Public Administration to instruct officials and render advisory services to the Government.

TRAINING IN TAIWAN

In Taiwan, Purdue University has trained hundreds of Chinese engineers to assist its industrial development. This project meant furnishing engineering professors to advise Cheng Chung University in modernizing its courses, laboratories, text books, and library facilities.

In India, where basic knowledge of nutrition is hardly known, University of Tennessee specialists have helped Indian educators improve college curricula in home science and train hospital dieticians and home economics workers.

However, many opportunities are missed because American university faculties, hard pressed by increasing student bodies, meet considerable domestic resistance to detaching their staff for oversea duty. It is estimated that 300 from the University of California faculty alone are now abroad.

Not long ago an Indonesian Government request to the University of California for six government administration specialists to work with their cabinet secretariat had to be refused. Yet participating American universities have found that such foreign experience has broadened the knowledge of their faculty and thus improved their teaching and research performance at home. From a practical viewpoint, Cornell University learned certain agricultural techniques working in Southeast Asia that have been useful in upstate New York.

Educators believe it important to mesh the technical training and academic programs. For example, more Indian philosophers, poets, and intellectual leaders should come to the United States not only to widen our horizons but also to make Indians feel that we are not trying to dominate their culture but that we recognize that education exchange can be mutually beneficial.

As the State Department prepares to exert its leadership role, it faces the task of devising an international education policy that will develop fully our national potential—both public and private—in line with our foreign policy without impairing our long-range cultural programs that have won worldwide recognition.

[From the Washington Sunday Star, June 22, 1958]

SURPLUS FARM PRODUCTS BARTERED ABROAD FOR CULTURAL BENEFITS TO UNITED STATES

(By George W. Oakes)

Surplus American farm products are making it possible for many peoples throughout the world to learn more about American cultural and educational life.

Our agricultural surpluses sold abroad earn millions of dollars in foreign currencies to defray essential U.S. Government expenses. These range from paying a large portion of military maintenance costs to financing American-sponsored educational institutions and establishing cultural centers devoted to increasing knowledge of American life.

The oversea sale of such agricultural commodities as wheat, rice, cotton, tobacco, dairy products, poultry, fats and oils, fruits and vegetables was authorized by Public Law 480 5 years ago. More than $1.5 billion worth of these products have been shipped under agreements negotiated with 35 countries. Most commodities have been accumulated as a result of the Government's price support program to aid American farmers. Although a substantial amount of the foreign currencies earned are loaned to the respective countries for development projects, the agreements provide that a large proportion of the money is to be used for U.S. Government expenses in each country—construction of military housing, pay for U.S. troops to spend abroad, upkeep costs of American Embassies, etc.

Eleven countries have so far agreed that some funds generated by the sale of American surplus from farm products should be spent on certain educational and cultural activities that will promote a greater understanding of the United States. These are only one facet of the Government's extensive and diverse programs that include libraries, book publication, art, music, etc.

MILLIONS FOR SCHOOLS

Nearly $3 million was allocated in the current fiscal year for American-sponsored schools. Such institutions must be non-sectarian and nonprofit making. They cover the field, from elementary schools to colleges. The purpose in supporting and expanding these schools is to establish and improve institutions where foreign students can obtain an education oriented both for their own local needs and a greater knowledge of American life and culture. Many American teachers take a 2-year leave of absence to instruct in these schools which are in a way demonstration centers of American educational methods in the broadest sense.

The policy objective of this program is directed towards furthering a wider appreciation of American life, ideals and objectives by educating those who may influence opinion and thought in their countries.

SCHOLARS IN GREECE AIDED

Robert College in Istanbul, which has won a distinguished academic reputation in the Middle East as a center of learning, has received the largest grant. Ninety percent of its 1,200 students are Turkish. One hundred thousand dollars in counterpart funds has been given out of a possible allocation of $1 million to enable this institution to build a newly equipped engineering building and thus meet the technical needs of Middle East students. Robert College will supplement these Government funds by raising $100,000 additional for engineering purposes.

The equivalent of half a million dollars has been allocated to three outstanding American-sponsored educational centers in Greece—Athens College, Anatolia College and the American farm school in Salonika. The majority of their student bodies are Greek or foreign nationals. These funds will make it possible for the three schools to raise salaries of their American teachers, to provide scholarships for deserving Greek students and to expand their plant facilities. The farm school operates on the lines of an American agricultural college teaching the latest methods in improving farm production.

Approximately a million dollars will be made available for two institutions in Italy—the Bologna Center of International Studies, conducted by Johns Hopkins, and the American oversea school in Rome.

American schools in Latin America are important beneficiaries under this program, including seven in Mexico, five in Colombia and several in Ecuador, Peru and Brazil. For example, the American school in Quito, established in 1940, has 936 children from elementary through 12 grades of whom 80 percent are Ecuadoreans. Former President of Ecuador Galo Plaza was a graduate. This school is scheduled to receive $40,000 in local currency to expand its facilities and improve the calibre of its curriculum.

ACTIVITY IN SOUTH AMERICA

Ever since 1948 the State Department has been supplying a small amount of money to 33 private schools in Latin America. During the war the impact that German schools throughout South America had on public opinion was deeply impressed on American officials. Now the private American-sponsored schools are regarded as vital in the struggle to counter Communist influence.

This 10-year experience in assisting Latin American schools is proving useful in expanding such operations just at the time when the need for greater American cultural activity has been highlighted both by Vice President NIXON'S recent trip and conversely by the enthusiastic reception given American symphony orchestras.

The State Department receives essential support in operating the school and college programs from such professional organizations as the American Council on Education and other technical advisers on educational curricula. The academic standards of the institutions being aided meet the American college accreditation requirements. As a result many graduates of these American schools overseas attend universities in this country.

Another important cultural activity financially being aided by funds from the sale of surplus farm products is the cultural center program of USIA. These centers, of which 70 are operating in Latin America, are run by groups of distinguished private citizens, partly nationals of the country and partly resident Americans.

The centers are nonpolitical, nonsectarian, autonomous institutions organized to promote closer cultural understanding between the United States and the host country.

Their activities include teaching English, providing library facilities, as well as a community building, for the study of American art, music and films. Funds supplied by tuition fees and voluntary contributions from individuals and business organizations cover about 60 percent of the cost of these establishments.

NEW BUILDINGS PLANNED

The local currencies accumulating from the sale of agricultural commodities are now sufficient so that plans are actively underway to improve the facilities and construct new buildings for these centers in the following countries: Peru, Colombia, Brazil, Bolivia, Mexico, France, Greece, Turkey, India, Iran, Pakistan, Thailand and Burma. The first new center with an expenditure of $100,000 in counterpart funds will soon be under construction in Peru on a $60,000 site which the government has contributed.

The USIA is also using farm surplus funds to translate, publish and distribute American textbooks for school and college use. These books are mainly to be sold to Ministries of Education and to students at prices low enough to attract purchases. Initially this program will soon operate in Austria Colombia and Turkey and later will be extended to eight other countries as diverse as Yugoslavia and Thailand. For example, in Austria $75,000 in counterpart funds will be spent on the publication of science textbooks whereas in Turkey the equivalent of $10,000 will enable books to be distributed mainly for use in the elementary and secondary schools.

The State Department's academic exchange activity also substantially benefits from Public Law 480 money in all countries where both programs function. Local currencies, resulting from the sale of farm surplus, pay the travel and living expenses of visiting American Fulbright professors, teachers, lecturers and students. In addition these funds defray the travel cost of foreign Fulbright fellows visiting the United States.

SOIL STEWARDSHIP

Mr. HUMPHREY. Mr. President, I wish to draw to the attention of the Senate the fact that this week of May 3 to 10 inclusive is Soil Stewardship Week. While we here are most often engrossed with the economic and legislative aspects of the farm problem, it is well that we broaden our vision to consider the soil itself, and man's relationship to it.

Soil Stewardship Week is sponsored by the National Association of Soil Conservation Districts and various national church organizations who have chosen this as a time to observe throughout the United States that "the earth is the Lord's and the fullness thereof" but that man has a sacred trust of responsibility for its stewardship.

This observance has been carried out since 1946, reaching each year an ever-growing number of people who believe, with John Ruskin, that "God has lent us the earth for our life. It is a great entail. It belongs as much to those who are to come after us as to us and we have no right, by anything we do or neglect, to involve them in any unnecessary penalties, or to deprive them of the benefit which was in our power to bequeath.

The soil conservation districts deserve high commendation for their untiring efforts to build understanding of both the techniques and the value of soil and water conservation. And our deep gratitude should go to the churches throughout our land who reaffirm the meaning of the spiritual link of man to earth that has been strong through the ages.

In too many nations of this world, hunger and famine are everpresent realities. Men and women live out their lives without knowing how it feels to have enough to eat. Life hangs in a precarious balance between existence and starvation. In many of these countries, the land was once bountiful. But unwise use of the land permitted erosion to steal away the productive power of the soil and changed abundance into want.

Those who live in cities, and devote most of their time to consideration of urban affairs, are nevertheless just as dependent on the soil and water resources of this country as were the first colonists. All share in the responsibility to protect the soil which gives us life, and clothing, and shelter.

We here in this Chamber have a special responsibility, for the decisions we make here regarding soil and water conservation will shape the kinds of lives our grandchildren and those who come after will live.

"One generation passeth away and another generation cometh; but the earth abideth for ever."

Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

A TRIP TO THE WEST

Mr. HUMPHREY. Mr. President, it was my privilege recently to make a quick trip through several of our Western States.

Every time I have had an opportunity to visit the western areas of our country, I have been strongly impressed with the vigor and friendliness of its people, with its determination to overcome any obstacles to progress, and with its exemplification of the real spirit of American enterprise that has made this a great country. This trip was no exception.

The population of the West is still soaring by leaps and bounds, yet its officialdom is unafraid to plan boldly and imaginatively for even greater progress than already achieved.

It was my privilege to visit with three Governors, to at least talk by telephone with a fourth, to meet with many State legislators, and to address briefly one State senate.

As a midwesterner, I can find many common bonds with the people along our west coast and the western mountain country. The pioneer spirit is still evident—the willingness to work together for progress, to take a real sense of pride in every civic development and achievement. Perhaps too often some of us come to be too complacent about the underlying spirit of our country. If that is so, let me suggest a trip throughout the West as the tonic needed.

I want my colleagues from Washington, Oregon, California, Utah, and Wyoming to know how deeply impressed I was with the warm welcome of the people in their States, and with the drive and energy these western people are displaying in tackling complex problems resulting from their rapid growth.

I am convinced the West is going to make its voice increasingly heard in national affairs. And I am convinced, too, that the voice of the West will be good for the entire Nation—not just the West. For we need infused into our entire national thinking the spirit of progress and expansionism that is symbolized by the West, contrasted with a complacent satisfaction with the status quo that prevails too often in some parts of the country.

Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

THE AMERICAN STUDENT

Mr. HUMPHREY. Mr. President, recently I had occasion to call to the attention of the Senate the increasingly vital function of the American student community in meeting the grave challenges confronting this country. The significance of the attitudes and activities of our student community has been multiplied by the critical impact which the attitudes and activities of students elsewhere often have these days on the destiny of their countries.

In the face of the energetic efforts of the Communists to gain the sympathy and support of young people and of the intellectual leadership of the great emerging areas of the world, the unconcern of our students has seemed discouraging at times. But surely it is an important and encouraging part of the record that, despite the general lethargy, the student leadership of the United States and of our friends around the world have together been able to construct an effective democratic forum for the discussion of ideas, the exchange of personnel, and the extension of assistance to oppressed or needy students wherever they may be.

This forum, the Coordinating Secretariat of the International Student Conference, with its headquarters in Leiden, Holland, could hardly have survived, let alone have made the great contributions to international understanding which have marked its brief existence, without the unflagging support of the American student community, expressed through the representative American national student organization, the United States National Student Association.

But invaluable as such overall participation in the affairs of the world student community is, it is not, of course, all that is necessary. There must also be aroused on individual campuses in this country a greater awareness of America's problems and a far greater interest in the problems of human beings elsewhere.

In this connection, it is especially heartening to see an issue of the Amherst Student, the weekly newspaper published by the students of Amherst College in Amherst, Mass., devoted entirely to examining and explaining the American educational system in an objective and comprehensive manner designed to be of interest to the students of Moscow University.

This is an ambitious project, one whose value as a means of opening communication with Russian students on problems of common interest is perhaps equaled only by its value in making thoughtful young Americans aware of their own educational system and of their relationship to the student community everywhere.

The project to exchange college papers with the University of Moscow was conceived by the senior board of the Amherst Student last spring. Agreement was obtained from the Soviet Government to permit such an exchange with the University of Moscow, and the students at Amherst then proceeded with the not inconsiderable task of preparing their edition. This work was carried out under the direction of Paul Dodyk, the editor of the Amherst Student, a young man whose talents and dedication to high purpose I had occasion to appreciate and benefit from last summer, when he was a member of my staff.

Mr. President, not only is this publication a tribute to the energies and initiative of Paul Dodyk and his colleagues at Amherst, but it attains a standard of journalistic excellence of which all Americans can be proud. It is extensive in its coverage, scrupulously honest, and, overall, an impressive indication of the intelligence, integrity, and concern for humanity of American college students. One thousand copies have been flown to the University of Moscow, and I think that if it is distributed, as agreed, to the English-speaking students at the university, it will make a significant contribution to the kind of better understanding which is the best hope for peace.

I would be remiss, Mr. President, if, in this connection, having paid tribute to the staff of the Amherst Student and to the American student community in general, I did not add a word or two of tribute to that stanch little college which bears the proud name of a great English soldier who fought any enemies of his sovereign "who came within his sight, and looked around for more when he was through." Amherst College is now in its 138th year of adding luster to an already illustrious name; her intellectual excellence, her free spirit, and her warm concern for human beings has produced the kind of academic atmosphere and of concerned citizens of which America has greater need now than ever before.

I am pleased to have this opportunity to call attention to yet another significant contribution from this center of significant contributions. I am sure this special edition of the Amherst Student will prove an inspiration for similar efforts in many other colleges to reach out and come closer to students in distant places.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the text of an editorial printed in both Russian and English in this special edition. This editorial explains clearly and cogently the impetus behind the expenditure of time, effort, and money that went into the preparation of this edition.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Amherst Student, Jan. 29, 1959]

PROSPECTUS

This issue of the Amherst Student has been written primarily for the English-speaking students of the University of Moscow. It is an attempt to sketch briefly the rough outlines of higher education in the United States; but more important, it is an attempt to establish a channel of communication between the students of this country and those of the Soviet Union. We of the Student have high hopes that this issue will be the first in a series of exchanges through which the students of both nations may communicate their experiences and aspirations to one another.

In these times of tension when the Soviet Union and the United States so often seem perilously close to a war of mutual destruction and co-annihilation, it is of crucial importance that whatever differences exist between the two nations not be compounded by myth and misunderstanding. To dispel such myth and promote genuine understanding, this issue of the Student is dedicated.

It is only natural that the first of these exchanges should be devoted to education, the endeavor in which both we and our counterparts in the Soviet Union are most vitally concerned. If our treatment of the material seems too general and our scope too comprehensive for readers in this country, we ask them only to bear in mind our purpose, in reading the pages that follow.

SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIFORNIA

The Senate resumed the consideration of the bill (S. 44) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

Mr. KUCHEL. Mr. President, S. 44 is authored by my distinguished colleague from California [Mr. ENGLE] and by me. It is endorsed by the Bureau of Reclamation and the Secretary of the Interior. The Bureau of the Budget has interposed no objection. The bill is recommended by the government of California presided over by the Honorable Edmund G. Brown, a Democrat; and it was recommended by the government of California presided over by his predecessor, Hon. Goodwin Knight, a Republican. Thus, my colleague and I are in the happy position of being able to say that the bill comes to the Senate floor recommended by all those agencies, State and Federal, which have an official interest in the subject matter.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. KUCHEL. I prefer not to yield until I have completed my opening remarks. Then I shall be glad to yield.

By way of background, I may say—and I have said it before in the Senate—that in population California is now the second largest State among the 49 States. California has 14 million people. Our State is a semiarid region. New citizens are coming to California at the rate of in excess of half a million a year.

Water continues to be our basic problem. We are grateful to the Government of the United States and to Congress for the multiplicity of times when, under the Constitution, Congress has acted in passing reclamation legislation to help the people of California solve their water problems.

Mr. President, the proposed legislation before us now is of great importance to the State of California. This is the second time such legislation, designed to authorize the San Luis project, has been before the U.S. Senate. Last year, in the 85th Congress, the Senate considered a bill essentially the same as S. 44, and voted its approval.

This year hearings were again held on this proposal by the Senate Subcommittee on Reclamation and Irrigation of the Senate Interior Committee. It was gratifying to all of us who have been urging this legislation for several years to find that every segment within the State of California now has given this bill its unequivocal endorsement. The people from southern California, the people from northern California, the State Government speaking through its Governor, every interested segment of our State, came before the subcommittee and gave vigorous endorsement of this legislation. I am grateful to Senator ANDERSON, of New Mexico, for the manner in which he handled this bill both in the subcommittee and before the full Senate Interior Committee. I thank the distinguished chairman of the full committee, Senator MURRAY, of Montana, indeed, every member of the full committee which sent the bill unanimously to the floor.

Briefly, the legislation before you envisages the construction of a giant, 2,100,000 acre-feet storage reservoir, jointly to be used by the State of California in sending northern surplus water on south through the lower San Joaquin, and through the coastal counties, and into all of southern California under a gigantic State system paid for by the State and its people; and used also by the Federal Government in rescuing 500,000 acres of land now in danger of destruction because of the vanishing water supply by adding that vast area to a Federal reclamation project, the Central Valley project.

Thus, two systems—one a Federal project in being; the other, a State project about to get under way—would both be served at San Luis, the point where they cross—by a single storage reservoir whose cost of construction and operation would be shared by both governments.

The importance of speedy action by Congress at this time has been heightened by various developments in California. Outstanding is the fact that a decision has been reached on the general routing of an imagination-challenging aqueduct to carry surplus waters of northern California to the heavily settled communities of the southern half of the State.

The bill provides for the building and operation of a 2,100,000-acre-feet reservoir at the San Luis site on the west side of San Joaquin Valley to store and furnish water for what are in actuality two

separate projects. These, as I say, are an additional unit of the vast Central Valley project, a Federal undertaking, and an integral part of the Feather River project, a purely State enterprise.

As for the Federal interest, the project will serve lands now completely dependent upon irrigation water pumped from underground sources. Years of overdraft have caused the groundwater table to recede at an alarming rate. The situation has become acutely critical in recent years. The supplemental water from this project would halt the inevitable abandonment of land which otherwise is liable to revert to semidesert. Thus, the Federal undertaking would be wholly in harmony with the objectives of our Federal reclamation policy of more than a half century, by assuring a livelihood for American families. At present, nearly three-quarters of a million persons would be benefited directly and indirectly by the San Luis development.

Here is a unique opportunity for pooling of Federal and State resources and abilities. The San Luis project would have a dual purpose and the one suitable reservoir site in the valley of the San Joaquin would be used by both governments, State and Federal. It will be an important link in the development of California, specifically in sections from the lower San Joaquin and Santa Barbara, and beyond the Tehachapi Mountains south to the Mexican border. These areas, with startling increases in population and industry, are vitally concerned with efforts to transfer excess water from the surplus counties of the north to the critical deficiency communities of the south where additional supplies are imperative to maintain the present economy, let alone meet forecast demands for greater quantities to accommodate the logically anticipated growth.

The physical plan of San Luis involves capturing a portion of the winter runoff which each year flows into the Sacramento-San Joaquin Delta and is wasted into the Pacific Ocean. The water would be transported by means of the existing Tracy Pumping Plant and the Delta-Mendota Canal of the Central Valley project to a point near the San Luis reservoir site. There, new facilities would be constructed to lift the water to the reservoir for storage, ultimately for either delivery to agricultural lands of the surrounding area for use during the irrigation season, or for transportation through huge new aqueducts to the residential, industrial, metropolitan and other areas of Los Angeles, Orange, Riverside, San Bernardino, Ventura and San Diego Counties. It will almost double the utility of the existing Delta-Mendota canal system by providing for its use at a time when otherwise it would be idle.

The California water plan, with an aggregate estimated cost to California of nearly $12 billion, envisions facilities basically similar in design and location to those proposed by the Bureau of Reclamation to serve the San Joaquin Valley. It is essential to provide a storage and regulating reservoir at a midway point on the route of the contemplated interbasin exchanges.

It is obvious that any effort to use a single reservoir and related facilities for discharge of Federal and State responsibilities can lead to complications and differences. Happily, these have been resolved and dissipated. Prolonged conferences and discussions have happily resulted in a meeting of minds and the drafting of this bill. Both State and Bureau officials are on record to the effect that there are no engineering, financial, legal or other obstacles to the coordination, for both Federal and State purposes, of construction and operation of the San Luis project as contemplated in S. 44.

As I mentioned earlier, this bill is essentially the same as the bill we considered last year. Let me touch briefly on the major differences between S. 44 and last year's legislation. One change, on page 3, line 25, relates to the cutoff date for the agreement to be entered into between the State of California and the Federal Government. The bill last year provided that the cutoff date for this agreement was to be July 1, 1960. The present bill extends this date to January 1, 1962. Another substantive change to last year's bill will be found on page 2, beginning on line 12. Here we have provided language to make it crystal clear that the Secretary of the Interior has a mandate to construct the dam and reservoir so as to permit the expansion into such construction of other joint-use facilities, subject to limitations and appropriations authorized, and the agreement with the State of California.

The purpose of this language is to clarify provisions of the bill to pave the way for the integration of the San Luis unit with the Central Valley project of the California State water plan. This arrangement will assure full protection for the Federal investment and at the same time evidence cooperation with the State of California in the conservation and development of its water resources.

While there are other amendments, they are largely of a technical nature. I will point out to you, however, that the bill that my colleague from California and I have introduced this year, through an inadvertence, did not contain what appears in the printed bill as section 6. This section relates to the application of Federal reclamation laws. The language in section 6 of the present bill is essentially the same as section 7 of last year's bill.

I have emphasized throughout these remarks the project would have a dual purpose, carrying out both a Federal and a State plan and supplying water for different uses. We envisage construction of a 2,100,000-acre-feet reservoir because that would be more economical, more practicable, and the commonsense way of proceeding to meet these varying requirements. Accordingly, the bill should unequivocally provide that in one area served by the Federal project, Federal reclamation law will apply, while in the other area, served by the Feather River project, California law will apply. It should be made crystal clear that the Federal acreage limitations will be enforced in the case of those benefiting from the Federal project in this joint venture. It similarly should unequivocably declare that Federal laws will not in any way or manner affect lands which may be supplied from features which are a part of the California water plan. Both those for and against this legislation should know beyond doubt that the project will handle purely intrastate waters which the Creator has sent to California, and that under the State system, these State waters will be used in accordance with State laws. I wish it equally clear and unmistakable that on the lands which are part of the Central Valley project, the waters will be used pursuant to Federal law. The fact that the same reservoir will be used to store two categories of water should not lead to the imposition of a Federal law and Federal obligations on persons who are beneficiaries only of the State expenditure and effort.

The bill thoroughly protects the interest of the United States. In the very unlikely event that an agreement with California cannot be reached, the Secretary of Interior must report that fact to the Congress and then wait 90 days before proceeding to construct the project according to Bureau of Reclamation specifications and plan. Under no circumstances can the Secretary initiate the project until he has secured, or has satisfactory evidence of his ability to secure, all rights to the use of water necessary for successful operation. Further, the entire Federal cost of the project allocated to water users will be repaid by them over a period not to exceed 50 years.

The bill likewise contains carefully framed provisions to protect and advance the interests of California. For example, should the State elect not to enter into the contemplated contract with the Federal Government, it can still preserve its interest in the site by making available to the Secretary sufficient funds to pay the additional cost of designing and constructing the dam and joint-use facilities to permit enlargement at some subsequent date. Thus, the State will acquire an irrevocable right to enlarge or modify those facilities at any time in the future and a perpetual right to the use of such additional capacity.

Based on a State-Federal agreement, the Secretary, as the bill now provides, can either initially construct the reservoir to full capacity, 2,100,000 acre-feet, and to corresponding capacity of other joint-use facilities, in order to permit immediate integration and coordinated operation of the works, or he can construct them to meet requirements of the Bureau of Reclamation but on a basis susceptible to future expansion by the State if later desired.

The benefits of this venture should be widespread. Its need is obvious from reference to the tremendous expansion of California population, industry and agriculture during recent years. From a population of less than 7 million in 1940, we have more than double that number of people today. The State department of water resources shows an almost unbelievable rise in consumption of water and foresees even harder to

comprehend increases in the rest of the present century. The department reported that back in 1950 the estimated seasonal shortage of developed water in California was about 2.7 million acre-feet and by 1965 some experts warn that, without this and other equally vital undertakings, the overdraft may reach 10 million acre-feet per season.

When the Governor of California was here several weeks ago, he appeared before our committee and urged that the bill in its present form be passed. I do, also.

There are one or two other things to which I wish to allude. First of all, before the committee, interested citizens who represented the areas in my State covered by the counties of Santa Clara, San Benito, Santa Cruz, and Monterey asked for an opportunity to be considered in the legislation with respect to the possibility of an additional source of surplus water for the people who are moving into those areas and who will need water for domestic purposes. The proposed legislation, I am glad to say, contains the following section:

(b) The Secretary is authorized to provide Central Valley project service, by way of the Pacheco Tunnel route, to lands and municipalities in Santa Clara, San Benito, Santa Cruz, and Monterey Counties: *Provided*, That construction of the works to provide such service shall not be undertaken until a report demonstrating their physical and economic feasibility has been completed, reviewed by the State, and approved by the Secretary and by the Congress, and in no event prior to July 1, 1964, unless, in the meantime, the Governor of the State of California shall have notified the Secretary that the State approves the construction of such works by the United States.

Thus, were the bill to become law, as I devoutly hope it will, Congress would have an additional responsibility to discharge under the section I have just read. But I think it fair to say that the one apprehension, about which I very much regret one or two of my colleagues have spoken to me, concerns another section. I want to try to meet any objection head on, if I can, and to spread the facts on the RECORD now.

Mr. President, there is every intention on the part of the authors of the bill to have the Federal reclamation law apply completely to every drop of water which goes into the San Luis Dam and which thereafter is to be used on properties lying within the expanded Federal reclamation area. There is every intention on the part of the authors of this measure that the water for storage in this reservoir which is to be used by the State of California in the State system, paid for by the people of California, and almost completely to be used for domestic purposes, shall be governed by the law of the State of California, and by the law of the State of California alone.

Thus, Mr. President, we have here a proposal for a joint-use reservoir utilizing the only area in the mountains of my State which is suitable for a great 2-million-acre dam by means of which Federal benefits under Federal reclamation law will flow to farmers in a Federal area, and by means of which benefits to the people of my State who will need water will be received from the waters stored in the dam which feeds the State system.

Mr. President, is it not just that, in such a situation, State law, and State law alone, shall govern? I think so; and it is on that basis that we have particularly provided in section 6(a):

The provisions of the Federal reclamation laws shall not be applicable to water deliveries or to the use of drainage facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis unit service area described in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project", dated December 17, 1956.

Mr. President, if there were two damsites at San Luis, the Federal Government could proceed to build one dam to serve the Federal reclamation area; and the State of California could proceed to build a dam immediately adjacent to it, and to have pass through the latter dam waters serving the State system only. But how ridiculous and how economically unfeasible such an arrangement would be.

Mr. President, is it not in the interests of the people of the United States and the people of California that one reservoir be constructed jointly at the one site the Creator has made available, and that it be used in a joint capacity? I think so. So does my colleague. So does the Governor of California. So does every member of the Senate Committee on Interior and Insular Affairs—whether Democrat or Republican.

So, Mr. President, this is a piece of proposed legislation which should be passed this year by the Senate, as it was passed last time, and this year in the hope that it will soon be on its way to the White House.

Mr. ENGLE. Mr. President, in the 85th Congress the Senate passed proposed legislation virtually identical in substance with the bill which now is before us. So most Senators are well acquainted with the merits of the San Luis project.

Furthermore, I may say that my distinguished colleague, the senior Senator from California [Mr. KUCHEL], has made an excellent explanation of this project.

Mr. President, in the last session of Congress, the corresponding bill was coauthored by the present senior Senator from California [Mr. KUCHEL] and by my predecessor, who then was the minority leader, Senator Knowland, then the senior Senator from California. So little can be added to the information my colleagues already have with respect to this project.

Mr. President, today I wish to emphasize only two or three points, which, although not new, are important, and should be kept in mind in connection with the consideration of this proposed legislation.

First and foremost, Mr. President, this project is a "rescue" project, not a new development. Almost no new land will be brought into agricultural production. The service area of the Federal San Luis unit already is almost fully irrigated from ground water pumped from deep wells which are almost as deep and as expensive as some oil wells. These tube wells go down from 600 feet to more than 2,000 feet. They cost approximately $75,000 to drill—each.

I can remember when we thought a ranch which cost $75,000 was a good-sized ranch and an expensive one. The water pumped from these depths costs $20 or more an acre-foot. But the worst feature of the matter is that the water is giving out; the water table is sinking lower and lower each year, because the required draft on this subterranean supply is so much greater than its annual natural replenishment. The figures shown by hydrologic studies are in the order of 1 million or more acre-feet of annual use, as against 220,000 acre-feet of annual replenishment. In other words, in order to sustain a developed and highly productive agricultural economy, this ground water is being "mined" to the point of exhaustion; and we are, in effect, consuming a capital resource. That is why I call the San Luis project a "rescue" project. It is a project to save good cropland from returning to sagebrush and sand.

Second, Mr. President, I should like to point out that the San Luis project will not add to price-supported agricultural production. Now that we have huge agricultural surpluses, I think that is an important point, because it would not make sense to develop any agricultural production which would be added to the existing surpluses. No corn, no tobacco, no rice, and no peanuts are grown in the service area. The cotton grown there is the long-staple variety which is not competitive with southern cotton; and in any event the cotton acreage will not be increased by this reclamation project.

My opinion is that the cotton acreage will decline, because with an assured water supply, the trend will be toward high value speciality crops and toward smaller farms, which are not typical of large-scale cotton production.

As for the wheat which now is grown in the area, it will disappear entirely under full irrigation, in favor of alfalfa, vegetables, fruits, melons, and similar crop versatility. I may say, Mr. President, that every time we have added water to the farms in the Western States we have decreased the size of the farms, we have increased the number of family-sized farms, we have moved in the direction of diversified farming, and we have moved away from large-scale farming.

Another significant point, Mr. President, is that the farmers of San Luis will pay for this project virtually 100 percent. The San Luis costs are allocated almost entirely to irrigation, except for a little which is allocated to municipal water supply, plus a small item of $100,000 which is allocated to recreation. No part of the cost is allocated to flood control or to electric power. Except for the recreation item costing $100,000, the full cost of the Federal San Luis unit will be repaid to the Federal Treasury by the water users under reclamation law.

Mr. President, with reference to the item for recreation—an item in the amount of $100,000—let me say that the cost of recreation facilities on these great lakes in California should not be charged

to the farmers. The irrigators should not have to pay for recreational facilities on these great projects. Such recreational facilities benefit the city dwellers and others who, on weekends and at other times, enjoy those water resources. In some instances, on the man-made lakes in California, there are as many as 35,000 persons on a weekend. They enjoy those facilities. The Government has erected them. In my opinion, the expenditure of $100,000, nonreimbursable, for recreational facilities is justified, because they are for the benefit of the general public, not for the benefit of the irrigators. To do otherwise would be to require that the irrigators pay the cost of recreational facilities which are used by others.

Finally, as the Governor of California emphasized at the committee hearings on Senate bill 44, the State of California is making a tremendous effort to solve its own critical water problem. My colleague already has referred to this effort. The Federal San Luis unit of the Central Valley project is part and parcel of the overall State water plan which the State is prepared to commence with expenditures of more than $1 billion of its own money in the next few years. For the joint-use facilities of San Luis alone, under the cooperative Federal-State plan proposed in Senate bill 44, the State's share of San Luis construction is estimated at $240 million, and the Federal share at $160 million. The San Luis reservoir and other joint-use facilities, whether constructed initially only to serve the Federal project, or whether built to enlarged capacity to serve both projects, will be operated by the Federal Government as a part of the Central Valley project, under agreement with the State.

To avoid any possible confusion, let me summarize the cost figures again: The Federal San Luis unit of the Central Valley project is estimated to cost $290,430,000, which is the top limit of Federal expenditure authorized by this bill.

Of that total, about $160 million is for works that may be utilized also by the State of California as a link in its great conveyance system to transfer Feather River water to southern California. Upon execution of the Federal-State agreement contemplated by S. 44, the State will contribute approximately $240 million to pay the cost of the enlarged capacities that will be required in the San Luis Reservoir and other joint-use facilities in order to accommodate the needs of both the Federal and State projects. Then, in addition, the State will spend approximately $420 million on the Oroville Dam and powerplants on the Feather River, plus another billion dollars in excess of its San Luis contribution to convey Feather River water from the delta to southern California. The ultimate cost of the entire State water plan is presently estimated at more than $11 billion—the figure mentioned by my colleague, the senior Senator from California.

As Governor Brown said in his testimony on S. 44, "No State ever has made a comparable proposal." Indeed, the Federal San Luis unit of the Central Valley project is but a small part of a tremendous self-help program of the State of California in which this Federal project will be integrated for the mutual benefit of both. Here is an ideal cooperative arrangement between the two levels of government that is an especially good reclamation bargain for the United States, and it is a good program for the needed water development of the State of California.

Mr. KUCHEL. Mr. President, on behalf of my colleague and myself, I ask unanimous consent that the committee amendments be agreed to en bloc. If I understand correctly, thereafter the able senior Senator from Illinois or any other Senator would have a right to offer amendments to the bill.

The PRESIDING OFFICER. Yes; any amendment would be in order.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that it be in order thereafter to offer amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 1, line 5, after the name "California," to insert "hereinafter referred to as the Federal San Luis unit service area"; on page 2, line 9, after the word "works", to insert "of the San Luis unit"; in line 13, after the name "San Luis Canal", to strike out "Those joint use facilities may be constructed to permit future expansion, and upon agreement by the State or some other public agency to equitably share the costs as later provided in this Act, shall either be so constructed or" and insert "The joint-use facilities consisting of the dam and reservoir shall be constructed, and other joint-use facilities may be constructed so as to permit future expansion; or the joint-use facilities"; in line 23, after the word "area", to insert "as hereinafter provided"; on page 3, line 14, after the name "San Luis unit", to strike out "or has otherwise made provision, in accordance with section 4 of this Act, for meeting the drainage requirements of the San Luis unit" and insert "or has made provision for constructing the San Luis interceptor drain to the delta designed to meet the drainage requirements of the San Luis unit as generally outlined in San Luis project report by the Bureau of Reclamation of May 1955, as transmitted to the Congress by the Secretary of the Interior, December 17, 1956."; on page 4, line 3, after the word "the", to insert "Federal"; in line 4, after the name "San Luis", to insert "unit"; in line 11, after the word "by", to strike out "July 1, 1960" and insert "January 1, 1962"; on page 5, line 10, after the word "State", to insert "shall agree equitably to share the total cost of constructing the joint-use facilities and as a part of its share"; in line 20, after the word "interfere", to insert "unduly"; on page 6, at the beginning of line 17, to strike out "appropriate" and insert "equitable"; on page 7, line 9, after the word "interfere", to insert "unduly"; in line 13, after the word "an", to strike out "appropriate" and insert "equitable"; on page 8, line 15, after the word "the", to insert "Federal"; on page 9, line 15, after "(60 Stat. 1080, 16 U.S.C. 662)", to insert "as amended"; on page 10, after line 21, to insert a new section, as follows:

"SEC. 6. (a) The provisions of the Federal reclamation laws shall not be applicable to water deliveries or to the use of drainage facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis unit service area described in the report of the Department of the Interior, entitled 'San Luis Unit, Central Valley Project,' dated December 17, 1956.

"(b) The Secretary is authorized to provide Central Valley project service, by way of the Pacheco Tunnel route, to lands and municipalities in Santa Clara, San Benito, Santa Cruz, and Monterey Counties: *Provided,* That construction of the works to provide such service shall not be undertaken until a report demonstrating their physical and economic feasibility has been completed, reviewed by the State, and approved by the Secretary and by the Congress, and in no event prior to July 1, 1964, unless, in the meantime, the Governor of the State of California shall have notified the Secretary that the State approves the construction of such works by the United States."

And, on page 11, at the beginning of line 16, to change the section number from "6" to "7"; so as to make the bill read:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the principal purpose of furnishing water for the irrigation of approximately five hundred thousand acres of land in Merced, Fresno, and Kings Counties, California, hereinafter referred to as the Federal San Luis unit service area, and as incidents thereto of furnishing water for municipal and domestic use and providing recreation and fish and wildlife benefits, the Secretary of the Interior (hereinafter referred to as the Secretary) is authorized to construct, operate, and maintain the San Luis unit as an integral part of the Central Valley project. The principal engineering features of said unit shall be a dam and reservoir at or near the San Luis site, a forebay and afterbay, the San Luis Canal, the Pleasant Valley Canal, and necessary pumping plants, distribution systems, drains, channels, levees, flood works, and related facilities. The works of the San Luis unit (hereinafter referred to as joint-use facilities) for joint use with the State of California (hereinafter referred to as the State) shall be the dam and reservoir at or near the San Luis site, forebay and afterbay, pumping plants, and the San Luis Canal. The joint-use facilities consisting of the dam and reservoir shall be constructed, and other joint-use facilities may be constructed so as to permit future expansion; or the joint-use facilities shall be constructed initially to the capacities necessary to serve both the Federal San Luis unit service area and the State's service area as hereinafter provided. In constructing, operating, and maintaining the San Luis unit, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) except so far as the provisions thereof are inconsistent with this Act. Construction of the San Luis unit shall not be commenced until the Secretary has (1) secured, or has satisfactory assurance of his ability to secure, all rights to the use of water which are necessary to carry out the purposes of the unit and the terms and conditions of this Act, and (2) received satisfactory assurance from the State of California that it will make provision for a master drainage outlet and disposal channel for the San Joaquin Valley, as generally outlined in the California water plan, Bulletin Numbered 3, of the California Department of Water Resources, which will adequately serve, by connection therewith, the drainage system for the San Luis unit or has made provision for constructing the San Luis interceptor drain to the delta designed to meet the drainage requirements of the San Luis unit as generally outlined in San Luis project report by the Bureau of Reclamation of May 1955, as transmitted to the Congress by the Secretary of the Interior, December 17, 1956.

"SEC. 2. The Secretary is authorized, on behalf of the United States, to negotiate and enter into an agreement with the State of California providing for coordinated operation of the San Luis unit, including the joint-use facilities, in order that the State may, without cost to the United States, deliver water in service areas outside the Federal San Luis unit service area as described in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project," dated December 17, 1956. The Secretary shall not commence construction of the San Luis unit, except for the preparation of designs and specifications and other preliminary work, until the execution of such an agreement between the United States and the State, but if such an agreement has not been executed by January 1, 1962, and if, after consultation with the Governor of the State, the Secretary determines that the prospects of reaching accord on the terms thereof are not reasonably firm, he may proceed to construct and operate the San Luis unit in accordance with section 1 of this Act: *Provided,* That, if the Secretary so determines, he shall report thereon to the Congress and shall not commence construction for ninety calendar days from the date of his report (which ninety days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three days). In considering the prospects of reaching accord on the terms of the agreement the Secretary shall give substantial weight to any relevant affirmative action theretofore taken by the State, including the enactment of State legislation authorizing the State to acquire and convey to the United States title to lands to be used for the San Luis unit or assistance given by it in financing Federal design and construction of the unit. The authority conferred upon the Secretary by the first sentence of this section shall not, except as is otherwise provided in this section, be construed as a limitation upon the exercise by him of the authority conferred in section 1 of this Act, but if the State shall agree equitably to share the total cost of constructing the joint-use facilities and as a part of its share shall make available to the Secretary sufficient funds to pay the additional cost of designing and constructing the joint-use facilities so as to permit enlargement, it shall have an irrevocable right to enlarge or modify such facilities at any time in the future, and a perpetual right to the use of such additional capacity: *Provided,* That the performance of such work by the State, after approval of its plans by the Secretary, shall be so carried on as not to interfere unduly with the operation of the project for the purposes set forth in section 1 of this Act: *And provided further,* That this right may be relinquished by the State at any time at its option.

"SEC. 3. The agreement between the United States and the State referred to in section 2 of this Act shall provide, among other things, that—

"(a) the joint use facilities to be constructed by the Secretary shall be so designed and constructed to such capacities and in such manner as to permit either (i) immediate integration and coordinated operation with the State's water projects by providing, among other things, a capacity in San Luis Reservoir of approximately two million one hundred thousand acre-feet and corresponding capacities in the other joint-use facilities or (ii) such subsequent enlargement or other modification as may be required for integration and coordinated operation therewith;

"(b) the State shall make available to the Secretary during the construction period sufficient funds to pay an equitable share of the construction costs of any facilities designed and constructed as provided in paragraph (a) above. The State contribution shall be made in annual installments, each of which bears approximately the same ratio to total expenditures during that year as the total of the State's share bears to the total cost of the facilities; the State may make advances to the United States in order to maintain a timely construction schedule of the joint use facilities and the works of the San Luis unit to be used by the State and the United States;

"(c) the State may at any time after approval of its plans by the Secretary and at its own expense enlarge or modify San Luis Dam and Reservoir and other facilities to be used jointly by the State and the United States, but the performance of such work shall be so carried on as not to interfere unduly with the operation of the San Luis unit for the purposes set forth in section 1 of this Act;

"(d) the United States and the State shall each pay annually an equitable share of the operation, maintenance, and replacement costs of the joint use facilities;

"(e) promptly after execution of this agreement between the Secretary and the State, and for the purpose of said agreement, the State shall convey to the United States title to any lands, easements, and rights-of-way which it then owns and which are required for the joint use facilities. The State shall be given credit for the costs of these lands, easements, and rights-of-way toward its share of the construction cost of the joint use facilities. The State shall likewise be given credit for any funds advanced by it to the Secretary for preparation of designs and specifications or for any other work in connection with the joint use facilities;

"(f) the rights to the use of capacities of the joint use facilities of the San Luis unit shall be allocated to the United States and the State, respectively, in such manner as may be mutually agreed upon. The United States shall not be restricted in the exercise of its right so allocated, which shall be sufficient to carry out the purposes of section 1 of this Act and which shall extend throughout the repayment period and so long thereafter as title to the works remains in the United States. The State shall not be restricted in the exercise of its allocated right to the use of the capacities of the joint use facilities for water service outside the Federal San Luis unit service area.

"(g) the Secretary may turn over to the State the care, operation, and maintenance of any works of the San Luis unit which are used jointly by the United States and the State at such time and under such conditions as shall be agreed upon by the Secretary and the State;

"(h) notwithstanding transfer of title or the care, operation, and maintenance of any works to the State, as hereinbefore provided, any organization which has theretofore entered into a contract with the United States under the Reclamation Project Act of 1939 for a water supply through the works of the San Luis unit, including joint use facilities, shall continue to have and to enjoy the same rights which it would have had under its contract with the United States and the provisions of paragraph (4) of section 1 of the Act of July 2, 1956 (70 Stat. 483, 43 U.S.C. 485h–1), in the absence of such transfer, and its enjoyment of such rights shall be without added cost or other detriment arising from such transfer;

"(i) if a nonreimbursable allocation to the preservation and propagation of fish and wildlife has been made as provided in section 2 of the Act of August 14, 1946 (60 Stat. 1080, 16 U.S.C. 662), as amended, the features of the unit to which such allocation is attributable shall, notwithstanding transfer of title or of the care, operation, and maintenance to the State, be operated and maintained in such wise as to retain the bases upon which such allocation is premised and, upon failure so to operate and maintain those features, the amount allocated thereto shall become a reimbursable cost to be paid by the State.

"SEC. 4. In constructing, operating, and maintaining a drainage system for the San Luis unit, the Secretary is authorized to permit the use thereof by other parties under contracts conforming generally to the provisions of the Federal reclamation laws with respect to irrigation repayment or service contracts and is further authorized to enter into agreements and participate in construction and operation of drainage facilities designed to serve the general area of which the lands to be served by the San Luis unit are a part, to the extent the works authorized in section 1 of this Act contribute to drainage requirements of said area. The Secretary is also authorized to permit the use of the irrigation facilities of the San Luis unit, including its facilities for supplying pumping energy, under contracts entered into pursuant to section 1 of the Act of February 21, 1911 (36 Stat. 925, 43 U.S.C. 523).

"SEC. 5. The Secretary is authorized, in connection with the San Luis unit, to construct minimum basic public recreational facilities and to arrange for the operation and maintenance of the same by the State or an appropriate local agency or organization. The cost of such facilities shall be nonreturnable and nonreimbursable under the Federal reclamation laws.

"SEC. 6. (a) The provisions of the Federal reclamation laws shall not be applicable to water deliveries or to the use of drainage facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis unit service area described in the report of the Department of the Interior, entitled 'San Luis Unit, Central Valley Project,' dated December 17, 1956.

"(b) The Secretary is authorized to provide Central Valley project service, by way of the Pacheco Tunnel route, to lands and municipalities in Santa Clara, San Benito, Santa Cruz, and Monterey Counties: *Provided,* That construction of the works to provide such service shall not be undertaken until a report demonstrating their physical and economic feasibility has been completed, reviewed by the State, and approved by the Secretary and by the Congress, and in no event prior to July 1, 1964, unless, in the meantime, the Governor of the State of California shall have notified the Secretary that the State approves the construction of such works by the United States.

"SEC. 7. There is hereby authorized to be appropriated for construction of the works of the San Luis unit, including joint use facilities, authorized by this Act, other than distribution systems and drains, the sum of $290,430,000, plus such additional amount, if any, as may be required by reason of changes in costs of construction of the types involved in the San Luis unit as shown by engineering indexes. There are also authorized to be appropriated, in addition thereto, such amounts as are required (a) for construction of such distribution systems and drains as are not constructed by local interests, and (b) for operation and maintenance of the unit. All moneys received by the Secretary from the State under this Act shall be covered into the same accounts as moneys appropriated hereunder and shall be available, without further appropriation, to carry out the purposes of this Act."

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. MANSFIELD. It is evident the Senate will not be ready to complete action on the bill this evening. I understand there will be a yea and nay vote

on the measure on Thursday. I therefore ask unanimous consent that at the conclusion of the morning hour on Thursday, 1 hour be allocated to the bill, 30 minutes to a side; and 30 minutes on any amendment offered thereto, 15 minutes to a side.

Mr. DOUGLAS. Mr. President, reserving the right to object, on behalf of myself and other Senators, I shall offer an amendment to strike section 6(a) from the bill. I regard that section, which waives the 160-acre limitation of reclamation law on so-called State service land, as the crucial part of the bill. If the amendment were to carry, namely, if we were to strike out section 6(a) from the bill, I personally would vote for the bill. If the section is not eliminated from the bill, I shall be compelled to vote against the bill.

I regard the debate on section 6(a) as of equal importance with debate on the bill itself. I ask that the unanimous-consent request be modified so that we may have an hour upon the amendment dealing with section 6(a), as well as 1 hour on final passage of the bill.

Mr. MANSFIELD. It is my understanding the Senator from Illinois has an amendment to offer. Are there others to be offered?

Mr. DOUGLAS. I shall offer the amendment not only on behalf of myself, but on behalf of the senior and junior Senators from Oregon [Mr. MORSE and Mr. NEUBERGER].

Mr. MANSFIELD. Am I correct in assuming that is the only amendment which will be offered?

Mr. MORSE. Mr. President, reserving the right to object, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. MORSE. I cannot answer the question just now. I think it would depend on the progress which will be made on Thursday. I want to do everything I can to try to make this water available to the people of California, subject to the protection of some historic criteria.

I appreciate the superiority of my dear friend from Illinois in being able to speak on such a complicated matter as this as briefly as he has suggested in the unanimous consent agreement; but it is beyond my power of accomplishment. Therefore, I could not accept the unanimous consent agreement which the Senator from Montana suggests. I may say to him it is my honest judgment that action on the bill will be completed on Thursday afternoon within a reasonable period of time, if no unanimous consent agreement is offered. I think time will be saved without any unanimous consent agreement. However, I am willing to accommodate the Senator from Montana on a unanimous consent agreement, but it would have to provide for 2 hours on an amendment, 1 hour to each side.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that immediately at the conclusion of the morning business on Thursday 2 hours be set aside for the consideration of the amendment, 1 hour on the bill, and that the Senate then proceed to a vote.

Mr. KEATING. Mr. President, reserving the right to object——

Mr. MORSE. Mr. President, reserving the right to object, I do not think we should accept that particular formula as a part of the unanimous consent agreement. It protects those who wish to speak on the Douglas-Morse-Neuberger amendment, but it does not state what the period of time on any other amendment shall be. As to the latter, I think a shorter period of time could be agreed upon. Possibly the original proposal of the acting majority leader of 30 minutes to a side on any other amendment might be acceptable.

Mr. MANSFIELD. Mr. President, I am gradually being whittled down. I withdraw my unanimous-consent request.

Mr. CHAVEZ. Mr. President, I should like to have the attention of the acting majority leader. Can he tell me to what time Order No. 142, Senate bill 72, went over? Will that bill be considered prior to the time the Senator has mentioned?

Mr. MANSFIELD. No. It has been held over temporarily, on the basis of objections raised and the strong possibility that no final action could be taken. It is the hope of the leadership that perhaps in the meantime the Department of the Interior can speed up its recommendation, and the same statement applies to the Budget Bureau, and that the bill may be considered when the Senator from New Mexico [Mr. ANDERSON] can be present on the floor.

Mr. CHAVEZ. Since the last discussion of the bill I had the committee staff obtain a report which was made by the Secretary of the Interior on the proposed legislation. We have it now and will be ready with it.

Mr. MANSFIELD. I may say to the distinguished senior Senator from New Mexico that we shall do our best to get that measure up for consideration later this week.

Mr. DOUGLAS. Mr. President, the record will show, I believe, that the Nation has expended to date nearly $750 million upon dams and irrigation systems of the Central Valley. These have been national expenditures financed through taxes borne by the people of the Nation, including the people of the Midwest and of those areas where there is and will be direct competition with the products grown in the irrigated regions of the Central Valley.

Mr. President, I have some knowledge of this region, since I have traveled through it by auto and have inspected some of the farms. I have acquainted myself over the years with the topography of the land and the water problems of the area.

It is now proposed directly in the bill under consideration to authorize the expenditure of an added $290 million for the main supply facilities of the San Luis project. The report, on page 10, specifically states that another $190 million will be needed to provide distribution systems, drains, and deep wells. An additional appropriation is authorized for this purpose. In all probability, therefore, there will be an added expenditure of very close to $500 million from the National Government, or a total expenditure of approximately $1¼ billion.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. KUCHEL. So that the record will be crystal clear, is it not true that the bill now before the Senate places a $290,430,000 ceiling on the Federal expenditures?

Mr. DOUGLAS. That is true of the dollar sums specifically mentioned in the bill. But I would invite my good friend from California to direct his attention to line 23 and following on page 11 of the bill. I read those lines:

> There are also authorized to be appropriated, in addition thereto, such amounts as are required (a) for construction of such distribution systems and drains as are not constructed by local interests, and (b) for operation and maintenance of the unit.

I invite the attention of my good friend also to the passage in the report to which I have already referred, which states:

> In addition to the main water supply features the San Luis area would require distribution systems, drains, and some deep wells.

As a matter of fact, these are the construction features referred to in the passage of the bill which I have just covered.

> The estimated cost of these works is $192,650,000.

Mr. KUCHEL. If I may, Mr. President, I should like to read the next sentence immediately after the point where the Senator concluded:

> The local districts could finance and construct these works by themselves, or request the Federal Government to do it.

Mr. DOUGLAS. Yes.

Mr. KUCHEL. It continues:

> In the latter event repayment for these works in 40 years would be required.

I wish to say to my friend from Illinois that under the rules and regulations governing the Department of the Interior the questions as to those surface distribution systems, when they arise, will arise in the background of what Congress then determines to do with respect to Federal participation or the question of whether the local conservancy districts themselves should undertake the cost of constructing them.

Mr. DOUGLAS. I again invite the attention of my friend to the phrase in the report that the local districts could request the Federal Government to do this work. The bill then specifically authorizes, in lines 24 and 25, page 11, Federal appropriations for the construction of such distribution systems and drains, so that there is authorization for an added appropriation for the distribution system included in the bill if the localities request it.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to my friend from Oregon.

Mr. MORSE. I think it is very important for the legislative history and for future reference that we emphasize the point the Senator from Illinois is now making. I do not think there is any doubt about the fact that on page 11,

beginning on line 22, the bill in effect provides for an amount over and above $290,430,000. It provides for such funds as the Congress may in the future authorize to be appropriated. For what? It is "for construction of such distribution systems and drains as are not constructed by local interests." What that might amount to, I am not in a position to testify this afternoon.

Mr. DOUGLAS. The Department of the Interior testified that its cost would be about $190 million.

Mr. MORSE. I was going to say, we know it will be a "pretty penny." It seems to me that is the controlling language in reference to future unaccountable-for costs imbedded in the bill.

I want my friends from California to know I have not any doubt that the senior Senator from Oregon—and I am sure this would be true of my colleague and also the Senator from Illinois—will vote for it when the matter is brought forward at a later time, with supporting evidence to justify the building of distribution systems and drains not constructed by the local interests, for which authorization might be asked. I believe my colleagues will have our votes, because we have been supporting this kind of water resources development time and time again.

It seems to me that language I have read is controlling and is not in any way limited by what appears in subsection (b), which is "for operation and maintenance of the unit."

Appropriations could be provided for that purpose, also.

Mr. DOUGLAS. That is in addition to subsection (a) of section 7.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. MORSE. Yes; that is in addition to subsection (a).

There is involved what I think is a sort of implied commitment on my part as an individual Senator. I speak only for myself, but I think if I vote for the passage of the bill with this language in it, by implication, at least, I shall be saying to the people of California, "I will do what I can to help you in the future, when you prove your case on the merits, to get Federal appropriations for construction of such distribution systems and drains as are not now constructed by local interests; and, secondly, I will help you get money for operation and maintenance of the unit." I should do so, because of the Federal interest involved. I do not think that the language which follows—

> All moneys received by the Secretary from the State under this Act shall be covered into the same accounts as moneys appropriated hereunder and shall be available, without further appropriation, to carry out the purposes of this Act.

in any way modifies the commitment I think we are asked to make beginning on line 22, page 11, and ending with the word "unit" on line 2, page 12.

When we vote for passage of the bill we ought to know that in effect we are voting for the expenditure of much more than $290,430,000. I am in favor of that. I am in favor of it, because I think the development of these water resources can be justified as sound. At the same time, I think we ought to make the RECORD perfectly clear, as the Senator from Illinois is doing, as to what the total cost is likely to be.

Mr. DOUGLAS. I thank the Senator from Oregon.

Mr. ENGLE and Mr. NEUBERGER addressed the Chair.

Mr. DOUGLAS. I will yield in a moment. I want to complete my statement on this point, and then I shall yield to the Senator from California, and after that I shall yield to the junior Senator from Oregon.

I think it is clear that we are most certainly asked to authorize the expenditure of an additional $290 million, and in all probability the expenditure of $480 million. This amount, added to the sum already appropriated in past years, will reach a figure well in excess of $1 billion, and, in all probability will reach $1¼ billion.

Mr. President, I have opposed reclamation projects on high land where the growing season is short and where the costs per acre have been extremely high. I opposed the irrigation features of the Upper Colorado Project. I think that was a very wasteful project, so far as the irrigation features were concerned.

As I have said, I have inspected this territory, and this is a different sort of project. This is probably the most promising irrigation project which can be carried out in the country. There is a growing season of approximately 365 days during the year.

If water is put on this land—and it is apparently proposed to put 28 inches of water, or something over 2 feet in depth, on each acre of the land—the land will blossom not like the rose, but will blossom like Jack's beanstalk. There are tremendous riches in this valley, and the land should be developed.

I wish to make it clear that although I have opposed irrigation projects in high altitudes where the costs are excessive, I am not opposed to this project. I believe that, taken by itself it is a proper expenditure of funds.

However, I address my opposition to section 6(a) which I hope the very fine Senators who are sponsoring the bill will agree to eliminate from the bill.

Section 6(a) would eliminate the application of the reclamation laws with respect to the land which in the future, will be serviced by water from the so-called State expenditures in raising the height of the dam above that provided by the Federal Government. Yet the State would use the Federal substructure and the facilities of the Federal Government that accumulate the water and make it available, without which the State investment would be ineffective.

If I may develop my argument a bit——

Mr. ENGLE. Mr. President, will the Senator yield at that point?

Mr. DOUGLAS. I shall be glad to yield. I wish, though, to make one point clear. I hope my good friend the junior Senator from California, whom we are so happy to see in the Senate, who has made such a fine record in the House, and whose future is so promising, will agree to strike section 6(a) from the bill.

I now yield to the junior Senator from California.

Mr. ENGLE. I thank the Senator for his kind remarks, as well as for yielding to me.

Before the Senator proceeds to a discussion of section 6(a) I wish to clear up the question of distribution systems. They have always been part and parcel of every major project. When a project is authorized, the authorization act authorizes the main structure, which creates a reservoir behind the dam, but it does no good to impound water in a dam unless it can be spread out over the land.

As a consequence, distribution systems have always been an integral part of reclamation projects. That is the approved method in Oregon, or wherever such projects are built. They do cost more money, but the building of such distribution systems is optional. Local interests can build them if they so desire. The Senator says they can request the Federal Government to do it. Of course they can, because after the Federal Government invests money to build a dam, it will make the necessary investment to get the water on the land. But that may not be the most economical way to do it.

Farmers have learned that they can build so-called flat land ditches very much cheaper, with their own capital, paying interest on it, than if the job is done by the Bureau of Reclamation. That was the reason I was able to get through the Congress a part of the present law with respect to small projects legislation, which provides for local construction of small and simple projects.

Distribution systems are nothing more nor less than flatland ditches. The farmers have been building them for years. They do not require all the engineering features of great dams such as Trinity, Shasta, Hoover, Bonneville, and many others. The farmers build them themselves. It is actually cheaper to build them in that way than to have the project go through the Bureau of Reclamation Office in Sacramento, have it cleared by the Reclamation Office in Denver, and brought back here for survey. We have found cases in which administrative costs in connection with building flatland ditches ran as high as 47 percent.

So if the farmers can borrow money at 6 percent or less, they often build their own distribution systems. That is why the provision in the bill is optional. If they can do it cheaper, they will do it, without cost to the Federal Government. That is what is done in many cases.

I am sure the Senator knows that at least 80 percent of the irrigation works in California have been privately built by irrigation districts and by the farmers themselves.

Mr. DOUGLAS. Mr. President, I am afraid my good friend misunderstands my argument. I may have mentioned distribution systems, in assessing the possible Federal expenditures authorized in the bill. But I wish to emphasize the fact that fundamentally

what is proposed is the transfer of water from the northern part of California, where there is abundant rainfall, to the southern portion and the Central Valley, where there is a deficiency of rainfall. Is that not correct?

Mr. ENGLE. The Senator is correct.

Mr. DOUGLAS. Is it not true that the dams in upper California, north of Sacramento, federally financed, will, therefore, hold back the water and act as feeders for the system which is now going into effect in San Luis?

Mr. ENGLE. That is correct.

Mr. DOUGLAS. That is exactly the point. Past Federal expenditures, as well as those authorized in this bill, will contribute to this project.

Furthermore, is it not true that the water, coming south, will go through the Delta Mendota Canal, which has been federally constructed, and which I have inspected? Is that not true?

Mr. ENGLE. That is true of the Federal project. We are not talking about the State project.

Mr. DOUGLAS. If there is a State project, the water will also go through the Delta Mendota Canal, will it not?

Mr. ENGLE. No.

Mr. DOUGLAS. How will it get south unless it goes through the Delta Mendota Canal? And how will it get into the San Luis Reservoir itself, unless it goes through the Delta Mendota Canal?

Mr. ENGLE. The State will build its own system.

Mr. DOUGLAS. A duplicate system?

Mr. ENGLE. That is correct. The Delta Mendota Canal is full now, or soon will be full. The State project will be put on top of the Federal project, as a second story, or a second level, without any cost to the Federal Government.

Mr. DOUGLAS. Is the Senator now speaking of the dam?

Mr. ENGLE. Yes; I am. I do not wish to confuse the dam with the distribution system. I was talking about flatland distribution ditches.

Mr. DOUGLAS. The Senator was speaking of the final disposition of the water.

Mr. ENGLE. The Senator is speaking of the main canal.

Mr. DOUGLAS. Yes; and the reservoir, itself.

Mr. ENGLE. That is correct. With reference to those, there will not be a plugged nickel of Federal money in the State project, and everything the State does in order to put a bucketful of water on a square foot of land will be paid for with State money. That is the reason why we have a provision in the bill that the reclamation law shall not apply to a wholly divisible, completely separate program that is paid for, lock, stock, and barrel—powerhouse and all—by the State taxpayers. Of course, the State legislature might see fit to impose a limitation of 160 acres. That is its decision. But the Federal Government should not say to the State government, "You must impose a limitation of 160 acres"—or any other limitation—with reference to money which the State itself spends. All the Federal Government has done has been to build the first story of the structure. The second story goes on at no cost to the Federal Government.

Mr. DOUGLAS. Is it possible to have a second story without a first story?

Mr. ENGLE. No.

Mr. DOUGLAS. Is it possible to have a second story without a foundation, without the expenditures of the Federal Government on the foundation at the original level? It would be impossible to have a second story without the Federal expenditures on the foundation and the first story.

Mr. ENGLE. That is true.

Mr. DOUGLAS. The Senator is trying to do what Solomon once proposed—namely, to cut a child in two at the center, and award one-half to one mother and the other half to the other mother. What is proposed is a unitary dam.

Mr. ENGLE. This is a fine partnership between the Federal Government and the State government. The State government will pay every nickel of its share. Not a penny of it will be charged to the Federal taxpayers. That is the reason for this provision in the bill. The projects are completely severable. They do not overlap or intermix.

Mr. DOUGLAS. It is the same dam, is it not?

Mr. ENGLE. It is the same dam.

Mr. DOUGLAS. The Senator says the projects do not intermix, even though they involve the same dam.

Mr. ENGLE. I am speaking of the lands on which the water is delivered. They are completely severable. That is why we have said to the State, "Put up your money if you so desire, and build a second story on the dam, increase its size, and spread the water out on lands in the State projects." Now it is proposed to say to the States that, with respect to State projects, a limitation of 160 acres must apply. Why not apply the 160-acre limitation throughout? Why not apply the entire body of Federal reclamation law, if Senators wish to be consistent? I would be against that, too. But if the Senator wishes to be consistent——

Mr. DOUGLAS. Would the Senator from California support an amendment of that type?

Mr. ENGLE. I certainly would not; and I do not intend to support the Senator's amendment, which picks out one provision of reclamation law and says, "We are going to apply it because these projects are intermarried."

Mr. DOUGLAS. They are not only intermarried; they are Siamese twins.

Mr. ENGLE. Then the Senator ought to pick up the Reclamation Act of 1902, as amended, and apply the whole of it. That is the way to be consistent. If the Senator wishes to be consistent, he should include it all—even power preference. That would make a fine, consistent argument. At least a little piece would not be picked out of the reclamation law, and we would not say to the States, "We are going to apply this particular part of the law, but not the rest of it."

Mr. DOUGLAS. I have great respect—and, indeed, affection—for both Senators from California. I think the real issues have been revealed. The question is whether the reclamation law, and especially the 160-acre limitation, is to apply in this area.

Now my good friend from California says the 160-acre limitation will apply on the 440,000 acres of land which will be serviced by what is alleged to be wholly Federal water.

I would remind my friend of what he well knows, namely, that 120,000 acres of these 440,000 acres of land are owned by the Southern Pacific Railway. It is land which was given to the railway under a land grant for the construction of a railroad which was never constructed.

However I will waive that consideration. That occurred in the days of General Grant, in the days of the Credit Mobilier, in the days when the railroad barons dominated the Senate and the House, and when they bought Senators and Representatives at so much a head, as though they were so much livestock. I will waive that. That was 80 years ago. I will not question the right of the Southern Pacific Railway——

Mr. ENGLE. Mr. President, will the Senator yield for a correction?

Mr. DOUGLAS. I should first like to refer to last year's hearings, at page 196, in which the Southern Pacific Railway and the Southern Pacific Land Co. made a very clear statement. They said, in effect, that they did not intend to break up the 120,000 acres into 160-acre parts. I ask unanimous consent that the full text of the letter from the Southern Pacific Railway and its accompanying statement be inserted in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SOUTHERN PACIFIC CO.,
San Francisco, Calif., April 4, 1958.

Re Senate bill S. 1887.

Hon. CLINTON P. ANDERSON,
Chairman, Subcommittee on Irrigation and Reclamation, Senate Office Building, Washington, D.C.

DEAR MR. ANDERSON: Reference is made to exchange of telegrams concerning land owned by Southern Pacific Co. and Southern Pacific Land Co. within the San Luis unit of the Central Valley project.

Herewith statement of the above-mentioned companies with respect to its ownership.

Yours very truly,

L. FRANDSEN.

STATEMENT OF SOUTHERN PACIFIC CO. AND SOUTHERN PACIFIC LAND CO. WITH RESPECT TO ITS HOLDINGS IN THE SAN LUIS UNIT OF THE CENTRAL VALLEY PROJECT

The subject of this statement is future irrigation water development in the San Joaquin Valley and, in particular, the Feather River project and proposed San Luis unit of the Central Valley project as they affect our landholdings.

Southern Pacific Co. owns about 65,000 acres within Westlands Water District in Fresno and Kings Counties, and an additional 55,000 acres outside of (westerly and above), said district but within the so-called San Luis service area. The company also owns about 30,000 acres in southern Kings and Kern Counties which might be served by the Feather River project.

These lands are not being offered for sale, but are being held for long-range management purposes. Nearly all of the land is

under agricultural-development leases varying in size from less than 1 section to about 30,000 acres.

The area in which our above-mentioned 120,000 acres are situated has been in agricultural production from irrigation wells for a considerable period of time. We are of the opinion that the acreage and other restrictions of the Federal reclamation laws should not, and probably were not intended by Congress to apply to areas of going agricultural economy which need supplemental irrigation water.

We now favor State or local development and control of water resources, but welcome Federal aid provided the conditions thereof are reasonable and bearable. Further, we neither seek nor expect any Federal subsidy in the form of 40-year interest-free money, but are willing to pay our fair share of the irrigation benefits provided the capital and operating costs are such that the land and crops can afford same.

We are progressive and we are anxious to see steps taken to preserve and increase the economic welfare. We will expect to cooperate in any equitable and reasonable water program.

If it is determined that the Federal Government, rather than the State or a partnership or both, shall undertake this project we will wish to cooperate. However, there appear to be present serious inequities in the reclamation law.

In connection with present regulations dealing with Bureau of Reclamation recordable contracts, it is our understanding that the landowner may not participate in the land appraisal. This seems unreasonable. Another unreasonable feature is, we believe, the lack of provision for price adjustments over the years (many years may be required to sell landholdings such as ours) to account for inflation and other economic factors not directly related to surface water availability.

There is, of course, no existing contract between the Bureau of Reclamation and Westlands Water District. As the terms of such a future contract are unknown, we have no present basis for judging how much interest cost our lands would need bear in order to be free of reclamation law restrictions and what the water would cost.

We would like to sit down with people in the Bureau of Reclamation to see if figures could be developed relative to paying our way and retaining our land free of Federal restrictions. Also it would be interesting to us to learn how the sale of the tremendous acreage of excess lands would be handled in a case like this and whether the landowners would be required under recordable contracts to conduct active sale campaigns.

If a Federal program is decided upon at San Luis, we will wish to cooperate and trust that the terms provided for will be equitable.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I should like to continue briefly. I call attention to a very important sentence: "We are of the opinion that the acreage and other restrictions of Federal reclamation law should not, and properly were not intended by Congress to apply to areas of going agricultural economy which need supplemental irrigation water."

Of course, all this water is supplemental water.

This year, in the hearings, they made a direct statement in the House hearings, saying, in effect, that their position remains unchanged. They referred to their statement of last year, which I have not read:

Very briefly, that letter stated that our lands are not on the market. They are not for sale. We do not wish to sell our agricultural properties or our timber properties or our grazing properties any more than we wish to sell our main line railroad.

Therefore the Southern Pacific Railway, which has dominated politics in the State of California for many years, does not intend to sell. While Hiram Johnson clipped its wings somewhat, it still has some powers in California about which my friend knows.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. KUCHEL. What dire conclusion does my honorable friend draw from what he has just said?

Mr. DOUGLAS. I draw the conclusion that the Southern Pacific Railway does not intend to abide by the 160-acre limitation, even on the 440,000 acres which are said to be federally serviced.

Mr. KUCHEL. Let us analyze this very carefully, because I say respectfully that my friend from Illinois is wrong. First of all, my able colleague wishes to point out that the figure as the amount of property the railroad owns in this area, if my able colleague from California will give me his attention——

Mr. DOUGLAS. I have the statement of the representative of the Southern Pacific Railway. The statement shows that the railway owns 120,000 acres.

Mr. KUCHEL. Not in the Central Valley service area.

Mr. ENGLE. I know that the Senator from Illinois wishes to be correct. In the district 58,000 acres are in Federal service area. The other acres are outside that area.

Mr. DOUGLAS. Is the Senator saying that the other acres would be in the so-called State service area?

Mr. ENGLE. Not necessarily in the State service area, but they would be outside. 120,000 acres is correct, but only 58,000 acres are in the water district which is inside the Federal service area.

Mr. DOUGLAS. I should like to read a part of the statement which I previously inserted in the RECORD today, from page 196 of last year's hearings:

Southern Pacific Co. owns about 65,000 acres within Westlands Water District in Fresno and Kings Counties, and an additional 55,000 acres outside of (westerly and above) said district but within the so-called San Luis service area. The company also owns about 30,000 acres in southern Kings and Kern Counties, which might be served by the Feather River project.

That is water coming from the north. Therefore I believed I was correct in saying that the Southern Pacific Railway owns 120,000 acres in this area, and 30,000 more which will also be served when the water from the Feather River is brought down and given to the State for distribution.

Mr. KUCHEL. Regardless of the accuracy of the acreage figure——

Mr. DOUGLAS. Does the Senator challenge my accuracy?

Mr. KUCHEL. Yes. I believe my colleague corrected that figure.

Mr. DOUGLAS. I believe the Senator's colleague finally wound up by saying that the figures are correct.

Mr. ENGLE. They are correct, but they are used incorrectly. The figure is 120,000 acres. However, only 58,000 acres are within the Federal service area.

Mr. DOUGLAS. On page 196 of last year's hearings, the railroad company makes a statement to the contrary.

Mr. KUCHEL. If the Senator will permit me to do so, I should like to say, regardless of the precise and arithmetical correctness of the acreage owned by the railroad within the projected Central Valley service area, this record is going to be important, and I believe that the grounds of my able friend's objection ought to be spelled out most carefully.

Does the Senator from Illinois, because the railroad owns some property in the area and because it has said it is not willing to break up its domain, oppose building a Federal reclamation project in that area?

Mr. DOUGLAS. No; but I believe in making the Southern Pacific Railway Co. obey the law. It has stated pretty directly that it does not intend to obey the law.

Mr. KUCHEL. I do not believe the Senator is correct in that statement. When a Federal reclamation project is created and when supplemental water is available, if I am in the area and I am a large landowner, I do not have to take supplemental water if I do not wish to do so. I do not have to take it. However, if my friend nearby needs it, he has a right to take it.

I should like to say, if the Senator from Illinois will permit me to do so, that I anticipated this question and I have before me a memorandum which was prepared by the counsel of the Committee on Interior and Insular Affairs. It is a short statement, and I should like to read it into the RECORD at this point.

Mr. DOUGLAS. I shall be glad to have the Senator do so. However, may I ask the Senator whether the Southern Pacific Railway Co. has agreed that it is willing to sell its land into 160-acre homesteads?

Mr. KUCHEL. I will say frankly that I do not believe it has. I say also that the question is irrelevant, because both the Federal Government and the State government have stated the project is feasible. The matter does not rest on whether the railroad, which acquired the property long before my friend and I were born, intends to take certain action.

Mr. DOUGLAS. Before my friend reads the memorandum, I should like to ask him whether the proposed project will pay out if the Southern Pacific Railway Co., with its tremendous ownership, refuses to come in, or whether it now in effect has a sort of veto power over whether the project will pay out?

Mr. KUCHEL. I have the precise and the specific answer to that question in the memorandum.

Mr. DOUGLAS. I anticipated that the Senator from California would try to answer it. Therefore I thought I would put the question first.

Mr. KUCHEL. I am not only going to try to answer it, but I will say that

this is the answer of the responsible counsel of the Committee on Interior and Insular Affairs. Let me read the statement to the Senator. It was written by Stewart French. The subject is Southern Pacific Railroad land in San Luis project. It reads:

SEC. 46. No water shall be delivered upon the completion of any new project or new division of a project until a contract or contracts in form approved by the Secretary of the Interior shall have been made with an irrigation district or irrigation districts organized under State law. * * * Such contract or contracts with irrigation districts hereinbefore referred to shall further provide that all irrigable land held in private ownership by any one owner in excess of one hundred and sixty irrigable acres shall be appraised in a manner to be prescribed by the Secretary of the Interior and the sale prices thereof fixed by the Secretary on the basis of its actual bona fide value at the date of appraisal without reference to the proposed construction of the irrigation works; and that no such excess lands so held shall receive water from any project or division if the owners thereof shall refuse to execute valid recordable contracts for the sale of such lands under terms and conditions satisfactory to the Secretary of the Interior and at prices not to exceed those fixed by the Secretary of the Interior.

Mr. DOUGLAS. Mr. President, may I interrupt the Senator to inquire whether he is reading from the law?

Mr. KUCHEL. Yes.

Mr. DOUGLAS. I am perfectly well acquainted with the statute. I suggest the Senator put it in the RECORD. I know that that is the law.

Mr. KUCHEL. I have already read the statute.

Mr. President, Mr. French, our committee counsel, continues:

On page 101 of the hearings on your S. 44 there is reprinted a communication addressed to Senator ANDERSON, as chairman of our Irrigation Subcommittee, signed by the manager of the land department, Southern Pacific Co., dated March 23, 1959, in which the company states—

Mr. President, I ask unanimous consent that that statement be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Please be advised that Southern Pacific is anxious to see both Federal and State of California water plans progress. We feel that the cooperative position in the San Luis legislation is excellent and do not wish to impede progress thereon. Therefore, we reaffirm our request that owners of land in excess of 160 acres be allowed the alternative of paying interest on the Federal irrigation investment and thus be allowed to retain their land holdings and obtain water for them.

Mr. KUCHEL. Mr. President, Mr. French then continues:

From the foregoing it is apparent that:
(a) Southern Pacific would not receive water for lands in excess of 160 acres under existing applicable law; and
(b) The company itself recognizes this limitation.
In the several hearings that have been conducted by the Senate and House Committees, no witness, either pro or con, has suggested that if Southern Pacific failed to participate as required by law, such failure to participate would in any way jeopardize the proposed project. In fact, the evidence is all to the contrary.
Therefore, it is my considered opinion—

Not the opinion of the Senator from California, but that of the counsel of our committee.

Mr. DOUGLAS. A very good man, too.

Mr. KUCHEL. An excellent man. I am glad the Senator from Illinois recognizes that fact. It hurts me that the Senator from Illinois does not hug unto his bosom the opinion which the able counsel of the committee submits.

Mr. DOUGLAS. This was not one of his better moments.

Mr. KUCHEL. That is the Senator's opinion; I disagree with him. Mr. French continues:

Therefore, it is my considered opinion that
(a) Southern Pacific could get water for its lands in excess in the project area only if it signed a recordable agreement to dispose of such lands within a 10-year period; and
(b) Refusal of Southern Pacific to enter into such an agreement would in no way jeopardize the project. The company itself has given formal recognition of both of the above facts to the committee.
Southern Pacific interests control 58,109 acres in Westlands Water District which are subject to the district tax whether or not they take any pay for water under recordable contracts.

Mr. NEUBERGER. Mr. President, will the Senator yield for a question?

Mr. KUCHEL. I yield.

Mr. NEUBERGER. I wish to ask a question with respect to Mr. French's able opinion. When he noted that the refusal of the Southern Pacific to enter into an agreement would not in any way jeopardize the proposed project, was he referring to imperiling it from a legal standpoint or from a feasibility of payout standpoint?

Mr. KUCHEL. From the latter—from the standpoint of economic feasibility.

Mr. NEUBERGER. It seems to me that that is a very important point.

Mr. KUCHEL. Counsel has just indicated to me that he agrees with what I said was the interpretation; that in indicating in his memorandum that the refusal of the Southern Pacific to enter into such an agreement would not in any way jeopardize the project, counsel meant it would not jeopardize it from the standpoint of economic feasibility.

Mr. MORSE. Mr. President, will my colleague yield at that point?

Mr. NEUBERGER. I yield.

Mr. MORSE. Simply because my question is on the point of the question he asked the Senator from California. I appreciate the courtesy of my junior colleague.

I am glad to reinforce the position of the Senator from Illinois by going back to the hearings on March 17, 1959, before the House committee. I may say, in regard to the French opinion, that we are taking care of it very well in our amendment. It makes the matter moot. Our amendment will take care of the course of action of the Southern Pacific Railroad one way or the other; but it is what the Southern Pacific Railroad plans to do, I think, that has become very pertinent now in this debate. The record is very clear, so I take the Senator from Illinois to page 219 of the House hearings of March 17 of this year. I would have him pay close attention to what the president of the Southern Pacific Railroad said on March 17, 1959:

Mr. ASPINALL. Mr. Van Loben Sels, is the area in which your company is interested a part of the area which will be developed by the Federal Government, or the part to be developed by the State Department, provided it is a joint-venture project?
Mr. VAN LOBEN SELS. The majority of it is within the Federal area. We also own lands elsewhere which might come under State development.

As I think those of us opposed to section 6 will show in our part of the debate, the State development cannot take place without the Federal development, so we have inseparabilities. As the Senator from Illinois has been trying to point out, it is necessary to have the Federal dam first in order to have any project at all. The water simply cannot be separated into Federal water and State water. The fact is that this project was born of the Federal Government. It is necessary to keep in mind the fact that it is the Federal interest which, after all is said and done, remains paramount.

Continuing from page 220 of the hearings:

Mr. ASPINALL. The next question had to do with the question of my friend from Florida, Mr. HALEY. It was whether or not you would make that area available to the 160-acre limitation provisions of the reclamation law, or whether or not you thought that would not be a part of the project.
Mr. VAN LOBEN SELS.—

He is president of Southern Pacific Railroad——

Mr. NEUBERGER. Is he not the president of the Southern Pacific Land Co.? I may be mistaken.

Mr. MORSE. The transcript shows him as associated with the Southern Pacific Railroad. From that identification, I took it to mean that he was president of the Southern Pacific Railroad; but maybe he is president of the Southern Pacific Land Co. At least, he is speaking authoritatively in regard to the Southern Pacific Railroad's land, about which the Senator from Illinois has been speaking.

I continue:

Mr. VAN LOBEN SELS. Mr. ASPINALL, Southern Pacific Co. wrote a letter last year to Senator ANDERSON's committee, which stated our position in the matter. It appears in the hearings on bill S. 1887.
Very briefly, that letter stated that our lands are not on the market. They are not for sale. We do not want to sell our agricultural properties or our timber properties or our grazing properties any more than we want to sell our main line railroad.
Mr. ASPINALL. Neither do you want to be put in a place where because of some development Uncle Sam goes in and takes care of that. You do not expect to receive any such profit.
Mr. VAN LOBEN SELS. We have stated we do not expect to receive any such profit, as you term it.
Mr. ASPINALL. If in the judgment of the committee they wished to tack on to this bill the provisions of the so-called Engle amendment, what would be your position on that?
Mr. VAN LOBEN SELS. We would be very happy if that were done. That would not be our first choice; our first choice would

be to be excluded entirely from all of the implications of the 160-acre regulation.

There it is on the nose.

Mr. ENGLE. If the Senator from Oregon will yield, they did not get it.

Mr. MORSE. I want to tell the Senate what the Southern Pacific Railroad contemplates and what it will try to do, in my judgment, if section 6(a) stays in the bill. That is why I say that in my opinion, everyone who is trying to protect the 160-acre limitation with regard to Federal projects is in debt to the Senator from Illinois. I think the head of the Southern Pacific Railroad or Southern Pacific Land Co.—whichever he is—makes perfectly clear what they have in the back of their mind; that is, to do everything they can to follow a course of action which will free them from the 160-acre limitation.

Mr. DOUGLAS. I thank the Senator from Oregon.

Now, I am glad to yield to the junior Senator from Oregon, who has made a deep study of the subject and who has been a stalwart fighter in trying to preserve the family-sized farm in the United States.

Mr. NEUBERGER. The Senator from Illinois is overly generous, as usual. I am grateful to him.

I am pleased to join with the distinguished Senator from Illinois and wih my colleague, the distinguished senior Senator from Oregon, in the sponsorship of the amendment. I voted for the San Luis project as a member of the Committee on Interior and Insular Affairs. I favor the project.

Mr. President, although S. 44, the San Luis project, was cleared by the Senate Interior and Insular Affairs Committee without adverse votes, I think that further analysis and study reveals the necessity for improving the bill to assure continuity of national water policy.

It has been brought to my attention that section 3g of the bill states:

> The Secretary may turn over to the State the care, operation and maintenance of any works of the San Luis unit which are used jointly by the United States and the State at such time and under such conditions as shall be agreed upon by the Secretary and the State.

I have received a number of letters and telegrams expressing apprehension that this may open the way for circumvention of the 160-acre limitation which is an historic part of reclamation law.

I ask consent to include a letter from the coordinator of the National Farmers Union dated April 10, 1959, detailing some of these objections and a telegram sent to me by the California Labor Federation, AFL–CIO, explaining that organization's views on shortcomings of the bill. These individuals are Angus McDonald and C. J. Haggerty, respectively.

I do not believe that the 160-acre limitation should be breached through approval of the San Luis project authorization. There may be some special circumstances—for reasons of climate, terrain, and other farming factors—which would justify revision or exemptions from the acreage limitation. I do not think those conditions apply to the area affected by this bill.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

NATIONAL FARMERS UNION,
Washington, D.C., April 10, 1959.

Hon. RICHARD L. NEUBERGER,
Interior and Insular Affairs Committee,
Senate Office Building, Washington, D.C.

DEAR SENATOR NEUBERGER: I call your attention to S. 44 and H.R. 5687, companion bills which would authorize construction of the San Luis project in California. These bills contain language which would permit the undermining of Federal reclamation law.

The bill reads in section 1: "In constructing, operating, and maintaining the San Luis unit, the Secretary shall be governed by the Federal reclamation laws * * * except so far as provisions thereof are inconsistent with this act."

Section 3g reads: "The Secretary may turn over to the State the care, operation, and maintenance of any works of the San Luis unit which are used jointly by the United States and the State at such time and under such conditions as shall be agreed upon by the Secretary and the State."

We do not believe these sections provide an out and out exemption but we feel they leave the door open, and that in light of the four special circumstances existing on this project, additional, and special precautions are necessary. The special circumstances are:

(1) This is a joint State-Federal project and even under most favorable conditions, difficult administrative problems would arise.

(2) The so-called Federal service area is dominated by large landholdings. Some 12 percent of the owners hold title to over 75 percent of the land.

(3) One firm, Southern Pacific Railroad—admits to owning about 120,000 acres in the area—checkerboarded in odd-numbered sections. According to the Bureau of Reclamation this firm has indicated that it would not comply with reclamation law.

(4) Among other large owners in the San Luis are Anderson-Clayton (largest cotton marketing firm in the world), Boswell interests, and O'Neill interests, all of whom own land in the service area of an existing and adjacent Federal project (Pine Flat) which is supposed to be administered under reclamation law, but is presently operating outside that law because these same large owners have been able to stall on the signing of a permanent agreement. They have been receiving water for 5 years in violation of the law.

In light of these four special circumstances in the Federal service area we propose an amendment which would require excess landowners in the Federal service area to sign recordable contracts before construction begins. We feel there should be no objection to such a proposal if it is desired that reclamation law be strictly enforced in the Federal service area.

Such an amendment should secure reclamation law as far as the so-called Federal service area. The bills also contain specific exemptions for the so-called State service areas. These exemptions are included in section 3f, which reads in part: "The State shall not be restricted in the exercise of its allocated right to the use of the capacities of the joint use facilities for water service outside the Federal San Luis unit service area;" and section 6 which reads: "The provisions of the Federal reclamation laws shall not be applicable to water deliveries or to the use of drainage facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis unit service area."

Proponents of these bills argue that the Federal reclamation law cannot apply to a project or part of a project which is paid for by the State. But we wonder about possible application of the Warren Act which requires that all waters passing through a Federal facility be subject to the law. We also are aware that the State is not constructing its project even outside of San Luis without Federal help.

The Federal Government will be providing nonreimbursable items such as flood control for the State's Oroville Dam and other facilities of the so-called State project.

This situation also raises serious policy questions. Is the Federal Government going to get the State water program under way at San Luis? Then help it along with nonreimbursable items? While the State steps in only just before the point at which reclamation law would be applied?

It appears to us that the large landowners in California's most fertile central valleys are preparing to hop on a gravy train at the expense of both Federal and State taxpayers.

Sincerely,

ANGUS MCDONALD,
Coordinator.

SAN FRANCISCO, CALIF., *April 15, 1959.*

Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D.C.:

I have not yet received printed copy of hearing on S. 44, San Luis unit, Central Valley project. We have information that hearings remain unpublished although bill has been reported. Is this so? S. 44 opens door to vast water grab in California. The California Labor Federation, AFL–CIO, representing 1½ million members and insisting that San Luis bill shall comply strictly with Federal reclamation laws, requests access to published hearings. If S. 44 reaches floor of Senate with hearings unprinted and without ample time for public examination we request you read this telegram into the printed RECORD of the Senate and use our influence to postpone debate until hearings are printed and distributed to us and to other interested citizens. We desire to offer informed advice to Senators charged with responsibility for deliberation and decision. No bill such as S. 44 that raises issues of great principle and great substance, and in our opinion, endangers the public interest ought to be permitted to escape closest public scrutiny for lack of publicity and time for consideration.

C. J. HAGGERTY,
Secretary-Treasurer, California Labor Federation, AFL–CIO.

OAKLAND, CALIF., *April 27, 1959.*

RICHARD NEUBERGER,
Senate Office Building,
Washington, D.C.:

Urge fight for unqualified 160-acre limitation in San Luis bill on behalf of California Democrats who seek a State limitation but are deceived into supposing this bill all right.

KEITH MURRAY.

SAN FRANCISCO, CALIF., *April 27, 1959.*

Re San Luis bill

RICHARD NEUBERGER,
Senate Office Building,
Washington, D.C.:

Urgently request you exert energies to fight for 160-acre limitation, to apply without qualification.

MARY LOUISE ALLEN,
State President, California Federation of Young Democrats.

Mr. NEUBERGER. I do not believe the 160-acre limitation should be breached through approval of the San Luis project authorization. Let us approve the project but retain the historic limitation.

I wish to explain what I regard as Oregon's specific interest in this matter. Unlike the State of Illinois, in the area east of the Cascade Range in Oregon, those who operate farms are often dependent upon irrigation for their supply of water. The Senator from Illinois well knows that. He has tramped over much of Oregon, and he, himself, was a very illustrious member of the faculty at Reed College, one of the great educational institutions in Oregon.

We in Oregon regard California as one of our very best customers. This year marks Oregon's 100th anniversary of statehood. In 1849, 10 years before Oregon became a State, Oregon's economy really got started by the supplying of food to the gold rush immigrants to California. Furthermore, we know that the people of California will purchase a great deal of Oregon lumber and a great many of Oregon's rich agricultural products. But we also recognize that the 160-acre limitation applies to the reclamation projects in our own State—both those already in existence and those presently being constructed.

We in Oregon want California to prosper. That is why I have been pleased to support the San Luis project as a whole; and I feel certain that my distinguished senior colleague [Mr. MORSE] agrees with this. We know that as California prospers, Oregon and other nearby Western States with lesser populations will also prosper.

But, Mr. President, if the 160-acre limitation is breached in California, such action will set a precedent by means of which the 160-acre limitation can be breached throughout the West. After all, if, through a participating agreement with the State of California, the 160-acre limitation can be breached, similar participating agreements could be entered into with Oregon or Idaho or Washington or Montana or any of the other great Western States in which irrigation projects are located. It seems to me that if the 160-acre limitation was undermined—and that limitation dates back to the administration of President Theodore Roosevelt—and if it were undermined in that way—such action would constitute a precedent by means of which all the other Western States would be able to request a similar prerogative.

So it seems to me, Mr. President, that in Oregon and Washington, for example, there are a good many irrigation projects where State participating undertakings could be added. By adding them, they could do away with the 160-acre limitation in the domains which come under State jurisdiction. Once that happened, it seems to me there would be increasing difficulty in retaining the 160-acre limitation in the Federal portions of the projects, all over the West. I think it is important to emphasize that point.

If a reclamation project has both a Federal portion and a State portion, how can such an arrangement work effectively? The great President of the United States who founded the Republican Party—the immortal Abraham Lincoln—once said that there cannot be a nation that is half slave and half free. I realize that historic utterance does not apply to an undertaking as comparatively unimportant as this one, as related to the future of chattel slavery in the United States.

But in the case of the 160-acre limitation—and 160 acres are just about enough to support one family—if there were nearby vast agricultural empires which might involve 20,000 or 30,000 acres, it seems to me that the 160-acre limitation on the Federal projects would inevitably be doomed; I do not see how it could continue. I do not believe that those who farmed on the Federal side of a canal would be satisfied with 160-acre holdings, when they saw, on the other side of the canal, vast holdings of 20,000 or 30,000 acres. You could not mix tiny homesteads with immense agricultural kingdoms.

So that is why I support the distinguished Senator from Illinois [Mr. DOUGLAS] and the distinguished senior Senator from Oregon [Mr. MORSE] in the amendment they have submitted to this otherwise very fine bill.

Mr. MORSE. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. Yes; but first I wish to thank the junior Senator from Oregon [Mr. NEUBERGER] for his very statesmanlike and clear statement on this issue.

Mr. MORSE. Mr. President——

Mr. DOUGLAS. Now I am glad to yield to the senior Senator from Oregon.

Mr. MORSE. Mr. President, I wish the RECORD to show that I associate myself completely with the views which have just been expressed by the distinguished junior Senator from Oregon. I think he has pointed out unanswerably the position of the State of Oregon in regard to water-resource-development projects; and I am sure he will share my point of view when I say now to our two good friends in the Senate, the Senators from California [Mr. KUCHEL and Mr. ENGLE], that we are never happy to find ourselves at any variance—even over a matter such as this one in the bill—a variance which I say to them they could resolve very helpfully, for purposes of future reference, in support of our common western projects. I think the elimination of section 6(a) of the bill would not in any way jeopardize this great project which the two Senators from Oregon and the Senator from Illinois are enthusiastically supporting; in fact, we really think we are the best "friends in court" of the Senators from California, although they do not appreciate it this afternoon. But I think that in due course of time they will see that we are protecting their long-term interests.

At this time I wish to place in the RECORD, if the Senator from Illinois will permit me to do so, further rebuttal of the statements made by our dear friends, the Senators from California, who a few minutes ago made an argument which I believe is not borne out by the facts, as the record itself will show.

First, let me refer to page 222 of the hearings of March 17, where again Mr. Van Loben Sels testified in behalf of the Southern Pacific Railroad. On that occasion he was asked questions by a colleague of the two Senators from Oregon—Representative ULLMAN, a Member of the House of Representatives, who happens to be a member of the House committee which has jurisdiction of this subject matter.

I read now from page 222:

Mr. ULLMAN. Just a short question, Mr. Chairman.

Mr. Van Loben Sels, how much land do you have that would come under the proposed Federal project?

Mr. VAN LOBEN SELS—

And I assume that he knows what land his company has—

The figure we have quoted is 120,000 acres.

Mr. DOUGLAS. Mr. President, that is precisely what I have been contending—namely, that it is 120,000 acres in the Federal water service area. So I hope this record now can be made crystal clear that it is not 55,000 acres. It is 120,000 acres, plus an added 30,000 acres outside the Federal service area that may be served by the so-called State project which would be made possible by the joint Federal facilities.

Mr. MORSE. I think the Senator from Illinois is correct.

I wish to quote further from the statements made at the hearings by the spokesman of the Southern Pacific Railroad Co.:

There has been some deletion from that, because the Federal Government recently condemned some for a naval air station. That is in the courts now.

However, the amount required for the Naval Air Station would be relatively small.

I read further from the hearings before the House committee:

Mr. ULLMAN. How is this land being utilized today? Do you have a breakdown of that, of the land use today?

Mr. VAN LOBEN SELS. It is all under agricultural lease. It is all under irrigation, but not all of it is irrigated every year. It is being farmed under lease to actual operators on the property, to crops that are typical of that area, which I think were mentioned previously. But they include grains, cotton, melons, various seed, grass seed and alfalfa seed crops, a few more of the specialized crops, like potatoes and carrots, and other vegetables.

Mr. DOUGLAS. But they are very high yield, high value crops.

Mr. MORSE. However, Mr. President, what is the declaration of intent on the part of the Southern Pacific Railway Co.? It is to get water every year—to get enough water so it can operate year in and year out. That is obviously what the company is after and what it hopes to accomplish by means of this bill. So let us face up to that reality.

I read further from the House committee hearings:

Mr. ULLMAN. It is all relatively flat land, then, and all under cultivation; is that right?

Mr. VAN LOBEN SELS. It is all under cultivation. A lot of it has been leveled and brought to grade for surface irrigation. Some of it is sprinkler irrigated, and it is more of a rolling type.

Mr. ULLMAN. How long have these lands been owned?

Mr. VAN LOBEN SELS. We acquired this land during the 1860's, 1870's, and 1880's.

Mr. ULLMAN. In what manner?

Mr. VAN LOBEN SELS. They were acquired through Act of Congress as part of the consideration for building the western railroads.

Mr. DOUGLAS. May I interject? Acquired in this case for building a railway which was never built.

Mr. MORSE. I was going to digress to point that out. I shall touch upon it in the major speech which I shall make on the floor of the Senate. I emphasize—a railroad which it never built.

I continue to read:

Mr. ULLMAN. They were part of the Land Grant Program?

Mr. VAN LOBEN SELS. Commonly termed that.

Mr. ULLMAN. The railroads, of course, developed whatever water facilities they have?

Mr. VAN LOBEN SELS. Actually, our lessees did it as part of the lease, but we in effect did so. It was done under our direction.

Mr. ULLMAN. The railroads farmed none of this land directly? It is all leased?

Mr. VAN LOBEN SELS. That is correct.

Mr. ULLMAN. That is all, Mr. Chairman.

I only want to say I have offered this for the record to reinforce the position taken by the Senator from Illinois, and I would only add that this almost becomes one of the "Now you see it, now you don't" affairs when a discussion is had of a Federal interest in a State project.

I shall insist, so far as my presentation throughout this debate is concerned, that we must look at the origin. We must look at what really creates the project; what brought it into being, and consider why do we have this trouble on the floor of the Senate? What is it? The Federal project. Without the Federal participation in this matter this problem would not be presented on the floor of the Senate this afternoon. Therefore, I want to say to my very good friends from California, we are not hurting them by suggesting that section 6(a) be eliminated. In my judgement, in the future it is possible that will be in a much stronger position if they accept the amendment of the Senator from Illinois and take it to conference.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. DOUGLAS. Mr. President, may I ask who has the floor?

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DOUGLAS. I shall yield in a moment. First I should like to make a statement of my own.

I wish to rivet down, without any possibility of contradiction, the facts of the ownership of the Southern Pacific Railway and the extent of that ownership. The Senator from Oregon has pointed out that out of their own lips they have said they own 120,000 acres in the so-called Federal service area.

Let me call attention to the fact that the Associate Commissioner of Reclamation, testifying before the Senate committee itself, stated that the Southern Pacific Railway owns approximately 120,000 acres of land in the service area, 65,000 of which are in the Westlands district, which is one district in the area.

Then the Senator from Oregon quoted the statement the representatives of the Southern Pacific made before the House committee on March 17. Let me now quote another statement which they made on March 23, 6 days later, in a letter to the Senator from New Mexico [Mr. ANDERSON], published on page 101 of the Senate hearings.

Mr. ENGLE. Mr. President, if the Senator will yield, Was he talking about the Federal service area or the whole?

Mr. DOUGLAS. The Federal service area. He stated:

It is now our desire to reaffirm our previous position, that our agricultural properties are not for sale. They constitute an important natural resource asset of our organization, and we need them to maintain our diversified position in the economy of the Western States.

They want to be in the land business as well as in the railway business.

Now let me turn back for a moment to the opinion of the counsel for the Interior Committee referred to by the Senator from California [Mr. KUCHEL]. I give due weight to counsel's opinion that the project might be possible and feasible even if the Southern Pacific carries out its intention not to come in under the reclamation law or to sell its excess holdings. But I have very serious doubts. I have seen some detailed maps showing that the Southern Pacific owns a precise checkerboard of land in some of these areas.

I may say that was the tendency in the distribution of railroad land. They would take a section of land on the north of a railroad, or on the west of a railroad, skip another section, then take a section, then alternate on the south side of the line or the east side of the line, a section opposite the section which it held, and then skip. So that the railway holdings on the western lines as given by the land grant steal which some of the great founders of California put through in the 1860's and 1870's——

Mr. KUCHEL. The Senator is not visiting that sin on the two Senators who represent that State now, is he?

Mr. DOUGLAS. No; I am just reminding them of the unholy origins of the action. It was conceived in sin and begotten in iniquity.

Mr. KUCHEL. By some of my friend's Democratic forebears.

Mr. DOUGLAS. For every Democrat who participated in the scandal of the Credit Mobilier, there were at least 20 Republicans. It is true that they made James Brooks, of New York, something of a "fall guy"; but if one goes over the list of persons who participated in the stock of Credit Mobilier and who assisted in the land steal, he will find it consisted of prominent Republican Members of the House and Senate, including the then Vice President whose bust is upon the wall of this Chamber.

Mr. KUCHEL. I will stipulate it was bipartisan iniquity.

Mr. DOUGLAS. As is usual in cases of political iniquity, 5 percent were Democrats and 95 percent was Republicans.

Mr. KUCHEL. I question the Senator's arithmetic.

Will the Senator yield?

Mr. DOUGLAS. No; I want to complete this statement first.

I cannot see physically how the facilities can be constructed so as economically to serve the other lands with the Southern Pacific's checkerboard land taken out.

What I really suspect is that the Southern Pacific hopes to get the water and get away from acreage limitations at the same time.

The Southern Pacific's letter to the Senator from New Mexico [Mr. ANDERSON] to which I have referred bears this out:

We reaffirm our request that owners of land in excess of 160 acres be allowed the alternative of paying interest on the Federal irrigation investment and thus be allowed to retain their land holding and obtain water for them.

Mr. KUCHEL. That situation is taken care of by the bill.

Mr. DOUGLAS. The provision that reclamation law shall be applied by the Secretary of the Interior in the San Luis unit, is in the bill. But I have seen enough of the operations in the Department of the Interior in Pine Flats, and so forth, to know it is one thing to get it in the law, and it is another thing to get it carried out as you face a mighty combination of landowners.

Mr. ENGLE. There will be a Democratic administration soon, and the law will be enforced.

Mr. DOUGLAS. It will be enforced a little better, but not necessarily well, because sometimes Democratic Secretaries of the Interior go sour, too.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. DOUGLAS. If I may say so, I notice that the interests that are trying to operate against the welfare of the country have representatives in both parties and they operate inside both parties.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. DOUGLAS. Yes; I yield.

Mr. KUCHEL. I appreciate the Senator's yielding.

Mr. DOUGLAS. I yield for a question only.

Mr. KUCHEL. Will the Senator yield for a series of questions?

Mr. DOUGLAS. I yield for one question.

Mr. KUCHEL. I can hardly get started with one question.

Mr. DOUGLAS. Very well.

Mr. KUCHEL. Let me ask the Senator from Illinois this question: If I heard him correctly, he proposes to strike out that section by which it is clearly provided that the State system shall be exempt from Federal reclamation law. Is that correct?

Mr. DOUGLAS. That is correct.

Mr. KUCHEL. If that section should be eliminated——

Mr. DOUGLAS. I hope it will not be necessary for me to offer the amendment. I hope the Senators from California, in their desire to get this project completed and to preserve the family-sized farms, will accept the amendment.

Mr. KUCHEL. Let me ask my next question.

Mr. DOUGLAS. Does the Senator dash my hopes in this way?

Mr. KUCHEL. Let me see whether my hopes, too, are being dashed.

If the Senator's amendment were to be adopted, then the Senator would be in favor of the project; is that correct? The Senator said that, did he not?

Mr. DOUGLAS. Yes; I think so.

Mr. MORSE. I would be.

Mr. DOUGLAS. Yes, I think so. I will say in this connection it is a great sacrifice for the interests of the Middle West to support any of these reclamation projects, because it means bringing into more intensive cultivation competing land.

Mr. KUCHEL. Very well.

Mr. DOUGLAS. Wait a moment. I am trying to impress the Senator from California with the fact that I am taking a national point of view on this issue despite the competitive aspects of the project.

Nevertheless, I think it is in the national interest that this amazingly fertile land should have water applied to it.

Mr. KUCHEL. Very well.

Mr. DOUGLAS. But I want to have water applied to the land so that we will preserve the small farm, the family-sized farm, and break up the huge estates which evolved from the Spanish hacienda system which dominated the Central Valley and tended to stifle democracy in that area.

Mr. KUCHEL. If the Senator supports the proposed legislation, assuming that the amendment he has in mind is agreed to——

Mr. DOUGLAS. Is it not going to be accepted?

Mr. KUCHEL. Then would the Senator understand that the proposed legislation would call for a dam to be used by the State government and by the Federal Government as well?

Mr. DOUGLAS. Let me point out to my good friend——

Mr. KUCHEL. Will the Senator answer that question?

Mr. DOUGLAS. I will answer it in my own way.

May I ask my good friend, if the acreage limitation feature of reclamation law is removed from the so-called State service land, how can we maintain an acreage limitation on the so-called Federal service land? One can no more have those two systems existing side by side than he can divide the reservoir which has been created with Federal money and the superstructure created with State money, or divide the dams that gather the water in the north, or pay the cost of putting on—is it a second story?

Mr. KUCHEL. My friend has not answered my question.

Mr. DOUGLAS. Wait a moment. Is it a second story on the Delta-Mendota Canal?

Mr. KUCHEL. My friend has not answered my question. I cannot make my friend answer the question, but he should answer it.

Is the Senator from Illinois prepared to accept the philosophy of the bill without the section to which he objects, under which a dam of 2 million acre-feet would be created, a part of which would serve a State system and another part of which would serve a Federal system? Is the Senator in favor of that?

Mr. DOUGLAS. I am not prepared to support such a system with Federal funds and facilities unless it carries with it a universal application of the 160-acre limitation.

Mr. KUCHEL. Let the RECORD be clear. Does that mean the Senator is going to subject the people of California to an acreage limitation under Federal reclamation law?

Mr. DOUGLAS. I am trying to save the people of California from the unwitting efforts of the senior Senator from California to perpetuate the system of big land holdings.

Mr. KUCHEL. The Senator is objecting to what the senior Senator from California, the junior Senator from California, the Governor of California and the Legislature of California all have asked the Congress to approve.

Mr. DOUGLAS. They want the project of course. But I do not think they want to abandon the 160-acre limitation.

I came to the Senate chamber this afternoon prepared to believe that once we stated the case the senior Senator from California and the junior Senator from California would withdraw section 6(a).

Mr. KUCHEL. Let me ask the Senator a few more question.

Mr. DOUGLAS. The Senator is disappointing me.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. DOUGLAS. This is not in keeping with the Senator's usual attitude toward these issues. Usually the Senator from California is for the public interest.

Mr. KUCHEL. I want to be.

Is it not true the bill specifically provides that the Secretary of the Interior shall construct the dam under Federal reclamation law? Is that not the truth and the fact?

Mr. DOUGLAS. Yes. That is correct.

Mr. KUCHEL. Then how can the Senator say that anyone is trying to evade or violate any section of the Federal reclamation law?

Mr. DOUGLAS. It is true that the discussion thus far has been primarily centered upon some 440,000 acres which will be furnished with water from the Federal portion—or from the attempted Federal portion—of this project. Thus far there has not been much discussion as to what would happen on some 440,000 or 500,000 additional acres—we really have not been informed just how many—to be serviced with the additional 1 million acre-feet of water.

Mr. KUCHEL. It will be the rest of the State, if I may interrupt the Senator.

Mr. DOUGLAS. The Senator calls that State service land. Yet in order to construct the San Luis Reservoir we must have prior Federal investment. Indeed, we had to have prior Federal investment upstream on the dams and reservoirs north of Sacramento.

Mr. KUCHEL. Does the Senator object to that?

Mr. DOUGLAS. No. That has been done.

But those projects will be utilized.

Furthermore, I should like to ask another question of my good friend the junior Senator from California, who has such a bright future before him. How are we going to bring water from northern California down to the reservoir if we do not use the Delta-Mendota Canal?

Mr. ENGLE. They will build their own canal.

Mr. DOUGLAS. Will it be alongside that canal, or above it?

Mr. ENGLE. Just a little above it.

Mr. DOUGLAS. A second story?

Mr. ENGLE. No; it will not be on top, but it will be placed horizontally a little over the canal.

Mr. DOUGLAS. Will they not utilize a part of the construction for the Delta-Mendota Canal, which has been constructed by the Federal Government?

Mr. ENGLE. That is not the present plan.

Mr. DOUGLAS. Oh, it is going to be like our subway.

Mr. ENGLE. They will pay for it.

Mr. DOUGLAS. It will be one subway, and then another subway; is that correct?

Mr. ENGLE. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield.

Mr. ENGLE. Does the Senator believe that if section 6(a) is stricken from the bill the reclamation law will apply to the State projects service area?

Mr. DOUGLAS. Yes, I do; and I want to make a record to show clearly that it would.

Mr. ENGLE. I want to make a record which is very plain indeed that in my opinion the section is surplusage. It is merely a statement of what the law is.

Mr. DOUGLAS. If it is surplusage, then eliminate it.

Mr. ENGLE. The people affected want this additional assurance.

Mr. DOUGLAS. Who are they? What people?

Mr. KUCHEL. I will tell the Senator what people they are. They are the people of southern California.

Mr. DOUGLAS. Does the Senator mean the big landowners of the Central Valley?

Mr. KUCHEL. I do not mean the big landowners of the Central Valley.

Mr. DOUGLAS. The Kern County Land Co.? The big land interests?

Mr. KUCHEL. I do not mean them. I mean the city government of the city of Los Angeles.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. KUCHEL. They are interested in getting supplemental water, so that when the housewife turns on the water tap she can get water.

Mr. DOUGLAS. Now the Senator is talking about city water, and I am talking about irrigation water. Surely the Senator does not oppose the application of the 160-acre limitation if he is just considering water distributed in the city

of Los Angeles. It is in the Central Valley that this issue arises. Let me say to my good friend from California that he has made a moving plea on behalf of the residents of Los Angeles. How would the people of Los Angeles be hurt by omitting section 6(a), which would in effect provide a 160-acre limitation in the Central Valley? That has nothing to do with Los Angeles.

We want Los Angeles to have water; but with respect to the water which goes on the land in the Central Valley, we believe in the family-sized farm, the American system. We do not want the Spanish system. We do not want the hacienda system, or the system of Mexico, which California had when it joined the Union. We do not want a system with a big manor house on the hill, and farm laborers living in hovels. We want a system in which the owner is the cultivator. That is the basis of American agrarian democracy.

Mr. KUCHEL. Does the Senator from Illinois believe that the State of California, through its State government, should determine what laws should govern the use of water in a State system of water distribution, paid for by the people of the State?

Mr. DOUGLAS. In reply, let me make two comments.

First, it is not a pure State system. It is inextricably mixed with a Federal system.

Second, I do not believe that the people of California have ever declared themselves in favor of huge estates. So far as I know, they have never said that they want a system of big landed estates. If my friend from California thinks that is what they want, let him propose it in a referendum, or bring it up before the Legislature of the State of California.

Mr. KUCHEL. The Senator has not answered my question.

Mr. DOUGLAS. The owners of the big estates cannot get what they want by State action alone. They also need Federal help, and they think they can come to Washington, with no one greatly concerned over the issue and push their proposal through Congress on favorable terms to themselves.

Mr. KUCHEL. The Senator has not answered my question. Does he believe that the people of California should have the right, by State law, to determine how water is to be used in California under the State system?

Mr. DOUGLAS. I do not believe that large landowners should be able to come to Congress and obtain an exemption from the Federal law.

Mr. KUCHEL. I respectfully submit that that is not answering the question.

Mr. DOUGLAS. There is a Federal responsibility in this connection. If the State of California would enact the Federal reclamation law, we might cede authority to the State of California. But if the State of California is to subvert Federal law on a joint Federal-State project, I am not for it.

Mr. KUCHEL. That is another way of saying that the able Senator from Illinois proposes to compel the people of California to apply the Federal reclamation law to a State project, if the two systems, State and Federal, happen to cross in a single reservoir.

Mr. DOUGLAS. The people of Illinois are paying taxes, and have paid taxes, to build these dams, reservoirs, conduits, and irrigation systems. They have paid taxes against their own economic interests, because they believed it was in the national interest; and I am ready to continue to do so, but on the condition that the money which we contribute shall be used to maintain agrarian democracy, and not huge agrarian estates. We are willing to have money spent for a democratic—with a small "d"—farm system, but we do not want to have it spent to build up the power and strength of huge landowners.

It is well known that in California a large portion of the land is locked up in huge estates. I say that is an evil inheritance from Spanish and Mexican days, and it is a good thing to get rid of it as soon as possible, instead of perpetuating and strengthening it.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MORSE. I should like to have the attention of the two Senators from California for a moment.

I wish to pay my very high compliment to the able Senator from Illinois for the very brilliant record he has made on this issue this afternoon. He has set forth very clearly—I happen to think unanswerably—a public policy position which some of us in the Senate have held to for many years, in regard to protecting what we think is the public interest in the so-called 160-acre limitation provision.

The record has been made. I suggest to the two Senators from California that they ponder that record between now and Thursday afternoon. I assure them that the Senator from Illinois and the two Senators from Oregon are very reasonable men. We shall be open to conversations and conferences.

As I have listened to this debate, and particularly to some of the questions the two Senators from California have been asking the Senator from Illinois——

Mr. ENGLE. Mr. President, will the Senator yield for a question?

Mr. MORSE. In a moment.

There is something in my sense of intuition which leads me to believe that this debate might be very short on Thursday. I say this because I believe that conferences might result in some understanding between now and Thursday which would keep faith with the great principle which the Senator from Illinois has so brilliantly defended this afternoon.

I have the feeling that that would be the smart course of action for us to take tonight.

The Senator from Illinois has made a great record. Those of us who are standing in the background with reinforcements would like to suggest that we wait until Thursday, if it becomes necessary to give the Senator from Illinois any reinforcement. I believe that a study on the part of the two Senators from California of the record made this afternoon by the Senator from Illinois might make unnecessary any prolonged discussion Thursday afternoon.

Mr. ENGLE. Mr. President, will the Senator yield in order that I may propound a question to the Senator from Oregon?

Mr. DOUGLAS. I believe I still have the floor. I yield.

Mr. ENGLE. Does the Senator from Oregon agree with me that if we were to strike out section 6(a) we would not apply the reclamation law outside the Federal service area?

Mr. MORSE. Let me say to the Senator from California that I think that is exactly the kind of discussion which we had better have in conference between now and next Thursday.

Let me tell the two Senators from California what I would do if I were in their position. I would accept the amendment of the Senator from Illinois and run just as fast as possible with the bill to get it to the White House for signature. I do not believe we should take any chances with it.

Therefore I suggest that we close the debate tonight. Between now and Thursday we might find ourselves reaching an acceptable understanding, so that there would be a very short debate on Thursday.

Mr. KUCHEL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield the floor?

Mr. DOUGLAS. I have not yielded the floor, but I am glad to yield to my friend from California.

Mr. KUCHEL. There are some Members on our side of the aisle who would like to debate the proposed legislation. They have indicated to me that they would prefer to have further consideration of the bill postponed until Thursday.

I have talked with my colleague from California, and we both agree that what the Senator from Oregon has suggested would be in the public interest.

Mr. DOUGLAS. I thank the Senator from California. My faith in the Senator from California, which is deep and warm, finds reassurance, after being temporarily dimmed by the doubts he expressed about our proposed amendment. [Laughter.] I think he has made a good suggestion, but before the Senate adjourns for tonight, I wish to deal with the point raised by the junior Senator from California [Mr. ENGLE].

The question of what the State does in connection with a State project is irrelevant to the question now before the Senate. The question now before the Senate involves a joint project, in which large sums of Federal money are involved, and existing Federal structures are to be used, including Federal dams in northern California, as well as the Federal share of the dam at the San Luis Reservoir.

Therefore, this is not the injection of a Federal provision in a purely State project, but the assertion of Federal protections in a largely Federal project.

In closing, I wish to put into the RECORD this fact: One of the big issues before the Nation is whether we are to have concentrated ownership or diffused ownership. Some people think this is

an issue which is to be fought out solely in the industrial field—small business as compared with huge business, or with respect to antitrust policies.

The issue, however, relates to land and farming as well. I happen to be one—and I believe the American people agree with me—who holds that farming should be based on the family-sized farm, and that there is no real place in America for huge estates, with a few owners and a large number of farm laborers.

I have traveled through the Central Valley, and I have found communities in which virtually everyone is a laborer, leading a rather miserable life, I may say. Very frankly, I did not regard that as a part of the American tradition.

There are other communities in the valley where the land ownership is diffused, and where there is independent ownership and where self-respecting, independent people live. That to me is what America has meant in the past and what it should mean in the future.

I do not wish to see concentrated land ownership not only hold its own, but increase its grasp on these rich resources. When water comes to the valley, land which previously was worth little will be worth a great deal. Yields will multiply. The power of those holding the land will be enormously increased.

In my judgment the Federal expenditure of funds should be used to lay a broader basis for economic democracy in the Nation, and not a more restricted basis.

Inasmuch as the discussion is to be continued on Thursday, I shall yield the floor. I send an amendment to the desk, which I offer on behalf of the two Senators from Oregon and myself, and ask that it be printed.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. DOUGLAS. Mr. President, I now yield the floor, and I hope that my colleagues will read the RECORD, so that when we return on Thursday the good Senators from California will eliminate section 6(a).

HAWAII'S GOVERNOR QUINN IS VIOLATING HATCH ACT AND SHOULD RESIGN

Mr. GRUENING. Mr. President, most of the distinguished Members of this body were pleased to have the opportunity to help make statehood for Hawaii a reality this March. But I am quite sure that none of the Members—and there were several who were vitally involved, such as my able friend from Washington, HENRY M. JACKSON, who did such a fine job of managing both the Hawaii and Alaska statehood bills on the floor—were any more delighted than were my distinguished colleague, "BOB" BARTLETT, and I because we had been so recently involved in a similar effort.

I have been an advocate of Hawaiian statehood for a quarter of a century. When, in 1934, I was appointed as the first director of the newly created agency in the Interior Department, the Division of Territories and Island Possessions, I conceived it my duty to diminish as rapidly as possible the duties of that office—and its ultimate abolition. The way to do that was to confer on the outlying dependencies of the United States as nearly as possible the political status which they desired and which they could support consistent with the interest and policies of the United States. That would mean statehood for Hawaii and Alaska, the only two incorporated Territories, and thereby destined for no other status. It meant independence for the Philippines, which was achieved in 1946. It meant for Puerto Rico a special autonomous semi-independent status in response to the expressed will of that island's people. For the remaining areas, it should mean the maximum of self-government, consistent with the conditions in each.

Hawaii has long been ready for statehood. It was ready for statehood 25 years ago and should have had it then. It was ready for statehood long before Alaska was, and when both these Territories, over a decade ago, were actively engaged in trying to persuade the Congress that each should have statehood, I made no secret of my belief that Hawaii deserved—on its merits—prior consideration. I stated publicly that Hawaii deserved statehood more than Alaska, but that Alaska needed it more. I stated publicly my belief that it was more important for the United States to grant statehood to Hawaii than for Hawaii to receive it. By that I meant that the United States would be relatively an even greater beneficiary of Hawaiian statehood than would Hawaii be itself. I have not varied from that view, and feel that no year in my life will be more gratefully remembered as a year of achievement, in which I was fortunate to be able to participate, than the 10-month period in which the Congress voted to admit the 49th and 50th States.

Senator BARTLETT and I were particularly pleased at Hawaii's admission because we had the opportunity to help repay a very great American, delegate JOHN A. BURNS of Hawaii, for his farsighted and statesmanlike performance last year. I refer to Mr. BURNS' leadership in separating the Alaskan and Hawaiian statehood bills and insisting on their being completely disassociated, so that each could be considered separately on its own merits. Had it not been for Delegate BURNS' enlightened action, which was made at no slight political risk to himself, both Alaska and Hawaii would, in my reasoned judgment, be still petitioning Congress for statehood, and their achievement of that goal indefinitely postponed.

Last year, as many Senators will recall, I was here serving as a "Tennessee-Plan Senator," and seeking, with my two colleagues, to influence the Members of Congress on behalf of Alaska's cause. We had many, many wonderful friends in both Houses. But perhaps no one played a more crucial and determining role than did JOHN A. BURNS, Hawaii's Delegate in the House. Even though Hawaii had been petitioning for statehood longer than Alaska—more or less for a half century, and actively for 40 years—Burns quickly appreciated that we of Alaska were in a more strategic position for success, and did not hesitate to allow us to go first. He resisted all pressures, all blandishments—and they were numerous, forceful and persuasive—to cause him to deviate from that course. The result of his wisdom was the sure and safe passage, after many heartbreaking and unsuccessful attempts in the past, of both pieces of legislation in the incredibly short time of ten months. What had for a long time seemed a lost cause was, in large degree, saved by the abnegation, restraint and statesmanship of JACK BURNS.

Since statehood for Hawaii passed Congress and was signed into law by President Eisenhower in March, I have been following developments in our newest State with attention and sympathy because we in Alaska have a deep community of interest with our sister State, Hawaii. We have fought side by side for a decade and a half for the equality of statehood. We are the only non-contiguous areas to be admitted to the Union. We represent America's farthest west and respectively America's farthest north and farthest south. We bring great diversity to the Nation.

Because of this interest, I find it necessary to report to this body, Mr. President, that one aspect of the situation in Hawaii at present is not quite as it should be. The present Territorial Governor, the Honorable William F. Quinn, has not been following either the letter or the spirit of Federal law in regard to the upcoming elections in Hawaii this summer. They are important to this body. Two more Senators will join us. A governor and a legislature of the 50th State will, for the first time, be elected. Mr. Quinn, I believe, has been violating section 9 of the Hatch Act, which makes it unlawful for any person employed in the executive branch of the United States Government "to use his official authority or influence for the purpose of interfering with an election or affecting the results thereof. No officer or employee in the executive branch shall take any active part in political management or in political campaigns."

The only exceptions to this section are the President and Vice President of the United States; persons whose compensation is paid for from the appropriation for the Office of the President; heads and assistant heads of executive departments; officers who are appointed by the President, by and with the advice and consent of the Senate, and who determine policies to be pursued by the United States in its relations with foreign powers or in the nationwide administraton of Federal laws.

While Governor Quinn is a Presidential appointee, subject to Senate confirmation, his office is certainly not one in which are determined policies pursued by the United States in its relations with foreign powers or in the nationwide administration of Federal laws. Having held the corresponding office as Governor of Alaska, I know what the limitations of that equivalent office are. So Governor Quinn is not exempt from the operation of the Hatch Act.

The facts in this case are these, Mr. President. Mr. Quinn formally announced his candidacy for the elected governorship of the new State of Hawaii early in February—more than a month before statehood was achieved. On April 5, he made his formal announcement of his candidacy, which was headlined in the Honolulu Advertiser of that date, "Quinn Will Run For Governor." He issued a statement at that time in which he said:

I have decided to reaffirm my earlier announcement that I will be a candidate for Governor in the forthcoming State election.

Since his formal announcement 1 month ago, I have been informed by reliable sources that Mr. Quinn is spending virtually his entire time campaigning intensively throughout Hawaii's seven islands, at taxpayers' expense, and is using the prestige and mechanism of his present appointive office to advance his candidacy.

Contrast the campaigning of Mr. Quinn with the activities of Delegate Burns since the statehood act was passed by Congress. Delegate Burns has remained right here in Congress, effectively doing the job the people of Hawaii elected him to do.

I believe I can speak with some authority on this point, because we had a situation of a somewhat similar nature in Alaska last year, but with a different outcome. My opponent in the U.S. Senate contest, former Governor Michael Stepovich, was also an appointive officer, appointed by the same President on the recommendation of the same Secretary of the Interior. But at no time while he held the appointive governorship of Alaska was he an announced candidate for any political office, although, in the course of his duties, he certainly campaigned indirectly for whatever important office under statehood he would decide to seek.

But when Mr. Stepovich announced, on July 25, 1958, that he would run for the United States Senate seat against me, he resigned his appointive job. His resignation was promptly accepted by President Eisenhower. Governor Stepovich resigned because he realized that, as an announced candidate for an elective office, he could no longer effectively—or legally—serve the people of Alaska in his appointive post. So he did the proper thing and resigned.

In fairness both to the people of Hawaii and to the administration he represents, I believe Governor Quinn should take the same step immediately. Every day that he continues to campaign on behalf of his own candidacy while holding his appointive post as governor appears to be a further violation of Federal law.

Unfortunately, this is by no means the first time that Mr. Quinn has violated if not the letter, at least the spirit of the Hatch Act. During the election for United States Delegate in Hawaii last fall, Governor Quinn, time and time again, took the stump to make thoroughly intemperate political attacks against the present delegate from Hawaii, JOHN BURNS. He accused Delegate BURNS, among other things, of selling out the people of Hawaii by separating the Alaskan and Hawaiian statehood bills so that they could be passed separately. Delegate BURNS was violently attacked by Mr. Quinn for doing the very thing he deserved the highest credit for—separating the two statehood bills so that each one would be assured of passage. History has proved that Mr. BURNS was right, and it has proved that Mr. Quinn's intemperate attacks last fall were totally unwarranted and unjustified, and their validity disproved in an amazingly short time.

To illustrate the kind of intemperate campaign Mr. Quinn conducted last year for the Republicans, let me quote an article from the October 4, 1958, edition of the Honolulu Star Bulletin, which is headlined, "BURNS Lays Down on Statehood Job, Quinn Says in Attack on Democrats."

Here are excerpts from the article by Jack Teehan:

Governor Quinn unlimbered a blackthorn shillelagh in a KGMB–TV address last night and belabored Delegate BURNS and the Democratic Party to a fare-thee-well.

Quinn accused Delegate BURNS of lying down on the statehood job and other congressional matters.

"Mr. BURNS himself actually was one of the chief reasons we didn't get statehood at the last session.

"Now we have to start all over again in the next session," he (Quinn) said.

"I assure you it is not going to be a very easy job."

He said Hawaii can't succeed in its statehood fight with the "hyper-partisanship" that BURNS displayed.

The article continued on at length in this vein, but enough has been quoted to illustrate the type of campaigning that Mr. Quinn indulged in last year—and in direct violation of Federal law, the Hatch Act.

I also submit that it is difficult to believe that Governor Quinn was so little informed that he did not realize that Delegate BURNS' action in clearing the way for Alaska made Hawaii's passage in the 1959 session of Congress a virtual certainty. No, Mr. President, it was nothing but a partisan political attack on the only duly elected representative of the people of Hawaii. It was done, I am convinced, in clear violation of Federal law.

This display of partisan intemperance was not the only one on Mr. Quinn's part during the last campaign. Illustrative are some of the headlines from Hawaiian newspapers during the campaign:

From the Honolulu Advertiser, October 30, 1958: "Quinn Says Lease Bill Not BURNS'."

From the Honolulu Star-Bulletin, October 31, 1958: "Quinn Says BURNS Was Slow To Act on Magic Isle Bill."

From the Honolulu Advertiser, October 28, 1958: "Quinn Launches TV Attack on BURNS' Congress Record."

From the Honlulu Star-Bulletin, October 15, 1958: "BURNS Won't Push Statehood If Party Balks, Quinn Says."

From the Honolulu Star-Bulletin, November 4, 1958: "Eight Hundred on Kauai Hear Quinn Criticize BURNS' Record."

From the Honolulu Star-Bulletin, October 30, 1958: "Sixty-five Year Lease Law Passed Despite BURNS, Quinn Says."

This unwarranted display of intemperate political campaigning by Mr. Quinn is in direct contrast to the actions of his predecessor, the late Governor Samuel Wilder King of Hawaii. It is true that Governor King spoke in general terms on behalf of his party, the Republican Party. As the representative of a Republican administration, he had every right to do so.

During my 14 years as appointive Governor of Alaska under the Democratic administrations of President Roosevelt and President Truman, I, too, spoke on behalf of the Democratic Party. But, like the late Governor King, I never indulged in partisan attacks of this nature. Neither did my Republican successors, Governor Heintzleman and Governor Stepovich.

Let me say, Mr. President, that I am motivated by no personal animosity of any kind toward Mr. Quinn. I have met him only recently. He has an agreeable and pleasing personality. The reports I have received indicate that he is doing a conscientious job as Governor and that he is a fine family man of good moral character. He has every right to aspire to move from appointive to elective office.

The question involved here is one of principle, not personality. Because Mr. Quinn is an appointee of the National Republican administration, it is a question of ethics in Government that transcends in import the forthcoming elections in the State of Hawaii, important as they are.

Because of my own personal background as Alaska's appointive Governor, and now as a United States Senator; because of my concern—for a full quarter of a century—in Hawaiian statehood; because of my desire to see Hawaii get as fair a start as a State as Alaska has, I feel it my duty to raise this issue. I believe that Governor Quinn should immediately resign his post as Hawaii's appointed Governor. If he does not do so, I think the matter should be brought to the immediate attention of the Justice Department—inasmuch as this appears to be a clear violation of Federal law—for such action as that Department deems appropriate.

Mr. KEATING. Mr. President, will the distinguished Senator from Alaska yield?

Mr. GRUENING. With pleasure, I yield to the distinguished junior Senator from New York.

Mr. KEATING. Can the Senator from Alaska inform us whether Mr. Quinn has filed as a candidate for Governor?

Mr. GRUENING. He has announced his candidacy repeatedly.

Mr. KEATING. I realize that; but has he filed any papers in that regard?

Mr. GRUENING. I doubt whether he has.

Mr. KEATING. The answer which the junior Senator from Alaska has just given makes clear the legal situation with respect to Governor Quinn.

I realize that what little I may have to say will not have the same place in the headlines in Hawaiian newspapers which the remarks of the Senator from Alaska will carry. Those headlines will say: "Quinn Charged With Law Violations."

Down at the end, somewhere, it may be said that someone rose in Mr. Quinn's defense.

It is no coincidence, either, that this lavish praise of Delegate BURNS should be linked with the attack on Governor Quinn. The fact is that Congress was extremely careful in the act which it passed on March 18, 1959, to provide in section 7(c), in order that continuity of government might be maintained, that—

> Until the said State is so admitted into the Union, the persons holding legislative, executive, and judicial office in, under, or by authority of the government of said Territory, and the Delegate in Congress thereof, shall continue to discharge the duties of their respective offices.

Governor Quinn is the chief executive officer under appointment who comes squarely within that provision. This statute was enacted long after the Hatch Act, and certainly would take precedence over the provisions of the Hatch Act, since certainly the Congress of the United States had in mind the existence of the Hatch Act when it passed this law.

Although I cannot speak for Governor Quinn, and I have no authority to do so, I have no doubt that the time will come, as the elections in Hawaii proceed to their culmination, when the burdens of campaigning will be such that it will be necessary for him to resign and to have someone else appointed as acting Governor.

But I could not sit here and allow an attack upon the present Governor to be made without saying these few words in his defense, particularly when the statement was coupled with a reference to Mr. BURNS, for whom I entertain a high regard because of the work he has done at the other end of the Capitol, although there is a difference of opinion in regard to his tactics and policies in connection with the Hawaiian statehood bill.

Mr. President, I do know Governor Quinn as a man. He was born in the city in which I live. As the distinguished Senator from Alaska has said, Governor Quinn is a very fine man, with a fine family. He is not a law violator, either by inclination, intention, or otherwise. He has violated no law, and he should not be charged with the violation of a law.

Mr. GRUENING. Mr. President, will the able junior Senator from New York explain why it is entirely proper for Governor Quinn, after he has twice announced his candidacy for the governorship of the State, to continue in office, if he considers it entirely possible that the time may come when the combined duties of the governorship and the candidacy will make it proper and correct for him to retire?

Mr. KEATING. I should think that the time would come when the Delegate from Hawaii might see fit to resign, and to become a candidate for office. But I cannot say when either the Delegate from Hawaii—who also has not resigned—or the Governor of Hawaii will feel that his duties in campaigning are so arduous that it is necessary for him to leave the office he now holds.

Mr. GRUENING. The Delegate from Hawaii has neither announced his candidacy for any State office nor has he made any attacks, intemperate or otherwise, on the Governor of Hawaii. There seems to be a startling contrast between the performance of the two men who are mentioned in the remarks I made.

Mr. KEATING. But the Delegate from Hawaii is campaigning every day, and he has been for a long time—regardless of whether he has formally announced it. Certainly that is his privilege.

Mr. GRUENING. I should like to suggest that the only way the Delegate from Hawaii is campaigning is by the faithful performance of the duties of the office to which he was elected—a contrast with the activities of the Governor of Hawaii, who is spending his time campaigning in the seven islands for an office to which he was not elected, but which he now seeks, under statehood. I think that, in addition to a legal issue, there could be involved a moral issue, which was clearly pointed out in Alaska when my opponent, the former Governor of Alaska, immediately resigned upon announcing his candidacy for election to the Senate, and proceeded to campaign as an individual—which is precisely what Governor Quinn should do.

So I feel that the point the Senator from New York—with all his great ability and training—has made falls short of reality, and that the Governor of Hawaii would be well advised, for the benefit of his own reputation and, also, for the benefit of a party he represents, to resign his important office, strip himself of the benefits and emoluments of the staff he has, who help him to campaign, and to campaign as a private citizen.

Mr. KEATING. But Congress has given a mandate to the present officers—and did so as recently as March 18 of this year—to remain in office until their successors are elected.

I do not know the motivation of Governor Quinn or what is going through his mind; but I presume he is governed, and I hope he is, by the statute the Congress has enacted, which is very specific—and much more specific, I may say to my friend, as he probably knows—than the language of the comparable Alaska statute.

Mr. GRUENING. Then is it the belief of the Senator from New York that the Governor of Hawaii should remain in office until election day?

Mr. KEATING. No. I made myself very clear on that point. It is a matter for his decision. If he reaches the point where his duties in campaigning are so great that he cannot fulfill the duties of his office of Governor, I assume he will then resign—just as I hope the Delegate from Hawaii will resign when he becomes so actively engaged in the campaign that he cannot discharge his duties as Delegate.

It is true that oftentimes Members of Congress do not resign when they run for some other office. There is no legal obligation, I believe, on the Delegate from Hawaii to resign before continuing his campaign. But, certainly, he should consider that matter in the same manner in which I assume Governor Quinn will consider it; and if he cannot devote the time needed for his job, no doubt he will then resign, so that someone else may serve.

Mr. GRUENING. But that would be in violation of what the Senator from New York has said is an obligation to remain in office until election day.

Mr. KEATING. No; at no time have I said that he must remain in office. I said that the statute provides that the officers now holding legislative, executive, and judicial office shall continue to discharge the duties of their respective offices "until the said State is so admitted into the Union." But I have no doubt that there can be read into the language of the statute the necessity for the appointment of an Acting Governor or an Acting Delegate, although I do not know the provisions in regard to the appointment of an Acting Delegate; probably one could not be appointed by the Executive.

But certainly it would not, in my judgment, be a violation of his duties for the Governor to resign and have an Acting Governor appointed. Certainly there is no obligation on him to do so. Further than that, it is not appropriate to charge him on the floor of the Senate with a criminal offense, when he has no opportunity to reply to the charge made against him.

Mr. GRUENING. There is ample opportunity to reply by proper action. In view of the fact that he has twice announced his candidacy for the governorship, I feel that he is a candidate. The fact that he may not actually have filed papers seems to me to be apart from the issue.

Mr. President, I do not know that it is appropriate to prolong this discussion. I think there is not only a legal, but a moral, issue involved when the Governor of Hawaii makes use of Federal funds and personnel, which are supplied him for a wholly different purpose, to promote his candidacy. It is improper for him to do so. I rest my case with that statement. I hope Governor Quinn, who is a very kindly gentleman, and who comes from a fine family, will realize that a proper performance of his public duty would be the tender of his resignation, as was done in the case of Governor Stepovich, of Alaska, and proceed to run on an equal basis with whoever his opponent may be.

Mr. KEATING. I have no doubt the time will come, prior to the time of election, when Governor Quinn will do so; but that is a far cry from charging him with the commission of a crime for what he has done up to today, when he is not guilty of violating a law, either in letter or spirit.

ADJOURNMENT TO THURSDAY

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). If there is no further business to be transacted under the order previously entered, the Sen-

ate will now stand adjourned until Thursday next, at 12 o'clock noon.

Thereupon (at 7 o'clock and 13 minutes p.m.), the Senate adjourned, under the order previously entered, until Thursday, May 7, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 5, 1959:

DEPARTMENT OF THE NAVY

William B. Franke, of New York, to be Secretary of the Navy, vice Thomas Sovereign Gates, Jr., resigned.

Fred A. Bantz, of New York, to be Under Secretary of the Navy, vice William B. Franke.

FEDERAL POWER COMMISSION

Frederick Stueck, of Missouri, to be a member of the Federal Power Commission for the term of 5 years expiring June 22, 1964. (Reappointment.)

PUBLIC HEALTH SERVICE

Thomas Edward Keys, of Minnesota, to be a member of the Board of Regents of the National Library of Medicine, Public Health Service, for the remainder of a term expiring August 3, 1962, vice Isidor Schwaner Ravdin, term expired.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Duard S. Harper, Fyffe, Ala., in place of J. H. Wilbanks, transferred.

ALASKA

Wallace G. MacNiece, Cold Bay, Alaska, in in place of J. L. Mealey, resigned.

COLORADO

Carroll A. Claymon, Amherst, Colo., in place of T. G. Weyerta, deceased.

CONNECTICUT

Antoinette A. Diani, Abington, Conn., in place of A. S. Holbrook, retired.

FLORIDA

Marie C. Stanger, Salerno, Fla., in place of G. G. Whitfield, retired.

GEORGIA

L. Blake Stiles, Blue Ridge, Ga., in place of J. M. Poston, deceased.

Jack D. Carter, Tifton, Ga., in place of W. M. Dewberry, declined.

ILLINOIS

Raymond C. Foley, Paris, Ill., in place of Grady O'Hair, deceased.

INDIANA

C. Benson Hufford, Frankfort, Ind., in place of R. M. Swaim, retired.

Jack S. Brown, Hillsdale, Ind., in place of L. J. Britton, deceased.

Roscoe H. Bockman, Huntertown, Ind., in place of Leta McComb, retired.

IOWA

Weldon E. Peters, George, Iowa, in place of M. C. Ennor, retired.

Joseph W. Sparks, Prairie City, Iowa, in place of D. C. Norris, retired.

Paul L. R. Schmidt, Sioux Rapids, Iowa, in place of D. D. Stanzel, transferred.

KANSAS

John E. Smith, Atchison, Kans., in place of H. G. Ham, deceased.

Carl E. Riggs, Burns, Kans., in place of E. F. Funke, retired.

Lewis R. Brust, Plainville, Kans., in place of B. J. Haworth, retired.

KENTUCKY

Ada Lee Davis, Hardyville, Ky., in place of Donald McDonald, transferred.

Robert E. Morehead, Hebron, Ky., in place of Elmer Goodridge, retired.

Amanda N. Blackford, Wilmore, Ky., in place of C. W. Mitchell, retired.

LOUISIANA

Kenneth L. Hardaway, Plain Dealing, La., in place of A. K. Allums, retired.

MARYLAND

James L. Christopher, Preston, Md., in place of E. W. Gallagher, retired.

MASSACHUSETTS

Ronald A. Urquhart, East Walpole, Mass., in place of S. A. Nickerson, deceased.

Stanley E. Johnson, Worcester, Mass., in place of J. A. Marshall, retired.

MICHIGAN

James O. Bowen, Benton Harbor, Mich., in place A. J. Jackson, retired.

Leonard Lundquist, Plainwell, Mich., in place of C. E. Nogle, transferred.

Robert C. Miller, Pontiac, Mich., in place of G. L. Stockwell, retired.

Jason D. Robinson, Saint Johns, Mich., in place of G. E. Osgood, retired.

MINNESOTA

Carmen J. Curtis, Noyes, Minn., in place of A. A. Rustad, retired.

MISSISSIPPI

Vance H. Dorman, Myrtle, Miss., in place of J. T. Miller, retired.

John H. McCracken, Jr., Walls, Miss., in place of H. P. Toombs, retired.

MISSOURI

Francis H. Luetkemeyer, Freeburg, Mo., in place of A. M. Willibrand, retired.

NEBRASKA

Lawrence H. Rogge, Johnson, Nebr., in place of J. M. Casey, resigned.

NEW HAMPSHIRE

Roland A. Dorr, Littleton, N.H., in place of E. J. Varney, retired.

NEW JERSEY

John V. Frame, Williamstown, N.J., in place of J. P. LaPorta, deceased.

NEW YORK

William P. Hurley, Dobbs Ferry, N.Y., in place of B. F. Mannion, deceased.

John J. Hogan, Flushing, N.Y., in place of F. J. Cassidy, retired.

Joseph M. Theil, Hunter, N.Y., in place of R. A. Dolan, retired.

Muriel M. Bonini, Oscawana, N.Y., in place of D. L. Clair, deceased.

NORTH CAROLINA

F. Ray Frisby, Marshall, N.C., in place of Grace Freeman, retired.

William L. Snypes, Ridgecrest, N.C., in place of P. R. Holman, deceased.

NORTH DAKOTA

Harley E. Ludwig, Portland, N. Dak., in place of L. I. Aamold, removed.

OHIO

Virginia G. Bortel, Grand Rapids, Ohio, in place of J. P. Minnick, retired.

Richard J. Neuhardt, Lewisville, Ohio, in place of C. R. Pollen, removed.

OKLAHOMA

Jimmie L. Roberts, Davidson, Okla., in place of L. C. Dobbs, retired.

Jettie E. Kirby, Eufaula, Okla., in place of J. L. McKinney, retired.

Floyd B. Walker, Mountain Park, Okla., in place of W. T. Barnes, retired.

PENNSYLVANIA

Lawrence E. Adams, Berwyn, Pa., in place of T. C. Lamborn, retired.

Virginia K. Eberhart, Clark, Pa., in place of Charlotte Moats, removed.

Edward L. Thomas, Drifton, Pa., in place of N. E. Breslin, retired.

Florence E. Blair, Hiller, Pa., in place of E. L. Pierro, deceased.

James D. Kinsley, Pocono, Pa., in place of L. B. Kinsley, deceased.

Ernest M. Ovell, Weedville, Pa., in place of J. C. Lewis, retired.

SOUTH CAROLINA

Ruth L. Lawson, Buffalo, S.C., in place of H. J. Snyder, transferred.

Cecil E. Mason, Hampton, S.C., in place of M. J. Stanley, retired.

SOUTH DAKOTA

Ivan G. Holter, Platte, S. Dak., in place of C. F. Brooks, retired.

TENNESSEE

Helen D. Norman, Heiskell, Tenn., in place of Perry Jennings, deceased.

Dorothy M. Hunter, Huntland, Tenn., in place of A. E. Staples, retired.

Paul K. Sadler, Red Boiling Springs, Tenn., in place of E. D. Hagan, retired.

TEXAS

Bernard E. Carr, Eldorado, Tex., in place of C. T. Waller, transferred.

Montie F. Cameron, Kirkland, Tex., in place of R. L. Toft, transferred.

Cassie F. Hudnall, Rhome, Tex., in place of Kate Shaw, retired.

Clara P. Landers, Van Horn, Tex., in place of C. M. Bean, retired.

UTAH

Leo J. Walker, Fort Duchesne, Utah, in place of C. S. Nebeker, resigned.

VIRGINIA

Dorothy S. Neblett, Kenbridge, Va., in place of O. M. Buchanan, retired.

WISCONSIN

Arlene O. Stoetzel, Beldenville, Wis., in place of I. I. Close, retired.

Harold P. Klebenow, Gillett, Wis., in place of M. E. Lang, transferred.

Norbert F. Kilsdonk, Little Chute, Wis., in place of Anna Metz, retired.

John F. Whitmore, Madison, Wis., in place of E. C. Cooper, retired.

WYOMING

Oral O. Harvey, Greybull, Wyo., in place of F. W. Chamberlain, retired.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 5, 1959:

SUPREME COURT

Potter Stewart, of Ohio, to be an Associate Justice of the Supreme Court of the United States.

THE COUNCIL OF ECONOMIC ADVISERS

Henry C. Wallich, of Connecticut, to be a member of the Council of Economic Advisers.

FEDERAL HOME LOAN BANK BOARD

William J. Hallahan, of Maryland, to be a member of the Federal Home Loan Bank Board for a term of 4 years expiring June 30, 1963. (Reappointment.)

THE SECURITIES AND EXCHANGE COMMISSION

Earl Freeman Hastings, of Arizona, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1964. (Reappointment.)

U.S. ATTORNEY

S. Hazard Gillespie, Jr., of New York, to be U.S. attorney for the southern district of New York for the term of 4 years.

WITHDRAWAL

Executive nomination withdrawn from the Senate May 5, 1959:

POSTMASTER

Donald R. Kempton to be postmaster at Laurelville, Ohio.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 5, 1959

The House met at 12 o'clock noon.

Rev. William Kenneth Lyons, minister, Anacostia Methodist Church, Washington, D.C., offered the following prayer:

Ye have compassed this mountain long enough: turn you northward.—Deuteronomy 2: 3.

Our God and Father, we give Thee thanks, that there is One who knows us and cares, and daily calls us to higher and better things. We thank Thee for another day in which we may make amends for our failures and meet the responsibilities of the new hour with fresh inspiration and courage. Give us the strength to take our stand on the side of integrity and justice, of mercy and sacrifice in all of the righteous struggles of our day. May we never settle down to tasks below our best abilities and be satisfied. Thou hast called us to greater things; may we not disappoint Thee, but press toward the mark of highest calling. We offer this petition in Jesus' name. Amen.

The Journal of the proceedings of yesterday was read and approved.

COMMITTEE ON THE JUDICIARY

Mr. LANE. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have permission to sit during general debate tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

IS CUBA GOING RED?

Mr. PORTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, Stuart Novins, a CBS news correspondent, prepared a TV program entitled "Is Cuba Going Red?" It was presented over the CBS television network last Sunday. The full text appears following these remarks.

I have sent a copy of the text to my friend, the very able Cuban Minister of Finance, Rufo Lopez Fresquet. It is an honest, conscientious report. There is much there which needs to be refuted, explained, or corrected. I want him to read it and show it to Fidel Castro.

Lopez Fresquet, U.S. Ambassador Dihigo, Foreign Minister Agramonte, and others like them are democratic and able public servants. They are the hope of Cuba today. They represent one faction in Cuba today.

Army Chief Raul Castro, La Cabaña Fortress Commander Che Guevara, Labor Chief David Salvador, Revolucion Editor Carlos Franqui, and others like them make up the opposing faction. Their policies, whatever their intentions, are aiding the Communists in an attempt to take over the revolution.

FIDEL CAN DECIDE

How this struggle is resolved will decide the future of Cuba. The man who will decide the outcome, if he does not wait too long, is Fidel Castro. I hope and believe he will lead Cuba away from a communistic dictatorship. He will do this for the same reasons he led a revolution against a Fascist dictatorship.

Mr. Novins believes Cuba is rapidly becoming a Communist beachhead in the Caribbean. He says it is today a totalitarian dictatorship and that Cubans can no longer express publicly any opposition to the Government without incurring swift and arbitrary reprisals.

I have commented previously about the "ominous trend" in Cuba. Mr. Novins, in my opinion, like too many of his fellow journalists, overestimates the power of the Communists in Cuba. This is a big help to them. It gives them prestige they could not win for themselves.

INVESTIGATION NEEDED

What Mr. Novins says about the intimidation of the press in Cuba is more than ominous. The situation calls for immediate correction by Castro and those members of his government like Lopez Fresquet who value civil liberties. The Inter-American Press Association should investigate these charges immediately and make a public report.

Cuba's problems today stem in the main from Batista thievery, Batista corruption of electoral processes, and Batista terror. Mr. Novins, like others, tends to blame the Castro government for conditions it inherited.

"There is no evidence," states Mr. Novins, "to support the charge that Fidel Castro is a member of the Communist Party. It is most probable that he is not." He says Castro's economic, social, and political program is "generally believed to be sincerely motivated." I agree.

However, I think Mr. Novins expressed himself poorly when later he said "it doesn't really matter whether Castro is a Communist or a willing dupe of Communists." I do not believe Castro is either a Communist or a willing dupe. Mr. Novins says he believes Castro is not a Communist and he offers no evidence to show that he is a "willing" dupe. Castro has a lot to learn about Communists. I think he is learning. Mr. Novins' report, on the whole intelligent, factual, and sincere, is, I hope, going to help in this process.

SEVEN RECOMMENDATIONS

On April 29, 1959, I entered remarks about Castro in the CONGRESSIONAL RECORD, beginning on page 7090. I made these seven recommendations:

First. Reduce speechmaking to no more than one oration a week. Sit down at his desk. Meet and work with his correspondence secretaries, including J. Ossorio, who handles letters from the United States. Get organized. Castro's own knowledge of military staff organization should be applied. In short, he should face up to this third ordeal and triumph gloriously as in the other ordeals.

Second. Bar Communists from holding executive or judicial offices in the Cuban Government or in labor unions. Of course, I do not propose a witch hunt, but only that Castro recognize a Communist cannot be loyal to Cuba, and act accordingly.

Third. Castro should give his personal attention to the democratic organization of labor unions. See that Vincente Rubiera has a fair hearing with respect to his ousting as general secretary of the Cuban telephone workers. It is highly important that labor, both in and out of Cuba, work side by side with Castro in the economic and social changes which are in process.

Fourth. Stop the military trials of accused war criminals and turn these matters over to civil courts with instructions that prompt action be taken. Cases like Klawans and the editor of El Mundo need immediate attention.

Fifth. Call upon the U.S. Government for any necessary technical cooperation. Under our mutual security program we can and would gladly supply Cuba with experts in fields vital to the economy of Cuba.

Sixth. Ask that the American military missions be returned to Cuba. Castro has a new military force to train. Cuba is now clearly on the side of the free world against the Communists. I was emphatic in wanting us to withdraw the missions when Batista was in power. I am just as emphatic in wanting them returned now that Cuba is a democracy. I think it would be proper for Cuba to stipulate that the members of such missions be, as almost all Americans are, men who share the democratic ideals of our respective nations.

Seventh. Do not hesitate to enlist advice and aid from democratic friends here in the United States and elsewhere in the hemisphere. I refer especially to Gov. Muñoz-Marín of Puerto Rico, former President Jose Figueres of Costa Rica, President Romulo Betancourt of Venezuela, and others like them.

ELECTION DATE SHOULD BE SET

Mr. Novins is, of course, right that free elections are vital. Castro should set a date within 2 years. I have recommended that these elections be held before 1961 and that opposition parties be allowed to develop freely. I have been assured that these matters will be taken up immediately on Castro's return to Cuba. I have been told that it is almost certain that the date will be within the 18 months or 2 years originally predicted by Castro.

No nation can put off elections pending the elimination of corruption, illiteracy and misery. I believe Castro will very soon understand this fact and appreciate the importance of setting a date at once and encouraging political activity.

Mr. Novins has done a good job setting out many of Cuba's problems. He could have mentioned others, such as the currency stabilization crisis which is approaching. He could have given a more accurate picture by showing the roots of these problems in the Batista regime and by indicating, however fleetingly, the larger revolution, called the revolution of rising expectations, in Latin

America, which is also occurring in Asia and Africa.

Is Cuba going Red?

It could, yes. But I don't think it will. Fidel Castro is opposed to communism and Communists. Most of his top leaders share his view and many of them are more aware of the present threat than he seems to be. He told me he would not allow them to destroy the movement he built. He needs help—help from Cubans, from citizens of the United States and other nations in this hemisphere.

Here follows the full text of "Is Cuba Going Red?" as broadcast over the CBS television network, Sunday, May 3, 1959, reported and narrated by Stuart Novins, CBS news correspondent.

IS CUBA GOING RED?

ANNOUNCER. The CBS television network presents "Is Cuba Going Red?"

CBC News Correspondent Stuart Novins has just returned from Cuba, where he spent 2 months in an exhaustive study of the revolutionary government as it has emerged under Fidel Castro. He traveled throughout the island, talking to hundreds of people of all backgrounds and examined a mass of documentary evidence. For an examination of the question "Is Cuba Going Red?" here now is Mr. Novins.

Mr. NOVINS. Good evening. The inescapable fact is brutally simple. The island of Cuba—90 miles off our shores, site of the American naval base that guards our southern defenses, anchor for our defense of the Panama Canal, key to the political future of Latin America—this Cuban island is today a totalitarian dictatorship and is rapidly becoming a Communist beachhead in the Caribbean.

Despite the protestations of democracy by Fidel Castro, despite the promise of the rebellion that ousted the corrupt state of Batista, Cuba is today a one-man government, held together by promises and fear, and control of the island's economic, political, and social institutions is rapidly being taken over from that one man, Fidel Castro—whether he knows it or not—by what is emerging, in the opinion of Western diplomatic sources, as the best organized Communist apparatus in the Caribbean.

It is no longer possible for Cubans to express publicly any opposition to the Government without incurring swift and arbitrary reprisals. Any criticism of the Fidel Castro government is now denounced as "counterrevolutionary," and Government practice makes "counterrevolution" punishable by property confiscation, imprisonment, and/or death. Nowhere has the term "counterrevolution" been legally defined. That is why much of this report will be told in my voice rather than the voices of Cubans themselves.

Cuba's rebellion, which ended with the flight of Batista on January 1, created a perfect laboratory and target for Communist penetration. Here is how it works:

In the classic strategy of Communist infiltration, there are two main tactics: To impoverish and make impotent the rich and middle class; and deliberately to create mass unemployment, hunger, and discontent among the poor. In the ensuing chaos, the Communist hard core, already infiltrated into key control points of the government and the economy, can then take over.

What are the checkpoints to watch for in a totalitarian state?

You look at the general economy, for its effect on the lives of the people, and particularly of the middle class.

You look for the development of political opposition parties and the government's attitude toward them.

A vital key is the press and news media.

You watch for what happens to the cultural and mass entertainment media—to the education system.

No totalitarian government can operate without total reliance on its army. So you look for the political complexions of the army's leaders, for signs of purges within army ranks, for political indoctrination of troops.

You examine the country's court and judicial system.

You check the labor unions. Are they free?

The final and basic test, of course, of any government is—can the people change their government or its policies by peaceful ballot?

Now let's apply those checkpoints to what is happening in Cuba today.

This is David Salvador. He is secretary-general—top man of the Cuban Confederation of Labor—referred to as the CTC. David Salvador is 38 years old. As head of the only and all-inclusive central labor movement, he is one of the most powerful men in Cuba today. He was appointed to his post by Fidel Castro.

We talked with Salvador in his CTC office in Havana 2 weeks ago.

Mr. Salvador, does your Confederation of Labor control the electric industry?

(In Spanish. Mr. Salvador nods "Yes" to all these questions.)

Mr. NOVINS. The telephone industry?

(In Spanish.)

Mr. NOVINS. The sugar industry?

(In Spanish.)

Mr. NOVINS. And tobacco?

(In Spanish.)

Mr. NOVINS. What about the bank workers?

(In Spanish.)

Mr. NOVINS. You have all of the industries?

(In Spanish.)

Mr. NOVINS. The drug laboratories?

(In Spanish.)

Mr. NOVINS. And everything else?

(In Spanish.)

Mr. NOVINS. The clinics? The laboratories? The factories? Everything?

(In Spanish.)

Mr. NOVINS. The airlines?

(In Spanish.)

Mr. NOVINS. You control the airlines?

(In Spanish.)

Mr. NOVINS. Do you control radio and television?

(In Spanish.)

Mr. NOVINS. All the television?

(In Spanish.)

Mr. NOVINS. The printing presses?

(In Spanish.)

Mr. NOVINS. Do you control them?

(In Spanish.)

Mr. NOVINS. Mr. Salvador, it has been published that you were once a Communist—a member of the Communist Party. Is this true?

TRANSLATOR. (In Spanish to Mr. Salvador.)

Mr. SALVADOR. (In Spanish to translator.)

TRANSLATOR. Many years ago when I was very young I was a member of the Communistic Party. But it's been a very long time since I have been a member.

Mr. NOVINS. Is it true that you once ran for office here in Cuba on the Communist ticket?

TRANSLATOR. (In Spanish to Mr. Salvador.)

Mr. SALVADOR. (In Spanish to translator.)

TRANSLATOR. Yes; when I was a member of the party when I was young.

Mr. NOVINS. Mr. Salvador, are you a Communist now?

TRANSLATOR. (In Spanish to Mr. Salvador.)

Mr. SALVADOR. No, no, no.

Mr. NOVINS. Information made available to this reporter shows that David Salvador, despite the assertion you just heard that he is not now a Communist, during the last 2 years, was part of the underground Communist movement as well as of the rebel movement; that he operated under the code name of "Mario"; that he maintained contact with the party, chiefly through three known card-carrying Communists or their couriers: Lazaro Pena, a veteran party labor movement leader; Blas Roca, another Communist labor movement activist, both of whom were outside of Cuba; and Carlos Rafael Rodriguez, key strategist and political action expert of the Cuban equivalent of the Politburo, who remained inside Cuba.

On March 22, Salvador was seated on the platform before the Presidential Palace in Havana, when Jose Figueres, ex-president of Costa Rica, spoke before thousands of workers at a labor rally. Figueres pointed to the dangers of communism in Latin America, and urged Cuba to take a pro-Western position in the cold war. Salvador jumped from his seat, grabbed the microphone from Figueres, and shouted, "We cannot side with the Americans who oppress us." Shortly thereafter Castro called for Cuban neutrality in the cold war.

Thirteen days later, the Costa Rican Communist leader, Manuel Mora, arrived in Havana. That night, Fidel Castro told his nation over TV that Figueres "is a bad friend of Cuba, a bad revolutionary."

Salvador's Confederation of Labor spreads into every aspect of Cuban life. It is one jaw of the vise that grips the whole economy. The other jaw of the vise is the Government itself.

On March 10, the Government issued a decree that arbitrarily cut all apartment and house rentals: 50 percent on $100 apartments; 40 percent on apartments up to $200.

But here's what happened. Traditionally, middle-class savings have gone into apartments like these. Now, the apartment house owners, their income cut in half, still face mortgage and loan payments that have not been reduced proportionately. The Communist-dominated unions have simultaneously raised the cost of painters, electricians, carpenters, maintenance workers. All new construction in Cuba, for practical purposes, has stopped. One hundred and twenty thousand construction workers have no work to do. Those contractors with people already on the payrolls are forbidden by law to fire or lay off any workers. Companies have to pay the workers out of reserves, just as the apartment owner has to pay his debts out of savings. With the grinding to a halt of the construction industry, the steel industry, cement production, and subsidiary manufacture has been cut back an estimated 60 percent.

On April 8 the Government issued another decree that says, in effect, all privately owned but vacant land must now be sold to anyone who wants to build on it. And the Government fixed the price of $4 a meter, regardless of the original cost to the owner. The practical expropriation implicit in these two decrees alone, have not only virtually wiped out savings of the middle-class owners, they have brought more unemployment to the laborers. They have created so much uncertainty that banks are refusing to make loans. Cuban investment capital is virtually frozen.

As investment shrinks, production drops off, and in almost every industry in Cuba, there has been a simultaneous demand from David Salvador's Confederation of Labor to add more people to the payrolls at higher wages.

These demands are enforced by slowdown strikes on the part of the workers, and by sabotage. They are supported by the Government.

When a company has almost exhausted its resources, the Government—to keep the payrolls going—arbitrarily takes over its management. This process is known as "interventing." More than 475 large businesses

have been intervented by the Government on economic or political grounds. More are on the way. No one knows—or has said publicly—what happens to these companies when all the cash is gone.

There is no doubt that Cuba's poor have been exploited in the past. No doubt that genuine reforms are needed. But the unemployment figure of 40 percent of the work force that Castro inherited on January 1, has now expanded to almost 50 percent of jobless or below subsistence level as a direct result of the Government-union squeeze. That army of unemployed will get bigger in the next 4 months. Sugar grinding ends this month. That will put about 200,000 more out of jobs.

Fidel Castro has ordered a "Buy Cuban products" campaign, and enforced it with powerful publicity and increased tariffs. The announced purpose: to increase Cuban production and stop the flow of dollars out of the country. But here is what is happening in one sample industry:

There are about 400 Cuban and foreign drug companies in the country. The Government has indicated imminent tariff increases on imported raw drugs which are packaged in Cuba. Simultaneously the Government has cut imported drug prices 20 percent, although Cuban drug prices have been frozen for years and packaging costs have jumped 60 percent. The result? Of the 400 drug companies, only about 40 will survive. Spokesmen for the industry told us that when the present stockpile of antibiotics and vitamins is exhausted, there will be none for Cuba's sick. A blackmarket in antibiotics has already begun. The industry, which involves about $50 million volume a year, faces economic disaster; the thousands of Cubans it employs face joblessness.

The rapid disintegration of Cuba's economy from the most flourishing economy in the Caribbean area fits the classic pattern that makes easy a Communist takeover, if the other control points check out, too. Let's look.

The bilateral squeeze—Government on the one side, Communist-led unions on the other—that has clamped down on business, has also clamped down on business' advertising budgets. With revenue cut, most news mediums—newspapers, radio, television—are operating very close to economic failure. The Government has just decreed a 30-percent wage increase for editorial employees. Many papers will have to close down. One Havana television station and a chain of radio stations have already been taken over by the Government on political grounds.

This network is now called Rebel Radio, and it is run by Violetta Casals, a Communist.

Another television station has been persuaded to keep a Communist in its staff of news commentators.

The newspaper Revolucion, is the voice of Castro's 26th of July movement. Its editor is Carlos Franqui, a former staffer of the Communist Party newspaper Hoy. Both papers, Revolucion and Hoy, frequently publish the same stories under the same headlines, they frequently run parallel editorial lines. Hoy increasingly gives credit to the Communists for having started the anti-Batista revolution.

Fidel Castro, in a series of speeches which reached a high point during the week preceding his friendship visit to the United States, publicly accused the Associated Press, the United Press International, Time magazine and other U.S. news sources, with being paid by what he calls the international oligarchies, to print lies about his government. During the same week, Izvestia, the official Soviet newspaper, said, "The monopolistic press of the United States has accelerated an unharnessed campaign against Cuba."

Immediately following the Castro attacks on the American press services, the United Press office in Havana received three telephoned threats that its headquarters would be bombed. The families of some of the employees have been threatened with harm. The union has moved in with new demands.

Castro has made similar attacks on Cuban papers. Within the past 2 months, three papers, Advance, Presna Libre, and Zigzag, which raised tentative questions about Government policies, were publicly catigated by Castro, who urged his listeners to boycott them. There has been no marked editorial probing of Government policy by those papers since then.

A leading anti-Communist writes for the newspaper, El Mundo, one of the largest. His name is Juan Luis Martin. Martin, who wrote about the increased danger of Communist infiltration in Latin America, was secretly arrested by the Castro police and imprisoned without charges in La Cabana Fortress, the Army prison, 5 weeks ago. For 2 days there was no public knowledge of his arrest. His paper, El Mundo, printed nothing about it. A Times of Havana reporter learned about it. He called El Mundo, who confirmed the arrest but declined to say why it had remained silent.

For more than 2 weeks, Martin was kept incommunicado. No charges were filed.

Friends of Martin, commissioned a man, Dr. Oscar Molina, a lawyer and newspaperman, to act as Martin's counsel. Molina was told that as a lawyer, he could not see Martin until 24 hours before his trial, for which no date had been set. He was told that as a newsman, his application for a pass to the prison cells had been denied.

When it became apparent that the lid might be blown off the story on the eve of Fidel Castro's trip to the States, Revolucion, the paper run by Carlos Franqui, printed a story which quoted the La Cabana Purging Commission. It was the first time this term had been used. The purging commission, said Revolucion, had explained Martin's arrest on the grounds that Martin had allegedly been employed as a professor of military history at the army staff school under Batista, and that he had been employed as a translator for BRAC, the Bureau for the Repression of Communists.

The purging commission explanation did not explain that Martin had held the same jobs under the pre-Batista administrations of Carlos Prio and Grau San Martin. It did not explain why the newsman's arrest had been secret, why he had been held incommunicado, why he had been forbidden to see his lawyer, his friends or his family, or why no official charges had been filed against him. (As of April 16, he was still incommunicado.)

More on the press.

In Camaguey, a large city in the middle of the island a revolutionary newspaper called Adelante was established shortly after January 1. It contracted with an existing paper, the 50-year-old El Camagueyano, to use its presses and offices. In early April, it owed El Camagueyano $3,000. The revolutionary officials closed down El Camagueyano.

The publisher, Walfredo Rodriguez, says, "It would be stupid on our part to say the revolution has done this. But I do say that these things are done in the name of the revolution and by those who represent the revolution in Camaguey."

The newsprint on which all Cuban papers are printed is imported. The government import license can be canceled or the import quotas cut down. The only exceptions are Hoy, the Communist Party paper, and Revolucion, edited by Carlos Franqui. They use paper made from bagasse, a sugarcane byproduct.

To summarize the condition of the press—the papers are financially unstable, morally intimidated. With Hoy, Revolucion, and Fidel Castro beating down opposition or criticism, while there is no official censorship, there is, for practical purposes of opposition, no free press in Cuba today. Radio and television are in much the same position, different stations to differing degrees. The broadcast bellwethers are Rebel Radio, led by Communist Violetta Cassals, and Union Radio, run by David Salvador.

It is not only news and current opinion that is being stifled; history is being rewritten.

Fidel Castro has appointed a new committee to do the job. It is called the Commission on Revision of Cuban History Books. It was conceived when Castro in a public appearance stated that American participation in the Spanish-American War was for imperialist motives. He said Cuban textbooks should be revised to show this and to correct other misconceptions. The committee is dominated by Elias Entrango, a former member of the Communist-front Congress for Peace and a close associate of Juan Marinello, leader of the Cuban Communist Party. Emilio Roig de Leuchsenring of the commission is the strongly anti-American historian of the city of Havana (a government post). Western authoritative sources list him as "probably a Communist—certainly a fellow traveler." Another member, Angel Del Cerro, is a self-advertised Catholic layman who, without authorization from the church, engages in public debates with Communists and—according to Western diplomatic observers—always comes off second best. He is also director of cultural affairs for Havana and thus determines who uses what hall and when.

The director of the National Commission of Culture is Vicentina Antunia. She controls foreign visiting lecture tours, concerts, ballets, and the National Theater. Informed and authoritative sources show that she has a long history of identification with Communist activities. And so has Francisco Alonso, top man of the National Fine Arts Commission.

Let's look at the army.

Raul Castro, brother of Fidel, named by Fidel as his successor as head of the revolutionary movement, denies that he is a Communist. The record shows that in 1953 Raul went to Vienna for a Communist-front congress and then disappeared in Bucharest, behind the Iron Curtain, for several weeks. On March 30, this year, he addressed a workers' meeting in Cuba, defending David Salvador's anti-American outburst against Jose Figueres and supporting neutrality for Cuba in the cold war. Members of the 26th July movement told this reporter that in 1957 Raul Castro threatened to kill his brother Fidel over disagreements about rebel activity. Raul organized and carried out the kidnaping of Americans during the revolution. Raul Castro controls all the armed forces and the police. His wife, Vilma Espin, has Communist associations. Her sister is at least a pro-Communist. Raul Castro has appointed a Communist, Lt. Gonzalez Mantichi, as commander of the central Cuban Army arsenal, San Ambrozlo. Mantichi's brother, Enrique, also a Communist, is active in the Confederacion of Labor and particularly in unions that deal with television stations.

The army commander in Santiago is Commandante Manuel Pineiro. The army commander in Las Villas is Demetrio Monseny. Informed and completely reliable sources classify them as "Communists or Communist supporters."

The army's commander of La Cabana Fortress, the military and political prison, where many of the more than 500 executions have taken place, is Ernesto "Che" Guevara, a professional revolutionary from Argentina, who actively supported Jacobo Arbenz the Communist leader in Guatemala. Guevara's second in command at La Cabana until a month ago, was Commandiante Benjamin Camino, an open anti-Com-

munist. When Guevara became ill and had to leave his post temporarily, Camino, as deputy, assumed command in Guevara's absence. Within days, he was arrested and charged with conspiracy—no specifications given. He has not been heard from publicly since.

The man who was defense attorney in the Sosa Blanco Sports Palace trial, Capt. Aristides D'Acosta was also defense attorney for the Cuban Air Force pilots who were found innocent of war crimes by a military court and then personally ordered to be retried and found guilty by Fidel Castro. As an army captain, he was ordered back from the Santiago trial to Havana. He was met at the airport by a group of armed guards. He said to reporters present, "I do not think I am under arrest." But he has since resigned from the army and has not been seen publicly since.

The man who was presiding judge at the first trial of the pilots—the trial at which they had been acquitted—was Major Felix Pena. On April 14, his body was found in his car. A pistol bullet had been fired into his chest. The army press chief Capt. Manolo Iglesias, called it suicide, said a note had been found near Pena, which read, "This is motivated by personal reasons and thus must not be mixed with politics in any way."

The army holds indoctrination courses. The man in charge of the army information program, including political education, is Lt. Alfredo Guevara, a Communist. In many army posts, the only or most widely circulated newspaper is the Communist Party paper, Hoy.

In local police stations (they, too, are under Raul Castro's control) classes in arithmetic, reading, etc. are given to the police. This reporter has seen police orders which direct that promising policemen be selected by the teachers for political indoctrination at the army's camp Columbia, now called Libertad. This reporter has also seen orders directing that no member of the police force shall make any public statement about political indoctrination.

What happens to people who are arrested?

There is no habeas corpus in Cuba. That fundamental right in any free society, was suspended at Fidel Castro's direction on February 2. Arrests can be secret—and frequently are. It is impossible to get from any government source even the number of people who are now under arrest in the country. Prisoners are not charged with specific accusations until about 24 hours before their trials, often weeks or months after their arrest. Prisoners can be—and often are—held incommunicado. They simply disappear. People have been imprisoned for alleged crimes that do not appear in any written laws, or are punished by sentences that are not provided for by law. There is no bill of rights. In Havana, the Government has opened a denunciation center. Here, individuals may come and denounce to police, anyone whom they wish to charge with counter-revolution. The accused is arrested. He is investigated, sometimes for long periods of time. If he is found guilty of this legally undefined crime, he is sentenced. If he is found innocent, he is allowed to leave. But his business colleagues, his friends are reluctant to associate with him, because his case can be reopened at any time.

Let's look at the schools.

At a speech in March, before 386 teachers at the Ministry of Education, the Under Secretary of Education, Louis Lebredo, said the Government has plans to eliminate in all schools, public or private, the teaching of English. When asked by a teacher what benefit that would bring to Cuba, he answered, "We are not here to make Cuba an American colony."

In private schools, the Confederation of Labor has raised the costs of workers, while Revolucion says the Government threatens to force cuts in tuition. In at least two of the largest private schools in Havana, Baldor School and the Lafayette School, acts of sabotage have been committed.

In the public school system, at least 3,300 employees, including 500 teachers and 27 professors, were fired in February and March. Many of them had taught for more than 20 years; 2,500 were fired in 1 single day, March 31.

Now the laws say that one of the remaining teachers, or any that may be hired from now on, may be fired for any reason. The way is clear for the hiring of Communists or sympathizers. The Minister of Education is 27-year-old Armando Hart, described by those close to him as at least a leftwing radical. His wife, Haydee Santamaria, a close adviser and aide to Fidel Castro in the mountains, is evaluated as a fellow-traveler and long-time associate of known Communists.

Now let's look at the Cuban ballot—the chance for free elections.

In early January, Fidel Castro said, "We will hold elections in 18 months or 2 years." We asked him why he didn't do it at once. His reply was that there was no political opposition. He said he wanted time for political opposition parties to develop.

Has political opposition been given a chance to develop? The answer is unequivocably "No." The fact is that political opposition is now legalistically synonymous with counter-revolution, punishable by property confiscation, imprisonment, death.

There is no press to support political opposition. Legal opposition simply cannot form in the present climate of increasing repression.

On April 9 in Havana and April 12 in Camaguey, Fidel Castro said, "Cuba will hold elections only when everyone has a job; when every farmer owns his own land; when illiteracy is wiped out; when," he said, "Cuba has regained its sovereignty." And he added, "Only the reactionaries want us to hold elections before the revolution is finished."

The most conservative estimate possible is that under ideal conditions, this represents at least a 20-year program.

But here in the United States, where elections are thought to be important, Fidel Castro said last week he thought Cuba would have elections in 4 years.

The flexibility of Castro's predictions enforces those who believe that Fidel Castro, hungry for approval and adulation, will persuasively tell any given audience what he thinks it wants to hear.

What about Castro himself—and what is his part in the Communist plan for infiltration?

There is no evidence to support the charge that Fidel Castro is a member of the Communist Party. It is most probable that he is not. He has been a revolutionary throughout most of his relatively mature years. His economic, social and political program is generally believed to be sincerely motivated but completely whimsical and unplanned. He has an uncanny and great talent for persuasive language, but the record shows that his speeches are frequently self-contradictory. He has kindled hopes for Cuba's poor that can never be extinguished and probably never realized. But they are the golden promises that can be held out by the Communists if it becomes obvious that Castro cannot deliver. He has cleaned graft out of the Government. He can take no criticism and little advice. He is naive economically, inexperienced administratively, stubborn as well as naive politically. He has provided and supported a climate for Communist expansion. He has provided and supported an open expression of anti-Americanism that is spreading fast.

Most knowledgeable Cubans will agree that if the Confederation of Labor called a general strike tomorrow and Fidel Castro came out against it on anti-Communist grounds, he still has enough support to kill the strike. But these same men will tell you that 8 months from now, in the same dilemma, Castro might not have the power to kill it. Many Cubans believe that Castro may already be too deeply enmeshed in Communist support to pull out. All are agreed that if anything happens to Castro physically, Cuba would be plunged into the worst bloodbath of its history. Some, the newly-organizing underground, say violence is now the only way left to throw the Communists out—and that means a bloodbath.

And meanwhile, by using the economic situation as an excuse, Fidel Castro consistently dodges the one solution: free elections. If he makes possible, now, truly free elections, guaranteed by constitutional safeguards, the ballot would replace his Communist-exploited personal dictatorship with a constitutional democracy. It would force the Communists into an open count instead of a conspiracy. It would strengthen the anti-Communists who feel they have now no course to take but violence. And Fidel Castro himself would emerge as a greater Cuban hero than ever.

But without free constitutional elections, so far as the United States is concerned, it really doesn't matter whether Castro is a Communist or a willing dupe of Communists. The result in Cuba is the same.

As one Western observer put it "If it looks like a tiger, and growls like a tiger, and has claws and teeth and muscles like a tiger's; if it produces cubs that act like tiger cubs, it would be the prudent decision of a reasonable man not to open its cage and invite it home to lunch."

THE CONSTITUTION VERSUS FEDERAL USURPERS

Mr. ALFORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. ALFORD. Mr. Speaker, the greatest emergency which confronts our country today is not the Soviet or Red China or the Berlin crisis or inflation; it is the destruction of the Constitution of the United States of America by the oath-breaking usurpers who are now members of the Supreme Court.

On yesterday the Supreme Court handed down a majority opinion written by Felix Frankfurter which completely destroyed the safeguards guaranteed the American people by the fourth amendment. Once again the oath-breaking usurpers destroyed one of our basic freedoms by granting the right to an officer to search a home of a private citizen without a warrant. This decision absolutely destroys for the first time in our American heritage the right of privacy to every family in the land.

The people of America are sovereign and the people are awake to the dangers that beset us. Only certain Members of Congress appear to be complacent. The Constitution is the law of the land—not the individual members of the Supreme Court. The Court has no power to amend the Constitution. The Supreme Court's decision and orders in conflict with the Constitution do not even exist in the eyes of the Constitution; they are

null and void. And they must be treated accordingly by all who are loyal to the Constitution, to the Republic—which depends for existence on a stable Constitution—and to the people's inalienable rights.

The great moral issue today is the issue of the sovereign people and their Constitution versus defaulting public trustees as oath-breaking usurpers. Shall we, the people, defend our constitutional rights or bow down before an anti-Constitution elite enforcing rule-by-man?

Shall we have limited government and rule-by-law under the Constitution or usurpers supreme with unlimited power? Shall the Republic endure or shall we allow its destruction by the radical left-wing, anti-Constitution members of the Court?

Mr. Speaker, we stand face to face here today in a setting that well could—and perhaps should—be shifted to near-by Arlington Memorial Cemetery where are buried this Nation's illustrious dead.

For we here today are but burying another portion of our illustrious—and what we once considered immortal—Constitution.

Justice Douglas of the Court confirmed this in his introduction to an opinion dissenting from the Frankfurter ruling. Said Mr. Douglas:

> The decision today greatly dilutes the right of privacy which every homeowner had the right to believe was part of our American heritage. We witness indeed an inquest over a substantial part of the fourth amendment.

In this latest action by the usurper Court we see but another effort to absorb portion after portion of the Constitution into the 14th amendment—the amendment which you and I and many, many millions of Americans know was never legally adopted.

Against these usurpers, I cry out in protest. I remind them of the words of the eminent Court historian, Mr. Charles Warren, who wrote years and years ago:

> However the Court may interpret the provisions of the Constitution, it is still the Constitution which is the law and not the decision of the Court.

To which Edward D. Corwin, who for years headed the Legislative Referral Service of the Congress, has added:

> In short, it is "not necessarily so" that the Constitution is preserved in the Court's reading of it.

Who is the prime usurper who has delivered this latest fatal blow to our Constitution? I read you from one of the finest books to appear on the stands today, "Nine Men Against America," by Rosalie M. Gordon:

> Justice Frankfurter's philosophy is not an easy one to classify, perhaps because he really hasn't any but suits his views to the exigencies of the moment. * * * Justice Frankfurter has been called everything from a Communist or Socialist to a rank reactionary—not without reason. It would be possible to cite quotations from Frankfurter on every side of every question at one time or another. So slight is his concern with constitutionality and law that he has not only reversed decisions of innumerable preceeding Courts but has even reversed himself.

Americans everywhere are asking: Why, oh why, is our fate being left in the hands of such men?

In this small volume "Nine Men Against America" there is thoroughly documented the sordid acts of the present members of the Supreme Court in the illegal seizure of sovereign power. Because of the significance and authenticity of this presentation of the Court's attack on American liberties I am quoting verbatim from the last chapter.

But all those who are devoted to our American way of life and who believe it is worth saving against the encroachments of the collectivist sappers are agreed that, if it is to survive, something must be done about the Supreme Court.

A number of proposals have been made—and undoubtedly more will be made in the future—for dealing with this great crisis in our history.

The major ones so far put forth are listed here, with a brief explanation or discussion of the points involved, so that Americans will know what they are and be able to think intelligently about them and about the overriding problem of our times with which they are meant to deal.

First, of course, is the constitutional provision which states that any official in the United States "shall be removed from office on impeachment for, and conviction of, treason, bribery, or other high crimes and misdemeanors." The Constitution also provides the judges "shall hold their office during good behavior." The impeachment process, of course, is a long, difficult, and cumbersome one and has been used only a very few times in our history. Yet it is well for us to remember that it is there—to be used whenever the charges are such as to justify a trial for impeachment by the Senate, whose members are the representatives of the sovereign States; and, let us add, whenever the sovereign States and their citizens—who in the end constitute the ultimate jury—give their backing to the Senators who represent them in what is, at best, a difficult proceeding.

The next group of proposals has to do with the appointment, tenure, qualifications, and service of the Justices themselves. There are four of these proposals:

First. That a limit—4, 6, or 10 years—be placed on the terms of Supreme Court Justices. At present, the Justices are appointed to serve "during good behavior," which generally has meant for life. But Congressmen, Senators, even the President, serve for fixed terms. Why, it is asked, should not the Justices?

Second. That Justices be reconfirmed by the Senate at stated intervals. This proposal was first made by David Lawrence. At present, the Justices are confirmed only once—when first named to the bench. Mr. Lawrence's suggestion would give the Senate a check on the Justices, say every 4 years or so.

Third. That at least one of each two successive nominees to the Court should have had 10 years of judicial experience. This proposal was first made by Senator JOHN STENNIS and has since been taken up by others. It stems from a startling discovery which the Senator made—that since 1932 the Court has departed on thirty-five occasions from decisions previously rendered, whereas there had been only twenty-nine such reversals in the entire history of the Court before 1932. In other words, in 143 years of its history the Court reversed previous decisions only twenty-nine times. But in just the last 25 years it has reversed previous decisions thirty-five times.

Fourth. That the President be deprived of the power of Federal court appointments entirely and that the Senate should elect all Federal judges.

It would seem that the adoption of the second proposal—that the Justices be reconfirmed at stated intervals by the Senate—might do away with the necessity of the first one—placing a limit on their terms of office. It could be stated that if the Senate wished to give no reason for not reconfirming, no stigma would be attached to the lack of approval by the Senate. This would enable the Senate to drop a Justice who, for instance, may have grown too old to carry on the work of the Court but who refuses to retire. And certain retirement benefits could be kept in force even for Justices who could not pass muster with the Senate but who had not reached the retirement age. That would obviate any charge that the Senate was taking away a Justice's livelihood in refusing to reconfirm him in his job on the Court.

But the major effect of both proposals—that Justices serve fixed terms or stand for reconfirmation by the Senate or both, would be on the Justices themselves. It would take them out of the privileged class in which they are answerable to no one and place them where they belong as the public servants of a federal republic. They would become answerable to the representatives of the sovereign States, without which States there would be no Federal Republic—and no Supreme Court.

As to Senator STENNIS' proposal that at least one of each two successive nominees to the Court should have had at least 10 years of previous judicial experience, no one could doubt the necessity for such a reform. If we apply some such rule to the members of the Supreme Court appointed since 1937, when packing began, we can see how far short they fall on judicial experience. There have been 17 appointments since that time—including the Eisenhower appointees as of last year. Their total previous judicial experience amounts to 37½ years—and that includes Justice Black's 18 months as a police-court judge and Justice Murphy's service on a city recorder's court. If we assure that each should have had at least 10 years of previous experience—a total of 170 years—we can see that our last 17 Justices—not including the last appointees—have fallen short of that logical minimum by 132½ years.

In fact, it would seem that Senator STENNIS' proposal does not go quite far enough—that all justices should be required to have had considerable previous judicial experience or that the exceptions should be at least highly eminent authorities on constitutional law.

It would also seem that at least part, if not all, of this previous experience should have been gained in service on the highest courts of the States, rather than solely in the Federal judiciary. Many careful observers of our Federal courts are of the opinion that they have reached their lowest level in recent years because of the long tenure in office of New Deal-Fair Deal-modern Republican Presidents. Certainly, during the Roosevelt-Truman regimes many appointments to Federal judgeships were made without regard to quality and chiefly on the basis of political expediency and reward.

Appointments or election to supreme or appellate courts in the States, on the other hand, generally go to men who have gained a well-earned reputation for legal and judicial sagacity among people who are able to watch them closely—the citizens of their own States This is not to say, of course, that all State judges are of Supreme Court caliber and that all Federal judges are not. But, generally speaking, the caliber of a man who has risen to a post on the highest court of his State is likely to be a good deal higher than that of a political hack who got a Federal court appointment because he voted right on this or that measure or delivered the precinct vote to the right presidential candidate. Also, a judge on a high State court is bound to be much more aware of the place of the sovereign States in our Federal Republic than is one who has served only on the Federal courts.

This brings us to the fourth proposal in this group—that the President should be deprived entirely of all Federal court appointments—including those to the Supreme Court—and that the Senate should elect all Federal judges. This will immediately raise the cry of politics—the charge that such a reform will put all Federal judgeships at the mercy of the political pulling and hauling in the Senate. We may well ask what they have been at the mercy of for the past two decades—if not the political machinations of Presidents surrounded by social revolutionaries who would change our whole form of government and life?

In the case of Federal judgeships below the Supreme Court level, had they been elected by the Senate in the past 20 years they would at least be a good deal more diversified as to political adherence than the Presidential appointees. After all, we did have a few Senates in which the opposition to the President was in the majority.

As to Supreme Court appointments, could the Senate have done any worse than Messrs. Roosevelt, Truman, and Eisenhower? Certainly this is a proposal that should be carefully considered. Perhaps a wise course would be for the Senate to name two or three qualified men from among whom the President would have to make his choice. And this would be within the spirit of the Constitution, which says the President should make appointments to the Supreme Court by and with the advice and consent of the Senate.

This brings up, of course, the role of the Senate in the Supreme Court appointments of the past 20 years. There is no dodging the fact that, while our last three Presidents have been busy packing the Court, the Senate of the United States has not been blameless. Had it so chosen, the Senate could have blocked any one of those appointments. There were bitter fights on some of them, but in the end the Senate went along and approved the appointments. This is one more evidence of the distance we have strayed from our traditional form of Government. The Senators, who are supposed to represent the sovereign States of the American Union, have been so busy appeasing an Executive with billions of dollars of taxpayers' money to dole out that they have in many cases forgotten why they are in Washington.

Nevertheless, in Supreme Court appointments up to now the Senate has been faced with more or less of a Presidential fait accompli. Were the Senate itself to initiate the appointments, it could very well be a good deal more independent of the Executive, particularly if the Members felt the pressure of an aroused constituency which was watching carefully the caliber of the men named to the highest Court in the land.

Most, if not all, of the above proposals would require constitutional amendment. And they would not, of course, affect the Court as at present constituted. Neither of these is a good reason why they should not be pushed, since, if reform of the Court is needed—and we can no longer doubt that it is—some such action is of paramount importance for the future as well as now.

However, there are two other proposals which open the way to us to do something right now about the precarious constitutional crisis in which the packed Supreme Court has involved us.

The first of these is nearly as old as our Government itself. It has been used on a number of occasions—both successfully and unsuccessfully—by the sovereign States. It is called interposition and has most recently been fully expounded by the brilliant young editor of the Richmond News-Leader, James Jackson Kilpatrick. Anyone interested in our past experiences with interposition could not do better than to read Mr. Kilpatrick's excellent volume "The Sovereign States: Notes of a Citizen of Virginia."

Interposition is based on the "Virginia Declaration of 1798," written by Thomas Jefferson and James Madison. That resolution reads:

> In case of a deliberate, palpable, and dangerous exercise of other powers not granted by the said compact (the Constitution), the States who are parties thereto, have the right, and are in duty bound, to interpose for arresting the progress of the evil, within their respective limits, the authorities, rights, and liberties appertaining to them.

What this means is that when the Executive or the Court violates the Constitution by usurping powers which the Constitution forbids, the States themselves—three-fourths of which form a power without which there would be no Constitution and no Federal Government—must interpose to arrest the progress of the evil being committed by their own creature—the Federal Government—and force it to conform to the body of laws—the Constitution—which the States set up to govern its conduct.

Interposition, of course, is within the power of the sovereign States, as States. Whether any single one alone or a group of them together will have the intestinal fortitude—after a quarter of a century of standing in line with their hats in their hands before the Executive in Washington—to recapture for themselves their historic role in the Republic, remains to be seen.

The other proposal offers the greatest hope of success at the moment. It requires no constitutional amendment—only action by the people's representatives in the Congress of the United States. It is entirely within the Constitution—in fact, it is specifically provided for in our great charter in the following words—article III, section 2:

> In all cases affecting ambassadors, other public ministers and consuls, and those in which a State shall be party, the Supreme Court shall have original jurisdiction. In all other cases before mentioned, the Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions, and under such regulations as the Congress shall make.

This section means that Congress can make regulations and exceptions as to the type and kind of cases which could be taken on appeal from lower courts to the Supreme Court. In other words, Congress could say, for instance, that once a State court has upheld the constitutionality of a State sedition law, or a State school law, or once a lower Federal court has upheld the right of Congress itself to protect the citizens against subversion, the matter would end right there. The Supreme Court would have no right to hear such cases on appeal and reverse the decisions. Congress could, for example, pass a law providing that the Supreme Court must not review any cases having to do with schools or education—traditionally and constitutionally always State problems. Such cases would be left where they belong—in the State courts. If an educational problem involving a Federal question should come up, Congress could specify that only then would it go to a Federal district court, whose judgment would be final.

The same process could be applied by Congress to laws affecting subversion—laws designed to protect us and our liberties from the onslaughts of the Communist conspiracy. In fact, a committee of the American Bar Association, in July 1957, called on Congress to pass legislation which would in effect, wipe out the long string of pro-Communist decisions of the Warren Supreme Court. The Bar Association committee demanded legislation to:

Keep the FBI files confidential.

Allow schools, colleges, and bar associations to refuse employment or membership to persons who won't answer questions about past or present Communist activities.

Permit congressional investigating committees to question suspected subversives as freely as they do businessmen and labor leaders.

Allow the Justice Department to question aliens awaiting deportation about any subversive associations.

Correct the Warren Court's gratuitous edict that under the Smith Act, it is all right to urge the violent overthrow of the Government as long as you do not spell out how it is to be overthrown.

These recommendations of the American Bar Association committee were read by the committee's chairman, former Senator Herbert R. O'Conor, to the 3,000 delegates of the American Bar Association at its 80th annual convention in London—the same convention at which Chief Justice Warren appeared on the platform in a chocolate-colored suit to the dismay or amusement of assembled guests. The 3,000 delegates applauded Senator O'Conor's report vigorously. But its impact on the mind of the Chief Justice of the United States, so far as anybody has been able to determine, was nil.

However, the fact remains that Congress has it within its power to correct many of the evils which the packed Supreme Court has visited upon us. According to some authorities, Congress can even specify by law what constitutes good behavior on the part of the Justices—and should they go outside or beyond those specifications, they would become answerable to the Congress in proving that they should continue to hold their high posts.

Mr. Speaker, the author addresses one paragraph to the people as follows: "When we say that Congress has it within its power to curb the runaway Supreme Court, in the final analysis that means a power which resides in you—the free American citizen. Congress is always only as good or as bad as you—who elect its members and keep them in office—make it. You can sit back in complacent despair and say, 'Oh, what's the use? Congress pays no attention to what we want.' If you do, you have no one to blame but yourself if the Supreme Court continues to ride roughshod over your liberties. But if you and enough other Americans demand that Congress rescue from the nine usurpers on the bench the tattered charter of freedom, repair it, and restore it to the people, you will be amazed at how quickly the demand will bring action. But the demand must be persistent enough, vocal enough, and numerous enough to overcome the pressures of the loud and organized minorities who are ever vigilant in their own interests. The greater interest is the liberties of a free people—and freedom-loving people far outnumber all the vocal minorities combined. They have only to make their voices heard and their numbers felt."

There is one final proposal to reverse the usurpations of the Supreme Court. It was made by the well-known writer and commentator John T. Flynn. Aside from immediate congressional action, it would seem to be a necessary prerequisite to all other reforms of the Court. It is that all decisions of the Supreme Court, from 1937 to the date of the adoption of the proposal, should be declared to have no force and effect as precedents in judicial or other proceedings in determining the meaning of the words, sections, and provisions of the Constitution.

The purpose here is obvious. It is to enable all future Supreme Courts, no matter how otherwise reformed, to disregard the usurpations of the Court in the last 20 years. The Justices would return to the body of law and precedents set up before the usurpations began in order to decide on all future cases that would come before them.

This proposal, of course, would require a constitutional amendment. But, once again, do not despair. The amendment process seems a long one—passage by two-thirds of both Houses of Congress and three-fourths of the States. But we have amended the Constitution 22 times since its adoption—in some instances with a good deal of speed—and in many cases on questions of relatively minor importance compared with the overwhelming urgency of the one which now faces us. Nowhere, at no time in our history, as we contemplate the Supreme Court and its attack on our liberties, do the words of Edmund Burke have a greater meaning for us: "All that is necessary for the triumph of evil is that good men do nothing."

Mr. Speaker, I submit to the Members of this great body that the great moral issue today is the issue of the sovereign people and their Constitution versus defaulting public trustees as oath-breaking usurpers. Shall the Republic endure, or shall we allow its destruction by the weapon customarily used to this end: usurpation.

JUNIOR CHAMBER OF COMMERCE, STRASBURG, VA.

Mr. HARRISON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. HARRISON. Mr. Speaker, with the enthusiasm and courage characteristic of youth, members of the Junior Chamber of Commerce, Strasburg, Va., have visited each of your offices this morning and each office of a U.S. Senator. They left with you a Liberty tree, planted in the soil of the Alamo, Valley Forge, Yorktown, Jamestown, the Shenandoah Valley, and Bunker Hill.

These little trees also will be sold publicly in the hope they will be replanted as a patriotic inspiration.

In addition, the proceeds from the sale of these trees will be used to establish a Nathan Hale Fund to assist a college student in history who plans a career in teaching.

I do hope and ask that you encourage this very laudable effort by replanting these little trees and expressing your views to the Junior Chamber of Commerce as to how their efforts can be made more effective.

In assembling the soil samples used in potting the Liberty trees, the Strasburg Jaycees have had the cooperation of the Jamestown Foundation, the Metropolitan Police of Boston, and the authorities of the Alamo, Colonial National Historical Park, and Valley Forge Park.

It seems to me this is a particularly inspiring way of redirecting our attention to the proud national heritage of freedom which now is in the guardianship of present generations, whose responsibility it is to pass it on in full and growing vigor to their successors in citizenship.

Civic and patriotic organizations, as well as individuals, desiring to advance the Liberty tree project can obtain complete information by writing "Liberty Trees," Strasburg Jaycees, Box 252, Strasburg, Va.

TIMBER RESOURCE REVIEW

Mr. METCALF. Mr. Speaker, I ask uanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. METCALF. Mr. Speaker, it has been almost 4 years since Chief Forester Richard E. McArdle took the wraps off the Timber Resource Review, a mammouth study put together in 3½ years by the Forest Service staff from timber growth and harvest reports supplied by their own people and State agencies, forest industries, and other public and private organizations.

This, the most complete evaluation of timber supply and demand ever made, contained some goods news—that current timber growth just about equals consumption, indicating that recently our foresters, both in private industry and in Government, have made significant progress in cutting down the drain on our Nation's woodlands.

On the other side of the coin, however, we find that:

Standing timber is declining in quality.

In the year 2000, the demand will require a timber cut of 95 billion board feet of timber, two-thirds more than the present cut—that is, it will if wood is to occupy about the same place in the national economy that it does now and is to continue to hold its present position among structural materials.

Improved forest management at recent rates of progress "appears unequal to providing a balance between cut and growth at the year 2000."

While the Review did not say what should be done, or who should do it, it is clear that there are several areas in which we can increase our supply of wood.

They include improved stocking. Although planting rates have increased greatly in recent years, and forest plantations cover some 5 million acres, there is a huge planting job ahead. Almost 50 million acres, or 10 percent of all commercial forest land in the Nation, need planting if they are to become productive within a reasonable time.

In his most recent annual report, the Nation's Chief Forester said:

For the first time in any 1 year, a billion trees were planted—860 million of them on

non-Federal land. This is significant progress toward the big job ahead. Within the next 10 years 48 billion trees need to be planted, mainly on small ownerships, if the wood requirements of a larger population are to be met by the year 2000.

If we are to have the wood we need, it will take the best efforts of private, State, and Federal foresters, working together. In recent years, the Federal Government has been resting on its oars, as budget requests have declined.

Today, a number of us in both bodies are introducing concurrent resolutions declaring it national policy to provide a continuing program for the needed reforestation of Federal, State, and private land. We call upon the Secretaries of Agriculture and the Interior to lay out a 10-year program beginning on July 1, 1960, which, by accelerating and supplementing existing reforestation programs, will plant 48 million idle and nonproductive acres to the trees we need.

In the other body, this resolution was introduced by the junior Senator from Montana, Senator MANSFIELD, and cosponsored by the senior Senator from Montana, Senator MURRAY; the senior Senator from Vermont, Senator AIKEN; the senior Senator from Kentucky, Senator COOPER; the senior Senator from California, Senator KUCHEL; the junior Senator from Michigan, Senator HART; the Senators from West Virginia, Senator BYRD and Senator RANDOLPH; the junior Senator from Mississippi, Senator STENNIS; and the junior Senator from New Mexico, Senator ANDERSON.

Cosponsors in the House are the gentleman from Montana [Mr. ANDERSON], the gentleman from Michigan [Mr. BENNETT], the gentleman from Minnesota [Mr. BLATNIK], the gentleman from Texas [Mr. BROOKS], the gentleman from Maine [Mr. COFFIN], the gentleman from Pennsylvania [Mr. FULTON], the gentleman from Pennsylvania [Mr. GAVIN], the gentleman from West Virginia [Mr. HECHLER], the gentleman from Colorado [Mr. JOHNSON], the gentleman from California [Mr. JOHNSON], the gentleman from Maine [Mr. MCINTIRE], the gentleman from Vermont [Mr. MEYER], the gentleman from Kentucky [Mr. PERKINS], the gentleman from Wisconsin [Mr. REUSS], and the gentleman from Florida [Mr. SIKES].

PERSONAL EXPLANATION

Mr. RANDALL. Mr. Speaker, for purpose of entry into the RECORD, I wish to state that on Wednesday, April 29, 1959, at the time of the quorum call, wherein I was shown absent to rollcall No. 31 on page 7028 of the RECORD of the same date, I was undergoing treatment at Bethesda Naval Hospital by order of the House physician. Otherwise, I would have been on the House floor and answered the rollcall.

"DIXIE" AND DANIEL DECATUR EMMETT

Mr. LEVERING. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LEVERING. Mr. Speaker, my campaign to have the U.S. Post Office Department issue a commemorative stamp this fall in honor of the internationally famous song, "Dixie," and its composer, Daniel Decatur Emmett, the first of the blackfaced minstrelists in America, is exciting attention throughout the United States. I felt very certain that it would create attention, for songs such as "Dixie," which has lived for 100 years, are not written every day.

Besides numerous letters and telephone calls from individuals pledging me their support for my bill, H.R. 6314, which would authorize and direct the Postmaster General to issue this commemorative stamp, I have received some news items and a special letter which I should like to put into the CONGRESSIONAL RECORD.

The first is an article by Brack Cheshire, associate editor of the Bradenton, (Fla.) Herald, in which he discusses my idea of having a commemorative stamp issued for "Dixie" and Daniel Decatur Emmett.

The second is a letter to the editor of the Washington (D.C.) Evening Star for April 24, 1959, written by Attorney Franklin T. Miles, which discusses the problem of giving parity to the North and South in the issuance of stamps.

The third is a letter to me from Lehr Fess, president of the Ohio Historical Society, in behalf of himself and the board of trustees of that society.

Under leave granted me, I am inserting these in the RECORD.

The material follows:

[From the Bradenton (Fla.) Herald]

DIXIE, STARS AND BARS IN THE NEWS

(By Brack Cheshire)

Dixie, that pulsating tune, and the Confederate flag, which go together like blackeyed peas and cornbread, are in the news, but each on a different front.

Up in Washington, a Yankee Congressman is trying to get a postage stamp issued in honor of the Yankee who composed Dixie, the rallying song of the Rebels. So far, he hasn't had any luck, but at last reports he still was plugging away at it and far from conceding that his stamp idea had been licked.

The Confederate flag fluttered into the spotlight at Tallahassee where the legislature has been asked to bar the Stars and Bars from such things as ladies' panties.

The efforts of Representative ROBERT W. LEVERING, Democrat, of Ohio, to have the Post Office Department issue a stamp memorializing Daniel Decatur (Uncle Dan) Emmett, composer of Dixie, bring out something a lot of folk probably never knew, namely, that he was a northerner and not a son of the South.

Emmett, who wrote Dixie 100 years ago this spring, was a native of Mount Vernon, Ohio.

"Negro minstrel" performances were started by Emmett in about 1842 and the inspiration for the song that was to be called Dixie came to him during his early minstrel show days.

Emmett was born in 1815 and died in 1904 at the age of 89. Professional minstrel shows which he inspired, and which entertained millions, died about the time that talking movies were born, but Dixie will live forever.

It's called the song of the South, but it is played, whistled, hummed, and loved everywhere in these grand United States. Whether you are from the North, South, East, or West, your feet are bound to start patting when you hear a band swinging out with Dixie.

LEVERING got a good idea of the song's universal appeal after he first spoke up in the House for Emmett in connection with the sesquicentennial ceremonies for Abraham Lincoln.

"Since then," the Ohio Congressman said, "I have had letters from every section of the Nation from people who agree with me that his (Emmett's) memory and his song are worth commemorating.

"It will be remembered that Dixie and other compositions, such as the Blue Tail Fly, were favorites of President Lincoln."

LEVERING launched his campaign in the House for legislation authorizing a stamp for Emmett and Dixie after the Post Office Department turned him down.

One of the top-level brass said the Department appreciated the significance of Dixie, but composer Emmett and his song just couldn't be fitted into the postage picture.

No less than 19 special stamps were issued last year, commemorating, among other things, gardening—horticulture and the overland mail.

No wonder LEVERING says that he can see no reason why an Emmett stamp cannot be issued, despite the views of the principal bureaucrats charged with approving stamps and stamp designs.

We in the South wish Mr. LEVERING luck.

[From the Washington Evening Star, Apr. 24, 1959]

STAMP CONTROVERSY

A recent semihumorous Star item told of a Civil War controversy flaring up in Richmond, Va., the former capital of those Confederate States of America. Following the lead of the U.S. Supreme Court and left-wing northern news media, the National Civil War Centennial Commission is evidencing obvious bias—against the South.

I refer to the Associated Press report captioned "Civil War Renewed, This Time It's Stamps," telling of complaints voiced against the commission's four commemorative stamps that will be issued for President Abraham Lincoln of the United States of America, but none for his Confederate counterpart, President Jefferson Davis of the Confederate States of America.

The chairman of the commission's Commemorative Stamp Committee, Dr. Miltimore W. Brush, says he favors a stamp for Davis. However, even if such a Davis stamp is issued and one for Lincoln is omitted, the score will still be an unequal 3 to 1 in favor of Yankees. In the interest of absolute fairness to both sides, it would seem that the commission should cancel its request for two of the four Lincoln stamps by substituting two meaningful and significant Confederate stamps.

A real assist could be given this plan by a bill recently introduced in the House by Representative ROBERT WOODROW LEVERING, of Ohio, the author of H.R. 6314, to issue a special postage stamp for the 100th anniversary of the song "Dixie," written in 1859 by a native of his district, "Uncle Dan" Emmett. This would be an excellent companion stamp to accompany one for Davis, and thereby put the South on an equal basis with the North in recognition by the National Civil War Centennial Commission. Otherwise, if the commission persists in its policy of Yankee favoritism, its name should be changed to the Northern Civil War Centennial Commission and its activities kept entirely out of the Southland.

It is suggested that, if the so-called national commission desires to show fair and impartial commemoration of both sides, that body will see to it that only two Lincoln stamps represent the North and that a Davis stamp and a "Dixie" stamp represent the South. With both sides equally and fairly represented, neither the "Damyankees" nor the unreconstructed Rebels would have any stamp complaint against the Civil War Commission.

FRANKLIN T. MILES.

THE OHIO HISTORICAL SOCIETY,
OHIO STATE MUSEUM,
Columbus, Ohio, April 29, 1959.

Hon. ROBERT W. LEVERING,
Member of Congress,
Washington, D.C.

DEAR CONGRESSMAN LEVERING: At a meeting of the board of trustees of the Ohio Historical Society on Friday, April 17, a motion was offered and adopted commending you for having asked Congress to authorize issuance of a special postage stamp in honor of Daniel Decatur Emmett, a native of Mount Vernon, Ohio, and the composer of "Dixie."

It was the feeling of the board that if such special postage stamp is authorized it should memorialize both Daniel Decatur Emmett and "Dixie." As so often happens, the song is much better known, and, hence, has much greater appeal than the author. The fact is, comparatively few people in the North or South realize that Daniel Decatur Emmett was the composer of "Dixie." This is no dishonor. They probably never gave a second thought to who might be the author. We want to do all within our power to help identify "Dixie" with the State of Ohio, and, in particular, to identify it with Mount Vernon where lived its composer.

Very truly yours,

LEHR FESS,
President, Board of Trustees and the Ohio Historical Society.

COMMITTEE ON RULES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain reports.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

TVA BILL

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, if the Committee on Rules should report out the TVA bill today, it is my intention to bring that bill up tomorrow for the consideration of the House.

BLACKMAIL PICKETING

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask uanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, I dislike to see the session go over without someone calling attention to this so-called labor bill that came over from the other body. Earlier today I said something about hearings that were held before the Committee on Education and Labor. It is disagreeable to ask Members of the House to read testimony taken by a committee, but one thing is sure, the people are going to be grievously disappointed unless the House adds to that bill some effective provisions against what a gentleman in the other body, the chairman of the so-called McClellan committee, described as blackmail picketing.

In this testimony before the House yesterday there were three people. There was one young man who operated a gas station. His employees numbered no more than 3. None of them had a complaint. Yet along came the organizing officers of one union and he was forced himself to join, although he was an employer, and under the Taft-Hartley Act he cannot be a member. But he was forced to pay dues. An attempt was made to force him to make the employees pay. The net result was that, after he joined Union A, organizers of Union B came along, and he had to join that one. So he was a member of two unions. How do you like that?

The next witness was a woman who had a grill. She had 2 employees besides herself. They stopped deliveries to her because she would not go to those 2 employees and compel them as a condition of employment, to join the union. She was forced out of business.

How do you like that?

The third man was selling gasoline. They employed the same tactics on him until he was forced to close. He was out of the gas business, but, being a mechanic, a repairman, they could not stop people from coming to him who wanted good service.

Those are three individual cases. There are thousands of them, as disclosed by the press over the years. And we sit here and do not do a thing to end what Judge Starr, of the U.S. District Court for western Michigan, when a justice of the Michigan State Supreme Court, writing for the court, described as racketeering and extortion.

How we can make any excuse, how we can escape responsibility, for failing to send over to the other body some adequate provision to prevent racketeering and extortion, so described—and that is exactly what it is—I do not know. How we can do it and look in the glass in the morning when we are trying to shave, I say is something for the existence of which there is no excuse. And now, Mr. Speaker, I will talk on this subject for which I was earlier granted permission.

NOT EQUAL JUSTICE UNDER LAW

Our colleague from Illinois [Mr. SHIPLEY]—CONGRESSIONAL RECORD, May 4, page 7383—complains because Stanley Yankus, of Dowagiac, Mich., who refused to comply with the terms of the law which he had no part in making, for which he was not even permitted to vote—the Agricultural Adjustment Act—while those receiving subsidies could vote—is moving to Australia.

Our colleague states that every country must protect its people and its economy which policy is sound and laudable. It may be Stanley thinks that ultimately the Congress will be robbing too many Peters to pay too many Pauls—that is, that there will not be enough people—Peters—left to pay the taxes to reward those—Pauls—who are given subsidies.

It is the old, old story of loading the wagon beyond the capacity of the taxpayers to pull.

Surely the gentleman from Illinois [Mr. SHIPLEY] would not deny Mr. Yankus the right to live in the country of his choice, and no doubt the United States of America will be able to survive the loss, for, in my judgment, his leaving is a distinct loss for he might well have made helpful contributions to sound legislation.

But why should those less willing to protest complain if Yankus, by going to Australia, thinks he can benefit either himself and his family or perhaps the people of Australia?

Just how many billions of dollars, what is the value of the implements of war, which our taxpayers, including Stanley, have raised to send abroad to help the people of other nations?

The exportation of another good citizen and his family certainly can do no great harm either to this country or to any other.

Stanley apparently but wished to protest, as did those who participated in the Boston Tea Party, against what he thought was unfair, unjustifiable legislation.

Stanley is protesting a situation, a political philosophy, under which first one group and then another is taxed to assist those who belong in a different trade, profession, or business.

Stanley apparently has decided that the future of his children is not secure when he cannot—unless he pays a penalty, plant and harvest more than a specified number of bushels of wheat from his own land when by so doing, he brings no harm to others. Like policies might be applied to any other item.

It has been demonstrated that the payment of subsidies for either the growing or the not growing of agricultural products is not the answer to either the hardship which has come on occasion to individual farmers or the answer to the present problem of surpluses.

Our colleague made the statement that Stanley was "forgetting that only in this country can a farmer build up his farm and prosper the way he has and then be able to sell his farm for $30,000."

With all due respect and proper apologies, permit me to characterize that statement as an absurdity and not quite in accord with the facts. This is not the only country where farmers prosper. A look might be taken at Canada, for example.

Moreover, many of our ancestors homsteaded or purchased farmland, raised their families, prospered and became wealthy long before subsidies or

the limitation on the growing of crops was even thought of by ambitious politicians seeking votes, seeking some way to secure the support of the farmers.

And why boast about the fact that Stanley Yankus can leave this country when he wishes? So can the Communists.

Stanley did not comply with the law which the Supreme Court has held valid, but which permits the Government to take from one the property—or its use—which he has inherited or earned, and give it to another, in spite of the fact that, over the Supreme Court building, carved in stone, is the legend which states, "Equal Justice Under Law."

Why tax one group to pay a special benefit to another, especially when experience has demonstrated that the fancied evil, that is, a surplus of farm commodities, grows greater after the law has been in operation?

Our colleague states and again I quote: "He is running away from the problem. Where is his backbone and his stamina?"

Stanley run? He has stood and fought much longer than the average. And our colleague criticizes him for fighting the Government.

Now what did Stanley do? He sowed, harvested, and used more wheat than the Government said he should. He sold none. He paid the fine assessed against him. He paid his taxes—real estate, personal, and income. He owes this country nothing, except as does every citizen who has lived here. He has never accepted a dollar of Federal gratuities. Who can say the same?

Our colleague asks, "Where is his fight?" Stanley has fought at great personal expense. He has lost his fight and, as is his right, he is moving out. Certainly he has fought, and he fought—not for a subsidy—not for your dollars or mine—he fought for equal justice under law. He fought for the right to exercise his choice in enacting legislation, but, under the Agricultural Adjustment Act, he was not granted—he did not have—that privilege. He is fighting to use his own property in his own way when he does not harm anyone.

I personally wish he would stay and head a move for sound legislation but perhaps, if he did, he would be charged with being a publicity hound.

The loss, if any, because Stanley Yankus is going to Australia, is his, his, yours, and mine, because we are losing a champion of sound government.

Stanley has the right, if he wishes, to retain his U.S. citizenship for 5 years. It shows that he has faith in this country; that he has hope. It demonstrates the fact that he is hopeful that finally politicians, officials seeking reelection, will have the courage to not only talk but to vote only for principles of governmental control which we know are sound.

If, finally, politicians, or, if you prefer, statesmen, get down to hard commonsense, to reality, to the fact that lawmakers cannot control the universe, that they cannot change the law of supply and demand, it is my hope that Stanley and his family—and I hope it will be larger—will return to America and move into the Fourth Congressional District of Michigan.

In my book, Stanley Yankus has convictions; he has courage, he is sound thinking, and if he consulted only his own welfare, he probably would remain here.

Just yesterday morning, I listened to testimony given before a House Subcommittee on Education and Labor, where three witnesses gave evidence of the lack of protection from racketeering which all have the right to expect.

One, Carl E. Eckardt, who operated a combination gasoline station and repair shop in Morton Grove, in the home State of our colleague from Illinois [Mr. SHIPLEY] fought the unjust demands of the union. Carl is a veteran of the war. He was honorably discharged. Yet the State of Illinois and the Congress of the United States permitted his business to be ruined by members of a union, who asked for no benefit for either the union or for union members in that vicinity except as the union collected an initiation fee and their dues.

Another, Leo Bennett of Pekin, Ill., in the gentleman's [Mr. SHIPLEY] home State, was forced to stand and deliver, not only to one union, but to two, in order to get rid of pickets who were ruining his business.

And, believe it or not, Mrs. Eugene Storey, who owned and operated a grill, located in Peoria, Ill., was forced out of business; was deprived of her way of making a livelihood, through the operation of an ordinary business, because she, as Eckardt, would not compel her employees—two in number—to pay tribute to the union, pay monthly dues. She fought for them, as Stanley Yankus fought for every citizen who does not believe in government or union control of a harmless, ordinary business.

There are three citizens—Carl E. Eckardt, Leo Bennett and Mrs. Eugene Storey—residents of, taxpayers in the home State of the gentleman from Illinois [Mr. SHIPLEY] who is so critical of Stanley Yankus. What has he, may I ask courteously and most respectfully, done as a citizen of Illinois to induce the law-enforcing officials of that State to protect law-abiding citizens from racketeering?

And that is just what the tactics described by those three witnesses yesterday morning before the Subcommittee of the House Education and Labor Committee boil down to.

That has been the decision of a judge now sitting in the U.S. District Court of the Western District of Michigan, who, as a justice of the State of Michigan Supreme Court, wrote the opinion in the case of Silkworth against Local No. 575 of American Federation of Labor, et al., reported in 16 N.W. 2d, 145, which described conduct of that kind as extortion.

And Yankus found—was made to know in the hard way—that the Government, as do some unions protected by legislation—deprived him and others of his property and his liberty.

PAYMENT OF BALANCE OF AWARDS MADE BY PHILIPPINE WAR DAMAGE COMMISSION

The SPEAKER. Under previous order of the House the gentleman from California [Mr. GEORGE P. MILLER] is recognized for 20 minutes.

Mr. GEORGE P. MILLER. Mr. Speaker, my colleagues and I have been increasingly aware through calls and correspondence of the vast sentiment in favor of paying the balance of awards made by the Philippine War Damage Commission under the terms of the Philippine Rehabilitation Act of 1946, as amended. H.R. 4311 and H.R. 4287, introduced by the Representative from Wisconsin, the Honorable CLEMENT J. ZABLOCKI, and myself, respectively, make provision for appropriation which will cover these payments.

Statements in support of the discharge of an undertaking of the highest moral character regardless of legal significance are not new. In connection with the obligation of the United States to fulfill the promises made to the people of the Philippines during and after the Japanese occupation, many voices in high places and in terms of the greatest certainty have long been heard and recorded. I beg the indulgence of the Speaker and the House while I cite a few outstanding examples taken from a memorandum prepared and presented at the request of Senator, now Ambassador, Henry Cabot Lodge, during the hearings on bills to amend the Philippine Rehabilitation Act of 1946 conducted as far back as 1949 and 1950.

On December 28, 1941, President Roosevelt issued a proclamation stating:

> I give to the people of the Philippines my solemn pledge that their freedom will be redeemed and their independence established and protected. The entire resources in men and materials of the United States stand behind that pledge.

On August 13, 1943, he stated further:

> We shall keep this promise just as we have kept every promise which America has made to the Filipino people.
>
> You will soon be redeemed from the Japanese yoke and you will be assisted in the full repair of the ravages caused by the war.

On October 6, 1943, President Roosevelt sent a message to Congress stating:

> I, therefore, also recommend * * * that the Congress make provision for the physical and economic rehabilitation of the Philippines made necessary by the ravages of the war which the invaders, have inflicted upon them.

On June 29, 1944, in signing the act establishing the Filipino Rehabilitation Commission, President Roosevelt said:

> Our character as a Nation will be judged for years to come by the human understanding and the physical efficiency with which we help in the immense task of rehabilitating the Philippines.

On May 5, 1945, President Truman stated:

> I consider a program of assistance to the Philippines essential for our relationship with the people there.

On January 21, 1946, in a message to Congress, President Truman said:

The ravages of war and enemy occupation, however, have placed a heavy responsibility upon the United States. I urge that the Congress complete, as promptly and as generously as may be possible, legislation which will aid economic rehabilitation for the Philippines.

On April 30, 1946, in signing the Philippine Rehabilitation Act of 1946, he further stated:

On October 6, 1943, President Roosevelt called upon the Congress to "make provision to determine the adjustments necessary in the existing provisions of law which govern the economic relations between the United States and the Philippines so as to assist in making the Philippines, as an independent nation, economically secure."

That recommendation was made in the heat and desperation of struggle. It climaxed promises made to the people of the Philippines that not only would their land be liberated from the tyranny of the enemy, but that they would be given their full independence and would be rehabilitated from the ravages of war.

I could go on with almost innumerable other supporting statements and comments but in concluding these remarks shall limit myself to the following:

On April 5, 1945, in a press conference at Warm Springs, Ga., President Roosevelt said:

Then we (the President and President Osmena) talked about more current problems, after the islands are cleared of the Japanese. * * * There are certain things which we have a definite responsibility on. It was not the fault of the Filipino people that the Japanese attacked Pearl Harbor, but they have been terribly hurt by the result of the war.

On July 6, 1944, in a letter to the Honorable Sergio Osmena, Vice President of the Commonwealth of the Philippines, President Roosevelt wrote:

I wish to thank you most sincerely for your kind and thoughtful letter of June 30, 1944, with reference to the signing of Senate Joint Resolutions Nos. 93 and 94.

It gave me genuine pleasure to affix my signature to these two measures. I scarcely need assure you that they represent another step toward the day of the full and complete independence for the Philippines and their economic rehabilitation. The two measures are a logical sequence to the events chronologically set forth in your letter and can be accepted as a further pledge that the Philippines will be redeemed as promised and that independence will be established as soon as constitutional processes and normal procedures of government have been restored in the islands and, further, that rehabilitation measures will be undertaken as provided in one of the resolutions.

On October 11, 1944, in a letter to the Honorable Jerry Voorhis, House of Representatives, President Roosevelt stated:

Thank you for your letter of September 26. I join you in concern for a generous and effective program of relief and rehabilitation of the Philippine Islands. Their noble courage in defense of our flag and theirs in the early days of the war entitles the Filipinos to sympathetic treatment.

On March 29, 1945, President Roosevelt wrote to the Honorable Millard E. Tydings, Chairman, Filipino Rehabilitation Commission, stating:

I wish to thank you for your letter of March 12, regarding the imminent problems of a civil character in the Philippine Islands. I have been aware for some time that we are approaching a complex situation there which must be solved in a manner consistent with our historic relations to the Philippines and with our future military, commercial, and diplomatic policies in the Pacific and the Orient.

As soon as military conditions in the Philippines will permit, I shall ask the Secretary of the Interior to accept executive responsibility through the High Commissioner to bring to bear on the Philippine problem the full weight of every civil agency of this Government which has the jurisdiction and the financial resources to contribute to effective rehabilitation. The Secretary of the Interior will have to look to the Congress for additional funds for the agencies involved, and for additional legislation where that is required.

I welcome your letter as further evidence that Secretary Ickes can count on your cooperation as a Senator and as chairman of the Senate Committee on Territories and Insular Affairs and the Filipino Rehabilitation Commission.

On May 5, 1945, in a press statement, President Truman stated:

The Philippine people, whose heroic and loyal stand in the war has won the affection and admiration of the American people, will be fully assisted by the United States in the great problems of rehabilitation and reconstruction which lie ahead.

STATEMENT FROM OTHER SOURCES

Hon. Cordell Hull, Secretary of State, November 15, 1943:

The President's pledge to redeem the Philippines is certain of fulfillment. His message to the Congress on October 6, 1943, recommending that authority be granted to him to provide measures for their protection and rehabilitation, is but a step in that direction.

Hon. Abe Fortas, Acting Secretary of the Interior, letter to Senator Tydings, February 13, 1945, setting forth the views of Department of Interior on S. 104:

If Philippine independence is to be successful, there must be adequate provision for rebuilding the physical equipment of the country's economy.

Gen. Jonathan M. Wainwright, remarks before New York Herald Tribune Forum, October 29, 1945:

In granting complete independence to the Philippine Nation, we cannot say merely, "good luck and goodby." We have confidence in their ability to stand on their own feet, and we are hopeful for their continued friendship. But we cannot cut them loose on a sink-or-swim basis.

We must make good all our pledges to them, and continue to help them when they need us.

Gen. Carlos P. Romulo, Resident Commissioner from the Philippines. Speech before House of Representatives, December 17, 1945:

Eighteen million Filipinos look to the United States for the immediate help that was promised to them during the war and since the war. * * * We ask that the Members of the House act now to fulfill America's commitments, prevent further human suffering, and start the Philippines along the road of reconstruction.

Hon. Paul V. McNutt, U.S. High Commissioner to the Philippines, November 15, 1945:

But they need American help to rehabilitate both people and economy. We Americans cannot fail.

Hon. Paul V. McNutt, U.S. High Commissioner to the Philippines, address before National Press Club, March 14, 1946:

They (the Filipinos) looked to the United States because it was the United States who liberated them from the enemy, it was the United States and the Commonwealth for whom the people struggled and died. It was the United States that during the war promised them economic rehabilitation.

Hon. JOHN W. MCCORMACK, House of Representatives, CONGRESSIONAL RECORD, April 10, 1946:

We will not allow the factories, farms, and homes of the Philippines to remain in ruin. We will not stand idly by while the men and women of that country, so long nourished, guarded, and protected by our Government, suffer the confusion attendant upon frustration, uncertainty, and despair. Their national economy has been shattered. The Commonwealth Government is helpless without our aid to move toward rehabilitation. We have for years promised. They have believed in our promises. We are obliged to fulfill our obligations. We must and we will help the Filipinos regain their economy so that they may, in justice, take their place as a healthy, strong, free, and liberty-loving democracy in accordance with the principles we have taught for 50 years.

This is our solemn duty. Therein we must not, we shall not, fail.

Hon. WALTER JUDD, House of Representatives, CONGRESSIONAL RECORD, April 10, 1946:

I doubt that $400 million will ultimately be enough and I want the RECORD to show that fact. We in the committee recognize that we may have to increase the amount somewhat. We were conservative in our estimate. We said, Let us authorize this amount now until we see how things go. If another hundred million or even 200 million is eventually needed to put the Philippines back on a sound basis, I am sure we will do it.

Hon. Karl LeCompte, House of Representatives, CONGRESSIONAL RECORD, April 10, 1946:

As the gentleman from Minnesota [Mr. JUDD] said, $400 million probably will not do the entire job. * * * It is correct and proper that we undertake to restore the economy of the islands as we grant them independence.

Report, Committee on Insular Affairs, House of Representatives, April 9, 1946, to accompany S. 1610 to provide for the rehabilitation of the Philippine Islands:

The bill does not authorize the payment in full of any claims in excess of $500. Where the aggregate amount payable to any one claimant exceeds $500, the aggregate amount approved is to be reduced by 25 percent of the excess over $500 (p. 17 of report).

While the committee feels it is urgently necessary to provide through this legislation (S. 1610) for the rebuilding and restoration of the physical plant of the Philippines, it is generally realized that additional legislation will probably be necessary in the future to augment and supplement the benefits which will be accomplished through S. 1610 and through the legislation providing for future trade relations between the United States and the Philippines.

It is expected that proposals for additional legislation will be made from time to time by the agencies of the United States Government, by the Government of the Philippines, and by the Filipino Rehabilitation Commission to meet needs for legislation as they arise.

WAR DAMAGE CORPORATION

Press release, December 13, 1941:

Jesse Jones, Federal Loan Administrator, announced today that, with the approval of the President, the Reconstruction Finance Corporation has created the War Insurance Corporation with a capital of $100 million to provide reasonable protection against losses resulting from enemy attacks which may be sustained by owners of property in continental United States.

Press release, December 22, 1941:

Jesse Jones, Federal Loan Administrator, today announced that, with the approval of the President, the War Insurance Corporation, created by the Reconstruction Finance Corporation with a capital of $100 million, will extend the same protection to property owners in Alaska, Hawaii, the Philippine Islands, Puerto Rico, and the Virgin Islands as it does to property owners in continental United States.

Amendment to legislation creating Reconstruction Finance Corporation, March 27, 1942:

On March 27, 1942, the legislation creating the Reconstruction Finance Corporation—Public Law 506, 77th Congress—was amended to establish the War Damage Corporation, with an aggregate authorization not to exceed $1 billion. This amendment specifically included the Philippine Islands and provided for compensation without a contract of insurance or the payment of premium or other charge until June 30, 1942. In consequence, losses to property in the Philippines from December 6, 1941, to June 30, 1942, were compensable under the press release of December 22, 1941, and the legislation establishing the War Damage Corporation.

Hon. WRIGHT PATMAN, House of Representatives, statement before House Committee on Banking and Currency on H.R. 6382, February 4, 1942—page 48:

I think whenever we adopt that policy and state that it is our policy that we are going to put up a billion dollars, if it is determined that it is $5 or $6 billion more it would be our duty to put it up; just as in the case of the Federal Deposit Corporation. We put up a small capital stock there, but with a moral obligation that if the loss is more, I think, we should pay it.

Hon. Jesse Jones, statement before the House Committee on Banking and Currency on H.R. 6382, February 3, 1942—page 19:

On the 13th of December, we announced that this would cover the continental United States and on the 22d we enlarged it to include all U.S. possessions, including the Philippine Islands. But during my appearance before the Senate committee many of these points were brought out that you are bringing out now. I saw the President and suggested to him, as the Senate committee proposed, that probably it would be better for Congress to undertake to handle the Philippine Islands at such time as losses can be determined. There will probably be continuing losses there until the war is over, so that there will be no way to care for the situation now. He agreed that it would be the responsibility of Congress; so we will not undertake at this time to cover losses in the Philippines, except insofar as we are bound, and properly bound, by those press releases. If Congress did not take care of it after the war, we would be in honor bound to go through with these press releases. * * *

The amount will be so large, I assume, and the types of damage so varied, that Congress should handle that separately at the time.

Hon. M. E. Tydings, U.S. Senate, debate on S. 1610, November 27, 1945:

Mr. Jesse Jones, who was then the head of the Corporation (Reconstruction Finance Corporation), with the approval of the President, published an order which provided in effect that Filipinos and Americans in the Philippine Islands who could not obtain insurance because of the Japanese occupation, would be covered into the fund to the extent of $100 million without payment of premiums. That is in the record. No one denies it. So we have a moral obligation and a legal obligation, in my opinion, to the extent of $100 million, whether we pass this bill or not.

The amount mentioned by Senator Tydings provided coverage for property damaged or destroyed from December 6, 1941, to June 30, 1942. Most of the damage in the Philippines, perhaps 90 percent, occurred after June 30, 1942, particularly when American forces reoccupied the Philippines late in 1944 and early in 1945.

Philippine Rehabilitation Act of 1946—Public Law 370, 79th Congress:

SEC. 104. (a) No claim shall be paid unless approved by the Commission or its authorized representatives, and on account of each claim so approved the Commission may make immediate payment of (1) so much of the approved amount of the claim as does not exceed $500 or 1,000 Philippine pesos, plus (2) such percentage, not in excess of 80 percent of the remainder of the approved amount of the claim as the Commission shall make applicable to all approved claims, due consideration having been given to the total funds available for distribution.

This provision authorized the Commission to make immediate payment of 60 percent—80 percent of the 75 percent—of the approved remainder on all claims in excess of $500. The Congress would hardly have extended this authorization unless it intended that the Commission should pay 60 percent or more on approved claims.

There can be little doubt in the minds of those who have followed the course of Philippine wartime suffering and our program of rehabilitation that we have always entertained the intention and purpose at least to pay the war damages awarded by the War Damage Commission to the full extent allowed by the law. This we have an opportunity to do by enacting the legislation now before us.

REDUCING THE NATIONAL DEBT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. HULL] may address the House for 20 minutes, and revise and extend his remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HULL. Mr. Speaker, a legislative poll I conducted recently among residents of the Sixth District of Missouri has convinced me that top priority should be given to legislation to reduce the national debt.

In response to the questionnaire, persons in every walk of life wrote me that they consider deficit spending a serious threat to our free enterprise system. Many people expressed willingness to make further sacrifices, by paying higher taxes, in order that the Federal Government might live within its means.

One man went so far as to state that he would gladly work for an entire year and contribute the proceeds of his labor to reducing the national debt if others would do the same.

As all of us realize, the American taxpayer now shoulders a tax burden that should not be increased. The solution to the fiscal problems of our Federal Government lies, in my opinion, in exercising greater thrift.

The deleterious effects of the national debt upon our economy are widely recognized. Congress should give serious study to the best method of reducing it. No other piece of legislation would do more to comfort our long-suffering taxpayers, restore confidence in government and curb inflation.

During recent discussions of this problem in the House of Representatives, it has been pointed out—cogently, I believe—that any program for retirement of the public debt is meaningless unless that program operates within the framework of a balanced budget.

To attempt to retire the debt and to simultaneously continue deficit spending, thereby adding to the debt, is in my view an exercise in futility.

Mr. Speaker, on April 14, I introduced a bill, H.R. 6346, designed to effect a systematic retirement of the public debt, which now totals $283 billion. The measure proposes a requirement that Federal expenditures shall not exceed Federal revenues in any fiscal year, with certain exceptions.

I subscribe enthusiastically to the cause of initiating a program for orderly retirement of the debt; that, indeed, is the principal aim of the measure I have proposed. However, I also believe that any such program must take into account future contingencies which might render payments on the debt temporarily infeasible.

No one can foresee with any degree of accuracy what emergency demands may be imposed upon our economy in future years. During wartime and other periods of grave national emergency, high levels of spending must be maintained, often without an offsetting rise in the Federal receipts.

Tending, also, to encourage deficit spending are economic depressions during which spending levels are continued despite lags in revenues.

My bill, therefore, places the question of a balanced budget within the discretion of the President and the Congress during periods of war, national disaster, emergency, or economic depression.

However, the measure contains machinery to make certain that deficit spending can be carried on only during

these periods and only with the positive consent of Congress.

Expenditures could not exceed revenues except in time of war declared by Congress, or upon determination and certification to Congress by the President that a national disaster, emergency or economic depression has occurred, is occurring, or is about to occur, such certification being subject to the approval of both Houses of Congress by a two-thirds vote of the membership of each House, and such certification to be effective only for the duration of the fiscal year with respect to which approval is given.

It is my hope, shared by many Members of Congress and by a majority of the American people, that revenues and expenditures will be kept in balance. At the same time, it is no less desirable that legislation regulating the delicate balance of Federal spending be sufficiently flexible to allow for future emergencies we cannot now predict.

As to slenderizing the debt, the bill provides that the public debt shall be reduced each year by 1 percent of the amount of the debt at the time the bill is enacted.

In short, the measure requires that the Federal budget be in balance, with the exceptions noted, and each year the public debt shall be reduced by not less than 1 percent.

Thus, the debt would be fully paid in 100 years, barring war, national disaster or emergency, or serious economic depression. If any of these conditions occur, the period required for retirement of the debt would be commensurately longer.

The idea of reducing the debt at a rate of 1 percent annually is contained in legislation proposed earlier this session by the gentlemen from Texas [Mr. WRIGHT and Mr. IKARD], and others. As they have pointed out, a century is a long time, but $283 billion is a lot of money.

The effect of reducing the debt will be dramatic.

As the principal becomes smaller, interest payments on it will be reduced. These interest payments now amount to in excess of $8 billion annually. Due to an upward trend in interest rates, they may soon approach $10 billion a year.

Unless a start is made on reduction, during the next 30 years we shall have paid at least $283 billion—the size of the debt—in interest alone and will still have on our hands the $283 billion debt itself.

Further, if we do not reduce this scandalous obligation, during the next 100 years we shall pay out something on the order of $900 billion in interest, but will still have the $283 billion debt, a total of over a trillion dollars.

It is also pertinent to point out that, aside from its bad effects upon the economy, the public debt constitutes a management headache so long as it exists.

Recognition of this was contained in report No. 98, March 9, 1959, of the Joint Economic Committee, in these words:

> Restrictive monetary and credit policies will aggravate the already formidable problems the Treasury faces in managing the public debt. Exploration and new thinking in managing our enormous public debt is required. This cannot be done solely by following the traditional methods of finance. At present, for example, long-term Treasury bond offerings not only markedly drive down the prices of all Government bonds but raise no significant amount of funds either new or for refunding. For this and other reasons, investor confidence is shaken and foreign countries begin to query the stability of the dollar.
>
> But how can one expect insitutional investors able to get all the higher interest-paying Government-guaranteed mortgages that will fit in their portfolios to be interested in long-term governments? Nor will raising the interest rate avail except to raise rates of return on competing investments without adding any substantial amount to the total of liquid funds.
>
> A fundamental reexamination of the problem of Federal debt management is urgently recommended.

Mr. Speaker, any debt reduction plan will require sacrifice. Initially, certain economies will be required if we are to apply $2.8 billion a year toward debt retirement and still keep Federal spending in line with Federal income.

However—and this is the silver lining—in not too many years the savings we will have realized in reduced interest payments will offset the payments we are making against the principal, and from that point forward more money will be available for spending.

The gentleman from Texas, Mr. WRIGHT, has computed that we shall have diminished the debt to a point in about 29 years where we will be paying no more in both principal and interest than we are now paying in interest alone, providing 1 percent of the debt is retired each year in the interim.

As it is today, the required interest payment is a multibillion dollar albatross around our collective necks, a deadweight, out-of-pocket loss.

These facts persuade me that a debt reduction bill can enlist the support of all members of both parties, and of those who advocate free spending as well as those of more frugal philosophy.

To the objection that 1959 is not the time to start reducing the debt, one may answer with the question "When will there be a better time?"

If we await the absence of a crisis of some sort in our international affairs, I fear we are in for a long wait. Lamentably, the world, including the United States, has gone from one crisis to another for several decades and no end is in sight.

Every schoolchild knows it is easier to pay your debts when you are prosperous than when you are broke. As true today as they were when spoken on January 21, 1948, are these words of the gentleman from Texas [Mr. POAGE]:

> Mr. Speaker, every honorable citizen of this country recognizes the necessity of paying his debts, even when it hurts. Every citizen knows it is much easier to pay his debts while his income is high * * * If we are sincere about wanting to pay the debt, let us begin paying it.

Mr. Speaker, a recent commentary by James Marlow, well-known news analyst, should be required reading for each of us. In his discourse on the debt-reduction bill of the gentlemen from Texas [Mr. WRIGHT and Mr. IKARD] and others, the writer stated:

> Although WRIGHT stuck a needle in the national conscience, and one House Member after another rose to applaud him, nothing is likely to come of the idea except that it may be enshrined in a place set aside for noble thoughts.

While I cannot concur in Mr. Marlow's low estimate of the prospects for congressional action on the laudable proposals of the gentlemen from Texas or other similar measures, his statement does reflect a growing conviction among our citizens, sad to relate, that Congress is either afraid or unable to translate noble thoughts into positive action when such action involves tightening our money belt.

As debate on this matter has proceeded, I have made a careful study of measures introduced in the past to effect retirement of the debt. I believe a compilation of these measures demonstrates beyond a doubt that this sentiment is not a passing fad of the year 1959, and also that a reduction of the debt can be achieved if we marshal our forces.

Mr. Speaker, here is a list, compiled with the assistance of the Legislative Reference Service of the Library of Congress, of the measures introduced since 1945 to retire the debt.

LEGISLATIVE PROPOSALS FOR REDUCTION OF THE NATIONAL DEBT

H.R. 3648, Mr. Voorhis, of California, July 2, 1945: Monetary Stabilization and Debt Reduction Act of 1945. When deflation is indicated, the Monetary Authority of the United States (to be created by the act) would issue new Federal Reserve notes and purchase with them on the open market and retire Government obligations.

S. 1302, Mr. McKellar, July 24, 1945: Places the proceeds from disposition of surplus property in a surplus property fund used for the retirement of the debt.

H.R. 5886, Mr. Knutson, March 26, 1946: Public Debt and Tax Reduction Act of 1946. Reduces the debt limit from $300 billion to $290 billion and reduces the debt each month by the amount of its net reduction during the preceding month.

H.R. 6375, Mr. Winter, May 8, 1946: Cash Basis Act of 1946. In preparing the budget, the President is to set out at least $2 billion annually for the reduction of the debt.

H.R. 532, Mr. McGregor, January 6, 1947: During each fiscal year, reduces the debt by at least 10 percent of the overall Federal receipts for the preceding fiscal year.

H.R. 3192, Mr. Cole, of Kansas, April 24, 1947: Establishes a sinking fund for the retirement of the debt; each fiscal year $10 billion of revenues from estate taxes would be placed in the fund.

H.R. 5068, Mr. POAGE, January 21, 1948: Appropriates $7 billion for retirement of the debt.

H.R. 5072, Mr. WHITTEN, January 21, 1948: Applies 10 percent of the annual revenues of the United States on the national debt.

H.R. 5215, Mr. Anderson, of California, January 30, 1948: Reduces the public debt by at least $2.5 billion during each fiscal year.

H.R. 5229, Mr. Reeves, January 30, 1948: Applies at least 10 percent of annual income tax (excluding corporate income tax) collections or $1.5 billion, whichever is greater, to reduction of the debt.

H.R. 5352, Mr. FISHER, February 12, 1948: Applies at least 10 percent of the annual

revenue of the United States on the national debt.

H.R. 114, Mr. POAGE, January 3, 1949: Appropriates $10 billion for retirement of the public debt.

H.R. 329, Mr. Anderson, of California, January 3, 1949: Reduces the public debt by at least $2.5 billion during each fiscal year.

H.R. 504, Mr. McGregor, January 3, 1949: During each fiscal year reduces the debt by at least 10 percent of the overall Federal receipts for the preceding fiscal year.

H.R. 2421, Mr. TEAGUE, February 7, 1949: Reduces the public debt by at least 10 percent of the estimated overall Federal receipts for each fiscal year.

H.R. 3145, Mr. Cole, of Kansas, March 2, 1949: Establishes a sinking fund for the retirement of the debt, each fiscal year $10 billion of revenues from taxes would be placed in the fund.

H.R. 5663, Mr. PATMAN, July 18, 1949: Economic Expansion Act of 1949. In title III orderly reduction of the national debt in an expanding economy is stated to be one of the objectives of the act.

Bills with provisions identical to H.R. 5663 were submitted in 1949 by Mr. Biemiller, Mr. Jackson of Washington, Mrs. Douglas, Mr. Mitchell, Mr. Holifield, Mr. O'Konski, Mr. Lane, Mrs. Woodhouse, Mr. Yates, Mr. Kennedy, and Mr. Klein.

S. 2627, Mr. MORSE, September 30, 1949: Budget and Tax Adjustment Act of 1949. Title I provides that national output is to be increased to $300 billion and at that level sufficient taxes are to be raised annually to balance the budget and provide a surplus for the systematic reduction of the national debt.

H.R. 6205, Mr. ABBITT, January 24, 1952: Applies 10 percent of the revenue receipts of the Federal Government during the remainder of the current fiscal year to the reduction of the national debt.

House Joint Resolution 24, Mr. Curtis of Nebraska, January 3, 1953: Constitutional amendment. Applies the excess of receipts over expenditures in any fiscal year and the proceeds of a special tax (which Congress shall have the power to lay and collect) to the principal of the national debt.

Senate Joint Resolution 133, Mr. CURTIS, February 1, 1956: Constitutional amendment. Grants Congress the power to lay and collect a special tax to be applied to the principal of the national debt.

House Joint Resolution 528, Mr. Miller of Nebraska, February 9, 1956: Constitutional amendment. Grants Congress the power to lay and collect a special tax to be applied to the principal of the national debt.

H.R. 6466, Mr. RHODES of Arizona, March 28, 1957: Directs the President to include in the budget each year at least $2 billion to be applied toward reduction of the national debt.

H.R. 144, Mr. GROSS, January 7, 1959: Provides that Federal expenditures shall not exceed Federal revenues except in time of war declared by Congress or during a period of grave national emergency declared by affirmative vote of at least two-thirds of each House of Congress. Provides for the reduction of the national debt at an increasing percentage of the net annual revenue of the United States.

H.R. 1337, Mr. RHODES of Arizona, January 7, 1959: Directs the President to include in the budget each year at least $2 billion to be applied toward reduction of the national debt.

H.R. 2753, Mr. DENTON, January 19, 1959: To amend section 6 of the Victory Liberty Loan Act to provide that 2 percent of the net budget receipts of the United States shall be placed in a sinking fund and used for the retirement of the national debt, and for other purposes.

House Concurrent Resolution 79, Mr. WRIGHT, February 9, 1959: Expressing sense of Congress with respect to a program for paying the national debt 1 percent a year for 100 years.

H.R. 4587, Mr. IKARD, February 17, 1959: A bill to amend section 21 of the Second Liberty Bond Act to provide for the retirement of the public debt.

H.R. 4588, Mr. WRIGHT, February 17, 1959: A bill to amend section 21 of the Second Liberty Bond Act to provide for the retirement of the public debt.

House Concurrent Resolution 85, Mr. ROGERS of Florida, February 18, 1959: Concurrent resolution expressing the sense of Congress with respect to a program for retirement of the public debt.

House Concurrent Resolution 89, Mr. BOGGS, February 24, 1959: Concurrent resolution expressing the sense of Congress with respect to a program for paying the national debt.

House Concurrent Resolution 90, Mr. COAD, February 25, 1959: Concurrent resolution expressing the sense of Congress with respect to a program for paying the national debt.

H.R. 5044, Mr. BROCK, February 26, 1959: A bill to amend section 21 of the Second Liberty Bond Act to provide for the retirement of the public debt.

H.R. 5061, Mr. MCGINLEY, February 26, 1959: A bill to amend section 21 of the Second Liberty Bond Act to provide for the retirement of the public debt.

H.R. 5069, Mr. UDALL, February 26, 1959: A bill to amend section 21 of the Second Liberty Bond Act to provide for the retirement of the public debt.

H.R. 5086, Mr. ROGERS of Florida, February 26, 1959: A bill to amend section 21 of the Second Liberty Bond Act to provide for the retirement of the public debt.

H.R. 5124, Mr. LOSER, March 2, 1959: A bill to amend section 21 of the Second Liberty Bond Act to provide for the retirement of the public debt.

H.R. 5203, Mr. HALEY, March 3, 1959: A bill to amend the Budget and Accounting Act, 1921, to provide for the retirement of the public debt by setting aside the first 5 percent of the budget receipts of the United States for each fiscal year for the sole purpose of retirement of obligations counted as part of the public debt.

H.R. 5317, Mr. MATTHEWS, March 5, 1959: A bill to amend section 21 of the Second Liberty Bond Act to provide for the retirement of the public debt.

House Concurrent Resolution 98, Mr. MCGOVERN, March 5, 1959: Concurrent resolution expressing the sense of the Congress with respect to a program for paying the national debt.

H.R. 5419, Mr. MCGOVERN, March 9, 1959: A bill to amend section 21 of the Second Liberty Bond Act to provide for the retirement of the public debt.

H.R. 5464, Mr. TEAGUE of Texas, March 9, 1959: A bill to amend section 138 of the Legislative Reorganization Act of 1946 so as to provide for the reduction of the public debt by at least 10 percent of the estimated overall Federal receipts for each fiscal year.

H.R. 5572, Mr. GUBSER, March 11, 1959: A bill to permit one-half of the budget surplus for any fiscal year to be applied against the public debt and to provide that one-half of such surplus shall be applied as tax credits against individual income taxes.

House Concurrent Resolution 102, Mr. BREWSTER, March 11, 1959: Concurrent resolution expressing the sense of the Congress with respect to a program for paying the national debt.

While some omissions may occur, I believe this compilation contains virtually all of the proposed legislation on this subject up to a month ago. It can be seen that methods proposed to reduce the debt are diverse, but certainly not so much so that their joint objective cannot be achieved in one piece of legislation.

By study and discussion, this Congress can determine the best device for systematically reducing and eventually retiring the debt.

If this is done, I believe the 86th Congress will be remembered in gratitude by future generations as that Congress which, at long last, had the gumption to tackle one of the most perplexing problems of our times, instead of passing it down to our children as their headache.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. RODINO (at the request of Mr. ALBERT), for an indefinite period, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. COLLIER, for 20 minutes, on May 12.

Mrs. ROGERS of Massachusetts, for 10 minutes, today, to revise and extend her remarks, and include extraneous matter.

Mr. BAILEY, for 30 minutes, on Tuesday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. FISHER and to include a speech.

Mr. COLLIER in two instances and to include extraneous matter.

Mr. BUDGE.

Mrs. BOLTON and to include extraneous matter.

Mr. WALTER and to include an address by Mr. FLOOD.

Mr. KOWALSKI and to include extraneous matter.

(At the request of Mr. COLLIER, and to include extraneous matter, the following:)

Mr. DIXON.

(At the request of Mr. ALBERT, the following Members to extend their remarks and include extraneous matter:)

Mr. TUCK.

Mr. GALLAGHER.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 21 minutes p.m.) the House adjourned until tomorrow, Wednesday, May 6, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

931. A letter from the Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to amend title 10,

United States Code, to permit members of the Armed Forces to accept awards, fellowships, or grants"; to the Committee on Armed Services.

932. A letter from the Comptroller General of the United States, transmitting a report on the review of selected phases of the low-rent housing operations of the Housing Authority of New Orleans, La.; to the Committee on Banking and Currency.

933. A letter from the Comptroller General of the United States, transmitting a report on review of additional costs incurred in using tin cans for packaging nonfat dry milk and processed cheese for donation abroad, Commodity Credit Corporation, September 1958; to the Committee on Government Operations.

934. A letter from the Acting Secretary of the Interior, transmitting a supplemental report on the La Feria division of the lower Rio Grande rehabilitation project in Texas, pursuant to section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187) (H. Doc. No. 128); to the Committee on Interior and Insular Affairs and ordered to be printed with illustrations.

935. A letter from the Assistant Secretary of the Navy, transmitting information in regard to a letter concerning the Department of the Navy's policy of paying its ungraded employees on a weekly basis which was addressed to the Speaker of the House of Representatives by the Comptroller General of the United States on April 15, 1959, and recorded as executive communication No. 854; to the Committee on Post Office and Civil Service.

936. A letter from the Secretary of the Army, transmitting a draft of legislation entitled "A bill for the relief of the estate of Oshiro Shoko"; to the Committee on the Judiciary.

937. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

938. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of the order suspending deportation in the case of Young Wai or Wai Young, A–9734746, pursuant to Public Law 863, 80th Congress; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOLEY: Committee on Agriculture. H.R. 5058. A bill to amend section 101(c) of the Agricultural Act of 1949 to stabilize and protect the level of support for tobacco; with amendment (Rept. No. 329). Referred to the Committee of the Whole House on the State of the Union.

Mrs. GRANAHAN: Committee on Post Office and Civil Service. H.R. 5212. A bill to revise the minimum charge on pieces of mail of odd sizes and shapes; with amendment (Rept. No. 331). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on Armed Services. H.R. 6268. A bill to amend title 10, United States Code, to provide that the Secretary of the Navy shall prescribe the compensation of the academic dean of the Naval Postgraduate School; without amendment (Rept. No. 332). Referred to the Committee of the Whole House on the State of the Union.

Mr. TRIMBLE: Committee on Rules. House Resolution 249. Resolution amending House Resolution 91, 86th Congress; without amendment (Rept. No. 333). Referred to the House Calendar.

Mr. TRIMBLE: Committee on Rules. House Resolution 260. Resolution providing for consideration of H.R. 3460, a bill to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes; without amendment (Rept. No. 334). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KILDAY: Committee on Armed Services. H.R. 5836. A bill for the relief of Dorothy E. Green and Thelma L. Alley; without amendment (Rept. No. 330). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CASEY:

H.R. 6888. A bill to amend section 4132 of the Revised Statutes, section 37 of the Merchant Marine Act, 1920, and section 2 of the Shipping Act, 1916; to the Committee on Merchant Marine and Fisheries.

By Mr. CELLER:

H.R. 6889. A bill to repeal subdivision c of section 18 of the Bankruptcy Act (11 U.S.C. 41c) so as to eliminate verification under oath of pleadings; to the Committee on the Judiciary.

By Mr. DAVIS of Georgia:

H.R. 6890. A bill to amend the Railroad Retirement Act and the Social Security Act to eliminate all restrictions upon the right of an individual to receive benefits simultaneously under both acts or to receive more than one annuity under the Railroad Retirement Act; to the Committee on Interstate and Foreign Commerce.

By Mr. DEROUNIAN:

H.R. 6891. A bill to authorize appropriations for the Federal-aid primary system of highways for the purpose of equitably reimbursing the States for certain free and toll roads on the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. FLYNN:

H.R. 6892. A bill to extend to veterans of the Spanish-American War, including the Philippine Insurrection and the Boxer Rebellion, the same eligibility for hospital care for any disability from the Vteerans' Administration as they now enjoy with respect to outpatient medical services; to the Committee on Veterans' Affairs.

By Mr. HARRIS:

H.R. 6893. A bill to amend the District of Columbia Stadium Act of 1957 with respect to motor-vehicle parking areas, and for other purposes; to the Committee on the District of Columbia.

H.R. 6894. A bill to amend the Trading With the Enemy Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. HERLONG:

H.R. 6895. A bill to amend section 501 of the Internal Revenue Code of 1954 with respect to exemption of voluntary employees' beneficiary associations; to the Committee on Ways and Means.

H.R. 6896. A bill to provide that certain voluntary employees' beneficiary associations shall be exempt from income tax; to the Committee on Ways and Means.

By Mr. LINDSAY:

H.R. 6897. A bill to promote the foreign policy of the United States by providing for the appointment of an assistant to the Secretary of State to assure the coherent development of all official international cultural activities of the United States; to the Committee on Foreign Affairs.

By Mr. ROGERS of Florida:

H.R. 6898. A bill to establish rules of interpretation governing questions of the effect of acts of Congress on State laws; to the Committee on the Judiciary.

By Mr. SANTANGELO:

H.R. 6899. A bill to amend the Postal Field Service Compensation Act of 1955 to transfer the key position of elevator operator from level 2 to level 3 of the postal field service schedule, to revise the position description of the key position of guard in level 3 of such schedule, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON of Montana:

H.J. Res. 363. Joint resolution to provide for the acceleration of the various reforestation programs of the Department of Agriculture and the Department of the Interior, and for other purposes; to the Committee on Agriculture.

By Mr. COFFIN:

H.J. Res. 364. Joint resolution to provide for the acceleration of the various reforestation programs of the Department of Agriculture and the Department of the Interior, and for other purposes; to the Committee on Agriculture.

By Mr. GAVIN:

H.J. Res. 365. Joint resolution to provide for the acceleration of the various reforestation programs of the Department of Agriculture and the Department of the Interior, and for other purposes; to the Committee on Agriculture.

By Mr. METCALF:

H.J. Res. 366. Joint resolution to provide for the acceleration of the various reforestation programs of the Department of Agriculture and the Department of the Interior, and for other purposes; to the Committee on Agriculture.

By Mr. MEYER:

H.J. Res. 367. Joint resolution to provide for the acceleration of the various reforestation programs of the Department of Agriculture and the Department of the Interior, and for other purposes; to the Committee on Agriculture.

By Mr. FLYNN:

H. Con. Res. 168. Concurrent resolution expressing the sense of Congress in regard to United Nations Charter revision, and for other purposes; to the Committee on Foreign Affairs.

By Mr. LINDSAY:

H. Res. 259. Resolution requiring each Member of the House to disclose certain information with respect to his employees and rental of office space and regulating the place of performance of duties by certain House committee employees; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. DEROUNIAN introduced a bill (H.R. 6900) for the relief of Col. William M. Kasper, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

177. By the SPEAKER: Petition of Gladis B. Voorhees and others, La Jolla, Calif., pe-

titioning consideration of their resolution with reference to recommending the counsel of George Washington in coping with present perils to mankind; to the Committee on Foreign Affairs.

178. Also, petition of the chef de gare, Voiture No. 165, La Societe des 40 Hommes et 8 Chevaux, Medford, Oreg., petitioning consideration of their resolution with reference to requesting favorable consideration of S. 1138, a bill to extend education and training benefits to veterans, who entered military service from February 1, 1955, and as long as the draft shall continue; to the Committee on Veterans' Affairs.

EXTENSIONS OF REMARKS

Address by Hon. Jennings Randolph, of West Virginia, at Dedication of Sheltered Workshop and Rehabilitation Center Building, Davis Memorial Goodwill Industries, Washington, D.C.

EXTENSION OF REMARKS
OF
HON. JENNINGS RANDOLPH
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES
Tuesday, May 5, 1959

Mr. RANDOLPH. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address delivered by me at the dedication of the Sheltered Workshop and Rehabilitation Center Building, Davis Memorial Goodwill Industries, Washington, D.C., May 3, 1959.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY U.S. SENATOR JENNINGS RANDOLPH AT THE DAVIS MEMORIAL GOODWILL INDUSTRIES DEDICATION OF THE SHELTERED WORKSHOP AND REHABILITATION CENTER BUILDING, WASHINGTON, D.C., MAY 3, 1959

General Maas, President Dulin, officers and members of the board of trustees, staff members of the Davis Memorial Goodwill Industries and guests, today we begin the observance of the 25th anniversary of the Goodwill Industries in Washington. Today we dedicate this rehabilitation center building to the further advancement of the cause for which so many of you have worked so tirelessly and devotedly—the cause of justice, not charity, for the handicapped—the justice of equality of opportunity.

This building crowns with success the efforts of many years, the hopes we have so long maintained for expanding opportunities to the disabled, and offers rich reward for the sacrifices and discomforts that staff members and workers have borne during this period of transition. It is with gratitude and thanksgiving to all of those who have contributed to its realization that we observe this latest milestone in the growth of the Davis Memorial. It is indeed a fitting climax to our first quarter century of existence and a hopeful portent of the future.

We have traveled far from those modest beginnings in 1935 when the operations of the Davis Memorial were limited to the workshop offering employment to a comparative handful of disabled men and women. In those 24 years the Goodwill Industries here in Washington has employed over 7,000 workers at wages totaling more than $5 million.

While today, with an annual budget approaching the million dollar mark, employment has reached 275 daily, and in 5 years is expected to be doubled. Yet such statistics do not alone tell the full story.

For today, as in the past, the concern of the Davis Memorial has been for the disabled man or woman as an individual person—not as a figure on the balance sheet. In implementing this concern, our workshop here has kept pace with the development in the philosophy of the sheltered workshop movement. We have, in keeping with the development of the Goodwill Industries nationally, advanced from the concept of the sheltered workshop as primarily and almost exclusively a place of terminal employment, to the acceptance of a dual function—on the one hand, offering continuous or recurrent employment for those for whom opportunities in competitive employment do not exist, and on the other, providing a transitional and diagnostic work experience for those who will graduate into competitive employment.

The ability to perform adequately this dual function is now assured, not only by these new physical facilities, but also by the excellent professional team of the Davis Memorial—including a physician, nurse, medical social worker, psychologist, occupational therapist, physical therapist, and prevocational supervisor.

Thus has almost a quarter of a century's striving finally been rewarded with the physical and professional facilities necessary to carry on the thrilling and dramatic task—the task of restoring disabled men and women to lives of fruitful, constructive, and independent endeavor.

The growth of our facilities and achievements here in Washington has been paralleled by advancement throughout the Nation as well. The Goodwill Industries together provided training, rehabilitation, and employment last year for some 32,000 men and women, with wages of $16,500,000 going to persons in training and workshop employment.

In the Federal-State program of vocational rehabilitation there has also been marked progress during the past year. According to Secretary Flemming, in his section of the recent special report to the President from the Committee on Employment of the Physically Handicapped: "Another measure of growth is the fact that over a quarter of a million handicapped persons were served by the State rehabilitation agencies last year." While, and I again quote from Secretary Flemming, "* * * nearly 75,000 handicapped individuals received rehabilitation services and were established in useful jobs. This was an increase of more than 3,000 over the previous year."

Similar progress has been achieved in the field of research and the training of professional personnel—the two areas on which the future depends most heavily for continued development. In 1958 the Office of Vocational Rehabilitation approved grants for 81 new research projects covering a wide range of rehabilitation problems, while currently there are more than 150 such projects underway.

Today, as a result of Federal training grants from the Office of Vocational Rehabilitation, more than 300 graduate students finish their work each year to enter State and private agencies, compared to about a dozen a year prior to the OVR program.

In addition, training grants were made last year to 30 approved residency training programs in physical medicine and rehabilitation, covering traineeships for approximately 145 physicians, while grants have also been made to 25 of the 82 approved schools of medicine for the purpose of offering basic instruction in rehabilitation.

The Veterans' Administration is pioneering new fields through its current study of occupations held by epileptics and the homebound disabled—hoping to achieve for these groups what its previous studies did for the blind and paraplegics.

Thus, on many fronts there are signs of real and substantial progress. However, there remain several specific areas in which there is a compelling need for greater effort—each of which ultimately resolves itself into a question of communicating our message to the larger national community.

I need not labor here the general problem of creating a more favorable climate for the employment of the physically handicapped. For you ladies and gentlemen are well aware of this and of the employment record of handicapped persons—in such matters as safety, low absenteeism and low turnover, and high productivity.

However, I would like to refer you to an observation made somewhat more than a year ago, by Mr. A. J. Hayes, president, the International Association of Machinists. As Mr. Hayes stated:

"In our goal to place the handicapped in jobs, we are still not being fair with prospective employers in most cases. We produce records proving that the handicapped are able, loyal, productive and safe workers. But in the vast majority of our States, we leave employers of handicapped workers open to unfair liability in case of injuries to the handicapped. It is true that 43 of our 48 State workmen's compensation laws have provisions for some sort of second injury fund. But the real fact is that fewer than a dozen States have second injury funds of the type which really accomplish their objective. The rest of them leave employers wide open to extensive and unfair liability for subsequent injuries to handicapped persons. The result, of course, is to deny handicapped job applicants a fair opportunity of finding employment."

Thus, the revision of State laws in this field offers us, I believe, one of the major challenges in the effort to further equality of opportunity for the handicapped.

In closing, I would now like to address the relationship of employment of the handicapped to the needs of our Nation's productive system as a whole. It is estimated—according to the U.S. Department of Labor—that some 74 million employees will be needed to produce the $560 billion gross national product set as a goal for 1965.

On the basis of recent trends—and assuming a prosperous peacetime economy—we may reasonably expect to have a total labor force of approximately 79 million in 1965. This 79 million labor force would include an estimated 3 million persons in the Armed Forces, a minimum of 2 million unemployed, and the remainder—74 million in civilian employment. Thus it would appear that the 1965 labor supply will be numerically adequate.

But what are the full implications of this figure? Half of this increase of almost 10 million will be accounted for by women—most of whom will be in the younger and older age groups. Among men, the largest increase will be in the 14–24 age group—young men entering the labor force for the first time. The next largest increase will be

in the 45–54 age group, and the remainder, 1 million, in the 55 years-and-over group.

Most of the increase in our labor force by 1965 will therefore be in the younger and older age groups.

Another factor which must be taken into account is the effect of permanent and temporary disabilities incurred on the job. According to the current issue of the Monthly Labor Review, there were in 1958 1,810,000 such injuries, of which 75,700 were permanently disabling. The total loss of man-days, that is, immediate and future as a result of deaths and permanent impairments, is estimated at 160 million, or the equivalent of a year's full-time employment of about 515,000 workers.

Add to this figure those who will develop service-connected disabilities and those who will be partially disabled by home and traffic accidents, and it becomes apparent that the numerically adequate labor force of 1965 will depend greatly on what we do to keep it numerically adequate.

Part of the answer will lie in full employer utilization of the physically handicapped—and older workers—with employment by selective placement being the rule and not the exception. The U.S. Civil Service Commission has offered a guide in its pamphlet on selective placement and—according to Chairman Harris Ellsworth—is continuing its investigation by conducting a survey of approximately 30 of the larger agencies in this area.

However, the Government in this field can only propose; it remains for the local community and the individual businessmen to dispose. Thus, we return again to the problem of communication. Our responsibility is clear; not only to communicate to prospective employers that sound business recommends the employment of the handicapped, but that justice requires it—justice, not charity. For it is justice and the right to equality of opportunity which make viable the claim of the handicapped to a life of independence and a share in the fruits of our democracy.

Annual Convention of National Association of Plumbing Contractors

EXTENSION OF REMARKS
OF
HON. GEORGE A. SMATHERS
OF FLORIDA
IN THE SENATE OF THE UNITED STATES
Tuesday, May 5, 1959

Mr. SMATHERS. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement which I have prepared relating to the forthcoming 77th annual convention of the National Association of Plumbing Contractors to be held at Miami Beach, Fla., from May 31 to June 4, of this year.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SMATHERS

Between the dates of May 31 and June 4, 1959, at Miami Beach, Fla., the National Association of Plumbing Contractors will hold their 77th annual convention. On these same dates there will also be a National Plumbing, Heating, and Cooling Exposition to demonstrate the progress of this industry.

It is the largest annual conclave of the combined plumbing, heating, and air conditioning industry in the United States. The association, itself, is the oldest trade association in the construction industry and represents a most progressive entity which has contributed substantially to the American way of life. The industry has helped America achieve the highest standards of health, sanitation and comfort in the world.

In its 77th year I am pleased to report that the association has been under the very able leadership of an outstanding native son of Florida. His name is Mr. John M. Rhoades, of Sarasota, Fla. As president of the association, he has served with honor and distinction. Through his efforts, the convention and exposition was brought to Florida for the first time in the association's 77-year history.

Florida is particularly proud of John Rhoades, not only for the contribution which he has made to this great industry, but as a citizen who has served well his community, his State, and his Nation.

United States, Israel, and the World Crises

EXTENSION OF REMARKS
OF
HON. PAUL H. DOUGLAS
OF ILLINOIS
IN THE SENATE OF THE UNITED STATES
Tuesday, May 5, 1959

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the very thoughtful and forward-looking speech about the situation in the Middle East by the distinguished senior Senator from Minnesota [Mr. HUMPHREY], delivered in Chicago on the occasion of the Jewish National Fund dinner to honor that able jurist and devoted public servant, Judge Abraham Marovitz on April 1, 1959.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

UNITED STATES, ISRAEL, AND THE WORLD CRISES

(Excerpts from remarks prepared for delivery by Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, at Jewish National Fund dinner honoring Judge Abraham Marowitz, Chicago, Ill., April 1, 1959)

In the past 3 months the American people have focused their attention on the Berlin crisis, almost to the exclusion of any other international problem. This preoccupation with Berlin is understandable, but it can be dangerous. It can be dangerous because that divided city is not the only potential source of open international conflict.

The war which nobody wants could be sparked in Berlin. It could also start in Quemoy or Baghdad.

The delicate Berlin situation is the most serious crisis we have faced since the Korean war, and potentially the most serious Communist challenge since the end of World War II. But it is not the only crisis.

The crisis in the Formosan Strait, although relatively quiet at the moment, is also full of danger. And matters are boiling up again in the turbulent Middle East. Iraq, our former ally, has renounced her membership in the Baghdad Pact. And what is more important, it looks as though this important Middle Eastern country may be slipping from the twilight zone of neutralism into the midnight darkness of communism. * * *

In short, we are confronted with the possibility of a three-headed crisis—in Germany, in the Formosan Strait, and in the Middle East. This raises two serious questions: First, are we really prepared to meet a determined adversary on three fronts simultaneously? Second, if we are not, what should we do to become better prepared?

Berlin alone may test us to the limit. * * *

But this much we can say for the Berlin situation. We are entering into negotiations with the strength of a united Western position. We have the support of Britain, France, West Germany, and our other NATO partners.

Our present policy in the Formosan Strait enjoys no such united support. Our only ally there is Chiang Kai-shek.

Tonight, I want to focus my attention on the third potentially explosive situation—the Middle East. I fear that our economic, political, and military policies are not adequate to a serious challenge in this area. Further, I do not think we are doing all we should do to improve our position.

Consider the challenge and the stakes. The Soviet Union is engaging in a massive program of economic penetration into that strategic, oil-rich area. Her aim is not to foster economic development nor to encourage genuine national self-determination. Her aim is to expel Western influence and to expand the Communist empire. Testimony submitted by the State Department in recent weeks shows that the U.S.S.R. is committed to lend Egypt and Syria, the United Arab Republic, a total of $949 million in economic and military aid.

Last week the Soviet Union announced economic aid to Iraq, totaling $138 million. This is in addition to the $120 million in military aid previously disclosed.

The pattern is ominous. The Russians are clearly exploiting the Arab hostility toward Israel to achieve her political purposes in the Mediterranean world.

In the face of this, it is my firm conviction that the United States response has been less than adequate.

* * * * *

I do not suggest that we should compete with the Russians in every country where they have established a foothold, regardless of the internal political situation.

If we compete wherever the Soviet Union offers an aid program we shall be letting Moscow decide how we shall deploy our aid. If we did, the Russians might well tempt us into wasteful squander.

I do submit, however, that in countries where the people and government understand our objectives and are struggling to attain political and economic freedom, we should be maintaining and, yes, expanding our program of assistance and cooperation.

There are countries in Asia and Africa, like India and Israel, where the rule of law prevails and where democracy is cherished and preserved.

What happens in these countries is crucial for the free world. If these countries falter and fail, then other nations in Asia and Africa may turn the Soviet way. It is sound policy to continue and increase economic aid where our dollars work and fight for freedom.

* * * * *

I do not need to tell this audience how important it is to maintain our program for Israel. In 1951 I was one of the 36 Senators who joined in sponsoring legislation in the Senate calling for a grant for Israel.

At that time Israel was struggling to resettle hundreds of thousands of Jewish refugees from the displaced persons camps in Europe and from the Arab countries in Asia and Africa.

The Congress provided $63 million as a grant to help Israel meet a tremendous crisis created by her own humanitarian impulses.

In subsequent years the U.S. Government has continued aid to Israel, and we are glad to see her tremendous gains. She has tripled her population, absorbed newcomers from

all over the world, provided them with sanctuary, enabled them to work and prosper.

This spectacular demonstration of how a government has been able to unite and fully employ the three major resources—land, water, and people—is proving to be an inspiration to the new countries in Asia and Africa as well as to free countries in Europe and this Hemisphere. All of us have much to learn from modern Israel. She is serving the cause of democracy on a critical frontier—a great ally.

In recent years the U.S. aid program to Israel has changed. As she has made progress our Government has enabled her to purchase surplus foods and has loaned to her money from the Development Loan Fund. The amount that we have been granting Israel has declined from a peak of $70 million in 1953 to $7½ million in the current year.

This may be an encouraging reflection of Israel's progress. But I hope that we will continue grant aid to Israel as long as she needs it and can use it as creatively as she has in the past.

The administration has indicated that aid to Israel may now come to an end, and that assistance to Israel will consist entirely of surplus foods. In my judgment it would be a serious mistake to terminate economic assistance to this democratic country at a time when she still has massive economic problems growing out of her need to resettle her vast new population, and to build a viable economy.

In addition, Israel stands alone in the area. She must be able to defend herself. I noted a few moments ago the massive aid the U.S.S.R. is pouring into Iraq, Egypt, and Syria. The Soviet Union is extending this elaborate assistance to Israel's hostile Arab neighbors. On top of this the United States has been furnishing military aid to Jordan, Lebanon, Saudi Arabia, and until last July to Iraq.

Israel has not received a single penny of grant military aid. Thus, it would be wrong from every standpoint to end our grant economic aid to Israel now.

* * * * *

I do not need to tell this audience what Israel's development can mean, for you who were pioneers in the Jewish National Fund were the first to show the Near East how to reclaim barren and neglected lands.

You may take pride in the fact that you not only helped to restore the people of Israel to their ancient homeland, you may derive satisfaction from the significant fact that all over Asia and Africa today the story of Israel's challenging and exciting restoration is being told and is being emulated.

How gratifying it is to know that 70 countries of the world have now recognized Israel, and that beyond the immediate perimeter of Arab hostility and blockade there are peoples and governments which share our own understanding of Israel's restoration. Many of these countries have offered her sympathy and cooperation.

Israel's growing acceptance in the fraternity of freedom must be recognized eventually by her Arab neighbors who surround her and who still persist in blockade and belligerency.

I have always believed that an Arab-Israel peace will come. It may take time, for the Near East is still tormented and tortured by divisions and tensions. But the internal Arab conflict that now disrupts the region is not an outgrowth of the Arab-Israel tension. It arises from poverty and the inevitable clash between the haves and the have-nots. Unfortunately, most of the Arabs are have-nots. They are the victims of frustration and are easily incited by demogogues who play upon their misery.

I hope that our country will help the peoples of the Near East to a better life. The answer to the Soviet Union is not in arms, but economic development. We must do as much to help the people to utilize their water resources as we have done to find their oil.

Eventually, we will make it clear to these peoples that we have no imperialist interest, and that our major objectives are to help friendly peoples befriend each other, work in cooperation and preserve their own independence and sovereignty.

Let no one in the Near East, whether he be a local ruler or a distant commissar deceive himself into believing that he can dominate this region and use these people to serve his own ambitions for power.

Let the peoples of the Middle East understand that each nation there is entitled to live its own life and a much fuller life than it leads today, free from the aggression and subversion of enemies, free in the evolution of its own destiny. Our policy in the Near East should continue to help the governments there maintain their political independence and at the same time expand the opportunities for economic development and cultural self-expression for their people.

When the peoples of the Near East come to understand that our policy serves their own best interests they will work with us to resolve conflicts, strengthen democracy, and preserve peace.

Salute to School Safety Patrols

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES

Tuesday, May 5, 1959

Mr. WILEY. Mr. President, this week school safety patrols from Wisconsin and all over the country will be attending the national school assembly here in Washington.

As a salute to this splendid program, I ask unanimous consent to have a brief statement on its merits printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

The promotion of greater safety through the school safety patrol program is indeed an outstanding program for instilling in our youth the necessity of ever-greater safety in the protection of life and limb.

I am delighted that between 350 and 400 safety patrols from Wisconsin will be in Washington for the 23d national assembly and parade.

According to preliminary estimates, it is expected that over 30,000 young people from throughout the Nation will participate. The various civic and fraternal groups, business firms, schools, and PTA's, labor organizations, and individuals who have contributed financially to make this trip possible for the delegates are, indeed, to be commended.

According to plans as outlined by Mr. B. A. Precourt, safety director for the American Automobile Association, Wisconsin division, which coordinates arrangements for the State group, a record number of about 16 Wisconsin communities will send delegates to this year's assembly. These communities include Adams, Eau Claire, Elkhorn, Hudson, La Crosse, Madison, Plymouth, Prairie du Chien, Racine, Reeseville, St. Francis, Strum, Wausau, Wauwatosa, West Allis, and Whitehall.

This colorful event is a tribute to the Nation's more than 750,000 patrol members who each day protect the lives of classmates at school crossings in communities throughout the country.

According to a survey, the school patrol program, since it was launched in 1922, has reduced the traffic fatality rate of children between the ages of 5 and 14 by nearly one-half. This is, in itself, a splendid tribute to the merits of this outstanding program.

Inflation Can Destroy Us

EXTENSION OF REMARKS
OF
HON. JOSEPH C. O'MAHONEY
OF WYOMING
IN THE SENATE OF THE UNITED STATES

Tuesday, May 5, 1959

Mr. O'MAHONEY. Mr. President, organized big business is conducting a nationwide campaign to convince little business that a bill which I have introduced to put a brake upon inflation is against the interests of all business. This is a misrepresentation, which would be apparent to anybody who has had the opportunity to examine the census of manufactures recently compiled by the Bureau of the Census. An analysis of the concentration of economic power based upon this census shows that in the industries on which our economy depends, more than 50 percent of the total output is handled by eight or fewer corporations.

Without giving the Federal Trade Commission or any other agency the right to put any ceiling on prices or to prohibit any price increase, I have introduced this bill, S. 215, to provide that in the case of any line of commerce a corporation falling into this category in which eight or fewer corporations handle 50 percent or more of the total output shall give advance notice to the Federal Trade Commission, the Department of Justice, and the Congress of the United States, before making such price increase effective.

We have had no hesitation in providing a cooling-off period in the case of labor. I see no reason why we should hesitate to provide a cooling-off period in cases such as are covered by this bill, cases which can easily produce inflation that will destroy the country.

In order that the full text of my opening statement explaining the bill may be available in the RECORD, I ask unanimous consent that my statement, entitled "Inflation Can Destroy Us," may be printed at length.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

INFLATION CAN DESTROY US

(Opening remarks of Senator JOSEPH C. O'MAHONEY, Democrat of Wyoming, before Senate Judiciary Antitrust and Monopoly Subcommittee at hearing on his bill, S. 215, to require concentrated industries to file advance notice before increasing prices, April 23, 1959)

Mr. Chairman, certainly nobody could ask for a more cordial generous and perhaps exaggerated introduction than that which I have had at your hands this morning.

I wanted the opportunity to discuss this bill because I think that we are dealing with

one of the most serious problems that this Nation ever faced. In fact we are in this country now beginning to form the outlines of the world in which the next generations will live.

Things are changing so rapidly that we ourselves—this generation I mean—may live in this new world which will not be a free world, a democratic world, a people's world, unless we now in places of leadership and legislative and executive power open our eyes to what is going on.

The time has come to put the brakes on inflation. It is a task which may be accomplished only by the cooperation of leaders in business and the leaders in labor, working in cooperation with the Government.

This Nation can no longer be content merely to drift with the times, for, if we do, not only will the cost of living and the cost of doing business, as well as the cost of Government, increase, but we shall be giving meekly to Communist Russia the principal weapon by which it hopes to destroy the system of private property.

TREASURY BORROWING CREATES ARTIFICIAL MONEY

These are no idle words. I call as a witness the Secretary of the Treasury, Robert B. Anderson, speaking in New York only last Monday. In simple, blunt language, he said: "This country cannot have an enduring bright economic future with inflation."

To illustrate his point, he described the dilemma in which the Treasury finds itself when without funds raised by taxation on hand to pay the bills the Federal Government has incurred, the Treasury is compelled to negotiate short-term loans.

"If," said the Secretary, "I called up a bank and said, 'Will you loan me $100 million at 3½ percent interest for 6 months if I send you over a note to the effect?' the banker would probably say, 'Yes, I will.'

"Where would he get the $100 million with which to credit the account of the U.S. Treasury? Would he take it from the account of someone else? No, certainly not. He would merely create that much money, subject to reserve requirements, by crediting our account in that sum and accepting the Government's note as an asset. When I had finished writing checks for $100 million the operation would have added that sum to the money supply."

INFLATION CAN DESTROY GOVERNMENT

This is an example of how inflation hits the Nation itself. It causes the creation of artificial money, and the more artificial money the Treasury creates, the greater is the danger. How great it is at this moment is proven by the fact that there are now outstanding against the great Government of the United States more than $74 billion in bills and notes payable in less than a year. This is why the national debt is increasing. It has already reached the highest peak in history and there is no present outlook for its reduction. Indeed, we are given to understand that the Treasury Department will again this year ask Congress to pass a new law to raise the ceiling on the national debt.

It is easy to say that the Government should stop spending, but we are launched upon a national program of defense and mutual security for which no new taxes are proposed and which, therefore, compels the Government to continue borrowing from the banks and thereby injuring the credit of the United States.

Many of our leaders talk about economic growth and the necessity of expending funds which the Treasury does not have, but must create with the banks and through the banks to promote this economic growth. It is my contention that economic growth with the national debt at an all-time peak cannot be created by increasing that debt. The danger is, as I said, that the credit of this Government itself may be destroyed. To destroy this credit (and it is only necessary to read the daily reports of the market value of Government securities to know that the Government credit is worsening) is the principal objective of Soviet policy in the economic war. Moscow knows that the free world depends upon the United States for its survival. Moscow knows that many governments in the past have been destroyed by inflation, and the economic war which Soviet Russia is now waging against the United States is designed to add the name of this country to the list of those which have perished from inflation in the past.

BILL IS FIRST STEP TO HALT INFLATION

This is why we must put the brakes on inflation now. The bill which I have introduced, S. 215, and which is the subject of this morning's hearing, is intended to be a first step to bring inflation under control. I do not pretend that this measure is a cure-all. It is not price control, but it does constitute an invitation to the leaders of concentrated industry, on both the management side and on the labor side, to avoid price increases for the products they manufacture and sell without first showing at a public hearing that there is good sound reason for the increases.

WOULD HOLD DOWN PRICES

This is not a punitive bill. It does not impose any penalty for price increases. It levies no fine except a nominal fine of not less than $5,000 nor more than $50,000 upon any corporation "wilfully failing to give the notice" of its proposed price increases. I am confident that no corporation will wilfully fail to give this notice. So the question arises, what does big management have to fear by explaining to the people, through notice to the Federal Trade Commission, that it has sound reason for increasing the cost of its products?

This is a measure designed to prevent by the light of advance publicity alone unnecessary and unwarranted price increases at a time when all the people and all governments in the United States, local, State, and National, are suffering seriously from inflation.

The bill was prompted by the fact that the increasing concentration of economic power in the hands of giant corporations is giving to big business management the power to regulate commerce, which the Constitution of the United States gave to Congress. "Concentration of economic power" is an easy phrase to use, to be sure, but it is difficult to define simply. Sometimes by business management it is regarded merely as a derogatory phrase used by leftists who would like to "soak the rich," as they say. It is nothing of the sort. It represents a harsh fact of our economic system, which, if not recognized by leaders in business, in labor, and in Government, may well destroy our system of government.

HANDFUL OF CORPORATIONS CONTROL PRICES OF ESSENTIAL COMMODITIES

The Bureau of the Census has proven the amazing nature of this concentration by means of the census of manufacture. This Subcommittee on Antitrust and Monopoly, through a scientfic analysis of the census, has proven that this concentration places in the hands of private management the power to control prices on commodities ranging from those which go upon the table of every family in the United States to those which make up the end products of all our basic industries.

CENSUS OF MANUFACTURING SHOWS HIGH CONCENTRATION IN INDUSTRY

Let us take some instances from the commodities, the value of which in national trade amounted to $1 billion and over when the census of manufacturers was made for the year 1954.

In 1954, there were 5,470 corporations producing $3,067,017,000 worth of bread and related products for sale in the United States. Out of this total, the 20 largest companies produced 40 percent, the 8 largest companies 31 percent, and the 4 largest 20 percent. Much as I dislike to leave this concentration of the production of bread for the people of the United States out of the scope of my bill, I did so because I wanted to point directly at the meaning of control which exists when eight large companies handle 50 percent or more of the total output.

Fluid milk and similar produces, like bread, constitute a familiar food in every household. In 1954, 4,572 corporations were engaged in this business, and the value of their shipments amounted to $4,233,983,000.

The 20 largest produced 36 percent, the 8 largest 29 percent, the 4 largest 23 percent. The meaning of this concentration becomes clearer when I put it this way: Of 4,572 corporations engaged in the production of fluid milk and similar products, less than one two-hundredths of the total number handled 36 percent of the entire business.

On the other end of the scale where we find that local companies do little or none of the business, we find a concentration of even greater dimensions. There were 102 corporations classified as steel works and rolling mills in 1954. Approximately one-fifth of the 102, or 20, did 85 percent of all the steel business in America that year. The eight largest did 70 percent, and the four largest 54 percent. Steel is an essential commodity for business, industry and Government throughout the Nation. When the price of steel goes up, the effect is felt throughout the Nation, but, obviously, when only four companies handle over 54 percent of the total output the decisions of the managers of those four companies inevitably sway the decisions of the managers of all the rest.

Certainly this is true when the time comes to pricing the product.

The same is true with petroleum refining. Here in 1954 there were 253 companies. The value of all the shipments was found by the Bureau of the Census to be $11,757,218,000. The 20 largest companies handled 84 percent of the total business, the eight largest 56 percent, and the four largest 33 percent. Let us state this in reverse order. With the 20 largest of the 253 companies in the business of petroleum refining handling 84 percent of the output, it is clear that 233 companies had to be satisfied with only 16 percent of the business. In steel, 82 of the 102 corporations had to get along with only 15 percent of the business. This is obviously concentration of control.

I want to emphasize at this point, Mr. Chairman, that I am not for Government control. Neither am I for private control in the hands of managers who are able to write their own tickets of responsibility, power and duties.

In 1954, 109 corporations were engaged in the manufacture of tin cans and other tinware, according to the Census Bureau. The total value of the shipments that year was $1,366,766,000. Of this total, the 20 largest companies handled 96 percent, the eight largest handled 88 percent, and the four largest handled 80 percent. Or, stated in other words, 89 of all of the 109 corporations engaged in this business had to be satisfied with a mere 4 percent of the total output. Thus does the concept of competition vanish, as well as the concept of local business, local competition.

It must be recognized, of course, by anybody who is familiar with modern industry of this type that big business is essential. There can be no doubt about that. We can-

not turn the clock back to the days when there were steel businesses—I was going to say in almost every county of the United States, but scattered through the States. We cannot go back to those days because times have changed. But we must make sure, if we want economic freedom, that the public knows what is going on before the sledgehammer hits them by price increases.

In tires and inner tubes, there were only 27 corporations producing these commodities in 1954. The value of the shipments was almost $2 billion, $1,841,732,000. The 4 largest companies produced 79 percent of the total, the 8 largest 91 percent, and the 20 largest 99-plus percent.

So the story goes from beginning to end. Out of the 65 industries classified by the Bureau of the Census as producing shipments worth $1 billion or more, in 26 cases the largest 8 controlled more than 50 percent. Out of a total of 252 industries producing commodities the shipments of which were valued at $100 million to $999 million, those in which 8 corporations produced 50 percent or more numbered 112.

MANAGEMENT AND GOVERNMENT CAN COOPERATE TO FIGHT INFLATION

Since the bill deals only with those lines of commerce in which eight or fewer corporations produce 50 percent or more of the total annual sales, it is apparent that the measure is intended to deal with those corporations which can be called the superoperators. If the $10 million capitalization requirement contained in the bill is too small, this can readily be corrected.

I have no intention of asking those corporations which cannot participate in the power of management over pricing to be compelled to give notice of increases, because I well know that in far the great majority those companies are merely taking orders from the price leaders. The bill, therefore, cannot be called an attack upon business. It is only, as I said at the outset, an invitation to the managers of the most concentrated industries in the United States to demonstrate their good faith in the fight which all of the people of the United States must undertake to stop inflation if we hope to resist the drive of the Soviet communism to conquer us in an econmic war. It is only, as I have said, an invitation to the managers of these concentrated industries to demonstrate their good faith in this fight. The goal we seek is a goal which will be beneficial to business as well as to all who suffer from the rising cost of living.

More than that, with business and Government cooperating in good faith, there will be punishment for neither the people or the corporations. We know that our Government was created to preserve political liberty and economic freedom. We know that the Communist dictators desire to destroy both. If we don't prevent inflation from crippling the economic strength of this Nation, communism will take over. This bill, I sincerely believe, is the first step, an essential step, to put an end to inflation in the free world.

B'nai B'rith Salute

EXTENSION OF REMARKS
OF
HON. FRANK KOWALSKI
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 5, 1959

Mr. KOWALSKI. Mr. Speaker, I call attention of the House to the fact that perhaps the greatest airborne convention in history will take place later this month when more than 1,300 persons will travel by air to Jerusalem to attend the triennial convention of B'nai B'rith. More than 1,000 of these delegates and participants will fly from the United States.

I am proud of the fact that 14 constituents of mine, representing the B'nai B'rith organizations of Connecticut, will take part in this historic expedition. In this group will be Commissioner Sol Bernstein and Morris Winikoff, of Waterbury; Herbert D. Setlow and Benjamin Lavietes, of New Haven; Mr. and Mrs. Samuel Kellin, of Hartford; Mr. and Mrs. Irving Rubinstein, Jack R. Nowitz, and Mr. and Mrs. Philip Kaplan, of Bridgeport; Sol Robinson and Ted C. Gorman, of Danbury; and Miss Fannie Resnick, of Durham.

All of us who are familiar with the great work which B'nai B'rith has done to combat intolerance will join in wishing this great organization a most successful convention. And we wish it well in its continuing campaign to quench the fires of bigotry, discrimination, and racial hatred whenever they blaze. We are proud of this 116-year-old organization, the oldest and largest of the Jewish service organizations.

An Address Delivered by Hon. Harry F. Byrd, of Virginia, at the Fauquier County Bicentennial Celebration, Warrenton, Va., Friday, May 1, 1959

EXTENSION OF REMARKS
OF
HON. WILLIAM M. TUCK
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 5, 1959

Mr. TUCK. Mr. Speaker, under leave heretofore granted me to extend my remarks in the RECORD, I include an address by the senior Senator from Virginia, the Honorable HARRY FLOOD BYRD, delivered on Friday, May 1, 1959, at the Fauquier County Bicentennial Celebration in Warrenton, Va. Fauquier County is in the heart of that beautiful section commonly referred to as northern Virginia, and is noted for the fertility of its soil, its picturesque scenery, and the solidarity of its citizenship.

On the occasion of the celebration of the 200th anniversary of this county, the citizens of Fauquier paid appropriate tribute to our able and distinguished colleague, the Honorable HOWARD WORTH SMITH, who lives in and is a native son of Fauquier. As Senator BYRD pointed out, Judge SMITH is one of the greatest living Americans. I share the sentiments expressed by Senator BYRD and when the history of this turbulent period is written, the name of HOWARD WORTH SMITH deserves and no doubt will go down in Virginia and American history as one of the most able, patriotic, and distinguished citizens ever to represent our State in the Congress of the United States.

On this auspicious and patriotic occasion our great Virginia Senator took time also to refer to the deplorable condition existing in this country as a direct result of the ineptitude, if not, indeed, the venality, of the Warren court.

I am confident that the address of Senator BYRD will be read and appreciated by many Members of the Congress, as well as by thousands of American citizens. The address is as follows:

I am deeply grateful for this opportunity to join with you in the celebration of the Bicentennial Anniversary of Fauquier County.

First, I want to congratulate you on your fine representation in the government of our State and Nation. They are fine citizens of the highest caliber and unquestionable integrity.

I want to pay especial tribute to your State senator, Bob Button, and your delegate to the Virginia House, Tom Frost. In all respects, they uphold the great traditions of Fauquier County in the General Assembly of Virginia.

I was formally invited here not only to participate in this delightful anniversary program, but also to help you honor one of the greatest American citizens of our age and time, the Honorable HOWARD WORTH SMITH.

HOWARD SMITH is a native of Fauquier. But, like you, his State and his country lay proud claim to his citizenship. His fame is nationwide.

He is a man who embodies a rare combination of talents. He is intensely patriotic, exceedingly able, and possessed of remarkable facility for accomplishment.

He is a farmer who, at the same time, knows the problems of agriculture and cherishes that wonderful sense of independence experienced only by those who work with the soil and marvel continually at its productiveness.

He is a banker who knows the problems of business and appreciates our free enterprise system as indispensable to the preservation of our democracy and our freedom, and to the protection of all the free world against Communist aggression.

He is a lawyer who, by tradition and by his training at the University of Virginia founded by Thomas Jefferson, knows that the primary purpose of law is to protect our liberties and freedoms from invasion and abuse, and that ours must be a government by law and not by men.

He is a judge, whose temperament is fashioned from moral courage, stubborn virtue, fundamental convictions, and the elegance of simplicity.

This is the man whom all of us have come to admire, and who is held in great esteem not only by those who know him personally, but also by those who know him only by the lasting reputation he has made.

People all over America join us in our gratitude for the full measure of distinguished service Judge SMITH has rendered, and is rendering, to his country, his State, and his community.

Elected and reelected to Congress 15 times, Judge SMITH has only one political platform. It is not long. But it tells the story of Representative HOWARD W. SMITH, Member of Congress from Virginia, and it should be a part of the record of this ceremony commemorating the 200th anniversary of his native county of Fauquier.

I quote in his own words the platform on which he has stood for more than a quarter of a century in the Congress of the United States.

Here it is:

"I will not pledge my support blindfolded to any unknown measures, to any person, or on any subject, but will use my best

judgment and discretion after careful study and concentration, and vote for such measures as I believe to be in the interest of the welfare of our country and in conformity with the wishes of my constituents."

In that simple statement, it seems to me we have the creed of an American statesman in his best tradition, asserting independence of thought and action; we have the essence of American statesmanship, withholding opinion and judgment until principles are satisfied.

We have the evidence of responsibility recognizing that public office is a public trust; and we have the manifestation of patriotism which should be engrafted on the bosom of every free American.

A man conscientiously adhering to that platform, with a clean record of performance, for 28 years is essentially a man of tremendous industry, a man of few words, and a man of fruitful action.

As a lifelong student of his Government, as a lawyer, as a jurist, and as a legislator, Judge SMITH knows the source of this Nation's strength and greatness, and at this moment he is doing his very best to protect them from subversion by the Warren court.

Fundamentally, our form of government rests upon the sovereignty of the States which form the Union. And for 6 years since Warren was appointed Chief Justice, the Warren court has struck directly at the roots of our democracy including a clear line of decisions destructive of States rights and concentrating power in the Federal Government.

Since 1953 the Warren court has handed down a number of decisions which would:

1. Limit the powers of the legislative branch of the Federal Government to investigate;

2. Open confidential files of the FBI and interfere with its administrative responsibilities;

3. Disregard the clear intent of laws, especially for evicting subversives from public positions;

4. Destroy the effectiveness of local police protection;

5. Strike down the rights of individuals;

6. Destroy the sovereignty of States guaranteed by the Constitution; and

7. Preempt and nullify perfectly good and constitutional State laws.

All of this does violence to American fundamentals.

Our Constitution establishes three branches of government—legislative, executive, and judicial, but we find the Warren court assuming the authority of all three.

Under our system the Central Government has no authority except that granted to it by the States, but we find the Warren court destroying the rights of States, and preempting State laws.

The Warren court school decision is perhaps the most direct blow to State sovereignty to date. And it was a decision based on nothing in the Constitution, nothing in the law and nothing in the precedents.

It was simply a sociological determination by the Warren court expressing the personal philosophy of its membership.

The Supreme Court of the United States for more than a hundred years had held that the separate but equal principle, applied in public school education, was within the discretion of States—with no constitutional conflict.

But what did the Warren court do? Like a bolt out of the blue, it held that the U.S. Supreme Court, and the precedents of a century were wrong, and that decision after decision was invalid.

Now we are told the Warren court decision is the law of the land.

If this is so, it is the ultimate in judicial usurpation of the authority to legislate. If it is the law of the land, it is utterly without foundation in the Constitution.

The word "education" does not appear in the Constitution of the United States, and the only Federal law ever enacted in this field was passed by Congress to provide for segregation in District of Columbia schools.

But the Warren court school decision in effect amended the Constitution of the United States, and repealed an act of Congress.

To say this decision is the law of the land is to give the Warren court a divine right to be wrong.

If the Warren court decision can be extended to direct a certain Negro child to enter a certain schoolhouse, Federal courts can select textbooks, dictate the philosophy of teachers, and tell them what and how to teach.

The Warren court decision was handed down 5 years ago, and to this date more confusion has developed every day it has been allowed to stand.

The school decision is by no means all of the havoc the Warren court is playing with our dual system of State and Federal Governments.

Using the so-called preemption doctrine, the Warren court has struck down perfectly good and constitutional State laws all over this Nation simply on the grounds that there was a Federal law applicable in the same field.

In the final extreme the Warren court could use this doctrine to destroy our system of States merely by holding that Federal tax laws preempt State authority to levy taxes.

In view of our experience with the Warren court during the last 6 years, I wonder whether some such decision is now so far beyond the realm of imagination.

I have reviewed the record of the Warren court to emphasize the great effort HOWARD SMITH is making to correct the illegal decisions which are being forced upon us.

Last year he introduced legislation outlawing the Warren court's promiscuous preemption of State laws. The bill was passed overwhelmingly in the House of Representatives, but it was lost in the Senate by one vote as a result of a parliamentary maneuver.

If this bill had been enacted it would have been an effective curb on the Court for the future.

The bill has been reintroduced this year. The Senate Judiciary Committee is holding hearings on the bill at this time. We hope it will be enacted during the present session of Congress.

Whenever there is a tough legislative job to do, we find the hand of HOWARD SMITH at work. This is true with respect to drafting legislation, and with respect to committee action on bills before the Congress.

Think of the extremely important legislation he has sponsored. To name a few, there was the Smith Alien Registration Act of 1939 under which the 11 infamous Communists were convicted; there was the Smith antistrike bill which preceded the Taft-Hartley Act; there was the Smith-Connolly Act; and so on.

Think of his tremendous work as a great chairman of the powerful House Rules Committee, which controls legislation coming before the House of Representatives. Few people know the full extent and value of his daily work on this committee.

The great contributions of HOWARD SMITH to his country, his State, his district, and his community could never be made by a timid man. They would never be made by a man without strong convictions and the courage to fight for them. They could never be made by a man with a lazy mind. They could never be made by a man without clear, direct and profound thought.

He has the complete confidence of his colleagues and associates whether they are Democrats or Republicans because they know he is honest; they know he is able; they know he is fair; and they know he is patriotic.

And you may be sure that the great demands of national and international issues on the time and capabilities of HOWARD SMITH will never distract his abiding interest in the Eighth Congressional District.

And to represent this district in the Congress of the United States is an honor of which any man would be deeply proud. It is the district of George Washington, Thomas Jefferson, John Marshall, Patrick Henry, Henry Clay, James Madison, Zachary Taylor, James Monroe, and Robert E. Lee.

No congressional district in the United States has produced so many great men who have had such a profound influence on the development of our country. Judge SMITH is their 20th century counterpart.

But with characteristic modesty Congressman SMITH says:

"My views are not original with me. They are bred in the bone, nurtured through generations in you and me in this section of Virginia from whose soil came those great statesmen of the past who, with their God-given inspiration, founded and started on its historical course the greatest Nation in all the history of mankind."

I say to you Judge SMITH not only represents the congressional district of these great men of American history, but, he, himself, stands today as one of the greatest living Americans.

Reclamation and Development of the New Jersey Meadowlands

EXTENSION OF REMARKS
OF
HON. CORNELIUS E. GALLAGHER
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 5, 1959

Mr. GALLAGHER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following testimony which I gave before the House Appropriations Committee, Subcommittee on Public Works, requesting funds for New Jersey's meadowlands, May 1, 1959:

The refrain from George M. Cohan's old song made a great point in being only "45 minutes from Broadway." Broadway points up the fact that New York City is perhaps the world's most expensive piece of real estate. The heart of the New Jersey meadowlands is not 45 minutes from Broadway, it is but 5 minutes away.

This close to the world's largest city lie upwards of 35,000 acres of barren swamps that challenge the imagination of city and industrial planners and engineers who see in these wasted acres, land upon which could be built great industrial and transportation facilities which are needed for the future development of metropolitan New York as the world's greatest manufacturing and shipping city.

Indeed, the challenge has captured the imagination of some of our youthful student engineers, several of whom have developed plans in which they envision beautiful and extensive residential housing standing on reclaimed meadowlands. One such student has fully developed comprehensive plans for construction of vast apartments which would house some 600,000 people. Imagine what relief such a project would bring to the desperately overcrowded residents of New York City.

The Port of New York Authority is aware of the great potential of the meadowlands

and they have appropriated large sums for piecemeal reclamation of certain areas. But their entire planning considers eventual development of only a very small portion of this total of wasted acres.

This tremendous area of swamp, surrounded by some of the world's most valuable real estate is a huge cancer in the world's greatest shipping and industrial area. It is a vast tract sodden with raw sewage, this garbage and refuse of the cities, which produces nothing for man, but a few bales of salt grass.

The reclamation of this tract, which extends for some 20 miles or more and is from 2 to 8 miles wide would provide a badly needed backup area for the operation of the great port of New York, including the hundreds of piers on both sides of the Hudson River and the waterfront shipping and industrial plants as far south as Elizabeth, N.J.

The full reclamation of this wasted meadowland, or reclamation of even a substantial portion is too staggering a project for any group of interested municipalities, counties or the State of New Jersey. All of the communities bordering on the meadowlands and Bergen and Hudson Counties, however, have made joint studies reaching back many years.

Reclamation and development of any sizable portion of the New Jersey meadow is too great an undertaking for even the big Port of New York Authority. The leadership is so vast and challenging, an undertaking must come from the Federal Government, and this is just, considering that the benefits that would be derived would accrue not alone to the communities in the area and business and industry of New York, but would benefit the commercial and industrial development of the entire eastern seaboard.

The metropolitan area of New York and New Jersey has long suffered while great attention has been given to the other areas of our Nation. Down through the years the amount of Federal assistance for this area has been one of inverse proportion to the amount of Federal taxes paid. The higher the Federal contribution from the metropolitan area has been, so inversely has the amount of Federal assistance decreased in this area.

The area that I represent has long been considered a distressed labor district.

Reclaiming the New Jersey meadowlands would completely revitalize New Jersey. It would create thousands of jobs, reduce local taxes by creating new ratables. It would greatly increase Federal income by stimulating our entire economy in this area.

I sincerely feel that no investment by the Federal Government could reap greater returns for the Federal Government and the people of the metropolitan area.

Once the reclamation is a reality there would be a thousand-fold return to the Federal Government for every dollar that went into making it possible.

I am sure the committee is aware that although substantial public funds are required to get a full-scale reclamation and development project under way, there would follow tremendous private investments in the building of the great industrial plants, storage facilities, and shipping terminals—and even the vast residential apartments which our young and inspired student engineers envision.

The whole idea of reclaiming this vast tract of swamp and making of it a useful and productive area is too vast a project to be discussed before this learned committee in any detail. The possibilities are almost beyond the imagination of man.

I urge the distinguished members of this committee to favorably consider the proposal that there be included in the fiscal year 1960 appropriations bill funds to get started an engineering study that will lead to the realization of a full reclamation and development of the New Jersey meadowlands.

Mr. Chairman, I would like to make as part of my testimony, the attached letter from the Assistant Chief of Engineers for Civil Works of the Department of the Army.

I wish to express my thanks to you, Mr. Chairman, and to the other members of this committee for the privilege of presenting my views.

Conservation and Development of National Forests

EXTENSION OF REMARKS
OF
HON. HENRY ALDOUS DIXON
OF UTAH
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 5, 1959

Mr. DIXON. Mr. Speaker, I would like to briefly comment on a report received from the Secretary of Agriculture on March 24, 1959, entitled "Program for the National Forests." It is a report which I think is long overdue and one which deserves our thoughtful attention. It has been referred to the Agriculture Committee, of which I am a member, and hearings have now been scheduled for May 14 and 15.

The program as outlined in the report provides for a marked increase in all national-forest activities, including the necessary research. It is a sound long-range program designed to make these public properties produce a maximum of public benefits under a system of multiple-use management.

I have a deep and sincere interest in the seven national forests in my State. This interest stems from my close association with the administration of these valuable lands and from my activities over many years in helping to get some of the most important watershed lands in Utah placed under Forest Service protection and management.

The national forests in Utah play a unique role in the economy of my State. Besides attracting thousands of tourists, campers, fishermen, and big-game hunters, they are the high rugged mountain ranges which intercept the moisture-laden clouds from the Pacific Ocean and cause them to dump their precious load of rain or snow, and then release it slowly throughout the year into our parched desert valleys. Without this water, Utah could support only a fraction of its present population. Water is one of the scarcest and most valuable resources we have. Most of the water we use comes from national forest watersheds.

The wisdom of protecting and properly managing these important watershed lands is nowhere more dramatically illustrated than along the Wasatch Mountains just north of Salt Lake City. Before these lands were placed under the Forest Service they were burned over and damaged to such an extent that summer storms caused several serious floods which took many lives and caused millions of dollars in damage to personal property. Under Forest Service protection and management these lands have been rehabilitated, the floods have stopped, and the water can once again be used for irrigation and domestic purposes. We have found out through experience that flood prevention is practical and can be accomplished. Unfortunately we still have many watersheds in the national forests of Utah that need similar treatment. This new program for the national forests recognizes this and similar problems and provides for an intensified plan of corrective action.

In Utah, watershed conditions are closely associated with the grazing of livestock. The high mountain ranges in the national forests furnish summer grazing for thousands of ranchers and livestock producers. The improvement of these key range areas to sustain high-yield forage production is urgently needed to stabilize this important part of our economy. For example, there are over 600,000 acres of national forest land in Utah which is suitable for grazing and which can be greatly improved through revegetation. Although some progress is being made, the work is not being accomplished as rapidly as it should be. If the revegetation work in Utah is continued at the present rate it will take 30 to 40 years to complete the job. We cannot afford to wait this long.

In reviewing the report it was reassuring to learn that the program provides for accelerating these activities; also that it sets forth a balanced and positive program of development and management for all the renewable resources of the national forests, including water, forage, recreation, wildlife, timber, and other land uses. All of these resources are needed for a growing America.

The Rule of Law—America's Contribution

EXTENSION OF REMARKS
OF
HON. HAMER H. BUDGE
OF IDAHO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 5, 1959

Mr. BUDGE. Mr. Speaker, under leave to extend my remarks I include in the RECORD an address by the distinguished gentleman from Ohio, the Honorable FRANK T. BOW, delivered before the Stark County Bar Association, Canton, Ohio, on the occasion of Law Day, USA, May 1, 1959. Mr. Bow, an eminent attorney in his own right, is superbly qualified by training and by his fundamental concept of the relation of the law to the individual to speak with authority on his topic, "The Rule of Law—America's Contribution." The address follows:

THE RULE OF LAW—AMERICA'S CONTRIBUTION

(Address of Hon. FRANK T. BOW, Member of Congress, 16th District, Ohio, before the Stark County Bar Association, Canton, Ohio, Law Day, USA, May 1, 1959)

One of the most significant and hopeful developments of recent times is the increasing interest everywhere in the development

of the rule of law as opposed to the rule of force in the world.

In observing Law Day, USA, we are taking a leading role in this development and today I want to speak of the significance of Law Day, USA, in a broader sense than its impact upon the people of our Nation. I ask you to think with me about the impact of this tribute by Americans to the rule of law upon the people of the world.

I sincerely believe that Law Day, USA, has helped create a new public image of the United States of America in the minds of many people in other nations. In a day when military victory has been rendered an obsolete concept, our national security depends as much upon winning and keeping friends in other nations as it does upon weapons. Law Day, USA, has won us friends by focusing worldwide attention upon the foundation of our greatness—the rule of law.

Ideas, ideals, and moral standards are all important in our all-out contest with communism for survival in this shrunken world. Law Day, USA, has made many in other countries realize that underneath our economic and social progress, and primarily responsible for that progress, is a way of life which only the rule of law can guarantee.

Law Day, USA, spotlights liberty, equality and justice as our most precious possessions. These are ideals which all men cherish. But before Law Day, USA, their meaning to Americans, and the part they play in our daily lives, were never made clear to those of other lands who looked at the surface, or end results, rather than the underlying basis of our system.

In the world of ideas, perhaps the most significant development of our time is a gradually evolving reliance upon the rule of law as a major weapon to defeat the evils of communism. At first blush this may appear to be an overambitious goal for the rule of law. But let us think it through together.

The rule of law is the antithesis of communism. It recognizes that men have rights as individuals and that both the individual and the government are subject to the law. The rule of law means order, stability and the greatest possible degree of human freedom. Communism, on the other hand, enthrones society rather than the individual. Under communism in practice the state is all-powerful. Communism by its very nature creates and thrives upon constant conflict, turmoil, fear and a lack of individual freedom. Where the rule of law prevails, freedom of man exists. Where communism prevails, freedom of man is nonexistent.

The challenge to act lawfully is one of the most potent we can throw at the Kremlin. In his famous speech to the 20th Congress of the Soviet Communist Party in 1956 Khrushchev spent 7 hours denouncing Stalin for violating Soviet law and promising that he—Khrushchev—would obey it. Seemingly Khrushchev feels a need for some obeisance to the idea of law and evidently he is sensitive to charges of illegality. One thing is certain, the Soviets have a profound desire to be considered a modern, enlightened, civilized, law-abiding nation.

Communism and our rule of law must be constantly contrasted. Law Day, USA, and the ideas, ideals, and programs it encompasses constitute one of the most meaningful ways of keeping that contrast before the eyes of the world.

While it has not occurred with the dramatic impact of an atomic explosion, or the blast-off of a satellite or an ICBM, one needs but to follow the record in recent months to see that President Eisenhower has made the worldwide rule of law the central core of our foreign policy. Since Law Day, USA, May 1, 1958, every major foreign policy statement of the President has contained a reference to the necessity of replacing the rule of terror with the rule of law in the world community. In his Law Day, USA, address he said:

"The world no longer has a choice between force and law; if civilization is to survive, it must choose the rule of law."

In his state of the Union message to the Congress in January 1959, he said:

"All peoples are sorely tired of the fear, destructions and the waste of war. As never before, the world knows the human and material costs of war and seeks to replace force with a genuine rule of law among nations."

In his broadcast on Berlin the President referred to the rule of law as a replacement for the rule of terror and said:

"Indeed, this is the peace policy which we are striving to carry out throughout the world. In that policy is found the world's best hope for peace."

On April 4, in his Gettysburg College speech the President said:

"Another fact, basic to the entire problem of peace and security, is that America and her friends do not want war. They seek to substitute the rule of law for the rule of force."

Not only President Eisenhower but other leaders of his administration have urged the same idea.

Secretary of State Dulles on January 31, in his last address before his unfortunate illness, said to the New York State Bar Association:

"In the swift flow of daily events it is easy to lose track of the broad strategy of our foreign policy. We seek peace, of course, but we seek it in what seems to us the only dependable way—the substitution of justice and law for force.

"This is a relatively recent concept and even today many do not accept it."

Vice President NIXON, in an outstanding address on the rule of law in world affairs to the Academy of Political Science, said:

"I am now convinced, and in this I reflect the steadfast purpose of the President, and the wholehearted support of the Secretary of State and the Attorney General, that the time has now come to take the initiative in the direction of establishment of the rule of law in the world to replace the rule of force."

There is also an ever-rising tide of support abroad. Prime Minister Nehru, Chancellor Adenauer, Chief Justice Tanaka of Japan and many of the other great men of the world have endorsed the rule of law as a peace policy for the free world.

We do not always realize that the eyes of the world are upon us constantly. Our pushbutton homes, our automobiles and gaudy gadgets are the envy of many who have yet to reach our economic status but desire it. We so-called rich Americans are not always pictured as people with deeply felt moral principles and ideals in the Hollywood movies, books and other export items which portray life in America. Portrayals in books, magazines and movies of gansters and high living in our country lose us friends. But now in Law Day, USA, we have moved to the center of the stage of public attention in our country a picture of what Americans believe in and the real substance our country is made of in the field of ideas and ideals. Thus through Law Day, USA, other peoples see us as we really are—a people deeply wedded to the highest ideals and principles ever adhered to by any nation since the dawn of civilization.

Despite contrary beliefs, the world largely runs on ideas and ideals. Nothing is as powerful as an idea—not even an atom. Especially is this true in our shrunken world where rapid communications and transportation cause almost instantanteous contact between Akron and Accra, New Delhi and New Haven. The idea and ideal of a world operating under the rule of law is fast becoming more and more powerful as more and more people comprehend the potential of a lawful world.

The ever-rising trend of education in formerly underdeveloped nations contributes further to the importance of ideas in the current battle for the minds of men between the free world and the international Communist conspiracy. We have long espoused "freedom" and "justice" for man as the free world's promise. We must now espouse the rule of law as a constructive and creative means to achieve and maintain freedom and justice between nations as well as within nations.

The rule of law within a nation is made up of constitutions, statutes, customs which grow into legal rules, and the legal procedures and judicial tribunals by which all of these hundreds of legal rules are applied, interpreted, and enforced. In essence the rule of law means all of these; it means also what is fair and reasonable under the moral standards which have come down to us in the accumulated wisdom of the ages.

A new world is being born in this century. If it is to be a lawful world thoughtful men must make it so. It will not just happen. Who better than lawyers can realize and project the potential of law in the world community? We are a profession dedicated to public service. Certainly no greater public service can be rendered than developing the formula whereby law will replace weapons in the control of the fate of humanity.

While we of the free world speak many different languages and have many diverse forms of government, the rule of law is a universal idea and ideal which all men have in common. By placing governments under law nationally we have brought about order and stability within our nations. We should now offer this great idea for adoption as a new standard of decency in international relations. There too it would, if applied, create order, stability, and peace by placing nations under law internationally.

Law Day, USA, has already had an incalculably significant impact upon the thinking of the people of the world. It has stretched the minds of lawyers and laymen to new possibilities and new approaches to a problem that has troubled man since the dawn of civilization—the establishment and maintenance of peace. We must make its effects this year both within and without our Nation even greater than last year.

Supremacy of the rule of law achieves and maintains freedom for man within nations. Supremacy of the rule of law can achieve and maintain freedom of man from the dread scourge of war.

Law Day, USA, spotlights what the rule of law can do for man if but put to work in the world community and thus renders a great service to our Nation and to the peoples of all nations. In this great program we lawyers have as our client civilization itself. And while our goal may seem ambitious it is certainly a goal which is not beyond the capacities of our client—the people we represent, if they but want it bad enough. Let us therefore work and strive to create that want through law days and in other ways so that the people will demand and get a world rule of law. A world in which law will grow so strong it will tower over fear and prevail throughout the entire world.

Some of my friends have expressed to me the fear that we may go too far too fast in this effort; that our zeal and enthusiasm may cause us to sacrifice basic principles of American freedom and sovereignty.

I recognize that danger and I think it is well that a word of caution be raised at this time. We do not want to, nor do we need to, fall into the pitfalls of the world federalists. Sovereign nations can develop the rule of law without sacrificing their individuality, and that must be our goal.

We lawyers must prove that law can succeed where other ideas have failed in man's

age-old quest for a formula for peace. In the preparation, trial and presentation of this case we have a responsibility greater than we have faced in generations.

By training and tradition lawyers are leaders in public affairs. From time immemorial lawyers have performed the functions of leadership in the discussion and clarification of great public issues and programs. This we have done nationally, in States and in local communities. Here we must lift our eyes to encompass a greater area and a greater issue than any we have yet coped with in the past. We must do it because there is no other professional group which has the know-how, the training and the capacity to do the job that must be done. If there was ever lawyers' work this peace-through-law program is it. We cannot expect doctors, or dentists, or scientists, or any other professional group to assume leadership. Either we do it or it is not likely that this task will be done at all. That is and should be a most sobering thought for each one of us as we face up to the work required to build a lawful world.

Some say that peace through law in the courts is an idealistic dream which cannot be realized. But in doing so they deny the facts of history. America was built on idealism. Idealism burned fiercely in the breasts of Washington, Jefferson, Madison, and all of those other great forefathers of ours who founded our Nation as a government under the rule of law. They utilized law and the courts to make our rulers subject to the ruled. Such a plan was pure idealism when adopted, but it has worked. If we ever reach the stage when idealism is a curse rather than a virtue, our Nation will have lost the ingredient which has made it the greatest the world has ever known. Woodrow Wilson said: "The world is run by its ideals. Only the fool thinks otherwise."

No greater challenge exists in the world of our time than that of creating a formula to prevent a war no sane man could ever want. We of the law know the rule of law is such a formula. Creating a workable plan to make this formula a success is our challenge, our obligation, and our opportunity. We must stretch our minds to create the legal rules, the legal procedures, and the courts which will do this in the world community. We could make no greater contribution to justify our heritage and to fulfill our destiny than to have inscribed large in history that we gave the best we had to bring into being a world where all men can live under the rule of law and thereby walk in freedom, in dignity, and in peace.

Legislative Recommendations of the American Bar Association

EXTENSION OF REMARKS
OF
HON. HAROLD R. COLLIER
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 5, 1959

Mr. COLLIER. Mr. Speaker, on May 12 and 13 the Illinois Federation of Republican Women will meet in Springfield, at which time they will discuss the legislative recommendations of the American Bar Association.

I believe it is significant enough to set forth in my remarks the 10-point program of the American Bar Association as adopted in its national meeting held in Chicago 2 months ago.

Never has there been a greater demand for the conscientious and careful consideration of these recommendations. Certainly they are sound and wholesome for the future and security of America and the preservation of our way of life. As one who is deeply concerned with un-American activities and the lethargy of many citizens in this field, I wholeheartedly endorse the 10-point program as one who has introduced legislation in this field consistent to the problems which have arisen as an outgrowth of various Supreme Court decisions.

The American Bar Association officially recommended that the U.S. Congress pass the following legislation:

First. Restore to the States the right to enforce their own antisubversive laws.

Second. Restore to congressional committees the same freedom to investigate Communists and pro-Communists that these committees have always had to investigate businessmen and labor leaders.

Third. Restore to the Smith Act the provision which makes it a crime to teach or advocate the violent overthrow of the Government.

Fourth. Restore to the Smith Act the meaning of "organize" which includes organizational work done after 1948, so that Communist organizers cannot hide behind the statute of limitations.

Fifth. Restore to the executive branch the right to determine and to dismiss security risks in both sensitive and nonsensitive positions of the Government.

Sixth. Restore to the States the right to set standards high enough to exclude from public employment and education those who refuse to testify about their Communist activities and associates.

Seventh. Restore to the executive branch the right to question aliens awaiting deportation about subversive associates and contacts, and the right to deport aliens who are Communists at any time after entering the United States.

Eighth. Restore to the executive branch the right to deny passports to those who refuse to sign a non-Communist affidavit.

Ninth. Restore to congressional committees the right to determine whether the questions asked of pro-Communist witnesses are pertinent.

Tenth. Restore to the Foreign Agents Registration Act the requirement that propaganda sent from the Soviet Union and disseminated within the United State be labeled for what it is.

The Mutual Security Bill—Technical Cooperation Activities in Education

EXTENSION OF REMARKS
OF
HON. FRANCES P. BOLTON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 5, 1959

Mrs. BOLTON. Mr. Speaker, ever since the inception of the point 4 program, the United States has cooperated with underdeveloped nations in working toward improvement of existing educational programs. Considerable progress has been achieved, but vastly more remains to be done.

The problem of widespread illiteracy is a major concern in the newly developing countries of the world. While the estimated percentage of illiteracy for the world as a whole is just under 50 percent, the percentage runs as high as 98 percent in some of the underdeveloped areas. As the rate of national progress is generally believed linked to a country's educational system, there is a growing desire for educational improvement.

The rapid industrialization and urbanization of hitherto backward countries adds to the necessity of educating their citizenry. They find their educational systems, which lag from 50 to 80 years behind those of the more developed countries, suddenly faced with the problems of modern living. All of these countries have serious deficiencies in their educational systems, deficiencies which pose critical problems for the future.

Moreover, leadership needs in these areas will require a broader educational base. If the educational system of a country is inadequate to train its leaders, the country must do without the quantity and quality of leadership essential to its progress, or depend upon institutions in other countries to provide such training. This situation not only handicaps the nation in meeting its leadership requirements, but also prevents the mass of people from participating intelligently and constructively in the democratic process.

As the needs may vary from country to country, every effort is made to adapt our assistance to the local exigencies. In some instances the reorganization of some phase or phases of the national education system is necessary. In others, introduction of a whole new phase such as trade or industrial education where none previously existed is urgently required. All too often teacher preparation is inadequate; in some countries the average elementary school teacher in rural areas has had no more than 4 to 6 years of elementary schooling. Instruction in the classroom is usually by rote memorization, without the use of instructional materials on any satisfactory scale.

Our technical cooperation programs recognize these diverse needs, and seek to work out a plan whereby those needs can best be achieved with the available resources. Underlying all ICA education programs is the thesis that training and demonstration are uppermost in the thinking and planning of United States technicians serving abroad. While programs run the gamut of educational problems in developing countries, the foremost project efforts are in teacher education — vocational, agricultural, trade and industrial, home economics and leadership training. Rapidly rising in importance is the area of English language training, which becomes increasingly significant as broader avenues of knowledge and information are made available.

Much of the training provided under our technical assistance programs is the

responsibility of American colleges and universities. This development is emphasized by the fact that approximately 25 percent of ICA's present college contracts with American universities are in the field of education. Participants in the program may be brought to the United States for training and observation purposes, many of whom will have major responsibilities for carrying on some part of the program on their return. The ICA programs are carefully coordinated with the International Education Exchange activities of the Department of State, and the cultural exchange programs of USIA.

The teacher education program has already recorded some outstanding accomplishments in various areas of the world, a few of which I shall mention at this point.

Jordan, for instance, had no teacher education facilities prior to the inception of the U.S. Operations Mission in 1952. Today she has four teacher training institutions and teacher training classes in two other schools offering instruction to over 400 full-time students. Inservice education classes train yearly about 400 additional teachers who have had no prior professional teacher training, and a summer-school program for teachers has grown from a 10-day session catering to 200 teachers to a full 6 weeks' session for 500 teachers. Jordan is even now expanding her physical facilities to permit increased enrollment and in addition has admitted day students for the first time.

In Iran, the ICA education program has expanded rapidly and soundly. In 1952, only 17,000 teachers were available to cope with a school population of about 5 million. Today over 40,000 teachers are serving the country and over 70 percent of these have received summer school training through the assistance provided by ICA.

The National Teachers College in Teheran, the only teacher training institution of college rank, has been upgraded in curricular offerings and staff. Demonstration or laboratory school facilities for the 22 normal schools in the 10 provinces of Iran have been developed at the request of the Iranian Government and through this medium newer educational practices are taught.

Nigeria is receiving assistance in teacher education from ICA through the provisions of a contract with Ohio University. Ten staff members are engaged in training the instructors of elementary teacher training colleges. This project, serving about 100 college instructors, is assisting the Ministry of Education to upgrade its instruction, develop new materials, train commercial teachers, and improve the general teaching environment. Thirteen weeks are spent at a center of instruction and then the Ohio University team goes out to the colleges for the next 13 weeks where they work closely with the instructors in their classrooms.

One of the most striking examples of education program achievements in the Asia and Far East area is found in the results of the regional teacher training program involving Thailand and Laos. By this program teacher training facilities in Thailand are made available to trainees from Laos which has completely inadequate facilities for training teachers. During the first year of operation, 30 Laotian teachers were trained in Thai facilities. During the current year, 83 Laotian prospective teachers are in training in Thailand.

In reviewing the success of the program at the end of the first year, Laotian and Thai Ministry of Education officials were so pleased with the program that they commenced discussion of possibilities of a cultural treaty between the two countries to cover all aspects of educational exchanges. Prior to this project, organized with ICA assistance, no cooperative activity between the two ministries had ever been carried out. Not only is an impact being made on the critical teacher shortage in the region, but a definite contribution toward improved intercountry relationships has been made by the project.

The southeast Asian regional English project is another well-received activity in this area. It is working toward the development of English as a common bond of technical and high-level communication in the region.

Teacher training schools have been built and are being operated with ICA assistance in Laos and Cambodia where only highly academic French écoles normales existed previously with graduating classes of 10 to 12 students per year. The new institutions will graduate 100 teachers each year.

Large-scale technical education programs have been developed in the Philippines, Thailand, Pakistan, and India to help these countries meet critical manpower shortages.

Hundreds of Asian educators have been trained in the United States for technical and professional responsibilities in their home countries through ICA's participant training programs.

Vocational industrial education assumes major importance for countries which are moving suddenly and rapidly into the industrial age and this is true of all the less developed lands in some degree or other. The problem must be attacked in a variety of ways, depending on the stage of industrialization already reached and resources and needs of the country. A striking example of the diverse approaches required is furnished by two neighboring countries in Latin America, Brazil and Paraguay.

Brazil is already developing rapidly in industry, but found her system of training skilled workers inadequate for her needs. Under the technical cooperation program, improved curricula and teaching methods have been introduced into Brazil's 23 federal industrial training schools and many of the apprentice training and state industrial schools. About 2,000 teachers and supervisors have been trained in Brazil, and some 200 in the United States. Textbooks and other teaching materials have been prepared, produced and distributed. One of three important regional trade schools for the training of teachers and supervisors for vocational schools has been established at Curitiba and is in full operation. The others are at La Paz, Bolivia and Lima, Peru; a fourth will soon be in operation in Guatemala. In cooperation with Brazilian industrialists, a widespread and well-supported system of training-within-industry course has been established and is in operation directly in the industrial plants, and under it, over 300,000 foremen and supervisors have already been trained.

By contrast, Paraguay had no school for trade and industrial training, and no technicians sufficiently trained in their own crafts or in education to provide an administrative or teaching staff for one. Here, even after a school was built, under American supervision, all courses were taught at first by American technicians, and an American with a Paraguayan associate administered the school. As rapidly as possible, however, Paraguayans were trained to take over. Within a few years, the school was being completely staffed and administered by Paraguayans, and in addition to the training of technicians in the school, measures had been adopted to provide for a steady flow of trained industrial teachers. The Paraguayan Union of Industrialists was quick to recognize the value of the school, and took it under their protection and partial support. Largely through the Union of Industrialists, graduates of the school can confidently expect immediate employment. The ninth graduating class, this year, should bring the number of graduates thus far substantially over three hundred. Branch schools have been established, or are in process, in four other centers throughout the Republic. Here is an example of an entire vocational education system for a country being created under the program, and now operating on its own steam, with American help reduced from full operation to advisory services.

The great economic paradox of Bolivia is that it has immense resources in minerals, lands and forests but a population that is largely unproductive. Indians make up over 60 percent of the people of the country, and they are over 80 percent illiterate, with all that this implies in the way of being unprepared to create wealth and contribute to a modern economy. Bolivia needs more and better agriculture and a variety of small industries, but first of all her people must become literate and acquire the skills needed to become producers. Since the population is largely rural, the responsibility rests upon the rural schools.

The International Cooperation Administration is assisting the Bolivians in the development of a school program which will meet the specific needs of the rural population and make the schools more influential in the lives of the people. To reduce illiteracy is only the beginning. U.S. technicians, working with their Bolivian counterparts, are training teachers—both preservice and inservice—in more modern teaching methods, introducing a more functional curriculum, and developing more effective teaching materials. And the schools are reaching the adults, too, teaching them to speak Spanish as well as their Indian language.

to read and write, how to make simple home and farm improvements, and introducing them to the basic principles of better agriculture practices and health habits. It is estimated that some 60,000 rural people are constantly benefiting from the ICA rural education program in Bolivia.

The Bolivians are proud of their new rural school program and they appreciate the part that ICA has played in bringing it about. An eloquent and unexpected note for the ears of U.S. technicians was struck by a village priest who celebrated a field mass at one of the rural normal schools during the "Day of the Indian." He told his audience that many people are carried away by the idea of communism, thinking that it would give them everything they wanted. "But what," he asked them, "has Russia ever done for us? Not one crumb of bread have we got from Russia. But from the United States we get not only material bread but also spiritual bread and intellectual bread."

This incident, Mr. Speaker, illustrates the profound impact of our education assistance program to the developing countries. While this activity comprises only a part of our technical cooperation program, it is invaluable in terms of the friendship and goodwill created.

Eulogy Delivered by Hon. Daniel J. Flood, of Pennsylvania, at Memorial Service Honoring Walter Harrison Hitchler

EXTENSION OF REMARKS
OF

HON. FRANCIS E. WALTER

OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 5, 1959

Mr. WALTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following eulogy delivered by Hon. DANIEL J. FLOOD, Member of Congress, at a memorial service honoring Walter Harrison Hitchler, in Dickinson School of Law, Carlisle, Pa., Saturday, May 2, 1959:

We have come together this afternoon to pay our heart's tribute of respect to Harry Hitchler. Here, truly, was a gentleman; and here, too, was a distinguished citizen, a valiant soldier, a wise administrator, a renowned educator, and a great scholar who wove many threads into that endless fabric we call the law, and added fundamentally to man's understanding of the problem of living with his fellow men.

Walter Harrison Hitchler, whose passing has been so widely mourned in legal circles not only in the Commonwealth but throughout the Nation as well, has crossed the bar and has seen his Pilot face to face. He stands before the great Dean on High, his dignified bearing proclaiming the Patriot dedicated to his country's cause and the scholar and administrator maintaining and enhancing the high standards of legal education with which the Dickinson School of Law came to be known under his able direction.

No words of eulogy, I feel sure, can enhance the great record of the career of Walter Harrison Hitchler, our late beloved friend, teacher, and dean. His own deeds of a lifetime in themselves have built a memorial which will be long lasting.

There is even a question in my mind whether, with characteristic modesty and reserve, he would have approved a formal ceremony such as today's for the purpose of honoring his memory.

Nevertheless, it is fitting that we should take this occasion to pay tribute to one who played such a vital role in the history of Dickinson School of Law over a span of years covering a half century and whose whole life was devoted to service.

Service to the law, which he loved.

Service to this school.

Service to the State of Pennsylvania.

Service to the Nation as a soldier in World War I and in civil capacities.

Service to the community of Carlisle and to numerous causes in its welfare.

And, above all, service to God and his fellow man.

His charities were like the man himself, quiet, unassuming, without affectation. There are many today who do not know that scholarship funds that helped put them through their law courses came from the dean's own pocket.

Dr. Hitchler possessed in abundance that unusual combination of legal knowledge and the facility to impart it to others which makes a teacher great.

Anatole France has written that "the whole art of teaching is only the art of awakening the natural curiosity of young minds for the purpose of satisfying it afterward."

Dean Hitchler stirred that curiosity in young minds, and he not only satisfied it but, even more, he developed in his students that earnest and entire devotion which the law, as "a jealous mistress," demands.

And he imparted not merely a knowledge of specific codes and statutes but the spirit and principles of the law, and the lore and traditions of the profession.

Today the seeds which he planted over the years in these halls are bearing fruit in courts all over this land—both on the bench, before the bar—in legislative halls of State and Nation.

It was a rare gift he possessed and he shared it with others. He gave of himself, to this institution and to his students who imbibed of his knowledge.

His career at our law school covered a span of half a century. Yet his devotion to the school and to his students never flagged. As a great legal scholar, his presence added stature to the Dickinson School of Law. As an humble man, however, he always sought to give without thought of reward. Thus his colleagues remember him as a quiet, but inspiring man, who set high standards for them by his amazing fund of knowledge, his ability to transmit it, and his exemplary behavior in all situations. His students remember him as a brilliant, but demanding preceptor, who encouraged them to levels of academic endeavor, and reward, that they had never before attained. How well they could understand the feeling of Cicero when he wrote: "Not only is there an art in knowing a thing, but also a certain art in teaching it." The dean had that art.

All admired and respected him, and all developed a warm affection for him, as a man who served unceasingly the causes to which he was dedicated.

I think these verses from a poem by Stephen Vincent Benét might also apply to Dean Hitchler:

"Thomas Jefferson,
What do you say,
Under the gravestone
Hidden away?

"I was a giver,
I was a moulder,
I was a builder
With a strong shoulder.

"I liked all learning
And wished to share it
Abroad like the pollen
For all who merit."

In the years he was among us here he was indeed a giver, moulder, and builder.

With all his great public responsibilities, he never hesitated to extend his efforts down to the community level. The people of Carlisle remember him as a tireless worker in local Red Cross drives, in establishing USO facilities, and in other community projects. His expenditures of time and effort were unquestionably enormous.

Nor were his interests limited to the classroom and to public service. This many-sided man loved athletics, and was a formidable opponent on the tennis court, as well as a respected instructor of tennis for the college teams. He was an unofficial adviser in basketball, and rarely missed a football game. As a great master in the classroom, he often appeared swinging a baseball bat, which he used to illustrate points his students were never to forget. It was with nostalgia that I learned recently that there are still some of these old baseball bats in his office.

Modest as he was, Dean Hitchler could not escape commendation for his many extraordinary efforts. His writings in the field of criminal law, articles that often appeared in the law review, were recognized as products of an authority in the field. Happily, his own beloved Dickinson College was one of the first to bestow honors on the man, by awarding him a doctor of civil laws in 1932. But other schools also recognized his merit. In 1939 he was awarded a doctor of laws from St. Francis Xavier College of Loretto. Muhlenburg College in Allentown and Albright College in Reading also presented him with honorary degrees.

I think one of the tributes that pleased him most, however, and this is because he was so firmly devoted to his own law school, was the decision of the board of trustees to name one of the dormitory wings in his honor. Hitchler Hall will long remain as testimony of the respect and warmth with which he was regarded by those most intimately associated with him. As a friend and dedicated servant of the Dickinson School of Law, he would want no more.

Through an act of his great generosity, the school of law will continue to see the proof of his dedication to his students, the school, and the law. I am sure you all know that he bequeathed the bulk of his estate for the benefit of the Dickinson School of Law. Students who are in need will thus continue to feel the munificence of this man, who even after his death will be responsible for paying the tuition of worthy scholars. Truly, the generous influence of Dean Hitchler will continue to be felt by all who have or will be connected with the school.

I think it not too bold a statement to call him a great man. He, more than most, embodied the qualities of greatness we cherish most because of their rarity. I think of the words of Matthew Arnold, who said: "Greatness is a spiritual condition worthy to excite love, interest, and admiration; and the outward proof of possessing greatness is, that we excite love, interest, and admiration."

Those of us who knew Dean Hitchler saw this proof of his greatness. Who among us can remember him without love, interest, and admiration?

Dean Hitchler was a native of Plymouth in beautiful Wyoming Valley—that seedbed which has produced some of the most outstanding lawyers, jurists, and educators in the entire vibrant history of our Commonwealth. He was proud of his native heath and despite his long residence outside the valley, he was well known there, having

spent many summers at his cottage in Harvey's Lake. It is fitting that he rests where he was born. But a proper share of his spirit will surely stay here at Dickinson, where so much of his work was done, and where his influence was so great.

It was nearly 53 years ago that Harry Hitchler came to Carlisle to teach at the Dickinson School of Law. He had graduated from the University of Virginia in 1905 and thereafter spent a short time at the beginnings of a private law practice. But his abilities and natural inclinations led him to a career in law teaching. He was a member of the law school faculty for 48 years, half of which period he served as dean. It was in June of 1954 that he retired, of his own choice. Yet even in retirement he continued his active work, and served as adviser to students and members of the faculty at the law school, who had not yet come to think of him as retired.

Dr. Hitchler was a great lawyer and law teacher. For a number of years he taught courses in equity and carriers. But like most of his former students, I remember him best as a teacher in criminal law, a highly technical subject to which he had made extensive and important written contributions. He was the author of "Hitchler on Criminal Law," and there is nothing in Pennsylvania legal writing that exceeds this opus in quality. His countless law review articles were distinguished by their penetrating legal analysis, cogent reasoning, and clarity of expression. It is no exaggeration to state that Dr. Hitchler's teaching brought enlightenment to three generations of students, and stimulated the minds of a large number of the most brilliant lawyers and judges in Pennsylvania. Dean Hitchler loved the law, and he was superb in analyzing and explaining it. The depth of his knowledge, his vigorous standards of scholarship, and his command of clear and graceful English, spoken as well as written, made him a great teacher, respected and admired by thousands of students now practicing throughout the Eastern United States.

But he also entered another and perhaps larger and more important area, that of public service. Four Pennsylvania Governors, W. C. Sproul, George Earl, Arthur H. James, his boyhood friend, and John S. Fine, all turned to Dean Hitchler to carry out commissions in this field.

He was editor of Pennsylvania Statute Laws, 1919–23, and was named in 1937 one of the eight men to study changes in the Commonwealth criminal procedure. In 1948, he was made a member of an advisory committee to aid a legislative group studying modernization of the penal laws of Pennsylvania.

In April 1939 Dean Hitchler was named by Governor James to a post on the Pennsylvania State Liquor Control Board. Shortly after he was sworn in as a member of the board, he was designated as its chairman. Dr. Hitchler held the post, which he described as "the toughest job I ever held," until May 1940 when he resigned to devote full time to his position as dean of the law school.

Though primarily a scholar and teacher, Dean Hitchler was above all a patriotic American, and in both World Wars he served his country with distinction.

In 1917 he answered his country's call to the colors and was a second lieutenant of infantry. Later he was a first lieutenant in the Officer's Reserve Corps and subsequently was promoted to the rank of captain. During World War II, he served as chairman of the Alien Enemy Hearing Board for the middle district of Pennsylvania.

I have spoken of Harry Hitchler as a scholar, administrator, and public servant. But he was also a man, a friend. He possessed qualities which, at first sight, appear contradictory, but in his life complimented one another to form his character of rare uniqueness. He was spiritual, but never sanctimonious. He was high-minded yet always human. He was distinguished in the affairs of men, but essentially modest and humble. His sense of humor was keen, but he was never flamboyant.

Whether in war or peace, Dean Hitchler believed in discipline, but even more important, he believed in and he practiced self discipline. He never demanded of another what he would not glady do himself.

He was a gentleman to the core, a man of impeccable integrity to whom honor was never merely a word, but life itself. He was a great and wonderful human being.

God's greatest gift vouchsafed to man is a full and rich and productive and useful life. Harry Hitchler, through his talent, his energy and his character has left his blessing on us and on all his fellow men. We shall think of him as not having died, but as having lived—usefully, vibrantly and blessedly.

And for that life, though our hearts are saddened through its translation into the eternal realm, all of us are profoundly grateful.

"I can not say, and I will not say,
That he is dead; he is just away.
With a cheery smile and a wave of the hand,
He has wandered into an unknown land,
And left us dreaming how very fair
Its needs must be, for he lingers there.
And you, O you, who the wildest yearn
For the old time steps and the glad return,
Think of him as faring on as dear
In the love of there and the love of here.
Mild and gentle as he was brave,
When the sweetest love of his life he gave
To simpler things, where the violet grew
Kindly as the eyes they were likened to.
Think of him as still the same, I say,
He is not dead; he is just away."

Reserve Officers Incentive Act

EXTENSION OF REMARKS
OF
HON. O. C. FISHER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 5, 1959

Mr. FISHER. Mr. Speaker, under leave to extend my remarks, I include a speech I made last evening before the Reserve Officers' Association and their guests at an annual banquet held at the Bolling Field Officers' Club in Washington. The address is as follows:

Mr. Chairman, distinguished guests, it gives me great pleasure to be with you tonight and I feel signally honored at being given the opportunity to speak to you.

As many of you know, my interest in Reserve matters goes back many years. As a Member of Congress and member of the House Armed Services Committee I have witnessed the slow but nonetheless inevitable recognition by the Congress of the important role played by our Reserve Forces in the total defense of our Nation.

Prior to World War II and for a few years thereafter, our legislators looked upon our various reserve organizations as quasi-military groups whose primary role was to insure the availability of a trained militia in event of war or national emergency.

This concept, in its simplest form, therefore meant that the Congress, and indeed most of our citizenry, did not contemplate any significant use of Reserve personnel on active duty except during periods of armed hostilities.

Unfortunately, international events which have transpired since World War II have demonstrated that this concept is indeed fallacious.

After World War II our Nation attempted to return to its traditional military posture, that is, a small active duty force composed, for practical purposes, solely of Regular personnel and a large inactive Reserve organization. However, we soon discovered, to our dismay, that because of the precarious international situation we were forced to augment the size of our active duty forces in a manner commensurate with the degree of international tension that existed. The result, of course, is that today our active duty forces are composed of large numbers of both Regular and Reserve personnel.

We have approximately 2½ million men on active duty with the defense establishment today. In order to maintain necessary flexibility in our personnel strengths, a significantly large percentage of this number is necessarily Reserve personnel. For example, at the present time over 180,000 of the 322,000 officers on active duty with the Armed Forces are Reserve personnel.

I have made these points simply to set the stage for my next observation. Because of the traditional concept, which had become accepted by our legislators, that our active duty forces will, in peacetime, be composed almost exclusively of Regular personnel, our personnel legislation has failed to contemplate any career status for Reserve personnel on active duty.

Thus, although we have maintained since World War II large numbers of Reserve personnel on continuous active duty, we have given scant recognition to the necessity of providing some element of career security to such individuals. True, our personnel legislation developed since World War II includes statutory authorization for the retirement of Reserve personnel who complete 20 years of active duty, but no significant or adequate provision has been made in the statutes to provide for the interim period of active duty during which our Reserve members may, for one reason or another, be involuntarily released from active duty.

I am happy to say, however, that on March 20, 1959, the House of Representatives, recognizing this problem, passed legislation which for the first time provided equitably for Reserve personnel on extended active duty regardless of whether or not they will be permitted a full or limited military career. This legislation which is entitled "The Reserve Officers' Incentive Act of 1959" was originally developed by the subcommittee of which I am a member. The subcommittee's actions were subsequently unanimously approved by the full Armed Services Committee, and the House of Representatives passed this legislation without a dissenting vote.

Now, let me briefly explain what this legislation will do.

H.R. 5132, the Reserve Officers' Incentive Act of 1959, has a twofold objective: First, to raise the critically low rate of retention of Reserve officers beyond their obligated tours of active duty with the Armed Forces and, second, to provide for more equitable treatment of those Reserve officers who supplement the Regular corps but who may not be continued on active service long enough to qualify for retirement. Stated simply, these objectives will be realized by providing a substantial increase in the amount of readjustment pay made available to Reserve officers involuntarily released to inactive duty.

The Reserve Officers' Incentive Act of 1959 has five main features as follows:

First, it makes contracts mandatory rather than permissive for Reserve officers on active duty after the first 2 years of commissioned service, but eliminates the present one-half of 1 month's pay for these first 2 years.

Second, if he completes a contract, a Reserve officer would receive 2 months' basic pay for each year served under that contract, whether he is released involuntarily or not. Under present law he receives one-half of 1 month's basic pay for each year served, but receives nothing if he leaves the service at his own request.

Third, if the Reserve officer, while rendering satisfactory service, is involuntarily released during the term of the contract, he would, under this proposal, be paid 2 months' basic pay for each year that he has served under contract. In addition, he would receive 1 month's basic pay and allowances for each year of the uncompleted contract. Under the present law, if he is involuntarily released during the term of a contract, he can receive only one-half of 1 month's basic pay for each year served, or 1 month's basic pay and allowances for each year of the uncompleted contract, but not both.

Fourth, as a transitional measure for those presently on duty who would be eligible for a contract under this proposal and who may be separated involuntarily, the bill would provide more equitable treatment for those who have served on active duty for more than 10 years by increasing the present rate from one-half of 1 month's basic pay per year to 2 months' basic pay per year beyond the 10-year mark.

Fifth, finally, this legislation would provide that if a Reserve officer has rendered satisfactory active commissioned service for a period of 14 years, he will either be given a Regular commission, be released from active duty with appropriate readjustment pay, or given a contract that will carry him to retirement eligibility. Such a Reserve officer who has served 12 years under contract would, if released, receive the equivalent of 2 years' basic pay as would a Regular officer with 14 years of service if involuntarily released.

I have only briefly outlined the major portions of the act, but, as you can see, it provides statutory recognition for the Reserve officer who is released involuntarily to inactive duty prior to retirement in approximately the same manner as is provided by statute for the Regular officer similarly situated. Therefore, the importance of this significant change in the history of Reserve legislation lies in the fact that it provides a "magna carta" or "bill of rights" for Reserve personnel on extended active duty and assures them that in event they elect to continue to serve their country, come what may, their unselfish contribution to the national defense will be appropriately recognized.

It's Time We Look Into the Cost and Extravagance of the Capehart Housing Program

EXTENSION OF REMARKS
OF
HON. HAROLD R. COLLIER
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 5, 1959

Mr. COLLIER. Mr. Speaker, there is soon to be brought to the attention of this House for debate a housing bill for passage or rejection, the terms of which are in many respects extremely technical and involve the expenditure of great sums of money and the pledging of the credit of the United States of America in such proportions as to demand of all of us our closest scrutiny.

While I respect the knowledge and judgment of the great Committee on Banking and Currency which handled the bill just voted out of the Rules Committee, I am not in accord with certain of its provisions which involve expenditures totally out of line with our ability to meet their cost.

We are all familiar with the fact that the administration proposal, tailored to fit the current budget, would involve an expenditure of $2,100 million over an exacted 4-year period.

The bill just voted out of the Rules Committee would substantially commit the American taxpayers to more than $5½ billion over a 3-year period.

On the other hand, there is a specific provision in this proposed legislation apt to be overlooked by all of us which I feel important enough to discuss at this time.

I direct my remarks to those phases of it which deal with an area that is in essence deceitful because it does not directly reflect itself as it honestly should upon our national debt nor the effect it will have upon the taxpayer's pocketbook.

It encourages extravagant waste and expenditures which certainly are hidden from view of the average citizen.

I refer to sections on military housing and to the general program in this vitally important area of housing. In doing so I am mindful that both the House Banking Committee and that Committee in the other body, and the Armed Services Committee have concerned themselves with this legislation and I know, in good conscience, worked their will upon it.

The program of which I complain is known as Capehart housing.

Technically, under this program the military determines what housing is required for the several establishments or bases across the Nation, and certifies the existence of a continuing need for this housing, designed under the control of the Department of Defense. The plans and specifications, when completed, are distributed to construction firms generally for bidding.

At this point, it is my belief that common sense is abandoned. Instead of treating the contract as a regular military construction contract, subterfuge is employed, whether by design or otherwise, the overwhelming effect of this scheme upon our national debt and the waste that follows the departure from usual military construction procedures.

At any rate, under the Capehart housing program the successful bidder at this stage forms a private corporation or corporations and is compelled to obtain from private sources the financing required to erect the housing certified as necessary for our national defense. The mortgage or security transaction is then entered into by the successful bidder and the ultimate lender, it being provided that the repayment of the loan shall be insured by the Commisisoner of the Federal Housing Administration, ignoring the United States of America as the real debtor in the transaction.

These mortgages are legally permitted to bear an apparent interest rate as high as 4½ percent, which under the discount practices prevailing in the mortgage market today actually in most instances becomes a real or true interest rate in excess of 5 percent. Utilizing these funds, secured by the successful bidder and loaned to the private corporation with the loan insured by the Federal Housing Administration, the construction of the project is undertaken and completed and the housing is made available for the military personnel situated at the installation.

Now let me point out at this stage that the repayment of these funds advanced for the construction of this military housing is unqualified and absolutely guaranteed by the U.S. Government; notwithstanding this and notwithstanding that there exists no way by which the ultimate repayment of these funds could be escaped by the U.S. Treasury, the obligation is never treated as a debt of the United States nor reflected in our national debt.

This I conceive to be, in essence, deceitful, yet the deceitfulness of this conduct, in my opinion, is not the greatest evil that attends a program of this character. That evil which I cannot accept without protest is this:

On an obligation unqualifiedly and absolutely the burden of the United States and its taxpayers, we find ourselves paying a fixed interest rate as great as 4½ percent which, as I have indicated, becomes as much as 5½ percent when consideration is given to the discount which must be suffered in order to sell the loan.

And I contend that these exorbitant charges need not be paid by this Government today to procure needed financing. If our credit status has become so impaired that I am wrong in this assertion, we are indeed embarked on a sea of financial ruin.

This, then, the specter of the United States paying as great as 5½ percent on a truly direct obligation, I submit, is the first evil of this process of obtaining military housing. Yet it is not, perhaps, the greatest extravagance that attends this method of procuring housing.

It has been suggested to me—and I think authoritatively—that those persons who bid for the privilege of building the housing under this program—faced with the risk of an ever-changing mortgage market and the demand that they supply their own funds for construction—are bidding at price levels so unreasonably high as to be ludicrous.

My attention has been drawn to a single project constructed under the Capehart program involving the creation of 1,000 units of military housing where the successful bidder informally stated that had the negotiations for and the award of the contract been handled as is the great bulk of our military construction through the Corps of Engineers and paid for by a direct military appropriation, his bid may well have been as much as $2,000 less per unit than was the bid accepted under the Capehart program.

Already 109,437 units of Capehart housing have been authorized. This includes 23,067 completed; 49,646 now under construction; 5,481 upon which bids have been accepted, and 8,929 currently being advertised for bids.

In addition, we find a provision for an additional 22,405 units in a bill pending in the other body that will bring the amassed figure to 131,842 units.

If this figure, and I assure you that it is accurate, is to be taken as the yardstick by which to measure the waste suggested to me as typical of all such projects, we are authorizing the continuance of a program and placing our stamp of approval on extravagant spending approaching a half billion dollars.

This is an extravagance we cannot afford. It is a waste we have no right to thrust upon the taxpayers of the United States, who through the appropriations for quarters allowance for military personnel, ultimately pay the bill.

Thus it would appear to be a financial manipulation shrouded with deceit, for certainly it conceals the true size of our national debt. The American people, and particularly those interested in the future financial stability of this Nation, are entitled to the facts in this regard.

It is suggested by many that Congress spends too much time investigating and not enough time legislating in the direction of its findings. Yet is it not true that before we approve a continuance of a program of this character, that we should be furnished with more precise, detailed, and carefully obtained evidence touching upon whether this is the only solution to the specific and positive needs for military housing.

I cannot accept as justification for this situation any statement that bidding is costing us little, because we are simply recouping the allowance granted military personnel for quarters and that we are using such allowances to pay these debts, when the sources of all of these funds, no matter how they be characterized, is the pocketbook of the taxpayer. I believe we owe those who are footing these bills, under great burden in most instances, a greater fidelity than could be found to exist in a circumstance where we blindly, by a "yes" vote, approve that which is, in my restricted ability to examine into the matter, an inconceivably wasteful program.

With this thought in mind, I urge that a comprehensive study be made of it with a view toward more conservative programing of housing required and the creation of that housing in an economically sound and honest manner.

We cannot guarantee the American people that great portions of this construction will not at some time in the future be a massive white elephant upon the hands of the taxpayers, but we can at least find a means, I am sure, by which the investment can be kept to an absolute minimum. Instead, under the FHA loan section of the bill we will be considering, there will be a provision to increase the loan limit up to $2,900 per unit and there further will be a proposal to increase the maturity limit of the loans from 25 to 30 years.

It is not at all unreasonable to assume that these increases will be reflected in greater burdens upon the Federal Government and will substantially increase the extravagance within the program itself.

If, after a study of the present program and the means by which it might be treated as a regular military construction contract, Congress in all its wisdom, decides that this system cannot be improved to eliminate the excessive cost factors I have pointed out here, then we should at least appraise the American people of the mortgage obligation of the Federal Government in this program and let it be known that this obligation is as much a part of our national debt as any other single dollar in it.

It is only fair and proper that we do this.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 6, 1959

The House met at 12 o'clock noon.

Rev. William Kenneth Lyons, minister, Anacostia Methodist Church, Washington, D.C., offered the following prayer:

He is faithful and just to forgive us our sins.—1 John 1: 9.

Almighty God of the heaven, the earth, and the sea. God of our fathers and God of the nations. Hear us, we pray Thee. Help us to see the beauties of Thy law, and to feel the quickening power of Thy wonderful love. Give us, we pray Thee, broad faith, bright hopes, strong love, and a firm step to meet the duties of life.

We praise Thee for Thy many and signal blessings vouchsafed to us, not only as individuals, but also as a people and a nation. We thank Thee for our forefathers, for Thy manifold blessings bestowed upon them, and through them upon us, their children. We pray Thee, O God, for grace to enable us to live useful lives, helpful to our fellow men.

May wars and strife cease, and the kingdoms of this world become the kingdom of our Lord and His Christ. Hear our prayer for our Redeemer's sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 5610. An act to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes.

CONTESTED ELECTION CASE MAHONEY v. SMITH

The SPEAKER laid before the House the following communication which was read and, together with the accompanying papers, referred to the Committee on House Administration and ordered to be printed:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 5, 1959.

The Honorable the SPEAKER, *House of Representatives.*

SIR: In compliance with the request of the chairman of the Committee on House Administration, I transmit herewith copy of a motion by the contestee to dismiss the contest now developing against him for a seat in the 86th Congress from the Sixth Congressional District of the State of Kansas.

The Clerk also includes letters from the contestant and his attorney, objecting to any dismissal of this matter before the committee has had an opportunity to consider the entire transcript of testimony of witnesses, taken pursuant to the statute.

Most of this testimony has been received in his office under seal of the officers before whom it was taken. The Clerk deems it appropriate to state that the case appears to be developing properly under the statute.

RALPH R. ROBERTS,
Clerk, U.S. House of Representatives.

COMMITTEE ON PUBLIC WORKS

Mr. SMITH of Mississippi. Mr. Speaker, I ask unanimous consent that a subcommittee of the Committee on Public Works may be permitted to continue hearings during general debate today and for the remainder of the week.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

JOINT MEETING OF THE SENATE AND HOUSE TO RECEIVE HIS MAJESTY, THE KING OF THE BELGIANS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order at any time on Tuesday, May 12, 1959, for the Speaker to declare a recess for the purpose of receiving in joint meeting His Majesty, the King of the Belgians.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDMENT TO HOUSE RESOLUTION 91, 86TH CONGRESS

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 249.

The Clerk read the resolution, as follows:

Resolved, That H. Res. 91, Eighty-sixth Congress, is amended by striking out "United States" the three places where it appears therein and inserting in lieu thereof at each such place "United States and Canada".

The resolution was agreed to.

A motion to reconsider was laid on the table.

TVA SELF-FINANCING

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 260.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3460) to amend the Tennessee Valley Au-

thority Act of 1933, as amended, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 37]

Adair	Colmer	Kitchin
Allen	Cooley	Lesinski
Anderson, Mont.	Diggs	Meader
	Dixon	Moulder
Ashley	Gallagher	O'Hara, Mich.
Bailey	Griffiths	Philbin
Barden	Hess	Pillion
Blitch	Hoffman, Mich.	Rabaut
Bowles		Rivers, S. C.
Brooks, La.	Holifield	Rodino
Cannon	Hosmer	Rogers, Tex.
Celler	Jackson	Willis
Chamberlain	Keith	

The SPEAKER. On this rollcall 396 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

TVA SELF-FINANCING

The SPEAKER. The gentleman from Arkansas is recognized.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN] and to myself such time as I may consume.

Mr. TRIMBLE. Mr. Speaker, House Resolution 260 makes in order the consideration of H.R. 3460, amending the Tennessee Valley Authority Act of 1933, as amended, and for other purposes. The resolution provides for an open rule and 4 hours of debate.

A number of bills providing for issuance of revenue bonds by TVA to finance needed additions to its power system were introduced in both the 84th and 85th Congresses. Extensive hearings on such legislation were held by the House and Senate Committees on Public Works. Hearings on the present bill were held in March of this year.

H.R. 3460 would authorize the Tennessee Valley Authority to finance needed additions to its power system by the issuance of revenue bonds in the maximum amount of $750 million outstanding at any one time. The bonds will be secured solely by the revenues of the TVA power system. They will be neither obligations of nor guaranteed by the United States.

The bill contains provisions essential for effective use of the bond financing authority. It permits TVA to fix the terms and conditions of the bonds and to enter into appropriate covenants with bondholders and trustees. It requires TVA to charge rates sufficient to operate the system, service the bonds, and meet obligations specified in the bill with respect to the appropriation investment in its power system. Under the bill, these obligations will include, first, payment to the Treasury of an annual cash return to be calculated by applying to the appropriation investment the average interest rate payable by the Treasury on its total marketable public obligations as of the beginning of the fiscal year; and second, an annual payment of $10 million in reduction of the appropriation investment itself.

The bill does not change the basic provisions of the TVA Act governing the manner in which the TVA Board of Directors shall perform its statutory duties. Under the bill, the Board will continue to have sufficient flexibility to enable it to discharge its responsibilities efficiently and to enable Congress to hold it fully accountable for results. The bill does include a number of special requirements to insure that Congress will be kept fully informed of the use being made of the bond issuing authority. It also contains a provision limiting the area within which TVA power may be sold.

The need for this legislation was described by the committee in its report on S. 1869 in the 85th Congress, from which the following language is quoted:

> Immediate enactment of legislation permitting TVA to finance additional generating capacity through issuance of bonds is essential if TVA is to continue to meet its responsibilities to the region and to the Nation. Like any power system, TVA must increase its capacity each year if it is to meet the mounting requirements for electricity which are demanded by a growing population and the development of new uses for electricity in homes and on farms, in commercial and industrial establishments. At the present time the only sources of funds for investment in new capacity for the system are appropriations and TVA's own power revenues.

At the present time over 50 percent of all electric energy which TVA generates goes directly to installations of the Federal Government, including the Atomic Energy Commission plants at Oak Ridge, Tenn., and Paducah, Ky., the Army's Redstone Arsenal at Huntsville, Ala., and the Air Force's Arnold Engineering Development Center at Tullahoma, Tenn. Large additional amounts go to private industries producing materials having defense significance. Power demands, exclusive of power furnished to the Federal Government, are growing in the area served by TVA at the rate of approximately 12 percent per year. If the economic growth of the area is not to be halted, additional power facilities must be constructed to meet these increasing demands and to insure dependability of service to existing power loads, many of which are essential to national security.

I urge the adoption of this resolution.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. BROWN of Ohio. Mr. Speaker, House Resolution 260, as the gentleman from Arkansas has explained, makes in order, under 4 hours of general debate, and under an open rule, the consideration of the bill H.R. 3460 which is designed to permit the Tennessee Valley Authority to engage in self-financing.

Mr. Speaker, in the very beginning I think I should state that as a member of the Rules Committee I voted against reporting this bill because I believed then, and I still believe, that the Committee on Public Works, should have given further consideration to this measure before reporting it, and perhaps should have adopted some of the amendments which have been suggested.

I should also say, in the beginning, that I cannot criticize or blame in any way any of my good friends from the Tennessee Valley area for supporting this legislation, and for being interested in the development of the Tennessee Valley Authority, because there is no question in my mind, nor do I believe there is any question in the mind of the average citizen, but that the Tennessee Valley area has benefited greatly as the result of the millions and billions of Federal dollars which have been expended in that section of the country. On the other hand, I am sure, in the same attitude of fairness, my friends from the Tennessee Valley section of the Nation cannot blame some of us who do not come from that area for opposing, not only now, but in the past, a great many of the Federal expenditures on and the financing of TVA, because, while they have obtained the benefits, we in our areas have also helped pay the taxes and furnish the Government money which is being used, and has been used, for TVA.

It is with that understanding, that there is no criticism of anyone for the position taken on this measure, and that it is not a partisan matter but rather an economic problem that confronts us, that I wish to discuss this bill with you that this rule makes in order, if I may have just a bit of your time to do so.

As the gentleman from Arkansas has stated, this bill would permit the Tennessee Valley Authority, for the first time, to engage in self-financing by the issuance of some $750 million worth, or not more than that amount at any one time, of revenue bonds. The bill carries a very good amendment that was adopted by the committee, one offered by the gentleman from Georgia [Mr. VINSON], I understand, or proposed by him, which would limit the operation of TVA to its present area of service, with the exception of a few border communities nearby where some obligation has been made to furnish electric energy to them.

However, this bill does do this, and I think it therefore needs amendment: It not only permits self-financing of TVA, in which the American people now actually have $1,195 million and some odd hundred thousand dollars invested, but it moves the $750 million worth of revenue bonds up into first place as far as the obligation of the TVA is concerned. In other words, the taxpayers of this country who put up the money for the development of TVA, or which has been used out of the revenues, now have a first lien

on its assets, for, of course, such revenues actually belong to the Government. However, they have been used to expand TVA, so that the Federal Government and the Federal taxpayers have financed actually all of this TVA development in one way or another, and have invested all together, both from earnings that should and could have been returned to the Federal Treasury, and the cash amounts advanced, somewhere around $3 billion to $3.5 billion. So, of course, the amount of money that is in the TVA which is a Government corporation, belongs to the taxpayers, as I have tried to explain, and is an obligation of the TVA due to the taxpayers. The U.S. Government now has a first lien, or a first mortgage as it were, on TVA property and TVA earnings. But, once this $750 million bond arrangement is authorized by law, then the holders of the revenue bonds will become holders of the first mortgage, and the American taxpayers, that all of us in Congress represent, will be placed in the position of second mortgage holders. In other words, they will get their money back if and when, and after, the revenue bonds are taken care of, the interest paid on them, and the principal of these bonds are finally repaid to their purchasers. I think that sort of an arrangement is a bad thing. I think it is rather foolish for us to say by passage of this legislation, that we will, as representatives of the American people, take away from them, the taxpayers, their right of priority on repayment of the funds they advanced to the TVA; take away from them that right and give it to some selected list of bondholders.

Then there is another thing which concerns me a great deal. These bonds are issued after the TVA Directors consult with the Secretary of the Treasury. That is all they have to do; just consult the Secretary of the Treasury, for they do not have to be guided by his advice in any way. So this bill gives to them the right, that is, the TVA, those three men, by a vote of two to one, to issue bonds in the amount of $750 million at any time they may desire and to do so regardless of what the Secretary of the Treasury may say, or what effect the issuance of such bonds may have upon our Treasury or on our future Federal financing. And, it is a problem in these days, to sell Government bonds. So, some amendment to correct this defect should be adopted to this bill. I hope that the supporters of the measure will consider, equitably and fairly, some of these amendments which may be offered to correct some of these deficiencies that appear in it.

Further, under the provisions of this bill, the Congress itself, which now controls, and must authorize, expenditures made by the TVA, or by its three Directors, or by any two of them, will lose all control, will no longer have the power to say what TVA can do, what plants they may build, what plants they may not build, and so forth, as we have had in the past. For the first time we will have a Government corporation in existence that neither the Congress nor the Federal Treasury can control, as provided in the Government Corporations Act. This bill eliminates the effect of those provisions of the present law. It takes TVA out from under them. That, of course, is a dangerous thing.

There is one other feature of this bill I believe you should seriously think about. TVA is now obligated to repay this money which has been advanced by the Federal Government and the taxpayers of this country, in 40 years. This measure would extend the time for repayment, believe it or not, to 120 years. Even I would like to borrow a little money on those terms, if I did not have to pay it back for 120 years. Repayments are limited to $10 million a year for 120 years to pay off this approximate amount of $1.2 billion of Federal debt. I have the feeling there should be some other arrangement made whereby this great debt is paid off—that is, the debt to the taxpayers and to the Federal Treasury—by TVA, at an earlier date, at a faster rate. Certainly 40 or 50 or 60 years should be the longest period which should be taken to recover the money the Federal Government has invested in this particular activity.

As I understand it, from those who appeared before the Committee on Rules when we discussed this bill—and let me say it was discussed, to the credit of both sides, very fairly, and all information requested was furnished, with no attempt, on anybody's part to cover up, or as they say, in the parlance of the day, to put "something over." The provisions of the bill were discussed rather fully.

I understand a series of amendments will be offered to cure some of the provisions of the bill which I consider have serious defects.

Unless some of these obvious defects are cured; unless there is some protection for the taxpayers who have invested their money—and we are their Representatives, you know—in this great facility; unless the Congress is permitted to continue to have some control over the activities and the expenditures of this great Government corporation; unless some reasonable arrangement with the Federal Treasury is provided so that the issuance of these bonds will not interfere with, or endanger, the sale of Government bonds, which we must sell at different times and which we must so often refund—and we are going through that just today in this country, when some $5 or $6 billion worth of bonds have to be refunded or resold—unless we can do these things; unless we can make this bill the kind of measure I am sure all of us want it to be, I shall, of course, have to oppose and vote against it.

Mr. BROOMFIELD. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. I wish to compliment the gentleman from Ohio for pointing up some of the serious objections that many of us have against this proposed legislation. Besides the fact that we would lose the legislative and executive control over TVA, I think the point about this $750 million bond issue seems to be well pointed up by the statement of Mr. Wessenauer, who happens to be the manager for power in the TVA, in his testimony before our committee, when he stated that in all probability that amount would be used up within 5 years, with a maximum of 7. So that this is merely an opening wedge to come back for further authorizations to issue bonds.

Mr. BROWN of Ohio. Yes. I think that is a fair statement. Perhaps I should point out—for I failed to do so—that it would be very easy for some succeeding Congress to strike out the Vinson amendment and permit this self-financed corporation to expand as it pleases. It would be very easy to amend the act in the future so any amount of bonds could be issued, with the $1,200 million investment of the taxpayers of the United States being the basic security for such bonds.

We now have the Tennessee Valley Authority. It is in operation. While some of us have questioned the wisdom of it in the past, it is a reality, it is here. We must live with it. It is not going out of existence regardless of what we do. It has become a necessity to millions of Americans in that part of the country.

So it seems to me that it behooves us to try to amend and strengthen this bill in such ways as will be fair to all concerned, and will not only protect the interest of the people in the Tennessee Valley but likewise the interests of taxpayers all over the country, who have financed this TVA program; and, also of course, the rights of the Congress to the United States, as representatives of the people, to review, to check, and to know what is going on.

Mr. BAKER. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Tennessee.

Mr. BAKER. I urge the adoption of this rule and that the measure be given full, fair, and serious consideration on this floor.

Mr. BROWN of Ohio. I thank the gentleman. As I said in the beginning, I am not opposing the adoption of the rule, but instead wish to point out the necessity for all Members of the House to give careful study to this legislation, and to the amendments which may be offered.

Mr. TRIMBLE. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. VINSON].

Mr. VINSON. Mr. Speaker, I ask unanimous consent to speak out of order, to read a letter addressed to the Secretary of the Air Force.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON. Mr. Speaker, this is a communication I am sending today to Secretary Douglas of the Air Force:

MAY 6, 1959.

Hon. JAMES H. DOUGLAS,
Secretary of the Air Force,
Washington, D.C.

DEAR MR. SECRETARY: By letter dated April 29, 1959, the Comptroller General of the United States transmitted to the Armed Services Committee a copy of his report to the Congress on an examination of the pro-

grams for constructing and equipping the Air Force Academy, Colorado Springs, Colo.

From my study, it appears that the Comptroller General's report makes four major points as follows:

1. The Air Force has exceeded the original ceiling intended by the Congress for the ultimate cost of the Academy without informing the Congress of the total anticipated costs for the entire project;

2. Substantial costs have been incurred and additional costs are planned for the construction of an airfield for the Academy for which congressional approval was not obtained.

3. Over $6 million specifically justified to the Congress for family housing has been used for other purposes; and

4. There have been widespread and significant variance between the construction programs justified to the Congress and the program actually followed.

It is my wish that you advise the committee at the earliest possible date with respect to the matters set out above. Upon completion of my study of the Comptroller General's report and a review of your reply to this letter, it is my intention to call a hearing of the Armed Services Committee for the purpose of examining into the findings of the Comptroller General in this respect.

Sincerely,

CARL VINSON.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield.

Mr. GROSS. The gentleman will recall when the military construction bill was before the House, I called the attention of the House to some of the misuse of funds, and I now want to compliment the gentleman for moving with his committee to correct that.

Mr. VINSON. I thank the gentleman.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. AUCHINCLOSS].

Mr. AUCHINCLOSS. Mr. Speaker, the bill before us which we will consider in Committee of the Whole is a very controversial matter and I want to tell my colleagues that the minority members of the committee are grateful to the majority members of the committee for their consideration in the hearings. They gave us every opportunity to present our views and to ask the necessary questions of the witnesses. The minority will present some amendments to this legislation; we believe they are beneficial. We are not trying to destroy the TVA by a long shot. We are honestly trying to make it work and to get some kind of constructive legislation on the statute books. In view of the importance of this matter, and in view of the efforts we have made, I am going to ask my colleagues to try to remain on the floor during the general debate because if a quorum is not present, a point of order will be made—and I hope it will not be misconstrued as being dilatory.

Mr. Speaker, I ask unanimous consent that during general debate, I may include some extraneous matter, together with my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. DAVIS of Tennessee. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3460) to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3460, with Mr. BASS of Tennessee in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Tennessee [Mr. DAVIS] will be recognized for 2 hours and the gentleman from New Jersey [Mr. AUCHINCLOSS] will be recognized for 2 hours.

The Chair recognizes the gentleman from Tennessee [Mr. DAVIS].

Mr. DAVIS of Tennessee. Mr. Chairman, I yield myself 18 minutes.

Mr. Chairman, it is my privilege to bring before the House today H.R. 3460, reported by the Committee on Public Works on April 14. The purpose of the bill is simple. It will authorize TVA to issue bonds to finance the additions to power capacity which are needed every year to enable this Government-owned power system to keep abreast of the growing electricity requirements of the region it serves. The bonds will be revenue bonds. They will not be obligations of the Treasury nor guaranteed by the Government. They will not be tax exempt. They will be issued on the security of TVA's power revenues alone, they will be carried and they will be retired by those revenues.

The details of the bill will be presented later. At the beginning I want to make just a few general observations. I should like to remind the House how carefully this legislation has been considered. The bill now before us has not been hastily drafted nor casually approved by the committee. We have studied, we have debated every section. Congressional consideration of self-financing for TVA began in May of 1955 when my colleague, Congressman JONES of Alabama, and I introduced identical bills, the first such revenue bond financing bills. A few weeks later a similar bill was introduced by the Senator from Oklahoma [Mr. KERR] in the other body. That was 4 years ago. Since that time there has been continuous public discussion. Twice hearings have been held before the Senate committee and a bill much like the one we will debate today was passed by the Senate 2 years ago by a vote of 61 to 20.

Three times the Committee on Public Works of the House has held hearings on the bond financing legislation. Three times a bill has been reported. H.R. 3460 now before us for final action is not identical with the bills Mr. JONES and I introduced 4 years ago. It has been clarified at some points. We have made compromises at others. But its major provisions are the same. And the days and weeks and months of consideration have had one felicitous result. The record of TVA is better understood today. The measure has ever widening support. The need for the legislation is more clearly recognized. Most of us knew 4 years ago that the power facilities of TVA are owned by the Federal Government, but a good many of us used words that gave the impression that the investment of Treasury funds was a loan. We knew that the facilities were installed and operated for purposes and under policies established by the Congress, but not all of us knew what the purposes and policies were as clearly as we do today. We know now how urgently this legislation is required. We are prepared to act.

Under existing law and until this bill is enacted TVA has only two sources of capital for investment in power facilities. First, the Government, the owner, can make additional funds available by appropriation. Second, current power earnings can be used to add new generating units at existing projects. Clearly, current power earnings cannot be sufficient to provide all the new capacity required to meet expanding loads of this or any other power system, and since 1953 no funds have been included in the President's budget to start the construction of new capacity. All new capacity construction started since that time is being financed from current revenues. The need for more capital is vital, for the farms and homes and business enterprises of the area are increasing their energy requirements at a rate of about 12 percent a year. About 50 percent of the energy produced by TVA is utilized by installations of the Federal Government, principally those of the Atomic Energy Commission at Oak Ridge, Tenn., and Paducah, Ky. The Army's Redstone Arsenal at Huntsville, Ala., relies for power on TVA, and the Air Force's Arnold Engineering Development Center at Tullahoma is a customer. These demands appear to be relatively stable just now, but their requirements may expand, and as sure as night follows day, the requirements of the people, of more than a million and a quarter electricity consumers, will increase. Those consumers are served by the 150 distributors who purchase power at wholesale from TVA for sale to the ultimate consumer. Under this bill proceeds from the sale of revenue bonds can be combined with current revenues to finance the facilities required to serve them. Every year the assets of the Government will be enhanced without requiring the appropriation of funds from the Treasury.

The bill provides for a cash return to the Treasury. This return will vary in amount from year to year, because it is required to cover the average interest cost to the Government from time to time on the net amount of funds the Treasury has already invested in TVA power facilities. In addition to this return the bill provides for a further yearly

payment of $10 million which will be considered as a reduction of the Treasury funds invested. The total cash payments to the Treasury will be larger than the cash payment required under present law, and the form of these payments—as a return or dividend on the Treasury investment—will more clearly define the relation of the Government to TVA. The Government is the owner of the facilities, not the lender.

The lenders will be the investors who buy bonds. They are protected under this bill, just as the investment of the owner is safeguarded, while the distributors of TVA power, with an investment of more than half a billion dollars in their locally owned facilities, and the people who have spent more than $2 billion for electric appliances in the last decade, can be assured that their investments will be good, their electricity requirements will be met, the development of their economy will not be jeopardized.

Congress can be assured that the program started in 1933 will go forward. TVA can continue to demonstrate what happens to a region and to a power supplier when a power system is required by law to look upon energy supply as a tool to develop the resources and enhance the well-being of the people, when it is required by law to recover all its costs but to establish rates at the lowest level possible to accomplish that result.

We know what has happened in the past quarter century under the policies laid down by Congress for TVA to follow. From 800,000 kilowatts in 1933 the regional power resource has grown to the more than 10 million kilowatts installed today, and the increase in demand of power consumers requires almost as much new capacity each year as the 1933 total of capacity installed. In the same area where there were then 225,000 residential consumers, there are now over 1,300,000, all served by locally owned and managed distribution systems which purchase power at wholesale from TVA for resale to their consumers at rates agreed upon in their contracts as appropriate to carry out the congressional intent. Where 3 percent of the farms had electric service in 1933, more than 95 percent are served today, and the farmers alone are using more electricity each year than the whole region consumed for every purpose in 1933. The whole pattern of agriculture is changing as electricity on the farm widens the range of choice in land use open to the farmer. Where the annual use of the residential consumer in the area averaged about 600 kilowatt-hours in 1933, today it exceeds 7,000 kilowatt-hours, more than twice the average use in the Nation. The rates established primarily to permit the abundant use of energy by the people have resulted in a volume of consumption which lowers unit costs and provides the increasing revenues impossible under the high rate and low use policy common everywhere before TVA. The policies set out by Congress have succeeded. TVA has demonstrated its soundness. The private power companies have profited as a result, and power consumers everywhere have benefited.

In 1933 there were pessimists who said the farmers and housewives of this region would use so little energy that the program would be sure to fail, the investment in facilities would be wasted, and ruin would follow. The results have disproved their forecast. The rates established by TVA to carry out the mandate of Congress have encouraged the use of electricity. They have provided reevnues to cover all the costs. From the beginning and including the years before 1939 when the power companies halted the TVA program by injunction, TVA's revenues from power sales have covered all the costs of power operation, including depreciation and in-lieu tax payments to States and counties, and in addition have provided for the Government, the owner of this great regional generating and transmission system, a net return which has averaged 4 percent on the power investment. This is about twice the Government's cost of money over the same period. This record should quiet forever the false charge of subsidy. A part of these net earnings has been paid in cash to the Treasury, $250 million to date; a part has been plowed back in system facilities. This is a remarkable record. It shows that the policies adopted by Congress to serve the public interest were sound from a financial point of view. It shows that revenue bond financing is feasible. It demonstrates that TVA can go to the private money market for funds for new capacity. Bonds issued under this bill will be a good investment, a tribute to the Congress which established the policies for TVA to follow and to the management of TVA which has been faithful to the mandate.

There is one thought I should like to leave with you as we proceed to the consideration of this bill.

Its purpose is to enable TVA to obtain its future money requirements, above those which can be met from its own revenues, by borrowing money in the public market. This bill has been carefully tailored so that the bonds which TVA would issue, under the bill, would find a ready market at a favorable interest rate.

If the bill should become law in a form which does not achieve this purpose, then the Congress will have wasted the 4 years it has spent in considering this measure, and the TVA area will be brought to the edge of disaster, because there are no alternative plans for taking care of the new power investment required in the TVA area.

In my judgment, and in the judgment of the majority of the committee, this is a bill which is fair not only to the power consumers who must pay off the bonds, but also to the interests of the United States which as the owner has a very large investment in the TVA program.

The financial plan which the committee has evolved gives full consideration to these interests, and also the interests of the prospective bondholders by enabling TVA to offer them a prime security.

We cannot force anyone to buy the bonds. They will compete on the money market with many other securities of high credit standing. It is to everyone's interest that the bonds should represent an attractive investment, and that these years of congressional labors to bring forth a workable bond financing plan for TVA shall not have been in vain.

Mr. NELSEN. Mr. Chairman, will the gentleman yield for a question?

Mr. DAVIS of Tennessee. I yield.

Mr. NELSEN. I would like to call attention to an incident that happened to one of the REA cooperatives, I believe one in West Virginia, where they were required to charge a retail rate that was so low that the cooperative was going bankrupt under the rate that they were forced to adopt because of the regulations. That was the TVA rate. I am wondering if it was the intention of Congress to give the Authority the power to say what the rate shall be exactly at one place or another, in view of the fact that some of the cooperatives find themselves in difficulty financially in coming out on that rate that they charge the consumer.

Mr. DAVIS of Tennessee. Under the law it is mandatory that they charge the lowest possible rate to pay all the expenses of operation, and so forth.

Mr. NELSEN. In this case the cooperative could not come out on the retail rate. We had a great deal of difficulty in getting an adjustment of the rate to make it possible for the cooperative to operate in a feasible manner. I think this should be called to the attention of the Congress, because if there is the possibility of such a thing happening again, I am sure it is not the intention of the Congress to allow that.

Mr. DAVIS of Tennessee. This bill has nothing to do with the regulation of rates. It has to do only with an authorization for the issuance of bonds necessary to maintain capacity required in this very limited area to serve the people involved.

Mr. NELSEN. I realize that, but reference was made in the gentleman's speech to the low rate, and I just wanted to get this incident in the RECORD because I think it might be of some help to REA cooperatives that are served by TVA. I merely point it out for the purpose of calling it to the attention of the Congress.

Mr. DAVIS of Tennessee. I thank the gentleman.

Mr. AUCHINCLOSS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, in reporting this bill out, the committee vote was 19 to 14, the minority voting unanimously with two of the majority voting in opposition. The amendment suggested by Mr. CARL VINSON, as amended, restricting the area of operations of TVA as originally submitted, passed by a large vote. Mr. VINSON ably described the bill and his original amendment as follows:

This bill proposes to give TVA its own legal financing and borrowing powers without congressional supervision or control. I propose through the amendment which I am submitting and advocating that if TVA is to be granted this tremendously broad financing power, Congress should now also write into

the law the definite and specific area limitations under which TVA is now operating under its present gentlemen's agreement.

In other words, my amendment converts the gentlemen's agreement to law. That's all it does. If Congress is going to grant such exceedingly broad and unrestricted financing powers, to TVA, it should by all means write into law definite territorial limitations, as to its operative power, to the area TVA now serves.

This whole subject is very controversial and complicated. The minority generally recognizes that TVA is an actuality and we have to live with it, but we contend there are serious faults in the proposed legislation which should be corrected to safeguard the Government's interest.

To cite an instance pointing out the confusion in the provisions of H.R. 3460—the General Counsel of TVA, Mr. Charles McCarthy, testified in the hearings as follows—pages 64, 68, 69:

The Federal Government is the sole owner and stockholder in the TVA, yet the bill denies the sole owner and stockholder the right to approve the issuance of bonds, notes, or other evidence of indebtedness.

My colleagues Messrs. MACK, BALDWIN, CRAMER, and SCHERER will discuss briefly some of the main criticisms the minority has of this bill and they will suggest various amendments. I would like to speak briefly about the provisions concerning the issuance of bonds.

The bill provides on page 7, line 10 through the period on line 22, that the corporation shall consult with the Secretary of the Treasury about the "terms of the bonds to be issued and the proposed date of the sale thereof," and then provides for delays in the sale covering a total period of 90 days. If agreement has not then been reached, the corporation may proceed to "sell such bonds by negotiation or on the basis of competitive bids."

This feature in the bill is objected to by the minority because:

First. Such sales may seriously interfere with the financial operations of the Federal Government.

Second. The Government has a right to pass on the financial plans of the corporation because of the large investment of the taxpayers' money in it—$1.2 billion. This is especially true because it is the "sole owner of the corporation," to quote TVA's General Counsel, Mr. McCarthy.

Third. The approval of the Government is most important to the corporation for the sale of these bonds. I have, for a good part of my life, been in the securities business. When you sell securities to the public or when you underwrite or buy securities, you have to be nimble, you have to be quick in order not to lose the market for your securities.

And a 90-day interval would be disastrous because something might happen during those 90 days which would absolutely disrupt the market for the securities that you had underwritten.

Fourth. It is not practical because of what I have just said—the offering of securities for sale must be done promptly without delay before changes take place in the selling market.

An amendment will be offered to correct the situation and I would like to read the amendment. It is as follows:

Provided, That the Corporation shall advise the Secretary of the Treasury, ten days before issuing new bonds hereunder, with respect to the amounts and terms of bonds to be issued, the rate of interest, and the proposed date of sale thereof, and that the Corporation may proceed with such issuance and sale at the end of said period or at such earlier date as the Secretary may determine unless the Secretary shall during said period object and designate the changes in the amounts, terms, maturities or conditions of the bonds necessary to meet such objection, and that the Corporation may thereupon proceed with the issuance and sale of the bonds modified in accordance with such objection.

I would like to say to my colleagues that that amendment is the result of a great deal of thought, perspiration, and bloody sweat. Three or four drafts were made of it, and finally I got the counsel and a member of the Securities and Exchange Commission to consult on the drafting of this amendment, and this is the answer. I think it is a fair amendment. I think it would be of tremendous help in the sale of these bonds, and therefore I think it would be of great advantage to the legislation which is before us. I hope that at the appropriate time that this amendment may be accepted and adopted by a large vote.

The Government interest in TVA is well shown by the following figures. TVA has received from the Federal Government the total of $1,445,744,800 of which $250,131,519 has been repaid leaving a net investment of Treasury funds of $1,195,613,281. The net income from power operations as of June 30, 1958, was $468,412,305 which makes a total equity of the U.S. Government in TVA amounting to $1,664,025,586. It can be seen from these figures, submitted by the General Accounting Office, auditors of the TVA, that the taxpayers through their Government have a substantial interest in this project and, therefore, should have something to say about any other indebtedness that may be created by the sale of bonds, notes, or other evidences of indebtedness. In view of these difficulties and the other objections to be submitted by my colleagues the minority is opposed to the bill in its present form and we hope that the House will listen carefully to the amendments which we will offer, because we believe them to have strength and to be needed in the interest of TVA.

Mr. Chairman, under consent previously given, I conclude my remarks by including an article which appeared in the April 1959 issue of Guaranty Survey, published by the Guaranty Trust Co. of New York:

TVA'S BLANK CHECK

For the fifth consecutive year, Congress is being asked to authorize the Tennessee Valley Authority to finance its new requirements for outside capital by issuing revenue bonds to the public. Identical bills for this purpose have been introduced in both Houses, and the House Committee on Public Works has recommended that the legislation be passed.

Heretofore, TVA has depended for new outside capital upon congressional appropriations. At first sight, the self-financing proposal has considerable appeal. It would seem designed to lighten the Treasury's financial load, to remove a cause of increase in the public debt, and to mark a step toward more private enterprise, or at least more private financial participation, in the power business. Closer scrutiny reveals that these advantages are more apparent than real and that the plan in its present form raises grave questions concerning sound fiscal practice and the future of the electric-power industry as a whole.

THE BILL'S PROVISIONS

The pending legislation as originally introduced was identical with the bill that passed the Senate last year. It would authorize TVA to issue and sell bonds in an amount not to exceed $750 million outstanding at any one time to assist in financing its power program. The bonds would not be obligations of, or guaranteed by, the United States, and the proceeds from their sale would be exempt from the Government's normal budgetary procedure. No fiscal authority would have any control over the issuance of the bonds, except that the Secretary of the Treasury could, within 15 days after receiving notice of issuance, require a delay of not more than 45 days; and if the Treasury should recommend changes in amounts, terms, or maturities, TVA could not sell the bonds until an additional 30 days had been given to consideration of such recommendations (which, in the end, it could either accept or reject). The bonds would be subject to the Federal income tax but would be exempt as to principal and interest from all State and local taxes except estate, inheritance, and gift taxes.

Payments to the Government on its $1.2 billion appropriation investment in TVA would be subordinated to payments to bondholders. When funds were available, TVA would be expected to repay the appropriation investment at a rate of not less than $10 million a year, which could make the repayment period for the present investment 120 years, as compared with 40 years under existing law. In addition, TVA would be expected to pay an annual return on the appropriation investment at a rate equal to the average rate paid by the Treasury on its marketable public obligations, long-term and short-term. These payments to the Treasury on account of both principal and interest not only would be subordinated to payments to bondholders but could be deferred for as much as 2 years if TVA should decide that the delay was necessitated by conditions beyond its control.

In addition to the appropriation investment, the Government has an additional investment of nearly half a billion dollars in TVA's power facilities derived from net income accumulated over past years. No provision whatever is made for repayment of or return on this investment.

COST ADVANTAGES

TVA would be required to charge rates for power which would produce gross revenues sufficient to provide funds for operation, maintenance, and administration of its power system, for payments to States and counties in lieu of taxes (which would be substantially less than the taxes that would be paid by a privately owned utility company), for debt service on bonds, and for payments to the Treasury on the appropriation investment (not on the total investment).

Most important of all, TVA would remain, as it always has been, totally exempt from the Federal income tax and from any payment to the Treasury in lieu thereof, and its charges for power would naturally continue to reflect this exemption.

Before approving the bill, the House committee adopted an amendment designed to meet one of the strongest objections offered

to the proposed legislation in its original form. The original bill would have permitted TVA to expand its service area directly by about 31 percent, from 80,000 to 105,000 square miles. In addition, because of loopholes in draftsmanship, the bill could have been interpreted to permit much greater expansion, so that TVA competition could have been felt over a range limited only by the practical transmission distance of hundreds of miles in every direction. This overhanging threat of indefinite expansion was removed when the committee approved an amendment prohibiting the sale or delivery of TVA power for use outside the service area as it existed on July 1, 1957, with minor exceptions.

NORMAL CONTROLS ABOLISHED

Aside from this territorial limitation, the bill contains none of the safeguards and reforms that are essential if TVA is to serve and protect the interests of its owners, the people of the United States. Despite the nominal disclaimer of Federal liability or responsibility for the revenue bonds, it has been admitted, both by supporters and opponents of the self-financing plan, that the bonds would be, morally and in practical effect, obligations of the United States. How can a government repudiate the debts of an agency created and wholly owned by the government itself?

These obligations would be incurred without specific action or approval by Congress or by Federal fiscal authorities. They would not come within the statutory limitation on the public debt. The use of the proceeds would not be subject to the appropriation procedures by which Congress normally determines how the people's money is to be spent. Both the raising and the spending of the money would fall outside the supervision and control of the agencies set up to safeguard the handling of public funds in general.

This abandonment of congressional and executive responsibility runs directly contrary to the steadfast insistence of the President and others in the administration that any self-financing plan for TVA should retain full legislative and administrative control over the incurrence of obligations and the expenditure of money. The President said almost 2 years ago, "I have always insisted that there should be proper budgetary and congressional control of the expansion of the facility and the building of new plants." The Bureau of the Budget told the House committee last July that a wholly owned Government corporation with a net of $1,200 million of Federal moneys invested in it ought to have the same rules of the game applied to it as does any other Government operation. The Comptroller General, in a TVA audit report in January of this year, said: "We believe that the Congress can most effectively control capital expenditures through appropriations. If, however, the Congress wishes TVA to use power revenues, or funds obtained from non-Federal sources, to construct or acquire new steam-electric generating units, we recommend that TVA be required to obtain specific and prior authorization from the Congress for such facilities."

A DANGEROUS PRECEDENT

The importance of the question cannot be gaged by the $750 million immediately involved. The demand for TVA power, even within the existing service area, is increasing, according to TVA spokesmen, at 10 or 12 percent a year. Also according to TVA testimony, this means that about $180 million of new investment is needed annually to meet the demand. Approximately one-third of this amount, it is estimated, can be supplied from depreciation and earnings, leaving two-thirds, or $120 million, to be raised by the sale of revenue bonds. At this rate, the $750-million authorization would be exhausted within 6 or 7 years, and it would become necessary either to enlarge the bond-issuing authority or to revert to the appropriation procedure. The latter alternative would probably prove rather difficult, once the bond-issuing precedent was established.

Meanwhile, what about other Federal agencies? Could or should the precedent be limited to TVA? It is not difficult to picture one Federal activity after another being allowed to escape from congressional and budgetary controls and achieving the financial and executive autonomy for which bureaucracy always strives. To the extent that this occurred, the Federal budget and the public debt would become increasingly meaningless as measures of the true scope and financial position of the Government, and the people's credit would be pledged and the people's money spent with less and less supervision by the people's elected representatives.

The pending legislation would accomplish little toward making TVA the "yardstick" for power rates that it was originally supposed to be. In the beginning, TVA was to be primarily a flood-control and river-improvement agency, and secondarily a producer of hydroelectric power that was to test the fairness of the rates charged by private companies. As recently as 1950, nine-tenths of its power output was hydroelectric. Today, three-fourths of the output is produced by coal-burning steam plants, and almost all of the new producing capacity is steam-generated.

FALLACY OF THE "YARDSTICK" THEORY

As for the rate test, TVA has always operated under conditions that make a mockery of the "yardstick" idea. Its rates are less than half the average for private producers. Is this because it produces power more efficiently or cheaply than private companies, or because private companies are being allowed to charge exorbitant rates? Not at all. It is because TVA pays no Federal income tax and nothing in lieu thereof, and because it receives its capital funds from Congress and yet has never paid any interest to the Federal Government on any congressional appropriation. These are not operating economies but special privileges bestowed on the people of one area at the expense of the taxpayers at large.

How would the proposed legislation affect these special privileges, these negations of the "yardstick" theory? TVA would still pay no Federal income tax. It would pay the Federal Government each year, for repayment of principal and return on a portion of the Government's investment, a total amount far below what a private utility would have to pay its investors in order to have access to the capital market. And it would raise new capital by issuing bonds that would be exempt from most State and local taxes.

Altogether, the pending legislation would have little effect on these special privileges. The "yardstick" excuse for public power would still be as unrealistic as ever. The taxpayers of other areas would still be paying more than their fair share of taxes, because the consumers of public power would still be paying less than theirs. The main difference would be that TVA would find itself in possession of a congressional blank check which would free it from most of the controls and safeguards the Government customarily and properly exercises over its agencies.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. JONES].

Mr. JONES of Alabama. Mr. Chairman, last year the Tennessee Valley Authority marked its 25th year of operation. The principal objective of the Tennessee Valley Authority was to carry out the multi-purpose development of the Tennessee River, including flood control, navigation, and the generation of power. It has made of the Tennessee River the most nearly perfect and valuable flood control project not only in this country but in the entire world. It has made one of the finest river highways in the internal navigation system of our country, having made the river navigable from its confluence with the Ohio to the city of Knoxville 650 miles away. A 9-foot channel now carries approximately 15 million tons of traffic annually. The Tennessee Valley Authority also has about 10,500,000 kilowatts of power-generating capacity. It has constructed or operates 48 projects with a generating capacity of 3,375,000 kilowatts of hydroelectric power, the remainder of their power production being from steamplants.

When TVA first started its operation in 1937 there were less than 2 million kilowatts in the Wilson Dam and the combined production of five steamplants which it acquired under the TVA Act, also known as the Muscle Shoals Act. From that modest beginning it has, as I said, grown to 48 plants.

The load growth during that period has increased from approximately 600 kilowatt-hours per residential consumer per year until last year the domestic consumers utilized an average of more than 7,000 kilowatt-hours. TVA also produced sufficient power for the Atomic Energy Commission and 10 other governmental agencies and bureaus which consume 30 billion kilowatt-hours of power, or approximately half of the entire power production of the Tennessee Valley Authority.

Twenty-eight plants by independent contract with the Tennessee Valley Authority consume 15 percent of the total output. The remaining 33⅓ percent of the power has been consumed by 153 municipalities and cooperatives operating in an area of 80,000 square miles.

It is estimated that in the foreseeable future it will be necessary to increase the generating capacity to serve the 80,000 square miles by approximately 12 percent each year. In order to add this 12 percent it will cost approximately $180 million a year. This increased consumption of electricity will be made not only by the 50,000 commercial and industrial users of energy but also by the Atomic Energy Commission, Redstone Arsenal, the Air Force wind tunnel at Tullahoma, and the other agencies and bureaus of the Federal Government. There will be an increase in consumption of electricity on the farms and in the homes.

The Federal Government has invested approximately $1,600 million in the power phase of TVA's program during the past 25 years. It has earned during the life of the corporation approximately 4 percent return on the investment. The Federal Government's net appropriation investment in TVA power is about $1,200 million. If TVA is expected to fulfill its legal obligations, it is necessary for us to pass the legislation that is before us today.

The expected load growth is reflected in an increased growth and spirit, not only of the Tennessee Valley Authority, but of every section of the country. We in the Congress have been generous in the recognition of the need for electrical energy throughout the country. You will recall that in the Defense Production Act we encouraged the private utilities to accelerate their construction program in order to have on hand an adequate supply of energy in the event of national disaster. We have given out amortization tax certificates, or so-called fast tax writeoffs, in the amount of approximately $3,600 million to the private electric utilities of the Nation. We cannot impoverish an area through lack of energy.

Let us see just what this bill does. The first section of the bill deletes the last three paragraphs in title II of the Government Corporations Appropriation Act, 1948, and new provisions are substituted. The first of these substitutes provides for the payment to the Treasury by TVA of a return on the appropriation investment equal to the computed average interest rate payable by the Treasury on its total marketable obligations at the beginning of each fiscal year applied to said appropriation investment. At the present time the average cost of money to the Treasury is approximately 3 percent. That means that on the present appropriation investment of $1,200 million TVA will pay to the Treasury of the United States $36 million a year as a return on the Government's appropriation investment in TVA power.

The second substitute to the 1948 act is that there would be a fixed payment of $10 million a year to the Treasury by TVA in reduction of the appropriation investment.

The third provision which I would like to mention would give Congress a veto power over the start of construction of new power-producing projects by TVA, whether such projects are to be financed with bond proceeds or power revenues.

Under the terms of this bill it is provided that notice shall be given to the Congress of TVA's plans to construct a new power-producing project, and the Congress will have 90 days in which to pass a disapproving concurrent resolution.

The second section of the bill, section 15d, provides that the Authority can issue bonds up to a total of $750 million. As you can understand, with a requirement of $180 million a year for new power facilities, there would not be a sufficient amount to carry the construction program for a great number of years, and it has been estimated that this limitation of $750 million would carry the construction program of the Authority for a period of 5 to 7 years. TVA will also be able, under section 26 of the Tennessee Valley Authority Act, to invest its power revenues in new power capacity as it has since the enactment of the Tennessee Valley Authority Act.

There is another section of the bill, one that excited great curiosity and strong feelings, and that was the territorial limitation. Under the Tennessee Valley Authority Act, TVA may sell electricity within a reasonable transmission distance from its hydro projects. Under the present law the Tennessee Valley Authority could serve approximately 317,000 square miles, but under the terms of this provision, as it is written into the bill, TVA cannot extend its service beyond the territory that it served on July 1, 1957, with the exception of the communities that were excepted. This section also provides the authority to the Tennessee Valley Authority to enter into the covenants with the bondholders and the trustees necessary to secure the bonds. There is also a provision in 15d providing that the bonds will not be a part of the national debt. Another provision states that bond proceeds and power revenues shall not be subjected to the apportionment procedures set out in title 31, U.S. Code, section 665. In other words, TVA bonds will not constitute a part of the public debt. The reason it is no longer a public debt transaction is because the Authority has demonstrated through its earning record its ability not only to pay a return on and to reduce the appropriation investment, but also to pay off the bonds as they mature.

Now, the other sections of the bill deal with the mechanics as to how the Authority shall operate and the conditions relative to the bond issues. They are technical. They require that in addition to the General Accounting Office they may employ auditors to make up-to-date reports that would be necessary to induce the prospective bond purchasers to acquire these bonds. It would also require the Tennessee Valley Authority to give complete details in its annual report, as it has done over the history of the corporation, including its revenue bond financing, in addition to all of the other multifarious endeavors of the Authority. It also makes, under section (d) of the bill, the bonds a legal or lawful investment for trust and public funds operated or conducted by the Federal Government. It also provides that the bonds will not be exempt from Federal income tax.

Section (e) of the bill covers the TVA return payment to payment by TVA to the Treasury of a return on the power investment financed from appropriations, the amount to be determined by the Government's going rate of interest, which I referred to, and in addition the $10 million annual fixed payment in reduction of the appropriation investment.

Now listen. I want to make one thing very emphatic.

Paragraph (f) says that the TVA in determining the power rate must set the rate so that it is sufficient to cover the operating expenses, payments in lieu of taxes, debt service on outstanding bonds and all the payments to the Treasury.

There has been a great amount of talk as to who is the first mortgage holder, who is the stockholder, who is the holder of the second mortgage, and so forth. By direction of this bill the Authority must impose rates that are sufficient to discharge all the fiscal responsibilities that they have.

It also requires in each 5-year period a reduction of the appropriated investment or reinvestment of power assets at least in the amount of depreciated accruals plus the net proceeds of any disposition of power facilities in said period. That may seem meaningless, but the depreciation factor will remain constant. In other words, the Government's investment or the appropriated investment in the power properties cannot diminish in value because they are directed by this bill to apply, which they have continued to do, a straight line depreciation method by which the value of the properties will remain intact, and if there is not a reinvestment of the depreciation factor then it must be paid into the Treasury of the United States.

Paragraph (h) of the bill is a statement of the intent of this bill.

The last section of the bill, section 2, provides that TVA can sell its bonds to the International Bank for Reconstruction and Development, and provides also for the purchase by national banks of bonds or debentures issued by the Authority.

Mr. Chairman, there is great need for this legislation. I do not think there has been any effort to have the TVA escape any proper control by the Federal Government over the operation of the corporation. You have heard that Government control is being lost under this bill.

Section 26 of the TVA Act provides that they can use revenues collected by the Authority for the construction of added needed power units. This does not give them any greater liberty than they already have.

Much, too, has been said, that the Government Control Corporation Act needs application to this bill. There is no exception to the Government Control Corporation Act that does not apply to other Government corporations issuing bonds not guaranteed by the Government. Section 104 of the Byrd-Butler bill provides the Authority with the right to use the revenues that they receive from the sale of power. This bill continues that authority and makes no exception.

All of the budgetary requirements of the Government Corporation Control Act are observed by this bill. It makes the accounting system to the Bureau of the Budget as firm and as constant as it has been in the past.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield.

Mr. BYRNES of Wisconsin. The gentleman called our attention to the importance and the relationship of TVA operations to the various Federal Government functions, the Bureau of the Budget, and the General Accounting Office. I searched in the committee report and in the hearings for a report of these various Government agencies with regard to this specific legislation. I do not find it. I wonder if the gentleman can advise whether departmental reports were sought and, if departmental reports were sought, what happened to them, why they are not available to the general membership of the House at this time.

Mr. JONES of Alabama. First let me say to the gentleman from Wisconsin there has not been any bill that has had

as much time spent on it in the last 4 years as this.

Mr. BYRNES of Wisconsin. That is not my question.

Mr. JONES of Alabama. The gentleman has asked me a question and I am answering him in my own way.

We sought the reports of the various departments. Last year they were included in the report and in the hearings. There is not a single department or agency as far as I know that the committee would be unaware of as far as its views are concerned. The Bureau of the Budget has been opposed to this bill unless we change congressional control to budgetary control, and that has been the position of the Bureau of the Budget all the way through.

Mr. BYRNES of Wisconsin. The only question I ask is if reports were sought, and the gentleman says you did receive those reports.

Mr. JONES of Alabama. Yes.

Mr. BYRNES of Wisconsin. Why are those reports not available to the membership in the consideration of this bill at this time? I have asked for the hearings and gone through the hearings, and find no reference to them there. I looked through the report of the committee and there are no departmental reports there. How can we get hold of them? How can we see what they were, what they actually said?

Mr. JONES of Alabama. The reason why they are not included in this is because the Committee on Public Works is very careful about the expenditure of funds and thought it was not necessary to republish what the agencies had already said.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Ohio.

Mr. SCHERER. Is it not a fact that all of the agencies of the Government oppose this bill unless the amendments recommended in the minority report are adopted?

Mr. JONES of Alabama. It was my understanding that the amendments submitted by the minority were suggested by the Bureau of the Budget, yes.

Mr. SCHERER. And by the General Accounting Office and the Treasury.

Mr. JONES of Alabama. The General Accounting Office has never been for the expenditure of corporate funds for the Tennessee Valley Authority or any other Government corporation.

Mr. SCHERER. Is it not a fact that all of the agencies of Government that are concerned with this matter oppose this legislation unless the amendments as set forth in the minority report or as proposed by the minority in committee are adopted?

Mr. JONES of Alabama. There is not a line in any report of the 85th Congress or the 86th Congress in which the Directors of the Tennessee Valley Authority, appointed by the President, objected to this bill, but on the contrary they said the terms of this bill were workable and needed by the corporation.

Mr. AUCHINCLOSS. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. MACK].

Mr. MACK of Washington. Relative to the colloquy that has just occurred between the gentleman from Wisconsin [Mr. BYRNES] and the gentleman from Alabama [Mr. JONES] I point out that on page 3 at the very beginning of this year's hearings, I asked the chairman of the committee to make available the printed hearings on last year's bill. These contained the reports of all the various agencies of Government. That printed report, so far as I can ascertain, has never been issued.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield.

Mr. BYRNES of Wisconsin. The gentleman from Alabama suggested that it was a matter of economy which controlled the considerations of the committee in not printing the departmental reports. Does the gentleman feel it is good economy to deny Members of this House the opinion of people who are close to this problem and who are in a position to know the effects of this legislation upon the fiscal problems of this Government?

Mr. MACK of Washington. I would not think it is either good or sound economy.

Mr. Chairman, what is this great Government agency that is called the Tennessee Valley Authority, commonly known as TVA? It is a wholly Federal Government-created agency financed completely and operated entirely by the Federal Government of the United States. The Tennessee Valley Authority distributes power over 80,000 square miles of territory. It serves 5 million people or 1,250,000 families, and many industries. Last year, the Tennessee Valley Authority did a gross business of $223 million. It is the largest power distributing agency in the United States. On that $223 million of gross business, the Tennessee Valley Authority had net revenues of $55 million which, were it a private operation, would be called net profits. Now there are Members of Congress and private citizens who believe that the Tennessee Valley Authority should be dismembered and its individual units sold to private power companies. There are other people who believe that the Tennessee Valley Authority should be permitted to expand all over the United States and socialize the power industry of the Nation. These two groups, however, I am sure, are in a minority. The great majority of the people in the Congress and in the country, I am convinced, believe that the Tennessee Valley Authority is here to stay for a long time to adequately serve its area. This bill offers one means of enabling the Tennessee Valley Authority to expand to keep pace in its production of power to meet the growth needs of the area served, which, incidentally, is an area one and one-half times that of the six New England States combined.

The President of the United States in 1957 and on several later occasions has recommended to the Congress that a revenue bond financing plan be adopted for the Tennessee Valley Authority. Revenue financing for TVA has his approval. But, the President insists that the revenue financing should be under the regulation and control and with some authority exercised by the regular agencies of Government, namely, the Budget Bureau and the Treasury of the United States. The most important amendment which will be offered when the bill is read for amendment is one to be offered by the gentleman from Florida [Mr. CRAMER] to require that the Treasury of the United States approve bond issues as to amounts, the timing and as to interest rates paid on TVA bonds. It is unthinkable that the Treasury Department should be called upon to manage a national debt of $288 billion and then allow some lesser Federal agency be a competitor against the U.S. Treasury in the bond market for public investment money. For such a competitor to enter the field might mean that the interest rate might be increased on all Federal bonds. Such an interest rate increase might run into tens or even hundreds of millions of dollars on the vast borrowing of $280 billion.

The request that the Treasury have some say-so, even a veto power, if you want to call it that, on the issuance of the TVA bonds without its approval, is sound. Otherwise TVA financing by disrupting the bond market might cost the Government a great deal of money. Also, I am convinced that unless the Treasury does have some say-so, not just in an advisory capacity, but some positive and definite control over the issuance of these TVA bonds, that the President of the United States will not approve this legislation.

What we on the minority side, and I think those on the majority side too, want is not a bill that is just going to be passed, then not signed by the President. We want a bill that will benefit the Tennessee Valley Authority. The Government owns, controls, and operates the Tennessee Valley Authority. It has advanced to that agency $1,200 million for the construction of steam plants and for the building of power distribution lines. The TVA area certainly should return to the Federal Government sometime the $1,200 million which, after all is in the nature of a loan, and should also pay a reasonable rate of interest on that money. Rates for power in the Tennessee Valley area should be such as to provide that the beneficiaries of that power pay back to the Government both principal and interest on the money that has been advanced. That is a reasonable and sensible approach. It is what we of the Pacific Northwest do in the Bonneville power area.

There are some advantages to this pending revenue TVA bond plan to the Federal Government. Under existing law TVA is obligated to pay back to the Federal Government $30 million a year during each of the next 40 years in order to liquidate this debt of $1,200 million which it owes the Federal Government.

TVA never has in its 27 years of existence paid one dollar of interest on any of this $1,200 million. On the Bonneville project in the Pacific Northwest we always have paid on the principal and we always have paid interest on the money that was advanced. In the St. Lawrence Seaway project shippers and waterway

users are paying back both the principal and interest on all Federal funds advanced. Power rates in the Tennessee Valley area should be on a basis to make these payments on principal and interest.

The Federal Government receives $30 million under existing law. Under this bill it will receive 3 percent interest. Three percent on $1,200 million is $36 million a year. Under this bill TVA will pay $10 million a year on principal. That would make it $46 million altogether. I propose to offer an amendment to make the principal payment $20 million a year. If TVA pays only $10 million a year on principal it will require 120 years to pay off its Federal debt. No plant, whether it be hydroelectric or steam, is going to last 120 years; it will either be worn out or will be obsolete long before that time. My provision for a $20 million payment will make it a 60-year repayment period instead of 120 years. If the Tennessee Valley Authority pays $36 million a year interest and $20 million a year on the principal, that will be $56 million. I think TVA can do this without financial hardship to TVA.

Last year the Tennessee Valley Authority had a profit of $55 million. In addition to that profit it had $44 million of depreciation money which is available for the liquidation of debt or the payment of interest. In other words, the Tennessee Valley Authority had $99 million available for debt retirement and interest payments. TVA can make this $20 million payment on principal plus the $36 million payment on interest and still have $43 million left to apply to the payment of bond principal, interest on bonds, and for the making of plant extensions. I think the $43 million is entirely adequate.

Mr. AUCHINCLOSS. Mr. Chairman, I yield the gentleman 4 additional minutes.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from North Carolina.

Mr. JONAS. I am glad this bill provides for the payment of interest. I have felt for many years that this debt should draw interest. The gentleman has referred to the situation at Bonneville. We lend money to the REA but we charge them interest, we lend money to the farmers but we charge them interest, we lend money to the veterans and charge them interest. The only people I know of who benefit from loans made by the Federal Government without paying any interest on those loans are the beneficiaries of the power developed and sold by TVA. We should put a provision in for the payment of interest and I think that is no more than fair. Whoever is responsible for it deserves a great deal of credit, and I am glad to see it in the bill.

Mr. MACK of Washington. I may say to the gentleman that the Federal investment in the Bonneville Power Administration in the Pacific Northwest is about the same as the investment that has been made by Congress in TVA. The Bonneville Power Administration has paid to the Federal Government in 25 years a total of $189 million in interest. The TVA has not paid one dollar. The Bonneville Power Administration paid last year $22 million in interest. The TVA paid nothing.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Tennessee.

Mr. BAKER. The gentleman stated that TVA should charge sufficient rates to pay all obligations, including the appropriated investment of the United States. That was not in the bill last year, as I understand it, but it is in the bill, subsection (f), page 10 of the present bill, is it not?

Mr. MACK of Washington. Yes. The provision is in the bill that TVA must charge sufficient rates to pay principal and interest to the Government and interest on the bonds it sells to the public for plant expansions.

Mr. BAKER. One of the big issues here is whether or not there is sufficient congressional control. I read from the bottom of page 5 of the present bill:

Provided, however, That, except with the approval of the President during a period of national defense emergency hereafter declared by the President or by the Congress, no such bond proceeds, nor any power revenues, shall be used to initiate the construction of an additional power-producing project until (1) the corporation notifies the President and the Congress of its plan to construct such additional project, and (2) following such notification, a period of 90 days, while Congress is in a single session, elapses without the passage of a concurrent resolution disapproving such construction.

Irrespective of any other amendments involved, does not the gentleman feel that gives to Congress the right to approve or disapprove any particular project, such as a steam plant, or of any money that may be spent?

Mr. MACK of Washington. The TVA is operated by three Directors, each of whom serves 9 years. Without these controls, legislative and otherwise, any two of these Directors, one of whom may have 6 to serve and the other 9 years, can become practically dictators of the TVA operation. This bill does give Congress the right to disapprove, but does not give it the power to initiate.

The gentleman from Florida [Mr. CRAMER], has made a very close study of the legal technicalities of Government controls. He later will provide you very informative answers to each of these technical legal questions involved in Government controls.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I thought I followed the gentleman rather closely when he referred to the interest provision in the bill, although I interpreted the gentleman's remarks to indicate that he was not satisfied with the interest provision. I have heretofore been informed that the gentleman was satisfied.

Mr. MACK of Washington. I am satisfied with the 3 percent. I raise no objection to it.

Mr. ABERNETHY. That is what I want to get.

Mr. MACK of Washington. I am satisfied with the interest rate.

The CHAIRMAN. The time of the gentleman from Washington [Mr. MACK] has expired.

Mr. AUCHINCLOSS. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. SCHERER].

Mr. SCHERER. Mr. Chairman, H.R. 3460, the bill which we are considering today, when first introduced by the gentleman from Tennessee [Mr. DAVIS], was similar to S. 1869 of the 85th Congress which died in the Rules Committee at the close of that Congress.

The minority was determined then as it is now to press for the adoption of three or four amendments which it felt were essential if this legislation was to be acceptable at all. There was a sort of informal agreement or understanding among those of us who opposed this legislation as introduced that we would each direct our energies toward presenting and bringing about the adoption of one of these amendments.

It happened that my assignment dealt with confining and limiting the service area of the Tennessee Valley Authority. I need not remind you that I was not able to bring about the adoption of such amendment by the Committee on Public Works during the 85th Congress; in fact, I could not even get the committee to consider such an amendment.

This year the picture changed completely with respect to this amendment. This year it had a champion with influence and prestige.

The extremely capable, distinguished, and highly respected gentleman from Georgia, the Honorable CARL VINSON, saw that if the TVA extremists had their way and H.R. 3460 was passed as written, it would not be too many years before TVA would be supplying taxpayer-subsidied power throughout a large part of the South. He saw that not too many years later, its tentacles would reach throughout Kentucky, West Virginia, and across the Ohio River into my bailiwick.

The gentleman from Georgia saw that the cleverly worded provisions of H.R. 3460 dealing with the service area meant just the opposite of what the proponents intended. Mr. VINSON said, and I use his own words:

Although the proponents of this bill represent the intention of the bill to be to confine TVA to its existing service area with some minor flexibility, the truth is that the provisions of this bill, in express terms, permit the expansion of TVA's existing service area into an additional area of some 25,000 square miles (or approximately 31 percent of TVA's existing service area).

Mr. VINSON, in his testimony, said further:

The bill also contains a number of loopholes, ambiguities, and exceptions which could be used to permit unlimited expansion.

As a result of his execellent presentation and sound logic, Mr. VINSON succeeded in getting a majority of the committee to adopt his amendment with some modifications.

In general terms, the Vinson amendment provides that, unless specifically authorized by an act of Congress, the

present power facilities and those subsequently acquired by TVA shall not be used for the sale or delivery of power for use outside the service area of TVA as it existed on July 1, 1957, with the one exception that, when economically feasible, it is permissible for TVA to provide service for interconnection with other utility systems for exchange power arrangements which were in effect on July 1, 1957.

The committee modified the Vinson amendment by providing that TVA shall have the right to continue service to Dyersburg and Covington, Tenn., service to these two cities having been commenced subsequent to 1957. The committee amendment further provides that TVA shall have the right to enter into contracts to supply power to six other communities which at the time of the hearing on this bill were in the process of qualifying for TVA power.

I know some will say, "Well, SCHERER, you got what you want. Why talk about it?"

I want to talk about it simply because most of those who have opposed TVA or the expansion of TVA feel that the Vinson amendment has put an end to further TVA expansion and encroachment. Nothing could be farther from the truth.

As soon as Mr. VINSON had gone and the influence which this venerable gentleman had cast over the committee room vanished, exceptions to the limitation of area as prescribed in the Vinson amendment were made. Six communities which are not receiving service now, which have no contracts for service, but which were merely, according to the proponents, getting ready to apply for service, were included.

Is anyone so naive as to believe that, as time goes on, TVA will not find additional excuses or reasons why other communities should be included as exceptions to the Vinson amendment? In fact, I just learned that amendments are to be offered which will exempt additional communities from the operations of the Vinson amendment. Does anyone believe that, after TVA has been given its bond-issuing authority, assaults will not be made to repeal the Vinson amendment?

Let's take a look. A few years ago, when a number of private utilities were forced to sell out to TVA because they could no longer compete with Government-subsidized power, a gentleman's agreement was reached whereby TVA solemnly and publicly agreed not to further pirate customers from private utilities and to confine its service area forevermore to that of July 1, 1957.

Today, as I have pointed out, there are eight communities outside this service area which now are getting or will get TVA power.

In spite of this gentleman's agreement, the proponents of TVA, as has been pointed out, had inserted in this bill language which expressly gave them 25,000 additional square miles of territory and, as Mr. VINSON stated, opened the door for unlimited expansion of TVA's service area. The gentleman from Alabama [Mr. JONES], who is the capable and able spokesman for the TVA point of view, frankly stated before the Rules Committee that he not only opposed the Vinson amendment but that he feels it is basically wrong.

Everyone knows that, before the ink on this bill is dry, the propaganda and campaign for decimation of the Vinson amendment will begin. Some of the proponents of TVA will argue during this debate that TVA has not expanded its service area appreciably for years. With tongue in cheek they will say that TVA has kept the gentleman's agreement.

There is only one reason why TVA has not expanded more rapidly. The cheap TVA rates have pirated industry from community after community at an accelerated tempo into the Tennessee Valley.

TVA has been so busy developing additional power output to take care of the demands of these carpetbaggers within its present service area that it has been almost impossible to expand its service area. In fact, according to the proponents, the whole purpose of this bill is to provide funds to build steam plants to supply the heavy demands of those who have been drawn and shanghaied into the area by cheap power costs.

If we give TVA the $750 million bond-issuing authority, with or without congressional control, the socialized power boys will have a field day. Today and for the next few years the restrictions in the Vinson amendment will not bother them. They will be busy catching up with the requirements which have been built up in the present service area.

But when they have taken care of their own backyard, the sky will be the limit. It will be simple. They can use this $750 million bond-issuing authority over and over again because the bill merely provides that they shall not have more than $750 million worth of bonds outstanding at one time.

Furthermore, it will be a comparatively simple matter for them to come to Congress and ask that their bond-issuing authority be increased. In fact, in the Committee report, they say that it will have to be increased in the next 5 or 6 years. I can just hear the arguments that will be made in 1964 and 1965 by the TVA apologists. They will piously point out that their requests will not add to the national debt—at least not so that you can see it; that people in the adjoining areas down in Mr. VINSON'S Georgia should have the benefit of the cheap power rates produced by a well-managed company with an extremely successful operation.

Frankly, I have gotten a little tired of hearing the TVA people pat themselves on the back about their fine management and their flourishing operation. It should be.

Even you and I should be able to run a successful business if the initial investment was paid by the taxpayers; if we were relieved from paying the 52 percent corporate Federal income tax; if, in lieu of local taxes, we could pay sums far less than those paid by our competitors. We could do an even better job if in addition we were given 120 years to pay back the capital investment, while our competitors had to amortize their plants in less than 50 years. Put TVA on an equal basis with private enterprise, make it pay the 52 percent Federal taxes, and it would be running deficits like the Post Office if the current rates were kept.

Another thing that irks me is the constant assertion that the taxpayers' investment in TVA is really not a debt or obligation of TVA because TVA properties are assets of the Government and of us taxpayers.

It is the kind of asset that does not do me, my constituents, or the consumers of electricity in my district, one iota of good. In fact, it is a liability to my people and yours.

We were taxed to pay for the initial investment. It has been paid back only in part. Furthermore, by the creation and operation of this socialized public power facility with our own money, we are caused in turn, year in and year out, to pay more taxes in order that the privileged few can have cheap power.

I would like to know if this is the kind of an asset any of us wants. If I am part owner of TVA as the proponents contend, I would like to sell or dispose of my holdings, quickly and at a bargain price because I not only get no return on my investment, but the blamed thing costs me money, year in and year out. How much am I bid?

The only effective way to keep TVA from unlimited expansion is to continue to require all appropriations to be made by the Congress. No Congress is going to give TVA $750 million or more in direct appropriations.

Control will not come by the Vinson amendment but by requiring TVA to come to the Congress for its appropriations, year after year. In this way, it is fairly certain that TVA will not be granted money to expand beyond its present service area.

Furthermore, the less we permit it to expand, vertically or otherwise, the fewer industries will be attracted and pirated to the area from your State and mine.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. SCHERER. I yield.

Mr. JONES of Alabama. The hearings on page 242 carry a compilation of tax amortization given to the various utility companies throughout the country. I notice that the Ohio Edison Co. received $105,591,000 in tax amortization. The Ohio Power Co. received $272,087,000. Do you distinguish that as being private enterprise or socialism?

Mr. SCHERER. I say there is a definite difference.

Mr. JONES of Alabama. A definite difference?

Mr. SCHERER. Yes.

Mr. JONES of Alabama. These tax amortizations are going to be paid by the taxpayers in the service area of the TVA, so I do not see why you are complaining so loudly because of the development of a river in one area of the country; there is going to be some tax liability on all the people of the country. I thought that the gentleman's notion of Government in that respect had been dissipated from the minds of legislators a long time ago.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. THOMPSON].

Mr. THOMPSON of New Jersey. Mr. Chairman, I noted with considerable interest the failure of the gentleman from Ohio to answer the gentleman from Alabama. I might point out in this connection that if the logical extension of the theory of the gentleman from Ohio were held, then probably one-third of the United States industrial plants built during World War II would not have been built, because they were certainly built under tax amortization plans and under "socialism" as the gentleman from Ohio might call it. I was interested, too, in the comments of the gentleman from Ohio regarding the 52 percent corporation tax and I wonder if someone introduced legislation which would prohibit the device used by closely held corporations that have their payrolls stacked with the members of the family in order to avoid the 52-percent corporation tax where some of them end up paying as little as 18 percent—I wonder whether he would support elimination of this loophole.

Mr. Chairman, I rise in support of this most important bill. It is important not only to the States of the Tennessee Valley, its passage is vital to the Nation for TVA is a great national program. We need to be reminded of its history. We ought to salute the Congress which established the agency in 1933. We ought to honor the management of the TVA and the people of that area who have worked together to carry out this great regional program that the Nation might be stronger.

When I say that TVA is a national asset, I am not thinking only of the way in which it acted with dramatic speed to provide the power essential for the production of the metals and the chemicals necessary for victory in World War II; nor am I thinking only of the world records in speed of construction established through the magnificent effort of this Federal agency in building the projects to supply the power to make the first atomic bomb. When I say that the continuance of the TVA is essential to the security of the Nation, I am not thinking only of the fact that today more than half the energy produced by TVA goes to supply facilities of the Atomic Energy Commission at the arsenal of Huntsville, Ala., and the Arnold Engineering Development Depot, facilities built to protect us all, to guarantee a measure of security to the free world. I am not thinking alone of the fine record of performance which TVA has achieved in meeting these commitments, nor of the resulting savings to the taxpayers in the Government's own power bills.

These TVA achievements are recognized by all as national benefits. It is easy to acknowledge their importance.

I should like to make another point, to emphasize another issue. I want to affirm my belief that it is just as important to the future security of this country that every region should be strong and prosperous. An abundant supply of energy for the people to use on their farms and in their homes and in their business enterprises is a basic requirement of strength and security. In this one region Congress laid down the policies for a power supplier to follow. Every State in the Union has profited by the demonstration of the application of those policies.

Parenthetically I might say that if they do nothing else TVA has demonstrated how to produce power efficiently at reasonable rates and demonstrated it to such an extent that almost innumerable private power companies learned valuable lessons as a result of which they were able to reduce their rates and still make fabulous profits.

TVA has established standards and goals in this Nation and I for one from New Jersey am grateful that they established those goals. Every State in the Union benefits because the economic status of this region is improving. It is becoming a better market for the goods and services of other areas, and its citizens contribute a greater share of the total tax revenues which support all Federal programs. Power consumers, power suppliers have learned and can learn much in the future from this public operation of a power system managed under policies established in the Congress.

The fact that we are today considering a bill to authorize TVA to issue revenue bonds is itself a measure of success. It means that in the future the additional facilities required to meet the increasing power requirements of the farms and homes and the business enterprises of this area will be financed by revenues from power consumers. The assets of the Government will be enhanced, but without the annual appropriation of funds for investment in power facilities. These bonds will be true revenue bonds, not guaranteed by the Government, resting for their security on the revenues derived from the application of the principles Congress laid down in the TVA Act of 1933.

After long and careful consideration by the Committee on Public Works this bill is now before us. It is a good bill. The interests of the owner of the TVA facilities, the Federal Government, are protected, and the importance to the Nation of this great public power system is acknowledged.

I would like to submit, Mr. Chairman, for the consideration of my neighbors in the Committee. the splendid editorial in the New York Times in which they point out quite properly that New Yorkers and those from that area should be accustomed to this sort of proposition, the sale of revenue bonds, on the basis of the experience represented by the Port of New York Authority and the Triborough Bridge Authority. Without these facilities the harassed commuters in and out of New York from Connecticut, New Jersey, and Pennsylvania would have suffered many more pains than they now suffer. They are analogous to the proposal before us. We would have made infinitely less progress.

And I would like to say to my friends in the committee from the TVA area that we do not consider that people who move their businesses to the State of New Jersey and use our facilities to add to the patterns and the richness and the variety of our life are carpetbaggers. "Carpetbagger" is a very unpleasant term. We are doing all we can to invite new people to come into our region; we offer inducements.

This is free, open competition in the very best sense of a free enterprise system.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from North Carolina.

Mr. JONAS. I may have misunderstood the gentleman, but I believe he said that one reason he was so much in favor of the bill is that the Federal Government was permitted to acquire its power requirements at a cheaper rate.

Mr. THOMPSON of New Jersey. I do not remember saying at cheaper rates. I said this facility has done such a remarkably efficient job, especially during World War II, that the entire national security benefits received under those rates were less than for private power.

Mr. JONAS. The gentleman may be interested to know that the figures show the rates now paid by the Government for its power requirements from TVA exceed the rates paid to private utilities.

Mr. THOMPSON of New Jersey. I would be interested to know if that statement can be substantiated. I do know that if the private power sources were to increase their rates as much as 1 mill to the cost of the kilowatt-hours the Government's electric bill would be about $50 million a year greater than it is now.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Mississippi.

Mr. SMITH of Mississippi. First of all, the point has been made that this bill is not one involving power rates. This is a bill to enable the Tennessee Valley Authority to provide self-financing, which will reduce the Government's appropriations for this agency. In reference to the figures which the gentleman quotes about cost, there were no figures submitted to the Committee on Public Works by either the proponents or opponents of this bill that would indicate the cost of private power to the Government is cheaper than that of the Tennessee Valley Authority.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. I do not know where the gentleman from North Carolina obtained his figures. The last annual report of the Tennessee Valley Authority shows that the rate charged to the 10 Government agencies was 3.98 mills per kilowatt-hour. Those under other contracts exceeded that cost and was something over 4 mills. The Federal Government is getting a pretty good bargain. I would like to remind the gentleman from New Jersey that the rate based upon present consumption by the Atomic Energy Commission alone if it were increased 1 mill it would be a tax burden upon the taxpayers of this country of an additional $51 million.

Mr. JONAS. The information I have is that in 1958 the average rate charged by TVA to the Atomic Energy Commission was 3.9 mills per kilowatt, or 3.86. The information also indicates that the power purchased from the Ohio Valley Electric Corp. in 1958 by the Atomic Energy Commission was only 3.8 mills per kilowatt-hour. I am sure that information is available.

Mr. THOMPSON of New Jersey. If the gentleman has it, will he tell us where it is available?

Mr. JONAS. From the report of the Comptroller General of the United States in his review of power billings and related activities under AEC contracts for electric power.

Mr. THOMPSON of New Jersey. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. MACK of Washington. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, first I should like to compliment and commend the gentleman from Tennessee [Mr. DAVIS], and the gentleman from Alabama [Mr. JONES], the joint authors of this bill. Although there are a number of us who disagree with them on some of the provisions of this bill, I want to commend them for the diligence and the ability with which they have represented the interests of their constituents.

Mr. Chairman, the section to which I would like to devote my comments is section 15d, subsection (e) of the bill, which states the relative priority between the amount due the American taxpayer from TVA as compared to the repayment of interest on bonds that would be issued under the authority of this bill.

Should Congress enact section 15d(e) of H.R. 3460 in its present form Congress will have relegated the interest of the taxpayers in the TVA to a secondary position. Under this provision the repayment of the principal invested by the taxpayers and the payment of a return on that money advanced by the taxpayers can be made by the TVA each year only after interest and amortization requirements have been met on the revenue bonds of the TVA.

Section 15d(e) of this bill on page 9 beginning on line 16 makes it clear that the net power proceeds of the Corporation in excess of those required to meet the obligations under provisions for revenue bonds are to be used for the payment of a return on the amount of funds received from appropriation investment and repayment of such investment. This clearly means that the payment of principal and interest on the revenue bonds of the Corporation will be a first claim upon the net power proceeds of the Corporation.

The net power proceeds of the Corporation are the funds available after all operating expenses, payments in lieu of taxes, and such like have been made by the Corporation as provided on page 4, lines 9 to 19. There is not a thing ambiguous or unclear about the language in subsection 15d(e). The bondholders will get their interest and amortization payments under the bond contracts first. Only after all of the claims of bondholders have been met and after all of the operating expenses of the TVA have been paid, will come the repayment of the appropriated funds and the payment of a so-called return upon such appropriated funds.

And what is more under this very subsection should TVA desire, it could defer both the payment of such return and the repayment of the appropriated investment for as much as 2 years.

What is the investment now of the taxpayer in the facilities of the TVA? It is more than $1,600 million. Close to $1,200 million of this was derived directly from appropriations, and over $400 million was derived from the reinvested power revenues of the TVA. These reinvested power revenues are in the same category as appropriations, because had they not been reinvested the money would have been available to the Treasury of the United States to reduce the amount of Government borrowings or the amount of money to be raised by Federal taxes. Had not power revenues been reinvested the TVA would have had to secure larger appropriations. As a consequence it is obvious that all of this money in fact came from the hard-pressed taxpayers of this country. We all know what a job it is to find the money to pay the tax bills imposed upon each and every one of us.

Proponents of this bill contend that it is not right and proper that the payment of interest and the repayment of the principal of this Government investment should be paid ahead of the claims of revenue bondholders. They contend that this investment, that this fund advanced by the taxpayers represents not a debt owed to the taxpayers but that it is the equivalent of stock ownership by the taxpayers in the Tennessee Valley Authority. Now let us look at this claim. Actually the Tennessee Valley Authority as created by Congress is not a stock corporation, it is a wholly owned Government corporation.

It has always been the intention of Congress that the funds advanced by the taxpayer to the TVA was a debt owed by the TVA to the taxpayer. If this was not the intention of Congress, then why did Congress in 1947 require that the power investment derived from appropriations should be repaid to the Treasury in not more than 40 years?

In fact this bill itself recognizes the principle of repayment by requiring that at least $10 million a year of the funds derived from appropriations be repaid. If this investment represents the equivalent of stock ownership, why did Congress ever direct that it be repaid?

The Comptroller General, who is the arm of Congress in watching the executive agencies of the Government, has always considered the funds invested in power facilities derived from appropriations as a debt owed by the TVA to the taxpayer and not as an equity investment. This is obvious from his repeated statement that "we have consistently recommended that the authority be directed to pay interest on the investment in the power program." Interest is the word of the Comptroller General. He did not say dividends or a return. He used the word "interest"; interest is the money paid for the use of money borrowed from another person. Interest is not the return on an equity investment. It is a charge imposed for borrowing money. This money invested in the TVA by the taxpayer costs the taxpayer money, according to the Comptroller General, and that cost is measurable with reasonable accuracy by the cost to the Treasury for public debt borrowings. Thus the Comptroller General, by insisting that interest be paid upon the appropriated investment, clearly recognized that this represented debt owed to the American taxpayers and not a stock investment.

Entirely apart from whether this investment is an equity investment or whether it is a debt owed to the taxpayers—I am satisfied that it is a debt—is there any reason why claims due to the taxpayers as a whole should be made secondary to the claim for the payment of principal and interest due to only a small segment of the American people, that is, those who will buy the TVA's revenue bonds? Why should the American taxpayers as a whole be made secondary to but a small segment of the Nation, those who buy revenue bonds?

In my opinion, the provisions of section 15d(e) require amendment so that the payment to the Treasury of principal and interest on appropriated funds should be made by the TVA before funds are made available for the payment of principal and interest on the revenue bonds which money will be owed only to a small segment of the American people. It is only fair, it is only just, it is only honorable that the claims due to the taxpayers of the entire Nation should be met before satisfying the claims of the small minority that might buy the TVA's revenue bonds.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. SMITH].

Mr. SMITH of Mississippi. Mr. Chairman, the bill we have before us today is the result of a very lengthy series of deliberations by the Committees on Public Works of both the House and the Senate.

Thanks to the progress which our country is making, every utility system, private, public, or in between, has had to expand to supply the need of the people of the United States for electricity, not just to supply the new population or any new industry but to take care of the normal growth within the area. In order to meet the need for this growth, this particular program has been worked out.

The program was suggested back in 1954 by the U.S. Chamber of Commerce. The U.S. Chamber of Commerce proposal was not so strong in the restrictions that it would put upon TVA in the financing plan that was submitted at that time. It proposed that these bonds be sold exclusively to the U.S. Government, that it be entirely a Government operation, which, of course, would have been very simple for TVA, and far less expensive. But through the various ramifications about this program that

have developed since 1955, with hearings in each body nearly every year since that time, the present bill is before us.

There are many imperfections in the bill compared with what might be regarded as perfection by the proponents and the opponents of TVA, but the bill is the best that could be arrived at in the sense of the feeling of the majority of the committee as a bill that would accomplish its purpose without undue restrictions upon the necessary growth of the TVA and without undue restrictions on the legitimate power of the Congress of the United States to have some authority in the regulation of this agency.

The amendments we have heard about from the minority members cover a number of various parts of this bill, but basically every one of these amendments is designed to restrict the power of the financing operation in this operation and to give that power to the executive branch of the Government.

These amendments would put in the control of the Bureau of the Budget any type of expanded program that was necessary for TVA, instead of the Congress, as would be proposed under this bill. Any type of program submitted to the Congress under the admendments would have to be cleared by the Bureau of the Budget. This means that if there were opposition to any type of expansion the Bureau of the Budget could veto it and the Congress could never hear about it from the directors of TVA or their delegated subordinates who testify before the congressional committees each year.

That is the net effect of all the amendments, to give new power either to the Bureau of the Budget or to the Secretary of the Treasury. These amendments should be voted down for a number of reasons, but basically they should be voted down to preserve the prerogatives of the Congress in seeing that the power it delegates should be in the hands of the agencies to which it delegates it, or else reserved to the Congress. They should be voted down so that no official, such as the Secretary of the Treasury, would have the power in the future to prevent this normal expansion of TVA operations by the simple exercise of a veto in regard to a bond issue.

That basically is the issue that the House of Representatives will be called upon to vote on in regard to these amendments. It is not some technicality to simplify the bill or anything like that. Remember—the issue is whether or not the power is to be surrendered to the Bureau of the Budget and whether or not the power of the Congress is to be surrendered to the Secretary of the Treasury. I, for one, am jealous of the prerogatives of the Congress in this field and I believe we should guard them carefully here.

If we want to delegate powers to an agency because we believe it can operate efficiently, well and good, but let us not delegate these powers to some intermediate body that can and may, as we have seen in the past, override the viewpoint of the Congress in the control of these agencies. I believe when they override the viewpoint of the Congress, they are overriding the viewpoint and the will of the people of the country. The bill before us offers a great opportunity for the Congress to restore to the TVA the opportunity for progress and development that was recognized so universally so far as this great agency is concerned a few years ago.

The amendment that has been adopted in committee in regard to territorial limitations, I think, is entirely too restrictive. But, the amendment has been adopted and I think its effect will in the long run be felt in the great yardstick of the TVA in regard to utility rates over the rest of the country, and that that yardstick will be far less effective than it has been in the past. But, that amendment has been adopted. It is in the bill and we now are going to have a Tennessee Valley Authority that will have to live with that bill. I hope the Congress will approve the bill that we have before us today so that the TVA can operate to meet the normal growth that is part of the great American economic adventure that we are engaged in to bring a better standard of living to all of our people. We have a great opportunity here today to give this agency the opportunity to make its contribution to the great economic growth and future of America. I hope the Congress will meet the challenge.

Mr. ELLIOTT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ELLIOTT. Mr. Chairman, I rise in support of H.R. 3460, popularly known as the TVA self-financing bill. In doing so, I desire to pay my best compliment to the gentleman from Tennessee [Mr. DAVIS], the chairman of the subcommittee, and to the gentleman from Alabama [Mr. JONES], my colleague, both of whom have worked most diligently and faithfully over the period of the last 3 or 4 years to bring this Tennessee Valley Authority self-financing bill to the floor of the House. They have labored well. The bill before us attests that fact. I support the bill, I oppose all crippling amendments that may be offered to further hamstring the operation of the Tennessee Valley Authority.

The enactment of the Davis-Jones bill will give notice to the Nation and to the world that the great power system of the TVA has passed another milestone. This self-financing bill will enable the TVA to generate sufficient power for the area which it serves. The management of the TVA now believe that in the future the capital requirements of the system can be met from the earnings of the TVA itself, and from the proceeds of the sale of bonds issued on the basis of a pledge of those earnings. They make a persuasive case that the TVA can carry out the program laid out for it by Congress without returning to the Congress for an annual appropriation of funds for investment in power facilities. The Congress should rejoice that TVA has achieved this status of financial maturity.

This bill is recommended by the TVA Board as a fair and workable bill. The President, through the Bureau of the Budget, has in the last four sessions of the Congress recommended the enactment of such a self-financing bill as is before the House today. Thus we have a bill now being considered which carries out the wishes of all interested parties: the President, the Congress and the agency itself.

May I stress several points in connection with this bill which I believe require some mention. First, since its inception in 1933 the TVA has operated with no cost to the Government or to the people of the United States. TVA has covered all its operating costs by revenue it has earned through its own operations. That is, all the cost of operation, payments to States and counties in lieu of taxes, and charges for depreciation have been paid from revenues. In addition, these revenues have provided a return to the Government as the owner of TVA. The net earnings have averaged 4 percent on the Government's capital investment over the years, and the investment was made during a period when the cost of money to the Government has averaged about 2 percent. This financial record speaks for itself.

Further, TVA is owned by the Government. Thus not only do the people of the United States continue to earn a profit from TVA, and receive repayments of capital investment, but when it is all paid back we will still own all the facilities.

TVA has had a tremendous effect not only within its own area but throughout the United States because the electrification of the homes and farms within the area has opened up a market for the rest of the country for washing machines, refrigerators, and many other types of electrical equipment. Most of this equipment is manufactured in other sections of the country and these purchases have poured millions of dollars into these other areas, creating jobs, strengthening and expanding industry, and strengthening the economy and the overall prosperity of other areas of the Nation.

In its long, proud history I believe that one of the greatest accomplishments of the TVA has been the service it has given to this Nation in national defense, both in peacetime and in wartime. During World War II the existence of the TVA made possible the work of the Atomic Energy Commission. The savings to the Government in both time and money as a result of the fact that TVA was ready and able to provide this power to one of our most vital wartime programs probably never can be fully estimated. Since then better than 50 percent of all electrical energy which TVA generates has gone direct to installations of the Federal Government, including the Atomic Energy Commission plants at Oak Ridge, Tenn., and Paducah, Ky., the Army's Redstone Arsenal at Huntville, Ala., and the Air Force's Arnold Engineering Development Center at Tullahoma, Tenn.

The opponents of this bill have raised a number of objections to the bill as it now stands. They claim that TVA has not been paying its way; that there is

not sufficient congressional or governmental control insofar as TVA is concerned; and further that there has been insufficient territorial restriction placed on the TVA. I think any fair-minded person who analyzes the pertinent sections of H.R. 3460 will realize that the bill more than answers all of these various bugaboos that have been raised against the enactment of this needed legislation.

First, as to the question of TVA paying its way. As the law now stands, the Government Corporations Appropriation Act of 1948 requires that TVA make payments to the Treasury which will equal the amount of funds appropriated for investment in a power facility within 40 years from the date such facility commences operation. H.R. 3460 would require the TVA to pay to the Treasury an annual return on its appropriation investment in its power system that will be measured by the Treasury cost of money computed as of the beginning of the fiscal year when each payment is to be made. As a result, I would like to point out that these payments will be larger than those which are now required under the present law. Further, TVA will pay into the Treasury annually under this bill a repayment sum of not less than $10 million on the Government's capital investment in TVA.

Now as to Federal control. At all times both the Bureau of the Budget and Congress will be fully informed of TVA's operations. Under the bill TVA will be required in its annual budget to submit its best estimates of the amount of bonds it expects to issue and of expenditures from any and all sources during the fiscal year in accordance with the existing budgetary provisions of the Government Corporation Control Act. Further, to insure adequate congressional control, the bill contains a special proviso that except during a national emergency and with the approval of the President, neither bond proceeds or power revenues may be used to begin construction of any additional power producing project until TVA has notified the Congress and the President of its intention to begin such construction, and at least 90 days of a single session of Congress have elapsed thereafter without adoption of a congressional resolution disapproving such construction. Further, on the question of governmental control, I might point out that TVA will still be annually audited by the General Accounting Office and will continue to file annual reports of such audits with the Congress as it now does.

Under the bill, no more than $750 million of TVA bonds may be outstanding at any one time. This will provide funds for a relatively few years, perhaps no more than 4 and almost certainly no more than 7. Congress will thus have an early opportunity for a full review of operations under the legislation.

Provisions are included requiring consultation with the Secretary of the Treasury prior to the issuance of bonds. At the request of the Secretary the issuance of bonds will be deferred for a maximum of 90 days. These arrangements are similar to those now in effect for certain other Government corporations, including the Federal intermediate credit banks, the Central Bank for Cooperatives, and the regional banks for cooperatives. These corporations now issue bonds and similar instruments which are not obligations of nor guaranteed by the United States. Congress exempted such issues from Treasury control under the Government Corporation Control Act.

One of the questions that has been raised in opposition to the bill is that it does not tie TVA down sufficiently, and that TVA will be able to expand throughout the Nation. As a matter of fact, the area serviced by TVA has remained stable for years. There is in the present law no geographical limitation on TVA's area of service. However, in order to kill once and for all this charge that has been raised by those who hate TVA, this bill for the first time definitely and specifically limits the geographical area which may be serviced by TVA.

Let me quote from the language in the bill, and I think that will answer those who are fearful, and needlessly so, of the expansion of TVA. Let me further state that it is my understanding that the language I am about to quote was placed in the bill at the request of those who are so worried about TVA's spreading throughout the country. It is their language and it certainly should satisfy all who are so concerned about this problem.

The language I quote is as follows:

> Unless otherwise specifically authorized by act of Congress existing and subsequently built, leased or acquired power facilities of the Corporation shall not be used for the sale or delivery of power for use outside the service area of the Corporation as it existed on July 1, 1957, except when economically feasible for exchange power arrangements with other utility systems with which the Corporation had such arrangements on said date.

I believe nothing further need be said on this point. The language speaks for itself.

Now that TVA is in a position to raise the money it needs in the private money market, it becomes the responsibility of Congress to provide a legislative framework which will permit TVA to secure the money to carry out its program without recourse to appropriations. I need not open up the question whether Congress would be willing to finance TVA power requirements with further appropriations if the Administration should request appropriated funds for this purpose. The fact is that the present Administration has not requested appropriated funds for new generating units for TVA since 1953. I think it is not likely to do so in the future. The fact is that TVA does not need appropriated funds if the Congress will but allow TVA to borrow money on its own credit. That is what this bill would do.

There is one thought I should like to leave with the Members of the House if nothing else that I say should be remembered. Any borrower must have his house in order if he is to obtain credit on favorable terms. Neither TVA nor any borrower can raise money in competition with all the other borrowers in the money market if he operates under a charter which hobbles management or which siphons off the earnings which bondholders feel should be a first pledge to them. Remember that TVA's bonds are untested and that lenders will be asked to buy a new security that they have never bought before. If we seriously intend to give TVA a fair chance to demonstrate its ability to raise capital on the strength of its own pledge of revenues, let us by all means not thwart and handicap TVA with burdens and restrictions which will make lenders doubtful that TVA bonds are a premium security. Let us not substitute their judgment for the judgment of TVA as to what authority it must have if it is to finance itself successfully without recourse to appropriations. If we are to hold TVA responsible for financing itself at minimum cost, let us provide TVA with the authority commensurate with this responsibility.

I have tried in these few minutes to highlight what I think are the pertinent portions of this bill and why it is needed. Let me sum up by saying that in one form or the other over the past few years there have been expressions from the executive branch, from the legislative branch, from the TVA itself, and through the committee hearings held on former bills that there is definite need for such a self-financing bill as is before the House today. This bill is a workable bill. It is a fair bill. It is a bill that has been worked out carefully between men of goodwill from all sections of the Nation, who are interested in advancing not only the interest of the TVA but the interest of our entire Nation. The time for discussion has come to an end; the time for action has come because, unless we pass this bill, TVA can no longer finance the new investment which is essential if we are to avoid a power breakdown in the Tennessee Valley area. Let us end once and for all any question as to whether or not the TVA, which has proved for over a 25-year period its tremendous value to the Nation as a whole, shall continue to carry out the great responsibilities the Congress has placed upon it.

Mr. Chairman, in the 11 years I have served in Congress, I have supported the TVA. Throughout that time I have urged that TVA be allowed to adequately serve the people who live in the TVA service area. They have no other source of power for their homes and for their businesses. The Government of the United States has more than a billion dollars invested in the TVA power system. I am not much of an economist, but I do know that it is good economy for our Government to prudently and reasonably protect that large investment. If we hamstring the TVA we do violence to the well-being of the people of the Tennessee Valley area, who like all of us are dependent upon electric power in their daily lives. Not only that, but we do violence to the billion dollars of taxpayers money invested in TVA. The Davis-Jones bill is the best TVA self-financing bill the Committee on Public

Works was able to bring to this floor. It is worthy of our support.

Mr. AUCHINCLOSS. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Chairman, since some comment has entered the discussion concerning rates, I would like to read into the RECORD at this point the following information which I take from the "Report to the Congress of the United States," the "Audit of the Tennessee Valley Authority" for the fiscal year 1958, which was transmitted to the Speaker of the House by the Comptroller General of the United States under date of January 15, 1959. I read from page 47 of this audit report the following information:

> In 1957 the TVA furnished the Atomic Energy Commission at Oak Ridge 18 billion kilowatt-hours of electricity at a cost of $73 million at a rate of 4.01 mills per kilowatt-hour.

I am rounding out the figures and leaving out the odd dollars.

In 1958 the rate came down to 3.9 mills per kilowatt-hour. Those figures are for Oak Ridge.

At Paducah, during 1957, TVA furnished the Atomic Energy Commission as follows: 124 billion kilowatt-hours of power at an average rate of 4 mills per kilowatt-hour.

In 1958, the rate was 3.86 mills per kilowatt-hour.

The TVA furnished the Arnold Engineering Development Center in 1957 power at an average rate per kilowatt-hour of 8.89 mills and in 1958 at a rate of 7.82 mills per kilowatt-hour. The TVA furnished other Federal agencies not identified in this audit in 1957 at 4.05 mills per kilowatt-hour and in 1958 at 3.91 mills per kilowatt-hour.

My only point being that the Government is not getting a great bargain from the TVA for the power it consumes.

In other words, the Government is paying TVA just about as much for the power it consumes as it pays private utilities located around the periphery which also furnish power to Government agencies.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield.

Mr. JONES of Alabama. The gentleman realizes, of course, that the two plants he has mentioned were built under cost-plus contracts by that company.

Mr. JONAS. I am not talking about how they were built; I am merely talking about what the Government pays for the power it consumes. I maintain that it is not getting any great bargain from TVA. TVA should sell power to the Government at cost; I do not think it ought to derive any profit from it.

Mr. JONES of Alabama. The gentleman is contending that for a plant constructed by Federal funds on a cost-plus basis to sell power to the Government is all bad, but that power sold to the Government by a private company is all good.

Mr. JONAS. The gentleman misunderstands me; I am not talking for any private utility; it is worth pointing out, however, that the private utility pays taxes to the Federal Government and TVA does not pay any Federal income taxes.

Mr. JONES of Alabama. I do not see any difference between a private utility and a public utility if the Federal Government is going to buy from both.

Mr. JONAS. The difference is that the Federal Government derives a tax from the private utility. TVA pays no taxes.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. MACK of Washington. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and six Members are present, a quorum.

Mr. AUCHINCLOSS. Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. CRAMER.]

Mr. CRAMER. Mr. Chairman, I have been very much interested in some of the arguments propounded to this time, by the majority particularly with regard to the intents and purposes of the amendments being proposed by the minority, specifically with reference to the amendments with which I am concerned, and that is the question of congressional control, not necessarily Bureau of the Budget control; I am concerned with the control of the U.S. Congress over TVA.

Obviously, if Congress is going to control it is going to be submitted to the Bureau of the Budget and then obviously the Bureau of the Budget comes into the picture. I do not see how you can escape that.

The argument of the majority is that the Government Corporations Control Act will take care of it. Actually we have little control under that because section 26 of the TVA Act is exempted therefrom. If they operate under the Corporations Control Act that, too, has to go to the Bureau of the Budget, it has to go to the President. So I have considerable reservation as to whether or not the Corporations Control Act would apply effectively at all even if the majority argument that it is not reported by H.R. 3460 is accepted.

I direct attention at this time to lines 16 to 22 on page 5 of the bill, where it is specifically provided without any exemption or exception:

> The issuance and sale of bonds by the Corporation and the expenditure of bond proceeds for the purposes specified herein, including the addition of generating units to existing power-producing projects and the construction of additional power-producing projects, shall not be subject to the requirements or limitations of any other law.

This language already exempts TVA from any control under present law, including the budget procedures of the Government Corporation Controls Act.

If taken to its full intent and purpose as written, it would, in my opinion, obviously mean that it would not be subject to even the Government Corporation Control Act which the proponents claim in the report it would be subject to.

But let us concede that position for the purpose of argument, let us assume it is subject to the Government Corporation Control Act. I recall the majority members of the committee when that issue was raised said: Why, TVA is for all practical purposes exempted from the Government Corporation Control Act, all of its operations are exempted, under section 26.

Look at the committee report, and I call your attention to page 40 thereof. This is an indication of the extent to which, even if you concede the position of the majority, TVA is exempted from even the Government Corporation Control Act.

Section 26 provides specifically that "the proceeds for each fiscal year derived by the Board from the sale of power or any other products manufactured by the Corporation, and from many other activities of the Corporation, including the disposition of any real or personal property, shall be paid into the Treasury of the United States at the end of each calendar year, save and except such part of such proceeds as in the opinion of the Board shall be necessary for the Corporation in the operation of dams and reservoirs, in conducting its business in generating, transmitting, and distributing electric energy and in manufacturing, selling, and distributing fertilizer and fertilizer ingredients." In what? In the operation of its dams and reservoirs, in conducting its business in generating, transmitting and distributing electric energy, and in manufacturing, selling, and distributing fertilizer and fertilizer ingredients—it is exempt from the Control Act.

How this broad exception could possibly be made greater than that, I frankly do not know.

The amendments I shall offer I intend to read in just a moment. If they are considered seriously and carefully, it will be seen that the objective of these amendments is to retain in Congress control over TVA. This is not an argument over the usual whipping boy, the Bureau of the Budget, or anybody else. This is to retain control in Congress over TVA, and I do not mean by "after the fact", approval only of new projects, as suggested in this bill. I do not mean that 90 days after the Appropriations Committee has supposedly considered it. The Appropriations Committee has not the authority to act, even under the Government Corporation Control Act. It has not authority to act on the budget submitted by the TVA, and under the provisions of this bill they would have no authority to act upon it either. The only thing that Congress can do is to pass a concurrent resolution of both bodies opposing a proposed plan for construction only, and if that took in excess of 90 days TVA could then go ahead. That means nothing.

I think that direct congressional appropriation authority ought to apply to TVA.

Why am I concerned about this? Why are the taxpayers of this Nation rightfully concerned about this thing? If you will look in the 1957 report of the Senate, you will see why every one of us representing our constituents here in the U.S. Congress should be concerned over control by you as Representatives of the

people of this great Nation, all of the people who have a financial interest in this TVA operation, and want to see it operated soundly. Some of them do not oppose TVA having bond issue authority, but they want us as Representatives in the U.S. Congress to have something to say about how that authority is exercised. That is all there is to it, that is the only question that is open. They want us to have that authority, and they want that authority to be effective. They do not want us to have an "after the fact say so," perhaps by joint resolution, limited only to new projects or plants, which every one of us knows is very difficult to pass in the first instance and is beyond the jurisdiction of the Appropriations Committee, which is the committee that is acknowledged and recognized as the proper committee to consider appropriations in the U.S. Congress.

Why should the people of every State in this Nation be concerned? Let me give you some examples of what the taxpayers' investment of some of these States is in TVA and why we, the Representatives of our people, who sit here on the floor of this House, should be concerned about how TVA is operated in the future and want an affirmative say about it.

Alabama has an investment of $20 million, Florida has an investment of $27.9 million, New York has an investment of $294.1 million, Ohio has an investment of $120 million.

The taxpayers throughout the whole of the country have a total interest in TVA of $1,600 million. These are the reasons why we in Congress should be concerned about retaining reasonable and legitimate control over TVA.

The amendments which will be offered are couched in reasonable terms. Let me say in all seriousness and in honesty from my standpoint, it is not my intention to "gut" the TVA bill. It is not my intention to weaken the TVA in its announced purpose and the intention of the legislation to permit them to issue bonds as a financing method as an alternative for appropriations from the U.S. Congress, knowing that TVA is obviously going to advance and grow, although it is, to some extent, limited territorially under the bill in the future. So, the amendments which I propose are consistent with the objective but retain control in the U.S. Congress over what TVA does in the future.

Now, what is the situation today? What will be the situation under this bill? The situation today is that TVA must come to the U.S. Congress for the approval of any additional powerplants, even when those plants are constructed out of revenues. We are not even talking about additional appropriations; we are talking about revenues. TVA today must come to the U.S. Congress for approval for building new plants, and we have had that issue on the floor of this House, where it should be, and we have fought it out year after year, as we should, as representatives of the people: the question of steam versus hydroelectric generating plants and other means involved, right here in the U.S. Congress, where these issues should be decided, and not in the hands of three men; appointed for how long? For 9 years. To what extent are they answerable to the President of the United States, or anyone else, for that matter? They are appointed for 9 years. Today, obviously, so far as revenues are concerned, as I said before, they must come to the Congress for approval.

Now, so far as appropriations are concerned, it is abvious on its face they have to come to the Congress for that money in excess of revenues which they need for expansion purposes. They have to come to the U.S. Congress for appropriations, where they should come.

Now, what is happening under this bill? As it is now, they have to come to the Congress of the United States for new plants, whether it be out of revenues or appropriations, but they are saying that "in the future we do not have to do that; we will do as we please. We do not have to submit to the will of Congress," except that after the fact they do not like it—they cannot well turn it down in the appropriation bill, action ratified by the House of Representatives and the Senate—no, they have to pass a concurrent resolution disagreeing with what TVA does.

And, so, here is the crux of this problem as I see it. We in the U.S. Congress have a responsibility of seeing that our taxpayers, who have invested $1.6 billion, have a right in seeing that the operation is sound and honest and it accomplishes the objectives it was intended to. We cannot shirk it; we cannot shift it to anyone else. And, we cannot use the Bureau of the Budget as a whipping boy, or anybody else, for that matter, either. The fact is that this bill weakens the control which Congress presently has over the construction of new plants, whether it be out of revenues or appropriations, obviously. So, what has happened? The TVA consistently has been trying to get out from under Government control, and everybody knows that, and here is the vehicle with which they are going to do it. So, what are they going to do? Instead of coming to the Congress for appropriations requiring congressional approval, they are going to issue their own bonds and be free of the appropriation process of the Congress. Now, that is how simple it is, and there is no one who can dispute that that will be the effect of this legislation. But, the appropriation processes, so far as TVA is concerned, so far as additional plants are concerned, will no longer be operational. So, the TVA can go on its merry way. And, it is extremely important that we in the Congress retain control.

In regard to the specific amendment involved to accomplish that objective, the principal amendment is on page 5. If you will turn to page 5, you will see exactly what the effect will be, and you will see further that this amendment gives adequate elasticity and flexibility to the operation of TVA under the bond issue; that it will not hamper it in the slightest, and still leave control in the U.S. Congress for the appropriation process when it comes to the construction of new plants, which is presently the law.

Let us read this amendment. The amendment will strike out on page 5, line 6, starting with "the issuance and sale of bonds" which I just read down through page 6, line 7, and will substitute this language. Please listen to this language and you will see what I say is correct, because I am presenting it honestly to accomplish the objective of making the TVA operation effective and yet not give up control by Congress:

Bond proceeds and power revenues shall be available for the purposes specified herein, including the addition of generating units to existing power-producing projects and the construction of additional power-producing projects: *Provided, however*, That the estimates of the financial condition and operations of the Corporation for the current and ensuing fiscal years and actual condition and results of the operation for the last completed fiscal year contained in the annual budget programs of the Corporation submitted pursuant to sections 102 and 103 of the Government Corporation Control Act (31 U.S.C. 847 and 848) shall include estimates of the amount of bonds to be issued and sold and bond proceeds and power revenues—

Which are exactly the same type of things Congress today has control over—

to be expended by the Corporation for the current and ensuing fiscal years and its actual expenditures of bond proceeds and power revenues for the last completed fiscal year—

This is the clause that gives them adequate flexibility. This first clause is the one that gives Congress control—

Provided further, That except as budget programs transmitted pursuant to said section 103 may be modified by the Congress—

Note that—

may be modified by the Congress, bond proceeds and power revenues shall be used by the Corporation to carry out such budget programs—

In other words, Congress is going to have something to say about how this bond issue, as well as the revenues, are spent, which authority Congress presently has. Now here is the flexibility given the TVA—

subject to such reasonable adjustments as the Corporation may determine to be necessary due to changes in requirements for power facilities and the amounts of expenditures necessary therefor.

There are two other amendments which will be offered. On page 8, it will have the effect of striking out lines 7 through 11 and lines 14 through 17, and again involving the question of the Government Corporation Control Act which today permits the Secretary of the Treasury to determine where deposits shall be made in banks. That amendment reads as follows:

Amendment offered by Mr. CRAMER: Page 8, lines 7 to 11, strike out "notwithstanding the provisions of sections 302 and 303 of the Act of December 6, 1945, as amended (59 Stat. 601–602, 70 Stat. 667; 31 U.S.C. 867–868) or any other law, but subject to any covenants contained in any bond contract,"; and, in lines 14 to 17, strike out "and deposit said proceeds and other funds, subject to withdrawal by check or otherwise, in any Federal Reserve bank or bank having membership in the Federal Reserve System;".

The third amendment is equally critical in that it avoids the dangerous prece-

dent of excluding the TVA budget from being included in budget estimates of surpluses and deficits. This is a most serious departure—and a dangerous precedent. The amendment reads:

Amendment offered by Mr. CRAMER: Page 6, in line 15, change the comma to a period and strike out the remainder of the paragraph ending in line 22 as follows: "and such proceeds and bonds shall not be included in computations of receipts, expenditures, surpluses, or deficits in the budget prepared annually pursuant to section 201 of the Act of June 10, 1921, as amended (31 U.S.C. 11), except to the extent of the amounts budgeted by the Corporation for payments pursuant to subsection (e) hereof on account of the appropriation investment as therein defined, and for reduction of said investment."

TVA is coming to Congress and asking that the U.S. Congress give them special authority and special privileges. There is no other Government-owned corporation today that has the authority that TVA would have under this legislation. There is not any question about that. No other corporation has that authority today, no wholly owned Government corporation.

What privileges are they asking for under this bill? The privileges that they ask, as I see it, are greater than those given to any wholly owned Government corporation today. I just want to cite a few of these to show how critical and how important it is that we retain congressional control if we are going to give these privileges; that is, the U.S. Congress in the future should have some say-so about how those privileges are exercised and how the taxpayers' interests in the future are protected.

The bill completely repeals the Government Corporations Appropriation Act under the first paragraph of the bill. That is the present law, that requires TVA to come to the Congress for construction of a new plant when they use revenues earned by the corporation. They are repealing that.

Of course the bill provides for lease and lease-purchase authority without any restrictions whatever as to how it shall be exercised. It is to me interesting to note that these lease-purchase authorities, as far as TVA is concerned, are apparently good, even though it is a wholly-owned Government corporation, but it is bad for the Government when building Federal facilities throughout the United States.

The so-called Vinson amendment to a great extent has been weakened and will in the future be weakened even to a greater extent, in my opinion, by the fact that a number of specific communities were exempted from it. I predict many more will request exemption in the future and open to Congress an unlimited field for opening up the territorial limitation.

Also under the bill, as you will see on page 4, when determining net proceeds, which is important in paying off these bond issues, that depreciation accruals are excluded in determining net revenues, which is, of course, contrary to the usual business concept.

Also, as I say, on page 6, for instance, TVA, assuming the Government Corporation Control Act applies, after action is taken on that, does not even have to submit to the Government Apportionment Act, which every other Government agency today does. They do not even have to submit to that. On page 6, line 13, it says they would not even have to submit to it. They can go their merry way and do whatever they want to do. The Secretary of the Treasury is relegated to the position of an adviser to TVA, and that is all. He has no authority to deny their right to issue these bonds of a specific type or interest rate, he can only advise with them for a period of time. Even though the issuance of those bonds at that time might be contrary to the best interests of the people of this Nation as a whole in that other bond issues of the Government are being considered and sold, and it might even be prejudicial to TVA, too, the Secretary of the Treasury has nothing to say about it.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from North Carolina.

Mr. JONAS. There is another feature of this bill that is contrary to my understanding of the way the debtor-creditor relationship has always existed. As I read the bill, the Directors of TVA have the exclusive right to determine themselves that they are not able to pay two successive payments of the money to the Federal Government.

Mr. CRAMER. Right.

Mr. JONAS. Did the gentleman ever hear of any other situation where the board of directors of a debtor corporation had the exclusive right to determine for itself whether it would pass over some payments due to its creditor?

Mr. CRAMER. The gentleman is pointing out another salient reason why the U.S. Congress should have the right to control, to determine whether or not during that 2-year period, if they choose to exercise it, they have rightly done so.

Mr. JONAS. There is no provision in this bill for them to catch up when the payments are omitted.

Mr. CRAMER. I could go through other sections where TVA is being given special privileges with regard to lease and lease-purchase projects, the transfer of properties for that purpose, the hiring of engineers, even though a lease-purchase project is involved. They have the power to hire the engineers for that purpose.

Of course these bonds become in effect bonds that can be invested in by all Government agencies that are authorized so to do. So we are going to end up giving TVA bond issuing authority and then having Social Security or other Government agency buying up the bonds. That is exactly what is likely to happen.

There have been some questions with regard to whether the executive agencies approve or disapprove of this legislation. There is one recommendation with which I am primarily concerned, and believe me, I am trying to bring this bill into conformity with what I conceive to be the reasonable position of the executive branch, because in my opinion, based on the President's 1958 and 1959 proposals in his budget messages concerning this matter, I cannot see how the bill can be signed in its present form.

The President in 1958 submitted the expression under revenue bonds that they should be "subject to regular budgetary review."

In 1959, he said, "Congress is still maintaining budgetary control of the program." And, in my opinion, this bill does not accomplish that. The Bureau of the Budget, naturally, in this instance came out in opposition to the bill because they wanted proper budgetary control, which means congressional control over operations in the future. The Treasury Department stated that the Tennessee Valley Authority should be required to submit a capital budget program for advance approval by the Budget and the Congress—and the Congress—and its operation should be included in the budget and the General Accounting Office had the same thing to say. I think this is a serious matter for us, as Representatives in the Congress, to retain the necessary and essential control of the TVA in the future.

In the 1957 report on the then pending bill in which, so far as these objections are concerned, there is no material difference, it is noted on page 44 of that report, No. 1124, 85th Congress, 1st session, with regards to departmental disapproval of the following:

It is our considered judgment that the majority of the Committee on Public Works acted with undue haste in reporting H.R. 4266. Although Members of Congress have known for 2 years that the Budget Bureau, the Treasury, and the Comptroller General had objections to many provisions contained in this bill, the committee failed to ask representatives of these agencies to appear before it to present their views. Certainly there exists no emergency to justify conferring such unusual powers on TVA without careful consideration of all aspects of the problem.

The Comptroller General in 1955, after reviewing a bill identical with H.R. 4266, concluded that such a measure was "basically objectionable because of the extent to which it removes TVA from the controls now exercised over its activities by the Congress and the executive branch."

President Eisenhower, on January 16, 1957, told Congress in his budget analysis for 1958, submitted along with his budget message, that "legislation is recommended to authorize the TVA, subject to regular budgetary review, to finance new generating facilities by the sale of revenue bonds." Since H.R. 4266 does not make the TVA's expenditures derived from revenue bonds or from power revenues "subject to regular budgetary review," and since it "removes TVA from the controls now exercised over its activities by Congress and the executive branch," it does not conform to the President's recommendations.

With regard to the recommendation of the Bureau of the Budget, the Treasury Department and the Comptroller General, the following:

The Budget Bureau: In commenting on the Budget Bureau's extensive modifications of the TVA-drawn legislation in 1955 the Director of the Bureau of the Budget pointed out to TVA's Chairman that "these modifications in the bill are largely in the direction of preserving the form and substance of Presidential and congressional control over the policies of the TVA which are now provided under the Government Corporation Control Act."

Specifically, the Budget Bureau submitted an amendment which it said made clear "that the budgetary review and congressional approval procedure provided for by the Government Corporation Control Act shall apply to the use of the proceeds of revenue bonds."

The Bureau of the Budget, in 1957, in commenting on the proposed bond legislation asserted:

"The legislation should provide for executive and legislative review, as now applies to all wholly owned Government corporations under the terms of the Government Corporation Control Act, of proposed expenditure plans for new or expanded power facilities."

The views of the Deputy Director of the Budget Merriam expressed in the 1958 House hearings on S. 1869 were quoted on the page containing the text of the amendment.

The Treasury Department: The Treasury Department also commented on this matter, April 29, 1957, specifically in relation to H.R. 4266:

"TVA should be required to submit a capital budget program for advance approval by the Budget and the Congress, and its operations should be included in the budget."

The Comptroller General: In 1955 the Comptroller General objected that the proposed legislation was "basically objectionable because of the extent to which it removes TVA from the controls now exercised over its activities by the Congress and the executive branch."

He objected that the legislation would "remove any effective control by the Congress over the TVA power operations."

In his April 26, 1957, letter to Chairman CHAVEZ, he said:

"We believe that prior congressional approval should be required for construction of new power facilities."

His latest audit report on TVA released in January 1959 contains the same recommendations. "We have consistently taken the position," he said, that "the financing of Government activities of this character should be by appropriations. We further believe that the present law does not result in effective control by the Congress over important capital expenditures of TVA and that the law should be amended to strengthen the control of the Congress."

Objective of minority amendments is to meet on a reasonable basis and without hampering the necessary bond issuing authority to conform to the objections as raised.

Mr. JONES of Alabama. Mr. Chairman, I yield 15 minutes to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, I must say I have listened to the gentleman who just preceded me with amusement, but I cannot say with profit because I think he has given, at least in part, some misinformation and incorrect information. He says that the TVA will not make apportionment of the bond proceeds under the Deficiency Appropriation Act. The so-called antideficiency bill relates to appropriations and only to appropriations. The antideficiency bill does not relate to bond revenue and other types of revenue in many agencies of the Government. He says he is not for—and he uses the inelegant word—"gutting" the bill. I am reminded of the man who said, "Be quiet little fish. I am just going to take your insides out." The gentleman has been against the bill in committee. He has opposed the bill before the Committee on Rules. He has opposed the Tennessee Valley Authority consistently in his record here in the Congress. If the gentleman will show me one time where he has voted for the TVA on any measure since he has been in Congress, I would be interested in seeing that record.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I will not yield at this time because the gentleman had all the time he has needed and my time is limited, but I would like to see a record of where the gentleman supported the Tennessee Valley Authority.

There are those, Mr. Chairman, who want no bill at all in the matter. I know that there are those who feel that, if we are to have any legislation on this subject, it should be the most restrictive and most repressive possible legislation that this Congress could enact into law.

There are others who regard this bill as the most vital and important piece of legislation that this Congress will consider. It is most important to many of us because what we do here today will affect the lives of the people of a great section of our country—an area of 80,000 square miles, comprising parts of seven States, for the TVA service area embraces parts of seven States and has a population of 6 million people.

Today, more than 150 municipal power systems and REA cooperative distribution systems in this area have an investment of $781 million, including the great steam plant being constructed by the city of Memphis, Tenn., which is now nearing competition and will go into service in a few months.

There are more than 1,500,000 power customers in the TVA area who, last year, purchased 19,000,900,000 kilowatt-hours of electricity. The TVA is the sole source of power for these 150 distributing systems with their 1½ million power consumers.

Therefore, I repeat, what we do here today vitally affects the 6 million people of this great section of our country and these 6 million people are necessarily interested and concerned in this legislation and what we do about it. Our people need this legislation to finance their future power needs because, as we all know, the TVA has been denied any appropriations for necessary additions to its power capacities for the past 6 years. We are all aware of the continuing repressive actions and climate toward the TVA which has existed during those years. We know that no appropriations at all have been made for TVA's power needs in the past several years.

During these last few years, TVA has been using portions of the profits from power sales to make some needed additions to its power system. But, we all know that no utility can possibly keep up with the demand for power in its area if it is limited to using only the revenue from its own power operations. The additional capacity the TVA has built and is building with its power revenue will not be enough to meet the growing demand for TVA power inside its present service area. Its margin of capacity over the demand is getting narrower and narrower. Unless it is able to find other funds, this great area of our country is certain to suffer a power shortage in the years ahead.

What we are considering here today is an alternative method of financing—self-financing by the TVA and by the people of the area. A good portion of the bonds that will be authorized by this legislation will be sold to the people of the TVA area—and I assure you that they will buy them. They will be gilt-edge bonds which will be paid off by the TVA from the power sales to the people of the TVA area.

Mr. Chairman, there are those who may feel that this is a new or novel proposition. The sale of revenue bonds by the TVA is certainly not new or novel. They have had a lot of experience in the issuance of bonds in the past. As a matter of fact, TVA has issued some seven different series of bonds in the past. They were authorized by Congress under sections 15–a, 15–b, 15–c, of the TVA Act in the early days of TVA's history. In one instance TVA was authorized to issue $50 million in bonds; in another instance it was authorized to issue $61,500,000. Under these authorizations, TVA did issue several series of bonds totaling $65 million. All of these bonds have been fully liquidated and paid off—and I might add, they were paid off many years ahead of maturity. So, this is not a new or novel proposition. Many of the water conservation districts under the reclamation program in the West issue revenue bonds. The New York Port Authority and other Government corporations of necessity issue bonds from time to time with various programs and financing.

Surely, at this time when we are so concerned with the need for reducing appropriations, the Congress will permit the people of our area to finance their own progress through enactment of this self-financing legislation. The bonds are taxable. They are not tax exempt bonds and they will thus produce revenue for the Government and yet the bonds will not be obligations of the Government and will not increase the national debt.

The major provisions of the bill have, I believe, been covered by my colleagues, the gentleman from Tennessee [Mr. DAVIS], the gentleman from Alabama [Mr. JONES], and others of the Legislative Committee.

I do not want to point out that the bill, H.R. 3460, represents a reasonable compromise of many views after long and detailed consideration. The issues of this bill have been debated both in the Congress and outside of Congress for more than 5 years.

No fewer than five sets of hearings have been held in the House and in the Senate on this legislation in the 84th, 85th, and the present Congress. The Senate passed a compromise in the last session. But the House in its crowded schedule did not get an opportunity to act on this matter, notwithstanding the excessive hearings and a favorable report on the bill.

I want to point out that this legislation was first proposed by President Eisenhower in his budget message to Congress on January 17, 1955. I quote:

The Tennessee Valley Authority is giving immediate attention to the possibilities of

financing further expansion of its power system by means other than Federal appropriations. The Authority has been requested to complete its studies in time to permit consideration by the Congress in this session of any legislation that may be necessary.

The requested legislation was submitted to the Congress later in 1955 and hearings were held on it in that year. On January 16, 1956, in the budget for the fiscal year 1957, we find this:

There is pending before the Congress legislation which the administration has proposed for financing power facilities of the TVA through the sale of revenue bonds.

On January 16, 1957, in the budget for the fiscal year 1958 we find the following:

Legislation is recommended to authorize the TVA (subject to regular budgetary review), to finance new generating facilities by the sale of revenue bonds.

In his budget message of January 13, 1958, the President said, and I quote:

In accordance with my earlier recommendations, both Houses of the Congress have had under consideration legislation which would authorize the sale of revenue bonds by the Tennessee Valley Authority. I hope that action on appropriate legislation will be speedily concluded.

In the budget for this year we find the following:

Proposed legislation will again be recommended to the Congress, its purpose being to permit the issuance of revenue bonds as an additional means of financing needed power facilities.

So, Mr. Chairman, the President advanced this idea for this legislation in the first place and he has repeatedly called for passage of this legislation in his various messages to the Congress.

The members of the present Board of Directors of the TVA—Gen. Herbert D. Vogel, Mr. Arnold R. Jones, and Dr. Frank J. Welch—who has, as we know, recently resigned—were all appointed by President Eisenhower. It is significant that Board members have approved this legislation as has been pointed out. I quote from a letter written to our colleague, Chairman DAVIS, giving the Board's opinion on this bill:

TENNESSEE VALLEY AUTHORITY,
BOARD OF DIRECTORS,
July 29, 1958.

HON. CLIFFORD DAVIS,
House of Representatives,
Washington, D.C.:

In response to your inquiry we welcome the opportunity to express our deep concern that the legislation now before your committee to authorize TVA to issue revenue bonds be favorably reported and approved by the House at this session of the Congress. Enactment of self-financing legislation is urgently required to enable TVA to meet the growing defense and domestic demands for power in the area. We believe Senate bill 1869 as approved by the Senate last year provides a workable basis on which to undertake this new means of financing. Managerial flexibility commensurate with responsibilities delegated to the Board by law should be retained in bill in order to permit effective and efficient operations, and to insure minimum costs, including those of procurement, design, construction, and interest. TVA's plans, programs, and experience under the new legislation will be fully reported to the President and the Congress each year under existing law, as well as under special provisions for consultation and reporting incorporated in that bill. In addition, the ceiling of $750 million included in the bill means that the Congress will have an early opportunity for full review of our initial experience. If the legislation is enacted we pledge our best efforts to administer it effectively.

HERBERT D. VOGEL,
Chairman.
A. R. JONES,
Director.
FRANK J. WELCH,
Director.

Since appropriations are denied, and surplus corporate funds are inadequate to meet the essential needs of the TVA in meeting its responsibilities of the region and to the Nation, we must act to discharge our own responsibilities in the public interest.

This bill—H.R. 3460—represents, I repeat, a reasonable compromise of many views. It is a highly technical bill and I feel that—like tax legislation presented to us by the great Committee on Ways and Means—we should not attempt to make changes in a bill as technical and complicated as this one is on the floor.

There are some provisions of the bill that I do not personally like; but recognizing that almost all legislation represents some compromises of extreme points of view, I am supporting the committee bill.

Mr. Chairman, in our discussions on the TVA—a subject on which almost everyone has a most pronounced point of view—I sometimes think that we become so concerned with fear that one region of our great common country may make progress at the expense of another area, that we lose sight of the great contributions to the welfare of the entire Nation that the TVA has made and continues to make.

I am continually surprised to discover that many do not realize that well over 50 percent, 52 percent in fact, of the power produced by the TVA goes to meet national defense needs in Federal establishments—in other words, to the Federal Government itself. Among the great Federal agencies which obtained great blocks of power from the TVA are the Atomic Energy Commission plants at Oak Ridge and Paducah, Ky.; the great Arnold Engineering Development Center with its jet windtunnel testing facility at Tullahoma, Tenn., in the district which I have the honor to represent. There is also the great Redstone Arsenal at Huntsville, Ala., where Dr. von Braun and other brilliant scientists are developing, improving, and perfecting the Thor, and Jupiter, and our overall rocket and missile potentials and capabilities. The savings in the cost of power to the Government as a result of the above direct service to Federal agencies are in themselves enormous. For several years now, the Federal Government has used more than 30 billion kilowatthours of TVA power annually. A saving of just 1 mill per kilowatt will represent a saving of $30 million a year, but this is not the entire saving.

Savings to the Government have been effected through reduced power costs and savings to the consumers all over the Nation. The TVA yardstick of power costs has held down the cost of electric power throughout the country. It is notable that while everything else has been going up in recent years—automobiles, food, clothing—the cost of electric power throughout the United States has been held down.

A great market for electric appliances has been created and more than 95 percent of these appliances are manufactured elsewhere and purchased from States outside the TVA area.

Time will not permit a full discussion of all the issues that the opponents of this legislation will raise or attempt to raise. There have been many statements made that through this bill Congress is losing control over the TVA.

I want to say that as a member of the Subcommittee on Appropriations that hears the TVA budget requests, I can report that over the years that I have had the privilege of serving on this committee, I have observed and can certainly testify that the TVA has been subject to the most extensive, the most grueling, and the closest budgetary scrutiny of any agency of the Government.

And I know that this control under the bill will be continued. I have analyzed this bill and I could tell you that it does not reduce congressional control over the TVA. The situation in the future will remain almost the same as has been the situation in the past. In this matter of congressional control there is one great difference between the TVA and many other Government corporations covered by the Government Corporations Control Act. Unlike most of the others, TVA comes to the Congress each year to report on all of its programs—its power programs and its nonpower programs. It will continue to do so after the passage of this bill.

Here are some of the controls which the bill maintains:

First, TVA is a creature of Congress and subject at all times to legislative acts by the Congress. This bill dos not exempt TVA from any of the budgetary procedures normally applicable to Government corporations.

Second. The TVA would still submit to the President and the President would still submit to the Congress not only TVA requirements for appropriations, but also TVA's budget for all its operations.

Third. Thus, when reviewing the appropriation budget of the TVA, the Congress would continue in the future as it has in the past to look over the corporate budget and the budgets for its power operations.

Fourth. I can assure you that in this Appropriations Subcommittee the members of the subcommittee look over the power budget very carefully and I can assure you that if ever the TVA should propose to do anything in regard to its power program that required action by Congress, that fact would be called to the attention of the Congress in the hearings of the Appropriations Committee and during the consideration of the appropriations bill on the floor.

Fifth. TVA will be required to include a detailed statement of its revenue bond financing operations in each of its annual reports to the Congress. That report would also be available for review by the

Appropriations Committee and other committees of the House.

Sixth. Furthermore, the General Accounting Office would continue to audit all of TVA's operations, including those under the bond program and to file an annual report of such audits with the Congress. This, too, would be available to the Appropriations Committee and other committees of the House, as well as to the membership as a whole.

Seventh. In addition, TVA could not begin construction of any new power producing projects—whether it was to be financed from bond proceeds or power revenues—until Congress and the President were notified of its plans and 90 days of a single session elapsed without passage of a concurrent resolution disapproving the project.

Eighth. This bill authorizes the TVA to issue only up to a total of $750 million worth of bonds outstanding at any time. This will call for an early and orderly review of TVA operations under this bond authorization. And the Congress will have the opportunity to review this whole program and make any changes it finds desirable.

Ninth. I should like to recall also that TVA is completely a creature of the Congress. The Congress may at any time repeal the TVA Act or make any changes it desires to make in that act. As a matter of fact, that is precisely what we are about to do this week.

GEOGRAPHIC LIMITATION—TVA MUST OBTAIN APPROVAL OF CONGRESS TO SELL POWER TO ANY NEW DISTRIBUTORS

Finally, I might remind my colleagues that there is one other aspect in which the Congress exercises far greater control over the TVA than it does over any other Government agency to my knowledge. I refer to the fact that the Congress may remove any Director or all of the Directors of the TVA at any time by a joint concurrent resolution. This is provided in the TVA Act.

So, Mr. Chairman, this is ample control. I cannot see how any reasonable person could say that the TVA is not properly under the control of the Congress. All these controls give to the Congress the power to formulate the policies of the TVA, but they grant to the Board of Directors of the TVA the power of decision over the purely detailed business operations which any corporation performing a business function, must have to operate efficiently and economically. I am very much afraid that those who propose more stringent control are far more interested in hindering and hampering TVA than in preserving proper controls by the Congress.

The fact is that those who are criticizing the lack of control by the Congress are really objecting to the fact that this bill does not give the Budget Bureau and the Secretary of the Treasury complete control over the TVA.

In this connection, Mr. Chairman, I took occasion earlier to write to the TVA asking for comment on this very subject of control by the Congress.

Mr. Chairman, I have before me a letter from Mr. A. R. Jones, one of the directors, whom you will recall was at one time a deputy director of the Bureau of the Budget. Mr. Jones is a certified public accountant and a man with a very sharp pencil. So, with his background and experience in the Bureau of the Budget, if he says there is ample control in the bill, I think that should be sufficient testimony for some people. I am placing the letter and statement in the RECORD, as follows:

TENNESSEE VALLEY AUTHORITY,
Knoxville, Tenn., April 16, 1959.

The Honorable JOE L. EVINS,
House Office Building,
Washington, D.C.

DEAR MR. EVINS: As requested in your letter of February 26, we are transmitting herewith a statement concerning the major points raised in the remarks of Representative BEN F. JENSEN, of Iowa, which were printed in the CONGRESSIONAL RECORD for February 24 at page 2913.

We hope that the facts set out in the statement will be of help to you.

Sincerely yours,

A. R. JONES,
Director.

CONGRESSIONAL CONTROL OF TVA UNDER THE REVENUE BOND FINANCING LEGISLATION

TVA is a creature of Congress, and subject at all times to legislation Congress may enact. Accordingly, Congress always has had control of TVA and would continue to have such control under the revenue bond financing legislation.

The purpose of H.R. 3460 and similar bills is to authorize TVA to finance the electric generating and transmission capacity required to meet the increasing demands on its system by issuing revenue bonds. These revenue bonds would be payable solely out of the power revenues received from TVA's consumers. Payment of the bonds would not be guaranteed by the United States. The proceeds of the bonds would, in effect, be considered as part of the corporate funds of TVA. Their proposed use by TVA would remain subject to the same continuing review by Congress as presently exists with regard to use of TVA's power earnings.

H.R. 3460 does not exempt TVA from any of the budgetary procedures normally applicable to Government corporations. These would still require TVA to submit to the President, and the President to present to the Congress, estimates of TVA's financial condition and operations for the current and ensuing fiscal years, together with the facts concerning TVA's actual financial condition and results of operations for the last complete fiscal year. The annual review of these budgets would bring to light any actions of TVA which might call for action by Congress.

H.R. 3460 contains additional safeguards against loss of congressional control over TVA. Under its provisions, TVA would be required to include a detailed statement of its revenue bond financing operations in each of its annual reports to the Congress. The General Accounting Office would continue to audit all of TVA's operations each year and to file annual reports of such audits with the Congress. TVA could not begin construction of any new power-producing project until Congress and the President were notified of its plans and 90 days of a single session of Congress elapsed without passage of a concurrent resolution disapproving the project. TVA would be authorized to issue bonds only up to a total of $750 million outstanding at any time. According to present estimates, TVA would have to have additional authorization within 5 years. This would present Congress with an opportunity for any review of TVA's past actions and future plans that might be desirable.

Mr. Chairman, I have listened to the prepared amendment of our colleague from New Jersey [Mr. AUCHINCLOSS]. This amendment would give the Secretary of the Treasury an effective veto over the entire operations of the TVA and restrict the administrative operations of the TVA. I trust this amendment and all other crippling amendments will be voted down. I urge the support of the committee bill in its entirety.

Mr. MACK of Washington. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. DOOLEY].

Mr. DOOLEY. Mr. Chairman, I would like to preface my remarks concerning the proposed capital expansion of the Tennessee Valley Authority by affirming that I am not opposed to public power projects per se. There are circumstances in which—under our economic system of so-called private enterprise—they fill a definite need.

The TVA as it stands today is a prime example of such a case. Currently it supplies electric power to an area embracing 80,000 square miles, and serves a population of over 5 million. Through the medium of 151 municipal and rural cooperative distribution systems, power is delivered at wholesale rates to over 1,400,000 customers. TVA has also made an undeniable contribution to certain important Federal enterprises which directly and indirectly affected the well-being of the country as well as the posture of our defense.

The Vinson amendment has ruled out the possibility that this tremendous power system would expand itself over an area covering 105,000 square miles. But the Vinson amendment has not ruled out the threat that a precedent will be established in fiscal affairs that might well have far-reaching and very damaging effects on our economic system.

I have a strong resentment against the growing tendency on the part of Government agencies such as REA, GSA, and TVA to seek fiscal independence. They seem to want to divorce themselves from congressional and Treasury control and yet have the blessings of the Government.

What, may I ask, is the justification for the proposed expansion, even though this expansion be vertical? Reliable witnesses—men of position and substance—testified before the Public Works Committee on which I am privileged to serve that there is presently no justification for such expansion. These witnesses to whom I refer have publicly avowed that the TVA currently generates sufficient power in kilowatts to meet the requirements of the area it serves and still has a substantial unexpended power surplus.

If H.R. 3460 is enacted into law we will witness the implementation of a proposal to permit the Government-owned corporation to operate independently of any regulatory governmental supervision, either by the Congress or by the executive branch of the Government.

Unless amended, H.R. 3460 would exempt the TVA from the provisions of the Government Corporations Control Act, and this would be a most perilous precedent.

As one of the Representatives of the Empire State which, I might interpolate,

assumes annually some 13.98 percent of the national tax burden, I am interested in seeing that the present investment of $1.2 billion of Federal funds is in no way jeopardized. And this tremendous sum of money—enough, if stretched dollar to dollar, to go around the world five times—would be jeopardized if the proposed changes in TVA's status materialize.

Naturally New York is concerned with this proposal to increase the fiscal authority of TVA beyond the original intent of the Congress and thus enable it to create additional competitive problems for those companies in our State which provide thousands of job opportunities. It is my humble opinion that this viewpoint is not confined to the State among whose Representatives I am numbered, but is characteristic of many other States which are largely dependent on industrial employment. Yes, all too many industries have and are eyeing enviously the cheap subsidized power rates of the TVA.

If H.R. 3460 is passed by this House in the form proposed and three-quarters of a billion dollars of revenue bonds are issued, the existing inequities of TVA's tax and interest benefits, inequities which result in unjust discrimination between electric customers using TVA power and electric customers of investor-owned companies, will be multiplied many times.

May I recall that TVA was originally projected as a navigation and flood-control project. If I read correctly, its proponents at the time vigorously denied that there was any intention of embarking the Government on a program having as its ultimate objective the absorption of private power undertakings. But once TVA was established, its sponsors repudiated their earlier avowals and boldly stated that it had become a power project, and nothing else. Today TVA is the largest electric power facility in the entire country. And right now it appears certain to increase the magnitude of its operations.

I have both deep affection and high regard for the able and distinguished members of the Public Works Committee of the House who supported and motivated this important measure. But I find it difficult to reconcile their position with that of the long line of witnesses who so vigorously opposed this bill.

The only spokesman I heard in favor of H.R. 3460 was one of its coauthors whose name does not appear on the printed form.

Repeatedly witnesses stated—and I thought quite irrefutably—that the private power companies are in a position to supply the area with all the electricity that is needed. In other words, the proposed vertical expansion would simply mean a duplication of already existing facilities in order to provide subsidized rates.

If the right thing be done, TVA will be confined to its present status. It will meet the power needs of that area, and will pay back to the Government in 40 years—as originally agreed—the money due it.

I strongly urge the defeat of H.R. 3460.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, this is the year which finds TVA at the crossroads with its future at stake. This is the year that 5 million people of the area served by TVA are wondering whether the Congress of the United States, by enacting the TVA self-financing legislation now before it, will provide a green light for their section of the country to continue to go forward as it has gone forward over the last 25 years.

It is amazing that such an issue should be in any doubt whatever. All over the world TVA is recognized as one of democracy's finest achievements, as a supreme example of how a free people can successfully apply modern technology to develop their resources on a vast scale and in a way that strengthens rather than weakens their local governmental institutions and their basic free enterprise economy. Here in Washington TVA is recognized as one of the most attractive ideas this country has available for export. TVA's on the Jordan, on the Damodar River in India, in Asia, in Africa, in South America, and in Australia—such projects the United States stands ready to applaud and to support with foreign-aid dollars and with personnel. And yet, while the TVA idea is fully available for export, the future of TVA itself here at home remains to be determined.

In this quarter of a century TVA has carried out every task assigned by Congress with skill and with dispatch. It has accomplished more than its most ardent advocates expected. In 1933 TVA was told to control the floods which threatened the Tennessee Valley year after year and added to the perils on the lower Ohio and lower Mississippi. TVA has done it. Dollar savings are an insufficient measure of the benefits of flood control—of lives and homes and businesses protected—but they are the best measure available. During the great flood of January–February 1957 alone, the TVA system averted $66 million of damage which would otherwise have occurred at Chattanooga. Since 1936, when TVA's first three dams began operation, the total flood damages prevented by the TVA system have amounted to about $120 million at Chattanooga alone, to more than $12 million on the lower Ohio and Mississippi, to many additional millions at other points within the Tennessee Valley. The $132 million of savings, which can be specifically identified, represent 70 percent of the total of $184 million invested in the flood control features of the TVA multiple-purpose reservoir system. Yet these savings realized to date are only a beginning. The reservoirs will be there for many years to come and their flood control features will pay for themselves many times over.

That is not the whole story. In the same statute TVA was told to provide and encourage navigation on the Tennessee River. TVA has done it. A 9-foot navigable channel now exists over the 650 miles of river from its mouth to Knoxville. Traffic through that channel has surpassed the most optimistic expectations, and now requires provision of new and larger locks for its accommodation. In 1957, 12.6 million tons of freight, representing more than 2 billion ton-miles, moved on the river. The total cost of maintaining and operating the waterway during 1957 amounted to $3.8 million. During this same year, users of the waterway saved $21.5 million in freight bills. The excess of savings over costs thus amounted to $17.7 million, representing a return of about 13 percent on the net navigation investment of $137 million.

TVA was told to produce improved and less costly fertilizers for farmers, and to encourage their use in ways that would preserve and improve the fertility of our soils. TVA has done it. TVA has developed and introduced various types of high analysis fertilizers, as well as new engineering processes and equipment for their production. TVA's production developments and techniques have been made freely available to the private fertilizer industry. As a result, as farmer demand for new high analysis products has increased, the private fertilizer industry has been in a position increasingly to supply that demand, and TVA has turned to development of other still more highly concentrated products.

TVA was told to mesh together all portions of its total program—navigation, flood control, power, fertilizer, reforestation, soil conservation—in a unified effort to aid in improving the economic lot of what was one of the most underdeveloped areas in the Nation. TVA has done it. In 1933 the average per capita income in the Tennessee Valley area was only 45 percent of the national average. Today it is 65 percent. Certainly TVA is not solely responsible for this gain, but just as certainly TVA has played a large part in making this gain possible. The area still has a long way to go before it reaches the national average. But it has come a long distance already, and it can continue to go forward if the Congress of the United State, by approving the pending self-financing legislation, removes the ugly threat of a power shortage and the halt to economic growth which such a shortage would create.

This self-financing legislation concerns one part of the TVA program which has had vigorous opposition over the years—opposition spearheaded, of course, by private power companies. Their hostility is not new; it existed before TVA. These companies and their allies tried to prevent the establishment of TVA. They have fought every enactment of Congress relating to TVA. They have tried but failed to frustrate the agency in carrying out the mandates of the Congress. This is the point I should like to emphasize again and again. As TVA stands at the threshold of a new era, it has an unequaled record of achieving the objectives set out by Congress. It has been faithful in its stewardship. Congress can judge it by the record.

In 1933 this area was a high-cost, low-use power area. There were fewer than 300,000 electricity consumers where there are 1,500,000 today. Total generating

capacity in the area amounted to only a little over 800,000 kilowatts. Today total capacity has reached 10,572,000 kilowatts, and the demand for power is increasing at the rate of about 750,000 kilowatts per year. Yet when the TVA legislation was proposed in 1933, the opposition fought it on the ground that the area already had all the power facilities it needed, that the people used all the energy they could consume, and that construction of additional facilities by TVA would create an unusable power surplus. It is frightening to consider what would have happened to the area and to the Nation if the views expounded by these men of little faith and little vision had prevailed. Their views did not prevail then. They must not prevail now. Some of the same interests and some of the same spokesmen are opposing the TVA self-financing legislation with the same misrepresentations they have worn threadbare in more than a quarter of a century.

In 1933 there was virtually no rural electrification in the Tennessee Valley area. Farms which had electricity were only a few located on the edges of municipalities. Witnesses of some private power companies testified before committees of the Congress that rural electrification was impossible to consider. They contended that the farmers of the area must continue to be without electric service because, as they said, there would be no profit in development of the rural market. The Congress spurned their admonitions. Congress told TVA to promote the use of electricity in the homes and on the farms of the area. As a result of that directive the great national movement to electrify the farms of America was born in the Tennessee Valley. The first such cooperative, the Alcorn County Electric Power Association, was organized in my district to purchase power at wholesale from TVA, to carry out the program Congress had directed. Now there are 51 rural cooperatives in the TVA area today, and 96 percent of the farms have electricity. They use more electricity on their farms every year than the whole region used before TVA.

TVA demonstrated once and for all that in the case of electricity relatively low rates will encourage high use, and that a combination of low rates and high use will produce, not only economic benefits for the area, not only benefits for the people, but that it will also produce increased profits for private utilities which are willing to adopt the formula. In 1933 the private companies in and and around the Tennessee Valley area were high rate companies. Under the pressure engendered by the next-door example of TVA they have lowered their rates until today their rates are among the lowest charged by private utilities in the Nation; and at the same time they are rated as prosperous utilities, and I am happy that they are.

The power consumers of the Nation should be eternally grateful for this demonstration. The farmers of the Nation should never forget what TVA has meant to them. No citizen should forget the record of TVA in defense of the Nation. When World War II broke out this Nation needed vastly increased production of aluminum, chemicals, ferroalloys. We needed the increased production quickly, and the production of those vital materials requires large quantities of electric power. In TVA the Government had a going system and an organization capable of immediate and large-scale expansion. TVA was directed by the Congress to expand as fast as possible to meet the wartime power needs. TVA did it. More dams and a new modern steamplant were built in the Tennessee Valley and new records in construction speed and efficiency were established. Between 1940 and 1945 the generation of electric energy in the area trebled. In 1945 the curtain was lifted on the atomic age, and the country learned about the vast new facility at Oak Ridge and discovered that it had been located where it was because of TVA's ability to supply quickly the power needed for its operation.

In the last decade, the years of the cold war, TVA has been called upon to supply the greatly expanded power requirements at Oak Ridge, a large part of the requirements at the newer atomic energy plant at Paducah, Ky., and the power needs of numerous other vitally important defense installations and industries. In fact, more than half of all the energy produced by TVA is delivered to installations of the Federal Government itself, and every year the Federal Treasury saves tens of millions of dollars in its power bills because Congress dedicated TVA to the principle that power should be produced at the lowest possible cost.

It seems to me that everyone ought to be rejoicing that TVA has been able to do this development job so effectively that it can project a future where the system's earnings will be adequate to finance the additional capacity required.

I think it is an amazing tribute to the validity of the theories Congress directed TVA to try out in this region. It is a tribute to the management of TVA and to the people of the area that TVA can continue to achieve the same objectives as it moves to accept the burden of additional costs imposed by private financing. I am astounded that such an occasion should be seized by some not as an opportunity to applaud and approve and encourage TVA, but to threaten, to criticize, and to endeavor to hamstring the agency.

The opposition of self-serving spokesmen is probably to be expected. I know their hostility will not prevail in the Congress. I am more troubled by the opposition of others who give lipservice to the importance of the enactment of bond-authorization legislation for TVA, but who for one reason or another suggest changes and alterations in the bills proposed. I am concerned by those who express fears and doubts as a reason for this and that amendment, the total impact of which would be to prevent TVA from continuing to do a good job. It would be a disaster if this Congress were to add provisions to these bills which would smother and strangle the agency, which would, in fact, guarantee the failure opponents have been predicting for 25 years. That self-induced failure, if it occurred, could then be used as an argument for the liquidation of TVA and the destruction of this partnership against the wishes of the people of the region and in violation of any decent standard of responsibility on the part of the Congress.

I would urge the most careful study of the various amendments which will be suggested. The bill embodies a plan developed after long study, a plan under which the responsible management of TVA pledges to the Congress a continuance of the program so magnificently administered thus far.

With the record of 25 years spread before us, the people of the area it serves join with TVA in requesting Congress to permit this great program to continue by passage of the self-financing bill. They are not asking that Congress appropriate annually the funds required to finance construction of the new generating capacity which must be added every year to keep abreast of their energy requirement. They are not asking that Congress write off any part of the investment already made by the Treasury in the TVA power system. They are asking only what TVA's opponents for years have recommended and some now strangely oppose—that TVA be authorized to finance the new capacity by issuing bonds, revenue bonds, to be secured by the proceeds derived from power sales, not guaranteed by the Government. They are asking the privilege of annually enhancing the value of the Government's assets, and they are guaranteeing that the Federal Treasury will benefit not only by the ownership of the increased assets but that it will, in addition, receive a cash return on the Treasury funds already invested in power facilities, a return which will cover the current cost to the Treasury of the net amount of money so invested. In short, the people of the TVA area are asking that they be permitted to finance the future growth of the TVA power system through the rates which they pay for power. They will continue the partnership which has been so successful over the years. The 151 locally owned and managed distribution systems, with an investment of over half a billion dollars, will do their share, the 1,500,000 power consumers of the region will do their share, and TVA will continue to promote the policies laid down by Congress, to operate this great power system that the region may grow stronger and the Nation stronger and more secure.

Such a request should be met by Congress with enthusiastic assent. The issue is vital. Today power demands are growing rapidly in this area, as they are growing throughout the country. New capacity must be installed to meet those demands or the economic growth of this region will be halted, and capacity cannot be installed in time to meet load growth unless the financing bill is passed at this session of the Congress. The alternative is a catastrophic power shortage in a great region where vital installations of defense are located. The alternative is a built-in recession of monu-

mental proportions. The alternative is a threat to national security. The alternative is unthinkable.

With passage of the TVA self-financing bill we see a future of steady economic growth, the hope of advancing prosperity, and the certainty of the region's increasing contribution to national vitality and strength. We foresee all this on the basis of experience. We know that investment in TVA power facilities has brought rich returns to the Federal Government already, as this region has become a better market for the goods and services of other regions, as the people are able to bear an increasingly larger share of the support of government. We know the demonstration carried forward in this area has been nationwide in its effects. We who represent the area take great pride in the fact that the people of the region can now pledge continuance of these national benefits as TVA turns to private financing and the revenues received from power consumers can be relied upon to finance a program which carries out the will of Congress.

This is a bargain. Let us honor a superb record of good faith and of achievment by passing this legislation. By this action we can at the same time salute the past and welcome the future.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. FRAZIER].

Mr. FRAZIER. Mr. Chairman, thousands and thousands of words have been written and spoken about the achievements of TVA. From all over the world people come to the Tennessee Valley to view the engineering miracle accomplished there.

As a representative of a congressional district which includes major TVA installations, I feel that we should point with pride to TVA as an example of America's world leadership in full and comprehensive development of water resources. Nowhere in the world is a river so completely turned from destruction to the people's benefit; nowhere is an agency operated more efficiently; nowhere is there a more striking example of effective decentralized administration.

There is significance in the fact that this is TVA's 26th anniversary year. This great agency, which has contributed as much to our national defense as it has to America's international relations, has gone through its formative years. It has matured and come of age. Its power system, for example, is now ready for a new means of financing—through revenue bonds issued in the private money market.

I would like to emphasize to my colleagues that this proposed legislation, contained in a bill introduced by my colleagues, the Honorable CLIFFORD DAVIS and ROBERT JONES, does not call for the appropriation of a cent of Federal funds. Instead, it gives TVA the authority to issue revenue bonds which will be backed by the money which TVA obtains from the sale of electricity. I have not been able to understand why some people have expressed opposition to this bill, which will make clear that TVA's power system is a sound and profitable investment for the Nation.

With the Nation's serious budgetary problems today this bill does three things which are highly desirable: First, it does not call for Federal appropriations for TVA power growth; second, it means that the Federal Government, which owns TVA, will have the benefit of steadily growing assets in the TVA power system without the need for further investment of Federal funds to meet normal electrical needs in the valley; and third, it provides for an adequate cash return to the Federal Treasury on the Federal funds now invested in TVA's power system.

I am puzzled, too, by the raising of the issue of loss of congressional control over TVA. The TVA was created by Congress, and it always has been, and always should be, responsible and accountable to the Congress. Certainly no agency has been more effective in carrying out the directions of the Congress than TVA. I believe much of TVA's success has been due to the fact that Congress has given TVA certain specific responsibilities, and has likewise given TVA the authority necessary to meet these responsibilities in an effective manner. As TVA turns to revenue bond financing, it is essential that Congress again give TVA the administrative flexibility so needed to achieve the most economical and most efficient operations.

I believe we should be clear in distinguishing between congressional control and control from the executive branch. I am opposed to giving other agencies of the executive branch a controlling hand in the jobs that Congress has given to TVA. I do not believe the Bureau of the Budget, for example, should be allowed to veto decisions which the TVA Board of Directors has made in carrying out the will of the Congress.

Since its inception, TVA, under the original act, has had to come to Congress each year and ask for appropriations to operate. For years the opponents of TVA have been crying that TVA should stand on its own feet and finance its own operations by issuance of bonds. Three times President Eisenhower has recommended the passage of a self-finance bill for TVA.

In compliance with this growing demand, in 1957 the Kerr bill was introduced and passed in the Senate. A similar bill by Mr. DAVIS and Mr. JONES was introduced in the House and favorably reported from the Public Works Committee but was not scheduled for consideration by the Rules Committee.

The present bill, H.R. 3460, amends the Tennessee Valley Authority Act of 1933 and would authorize the Tennessee Valley Authority to finance needed additions to its power system by the issuance of revenue bonds in the maximum amount of $750 million outstanding at any one time. The bonds will be secured solely by the revenues of the TVA power system. They will be neither obligations of nor guaranteed by the United States.

The bill contains provisions essential for effective use of the bond financing authority. It permits TVA to fix the terms and conditions of the bonds and to enter into appropriate covenants with bondholders and trustees. It requires TVA to charge rates sufficient to operate the system, service the bonds, and meet obligations specified in the bill with respect to the appropriation investment in its power system. Under the bill, these obligations will include, first, payment to the Treasury of an annual cash return to be calculated by applying to the appropriation investment the average interest rate payable by the Treasury on its total marketable public obligations as of the beginning of the fiscal year; and second, an annual payment of $10 million in reduction of the appropriation investment itself.

The bill does not change the basic provisions of the TVA Act governing the manner in which the TVA Board of Directors shall perform its statutory duties. Under the bill, the Board will continue to have sufficient flexibility to enable it to discharge its responsibilities efficiently and to enable Congress to hold it fully accountable for results. The bill does include a number of special requirements to insure that Congress will be kept fully informed of the use being made of the bond issuing authority. It also contains a provision limiting the area within which TVA power may be sold.

The TVA is the sole source of power supply for an area covering approximately 80,000 square miles and inhabited by some 5 million people.

The power supply situation in TVA's market area has become critical. The testimony of TVA's Manager of Power, G. O. Wessenauer, is that in the winter of 1961–62, TVA faces a 600,000-kilowatt shortage of power capacity, and by the following winter the shortage will be 1 million kilowatts, after allowing for the limited amount of generating capacity which TVA has been able to finance from its power revenues.

At the present time over 50 percent of all electric energy which TVA generates goes directly to installations of the Federal Government, including the Atomic Energy Commission plants at Oak Ridge, Tenn., and Paducah, Ky., the Army's Redstone Arsenal at Huntsvills, Ala., and the Air Force's Arnold Engineering Development Center at Tullahoma, Tenn. Large additional amounts go to private industries producing materials having defense significance. Power demands, exclusive of power furnished to the Federal Government, are growing in the area served by TVA at the rate of approximately 12 percent per year. If the economic growth of the area is not to be halted, additional power facilities must be constructed to meet these increasing demands and to insure dependability of service to existing power loads, many which are essential to national security. Approximately $150 million annually will be required to provide needed new power generating capacity, exclusive of additional capacity which may be required for any increase in the requirements of Federal agencies served by TVA.

For the past 5 or 6 years—since 1953—TVA has received no appropriations for increasing its power capacity

by the construction of new power facilities.

The reported bill will make it possible for TVA to obtain needed capital by the sale of revenue bonds, to provide necessary power for the area.

The issuance of bonds by TVA is not new. The Authority was originally authorized to issue bonds and all have been promptly paid off. In addition, TVA has paid $240 million into the Treasury. It has paid more than 4 percent to the Government on its investment during the entire 26 years.

While we of the TVA area think this bill, as amended, is too restrictive, we urge you to vote for and pass H.R. 3460 in order that the TVA can carry on for the benefit of the people of its area, to further national defense, and for the benefit of the Nation.

Mr. DAVIS of Tennessee. Mr. Chairman, we have no further requests for time.

Mr. MACK of Washington. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. BROOMFIELD], a member of the committee.

Mr. BROOMFIELD. Mr. Chairman, our Government is based upon a system of checks and balances. Under our Constitution these safeguards are designed to preserve the liberties and rights of our citizens and to insure a healthy and wholesome economic, social, and moral climate for our great Nation.

Preservation of this system of checks and balances, of a state of equilibrium in the operation of our Federal Government, is one of the main issues at stake today in our consideration of H.R. 3460.

We, in Congress, are being asked to hand over the reins of the Tennessee Valley Authority to its officers with no real control over the operation of this Federal agency by Congress or the executive department.

At the present time, we in Congress have some assurances that TVA will not become a cancer on the body of our Federal Government. We have control of its operations through the requirement for congressional approval of TVA's annual budget and that agency's request for appropriations, as well as the provision that none of TVA's power revenues shall be used for the construction of new power-producing projects without congressional approval.

This bill we are considering today eliminates both of these congressional controls and offers a completely unworkable substitute. This substitute, which would apply only to new power-producing projects, would only require TVA to give notice to the President and Congress of the new project. If Congress did not disapprove of the project within 90 days, then it would be considered approved.

The dangers of this new fiscal device should be apparent to all. It would be an invitation for the Tennessee Valley Authority to simply expand in all directions, gobbling up territory and building new facilities whether they are really needed or not.

The executive branch of our Government is given no greater authority under the terms of this bill. The Treasury Department would have the authority to delay, but not to halt or change, any issuance of bonds by the Tennessee Valley Authority.

It is strange that the TVA wants passage of this bill just at the time when the public is demanding a stricter accounting of Federal expenditures by other Government agencies, and when a great many Members of the House of Representatives also are seeking a better system of regulation of Federal purse strings.

In the last analysis, congressional appropriations paid for by the tax money of the citizens of all the States of our Nation created the Tennessee Valley Authority and its present facilities. The people of our Nation should have a continuing role in determining the future of the TVA to see that the money they have invested in these facilities is not used to harm them.

There is little doubt of the benefits which the Tennessee Valley Authority has created for one section of our Nation. These benefits were obtained at the expense of other areas, but in many respects they were necessary in the past. Now, however, we find that the force which our Federal Government has created wants to rid itself of its creators and strike out on its own.

At the same time, this agency is reluctant to turn loose of the coattails of Uncle Sam and insists upon being given a free ride to its destination, wherever that might happen to be. If TVA wants to operate as a private corporation, then let TVA live by the rules of private corporations and take its chances. Let us abolish the monopoly created by the Federal Government, the tax exemptions, the preferred freight rates, and let TVA sink or swim by itself.

In its inception, TVA was to have had as its primary purpose the control of floodwaters. Generation of power was supposed to have been a secondary consideration. But let us look at TVA's own figures to see just what has happened in a few short years. TVA now generates some 73 percent of its power from steam and thermal plants, with only about 27 percent of its power generated from its flood-control dams.

I cannot speak for the other areas of the Nation, but we in Michigan certainly are having our troubles with TVA. We, who have paid taxes to create the TVA, are now in the rather embarrassing position of having this Federal agency come in and take away jobs from our workers.

To put it mildly, this hurts. As most of my colleagues know, Michigan has been having its difficulties in recovering from its high level of unemployment. Our State is trying desperately to get back on its feet. Even our State government is without funds to pay its employees.

Then we find our newspapers recently in Michigan carrying advertisements about "Ten Men From Tennessee" who are in our State to lure away our industry, using the promise of cheap electric power as one of their main arguments. Such tactics do not sit too well with our unemployed, especially since they helped pay for construction of these facilities.

[From the Detroit Free Press, June 11, 1957]

ATTENTION: MANUFACTURERS IN THE DETROIT AREA

If you are considering branch plants or distribution points in the South, let us give you the facts about Tennessee.

This week (June 10–15), a 10-man team of Tennessee businessmen, representing the Tennessee Industrial and Agricultural Development Commission, is visiting Detroit to give manufacturers full details on Tennessee's industrial advantages, such as:

Construction costs low as $5 or less per square foot for a new, modern, air-conditioned plant.

Two hundred and fifty-seven incorporated towns, ranging from small towns to four large metropolitan cities, with a wide choice of plant sites.

Ninety nine and five-tenths percent native-born labor—a large, easily trained labor supply that is setting production records for many firms, including firms in the Detroit area with branches in Tennessee.

Tool and die shops, the finest facilities in the South to serve metalworking and other industries.

Low-cost power, electricity as low as 6.03 mills per kilowatt-hour, also coal, fuel oil, and natural gas.

Four-way transportation—rail, water, highway, and air, with prompt service to Detroit and other major centers, and a geographical location that makes Tennessee an ideal distribution point.

One of these men will be glad to call on you at your convenience, and if your company is considering expansion a few minutes of your time can prove a highly profitable investment. There is no obligation and your plans will be kept in strict confidence.

Executives wishing to arrange an appointment are invited to telephone Mr. George L. Benedict, Jr., at the Sheraton-Cadillac Hotel, telephone Woodward 1–8072.

TEN MEN FROM TENNESSEE,
Representing the Tennessee Industrial and Agricultural Development Commission, Cordell Hull Building, Nashville, Tenn.

An article in the Chattanooga Times on January 15, 1959, describes what is happening in the Tennessee Valley region:

INDUSTRY GROWS IN VALLEY REGION—TVA SAYS 159 NEW PLANTS EMPLOYING 17,000 CAME TO AREA IN 1958

Preliminary figures compiled by the Tennessee Valley Authority reveal that 159 new plants located in the Tennessee Valley region in 1958 and that 156 existing industries expanded.

Partial reports of some of the plants established or enlarged showed investments totaling 135,000 and new employment created amounted to nearly 17,000 jobs.

Of the 159 new plants reported, 52 plants, or 33 percent, reported an investment of $91,062,000. Of the 156 plant expansions, 62, or 40 percent, reported an investment of $44,070,000.

Seventy percent of the new plants reported a total of 13,507 employees, while 37 percent of the expanded plants reported 3,457 new jobs. Reports on employment were received from 112 new plants and 57 expanded factories.

The new industrial growth was diversified, being divided among a number of categories, as follows:

Food and kindred products, 40; chemical and allied products, 28; furniture and fixtures, 27; lumber and wood products, 25; fabricated metals, 23; apparel, 22; stone, clay, and glass products, 20; miscellaneous manufacturing, 18; electrical machinery, 16; textile mill products, 14; machinery, except electrical, 14; transportation equipment, 12; paper and allied products, 9; agricultural

services, 8; printing, publishing, and allied industries, 8; leather and leather products, 8; and primary metals industries, 8.

I wonder just how many of these new plants would have gone to other areas of our Nation if low cost power, provided by the taxes of all of us, were not available in the Tennessee Valley.

To give an idea of the tremendous tax advantage which the TVA enjoys, it would be well for us to look at what is paid in local, State, and Federal taxes by the Southern Co. and its affiliates. These amounted to some $55,946,000 in 1957. Except for some local reimbursements, TVA pays no taxes. The rate advantages and the unfair position in which this places competition are obvious. The inducement to industry at the expense of other States and areas also is obvious. There is another provision in this bill which I dislike, and that is the fact that the United States will become only second mortgage holders on the Tennessee Valley system, despite the fact that this system is supposed to belong to the people of our Nation. At any rate, they have invested some $1,600 million of their hard-earned dollars in this project whether they particularly wanted to or not.

Who will get their money first? The bondholders under the massive expansion plans envisioned by the new creation of new bonding power. Nor would the authority to sell three-quarters of a billion dollars in bonds be the end of the story. This would be a revolving authority, a self-perpetuating, never-ending authority to keep constantly in debt to the tune of the full amount. As soon as one bond issue was retired, others could be sold in a never-ending circle of expansion.

There would be no effective regulation of the floating of these bond issues, and the results of dumping large amounts of these issues on the market at once could well affect our entire bond market and its interest rate structure. There are no guarantees in H.R. 3460 which would prevent such action by TVA.

What about the more than a billion dollars which the people of the United States have invested in TVA so far? Under the terms of this bill, TVA's obligation to pay back its debt in 40 years would be changed to extend the repayment period to about 120 years. The Tennessee Valley Authority would not even be required to pay interest on the money it already has acquired from the Federal Treasury. The wording of this bill proposes a payment as a "return on the appropriation investment from net power proceeds in excess of the Corporation's obligations."

Would the $1½ billion from the Federal Treasury plus the $750 million in new bonding power be enough to satisfy the TVA? According to Mr. G. O. Wessenauer, Manager of Power of the Tennessee Valley Authority, in testimony before the Public Works Committee, TVA would be back to Congress for even more bond authorization in anywhere from 5 to 7 years.

In past years, Congress has shown little hesitancy in controlling the expansion of private industry and business where monopolies and cartels are involved. Safeguards have been established to insure that our economy will not become enveloped in a particular field by a particular firm.

Now, we are asked to create a new kind of monopoly—one which works outside the control of Congress and the executive branch of our Federal Government and yet has the backing of the U.S. Treasury and the freedom of ignoring tax bills. This is a fifth freedom which all of us in our Nation would like to enjoy.

Death and taxes are supposed to be the two inevitables in our existence, yet the Tennessee Valley Authority is asking us to pass laws which would exempt this agency from both of these provisions.

In addition, Congress is urged under the provisions of H.R. 3460 to free this Federal agency from all responsibilities and regulations which might deprive this agency of its privileged status, while retaining all the privileges of a private corporation.

Our citizens are asked to give up their rights to repayment of TVA's debt in favor of future bond issues. The terms of repayment and interest charges on the Federal portion, some $1.2 billion, would be set by TVA, not by the Federal Government which provided the money. This is a rather unique way of doing business which I imagine all of us would enjoy having.

The Tennessee Valley Authority not only wants to be the whole ball team, but it wants to be the umpire as well. I most certainly oppose this attempt in H.R. 3460 to take the TVA out of the control of our Federal Government. If TVA wants to play, then this agency should be made to abide by the rules which regulate every other Federal agency.

Mr. TABER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and four Members are present, a quorum.

Mr. MACK of Washington. Mr. Chairman, I yield 7 minutes to the gentleman from New York [Mr. ROBISON].

Mr. ROBISON. Mr. Chairman, at the outset of my remarks I would like to pay my respects to the two senior members of my committee, the gentleman from Tennessee [Mr. DAVIS], and the gentleman from Alabama [Mr. JONES], who worked so hard in behalf of their constituents and their area of the country. But I am sure the membership will understand that some of the rest of us feel that we have a duty to perform, the duty of protecting the rights of the taxpaying people of this Nation who have supported TVA over the years whether they have benefited from it or not. Some of us feel very pointedly that our Government, as represented by TVA, should no longer engage in destructive competition with its own citizens.

Mr. Chairman, I wish also to pay tribute to the gentleman from Iowa [Mr. JENSEN] for the thorough and thought-provoking historical review of the Tennessee Valley Authority he inserted in the CONGRESSIONAL RECORD on Monday afternoon of this week. If there are some of my colleagues in this Chamber who have not yet read Mr. JENSEN's analysis of this legislation, and the reasons why, in his opinion, it should be amended or defeated, I sincerely hope they will take the time to do so before the time of decision arrives.

I know there are, in this Congress, those who wish that the TVA experiment had never been tried. To their minds it has constituted a giant step toward that brand of state socialism that has, like a creeping paralysis, been elsewhere inching slowly and imperceptibly over the horizon of our free Nation during the past 25 years. To them, the story of the growth of TVA, itself, from a localized flood-control and navigation project into the largest steam-electric generating system in the world is a classic example of how the seeds of state socialism, once planted, can grow and flourish like weeds until they have choked out and destroyed the flowers of freedom. Mr. Chairman, without agreeing completely with those of my colleagues, I do fear that America has gone dangerously far down a road that can only lead to the eventual destruction of the private enterprise system. One need only to sit as a member of the Public Works Committee of this body and listen, as I have for 2 years now, to the representatives of the private utility companies from the TVA area, with their charts and figures, showing how their companies have had to give way before the unfair competitive advantages enjoyed by TVA, to realize that we have in this instance at least, just about reached that point of no return.

And, before I may be thought to be overly solicitous of business interests only, let me remind my colleagues that these private utility companies that are so threatened by absorption or extinction, are owned by literally thousands of stockholders—little people, in great part, whose only savings are in danger of being wiped out.

I would like to speak at length, too, of how TVA has managed to expand as it has at the expense of the taxpayers of my congressional district as well as of the Nation—laborers and farmers as well as businessmen—who, at the same time, have all too often seen the cheap power advantages of the Tennessee Valley enable it to entice away some of our own job-producing and taxpaying industries. Time does not permit me to do that, however, and others here have and will address themselves to that aspect of this legislation more articulately than can I.

Of course, TVA has been a blessing to the people of the Tennessee Valley. Why should it not be? And, of course, I can understand the sincere concern with which my colleagues from that area view the need for some such legislation as is here proposed. But the rest of us have a duty, too—the duty of protecting the interests of the taxpaying people elsewhere who have supported TVA up to now, whether they have liked it or not, and, it seems to me, we have an even greater duty of trying to make certain that from this day on our Government, as represented by TVA, shall no longer

engage in destructive competition with its own citizens.

As has been mentioned, there may be a few in this body who will say they would like to see the destruction of TVA. I think that is an unrealistic approach. TVA is here to stay. If we close our eyes to it, it will not go away. This being so, we might just as well decide, even those who may be opposed to the TVA concept in principle, that what we must do, short of returning it to the tax base, is to make it as efficient as any governmental business operation can be so that there can be some hope that the huge taxpayers' investment in TVA power facilities can be repaid, protecting that investment in the meantime as best we can, and, at the same time, try to make certain that TVA can no longer expand at the expense of private taxpaying enterprise.

I would like to address my remarks to two features of H.R. 3460 as reported out of committee—the so-called area limitation feature and the repayment program.

During the hearings, the TVA witnesses testified that they have no thoughts of further expansion. Unfortunately, the record shows they have said this before and then proceeded to push the borders of their service area further and further. Perhaps, to some extent, considering the attractiveness of their product and the obvious demand for it—and who would not like cheaper electric power?—they have meant what they said but then found it very difficult to resist that demand. That possibly being the case, it seems to me that this Congress must now try to help the TVA people resist temptation, by writing into this bill if it must pass, an area limitation that will truly do just that. To my mind, the so-called Vinson amendment as originally proposed would have restricted future TVA expansion to that territory encompassed within the limits of its present service area. Few, if any of us, could argue with that. The result would have been what some witnesses called a vertical expansion of TVA service which would be of continuing benefit to the people and industry of the Tennessee Valley.

But, when the Vinson amendment was modified in committee to except certain specific communities from the effect of this limitation it does seem to me that we have not only opened the door but we have practically extended an invitation to all other communities that now or in the future want TVA power and are economically able to be hooked on, to come back to this or future Congresses seeking additional exceptions in their behalf. This limitation, then, is only an illusory limitation. Either we should amend this bill to return to the original Vinson language or, failing to do that, send H.R. 3460 back to committee for further study of this specific problem. For, if this door is not closed, we might just as well say goodby, here and now, to the remaining utility companies in the Southeast, and, eventually, perhaps to private utility enterprise throughout the Nation.

Turning now to the repayment features of H.R. 3460, may I say that of course I favor a repayment to the taxpayers of their investment now standing at something like $1.2 billion plus accrued interest. On the face of it, this bill proposes to do that, but over a period of 120 years which, to my mind, Mr. Chairman, is so unrealistic that we might better leave things as they are under previous legislation whereby TVA is required to make such a repayment without interest in 40 years.

Under good business practices no private enterprise would adopt such a long term for obsolescence, and no lending authority, not even the most generous Federal agency, would permit such an amortization period. That is some four generations, during the course of which the present TVA power facilities will have long since become obsolete. Sir John Crockcroft, Director of the British Atomic Energy Research Agency, and an eminent authority in this field recently said that by 1975 most new power stations will be nuclear in type. Of what value will TVA's existing steam facilities be then? I think we all too often are inclined nowadays to let Russia be our standard of comparison. I hesitate to do that, but I think there may be a warning for us in the fact that a recent report on Soviet power developments indicates that there must be enough profit on Government-owned electric plants in the Soviet Union to return the capital advances to the central government treasury within 25 years. Do we want to outsocialize Russia? Or do we rather wish to protect and recover the taxpayers' investment in TVA on a sound and realistic basis?

I urge my colleagues to support the amendments that I expect will be offered later in an attempt to improve the effectiveness of the area limitation contained in H.R. 3460, require a realistic repayment schedule and, at the same time, retain proper congressional and governmental control of TVA's future operations. If that can be accomplished, I will vote for this bill despite my personal reservations concerning the public power concept. Should those amendments fail to carry, however, I will be constrained to vote against H.R. 3460 which, in its present form, will leave TVA in possession of a congressional blank check and continue the special privileges which have been bestowed on the people of one area at the expense of the taxpayers at large while, at the same time, subordinating and endangering the right of those same taxpayers to a repayment of their unwilling investment.

Mr. MACK of Washington. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, the Government Corporation Control Act was made law in 1945. A Government Corporation Subcommittee of the Appropriations Committee was then established. The gentleman from Texas [Mr. MAHON] was the first chairman, and I was named top minority member. In 1947 I became chairman of that committee, and I discovered early in that year that TVA had not made its payments to the U.S. Treasury as agreed. After long hearings the committee agreed that TVA should pay each year one-fortieth of the total amount of the funds which Congress had previously appropriated or would in the future appropriate for revenue-producing facilities, such as electric power.

Under the provisions of this bill, H.R. 3460, such payments would no longer be made.

When TVA was first debated in Congress the proponents of this TVA said that the Congress would be asked to appropriate only $150 million to do the job that was necessary for flood control and navigation in the Tennessee Valley. As you know, flood control and navigation were the real purposes back of the establishment of the Tennessee Valley Authority. Electric power was to be simply incidental to flood control and navigation.

Now, what has happened? Congress, up to June 30 of last year, has appropriated for the Tennessee Valley Authority $1,944,000,000; $1.2 billion-plus has been appropriated for power producing and power transmission facilities. Three men, not elected by the people but simply appointed by the President of the United States, had $1,944,000,000 to spend at will, and in addition to that they have had revenues from power and other revenue-producing sources to spend to the tune of another $1.7 billion-odd. There is an old saying which surely has great force when we think of the amount of authority—I mean dictatorial authority—that these three men will have. The old saying is that that is more authority than three bad men should have or three good men would want.

Now, Mr. Chairman, I have been closely associated with this problem since 1946. I have known of TVA officials making all kinds of agreements, all kinds of statements, that one could imagine in order to get Congress to do certain things. And Congress took their word for it. Then, lo and behold, you will find the record replete with proof that they did not keep their word.

We have here before us today a bill—and I say this sincerely—which in my opinion is the most dangerous bill that this Congress has considered during the 21 years I have been a Member of this august body. The far-reaching implications of this bill are frightening. This bill, if enacted into law—God forbid—in any form, regardless of whether all the amendments which will be offered are approved, sets out a principle that far overshadows any other consideration.

You cannot freshen a rotten egg, and this bill is rotten to the core. I say that advisedly. I know that is an honest statement. If this bill is ever made law, America in a few years will rue the day that this Congress took such an anti-American action.

"Oh, yes," they say, "we are going to limit the transmission area in which TVA can operate." Oh, yes; you can limit an area, but there are always ways to step over that line. And if this bill is made law you may rest assured that within a few years TVA will have so much electric energy to spare that they will say, "Oh, my, you would not want this power to go to waste when the folks around the TVA for hundreds and

hundreds of miles need power so badly." And the Congress will say, "Of course, that is right," and the area would be extended to reach hundreds and hundreds of miles away.

TVA officials lie awake nights it seems trying to figure out how to evade Federal taxes. The power that is generated in the Tennessee Valley pays no tax into the U.S. Treasury. The 20,000 employees of the Tennessee Valley Authority are not under our civil service laws. These three Board members can hire and fire at will, and they do. Send someone down there to ask for a job. They will question him as to his philosophy of government, and if his philosophy of government does not square with their philosophy of government he gets no job.

In addition to that they do about 95 percent of their construction work by force account. They do not operate on the private enterprise system. When other Government agencies have a construction job to do they call for bids from the private Federal tax-paying contractors. And when the job is done and they get their money, into the Federal Treasury and the State and local treasuries goes quite a lump of their profits.

Why, TVA just recently bought a big generating plant from abroad. Oh, sure, they said, "You wouldn't expect us to pay $7 million more for that generator made by American industry than we could get it for from foreign sources." They wanted to give the people of America the idea that they were saving all the taxpayers of America $7 million. The fact of the matter is that only the people within the Tennessee Valley get the benefit of that saving. And who loses? The good workingmen of America, many of them out of work today. There are thousands and thousands and thousands of hours of work on a generator of that size. The Federal Government will lose almost as much in Federal revenue as the difference between the price of our manufacturer and the price for which TVA bought that generator abroad.

If every political subdivision of America had the privilege of paying no Federal taxes and of doing the things I have just explained, who would pay the bill for all the things for which we appropriate in this Congress, for the old folks, for the disabled veteran, for flood control to stop these devastating floods which cost the lives of many people?

I am a member of the Public Works Subcommittee on Appropriations. There will be before that committee this session close to 200 Members of Congress asking us not only to appropriate what the budget calls for but to appropriate millions upon millions of dollars over and above the budget for projects in their respective districts. I am not condemning the Members for that, but let me remind my friends that the members of the Appropriations Committee have been quite liberal in appropriating for everything that was necessary to be done in this Nation, including the care of the indigent, the blind, the disabled veterans, the widows and orphans of deceased veterans, and for everything else we felt was necessary. But this bill says in plain words "We do not trust the members of the Appropriations Committee of the House of Representatives nor anyone else in Congress to appropriate for the Tennessee Valley." That is an insult to every Member of this House. I consider it a terrible insult, and certainly I shall not forget it.

Mr. MACK of Washington. Mr. Chairman, I have no further requests for time on this side.

Mr. JONES of Alabama. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last three paragraphs under the subtitle "Independent Agencies and Corporations" in title II of the Government Corporations Appropriation Act, 1948 (61 Stat. 576–577), are hereby repealed; and the Tennessee Valley Authority Act of 1933, as amended, is hereby amended by inserting immediately after section 15c thereof (16 U.S.C. 831n–3) the following new section:

"SEC. 15d. (a) The Corporation is authorized to issue and sell bonds, notes, and other evidences of indebtedness (hereinafter collectively referred to as 'bonds') in an amount not exceeding $750,000,000 outstanding at any one time to assist in financing its power program and to refund such bonds. The Corporation may, in performing functions authorized by this Act, use the proceeds of such bonds for the construction, acquisition, enlargement, improvement, or replacement of any plant or other facility used or to be used for the generation or transmission of electric power (including the portion of any multiple-purpose structure used or to be used for power generation); as may be required in connection with the lease, lease-purchase, or any contract for the power output of any such plant or other facility; and for other purposes incidental thereto. Unless otherwise specifically authorized by Act of Congress existing and subsequently built, leased or acquired power facilities of the Corporation shall not be used for the sale or delivery of power for use outside the service area of the Corporation as it existed on July 1, 1957, except when economically feasible for exchange power arrangements with other utility systems with which the Corporation had such arrangements on said date. Nothing herein contained shall prevent the Corporation from continuing service to Dyersburg, Tennessee, and Covington, Tennessee, or from entering into contracts to supply or from supplying power to the cities of Paducah, Kentucky; Princeton, Kentucky; Glasgow, Kentucky; Chickamauga, Georgia; Ringgold, Georgia; and South Fulton, Tennessee; or agencies thereof: *Provided further,* That nothing herein contained shall prevent the transmission of TVA power to the Department of Defense or any agency thereof, on certification by the President of the United States that an emergency defense need for such power exists.

"The principal of and interest on said bonds shall be payable solely from the Corporation's net power proceeds as hereinafter defined. Net power proceeds are defined for purposes of this section as the remainder of the Corporation's gross power revenues after deducting the costs of operating, maintaining, and administering its power properties (including costs applicable to that portion of its multiple-purpose properties allocated to power) and payments to States and counties in lieu of taxes but before deducting depreciation accruals or other charges representing the amortization of capital expenditures, plus the net proceeds of the sale or other disposition of any power facility or interest therein, and shall include reserve or other funds created from such sources. Notwithstanding the provisions of section 26 of this Act or any other provision of law, the Corporation may pledge and use its net power proceeds for payment of the principal of and interest on said bonds, for purchase or redemption thereof, and for other purposes incidental thereto, including creation of reserve funds and other funds which may be similarly pledged and used, to such extent and in such manner as it may deem necessary or desirable. The Corporation is authorized to enter into binding covenants with the holders of said bonds—and with the trustee, if any—under any indenture, resolution, or other agreement entered into in connection with the issuance thereof (any such agreement being hereinafter referred to as a 'bond contract') with respect to the establishment of reserve funds and other funds, adequacy of charges for supply of power, application and use of net power proceeds, stipulations concerning the subsequent issuance of bonds or the execution of leases or lease-purchase agreements relating to power properties, and such other matters, not inconsistent with this Act, as the Corporation may deem necessary or desirable to enhance the marketability of said bonds. The issuance and sale of bonds by the Corporation and the expenditure of bond proceeds for the purposes specified herein, including the addition of generating units to existing power-producing projects and the construction of additional power-producing projects, shall not be subject to the requirements or limitations of any other law: *Provided, however,* That, except with the approval of the President during a period of national defense emergency hereafter declared by the President or by the Congress, no such bond proceeds, nor any power revenues, shall be used to initiate the construction of an additional power-producing project until (1) the Corporation notifies the President and the Congress of its plan to construct such additional project, and (2) following such notification, a period of ninety days, while Congress is in a single session, elapses without the passage of a concurrent resolution disapproving such construction.

"(b) Bonds issued by the Corporation hereunder shall not be obligations of, nor shall payment of the principal thereof or interest thereon be guaranteed by, the United States. Proceeds realized by the Corporation from issuance of such bonds and from power operations and the expenditure of such proceeds shall not be subject to apportionment under the provisions of Revised Statutes 3679, as amended (31 U.S.C. 665), and such proceeds and bonds shall not be included in computations of receipts, expenditures, surpluses, or deficits in the budget prepared annually pursuant to section 201 of the Act of June 10, 1921, as amended (31 U.S.C. 11), except to the extent of the amounts budgeted by the Corporation for payments pursuant to subsection (e) hereof on account of the appropriation investment as therein defined, and for reduction of said investment.

"(c) Bonds issued by the Corporation under this section shall be negotiable instruments unless otherwise specified therein, shall be in such forms and denominations, shall be sold at such times and in such amounts, shall mature at such time or times not more than fifty years from their respective dates, shall be sold at such prices, shall bear such rates of interest, may be redeemable before maturity at the option of the Corporation in such manner and at such times and redemption premiums, may be entitled to such relative priorities of claim on the Corporation's net power proceeds with respect to principal and interest payments, and shall be subject to such other terms and conditions, as the Corporation may determine: *Provided,* That before issuing any

bonds hereunder, the Corporation shall advise the Secretary of the Treasury with respect to the amounts and terms of bonds to be issued and the proposed date of the sale thereof, and if the Secretary, within fifteen days after receiving such advice, shall request deferral of the sale thereof for a period not in excess of forty-five days, the Corporation shall not sell the bonds before the end of such period and if the Secretary of the Treasury shall recommend changes in the amounts, terms, maturities or conditions of the bonds, the Corporation shall not sell the bonds until an additional thirty days have been given to consideration of said recommendations unless they have been sooner agreed upon. The Corporation may sell such bonds by negotiation or on the basis of competitive bids, subject to the right, if reserved, to reject all bids; may designate trustees, registrars, and paying agents in connection with said bonds and the issuance thereof; may arrange for audits of its accounts and for reports concerning its financial condition and operations by certified public accounting firms (which audits and reports shall be in addition to those required by sections 105 and 106 of the Act of December 6, 1945 (59 Stat. 599; 31 U.S.C. 850–851), may, notwithstanding the provisions of sections 302 and 303 of the Act of December 6, 1945, as amended (59 Stat. 601–602, 70 Stat. 667; 31 U.S.C. 867–868), or any other law, but subject to any covenants contained in any bond contract, invest the proceeds of any bonds and other funds under its control which derive from or pertain to its power program in any securities approved for investment of national bank funds and deposit said proceeds and other funds, subject to withdrawal by check or otherwise, in any Federal Reserve Bank or bank having membership in the Federal Reserve System; and may perform such other acts not prohibited by law as it deems necessary or desirable to accomplish the purposes of this section. Bonds issued by the Corporation hereunder shall contain a recital that they are issued pursuant to this section, and such recital shall be conclusive evidence of the regularity of the issuance and sale of such bonds and of their validity. The annual report of the Board filed pursuant to section 9 of this Act shall contain a detailed statement of the operation of the provisions of this section during the year.

"(d) Bonds issued by the Corporation hereunder shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of any officer or agency of the United States. The Secretary of the Treasury or any other officer or agency having authority over or control of any such fiduciary, trust, or public funds, may at any time sell any of the bonds of the Corporation acquired by them under this section. Bonds issued by the Corporation hereunder shall be exempt both as to principal and interest from all taxation now or hereafter imposed by any State or local taxing authority except estate, inheritance, and gift taxes.

"(e) From the net power proceeds in excess of those required to meet the Corporation's obligations under the provisions of any bond or bond contract, the Corporation shall, beginning with fiscal year 1961, make payments into the Treasury as miscellaneous receipts on or before December 31 and June 30, of each fiscal year as a return on the appropriation investment in the Corporation's power facilities, plus a repayment sum of not less than $10,000,000, which repayment sum shall be applied to reduction of said appropriation investment. The said appropriation investment shall consist, in any fiscal year, of that part of the Corporation's total investment assigned to power as of the beginning of the fiscal year (including both completed plant and construction in progress) which has been provided from appropriations or by transfers of property from other Government agencies without reimbursement by the Corporation, less repayments of such appropriation investment made under title II of the Government Corporations Appropriation Act, 1948, this Act, or other applicable legislation. The payment as a return on the appropriation investment in each fiscal year shall be equal to the computed average interest rate payable by the Treasury upon its total marketable public obligations as of the beginning of said fiscal year applied to said appropriation investment. Payments due hereunder may be deferred for not more than two years when, in the judgment of the Board of Directors of the Corporation, such payments cannot feasibly be made because of inadequacy of funds occasioned by drought, poor business conditions, emergency replacements, or other factors beyond the control of the Corporation.

"(f) The Corporation shall charge rates for power which will produce gross revenues sufficient to provide funds for operation, maintenance, and administration of its power system; payments to States and counties in lieu of taxes; debt service on outstanding bonds, including provision and maintenance of reserve funds and other funds established in connection therewith; payments to the Treasury as a return on the appropriation investment pursuant to subsection (e) hereof; payment to the Treasury of the repayment sums specified in subsection (e) hereof; and such additional margin as the Board may consider desirable for investment in power system assets, retirement of outstanding bonds in advance of maturity, reduction of appropriation investment, and other purposes connected with the Corporation's power business, having due regard for the primary objectives of the Act, including the objective that power shall be sold at rates as low as are feasible. In order to protect the investment of holders of the Corporation's securities and the appropriation investment as defined in subsection (e) hereof, the Corporation, during each successive five-year period beginning with the five-year period which commences on July 1 of the first full fiscal year after the effective date of this section, shall apply net power proceeds either in reduction (directly or through payments into reserve or sinking funds) of its capital obligations, including bonds and the appropriation investment, or to reinvestment in power assets, at least to the extent of the combined amount of the aggregate of the depreciation accruals and other charges representing the amortization of capital expenditures applicable to its power properties plus the net proceeds realized from any disposition of power facilities in said period.

"(g) Power generating and related facilities operated by the Corporation under lease and lease-purchase agreements shall constitute power property held by the Corporation within the meaning of section 13 of this Act, but that portion of the payment due for any fiscal year under said section 13 to a State where such facilities are located which is determined or estimated by the Board to result from holding such facilities or selling electric energy generated thereby shall be reduced by the amount of any taxes or tax equivalents applicable to such fiscal year paid by the owners or others on account of said facilities to said State and to local taxing jurisdictions therein. In connection with the construction of a generating plant or other facilities under an agreement providing for lease or purchase of said facilities or any interest therein by or on behalf of the Corporation, or for the purchase of the output thereof, the Corporation may convey, in the name of the United States by deed, lease, or otherwise, any real property in its possession or control, may perform engineering and construction work and other services, and may enter into any necessary contractual arrangements.

"(h) It is hereby declared to be the intent of this section to aid the Corporation in discharging its responsibility for the advancement of the national defense and the physical, social and economic development of the area in which it conducts its operations by providing it with adequate authority and administrative flexibility to obtain the necessary funds with which to assure an ample supply of electric power for such purposes by issuance of bonds and as otherwise provided herein, and this section shall be construed to effectuate such intent."

Mr. DAVIS of Tennessee. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. BASS of Tennessee, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3460) to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes, had come to no resolution thereon.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

TAX RELIEF NEEDED FOR SMALL BUSINESS EXPANSION

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, I have today introduced, for appropriate reference, a small business tax adjustment measure. My bill is identical to H.R. 2, introduced by my colleague [Mr. IKARD], and H.R. 13, introduced by my colleague, Mr. CURTIS of Missouri.

The basic objective of this legislation is, in simple terms, to encourage and stimulate expansion and growth of small business in this country. One of the means to accomplish this, Mr. Speaker, is to assure to small- and medium-sized enterprises the wherewithal to grow, by permitting them to retain more of their earnings after taxes. This source of revenue is essential since existing or new small businesses generally find that loans from banks and new equity capital are not readily available.

The proposed legislation provides that any person engaged in a trade or business shall be allowed as a deduction for the taxable year an amount measured by the additional investment in such trade or business for the taxable year.

It further provides that the deduction for any taxable year shall not exceed $30,000 or an amount equal to 20 per-

cent of the net income of such trade or business for the taxable year, whichever is the lesser.

I think we all share justified concern that, far from an expansion of presently existing small business enterprises or the creation of new ones, we have been plagued by small business failures.

Thus our problem is twofold. First, existing small business is failing at an unhealthy rate; and, second, for those weathering the economic storm, there is need to afford them the opportunity to grow.

In the matter of business failures, we should well take note of the figures released by the Small Business Administration. It bears out my contention that small business failures are occurring at an economically unhealthy rate. In its 10th semiannual report for the 6-month period ending June 30, 1958, the Small Business Administration reports that business failures, through June 30, 1958, numbered 8,071, as compared to 7,089 in the similar 1957 period. One can take pencil in hand and easily discover that for the given periods of comparison, small business failures jumped by 14 percent.

While this is happening, we continue to be faced with mergers and continued economic concentration of power. This is creating, as it has in the past, a challenge to provide competition within our free enterprise complex.

Mr. Speaker, concentration of economic power cannot be used as an example of economic growth—it represents economic inbreeding.

The expressed and implied objectives of this small business tax adjustment proposal are sound and are warranted. Its enactment would demonstrate that Congress has taken another step in encouraging business activity from which would flow more revenue for both Federal and State, as well as local, treasuries and increased employment. In addition, it would stimulate competition which is a prerequisite to a sound and workable free enterprise system.

I therefore urge my colleagues to support the objectives of the proposal placed before them.

HOUSING ACT OF 1959

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. STAGGERS. Mr. Speaker, if each of us were to take a brief moment in complete meditation on H.R. 2357, the Housing Act of 1959, I feel sure prompt action would be taken on the immediate passage of this legislation.

I sincerely hope the Rules Committee will see fit to have the bill brought to the House floor for attention. If this is not possible, I believe it should be brought up under suspension of rules in order to get it passed.

The passage of this measure would mean so much to thousands of individuals of our Nation—to young people who are trying to establish a home for themselves and their families, and to provide proper housing for the elderly.

Slums and slum-clearance programs have been of deep concern to municipalities and cities for years and years. The passage of the legislation would assist in relocating families and businesses, thus helping to alleviate the slum situation which is so prevalent in so many areas in the United States.

Statistics have indicated how many families would be benefited by the low-rent public housing program provided for in the bill. The military housing program, which is so essential to our national security, is also of utmost importance, as well as the new program for insuring housing loans for migratory farm labor.

I have received many communications from schools and colleges in my district in West Virginia, urging the passage of this bill which includes authorization of funds for continuation of the college housing loan program, as well as housing for nurses and interns, and related facilities.

AMENDMENT TO INTERNAL REVENUE CODE OF 1954

Mr. LEVERING. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LEVERING. Mr. Speaker, I am today introducing an amendment to the Internal Revenue Code of 1954 to allow a taxpayer a deduction from gross income for tuition and other expenses paid by him for his education or the education of his spouse or any of his dependents at a college or university.

There now are something over 2.5 million persons attending colleges and secondary schools in the United States. It is my hope, and I am sure it is the hope of all my colleagues, that this number will double in the next decade, as it has doubled since 1940.

But there was a great impetus to higher education following World War II that does not still exist for the younger men and women who will be graduating from college. I refer to the GI bill of rights, which, while it is still in existence, helps a diminishing number of young men each year because, of course, these youngsters who are now graduating from high school have not taken part in any war.

The Congress last year adopted a program of letting colleges have funds to lend to worthy and needy students. The amount of money available—$6 million—was just a drop in the bucket. The average college applying for these funds, I understand, received just about one-tenth of the amount applied for.

My bill is an attempt to attack the problem of helping assure our youngsters a college education by making it possible for taxpaying students, or their fathers and mothers to deduct the cost of the education from their incomes, before computing the net income on which they must pay income taxes.

As we all know, Mr. Speaker, the parents of teenaged children these days do not know what it means to have enough money, after they have paid onerous local, State, and Federal taxes. I have an acquaintance who has estimated that, when all three of his children are in college, the total cost to him will be around $8,000 a year.

To put three children through college, these days, easily costs a parent some $25,000. I am sorry to report to my colleagues that very few fathers make the kind of money that will allow them to feed and clothe themselves and their wives and to have enough money left to finance the education of several high school graduates. There are many families larger than three children, and of course, some with fewer children.

From the standpoint of Government—the good of the country—it is essential that every person who is mentally and physically able to go to college should do so. We need trained men and women to meet the challenges of this period. We must encourage children to go to college, and we must encourage parents to want to send their children to college. My bill, if enacted, certainly would serve as a stimulus to taxpaying students relying on their own income, as well as to parents who want to send their children to college, if the children have the desire to go and have the scholastic ability to make the grades. It is essential that we, through legislation, do everything in our power to encourage more parents to want to send their children to institutions of higher education, for, as I have noted, we desperately need, in this country, every educated person we can get through maximum use of our educational plant.

In my opinion, this bill, if enacted, would not cause the budget to be unbalanced. From the standpoint of needed human resources, our budget is far out of balance now, for we need tens of millions of college graduates, rather than just the 8 million out of 176 million who are college graduates. It is my hope that the Committee on Ways and Means will give priority to this needed legislation and that something can be done, in this session, to encourage parents or young men and women themselves in America to take hope that they will be able to obtain higher education, so important to our national strength in the perilous times.

AMENDING TITLE XXIII OF THE UNITED STATES CODE RELATING TO HIGHWAYS

Mr. RIEHLMAN. Mr. Speaker, I ask uanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, today I have introduced a bill to amend title 23 of the United States Code, relating to highways, in order to permit States having toll and free roads, bridges, and tunnels designated as part of the National

System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System. Several bills have been introduced this session for the same purpose. Some would effect this reimbursement in the same manner that I propose and others would do so by making cash grants to the several States. It is my understanding that hearings on this subject will be held by the Committee on Public Works on the 18th and 19th of May.

I introduced similar legislation in the last Congress. A few minor changes have been made in that bill and I am now dropping in a companion to S. 642, introduced in the other body by the distinguished Senators from New York.

I would call to the attention of my colleagues the fact that it was the intent of Congress, in passing the Federal-Aid Highway Act of 1956, that we consider the matter of reimbursement at an early date. To prove the intent of Congress that reimbursement should be considered, a provision, which is section 144 of the Federal Highway Act of 1956, was written into this legislation requiring the Secretary of Commerce to provide the Congress with a report by January of 1958 in which complete information would be set forth as to the cost of reimbursement to the States which had constructed, or had under construction at the time, freeways and toll roads. This report was made in January of last year to the Congress and is House Document No. 301, 85th Congress, 2d session.

Unfortunately, in the passage of the 1956 Federal Interstate Highway Act, Congress failed to provide for reimbursement in any form for highways which were completed or under construction and which would be part of the Interstate System. As a result, New York, along with a number of other States, has been penalized for having the foresight to build vitally needed facilities.

New York State has spent over a billion dollars on highways which are now a part of the Interstate System. More than half of this amount went for toll roads which were built without the assistance of Federal funds. The remaining portion was expended for free roads upon which 50 percent Federal aid was received.

On the basis of the report issued by the Secretary of Commerce included in House Document 301, 85th Congress, 2d session, New York State would be entitled to receive reimbursement of $882,800,000 for toll and free roads completed up to 1957, and properly depreciated.

I ask why New York, or any other State for that matter, should be penalized for moving ahead forcefully and effectively in helping to meet our pressing needs for modern highways, while other States, now receiving full benefits of this fine program, were not making similar efforts to improve outmoded highway systems?

Is it to be congressional intent to place a penalty on progress?

It is my sincere hope that the committee will approve a reimbursement bill and that my colleagues in Congress will then move to correct the inequities in the present law.

REIMBURSING STATES FOR INTERSTATE HIGHWAYS

Mr. DULSKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DULSKI. Mr. Speaker, today I introduced a bill to provide for reimbursement to the various States for interstate highways referred to in the Federal Aid Highway Act of 1956 which have been completed since 1947, or under contract for completion not later than June 30, 1957.

The obligation to the States which have constructed portions of the Interstate Highway System is evident. The Interstate System is a national project, and there is no reason why the Government should not be required to pay for these roads, and most certainly because of the fact that they were built and ready for use. The State of New York, which has spent huge sums on modern roads, is entitled to know what Federal funds will be allotted them in the ensuing years, so that it may continue to develop new plans for highway improvements.

The usefulness of these roads to the public was endorsed by their inclusion into the Interstate System. This bill will repay a legitimate obligation of the Federal Government to the States, for the U.S. Government has used the facilities of the States to support a national project which, in all fairness and equity, should be repaid.

The bill would pay the various States $4½ billion in the next 15 years. The State of New York, under this bill, would receive approximately $800 million for its existing contributions to the Interstate Highway System, paid for by the citizens of the State through gasoline taxes, tolls, and general tax levies.

TIMBER RESOURCES IN WEST VIRGINIA AND IN THE NATION

Mr. HECHLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER. Mr. Speaker, the Forest Service report on the "Timber Resources for America's Future" released in 1958 is well known to many Members in the Congress. It is a comprehensive report of the timber situation in America and of the Nation's timber needs by the years 1975 and 2000. My able colleague from Montana [Mr. METCALF] outlined the challenging need for a reforestation program in his remarks yesterday.

There are many aspects of the Forest Service report dealing with the protection, management, and regeneration of our 489 million acres of commercial forest land—the land we look to for our present and future supplies of forest products.

One important aspect of the forestry job at hand, however, is the regeneration of nonproductive acres by planting to trees. At the present time there are over 48 million acres in this nonproductive category. This is an area almost as large as the combined land areas of the States of Delaware, Pennsylvania, and my State of West Virginia.

It represents a tremendous job that to date has not been considered in the serious perspective which it deserves either by the Congress or the American people. At the present rate of tree planting, nationally, it will require almost 50 years to get this land back into full productivity.

Nearly two-thirds of my State of West Virginia is forest land. This means that 9.9 million acres of a total of 15.4 million acres is capable of producing usable and commercially valuable crops of trees. A total of 1 million acres needs to be planted to trees and of this amount 979,000 acres are on private lands. Another 10,000 acres are on State-owned lands. Therefore, we are faced with a tremendous job. To date our progress has not been fast enough to get this land back into full productivity within a reasonable number of years.

In 1958 we planted 5,054 acres on State and private lands. And since the tree planting program started in 1927 we have planted 43,737 acres of which some 32,000 acres became satisfactorily established plantations. Some of these trees were planted on abandoned farmland so that the actual acreage of nonproductive forest land rejuvenated to trees is smaller than the 32,000 acres just mentioned. Furthermore, mining activities and other land uses which destroy the forest cover are daily creating new acres in need of planting, which even now approach our current rate of restoration.

We have one State nursery located at Parsons, W. Va. Our State forester operates this nursery. In 1958 he produced 5,377,000 tree seedlings for planting. He cooperates with the U.S. Forest Service under provisions of section 4 of the Clarke-McNary Act. In the present fiscal year of 1959 he will receive some $25,500 of Federal funds to combine with $59,189 of State funds to grow about 7 million seedlings. In fiscal year 1960, however, the amount of Federal participation in the long-time cooperative tree planting endeavor will be reduced to about $4,500. This cut results from the reduction in the fiscal year 1960 Federal Budget in tree planting funds from $790,000 to $290,000.

The authorization in the Clarke-McNary Act for the planting cooperation with the States is $2.5 million. Despite some 48 million acres of State and private forest land to replant in America, the cooperative Clarke-McNary appropriations are being gradually whittled down to an almost insignificant amount—and at a time when my State of West Virginia and the other 49 States have begun to make headway in increasing their tree planting activities.

It is, therefore, imperative that the Congress take a new look at the tree planting efforts and programs of the various States. Existing legislation pro-

vides authorizations and authority for getting the job under way. New legislation may be necessary to stimulate action on the part of Congress. The resolution which I have introduced along with numerous of my colleagues should awaken us again to the urgent need of getting along with the tree planting job in an earnest realistic, and adequate manner, of value to West Virginia and to the Nation.

THE AMERICAN ASSEMBLY'S ARDEN HOUSE CONFERENCE ON WAGES, PRICES, PROFITS, AND PRODUCTIVITY

Mr. REUSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, the American Assembly, a nonpartisan public service designed to throw light on problems of public policy, held its 15th assembly at Arden House, Harriman, N.Y., last weekend on "Wages, Prices, Profits, and Productivity." The organization brought together some 60 conferees from business, labor, farm groups, the professions, government, and the academic community.

The participants in the April 30–May 3, 1959, conference were:

Hugo A. Anderson, First National Bank of Chicago, Ill.

Harry Robert Bartell, Harriman scholar, Columbia University.

Atherton, Bean, president, International Milling Co., Minneapolis.

Ralph H. Bergmann, United Rubber, Cork, Linoleum and Plastic Workers of America, Akron.

Richard W. Bolling, U.S. Congressman from Missouri.

William G. Bowen, industrial relations section, Princeton University.

Courtney C. Brown, dean, Graduate School of Business, Columbia University.

Thomas H. Carroll, vice president, the Ford Foundation, New York.

Ewan Clague, U.S. Commissioner of Labor Statistics, Washington.

Joseph S. Clark, U.S. Senator from Pennsylvania.

John Cowles, president, Minneapolis Star & Tribune, Minnesota.

Catherine B. Cleary, vice president, First Wisconsin Trust Co., Milwaukee.

Gerhard Colm, National Planning Association, Washington, D.C.

John T. Dunlop, professor of economics, Harvard University.

Julian B. Feibelman, rabbi, Temple Sinai, New Orleans.

Philip J. Fitzgerald, Dean Witter & Co., San Francisco.

William C. Foster, vice president, Olin Mathieson Chemical Corp., Washington, D.C.

Henry H. Fowler, Fowler, Leva, Hawes & Symington, Washington, D.C.

Joseph Friedman, Harriman scholar, Columbia University.

Edwin B. George, Dun and Bradstreet, Inc., New York.

Ben S. Gilmer, president, Southern Bell Telephone & Telegraph Co., Atlanta.

W. Averell Harriman, New York.

Leland Hazard, Pittsburgh Plate Glass Co., Pennsylvania.

Benjamin Higgins, professor of economics, University of Texas.

George H. Hildebrand, professor of economics, University of California, Los Angeles.

John M. Houchin, vice president, Phillips Petroleum Co., Bartlesville, Okla.

Norris O. Johnson, vice president, First National City Bank of New York.

J. M. Kaplan, New York.

Everett M. Kassalow, Industrial Union Department, AFL–CIO, Washington, D.C.

Lester S. Kellogg, Deere & Co., Moline, Ill.

John W. Kendrick, associate professor of economics, George Washington University.

Clark Kerr, president, University of California, Berkeley.

Robert L. Kirkpatrick, Kirkpatrick, Pomeroy, Lockhart & Johnson, Pittsburgh.

Allan B. Kline, International Development Advisory Board, Illinois.

James N. Land, senior vice president, Mellon National Bank & Trust Co., Pittsburgh.

T. A. Lane, major general, U.S.A., commanding general, Fort Leonard Wood.

Isador Lubin, Franklin D. Roosevelt Foundation, New York.

Daniel May, chairman, May Hosiery Mills, Nashville.

John G. McLean, vice president, Continental Oil Co., Houston.

William B. Miller, executive secretary, Town Hall, Los Angeles.

Robert R. Nathan, Robert R. Nathan Associates, Inc., Washington, D.C.

Fred M. Nelson, chairman, Texas Gulf Sulphur Co., Houston.

Gustav Peck, Legislative Reference Service, Library of Congress, Washington, D.C.

Howard C. Petersen, president, Fidelity-Philadelphia Trust Co., Philadelphia.

Sylvia F. Porter, the New York Post.

John Post, Continental Oil Co., Houston.

Jacob S. Potofsky, president, Amalgamated Clothing Workers of America, New York.

Albert Rees, associate professor of economics, the University of Chicago.

Henry S. Reuss, U.S. Congressman from Wisconsin.

Benjamin C. Roberts, professor of economics, London School of Economics.

Arthur M. Ross, director, Institute of Industrial Relations, University of California, Berkeley.

Stanley H. Ruttenberg, director of research, AFL–CIO, Washington, D.C.

Charles B. Shuman, president, American Farm Bureau Federation, Chicago.

Leonard Silk, economics editor, Business Week, New York.

Sumner H. Slichter, professor of economics, Harvard University.

S. Abbot Smith, president, Thomas Strahan Co., Chelsea, Mass.

Herbert Stein, Committee for Economic Development, Washington, D.C.

Nat Weinberg, United Auto Workers, Detroit.

John L. Weller, president, Seatrain Lines, Inc., New York.

The Reverend Hugh C. White, Jr., Detroit Industrial Mission, Michigan.

David J. Winton, Minneapolis.

Emmett Wallace, Harriman scholar, Columbia University.

Allen Wallis, executive vice chairman, Cabinet Committee on Price Stability for Economic Growth, the White House.

At the close of their discussion, the participants reached general agreement on a final report. Though general agreement was reached, every participant did not necessarily subscribe to every recommendation included in the report:

FINAL REPORT OF THE 15TH AMERICAN ASSEMBLY

We have examined four main aspects of wage-price-profits-productivity relationships: the measures and their limitations, factors in the postwar inflation, the compatibility of national economic goals, and policy proposals.

I. THE MEASURES AND THEIR LIMITATIONS

Informed public discussion of wages, prices, profits, and productivity depends upon a better understanding of the measures used and their limitations. There are many types of measures; which should be used in any specific case depends upon the purposes of the user.

Limitations of existing measures were discussed. Wage data, for example, often relate only to production workers. There should also be data for nonproduction workers, further data on supplements to wages and salaries (fringe benefits), and better data for nonmanufacturing industries. The Consumer Price Index (formerly called the cost-of-living index) overstates the upward movement of prices, since quality improvements, which are difficult to measure, cannot be taken fully into account. There was general agreement that the Consumer Price Index is so often used for wage and salary adjustments today that it needs to be continuously improved. Among other limitations, productivity measures tend to understate increases because quality improvements are difficult to calculate. Estimates of profit need a better statistical base, and adjustments to reflect changes in accounting procedures. The impact of price changes on depreciation allowances and the relationship between profits and investment should be studied.

At best, available statistical measures are rough, and significance should not be attached to small- or short-period changes. Care should be used in selecting the time periods for which comparisons are made.

There was general agreement that more financial support is needed for governmental and private statistical agencies both for collection of data and, even more, for their analysis. It was urged that funds be appropriated for a survey of consumer expenditures to provide new weights for the Consumer Price Index. Funds should be made available for collection and more prompt publication of better data on all resources used in the economy, including labor and capital by type and amount actually used. Also, funds should be made available for needed knowledge of the compensation of unemployment, and compensation of nonproduction workers and employees outside of manufacturing.

II. FACTORS IN THE POSTWAR INFLATION

Money wages and retail prices have not risen as much in the United States as in

most other industrial countries since 1948. The base year partially explains this difference, but if a more recent base year were chosen, our record would still be good by comparison.

There was considerable discussion of the relative importance of the upward pull of demand on prices as compared to the upward push of costs since the end of the war. It was generally agreed that during the immediate postwar period (1945–48) price movements were dominated by demand factors—the pentup demand carried over from the war, and the relatively easy money policies. After the outbreak of the Korean war in 1950, demand forces were again dominant for a brief period.

There was general agreement that the 1953–57 period had somewhat different characteristics: monetary restraint was greater, demand forces less buoyant, output growth less rapid, price rises somewhat smaller and profit margins lower. Wages continued to increase. The investment boom in 1955–57 created a demand pull for many producers' goods, and the shifts in consumer demand toward services (for example, medical services) contributed to the rising price of services, so that cost and demand factors were both operating. However, the continued advance of prices and wages in the late 1957–58 period could hardly be explained by general excess demand.

There were differences of opinion regarding the relative significance of these factors. Some participants placed primary stress on negotiated wage increases, especially in those industries where wages seem to have been "pushing against an open door," and pointed out that they tend to be transmitted in wage increases throughout the labor market and in price increases throughout the economy. Others called attention to the price policies of firms, particularly in highly concentrated industries, the effects of which are also transmitted throughout the economy. The interrelationship of market structure, wage policies, price policies and profits is seen clearly in the contrasting experience of the steel and clothing industries, for example. Since these forces often operate concurrently and are frequently interdependent, many participants felt it may be misleading to blame any particular factor or group for increases in labor costs and prices.

III. THE COMPATIBILITY OF NATIONAL ECONOMIC GOALS

There was considerable discussion of national economic goals and the extent to which they are compatible. These include a sustained and strong rate of economic growth, full employment, reasonable price stability, national security and industrial peace within the framework of our free institutions. There was general agreement that the achievement of some of these goals may involve the partial sacrifice of others.

Many felt that the average level of unemployment during 1953–58 of 4.7 percent (approximately 3 million unemployed) was too high. Reliance on large-scale unemployment to achieve price stability is intolerable in our present society. If the cost of price stability is a high level of unemployment (which may not be the case) many would prefer a mild increase in prices.

There was consensus that the rate of growth in the American economy should be increased, even if this interferes with the full attainment of other economic goals. Many believed that this would mean a 4 or 5 percent rate instead of the recent lower rate. They shared the view that a lower rate of economic growth imposed by an unduly restrictive monetary policy, the principal aim of which is price stability, impairs our international position, makes financing much-needed public improvements difficult, involves loss of production, increases unemployment, wastes skills, bears unevenly upon certain sectors of the economy, and imperils marginal firms. Some, however, dissented, holding that a higher rate of growth requires price stability, accompanied if necessary by a restrictive monetary policy.

Some thought that preoccupation with inflation impaired the attainment of other economic goals. Many believed that the Consumer Price Index is not likely to increase very much in the next several years. A minority felt that we will have more inflation unless vigorous action is taken to arrest the cost-push as well as to restrain demand. This difference was reflected in the discussion of policy choices.

IV. POLICY PROPOSALS

1. We should seek maximum sustained economic growth as a primary national objective because it is essential to the improvement of living standards and national security. In the pursuit of economic growth, however, we should seek to maintain a reasonably stable price level and to hold unemployment to the minimum necessary to preserve flexibility in the economy. Although the United States has done reasonably well since 1951 in maintaining price stability, we should develop a higher utilization of the labor force and achieve faster economic growth through increased productivity.

2. It is urgent that management, labor, and Government take measures to accelerate the rate of increase in productivity. Among the steps that can be taken are these: increasing expenditures on research and development; improving the quality of education; training more scientific, technical, and managerial personnel; upgrading the skills of the labor force; eliminating restrictive practices by labor and management; and stimulating the ideas and energies of our work force.

3. Measures should be taken to increase worker mobility and to improve the operation of the labor market. Such measures might include severance and relocation allowances, retraining programs, employment of qualified older workers, transferability of pension rights, the extension of seniority units, provision of part-time jobs, and diversification of economic activity in distressed areas.

4. Although reliance on unemployment is not an acceptable method of controlling inflation, it is recognized that a dynamic economy brings about fluctuations in employment in particular occupations, industries and areas.

5. Radical change in our present wage-setting machinery would not be a fruitful approach to the inflation problem. Foreign experience does not suggest the desirability for the United States of economywide bargaining as an alternative to our more decentralized system. Breaking up national unions into smaller units would also not be an effective way of seeking greater wage and price stability.

6. The average increase in output per man-hour in the economy as a whole is a relevant consideration in wage negotiations, but in view of the numerous other factors to be weighed and reconciled, it cannot be the only criterion of a proper adjustment.

7. Appropriate monetary and fiscal policies are necessary to deal with inflation arising from excessive demand. However, sole reliance on these measures is inadequate for dealing with price increases in the face of excess capacity and unemployment.

8. Despite the seriousness of our present international position, direct general government controls of prices and wages are incompatible with the institutions of a free economy.

9. As one means of achieving price stability, the government should work toward a freer market in agricultural products, reflecting advances in productivity. Special measures should be provided to ameliorate economic hardships upon individuals.

10. Price stability should be encouraged by reducing tariffs and other impediments to international trade. Measures to provide temporary relief for areas adversely affected by tariff policy may be appropriate to facilitate readjustments.

11. Effective competition will help bring down prices raised by monopoly power. We favor vigorous enforcement of the antitrust laws. Acts in restraint of trade in the market for goods and services, now illegal when committed by business firms or by firms and unions jointly, should also be illegal when undertaken by unions alone.

12. Pleas by Government officials for restraint and responsibility in wage and price decisions are likely to have little effect on the course of wage and price movements.

Some participants thought that industries of importance as pattern setters should be subject to impartial factfinding review of their wage bargains and price decisions to acquaint the public with their consequences. However, very few supported a procedure delaying the putting into effect of wage and price increases in key industries pending public investigation.

13. An annual conference of labor, management, and Government representatives should be convened, shortly after the presentation of the President's Economic Report, to discuss wages, prices, profits, and productivity as related to national economic goals. These sessions should not be concerned with any particular contract negotiations. The objective is to reduce the diversity of views about the short-term and long-term economic outlook and to discuss appropriate private and public policies to achieve growth and stability.

Mr. Speaker, if one notes the varied background of the participants in the 15th American assembly, one is struck by the fact that the recommendations in the final report are nonetheless meaningful. This is in accord with the guiding spirit of the American assembly when it was established by Columbia University in 1950. Dwight D. Eisenhower, then president of Columbia University, said:

> The American assembly presupposes that the practice of democracy demands individual sacrifices, particularly in reconciling divergent views in order to accomplish a common purpose.

As one who was privileged to participate in the 15th American assembly, I am deeply grateful to those who have made it possible, including the American assembly's officers: Henry M. Wriston, president; Clifford C. Nelson, vice president; Peter C. Grenquist, secretary.

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

The SPEAKER. Under the previous order of the House, the gentleman from North Carolina [Mr. FOUNTAIN] is recognized for 30 minutes.

Mr. FOUNTAIN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include a copy of a bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. FOUNTAIN. Mr. Speaker, I have today introduced a bill to establish a permanent Advisory Commission on In-

tergovernmental Relations. The ranking minority member of the Intergovernmental Relations Subcommittee of the House Committee on Government Operations, the distinguished gentlewoman from New Jersey [Mrs. DWYER], has introduced an identical bill. In doing so, we are following a recommendation which was adopted unanimously by the Committee on Government Operations and reported to the House last August in the committee's 30th report—House Report No. 2533—entitled "Federal-State-Local Relations, Federal Grants-in-Aid."

Personally, as a former State legislator and as a Member of the Congress, I have always taken a very critical attitude toward most proposals for the creation of new commissions and committees. I have always felt that the need for such bodies should be clearly established. In my judgment, however, the need for an advisory body of the type proposed in this bill was adequately documented in the hearings held by our Intergovernmental Relations Subcommittee throughout the country during the fall of 1957. Such a commission would not, of course, be a panacea for eliminating all of the sore spots that arise out of the division of powers in our Federal system. It would, however, be a modest but constructive step in the right direction.

The proposed commission would not duplicate the work already performed by the Commission on Intergovernmental Relations—known also as the Kestnbaum Commission—which was established by action of the Congress in 1953 and which issued its final report in June 1955. That body devoted its energies principally to a much-needed basic reappraisal of our Federal form of Government in the light of its origin and development. The philosophy and principles of federalism reported by the Kestnbaum Commission were found by our subcommittee to be generally valid and widely accepted.

Building on the foundation laid by the Kestnbaum Commission studies and the work of our subcommittee, I believe it is desirable that we now concentrate on the practical and continuing problem of seeking to improve the operation of our Federal system, and particularly the design and consistency of the innumerable Federal grants. For example, with grant proposals suggested from various and sundry sources, originating in many different executive agencies and committees of the Congress, it is almost inevitable that features are adopted in individual programs which tend to weaken the grant structure as a whole.

It is the committee's thought that the Commission proposed, whose role would be purely advisory, could serve as a central point for reviewing the characteristics of grant programs and proposals for their overall effects on the States and the Federal system. It might be noted in this connection that features such as provision for judicial review of Federal administrative decisions and the degree of equalization contained in grant formulas vary considerably between grant programs, at times with questionable justification. With reference to equalization formulas, the increasing use of State per capita personal income as an element in grant formulas points up the need for an authoritative examination of the soundness of this measure for achieving the various program objectives.

The most important function of the Commission, in my judgment, would be that of bringing together Federal, State, and local officials on a continuing basis for discussion of the problems which concern and affect all levels of government. Just as it is an impediment in international affairs, so too the lack of effective communication often contributes to misunderstandings in our domestic relations and sometimes even promotes hostility between levels of Government.

It is my hope that by periodically bringing together Federal, State, and local officials, representing both the executive and legislative branches, the Commission would provide a favorable atmosphere for promoting mutual understanding and would help to produce a smoother functioning of our Federal system.

In drafting this bill, I had hoped to provide for an equal sharing of the Commission's expenses by the Federal Government and the States as a group. I feel that this is a direction in which we eventually must move if the States are to demonstrate financial responsibility with respect to intergovernmental activities and realize their full potential in our Federal system. The bill Mrs. DWYER and I have introduced does not contain such a financing provision only because serious questions have been raised as to the feasibility and practicability of obtaining State financial participation at the present time. I am hopeful that the committee to which this bill is assigned may be able to work out a suitable arrangement along these lines in the course of hearings on the bill. In any event, I am convinced that the proposed Advisory Commission can be a valuable asset and should be established even if full Federal support is required. The Commission's operating budget should be very modest under the bill as it is drawn.

The possibilities for facilitating better intergovernmental relations from the city hall to our Nation's Capitol are inherent in this bill. I hope they will not be neglected and that the Members of this House will carefully consider this legislation. For the convenience of the Members, I am inserting at the end of my remarks a copy of the proposed legislation.

A BILL TO ESTABLISH AN ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That—

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

SECTION 1. There is hereby established a permanent bipartisan Commission to be known as the Advisory Commission on Intergovernmental Relations, hereinafter referred to as the "Commission."

DECLARATION OF PURPOSE

SEC. 2. Because the complexity of modern life intensifies the need in a federal form of government for the fullest cooperation and coordination of activities between the levels of government, and because population growth and scientific developments portend an increasingly complex society in future years, it is essential that an appropriate agency be established to give continuing attention to intergovernmental problems.

It is intended that the Commission, in the performance of its duties, will:

(1) Bring together representatives of the Federal, State, and local governments for the consideration of common problems;

(2) Provide a forum for discussing the administration and coordination of Federal grant and other programs requiring intergovernmental cooperation;

(3) Give critical attention to the conditions and controls involved in the administration of Federal grant programs;

(4) Make available technical assistance to the executive and legislative branches of the Federal Government in the review of proposed legislation to determine its overall effect on the Federal system;

(5) Encourage discussion and study at an early stage of emerging public problems that are likely to require intergovernmental cooperation, and

(6) Recommend, within the framework of the Constitution, the most desirable allocation of governmental functions and responsibilities among the several levels of government.

MEMBERSHIP OF THE COMMISSION

SEC. 3. (a) The Commission shall be composed of 24 members, as follows:

(1) Six appointed by the President of the United States, three of whom shall be officers of the executive branch of the Government, and three private citizens, all of whom shall have had experience or familiarity with relations between the levels of government;

(2) Three appointed by the President of the Senate, who shall be members of the Senate;

(3) Three appointed by the Speaker of the House of Representatives, who shall be members of the House;

(4) Four appointed by the President from a panel of at least six Governors submitted by the Governors' Conference;

(5) Three appointed by the President from a panel of at least five members of State legislative bodies submitted by the Board of Managers of the Council of State Governments;

(6) Four appointed by the President from a panel of at least six mayors submitted jointly by the American Municipal Association and the United States Conference of Mayors.

(7) One appointed by the President from a panel of at least two elected county officers submitted by the National Association of County Officials.

(b) The members appointed from private life under paragraph (1) of subsection (a) shall be appointed without regard to political affiliation; of each class of members enumerated in paragraphs (2) and (3) of subsection (a), two shall be from the majority party of the respective houses; of each class of members enumerated in paragraphs (4), (5), and (6) of subsection (a), not more than two shall be from any one political party; of each class of members enumerated in paragraphs (5) and (6) of subsection (a), not more than one shall be from any one State; at least two of the appointees under paragraph (6) of subsection (a) shall be from cities under 500,000 population.

(c) The term of office of each member of the Commission shall be 2 years, but members shall be eligible for reappointment.

ORGANIZATION OF THE COMMISSION

SEC. 4. (a) The President shall convene the Commission within 90 days following enactment of this Act at such time and place as he may designate for the Commission's initial meeting. The President, or his designee, shall serve as the Commission's temporary Chairman pending the election of a permanent Chairman.

(b) The Commission shall elect a Chairman and a Vice Chairman from among its members.

(c) Any vacancy in the membership of the Commission shall be filled in the same manner in which the original appointment was made; except that where the number of vacancies is fewer than the number of members specified in paragraphs 4, 5, and 6 of Section 3(a), each panel of names submitted in accordance with the aforementioned paragraphs shall contain at least one name more than the number of vacancies.

(d) Where any member ceases to serve in the official position from which originally appointed under section 3(a), his place on the Commission shall be deemed to be vacant.

(e) Twelve members of the Commission shall constitute a quorum, two or more members shall constitute a quorum for the purpose of conducting hearings.

DUTIES OF THE COMMISSION

SEC. 5. It shall be the duty of the Commission—

(1) To engage in such activities and to make such studies and investigations as are necessary or desirable in the accomplishment of the purposes set forth in section 2 of this Act.

(2) To consider, on its own initiative, ways and means for fostering better relations between the levels of government.

(3) To submit an annual report to the President and the Congress on or before January 31st of each year. The Commission may also submit such additional reports to the President, to the Congress or any committee of the Congress, and to any unit of Government or organization as the Commission may deem appropriate.

POWERS AND ADMINISTRATIVE PROVISIONS

SEC. 6. (a) The Commission or, on the authorization of the Commission, any subcommittee or members thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings, take such testimony, and sit and act at such times and places as the Commission deems advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or any subcommittee or members thereof.

(b) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman or Vice Chairman, such information as the Commission deems necessary to carry out its functions under this Act.

(c) The Commission shall have power to appoint, fix the compensation of, and remove a Staff Director without regard to the civil service laws and the Classification Act of 1949. Such appointment shall be made solely on the basis of fitness to perform the duties of the position and without regard to political affiliation.

(d) Subject to such rules and regulations as may be adopted by the Commission, the Chairman, without regard to the civil service laws and the Classification Act of 1949, and without reference to political affiliation, shall have the power—

(1) to appoint, fix the compensation of, and remove such other personnel as he deems necessary

(2) to procure temporary and intermittent services to the same extent as is authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a) but at rates not to exceed $50 a day for individuals.

(e) Except as otherwise provided in this Act, persons in the employ of the Commission under subsections (c) and (d)(1) of this section shall be considered to be Federal employees for all purposes, including—

(1) the Civil Service Retirement Act, as amended (5 U.S.C. 2251–2267),

(2) the Federal Employees' Group Life Insurance Act of 1954, as amended (5 U.S.C. 2091–2103),

(3) annual and sick leave, and

(4) the Travel Expense Act of 1949, as amended (5 U.S.C. 835–842).

(f) No individual employed in the service of the Commission shall be paid compensation for such employment at a rate in excess of $20,000 per annum.

COMPENSATION OF COMMISSION MEMBERS

SEC. 7. (a) Members of the Commission who are Members of Congress, officers of the executive branch of the Federal Government, Governors, or full-time salaried officers of city and county governments shall serve without compensation in addition to that received in their regular public employment, but shall be allowed necessary travel expenses, including subsistence (or, in the alternative, a per diem in lieu of subsistence not to exceed the rate prescribed in the Travel Expense Act of 1949, as amended), without regard to the Travel Expense Act of 1949, as amended (5 U.S.C. 835–842), the Standardized Government Travel Regulations, or section 10 of the Act of March 3, 1933 (5 U.S.C. 73b), and other necessary expenses incurred by them in the performance of duties vested in the Commission.

(b) Members of the Commission, other than those to whom subsection (a) is applicable, shall receive compensation at the rate of $50 per day for each day they are engaged in the performance of their duties as members of the Commission and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the Commission, as provided for in subsection (a) of this section.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

Mrs. DWYER. Mr. Speaker, will the gentleman yield?

Mr. FOUNTAIN. I yield to the gentlewoman from New Jersey.

Mrs. DWYER. Mr. Speaker, it is a pleasure to join with the chairman of the Subcommittee on Intergovernmental Relations, the distinguished gentleman from North Carolina [Mr. FOUNTAIN] in sponsoring legislation to implement one of the most important recommendations made by the subcommittee last year after its extensive study of the functioning of the major Federal grant-in-aid programs.

The creation of a permanent Advisory Commission on Intergovernmental Relations would help bring order, understanding, careful planning, and more effective control into the complex world of Federal-State-local relations.

During the nearly 2 years in which I participated in the subcommittee study, I was frequently surprised and concerned at the absence of these characteristics in many of the operations of our Federal system.

Let me illustrate briefly, Mr. Speaker:

State and local officials often had no specific information as to how proposed Federal aid programs could be expected to affect their States or localities.

No systematic means are available whereby Congress or the executive branch, should new programs be considered or older programs be amended, can study the question in the perspective of the whole grant system or can readily obtain current information as to the needs and views of States and municipalities.

Similarly, no systematic provision has been made for periodic review of grant programs, to determine their accomplishments and the extent of the unmet needs, or to consider whether or not the programs should be continued.

Despite the increasing complexity of our society and its economic and political systems, there is no existing machinery whereby improved relations between the several levels of government can be fostered and encouraged. I should add that the subcommittee found wide support for some such form of continuing examination of the Federal system.

There is insufficient data available indicating the relative fiscal effort being made by States and localities in areas of present or proposed Federal grant programs—data that is extremely important in formulating or reviewing Federal-aid programs.

Throughout the period since Federal-aid programs were first developed, there has been a wide variation in program practices and standards—variations that are sometimes illogical and difficult to justify.

The proposed Advisory Commission, Mr. Speaker, can contribute greatly to overcoming these shortcomings.

Such a Commission would provide a central clearinghouse for information about all aspects of intergovernmental relations. It would be a forum for discussion of specific problems and particular programs. On a continuing basis, it would give specialized attention to intergovernmental problems, promote greater cooperation among Federal, State, and local units of government in approaching the solution of such problems, and in general would provide a systematic means for encouraging better relations between these several levels of government.

More specifically, the Advisory Commission would be authorized by the bill to study and investigate particular intergovernmental problems. It would provide technical assistance and make reports to the President and the Congress. It would recommend, within the framework of the Constitution, the desirable allocation of government responsibilities in solving particular intergovernmental problems. It would review existing grant programs, estimate their achievements and suggest future changes. It would be a source of data and information of all kinds relevant to an understanding of the operations of our Federal system.

Perhaps most important, Mr. Speaker, the Advisory Commission on Intergovernmental Relations would be composed of active, responsible officials of government at all levels. This fact would encourage more meaningful discussions and provide a more realistic basis for promoting better relations between the Federal, State, county and local governments. As a forum for critical analysis of existing programs and their administration, the Commission would serve a real need. And by encouraging discus-

sion and consideration at an early stage of potential future problems, the Commission would provide a means of ensuring more orderly and informed and coordinated handling of intergovernmental problems at the proper time.

The subcommittee's extensive experience, Mr. Speaker, convinces me that the Advisory Commission we propose today would constitute a constructive force in protecting and strengthening the Federal system of Government to which we all subscribe.

Mr. FOUNTAIN. I thank the gentlewoman from New Jersey. She has contributed much help to the committee which I have the honor to chairman. She has traveled throughout the country with us in getting information which has resulted in the introduction of this legislation.

INTERPOSITION: THE NEGLECTED WEAPON

Mr. WILLIAMS. Mr. Speaker, on April 23 I was granted permission to extend my remarks in the RECORD and to include extraneous matter, which appeared on page A3365 of the daily RECORD of that date. However, through inadvertence on the part of the printer, the following portion was omitted:

In view of the successful northern use of interposition, and the successful and effective employment of interposition in the South, the Governors of the Southern States should immediately utilize the resolutions, declarations, and acts of interposition made available to them by the legislatures, or the people, of their respective States.

Certainly the legislatures, or the people, of the various States that passed resolutions of interposition did not do so for the purpose of allowing them to remain unused as meaningless gestures in this fundamental struggle to maintain the balance between Federal and State power.

Interposition is indeed the neglected weapon, not to be used to defy Federal power, but to contain that power within its proper constitutional limits, so that our State sovereignties may be preserved as the best guarantee of our constitutional freedoms in this great Republic.

Mr. Speaker, I ask unanimous consent to extend my remarks and to include the entire article.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

(The article follows:)

INTERPOSITION: THE NEGLECTED WEAPON

(By Drew L. Smith, member of the Louisiana Bar, New Orleans)

(In view of the successful northern use of interposition, and the successful and effective employment of interposition in the South, the Governors of the Southern States should immediately utilize the resolutions, declarations, and acts of interposition made available to them by the legislatures, or the people, of their respective States. Certainly the legislatures, or the people, of the various States that passed resolutions of interposition did not do so for the purpose of allowing them to remain unused as meaningless gestures in this fundamental struggle to maintain the balance between Federal and State power. Interposition is indeed the neglected weapon, not to be used to defy Federal power, but to contain that power within its proper constitutional limits, so that our State sovereignties may be preserved as the best guarantee of our constitutional freedoms in this great Republic.)

As a result of the U.S. Supreme Court decision of May 17, 1954, invalidating segregation in the public schools of the Nation, the Southern States, with approximately three-fourths of the Negroes in this country, have been thrown into such turmoil as they have not known since the dark days of Reconstruction.

Once again the power of the Federal Government is being employed to coerce the South into accepting racial integration in all public institutions.

Since the enunciation of the above decision the South has determinedly sought to find a legal solution to contain the race problem within the bounds of segregation, so arduously developed over the generations.

This is being done in order that the white and Negro people of this region may continue to live together on a peaceful basis, and in order that the racial integrity of the two races may be perpetuated for the general welfare of all concerned.

Indeed, it is also being done not just for these purposes alone, but to preserve the principles of States rights and constitutional government for all people everywhere in this Nation.

INTERPOSITION

In her search for a means to accomplish this there suddenly appeared on the horizon the word "interposition." Editors and publishers throughout the South, and some in the North, thoroughly explained in many editorials how individual States, among them some Northern States, in many instances, had successfully interposed the State's power to protect the people of the State from an unconstitutional act of any branch of the Federal Government.

One of the best examples of interposition came from the North, and we may refer with profit to what happened in the State of Wisconsin concerning fugitive slaves.

Under the Federal Fugitive Slave Act of September 18, 1850, U.S. marshals were empowered to arrest fugitive slaves in any of the States of the Union and return them to their former masters. Sherman Booth, a Wisconsin editor, was charged under this act with unlawfully aiding a fugitive slave from Missouri to escape from the lawful custody of a U.S. marshal. Booth applied for a writ of habeas corpus to the Supreme Court of Wisconsin,[1] alleging in his application that the Fugitive Slave Act under which he was arrested and imprisoned was unconstitutional and void.

The language of the Court in declaring the act unconstitutional, and the freeing of Booth from custody, is such a forceful presentation of States rights and so appropriate and timely to the segregation problem in the South today, that it is quoted from extensively, as follows:

"Justice SMITH. I would gladly escape from deciding upon a question so grave as to whether the act of Congress is unconstitutional and void, but I believe the last hope of free, representative and responsible government rests upon the State sovereignties, and fidelity of State officers to their double allegiance to the State and Federal Government. To yield acquiescence in, and support to, every power constitutionally exercised by the Federal Government, is the sworn duty of every State officer, but it is equally his duty to interpose a resistance to the extent of his power, to every assumption of power on the part of the Federal Government, which is not expressly granted or necessarily implied in the Federal Constitution.

"Nor can I yield to the doctrine early broached, but as early repudiated, that any one department of the Government is constituted the final and exclusive judge of its own delegated powers. No such tribunal has been created by the fundamental law.

"The judicial department of the Federal Government is the creature by compact of the States, as sovereignties, and their respective people. That department can exercise no power not delegated to it. All power not delegated, and not prohibited to the States, the States have expressly reserved to themselves and to the people. To admit that the Federal judiciary is the sole and exclusive judge or its own powers and the extent of the authority delegated, is virtually to admit that the same unlimited power may be exercised by every other department of the General Government, both legislative and executive, because each is independent of, and coordinate with the other. Neither has any power but such as the States and their respective people have delegated and all power not delegated remains with the States and the people thereof. The power of the Federal Government depends solely upon what the States have granted.

"I solemnly believe that the last hope of free representative and Federal Government rests with the States. Increase of influence and patronage on the part of the Federal Government, naturally leads to consolidation, consolidation to despotism and ultimate anarchy, dissolution and all its attendant evils. Without the States there can be no Union, the abrogation of State sovereignty is not a dissolution of the Union but an abrogation of its elements.

"The Constitution not only confers powers upon the Federal Government but it guarantees rights to the States and to the citizens. The States derive not one single attribute of power or sovereignty from the Constitution of the United States. They were preexisting sovereignties. The Federal Government is one of the delegated powers, the State government is one of inherent or reserved powers; the former competent to act only within the sphere prescribed by the Constitution, the latter exercising all the functions of sovereignty not delegated or relinquished by that instrument. A judicial determination without the constitutional sphere would be no judgment or decree."

Following the above decision Booth was again charged and convicted in the U.S. District Court in 1855, and once again was freed by the Wisconsin Supreme Court. Later in the year the U.S. Supreme Court issued a writ of error which the Wisconsin Supreme Court ignored, even refusing to send up a copy of its record. This record was finally obtained by the Supreme Court in 1857. In 1858 the Supreme Court[2] reversed the judgment of the Wisconsin Supreme Court. When the State courts refused to enforce the judgment of the U.S. Supreme Court, Booth was rearrested in 1860 by a U.S. marshal, only to obtain a pardon in that same year from President Buchanan.

As a result of the decision in *Ableman* v. *Booth*, the Wisconsin Legislature[3] enacted a resolution of interposition in 1859 which is briefly quoted from as follows:

"*Resolved*, That the Government formed by the Constitution of the United States was not made the exclusive or final judge of the extent of the powers delegated to itself; but as in all other cases of compact among parties having no common judge, each party has an equal right to judge for itself as well of infractions as of the mode and measure of redress * * * that the several States which formed that instrument, being sovereign and independent, have the unquestionable right to judge its infraction, and that a positive defiance by these sovereignties of

[1] *In re Booth* (3 Wis. 1).

[2] *Ableman* v. *Booth* (62 U.S. 506).

[3] General Laws of Wisconsin, 1859.

all unauthorized acts done or attempted to be done under color of that instrument is the right remedy."

Most of the other Northern States enthusiastically supported the action taken by Wisconsin in interposing the power of the State, to check unconstitutional and unlawful acts of the Federal Government.

SOUTHERN STATES PROVIDING FOR INTERPOSITION

Observing what had been so effectively done by the Northern States on the issue of slavery convinced the South that this was the answer to her segregation problem, and one after another the Southern States passed resolutions and acts of interposition.

By act No. 42, special session, 1956, the Alabama Legislature, enacted a resolution of interposition declaring therein.

"That until the issue between the State of Alabama and the General Government is decided * * * by a suitable constitutional amendment that the Legislature of Alabama declares the decisions and orders of the Supreme Court of the United States relating to separation of races in the public schools are, as a matter of right, null, void, and of no effect; and the Legislature of Alabama declares to all men as a matter of right, this State is not bound to abide thereby."

Georgia, in House Resolution 185 of the 1956 session of the general assembly, the senate concurring, provided for interposition in the following language:

"That the decisions and orders of the Supreme Court of the United States relating to the separation of the races in the public institutions of a State are null, void, and of no force or effect."

Mississippi, in Resolution 125 of the 1956 regular session of the legislature, set forth her position on interposition in the following words:

"We do hereby declare the decisions and order of the Supreme Court of the United States of May 17, 1954, and May 31, 1955, to be a usurpation of power reserved to the several States and do declare as a matter of right, that said decisions are in violation of the Constitution of the United States and the State of Mississippi, and therefore, are considered unconstitutional, invalid, and of no lawful effect within the confines of the State of Mississippi."

South Carolina enacted a resolution of interposition by act of the general assembly dated February 14, 1956, stating that:

"The State of South Carolina as a loyal and sovereign State of the Union will exercise the powers reserved to it under the Constitution to judge for itself of the infractions and to take such other legal measures as it may deem appropriate to protect its sovereignty and the rights of its people."

Virginia provided for interposition in Senate Joint Resolution 3 of the general assembly on February 1, 1956. The resolution states:

"That by its decision of May 17, 1954, in the school cases, the Supreme Court of the United States placed upon the Constitution an interpretation, having the effect of an amendment thereto, which interpretation Virginia emphatically disapproves; that until the question here asserted by the State of Virginia be settled by clear constitutional amendment, we pledge our firm intention to take all appropriate measures honorably, legally, and constitutionally available to us to resist this illegal encroachment upon our sovereign powers."

Louisiana, by House Concurrent Resolution 10 of the 1956 session of the legislature, provided for interposition in these terms:

"The Legislature of Louisiana does hereby solemnly declare the decision of the Supreme Court of the United States of May 17, 1954, to be in violation of the Constitution of the United States, and of the State of Louisiana, and we declare, further, our firm intention to take all appropriate measures honorably and constitutionally available to us to void this illegal encroachment upon the rights of the several States."

In House Concurrent Resolution 174 adopted by the Legislature of Florida on May 2, 1957, interposition was provided for in the following terms:

"That the Legislature of Florida denies that the Supreme Court of the United States had the right which it asserted in the school cases decided by it on May 17, 1954, to enlarge the language and meaning of the compact by the States in an effort to withdraw from the States powers reserved to them and as daily exercised by them for almost a century. It is the duty of the State in flagrant cases such as this to interpose its powers between its people and the effort of said Court to assert an unlawful dominion over them: Therefore be it

"*Resolved,* That said decisions and orders of the Supreme Court of the United States denying the individual sovereign States the power to enact laws relating to the separation of the races in the public institutions of a State are null, void, and of no force or effect."

Tennessee in House Resolution 1 enacted January 17, 1957, by the general assembly denounces the decisions of the U.S. Supreme Court in the school segregation cases and resolve therein,

"That the House of Representatives, in cooperation with the Senate, pledges its firm intention to take all appropriate measures, honorably and legally available, to resist any and all illegal encroachments upon the powers reserved to the State of Tennessee in order to control its own domestic institutions according to its own exclusive judgment."

The State of Arkansas provided for interposition by means of initiative petitions which were approved by the people at a general election providing for constitutional amendment No. 47 which reads in part as follows:

"The General Assembly of the State of Arkansas shall take appropriate action and pass laws opposing in every constitutional manner the unconstitutional desegregation decisions of May 17, 1954, and May 31, 1955, of the U.S. Supreme Court, including interposing the sovereignty of the State of Arkansas to the end of nullification of these and all deliberate palpable and dangerous invasions of or encroachments upon rights and powers not delegated to the United States nor prohibited to the States by the Constitution of the United States and amendments thereto."

Texas, by House Concurrent Resolution 33 at the 1957 regular session of her legislature, provided for interposition thusly:

"The Legislature of the State of Texas is the appropriate body under mandate from the people of Texas to intervene between Federal encroachment and State sovereignty:

"*Resolved,* That the sovereign State of Texas intervenes and registers officially its objection on behalf of its people to the effort of the Federal Government to assert an unlawful domination over her citizens and * * * Texas declares her firm intention to take all appropriate measures honorably, legally and constitutionally available to the State to resist illegal encroachment upon her sovereign power."

The Legislature of North Carolina did not provide for interposition, being the only State in the South failing to do so.

HAS THE SOUTH USED INTERPOSITION?

Now, what have the Southern States done to utilize the resolutions and acts of interposition so hopefully adopted by their legislatures?

A search of the records shows that it has been employed only three times, but in each instance was successfully used.

(1) In the first instance, interposition was used by Gov. Allan Shivers, of Texas.

The action of Governor Shivers grew out of the decision in the case of *Jackson* v. *Rawdon* (235 F. 2d 93), pursuant to which the U.S. district court, northern district of Texas entered a decree on August 27, 1956, ordering the admission of Negro children to the Mansfield High School at Mansfield, Tex., and forever restraining the Mansfield school district officials, and all other persons acting in concert with them, from refusing admission of the Negro plaintiffs to the Mansfield High School.

As a result of this decree, disorders developed at the school and then Governor Shivers issued the following statement on August 31, 1956, which effectively interposed the sovereignty of the State of Texas to prevent the admission of the Negro students to the Mansfield High School:

"Under the general powers of the Governor to enforce the laws and see that order is kept in Texas, I have instructed Colonel Garrison to send Texas Rangers to Mansfield to cooperate with local authorities in preserving the peace. I talked by telephone with B. L. Huffman, superintendent of the Mansfield schools, and have wired O. C. Rawdon, president of the Mansfield school board, urging that the board go ahead and transfer out of the district and scholastics, white or colored, whose attendance or attempts to attend Mansfield High School would reasonably be calculated to incite violence. Should the resulting actions on part of the Mansfield school authorities be construed as contempt of the Federal courts, I respectfully suggest that the charge should be laid against the Governor and not the local people."

To this date, as a result of the Governor's act of interposition, no Negro children have entered the Mansfield High School.

(2) In the second instance, interposition was asserted by the Virginia Supreme Court in the case of *Naim* v. *Naim* (87 S.E. 2d 749).

That court held a marriage void that was in violation of a Virginia miscegenation statute. The U.S. Supreme Court held on appeal that the constitutionality of the Virginia statute was not squarely before it, and remanded the case to the Virginia court for clarification of the issues. Whereupon the Virginia Supreme Court held there was no provision in Virginia practice whereby the case could be reopened in the trial court and thus must adhere to its original opinion (90 S.E. 2d 849). In a per curiam opinion[4] the U.S. Supreme Court denied a motion to set the case down for oral argument, holding that the case was devoid of a properly presented Federal question.

The decision of the Virginia Supreme Court remains unchanged up to the present time.

(3) In the third instance, interposition was invoked by the Florida Supreme Court in the case of the *State of Florida, ex rel. Virgil D. Hawkins* v. *The Board of Control, et al.*[5]

This action was commenced by a Negro who sought admission to the Law School of the University of Florida in 1949. On appeal to the U.S. Supreme Court, that Court held after the decisions in the school segregation cases that the Negro must be admitted. The Florida Supreme Court held that he could not be admitted to the school because it would lead to violence in the university communities, and that it would bring about a serious disruption of the university system. Following this action the U.S. Supreme Court denied a writ of certiorari to the plaintiff bringing about the withdrawal of his application for admission to the school.

From its early history to this date, interposition has always succeeded in the hands of a Governor or a State court that has had

[4] 76 S. Ct. 472.
[5] 76 S. Ct. 464.

the desire and the courage to use it with determination.

Stripped to its simple definition, interposition is the right of a State to interpose its sovereign authority against a violation of the Constitution by the Federal Government.

Interposition has never failed. Interposition will succeed now, if our southern Governors and State courts will stand firmly upon the rights of the State.

THE HONORABLE HARRY S. TRUMAN

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that on tomorrow, after completion of consideration of the bill now pending before the House, I may have permission to proceed for 1 hour to make certain remarks in connection with the 75th anniversary of the birthday of our great former President, Hon. Harry S. Truman, which anniversary takes place on May 8, and that other Members may have permission to speak also.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE NATIONAL COUNCIL OF CHURCHES OF CHRIST IN THE U.S.A.

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes and to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WILLIAMS. Mr. Speaker, Circuit Riders, Inc., has performed a great public service by analyzing the leftwing front affiliations of those in attendance at the Fifth World Order Study Conference held in Cleveland, Ohio, November 18–21, 1958, under the auspices of the National Council of Churches of Christ in the United States of America.

Because many innocent persons are quite often taken in by organizations with high-sounding labels and purportedly lofty purposes, I think it appropriate to incorporate in the RECORD the Circuit Riders' analysis of the aforementioned group. Perhaps it will serve to enlighten Americans to the true purpose of organizations such as the one discussed therein.

Mr. Speaker, as part of my remarks, I include excerpts from the report entitled "Recognize Red China?":

PREFACE

In the pages which follow, the reader will find an analysis of the leftwing composition of the Fifth World Order Study Conference held in Cleveland, Ohio, November 18–21, 1958. Under the auspices of the National Council of the Churches of Christ in the U.S.A.

The Cleveland conference was made up of approximately 600 delegates, two-thirds of whom were laymen and one-third clergymen.

The interest of Circuit Riders, Inc., in the Cleveland conference stems from the fact that the Methodist Church is the largest constituent denomination of the National Council of Churches. Furthermore, the delegates of the Methodist Church to the Fifth World Order Study Conference comprised the largest bloc in the conference.

One-half of the clergymen who were delegates to the Cleveland conference had previous records of affiliation with leftwing organizations and enterprises which followed the Communist line. Of the 106 delegates who had previous records of such affiliation, 39 were delegates from the Methodist Church.

Over the past 20 years, 719 officers (including staff personnel, delegates and representatives) of the Federal Council and the National Council of Churches have been affiliated with one or more organizations and enterprises of a leftwing character.

Of the 719 individuals having such records, 197 have been Methodist. A total of 131 have been representatives of all-Negro denominations—African Methodist Episcopal Church, African Methodist Episcopal Zion Church, Christian (Colored) Methodist Episcopal Church, National Baptist Convention of America, and National Baptist Convention, U.S.A., Inc. Sixty-one have been representatives of the Protestant Episcopal Church; 60, of the Congregational Christian Churches; 56, of the Presbyterian Church, U.S.A.; 55, of the American (Northern) Baptist Convention; 39 of the Disciples of Christ; and 120, of the various smaller denominations.

All of these statistical enumerations indicate that the leftwing Methodists have been a dominant element in the National Council of Churches and its predecessor, the Federal Council.

M. G. LOWMAN.

FEBRUARY 1959.

The forces of appeasement, peaceful coexistence, and surrender scored an important propaganda victory for the worldwide Communist conspiracy at the Fifth World Order Study Conference of the National Council of Churches which was convened in Cleveland, Ohio, November 18–21, 1958.

The Cleveland conference went on record by a unanimous vote in favor of the diplomatic recognition of Red China by the United States and the seating of that government in the United Nations.

The Communist press was jubilant over the action of the Cleveland World Order Study Conference. The recognition of Red China has been one of the major goals of the Communists' strategy for many years. They were, therefore, grateful for the boost from 600 Protestant churchman assembled in Cleveland by the National Council of Churches.

Although the action of the Cleveland conference received wide publicity in the newspapers, it was not really news. It would have been news if the delegates had resolved against the recognition of Red China. The action was in full accord with the known views of the leadership of the National Council of Churches.

The Cleveland conference was the legitimate offspring of the National Council of Churches and, as such, it faithfully reflected the position of the parent organization. This was not a case of the prodigal son's wandering away from his ideological home.

In fact, the top leadership of the National Council, officers and staff members, participated as voting delegates in the deliberations of the Fifth World Order Study Conference. The president of the National Council, the Reverend Dr. Edwin T. Dahlberg, was a delegate and failed to register any protest against the final passage of the recommendation on the subject of Red China. The general secretary of the National Council, the Reverend Roy G. Ross, and the associate general secretary of the National Council, the Reverend R. T. Edwin Epsy, were among the Cleveland conference delegates. Bishop G. Bromley Oxnam, vice president of the National Council of Churches and keynote speaker of the conference, was on hand. Altogether, 88 officers, staff personnel, and members of the General Assembly of the National Council of Churches (1957–60) took part as delegates in the proceedings of the Cleveland conference. With such a sizable bloc of delegates in the composition of the Fifth World Order Study Conference, it is impossible to believe that the next session of the General Board of the National Council which meets in Hartford, Conn., February 25 and 26, can repudiate the recommendations of the Cleveland conference without indicting and repudiating the leadership of the National Council of Churches itself.

The Reverend Dr. Edwin T. Dahlberg, president of the National Council, has assured the Reverend Dr. Daniel A. Poling that the recommendations of the Cleveland conference will be placed on the agenda of general board at the Hartford meeting. Twenty-five of the general board's members were delegates to the Cleveland conference.

Meanwhile, the National Council of Churches is preparing to launch "a nationwide education and action program for peace to be carried across the 49 States from June 1959 to June 1960, starting with training institutes in summer conferences, then in State and local councils of churches and moving into every possible local church." The recommendations of the Fifth World Order Study Conference will be used as the basic text in this projected nationwide education and action program for peace. This program for peace, including agitation for the recognition of Red China, will be financed out of treasury of the National Council of Churches.

The repercussions resulting from the recommendations of the Cleveland conference were prompt and emphatic. The clergymen's committee of the Committee of One Million Against the Admission of Communist China to the United Nations polled some 45,000 Protestant clergymen on the subject of Red China's recognition. The poll produced the expected information that the World Order Study Conference did not reflect the views of the vast majority of Protestant clergymen in the United States. The ratio was about 10 to 1 against the Cleveland conference. It has been known for a long time that the leadership of the National Council of Churches is out of touch with the American people.

The Reverend Dr. Daniel A. Poling, editor of the Christian Herald, issued a statement in which, among other things, he said:

"From this so-called representative body of the National Council, there is not a word heard against the continued pogroms in Red China; against the Peiping regime's continued enslavement of the Chinese peasants; against its continued imprisonment of young American servicemen; against its continued torture of our own Protestant Chinese; against its continued and unrelenting emphasis upon atheism, the first tenet of communism."

The National Council of Churches has been accustomed to claim that it speaks for 38 million American Protestants. The claim is demonstrably a fraud. The National Council speaks only for its self-perpetuating bureaucracy of leftwing Protestant clergymen. Much of the American press goes along with the fraud that the National Council of Churches is authorized to issue pronouncements on U.S. foreign policy and other matters in the name of the 38 million American Protestants who belong to its 33 constituent denominations.

Despite all the assertions to the contrary, the National Council of Churches is nothing but the continuation of the old Federal Council of Churches, with a slightly altered name and a few additional denominations.

From its inception a little more than 50 years ago, the Federal Council of Churches revealed a socialistic orientation in its policies, programs, and sympathies. It was organized during the period when Socialist ideology was creeping in the ranks of the Protestant clergy.

During 40 of the past 50 years, the key figure in the Federal Council of Churches and the National Council of Churches was Samuel McCrea Cavert who served as general secretary of both organizations. On the occasion of his retirement last year, Cavert wrote in the Ecumenical Review, as follows: "The outstanding contribution of the Federal Council, however, was in the field of Christian social witness and social action." Since the earliest days of the Federal Council of Churches, there has been a rash of social action committees in the Protestant churches. The personnel of the social action brigade constituted a dominant bloc in the Fifth World Order Study Conference at Cleveland. Their controlling influence at Cleveland accounts for the views which are at the basis of the resolution on Red China.

Hovering over the Cleveland conference as well as all the other gatherings sponsored by the National Council of Churches was the spirit of Walter Rauschenbusch, the father of the social gospel. We have the testimony of two important witnesses to the abiding influence of Walter Rauschenbusch in the thinking of Protestant clergymen. In 1937 the Reverend A. W. Beaven wrote the widow of Walter Rauschenbusch that her late husband was "the greatest single personal influence on the life and thought of the American church in the last 50 years." Beaven was once the president of the Federal Council of Churches. The other witness is the Reverend Henry Pitney Van Dusen, president of Union Theological Seminary. In 1957 Van Dusen wrote that Walter Rauschenbusch was "the greatest single personal influence on the life and thought of the American church in the last 50 years." The reader will observe that Van Dusen's tribute to Rauschenbusch is identical in wording with that of Beaven. One may wonder how this happened. The important thing about these extraordinary tributes is that Walter Rauschenbusch was a Socialist. Harry Emerson Fosdick, writing the introduction in a recently published collection of Rauschenbusch's writings, states categorically that the latter "was a Socialist." It is significant that Walter Rauschenbusch participated in the founding of the Federal Council of Churches, in Philadelphia, December 2–8, 1908.

In the year preceding the launching of the Federal Council of Churches, Harry F. Ward and a few of his Methodist associates who had embraced Socialist doctrines organized the Methodist Federation for Social Action (originally Social Service). The Senate Subcommittee on Internal Security has cited the Methodist Federation for Social Action as a Communist-front organization.

Harry F. Ward was active in the founding of the Federal Council of Churches and was closely associated with Walter Rauschenbusch. In all the history of the Communist apparatus in the United States, Harry F. Ward has not had an equal in the dissemination of Communist propaganda among Protestant clergymen.

For at least 10 years, Winifred L. Chappell was secretary of the Methodist Federation for Social Service. Writing in the Epworth Herald (Methodist weekly) of March 3, 1934, Miss Chappell counseled young draftees to commit sabotage and treason against the United States. In her advice to these young Americans, she wrote the following: "Accept the draft, take the drill, go into the camps and onto the battlefield, or into the munitions factories and transportation work—but sabotage war preparations and war. Be agitators for sabotage. Down tools when the order is to make and load munitions. Spoil war materials and machinery."

Right down to the present time (February 1959), the Methodist Federation for Social Action carries the following statement on the masthead of its monthly publication, Social Questions Bulletin: "The Federation rejects the method of the struggle for profit as the economic base for society and seeks to replace it with social-economic planning to develop a society without class or group discriminations and privileges."

One final item of evidence will suffice to remove all doubt concerning the ideological position of the Methodist Federation for Social Action. The Reverend Edgar N. Jackson write an article which was published in the Worker (Communist Party weekly) of May 17, 1936. Jackson is a Methodist clergyman who was, and still is, an active member of the Methodist Federation for Social Action. In his article published in the Communist Party's paper, Jackson stated that the program of the Methodist Federation for Social Service had been submitted to Lenin and that he had given it his approval.

CLEVELAND DELEGATES AND THE METHODIST FEDERATION

Among the social actionists who were present at the Fifth World Order Study Conference, several have been affiliated with the Methodist Federation for Social Action:

Bishop G. Bromley Oxnam, former president of the Federal Council of Churches, was at one time the vice president of the Methodist Federation.

Charles C. Webber, Washington official of the AFL–CIO, was one of the secretaries of the Methodist Federation.

Thelma Stevens, executive secretary, Woman's Division of Christian Service, Methodist Church, was recording secretary of the Methodist Federation for a number of years.

Dorothy McConnell, editor of the Methodist monthly World Outlook, was a member of the Methodist Federation.

Hiel D. Bollinger, director of the Division of Educational Institutions, Board of Education, Methodist Church, has been affiliated with the Methodist Federation.

Harold A. Bosley, Methodist pastor in Evanston and host to the World Council of Churches in 1954, has been active in the Methodist Federation.

Charles F. Boss, executive secretary for the United Nations and Intergovernmental Affairs, Board of World Peace, Methodist Church, has been affiliated with the Methodist Federation for Social Action.

James P. Brawley, president of Clark College, has been a member of the Methodist Federation.

T. T. Brumbaugh, executive secretary for East Asia, Division of World Missions, Methodist Church, was affiliated with the Methodist Federation.

Alva I. Cox, executive secretary, Northeast Ohio Conference Board of Education, Methodist Church, has been a member of the Methodist Federation.

Wilbur D. Grose, executive secretary, Minnesota Council of Churches, has been affiliated with the Methodist Federation.

Garland E. Hopkins, executive vice president, American Friends of the Middle East, has been a member of the Methodist Federation.

Among the Cleveland conference delegates who were also on the membership rolls of the Methodist Federation for Social Action, we find the following:

Jameson Jones, editor of the monthly Methodist magazine Motive, Nashville, Tenn.

Bishop W. Earl Ledden, vice president, Board of Evangelism, Methodist Church, Nashville, Tenn. (episcopal residence, Syracuse, N.Y.).

John E. Marvin, editor of the weekly Methodist magazine Michigan Christian Advocate, Adrian, Mich.

Marshall R. Reed, president, Board of Pensions, Methodist Church, Chicago (episcopal residence (Detroit, Mich.)

Ralph W. Sockman, New York pastor, president, Board of World Peace, Methodist Church.

Carl D. Soule, field secretary, Board of World Peace, Methodist Church, New York, N.Y.

Daniel E. Taylor, executive secretary, Administration and Promotion, Board of World Peace, Methodist Church.

SUPPORTERS OF THE COMMUNIST PEACE OFFENSIVE

The House Committee on Un-American Activities has published a special report entitled "The Communist 'Peace' Offensive" subtitled "A Campaign To Disarm and Defeat the United States." The extent to which members of the Protestant clergy supported this subversive movement, aimed at the very existence of the United States, is an alarming phenomenon. In their report, the Congressmen stated: "The Committee on Un-American Activities has observed with dismay the inordinately large proportion of clerics among the persons who are aiding and supporting the current Communist 'peace' campaign in this country."

The House committee listed the names of the organizations through which the Communist peace offensive was conducted and the names of the individuals who supported them. The names of 512 Protestant clergymen and 42 Jewish rabbis are listed. The House committee recorded the fact that Rev. Edwin T. Dahlberg was one of a committee of five which initiated the formation of one of the front organizations in the Communist "peace" campaign, the Committee for Peaceful Alternatives to the Atlantic Pact. This is the only instance in Communist-front history where the role of founder was played by a president of the National Council of Churches.

Other delegates at the Fifth World Order Study Conference who, according to public records, supported the fake peace campaign of the Communists are as follows:

Desmond W. Bittinger, editor of Gospel Messenger, Church of the Brethren; Hiel D. Bollinger, Board of Education, Methodist Church; Harold A. Bosley, Methodist pastor; Charles F. Boss, Board of World Peace, Methodist Church; Thoburn T. Brumbaugh, Division of World Missions, Methodist Church; Bishop Matthew W. Clair, Jr., Methodist Church; Ray Gibbons, Council for Social Action, Congregational Christian Churches; Frank P. Graham, former president of the University of North Carolina and former U.S. Senator; J. Clinton Hoggard, editor of Missionary Seer, African Methodist Episcopal Zion Church; Fred Hoskins, secretary, Congregational Christian Churches; Mordecai Johnson, president of Howard University; Jameson Jones, editor of Motive, Methodist Church; Harold L. Lunger, Disciples of Christ; John A. Mackay, former moderator of Presbyterian Church, U.S.A.; John E. Marvin, editor of Michigan Christian Advocate, Methodist Church; Benjamin E. Mays, president of Morehouse College, American Baptist Convention; Dorothy McConnell, editor of World Outlook, Methodist Church; Robert W. Moon, Methodist Church; A. J. Muste, secretary of Church Peace Mission, Presbyterian Church, U.S.A.; J. O. Nelson, executive secretary, Iowa Council of Churches; Everett Palmer, Methodist Church; Herman F. Reissig, Council for Christian Social Action, United Church of Christ; Walter W. Sikes, Disciples of Christ; Carl D. Soule, Board of World Peace, Methodist Church; Wray W. Stickford, Methodist Church; Stanley I. Stuber, Council of Churches of Greater Kansas City; Alfred W. Swan, Congregational Christian Churches; Hugo W. Thompson, United Church of Christ; Charles C. Webber, Methodist

Church; Howell O. Wilkins, Methodist Church; Bishop R. R. Wright, Jr., African Methodist Episcopal Church.

COMMUNIST JUNKET TO YUGOSLAVIA

A few years ago, when Tito's government was still in orbit as a satellite of the Kremlin, a group of seven American clergymen was invited to visit Yugoslavia—all expenses paid by Tito. At least five of the seven clergymen who comprised the delegation were known members of the Communist Party or veteran collaborators with communism in the United States. Claude Williams and William Howard Melish were members of the Communist Party, and Emery Guy Shipler, Emory Bucke, and Phillips Packer Elliott were fellow travelers.

The seven-man delegation brought back a report which was a complete whitewash of the Tito Communist regime. The report was printed and distributed under the sponsorship of a large group of Protestant clergymen. Included in this group of sponsors were the following delegates who were present at the Fifth World Order Study Conference in Cleveland:

Ralph C. Abele, Evangelical and Reformed Church.

Harold A. Bosley, Methodist Church.

Charles F. Boss, Methodist Church.

Thoburn T. Brumbaugh, Methodist Church.

George W. Buckner, editor of World Call, a member of the seven-man delegation, Disciples of Christ.

Roy Burkhart, Community Church, Columbus, Ohio.

Hunsdon Cary, Jr., Protestant Episcopal Church.

Bishop Matthew W. Clair, Jr., Methodist Church.

Alva I. Cox, Methodist Church.

Edwin T. Dahlberg, American Baptist Convention.

Gardiner M. Day, Protestant Episcopal Church.

Myron W. Fowell, Congregational Christian Churches.

Wilbur D. Grose, Methodist Church.

Vernon H. Holloway, Congregational Christian Churches.

Fred Hoskins, Congregational Christian Churches.

Samuel Guy Inman, Disciples of Christ.

Huber F. Klemme, United Church of Christ.

Louis H. Lammert, Evangelical and Reformed Church.

Paul L. Lehmann, Presbyterian Church, U.S.A.

Harold L. Lunger, Disciples of Christ.

John A. Mackay, Presbyterian Church, U.S.A.

John H. Marion, Presbyterian Church, U.S.A.

Raphael H. Miller, Disciples of Christ.

Robert W. Moon, Methodist Church.

Bishop D. Ward Nichols, African Methodist Episcopal Church.

Hubert C. Noble, National Council of Churches.

Bishop G. Bromley Oxnam, Methodist Church.

Frederick E. Reissig, Washington (D.C.) Council of Churches.

Herman F. Reissig, Council for Christian Social Action.

Walter W. Sikes, Disciples of Christ.

Ralph W. Sockman, Board of World Peace, Methodist Church.

Ralph Stoody, Methodist Church.

Stanley L. Stuber, American Baptist Convention.

Daniel E. Taylor, Methodist Church.

Hugo W. Thompson, United Church of Christ.

NUCLEAR-WEAPONS TESTS AND A. J. MUSTE

For centuries, pacifists of many kinds have conducted their propaganda campaigns around the horror of war. To the actualities of war, which are bad enough, pacifists have added their own particular speculation: namely, that the next war would spell the end of civilization.

In the present era, Communists have found pacifist activity and propaganda very much to their liking. As long as such activity affects only the peoples of non-Communist countries, Communists would like to see pacifism become the dominant mood throughout the so-called free world. Toward this end, Communists and pro-Communists give all the encouragement possible to every pacifist organization that sentimental clergymen may wish to set up in the United States.

Among the thousands of Protestant clergymen who have joined or otherwise supported the long list of Communist peace fronts during the past 40 years, one name stands out above all the others; namely, A. J. Muste. This Holland-born Presbyterian clergyman and agitator, now in his 75th year, is the undisputed dean of American leftwing activity. Muste was a delegate to the Fifth World Order Study Conference at Cleveland. Muste's credentials, if he has any, are his lifelong dedication to undermining the security of his adopted land.

Two years ago, A. J. Muste got up a delegation for the purpose of observing the procedures of the Communist Party's 16th national convention, February 9–12, 1957. The press was barred from the deliberations of the leading Communists, but Muste and his fellow observers were cordially welcomed. In their formal report to the American people, Muste's delegation found "that the sessions of the convention were democratically conducted." Whether the Communist conspirators conspired democratically or undemocratically is about as important as the color of their hair—except to the mentality of an A. J. Muste.

The work of the Muste delegation drew the following comment from Mr. J. Edgar Hoover:

"The Communists boasted of having impartial observers cover the convention. However, most of these so-called impartial observers were handpicked before the convention started and were reportedly headed by A. J. Muste, who has long fronted for Communists. Muste's report on the convention was biased, as could be expected."

A. J. Muste has described his recent activity in the following words: "Thus in this summer of 1957, I am occupied with problems relating to the attitude of the churches toward nuclear war * * *."

Muste has been highly successful in recruiting outstanding Protestant clergymen for agitation on the subject of nuclear weapons. The following delegates to the Fifth World Order Study Conference have been involved in this type of agitation: John C. Bennett, Harold A. Bosley, Roy Burkhart, Edwin T. Dahlberg, Ralph D. Hyslop, Homer A. Jack, Louis H. Lammert, Paul L. Lehmann, John A. Mackay, Robert W. Moon, G. Bromley Oxnam, W. Harold Row, Culbert Rutenber, Walter W. Sikes, B. Julian Smith, Ralph W. Sockman, Carl D. Soule, Alfred W. Swan, and Daniel E. Taylor. To this list must be added the names of the Quaker layman, Clarence E. Pickett.

FELLOWSHIP OF RECONCILIATION

The largest leftwing pacifist group in the United States is the Fellowship of Reconciliation. For years, A. J. Muste was the executive secretary of this organization.

The Fellowship of Reconciliation claims to have been the parent of many leftwing organizations which have worked to further the interests of the Communist conspiracy in the United States. In its official history, the fellowship has the following to say about itself: "Out of its activities and the concerns of its members and committees have grown such diverse organizations as the National Conference of Christians and Jews, the American Civil Liberties Union, the Religion and Labor Foundation, the Workers Defense League, the Committee on Militarism in Education, the Congress on Racial Equality, the National Council Against Conscription, the Society for Social Responsibility in Science, the Church Peace Mission, and most recently, the American Committee on Africa."

The Fellowship of Reconciliation is officially on record as urging its members to join "political movements which aim at the replacement of private capitalism by a system of collective ownership." This broad category is enough to include the Communist movement as well as the Socialist.

The current and official apparatus of the fellowship was well represented in the composition of the Cleveland conference of the National Council of Churches. From the early years of the Federal Council of Churches, its personnel was extensively interlocked with that of the Fellowship of Reconciliation.

The following delegates who were present at the Cleveland conference are currently listed as officially connected with the Fellowship of Reconciliation in the latter's publications:

Hiel D. Bollinger, accredited representative of the Fellowship of Methodist Pacifists to the FOR.

Harold A. Bosley, member of the FOR advisory council.

Charles F. Boss, member of the FOR advisory council.

Edwin T. Dahlberg, member of the FOR advisory council.

Barton Hunter, accredited representative of the Disciples Peace Fellowship to the FOR.

Jameson Jones, editorial contributor of Fellowship, official magazine of the FOR.

A. J. Muste, secretary emeritus of the FOR.

Clarence E. Pickett, member of the FOR advisory council, winner of the Nobel Peace Prize.

Culbert G. Rutenber, member of the FOR national council.

John M. Swomley, Jr., cosecretary of the FOR.

Herman Will, Jr., member of the FOR national council.

CHURCH PEACE MISSION AND THE CLEVELAND CONFERENCE

The Church Peace Mission, currently headed by A. J. Muste, was represented at the Cleveland conference in the following delegates:

John C. Bennett, dean of Union Theological Seminary.

Harold A. Bosley, Methodist Church.

Edwin T. Dahlberg, president of the National Council of Churches.

Milton H. Hadley, Five Years Meeting of Friends.

Ralph D. Hyslop, Union Theological Seminary.

Louis H. Lammert, Evangelical and Reformed Church.

Paul L. Lehmann, Harvard Divinity School.

John A. Mackay, former moderator, Presbyterian Church, USA.

Robert W. Moon, Methodist Church.

A. J. Muste, secretary emeritus, Fellowship of Reconciliation.

Clarence E. Pickett, former head, American Friends Service Committee.

W. Harold Row, Church of the Brethren.

Culbert G. Rutenber, American Baptist Convention.

J. Harold Sherk, National Service Board for Religious Objectors.

Walter W. Sikes, Disciples of Christ.

Bishop B. Julian Smith, Christian Methodist Episcopal Church.

Ralph W. Sockman, Methodist Church.

John M. Swomley, Jr., Methodist Church.

Herman Will, Jr., Methodist Church.

The Church Peace Mission has been specially involved with the question of nuclear-weapons tests.

UNION THEOLOGICAL SEMINARY AND CLEVELAND

The Alumni Bulletin of Union Theological Seminary boasted recently of "Union Seminary's prominence in the ecumenical movement." The Alumni Bulletin referred specifically to the International Missionary Council and to the Amsterdam (1948) and Evanston (1954) Assemblies of the World Council of Churches. The same prominence of Union Theological Seminary is to be found in the National Council of Churches and the conferences which are convened under its auspices.

What union does not boast is the fact that the seminary has attained overwhelming prominence in the Communist-front apparatus and its activities. More than 500 faculty and alumni members of Union Theological Seminary have been publicly identified as supporters of Communist fronts.

At both the Amsterdam and Evanston assemblies of the World Council of Churches, Prof. John C. Bennett, dean of faculty of Union Theological Seminary, was the key figure in the debate on resolutions. Dean Bennett was chairman of the 23-man committee which drafted the resolutions adopted unanimously at the Fifth World Order Study Conference at Cleveland.

In the major speech at the International Congregational Council, on July 4, 1958, Dean Bennett called upon the Christian churches in the West "to stop the continuous expressions of national and religious hostility to Communists and Communist nations." Dean Bennett's words of July 4, 1958, presaged the adoption of the resolution on Red China by the Cleveland conference a few months later.

Union Theological Seminary was represented at the Fifth World Order Study Conference by the following delegates who were affiliated with the seminary as members of the faculty or former students:

R. Pierce Beaver, Evangelical and Reformed.
John C. Bennett, Congregational Christian.
Thoburn T. Brumbaugh, Methodist.
Richard O. Comfort, Presbyterian, U.S.A.
Rufus Cornelsen, United Lutheran.
Gardiner M. Day, Protestant Episcopal.
Robert H. E. Espy, American Baptist.
George W. Forell, United Lutheran.
Myron W. Fowell, Congregational Christian.
Theodore E. Frank, United Church of Christ.
Ray Gibbons, Congregational Christian.
Cameron P. Hall, Presbyterian, U.S.A.
J. Clinton Hoggard, African Methodist Episcopal Zion.
E. M. Howse, United Church of Canada.
Ralph D. Hyslop, Congregational Christian.
Samuel Guy Inman, Disciples of Christ.
Jacob Stuart Innerst, Five Years Meeting of Friends.
Clarence E. Josephson, Evangelical and Reformed.
John B. Ketcham, American Baptist.
Huber F. Klemme, Evangelical and Reformed.
Paul L. Lehmann, Presbyterian, U.S.A.
Harold C. Letts, United Lutheran.
Wallace C. Merwin, Presbyterian, U.S.A.
A. J. Muste, Presbyterian, U.S.A.
James Ralph Mutchmor, United Church of Canada.
Hubert C. Noble, Presbyterian, U.S.A.
Benjamin R. Oliphint, Methodist.
Walter A. Riddell, United Church of Canada.
David H. Sandstrom, Congregational Christian.
Walter W. Sikes, Disciples of Christ.
Ralph W. Sockman, Methodist.
Alfred W. Swan, Congregational Christian.
Theodore L. Tucker, United Church of Canada.
Gaither P. Warfield, Methodist.
Charles C. Webber, Methodist.
M. Moran Weston, Protestant Episcopal.
Edward L. Whittemore, Presbyterian, U.S.A.
Frank T. Wilson, Presbyterian, U.S.A.

COMMUNIST CAMPAIGN FOR THE ROSENBERGS

One of the most intensive nationwide campaigns ever conducted by the Communists in the United States was organized around the case of the Rosenbergs (Julius and Ethel) and Morton Sobell. Scores of Communist fronts were set up for the purpose of obtaining clemency for these atomic spies.

Cleveland conference delegates who petitioned the authorities on behalf of the Rosenbergs or Morton Sobell were as follows: Ralph C. Abele, Charles F. Boss, Matthew W. Clair, Jr., Edwin T. Dahlberg, Homer A. Jack, J. Stuart Innerst, Julian J. Keiser, Paul L. Lehmann, Robert W. Moon, A. J. Muste, Alan Peabody, Oscar Seitz, B. Julian Smith, and Edward L. Whittemore.

VETERANS OF THE COMMUNIST LINE

Among the 600 delegates who made up the Fifth World Order Study Conference were some who have long been accustomed to supporting the Communist line, the real veterans of the Communist-front apparatus. One-third of the Cleveland conference was composed of clergymen and two-thirds of laymen, according to a press release from the headquarters of the National Council of Churches. A tabulation showing the number of each individual's affiliations with organizations or enterprises which promoted the Communist line will indicate something of the extent of such affiliations. The number of affiliations for each individual is given in parentheses at the left of his name:

(48) John A. Mackay, Presbyterian, U.S.A.
(45) Bishop G. Bromley Oxnam, Methodist.
(44) Charles C. Webber, Methodist.
(33) Benjamin E. Mays, American Baptist.
(33) A. J. Muste, Presbyterian, U.S.A.
(32) Herman F. Reissig, Congregational Christian.
(31) Bishop R. R. Wright, Jr., African Methodist Episcopal.
(22) Clarence E. Pickett, Society of Friends.
(21) Edwin T. Dahlberg, American Baptist.
(20) Ralph W. Sockman, Methodist.
(16) Mordecai Johnson, Baptist.
(15) Charles F. Boss, Methodist.
(14) John C. Bennett, Congregational Christian.
(14) Stanley I. Stuber, American Baptist.
(14) Alfred W. Swan, Congregational Christian.
(12) Paul L. Lehmann, Presbyterian, U.S.A.
(12) Hiel D. Bollinger, Methodist.
(11) Harold A. Bosley, Methodist.
(11) Robert W. Moon, Methodist.
(10) Gardiner M. Day, Protestant Episcopal.

It will be noted that only those with 10 or more affiliations have been listed in the foregoing tabulation.

One-half of all the clergymen at the Cleveland conference have been affiliated with one or more units of the apparatus which promotes the Communist line. Furthermore, a mere glance at the names of those with 10 or more affiliations will indicate that they made up practically all of the outstanding leaders of the Cleveland conference. They are the articulate and most experienced clergymen in the business of guiding the deliberations of any body in whose work they participate. To take only the top 10 names in the foregoing tabulation—Mackay, Oxnam, Webber, Mays, Muste, Reissig, Wright, Pickett, Dahlberg, and Sockman—it will be evident that they could easily dominate any gathering made up largely of inarticulate and inexperienced laymen.

That is how and by whom a body of 600 delegates was swayed to the adoption of a resolution such as the one concerning the recognition of Red China—a resolution which is nationally unpopular both in and out of the churches.

CONCLUSION

From the foregoing data, it is clearly established that the leadership of the National Council of Churches, like its predecessor the Federal Council, leans far to the left and in a large measure aids and abets the Communist conspiracy. It makes little or no difference whether this assistance is given wittingly or otherwise. In either case, the objective results are the same. The security of the United States—our very existence as a free people—is at stake. It ought to be clear that the entrenched bureaucracy of the leftwing radicals of the National Council of Churches is contributing to the undermining of our Nation's foundations.

Any individuals or denominations which support the National Council of Churches must now do so with their eyes open. The pro-Communist bias of the leadership of the National Council was made abundantly evident at the Fifth World Order Study Conference at Cleveland in November 1958.

BUY AMERICAN ACT

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. DENT] is recognized for 90 minutes.

Mr. DENT. Mr. Speaker, I take this time on the floor of Congress to make an appeal for special consideration for House bill No. 5679, better described as amendments to the Buy American Act.

This is not new legislation but is in reality a new approach to what has become an aggrevating, and in a sense, a devastating state of affairs in governmental purchasing.

For many years under Democratic Presidents, American enterprise and labor were given a 25-percent differential allowance in normal, and practically an unlimited differential in distressed situations, when the U.S. Government or any of its agencies made purchases from public bids open to foreign competition.

However, since 1954, under President Eisenhower, this differential has been reduced to 6 percent normal, and 12 percent in distressed situations.

From that time on, American bidders have been slowly but surely pushed from the Government market place, just as surely as American producers have been and are being pushed away from the public market places in autos, glass, fuel, rubber, shoes, and hundreds of other everyday requirements.

Hoping to alleviate this situation, I introduced on March 13, H.R. 5679.

BUY AMERICAN LEGISLATION

Mr. Speaker, before I proceed, under unanimous consent, I will have printed at this point in the RECORD H.R. 5679 so that it may be available for handy reference:

H.R. 5679

A bill to amend title III of the Act of March 3, 1933, with respect to the acquisition by the United States of articles, materials, and supplies for public use

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of title III of the Act entitled "An Act making appropriations for the Treasury and Post Office Departments for the fiscal year

ending June 30, 1934, and for other purposes", approved March 3, 1933, as amended (41 U.S.C. 10a), is amended to read as follows:

"SEC. 2. Notwithstanding any other provision of law, and unless the head of the Department or independent establishment concerned shall determine the cost to be unreasonable, only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States shall be acquired for public use; and only such manufactured articles, materials, and supplies shall be acquired for public use as have been manufactured in the United States, either substantially all from articles, materials, or supplies mined or produced or manufactured, as the case may be, in the United States, or, if such unmanufactured articles, materials, or supplies from which they are manufactured are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality, then only such articles, materials, or supplies as are produced in the United States in reasonably available commercial quantities and of a satisfactory quality from such unmanufactured articles, materials, and supplies as have been mined or produced outside the United States, shall be acquired for public use. This section shall not apply with respect to articles, materials, or supplies for use outside the United States, except as provided hereafter, or if articles, materials, or supplies of the class or kind to be used are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available quantities of a satisfactory quality.

"If the articles, materials, or supplies are acquired for use outside the United States, this section shall nevertheless apply if the logistics of spare parts and vital maintenance service required by military installations outside the United States would endanger the national security in time of national emergency because of dependence upon sources outside the United States.

"No bid or proposal price offered by or in behalf of a producer, miner, or manufacturer in the United States, exclusive or inclusive of import duty, shall be deemed unreasonable solely on the grounds that it is in excess of any bid or proposal received from foreign producers, miners, or manufacturers or their agents. No bid or proposal price shall be deemed unreasonable unless it is in excess of the prevailing prices at which the same or similar article, materials, or supplies mined, produced or manufactured in the United States are sold at the time the bid or proposal is submitted in the ordinary course of trade in the market area where the articles, materials, or supplies for public use are to be delivered.

"In the absence of such prevailing prices, for whatever reason, in determining whether the domestic bid price is unreasonable in those instances where foreign bids are received, the domestic bid price shall be compared with the lowest foreign bid price.

"For the purposes of this Act this comparison shall be made on the basis of the differential between the average wages prevailing in the foreign industry producing the article or material or supplies involved and the corresponding or similar domestic wages. For the purposes of such wage comparison the current or most recent official wage rate as published by the Bureau of Labor Statistics of the United States Department of Labor, shall be used. No domestic bid shall be deemed unreasonable unless it exceeds the lowest foreign bid, exclusive of duty, by a margin greater than the differential found pursuant to this section to exist between such prevailing domestic and foreign prevailing wages.

"For the purpose of this section articles, materials, and supplies shall be deemed to be manufactured or produced substantially all from domestic articles, materials, or supplies in the United States if the cost or value of foreign components or foreign processing present in the articles, materials, or supplies does not exceed 25 percent of the bid or proposal price of the article incorporating such foreign components or processing: *Provided*, That no article, materials, or supplies shall be deemed to be 'substantially all' of domestic origin if any major component is of foreign origin regardless of the ratio of the cost or value of such major component to the price of the whole unit to which the bid or proposal applies."

Mr. Speaker, I have introduced this bill to amend the Buy American Act and wish to take a few minutes to lay before this House the reasons why I seek these amendments.

The original Buy American Act was passed March 3, 1933 and is therefore sometimes referred to as a relic of depression days. It is then concluded that since we are no longer in a depression there is no longer a need for the act.

I would like to point out that the existence or nonexistence of a depression are not the only considerations that underlie the need for such an act. On the other hand, I will say that as the act is administered today it might as well be erased from the statute books.

As my colleagues know, the Buy American Act requires that only unmanufactured articles and materials, and articles and materials manufactured therefrom in the United States, are to be procured for public use: unless, among other things, the cost is determined to be unreasonable. The law does not apply with respect to "articles, materials or supplies for use outside the United States."

It also does not apply, first, when a determination is made that such procurement would be inconsistent with public policy; or, second, that the articles, etc., are not produced in sufficient and reasonably available commercial quantities in the United States; or, third, are not of a satisfactory quality.

When we look at these conditions and exceptions we see immediately that the law was loosely drawn and that it left a very wide range of administrative discretion. The result has been that regulations setting certain limits were necessary.

One of the words that has given the most trouble is the term "unreasonable." If the cost of the American product is determined to be unreasonable, a foreign bid, if there is one, is to be accepted.

Now, what does "unreasonable" mean?

The first regulations defined it as a price 25 percent or more above the foreign bid. This was, of course, an arbitrary line, but did take into account the fact that a considerable differential between domestic and foreign cost does exist.

In 1954 this differential was cut to 6 percent in Executive Order 10582—12 percent in labor-distress areas. This swing from 25 percent to 6 percent demonstrates the vast leeway existing in the law.

It is obvious that any such arbitrary figures must suffer from the defects of such arbitrariness. A 6-percent differential will have a wholly different effect as applied, let us say, to Japan from its effect if applied to a European country; although it must be said that in a great many instances foreign manufacturers would find the 6-percent rule no obstacle at all. They can readily underbid domestic manufacturers 30 or 40 percent.

Mr. Speaker, a look at the wording of the Buy American Act fails to show any reference to foreign costs or foreign bids as desirable yardsticks by which to measure the unreasonableness of any American bid.

The "unreasonable" cost as applied to domestic bids does have reference to the bid price; but what are the elements of unreasonableness? Evidently they relate to excessive prices leading to inordinate profits.

I think anyone will agree that suppliers of our Government should not resort to extortion, collusion, or similar practices as a means of fattening on the public purse. I would be the first to demand that such practice stop. That is not at all the same thing as saying that when a domestic bid is 6 percent higher than a foreign bid, the domestic bidder is automatically convicted of unreasonableness in his price. This does not follow at all. There is no necessary relationship between an American and a foreign bid that will convict the American bid as unreasonable or extortionate on the sole ground that it is higher by some arbitrary percentage points than the foreign bid.

The costs of domestic materials, domestic labor, power and transportation vary widely from similar costs in other countries. They vary more in comparison with some countries than others for the simple reason that some are lower cost countries than others. There is no such thing as a normal or usual foreign cost. It all depends on the country from which the bid comes.

A yardstick that varies as widely as foreign costs cannot in good sense be called a yardstick. If we had a yardstick for measuring distances in this country that one day was 36 inches in length, but only 15 or 20 inches on another day, or 60 or 90 inches at yet another time, we certainly would not feel that we had a reliable yardstick. And yet that is precisely the kind of yardstick that we use when we use foreign bids as a means of measuring the unreasonableness of a domestic bid.

It does not make sense. To repeat, the law itself said nothing about comparing domestic with foreign bids.

Assume that a wage dispute broke out between a union and the employer of its members. Would the employer be justified in saying that the union's demands are unreasonable on the sole grounds that the existing wage levels are much higher, not only 6 percent higher, than those prevailing in Europe or Japan? Immediately it would be said in rebuttal that the cost of living here is much higher than in the other countries. The fact is that in the past generation no wages could have been raised in this country if the foreign yardstick had been used.

The further fact is that wages did go up; and the yet further fact is that the gap between our wages and foreign wages was not narrowed if indeed it was not widened.

American products are made in the most part by American labor. Foreign products are made by foreign labor. Labor costs, direct and indirect, carried all the way back to the mines, the fields, and forests, constitute by far the major part of production costs. For this reason foreign producers would be expected to come out with much lower costs than domestic producers. This is in fact the case where American productivity is not much higher than that of the foreign producers.

The time is fast disappearing when our industries outproduced those of other countries severalfold. Billions of dollars worth of modern machinery and equipment has been installed in oversea factories in the past 10 years. Our lead in productivity in one industry after another is shrinking. As this shrinkage proceeds greater competitive effect is given to the lower wages prevailing abroad.

If we pay $2.50 per hour and our worker turns out 5 units per hour, the direct labor cost is 50 cents per unit. If a foreign worker is paid only 50 cents an hour but he produces only 1 unit per hour the direct labor cost per unit is the same as ours, or 50 cents. Now let the foreign producer install modern machinery. The productivity of his worker may not reach 5 units per hour, to equal our productivity, but it may go to 2½ or 3 units per hour. If he turns out 2½ units the direct labor cost will be only 12½ cents per unit rather than 50 cents, which is our cost.

Mr. Speaker, it should be clear from what has been said that the use of a foreign yardstick to test the reasonableness of the bids submitted by domestic bidders to the Government on a supply contract proposal cannot be justified.

The bill that I have introduced takes account of this absurdity and would eliminate the foreign yardstick in all cases where a domestic yardstick exists. This is to say, the domestic bid would be judged as to its reasonableness by comparing the bid price with the going prices on the same product in this country and not with some prices arrived at thousands of miles away under circumstances very different from those in this country.

Here, production is subject to the Wage and Hour Law, to the Walsh-Healey Act, and other cost-raising legislation, such as farm price support laws, whereas in other countries they are free of these domestic burdens.

This fact merely reinforces the absurdity of measuring bid prices here by bid prices proffered from Europe, Japan or other countries.

Mr. Speaker, I think the case against use of a foreign yardstick in assessing the unreasonable character of a domestic bid is solid and incontrovertible. An American bidder should be judged on his price by his peers, by those who operate in the same economic environment and bear the same burden. This is only fair; and it is distinctly unfair to load a variety of cost handicaps on our producers and then say they should be deprived of work because they cannot keep up pricewise with their foreign competitors who do not bear the handicaps.

It is the Buy American statute that is at fault because of its lack of guidelines. The present legislation would remedy this defect.

The only remaining question, Mr. Speaker, goes to the heart of the philosophy underlying the Buy American Act. If we are to have such an act it goes without saying that it should be properly set up and administered.

Now then, the question of whether we should have such a law. In my judgment there is every justification for the Buy American Act. It seeks to preserve the expenditure of the taxpayer's dollar to American industry, agriculture and labor whenever money is spent for procurement of articles, materials, and supplies for public use. This is more important today than ever before because the Government takes a larger share of our dollar than ever before. The dollars come out of the pockets of those who support the Government. Why should these supporters not have top priority in an opportunity to supply the Government with the supplies it purchases with their tax money?

Not only do the producers and manufacturers benefit but also their workers and suppliers. The Government in turn recoups some of the purchase price through taxes collected from the contractors, suppliers and wage earners.

If we are concerned about the economic well-being of foreign countries, it has been my impression that our foreign aid program should take care of that. Foreign assistance was never the purpose of the Buy American Act and I see no justification in trying to convert it into that.

What it says in plain words is that in the bidding for public business financed by American tax dollars, American enterprise shall bid against goods produced under American standards.

These standards have been more or less fixed by law and custom.

There are four main cost items in producing goods: They are—raw materials, labor, overhead, and taxes. These first three items are very seriously affected by taxes, Government regulations, supervision, payroll charges for social security, insurance, hospitalization, unemployment compensation, workman's compensation, and other refinements not common to our foreign competition.

It is with the hope of equalizing some of these costs that the Buy American program concerns itself.

It may be very interesting to the Members of Congress if they could and would take a little time out and take a shopping tour of both the public and the Government market places of this country. I wager some of them will be astounded at the quantity and quality of foreign made goods now on display and being sold in this country.

These amendments are not intended to be used to build up prohibitive tariffs against goods needed in this country, for the sole purposes of protecting profit-hungry manufacturers.

We are attempting to give both industry and labor an opportunity to be competitive under normal standards of both payroll and profit.

The most notable cases of recent history are the purchases by REA affiliates and TVA of power producing equipment from foreign manufacturers.

In these instances the charges were made by the Government agencies that the American products cost too much.

In fact, in a statement from TVA, the following arguments advanced in support of their decision to purchase from Parsons of England the largest turbo-generator—500,000 kilowatts—ever ordered by this or any other country.

With respect to the economic advantages of this purchase, TVA points out that "the prices charged by domestic manufacturers for such equipment have increased more than 50 percent since 1951 while the average wholesale price of commodities has increased only about 5 percent." It noted that the Parsons company had a disadvantage in the bidding to begin with, or $1.5 million in duty and a 20 percent differential for foreign bidders, required by the TVA invitation. This meant that they had a total handicap of $4 million on the unit. Yet the Parsons bid was $5.5 million lower than the GE-Westinghouse bids ($12 million versus $17.5 million).

"So far as labor costs are concerned, the TVA reply noted that using Westinghouse figures, American labor costs would amount to only $1.5 million above Parson's labor costs."

It becomes clear that competition is not in differing labor costs but rather in manufacturing efficiency and in profits expected. Parsons appears to be clearly ahead on these accounts.

I will not comment further on this statement except to say that if the TVA's statement that prices for this equipment have increased since 1951 by 50 percent while other commodities have only increased 5 percent—if this is the kind of arithmetic used by the Government in figuring its contracts, the American bidders may as well save their breath, time, and money and just quit bidding.

Under the act I have introduced, an American competitor will bid against American costs on all the phases of producing goods.

The TVA, nor any one else, can really determine the real cost figures on this particular item since it has never been built before.

The two American bidders have come closest to constructing machinery of this size and character, having built generators up to 400,000 kilowatt capacity.

The British concern has never built any equipment over 135,000 kilowatts.

The whole truth of the matter is, of course, that the pressure from the British Government on our State Department was so powerful because of a recent decision to purchase American made equipment for a public project although the American bidder had been underbid by the same British company that TVA could not stand the pressure.

In my opinion, the TVA would have had to buy the British product regardless of differential percentages so long as the British were the lower bidder under the

present interpretation of the Buy American Act.

It is the dangerous threat, not alone to the electrical equipment producers, but to the whole gamut of Government procurement that this bill addresses itself.

Who is to say that the demands from our allies will not force us to open up bidding on purchases of military clothing, equipment, and so forth.

It is not farfetched when you know that the Air Corps recently purchased $9 million of radar equipment from Canada, and the U.S. Navy Yard at Philadelphia just purchased 5,700 tons of steel plate from Japan. These are not isolated cases. They have become the rule, and before too long if we listen to our organized groups working for free trade and open bidding for Government purchases, we will find our troops dressed in English-made uniforms, Egyptian cotton shorts, Italian hand-tooled shoes, French hose, Mexican belts, using Japanese binoculars and spectacles, driving a British, German, French, Swiss, Japanese, or Italian car, using Shell gasoline, equipped with a German mauser or Swiss rifle with a Sheffield or Krupp steel bayonet, out to an American airport protected by Canadian-made radar, to board a British jet transport protected by Canadian jets, just after having eaten a Polish ham sandwich on German rye with a bottle of Heinekins Dutch beer.

I know it sounds rather silly, but check around you and see how many items mentioned above are not on the common market in this country—except the military items, which of course, are top secret, because seriously, I do not know whether our Government has or is buying such items right now.

In speaking of Government purchases of foreign utility equipment, a well known representative of one of our largest Pennsylvania power companies made an interesting observation.

He wondered what would happen if one of their stockholders took the affairs of the company to court to force them to open up their bidding for equipment to foreign competitors. In his opinion they would be forced to buy from the lowest bidder and also in his opinion, this would break every American equipment producer in less than 5 years.

He told me that over $4 billion will be spent for this type of equipment by the private utilities companies in the United States in the next decade and that under conditions where the TVA, and REA, and other nontaxing agencies have established public policy, almost all, if not all of this equipment would be furnished by foreign makers.

In line with this, I think the following correspondence between myself and leaders in business, journalism, and labor might help to bring some of the pros and cons before you in a more forceful manner.

The first exchange is between the editor of the Pittsburgh Post Gazette, and my answer—this letter and editorial appears in the CONGRESSIONAL RECORD, March 2, 1959, page 3185—followed by a letter from W. F. Rockwell, of the Rockwell Manufacturing Co., closing with some correspondence concerning both mutual aid and foreign purchasing, with Mr. Meany of the AFL–CIO, and Mr. Fitzgerald of the UE:

ROCKWELL MANUFACTURING CO.,
Pittsburgh, Pa., March 6, 1959.

Hon. JOHN H. DENT,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN DENT: Congratulations on the letter written by you to the Pittsburgh Post-Gazette, which appeared in this morning's edition. Before and during World War II, Great Britain and France bought many of our Delta tools because they were cheaper and better than anything they could produce. We were able to reduce our costs because we had mass production, plus the mass buying power of the American people. After the war, Great Britain stopped all of our exports to that country because no one was allowed to spend American dollars. France stopped all of our exports by passing a quota which limited our sales to France to $3,000 a year. Of course, it would be impossible to make a profit on this small quantity of business if we sent a representative to France only once a year. Italy not only stopped our shipments, but an Italian manufacturer copied our machines, even to the extent of copying our well known trademark, a practice which we could not stop because we have no international legal protection.

From 1939 until 1949, we built up a large export business in Latin America, because European manufacturers were shut off by their difficulties at home and the interruption of trans-Atlantic shipping. Before the war, we could not compete with Europe when our wages were only two or three times as high as in the European countries, but we now pay 4½ times as much to our worker as we pay to his counterpart in our German plants. We acquired two German plants several years ago, because we knew we could not hold the export trade as soon as Europe was able to resume its shipments. We have had licensees in Europe and Great Britain since the 1920's. Our patents, in some cases, have expired, so these foreigners are able to use our know-how and sell at a higher profit, though their prices are one-third less than our lowest possible prices.

Today, more than 50 percent of the barbed wire and nails used in this country come from Europe on the east coast, and from Japan on the west coast. Our British competitor recently took a valve order for Venezuela placed in New York by the Creole Petroleum Co. at about $75,000 against our standard price of $106,000. We know that our plants are far more efficient than theirs, but the British wages are less than one-third of ours. Before the war, Japanese plywood undersold the producers of American plywood, although the Japanese had very poor equipment. Our Government gave Japan the very latest American equipment, and you know what happened to the American plywood industry in recent years.

Our representatives have been in Japan recently, and the Toyota Motor Works, which is connected with Mitsubishi, has the finest and most modern equipment in the world. With their lower wages, they expect to sell a very fine Japanese car on the west coast at less than $1,500. As they had no sheet rolling mills, they are importing U.S. sheet steel, but they are now building sheet rolling mills, and also building all types of rolling mill equipment, so their costs will eventually be much lower. Women employed in these plants are paid only 25 cents a day. Our Government's bureaucrats furnished the Toyota works with complete drawings, specifications, and samples of our military axles, which we spent millions to bring to their present state of perfection. We received nothing but increased competition.

Did you know that when the United States lowered tariffs on foreign cars by one-half percent, the foreign producers admitted they would not lower their prices in this country, but would use the one-half percent tariff reduction to increase their profits? Did you know that the last time we cut the tariff on Canadian whisky, the Canadians merely kept the difference, which greatly increased their profits, and proves that our tariff reductions do not always lead to lower costs to U.S. consumers?

Your comments on the British rejection of power-generating equipment made in other countries because of possible interruption to importing repair parts in wartime, shows that you are aware of many pertinent facts which are not known to many other Congressmen. You probably have heard from the Walworth Co., which has a plant in your district, about their difficulties in competing with foreign valve producers, and you know the sad state of industry in West Virginia since foreign competition has crushed the ceramics industry, which, in turn, reduced the use of West Virginia coal. You also know that Russia dumped aluminum on the world market, and may continue to dump any product which will upset international trade for the non-Communist countries.

Having observed your energy and initiative when you were a Pennsylvania State senator, I am delighted to know that you will fight to eliminate this foreign menace to American investors and workers. Many industries are just waking up to the danger of low-wage foreign competition, which, in many cases, has been subsidized by our Government, using the taxes collected from American industry and American workers. Foreign competition forces us to increase automation in both offices and factories, which increases the overhead of industry, but reduces the number of workers. Obviously, we cannot increase our contributions to these unemployed and survive, if we continue to invest more capital, primarily to reduce our costs, when the final result is increased unemployment.

With best wishes to you personally and for your success in protecting our workers and investors, I am,

Respectfully yours,
WILLARD F. ROCKWELL,
Chairman of the Board.

APRIL 27, 1959.

Mr. WILLARD F. ROCKWELL,
Rockwell Manufacturing Co.,
Pittsburgh, Pa.

DEAR WILLARD: The reason for the delay in my answer to your very fine letter of March 6 is that it has been my desire to first appear on the floor with a public statement concerning the points covered in your letter.

I think your experience qualifies you to speak out in this serious and growing threat to the American economy. I expect to appear on the floor in the very near future and will send you a copy of my remarks.

It is always a pleasure to hear from you, and, better still, to visit with you.

Sincerely yours,
JOHN H. DENT,
Member of Congress.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D.C., March 20, 1959.

Hon. JOHN H. DENT,
House Office Building,
Washington, D.C.

MY DEAR CONGRESSMAN: In behalf of the the AFL–CIO, I strongly urge you to support the mutual security program for the fiscal year of 1960, as proposed by President Eisenhower.

Considering the seriousness of the international crisis, the sum requested by the President is by no means excessive. Communist imperialism is an enemy that must be

fought with all our means and resources on the economic and political field, in every walk of life. The most vital interests of our country demand an adequate mutual security program and the strongest national defense. To have one without the other, or at the expense of the other, would undermine both and gravely jeopardize the security, freedom, and well being of all liberty-loving peoples.

Moreover, the President's program is urgently necessary for meeting the stepped-up economic offensive by the Kremlin aimed at Communist infiltration and subversion, especially in the industrially underdeveloped countries.

Realizing that mass poverty and hunger constitute a potentially dangerous threat to freedom and peace everywhere, we of the AFL–CIO have consistently urged our Government and other democracies to offer the underdeveloped countries sufficient help to insure their national freedom and security. In view of what is at stake in this historic struggle, American labor believes that our country must render adequate economic and technical assistance to all nations devoted to human freedom and peace.

I sincerely appeal to you to support wholeheartedly the President's mutual security program as indispensable to our Nation's efforts to meet the Soviet threat in Berlin. Prompt and overwhelming support by Congress would be of the greatest help to our country and its allies in overcoming the crisis which Moscow has provoked over Berlin and in meeting whatever other tests our Nation might face in consequence of the mounting menace of Soviet aggression.

Very sincerely yours,

GEORGE MEANY,
President.

APRIL 23, 1959.

MR. GEORGE MEANY,
President, American Federation of Labor and Congress of Industrial Organizations, Washington, D.C.

DEAR PRESIDENT MEANY: I always respect your viewpoint on legislation and feel that after 25 years of legislative service, my record shows where my sympathies and interest rests.

However, I must balk at the suggestion that I vote for the President's request for foreign aid in total.

Maybe I am in error, and if so, I stand to be corrected but as of the moment I am faced with the well known dilemma of indecision based upon a sincere desire to do the right thing.

I have over 18,000 unemployed glass, rubber goods, ceramic, steel fabricators, aluminum, coal and other specific and general workers.

I find my community up to and over its community neck in debt and unable to make the necessary repairs, changes and modernization to plants and facilities required to keep our heads above water.

I find a President who vetoes depressed area bills, sends unemployment extensions back to the hard-up State governments, fouls up legislation for social security benefit increases and on and on and on, while at the same time builds roads, dams, filling stations, plants, factories, mines and mills all over the world and claims that's the way to peace.

I have a different formula. I want work for Americans at decent wages and work conditions. I want no competition with $6.60 a month Japanese miners, or 11½ cents to 25 cents an-hour-a-day labor. I want America to be strong through payroll dollars and man-hour jobs. I want all this, and yet I want to help my neighbor in the underdeveloped countries. I want to help him help himself and raise his standard of life, but not at the expense of lowering our own standards. I want to help him build factories for steel, aluminum, glass, autos, baby carriages, clothespins and all the other things that we have in an overabundance here in America.

However, I want him to use these plants and facilities for the betterment of his own standards.

I don't mind his getting along as well, or even better, than we do, but not at the expense of the American worker and his family.

I know it sounds provincial and smacks of isolationism, but, believe me, sir, it's neither one. It's just plain common sense that follows the concepts of American liberties and freedoms we were trained to believe in, in our classrooms, in our business offices, in our mines and mills, and, yes, even in our picket lines.

I can appreciate your concern for the President's foreign aid program, for I sincerely believe a wide-awake Congress would have scuttled it long ago and the present Congress must surely look at it more closely.

I know that both of us have as our main interest the American worker, American prosperity, and, above all, American security.

I happen to be one of the group, which appears to be in the minority at this moment, that believes our best road to peace is through our own strength, in our own people, in our own institutions, both public and private, and in the American concept of Christian principles.

These principles will not allow us to do other than good for all peoples in need.

I shall do a great deal of thinking and studying before voting on this, you can be sure.

Sincerely yours,

JOHN H. DENT,
Member of Congress.

UNITED ELECTRICAL, RADIO, AND MACHINE WORKERS OF AMERICA,
New York, N.Y., March 23, 1959.

Hon. JOHN H. DENT,
House of Representatives, Washington, D.C.

DEAR MR. DENT: On February 6, 1959, the Tennessee Valley Authority purchased a 500,000 kilowatt steam turbogenerator for its Colbert Steam Plant, near Tuscumbia, Ala., from C. A. Parsons & Co., Ltd., of England.

Less than 2 months ago I wrote you on behalf of the UE urging Congress to investigate the rising rate of corporation profit in relation to the increasing number of the unemployed.

This TVA purchase places the issue of corporation profiteering versus employment in the sharpest focus.

Only two American corporations, the General Electric Co. and the Westinghouse Electric Co., bid on this order. Their evaluated bids were approximately equal, approximately $19,500,000 each, or approximately 50 percent higher than the Parsons bid.

Loss of this contract meant the loss of approximately 600 jobs for one year in GE or Westinghouse and of about 375 jobs for one year among company suppliers.

Both GE and Westinghouse declared that the approximate $6,300,000 difference between their bids and the winning bid was due to labor costs.

We find the actual difference in labor costs amounts to less than $91,000, which GE and Westinghouse attempted to parlay into a $6,300,000 overbid to TVA. And this is not all; because of tariff and Federal "Buy American" policy, the companies had a bidding advantage of $4,000,000.

We find that these two companies, which enjoy a virtual monopoly in the large turbogenerator industry, have raised the price of such equipment 100 percent the past 10 years.

We find, using company figures, that the actual cost to the companies on this job, on which they bid $19.5 million, was $5.3 million, which would yield a profit of more than 265 percent.

We learn that privately owned utilities seek through the Office of Civil and Defense Mobilization to impose by law their monopoly upon the electric generating industry of the United States.

We learn that privately-owned utilities companies are supporting the price-gouging policies of the GE and Westinghouse companies.

We charge that it is the deliberate, concerted profiteering policy of these two corporations, based in part on their near monopoly positions in the manufacturing end of the industry and in part on their relationships with the profit-making public utilities corporations of the country, that is destroying the jobs of our members, gouging the public purse, and limiting the demand for electrical equipment and appliances of all kinds by maintaining an uneconomic and unnecessarily high price for electric power to all users of electricity.

This letter sets forth the facts upon which we base the foregoing conclusions, facts too serious to be ignored in the present situation of continuing high unemployment and record-breaking profits caused by monopoly pricing policies.

MONOPOLY PRICE INCREASES

Over the past 10 years, the Bureau of Labor Statistics Price Index shows that the price of steam turbine generators has increased 103.5 percent, and the price of hydraulic turbine generating equipment has creased 98.5 percent.

There are only three companies equipped to manufacture the largest types of such installations, and their prices on heavy generating equipment show a remarkably uniform pattern of profiteering. These companies are GE, Westinghouse, and Allis-Chalmers.

Because of past extortionate monopoly price-gouging, TVA asked for bids from two English companies, as well as from GE, Westinghouse, and Allis-Chalmers, on the 500,000 kilowatt Tuscumbia steam turbogenerator.

Three bids were received from GE, Westinghouse, and A. C. Parsons, Ltd., of England.

The evaluated bids were as follows:

Parsons (including duty)	$13,140,700
Westinghouse	19,453,725
GE	19,673,780

The virtually identical GE and Westinghouse bids were thus some $6,300,000, or almost 50 percent, above the British bid. Further, the Parsons bid was firm, GE and Westinghouse demanded escalation. Parsons agreed to a penalty clause for late delivery. GE and Westinghouse refused.

Each company told its employees it would have received the contract if TVA had not accepted the Parsons bid. Both companies told their workers that the job would have provided jobs for 600 to 700 workers for 1 year. Both companies declared that the high wages they paid their workers were the reason for the $6,300,000 differential between the GE and Westinghouse bids and the Parsons bid.

In the absence of adequate information, and under the pressure of severe unemployment, there has been a tendency in some labor circles to question the TVA award to the Parsons Co. Investigation, however, has convinced us that the positions taken by GE and Westinghouse are unsound and that their profiteering policy is responsible for the loss of our members' jobs.

LABOR COST CLAIMS ANALYZED WITH COMPANY FIGURES

First as to the claim of both GE and Westinghouse that their labor cost on the 500,000-

kilowatt TVA job is the cause of their $19,500,000 bids.

The Westinghouse News of February 24, 1959, quotes A. C. Monteith, Westinghouse vice president in charge of apparatus products, as declaring:

"If we had been successful in obtaining the order, it would have meant 1,080,000 man-hours of work for Westinghouse employees at Lester and East Pittsburgh. It would have meant another 375,000 man-hours of work for the employees of companies who supply materials to us."

Closely corresponding estimates were made by Vice President William S. Ginn of GE's turbine division.

We do not vouch for these employment figures. They are probably inflated for propaganda purposes. However, they represent the companies' own estimate of the amount of labor in the job.

Both companies claim that labor in Britain receives only 40 percent of what they pay their employees.

The companies conceal the fact that the productivity of labor is so much higher in the United States of America, particularly in the very advanced modern turbine plants of GE and Westinghouse, that any fancied advantage in labor costs to the British firm is wiped out.

According to "British and American Manufacturing Productivity," by Marvin Frankel, a book highly praised by the "Productivity Measurement Review," organ of the Organization for European Economic Cooperation, in which the U.S. Government participates, American labor is 2.44 times as productive as labor in Great Britain.

The U.S. Bureau of Labor Statistics for November 1958, when the bids were submitted, shows that the average straight time wage in the steam engine, turbine and waterwheel industry, which applies here, was $2.72.

The same source shows that the average straight time wage in durable goods in manufacturing was $2.26.

Taking the two companies' man-hour claims at face value, the wage cost comparison between the U.S. firms and the British firm would stand as follows:

Labor cost, GE-Westinghouse (based on Monteith's 1,080,000 man-hours at $2.72 an hour)	$2,937,600
Labor cost, GE-Westinghouse suppliers (based on Monteith's 375,000 man-hours at $2.26 an hour)	$847,500
Total U.S. labor cost	3,785,100
Labor cost, Parsons plus suppliers (based on GE-Westinghouse claim that British wages are 40 percent of U.S. wages)	1,514,040
Indicated differential favoring Parsons	2,271,060

But the GE-Westinghouse bids were not $2,270,000 higher than the Parsons bid, they were $6,300,000 higher.

If the above figures are corrected to allow for the difference in labor productivity, the extent of GE-Westinghouse profiteering becomes even more strikingly apparent.

Then the picture looks like this:

Labor cost, GE-Westinghouse and suppliers	$3,785,100
Indicated labor cost, Parsons	1,514,040
Corrected labor cost, Parsons	3,694,258
Actual labor cost differential	90,842

But the difference in the bids was $6,300,000.

ADDITIONAL PRICE ADVANTAGES

Furthermore, the Parsons bid included $1,543,000 duty, a sum that would cover the actual wage-cost differential almost 17 times over.

It would almost cover the total claimed labor cost differential for 1,080,000 man-hours, if no allowance at all is made for the difference in United States and British labor productivity.

Further, we are informed that TVA notified GE and Westinghouse that it would accept the lowest bid from a U.S. manufacturer if it did not exceed the lowest foreign bid by more than 20 percent. This price advantage offered GE-Westinghouse was in addition to the $1,543,000 import duty. The 20 percent advantage amounted to over $2,600,000.

This, plus the duty, gave GE and Westinghouse a $4 million advantage over the Parsons firm. They were not willing to reduce their bids to within $4 million of the Parsons figure, insisting on parlaying a $91,000 wage-cost differential to a $6,300,000 overbid to TVA.

HOW COMPANIES APPLY PROFITEERING POLICIES

These profiteering policies are openly declared by the two corporations.

In a management newsletter, dated February 2, 1959, President Mark Cresap of Westinghouse declared:

"In 1959, we must bring the problem of profit margin into sharp focus. Margins in our company improved slightly in 1958, but, very frankly, our margin performance is not good.

"Improvement of margin performance is the key to better profits in 1959. As you know ["you" refers to Westinghouse management * * * AJF] we measure our profit performance in terms of return on assets. This is a combination of two factors: (1) turnover of assets (the ratio of billings to assets) and (2) margin of profit. * * * During the past 5 years, our improvement in turnover has been faster than that of the industry as a whole. * * * Margin performance, on the other hand, has deteriorated in comparison with the industry as a whole and therefore demands our closest attention in 1959. It is the key to return-on-asset performance, on which we judge ourselves and on which others judge us."

The same frank preoccupation with profit at the expense of all other considerations is expressed by GE chairman Ralph J. Cordiner in his dealings with the U.S. Government.

In a story headlined, "U.S. Acts To Give Industry Bigger Profits on Defense," the New York Times of January 12, 1959, reported:

"One of the most outspoken and effective opponents of defense contracts that fail to yield a reasonable minimum profit last year was Ralph J. Cordiner, chairman of the General Electric Co. Mr. Cordiner believes that one of his principal functions as chief executive officer of the largest electrical manufacturing organization in the world is to show a profit.

"Asserting that 'when we work we want to get paid for it,' Mr. Cordiner said in December that General Electric was exercising free choice in accepting or rejecting defense contracts. The company, he added, has been and is turning down assignments that are shaved to close to actual cost."

Let us see how GE and Westinghouse applied their own profit criteria to the job in question, the 500,000-kilowatt turbogenerator they were asked to supply to TVA.

On March 9, 1959, a press conference was conducted at the Mayflower Hotel, Washington, D.C., by the National Security Committee of the National Electrical Manufacturers Association. Among those present to answer questions were Arthur F. Vinson, vice president and group executive, General Electric Co., and A. C. Monteith, vice president, Westinghouse Electric Co.

A statement by the committee was issued at that press conference. On page 10, that statement declares:

"7. Costs of production: American producers cannot compete on a price basis with manufacturers in England, France, Italy, Austria and Switzerland because of the high labor content of heavy electrical equipment and the difference in labor costs.

"From 45 to 55 percent of the contract price of both hydraulic generators and turbines represents labor costs."

We are informed that the TVA and the companies both set 55 percent as the ratio of the contract price to be applied to labor cost, on both steam and hydroelectric generating equipment.

If we apply these percentages to the present case, the 500,000 kilowatt Tuscumbia contract, accepting Mr. Monteith's figure of 1,080,000 man-hours, and applying the $2.72 average wage in the heavy turbogenerator industry, the contract price charged by GE-Westinghouse for producing the equipment should have been $6,528,000 if wages are 45 percent, $5,875,200 if wages are 50 percent, $5,341,090 if wages are 55 percent.

The $19,500,000 contract price demanded by GE-Westinghouse would yield the corporations an additional profit on the job of from $12,972,000 to $14,159,000, or an additional profit of 198.7 percent at the lower figure and 265.1 percent at the higher.

(In calculating the contract cost to the companies by this method, the man-hours of labor in materials furnished by suppliers are properly excluded, for the agreed-on TVA-company formula on the content of the price of such contracts is 55 percent labor cost, 35 percent materials cost, 10 percent other. The 35 percent materials cost figure would necessarily include the labor cost in the materials.)

THE SECURITY ISSUE

It is in an effort to protect such fantastic profit margins as these that General Electric and Westinghouse and their tool, NEMA, are hypocritically raising the issue of national security because they cannot justify their prices and loss of jobs by economic means.

It is because of just such profit margins that in the last quarter of 1958 the profits of General Electric leaped ahead of the corresponding 1957 quarter by 25 percent, on sales $28 million below those in the same period of the previous year.

Westinghouse profits in depression 1958 were $2.2 million higher than in relatively prosperous 1957—so good that the board of directors voted $8 million in bonuses to corporation management.

It is profiteering like this that has slashed 16,000 workers from the payrolls of the Westinghouse Co. in the past year, and 40,000 or more from General Electric in the last 2 years.

Paul R. Sidler, of New York, president of Brown Boveri Corp., American branch of the Swiss Brown Boveri firm, recently criticized the GE-Westinghouse attempt to establish monopoly in the turbogenerator field in the following terms:

"It seems to me that when certain American firms, mightly waving the flag to obscure the real issues, attempt to enlist the power of the Federal Government to completely monopolize the market they already dominate, things are getting out of hand and the concepts of patriotism and free enterprise are distorted, and indeed abused."

What GE and Westinghouse are doing is far worse than Mr. Sidler's criticism implies. These monopolists are gouging the Government, driving up the price of electricity to all consumers, throwing their own workers out of jobs, systematically feeding inflation and endangering the stability of the entire American economy—all for the sake of profit, and all in the name of national security. They undermine the security they pretend to uphold.

We have entered into this rather lengthy analysis of the TVA job in current controversy as an example of what the UE is talking about when it asks for congressional investigation of the rising rate of corporation

profit in relation to the increasing number of the unemployed.

TVA HAS CREATED MANY JOBS IN ELECTRICAL MANUFACTURING INDUSTRY

Over the past 10 years the Tennessee Valley Authority has been an important factor in upholding employment in our industry, not only through the direct purchase of equipment manufactured by the electrical machinery industry, but also because the electrification of the Tennessee Valley has created a demand for some $2 billion worth of appliances and electrical equipment of all kinds in the area the Authority serves.

In the past 10 years, we are informed, TVA has made the following purchases from GE and Westinghouse:

From GE, $151,143,858.

From Westinghouse, $133,895,715.

This has meant many jobs for GE, Westinghouse workers, and other electrical workers, not only in the manufacture of generating equipment, but in the manufacture of every sort of equipment and appliance using electricity.

The loss of the Tuscumbia job, while the first loss of its size in the steam generating field, indicates a trend dangerous to jobs in the industry.

The NEMA press conference referred to above issued a list of over 175 electrical generating equipment contracts lost by American firms over an unspecified period. These contracts were awarded by Federal, State, municipal and other power authorities to foreign firms less exorbitant in their profit demands than GE and Westinghouse. One such award that has attracted wide attention is a $9 million contract awarded by the City of Los Angeles to a Swiss firm. GE had bid $14 million.

RELATIONSHIP OF PROFITMAKING PUBLIC UTILITIES COMPANIES TO PROFIT POLICIES OF GE AND WESTINGHOUSE COMPANIES

We wish here to draw your attention briefly to the curious position of the profit-making utilities corporations of the country on the TVA contract award to Parsons, Ltd.

It has been suggested in the current controversy that GE and Westinghouse are fighting the TVA award so violently because if they are forced to come down in their prices to TVA, they will have to reduce prices to their private customers, privately-owned electric generating companies.

In a rather sinister anomaly, private electric-generating corporations are assailing the TVA contract award.

The public relations firm Bozell & Jacobs, Inc., of 2 West 45th Street, New York City, within the past month issued a news release headed "TVA Prefers Foreign Labor" which began, "Thousands of American workers have been jobless because a Government agency—Tennessee Valley Authority—didn't 'Buy American'."

Upon inquiry, a spokesman for Bozell & Jacobs declared that the release was issued on behalf of approximately 80 privately-owned electric generating companies. The agency declined, as a matter of "agency policy" to supply the UE with a list of the utilities sponsoring the release.

We suggest three possible explanations for the position of the utilities on this contract for the consideration of and possible investigation by Congress.

First, that the utilities desire to see the yardstick function of TVA hampered by forcing the agency to make uneconomic purchase of equipment.

Second, that the divorce between the manufacturers of electric generating equipment and the electric generating corporations, which was ordered by the Federal Government some years ago, has not been fully consummated.

Third, that the profit-making public utilities corporations do not mind paying the highest prices for their equipment, because their rates are set on the basis of a percentage of investment, and the higher their costs, the more they can charge the public for electricity.

As the jobs of our entire membership are related to the question of an abundant and economical supply of electric power, the overpricing policies of GE and Westinghouse for their electric generating equipment affect the jobs of every worker in the electrical manufacturing industry.

Also, while exactly the same methods of setting prices cannot be applied to all product lines, the general GE-Westinghouse policy of charging all that the traffic will bear, as exemplified by the TVA case, is creating the present profiteering depression. By pricing their goods out of reach of many who need them, GE and Westinghouse are depriving tens of thousands of their employees of jobs, but reaching new record levels of profit.

The general executive board of UE has read and approved this communication. By direction of the board and on the basis of the facts brought to your attention here, I respectfully repeat our request that Congress enact legislation for a 35-hour work week, and that it investigate the rising rate of corporation profit in relation to the increasing number of the unemployed.

Respectfully,

ALBERT J. FITZGERALD,
General President, United Electrical, Radio and Machine Workers of America (UE).

APRIL 9, 1959.

Mr. ALBERT J. FITZGERALD,
General President, United Electrical, Radio, and Machine Workers of America, (UE), New York, N.Y.

DEAR MR. FITZGERALD: I received your informative letter concerning the TVA transactions.

I understand the logic and also the analysis you gave me; however, there appears to be more than a wage and profit problem here. There is a definite decision to be made by this Nation's Government, business, and its workers on just what our policy is going to be. I hold no brief for Westinghouse, U.E., or Elliott or any other producer whose profits are beyond reasonable limits. Nor is my complaint against TVA and REA based upon the profiteering angle.

We have known since our early childhood in the coal towns of Pennsylvania the meaning of low wages and high profits. This is an important phase of the problem, but over and above this consideration must be a clear cut determination of where we are going in international thinking and planning.

All of us, conscious of our responsibilities to the living, the dead, and the unborn, have a serious stake in the future of the world as a whole, yet, some of us fail to recognize that we also have a stake in America, its workmen, its institutions.

The only way I see to limit profit is by law. The fact that American companies can produce overseas and ship into the United States eliminates the possibility of competitive economics in price setting. We will find the end result to be much like we now have from the Japanese competition in household wares and the German competition in domestic appliances, and on down the line in rubber, light bulbs, etc.

We can't expect to produce as cheaply as these countries, except by automation, lower standards of American labor, or protective tariffs. All three have their serious drawbacks and I can't help but think that if we do compete successfully by the first two methods mentioned, the friendly countries will be right back where they were before we put out efforts into industrializing them.

Can't you see the squawk from Japan and other nations if we put out goods as cheap and as good as they do, and they find themselves locked out of our market as well as other markets because we put into use our total effort on price alone.

Our trade policy today is a house built upon sand and cannot stand. The American worker cannot and will not forever pay taxes to build up his own competition.

No nation can kid itself into believing it can sacrifice its own material wealth, whether that wealth be measured in labor or capital, beyond a certain point of credit unless it is willing to become dependent upon other nations for its welfare, both in defense and economics.

This Nation's economy is based upon free labor and free business enterprises.

One can ruin the economy with unreasonable demands, and the other with unreasonable profits.

Those who promote foreign aid, trade, and investments with the idea in mind of driving the unions into a corner are being aided unwittingly by many persons in and out of labor who genuinely believe this to be the road to peace and world prosperity.

Those of us who have the weight of the responsibility for our national welfare, unemployment, community development, farm prosperity, national security, and international relations have to try to keep our heads and hearts separated. We can't, as I see it, indulge in the luxury of being good fellows and talking out of both sides of our mouths at the same time.

I subscribe to Teddy Roosevelt's famous remark, "There is room for only one sole loyalty and that loyalty is to the American people."

Much as I abhor the corporation profiteering you point out so well in your letter, the real loss I complain and protest about is the loss in jobs, local business to trade, professions and services and of course the loss in needed revenues for operating our whole Government's economy.

The reasons for losing this and other business are important, but most important is the loss itself.

I'm new in Congress, but one thing I am sure of "I was elected to the Congress of the United States, and not to the congress of the world."

As yet they are separate and distinct, even if there are certain mutual problems and interests. These I am willing to recognize and work toward their solution, but at no time will I willingly and knowingly deny an American workman his living standards, or an American investor his legitimate profit just to eliminate criticism of my position, or to secure my election.

In closing let me say that one theory I cannot subscribe to, and yet it is the prevailing prop under our reciprocal trades agreements, and that is the idea that we can prosper, make friends and influence nations by making the cottongrower prosperous and putting the glassworker on relief.

I wasn't elected to decide who should work, and who should starve.

To me, the interests of one American, regardless of his position, his color, or his creed are all on an equitable base, and I have no right to think or act otherwise.

I am sure we agree on the need for a real study and immediate action in this matter.

I may be off base, but I believe that the party and candidate that offers hope of solution to this serious problem will come before the American people in a favored position.

Blackstone put it well when he observed that "The only true and natural foundations of society are the wants and fears of individuals."

With kindest personal regards, and nice to again hear from you, I remain,

Sincerely yours,

JOHN H. DENT,
Member of Congress.

P.S.—With your permission, I would like to make all or part of your letter a part of the RECORD.

J. H. D.

WESTINGHOUSE ELECTRIC CORP.,
Pittsburgh, Pa., April 3, 1959.

Hon. JOHN H. DENT,
House of Representatives,
Washington, D.C.

DEAR MR. DENT: Since our dinner in Washington on February 26, at which time we discussed the problem of the import of heavy electric power apparatus, many members of the Pennsylvania delegation have shown an interest in this matter. Therefore we feel an obligation to write you this letter in order to keep the record straight.

You have received, I believe, a letter from the general president of the United Electrical, Radio, and Machine Workers of America, on the subject of the 500,000 kilowatt steam turbine generator ordered by TVA from C. A. Parsons & Co., Ltd., of England. In this letter, this UE official has done a great disservice to the union's membership and to the Nation with absurd charges of 265 percent profits in the electrical industry of the United States. The letter presents an argument based on false assumptions, incorrect figures and distortions of fact. Its resulting conclusions are ludicrous.

For example, while the UE does not deny that U.S. electrical manufacturers pay wages at least two and one-half times those paid in England, they somehow calculate that our labor costs on this $18 million job are only $91,000 more than Parsons labor costs.

They calculate further that the total cost of building this giant steam turbine generator would be only $5,300,000. The fact is that this amount wouldn't cover the cost of materials—to say nothing of wages and salaries, the costs of providing and operating our factories and their great number of machine tools, transportation, research and development, and many additional expenses.

I am sure that Westinghouse stockholders would be delighted if our profits could be a little closer to the 265 percent that UE says we earn, instead of the 4 percent or slightly less that we actually have earned in the last several years.

The UE letter bases its charges of profiteering on what it says are company figures. It then quotes a statement by Mr. A. C. Monteith which appeared in the Westinghouse News to the effect that the TVA order in question would have meant 1,080,000 man-hours of work for Westinghouse employees at the Lester and East Pittsburgh, Pa., plants, and 375,000 man-hours of work for employees in plants of supplier companies.

What the UE does not say is that these figures represent only the direct factory labor which would have been involved in production of the steam turbine generator—the labor of those factory employees who would have been working full time on this particular job and who are directly affected by the loss of this order. When we cited these man-hour figures to show the possible effect of this lost order on employment, we were intentionally conservative, limiting the figure to direct labor only.

The figure does not include the host of service personnel such as crane operators, materials handlers, production clerks, plant guards, supervisors, and others. Such indirect labor costs are at least double the direct labor costs. This means that the total labor cost of manufacturing this type of giant electrical equipment is approximately three times the actual direct labor cost. And that covers only the people in the manufacturing plants. In addition, there is the cost of the people in the research and development departments and laboratories whose efforts keep American electrical apparatus ahead of the world in reliability and efficiency. And there are sales costs and administrative costs. The UE letter ignores all these.

As a second step in its series of miscalculations, the UE takes this small portion of total labor cost and multiplies it by several industry average wages figures—which also are incorrect when applied to the Westinghouse plants involved. The skilled employees who build these giant machines earn well above the average industry wage.

Then, to muddle even more the already completely inaccurate calculation, the UE applies a mythical productive efficiency advantage which, they imply, the heavy electrical manufacturers in this country have over similar plants abroad. This, they claim, is 244 percent. If such an advantage exists in the production of heavy electric power apparatus, we are not aware of it. And judging from the low bids of foreign electrical manufacturers, they haven't heard of their great disadvantage either.

It is indeed unfortunate that the officers of a national labor union who represent thousands of American workmen spread this type of economic nonsense which can only work against the best interests of their members in a segment of industry where reduced employment has been and still is a problem.

Such propaganda is serious also in that it encourages those who fail to see the dangers involved in our Government buying heavy electric power apparatus from foreign companies which could not provide the necessary repairs and maintenance in time of war.

The UE letter dismisses the security question as a hypocritical issue raised to justify our inability to meet the low bids of foreign suppliers. We are willing to leave to your judgment whether or not the continuous supply of electric power to key defense production areas of the country during a national emergency is a real or a hypocritical issue. In 1957 TVA supplied more than half the power used by the U.S. Atomic Energy Commission, for example.

Despite TVA reassurances on the ability of foreign suppliers to provide service, the fact remains that the Parsons company does not have a steam turbine generator manufacturing plant on this continent. Nor is there any plant in Canada capable of handling major repairs of large steam turbine generators. Parsons, in its bid, said it has just three technical men in all of North America to handle repairs and maintenance. By contrast, Westinghouse has more than 1,000 field service engineers, and, in addition to our major manufacturing plants, we have service and repair plants throughout the United States. Any major repair or replacement on such a steam turbine generator as the TVA Colbert Station unit would require Parsons to ship the unit overseas or ship parts from overseas—something which could be impossible in time of war or other national emergency.

This very real issue of national security should not be screened from view by the smoke of misinformation emanating from UE or any other source.

Sincerely yours,

C. H. BARTLETT,
Vice President.

I could of course go on for hours on this subject and never reach the end of the arguments and logic that will sustain my position in fighting for this legislation.

I will not attempt to cover the whole field but some very important arguments are still to be made by some of my colleagues and I therefore ask unanimous consent to extend and revise my own remarks at this point.

In speaking recently, after the formation of a national coal policy conference was announced on February 25, with both labor and management of the soft coal industry, as well as manufacturers of coal mining equipment and other related industries, joining in an effort for protection of the coal industry to seek relief from unfair competition in the dumping of foreign residual oil and natural gas into coal markets. George H. Love, chairman of Consolidated Coal Co., of Pittsburgh, chairman of the new group, had this to say:

Toward this end, I ask also that in preparation for the multilateral tariff negotiations to take place in 1960, the U.S. representatives ascertain the facts regarding wage levels and working conditions in industries in exporting countries. In such negotiations, specific recognition should be given to the level of labor standards in such industries in any tariff concessions the United States may be prepared to offer.

In making these recommendations, we are fully aware that it is neither desirable nor feasible that wage levels be equalized in all countries. We recognize that the stage of development of a country's economy and the productivity of its industries may limit the level of wages that can be paid. Therefore, it is to be expected that wage differentials will continue to exist and such disparities should not impede international trade.

You will note that this deals with foreign trade and as it differs with so-called buy American regulations, I want to make it clear that both subjects are interrelated and inseparable.

The case of the American taxpayer, the unemployed, the American investor, the merchant, the housewife, the banker—each and every one of us is tied into our economic picture and anything that draws that picture out of focus with prosperity and decent living conditions is of grave importance.

Our Government has been acting as if it was destined to rule the world, make all the decisions, pay all the bills and take all the blame for world problems.

We cannot, and should not, be forced into a position which in a few years will become untenable insofar as the trade world is concerned.

The advocates of free trade, economic development in foreign countries, foreign investments, tax and tariff concessions, and so forth, use many arguments and one or two of them are worth exploring.

The Committee for a National Trade Policy, with William L. Batt as secretary, in fighting against the Westinghouse and General Electric demand for a security ruling on the TVA contract, made the following statement:

Factors affecting our foreign policy and our defense alliances around the world are of critical importance to our national security, and any action which might be taken prejudicial to close and sympathetic relations with our allies must necessarily have the gravest implications for our security. We would find it difficult to understand the wisdom of a decision in the name of security which ignored or relegated to a position of small importance the effect of an embargo action on our close allies or friends abroad.

They further emphasized that:

The United States is a member of an alliance—the NATO: that the larger part of our imports of this equipment comes from major allies, Great Britain and Italy: that we can have no real security apart from the security of those allies and that while our economic welfare affects our security, the economic welfare of our allies affects our security as well.

The director of the OCDM is urged to keep in mind the competitive character of our free enterprise system. There is little security in relying upon an industry which needs special protection in order to compete. There would be little confidence in

the enterprise, the efficiency, or the capacity for future technical improvement in an industry which relied for its success upon such protection. Our security would indeed be precarious if it were based upon industries which needed to escape the main stream of competition and to avoid the pressure for greater skills, efficiency and productivity which competition alone can exert. * * * We do not believe that the vast and ever-expanding heavy electrical equipment industry in this country is in the situation where protection is necessary, in spite of what they say or have said in the past. We believe they can compete if they must, and indeed they do so very effectively when they have no alternative.

Finally we would urge you to consider the broader implications of our total trade policy of a decision to restrict imports of this equipment. The Soviet economic offensive against the free world may well be the critical threat to our security. A U.S. trade policy which permits confidence that our country will offer increasing opportunities to our friends and allies around the world to trade with us is an essential part of any program to meet that threat. Restrictive action in this case can only have the effect of undermining that necessary confidence.

From the Journal of Commerce, the following was picked up:

What are you doing about foreign competition? Some companies are making appeals for tariff and quota protection. Others are making adjustments to meet the challenge of lower-priced imports.

The American Tack Co. offers a convincing demonstration that the latter course gets results. Faced with a mounting inflow of inexpensive West German tacks, beginning in 1949, the firm undertook three major innovations:

Automation was introduced at the Suffern, N.Y., plant, which President Michael Markman claims is much more efficient than the foreign factories.

An employee incentive plan was adopted. Giving each worker a bonus if he exceeds his quota, the scheme has brought high productivity, reduced absenteeism to a minimum, and practically eliminated labor turnover.

An improved steel was purchased in bulk quantities, which helped reduce the price of the main raw material.

As a result, though labor costs have risen 110 percent and raw materials 65 percent since 1949, American Tack's selling prices are lower than they were 10 years ago. The new arrangements have enabled the company to maintain its earnings ratio while meeting foreign competition.

From Business Outlook, the following is quoted:

Steel mills this week apparently will turn out more basic metal than ever before in the history of the industry.

Scheduled production is 2,535,000 tons. Best week up to now was 2,525,000 tons just before Christmas, 1955 (and, by way of contrast, this week's output will be just about double what it was at last year's low point).

To point the comparison even further, this week's output will be accomplished with the industry just under 90 percent of capacity; the 1955 high required 102.6 percent operations. That shows how much capacity has grown.

Even so, steel output for the half year will be at an annual rate of about 124 million tons, 7 million more than 1955's record.

Most steel companies already are utilizing some facilities that don't measure up to the efficiency of their most modern plant. Even so, their profits in the first and second quarters will be fat.

You can judge that from the fact that they generally made money during the part of last year when operations were below 60 percent of capacity. That gives some idea what the current quarter, near 85 percent will yield.

This will add heat to the union's demands for a big wage boost, especially in the fact of a much reduced work force with much greater production of both steel and profits.

The reason I quote these three items is to show just how weak the free trade arguments are.

In the first place, if our security depends upon the economic well-being of our NATO allies and their economic well-being depends upon trade with the United States in goods and commodities we now produce in surplus and because we give them economic aid, trade concessions, cheap money, easy loans, and a cash market for their low priced goods, they capture not only our own domestic market but out former foreign trading markets. What happens if we follow the advice of the Journal of Commerce—reduce our costs, automate our production lines, and undersell our foreign competitors?

If they, then are forced to shut down their plants because it is our markets that keep their expanded industry growing and busy, will they still be friendly and accept their financial dilemma and unemployment, or do they come running with more and greater demands for American succor. It could be spelled another way.

Following through then with Business Week's observations, and the result of speed-up automation, and so forth, we have a larger and more chronic unemployment problem of our own because in order to meet competition with our foreign friends we will have to produce more with less employees or, worse yet, move our plants to foreign countries. In either case we have more unemployment, less reserves, and greater taxes upon the ones left on the domestic payrolls.

One thing stands out—the business world is taking over the entire field of foreign affairs and it seems to be based solely on dollar diplomacy.

You will note the lack of public information on one of the real problems we are faced with in the fight for industrial well-being here in our own country when we supply most of the money, know-how and the markets for our competitors. The item of $30 billion in production in foreign plants financed by American money represents to a great degree the markets lost by American workmen because American corporations, individuals and government are building up production facilities abroad that undersell him in every market in the world including our own.

Much of the American invested capital is producing goods formerly produced here by American workmen, and shipped right back to this country under so-called reciprocal trades agreements.

I cannot at this time give the breakdown on our exports versus imports, item by item and dollar by dollar, but I can say this without fear of contradiction, and that is that dollarwise, we may appear to be holding our own, but payrollwise and taxwise, we are literally losing our shirts.

This country cannot buy what it has in surplus and still prosper unless you call 5 million unemployed, the world's greatest debt, the world's greatest budget deferring and the highest personal and business taxes in our history prosperous.

Some day soon I hope to discuss another phase of our economical problem dealing with such tax exempt agencies such as TVA, REA and the millions of co-op and authority investments. These too have a stake in our future and deserve more than passing attention.

For the moment, I might answer a question put to me by a well-meaning freetrader who was objecting to labor's wages being too high and industries' profits too great. He asked me how far I thought the American worker wanted to go in his wage demands and I answered by quoting the American farmer who was asked a similar question, when he said, "I don't want much, just my little farm, and all the land around it."

Human nature being what it is, it might pay us as Congressmen to remember this farmer's remarks and ask ourselves what price do our allies put upon their friendship and military aid.

I kind of believe they have as much to lose as we have if war comes and certainly should want peace as seriously and as genuinely as we do without asking for "all the land around it."

INTERNATIONAL HEALTH FOR PEACE PROGRAM

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. FOGARTY] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FOGARTY. Mr. Speaker, for the last year and a half, I have been steadfastly working toward the enactment of legislation which would bring into existence an international Health for Peace program through the establishment of a National Institute for International Health and Medical Research within the framework of the National Institutes of Health.

After a number of meetings with leaders in the medical field and conferences with my distinguished colleague, Senator LISTER HILL, a joint resolution was cosponsored by Senator HILL and myself in the previous Congress. Early in January of this year, during the first few days of the new Congress, I reintroduced this bill and rose on the floor of the House to recommend the declaration of an international war against disease through use of the tremendous potential weapons for world health—and peace—that lie in medical research.

Again today, after additional conferences and further discussions, I have resubmitted the bill with perfecting lan-

guage changes. Here, then, I come to the major point of my brief remarks. The point is a simple one. It is to stress, as I did a year and a half ago, last summer, and again on January 12th of this year, the need for the United States to help in a great world mobilization of medical research resources.

The opportunities available today for scientific advances in many fields are widely proclaimed. I need only cite the instance of space research to make the point. The development through applied research of this field will undoubtedly produce needed and dramatic advances. But the equally great—or even superior—opportunities for progress through medical research are not as apparent upon the surface. They are far from being as well heralded; they are not ordinarily presented in such an intensive glare; and they do not hold the lime-light day in and day out.

Yet the pay-off from medical research, both for the immediate future and for years to come, can be immense. As all of you, my colleagues, well know, I have long maintained this viewpoint, urging just as strongly that we cannot expect great health and welfare and consequent economic benefits from medical research unless we support it in such a way as to provide for its sound growth and development.

While medical research is robust and growing in this country, even here it is, by comparison with the levels of support for a number of other fields of science, relatively small. It is at a stage of readiness of more adequate nourishment than it has or has ever had, and today medical research is in need of a level of assistance that will permit it to be the peer of its brother physical sciences.

Our recent action in the House to increase the Federal share of support for life sciences research will do much to help bring it closer to such parity. As well, this action will stimulate other, non-Federal sources of support, for other capital, encouraged by the confidence we have shown that medical research is a good investment for the Federal Government, will increase its share buying. Furthermore, our strengthened assistance to research against disease will show other nations that the United States is devoting a substantial part of her resources to a kind of science that will bring not only us, but them, new advances over illnesses and death causes common to mankind.

Other nations, where medical research has unfortunately not been strengthened in recent years as has ours, are nevertheless ready and eager to march ahead. These nations have men and women with brilliant minds, with research skills, with real scientific potential. They await the encouragement of our partnership. From them, in Europe, in Asia, in any part of the world, may well come discoveries that will mean the conquest of cancer, the prevention of heart disease, the great alleviation of mental illnesses, or the wiping out of many neurological disorders.

This is among the reasons why I am sure that we must proceed as soon as possible to enact legislation and provide appropriations to aid in mounting the greatest international attack upon disease through research that the world has ever seen.

This is why I am reintroducing today, in a refined and carefully considered form, the bill—which I spoke of last year and again in January—to increase the scope and opportunity of medical research around the world through an intensified, scientific partnership program on the part of the United States.

This is not an aid program. It is not a welfare program. It is not comparable to commendable programs of this nature by which the United States assists others to improve their economic, defense, or welfare status by aid given according to geographic or similar factors of need. The medical research program proposed in the bill is, in essence, a scientist-to-scientists one, wherein support for scientific studies is recommended and provided to medical researchers only upon the basis of scientific merit and only after technical, objective review by other scientists, their peers.

Thus, the proposed new research program is one which exploits scientific potential alone. This is the only way to true progress. This is, as you know, the method which we have established in this country for Federal support of research through the National Institutes of Health, a method which has played the key role, I believe, in making the United States today the world leader in medical science.

Therefore, in introducing this bill, which calls for the establishment of an international institute for medical research as one of the Public Health Service's National Institutes of Health, I both request and urge your support for it.

Again I have joined with Senator HILL in this measure, and my bill is companion to his. I urge that you consider it a matter of essential importance. I believe that it is worthy of your endorsement and passage.

Its provisions have been worked over thoughtfully from many viewpoints. Some of the best minds of our Nation both in Congress and in scientific and civic fields, have given it serious and detailed review. It represents their sound judgment as to the best means to implement this much-needed new program, in such a way that it will be a real investment in good research, will be appropriately integrated with current activities, and will be well accepted around the world.

Such an expansion of medical research as this bill will accomplish could not be gained unless the scientists of other countries would be willing and eager to participate. Both its methods of support and the framework in which it would be placed insure this kind of wholehearted acceptance. The methods, as I have mentioned, are similar to those so successfully used for supporting and developing medical research in our own scientific community. The framework, also indicated, would be within the Public Health Service and the National Institutes of Health.

Both the Service and its research branch, familiarly known to us and, indeed, to scientists in other countries, as "NIH," have a worldwide fame and acceptance for ability, integrity, and scientific "know-how" in administering, conducting, and supporting research.

Therefore, I am sure that an institute of international medical research, working within the framework of the NIH, the Public Health Service, and its Department, Health, Education, and Welfare, can give outstanding leadership to development of the research potential for advances against disease around the globe. The program authorized under the measure would strengthen present research activities not only of existing international bodies, such as the World Health organization and scientific societies, but also the medical research of many individual countries and their research institutions. It would not conflict with nor duplicate current efforts.

I believe this is an essential measure, one that must have our support. It is not a question, even in cash terms, of saving dollars by balancing figures. It is a question of insuring a profit by a wise investment, from which the cash and other returns will immensely exceed the outlays.

In closing, let me repeat what I have been saying for the past year and a half urging that we here and now declare a new world war upon disease. The American Revolution was an idea translated into action. It inspired people everywhere to be free. America has continued to inspire them as a great, free Nation. Today, we have a parallel idea, a war and a revolution for freedom from disease. As others have said since I voiced this, it is in a sense an extension of the first American Revolution.

Let our second American Revolution be this world war against disease.

CONSTRUCTION PROGRAM FOR MEDICAL, DENTAL, AND PUBLIC HEALTH SCHOOLS

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. FOGARTY] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FOGARTY. Mr. Speaker, the cold, hard fact of the matter is that we as a nation are not doing what we should today to make sure that the schools of medicine, dentistry, public health, and other centers for education and research in the health field are adequate to meet the challenges and responsibilities they face, and all of us face, tomorrow.

One hears a great deal about progress in the health field these days. It is true that we have made giant strides in some vitally important areas. We can be proud of what has been accomplished in the construction of hospital and other health facilities, in the improvements of medical and public health services, in medical research and the assurance of its future development. We can be

pleased with the advances associated with the pharmaceutical and chemical industry, with the contributions of voluntary health agencies and foundations, and with the health-consciousness of the American people which finds expression in organization and action. We can be proud of these things, and pleased, but we cannot be content.

One of the great gaps in our present programs is in the absence of broad support for the health institutions as institutions, as contrasted with the support of some of their separate functions.

Specifically, I am concerned that we are at the breaking point in terms of the ability of these teaching institutions in the health field to keep up with our population growth and with the demands engendered by the rapid changes in medicine and public health.

This is not a new concern of mine, or of many people who are influential leaders in medicine and science today. A great many proposals have been made by Members of Congress, by the executive branch, and by interests outside of the Federal Government seeking ways to meet at least part of the all too evident need. There has been a great deal of discussion, but almost nothing in the way of action.

The legislation that I introduce today proposes that the Federal Government give greater assistance in the renovation and modernization of our present medical and related schools, and that at the same time we give encouragement and stimulus to the construction of new schools. It would build upon and extend the highly productive present program of matching grants to assist in the construction of health research facilities. Thus it sets no precedents and poses no philosophical problems, even among those who persist in the archaic belief that the use of Federal funds for the partial support of medical school activities is ipso facto a threat of Federal control and socialized medicine.

The thing my proposed legislation does is to give clear recognition to three things: First, that research and education are inseparable and often indistinguishable one from the other in a medical school environment; second, that adequate facilities are a basic requirement for medical, dental, and related research and education; and third, that the Federal Government shares in this responsibility to see that such facilities are provided commensurate with the national need.

In other construction programs, matching funds from Federal sources—such as the Hill-Burton hospital construction program and the health research facilities construction program—have been successful beyond all expectation in helping the States, communities, and institutions raise money from non-Federal sources. Such matching grants foster and encourage the putting of private and State money to effective use. Without such stimulus, the other funds might never be raised and the needed facilities might never be built.

It is proposed, therefore, that the Congress enact legislation which will modify and extend the Health Research Facilities Act, now in its third year and being very effectively administered by the Public Health Service, in the following major respects:

First. Changes the title of the act to include facilities for education as well as research in the health field.

Second. Extend the authorized duration of the program to 5 years, beginning with the fiscal year 1960.

Third. Increase the annual authorized availability of funds from the $30 million now provided for research facilities only to a total of $50 million annually for both research and educational facilities, thus making $250 million available for presently established schools of medicine, dentistry, public health, and osteopathy over a 5-year period.

Fourth. In addition, provides $100 million with more favorable matching terms for the construction of new schools in the above fields, including an initial or starting grant of up to $25,000 for planning purposes.

Fifth. Expands by 50 percent the membership of the Council that reviews and makes final recommendations on these grants to include educational as well as research representation.

There is great urgency associated with the enactment of such legislation.

One reason lies in the population changes that will occur during the next decade. Our total population will grow from 175 million to 220 million by 1970. Nearly three-quarters of this increase will be among persons over 65 and under 20 years of age, when requirements for medical care—which means, primarily, more physicians—are most frequent.

Moreover, medical practice continues to be more complex and the task of educating physicians correspondingly so. It is a task that cannot be carried out effectively in the absence of a fully adequate physical plant.

Then, too, medical and related schools carry an increasing responsibility to pioneer in the provision of medical and community health services. They carry out the largest component of the Nation's research in the health field. And they produce an increasingly important segment of the Nation's total manpower for research in the health sciences.

For these and a host of other reasons that are self-evident, it is abundantly clear that these schools are a national resource. Their ability to meet the challenges of tomorrow is a matter of deep public concern. It is our responsibility to give voice and substance to that concern in a program of action—a program that will reflect the public interest.

The medical schools need for assistance in the construction of new and the renovation of existing facilities has been amply demonstrated and often reiterated in studies and reports by such eminent groups as the Association of American Medical Colleges, the Council on Medical Education of the American Medical Association, the Committee of Consultants to the Secretary of Health, Education, and Welfare, this House itself, and others whose interest, insight, and objectivity are beyond question. They do not pretend, nor do I, that matching grants for construction purposes will meet all of the future needs of the medical schools. Ultimately, of course, some way must be found to meet the needs of such institutions for general operating funds. The institutions themselves, the Congress, and the people are not able to see this issue clearly today. It will take time, and study, and debate for the issue to be clarified, and it must be clarified before it can be resolved. We do know, however, that the health institutions of today are inadequately housed and that we will need additional institutions in years to come. Let us, then, move ahead one step further in our national effort to maintain and protect one of our most precious national resources, our health, by making it possible for the physical plants of the schools to be more adequate for tomorrow's needs.

THE VAULT-CASH BILL, SPECULATORS IN THE MONEY SYSTEM AND THE FUTURE OF INDEPENDENT BANKING

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. PATMAN. Mr. Speaker, on April 29 I had the pleasure of addressing the Independent Bankers Association at its annual convention in Philadelphia. The Independent Bankers Association, as you may know, is an association of approximately 6,000 bankers, or about one-half of the commercial banks of the country. They are the smaller, independent bankers who serve most of our home towns and local communities.

My address deals with two or three matters of current interest. These are also matters which most Members would agree to be of major importance.

I might mention, first, the legislation now pending in Congress to revise reserve requirements of the member banks of the Federal Reserve System. This is generally referred to as the vault-cash bill. And, of course, this is a matter of immediate interest. In fact, I believe that the Senate is scheduled to act on this bill tomorrow. The House Committee on Banking and Currency is also considering the bill. Certainly this is a matter of very great importance, at least to the bankers on the one side, and to the taxpayers of the country on the other side.

The bill involves the question of transferring ownership of up to $20 billion of Government-owned assets over to the private banks. These assets are in the form of interest-bearing securities of the United States, and they are being held by the Federal Reserve System. At present, most of the interest payments on these securities—after expenses of operating the Federal Reserve System are met—flow back into the Treasury of the United States. The proposal is to transfer these securities over to the private banks where the interest payments will go into bank profits. The reason which has been given for the proposal is that bank profits are not high enough, and it is desired that these

profits should be increased, although, of course, the subsidy which is proposed will come out of the taxpayers' pockets. In other words, Treasury revenue will be diverted into bank profits, so the taxpayers will have to make up for the diversion through either increased taxes or increased debt on which interest payments will have to be made. My address to the independent bankers deals with this subject in some detail. Perhaps I should add however that this subject has already been dealt with more extensively in my statement in the CONGRESSIONAL RECORD of April 10, in which I quoted from a Federal Reserve report concerning the amount of the assets which it is proposed to transfer to the banks under this legislation.

Second, I might mention a problem which has arisen within the Federal Reserve System. The Federal Reserve has set up a mechanism of what it calls monetary controls which has involved bringing a certain small group of security dealers and money-market speculators into the middle of the banking system. In other words, this system of monetary controls depends upon these dealers and speculators to make adjustments in the reserves of the banks over the country. And, as the Members know, this has led to some highly interesting developments in the Government bond market, including one or two major debacles last year, which the Federal Reserve and the Treasury are now trying to investigate. My address to the independent bankers gives some of the details of this situation.

Third, but by no means least in importance, I might mention that the main streets of America are rapidly becoming absentee-owned and absentee-controlled. This disappearance of independent business and the increasing concentration of business into a few giant nationwide or worldwide corporations raises some fundamental problems that need solution. In the absence of any solution being made through the legislative process, other solutions are being made which in my opinion go in the wrong direction. There seems no doubt that these trends will eventually necessitate, if not a change in our form of government, at least a radically different role which our Government will have to play in the economic system.

On the belief that a sufficient number of Members will be interested in these matters to justify it, I will insert my address in the RECORD, as follows:

THE FUTURE OF INDEPENDENT BANKING

(Address of Representative WRIGHT PATMAN, Democrat, Texas, to the Independent Bankers Association in convention at the Sheraton Hotel, Philadelphia, Pa., April 29, 1959)

Ladies and gentlemen, it is both an honor and a warm personal pleasure to be invited to your convention. To the newcomers in your association here, let me say that I have always enjoyed a strong spiritual attachment to the Independent Bankers Association. I have great admiration for your illustrious president, Mr. Gormley, and I have for many years drawn upon the wisdom and inspiration of your most capable secretary, Mr. Ben DuBois.

My subject, "The Future of Independent Banking," sounds quite formidable. Actually, however, I have only two simple points to make and they could be said very briefly.

First, it seems to me that the future of independent banking depends upon the future of independent business in the local communities; and second, the future of all independent business will depend in large measure upon how you independent bankers use your quite considerable influence in shaping the policies of government.

But while simplicity may be a congressional virtue brevity usually is not; and I think you have been around long enough to know when you invite a Congressman to address you, you run the risk of getting a long speech. I proceed on the theory that if I talk long enough I may say something which will cause you to have a new thought which will contribute to a brighter future for independent banking or contribute to better government.

TECHNICAL PROGRESS IS GOOD

I have assumed that the common purposes of all governments are to eliminate poverty, ignorance, disease and crime. But in our country we have the additional purpose of preserving the democratic principles and processes, which means giving constant attention to the individual freedoms, both civil and economic. Economic freedom by our traditions means maintaining the society in a condition which offers the individual practical choices among a wide variety of pursuits in which to find useful and satisfying work. And it means maintaining practical opportunities for wide ownership and management of the economic resources—in short, independent enterprise.

In many respects the scientific and technological revolution has served our purpose in measures beyond compare. And we may assume that our particular society and our particular policies of government have been at least conducive to this progress.

Within our own lifetimes we have witnessed tremendous new energies harnessed for the comfort and well-being of mankind. In our own country poverty, as we used to know it, has substantially disappeared. All kinds of new machines, new production processes, and new plant and animal specimens have been developed to increase output and lighten the workload and make life more comfortable. Drudgery and back-breaking toil in the field, the factory and the home have largely been eliminated. More of our people are engaged in scientific, engineering and other professional pursuits which seem to offer satisfying work. Some of the most dreaded diseases of only a few years ago have been conquered; and the researchers seem on the threshold of conquering the others. In all fields of science and technology new discoveries and new breakthroughs are being reported daily. Nuclear energy has raised our eyes to new horizons, and we are told that space travel will be a reality within a decade—if we don't blow ourselves up first. And in the meantime a great variety of wonderful gadgets are being invented and put to use to eliminate the need for hard labor.

I am even told that they have invented an electronic computer which is supposed to eliminate the need for independent banking.

All this progress in the scientific and technological fields seems to me to be immensely good, despite the warnings that some of the new inventions might be used to destroy the world or eliminate independent banking.

MAIN STREETS ARE BECOMING ABSENTEE OWNED

Some of the other changes taking place in America are, however, bad—very bad. To put the matter simply, the Main Streets of America are rapidly becoming absentee owned and absentee controlled. This is most serious.

For some years I have had reason to be acutely aware of this trend, but even so I am shocked by fresh reports of how far the trend is going—in fact, how far it has already gone. For example, a few weeks ago Miss Sylvia Porter wrote a series of columns, which you may have seen, concerning a visit she made to Louisville, Ky. Being a stranger to the city she made some inquiries which people at home probably would not think to make, and she came up with some startling answers. First, she found that 60 percent of all the jobs in the factories at Louisville are in absentee-owned industries. In other words, the big decisions which intimately affect the lives of these employees are being made in board rooms in New York, or one of the other big financial centers.

As to the retail businesses, Miss Porter's report is even more disturbing. She estimated that between 80 and 90 percent of all the people employed in retail establishments in Louisville are employed in branches of coast-to-coast chains. She found that only the fifth largest department store in the city is locally owned.

This kind of picture is, of course, not new to most of you. In general it is a picture of what has been taking place all across this country. More and more the businesses of the cities, the towns, and the local communities have been taken over, replaced, or reorganized into nationwide chains. About the only kind of business which has not been reorganized into nationwide chains is the banking business, and no doubt the only reason banking has escaped is that the peculiar laws which apply to banking have not permitted such a reorganization.

LITTLE FUTURE FOR INDEPENDENT BANKERS IF BUSINESS ON MAIN STREET IS RUN FROM WALL STREET

Where, then, is there any future for the independent banker if more and more of the business of Main Street is to be controlled and financed from Wall Street?

The principal purpose of banking, as I understand it, is to manage the money and credit needed to carry on the economic activity of the community. Are independent bankers to become merely Government bond brokers and commercial bookkeepers? Surely not much banking experience or judgment is needed to deposit the bank's funds with some other bank in one of the financial centers where these funds can be put to work. And surely there is no justification for banks to create credit merely to acquire Government securities.

Turn to the consumer credit field? Yes; there is limited opportunity here. But the field seems to be getting crowded. The consumer finance chains have moved in with their nationwide advertising. And more and more the big manufacturers of consumer durables are offering consumer financing through their local sales agencies.

The point is obvious: the inevitable trend seems to be for banking to take on the form of organization that is taken by the business activities banking is to service and finance. Is it any wonder that more and more of the State laws are being changed to permit chain banking within the State boundaries? Is it any wonder that a proposal to allow nationwide bank chains is already being urged? As locally owned business disappears, more extensive branch banking will follow; and even before the statewide banking chains are consolidated, the forces for nationwide banking will be overwhelming.

Actually, some strong arguments can be made for nationwide bank chains even now. The nationwide business chains can make an argument for them, as can the bankers who serve these commercial empires at their

headquarters. The corporate managers can plausibly argue that nationwide bank chains would give them more efficient accounting. And the big city bankers can plausibly argue that they could better service the credit needs of these clients if they had certain control of local bank funds.

NATIONWIDE BANK CHAINS WOULD HELP IN THE FED'S NEW ROLE OF REGULATING THE ECONOMY

Certainly a powerful argument can be made that nationwide bank chains would improve the Federal Reserve's operations in its new role of monetary control. Keep in mind what the Fed is trying to do with its open market operations. It is adjusting the amount of reserves from day to day in an effort to bring about the precise amount of credit expansion or contraction it considers appropriate for the moment. Thus, on one day the Fed may put additional reserves into the banking system, at New York, by buying Government securities. And on the next day the Fed may take reserves out of the system by selling Government securities.

But here comes the essential problem—how will these changes in reserves at New York be transmitted to the rest of the banks? How will adjustments be made among banks in the various parts of the country to balance available reserves with local credit demands? When the Fed set up this system it adopted the idea that there should be one central money market at New York—because it was modeling its system as closely as possible on the system in Britain. The Bank of England adds reserves to the banking system, or takes them out, at only one central point, London. But adjustments promptly take place throughout the country—and are made within the banking system itself because the clearing banks, with headquarters in London, are large branch banking institutions which serve the entire country.

Thus, in setting up its open market operations in New York, the Fed ran up against the fact that an essential part of the system—the chain banks—is missing in this country. And to substitute for this missing part the Fed has brought all kinds of security dealers and speculators into the picture to carry on the vital function of adjusting reserves among the banks of the country.

Its first step was to adopt the practice of trading in Government securities, not with the member banks, but with a small group of securities dealers who were to serve as a buffer between the Fed and the member banks. These dealers were to adjust reserves among the different banks of the country by buying and selling the banks' secondary reserves—that is, Federal securities.

More recently, however, the Fed has watched with approval the development of another supplemental device, which is called the Federal funds market. This so-called Federal funds market is in fact a New York stockbroker who buys and sells bank reserves—that is, actual reserves—from a desk in the New York Stock Exchange.

I judge, however, that these securities speculators and money market operators have not proved an altogether satisfactory substitute for chain banking.

The Fed has now joined with the Treasury to make an investigation of these operations to try to find the reasons for some of the recent debacles in the Government securities market.

SECURITIES DEALERS AND MONEY SPECULATORS SHOULD NOT BE IN THE MIDDLE OF MONETARY CONTROLS

Here is an interesting point. All of this trading in Government securities by the Fed's Open Market Committee is said to be for the purpose of maintaining stable prices. Yet this particular system is expected to function, to bring the securities dealers in, only because the system produces a highly unstable price for money itself. And this means, of course, it must also produce a highly unstable price for Government securities.

So the question which the Fed and the Treasury are trying to answer is not why the price of Government securities changes from day to day and from minute to minute. The question is only why the security dealers and speculators have on occasion allowed the price to plummet in ways which have caused wide public attention.

I could add that the public is asking some other questions about the Government securities market. For example, let me read you a letter which I received on April 14. It reads:

"DEAR REPRESENTATIVE PATMAN: I am a high school student very much interested in economics. The other day in class I raised a question concerning our studies of the Federal Reserve System which, for lack of information, could not be answered.

"The question is this: If the Federal Reserve buys and sells Government bonds in secret, and the time, the price, the amount and the parties involved in the transaction are kept secret, why is this called the 'open market'?"

That is a very good question. Everything this high school boy has said about the Federal Reserve's secret trading in Federal securities is true, and I cannot tell him why this trading is called an "open market."

The law authorizes the Federal Reserve's Open Market Committee to buy and sell securities in the open market—and it does trade in astronomical amounts of these securities—about $5 billion worth a year. But the trading takes place in the most closed, private trading club ever invented. This trading is done with only 16 dealers and speculators, and even their names were a secret until a couple of years ago, when I obtained a list from the Federal Reserve and made it public. Frankly, it would be hard to argue that the group of men who decides money, credit and interest policies for the United States, and try to regulate the economy of the country with these monetary controls, is aptly called the Open Market Committee. Not much is known about this committee except that it is made up of 12 men, 7 of whom are Federal Reserve Board members and 5 of whom are selected by representatives of the private banks, and that they unquestionably hold more power than any other 12 men in the world.

Yes, nationwide bank chains would seem to make an improvement in the Fed's system of monetary controls. At least we would not have the Wall Street money trust right in the middle of the banking system. But I would not recommend that particular improvement. I would recommend that the Federal Reserve System be brought back under public control—brought back into the Government from which it has seceded—and that trading in Government securities be made public and open to wider public trading.

If I could have my way the laws restricting branch banking and absentee-owned banking would be greatly strengthened; there would be laws prohibiting bank holding companies, and there would be effective antimerger laws. But if I could have my way, there would also be a rebirth of independent business to be served by independent banks.

NO EVIDENCE THAT CONCENTRATED BUSINESS CONTROL IS EFFICIENT

Let us face up to the basic issue. The question is, can the country have small, independent businesses and also enjoy the benefits of advanced technology and high productivity? Why is industrial and commercial business becoming more and more concentrated in the hands of a few corporate giants? Is this the result of technical efficiency? Are only the big corporations able to develop the new technology or adapt it to their operations?

It is commonly assumed, of course, that all this movement toward mass ownership and control is in fact somehow associated with efficiency. But I know of no studies by university economists which support the assumption. Neither do I know of any factual studies by the research groups being financed by the foundations and by big-business grants which support the assumption. And I have found for myself very little evidence that this concentration of business into bigger and bigger corporations has any relationship to technical efficiency.

It is much easier to find evidence that what is actually taking place is just plain, old-fashioned monopolization being carried to a new and more grandiose scale. And by all the evidence I have seen, the root causes are those which have been with us and been well known for several generations. The root causes are too much control over money, and too much abuse of the money power in commercial practices. In a nutshell, the cause is our failure to develop and maintain the kind of laws that would give small business a fair break in the competitive processes and in the transactions with Government. Our antitrust laws, our trade regulations, and our business ethics permit all kinds of abuses of power. For example, price cutting on a local basis and other kinds of discriminatory pricing practices practically assure that the biggest firms will win out in the competitive battles without respect to how efficient the smaller competitors may be. Our Federal tax laws are having a hugely discriminatory impact on the smaller firms; they are bled of growth capital while the giant combines accumulate growth capital with the greatest of ease.

THE COUNTRY CAN HAVE BOTH INDEPENDENT BUSINESS AND HIGH PRODUCTION

Frankly, I marvel that several million small business firms have managed to survive. I marvel at the fact that a great percentage of the new inventions are still being made by individual inventors and small research groups, and I marvel that a large percentage of the new products and production techniques being developed are those developed by small firms.

No, I do not think this continued concentration of business into bigger and bigger giants is a matter of technical efficiency. I do not think our society should permit a continuation of this merely on the assumption that we are getting greater efficiency. And finally, I would argue that until the case is proven otherwise, we would do better to try to maintain and encourage independent local business firms. Even if my estimate of this matter should prove to be wrong, our country has now attained a degree of affluence in productive wealth that we can afford to risk some inefficiency, particularly when the alternative is to risk what we know to be one of the foundations of democracy. After all, our big business society is really not running things in the most efficient way possible, otherwise we would not have tail fins on automobiles and we would not have had $35 billion of production lost to the recession last year.

This is like the story of the book salesman who was trying to sell some expensive books to a farmer. He was arguing that with these books the farmer could learn to farm better. And the farmer's answer was: "Young man, I don't need to know how to farm better. I'm not farming half as good as I know how now."

It could be added that our business laws are not half as good as we know how to make them.

I am not suggesting that every small business firm is efficient or should be kept in busi-

ness for any reason. On the contrary, I believe in the competitive processes, and I believe that there should be plenty of opportunity for small firms to fail. What I object to is the high certainty that they will fail.

Also, I am not suggesting that the big-business firms of the country be atomized. I am suggesting that our laws should be amended to stop the senseless destruction of the small firms now in business, and to make more room for independent firms in the growth processes ahead

Finally, I am not urging your consideration of any pet bill of mine, but that you independent bankers give your utmost attention to the kind of legislation you think appropriate, that you determine for yourselves the merits of particular legislation, and then give your support to that which meets your approval.

The kind of small-business legislation needed to solve the problem is not to give small business subsidies from the public purse. It is legislation which will give a fairer balance to competitive advantages. In other words, good small-business legislation will usually take away some of the artificial advantages of bigness, or take away some of the special advantages that the giant corporations enjoy under existing subsidies and Federal incentive programs.

So I must warn you that determining the merits of small-business legislation such as I now suggest may raise problems for which we will have to find new solutions. There are national business organizations, such as the U.S. Chamber of Commerce, which carry on grassroots educational campaigns concerning such legislation, but the educational campaigns of these organizations tend to do small business more harm than good.

I would not say that the U.S. Chamber of Commerce has never supported a small-business bill. Sometimes there are bills in Congress which contain both small benefits for small business and big benefits for big business. And with reference to such bills, the businessmen's best merchandising methods come into play The small-business benefits are emphasized, sometimes even to the point of silence about the big-business benefits. This is much like naming the bill to reduce reserves of the New York and Chicago banks the vault-cash bill.

VAULT-CASH BILL WOULD INVOLVE TRANSFERRING GOVERNMENT ASSETS TO PRIVATE BANKS

On its face, the suggestion that the banks should be able to count their cash as part of their required reserves has great appeal. As we know, the smaller banks, the country banks, normally keep on hand larger amounts of cash in relation to their reserves than do the city banks.

However, this bill contains more than just the vault-cash provision. It contains extensive other authorities for reducing required reserves, but only one certain provision, which is that required reserves of the New York and Chicago banks will be reduced.

What the legislation boils down to is, of course, a proposal to transfer many billions of dollars of Federal Reserve assets to the member banks. In fact the Fed's problem of maintaining monetary control makes it impossible to have any substantial reduction in required reserves without transferring these securities. The Fed has made it plain that it will not allow the money supply to increase by more than 3 percent a year. This means that a whole year's increase in the money supply would be brought about by only one-half billion dollars reduction in required reserves, and this is hardly enough to take care of the reduction in reserves anticipated for the New York and Chicago banks alone.

Now I know there are some misunderstandings on the part of many of the bankers about how the Federal Reserve acquired its holdings of Government securities—which amount to about $25 billion. Many bankers have thought that these securities really belong to the banks, rather than to the public, or that they should belong to the banks because the Fed has used the banks' reserves to purchase these securities.

Such an assumption flows quite naturally from the bankers' experience in their own operations. When a customer makes a deposit with a private bank, the bank makes a loan or an investment with this deposit. So it is natural for the banker to assume that when he deposits required reserves with the Federal Reserve System, the System lends them or invests them, and ought at least to pay him interest for the use of these deposits. The idea is, however, entirely incorrect.

Actually, the Federal Reserve has never invested the required reserves of the member banks, nor used them for any income purpose. The purpose of reserves is to assure that the banks will remain solvent—not to help the Federal Reserve System. And to use these reserves—that is, make them do double duty—would be to violate the purpose of reserves.

Here is how the Fed acquired its portfolio of Government securities.

The power to create money and to regulate the value of money is, of course, reserved to Congress by the Constitution. Congress has delegated its power to create money in part to the Federal Reserve System and in part to the private banks. That is, Congress has set up both the Fed and the private banks on a fractional reserve basis. It has specified in the law the minimum and maximum fractions for each, and delegated to the Federal Reserve the function of regulating the value of money. In other words, it is up to the Federal Reserve to determine what the precise fractions shall be at any particular time. When the Federal Reserve determines what additional amounts of money are to be added to the banking system, it must also determine how much of such money it will itself create and how much it will allow the private banking system to create.

The Federal Reserve may create new money, based on the Treasury's gold reserve, up to $4 of money for each $1 of gold. And it may, by buying securities in the open market with the money thus created, give the private banks additional reserves on which they can create other new money, now at the rate of about $8 for each $1 of reserves. Or the Fed may allow the private banks to create more money on the reserves which they have previously been given, by changing its regulations to reduce required reserves.

The fact is, then, that the Federal Reserve has used its own money-creating powers to acquire its portfolio of Government securities. It has used its own money-creating powers when it has issued currency—Federal Reserve notes. And it has used its own money-creating powers when it has purchased Government securities in the open market. When the Fed has purchased Government securities in the open market, it has actually given the member banks $1 of new reserves for each $1 of securities purchased. So not only has the Federal Reserve System not used the member bank reserves to acquire its portfolio of Government securities, it has actually given the member banks additional reserves in the process of acquiring this portfolio.

In the light of these facts, then, the vault-cash bill which is now being considered in Congress has a meaning quite different from what many bankers had understood. The proposal to transfer several billion dollars of the Federal Reserve's holdings of Government securities over to the private banks is, to put it bluntly, a proposal to legalize a raid on the Federal Treasury. The interest payments which the Federal Reserve receives on these securities provide substantially all of the System's income. This income goes first to pay the expenses of operating the System, most of which expenses are for providing free services to the private banks. What is left over after expenses, however, goes back into the Federal Treasury. So if these securities are transferred to the private banks, where the interest payments will go into bank profits, instead of going back to the Federal Treasury, this will be taking just that much money out of the taxpayers' pockets.

CHANGES IN REQUIRED RESERVES MUST TAKE ACCOUNT OF PUBLIC NEEDS

Let me touch on one other misunderstanding about the Federal Reserve. A few bankers have even had an idea that the member banks own the Federal Reserve System itself, being stockholders in the System. This idea arises from the fact that the law requires the member banks to make a small investment in the System, and the law unfortunately uses the term "stock" in this connection. The specifications in the law make it clear, however, that this is in no sense stock in the normal meaning of the term, which means some ownership or proprietary rights. But those who overlook the specifications in the law get a notion that is exhilarating to say the least. The notion is that with a stock investment of $373 million, the member banks have acquired ownership of the Government's money-creating powers now amounting to $80 billion, including $20 billion worth of gold.

Actually, of course, the law makes it abundantly clear that this so-called stock is not ownership stock and carries none of the rights and privileges of stock. This stock cannot be sold, it cannot be voted, it cannot be hypothecated, it cannot pay dividends, it does not entitle the stockholders to inspect the books, and it does not entitle the stockholders to a share in the assets. As the law plainly states, even if the Federal Reserve System were liquidated, the so-called stock would have no claim on the assets of the System, except to the extent of the principal actually paid in.

What this so-called stock actually is, is another required reserve. It serves no purpose except as an additional safeguard to the solvency of the member banks. The Federal Reserve does not invest the funds from this stock and has itself no use for these funds, although it does pay the banks 6 percent interest on them. In fact, the Federal Reserve is now continuously holding idle and unused $868 million of its own earnings in a surplus account for which it can also find no purpose. This $868 million belongs to the Federal Treasury and ought to be paid in to the Treasury at once, to be used to pay off some of the Federal debt. Holding back these funds is costing the taxpayers $100,000 a day in unnecessary interest charges. Furthermore, the so-called stock investment should also be paid back. Since these funds serve no purpose, paying interest on them is taking money out of the taxpayer's pocket for no purpose; and no right-thinking banker wants this kind of subsidy.

Now as to the present system of establishing required reserves of the member banks, admittedly it has been a good one. Yet there is no question but that it could be improved. I for one would welcome a more equitable system of distributing the money-creating powers among the private banks. Such a system need not and should not, however, contemplate such a great reduction in required reserves that the Federal Reserve System will have to transfer its assets to the banks, so as to sop up the excess bank reserves to prevent an inflationary credit expansion.

Furthermore, I think you will find that a more equitable system of reserve requirements will not narrow the differential between the New York and Chicago banks and

the banks in the rest of the country. On the contrary, a system which takes proper account of the traditional criteria for setting reserves will widen the differential.

PURPOSE OF PRIVATE BANKING ON FRACTIONAL RESERVES IS TO PROVIDE MONEY FOR PRIVATE ENTERPRISE

Now, let us remind ourselves what the purposes are that lie behind the fractional reserve system. What good purposes are served by the private banks' creating money? What is the real purpose of money itself?

Let me give you a couple of quotations which will help dramatize my view.

Henry Ford, Sr., said: "The function of money is not to make money, but to move goods. Money is only one part of our transportation system. It moves goods from man to man."

David Cushman Coyle said this: "The crossroads of history will be the place where the United States does or does not develop means for keeping money out of Wall Street and make it travel up and down Main Street."

I am not sure I agree that money should not make money. At least I am strongly of the view that those who manage money for creative purposes are entitled to profits commensurate with their services. I suspect that Henry Ford would have agreed to the proposition that good management and good risk taking deserve good profits.

The point which both of these quotations make, however, is that the real purpose of money is to serve as a medium in which economic activity takes place. Money must be put to work. It must not be locked up, and it must not come under concentrated control, in bank chains, in Wall Street, or in any way that allows small groups to restrict its use or use it as an instrument of economic favoritism.

And there is one lesson we must learn from Henry Ford, if no other. It is the lesson of low price and high volume—not high price and low volume. This lesson most surely applies to money.

BANKS MUST BE STRONG AND PROFITABLE TO SERVE THEIR PURPOSE

May I respectfully suggest that the banker who is charging high interest rates is not helping to fight the country's battle against inflation. He is feeding inflation and hurting himself too. And he is hurting his local community. These, then, are my points:

First. There are many kinds of businesses which the country could do without. It cannot do without banking. Banking must provide the medium in which economic motion takes place.

Second. The traditional purposes of the fractional reserve system are good. Creating money to meet the proper demands of private borrowers is a function which can and should be performed only by private banking.

Third. The banks must be strong and profitable to serve their purpose, which is to manage the money and credit needed for the business activity of the community.

But the purpose of commercial banking is not served by the banks' creating money to acquire Federal securities. And the purpose of banking is not served by a bank that operates on such low ratios of reserves and capitalization that it can no longer serve the credit needs of its community, by making loans involving ordinary commercial risks.

Loans and investments of commercial banks are now 10 times their reserves and also 10 times their capital accounts including undivided profits. And as to deposit insurance, FDIC reserves amount to only 81 cents for each $100 of deposits in the banking system—which is even less than when the FDIC was created 25 years ago.

Every now and again I see a condition statement of some smalltown bank showing 80 or 90 percent of the bank assets invested in Government securities. It always causes me to wonder whether all local enterprise has disappeared from these towns, or whether the local banker has decided to get out of the banking business. I never know whether it is a ghost town or a ghost banker.

Certainly the private bank which uses its credit-creating powers to acquire Federal securities is not helping the Federal Government. The Federal Government can create its own credit for this purpose, and its credit is better than any private bank's credit.

GOOD WAYS TO STRENGTHEN INDEPENDENT BANKS

I have spoken today, mostly about how the independent banker can help himself by helping his community. In closing, may I mention three ways in which it seems to me independent bankers can help their communities by helping themselves:

First. It seems to me that the independent bankers' targets should be to increase their capitalization and get their interest rates down. In other words, go after the banking business which they could now have.

Second. The idea which some of you have considered for setting up a correspondent system among the independent banks seems to me to have great promise. Many business loan opportunities are, of course, too large for the local bank to handle alone. Furthermore, we may expect that loan demands will always fluctuate from area to area. It would seem, then, that if you can work out some sound correspondent system among yourselves to take advantage of these loan opportunities, you will help yourselves while helping independent business in your communities. The truth is that when an independent business cannot obtain credit locally, it frequently cannot obtain it from Wall Street either. So good credit demands are going unmet.

Finally, may I urge your most careful attention to the Small Business Investment Act. As you well know, in our capitalistic system business firms are not established and are not operated on commercial credit alone. It also takes capital—equity capital and long-term debt capital, or both. Yet this is the kind of financing that commercial banks have not been able to provide, and small firms have generally not been able to obtain such financing. In almost every other country of the free world, yes, there are now capital banking systems, and these are frequently supported with U.S. dollars. But not in the United States.

The purpose for which Congress passed the Small Business Investment Act last summer is to help encourage private enterprise to step in and fill this gap. There is no doubt of the need for this program. The Federal Reserve Board made surveys and studies of small-business financing problems and warmly endorsed this legislation. The American Bankers Association endorsed it. The need is here and now the opportunity is here. This program can be made into a major force for bringing independent business back to Main Street. But this program needs the judgment, the banking experience, and the active participation of the local bankers. And most of all it needs the impetus and the sustaining inspiration which your great association has so often given to other programs for advancing free, competitive enterprise in this country.

INDEPENDENT BANKERS CAN MAKE THE SMALL BUSINESS INVESTMENT ACT SUCCEED

The main trust of the Small Business Investment Act is to be the local, privately owned small-business investment companies which are to be set up with this act. These companies are authorized to make stock investments in small-business concerns. And they are authorized to make long-term loans, running for terms up to 20 years. It is intended that these small-business investment companies can obtain capital from the Small Business Administration equal to the amount of private capital put into the company, up to a total of $150,000 of Federal funds. And even beyond that, additional Federal funds may be obtained, if needed, through fully secured loans.

You can actively participate in these small-business investment companies. The act provides that a commercial bank may invest up to 1 percent of its capital and surplus in the stocks of these companies.

The act contains, furthermore, several tax provisions which are intended to help provide an incentive. First, intercorporate dividends are 100-percent exempt from Federal taxes. Second, if you invest in the stocks of these companies and do have a loss, the loss can be treated as an ordinary loss in making your Federal tax return. Further, the small business investment company may itself treat any loss it may suffer on its investment in the stock of a small-business firm as an ordinary loss, though its capital gains may be treated as capital gains.

So it seems to me that independent bankers have everything in the world to gain by getting behind this program and seeing to it that there is at least one Small Business Investment Company in every city and town in the country. True, to date the Small Business administration has licensed only three Small Business Investment Companies to operate under the act. But if you independent bankers begin knocking on the doors of the Small Business Administration demanding that this program be allowed to get off the ground, I think it will get off the ground. Furthermore, if the law is not adequate, I believe that if you will make your suggestions to Congress, the Congress will be most sympathetic toward amending the law.

INDEPENDENT BANKERS MUST CONTINUE WORKING FOR LOCAL ENTERPRISE

This one program will not be enough to satisfy the ambitions which you and I share for a stronger, free enterprise system, producing the good things of life at the grassroots of America. But the other things I have suggested will, I am confident, do it. To accomplish these things will, I know, require tremendous effort, tremendous determination, and a large degree of cooperation. But if you cannot accomplish these things, I know of no people who can. You have carried the torch of liberty for free enterprise in America thus far, and you have carried it well. For this you are to be congratulated. You have won great victories over great obstacles in the past, and the country has always been better for your victories. I think you will win greater victories in the future with even better results for the country.

STUART NOVINS' REPORT ON CUBA

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND] may extend him remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BOLAND. Mr. Speaker, on last Sunday, May 3, 1959, I watched and listened to a half-hour telecast by the distinguished news analyst, Stuart Novins. I was so impressed and concerned with its content that I had intended to insert it in the RECORD. It was included in the RECORD of Tuesday, May 5, by the gentleman from Oregon [Mr. PORTER]. He has heretofore ably and with great force

defended the revolutionary movement of Fidel Castro in Cuba. With him, I have shared his disgust with and abhorred the conduct of Cuban affairs under the previous corrupt regime. And, like him and many others, I have entertained the belief and hope that Castro would measure up to the very great responsibility that is now in his hands. Those of us who want so very much to see a success of his movement are still hopeful and believe that he can, if he desires, meet the tremendous challenge that he faces.

So, Mr. Speaker, I congratulate our colleague the gentleman from Oregon [Mr. PORTER] for speaking out as he did yesterday and directing the attention of responsible people in the Castro government to the very serious charges that were leveled against it in Mr. Novins' report to the Nation. The hopes, ambitions, and aspirations of the Cuban people can never be realized under this leadership if some of its key people are totalitarian and freedom killing in personality and character.

This Nation is concerned with the turn of events in our neighboring island. The Members of this Congress, leaders in the administration, and the people of this country have seen and will read Mr. Novins' remarks. Let it be said that this is not the idle gossip of a wagging tongue. Stuart Novins is one of the Nation's leading news reporters, gatherers, and analysts in his field. His judgment and conclusions carry great weight for he is a highly ethical and responsible member of the great reporters profession. Thus, Mr. Speaker, when he speaks out as he did last Sunday, he did so as one who is dedicated to his task and to the belief that the people are entitled to the facts no matter how unpleasant. His report appears to be factual for it was gathered in a 2-month exhaustive study of men and events and results of Castro's revolutionary government. He obtained his knowledge from firsthand, on-the-scene accounts supplied by a myriad of people. His conclusions were deduced from what he has personally seen and heard.

Mr. Speaker, Mr. Novins' report is not a pleasant one. Indeed, it is a shocking and sickening exposure. All of it points to the fact that Castro ought to get down to the business of running his own Government and not every other nation's. He ought to clean up the conditions that exist among men and events in his own nation. If he does not soon do so, all of us who have had so much confidence in him will be disappointed. And his country and he will have lost through subversion the freedoms he himself fought for and for which so many of his devoted followers gave their lives.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. BUSH (at the request of Mr. FENTON), for balance of week, on account of death in his family.

Mr. CHAMBERLAIN (at the request of Mr. HALLECK) for today, May 6, on account of official business.

Mr. LAIRD (at the request of Mr. HALLECK), from May 11 to June 2, 1959, on account of official business as a member of U.S. delegation to World Health Conference in Geneva, Switzerland.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mrs. ST. GEORGE, for 15 minutes, on tomorrow, Thursday, May 7, 1959.

Mr. FOUNTAIN (at the request of Mr. MCCORMACK), for 30 minutes, today.

Mr. DENT (at the request of Mr. KEOGH), for 90 minutes today, and to revise and extend his remarks and include extraneous matter.

Mr. LEVERING, for 10 minutes, on tomorrow, May 7, 1959.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BRADEMAS and include extraneous matter.

Mr. MORRISON.

Mr. BROOMFIELD and to include extraneous matter.

Mrs. DWYER in three instances and to include extraneous matter.

Mr. VAN ZANDT and to include extraneous matter.

Mr. JUDD and to include an address.

Mr. BRAY (at the request of Mr. GRIFFIN) in two instances and to include extraneous matter.

(At the request of Mr. DINGELL, and to include extraneous matter, the following:)

Mr. PUCINSKI.
Mr. COOLEY.
Mr. MULTER.
Mr. WOLF.
Mr. HARRIS.
Mr. MCDOWELL.
Mr. BOLAND.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 5610. An act to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1271. An act to donate to the pueblo of Isleta certain Federal property in the State of New Mexico.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on May 5, 1959, present to the President, for his approval, bills of the House of the following titles:

H.R. 7. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Boy Scouts of America for use at the Fifth National Jamboree of the Boy Scouts of America;

H.R. 296. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and to provide transportation and other services to the Boy Scouts of America in connection with the world jamboree of Boy Scouts to be held in the Philippines in 1959;

H.R. 1411. An act for the relief of T. V. Cashen;

H.R. 1453. An act for the relief of Mrs. Mathilde Ringol;

H.R. 1462. An act for the relief of Logan Duff;

H.R. 1535. An act for the relief of Sister Mary Damion (Maria Saveria D'Amelio), Sister Maria Tarcisia (Maria Giovanna Fenuta), and Sister Mary Regina (Maria Lizzi);

H.R. 1691. An act for the relief of Oliver O. Newsome;

H.R. 1727. An act for the relief of Dimitrios Kondoleon (also known as James Kondoleous);

H.R. 2063. An act for the relief of Otis Parks, W. B. Dunbar, and J. C. Dickey;

H.R. 2099. An act to provide for a posthumous cash award in recognition of the scientific contributions in the field of electronic ordnance made by the late Paul M. Tedder;

H.R. 2237. An act to amend chapter 13—wage earners' plans—of the Bankruptcy Act;

H.R. 2281. An act to provide for the payment of relocation expenses to Milo G. and Patricia Wingard;

H.R. 2295. An act for the relief of Sterilon Corp.;

H.R. 2603. An act for the relief of American Hydrotherm Corp.;

H.R. 2949. An act for the relief of Lois K. Alexander;

H.R. 2975. An act to validate payments of certain quarters allowances made in good faith, and pursuant to agreements by authorized officials, to employees of the Department of the Navy, but which were subsequently determined to be inconsistent with applicable regulations;

H.R. 3095. An act for the relief of Hilary W. Jenkins, Jr.;

H.R. 3293. An act to authorize the construction of modern naval vessels;

H.R. 3939. An act for the relief of Virginia E. Speer;

H.R. 4121. An act for the relief of certain members of the Armed Forces of the United States, or their survivors who were captured and held as prisoners of war in Korean hostilities;

H.R. 4314. An act for the relief of Samuel Abraham, John A. Carroll, Forrest E. Robinson, Thomas J. Sawyers, Jack Silmon, and David N. Wilson;

H.R. 4615. An act to relieve certain members and former members of the naval service of liability to reimburse the United States for the value of transportation requests erroneously furnished them by the United States; and

H.R. 4913. An act to amend the National Aeronautics and Space Act of 1958, to authorize the National Aeronautics and Space Administration to lease buildings in the District of Columbia.

ADJOURNMENT

Mr. DINGELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 43 minutes p.m.),

under its previous order, the House adjourned until tomorrow, Thursday, May 7, 1959, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

939. A letter from the Deputy Administrator, Foreign Agricultural Service, U.S. Department of Agriculture, transmitting a report concerning agreements concluded during March 1959 under title I of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83d Cong.), pursuant to Public Law 128, 85th Congress; to the Committee on Agriculture.

940. A letter from the Comptroller General of the United States, transmitting a report on our review of selected phases of the low rent housing operations of the St. Louis Housing Authority, St. Louis, Mo.; to the Committee on Banking and Currency.

941. A letter from the Clerk, U.S. House of Representatives, transmitting in compliance with the request of the chairman of the Committee on House Administration, a copy of a motion by the contestee to dismiss the contest now developing against him for a seat in the 86th Congress from the Sixth Congressional District of the State of Kansas (H. Doc. No. 129); to the Committee on House Administration and ordered to be printed.

942. A letter from the Chairman, Civil Aeronautics Board, transmitting the remainder of the Annual Report for fiscal 1958, which was originally submitted on May 19, 1958, and written up as executive communication No. 931, and appeared in the CONGRESSIONAL RECORD of May 20, 1958, 85th Congress; to the Committee on Interstate and Foreign Commerce.

943. A letter from the Chief Commissioner, Indian Claims Commission, transmitting a report that proceedings have been concluded with respect to the following claim: *Twenty-nine Palms Band of Mission Indians of California, Plaintiff*, v. *United States of America, Defendant* (Docket No. 149), pursuant to the Indian Claims Commission Act of August 13, 1946 (60 Stat. 1055; 25 U.S.C. 70t); to the Committee on Interior and Insular Affairs.

944. A letter from the Secretary of Commerce, transmitting the quarterly report of the Maritime Administration of this Department on the activities and transactions of the Administration under the Merchant Ship Sales Act of 1946, from January 1, 1959, through March 31, 1959, in accordance with section 13 of that act; to the Committee on Merchant Marine and Fisheries.

945. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of proposed legislation entitled "A bill to provide uniform cost-sharing standards for non-Federal entities cooperating with the Federal Government in flood control or flood prevention projects, and for other purposes"; to the Committee on Public Works.

946. A letter from the Assistant Secretary of the Navy (Material); relative to the Department of the Navy proposing to transfer a 26-foot motor whaleboat with engine to the Douglas County Fair, Roseburg, Oreg.; to the Committee on Armed Services.

947. A letter from the Comptroller General of the United States, transmitting a report on examination of the estimated costs for subcontracted airframe components used in negotiating incentive target prices under Department of the Air Force fixed-price incentive contracts AF 33(600)-28437 and AF 33(600)-30694 with Lockheed Aircraft Corp., Georgia Division, Marietta, Ga.; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DAVIS of Tennessee: Committee on Public Works. H.R. 2193. A bill to designate the Coyote Valley Reservoir in California as Lake Mendocino; without amendment (Rept. No. 335). Referred to the House Calendar.

Mr. COOLEY: Committee on Agriculture. H.R. 5432. A bill to amend section 105(b) of the Agricultural Act of 1949, as amended, relating to price support for oats, rye, barley, and grain sorghums; with amendment (Rept. No. 336). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 2318. A bill to provide for the regulation of closing-out and fire sales in the District of Columbia with amendment (Rept. No. 337). Referred to the House Calendar.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 2322. A bill to amend the act of July 1, 1902, to exempt certain common carriers of passengers from the mileage tax imposed by that act and from certain other taxes; without amendment (Rept. No. 338). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 2511. A bill to prescribe penalties for willful concealment of goods or merchandise on the premises of stores in the District of Columbia: and to exempt certain persons having probable cause to believe such offenses have been committed, from civil liability in connection with apprehension of persons suspect thereof; without amendment (Rept. No. 339). Referred to the House Calendar.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 4072. A bill to amend the act entitled "An act for the regulation of the practice of dentistry in the District of Columbia, and for the protection of the people from empiricism in relation thereto," approved June 6, 1892, as amended; without amendment (Rept. No. 340). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 4454. A bill to amend the act of March 3, 1901, to eliminate the requirement that certain District of Columbia corporations be managed by not more than 15 trustees; without amendment (Rept. No. 341). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AUCHINCLOSS:

H.R. 6901. A bill to provide for stabilizing the broiler and egg industries by instituting a program for marketing regulations; to the Committee on Agriculture.

By Mr. BASS of New Hampshire:

H.R. 6902. A bill to amend the Small Business Act; to the Committee on Banking and Currency.

By Mr. DULSKI:

H.R. 6903. A bill to authorize appropriations for the Federal-aid primary system of highways for the purpose of equitably reimbursing the States for certain free and toll roads on the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. FOUNTAIN:

H.R. 6904. A bill to establish an Advisory Commission on Intergovernmental Relations; to the Committee on Government Operations.

By Mrs. DWYER:

H.R. 6905. A bill to establish an Advisory Commission on Intergovernmental Relations; to the Committee on Government Operations.

By Mr. FOGARTY:

H.R. 6906. A bill to authorize a 10-year program of grants for construction of medical, dental, and public health educational facilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LEVERING:

H.R. 6907. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a deduction from gross income for tuition and other expenses paid by him for his education or the education of his spouse or any of his dependents at a college or university; to the Committee on Ways and Means.

By Mr. MOORE:

H.R. 6908. A bill to prohibit discrimination because of age in the hiring and employment of persons by Government contractors; to the Committee on the Judiciary.

H.R. 6909. A bill to amend the Immigration and Nationality Act with respect to travel in time of war or national emergency and passport procedures; to the Committee on the Judiciary.

By Mr. MULTER:

H.R. 6910. A bill to establish in the Bureau of Customs the U.S. Customs Enforcement Division in order to improve the enforcement of the antismuggling laws; to the Committee on Ways and Means.

By Mr. PUCINSKI:

H.R. 6911. A bill to provide that the minimum passing grade for scheme examinations of postal field service employees shall be 90 percent; to the Committee on Post Office and Civil Service.

By Mr. RIEHLMAN:

H.R. 6912. A bill to amend title 23 of the United States Code, relating to highways, in order to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mr. ROBERTS:

H.R. 6913. A bill to amend the Public Health Service Act to provide for a public health training program, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ULLMAN:

H.R. 6914. A bill to donate to the Confederated Tribes of the Warm Springs Reservation, Oreg., approximately 48.89 acres of Federal land; to the Committee on Interior and Insular Affairs.

By Mr. YOUNGER:

H.R. 6915. A bill to amend section 551 of the Tariff Act of 1930 so as to permit the designation of air freight forwarders as carriers of bonded merchandise; to the Committee on Ways and Means.

H.R. 6916. A bill to amend the Internal Revenue Code of 1954 so as to provide for nonrecognition of gain or loss upon certain distributions of stock made pursuant to orders enforcing the antitrust laws; to the Committee on Ways and Means.

By Mr. ANFUSO:

H.R. 6917. A bill to establish and maintain the U.S. Maritime Service as a uniformed service; to the Committee on Merchant Marine and Fisheries.

By Mr. BYRNE of Pennsylvania (by request):

H.R. 6918. A bill to provide that no officer or employee of the United States or any

agency thereof shall be charged with loss of salary or compensation or with loss of annual leave with pay for any time taken which has required his or her attendance upon court proceedings, including travel time to and from, whether in State, Territorial, or Federal courts, and whether said officer or employee is a party plaintiff, a party defendant, or a witness, and whether or not the Government or the District of Columbia is a party; to the Committee on the Judiciary.

By Mr. CARTER:

H.R. 6919. A bill to amend the Internal Revenue Code of 1954 to repeal the special deduction for depletion of natural resources, and to provide a special amortization deduction for improvements and facilities used in the operation of mines and wells and the extraction of other natural deposits; to the Committee on Ways and Means.

By Mr. DINGELL:

H.R. 6920. A bill to amend the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, and to amend the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890, for the purpose of prohibiting loss leader sales; to the Committee on the Judiciary.

By Mr. DIXON:

H.R. 6921. A bill to amend sections 318 and 319 of the Communications Act of 1934 to facilitate the construction and operation of stations engaged solely in rebroadcasting signals of broadcasting stations; to the Committee on Interstate and Foreign Commerce.

By Mr. DOLLINGER:

H.R. 6922. A bill to amend the Public Health Service Act to provide for a public health training program, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLTZMAN:

H.R. 6923. A bill to amend the Immigration and Nationality Act to provide for the registration with certain U.S. consular officers of the birth of those persons born abroad who are citizens at birth, and for other purposes; to the Committee on the Judiciary.

By Mr. LANGEN:

H.R. 6924. A bill to amend the Agricultural Act of 1949 to provide full parity price supports with respect to barley, corn, oats, rye, soybeans, flax, and grain sorghums, and reduced production and surpluses of such crops by voluntary participation and for other purposes; to the Committee on Agriculture.

By Mr. MOORE:

H.R. 6925. A bill to amend the Small Business Act, and for other purposes; to the Committee on Banking and Currency.

By Mrs. PFOST:

H.R. 6926. A bill to facilitate the transmission of electric power by the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. ROOSEVELT:

H.R. 6927. A bill to amend the Federal Credit Union Act; to the Committee on Banking and Currency.

By Mr. SCHWENGEL:

H.R. 6928. A bill to confer jurisdiction over the Iowa Ordnance Plant reservation upon the State of Iowa; to the Committee on Armed Services.

By Mr. SMITH of Virginia:

H.R. 6929. A bill to amend the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1911, and for other purposes", approved May 18, 1910; to the Committee on the District of Columbia.

By Mr. SPRINGER:

H.R. 6930. A bill to amend the Federal Aviation Act of 1958 to include a declaration of policy relative to the use of civil aircraft in meeting the needs of the Government for transportation by air; to the Committee on Interstate and Foreign Commerce.

By Mr. WILLIAMS:

H.R. 6931. A bill to amend the Federal Aviation Act of 1958 to include a declaration of policy relative to the use of civil aircraft in meeting the needs of the Government for transportation by air; to the Committee on Interstate and Foreign Commerce.

By Mr. WOLF:

H.R. 6932. A bill to provide readjustment assistance to veterans who served in the Armed Forces between January 31, 1955, and July 1, 1963; to the Committee on Veterans' Affairs.

By Mr. ZELENKO:

H.R. 6933. A bill to amend title 46, United States Code, section 601, to clarify types of arrestment prohibited with respect to wages of U.S. seamen; to the Committee on Merchant Marine and Fisheries.

By Mr. FULTON:

H.R. 6934. A bill to secure, protect, and strengthen the civil rights accruing to individuals under the Constitution and laws of the United States; to the Committee on the Judiciary.

By Mr. HOLTZMAN:

H.R. 6935. A bill to provide additional means of securing and protecting the civil rights of persons within the jurisdiction of the United States; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

H.R. 6936. A bill to amend the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. KING of Utah:

H.R. 6937. A bill to amend the Communications Act of 1934 with respect to community antenna television systems and certain rebroadcasting activities; to the Committee on Interstate and Foreign Commerce.

By Mr. O'BRIEN of New York:

H.R. 6938. A bill to amend section 4 of the War Claims Act of 1948 to provide benefits to certain contractors' employees; to the Committee on Interstate and Foreign Commerce.

By Mr. RIVERS of Alaska:

H.R. 6939. A bill to amend the act providing for the leasing of coal lands in Alaska in order to increase the acreage limitation in such act; to the Committee on Interior and Insular Affairs.

H.R. 6940. A bill to amend the Mineral Leasing Act of 1920 in order to increase certain acreage limitations with respect to the State of Alaska; to the Committee on Interior and Insular Affairs.

By Mr. ROOSEVELT:

H.R. 6941. A bill to provide a program of tax adjustment for small business and for persons engaged in small business; to the Committee on Ways and Means.

By Mr. STRATTON:

H.R. 6942. A bill to amend the so-called Buy American Act to provide that the Congress shall have the right to disapprove certain contracts entered into by agencies of the Federal Government for the purpose of acquiring articles, materials, or supplies from abroad; to the Committee on Public Works.

By Mr. BENNETT of Michigan:

H.J. Res. 368. Joint resolution to provide for the acceleration of the various reforestation programs of the Department of Agriculture and the Department of the Interior, and for other purposes; to the Committee on Agriculture.

By Mr. BLATNIK:

H.J. Res. 369. Joint resolution to provide for the acceleration of the various reforestation programs of the Department of Agriculture and the Department of the Interior, and for other purposes; to the Committee on Agriculture.

By Mr. FOGARTY:

H.J. Res. 370. Joint resolution to establish a National Institute for International Health and Medical Research, to provide for international cooperation in health research, research training, and research planning, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HECHLER:

H.J. Res. 371. Joint resolution to provide for the acceleration of the various reforestation programs of the Department of Agriculture and the Department of the Interior, and for other purposes; to the Committee on Agriculture.

By Mr. JOHNSON of California:

H.J. Res. 372. Joint resolution to provide for the acceleration of the various reforestation programs of the Department of Agriculture and the Department of the Interior, and for other purposes; to the Committee on Agriculture.

By Mr. O'HARA of Illinois:

H.J. Res. 373. Joint resolution relating to United States diplomatic relations with the Republics of Ukraine and Byelorussia; to the Committee on Foreign Affairs.

By Mr. STRATTON:

H.J. Res. 374. Joint resolution prohibiting the Tennessee Valley Authority from awarding certain contracts without the prior approval of the Committees on Public Works of the Senate and the House of Representatives; to the Committee on Public Works.

By Mr. O'HARA of Illinois:

H. Con. Res. 169. Concurrent resolution providing for the development through the United Nations of international educational programs; to the Committee on Foreign Affairs.

By Mr. SCHWENGEL:

H. Con. Res. 170. Concurrent resolution to provide for the printing of a publication in connection with the exercises of the joint session of Congress on February 12, 1959; to the Committee on House Administration.

By Mr. FULTON:

H. Con. Res. 171. Concurrent resolution expressing the sense of the Congress that the President should take the leadership in promptly calling a conference between free world democratic nations and African leaders to plan and to promote the future peaceful development and security of Africa by joint effort; to the Committee on Foreign Affairs.

By Mr. FARBSTEIN:

H. Res. 261. Resolution favoring an international agreement for a suspension of nuclear weapons tests; to the Committee on Foreign Affairs.

By Mr. MONAGAN:

H. Res. 262. Resolution favoring an international agreement for a suspension of nuclear weapons tests; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Territory of Hawaii memorializing the President and the Congress of the United States relative to requesting the Congress of the United States to provide funds for a study to improve the bed of the Iao River, Wailuku, Maui; to the Committee on Appropriations.

Also, memorial of the Legislature of the Territory of Hawaii memorializing the President and the Congress of the United States relative to the restoration to the civilian economy of certain Federal reservations in urbanized areas now under the control of the Department of Defense; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Rhode Island memorializing the President and the Congress of the United States with respect to raising the allowable income for persons receiving less than the maximum amount under the Social Security Act; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLATNIK:

H.R. 6943. A bill for the relief of the Johnson Mortuary; to the Committee on the Judiciary.

By Mr. BOYLE:

H.R. 6944. A bill for the relief of George B. Shammas and others; to the Committee on the Judiciary.

H.R. 6945. A bill for the relief of Girolamo Naselli; to the Committee on the Judiciary.

By Mr. DIGGS:

H.R. 6946. A bill for the relief of Karekin Y. Vartanian; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 6947. A bill for the relief of Cho Hung David Choy; to the Committee on the Judiciary.

By Mr. FRELINGHUYSEN:

H.R. 6948. A bill for the relief of Miss Marion A. Cramer; to the Committee on the Judiciary.

H.R. 6949. A bill for the relief of Anthony Robert Lowry (Antonio Piantadosi); to the Committee on the Judiciary.

By Mr. HOLLAND:

H.R. 6950. A bill for the relief of Isabella Perrino Valentini; to the Committee on the Judiciary.

By Mr. JACKSON:

H.R. 6951. A bill for the relief of Mrs. Slavka Zupanc; to the Committee on the Judiciary.

By Mr. JUDD:

H.R. 6952. A bill for the relief of Mathilde Gombard-Liatzky; to the Committee on the Judiciary.

H.R. 6953. A bill for the relief of Mme. Sophie Wolter; to the Committee on the Judiciary.

H.R. 6954. A bill for the relief of Frol Martin Simonov; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 6955. A bill for the relief of Sallie B. Dickens; to the Committee on the Judiciary.

By Mr. MULTER:

H.R. 6956. A bill for the relief of Andre Abraham Coen; to the Committee on the Judiciary.

By Mr. PUCINSKI:

H.R. 6957. A bill for the relief of Jadwiga K. Bryjak; to the Committee on the Judiciary.

By Mr. ROBISON:

H.R. 6958. A bill for the relief of Pietro Pirri; to the Committee on the Judiciary.

By Mr. RODINO:

H.R. 6959. A bill for the relief of Miss Josefa Castrelos Cabaleiro; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H.R. 6960. A bill for the relief of Maj. Keith K. Lund; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H.R. 6961. A bill for the relief of Bertha Marx; to the Committee on the Judiciary.

H.R. 6962. A bill for the relief of Mrs. Mabel Hyzer; to the Committee on the Judiciary.

By Mr. ULLMAN:

H.R. 6963. A bill for the relief of Ong Di Way; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Polish Constitution Day

EXTENSION OF REMARKS
OF

HON. FLORENCE P. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 6, 1959

Mrs. DWYER. Mr. Speaker, last Sunday, May 3, was Polish Constitution Day, the 168th anniversary of the signing of a great charter in the history of human freedom.

In Elizabeth, N.J., a large number of my constituents of Polish birth or descent gathered with their friends of other nationalities to commemorate this important occasion. The program was an impressive and inspiring one, in keeping with the spirit of the anniversary.

As one who was privileged to attend, I can report that everything about the program was of an extremely high order; the music, the songs and dances, the speeches and recitations. It gave evidence of careful planning, great effort, and willing cooperation on the part of people devoted to the cause of freedom and national independence.

The committee for the Polish Constitution Day program, the sponsoring Federation of Polish Organizations, and all those who participated in making this day a great success deserve thanks and appreciation.

Under leave to extend my remarks, I include the text of the program, together with a brief address which I was honored to give:

FEDERATION OF POLISH ORGANIZATIONS,
ELIZABETH, N.J.

Polish Constitution Day was held Sunday, May 3, 1959, at the Polish National Home, 111–113 First Street, Elizabeth, N.J., commencing at 4 o'clock in the afternoon.

COLORGUARD—PRESENTATION OF COLORS

Polish Legion of American Veterans, Post No. 91, and the Ladies Auxiliary.

Polish Army Veterans Club, Post No. 57, and the Ladies Auxiliary.

Polish American Army Veterans Club of Joseph Pilsudski Polish Combatants, Circle No. 6.

PROGRAM

1. Opening address: Commissioner Jacob W. Krowicki, president of the Federation of Polish Organizations.

2. Master of ceremonies: Mr. Albert Sieratowicz, vice chairman of the Polish Constitution Day Committee.

3. National anthems—American and Polish: Johnny Lenard's Orchestra. Soloist: Mrs. Emilia Wozniak.

4. Invocation and remarks: Rev. John Pietrzkowski, assistant, St. Adalbert's Church.

5. Polish songs: St. Cecilia's Choir under the direction of Prof. Albert Wozniak.

6. Recitation: Entiled "Our Lady, Queen of Poland," by Miss Christine Skora, a pupil of St. Adalbert's School.

7. Address: Mr. Stanley Dworecki, captain of Polish Army in exile, World War II.

8. Polish folk dance: Wianek Group No. 408, of St. Elizabeth's Society, Group No. 793, Z. P. of A., under the direction of Mrs. Antoinette Bailkowska.

9. Address: Hon. Thaddeus Gora, president, Elizabeth Board of Works, in behalf of Hon. Steven J. Bercik, mayor of the city of Elizabeth.

10. Address: Mr. Thomas G. Dunn, freeholder of Union County.

11. Recitation: Pupils of St. Hedwig's School of Bayway.

12. Address: Congresswoman FLORENCE P. DWYER, House of Representatives.

13. Recitation: Miss Barbara-Wanda Dworecka.

14. Address: Mr. Leon L. Krzyzak, of New York, general secretary of the Polish Army Veterans of America.

15. Musical selections: Johnny Lenard's Orchestra, under direction of Mr. John Lenard.

16. Address: Mr. Stanley Pelkowski, "My Recent Trip to Poland."

17. Benediction: Rev. Joseph Sapeta, St. Hedwig's Church, Bayway.

18. Words of appreciation and thank you: Mr. Albert Sieratowicz, chairman of the committee.

19. Closing: Everyone singing the Polish hymn, "Nie Rzucim Ziemi."

COMMITTEE

Rev. Joseph Smolen, pastor of St. Adalbert's Church, honorary chairman.

Rev. Joseph Amlicki, pastor of St. Hedwig's Church, honorary chairman.

Rev. Edward Kozlowski, pastor of St. Theresa's Church, honorary chairman.

Mr. Joseph Cichowski, chairman.

Mr. Albert Sieratowicz, vice chairman.

Mr. Stanley Pelkowski, vice chairman.

Mrs. Marion Wedzilowicz, secretary.

Mr. Jacob W. Krowicki, Mr. Adam Zbikowski, Mrs. Mary Machos, Mrs. Josephine Ciuba, Mrs. Ludmila Raczynska, Mr. Victor Dawidowicz, Mrs. Jean Krok, Mrs. Anna Tabor, Mr. Joseph Rzepka, Miss Mary Ciuba, Mrs. Mary Siemientkowska, Mrs. Clara Jablonska, Mrs. Helen Pomykalo, Mrs. Antoinette Bialkowska, Mrs. Stella Zajack, Mrs. Angela Cop.

PARTIAL TEXT OF MRS. DWYER'S REMARKS

Today is a day for reflection, for hope, for dedication.

The 168th anniversary of the adoption of the Polish Constitution should be an occasion for freedom-loving people everywhere to reflect upon the meaning of freedom and independence, to hope for its restoration in those lands and for those people from whom it has been taken away, and to dedicate themselves to protecting the heritage of freedom here and encouraging it throughout the world.

This is the meaning of that day in 1791, which we commemorate today. The Polish Constitution was a landmark in the history of freedom and self-government. As an inspired statement of the nature of people, the origin of authority, the role of law, and the proper function of government, this document is and will remain a classic.

But it is a living classic—forever holding before the people of Poland and the people of Polish descent the ideal, the goal, the vision of justice and opportunity, and the right to live in peace and freedom.

This is a goal that Poland and America long have shared. Polish craftsmen were among the first settlers at Jamestown in 1608. Polish officers and men fought alongside Americans in our struggle for liberty in the Revolutionary War. And the framers of the Polish Constitution were inspired by the spirit of the American Constitution which they had helped make possible.

The people of Poland and America are united, too, by another bond—by an unyielding opposition to the inhuman tyranny and oppression of world communism, in particular the Russian variety.

It was an earlier kind of Russian tyranny against which the Polish people rebelled late in the 18th century, out of which grew the Constitution we celebrate today. The period of Polish freedom after World War I was again stifled by Soviet armies in World War II. And the brief relaxation from Communist oppression which was won by the courage of the Poznan revolt in 1956 has once more given way before the relentless force of the Communist regime.

In recent months, the world has watched as intensified Soviet-inspired pressures have eaten away what little freedom was left in agriculture, education, religion and daily life in general.

Yet, the world also watches in admiration and awe the continued resistance of the Polish people, the courageous display of independent minds and unbroken spirits.

We in America are free to celebrate Constitution Day, as Poland is not. In their place, we must pledge ourselves never to forget that freedom is the right of every man, never to abandon those who are fighting to preserve their independence, never to give up hope that Poland some day will be free again.

H.R. 5778: A Bill To Require the Labeling of Decorative and Imitation Hardwood Products

EXTENSION OF REMARKS
OF
HON. WILLIAM G. BRAY
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 6, 1959

Mr. BRAY. Mr. Speaker, I would like to direct the attention of the House to my bill H.R. 5778, which would require the labeling of decorative and imitation hardwood products. This is similar to a bill which I introduced last July, which was not acted on prior to adjournment of the 85th Congress.

This bill is for the protection of the consumer. At the present time imitation, machine-stamped veneers resembling genuine grain finishes are being applied on solid lumber, hardboard, metal, and plastics, and sold as the genuine article. The public is rarely aware of this deception—in many cases even the retailer does not know the actual composition of a wood product.

The legislation I seek would protect the legitimate hardwood and veneer manufacturers because those producing quality merchandise have been hurt by this unfair competition of second-rate, ersatz products. They do not fear the competition of the substitutes and synthetics as such, for the quality and beauty of their merchandise makes it clearly preferable. But the average person is not always aware of the imitation until it is to late and there are no labels to aid his powers of discrimination. They do not care what materials are used to manufacture furniture or television cabinets if it is properly identified and advertised.

That is not the case today when preposterous imitations and false advertising are victimizing the public and have imposed an unnecessary hardship on the industry. It could be the case in the future if we adopt H.R. 5778, which would make it unlawful to introduce or manufacture for introduction into commerce, or to invoice, sell, or offer for sale any decorative hardwood products which are misbranded or falsely or deceptively advertised. It provides that all hardwood and/or imitation hardwood products must be labeled. These labels, as well as advertisements and invoices, must name the wood species actually used, and, in the case of artificial printed grains, must reveal the name of the material, such as fiberboard or plastic, actually used, and the fact that the grain is an imitation.

Authority for the establishment of proper codes, rules, and regulations and their enforcement would be vested in the Federal Trade Commission. Of course the only ones who would have anything to fear under this law would be those who are attempting to delude and deceive the public and undercut the legitimate hardwood and veneer industry.

Some of the finest veneers are made in the Seventh District of Indiana and elsewhere in the Hoosier State. It is an important industry, the leaders of which are striving earnestly to do a good job. They ask no protection from fair competition of clearly identified and correctly advertised substitute products. The protection they seek is as much in the public interest as in their own. I hope the Committee on Interstate and Foreign Commerce will favorably report this bill in the near future.

Tribute to Sid Simpson

EXTENSION OF REMARKS
OF
HON. HAROLD D. COOLEY
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 6, 1959

Mr. COOLEY. Mr. Speaker, mysterious are the vicissitudes of human life. Frail and precarious are our best holds upon human happiness. A brief while ago our friend and beloved colleague, Sid Simpson lived and labored with us. Heaven has now crowned his life. In the golden hours of his grandest achievements his soul slipped through the curtain of stars to the place we call "The Great Unknown." He has gone across the Crystal Sea to receive the full reward and the glorious fate which he by his strong faith so richly merits.

Many long years I cherished Sid Simpson's friendship. By his intelligent devotion to duty, his unswerving fidelity to truth, his great integrity and the honest and courageous manner in which he discharged all of the vital functions of his high office, he distinguished himself in the service of his country and endeared himself to all of his colleagues in Congress. He was a good, a great and a gentle and modest man.

I express my deep sympathy to his charming wife and lovely daughters and to all of his loved ones, all of whom can take just pride in the life he lived. To Sid Simpson's loved ones may I say that my earnest prayer for them is that the Light of Heaven will illuminate their pathway and be the Master Light of all their seeing and may the Lord's blessing rest upon them.

A Bill To Amend the Trading With the Enemy Act Dealing With Copyrights, Trademark Properties, and Motion-Picture Film

EXTENSION OF REMARKS
OF
HON. OREN HARRIS
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 6, 1959

Mr. HARRIS. Mr. Speaker, yesterday I introduced a bill to amend the Trading With the Enemy Act dealing with copyrights, trademark properties, and motion-picture films. In order to afford the Members of the House of Representatives and the general public a better understanding of this bill, under leave to extend my remarks in the RECORD, I include a letter dated April 13, 1959, from the Attorney General addressed to the Speaker of the House of Representatives, requesting introduction of this legislation, and an explanatory memorandum of the bill prepared by the Department of Justice:

APRIL 13, 1959.

The SPEAKER,
House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: There is attached for your consideration and appropriate reference a legislative proposal to return to its former owners or their successors-in-interest, certain property vested under the Trading With the Enemy Act, as amended (50 U.S.C. App. 1 et seq.). This property, which is presently administered by the Office of Alien Property in the Department of Justice, consists of vested copyrights, trademarks, and unexpired contract interests involving copyrights and trademarks. The proposed legislation would effect a statutory divestment of the Government's title to these properties without any necessity for the filing of claims or any other formal action by the former owners or their successors-in-interest and thus without the necessity of any administrative processing by the Office of Alien Property or any other agency of the Government. The measure would also authorize the transfer of all vested motion picture film prints to the Library of Congress for retention or disposition by the Library as it sees fit. The proposed legislation would not return the income or proceeds received by or accrued in favor of the Office of Alien Property from any of the divested assets prior to the effective date of divestment.

The purpose of the draft bill is to bring to an end the administration of the abovementioned categories of vested property. In the absence of legislation of this nature, the Government will be faced with the prospect of continuing the administration thereof for an indefinite period of time.

The future income to be derived from the vested copyright, trademark and film properties is not substantial and will no doubt steadily decrease. Accordingly, enactment of the bill would not appreciably diminish the total amount of vested funds ultimately available for financing the program of compensation to American war damage claimants which the administration has recommended to Congress for enactment.

An explanatory memorandum is attached to the draft bill which analyzes its provisions and explains at greater length the reasons supporting its enactment.

Early legislative action on this proposal would be a major step toward termination of the World War II alien property program.

The Bureau of the Budget has advised that there is no objection to the submission of this recommendation.

Sincerely,

WILLIAM P. ROGERS,
Attorney General.

EXPLANATORY MEMORANDUM RE PROPOSED BILL TO AMEND THE TRADING WITH THE ENEMY ACT, AS AMENDED

Among the various categories of enemy-owned assets in the United States which were vested under the Trading With the Enemy Act and are administered by the Office of Alien Property as a consequence of World War II are copyright and trademark properties and prints of motion-picture films. A description of these categories and their status under present law are set forth below.

1. Copyrights: Vested copyright interests number more than 300,000 in all. These include not only directly vested copyrights but also interests in prewar contracts relating to the use of copyrighted material in the United States. Inasmuch as copyrights have a statutory life of 28 years and may be renewed for an additional 28 years, it is obvious that the ownership and administration of vested copyright interests by the U.S. Government will continue far into the future in the absence of legislation authorizing the disposition of such interests. In the fiscal year ended June 30, 1958, the Office of Alien Property received approximately $131,000 in royalities for copyright licenses and contracts. The amount of such royalties will no doubt steadily decrease during the years to come and at some point will fall below the costs of administration.

2. Trademarks: There is presently a total of 300 vested trademarks and trademark contract interests. Trademark registrations are effective for 20 years and may be reregistered at 20-year intervals as long as the trademark is used. As a result Government ownership and administration of vested trademark properties may continue indefinitely under present law. Income produced by these properties during the fiscal year ended June 30, 1958, was only $20,000 and it is anticipated that this figure will decrease in future years. Accordingly, the cost of the trademark program will no doubt soon exceed the income it produces.

3. Prints of motion pictures: The Government presently owns several million feet of vested motion-picture film. This property is perishable and all of it will ultimately have to be destroyed. Little of this material has more than nominal commercial value and the income received from rentals thereof is insignificant.

The purpose of the proposed bill is to terminate the administration by the United States of the above-described vested property and thus to hasten the end of the World War II alien property program. Inasmuch as the three types of assets vary in the problems of disposition which they present, the proposed bill treats them separately in three new sections to be added to the Trading With the Enemy Act, as amended (50 U.S.C. App. 1–39), as follows:

Section 40: This section would relieve the Government of its ownership of vested copyrights and unexpired copyright contract interests by a statutory divestment requiring no action on the part of the Office of Alien Property. The effect of this section would be to restore the ownership of the divested property to the persons in whom it resided prior to vesting or to their successors-in-interest. The divestment would not extend to royalties or other income received by or accrued in favor of the Government during the period of its ownership and would not prejudice the rights of the persons who have licenses issued by the Office of Alien Property in respect of vested copyrights.

It should be noted that the divestment would serve to return copyrights and unexpired contract interests therein to persons and firms in the East Zone of Germany. Thus, although such persons and firms would not receive the return of any money in the hands of the Office of Alien Property, they would become entitled to any income from their copyrights and contract interests which might accrue after divestment. Investigation in Germany has disclosed that practically all the former owners of valuable copyright properties who were located in the East Zone of Germany prior to World War II have now established themselves in the West Zone. As a result the amount of future income payable to former owners in the East Zone from the copyright divestment would be negligible.

The proposed section 40 excludes from return by reference to specific vesting orders the copyrights and contract interests connected with the publication in the United States of Hitler's Mein Kampf, the diaries of Paul Joseph Goebbels, the memoirs of Alfred Rosenberg and a work by a leading Nazi, Otto Skorzeny. The moneys collected in connection with these works are of course also excluded from divestment. A photographic history of the Nazi Party formerly owned by Heinrich Hoffman, its official photographer, has been excluded from return. In addition, the copyright to a scientific motion picture entitled "Meiosis" has been excepted from divestment because of its wide use by American educational institutions. Since this copyright was owned by an East German firm prior to vesting, divestment might impede its future use in this country.

Section 41: This section, which deals with vested trademark properties, also employs the technique of a statutory divestment. However, it excludes, by reference to specific vesting orders, certain possible reversionary or other similar rights relating to trademarks and good will which since prior to World War II have been assigned to and held by vested enterprises which are still controlled by the Government under the Trading With the Enemy Act, as amended. In general, these vesting orders are catch-all orders issued as a precautionary measure for the purpose of cutting off any unknown or undiscovered rights which may have been retained by enemy nationals with respect to the good will, trademarks and trade names of these vested corporations. Although these nebulous reversionary rights may be nonexistent or without any real value, their divestment in favor of the former owners might invite unnecessary harassment of vested corporations and their involvement in litigation with respect to those portions of their businesses in which the trademarks are used, notwithstanding the fact that the vested corporations for many years have operated these businesses independently of these former owners.

The proposed section 41 provides that where a trademark or a trademark interest was owned prior to vesting by a person in East Germany, it will be divested in favor of a person in the Federal Republic of Germany if a competent agency of the Federal Republic certifies that an equivalent trademark has been registered by it for such person.

The divestment would not extend to income received by or accrued in favor of the Government from trademark properties during the period of its ownership and would not prejudice the rights of persons who have received licenses from the Office of Alien Property in respect of vested trademarks.

Section 42: Some motion picture film vested by the United States was seized by our Armed Forces overseas and is in the custody of the Library of Congress; other film seized in the United States is in the custody of the Attorney General. Although custody is divided, title to all of the prints is in the Attorney General.

Subject to stated exceptions, this section authorizes and directs the transfer to the Library of Congress of title to the prints in its custody and to those prints in the custody of the Attorney General as to which the Library exercises a right of selection. The section affords complete discretion to the Attorney General and to the Library to dispose of prints in their respective custody.

Amendment to Postal Regulations

EXTENSION OF REMARKS
OF
HON. ROMAN C. PUCINSKI
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 6, 1959

Mr. PUCINSKI. Mr. Speaker, I have today introduced an amendment to the Postal Regulations which will affect thousands of clerks and distributors in the U.S. Post Office. This amendment would reduce the minimum passing grade for scheme examinations of postal field service employees to 90 percent. The Post Office Department last year issued a directive on case examinations for post office clerks advancing the requirements from 95 percent correct to a new requirement of 97 percent.

This decision by the Post Office Department has created an unbearable situation among the thousands of hard working and loyal postal employees who are trying to do a good job for our Government, for the people they serve, and for the Post Office Department itself.

It is inconceivable to me that these new requirements of 97 percent efficiency, so to speak, would be required of any human being. Many of the clerks who have to score this very high percentage have told me in private conversations that this new directive is virtually cruel and inhuman.

The Chicago Post Office Clerks Union No. 1 has recently adopted a resolution protesting these new standards because they allow virtually no room for error and because they follow on the heels of previous directives which have already tightened scheme examinations. There is no question in my mind that we in Congress are greatly concerned with maintaining peak efficiency among all of those who would serve the public. I believe that the Post Office Department is trying to do a sincere job in its effort to serve the public, but I believe just as strongly that this particular new requirement tries to exact from human beings

efficiency which no industry would require, even from its most carefully designed machines.

This new directive, with its very stringent requirements, creates a climate of such unbearable fear that I think the efficiency and morale of our underpaid postal workers is seriously impaired, and I suggest that, well meaning as this directive may be, it is defeating the very purpose for which it was created.

I hope that the Congress will act very swiftly in approving my proposal so that we can again restore the dedicated workers of our postal system to a more sound and logical position. This, I am certain, can be accomplished by requiring a minimum passing grade for scheme examinations of postal employees to 90 percent.

I have always been very much impressed with the great pride which the overwhelming majority of postal employees demonstrate toward their work. There are few, if any, postal employees who fail to recognize the profound responsibility which their respective assignments call for. I cannot help but feel that if this new rigid standard calling for virtually 100 percent efficiency is permitted to remain in the postal regulations, thousands of dedicated employees, many of them with long years of loyal service to the Government, would have to be discharged for failing to meet these exacting standards, seldom, if ever, required in private industry. It is my understanding that many field service employees are already faced with dismissal because they have failed to score a 97 percent performance on their scheme examinations.

The Speed and Depth Records of the U.S.S. "Skipjack" Reveal Progress in the Development of the Navy's Task Force of Nuclear-Powered Ships

EXTENSION OF REMARKS
OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 6, 1959

Mr. VAN ZANDT. Mr. Speaker, on Saturday April 11, 1959, at 8:15 p.m., eastern standard time members of the Joint Congressional Committee on Atomic Energy were guests of the U.S. Navy on board the U.S.S. *Skipjack*, the worlds fastest atomic-powered submarine when it traveled faster and deeper than any submarine before it.

During the recordbreaking speed and depth cruise, members of the Joint Congressional Committee on Atomic Energy held an official session of the committee, and the witnesses before it were Vice Adm. Hyman G. Rickover, "father" of our Nation's atomic submarine, Capt. E. P. Wilkinson, U.S. Navy, former commander of the U.S.S. *Nautilus* and now commander of the Submarine Division 102, and Cmdr. W. W. Behrens, U.S. Navy, commanding officer of the *Skipjack*.

The 18½-hour cruise of the U.S.S. *Skipjack*, during which time it established a speed and depth record, is another accomplishment of the Navy's program of the design and development of a group of nuclear propulsion plants in a wide range of its ships, from submarines to the largest aircraft carriers.

So that the average American can appreciate the military might that the Navy is building for the security of the seas and of this Nation, I wish to call attention to the following summary of nuclear-powered ships which have been authorized by Congress to date.

Nuclear-powered ships authorized by Congress

SUBMARINES

	Type	Launched	Started sea trials	Builder
SSN9571 *Nautilus*	Attack	Jan. 21, 1954	Jan. 17, 1955	EB Division.[1]
SSN 575 *Seawolf*	do	July 21, 1955	Jan. 21, 1957	Do.[1]
SSN 578 *Skate*	Small attack	May 16, 1957	Oct. 27, 1957	Do.[1]
SSN 579 *Swordfish*	do	Aug. 27, 1957	Aug. 9, 1958	Portsmouth.[2]
SSN 583 *Sargo*	do	Oct. 10, 1957	Aug. 2, 1958	Mare Island.[3]
SSN 584 *Seadragon*	do	Aug. 16, 1958		Portsmouth.[2]
SSG(N) 587 *Halibut*	Regulus missile	Jan. 9, 1959		Mare Island.[3]
SSN 585 *Skipjack*	Fast attack	May 26, 1958	Mar. 8, 1959	EB Division.[1]
SSN 588 *Scamp*	do	(4)		Mare Island.[3]
SSN 589 *Scorpion*	do	(4)		EB Division.[1]
SSN 590 *Sculpin*	do	(4)		Ingalls.[5]
SSN 591 *Shark*	do	(4)		Newport News.[6]
SSN 592 *Snook*	do	(4)		Ingalls.[5]
SSN 593 *Thresher*	do	(4)		Portsmouth.[2]
SSN 603	do	(7)		New York Shipbuilding.[8]
SSN 604	do	(7)		Do.[8]
SSN 605	do	(7)		Portsmouth.[2]
SSN 606 *Tinosa*	do	(7)		Do.[2]
SSN 594 *Permit*	do	(4)		Mare Island.[3]
SSN 595 *Pollack*	do	(7)		Do.[3]
SSN 596 *Plunger*	do	(7)		Ingalls.[5]
SSN 607	do	(7)		Do.[5]
SSR(N) 586 *Triton*	Radar picket	Aug. 19, 1958		EB Division.[1]
SSN 597 *Tullibee*	Hunter-killer attack	(4)		Do.[1]
SSB(N) 598 *George Washington.*	Polaris missile	(4)		Do.[1]
SSB(N) 599 *Patrick Henry*	do	(4)		Do.[1]
SSB(N) 600 *Theodore Roosevelt*	do	(4)		Mare Island.[3]
SSB(N) 601 *Robert E. Lee*	do	(4)		Newport News.[6]
SSB(N) 602 *Abraham Lincoln*	do	(4)		Portsmouth.[2]
SSB(N) 608	do	(7)		EB Division.[1]
SSB(N) 609	do	(7)		Unassigned.
SSB(N) 610	do	(7)		Do.
SSB(N) 611	do	(7)		Do.

TOTALS

Radar Picket	1
Attack	22
Regulus	1
Polaris	9
Total	33

[1] EB Div: Electric Boat Division of General Dynamics Corp., Groton, Conn.
[2] Portsmouth: Portsmouth Naval Shipyard, Portsmouth, N.H.
[3] Mare Island: Mare Island Naval Shipyard, Valle'o, Calif.
[4] Under construction.
[5] Ingalls: Ingalls Shipbuilding Corp., Pascagoula, Miss.
[6] Newport News: Newport News Shipbuilding & Dry Dock Co., Newport News, Va.
[7] Authorized.
[8] New York Shipbuilding: New York Shipbuilding Corp., Camden, N.J.

SURFACE SHIPS

	Type	Status	Builder
CG(N) *9 Long Beach*	Guided missile cruiser.	Under construction	Bethlehem.[1]
CVA (N) *65 Enterprise*	Aircraft carrier	do	Newport News.[2]
DLG(N) *25*	Guided missile destroyer.	Authorized	Bethlehem.[1]

[1] Bethlehem: Bethlehem Steel Co., Shipbuilding Division, Quincy, Mass.
[2] Newport News: Newport News Shipbuilding & Dry Dock Co., Newport News, Va.

Mr. Speaker, in commenting on the above summary of nuclear-powered ships, I should like to call attention to the fact that while the nine Polaris submarines under construction or authorized could place more than a hundred million tons of nuclear force on targets behind the Iron Curtain, yet, I am disturbed by the fact that there is not included in the program a sufficient number of fast attack submarine vessels. With that thought in mind, on April 16, 1959, I introduced a bill, H.R. 6483, which authorized the Secretary of the Navy to undertake the construction of 100 nuclear-powered attack submarines at the rate of 20 per fiscal year, starting with the fiscal year which begins July 1, 1959, to augment the 20 already authorized or under construction as mentioned in the above summary.

Mr. Speaker, the best way to destroy a submarine is with another submarine. Since our nuclear submarines have no peer, I strongly urge that H.R. 6483 receive early and favorable consideration so that the Navy will immediately begin construction of the 100 attack submarines as the answer to the Russian submarine threat.

Another point I would like to make is that failure on the part of Congress to authorize immediate construction of the attack submarines provided for in my

bill, H.R. 6483, will amount to a national admission that we do not intend to protect the lead we now have in the nuclear submarine field. Frankly, as I see it, we have no recourse in the light of the Russian submarine threat but to immediately construct these additional nuclear-powered attack submarines.

Jeanne d'Arc

EXTENSION OF REMARKS
OF
HON. EDWARD P. BOLAND
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 6, 1959

Mr. BOLAND. Mr. Speaker—

I come from God to tell thee to become the greatest king in the world. The very clay of France will be holy: her soldiers will be the soldiers of God: The English will fall on their knees and beg thee let them return to their lawful homes in peace.

Such are the words that George Bernard Shaw puts in the mouth of the Maid of Orleans in his drama St. Joan.

Joan of Arc is assuredly one of the most famous women of the past. As a heroine of history as well as the Catholic Church she has few equals. There is a great deal to learn from a woman like Joan. She represents the epitome of martyrdom, for she gave her life for France as well as for her own spiritual beliefs.

Coming out of the fields of her homeland in Lorraine at the age of 17, Joan announced to France and the world that she would not only lift the English siege of Orleans, but would crown the young and not overly courageous Dauphin as Charles VII in Rheims Cathedral.

In a sense this sounds just as preposterous today as it unquestionably did in 1429. But she did it. Not only did the maid provide the spark of French courage and faith that was sorely needed to save the kingdom, she went further still and took the dangerous step of acting as the political and spiritual conscience of her day.

There are many versions of Joan's life, her battles and her martyrdom. Most all of us know at least one. The almost universal appeal of this peasant girl of 15th century France lies, I suspect, in the fact that she is representative of that guileless, intuitive truth that individuals possess all too infrequently. History has shown that throughout the civilizing process we have sought truth, justice and knowledge but never too much of any one of these at any given time or from any given person. The lessons in this have been bitter. From Socrates to Jeanne d'Arc, the martyrdom of men of truth and enlightenment has followed a familiar pattern. Perhaps the greatest example known is the crucifixion of Christ.

Joan of Arc was beatified in 1909 and canonized by Pope Benedict XV in 1920. The festival that we commemorate today is in observation of the capture of Tourelles. I am proud to mark this day here in the land that is the citadel of individual liberty. May the spirit of Jeanne d'Arc never die.

Amendment of the Renegotiation Act of 1951

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 6, 1959

Mr. MULTER. Mr. Speaker, on April 27, 1959, I introduced H.R. 6670 to amend the Renegotiation Act of 1951. On April 30, 1959, I presented the following statement to the House Ways and Means Committee in support of my bill:

STATEMENT OF HON. ABRAHAM J. MULTER, OF NEW YORK, BEFORE THE HOUSE WAYS AND MEANS COMMITTEE IN RE H.R. 6670, APRIL 30, 1959

Mr. Chairman, I am grateful for the opportunity you have granted me to submit to your committee my views on amendments to the Renegotiation Act of 1951. As an aid to small business, I have introduced H.R. 6670, to amend the Renegotiation Act of 1951.

As a member of the House Small Business Committee and chairman of its Subcommittee on Small Business and Government Procurement, I have had close contact with the problems and difficulties that small business has encountered under the Renegotiation Act. It is, therefore, the purpose of my bill to attempt to remedy some of these difficulties.

In the 84th Congress, the Renegotiation Act of 1951 was amended to increase the minimum amount subject to renegotiation from $500,000 to $1,000,000. With the rise in the cost of labor and material, it should definitely be increased again. It should be obvious that with the increased cost of production the beneficial effect of the $1 million exemption granted by the amendments in the 84th Congress has been nullified.

An evaluation of the most recent statistics published by the Department of Defense on procurement clearly indicates that the percentage in dollar value of procurement business going to small business is on the decline—in fact, from a figure of approximately 25 percent in 1954, it has now dwindled to approximately 16 percent. Consequently, it becomes apparent that the remaining "place in the procurement sun" for small business under the present Department of Defense policies is in the subcontracting program.

I am not asking for, and have never requested, any special subsidies for small business. All that I have asked for small business is an equal opportunity to compete for Government procurement. There is no doubt that the technical skills of small business are a necessary element in our national defense.

It is my opinion that the present operation of the Renegotiation Act of 1951 as amended is a deterrent to responsible and capable small business concerns active in defense work. In amending the Renegotiation Act of 1951, my bill proposes to provide definite assistance to small business. One of its major factors is to encourage subcontracting in Government procurement to provide incentives for small business concerns and to encourage prime contractors and upper-tier subcontractors to subcontract the maximum proportion of their contracts and subcontracts with small business concerns. In so doing and in adopting the amendments I offer, Congress again would reaffirm its long-standing policy of assuring small business concerns a fair share of contract awards for goods and services which are needed by the various Government procurement agencies.

My bill proposes that a fair profit allowance should be given as a reward to contractors who achieve economies through their small business contracting program.

It is my opinion that one of the reasons why small business concerns engaged in defense work find it increasingly difficult to continue profitable operations is because of handicaps which are embodied in our procurement system. Among some of the handicaps encountered by small business are free plants and equipment available to large prime contractors. These are encountered in military cancellations or stretchout programs where the large prime contractors have a habit of not only canceling out every possible subcontract but where they engage directly in competition with their former subcontractors. Apparently this is done by the prime contractors on the theory that for every dollar's worth of work done in their own plant they are afforded an opportunity for more favorable profits in the renegotiation allowances. This practice has occurred in many instances in the past and is not restricted to periods of stretchouts or cancellations but to periods when the large prime contractors are lacking in defense work. This shortsighted policy of the large prime contractors aided by the opportunities under the Renegotiation Act are responsible for hundreds of small manufacturing concerns either curtailing operations or going out of business entirely. The skills, ability, and initiative are completely lost when small business concerns are driven out of defense work. This elimination of small business from the defense potential narrows the buying base and the Government becomes dependent upon fewer and fewer firms. In view of the absolute necessity for the maintenance of small business in our defense effort and the narrowing down of subcontracting, it becomes ever more important that the impediments of the Renegotiation Act must be eliminated or so modified as to encourage subcontracting. The failure to do this will cause more and more independent business firms to disappear from the defense production picture.

It is the intent of my amendments to the Renegotiation Act of 1951 to remedy this evil. My amendments to the act attempt to do the following:

Section 1 declares the policy of Congress to be: (1) to encourage subcontracting in Government procurement in order to provide incentives for small and independent business concerns, (2) to encourage prime contractors and subcontractors to subcontract the maximum proportion of their contracts and subcontracts to provide the proper profit motives for small and independent business concerns, and (3) to expand the Government procurement base by providing incentives and encouragement to small and independent business concerns.

This section reaffirms the long-standing policy of Congress which assures small business a maximum proportion of the contracts for goods and services awarded by the procurement agencies of the Government

Section 2 of my bill is designed to encourage large prime contractors to attain the maximum in subcontracting to smaller concerns. By its language the section includes the Department of Defense and all other procurement agencies. The amendment in section 2 also provides that a fair profit allowance should be given as a reward to a contractor who achieves economies through a small business subcontracting program.

Section 3 increases the minimum dollar amount subject to renegotiation from $1 million to $2 million. In this connection, I would like to indicate to the committee that an examination of the records of the renegotiation board would reveal that the bulk of the dollars recaptured by the board come from the top 100 defense contracting firms and that only meager sums are recovered from the smaller defense contractors.

Section 3 also provides for exclusion of subcontracts from renegotiation of those contracts awarded to the lowest acceptable bidder as a result of competitive bidding in which three or more responsible and competitive bidders have taken part, provided that the subcontractor is not owned, controlled, affiliated with, or a subsidiary of the prime contractor.

Section 4 is designed to help the small manufacturer who caters to defense needs. There are many concerns which make standard items peculiar to industry but do not have the facilities or opportunity to create a demand in another industry or from the consuming public.

I firmly believe that the adoption of my amendments to the Renegotiation Act of 1951 as amended would widen the defense purchasing base and aid small business.

Thank you for granting me this opportunity to be heard.

New Jersey-New York Transportation Agency Compact

EXTENSION OF REMARKS
OF
HON. FLORENCE P. DWYER
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 6, 1959

Mrs. DWYER. Mr. Speaker, the unanimous and bipartisan action of the congressional delegations of New Jersey and New York in sponsoring legislation to grant the consent of Congress to the compact between the two States establishing a New York-New Jersey Transportation Agency is, I hope, an indication that prompt approval of the measure will be given by Congress and the President.

The extent of the seriousness of the present commuter crisis needs no further elaboration. This joint action reflects the degree to which the people of the metropolitan area are unanimous in demanding effective steps be taken to preserve adequate railroad commuter service.

The sooner Congress approves the compact, the sooner the interstate agency can begin its vital work.

Meanwhile, there are additional ways in which Congress can contribute toward a solution of the commuter problem—by amending the Interstate Commerce Act to require greater consideration of the public interest in passenger train discontinuance cases, by starting the process of constitutional amendment to prohibit nonresident income taxes, and by allowing income tax deductions for the necessary costs of transportation to and from work.

Redeveloping an efficient, low-cost mass transportation system in the New York metropolitan area—and in other highly urbanized areas in the United States—is an immensely complex job. It is an interstate and regional problem and responsibilities bear heavily on all levels of government in the area to do their part.

Farm Surpluses

EXTENSION OF REMARKS
OF
HON. WILLIAM S. BROOMFIELD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 6, 1959

Mr. BROOMFIELD. Mr. Speaker, over the years, our Nation has been accumulating a staggering amount of surplus farm goods. At present, for instance, we have enough wheat in Federal storage bins and granaries to supply all the needs of our Nation and our world export market for almost 2 years if not another grain of wheat is planted.

These Government-owned surpluses amount to some $9 billion. They are costing us some $1 billion a year for storage and interest charges alone.

The problem confronting Congress is, What is going to be done about our farm surpluses and how are we going to prevent them from growing even larger in the future? In my opinion, this is one of the most pressing problems which Congress has to face. A realistic lock at our present agriculture support policies by Congress is long overdue.

First of all, it might be well for us to determine just who is in favor of our present farm support programs.

The taxpayers do not want them. They are paying for our agricultural program out of their pockets to the tune of some $7 billion annually, the third highest amount in our Federal budget. Only costs for defense and interest payments on our outlandish national debt total more money.

The consumer does not want them. The artificial value placed on farm products by our Federal Government is robbing him of many dollars a year in extra food and clothing bills. Expenditures for food and clothing generally add up to a large portion of the average family budget, and any artificial increase in these two items means a lower standard of living for the average family.

The farmer does not want them. In a recent survey by Farm Journal magazine, 78 percent of the farmers who answered indicated that they considered present price supports for farm goods too high, while some 55 percent of these farmers said they thought the Federal Government should get out of the agriculture business entirely.

The administration does not want them. The present price support program is helping to throw our Federal budget out of kilter and is contributing to a top-heavy budget for the Agriculture Department. In addition, Congress has not seen fit to provide our Secretary of Agriculture with programs he has requested.

Who wants farm price supports then? If consumers, taxpayers, our President, and Secretary of Agriculture and our farmers are opposed to the present program, that seems to take in the vast majority of people in the United States.

All that appear to be left on the other side are some Members of Congress who benefit politically and a few big farm operators who have been reaping rich benefits from our Federal Government without harvesting a crop.

It seems to me that the majority of Congressmen should catch up to the will of the people in this very important matter. We cannot continue to throw away money in billion dollar lots to support a program which has not and cannot work. We cannot continue to pay our big farmers thousands of dollars apiece not to grow crops. These people do not need Federal money anyway. They are doing fine.

We are going to have to give the farmer back his freedom. That is the only fair way of doing things. We have to start reducing our ridiculously large stock of surplus foods, and that is going to take some backbone on the part of Congress.

Besides our school lunch programs, our surplus food distributions to those who need it here at home and abroad, there is another way we can use this extra food. That is in promoting the settlement of our new State of Alaska. I have introduced a bill this session, H.R. 5761, which would permit homesteaders to Alaska to receive surplus Federal food while they are clearing and settling their land. This seems to me to be the least we can do for these brave people. This distribution of food to homesteaders would not cost our Federal Government very much dollarwise, as we would have to store the surplus food for a number of years anyway if our present agriculture policies are permitted to continue.

We are going to have to get rid of our farm surpluses. We are going to have to stop wasting our Federal revenues on an agriculture program which is causing more harm than good. We are going to have to return our basic freedoms to our farmers, who are hampered only in this respect by Congress and its failure to pass an agriculture program which faces up to the problems confronting our Nation.

Teamsters Local Aided Hospital Move

EXTENSION OF REMARKS
OF
HON. WILLIAM G. BRAY
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 6, 1959

Mr. BRAY. Mr. Speaker, in my brief remarks I do not intend to discuss in any way the merits of the legislation presently before committees of Congress regarding labor reform. The teamsters unions have been severely criticized but I do want to give credit where credit is due and mention an incident that took place last winter in the city in which I live.

Morgan County had just completed building a new modern hospital of which

we are very proud. We had limited funds and in addition to obtaining money under the Hill-Burton program and a general bond issue, individuals and organizations throughout the county had contributed generously to this worthwhile endeavor. The very capable hospital board had been very frugal in the planning and building of this hospital, but practically had depleted their finances by the time they were ready to move into the new building.

Teamsters Local No. 193 of Indianapolis, in cooperation with the owners of the trucks, donated their services and equipment, came to Martinsville and moved the patients and all furniture and equipment to the new hospital in a very capable and orderly manner without cost to the taxpayers.

There was no publicity or fanfare about this act. It was just a bunch of good fellows, in cooperation with management, that performed a very necessary and valuable service to our community for which all were most grateful.

REA Suffers a Blow With Eisenhower Veto

EXTENSION OF REMARKS
OF
HON. JOHN BRADEMAS
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 6, 1959

Mr. BRADEMAS. Mr. Speaker, in the last few days Congress has twice voted on legislation of direct importance to all persons who depend on the Rural Electrification Administration program for their electricity.

Many of the farm people of Indiana, including thousands of the citizens I have the honor to represent in La Porte and Marshall Counties, depend for their electric power on the Rural Electric Membership Corporations, the REMC's.

The Rural Electrification Administration program has for many years contributed enormously to American life by bringing the blessings of electricity to the farm families of our country and by stimulating the business and industry which produces and sells the appliances, machinery, and equipment needed by REA users.

Unfortunately, the rural electric systems of Indiana have been under severe attack by both the Handley administration in Indianapolis and the Eisenhower administration in Washington.

On April 15 the House of Representatives, by a margin of nearly 2 to 1, voted to uphold the integrity of the REA program by restoring to the Rural Electrification Administrator sole authority to pass on rural power and telephone loans. The bill, which was also passed by a similar margin in the Senate, would thus reaffirm the original intent of Congress that the Administrator of REA, who is appointed to office for a term of 10 years, should be free from political influence. Since 1953, however, the Secretary of Agriculture has had the last word on the approval or disapproval of loans over $500,000.

During the 1958 campaign I stated my conviction that the REMC's should be permitted to operate without having to engage constantly in political and legislative battles merely to defend their right to exist. REMC's are nonpartisan and should be permitted to remain that way. This is the reason I was glad to join with the great majority of my colleagues in Congress in voting to restore to the Administrator of REA the full authority to pass on loans independent of the control of the Secretary of Agriculture.

Mr. Speaker, with the passage of this legislation rural America could have again had confidence in the integrity of the loan procedures of the Rural Electrification Administration, and the farm families of Indiana and the Nation who use REA could have continued without the concern many now feel to enjoy the benefits of modern electric service.

REPUBLICANS KILL REA BILL

Unfortunately, Mr. Speaker, shortly after the House passed the REA bill, President Eisenhower vetoed it.

Then the U.S. Senate, by obtaining the necessary two-thirds margin, voted to override the veto.

A few days later, however, on April 30, nearly solid Republican opposition in the House of Representatives defeated a Democratic effort to override the veto. Voting to override were 274 Democrats and 6 Republicans; voting to uphold the veto were 142 Republicans and 4 Democrats.

I was among those who voted for the REA program and to override the veto. Although I regret that the supporters of REA were defeated on this vote, I am nonetheless proud to have been counted with the great majority of my colleagues in both the House of Representatives and the Senate for a program that means so much to so many of the people of rural America.

Readjustment Assistance to Veterans

EXTENSION OF REMARKS
OF
HON. LEONARD G. WOLF
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 6, 1959

Mr. WOLF. Mr. Speaker, today I had the opportunity to appear before the Yarborough Subcommittee on Veteran's Assistance in support of Senator YARBOROUGH'S bill S. 1138. This bill provides for readjustment assistance to veterans who serve in the Armed Forces between January 31, 1955, to July 1, 1963.

I am so impressed with the need for such legislation, and the worth of this bill, that I am introducing my own bill today.

Under unanimous consent, I am placing into the RECORD my support of S. 1138:

Mr. Chairman, I appreciate this opportunity to appear before this subcommittee today to urge you to act favorably on S. 1138.

I have a special interest in such a bill for, I dare say, if the granddaddy of this bill had not been signed into law by President Roosevelt back in 1944, I would not have had a chance to go to college. I would not have been able to participate to my fullest abilities as a citizen. I would not have become as useful a citizen as I think I have become.

Now, multiply my case by 7,800,000 or over 51 percent of those attended schools of all kinds from the period of 1944 to 1956. The bill turned out 440,000 engineers, 43,000 doctors, 23,000 nurses, 113,000 scientists, 237,000 teachers, 42,000 machinists, and 36,000 ministers. I am sure that over 50 percent of these people would never have gone back to school if it were not for the GI bill.

America would have been a cultural and scientific desert without that bill. America could well have been a place where bitter young veterans with no opportunity offered to them by the society would have formed and joined violent and totalitarian groups to vent their embittered feelings against our democratic society.

America within 10 years after the Second World War would have become a second-rate power because we would not have had the necessary educated manpower to go forward in every field of scientific, cultural, and business endeavor.

Let me give you a particular individual example of the kind of person this program has helped and, consequently, how the society was helped. Floyd Gould came home after 3 years overseas with no idea of what he wanted to do. He took a menial job in a laundry, then switched to selling soap. He tried, then quit, a typing course on the GI bill.

By 1948, disgusted, he went to the VA for vocational counseling. When the tests showed he had an outstanding IQ and a natural tendency for sciences, he was enrolled in college as a GI physics student.

Now, 8 years later, exlaundryman Floyd Gould has three degrees, including a doctor of philosophy degree. Dr. Gould is now an atomic physicist at the Brook Haven National Laboratory.

Many of you will remember the honest fears of those who were against the GI bill. They feared that our college campuses would be taken over by the Federal Government, that the intellectual level of students would be lowered, that educational standards would be destroyed. Well, none of these things happened. The Federal Government did not take over our universities, the intellectual level of all students was improved, for the returning GI's were serious about their studies. They set a tone of importance and meaning to college education which, in the past, was not present. Their purpose was getting an education, not participating in many activities that detracted from education.

Educators generally agree, as the distinguished educator, Dr. Herold Hunt, has said, that "many veterans came to college with a deeper sense of values than those who came directly from high schools. Their seriousness brought good scholarship and a high level of achievement."

Professors themselves were forced to revise their conception of teaching and their lecture notes because of the inquiring minds of these war veterans. These students knew too much about life to be satisfied by a rehash of old lecture notes of lazy professors. This, too, was one of the important results of the GI bill and it cannot be underestimated; for the return of the GI shook out the intellectual and social cobwebs that gripped our institutions of higher learning for scores of years.

Many times, Mr. Chairman, we concentrate on those activities with which we are unsuccessful. We are pessimistic about the decisions we make and the results of many of our programs for which we vote, but this is one

program which America can point to with pride and say that it was an unqualified success.

The GI bill took many of these young men, their minds half-formed, who knew only the hard discipline of the military, who know only ways of killing, and educated these men to the point where they became vitally useful human beings to themselves and society.

But somehow this program was allowed to die. Despite our pious pronouncements on education and the lift the GI bill gave to our society, and despite the fact that millions continued to serve and be drafted into the Armed Forces, the program ended. I have always felt that this was a dreadful mistake and for that reason I am going to support and introduce legislation similar to S. 1138. I would like to outline the following reasons as to why I think we should reinstitute the GI bill as it pertains to education.

Our national security requires more educational training for our citizens and a greater number of young men educated in technical and scientific skills. As Senator NEUBERGER stated in January 1956, "What better way, than to overhaul the Soviet Union in the preparation of scientists, and to assure us of the other skills our civilization must have, than to revive the program which once increased enormously the technical and cultural training of millions of young men and women?" We have been bombarded since the advent of sputnik about the need for skilled and trained personnel. What better group is there to train than that mature group of young people who have served their Nation honorably? Here is a program where qualification and service can be rewarded to the benefit of all concerned. I might also suggest, Mr. Chairman, that in Russia today any person demonstrating ability is given free education no matter how far they want to go. No question is asked in Russia what the financial position of a potential student is. They are only asked what is your ability?

We must return to the notion of equality of sacrifice when we approach the problem of service on the part of individuals for national defense. We draft people into the armed services; we send these men to far-off places—from Okinawa to West Berlin to Vietnam. We ask these men to serve for 2 years. We enforce long Reserve obligations; we ask from these men great sacrifices.

Yet there are others who have benefited from this cold war crisis without any sacrifice. The great corporations have made billions of dollars in profits because of Government defense expenditures. This week's issue of U.S. News & World Report dramatizes this very well. These corporations have had tax advantage after tax advantage—such as removal of the excess profits tax—without anyone seriously questioning the profit levels of these corporations. We have heaped advantage on one group in our society—the large corporations—a group that already has great advantages, and demanded great sacrifices from a group that because of age, experience, and material status are naturally in an inferior position as to the hearing they get from their Government. I submit that we must help those who are sacrificing most in this crucial period in our history. That group is the young enlistee or draftee who leaves his community, in fact, to defend the United States. Advantage must not accrue only to the powerful, but it must be given as a right to the weak in influence. This program will accomplish this; for men formerly denied educational opportunities will have a chance to enjoy education, skill, and higher income.

As you can see, I do not agree with some in the administration who state that military service since January 31, 1955, has no longer been a sacrifice. To say that military service is now free from risks is a very questionable assumption. I am sure that this is not really the assumption of the Defense Department, nor do I think it is the assumption of a Congress that will spend $40 billion for defense this year. With treaty obligations and military personnel throughout the world who may be involved in military crisis at any time and any day, I am sure that no one can say that safety is to be found in the military service. Let me conclude my remarks by listing some of the following achievements which will result from passage of the Yarborough bill:

1. The Nation will be able to repay those who sacrifice the most in a way which will be beneficial to both the indvidual and the society.

2. The defense of our Nation will be strengthened because this bill would provide training for potential scientists, engineers, technicians, and other professional people thus raising the technical and skilled levels in America up to or surpassing the ratio of such personnel now enjoyed only by Russia.

3. Those who benefit under this program will not only aid the society because of their increased educational training, but will materially aid the coffers of the Treasury. For example, the costs of all aspects of the GI bill was $14½ billion, yet this entire amount will be repaid in full through extra income tax that these veterans pay as a result of their educational training. One Veterans' Administration spokesman has stated that because of the extra educational training veterans pay a billion dollars a year more than they ordinarily would have paid. By 1963, the old program will be paid off in full, and after that the return is pure profit. Hence, we can say that the GI bill is a smart business investment.

4. Enlistments in the military service will increase. Many bright young men in lower economic brackets would enter the military service if they were shown that the Government intended to help them later on in getting an education. We know from past experience that incentives aid enlistment—and this bill will be a truly appealing incentive. Passage of this bill will show our young men that we appreciate and recognize the great service they are doing for us.

5. Finally, besides raising the standard of living and preparing our young people for automation by developing their technical, scientific, and educational skills and reducing the number of unskilled, we are providing for an enlightened and educated citizenry. This is a responsibility of Congress.

6. Before closing my testimony, I would like to at least mention another part of this bill which is of great importance to those of us who are concerned about the problem of the American farm.

As you are well aware, the tendency toward managerial farming and oligopoly in farming grows greater with each succeeding day.

Consequently, young men who are interested in farming do not feel that there is any reason for them to stay on the farm. They feel that capital is not available for them if they want to enter the life of farming on a small but scientific and efficient level. Hence, they retreat to the cities, to a life that they consider second best. On my trip to Iowa at Eastertime many farmers came by my mobile office to ask the question: Who will run our farms, young men from the farms, or great corporations? Mr. Chairman, in Iowa today only 2 percent of our farmers are under 30 years of age, while almost 50 percent are over 50 years of age.

Section 4 of title 38 of the Code will help young people stay in farming. It will assist eligible veterans in purchasing farmlands, livestock, and machinery. This is an important aspect of this program, and I hope it will be strongly supported.

In S. 1138 we are providing for a citizenry trained for freedom, dignity, and democracy. This, I submit, is our best weapon against totalitarianism—an educated and enlightened citizenry able to increase the future with increase of knowledge, understanding, and skill. And, this, I submit, was the result of the GI bill, and will be the result of the Yarborough bill.

I thank the chairman for listening so intently and again say I'm happy to support his bill by introducing my own bill which is substantially his bill.

Poland, Its Constitution, and the United States

EXTENSION OF REMARKS

OF

HON. HARRIS B. McDOWELL, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 6, 1959

Mr. McDOWELL. Mr. Speaker, Sunday I had the honor to meet a member of the Lublin Polish Government who was imprisoned by the Russians at the end of World War II for an extended period of time. After meeting this gentleman, Mr. Zbigniew Stypulkowski, I was given the opportunity to address a group of Americans of Polish descent as they assembled to celebrate the 168th anniversary of the Polish Constitution of May 3.

Since the ideas promulgated in the address were well received, I feel they represent some of the deep-seated feelings which Polish people hold in regard to the United States and its role in alleviating the situation in which Poland finds itself today. Furthermore, the address expresses a view on this pertinent question of U.S. foreign aid, and more specifically on the mutual security program. As a result, I feel it proper to bring these ideas to the attention of my colleagues.

The Council of the Polish Societies in the State of Delaware, and the Delaware division of the Polish American Congress passed, last evening at their celebration, a resolution treating certain immediate problems of foreign policy. These groups have requested me to put their resolution before the Congress as an extension of remarks.

Therefore, I, under unanimous consent, introduce the following material to be printed as an extension of remarks in the CONGRESSIONAL RECORD:

ADDRESS BY HON. HARRIS B. McDOWELL, JR., ON THE OCCASION OF POLISH CONSTITUTION DAY

I suppose that you people get tired of listening to speeches which start with "good evening ladies and gentlemen, I am very happy to have this opportunity to"—and so on. But the fact is, I am happy to be here, and more than a little proud that you did me the honor of inviting me.

I know that today is a special kind of day for you and that it must be a day which you meet with mixed emotions, for you are celebrating the establishment of great freedom in Poland, yet Poland is without that freedom today.

And, for the rest of us who are not Polish or of Polish extraction, this 168th anniversary of the Polish Constitution of May 3 has special significance too, for it very pointedly

brings to our attention the struggle of the Polish people to maintain a degree of independence.

Poland is today waging a desperate fight to establish a nation embodying the principles of democracy, the principles put forth in the May 3 Constitution.

In that document, the Polish nation, like the United States, sees not only the text of the constitution articles, but the realization of certain fundamental concepts governing the relationship between man and his state.

The May 3 Constitution accepted the principle of the sovereignty of nations, that nations, simply because they are nations have certain rights, rights to conduct their own internal affairs, rights to be free from being trampled by other countries which are land hungry and power hungry.

And on the other side of these rights, Poland realized that there were duties to treat each country with respect, to accept the principles of international law, and to infringe upon none of the rights of other countries.

That document was based upon a fundamental belief in the dignity of each human being. "All power in civil society," states the constitution, "is derived from the will of the people." Religious freedom was but one of the basic rights of man which that constitution respected. It even encouraged a system of national education so that the population could be trained and informed enough to continue Poland's reforming Government. In fact, the 4-year congress, from 1788–1792, devoted itself almost entirely to educational and other reforms for the purpose of making the lives of the peasantry and the urban and middle classes a better life to lead—a life more in line with man's inherent dignity.

Prominent representatives of the democratic states praised the May 3 Constitution. It meant true freedom for Polish peoples, they said, and showed that Poland was far ahead of many European countries in understanding democracy and the ways to establish a truly free system.

But, Poland was not in a geographical position in which she could quietly finish the work which the constitution had started. Her neighbors, Germany on the west, Russia on the east, were determined that Poland would not live in peaceful independence. When the Molotov-Ribbentrop agreement was signed, making allies of Germany and Russia, and the Western Powers watched, expressing their concern but doing nothing else, a shadow of fear crept over Poland, fear which was changed to horror when the armies of Adolph Hitler began their devastating march in 1939.

There are no people who paid more dearly for the Second World War, and, when the war was over, when the West was sure that at last the peoples of Europe could be free in peaceful independence, Poland continued to pay and is paying now. Only the names of whom they pay are different—now it is Khrushchev instead of Hitler.

The political and moral oppression and the economic misrule and exploitation by the regime, obviously subservient to Moscow resulted in the Poznan revolt of June 1956, and that revolt forced the Communists to make concessions and to liberalize the regime headed by Gomulka, the first secretary of the party.

Moscow, fearing repercussions in the other captive nations, protested against making any concessions to Poland, but in the showdown in Warsaw in October 1956 Khrushchev, who had personally flown to quench the fire, had to give way lest an attempt at his usual brutal oppression lead to disastrous results for himself and the Russians. Poland had challenged Khrushchev, and Khrushchev's position and policies. He, of course, was afraid for no one but himself and the threat to his leadership.

Among the gains won by the Polish people was the regime's new policy toward the church, which again permitted religious teaching in schools. There were other concessions too, which led to the liquidation of the collective farms so detested by the farmers. There was some relaxation of censorship which permitted greater freedom of the press, although criticism has been tempered by the common knowledge that Soviet Russia would not permit the installation of a non-Communist regime. Then too there was cessation of terror by the security police. Although these achievements by no means restored the full enjoyment of human rights, they were, nonetheless, important.

But, as the Communist Party regained control of the situation, the improvements were one by one taken away. Developments in the course of 1958 have been marked by intensified repression of the people, a moving backward to the completely totalitarian state which existed at the time of the revolt. This retreat from the gains of October is particularly evident in regard to worker's rights and church-state relations. Even worse, there are many signs that the gains of October are to be further reduced. For several months, a ruthless press campaign was conducted against the church and against any type of religion in general. The Minister of Education on August 4, 1958, forbade religious instruction in state schools by members of religious orders and congregations. On August 9, 1958, the Catholic hierarchy lodged a protest, calling the order an unconstitutional violation of the basic church-state agreement. Russia and its Communist Parties everywhere, however, do not know what unconstitutional means. Most everything Russia has done since its own revolution in 1917 is unconstitutional.

Recent statements by leading party members indicate that collective farms are to be reinstated. Gomulka himself stated on September 7, 1958: "the only correct road must in the long run lead to the collectivisation of Polish agriculture."

There has been no genuine freedom of opinion in Poland since the loss of independence, and even the freedom of criticism which Gomulka announced at the eighth plenum in 1956 lasted less than a year. Censorship has been reestablished. Many papers have been banned, including the outspoken organ of the young Communist intellectuals, Pro Prostu; party control was increased over newspapers and the campaign against the more independent newspapermen and writers was proclaimed by the head of the party propaganda machine. Today the press and other media of information are again becoming as subservient to the party and the regime as before October 1956. They, of course, have no choice. And underlying this censorship, this total inability to speak, think and say what one wants, is the fact that increasingly, the regime in Poland is resuming the traditional Communist pattern of violating and denying the basic human rights.

I know it is not a pretty picture which I have painted, and you probably know more about how ugly that picture is, than I. But I firmly believe that the situation is not without hope. I believe that we can contribute to the formation of a free Poland based on the principles of the May 3 Constitution. I refuse to believe that Russia, a nation born of hatred, based upon an impossible economic system, and dedicated to defiling the dignity of man, can long continue to spread its wickedness throughout the world. I paraphrase the words of Lincoln, though he was talking of something altogether different, and say: "A nation, so conceived and so dedicated cannot long endure." It cannot be forever the power ruling half the world—it cannot because we will not let it.

You may be thinking that the U.S. Government is a little late in its concern for Poland—in its concern for all of Eastern Europe, and you very well may resent the fact that this country and the Western democracies have been so slow in meeting the Russian challenge. If you do resent this, you do so justifiably for the United States must hang its head in shame for some of the mistakes it has made in Eastern Europe.

I know these mistakes were not deliberate. They resulted from misunderstanding and ignorance. First of all, the United States grew up faster than it realized. This country was so naive at the end of the First World War, that it did not even realize that it was the world's greatest power, and that the Treaty of Versailles could not be workable without its signature. At the end of the Second World War, the United States trusted Russia, to a certain extent. History has proven that trusting Russia was a mistake, but who at that time knew it was a mistake? Who had a choice to do anything other than trust Russia? Hindsight makes analysis extremely easy; foresight is another thing altogether.

Admittedly, though, this country, when it saw what was happening east of the Oder-Neisse, should have done more to help these oppressed peoples. More aid should have gone to Poland; and to Hungary. But we must remember one thing: the United States is a democracy. It can't maneuver quickly as some would have it do. Many groups have influence and representation in the Congress and in electing the President, and unfortunnately, some of those groups have felt very strongly that this country should not give foreign aid to countries under Communist influence. These will give aid only with strings attached to it.

Happily, the United States is moving away from this philosophy. The people in this country are slowly beginning to realize that the only way to keep the Communist satellites from eternally being in Russia's orbit, is to aid them financially and technically. Gradually, through such assistance, these countries become more sound and stable economically, and less dependent upon Russia, economically and politically. This is what happened in Yugoslavia and the well-being of the free world depends upon many more of the same instance.

So, slowly, the traditional opposition to extending aid to Communist countries has been, and is being, whittled down. On June 7, 1957, an economic agreement was concluded with Poland. The agreement consisted of two parts, the first of which extended $30 million credit to Poland from funds made available under the Mutual Security Act. This loan will be paid back over a 20-year period. The second part of the agreement provided for the sale of $18.9 million agricultural commodities under Public Law 480. On August 14, 1957, an amended agreement was signed providing for an additional $46.1 million of surplus agricultural commodities under Public Law 480. Thus, the total dollar value for surplus agricultural goods sold to Poland by the United States was $65 million.

On February 15, 1958, the Department of State announced the conclusion of another economic agreement with Poland. The first part of that agreement made available to Poland $25 million in credit in order that Poland might buy machinery and equipment for food processing, and for the leather, textile, and metal industries, medical equipment, and other essentials. The second part of this agreement provided for the sale to Poland of $73 million worth of surplus agricultural commodities. This means Poland under the 1957 and 1958 agreements has received $57.7 million worth of wheat, $53.1 million in cotton, $6 million in soybeans, $9.9 million worth of soybean oil, and cottonseed

oil, fats, and oils amounting to $3.6 million, a total of $10.6 million in barley, corn, and grain sorghum, and $3.3 million worth of nonfat dry milk. Then, too, in 1958 an amount up to $200,000 for ocean freight charges on shipment of voluntary contribution for relief in Poland was made available under the Mutual Security Act.

To recapitulate then, in 1957 the United States loaned in dollars or made available to Poland in the form of surplus agricultural commodities, the total of $95 million. In 1958 the total was $98 million. Furthermore, under the June 1957 agreement, the United States took the following actions:

1. The Treasury Department removed the prohibitions on the transmittal of Treasury checks and remittance in payment of social security, veterans, and other benefits under U.S. laws to Polish residents.

2. The Department of Agriculture announced that the Commodity Credit Corporation is prepared to consider applications for credit arrangements in connection with export sales of Commodity Credit Corporation commodities for shipment or transportation to Poland.

3. The Department of Commerce will amend export control regulations designed to simplify licensing procedures for U.S. exports to Poland.

Essentially, this is what the United States has done in the way of offering assistance to the oppressed people of Poland.

We have not done enough but I have great hopes that we may adopt a more realistic policy toward our foreign aid, which in my mind, is the most feasible way by which we can defeat the Red menace. In my work on the Foreign Affairs Committee, it has been heartening to see that there is a real attempt on the part of some Government officials, Senators and Congressmen, to break down the traditional barrier against giving foreign aid to Communist influenced countries.

The people of Poland always have manifested strong attachment to the Western World and to the democratic way of life which we in the West enjoy. It is so important that this flame of freedom burning in the hearts of the freedom loving Polish people not be extinguished. There is no freedom in Poland today, but the spirit of freedom is not dead. Hitler could not defeat the Polish spirit, neither can Khrushchev.

We of the United States can aid Poland. We can help her to stand on her own feet, separate and independent from Russia. But just as we must give material aid, we can and must encourage, nourish that spark of freedom which still burns within the Polish people. They are looking to us for encouragement and reassurance that they are not forgotten by the free world. We must assure them that they are not abandoned, and that we will assist them in keeping their famed Constitution from being appropriated as an instrument for Communist exploitation. The Constitution of May 3 is a source of noble pride to all Polish peoples; in these hours of difficulty and sorrow it is a consolation—a signpost pointing to the future.

The world owes Poland that freedom which the Constitution embodies. There is no nation, no group of people, which has paid more dearly for a chance to be free.

It is therefore very important that the United States give economic aid and moral support to the Polish nation; the future of the whole Western World depends greatly upon the establishment of freedom in Poland and the other Eastern European countries.

We, Americans of Polish descent, assembled at Modjeska Hall, Wilmington, Del., this 3d day of May, A.D. 1959, under the auspices of the Council of the Polish Societies and Clubs in the State of Delaware, and of the Delaware division of the Polish American Congress, to commemorate on this 168th anniversary of the adoption of the Polish Constitution of May 3, to pay homage to the memory of Polish patriots who wrote the Polish Constitution of May 3, and who were responsible for its adoption; and

Whereas the world lives today under the threat of war for Berlin, and enslavement of central Europe by Soviet Russia, and the fear or revival of German territorial appetites; and

Whereas the enslavement of central European nations by Soviet Russia, perpetually fosters cold war paralyzing the will and strength of the Western nations; and

Whereas, while the rights of nations are taken for granted, all over the world nations and empires collapse or are transformed, and the West still accepts the subjection of the nations of central Europe; and

Whereas the lasting disengagements between East and West will only be achieved by bringing into being a wide wall of free central European nations between Germany and Russia; and

Whereas, until the nations of central Europe are able to live their independent lives in accordance with their desires and traditions, the threat of war will hang over the world; and

Whereas no half measures reducing the forces in Germany or creating corridors on either side of Berlin will remove the main sources of disturbance. On the contrary, they might increase them by creating artificial boundaries and new points of friction bringing about a very doubtful contribution to peace; and

Whereas the Soviets who have broken every agreement and treaty they have ever made, who have violated their pledges for free elections in Poland and in other enslaved nations, their sole aim now being is to get American recognition for the status quo of those enslaved nations;

Resolved, That we, assembled at this meeting commemorating the 168th anniversary of the adoption of the Polish Constitution of May 3, express that before the proposed conference of the Foreign Ministers of Great Britain, France, Soviet Union, and the United States, the West must establish what it is going to require of Russia and not merely what it will defend, otherwise the negotiations will end at least in the maintenance of the status quo; further

Resolved, The question of Berlin should be considered only as a part of the wider question of the future of Germany and of European security as a whole, which is bound up with the liberation of central Europe; further

Resolved, The main real guarantee against Germany is the definite recognition by the Western Powers of her present eastern frontier on the Oder and Western Neisse, depriving her of her assault gate to the east and averting the rebirth of Prussia, which drew its aggressive strength largely from lands taken from Poland over the centuries, regaining of this land is not regarded as a compensation for the loss of the eastern Poland's territories, but as a return on the old part of Poland enabled by the defeat of Germany in the World War II to which Germany launched the world in association with Russia in 1939; be it further

Resolved, That a copy of this resolution be forwarded to the President of the United States, Department of State, Representatives and both Senators representing the State of Delaware in the U.S. Congress.

CHARLES L. PARUSZEWSKI,
Chairman.

Attest:

VINCENT J. KOWALEWSKI,
Secretary.

Controlling Air Pollution

EXTENSION OF REMARKS
OF
HON. FLORENCE P. DWYER
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 6, 1959

Mrs. DWYER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a statement which I recently submitted to the Subcommittee on Health and Safety of the Committee on Interstate and Foreign Commerce urging approval of legislation extending the Federal Air Pollution Control Act:

STATEMENT OF HON. FLORENCE P. DWYER, OF NEW JERSEY, BEFORE SUBCOMMITTEE ON HEALTH AND SAFETY, HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, ON BILLS TO EXTEND THE AIR POLLUTION CONTROL LAWS

Mr. Chairman, I am most grateful to the subcommittee for this opportunity to express my views on the question of extending the duration of the Federal Air Pollution Control Act and expanding Federal activities under this law.

I have been personally interested in this problem for some time. As the sponsor in the State Assembly of New Jersey's first study commission in the field of air pollution, I had occasion to acquaint myself with the increasingly severe conditions in urban and industrial areas of our State and especially in the bi-State metropolitan area of New Jersey and New York. Later, as a member of the Subcommittee on Intergovernmental Relations of the House Government Operations Committee during the last Congress, I actively participated in the subcommittee's investigation of air pollution in a number of the country's largest cities. We also held on-the-scene hearings in Los Angeles, certainly one of the cities hardest hit by atmospheric contaminants.

It is my considered opinion that the matter of the growing contamination of the air we all must breathe is one of the most serious problems affecting the people of our country. Despite the extensive efforts of areas like Los Angeles County, despite the growing awareness of States and communities throughout the Nation, and despite the slowly increasing activities of the Federal Government, the problem of air pollution is more serious today than ever before.

What is worse, the concensus of scientists and engineers and other air pollution experts clearly indicates that the harmful contamination of the air is steadily becoming more serious. The rapid urbanization and industrialization of the country, the increased population, the growing number of automobiles, and the introduction of new sources of atmospheric contamination such as petrochemicals, high energy fuels, nuclear technology and a whole host of new synthetics, have combined to produce a present and future problem of immense scope—one that requires more intensive efforts at local and regional control of pollution, more reliable knowledge of the sources and effects of pollution, and a much more effective network of cooperation among the many levels of government and private organizations involved in the problem.

It is obvious that air pollution is not an exclusively Federal concern. Historically it hasn't been, and practically it can't be. Yet, the Federal Government does have a critically important role to fill in the complex attack on this menacing condition. The nature and extent of this Federal role is the question presently before this subcommittee.

Public Law 159, 84th Congress, authorized a program for research and technical assistance to obtain data and develop methods of control and abatement of air pollution. The Secretary of Health, Education, and Welfare and the Surgeon General of the United States were assigned the responsibility for this program.

While the act recognized the primary responsibility and right of the States and local governments in controlling air pollution, it provided for Federal assistance in the formulation and execution of research programs, in encouraging cooperation between interested governments and agencies, and in collecting and disseminating information.

The act also authorized annual appropriations up to $5 million for each of the years 1956 through 1960. However, of the authorized total of $20 million for the first 4 years, only $12.4 million was actually appropriated. For fiscal year 1960, the last year of the expiring program, the administration has requested $4,212,000, while the House recently voted to increase this amount slightly.

Two principal questions are posed by the bills now under consideration by the subcommittee: For how long a period should the Federal Air Pollution Control Act be extended? and, to what degree, if any should the Government expand its current rate of activity in this field?

Concerning the first question, one of the bills proposes a 5-year extension of the act, while the remainder propose that the air pollution program be made permanent. On the other hand, the Senate has recently passed legislation extending the act for 4 years.

There is no doubt in my mind that the problem of dangerous air contamination will be with us for a long, long time. Yet, this factor alone does not necessarily justify that the antipollution program be made permanent. Even though the Appropriations Committees of the Congress would be examining the operation of the program on an annual basis, it seems to me that there is much to be said for the view of the Senate Public Works Committee that Congress should review and evaluate such an important matter on a periodic basis.

On the other hand, the executive agencies involved in the air pollution program should be given reasonable assurance of long-term authority and support from the Congress. We have learned from experience in other programs that an uncertain, stop-and-go approach is certain to reduce effectiveness, limit the availability of personnel, and cause an unnecessary amount of wasted time and money in a complex undertaking of this kind.

If Federal assistance is to continue to be worthwhile, there must be time to plan and carry out difficult research programs. In the past 5 years, the Federal effort has contributed toward the sampling, identifying, and measuring of airborne contaminants which are present in the atmosphere of almost all cities. It has appraised several of the more important sources of urban air contamination, such as oil refineries, automobile exhausts and combustion processes. And it is presently tackling important studies of the chemical, meteorological, and physical influences and of atmosphere reactions.

All of this and related activity is necessarily conducted on a continuing basis. It must be refined and tested and the findings communicated to other levels of government and to private groups for use in the fight against pollution.

Therefore, it would be my view that Congress ought to extend the Air Pollution Control Act a minimum of 4 or 5 years—long enough to permit uninterrupted progress without loss of legislative oversight.

On the second question, too, there is some difference of opinion. One of the bills before the subcommittee would authorize a continuation of the program at the present maximum level of $5 million annually. Other bills would eliminate the ceiling over the funds which could be appropriated. The Senate-approved legislation would increase the annual authorization limit to $7.5 million—an increase of 50 percent.

I am impressed, however, by the argument of the Secretary of Health, Education, and Welfare, who stated that "removal of the statutory limit on the annual appropriation authorization would be highly desirable." As Secretary Flemming explained, air pollution research has developed several important leads, especially with respect to the effect of pollutants on health, and any breakthrough would probably require additional funds to develop and exploit the new knowledge. In any event, the Secretary should be able to come to the Congress and explain why extra money is needed—a freedom he would be denied by continuing the statutory limit on authorized appropriations—since the final decision would be left to Congress.

As the subcommittee knows, the Bureau of the Budget has endorsed this recommendation.

Another recommendation of the Secretary also appeals to me as being eminently sound. He has requested specific legislative authority to make investigations and hold public hearings in two types of situations. These are (1) where particular pollution problems are common to many communities throughout the country, and (2) where such problems are essentially interstate in character, affecting people both in the State of origin and in neighboring States.

Both types of problems, as the Secretary has stressed, can be expected to increase in number and extent especially with further urbanization. In many cases, the development of solutions for them transcend the capabilities of local agencies and even of State control authorities.

In this respect, I should like to call the subcommittee's attention to a portion of a statement issued last fall by the chairman of the Subcommittee on Intergovernmental Relations, Mr. FOUNTAIN, and myself, which was in the nature of a report on the subcommittee's investigation of air pollution problems during the 85th Congress:

"Air pollution is already a serious problem in many areas of the United States. Because of our increasing population and the tremendous growth of metropolitan areas, the problem will inevitably become more serious unless we move promptly and vigorously to meet it. There is much that State and local governments can do to fight air pollution; they must take every practicable step that is within their power if we are to have clean air for our cities. However, there are certain things that local authorities cannot do by themselves. States and localities cannot control pollution which originates outside the limits of their jurisdiction, nor do they have the resources necessary to solve some of the more difficult technical problems of air pollution control. In such instances the Federal Government can and should assist local authorities."

I can think of no better way to conclude this brief statement than by quoting from the conclusion of a remarkable address delivered by the Surgeon General of the United States, Dr. Leroy E. Burney, before the National Conference on Air Pollution held in Washington last November 18 to 20.

Referring to the tremendous acceleration of American industrial growth due to the high rate of investment in advanced research, Dr. Burney observed:

"The problems that come as byproducts of our almost unbelievable material progress demand everybody's skills and knowledge. More than that, they demand genuine cooperation. We can no longer ask 'Who's going to be in charge?' 'Who's going to get the credit?' We must ask 'How can we most effectively work together?' Nor can we ask 'Can we afford to clean up the air?' We cannot afford not to. It costs cities more to endure dirty air than to apply the controls we now have. Controlling air pollution will cost big money, but it is an essential investment.

"Assuredly we all have the same goal—a safe and healthful environment in which everyone may enjoy the fruits of progress."

The legislation now before the subcommittee provides a great opportunity to take a long step forward in making our country a better and safer place in which to live.

I thank the subcommittee for its consideration of my views.

Gaylord Container Corp., a Division of Crown Zellerbach Corp., Is Doing a Magnificent Job in Forestry Research and Development Which Greatly Enhances the Value of Louisiana Timberlands, Thereby Aiding Every Man, Woman, and Child in This Great Timber Area in Louisiana

EXTENSION OF REMARKS
OF
HON. JAMES H. MORRISON
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 6, 1959

Mr. MORRISON. Mr. Speaker, recently I had the unusual opportunity of attending the second annual southwide Pulp and Paper Day celebration, and thereby have a part in the launching of a typical pilot forest project on the land owned by one of my constituents, Joe Kelly Coburn, in Livingston Parish, La.

Mr. Speaker, it is difficult to describe and explain just how important this Gaylord operation in making paper products at their Bogalusa plant is to the development of this section of Louisiana.

It affords better living conditions for each and every one of the citizens of this vast area, and it is the largest individual payroll in Livingston Parish. No longer does a farm or landowner, either small or large, have to only hope that oil will be discovered, because with the young growth of pine timber, he can have a definite money crop growing night and day, month in and month out, year in and year out, on his land, and still have potential oil possibilities.

Without the Crown Zellerbach organization, which owns the Gaylord Container Corp., there would be no market for much of this timber, and that is a perfect example of how the people need the Gaylord Container Corp. and the Gaylord Container Corp., likewise, needs the people, to grow the raw materials which they use in the manufacture of paper products, which, of course, is pulpwood.

Crown Zellerbach has certainly put out a warm hand of friendliness and has

demonstrated their great confidence in the people who own this land and live in this area. No better example can be shown than by their act of establishing, which is in the process of completion, a papermill costing approximately $20 million, which is located in this area at St. Francisville, La. With their present mill at Bogalusa and their new mill at St. Francisville, all of the landowners and inhabitants of this great area can with all confidence rest assured that they will derive tremendous benefits from this operation. The vast amounts of money that will be paid for the raw pulpwood materials, and the tremendous amounts that will be paid in payrolls, both directly and indirectly, in this vast operation has brought and will bring even more wealth to this section, and greatly improve our living conditions. We have much to look forward to in the future, and we have a lot to be thankful for that Crown Zellerbach had confidence in our people and our lands in this section of the United States.

As we all realize, this is one of the fastest growing timber sections in the entire United States, and for that reason, this land has a great potential production value in all kinds of timber products.

It is, therefore, most essential and necessary that we protect and preserve this great industry by protecting and preserving these timberlands, so that they will produce the maximum wealth in timber products that they are capable of.

That is why this pilot forest right here is so important, because it takes property belonging to an average citizen and clearly demonstrates how this land can be utilized to its fullest extent to produce a maximum of valuable timber products. This is an example of tremendous amounts of money that have been spent in research and development in bringing this pilot forest to a realization, so that everyone of us can see just exactly with our own eyes a concrete example of how to utilize our land to its fullest extent and advantage.

I firmly believe that in the years to come not only will our timberlands be utilized to the fullest extent, thanks to the beneficial cooperation of the Gaylord Container Corp., but that further cooperation of mutual benefit and understanding will even become greater between this company and the people that it serves. Without this source to purchase our pulpwood, many acres of our land would be without value and without revenue, and instead of going ahead with progress, we would stand still or even go backward economically. Therefore, it is certainly evident that with the continued use, and the vast future potential market for paper products, that we all have a great deal to look forward to in the years to come.

I only regret that all of the Members of this House were not able to be present and to have the opportunity that I had to see firsthand the great possibilities of the production of timber products from our land. It would give a much clearer and comprehensive understanding of the vast importance of the paper and paper products industry, and how much it means to the citizens of this great Nation of ours, both directly and indirectly.

Mr. Speaker, the following are the remarks which I made on this occasion:

THE PILOT FOREST POINTS THE WAY

I think it can be said without reservation that the program in which we are taking part here today is one of the most significant events to take place in our area in some time. The pilot forest project is truly an outstanding example of the benefits that can result from the close cooperation of agriculture and industry.

As you probably know, this pilot forest is one of more than 90 established this year for the first time in 12 southern States. It's a project of the Southern Pulpwood Conservation Association, sponsored locally by a pulp and papermill member of that association and by a progressive-minded owner of woodlands. Our hosts here in Livingston Parish are Joe Kelly Coburn, the owner of the property on which the pilot forest is located, and Gaylord Container Corp., division of Crown Zellerbach, which is carrying out the forest work on this property. To both, we offer our congratulations. The roles they are playing in the creation of the pilot forest here will mean much to this parish and this area in the near future.

This pilot forest and others like it are informational and educational projects. They are designed, as their name implies, to show the way, to show the owner of small woodland areas how to grow trees more profitably on his property. In setting up these pilot forests as guides to others with similar property in the parish and adjacent areas, the pulp and papermill has agreed to do a complete initial forestry job in order to bring the property into full production. Incidentally, all proceeds from the timber harvest go to the landowner.

You may ask why the pulp and paper industry is investing in such an undertaking. I'm told that there are many reasons, but the most obvious one, of course, is the need for a steady supply of that renewable raw material of the industry—wood. Since 74 percent of the woodlands of the South today belongs to the owners of small woodland tracts, it's natural that the industry would look to this group for much of the wood it needs.

Unfortunately, however, only 40 percent of the woodlands belonging to owners of small tracts is being managed to guarantee future high-level productivity. Although in recent years, important progress has been made in getting woodland owners to undertake improved forest practices, the pilot forest projects should give tremendous new impetus to substantial additional progress.

In this parish there are 105,000 acres of woodland similar to the wooded area on this farm. One of the primary considerations in the selection of this pilot forest site by a country committee of outstanding representatives of forestry, agriculture and others was the degree to which the property could serve as a demonstration to as many farmers as possible. This meant that in terms of size and existing forest conditions, it should be reasonably typical of most farm woodlands in the area.

I think you'll quickly understand the reason for this. The foresters who have planned the development of this woodland say that the measures which have been started here should increase the productivity of this area by three-fourth cord of wood per acre per year. If this increase of three-fourth cord per acre year were applied to all the 105,000 acres of farm woodland in this country, we would have an additional 80,000 cords produced here annually that are not being marketed today. In terms of dollars, at the rate of $15 per cord, f.o.b. car, this would mean an additional $1,200,000 in new business to Livingston Parish each year. It would be the same as the establishment of a substantial new industry here in terms of additional dollars created for the economy of the parish.

Think of that. Putting all the small woodland tracts of Livingston Parish into a high level of productivity would mean the equivalent of a new industry. To me, this is one of the most interesting and significant aspects of this whole program. And, this is newly created wealth which will benefit not only the landowner, but the whole community.

Let me give you a couple of other pertinent economic statistics. During 1956—the last year for which we have complete information—1,648,500 cords of pulpwood were produced in Louisiana at an f.o.b. car value of $24,727,500. In this parish, the value of pulpwood produced in that year was an estimated $1,155,750. Remember that one pulpwood truck represents an annual business of $22,500 to the community in which it operates.

These facts do not take into consideration the large economic contributions made directly by the pulp and papermills. For example, the wood produced supports the papermills, of which there are 8 located in Louisiana. These plants provided full-time employment for 13,218 persons, with a payroll of $57,869,100 in 1956. Wood harvesting provides the equivalent of 6,594 additional jobs in the State. The replacement value of the pulp and papermills in Louisiana is $370,875,000.

These are just a few of the interesting economic facts about one of the South's largest industries. But I think they are indicative of the vital part the industry plays and will play in the future growth of the area. And they also point up the vital need for the closest kind of working relationship between industry and agriculture for the mutual benefit of all concerned.

An unusual feature of the pilot forest is its permanence. This tract will be developed to its fullest potential as an enduring example for years to come. It is to serve the broad purpose of illustrating as complete a forestry program on farm properties as is possible. It would point the way toward the fullest development of individually owned forest resources. The result will be maximum benefit for our communities from this balance of industry and agriculture.

It is expected that when the various harvests are made, they will be measured in terms of board feet, numbers of poles, lineal feet of piling, as well as in terms of cords of pulpwood.

The pulp and paper industry is undertaking this pilot forest program with full knowledge that much of the wood to be yielded will go to uses other than pulpwood. But the industry also knows that by improving total productivity, it improves the chances of increased pulpwood production.

It is my understanding that it was difficult to practice good forestry in many areas of our State only a few years ago because there was no market for trees of small size. When you chop cotton or thin corn to a stand, for example, you write it off purely as a cost item because there is no market for the excess plants. However, these operations may be carried out with no more elaborate equipment than a good hoe and a strong back.

Thinning trees to a stand employs the same principle of plant growth, but it takes a much broader back and more expensive equipment. Therefore, it is a much more costly process unless there is a market for the thinnings. The pulp and paper industry provides that market and the farmer now can thin his crowded woodland at a profit. You will notice that I did not say clear his woodland. I said thin it to a good stand.

When this has been done, the remaining trees have the space they need for maximum growth of all kinds of products. As higher valued trees are being grown, there will be times when another thinning or a combination harvest is desired. Here, again, the pulpwood market is a very valuable asset to the farmer.

Some trees will need to be thinned still again before they are large enough for saw timber, even though there may be many trees in the stand of saw timber size already. Some trees may not be straight enough for saw logs, yet they can be cut in such a way as to yield pulpwood. Others may be diseased and not be cut into sticks of pulpwood. Even the tops of saw timber trees, formerly wasted, may be worked into pulpwood. The same type of management will benefit trees that are to be used for even higher valued purposes such as poles or piling.

Right here on the property of Joe Kelly Coburn, a number of measures have been started to get the woodland into peak production. For example: (1) Planting of open areas, (2) prescribed burning for brush control, (3) girdling of cull hardwood trees, (4) timber stand improvement in pure hardwood stands, (5) selective cutting.

Farms are most successful when every acre is profitable. Making farm woodlands productive can add immeasurably to the stability and to the profitability of the farm operation. Like any crop, there are certain problems in growing wood that must be solved if the product is to be salable. The pilot forest program is designed to show the way to better woodland management by showing practical solutions to these problems.

Before concluding, I should like to summarize briefly:

First, the markets for paper and paper products are continually expanding in this Nation and throughout the world. New and fascinating uses for pulpwood and other wood products are continually being developed.

The warm climate of the South makes this region ideal for growing the raw materials to serve the dynamic paper industry. The industry itself is expanding in the South where it can be near that fast-growing renewable natural resource—trees.

The industry is making enormous contributions to the wealth of the region with its tax dollars, payrolls, investments and payments to those who supply it with wood.

Farmers and other owners of small woodland tracts can create new wealth for themselves and their fellow citizens through sound management of woodlands, resulting in higher productivity, not only of pulpwood, but of other forest products.

The pilot forest has been established as a means by which owners of small woodland tracts can see firsthand the application of proper forest practices on property like their own.

The result of bringing all woodlands up to maximum productivity is comparable to the establishment of an important new industry in the parish.

I believe very strongly that the pilot forest in concept and in action is an example of one of the finest relationships between agriculture and industry in the Nation. It has been established on the principle of cooperation and mutual benefit for all concerned. It seems to me that the pilot forest is truly symbolic of the kind of working partnership between different segments of our economy that will assure the future of the South and the Nation. I would urge all interested persons, as well as forestry and agricultural agencies, to make full use of the excellent educational opportunities of the pilot forest.

Thank you for giving me this wonderful opportunity to be here and have a part on this second annual southwide Pulp and Paper Day in the launching of this pilot forest project.

Doctors in a Changing World

EXTENSION OF REMARKS
OF
HON. WALTER H. JUDD
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 6, 1959

Mr. JUDD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address given by me on April 6, 1959, before the Scientific Assembly of the American Academy of General Practice, meeting at San Francisco, Calif.:

DOCTORS IN A CHANGING WORLD

(Address by WALTER H. JUDD, M.D., Member of Congress from Minnesota)

It is a great honor and privilege to appear before this group of distinguished men and women from the main body of the medical profession in this country—the general practitioners. You will understand why it is a unique personal pleasure for me to be meeting again with the profession in which I spent 19 years of my life. I enjoyed the deep and abiding satisfactions that always come from the conviction that one is being useful to persons in need.

Formerly, almost the sole reason for your attending meetings like this was to learn new techniques and procedures that would enable you to practice medicine more skillfully and successfully. You came in order to learn more about diseases and how better to diagnose them and to treat your patients.

But medical meetings have changed—because times have changed. The doctor's job is bigger than it was. The inclusion on your program of a discussion on so broad and nontechnical a subject as "Doctors in a Changing World" is striking evidence of that fact.

I

First of all, the actual practice of medicine has changed at an astonishing rate. Some time ago I read that considerably more than half of the drugs most widely used nowadays had not even been heard of only two decades ago.

The remarkable advancements in anesthesia and the wide use of vastly improved methods of preventing fluid loss and surgical shock have transformed surgery into almost a different science from that of 30, even 20 years ago.

When I look through the list of titles of papers to be read and discussed at an assembly like this, I confess that I don't even know what some of them are about.

The rapid and sweeping changes in the science of taking care of the sick have doubtless been all to the good. No question can be raised as to your professional competence and up to dateness with respect to them. I am not so sure that all doctors are as alert to the other changes that are taking place in our world—changes that can have the greatest influence on how long and how well you may be able to use with satisfaction and success the professional knowledge and skills you have worked so long and hard to acquire in the past, and will work so diligently and interestedly to improve at this scientific assembly.

II

Great changes are taking place in the economics of medical practice. The costs of good medical care continue steadily to rise. More and more lay people are paying attention to that fact and are determined to do something about it, even though they may not have too clear an idea of just what to do or how to do it.

Despite widespread opinion to the contrary, the fees of doctors have not risen as rapidly in the last two decades as have the charges of most other groups providing personal services for people. During the same period when the general level of prices, including the costs of food and clothing, has more than doubled, the fees of general practitioners have risen only 73 percent. The fees of some specialists, such as obstetricians, have risen more; while those of others, such as general surgeons, have risen less.

But other medical costs have risen more steeply than doctors' fees. Hospital costs are up sharply, partly because of the belated increase in wages paid to labor in hospitals generally; partly because of the more extensive use of drugs and of expensive laboratory, X-ray, and other specialized examinations; partly because, under the various insurance plans, there has been a marked increase in use of hospitals for diagnosis as well as for treatment.

Our very success in inventing new cures and perfecting old ones has also increased the number of years during which people need medical care. It is doctors who are responsible for giving people 20 years more to live than was the case half a century ago. If those extra 20 years could just be squeezed in somewhere between the ages of 20 and 60, wouldn't that be wonderful? Unfortunately the additional years have to be added at the end, most of them after retirement. Even if the elderly are able to work where can they get jobs? How are they to make a living? What are they to do to keep their minds and bodies active and healthy? How can they avoid increasing anxiety as they see the value of their savings, their insurance, their pensions, their social security benefits gradually shrinking because their own Government has not succeeded in keeping stable the value of the dollars on which they were counting to live in deserved security and serenity during their declining years?

Again, they often have more illnesses, and longer ones, in these additional decades.

All these factors and others add up to steadily increasing total costs of medical care for our people. How are the costs to be met?

There are still many who do it by the old-fashioned methods of self-reliance and thrift. They save systematically for possible illnesses, just as they save for purchases of a home, or a piece of land, or an automobile.

More of our people are doing it by private voluntary health insurance than ever before.

But there is a large, perhaps growing percentage of our population that is not making plans for the future through savings or their own insurance, partly because during the depression a philosophy was widely promoted that it is an economic crime to save. People should spend as fast as they can everything that they earn, can borrow, or otherwise acquire. The Government will somehow provide needed medical care if and when illnesses come along.

So there is an increasing drive to have the Federal Government, under one scheme or another, take over the financing of medical care. Many people have been skillfully led to believe that Government-financed medical care will give them more and better care for less. Most doctors oppose that because they are certain most people will get less and poorer medical care for more. For one thing, under that system, the doctors are kept so busy taking care of those who need it least, or only think they need it, that the doctors are prevented from giving the best care to those who need it most.

The public has been led to believe also that they can get Government financing without Government control, and ultimately Government operation of medical care. It is naive for anyone to believe that Congress will take the people's money away from them through taxes and then allow it to be spent by anyone else without its maintaining firm control. Congress would be completely irre-

sponsible if it did not so control—and it is not and will not be that irresponsible.

Doctors tend to concentrate on improving the quality of medical care; those who don't understand the essentials of good medical practice take high quality for granted and concentrate their attention on trying to get more equitable distribution. They don't realize that a main result of the supposedly better distribution under Government management is a deterioration of the quality of the medical care until it is hardly worth distributing more equitably.

For when the Government finances and operates medical services, three things that are essential to good care are inevitably compromised.

First, the wholly voluntary relationship between the doctor and the patient. If the relationship is not completely voluntary on the part of the patient, he is not going to have full confidence in the doctor. If it is not completely voluntary on the part of the doctor, his heart is not fully in it. Under Government management the relationship cannot be wholly voluntary. The result will be injury to the patient's interests far more than to the doctor's.

A second requirement is that there be complete privacy with no intermediary between the patient and the physician. When the doctor gets paid by the patient, the doctor works for the patient. When the doctor gets paid in part or whole by the Government, little by little he comes to work for the Government. Again, the average doctor may be better off, but not the patient.

Under Government-financed medicine, the Government becomes an intermediary in another sense. Since public money is involved, a succession of clerks has to go through the records to see if the doctor performed all the tests for which he submitted charges, or did any unnecessary tests to run up the bill. Somebody in a Government bureau has to decide whether the doctor's diagnosis and treatment, and therefore his charges, were proper. In order to do that, Government employees have to read the patient's history, and record. Many patients are not going to be too eager to tell their doctor all the personal and private details that he needs to know in order to treat them properly, if they know some bureaucrats are also going to be reading those details.

What kind of care will the patient get with both his doctor and the Government managing his case?

A third essential for good medical practice is that there be maximum incentives for the doctor to do his best work and constantly to improve himself. One such incentive is financial reward in accordance with his ability and his effort. In every profession there are some individuals who are self-starters. Regardless of financial compensation or any other considerations (except the urge to satisfy their intellectual curiosity or their consciences) they give everything they have. But such persons are probably in the minority in our profession as in others. Most people work harder and do better if they believe such effort will get them ahead financially.

Another major incentive is professional recognition and advancement. The doctor wants the respect and confidence of his patients—and he will work hard to win it. But even more to be coveted is the respect of his colleagues. The most rewarding thing that can come to any physician is to be known as a doctor's doctor. A doctor may be able to fool his patients with a high-powered personality and a smooth bedside manner; but he can't fool his colleagues. Other doctors will bring themselves or their relatives to him only if he is really good.

Both of these powerful incentives—financial reward and professional recognition and advancement—are largely killed under governmental management where promotions are made on the basis of seniority—or, as it is sometimes called in Washington, senility.

What is necessary to get ahead under the bureaucratic system? The first essential is merely to live long enough. The second is to make no enemies. And what is necessary to make no enemies? The main requirement is never to have any new ideas. For if you have a good idea, it makes your superior resentful—why didn't he think of it first? And he holds up your promotion. If it is a bad idea, that also reflects on him as your superior, and he holds up your promotion. So don't do your best to get ahead by hard work and creative effort—just conform. That is fatal in our profession as it is in every other.

All these things that as doctors we know about the essentials of good medical care, make us oppose Government financing and operation of medical services. But it is not enough for us to be right. We must tell and sell our reasons to the public far better than we have. We can't do that by just talking to each other at medical meetings. We don't need to convince each other. We have to reach the public and the politicians, not to put something over on them, but to help them understand the situation so that no one else can put something over on them.

But because we oppose this particular change in the economics of medical practice does not mean we should or can successfully oppose all change. On the contrary, we must pioneer in finding sound ways whereby better medical care can be made available for all needing it, without the disadvantages outlined above.

For while our present system of medical service gives better average medical care than any other, that does not permit us to ignore the fact that under it many of those with incomes below the average do not get adequate medical care. Sometimes it is their own fault. Perhaps they are just lazy and don't try very hard to support themselves. Or they prefer to spend their earnings on liquor or the races. Or they do not plan ahead for illness or accidents. But their needs and those of their families are, nevertheless, a responsibility that a good society must find sound ways to meet.

We medical people tend to focus our attention on the good; our present system is all right, because most people have good care. Those who would turn to Government financing focus on the bad; they would scrap the system, because some don't have good care.

It is like the old philosophical problem of the glass of water that is three-fourths full. The reformer says it is bad, because it is not completely full; he would throw out everything and start with nothing. On the other hand, we are inclined to be a little neglectful of the quarter that is empty, because we are busy with the three-quarters that is full.

But where we ought to be is between those two—neither the radical who would destroy what we have because it isn't perfect; nor the reactionary who says it's good enough, because it's at least better than anybody else has. What we ought to be is progressive-conservatives. There need be no conflict between the two.

Conserve the essentials which enabled us to get good care for the 75 percent, or whatever the percentage is, but don't stop there. Move on; progress. Don't abandon principles proved sound, but find means to apply them in changing ways to changing situations, so as to reduce steadily the part of the glass that is empty. Much headway is already being made in this direction. Witness the widespread extension of voluntary insurance systems endeavoring to achieve on a sound actuarial basis, the advantages of better distribution of medical services without deterioration of quality.

The American Medical Association is exercising constructive leadership in promoting an overall program to improve the situation for the neediest group, the elderly:

(1) More extensive and noncancellable insurance policies by private companies.

(2) Reduction by doctors of their fees to such patients. I compliment the general practitioners because more than any other group in our profession they continue to think of medical practice as a ministry rather than as just a business.

(3) Reduction of medical costs by improving nursing homes and expanding home care programs as alternatives to more expensive hospital care.

(4) Better education in health maintenance, by doctors, nurses, and employees, of those approaching or already in retirement.

It is essential also that we distinguish between two kinds of Government aid. One is nonrecurring Federal grants on a matching basis to States or localities for construction of facilities. With such grants goes no continuing control. This is the Hill-Burton pattern and is helpful, not dangerous.

The other is annually recurring grants for operation of facilities, including payment of salaries. This is the kind of Government program that must be resisted, for with such subsidies goes inevitable Federal control and the loss of real independence.

To summarize this point, doctors and dentists, hospitals, and health insurance companies all exist for the benefit of the sick, not the reverse. They must take a more active lead in making better care possible for the minority in our population that does not have it, while retaining the essentials of the system which has done so well for the majority, or else action will be taken by political groups which in the long run will not be good either for the sick or for those who provide medical services.

III

This leads to a third area where we face new situations. Government itself is changing—in response to the pressures of those who want it to adopt a concept quite different from that on which our Nation was established, the Jeffersonian concept that the American system functions best when government manages least.

For what main purpose did our forefathers originally come to this country more than three centuries ago? To establish a government that would look after them? No, they came here to get a chance to provide for themselves. The system worked, but it is under assault today here and everywhere around the world.

Adhering to that philosophy of government, they built a society which released as had never been done before in any time or place, the creative capacities that are in ordinary people everywhere. There took place here the greatest outburst of creative effort, imagination, invention, energy, production, and progress that the world has ever seen. It rushed ahead to the point where today the 6 percent of the people of the world who live in these United States have created almost as much wealth and have distributed it more widely than all the other 94 percent put together.

Why did that happen? Because of some good fortune or chance? No.

Was it because we in America had some superior ability that the other 94 percent do not have? Of course not.

Was it because we had greater resources? No. Theirs in toto were and are greater than ours.

The basic reason was an economic system based primarily on the right of the individual, and on opportunity and incentive for him to get ahead.

What the world needs most from us is not our wealth, which is a result, but the secret of our wealth. Wealth comes from only one thing—production of goods and services. Therefore, what the rest of the world needs most from us is the secret of our production.

How can they get their own countries on a more productive basis? Their best hope is to understand and to apply the political and economic philosophy which brought our forefathers here. Many in America need to restudy it also.

In essence, the political struggle going on today both in our own country and throughout the world, is a struggle between two philosophies of government—between those who believe in government from the top down and those who believe in government from the bottom up.

Is it better to have more power in the hands of the few? Or of the many?

One group believes that the more complex a society becomes, the more its control and management must be concentrated in an increasingly powerful central government. The other begins with the same premise and comes to the opposite conclusion: namely, the more complex a society becomes and the more difficult its problems, the more impossible it is for anyone at the seat of central government, no matter how sincere and able he or his associates may be, even to grasp all the details of the country's varied problems, let alone manage them successfully as a unit.

When confronted with a new or tough problem, one group goes to the government first; the other goes to the government last—only if and when their own efforts and all local remedies have been exhausted.

One believes a government should provide equal rewards to its citizens; the other believes the main function of a good government is to provide equal opportunities—not because it does not want the fullest possible rewards for all its citizens, but just because it does want such rewards, and believes this is the way to get them.

Which kind of government is best? The kind that does most for its citizens directly? Or the kind that makes it possible for most citizens to do most for themselves—and then assists with those who for whatever reason cannot provide the basic necessities for themselves?

One group believes that speed in solving a problem is in direct proportion to the amount of money the government provides. The other believes that the greater shortage is not money, but trained and dedicated personnel. As a Harvard medical student recently commented on this very point, "It is still not possible to get a baby in 1 month by getting nine women pregnant."

Some sincere persons, because of their preoccupation with those who are inadequate or unfortunate—and there will always be such—become so concerned about helping the unfortunate that they think this is the primary, almost the sole, function of a good society. Others, equally sincere, believe that the primary concern of a good government is not handouts for the relatively few, but solvency for the many. For only as a society provides opportunity for the many to become solvent will there long be anything with which to help the unfortunate.

Some of us believe that to work for ever-increasing Government regimentation of the lives and affairs of our people is a thoroughly reactionary policy. It is moving backward, not forward. Yet, on every hand these days those who call themselves liberals are generally the ones who are asking for the greatest amount of Government management and control.

Some of us believe that the first function of a good Government is to protect the liberty of the individual citizen—not to take it away. We believe this, not because we don't care about society as a whole, but because we do care about it—and believe this is the best way to serve it.

Woodrow Wilson was a genuine political philosopher and a great student of government. In a speech in New York in 1912 he said that the history of man's struggle for liberty is the history of his struggle to hold down the powers of Government. Yet many are now insisting that the way to increase liberty is on every occasion to expand the power of Government, including the taking over of medical care, which would give it a direct relationship with and corresponding influence over every man, woman, and child in the land.

Doubtless Hitler was convinced he was working only for the well-being of the German people. What wonderful things he did for them. He made the trains run on time. He modernized the factories. The restrooms were clean and sanitary. The streets were clean. There were no beggars. There was no unemployment. The Germans had higher living standards than almost anyone else in Europe. He gave the people free medical care. He gave them summer vacations at public expense. He gave the women maternity benefits. Weren't those good? No, not when to get them meant loss of their freedom—and then of the benefits also.

A good Government will provide a floor below which no citizen is allowed to fall in hunger, disease, ignorance, squalor. But it will not try to build a bed on which citizens can just rest without further needs to struggle.

Security is not the chief end of Government; it is an essential and a useful crutch for the misfortunes of life. But if one uses a crutch unnecessarily or too long, one forgets how to walk.

I think it can be stated as a law that whenever a Government does for its citizens that which they have the capacity to do for themselves, it begins to destroy both their capacity and their incentive to do for themselves. It weakens rather than strengthens the foundations of freedom and the means of genuine progress. What we need to do with our system is not to scrap it, but to believe in it and use it.

How can doctors best influence their Government's actions? On matters affecting medical services, by all odds the most potent weapon is not resolutions and floods of letters or telegrams; it is personal explanation of the issue to the Representative or Senator by his own general practitioner. You already command his confidence, or you would not be his doctor. He knows that you are not a selfish person with some ulterior motive to promote. He also knows that you know what you are talking about in this field, and he trusts you.

On the matters that affect the public as a whole, you can have greatest influence by working along with other patriotic citizens in politics—and politics means elections. Associate yourself with the party that you think is nearest right on the most important issues, work in and through it to select and then to elect good men and women to public office at every level of government.

Don't imagine you can do much to change the views or votes of persons who were elected by those in opposition to your position. Your job is to elect to office those who already hold the same general position as you, and will work for it.

The self-styled independent cuts himself out of the most effective action he might exert. The political parties which he disdains choose the candidates whom he then has a chance to be independent of, or between—which is not much independence.

As both citizens and doctors we can develop sound ways, private and governmental to handle the mounting costs of modern medical services, if we will work.

There is one more area in which the patterns of thought and life that doctors have known are changing—the most fundamental area of all. Our basic assumptions as to the nature of man are being challenged. We must consider this change because it involves the future of every person in our land. And before we are doctors or nurses, we are citizens of this Republic.

Some years ago I heard the eminent Lebanese philosopher, Dr. Charles Malik, now President of the United Nations General Assembly, say that when the Conference on Human Rights convened in Paris after World War II, the delegates spent several months trying, in vain, to agree on what man is. For how could they declare what the rights are to which a human being is entitled until they decided what a human being is?

Our society was founded by men who wrote, "We hold these truths to be self-evident, that all men are created * * *." They believed that there is a Creator; that man is His child and therefore a part of the Creator. That is, man has in him qualities and capabilities different from those possessed by any animal; he has something of the Divine in him. He has the capacity to make moral judgments and independent decisions based on those judgments.

The philosophy and faith of the Communists deny all this. They deny that there is a Creator, that there are such things as moral laws, such things as right and wrong, good and evil; or that man is, by nature, a moral being. They insist that he is merely the smartest of the animals, the animal with the largest brain—period.

They believe, therefore, that just as their eminent physiologist, Pavlov, demonstrated that young dogs can, by consistent control of their environmental stimuli, be conditioned to make predictable, unvarying, automatic responses, so with young human beings. They believe that you and I think that we have consciences and the capacity to make moral judgments and independent decisions, only because we have been taught that we have such qualities.

Therefore, it is their mission to liberate us from our errors. To do that they must first conquer the whole world, so that they can then abolish the institution of private property. It is private property, they believe, that gives man the notion that he is a distinct individual with inalienable rights as a person. They must remove the human infant from his parents—as is being done in Red China now—before the parents can communicate to him the false ideas regarding man's nature which in their childhood they received from their parents. The state will then, by controlling the child's environment and what goes into his mind, condition the child to seek nothing for himself, to be cooperative, and to desire only to serve the masses. Because no one will then need or want anything from anyone else, policemen will not be needed. The state will wither away and the perfect society be established everywhere.

Some in the free world will fiercely object that they can't change human nature. They reply that they are not trying to change human nature; they are merely using it. After centuries of false doctrines regarding man's nature, they have discovered what it really is. To them it is like Newton's "discovery" of the law of gravity. He did not invent the law; he merely perceived and announced what it had been all along.

You and I believe that man is more than a physical and a physiological organism. We believe he has in him as an inherent part of his nature something intangible called spirit or soul. We believe this intangible is as real as the tangible and that it has very great influence on the state of his health, and on the success of our efforts to cure his diseases and relieve his suffering. Is the practice of medicine to be reduced to mechanical adjustments of physical organs, as a garage mechanic adjusts the carburetors of automobiles? Bad as we believe medical services operated by our type of government would be, what would it be like under the Communist philosophy?

We believe that to be good medical practitioners, we must treat every single one of our patients, not as just a physical mechanism with heart, lungs, and liver needing to

be put back in order periodically, but as a distinct person, a whole person—body, mind, and spirit. And the unique, the most precious, the most vital thing about the human being is the human spirit.

This world conflict is not an old-fashioned struggle for control of land; it is for control of man—the mind of man, the soul of man, the whole of man. It is total conflict. No one of us has a right to ignore it. No one of us dares fail to play his full role in this conflict—as a doctor, as a citizen, as a human being.

Never did doctors face more changes—in our medical practice, in the economics by which it is to be supported, in the Government by which we seek to order well our corporate life in this Nation, and in the basic philosophy of life itself. Never did we face such a fundamental challenge to the ultimate values of life. Never did we have to think so deeply and work so hard as we shall have to in the years just ahead if we are to live in dignity and usefulness—or even to live at all.

Our generation cannot escape the call to great dedication and heroic effort, if we are to secure the blessings of liberty for ourselves and our posterity. All other blessings depend on that.

SENATE

THURSDAY, MAY 7, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O God, the all merciful, who art to be found by those who truly seek Thee, known by those who love, seen by those whose heart is pure.

In all our plenty and our privilege, give us a sanctified imagination which ties us in sympathy to the want and woe of all the world and moves our hearts with compassion for suffering anywhere and everywhere.

Give us to know that to put ourselves in the other man's place, and to see through his eyes, is the master key to the solution of every human problem, and that the power to do it is the most divine of human gifts, the pearl of great price.

So may we see revealed, as in a blinding light, that our comforts become a national reproach if the specter of the unfed haunts our amply laden tables and if the shadow of the world's poignant misery falls across our sheltered lives.

Stab our complacency until unshared bread turns bitter in our mouths and selfish draughts of water are as salt upon our lips.

Open our ears to the voice of One who judges us all as He says: *"The field is the world,"* and *"Who feeds his needy brother, feeds three—himself, his hungry brother, and Me."* Amen.

THE JOURNAL

On request on Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, May 5, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on May 5, 1959, the President had approved and signed the joint resolution (S.J. Res. 19) authorizing the Architect of the Capitol to present to the Senators and Representative in the Congress from the State of Alaska the official flag of the United States bearing 49 stars which is first flown over the West Front of the U.S. Capitol.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 1271. An act to donate to the pueblo of Isleta certain Federal property in the State of New Mexico; and

H.R. 5610. An act to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Labor Subcommittee of the Committee on Labor and Public Welfare was authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Government Organization for Space Activities, of the Committee on Aeronautical and Space Sciences, was authorized to sit during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

HARRY C. WITHERS

Mr. JOHNSON of Texas. Mr. President, one of the outstanding journalists in the history of the Southwest was the late Harry C. Withers. Mr. Withers died on April 24, at the age of 78, after writing a remarkable record during more than half a century of service with the Dallas Morning News.

Mr. Withers joined the News as a $12.50-a-week copy boy in 1904, and rose through the ranks of reporter, sports editor, city editor, managing editor, and executive editor of "the oldest business institution in Texas," before his retirement the first of this year.

As the often-honored dean of Texas newspaper editors, Mr. Withers not only earned the respect and admiration of those in his profession, but he also led an exemplary life as a concerned, informed, and patriotic citizen who contributed mightily to the worthwhile civic causes of his community and State, and who served, as well, as an outstanding lay leader of the Methodist Church.

In tribute to this beloved Texan, the Senate and House of Representatives of the Texas Legislature adjourned out of respect to his memory, after adopting resolutions, which I ask unanimous consent to have printed in the RECORD, along with the account of his life and work, as published in the Dallas Morning News of April 25.

There being no objection, the resolutions and the article were ordered to be printed in the RECORD, as follows:

Whereas the Universal Father, in His infinite wisdom, did on April 24, 1959, call from his earthly labors Harry Clay Withers; and

Whereas Harry C. Withers was the revered dean of Texas newspaper editors whose Christian life and leadership had been an inspiration to countless thousands during his 78 years of life and more than half a century as the guiding genius of the newsrooms of the Dallas Morning News; and

Whereas Harry C. Withers was born November 20, 1880, in Denton, Tex., to where his parents had moved just after the Civil War, and he was educated in the Denton public schools and at old Haskell Institute in Durant, Okla., before serving his country valiantly in the Spanish-American War as a member of the 33d U.S. Volunteer Infantry, after which he returned to his beloved profession of journalism on the staffs of the Denton Record-Chronicle and Houston Post; and

Whereas Harry C. Withers came to Dallas in May 1904, and joined the staff of the Dallas Morning News, steadily advancing in rank, prestige, and respect of all of his colleagues to city editor of the News in 1911; city editor of the News' former afternoon counterpart, the Dallas Journal, in 1914; managing editor in 1918; managing editor of the News in 1939, and executive editor in 1950, from which position he retired January 1, 1959; remaining as a director in the company; and

Whereas Harry C. Withers' life as a journalist in which he enjoyed the highest esteem, it was but a part of his long and talented life, during which he accumulated many honors in recognition of his unselfish contributions to his church and country; and

Whereas he was a devout, lifelong member of the Methodist Church, in which he was a leading layman, and for several years chairman of the Southern Methodist University board of development; and

Whereas in civic endeavors the contributions of Harry C. Withers were many and constructive, during which he served as president of the Dallas Rotary Club, president of the Council of Social Agencies, an originator of the Dallas Crime Commission,

and campaign leader for the Red Cross, co-chairman of the Dallas County Conference of Christians and Jews, as well as other organizations; and

Whereas the senate desires to echo the tribute paid to Harry C. Withers by the News publisher, E. M. (Ted) Dealey, who wrote: "His accuracy, his fairness, and his boundless patience under stress have all been unusual, but they have been equaled by his integrity and his devotion to duty at all times. He leaves a mark for the best of us in the profession to aim at, an example that will shame or inspire us, according as we ignore or profit by it"; and

Whereas Harry C. Withers lived an exemplary life that stands as a high mark of achievement in his family, professional, civic, and church life: Now, therefore, be it

Resolved, That when the senate adjourns today it does so in the memory of Harry Clay Withers; that a page in the permanent senate journal be devoted to the recording of this resolution; and that an enrolled copy of this resolution be sent to his wife, the former Anna Sinclair, and his four sisters, Mrs. Georgia Bonta, of Dallas; Mrs. Robert Knox and Mrs. Ella Pockrus, of Denton; and Mrs. Sue Price, of Los Angeles.

April 27, 1959.

HOUSE SIMPLE RESOLUTION 512

Whereas on April 24, 1959, the Almighty God in His infinite wisdom saw fit to call Harry C. Withers to his eternal reward; and

Whereas the city of Dallas and the State of Texas lost a beloved citizen in the passing of Harry C. Withers at the age of 78; and

Whereas Mr. Withers was a native of Denton, where his newspaper career began in 1901 as a reporter on the Denton Record-Chronicle, and 2 years later he moved to the Houston Post; and

Whereas Mr. Withers had been a sports editor, city editor, and managing editor of the old Dallas Evening Journal, and from 1939 to 1950 was managing editor of the Dallas Morning News, having retired January 1, 1959, an executive editor of the Dallas Morning News, a position he had held since 1950, and at the time of his death was a member of the board of directors of the Dallas Morning News; and

Whereas he contributed much to his community, and was a leader in the First Methodist Church; and

Whereas he is survived by his lovely widow, the former Miss Annie Sinclair, and four sisters, Mrs. Georgia Bonta, of Dallas; Mrs. Robert Knox and Mrs. Ella Pockrus, of Denton; and Mrs. Sue Price, of Los Angeles: Now, therefore, be it

Resolved, That a copy of this resolution be sent to his family and that when the house adjourns this day it do so in loving respect to Harry C. Withers.

April 30, 1959.

[From the Dallas Morning News, Apr. 25, 1959]

WORKERS HELD WITHERS IN AFFECTION

(By Paul Crume)

The best that you're supposed to be able to say about a newspaperman is that he is a newspaperman's newspaperman. Harry Clay Withers, the retired executive editor of the News who died late Friday, was always something more. He was cut out from the beginning to be a newspaperman's boss.

He had the looks, the mind, the temperament and the enthusiasm for it. He was a tall, spare man, dignified, line-gage straight until his later years, always gentlemanly of manner and dress. His face was thin, patrician, fine of bone, almost ascetic. The thinning white hair swept back from a fine, high brow. His mild manner and soft voice masked a mind that could make a judgment quickly and firm it rock hard before an onlooker knew that he had made it.

Many men who worked for him began by holding him in respect, or even mild dread, and ended by holding him in deep affection. He was a demanding editor. Sloppiness, small errors in copy or type, irritated him. The blue-gray eyes which usually glinted mildly with good humor behind his spectacles could turn to ice.

Yet the men who worked for him held him in affection because he prized the things they did and because he was always on their side.

He came to the News in 1904, from the wars, the Denton Chronicle and the Houston Post. His parents, Mr. and Mrs. John A. Withers, had moved to Denton just after the Civil War, and he was born there on November 20, 1880. He was educated in the Denton public schools and at old Haskell Institute in Durant, Okla. When he came to Dallas, he was a handsome, strapping young man of 24.

Perhaps in his quiet way he was also something of a swashbuckler. At least, he had defied his family to get into the Spanish-American War. He was only 19 when in 1899 he decided to enlist. His father ordered him not to. A friend who tried to enlist was hauled out of the recruiting office by his parents. Harry C. Withers managed to enlist in the 33d U.S. Volunteer Infantry.

On the day he was to leave, he hid in a laundry truck at the railway station and watched as his father paced the platform looking for him. When the train began to move, young Harry vaulted from his laundry truck and swung aboard.

When he got to San Antonio, he found a letter from his father: "I merely came to the station to wish you well. There was a $10 bill in my pocket to ease your way to camp, but since you were in such a hurry, I suppose you were well supplied."

It was apparently quite an outfit that young Withers joined. On the way to the Philippines, dice games got so bad that the general rounded up all the dice, a bushel basket full, and dumped them overboard. They landed under fire, and Withers was sent with dispatches to a senior general who sent back orders and asked whether the newcomers needed assistance.

"Sir, I have 1,645 men," replied the general of Withers' outfit. "There are 1,600 sharpshooters among them, and 1,645 crapshooters. If I were to go to hell tonight, they'd all answer rollcall for me in the morning. We need no help."

Harry C. Withers fought in 16 engagements during the Philippine Rebellion. Many of them across the route that Douglas MacArthur's men retreated over during World War II. Once, while creeping across a flooded field, young Withers stopped to get a drink from a cow track. A sniper's bullet wrecked his hat.

His war record inevitably colored the sharp, pointed speeches on patriotism for which he became well known in later years. Harry Withers was never a professional patriot, and he never sat with the old soldiers; but he was given a medal in later years as the son of a Confederate veteran who had fought for a reunited country.

When the war was over, he turned to newspapering. His father had owned a newspaper at Rockwall, and an uncle had edited a paper at Longview. Harry C. Withers went to work for the Denton Record-Chronicle in 1901 and quickly became city editor. He left in 1903 to go with the Houston Post. In May 1904, he joined the News.

He made $12.50 a week when he joined the paper. He went to work a little before noon and quit at 3 a.m. the next morning. On Sunday he covered vaudeville houses He had been with the paper hardly a year when he asked to be allowed to go to a baseball game. The managing editor agreed if he would write a story of the game for the sports editor, who was off. Instead of the usual stilted sport story of the day, Withers turned in one that was written in the language of the baseball fan. The managing editor ran it with grave reservations. Next day the enthusiastic response of baseball fans had made Withers a sports editor.

It was an interest he kept all his life. Even toward the end of his career, he could spot a mistake in the box score of a baseball game that he had never read about, and there would be the inevitable Withers march across to the sports desk.

He became city editor of the News in 1911. In 1914, when the News established the Dallas Journal as an afternoon counterpart, he became city editor of that paper. In 1918, he was its managing editor. He was shifted back to the News when the Journal was sold and became managing editor of the News in 1939, then executive editor in 1950.

In those years, he made his mark as a news executive with newspapermen. He knew the trade and he knew the people. For one thing, no matter how high the personage was that complained, no Withers man was ever adjudged wrong until he was invited into the office and asked with all the courtesy reserved for mayors and Governors what his story was.

Reporters who thought him a stern man were often surprised. Years ago, one of the best police reporters who has ever worked for The News got a telephone call from Mr. Withers. It informed him that a citizen had complained that the police pressroom at police headquarters was littered with empty whisky bottles and greasy decks of cards.

This was at a time when policemen and police reporters both were more boisterous than now. It was an accurate description of the police pressroom.

"I'm coming down there to inspect the pressroom at 3 this afternoon," Mr. Withers told him. "I had better not find this there."

He had been in a police pressroom. He knew what was there. The residents of the pressroom, however, got together and cleaned it out to septic quality before 3 p.m.

"There must have been some mistake," said Mr. Withers mildly as he looked it over that afternoon, knowing very well what had happened. He had accomplished his purpose, however. "I don't see anything wrong here."

He was also admired because he was a thorough professional. The late George B. Dealey used to say that the company had no trouble placing a young man who wanted to be a reporter.

"But," said Mr. Dealey, "if he wants to be a journalist, we send him to Mr. Withers."

His hobby, if he had one, was words. He was probably Webster's International's best customer. He loved crossword puzzles and all kinds of word games, and he had an acid attitude toward distinctions in word meanings. There was a copy of the Webster big dictionary on the table behind his desk.

Occasionally, he wrote sharp, cutting little essays on word usage which were clipped and pasted into scrapbooks by people on his staff of like tastes.

Like all fine newspapermen from that day of extras and bulletins, he could count coups, the beats he had scored over his competitors.

When the Houston Post hired him, he was sent as correspondent to the Sour Lake oil field then being developed in Hardin County. A Galveston paper which was the Post's chief rival had some money in one of the wells. One afternoon a driller called Withers aside and led him on a mysterious trip through the underbrush. They arrived at the rival paper's well just in time to see it come in as a gusher. The owners of the Galveston paper learned of their good fortune next morning in the columns of the Houston Post.

Soon after he came to the News, a great fire swept a number of blocks in Oak Cliff. Reporters who were telephoning in the story of the fire were unable to furnish any list of the homeowners and tenants involved. The managing editor called Withers to his office and asked him to try.

"That's easy, I think," Mr. Withers replied.

He had remembered that John F. Worley was just finishing a new city directory.

Withers sketched a map of the burned area. He got the directory publisher out of bed, and they worked out a list of the victims of the fire. Notes and calls of appreciation from its subscribers showered on the paper next day.

As a news executive, however, he had the invaluable knack of being able to let his people do their own work without interference. When the body of the kidnaped Lindbergh baby was found, the telegraph editor who handled the story awoke after it was over with a start at realizing that the copy boy who had been running his takes for an hour was Harry C. Withers, managing editor.

A young man of his talents was bound to attract attention. The merchants of one North Texas city once offered to hand over to him a daily newspaper, which has since become one of the best small dailies in the State, if he would run it. He toyed with the idea and decided to stay with the News.

"And I've never regretted it," he always said in later years.

Once he had committed himself to the News, he found his whole life there. He found his wife that way. She was Annie Sinclair, secretary to his managing editor when he first came to the News. Though he was working from noon one day until 3 a.m. the next, he found time to see her between 9 a.m. and noon. They were married in 1907.

As the years went by, honors accumulated—and burdens. Southwestern University gave him an LL.D. He headed many of the civic drives in his town.

He was president of the Dallas Rotary Club. He was chairman of the official board of the First Methodist Church and became a life member. He was chairman of the SMU board of development in its critical years.

As the years rolled by, he also gradually yielded the duties at the News to younger people, calmly, judiciously, as he always had.

"I am making myself dispensable," he wrote Ted Dealey, the publisher.

On last January 1 he retired, though the company insisted on keeping him as a director.

On April 14, a heart attack struck him.

[From the Dallas Morning News, Apr. 25, 1959]

DEATH A PERSONAL LOSS

(By E. M. (Ted) Dealey)

Ted Dealey, president and publisher of the News who is now in New York, sent the following message:

The death of Harry C. Withers is to me a deep and personal loss. As many of my fellow workers know, I came fresh from the University of Texas to serve under Mr. Withers as a reporter on the Dallas Journal. Harry Withers taught me how to write a news story, grounded me in the sound and basic elements of the newspaper trade and became, not only my instructor and guide, but also my fast friend. I cannot begin to measure the value of this man's contribution to the spirit and to the tradition which, after all, are the heart of the Dallas Morning News. His accuracy, his fairness and his boundless patience under stress have all been unusual, but they have been equaled by his integrity and his devotion to duty at all times. He leaves a mark for the best of us in the profession to aim at, an example that will shame or inspire us, according as we ignore it or profit by it. To his gracious lady and sorrowing friends I can only say that for long years God has given us a Christian gentleman and now has called him home.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

PLANS FOR WORKS OF IMPROVEMENT IN ALABAMA, IOWA, TENNESSEE, AND UTAH

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, plans for works of improvement on Little Paint Creek, Ala., Big Park, Iowa, Jennings Creek, Tenn., and American Fork-Dry Creek, Utah (with accompanying papers); to the Committee on Agriculture and Forestry.

REPORT ON AGREEMENTS CONCLUDED UNDER AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

A letter from the Deputy Administrator, Foreign Agricultural Service, Department of Agriculture, Washington, D.C., reporting, pursuant to law, on agreements concluded during March 1959, under title I of the Agricultural Trade Development and Assistance Act of 1954, with the Governments of Iceland, Israel, Ceylon, and France (with accompanying papers); to the Committee on Agriculture and Forestry.

AMENDMENT OF TITLE 10, UNITED STATES CODE, RELATING TO ACCEPTANCE BY MEMBERS OF ARMED FORCES OF CERTAIN AWARDS

A letter from the Secretary of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to permit members of the Armed Forces to accept awards, fellowships, or grants (with an accompanying paper); to the Committee on Armed Services.

REPORTS OF SECRETARIES OF DEFENSE, ARMY, NAVY, AND AIR FORCE

A letter from the Secretary of Defense, transmitting, pursuant to law, his report, together with those of the Secretaries of the Army, Navy, and Air Force, for the period January 1, to June 30, 1958 (with accompanying reports); to the Committee on Armed Services.

PROPOSED TRANSFER OF WHALEBOAT TO DOUGLAS COUNTY FAIR, ROSEBURG, OREG.

A letter from the Assistant Secretary of the Navy (Material), reporting, pursuant to law, that the Department of the Navy proposes to transfer a 26-foot motor whaleboat, with engine, to the Douglas County Fair, Roseburg, Oreg.; to the Committee on Armed Services.

REPORT ON REVIEW OF HOUSING AUTHORITY OF NEW ORLEANS, LA.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of the Housing Authority of New Orleans, La., Public Housing Administration, Housing and Home Finance Agency, dated April 1958 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF ST. LOUIS HOUSING AUTHORITY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of the St. Louis Housing Authority, St. Louis, Mo., 1957, Public Housing Administration, Housing and Home Finance Agency (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF SELECTED ACTIVITIES OF GOVERNMENT OF THE VIRGIN ISLANDS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of selected activities of the Government of the Virgin Islands of the United States, fiscal year 1958 (with an accompanying report); to the Committee on Government Operations.

REPORT ON EXAMINATION OF CERTAIN CONTRACTS WITH LOCKHEED AIRCRAFT CORP.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of incentive target prices under Department of the Air Force fixed-price incentive contracts with Lockheed Aircraft Corp., Georgia division, Marietta, Ga. (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF ADDITIONAL COSTS INCURRED IN USING TIN CANS FOR PACKAGING NONFAT DRY MILK AND PROCESSED CHEESE FOR DONATION ABROAD

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report on the review of additional costs incurred in using tin cans for packaging nonfat dry milk and processed cheese for donation abroad, Commodity Credit Corporation, September 1958 (with an accompanying report); to the Committee on Government Operations.

PROJECT PROPOSALS UNDER SMALL RECLAMATION PROJECTS ACT OF 1956

A letter from the Secretary of the Interior, transmitting, pursuant to law, a project proposal of the Georgetown Divide Public Utility District in El Dorado County, Calif., under the Small Reclamation Projects Act of 1956 (with accompanying papers); to the Committee on Interior and Insular Affairs.

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a project proposal of the Pleasant Valley County Water District of Ventura County, Calif., under the Small Reclamation Projects Act of 1956 (with accompanying papers); to the Committee on Interior and Insular Affairs.

SUPPLEMENTAL REPORT ON LA FERIA DIVISION OF LOWER RIO GRANDE REHABILITATION PROJECT, TEXAS

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a supplemental report on the La Feria division of the lower Rio Grande rehabilitation project, in Texas, dated January 1957 (with accompanying papers); to the Committee on Interior and Insular Affairs.

CLAIM OF TWENTYNINE PALMS BAND OF MISSION INDIANS OF CALIFORNIA *v.* THE UNITED STATES

A letter from the Chief Commissioner, Indian Claims Commission, Washington, D.C., reporting, pursuant to law, that proceedings have been finally concluded with respect to the claim of the *Twentynine Palms Band of Mission Indians of California, plaintiff* v. *The United States of America,* defendant, docket No. 149 (with an accompany paper); to the Committee on Interior and Insular Affairs.

REPORT ON ACTIVITIES AND TRANSACTIONS UNDER MERCHANT SHIP SALES ACT OF 1946

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report of the Maritime Administration on the activities and transactions under the Merchant Ship Sales Act of 1946, from January 1, 1959, through March 31, 1959 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT OF CIVIL AERONAUTICS BOARD

A letter from the Chairman, Vice Chairman, and members of the Civil Aeronautics Board, Washington, D.C., transmitting, pursuant to law, a report of that Board, for the fiscal year 1958 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

ESTATE OF OSHIRO SHOKO

A letter from the Secretary of the Army, transmitting a draft of proposed legislation for the relief of the estate of Oshiro Shoko (with an accompanying paper); to the Committee on the Judiciary

AMENDMENT OF BANKRUPTCY ACT, RELATING TO FILING OF CLAIMS

A letter from the director, administrative office of the U.S. Courts, Washington, D.C., transmitting a draft of proposed legislation to amend section 632 of the Bankruptcy Act (11 U.S.C. 1032) by inserting the word "first" before "meeting" and by adding a new section 644 so as to require claims to be filed and to limit the time within which claims may be filed in chaper XIII proceedings (Wage Earners' Plans) (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

PAYROLL PERIOD OF CERTAIN EMPLOYEES OF THE NAVY

A letter from the Assistant Secretary of the Navy, relating to a letter of the Comptroller General, dated April 15, 1959, concerning the Department of the Navy's policy of paying its ungraded employees on a weekly basis, and setting forth the reasons why that Department disapproves of any change in the program; to the Committee on Post Office and Civil Service.

TRANSPORTATION OF MAIL BETWEEN POST OFFICES AND AIRPORTS

A letter from the Postmaster General, transmitting a draft of proposed legislation to repeal the act of June 23, 1948 (62 Stat. 576), relating to the transportation of mail between post offices and airports (with an accompanying paper); to the Committee on Post Office and Civil Service.

DONATION OF LAND TO PAN AMERICAN HEALTH ORGANIZATION

A letter from the Acting Secretary of State, transmitting a draft of proposed legislation to authorize the acquisition of land for donation to the Pan American Health Organization as a headquarters site (with an accompanying paper); to the Committee on Public Works.

UNIFORM COST-SHARING ACT FOR FLOOD CONTROL AND FLOOD PREVENTION

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of proposed legislation to provide unform cost-sharing standards for non-Federal entities cooperating with the Federal Government in flood control or flood prevention projects, and for other purposes (with an accompanying paper); to the Committee on Public Works.

PLANS FOR WORKS OF IMPROVEMENT IN ARIZONA, SOUTH DAKOTA, AND TEXAS

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, plans for works of improvement on Frye Creek-Stockton Wash, Ariz., Brule Creek, S. Dak., and Sulphur Creek (supplement), Tex. (with accompanying papers); to the Committee on Public Works.

AMENDMENT OF ATOMIC ENERGY ACT OF 1954

A letter from the Chairman, U.S. Atomic Energy Commission, Washington, D.C., transmitting a draft of proposed legislation to amend the Atomic Energy Act of 1954, as amended (with accompanying papers); to the Joint Committee on Atomic Energy.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

Two concurrent resolutions of the Legislature of the State of Texas; to the Committee on Interior and Insular Affairs:

"HOUSE CONCURRENT RESOLUTION

"Whereas, recent decisions from the Federal courts and recent rulings from the U.S. Department of Justice have deprived States, and persons, of rights which said States and persons previously enjoyed, to regulate and control the use of the water in those respective States; and

"Whereas, said decisions and rulings are further a part of a general pattern developing gradually into Federal supremacy and usurpation over water, which, if continued will destroy individual and States rights over water, and substitute in lieu thereof an all-powerful centralized Government control thereover: Now, therefore, be it

"*Resolved by the House of Representatives of the State of Texas (the Senate concurring)*, That the Congress and President of the United States be, and they are hereby urged and requested to take all necessary action to (1) preserve the water rights of the individual and the States to prevent Federal usurpation of those rights; (2) to see that legislation is initiated and supported to reestablish to the individuals and to the States, the rights taken from them by the Federal courts and the Justice Department; and (3) in every way possible reaffirm, renew, and defend the concepts that water rights are property rights and that these established rights, to the use of water, by a State or an individual, should not be taken away without due process of law and adequate compensation; and not only to recognize but give effect to the State's ownership of its storm and floodwaters and its other public waters as provided in the Texas Constitution and require compliance with State laws in water developments by Federal agencies by writing such requirements into all authorizing and appropriating acts relating to water development projects to be constructed by Federal agencies: and be it further

"*Resolved*, That certified copies of the above be promptly transmitted to the President and Vice President of the United States, Speaker of the House of Representatives of the Congress, chairmen of the U.S. Senate and House Committees of Interior and Insular Affairs, U.S. Senator LYNDON B. JOHNSON, U.S. Senator RALPH YARBOROUGH, and to the Members of the Texas delegation in the House of Representatives in the Congress of the United States; and be it further

"*Resolved*, That our two Senators (Hon. LYNDON B. JOHNSON and Hon. RALPH YARBOROUGH) and the several Members of the House of Representatives from Texas (the Honorables WRIGHT PATMAN, JACK B. BROOKS, LINDLEY BECKWORTH, SAM RAYBURN, BRUCE ALGER, OLIN E. TEAGUE, JOHN DOWDY, ALBERT THOMAS, CLARK W. THOMPSON, HOMER THORNBERRY, W. R. POAGE, JIM WRIGHT, FRANK IKARD, JOHN YOUNG, JOE M. KILGORE, J. T. RUTHERFORD, OMAR BURLESON, WALTER ROGERS, GEORGE H. MAHON, PAUL J. KILDAY, O. C. FISHER, and ROBERT CASEY be and they are hereby requested individually, or acting as the delegation from Texas, to work for the introduction of or cause to be introduced and use their best efforts to procure the passage of legislation providing for the foregoing.

"BEN RAMSEY,
"President of the Senate.
"WAGGONER CARR,
"Speaker of the House."

"HOUSE CONCURRENT RESOLUTION 66

"Whereas in the past, many States and local agencies have contributed to the U.S. Government or have contracted to pay to the Government over a specified period of years, money equivalent to the cost of providing for them water storage space in Government-owned dams and reservoirs, and many more such dams and reservoirs are under construction or have been authorized and a like method of contributions or payments will be prescribed; and

"Whereas the several departments of the Government constructing such dams and reservoirs under the reclamation law, the Flood Control Act of 1954, as amended, the Water Supply Act of 1958 and other acts, have taken, and are taking, the position consistently, because of lack of legislation on the subject, that regardless of the fact that a State or local public agency may have paid 100 percent of the cost of constructing that part of the Government project which is devoted to its purposes, the definite rights of such State or local public agency are limited to use for a 50-year lease period, with indefinite rights to negotiate for a renewal of such lease; and

"Whereas in the State of Texas, alone, approximately 10 such contracts have already been made and many more are being negotiated and will be negotiated; and

"Whereas taking into account the projected life of such a water supply project, and the long-time water requirements of any such State or local agency, a 50-year lease right is not an interest of adequate duration in a water supply project; and

"Whereas it is believed that the Congress of the United States will correct this deficiency in the law when its attention is called to such absence of statutory authority: Now, therefore, be it

"*Resolved by the House of Representatives of the State of Texas (the Senate concurring)*—

"1. That the Congress of the United States of America be memorialized to pass legislation to provide that the interest thus acquired by any such State or local public agency be permanent or effective during the useful life of such project, and not limited to the term of years which may be prescribed in any lease agreement or other agreement with the Government, but the enjoyment of such interest will remain subject to performance of its obligations assumed under such lease agreement, including but without limitation any required payment to the Government of a designated portion of the expense of operating such dam and reservoir; such legislation to provide further, that any affected State or public agency may utilize and shall have full rights to such storage space so long as it is physically available for the storage of water and that such law be applicable to all such reservoirs heretofore or hereafter constructed;

"2. That copies of this resolution be mailed by the chief clerk of the house to the Speaker of the House of Representatives and to the President of the Senate of the Congress of the United States and to each of the two U.S. Senators from Texas and to each Member of the House of Representatives from Texas;

"3. That our two Senators (Hon. LYNDON B. JOHNSON and Hon. RALPH YARBOROUGH) and the several Members of the House of Representatives from Texas (the Honorable WRIGHT PATMAN, JACK B. BROOKS, LIND-

LEY BECKWORTH, SAM RAYBURN, BRUCE ALGER, OLIN E. TEAGUE, JOHN DOWDY, ALBERT THOMAS, CLARK W. THOMPSON, HOMER THORNBERRY, W. R. POAGE, JIM WRIGHT, FRANK IKARD, JOHN YOUNG, JOE M. KILGORE, J. T. RUTHERFORD, OMER BURLESON, WALTER ROGERS, GEORGE H. MAHON, PAUL J. KILDAY, O. C. FISHER, and ROBERT CASEY) be and they are hereby requested to cause the introduction of, and to use their best efforts to procure the passage of, such legislation.

"WAGGONER CARR,
"Speaker of the House.
"BEN RAMSEY,
"President of the Senate."

A joint resolution of the Legislature of the State of Alaska; to the Committee on Interior and Insular Affairs:

"SENATE JOINT MEMORIAL 25

"To the Honorable Dwight D. Eisenhower, President of the United States; the Honorable Richard Nixon, President of the United States Senate; the Honorable Sam Rayburn, Speaker of the House of Representatives; the Honorable E. L. Bartlett and the Honorable Ernest Gruening, Senators from Alaska; the Honorable Ralph J. Rivers, Representative from Alaska; the Honorable Fred A. Seaton, Secretary of the Interior:

"Whereas the agricultural areas of the Kenai Peninsula and the Matanuska and Susitna Valleys have been actively homesteaded for several years; and

"Whereas in recent years oil and gas leasing activities have created a tremendous workload on the operations offices of the Bureau of Land Management; and

"Whereas considerable delay in the issuance of homestead patents has resulted from this oil and gas activity; and

"Whereas many homesteaders on the Kenai Peninsula have in good faith prosecuted their entry toward final acceptable proof for patent; and

"Whereas many of these homesteaders are being asked to waive their mineral rights in issuance of patents on lands not classified as prospectively valuable for oil or gas on the date of entry or final proof;

"Now therefore, your memorialist respectfully urges that proper legislation be passed by the 86th Congress protecting the rights of homesteaders in the State of Alaska to the minerals on and in those homestead lands on which entries were valid and subsisting on the date such lands were declared prospectively valuable for oil and gas by the Federal Government.

"Passed by the senate March 31, 1959.

"WILLIAM E. BELTZ,
"President of the Senate.

"Attest:

"KATHERINE T. ALEXANDER,
"Secretary of the Senate.

"Passed by the house April 6, 1959.

"WARREN A. TAYLOR,
"Speaker of the House.

"Attest:

"ESTHER REED,
"Chief Clerk of the House."

A resolution of the Senate of the State of Florida; to the Committee on Appropriations:

"SENATE MEMORIAL 347

"Memorial to the Congress of the United States to provide sufficient funds for commencement of construction of the Cross-Florida Barge Canal at the earliest possible time

"Whereas the Florida Legislature has heretofore created the Florida Ship Canal Authority and the Ship Canal Navigation Districts by the respective sessions of 1953 and 1955; and

"Whereas Congress has heretofore authorized construction of this project conditioned upon establishment of economic feasibility; and

"Whereas the Corps of Engineers of the U.S. Army has recently filed its report with Congress establishing the economic feasibility of the project; and

"Whereas the construction is also justified as a defense measure and had it been so constructed when originally planned, the many hundreds of lives and thousands of tons of cargo lost by ships and vessels necessarily going around the tip of Florida during the last war would have been saved; and

"Whereas it has been firmly established that the construction of this project would be like driving a golden spike, creating a statewide waterway system directly connected with the entire national inland navigation network east of the Rocky Mountains; and

"Whereas this great project was first conceived in an effort to relieve the economic stagnation of the great depression and would today provide a boon to the economic progress of the whole State of Florida; and

"Whereas the barge canal now proposed, contrary to the old proposed ship canal, would provide for the impounding for the many millions of gallons of water and increase the dwindling water supply of Florida; and

"Whereas the project has been endorsed by, and is being actively supported by, the National Rivers and Harbors Congress, the Mississippi Valley Association, and the Intracoastal Canal Association of Louisiana and Texas; and

"Whereas the early completion of the canal has been given top priority by the Florida Waterways Committee, which represents the entire State and is familiar with all waterways projects proposed for the State: Now, therefore, be it

"Resolved by the Legislature of the State of Florida, That the Congress of the United States be, and it is hereby, requested to provide at the earliest possible time sufficient funds with which to commence construction of the Cross Florida Barge Canal during the next fiscal year and that such funds be provided from time to time thereafter as may be needed to pursue such project expeditiously to completion; be it further

"Resolved, That copies of this memorial be dispatched to the President of the United States; to the President of the U.S. Senate; to the Speaker of the U.S. House of Representatives; to each of the ablest congressional delegations in the U.S. Congress, the Florida delegation; to the Chief of Engineers, Corps of Engineers, Washington, D.C., and to the Governor of the great State of Florida."

A concurrent resolution of the Legislature of the Territory of Hawaii; to the Committee on Armed Services:

"SENATE CONCURRENT RESOLUTION 118

"Concurrent resolution relating to the restoration to the civilian economy of certain Federal reservations in urbanized areas now under the control of the Department of Defense

"Whereas the Committee on Interior and Insular Affairs of the House of Representatives, in the 85th Congress and prior thereto, held hearings on the subject of utilization for the maximum public benefit of the public lands and other real property of the United States, particularly on the subject of Federal reservations for defense purposes, and hearings on this subject were held in Hawaii in December 1954, before a special subcommittee of the House Committee on Interior and Insular Affairs; and

"Whereas the hearings held in Hawaii brought out that Federal reservations, in terms of value, comprised 24.55 percent of the total real property in the Territory; and

"Whereas the Federal reservations for defense purposes in the Territory of Hawaii comprise two categories of lands, that is:

"First. Lands purchased or condemned by the United States; and

"Second. Lands withdrawn from the public lands of Hawaii by exercise of the power conferred on the President by section 91 of the Hawaiian Organic Act (48 U.S.C. 511); and

"Whereas the Committee on Interior and Insular Affairs of the House of Representatives, House Report No. 2203, of the 84th Congress, referred to the series of hearings held on the subject of Federal reservations for defense purposes and stated:

"It is apparent that the Military Establishment has not in all instances recognized that—concurrent with its asserted expansion requirements—there exists matching expansion demands for the civilian economy and domestic population growth. It is clear that the latter dictates a need for continuing reevaluation of defense holdings, particularly in heavily urbanized areas, and that the time to initiate such reevaluation is now.

"When there is a collision between military and civilian requirements, it would seem that the measure must be "highest and best use"; and

"Whereas at the hearings held by the Committee on Interior and Insular Affairs of the 85th Congress on H.R. 5538 and summarized in House Report No. 215 accompanying the bill, it was stated by the Department of Defense that even when properties are currently serving essential defense purposes, it is recognized that where a property is partially or completely surrounded by urban development and is of high value, such property can be disposed of and less costly replacement property acquired; and

"Whereas this Department of Defense testimony has direct bearing on the matter of continued retention by the United States of Fort De Russy, which was named in the aforesaid H. Rept. No. 215 as exemplifying the policy involved in this Defense Department testimony, and which is situated in the heart of the highly valuable Waikiki area, could be sold by the United States for upwards of $20 million, consists almost entirely of lands in the first category, that is, lands purchased or condemned by the United States, and therefore if sold or leased would realize for the Treasury of the United States funds for acquisition of substitute Defense Department facilities; and

"Whereas the title to lands in the second category was ceded to the United States by the Republic of Hawaii, but the ceded lands did not become subject to the land laws of the United States, the Newlands Resolution of July 7, 1898, 30 Stat. 750, accepting the terms of the cession made by the Republic of Hawaii, so providing and further providing that the revenues from or proceeds of the ceded lands, except as regards such part thereof as may be used or occupied for the civil, military, or naval purposes of the United States' are for the benefit of the people of Hawaii; and

"Whereas under the terms of the cession so accepted, as the Congress of the United States has recognized in section 91 of the Hawaiian Organic Act and in other legislation, when land withdrawn by the United States for particular purposes has served those purposes the land is to be returned to the Territory for its benefit, the control of the public lands of Hawaii being vested by the Hawaiian Organic Act in the commissioner of public lands appointed by the Governor of Hawaii with the advice and consent of the Senate of the Territory, and not in the Bureau of Land Management of the Department of the Interior; and

"Whereas in the report of the Department of Interior upon the bill to return the Fort Armstrong property to the Territory, H.R. 6024 of the 84th Congress, which became

Public Law 894 (70 Stat. 901, c. 850), the Department stated:

" 'We consider that in the light of the resolution of annexation and section 91 of the Organic Act, cited above, the use of valuable city property by the military is justified only when the interests of national security clearly make such control essential. The land which would be restored to the Territory by enactment of H.R. 6024 belonged to the former Republic of Hawaii. The Territory's continuing need for such land must always be assumed."

"Whereas in House Report No. 2203, accompanying the aforesaid H.R. 6024, the Committee on Interior and Insular Affairs of the House of Representatives agreed with the position taken by the Department of the Interior in its report to the committee, and stated the issue of Federal retention versus restoration to the Territory as follows:

" 'The committee agrees with the Territorial government of Hawaii and the Department of the Interior in their position that the limited use to which the land in question is currently being put by certain Federal agencies does not justify its retention by the United States and that the land should consequently be restored to the possession, use, and control of the Territory. * * * The committee has concluded, with the Department of the Interior, that in the light of the resolution of annexation and section 91 of the Hawaii Organic Act, the use of valuable city property by the military is justified only when the interests of national security clearly makes such control essential, either presently, or in the immediately foreseeable future.'

"Whereas, it was set forth in House Report No. 215 accompanying H.R. 5538 of the 85th Congress, that the following lands in the second category are in urbanized areas and fall within the policy statement of the Department of Defense, that is: Sand Island, Bellows Field, and the Diamond Head Crater and surrounding areas of Fort Ruger; and

"Whereas the military installations in the Pearl Harbor area are so extensive as to require the expansion of the Honolulu residential area in the Diamond Head-Waimanalo end of the Island of Oahu, making imperative the release of Federal defense reservations in that area which could be accommodated elsewhere; and

"Whereas Bellows Field, situated in the fast growing Waimanalo community and having an ocean frontage of 2.8 miles with a fine sandy beach extending its full length, while originally an air field no longer has significance as such, and has become a recreational and training area and the site of global communication facilities, with the result that there is excess land not being put to 'highest and best use' and the beach, which should be public, is in the Federal reservation; and

"Whereas by Executive Order No. 10648 there were returned to the Territory portions of the Fort Ruger Reservation, but as to the Diamond Head Crater and surrounding area it was specified that this shall be used for National Guard, Air National Guard, or civil defense purposes only, unless otherwise permitted by the Department of the Army, and this area is to situated in relation to Waikiki, and so vital in meeting the expanding residential needs of the population, which has been prevented from expanding in the Pearl Harbor direction, that the Territory would like to obtain the release of as much of this land as possible, making suitable arrangements in cooperation with the Defense Department for accommodation of any activity which might thereby be displaced: Now, therefore, be it

"Resolved by the Senate of the 30th Legislature of the Territory of Hawaii (the House of Representatives concurring), That the President of the United States, the Congress of the United States, the Department of Defense, and in particular the Departments of the Army and Air Force, are hereby respectfully requested to give favorable consideration to and put into execution, the following program for putting to its highest and best use property in urban areas now held in Federal reservations, in order to meet the demands of the civilian economy of the Territory and at the same time implement the Department of Defense policy of replacing valuable properties with other properties serving defense needs at lower cost, that is:

"(a) That Federal authorities, working with persons having knowledge of the local land situation designated by the Governor, develop a plan for the sale or leasing of the Fort De Russy property and sell or lease the same in such manner as to realize for the Federal Government the extremely high value of this property, to further the economy of the Territory, to provide for additional tourist facilities to take care of the tremendous influx of tourists, and enhance and improve the Waikiki area as a resort and convention area, it now being divided into two segments by reason of the interposition of the undeveloped Fort De Russy lands;

"(b) That the excess lands and the beach at Bellows Field be returned to the Territory;

"(c) That the requirement that the Diamond Head Crater and surrounding area of Fort Ruger be used only for National Guard, Air National Guard, and civil defense purposes be removed; be it further

"Resolved, That certified copies of this concurrent resolution be sent to the President of the United States, to the President of the Senate and Speaker of the House of Representatives of the Congress of the United States, to each Committee on Interior and Insular Affairs of the Senate, the House of Representatives of the Congress, to the Secretary of Defense, the Secretary of the Army, and the Secretary of the Air Force, to the Secretary of the Department of the Interior and to the Delegate to Congress from Hawaii.

"THE SENATE OF THE
TERRITORY OF HAWAII,
"Honolulu, T.H., April 27, 1959.

"We hereby certify that the foregoing concurrent resolution was adopted by the Senate of the 30th Legislature of the Territory of Hawaii on April 24, 1959.

"FRANK H. LEE,
"President of the Senate.
"JAMES H. KAMO,
"Clerk of the Senate.

"THE HOUSE OF REPRESENTATIVES
OF THE TERRITORY OF HAWAII,
"Honolulu, T.H., April 27, 1959.

"We hereby certify that the foregoing concurrent resolution was adopted by the House of Representatives of the 30th Legislature of the Territory of Hawaii on April 25, 1959.

BENNETT F. CRAVALHO,
"Speaker, House of Representatives,
HERMAN T. F. LUM,
"Clerk, House of Representatives."

A concurrent resolution of the Legislature of the Territory of Hawaii; to the Committee on Appropriations:

"SENATE CONCURRENT RESOLUTION 98

"Concurrent resolution requesting the Congress of the United States to provide funds for a study to improve the bed of the Iao River, Wailuku, Maui

"Be it resolved by the Senate of the 30th Legislature of the Territory of Hawaii (the house of representatives concurring), That the Congress of the United States is hereby respectfully requested to provide funds for the Corps of Engineers for the purpose of studying ways and means by which the bed of the Iao River, Wailuku, Maui, can be improved to the end that recurrent floods and erosion damage can be prevented; and be it further

"Resolved, That certified copies of this Concurrent Resolution be transmitted to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, to the Secretary of the Interior, and to the Delegate to the Congress from the Territory of Hawaii.

"THE SENATE OF THE
TERRITORY OF HAWAII,
"Honolulu, Hawaii, April 27, 1959.

"We hereby certify that the foregoing concurrent resolution was adopted by the Senate of the 30th Legislature of the Territory of Hawaii on April 23, 1959.

HERBERT K. H. LEE,
"President of the Senate.
"JAMES H. KAMO,
"Clerk of the Senate.

"THE HOUSE OF REPRESENTATIVES
OF THE TERRITORY OF HAWAII,
"Honolulu, Hawaii, April 27, 1959.

"We hereby certify that the foregoing concurrent resolution was adopted by the House of Representatives of the 30th Legislature of the Territory of Hawaii on April 25, 1959.

"———— ————,
"Speaker, House of Representatives.
"———— ————,
"Clerk, House of Representatives."

A resolution adopted by the Council of the American Institute of Certified Public Accountants, at Clearwater, Fla., favoring the adherence by the Federal Government to the policy of balanced budgets, and so forth; to the Committee on Appropriations.

A resolution adopted by the National Bataan Veterans Organization, at Carlsbad, N. Mex., protesting against the construction of a memorial on Corregidor commemorating those who served during World War II; to the Committee on Appropriations.

A resolution adopted by the Senate of the Associated Students of the University of Hawaii, Honolulu, T.H., protesting against the action of Chinese Communists in Tibet; to the Committee on Foreign Relations.

A petition signed by Gladis B. Voorhees, and 15 other members of the Religious Society of Friends, of La Jolla, Calif., praying that our Government, under God, lead a waiting world into the paths of righteousness and of peace; to the Committee on Foreign Relations.

A resolution adopted by a committee on ordinary assembly, at Humacao, Puerto Rico, relating to statehood for Puerto Rico; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Board of Directors of the Chamber of Commerce of West Covina, Calif., favoring the enactment of the so-called McClellan bill of rights amendment to Senate bill 1555, the labor-management relations bill; to the Committee on Labor and Public Welfare.

Resolutions adopted by Capital Post No. 9, the American Legion, and Capital Post No. 9, the American Legion Auxiliary, both of the city of Salem, Oreg., favoring the extension of education and training benefits to all veterans who enter the service from February 1, 1955; to the Committee on Labor and Public Welfare.

A resolution adopted by the Voyagers of Voiture 165, of Medford, Oreg., favoring the extension of education and training benefits to all veterans who enter military service from February 1, 1955; to the Committee on Labor and Public Welfare.

A telegram in the nature of a memorial, signed by Alice L. Gould, of Jamaica Plain, Mass., relating to the nomination of Clare Luce to be ambassador to Brazil; ordered to lie on the table.

RESOLUTION OF RATIFICATION OF ARTICLE 14 OF THE CONSTITUTION BY GENERAL ASSEMBLY OF MARYLAND

The PRESIDENT pro tempore laid before the Senate a resolution of the General Assembly of the State of Maryland, which was referred to the Committee on the Judiciary, as follows:

THE STATE OF MARYLAND,
EXECUTIVE DEPARTMENT.

I, J. Millard Tawes, Governor of the State of Maryland, and having control of the great seal thereof, do hereby certify, that the attached is a true and correct copy of Senate Joint Resolution 15, now known as Resolution 27, of the acts of the General Assembly of Maryland of 1959.

In testimony whereof, I have hereunto set my hand and have caused to be hereto affixed the great seal of the State of Maryland at Annapolis, Md., this 5th day of May, in the year 1959.

By the Governor:

J. MILLARD TAWES.
THOMAS B. FINAN,
Secretary of State.

RESOLUTION 27, ACTS OF 1959

Senate joint resolution ratifying article 14 of the Constitution of the United States

Whereas the 14th amendment to the Constitution of the United States was proposed to the legislatures of the States of the United States by the 39th Congress on the 16th day of June 1866; and

Whereas on the 21st day of July 1868 the Congress adopted and transmitted to the Department of State of the United States, a concurrent resolution declaring that the requisite number of three-fourths of the States of the Union had ratified the said 14th amendment to the Constitution of the United States and that the said 14th amendment was thereby declared to be a part of the Constitution of the United States; and

Whereas the State of Maryland, on March 23, 1867, rejected the proposed 14th amendment to the Constitution of the United States and has not since ratified the same; and

Whereas the said 14th amendment has long been a vital part of the Constitution of the United States and should be ratified by the State of Maryland to show the concurrence of this great State with the principles therein enunciated; and

Whereas the said 14th amendment to the Constitution of the United States provides as follows, viz:

"SECTION 1. All persons born or naturalized in the United States and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

"SEC. 2. Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State, excluding Indians not taxed. But when the right to vote at any election for the choice of electors for President and Vice President of the United States, Representatives in Congress, the executive and judicial officers of a State, or the members of the legislature thereof, is denied to any of the male inhabitants of such State, being 21 years of age, and citizens of the United States, or in any way abridged, except for participation in rebellion, or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens 21 years of age in such State.

"SEC. 3. No person shall be a Senator or Representative in Congress, or elector of President and Vice President, or hold any office, civil or military, under the United States, or under any State, who having previously taken an oath, as a Member of Congress, or as an officer of the United States, or as a member of any State legislature, or as an executive or judicial officer of any State, to support the Constitution of the United States, shall have engaged in insurrection or rebellion against the same, or given aid or comfort to the enemies thereof. But Congress may by a vote of two-thirds of each House, remove such disability.

"SEC. 4. The validity of the public debt of the United States, authorized by law, including debts incurred for payment of pensions and bounties for services in suppressing insurrection or rebellion shall not be questioned. But neither the United States nor any State shall assume or pay any debt or obligation incurred in aid of insurrection or rebellion against the United States, or any claim for the loss or emancipation of any slave; but all such debts, obligations, and claims shall be held illegal and void.

"SEC. 5. The Congress shall have power to enforce, by appropriate legislation, the provisions of this article": Now, therefore, be it

Resolved by the General Assembly of Maryland, That the foregoing amendment to the Constitution of the United States be and the same is hereby ratified to all intents and purposes as a part of the Constitution of the United States; and be it further

Resolved, That the Governor of the State of Maryland be and he is hereby requested to forward to the Secretary of State of the United States, to the presiding officer of the Senate of the United States and to the Speaker of the House of Representatives of the United States, authentic copies of this resolution under the great seal of the State of Maryland.

RESOLUTIONS OF RHODE ISLAND GENERAL ASSEMBLY

Mr. GREEN. Mr. President, on behalf of myself and my colleague the junior Senator from Rhode Island [Mr. PASTORE], I present the following resolutions of the Rhode Island General Assembly and ask that they be appropriately referred:

H. 1076, entitled "Resolution memorializing Congress with respect to raising the allowable income for persons receiving less than the maximum amount under the Social Security Act."

H. 1651, entitled "Resolution memorializing Congress to order that Victory—V–J Day shall be observed as a national holiday."

There being no objection, the resolutions were received and appropriately referred, and, under the rule, ordered to be printed in the RECORD, as follows:

To the Committee on Finance:

"H. 1076

"Resolution memorializing Congress with respect to raising the allowable income for persons receiving less than the maximum amount under the Social Security Act

"Whereas the allowable income under the present provisions of the Social Security Act is the same for all persons receiving the maximum amount or an amount less than the maximum under the said act; and

"Whereas it would be more equitable and just to give such person receiving less than the maximum amount under the Social Security Act an allowable income which would aggregate an amount equal to the total if such person was receiving the maximum amount under the said act. Now, therefore, be it

"Resolved, That the Members of the Congress of the United States be and they are hereby respectfully requested to consider the feasibility of increasing the allowable income for persons receiving less than the maximum amount under the Social Security Act so that the aggregate amount would equal the total if such person was receiving the maximum amount under said act; and be it further

"Resolved, That the Secretary of State be and he is hereby authorized and directed to transmit duly certified copies of this resolution to the Senators and Representatives from Rhode Island in the Congress of the United States and to the respective Presiding Officers in both branches of said Congress.

"STATE OF RHODE ISLAND AND
PROVIDENCE PLANTATIONS,
"DEPARTMENT OF STATE,
"OFFICE OF THE SECRETARY OF STATE.

"I, August P. LaFrance, secretary of state of the State of Rhode Island and Providence Plantations, hereby certify that the aforegoing is a true copy of resolution (H. 1076) entitled "Resolution memorializing Congress with respect to raising the allowable income for persons receiving less than the maximum amount under the Social Security Act," taken from the records in this office and compared with the original resolution (H. 1076) passed the general assembly at the January session, A.D. 1959, and became effective May 1, 1959, and now remaining on file and of record in this office.

"In testimony whereof, I have hereunto set my hand and affixed the seal of the State of Rhode Island, this 5th day of May A.D. 1959.

"AUGUST V. LAFRANCE,
"Secretary of State."

(The PRESIDENT pro tempore laid before the Senate a resolution of the General Assembly of the State of Rhode Island, identical with the foregoing, which was referred to the Committee on Finance.)

To the Committee on the Judiciary:

"H. 1651

"Resolution memorializing Congress in order that Victory (VJ) Day shall be observed as a national holiday

"Resolved, That the members of the Rhode Island General Assembly, fully in accord with the desire of veterans to preserve the identity of special holidays for reminding our citizens of the arduousness of wars, now respectfully request the Members of the Congress of the United States of America to make every effort to have Victory (VJ) Day made a national holiday; and be it further

"Resolved, That the secretary of state be and he is hereby authorized to transmit duly certified copies of this resolution to the Senators and Representatives from Rhode Island in the Congress of the United States in the hope that each will make every effort to make Victory (VJ) Day observed throughout the entire Nation as a national holiday.

"STATE OF RHODE ISLAND AND
"PROVIDENCE PLANTATIONS,
"DEPARTMENT OF STATE,
"OFFICE OF THE SECRETARY OF STATE.

"I, August P. LaFrance, secretary of state of the State of Rhode Island and Providence Plantations, hereby certify that the aforegoing is a true copy of resolution (H. 1651) entitled "Resolution memorializing Congress in order that Victory (VJ) Day shall be observed as a national holiday," taken from

the records in this office and compared with the original resolution (H. 1651) passed by the general assembly at the January session, A.D. 1959 and became effective May 1, 1959, and now remaining on file and of record in this office.

"In testimony whereof, I have hereunto set my hand and affixed the seal of the State of Rhode Island, this 5th day of May A.D. 1959.

"AUGUST P. LAFRANCE,
"Secretary of State."

JOINT RESOLUTION OF WISCONSIN LEGISLATURE

Mr. PROXMIRE. Mr. President, the legislature of my State of Wisconsin has recently adopted a joint resolution to memorialize this Congress to acquire, establish, and develop a Kettle-Moraine National Park in Wisconsin.

The body of this resolution eloquently sets forth the compelling reasons why this petition should be granted. My colleague in the House of Representatives, HENRY REUSS, of the Fifth District of Wisconsin, has been the moving force in the Congress of the United States to establish such a park. I have enthusiastically supported him in the past. In fact, I have introduced legislation in the Senate for this purpose. I intend to continue to press for the enactment of this legislation.

Mr. President, I ask unanimous consent that this joint resolution of the Legislature of the State of Wisconsin be appropriately referred, printed in the RECORD following these remarks; and I call it to the attention of my colleagues in the Senate for their careful scrutiny.

There being no objection, the joint resolution was referred to the Committee on Interior and Insular Affairs, and, under the rule, ordered to be printed in the RECORD, as follows:

STATE OF WISCONSIN

JOINT RESOLUTION 32

Joint resolution memorializing the Congress of the United States to acquire, establish, and develop a Kettle Moraine National Park in Wisconsin

Whereas the Glacial Age, one of the most important chapters in the geographical and geological history of our country, was a medieval period when glaciers repeatedly invaded the north central and northeastern parts of the United States and gorgeously carved and remodeled the entire surface of this area into a huge panorama of one of nature's rarest wonderworks; and

Whereas because the Kettle Moraine State Park in Wisconsin is the only memorial established in recognition of these historical facts of national moment that indelibly molded the geographical character of this great expanse; because the Kettle Moraine area is by far the most attractive and representative in which to establish a national park to commemorate the Glacial Age and its impact on this territory and the lives and habits of its people; because at present costs and rate of progress without the cooperation and aid of the Federal Government it will take the State of Wisconsin another 50 years to complete acquisition and development of the Kettle Moraine State Park as proposed in a 1936 State survey; because this land must be purchased and developed soon before advancing costs make the project prohibitive; and because it is important that not only Wisconsin but this entire north central and northeastern area be provided with a Kettle Moraine National Park to give outdoor recreational opportunities for its rapidly increasing population; the State of Wisconsin seeks the aid of the Federal Government in developing a Kettle Moraine National Park and promises active cooperation toward bringing to reality in the Kettle Moraine area a national park concept to properly commemorate the Glacial Age: Now, therefore, be it

Resolved by the senate, the assembly concurring, That the Legislature of the State of Wisconsin memorializes the Congress of the United States to take necessary steps to acquire, establish, and develop a Kettle Moraine National Park in Wisconsin to properly commemorate the Glacial Age, and pledges State cooperation toward bringing to reality, in the Kettle Moraine area in Wisconsin, such national park concept; and, be it further

Resolved, That properly attested copies of this resolution be sent to the Honorable Dwight D. Eisenhower, President of the United States, to each House of the Congress of the United States and to each Wisconsin Member thereof.

PHILLEO NASH,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
GEORGE MOLINARO,
Speaker of the Assembly.
NORMAN C. ANDERSON,
Chief Clerk of the Assembly.

(The PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of Wisconsin, identical with the foregoing, which was referred to the Committee on Interior and Insular Affairs.)

RESOLUTIONS OF ORGANIZATIONS OF STATE OF NEW YORK

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a series of resolutions adopted by organizations of the State of New York.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION ON NATIONAL DEFENSE BY QUEENS COUNTY CHAPTER, DEPARTMENT OF NEW YORK, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

Whereas the United States is a free and independent country, whose citizens desire that she remain a free and independent nation, and

Whereas the best way to guarantee that independence is to be prepared to repeal any possible invader, and

Whereas one of the prime requisites of being prepared is to have adequate reserves (which includes the National Guard and Naval Militia), and

Whereas the cost of maintaining adequate reserves is negligible as compared to the cost of reparations to an invading force, and

Whereas ground forces are of the utmost value and are the prime requisite in taking and holding ground from an enemy, and

Whereas the Department of Defense and the Department of the Army have been reducing the Reserve forces in number of units, number of officers and number of enlisted men since 1953, based primarily on economy, and

Whereas we believe that these numbers should be increased instead of decreased: Now, therefore, be it

Resolved by the Queens County Chapter, Department of New York, Reserve Officers Association, in regular meeting assembled on March 19, 1959, To advocate that the Reserve forces be increased instead of decreased over the numbers as of 1953, and that adequate funds be provided for their equipment and especially for their training; and be it further

Resolved, That copies of this resolution be forwarded to our Senators and Congressmen with a request that they enact such legislation as may be necessary to increase our Reserve forces, and to order the Department of Defense and the Department of the Army in particular to maintain a greater Reserve than we had in the year 1953, or any other date of maximum strength; and be it further

Resolved, That copies of this resolution be forwarded through channels to the National Headquarters of the Reserve Officers Association for similar action by the Department of New York, and the national body.

RESOLUTION OF KIWANIS CLUB OF YORKTOWN

MY DEAR SENATOR: At the board of directors meeting held on April 13 the following resolution was passed:

"Resolved, That the Kiwanis Club of Yorktown urges its members and also asks other Kiwanis clubs to urge their members, inviting still other Kiwanis clubs to do likewise, to write their respective Senators and Representatives requesting that the National Defense Education Act of 1958 and the rules and regulations thereunder remain unchanged with the respect to the requirement of oath; and be it further.

Resolved, That the president and chairman of the public and business affairs committee of the Kiwanis Club of Yorktown write to their Senators and Representatives urging retention of said oath."

Very truly yours,

CLARENCE C. KELLER,
President.

RESOLUTION DRAFTED AND ADOPTED BY HERKIMER COUNTY (N.Y.) POMONA GRANGE, APRIL 25, 1959

Whereas in response to an expressed desire by the President and by Representative CHARLES HALLECK of Indiana to ascertain the views of the people on deficit spending; be it

Resolved, That Herkimer County Pomona Grange protests the continuing and increasing deficit spending as carried out by the Government and Government agencies and that further appropriations and expenditures be considered in according to the following principles:

I. That no appropriation be made above and beyond the estimated receipts from taxation.

II. That no appropriation or expenditure be made that might contribute or continue waste in any Federal agency either in time, talent or funds.

III. That no appropriation be made for any purpose to one agency when the services are already performed by an agency now in operation.

IV. That appropriations be considered in the light of "pork barrelling" or for the sole benefit of a very few at the expenses of the whole.

RESOLUTION OF EMIL HUBSCH POST 596, VETERANS OF FOREIGN WARS OF THE UNITED STATES, MT. VERNON, N.Y.

Whereas Veterans of Foreign Wars of the United States, Emil Hubsch Post No. 596, is distressed by rumors that, under the guise of economy the forthcoming session of the Congress may adversely affect veterans legislation; either by curtailing its sustaining appropriations or by changing its present role; and

Whereas perpetuation of veterans legislation in full vigor and continuance of the present laws is vital to the interest of all veterans (without veterans there would be no country): Now, therefore, let it be and it is hereby

"*Resolved*, That Veterans of Foreign Wars of the United States, Emil Hubsch Post No. 596, does call upon its legislative representatives in both Houses to actively oppose any budgetary move to curtail the existing appropriations for the betterment of the veteran; and further be it

"*Resolved*, That our legislative representatives conduce and abet for passage H.R. 1181, for the purpose of a pension to World War I veterans; and further be it finally

"*Resolved*, That a copy of this resolution be sent to our Represenatives in Congress and to the chairman of the legislative committee, Veterans of Foreign Wars of the United States, Department of the State of New York.

PETER D. FAREWELL,
Commander, Emil Hubsch Post No. 596.
JAMES P. REILLY,
Adjutant.

REPORTS OF A COMMITTEE

The following reports of a commitee were submitted:

By Mr. BYRD of Virginia, from the Committee on Finance, without amendment.

H.R. 147. An act to suspend temporarily the tax on the processing of palm oil, palmkernel oil, and fatty acids, salts, and combinations, or mixtures thereof (Rept. No. 241); and

H.R. 3681. An act to provide for the free entry of certain chapel bells imported for the use of the Abelard Reynolds School Numbered 42, Rochester, N.Y. (Rept. No. 242). 242).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were sumbitted:

By Mr. ELLENDER, from the Committee on Agriculture and Forestry:

Frank A. Barrett, of Wyoming, to be a member of the Board of Directors of the Commodity Credit Corporation;

Glen R. Harris, of California, and J. Pittman Stone, of Mississippi, to be members of the Federal Farm Credit Board, Farm Credit Administration; and

Frank A. Barrett, of Wyoming, to be General Counsel of the Department of Agriculture.

By Mr. BYRD of Virginia, from the Committee on Finance:

Stanley Ormsbee Styles, of Saugerties, N.Y., to be comptroller of customs with headquarters at New York;

Joseph E. Talbot, of Connecticut, to be a member of the U.S. Tariff Commission; and

Robert Higgins, of Burlingame, Calif., to be collector of customs for customs collection district numbered 28, with headquarters at San Francisco.

BILLS AND A JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HAYDEN:

S. 1871. A bill to authorize the establishment of the Hubbell Trading Post National Historic Site, in the State of Arizona, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HUMPHREY:

S. 1872. A bill to amend the Historic Sites Act of August 21, 1935, to provide a method for preserving sites, areas, buildings, and objects of national, regional or local historical significance which are threatened with destruction by federally financed programs and for other purposes; to the Committee on Interior and Insular Affairs.

S. 1873. A bill for the relief of A. E. Waterstradt; to the Committee on the Judiciary.

(See the remarks of Mr. HUMPHREY when he introduced the first above-mentioned bill, which appear under a separate heading.)

By Mr. STENNIS:

S. 1874. A bill to amend the Fair Labor Standards Act of 1938, as amended, with respect to handling of agricultural commodities, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. JAVITS (for himself and Mr. KEATING):

S. 1875. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. HART (for himself and Mr. MCNAMARA):

S. 1876. A bill to provide for a memorial in the city of Detroit, Mich., to certain American soldiers who died in the War of 1812; to the Committee on Rules and Administration.

By Mr. FULBRIGHT:

S. 1877. A bill to amend the act of May 26, 1949, as amended, to strengthen and improve the organization of the Department of State, and for other purposes; to the Committee on Foreign Relations.

(See the remarks of Mr. FULBRIGHT when he introduced the above bill, which appear under a separate heading.)

By Mr. KENNEDY:

S. 1878. A bill for the relief of Gabriel Michael Gogos; to the Committee on the Judiciary.

By Mr. SALTONSTALL (for himself and Mr. SPARKMAN):

S. 1879. A bill to amend the Small Business Act, and for other purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. SALTONSTALL when he introduced the above bill, which appear under a separate heading.)

By Mr. MANSFIELD (by request):

S. 1880. A bill for the relief of the Crum McKinnon Building Co., of Billings, Mont.; to the Committee on Government Operations.

By Mr. MAGNUSON (by request):

S. 1881. A bill to amend section 4 of the Interstate Commerce Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. GREEN:

S. 1882. A bill for the relief of Cheng Kai Ching; to the Committee on the Judiciary.

By Mr. CHURCH:

S. 1883. A bill to facilitate the transmission of electric power by the United States; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. CHURCH when he introduced the above bill, which appear under a separate heading.)

By Mr. KENNEDY (for himself, Mr. MURRAY, Mr. BYRD of West Virginia, Mr. CLARK, Mr. COOPER, Mr. HART, Mr. HUMPHREY, Mr. MCGEE, Mr. MCNAMARA, Mr. MCCARTHY, Mr. MORSE, Mr. RANDOLPH, Mr. YARBOROUGH, Mr. YOUNG of Ohio, and Mr. YOUNG of North Dakota):

S. 1884. A bill to transfer the administration of the program for distribution of surplus agricultural food commodities to needy persons, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. KENNEDY when he introduced the above bill, which appear under a separate heading.)

By Mr. WILEY:

S. 1885. A bill for the establishment of a Commission on Federal Taxation; to the Committee on Finance.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. MOSS:

S. 1886. A bill to amend the Communications Act of 1934 with respect to community antenna television systems and certain rebroadcasting activities; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. Moss when he introduced the above bill, which appear under a separate heading.)

By Mr. JAVITS (for himself, Mr. CASE of New Jersey, Mr. KEATING, and Mr. WILLIAMS of New Jersey) (by request):

S.J. Res. 96. Joint resolution granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency; to the Committee on the Judiciary.

(See the remarks of Mr. JAVITS when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTION

Mr. STENNIS submitted a resolution (S. Res. 116) providing for the appointment of an Assistant Presiding Officer of the Senate, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when submitted by Mr. STENNIS, which appears under a separate heading.)

AMENDMENT OF HISTORIC SITES ACT

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to provide for the preservation of sites, areas, buildings, and objects of historical significance which are threatened with destruction by construction programs financed in whole or in part by the Federal Government.

There is growing concern over the destruction of cherished historical sites and buildings resulting from the large-scale construction programs taking place in our great country. I, of course, am heartily in favor of the construction, both private and public, that is taking place; such construction is necessary to meet the growing needs and demands of the expanding population.

It is important, however, in the development of new and adequate facilities, that we not fail to give adequate consideration to the preservation of objects of historical significance. To needlessly destroy the reminders of our great history would be tragic. Such destruction need not take place if we but exercise a little intelligent planning.

Congress has already indicated its desire to preserve sites and objects of historical significance by way of the American Antiquities Act of 1906 and the Historic Sites Act of 1935.

The bill which I am introducing would simply update such a preservation program by taking into account the sharp increase in building and construction programs financed in whole or in part by the Federal Government—such as the interstate highway program and the

urban renewal program to name but two such examples.

The bill would amend the Historic Sites Act of 1935 by providing that when the Secretary of the Interior determines that a site, area, building or object of national, regional, or local historical significance will be seriously damaged or destroyed by a Federal program or by a State program, financed in whole or in part by Federal funds, he may order a halt to a Federal program and the denial of Federal funds to a State program until such project is modified so as to provide to the satisfaction of the Secretary for the preservation of such historical site or building.

This action by the Secretary of the Interior would be instituted by petition on the part of any State or political subdivision thereof, or the American Institute of Architects, the National Trust for Historic Preservation, or any other organization recognized by the Secretary as being concerned with historic preservation, alleging that a historical site, building or object is threatened with destruction due to a federally financed project. Upon receipt of such a petition, or upon his own motion, the Secretary would be authorized to conduct public hearings to determine whether the site or building in question is in fact of historical significance.

This bill also provides that the Secretary of the Interior, in consultation with organizations concerned with historical preservation, shall make a continuing study of ways to promote and encourage the restoration and preservation of historical sites and buildings and antiquities by governments, private organizations, and individuals.

I am pleased to be able to announce that companion bills have been offered in the House of Representatives by Representative HENRY S. REUSS, House bill 6194, and Representative FRANK THOMPSON of New Jersey, House bill 6680.

I believe, Mr. President, that it is not asking too much, in view of the widespread construction programs in which the Federal Government is involved, that consideration be given to the preservation of areas and objects of historical significance. Although ours is still a young country, we have already needlessly destroyed altogether too many priceless historical buildings and areas. In the name of progress let us not forget our historic past. As we build for the future let us also take the time to assure the preservation of irreplaceable evidence of our cultural and historical heritage. This is what my bill is designed to do. I hope that favorable consideration will be given to this measure, not only for the benefit of present-day Americans, but more important for countless generations of future Americans.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1872) to amend the Historic Sites Act of August 21, 1935, to provide a method for preserving sites, areas, buildings, and objects of national, regional, or local historical significance which are threatened with destruction by federally financed programs, and for other purposes, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

COMPETITION IN PROCUREMENT BY ARMED SERVICES

Mr. JAVITS. Mr. President, on behalf of myself, and my colleague, the junior Senator from New York [Mr. KEATING] I introduce for appropriate reference, a bill which will seek to increase the declining percentage of Government contracts which are now awarded on the basis of competitive bidding.

Our aim in this bill, in essence, is to declare that the policy of competitive bidding should be applicable, as well, to negotiated contracts. It may be well to point out that about 85 percent of the aggregate defense contracts are negotiated.

A similar bill is also being introduced by all the members of the New York State delegation in the other body, which means, in total, that the whole New York delegation is acting in this manner.

Mr. President, we believe—and I think it is a unilateral conviction—that if the bill is passed it will result in improving the total percentage of prime defense orders which flow to the State of New York.

We feel a very much larger percentage of the contracts is going to the west coast, particularly California, and a very much smaller percentage of the contracts is going to New York, than have heretofore gone there.

Mr. President, we are realists, and we feel there must be some strong economic reasons for that fact. Hence we think we should deal with those economic reasons.

The New York delegation proposes to do everything it can, in cooperation with New York businessmen, to see to it that business people in New York sharpen their pencils, bring about the greatest efficiency possible, and become capable of the greatest performance.

Let me point out we are not fighting Californians; we admire them. We think they have done a great job in getting defense contracts. Hence the efforts of the New York delegation in that direction.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. JAVITS. I shall yield in a moment. I first wish to complete my statement.

Today, with U.S. defense expenditures of $45 billion representing over half the Federal budget, defense contract awards and procurement policies have a profound impact on the economic well-being of almost every major industrial region in the country. It is for this reason that every Member of New York's congressional delegation is vitally concerned with the declining percentage of U.S. defense dollars spent in New York recently as compared with other States, particularly California.

The junior Senator from New York [Mr. KEATING] and I recognize that in order to get defense orders New York concerns must be competitive, and we are directing our effort to bring about the most effective cooperation between management, labor, and the communities in which the New York defense plants are located to attain this objective. This effort is vital to enable New York to attract again a material percentage of the defense business which has left New York and apparently gone to the west coast, particularly California. It is our desire in introducing this bill to right the competitive balance based on the merits, and by making competition a more active factor in the placement of defense orders.

In an almost complete reversal of the figures in the last 8 years, California, which had 13.2 percent of the total value of prime defense contracts awarded in 1951, captured the lion's share of 21.4 percent—value: $5.4 billion—in fiscal 1958. Meanwhile, New York's share slipped from 18.2 percent in 1951 to 11.6 percent—value: $2.6 billion—in fiscal 1958. The gap is widening monthly. Between July and December of 1958, California raised its record-breaking percentage to 26.6 percent, compared to a post-Korean war low for New York of only 10.6 percent.

At the present rate of acceleration, and with nearly $10 billion in prime missile contracts already awarded to California, New York can fall more than $3 billion behind California in defense procurement by 1961, when Government contracts for military aircraft are expected to decline sharply.

To assist every State, including New York, in getting its fair share of defense business, the 44 members of the New York congressional delegation are sponsoring the Armed Services Competitive Procurement Act of 1959. A thorough review of existing procurement procedures by the armed services has convinced me that our proposed legislation is needed to first, spell out as firm policy that the utilization of open, competitive bidding methods, as consistent with our national security needs, is the Government's and the public's best guarantee of economical, efficient purchasing of goods and services by defense agencies; second, provide that where our national security requires that open bidding be replaced by negotiation, such negotiation shall be of a competitive nature to the maximum degree possible, and should involve two or more concerns; and, third, include among those factors already given prime consideration by the armed services, in awarding business under the set-aside program, that a fair proportion of purchases be placed with (a) small business concerns, (b) concerns located in areas of substantial labor surplus, and (c) eligible suppliers who have received the smallest share of business as well as with those in different geographical areas of the Nation.

Those are the chief objectives which the Armed Services Procurement Act of 1959 would seek to accomplish. Only $3.5 billion out of total defense procurement orders valued at $23 billion—less than 15 percent—is presently placed through formally advertised, open bids for which qualified firms from any State

have the opportunity to compete. Even after giving the greatest consideration to security requirements, this proportion of negotiated contracts seems unusually high.

Under the Defense Department's set-aside program, which allots contracts on a preference basis in labor surplus areas, $83 million was spent in 1958. An analysis of New York's defense procurement share, even taking into account its allotment under this special program, points up the insufficient emphasis given to major areas of substantial labor surplus at the present time. The six major areas of unemployment in New York State are Albany-Schenectady-Troy, Binghamton, Buffalo, New York, Syracuse, and Utica-Rome. Although these areas had 12 percent of the Nation's total unemployed in January 1959 and have industries heavily dependent upon Federal Government Defense orders, they received only 6 percent of total defense contract business. In March of this year, the rate of unemployment in these regions ranged from 7.4 percent of the labor force in lower New York to 14.2 percent in Utica-Rome—including 11.5 percent in Buffalo, which has 60,500 unemployed—compared to the national average of 6.4 percent.

Not enough consideration, in my opinion, is being given the fact that our national security also demands that the economy of each region should be helped to maintain a level which can support the Federal Defense Establishment and our private economic system. According to the Treasury Department, the Federal tax collections in 1958 from New York State amounted to almost $15.4 billion—or 20 percent of the present Federal budget—as compared to California's contribution of $6.7 billion. On a per capita basis, the average New Yorker contributed $280 last year in taxes to help pay the cost of U.S. defense procurement, while the average Californian paid in $135 for the same purpose. However, the value of prime defense contracts awarded in California in 1958 amounted to $375 per capita, more than double the equivalent New York figure of $180 per person.

Our proposed defense procurement legislation would give defense production firms in the New York areas concerned and every other hard-hit area in the other States an equal opportunity to compete for multi-billion-dollar prime contracts now awarded through negotiations. Once that opportunity is secured, I believe that the incentives to competition will be sharper and that New York and other eastern States will gradually regain on the merits some of the billions of dollars in defense work presently being so heavily alloted to west coast firms.

Mr. President, I now yield to my colleague from California [Mr. ENGLE].

Mr. ENGLE. Mr. President, we in California believe in the competitive system of American business. We sympathize with the fact that New York is suffering from some unemployment. We will be perfectly willing to compete with New York with reference to defense contracts, not only in the case of contracts which are let on a competitive bid basis, but also to compete in the case of negotiated contracts where, in the very nature of things, a contract cannot be submitted to bid on specifications.

I assume the bill the Senator is introducing does not provide that, for example, a space vehicle contract would be subject to competitive bidding.

Mr. JAVITS. Essentially, the bill provides for a policy declaration. It does not attempt to straitjacket the procurement agencies. Therefore, I think the substance of the conclusion of the Senator from California is correct. I am sure the Senator will read the bill with great care.

Mr. ENGLE. I certainly will.

Mr. JAVITS. I hope we may cooperate, so long as the Senator from California feels with respect to the subject as he has stated.

Mr. ENGLE. May I suggest that the Senator let his bill lie on the desk for a day or two? Perhaps my senior colleague may wish to join me in cosponsoring the proposed legislation.

Mr. JAVITS. I thank the Senator for making that suggestion. I had intended to make that request.

Mr. President, I ask unanimous consent that the bill, which I introduce for appropriate reference, may lie on the table for 3 days, so that other Senators may join in the sponsorship of it.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from New York.

The bill (S. 1875) to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes, introduced by Mr. JAVITS (for himself and Mr. KEATING), was received, read twice by its title, and referred to the Committee on Armed Services.

IMPROVEMENT OF ORGANIZATION OF STATE DEPARTMENT

Mr. FULBRIGHT. Mr. President, I introduce, for appropriate reference, a bill to amend the act of May 26, 1949, as amended, to strengthen and improve the organization of the Department of State, and for other purposes. This bill was submitted to the Vice President by letter on April 30, 1959.

The proposed legislation has been requested by the Secretary of State, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I ask unanimous consent that the bill be printed in the RECORD, together with a letter from the Assistant Secretary of State for Congressional Relations to the Vice President.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and letter will be printed in the RECORD.

The bill (S. 1877) to amend the act of May 26, 1949, as amended, to strengthen and improve the organization of the Department of State, and for other purposes, introduced by Mr. FULBRIGHT, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of May 26, 1949, as amended (5 U.S.C. 151a–151c), relating to the organization of the Department of State, is amended as follows:

In section 2(b), revise the present language to read as follows:

"(b) There is established in the Department of State an Office which shall be entitled as designated by the President, either Under Secretary of State for Political Affairs or Under Secretary of State for Economic Affairs, which Office shall be filled by appointment by the President, by and with the advice and consent of the Senate. The incumbent of such Office shall receive compensation at the rate of $22,000 a year and shall perform such duties as may be prescribed by the Secretary of State. Any provision of law vesting authority in the 'Under Secretary of State for Economic Affairs', or any other reference with respect thereto, is hereby amended to vest such authority in the Secretary of State."

The letter presented by Mr. FULBRIGHT is as follows:

DEPARTMENT OF STATE,
Washington, April 30, 1959.

The VICE PRESIDENT,
U.S. Senate.

DEAR MR. VICE PRESIDENT: There is transmitted herewith a draft of a proposed bill to amend the act of May 26, 1949, as amended, to strengthen and improve the organization of the Department of State, and for other purposes.

The bill is designed to give the Secretary greater flexibility in assigning duties to the second and third ranking officers of the Department. If enacted, it would replace the present third-ranking position of Under Secretary of State for Economic Affairs with a position, the title of which will be either Under Secretary for Political Affairs or Under Secretary for Economic Affairs, as designated by the President. The incumbent of this position will receive compensation at the rate of $22,000 per anum which is $500 less than the salary per annum of the first-ranking Under Secretary. Under this arrangement the President on the advice of the Secretary will have the necessary flexibility to assign functions to the two Under Secretaries as he deems most appropriate.

At the present time, the Under Secretary of State for Economic Affairs is by law a member of the board of directors and Chairman of the Development Loan Fund. Enactment of the proposed bill would vest these duties in the Secretary of State. It is intended, however, that the duties of the Secretary in connection with the Development Loan Fund, including membership on the board and the chairmanship, will be delegated by the Secretary to the appropriate Under Secretary of State.

A similar letter is being transmitted to the Speaker of the House of Representatives.

The Department has been informed by the Bureau of the Budget that there is no objection to the submission of this legislation to the Congress for its consideration.

Sincerely yours,
WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.
(For the Secretary of State.)

SMALL BUSINESS ACT AMENDMENTS OF 1959

Mr. SALTONSTALL. Mr. President, on behalf of myself, and the Senator from Alabama [Mr. SPARKMAN], I introduce, for appropriate reference, a bill to

amend the Small Business Act, and for other purposes. I ask unanimous consent that a sectional analysis of the bill be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the sectional analysis will be printed in the RECORD.

The bill (S. 1879) to amend the Small Business Act, and for other purposes, introduced by Mr. SALTONSTALL (for himself and Mr. SPARKMAN), was received, read twice by its title, and referred to the Committee on Banking and Currency.

The sectional analysis presented by Mr. SALTONSTALL is as follows:

SECTIONAL ANALYSIS

SHORT TITLE

Section 1 provides that this act may be cited as the Small Business Act Amendments of 1959.

SMALL BUSINESS ACT

Section 2 provides that, as used in this act, references to "the act" are to the Small Business Act as amended by the Small Business Investment Act of 1958.

REVOLVING FUND AUTHORIZATION

Section 3 amends subsection 4(c) of the act in two respects. First, it increases from $900 million to $1,100 million the amount in which funds are authorized to be appropriated to a revolving fund in the Treasury for use by the Administration in the performance of the duties imposed upon it by the act. Second, it increases from $500 million to $700 million the amount of the revolving fund which may be outstanding at any one time for the purpose of making business loans pursuant to subsection 7(a) of the act.

SBA's projection of probable business loan activities through the next 15 months points up the necessity for this increase of $200 million. It is presently estimated that business loans outstanding, together with undisbursed loan authorizations, will total $431,800,000 as of June 30, 1959 and $553,600,000 as of June 30, 1960. In addition, prudence requires that the Agency have a substantial reserve to cover unforeseeable variations in the factors (such as volume, size of loans, etc.) used in making the estimate.

RENTAL PAYMENTS ON SAFETY DEPOSIT BOXES

Section 4 adds a new paragraph to subsection 5(b) of the act, the effect of which is to authorize the Administration to make prepayments of rentals on safety deposit boxes used by it for the safeguarding of instruments and other documents held as security for loans made to small business concerns and others.

SBA commonly accepts bearer bonds, stock certificates endorsed in blank and other kinds of readily negotiable instruments as collateral on loans made pursuant to section 7 of the act. Prudence requires that regional offices of the Agency should, on receipt of such documents from borrowers, retain them in safety deposit boxes. Such boxes are usually rented on an annual basis and, with few exceptions, banks demand payment in advance.

By letter of June 3, 1955, SBA was notified by Mr. Frank H. Weitzel, Assistant Comptroller General of the United States, that section 3648 of the Revised Statutes prohibits such prepayments. The statute cited by him provides, in part, that "no advance of public money shall be made in any case unless authorized by the appropriation concerned or other law." Consequently regional offices have been able to use safety deposit boxes only by obtaining the necessary funds from employees who, at the end of the rental period, claim reimbursement from SBA.

Section 4 of the bill remedies this situation by inserting, in subsection 5(b) of the act, a provision that section 3648 of the Revised Statutes shall not apply to prepayments of rentals made by SBA on safety deposit boxes.

REPORTS TO CONGRESS

Section 5 effects two substantive changes in section 10 of the act. First, it places the reports which the Administration is required to file, pursuant to subsections 10(a) and 10(b), on an annual basis instead of a semiannual basis. Second, it eliminates the surveys and reports which the Attorney General is required to make pursuant to subsection 10(c).

Subsection 10(a) of the act provides that the Administration shall make a report every 6 months of operations under the act to the President, the President of the Senate, and the Speaker of the House of Representatives, containing the names of the business concerns to whom contracts are let and for whom financing is arranged by the Administration, together with the amounts involved, and containing such other information, comments, and recommendations as the Administration may deem appropriate.

Subsection 10(b) of the act provides that, on June 30 and December 31 of each year, the Administration shall make a report to the President, the President of the Senate, and the Speaker of the House of Representatives, to the Senate Select Committee on Small Business, and the House Select Committee To Conduct a Study and Investigation of the Problems of Small Business, showing as accurately as possible for each such period the amount of the funds appropriated to the Administration that it has expended in the conduct of each of its principal activities such as lending, procurement, contracting, and providing technical and managerial aids.

Under existing law, therefore, SBA must submit two reports every 6 months concerning its operations. These requirements were laid down when SBA was initiated as a temporary agency of the Government to conduct programs, for the assistance of small business, which were considered to be experimental and which were generally expected to be of limited duration. The principal reason for requiring reports at such short intervals was to furnish the President and Congress with information essential to a determination of the recurring question whether the programs should be continued.

With the establishment of SBA as a permanent agency of the Government, the need for such frequent reports has been substantially lessened. In view of this, as well as the unnecessary expense involved in preparing and issuing 2 reports every 6 months, it is believed that SBA should, like virtually all other permanent agencies, report on an annual basis. Under the provisions of section 5, both reports are to be filed on June 30 of each year.

Subsection 10(c) of the act directs the Attorney General to make, or request the Federal Trade Commission to make for him, surveys for the purpose of determining any factors which may tend to eliminate competition, create, or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of the administration of the act. He is required to submit to the Congress and the President, at such times as he deems desirable, reports setting forth the results of such surveys and including such recommendations as he may deem desirable.

This subsection adds little, if anything, to the authority and responsibilities presently reposed in the Attorney General by the antitrust laws and other statutes. Its presence in the act serves no useful purpose. On the other hand the subsection, by its peculiar wording, suggests that the Attorney General must exercise special vigilance over the operations of the Administration to detect and prevent violations of law. This, of course, was not the intent. Indeed the legislative history of the act indicates that the subsection was inserted inadverently. For these reasons, section 5 of the bill deletes it from the act.

SEPARABILITY PROVISION

Section 6 contains the standard separability provision.

FACILITATION OF TRANSMISSION OF ELECTRIC POWER

Mr. CHURCH. Mr. President, I am about to introduce a bill, and I ask unanimous consent that I may be allowed to speak on it in excess of the 3 minutes allowed under the order which has been entered.

The PRESIDENT pro tempore. Without objection, the Senator from Idaho may proceed.

Mr. CHURCH. Mr. President, I introduce, for appropriate reference, a bill which will require applicants for power line rights-of-way across Federal lands to agree to allow the United States to utilize any unneeded excess capacity in the lines for the purpose of transporting—wheeling—federally generated electric power to Federal agencies, to rural electric cooperatives, and to statutory preference customers. This wheeling will be subject to reasonable terms and conditions, including payment by the Government of its share of the costs and amortization and interest on the facilities used; reasonable use by the Government; recapture of the use of the line by the right-of-way holder on 30-month notice; and reciprocal privileges to private utility companies in Government lines.

I introduce this bill reluctantly, for its objective could as well be obtained by regulatory action within the Interior Department. In fact, until 1954 the Interior Department had a regulation which is the model for this bill, and the validity of the regulation had been upheld by the Federal courts. Having this in mind, I wrote to Secretary of the Interior Fred A. Seaton last January, suggesting that he give consideration to reinstituting this regulation.

I should like to read the letter I wrote to the Secretary:

JANUARY 28, 1959.

Hon. FRED A. SEATON,
Secretary of Interior,
Washington, D.C.

DEAR MR. SECRETARY: During the last 2 years I have made an attempt to assist the rural electric cooperatives and other public power users in southern Idaho in their efforts to secure an additional supply of power. One of the subjects discussed from time to time has been the feasibility of transmitting Federal power from the Bonneville Power Administration system to the Bureau of Reclamation transmission system in southern Idaho, over lines constructed and operated by a private utility company.

It is my understanding that prior to August 1954, the regulations of the Department of Interior enabled the Secretary to require a private utility whose lines crossed public domain land to wheel Federal power, subject

to reasonable charges including amortization, as a condition of the grant of the easement.

I believe that this type of arrangement was in the public interest and that its validity was upheld in court proceedings. I am giving consideration to the introduction of legislation which would make this the statutory rule.

Characteristics of the load requirements in the Bonneville area and in southern Idaho, according to testimony furnished by the Bonneville engineers and Bureau of Reclamation officials, make this integration seem desirable from the point of view of both agencies. Both of them, and the Bureau of Land Management which has control of the public domain land, are under your jurisdiction. Therefore it is possible that you may desire to reimpose this requirement by regulation rather than have legislative action undertaken in this area.

It seems to me that it is in the public interest that the wheeling regulation be reinstituted. I do not know whether a change in the regulations would have any effect on the existing private powerline or furnish any help to the power-short cooperatives. However, studies by the Bureau of Reclamation and Bonneville Power Administration show that the integration between the two systems would provide at least 13,000 kilowatts of firm power without the expenditure of public money to create new facilities. Had the regulation not been revoked, I believe this integration would have been established long ago.

Excess capacity is capacity otherwise wasted, and we cannot for long tolerate waste in the electric power field. Furthermore, the preference policy is ingrained in our law, and this type of regulation implements that policy.

I hope you will reinvoke the regulation, or a similar one. If you have determined not to, I will appreciate it if you will so advise me, so that I may introduce legislation to achieve the same result.

I would be more than pleased to discuss this matter with you, in your office or elsewhere, if you desire to do so.

Sincerely,

FRANK CHURCH,
U.S. Senator.

Mr. President, the Secretary has acknowledged my letter, but he has not substantively replied to it. I conclude that he does not intend to, so I am introducing the bill, as I told him I would.

Notwithstanding I have had no direct answer, the Department of Interior has apparently given attention to the suggestion I made, and at least has recognized the public interest which would be served. The Department last month released to the press a copy of a letter of Assistant Secretary Aandahl to the Chairman of the Federal Power Commission, dated April 9, 1959. In this letter, the efficacy of a wheeling regulation is recognized, but the buck is neatly passed to the Federal Power Commission. Interior suggests that the FPC ought to include a wheeling provision in its amended license to the Idaho Power Co. covering its transmission line connecting the Brownlee and Oxbow Dams on the Snake to other companies in the Northwest Power Pool.

Assistant Secretary Aandahl is somewhat diffident, perhaps because he feels the rejoinder might well be that if the Secretary of Interior wants a wheeling provision he has ample authority and precedent to reinvoke his 1954 regulation. He needs this wheeling provision included in the FPC license only if the Idaho Power Co. refuses to enter into a contract with the Bureau of Reclamation to wheel power to the southern Idaho cooperatives. He says:

We have no reason to believe that our current negotiations with the [Idaho Power] company will not be satisfactorily concluded. In the event they are, we would, of course, have no need of license conditions looking toward transfer of power between the Government's southern Idaho plants and the Government's Columbia River system. In the event, however, that such negotiations were to fail, then the issue of license conditions might indeed be pertinent.

Mr. President, I ask unanimous consent that the Bureau of Reclamation press release of April 13. with the attached letter of April 9 from Assistant Secretary Aandahl, be printed in the RECORD at this point in my remarks.

There being no objection, the press release and letter were ordered to be printed in the RECORD, as follows:

[Press release of Bureau of Reclamation, Apr. 13, 1959]

INTERIOR ASKS FPC TO RESERVE WHEELING RIGHTS IN GOVERNMENT'S BEHALF IN LICENSING IDAHO POWER CO. TRANSMISSION LINES

The Department of the Interior, in a letter to the Federal Power Commission, has asked that the Commission keep the door open to use for transmission of federally generated power, the lines for which the Idaho Power Co. is seeking a license in connection with its Brownlee-Oxbow hydroelectric projects on the Snake River.

The lines in the license now involved extend west and north from Boise and either now or will interconnect with the Bonneville Power Administration transmission grid and those of the Washington Water Power Co. and the Pacific Power & Light Co. Provision for use of lines by the Federal Government was included in a license issued by the Federal Power Commission to the Idaho Power Co. in 1953 for transmission lines of the Bliss project running generally east from Boise to American Falls, Idaho. These conditions were challenged by the company but were sustained by the Supreme Court.

The Department is presently negotiating with the Idaho Power Co. for an integration and wheeling arrangement which will have the effect of increasing the firm power available for sale to preference customers of the Bureau of Reclamation's southeastern Idaho hydroelectric plants by 13,000 kilowatts.

The Department advised the Commission that the Idaho Power Co. had expressed a willingness to enter into negotiations with the Bureau of Reclamation for an integration agreement by which the Reclamation system would achieve the benefits of integration with the Northwest Power Pool. Coordination of the output of Northwest hydroelectric plants, including Federal plants and those licensed by the FPC, is accomplished through the Northwest Power Pool. These negotiations are now in progress.

"We have no reason to believe that our current negotiations with the company will not be satisfactorily concluded," the Department's letter stated. "In the event they are we would, of course, have no need of license conditions looking toward transfer of power between the Government's southern Idaho plants and the Government's Columbia River system. In the event, however, that such negotiations were to fail, then the issue of license conditions might indeed be pertinent."

The Department's letter to the Federal Power Commission is attached.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., April 9, 1959.

JEROME K. KUYKENDALL,
Chairman, Federal Power Commission, Washington, D.C.

DEAR MR. KUYKENDALL: This letter deals with the transmission line phases of the Idaho Power Co.'s licensed projects Nos. 1971 (Brownlee) and 1975 (Bliss). Our comments were requested on certain of the lines involved from the Commission's secretary's letters of June 23, June 24, July 2, and November 28, 1958. In addition, we note that his letter to the company of November 20, 1957, advised that a Commission staff study had concluded that, among others, the Quartz-Lagrande 230-kilovolt transmission line (by which the Idaho Power Co. system is interconnected with the transmission system of the Bonneville Power Administration) is a primary line subject to license as a part of project No. 1971 and suggested that application for amendment of the license for project No. 1971 be made to include the Quartz-Lagrande line as a part of that license.

Joint studies of the Bonneville Power Administration and the Bureau of Reclamation undertaken late in 1957 and reported upon in a Bonneville Power Administration office memorandum dated January 23, 1958, indicate that substantial benefits would accrue to the Bureau of Reclamation southern Idaho power system (and hence to the area's power resources) by integration and coordination of that system with the system of the Bonneville Power Administration.

The matter was extensively considered in hearings before the Senate Interior and Insular Affairs Committee on "Columbia Basin Problems," May 14, 15, and 23, 1958. A copy of the printed hearings is enclosed. The BPA staff memorandum above referred to appears at page 92 of appendix A to the printed hearings. Attention is also called to the direct testimony thereon, including the following:

Prepared statement of Bonneville Power Administrator Pearl, page 10.

Testimony of C. E. Mohler, engineer, Bonneville Power Administration, pages 17 to 20.

Testimony of Assistant Secretary Aandahl and Dr. Pearl, pages 21, 22, and 41.

Testimony of Regional Director Harold T. Nelson, Bureau of Reclamation, Boise, Idaho, pages 190 to 233.

Essential to any integration of the Reclamation and BPA systems, of course, are the transmission facilities of the Idaho Power Co. which are the subject of the above-identified letters from the secretary of the Commission.

As will be noted from the foregoing printed hearings, the Idaho Power Co. has expressed a willingness to enter into negotiations with the Bureau of Reclamation for an integration agreement looking toward achievement by the Bureau of the benefits of integrating its system with the Northwest Power Pool, this arrangement in turn turning on the outcome of the company's own negotiations relative to integration with the Northwest Power Pool. The company, as you know, has publicly indicated that it has made such arrangements with certain members of the Northwest Power Pool, and that the Oxbow-Lewiston line is to be the vehicle for effectuating that integration.

Negotiations between the Bureau of Reclamation and the company got actively under way at about the same time as the above-noted Senate committee hearings and have been actively pursued. In them, we are seeking to achieve, through direct integration with the company's system, which in turn requires coordination of the company's project No. 1971 with the Northwest Power Pool, substantially similar benefits for Bureau of Reclamation customers as would

result from a direct integration of the Bureau's system with that of the Bonneville Power Administration.

In the absence of agreement with the company on an appropriate integration arrangement, there would be required, in order to achieve the benefits of integration and also to enable the Government adequately to make such benefits available to its southern Idaho area customers, license provisions applicable to the company's project 1971 lines similar to those already encompassed in the Bliss project license No. 1975. The inclusion of such provisions would in such circumstances, of course, be within the Commission's authority under the doctrine and for the reasons set forth in the Bliss case (*E.P.C. v. Idaho Power Co.* 344 U.S. 17). The present circumstances are, as you will understand, identical with the circumstances considered by the Commission in the case of the Bliss license. Up to now, the Bliss provision has not been practicable of utilization. This situation would now be remedied with applicability of a similar provision to the lines referred to in the foregoing letters from the secretary of the Commission.

We had been hopeful that our negotiations would have been completed prior to Commission action with respect to any of the lines involved, so that we could make timely definitive comment.

In the circumstances we wish now to advise the Commission of our views with respect to the pertinent transmission lines of the Idaho Power Co.

We have no reason to believe that our current negotiations with the company will not be satisfactorily concluded. In the event they are, we could, of course, have no need of license conditions looking toward transfer of power between the Government's southern Idaho plants and the Government's Columbia River system. In the event, however, that such negotiations were to fail, then the issue of license conditions might indeed be pertinent.

We, therefore, request the following:

(1) That pending conclusion of our negotiations with the company, the Commission in any action it might take in the meantime with respect to project lines not now included in the license for project No. 1971, including the Quartz-Lagrande 230-kilovolt line, reserve the right to take further action to provide for the U.S. rights of the nature specified in article 29 of the Bliss license, No. 1975;

(2) That the Commission require that the Quartz-Lagrande line be brought under the license for project No. 1971 and be subject to the foregoing recommended reservation;

(3) That any lines added to the outstanding Bliss license be made subject to the provisions of article 29 thereof;

(4) That the Commission modify its order of March 19 by the inclusion therein of a provision consistent with request No. 1; and

(5) That in connection with the Brownlee-Boise branch and Brownlee-Baker lines, there be included in such amendment to license as may be issued, the following stipulation:

"The United States, acting pursuant to the Federal reclamation laws, may cross or otherwise use the transmission line right-of-way granted by this license with irrigation works including reservoirs, pipelines, ditches, and canals; power works including electric transmission and distribution lines; and operating roads and communication lines. The licensee hereby releases the United States from all damages or claims for damages which may result from the construction, operation, or maintenance by the United States of such aforementioned facilities, and at its sole cost and expense shall remove or adopt the transmission line facilities constructed and operated pursuant to this license to accommodate the aforementioned facilities of the United States."

Sincerely yours,

FRED G. AANDAHL,
Assistant Secretary of the Interior.

Mr. CHURCH. Mr. President, this seems to me a poor way indeed to protect the public interest.

Would it not be better for the Interior Department, as the manager of much of the land over which these lines pass, to insist that the public interest be given paramount consideration as a condition of the right to use the public land? Many years ago, the Bureau of Land Management, Department of the Interior, protected the public interest by requiring purchasers of Government timber, as a condition of the purchase, to allow the use of their land by other purchasers to remove other Government timber. The result was competition and a better price to the Government for its timber, and an end to the tollgate practices which had grown up.

The same principle is embodied in the bill I am introducing. Congress must provide that excess electric transmission capacity should not lie idle, while customers who could use the power are starving for it. Utility companies are permitted to operate as monopolies, and by law guaranteed a fair return on their investment. They should not be heard to say that this is strictly a private matter, and that the Government's remedy is to build a wasteful and duplicative parallel transmission line.

The Interior Department's urging to the Federal Power Commission that it use its licensing power to accomplish this objective is no answer, particularly since this matter lies within Interior's own regulatory power. Indeed, it has been suggested to me that Interior made its request too late for the FPC to include this provision in its amendment to the Idaho Power Co. license. If this is so, it is a travesty on the public interest.

Mr. President, I introduce the bill, for appropriate reference, and I ask unanimous consent that the bill be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1883) to facilitate the transmission of electric power by the United States, introduced by Mr. CHURCH, was received, read twice by its title, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the head of the Department or agency having jurisdiction over lands owned by the United States, shall as a condition precedent to the granting of any right to use such lands for an electrical transmission line having a normal voltage of thirty-three kilovolts or more, require the permittee to agree to allow the United States to utilize for the transmission of electrical power any surplus capacity of the line in excess of the capacity needed by the permittee for the transmission of electrical power in connection with his operations and to allow the United States to increase the capacity of the line or facility at the expense of the United States and to utilize the increased capacity for the transmission of electrical power.

SEC. 2. Utilization by the United States of the surplus or increased capacity shall be subject to the following terms and conditions:

(a) The United States may interconnect its lines with those of the permittee in a manner conformable to standards of practice approved by the Federal Power Commission.

(b) The expense of interconnection will be borne by the United States, and the United States will at all times provide and maintain adequate switching, relaying, and protective equipment so as to insure that the normal and efficient operation of the permittee's line will not be impaired.

(c) After any interconnection is completed, the permittee shall operate and maintain his line in good condition; and, except in emergencies, shall maintain in a closed position all connections under the permittee's control between the permittee's line and the interconnecting facilities provided by the United States.

(d) The interconnected power systems of the United States and the permittee will be operated in parallel.

(e) The transmission of electrical power by the United States over the permittee's line will be affected in such manner and quantity as will not interfere unreasonably with the permittee's use and operation of the line in accordance with the permittee's normal operating standards, except that the United States shall have the exclusive right to utilize any increased capacity of the line which has been provided at the expense of the United States.

(f) The permitee will not be obligated to allow the transmission over his line by the United States of electrical power to any person receiving service from the permittee on the date of the filing of the application for a right-of-way, other than persons entitled to statutory preference in connection with the distribution and sale of electrical power by the United States.

(g) The United States will pay to the permittee an equitable share of the total monthly cost of maintaining and operating the part of the permittee's line utilized by the United States for the transmission of electrical power, the payment to be an amount in dollars representing the same proportions of the total monthly operation and maintenance cost of such part of the line as the maximum amount in kilowatts of the power transmitted on a scheduled basis by the United States over the permittee's line during the month bears to the total capacity in kilowatts of that part of the line. The total monthly cost may include interest and amortization, in accordance with the system of accounts prescribed by the Federal Power Commission, on the permittee's net total investment (exclusive of any investment by the United States) in the part of the line utilized by the United States.

(h) If, at any time the permittee needs for the transmission of electrical power in connection with its operations the whole or any part of the capacity of the line theretofore determined to be surplus to its needs, the permittee may recover use of such needed capacity by giving the department or agency head thirty months' notice, in advance, of the permittee's needs in this respect. Such recovery of capacity shall not decrease the utilization by the United States of the particular line insofar as increased capacity, if any, was provided by the United States at its expense.

(i) If, during the existence of the right-of-way, the permittee desires reciprocal accommodations for the transmission of electrical power over the interconnecting system of the United States to its line, such reciprocal accommodations will be accorded

under terms and conditions similar to those prescribed in this section with respect to the transmission by the United States of electrical power over the permittee's line.

(j) The terms and conditions prescribed in this section may be modified at any time by means of a supplemental agreement negotiated between the permittee and the head of the department or agency or his designee. Two copies of each such supplemental agreement entered into shall be transmitted promptly to the President of the Senate and the Speaker of the House of Representatives.

SEC. 3. The heads of the departments or agencies having jurisdiction over lands owned by the United States are authorized and directed to issue rules and regulations necessary or appropriate to carry out the provisions of this Act. The Federal Power Commission is authorized and directed to provide technical advice and suggestions to encourage uniformity to the heads of the departments and agencies in connection with rules and regulations issued or proposed to be issued pursuant to this Act.

SEC. 4. As used in this Act:

(a) "Line" includes:

(1) All types of facilities for the transmission of electric power and facilities for the interconnection of such facilities.

(2) The entire transmission line of which the segment crossing lands of the United States forms a part.

(b) "Right" includes any type of right, authority, or permission.

(c) "Permittee" includes the recipient, the holder, and the user of any right subject to this Act.

FOOD ADMINISTRATION ACT OF 1959

Mr. KENNEDY. Mr. President, on behalf of Senators MURRAY, BYRD of West Virginia, CLARK, COOPER, HART, HUMPHREY, MCGEE, MCNAMARA, MCCARTHY, MORSE, RANDOLPH, YARBOROUGH, YOUNG of Ohio, YOUNG of South Dakota, and myself, I introduce, for appropriate reference, a bill designed to improve the administration of the program for the distribution of surplus agricultural food commodities to needy persons.

This program has long been a frustrating paradox. At the same time we allow huge surpluses of farm products to overwhelm the storage facilities of the country, at least 17 million of our citizens in family units suffer from some form of malnutrition due to insufficient food. We have authorized price support expenditures totaling in excess of $3 billion per year but use only a small fraction of the commodities purchases—less than 3 percent—for food donations to the needy. In fiscal 1957, 489 million tons of surplus foods were distributed to needy persons, but in 1958, when large-scale unemployment brought with it privation and hunger, 18 million fewer tons of food were distributed to the needy.

I have long supported and urged the expansion of our Public Law 480 program, under which our agricultural surpluses can be used to raise the standard of living of our friends and allies, serve as an instrument of policy in our search for world peace and stability, and help the democracies repel totalitarian challenges. A similar approach to those of our own undernourished, underprivileged, and overlooked citizens is a natural complement to that program.

The Secretary of Agriculture has broad authority under section 32 of Public Law 320, 74th Congress, and sections 407 and 416 of the Agricultural Act of 1949 to purchase food products and to make surplus stocks available to the needy. But this is wholly discretionary and has been sparingly utilized. Last year, despite unemployment which reached 5,437,000 and average earnings of 15 percent of our families below $40 per week, the Secretary used no section 32 funds in the food distribution program, although he will soon be turning back an unused $44 million from this fund.

The distribution of foods and the number of people eligible in each State bear no apparent relationship to population, poverty, unemployment, or any other ascertainable criteria. It is reassuring to know about 829,550 needy persons in Pennsylvania and 331,441 needy persons in Mississippi received surplus food. But why did only 35,397 persons in California, 3,609 in Massachusetts, and 607 in North Carolina participate in the program? In California, Massachusetts, and North Carolina stomachs can be just as empty, arms just as thin, and diet just as deficient as in Mississippi and Pennsylvania.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a table prepared by the Department of Agriculture showing the State-by-State record of needy persons receiving surplus foods during December 1958.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The State-by-State record of recipients, December 1958

Alabama	131,571
Arizona	34,851
Arkansas	219,354
California	35,397
Colorado	25,429
Connecticut	1,156
District of Columbia	37,162
Georgia	42,135
Illinois	81,664
Indiana	100,482
Iowa	92,468
Kansas	11,148
Kentucky	254,377
Louisiana	137,713
Maine	51,891
Maryland	40,177
Massachusetts	3,609
Michigan	538,385
Minnesota	44,052
Mississippi	331,441
Missouri	87,862
Montana	8,386
Nebraska	2,110
Nevada	1,449
New Hampshire	8,495
New Jersey	20,003
New Mexico	40,020
New York	348,871
North Carolina	607
North Dakota	11,220
Ohio	63,990
Oklahoma	246,960
Pennsylvania	829,550
Puerto Rico	596,076
Rhode Island	11,951
South Carolina	1,377
South Dakota	31,019
Tennessee	154,551
Texas	127,698
Utah	21,372
Vermont	12,688
Virginia	33,916
Washington	9,218
West Virginia	278,223
Wisconsin	53,658
Wyoming	8,477
Trust Territory	5,835
Total	5,230,044

Mr. KENNEDY. Mr. President, I believe that the existence of unused and deteriorating farm surpluses in the face of tragic need is morally wrong, economically wasteful and indefensible.

There are, basically, eight reasons why our present program does not work. They are:

First. Many communities cannot participate because they are unable to pay the cost of local storage and distribution.

Second. It exists as a fringe activity of the USDA.

Third. The Secretary of Agriculture is basically opposed to the idea of donating food.

Fourth. The Commodity Credit Corporation, seeking to minimize losses, is reluctant to process and donate commodities for which there is any prospective reimbursable use.

Fifth. Costs of the donations program are erroneously charged to the farm program.

Sixth. No attention is paid to subsistence food needs, which the Department of Health, Education, and Welfare is best equipped to determine.

Seventh. Standards are lacking for equitable distribution of surpluses.

Eighth. The types of food distributed are limited, unappealing, and insufficient for adequate diets.

The bill I am introducing would cure all these defects.

First. It would transfer to the Department of Health, Education, and Welfare the responsibility for distribution of the food. The Commodity Credit Corporation would continue to purchase and store crops and the Department of Agriculture would retain full responsibility for parity prices and agricultural operations—but HEW would take over the welfare phase of the program.

Second. All costs would be allocated to the Department of Health, Education, and Welfare, where they belong. It is time we recognized that the program is a welfare program rather than an agricultural program.

Third. The emphasis of the program would be shifted to the consumer side of the picture. Desirable as it is to reduce surplus stocks, this should not be the sole criteria for determining distribution to the needy. Equally important is the standard of living of the needy.

Fourth. In order to provide a balanced diet to the needy $150 million is authorized for purchases of such necessary food items as milk, butter, eggs, fruits and vegetables, poultry and other meats. Purchases will be made so as to improve farm income to the fullest extent possible.

Fifth. Although States and local governmental units would continue to establish standards of eligibility, the Department of Health, Education, and Welfare is authorized to give general direction to this procedure by promulgating minimum and maximum standards of eligibility.

Sixth. Local welfare agencies would be given limited financial assistance in transporting, storing, and distributing the food.

This bill deprives the Department of Agriculture of none of its responsibilities for price support and for the acquisition of commodities. Even in the distribution of these products it will be consulted. But the bill does place control over the welfare program in the department where it belongs. It is a step toward the resolution of the paradox of unused abundance in the presence of great need.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a summary of the provisions of the bill.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF THE PROVISIONS OF THE BILL TO TRANSFER THE ADMINISTRATION OF THE PROGRAM FOR THE DISTRIBUTION OF SURPLUS AGRICULTURAL FOOD COMMODITIES TO NEEDY PERSONS AND FOR OTHER PURPOSES

Section 1 provides that the act may be cited as the "Food Administration Act of 1959".

Section 2 declares that the Congress finds that malnutrition and want exist in the midst of huge surpluses of various farm products, that the distribution of food to needy persons is more properly a function of the Department of Health, Education, and Welfare than the Department of Agriculture.

Section 3:

(1) Transfers the distribution of surplus food to needy persons from the Department of Agriculture to the Department of Health, Education, and Welfare.

(2) Authorizes limited assistance by the Secretary of Health, Education, and Welfare to State and local governments for the storage and handling of surplus foods.

(3) Empowers the Secretary of Health, Education, and Welfare to establish standards of eligibility and to purchase additional foods for the purpose of improving the health among lower income groups.

Section 4 defines the terms under the act.

Section 5 transfers the distribution of the domestic food programs for use by the Bureau of Indian Affairs, family units, charitable institutions and hospitals, and lower income groups from the Secretary of Agriculture to the Secretary of Health, Education, and Welfare; continues the distribution of surplus foods for use in nonprofit school-lunch programs and nonprofit summer camps in the Office of the Secretary of Agriculture. The section further provides that the Director of the Bureau of the Budget is authorized to transfer the administrative personnel, the housekeeping records and assets, and the moneys allocated for this purpose from the Secretary of Agriculture to the Secretary of Health, Education, and Welfare.

Section 6 authorizes and directs the Commodity Credit Corporation, upon the request of the Secretary of Health, Education, and Welfare, to make available a maximum quantity of surplus agricultural food products for needy persons. It further directs the Commodity Credit Corporation to handle the processing, packaging, and delivering to designated points.

Section 7 provides that, with the exception of those surplus products which can be sold for the total amount of cost, the Secretary of Health, Education, and Welfare shall have first priority of surplus foods held by the Commodity Credit Corporation for distribution to the needy.

Section 8 grants the Secretary of Health, Education, and Welfare $150 million for supplementary foods to provide a more adequate and nutritious diet for needy persons.

Section 9 grants authority to the Secretary of Health, Education, and Welfare to extend limited financial assistance to State and local subdivisions to defray the costs of food distribution to needy persons. The section prescribes standards upon which the Secretary shall base his formula for extending the limited assistance.

Section 10 provides that the standards of eligibility shall relate only to income currently available to needy persons on a per capita basis. It further provides transition procedures until the new program becomes operative.

Section 11 prohibits the benefits under this act to be considered as income or resources under the provisions of the Social Security Act or other Federal legislation pertaining to the security of the aged, the blind, the disabled, the dependent children, the unemployed. or other similar groups.

Section 12 requires payment to the Commodity Credit Corporation for the market price of such products and their processing, handling, and transportation from the funds appropriated to the Department of Health, Education, and Welfare.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1884) to transfer the administration of the program for distribution of surplus agricultural food commodities to needy persons, and for other purposes, introduced by Mr. KENNEDY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

Mr. CLARK subsequently said: Mr. President, earlier today the distinguished Senator from Massachusetts [Mr. KENNEDY] introduced a bill to strengthen the Federal program of surplus food distribution to the needy.

I was happy to be a cosponsor of the bill. It would transfer the responsibility for the program from the Agriculture Department to the Department of Health, Education, and Welfare, and give the latter the authority to purchase up to $150 million worth of food each year so that a balanced diet could be provided for distribution.

The surplus distribution program has always been treated like an orphan child by the Department of Agriculture. Although more than 5 million needy persons are receiving food at this time, the the Department of Agriculture has refused to recognize that it is in the welfare business. It continues to insist that distribution to the needy is entirely secondary to orderly agricultural marketing considerations.

In the Commonwealth of Pennsylvania today, almost 8 percent of the population—859,000 persons, living in 59 different counties—depend on surplus food to keep alive. In some of our counties where unemployment is widespread, every third person is receiving this food. It is high time that the distribution program be recognized as an independent and essential public service.

It is also essential that we give the Government authority to purchase additional food to supplement that which is now being distributed. The type of food distributed today is entirely inadequate to human need. With all our bulging warehouses of Government foods, we are distributing only five dreary staples: Wheat—at the rate of 4 pounds per person per month—corn meal, rice, dried milk, and butter—at the rate of 1 pound per person per month.

State welfare officials distributing foods in Pennsylvania have informed me that meat products, fruit, and eggs have not been supplied for many months. Cheese ran out last December, and they have just been told that the butter supply will be cut off after the June distribution. This will leave only wheat, cornmeal, rice, and dried milk for later distribution. With the funds that this bill would provide, limited amounts of fruits, vegetables, poultry, and other meats would also be distributed to the needy, who are utterly dependent on this program for a more balanced diet.

We should no longer permit huge surpluses of farm products to overwhelm the storage facilities of the country and burden taxpayers with immense storage costs, while millions of our citizens have insufficient food and unbalanced diets.

COMMISSION ON FEDERAL TAXATION

Mr. WILEY. Mr. President, I introduce, for appropriate reference, a bill to establish a top level Commission on Federal Taxation.

The purpose of the bill is to establish a Commission to make a top-to-bottom review of the tax system and to develop recommendations for an improved, more efficient, and equitable tax system to meet the fiscal needs of our country, as well as to assure fair treatment of our citizens under the tax laws.

My colleagues will recall that I introduced a similar measure in the 85th Congress. At that time, I was delighted to have a great many Members of this august body join in cosponsoring the Tax Commission bill.

To give other Senators the opportunity to cosponsor this measure also, I ask that the bill remain in the office of the Secretary of the Senate until next Wednesday so that those Senators who wish to join as cosponsors may have the opportunity.

Now, I request unanimous consent to have a supplemental statement, and the bill itself, printed at this point in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and statement will be printed in the RECORD.

The bill (S. 1885) for the establishment of a Commission on Federal Taxation, introduced by Mr. WILEY, was received, read twice by its title, referred to

the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF POLICY

SECTION 1. It is hereby declared to be the general policy of the Congress—

(a) to strengthen the private enterprise system of the United States in terms of its changing needs, requirements, and opportunities, and thereby to advance the freedom and well-being of the American people;

(b) to provide the soundest basis for the collection of adequate revenue to meet the obligations of the Federal Government;

(c) to promote respect for and observance of Federal revenue laws and regulations; and

(d) toward the accomplishment of these objectives, to promote efficiency, stability, economy, clarity, simplicity, consistency, equity, and justice in the tax policy and tax structure of the Federal Government.

It is the purpose of this Act to establish a medium for the comprehensive implementation of this general policy through the establishment of a Commission to study and investigate the fundamental tax policy and the tax structure of the Federal Government and their application to the people on an individual basis as well as to the various segments of the national economy in order to improve the existing tax policy and tax structure of the Federal Government.

ESTABLISHMENT OF THE COMMISSION ON FEDERAL TAXATION

SEC. 2. (a) For the purpose of carrying out the policy set forth in section 1 of this Act, there is hereby established a commission to be known as the Commission on Federal Taxation (in this Act referred to as the "Commission").

(b) Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of section 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U.S.C. 99).

MEMBERSHIP OF THE COMMISSION

SEC. 3. (a) NUMBER AND APPOINTMENT.—The Commission shall be composed of twelve members as follows:

(1) Four appointed by the President of the United States, two from the executive branch of the Government and two from private life;

(2) Four appointed by the President of the Senate, two from the Senate and two from private life; and

(3) Four appointed by the Speaker of the House of Representatives, two from the House of Representatives and two from private life.

(b) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

ORGANIZATION OF THE COMMISSION

SEC. 4. The Commission shall elect a Chairman and a Vice Chairman from among its members.

QUORUM

SEC. 5. Seven members of the Commission shall constitute a quorum.

COMPENSATION OF MEMBERS OF THE COMMISSION

SEC. 6. (a) MEMBERS OF CONGRESS.—Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) MEMBERS FROM THE EXECUTIVE BRANCH.—The members of the Commission who are in the executive branch of the Government shall serve without compensation in addition to that received for their services in the executive branch, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(c) MEMBERS FROM PRIVATE LIFE.—The members from private life shall each receive $50 per diem when engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

STAFF OF THE COMMISSION

SEC. 7. (a) The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil service laws and the Classification Act of 1949, as amended.

(b) The Commission may procure, without regard to the civil service laws and the classification laws, temporary and intermittent services to the same extent as is authorized for the departments by section 15 of the Act of August 2, 1946 (60 Stat. 810), but at rates not to exceed $50 per diem for individuals.

EXPENSES OF THE COMMISSION

SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this Act.

DUTIES OF THE COMMISSION

SEC. 9. (a) INVESTIGATION.—The Commission shall study and investigate the present tax policy and tax structure of the Federal Government, the kinds of direct and indirect taxes imposed thereunder (with particular reference to the Federal income tax and its impact on individuals and on enterprises—small, medium, and large), and the nature and extent of the application of such taxes generally and specifically (including the imposition and collection of taxes), in order to determine what changes in such tax policy and tax structure, and in the application and administration thereof are necessary in its opinion to carry out the purposes set forth in section 1 of this Act.

(b) REPORT.—The Commission shall submit interim reports at such time or times as it deems necessary and shall submit to the Congress on or before January 1, 1961, its final report of the results of its investigation and study, together with its recommendations. Such final report may propose such constitutional amendments, legislative enactments, and administration actions as in its judgment are necessary to carry out its recommendations. On the sixtieth day after the date of submission of such final report, the Commission shall cease to exist.

POWERS OF THE COMMISSION

SEC. 10. (a) HEARINGS AND SESSIONS.—The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as the Commission or such subcommittee or member may deem advisable. Subpenas may be issued under the signature of the Chairman of the Commission, of such subcommittee, or any duly designated member, and may be served by any person designated by such Chairman or member. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (U.S.C., title 2, secs. 192–194), shall apply in the case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this section.

(b) OBTAINING OFFICIAL DATA.—The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this Act; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or Vice Chairman.

The statement presented by Mr. WILEY is as follows:

STATEMENT BY SENATOR WILEY

The establishment of the proposed Commission to carry out a thorough analysis and review of the tax system, together with the development of recommendations for needed tax reform would, I believe, be in the best interests of the individual taxpayer, business and industry, and the general economy.

The Commission would consist of 12 members: 4 to be appointed by the President, 2 from the executive branch, and 2 from private life; 4 to be appointed by the President of the Senate, 2 from the Senate and 2 from private life; and 4 to be appointed by the Speaker of the House of Representatives, 2 from the House and 2 from private life.

The Commission would be required to make its investigations and studies, together with its recommendations, and report to Congress by January 1, 1961.

The purposes of the legislation would include: plugging loopholes; ironing out inequities; eliminating unintended hardships or benefits; capturing revenue that now may be escaping taxation; and making adjustments in the tax structure to reflect the changing needs of the economy, the technological revolution, shifts in the pattern of consumer and national requirements, or other purposes.

NATION FACES ECONOMIC DILEMMA

Today, the Nation is facing an economic dilemma. Although the economy is setting new records with an all-time high gross national product of $465 billion; personal income at $365 billion; retail sales at $212 million; outputs of other businesses and industries at all-time record highs—we are having difficulty balancing the Federal budget.

The country, of course, depends upon its tax system for Federal revenue.

Currently, the Nation's taxpayers bear a maze of taxes including: income, partnership, corporation, excise, gift, inheritance, capital gains, and a wide variety of other hidden and direct taxes. These taxes range from 1 percent up to 91 percent—a tremendous take out of the pocket of the individual taxpayer and the resources of businesses and industries which depend for economic life upon funds to carry on their operations; to plow back into the business, and to provide research to create new consumer products, and jobs for the American labor force. Often, too, Federal taxes overlap or duplicate taxes by the State and local governments.

Over the years, the tax structure has developed through a complex process of enactment of new laws, repeals of old ones, and extensions, and/or other revisions of the statutes on the books.

During this period, there have been tremendous changes in the economy. Insofar as possible, the tax structure should reflect these changes and be adapted to meet the needs of the Nation today.

The basic principles governing tax reform are: (1) Taxes should be based on ability to pay; (2) taxes should allow reasonable incentive to earn, to grow, to expand; and (3) insofar as possible, taxes should be nondiscriminatory. In addition, the tax policy should promote efficiency, stability, equity and justice.

The establishment of the Hoover-type Tax Commission would help to achieve these objectives. I am therefore urging early and favorable consideration of this proposed legislation for the establishment of the much-needed, tax-reform Commission.

AMENDMENT OF COMMUNICATIONS ACT, RELATING TO COMMUNITY ANTENNA TELEVISION SYSTEMS AND CERTAIN REBROADCASTING ACTIVITIES

Mr. MOSS. Mr. President, I introduce, for appropriate reference, a single-package bill containing amendments to the Federal Communications Act of 1934 which have been requested by the Federal Communications Commission in order to permit the licensing of TV repeater operations in the VHF bands, and to impose certain requirements on community antenna television systems.

These amendments were introduced earlier by the Chairman of the Interstate and Foreign Commerce Committee, the Senator from Washington [Mr. MAGNUSON], at the request of the FCC, but in three separate bills. Because I feel it necessary that all amendments be considered and acted upon at one time, since adjustments affecting one system without simultaneous adjustments in the other will produce chaos in the broadcasting industry, I am combining the amendments in one measure.

Although the FCC has decided to approve VHF–TV booster operations, and to impose certain requirements on the CATV's it is of greatest importance that the Congress authorize the action. I hope the bill I am introducing today can be considered at an early date.

I ask unanimous consent that the bill may lie on the desk until the close of business next Wednesday in order that other Senators who desire to do so may join as sponsors.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Utah.

The bill (S. 1886) to amend the Communications Act of 1934 with respect to community antenna television systems and certain rebroadcasting activities, introduced by Mr. Moss, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

NEW YORK-NEW JERSEY TRANSPORTATION AGENCY

Mr. JAVITS. Mr. President, at the request of the Senator from New Jersey [Mr. CASE], on behalf of myself, on his behalf, on behalf of my colleague, the junior Senator from New York [Mr. KEATING], and the Senator from New Jersey [Mr. WILLIAMS], I introduce, for appropriate reference, a joint resolution granting the consent of Congress to a compact entered into between the States of New York and New Jersey for the creation of the New York-New Jersey Transportation Agency. We urge prompt action by the Senate in consenting to this compact.

Many of the activities of the States of New York and New Jersey are closely related. So, too, are the problems arising from these activities.

Chief among our joint problems today is the maintenance of essential rail transportation service. The railroads serving our people are constantly seeking to cut down or abandon their commuter services, which are increasingly unprofitable. Without some high-speed means of traversing the Hudson River from New Jersey, New York City streets will be glutted with vehicular traffic they cannot carry. And New Jersey residents—faced with the prospect of rising fares and dwindling services—are finding it more difficult to get to and from work.

This problem should be solved by State and local action. The Federal Government has a responsibility to see that service is not destroyed while efforts are being made by the States to deal effectively with the problem. But the framework in which the interstate aspects of the problem can best be solved is by action of the States affected.

Our States have maintained a high order of cooperation in many endeavors. Typical of these efforts is the bi-State compact approved by the two State legislatures, and signed by Governors Rockefeller and Meyner.

This compact, which establishes a New York-New Jersey Transportation Agency, requires the approval of Congress, pursuant to the Constitution.

Today, we are joining in sponsoring a joint resolution to that end. It deserves the most expeditious consideration by Congress. Creation of this transportation agency under the compact is, in the judgment of our two States, a reasonable start toward the solution of our mass transportation problems, now grown to crisis proportions.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 96) granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency, introduced by Mr. JAVITS (for himself, Mr. CASE of New Jersey, Mr. KEATING, and Mr. WILLIAMS of New Jersey), was received, read twice by its title, and referred to the Committee on the Judiciary.

AMENDMENT OF FEDERAL DEPOSIT INSURANCE ACT, RELATING TO SAFEGUARDS AGAINST CERTAIN MERGERS AND CONSOLIDATIONS OF BANKS—AMENDMENT

Mr. O'MAHONEY submitted an amendment, intended to be proposed by him, to the bill (S. 1062) to amend the Federal Deposit Insurance Act to provide safeguards against mergers and consolidations of banks which might lessen competition unduly or tend unduly to create a monopoly in the field of banking, which was ordered to lie on the table, and to be printed.

AMENDMENT OF FEDERAL-AID HIGHWAY ACTS OF 1956 AND 1958—ADDITIONAL COSPONSORS OF BILL

Under authority of the orders of the Senate of April 29, and May 5, 1959, the names of Senators MORSE, ENGLE, PASTORE, JACKSON, YOUNG of Ohio, MAGNUSON, MUSKIE, HUMPHREY, GRUENING, MURRAY, DODD, CANNON, KENNEDY, and MANSFIELD were added as additional cosponsors of the bill (S. 1826) to amend the Federal-Aid Highway Acts of 1956 and 1958 by extending the approval of the estimate of cost of completing the Interstate System for an additional year, and for other purposes, introduced by Mr. RANDOLPH (for himself and Mr. BYRD of West Virginia) on April 29, 1959.

THE ARCHITECT OF THE CAPITOL—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of April 30, 1959, the name of Mr. BYRD of West Virginia was added as an additional cosponsor of the bill (S. 1847) relating to the appointment of the Architect of the Capitol, introduced by Mr. DOUGLAS (for himself, Mr. GRUENING, and Mr. PROXMIRE) on April 30, 1959.

FEDERAL ANTI-LYNCHING ACT—ADDITIONAL COSPONSORS OF BILL

Mr. HART. Mr. President, on April 30, 1959, I introduced the bill (S. 1848) to declare certain rights of all persons within the jurisdiction of the United States, and for the protection of such persons from lynching, and for other purposes. This bill is intended to strengthen Federal anti-lynching laws.

At that time, I said that while I was not leaving the bill on the table for consponsors, I would be happy to ask unanimous consent for any of my colleagues to be included as cosponsors of the bill at a future time.

Therefore, Mr. President, I ask unanimous consent that there be included as sponsors on S. 1848, the names of Senators DOUGLAS, JAVITS, MCCARTHY, CLARK, PROXMIRE, and NEUBERGER.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF CONSTITUTION, RELATING TO ELECTION OF PRESIDENT AND VICE PRESIDENT—ADDITIONAL COSPONSOR OF JOINT RESOLUTION

Mr. SPARKMAN. Mr. President, on March 26, 1959, I introduced the joint resolution (S.J. Res. 86) proposing an amendment to the Constitution of the United States providing for the election

of President and Vice President. I ask unanimous consent that the name of the Senator from Maine [Mr. MUSKIE] may be added as a cosponsor of the joint resolution when it is next printed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. HUMPHREY:

Article on disarmament by Representative CHESTER BOWLES, of Connecticut, published in the New York Times of April 19, 1959.

Article entitled " 'Top Secret'—But Should It Be?" written by Senator CLINTON P. ANDERSON, relating to classification in the atomic energy program, and published in the Sunday magazine section of the New York Times of May 3, 1959.

NOTICE OF HEARINGS ON CERTAIN NOMINATIONS BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate today received from the President of the United States the nomination of G. Edward Clark and sundry others for promotion in the Foreign Service.

In accordance with the committee rule, the pending nominations may not be considered prior to the expiration of 6 days.

ANNOUNCEMENT OF HOUSING SUBCOMMITTEE HEARINGS ON THE MORTGAGE CREDIT STUDY

Mr. SPARKMAN. Mr. President, as chairman of the Housing Subcommittee of the Committee on Banking and Currency, I announce that public hearings will begin on Thursday, May 14, in continuation of a mortgage credit study begun last fall by the subcommittee. In order that the Senate may be more fully informed about these hearings, I ask unanimous consent that at this point in my remarks there be printed the text of a letter which I addressed last December to the Senator from Arkansas [Mr. FULBRIGHT] then chairman of the Banking and Currency Committee.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Hon. J. W. FULBRIGHT,
Chairman, Senate Banking and Currency Committee, Washington, D.C.

DEAR SENATOR FULBRIGHT: I am transmitting the papers received from authors participating in the mortgage credit study which the Subcommittee on Housing is conducting. This study is being made to answer the question, "Does the decade 1961–70 pose problems in private housing and mortgage markets which require Federal legislation by 1960?"

It is generally agreed that during the next 10 years our economy will expand far beyond today's level. The rate of home construction, which has been at a constant level for the past several years, must increase to meet the needs of a growing population with a rising standard of living. Net new family formation resulting from the births of the forties, the replacement of units to be demolished in order to carry out the national housing policy of a decent home for every American family, the increased mobility of American families, and the higher standard of living toward which we strive, will require more and better housing facilities in the future.

The question of whether there will be adequate resources to take care of those needs should be answered. Mortgage credit is the principal resource problem. Although total new capital formation has been increasing at a constant rate during the last 10 years, the share going to residential mortgages varies considerably from year to year. It is incumbent upon committees of Congress having responsibilities in the housing field to seek ways for providing an adequate supply of home mortgage credit in the future.

The first step in the study was to expand the basic question into an outline of component topics and to select qualified authors to prepare papers on these topics. This has been done. The next step is to distribute the compendium of papers to participating authors, interested Government agencies, and to other interested persons, both public and private. It is planned that some time in 1959 the papers will be the subject of a hearing by the subcommittee. The authors will be asked to give an oral summary of their papers and be questioned by members of the subcommittee and staff. Other persons may also submit statements for the record at these hearings, which statements would comment upon or supplement data and views expressed by authors of the papers.

Subsequently, the staff of the subcommittee will draft legislative proposals which seem to be indicated by informed opinion expressed in the papers and in the record of the public hearing. From this point on, if introduced in the Senate, these legislative proposals will be considered in the usual way.

Sincerely,

JOHN SPARKMAN.

Mr. SPARKMAN. Mr. President, that letter explains the purpose of the subcommittee study, and presents a background for the hearings to begin next week. The hearings are scheduled to begin at 10 o'clock, in room 5302 of the new Senate Office Building, on the mornings of May 14, 15, 19, 20, 25, 26, 28, and 29.

Witnesses at the hearings are limited to the authors who contributed papers to the subcommittee last fall and to substitute authors in a few cases where the original participants may be unavoidably unable to appear. For the information of the Senate, I ask unanimous consent that a schedule of the hearings be printed at this point in my remarks.

There being no objection, the schedule was ordered to be printed in the RECORD, as follows:

SCHEDULE FOR MORTGAGE CREDIT HEARINGS, SUBCOMMITTEE ON HOUSING, SENATE BANKING AND CURRENCY COMMITTEE

THURSDAY, MAY 14, GROUP I: DEVELOP MARKETABLE GROUPING OF POTENTIAL HOUSING MARKET BY INCOME LEVELS

Family income and expenses: Selma Goldsmith, Department of Commerce; H. E. Riley, Department of Labor; James N. Morgan, program director, survey research center, University of Michigan.

Credit terms in relation to demand for housing: Charles Abrams, visiting professor, Massachusetts Institute of Technology; L. Durward Badgley, director of real estate and mortgage research, Mutual of New York; Ramsay Wood, bureau of business and economic research, University of California.

FRIDAY, MAY 15, GROUP II: DEVELOP REASONABLE ESTIMATE OF NUMBER OF NEW UNITS REQUIRED

Family formation: Elmer C. Bratt, professor of economics, Lehigh University; Paul C. Glick, Department of Commerce.

Replacements: Sherman J. Maisel, real estate research program, University of California; David Gillogly, research fellow, University of Miami.

TUESDAY, MAY 19, GROUP III: PROBLEMS OF PHYSICAL REQUIREMENTS

Supply of materials: Joseph L. Fisher, Resources for the Future; Edward Boorstein, Resources for the Future.

Supply of labor: Emerson P. Schmidt, director economic research department, United States Chamber of Commerce; representatives of the building and construction trades department, AFL–CIO.

Building sites: E. Everett Ashley III, HHFA; Max S. Wehrly, executive director, Urban Land Institute.

Technological changes: Ralph J. Johnson, director NAHB Research Institute; George E. Price, president, National Homes Corp.

WEDNESDAY, MAY 20, GROUP IV: PROBLEMS OF FINANCING AND THE MORTGAGE MARKET

Supply in general: Saul B. Klaman, economist, National Association of Mutual Savings Banks.

Effects of monetary policy: Warren L. Smith, visiting lecturer on economics, Harvard University.

THURSDAY, MAY 21, GROUP IV (CONTINUED)

Effects of monetary policy: James J. O'Leary, director of economic research, Life Insurance Association of America.

MONDAY, MAY 25, GROUP V: FEDERAL PROGRAMS—RECOMMENDATIONS FOR CHANGE IN EXISTING PROGRAMS OR FOR NEW PROGRAMS

FHLBB: Edward E. Edwards, associate director, the Graduate School of Savings and Loan; Robinson Newcomb, Robinson Newcomb Associates; C. Hobart Carr, chairman, department of banking and finance, New York University.

TUESDAY, MAY 26, GROUP V (CONTINUED)

FHA, VA, FNMA: Neal J. Hardy, director, National Housing Center; Miles L. Colean, economist; Robert E. Scott, president, R. E. Scott Mortgage Co.

FHA premiums and mutuality: Chester Rapkin, research associate professor, University of Pennsylvania; Harry Held, senior vice president, the Bowery Savings Bank.

THURSDAY, MAY 28, GROUP V (CONTINUED)

Central Mortgage Bank: Thomas P. Coogan, president, Housing Securities, Inc.; James W. Rouse, president, James W. Rouse & Co., Inc.

Middle-income housing: William L. C. Wheaton, director, institute for urban studies, University of Pennsylvania.

FRIDAY, MAY 29, GROUP VI: FARM HOUSING

Glenn H. Beyer, director, housing research center, Cornell University; E. V. Smith, dean and director, Alabama Polytechnic Institute; Kenneth Scott, Department of Agriculture.

Mr. SPARKMAN. Mr. President, if there are any other persons or organizations who wish to submit statements or comments upon the published papers, for inclusion in the record of the hearings, they should contact Mr. James B. Cash, Jr., staff director of the Subcommittee on Housing, room 5228, New Senate Office Building, telephone number Capital 4–3121, extension 6348.

THE LIBBY DAM

Mr. MANSFIELD. Mr. President, earlier this week I received a copy of the progress edition of the Daily Inter Lake, published in Kalispell, Mont. This is indeed a very fine edition of this daily newspaper and promotes the resources of the northwestern part of Montana, and places special emphasis on improved relations with our Canadian neighbors in the Province of British Columbia.

As many of my colleagues in the Senate know, the future of the proposed muiltipurpose project, Libby Dam, is closely associated with these Canadian-American relations. The progress edition contains two very fine articles on Libby Dam, written by the editor of the Daily Inter Lake, Mr. William Sweetland.

Mr. President, I ask unanimous consent to have the two articles by Mr. Sweetland, which were published in the April 26, 1959, edition, printed in the RECORD at the conclusion of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Daily Inter Lake, Apr. 26, 1959]

LIBBY DAM PROJECT CONSIDERED STRATEGIC IN UNITED STATES-BRITISH COLUMBIA POWER PLANNING—ENGINEERS MAP U.S. PROPOSAL

(By William Sweetland, editor, the Daily Inter Lake)

In many areas in which it is possible for the United States and Canada to work together and cooperate on development of potential, perhaps none offers so much possibility as in the field of river development.

This is particularly true of the Kootenai and Columbia River basins.

A major river project that has undergone extensive study and surveying, is the Libby Dam project, as conceived by the Corps of U.S. Army Engineers and developed in the major water plan of the Nation.

Major stumbling block to realization of the Libby project has been the distribution of benefits between the United States and Canada. A special joint commission of representatives of the two nations has been working on the problem, and annual discussions have explored suitable arrangements that could lead to finalization.

In the interest of information to readers in both Montana and British Columbia, the Daily Inter Lake obtained data from the Portland office of the Corps of U.S. Army Engineers, as contained in the recently completed water resource report concerning the Columbia River Basin.

The report includes all salient points, such as location, benefits, cost allocations, and related data.

GENERAL DESCRIPTION

Libby Dam and Reservoir, a multiple-purpose project on the Kootenai River, Mont., was authorized by the 1950 Flood Control Act as recommended in House Document No. 531. The Libby Dam as presently planned would be located about 15 miles upstream from Libby and 51 miles downstream from the international boundary. The project would have an initial power installation of 344,000 kilowatts and would provide 5,010,000 acre-feet of storage for flood control and power.

HYDROLOGY

The dam at river mile 217 would control the runoff from 9,070 square miles of area, mostly in British Columbia. The mean annual discharge is about 10,000 cubic feet per second. The maximum flood peak of record occurred in 1916 when 121,000 cubic feet per second was recorded at Libby. The largest known flood peak occurred in 1894 and has been estimated at 130,000 cubic feet per second at the dam site. The maximum probable flood is estimated to be 275,000 cubic feet per second and the resulting reservoir outflow, 260,000 cubic feet per second, has been used for spillway design.

DAM SITE

The Kootenai River at river mile 217 lies in rugged terrain with a total relief of about 3,000 feet. Bedrock is of the pre-Cambrian Belt series of argillite and quartzite rock derived from silification of fine sand and mud. Two more ancient basalt flows varying up to 100 feet in thickness were extruded concurrent with disposition of the sand and mud and have been folded with the other rock. Drill holes indicate that the bedrock is approximately level. The steep right abutment is exposed rock from the river to well above the top of the dam with some scattered small pockets of overburden. The left abutment is a terrace remnant of silty-sand and gravel up to 130 feet in depth. Rock outcrops at about elevation 2,440 form a pronounced knob behind which are four low saddles which will require dikes.

PROJECT LAYOUT

The dam would be a concrete gravity structure rising about 400 feet above bedrock with a total crest length of approximately 2,700 feet. A short earthfill embankment would be required for the left abutment. In addition to the main dam, it would be necessary to construct four earthfill saddle dams behind the left abutment. These saddle dams would have a maximum height of approximately 120 feet.

An eight-bay concrete overflow spillway controlled by tainter gates would be provided with 14 5 feet 8 inches by 10 feet sluices in the spillway monoliths to provide a drawdown for flood control. The hydraulic capacity of the outlets at minimum pool elevation 2,287 woud be 33,000 cubic feet per second.

The powerplant would be located on the left bank near the toe of the dam. Initially the powerplant would consist of four 76,000 kilowatt units. As many as eight such units may be installed ultimately. Gross head for initial development of power would be 344 feet between a normal operating pool at elevation 2,459 and a tailwater elevation 2,115.

RESERVOIR DESCRIPTION

The reservoir would extend about 42 miles into Canada to the Canadian Bull River dam site. Gross storage would be 5,985,000 acre-feet of which 5,010,000 would be usable storage with a 50 percent drawdown. Minimum pool would be at elevation 2,287. The reservoir would occupy an area of about 48,000 acres. Most of the land required in the United States consists of timber and cutover lands along the river and a few small farms. The towns of Warland, Stonehill, and Rexford, including the Forest Service administration centers at Rexford and Warland, would be affected by the reservoir. In addition, the reservoir would inundate portions of the Great Northern Railway which follows along the east bank of the Kootenai River, Montana State Highway No. 37, which parallels the railroad along the west bank of the river, and portions of county and Forest Service roads.

Major relocations would include about 70 miles of the main line of the Great Northern Railway and approximately 58 miles of State Highway No. 37. County and Forest Service roads, telephone, and power lines and the water system for the town of Rexford would also require relocation, as would the Rexford and Warland Ranger Stations and work camps of the U.S. Forest Service.

RECREATION

The costs of facilities for accommodations of visitors at the dam site and for developing recreational facilities on reservoir lands outside the boundaries of the national forests have been included as a part of the project estimate. The Forest Service would program, construct, and administer the recreation facilities on lands under its jurisdiction; therefore, the cost of these facilities has not been included in the project estimate.

PROJECT COSTS

The estimated construction cost of the Libby project with four units installed is $308 million including $7,610,000 for flowage costs in Canada. Annual costs are estimated to be $12,654,000.

ACCOMPLISHMENTS

Annual flood damages in the Kootenai Flats area, a leveed area extending a distance of about 54 miles from about 4 miles above Bonners Ferry, Idaho, to the international boundary, amount to $936,500 annually. In addition, an area along Kootenai River in the vicinity of Troy, Mont., sustains damages averaging $4,500 annually. Libby Reservoir, operating in conjunction with the Long Meadows project, would substantially eliminate these local flood damages. Of the damages prevented, $815,000 would be creditable to the Libby project. As a unit in the coordinated system for control of floods in the lower Columbia River, flood control benefits of $4,840,000 would be creditable to the project if it were operated in the basic system to control major floods to a flow of 800,000 cubic feet per second at The Dalles. If the project is constructed subsequent to attainment at the basic flood control objective, its incremental share of the system benefits would be $514,000.

The project would generate an average of about 1,885 million kilowatt-hours annually at site and would add about 2,142 million kilowatt-hours annually at downstream plants. Prime power creditable to the project would be 956,000 kilowatt-hours. Distributed thermal power savings would be $29,906,000.

The above prime and distributed thermal savings were based on Libby's sharing the credit for added power and power benefit with other storage projects added in the major water plan and do not reflect the values for the project if added incrementally.

The project also would be of benefit to navigation along lower Columbia River by virtue of increased low waterflow. Such benefits however, are minor in nature and have not been evaluated for this report.

[From the Inter Lake, Apr. 26, 1959]

INTERNATIONAL COMMISSION IS CHIEF NEGOTIATING INSTRUMENT

(By William Sweetland, editor, the Daily Inter Lake)

While historical and cultural development in British Columbia and Montana have contributed much to the very close relationship of the two governments, there is little question but what future development of that relationship lies principally with industrial progress.

And the strongest link between industrial development in British Columbia and Montana lies with proposed development of the Columbia River Basin. Not only do the Province and the State have a large stake in this development, but the Pacific Northwest and the two sovereign nations are also vitally concerned.

Recognizing the significance of the situation, both nations have appointed top-flight men to the International Joint Commission, a special agency devoted only to development of the Columbia River and its tributaries. All matters concerning the

Columbia are referred to this Commission for study and recommendations.

NEGOTIATING PANEL

The Joint Commission is not a dam-building agency. It is in effect, a negotiating panel which works through the American State Department and the Canadian Department of External Affairs. The three U.S. members are headed by Douglas McKay (former Secretary of the Interior) and the Canadian delegation (of three men) is headed by Gen. A. G. L. McNaughton.

Original discussions at sessions of the IJC showed that the two nations were far apart in reaching compromise solutions to common problems involving development projects. Recently, however, in view of the tight power situation and other factors, there appears to be a much greater chance of close cooperation between Canada and the United States.

At meetings held in Chicago and Washington, D.C., in March and April, the two countries reached a "mutually satisfactory" basis of sharing of the downstream benefits of any Columbia River development.

A first draft of principles to cover the controversial downstream benefits question will be discussed at a commission meeting in Montreal April 30.

WIN CONCESSIONS

The agreement indicates, observers believe, that Canada has won enormous concessions from the United States, particularly in the matter of payment of downstream benefits.

An engineering report submitted at the April meeting of the IJC in Washington ended all doubts over the feasibility of joint development of the river's vast potential. The report said it was both practicable and desirable to proceed with the joint development.

The vast development would be capable of meeting 60 percent of all electric power demands in British Columbia and the United States Pacific Northwest in 1985.

The project, advanced by the International Columbia River Engineering Board, would cost nearly $1 billion in Canada alone and would double current electric output on the Columbia to 16 million kilowatts.

The Board proposes the construction of at least eight mighty dams on the Canadian portion of the Columbia, which rises in British Columbia, crosses the boundary near Trail, British Columbia, and flows through the Northwest United States to the Pacific.

THREE PLANS

Three alternate schemes were suggested by the Board; one with no diversion; one with diversion of the Kootenay River into the Columbia at Copper Creek near Canal Flats, British Columbia, where the Kootenay comes within a mile of Columbia Lake, headwater of the Columbia River; and one with diversion of the Kootenay into the Columbia at Dorr, about 10 miles north of the international boundary.

The biggest of the proposed dams on the Columbia would be at Mica Creek, 90 miles upstream; cost a maximum $327 million and from Revelstoke, British Columbia. It would have a maximum generating capacity of 1,624,000 kilowatts.

The Copper Creek diversion appeared to be favored by the engineering board. It would call for dams in Canada at Copper Creek, Luxor, Calamity Curve, Mica, Downie Creek, Revelstoke Canyon, Arrow Lakes, and Murphy Creek.

The first hint that the United States had given in to Canada's longstanding claim to a share in power benefits resulting from the use of storage dams on the British Columbia side of the international river came January 30. The late External Affairs Minister Sidney Smith announced then that the matter had been referred to the IJC for recommendations on the principles to cover the joint development.

For years the U.S. members of the Commission had refused to even discuss the question.

The recent statement with its reference to the apportionment of downstream benefits all but settled the issue.

LONE QUESTION

The lone question left now would appear to be how the benefits will be divided. There is no longer any question of them being divided.

It has been reported that Canada will seek a 50 percent split of either the power generated on the U.S. section of the river or the revenue derived from its generation. Canada's claim is said to cover a 35-year period, the time regarded as necessary for U.S. interests to amortize their investment in new generating capacity that would be installed in Oregon and Washington.

It appears that the power shortage in the Pacific Northwest has simply become too acute for the U.S. Government to turn down Canada's demands. The generation of power through the use of upstream dams appears to be the lone way of meeting the needs of the area.

When the matter of a storage dam on the Canadian reaches of the Columbia River was raised by the United States it was apparent that the same principles were again involved. General McNaughton's revelation that Columbia River waters could be diverted to the North Thompson, thence to the Fraser came as a shock not only to the U.S. section of the IJC but to the general public on both sides of the border.

This possibility of diverting both the Kootenay and the Columbia would, if carried through, leave the United States out with regard to additional upstream storage which they hoped would be made available to augment the flow to their huge power complex on the lower Columbia.

HISTORY

In order to understand something of what is involved in the policy decisons still to be worked out, a reference to international water negotiations on this continent is helpful.

The legal relationship between Canada and the United States in matters of joint water development is laid down in the Boundary Waters Treaty of 1909. The negotiations for this treaty started in 1906 arising out of the Niagara River power diversion and other problems.

General principles were formulated and an International Joint Commission was set up to apply those principles to matters regarding boundary waters which were in dispute. Thus the International Joint Commission is automatically implicated in any difference of opinion regarding such international rivers as the Columbia and the Kootenay.

The principles which were established left each country in full control of all waters within its own territory even though those waters in their natural channels would later flow across the boundary, but they permitted the other country to sue for loss sustained as a result of the action of the first country. This idea was incorporated into Article 2 of the Boundary Waters Treaty of 1909. At that time it represented the position taken by the United States in all prior discussions. The principle had been based upon a still broader principle expounded by Chief Justice Marshall of the Supreme Court of the United States in 1812:

"The jurisdiction of the nation within its own territory is exclusive and absolute. It is susceptible to no limitation not imposed by itself."

In current Canada-United States talks, Canada held that the principle incorporated in the Boundary Waters Treaty is applicable to the Columbia and that Canada has certain rights which call for the payment of downstream benefits if the upper Columbia is developed. Canada wished these downstream rights to be paid not in dollars but in electric power.

GENEVA TEST BAN NEGOTIATIONS PROPOSALS FOR CONSIDERATION

Mr. HUMPHREY. Mr. President, I wish to make a brief statement at this time; and I ask unanimous consent that I may proceed for 5 minutes to do so.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, at the time when the negotiations for an agreement on the discontinuance of nuclear tests recessed for a period of 3 weeks, from March 19 until April 13, the talks were stalled on several controversial issues. The most important of these was the procedure by which an inspection team could be sent to the site of an event which could be suspected of being a nuclear explosion. The position of the Soviet Union was that the seven-nation control commission should always vote whether an inspection should take place, and on such a vote the three nuclear powers—the United States, the United Kingdom, and the Soviet Union—should be unanimous. If the Soviet position were adopted, it would give each of the nuclear powers a veto over any on-site inspection. The United States could never accept such a position; and our negotiators in Geneva have insisted that no agreement can be reached so long as the Soviets demand a veto power.

The position of the United States has been that the decision to conduct an on-site inspection should be made by the administrator of the control organization, and that this decision must be based on technical criteria established in advance. The control organization could override the decision of the administrator, but only by a majority vote.

LIMITED TEST BAN PROPOSED AND REJECTED

When the representatives of the nuclear powers reconvened on April 13, the U.S. Ambassador introduced into the record of the conference a statement outlining the position of the United States, a position in which the United Kingdom concurred. Ambassador Wadsworth said, in essence, to the Soviet representative that the United States sought an agreement by which all nuclear weapons tests would be banned; but, in order to achieve such an agreement, the Soviet Union would have to modify its position on the veto question, on the composition of the control organization, on the staffing of the control posts, and on other aspects of the control system. Mr. Wadsworth also said the Soviet Union must be willing to discuss certain technical questions, such as improvements in the control system for the detection and identification of underground events, and the system that should be established for the detection of tests at

extremely high altitudes, that is those above 30 miles from the earth.

Ambassador Wadsworth also suggested to the Soviet Union that if the Soviets would not modify their position on the above questions, then the United States was prepared to consider an alternative plan. This plan would approach an agreement to ban nuclear weapons tests in stages, beginning with a ban on tests underwater and in the atmosphere. Tests underground and above 30 miles from the earth could continue until agreement was reached on the necessary controls. The merit of the latter alternative is that a ban on tests in the atmosphere and underwater would require a control system much less extensive than a total ban.

The Soviet Union was presented with a choice. Would the U.S.S.R. accept a total ban on nuclear weapons tests, with an adequate and effective control and inspection system; or would it accept, as a beginning, a limited ban for which the control system would not need to be as extensive?

PROPOSAL FOR A LIMITATION ON THE NUMBER OF INSPECTIONS

In a letter of April 25 to President Eisenhower, Premier Khrushchev intimated his preference between the alternatives offered. The Soviet leader said he thought the negotiations should continue to try to reach agreement for a ban on all nuclear weapons tests. In stating this choice, the Soviet spokesman suggested that the nuclear powers ought to consider the possibility of some limitation on the number of on-site inspections that could be conducted in a given area or country over a particular period of time. The Soviet Premier left the impression that such a limitation would not be subject to a veto. This is a suggestion that the British Prime Minister, Mr. Macmillan, evidently had introduced during his recent visit to Moscow. The suggestion is very similar to one I offered in a letter to the President on March 5.

In my letter to the President, I said:

> When one tries to visualize just how the inspection and control system would work in practice, the conclusion seems obvious that only a limited number of on-site inspections could take place. An event which the control posts are unable to identify could lead to an inspection, and this fundamental right would in itself act as a deterrent to a potential violator. If all tests were banned, obviously not every unidentified event could be inspected. All such events occurring in areas in which earthquakes do not usually occur would probably be inspected * * *. But inspections of unidentified events in earthquake areas would need to be on a spot-check basis. If a limit were placed on the number of inspections per year, for example, it would be necessary that the control organ never exhaust all of its inspections before the end of the period.
>
> Would not a limit on the number of inspections on the territory of each of the nuclear powers and in the areas in which tests might take place preserve the interests of the United States and at the same time clearly indicate to the Soviet Union that we would not, as Mr. Khrushchev maintains, be inspecting all mines, quarries, woods, ravines, and all the rest.

The President's reply to my letter was noncommittal. He merely indicated that the suggestions would be studied.

The concept of a limitation on the number of inspections is one which is both practical and safe. The United States has all along recognized the need for some limitation, but thus far the negotiations were not very specific as to what the limitation should be.

SOVIET DISTORTIONS OF UNITED STATES-UNITED KINGDOM POSITION

Before going into my suggestion further and before stating a supplementary proposal, it is important that the distortions in the Soviet position be noted. The Soviets contend that the United States has proposed an unlimited number of inspections. This, as I have pointed out, is not true. The United States has from the beginning advocated a limitation on the number of inspections. Furthermore, the fact that earthquakes normally do not occur in large parts of the Soviet Union is an additional reason why inspectors would not be roaming indiscriminately and frequently over the entire area of the U.S.S.R.

Another Soviet distortion is on the question of staffing of the control posts. Mr. Khrushchev has maintained that the United States has proposed staffing the posts only with foreigners, whereas the truth of the matter is that the United States has proposed that the staffing of the control posts consist generally of one-third of nationals of the country in which the post is located, one-third of personnel of the other two nuclear powers, and one-third from neutral countries. These outright distortions should be exposed and answered at once. Regrettably, this has not been done by our Government.

It is still difficult to determine whether the Soviet Union is willing to remove the obstacles that remain to agreement. However, Premier Khrushchev rightly states that "the most essential point of difference between us seems to be the question of sending inspection teams to explore the phenomena suspected to be nuclear explosions." Therefore, if the Geneva conference can reach agreement on this question, it could proceed to other questions which must be decided but which perhaps are not as difficult to solve as the matter of inspection teams.

DETERMINATION OF THE LIMITATION ON INSPECTION

On April 30, I submitted to the Secretary of State my views on the question of placing a ceiling on the number of inspections. I ask unanimous consent to have printed in the RECORD, following the text of my remarks, my letter to the Secretary of State.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUMPHREY. My proposal deals with the manner in which we might decide how many inspections ought to be undertaken during a particular period. As I stated in my letter to the Secretary of State:

> Obviously, too low a ceiling could cause the control organization to exhaust its inspection rights too early or to forego important inspections in an effort to save on-site inspection rights for further and later use.

It is my opinion that the basis for determining what the ceiling should be depends on technical and scientific data. The Soviet Union most likely will contend that the basis should be determined without any relationship to technical and scientific factors. The Soviets are likely to argue that we should just pick a figure, and that would be the number of inspections that could be carried out during the course of a year. Or the Soviets may suggest a very small figure for the number of inspections, anticipating that the United States will propose a much higher figure; then they would expect that the final figure would be somewhere in between, after prolonged argument and negotiation.

On this important question we should not pick figures out of a hat and have such figures determine for all time what the number of inspections can be.

The ceiling on the number of inspections ought to have some relationship to the number of events which the control posts cannot positively identify as natural in origin. But we do not know at this time what this figure will be, or even approximately what it will be. All we have at the present time—for example, in the case of earthquakes—is a theoretical estimate of how many earthquakes of a given size will occur, and, of these, a theorectical estimate of how many can be identified.

The conference of experts last summer estimated that the number of unidentified underground events worldwide of an equivalent yield of five kilotons and above would be 20 to 100. As a result of the Hardtack series, scientists estimated that this figure might go as high as 1,500 if no improvements were made in the control system. However, with improvements in the instrumentation at the control posts, the number of worldwide unidentified events of 5 kilotons or higher might be reduced by a factor of 5 or more. The number of worldwide underground unidentified events below an equivalent yield of 5 kilotons would presumably be much greater.

The proposal I put forth to the Secretary of State, therefore, is that the ceiling on the number of inspections should be fixed only after the control posts have been established and operating for a period of a year. With such a period of operation, we would then be in a position to have a better basis for determining what kind of a ceiling should be placed on the number of inspections.

In my letter to the Secretary of State I also suggested "that during the year in which the observation of signals would take place, some inspection should probably also take place in order to deter a potential violator." Such an agreed upon number of inspections must definitely be regarded as a temporary measure until a firmer basis is established for determining what the number of unidentified events may be.

IMPROVEMENTS IN CONTROL SYSTEM LEAD TO FEWER INSPECTIONS

It would be in the interests of all parties to any test ban treaty that there be as few inspections as possible, and for this purpose it is necessary to have the control posts as adequately equipped as present scientific knowledge permits. Therefore, we must insist that the Soviet Union discuss with the United States and the United Kingdom possible improvements in the control system. By its refusal to consider improvements in the system, the Soviet Union invites a larger number of inspections.

The improvements in the control system that are being recommended by the United States do not increase the number of manned control posts. They merely provide for improving the equipment at existing posts and for providing some additional instruments at unmanned posts. For this reason the Soviet attitude appears to be an unreasonable and completely illogical one.

I shall be interested in comments on my proposal. I hope that it will provoke discussion, and perhaps additional refinements or modifications.

SOVIET ABANDONMENT OF VETO A STEP FORWARD

The Soviet Union, in indicating its willingness to give up the veto on the dispatch of inspection teams, has taken a significant step which could bring us closer to agreement on a treaty. The Soviet move offers a real possibility that an effective agreement can be reached, for the problem of the veto has plagued the test ban conference from the beginning. Now that it appears to have been removed on this crucial question, the conference may go forward to try to deal with the other questions that remain. I am pleased that the Soviet Union has apparently finally accepted the futility of an agreement that includes a veto on questions of inspection. The Soviet reappraisal could have great impact not only on the present conference, but on any future arms control conferences that may follow.

EXHIBIT 1

APRIL 30, 1959.

HON. C. DOUGLAS DILLON,
Acting Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: Premier Khrushchev, in his letters to President Eisenhower and to Prime Minister Macmillan, rejected an alternative proposal of the United States for a staged discontinuance of nuclear weapons tests. He rejected specifically the suggestion that nuclear weapons tests be banned in the atmosphere and underwater and that the banning of tests in outer space and underground be reserved until later. The purpose of the United States in making this proposal was legitimate and justified; namely, that if the Soviet Union would not accept the necessary controls for a total ban on nuclear weapons tests, then the United States was prepared to accept a limited ban on which the controls necessary would not be as extensive.

The Soviet Premier, in rejecting the concept of a limited ban, indicated he was sympathetic to a suggestion by Prime Minister Macmillan that a ceiling be placed on the number of on-site inspections to occur in any given area or country over a specified period of time. While I have no information about the details of Prime Minister Macmillan's suggestion, it appears to be quite similar to one I proposed in my letter of March 5 to President Eisenhower.

In my letter to the President, I suggested that although a limit might be placed on the number of on-site inspections, a suspicious event in an aseismic (nonearthquake) area should probably always be subject to investigation. Inspections in seismic areas would have to be on a spot-check basis.

The purpose of this letter is to amplify somewhat on my previous suggestion, and to offer a supplementary proposal.

Our Government is not proposing that there be an unlimited number of on-site inspections. The Soviet Union is engaging in misleading propaganda when it suggests that such a position has been advocated by the Western nations. The United States and the United Kingdom have already suggested a limitation on the number of on-site inspections. I believe Ambassador Wadsworth has proposed that all unidentified events of a yield equivalent of 5 kilotons, and 20 percent of all unidentified events under 5 kilotons selected on a random basis be subject to inspection.

To have a ceiling on the number of inspections, however, it is necessary to agree on what the ceiling should be. Obviously, too low a ceiling could cause the control organization to exhaust its inspection rights too early or to forgo important inspections in an effort to save on-site inspection rights for further and later use.

The basis for determining the ceiling must be scientific and technical. The basis must be predicated on the number of earthquakes that occur annually within a particular region and also the number that cannot be identified as such by the control posts. It is my understanding, however, that our knowledge of the precise number of earthquakes that occur within a given period in a particular region is primarily theoretical and is based on mathematical calculations or in other words an extrapolation downward of what is known about the number of large earthquakes.

Furthermore, it appears we do not have precise information about the exact relationship of the size of an earthquake to the yield of a nuclear explosion. According to testimony before the Senate Disarmament Subcommittee this relationship depends to a great extent on the type of earth structure in which the explosion is detonated. Another factor that is also important is to what extent artifical methods could be used for the purpose of preventing the energy from an explosion from being registered adequately and clearly at seismograph stations located hundreds of miles away.

The above leads me to believe that if we are not to base the establishment of a ceiling for the number of inspections on theoretical considerations, then we must use actual observation as a basis. In order to use observation as a basis, the control posts must be established and functioning so they can begin to record the signals from earth movements, be they natural or artificial. Then after a certain period of time, perhaps a year, the control organization could determine approximately what the ceiling on inspections should be. Of course, even this degree of preliminary observation could not give us completely accurate statistics because the number of earthquakes varies from year to year. A limitation on the number of inspections would have to be high or flexible enough to take such a variation into account. The ceiling might consist of an absolute figure or a percentage. But at least a period of observation would give us a much better basis for determining a safe and technically meaningful ceiling than what we now have. Our present lack of data could lead to prolonged argument over conclusions based more on theoretical calculations than on empirical evidence.

My suggestion, therefore, is to have the ceiling on the number of inspections determined as a result of a period—such as a year—of observation of the recordings from the control posts after they have been installed, properly equipped, and staffed. In suggesting this proposal I would add that during the year in which the observation of signals would take place some inspections should probably also take place in order to deter a potential violator.

I am sure that all parties to a test ban agreement would agree that on-site inspections should only take place when they are absolutely necessary. Therefore, the control system should contain the improvements which appear called for as a result of the findings of the Hardtack Series.

I remain convinced that the three nuclear powers should continue their negotiations for an agreement on the discontinuance of nuclear weapons tests. This latest suggestion of mine is offered with the hope that it will contribute toward agreement.

Thank you for your consideration of my letter.

Sincerely,

HUBERT H. HUMPHREY.

THE FITS AND STARTS OF FOREIGN AID

Mr. HUMPHREY. Mr. President, there seems to be a unanimous view among supporters of the Development Loan Fund that U.S. credit should be made available on a long-term basis, rather than on an on-again-off-again, year-by-year basis. I have joined with the Senator from Arkansas [Mr. FULBRIGHT] in supporting a 5-year authorization for the Development Loan Fund of $1.5 billion a year.

In this connection, I ask unanimous consent that an article entitled "The Fits and Starts of Foreign Aid," by Harlan Cleveland, be printed in the body of the RECORD. This article appeared in the April 16, 1959, number of the Reporter.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE FITS AND STARTS OF FOREIGN AID

(By Harlan Cleveland)

The onset of the disease can be dated with accuracy. We took sick when the motivation of hope, on which an effective foreign aid program depends, was replaced by the motivation of fear on Saturday, June 24, 1950.

Up to that fateful day we were binding ourselves to both friends and neutrals with that extraordinarily successful venture in applied cooperation, the Marshall plan. President Truman had announced the point 4 program in 1949, and in the spring of 1950 Congress had passed the Act for International Development. Then the Russians struck at us through their North Korean puppets, and we stopped dead in our tracks.

Within a week or two, support for European recovery, for investment and technical assistance in Asia and Africa, for economic cooperation with our Latin American neighbors, even for the exchange of students and artists, had to be justified by reference to a new all-embracing criterion, expressed in the word "security." Now it was mutual security rather than economic cooperation. I well remember a winter afternoon when I sat with C. Tyler Wood (now an assistant to the Director of the International Cooperation Administration), searching for ways to explain the foreign aid budget in the new defense-conscious atmosphere. Before quitting time we had invented that confusing

but politically effective phrase, "defense support," to justify economic aid as a handmaiden of the military buildup in areas like South Korea, Formosa, and Vietnam.

In the years that followed, the foreign aid agency in its successive incarnations was progressively weakened by internal disorders: by the fever of Harold Stassen's patronage purge; by the chill of John Hollister's doubt that foreign aid belonged on the national agenda at all; by the failures in Egypt and Laos and the less-publicized troubles in a dozen other missions; by the gradual disenchantment of congressional friends and the unrelenting hostility of congressional foes.

But these things too have passed. The most acute symptoms are disappearing now, and convalescence can be said to have begun. The program's leadership is no longer preoccupied with presidential ambitions. Most appointments are no longer made in the shadow of the Republican National Committee, even though Chairman Meade Alcorn recently demonstrated enough power to veto the appointment of Henry Labouisse as Director of ICA for the sin of being registered as a Democrat in Mr. Alcorn's home State of Connecticut. And popular opinion is no longer so easily incited against giveaways.

But obvious dangers remain, two of which will be discussed here—the delusion about the value of local currency and the wild growth of operating agencies in the foreign-aid business.

When our aid programs began, they were strapped hand and foot by ancient prejudices about international finance. The pattern was rigid: We would either give aid outright, or we would make loans repayable in U.S. dollars (which are by custom denominated "hard," in spite of the effect on their adamantine quality of chronic inflation in the United States). There was no intermediate point between pure loans and straight grants.

The first attempt to fill this aid gap was a change in our historic policy of not accepting repayment of dollar loans in the currencies of the debtor countries. The change represented a victory within the Federal Government for those whose interest in selling agricultural surpluses exceeds their concern about the value of the coin in which they are paid. The device authorized by Public Law 480 was to lend foreign countries the money with which to buy our surpluses, and accept repayment in local currencies if necessary (which of course it will generally be).

Once the principle of local-currency lending was established, it was only a matter of time before such loans became a normal financial operation, instead of having to be smuggled through the U.S. Department of Agriculture. In a far-reaching move 2 years ago, the administration proposed and Congress approved a new semibank dedicated to the proposition that the underdeveloped world needs more and softer dollar loans, and that the repayments need not be collected in dollars since they will be reinvested in economic development anyway.

This Development Loan Fund, established by the Mutual Security Act of 1957, was originally intended as a long-term fund capitalized at $1 billion a year or more. But the promise was soon diluted by both Congress and the administration. The fund was reluctantly endowed with only $700 million in its first two annual appropriations, and received no authority to borrow for long-term projects from the Treasury. And the administration put in charge of the new Fund a businessman so unfamiliar with the new task that Under Secretary of State Douglas Dillon finally had to move in and take personal charge.

Nevertheless, the Development Loan Fund can readily come to be a notably flexible instrument for financing development. It can extend credits to entities other than governments—a departure from the practice of the more traditional banks and also from previous grant programs. Guaranties of repayment (by governments of the nations in which investments are made) are not necessarily required. The trouble with the new fund is its limited financing—and the resulting temptation, which its managers are doing little to resist, to treat each loan as a separate project, an end in itself, instead of thinking in broader terms of helping each country finance its whole development program.

GRUBSTAKE FOR SUNFED

Meanwhile the several international lending agencies have sprung into life with a variety of more flexible financial techniques. After some years of debate inside the U.S. Government, the Treasury decided that it would be harmless to allow an international finance corporation to be created for the purpose of investing in foreign equities and trying to lure overseas more of those private dollars that are said to be panting for a sojourn abroad. The International Monetary Fund, after a long period of minimal activity and expensive overhead, awakened to a somewhat broader interpretation of its mandate to help countries weather temporary balance-of-payments trouble. The International Bank for Reconstruction and Development, or World Bank, easily the most useful and best-administered instrument for economic development the postwar period has produced, built up its volume of lending cautiously but steadily, reaching into more and more unstable countries while maintaining the benevolent support of the most conservative financiers of Europe and the United States.

These three Washington agencies are all vaguely under the jurisdiction of the United Nations, but many of the underdeveloped countries do not feel they have an adequate voice in their management. Moreover, they all deal in hard money, and they rather expect to be repaid, at near commercial rates of interest. At the U.N. headquarters up in New York, therefore, the support of the newly developing nations was meanwhile coalescing around a soft money proposal called SUNFED—the Special United Nations Fund for Economic Development. The original proposal was patently a "debtors' special." Its Board would be dominated by recipient nations, it did not provide for a strong executive director (unlike the World Bank, which is run by President Eugene Black and his staff, not by its Board), and it would be dependent on annual contributions by its members, like an international community chest.

For several years the United States opposed this scheme, fearing its control by the recipients and arguing that a really big economic development program should await the conclusion of an international disarmament agreement. But a year ago, a watered-down version of the SUNFED proposal was passed by the U.N. General Assembly. It set up a special projects Fund to provide "systematic and sustained assistance in the fields essential to the integrated technical, economic, and social development of less developed countries." However, the General Assembly set the target for initial contributions so low—around $100 million—that the Fund seems unlikely to make a significant contribution to these high purposes for the time being. Most of the past year, in fact, has been consumed by the process of collecting from participating nations enough of a grubstake with which to commence operations. The special Fund's first managing director, former Marshall Plan Administrator Paul G. Hoffman, has been able to get only about $25 million to work with so far.

The waxing enthusiasm for more flexible investment banks is certainly a sign of health. But it is creating its own problems. Now that we have crossed the divide that separates dollar lending from local-currency lending, we are in some danger of deluding ourselves about the usefulness of the local currencies our various public banks and funds will be accumulating.

It is safe to assume that nearly all the countries needing soft loans repayable in local currency will already be stretching their resources to the limit, or beyond, in the almighty name of economic development. Most of their governments will be establishing command over as large a proportion of their own resources as underdeveloped tax systems and precarious political credit will allow. In most cases, therefore, the local-currency repayments will in no sense make additional resources available for economic development. At best, U.S. control of these resources will give some Americans the opportunity to influence the direction of public investment, rather than the volume of resources devoted to it.

Put yourself in the place of the Minister of Finance in Sarkhan, which has received a U.S. local-currency loan and is starting to repay it. You know that if you push the economy any harder, you will endanger your whole 5-year plan—and incidentally your own political neck—by generating too much inflationary pressure. You are, therefore, quite willing to pay up (never let it be said that little Sarkhan doesn't fulfill its solemn international obligations), but you are equally unwilling to have the resulting payment used by the United States for any purpose that will represent a net increase in your Government's use of resources. Thus you are forced to suggest to the United States that it allocate these funds to Government expenditures that are already budgeted in the plan, or use them to retire part of your public debt, or in some other way effectively sterilize them. If the funds are used for net new investment, not already taken into account in your careful planning for what Harvard professor and former Government economic adviser Lincoln Gordon once called the proper degree of flation, you must insist on offsetting the income created by that investment with new imports, presumably financed with new loans or grants from the United States.

In short, the United States can look forward to effective use of the local-currency repayments of its development loans only if it simultaneously sweetens the pot with more American dollar aid for development. Under most of the given conditions, the local currency in question is merely money, and should not be mistaken for real resources. It may look good on the books of the U.S. Treasury. But in terms of paying for more development, most of it won't be worth a continental.

What it will buy, of course, is the right to participate with the less developed country in making decisions about the allocation of that country's resources. The presence of a local-currency account that could conceivably be used to add to the pressure on resources is a sword of Damocles over the central bankers and central planning authorities of any nation. The U.S. or U.N. agency that can decide to sterilize or to use these funds is inevitably a powerful participant in the budgetary and planning processes of the developing nation. The kinds of decisions involved—decisions about the size of a nation's army, the direction of its agricultural development, the priority of need between a community development program and a shiny new cold-strip rolling mill—are the very stuff of national sovereignty. Whatever external agency has a say in decisions like these is bound to take a deep interest in the internal politics of the recipient nation.

TOO MANY COOKS

The question, then, is not whether we shall participate in the developing nations' decisions about their own economic policies. The question is whether we are using our

gigantic strength in the most effective way to promote economic growth associated with the development of freer political institutions. The present answer is all too clearly "No." And the reason for our frequent ineffectiveness is also clear: we are retarding and complicating the process of economic development by the very manner in which we go about aiding it. Bluntly put, the trouble is that oldest obstacle to organized human endeavor, too many cooks.

Gazing out at the world from our charmingly pluralistic society, we see no particular damage in setting up a new agency every time we get a new idea about how to finance public investment abroad or want to start a new program of technical assistance. As things now stand, the leaders of an underdeveloped country will normally deal with a minimum of 16 and often with more than 20 different agencies purveying various kinds of assistance to their development plan. In our enthusiasm for modernizing every economy we can reach, we have tended to close our eyes to the administrative burden we place on the governments of the less developed countries by multiplying the independent agencies we create to help them. Perhaps it is time to take stock.

On a visit to Indonesia a year ago, I had occasion to examine this matter in some detail. Here is a nation with which we have no military entanglements, and a rather minor program of economic and technical assistance. There are, nevertheless, nine different agencies in the technical-assistance business alone, and the International Cooperation Administration is only one of them. The Indonesians also must deal with at least four public investment agencies, two from the U.S. Government and two in the United Nations galaxy. When the U.N. special fund is set up and running, Indonesia will certainly be one of its clients. And when the Indonesians want our agricultural surpluses, they find themselves dealing with the U.S. Department of Agriculture. In addition, the Ford Foundation also has a substantial technical-aid effort in Indonesia.

That makes 16 agencies. To complete the list you would have to add technical aid from the Colombo plan, plus bilateral investment and technical-aid relationships with the Dutch, the British, the Germans, and the Russians, among others. If you moved farther west to Pakistan or Iran, you could add to this complex picture a large U.S. military-aid program. Nor does this inventory include the private philanthropies other than Ford or the myriad semiprivate agencies that use dollars to perform services of various kinds for foreign governments. Those now number in the hundreds; the private companies and universities under contract with ICA alone involve an overseas staff that is very nearly as large as ICA's own foreign establishment.

I would not want to imply that there is no cooperation among these agencies in the field. A really underdeveloped nation can hardly be expected to have more than one good bar in its capital city, and much informal exchange of information is accomplished there among agency representatives whose responsible lines of command run 10,000 miles back to Washington, New York, Paris, Geneva, Rome, San Francisco, and to nearly every university town in the United States.

But by and large, it is up to the government receiving the aid to coordinate the aiders. Governments that are far from able to manage the effective use of their own resources—governments that are, in fact, receiving advice on public administration from several technical-assistance agencies because of this very inability—these governments are expected to mold into an integrated program the knowledge, skills, prejudices, and weaknesses of hundreds of foreigners, most of whom are ignorant of the history, the politics, or even the language of the country whose domestic policies they are influencing.

The situation is getting worse, not better. In most countries, the number of Americans and U.N. agency advisers is almost certainly increasing more rapidly than the local government's capacity to cope with them. The time for consolidation of these efforts is already overdue.

TWO STEPS TO COHERENCE

What is required is a two-step consolidation in the field: to pull together the American agencies and to rationalize as a single operation the technical-assistance and investment-financing activities of the United Nations.

At present the United States has the Export-Import Bank for hard loans, the Development Loan Fund for soft loans, and the regular ICA organization for grants and technical assistance. There is no reason why these several operations should not be administered as different windows of the same financial institutions. Indeed, since Under Secretary of State Dillon was appointed coordinator of the mutual security program, there has been a notable improvement in the degree to which the U.S. agencies have been acting as though they were part of the same government. What is now needed is a sufficient delegation of programing responsibility to enable the ICA mission chiefs to use the whole range of U.S. financial instruments to further the purposes of general U.S. policy in each country. Of course this would mean abandoning the cherished ideal that every loan, hard or soft, should relate to a project which is separately justifiable on pseudoeconomic grounds.

Such a policy would also require mission chiefs to be men of self-confidence and initiative, able to handle the increased responsibilities and manage the greater complexities that this kind of consolidation would involve. ICA has had a good many such men in its foreign service, but the ICA staff in Washington would be the first to agree that ICA's present structure, with its overcentralized project procedure and its frequent and lengthy Washington clearances, does not encourage enough men of top executive ability to gravitate toward field work with the organization.

Nor is it enough for the ICA to do its own job effectively. The purpose of economic and technical assistance and foreign lending is not merely to promote economic development in general; it is to assist in the development of free political institutions that are increasingly effective. We don't simply want other countries to have higher rates of economic growth regardless of their political institutions; we want to be able to live with them as friends in a viable world order.

Most ICA overseas personnel will tell you that this, the political aspect of the American Government's overseas operations, is the Embassy's job. In part it is. But the problem is to tie the economic aid instrument more closely to the foreign policy purposes this instrument is supposed to serve. It cannot be done with mimeographed position papers handed down by planners in the State Department; it can be done effectively only in the field, country by country. It requires Ambassadors who are experienced public executives, who know what the economic people are doing and are not afraid of the executive responsibility for supervising them. It also requires mission chiefs who are competent and who are encouraged to interest themselves in the political as well as the statistical effect of the foreign aid program; the ultimate judgment on their success will be measured not in economic indexes but in the building of durable and relevant institutions.

Changes in structure are also in order in the international field. The case for an international development authority is not our need for one more agency with one more financial gimmick to offer to an already bewildered world. What is needed is an agency that can put all the U.N.'s programs of technical aid and investment to work in tackling problems the way they actually arise in the real world of economic development—that is to say, by countries and regions, not by functions like mosquito control, rice production, elementary schools, hard loans, soft loans.

What happens now is that the Secretariat of the United Nations endeavors rather ineffectually to tie together the threads of the development programs of a half-dozen specialized agencies. But these ultrasovereign bodies, dealing separately with health, food and agriculture, education and culture, labor, civil aviation, children, and money, are still much too jealous of their independence to permit a mere committee in the Secretary General's office to enforce the "country program" approach.

It should be made clear that the abolition of the FAO, WHO, UNICEF, ILO, UNESCO, and UNTAA is not proposed here. These organizations perform extremely useful functions that are related only tangentially to their technical-aid operations. As research centers and promoters of scientific collaboration on a worldwide basis, they have more than fulfilled the promise of those wartime conferences at which most of them were conceived. Technical specialists operating on behalf of an International Development Authority could still have a functional line of communication back to world centers of international research in agriculture, health, child welfare, education, and other specialties. But the field work should be organized by countries, so that agronomists, doctors and nurses, social workers, teachers, and other experts will be pooling their efforts in a rational plan administered in each country by a mission that will include them all, headed by a mission chief for international development to whom all the different kinds of U.N. technicians operating in that country will be administratively responsible.

What about the relation between a centralized U.S. agency and a centralized U.N. agency? Not all U.S. aid can be channeled through international agencies. There will always be situations where U.S. security suggests or even dictates a bilateral program: "defense support countries" such as South Korea, Formosa, and South Vietnam are obvious examples. But for most of the area from Indonesia to Morocco, the need is urgent to create a consolidated system of internationally sponsored aid, administered by one agency instead of a dozen.

An International Development Authority with enough funds for massive aid to economic development would also provide a base from which to launch regional experiments in economic cooperation. There is a strong case for a regional approach of some kind in the whole of the underdeveloped world. The Latin Americans have already begun to create institutions for direct cooperation with the United States through the Organization of American States. The Middle East lends itself to the creation of a development authority that can put to work, for regional economic growth, the vast oil profits of some of the Arab nations. The development of Southeast Asia can be rapidly advanced if Indian political leadership and Japanese industrial capacity can be married in a regional institution. In Africa the weak emerging nations will also need international attention to the gap between their expectations of economic advance and the poverty of their financial and administrative wherewithal.

In all regions, except Latin America (where an effective international agency is already in the field), an International Development Authority could, more effectively than the U.S. Government, raise the crucial questions, bring the interested parties together, provide the initial outside capital, and furnish temporary administrators to get regional projects moving.

Foreign aid is not the road to popularity, so let us not delude ourselves that by working increasingly through international organizations we are frittering away a valuable public-relations asset. A story is told in India about a rich Bengali who was informed that a friend of his really hated him. "I don't know why that man should hate me," he said. "I've never helped him in my life." We are not so fortunate. But we do have the option of operating so as to convince the nations that, when it comes to economic development, we are dependable, long-term friends, willing to work with them as equals in tackling the most exciting tasks of our time.

ONE HUNDRED AND SIXTY-EIGHTH ANNIVERSARY OF ADOPTION OF POLAND'S CONSTITUTION

Mr. JAVITS. Mr. President, Sunday, May 3, marked Poland's Constitution Day, the 168th anniversary commemoration of an event close to the hearts of freedom-loving Poles and those of Polish descent living everywhere. In 1791 Poland enacted one of the first democratic constitutions in Europe. Since that time much Polish blood has been shed in defense of its national freedom established 168 years ago.

Poland has lost and regained, and lost and regained again, its independence in the intervening years. Polish territory has been taken by the monarchical empires of Prussia, Austria, and Russia, and the dictatorial empires of Nazi Germany and the Communist Soviet Union.

Poland's lands have often been laid waste by invaders, its people slaughtered or taken into enslavement, its resources looted, and its citizens governed by a ruler not of their asking. This is a day to remember that the flame of the Polish spirit for freedom burns stubbornly and brightly.

SUPPORT INCREASES FOR OREGON DUNES NATIONAL SEASHORE AREA

Mr. NEUBERGER. Mr. President, recent developments in my home State of Oregon reflect broadening of interest and support for saving the shorelines of America for future park and recreational use. More and more responsible individuals realize that population pressures of the next two decades will tax our every resource for park development. They recognize that now is the time to plan for the future, by setting aside areas of superior usefulness and unique scenic attraction before their value is eroded through commercial exploitation.

I have introduced S. 1526 to establish the Oregon Dunes National Seashore Area along a 23-mile section of the Oregon seacoast. Much of this proposed park development lies within Lane County. I am deeply gratified by recent action of the Lane County Parks and Recreation Commission in support of the project. Dr. Karl W. Onthank of Eugene, a nationally known conservationist and educator, has been delegated by the commission to draft a resolution in favor of the Oregon Dunes proposal.

I ask unanimous consent, Mr. President, to include in the RECORD with my remarks a newspaper report of the Lane County Commission's action, and three editorials from outstanding Oregon newspapers which also support the Oregon Dunes National Seashore Area. These newspapers are the Oregon Daily Journal of Portland, the Oregon Daily Statesman of Salem, and the Eugene Register-Guard of Eugene, Oreg. I am grateful for their support and encouragement in this national seashore enterprise.

There being no objection, the article and editorials were ordered to be printed in the RECORD, as follows:

[From the Register-Guard, May 1, 1959]

LANE PARKS GROUP BACKS DUNES PLAN

The Lane County Parks and Recreation Commission threw its support Thursday night behind a proposal for creation of an Oregon Dunes national seashore south of Florence.

The commission also took action commending Lane County agencies now working toward acquisition of land for a park along the north shore of the Willamette River between Eugene and Springfield. The commission urged early action to acquire the land needed to make the park a reality.

On the seashore issue, the commission instructed member Karl Onthank, Eugene, to draft a resolution supporting the move. Thus, the commission is in favor of pending legislation that would set the area aside as a national seashore under administration of the National Park Service.

Superintendent Gene Renard said Friday that the commission took the action "recognizing that boundaries will be established following a thorough study and recognizing the possibility of relief from tax base loss in the area through Federal payments in lieu of taxes."

[From the Oregon Statesman, May 4, 1959]

NEEDED: A UNITED FRONT

Now that the sand has settled a bit on the proposal for a national seashore near Florence, a reappraisal is in order.

The most vocal opponents of the present plan to set aside over 30,000 acres of sand dunes and coastal lakes, plus the Sea Lion Caves, have been the "Vine Maple Savages" who also bear the more formal title of Western Lane County Taxpayers Association. They estimate that 600 persons would be displaced by the proposed seashore. After attracting attention by suggesting a Frog Bog National Park on the Columbia River at Portland, they center their opposition around eventual loss of homes and taxable lands which support local schools, hospital, fire, and port districts."

Editorial opinion over the western part of the State generally is favorable, with the Medford, Albany, and Reedsport papers pointing out that increased property valuations in the adjacent areas will more than compensate for tax losses as the park draws more tourists. The Coos Bay World, approving the idea in principle, says a bountiful water supply under the dunes might attract industry. Industry is not incompatible with a park. There is a flourishing uranium mine on the south rim of the Grand Canyon National Park, for instance, but it is hardly noticed by the tourists.

The advisory board on national parks favors the Oregon seashore project which is being promoted in Washington, D.C., by Senator NEUBERGER.

Governor Hatfield's office has assumed the role of investigator. Despite the divergent viewpoints presented, all the elements for a peaceful compromise are present. The Vine Maple Savages don't oppose the park, they just oppose undue absorption of private lands. Most of the private lands, such as much of the development along Highway 101, are not needed for recreational use. The Governor's office has a real opportunity, in its study, to point out a middle way. It should do so soon, so Oregon can present a united front in campaigning for a project which will bring much favorable attention and many tourist dollars to the State.

[From the Register-Guard, May 3, 1959]

PARK IMPACT

Some who object to the proposal that a National Park Service preserve be established south of Florence object because of what to them seem to be economic reasons. Figures on the economy of communities around the Great Smoky Mountains National Park should be of interest. That park on the Tennessee-North Carolina border, is much bigger than the proposed sand dunes area and it is much closer to the population centers. But in one important respect it is similar. No tourist facilities are operated by the park. Lodgings, meals, souvenirs, etc., are sold on the park boundaries by private operators.

Since 1947 traffic on North Carolina highways has increased 88 percent. But in the Great Smokies, traffic increased 140 percent. In 1956, 1,559,703 people entered the park. Of these, 87 percent were on pleasure trips. They spent more than $26 million that year in the immediate park area. Some were 1-day visitors; others stayed overnight, either at private accommodations on the park fringe or at camps inside the park.

Since creation of the park, the report of the two States' highway commissions asserts, the tourist business has become the economic backbone of the area. Resources are not depleted. The money that is spent there is money made elsewhere.

The two States look forward to an even bigger volume in future years. More than 4 million visitors are expected annually by 1966. In the park area itself, the park has proved popular with the natives who see the wisdom in that old slogan of southern hospitality: "A tourist is worth two bales of cotton, and he's twice as easy to pick."

[From the Oregon Journal, May 2, 1959]

NOTHING SINISTER ABOUT THEM

From the description of the actions of National Park Service workers given by John S. Parker, of Florence, in his letter in today's "The People Speak" column, one would almost conclude they are a sinister lot engaged in cloak-and-dagger stuff against the people's best interests.

To those of us who know the Park Service people involved in the sand dunes study, this is hard to swallow.

It is true, as Parker suggests, that the Park Service survey team did its work quietly, but that is because this was only a preliminary study. The men spent little time "looking over our homes and possessions." (Parker makes them sound almost like peeping toms.) They have made no appraisals of property. They were mainly concerned with looking at what nature had put there. As the Journal has said before, everything about the proposal to make the dunes strip between Florence and Reedsport a national seashore recreation area is tentative. The boundaries are not fixed. They might, after negotiation with local interests, exclude the homes and farms which Parker discusses. They will not necessarily include Oregon's Jessie M. Honeyman State Park.

The Park Service has held two public meetings with people of the area. The legislative process will involve public hearings in which local people will have full opportunity to express their views. Acquisition of the land will be spread over a long period of time. Even if homes are included in the

park area, the owners will be permitted to live their lives out in them.

The history of the National Park Service has been that every new park encounters local opposition. It also has been proved that every new park brings more in the way of financial support to an area than it takes away.

If the Federal Government establishes a national seashore park on the Oregon dunes, it will be less a matter of taking something from us than giving something to us. We ought to be proud that we possess something which is worth preserving for the national welfare.

EIGHTY-THIRD BIRTHDAY ANNIVERSARY OF SENATOR MURRAY OF MONTANA

Mr. NEUBERGER. Mr. President, on May 2 a great American celebrated his 83d birthday—JAMES E. MURRAY, the senior Senator from Montana, beloved in his State and in the Nation.

It was my privilege to attend a dinner given in his honor by his sons and friends. Sharing the tributes, along with Senator MURRAY, was his former Senate associate and longtime bosom companion, Harry S. Truman, illustrious ex-President of the United States. Harry Truman stayed for the entire evening and he said to those present:

> JIM MURRAY is a real man, a real Senator, a real American and a real friend. He has never let down his country, his family, or his friends. I shall always treasure my friendship with JIM MURRAY.

Mr. President, I feel that way, too. I serve on the Senate Committee on Interior and Insular Affairs under JIM MURRAY's leadership. He is devoted to the West, to conservation and to the development of America. I salute him on his 83d birthday anniversary, and I wish for him all possible happiness during all the years ahead.

I have never heard Senator MURRAY say a mean or unkind word about a fellow human being, and I feel sure that all his colleagues in the Senate share the high regard which I have expressed for him.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. NEUBERGER. I am happy to yield to the junior Senator from Montana, who shares my regard for the senior Senator from Montana.

Mr. MANSFIELD. Mr. President, I wish to be associated with the remarks of the Senator from Oregon, because I have great love, great affection, and a great respect for my senior colleague. I know he has made outstanding contributions not only to the welfare of the State of Montana and the people whom he has so ably represented for so many years, but also for the people of the Nation as a whole and for the free world as well. I believe Montana and the Nation are indeed fortunate to have representing them a man of the caliber, integrity, and ability of Senator JAMES E. MURRAY. I salute my senior colleague and wish him many years of health, happiness, and continued representation of Montana in the Senate of the United States.

Mr. NEUBERGER. I thank the Senator. I wish to say that the State of Montana is fortunate indeed to have two such able Senators in this body.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield to the senior Senator from Oregon.

Mr. MORSE. I wish to associate myself with the remarks of my junior colleague in honor of the senior Senator from Montana, JIM MURRAY. He is one of the great liberals in the history of the Senate. He has been a source of great inspiration to me. He is a man who in my judgment meets the definition of a statesman.

Mr. NEUBERGER. I thank the senior Senator from Oregon.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield to the distinguished Senator from Tennessee.

Mr. KEFAUVER. I wish to take this opportunity to join with my other colleagues in paying tribute to the life, work and character of one of the great Members of the Senate. I have known Senator MURRAY since I first became a Member of the House of Representatives. He has always fought for the people, as he viewed the situation, without regard to whether his position was popular or unpopular. We wish him many more useful years as a Member of the Senate.

Mr. NEUBERGER. I thank the Senator from Tennessee.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield to the Senator from Illinois.

Mr. DOUGLAS. I wish to join the junior Senator from Oregon and my other colleagues in praise of Senator MURRAY of Montana. Senator MURRAY has steadfastly stood not merely for the interests of the West and for the conservation of the Nation's resources, but also for the rights and duties of working men and women everywhere. He has been faithful to the cause under discouragement as well as in periods of encouragement. I am glad that his life and activities are now beginning to receive at least a small share of the credit which is rightfully his.

Mr. NEUBERGER. I thank the senior Senator from Illinois. No Senator is more qualified to pass upon conservation programs than is the Senator from Illinois.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. NEUBERGER. I am happy to yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I should like to join with my colleagues in extending a very happy birthday greeting to the distinguished Senator from Montana [Mr. MURRAY], Senator MURRAY has been one of my closest personal friends during my service in the Senate, and was even before I was privileged to serve in this body. He has been and is today a great liberal, progressive citizen, who has extended his hand and his great talents to every worthy liberal and progressive cause. He has worked with dedication and devotion for the interests of our great Nation, for the security of our country, and for responsible international cooperation.

I suppose we shall always remember Senator MURRAY most for his sponsorship and his great work with regard to the Full Employment Act of 1946, as well as his tremendous efforts in the preservation and conservation of our great natural resources and the development of our regional river valley systems for purposes of irrigation, reclamation, power, and navigation.

I salute Senator MURRAY on his birthday anniversary, and wish him many, many more anniversaries, and many more years of good health and happiness.

Mr. NEUBERGER. I thank the Senator from Minnesota. I wish to add that the cosponsorship of Senator MURRAY, with the Senator from Minnesota, of the wilderness bill will also be one of his laurels to be remembered.

Mr. GORE. Mr. President, in the fall of 1957 it was my honor as chairman of the Roads Subcommittee of the Committee on Public Works to hold a hearing at Missoula, Mont., on forest access roads.

The warm, sincere interest Senator MURRAY has always had in the conservation and development of both the human and natural resources of our Nation has always been recognized by all in the Senate who know him.

The "Program for the National Forests" represents, in reality, another achievement for JIM MURRAY. He has blazed the trail clearly so that the path to be taken is plain. His interest is national as his recognition is broad.

Tennessee, like all the other States with national forests, appreciates the nonpartisan leadership that Senator MURRAY has given to the conservation needs of our Nation.

Senator MURRAY's interest made it possible for me to see with my own eyes the vast national forest acreage of the West which lies awaiting the constructive application of conservation principles.

On April 30 the majority leader, Mr. JOHNSON, speaking of the Senator from Montana [Mr. MURRAY], described him as "one of our most beloved men." This reputation has been well earned because he knows so well the aspirations of our people.

There has come to my attention an editorial on national forest development which appeared in the April 17 issue of the Great Falls, Mont., Tribune. I ask unanimous consent that this editorial be printed in the RECORD at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MORE FOREST DEVELOPMENT FUNDS WILL SPARK MONTANA GROWTH

Based on the current rate of growth, the Census Bureau figures this country's population will reach 260 million by 1980, an increase of 84 million over today's total. Its estimate for the turn of the century is 350 million.

Increased population will bring problems of congestion and heavy demands on fuels, water, and other resources. Water shortage, already a vital growth handicap in many heavy population areas, will be a matter of increasing importance. The Population Reference Bureau says that "the generally

hot, dry States of California, Arizona, New Mexico, Nevada, and Utah, may someday be forced to restrict the inflow of new industry and residents to conserve water."

This strongly emphasizes the significance of the report of Secretary of Agriculture Benson entitled "Program for National Forests," recently submitted to Congress.

This report, which relates directly to Montana's vast forest domain and that of neighboring States, is the result of a 2-year study by the Forest Service. It calls for speeding up conservation work and extensive development of the country's 148 national forests. Eighty-seven percent of this forest land is located in the Western States.

The Forest Service received net increases of $128,200,000 in the Interior appropriation bill recently passed by the House of Representatives. It should not be overlooked that this is a productive investment rather than a drain on the public purse. The National Forest Service customarily takes in more than it receives from the Treasury.

"The Program for National Forests" calls for development of 10,000 new campgrounds and picnic areas. Reclassification of primitive areas would be speeded up and access-road building increased.

This program merits careful study and strong support.

CANADA GIVING ACTIVE CONSIDERATION TO COOPERATIVE EFFORT TO PAVE ALASKA HIGHWAY

Mr. NEUBERGER. Mr. President, earlier this year I introduced in the Senate a bill, S. 1125, to authorize appropriations for paving the Alaska Highway and the Haines Cutoff in Canada in cooperation with the Canadian Government. I was joined in sponsoring this legislation by a bipartisan group of outstanding Senators who share my belief that our new State of Alaska should be tied to 48 of the other States by an all-weather hard-surfaced highway.

Because such a project would require the consent and assistance of the Government of Canada, it is of course imperative that we seek to learn the views of our neighbors to the north on this question. For this reason, in the summer of 1958 I wrote to President Eisenhower urging that he discuss at the Ottawa Conference the prospect of a cooperative effort to improve the Alaska Highway for the benefit of both nations. The White House later informed me that the matter was broached during this meeting between President Eisenhower and Prime Minister Diefenbaker in July 1958. The Prime Minister stated in the House of Commons of the Canadian Parliament a few weeks ago that paving of the highway in Canada on a cost-sharing basis was reviewed informally at the Conference by then Secretary of State John Foster Dulles and the Canadian Minister of Northern Affairs and National Resources.

In view of the fact that sound and orderly consideration of S. 1125 is dependent upon knowledge of the Canadian position with respect to the project, I and 11 other supporters of this bill recently sent to Secretary of State Christian Herter a letter requesting that the Department of State actively seek to determine the official attitude of the Government of Canada regarding the proposal. The reply by the State Department was received by my office late last week.

In a letter signed by Assistant Secretary of State William B. Macomber, Jr., the State Department reported that our Embassy in Ottawa has called S. 1125 to the attention of the Canadian Government and that the measure is reportedly now under active consideration in Ottawa. I am most encouraged by this news. It is my hope that Prime Minister Diefenbaker's government will soon supply the United States with an official statement regarding the Canadian position on this project which would so benefit both nations.

Because of the interest of many Members of the Senate, the press and the public in this proposed legislation, I ask unanimous consent that the text of the letter to Mr. Herter and the State Department response be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

APRIL 17, 1959.

Hon. CHRISTIAN A. HERTER,
Acting Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: Undoubtedly you are aware of S. 1125, a bill introduced on February 19, 1959, by the undersigned Senators, to provide for mutual participation by the United States and Canada in hard-surfacing the Alaska Highway in Canada.

The bill calls for equal sharing of the costs by the two nations. Naturally, we as Senators are not authorized to negotiate with a sovereign country like Canada as to its position in this matter. However, we feel that effective consideration of the bill might be greatly facilitated if the State Department could open negotiations with the Canadian Government, seeking to learn its attitude toward such a proposal on our part.

S. 1125 would authorize appropriations from the U.S. Treasury of $11 million a year for 6 fiscal years beginning with fiscal year 1961 for expenditure on improvement of the Alaska Highway and the Haines Cutoff in Canada, on the condition that Canada participate equally in the program. Under the provisions of the bill, the international agreement to undertake this project would include assurances from the Canadian Government that it would provide year-round maintenance of the highway after its completion and make it accessible on free and nondiscriminatory terms to U.S. traffic.

The theory of Canada's sharing of costs is of course justified by the fact that this all-weather, paved route would result in immense benefits to Canada through furnishing a hard-surfaced highway route into the fastnesses of the Yukon and northern British Columbia, where minerals and timber abound.

We feel that such legislation as S. 1125 is essential to the development of our new 49th State of Alaska, which needs adequate highway connections with the rest of the United States. However, sound and orderly considerations of S. 1125 depends upon some awareness and knowledge of the position of Canada in the matter. This can be determined only by the Department of State, and we are trustful that the matter will have the early attention of yourself and others associated with you in conducting our diplomatic relations with Canada.

Respectfully,

GORDON ALLOTT, FRANK CHURCH, SPESSARD L. HOLLAND, THOMAS H. KUCHEL, GALE W. MCGEE, JAMES E. MURRAY, E. L. BARTLETT, ERNEST GRUENING, JOHN F. KENNEDY, MIKE MANSFIELD, WAYNE MORSE, RICHARD L. NEUBERGER, U.S. Senators.

DEPARTMENT OF STATE,
Washington, April 29, 1959.

Hon. RICHARD L. NEUBERGER,
U.S. Senate.

DEAR SENATOR NEUBERGER: I refer to your letter of April 20, 1959, to Secretary Herter, which was also signed by 11 other Senators, in which you expressed your interest in mutual participation by the United States and Canada in hard-surfacing the Alaska Highway in Canada as envisioned by S. 1125; a bill which you and these senatorial colleagues introduced on February 19, 1959. In your letter you ask that the Department ascertain the position of Canada with regard to this matter in order that sound and orderly consideration may be given to this legislation in the U.S. Senate.

The Department is fully aware of the importance which is attached to this project in the Pacific Northwest and elsewhere and consequently noted the introduction of this measure in the 86th Congress with considerable interest.

I am glad to inform you that our Embassy at Ottawa was instructed some time ago to call S. 1125 to the attention of the Canadian Government and to inquire as to official Canadian views with regard to it.

The Embassy has advised us recently that this matter is known to be under active consideration by the Canadian Government but there is no indication as to when the Canadian reply will be forthcoming. I have sent copies of your letter to the Embassy at Ottawa with the request that the attention of the appropriate Canadian officials be called to this strong expression of your interest in this legislation.

I am sending similar letters to the other signers of the letter under acknowledgment and I shall advise you of Canadian views on this matter as soon as possible.

Sincerely yours,

WILLIAM B. MACOMBER, JR.,
Assistant Secretary.

MAJOR DEFICIENCIES IN THE LABOR REFORM BILL

Mr. GOLDWATER. Mr. President, a few days ago, on the occasion of the passage by the Senate of S. 1555, the so-called labor reform bill, I stood in my place on this floor and explained why I would vote against passage of the measure. At that time I think I used the words that it was an immeasurably better bill than the one reported by the committee, by reason of having some 65 amendments added to it as it passed through the process of consideration. I said further that I felt, in spite of its being a better bill, it was still totally inadequate in three important fields in which the McClellan committee had recommended legislation; namely, the fields of secondary boycott, blackmail or recognition picketing, and the noman's land of States rights.

Mr. President, upon examination of the final bill I find other glaring weaknesses. My staff has prepared a study of the major deficiencies in the labor reform bill. I shall give one short example of this interesting document.

Title I, the bill of rights, section 101, gives to the union member the right to sue, but let us see what will happen.

The right of union members to sue the union or its officers in any forum, judicial or administrative, is conditioned upon a prior exhaustion of internal union procedures which do not take more than 6 months to complete. The 6-month time limit effectively stymies

any NLRB action by a member against his union, for the simple reason that the Taft-Hartley Act imposes a 6-month statute of limitations on unfair labor practice charges. Thus, any union can meet the requirements of the bill by making its internal hearing procedures last for 6 months, by which time it would be too late for the union member to file his charge with the NLRB, as the statute of limitations would have simultaneously expired.

Mr. President, this is only one example of many I have set forth in the study, and I ask unanimous consent that the document be printed at this point in the RECORD, along with some editorials and newspaper comments as to the shortcomings of the bill I have just discussed.

There being no objection, the study and editorials were ordered to be printed in the RECORD, as follows:

MAJOR DEFICIENCIES IN THE LABOR REFORM BILL (S. 1555) WHICH WAS ADOPTED BY THE SENATE ON APRIL 25, 1959

TITLE I—BILL OF RIGHTS (SEC. 101)

A. The equal rights granted to union members are limited to a few specific rights instead of a broad grant of equality with respect to all union affairs, and even these few rights may be curtailed or even denied under the rules and regulations of the union.

B. Freedom of speech and assembly seem to be limited to communication within the union—it would appear, for example, that a letter by a union member to a newspaper, critical of the union or its officers, would not be protected under this guarantee. And even these limited and inadequate rights are subject to further limitation, and even prohibition, under rules and regulations imposed by the union.

C. The right of union members to sue the union or its officers in any forum, judicial or administrative, is conditioned upon a prior exhaustion of internal union procedures which do not take more than 6 months to complete. The 6-month time limit effectively stymies any NLRB action by a member against his union for the simple reason that the Taft-Hartley Act imposes a 6-month statute of limitations on unfair labor practice charges. Thus any union can meet the requirements of the bill by making its internal hearing procedures last for 6 months, by which time it would be too late for the union member to file his charge with the NLRB as the statute of limitations would have simultaneously expired.

D. This purports to guarantee a union member due process and a fair trial in any union disciplinary proceeding brought against him. But the provision omits—what the original McClellan bill of rights included—a final review by a genuinely impartial tribunal, unconnected with the union.

This section also deletes the right, given in the original McClellan provision, of a candidate for union office (not a mere member) to have access to the membership lists of the union. It is impossible to conceive of a more effective means for insuring the reelection of the incumbent officers. There is probably no better explanation for the repeated reelection and long tenure of union officers than this monopoly of the membership lists possessed by the incumbent officers.

TITLE II—REPORTING BY LABOR UNIONS

A. Section 201 requires reporting of organizational and financial data by unions. Among the requirements is a report of loans aggregating in excess of $250 to officers, employees or members. Smaller loans need not be reported. As a result, the incumbent union hierarchy, by a judicious use of loans to its adherent and favored members, and denial of such loans to its critics and oppositionists within the union, has a ready-made device for rewarding its friends, punishing its enemies, and perpetuating itself in office, without the members of the union being aware of what is going on. In striking contrast, however, unions are required to report every loan, no matter how small, made to any business enterprise.

B. The bill as reported to the floor required that copies of the union's reports be made available to union members but contained no requirement that union members be given access to the books, records and accounts on which such reports were based. This omission obviously made it difficult, if not impossible, for union members to determine if a filed report was false or inaccurate. On the floor this was amended (sec. 201(c)) to give union members access to such basic documents for proper cause, but a similar condition was also attached to their access to the filed reports which had been unconditional prior to the amendment. Proper cause must obviously require more than a mere suspicion and hence union members are now effectively precluded from seeing either the basic records or the filed reports unless they can dig up enough evidence of wrong-doing from some other, independent source sufficient to constitute proper cause, thereby defeating the whole professed purpose of the bill, to wit, giving union members the information necessary to permit them effectively to control the financial affairs of their unions.

C. Section 201(d) permits the exemption from the financial reporting requirements of precisely those small unions in which the McClellan committee revealed most instances of corruption. Among these are unions of the type of the Johnny Dio paper locals, notorious gangster and racketeering devices for criminally preying on small employers and their employees. These exemptions are made possible despite another provision in the bill permitting the Secretary to prescribe simplified reports for small unions to take care of the problem of burdensomeness which would have been entirely sufficient even if the exemption were deleted.

D. "Conflicts of interest" reporting (sec. 202): Union employees receiving $5,000 or less per annum from the union need not report. Organizers and business agents, the latter concededly the most important officials in a local union, are generally salaried employees rather than officers. The $5,000 exemption is a standing invitation to such officials whose profits from conflict-of-interest transactions exceed their salaries and allowances, to reduce these to $5,000 or less and thus evade the reporting requirements.

Moreover, the section is so drawn as not to require reporting if an international union officer has an interest in or receives a benefit having monetary value from an employer who deals or bargains collectively with one or more locals affiliated with the international represented by such union officer.

E. Reporting by employers and labor relations consultants (sec. 203): This section, generally, requires employers and consultants to report expenditures on activities which are perfectly lawful and continue to be so under the bill. Thus, for example, an expenditure by an employer, used to inform his employees that the union which is seeking to organize or represent them is Communist or racketeer dominated would have to be reported. This is in direct contrast with the provisions of the McClellan bill, the administration bill, and the recently enacted labor reform statute of New York State, all of which require reporting only of employer expenditures for interfering with, restraining or coercing employees in the exercise of their rights, i.e., expenditures for activities which are presently unlawful.

F. Amendments to section 302 of Taft-Hartley pertaining to employer payments to unions, their representatives, officers, or agents, or to employee representatives:

1. Under the Supreme Court decision in the Ryan case, the term "representative" of employees is not limited to collective bargaining representative. Hence, under the bill, an employer may risk committing a crime if he gives a bonus to a representative of his employees' social club for having conducted a successful social program.

2. The bill would make it a crime for an employer to make any payment or loan to any of his employees for the purpose of having the recipients influence other employees in their attitudes toward unions, such payments not being presently unlawful. Again, this is in contrast to the McClellan bill, the administration bill, and the New York State law, all of which confine prohibitions of this type to payments having as their object, interference, restraint or coercion, all of which are presently unlawful, and unlike the term "influence" have been precisely defined by the courts. The term "influence" is so broad and vague that its use in a criminal statute might well be unconstitutional as being insufficient to apprise potential defendants of just what the law forbids them to do.

3. It is made a criminal offense for an employer to make any payment or loan to any union officer or employee with intent to influence him in his decisions, duties, or activities as a union official. Again the word "influence" constitutes the broadest possible proscription and it is difficult, if not impossible, to imagine a payment or loan which couldn't be construed to influence the official in the manner proscribed by the bill. Ironically, however, such payments are forbidden only when made by an employer. If a Teamster union official makes such a payment or loan to an officer or employee of another union with intent to induce the latter to drop an organizing campaign so that the Teamster's may take it over, no crime is committed under the bill.

4. The bill makes it unlawful for a union or its officials to exact a fee from the operator of a motor vehicle or his employer for unloading the truck's cargo. But it does nothing to outlaw this activity when it takes the form of requiring the truck's operator to join the union or secure a work permit, on the payment of a substantial fee.

5. The bill permits the checkoff of fees paid in lieu of dues to a labor union. This tacitly recognizes that the so-called agency shop is lawful. The agency shop is a device now being used in an attempt to circumvent the right-to-work laws in several States, by requiring a periodic payment to the union for its services as collective bargaining agent without requiring the employee to join the union. Its effect, in practical terms, is exactly equivalent to what is now permitted by way of union security under Taft-Hartley, but which it was the intention of Congress to permit the States to prohibit.

G. Extortion picketing: The bill makes it a crime to picket for the purpose of extorting something of value from the picketed employer for the personal profit or enrichment of an individual. This is already illegal under both State and Federal law (Hobbs Act). Its presence in the bill is clearly designed to create the impression that the bill does something about recognition or organizational picketing. It does nothing with respect to either. Moreover, it applies to actual picketing only, not to threats thereof, and is inapplicable if the purpose of the picketing is the enrichment or profit of the labor union itself rather than an individual.

TITLE III—TRUSTEESHIPS

A. Section 301 requires the filing of reports giving specified data concerning locals under trusteeship. As drafted, the bill fails to require the making, keeping and preserving of the records and books (except with respect to financial data) on which such reports

are based. As with the financial reports required under section 201, this title is deficient in its provisions permitting access by union members, to these basic books and records, particularly to the members of the trusteed local who have the most important stake in the situation.

B. Section 304 directs the Secretary of Labor upon written complaint of a member of the trusteed local or of the local itself to bring suit in a Federal court for violation of the trusteeship provisions. The Secretary is compelled to investigate every such complaint, and bring suit only if he has probable cause for believing that such violation has occurred and has not been remedied. This provision, being mandatory in form, imposes a tremendous burden on the Secretary and would require the services of an enormous staff of investigators. And even after having secured some evidence of violation, the phrase "probable cause" would require him to convince the court, as a condition precedent to its entertaining the suit, that he had sufficient evidence to constitute probable cause.

Had the bill given union members full access to both the reports and the records on which they are based, union members could be relied on to produce sufficient evidence justifying legal action by the Secretary, who should be permitted discretion in determining whether to bring suit. In any event the Secretary should not be required to show probable cause as a condition of bringing suit—neither he nor any other administrative or executive official is required to do so under the numerous other Federal regulatory statutes including those administered by the Secretary.

C. The bonding provisions of section 308 are entirely inadequate. They do not require the personal bonding of the specified official by name, and hence it is possible to secure a bond for the office rather than for the individual; and they do not preclude the use of a bonding company in which the union or the bonded officer have an interest thus making it possible to avoid the stringent investigation of the applicant for a bond which a neutral or unrelated bonding company would make prior to granting a bond.

TITLE IV—ELECTIONS

A. Section 401(b): This section professes to give candidates equal facilities for electioneering activities to those enjoyed by the incumbent officers. Actually, this is not so. Membership lists are not required to be made available to the rival candidates. Hence, the incumbent who has possession or immediate access to these lists, can utilize them directly to solicit the membership either personally or through his agents. There is nothing in the bill to require that a similar opportunity be extended to his rivals. Moreover, even where the incumbent officers accept the literature of their rivals for mailing or distribution as the bill apparently requires them to do, it is fantastically naive to believe that such literature will be mailed or distributed by them as adequately as they mail or distribute their own. Given the hoodlum control of some unions, it is more than likely that the campaign literature of the rival candidate will find its way into the sewer or the incinerator.

B. Section 401(d) provides that "reasonable" opportunity shall be given for the nomination of candidates and every member in good standing shall be eligible to be a candidate and to hold office subject to reasonable qualifications uniformly imposed. In this section, as throughout the bill, there is a veritable deluge of such words as "reasonable," "fair," "interested" used to qualify rights, remedies, etc. These adjectives are undefined and their use throws an impossible burden of definition on the administrative officials and the courts which must apply them. Nothing in the legislative history—either in the committee report or the floor debates—sheds any light on what these terms mean, on their scope, or on their limitations. The inevitable result will be that the courts will necessarily tend to give them the most restricted possible application, that is, one which will deviate least from the status quo.

Existing union constitutions, bylaws, and other union governing rules and regulations, already contain many of these or equally vague terms to which the leadership is able to give almost any meaning that serves their own purposes. This is precisely one of the prevalent conditions which makes a labor reform law imperative. The bill not only does litttle to correct the situation, but may actually compound it.

Moreover, the right to be a candidate and hold office, referred to in this subsection, unlike the right to nominate candidates, is not one of those included in the so-called bill of rights set forth in title I. Unhappily, there is considerable doubt whether title IV, of which this subsection is a part, contains any sanctions or even provides any machinery for the enforcement of this right to be a candidate for or to hold union office.

C. Sections 401 (d) and (e) require specified union officials (not the union itself) to preserve for 1 year the ballots and all other records pertaining to an election of officers by direct vote of the membership as well as the credentials of delegates and all other records pertaining to an election of officers by the delegate-convention method. However, not only is there no provision giving access to these records to the union's members, there is none giving such access even to the defeated candidates. Thus, perhaps the most important method for conveying information to the Secretary concerning possible violations of the election provision of the bill has been excluded. What is even more shocking, however, is the total failure to include any provision to enforce this requirement for preserving election records.

D. Section 401(g) provides that if after a full dress hearing the Secretary finds that the union's constitution and bylaws do not provide an adequate procedure for the removal of an elected officer guilty of serious conduct, such officer may be removed in an election conducted by the union's officers, for cause shown and after notice and hearing. It is impossible to tell from the language before whom such a hearing must be held, whether the union membership, its executive board, a designated hearing official, the officers, or what. Is serious misconduct the sole cause for removal, and if so what is the significance of the phrase "for cause shown"? Again, who determines what constitutes serious misconduct; is it the Secretary in the administrative hearing or is it one of the union agencies set forth above as designated to conduct the hearing? Moreover, there is grave doubt whether the judicial remedy provided in a subsequent subsection applies to a violation of these provisions. Most shockingly however, is what appears to be the failure of the bill to provide any remedy where the union's constitution or bylaws do contain an adequate removal procedure but the union refuses to apply them.

E. Section 403 provides that there shall be no preemption of State remedies with respect to violations of the provisions of a union's constitution or bylaws pertaining to elections prior to the conduct of the election, but preemption is fully applicable with respect to challenging elections already held. Why uniformity is essential in the one case and not in the other has never been explained. There is some reason to believe that there is little or no State law dealing with abuses of the union election process prior to the actual holding of the election, but that there is a considerable body of State law, much of it quite adequate, for remedying abuses that arise in connection with the actual conduct of the election or from refusals to abide by the election results.

F. Section 405 makes it unlawful for any person to hold (or for the union to permit him to hold), certain union posts if he has been guilty of certain specified felonies or misdemeanors. The posts in the union to which the prohibition applies are enumerated as follows: officer, director, trustee, member of any executive board or similar governing body, business agent, organizer, or other employee (except custodial and clerical employees). This is in contrast with section 202(a) which requires reporting of conflict-of-interest transactions by union officials except clerical and custodial employees, and employees who did not receive in excess of $5,000 from the union during the preceding fiscal year. There is no explanation and no discernible reason for making the prohibition all inclusive in the case of the right of violators of the law to hold union office, but to exclude those receiving not more than $5,000 per annum from the union from the conflict-of-interest reporting requirements in the other.

TITLE V—CODES OF ETHICAL PRACTICE

It is scarcely necessary to waste words on this title. It merely expresses a series of pious hopes and high sounding phrases completely without the force of law. And recent events have demonstrated that the enthusiastic tribute paid to the self-policing efforts of the unions and the great expectations that they would be effective in cleaning up the corrupt segments of the labor movement, were not only premature but have not been realized in any substantial degree. Despite their expulsion from the main body of organized labor, the Teamsters continue to grow and wax mighty. The Longshoremen not only survive, but flourish, and may soon be readmitted into the AFL–CIO, despite the existence of the rival union of longshoremen created by the latter. Cooperation between the Teamsters and many AFL–CIO unions goes merrily on at the local level with the full cognizance and more than tacit consent of the parent federation, as does cooperation between the expelled Longshoremen and major AFL–CIO maritime unions.

There has been no disciplinary action taken against the Carpenters Union or its leading officers, and most informed observers are certain that no such action will ever be taken. And to sum the matter up briefly, most of the steam has gone out of the self-policing drive of the labor movement, and their codes of ethical practices which this title of the bill in effect recommends as a model for groups or organizations of every kind in the labor-management field proves to be no more than an empty gesture. As able and sympathetic an observer of the labor movement as Raskin of the New York Times, in his article of April 12, 1959, concludes that there is little or no enthusiasm left within labor union circles for cleanup by the method of expulsion.

TITLE VI—DEFINITIONS AND MISCELLANEOUS

A. Section 609 requires unions subject to the bill's provisions to inform all of its members concerning the bill's provisions and the rights guaranteed members under such provisions in a manner prescribed by the secretary. But even this largely innocuous requirement carries with it no penalty or sanction for failure to comply nor is any machinery provided for securing compliance.

B. Section 610 imposes a relationship of trust on a union official with respect to money or property in his possession by virtue of his official position and makes him responsible in a fiduciary capacity for such money or property.

The language of this provision raises considerable doubt as to whether such union officials are responsible in a trust or fiduciary capacity with respect to benefits or

gains derived from conflict-of-interest transactions or situations, which would normally be characteristic of the fiduciary status. Moreover, the only provision in the bill which suggests even the faintest semblance of a remedy for breach of the fiduciary obligations of a union official is to be found in section 209(b). All this section does, however, is to permit a union member to sue, for the benefit of the union, any union officer or employee who it is alleged has embezzled, stolen, or unlawfully and willfully abstracted or converted any of the union's property or funds. In other words, the suit is permitted only if it is alleged that the union officer has committed a crime. The whole vast area of fiduciary law which not only requires fiduciaries to refrain from criminal conduct in the handling of other people's property, but affirmatively requires them to act with the highest possible degree of care, and holds them liable for many acts of omission as well as of commission and requires them to surrender gains made through conflicts-of-interest transactions, is provided with no enforceable remedy under the bill.

Moreover, even the remedy provided in the narrow field of a criminal misappropriation of union property is hedged in with procedural restrictions designed to discourage such suits by the union members. These restrictions include a refusal or failure to so sue on the part of the union itself or of its governing board or officers, a waiting period of 4 months after such refusal or failure following a union member's request that they do so, and then as a final condition of having his action entertained, the member must file a verified complaint with the court, and get the court's leave to sue, a leave which can only be granted after a showing of good cause which is undefined. No comparable legal action or proceeding provided for members of our working population is hedged with similar restrictions and limitations.

TITLE VII—TAFT-HARTLEY AMENDMENTS

A. The bill contains nothing at all dealing with the serious problem of secondary boycotts. It is widely accepted that secondary boycotts have been one of the most effective devices used by corrupt unions like the Teamsters to further their objectives. No alleged labor union reform bill which fails to outlaw most secondary boycotts can lay claim to being an effective anticorruption or antiracketeering labor reform measure.

B. Section 701 does not solve the no man's land problem. It permits State labor agencies but not State courts to exercise jurisdiction over cases which the Federal Board has declined to entertain, but requires them to administer Federal law (Taft-Hartley) and not their own State law. Inasmuch as only 10 States now have such agencies, and all 50 of the States would be compelled to enact legislation permitting them to function under this provision, the practical result for the foreseeable future is to leave the no man's land problem unsolved. The Federal Board may continue to decline to assent its jurisdiction, and unless the State in which the case arose has legislated to conform with the requirements of this section, that case remains in the same old no man's land.

Moreover, even if the States did legislate to conform with this secttion, there would be difficulties sufficient to render this provision highly undesirable. Under the Taft-Hartley Act, orders of the NLRB are enforceable or reviewable in the Federal courts of appeal. Under this provision, the orders of a State agency are enforceable in the Federal district courts, thus adding another stage to the procedural structure and thereby increasing the timespan before ultimate and final adjudication can be achieved. Furthermore, this approach brings into the process trial rather than appellate courts with their crowded calendars and dockets, their lengthy timelags, and their inexperience in appellate functions.

It is possible, though difficult to tell from the language of this provision, that it was not intended to permit review of the districts courts' decrees by the Federal courts of appeal. If no such review was meant to be provided, then enforcement decrees having the same effectiveness will be issuing from two different sets of courts, occupying different levels in the Federal judicial hierarchy.

Another significant consideration is this. Labor law under Taft-Hartley is developed not only by the affirmative application of the law, but by the refusal of the NLRB General Counsel to proceed, i.e., to issue a complaint in a given case. Such refusal is unreviewable and final. The only factor making for consistency in such refusals is that the General Counsel (it is hoped) will try to avoid taking contrary positions in similar cases. But under the bill, State agencies can refuse to issue complaints, and there is nothing in the bill to assure, not only that these agencies will be self-consistent, or consistent with each other in these cases, but that they will be consistent with the NLRB General Counsel's policy in refusing to issue complaints, or that they will not be going counter to the decisions of the NLRB and the Federal courts in some of their refusals.

A final question also remains. There seems to be some doubt as to whether Congress may constitutionally provide, even where the States permit, for appellate review of State administrative decisions by the Federal courts. Presently, the only decisions of State tribunals reviewed by Federal courts are decisions of the highest State courts reviewed by the Supreme Court. No examples have been found of the type of appellate procedure provided in this section.

B. Section 702 permits prehire, 7-day union-shop contracts in the construction industry. Despite the professed concern of the bill's supporters for the rights of employees and union members, and for establishing greater democracy and rank-and-file control in unions, this provision diminishes even those rights which presently exist. The law now requires majority support for a union's becoming an exclusive bargaining representative. This provision eliminates the requirement of a showing of a majority. Moreover, it permits these contracts to be secured through the use of economic pressure such as strikes, picketing, etc., instead of permitting them only if both parties voluntarily agree. Moreover, the provision permits the unions to act as hiring halls without imposing the safeguards which the NLRB now requires where a union has the contractual right to refer applicants for employment. The opportunities for discrimination in favor not only of union members, but of supporters of the incumbent bureaucracy within the union, in connection with job preference, are obvious. The provision makes not even the slightest attempt to erect any safeguard for the rights of employees in connection with such contracts.

C. Taft-Hartley denies the right to vote in NLRB elections. Under the Wagner Act, there was no such prohibition and the NLRB had the power to decide who should be permitted to vote. It could have denied replaced economic strikers the right to vote. The bill goes beyond the Wagner Act. It compels the Board to give such strikers the right to vote merely authorizing it to lay down the conditions, by general regulation, under which such right shall be exercised. But it cannot, in any fair reading of the provision, deny the exercise of this right entirely, no matter how justifiable such denial might be under some circumstances.

D. Section 705 amends the definition of "supervisor" in the Taft-Hartley Act. It does this by means of the generally unjustifiable device of making an exception with respect to a single, specified industry and a single, specified occupational classification. Ironically, however, the occupational classification is one peculiar to the industry and not outside it, and is not even used in all segments of the industry for individuals performing the identical functions. Moreover, if the employers should change the designation "service assistant" to some other title, it is questionable if the amendment would still apply even if the functions under the new title remained the same.

E. Section 707 creates a new unfair labor practice designed to outlaw "hot cargo" contracts among common carriers subject to the Interstate Commerce Act. Under a recent decision of the ICC, such contracts do not now constitute a defense to a refusal to handle cargo and hence the provision strikes at an evil in precisely that area where a substantial remedy already exists but fails to deal with the same evil in other areas where it flourishes with little or no restraint.

F. Section 708 establishes a new unfair labor practice by unions which engage in certain forms of organizational or recognition picketing. The first criticism is that although summary relief is required in such cases because delayed remedies are worthless, the bill provides a discretionary rather than the mandatory injunction provided under existing law for unlawful secondary boycotts. This effectively negates any real possibility of quick relief. Moreover, the provision does not reach other situations which cry out for a remedy. There is no prohibition on such picketing by a minority union even where a petition for an election is pending before the Board. And it is strikingly inconsistent and unfair in favor of unions under the Taft-Hartley election provisions. If under present law a union wins an election, no other union may picket following the first union's certification even if it loses its majority which now prefers the picketing union. The employees are not permitted to change their minds against the incumbent union. But if the majority vote for no union under the bill, and thereafter, even the next day, change their minds in favor of any union, even the one that lost the election, that union may picket to compel recognition from the employer. In other words, employees have no right to change their minds if this would result in rejecting their union—only if the change of mind results in selecting one.

[From the Cleveland Plain Dealer, Apr. 27 1959]

STILL VERY DEFICIENT

The labor bill passed by the Senate Saturday was described by Senator JOHN L. MCCLELLAN, chairman of the Senate Racket Investigating Committee, as "a much better bill today than the day the Senate took it up, notwithstanding the fact it is still very deficient." That was probably the understatement of the long week during which the Senate debated and to a great extent rewrote the measure sponsored by Senator JOHN F. KENNEDY.

The bill was originally designed to give labor union members some protection from the dictatorial acts of criminals and racketeers who have muscled into the labor movement. But it also contained sops to make it palatable to the labor bosses by amending the Taft-Hartley Act to broaden the definition of supervisors so that more of them would be eligible for union membership, allowing strikers who had been fired to vote in union representation elections and legalizing prehire agreements in the construction industry.

In the course of rewriting the bill on the floor, the Senate accepted, by a one-vote margin, a so-called bill of rights for labor sponsored by Senator MCCLELLAN. Among other things it would guarantee freedom of

speech and equal voting rights to members, membership approval of dues increases and would permit members to sue a union or its officers.

But even this would not have passed if Senator HUBERT HUMPHREY and Senator PAUL DOUGLAS had not been absent on speaking engagements. Even so, the bill of rights was subsequently watered down and rendered more or less innocuous by making the rights subject to "reasonable rules and regulations."

In defeating other amendments, the Senate went on record as approving blackmail picketing and secondary boycotts, when it rejected amendments to outlaw them. It also went on record as approving strikes against public utilities, which are really strikes against an essential public service licensed and regulated by government, by defeating an amendment granting States the right to ban such strikes.

One improvement to the bill was voted on the floor, to outlaw "hot cargo" agreements. But this was limited to common carriers and was primarily designed as a blow against Jimmy Hoffa's ambition to acquire a stranglehold on the transportation industry.

Thus, to Senator MCCLELLAN'S label, "still very deficient," could be added, "not much of an improvement, either." It is unlikely that the House of Representatives will do much to improve the bill as it now stands, if it does anything to it at all.

The question now arises whether the time has come to repeal the Taft-Hartley Act and all other laws which give labor unions special privileges. Labor organizations are strong, they are effective and they need no special coddling from the Government. They should be able to stand on their own feet, even when required to obey the laws that everybody else must obey.

Congress should not have to be concerned with how labor unions conduct their meetings or what reports they make to members and the Secretary of Labor. Labor unions would be required to police themselves if compulsory membership were abolished. And the public would be protected from labor union excesses if the monopoly powers of the unions were abolished by making them subject to the antitrust laws, like everybody else, and if existing local ordinances and State laws against violence were enforced.

[From the Chicago Daily Tribune, Apr. 30, 1959]

A POOR THING

Senator JOHN F. KENNEDY'S readiness to kowtow to the union bosses in the hope of having their support next year when he seeks the Democratic nomination for President became so manifest during Senate consideration of the Kennedy-Ervin labor reform bill that Mr. KENNEDY is probably done for as a serious candidate. Few people outside of the ranks of the union brass can stomach this performance.

Senator BARRY GOLDWATER of Arizona, the only Member who voted against the bill in its final form, aptly remarked that, so far as its remedial effects go, the bill is akin to a flea bite on the hide of a bull elephant.

The bill will have not the slightest effect on the Glimcos, Hoffas, and Harry Bridgeses, the criminal riffraff of the restaurant workers and teamsters unions, the goons in the communication workers, auto workers, and miners unions, and the rest of the disreputable elements Mr. KENNEDY was at such pains to protect.

The bill makes a weak pass at secondary boycotts, such as have been employed in an attempt to wreck the Kohler company, and at racket, or organizational, picketing. It has a "hot cargo" clause intended to apply only to Hoffa's union which may be unconstitutional as class legislation and certainly will be inadequate. The bill of rights for rank and file union members was so watered down that it is virtually meaningless. The monopoly power of unions was left untouched.

Senator JOHN L. MCCLELLAN, of Arkansas, whose rackets committee has been exposing the unsavory practices of unions for 2 years, was one of the few Members of the Senate to emerge from the debate with credit, and even he weakened in the stretch. He accepted the dilution of the original form of the bill of rights he had offered, but, bad and ineffective as the bill is, it would have been an even greater futility but for his attempt to inject some force into it.

It is ironic that at the very time this palliative was being concocted, striking miners in Kentucky were rushing to get in their licks ahead of the arrival of the National Guard by setting fire to the plant of a coal company, causing $500,000 damage.

The day after passage of the bill, a Chicago electrical contractor was testifying before a National Labor Relations Board hearing that his workers were harassed by an electrical workers' union and his offices dynamited, simply because he could not gain admission into a trade organization through which electrical contracts in the Chicago area apparently are apportioned.

Not content with fronting for all of the wrong guys in the union rackets, Senator KENNEDY has turned to a fresh endeavor. He is now seeking repeal of the provision in the national defense education act which requires applicants for Federal scholarships to subscribe to an oath of loyalty to the United States.

Every man who takes office in State or National Governments and every man who is sworn into the Nation's defense forces takes such an oath as a matter of course. Why should any loyal citizen be offended by the requirement? Yet Senator KENNEDY will not be content until he can give Federal money away to finance education for those who don't want to admit that they have any attachment to their country.

Apparently the Senator hopes to become President by campaigning for the votes of union goons, hoodlums, profiteers, and subversives. This seems to be as good a way as any to alienate the American vote.

[From the Boston Herald, Apr. 27, 1959]

VOLUNTARY UNIONISM

Now that the dust has settled and the Senators have given their nearly unanimous approval to the Kennedy labor reform bill, it's a little hard to understand what last week's battle royal was all about.

Senator MCCLELLAN'S bill of rights amendment, which caused all the fuss, was at best a vague guarantee of the rank and file union member's right to speak his mind within the union and protect himself against certain abuses by the union. As written it was probably not enforceable, and after the compromisers got through with it it was almost literally meaningless.

Yet labor was opposed to it (at least in its original form). So pro- and anti-labor forces in the Senate felt obliged to draw themselves up in full panoply and have it out.

Perhaps the most interesting thing about this teapot tempest was the argument AFL–CIO leaders used against the McClellan amendment. Pointing out that the amendment undertook to regulate the internal operation of unions in great detail, the union's legislative department charged that the proposal "destroys the historic concept of a union as a voluntary association." The voluntary association principle, it seems, is sacred to the AFL–CIO.

Does this mean that the labor organization is reversing its stand on right to work laws? Does the AFL–CIO now believe that individual workers should be free to join a union or not as they see fit? Not at all. Voluntary association in this context doesn't mean that individuals should be free from coercion, it means that labor associations (unions) should be free from regulation on behalf of individuals, the public, or any other outside interest.

How soon, we wonder, will labor see the basic contradiction in this stand? Labor is winning the battle for compulsory unionism. Despite the right to work movement, it is extending its control steadily and before long will have organized every important segment of our economy. But what its leaders fail to understand is that this monopolistic trend invites regulation, indeed makes regulation inevitable.

When unionism ceases to be voluntary at the membership level, it cannot remain voluntary at the administration level.

The Kennedy bill, in its present form, is weak, and it may not get through the labor-oriented House even so. But it is directed at a real need, just as the abortive McClellan bill of rights was directed at a need. The public demands protection from the abuses attendant on labor's growing power. And sooner or later it will get that protection.

The voluntarists in the labor movement are fighting a losing battle.

[From the Los Angeles Times, May 2, 1959]

MR. LIPPMANN AND LABOR LAWS

"I am very disappointed" in the weaknesses of the Kennedy labor bill, President Eisenhower told newsmen this week, but "very hopeful" that the House will strengthen it.

We share the President's disappointment but not his optimism.

ELECTION EXPEDIENCY

Just as politics rather than necessity ultimately prevailed in the Senate, election expediency is likely to triumph in the lower Chamber.

Senator KENNEDY'S chances for a Presidential nomination were riding on his success in pushing through the union regulation measure most palatable to AFL–CIO leaders. He finally succeeded through a series of strange Senate maneuvers, including the beating of Republicans by their own whip.

The House, which rejected a similar Kennedy labor bill last year, has a different complexion in 1959. All of its Members ran for office in 1958 and could see at firsthand the influence of organized labor, exercised where it would do the most good. They will run again in 1960.

Evidence of the new look in the lower House is the realinement of the House Labor Committee from a membership of 17 Democrats and 13 Republicans to a 20–10 split. With the probable balance of power held by prolabor northern Democrats on the committee, the House floor will be the last chance to graft some muscle to the flabby Senate union measure.

THE PUBLIC INTEREST?

We have, however, been reassured by Walter Lippmann, who called down to us in his Friday column that it really doesn't matter whether labor legislation is hard or soft. The important thing, he states, is to establish the principle that there is a public interest in internal management of the labor unions and that the right to regulate them is legally recognized and universally accepted.

The public interest in proper internal union management has, of course, already been clearly established by the work of the Senate Rackets Committee and it is no less clearly recognized by the responsible leaders of organized labor from AFL–CIO President

George Meany on down. Congress ought to do more than confirm the obvious.

The Lippmann rationalization of the Kennedy bill goes on to explain that the major consideration in drafting such a measure is what is the maximum that can be achieved in the way of observance and enforcement by assent and consent instead of enforcement by Government.

George Meany and certainly JOHN KENNEDY recognize that more than an assent and consent are needed to help unions help themselves to purge corrupt elements.

Meany declared recently that these abuses could not be stopped by the unions alone. * * * We think we have some moral responsibility to do this. But the AFL–CIO has no legal responsibility to curb corruption in local unions. We aren't a law-enforcement agency and we don't have the power of subpena.

"It is quite obvious that the real answer to corruption, whether in unions or anywhere else, is better law enforcement."

FIRST STEP BETTER LAW

And the first step is better laws, which is what an AFL–CIO spokesman told the Senate Labor Committee earlier this year when he said, "We welcome legislation to help us."

But Mr. Lippmann admonishes us not to be greatly concerned over provisions to assure democratic internal government of unions: "They may be regarded as in a class with laws deploring the sinful nature of man."

If this dictum were applied in other areas of legislative need it could lead, for instance, to a repeal of all traffic laws.

Like union regulations, speeding and safety statutes are also difficult to enforce, despite their noble purpose.

"It would be a great pity," Mr. Lippmann concludes, "that in an excess of zeal and righteousness this very promising (Kennedy) bill were lost."

The great pity is rather that there may well be a deficiency of zeal and righteousness and that the weaknesses of the Kennedy bill will be enacted into law.

[From the Indianapolis Star, Apr. 30, 1959]

LOOK WHO'S RUNNING THE COUNTRY

The Kennedy-Ervin bill, touted as a measure to oust thugs and crooks from unions, is nothing but a farce. Its passage with only one dissenting Senate vote shows how powerful the union bosses of this country already are in the National Government. They have been able to frighten both Democratic and Republican Members of the Senate into accepting virtually useless measures to protect union members from predatory labor leaders. They have forced into the bill revisions of the Taft-Hartley Act which neither Republican nor Democratic Congresses were willing to pass in past years. This bill is so watered down that it is, in fact, the instrument of the labor bosses themselves. It leaves them with just about every special privilege and dictatorial authority they had before over the rank-and-file members of unions.

All that the Senate passage of this bill proves is that union leaders dominate the U.S. Senate. Fear of union leaders is stronger than concern for the rights and liberties of union members in the U.S. Senate. Only Senator BARRY GOLDWATER voted against final passage of this bill which is a toothless substitute for measures that would free union members from the undemocratic control of their union bosses.

It is interesting to note that while the U.S. Senate was weaseling around on this labor reform bill, the Ohio Legislature is considering a really tough and protective labor union reform bill aimed at guarding the rights of union members. Liberal Democratic Gov. Mike DiSalle is throwing his whole weight behind this reform bill which union bosses are bitterly attacking. Why should Democratic Governor DiSalle risk the displeasure of union bosses in Ohio when both Republican and Democratic Senators in Washington are afraid to take the same risk? The answer is obvious. DiSalle is close to the voters in Ohio. He knows that the sentiment of union members is behind him, even if the union bosses are against him. He knows that the members of American labor unions want their unions to be democratic, to open their records, to be financially responsible, to serve union members, and not to control them. So he is seeking to do what union members want done, not what union bosses want done. It is good sense. It is also good politics and good government.

As Victor Riesel points out in his column in the Star today, the union bosses are not only out to hold complete control over their union membership. They are now, under the guidance of the Reuther brothers, seeking to establish political control of the machinery of the Democratic Party. They are setting up a parallel political organization, financed out of union dues, aimed at gaining dominance over the entire organization of the Democratic Party.

But what is the average American and the rank and file member of the unions going to do if the Republican Party offers them no choice between a union boss dominated government and a government of and by the people? If the Republicans in the Senate and House will not stand against this power grab by union leadership, who will?

The Reuther brothers are well on their way toward gaining control over the entire machinery of the U.S. Government. The shameful vote on the farcical Kennedy-Ervin bill in the Senate is proof enough. Isn't there anybody in the National Government with the guts to try to stop them except Arizona's BARRY GOLDWATER?

ARIZONA'S PROGRESS

Mr. GOLDWATER. Mr. President, I listened with great interest to my distinguished friend the senior Senator from New York [Mr. JAVITS] as he held a colloquy with the junior Senator from California [Mr. ENGLE] relative to the problems New York and California are experiencing in getting Government business.

Mr. President, as the junior Senator from Arizona, I am very happy to tell my colleagues that in Arizona we are very pleased with things as they are. In fact, Arizona is the fastest growing State in the Nation, and we intend to keep it that way.

So that my colleagues may better know what we are doing in that glorious land of sunshine, I ask unanimous consent to have printed in the RECORD at this point in my remarks the contents of a publication issued by one of our large banks in the Rocky Mountains, the Valley National Bank, entitled "Arizona Progress."

There being no objection, the document was ordered to be printed in the RECORD, as follows:

ARIZONA PROGRESS—MANY UNHAPPY RETURNS

Like Providence, the U.S. Treasury giveth and the U.S. Treasury taketh away. This month it taketh away—even more than usual. It is especially rough on those who receive what is charitably labeled earned income. One fares better "in oil" or by chiseling out some capital gains.

Sitting even prettier are those with unlimited expense accounts or tax-exempt investments although the best "out" is to set up a non-profit organization and forget about taxes. However, when the untaxed begin to outnumber the taxed, it means trouble because the latter tend to lose their zip and to experience a sharp rise in mortality. Eventually diminishing returns diminish to a point of no return.

Of course, politicians have a solution of sorts based on the discovery that governments can spend not only what they take in but what they don't take in. Since the latter is limitless, governmental spending always tends to approach infinity. This gimmick is known as deficit financing. In the economics books it is also called inflation.

In spite of which, the revenuers and their bloodhounds continue bleeding the citizenry although, sensing that the paying customers are getting restive, they have programed some snappy sales talks on taxes. TV entertainers declaim that paying taxes is a patriotic privilege and that nowhere else on earth can this privilege be exercised so unreservedly. Now we defer to no one in patriotism and willingness to pay taxes but it irks us to hear sleek mercenaries (obviously feeling no pain) read canned commercials on the joys of so doing.

One expiring taxpayer, having given his all, gained immortality with the quip that the only sure things in this world are death and taxes. We might add that one cannot escape the latter by resorting to the former. The tax collector pursues us just as inexorably in the grave as in life—and with less likelihood of an argument. The original American dream of a tax-free cornucopia is long since gone where the woodbine twineth.

"Oh, ashes to ashes, dust to dust,
If the Federals don't get you, the Locals must."

NINETEEN HUNDRED AND FIFTY-EIGHT MOTOR VEHICLE REGISTRATIONS IN ARIZONA 7.8 PERCENT HIGHER THAN 1957

This is the season when we take to the road, statistically speaking, and dust off figures on automobile registrations, motor fuel consumption, etc. According to reports of the State highway department, 579,568 vehicles of all kinds were registered in Arizona during 1958. This compares with a total of 537,516 registrations in 1957.

Among the new records established last year was a total of more than 300,000 vehicles of various kinds registered in Maricopa County. Coconino County chalked up the largest percentage gain during the year (18.2 percent). Maricopa County not only enjoyed the largest numerical gain but the second largest percentage gain (9.6 percent).

The only other county to better the State average was Pima County, although Santa Cruz equaled the average, while Graham and Navajo also came close. Four counties incurred a slight drop in registrations, namely Apache, Gila, Greenlee, and Mohave.

Motor vehicles registered in Arizona

County	1957	1958	Percent change
Apache	4,282	4,253	−0.7
Cochise	21,711	22,990	+5.9
Coconino	13,425	15,863	+18.2
Gila	13,648	13,592	−.4
Graham	6,343	6,812	+7.4
Greenlee	6,058	5,722	−5.5
Maricopa	274,144	300,341	+9.6
Mohave	5,152	5,071	−1.6
Navaho	9,372	10,049	+7.2
Pima	109,341	118,013	+7.9
Pinal	22,949	23,379	+1.9
Santa Cruz	4,754	5,124	+7.8
Yavapai	14,157	14,415	+1.8
Yuma	25,046	26,183	+4.5
Government	7,134	7,761	+8.8
Total	537,516	579,568	+7.8

A breakdown of registrations by type for the past 2 years is tabulated below. There was a spectacular gain in motorcycle registrations which increased from 5,101 in 1957 to 7,237 in 1958:

Motor vehicle registrations by type

Type	1957	1958	Percent change
Passenger cars	382,240	407,818	+6.7
Commercial	102,476	109,347	+6.7
Trailers	45,891	53,108	+15.7
Motorcycles	5,101	7,237	+41.9
Buses and taxis	1,808	2,058	+13.8
State total	537,516	579,568	+7.8

MIXED TRENDS EVIDENT IN ARIZONA MOTOR FUEL SALES LAST YEAR

Total gasoline gallonage in Arizona last year was up 5.6 percent but trends around the State were quite mixed. The best gallonage gain and the best percentage gain was in Maricopa County with an outstanding rise of more than 10 percent. Pima County with a gain of 8 percent ranked second in both categories. Coconino and Graham Counties were the only other counties to show increases worth mentioning.

Motor fuel consumption by counties

[In gallons—Federal use excluded]

County	1957	1958	Percent change
Apache	10,627,003	10,705,455	+0.7
Cochise	24,143,968	23,607,403	−2.2
Coconino	23,086,956	24,830,041	+7.6
Gila	11,256,461	11,632,212	+3.3
Graham	5,330,665	5,703,004	+7.0
Greenlee	3,774,514	3,575,700	−5.3
Maricopa	190,209,288	209,699,584	+10.2
Mohave	10,153,020	9,946,922	−2.0
Navajo	16,299,159	16,804,017	+3.1
Pima	72,999,175	78,828,748	+8.0
Pinal	18,532,361	19,193,165	+3.3
Santa Cruz	8,010,954	3,470,997	−56.7
Yavapai	13,606,624	13,135,815	+3.5
Yuma	29,320,155	30,927,778	+5.5
Total	437,350,303	462,006,841	+5.6

Over a 10 year period Arizona motor vehicle registrations have risen from 237,945 to 579,568 and motor fuel consumption has more than doubled. The following table shows the annual totals for both of these categories:

10-year growth of Arizona vehicle registrations and fuel consumption

Year	Motor vehicle registrations	Motor fuel gallonage
1948	237,945	207,751,292
1949	263,323	214,729,461
1950	294,139	237,360,273
1951	318,152	271,307,206
1952	357,701	311,408,994
1953	392,569	331,397,694
1954	412,793	336,868,467
1955	445,688	372,304,880
1956	490,397	407,754,796
1957	537,516	437,350,303
1958	579,568	462,006,841

Our automotive roundup would not be complete without some mention of the volume of motor vehicle traffic checked in at our border stations. Recordings indicate that there was only a modest gain in 1958 compared with 1957. There was a noticeable leveling off in passenger car entries but trucking showed a gain of better than 4 percent.

Motor vehicles entering Arizona

Year	Passenger cars	Trucks	Buses	Total vehicles
1948	1,303,140	238,152	65,685	1,606,977
1949	1,275,886	257,386	61,346	1,594,618
1950	1,473,140	341,342	54,562	1,869,044
1951	1,739,818	437,674	63,157	2,240,649
1952	1,993,442	587,992	57,015	2,638,449
1953	2,113,264	659,158	65,056	2,837,478
1954	2,092,208	645,526	63,850	2,801,584
1955	2,347,554	709,607	64,790	3,121,951
1956	2,745,148	713,794	68,143	3,527,085
1957	2,841,537	758,096	70,325	3,669,958
1958	2,908,028	789,190	65,734	3,762,952

PHOENIX SKY HARBOR RANKS FOURTH NATIONALLY IN AIR TRAFFIC VOLUME

Several months ago we ran a little article herein regarding air traffic volume at the Phoenix municipal airport which goes under the picturesque name of Sky Harbor. We mentioned that it was the seventh most active municipal airport in the United States and a few doubting Thomases wrote in questioning this statement. It so happens that we were wrong, although on the basis of the figures available at that time the statement was correct.

As often happens when discussing Arizona developments, what we said was an understatement. Final figures compiled by the Civil Aeronautics Authority for the fiscal year 1957–58 indicate that Sky Harbor ranked fourth nationally in activity. Traffic movements recorded by CAA include all take-offs and landings handled through the central control tower in each airport. Comparative figures for the top 10 airports in the United States are as follows:

10 busiest airports in the United States—Total traffic movements for fiscal year 1957–58

1. Chicago, Ill	419,690
2. Miami, Fla	346,122
3. Los Angeles, Calif	322,192
4. Phoenix, Ariz	310,400
5. Dallas, Tex	305,800
6. Albuquerque, N. Mex	304,348
7. New York, N.Y	285,603
8. Washington, D.C	283,184
9. Denver, Colo	282,493
10. Honolulu, T.H	279,515

Of the chartered carriers using Phoenix Sky Harbor on regular schedules, American Airlines has the largest number of flights. Bonanza ranks second in activity, and Trans World Airlines is third. Apache, Frontier, and Western Airlines also maintain daily schedules into and out of Sky Harbor, the last named having only recently been certificated for certain Arizona routes.

BUMPER BABY CROP IN ARIZONA LAST YEAR 65 PERCENT HIGHER THAN 1950

Good news for baby doctors and dydee services. More than 33,000 new Arizona "natives" were produced last year compared with only about 20,000 in 1950, the year of the last census. This year local production of this important crop will be nearly 35,000, thus bringing the 10-year total up to about 275,000.

Next year there will be another enumeration of noses and things, which we hope will serve to set the Census Bureau straight on Arizona's population growth. Meanwhile, we shall go it alone with our own estimates which will be found on the back page of this bulletin. As a preliminary guess our official 1960 resident population should be pretty close to 1,300,000 compared with 750,000 in 1950.

Annual number of births and deaths recorded in Arizona

Year	Births	Deaths	Net gain
1950	20,510	6,317	14,193
1951	22,178	6,961	15,217
1952	24,489	7,232	17,257
1953	25,578	7,644	17,934
1954	26,710	7,130	19,580
1955	27,789	7,518	20,271
1956	29,640	7,856	21,784
1957	31,814	8,652	23,162
1958	33,007	9,069	23,938
Total	241,715	68,379	173,336

1st quarter bank debit comparison

	1958	1959	Percent change
Phoenix:			
January	$669,763,000	$692,184,000	+3.3
February	509,806,000	689,343,000	+35.2
March	550,289,000	683,091,000	+24.1
Total	1,729,858,000	2,064,618,000	+19.4
Tucson:			
January	200,127,000	241,953,000	+20.9
February	166,570,000	233,706,000	+40.3
March	183,363,000	241,252,000	+31.6
Total	550,060,000	716,911,000	+30.3

1st quarter real estate activity—Number of deeds recorded

County	1958	1959	Percent change
Maricopa County:			
January	3,913	4,485	+14.6
February	3,273	4,537	+38.6
March	3,769	5,088	+35.0
Total	10,955	14,110	+28.8
Pima County:			
January	1,356	1,678	+23.7
February	1,189	1,622	+36.4
March	1,327	1,997	+50.5
Total	3,872	5,297	+36.8

Arizona statistics

	1954	1955	1956	1957	1958
ANNUAL TOTALS					
Retail sales	$1,048,367,000	$1,210,748,000	$1,335,046,000	$1,473,165,000	$1,573,723,000
Income of individuals	1,495,000,000	1,633,000,000	1,829,000,000	1,988,000,000	[1]
Agricultural marketings	364,326,000	343,297,000	373,427,000	374,447,000	390,000,000
Manufacturing output (VNB estimate)	300,000,000	350,000,000	400,000,000	460,000,000	490,000,000
Mineral production	254,473,000	378,277,000	484,959,000	372,641,000	318,076,000
Tourist business (VNB estimate)	160,000,000	180,000,000	200,000,000	225,000,000	250,000,000
Bank deposits (Dec. 31)	695,053,000	757,782,000	858,857,000	911,085,000	1,042,554,000
Bank loans (Dec. 31)	298,209,000	371,953,000	434,001,000	517,204,000	572,153,000
Federal taxpayments (fiscal year)	165,841,000	163,110,000	167,714,000	184,565,000	212,601,000
State and local taxes (fiscal year)	110,266,000	121,486,000	129,114,000	152,268,000	169,777,000
POPULATION ESTIMATES					
State total (at year end)	965,000	1,030,000	1,100,000	1,170,000	1,230,000
Maricopa County	450,000	485,000	520,000	560,000	600,000
Phoenix, city limits	140,000	156,000	172,000	173,000	245,000
Greater Phoenix	310,000	335,000	355,000	375,000	400,000
Pima County	200,000	215,000	230,000	240,000	255,000
Tucson, city limits	85,000	95,000	100,000	105,000	110,000
Greater Tucson	180,000	195,000	208,000	215,000	230,000

[1] Not available.

Arizona statistics—Continued

	February 1955	February 1956	February 1957	February 1958 [2]	February 1959 [2]
NONAGRICULTURE EMPLOYMENT					
Contract construction	18,000	18,900	21,800	23,200	27,500
Manufacturing	28,600	34,000	38,200	39,900	43,700
Mining	13,700	15,300	16,500	16,100	16,000
Service industries and miscellaneous	35,900	39,600	44,600	49,000	51,600
Transportation and utilities	20,000	20,400	21,900	22,300	22,800
Wholesale and retail trade	52,900	58,900	65,700	66,900	70,500
Government:					
Federal	14,000	16,500	18,000	18,900	18,900
State and local	28,600	32,100	35,800	39,500	43,100
Total (BLS and ESC estimates)	211,700	235,700	262,500	275,800	294,100

	February 1955	February 1956	February 1957	February 1958	February 1959
MONTHLY COMPARISONS					
Retail sales	$101,590,000	$103,484,000	$114,634,000	$116,867,000	$137,405,000
Printing and publishing	1,950,000	2,784,000	3,497,000	3,896,000	4,323,000
Rental income	5,445,000	5,742,000	6,841,000	7,561,000	8,625,000
Restaurant sales	9,629,000	9,560,000	10,142,000	11,053,000	12,533,000
Utility revenues	9,507,000	10,874,000	12,603,000	13,970,000	14,703,000
Gasoline consumption (in gallons)	27,781,000	30,089,000	32,578,000	34,062,000	37,947,000
Valley bank business index	161.3	166.1	185.0	191.5	207.9

Phoenix statistics

	March 1955	March 1956	March 1957	March 1958	March 1959
Bank debits (dollars)	389,121,000	423,644,000	521,742,000	550,289,000	683,091,000
Building permits (do)	3,283,600	2,793,216	2,130,312	1,524,439	7,141,169
Postal receipts (do)	325,353	382,046	387,972	433,834	604,987
Telephones in service (number)	106,651	118,176	132,951	149,675	169,403
Electric connections (do)	97,717	104,863	111,001	117,076	124,980
Gas connections (do)	88,767	95,557	101,210	106,479	115,281

Tucson statistics

	March 1955	March 1956	March 1957	March 1958	March 1959
MONTHLY COMPARISONS					
Bank debits (dollars)	136,771,000	170,131,000	166,851,000	183,363,000	241,252,000
Building permits (do)	1,128,642	1,105,720	3,188,765	679,850	3,839,059
Postal receipts (do)	171,118	173,573	182,707	198,597	265,575
Telephones in service (number)	58,872	64,185	70,477	75,792	84,285
Electric connections (do)	54,242	57,943	61,439	63,845	67,990
Gas connections (do)	46,501	50,436	54,104	56,612	60,231

[2] Revised series, not strictly comparable with prior years.

OPEN LETTER TO SENATOR McCARTHY'S CHILD

Mr. GOLDWATER. Mr. President, recently I read in the Wanderer, published in St. Paul, Minn., a letter from Rev. John E. Coogan, S.J., of the University of Detroit, addressed to the daughter of the late Senator Joe McCarthy. In view of what has been happening in the Senate Chamber for the past several weeks, I think it would be well for all of us to read this letter. I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AN OPEN LETTER TO SENATOR McCARTHY'S CHILD

(By John E. Coogan, S.J.)

MAY 7, 1957.

MY DEAR TIERNEY ELIZABETH: Your father was buried today. The press of the world is telling the story. The Communist press is exulting that its great enemy has fallen. The so-called liberal press is hardly behind Moscow in its glee. It is echoing the sneer of the British Liberal News Chronicle that "America was the cleaner by his fall and is cleaner by his death." The liberal press tells us, too, that whatever "virtue or lovableness the private man may have had, the public figure passes unlamented." Today upon the breast of your loving mother, whose cradled arms make a world for you, you have no ears for those sneers. But in a few years you will have grown to heed. You will then want to know more of the happenings of this day. My letter is meant for that girlhood hour. It will tell you something of the struggle that brought your father to his grave, and of the blessings the massed millions of our fellow Americans spoke today of that man, above the united front's liberal scorn.

Even while the hateful press has declared that your father passed unlamented, 30,000 sorrowing mourners, the little and the great, passed through the Washington funeral home for a last look at their hero. At his funeral mass of the following day, the pontifical rites of his church were prayerfully followed by a throng too great to begin to find entrance to St. Matthew's Cathedral. And when his body had been flown to his native Wisconsin, thousands there lined the roads for the nearly 30 miles of the death march to Appleton. There the Marines proudly stood honor guard while the sorrowing thousands of the countryside came to pay their last respects. Then the final requiem in the overwhelmingly packed St. Mary's, and the solemn lowering to rest in God's acre.

What kind of man was this, your father, hated as perhaps no man of his time was hated, loved as perhaps no man of his time was loved? Why that love and hatred? Your father was the brilliant, iron-hearted, wholesouled son of the good earth of the Middle West, the heartland of America. Born of a dairy-farming couple, Timothy and Bridget, even in his boyhood he showed that drive and independence that were to make him great. Securing and working a farm of his own, he earned the funds to pay for his belated education. At the age of 29 he was elected circuit judge, the youngest in the history of his State. Then came Pearl Harbor and a Nation at war. Unwilling to remain safe on the bench when his country needed fighting men, your father joined the Marines and was sent to the Solomon Islands. Even there, in his duties as intelligence officer, he might have remained out of harm's way. But learning gunnery, he volunteered for more than 30 dive-bombing missions, repeatedly being awarded medals for distinguished service beyond the call of duty.

After war's end, his admiring friends sent this Marine captain to the U.S. Senate. There for an uneventful few years he learned his trade. But as the months drifted by, he grew more and more puzzled. Men whom he knew as loyal, intelligent, and informed, confided to him information that increased his puzzlement. Vital roles in Government service were being filled by Communists. The word had gone to the White House, even from J. Edgar Hoover, Director of the Federal Bureau of Investigation. But nothing was done. "The Communists are all right; some of my best friends are Communists," had been the reply. "Joe Stalin is a good guy, and stories of Communists in office here are red herrings." Meanwhile members of the Communist conspiracy moved through the White House as though they owned it. One at least of them planned treason in the Abraham Lincoln bed.

What should your father do? He was warned of the dangers that awaited him if he broke in upon the conspiracy. He was reminded of the fate of the patriotic Secretary of the Navy, James Forrestal, driven out of his mind and finally to suicide by his revelation of the Communist infestation. But your father never faltered. He broke forth into a cry of "treason" that rocked the country. He then defended his charge in a calm, documented study, "McCarthyism: The Fight for America," that bore the laudatory foreword of the distinguished political scientist, Dr. William McGovern, of Northwestern University. An expert in the area under debate, Dr. McGovern—daring the wrath of the liberals—wrote of your father: "I greatly admire his courage and his sincerity, and I am profoundly grateful that he has been able to awaken the American public out of its complacent slumber and make it realize that there was something radically wrong with the caliber of our leadership in international affairs."

Dr. McGovern declared, too: "It is not at all surprising that McCarthy's success in exposing the weakness of our leadership has aroused a great deal of resentment and animosity. Attempts were made to suppress or smother his charges, or to kill them by ridicule. When these attempts proved unsuccessful, McCarthy was made the object of a barrage of venomous attacks. His ideas and his charges have been grossly twisted and misrepresented, and every conceivable effort has been made to smear his private life. * * * His most vicious enemies will not be silenced—such enemies never are and never can be. But I am sure that a great number of persons of independent thought, who are willing to investigate and learn the truth, will find this book interesting and valuable."

Millions of patriots across the country rose to your father's call. But the opposition, too, was powerful. Many, no doubt in good faith, followed the lead of the liberals. So great was this liberal opposition and so bitter their attack that a few lines here would be hopelessly inadequate. Read the full-length volumes by E. Merrill Root, "Collectivism on the Campus," and Felix Wittmer, "Conquest of the American Mind" (both authors distinguished college professors speaking of their own experience), if you wish to see the full dimensions of the story. Few of the liberals, in all probability, were card-carrying Communists. The mass of them sympathized largely with non-Marxian socialism. But the intellectual guideposts of these liberals differed so little from those of the Communists that they were terrified at the fear of identification. Like the Communists, these liberals had been secularized. All things in the world—man included—were material. Consequently there was no personal God, no soul, no free will, no life after death. Like John Dewey they could only say, "We don't know where we're going, nor where we want to go, nor why we are doing what we do."

For them, the principles upon which our Nation was built, written by Thomas Jefferson and the Founding Fathers into the Declaration of Independence, were but glittering generalities. That Declaration speaks of inalienable rights coming from nature and nature's God. But for these liberals, all rights and duties come from the community: "The community giveth and the community taketh away. Blessed be the name of the community." When, then, the fighting marine raised his cry of Red treason in Government, these liberal infrareds rose as one man, panicked in their wrath.

Making common cause with the Communist rabble, these liberals hysterically complained of McCarthy hysteria, and with every trick of propagandist demagogy denounced him as a propagandist demagog. Aided by the thunders of the liberal press, your father's enemies finally cornered him in a combat billed as the "Army vs. McCarthy," although as your father justly declared, it was he, rather, who represented the Army, since it was in the Army's interest that he was fighting; he the bemedaled Marine, even now backed solidly by the American Legion and the Veterans of Foreign Wars. In that Army trial, your father's foes made a fatal mistake. Television carried the story into the Nation's homes—the commoners of the country formed the jury. Day after thrill-packed day we read in the liberal press charges of your father's brutality in the conduct of the hearing. ("Have you no decency at all?") But day after day, too, we saw him sit there in the dignity of righteous manhood fighting off the liberals' attempted lynching. Finally we saw the attorney whose boasted wizardry was meant to destroy your father drag himself weeping and frustrated from the scene.

That attempt had failed, but the liberals would try again. This time without television. The last scene was laid in the Senate Chamber. There sat your father, conscious of his rectitude. He had foreseen the success of the attempt and had urged, "What thou doest, do quickly." No one in the history of the Senate had been censured for expression of opinion, least of all opinion expressed outside the Senate. Even the liberals had subscribed to the principle of Justice Holmes, of freedom of speech "even for the thought you hate." The words your father had spoken were his embittered reply to the yet more bitter accusations of his Senate foes. One of these had demanded his expulsion as having lied under oath, accepted a bribe, engaged in dishonest elections, in blackmail. Again and again these foes had likened him to Adolph Hitler. Finally, one had slyly insinuated the unspeakable, saying: "The real heart of the mystery concerns the personal relationship of the Army private, the staff assistant, and the Senator." Came the condemnation, the Democrats casting a monolithic 44 votes. The Republicans split, making the final vote 67 to 22. The condemnation spoke vaguely of "obstructing the constitutional processes of the Senate" (which had sanctioned the time-wasting, obstructionist filibuster), and "breaching senatorial ethics."

So weak had been the evidence that witnesses, desperate for passion-rousing charges, had declared your father an anti-Semite. This, although his troubles had been largely brought upon him through his loyal defense of two young Jewish friends. Even the liberal press has since admitted that the final triumph came as the result of a religious conspiracy. Your father had engaged as attorney for his investigating committee an expert in matters of communism. This man, himself a Protestant, charged that the Protestant clergy are the "largest single group supporting the Communist apparatus in the United States." For this charge your father was blamed. Overnight came a Protestant move on Washington. Church groups insistent upon a "separation of church and state" whenever anxious fathers had asked equal bus transportation for their parish schoolchildren struggling through the winter snows, now forgot their high principles and demanded their Senators get this upstart Catholic out to destroy protestantism.

To your father in this sea of trouble a friend sent a word of good cheer. Promptly in reply came a plaque bearing Abraham Lincoln's picture, with this quotation from the martyred President: "If I were to try to read, much less answer all the attacks made on me, this shop might as well be closed for any other business. I do the best I know how—the very best I can—and I mean to keep doing so to the end. If the end brings me out all right, what is said against me won't amount to much. If the end brings me out wrong, then ten angels swearing I was right would make no difference." Across the top of the plaque your father had written, "Here is something we must follow."

Thus the Senator, stricken but trying to conceal his wounds, continued to fight. But his heart had been broken by the 67. Almost his last act was to give you a home, hoping to find peace and consolation at his fireside with his loving wife Jean and you. But it was not to be. He must pay for his loyalty with his life. Your father's death would add power to his words and carry their message of loyalty into every hamlet of our Nation.

Already the charges against the dead hero are being pilloried. Some of the most ringing tributes to his honor have come from those Jews whom he was said to hate. Thus we have a national columnist proclaiming, "As an American, as a Jew, as an anti-Communist, I can proudly say that Joe McCarthy was my friend and that I have never encountered an opponent of his who equalled him in patriotism and courage. God bless his soul and forgive those who sent him to his death." And as to the charge that he meant to destroy Protestantism, the friendship of his Protestant fellow marines, of the millions of Protestants in the American Legion and the Veterans of Foreign Wars, is enough to lay the charge. But Protestant spokesmen have refused to leave it at that. The Methodist chaplain of the U.S. Senate had the courage to tell the accusing 67 in the memorial ceremony, "This fallen warrior through death speaketh, calling a Nation of freemen to be delivered from the complacency of a false security and from regarding those who loudly sound the trumpets of vigilance and alarm as mere disturbers of the peace."

In the commemorative service of the Wisconsin State Legislature, the Lutheran pastor spoke out as bravely: "We thank God for the life of Senator McCarthy and for his contribution to the American way of life. We thank Thee for him as a fighter of communism, defender of free speech, and as one who was concerned about the needs of people—not only in Wisconsin but throughout the world. * * *" The Protestant Director of the Federal Bureau of Investigation, J. Edgar Hoover, added his own tribute: "Sorrow over the passing of a friend is heightened when such a man has a mission and is called home from his earthly pursuits. Such a man was the late Senator Joseph R. McCarthy. His patriotism, his courage, and his passion for the American way cannot be doubted. It was inevitable that he should become the center of controversy because of his mission and the zeal with which he pursued it."

Of course the liberal press has continued its charge. No virtue is beyond its smear. George Washington himself had been so maligned that with relief he retired to Mount Vernon, yet slander followed him to the grave. And Abraham Lincoln, "the Illinois ape," was so assailed that an assassin's bullet came only as the climax of savagery. It is quite in character then that a scandalmongering columnist charge your father with dishonestly making claim of income tax deductions for gifts to the foreign missions of his church. But the truth of the matter soon appeared in a letter from Burma telling of annual gifts, generous and continued, for the education of the native clergy; gifts that began when your father was still a struggling young lawyer back home. Columnists charged, too, that your father was disloyal to his religion, when had he really been disloyal this would have won their secret admiration.

Before I close this letter, Tierney Elizabeth, let me set down some tributes to your father from his faithful Senate friends, from 2 of the 22. The first tribute is from STYLES BRIDGES, of New Hampshire, who proclaimed of your father: "He was one of the great crusaders of his age. His courage and sincerity in battling against all subversive elements were great contributions to the protection of our American way of life. History will record him as one of our outstanding American patriots."

The second friendly voice is that of Senator Knowland, who said of your father: "He believed that there was a conspiracy of silence concerning Communists and fellow travelers, and it shocked him to learn that even after indisputable facts were presented to high authorities, they were pigeonholed or treated as red herrings, while atomic and other secrets were being stolen from our country. * * * If others find a better way to alert people and keep public officials on guard, then the spirit of Joe McCarthy will have prevailed. But we must never again fall into the type of complacency that looked at communism as an agrarian reform."

I cannot end these lines without giving a few words of tribute from the clergy of your father's faith and ours. We have the illustrious Father James Gillis declaring: "I can only conclude that those who assail [Senator McCarthy] are ignorant of the man and of his genuine patriotism. They have fallen for vicious propaganda, the slogan, and the smear." The testimonial of the Bishop refugee from Communist terror, Cuthbert M. O'Gara, C.P., is as emphatic: "For me the measure of the late Senator McCarthy's worth, and of the contribution he has made to the defense of his country is the incredible venom being spread upon

his name by the pseudo-liberals, the left-wingers, and the anti-anti-Communists." Finally, we have from Monsignor Cartwright's funeral sermon in St. Matthew's Cathedral these prophetic words: "Senator McCarthy filled in the last few years a role which will be more and more honored as history unfolds its record."

You may wonder, child, why your father was not buried in America's most illustrious cemetery. Reflect, what cemetery would have been more securely guarded against the intrusion of those "soft on communism" than the present St. Mary's of the Seven Dolors? His pastor has since written: "He loved St. Mary's from the days of his youth. His desire was to come home and to be laid at rest beside his father and mother in St. Mary's Cemetery. He was a dedicated man and God be good to him." He would have preferred it thus. Perhaps in a better day a national monument will be raised to him. (You know that the elder Senator La Follette, "Fighting Bob," also from Wisconsin, was himself once condemned by his fellow Senators, but by them has now been placed among their great.) Let us look, then, to that better day when Communists and fellow-travelers will no longer infest our Government. When, too, the Russian satellite nations, sacrificed by the strange new diplomacy, will have regained their liberty. And even the people of Russia will have thrown off the Communist yoke. Speed that day when the commoners of all nations will bring their tributes of gratitude for the courage of your father who died baring his breast to the onslaughts of the deluded in his defense of his country.

PROPOSED DEPARTMENT OF CONSUMERS

Mr. KEFAUVER. Mr. President, on March 26, 1959, I introduced for appropriate reference S. 1571 for the purpose of establishing a Department of Consumers in the executive branch. As evidence of the interest in the idea of establishing such a Department there was introduced on January 12, 1959, in the Senate of the State of California, by Senator Richards at the request of the Governor, Senate bill No. 33, a bill authorizing and establishing in the office of the Governor a consumer counsel. I ask that a copy of this measure, introduced in the Senate of the State of California, be made a part of the CONGRESSIONAL RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

An act to add Article 5 (commencing with Section 12050) to Chapter 1, Part 2, Division 3, Title 2 of, the Government Code, relating to the protection of consumer interests.

The people of the State of California do enact as follows:

SECTION 1. Article 5 is added to chapter 1, part 2, division 3, title 2 of the Government code, to read:

"ARTICLE 5. CONSUMER COUNSEL

"12050. There is in the office of the Governor a consumer counsel, who shall be appointed by the Governor and shall serve at his pleasure.

"12051. The consumer counsel shall receive a salary as fixed by the Governor but not to exceed $15,000 per year.

"12052. The Governor may also appoint and fix the salaries of such assistants and employees for the consumer counsel as the Governor may deem necessary. Such salaries shall be fixed as nearly as possible to conform to the salaries established by the State personnel board for classes of positions in the State civil service involving comparable duties and responsibilities.

"12053. The consumer counsel shall advise the Governor as to all matters affecting the interests of the people as consumers. The consumer counsel shall recommend to the Governor and to the legislature the enactment of such legislation as he deems necessary to protect and promote the interests of the people as consumers.

"12054. The consumer counsel, in carrying out his functions under section 12053, shall make such studies as he deems necessary, or as directed by the Governor, and may render reports thereon from time to time to the people of the State.

"12055. In carrying out the provisions of this article, the consumer counsel may:

"(a) Appear before governmental commissions, departments, and agencies to represent and be heard on behalf of consumers' interests.

"(b) Cooperate and contract with public and private agencies for the obtaining of statistical surveys, printing, economic information, and such similar services as may be necessary and proper.

"(c) Do such other acts as may be incidental to the exercise of his powers and functions as conferred by this article.

"12056. Each agency, officer, and employee of the State shall cooperate with the consumer counsel in carrying out his functions under this article.

"12057. The Governor, by executive order, may create such advisory committees as he deems necessary to assist the consumer counsel in carrying out his functions under this article. The Governor shall appoint the members thereof and they shall serve at his pleasure. The committees shall be under the direction of the consumer counsel. The members of such advisory committee shall receive no compensation for their services except that they shall receive their actual and necessary expenses incurred in the discharge of their duties."

RECOGNITION OF COL. WILLIAM A. ROBERTS

Mr. KEFAUVER. Mr. President, Col. William A. Roberts is a successful practioner of the law in the District of Columbia who is favorably known to many of us in public life. He is always willing to give his time, thought, and talent to assist in projects in the general welfare. He is a thorough student of government and of politics. He has given much sound advice and counsel to many of us in the Congress and in the Executive Department which has assisted in a solution of important problems at hand.

Colonel Roberts was recently honored by the people living in the Wesley Heights community. There is printed in a magazine, The Leaves for April a thoughtful biography of this good man part of which I ask unanimous consent to have printed in the body of the RECORD.

There being no objection, the biography was ordered to be printed in the RECORD, as follows:

THE MANY LIVES OF COLONEL ROBERTS

Highlights in the many-faceted career of Col. William A. Roberts spring from multi-colored strands of talents, distinctive achievements, interests, projects, and hobbies woven together in the warp and woof of family life in the community. For the past 27 years, Colonel Roberts and his family have made their home at 4440 Lowell Street in Wesley Heights.

With boundless energy and a hard-to-match zest for living, Colonel Roberts is the archetype "man of distinction," at the pinnacle of his career as a law partner in the firm of Roberts & McInnes. But it is the many other pinnacles he has reached that makes him more than typical and the principal in the title role of "The Many Lives of Colonel Roberts."

Leaving the Interstate Commerce Commission as a senior attorney examiner at the age of 30, the young engineer-lawyer was catapulted into District of Columbia affairs at a time of distress in the peak of the depression of 1929–30. "Utilities were out of hand—taxes uncollected—transportation problems mounting," Colonel Roberts recalls.

Special Assistant Corporation Counsel, as attorney for the Public Utilities Commission, a job created by Congress specifically for him, and later People's Counsel for Washington, by appointment of President Franklin D. Roosevelt, Colonel Roberts had a dual role and performed the functions of both jobs in the center of a hornet's nest of controversy. For several years the name "Roberts" rode the headlines in boldface type as he fought for what he described as "recognition of the complacent District government."

The natural human resistance to change won him enemies; his energy and courage in his convictions won him respect from the opposition and friends alike. His legal accomplishments, particularly in the field of utility regulation, are legend and when he resigned to return to private law practice, a local commentator observed: "His (Roberts) resignation as people's counsel has been a civic sensation. * * *"

The record is too important to be forgotten and the achievements from which the citizens of the District still are benefiting are too numerous to detail without crowding out of a limited space many others that followed. The memory of his failure—his unheeded proposal for a complete subway system for Washington—also stays fresh with ever-increasing traffic congestion.

Perhaps it is an early start in self-reliance and adult responsibility that gives a man the opportunity to do and achieve more than the average in a given span of years—plus the providential endowment of intelligence and talents. "After 10 years of age I was earning my own living," Colonel Roberts recalls.

Bill's story of working his way through school with top honors can be matched by other self-made men today but not topped in speed, enthusiasm, and imagination.

He won the Franklin Foundation Medal and 4-year scholarship to Tufts College—the highest award of the Boston city high schools—was editor in chief of the Mechanics Arts High School paper The Artisan.

In college he continued fourth estate activities as editor of the Tuftonian and with the Boston Globe. Businesswise, Bill set up a bicycle renting and repair service.

After stateside service in the Army Air Corps, and the 26th Yankee Division, National Guard, he saw Washington for the first time from Walter Reed Hospital, where he came following an airplane accident in December 1918. A year later he was back at Tufts College—and in business again. This time he and a friend organized the New England Air Transportation Co. which played a limited engagement from Boston along Cape Cod to Marthas Vineyard. Various civil engineer jobs followed graduation, with companies in the United States and South America.

By then, too, Colonel Roberts had written "A Preface for a Book of Verse." Still unpublished, it has grown into more than one volume over the years. The preface:

"Just burning little fantasies of thought
Which flame in triumph and as quickly die,
Like flimsy tinted portrait winds have brought
To fill the picture gallery of the sky."

That was the year (1923) that Colonel Roberts came to Washington, entered Government service and married Caro-Margaret Chenay. In the years that followed, Bill Roberts became the father of four children, William Allerton, Jr., Helen Emily, John Arthur, and Martha Alice, and exploded into a human dynamo of activity. First, he decided it would be fun to be a lawyer and besides, it made sense as a corollary to his work. By 1925 he had his LL.B. from Georgetown University, attending night classes, and at once began teaching—undergraduate law at first and later graduate law as a full professor at Columbus Law School, now the Law School of Catholic University.

This he continued for more than 10 years in addition to service in the Federation of Citizens Associations, the Federal Bar Association, of which he was president, 1932–33, the D.C. and International Bar Associations. He helped organize the Junior Bar Conference, American Bar Association, another battle against tradition, going to every State in the Union in the process and serving as first secretary of the group.

Moving into Wesley Heights in 1932, Colonel Roberts found still another outlet for his energies and talents in the Community Club. Elected legal adviser and parliamentarian of the club, he also represented the community in all public relations for many years, a one-man citizens association, until the Spring Valley-Wesley Heights Citizens Association was organized.

It was in the community and on the home front that the artistic facets of Colonel Roberts' character came to light and he was discovered to be an amateur actor as well as a part-time composer of march tunes, lullabies and popular ballads.

Drama flourished at the Community Club in the 1930's and Colonel Roberts participated—once in the leading role in The Texas Steer, often in the supporting cast of other plays. Also, he had studied piano as a boy at the Boston Conservatory of Music, which was background preparation for original composition for family songfests plus know-how for leading community sings at the club. This also led to the march he wrote for the Coast Artillery, which was published in the Coast Artillery Journal.

To the community, Bill Roberts was, and still is, predominantly friend and neighbor, though he is identified with politics in his career. "He's a politician," said one acquaintance, "but one who never builds his self-esteem by wounding another's ego."

The title of "Colonel" has stayed with Bill Roberts since World War II when he was the first commanding officer in establishing the Air Force Officers Training School at Miami Beach which graduated over 8,000 Air Force officers. Later he was plans and training officer of the Thirteenth Air Force which maneuvered throughout the South Pacific including the Solomons and various other campaigns.

During these years he carried on a sort of "South Pacific remote control" contact with his firm, letters to his partner and staff reflecting his background of experience.

For a number of years Colonel Roberts has been libel counsel for columnist Drew Pearson, figuring in many of the widely publicized cases in which the author of Washington Merry-Go-Round has been involved. But the firm of Roberts and McInnis specializes in technical phases of law, namely, taxation, communications, and transportation cases and utility regulations.

Starting business enterprises during college days became a habit with Bill Roberts. In 1937 he established Safeway Trails, a bus line from here to New York. The company, of which he is a quarter-owner, counsel and director, is now National Trailways, from Washington to Portland, Maine. He is president and director of Roberts Realties Co.; director-secretary, Capital Insurance Underwriters, and director, Roberts Brothers Co., an automotive parts business, whose two Roberts brothers are not related to him.

Interests have fanned out in many directions. Bill Roberts was there when Dr. Allen B. Du Mont began experimenting with television in his basement laboratory back in 1932. He helped set up cameras, write script and do all types of odd jobs connected with the infant WTTG in Washington. Later he became legal counsel for Du Mont and its network and still represents that company and many other radio interests.

A dedicated administrative assistant, Bill's wife, Caro-Margaret Roberts, calmly lives up to all the tributes that have been paid to "the little woman" behind a man who achieves success. She has guided the children through the Horace Mann-Immaculata-Georgetown Prep circuit, while taking the home-again-off-again traveling schedule of her husband's career in her stride. Still and all, she has found time to be active in the Community Club, which she served as secretary and again as board member, and in the Metropolitan Methodist Church. She is a member of the 20th Century Club and the 30 Club and served as a Grey Lady for 10 years.

Matching success with her husband, Mrs. Roberts has played the multiple role of the modern homemaker from glorified chauffeur to chief cook with a special talent for laughing and a delightful capacity for sensing the fun in an ordinary situation. One midnight, Bill called from the airport. Except for a mixup in time schedules, Caro-Margaret would have been there to meet him and he wanted to be sure she was not en route before he started for home. When he learned she was still at home, expecting him at another hour, he insisted that she stay there. Not to be outdone in gallantry, Caro-Margaret greeted him later at the door, the house ablaze with lights and a 2-foot square red carpet of welcome on the front stoop.

Together, the Robertses have traveled the path of PTA, graduation exercises and music recitals and Colonel Roberts expressed the entire gamut of parental emotions when he wrote:

"SPRING RECITAL

"Still, my heart! Let not the people
Gathered under Dumblanes steeple
Hear your pitiful pounding now!
Steady, hand! Nor show the pressure
Born of fear of missing measure,
Slaughtered chord or time too slow!
Gooseflesh, hide! Or else the terror
Of an oft-corrected error
Will disclose any cowardice.
Dare not I a comment utter—
Those nearby would hear the flutter
Of internal butterflies!
She is done! Now hear my laughter!
Mighty fine, my precious daughter!
Never missed a single key!
Let the other parents worry;
I'm no longer in a hurry—
Martha's through her melody!"

Now a young woman, Martha lives at home with her parents. She attended Penn State University and at present is a secretary with the Dow Chemical Co.

Lt. (sg.) Helen Roberts Shields, USN, is stationed at Camp Lejeune, N.C., and manages frequent visits home. She was the first woman to graduate from the Hilltop Georgetown University and was the first Washington girl sworn into the Naval Reserves Nurses Corps under the new recruitment program in July of 1948. She received a bachelor of science degree from Georgetown in June of that year.

William A. Roberts, Jr., died in the Battle of the Bulge, in 1944, and Lt. (jg.) John A. Roberts was killed in an accident while stationed in England in 1952.

Colonel Roberts' dynamic career embodies so many hobbies, he now talks about the "frustration of hobbies," which include 128 acres of property in Great Falls—with never-completed plans for building, and 5 acres at Queens Lake, near Williamsburg, Va. "We're tracing the belief, not yet proven," Colonel Roberts said, "that the Jesuits established a colony there 20 years before the Jamestown Colony was founded."

For the record, Colonel Roberts authored a book, "Valuation of Public Utilities," in 1934. If and when he starts painting landscapes, he will have done just about everything.

SPECIAL ASSISTANCE MONEY UNDER MUTUAL SECURITY PROGRAM

Mr. KEFAUVER. Mr. President, it has been called to my attention that the special assistance money asked for by the administration as a part of the mutual security program for fiscal 1960 does not include an amount for the State of Israel, as it has in past years.

During fiscal 1959, $7½ million in special assistance funds was authorized for Israel.

I believe Israel has a continuing need during fiscal 1960 for a like amount. A considerable increase in refugees from Europe is anticipated. Also, Israel should not be penalized for making the fine economic progress she has made. In spite of this progress she still faces a considerable gap between exports and imports which she must narrow to meet the demands which will occur when reparations payments end and bonds mature.

Israel is one of the few reliable outposts of democracy in the turbulent Near East. Our continued aid to Israel will signify the United States steadfast interest in that democracy and show again our desire that Israel and her neighbors will soon come together in peaceful cooperation.

As a member of the Senate Appropriations Committee, I was glad to work and vote for restoring $100 million to the Development Loan Fund. I believe this supplemental appropriation for the current fiscal year will be helpful to Israel which has a request pending before this Board.

I also believe it will be in the best interests of the free nations to restore to the mutual security program the $7½ million of special assistance money for Israel in the coming fiscal year.

SAVE THE VANISHING SHORELINES

Mr. DOUGLAS. Mr. President, as the junior Senator from Oregon [Mr. NEUBERGER] has already remarked, the increase in population in this country and

the increasing industrialization of the Nation is rapidly taking away from public use strategically located places of natural beauty adapted for recreation.

The armed services are also contributing to this difficulty by the ardor with which they try to take over beautiful places for their own and exclusive use.

It is necessary for us to act before these places of great beauty are forever foreclosed from the public, and used either for private real estate development or for industrialization.

The Senator from Oregon has a bill to preserve the Sea Lion Caves and the Oregon Sand Dunes. Some of us have another bill to protect the Indiana Dunes. We are greatly encouraged by the fact that the Advisory Board to the National Park Service has recently submitted a report recommending that no less than seven of these areas be set aside for public use, either as national parks, national monuments, or in some new category.

To my mind this is one of the most important issues before the American Nation, and I hope these various projects may be joined together in a single program for saving our shoreline. It might be called the "SOS" program—"Save Our Shorelines." SOS is the distress signal sent out by ships which are in danger of sinking at sea. Our shorelines are in danger of being completely taken over and closed to the public.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MORSE. As the Senator knows, I am one of the cosponsors of the Neuberger bill, and on several occasions I have spoken on the floor of the Senate in support of the sand dune bill of the Senator from Illinois. I think his suggestion for a combination of forces is a very happy one, and I should be very happy to join in a combination bill.

Mr. DOUGLAS. The senior Senator from Oregon, as always, is in the forefront of the fight for the conservation of places of natural beauty.

On Sunday, May 3, the New York Times Magazine section devoted two pages to seven of these shoreline places of beauty. While, of course, it is not possible to insert pictures in the CONGRESSIONAL RECORD, I ask unanimous consent that the text accompanying the pictures from the New York Times for last Sunday be inserted in the RECORD at this point as a part of my remarks.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

TO SAVE THE VANISHING SHORELINES

For years American conservationists have devoted much thought and money to the preservation of the more beautiful stretches of our coastlines against erosion by the sea. Now, at almost emergency speed, they are moving against another threat—man himself. The National Park Service recently pointed out that, along with increasing population pressure, there has been increasing demand for shorefront property for residential purposes, resort development, and industrial uses.

To stem this encroachment, to save for all the people the natural glories and the recreational resources the coastlines afford, the National Park Service has listed several dozen undeveloped stretches which it feels Federal or local governments should seek to acquire and maintain as they are, except for such simple facilities as may be added to help the public enjoy them. The sites are dotted around the continent and include the Great Lakes. Some, the National Park Service feels, should definitely be put in Federal status. Here are scenes at seven of the suggested national acquisitions.

Sea Lion Caves: Cut deeply into the cliffs of Oregon, reaching as far as 1,500 feet in from the surging Pacific, these natural caves are for several months each year a rookery for herds of sea lions. The property is now privately run as a sightseeing feature.

Oregon Sand Dunes: In a project to be linked with the acquisition of the nearby Sea Lion Caves, these shifting sand hills, rising from the ocean to heights of 400 feet, would comprise 24 miles of shore and 23,000 acres. Ownership is now Federal, State, and private.

Indiana Dunes: This gleaming stretch of sand swept by the winds of Lake Michigan has been heavily developed except for one 4½-mile stretch adjoining a State-owned resort. This property is held by two steel companies as possible building sites.

Cape Cod: The Great Beach, so named by Thoreau, stretches some 40 miles along the whole forearm of the cape. It is now owned piecemeal by private and public interests. The National Park Service would designate it a national seashore so that it would not be spoiled by indiscriminate development, as has happened in the area.

Cape Flattery: This magnificent promontory at the northwestern tip of the United States, in Washington, is a region of craggy shores, many islands, forested land. Of the 16,000-acre site, 11,000 acres make up the Makah Indian Reservation. Controlled lumbering is carried on there and on private lands. The National Park Service would like permanent safeguards.

Santa Cruz Island: Off the coast of California, this remarkable island (and its neighbor San Miguel) would be added to the present Channel Islands National Monument. The islands are famous for strange formations and rich sea life. Santa Cruz is largely private, used for ranching.

Fire Island: This great barrier island, 40 miles from Manhattan, with its fine beaches on ocean and bay and its unusual plant life, is still listed as a hoped-for national preserve, but the pressures of private development have somewhat dimmed that hope. Some of it is State owned.

Mr. DOUGLAS. Mr. President, it is the intention of some of us to draft and introduce a bill which will throw general protection around these areas; and I hope various Senators, not merely from the States where such areas are located, but from States from which the people could go to those beautiful areas, will join us.

For example, the people of Connecticut delight in the glories of the great beach of Cape Cod. Unless some effort is made to save Cape Cod, this magnificent beach, celebrated by Thoreau in his famous visit to Cape Cod, will be gone forever.

Fire Island, off Long Island, near New York Harbor, where Margaret Fuller was drowned on her return from Italy, and which has since become famous as the resort of the New York literati, could be saved for the people.

Again I emphasize the importance of the Indiana sand dunes. The sand dunes are places of natural beauty for the whole midwestern area, including the metropolitan area clustering around Gary and Chicago.

It is necessary to look at these problems from a regional and national aspect, and not purely from a State aspect. Each locality is usually eager for industrial and commercial development, and therefore is all too ready to sacrifice these places of beauty. But the people as a whole must have some place to go on weekends, and for contact with nature. Beauty is as much a part of life as steel and concrete.

I hope, therefore, that we may gain general support for these measures. Judging from the encouraging beams and smiles of approbation on the faces of various Members of this body, I have distinct hopes that this result may indeed come to pass.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. BUSH. I thank the Senator for calling attention to Connecticut in his eloquent remarks. I am intrigued by his eloquence on the subject of nature, but I remind him that people from all over the country come to Connecticut to enjoy the very beauties and advantages of which he is speaking. Very few people leave Connecticut for that reason, except to make room for the influx.

Mr. DOUGLAS. I appreciate the comments of the Senator from Connecticut. I have gone swimming off the Connecticut beaches. I congratulate the State for the State park it has established in the southwestern portion of Connecticut. I should like to make such possibilities available for everyone.

Mr. BUSH. That sounds reasonable.

Mr. DOUGLAS. I thank the Senator.

OPPOSITION TO BIDS FOR THE SALE OF ELLIS ISLAND

Mr. LAUSCHE. Mr. President, today I wrote to Mr. Franklin Floete, Administrator of the General Services Administration, the following letter, in which I asked him to reject the bids which were made for the purchase of Ellis Island:

MAY 7, 1959.

Mr. FRANKLIN FLOETE,
Administrator, General Services Administration, General Services Building, Washington, D.C.

DEAR MR. FLOETE: My attention has been called to the fact that you are now considering bids for the sale of historic Ellis Island, and that by 5 p.m. Friday, May 8, you will have to act upon the bids.

Through this morning's Washington Post and Times Herald, I observed that Mr. William M. Brennan, of New York, is advocating that the island be acquired by a nonprofit international institute for use in training of American employees and their families prior to leaving for foreign service assignments.

The particular land for which the highest bidder, the Atlas Buffalo, Inc., of Yonkers, N.Y., has offered $671,000 consists of 27 acres

and with its buildings is appraised at more than $6 million.

Ellis Island is known to millions throughout the world as the "front door to freedom." It is the symbol of liberty and sanctuary which received them when they came from foreign lands to the United States. It would be a travesty to sell this historic shrine and site to private promoters for future use for commercial entertainment.

I feel rather certain that there is some method of preserving this historic site as a public domain.

If the plan proposed by Mr. William M. Brennan cannot be worked out, exploration should be made about the willingness of our people, primarily those who came to our shores through Ellis Island, by public subscription to save the site.

I urge that you reject the bid because:

(1) The island, because of its historic significance should not be allowed to pass from public control into private hands;

(2) The bid made by Atlas Buffalo, Inc., is wholly inadequate in face of the more than $6 million valuation that has been placed on the island by responsible appraisers;

(3) The several proposals made about means and methods of saving the island should be fully explored; and

(4) Additional time is needed to properly air in public discussion and in the Senate the wisdom of allowing this shrine to pass into private hands.

Sincerely yours,

FRANK J. LAUSCHE.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Ellis Island Sought as Training Center," written by Eve Edstrom.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ELLIS ISLAND SOUGHT AS TRAINING CENTER

(By Eve Edstrom)

Businessmen and scholars have joined in an effort to turn historic Ellis Island into an international training center for Americans assigned abroad.

But whether the project dies aborning hinges on a decision which General Services Administrator Franklin Floete must make by 5 p.m. Friday.

If GSA accepts the high bid for the 27-acre former immigration center, it will be developed commercially as a pleasure resort.

But if GSA rejects all bids, the island has an excellent chance of becoming a nonprofit international institute where American employees and their families would receive intensive training prior to leaving for foreign assignments.

Several American corporations have indicated their interest in the cultural institute plan as championed by William M. Brennan, New York management consultant and Dr. Frederick Burkhardt, president of the American Council of Learned Societies.

SCHOOL FOR 300

Under their proposals, Ellis Island would provide a school for about 300 students, hotel quarters for 600 to 800 people, apartments for faculty and staff families, and space for permanent trade and cultural exhibits.

The businessmen-students would study languages and foreign cultures. Instruction would be carried on 8 to 10 hours daily, 6 days a week for 2 to 4 months. The tuition fee of $50 a day would be paid by the company employing the students.

Wives would be urged to attend classes with their husbands as guests of the institute. Children would receive regular schooling as well as oversea orientation and language instruction.

The institute, it is emphasized, would be organized in such a way as to teach not just languages but "total communication." This would be done on a 24-hour basis, with families living the life of the country of their assignment. Faculty members would be supplemented by tutors who are natives of the foreign country and who are familiar with its business practices.

None of the 35 buildings on the island would be demolished. They would be remodeled at an estimated cost of $500,000. Long-range plans call for a 5-year $6 million modernization program which would include a bridge to span the 900 yards between the island and the Jersey City shore.

Backers of the International Institute asked GSA to defer consideration of bids for 60 days so they could draft firm plans for its operation and financing. If such plans met with the approval of the Department of Health, Education, and Welfare, Ellis Island then could be transferred on a conditional basis to the nonprofit group at no cost.

But when GSA offered the land for sale, HEW had received no applications for its use for health or education purposes. Ellis Island, therefore, was offered for sale, and bidders on the property, it is understood, do not want action on their bids deferred.

The highest bid of $671,000 was submitted by Atlas Buffalo, Inc., of Yonkers, N.Y., headed by Sol G. Atlas. His announced plans are to construct a resort area on the island.

APPRAISED AT $6 MILLION

Atlas previously had bid $201,000 for the island, but the bid was rejected as too low for the property, which, with its buildings, is appraised at more than $6 million.

Because the island has gone begging since it was closed 4½ years ago, GSA indicated last January it would accept in the neighborhood of $800,000 from "the right buyer."

GSA's decision on disposal of the island will not be based entirely on the highest bid. Consideration also will be given to the proposed use of the island.

The proposal for turning the island into an international training institute currently is before HEW Secretary Arthur S. Flemming, who is expected to indicate his Department's interest in the project to GSA officials by Friday.

SMALL FIRMS HAVE BIG PLACES IN STEEL COMPANY RANKING

Mr. BUTLER. Mr. President, recent statements reveal the importance of the forthcoming negotiations in the steel industry in maintaining the stability of our free-enterprise economy.

Many individuals believe that steel is produced only by large firms with unlimited resources that can meet whatever wage demands may be asked of them.

The American Metal Market, in its issue of March 20, included a table showing that America's steel ingot production is shared among 82 producers. It also shows that since the end of World War II many of the smaller firms have expanded their capacity at a higher rate than the larger ones. This tends to refute a claim so often advanced that the steel industry is highly concentrated and that its prices are administered.

I found the compilation by the American Metal Market so informative that I ask unanimous consent the artiticle, entitled "Small Firms Have Big Place in Steel Company Ranking," and the table which accompanied it, entitled "Rank and Growth of Steel Companies," may be printed in the RECORD at this point.

There being no objection, the article and table were ordered to be printed in the RECORD, as follows:

SMALL FIRMS HAVE BIG PLACE IN STEEL COMPANY RANKING

NEW YORK, March 19.—Steel, popularly regarded as an industry of giants, is actually composed 40 percent of companies having each less than 100,000 tons annual ingot capacity. Another 35 percent of the companies have between 100,000 and 1 million tons of yearly capacity, while 20 companies, or less than 25 percent of the 82 ingot producers, have each in excess of 1 million tons annual capacity.

These significant facts are revealed today in the American Metal Market's annual ranking of steel producers according to size of their tonnages.

SMALL BUSINESS

In addition to the 82 companies whose ingot capacities are reported by the American Iron and Steel Institute, about 180 steel companies are nonintegrated—produce no steel in molten form but buy semifinished forms, such as billets, skelp, wire rods, or hot rolled strip in coils, to run down into finished products. Most of these 180 also would rank as small business. If these 180 are added to the 33 small producers (less than 100,000 tons each) it becomes evident that three-quarters of the total of about 260 steel companies in the United States would be classified as small.

THREE NEW PRODUCERS

Of the 33 small ingot producers, 13 are new since World War II, while 3 are new ingot producers within the past year. Some of the oldest and best known tool and specialty steel companies are included in the ranks of these small tonnage producers. In sales dollars they would probably rank higher.

Although these 33 companies, many of which do not produce in a year the equivalent steel tonnage contained in one ordinary office building, make up 40 percent of the number of ingot producers, their aggregate capacity is a shade less than 1 percent of the industry's total. What they lack in avoirdupois is counterbalanced by the strategic importance of their specialties, which occupy an important place in the American economy. It is significant that they have a high rate of survival.

Nearly all of the companies in the 33 group are equipped with electric furnaces only. Quite a few of them are located away from large steel centers.

MIDDLE HAS VARIETY

The middle group of 29 companies, 35.4 percent of the ingot producers by number, accounts for 7.9 percent of total steel capacity. Running all the way from a trifle over 100,000 tons annual capacity to just a little short of 1 million, these companies are of a great variety in the nature of equipment and products. Four of them are integrated, being producers of pig iron as well as steel, though the characteristic of the group is semi-integration, with a mixture of open hearth and electric furnaces. Some of the best known names in alloy steel are in this group, although a number also are primarily producers of carbon steel.

INTEGRATED SIZE

The top of the middle group in a way indicates a size border area between integrated and semi-integrated producers. The largest capacity in the latter group producing ingot but not pig iron is just under 1 million annual tons (930,000) while the smallest

integrated in the top 20, all except 1 of whom are integrated, is just over 1 million tons (1,200,000). However, five integrated concerns have smaller capacities, two at 800,000 tons each, one at 846,800 tons, one at 136,100 tons and one at 90,000 tons. Some of these however, have blast furnaces at a distance from steel furnaces and so are not able to use their own hot metal. In other words their actual plant operations are not integrated, unlike the top group.

MILLION TONNERS MULTIPLY

In the million tons or plus group the number of companies has jumped during the postwar period from 12 to 20—a broad number indeed for any industry. These concerns are highly diverse in character, mass production being practically their only common denominator. Together they have plants in nearly every industrial area of the country. While a number of them produce highly diversified kinds of products, some are noted for particular activities or are confined to a certain area.

The original dozen in this group at the end of the war had 81.1 million tons of capacity, to which they had added nearly 39.4 million tons by the beginning of this year, or 48.5 percent. Meanwhile all of the rest of the steel industry expanded nearly twice that much or 89 percent. The latter rapid growth represents in addition to the expansion of many old companies, the introduction of 16 new concerns since the war, ranging in size from the 15,600-ton Pencoyd Steel & Forge Corp. to the 2,040,000-ton McLouth Steel Corp.

MANY RANKS CHANGED

Numerous revisions in ranking have occurred, both in what was the top dozen in 1945 and through the rest of the list. These changes have continued right through the years into 1959, with many changes taking place since the beginning of 1958 because of rapid expansion of a few companies. One of the most spectacular was Kaiser Steel moving up from 14th place at the beginning of last year to 9th place this year. This concern's ingot capacity now is nearly four times what it was at the end of World War II.

Acme Steel jumped from 28th to 20th place and is the only one in the million-ton group that is not integrated. Its rapid postwar growth is due both to construction of new plant and purchase of going concerns. Several others have moved up a notch, while many have consequently slipped back a notch. The latter changes generally were not due to any cut in size but resulted from some other company growing faster.

RANKING CLOSE

One of the striking characteristics of the accompanying ranking of steel companies is the much more gradual graduations of capacity tonnages currently than at the beginning of the postwar era. Smaller margins between the companies and the nearly doubling of the number of top ranking concerns reflects the competitive drive behind steel expansion.

For the entire industry this rise in capacity has been 54.5 percent since the beginning of 1945. As the beginning of this period was marked by considerable scrapping of old equipment, actual modernization and construction is substantially greater than this 54 percent. In fact the industry in addition to enormous building of new capacity, has been practically rebuilt in every company's efforts to keep up with its competitors. Individually, however, there is an almost unbelievable variation from the average pattern of expansion in capacity, as shown in the accompanying table.

LITTLE FELLOWS GROW

Most striking is the fact that 18 companies, all small at the beginning of the postwar period, have been able to expand more than 100 percent, while some of their larger competitors have also added substantially to their size. And this is in addition to the newcomers, who of course can have no percentage, having sprung up from zero.

Variety and large numbers of concerns, it is seen in this table, are as truly characteristic of the steel industry as are the giants which so impress the public mind.

Rank and growth of steel companies

[Capacities of steel-producing furnaces in thousands of net tons as reported by American Iron & Steel Institute]

Standing in 1959 and company	1958 [1]	Furnace types	Jan. 1, 1945	Jan. 1, 1958	Jan. 1, 1959	Postwar percentage gain
1. United States Steel Corp		A	32,307.0	40,212.0	41,916.0	29.7
2. Bethlehem Steel Corp		A	12,900.0	23,000.0	23,000.0	78.3
3. Republic Steel Corp		A	9,791.0	12,242.0	12,742.0	30.1
4. Jones & Laughlin Steel Corp		A [2]	5,194.0	7,500.0	8,000.0	54.0
5. National Steel Corp		C	3,900.0	6,800.0	7,000.0	79.4
6. Youngstown Sheet & Tube Co		B	4,002.0	6,500.0	6,750.0	68.6
7. Inland Steel Co	(8)	B	3,400.0	5,800.0	6,500.0	91.2
8. Armco Steel (including National Supply)	(7)	D	3,432.0	6,396.2	6,400.0	86.4
9. Kaiser Steel Corp	(14)	B [2]	750.0	1,536.0	2,933.0	291.0
10. Colorado Fuel & Iron Corp	(9)	B	1,705.0	2,836.5	2,836.5	66.3
11. Wheeling Steel Corp	(10)	C	1,960.0	2,400.0	2,400.0	22.4
12. McLouth Steel Corp. [3]	(13)	F [2]	(4)	1,574.0	2,040.0	
13. Ford Motor Co	(12)	D	967.4	1,898.6	1,898.6	96.2
14. Sharon Steel Co	(11)	D	636.0	1,989.0	1,861.0	192.6
15. Pittsburgh Steel Corp	(17)	B	1,072.0	1,416.0	1,560.0	45.5
16. Detroit Steel Corp. [5]	(15)	B	(4)	1,500.0	1,500.0	
17. Granite City Steel Co	(18)	B	703.2	1,200.0	1,440.0	104.7
18. Crucible Steel Co. of America	(16)	D	1,507.7	1,424.5	1,431.2	−5.1
19. International Harvester Co		B	900.0	1,200.0	1,200.0	33.3
20. Acme Steel Co	(28)	H [2]	413.1	608.0	1,059.8	156.5
21. Lukens Steel Co	(24)	H	624.0	750.0	930.0	49.0
22. Allegheny Ludlum Steel Corp	(21)	H	460.4	864.2	864.2	87.8
23. Barium Steel Corp	(20)	D	567.4	846.8	846.8	40.9
24. Northwestern Steel & Wire Co	(22)	E	321.0	825.0	825.0	157.0
25. Alan Wood Steel Co	(23)	B	550.0	800.0	800.0	45.4
26. Lone Star Steel Co	(27)	B	(4)	660.0	800.0	
27. Timken Roller Bearing Co	(25)	E	547.2	700.0	700.0	27.9
28. Copperweld Steel Co	(26)	E	321.4	660.0	660.0	105.3
29. Laclede Steel Co		G	326.0	600.0	600.0	81.0
30. Universal-Cyclops (Empire Reeves)		H	402.6	570.2	577.4	43.4
31. Keystone Steel & Wire Co		G	302.4	450.0	475.0	57.0
32. Continental Steel Corp		G	364.0	420.0	420.0	15.3
33. Atlantic Steel Co		H	154.0	400.0	400.0	159.7
34. Erie Forge & Steel Corp		H	129.0	234.0	284.0	120.1
35. H. K. Porter Co	(39)	E	94.6	208.6	234.6	148.0
36. Babcock & Wilcox Co	(35)	E	50.4	229.5	229.5	355.3
37. Jessop Steel Co. (including Green River)	(36)	E	50.0	218.9	218.9	337.8
38. Pacific States Steel Corp	(37)	G	88.8	216.0	216.0	143.2
39. Heppenstall Co	(38)	H	562.0	213.3	213.3	−62.1
40. Baldwin-Lima-Hamilton Corp		H	170.0	188.7	188.7	11.0
41. Carpenter Steel Co	(42)	E	263.2	170.6	171.5	−34.9
42. Mesta Machine Co	(41)	H	105.0	171.0	171.0	62.8
43. Oregon Steel Mills	(44)	E	60.0	150.0	150.0	150.0
44. Louis Berkman Co. [6] (Ohio River)	(45)	B	126.0	136.1	136.1	8.2
45. Texas Steel Co	(46)	E	22.3	132.4	132.4	493.7
46. Edgewater Steel Co	(47)	G	140.2	117.6	117.6	−16.4
47. Alco Products Co	(48)	H	181.0	104.5	108.6	−40.0
48. Isaacson Iron Works	(49)	E	104.4	102.0	102.0	−2.3
49. Harrisburg Steel Co. (Harsco)	(50)	G	100.8	100.8	100.8	.0
50. Washburn Wire Co	(51)	G	60.0	93.0	93.0	55.0
51. A. M. Byers Co. [7]	(52)	E	150.0	90.0	90.0	−40.0
52. Merritt-Chapman & Scott Corp. [8]	(53)	F	(4)	90.0	90.0	93.2
53. R. G. Le Tourneau, Inc	(54)	E	(4)	90.0	90.0	
54. Industrial Forge & Steel, Inc		G	50.0	84.0	84.0	68.0
55. Eastern Stainless Steel Corp		E	(4)	80.0	80.0	
56. Judson Steel Corp		G	76.5	76.5	76.5	0
57. Southern Electric Steel Co	(58)	E	(4)	66.0	66.0	
58. Borg-Warner Corp	(43)	E	24.0	164.0	64.0	166.6
59. Western Rolling Mills Division		E	(4)		60.0	
60. Cameron Iron Works, Inc	(59)	E	(4)	58.8	58.8	
61. Northwest Steel Rolling Mills	(60)	E	32.4	53.0	53.0	63.5
62. Southwest Steel Rolling Mills		E	(4)	45.0	45.0	
63. Mississippi Steel Corp		E	(4)	45.0	45.0	
64. Florida Steel Corp		E	(4)		43.0	
65. Vanadium-Alloys Steel Co. [9]	(64)	E	18.9	42.0	42.0	122.2
66. Knoxville Iron Co	(65)	E	38.0	38.0	38.0	0
67. Joslyn Manufacturing & Supply Co	(66)	E	37.5	37.5	37.5	0
68. Kilby Steel Co	(67)	E	74.4	34.0	34.0	−54.3
69. A. Finkl & Sons, Inc	(68)	E	(4)	33.6	33.6	
70. Wickwire Bros	(69)	E	38.0	32.2	32.4	−14.7
71. National Forge & Ordnance Co		E	25.0	25.0	25.0	0
72. Union Electric Steel Corp	(70)	E	25.2	25.0	25.0	−.7
73. Roanoke Electric Steel Corp	(72)	E	(4)	25.0	25.0	
74. Latrobe Steel Co	(73)	E	12.0	24.0	24.0	100.0
75. Simonds Saw & Steel Co		E	21.6	21.6	21.6	0
76. American Compressed Steel Corp	(74)	E	(4)	21.6	21.6	
77. Braeburn Alloy Steel Corp	(76)	E	20.7	20.7	20.7	0
78. Firth Sterling, Inc	(77)	E	17.5	20.0	20.0	14.3

[1] Where changes in rank occurred this year 1958 rank is shown in parentheses.
[2] Oxygen converters in addition to other kinds.
[3] Carpenter Steel acquired control of Northeastern Steel in 1957 reducing latter's capacity to 84,000 tons in electric furnaces; latter as Stanley Works in 1945 had 188,300 tons capacity (included above in Carpenter, 1945).
[4] Companies not producing ingot steel in 1945.
[5] Detroit Steel not an ingot producer in 1945; its plant at Portsmouth, Ohio, with 1945 capacity of 616,000 tons was then included in Wheeling Steel Corp.
[6] Berkman plant in 1945 was part of Follansbee Steel.
[7] Byers in addition to steel, produces mainly wrought iron.
[8] Now Milton Steel Products only.
[9] Includes Colonial Steel.

Rank and growth of steel companies—Continued

[Capacities of steel-producing furnaces in thousands of net tons as reported by American Iron & Steel Institute]

Standing in 1959 and company	1958	Furnace types	Jan. 1, 1945	Jan. 1, 1958	Jan. 1, 1959	Postwar percentage gain
79. Cabot Shops, Inc.	----------	E	12.0	14.5	16.2	35.0
80. Pencoyd Steel & Forge Corp.	----------	E	(4)	----------	15.6	----------
81. Newport News Shipbuilding	(78)	E	7.5	15.0	15.0	100.0
82. Columbia Tool Steel Co.	(80)	E	6.6	6.6	6.6	0
Total	----------	----------	95,505.3	140,742.6	147,633.6	54.4

[4] Companies not producing ingot steel in 1954.

The 1945 total above includes a practically negligible tonnage of capacity in companies no longer active as steel producers. Where companies have combined since 1945, combined capacity of constituent units is generally shown for 1945.

Types of furnaces operated by each company indicated by following symbols: A—Blast furnace, open hearth, bessemer, electric. B—Blast furnace, open hearth. C—Blast furnace, open hearth, bessemer. D—Blast furnace, open hearth, electric. E—Electric only. F—Blast furnace and electric. G—Open hearth only. H—Open hearth and electric.

Changes in 1958: Armco now includes National Supply, whose capacity is included with Armco for all years above: Empire Steel acquired by Universal-Cyclops and combined capacity shown for all years: Industrial Forge was spun off from Barium Steel and capacities adjusted for all years in both.

New in 1959 list: Florida Steel; Pencoyd Steel & Forge; and Western Rolling Mills Division of Yuba Consolidated Industries, Inc.

NOTE.—Compiled by American Metal Market.

ADDRESS BY CHIEF JUSTICE JOHN W. EGGLESTON AT UNVEILING OF STATUE OF JOHN MARSHALL

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an address delivered by the Honorable John W. Eggleston, chief justice of the Supreme Court of Appeals of Virginia, on the occasion of the unveiling of a statue of John Marshall at the Fauquier County Bicentennial Celebration, Warrenton, Va., May 1, 1959.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY CHIEF JUSTICE JOHN W. EGGLESTON AT THE UNVEILING OF THE STATUE OF JOHN MARSHALL AT WARRENTON, MAY 1, 1959

It is a privilege to have a brief part in this bicentennial celebration of Fauquier County, at which we do honor to your distinguished and able Representative in Congress, the Honorable HOWARD W. SMITH, and to John Marshall, the great Virginia jurist.

All Virginians, and especially the members of the supreme court of appeals, have an attachment for Fauquier County, for one of its distinguished sons, Hon. James Keith, presided over that court from January 1, 1895, until his retirement in June 1916.

While John Marshall belongs to the Nation, he was first a Virginian, and it is fitting that he should be honored as such on the bicentennial of this county in which he was born.

John Marshall was born on September 24, 1755, in his father's cabin near a settlement known as Germantown, or Midland, in what was then Prince William County and 4 years later became a part of Fauquier County. His father, Thomas Marshall, was a close friend and ardent admirer of George Washington. His mother was Mary Randolph Keith, a kinswoman of Judge Keith.

In his autobiography Marshall says that there being no grammar school near his home, he was educated by private tutors under the direction of his father who gave him his early taste for history. At the age of 18 he turned from his studies to organize a company of militia in which he was an officer. In the Revolutionary War he served in the Continental Army, first with the rank of second lieutenant and later as captain. He took part in the battles of Great Bridge, Brandywine, Germantown, and Monmouth, and suffered the privations of Valley Forge during the winter of 1777–78.

In 1779 he attended the law lectures of George Wythe at the College of William and Mary, and in July of the next year, obtained his license to practice law. That license was signed by Thomas Jefferson, the then Governor of Virginia, who was later to become his bitter political foe. On August 28, 1780, he was admitted to the bar in Fauquier County, but so far as the records show, had little practice there.

In 1782 he was elected to the house of delegates from Fauquier County and served in the general assembly with Thomas Jefferson, Patrick Henry, William H. Cabell, and other political giants of that period. In 1784, although he then actually resided in Henrico County, he was again elected to the house of delegates from Fauquier, his native county. After his marriage in 1783, Marshall made his home in Richmond where he engaged actively in the practice of law. He records in his autobiography, "I was more successful than I had reason to expect." In 1786 we find him counsel in a case of great importance (*Hite* v. *Fairfax*, 4 Call (8 Va.) 42), involving the original title of Lord Fairfax to that large tract of country between the headwaters of the Potomac and the Rappahannock, familiarly known to us as the Northern Neck of Virginia. Marshall represented the tenants of Lord Fairfax and won his case. From that time he stood among the leaders of the Virginia bar. From 1790 to 1799 he argued 113 cases before the Supreme Court of Appeals of Virginia. These included most of the important cases which came before that tribunal during that period.

In the meantime he was active as a Federalist in the political affairs of the State. As he said in his autobiography, "Though devoted to my profession, (I) entered with a good deal of spirit into the politics of the State." In 1787 he was elected a member of the house of delegates from Henrico County, and in the following session took an active part in urging the calling of a convention to draft a Federal Constitution to replace the Articles of Confederation. He was a member of the famous Convention of June 1788, and a strong advocate of the adoption of the newly drafted Constitution, a view, which you will recall, prevailed by a narrow margin of 10 votes over the bitter opposition of Patrick Henry and others.

In 1789 Marshall purchased a tract of 2 acres of land in Richmond on which, 4 years later, he built a comfortable brick residence where he resided during the remainder of his life. This house, at the northwestern corner of Marshall and Ninth Streets, still stands and is owned and cared for by the Association for the Preservation of Virginia Antiquities. In the same locality lived the Leighs, the Wickhams, the Ronalds, and Marshall's father-in-law, Jaqueline Ambler, who were among the leaders of the social life of the city.

In 1795 President Washington offered him the position of Attorney General of the United States, and in the same year that of Minister to France. He declined both offers because, he said, his situation at the bar appeared to him "to be more independent and not less honorable than any other."

Marshall spent the winter of 1797–98 in France as one of the three commissioners appointed by President John Adams to adjust the differences between the new Republic and that country. While the commission failed to accomplish its purpose, the course pursued by Marshall was approved in the United States.

In 1798 he declined an appointment as Associate Justice of the U.S. Supreme Court. In that year, at the insistence of Washington, he was a candidate for Congress. With the vigorous help of Patrick Henry he was elected and took his seat in 1799.

National honors were then coming fast to Marshall and he was appointed by President John Adams as Secretary of State, a position which he held from June 6, 1800, to March 4, 1801. In the meantime, in January, 1801, he was nominated by President Adams as the fourth Chief Justice of the United States, was confirmed by the Senate, and commissioned on January 31 of that year.

Prior to Marshall's appointment as Chief Justice, it was generally considered that the Supreme Court was the one department of the new Government which had failed in its purpose. John Jay, the first Chief Justice, disappointed with the accomplishments of the Court, had resigned. Patrick Henry had declined the post of Chief Justice, tendered to him by President Washington, and John Rutledge had resigned the position of Associate Justice to accept the office of chief justice of the Supreme Court of South Carolina.

Thus, when John Marshall became Chief Justice, the Supreme Court was uncertain of its purpose and unaware of its hidden power. Under his leadership, over a period of 34 years, the Court became the most powerful judicial tribunal in the civilized world. This, Marshall accomplished mainly by firmly imbedding in American jurisprudence the doctrine that the Supreme Court has the power and authority to declare void an act of Congress, or an act of a State legislature, on the ground that it violates a provision of the Federal Constitution. While Marshall was not the originator of this principle of judicial review,[1] it was he who, beginning with his opinion in *Marbury* v. *Madison*,[2] firmly and effectively established that principle in our law.

It is interesting here to recall that these decisions of the Supreme Court, especially where their effect was to strike down an act of a State legislature, aroused bitter protest and resentment both in Congress and throughout the States. In *Fairfax's Devisee* v. *Hunter's Lessee*, 7 Cranch (11 U.S.) 603 (1813), the Supreme Court overturned a decision of the Supreme Court of Appeals of Virginia. The latter court, in a bitter decision in which each of the judges wrote a separate opinion, refused to obey the mandate of the High Court on the ground that Congress had no power or authority under the Federal Constitution to extend the appellate jurisdiction of the Supreme Court to judgments pronounced by the highest court of a State. (*Hunter* v. *Martin, Devisee*, 4 Munf. (18 Va.) 1 (1815).) On the second appeal of this case, the Supreme Court re-

[1] See *Commonwealth* v. *Caton*, 4 Call (8 Va.) 5 (1782).

[2] 1 Cranch (U.S.) 137 (1803).

asserted its authority, entered a final judgment, by-passed the Virginia Court of Appeals, and directed its mandate to the lower State court. (*Martin* v. *Hunter's Lessee*, 1 Wheat. 304 (14 U.S.) (1816).) This decision aroused excitement and indignation throughout Virginia.

Because his brother was interested in the subject matter of this litigation, Marshall did not participate in these decisions, but they were thoroughly in accord with his judicial philosophy.

About the same time the State of Georgia showed similar resentment against the orders of the Supreme Court. An Indian, George Tassels, was convicted of murder and sentenced to death in a State court. He obtained a writ of error from the Supreme Court, but the Georgia authorities disregarded the mandate of that Court and executed the defendant before the case was matured for hearing in the higher court.

As strange as it may now seem, in Marshall's time the work of the Supreme Court was so light that it required the Justices to remain in Washington for only brief periods each year. During the rest of the year Marshall lived with his family in Richmond and presided over the circuit court there and in Raleigh. It was as a circuit judge that he presided over the famous trial of Aaron Burr in Richmond in 1807, and, in effect, directed a verdict of acquittal of the defendant.

During this period Marshall took an active part in the social life of the city and entertained in festive style the State judges and famous lawyers of that time. He was also active as a Federalist in State politics and vigorously opposed the principles advocated by Jefferson.

In 1829, at the age of 74, he was a member of the Virginia Constitutional Convention, presided over by ex-President James Monroe, and took an active part in the proceedings which were concerned with qualifications for suffrage and reapportionment of representation in the general assembly. The effective work of Marshall and other conservatives in the main defeated the purpose for which the convention had been called.

On January 3, 1783, Marshall married Mary Willis Ambler, the daughter of Jaqueline Ambler, the then Treasurer of Virginia. They had 10 children, 6 of whom grew to full age. For the greater part of their married life, Mrs. Marshall suffered from a nervous affliction and her condition called out the love and sympathy of her husband's deep and affectionate nature. On Christmas Day, 1831, his wife died and he was never the same again. He presided over the Supreme Court for the last time on January 12, 1835. On July 6, while in Philadelphia for medical attention, he died in the 80th year of his age. His body was returned by boat to Richmond amid the acclaim of his friends and political antagonists. He was buried in Shockoe Cemetery in Richmond under a plain marble slab on which is a simple inscription written by him.

This is but a brief outline of the life and attainments of this great Virginia soldier, lawyer, statesman and jurist in whose honor the Commonwealth has caused this memorial to be erected.

GREAT LAKES TO THE SEA

Mr. WILEY. Mr. President, the opening of the St. Lawrence Seaway marks the initial phase of a brighter economic future for Wisconsin, Midland America, and the United States and Canada.

The 1959 navigation season officially opened on April 25 has already heralded the traversing of hundreds of ships through the great waterway.

In Wisconsin and throughout other Great Lakes States, constructive plans are under way to carry forward port and harbor development projects to accommodate the deep-sea vessels that will traverse the tradeway.

Now, the task ahead is to focus the spotlight upon the local, State, national, and global opportunities of the great tradeway.

Among other things, this will include: Encouraging more shippers to utilize the Seaway for trade and commerce; promoting tourist trade to the Seaway itself, as well as to the wonderland of Wisconsin, and other mid-American areas; developing a smoothly-coordinated, dovetailed transportation system; providing the facilities for larger volumes of trade; and creating the services which the increased traffic will demand.

A recent edition of the Janesville Gazette contained a thoughtful editorial on the real meaning of the Seaway to Wisconsin and the Midwest.

I ask unanimous consent to have the editorial printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Janesville Daily Gazette, May 4, 1959]

GREAT LAKES TO THE SEA

Next to the Panama Canal the St. Lawrence Seaway and power project is the biggest construction venture in this hemisphere. It has taken 4 years to build, plus a billion dollars invested by Canada and the United States. Last week the first parade of ships moved through the new big locks that raise them from sea level to the 602-foot level of Lake Superior.

Wisconsin's Senator ALEXANDER WILEY has had a large part in persistently carrying through from session to session of Congress the demand for American participation with Canada. Canada was ready long before this country to tackle the job.

In fact, the Wiley-Dondero ship canal near the Eisenhower lock was named in honor of Wisconsin's Senator and Representative George B. Dondero, of Michigan.

The St. Lawrence is a mighty river, smooth, powerful, dependable, carrying waters that drain the tremendous 300,000 square miles of the Great Lakes Basin. It is deep and clear, except for Lachine Rapids at Montreal and the Long Sault Rapids at Cornwall. By 1900 ship canals had been built, with locks so that a small ship could go from the Atlantic to Lake Ontario and, by way of the Welland Canal and Sault Ste. Marie Locks, reach the Great Lakes.

Seeing future competition from Seaway shipping, New York railroads, and many others opposed the Seaway and delayed passage of the bill providing for the joint venture.

It was a tremendous fight against time and the weather and multiple obstacles such as moving half a town before the new channels could be dug, new lakes flooded, dams and locks built. Ice, gooey blue clay, and deep rock provided formidable opposition, but with the world's biggest machines and determined men working day and night, summer and winter, the Seaway was put through.

True, it will provide competition for New York harbor and other harbors—they are already talking about the necessity for improving their facilities. It means that America's heartland is moved nearer to the sea, has access to the world's seaway routes.

Milwaukee's port authority director, Harry C. Brockel, also has kept everlastingly at the promotion of the Seaway. He told National Geographic Magazine that two-thirds of United States export trade by volume is produced in the heartland area and the Midwest. Four-fifths of the world's ships will be able to use the new route.

It will mean cheaper transportation for bulk cargoes such as grain, iron ore, coal, petroleum products, chemicals, wood, woodpulp, and newsprint. It will also serve more valuable manufactured products. A 9,000-ton ship now can reach the lakes in 30 hours from the sea and serve dozens of port cities, provided maritime unions do not block the trade. A pilots' union already is using the occasion to force hiring of additional pilots.

ESTABLISHMENT OF A MORAINE NATIONAL PARK IN WISCONSIN

Mr. WILEY. Mr. President, my colleagues will recall that I recently introduced legislation for the establishment of a national park to protect and preserve the significant glacially formed moraine areas in Wisconsin.

The proposed national park would encompass areas containing rocks, hills, valleys and other formations of geological, scientific, historical, and scenic significance carved and modeled thousands of years ago by glacial action on the face of our continent.

The Wisconsin moraines represent the most unique areas of this type of topographical features in the country.

As we recall, the Department of Interior has carried out a preliminary survey relative to the proposed national park. However, the Department indicates that additional studies are necessary. These, I believe, should be carried out expeditiously.

I am well aware, of course, that in the development of such a project there are serious problems to be considered, including: the scope of the project, effect of the park on adjacent land areas, costs and methods of financing, and a variety of other problems.

I want to point out that, over the years, Wisconsin has recognized the significance of the moraines by the establishment of a splendid Kettle Moraine State Park. Annually, millions of travelers visit the area. However, the moraine area far exceeds the boundaries of the State park. Actually, it is of national, as well as State and local interest. Consequently, the Wisconsin Legislature has recognized the desirability of establishment of a national park for preservation of these important topographical features.

Today, I received a joint resolution adopted by both Houses of the Wisconsin Legislature memorializing the Congress to acquire, establish, and develop a national park to preserve the significant moraine areas.

To bring to the attention of my colleagues—particularly on the Interior Committee, before which my bill, S. 894, is pending—the support of the Wisconsin Legislature for the park project I request unanimous consent to have the resolution, kindly forwarded to my office by Mr. Lawrence R. Larsen, chief clerk of the State senate, printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

SENATE JOINT RESOLUTION 32

Joint resolution memorializing the Congress of the United States to acquire, establish, and develop a Kettle Moraine National Park in Wisconsin

Whereas the glacial age, one of the most important chapters in the geographical and geological history of our country, was a medieval period when glaciers repeatedly invaded the north central and northeastern parts of the United States and gorgeously carved and remodeled the entire surface of this area into a huge panorama of one of nature's rarest wonderworks; and

Whereas because the Kettle Moraine State Park in Wisconsin is the only memorial established in recognition of these historical facts of national moment that indeliby molded the geographical character of this great expanse; because the Kettle Moraine area is by far the most attractive and representative in which to establish a national park to commemorate the glacial age and its impact on this territory and the lives and habits of its people; because at present costs and rate of progress without the cooperation and aid of the Federal Government it will take the State of Wisconsin another 50 years to complete acquisition and development of the Kettle Moraine State Park as proposed in a 1936 State survey; because this land must be purchased and developed soon before advancing costs make the project prohibitive; and because it is important that not only Wisconsin but this entire north central and northeastern area be provided with a Kettle Moraine National Park to give outdoor recreational opportunities for its rapidly increasing population; the State of Wisconsin seeks the aid of the Federal Government in developing a Kettle Moraine National Park and promises active cooperation toward bringing to reality in the Kettle Moraine area a national park concept to properly commemorate the glacial age: Now, therefore, be it

Resolved by the senate, the assembly concurring, That the Legislature of the State of Wisconsin memorializes the Congress of the United States to take necessary steps to acquire, establish, and develop a Kettle Moraine National Park in Wisconsin to properly commemorate the glacial age, and pledges State cooperation toward bringing to reality, in the Kettle Moraine area in Wisconsin, such national park concept; and be it further

Resolved, That properly attested copies of this resolution be sent to the Honorable Dwight D. Eisenhower, President of the United States, to each House of the Congress of the United States and to each Wisconsin Member thereof.

PHILLEO NASH,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
GEORGE MOLINARO,
Speaker of the Assembly.
NORMAN C. ANDERSON,
Chief Clerk of the Senate.

SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIFORNIA

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Chair lay before the Senate the unfinished business.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection the Chair lays before the Senate the unfinished business, which will be stated by the clerk.

The LEGISLATIVE CLERK. A bill (S. 44) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER IN THE SENATE

Mr. STENNIS. Mr. President, I shall speak briefly today on a subject which I consider to be of the gravest concern to every Member of the Senate. I refer to the growing trend toward more and more confusion, and greater and greater disorder on the floor during Senate sessions. Unless this trend is stopped, we are certain to destroy, and rapidly, the respect the people have for this body. Without such respect, they cannot and should not respect the laws which we pass.

Let me emphasize that I do not refer to any individual, nor do I refer to any particular incident, recently or within recent years.

Next, let me emphasize that I plead guilty to having contributed from time to time to the confusion about which I speak today. Furthermore, I certainly do not want to play the role of policeman. Nor do I have any censure for any individual or any group.

But, Mr. President, the sad facts are that noise and confusion on the Senate floor frequently make it impossible for the work of the Senate to be carried on in an atmosphere of intelligent and deliberate consideration. The chaos is almost unbearable, and is rapidly casting a sharp reflection on the Senate as a a body and on each individual Member thereof.

I have discussed this problem with the majority floor leader and the minority floor leader. I have discussed it with the President pro tempore of the Senate, and with the former President pro tempore [Mr. BRIDGES]. I have discussed it with the two assistant floor leaders. I have discussed it with the chairman of the Rules Committee [Mr. HENNINGS], and I appreciate greatly his concern, and the concern of the Rules Committee. I have discussed the problem with many Senators on both sides of the aisle, including those with many years of service, and those who have served only a few months.

All largely agree on the facts, and all agree entirely that something must be done to restore order to Senate deliberations.

I submit three suggestions:

First, we labor in vain for any improvement unless each Senator individually makes up his own mind that he himself will be more conscious of maintaining proper order. This is the small price we must pay, and we must determine to pay this price for maintaining order. It is largely a matter of positive self-discipline. This does not mean, of course, that Senators should refrain from conversing with or consulting with one another on the floor. Some such consultation is, of course, necessary, but it should be held to a minimum.

Second, we must amend, and then enforce, that part of rule XXXIII which relates to the privilege of the floor for clerks to committees and clerks to Senators. Here, again, I wish to emphasize quickly that I have the greatest appreciation and respect for committee staff members and members of Senators' staffs, including my own. It is my privilege to know many of them; they are my personal friends. I find them able and highly dedicated workers. Many of them carry tremendous workloads and render service of the very highest quality. Nevertheless, under an all too loose and largely unenforced Senate rule XXXIII, the number of staff members on the floor is materially contributing to the great confusion and disorder. Something must be done about it.

The pertinent parts of rule XXXIII read as follows:

No person shall be admitted to the floor of the Senate while in session, except as follows:

Clerks to Senate committees and clerks to Senators when in the actual discharge of their official duties. Clerks to Senators, to be admitted to the floor, must be regularly appointed and borne upon the rolls of the Secretary of the Senate as such.

So, Mr. President, the general rule is a rule of exclusion. No person is entitled to floor privileges, in this instance, unless he or she is in the actual discharge of their official duties. As the general rule is one of exclusion, not only must the individual involved be on the floor in the actual discharge of an official duty, but the burden is on the individual to show facts which bring him or her within the exception to the rule. There is no presumption in his or her favor, and a mere floor pass is no proof that he or she has the privilege of the floor for that occasion. A privilege is not a right.

Furthermore, what is the correct definition of "their official duty"? Does this pertain to some duty in connection with the pending business on the floor of the Senate? Or is a staff member performing an official duty of the Senate when he brings in mail for a Senator to sign, and visits around on the floor while the letters are being signed? Is it an official duty for a staff member to stay on the floor while a Senator is in his office, or is out of town, or is otherwise engaged? I do not attempt to define the term "official duty"; I simply ask these questions to show the vagueness of the term, which has led to its loose interpretation.

In any event, when staff members are actually entitled to the privilege of the floor, they should not in any way contribute to confusion and disorder in a crowded Chamber. If they do, they have forfeited whatever privilege they may

have had to remain on the floor. Under those conditions, the Presiding Officer, upon his own suggestion or on the suggestion of any Senator, should forthwith exclude any offending person from the Chamber.

That is a technical point, perhaps, but I mention it to point up the fact that it is a privilege for a staff member to be on the floor; that the general rule is a rule of exclusion; that for a staff member to be in the Chamber legally, he must bring himself within the framework of the exception; that the burden is on such staff member, and that it cannot be delegated at any time. Unless facts can actually be shown to bring the person within the rule, then the privilege does not exist. Furthermore, it does not exist anyway, regardless of the facts, if the person contributes to disorder or confusion or annoyance in any way while he is exercising such privilege.

Mr. President, I do not wish to labor the point, but I did compile a few figures to show that under the rule as it is now drawn, to consider, first, the clerks—there are approximately 1,353 clerks employed in Senators' offices, and who come within the definition of this rule. The rule now is that a Senator may place on the list of persons eligible to receive a card of admittance to the Chamber only two at a time. Ordinarily, when a card has been obtained, it serves as a passport for the person to come into the Chamber regardless of what the other circumstances may be. So the number of clerks who might properly be admitted to the floor could be twice the number of Senators.

The committees—joint, standing, policy, and conference—have a total of some 270 employees. This makes a grand total of 1,623 employees who could be eligible for admittance to the floor under a loose interpretation of the rule.

When the new Senators were sworn in in January, I counted, in addition to Senators who were on the floor, 194 persons who were not Senators. I have noticed this condition prevailing for 2 or 3 years, but until now I have hesitated to say much about it. I excluded from that count the members of the staff of the Senate whose primary duties are on the Senate floor.

At one time during the early days of this session, in January, the question being debated was an amendment to the Senate rules. No calendar business was pending. Very few Senators were taking part in the debate. I counted at that time 160 persons, who were not Senators, on the floor of the Senate. Since no calendar business was pending, they could not all have been here merely to assist in connection with the subject under debate or any matter which was likely to be under debate. I think most of them were here simply looking for a place of entertainment. A great many of those persons were very fine staff members. But they had fallen into the looseness of the ways or the precedents which we ourselves set.

Only last week, the esteemed chairman of the Committee on Appropriations, the Senator from Arizona [Mr. HAYDEN], came to the Chamber to present the second supplemental appropriation bill for debate. The matters contained in that bill were as long and as broad as the Government itself. The chairman of the committee had with him 3 or 4 staff members. They certainly were needed to assist the chairman and whoever else might have been helping him to handle that huge bill. But those staff assistants could not find seats while they waited for the time when the chairman of the committee could seek recognition for the consideration of the bill.

The question under debate at that time did not require the assistance of a number of persons. It was the nomination of the Ambassador to Brazil, a matter of interest. But my point is that the Senate has fallen into a looseness in its procedure when it allows its staff personnel to come into the Chamber in droves. This condition has grown to the point where a Senator cannot hear the debate which is taking place. He does not have a chance to do so. He does not have an opportunity, many times, to learn the substance of a bill or an amendment, either pro or con, so far as being able to sit in his seat and listen to the debate is concerned. The best he can do is to follow the speaker around, as the reporters of debates have to do, and catch fragments of the speeches in that way.

A Senator frequently cannot hear the names being called during a yea-and-nay vote. Frequently he cannot hear his own name called. Often when a vote is being recapitulated, he cannot hear the clerk, so as to make certain that his own vote has been recorded.

In a way, I feel embarrassed to recite these facts, but it is necessary for us to face up to the matter and to do something about it.

I myself think rule XXXIII ought to be amended with respect to the personnel who are entitled to the privileges of the floor, so I offer the following suggested change in the pertinent parts of rule XXXIII:

> Employees of the Senate whose primary duties are discharged on the Senate floor.
>
> Such clerks of a Senate committee, not to exceed four at any one time, as a member of the committee may state in open session are necessary to assist in the presentation of the then pending matter before the Senate; and such clerks of a Senator, not to exceed one at any given time, as the Senator may state in open session are necessary to assist him in presenting a matter then being considered by the Senate.

My own opinion is that Senators must have the assistance of members of their staffs; but until we draw the gage narrow enough to limit the number of persons who are actually assisting a Senator or a committee, we shall continue to be faced with this problem, even though conditions may improve somewhat at times.

Now, Mr. President, I pass on to my third suggestion:

It has been my lifelong observation that the keyman in setting the tone and atmosphere of the proceedings of any deliberative body is the Presiding Officer. Unless that position is filled by a competent and experienced person with certain required qualities of leadership, all rules tend to fail.

I suggest no change in the Constitution as to the Vice President's position as President of the Senate, and I propose no change in the Senate rules as to the office of President pro tempore.

But the simple facts of life are that the United States Senate has reached the place where it needs the services of a trained and experienced Presiding Officer who can be here and available for service in the chair from day to day.

Furthermore, our Nation has reached the point where the services of the Vice President are needed in many fields other than as President of the Senate. My remarks are in no way a criticism of the Vice President. To the contrary, I think the Vice President would be subject to criticism if he remained in Washington all the time, merely to preside over the Senate.

Mr. President let me repeat that the demands of the time have caused our Nation to outgrow the concept of a Vice President whose only function is to preside over the sessions of the Senate—even though such a function is important, and is a constitutional office.

The present President pro tempore of the Senate serves with honor and distinction, as have his predecessors. But the fact that a long line of Presidents pro tempore before him have also served as chairman of important committees, and have had time-consuming committee work, conclusively proves that the Senate expects the President pro tempore to give only a small amount of his time to presiding over the Senate.

In practice, then, to whom do we turn?

Generally, we turn to any Senator whom the secretary or the assistant secretary to the majority or the minority can persuade to take the chair. The duty usually falls to a Member who has been here only a short time.

So, as regards the need for someone to give proper direction and experienced leadership from the chair toward the maintenance of the proper atmosphere of a deliberative body, when the chair is occupied by a Member who has been in the Senate only a few weeks or a few months, the entire concept of that need—and I say this with all due deference to all Senators—is defeated from the very beginning.

Under these circumstances, I propose that we employ a fulltime Assistant Presiding Officer, not a Member of the Senate, whose sole duty shall be to preside over sessions of the Senate in the absence of both the Vice President and the President pro tempore of the Senate.

The Assistant Presiding Officer would be selected without regard to political affiliation, and solely on the grounds of fitness to perform the duties of the office.

If we obtain the services of a man of judgment and discretion, he would rapidly obtain experience, and he could well ripen into an able, dependable, and highly valuable Presiding Officer. He would be given no power, as such, except as provided under the rules and under applicable parliamentary procedure. But he would be under a positive duty to apply the rules strictly.

Mr. President, an apt illustration of the possibilities of the great service which could be rendered to the Senate is to be found in the almost parallel case of our present able, esteemed, and very highly regarded Parliamentarian of the Senate. Mr. President, I looked into the genesis of the creation of that office. It originated from the practice, many years ago, of advising from time to time with the legislative clerk, who was versed in Senate parliamentary procedure. That gentleman was succeeded by the present Parliamentarian of the Senate, as a journal clerk. Then the office of Journal Clerk and Parliamentarian was created; and he continued to fill that office. Approximately 20 years ago the office of Parliamentarian was created; and he has filled that office with great satisfaction and ability to this day.

So, Mr. President, I think there is a very striking parallel between the need in those days for a parliamentarian and the need in these days for someone in the chair to be the guide, under the rules. I can think of several very highly esteemed men who at one time have served in the Senate, and who, if they were available, would be of tremendous value in such a position.

Mr. President, I ask unanimous consent to submit, for appropriate reference, the resolution which provides for an Assistant Presiding Officer of the Senate. The resolution was drafted by the Legislative Counsel, and I have discussed it with the Parliamentarian. I ask that the resolution be printed at this point in the RECORD.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 116), submitted by Mr. STENNIS, was referred to the Committee on Rules and Administration, as follows:

Resolved, That (a) the President pro tempore of the Senate shall appoint an Assistant Presiding Officer of the Senate, who shall preside over the sessions of the Senate which are not presided over by the Vice President or the President pro tempore.

(b) The Assistant Presiding Officer shall not be a Member of the Senate, and shall be appointed without reference to political affiliations and solely on the ground of fitness to perform the duties of his office. He shall receive compensation at such rate as shall be prescribed by law, but until such rate is so prescribed he shall receive compensation payable from the contingent fund of the Senate at the basic rate of $8,880 per annum.

SEC. 2. (a) Paragraph 2 of rule I of the Standing Rules of the Senate is amended by inserting after the words "Vice President" the words "and the Assistant Presiding Officer of the Senate".

(b) Paragraph 3 of such rule is amended by inserting before the period at the end thereof a comma and the following: "and the Senator so named shall not preside over the sessions of the Senate except in the absence of the Assistant Presiding Officer".

(c) Paragraph 4 of such rule is amended by inserting before the period at the end thereof a comma and the following: "and no Senator named under this paragraph shall preside over the sessions of the Senate except in the absence of the Assistant Presiding Officer".

Mr. STENNIS. Mr. President, let me emphasize that all those with whom I have discussed this problem have agreed—although I do not mean to say that I have discussed all these points with them, and that all of them agreed on all of the points—that there is a problem, and that something must be done about it.

I previously have referred to the chairman of the Committee on Rules and Administration, the senior Senator from Missouri [Mr. HENNINGS]. He has now found it possible to come to the floor. I appreciate his interest and what he is doing.

While I was preparing these remarks, I received a valued communication from him and his committee, showing their concern. I believe they need broad support from all Members of the Senate, beginning with those who have served here only a short time, and including all Members of the Senate—both those who have special responsibilities and all other Members.

I have conferred on this very grave problem with the Senator from Connecticut [Mr. BUSH].

Mr. BUSH. Mr. President, will the Senator from Mississippi yield?

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Connecticut?

Mr. STENNIS. Mr. President, I shall be very glad to yield to the Senator from Connecticut. Again, let me thank the majority leader and the minority leader for their counsel, advice, and concern in connection with this matter.

Now I yield to the Senator from Connecticut.

Mr. BUSH. First, Mr. President, I wish very heartily to compliment the distinguished Senator from Mississippi for bringing this very important matter before the U.S. Senate today.

Mr. STENNIS. I thank the Senator from Connecticut.

Mr. BUSH. It is long overdue. The Senator from Mississippi is one of those who constantly have insisted upon order in the Senate Chamber; and when the Senator from Mississippi serves as the Presiding Officer, there is order in the Chamber.

I have often been offended, as has the Senator from Mississippi, to find that when important business was being transacted in the Chamber, the Senate has been in a bad state of disorder. I think that Senators who were present during the long debate on the labor bill must recognize, when they think of the proceedings during that time, that a very bad impression must have been created on the large number of persons who visited the Senate galleries during that period, and who had come here to listen to the debate on what had been widely heralded in the newspapers as one of the most important pieces of business to be handled by the Senate this year—and it was. The lack of order during that debate made me ashamed. I think there should be some majesty and some dignity about the proceedings in the Senate Chamber.

I am reminded of a statement made some years ago by the Senator from Arkansas [Mr. FULBRIGHT], who said that, among all the parliaments in the world, the Senate of the United States is the last remaining upper house with power. That is true.

So we should conduct our proceedings with proper dignity, commensurate with that power; and we should see to it that we do not take it lightheartedly or casually.

Mr. President, the Senator from Mississippi has made a very interesting proposal, which I believe deserves the most careful consideration. He did me the honor to speak to me about it only the day before he mentioned it, so I have not had an opportunity to consider it. However, I wish to consider it very carefully, because I have the same deep interest in this problem as has the Senator from Mississippi. Nevertheless, he knows that changes in Senate rules take a long time to effect, and in the meantime the Senate will have been in session for several months.

I hope the Senate will pay attention to what the Senator has said. I wish to remind the Senate of what is stated in rule XIX, paragraph 6, about maintaining order. That part of the rule reads:

> Whenever confusion arises in the Chamber or the galleries, or demonstrations of approval or disapproval are indulged in by the occupants of the galleries, it shall be the duty of the Chair to enforce order on his own initiative and without any point of order being made by a Senator.

It is the duty of the Presiding Officer, whoever he may be, to maintain order in the Chamber. It is his duty to do so, and I do not think a Senator should take the chair unless he is prepared to exercise the necessary authority to maintain order while he is in that chair.

Mr. STENNIS. Mr. President, will the Senator yield briefly?

Mr. BUSH. I will yield in a moment.

During the debate on the labor bill, I remember the Senator occupying the chair made up his mind he was going to maintain order, and he did. Mr. President, there is no problem about it. The junior Senator from Tennessee [Mr. GORE] occupied the chair of the Presiding Officer some time during the same debate, and he absolutely insisted on order. He stopped the proceedings of the Senate several times until order was restored. That is the way Senators like to see a Presiding Officer act. I never did see a Senator in the chair who attempted to maintain order who did not gain the respect of his colleagues.

Mr. President, it was very timely to receive today a communication from the chairman of the Committee on Rules and Administration, the Senator from Missouri [Mr. HENNINGS], who is on the floor. I was much impressed with the fact that this matter had his attention. I hope his communication will be respected by every Senator, as it deserves the full respect of all Members of this body.

I thank my good friend from Mississippi. I have perhaps talked too heatedly about this matter. I feel very strongly about it. I hope what he has done will result in better order being maintained in the Senate.

Mr. STENNIS. I did not desire to cut the Senator off, but I wished to point out it is contrary to human nature and the

facts of life to expect a Senator who has been a Member of this body only 3 or 4 months to maintain order by calling down Senators who have been in this body 10 or 15 years. That is my point. Unless we do something about creating a position of Assistant Presiding Officer, we are going to continue to have trouble.

Mr. BUSH. I think the Senator has a good point. Nevertheless, I feel when a Senator assumes the chair, he has a responsibility. He should not assume the chair unless he is willing to exercise that responsibility, and every Senator present will respect him if he does so.

Mr. HENNINGS. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from Missouri.

Mr. HENNINGS. I have taken special interest in this problem, Mr. President, since I became chairman of the Committee on Rules and Administration in 1957, since long before that time—and I say this not in derogation of any Senator who has an interest in this problem—certainly the most ardent advocate, privately and publicly, of the maintenance of orderly procedure and demeanor on the floor of the Senate was the learned and distinguished Senator from Mississippi [Mr. STENNIS], who has just addressed us.

I wish to apologize for having been a little late in getting to the floor of the Senate, but I was detained in my office by some visitors.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HENNINGS. In a very few moments.

I thank my good friend the distinguished senior Senator from Connecticut, who has taken note of a letter recently prepared and sent to all Senators, with the unanimous endorsement of the Committee on Rules and Administration.

As both Senators have indicated, the situation referred to has been brought into focus by flagrant disorder on the floor, and a disregard of the right of Senators to hear the debate on questions before the Senate, or, indeed, even the right of the clerk to hear the responses of Senators when their names are called when a yea-and-nay vote is taken. The matter was brought into focus, especially, as has been suggested, during the debate on the so-called labor bill, when a certain amount of applause occurred on the floor of the Senate. I might say what inspired the recent letter from the Committee on Rules and Administration was not only the applause itself, but the fact of the constant crowding of the floor by persons who really have no business here, and who are here, we might say, because of a commendable curiosity about the affairs of Government. However, that curiosity can be abundantly satisfied by their occupancy of Gallery No. 3, which has been set aside for that purpose.

I might recall to the distinguished occupant of the chair that on one occasion when, during the course of the consideration of a bill, a vote was called for on an amendment, our Parliamentarian, Mr. Watkins, turned to me and said, "Why, Senator, the administrative assistants have answered." A division was later called for. Very few rose. On a division, the question was settled in quite a different way from what it had been on a voice vote. I think Mr. Watkins will remember that episode. Evidently some of the administrative assistants and others who were able to gain access to the floor were actually voting.

To return to the matter to which the Senator from Mississippi has addressed himself, and for which we are all greatly in his debt, I think many of us fail to realize, through familiarity with being on the floor and constantly working here, that visitors may come to the Senate only once in a lifetime. When they return to their homes they may as a result of what they see, tell their neighbors and friends what they think of the U.S. Senate.

We have tried, as best we can, to convey, by pamphlets circulated through the galleries, the reason why the floor is not constantly crowded by Senators listening to debate. We have office work to do. I happen to be on 15 committees and subcommittees. I am chairman of five of them. I cite that fact merely as an example. I am sure other Senators carry heavier burdens than I do, as, for example, the illustrious majority leader. But a picture, an image, is given to the Nation, to the people of the country, which is conveyed to them by our fellow Americans who sit in the galleries as the guests of the Senate, where they have a right to be, and where we encourage their coming to observe and learn something about the processes of Government and the great issues of our times.

So the Senator from Missouri is not addressing himself to a privileged proposition at all. It goes to the very heart of respect for Government, respect for good order, respect for the deliberate consideration of important questions which affect not only our Nation, but, indeed, the entire world.

When visitors to the galleries observe the walls of the Senate Chamber lined from one corner to another, congested to the point that Senators and others having business—sometimes very urgent business—are unable to pass by, there can be no question that there is created a disrespect for the Senate, or at least a question about exactly what sort of business is going on in the Senate. People will say, "We went to the U.S. Senate, where we saw 200 or 300 people lined around the wall—with Senators sitting at their desks—a number applauding, expressing approval or disapproval of what was said or what was done when the result of a yea and nay vote was announced."

I should like at this time, if my friend from Mississippi will permit me to do so, to have printed in the RECORD again the regulations controlling the admission of employees of Senators and Senate committees to the Senate floor. The regulations are dated January 25, 1956, and were adopted by the Committee on Rules and Administration.

Almost the first thing we undertook to do in 1956 was to provide some orderly means of access, and the requirements for such access, to those having business and a reason for being on the floor of the Senate. This is not to say that we do not encourage and do not need members of our staffs to be present at times. It is not to say there is any restriction or inhibition placed upon any Member of this body who has a good reason—or, indeed, any reason—for having a member of his staff present on the floor. It does very definitely undertake to place an inhibition upon those who wander in and wander out because they think a certain vote or a certain speech will be dramatic or, indeed, may provide a good show. Senate proceedings are not a show, we hope. We do not undertake to make them one. I think most of us do not encourage viewing the proceedings of the Senate as one might view a dramatic performance in a theater or elsewhere. This is a place where business is transacted.

So I ask that there may be again brought to the attention of Senators the regulations I have mentioned, and a letter of May 4, 1959, which I signed with the concurrence of the Committee on Rules and Administration.

Mr. STENNIS. I thank the Senator for his remarks, and I join him in asking that the regulations and letter be printed in the RECORD at this point.

Mr. HENNINGS. I thank my friend from Mississippi.

There being no objection, the regulations and letter were ordered to be printed in the RECORD, as follows:

REGULATIONS CONTROLLING THE ADMISSION OF EMPLOYEES OF SENATORS AND SENATE COMMITTEES TO THE SENATE FLOOR

In the interest of improving the efficiency and security of proceedings on the floor of the Senate Chamber, the Committee on Rules and Administration has unanimously approved the following regulations governing a new system of card admissions to the Senate floor.

1. Of those persons entitled to the privilege of the Senate floor, under rule XXXIII of the Standing Rules of the Senate, card admissions henceforth will apply solely to employees of Senators and committees. All cards for admission to the Senate floor, currently in possession of Senators or officers and employees of the Senate under previous rules, shall be withdrawn by the Sergeant at Arms.

2. Senators and committee chairmen are requested to prepare and forward to the Sergeant at Arms a list of those staff and committee employees who may have reason to apply for a floor pass in the actual discharge of their official duties. Copies of this list should also be provided for the Deputy Sergeant at Arms and the Committee on Rules and Administration. These provisions will not deprive any employee of the privilege of the Senate floor if he is entitled thereto under rule XXXIII. They will, however, permit closer supervision over employees admitted to the Senate floor.

3. Serially numbered cards, referred to as floor passes, will be retained in a wooden rack at an admission table in the foyer of the Vice President's entrance to the Senate floor. This table will be manned by a representative of the Sergeant at Arms of the Senate from one-half hour before each daily session until one-half hour after recess or adjournment. When the actual discharge of their official duties requires their presence on the Senate floor, employees of Senators and committees, otherwise entitled to admittance under rule XXXIII, will apply to

the attendant at the designated table for a floor pass.

4. Admission cards under the new system will be available at the admission table in quantities as follows: All committees of the Senate, including joint committees and the majority and minority policy committees, four cards to each committee; staffs of individual Senators and the Vice President, two cards for each Senator and the Vice President.

Should the occasion arise when an individual Senator desires the assistance on the Senate floor of personnel additional to the number permitted under the above allocations, he should request unanimous consent to augment the maximum number allowed herein.

5. When an eligible employee presents himself at the admission table, the attendant in charge there, as the representative of the Sergeant at Arms, will satisfy himself of the applicant's identity and eligibility before issuing a floor pass. He will then note, on a special roster prepared for the purpose, the name of the employee, his office, the nature of his official business, and the serial number of the card issued to him. When the employee leaves the floor he will return the card to the above attendant. The latter will replace the card in its appropriate place in the rack, after noting its return on the roster. If, after completion of his business on the floor, a person to whom a floor pass was issued fails to return the pass or loses it, that person shall not be admitted to the floor until the floor pass is returned or its loss is satisfactorily explained to the Sergeant at Arms.

6. In no case shall any Doorkeeper admit to the Senate floor any office employee of a Senator or a committee staff member without a proper and correct visual presentation of a floor pass. An employee admitted to the Senate floor under these regulations shall remain there only so long as necessary for the transaction of his official business and shall, at all times, while so present, have in his possession the floor pass issued to him. While on the Senate floor, an employee shall in no way encroach upon the areas and privileges reserved for Senators only. When an employee's objective is solely to follow the course of a pertinent discussion or vote but not to render any actual assistance otherwise to his chairman or Senator, he should, under normal circumstances, observe the proceedings from an appropriate place in the Senate galleries.

7. The Sergeant at Arms will be responsible for the enforcement of these regulations. He shall report bimonthly to the Chairman of the Committee on Rules and Administration: (1) the names of those employees of Senators' offices and committees to whom floor passes have been issued on more than 10 occasions in the previous 2-week period; (2) the name of any employee who has failed to return a floor pass issued for his use without a satisfactory explanation; and (3) the name of any employee who, in the opinion of the Sergeant at Arms, is guilty of abusing these regulations.

8. It is not the desire or intention of the Committee on Rules and Administration to limit assistance by staff personnel to Senators on the floor. On the contrary, the committee believes that these regulations will insure adequate opportunity for such assistance and, at the same time, prevent the distractions to orderly proceedings attendant upon the presence of superfluous employees in the Senate Chamber. All Senators are asked to acquaint their employees with the scope and purpose of these regulations.

9. Rules are effective in direct proportion to the vigor of their enforcement and the cooperation demonstrated in compliance. The Senators generally have expressed themselves in full accord with efforts to diminish disorder and confusion caused by the presence of unnecessary personnel on the Senate floor. It is hoped that all Senators, especially when serving as the Presiding Officer of the Senate, will cooperate with the Sergeant at Arms and the Committee on Rules and Administration in this endeavor to control the problem.

Originally adopted January 25, 1956, Committee on Rules and Administration.

THOMAS C. HENNINGS, Jr.,
Chairman.

LETTER SENT TO ALL MEMBERS OF THE SENATE FROM SENATOR THOMAS C. HENNINGS, JR., CHAIRMAN OF THE COMMITTEE ON RULES AND ADMINISTRATION

U.S. SENATE,
COMMITTEE ON RULES
AND ADMINISTRATION,
May 4, 1959.

DEAR SENATOR: Pursuant to the suggestion of many Senators, including several who recently presided during deliberations on the Senate floor, the Committee on Rules and Administration, at its regular meeting held on April 29, 1959, reviewed the problem created by the unnecessarily large number of staff personnel who frequently crowd on the Senate floor. Many of those personnel are not actually engaged in assisting an individual Senator or chairman at the time. This circumstance detracts from the orderly processing of the Senate's business and creates unnecessary confusion.

On February 16, 1956, this committee, at the request of both the Democratic and Republican caucuses, issued regulations supplementing rule XXXIII which prohibit the presence at any one time of more than two staff members of a Senator and of more than four members of an entire committee staff. Although the enforcement of these regulations improved the situation to some degree, there continue to be too many staff members on the floor who are not needed there.

To effect greater compliance with the committee's floor pass regulations the majority leader, Senator JOHNSON, made requests in statements on the Senate floor on July 8 and 9, 1957, that Senators ask their clerks and committee staff members to sit in the gallery when they are directed to follow the debate for their Senators and refrain from going on the floor unless their presence there is essential. In his second statement Senator JOHNSON informed the Senate that the Sergeant at Arms had reserved gallery No. 3, which is to the east of the Diplomatic Gallery, for staff members of Senators and committees, and that admission to that gallery would be by the regular identification cards issued by the Sergeant at Arms. During the latter part of the last session and parts of the present session, gallery No. 3 was used very little by staff members.

It will be greatly appreciated if you will be so kind as to direct your personal staff members and those of your committee or subcommittee to use gallery No. 3 when they are following the debate at your direction or for their own purposes. This request is not in any way to inhibit you from utilizing the services of such staff members when they are actually assisting you on the floor. When staff members are actually serving you on the Senate floor it will also be appreciated if they will refrain from unnecessary conversation or displays of approval or disapproval.

Further, as to the Democratic side, where perimeter aisles and passageways are especially narrow, you are requested to ask your staff members to refrain from standing by the north wall of the Senate Chamber between the Chamber door to the lobby and the rolltop desk of the Secretary to the majority, as well as along the portion of the west Chamber wall between that desk and the Chamber door leading toward the office of the Secretary of the Senate, and by the wall near the south Chamber door. If assistants are standing by these walls there is not sufficient room left for two Senators to meet and pass. Recently during consideration of the labor bill the number of clerks standing around in the Chamber was so great that even Senators had difficulty using the doors to the Chamber.

I am writing this letter at the unanimous direction of the members of the Committee on Rules and Administration and I feel certain that you and your staff members will understand the reasons for it and cooperate in its terms. If maximum cooperation is attained, it will make it unnecessary to seek more stringent regulations by the Senate itself. The problem to be corrected is one which concerns all Senators and staff personnel, and I am sure we can all work together to enhance the dignity and efficiency of all our operations.

With kind regards, as always.

Yours sincerely,

THOMAS C. HENNINGS, Jr.,
Chairman.

Mr. SALTONSTALL. Mr. President, if the Senator from Missouri has concluded, I should like to ask the Senator from Mississippi a question and make a comment.

Mr. STENNIS. Has the distinguished Senator from Missouri completed his remarks?

Mr. HENNINGS. I thank my distinguished friend from Mississippi. I have completed my small contribution to this discussion.

Mr. STENNIS. I thank the Senator from Missouri very much. I am sorry the Senator was so busy yesterday and this morning that I could not submit to him the resolution, which will be referred to his committee. I hope to discuss the resolution with the Senator very soon.

Mr. HENNINGS. I assure the Senator the resolution will have prompt attention, and certainly it will receive careful and serious consideration.

Mr. SALTONSTALL. Mr. President, I should like to ask the Senator from Mississippi a question.

Mr. STENNIS. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I was delayed because of attendance on the Committee on Appropriations, so I did not hear all the debate, but I have heard some of the comments regarding the resolution. As I understand the resolution, it would take care of the situation on the many occasions when the Vice President himself cannot preside over the Senate, because of the increasing duties imposed upon him.

Mr. STENNIS. The Senator is correct.

Mr. SALTONSTALL. The resolution is not intended to be in any sense a reflection upon the actions of the present Vice President in presiding over this body.

Mr. STENNIS. The Senator is correct.

Mr. SALTONSTALL. It is rather a reflection upon ourselves.

Mr. STENNIS. The Senator is entirely correct. The Senator from Mississippi stated that he was not casting any reflection at all on the Vice President. To the contrary, he commended the Vice President, and said that in his opinion the Vice President would be neglecting the responsibilities of his high

office if he attempted to stay in Washington all the time, simply to preside over the Senate.

Mr. SALTONSTALL. If the Senator from Mississippi will permit, I should like to make one brief comment. As he has said, it would be a considerable change in the rules and a considerable change in the theory under which the U.S. Senate is conducted to have an outsider preside over the Senate. We have an extremely good Parliamentarian, and we all know that every Senator who presides over the Senate follows the recommendations of the Parliamentarian in 99.9 percent of the cases.

I believe we have an understanding as to the prestige of the Parliamentarian, and with that understanding whoever is presiding can conduct the sessions of the Senate. If Senators themselves want to have order in the Chamber, then order will be maintained in those circumstances. Certainly when the Senator from Mississippi is presiding he keeps order in this Chamber. He compels the attendants and employees of the various Senators to maintain order or to leave the Chamber.

This is really a question of what we as Members of the Senate want in conducting our own business, and of giving whoever is presiding the opportunity to provide it.

Mr. STENNIS. The Senator is very correct. That is the first point the Senator from Mississippi made, that we have to determine in our own hearts that we want order to the extent of some self-discipline, and then provide the machinery to enforce it.

Mr. SALTONSTALL. And we must maintain a very high type, well-skilled Parliamentarian.

Mr. STENNIS. That is my idea exactly.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. STENNIS. I am happy to yield to the Senator from New Hampshire.

Mr. BRIDGES. I compliment the distinguished Senator from Mississippi for raising this question today. It is a vital one. We should explore it, and we should come to a very definite understanding about it. When votes are being taken and when there are tense issues before us it is very disturbing to have confusion and noise in the Chamber. It is disturbing, even when there are only a few Senators present, for the Senator who is speaking. Senators should be given the courtesy of attention.

The question of the abundance or even the overflow of staff members is something to be considered, for their presence in great mumbers may be annoying.

The Senator from Mississippi is to be congratulated for bringing this matter before us for consideration.

Mr. STENNIS. I thank the Senator from New Hampshire very much. He is a former President pro tempore of the Senate and a former majority leader of the Senate, as well as the senior Republican Member. I think his opinion is unusually valuable, and I appreciate the Senator's expression.

Mr. HENNINGS. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield to the Senator from Missouri.

Mr. HENNINGS. I desire to make one other observation. I am sure the distinguished senior Senator from Massachusetts is familiar with the fact that if the resolution of the distinguished Senator from Mississippi is favorably acted upon we shall have to find a man of exceeding stamina, patience and forebearance.

Mr. STENNIS. The Senator is correct.

Mr. HENNINGS. We shall have to find a man who could sit in the chair all day.

The Senator from Massachusetts may recall that near the end of the first term of President Abraham Lincoln, at the time Vice President Hannibal Hamlin of Maine concluded not to seek reelection, President Lincoln offered the nomination to Benjamin F. Butler, known also by a number of other sobriquets, one being "Spoon" Butler—the others I shall not mention. Mr. Butler was then at Fortress Monroe in command of the Army of the James. President Lincoln sent his first Secretary of War, whose career was of very short duration, to see Benjamin Butler, to ask him whether he would accept this nomination for the Vice Presidency.

For his second term, Mr. Lincoln ran on the Union ticket, not the Republican ticket. Mr. Butler said to tell Mr. Lincoln that he would seek office with him as the Vice President on the Union ticket only if Mr. Lincoln would give bond with sureties in the full amount of his 4 years' salary as President of the United States that he would die or resign within 3 months after his inauguration. Butler said he could imagine nothing more tedious than living to perform the functions of Vice President, that is, sitting in the Presiding Officer's chair and listening to the debates in the Senate. This was in the 1860's. General Butler had served in the House of Representatives, and later became Governor of Massachusetts.

I make that comment to indicate that perhaps in older days the situation was different. I believe the newer practice is better, because the Vice President has become a more active participant in national and international affairs, and the issues of our day. But apparently in the old days, the Vice President literally did nothing but sit in the Presiding Officer's chair.

Mr. STENNIS. The Senator is correct.

Mr. HENNINGS. But for that fact, Benjamin Butler instead of Andrew Johnson might have succeeded to the Presidency, and we might have had another war of secession.

Mr. LONG. Mr. President, I wish to congratulate the Senator from Mississippi for bringing this resolution forward. I think it is a very fine and constructive suggestion.

The Senator will remember that John Adams was the first Vice President of the United States. I was looking through the biography of Thomas Jefferson, which made a number of references to John Adams. I noticed that when he was Vice President, John Adams made a statement to the effect that "my friends have contrived for me the most useless job ever invented by the mind of man—the Vice Presidency."

Often it becomes an extremely tedious task to preside over the Senate for long hours, particularly if one is not interested in the speeches which are being made, or if he completely disagrees with them. However, someone must perform that function.

Our constituents know that we have the CONGRESSIONAL RECORD, and that every word uttered on the floor of the Senate is available to every Senator and to the Nation at large.

I believe the Senator from Mississippi has made a very fine suggestion. I believe that if the resolution were adopted, it would be possible for the Senate to get more work done, and to carry out its task more expeditiously.

Mr. STENNIS. I thank the Senator.

Mr. President, I do not wish to retain the floor. The Senator from West Virginia [Mr. BYRD], who has spoken to me on this subject, wishes to address the Senate. I shall listen with interest to what he has to say.

Mr. President, I wish to make one additional informational point. Much has been said as to how great is our dependence upon the presence of assistants on the floor, and how much we need staff members on the floor. I find that the House does not permit staff members to come on the floor under any circumstances. There is a provision under which certain committee staff members can come on the floor to assist Members actually handling a bill. I believe the number is limited to four.

The confusion which results from our practice puts an added burden on our floor leaders and assistant floor leaders, who have a very difficult job to do. This confusion is an added burden which they should not have to carry.

Mr. President, I have no grievance. Nothing has happened to me. I have not been ruled out of order, ignored on the floor of the Senate, or anything of the kind.

I feel as did the lady down home who was suing for divorce. The judge asked her how long she had been married to her husband. She said, "Judge, we have been married 49 years."

He said, "Can't you make it another year, and at least celebrate your golden wedding anniversary?" She said, "Judge, enough is enough."

I have had enough, and I want to do something about the situation. I believe that we must be positive and firm, and live up to our obligations. If we do, we can get results.

Mr. KUCHEL. Mr. President, before the able Senator from Mississippi leaves the Chamber, I wish to join other Senators who have congratulated him.

The able Senator from Mississippi has a reputation among all Members of the Senate for courtesy. In my judgment, courtesy is a necessary part of the business of the Senate. The Senator from Mississippi conducts his official business affairs with dignity. Sometimes it seems to me that we have all too little dignity, in the manner in which public business is conducted.

What the Senator has said needed to be said. What the Senator recommends needs to be considered. I join Senators who have preceded me in congratulating the Senator from Mississippi for the words which needed to be spoken.

Mr. BYRD of West Virginia. Mr. President, I wish to associate myself with the remarks of the able and distinguished Senator from Mississippi [Mr. STENNIS]. He has rendered a service to the Senate, and I feel that his speech has been eminently appropriate, timely, and necessary. As a new Member of this body I have been considerably disappointed, as well as surprised, to observe the confusion which so often marks the deliberations of this body—and by confusion I mean the noise, the unnecessary activity on the part of persons who are not Members of the Senate, and yet who have access to the Senate floor, and the conversations that take place in the galleries and on the floor. Those of us who are seated in the rear of the Chamber are absolutely unable at times to understand what is being said by our colleagues in debate and to know what is going on. It is frustrating, to say the least, to try to keep up with the progress of legislation, or to know what is involved in a proposed amendment to a bill, or to hear the leaders, when there is so much talk and activity going on behind us, over us, and around us.

It is not my desire, Mr. President, to be attempting to impose my views on the Senate. However, I have come to this body from the House of Representatives believing the Senate to be a deliberative body, one where facts and arguments are weighed carefully in considering and arriving at final decisions on legislative measures which come before us. In my opinion, such careful deliberation is, at times, utterly impossible under conditions which develop in which 90 percent of the Members present cannot hear or understand what is going on. As a new Member, I want to learn as much as I can about what we are doing from day to day, and I find so often that I have to read the CONGRESSIONAL RECORD to know what was said on the floor of the Senate even though I was present at the time.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I am glad to yield to my distinguished colleague from Pennsylvania.

Mr. CLARK. I did not have the opportunity of listening to all of the speech made by my good friend, the distinguished Senator from Mississippi [Mr. STENNIS], but I look forward to reading it in its entirety in the RECORD tomorrow. With respect to the part which I did hear, I congratulate the Senator from Mississippi for raising a question of some importance to the Senate.

I should like to make a very brief observation to my friend from West Virginia. I also note my pleasure in observing that the Senator from Mississippi is still in the Chamber. I wonder whether they would not agree with me in what I am about to say. When I first came to the Senate, in the 85th Congress, I found that I was very quickly pressed into the duty of Presiding Officer, a position for which I had practically no qualification of any sort. With the assistance of the very able Parliamentarian, Charlie Watkins, and his assistant, Floyd Riddick, I came, after a while, to know a little bit about the procedure, but, frankly, even now, not very much.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Let there be order in the Senate. The Senator from Pennsylvania will suspend until there is order in the Chamber. The Senator may proceed.

Mr. CLARK. I came to the conclusion that a new Member who was presiding had the duty to maintain order, and could maintain order. The price might be unpopularity with many of his older colleagues. I do not want to say that I did maintain complete order or that I did not, but I do say that I tried. By so doing I do not believe that I have incurred the permanent ill will of any of my colleagues. If I have, they have been successful in concealing that fact from me.

I should like to make this observation: The sessions of the Senate fall generally into two categories. There are occasions, like the present, when no more than a half dozen Members of the Senate are on the floor, and frequently even not that many. On such occasions I suggest that almost any Senator could preside over the Senate. Generally speaking, there is not much of a problem with respect to maintaining order because, frankly, the words of the Senators who are speaking do not commend themselves sufficiently to his colleagues to draw them to the floor.

Mr. HENNINGS. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. HENNINGS. I am sure the Senator does not wish to make reference to the distinguished occupant of the chair when he says that almost anyone can preside over the Senate.

Mr. CLARK. The Senator is quite correct. I am sure that the present Presiding Officer (Mr. DOUGLAS in the chair) will not hold me guilty of any discourtesy. The Presiding Officer is an old friend of mine.

Mr. AIKEN. Mr. President, if the Senator will yield to me briefly, I should like to ask the Senator from Pennsylvania if he does not feel that at the present time there is a tremendous waste of talent in the Senate.

Mr. CLARK. I must say that I cannot agree with the Senator, but I thank him kindly just the same for his suggestion.

I shall be brief in my comments. It seems to me that when the Senate is actively engaged in legislating, and when speeches are being made which are being at least in part listened to by many other Senators, that is the time when the Presiding Officer should "crack down," whether or not by so doing he may temporarily make himself unpopular with his colleagues. I have seen a sufficient number of Senators who really had to be "cracked down" to convince me in my own mind that, if it were generally understood that the Presiding Officer would maintain order as his primary duty, perhaps that would be enough. I do not say it is enough, because I wish to read very carefully what my friend, the Senator from Mississippi, has said, but certainly it would help, particularly if Senators generally would support a junior Senator when he is presiding and is trying to maintain order. I agree with everything the Senator from West Virginia has said.

Mr. BYRD of West Virginia. Mr. President, I am glad that the Senator from Mississippi has called the attention of the Senate to the need for better observance of the rule which provides that clerks and aides may come into the Chamber only when in the actual discharge of their official duties.

I believe it would be well to read into the RECORD at this point a statement which was made by the Senator from Mississippi when he was acting as the Presiding Officer of the Senate, concerning the maintenance of order in the Senate, and the right of certain employees of Senators and of committees to be on the floor. He made this statement on July 30, 1955. During the proceedings of that day, the Senator from Mississippi [Mr. STENNIS], as the Presiding Officer, said, in part:

> The PRESIDING OFFICER. (Mr. STENNIS in the chair). The Chair calls the attention of the membership of the Senate to the fact that the Senate has a large amount of business which it is trying to transact this afternoon and tonight. The Chair wishes everyone in the Chamber to pay attention, because he may be affected by what the Chair is about to say.
>
> The Chair knows that there are many matters to which Senators must attend. They must confer with one another.
>
> Furthermore, there are many reasons why administrative assistants, committee clerks, and committee assistants should be in the Chamber. It may be that the Senate cannot transact its business without them. But conditions have reached such a point that the Senate cannot possibly transact its business with them present unless they maintain order.

The Senator from Mississippi went on to read the rule pertaining to the privilege of the floor:

> No person shall be admitted to the floor of the Senate while in session, except as follows:
>
> Clerks to Senate committees and clerks to Senators when in the actual discharge of their official duties.

The Senator went on to say:

> Such persons have no right to be on the floor unless they are actually in the discharge of their official duties. The rule does not refer to my official duties or to some other Senator's, but to the official duties of clerks.
>
> The Chair is not challenging the right of anyone to be in the Chamber, but if there is not better behavior, the Chair will let some of those concerned come to the bar of the Senate and state their official business. Then the Senate can pass on whether or not those persons are entitled to the privilege of the floor. We will ask for the person's name. While he may not make a speech, he may state his name to the clerk, who will pass it up to the Presiding Officer. The Presiding Officer will then read it to the Senate for the benefit of the record, and a permanent record will be made of exactly

what business that person has in the Senate this afternoon.

If anyone does not understand the warning, let him not complain later. That will be the order.

The Chair thinks that there should be a good showing of manners when assistants are in the Chamber on official business. If one's business is not being considered, it is good manners to vacate the floor or to wait in a place convenient to the assistant and his Senator until his business actually can be considered.

Mr. President, I have very proudly read the statement which was made by the distinguished Senator from Mississippi when he was temporarily presiding over the Senate. I believe it makes good reading today for some of those who are not well acquainted with the rule.

The rule provides that these persons may come here only "when in the actual discharge of their official duties."

But, apparently, this rule is honored more in the breach than in the observance. Many of the staff aids whom I have seen on the floor are obviously not engaged in helping their Senators, but are loitering in the rear of the Chamber and passing the time of day with their colleagues. This condition interferes with the efficient transaction of Senate business and impairs the decorum of this body.

I recall a situation which developed on one of the days during which the Senate was debating the Kennedy-Ervin labor bill. We met long into the evening, and in the final hours there were fully three score or more persons standing along the walls in the rear of this body, and immediately back of our seats. I found it difficult to get to my desk because of individuals standing at my chair. There was so much confusion and laughing and talking among those who were enjoying the privilege of the floor that the Senate could hardly carry on its work, and those of us who unfortunately had to sit in the rear, could not know what was being said a few desks away. The Chamber seemed very much like an auditorium or assembly hall, and I was shocked to see aids and clerks actually joining in the applause which accompanied the remarks of the distinguished Senator from Florida upon that occasion. As a matter of fact, in my own mind I feel sure that the applause in the first instance was initiated by one of the persons whom I saw standing near the center door of the Chamber. The first handclap came from a person who was standing against the wall near the center door. I feel positive of that.

Mr. President, the Senate rules specify that there shall be no demonstrations in the galleries and that the Presiding Officer has the duty to enforce order when demonstrations develop there. I should think that the same rule would apply to any demonstrations upon the Senate floor, and I must say that I was disappointed and disturbed at the spectacle which met the eyes of those who looked in upon the work of the Senate on the evening to which I have referred.

Mr. President, I think we have to remember that the people who sit in the galleries are the people who pay our salaries, the people who send us here, the people whom we serve. I believe that we should remember at all times that the Senate floor is the showcase of representative government, and it is up to us to inspire those who come here to witness our work with a greater confidence and a deeper faith in us, in what we do, and in the U.S. Senate as a deliberative body. I believe, therefore, that we ourselves should, first of all, exercise a more rigid observance of discipline and decorum. We can best set the example of decorum by being decorous ourselves. Moreover, Mr. President, I feel that the Chair should insist upon order and decorum always on the Senate floor and throughout the Chamber. It is the duty of the Chair to restore order without a point of order being made by a Senator from the floor. Additionally, I feel that the regulations governing the attendance on the floor of assistants and clerks should be tightly enforced by the Sergeant at Arms, who has occasionally detected instances of the abuse of such regulations. It may become necessary to reduce the number of committee clerks and clerks to Senators who may be on the floor at the same time.

I am delighted to have received in the mail this morning a letter from the Committee on Rules and Administration—a letter which was sent to all Senators—asking that their personal staff members use Gallery No. 3 when they are following the debate at a Senator's direction or for their own purposes, and that staff members actually serving the Senators on the Senate floor refrain from unnecessary conversation or displays of approval or disapproval. The letter went on to request that staff members refrain from standing in certain areas of the Senate, where otherwise there is not sufficient room left for two Senators to meet and pass.

I have already talked with the members of my own staff about this matter. They will observe the suggestions which are contained in the letter which was sent to all Senators by the Committee on Rules and Administration. I do not mind saying that once they do not observe those rules, they will not be attached to my staff any longer.

Mr. HENNINGS. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I yield.

Mr. HENNINGS. I wish to compliment the able, diligent, and distinguished junior Senator from West Virginia upon his excellent statement. I recall well the night of the demonstration, when the Senator from West Virginia came to me as I was sitting at my desk and asked, "What are we supposed to do about these demonstrations?"

I replied, "Of course, the primary responsibility rests with the Presiding Officer to maintain order"; and that he was undertaking to do, and he did it very ably later. He had had no notice of the demonstration or the outbreak which came upon us like a rushing tide.

But the Senator from West Virginia at that time evidenced deep concern about the incident, and I was very much impressed by it, since I am chairman of the Committee on Rules and Administration and have some responsibility in this matter myself.

I hope other Senators will read carefully the letter to which the able Senator from West Virginia has referred, and will not simply pass it off as routine mail.

I say to the Senator from West Virginia and to other Senators that if the problem of persons being on the floor who have no business on the floor and who have no contribution to make to the work or the deliberations of this body continues to grow worse and becomes of such dimensions as it has sometimes assumed in the past. I will undertake to suggest to the Committee on Rules and Administration that even tighter and more restrictive regulations be put into force and effect, such as limiting the number of members of the staffs of Senators or committees who may be on the floor.

Mr. President, I have just overheard the comment which was made by the distinguished Senator from Florida [Mr. HOLLAND] to the Senator from West Virginia as the Senator from Florida was leaving the Chamber. He is another Senator who, when he has served as presiding officer, has insisted upon the maintenance of order and discipline in the Senate.

I see also the distinguished Senator from Tennessee [Mr. GORE] who has been another hew-to-the-line Presiding Officer, as we say in court about a good judge.

Mr. GORE. I thank the Senator from Missouri.

Mr. HOLLAND. Mr. President, I, too, thank the Senator from Missouri. Since I must leave the Chamber on a necessitous matter, may I ask the Senator to yield to me for just a moment?

Mr. HENNINGS. I do not have the floor.

Mr. BYRD of West Virginia. I yield to the Senator from Florida.

Mr. HOLLAND. I commend not only what the distinguished Senator from Missouri [Mr. HENNINGS], the chairman of the Committee on Rules and Administration, has said, but I also approve of the able address by the junior Senator from West Virginia, which I thought was most appropriate. I also was impressed by that part of the address which I heard made by the distinguished junior Senator from Mississippi [Mr. STENNIS]. I was called out of the Chamber without having had a chance to hear all of it.

I gather that all three Senators are insisting upon a more rigid observance of the rules and giving a courteous hearing to Senators who are speaking, as well as affording the visitors in the galleries, who have come to observe the U.S. Senate in action, an opportunity, at least, to hear and to know what is going on, and to go away with some feeling of respect for the Senate of the United States.

I heartily commend all three Senators who are making this point. I shall make one suggestion, which I attribute to the Senator from Pennsylvania [Mr. CLARK], because he made it to me a while ago, although I have thought of the same thing heretofore, namely, that if nothing

else will do, it might be that the installation of a system of sound amplification would of itself compel the paying of more attention to what is going on in the Senate. I simply pass that suggestion on for the consideration of the chairman of the Committee on Rules and Administration and the other members of that committee. Whatever is necessary to be done, I think we ought to do it.

One thing which is necessary—and it has already been done by the Senator from West Virginia—is the controlling of our own staffs. In the case of the senior Senator from Florida, that has been done for a long time. I think that is one of the answers to the problem.

I commend all three Senators for their statements today. They will find me always willing to help them to maintain order on the floor of the Senate.

Mr. HENNINGS. Mr. President, the distinguished senior Senator from Florida has emphasized all the points which have been discussed in the colloquy today. As for the matter of an amplification system, that has been before the Committee on Rules and Administration for some time and is now the subject of study by the Architect of the Capitol. The suggestion was made originally, I believe, by the distinguished senior Senator from Wisconsin [Mr. WILEY] last year. The committee polled the membership of the Senate. The result of the poll was about even, as I recall. But the matter is under consideration. What the ultimate result will be, I cannot say at this time.

Mr HOLLAND. I thank the chairman of the committee, and I thank the Senator from West Virginia.

Mr. HENNINGS. Mr. President, the regulations as printed will be of little force and effect unless Senators themselves undertake to maintain some control over their own staffs and the staffs of committees of which they happen to be chairmen.

I again thank the Senator from West Virginia for his very valuable contribution to the solution of this very vexing, difficult problem.

Mr. BYRD of West Virginia. I thank the distinguished Senator from Missouri.

Mr. President, before I proceed further, I wish to ask unanimous consent to have printed in the RECORD, following my remarks, the letter of May 4 which the Senator from Missouri wrote to me and to all other Senators.

Mr. HENNINGS. Mr. President, I thank the distinguished Senator from West Virginia for doing me the courtesy of requesting that the letter be printed in the RECORD. However, let me point out that the letter has already been ordered printed in the RECORD, at the request of the Senator from Mississippi [Mr. STENNIS]. Nevertheless, permit me to state that I appreciate the willingness of the distinguished Senator from West Virginia to give the letter the dignity and the prominence which its printing in the RECORD would give it.

Mr. BYRD of West Virginia. Mr. President, again let me say that Members of the Senate who speak in this Chamber should speak with sufficient audibleness to be heard by all Members, including those whose desks are at the rear of the Chamber. The present most regrettable situation has developed to the point where often very important business is conducted by certain Members by means of what really amount to private conversations held in the front part of the Chamber; and the remarks made under those circumstances are not audible to Members whose desks are in the rear rows.

Mr. GORE. Mr. President, will the Senator from West Virginia yield to me?

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator from West Virginia yield to the Senator from Tennessee?

Mr. BYRD of West Virginia. I am glad to yield.

Mr. GORE. First, I wish to express my appreciation of the generous references the Senator from West Virginia has made to me, in connection with his discussion of the importance of having proper order maintained in the Chamber, so that all Members can hear all the proceedings.

The situation to which the Senator from West Virginia is addressing his remarks arises in large part from the recent tendency of a Senator who is engaging in colloquy with another Senator to leave his desk and approach the desk of the Senator with whom he is engaging in colloquy. If each Senator would remain at his own desk, and would speak from his own desk, then the very act of speaking with sufficient audibleness to be heard by the Senator with whom he was engaging in debate, particularly if such Senator's desk was across the Chamber, would enable all other Senators to hear the debate. Not only that, but under those circumstances our constituents, American citizens, who are in the galleries, and are straining their ears in an attempt to hear, could likewise ascertain the remarks made by Senators.

I think the recent practice is one to be frowned on. Certainly, Senators who engage in debate should not move from their desks, until they are standing within arm's length of each other, and thereby reduce the debate to—as the Senator from West Virginia has aptly described it—personal conversations. This Chamber is not a place for personal conversations; it is a place for debate on vital public issues. As the Senator from West Virginia has said, this Chamber is the showcase of democracy; and our debate should be conducted in such terms and in such manner that all the proceedings will be clearly heard by all Members of the Senate and also by the visitors in the galleries.

Mr. BYRD of West Virginia. Mr. President, I am very grateful for the contribution which has been made by the distinguished Senator from Tennessee. During the debate on the Kennedy-Ervin bill, I was very pleasantly aware of his insistence upon order in the Chamber; and afterward I went to him and let him know that I had been aware of his diligent efforts in that regard.

I realize that it might be considered somewhat out of place for a new Member to compliment a Member who has served with such distinction for the length of time that the junior Senator from Tennessee has served in this body. But I felt I should compliment him, because I think he has set an excellent example of the type of conduct which should be insisted upon by the Chair.

Mr. GORE. Mr. President, will the Senator from West Virginia yield further to me?

Mr. BYRD of West Virginia. I yield.

Mr. GORE. Let me say to the able Senator that I am very grateful for his commendation.

I am not sure that all Senators share his feeling; but when a Senator is honored with the occupancy of the chair, and when he is presiding over the deliberations of the U.S. Senate, it is his duty to enforce the parliamentary rules of debate. As the Senator from West Virginia has said, and as other Members have said, that duty is incumbent upon the Presiding Officer, regardless of whether some other Senator rises and makes a point of order.

Whenever I am privileged to occupy the chair, as the Presiding Officer of the Senate, I will undertake to preserve decorum, not only among all Members on the floor of the Senate, but also among the occupants of the galleries and among the attachés of the Senate.

Mr. BYRD of West Virginia. Mr. President, we have discussed the tendency to engage, in one part of the Chamber or another, in private conversations during the debate. I recall that during the consideration of the Kennedy-Ervin bill, three or four Senators gathered on the other side of the aisle—and let me say that I am sure that at times the same thing occurs on this side of the aisle—and engaged in debate on that very important measure. I wanted to go to that side of the aisle and hear what they were saying. However, almost all the other Members of the Senate had already gathered there, and it was not physically possible for the rest of us to be near those who were engaging in the debate.

I think every Senator should feel it his duty to speak with sufficient loudness—unless he is physically unable to do so—to be heard throughout the Chamber and also in the galleries.

I seldom speak, and I intend to speak only infrequently. But when I do speak, I have tried, and I shall continue to try, to observe the suggestion I have just made. I do so for the convenience of my colleagues who may wish to listen. I feel that every Senator owes the same consideration to all other Senators.

Mr. President, if I may be pardoned for making a final suggestion, it is this: I hope the Senate will never come to the day when it institutes a public-address system on the floor of this body. I know that some differ with me, but I simply cannot believe that would be necessary. I think it would change the atmosphere, the arrangements, and the appearance of the Senate. I, for one, would like to preserve the present arrangement whereby we do not have a public-address system and no Member is inhibited from speaking with sufficient audibleness to be heard by all the occupants of the galleries and by all Senators, regardless of the places in the Chamber where their desks are located.

Mr. President, I trust that I have not been presumptious in making these statements as a new Member. I feel strongly about the matter; and I believe that if we permit such canditions as the ones we have described to continue to exist, we shall be greatly hampered in doing our work, and thereby our effectiveness will be compromised.

Mr. STENNIS. Mr. President, will the Senator from West Virginia yield briefly to me?

Mr. BYRD of West Virginia. I yield.

Mr. STENNIS. Mr. President, I wish to commend very highly the Senator from West Virginia for the thought and the effort he has given to his very timely and very thoughtful remarks. I think he expresses the unanimous opinion, also, of the fine group of new Senators who came here in January, who have gotten off to such a good start, and have made such a fine impression on all the rest of us.

I know he was pained in heart, as well as disappointed, by the conditions we have described. It is embarrassing to me and to other Members to have him find such conditions exist here—conditions for which no particular Member is to blame. I am thankful to him for being concerned, and for being willing to do something about the situation. I appreciate the sentiments he has expressed to me. He encouraged me to make the brief remarks which I have made here today. I also appreciate the expressions of the Senator from Missouri [Mr. HENNINGS].

Mr. President, I have seen this situation develop over a period of more than 10 years. Despite the good work of the chairman of the committee, the Senator from Missouri [Mr. HENNINGS], and the other members of his commitee, I believe that unless we tighten up the application of the rules, in the first place, and really insist upon strict enforcement, and unless we also make arrangements for an effective Assistant Presiding Officer, so as to continue the improvement, even though there may be an improvement for a few weeks or a few months, it will be almost as certain as it is that night follows day that we shall return to the old rut, and then again it will be necessary for a Senator to push his way through the aisles amid the confusion which has been described.

So I hope we will continue our serious consideration of these matters. I have no pride of authorship in any of the proposals. I am merely trying to get results; that is all. I deplore the fact that it is thought by some that it might become necessary to have in the Senate a public address system. I do not think there is one reason for installing such a system, much less a good reason. I think it would be a reflection on our own ability to carry on in a parliamentary way. To put into use a mechanical device would add to, rather than reduce, confusion.

Mr. BYRD of West Virginia. Mr. President, I yield the floor.

PEACEFUL USES OF OUTER SPACE

Mr. SALTONSTALL. Mr. President, yesterday the Committee on the Peaceful Uses of Outer Space of the United Nations held its first meeting. The Soviet Union, Poland, and Czechoslovakia did not attend the meeting. The absence of the Soviet Union is reported to have led to the decision by India and the United Arab Republic not to attend the meeting on the ground that the Committee could accomplish no useful purpose in the absence of one of the two leaders in the field of space activities.

The United States Representative to the U.N., Henry Cabot Lodge, made an excellent statement at the meeting in which he stated clearly the importance of the Committee's work. I ask unanimous consent to have printed in the RECORD at this point of my remarks the text of Ambassador Lodge's statement as published in this morning's New York Times.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TEXT OF AMBASSADOR LODGE'S STATEMENT AT U.N. ON OUTER SPACE

Mr. Chairman, this committee has important work to do and I shall not delay it with a long statement.

Our task is to help to chart for the United Nations a course of cooperation among nations in the use of outer space for peace.

In no field of endeavor is cooperation among nations more appropriate or more necessary. When we go about the business of exploring the universe and rivalries of men and nations really do look petty and ridiculous. The job is far too big for any one nation, no matter how big or how advanced in technology that nation may be. Every nation has a part to play and all peoples stand to gain from the results.

Therefore it is most gratifying to see this committee meet and get down to business. The wealth of scientific and legal knowledge possessed by the states represented here today is an excellent augury for our success.

Our first task here is to adopt a plan of work. The United States has some views on that subject and I shall present them in a moment. But before doing so we should remind ourselves now that we are not dealing with remote dreams but with hard facts of the present and real probabilities—if not certainties—for the future.

As of this moment 11 earth satellites have been launched successfully, all of them since 1957. Five of these are in orbit today, and one is expected to remain in orbit at least 200 years.

Literally hundreds of high altitude rockets or space probes have been shot hundreds of miles, and in some cases even thousands of miles, beyond the earth's surface to gather scientific data. Two of these have passed forever out of the earth's gravitational dominance and are now in orbit around the sun.

GREAT STRIDES BEING MADE

As a result of these and other experiments during the International Geophysical Year of 1957–58, whole new fields of scientific knowledge are rapidly expanding—for instance, knowledge about the earth's magnetic field; about bands of cosmic radiation surrounding the earth; and about reactions of animals to space travel. Great strides are being made in rocketry and in radio communications with space vehicles.

Those are the facts of today. The probabilities for the fairly near future are, practically speaking, far more important to man's life on earth. Here are a few benefits expected from earth satellites alone:

1. Earth satellites can bring about a revolution in long-range weather forecasting, with incalculable benefits in saving multitudes of people from famine and floods. Satellites will scan the entire surface of the earth and radio back precise information on cloud masses, rain, storms, temperature and other weather data. This will mean, for the first time, really useful long-range forecasting covering periods of several weeks and even longer.

2. Earth satellites may eventually become major tools of radio communication between cities and continents on the earth. There will soon be a great need for such new means of communication. The present transatlantic telephone cable, which has a capacity of 36 voice channels, is expected to fall behind the demand by 1962, and although a new cable is now planned with several times the capacity of the present one, it will already be overloaded by the time it is laid down. This kind of problem is arising the world over. The long-range possibilities of satellites as reflectors and repeating stations for radio messages are therefore tremendous. It is even possible that they may be used for intercontinental television.

3. Data from the International Geophysical Year have already changed man's notions about the shape of the earth. Geodetic satellites can further refine man's knowledge of his own planet. By using satellites we can determine geographic details for mapping with far greater accuracy, especially in previously unexplored land areas of the earth.

4. Ships will probably be able to calculate their exact position within less than a mile—in any weather—by tracking earth satellites which transmit radio signals.

Some of the longer-range possibilities can also be foreseen. For example, scientists hope one day to set up an astronomical telescope in outer space. Thus for the first time man could view the stars clearly, free from the distortions caused by the earth's atmosphere. This kind of large-scale project might well call for teamwork by many governments.

NATIONS MUST COOPERATE

Finally, there is the near certainty that man himself will circle the earth in satellites within a few years—and that, sooner or later, he will travel in interplanetary space.

If these probabilities are to become actual facts for the benefit of all nations, the nations must cooperate to make them so. How necessary this is has already been proved. The wealth of scientific knowledge from the earth satellites already launched would never have been obtained unless thousands of specialists had worked together in many countries around the globe—tracking satellites, collecting and analyzing radio signals, and sending high-altitude sounding rockets into the upper atmosphere.

Much of the necessary cooperation is being carried on by the Committee on Space Research of the International Council of Scientific Unions, which is also called COSPAR. This organization of scientists is continuing the cooperation begun during the International Geophysical Year. Its work is of the greatest value. But there must also be cooperation among governments. That is why we are here.

Now as to our plan of work, Mr. Chairman, the United States believes we can take as our point of departure paragraph 1 of the resolution by which the General Assembly last year created this committee and defined our task. That resolution asked us to report to the 14th session this fall on four main topics. I shall take up each of these in turn.

Topic A is: "The activities and resources of the United Nations, of its specialized agencies and of other international bodies relating to the peaceful uses of outer space."

In our view this question can best be handled by the Secretariat with its extensive knowledge of international organizations. We therefore propose that the Secretary General be asked to report to this committee on topic A at an early date.

Topic B is: "The area of international cooperation and programs in the peaceful uses of outer space which could appropriately be undertaken under United Nations auspices to the benefit of states irrespective of their economic or scientific development."

QUESTION FOR SCIENTISTS

In the first instance this is a question for qualified scientists. We therefore propose that this committee establish a subcommittee to deal with topic B and report on it to the full committee. This subcommittee should be open to each member of the committee wishing to take part. The United States intends to designate Dr. Hugh L. Dryden of our delegation to serve on this subcommittee.

I will pass over topic C and return to it in a moment.

Topic D deals with legal questions. There are many possible international legal problems in the outer space field. Some of these may be remote or abstruse but others are of real practical importance and may arise soon.

To study them we propose that the committee appoint a second subcommittee of representatives versed in international law. It too should be open to each member of the committee wishing to take part. The United States intends to designate Mr. Loftus Becker of our delegation to represent us on this legal subcommittee. It should report to the full committee at an early date.

By following this plan of work the committee would have before it at an early date the report of the Secretary General on topic A and the reports of the two working groups on topics B and D. We believe that will be the best stage, Mr. Chairman, for the committee to consider the remaining topic C—"future organizational arrangements."

It is axiomatic that no sound recommendations can be made on organization until the activities involved are clearly understood. This should be the case when the subcommittees and the Secretary General have made their reports. The full committee can then frame its report to the General Assembly covering all four topics. We hope that last phase can be finished by July 31.

As a contribution to the work of this committee the United States has prepared a series of documents on the topics which were set forth in the General Assembly resolution and which I have just discussed. We are making these available to the Secretariat for the use of committee members if they so desire. We have also made available a brief, semitechnical publication on the nature of outer space and space science.

We hope these ideas on how to proceed will seem sensible to you, Mr. Chairman, and to the members of the committee. We strongly believe that our plan of work should be businesslike and should reflect the practical, technical, nonpolitical job which we have been given to do.

Our immediate tasks are prosaic and even pedestrian. But it is often true and seems to be true in our case that he who keeps his feet on the ground is better able to reach for the stars.

Mr. SALTONSTALL. None of us here, Mr. President, nor any people in the world, can be anything but greatly disappointed that Russia and Poland and Czechoslovakia are boycotting the Committee on the Peaceful Uses of Outer Space. Their action in doing so is deplorable and certainly casts grave doubts on the sincerity of their professed interest in helping to build a peaceful world in which destructive international rivalries may be eliminated.

Mr. President, tonight Dr. T. Keith Glennan, the Administrator of the National Aeronautics and Space Administration, will deliver a major address at the World Affairs Council of Philadelphia. I have read an advance copy of Dr. Glennan's speech and recommend it highly for careful study. It contains an excellent description of the establishment, mission, and activities of NASA and eloquently expresses America's interest in actively participating in a program of international cooperation in space research. Dr. Glennan also makes some very sensible observations about the status of America's space research activities from which I quote briefly:

From time to time, I have been disturbed by the tendency of many Americans to oscillate between forlorn discouragement and heady optimism, as they view the day-to-day situation in the contest for leadership in space. Each time the Soviet Union attains a noteworthy success with a satellite or a space probe—and the four that they are known to have launched have been most impressive—I hear it said that we are hopelessly behind them. Every time we place an instrumented package in space—and there have been nine so far, achieving various degrees of success—I am asked whether we haven't finally caught up with—or passed—the Russians.

The truth is that our standing at this moment, in the competition for technical mastery of space, is somewhere between the two extremes. We are not hopelessly behind the Russians. On the other hand, we haven't yet caught up, and certainly haven't left them far behind. Any other estimate of the situation would be based on irrational fear or, worse, on heedless optimism.

The diversity of our space experiments, and the ingenuity demonstrated by the results of our efforts to date, have given us valuable experience and increasing confidence in this new activity. We are supported by the world's largest and most versatile industrial complex. Of increasing importance to this program will be the cooperation which we can expect from our allies scattered over the free world.

Our object is not merely to secure the widest possible dispersion of our own space activities, but to foster international programs to the fullest extent that we can—always bearing in mind the broad outlook of the statesman who gave us our charter—that we think the exploration of space as an undertaking for the energies of mankind as a whole—not just another exercise to secure the political advantage of any one nation.

In this connection, I like to recall the words of my good friend, Dr. Lawrence M. Gould, president of Carleton College in Northfield, Minn. Dr. Gould said:

"I do not believe the greatest threat to our future is from bombs or guided missiles. I don't think our civilization will die that way. I think it will die when we no longer care—when the spiritual forces that make us wish to be right and noble die in the hearts of men. * * * Notable civilizations have died from within, and not by conquest from without. * * * It happened slowly, in the quiet and the dark when no one was aware.

"If America is to grow great, we must * * * rediscover and reassert our faith in the spiritual, nonutilitarian values on which American life has really rested from its beginning."

For many people of the generation now coming to maturity, those values will be found in space exploration, as we once found them in our migration to the West. They will be realized in the concerted effort by mankind to extend our province toward the stars.

Mr. President, I am in complete agreement with these remarks. It is a coincidence that Dr. Glennan expresses some of the same thoughts as I expressed in a report which I sent to many of my constituents in Massachusetts under date of April 9. I quote briefly from my report:

Mankind has always been a competitive being. The United States became great as men competed on its frontier. We are still growing. We hope the time soon comes when we turn all our research to peaceful competition. Man needs to forge ahead on new frontiers, otherwise he stagnates. We stand now on the peaceful frontier of space. An all-out effort is called for. We in the New World can look back to a similar point in our history—1492. We are not going to insist to our scientists that the world is flat. Columbus sailed out around the round world with less knowledge than we will have when man sails the limitless reaches of space. But the big job is not only to learn how to conquer space but how to use it for peaceful purposes.

In closing, Mr. President, I ask unanimous consent that there be printed in the RECORD at the close of my remarks the text of Dr. Glennan's address to be delivered this evening.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY T. KEITH GLENNAN, ADMINISTRATOR, NATIONAL AERONAUTICS AND SPACE ADMINISTRATION, TO THE WORLD AFFAIRS COUNCIL OF PHILADELPHIA, MAY 7, 1959

The subject of international relations—once the exclusive province of the Chief Executive and the members of the diplomatic service—has become a principal topic of conversation and debate whenever thoughtful people come together. For this healthy situation, organizations such as yours, or the one with which I am more familiar—the Cleveland Council on World Affairs—can take much of the credit. It has been said that the things we fear most are the things we do not understand. The educational activities of the world affairs councils all over this Nation are tackling this problem effectively and with increasingly good results. Out of these efforts greater understanding of the complex problems of international relations and national commitments in the foreign field should result. And we should be better able to support those whose difficult job it is to handle these affairs.

Now normally, I obey the adage that the shoemaker should stick to his last. And today, I am not going to harangue you as an expert on the subject of foreign affairs, a field in which I have a great interest but little professional competence. After all, I was trained as an engineer and have spent most of my life in the management of industrial, research, and educational institutions. But my present assignment in Washington does include some responsibilities in the field of international cooperation which I think may be of interest to you. If I may, then, I want to tell you something about the National Aeronautics and Space Administration and describe to you the activities which bring us into contact with other nations.

Actually, the very nature of our business, the exploration of outer space involving the orbiting of unmanned and manned satellites around this and other planets is such as to assure that our activities will be of interest and concern to all the other nations on the earth. The real question is, Can we utilize this new opportunity for research in space as a means for honest cooperation between nations, or must the suspicion and name calling and propaganda extend into this field, too?

As is the case in most other fields, our most powerful international competitor in space is the Soviet Union. The very existence of the National Aeronautics and Space Administration is, to an extent, a result of the success that Russia has achieved in the opening heat of this competition. You are all aware of the startling impact, on people in this country and abroad, of Sputnik I—the first successful Soviet satellite—in early October 1957. Until that striking demonstration of Russian competence in rocketry, few Americans had recognized the full extent of Soviet progress in the techniques required to place satellites in orbit. I think it is fair to say that most of us were torn between desire to applaud a great scientific and technological accomplishment and a troubled concern over having been bested, even temporarily, in a field where we had assumed, complacently, that we held at least a comfortable lead.

Our reaction—as it has always been when we are unexpectedly confronted by a reverse of any kind—was to mobilize our resources for a concerted effort to secure the position which we had thought we held. It is that mobilization of public opinion and individual enterprise that I have mentioned as one of the chief factors contributing to the creation of our National Space Administration.

The Administration, the Congress, the press, and the scientific community agreed that our lag in rocket development had been largely due to the scattering of our effort among a variety of military, industrial, and professional agencies and laboratories, with diffuse leadership and no clear-cut long range objectives. Out of their agreement on these fundamental facts, a unified civilian space authority, NASA, was born.

Perhaps this is the proper place for me to give you a thumbnail sketch of this new agency, its objectives and its relationships with the Department of Defense and other agencies of the Government. As a college president, I never lost an opportunity to talk about education—one never knows what mind or what pocketbook may respond to the needs of a college such as the one I have had the honor to head—Case Institute of Technology in Cleveland, Ohio. Now as a public servant, I find myself eager to have people understand the nature and work of the Space Agency, for here too, the understanding and support of thoughtful people is of the utmost importance.

A so-called independent agency, the National Aeronautics and Space Administration reports to the President and is charged with responsibility for the conduct of the Nation's research, development, and exploration in aeronautics and space except for those activities having to do primarily with the development of weapons systems, military operations of the defense of the United States. These latter, of course, are the responsibility of the Department of Defense.

It hardly seems possible, but this new agency has been in operation for a period of 7 months—since October 1 last year. Having read a good bit in the newspapers and magazines about NASA and some of the Nation's space projects, you probably wonder how we could be so active in such a short period of time. This Nation's acknowledged leadership in the field of aircraft design and operation has resulted, in large part, from the activities of a little known but very important governmental agency, the National Advisory Committee for Aeronautics—NACA. For 43 years NACA carried out its researches in comparative anonymity in three great laboratories and two field stations, and provided the fundamental information on which most of our progress in the aircraft field has been based. NACA, with its 8,000 employees—more than a third of them professionally trained in technology and the sciences—was absorbed by NASA on October 1, 1958, and thus became the base on which the new agency has been erecting its organization to cope with its vastly enlarged responsibilities.

On December 3 the President transferred to NASA from Army jurisdiction the Jet Propulsion Laboratory located in Pasadena, Calif. This laboratory employs a staff of some 2,450 people and is operated by the California Institute of Technology under contract to NASA. Projects whose principal objectives were to develop knowledge about the environment of outer space were transferred from military organizations to NASA and with them a number of highly trained engineers and scientists joined our ranks. These projects included the deep space and moon probes, the Vanguard satellite program, and several programs directed toward the provision of more adequate propulsion systems for satellite and deep space activities. Thus we found ourselves with manpower, laboratories, and an operating program of no small dimensions even though it had been developed in an unbelievably short time.

As of the end of this fiscal year—June 30 next—NASA will employ about 9,000 people, and our plans for fiscal year 1960 call for an additional staff of about 1,000 persons, mostly in the technical areas. Total funding for the current fiscal year, made up of the appropriation by the Congress to our predecessor, NACA, of a similar but smaller appropriation to NASA itself, and of funds transferred to NASA by the military is in the neighborhood of $385 million. Funds requested by the President and now under review by Congress will provide $485 million for the 1960 fiscal year.

The relationship of our activities in NASA to those of the Department of Defense is one that some people find confusing. With a little explanation, I think the situation will become more understandable. Vehicles designed for peaceful exploration of space can also be used for military operations—just as airplanes and automobiles can be used for military purposes. The Space Act separates these two kinds of activity, giving the bulk of the responsibility for the development of vehicles for peaceful exploration to NASA, and reserving the exploitation of their defense capabilities to the Armed Forces, as I have noted earlier in this discussion. At the same time, the act creates channels to insure the coordination of research activities and developmental projects carried on by NASA or the Department of Defense.

Fundamentally, space is an extension of the atmosphere directly overhead. The rockets which we are using to roll back the frontiers of space are lineal descendants of the first Wright Brothers airplane, through the jet, which is an air-breathing rocket with wings. Until now, aircraft of the most advanced types have been developed normally by the military services, and only later converted to civilian use. This has been true of rocket development, too, in the opening phases of space exploration.

With a single exception—the small Vanguard satellite vehicle, which was designed solely for scientific research as a contribution to the program of the International Geophysical Year—all the satellites and space probes which have provided data on conditions outside the atmosphere—the Russian sputniks and Mechta, as well as our own Explorers, Pioneers, Discoverers, and Project Score—have been lofted into space by rockets which were conceived originally as military boosters.

NASA has made use of these military vehicles, suitably modified, ever since it went into active operation in October of last year, because they were the only rocket booster systems available with power enough to put even a modest payload into orbit or to send an electronic messenger beyond the moon. For at least another year or so, we will be dependent on military boosters for our basic powerplants.

But NASA and the Department of Defense have already begun several projects which will provide, in the years ahead, a variety of propulsion systems that will permit the full exploitation of our interests in the space environment, whether for civilian or military purposes. With these projects underway, we are turning our full energies to the basic tasks of planning for space exploration and the application of the new knowledge we are sure to acquire to projects beneficial to man the world over. And this brings me to a brief discussion of our activities in the international field.

I would like to quote briefly from the National Aeronautics and Space Act of 1958, establishing the agency. The act opens with a declaration of the basic policy of the United States as it states "that activities in space should be devoted to peaceful purposes for the benefit of all mankind." It goes on to assert, as the first objective of our country in extra-terrestrial operations, that these activities are to be conducted in such a way as to "contribute materially to * * * the expansion of human knowledge of phenomena in the atmosphere and space."

I ask you to consider those two statements—that space activities "should be devoted to peaceful purposes for * * * all mankind" and that they should "contribute * * * to * * * the expansion of human knowledge." That policy is in the enduring tradition of American poliitcal philosophy, from the Declaration of Independence to our own time. In matters of great consequence, we have usually attempted to look beyond the immediate prospect of gain or self-service, to acknowledge the effect of our actions on humanity as a whole.

In accomplishing these objectives, we are directed by the act to cooperate with other nations and groups of nations—to promote, in every way possible, the peaceful applications of our work in space.

The specific language reads thusly: "The Administration, under the foreign policy guidance of the President, may engage in a program of international cooperation in work done pursuant to the act, in the peaceful application of the results thereof, pursuant to agreements made by the President with the advice and consent of the Senate."

A very substantial beginning has been made by this Nation on a program of international cooperation in space research. In the diplomatic field, as long ago as January 1957—months before the Russians orbited their first satellite—the United States proposed in the United Nations that a study be made for assuring peaceful use of outer space. We continue to be prepared to participate in such a study.

In furthering our broader objective of cooperating with other nations and groups of nations in promoting peaceful applications of space programs, we have made greater progress. In November 1958 this country joined with 19 other countries in sponsoring a resolution calling for creation of a special United Nations committee to study and report on the peaceful uses of outer space.

This resolution was adopted by the General Assembly of the U.N. on the 13th of last December and 18 countries, including the United States and the Soviet Union, were named as members of this Ad Hoc Committee on the Peaceful Uses of Outer Space. I am sorry to say the Soviet Union was not present yesterday when the Ad Hoc Committee held its first meeting.

I regret their unwillingness to take part in these discussions. I am glad to say, incidentally, that NASA is participating in the meeting of the Ad Hoc Committee, through its Deputy Administrator, Dr. Hugh L. Dryden, who has been designated as an alternate representative of the United States.

Another avenue of peaceful cooperation in space has been opened up by the Committee on Space Research—better known as COSPAR—of the International Council of Scientific Unions. Through the American scientists on this Committee, we have offered to make available to this international body, a propulsion vehicle system to carry aloft a payload to be developed and supplied by one or more members of the group. Consultation is now going forward and we have hopes that such a project will become a reality within 2 years.

One of the vital elements in any space operation is the tracking of the space payload. Through stations located at strategic spots around the globe, we are able to keep in constant radio communication with the flight of a satellite or an interplanetary vehicle, regardless of its path or the diurnal rotation of the earth. In this way, we receive the data which it transmits. We study the effect of space conditions on its orbit or trajectory; make corrections in its attitude or course; and activate instruments for special purposes—for instance, to survey the far side of the moon. In the case of a manned space craft, we will maintain essentially constant communication with the pilot by this means, so that we may determine his condition, gain from him information which might not be available through instrumentation, and bring him back safely to a landing on the earth.

In this part of our program, we are fortunate in having close relations with many other countries, in all parts of the world. By contrast, the Soviet Union is largely confined to its own land area, and those areas immediately adjacent to it. A space vehicle passing out of direct contact with the Eurasian land mass is lost to the Russians, until the earth's motion—or its own—brings it back into electronic view.

In addition to the Goldstone tracking station that NASA operates in the Mojave Desert north of Barstow, Calif., and others at widely separated points on U.S. territory, we have for some time had the benefit of observations made by the 250-foot radio telescope at Jodrell Bank, in Manchester, England. We have similar arrangements with radio tracking facilities in half a dozen other nations.

Agreements were recently completed by NASA calling for the operation, by nationals of these countries, of tracking stations in Chile and Peru. Negotiations are now in progress with other nations covering the operation of similar stations, originally a part of the IGY program and several new stations. Together, these stations will give the United States—and the countries associated with us in space research—a worldwide tracking and data acquisition network, capable of keeping space vehicles under continual surveillance in any orbit or trajectory. In this way, too, countries unable to devote great amounts of capital funds to the undertaking of space research can make a significant contribution to the total effort and can begin to develop their capabilities in this field.

Other nations have expressed varying degrees of interest in providing additional launching or tracking sites for use in joint operations with the United States, and in providing payload instrumentation to obtain specific data needed by their research institutions. For years, this Nation has had cooperative programs in atmospheric research with Canada. In all of these projects, we are sincerely interested in teamwork with people in other countries. We will be delighted to discuss with any nation, including Soviet Russia, or any group of nations, the development of a truly cooperative program of scientific exploration in space.

I have a particular reason for my belief that a program of international cooperation in space is important. Science knows no national boundaries. As a matter of fact, science is truly an international language and provides a meeting ground for people where the solutions to problems are dependent on facts rather than on emotions. In the arena of international politics, men may connive and cajole, may practice deception and deceit and may fail to deal objectively with the problems that face them. In the scientific arena, there is an area of definite truth toward which men of all countries work.

Today's world is one which is increasingly dependent on technology and science for its welfare, even for its survival. Thus, the technically trained man—the man who understands and accepts the basic scientific truths—is finding himself involved, to an ever increasing extent, in the debates on matters of international importance which rest, at least in part, on an understanding of the meaning and application of his discoveries.

The facts of atomic fission, of the energy levels required for any of a variety of space missions, of the basic physical laws of nature—these are facts on which men of all nations can agree—and ultimately do. With technology so intimately intertwined in our economic and material life, it seems clear to me that the ability to agree on the scientific facts of life provides the takeoff point for ultimate agreement or compromise in the economic and political realms which are increasingly sensitive to technological developments.

It will take time, but if we refuse to be confused by the facts, if we are patient and learn how to use wisely the knowledge and advice of the scientist on matters where his expert knowledge is involved, real international progress will result, I am sure.

Now, before I close, may I get something else off my chest? From time to time, I have been disturbed by the tendency of many Americans to oscillate between forlorn discouragement and heady optimism, as they view the day-to-day situation in the contest for leadership in space. Each time the Soviet Union attains a noteworthy success with a satellite or a space probe—and the four that they are known to have launched have been most impressive—I hear it said that we are hopelessly behind them. Every time we place an instrumented package in space—and there have been nine so far, achieving various degrees of success—I am asked whether we haven't finally caught up with—or passed—the Russians.

The truth is that our standing at this moment, in the competition for technical mastery of space, is somewhere between the two extremes. We are not hopelessly behind the Russians. On the other hand, we haven't yet caught up, and certainly haven't left them far behind. Any other estimate of the situation would be based on irrational fear or, worse, on heedless optimism.

The diversity of our space experiments, and the ingenuity demonstrated by the results of our efforts to date, have given us valuable experience and increasing confidence in this new activity. We are supported by the world's largest and most versatile industrial complex. Of increasing importance to this program will be the cooperation which we can expect from our allies scattered over the free world.

Our object is not merely to secure the widest possible dispersion of our own space activities, but to foster international programs to the fullest extent that we can—always bearing in mind the broad outlook of the statesmen who gave us our charter—that we think of the exploration of space as an undertaking for the energies of mankind as a whole—not just another exercise to secure the political advantage of any one nation.

In this connection, I like to recall the words of my good friend, Dr. Lawrence M. Gould, president of Carleton College in Northfield, Minn. Dr. Gould said:

"I do not believe the greatest threat to our future is from bombs or guided missiles. I don't think our civilization will die that way. I think it will die when we no longer care—when the spiritual forces that make us wish to be right and noble die in the hearts of men * * *. Notable civilizations have died from within, and not by conquest from without * * *. It happened slowly, in the quiet and the dark when no one was aware.

"If America is to grow great, we must * * * rediscover and reassert our faith in the spiritual, non-utilitarian values on which American life has really rested from its beginning."

For many people of the generation now coming to maturity, those values will be found in space exploration, as we once found them in our migration to the West. They will be realized in the concerted effort by mankind to extend our province toward the stars.

AN AMERICA ON THE MARCH—ADDRESS BY SENATOR JOHNSON OF TEXAS

Mr. CLARK. Mr. President, on Tuesday of this week the distinguished majority leader spoke in Harrisburg, Pa., before an enthusiastic gathering of more than 5,000 Democrats at our annual Jefferson-Jackson Day dinner.

It may be of some interest to our friends on the other side of the aisle, and perhaps to some on this side, that each one of the Democrats present paid $100 for the privilege of listening to the distinguished majority leader. I may say he did not disappoint any of them, and his talk was well worth the price. He delivered an outstanding address, entitled "An America on the March."

I ask unanimous consent that the text of the speech made by the distinguished majority leader may appear in the RECORD at this point in my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AN AMERICA ON THE MARCH

(Address by Senate Democratic Leader LYNDON B. JOHNSON Pennsylvania Victory Day Dinner, Harrisburg, Pa., May 5, 1959)

Mr. Chairman, Governor Lawrence, fellow Democrats, we meet tonight as Democrats have always met—devoted to the public trust, dedicated to the Nation's unity, and committed by the faith in our hearts to a confident tomorrow for a confident and unafraid America.

Of our party's past, we are justly proud. Through more than a century, its victories have been the people's triumphs—and under its stewardship our Nation has reached its greatest hours. Whenever the times have demanded strong leadership, America has found its strength in the Democratic Party.

When America needed vision, there was Thomas Jefferson. When democracy needed a champion, there was Andrew Jackson. When peace needed courage, there was Woodrow Wilson. When men needed faith, there was Franklin D. Roosevelt. When freedom stood most in need of strength, there was Harry Truman.

Tonight—as we meet here—the times once more demand strong leadership. The century itself cries out, in the name of freedom, for a reassertion of the greatness of America.

To this call, Democrats must respond, not for the glory of our party, but for the greatness of our Nation.

We shall not fail.

DEFEAT TO VICTORY

I remember—and I know you have not forgotten—that 6 years and 6 months ago we stood in the oblivion of defeat. There were prophecies all around that the Democratic epoch was at an end—and that our party would never be a national factor again. But today our party stands as a majority party in the Nation.

The Democratic Party is now the majority party of the States, of the cities, of the local governments, of the National Congress; the majority party of all sections—North, South, East, and West.

What is responsible for these gains? I believe the answer is responsibility itself.

MAJORITY PARTISANS

When we were placed in the minority position, Democrats rejected the minority role. We did not obstruct, we did not divide, we did not oppose for the sake of opposition alone.

We laid aside the narrow partisanship of parties. We remained what Democrats have always been—and must always be—responsible partisans of the American majority. That is why we hold the trust of the majority today. That is why in the last election, America's voters granted the Democratic Party one of the greatest congressional victories in history.

For all the gains we have made, our work is not complete. The ultimate position and power of the American system remains in the hands of the Republican Party—partisans who stand astride the most narrow base of public responsibility in our times. Rejected at the State level, rejected at the municipal level, overwhelmingly rejected at the congressional level in 1954, 1956, and 1958, these partisans remain entrenched in one last stronghold, the Executive.

There they pass the final judgment upon the will of the American people and the life the people shall have. Because of this, the people are now approaching what may be the most fateful decision in the history of our party system.

DIVIDED GOVERNMENT MUST GO

These times clearly require that our Nation be the strongest force in the shaping of tomorrow's world. Prolonged divisions within our Government can only blunt that force and sap that vital strength. For what lies ahead, America must have one purpose, one faith, one understanding in its leadership. The day of divided government must end.

The next Senate will be Democratic. The next House will be Democratic. The next administration must be Democratic. The division of purpose and faith and understanding in our national leadership must not continue—for the years immediately ahead will determine the role and the position of our Nation in the affairs of this world for the remainder of the century.

THE CHALLENGE

We stand today 175 million people in a world of nearly 3 billion human beings, a minority of 17 to 1. Our country has and has always had—friends and allies who believe in freedom. Without them, our liberties might have perished long ago. Yet we must face reality. Two-thirds of the world's people live outside our present alliances, either committed to oppose us or uncommitted to our support.

Flung down before us now is a Communist challenge to wrestle for the soul of these uncommitted lands. The struggle is not to be won by arms, it is to be won by the force of the examples of our two systems, and the century itself is the prize. Freedom versus communism. Liberty versus tyranny.

It is the whole intent of Communist purposes—in Asia, in the Middle East, in Africa, and even in our own hemisphere—to encircle the West with the ties of Communist commerce and culture. Tomorrow's decisions will determine the role of freemen throughout the world.

The Communists would leave us standing as an island of yesterday in a rising red sea of a Communist tomorrow. This must not be.

A DECISIVE MOMENT

America must take up the Communist challenge and master it with the same boldness embodied in the answer given to armed aggression by this Nation under a confident President, Harry S. Truman.

It is my conviction that our Nation has not stood at so decisive a moment since Woodrow Wilson laid before us the great opportunity to lead the world to a lasting peace.

This time there must be no division of America's leadership, and no obstruction of America's response by selfish partisanship. The struggle now lies in young lands, in hopeful lands, in lands where men stand fresh and strong, eager for the adventure of shaping their own destiny and fulfilling their own promise.

THE UNIVERSAL LANGUAGE

If our voice is to be heard at all above the anvil of the century, it must not be the voice of an America grown old, an America grown tired, an America beset by doubts. We must speak the language of a nation still young and strong, the universal language of example.

Most of the world's people live off the soil. We must offer our own farmers more than a veto.

The world's billions yearn for a living wage. We must manifest more than a studied unconcern for our own unemployed.

New nations are searching for ways to overcome chronic depression. We must not present a travesty of a partisan veto against the revitalizing of our own regions.

To a world which has long known nothing but unrelieved poverty and sickness and hunger and ignorance, this rich America must not plead that it is impoverished—and can no longer afford the prosperity of its own people or the leadership of men who would be free.

At issue here is the tomorrow of America. That is the issue for the fateful decision the people must make in 1960. The commitment of the parties is clear.

THE OLD GUARD

By its own record, the Old Guard of the Republican Party is committed to an America in retreat. Its highest purpose has been—and still is—withdrawal from those programs which have brought Americans prosperity. It seeks its glory now in the exercise of a veto over the people's progress.

Two years ago they threw old Joe Smith out of the hall. This year they even threw old JOE MARTIN out for letting Joe Smith get in.

Let's keep these facts before us: The issue for 1960 is not Dwight Eisenhower. This good man is not the Republican Party. All Democrats—as warmhearted Americans—wish him well when he retires to the happier life of his Pennsylvania farm. For the Republican Party, the new face of 1952 is leaving.

MASSIVE VETO

Out of the past, there is now returning to command of that party the men of other years. Those dedicated to preserving the status quo who relinquished the helm of the Republican Party in 1952 never let go their mortgage on its soul. They are foreclosing that mortgage now.

By the slogan they have chosen for 1960—and the course they have chosen for 1959—their intent is clear. They mean to use the executive branch to exercise a massive veto over the 20th century, and we must see that the people understand that this is their intent. The Republicans who must face the people at the polls concede it is time to give up the effort to take us back to McKinley. But those who hold the purse strings of the Republican Party won't give up their grip.

When the people come down to face the issue of America's tomorrow, this must be before them. The old image of the Republican Party is really once more; its platform is a platform of vetoes; its promise is a promise of withdrawal; its commitment is to an America divided—an America in retreat.

AN AMERICA UNAFRAID

Against this, the Democratic Party stands today—as it has always stood—for an unafraid America, an America on the march. Ours is the image and reality of responsibility.

In those concerns of war and peace, involving our relations abroad, Democrats have—as responsible Americans—stood without partisanship behind our Nation's President. We shall always stand behind him when he stands for strength.

But Democrats in Congress have done much more. Democrats have kept America on the march. We have been responsive to the needs of the workingman, the widows, the jobless, the small businessman, and the large industries which have fallen sick.

We have acted to bring depressed regions back to life, to assist the cities, to add strength to the Nation, to carry America into the space age and jet age.

Hawaiian statehood had been on the calendar for 40 years, and a Democratic Senate passed it in 4 hours.

Limiting debate had been on the calendar for nearly 30 years, and a Democratic Senate acted in 3 days.

And it was a Democratic Senate that gave the Nation the first civil-rights bill in 82 years.

This is responsibility. This is the kind of strong leadership Americans want from all their Government, at all levels.

We Democrats have rejected the rule of veto. The Republicans have embraced it. The rule of veto will add no strength to a party. It will take strength away from the Nation. The Republican veto of tomorrow must be overridden by the people.

It is our duty to lead the people to the victory they deserve, and to deserve ourselves the trust placed in us.

RESPONSIVE TO THE PEOPLE

To be deserving, Democrats must first be responsible. In the majority, we must never become the partisans we refused to be when we were in the minority.

We must be responsive to the people. Let us account to the people for saying "yes" to their needs, and leave the Republicans to explain the "no" of their vetoes.

Democrats must be candid and courageous. As we must have the courage to be liberal when the public well-being requires it, so we must have the candor and integrity to be conservative when responsibility demands it. Our strength lies not in slogans or lines or labels but in the demonstration of our capacity to lead responsibly.

To be deserving, we must remain united for unity is the very purpose of parties. The people will not long maintain in power those who serve factions, nor will they entrust power to factions.

PLAIN PURPOSES

Finally, for the tomorrow of America, we must speak our purposes plainly, for the people are eager to hear again the forthright language of a confident America.

We seek peace through vigilance. We would keep freedom through strength. We respect our allies. We cherish our neighbors.

We acknowledge only tyrants as our enemies and we cover the friendship—under freedom—of those now subject to such tyranny. We will not yield an inch of free

soil and we regard it of equal import that there be no waste of a year nor a day of freedom's opportunity.

We stand for an America at work, an America on the march. We seek for all our people expanding opportunity, a nation without lines of class or caste, a nation where capital and labor may trust and respect their government and be trusted by it, a nation where no one is forgotten, where young have faith and the aged have hope, and the least stand equal to the greatest.

Our purposes are the purposes of America since the Nation came to being. This is what we must express by what we say and what we do. In the simplicity and courage of our faith, we shall prove ourselves deserving and be entrusted with the moment of America's greatest promise.

AID FOR TIBETAN REFUGEES

Mr. CLARK. Mr. President, day before yesterday I received from four distinguished Americans—Lowell Thomas, Justice William O. Douglas, of the Supreme Court of the United States, Joseph C. Grew, formerly Under Secretary of State, and Congressional Representative WALTER H. JUDD—a telegram calling my attention to the tragic condition in which a large number of refugees from Tibet find themselves in India.

This telegram was a plea for the American people to open both their hearts and their pocketbooks to provide the money necessary for drugs, clothing, and shelter for these victims of Red Chinese tyranny.

I ask unanimous consent that the text of the telegram may appear at this point in my remarks; and I urge all my colleagues and those to whom the CONGRESSIONAL RECORD goes to respond to the request of these distinguished Americans with the same openheartedness which is so characteristic of the American people, and perhaps there will be a response, similar to that which occurred at the time of the outrage in Hungary, to help the unfortunate people on the other side of the world, as an example of our generosity and sympathy.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

NEW YORK, N.Y., *May 5, 1959.*

The Honorable JOSEPH S. CLARK, Jr.,
U.S. Senate Office Building,
Washington, D.C.:

As expression American people's concern for Tibetan people flee Red terror, we have organized nonpartisan emergency committee for Tibetan refugees and have offered Indian authorities fullest cooperation. Yesterday our mission in India cabled dimensions Tibetan tragedy. Quote 10,000 newly arrived Tibetan refugees including many wounded from recent fighting joined additional 8,000 who have escaped since November. Sickness widespread. Local resources totally inadequate to provide relief. Medical aid desperately needed, particularly sulfa drugs, vitamins, antibiotics, all kinds relief supplies, also food, clothing. Beg you do everything your power mobilize American aid behalf Tibetan friends end quote. Americans who responded so generoulsy during Hungarian refugee crisis can do no less in Tibetan tragedy. Please send your most generous tax deductible contribution to J. Peter Grace, treasurer, American Emergency Committee for Tibetan Refugees, 17 Park Avenue, New York, so that we may begin relief program immediately. We count on your generous response.

LOWELL THOMAS,
WILLIAM O. DOUGLAS,
JOSEPH C. GREW,
WALTER H. JUDD.

AIR POLLUTION CONTROL

Mr. THURMOND. Mr. President, last Friday the public relations committee of the Air Pollution Control Association met in Columbia, S.C., which is considered a model city among communities with active programs designed to keep the atmosphere clean. The committee assembled in the capital of South Carolina at the instance of one of its members, D. C. Galloway, Columbia's air pollution control officer.

I believe that the meeting in this locale will prove most helpful to the APCA committee and to the entire membership of the organization, for during their short stay the visitors discovered one important reason why Columbia's air pollution control program has been so effective. At a luncheon, a group of individuals who typify dedicated civic-minded men and women took time out to sit down and meet Columbia's guests. Executives of the chamber of commerce, city officials, and representatives of private business organizations were in attendance. From this affair the committee learned that close cooperation of citizens' groups and individuals with air pollution control officials is all-important to any air sanitation program.

During the luncheon an invitation was extended to the APCA to hold an annual meeting in Columbia. I hope that it will not be too long before the organization comes to South Carolina for a convention. The APCA has for more than half a century been responsible for remarkable progress in the science of reducing atmospheric pollutants. Its membership is made up of municipal, State, and Federal air pollution experts and representatives of private industry throughout the United States and Canada.

To experience the effectiveness of APCA's contributions, one needs only to recognize the conditions which would prevail in the absence of air pollution control programs in our industrial cities. The old assumption that industrial smoke, gasses, fumes, and odors are a sign of prosperity is no longer acceptable. Our air pollution control engineers have shown how to enjoy a high rate of industrial activity and a clean atmosphere at the same time. They applied technical knowledge to the boiler room and proved that any fuel can be burned with little or no smoke if proper equipment and proper combustion methods are utilized. They are continuing to develop new devices and techniques for the further reduction of atmospheric pollutants.

Throughout its history, the APCA has met regularly to exchange information without any cost to the Federal Government. I might point out at this time that the Senate recently approved a bill to extend the work of the Health, Education, and Welfare Department in the field of air pollution. I am hopeful that this agency of the Federal Government will proceed with economic caution so that the work of the APCA will not be duplicated and that no nonessential offices or activities will be established. Industrial communities throughout South Carolina are vitally interested in advancing air pollution control, but we consider it a local problem and are prepared to deal with it as such.

When the APCA meets in Los Angeles next month at its 1959 annual meeting, I trust that the board of directors will give close attention to Columbia as a site for a forthcoming convention. We can be sure that everyone in South Carolina will welcome the opportunity to be host to this outstanding organization.

Mr. ENGLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ENGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FIFTIETH ANNIVERSARY OF THE FOUNDING OF SIGMA DELTA CHI FRATERNITY

Mr. YOUNG of North Dakota. Mr. President, I should like to take this occasion to pay a belated tribute to Sigma Delta Chi, the national professional journalism fraternity.

During the latter half of April, when the time of the Senate was consumed largely by labor legislation, this noteworthy organization celebrated its 50th anniversary.

In my State of North Dakota, a majority of the professional newsmen belong to Sigma Delta Chi. This fraternity has striven ceaselessly to promote the highest ideals of journalism. I think, Mr. President, that it deserves special recognition for its dedication to the principle that the right to a free press demands the standards of objectivity and truth in exercising that right.

ASSISTANCE TO INDIANS

Mr. GOLDWATER. Mr. President, from a lifelong acquaintance with American Indians, I sometimes get the impression the general public knows less about Indian affairs than it does about space flight, Einstein's theory of relativity, or the dark side of the moon.

There are plausible explanations for this misunderstanding.

One is television. The American Indian covers the TV screen like a mulch. A rash of horse operas show him for the most time in one of two lights—all bad or all good. If he is not massacring settlers and dragging women off Conestoga wagons, then he is the good guy defending his hunting grounds, farm, or ranch from the depraved whites.

There are other forces at work distorting the true picture of the Indian situation today. The Nation's Capital

has witnessed several weird demonstrations in recent weeks. Splinter groups of Indians, pawns in the hands of unscrupulous manipulators, have been used in publicity stunts designed to mislead citizens who are ignorant of Indian affairs.

Several such groups have staged demonstrations here recently, proclaiming their independence from the United States. The authentic leaders of the American Indians are swift to deplore and condemn such false prophets. But the very valid arguments that Indians are loyal Americans cannot in all cases catch up with the lie that they are turning to other governments for help because their own Government is ignoring them.

Our Indian population, as a whole, still has a long way to go before emerging into the middle of the 20th century, equipped to take its place on an equal footing with other Americans of a more sophisticated rank.

The Indians are making progress. In some areas the progress is dramatic. One of the most startling advances has been scored by the Navajos of my own State.

It has been a long haul, and the job is far from finished.

However, to my knowledge the American Indian has made faster gains and more of them under this administration than any other in the long and sometimes appalling history of our relations with him.

When this administration took office the lag in Indian education was shocking. The picture still is not perfect. But in fiscal 1958 the total enrollment of Indian children was up to an all time high of 129,760. That is pretty close to a 30-percent increase over fiscal 1953. Most of this increase was in public school enrollment, and it is vitally important to have these children grow accustomed to living with other children.

The number of children out of school was cut from more than 20,000 to less than 9,000. The program for adult education was initiated and has been expanded to cover 75 Indian communities.

There is still a need for making higher education available to young Indians. During fiscal 1958 more than 500 students received Federal loans, grants and working scholarships. Tribal groups and private organizations also provided benefits in this field. Twenty-four tribes have set up grant programs to aid their collage age members. The Navajos have a trust fund of $5 million for this purpose. The Jicarilla Apaches have a $1 million fund. During the fiscal year, the number of youths attending schools above the high school level rose to about 3,800—a gain of 1,500 in the past 3 years.

No one on speaking terms with conditions on the reservations would attempt to argue that their economy is satisfactory. There is grinding poverty. Welfare programs are needed. Where the States cannot or do not handle the load, the Federal Government helps.

In fiscal 1953 the Bureau of Indian Affairs had social workers in 28 agencies and field offices. In fiscal 1958 the staff had been expanded to cover 49 such offices.

Mr. President, under this administration the needy Indians have benefited substantially from a more adequate general assistance program for reservation families. There has been a considerable increase in child welfare services. The forlorn waifs deprived of their natural homes have been getting more and more attention in foster homes. In 1953 the children in foster homes numbered 585. In 1958 their number had grown to more than 1,100. During this fiscal 1959, the Bureau has undertaken a pilot project to quicken the process of permitting homeless Indian children to be adopted into homes of the highest caliber.

Now we come to a controversial program. From the spring of 1952 up to the present time, more than 28,000 Indian men, women, and children have been helped to leave their gloomy prospects on reservations and relocate in industrial areas offering a future with hope. In the case of some 20,000 persons, they have remained away from their reservations. True, that means in the case of about 8,000 persons, relocation was not successful.

There are those who say that any action to remove an Indian from his reservation is a disservice to him. Those critics fail to see the other side of the coin. Would it not be heartless to refuse to assist an individual who asks Uncle Sam's help in carving a happier life in a new place away from a bleak reservation where he cannot support himself?

In addition, an adult vocational training program has been established to help Indians in improving their skills and boosting their earning power. More than 1,000 Indians have already taken advantage of it and are being trained at Government expense.

Since 1953 Indian timber sales have dropped. They are down not quite 4 percent. But the national average is down almost 13 percent. Moreover, the decreased cut nevertheless yielded almost 25 percent more income to the Indian owners than in 1953. By 1960 forest inventories and management plans will have been completed for three-fourths of the Indian commercial forest lands.

Mr. President, the Indian people benefit in the amount of an estimated $6 million annually in actual income or free use of range land. I have seen on Indian reservations some of the finest range rehabilitation work I have seen anywhere. The Bureau is working on other items of resource management. It is very encouraging.

One of the major aims of the Government's resource work for Indians is to improve the productive capacity of reservation lands so that they will support the largest possible number of Indian families. Even after full development, however, these lands cannot realistically be expected to support more than a fractional part of the population on most reservations. And the Indian population is getting larger all the time. What is more, there are many thousands of Indians on the reservations who have no interest in farming or livestock raising and who would much prefer some other type of work.

For all these reasons, the Bureau has wisely supplemented its resource development work on the reservations with other activities to help in providing more Indian jobs. A program of industrial development, begun only in 1956, has stimulated industry interest in the possibilities of tapping the Indian reservation labor pool. Thirteen on-the-job training agreements have been negotiated, with the Bureau subsidizing industries in training unskilled Indians.

In older days many Indians had a great deal of trouble qualifying for a loan. They were looked down upon as bad credit risks. Glenn L. Emmons, the present Commissioner of Indian Affairs, did much to combat this attitude when he was a banker in Gallup, N. Mex. Now, after his 6-year tenure in the Commissioner's post, total financing for Indians is estimated at $90 million, the highest in history. Roughly two-thirds of this was furnished by the customary lending sources. Since 1953, loans by tribes to members have soared from less than $10 million to almost $22 million.

Modern methods of soil and moisture conservation are being applied to Indian lands.

In the past 6 years the Bureau classified almost 7 million acres and did soil surveys on almost 6½ million acres. More than 2 million acres were placed under stripcropping, almost 2 million acres were contour-plowed, and more than 1 million acres were placed under cover crops.

Thousands of additional acres were helped by such conservation measures as weed and pest control, seeding and sodding, and terracing and diking.

In the past 6 years, more than 50,000 acres of land have been brought under irrigation. The gross value of crops from Indian irrigation lands has varied over that period from $44 million to about $57 million. The gross value from Indian-farmed lands alone varied between $9 million and $10 million. There have been side benefits in the generation and transmission of electrical energy, materially adding to the Indian economy as well as the general public good in the areas involved.

Since the automotive age burst upon our country, Indians have been handicapped by the lack of adequate roads. From 1953 to 1958, the bureau has surfaced or paved 1,896 miles of roads, graded and drained 1,320 miles of roads, and built more than 10,000 lineal feet of bridges. In that same period the bureau has transferred 1,750 miles of bureau roads to local governments as an integral part of the local road system.

Mr. President, I could continue. But this will serve to give an idea of the great strides forward since this administration took charge of helping the Indian, and helping him to help himself.

The accomplishments listed here are only samples. The Bureau of Indian Affairs and the Department of the Interior can look back with satisfaction on their

progress to date. The gains already achieved are spurs to even greater ones.

I may interject here that in the late 1940's I, a Republican, served under a Democratic administration on the Advisory Committee on Indian Affairs in the Department of the Interior. I recognize the advancements which were made during that period under the Democratic administration. But under Glen L. Emmons, a man who has spent most of his life on the reservation of the Navajos and adjacent and other Indian reservations, the Indian Bureau has done more for the Indians of the Nation than it has in any corresponding period in the history of our association with our Indian friends.

Our greatest single natural resource is people. Improving the lot of the Indian people is a goal high on our list of priorities. This administration is blueprinting a program which will in time put Indians on a footing with other Americans. It is a patient task, and sometimes tedious. With the sympathetic understanding which it deserves from every American, the task will be surmounted.

Mr. President, I have stated that the task will be surmounted if all Americans will give it their sympathetic understanding. I may say that some persons in this country seem to be dedicated to the idea that the Indians should always remain simply Indians, so that our Eastern friends who visit the West can see Indians with their native headdress; Indians living in hogans; Indians having bows and arrows; Indians living as they lived when the Spaniards first found them 400 years ago.

Other persons in this country, for reasons known only to themselves—and I must say those reasons are difficult for anyone to understand—have taken it upon themselves to use the Indians for their own self-aggrandizement and their own publicity.

I refer to an incident which occurred in Washington only a few weeks ago, when a group of Indians were led here by white men in an attempt to arrest the Commissioner of Indian Affairs. I happen to know one of those individuals, not personally, because I have instructed my staff to throw his letters into the wastebasket. I have also asked the Senate post office not to deliver his mail to me, because I do not want my office to be polluted, even, by this man's unopened mail.

The man to whom I refer is a retired general of the U.S. Army. As a retired officer, he has worn his uniform, which he is allowed to do, on the Indian reservations, and actually has tried to place under civilian arrest the head of the largest tribe of Indians in the country, Paul Jones, the tribal chairman of the Navajos. During a hearing in the House last year, this man, became so obnoxious that he actually had to be tossed or thrown out of the committee room.

It is persons like that who are doing more to hold back the progress of Indians than any other group of people ever did. The man to whom I have referred is responsible, I am told, for some of the Hopis of my State appealing to the United Nations for a decision in a boundary dispute which the Hopis have had for many years with the Navajos. Legislation which was sponsored by me, and which is specifically designed to solve this problem, is being ignored by this man, who once held up his hand and swore to protect and uphold the Constitution of the United States. Since he is retired from the Army, he probably feels he no longer has any responsibility to the Constitution and can go to an organization which was established to handle disputes between nations, not between Indian tribes and the U.S. Government.

I wanted to add this comment to my statement eulogizing the Indian Bureau under Glenn Emmons, because I feel the true character of the man to whom I have referred should be known as he travels around the United States, attempting to fool the people into thinking he is a great friend of the American Indian.

REGULATION OF COMPETITIVE SIDELINE ACTIVITIES OF D.C. TRANSIT SYSTEM

Mr. O'MAHONEY. Mr. President, on the 14th of January, this year, the Senator from Illinois [Mr. DIRKSEN] introduced, on behalf of the Senator from Illinois [Mr. DOUGLAS], the Senator from Texas [Mr. YARBOROUGH], the Senator from South Carolina [Mr. THURMOND], the Senator from North Dakota [Mr. LANGER], and myself a bill, S. 304, designed to insure not only effective regulation of the D.C. Transit System, Inc., but also to insure fair and equal competition between the D.C. Transit System and its competitors.

I ask unanimous consent to have printed in the body of the RECORD a most persuasive brief which has been prepared by the Honorable Thurman Arnold, of the firm of Arnold, Fortas & Porter, supporting the purpose of the bill and indicating clearly the reasons why Congress may validly regulate the competitive sideline activities of the D.C. Transit System.

There being no objection, the brief was ordered to be printed in the RECORD, as follows:

CONGRESS MAY VALIDLY REGULATE THE COMPETITIVE SIDELINE ACTIVITIES OF THE D.C. TRANSIT SYSTEM

THE CONSTITUTIONALITY OF CONGRESSIONAL REGULATION OF D.C. TRANSIT'S COMPETITIVE ACTIVITIES

(This memorandum speaks primarily of S. 304. It relates as well to H.R. 2316, H.R. 4815, and H.R. 4163, which are identical to S. 304.)

A. The issue

S. 304 is a statute designed to maintain competition.

D.C. Transit System, Inc., is a utility. It has an exclusive franchise to operate a mass transportation system in the District of Columbia. (Sec. 1, act of July 24, 1956, 70 Stat. 598, commonly and hereafter referred to as the Franchise Act.) In addition, it has begun to compete actively in a number of private, competitive industries. The purpose of the bill is simply stated. It is to place D.C. Transit on an even competitive basis in any activities it may choose to undertake in competitive fields.

S. 304 provides that the transit assets and personnel of D.C. may not be used in other fields. Under S. 304, D.C. Transit is at perfect liberty to engage in competitive enterprises. Its privilege of providing charter and sightseeing services, as contemplated by section 6 of the act and even of other services, for which the act made no provision, is not affected by the bill. S. 304 merely says that if D.C. Transit wishes to exercise that privilege it must use separate assets and personnel.

The preservation of competition in interstate and District of Columbia commerce is a proper end of congressional action. S. 304 is thus a valid exercise of powers delegated to Congress under the Commerce Clause, which empowers Congress to preserve competition in interstate commerce, and its complementary powers under article I, section 8, clause 17, of the Constitution, which authorizes Congress to enact general police power legislation for the District of Columbia. See *United States* v. *National Association of Real Estate Boards*, 339 U.S. 485, 488 (1950); *Atlantic Cleaners & Dyers, Inc.* v. *United States*, 286 U.S. 427, 432–435 (1932).

The only conceivable constitutional question posed by S. 304 is whether it constitutes an impairment of a contractual commitment to D.C. Transit from the United States in respect to competitive activities in the charter and sightseeing fields.[1]

B. The facts

The facts which gave rise to Congress' concern and which prompted the introduction of S. 304 were first examined by the Select Committee on Small Business of the House of Representatives in Hearings on Complaints of Small—and Independent—Businessmen Operating Sightseeing Businesses in the District of Columbia, 85th Congress, 2d session. These hearings, and other sources, indicate that:

1. D.C. Transit has an exclusive franchise to operate the mass transportation industry in the Washington Metropolitan area. It is tax-exempt and immune from competition.

2. It has used its tax-exempt, monopoly resources, particularly busses, maintenance facilities, personnel, and advertising facilities, to compete in the charter, sightseeing, limousine, road-paving, truck-selling, and motor parts fields. In this competition it has operated in many cases at a loss, while cutting rates.

3. D.C. Transit and its affiliates plans to expand into other competitive fields, including package delivery, truck leasing, building construction, office building operation, and it plans to operate in other cities. They have been negotiating to purchase other transit systems in Pittsburgh and New York, with similar monopolistic tax-exempt franchises. D.C. Transit has recently, for example, received preliminary authority to operate a limousine service from Washington to New York in competition with private taxpaying bus companies.

4. D.C. Transit's competitive advantages, which flow from its ability to use its tax-exempt, monopoly transit resources in competitive fields, have already had a serious impact on competition.

C. Summary of argument

There are three major reasons why, in this context, S. 304 would not constitute an impairment of a contractual undertaking.

[1] This constitutional issue is raised solely in connection with charter and sightseeing activities. It is not relevant to activities in any other sideline field. The only reference to nontransit activities in the Franchise Act is contained in section 6. Section 6 speaks only of charter and sightseeing. Hence, the company could in no event claim special contractual rights in respect to other enterprises and Congress' powers in these areas are not limited by the Franchise Act.

1. The Franchise Act does not import a contractual commitment in respect to D.C. Transit's charter and sightseeing activities. Even an outright repeal of section 6, for example, would be valid.

2. S. 304 would constitute one of the "laws, rules, and regulations of the District of Columbia." Section 6 reserved to the Congress the power to enact such laws, rules, and regulations in respect to charter and sightseeing activities.

3. In any event, S. 304 is a valid exercise of Congress' police power in the tradition of other antitrust laws to insure the preservation of free competition in commerce, which can never be abdicated or contracted away.

D. Discussion

1. Introduction: The precise limits of Congress' power to abrogate contracts are unusually difficult to define. The Constitution does not contain a provision analogous to article I, section 10, clause 1. This constitutional provision binds only the States not to impair the obligations of contracts; there is no similar language in the Constitution applicable to the Federal Government. Thus, if there be any limitation on Congress' power, it is to be found in the hazy area of general principles of jurisprudence. See e.g. *Continental Illinois Nat. Bank & Tr. Co.* v. *Chicago, R.I. & P.R. Co.*, (294 U.S. 648, 680 (1935)). The doctrine, for this reason, has never been clearly defined. There remains some confusion as to just what kinds of contracts Congress may or may not impair. See, for example, *Perry* v. *United States* (294 U.S. 330, 352 (1935)), holding, by way of dicta, that Congress acts without its powers in abrogating contractual commitments contained in its bonds, and *Louisville Bridge Co.* v. *United States*, (242 U.S. 409, 418 (1917)), holding that it is at perfect liberty under the Constitution to impair obligations contained in its Federal franchises.[2] See *United States* v. *Bonnell* (180 F. 2d 145, 146–147 (9th Cir. 1950)).

The validity of S. 304, however, does not depend on the precise extent to which Congress is bound under this theory of general jurisprudence; the bill is well within Congress' power, even if Congress is as strictly limited as the States.

2. D.C. Transit has no contractual right to render charter and sightseeing services which could be impaired: Although the question is not directly raised by S. 304, it is quite likely that D.C. Transit has no contractual right to enter into sideline enterprises, including charter and sightseeing activities, which would be impaired even by outright repeal of section 6.

A franchise is a contract between the governmental grantor and the grantee, *D.C. Transit System, Inc.* v. *Pearson*, 149 F. Supp. 18, 24 (D.D.C. 1955). It is a grant by the government to a private person giving the latter a right, privilege or power to do something which he cannot do absent such a grant. The Supreme Court said in *State of California* v. *Central Pacific Co.*, 127 U.S. 1, 40 (1888):

"No person can establish a public highway or a public ferry or railroad or charge tolls for the use of the same without authority from the legislature direct or derived. These are franchises."

A grant of permission merely to do something which is a matter of common right open to all cannot be the subject of a franchise. See *New Orleans Gas-Light Co.* v. *Louisiana Light Mfg. Co.*, 115 U.S. 650 (1885).

It necessarily follows that the franchise in this instance extended only to the providing of mass transit services. D.C. Transit could not operate a mass transportation system in the District of Columbia without a specific governmental grant. Thus, section 1 of The Franchise Act, which provides (70 Stat. at 598) "there is hereby granted to D.C. Transit System, Inc. * * * a franchise to operate a mass transportation system of passengers for hire within the District of Columbia" is a franchise in the true sense. As such it is a contract whose obligations cannot be impaired by Congress.

But there is no other franchise in the act because there is no provision in the act stating that D.C. Transit may provide another service, entry into which is limited as a matter of law. As to other businesses, in general—paving, limousine service or construction, for instance—the act is silent. As to charter and sightseeing, it grants a mere "authorization." Section 6 of the act reads (70 Stat. at 599):

"The corporation is hereby authorized and empowered to engage in special charter and sightseeing services subject to compliance with applicable laws, rules and regulations of the District of Columbia."

This is not a contractual franchise to provide these services. The right to engage in the charter and sightseeing business in the District is open to all. D.C. Transit did not need any special authorization to engage in the business. Section 6, consequently, is not a franchise. It is instead a permissive "authorization." It states negatively that the grant to D.C. Transit of the franchise to operate a mass transportation system shall not foreclose the company's right to provide charter and sightseeing services, but nothing more. The act does not give D.C. Transit any special or unique rights in the charter and sightseeing business. It provides in effect that notwithstanding D.C. Transit's operation of a mass transportation system, it can nonetheless engage in the charter and sightseeing business.

Section 6, then, is not a franchise contract. Congress itself recognized the difference. Section 1 characterizes itself as a "franchise." Section 6 conspicuously omits any franchise language, and speaks only in terms of "authorization."

To construe section 6 as a grant of a franchised right would be highly anomalous. There is no general system of franchising charter and sightseeing companies in the District. No other firm is required to—or could—secure a congressional license in the field. Congress implied no disciminatory favoritism for D.C. Transit over its competitors by section 6. Its competitive activities stand on the same legal footing as theirs. Its position in the industry must be the same: it has a license or authorization only. Since such authorizations to operate sightseeing businesses can be withdrawn at will because not the subject of franchises, by the same token D.C. Transit does not enjoy an irrevocable franchise to operate in these areas.

3. The power to regulate D.C. Transit's charter and sightseeing activities is specifically preserved: S. 304 is valid, however, even if section 6 contained a special contractual franchise for charter and sightseeing. The bill stands on firmer footing than would a statute which repealed section 6 outright. It does not withdraw the company's "authority" to engage in charter and sightseeing privileges. It merely regulates operations in those fields. Statutory regulation is specifically contemplated and reserved in section 6. Hence the bill is in any event consistent with the statute.

(a) Congress preserved its power to regulate. By the Franchise Act, D.C. Transit's privilege to engage in charter and sightseeing service is conditional. The Franchise Act did grant the company in unconditional terms an exclusive franchise to operate a mass transportation enterprise. It made those operations a monopoly. And it made no provision that those operations would be subject to other subsequent "applicable laws, rules, and regulations of the District of Columbia."[3] The act itself established a self-contained system of regulation of the monopoly, tax-exempt activities.

Section 6, which deals with charter and sightseeing services, however, is another matter. It states that the company may provide these services, but that its operations are to be (70 Stat. at 599) "subject to compliance with applicable laws, rules, and regulations of the District of Columbia." In this way, Congress, although it provided for a self-sufficient scheme of regulation of the monopoly transit activities, left open the door to other and further regulation of charter and sightseeing activities. The company's privilege in section 6 is thus subject to regulatory legislation such as S. 304.

(b) Retention or reservation of the power to regulate validates future regulatory acts. The Supreme Court has recognized the effectiveness of such reservations ever since the Dartmouth College case, 4 Wheat 518, 712 (1819), and has consistently held that reservations are themselves a part of the contract, the obligation of which is not impaired by the Government's later exercise of the power to regulate. As Justice Stone said, in *Phillips Petroleum Co.* v. *Jenkins*, 297 U.S. 629, 634–635 (1936), quoting *Looker* v. *Maynard*, 179 U.S. 46, 52 (1900):

"The reservation of power to amend is a part of the contract between the State and the corporation and therefore section 10 of article I of the Federal Constitution does not apply * * * it extends to any alteration or amendment 'which will not defeat or substantially impair the object of the grant, and which the legislature may deem necessary to carry into effect the purpose of the grant, or to protect the rights of the public or of the corporation, its stockholders or creditors, or to promote the due administration of its affairs.'"

(c) S. 304 falls within the reserved power to regulate in the Franchise Act. Section 6 merely gives the company an "authorization" to conduct a charter and sightseeing business. S. 304 does not withdraw that authorization. D.C. Transit as a corporation may still operate a charter and sightseeing business; indeed it may still, as a corporation, engage in any competitive business. The bill says merely that D.C. Transit may not use transit busses, maintenance sheds, personnel, and assets in competition with others. This does not abrogate the contract right because, even if section 6 incorporates a contractual undertaking by Congress, it does not include the broader contractual commitment to allow those activities to be conducted with transit busses and other assets.

This is plain from the language of section 6. It says that the company is authorized; it does not say anything about the assets to be used. Section 6 does not in terms state that the company may use its tax-exempt transit monopoly busses, maintenance facilities, and personnel in competitive businesses. To say that when Congress authorized the company to engage in charter and sightseeing it contractually committed itself to permit that authority to be exercised forever with transit resources would be to appeal to an implication of the language.

Public franchises are strictly construed against the grantee. No right passes which is not specified in plain terms. Nothing is implied. *Louisville Bridge Co.* v. *United States*, 242 U.S. 409 (1917), involved a Federal

[2] "Congress is not prevented by the Constitution from passing laws that impair the obligation of contracts."

[3] Sec. 1 of the act, relating to mass transit, provides only that the company is not exempt from Virginia or Maryland laws or from the Interstate Commerce Act. It makes no reference to future Federal regulation.

order to increase the span of a bridge constructed originally in compliance with a Federal franchise. The Court said (242 U.S. at 417–418):

"But when private rights of an indefeasible nature are sought to be derived from regulatory provisions established in the exercise of this power [to regulate commerce], the case is peculiarly one for the application of the universal rule that grants of special franchises and privileges are to be strictly construed in favor of the public right, and nothing is to be taken as granted concerning which any reasonable doubt may be raised. As this court, speaking through Mr. Chief Justice Waite, declared in *Newport & C. Bridge Co.* v. *United States*, 105 U.S. 470, 480: 'Congress, which alone exercises the legislative power of the Government, is the constitutional protector of foreign and interstate commerce. Its supervision of this subject is continuing in its nature, and all grants of special privileges, affecting so important a branch of governmental power, ought certainly to be strictly construed. Nothing will be presumed to have been surrendered unless it was manifestly so intended. Every doubt should be resolved in favor of the Government.'"

See also the cases cited in *City of Paragould* v. *Arkansas Utilities Co.*, 70 F. 2d 530, 533 (8th Cir. 1934), certiorari denied, 293 U.S. 586 (1934).

One of the basic reasons for this rule of strict construction was expressed in *Blair* v. *Chicago*, 201 U.S. 400, 471 (1906):

"Legislative grants of this character should be in such unequivocal form of expression that the legislative mind may be distinctly impressed with their character and import, in order that the privileges may be intelligently granted or purposely withheld. It is a matter of common knowledge that grants of this character are usually prepared by those interested in them, and submitted to the legislature with a view to obtain from such bodies the most liberal grant of privileges which they are willing to give. This is one among many reasons why they are to be strictly construed."

The policy of Blair is particularly appropriate here. Section 6 was inserted as new language in joint conference contrary to accepted procedures. The act was then passed by voice vote. It would be totally unrealistic to argue that Congress as a whole intended section 6 to establish implied rights, or even had a specific intent of any sort in mind. Thus, in determining whether S. 304 constitutes an impairment of the D.C. Transit franchise, the grant must of necessity be interpreted narrowly, and not broadly. The right to use transit busses did not pass. It is not stated in section 6. And nothing beyond the stated commitment—to authorize the company—can be read in by implication. Thus, S. 304, by requiring separate facilities, is not an impairment of a contract right and instead constitutes regulation, as to which Congress' power was specifically and in terms reserved.

4. Congress' police power to preserve competition could never be contracted away: Finally, S. 304 is valid as an exercise of Congress' District of Columbia and interstate commercial police powers even if section 6 incorporates an implied contractual obligation, and even if S. 304 is outside the regulatory power reserved in section 6. The bill is based on the congressional police power to preserve competition, which can never be contracted away.

(a) At the present time, D.C. Transit is using assets of its monopoly, tax-exempt transit operation in sideline enterprises to compete with independent taxpaying competitors. It has indicated that it intends to exercise this right, not only in the sightseeing and charter activities contemplated by section 6, but in other competitive fields as well. In several instances, it is using these assets, which have been purchased out of tax-exempt transit revenues, and charging the costs to transit operations in such a way as to compete at ruinous rates with independent competitors.

This presents a problem of fundamental concern to the Congress. The threat posed by D.C. Transit is that it will use monopoly, tax-exempt resources to expand a monopoly beyond its lawful bounds into competitive fields. None of its competitors can meet this competitive advantage. None can retaliate by invading D.C. Transit's legal monopoly. None enjoy tax exemption. If they are left to their own resources, the eventual outcome is obvious. Competition in these fields will be destroyed.

(b) It is a first principle of national policy that competition must be preserved except where regulated monopoly is unavoidable, and that monopoly, regulated or not, must be strictly restrained to the fields chosen for it. Congress' vital interest in the policy, and its constitutional power to implement it, is so clear as to make serious debate on the point impossible.

The antitrust laws are ample precedent. The Sherman Act, 26 Stat. 209, 15 U.S.C. 1, is the earliest example of such Federal legislation. It has been applied to block the expansion of lawful monopoly on numerous occasions and in numerous contexts and in each case the legitimacy of Congress concern has been upheld. In *Standard Sanitary Manufacturing Co.* v. *United States*, 226 U.S. 20 (1912), for instance, the Court held the act a valid exercise of congressional power forbidding the use of a patent pool to fix prices. The patents were a lawful monopoly preserve; but they were not to be exploited to monopolize other competitive activities. The Court said (226 U.S. 49):

"The added element of the patent in the case at bar cannot confer immunity. * * * Rights conferred by patents are indeed very definite and extensive, but they do not give any more than other rights a universal license against positive prohibitions. The Sherman Act is a limitation of rights, rights which may be pushed to evil consequences, and therefore restrained."

So here. D.C. Transit has a legal right: its tax-exempt monopoly. S. 304 is designed to insure that that right is restrained before it is pushed to evil consequences. That Congress may restrain the misuse of lawful monopolies and hedge their expansion about with necessary protections is demonstrated by other Sherman Act cases, for example, *Gamco, Inc.* v. *Providence Fruit & Produce Bldg.*, 194 F. 2d 484 (1st Cir.), certiorari denied, 344 U.S. 817 (1952) in which a group of produce dealers owning a natural monopoly in a produce building were barred from exploiting that natural monopoly to keep out out-of-State competitors; by *United States* v. *Pullman Co.*, 50 F. Supp. 123 (E.D. Pa. 1943), affirmed by an equally divided court, 330 U.S. 806 (1947), in which Pullman Co., which enjoyed a natural monopoly in the furnishing of sleeping cars to railroads was compelled to divest itself of its ownership in the sleeping car manufacturing concern in order to allow other manufacturers to compete on even terms for the business, and by *United States* v. *Aluminum Co. of America*, 148 F. 2d 416, 439 (2d Cir. 1945), in which Judge Hand said:

"It is, of course, true that a patentee may not use his patent as a sanction for extending his monopoly beyond its terms."

See also *United States* v. *Masonite Co.*, 316 U.S. 265, 277 (1942), and *Morton Salt Co.* v. *G. S. Suppiger Co.*, 314 U.S. 488, 491–492 (1942).

One of the common methods of using a patent or other lawful monopoly as a sanction to extend a monopoly beyond its terms, of course, is the tying arrangement. Tying arrangements have been condemned under the Sherman Act on many occasions. See, e.g., *International Salt Co.* v. *United States*, 332 U.S. 392 (1947). The Supreme Court has recently set forth the strong public interest embedded in the act which prohibits such arrangements. *Northern Pacific Ry. Co.* v. *United States*, 356 U.S. 1 (1958), involved an attempt by the railway company to use its monopoly resources—in that case, lands—to extend the monopoly beyond its terms, by compelling lessees of the lands to ship on Northern Pacific. The Court, in holding the device illegal, spelled out the basis for Congress fundamental concern with practices of that sort:

"The Sherman Act was designed to be a comprehensive charter of economic liberty aimed at preserving free and unfettered competition as the rule of trade. It rests on the premise that the unrestrained interaction of competitive forces will yield the best allocation of our economic resources, the lowest prices, the highest quality and the greatest material progress, while at the same time providing an environment conducive to the preservation of our democratic political and social institutions. But even were that premise open to question, the policy unequivocally laid down by the Act is competition." 356 U.S. at 4.

Section 7 of the Clayton Act, 38 Stat. 731, as amended, 15 U.S.C., sec. 18, is perhaps an even clearer and closer analogy. It, too, expresses the congressional concern with the preservation of competition. Section 7 prevents the acquisition by any company of the stock or assets of another which "may * * * substantially * * * lessen competition, or tend to create a monopoly." It is designed, as is S. 304, to block undesirable expansions of economic power when they occur, before competition is wholly destroyed or a monopoly established; "it is the purpose of the Clayton Act to nip monopoly in the bud." *Transamerica Corp.* v. *Board of Governors*, 206 F. 2d 163, 169 (3rd Cir. 1951), *cert. den.*, 346 U.S. 901 (1953). It applies, not only to horizontal acquisitions, but also to vertical and conglomerate mergers, *United States* v. *DuPont de Nemours & Co.*, 353 U.S. 586, 590–593 (1957), to prevent the expansion of economic power out into other industries under circumstances which would "lessen competition or tend to create a monopoly."

(c) It is the very policy of the Northern Pacific case and of section 7 of the Clayton Act, to preserve competition by limiting the spread of monopoly economic power where the spread would injure competition, that S. 304 implements. Like the Sherman and Clayton Acts, its purpose is to block the enlargement of a lawful monopoly "beyond its terms." To this end, S. 304 would strip D.C. Transit of the advantages which accrue to the company by virtue of its monopoly status when it goes beyond its lawfully prescribed monopoly field. It represents an attempt to bring about conditions of fair and even competition. It declares that all the runners in the competitive race start on an even footing. In this, it represents merely another legitimate exercise of Congress' power to preserve competition and limit lawful monopolies to their terms and is part of the great statutory tradition.

Congress did not—and could not—abdicate its sovereign power to regulate to preserve the integrity of competition. When such a vital public interest is at stake, no one, regardless of the nature of his agreement with the Government, has a contractual immunity from needful and legitimate regulation. The police power to preserve competition is inalienable. Congress could not have tied its hands, even if it had clearly expressed its intention to do so.

The principle is as old as the Dartmouth College case, 4 Wheat, 518, 629 (1819). It found classic expression in *Stone* v. *Mississippi*, 11 U.S. 814, 819 (1880), in which the Court said:

"No legislature can bargain away the public health or the public morals.

* * * * *

"* * * The power of governing is a trust committed by the people to the Government, no part of which can be granted away. The people, in their sovereign capacity, have established their agencies for the preservation of the public health and the public morals, and the protection of public and private rights. These several agencies can govern according to their discretion, if within the scope of their general authority, while in power; but they cannot give away nor sell the discretion of those that are to come after them, in respect to matters the government of which, from the very nature of things, must 'vary with varying circumstances.' They may create corporations, and give them, so to speak, a limited citizenship; but as citizens, limited in their privileges, or otherwise, these creatures of the government creation are subject to such rules and regulations as may from time to time be ordained and established for the preservation of health and morality."

And the rule was fully stated in *Northern Pac. R. Co.* v. *Minnesota ex rel. Duluth,* 208 U.S. 583, 596 (1908):

"There can be no question as to the attitude of this court upon this question, as it has been uniformly held that the right to exercise the police power is a continuing one; that it cannot be contracted away, and that a requirement that a company or individual comply with reasonable police regulations without compensation is the legitimate exercise of the power, and not in violation of the constitutional inhibition against the impairment of the obligation of contracts. In *New York & N. E. R. Co.* v. *Bristol,* 151 U.S. 556, 567, the doctrine was thus laid down by Chief Justice Fuller, speaking for the court:

" 'It is likewise thoroughly established in this court that the inhibitions of the Constitution of the United States upon the impairment of the obligation of contracts, or the deprivation of property without due process, or of the equal protection of the laws, by the States, are not violated by the legitimate exercise of legislative power in securing the public safety, health, and morals. The governmental power of self-protection cannot be contracted away, nor can the exercise of rights granted, nor the use of property, be withdrawn from the implied liability to governmental regulations in particulars essential to the preservation of the community from injury.' "

See also *Atlantic Coast Line R. Co.* v. *Goldsboro,* 232 U.S. 548, 558 (1914).

Numerous cases apply the rule in a variety of circumstances that the police power cannot be contracted away. Regulations of franchised activities sustained over a contract clause challenge include regulations (a) requiring railroads to change grade crossings at their own expense, *Northern Pac. R. Co.* v. *Minnesota ex rel. Duluth,* 208 U.S. 583 (1908), (b) prohibiting the use of steam locomotives on a metropolitan street by a railroad company which had a franchise to "run cars" over that street, *Southern Pac. Co.* v. *City of Portland,* 177 Fed. 958 (D. Or. 1910); or requiring the removal of tracks already franchised; (c) prohibiting a company from having more than one track in a city street although it already had a franchise to establish double tracks, *Mayor of Baltimore* v. *Baltimore Trust & Guarantee Co.,* 166 U.S. 673 (1897); and (d) requiring a gas company to shift its pipes from a franchised location at its own expense, *New Orleans Gas-Light Co.* v. *Drainage Commission,* 197 U.S. 453 (1905).

In fact, on occasion, where the public interest compels it, the Court has even upheld the flat and unconditional repeal of franchise authority, *Stone* v. *Mississippi,* 11 U.S. 814 (1880), or the outright cancellation of exclusive monopoly privileges, *Butcher's Union Co.* v. *Crescent City Co.,* 111 U.S. 746 (1884). However, the bill does not go so far. Section 6 is not repealed. The company's transit monopoly is unaffected. S. 304 merely regulates activities under the act. Clearly such police power regulation, falling short of outright repeal, is valid. An exercise of a State's police power limiting the right of a franchise owner will in any event be sustained if the State action is "regulative of the use, but not destructive of the franchise." *Grand Trunk W. R. Co.* v. *South Bend,* 227 U.S. 544, 553 (1913).

(d) This inherent and inalienable power to regulate in order to preserve competition is a continuing one. The mere fact that D.C. Transit's section 6 operations were subjected to applicable regulatory statutes in effect in 1956 does not defeat subsequent regulation. The power "is not exhausted by being once exercised, and, so long as the object is plainly one of regulation, the power may be exercised as often as and whenever the common council may think proper. The use of the street [by the franchised mass transit monopoly] may be subjected to one condition today and to another and additional one tomorrow, provided the power is exercised in good faith, and the condition imposed is appropriate as a reasonable regulation, and is not imposed arbitrarily or capriciously." *Mayor of Baltimore* v. *Baltimore Trust & Guarantee Co.,* 166 U.S. 673, 684–685 (1897).

(e) It follows that S. 304 is valid. It is an exercise of Congress' police power over commerce, just as State statutes insuring the maintenance of competition are acts of the State police power. *Grenada Lumber Co.* v. *Mississippi,* 217 U.S. 433 (1910); *Smiley* v. *Kansas* 196 U.S. 447, 457 (1905). Such police power acts, designed to maintain competition, cannot be challenged as abrogating contract rights because no legislature, no matter how clearly it expressed its desire to do so, could bind the hands of future Congresses not to pass subsequent legislation to preserve competition. The precise issue was raised in *Hammond Packing Co.* v. *Arkansas,* 212 U.S. 322, 345 (1908). The Court said, in respect to the constitutionality of the local antitrust statute, likewise designed to protect competition:

"The contention that to apply the law to domestic corporations would, as to such corporations, cause it to be repugnant to the contract clause of the Constitution, is without merit. The chartered right to do a particular business did not operate to deprive the State of its lawful police authority, and therefore the franchise to do the business was inherently qualified by the duty to execute the charter powers conformable to such reasonable police regulations as might thereafter be adopted in the interest of the public welfare."

In short, D.C. Transit has no contract right to be immune from legislation designed to preserve competition or to limit monopoly. Competition is a vital public concern. S. 304 is designed to insure it, by taking away advantages that D.C. Transit has in the race with its competitors. The power to enact such a fair competition statute could never be restricted by a contract of any sort with the company.

The legislation is therefore constitutional.

Mr. MORSE. Mr. President, will the Senator from Wyoming yield for a comment?

Mr. O'MAHONEY. I yield to the Senator from Oregon.

Mr. MORSE. As the Senator from Wyoming knows, the bill is before my subcommittee of the Committee on the District of Columbia. I think the Senator received a note from me in which I gave assurance that as soon as we can arrange our hearing calendar there will be a hearing on the Senator's bill.

Mr. O'MAHONEY. I thank the Senator from Oregon.

Mr. ENGLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ENGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIFORNIA

The Senate resumed the consideration of the bill (S. 44) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

Mr. RUSSELL. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to insert in the proper place:

SEC. 1(a). No water provided by the Federal San Luis unit shall be delivered in the Federal San Luis service area to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

Mr. RUSSELL. Mr. President, the amendment speaks for itself. The bill proposes to open up some of the most fertile areas in the world for cultivation. The amendment merely provides that none of these lands, while we have the present glut of basic commodities, under the Agricultural Adjustment Act of 1938, as amended, shall be planted to such commodities. This provision is virtually the same as that which was attached to the upper Colorado Basin Project Act which passed the Senate some time ago. I believe there cannot possibly be any objection to the amendment. I understand the land probably will not be planted to such crops, but will be used for the production of fruits, vegetables, and items of that character.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield.

Mr. ANDERSON. The Senator recognizes that the agriculture of California is a very specialized agriculture in many respects. Agriculture in California is a wholly different system of agriculture from that of most other parts of the country, with regard to citrus fruits, and so forth.

Mr. RUSSELL. The products may bear the same names, but a great deal more of them are produced in a different fashion. Californians are very fortunate when it comes to agricultural production.

Mr. ANDERSON. I commend the Senator from Georgia for looking after the interests of agriculture in this country. I assure the Senator that once this area is brought into cultivation there will not be any difficulty. I hope the Senators from California will look with favor on the amendment.

Mr. RUSSELL. I thank the Senator from New Mexico.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield to the Senator from California.

Mr. ENGLE. This provision, or one similar to it, was included in the upper Colorado Basin Project Act at my suggestion when I was chairman of the House Committee on Interior and Insular Affairs. Furthermore, we inserted a similar provision in bills for several other projects. I cannot remember all of them, but I think the legislation concerning the Washoe project in Nevada, and laws relating to other projects, contain provisions similar to this.

The purpose of the amendment is to make it plain that, by the water development projects, we do not intend to bring into production lands which will produce crops to be supported by the Federal Treasury. It simply does not make sense for us to add to our $9 billion surplus of crops. We had no intention of doing that.

I think the amendment is an excellent amendment to the bill.

Mr. RUSSELL. I thank the Senator.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield to the senior Senator from California.

Mr. KUCHEL. I thank my friend from Georgia.

Do I correctly understand that the intent of the amendment is to establish a ceiling on all basic crops, on the basis of what has been raised in the area? That is to say, if wheat has been raised in the area, the right to raise wheat would not be changed?

Mr. RUSSELL. The amendment is certainly not intended to affect any allotment which might be made to the dry lands to be reached by the project. I rather doubt there would be a great deal of wheat planted on lands which would be irrigated, but I am not so familiar with the topography or climatic conditions as is the distinguished Senator from California.

Mr. KUCHEL. In the hearings before the committee of the House of Representatives one of the witnesses who testified stated that some cantaloups, some cotton, some wheat, some barley, and some alfalfa were now under production. On page 93 of the House hearings it is stated:

> But if we get a different type of water we will go into specialty crops that are not now in oversupply.

Mr. RUSSELL. That is certainly a fair statement, and certainly a bid for support from those with numerous constituents who are growing these crops under the present acreage allotments, many of which are very small.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL].

The amendment was agreed to.

Mr. DOUGLAS. Mr. President, I call up my amendment "5–5–59—A," and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 3, lines 2 and 3, it is proposed to strike out "except so far as the provisions thereof are inconsistent with this Act."

On page 10, beginning on line 22, in the matter proposed to be inserted by the committee amendment, it is proposed to strike out all through line 3 on page 11.

On page 11, line 4, in lieu of "(b)" it is proposed to insert "SEC. 6."

Mr. DOUGLAS. Mr. President, this subject was debated quite thoroughly during our session on Tuesday. The CONGRESSIONAL RECORD for that day contains a discussion of the main points which are at issue.

I think the general nature of the project should first be understood. The Federal Government has already expended, through the year 1958, approximately $630 million on the Central Valley project. There has been authorized for that project over $200 million more; and I assume that in due course of time that money will also be appropriated and spent.

The cost of the existing Central Valley project to the Federal Government and to the taxpayers of the Nation will soon therefore be approximately $860 million.

In addition, this bill makes a new authorization, on page 11, section 7, of $290 million more. As I pointed out on Tuesday afternoon, there is also an authorization in the second sentence of section 7 for a further $190 million on top of that, for construction of distribution systems and drains. In all probability, therefore, the Central Valley project, with the San Luis unit included, will cost the taxpayers of the Nation at least $1,300 million and probably more.

As I have said, from the standpoint of the narrow interests of the Middle West there are strong reasons to oppose the project, for such an expenditure will tend to produce crops which will enter into competition with the crops of the Middle West, notwithstanding the amendment which has just been adopted.

Nevertheless, the land is extremely fertile. I believe it is primarily volcanic ash. Bringing an average of approximately 28 inches of water to this land will cause it to become extremely productive and very valuable. The coming of water, therefore, will confer great wealth upon the owners of the land.

In this connection, I remind Senators that through integrated financing with the rest of the Central Valley project a large part of the cost of the San Luis unit is being charged off to power, and that the portion which is charged to reclamation is interest free, only the principal being repaid. Over the course of the years, the loss to the Nation in interest will be approximately equal to the amount of the principal. So the taxpayers of the Nation are being asked to assume a burden of many hundreds of millions of dollars in order to bring this land into cultivation. In the process, they will greatly enrich those who hold the land.

The Senator from Illinois has always taken the position that where irrigation and reclamation projects are uneconomical, as they clearly are in the upper reaches of the Colorado, where, because of altitude, the growing season is short, the cost per acre high, and the crops of low value, such projects should not be undertaken. Nevertheless, I think it is in the national interest, so far as the longrun future is concerned, that this vast Central Valley, which lies between the coast range and the Sierras, should be brought under cultivation, provided arrangements can be made, so far as land ownership is concerned, which will insure that the land will be cultivated in relatively small farms, and not locked up in huge haciendas on the Mexican or Spanish models.

As we all know, California inherited the Mexican and Spanish land laws, and large amounts of land were locked up in huge estates. While there has been some diminution in the size of these estates with the passage of time, I suppose California is the one State in the Union which, above all others, has the most concentrated land ownership.

In addition, by various devices—not all of them reputable—some large landowners in the Central Valley have acquired vast amounts of land, which they hold. We discussed one of these holdings on Tuesday; namely, the holdings of the Southern Pacific Land Co., a wholly owned subsidiary of the Southern Pacific Railway. This company was given vast amounts of land as a bonus for constructing a railway, which it never constructed. The railway was never built, but the Southern Pacific Railway got at least 120,000 acres of land in the San Luis unit service area, and, indeed, more as we shall later show.

So we begin with a huge land accumulation, acquired in the days when the Congress was extremely corrupt, when the railways of the Nation bought and sold Senators and Representatives at so much a head. Now the Southern Pacific has this land, which I have indicated on the map in red. It is resisting attempts to apply the 160-acre limitation law to it.

There are other large landholdings in this area. I shall refer to them in due time. One large land company is the so-called Boston Ranch Co., which has the land designated in yellow on the second map. There are other large holdings, running into the tens of thousands of acres.

The fundamental issue this afternoon—at least on the part of the two Senators from Oregon and myself—is very simple. Shall the water which will be impounded and distributed because of this huge Federal investment be used to maintain and reinforce this concentration of land ownership? Or shall the principles of the Reclamation Act to foster family farms be applied, namely, to provide that Federal water, or water made possible by Federal works, shall not

be placed upon land in excess of 160 acres for each individual owner?

I wish to point out the extreme mildness of the so-called 160-acre limitation. It was modeled upon the Homestead Acts, which, in turn, were based upon the system of cultivation then applying in the Middle West to corn farms, wheat farms, and dairy farms. It was based upon an estimate as to the amount of land which could be cultivated by a farm family and, for example, three horses.

The land in question, here when water is put upon it, will be extremely fertile land. With the amendment which the Senator from Georgia [Mr. RUSSELL] was able to get through, in all probability it will be used for fruit ranches and for producing lettuce and other vegetables. Those are crops which require large amounts of labor, and with respect to which the yield per acre is extremely high.

I note the presence in the Chamber of the junior Senator from Arizona [Mr. GOLDWATER], who lives near one of the first big irrigation projects in the country, made possible by construction of the Roosevelt Dam about 1906. He will correct me if I am mistaken. I believe a family can make a very good living from a 20-acre orange ranch.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. GOLDWATER. Formerly that was possible. Speaking of my own particular State, the production of citrus fruits in Arizona is not as profitable as it once was, because of the competition from Texas and California. If a farm family desired to work hard enough to produce field crops such as the Senator has described, it could make a good living from 160 acres, but I doubt if it could make a living from 20 acres.

Mr. DOUGLAS. The Fresno Chamber of Commerce issued a publication in an effort to build up colonization in the Central Valley. It made the statement that a family could be supported there, if it raised oranges on 20 to 30 acres. If it raised apricots, 35 acres would be required; from 30 to 40 acres would support a family if it raised peaches; from 40 to 50 acres if it raised grapes and raisins; from between 60 and 80 acres if it raised figs; and between 80 and 120 acres if it produced alfalfa. This comes from the Chamber of Commerce of Fresno, Calif.

Mr. GOLDWATER. I say to the Senator that, from my meager knowledge of agriculture, those figures are substantially correct. However, I wished to point out that with reference to the Senator's original statement about the South River Valley project and the Theodore Roosevelt Dam those figures would not apply; namely, that it was no longer thought to be profitable to engage in citrus farming in those areas. We have a number of small farms in and around the Yuma area, which are newly irrigated, and which are producing citrus for frozen citrus purposes; and the figures the Senator has stated would probably apply down there. I am in complete agreement with what the Fresno Chamber of Commerce has said with reference to the possibility of making money from the crops the Senator has described.

Mr. DOUGLAS. I thank the Senator from Arizona. His testimony supports in the main the point I have been trying to make. After all, I do not claim precise accuracy, but only approximate accuracy.

The point is that on 20 or 30 or 40 or 50 acres in fruits a family can make a good living. All we are proposing to do is to enforce the 160-acre limitation. If there is only one person in a family, he will have that limitation applied to him. That means that if he puts the land into oranges, he will have enough land for about five families. In apricots, it is enough for four families; in peaches, it is enough for four families; in grapes and raisins, it is enough for three to four families.

What I am trying to say is that even if the 160-acre limitation were to be applied rigidly, it would be far above the acreage needed for fruit ranchers or fruit farmers.

The 160-acre limitation, moreover, is not really a 160-acre limitation. A man can take out 160 acres. His wife can take out 160 acres. Together, they will have 320 acres.

The Senator from New Mexico [Mr. ANDERSON] has pointed out time and time again that the man can also have his older son take out 160 acres, and his second son can also take out 160 acres; and, if he is blessed with a third son, he, too, can take out 160 acres. So, a man with a wife and three children can take out 800 acres and raise fruit on the land and have over 15 or 20 times as much land as is needed to maintain a family.

Our attempt to enforce the 160-acre limitation is, therefore, not an attempt to fasten people into an ironclad, rigid limitation.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ROBERTSON. The junior Senator from Virginia is always concerned with the surplus production of agricultural products. In Virginia we do not have any public lands, and we do not have any help in the irrigation of our land. If we irrigate the land, we pay for the irrigation ourselves. I have heard that it costs as much as $1,000 or $2,000 an acre to irrigate some of the irrigated land. What is the estimate on what this land will cost per acre to irrigate?

Mr. DOUGLAS. It is very hard to estimate the cost, because of the joint nature of the project with the State and because the Federal financing is integrated with the rest of the Central Valley project. I would say, however, that in addition to the existing investment, with the $480 million of Federal money which is contemplated under this bill, and probably with at least some State money, the cost would be at least $1,000 an acre.

Mr. ROBERTSON. I assumed that to be the case, because I have heard some of my distinguished colleagues say that there would be hundreds of millions of dollars spent on this project. It is bound to run into big money.

Mr. DOUGLAS. That is merely the added cost for the San Luis unit. We have already authorized $862 million on other parts of the project which the Senator from Illinois will show are now serving lands not connected with this project and will serve in future both groups of land connected with this legislation.

Mr. WILLIAMS of Delaware. Mr. President will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. WILLIAMS of Delaware. In line with what the Senator from Virginia has said, I have a letter from the Department of Agriculture, in which they wrote to the Department of the Interior giving an estimate of what it would cost to irrigate this land. I quote from the letter:

> On the basis of this acreage indicated, the Federal and non-Federal investment cost of irrigation would be about $1,576 per acre.

Mr. DOUGLAS. The rough estimate I made was with the interest not taken into account. I did not include interest. However, if the interest is included on the so-called Federal service area alone, there would be a capital outlay of $480 million, and for interest a minimum of $290 million, or a total of $770 million to bring into cultivation 440,000 acres. That would amount to, roughly, $1,750 per acre.

Mr. ROBERTSON. I am sure that not one of the taxpayers in the East who knows about our accumulated surpluses and the financial burden of carrying them has any conception whatever that the irrigation cost will run up to $1,500 an acre to bring more land into production.

Mr. DOUGLAS. That is true. I may say that the cost on the upper Colorado land is almost as much as this, with land at the end only worth $150 to $280 an acre. That is one of the greatest boondoggles of all times, put through by the Eisenhower administration and, I might say, over the opposition of the Senator from Illinois.

What I have been trying to say is that the 160-acre limitation under conditions like those in the Central Valley is an extremely lenient limitation. As a matter of fact, I believe that we ought to apply our effort in the future to revise the 160-acre provision, and cut it down to less than 160 acres on land with a high value and a long growing season, and possibly make the limitation greater than 160 acres on land in high altitudes. It is hard to get a formula which will take all these factors into consideration. However, just as the 160-acre limitation may be too rigid for lands 6,000 feet above sea level, so the 160-acre limitation is altogether too loose for land in the Central Valley of California.

There are strong forces in California which own enormous amounts of land, and they do not want to accept the 160-acre limitation. The Southern Pacific Land Co. does not want to accept it. The big estates do not want to accept it. The Boston Ranch Co. does not want to accept it. They want to be able to have tens of thousands of acres held under one ownership and still secure the irrigation waters.

If we have that kind of concentration of ownership growing high value crops, such as lettuce, oranges, and citrus fruits, I will tell the Senate what kind of agricultural system we will have. We

will have an agricultural system with a few owners and a great mass of Mexican-American laborers living in hovels, receiving low wages, and with a life of feudalism in the Central Valley of California, as indeed we now have in part.

I notice some sardonic smiles in the press gallery. This is no laughing matter, gentlemen of the press. This is a question of whether, in Central Valley of California we are going to have democracy or whether we are going to have feudalism. That is the issue we are fighting out.

Therefore the amendment which we propose would apply the 160-acre limitation not merely to the initial 440,000 acres to be brought into cultivation, but with respect to any additional land brought into cultivation which will use Federal facilities as a part of the system of distributing water, even though there may be State improvements superimposed upon the Federal system.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ROBERTSON. It is my understanding that the Department of Agriculture is opposed to the bill.

Mr. DOUGLAS. That would not be conclusive with me.

Mr. ROBERTSON. I understand; but is my statement correct?

Mr. DOUGLAS. I am not certain.

Mr. KUCHEL. Mr. President, will the Senator from Illinois yield, so that I may answer the Senator from Virginia?

Mr. DOUGLAS. I yield.

Mr. KUCHEL. The Department of Agriculture is not against the bill. The Bureau of the Budget is for the bill. The Department of the Interior is for the bill. A similar bill passed the Senate a year ago.

Mr. ROBERTSON. Is it true that under the bill 80,000 acres of land could be brought into cotton production?

Mr. DOUGLAS. The distinguished senior Senator from Georgia offered an amendment, which was adopted by the Senate, which seeks to prevent that.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. ROBERTSON. The 80,000 acres, then, could not come into competition with southern cotton?

Mr. ENGLE. No, it could not, so far as I am aware. The amendment contains no yearly limitation at all. That has been eliminated from it. I would be glad to have the Senator from Virginia read the amendment. Its purpose is to make certain that price-supported crops shall not be increased on federally served lands. The amendment was offered by the senior Senator from Georgia [Mr. RUSSELL] for that purpose, and was adopted by the Senate.

Mr. ROBERTSON. The Senator from Illinois mentioned fruit. Would that include apples?

Mr. ENGLE. No apples are grown in that area—none whatever.

Mr. FREAR. What about peanuts?

Mr. ENGLE. No peanuts are grown in that area. The amount of wheat acreage in that area will be reduced rather than increased.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. WILLIAMS of Delaware. If I understood him correctly, the senior Senator from California said the Department of Agriculture favored the bill. That was not my understanding. I should like to see some report which indicates that they are for it. I have examined the record and have yet to find any place in it which states that the Department of Agriculture has ever indicated it is for the bill.

Mr. KUCHEL. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. KUCHEL. Let me answer the Senator's question with scrupulous accuracy, so far as I can. I said—and I repeat—that every Federal agency which under the law was required to be contacted has approved the bill. There have been no adverse reports from any Federal or State department to date.

Mr. WILLIAMS of Delaware. I checked with the Department of Agriculture to ascertain why they had not made a report on the bill. I was advised that the Department had not been asked to make any report, although they did write a letter to the Department of the Interior pointing out the effects of this particular bill at this time. They called attention to the fact that it would increase cotton acreage by 80,000 acres; that it would increase the cover crop of alfalfa more than 88,000 acres; that it would increase irrigated pasture by 44,000 acres; that it would increase tree and vine crops 22,000 acres; that it would increase other field crops by 66,000 acres; although there would be some decrease in hay crops. All of these above-mentioned crops are in plentiful supply today. This project will only further increase these surpluses.

It is also interesting to note that under the soil bank plan, with only the amounts over $10,000 being computed, the Department of Agriculture in 1957 paid almost $3 million to take 40,000 acres of cotton out of production in California. This bill proposes to spend millions through another department to bring 80,000 acres of cotton into production.

I have yet to see anything which indicates that the Department of Agriculture has endorsed the bill. If there is any such report, I should like to see it placed in the RECORD.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. KUCHEL. First, I trust the Senator from Delaware is not implying that any agency of the Federal Government intentionally avoided asking the Department of Agriculture or any other Department what, under the law, it was required to ask.

Mr. WILLIAMS of Delaware. I am not implying anything. I merely stated that the Department of Agriculture in a letter addressed to the Secretary of the Interior did not indicate support for the bill.

Mr. KUCHEL. Neither did the Department of Labor indicate support for the bill. Neither did the Department of Defense indicate support for the bill. The fact is that the agencies which under the law are required to be contacted by the committees to which the proposed legislation was referred did respond; and responding, they approved it.

Furthermore, the distinguished senior Senator from Georgia [Mr. RUSSELL] offered an amendment a while ago which was adopted by the Senate. The amendment, I think, makes crystal clear the intent with which the Senate will proceed to deal with the problem of agricultural commodities. The amendment specifically prohibits any additional planting in the area covered by the San Luis unit to any basic crops under Federal law.

Mr. WILLIAMS of Delaware. What type of crops will be grown?

Mr. KUCHEL. Perhaps the Senator from Delaware was not here when we discussed that subject a little while ago, because I read into the RECORD testimony which was adduced in the House hearings, in which witnesses stated that with the supplemental water they would raise specialty crops, crops which were scarce; and to that extent there need be no apprehension on the part of those who come from parts of the country where basic crops are raised.

Mr. WILLIAMS of Delaware. I appreciate the Senator's explanation. I repeat my question: What type of crops will be raised? It is proposed to spend $1,576 an acre to bring into production new cropland. Let us not indulge in generalities. If it is proposed to exclude the production of certain crops, then what other crops are proposed to be included?

Mr. KUCHEL. If the Senator had been here when the amendment was offered and then adopted, he would know what is excluded.

Mr. WILLIAMS of Delaware. I have read the amendment. I was here when it was adopted. However, I am still waiting for an answer to my question: What will be produced? There can be no question in my mind but that this new acreage will increase our surplus problem.

Mr. KUCHEL. I will read a statement made by one of the witnesses to which I referred earlier. He said:

> If we get a different type of water, we will go into special crops which are not now in oversupply.

The view was expressed in the debate at that time that various types of fruits and vegetables would be planted in the area covered by the bill.

Mr. WILLIAMS of Delaware. The Russell amendment was not even before the Senate and was not being considered when that statement was made.

Mr. DOUGLAS. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DOUGLAS. Out of courtesy I have been farming out time so that Senators could conduct separate colloquies. I should like to have the privilege of continuing with my argument. I hope Senators will not tread on my well-known amiability to an excessive degree.

Mr. ENGLE. Mr. President, will the Senator from Illinois be so generous as to yield 1 minute to me?

Mr. DOUGLAS. I yield 1 minute.

Mr. ENGLE. I thank the Senator from Illinois. I desire to address myself to the question raised by the Senator from Delaware concerning farm crops. I said at the beginning of my statement that the San Luis project would not add to the price-supported agricultural production. In order to be perfectly certain of that, and to have it written into the law, the Senate adopted an amendment offered by the distinguished senior Senator from Georgia which provides positively and unequivocally that the Secretary of Agriculture cannot deliver water to any federally serviced lands for the purpose of increasing the production of crops which are under price supports. No corn, no tobacco, no rice, and no peanuts are grown at present in this area, and we have no reason to believe that they will be grown.

The cotton which is grown there is of the long staple variety and is not competitive with southern cotton. In any event, the cotton acreage would not be increased under this reclamation project; and to be perfectly sure of that, we wrote such a provision into the bill itself by means of an amendment offered by the senior Senator from Georgia and adopted by the Senate.

It is my opinion that cotton acreage will decline because of the shortage of water supply. The trend will be toward higher value specialty crops and smaller farms, which are not typical of large-scale cotton production.

At present these farmers of this area are pumping water from 400-foot or 500-foot wells, costing $75,000 or $80,000; and big farming is incident to the area. With an assured supply of water, that will not be the case.

As for the wheat which now is grown in the area, it will disappear entirely under full irrigation, because with such irrigation, wheat production cannot be afforded; and it will be abandoned in favor of alfalfa, vegetables, fruits, melons, and similar crop versatility.

The PRESIDING OFFICER. The time yielded to the Senator from California has expired.

Mr. ENGLE. I thank the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I rather inferred that the time I had yielded to the Senator from California had expired. I thank the Chair for his very accurate timekeeping.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I am sorry that I cannot yield at this time.

Mr. President, the Senate debate has been somewhat diffuse, and in the past 15 minutes we have somewhat departed from the points I was attempting to make before the side engagements developed.

I should like to return to my theme, namely, that the land in this area is rather generally concentrated in a few large holdings.

I have before me the project report of the U.S. Department of the Interior, Bureau of Reclamation, on the San Luis unit, Central Valley project; it is a report on the feasibility of this water supply development. First, it reveals on page 88 that 76 percent of the land in the San Luis Federal service area is in separate ownerships of over 320 acres each.

I read now from page 89, where there is an analysis of these holdings of over 320 acres each, or of approximately 363,000 acres in the San Luis area. This is not all of the San Luis area, but it comprises over three-fourths of the lands in the Federal service area, and clearly shows the predominant pattern of landownership.

There are only 130 landholders in this main group, 86 individuals and 44 corporations. But, Mr. President, notice the division: 64 of these holders had holdings of from 320 acres to 1,000 acres. Their gross acreage was 39,700. At 160 acres apiece—including other members of the family—that would come to 18,700 acres that were not in excess of the reclamation law limits. So their excess acreage was 21,000.

There were 52 holders who had holdings of from 1,000 to 5,000 acres, with a total of 111,000 acres, of which 93,900 acres were excess.

I point out, Mr. President—and this is very important—that there were 10 holdings of from 5,000 to 10,000 acres. Their gross acreage was 68,500, of which 66,600 acres were excess.

There were only 4 holdings of more than 10,000 acres; but they had a gross acreage of 143,700, of which 143,000 acres were excess.

So in the case of these 363,000 acres within the Federal service area, 324,560 acres were excess—namely, in excess of the 160-acre limitation.

All that is a rather clear indication of the concentration of land ownership in this area.

I have not been able to find an accurate list of the owners in this San Luis unit area alone, but I have here other statistics taken from 1956 maps which cover approximately 1,430,000 acres, which includes the San Luis district and other surrounding areas in that valley. I should like to read the figures in regard to land concentration, here, as follows:

Our friends of the Southern Pacific had 148,700 acres, or a little more than 10 percent of the total acreage.

The Standard Oil Co. had 104,700 acres, or a little more than 7 percent.

Other oil companies—not small ones—had 53,000 acres, or 3.7 percent.

The Boston Ranch Co. had 37,500 acres.

Helen Lillis had 20,414 acres.

L. J. Christie held 10,700 acres.

J. P. Bidarary held 11,148 acres.

The Anderson-Clayton Co.—the great cotton merchants of Texas—held 24,771 acres.

J. Mouren held 14,261 acres.

Giffin, Inc., held 13,722 acres.

J. F. Gibson held 12,202 acres.

W. Gill & Sons held 13,400 acres.

Harnish Bros. had one holding of 6,660 acres and another holding of 5,720 acres.

There were many other large holdings, totaling a great number of acres.

Mr. President, I ask unanimous consent that I may have those statistics and the table from the Interior Department's report, to which I earlier referred, printed at this point in the RECORD.

There being no objection, the table and statistics were ordered to be printed in the RECORD, as follows:

The following tabulation summarizes the land ownerships involving excess lands for the San Luis area:

TABLE I

Size range, acres	Number	Gross acreage	Nonexcess acreage	Excess acreage
321 to 1,000	64	39,700	18,700	21,000
1,001 to 5,000	52	111,200	17,300	93,900
5,001 to 10,000	10	68,500	1,900	66,600
Over 10,000	4	143,700	640	143,060
Total	130	363,100	38,540	324,560

From p. 89, "Feasibility Report on San Luis Unit," May 6, 1955.

TABLE II.—*Ownership statistics on area of 1,430,080 acres in San Luis Valley (including proposed Federal San Luis service area and surrounding areas), from 1956 maps*

Owner	Acreage	Percentage
Southern Pacific	148,718.00	10.3
Standard Oil Co	104,770.00	7.3
Other oil companies	53,364.00	3.7
Boston Ranch Co	37,555.00	2.6
Other private holders of over 1,000 acres each	578,215.00	40.3
Calflax	8,120.00	
R. Thomas	3,520.00	
J. E. O'Neill	4,480.00	
F. C. Diener	6,240.00	
Harnish—5 points	5,720.00	
Airway Farms	3,260.00	
J. Mouren	14,261.00	
J. B. Hawkins	2,640.00	
Anderson-Clayton	24,771.00	
Kings County Land & Cattle Co	2,300.00	
Giffin, Inc	13,722.00	
Orchards	5,688.00	
South Lake Farms	2,110.00	
S. F. & Fresno Land Co	7,679.00	
Cecil Howe	9,829.00	
J. F. Gibson	12,202.00	
Colt Ranch	1,080.00	
Price Giffin Ranch	890.00	
Helen Lillis	20,414.00	
L. J. Christie	10,739.06	
P. B. Haber	1,000.00	
M. J. Pucheu	1,900.00	
Einstein Investment	1,920.00	
Harnish Bros	6,660.00	
Pleasant Valley Farming Co	8,436.85	
Russell Giffin	7,680.00	
Employees Enterprises	9,060.00	
J. P. Bidarary	11,148.80	
Bert Irola	2,040.29	
Murietta Farms	4,960.00	
Kerman Cattle Co	5,200.00	
United Farms	9,150.00	
W. Gill & Sons	13,429.82	
Newhall Land & Farming Co	6,345.35	
A. M. Domengine	9,786.50	
J. & T. Harris	1,957.30	
Sunset Farms	1,470.00	
W. R. Farrell	2,080.00	
M. & J. Errea	1,400.00	
Redfern Ranches	7,893.77	
Lyon & Hoag	7,254.16	
V. C. Britton	4,495.13	
S. Biancucci	1,324.00	
Hotchkiss Est	5,120.00	
Hammonds Ranches	7,514.44	
W. J.-J. R. Hammonds	6,166.64	
Frank Hogue	3,800.00	
P. Choperena	5,238.00	
Mendota Land Co	1,180.00	
Dean Mason	4,476.36	
Don Mason	1,280.00	
Belmont Farms	2,080.00	
Y. S. Philobos	2,600.00	
J. Etcheverry	6,880.00	
Government land	70,070.00	4.9
Private holdings under 1,000 acres (including city, county, State, and subdivided land)	437,876.00	30.9

Mr. DOUGLAS. Mr. President, I think I have submitted enough facts to

indicate the close concentration of land ownership.

I also wish to ask unanimous consent to have printed at this point in the RECORD summary statistics in regard to the holdings in Kern County, south of the Federal project, a part of which might be reached by any so-called State project or service area which might be brought into being. In that area, with a total acreage of 2,135,000, the Standard Oil Co. owns 112,000 acres; other oil companies own approximately 202,000 acres. The Kern County Land Co. owns no less than 348,000 acres. The Tejon Ranch Co. owns 168,531 acres. The Southern Pacific Railway shows up again, in this case with 45,000 acres. Other private holdings in excess of 1,000 acres come to a total of 491,000 acres.

Mr. President, I ask unanimous consent to have the tabulation printed at this point in the RECORD.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

TABLE III.—*Summary ownership statistics on area of 1,135,000 acres in Kern County, Calif. (including possible areas of service by irrigation from San Luis Reservoir south of Federal service area)*

Owner	Acreage	Percentage
Kern County Land Co	348,026	16.3
Standard Oil	112,275	5.4
Other oil companies	201,964	9.4
Tejon Ranch Co	168,531	7.9
Southern Pacific	45,141	2.1
Other private holdings over 1,000 acres each	491,732	23.0
Government land	122,692	5.7
Private holdings under 1,000 acres (including all city, county, State, and subdivided land)	647,164	30.2

Mr. DOUGLAS. Mr. President, this is a region which, above all others, has concentrated land ownership. If section 6(a) is retained in the pending bill, the Senate will approve a continuation of this concentrated ownership—not merely in the case of the land which will be chargeable to service with so-called State water; but the Senate will also strengthen the concentration within the area to be serviced by so-called Federal water.

Mr. MORSE. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield.

Mr. MORSE. As one pauses in this debate to refresh his memory in regard to some of the great scandals in the field of natural resources in our history, and when one thinks of the oil scandals and the oil "steals," the Teapot Dome, the great land frauds, the various types of "steals" of which the powerful economic vested interests of the country have been guilty throughout our history, I should like to ask the Senator from Illinois if he thinks I am too far wrong when I suggest that today we raise the question of whether this is going to represent a great water "steal"?

Mr. DOUGLAS. Mr. President, I try to be very guarded in the language I use. I will say that if the bill passes in its present form, it will be a public catastrophe.

Mr. MORSE. Mine is mild compared with that language, I wish to say.

But let the RECORD show that I think that if our amendment is not adopted, the bill will be a water "steal" by the various large landowners the Senator from Illinois has just now listed in the RECORD.

Mr. DOUGLAS. Mr. President, I would not reprove the Senator from Oregon if he were to use such words; I would say that, on the whole, he was a man of restrained speech.

Mr. ENGLE. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I am glad to yield.

Mr. ENGLE. Will the Senator from Illinois not agree that this bill is very plain in applying the 160-acre limitation to the Federal service area?

Mr. DOUGLAS. It purports to do so. But the point is that the Southern Pacific Land Co. is in such a strategic position, with its checkerboard holdings, that it can already apply great pressure on the Federal Government, by refusing to participate and, by so refusing, it may shut off water from the others.

Moreover, if concentrated holdings in the nearby area will be aided by means of water coming from State improvements superimposed on Federal improvements, then it will be very difficult to apply the 160-acre limitation within the 440,000 acres specifically charged to Federal improvements. The gates will be thrown wide open for the huge estates in the area to the south, of approximately half a million acres, which, it is said, will be serviced by water coming from combined Federal and State systems later to be brought into being.

Mr. ENGLE. But before that could happen, it would be necessary to amend the law; would it not?

Mr. DOUGLAS. No. At present section 6(a) provides that the Federal limitation shall not apply to the additional half million acres or more to be brought under cultivation by the combined State and Federal system.

Mr. ENGLE. I am speaking of the some 500,000 acres under the Federal service area. We would have to amend the law, would we not?

Mr. DOUGLAS. As a practical matter, if the limitation is thrown open as to the first group of lands outside the San Luis unit, I believe we shall not be able to hold the 160-acre limitation on the second group of lands within the Federal service area, because the chart indicating the checkerboard ownership shows how the Southern Pacific has the small holdings virtually choked to death and enclosed, and if the Southern Pacific refused to come into the arrangement, the smaller landholders would not be able to get the water.

Mr. ENGLE. If the Southern Pacific does not abide by the 160-acre limitation—and I admit they would prefer not to have it——

Mr. DOUGLAS. They said they did not intend to abide by it.

Mr. ENGLE. I would not go that far. I do not think they said they do not intend; they said they would prefer not to. If they do not, it would be necessary to amend the law. I will say to the Senator if any effort is ever made to remove the 160-acre limitation from the Federal service area, I will stand up on the floor of the Senate, if I am still here, along with the Senator from Illinois, and oppose any such action.

Mr. DOUGLAS. We know in the past the Secretary of the Interior has been forced to cede ground in the Pine Flats case and let the people have the water, even though they have not agreed to the limitation. My point is we also have to limit the additional approximately 500,000 acres which will come under cultivation when these further improvements are perfected.

I should like to pass to the argument on that question, because the second approximately 500,000 acres which it is claimed are in the State service area are not properly speaking in an independent, self-sustaining State service area at all. The State service area is possible only because there has been a tremendous Federal investment in dams, reservoirs, conduits, pumping stations, and power.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to the Senator from Oregon.

Mr. MORSE. Now that the issue has been raised by the Senator from California as to what the Southern Pacific intends to do, I think I should read into the RECORD what they say they are going to do.

Mr. DOUGLAS. I think so.

Mr. MORSE. Mr. Van Loben Sels on March 17, 1959, testified:

> Let us state that our lands are not on the market. They are not for sale. We do not want to sell our agricultural properties or our timber properties or our grazing properties any more than we want to sell our main line railroad.

The letter of the witness for the Southern Pacific Railroad cannot be considered without reaching any other conclusion than that they intend to make use of the checkerboard holdings they have on this project, which the Senator from Illinois has so magnificently brought out in the debate this afternoon, and, in effect, try to force their will in the administration of this project by a lifting of the 160-acre limitation.

Mr. DOUGLAS. As the Senator from Oregon has stated, the Southern Pacific does not intend to sell any land in the first 440,000 acres. They do not intend to sell any acreage from the later blocks of land to be irrigated. I desire to read again from the letter of the Land Department, Southern Pacific Co., on March 23, 1959, signed by L. Frandsen, and which is printed on page 101 of the hearings, as follows:

> It is now our desire to reaffirm our previous position that our agricultural properties are not for sale.

In other words, holdings over 160 acres are not going to be sold. The Southern Pacific will hold onto them. The more reinforcement Congress gives the Southern Pacific in the additional 500,000-acre area, the stronger their position will be on the immediate 440,000 acres.

Mr. MORSE. I think the statement of the Senator from Illinois, as to the contention of the Southern Pacific, should be reinforced by reading from page 222 of the transcript of hearings, in which Mr. Van Lobel Sels stated:

The figure we have quoted is 120,000 acres. There has been some deletion from that, because the Federal Government recently condemned some for a naval air station. That is in the courts now.

That was his answer to the question put by Representative ULLMAN of Oregon when he asked:

Mr. Van Lobel Sels, how much land do you have that would come under the proposed Federal project?"

The answer was 120,000 acres, minus a small amount that was condemned for a naval air station.

The witness went on to say:

It is all under agricultural lease. It is all under irrigation, but not all of it is irrigated every year.

Let me repeat that:

But not all of it is irrigated every year.

Do Senators get the implication? Get the bill passed so they can obviate the 160-acre limitation. Then he said:

It is being farmed under lease to actual operators on the property, to crops that are typical of that area, which I think were mentioned previously. But they include grains, cotton, melons, various seed, grass seed and alfalfa seed crops, a few more of the specialized crops, like potatoes and carrots, and other vegetables.

When I make my major speech following the Senator from Illinois on this matter, I am going to point out and reinforce the Senator from Illinois in the contention that it will not protect the 160-acre limitation.

Mr. DOUGLAS. As I have said, the 160-acre limitation in this fertile area is extremely lenient, because 160 acres of fruits and nuts can support not 1 but 5 or 6 families. Moreover, there can be more than this limitation on landownership by taking out 160 acres for each member of the family. So there can be many multiples of 160 acres under the same limitation.

Yet this loose provision is not enough for the large landowners. They want the sky to be the limit, so they will have, under this law, the latifundia which existed in Rome, which was one of the reasons for the fall of the Roman Empire, and the concentration of land ownership such as now exists in Spain, and which was one of the causes of the revolution in Mexico.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LAUSCHE. In the operation of this general scheme, is there any relationship between that part of the expenditure which is to be made by the Federal Government and that part which is to be made by the State of California?

Mr. DOUGLAS. The Senator has asked a very important question. It happens that is precisely the point I was going to try to develop. I should like to proceed to that.

Mr. LAUSCHE. I thank the Senator very much.

Mr. DOUGLAS. Mr. President, the main new project which is to be carried out by the Federal Government under this bill is the dam creating the so-called San Luis Reservoir. This dam is to be constructed with Federal money, and the initial water behind this dam, therefore, will be water entirely assembled because of Federal expenditures.

The rather indefinite proposal which is contained in the bill and which is supported by the testimony with respect to the bill is that the height of the dam will then later be raised as a result of expenditures by the State of California. Hence it is argued that the quantity of water impounded behind the dam will be increased and the added amount of water would be due to State expenditures and would not be in any degree Federal water.

The contention of the Senator from Oregon and of the Senator from Illinois is that one cannot cut the dam in two any more than Solomon's child could be cut in two. One cannot build a second story on a dam without a substructure going down deep into the earth, into the rocky formation, which is probably a more important part of every dam than that which is above surface. One cannot built a second story unless one has a first story.

Therefore, the dam is an integral, unitary structure which cannot be subdivided, and we cannot separate the water which has been impounded by State action from the water which has been impounded by Federal action.

In addition to that, I wish to remind my good friend that the Delta Cross Channel is to be used, bringing the water coming down the Sacramento River across the delta to the Tracy pumping station. That has been constructed with Federal funds.

This is a Federal outlay which makes possible the additional quantity of water. Furthermore, the water will be pumped up to a higher level out of the Sacramento Basin into the San Joaquin Basin, with power developed from the dams and falls of water up north, around Shasta.

The additional State outlay, if it should be made, would not get to first base if there were not a prior huge Federal investment. To claim that this action is entirely distinct from the Federal outlay is, to my mind, "moonshine."

In addition to that, the previous outlays on Shasta, Keswick, Nimbus, Folsom, and Trinity, which is still under construction, will make water and power available to what is alleged to be a purely State system but which will not be in fact purely a State system but will be a joint system.

Therefore, we say that Federal reclamation law should apply and that we should not throw open the gates for huge estates to be built up in defiance of the long-established Federal principle.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. LAUSCHE. Is my understanding correct that the basis for this entire project lies in the expenditures which will be made by the Federal Government?

Mr. DOUGLAS. And those which have been made.

Mr. LAUSCHE. And that whatever is done by the State of California is dependent in the first place upon what the Federal Government does?

Mr. DOUGLAS. The Senator is correct. The Senator from Ohio has stated in one sentence what I have been laboring to state for some pages of the CONGRESSIONAL RECORD.

Mr. LAUSCHE. I thank the Senator very much, but I think I have had the benefit of the clarification the Senator from Illinois has given to the entire project.

In spite of the fact that this entire project is basically related to the Federal expenditure, it is suggested that the Federal law limiting irrigation waters to holdings of 160 acres be not applicable to certain areas which allegedly are going to be supplied with water by the State of California unrelated to what the Federal Government is doing.

Mr. DOUGLAS. That is precisely the claim of the sponsors of section 6(a).

Mr. LAUSCHE. And the Senator from Illinois takes the position that the very spirit of the Federal irrigation law, which provides that water shall be supplied only to holdings of 160 acres or less, will be abandoned in such a process?

Mr. DOUGLAS. The Senator from Illinois takes that position. There would be an abandonment of the time-honored position.

Mr. LAUSCHE. And there could be unlimited holdings in the amount of 55,000 acres or more—is that the figure?

Mr. DOUGLAS. One hundred and twenty thousand acres or one hundred and forty thousand acres. That would be permitted and encouraged by section 6(a). We are trying to strike 6(a).

Mr. KUCHEL. Mr. President, will the Senator yield? That is a shameful thing. The case should not be stated that way. I know the Senator does not mean to indicate something which is not the fact, but that is hardly a correct statement.

Mr. DOUGLAS. If the Senator from Illinois has made a misstatement, in what respect did he make a misstatement?

Mr. KUCHEL. The Senator talked about the right of the Southern Pacific Railroad to get water from this system in unlimited amounts, as a large landowner, opposed to the small landowners.

I will say to my friend from Ohio that the lands which the Senator from Illinois is talking about are lands which are located above the San Luis area. In considering what the Senator from Illinois is talking about, the argument is not a sound or conclusive one.

The question is as simple as this. The fact of the matter is, we believe that the State of California, through its Governor and its legislature, ought to determine what the restrictions for use of water through a State system should be. It is exactly that simple. It is that easy to state. We believe that the Federal reclamation law ought to apply to Federal reclamation projects.

Mr. DOUGLAS. Mr. President——

Mr. KUCHEL. We believe that when one reservoir is jointly used by the State

and by the Federal Government it is unconstitutional for the Federal Government to tell the State of the Senator from Ohio or my State how it shall use its water in a State system, when the water comes from that system.

Mr. DOUGLAS. Mr. President——

Mr. LAUSCHE. Will the Senator yield to me, so that I may say a word with regard to that matter?

Mr. DOUGLAS. I yield.

Mr. LAUSCHE. Is it not a fact that the development of the California side of the project is completely dependent upon and related to the expenditures which will be made by the Federal Government; and that therefore California ought to follow the spirit and the letter of the Federal law, because without the Federal money California could not do anything?

Mr. KUCHEL. That is a surprising thing for my friend to say.

First of all, the State of California is indebted for what the Congress of the United States has done with Federal reclamation in the State. We are grateful for the Central Valley project. Now, under the leadership of the incumbent Governor of California—and, I may say, in the same fashion as under his two Republican predecessors—the people of my State are about to embark on a $11 billion State water system. They are willing to bond themselves, and pay that money themselves, for a State system. So we have a unique concept of two types of water systems in our State, one a Federal system and the other a State system.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LAUSCHE. Is it not a fact that so far as this part of the discussion is concerned, the California project will be built upon the Federal project, as described by the Senator from Illinois?

Mr. KUCHEL. I will say to my dear friend from Ohio that the San Luis reservoir will be paid for, 60 percent by the people of California and 40 percent by the Government of the United States.

Mr. LAUSCHE. The Senator from California has not answered my question.

Mr. KUCHEL. I will try it again.

Mr. LAUSCHE. Is it not a fact that the part of the project promoted by the State of California is tied into the Federal project?

Mr. KUCHEL. I do not understand. I wish to give an accurate answer.

Mr. LAUSCHE. The Senator from Illinois stated that the Federal Government would build the base, and thereafter California would add to the dam.

Mr. DOUGLAS. That is correct.

Mr. KUCHEL. The State is going to pay for 60 percent of the total cost.

Mr. DOUGLAS. Mr. President, the huge figure which my friend from California brandishes about, $11 billion, has in it a typical degree of California exaggeration.

Mr. KUCHEL. Not at all.

Mr. DOUGLAS. Yes, it has. We may find ourselves in about the same situation in which the United States found itself when it granted huge blocks of land to the Southern Pacific Railway Co. on condition that it build a railway. Yet it never built that railway.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. KUCHEL. Is the Senator suggesting that the Governor of California has said something that is not true with respect to the portion of the cost to be borne by the people of the State of California?

Mr. DOUGLAS. The Senator from California is engaging in the good California real estate practice of capitalizing on hope.

Mr. McNAMARA. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield to the Senator from Michigan.

Mr. McNAMARA. Is there anything in the record to indicate what the average value of the acreage is, with respect to which it is proposed in the bill to invest $1,500 an acre?

Mr. DOUGLAS. There are scattered figures.

Mr. McNAMARA. Is the land worth $1,500 an acre?

Mr. DOUGLAS. Not now. It is worth relatively little.

Mr. McNAMARA. So it is proposed to put $1,500 an acre of Government money into land which is not worth that much now?

Mr. DOUGLAS. Yes. I think it will probably be worth $1,500 an acre when the project is finished, but those who will get a very large slice of the $1,500, without adequate payment, will be the large landowners. The increase in their land values will be very much greater than the returns from power, and such payments as are made for reclamation.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield.

Mr. LAUSCHE. Has any explanation been given by the proponents of the bill why they feel that the 160-acre limitation should not apply, and why they feel that the holders of great acreages of land ought to have the benefit of irrigation under a policy different from that stipulated in the Federal law?

Mr. DOUGLAS. I think I should let the proponents of the bill speak for themselves, and not attempt to speak for them, because if I were to do so I might be accused of twisting their defense. So they should make their own statement on that point.

To me it is inexplicable that two such fine Senators as the senior and junior Senators from California, whom we love as individuals, whom we respect, and who fight beside us on so many measures, should in this instance be found to be against the people. It is difficult for me to reconcile myself to that situation.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. KUCHEL. Is it the intention of the Senator that, with the adoption of his amendment, the Federal reclamation laws shall apply to all waters leaving the San Luis Reservoir?

Mr. DOUGLAS. Yes, I think so—on the ground that the waters have been inextricably mixed and will be made available through the Federal contribution to the San Luis Dam and the Delta Cross-Canal from the Sacramento to the pumping station.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. DOUGLAS. Let me finish my sentence.

There have been prior Federal expenditures for power facilities which make it possible for the water to be lifted out of the Sacramento into the San Joaquin Valley; and there have been huge prior expenditures on a large number of dams, including Shasta, Keswick, Trinity, the Sacramento Canal, the Nimbus Dam, the Folsom Dam, and the Sly Park Dam.

Senators say that the State of California is to build additional pumping plants to supplement Tracy, and another canal to supplement Delta-Mendota.

The Interior Department, in dealing with the possible irrigation developments south of the San Luis unit stated that "the winter surplus in the Delta could be pumped through an enlarged Delta-Mendota Canal." That seemed to be the primary military thing "or through a second canal adjacent to the Delta-Mendota"—into the San Luis Canal, and thence into the potential Avenal Gap Reservoir.

In other words, the Interior Department apparently contemplated that the first means of bringing the water south for the additional irrigation area would be through an enlarged Delta-Mendota Canal, representing an enlargement of the Federal investment already made.

My fine friend the amiable senior Senator from California [Mr. KUCHEL] said on Tuesday, "No; we are not going to do that. We are going to have a second canal dug beside it." That is thrown forward in the report as a possibility, but it is a possibility enclosed in parentheses. Evidently the Department of the Interior thought the main possibility would be enlarging the Delta-Mendota Canal. I will show the Senator the quotation, so that he will see that the parentheses are properly placed, and he will not think I am indulging in some hocus-pocus.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ENGLE. Of course it makes no difference whether a separate ditch is built or the present canal is enlarged. In either event the State will pay the cost.

Mr. DOUGLAS. The cost would be less if the existing Delta-Mendota Canal were enlarged, because there has been a prior Federal investment.

Mr. ENGLE. I am not sure the cost would be less. Did the Senator ever try to enlarge a ditch?

Mr. DOUGLAS. Yes.

Mr. ENGLE. Sometimes it costs more to enlarge an existing ditch than to dig a new one.

Our point is that the Federal Government and the State government are jointly using a dam for which the State government pays its share. It puts its own cash into the project. It operates its own pumps and canals. They are separate. Water comes out of one

spigot and goes on to the federally serviced area. Water comes out of another spigot and goes onto the State-serviced area. We propose that on the federally serviced area the 160-acre limitation shall apply. We have said to the State of California, "We think you should have an acreage limitation if a subsidy is involved, and that the State legislature should consider that question." The Governor has agreed to do it. I have a telegram from him which says so. If the State wishes to apply the 160-acre limitation, that is within the power of the State, and should be, let me say to the distinguished former Governor of Ohio [Mr. LAUSCHE].

Mr. DOUGLAS. Does the junior Senator from California say that the Governor of California, Hon. Pat Brown, is in favor of section 6(a)?

Mr. ENGLE. No; I do not.

Mr. DOUGLAS. I am glad the Senator has cleared up that point, because I did not believe he was. Pat Brown, as attorney general, made a great fight to uphold the 160-acre limitation. I could not believe that as Governor he would do something contrary to his policy as attorney general. I hope the Democratic Party of California does not come out in defense of the large landowners.

Mr. ENGLE. Mr. President, will the Senator further yield?

Mr. DOUGLAS. I certainly will.

Mr. ENGLE. The Governor of California thinks exactly as I do on this subject; namely, that it makes no difference whether section 6(a) is in the bill or out of the bill, because the Federal law will not apply to the State-serviced areas anyway.

Mr. DOUGLAS. May I say to my good friend——

Mr. ENGLE. The only reason 6(a) was put in the bill in the first place was to give additional assurance to some people.

Mr. DOUGLAS. To what people?

Mr. ENGLE. To the people of southern California.

Mr. DOUGLAS. Was it to the people of southern California, or to the large landowners in the Central Valley and the railways and the oil companies, who have dominated politics in California for 70 years?

Mr. ENGLE. They wanted us to restate the law. I never believe in restating the law. However, the language is in the bill. So far as I am concerned, I claim that the Senator's amendment will not do what he says it will do. The Federal reclamation law will not apply to any State-serviced areas outside the Federal project. It does not make a bit of difference to me whether the section is in the bill or out of it. However, I think it is just as well to reaffirm it.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that section 6(a) be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. JORDAN in the chair). Without objection, it is so ordered.

Section 6(a) of the bill is as follows:

SEC. 6. (a) The provisions of the Federal reclamation laws shall not be applicable to water deliveries or to the use of drainage facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis unit service area described in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project", dated December 17, 1956.

Mr. DOUGLAS. Mr. President, if that section is included it will be clear that the Federal reclamation law does not apply to the 500,000 acres to be added after the first 500,000 acres, and that there will be no limitation there; whereas if it is eliminated, I personally believe that the Federal reclamation law will apply. At least there is a very good chance that it will prevail in the absence of State legislation to the contrary.

While it is probably not possible to pass a 160-acre limitation law in the California legislature, with its Arthur Samishes——

Mr. ENGLE. Arthur Samish is out of there now.

Mr. DOUGLAS. Since it was not possible to pass any legislation there upholding the 160-acre limitation in the past, I cannot believe that the California Legislature, much as it has improved, will pass such a law in the future.

Mr. ENGLE. May I read to the Senator the telegram from Governor Brown, to which the Senator has referred?

Mr. DOUGLAS. Yes.

Mr. ENGLE. It reads:

SACRAMENTO, CALIF., *May 7, 1959.*

Senator CLAIR ENGLE,
Senate Office Building,
Washington, D.C.

Having seen many statements in the press regarding the application of the Federal reclamation laws to the San Luis project, I wish to reiterate what I have said in the past regarding this matter. Upon the basis of my own legal analysis and that of all my legal advisors I am convinced that the Federal reclamation laws do and will apply to all Federal facilities and service areas of the San Luis project. In addition, with or without the language contained in section 6(a) under S. 44, the Federal reclamation laws do not and, in my view, should not apply to the State facilities and State service areas of the project. I am, and I believe that the California Legislature also is, opposed to any unjust enrichment or monopolization of benefits by owners of large landholdings as a result of either Federal or State operation.

However, I feel that the handling of this matter, insofar as State activities are concerned in relation to this project or other State construction, should come as a result of State legislation. I intend, at an appropriate time and before contracts are executed, to take this matter up with the California Legislature in order to preclude the undesirable results which I have described, but I firmly believe that this matter should not delay either Federal or State authorization or construction.

EDMUND G. BROWN,
Governor.

Mr. DOUGLAS. With all due deference to my friend from California, I would regard that as a clothespin opinion on both sides of the question.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MORSE. Does the Senator from Illinois agree with me that he, being the author of the amendment——

Mr. DOUGLAS. Only one of the authors.

Mr. MORSE. Does the Senator believe that he and the two Senators from Oregon, as cosponsors of the amendment, believe that the only legal opinion in which we are now interested is the legal opinion of a court of final jurisdiction, not the legal opinion of Pat Brown, Governor of California, who in this instance is a special pleader and is really a party to the dispute?

Mr. DOUGLAS. I say it is perfectly clear to my mind that if section 6(a) remains in the bill, the Federal reclamation law will not apply to the second 500,000 acres to be brought under cultivation, and that if the 160-acre limitation is to be applied there, it will have to be by State action. Furthermore, the strategic defense of the 160-acre limitation in the first 500,000 acres will be mortally weakened.

Governor Brown can pledge his word that he will try to have passed a bill calling for a 160-acre limitation. No doubt he is a man of his word. There was a great Governor of California before him, in the person of the present Chief Justice of the United States, Earl Warren, whom I regard as the greatest living American. He, too, had measures which he put before the California Legislature which was controlled by his own party, and yet he could not get anywhere with them because the California Legislature was dominated by a man named Arthur Samish. I am not quite certain where Arthur Samish is now. But no doubt he wears a neat gray suit somewhere in some country club. He dominated a California Legislature——

Mr. ENGLE. We now have a Democratic Legislature, for the first time in 75 years.

Mr. DOUGLAS. I know it will be better. However, we have a few sinners too, in our camp. Having studied the activities of Mr. Samish, I know that he did not draw any party lines when he financed a few weak, compliant Democrats, just as he would pick out many weak and compliant Republicans. I know he never financed either the senior or the junior Senator from California, but he did finance weak temperments.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MORSE. I wish to say, in this repartee, that I am not very much impressed by what my good friend from California has said about a Democratic Legislature in California. We have a Democratic Congress. So what? [Laughter.]

Mr. LAUSCHE. Mr. President, may I ask——

Mr. DOUGLAS. I just doubt whether the California Legislature could be induced to pass a 160-acre limitation.

Mr. ENGLE. It pains me to see some injury done by reference to what a Democratic Legislature will not do and by what a Democratic Congress will not do. We ought to do this in private.

Mr. DOUGLAS. The Senator knows what the system of representation in the California State Senate is. The California State Senate is one of the most grossly gerrymandered legislative bodies in the country. The county of

Los Angeles, with a population of something like 7 million, has one State senator in the State senate.

Mr. ENGLE. The State of Nevada has 2 United States Senators.

Mr. DOUGLAS. What bearing has that?

Mr. ENGLE. The State of Nevada has 2 United States Senators. The great State of California, with 15 million people, has only 2 United States Senators. We are not any worse gerrymandered there than here.

Mr. DOUGLAS. We are gerrymandered here, but it results from a condition which was adopted in 1787. The provision with regard to two Senators from each State is the only clause of the Constitution which cannot be amended. We have to live under it. We writhe under it, but we have to abide by it.

However, if I may come back to what I was saying, I am sure the Senator will not defend the gerrymandered system in the California Senate, under which the county of Los Angeles, with a 7 million population, has only one Senator in the State Senate; whereas 3 mountain counties, with populations of approximately 30,000 also have one State Senator. As a result the control in the California Senate is still in the hands of the small counties, which can be bought up by the private utilities and big land interests. That condition has corrupted democratic representation in California for 70 years.

Mr. McNAMARA. In other States as well.

Mr. DOUGLAS. That is a common weakness in most industrial States.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LAUSCHE. I believe it is rather hazardous to anticipate that, even though the Governor recommends action with positiveness, his recommendation will be carried into effect.

Mr. DOUGLAS. That is correct.

Mr. LAUSCHE. We know that there are great uncertainties between what a governor wants and what the legislature is willing to do.

Based upon what the junior Senator from California has said, I understand that, in substance, he takes the position that it makes no difference whether section 6(a) is in the bill or not in it.

Mr. ENGLE. That is correct, because it is surplusage. It is a restatement of what the law is. Striking it out will not make any difference. I said that on Tuesday afternoon. I do not believe that striking the provision will apply the Federal reclamation law in State-serviced areas.

Mr. LAUSCHE. Knowing that there are Senators who would vote for the bill with that section eliminated, why do not the sponsors consent that it be stricken, if it makes no difference?

Mr. DOUGLAS. I have wondered about that myself.

Mr. ENGLE. I am not the author of the provision.

Mr. LAUSCHE. I will not vote for the bill as it is. If the section is stricken, I will vote for it. If it makes no difference, why not strike it?

Mr. DOUGLAS. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DOUGLAS. When the Senator from Illinois was in college he was not a very good football player. His reactions were slow. He could never make the backfield, but he was allowed to play in the line. When the opposing team launched a play at the line, it was not thought to be proper for the lineman to step aside and let the ball carrier for the opposing team go through, in the expectation that the backfield would then tackle the man and bring him down. One had to do his best to stop the opposing ball carrier at the line or behind it.

What the Senator from California [Mr. ENGLE] is saying is that the line is the Federal Government. But the Federal Government should make no effort according to the sponsors of 6(a) to protect the people and the purpose of the farm policy. Let the big lawmakers go through, they say, so far as the Federal Government is concerned, and depend upon the State of California—or the backfield.

In the first place, I say: Stop them at the line. Second, I do not have too much confidence in the backfield, knowing something about the past history of the California Legislature.

Mr. KUCHEL. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KUCHEL. Will the Presiding Officer advise the Senate whether or not it is within the rules for a Senator to speak disparagingly of another Senator's State, or of the government or the governmental operations of another Senator's State?

The PRESIDING OFFICER. Rule XIX, section 3, prohibits that.

> No Senator in debate shall refer offensively to any State of the Union.

Mr. KUCHEL. I simply respectfully ask that the Chair enforce that rule of the Senate.

Mr. DOUGLAS. Mr. President, I wish to argue that point. I was not referring disrespectfully to the State of California; I was referring disrespectfully to Mr. Arthur Samish and to the people who have ruled the California Legislature.

The State of California is a marvelous State. It has a beautiful climate, marvelous scenery, fine people, and a great line of fine statesmen, such as Hiram Johnson, Earl Warren, Pat Brown, the junior Senator from California [Mr. ENGLE], and the senior Senator from California [Mr. KUCHEL]. All of them are fine men. But I am not very keen about Mr. Arthur Samish and the forces behind Mr. Arthur Samish. I never thought Mayor Schmidt was a good mayor of San Francisco.

If the Senator from California is saying, "If you say anything about Samish, you are talking about the State of California," I do not regard Samish as embodying California. I am trying to prevent California from being included with Samish and his crowd.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MORSE. Does the Senator from Illinois believe that the subject of gerrymandering is a proper subject for debate and discussion on the floor of the Senate?

Mr. DOUGLAS. I certainly do. California, unfortunately, is one of the worst examples. Rhode Island, New York, and Michigan are also examples. Illinois, too, has some gerrymandering.

Mr. MORSE. Does the Senator from Illinois think that by the slightest stretch of the imagination rule XIX applies to the discussion of the subject of gerrymandering in the American system, as illustrated by the example the Senator from Illinois pointed out with respect to Los Angeles? Does he think that when he discusses gerrymandering from the standpoint of specific instances, it is in any way a violation of rule XIX, which provides that a Senator must not speak disparagingly of a State? Or would the Senator from Illinois wish me to propound that question as a parliamentary inquiry to the Presiding Officer of the Senate?

Mr. DOUGLAS. I will be very glad to have the Senator from Oregon do that. Rule XIX, section 3, provides:

> No Senator in debate shall refer offensively to any State of the Union.

It was not the intention of the Senator from Illinois to refer offensively to the State of California. But if in the debate a discussion of gerrymandering in California, political manipulations in California, and the political activities of the Southern Pacific Railroad are considered derogatory to the State of California, the Senator from Illinois will accept any rebuke which the Chair wishes to administer and will ask that the objected to language be stricken from the RECORD.

Mr. MORSE. I think a very important parliamentary question has been raised. I am sorry the Senator from Illinois has had to raise it, but he has. I think we had better ascertain whether the subject of gerrymandering in California and the possibility of the Governor of California getting any favorable legislation from the Legislature of California, as he indicates in his telegram he will try to do, is in fact out of order. If it is, I think we had better pause long enough in the Senate of the United States to amend our rules, because we certainly owe it to the American people to discuss objections to our form of government, and gerrymandering is one of the most serious ones.

Therefore, I propound the parliamentary inquiry whether the Senator from Illinois was out of order, under rule XIX, in respect to the discussion of gerrymandering of which he has cited Los Angeles County as a good example.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. DOUGLAS. First, let me make a statement; then I shall yield. I notice that the Senator from California [Mr. KUCHEL] has left the Chamber. But if he or any other Senator will move that the alleged offensive words be read for

the benefit of the Presiding Officer and the Senate, and if the Presiding Officer then rules that they are out of order, the Senator from Illinois will, of course, abide by the ruling which is made.

I now yield to the junior Senator from Oregon.

Mr. NEUBERGER. If I am not mistaken in my recollection, some very properly harsh words were spoken recently on the floor of the Senate about the terrible, shocking lynching which occurred at Poplarville, Miss. Is that not correct?

Mr. DOUGLAS. I was not on the floor, if that happened. However, I believe attention was called to it.

Mr. NEUBERGER. Certainly that would not be considered as any criticism of or attack upon the decent, law-abiding people of Mississippi, who I am sure are in the great majority in that State.

Mr. MORSE. Mr. President, I ask for a ruling on my parliamentary inquiry.

Mr. DOUGLAS. Mr. President, I ask permission to take my seat while the ruling is made. With the understanding that I do not lose the floor, I ask permission of the Chair that I may be seated while the Chair rules on this question.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Under the provisions of rule XIX, the Chair does not rule unless a Senator is called to order, in which case the Chair has no authority to rule upon the question. The Chair merely tells the Senator to take his seat. That has not been done in this case.

Mr. MORSE. I understand the operation of rule XIX. I simply think, Mr. President, that it happens to be our duty in the Senate, in the course of debate, when we think in connection with a particular legislative issue that a State policy is not in the public interest, to say so.

The Senator from Illinois, during the course of the debate, has not been motivated in his statements by any spirit of disparaging the great State of California, which is a neighbor of my State, and which I frequently am heard to say has within it what I consider to be my second home, San Francisco, where I spent so much time in years gone by. We are dealing here with a policy of the State of California which the Senator from Illinois and the senior Senator from Oregon do not think is in the public interest.

Certainly rule XIX does not contemplate that we are estopped from pointing out what we consider to be a policy of the State which is not in the public interest, without having our lips sealed here under rule XIX under the contention that we are speaking disparagingly of a State. I respectfully submit that rule XIX goes to the question of intent on the part of the debater in the Senate.

If we feel it is necessary to point out what we as Senators considered to be a wrong policy on the part of a State with respect to some legislative issue before the Senate, then certainly we cannot be considered, under rule XIX, as speaking disparagingly of the State.

Therefore, if the senior Senator from California wishes to invoke rule XIX, as he has, he ought to ask for its application, so that one does not find himself in the position I now rightfully find myself by the ruling of the Chair, because I think the ruling is completely correct. The Chair cannot rule on a point of order until a point of order has been made by a Senator under rule XIX.

Mr. DOUGLAS. Mr. President, as I understand the parliamentary situation, my good friend, the senior Senator from California [Mr. KUCHEL], has raised a question as to whether I violated rule XIX; but he, himself, did not make a formal point of order; and the Chair ruled that since no formal point of order had been made, therefore it was proper for me to proceed.

The PRESIDING OFFICER (Mr. JORDAN in the chair). The Senator from Illinois has the floor; and he may proceed.

Mr. DOUGLAS. Is my statement a correct one?

The PRESIDING OFFICER. It is.

Mr. DOUGLAS. Mr. President, I notice that my good friend, the Senator from California, has returned to the floor. I wish to say that if he did make such a point of order, and if the Chair wishes to rule on the point of order, of course I shall abide by the ruling of the Chair.

The PRESIDING OFFICER. The Senator from Illinois may proceed.

Mr. DOUGLAS. Mr. President, I repeat to my good friend, the Senator from California—since he has now returned to the Chamber—that if he now wishes to make a formal point of order that, under rule XIX, certain statements by me should be stricken from the RECORD, I shall appreciate it very much if he will make such a point of order, so that the Chair may rule on the question. If the Senator from California does not wish to make such a point of order, then I should like to have the privilege of proceeding with my argument.

Mr. KUCHEL. Mr. President, let me say to my very able colleague, the Senator from Illinois, that I think all of us should be careful in the language we use in referring to the States represented by other Members.

I am very fond of the Senator from Illinois, and I have a great deal of respect for him. So let us now forget about the matter to which I referred.

But I hope all of us will be more careful—in line with what the Senator from Mississippi [Mr. STENNIS] admonished all of us about, a little earlier today. Perhaps we can have a little more courtesy and dignity and a little less vindictiveness. Then everyone will be a little happier.

Mr. DOUGLAS. Mr. President, if the Senator from California will point out any lack of courtesy by me or any lack of dignity by me, and if such a point of order is upheld by the Chair, I shall be very glad to apologize. But in default of the raising of such a specific issue, I should like to have the privilege of proceeding with my remarks. However, first I wish to give the Senator from California an opportunity to make any charges he may wish to make against me.

Mr. MORSE. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. First, I think we should give the Senator from California a chance to make any charges he may wish to make about a lack of dignity or about vindictive statements by the Senator from Illinois.

Mr. MORSE. I wish to address myself to that very matter, if the Senator from Illinois will yield to me.

Mr. DOUGLAS. Very well; I am glad to yield.

Mr. MORSE. I rise as a witness on behalf of the Senator from Illinois. I have listened to every word of the debate; and I wish to state that I believe it is clear that the statement the senior Senator from California has made is not warranted—in other words, that any charges in regard to a possible violation by the Senator from Illinois [Mr. DOUGLAS] of rule XIX are not warranted.

In my opinion, the Senator from Illinois has done a magnificent job, a courageous job, and a forthright job in discussing the merits of this issue; and he has done so within the rules. So, Mr. President, in my judgment there is no basis for the slightest implication that the Senator from Illinois has in any way violated rule XIX.

Mr. DOUGLAS. Mr. President, I appreciate the statement of the Senator from Oregon.

However, if I have violated rule XIX, of course, I should be admonished and censured. So in all humility I shall submit myself to the ruling of the Chair.

Mr. President, I take it that the silence indicates that no charges are to be preferred against me.

Mr. President, I was attempting to point out that if section 6(a) is retained in the bill, we cannot depend upon Federal law to apply the 160-acre limitation to the second 500,000-acre block of land which will come under irrigation, and that then the only resort will be to the California State Legislature. Now I wish to choose my words very carefully. I wish to say this: That is a feeble reed to lean upon; and if this be a reflection on the State of California, if this be treason, I am afraid the Senator from California will have to make the most of it. The Senate of the California Legislature is gerrymandered; and the mountain counties, which have a very small fraction of the total population of the State, have control of the California Senate. Those mountain counties are no more interested in the irrigation counties or areas of the Central Valley than they are in Los Angeles or in San Francisco Bay. One cannot depend on that legislature.

Furthermore, if the Senator from California wishes me to do so, I can ask unanimous consent to have printed in the CONGRESSIONAL RECORD articles from Collier's Weekly, in times past, describing the activities of Mr. Arthur Samish and the control he had over the California Legislature. If that be treason against California, we shall have to refer

to Collier's Weekly, which is now defunct; but I suppose there are assets of the Crowell Publishing Co. which could be attached.

Mr. President, I hope very much that we can establish friendly relations with the senior Senator from California [Mr. KUCHEL], who is one of the finest Members of this body. This is the first time in our many years of service together that we have had the slightest degree of personal difference.

I wish to give both the senior Senator from California and the junior Senator from California an opportunity to square themselves before the court of public opinion, by withdrawing section 6(a).

Mr. President, as the fine Senator from Ohio [Mr. LAUSCHE] has said, I wish to state that if section 6(a) remains in the bill, I will fight the bill on the beaches, in the streets, and in the fields. But if section 6(a) and the other phrase on page 3, specified in our amendment, are eliminated from the bill, then I shall support the bill—although not with too great enthusiasm, because it will hurt my section of the country; but then I shall support the bill in the national interest.

So in the interest of California and in the interest of the fine reputation of the senior Senator from California—and I mean that; I am not attempting to "butter him up"; he is one of the finest Members of this body—I hope he will agree to our amendment to strike out section 6(a).

Mr. President, I think I have said enough; and I am ready to yield the floor. I now yield the floor.

Mr. MORSE. Mr. President, I think section 6(a) of the bill is a bad provision. I think it is bad so far as the public interest is concerned, just as are bad nominations. Therefore, I rise to make a record against it at some length, but before I do so I want to pay a tribute first to the Senator from Illinois, and then to two non-Senators.

The Senator from Illinois comes from a Midwest State. He comes from a great industrial State. He comes from a State the people of which, except that they also have a national stake in sound reclamation projects, cannot be considered to be, as of now, directly concerned in a piece of legislation such as that pending before the Senate.

Therefore, Mr. President, I think it is a remarkable thing and good proof of the statesmanship of the Senator from Illinois that he has taken the lead, as he did last Tuesday, and he has again today, in seeking to protect the public interest against the great wrong which I think the retention of section 6(a) in the bill would do to our country. So I, as one colleague, thank him very much for his leadership in this issue. I was proud, as I am sure my junior colleague was, to join with him in fighting for what we think is a very vital principle in the whole field of vital natural resources, involving not our generation alone, or not so much our generation as future generations. My speech will bear in no small degree on that facet of the problem.

In my opinion, too often the public is not fully aware of the sources of much of the information which we Senators use in debate, and frequently is not so familiar as it probably should be with the fact that we have some wonderful assistants and researchers associated with us. True, we use the Library of Congress. True, we use other research agencies. But we also have research assistants assigned to us in our offices. I should like to pay tribute to a great administrative assistant, assigned to the Senator from Illinois [Mr. DOUGLAS], who does not have the slightest idea that I am going to refer to him. I refer to Frank McCulloch, who is assigned to the office of the Senator from Illinois. I think he is one of the keenest research men on the Hill, and a truly dedicated public servant behind the scenes. He is a thorough student of every subject he takes up.

It was a matter of great pleasure for me to sit here on the floor of the Senate and watch the Senator from Illinois this afternoon as he submitted valuable information and made the arguments on this issue, so ably assisted by his great administrative assistant, Frank McCulloch, who sat at his right arm all the time, and really constituted a reservoir of knowledge of the facts which are involved in this complicated bill.

Likewise, I want to pay an equal compliment to my administrative assistant, Mr. William Berg, Jr., who will probably roundly scold me when I get back to my office. Mr. Berg graduated from the University of Oregon School of Law, during my deanship of the law school in 1931. He was with me in 1937 in the Department of Justice. He was with me on the National War Labor Board as my first assistant. He is with me now in the Senate of the United States.

I think men such as McCulloch and Berg deserve the recognition which I seek to give them in the RECORD this afternoon.

There are many more administrative assistants, research assistants, and legislative assistants who do a grand job of research for Members of the U.S. Senate and whose work makes it possible for us to come to the floor of the Senate prepared to participate in debate on highly complicated economic and other types of problems.

I was moved this afternoon as I watched the Senator from Illinois do the masterful job he did, and realizing that that great right arm of his, figuratively speaking, was sitting alongside of him—and I refer to Mr. Frank McCulloch—I thought this tribute was long overdue. I am pleased to pay it.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. I am very glad the Senator from Oregon has paid a tribute both to Mr. McCulloch and to Mr. Berg. Mr. McCulloch has been associated with me ever since I came to the Senate some 11 years ago. I have never known a more able, devoted, and unselfish man than he. I have never known him to make a misstatement.

I have never known him to depart from the truth in the slightest degree. I have always found him to be swayed by the public interest. He is excessively modest. I would have been a far worse Senator if it had not been for him. I have a feeling of great humility in associating with him.

I frequently find that bright people are not particularly good, and that good people are not particularly bright, but Mr. McCulloch is a rare combination of goodness and brightness. To my mind, he is indeed something of a miracle. I am very happy that the Senator from Oregon has paid tribute to him. In fact, I only wish Mr. McCulloch were in the Chamber to hear these words. I think he will read them in the CONGRESSIONAL RECORD tomorrow.

I will also say, judging from what I have seen of Mr. Berg, he is of the same stamp.

Mr. MORSE. I would expect the Senator from Illinois to say what he has said about Frank McCulloch, and I want to say that everything which has been said about Frank McCulloch applies equally to my administrative assistant, Bill Berg.

Mr. President, I now proceed to discuss the bill, supplementing the remarks of the Senator from Illinois.

Mr. President, many years ago a great American said:

> The creation of small irrigated farms under the Reclamation Act is a powerful offset to the tendency of certain other laws to foster or permit monopoly of the land. Under that act the construction of great irrigation works has been proceeding rapidly and successfully, the lands reclaimed are eagerly taken up, and the prospect that the policy of national irrigation will accomplish all that was expected of it is bright.
>
> The Reclamation Act derives much of its value from the fact that it tends to secure the greatest possible number of homes on the land, and to create communities of freeholders, in part by settlement on public lands, in part by forcing the subdivision of large private holdings before they can get water from Government irrigation works. The law requires that no right to the use of water for land in private ownership shall be sold for a tract exceeding 160 acres to any one landowner. This provision has excited active and powerful hostility, but the success if the law itself depends on the wise and firm enforcement of it. We cannot afford to substitute tenants for freeholders on the public domain.

Who made that statement? The great Theodore Roosevelt, 26th President of the United States, in his fifth annual message of December 5, 1905.

Two years later Theodore Roosevelt, in his seventh annual message of December 3, 1907, made these memorable remarks:

> Irrigation should be far more extensively developed than at present, not only in the States of the Great Plains and the Rocky Mountains, but in many others, as, for instance, in large portions of the South Atlantic and Gulf States, where it should go hand in hand with the reclamation of swampland. The Federal Government should seriously devote itself to this task, realizing that utilization of waterways and waterpower, forestry, irrigation, and the reclamation of lands threatened with overflow, are all interdependent parts of the same problem. The work of the Reclama-

tion Service in developing the larger opportunities of the western half of our country for irrigation is more important than almost any other movement. The constant purpose of the Government in connection with the Reclamation Service has been to use the water resources of the public lands for the ultimate greatest good of the greatest number; in other words, to put upon the land permanent homemakers, to use and develop it for themselves and for their children and children's children.

Mr. President, the comments of a great man, which I have just quoted, set a proper tone for the discussion of Senate bill 44, which is now pending before the Senate. It is on the basis of those great principles laid down by President Theodore Roosevelt in 1905 and 1907 that I propose to raise my objections to section 6(a) of S. 44.

Before I express my views on one particularly objectionable feature of this otherwise good bill, I wish to review briefly some of the reasons which prompted Congress to enact the reclamation law and its 160-acre limitation on irrigation benefits to preserve and protect the family-sized farm.

This background material is important, because S. 44, in my opinion, affects not only the San Luis unit, which consists of approximately 450,000 acres in the Central Valley but areas adjacent to the Central Valley of California which might at some time be irrigated, either under a State or Federal, or by a joint State-Federal program.

It is my opinion that the San Luis bill, as presently written, would subvert Federal reclamation law. It would tie the hands of the Secretary of Interior in administering programs under reclamation law, and it would give the State of California the veto power over any joint program called for or vaguely referred to in the bill.

The principle of reclamation law, as set forth in various statutes over a period of 56 years, rests solidly on principles of land law which have existed ever since the founding of this Nation. The reclamation law of 1902 was merely an extension of the family farm policy carried on during the 19th century. The Founding Fathers acted wisely when this Nation was in its infancy, in curbing the right of individuals to hold landed estates intact and to compel distribution of land in a family. As early as 1776, the Legislature of Virginia abolished entail, curbing the rights of individuals to pass on to the oldest son the entire estate.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. That was the work, as I remember, of Thomas Jefferson.

Mr. MORSE. I was about to point out that it was the work of Thomas Jefferson.

Thomas Jefferson called this practice "essential to a well-ordered republic." He said the purpose of the law was "to annul privilege, and instead of an aristocracy of wealth, of more harm and danger, than benefit to society, to make an opening for the aristocracy of virtue and talent, which nature has wisely provided for the direction of the interests of society, and scattered with equal hand through all its conditions."

This view of Thomas Jefferson became accepted as a national policy, as is evidenced by the action of Congress in attempting to secure as wide a distribution of lands in the public domain as was economically feasible. Laws were passed which made it possible for veterans and others to carve homes and farms out of the wilderness. Land policy was implemented in the Preemption Act of 1841 and the Homestead Act of 1862. These laws were designed to distribute the benefits of the public domain widely by favoring actual settlers against monopolists and speculators of that day.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. Is it not true that the 160-acre Homestead Act which, when passed, was intended to apply primarily to lands west of the Mississippi River, was also intended to make the great Mississippi Valley the valley of democracy?

Mr. MORSE. It certainly was.

Mr. DOUGLAS. Is it not true that the wide distribution of the land and property has furnished the basis for economic democracy in the Middle West, and that out of the economic democracy in many States have come movements for political democracy; notably, the La Follette movement and, as well, the support which the great Senator Norris and others have received?

Mr. MORSE. And the great agrarian Populist movement.

Mr. DOUGLAS. The Senator is correct.

Mr. MORSE. The Senator from Illinois is completely correct. The Senator from Illinois heard me say on another occasion something which I shall repeat here today, since it bears on what the Senator from Illinois has by implication pointed out. We talk about political democracy, but we cannot have it without economic democracy. We cannot have political freedom of choice for the individual without economic freedom of choice for the individual. Therefore, I say again today on the floor of the Senate, if I were to be asked to name one thing—if I were limited to the naming of one thing only—which I think is the greatest guarantee of the perpetuity of our democratic form of government, what I would name would be private home ownership in the city and family-farm ownership in the country. On that type of ownership, I think, is dependent, more than we sometimes fully realize, our whole system of political and economic freedom of choice for the individual.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. The Senator from Illinois remembers the writings of James Harrington, the political thinker of the Commonwealth period in England. He wrote the book Oceania, in which he stated that he who is the bread giver is the lawmaker. If a man feed his people, they become his fiefs and serfs.

Harrington was saying that the political democracy of the Commonwealth could be established on a firm basis only if there were economic democracy, breaking up the large estates of England, so that the cultivator would be the landowner, instead of the laborer or the tenant. If the land is locked up in huge holdings, and people are working on the land, either as farm laborers or tenants who can be dispossessed at any time, such people can never build up social or political authority.

Mr. MORSE. In my judgment what the Senator from Illinois says is unanswerably correct.

As I enter upon a discussion of my objections to section 6(a) of the bill, let me say that, in my judgment, the history of land economics is on our side. There is in this country, an inseparable relationship between land economics and political democracy, political freedom of choice.

This issue cannot be laughed off. It should not be shuffled aside. It must not be treated lightly.

I know that there are not many Senators present at this hour when the Senator from Illinois and I are trying to call the attention of the country to the importance of this issue; but even though many seats in the Senate may be vacant, I am sure that once the people of the country know the facts they will stand with the Senator from Illinois and the two Senators from Oregon on the merits of this issue. I am also sure that other Members of the Senate will stand with us.

So I believe that once again we are just about where we were on Tuesday night in the Senate, after a debate on this question. We have made a record; and we will complete the record here tonight, so far as concerns those of us who are opposed to section 6(a). Let me say to the majority and minority leadership that we believe that, because of these vacant seats, this record should be read before a vote is taken, unless it is possible for us, in the course of the debate, to arrive at an understanding with the two Senators from California.

We are dealing here with a very vital issue, so far as the future of America's land policy is concerned. When we deal with the question of land policy, we are dealing with many other interests of future generations.

I am not inclined to let this question come to a vote tonight, because I feel that I owe it to the great conservationist groups of the country, to the farmers of the country, and particularly the operators of family sized farms, and to all the people of the Nation, to do everything within my power to see to it that this question does not come to a vote tonight. Not until the Senate has had adequate time to give consideration to the great record which the Senator from Illinois has made here this afternoon—to which I hope to make my small contribution—should the issue come to a vote.

Therefore, I think the leadership of the Senate should take note of what I have said in regard to my intention to do what I can to give complete assurance

to the people of the country that I shall do all in my power to see to it that a vote is not taken on this question in the Senate tonight, and not until Senators first have an opportunity to read the record which the Senator from Illinois has made this afternoon—unless, during the course of the debate, we may reach an understanding with the two Senators from California in respect to section 6(a).

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. MORSE. I cannot imagine any Senator I would be more delighted to yield to than my good friend from California. I am very happy to see him in the jovial mood which the winning smile on his face now indicates. I yield to the Senator from California.

Mr. KUCHEL. I thank my good friend.

I join with him in feeling that, under all relevant considerations, it would be quite unwise to have a vote tonight, not merely for the reason my able friend has outlined, but for some other reasons which he and I together might well conjure up in our minds. So I say to my friend that, so far as I am concerned, there will be no vote tonight.

Mr. MORSE. I invite attention to the fact that S. 44 would weaken the national policy which provided a method to establish our agrarian democracy, out of which grew our great industrial economy. Land is literally the foundation on which this Nation has grown and flourished. Wide distribution of land has made possible our democratic society.

Under the homestead laws, a man could go out, select 160 acres which was not already occupied, drive stakes down, occupy it for 5 years, and, upon payment of a small fee, could obtain title to the land. In the settlement of the western domain in the 19th century, abuses of our land laws crept in and vested interests, by one means or another, secured title to vast areas.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. Have not some examples of that situation been developed in the debate on this measure—for example, the Southern Pacific Land Co. got 148,000 acres as a bonus for constructing a railroad, but it never constructed the railroad?

Mr. MORSE. That is exactly the type of acquisition I referred to in the statement I just made.

I asked Senators to look at the map which the Senator from Illinois has made available to the Senate. It is a checkerboard map which shows how the Southern Pacific got some 148,000 acres of land on the basis of the representation to the Federal Government that if that land were allocated to it, it would build a railroad. It never built the railroad, but it got the land.

Mr. DOUGLAS. Now it wants to hold onto the land.

Mr. MORSE. I do not intend, in 1959, to be a party to any arrangement, under such a bill as S. 44, which would permit such a landholder to take advantage of a Federal water project which really falls under the application of the reclamation laws of the country, with the limitation of 160 acres attached thereto.

It is an old story. We must stand up in the Senate against powerful interests when they seek to execute such a diabolical scheme, which would do such great damage to the public interest. There is no language I know of that could gloss it over. There it is, in all its ugly nakedness, in the pending bill.

I ask Senators to look at the charts and maps which the Senator from Illinois has placed upon the map stands for inspection by Senators. They show what the two Senators from Oregon, under the leadership of the Senator from Illinois, are fighting for in this debate.

The Southern Pacific Co. must be stopped in this water grab, not only the Southern Pacific Co. but the other large landowners in the Central Valley of California, whose holdings as shown by the Senator from Illinois who has placed the figures in the RECORD, involve many thousands of acres.

Mr. DOUGLAS. Tens of thousands of acres.

Mr. MORSE. Yes.

Mr. DOUGLAS. Indeed, hundreds of thousands of acres.

Mr. MORSE. We must see to it that Members of the Senate have the time to study the RECORD, so that they will be fully aware of what is involved in what I call a water grab, and why the Senator from Illinois and the two Senators from Oregon are seeking to get section 6(a) stricken from the bill.

Mr. President, in the last century land speculation was rife. There were many scandals involving the General Land Office. In 1885 the Commissioner of the Land Office joined with others in calling attention to the rapid conglomeration of western landholdings during the 19th century under defective statutes and loose administration. William A. J. Sparks said:

> I found that the magnificent estate of the Nation in its public lands has been to a wide extent wasted under defective and improvident laws and through a laxity of public administration astonishing in a business sense if not culpable in recklessness of official responsibility. The land department has been very largely conducted to the advantages of speculation and monopoly, private and corporate, rather than in the public interest. * * * It seems that the prevailing idea running through this office and those subordinate to it was that the Government had no distinctive rights to be considered and no special interests to protect. * * * I am satisfied that thousands of claims without foundation in law or equity involving millions of acres of public land, have been annually passed to patent upon the single proposition that nobody but the Government had any adverse interest.

Paul Wallace Gates, an authority in the field of land history, had this to say about the Homestead Act of 1862:

> The land reformers reckoned too lightly * * * with the astuteness of the speculators who in the past had either succeeded in emasculating laws inimical to their interests or had actually flouted such laws in the very faces of the officials appointed to administer them. * * * The administration of the law, both in Washington and in the field, was frequently in the hands of persons unsympathetic to its principle, and Western interests, though lauding the act, were every ready to pervert it.

It is a remarkable thing, Mr. President, how selfish interests over and over and over again have repeated their tactics in fields such as this. The devices are almost as old as the country. If there were ever a field concerning which we should always keep in mind the warning to a free people of the importance of constant vigilance in protecting the public interest, it is in connection with land economics. Here once again we have powerful land interests in California seeking to pollute the stream of public interest. It must be stopped.

That is why the Senator from Illinois, from a midwestern State, and the 2 Senators from Oregon, from a western State, have in this debate stood up against these powerful interests. We are confident that once the American people come to understand our position, they will be with us, as the American people always have been in all the other areas when land frauds and land steals —what I would call in this instance a water steal—finally come to be understood by them. They said to their political representatives, "You must do something about bringing about the necessary reform to prevent this kind of invasion of the public interest." They will on this occasion, too. In fact, I am not going to give up hope that the 2 very fine Senators from California may, before we get through with the debate, agree with the Senator from Illinois and the 2 Senators from Oregon that section 6(a) be stricken from the bill.

I hoped they would do it last Tuesday. I was hoping that they would do it today. I never give up hope. I hope that the interests in California who believe in good government and who believe in protecting the public interest will join, between now and Monday, in the suggestion that the two Senators from California adopt our proposal to strike section 6(a) from the bill.

In fact, I know California pretty well, and I would be perfectly willing to take before any cross section population group in the State of California the views expressed on this issue by the Senator from Illinois. I would let them decide the issue. My confidence in the people of California is such that I am satisfied that any cross section group of Californians, once given the facts about the position taken by the Senator from Illinois, would agree with us and would, in effect, say to the Senate, "Strike section 6(a)."

It is interesting that the Senator from Ohio [Mr. LAUSCHE], whom I see on the floor, representing in part the great State of Ohio, representing a people, such as the Senator from Illinois represents, who have no direct, immediate interest in the project itself, except for the ever-present public interest, after listening to the debate with his open mind, would stand up, as he did a few minutes ago, and say to the two Senators from California, "I have listened to the explanation of the Senator from Illinois. I ask the Senator from Illinois if this is not the issue." Then he put the issue, as the Senator from Illinois and the senior Senator from

Oregon have been trying to put it throughout the debate. He based his question upon the objective of protecting the reclamation law, as Theodore Roosevelt did in 1905 and 1907, and as the Senator from Illinois [Mr. DOUGLAS] and I are doing here on the floor of the Senate tonight.

The Senator from Ohio said, "Take section 6(a) out of the bill and I will vote for it. Leave it in, and I will oppose it." I believe that the people of California, once they get the same facts the Senator from Ohio got this afternoon, as he listened to the debate, will take the same position.

All we need is a little time to get the merits of this issue understood. Then, in my judgment, the Senate will sustain the Senator from Illinois.

Years ago, in the West, a water monopoly was feared as well as a land monopoly. Proceedings of numerous irrigation congresses are filled with references to the dangers of permitting either land or water monopoly in the West.

A comment of a member of the first irrigation congress held in 1891 in Salt Lake City reflects this fear of monopoly and the desire that the Government would bring irrigation to small farmers. This man said:

> The tendency of the great West * * * is this accumulation of vast estates in land. The object of good Government is to stop this insofar as it can and give * * * the poor man a chance to own 10, 20, 40, 60, or 100 acres if it is in his power to cultivate it.

A delegate to the irrigation congress of 1893 said:

> I am not working for the purpose of keeping this in the possession of any one corporation, or any one people. I want the whole people from now on—from generation to generation—to own that water—own that power.

Mr. President, these were the little people of America speaking at this irrigation congress of 1893. They are typical of the little people of America on the farms of the West, who today look to their representatives in the Senate of the United States to protect the water supply of the family farmer of America. They are the same as the little people of 1893, so far as their economic interests and political outlook are concerned.

So in 1893 one of these so-called little people said as follows in that irrigation congress:

> We want to make that water forever what it is in law, in jurisprudence, in history—the public property of the people, to be transferred, under proper regulations, to beneficial uses for the people who own the land.

I have produced some of those great statements of the past made by the little people of America—those who worked on the soil with their hands—because they are the ones who really gave birth to this great reclamation land policy. Through their toil, this policy was written into the law. I ask: Are we going to turn our backs on them? Are we going to walk out on the great heritage which they really wrote into the land law of this country, not only for the benefit of their generation, but for ours and for generations to come?

Oh, I know it is sometimes difficult to get politicians to stop long enough, under the pressure which harasses us from day to day, under the demand for speedy action by the Senate, to reflect upon the historical origins of some of these great policies of Government. One does not win a popularity contest in the U.S. Senate by trying to get into the RECORD, and as the Senator from Illinois did in the early part of the afternoon, the dramatic history of the great reclamation law. It is a history written in terms of human struggle. It is a history written in terms of human values. It has been raised by the San Luis bill. It has brought into focus and contest in the U.S. Senate, in the year 1959, a great issue as to whether we shall turn our backs on the sound water policy of 1903, 1905, and 1907, which the fathers of conservation in the United States—Teddy Roosevelt and Gifford Pinchot—succeeded in writing into the law books of this Republic.

The job of legislating is a job which requires us to do our bookwork. It is a job of being students of the governmental history of our country.

What I fear, and what I have feared ever since last Tuesday, when the bill first reached the floor of the Senate, is that there will be pressure for hasty action. As the Senator from Illinois knows, at one point in the proceedings, an attempt was made to get a unanimous-consent agreement to so limit debate on the issue that the kind of historic record which the senior Senator from Illinois and the senior Senator from Oregon have made today on the bill could not have been made had we yielded to that pressure for haste.

As I have said before, and repeat today, I will in the Senate drag my feet more and more on suggestions in support of unanimous-consent agreements so long as I think the historic record needs to be made. An issue such as that presented in the San Luis bill ought to be decided in terms of the historic record. I know all my colleagues are not familiar with that record and cannot be expected to know it. But they have a duty to take the time necessary to learn the basis on which the Senator from Illinois and the two Senators from Oregon have raised their objections to the bill. That is why, dry as this academic lecture on the history of the development of our water law and our reclamation law may be, it nevertheless, in my judgment, is vital to a consideration of the merits of the San Luis bill. I shall make that record, no matter how long it may take me on the floor of the Senate to make it, because I believe it is my duty as a student of government, representing the people of my State, to be able to go home and honestly reply when they ask me the question: "What happened when the San Luis bill was before the Senate?" My reply to them is this: "I put in the RECORD the history of the great water and land policies which were relevant to an intelligent consideration and final vote on the bill."

I did not ask to have a course of action followed by the Senate which would make necessary the inclusion of this historical background record. My colleagues will recall that early in the consideration of the bill, I urged that the two Senators from California work out with the Senator from Illinois and the two Senators from Oregon an agreement to strike section 6(a) from the bill.

Now that he is in the Chamber, I wish to pay my compliments to the junior Senator from California [Mr. ENGLE]. I could not possibly work with anyone who has been more cooperative in discussing with me our respective differences on the bill.

Now that the senior Senator from California [Mr. KUCHEL] also has entered the Chamber, my compliments apply likewise to him.

I am sorry we have not yet reached a final understanding on the matter, but what has happened is that the two Senators from California unwittingly and unknowingly, I am certain, have presented to the Senate a bill which includes a section that raises the whole issue of whether the historic principles which I have just cited in this field shall be overturned and ignored by the Senate in May 1959.

If what it takes is to have the Senator from Illinois [Mr. DOUGLAS] and the senior Senator from Oregon—a couple of old professors, with always the tendency, I know, as our critics sometimes say, to lecture to the Senate—occupy enough time to get the educational background, the reclamation laws, and the water policies of the country into the RECORD, so that our colleagues will have notice of the issues involved, we intend to do it.

I cannot possibly do the job which the great former professor of economics at the University of Chicago has done on two occasions in this debate, but I will do my best, because I have worked long and hard on the academic features of the issue.

Let me say that academic features of issues like this are very practical features, very real features. They involve, in this instance, a recitation of the history of the water policies of the United States, starting, as I say, with the early irrigation congresses, from which I have been quoting some of the little people of America who attended those congresses and spoke for the dirt farmers and the family-farm owners of America. They spoke with an eloquence which no U.S. Senator today can begin to equal, as the language I have just read from their speeches so clearly shows.

Mr. President, I will not vote for a San Luis bill which has in it section 6(a), a section which, in my judgment, if I voted for it, would cause me to betray a trust in behalf of which those irrigationists of 1893, 1895, and 1897, who attended the various irrigation congresses, spoke so eloquently. They left a trust to us in the Senate of the United States, and I intend to keep faith with that trust.

Mr. KUCHEL. Mr. President, will the Senator from Oregon yield for a question?

Mr. MORSE. Certainly.

Mr. KUCHEL. Will the Senator from Oregon indicate what, in his judgment, the intention of this amendment is with respect to any waters which might be impounded in a San Luis Reservoir, and which would be utilized by the State system, rather than by the Federal San Luis project?

Mr. MORSE. Mr. President, if my friend, the Senator from California, will bear with me, I shall go into that matter in considerable detail later in my speech. But first I should like to present the historical sequence; and then I shall be glad to discuss, at whatever length the Senator from California would wish to have me do so, some of the legal implications of this provision of the bill which I think clearly warrant striking it from the bill. Later on, I shall be glad to discuss with the Senator from California those legal implications.

Mr. KUCHEL. Very well.

Mr. MORSE. Mr. President, George H. Maxwell, considered the father of reclamation, told the Irrigation Congress of 1896 that arid pasture lands for sheep "should be kept forever as the common heritage of the people, never to be sold but to be leased only to actual settlers living upon the adjoining farms."

During the last irrigation congress, one delegate expressed a fear which I share in regard to the bill we are dealing with today. That delegate from Montana was fearful that "after the Government had borne all the expenses of construction, the water would inure to the profit of a few," and he suggested that control by the Government should "always and forever be under the control and distribution of the U.S. Government."

Mr. President, I think those quotations from delegates to the various irrigation congresses are not only eloquent, but they also show how it has been necessary over the decades for the little people, the family farmers of our country, the delegates to irrigation congresses, to function as guardians of the land heritage of the Nation, so that the boys and girls of this generation can enjoy that heritage. If succeeding generations are to enjoy that heritage, too, Mr. President, on this day in May 1959, or on next Monday in May 1959, the Senate of the United States must not scuttle it by the passage of the San Luis bill in its present form.

Mr. President, years ago George H. Maxwell attempted to quiet the fears of many by calling attention to the original resolution of the Congress, which is as follows:

> The water of all streams should forever remain subject to public control, and the right to the use of water for irrigation should inhere in the land irrigated.

That means, Maxwell told the Congress:

> No man can own the right for speculative purposes, and beneficial use should be the basis and measure—that means to the extent you use the water beneficially, is all that you can have, and the limit to the right.
>
> Now there you have the fundamental principle upon which you can build irrigation institutions in these Western States that will endure as long as the human race occupies them and water monopoly will be an impossibility. * * * I do not want anybody to go away from the congress with the idea that this subject has not been considered and the solution of it found.

Mr. President, that has always been the theory of our reclamation laws ever since they were enacted. It is because in my judgment, this bill will do a wrong to that theory that I joint with the Senator from Illinois in objecting to section 6(a) of the bill.

One of the problems which emerged during the 19th century was the problem of watering lands artificially in areas where rainfall was insufficient. In the humid East, widespread distribution of the land was not such a great problem. Land and water were joined together under natural conditions, but in the West where the water was separated from the land, means of bringing the land and water together had to be devised. So in the arid West we not only have the problem of land distribution, but we also have the problem of water distribution. Congressmen in the 19th century, in attempts to solve the problem of land water, tended to think of the new problem in terms of the old one. They attempted to devise legislation which would distribute to each farm enough water to irrigate 160 acres. The principle underlying such distribution was the same as that under the homestead laws.

But by the end of the 19th century it was apparent that the limitations on homesteaders must be liberalized. So, when the Reclamation Act was passed, in 1902, it provided that one person could have title to water sufficient to irrigate 160 acres of land, and that if he were married, his wife was entitled to a similar amount. So, under reclamation law, actually we have for a family a 320-acre limitation. Over the years it has been agreed that the amount of water a family was entitled to was insufficient to provide a good standard of living for the farmer and his family. Numerous studies have been made by the Department of Agriculture and other agencies. All of these studies indicate that 320 acres of irrigated land is sufficient to support a family.

Theodore Roosevelt, possibly more than any one individual, has been responsible for the preservation of our natural resources and the democratic distribution of our public lands. Roosevelt saw far into the future. He realized if the great landed monopolies got control of the public lands, they would use their economic power to implement or extend their political power. Roosevelt feared, and feared rightly in my opinion concentration of landownership in a few hands would eventually mean the end of democratic government. He knew that human greed is insatiable; that the land monopolists would not stop after they had converted public lands and lands distributed from the public domain into a vast feudalism.

Roosevelt knew also that in countries where there is not widespread distribution of land, there is not democratic government. Land monopoly has led to autocracy and dictatorship in every nation in the world where it has prevailed. Unfortunately, the United States has fallen heir to certain land patterns which were developed in Spain and in Mexico. The Spanish land grants have formed the basis for vast holdings which excluded farmers and made impossible an equitable and democratic distribution. Probably no State in the country is a better example of that than is California.

A similar situation exists because the Federal Government, seeking to accelerate economic development of the country, gave away vast acreages to the railroads as an inducement to expand our transportation system. The Southern Pacific received vast acreages in the San Luis area in the 1870's and 1880's for a railroad which as the Senator from Illinois has stated over and over again in this debate, it never built.

We do know what was admitted in testimony by one of the railroad's officials, that this great railroad does control and own 120,000 acres in the San Luis Federal service area. We know also that this witness indicated that his company would not get rid of its excess lands. He stated flatly that the railroad lands were not for sale.

Getting back to my discussion of the development of the antimonopoly laws, it is pertinent to call attention to the fact that the law had to be strengthened from time to time. It has been amended repeatedly to prevent speculation and to stop loopholes which had not been apparent when the original law was passed.

Those who designed the reclamation law of 1902 inserted five devices aimed at the prevention of monopoly. First was the use of public funds to carry out reclamation programs. Public enterprise was to be financed by a reclamation fund consisting of revenues from the sale of public lands in the Western States. This fund was to recover project construction costs from the users in annual installments. In this way the fund would revolve and provide continually for new projects.

A second measure was to prevent monopolization by the commutation provisions of the homestead law when applied to reclamation projects. This commutation privilege offered a cash alternative to the requirement of personal inhabitancy of a claim. This practice, which today has been advocated repeatedly, seemed to be a part of Department of Interior policy. It has been known as the lump-sum theory. Actually, it amounts to the barter of public policy favoring the actual settlers for the monopolists' ready cash. Congress, fully aware of this, forbade commutation on reclamation projects in 1902.

A third safeguard against monopoly stiffened the inhabitancy requirements of the earlier homestead law. It stipulated that an entryman must be either a "bona fide resident on such land, or occupant thereof residing in the neighborhood and must reclaim for agricultural purposes at least one-half of the total irrigable area of the entry." The bill further authorized the Secretary of the Interior to lower the maximum area per entry to the acreage reasonably required

for the support of a family. Framers of the act of 1902 realized that the traditional quarter section granted in humid areas was often too large for a family farm on irrigated land.

The fourth safeguard against monopoly provided that water rights shall be "appurtenant to the land irrigated and beneficial use shall be the basis, the measure, and the limit of the right." Irrigationists had been greatly dissatisfied with dependence on others in control of their water supply and regarded tying water and land together in common ownership as among the surest of antimonopoly devices.

The fifth provision against monopoly in the 1902 act—and this is the most important of all—was the excess land provision. It provided that "no right to the use of water for land in private ownership shall be sold for a tract exceeding 160 acres to any one land owner and no such right shall permanently attach until all payments therefor are made." This law does not limit the amount of land an individual may own. It merely places a limit on the amount of water an individual may receive from a subsidized Federal project. This provision rests on the principle that no individual shall obtain more public water than his equitable share.

One of the first important amendments of the Reclamation Act was the Warren Act of 1911. This amendment expanded the 160-acre limitation to include water from other than Federal reservoirs if it was delivered in Federal canals and ditches.

The Senator from Illinois has stressed very much the matter of the application of the 160-acre limitation in respect to water use when the water is delivered in Federal canals and ditches.

Mr. President, I ask unanimous consent that the Warren Act be printed in the RECORD at this point in my remarks.

There being no objection, the act was ordered to be printed in the RECORD, as follows:

TITLE 43, UNITED STATES CODE, SALE OR LEASE OF SURPLUS WATERS, WATER POWER, STORAGE CAPACITY, AND WATER TRANSPORTATION FACILITIES

§ 523. Storage and transportation of water for irrigation districts, etc.

Whenever in carrying out the provisions of the reclamation law, storage or carrying capacity has been or may be provided in excess of the requirements of the lands to be irrigated under any project, the Secretary of the Interior, preserving a first right to lands and entrymen under the project, is authorized, upon such terms as he may determine to be just and equitable, to contract for the impounding, storage, and carriage of water to an extent not exceeding such excess capacity with irrigation systems operating under section 641 of this title, and individuals, corporations, associations, and irrigation districts organized for or engaged in furnishing or in distributing water for irrigation. Water so impounded, stored, or carried under any such contract shall be for the purpose of distribution to individual water users by the party with whom the contract is made: *Provided, however,* That water so impounded, stored, or carried shall not be used otherwise than as prescribed by law as to lands held in private ownership within Government reclamation projects. In fixing the charges under any such contract for impounding, storing, or carrying water for any irrigation system, corporation, association, district, or individual, as herein provided, the Secretary shall take into consideration the cost of construction and maintenance of the reservoir by which such water is to be impounded or stored and the canal by which it is to be carried, and such charges shall be just and equitable as to water users under the Government project. No irrigation system, district association, corporation, or individual so contracting shall make any charge for the storage, carriage, or delivery of such water in excess of the charge paid to the United States except to such extent as may be reasonably necessary to cover cost of carriage and delivery of such water through their works (Feb. 21, 1911, ch. 141, sec. 136, Stat. 925).

§ 524. Cooperation with irrigation districts, etc., in construction of reservoirs and canals.

In carrying out the provisions of the reclamation law, the Secretary of the Interior is authorized, upon such terms as may be agreed upon, to cooperate with irrigation districts, water-users' associations, corporations, entrymen, or water users for the construction or use of such reservoirs, canals, or ditches as may be advantageously used by the Government and irrigation districts, water-users' associations, corporations, entrymen, or water users for impounding, delivering, and carrying water for irrigation purposes: *Provided,* That the title to and management of the works so constructed shall be subject to the provisions of section 498 of this title: *Provided further,* That water shall not be furnished from any such reservoir or delivered through any such canal or ditch to any one landowner in excess of an amount sufficient to irrigate one hundred and sixty acres: *Provided,* That nothing contained in this section or section 523 of this title shall be held or construed as enlarging or attempting to enlarge the right of the United States, under existing law, to control the waters of any stream in any State (Feb. 21, 1911, ch. 141, sec. 2, 36 Stat. 926).

Mr. MORSE. Mr. President, there have been a number of administrative decisions on this point. One was a decision by the Secretary of the Interior.

As I proceed to discuss some of these decisions and administrative interpretations, and make some reference also to judicial opinion, I would have my two friends from California keep in mind the fact that we are passing a bill—if we pass the bill with such modifications as we hope we can get into it—that is bound to be subjected to judicial interpretation. I do not think the Senators from California have any real doubt about that fact, which is why I think the legislative history we make on the bill is so important. That is why I think it is so important that we make clear that we are arguing in the Senate to protect the reclamation laws, as I have outlined their historical basis and as the Senator from Illinois has so ably discussed them. It is for this reason that I am making reference to the background history, to the laws, and now to their interpretation, because in this debate we have a responsibility to the courts of America.

Here is a project which is singular in its nature. It is a project with such an intermingling of Federal and State interests, such an intermingling of Federal and State activities, such an intermingling of Federal and State funds, that we are really dealing with what we in the law refer to as a singular case.

I am not a good enough lawyer to feel that I can predict with any certainty what the judicial determinations may be in the future in regard to the effects on existing law of the passage of the bill under consideration. Nor can I predict to what extent the terms of the bill may justify a judicial modification of existing decisions. That is why I think we are talking about such an important issue. So it is important for the Senator from Illinois and the two Senators from Oregon, in making the legislative history on this bill in this debate, to make perfectly clear that the objections we are raising are pressed in order to make the record plain that we are advocating no modification of the protection of the 160-acre limitation in respect to Federal waters; in respect to Federal jurisdiction; in respect to the historic application of the reclamation laws; in respect to the principles I have quoted in my speech, including the early statements of the founders of our reclamation system. The statements of the men who spoke in the irrigation congresses, the statements of Maxwell and the statements of Teddy Roosevelt, concerning these laws are of great significance.

As a lawyer, I know what I am doing in this debate from the standpoint of laying a legal foundation for a court decision on legislative intent. Let me say, for the courts to read in the future, that the Senator from Oregon wants it clearly understood that he is proposing no modification whatsoever of existing reclamation law; that he is countenancing no weakening of the historic water policies of this Nation in relation to the 160-acre limitation; that he is agreeing to no concession to the State of California in respect to reclamation policies and the application of the 160-acre limitation to the San Luis project, so far as all Federal interests are concerned.

As a lawyer I will say to the two Senators from California that in the last analysis it will be for the courts to determine what the Federal interest is, and the courts will refer to this debate, to the statements made by the Senator from Illinois and the Senator from Oregon, to obtain the clear expression of our purposes in seeking to strike section 6(a) from the bill. I am willing to leave the matter to the courts. I only ask the Senators from California to join me in that willingness.

Let us strike section 6(a) from the bill and, if the Legislature of California in the future does not do what the Governor of California has indicated in the telegram which the senior Senator from California read into the RECORD this afternoon, by way of seeking to get legislative action in California in respect to the 160-acre limitation, the courts still will have jurisdiction over the question of the application of this bill with section 6(a) eliminated.

One of the difficulties, among the many I have in understanding the position taken by the two Senators from California, is their position as to what will be the effect of striking section 6(a) from the bill. I say, good naturedly, the

Senators seem to blow a little hot and cold about it. They seem to take the position that they do not think section 6(a) particularly affects their interpretation of the meaning of the bill.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. ENGLE. I think the record ought to be clear that only the junior Senator from California has taken such a position. I have taken the position that the distinguished Senator from Illinois is proposing to do something other than what he thinks he is proposing to do. The Senator proposes to strike out language which is surplusage to the bill, which language simply states what the law is. Striking out the language will not make the Federal law applicable to the State service area.

As Governor Brown said in his telegram, either in or out, the language does not make any difference. The section is an affirmation that this construction of the law is the construction of the law adopted by Congress. To that extent I suppose it has some importance.

At any rate, certain persons in California thought the language would be helpful in the bill. I was against putting the section in the bill, because I do not believe in stating something which is already the law, and I so told them. Nevertheless, they wanted the language in.

I wish to make it perfectly clear where we stand on this matter. I do not think the language would do any harm, particularly, in stating what the law is, except that it might invite some trouble. For that reason I did not want the language in the bill. However, it is my firm opinion that if the amendment is agreed to it will not change the law. I have told the distinguished Senator from Illinois, the author of the amendment, that if he wants to apply Federal reclamation laws to the State service area, when and if it is ever built, he must do it by affirmative language and he must make the building of the Federal project conditioned upon the acceptance of that circumstance. The Senator has not proposed that. As a consequence, the amendment boils down to a ruckus, in my opinion, about who is going to be able to interpret what the Senate does.

I have repeatedly made it clear that so far as the law is concerned, it makes no difference whether the section remains in the bill or is stricken out. I suspect that my friend from Oregon and the distinguished Senator from Illinois want to strike it out and then say, "That is proof that the Congress wants to apply the Federal reclamation law, and Congress believes it does apply." But what if the House of Representatives does something different? And who knows what will happen when the question comes before the court, as it must?

Mr. MORSE. I am glad to have that statement from the junior Senator from California.

Mr. ENGLE. I take full responsibility for my position.

Mr. MORSE. I wish to discuss the statement for a moment. I highly commend the junior Senator. I feel as though I have won half the argument. Even though it is now 6:30, we might surprise the Senate. We might clear up this question tonight, if I could win the other half of the argument represented by my dear friend, the senior Senator from California [Mr. KUCHEL]. I think the junior Senator from California has made the issue so clear in this legislative record that I am willing to rest on that record.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. MORSE. Let me finish this thought. I should like to tell the Senator why I am willing to rest on the record.

I believe that the Senator from Illinois, the two Senators from Oregon, and the two Senators from California, have made their legislative history. The final decision, as the junior Senator from California said in his last sentence, will rest in the courts anyway. I am willing to allow it to rest there. I think the statement the Senator has just made leaves the position of the Senator from Illinois perfectly clear in the RECORD. It leaves the Senator's own position perfectly clear; and ultimately the courts, in a specific fact situation brought into litigation, will apply the law.

I am willing to leave the position there. If we could obtain an agreement from the two Senators from California to strike section 6(a), I could place the remainder of my speech in the RECORD without reading it, and we could go to dinner.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. ENGLE. Mr. President, I wish to make it clear also that I intend to support my colleague the senior Senator from California in opposition to the amendment, if he desires to oppose it.

With reference to the legal situation, I wish to cite a precedent, and then I desire to ask the distinguished Senator from Oregon a question.

The question of the effect of intermingling waters has already been legally investigated. It rose in connection with the contract with the Tulare Irrigation District. The provisions of that contract appear on page 106 of the Central Valley documents.

Water was commingled in that case—the water of the irrigation district and the water of a Federal reclamation project.

It was contended that, because the waters were commingled, all the waters were thereby freed from the burden of compliance with the 160-acre limitation, which, of course, is exactly the opposite of what the Senator from Illinois is saying today. He is saying that because the waters are commingled, the limitation necessarily applies.

The Solicitor rendered his opinion, which appears on page 698 of part II of the Central Valley documents, in the same volume as the preceding reference. The Solicitor of the Department of the Interior held that a commingling of the waters did not affect the application of the 160-acre limitation with reference to Federal land, that on Federal lands the Federal reclamation law applied; and that on the local district lands, of course, it did not apply. So the question has already been before the legal authorities of the country to some extent. It has not yet been taken to court.

Perhaps one of the things section 6(a) might do would be to eliminate the necessity for such a course.

Let me ask the Senator from Oregon, who is a fine lawyer, whether or not he agrees with me that striking section 6(a) would not mean that Federal reclamation law would necessarily apply under the provisions of the bill, outside the Federal area?

Mr. MORSE. Striking section 6(a) would certainly make clear that the Senator from Illinois and the two Senators from Oregon have no intention of laying any foundation for a ruling that we are modifying the reclamation laws.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. The inclusion of section 6(a) would mean that Federal reclamation law would be eliminated on the second block of land to be brought under irrigation, and that the strategic position of the 160-acre limitation on the first block of land would be greatly weakened. Is that not true?

Mr. MORSE. I will say to my friend from Illinois that I am afraid its inclusion would allow a foundation for such a contention before a court, by which the lawyer might plead that that was the intention of the Congress.

What I am suggesting to the two Senators from California is that we strike out section 6(a), and then let the issue come as a clean case to the court—and it is going to the court—without any commitment on the part of the Congress that reclamation laws were, by the wildest stretch of the imagination, intended to be modified.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. KUCHEL. I think it might be possible for me to ask a question of the able senior Senator from Oregon——

Mr. MORSE. I wish to make one further comment to the junior Senator from California.

I wish to point out, as he himself pointed out, that he was reading a legal opinion from the Solicitor, and not from the U.S. Supreme Court. As I understand—and I am relying wholly on my recollection now—the Senator is citing a case which involved a pure commingling of water. It was not a case with the same operative facts as the San Luis case. It was not a case in which there was a vast development of Federal works, at the great cost to the Federal Government which is involved in the San Luis case. The San Luis case involves not only a commingling of water, but a commingling of facilities.

By that I do not mean to imply at all that I think the Solicitor's opinion would survive a Supreme Court test in a commingling-of-water case; but I only wish to say that there is quite a difference, if my recollection is correct—and I think

it is—between a factual situation involving only commingling of water and a factual situation such as is involved in the San Luis case, which involves commingling of both water and facilities.

Mr. ENGLE. Mr. President, will the Senator yield for a comment?

Mr. MORSE. I yield.

Mr. ENGLE. I believe the Senator is correct. I have looked up the opinion. In that case the same river was used. The facts are not on all fours by any means. However, I am of the view that it takes State legislation to apply the acreage limitation in the State-serviced area, and that, as a matter of governmental philosophy, is the way it ought to be done. I prefer to have it done that way.

Mr. MORSE. I now yield to the senior Senator from California.

Mr. KUCHEL. I thank the Senator. Earlier in the debate the senior Senator from Illinois, in endeavoring to indicate to the Senate the intention with which he had affixed his name to the amendment, used the language: "We propose to enforce the 160-acre limitation."

I have no quarrel with that language, if the able Senator from Illinois intends that the acreage limitation be applied to Federal reclamation projects. However, the senior Senator from Illinois, by the use of that language, left open what he intended the acreage limitation to apply to.

I wish to say to my friend from Oregon that I stand here advocating no weakening of the Federal reclamation law. I say at the same time that here we have a unique situation, where there is in the mountains to the east of the San Joaquin Valley only one available site for a reservoir. The Federal engineers of the Bureau of Reclamation and the State engineers of the government of California, concluded, after lengthy professional inquiry, that that is where it would be possible for the reservoir to be constructed and jointly used.

It was the intention of my able colleague and my intention to provide that the reclamation law should apply to the area to be served by the extended Central Valley Project on the one hand; it was further the intention to make scrupulously and completely clear that, so far as the waters impounded at San Luis which would go on further south into the State system, paid for by State money, State law would and, as we believe should, apply.

Having said that, I wish to read the relevant part of section 6(a) of the bill:

SEC. 6. (a) The provisions of the Federal reclamation laws shall not be applicable to water deliveries or to the use of drainage facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis unit service area described in the report of the Department of the Interior—

And so forth. Can my friend from Oregon answer this question? Is it his intention, in offering the amendment, to delete the language I have just read to make Federal reclamation law applicable to such water deliveries as are there described?

Mr. MORSE. Let me say to my friend that the only answer I can possibly give him, in the light of the debate which has taken place, is this: It is my intention to try to strike section 6(a) from the bill, so that the issue will go before the courts as a clean issue as to whether the San Luis project covers any land which may be involved in any of the operative facts presented by litigants in a specific court case.

I ask my friend to bear with me a little longer. In other words, what I am saying is that I think the issue, as to whether the land outside of what the Senators from California keep referring to as the Federal service area is or is not covered by Federal reclamation law, should be determined by the court, and should not be determined on the floor of the Senate.

Mr. KUCHEL. Why does my friend from Oregon say that?

Mr. MORSE. I ask my friend from California to bear with me a little longer. Let us take possible hypothetical litigation. Federal reclamation law does not apply to State water distributed under a State system. I am not asking that it should. However, we think there is involved in the bill a Federal question as to what extent, if any, Federal reclamation law may apply to land outside the so-called Federal service area. As the Senator from Illinois has stated time and time again in the debate—and I wish the Senator from Illinois would hear me on this point—the Federal contribution, the Federal facilities, the Federal structures determine in the first instance the very existence of the project. Without them, there would be nothing.

It is our position that we ought to leave to the courts the determination of these legal questions. We believe that even if section 6(a) is left in the bill, those questions will still have to be left to the courts. However, we also believe that section 6(a) confuses the issue. We believe that both sides in the controversy stand on an equal footing before the courts if we let the application of the bill go to the courts with section 6(a) eliminated.

Mr. KUCHEL. First of all, I wish to say that I cannot tell my friend from Oregon how greatly I appreciate the length to which he has gone in trying to find some avenue by which we could arrive at an area of agreement. I appreciate it. But I do not stand on the floor in an endeavor to be stubborn. As a Senator, I do not desire to conduct myself in a stubborn fashion. I told my friend earlier what the fact is. I have been associated with this project in the Senate for the past several years. It has been bitterly opposed by some people in my State. I introduced the bill only after the State government had recommended that Congress proceed to approve it, and only after the Bureau of the Budget and the Department of the Interior likewise made such a recommendation.

A similar bill passed the Senate, as Senators will recall, a year ago. It was not considered by the House. Last January my good friend and colleague from California [Mr. ENGLE] and I were finally able to bring together all the several contending and disputing factions in California. I say to my friend from Oregon that I refer now to public factions. I do not speak of large landowners. Heaven knows, I stand on this floor trying to do what is best for the people of my State. I speak of the public agencies which were involved. Some requested that the language of section 6(a) be adopted as an amendment, so that it would be crystal clear, quite beyond the capacity of any administrator to mistake, that we intended Federal reclamation law to apply to the Central Valley project, and that we intended State law to apply to the State project. The fact that those two projects were to cross at one point, where the Creator in His wisdom provided a site for a future reservoir, should not interfere with the manner in which the system would be carried forward under Federal law, in one instance, and under State law, in the other.

Mr. DOUGLAS. Mr. President, will the Senator from Oregon yield to me, so that I may propound a question to the Senator from California?

Mr. KUCHEL. May I continue for a moment or two?

Mr. MORSE. Oh, yes. I have yielded to the Senator from California.

Mr. DOUGLAS. I thought the Senator from California had finished.

Mr. KUCHEL. The agreement, to the extent that I was able to participate in achieving it among my own constituents, represented one of the bases upon which we in California became united.

But I say to the able Senator from Oregon—and I speak to him as a lawyer, which the able Senator from Illinois is not—when the Senator from Illinois spoke earlier in the debate to indicate that, in his judgment, the amendment to which both he and the Senators from Oregon have affixed their names was intended to require Federal reclamation laws to apply to every drop of water which went into that joint-use dam and reservoir, my colleague, the junior Senator from California [Mr. ENGLE], and I both opposed it; and if that were the intention of the amendment, we would want it defeated. That is why I have tried to ask, with some regard to the language I used, the question I asked a few moments ago.

Mr. MORSE. It is a very fair question. I will comment on it again after I have yielded to the Senator from Illinois.

Mr. DOUGLAS. Preliminary to the question I shall ask, I may say there are, of course, two blocks of land which will be involved. The first block consists of approximately 440,000 acres which will be brought under cultivation by irrigation from works to be constructed solely by the Federal Government. The second block, of approximately the same amount—possibly up to 500,000 acres—will be brought under cultivation by facilities which the Federal Government has already furnished and will furnish, plus added facilities which the State says it will furnish.

As I understand the senior Senator from California, he is saying that State law should apply to the second block of land. I ask my good friend—and I hope he is still my good friend——

Mr. KUCHEL. Indeed he is.

Mr. DOUGLAS. What is the California law so far as land limitation is concerned? As I understand, there is no such law in California at present; therefore, for the Federal Government to abandon jurisdiction on this point would be to create a vacuum. Thus, the existence of section 6(a) would furnish the courts a great deal of presumptive evidence that it was the intention of Congress that the 160-acre limitation would not apply.

I admit I am not a lawyer. At times I assert the fact that I am not a lawyer; at times I am rather proud of the fact. But I ask the Senator from Oregon if this horseback opinion of mine is so far from the truth.

Mr. MORSE. Blackstone would give the Senator from Illinois a medal. I think he has made a very clear statement of the situation.

I do not think we are so far apart as I am afraid the senior Senator from California seems to think we are. What I am saying to him, to go back to the statement I made a minute or so ago, is this: My position is that the reclamation laws do not apply to what are designated as solely State projects. I have no intention of seeking to apply them to State projects. That is a principle of law which nobody can question. The reclamation laws do not apply to State projects.

We who oppose section 6(a) in the bill take the position that the senior Senator from California and the junior Senator from California are, in effect, seeking to have the U.S. Senate pass upon a legal question, in relation to this particular project, which we think should be left to the courts. The junior Senator from California says he does not think it makes any difference whether this section is in the bill or not; he is satisfied that the courts will hold, when the question gets before the courts——

Mr. ENGLE. I will be glad to have the matter settled right here and thus abate the rumpus a little.

Mr. MORSE. I understand the Senator is willing to have the matter settled here. That is, I must say, an admission on the Senator's part of how sound the senior Senator from Illinois is in the amendment which he has offered, because he then points out that it does make a difference whether the section is in or out of the bill. I assume, from what the junior Senator from California says, that if the section stays in, he thinks he has it settled, but if it goes out, he does not have it settled.

What I am saying—and this is why I have gone into a discussion of the long history of the reclamation laws and the irrigation programs—is that we have here a case, in order to protect the reclamation laws in respect to other cases which may have variations in their facts, which the two Senators from California should be willing to allow to go to the courts.

If the Senators from California think the position is clear that a part of the project is clearly a State project and in no way is sufficiently charged with a Federal interest, so that any Federal reclamation law could be applied to it, why do they not let the question go to the courts? We who are opposed to section 6(a) as it is in the bill, are willing to do that. If the Senators from California are sound in their argument and sound in their interpretation of the law, they have nothing to lose.

If, on the other hand, what they are really trying to do is to estop the courts from making a legal determination of whether under this set of facts Federal reclamation laws do apply, then I say most respectfully that the bill should not be before the Senate. What ought to be before the Senate, then is a proposal for a revision of Federal reclamation law, rather than an attempt to revise Federal reclamation law through the medium of this bill.

I ask the Senators from California to bear with me a moment longer. What DOUGLAS, NEUBERGER, and MORSE are trying to do in this debate is to take the precautionary and preventive steps which will assure the people of the country that we are not modifying the Federal reclamation laws by way of the San Luis bill which, in other respects we approve. All we are trying to do is to leave to court determination the ultimate decision as to whether any phase of the operation is exempt from the Federal reclamation laws. I do not know how I could make a clearer legislative history than that. It is a legislative history which I think protects the interests of the Senators from California and at the same time protects the national interest which I think all the people of the Nation have in the reclamation laws as they are, without any modification. It is not for us to interpret those laws; that is a function of the courts.

It seems to me that all we have to do, in order to have this issue reach the court, is to agree to strike out section 6(a).

I am sure that both the Senators from California—who are very able lawyers—will, if between now and Monday they will read my remarks, reach the conclusion that I have made a very fair and very clear legislative history regarding the purpose of the Douglas-Neuberger-Morse amendment, which in no way impairs the San Luis project.

But we fear that with the language of section 6(a) included in the bill, it may impair the Federal reclamation laws. We say this bill is not a proper vehicle for dealing with a possible modification of the Federal reclamation laws. We think that if the California Senators wish to take up that legislative issue, here on the floor of the Senate, they should proceed by means of a separate bill which will call for amendments to the Federal reclamation laws.

By the way, Mr. President, let me say that I happen to think that some are needed; and—although some persons may be aghast when they read this statement tomorrow in the RECORD—I happen to think that the 160-acre limitation under some fact circumstances in the country probably should be modified—for instance, in the highly arid areas of the country where 160 acres or 320 acres under modern agricultural conditions and problems cannot begin to support a family.

So what I am talking about is not that under no circumstances do I favor any modification of the 160-acre limitation; but I say that in this richest Garden of Eden in the United States—I do not think there is a more fertile area in the Nation—I do not wish to see the 160-acre limitation modified in any way in respect to any acres over which the reclamation laws may have jurisdiction. But the Senators from California and I cannot tell whether they do or not. That is for the courts to determine.

I think we have made a legislative record for the two Senators from California, so they can go back to California and can say before any group—I care not how partisan it may be in regard to this matter—"Senator DOUGLAS and Senator MORSE said, when they urged the striking out of section 6(a), that their position is that with it out, then they favor having the courts determine to what extent, if any, the Federal reclamation laws apply to the Federal part of the San Luis project."

Let me ask the Senators from California whether they have ever thought that it is not beyond the realm of legal possibility that the courts might say that, because the two sovereigns entered into a joint enterprise, there was a great modification in respect of the application of the reclamation laws. I do not know what the Court would hold. So far as I know, there is no U.S. Supreme Court decision precisely interpreting the legal effect of a joint venture of this type.

All I am saying—and I do not mean this negatively—is that I do not think it is fair to those of us who live outside the State of California, and who have the record that we have, during the years we have been in the Senate, of serving as watchdogs and guardians of the reclamation laws, for the Senators from California to ask us to go along with their bill which raises in our minds the very question as to whether it modifies the reclamation laws. Our point is that if the two Senators from California want to modify the reclamation laws, they should bring before the Senate a reclamation bill, not a water project bill.

Mr. DOUGLAS. Mr. President, will the Senator from Oregon yield to me?

The PRESIDING OFFICER (Mr. CARROLL in the chair). Does the Senator from Oregon yield to the Senator from Illinois?

Mr. MORSE. I yield.

Mr. DOUGLAS. The Senator from Oregon has properly stressed both the nature of the reclamation laws, so far as the limitation on land holdings is concerned, and the purpose of those laws. Is not the purpose to establish the family-sized farm?

Mr. MORSE. That is correct, and the case I have submitted to the Senate shows that to be so.

Mr. DOUGLAS. The Senator from Oregon has stated that in high altitudes

it may be desirable to increase the limitation.

Mr. MORSE. That is correct.

Mr. DOUGLAS. Is it not true, however, that in low altitudes, such as in the Central Valley, on the rich, volcanic-ash soil, where the coming of water will cause the crops to sprout, perhaps there should be a lower limitation—lower than 160 acres?

Mr. MORSE. That is what I have said.

Mr. DOUGLAS. Is it not possible that if this debate goes much further the Senator from Oregon and I will propose a 60-acre limitation on that land, and also a provision that not more than one member of a family can take title to such land? Then perhaps we shall really approach a family-sized farm.

Mr. MORSE. Let me say that when I said, in effect, that I do not think the 160-acre limitation is sacrosanct and unchangeable, I recognize that there are fact situations which would justify a modification of it. In some cases, 320 acres might not be enough. But, of course, I also believe that if we are to deal with any proposed legislation which would give consideration to revisions and modifications of the reclamation laws, we probably should consider proposals that—in some sections of the country where there is deep, rich soil—much less than 160 acres should be the coverage——

Mr. DOUGLAS. Which is admittedly the case in the area we are now discussing.

Mr. MORSE. That in such areas much less than 160 acres should be the coverage, because in such areas a much smaller acreage would support a family-sized farm.

Mr. DOUGLAS. Mr. President, will the Senator from Oregon yield to me?

Mr. KUCHEL. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. Mr. President, first I yield to my colleague, the Senator from Illinois; and then I shall yield to my friend, the Senator from California.

Mr. DOUGLAS. Is it not true, as the Senator has earlier read into the RECORD, that the Fresno Chamber of Commerce—which supposedly should know about the circumstances which exist there—has said that 20 or 30 acres planted in oranges or 30 or 40 acres planted in apricots, and so on, will support a family? Those figures seem to be accurate.

The Senator from Arizona confirmed the general accuracy of those figures—although not necessarily their precise accuracy.

Will the Senator from Oregon join me in drafting an amendment to the effect that not more than 60 acres shall be the limitation there, and that not more than one member of a family can hold 60 acres? Then we might really have family-sized farms for that area; and I hope my good friends, the Senators from California, would like that very much.

Mr. MORSE. I shall give consideration to that.

But I should like to make a David Harum suggestion to my friends, the Senators from California: If they will let me go to California and select just 20 acres, I have some acres in Oregon and in Maryland that I will trade for it.

Mr. KUCHEL. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. KUCHEL. After the most conciliatory efforts that our friend, the Senator from Oregon, used as a basis for his honest, sincere attempt to find a common ground on which all of us could stand, then my friend, the Senator from Illinois, comes along with his mass of misinformation——

Mr. DOUGLAS. Mr. President, does the Senator——

Mr. KUCHEL. Mr. President, I have the floor—and with his mountain of confusion, talks about orange groves in Fresno. I wish to say to my friend, the Senator from Illinois, that he should try the conciliatory tactics of our friend, the Senator from Oregon.

Mr. DOUGLAS. Mr. President, I had not noticed that the senior Senator from California was very conciliatory in his remarks on this bill, although I hope for his conversion and improvement.

Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. DOUGLAS. Let me say that I have the highest opinion of the Fresno Chamber of Commerce. Let me point out to the senior Senator from California that I have quoted figures which were published by the Fresno Chamber of Commerce, namely, that a family could make a living on from 20 to 30 acres planted in oranges—and certainly some of this land will be planted in oranges—or could make a living on 30 to 40 acres planted in apricots.

Does the Senator from California impugn the veracity of the Fresno Chamber of Commerce? If so, I rise to its defense.

Mr. KUCHEL. To the contrary, Mr. President, I comfort myself in the belief that the Fresno Chamber of Commerce considers that my record here in the Senate is not unacceptable.

Mr. ENGLE. My colleague has fine support there, I assure the Senator.

Mr. DOUGLAS. If the Senators from California want family-sized farms, let us put a 60-acre limitation in effect, and provide that only one member of a farm family can have such a farm.

The Senator from California has referred to the aggressive tactics of the Senator from Illinois as compared with the conciliatory tactics of the Senator from Oregon. The Senator must know that in every partnership it is well to have one partner "rough them up" and another to "smooth them down." The Senator from Oregon and I have this division of activity. We believe that those who try to conciliate are in a better bargaining position if there is someone who first makes a mass attack.

Let me say to the Senator from California, however, that I am not fooling about this matter. The Senator may find there is a proposal for a 60-acre limitation on the floor of the Senate——

Mr. KUCHEL. I do not quarrel with the right of the Senator from Illinois to propose any acreage limitation. I trust the Senator is not engaged in modifying the reclamation law.

Mr. DOUGLAS. No; I want to carry out the spirit of the reclamation law, which is the encouragement of family-sized farms.

Mr. KUCHEL. The Senator is entitled to that opinion, but I disagree with him.

Mr. DOUGLAS. Do not run.

Mr. KUCHEL. I am not running; I am merely going back to my desk.

Mr. DOUGLAS. Do not run. I want to make a classical comparison. The Senator from California is well aware of the fable of the Sicilian innkeeper named Procrustes, who had a bed of a given length. People came to stay at the inn overnight. If they were too short, he would stretch them out. If they were too long, they were hacked off to fit the bed. It was an inflexible bed; and so the expression Procrustean bed came into being.

There are many such defects connected with the 160 acreage limitation. Hitherto what we have been doing is "stretching the bed," but leaving it in excess where people were shorter, and so forth. Now, I am proposing——

Mr. KUCHEL. The Senator would hack them off.

Mr. DOUGLAS. No; I would not hack the people off. I am proposing to have a flexible system. If the system is expanded for high altitudes, it should be contracted when applied to land such as that in the Central Valley.

So I think the 60-acre proposal I make for the Central Valley is a good one. I hope the Senator from Oregon, who has stood on the floor valiantly fighting for the people this afternoon, will think about it, and we could be joint movers to really establish the family-sized farm in the Central Valley.

Mr. MORSE. I am not too sure 60 acres is not too much.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from California.

Mr. ENGLE. I should like to make a serious comment about the Senator's suggestion that this matter should be settled in court. If we are going to challenge the basic application of the reclamation law, we ought to do it in the legislature that created the law, namely, the Congress of the United States. If Congress encourages, by any action, taking this project, or any part of it, into court, we are not going to build this project for another 10 years. The Senator knows how long it takes to get these cases through the courts.

If there were an administrative ruling, or a ruling by a court of the lowest jurisdiction, that Federal reclamation law applied outside of a Federal service area, I would promptly introduce a bill to change the law and to provide that Federal reclamation law shall apply only to a Federal service area, so that a State could legislate, as it should, with reference to its own responsibilities.

I merely wanted to make my position clear, because the suggestion of getting into court is just about the fastest way I know of to end the prospects of any project.

Mr. MORSE. I merely want to make one comment on that statement. The

matter could not possibly be kept out of court, with or without the section in the bill. I do not think the bill will stop preliminaries on the project from going ahead. I am in favor of that. I do not think anything could be put into the bill which would stop litigation on it, nor would I try to do so, if I could. All I am saying—and I stress this to the Senator from California—is that if the intention is to modify the reclamation laws by any such language as is contained in section 6(a), I think the Senate should reject it.

Mr. ENGLE. We do not modify it; we merely restate the law.

Mr. MORSE. I know that is what the Senators from California say, but that is what the argument is all about. If the comments in opposition which have been made are true—and I think there is great merit in the argument that the provision affects the reclamation laws—then the vehicle the Senators are using ought to be rejected, and the two Senators from California ought to be told by the Senate that they should come forward with proposals for revamping the reclamation laws.

I hope the two Senators from California will read very carefully the language I have used in stating the position of the sponsors of the amendment in respect to the effects we intend by our amendment. If they study the language, I think they will be led to agree that they should accept our amendment, unless they want to take the position it is their intention to use this section as a vehicle for modifying the application of the Federal reclamation law.

I should like to close my legal argument with the statement that the legal rights under the Federal reclamation laws are not singular to the people of California. The legal rights under the Federal reclamation laws are, in effect, of great value to the people of every State of the Union. What the two Senators from California, I respectfully submit, are really doing, in view of the serious question before the Senate as to the legal effects of section 6(a), is asking us possibly to endanger the rights of the people of every State under the reclamation laws of this country, because once those laws are changed in respect to this project, then I do not have to tell the Senators from California, as two good lawyers, a precedent will have been set which will result in the laws being changed throughout the country. We are not going to do that in the Senate if we can prevent it.

I am satisfied, from the discussions had by the considerable number of my colleagues in the Senate this afternoon, that there is a strong point of view in the Senate that it should not pass the bill if there is any possibility that it may produce an effect by way of a change in the reclamation laws.

I think we have been very fair with the Senators from California. If it is true that the Senators from California do not intend to change the law, if it is true that all they seek to do by section 6(a) is to state that the Federal reclamation laws shall apply, then I know of no basis on which they should not agree to strike out the section. If the Federal reclamation laws apply, there is no need for section 6(a). If the laws do not apply, it does no good to have that section in the bill. Having the section in greatly confuses the legal picture.

We want to pass a bill which will give the Senators from California the San Luis project. We are for it. We want to give the Senators from California a bill which provides the people of California with the benefits of the joint venture between the State of California and the Federal Government. But we want to make certain that we are passing a bill which does not in any way transgress the rights of all the people of the United States in existing Federal reclamation law guarantees.

I think that is a fair statement of our position, I will say to the senior Senator from Illinois. On that basis we offer our suggestion that the Senators from California accept our amendment, which we hope they will do on Monday, and then we shall stand shoulder to shoulder with them in the Senate in support of the bill.

There is considerable opposition to the bill in the Senate now, even if section 6(a) is removed from the bill.

I happen to come from the west coast, along with the Senators from California. I am very much concerned about problems which confront us jointly as representatives of Western States with respect to the future of the development of our water resources. We have stood together time and time again in connection with great public works for the West, which we so sorely need. I think we ought to try to find an area of accommodation, so that we can continue to stand together, so that California will get the project, but also, so that Senators from States other than California will not be put in the indefensible position in their home States and elsewhere in the country of having let a legislative measure pass the Senate which could be possibly interpreted as one which in fact modifies the reclamation laws.

I do not think we ought to be put in that position. I make the plea that we not be put in such a position. I ask the Senators from California to talk to the leaders of groups in their State over the weekend. I trust they will invite attention to the attitude the Senator from Illinois and the senior Senator from Oregon have taken in the debate, in the hope that on Monday we can agree to strike section 6(a), so that we can quickly close ranks and join in opposition to those who, I think, are going to oppose the project in its entirety.

Mr. President, as I was saying, there have been a number of administrative decisions on this point. One of these was an opinion of the Secretary of Interior to the effect that the 160-acre limitation was permanent. In 1914, we had the famous King instructions which disagreed with the Secretary's interpretation. This opinion has never been recognized by Congress, and it should be emphasized that it is only an administrator's opinion. I call attention to the fact that no time limitation is mentioned in the antimonopoly law and the fact that the framers of the law indicated that they were trying to promote permanent family farms, not just temporary ones.

The King opinion, while relied on by those who were opposed to reclamation law altogether and by others who advocated the lump sum theory, has never really been considered a firm Department of Interior policy. Secretary John Barton Payne did refer to it once in 1920. However, experts in the field tell us it was never actually a part of administrative policy, although 23 years later, in 1943, a legislative analyst of the Bureau of Agricultural Economics reviewed the history of the excess lands provision and quoted the King instructions with seeming approval, without examining the basis of King's opinion. The King instructions were mentioned again in August 1945, in a memorandum of the Solicitor of the Department of the Interior. This memorandum merely recited the instructions in a footnote without inquiry. The next year, the Bureau of Reclamation cited the King instructions and added its own proviso, which referred to the limitation as applying before final payment in full was made.

Out of this and other interpretations grew the lump sum theory, actually the original interpretation seemed to refer to land owners who had paid all of their installments and in the manner provided in the repayment contract. I do not believe these early interpretations had in mind a lump sum payment under which a wealthy individual could pay up his own installments and possibly lend money to his neighbor, which would be used to fulfill the obligations of the reclamation contract. It is seen what abuses could develop if such a practice became widespread. Great corporations could underwrite or assume the obligation of the irrigator in some way which would enable the obligation to be satisfied.

The point I want to make is that the lump sum theory, which in my opinion, would defeat the purposes of the Reclamation law has never been sanctioned by Congress. It is merely an administrative opinion shared by a few administrative employees. So far as I know, it has never been seriously defended in the Congress.

The 160-acre limitation logically has developed alongside the preference provision which is also an antimonopoly law which would prevent large corporations from depriving power users of their rights to buy power from Federal projects.

These laws, are fundamental to democracy and merely set forth the principle and outlive the method whereby citizens may obtain the greatest possible benefits from their own resources. There has been, of course, as much objection to the antimonopoly preference clause in regard to federally generated power as to the antimonopoly land law. The same groups oppose both of these laws. The same groups have devised many devious interpretations; have written legislation which they have attempted to get the Congress to enact.

When the Southern Pacific Railroad urges the passage of a bill and admits that it has an interest in the reclamation project, which the bill authorizes, you may be sure that the legislation should be scrutinized carefully. The record of this company in opposing reclamation law is clear.

Efforts to destroy the law have been unceasing. The campaign against the 160-acre limitation was in full swing during the 79th Congress.

The big landowners, having failed in their attempt to convince the Department of the Interior that they should be exempt from the 160-acre limitation, organized a legislative campaign. It was conducted so skillfully that a plan designed to cripple the 160-acre limitation passed the House as a rider to the rivers and harbors bill in 1944. This legislation would have exempted projects in California, Colorado, and Texas.

On the Senate side, the most extensive hearings in the history of the controversy were held. They lasted for more than a month and comprised 1,300 pages of testimony. Testimony was introduced into the hearings deemed to prove that the big landowners did not want or need the water, but that they would get it anyway, if reservoirs and other facilities were built, because of seepage or percolation.

Every argument under the sun was trotted out at this hearing. Some farmers were induced to say they did not want the limitation. Witnesses repeated over and over that the law was unworkable, never had worked, never had been enforced, was to the detriment of everybody, and would lead us down the road straight to communism.

Those in favor of the law, however, carried the day, because they brought facts to the hearing. Officials of the Bureau of Reclamation testified. Commissioner Michael Straus disproved the statements of those seeking to destroy the law. Straus pointed out that farmers all over the West had been signing repayment contracts for years, and had voted overwhelmingly in many elections to go along with the law and subject themselves to its requirements.

Straus also introduced facts into the hearing indicating big landowners had subjected themselves to the law's requirements by getting rid of their excess acreages.

The result of the hearings in 1947 was defeat of the proposal to repeal the 160-acre limitation.

Past administrations have refused to support the lump sum school of thought and while Congress has taken no action against the King instructions, it has never affirmatively approved the lump sum theory.

Secretary of Interior Chapman refused to negotiate a lump sum repayment contract when he was Secretary. Chapman rightfully refused to yield to the demands of the big landowners in the King's River area. This particular project which included Pine Flat Dam has probably aroused more controversy than any other project in the United States. The history of this project proves that big landowners cannot be forced to sign contracts.

Those attempting to set aside reclamation law in regard to this project contend that the regulation should not apply because the Army Engineers built the dam. Although the Army did build the dam, Congress provided, under section 8 of the Flood Control Act that water from the project should be administered under reclamation law.

Unfortunately, the activity of the Army Engineers has been a source of a great deal of trouble involving the project.

The Army engineers insisted from the beginning—and this goes back to the late 1930's—that they should build the project, that it should not be administered by the Bureau of Reclamation.

In 1939 President Franklin D. Roosevelt, aware of the interagency conflict over the project, viewed the King's River controversy with such concern, particularly in regard to any precedent that might be set for irrigation and flood control, that he instructed the two agencies to keep their reports confidential. He further instructed all the agencies involved, including the Department of War, Interior, and Agriculture, in cooperation with the National Resources Planning Board, to draw up a memo of agreement, which he assumed would preclude possible conflicts.

These plans might have come along successfully had not the War Department ignored the National Resources Planning Board and sent its report direct to Congress. The Engineers, on their part, sent their report to the White House. The War Department, in effect, was defying its superior officer in sending its report direct to Congress.

The rivalry of these agencies and differences of opinion in regard to reclamation law was the cause of this confusion.

The Army report also turned up in Congress and the Chairman of the NRPB wrote in early 1940 that since the Army report had ignored reclamation law and had already gone to Congress that the report of the Bureau of Reclamation should also go to the Congress.

As a result, Congress received two separate reports from these Federal agencies that were similar in figures in engineering, but far apart on matters of water policy. Thus, a controversy developed with the Corps of Engineers on one side against reclamation laws and the Bureau of Reclamation on the other side for it.

The basic differences in the two reports were the water use philosophies of the two agencies. The Bureau of Reclamation, responsive to reclamation laws and other laws enacted by the Congress, worked on the development of the King's River area as part of a comprehensive plan for the Central Valley Basin with emphasis on water conservation and as wide as possible distribution consistent with the 160-acre limitation. The Corps of Engineers, on this project, rejected this view. The Army engineer overseeing the project told the Central Valley Basin Drainage Committee, "The Army investigations have been only from the standpoint of flood control."

The question arose whether or not the project should be built in accordance with flood control law or reclamation law. Significantly, the differences between these two laws relate to the matter of repayment. With respect to repayment, reclamation laws require the repayment of irrigation costs by water users in periods up to 40 years with the addition of the developmental period not to exceed 10 years, but free from interest. Water users, therefore, must pay project costs allocated to irrigation.

In the King's River reports, the Bureau recommended that water users repay irrigation costs over a period of 40 years without interest. The Corps on the other hand recommended that local interests contribute a lump sum for irrigation benefits. It is seen that the Army method paid little attention to the reclamation law. It would give large landowners as much water as they needed and that they could pay for. It is important to remember, in discussing many of these projects, that a large part of the project will inevitably be paid for by the general taxpayer, since flood control, navigation and other purposes under the Army Engineers plan would be nonreimbursable. Thus, even though the Army Engineers suggested that irrigators should pay 3½ percent on the part allocated to irrigation, a large part of the project would be subsidized.

The result of the conflicting plans was great concern on Capitol Hill.

Congress finally decided that the Army Engineers should build the project. However, Congress did decide to save the 160-acre limitation by authorizing the Bureau to sell the power and administer the irrigation benefits. In other words, it said that the project should be administered under reclamation law. The big landowners refused to sign contracts in the hope that eventually they would get the water anyway. The same thing in my judgment will happen in the San Luis area. I realize the common practice is not to require signing of contracts until water is available, but it seems to me in these extreme instances, such as King's River and San Luis, where large landowners have consistently refused to sign contracts, that contracts should be signed before construction starts. I do not believe it can be overemphasized that the Southern Pacific has stated that, in effect, it will not sign contracts. Its attitude in this San Luis proposal will probably be the same attitude as that of the big landowners on the King's River project.

It seems to me the Congress should learn something from experience and not go on making the same mistakes over and over again. A child burned once will stay away from the fire, but apparently the sponsors of this legislation want the Federal Government to be burned by the big landowners again and again and again.

The King's River situation, according to my information, is just as bad today as it ever was. This is not history. This is something that is going on at the present time. For 5 years big landowners in the King's River area are getting water from the Pine Flat Dam without full compliance with the reclamation law.

This bill provides that the 160-acre limitation should not be applicable in so-called State service areas. Nobody seems to know what the State service area is, even though it is mentioned in the bill. Nobody knows the amount of funds which the State government is supposed to put into this project. So far, there has only been talk. The Governor of California says that he is going to ask the legislature to float a bond issue. There have been some statements made that the portion of State funds will be 60 to 40. All this is vague, too.

This legislation should be considered in the light of the record of the Department of the Interior in zealously attempting to carry out our reclamation laws. Secretary of the Interior McKay followed the lump sum theory and prepared to negotiate a contract under which the big landowners would get hold of the King's River area by payment of $14 million.

I am advised that the Pine Flat Dam cost approximately $50 million.

This indicates the kind of an agreement that we might get from the Secretary of Interior. Although Secretary Seaton refused to approve the McKay action, he went on to say that he believed in the lump sum theory. In a letter dated July 12, 1957, Secretary Seaton in the next to the last paragraph reaffirms the support of the lump sum theory in this language:

> The Department continues to recognize and support the basic concept of reclamation law that full and final payment of the obligation of a district to the Federal Government ends the applicability of the acreage limitations.

Secretary Seaton goes on to say that the issue in the case was whether the contract provided for a release to the individuals rather than a district as a whole. Here is the exact language:

> But the overriding issue here is whether this contract which provides for the release of individuals, rather than a district as a whole, should be approved.

Note that the Secretary says the terms of what a contract should be depends on factors in a given case. I am sure that the Secretary of the Interior under this administration, given the wide range of authority to negotiate agreements as set forth in this legislation, will find some way to subvert reclamation laws in regard to the San Luis area.

This $68 million as set forth in the testimony of Mr. Dominy, Associate Commissioner of Reclamation, who is now Commissioner as of May 1, on page 260 of the House hearings on H.R. 5687, the companion bill, in March 1959, indicates that the $68 million subsidy to be paid out of power revenues only relates to the initial $290 million, which is spelled out in this bill. Mr. Dominy said:

> The overall San Luis project, without the Avenal Gap, but including the provision for the additional capacity, ultimately, $68 million of that would be paid from power and about $216 million of it would be paid from irrigation and about $5,900,000 from municipal and industrial water.

Mr. Dominy did not indicate what portion of the $192 million, which he estimated to be the cost of the additional distribution system would be paid for out of power revenues.

According to figures based on recorded ownerships, the Kern County service area of the State water project includes the following acreages: Standard Oil, 112,275.48; other oil companies, 201,-964.67; Kern County Land Co., 348,-026.46; Tejon Ranch Co., 168,531.07; other private holdings over 1,000 acres each owner, 491,732.06; Government land, 122,692.13; and private holdings under 1,000 acres each owner—including all city, county, State, and subdivided land—647,164.40; Southern Pacific, 45,141.68.

Assuming that these big landowners can get out from under the 160-acre limitation, it is easily estimated how much subsidy, big landowners might realize.

I am informed that in the Central Valley irrigation adds approximately $700 in value to each acre. This means that the Southern Pacific Railroad, if it can get hold of this subsidized water could realize a windfall on the 120,000 acres which it owns on the project.

Mr. President, the foregoing constitute some of the reasons why I oppose the portion of the San Luis bill which I believe would irreparably injure the 160-acre limitation—section 6(a).

I endorse and support fully the amendment of the able Senator from Illinois [Mr. DOUGLAS] to strike section 6(a) from this bill. This objectionable section would, in my opinion, impair or nullify an important historic, and I think wise, national policy established and frequently upheld by this Senate to foster family-sized farming in this country and to protect the United States from the perils of corporate agriculture, and further annointing concentrated wealth with taxpayers' money at the expense of the small independent individual farmers whom we seek to assist.

It is also my hope that the sponsors of this authorization will conclude to accept the Douglas amendment.

Stripped of this objectionable language of section 6(a), I would welcome an opportunity to vote for authorization of the San Luis project to advance California and the Nation's destiny. Basically, it represents the type of endeavor I have long advocated in my State and elsewhere, in which I believe this Senate should recognize our positive responsibilities to aid, assist, and secure the full potentials we need in developing our natural resources. That we can do without quibbling or dodging or overlooking our clear duties.

So I hope this amendment striking section 6 (a) will be accepted by the sponsors without the necessity of asking a roll call thereon. Thereby many of us would be enabled to congratulate California on reaching some semblance of resolution of some of its internal disputes that have long arrested full development of these lands.

More positively, we can assist her by voting this authorization now at long last in the public interest. We have before us a matter of important national policy reflected somewhat obscurely in this section 6(a) to which I object. I cannot accept the explanation that it is unimportant or without design. Language stating as this does, "The provisions of the Federal reclamation laws shall not be applicable * * *" we know does not appear in this bill by accident. There is a purpose, and the purpose here is to strike down and kill off a major all-American philosophy we have hammered out and upheld time after time in this Senate and which is fundamental economically, sociologically, and politically to our philosophy. The Senator from Illinois has put our problem in historical context for us and I need not repeat, but I will have no part in incorporating this nullification of national policy in our statute books.

Thirty-four of us happen to come from and represent 17 western reclamation States. Speaking only for Oregon, I can tell Senators my constituents believe in, abide by, and support the reclamation laws they helped to secure over the years, including this family-sized farm keystone.

Frankly, I would be amazed if the constituents in other reclamation States did not feel the same way about this keystone of reclamation law. I do not see how it could be in existence if they did not. After all, the reclamation States wrote the reclamation law and presented it in this Senate over the years.

The reason I feel so strongly about this section 6(a) is that I know if it survives, it will not be confined to California as in this bill.

In the west there exists a sort of tom-tom telegraph system. In water matters there has long been a type of "most favored nation" approach and Federal law applicable to one State is immediately sought in the others. So I am not against the policy of section 6(a) just in California. I know that if we condone this exception there, it will next pop up in Oregon and elsewhere in the west.

That is only natural. After all, at least half a million and perhaps a million acres would be exempted from acreage restriction in California in this bill. How could we stop the same exemption in other States?

I know I would be confronted with the problem in Oregon. And even if I feel sure how my people feel about it I do not want to have to fight the same battle over and over again in each individual State.

This is a true question of national policy that we cannot, and should not dodge by playing ostrich. Let us settle it here today.

A matter of great significance, that goes far beyond partisan boundaries, is hidden in section 6(a).

The judicial division of this Government recently upheld, in the Supreme Court decision in the Ivanhoe case, the family-sized farm principle. It was a unanimous decision growing out of a different theory of escaping acreage restriction arising in this same area of California. In fact the Ivanhoe decision

came down just before section 6(a) popped into this bill and it, therefore, represents, to a considerable extent, an endeavor to legislatively reverse the Supreme Court. I do not believe that is good government.

The Honorable Fred Seaton, our Secretary of Interior and a former Senator, recently spoke out on the acreage law. Again, it was on a matter arising from this area in California. It had to do with a contract, clearly in his jurisdiction, in which it was proposed that some big landowners buy their way out from under the 160-acre laws by so-called lump-sum payments. They felt this would get them priceless water for any amount of land by an elaborate legalistic rationalization.

But Secretary Seaton rejected that escape theory on high moral grounds. Seaton in effect said that he could never be a party to whittling away this basic and fundamental policy.

Secretary Seaton is the Republican spokesman in these matters and I'm definitely not criticizing him.

But if he would have no part of "whittling away" acreage restrictions in that little obscure contract what would he think of section 6(a) in this bill? Here is no whittling away operation. Here it is proposed to do it wholesale with a buzz saw.

Let us be merciful and not confront Secretary Seaton with an issue where, if he is consistent and true to his public proclamation, he would have to recommend that this bill, should it contain section 6(a), must be vetoed. Let us save him such embarassment and take care of section 6(a) right here and now—preferably by the sponsors accepting the amendment of the Senator from Illinois.

That is the easiest and simplest way to perform our duty.

In closing my speech, Mr. President, in support of the Douglas amendment, I desire to read a very fine statement in opposition to section 6(a), written by Angus McDonald, coordinator of the division of legislative services of the National Farmers' Union.

Mr. President, earlier in my speech I read the statements of the so-called little people of America, the dirt farmers of America who attended the early irrigation congresses and inaugurated the great history which has been built around our reclamation laws. We have those little people today, Mr. President, and I use the word "little" as a great commendation of men such as Angus McDonald. He is an ardent conservationist. He has been a dirt farmer for many, many years. He has a feel for and an understanding of the importance of preserving the family-sized farm in America.

As the Coordinator of the Division of Legislative Services of the National Farmers Union, Mr. McDonald has written a very sound, and I think unanswerable, argument in support of the position which the Senator from Illinois [Mr. DOUGLAS] and I have taken throughout this debate. I ask unanimous consent that it be incorporated in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL FARMERS UNION,
Washington, D.C., May 4, 1959.

Hon. WAYNE MORSE,
U.S. Senator, Washington, D.C.

DEAR SENATOR MORSE: I am writing you in regard to S. 44, a bill which authorizes Federal development of the San Luis project in the Central Valley of California. Unfortunately when this legislation was the subject of hearings, held by the Senate Interior and Insular Affairs Committee, I was out of town attending the annual convention of the National Farmers Union and was unable to appear in opposition at the hearing. The hearings, I believe, were called rather suddenly. At any rate the Farmers Union, which has been interested for many years in the antimonopoly provision of the reclamation law, commonly known as the 160-acre provision, had no notice of the hearing. Therefore, we consider it extremely unfortunate that this legislation has progressed to the point where it will be taken up in the Senate tomorrow.

This legislation, it appears, would destroy the 160-acre limitation in two important respects: It would flatly repeal the limitation insofar as the so-called State service area, or areas, is concerned in section 6, and it would give a veto power to the State of California in regard to the administration of the Federal project. It would also open wide the door to a deal between the large landowners and the Secretary.

Section 6 would repeal the Warren Act (title 43, U.S.C. 523 and 524) which provides in section 523 that water on a Federal project "in excess of the requirements of the lands to be irrigated in any project" be subject to reclamation law. It is apparent that section 6 is aimed at this provision.

It is proposed, under the bill to provide 1 million acre-feet in the Federal part of the project and about 1 million acre-feet in the State part of the project as outlined in the Report of the Department of Interior.

Section 6 also repeals that part of the Warren Act (sec. 524) which states that water carried through Federal reservoirs, canals, or ditches, must be subject to the 160-acre limitation. Water to fill the reservoir will be carried through the Federal Delta Mendota Canal.

I am aware that proponents of the legislation insist that 500,000 acres in the Federal project will be subject to reclamation law. Surely they must know that the Southern Pacific Railroad representatives at the House hearing stated that the company would not sell its land (copy of this testimony is attached), and surely proponents of the bill know that the Southern Pacific Railroad can not be forced to sell its land.

It is obvious what will happen to the holdings of the Southern Pacific and the other large landowners. They will be allowed to enter into a lump-sum agreement with the Secretary of the Interior. I was assured only a few days ago by a Department of Interior official that a lump-sum agreement with the Southern Pacific and other large landowners, if they organized themselves into a district, would not be inconsistent with the Department of Interior policy.

The policy of the Department of Interior in regard to the 160-acre limitation is well known. Secretary of Interior McKay negotiated a deal with the large landowners of the King River area, under which they were to pay $14 million for water rights which I believe cost about $50 million. This deal by McKay caused such public indignation that Secretary of Interior Seaton refused to approve it. However, Mr. Seaton is just as ardent a supporter of the lump-sum theory as his precedessor. He believes that main consideration is to satisfy the irrigator's obligation to the Government.

We in the Farmers Union do not believe that the purpose of the Reclamation Law was to provide cheap irrigation water for big landowners. Yet this is precisely what is going to happen, if this legislation is approved by the Congress.

Not only will the big landowners be able to make some kind of a deal with the Department of Interior and the State of California, but the Federal Government, under the bill, stands a good chance to lose control of the Central Valley project.

I call your attention to line 3, page 2 of S. 44, which refers to the San Luis unit as an integral part of the Central Valley project. The language makes the San Luis unit an adjunct of the existing Central Valley project and as the language says "an integral part of the Central Valley project."

On lines 9 and 10 of the same page, the works of the San Luis unit "hereinafter referred to as joint-use facilities" are made synonymous with joint use, and I presume with the Central Valley project. Then on line 19, page 2, the bill says that other joint use facilities may be constructed so as to permit future expansion. This language can conceivably apply to the Central Valley project.

On page 3, lines 4 to 8, the Secretary of the Interior cannot even begin construction of the project unless he has subjected himself to the veto power of the State of California. Read this language carefully. It says, "Construction of the San Luis unit shall not be commenced until the Secretary has (1) secured, or has satisfactory assurance of his ability to secure, all rights to the use of water which are necessary to carry out the purposes of the unit and the terms and conditions of this Act."

Under the conditions of this act, the Secretary might allow the Southern Pacific to pay off in a lump sum. In any event, the State could certainly block the project if it waited until it got the kind of a "satisfactory assurance of his ability to secure, all rights to the use of the water."

I call your attention to the language on page 4, lines 6 through 22. This language again gives the State of California the veto. The Secretary of Interior, if he cannot work out an agreement with the State, can let the project die, or he may proceed to construct the project but must report to Congress within a 90-day period.

Lines 15 to 18 on the same page gives the State of California a first mortgage on the Federal Government's structures to use them in any way it proposes "to enlarge or modify such facilities at any time in the future, and a perpetual right to the use of such additional capacity."

On lines 15 and 17, the bill says it shall have irrevocable and perpetual rights. The words "irrevocable" and "perpetual" have no place in this legislation. Congress cannot give an irrevocable right and tie the hands of future Congresses. This portion of the bill violates article I of the Constitution of the United States.

The paragraph adds, almost as an afterthought, a sentence that says that the State if it has taken over Federal structures should not interfere unduly with the operation of the project as set forth in section 1. What does unduly mean? I would be glad for one of the sponsors of the bill to define and give me a legal interpretation of the term. The paragraph ends on a rather plaintive note to the effect that these rights may be relinquished by the State at any time. In other words, if the State of California wants to be honest the Federal Government has no objection.

I call your attention to the language in section 3 on page 6. Under (a) it is provided, in effect, that the Federal Government must move over and accommodate State

purposes and water plans no matter what inconvenience or subversion of Federal laws results.

If the 160-acre limitation suffers as a result of this accommodation, that is not considered important. The main purpose is to please and accommodate the State.

In section (b), the State is supposed to make available to the Secretary an equitable share of the construction costs. Again, I ask what does the word "equitable" mean—10 percent, 30 percent, 50 percent?

On page 7 under (c) of section 3, the State can modify, change or do anything under the sun that it wishes in regard to the San Luis Dam and reservoir and other facilities, provided it does not interfere unduly with the operation of the San Luis unit as set forth in section 1. Again I ask what does unduly mean?

Under section (d) the State will pay again an equitable share of the operation, maintenance and replacement costs. Again, I ask will it be 10 percent or 50 percent?

The language under (f) on page 8, lines 4 to 8 allows any kind of an agreement in regard to division of water. California might get 90 percent and the Federal Government might get 10 percent.

Lines 12 to 16, page 8 wraps up the deal by saying that the State shall not be restricted in its allocated right to the water from the San Luis project which is used outside the San Luis service area.

Under (g), page 8, lines 17–22, the Secretary may abandon his powers of running the Central Valley project under conditions agreed upon by the Secretary and the State.

In other words, this legislation prepares us in advance for the Department of Interior and the Federal Government to get out of the San Luis unit altogether, if indeed it doesn't get completely out of the Central Valley.

Under (h), page 8, lines 23-25, and lines 1 to 11 on page 9, the rights of those enjoying deals worked out by means of lump-sum agreements and other deals are protected. I wonder why after the words "subject to the 160-acre limitation", were not inserted on page 9, line 5, after the word "rights."

Under (i), page 9, it is provided that the State government, if it wishes, shall buy out of the provision which protects the preservation and propagation of fish and wildlife. The section plainly states that when this part of the cost becomes a reimbursable cost that the State does not have to pay any attention to fish and wildlife preservation and propagation.

I call your attention to lines 2 and 3 on page 10. What does "generally" mean and why does the Secretary have to pay attention to the reclamation laws only in regard to repayments? Why not to the 160-acre limitation? Does this provision pave the way for a lump-sum deal?

Section 6 should be read in the light of section I, which makes the San Luis unit a part of the Central Valley. I fear that any area adjacent to the Central Valley project may become a State service area.

The preview of the California State Water Plan, State Water Resources Board, March 1956, page 36, says that the plan would permit "the presently irrigated agricultural area of about 7,300,000 acres to expand to more than 19 million acres." Does most of this come under section 6?

I call your attention to lines 22–26, page 11, which according to Commissioner of Reclamation Dominy (see attached testimony before the House committe on this legislation, March 1959) appropriates an additional $192 million. This makes a total of $482,-430,000 which this bill authorizes.

For your information, I am attaching the following material:

1. Suggested amendments.
2. Factual summary.
3. Copy of Warren Act.
4. Copy of testimony of the attorney for the Southern Pacific and Commissioner Dominy on this bill before the House Interior Committee.

I will appreciate it if you will call the attention of the Senate to the facts and the questions raised in this letter and material.

Sincerely,

ANGUS MCDONALD,
Coordinator, Division of Legislative Services.

SUGGESTED AMENDMENTS FOR S. 44

I. On page 3, line 2, insert period after "supplementary thereto)" and strike the words "except so far as the provisions thereof are inconsistent with this Act."

II. On page 3, line 8 strike the "and" after "this Act,".

III. On page 3, line 22 strike the period after "1956" and add "and (3) secured recordable contracts from all excess landowners owning 1,000 acres or more in the Federal service area."

IV. On page 8, line 16, strike the ";" and add "except that all waters passing through facilities in which the Federal Government has invested Federal funds should be subject to Federal reclamation laws;"

V. On page 8, line 22, strike the ";" and add "except that no conditions shall be agreed upon which are contrary to Federal reclamation laws, the previous paragraph or the provision requiring preconstruction contracts from owners of over 1,000 acres."

VI. On page 10, line 22, strike all of section 6.

H.R. 5687 AND S. 44—SAN LUIS

The existing language of H.R. 5687 as before the committee opens the way for all sorts of weaseling and legal maneuvering by the large landowners who dominate both the State and Federal service areas.

In the Federal service area, for example, some 12 percent of the owners hold title to over 75 percent of the land. One corporation admits to owning some 120,000 acres checker-boarded throughout the area in such a manner as to make the project of doubtful physical and financial feasibility without the inclusion of these lands. Spokesmen for this firm have indicated they do not wish to abide by Federal reclamation law. The lands owned by Southern Pacific are farmed under lease to other large landowners in the area. These persons have a vested interest in Southern Pacific holding title to these lands. Many of these individuals and firms—Boswell, O'Neill, Clayton-Anderson, for example—also hold land in an adjacent and existing Federal project area called the Pine Flat service area. This project has been in operation for the past 5 years and the excess landowners have been receiving irrigation benefits without compliance with the excess land law. For these reasons, special precautions must be taken to insure strict enforcement of Federal reclamation law in the Federal service area.

The other problem on San Luis is in the State service area. The bill's proponents say the Federal reclamation laws cannot apply to waters which eventually will be delivered to so-called State service areas, but if the Federal Government has funds invested in reservoir and canals which carry these waters shouldn't the law apply no matter where the waters are delivered? It is claimed that the State is putting up its appropriate share of the joint use San Luis facilities. This is required in the present legislation. Proponents say the State will be building on its own with State funds, those State facilities outside the joint-use area. This is not entirely true for the State is seeking, or will be seeking, from the Federal Government funds for nonreimbursable costs of its projects. This certainly should raise serious questions of ethics as well as legality.

We have suggested basing requiring the preconstruction contracts from the owners of over 1,000 acres each because there are only 66 such owners in the Federal service area and they own about 330,000 of the project's 470,000 area. Compliance from these holdings would insure the feasibility of the project and compliance from the smaller holders.

Caution: To say that the water districts will force compliance with the excess land law is a false hope. Under California law, in the water districts which will distribute the San Luis water in the Federal service area, each registered voter has one vote for every dollar's worth of property.

TITLE 43, UNITED STATES CODE—SALE OR LEASE OF SURPLUS WATERS, WATER POWER, STORAGE CAPACITY, AND WATER TRANSPORTATION FACILITIES

SEC. 523. Storage and transportation of water for irrigation districts, etc.: Whenever in carrying out the provisions of the reclamation law, storage or carrying capacity has been or may be provided in excess of the requirements of the lands to be irrigated under any project, the Secretary of the Interior, preserving a first right to lands and entrymen under the project, is authorized, upon such terms as he may determine to be just and equitable, to contract for the impounding, storage, and carriage of water to an extent not exceeding such excess capacity with irrigation systems operating under section 641 of this title, and individuals, corporations, associations, and irrigation districts organized for or engaged in furnishing or in distributing water for irrigation. Water so impounded, stored, or carried under any such contract shall be for the purpose of distribution to individual water users by the party with whom the contract is made: *Provided, however,* That water so impounded, stored, or carried shall not be used otherwise than as prescribed by law as to lands held in private ownership within Government reclamation projects. In fixing the charges under any such contract for impounding, storing, or carrying water for any irrigation system, corporation, association, district, or individual, as herein provided, the Secretary shall take into consideration the cost of construction and maintenance of the reservoir by which such water is to be impounded or stored and the canal by which it is to be carried, and such charges shall be just and equitable as to water users under the Government project. No irrigation system, district association, corporation, or individual so contracting shall make any charge for the storage, carriage, or delivery of such water in excess of the charge paid to the United States except to such extent as may be reasonably necessary to cover cost of carriage and delivery of such water through their works. (Feb. 21, 1911, ch. 141, sec.1, 36 Stat. 925.)

SEC. 524. Cooperation with irrigation districts, etc., in construction of reservoirs and canals: In carrying out the provisions of the reclamation law, the Secretary of the Interior is authorized, upon such terms as may be agreed upon, to cooperate with irrigation districts, water-users' associations, corporations, entrymen, or water users for the construction or use of such reservoirs, canals, or ditches as may be advantageously used by the Government and irrigation districts, water-users' associations, corporations, entrymen, or water users for impounding, delivering, and carrying water for irrigation purposes: *Provided,* That the title to and management of the works so constructed shall be subject to the provisions of section 498 of this title: *Provided further,* That water shall not be furnished from any such reservoir or delivered through any such canal or ditch to any one landowner in excess of an amount sufficient to irrigate 160 acres: *Provided,* That nothing contained in this

section or section 523 of this title shall be held or construed as enlarging or attempting to enlarge the right of the United States, under existing law, to control the waters of any stream in any State. (Feb. 21, 1911, ch. 141, section 2, 36 Stat. 926.)

EXCERPTS FROM HOUSE HEARINGS ON H.R. 5687, MARCH 1959

Mr. ASPINALL. Mr. Van Loben Sels, is the area in which your company is interested a part of the area which will be developed by the Federal Government, or the part to be developed by the State Department, provided it is a joint venture project?

Mr. VAN LOBEN SELS. The majority of it is within the Federal area. We also own lands elsewhere which might come under State development.

Mr. ASPINALL. The next question has to do with the question of my friend from Florida, Mr. Haley. It was whether or not you would make that area available to the 160-acre limitation provisions of the reclamation law, or whether or not you thought that would not be a part of the project.

Mr. VAN LOBEN SELS. Mr. ASPINALL, Southern Pacific Co. wrote a letter last year to Senator ANDERSON's committee which stated our position in the matter. It appears in the hearings on S. 1887:

"Very briefly, that letter stated that our lands are not on the market. They are not for sale. We do not wish to sell our agricultural properties or our timber properties or our grazing properties any more than we wish to sell our main line railroad" (p. 220).

Mr. ULLMAN. Just a short question, Mr. Chairman. Mr. Van Loben Sels, how much land do you have that would come under the proposed Federal project?

Mr. VAN LOBEN SELS. The figure we have quoted is 120,000 acres. There has been some deletion from that, because the Federal Government recently condemned some for a naval air station. That is in the courts now.

Mr. ULLMAN. How is this land being utilized today? Do you have a breakdown of that, of the land use today?

Mr. VAN LOBEN SELS. It is all under agricultural lease. It is all under irrigation, but not all of it is irrigated every year. It is being farmed under lease to actual operators in the property, to crops that are typical of that area, which I think were mentioned previously. But they include grains, cotton, melons, various seed, grass seed and alfalfa seed crops, a few more of the specialized crops, like potatoes and carrots, and other vegetables.

Mr. ULLMAN. It is all relatively flat land, and all under cultivation; is that right?

Mr. VAN LOBEN SELS. It is all under cultivation. A lot of it has been leveled and brought to grade for surface irrigation. Some of it is sprinkler irrigated, and it is more of a rolling type, Mr. Ullman; we acquired this land during the 1860's, 1870's, and 1880's.

Mr. ULLMAN. In what manner?

Mr. VAN LOBEN SELS. They were acquired through an act of Congress as part of the consideration for building the western railroads (p. 222).

Mr. DOMINY. The overall San Luis project, without the Avenal Gap, but including the provision for the additional capacity, ultimately, $68 million of that would be paid from power and about $216 million of it would be paid from irrigation and about $5,900,000 from municipal and industrial water (p. 260).

* * * * *

Mr. DOMINY. I understand the authorization of the distribution systems is provided for in this bill——

Mr. ULLMAN. It is provided in here?

Mr. DOMINY. Yes.

Mr. ULLMAN. But the $290 million does not include that?

Mr. DOMINY. That is right.

Mr. ULLMAN. In other words, we are going to have additional authorizing legislation for this money; are we not?

Mr. MORRIS. Will the gentleman yield?

Mr. ULLMAN. Yes.

Mr. MORRIS. I understand you to say, Mr. Dominy, the distribution was not included in here.

Mr. DOMINY. It is not included in the $290 million cost, Mr. Morris.

Mr. MORRIS. Is it authorized by inference from this feasibility report?

Mr. DOMINY. Yes. This bill would authorize the construction of the San Luis project and the necessary distribution systems. It is in section 7. "There are also authorized to be appropriated, in addition thereto, such amounts as are required (a) for construction of such distribution systems and drains as are not constructed by local interests." That is covered in section 7 of the bill.

Mr. MORRIS. Which bill, 301?

Mr. DOMINY. In 301, section 6, but it is in H.R. 5687 in section 7.

Mr. ULLMAN. The language of the bill is sufficient to authorize this expenditure and all we need is appropriation? This is a matter of committee policy that is rather involved; it will leave some questions in my mind which I would not raise here. I thank the witness.

Mr. DOMINY. So the committee will understand what might be contemplated here. We have an estimate now for distribution system and drainage to serve this San Luis area of about $192 million (pp. 270 and 271).

Mr. ROGERS. Section 7 of this bill is actually a carte blanche authority for appropriation of money, is it not, even though the amount $290 million used actually is not confined to that expenditure, it is an open-end provision in section 7 (p. 275).

Mr. MORSE. Mr. President, I close my remarks for this afternoon by first expressing my very deep appreciation to my leader in this debate, the Senator from Illinois [Mr. DOUGLAS] for the magnificent job he has done in setting forth the basic issues which have been involved throughout the debate. It is always a pleasure to join forces with the Senator from Illinois in the Senate on any issue which involves what we mutually consider to be the protection of the general welfare of the people of this country.

I also wish to pay my respects to my two opponents in this debate, the senior Senator and the junior Senator from California. We are together on most issues, and we are not far apart on this one.

I have been in the position of the two Senators from California more than once. I have been in a position where groups in my State have come to the conclusion that it is absolutely essential a certain provision be contained in a bill, because they are looking at the matter from a provincial and highly localized point of view. It is easy under such circumstances for local groups to forget the responsibilities of their Senators to approach these problems from a national point of view.

I wish to say to the people of California, I do not know how they could have obtained two men who could have presented more ably and valiantly what I consider to be the highly localized and provincial point of view on this issue than the two present Senators from California.

I mean it when I express to the Senators from California my sincere thanks for their fairness in this debate and the cooperative spirit which they have extended to the Senator from Illinois and to me.

I am sorry it is taking us so long to convince the Senators from California how right we are, but I hope they over the weekend as they read the debate, each will say, "Well, I have to admit those two fellows are right about this, and I had better tell the people back home that they are. I am going onto the floor Monday and accept the proposal to strike section 6(a)."

I shall await that moment. I wish for both Senators from California a most happy and relaxing weekend after this very strenuous debate.

I will see them Monday. Good night.

THE BANK MERGER BILL

During the delivery of Mr. MORSE's speech,

Mr. ROBERTSON. Mr. President, it is with genuine regret that I inject a new subject into the debate, but it is rather necessary for me to do so in defense of the Banking and Currency Committee. That committee was expected to bring up a bank merger bill which was unanimously reported, although four Members said they would watch how it was administered, and if it was not administered satisfactorily, they would urge a stronger bill.

Yesterday the chairman of the committee sent to the Attorney General a telegram expressing surprise at rumors that, without any notice to the chairman or to the committee, and without any opportunity for hearings, the Attorney General was preparing an amendment to the bank merger bill. The Attorney General has answered that telegram, and, I am informed, he has given his answer to the press.

Mr. MORSE. Mr. President, will the Senator from Virginia yield to me long enough to get an understanding that the statement of the Senator from Virginia will follow statements on the pending measure?

Mr. ROBERTSON. That is correct. I should be glad to have that done.

The Senator from Virginia merely wanted to get the statement into the RECORD today, because the banking bill will go over until next week, and many bankers will not understand why it was not brought up. Moreover, when they read the telegram of the Attorney General they will not know what has been going on in the Banking and Currency Committee, because his telegram does not give any indication of the careful and constructive attention which the committee gave to the bill, or of the reasons which led the committee to reach what I think is a sound and workable compromise.

I appreciate the courtesy of the Senator from Oregon in letting me make this statement at this time, and I agree that it would be desirable to have it appear in the RECORD following his speech.

Mr. President, as the majority leader had previously announced, S. 1062, the

bank merger bill, was scheduled to be considered by the Senate today, after having been postponed from Tuesday.

The bill has been on the calendar since April 17. Prior to that, the committee had voted to report the bill on April 9, and the delay in reporting it was to afford the opportunity for the filing of supplemental views by the Senator from Illinois [Mr. DOUGLAS] and others.

The majority leader advised me today that the Senator from Wyoming [Mr. O'MAHONEY] asked that the bill be put over until Monday to afford him the opportunity to present an amendment. I objected to this procedure because some of the members of the Committee on Banking and Currency who are interested in this legislation will not be present Monday.

I have had an opportunity to examine briefly the amendment intended to be proposed by the Senator from Wyoming, and I wish to comment upon it. Before doing so, I ask unanimous consent that the text of the amendment be printed in the RECORD at this point.

There being no objection, the amendment intended to be proposed by Mr. O'MAHONEY was ordered to be printed in the RECORD, as follows:

On page 2 strike out lines 11–25 beginning with the words "In the case of a merger" at line 11; on page 3 strike out lines 1–9. In lieu of the matter stricken out insert the following:

"The Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, shall not grant consent under this section to any merger, consolidation, acquisition of assets, or assumption of liabilities, where in any section of the country the effect thereof may be substantially to lessen competition, or to tend to create a monopoly. This provision shall not, however, be deemed to prohibit a merger, consolidation, acquisition of assets, or assumption of liabilities where the Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, finds that there is a reasonable probability of the ultimate failure of the bank to be acquired; that because of inadequate or incompetent management the acquired bank's future prospects are unfavorable and can be corrected only by a merger or consolidation with the acquiring bank; that the acquired bank is a problem bank with inadequate capital or unsound assets and its acquisition by another bank would be the only practical means of dealing with the problem; or that several banks in a small town are compelled by an overbanked situation to resort to unsound competitive practices which may eventually have an adverse effect upon the condition of such banks and the merger of the two or more banks would, therefore, be in the public interest. In the interests of uniform standards, the appropriate agency shall not take action as to any such transaction without first seeking the views of each of the other two banking agencies referred to herein with respect to such question. In the case of a merger, consolidation, acquisition of assets, or assumption of liabilities, the appropriate agency shall request a report from the Attorney General on the competitive factors involved in the merger. The Attorney General shall furnish such report to such agency within 30 calendar days of the request: *Provided, however,* That in case the agency finds an emergency exists the agency may advise the Attorney General thereof and may thereupon shorten the period for the Attorney General to report to 10 calendar days: *And provided further,* That where the agency finds that an emergency makes necessary immediate action in order to prevent the probable failure of one of the merging banks, the appropriate agency may act without obtaining such report from the Attorney General.

"If either or both of the other banking agencies or the Attorney General disapproves the application in writing within 30 days, the Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, shall notify in writing the applicant and the disapproving agency or agencies, or authority or Attorney General of the date for commencement of a hearing by it on such application. Any such hearing shall be commenced not less than 10 nor more than 30 days after the Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, has given written notice to the applicant of the action of the disapproving agency or agencies, authority, or Attorney General. The length of any such hearing shall be determined by the Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, but it shall afford all interested parties a reasonable opportunity to testify at such hearing. At the conclusion thereof, the Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, shall by order grant or deny the application on the basis of the record made at such hearing. Such order may be appealed to the Court of Appeals for the District of Columbia by any party adversely affected or by the Attorney General, within 30 days after entry of such order.

"The Comptroller, the Board and the Corporation shall submit to the Congress a report each 6 months after approval of this act setting forth the following information with respect to each merger, consolidation, acquisition of assets, or assumption of liabilities approved by the Comptroller, the Board, or the Corporation as the case may be, the name of the receiving bank; the name of the absorbed bank; the total resources of the receiving bank; the total resources of the absorbed bank; a copy of the report of the other two banking agencies and of the Attorney General on the competitive factors involved in the merger, consolidation, acquisition of assets, or assumption of liabilities."

Mr. ROBERTSON. Mr. President, the amendment, as such, has never been considered by the Committee on Banking and Currency, although some parts of it were suggested by various witnesses.

Needless to say, it would be a very drastic revision of the bill reported by the Committee on Banking and Currency, which, incidentally, in substance has twice previously passed the Senate.

I had thought that the amendment, which the Committee on Banking and Currency adopted unanimously, requiring that the Department of Justice be consulted by the banking agencies before the approval of a merger, had gone a long way toward meeting the point of view of those who were interested in more Justice Department participation in the review of bank mergers.

For many years various people and groups have been expressing alarm over the bank merger problem, and I had thought that the reasonable compromise approach which was effected by the committee in this bill might finally be accepted and Federal legislation controlling bank mergers could be enacted.

This will not be done if the O'Mahoney amendment is adopted. Personally, I would oppose the bill with the O'Mahoney amendment, and if adopted would move to recommit the bill.

The first feature of the O'Mahoney amendment is the interjection of the criteria of section 7 of the Clayton Act. The amendment would prohibit approval of any merger where "in any section of the country the effect thereof may be substantially to lessen competition, or to tend to create a monopoly." This rule, established in the 1950 amendments to the Clayton Act, has been interpreted in the Bethlehem-Youngstown case to make irrelevant any consideration of the benefits which may result from a merger.

The O'Mahoney amendment goes on, however, to provide an exception for a number of instances where both the American Bankers Association and Judge Celler testified before the committee that a merger should be approved, even though competition was substantially lessened. However, both the American Bankers Association and Judge Celler testified that the examples cited were only illustrative. They are not intended to be an all-inclusive list.

These illustrative examples indicate the difficulties of applying the language of the Clayton Act to bank mergers. They also indicate the basic reasoning behind the committee's bill. This is that the banking business is fundamentally different from ordinary business. It is highly regulated and restricted. It is a quasi-public utility. I do not believe that anyone could safely say that the exceptions provided in the O'Mahoney amendment are the only ones which would occur and in which a merger might be desirable, even though it would substantially lessen competition.

The O'Mahoney amendment would also require that, if a banking agency or the Attorney General disapproves an application for a merger, a hearing must be held. At this hearing all interested parties must be given a reasonable opportunity to testify. I assume this means that not only can the objecting agency appear and testify, but also any competing bank or any aggrieved borrower or any would-be borrower whose request for a loan was rejected. The amendment also provides that, if, after the hearing, the agency decided to approve the merger, any aggrieved person or the Attorney General could appeal to court for a review of the banking agency's decision, and this review would be made on the basis of the record made at the hearing.

The banking agencies have always been reluctant to discuss matters affecting a particular bank in public, and with good reason. Much of their information is obtained from examiners' reports. These examiners' reports deal with all aspects of the bank's activities, including the caliber of the management, the ownership, a bank's loan activities, the character and financial status of borrowers, and all of the intimate details involving the debtor-creditor relationship. The wish of the banking agencies to keep bank examiners' reports confidential is

just as great and as valid as the wish of the Attorney General to keep private FBI confidential reports.

The proposal for hearings on the question of a merger is only part of a package. Advocates of this proposal among bankers also advocate hearings on other questions such as the chartering of new banks, allowing banks to have branches, FDIC insurance and perhaps other questions.

Viewed in this light especially, it is not at all clear that the requirement of hearings would result in more competition rather than less.

There is a good deal of reason to believe that it would result in less competition. When persons seek to form a new bank or to place a branch or office in a particular location, they are generally opposed by competing banks and often this opposition is based upon the desire to prevent additional competition. In some cases, of course, this may be warranted. However, when one considers that at a public hearing at which the new competing bank, or the new branch, or office, would have to spread on public record its capital structure, future earnings prospects, character of management, and all the other factors which go into consideration of the application, in all likelihood the desire for new charters, branches, or offices would be inhibited. This is particularly true when you consider that opponents, at the same hearing, could spread on the record their own allegations with respect to these factors. It would be a rare case that new bank applications or new requests for branches or offices would be requested in the face of such public opposition.

I believe that the requirement of hearings would inhibit even those mergers which might in fact result in an increase in competition.

The O'Mahoney amendment goes on to provide for appeal to the Court of Appeals of the District of Columbia.

The whole amendment, in short, is designed to take control of banking out of the hands of the Federal bank regulatory agencies, who are competent to deal with the problems and who know the industry, and to place it in the hands of the Department of Justice and the courts.

I should like to make one final comment. The Banking and Currency Committee has made a careful study of this bill, and of the situation which calls for this bill. The committee considered carefully the various recommendations made to it by representatives of the banking industry and by the Government agencies. The committee made one change, which was requested by the Independent Bankers Association, and by the Department of Justice—the requirement that Justice's views be obtained in all but exceptional emergency cases. The committee's report contains a thorough and careful study of the matter and embodies the reasons for the committee's conclusions.

In my judgment, the committee has recommended a sound, practical, workable bill, which meets all the valid suggestions which were made to the committee. There is a real need for the bill, and it should be passed promptly in its present form.

Mr. President, I shall now like to turn for a moment to the telegrams from the Attorney General.

I am informed that the Attorney General has released to the press a telegram which he sent to me today, in reply to a telegram I sent him yesterday. I ask unanimous consent that my telegram and his reply be printed in the RECORD at this point.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

MAY 6, 1959.

The Honorable WILLIAM P. ROGERS,
Attorney General,
Department of Justice,
Washington, D.C.:

Before the hearings on S. 1062, the bank merger bill, were held, the views of your Department were requested. Your Department was invited to testify at the hearings but declined to do so and submitted a statement instead. Hearings were held on March 18 and 19. The committee voted to report the bill on April 9, and actually reported it to the Senate on April 17. Since that time, it has been on the Senate calendar. The majority leader announced several days ago that the bill would soon be considered by the Senate. It was actually scheduled for Senate action yesterday, but was put over until tomorrow.

During all this period I was never informed of any Justice Department interest in the matter other than that expressed in the statement submitted for and printed in our record of hearings.

Suddenly, now, I hear rumors to the effect that your Department is drafting an amendment to this bill and, perhaps, even soliciting sponsors for it in the Senate. I do not know whether these rumors are correct or not. If they are, I think the procedure is most unusual.

As chairman of the Committee on Banking and Currency, and as a sponsor of the bill, I would be interested in any amendment proposed by the Justice Department and, perhaps, other members of the committee also would.

Perhaps, if only as a matter of courtesy, you might wish to furnish me a copy of your proposed amendment, if any, and especially if this amendment differs from those proposed in the statement presented to the committee by your Department. I should also, of course, like to know whether any such amendment has been cleared by the Bureau of the Budget and other Government agencies concerned.

A. WILLIS ROBERTSON,
Chairman, Senate Committee on Banking and Currency.

WASHINGTON, *D.C., May 7, 1959.*

Hon. A. WILLIS ROBERTSON,
Chairman, Senate Committee on Banking and Currency, Senate Office Building, Washington, D.C.:

This responds to your telegram, dated May 6, 1959, regarding this Department's views on S. 1062—a measure treating bank mergers.

On February 18, 1957, Attorney General Brownell testified before the Senate Banking Committee concerning this issue. About 2 months ago that same statement was presented to your committee by the Department and printed in its hearings, "as reflecting the present position of this Department." This testimony, of course, was cleared by the Bureau of the Budget.

That position, first, is that "the competitive considerations specified in S. 1062, whether the acquisition may lessen competition unduly or tend unduly to create a monopoly are completely novel" (1959 hearings, p. 11). This phrasing has received practically no judicial analysis. Accordingly, its meaning is unclear. Instead, this Department urged inclusion of the Clayton Act's traditional standards, long construed by the courts, of whether an acquisition may substantially lessen competition or tend to create a monopoly. This is the standard banking agencies have testified they now in fact apply to bank mergers within their jurisdictions. This is the standard Congress has specified for mergers under the Bank Holding Act. This is the standard Congress has specified for bank stock acquisitions. In short, we know what this language means and it has long been applied to the banking field. It is the view of the Department of Justice that it should be included in the present bill. As the Comptroller of the Currency has put it: "We have no objection to the principle that the acquisition of one bank by another through purchase, merger, or consolidation should not be permitted if the effect of the acquisition may be substantially to lessen competition. It is no less important to have competition in banking, when this can be done soundly, as it is in other fields of commerce and industry." Second, this Department's position is that where divergent views by interested Government agencies are expressed before the appropriate banking agency, interested parties should have a right to a hearing before the banking agency and appeal to the court of appeals, on the record there adduced, from the banking agency decision as this Department's statement (1959 hearings, p. 13) put it:

"I would suggest adoption of standards and procedures roughly paralleling those adopted last year controlling formation of, and acquisitions by, bank holding companies."

This Department is most anxious to cooperate fully with you and your committee. Since setting forth our views in the record of this committee, this Department has transmitted no specific amendment to S. 1062 to any Member of the Senate. However, should you—or other Senators—wish our view on appropriate amendments to S. 1062, we would be happy to be of whatever help we can.

Thus, building on examples highlighted during your hearings this year, you have concluded "it was preferable to handle bank mergers under rules specifically designed for the banking industry" (Senate Rept. 196, p. 6). Within that framework we believe it is still feasible to include traditional competitive standards, with exceptions specified for particular banking needs, plus some limited right to hearing and appeal to the courts.

Please let me know if we may be of help to you further in this matter.

WILLIAM P. ROGERS,
Attorney General.

Mr. ROBERTSON. Mr. President, in my telegram, I said that I had heard rumors that the Justice Department was drafting an amendment to S. 1062, and perhaps soliciting sponsors for it in the Senate. The Attorney General's reply makes the following statement:

> Since setting forth our views in the record of this committee, this Department has transmitted no specific amendment to S. 1062 to any Member of the Senate.

The Department of Justice was invited to testify on S. 1062. The Department declined to do so, but instead sent a brief note enclosing a copy of the statement made by Attorney General Brownell on February 18, 1957, on a comparable provision in the Financial Institutions Act.

This was said to reflect the present position of the Department. In the Attorney General's telegram, he refers again to this 1957 statement.

The telegram, like the 1957 statement, takes the position that the standard provided in S. 1062—whether the acquisition may lessen competition unduly or tend unduly to create a monopoly—is "completely novel." The statement refers to it as a "jerry-built standard." The committee's report, at pages 3 and 4, quotes from section 5 of the Interstate Commerce Act where the standard "and will not unduly restrain competition" is set forth. This provision was inserted in the Interstate Commerce Act in 1920. It was specifically noted with apparent approval by the Supreme Court in *McLean Trucking Co.* v. *U.S.*, 1944, 321 U.S. 67, 84.

The telegram urged use of the Clayton Act's "traditional standards, long construed by the courts." The telegram did not, however, nor did the statement, refer to the fact that the traditional standards of section 7 of the Clayton Act were so unsatisfactory that they had to be substantially rewritten in 1950. Neither the telegram nor the statement referred to the fact that up to this year, the traditional standards of section 7 of the Clayton Act were applied to the field of banking in only one case, and then only in a bank holding company case. This was the Transamerica case, in 1953, where the court of appeals held that a substantial lessening of competition within the meaning of the statute had not beeen proved.

In short, I do not agree with the Attorney General's statement:

> We know what this language means and it (the Clayton Act standards) has long been applied to the banking field.

In his telegram, the Attorney General also suggests hearings and appeals to the court of appeals on the record adduced at the hearings.

The telegram refers to the Attorney General's 1957 suggestion of standards and procedures for bank mergers roughly paralleling those adopted the previous year for bank holding companies.

The O'Mahoney amendment contains a provision for hearings and appeals on the record. It should be noted, however, that the hearings and appeals in the O'Mahoney amendment differ substantially from those in the Bank Holding Company Act. And, of course, I need not remind the Senate that bank holding companies are not the same thing as banks.

I have already commented on the subject of hearings in connection with bank mergers, and I need add no more to what I have already said.

I ask unanimous consent that a copy of a brief statement commenting on a few of the remarks made in Attorney General Brownell's 1957 statement be inserted in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I

Attorney General Brownell's statement objected to section 23 of title 3 of the Financial Institutions Act, the comparable provision on which he was testifying in 1957. He said the competitive considerations specified "are completely novel and are intended simply to be less stringent than those specified by Clayton Act section 7 for other American business." He also described this proposal as "this jerry-built standard."

Section 5 of the Interstate Commerce Act has contained almost the identical provision since 1920. In *McLean Trucking Co.* v. *U.S.*, (1944) 321 U.S. 67, 84, the Supreme Court considered this provision in section 5 of the Interstate Commerce Act with apparent approval, noting that it was more restrictive than the precise provision under consideration in that case.

II

Attorney General Brownell, in his statement, argued against the wisdom of tailoring section 7's structures to the assertedly unique needs of the banking industry. He stated:

"In the more than 60 years since the Sherman Act's passage no one has suggested its provisions did not apply to banks as to all other sections of American business."

In an article in the Columbia Law Review of May 1949, by Mr. Adolph A. Berle, Jr., the first paragraph begins with the sentence: "Application of the antitrust laws to banking is a relatively new field of study."

The second paragraph reads as follows:

"Until relatively recent times, many lawyers would have considered antitrust attack on practices and agreements with respect to banking operations as prima facie impossible. For three-quarters of a century, the decision of the Supreme Court in *Paul* v. *Virginia* had stood unchallenged: writing a contract of insurance was not commerce under the Constitution, the Court relying strongly on a decision of Justice McLean which had excluded transactions in money from the conception of commerce."

In the committee's report on the bill at pages 18 and 19, a quotation from this same article by Mr. Berle is set forth, which explains why it is, as Mr. Berle said:

"The economic and social premises of the Sherman Act in respect of other businesses are not fully accepted by the Congress, the States, or the public as the only considerations applicable to deposit banking."

III

Mr. Brownell also in his statement said that "in its 1950 amendment to section 7, Congress reiterated prohibitions on stock acquisitions to fit banks the same as all other corporations."

This statement overlooks the fact that the amendments on stock acquisitions reiterated by the Congress in 1950 were well known not to apply to bank mergers.

IV

In this statement Mr. Brownell quoted the following remarks of Comptroller Gidney from a hearing:

"I have not any competency in that [the antitrust] field. I do not know what the courts have done."

This statement by Mr. Gidney may be compared with the statement which Assistant Attorney General Stanley Barnes, then head of the Antitrust Division, made to this committee in 1956, at page 68 of the hearings on S. 3911, 84th Congress, the predecessor of this bill:

"Mr. BARNES. Senator, I do not know enough about the banking business to tell you that banks should be subject to section 7. It may be that they should be in a category by themselves. I cannot pass on that."

V

The Brownell statement enclosed in the Deputy Attorney General's letter was made on February 18, 1957. In this statement Attorney General Brownell quoted from the statement of the American Bar Association in 1956, which recommended putting bank mergers under section 7 of the Clayton Act. On February 19, 1957, the day after Mr. Brownell's statement was made, the house of delegates of the American Bar Association reversed this position and unanimously adopted a resolution supporting the provisions of S. 1062.

Mr. ROBERTSON. Mr. President, I thank the distinguished Senator from Oregon for permitting me to make this statement about the bill and the statement about the telegram of the Attorney General, and to permit me to place in the RECORD my telegram to the Attorney General, his reply to me, and the O'Mahoney amendment.

I yield the floor.

ORDER FOR ADJOURNMENT TO MONDAY

During the delivery of Mr. MORSE's speech:

Mr. JOHNSON of Texas. Mr. President, will the Senator from Oregon yield to me, to permit me to request a unanimous-consent agreement, if it is understood that in yielding for that purpose, he will not lose the floor?

Mr. MORSE. I yield.

Mr. JOHNSON of Texas. Mr. President, I had planned to ask the Senate to remain in session until approximately 6 p.m. The distinguished Senator from Oregon informs me that he will probably conclude his statement in approximately 30 or 40 minutes. Therefore, I wish to propose the following order: I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I thank the Senator from Oregon. If he will make the adjournment motion, I shall be grateful.

Mr. MORSE. Yes; I shall make the adjournment motion.

THE PROBLEM OF INFLATION

Mr. MOSS. Mr. President, the Salt Lake Tribune, along with several of the Nation's other leading dailies, is conducting a campaign to limit Federal spending as a way of curbing inflation. As a result, several hundred coupons pleading for a stable currency have recently arrived at my office.

I am confident that those of us who have any responsibility for formulating Federal policies would like nothing better than to comply with this request. We know that the overwhelming majority of the American people—even though they have not taken the time to contact us personally—are equally disturbed about the loss of their dollar's purchasing power, and the decline in the value of their rainy day and old age savings.

Inflation is indeed tragic. It works a hardship on every segment of our economy and every citizen of our country. It strikes with savage force those with fixed incomes, those whose peak earning days have passed: our senior citizens who have retired.

No one seems to know precisely how to halt inflation, although we are aware of some of the factors which contribute

to it. Many people feel that deficit spending by the Federal Government is one of the principal causes. Yet a year-by-year examination of our Federal budgets and the rise in the cost of living figures show that a balanced budget does not necessarily mean stable prices. For example, the fiscal year 1959 Eisenhower budget is $13 million out of balance, but there has been virtually no rise in the cost of living in the past 4 months. On the other hand, living costs rose considerably during the years under the Truman administration when the budget was not only balanced, but we were paying off a part of the national debt each year.

The so-called tight money policy of this administration was supposed to slow down borrowing and credit and halt inflation. Instead, as I believe most economists agree, it contributed substantially to the business decline and recession, which resulted, in turn, in an increased Federal deficit due to the loss of tax revenue.

All this leads me to believe we must not be so concerned with balancing the Federal budget as to lose sight of the vast importance of providing adequately for our national defense, and keeping our economy functioning at a high level. When we slide into a recession, our Federal budget goes even further out of balance. And what good will it do us to have a balanced budget if our military posture is too weak or outdated to assure our national survival?

Mr. President, no one is more interested than I am in a realistic, sensible and responsible fiscal policy at all levels of Government, but I feel we must not let the spector of inflation frighten us into jeopardizing our national defense, or in failing to provide for the economic well-being of our people. America must be strong and prosperous to remain free.

I know we are all watching with interest the broad inquiry into the Nation's overall economic policies which has been launched by the Joint Economic Committee under the able Senator from Illinois [Mr. DOUGLAS]. I earnestly hope that from these hearings will come an answer to the compelling question of whether it is possible to achieve at one time an adequate rate of economic growth, full employment, and a stable dollar. We need this answer before we can fully meet the complex problem of controlling inflation, and can face up to the challenge of this country's dynamic future.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, May 7, 1959, he presented to the President of the United States the enrolled bill (S. 1271) to donate to the pueblo of Isleta certain Federal property in the State of New Mexico.

ADJOURNMENT TO MONDAY

Mr. DOUGLAS. Mr. President, in accordance with the order previously entered I now move that the Senate adjourn until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 7 o'clock and 31 minutes p.m.), the Senate adjourned, under the order previously entered until Monday, May 11, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 7, 1959:

DIPLOMATIC AND FOREIGN SERVICE

The following-named persons, now Foreign Service officers of class 2 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

G. Edward Clark, of New York.
Juan de Zengotita, of Massachusetts.
Miss Constance R. Harvey, of Maryland.
Bolard More, of Ohio.

S. Roger Tyler, Jr., of West Virginia, now a Foreign Service officer of class 3 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

The following-named persons for appointment as Foreign Service officers of class 3, consuls, and secretaries in the diplomatic service of the United States of America:

Manuel Abrams, of New York.
George B. Gardiner, of Massachusetts.
Eric M. Hughes, of Virginia.
Eldon B. Smith, of Kansas.

The following-named Foreign Service officers for promotion from class 5 to class 4:

Miss Faith V. Andrus, of California.
Clifford J. Glennon, of Utah.
Dale E. Good, of Ohio.
Nicholas Hardy, of Pennsylvania.
Miss Elizabeth Rice, of Florida.
Charles W. Russell, of Maryland.

The following-named Foreign Service officers for promotion from class 6 to class 5 and to be also consuls of the United States of America:

Melville E. Blake, Jr., of California.
Theodore M. Collier, of California.
William J. Cunningham, of Connecticut.
John R. Ferchak, of Virginia.
Glen H. Fisher, of Indiana.
Miss Helen E. Geen, of Texas.
Miss Viola Johnson, of Indiana.
Miss Gladys M. Knutzen, of Washington.
Henry J. Manning, of Colorado.
Mrs. Margaret I. Niles, of Maryland.
Sol Polansky, of California.
Leslie D. Polk, of Pennsylvania.
Russell A. Price, of California.
Leland A. Pyle, of Virginia.
Martin G. Ryerson, of New York.
John W. Simms, of Pennsylvania.
Warren E. Slater, of New York.
Miss Maida F. Stotts, of California.
Miss Corabelle Tolin, of Kansas.
Miss Lois M. Unger, of Ohio.

David Fraser Gould, of Washington, for appointment as a Foreign Service officer of class 5, a consul, and a secretary in the diplomatic service of the United States of America.

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career and secretaries in the diplomatic service of the United States of America:

John LeRoy Leonard, of Pennsylvania.
James B. Moran, of Washington.
Richard J. Pond, of California.
Joseph Charles Wilson, of Ohio.

The following-named Foreign Service officers for promotion from class 8 to class 7:

James D. Johnston, of California.
J. Stapleton Roy, of Pennsylvania.

The following-named persons for appointment as Foreign Service officers of class 7, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Richard P. Bailor, of Delaware.
Bernard J. Brogley, of Pennsylvania.
Miss Marie E. Casey, of Florida.
Miss Margaret M. Herrick, of Minnesota.
Walter John O'Grady, of the District of Columbia.
Mrs. Ann Pomroy, of Illinois.
Robert Holmes Ross, of New York.
Miss Mary E. Sullivan, of Massachusetts.

The following-named Foreign Service staff officers to be consuls of the United States of America:

Orville L. Bennett, of Arizona.
Philip G. Hodge, of Connecticut.
Arthur S. Hoffman, of California.
Mark B. Lewis, of Pennsylvania.
Howard H. Palmatier, of Florida.

The following named Foreign Service Reserve officers to be consuls of the United States of America:

Edward P. Brown, of Virginia.
Robert G. Glover, of Oregon.
Harrington Littell, of California.
Paul K. Morris, of Virginia.
Miss Josephine Pasquini, of Michigan.
Alfred J. Pedersen, of Massachusetts.
Richard S. Sampson, of Iowa.

The following named Foreign Service Reserve officers to be vice consuls of the United States of America:

Mrs. Margaret V. Barni, of Massachusetts.
Miss Dorothy T. Brown, of Florida.
Dolf M. Droge, of Indiana.
Miss Lillian Finnila, of Washington.
Merron L. Latta, Jr., of Ohio.
Joseph R. Reeves, of California.
Louis F. Rosso, of Rhode Island.

The following named Foreign Service Reserve officers to be secretaries in the diplomatic service of the United States of America:

Arthur E. Callahan, of Virginia.
William E. Colby, of Minnesota.
John H. Esterline, of California.
Gordon A. Ewing, of Michigan.
Robert J. Flynn, of Massachusetts.
Irving F. Holober, of Florida.
Charles F. Hudson, Jr., of Virginia.
Herbert F. Linneman, of New York.
John E. Marsh, of the District of Columbia.
Andrew Ness, Jr., of Michigan.
John G. Shaffer, Jr., of the District of Columbia.
Rawleigh W. D. Taylor, Jr., of Virginia.
Miss Ruth D. Wehle, of the District of Columbia.
Ogden Williams, of the District of Columbia.

FEDERAL TRADE COMMISSION

Earl W. Kintner, of Indiana, to be a Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1953, vice John Williams Gwynne, resigning.

U.S. MILITARY ACADEMY

Prof. William Weston Bessell, Jr., O12611, U.S. Military Academy, for appointment as Dean of the Academic Board of the U.S. Military Academy under the provisions of title 10, United States Code, section 4335.

IN THE AIR FORCE

Lt. Gen. Emmett O'Donnell, Jr., 387A (major general, Regular Air Force), U.S. Air Force, to be assigned to positions of importance and responsibility designated by the President in the rank of general, under the provisions of section 8066, title 10 of the United States Code.

IN THE NAVY

The following-named midshipmen (Naval Academy) to be ensigns in the Navy, subject to qualifications therefor as provided by law.

David K. Bishop — Robert J. Touhey
Robert L. Larson — John S. Vaughan

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the line of the Navy, subject to qualifications therefor as provided by law:

Robert E. Borlik
Hans E. Brandt, Jr.
Joe H. Bynum, Jr.
Billy R. Carnes
Donald J. A. Cerini
David L. Cox
Dick N. Dalton
David B. Ferraro
Richard T. Glenn
Richard C. Hartwig
Charles H. Helliwell, Jr.
James E. Henry
David N. Holmes, Jr.
William H. Huffman
Lowell H. Klosky
Robert E. Knachel
Joe L. Koon
Robert E. Kribel
Ray W. Lambert
Darrell W. Larson
Quentin E. D. Lewis
Peter B. Lloyd
Arlis J. McNemar, Jr.
Albert T. Mason
Robert M. Mertz
Louis M. Mogol
Arthur P. Nazro, Jr.
Robert C. Noren
Frederick T. Pfannkuche
Oliver W. Porter, Jr.
Russell J. Porter
Jerry L. Redman
Ted Rogers
Richard J. Ryan
Frederick W. Saunders
David K. Tanner
Jim J. Temple
Lloyd D. VanHorn
Henry P. Wayland, Jr.
Tilman E. Wheeler, Jr.
Hal Wightman II
Perry Wilkins
William R. Schmidt

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the Supply Corps of the Navy, subject to qualifications therefor as provided by law:

Charles L. Anderson
David R. Biren
Bruce A. Bodine
Mark E. Buchman
Daniel C. Cassidy
Thomas W. Christensen
Francis X. Connelly, Jr.
Thomas Crawford, Jr.
Frank L. Crosswy III
Joseph C. Dare
Claire T. Dean, Jr.
Donald E. Dorough
Joel D. Ellermeier
David H. Ellison
Arthur G. Farley
Jeremiah E. Fruin
John W. Goetz
Robert F. Goodell
John W. Hadbavny
Walter A. Hazelton III
John W. Hollender, Jr.
Richard "A" Hollingshead
John H. Johntz, Jr.
James C. Jordan, Jr.
Roland A. Kopp
James B. Leonard
Gerald Login
Richard S. Love
Alfred C. Marble, Jr.
William D. Mathewson
John D. Meier
Stephen H. Morehouse
Paul R. Neelon
Francis E. Noble
Wallace E. Oates
Frederick M. Putnam
Maurice G. Ransdell
Ronald G. Renfer
Lawrence R. Rosen
Jon B. Roth
Richard D. Schneider
John R. Serafin
Harley J. Smith
John J. Stewart
John V. Surr
Harry A. Thomalla
Lloyd D. VanHorn
Joseph A. Weader
Augustus J. Williams, Jr.
Emmett N. Young

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the Civil Engineer Corps of the Navy, subject to qualifications therefor as provided by law:

Weldon G. Annable III
Donald R. Austin
Walter R. Barker
George C. Bottger
William N. Brabston
Donald L. Brosky
Joe H. Bynum, Jr.
George E. Clower, Jr.
Clauson R. Coward
Don K. Croneberger
George D. Fraunces
Richard L. Hoard
Brian R. Hogan
Richard B. Kaiser
Clinton W. Kelly
Ronald E. Kolar
Phillip G. Larson
Quentin E. D. Lewis
Donald L. McCorvey, Jr.
John R. Mertens
Theodore D. Metz
Kenneth O. Pankow
Joe T. Patterson, Jr.
William F. Reidenbach
Maxcy C. Rivkin
Joel E. Rodgers
Frederick W. Saunders
Roy E. Short
Donald J. Sifferman
Theodore A. Smith
Robert G. Westdyke
David J. Wilson

The following-named Reserve officers to be permanent lieutenants (junior grade) and temporary lieutenants in the Medical Corps of the Navy, subject to qualifications therefor as provided by law:

Gordon B. Avery
Stanton H. Avitabile
David W. Bailey
James P. Baker
William P. Baker
Eugene F. Bartlett
Carl R. Bemiller
John W. Brackett, Jr.
Joseph R. Castro
James C. P. Collier, Jr.
William L. DeBolt
William W. Fithian, Jr.
Lawrence P. Green, Jr.
Frederic G. Jones
Kenneth L. Learey
Milton L. Payne
Robert H. Perkins
Samuel A. Powers
Robert V. Rack
Patrick R. Robbie
Donald M. Roberts
Donald R. Rogers
Harold E. Rumbel
Richard E. Sand
Lawrence G. Thorne
Raymond J. Trettel
William D. Walklett
Jock R. Wheeler

The following-named Reserve officers to be permanent lieutenants and temporary lieutenant commanders in the Medical Corps of the Navy, subject to qualifications therefor as provided by law:

William J. Babalis.
Thomas L. Hodges, Jr.

The following-named Reserve officers to be permanent lieutenants in the Medical Corps of the Navy, subject to qualifications therefor as provided by law:

Billy G. Brooks
Glenn A. Carter, Sr.
David H. Cloyd
Edward P. Crawford
John P. Curran
Frank J. Dawson II
George B. Hart
Paul R. Knox
David L. Lawrence
Jim J. Moore II
John Mumma
William R. Nicolay
George E. Wire, Jr.

The following-named Reserve officers to be lieutenants (junior grade) in the Dental Corps of the Navy and to be promoted to lieutenants when their line-running mates are so promoted, subject to qualifications therefor as provided by law:

Richard E. Blanchard
Thomas G. Brown
Raymond M. Colavincenzo
Maurice C. Corbett
Don "D" Glendenin, Jr.
Richard J. Grisius
Lewis J. Guarnieri
Frederick L. Hancock II
Laurence K. Hodge, Jr.
Donald W. Holladay, Jr.
Charles E. Reaume
David R. Schlieman
Donald W. Trout
Gene J. Walkowiak
Warren A. Yaple, Jr.

James L. Penola, U.S. Navy retired officer, to be a permanent chief warrant officer, W–4, and a temporary lieutenant commander in the Navy, pursuant to title 10, United States Code 1211.

Alfred F. Ferguson, U.S. Navy officer revertee to be a permanent chief warrant officer, W–4, in the Navy, subject to qualifications therefor as provided by law.

The following-named officer candidates to be ensign in the line of the Navy, subject to qualifications therefor as provided by law:

Robert J. Allen
Ira B. Anderson
Varro D. Anderson
Donald L. Aurell
Richard F. Baesman
Thomas J. Beatty
Charles F. Bell
Albert H. Benge
George E. Bodenner
Charles W. Bolinger
Freddie L. Boswell, Jr.
Donald C. Breeding
Clyde E. Brown
Floyd W. Brown
Cordis C. Bryant
Raymon A. Bybee
Malcolm D. Calhoun
John A. Carlson
David G. Carruthers
Charles E. Cater
Ralph B. Clark, Jr.
Reginald C. Corbeille
Glen D. Cordell
Robert V. Cottom
Donald L. Cover
Jon E. Curtis
Daniel J. Curtiss
Richard E. Dempsey
Jerome N. Denberger
Paul W. Elkins
Martin A. Ellis
Leonard A. Freedman
Sanchez Goode
Max H. Gordon
Paul E. Hargrave
Joe P. Harrison
Richard H. H. Herkert
Harley J. Holliday
John A. Hort
Norman B. Howell
Allan F. Jamsgard
James M. Jaye, Jr.
Donald C. Johnsen
Stephen Johnson, Jr.
Richard O. Johnstone
Eugene M. Kennedy
Ronald C. Kromer
William H. Laufer
Frederick J. Leipold
Robert A. Litten
James A. Mace
Joseph R. R. Martin
Thomas D. Martin
Walter S. McCormick, Jr.
George B. McCune
Lowrie R. Mervine
Glen R. Michael
Samuel A. Miles II
Charles A. Pellegrini
Ted M. Petersen
George A. Powell
Richard J. Rees
George C. Rhinebeck
Albert H. Robbins
Charles W. Roop
Jackie L. Roudebush
Conrad J. Schmer, Jr.
James A. Sheler
Richard H. Short
Terrence E. Siple
Steven Sokolowski
William H. Taulbee
Fred E. Thompson
Stephen R. Tool
Arloff V. Underwood
Thomas A. Vandenbroeck
William C. Vandiver
Robert A. Verwers
Earl Waddicar
Arthur J. Walker
Wilburn O. Walker
Melvin W. Wienandt
Richard E. Wilson
James K. Wolfgram

Janet L. Hersley, woman officer candidate, to be an ensign in the line of the Navy, subject to qualifications therefor as provided by law.

The following-named officer candidates to be ensigns in the Supply Corps of the Navy, subject to qualifications therefor as provided by law:

John S. Beal, Jr.
Ray N. Beeman, Jr.
Donovan E. Bennett
James B. Boyette
Robert A. Cooper
Ross L. Cox
David W. Cromer
George W. Dachman
George F. Dent
Kirt D. Doersch
Tearle A. Gillies
Karl J. Kuopus
Roy G. McWhorter
Willis A. Mitchell
Charles B. Moroney
Donald E. Moscoe
William B. Riddell
Robert G. Smith
Steven K. Stevens
Herbert E. Stevenson
Larry R. Stilgebouer
Paul F. Svagdys
William J. Vansickle
Joseph P. Zagrosky

The following-named officer candidates selected as alternates to be ensigns in the Supply Corps of the Navy, subject to qualifications therefor as provided by law:

Richard H. Varner
Douglas L. Michi
William H. Fetner
James H. Ray
Edward M. Chitwood
James S. Gardner

The following-named to be ensigns in the Navy, limited duty only, for temporary service, in the classification indicated, subject to qualifications therefor as provided by law:

DECK

Arthur C. Akerson, Jr.
Charles E. Armstrong, Jr.
Horace H. Bainbridge
Robert E. Becker
Harry L. Brundridge
Lawrence P. Burdett
Charles A. Chapman
William T. Collins
Donald E. Daily
Richard H. Dodge
John P. Driscoll
John W. Gillis
Ernest A. Graham
Paul N. Harmon
Raymond R. Hayes
Russell P. Hoernlein
William Kuhlman
Stanley M. Larson
William T. Lemond
Bonnie R. Love
Robert J. McCarthy
Charlie M. Moon
Andrew C. Mosher
James R. Nelson
Vernon R. Palmquist
Nathan L. Puckett
Devere Pyatte, Jr.
Gustavus C. Read
Donald A. Smith
John R. Standley
John P. Surprenant
Joseph L. Toben
Bevan E. Travis
Delma H. Whittle, Jr.
Waldo W. Wilson

ORDNANCE

Jerald D. T. Akers
Donald W. Bailer, Jr.
Roy Bailey, Jr.
Robert H. Brooks
John W. Bryan
William G. Cherry, Jr.
Richard L. Crockett
Bernard W. Diggs, Jr.
Donald R. Dillingham
William J. Doyle
William J. Elwood
George W. Fields
Gordon L. Gray
John T. Henrizi
Robert W. Herbert
Myron W. Hodges
Lawrence M. Larsen
William E. Lockie, Jr.
Virgil C. Kagy
Francis H. Murray
Francis J. Riiff
Loren F. G. Soderholm
Lloyd F. Taylor
Edwin R. Varley, Jr.
Vernon J. Vawter

ADMINISTRATION

Robert W. Adams
James H. Blakeley
Kirby L. Brimmage
James B. Campbell
Ed N. Collins
Nace E. Fresco
Jack D. Gipson
Royce S. Hanberry
John A. Hendry
Lee F. Howard
Lawrence P. Joe
Bernie F. Johnson
Clayton A. Johnson
Donald K. Lamb
Jackson M. Lanam
Clinton R. Lane
William J. Laux
Ralph M. Lewis
Leonard G. Niccum
Charles A. Nickerson
Samuel Nunez
William H. Parker

Joe D. Peden
Ethan O. Porter, Jr.
Lidge B. Roper
Vincent F. Scully, Jr.
John B. Shindledecker
Robert N. Sollenberger
Robert D. Tullis
Gerald J. Ziemkowski

ENGINEERING

Frank E. Abercrombie
Kenneth C. Andrew
Fay H. Arms
Patrick M. Badger, Jr.
William R. Bangert
Clarence D. Barkley
Ralph W. Belford
Bernarr M. Bowdoin
Thomas M. Boyd
Russell G. Brown
Mike Bunganich
Fred H. Carnathan
John V. Childers
Rex C. Chrisman
Merle L. Christensen
Floyd R. Coburn
Kennard E. Cole
Frank R. Darling
William E. Davies, Jr.
Anthony L. Donofrio
Thomas F. Fahsbender
Ralph V. Foster
Charles C. Gauthier
Philip J. Gerasimoff
Grayson M. Glaspell
George H. Golden, Jr.
Julius G. Graul
Louis K. Guice
James W. Hanvey
John B. Hargon
Edward F. Hickey
William J. Hood
Robert C. Hughes
William R. Hunnell
Robert W. Jensen
James E. Johnson
Howard R. Junker
John E. Kalenowsky
Joseph A. Kennedy
Lyle K. Kerns
George J. Korzensky, Jr.
Eugene S. Krause
Joseph W. Leech
Robert Mann
Gail E. Matthew
John J. McCann
Philip A. Milani
William E. Minick
Robert G. Montgomery
Zane A. Moot
Calvin E. Neal, Jr.
Stuart N. M. Nelson
Clayton L. Novotney
Graham K. Oliff
Arthur B. Petrie
Robert W. Phillips
James E. Richard
Raymond Richard
Elbert W. Sargent
William E. Sigafoos
Gene L. Snyder
Clarence E. Stine
Frederick B. Stuart
Thomas W. Taylor
Jasper L. Tew
Conrad A. Thiele
John B. Thomas
Jesse W. Tisdale
James P. Tyson
Blase F. Wagenbrenner
Walter E. Welch
Richard O. Wemette
Richard L. Westover
Marshall N. White
Thomas O. White, Jr.
Edward A. Wilkowski, Jr.
Bryce W. Williams
Frank C. Woodruff
William E. Zinn
Richard W. Zurich

HULL

Harold E. Brown
Donald W. Bryant
Stephen Dunn
Cleo A. Elmore
Joseph C. Hickman
Orlin A. Kohl
Robert L. Lacette
James E. McDole
James E. O'Brien
Henry A. Raymond

ELECTRONICS

Max L. Adams
Ernest A. Anselmi, Jr.
Vernon T. Barmes
Francis M. Berigan
Rudolph A. Bezrutch
Thomas C. Blankenship
John J. Boesenberg
Karl E. Bregenzer
Arthur E. Buck, Jr.
William C. Burns
Donald O. Burrell
Harold R. Carson
Alfred L. Clark
James L. Corkill
Clifford T. Crossland
Fred B. Curling
Robert L. Davies
Donald A. Dewinn
John P. Dillon
Stanley M. Duchnick
Steve S. Dudley
Marvin R. Ells
John F. Ford
John F. Garduno
Donald E. Gerould
Donald L. Gill
Lee A. Hallman
Edward E. Hartz
Richard E. Haungs
James A. Hellyer
Clair R. Hershey
Douglas E. Hopkins
William E. Hower
Roy J. Hughes
George A. Isaksen
Harry R. Jespersen
Daniel D. Karl
Kenneth B. Killen
Reginald Kundrat
Elwyn F. Large
Theodore F. Lindstrom
Leonard F. Loebel
Edward M. Lovejoy
Ira J. Lowe
Donald F. Lowrey
Walter F. MacDonald
James E. Mathews, Jr.
Lawrence E. McGovern
Frank A. Munroe III
Robert A. Niederer
Carl Peigh
George Petrovitz, Jr.
Robert A. Potter
Paul E. Raines
Randolph M. Ridgel
Joseph J. Slobodny
Henry B. Smith
Arthur R. Speegle
Thomas M. Stokes
Lowell S. Taylor
Earl L. Triptow II
Terencio Tupaz
Thomas E. Wall
Donald W. Watts
Edward Wegele
William J. Whittington
Albert J. Woodward
William C. Wright
Alvin D. Wynn
Robert L. Zang

AVIATION OPERATIONS

William E. Arkin
Charles G. Avery
Robert D. Baer
Curtis L. Baker
William W. Bristol
Edward E. Brown
Robert O. Coffelt
Richard E. Davidson
Larry C. Donovan
Robert F. Dressor
Edwin L. Fogel
Robert F. Gillen
Jimmie D. Hays
John A. Holmes
Swebston S. Howell
Arthur L. Keating
Bernard W. Kortge
Richard E. Laurvick
Fred W. Lawson
Lawrence L. Lee
Joe E. Linn
Frank J. Marsh, Jr.
Richard Morrison
Joseph W. Parker, Jr.
David R. Stabler, Jr.

AVIATION ORDNANCE

Gordon W. Anderson
Donald G. Baumer
Alec R. Blunden
Robert L. Eychaner
Harry R. Ferguson
Loren E. Garrett
Carl L. Haker
Raymond M. Hite, Jr.
Vaughn L. Knight
Ashby A. McClanahan
Robert G. Nanney
Emanuel K. Nielsen
Ralph V. Odell
Earl P. Park
Jack C. Quinn
Lawrence W. Roberts
Thomas D. Robins
Marion B. Robinson
George F. Schneider
Alfred G. Siebecke
Edward P. Szeyller
Charles E. Walker
Ashley V. Wilson

AVIATION MAINTENANCE

Paul O. Biggerstaff
Nelson A. Blair
Charles M. Borris
Alfred G. Bowen
Calvin F. Bright
Richard J. Bruen
Kenneth L. Burgess
Eugene J. Byron, Jr.
Jesse L. Carman
John T. Christian
Glenn R. Coulter
William K. Creed
Elmer I. Deal
Dillon C. Dexter
Glenn B. Diamond
Armand F. Digiovanni, Jr.
John W. Duncan
Lonnie D. Gailey, Jr.
Orville L. Gilchrist
Raymond W. Gill
Edward F. Grochowski
Richard W. Groggett, Jr.
John Haisten, Jr.
Willie D. Henley
Frederick W. Hill, Jr.
Iver R. Johnson
Joseph H. Johnson
George J. Konetchy
Donald E. Korbs
Malcolm R. McNee
Clyde E. McNew, Jr.
Walter A. May
Durward E. Moore, Jr.
Robert Morris III
Kay L. Norris
Robert L. Pastre
Joseph H. Perron
Joseph C. E. Picard
Hester R. Pilkenton
Herman M. Pool
Francis E. Proulx
Kenneth S. Reightler
Theodore L. Reinholtz
Franklin P. Roberson
Donald A. Roberts
Antonio B. Rodriguez
David J. Rollins
William A. Rouse
Robert E. Rothschild
William J. Shufelt, Jr.
Harold L. Simpson, Jr.
"J" Arthur Singleton
Kenneth W. Skillin
Keith M. Tourney
Walter C. Trainor
Joseph P. Tumminelli
George A. Walsh, Jr.
Joseph R. Weatherspoon
James H. Wichman
Jack Wiggins
Charles B. Williamson
Marvin W. Winingar
Eugene A. Zak

AVIATION ELECTRONICS

Robert F. Barber
Richard K. Belmore
William J. Blackburn
Ernest C. Blick
Davey L. Boesch
Charles R. Bone
Donald E. Bonsall
Donald E. Boose
Howard A. Boshers
Milton D. Bouchillon
Eddie R. Brewer
John D. Broglio
Albert M. Campbell
Richard A. Cesario
Theodore A. Clay
Raymond D. Click
Jesse C. Clift
James J. Cook
Joseph W. Cox
James L. Delaney
Harlan E. Dinger
Donald M. Dinning
James H. Dodd, Jr.
Martin L. Duling
John Dzema
Willie C. Ellis
Charles L. Ernest
Edward J. Etchells
William L. Evans
Lee E. Faust
Francis M. Floyd
Wesley A. Follis
William L. Foster, Jr.
Donald F. Gadsby
Richard F. Goubeaux
Frank H. Grantham
John J. Greninger
Ralph H. Hardy
Stuart R. Heath
Eugene H. Helveston
Ernest H. Heying
Aloneous S. Hinton, Jr.
Eldon E. Jacobs
Stephen R. James
Robert E. Jones
Thesle R. Jones
Marvin W. Jortner
Ernest C. Kerns
Raymond E. Kirby
William R. Kiser
James E. Knutz
Frank C. Larson
Floyd G. Lecroy
Tommy H. Lee
Marshall J. Levasseur, Jr.
Gerald W. Livingston
Joseph Long
Bernard J. Loonam
David L. Mackie
Clague O. Mahathey
Claude H. Malone
Richard J. McDermott
Milton A. McGrath
Willard W. McPherson
Louis Michalski, Jr.
William J. Mims
William R. Moore
Harold R. Morgan
Loren J. Moscoe
Francis E. Nelson
Elmer D. Newsom
Russell L. Northrup
Merlyn F. Raph
Joseph W. Reed
Raymond P. Reedy
William A. Rhodes
William E. L. Rodgers
James M. Runnels
Ralph G. Sanders
Richard W. Schuette
Charles T. Scott
Richard G. Sieg
Edgar B. Snow, Jr.
Richard M. Snow
Robert W. Snyder
Paul H. Sperry
Everett D. Spidell
Manuel C. Stephens
Glendale P. Stewart
Robert E. Stoehr
Henry C. Striedel
Stanley J. Sumara
Alton E. Taber, Jr.
Leroy A. Timm
Eugene J. Turk
Harry E. Vandervort, Jr.
Carl W. Vanhyning
Dale N. Varner
George P. Voss
Everett R. Walter
Thomas R. Walton
Robert S. Warren
Walter L. Williams
Zane G. Williams
Edward A. Wilson
Robert W. Wright
William A. Yelinek
Edward H. Yocher

AEROLOGY

William E. Baldwin
Vincent E. Brewer
William F. Cody
Dan E. Collins
William S. Dehn, Jr.
Norman E. Derouin
Elmer A. Erdei
Orrin E. Hubbard
Francis E. Morris
Gerald L. V. Struck
Robert M. Waddell
Donald R. Wise
Richard T. Zumwalde

SUPPLY CORPS

Floyd R. Anderson
Kenneth D. Barton
Bryan E. Blair
Denver Chenoweth, Jr.
John W. Cross
David Davis
John E. Desjardins
Don R. Evans
Theodore Goodwin
Joseph Henshall
Richard L. Higgins
Guilio V. Iafolla
George E. Johnson
Daryl D. Lameyer
Richard E. Longshore
Charles A. Mathiesen
Leland W. Matthews
James W. Medlin
Lawrence W. Mobley
Carl R. Moon
Robert L. Moore
John E. Peever
Marvin R. Phillips
William L. Pierce
Harold A. Pool
Donald G. Ray
William R. Robson
Emanuel Scaramozzino
Gerald D. Schuster
Richard E. Scott
William J. Shukis
Arthur H. Smith
William D. Smith, Jr.
Herbert P. Snyder
Rodney A. Stevens
Robert B. Wagner

CIVIL ENGINEERING CORPS

George B. Held
Maurice F. Matthewson

The following-named to be lieutenants (junior grade) in the Navy, limited duty only, for temporary service, in the classification indicated, subject to qualifications therefor as provided by law:

AVIATION OPERATIONS

Vincent E. Gallagher
Frederick F. Schneider, Jr.

AVIATION MAINTENANCE

Darrell Murray

AVIATION ELECTRONICS

Harold E. Ford
Gail E. Gundersen
William C. Guthrie
Edward H. Johnson
William R. Kane
Morton Lockwood
Samuel V. Roper

AEROLOGY

Walter G. Cronise

The following-named selected as alternates to be ensigns in the Navy, limited duty only, for temporary service, in the classification indicated, subject to qualifications therefor as provided by law:

DECK

Horace G. Walker
Adore H. Cloutier
Nicholas A. Ferranti
Edwin F. Million, Jr.

ORDNANCE

Charles W. Wehner
James D. Boylan
Albert M. Lawrence
Joseph Keith

ADMINISTRATION

Robert M. Kephart
Robert E. Fox
Hoyt Kiser, Jr.

ENGINEERING

Herbert C. Nuernberger
George E. Bloodsworth
Henry E. Staples, Jr.
Arvin L. Haukereid
John L. Swaney
William J. Leonard
Richard D. Reed
Aubry B. Hutchinson

HULL

Lawrence R. Kincheloe

ELECTRONICS

Charles W. P. Carter
Elvin T. Richmond
Gordon R. Anderson
Harlan B. Mellott
Dean D. Baird
Albert A. Sherman
Jack E. Petersen
Thomas R. Babbitt
Hillary M. Mitchell
Eugene W. Hancock

AVIATION OPERATIONS

Eugene E. Lind
Paul E. Barnicle
Homer C. Ogles

AEROLOGY

Joseph R. Meeks
Roger C. Warren

CIVIL ENGINEER CORPS

John N. Smith

The following-named officers of the Navy for transfer to and appointment in the Civil Engineer Corps of the Navy in the permanent grade of ensign:

Frederick P. Flack
James D. Kirkpatrick
Robert J. McHugh, Jr.
Eugene J. McPartland
Robert B. Morris, Jr.

The following-named officer of the Navy for permanent promotion to the grade of captain, Dental Corps:

John L. Keener

The following-named line officers of the Navy for transfer to and appointment in the Supply Corps of the Navy in the permanent grade of ensign:

Shirley T. Godsey
David A. Rogers
Robert J. Scanlon
William W. Scott

Jackie R. Sorenson, U.S. Navy, for transfer to and appointment in the Supply Corps of the Navy in the permanent grade of lieutenant (junior grade).

Rufus E. Rose, Jr., U.S. Navy, for transfer to and appointment in the Supply Corps of the Navy in the permanent grade of lieutenant (junior grade) and in the temporary grade of lieutenant.

The following-named officers of the Navy for temporary promotion to the grade of lieutenant in the Civil Engineer Corps, subject to qualification therefor as provided by law:

Robert M. Mielich
Matt C. Mlekush
Thomas F. Stallman

The following-named officers of the Navy to be temporary lieutenant (junior grade) in accordance with section 5788(b), title 10, United States Code:

Ace, Robert F.
Adams, George C.
Apgar, Gillard W., Jr.
Appley, William H.
Aston, Samuel B.
Austin, Ellis E.
Ayres, Gordon K.
Baily, John H., Jr.
Bear, Dale F.
Bocim, William T.
Bowlin, James F.
Breuer, Donald C.
Broos, James S.
Brown, William H.
Burgoon, John R., Jr.
Carpenter, James
Carter, Richard W.
Cason, Louis J.
Clark, Fred L.
Cobean, Samuel W.
Cokefair, Judson K.
Conn, Richard L.
Cronise, Walter G., Jr.
Demarino, Thomas V.
Demers, Henry J., Jr.
Dugan, William G.
Eastham, Jewell H.
Fennell, Abe P., Jr.
Fitzpatrick, Raymond F.
Ford, Harold E.
Garrett, Richmond D.
Gilbert, John D.
Gilmore, Francis L.
Glover, Fred B.
Gundersen, Gail E.
Guthrie, William C.
Hale, William F.
Harkins, Billy M.
Herring, Thomas S.
Herzog, Harvey
Hill, Carl M.
Holleman, Chester H.
Hughes, Robert S.
Irby, Irvine D., Jr.
James, William B.
Johnson, Edward H.
Kane, William R.
Kavin, James P., Jr.
Kay, James R.
Keesling, Norman O.
Keller, Lewis D.
Kirkman, Clyde T.
Laabs, Robert A.
LaClair, Paul J.
Lander, William R.
Leaverton, Richard R.
Lightner, Darrell A.
Lockwood, Morton
Lufburrow, Charles B.
Lynch, Dale W.
McAloon, John J.
McMullin, Joseph F.
Mitchell, William J.
Moccia, Eugene P.
Moore, James A.
Morris, Clarence T., Jr.
Morris, Joseph M.
Muller, John G.
Nevins, Richard E.
Norris, Francis C., Jr.
O'Connor, Neil F.
O'Shaughnessy, John A.
Pangle, Jacob W.
Parham, Gerald D.
Petersen, James C.
Quinland, Charles M.
Rangeo, Bennie
Reames, Raymond E.
Richter, Paul G.
Rigmaiden, Ray
Riley, Joseph F.
Roberts, Charles C.
Roper, Samuel V.
Ropiak, Joseph
Schiavone, Anthony J.
Snook, Ernest B., Jr.
Southerland, James F.
St. Martin, Arthur J.
Stoke, Henry W., Jr.
Sylvester, Vincent
Tache, Warren N.
Thomas, Dewayne A.
Tucker, Donald M.
Tucker, Robert F.
Vyskocil, James A.
Wade, Calvin W.
Weaver, Sidney K.
Windham, Marshall E.
Womack, Bernard J.
Wright, Robert L.
Young, Charles T.

The following-named officers of the Navy for permanent promotion to the grade of lieutenant (junior grade) in the line and staff corps, as indicated, subject to qualification therefor as provided by law.

LINE

Aaron, Lawrence E.
Abele, Andre N.
Ackerman, Paul R.
Ackroyd, Kenneth G.
Adams, Benjamin S.
Adams, Ben L.
Adams, Frederick G.
Adams, Jerome B.
Adams, Richard D.
Adams, Robert W.
Adams, Thomas C.
Ahrens, Michael C.
Albright, William E. Jr.
Alderson, Jack B.
Alexander, Jaime P.
Alexander, Sherman G.
All, William H., III
Allard, Frank A.
Allemang, John D.
Allen, Corbett U., Jr.
Allen, Edward P.
Allen, Frederick J.
Allen, George M., Jr.
Allen, John E.
Allen, Richard O., Jr.
Allen, Robert L., Jr.
Allred, John M.
Almand, Willie G.
Alton, Homer W.
Alves, Arcenio, Jr.
Ames, David E.
Ames, Laverne W.
Amon, Ronald L.
Amos, Robert H.
Anderson, James B.
Anderson, George B.
Anderson, Paul N.
Anderson, Charles L.
Anderson, John A.
Anderson, Charles R.
Andrade, Allan L.
Angelico, Salvatore J.
Anspach, Layne B.
Anthony, Joseph D., Jr.
Anthony, Phillip D.
Anton, Leonard G.
Apple, John D., Jr.
Aquilino, Salvatore P.
Armstrong, Lloyd R.
Armstrong, Leo F.
Arnold, Thomas F.
Arrighi, George J., Jr.
Arrowsmith, Peter D.
Ashbacher, Raymond W.
Ashworth, Thomas, III
Atkinson, Gerald G.
Attiyeh, Robert S.
Audilet, Garland O.
Auwarter, Franklin P.
Avery, Paul R.
Ayers, Harry P., Jr.
Ayrault, Arthur D., Jr.
Baals, John R.
Bachman, Robert A.
Bailey, Arthur A., Jr.
Bailey, George M.
Bailey, John L.
Bair, Lavon H.
Baker, Evan S.
Baker, Robert E.
Baldwin, Max M.
Ball, George B., Jr.
Ball, Glenn F.
Ballard, John W.
Ballou, James E.
Bandy, Clifford W.
Banks, Peter A.
Barbour, William J., Jr.
Barnes, Harold E.
Barnett, Stephen B.
Barnett, Charles E.
Barney, Charles R.
Barnhart, Harold D.
Barre, Albert
Barret, Lee E., Jr.
Barrett, William L., Jr.
Barrett, John E.
Barrigar, Donald B.
Barrish, Paul D.
Bartley, Robert H.
Barton, Robert L.
Bass, Jerry J.
Bassett, Charles G.
Bassett, James S.
Battersby, John J.
Bauer, Donald R.
Baugh, Ned P.
Bauman, John M.
Baumgartner, James A.
Beach, Robert R.
Beall, Thomas J.
Bean, Lynn B.
Beard, Joseph J.
Beasley, Nathaniel O.
Bedenbaugh, William H.
Beecher, Ronald R.
Beegle, Earl A.
Belisle, Phillip M.
Bellinger, John R.
Benediktsson, Philip W.
Benjamin, Charles L.
Bennett, Edward I. H., Jr.
Bennett, Peter C.
Benoit, Richard S.
Benser, Earl H.
Bensman, Richard C.
Benson, Thomas C.
Bentley, Arthur L.
Bentley, John D.
Berg, John L.
Berg, Milfred C.
Berg, Robert F.
Bergman, Walter R.
Bergstraser, Elmer L.
Berry, Roy A.
Besel, Fred A.
Beshoar, John M.
Bess, George D.
Best, Albert H., III
Bethel, Robert G.
Betts, Roger S.
Beveridge, Robert W., Jr.
Beving, Duane U.
Beytagh, Francis X., Jr.
Biehl, George F.
Bigler, William W.
Biles, George E.
Bilkey, Henry E., Jr.
Billings, Alfred J.
Bird, Ralph G.
Bittner, Gregory J.
Black, James L.
Blackmore, Josiah H., II
Blackwell, Samuel J., Jr.
Blake, Benjamin C., Jr.
Blake, Gordon N.
Blanchard, James W., Jr.
Bland, Jack J.
Blassingame, Lurton W.
Blatt, Douglas J.
Bledsoe, Paul I.
Bliss, Robert B.
Bloom, Duane N.
Blumie, John A.
Boebert, Frank L., Jr.
Boensch, Arthur C.
Boggess, "S" "C," III
Bolte, William S.
Bonadies, Louis
Bootes, Robert L.
Booth, Peter B.
Borcik, Andrew J., Jr.
Borden, Clifford A.
Borden, Robert C., Jr.
Borgardt, Elmer G.
Bossert, John L.
Bourke, William C.
Bouvin, Raymond J.
Bowne, John C.
Box, Roger E.
Boyd, Jack W.
Boyer, Jesse V., Jr.
Boyle, James T.
Brackeen, Leonard G., Jr.
Brandt, Heinz R.
Brannigan, James W.
Brannock, Robert N.
Braselton, William McK., Jr.
Brasseur, Edmond L.
Brautigam, Donald J.
Breeding, Leslie E.
Brekke, Raymond
Brennan, Ambrose K., Jr.
Brenneman, Harold R.
Brennen, William L.
Briegel, Charles V.
Bright, Richard A.
Bright, Thomas B.
Brisbois, Marshall B.
Brockway, Charles J., Jr.
Brockwell, Sterling M., Jr.
Brooks, Bernard A.
Brooks, James W.
Broton, Chester F.
Brown, Bruce F.
Brown, Claude C.
Brown, Daniell M.
Brown, Donald L.
Brown, James J.
Brown, James E.
Brown, Nicholas
Brown, Ora D., III
Brown, Ralph E., Jr.
Brown, Robert F., Jr.
Brown, Robert H., III
Brown, William McK.
Browne, Robert E.
Browning, Elmer L.
Brummett, Richard R.
Brunet, Paul C.
Brunner, James W.
Bruns, Wallace R.
Bruso, James W.
Bruyere, Thomas E.
Bryan, John E., Jr.
Bryant, Leroy
Buchanan, Charles A., Jr.
Buckenmaier, Erwine T., Jr.
Buckwalter, Gary L.
Buehler, William S.
Buggy, Joseph S., Jr.
Builder, Gustav F.
Bullis, William C.
Bullock, Robert F.
Burch, Willard J.
Burdick, Howard F., Jr.
Burdsall, Milton E.
Burgess, Edward M.
Burke, Edmund, III
Burke, Joseph S.
Burke, Robert A.
Burnett, William J.
Burnham, Paul
Burris, William L., Jr.
Burt, Mattison A., Jr.
Burt, Russell H.
Bush, Vernon R.
Butler, Raymond D.
Button, Ralph L.
Bylund, Howard E.
Byng, Weston H.
Byrne, Michael J.
Cable, Olin R., Jr.
Cahill, Walter A.
Caldwell, John M.
Calhoun, Richard P.
Camacho, Richard G.
Camp, Lloyd B.
Campbell, John E.
Campbell, Alan H.
Campbell, Ronald K.
Campbell, Donald G.
Campbell, George E.
Canada, Donald E.

Cannon, James R.
Carlson, Joseph W., Jr.
Carlson, Walter G.
Carlson, Richard A., Jr.
Carpenter, Jack R.
Carr, Joe D.
Carre, David M., Jr.
Carrigan, Richard C.
Carswell, Michael S.
Carter, Richard A.
Carter, William O., Jr.
Castner, Harold J.
Cates, Gus V.
Catoe, Ralph D.
Catola, Stanley G.
Caton, Wilfred B.
Cavenaugh, James A., Jr.
Cecelski, Arthur R.
Cernan, Eugene A.
Chalmers, William C.
Chalmers, Douglas S.
Chambers, Dean A.
Champlin, Donald G.
Chancellor, Dean H.
Chandler, Charles W.
Chang, Ming E.
Chapman, Paul W.
Chappell, Kenneth W.
Charneco, Carlos M., Jr.
Chastain, Duward E.
Cherry, Eugene S.
Chester, Scott A.
Chisholm, Charles G., III
Christ, John H.
Christensen, Charles C.
Christensen, Cyrus R.
Christopher, Allyn C.
Chumley, Sylvester G.
Cicchetto, Mario J.
Clark, Bruce A.
Clark, Elmer S., Jr.
Clark, George G.
Clark, George E.
Clark, Gilliam, Jr.
Clark, James M.
Clark, Leonard J., Jr.
Clark, Robert W., Jr.
Clause, Ted G.
Clausen, Bernard F.
Clay, Jack D.
Clayton, George H., Jr.
Clements, Matson
Clock, Richard V.
Clower, Claude D.
Clynes, Charles E.
Cochran, Steven K.
Cohen, Milton N.
Coleman, Cornelius E., Jr.
Coll, William A.
Collier, Merrill F.
Collins, Jay R.
Collins, LeRoy, Jr.
Collins, Charles R.
Collins, Erwin A.
Coltrane, George A.
Comstock, Craig
Condron, Thomas E.
Conley, James H.
Connell, Laurence M.
Connelly, Donald A.
Connelly, James H., Jr.
Connolly, Leo J.
Conrath, David W.
Conte, Frank F.
Conti, Francis A.
Contrata, Fred J., Jr.
Cook, Joseph A.
Cook, Richard D.
Cook, Ross E.
Cook, Wilmer P.
Coolidge, Julian L., II
Coombs, Clyde "F", Jr.
Cooper, Gary O.
Cooper, James L.
Cooper, Scott E.
Copeland, James R.
Corkins, Charles W., Jr.
Corkrum, Richard C.
Cornett, Charles S., Jr.
Cory, Delbert J.
Cosgrove, Robert R.
Costello, Donald H.
Costilow, Kenneth L.
Cotsonas, John P.
Coughlin, Eugene F.
Counsell, Duane J.
Covey, Edward J.
Cox, George E.
Cox, Henry
Coyle, Charles A.
Craddock, Gerald G.
Craig, Robert J.
Cramer, Dean E.
Cramer, Edward A., Jr.
Cramer, John A., Jr.
Crandall, Douglas R.
Crate, William R.
Craven, Robert P.
Credland, Earl D.
Cremo, John, Jr.
Cress, Robert B.
Crickey, James E., Jr.
Crim, Billy R.
Crissman, Daniel M.
Cross, Gene B.
Cross, Robert
Crow, Robert T.
Crowe, George W.
Crowson, Christopher G.
Crum, James F.
Cruse, Reese E.
Crutchfield, Claud C.
Cuff, James V., Jr.
Cullinane, George E. A.
Cunningham, Donald E.
Curry, Keith R. W.
Curtis, Joe C., Jr.
Cutler, Hilton L., Jr.
Cutter, Alan "B"
Cyr, Byron A.
Czar, Raymond J.
Daley, Joseph M., Jr.
Daly, John S.
Danin, Victor
Dankel, Kenneth M.
Daus, Rudolph H.
David, Thomas P.
Davidson, Paul J.
Davidson, Harry M.
Davies, John G.
Davis, George E.
Davis, Howard C.
Davis, Sidney F., III
Davis, Thomas A.
Dawe, Robert V.
Dawson, Leroy L., Jr.
Day, John T., Jr.
Dean, Ronald L.
Debell, David A.
Debode, Donald G.
De La Paz, Armando
Dement, Ira B.
Denison, William F.
Dennis, David S.
Dennis, Don J.
Dennis, Paul L.
Dennison, James E.
Denton, Douglas J.
Denunzio, Nicholas J.
Deutermann, David W.
Devane, Richard W., Jr.
Dever, Robert M.
Devich, Richard L.
Deweese, Everett D.
Dewey, Richard F.
Dibona, Charles J.
Dick, William J.
Dickerson, Kenneth A.
Diedrich, Robert E.
Diloreto, Lucio
Doebler, Harold J.
Dolan, John H.
Dole, Robert A., Jr.
Donahue, John F.
Donlan, William J.
Donley, James M.
Donohue, Douglas J.
Donovan, Edward W., Jr.
Donovan, Neil
Dormitzer, Henry, II
Doubroff, Jerome S.
Dougherty, Charles E.
Dove, William F.
Downing, Carl S.
Drake, Donald L.
Drayton, Frank J., Jr.
Dresser, Roderick A.
Driscoll, Paul J.
Driskell, Robert E.
Dudrow, Donald L.
Duffield, Frederick H., Jr.
Dunbar, Fredric A.
Duncan, Kenneth D.
Dunmire, Paul E.
Dunn, Robert R.
Durckel, Ronald E.
Durfee, Charles G.
Durham, Jack D.
Durr, John W., III
Dusthimer, Jerry C.
Duval, Thomas J.
Dyer, Nathaniel B., Jr.
Eagye, Vernon A.
Earnest, Charles "M"
Eckermann, Gerald C.
Edwards, Joshua V. E.
Edwards, Joe D.
Egerton, James W.
Elder, Theodore J.
Elfsten, Robert N.
Elinski, Michael, Jr.
Elkins, Philip S.
Elliott, Bernard C.
Ellis, Frank K.
Ellis, Hal R., III
Ellis, Peter R.
Elpers, William W.
Emmerson, Milo E.
Emsley, Albert P., Jr.
England, Robert N.
English, James R., Jr.
Englund, David L.
Enoch, George B.
Ensley, Sheridan B.
Eppen, Eugene D.
Erich, Malcolm L.
Erie, Carl R.
Erner, Eugene J.
Errickson, John J.
Escudier, Kermit R., Jr.
Ethridge, Fredrick A.
Evans, Alton R.
Evans, David L.
Evans, Frederic H.
Evans, James A.
Evans, Richard S.
Evans, Ronald E.
Everett, William A.
Eylar, Frederick P.
Eyler, Armand T., Jr.
Eyler, Marvin L.
Fairbanks, Wayne K.
Faircloth, Gerald F.
Fallin, Jerry W.
Fallon, Thomas F., Jr.
Faris, William E.
Farmer, Fred F.
Farmer, Lawrence R.
Farnsworth, John F.
Farr, Sterling J.
Farrar, Charles E.
Farrell, Edward J.
Farren, Thomas J.
Farris, John H.
Farrow, John H., Jr.
Fehrs, Walter H.
Felkins, Charles G.
Fellowes, John H.
Felsenthal, Norman A.
Ferro, James L.
Fesler, Robert J.
Festag, Albert P.
Feurer, William E., Jr.
Fielding, Byron
Findley, Anderson H., Jr.
Fink, George E.
Finley, Dean M.
Finney, John M. S.
Firth, John R.
Fischer, Theodore A., Jr.
Fite, John H., Jr.
Fitzgerald, John F.
Fitzpatrick, Richard B.
Fitzwilliam, Peter K.
Fjelsted, Dale L.
Flannery, Gerard J., Jr.
Flather, Charles R.
Flatley, James H., III
Fleming, William J.
Fleshman, Samuel A., II
Fletcher, James S.
Flight, John W., Jr.
Flynn, Daniel F.
Foote, Everett W.
Ford, Homer L., Jr.
Ford, Randolph W.
Ford, Robert H.
Forgy, James P.
Forster, Robert M.
Fortenberry, Thomas N.
Foster, John A.
Fournier, Joseph O.
Fournier, Paul R.
Fowler, Neville D.
Fox, John F. J.
Foxworth, David H.
Frank, Irwin Z.
Frank, Thomas P.
Freely, John J.
Freeman, Jerre M.
Freeman, Thomas L.
Freund, James C.
Frey, Charles H.
Friedel, Henry W.
Friedrich, Thomas E.
Fries, Charles L.
Fromm, George R.
Fuld, Charles L.
Fulk, Gerald A.
Fuller, Charles R.
Furlong, George M.
Gable, Edwin P.
Gaffney, Henry H., Jr.
Gaffrey, Leo J.
Gaines, Milton J.
Gaines, Richard S.
Galinsky, Jerome J.
Gallina, Gino E.
Gambarani, Paul R.
Garber, Cecil E.
Gardner, George W.
Gardner, Robert H.
Garibaldi, John B.
Garn, Edwin J.
Garrett, Albert E., III
Garrison, Charles H., Jr.
Garvey, John O.
Garvin, John K.
Gay, Donald M.
Gaylor, Elvin L.
Gee, Lynn E.
Geist, Jerry D.
Gerrald, Benjamin W.
Geupel, David A.
Ghering, Walter L.
Gibson, Donald
Gibson, James C., Jr.
Giffin, John L.
Gifford, Robert M.
Gilbert, James C.
Gilchrest, Edwin B., Jr.
Gile, Robert H.
Gill, Richard A.
Gillette, Nelson M.
Gillman, James W.
Giuliani, Leonard E.
Glaeser, Frederick W.
Gleason, Lawrence M.
Glenn, Eugene R.
Gluse, Michael R.
Godfrey, Culver C., Jr.
Golden, Edward E.
Gonsalves, Robert A.
Gooch, Tarrant A.
Good, Glen E.
Goodale, Charles N.
Goodman, Philip I.
Goodman, Robert B.
Goodwin, Winthrop M.
Gore, Lawrence C.
Graf, Paul D.
Graham, Frank M.
Gralow, Richard T.
Grant, Freeman A., Jr.
Grant, John C.
Grant, Richard L.
Green, Gerald E.
Green, William E.
Green, William H.
Greene, Richard O.
Greer, Albert E.
Gregory, Kenneth A.
Grewe, Webster
Griffin, William H.
Griffin, John R.
Grimes, Donald L.
Grimes, William H.
Grimmell, Robert L.
Groepler, Neil F.
Grossoehme, Clyde
Grove, Ronald R.
Grover, Robert "C"
Gschwind, John K.
Guild, Malcolm W.
Gulli, Carmano J.
Hackney, Francis S.
Haddan, Bruce C.
Hahne, Dayton R.
Hale, Frederick W.
Hale, Roger L.
Haley, George K.
Hall, James W.
Hall, Robert A.
Halloran, Richard J.
Hamilton, Ralph E.
Hamilton, Verlie M.
Hammar, Fred W.
Hammon, Colin P.
Haning, James L.
Hanna, Glenn
Hannaford, William H.
Hannum, Walter L.
Hansen, Robert W.
Hanson, David F.
Hanson, Donald C.
Hanson, John L., Jr.
Hanson, Morton H.
Harding, George K., Jr.
Hardy, Jay H.
Harmon, Jack E.
Harmon, Oliver E.
Harriott, Robert K.
Harris, Buford A., Jr.
Harris, Robert H.
Harris, William R.
Harrison, Joseph W.
Harscheid, David G.
Harshman, Robert L.
Hart, Donald F.
Hart, Douglas
Harwood, Willard D.
Haskell, Hugh B.
Hastad, Cleighton J.
Haswell, Fremont G., Jr.
Hatch, Ross R.
Haven, Robert N.
Havran, Philip S.
Hayes, Newton G.
Hayman, Douglass F., Jr.
Hays, Richard A.
Hefferon, Thomas W.
Hegeman, Joey W.
Heiland, Charles E.
Heimer, Richard J.
Hein, Richard A.
Heisinger, Duane L.
Hejhall, Roy C.
Helmick, John P., Jr.
Hemmerling, Robert L.
Henderson, James A.
Henry, Albert L., Jr.
Henry, John A., Jr.
Henry, William F.
Hensel, Richard D.
Henslee, Joel T., Jr.
Herring, Hubert B.
Herzing, Paul H.
Herzog, Stuart
Hesketh, Donald J.
Hetterly, Robert M.
Hickerson, James M.
Hickey, John F., III
Hickey, Owen W.
Hickman, Jimmie E.
Hicks, Harry E.
Hicks, John R.
Hierholzer, Joseph A.
Hill, Kenneth E.
Hill, Raymond W.
Hill, Richard T.
Hines, Walter P.
Hinkes, William H.
Hinkley, James W., IV
Hinsvark, Don G.
Hipp, William J.
Hippe, Benjamin R.
Hitchcock, Gilbert R.
Hlavin, James R.
Hobbs, Fermor W., III
Hodgate, Charles, Jr.
Hodge, William R.
Hodgskiss, William L.
Hoerner, Frederick C.
Hoffman, Chauncey F.
Hoffman, Herbert F., Jr.
Hogan, Robert A.
Hogg, James R.
Hogue, Robert L.
Hohenstein, Clyde G.
Holland, Clyde W.
Holliday, James R.
Holm, John P.
Holmes, Billy H.
Hong, Leslie K. Y.
Honsinger, Vernon C.
Horne, Roger B., Jr.
Horvath, Donald L.
Hoskins, William K.
Hovater, Arthur K.
Howard, Edgbert F.
Howard, Robert L.
Howell, William J.
Hubbard, John H.
Hueber, Fred P.
Hufnagel, Arthur L.
Hughes, Howard W.
Hughes, William D.
Hull, William S.
Hunter, Wallace R.
Huntington, Donald E., Jr.
Hussey, Harold W.
Husted, Murl E., Jr.
Husted, Richard C.
Hutchinson, Alden M.
Ingalls, Frederick G.
Ingram, Frank L.
Ingram, William A.
Ion, Dalton L.
Isaac, Philip D.
Isaacs, Charles R.
Isenberg, Albert D.
Ishol, Lyle M.
Ivy, Travis R.
Jacobs, George F., Jr.
Jacobs, James H.
Jaeger, Robert H.
James, Edgar L.
James, Ernest W.
Janetatos, Jack P.
Janisch, Frank R.
Jarratt, Guy C., III

Jebb, Robert D.
Jeffords, James M.
Jellison, Harry E.
Jenkins, Jerry V.
Jennings, Mark J.
Jennings, Walter E.
Jensen, Lawrence C.
Jensen, Robert B.
Jensen, Richard S.
Jenson, Gunnar S.
Jernee, Andre L.
Jessup, Harlan R., Jr.
Jewell, Keith D.
Johe, Richard E.
Johnson, Craig I.
Johnson, Pierce, Jr.
Johnson, James E.
Johnson, Myron S.
Johnson, Norman C.
Johnson, Charles E.
Johnson, David R.
Johnston, Donald H., Jr.
Johnston, James R.
Johnston, Donald W.
Jolley, Gordon B.
Jones, Jerry E.
Jones, Robert F.
Jordan, Henry M.
Jordan, Henry W.
Judge, Michael J.
Kahrl, Thomas A.
Kammann, Richard A.
Karas, Robert E.
Karn, Alvin R., Jr.
Kasnicki, Edward J.
Kawalkowski, Leonard P.
Kearl, Grant W.
Kearney, Paul L.
Keegan, Arthur E.
Keeley, Edward C.
Keene, Charles R.
Keith, William J.
Keller, Robert M.
Keller, William E., Jr.
Kelly, Francis P.
Kelso, Frank B., II
Kemper, Robert D.
Kenaston, George W.
Kennedy, Dennis E.
Kenney, Richard A.
Kenworthy, Earl L.
Keough, Robert J.
Kern, Charles R.
Kersting, William H.
Kilbourne, William T., II
Kilpatrick, Louis A.
Kilpatrick, Paul G., Jr.
Kinert, John H.
King, Charles C.
Kingman, Stanley R., Jr.
Kingsbury, James M.
Kinney, Ben J.
Kinney, Charles H.
Kinsel, Herman L.
Kinsley, Calvin H.
Kirkman, Thomas C., Jr.
Kirkpatrick, Wayne A.
Kirkpatrick, John H.
Kirkwood, Robert L.
Kirwan, Albert D., Jr.
Kitzelman, Glenn E.
Klein, Melvin A.
Klein, Peter M.
Kleinheinz, John A.
Knake, Philipp B. K., Jr.
Knezich, Andrew G.
Knight, Burton L.
Knightly, George H.
Knott, Howard E., Jr.
Kohl, Ernest J.
Koll, William P.
Kordek, Walter A.
Korman, Erich "F"
Koutas, Serapheim D.
Kowalsky, Roger J.
Kraemer, Kenton K.
Kraft, John R.
Kral, Anthony J.
Kralik, Simon C.
Kramer, James B., Jr.
Kramer, Rex W., Jr.
Kreutzberger, Donald J.
Krieger, John W.
Krieger, Thomas R.
Krimm, John J.
Kristof, John J.
Krog, Herbert P.
Kromer, Ralph E.
Kronmiller, George C., Jr.
Kronnagel, Julius
Kruetzfeldt, James H.
Kruehler, Donald E.
Kurz, Walter C.
Kuykendall, Herbert B.
Kvederis, James P.
LaBarge, William A.
Lacey, Trammell C., Jr.
Ladas, Nick J.
LaFave, Maurice G.
LaForge, Charles A., Jr.
Laird, John V.
Lake, Joseph F.
Lakey, Jimmie D.
Lakin, Bill
Lamberth, Billy C.
LaMotte, Francis J.
Landaas, Arne S.
Landroche, William J., Jr.
Lang, Grover W.
Langenheim, John P.
Langley, Thomas R., Jr.
Langworthy, James B.
Lanham, Gene
Lanier, William T.
Lanning, Richard J.
Larkin, Donald R.
Larsen, James L.
Larson, Lawrence H.
Laszlo, William V.
Laub, Burton R., Jr.
Lauterbach, Peter C.
Laux, Arno H.
Lawrence, Robert W.
Lawson, Henry T.
Leach, Richard L.
Leahy, Philip G.
LeCuyer, James M.
Lees, Forrest A., Jr.
Leird, William A.
Lenhardt, Harry F., Jr.
Lester, Harold D.
Levendoski, Richard J.
Lewey, Ira D.
Lewin, Theodore E.
Lewis, Harold S.
Lewis, John F.
Lewis, John L.
Lewis, Norman H.
Liebman, Jon C.
Lind, Frederick J.
Lindquist, Donald E.
Lippert, Frederick G., III
Lippke, Bruce R.
Lloyd, David B.
Locke, Jerry L.
Lockeman, George F., Jr.
Loechelt, Cecil P.
Logan, David E.
Loonin, Mathew R.
Loudermilk, Henry E.
Lovdal, Rodney H.
Lowden, Lawrence A.
Lown, Paul C.
Lowry, Donald G.
Loyd, Allen H.
Lufkin, Fitz O., Jr.
Lumbert, Albert W.
Luybli, Richard E.
Lycan, Deane R.
Lyle, Calvin H.
Lyons, James E.
Macan, John J.
MacDiarmid, Ronald B.
MacDonald, James D.
MacEwen, John M.
Mackey, Arthur J., Jr.
MacLaren, John H.
Maclay, Donald T.
Mademann, Paul F.
Magill, Rankin D.
Maines, Henry L.
Mainland, Edward A.
Maliczowski, William
Malitz, Michael N.
Malloy, Malcolm A.
Malone, John D.
Manes, William C.
Mann, John P.
Mansell, Richard T.
Marcoux, Eugene A.
Marks, Everett D.
Marks, Thomas D., Jr.
Marquardt, Merritt R.
Marron, Michael R.
Marseille, Richard A.
Martersteck, Karl E., Jr.
Marthinson, Detlow M., Jr.
Martin, Frank P.
Massey, Richard P.
Masterson, Leo S.
Maston, Joseph H.
Mateer, Edward R.
Maxson, Myron F.
Maxwell, Charles J.
Maxwell, Matthew T., III
Mayer, Robert R.
Mayfield, Douglas S.
Mayfield, Albert L.
Mayo, John J., Jr.
Mays, Samuel E., Jr.
McAlister, Rex F., Jr.
McAllister, William M.
McAllister, Richard C.
McArthy, Phillip M.
McBride, Michael A.
McBurnett, Kenneth S.
McCable, Joseph M.
McCaffery, Robert A.
McCain, James R.
McCarter, Kenneth W.
McCarthy, Gerald D.
McClanahan, Robert C., Jr.
McCleskey, Jerry
McClure, William F.
McClure, Dale R.
McComb, John H.
McConkey, Edward C.
McCormack, Richard L.
McCoy, James C., Jr.
McCoy, Thomas H.
McCravy, John R., Jr.
McCune, Terrance O.
McDermott, John J.
McDermott, Richard J. F.
McDonald, Ray M.
McDonald, David L.
McDonell, Walter I., Jr.
McDonough, William J.
McEachen, Angus D.
McEowen, James R.
McFadden, John H., Jr.
McGarry, John G.
McGee, Claude A.
McGhinnis, Richard O.
McGlamery, James L.
McGuire, Marvin "E"
McGuire, Sidney L.
McIlwaine, John C.
McIntire, Wilton H.
McKaskle, Paul L.
McKeeman, William M.
McKellar, Louis A.
McKinney, Mercer L., Jr.
McKinney, Gale A.
McKinnon, John D.
McKinnon, Michael W.
McKinsey, Mark H., Jr.
McKinstry, Thomas W.
McLaughlin, John R.
McLean, Charles R.
McLellan, Charles A.
McMahon, Gerald L.
McMillan, Lee Q.
McNeill, Richard J.
McNevin, Michael T.
McPhee, Bruce G.
McPherson, Albert A.
McQueen, George B.
McSwain, Stanley R.
Medcalf, Alfred W.
Medwedeff, Channing W.
Meier, Leonard M.
Mellette, William W.
Melvin, Edmund W.
Melvin, Virgil B.
Melvin, William W.
Mengel, Ronald K.
Merki, Robert E.
Merrill, Grant C.
Merson, Alan
Metzler, Charles D.
Meyer, Bruce C.
Meyer, Jan H. H. III
Michaels, Danny J.
Middleton, Charles W.
Miller, Allen W.
Miller, Gordon J.
Miller, Hoyle H.
Miller, Herbert A.
Miller, John M., Jr.
Miller, Kenneth L.
Miller, Merle E.
Miller, Robert L., Jr.
Miller, Wayne W.
Miller, William H.
Milligan, Wayne L.
Millon, Donald H.
Milne, James L.
Minkler, Eugene D.
Minton, David C. III
Mirise, Kerry W.
Misar, Kenneth H.
Mitchell, Kenneth
Moncure, Charles W.
Moore, Harold A., Jr.
Moore, Nelson E.
Morgan, Donald L.
Morgan, Garner E., Jr.
Morgan, John J.
Morgan, William N.
Morioka, Wilfred T.
Morris, Alexander R.
Morris, Charles S.
Morris, John D.
Morris, Joseph H.
Morris, Napoleon L.
Morris, Robert J.
Morrison, Robert L.
Morrison, Jon K.
Mortimer, Edmund C.
Morton, Arnold W.
Morton, Richard E.
Mosher, Thomas F.
Mossop, Wallace L., Jr.
Motika, Ralph
Mount, Eugene A.
Moyers, Gilbert E.
Mozier, Richard A.
Mulholland, Howard E.
Mullen, John T.
Muller, Ronald M.
Mulloy, Charles S.
Mulvihill, James H.
Murphy, James J., Jr.
Murphy, Robert E.
Murray, Frank S.
Murrell, Charles J.
Musgrove, William M.
Musick, Wayne O.
Myers, Ashley A.
Myers, Richard A.
Naddy, Llewellyn L.
Nagel, "L" "D"
Neff, John R.
Nelson, Carl A.
Nelson, Paul J., Jr.
Nelson, Robert L.
Nelson, Sven D.
Nerrie, Robert A.
Neubacher, Walter T.
Neuhard, Henry H.
Newbury, Alfred C.
Newcomb, James W., Jr.
Newnham, Stephen L.
Nicholas, David W.
Nicholson, Murray M. J., Jr.
Nicholson, Odis A.
Nickerson, Willis B., Jr.
Nickerson, Jul M.
Nielsen, Irving C.
Niles, John D.
Niles, Wilmer J.
Norman, John A., Jr.
Norman, Kenneth L.
Norris, Richard J.
Northam, Thomas A., Jr.
Novratil, Robert V.
Nowak, Edward M.
Nuanes, Charles
Nuckols, Thomas W.
Nutting, Harry O., III
Oberle, Ronald J.
Ochs, Dorance L.
O'Connell, Donald B.
O'Connell, Jerome A.
O'Connor, Edwin A.
O'Connor, Harold B.
O'Donnell, Robert G.
O'Dwyer, Kyran M.
Ogram, Donald T.
O'Halloran, William J.
Ohmen, Douglass J.
O'Keefe, William J.
Oliverio, Theodore E.
Olson, Carroll A.
Olson, Darryl D.
Onstott, Donald D.
Oppedahl, Phillip E.
O'Rear, Gilbert A.
O'Rourke, James A.
Orrik, David N.
Orzech, Bernard P.
Osborne, Robert A.
Osgood, Wayne R.
Overstreet, George H.
Overton, William S., III
Owen, James L.
Owings, Dwight C.
Oyler, Jimmie D.
Padgett, Ervin E., Jr.
Page, John M., Jr.
Page, Thomas W.
Paine, Francis S., Jr.
Palmer, Charles F.
Palmer, Howard L.
Palmer, Jerry J.
Pardue, James I., Jr.
Parke, John S.
Parker, Edgar H.
Parker, Thomas W.
Parmiter, James
Parsons, Charles E.
Pasquinelli, Francis C.
Pasternak, Alan D.
Patterson, George D., III
Patterson, Robert G.
Pattin, Stephen M.
Patton, James M.
Peake, Douglas A.
Pedersen, Odd B.
Peek, Robert F.
Peetz, Robert E.
Pellettieri, James E., Jr.
Penders, Joseph W.
Pennock, Murray F.
Perkins, Thomas C.
Perry, Albert J.
Perry, Henry B.
Petersen, Richard D.
Peterson, James F.
Peterson, Aldor C., Jr.
Peterson, Karl L.
Peterson, Peter C.
Peterson, Bob L.
Petree, Noel H., Jr.
Petrich, Horst A.
Phelps, Freddie J.
Philipp, Frederick C.
Phillips, Ronald M.
Pickel, Theodore C., Jr.
Pieper, Darrell R.
Pinion, David E.
Plapp, Donald P.
Plaut, Richard L., Jr.
Poe, Benjamin L., Jr.
Poggenburg, John K., Jr.
Polfer, Clarence R.
Polking, John C.
Pond, Parker F., Jr.
Poole, Donald R.
Poole, Thomas E.
Poore, Thomas W.
Portch, Donald H.
Potter, Clare E.
Potter, Douglas C.
Poulsen, Wells P., Jr.
Powell, Leonard F.
Powell, Wendell W.
Poyet, Elmer F.
Price, William H., II
Pritchard, Joseph R.
Pritchett, Moody L.
Probst, Reed R.
Propper, Ronald M.
Putnam, John C.
Pyle, Loyd E.
Quillinan, William E.
Quinn, James E., Jr.
Quinn, Peter J.
Quisenberry, Jesse W.
Raab, Charles F.
Raab, George E.
Raeymaeckers, Ronald P.
Raja, Roy M.
Randrup, Peter N.
Ranney, Harr F.
Ransom, James P., II
Rappel, Thomas J.
Rashley, George E.
Rathbun, Philip W.
Read, Benton M.
Reed, Allen E., Jr.
Reese, Paul J.
Reid, Ralph G., Jr.
Reifschneider, Jack L.
Reinhardt, Ellwood B., Jr.
Rennaker, Charles L.
Renshaw, Kent S.
Reppetto, Gerald G.
Repta, Robert S.
Reynolds, Rodney R.
Rice, Bernard P.
Rich, Willis S.
Richardson, Ronald W.
Richter, Ronald H.
Richter, John H.
Riefler, George B.
Rigler, Douglas V.
Ring, Stewart A.
Rinn, John R.
Rish, John F.
Ritchie, Robert W.
Roach, John C.
Robbins, Theodore C.
Roberts, Charles R.
Roberts, Bobby W.

Roberts, Gordon J. "A"
Roberts, Ned C.
Roberts, Richard D.
Roberts, Tommie W.
Robertson, Hollis E.
Robertson, Robert J.
Robinson, David W.
Robinson, Eugene I.
Rodgers, Robert D.
Roegge, Charles E.
Roper, Daniel P.
Roper, Vincent W.
Roscoe, Simon A., Jr.
Rosendale, George W., Jr.
Ross, Joe O.
Rothe, Jack F.
Rougelot, Rodney S.
Rowsey, James M., Jr.
Rundell, Carl R.
Runnette, Charles W., III
Rusch, Charles W.
Rush, Claude E.
Russ, William M., Jr.
Russell, Kay
Rutgers, John A.
Rutherford, Harry M.
Ruthrauff, Clifford B.
Ryan, Thomas M.
Sabin, James F.
Sabine, Frederick R.
Sackett, Dean R., Jr.
Saleh, Richard E.
Sallade, Frederick E.
Salo, Elmer E.
Sampson, Robert J.
Sams, Hugh P.
Sanders, Marvin C.
Sandman, Richard S.
Sandoval, Albert, Jr.
Sargent, Stephen E.
Savage, Jimmy R.
Sayers, Samuel L.
Scarlett, Frank B.
Schade, Gerhard R., Jr.
Schaible, David L.
Schang, John J.
Schatz, Robert G.
Scheyder, Ernest J.
Schick, Herbert A.
Schildhauer, Edward W.
Schilling, George F.
Schleicher, Carl
Schlick, Kurt G. A.
Schlobohm, Thomas D.
Schmid, Stuart G.
Schmidt, Peter R.
Schmidt, Robert H.
Schmidt, Vincent L.
Schmidt, Robert P.
Schmiedel, William F.
Schmitt, Robert W.
Schmoker, Daniel N.
Schmoll, Maurice T.
Schneider, Howard A.
Schneider, Walter L., III
Schoessel, William M., Jr.
Schreck, Milton W.
Schreiner, Raymond J.
Schultz, Charles W.
Schulze, John M., Jr.
Schuster, Eugene J.
Schutte, John J.
Schwartz, Jay W.
Schwartz, Ralph C.
Schwarz, Hans T.
Schweiger, Melvin B.
Scott, Thomas P.
Scovel, Frank D.
Scranton, Herbert "H"
Sears, Fred A.
Seaward, Hobart E.
Sechrest, Edward A.
Seebold, James G.
Seesholtz, John R.
Seiler, Melvin E.
Seip, Asher P., Jr.
Sesma, Ramon A.
Setlowe, Richard H.
Sexton, Delbert A.
Shafer, Philip R.
Shafer, Richard W.
Shaffer, Clyde H.
Shannon, Francis P., Jr.
Shannon, Philip M.
Sharp, Fred H., Jr.
Shear, George E.
Shelso, David A.
Shelton, Donald D.
Sheppy, Clayton L.
Shinn, Robert A.
Short, Benjamin F.
Short, Leroy A., Jr.
Showalter, Joseph L.
Showalter, Amos T.
Shultz, Theodore B.
Shumaker, Robert H.
Sibley, David N.
Sikes, James H.
Simerville, William D.
Simkovich, Alexander
Simpson, George T. K.
Simpson, William H.
Skow, Darryl D.
Slack, Stephen R.
Slaughter, William T.
Slawson, Bruce L.
Slawson, Bryce D.
Sley, Ronald K.
Sloan, John H.
Sloan, William D.
Slough, John H.
Smetheram, Herbert E.
Smiley, Robert R., III
Smith, Bobby E.
Smith, Donald W.
Smith, Frederick H., Jr.
Smith, Gene A.
Smith, George O.
Smith, Harold L., Jr.
Smith, James W.
Smith, Joseph C.
Smith, Lawrence H.
Smith, Norman M.
Smith, Phillip J.
Smith, Raymond L.
Smith, Robert L.
Smith, Thomas F.
Smith, Vernon C.
Snow, Robert E.
Snyder, Richard C.
Somerville, Jack E.
Sommer, Gilbert R.
Sones, William C.
Sonnet, Philip E.
Soss, William J.
Sowley, Roy G.
Spann, Homer R.
Spees, Adrian D.
Spellman, Fred G.
Spink, Peter J.
Squires, Howard J.
Staats, Michael C.
Staedeli, Arnold W.
Stallings, Rex. P.
Stammer, Walter H., Jr.
Stanford, James S.
Stanford, Robert L.
Stanley, John N.
Stanwick, Stanley W.
Stapleford, Kenneth R.
Stark, Bradley W.
Stark, Walter W.
Statham, Raymond B.
Steece, Robert B.
Steele, Colin G., Jr.
Stefanou, Christopher M.
Stengle, Robert E.
Stephens, William J.
Stephenson, Paul D.
Stephenson, William M.
Sterling, John C.
Stevenson, Barr S.
Stevenson, Connelly D.
Stewart, Edwin M., Jr.
Stewart, Charles C.
Stewart, George W.
Stinson, James W.
St. John, John J.
Stockham, Terry L.
Stocking, Sigurd I.
Stone, Elmer M.
Stone, Lowell P.
Stotz, Robert H.
Stradley, George R.
Stratford, Robert H.
Streuli, Joseph W.
Strohmeyer, George R.
Strong, Charles E.
Strong, Henry H., Jr.
Stroup, Wayne B.
Stuhldreher, John M.
Stutz, James D.
Sullivan, Gene F.
Sullivan, Michael P.
Sullivan, Thomas J., Jr.
Sumner, Norman E.
Sutton, Gilbert C.
Swanson, Harlan D.
Sweeney, Leo H.
Swezey, John P.
Swingle, Robert L.
Swope, John H., IV
Taff, Clarence O., Jr.
Tager, Bruce A.
Talbert, Joseph T.
Talbott, Merrill L.
Tarbuck, Richard R.
Tatom, Frank B.
Taylor, Dan L.
Taylor, Hugh R.
Taylor, James M.
Taylor, John D.
Taylor, Larry J.
Taylor, Robert C., Jr.
Teachout, David S.
Terrell, Carter S.
Thall, Raymond L.
Tharp, Arvel D.
Theodorelos, Pete "J"
Thomas, Alexander T.
Thomas, Charles H., II
Thomas, James G.
Thomas, Richard L.
Thompson, Benton G.
Thompson, Donald C.
Thompson, Donald H.
Thompson, Jack D.
Thompson, Theodore R.
Thompson, Tommy L.
Thomte, Theodore
Thomte, William J.
Thorne, Robert E.
Thorpe, Gordon L.
Thorson, James L.
Thurber, John D.
Thurneysen, Jon S.
Tibbitts, Barrick F.
Tiderman, John M.
Tierney, James S.
Tollinger, John N., Jr.
Toohey, Edward L., Jr.
Townsend, James B.
Tracy, James R.
Tralla, Wade A.
Treiber, Maurice L.
Trent, Richard W.
Trevor, Leigh B.
Tripp, Robert G.
Trupp, Adam R.
Tubbs, Kenneth A.
Tucker, Edwin B.
Tucker, James E.
Tucker, Roy E.
Tullis, James V.
Turner, Benjamin B., Jr.
Turner, Charles H., III
Turner, James R.
Turner, Robert R.
Turner, Robert C.
Tuttle, Clinton L.
Tuttle, Thomas D.
Twinam, Joseph W.
Tyler, Maurice F., Jr.
Ulrich, Thomas R.
Unger, Phillip E.
Urban, Richard J.
Ustick, Richard C.
Vail, William C.
Valentine, Kenneth M.
Vallera, Rocco D.
Vance, Walter N., III
Vanderwagen, Edward A.
VanHorne, Alfred L.
VanMetre, James M.
VanNice, James R.
VanPool, Logan E.
VanSickel, Alfred L.
Varettoni, Leroy W.
Vaughan, Robert E., III
Villalobos, Julian
Villenave, Robert A.
Vincent, Robert F.
Virnelson, Thomas R.
Vispo, Peter P.
VonHoene, Clifford J.
Vowell, Joe L.
Waddell, Jack W.
Wagner, John A.
Walder, Edward F., Jr.
Waldron, Charles H.
Waldrop, Glynn A.
Walker, Brian F.
Wallace, Richard J.
Wallace, Turner P., Jr.
Wallis, Wayne H.
Waltzer, Jacob
Ward, Compton E.
Warner, Howard R.
Warren, James W.
Warren, Mitchum E., Jr.
Waterhouse, Tom W.
Watkins, Robert V.
Watkins, Robert L.
Watson, Thomas J.
Watts, Henry A.
Watts, James W.
Way, Edward R.
Weatherby, Theodore R.
Webber, Ross A.
Weber, Gustave A., Jr.
Weber, James F.
Webster, John A., Jr.
Weggeland, David
Wehner, George D.
Weidknecht, Frank A.
Weidman, Russell H.
Weinberger, William M.
Welborn, John L.
Welch, Ralph W.
Welch, Richard D.
Wells, Walton E.
Welsh, George T.
Werner, Marshall D.
West, Charles T.
West, Norman P.
Weston, Hugh A., Jr.
Westphal, Harold S., Jr.
Whalen, William F.
Wharton, Edwin K.
Wheeler, Orville E.
Whitbeck, Charles J.
White, Clarence A.
White, Henry M., Jr.
White, Julian E., Jr.
White, Laurence A., Jr
White, Richard F.
Whitehorn, Floyd H.
Whiteside, James D.
Whitfield, Guy K.
Whittington, James W.
Whittle, Henry W.
Whittlesey, Jerry R.
Whittum, Frederick P.
Widen, Richard D.
Widman, John C., Jr.
Wiedrich, Charles L.
Wiegand, William E.
Wiggins, Larry C.
Wilbern, Jack M.
Wilde, John H., Jr.
Wilder, James D.
Wilkins, George H.
Will, Robert, A.
Williams, Frank E.
Williams, Richard E.
Williams, Jerome B.
Williams, Robert C.
Williams, Thomas W., Jr.
Williams, Forrest R.
Willis, Nicholas J.
Wilson, Bruce B.
Wilson, Charles R.
Wilson, Charles N.
Wilson Donald C.
Wilson, Eric J.
Wilson, John S.
Wilson, Jackson, A., Jr.
Wilson, Paul G.
Wilson, William R., Jr.
Windsor, Nelson E.
Winer, David E.
Wise, Stephen A.
Wishart, Merton J.
Witherspoon, Charles R.
Witt, John L.
Witt, Robert F.
Woeber, Arthur F.
Wolf, Charles R.
Wolfe, Robert E.
Womack, David R., Jr.
Wood, Charles L., Jr.
Wood, Clarence W.
Wood, Rex S.
Woodbury, Orpheus L., III
Woodhouse, Lucien C.
Woodruff, Gene L.
Woods, Herbert P.
Woodside, Harold R.
Woodward, David B.
Woolson, Allen M.
Wootten, Carl B.
Worrock, Bryce K.
Worst, Dale R.
Wright, Frederick E.
Wright, Joseph M. P., Jr.
Wright, Orville, Jr.
Wyma, Bruce H.
Yarbrough, William P., Jr.
Yates, Walton E.
York, Richard A.
Youmans, Joseph E.
Young, Kenneth G.
Young, Ronald E.
Zagoras, Hercules P.
Zdolsek, Martin F.
Zechlin, Frank F.
Zerwas, Richard L.
Zimmerman, John C.
Zimmerman, Robert W.
Zinn, Chester A., Jr.
Zipse, Robert L.
Zirbel, William D.
Zweig, Bertram R.
Adsit, Carol A.
Bell, Beryl E.
Burman, Rita M.
Burnside, Mary D.
Chapman, Barbara R.
Dilorenzo, Julia J.
Downing, Mary J.
Ellis, Nancy A.
Hill, Elaine R.
Miller, Sarah L.
Ohare, Patricia D.
Skoff, Jordine C.
Steenburgen, Anna L.
Taylor, Mary E.
Vogler, Velma R.
Ward, Anna M.

SUPPLY CORPS

Allen, Robert A.
Ault, William U.
Babcock, Peter C.
Baricev, Victor J.
Barnett, Andrew F., Jr.
Barragar, Harvey C.
Bilicke, Eric W. H.
Binns, Jack R.
Blackwell, Harry, Jr.
Bohlen, John H.
Boike, Robert J.
Booth, Stanley L.
Boyd, John S.
Brandt, Keith D.
Brandenburg, Wallace M.
Brown, Emily Z.
Brown, Troy L.
Brown, Thomas G.
Broyles, George D.
Buck, Walter E., Jr.
Buckley, John E.
Bulluck, Edgar G.
Butts, Whitmore S., Jr.
Campbell, Carroll J.
Carroll, Raymond L.
Carson, Francis W.
Chamberlin, Warren G.
Chancler, Robert T.
Chipley, Charles L., Jr.
Cody, Paul J.
Connolly, George S., Jr.
Cooke, Edwin F.
Coombs, Douglas F.
Cooney, George J.
Cornett, Fred O.
Corrigan, John J., Jr.
Coyne, Donald E.
Crutchfield, Frank D.
Curry, Robert
Daughtridge, Gerald R.
Dickey, James A.
Doherty, Charles V.
Dohmeyer, Russell S.
Dolenga, Harold E.
Dunning, William J.
Durbin, James R.
Eaton, Thomas E., Jr.
Erickson, Douglas L.
Erskine, James F.
Estes, Arthur, Jr.
Farley, Charles V.
Fidd, Joseph A.
Fries, Paul A., Jr.
Gaddis, Carl K.
Gagner, Francis X.
Gellhorn, Ernest A. E.
Gerstenberger, Wayne W.
Gervais, Jules J.
Goodwin, William G.
Gorenflo, Louis W.
Goulette, James D.
Grant, Ralph S.
Gregorio, Daniel S.
Griffin, Edward J.
Haase, Robert L.
Hanna, Wallace J.
Hardie, Newton G., Jr.
Harmon, Robert G.
Hart, James J., Jr.
Hassel, Robert B.
Hatcher, Harold S.
Heil, Louis L.

Heinecke, Philip S.
Higgins, Ernest C. M.
Hobson, Edward N.
Horner, Raymond N., Jr.
Hudgens, Ronald C.
Hughes, Horald M.
Hunt, William S., Jr.
Johnston, Donald A.
Johnston, Robert A.
Jones, Billy N.
Jones, Channing E.
Joys, Roger G.
Kennedy, Don E.
Krietemeyer, Diedrick K.
Kriner, Lloyd B. W.
Krueger, Lloyd W.
Langer, Gerald D.
Larsen, Henry O.
Lawson, Frederick D.
LeBuhn, David
LeGendre, John D.
Locke, Olive C.
Love, Edwin A.
Loveday, William G.
Lubben, Vernon L.
Luther, James R., Jr.
Mackey, Carlton W.
Martin, William J.
Mason, Kinner C.
Maxwell, Kenneth H.
McClellan, Henry A., Jr.
McCool, Patrick R.
McCullers, Lawrence E.
McGarvey, John J.
McHugh, Thomas H.
McKinnon, Daniel W., Jr.
McMillion, Lee N.
McMullen, Franklin D., Jr.
Meiners, Arthur C., Jr.
Meredith, Richard E.
Mitts, Joseph P.
Moeller, James H.
Monaghan, William T.
Moore, Ned D., Jr.
Moran, Lloyd D.
Morgan, Richard E.
Morse, William M., Jr.
Moss, Stephen A.
Mulroy, George A.
Munkres, Glenn R.
Murphy, John E.
Murphy, Jamie R.
Nicholas, William R.
Nissle, Donald E.
Oaks, Jacob G., Jr.
O'Brien, Robert J.
O'Connor, Daniel J., Jr.
Olivier, Denny R.
Olson, Gene P.
O'Malley, Robert H.
Orange, James E.
Osgood, Douglas C.
Pailas, George C.
Parr, Harold S.
Perrone, Louis A.
Peters, William A.
Pfeiffer, Louis J.
Phillips, William M.
Pistolessi, Vincent J.
Platt, Stuart F.
Potts, Larry D.
Powell, Edwin T., Jr.
Prior, Cornelius B., Jr.
Prokop, Jan S.
Quesnoy, Charles E., Jr.
Raffels, John F.
Raymond, James A.
Reeder, Paul A.
Riser, Joseph R.
Roos, Gerald J.
Roth, Donald L.
Scanlon, Robert J.
Schaaf, Alvin D., Jr.
Scott, William W.
Shuler, Jettie C.
Smith, Franklin D.
Smith, John A., Jr.
Sorkin, Frederick L.
Stanton, James M.
Starrett, William I., Jr.
Stevens, Phillip B.
Stiles, William H.
Stolp, Donald E.
Stone, Donald R.
Sullivan, Raymond V.
Sweder, Don V.
Thompson, James
Tobin, Isidore L., III
Todd, Blaxton V.
Trawick, George L.
Tudor, Clyde E.
Vandegrift, Charles F.
VanHouten, Richard E.
Vannaman, Thomas L.
Vedra, Charles A.
Walker, Richard C.
Walsh, Richard S.
Warren, Raymond
Washington, Emory B.
Westmoreland, Perry L.
Wham, Kathryn L.
Whitaker, James P.
White, James A.
Williams, Robert L.
Wolfe, Frank J.
Woodard, James C.
Woodward, Corbin, Jr.
Wright, Harold C.
Wrobel, Eugene A.
Young, Benjamin L.
Young, Jack L.
Young, Ronald A.
Young, Stanley A.
Zabrycki, Edward A.
Zepczyk, Joseph M.

CIVIL ENGINEER CORPS

Anderson, Walter I.
Anderson, Richard M.
Baggs, Charles C.
Bell, William F.
Borgen, Arlen L.
Bradtmiller, Paul H.
Broido, Jeffrey H.
Brooks, Lee S.
Buhler, Peter C.
Bundy, Ronald M.
Carle, Barry
Collins, Allan W.
Coppola, Anthony
Creger, William E.
Flack, Frederick P.
Ford, James E.
Friedlander, Fred I.
Goodman, Robert F.
Groff, Gerald C.
Johnson, Don P.
Jones, Darrell E.
Kenny, Robert E.
Keppel, Henry E., Jr.
Kimmons, Victor H.
Larsen, Lauren A.
MacDonald, Malcolm J.
McHugh, Robert J., Jr.
Merz, Harry W., Jr.
McPartland, Eugene J.
Moeller, Ronald L.
Morris, Robert B., Jr.
Mueller, Karl L.
Newcomb, Frank M.
Petersen, Norman W.
Pietsch, Paul E.
Quinn, Robert E., Jr.
Rea, Lawrence F.
Remular, William F.
Resnick, Rudolf
Schade, Robert A., Jr.
Sellevold, Richard P.
Shanley, John J., Jr.
Shirley, Ronald G.
Spitz, Ronald M.
Whelan, James E.
Wildman, James R.
Wilson, Robert B.
Young, Joseph F.
Zinckgraf, Raymond G

MEDICAL SERVICE CORPS

Barboo Samuel H., Jr.
Boone, Harry M.
Boudreau, Harold J.
Brubaker, Leonard H.
Clark, James L.
Cooper, Thomas G.
Davis, William P.
Fletcher, William E.
Formeller, Frank J., Jr.
Fowler, Ephraim E., Jr.
Fultyn, Robert V.
Gallagher, Thomas J.
Gillenwaters, John D.
Greenwald, Alan F.
Halverson, Charles W.
Hawkins, Kenneth L.
Hunt, James A.
Jones, George D.
Karr, Joseph T.
Mobbs, Philip H.
Moody, John R., Jr.
Myers, James I.
Nichols, Lloyd B.
Palmer, Jack J.
Roberts, Billie C.
Roberts, Billy D.
Ryan, William A.
Shuler, Donald E.
Sickels, Forman J.
Smith, Glen R.
Sollman, John R.
Tuttle, Richard G.
VanHooser, Russel P.
Wilcox, James G.
Ziegler, Harry F., Jr.
Zseltvay, Andrew J., Jr.

NURSE CORPS

McIntyre, Lora J.
Shaw, Joan S.
VonFreuden, Marilyn H.

The following-named (Naval Reserve Officers Training Corps) for permanent appointment to the rank of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Francis J. Lennartz IV.
William D. Lovett.
Richard J. Tammaro.

The following-named (from the temporary disability retired list) for permanent appointment to the rank of first lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

William R. Delahunty, Jr.

The following-named (from the temporary disability retired list) for temporary appointment to the rank of captain in the Marine Corps, subject to the qualifications therefor as provided by law:

William R. Delahunty, Jr.

The following-named (United States Military Academy graduate) for permanent appointment to the rank of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Daniel W. Schrader.

The following-named (Army Reserve Officers Training Corps) for permanent appointment to the rank of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Alfred R. Sarvi.
Donald R. Stanton.

The following-named officers for permanent appointment to the rank of first lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

George A. Baker III
George B. Barner, Jr.
John H. Bateman
Rafael A. Becerra, Jr.
Raymond A. Becker
Clay D. Blackwell
Richard R. Calhoon
James L. Compton
Jeremiah P. Connors
Roy G. Corbett
William O. Day
Walter J. Donovan
Edmund H. Dowling
Richard C. Dunnell
Robert H. Dwyer
Arnold W. Facklam, Jr.
Arthur P. Finlon
Paul E. Fraser, Jr.
Ronald D. Fredericks
Bernard A. Gould
Robert C. Hall
Robert A. Hickethier
Jimmie A. Hicks
Thomas C. Houston
Eugene S. Jaczko, Jr.
Norman J. Jasper, Jr.
Robert C. Johnson
Robert M. Jordan
John M. Keenan
Neil M. Larimer II
Jerry W. Ledin
Russell E. Leva
Harry T. Marren
Charles F. Matheny
John F. McFadden
Garnett McGrady
William J. McGrath
Robert D. Muluahy
Ronald E. Norman
Robert L. O'Brien
Mischa Rader
William J. Reilly, Jr.
James L. Rhodes
Harold H. Robinson, Jr.
William D. Smith
Roger A. Splean
Andrew M. Steele
Patrick R. Stingley
Everett P. Trader, Jr.
John F. Weeks
Craig A. White
Richard A. Widdows
Melvin V. Wilkerson, Jr.
Walter M. Winoski

The following-named officers for temporary appointment to the rank of first lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Howard E. Albright
Robert B. Alexander
Leland G. Anderson
Sidney J. Boudreaux, Jr.
Jonathan R. Bryan
Carl G. Collins
Frank R. Criger
George B. Deatrick
Michael C. Drury
William C. Floyd
Donald R. Huffman
Philip S. Kelley, Jr.
Daniel A. Kelly
Richard Keshian
Philip J. Kieselbach
John F. Krebs
James E. Kulp
Raymond E. Larsen
Philip A. Lo Presti
John A. Maxwell
George D. McLaughlin, Jr.
Jerry J. Muth
Louis T. Nappi
Daniel M. Notine
Walter E. Ovelgonne
Robert C. Rausch
Charles D. Regan
Charles T. Reynolds
William J. Rinken
Francis Simon
Ellis F. Smith
Burl V. Stonum
Thomas A. Stumpf
Albert E. Toler
G. B. Tucker
Caleb N. Wall
Billy W. Warner
Joel Washington
William J. Wescott
Herman B. West

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 7, 1959

The House met at 10 o'clock a.m.

Rev. David P. Small, Jr., Fair Park Baptist Church, Alexandria, Va., offered the following prayer:

Proverbs 3: 5–6: *Trust in the Lord with all thine heart; and lean not unto thine own understanding. In all thy ways acknowledge him, and he shall direct thy paths.*

Our Father who art in heaven, Thou who art from everlasting to everlasting the eternal God, Thou who didst lead our fathers to bring forth in this land a new nation, conceived in liberty; give Thy grace to us their children, that we may ever be mindful of Thee, without whom no people can prosper or dwell secure.

Grant that we Thy children may accept this day not as a gift from Thee but as a trust for which we shall give an account. Grant that each thought and act of these Thy servants may strengthen the cause of freedom and justice in our Nation and world. When the shadows of this day shall fall may they merit Thy benediction, "Well done, thou good and faithful servant." Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MISS HELEN LOMMASSON, FORT SMITH, ARK., NATIONAL HOMEMAKER OF THE YEAR

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. TRIMBLE. Mr. Speaker, Miss Helen Lommasson, 16-year-old daughter of Sergeant and Mrs. Charles Lommasson, 1701 Houston Street, Fort Smith, Ark., has been selected the 1959 homemaker, which is a national honor. She was selected as the top representative of 50,000 young ladies of the National Girls Clubs. Miss Lommasson has brought honor not only to herself and her family but to her State and her Nation.

She is in Washington this week. Yesterday she was given the award of honor by Mrs. Nixon, wife of the Vice President. It is a great pleasure to have her here, and our district is very proud of her and her accomplishments. Among her accomplishments are these:

Her activities in the Fort Smith Girls Club include ceramics, cooking, sewing, tennis, basketball, swimming, pingpong, arts and crafts, rug making, rifle shooting, and serving as counselor at summer camps. She is an honor student at the Fort Smith Senior High School, is active in church work and is a member of the First Methodist Church Chapel Choir.

CALL OF THE HOUSE

Mr. ARENDS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 38]

Anderson, Mont.	Hall	Latta
Ashley	Hess	Meader
Barden	Holifield	Pillion
Celler	Hosmer	Rodino
Chiperfield	Jackson	Rogers, Tex.
Colmer	Johansen	Slack
Diggs	Johnson, Md.	Steed
	Kitchin	Willis

The SPEAKER. On this rollcall 406 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

TVA SELF-FINANCING

Mr. DAVIS of Tennessee. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3460) to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3460, with Mr. BASS of Tennessee in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read through section 1 of the bill.

The Clerk will now report the first committee amendment.

The Clerk read as follows:

Page 2, line 14, after the period strike out the remainder of line 14 down to and including line 12, page 3, and insert "Unless otherwise specifically authorized by Act of Congress existing and subsequently built, leased or acquired power facilities of the Corporation shall not be used for the sale or delivery of power for use outside the service area of the Corporation as it existed on July 1, 1957, except when economically feasible for exchange power arrangements with other utility systems with which the Corporation had such arrangements on said date. Nothing herein contained shall prevent the Corporation from continuing service to Dyersburg, Tennessee, and Covington, Tennessee, or from entering into contracts to supply or from supplying power to the cities of Paducah, Kentucky; Princeton, Kentucky; Glasgow, Kentucky; Chicamauga, Georgia; Ringgold, Georgia; and South Fulton, Tennessee; or agencies thereof: *Provided further*, That nothing herein contained shall prevent the transmission of TVA power to the Department of Defense or any agency thereof, on certification by the President of the United States that an emergency defense need for such power exists.

Mr. JONES of Alabama. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Alabama to the committee amendment: On page 4, line 6, after "exists" add the following: "Nothing in this Act shall affect the present rights of the parties in any existing lawsuits involving efforts of towns in the same general area where TVA power is supplied to obtain TVA power."

Mr. JONES of Alabama. Mr. Chairman, following the deliberations of the committee we learned of a situation of which the committee has been unaware. It was subsequently brought to the attention of members of our committee that in Mississippi two small communities, Coldwater and Olive Branch, have been trying to obtain TVA power for some time. Their efforts have been and are now contested in the courts. This amendment is offered for the purpose of protecting the present rights of such towns in their efforts to obtain TVA power. I have discussed this amendment with the minority, and I yield now to the gentleman from Washington [Mr. MACK].

Mr. MACK of Washington. Mr. Chairman, the minority members of the committee have examined this amendment and have no objection to it. As for the towns involved, one has a population of 750 and the other only 500. We think it is a desirable amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. JONES], to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. SILER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SILER to the committee amendment: On page 3, line 25, after "Kentucky" insert "Monticello, Kentucky".

Mr. SILER. Mr. Chairman, in my district in southeastern Kentucky I have a small town that is named Monticello, in Wayne County. This is the same name as the famous home site of the third President of the United States, Thomas Jefferson, which he loved so well and where he wished to die and to be buried, and where he was buried when he died. The name means little mountain.

Monticello has a small population, 2,934 people; but 31,000 acres of the land in its surrounding county have been relinquished to the impoundment of waters behind Wolf Creek Dam which is part of the Tennessee Valley system.

This town of Monticello, or Little Mountain, has been negotiating with the Tennessee Valley Authority for 6½ years seeking to come within the scope of the power and service rendered by the Tennessee Valley Authority. They have given up 12 percent of the assessed valuation of the tax values in this county.

The understanding between the negotiators was that two conditions must be met by Monticello, Ky., to qualify for TVA power. First, it must acquire a power distribution system, and so the city did this at a cost of $225,000 to the city and its taxpayers. Secondly, the furnishing of power must be deemed feasible by the Tennessee Valley Authority. It was duly considered and then deemed to be a feasible proposition by TVA, and thus there was compliance with both conditions that had been imposed. Now, the waters of Cumberland Lake, the impoundment behind Wolf Creek Dam, part of the TVA system. actually reach to a point within 2 miles of Monticello. So, the TVA and its waters and its system are in the very backyard of this little city.

In my opinion if any town in all of Kentucky or Tennessee is worthy of eligibility to receive Tennessee Valley power, this little city of Monticello should be considered eligible. Monticello, or Little Mountain, would like to become something bigger than a small molehill. It would like to become a Mount Mitchell or a Mount McKinley, or a Mount Matterhorn instead of just a molehill or Little Mountain down there in Kentucky. This seems possible through TVA cooperation.

And so, I plead with you to let this little city, which has been in negotiation with the Tennessee Valley Authority for 6½ years and which is within 2 miles of the waters of Cumberland Lake, behind the Wolf Creek Dam, come within the purview of this power privilege and participate in the electricity that is being generated by the Tennessee Valley Authority.

I thank you for your consideration. The town of Monticello will greatly appreciate this, and I will appreciate it. I ask for your support in the adoption of this Monticello amendment of mine to the committee amendment now under consideration.

Mr. DAVIS of Tennessee. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is with regret that the committee must oppose this amendment and any other like amendment. The committee wrote this bill with very

great care, and we made only six little exceptions. They are in the bill. We simply cannot open up any expansion of the area to be served, which I think everybody in this House understands to be the full agreement of the committee. The integrity of the committee is involved. We just must stand on the written language in this bill. As much as I regret having to oppose this amendment, I must oppose this amendment and any like amendment.

Mr. MACK of Washington. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the committee after hours of discussion arrived at the territorial limits that are in this bill. If we admit one additional community we must consider many other communities. The minority stands with the majority in defense of the limitations that are in the pending bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. SILER] to the committee amendment.

The question was taken; and on a division (demanded by Mr. SILER), there were—ayes 35, nays 123.

So the amendment to the committee amendment was rejected.

Mr. STUBBLEFIELD. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. STUBBLEFIELD to the committee amendment: Page 4, line 1, immediately after "thereof" add "; and to any person within the counties of Fulton, Hickman, Carlisle, Ballard, Caldwell, Livingston, Crittenden, Lyon, McCracken, Marshall, and Muhlenburg, in the State of Kentucky."

Mr. STUBBLEFIELD. Mr. Chairman, my amendment will not enlarge the area which can be served now by TVA. It will maintain the present situation concerning the area in which TVA power may be marketed in my district.

I do not believe the Congress should say to a town or REA Cooperative that they cannot choose their own source of power supply. But communities in my district would be so denied if my amendment is not adopted.

The 9,000 members of the Jackson Purchase Cooperative, some of whom literally live in sight of the largest TVA dam, would be denied TVA power under the committee amendment.

Also, to mention only one other example, the town of Fulton, Ky., which is divided by a street only from South Fulton, Tenn., which is to be served by TVA, would be prohibited by the Federal Government from any right to choose TVA power if they elected to do so.

While my amendment deals only with the district I have the honor to represent, I fail to see any valid need for a rigid limitation on TVA's power service area when the information I have shows clearly that there has been no change of any consequence in that area in the past 15 years. Also, as I understand it, the private power companies around TVA are today making more money and are serving more customers than ever before. Since the private power companies are doing so well with the TVA Act as it is, I do not see why the Congress should change the situation.

Local communities and rural electric cooperatives should be permitted to choose their own source of power supply, whether it be from a private power company or from TVA. Congress should not tell a community in my district that it cannot exercise its own free will in deciding where it gets its power. I urge the House to support this principle of freedom of choice by approving my amendment.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. STUBBLEFIELD. I yield.

Mr. SCHERER. How many additional square miles would your amendment add to the present services area?

Mr. STUBBLEFIELD. None. It would not change it at all. It is all in the present area.

Mr. SCHERER. It is all in the present area?

Mr. STUBBLEFIELD. Yes; it is in the present area. The present area is the economical transmission distance and all the counties included in this amendment will be in the economical transmission distance.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. STUBBLEFIELD. I yield.

Mr. MACK of Washington. The economical transmission distance according to the evidence before our committee creates not an 80,000 square miles but one of 320,000 square miles. If Congress admits every community or county that desires power from TVA within the area than can be served by TVA power, we will have an area served by the TVA of 320,000 square miles instead of 80,000 square miles as the bill before us provides.

Mr. STUBBLEFIELD. The counties included in this amendment are all less than 75 miles from the largest dam in the Tennessee Valley.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. STUBBLEFIELD. I yield.

Mr. BALDWIN. As I understand the point the gentleman is making, it is that these counties are not in the area served and presently receiving power.

Mr. STUBBLEFIELD. They are in the area, but they are not receiving power.

Mr. BALDWIN. That means that the gentleman proposes to expand the area actually receiving power.

Mr. STUBBLEFIELD. I do not propose to expand the area, because they are in the area now, but they have not been able to get TVA power, because the Government has been taking 52 percent of it, and that leaves a shortage for private consumption.

Mr. BALDWIN. But the gentleman's proposal would expand the actual area to which power is now delivered.

Mr. STUBBLEFIELD. It is not an expansion of the area at all; they are in the area now.

Mr. BALDWIN. In that case the gentleman's amendment is not needed.

Mr. STUBBLEFIELD. It is needed. This area now includes these counties, but they are not served.

Mr. BALDWIN. I am sorry, but if I understand the gentleman's amendment, it does expand the area, but if, as the gentleman says, they are in the area but not now receiving power, his amendment is not necessary.

Mr. STUBBLEFIELD. They are not receiving power.

Mr. BALDWIN. Then the gentleman's amendment proposes to expand the area.

Mr. STUBBLEFIELD. In this area some are receiving it; half are, half are not, and the half that are not receiving it should not be barred from TVA power.

Mr. DAVIS of Tennessee. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, for the same reason that the committee opposed the earlier amendment, with equal reluctance we must oppose this amendment and ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. STUBBLEFIELD].

The amendment was rejected.

The CHAIRMAN. The question recurs on the committee amendment as amended.

The committee amendment as amended was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 5, line 9, strike out "provisions for insurance" and insert in lieu thereof: "adequacy of".

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 5, line 11, strike out "restrictions upon", and insert in lieu thereof: "stipulations concerning".

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 8, line 3, strike out "commercial" and insert in lieu thereof: "certified public".

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 11, line 5, after "hereof;" insert "payment to the Treasury of the repayment sums specified in subsection (e) hereof;".

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 11, lines 17 and 18, strike out "period from July 1, 1959, through June 30, 1964," and insert in lieu thereof: "five-year period which commences on July 1 of the first full fiscal year after the effective date of this section,".

The amendment was agreed to.

Mr. MACK of Washington. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time not for the purpose of prolonging the debate but

in an attempt to shorten it. I take this time to explain to you the main controversies in this legislation so that you will know what the minority is going to attempt to do by offering amendments to this bill.

The minority is of the opinion that there must be Treasury and budgetary control over the TVA bond issues. Most minority members of the committee including myself favor this legislation. We favor it, however, only if budgetary and Treasury controls are provided so that the Treasury in particular will have an opportunity to pass on the timing, amount, and interest rate to be paid on TVA bonds.

The Treasury is responsible to the Nation for the management of a national debt of $288 billion dollars. If a lesser Federal agency of the Government is permitted to come into the picture and sell bonds in competition with the Treasury, that may result in an increase in interest rates by tens of thousands or hundreds of thousands of dollars in the management of the enormous debt of $288 billion.

The gentleman from New Jersey [Mr. AUCHINCLOSS], and the gentleman from Florida [Mr. CRAMER], will offer amendments to accomplish Government controls wanted by the President. The gentleman from California [Mr. BALDWIN] will submit to the committee an amendment proposing that payments on the $1,200 million that is owed by TVA to the Federal Government must be paid first before any other bond obligation is paid.

This, we believe, is a sound provision. I will offer an amendment which will propose that TVA, instead of paying an annual payment of $10 million, as provided in the bill, shall pay $20 million. We believe that TVA is financially able to make that $20 million payment without any financial hardship to the Tennessee Valley Authority. The Tennessee Valley Authority last year had $55 million of net income. Any private industry would call that net income profit. TVA had $55 million of profit and $44 million of depreciation in money. In other words, TVA last year had $99 million which it might apply to debt retirement, to interest on the debt, or payment of interest on bonds, or to expansion of facilities. We believe that this largest in America power corporation can repay to the Federal Government $20 million a year.

It seems to me unthinkable that we should propose a rate of repayment to the Federal Government extended over 120 years. I know of no company, private or public, that makes loans for a period of 120 years.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from California.

Mr. HIESTAND. I would like to have one point cleared up, and I think a great many other Members would like to have the point cleared up.

It has been said that this would devise a new scheme for Federal financing, the issuance of bonds to finance a Federal operation or activity. Is that an entirely new and unprecedented plan?

Mr. MACK of Washington. I am of the opinion it has been used in other instances, but I cannot answer definitely.

Mr. HIESTAND. Does the gentleman know?

Mr. MACK of Washington. I cannot cite them definitely. I have heard them cited in committee, but I do not recall what they are.

Mr. HIESTAND. If this bill were adopted it would completely bypass Congress and the Appropriations Committee, and we would have no further control?

Mr. MACK of Washington. Not if we adopt the amendments which will be submitted by the gentleman from Florida [Mr. CRAMER] to this bill. Furthermore, let me say that unless the amendments are adopted, I am convinced and members of the minority are convinced that this bill will not receive the President's approval. We desire a bill that will receive Presidential approval so that it will become law.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. FENTON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FENTON. Mr. Chairman, the TVA, set up more than 25 years ago to accomplish a series of objectives, that have already been fulfilled is desiring to perpetuate itself, to attain an objective that it repeatedly denied that it was its intention to attain. And to attain that objective it now is desiring to secure from Congress the unprecedented authority to issue $750 million of revenue bonds. Should Congress see fit to grant this authority to the TVA, this agency can go its irresponsible way without congressional control, without being responsible to Congress, for 8 or 10 years. In the light of its record of changing the nature of its program, it is highly dubious whether we should grant this unprecedented authority to the TVA.

Let us look at the record of the TVA. I think it will demonstrate to you that the TVA is always seeking to change its course. In 1933 Congress created the authority to attain the following objectives—

To improve the navigability of the Tennessee River.

To provide for flood control along that river.

To provide for reforestation and the appropriate use of marginal farm lands in the Tennessee Valley.

To provide for the agricultural an industrial development of the Tennessee Valley.

To operate Government properties, near Muscle Shoals, Ala., which were designed to produce fertilizer.

Incidental to these major objectives that have just been listed, Congress authorized the TVA to construct and operate power facilities at the navigation and flood control dams that it might develop on the Tennessee River and its tributaries.

The TVA already has accomplished all of these objectives, but nevertheless it still continues to function. Navigation has been provided over the river for its entire length from Knoxville to its mouth at Paducah. Practically every dam and reservoir site on the river and its major tributaries has been developed, and flood control so far as it can be obtained through reservoirs has been realized. The Government properties near Muscle Shoals have been operated to produce a large amount of fertilizer and other chemical products that have been sold in competition with private enterprise in the same line of activity. But yet the TVA, which has no set period of life, still goes on.

In this process the TVA has changed the nature of its activities completely. Power instead of being an incidental function is now the predominant function of the agency. Of its assets of about $2,047 million, $1,664 million represent power producing facilities. This gigantic power producing agency has generating capacity in excess of 10,220,000 kilowatts as of June 30, 1958. Of this total 6,494,000 kilowatts represents steam generating facilities, only 3,727,000 kilowatts represent hydroelectric facilities built as parts of multiple-purpose dams or as single-purpose dams. This agency which is overwhelmingly a steampower generating facility thus has changed its nature completely.

To demonstrate to you the nature of this change that has occurred, let me read you a statement that the TVA authorized its counsel to make before the United States Circuit Court of Appeals in 1935:

> The defendants (top TVA officials) allege that the said steam-electric generating plant (at Muscle Shoals) has not been and is not being operated and that there is no plan or intention to operate said steamplant now or in the future, or to construct or operate any other steam electric generating plants.

Certainly the TVA has come a long way since it made that statement 24 years ago, for it now operates the largest steam generating power system in the world.

This is the agency that is coming before us now to request that we grant to it the authority to issue $750 million of revenue bonds and the authority to spend its net power proceeds, which will be in excess of $100 million a year, for its power program without congressional control. These funds that we will hereby make available to the TVA will probably permit it to operate for 8 or 10 years—to expand its power producing facilities in its own way. As long as this money remains available and unexpended the TVA will be free from congressional control. It can expand its power producing facilities as it likes. It can choose the kind of producing facilities that it wishes. It can place them where it will and operate them in its own way. It will not have to come back to us for any further authority.

Congress will not have to authorize the power producing facilities that TVA will build with these revenue bonds. Congress will not have to make an annual appropriation of funds to permit

the TVA to construct these unauthorized projects. This agency can go its own way and spend this money absolutely as it sees fit. It will not have to present to the Appropriations Committee requests for funds each year. The Appropriations Committee thus will not be in a position to review the activities of the TVA—to appraise them and to appraise the future program of the agency. Oh, no, this will not be necessary. The TVA will not be subjected to these types of controls imposed on all other agencies of the Government.

We are told that the TVA does not need such control and that it can be depended upon to proceed in its own way. We are further told that it has always conducted itself in an appropriate way. We have been told that even though it has completely changed the nature of its program from a river-control agency to a steampower producing agency nevertheless the TVA should be trusted.

In fact the TVA will never even have to present a budget to the President and to Congress under the specific letter of this law. Two provisions of this bill would specifically exempt the TVA from any kind of budgetary control. Note, in section 15d(a) the bill provides:

> The issuance and sale of bonds by the Corporation and the expenditure of bond proceeds for the purposes specified herein, including the addition of generating units to existing power producing projects and the construction of additional power producing projects, shall not be subject to the requirements or limitations of any other law.

The TVA is now subject to the budgetary and appropriation requirements in sections 102 to 104 of the Government Corporation Control Act which requires the TVA to submit a business-type budget to the President and to Congress annually. But this is a requirement contained in law. It is a limitation contained in law. The sentence that I have just read to you from the bill would exempt the TVA from all such requirements or limitations.

Also section 15d(b) specifically would exempt the TVA from the basic budget provisions of the Budget and Accounting Act of 1921. This reads:

> And such proceeds and bonds shall not be included in computations of receipts, expenditures, surpluses, or deficits, in the budget prepared annually pursuant to section 201 of the Act of June 10, 1921, as amended (31 U.S.C. 11).

Someone might tell you that before the TVA can build any new facilities this bill imposes an obligation upon it. Section 15d(a) requires that the TVA except in time of emergency it must inform the President and Congress of its intention to initiate the construction of additional power producing facilities, and it cannot proceed with these projects until such notice has been given and until at least 90 days have elapsed during a single session of Congress without Congress having enacted a concurrent resolution disapproving such construction.

Now let me tell you that this provision has a number of hidden limitations that are of fundamental importance. First, it only applies to the initiation of construction of new power producing projects. This bill in other sections would authorize the TVA to acquire the use of or to acquire completely facilities used in power production by leases or by lease-purchase agreements. Thus it could lease or lease-purchase the large steam generating plant being completed by the city of Memphis. But this language would not permit Congress to set aside such an undertaking by a concurrent resolution because it would not involve the initiation of construction. Second, the provision only applies to additional power producing projects. Congress would have no authority through a concurrent resolution to stop the construction of additional power producing facilities at existing power producing projects. We know that such additions to existing projects can be of tremendous proportions. Since 1955 the TVA has undertaken the construction of at least 1,200,000 kilowatts of additional generating capacity, all located at existing projects. Certainly such a provision would not provide adequate congressional control.

TVA keeps telling us that it is imperative that it immediately receive authority to issue revenue bonds so that it can build generating units that are required and necessary. The facts do not support this contention. Let us look at the claim of the TVA. In its 1957 annual report it said:

> Additional capacity will be needed to meet load growth during the calendar year 1960. Loads in the TVA area, excluding the requirements of Federal agencies, are growing at the rate of 750,000 to 800,000 kilowatts a year.

In its 1958 report the TVA said:

> These new units are expected to provide a modest margin of capacity for the requirements in the winter of 1959–60, and a slight margin in the winter of 1960–61.

The power manager of the TVA, Mr. Wessenauer, told the House Committee on Public Works this year:

> Looking ahead in the use of power, the non-Federal category has been growing at the rate of between 10 and 12 percent a year * * * to continue to meet that growth in power requirements is the reason we are now here discussing the necessity of a revenue bond bill which would enable the necessary future additions of power facilities to be financed by this means, rather than through the appropriation route.

At the end of December 1958, the TVA had more than 11,085,000 kilowatts of generating capacity installed. Actually the capability, the actual amount of power that can be expected to be delivered from these installations, is considerably greater. The Chairman of the TVA has told congressional committees that the capability of the TVA system was at least 5 percent more than its nameplate capacity. The capability of this generating capacity at the end of December 1958 was 11,800,000 kilowatts, almost 800,000 more kilowatts than its nameplate capacity.

By the end of December 1960 the TVA together with the city of Memphis, which the TVA has been supplying, will have generating capacity of 12,543,000 kilowatts available. Actually the capability of these generating facilities will be about 13,474,000 kilowatts. That is practically a million kilowatts more than its nameplate capacity. Thus, 13,500,000 kilowatts will be available to the TVA at the end of December 1960.

Let us look at what TVA's demands are likely to be by that date. In January 1959, the peak load of the Tennessee Valley Authority system was 9,702,000 kilowatts. Its peak load in February 1958 was 9,400,000 kilowatts. That is the largest amount of electricity taken from the TVA during that year. And in 1957 the peak load of the TVA was reached in January with 9,239,000 kilowatts. Actually since 1957 the peak load of the TVA system has increased by only 461,000 kilowatts. This is less than 5 percent of its 1957 peak. Thus with a capability at the end of December 1960 of 13,474,000 kilowatts the peak load could grow by 3,772,000 kilowatts in 24 months from what it was in January 1959. And during the last 2 years before this, it grew only 461,000 kilowatts. In order to be in any difficulties with its present facilities now under construction, the rate of growth of the TVA system during the next 2 years would have to be eight times as great as what it was during the last 2 years.

The largest customer of the TVA is the Atomic Energy Commission and its requirements have been declining in the last several years. For example, in 1956 that agency had a peak load of 3,931,000 in February. In 1957 its peak load was in January, 4,055,000 kilowatts. Last year in 1958, its peak was in February with 3,693,000 kilowatts. This year in February 1959, it took only 3,502,000 kilowatts. This is 550,000 kilowatts less than its peak of 1957. At the present time there is no reason for assuming that AEC's demands on the TVA will increase. Now let us look at the non-Government peak requirements imposed upon the TVA and see how those have been blown up.

In 1957, the non-Federal peak requirement on the TVA was 5,750,000 kilowatts. The peak requirements on the TVA from non-Federal sources in the winter of 1959 came to 6,250,000 kilowatts. This is an increase of only 500,000 kilowatts in 2 years. It is at a rate of less than 5 percent per year increase. This is a far cry from the 10 to 12 percent increase that the TVA said was taking place in its non-Government requirements.

In the light of the generating capacity that the TVA will have available to it and in the light of its prospective demands at the end of 1960, the TVA will have a very adequate generating capacity available to it. It will have well over a million kilowatts of generating capacity beyond any possible peak load.

Obviously there is no reason why we have to rush this bill because of an impending power shortage in the TVA area. We have plenty of time to make an impartial survey of what the potential power requirements of the TVA area are likely to be, what would be the best way to meet those requirements, and what is the best way to finance any additional power producing facilities that might be needed. We have plenty of time for con-

gressional committees to really study this thing. There is no reason to yell "wolf" and demand that we act immediately on this unprecedented revenue bond proposal.

I want to demonstrate one reason why we should give careful consideration to this legislation and why we should not be rushed into enacting it. Section 15d(e) on page 9, line 23, provides that the TVA should repay at least $10 million a year to the Treasury as a repayment on the appropriated investment in its power facilities. Now what is the sum total cost of the power producing of the TVA? According to the TVA's books they cost in the neighborhood of $1,664 million. Of this total about $1,200 million was derived from appropriations and over $468 million was derived from reinvested power revenues of the TVA. Let me remind you that these reinvested power revenues belong to the taxpayers just as much as does any other money that was invested in the TVA. But this bill provides only that the Treasury should be repaid for the cost of power-producing facilities derived from appropriations—the unrepaid portion of this cost amounts to $1,200 million.

With only $10 million of this to be repaid each year, it would take 120 years for the TVA to repay to the Treasury the full cost of such facilities. In the meantime, these facilities would be completely worn out or they would be obsolete. Their productive capacity will be gone; but yet the Treasury would not be compensated for their full cost. Remember, the great majority of these facilities are steam producing generating facilities. These have a life of less than 50 years—probably in the neighborhood of 35 years. To provide for amortization of such facilities over a 120-year period is ridiculous. Congress through its committees should consider this matter more thoroughly before it enacts such legislation.

There is another very important reason why we should not pass this legislation at the present time. There are great areas of this country that are suffering from large amounts of unemployment. The prosperity that is enjoyed by much of the Nation is not universal. There are significant sections of this country that have been depressed because of a change in consuming habits and because of changes in technology. The great anthracite coal-producing areas of Pennsylvania have been depressed for many years.

I will try to give you some idea of our economic condition and the time and efforts given by the people of my area in trying to help themselves.

We have witnessed the population of my district shrink over 40,000 from 1940 to 1950.

We have seen our major and basic anthracite industry have its annual tonnage reduced from almost 100 million tons in 1919, in World War I, to around 30 million tons at the present time.

We have also seen the number of mineworkers diminish from a peak of 179,679 in 1917 to less than 40,000 today.

While we have been trying to stay the continued onslaught of unemployment by helping to stabilize our anthracite mining industry, our people and our communities have been doing a splendid job in organizing in various ways, and indeed have succeeded in securing new plants in some communities and also expanding plants already there.

Our people want to work, as is evidenced by the fact that thousands of them travel over 100 miles each day in commuting back and forth to work. Others are compelled to leave their families for the week and return home on the weekends.

Our people cannot understand why a helping hand has not been extended them long ago as has been done by our Government to other segments of our economy.

What depressed areas, such as this one, need, is diversification of industries. These areas must attract new industries in order to find employment for the people who in many cases will never work again at their former occupations.

But at the very time when these depressed areas are requiring new diversified industry the Tennessee Valley Authority and the States and localities that receive its power are using this low priced power—note, low priced, not low cost power—as a bait to attract new industry to this region. This low priced power, subsidized by the tax dollars derived from you and me as well as from the people in depressed areas, is used as bait to attract industry that might or could settle in depressed areas. Thus the people in depressed areas are being taxed to provide subsidized power to attract industry that could better be located in depressed areas than in the Tennessee Valley Authority. This is no time for a Government agency to be selling subsidized power to attract new industries in competition with good honest citizens of depressed areas suffering from chronic unemployment.

There is at least one other strong argument why we shouldn't pass this bill at this time. The TVA desires always to expand its marketing area. It desires to take over and supply power to communities now being served by privately owned electric companies. These privately owned electric companies pay taxes to the Federal Government.

Fifty-two percent of their net profits go in taxes to the Federal Government—not to mention the substantial amounts of taxes to State and local communities—but once a municipality, once a rural area being served by a private electric company is taken over by the TVA, that area is no longer buying electricity on which the privately owned electric company is entitled to make a modest profit which would be subject to the Federal income tax. So every time that the TVA expands its marketing area by taking over consumers from privately owned electric companies it reduces the tax base available to the Federal Government. With a budget that is highly unbalanced this year, and which next year may just attain a balance, it is imperative to preserve every possible source of revenue that might be available to the Federal Government. By voting to the TVA authority to issue revenue bonds, you will be permitting the TVA to take over added customers now being served by privately owned electric companies. This will reduce the potential tax base on which the corporate income tax can be levied.

This is unfair to the American taxpayers as a whole; it offers potentialities for inflation, and it involves highly undesirable economic consequences.

For all these reasons that I have discussed with you this bill should not be enacted. First, the TVA has already attained its major objective; second, this bill does not provide for adequate controls over the TVA, the appropriation process would be circumvented, and the TVA could proceed to fulfill unforeseen objectives never intended by Congress; third, there is no pressing need on the part of the TVA for revenue bond authority. Fourth, it is unfair to the citizenry of our many depressed areas to provide added funds for TVA to use in providing subsidized power to attract private enterprise that might better settle in depressed areas. Fifth, by permitting TVA to expand it will reduce the tax base available to the Federal Government and reduce its potential tax collections which are most necessary in these days of an unbalanced budget.

Mr. CRAMER. Mr. Chairman, I move to strike out the last word.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Texas.

Mr. ALGER. In the gentleman's presentation, would he be good enough to tell us what congressional control there would be in this matter if the amendment that the gentleman proposes is approved?

Mr. CRAMER. I will be delighted to.

Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. Has the gentleman offered the amendments which he is about to speak on?

Mr. CRAMER. I moved to strike out the requisite number of words.

Mr. Chairman, in further attempt to clarify the issues in regard to the amendments to be offered, I wish to say that so far as I am concerned, my amendments are not Bureau of the Budget amendments; they are the people's amendments; they are the taxpayers' amendments. They are amendments involving the control of the U.S. Congress over the expenditure of these bond issue funds and revenues of TVA, the latter of which, as a matter of fact, are presently controlled by the U.S. Congress. The objective of these amendments is to retain the control that Congress presently has over TVA.

Now, how is this justified? In the first place, you have a wholly owned Government corporation. Why should a wholly owned Government corporation

not be subject to Government control? That is how simple the question is. And, Government control means congressional control. It means that we, as representatives of the taxpayers of this Nation, who have an investment in TVA of $1.2 billion investment and $1.6 billion in total, would have something to say about how TVA is operated in the future. That is how simple it is.

Now, all departments have opposed this bill, and I think it is interesting to note that the departments involved, the Bureau of the Budget, the General Accounting Office, and the Treasury, were not asked to testify on this legislation at this session. They did testify, incidentally, on the legislation in previous sessions, and they testified in opposition to it. And, it is also interesting to note, even when the hearings were conducted in 1957 the statements of the General Accounting Office and the Bureau of the Budget were not even printed to give the Members an opportunity to determine what the positions of these governmental agencies are.

Now, why else is this control so essential? Why is the retention of some form of Government control so essential? It is my position, which I think can be substantiated, that at present, with the present manner in which this bill is drafted, the U.S. Congress would not have one iota of effective control over the operation of TVA and particularly in regard to the building of new plants out of revenues as well as the building of new plants in regard to this bond issue and the funds derived therefrom.

Now, why else is this control important? We have $1.6 billion of the taxpayers' money involved, which we, as Members of the Congress, have a responsibility to protect.

In the second place, not only the $1.6 billion of assets but the income as well, the revenue of TVA, the interest of the taxpayers, is becoming a secondary obligation as a result of this bond issue authority. And, what does this bill do in regard to congressional control? The majority suggest that it gives greater control in this bill, and it is inconceivable to me that such an argument could be successfully made. Look at page 1 of the bill. Page 1 of the bill exempts TVA from the Government Appropriation Control Act. Look at page 6. It exempts TVA from the Government Corporation Control Act for all practical purposes. On page 6 it says "not be subject to the requirements or limitations of any other law." And, here the bill relates to bond issues and the sale of bonds and how the funds derived from the sale of those bonds are to be spent in regard to new plants and the operation of TVA. It also excludes control under the Government Control Act, and therefore I say that if the Government Control Act exempts TVA, the budgetary and appropriation procedures would not be applicable under this bill. Also the Government Apportionment Act, so far as TVA is concerned, is being repealed, and the Treasury control over depositaries, which at present exists for all wholly owned Government corporations. And I want to stress the fact that this is a wholly owned Government corporation, with the taxpayers' money involved, and we should be concerned about retaining governmental control over it.

Also, there is no question about this: These bonds are the moral obligation of the Government of the United States, even though the bill provides they are not actually legal obligations. And, there is no doubt but what the U.S. Government would be called upon to pay those bonds if there was default at any time.

Is it not logical that we, as Members of the U.S. Congress, in protecting the interests of the taxpayers involved in TVA should be just as vigilant as are the investors who are going to invest in these bonds and demand proper operation of the TVA? Does it not make sense? It does to me.

Does it not make sense, when 3 men are appointed members of the TVA Board to serve for a 9-year period, which means that there is little if any executive control over what they do because of those lengthy appointments, that we in Congress should have something to say about it?

Is it not true, because of the fact that this bill permits repayment of principal, not during the present 40-year period, as provided under the Government Control Act, but 120 years, that the Congress should retain control over this TVA operation?

Is it not also true that this bill provides that these funds are legal investments of the Federal Government in the future for those agencies who can invest in this type of bond? In other words, as I foresee it, the TVA under this bill would issue bonds and it is going to find that if they are not salable in the public market at an interest rate that is favorable, it then is going to come to the social security fund or some other fund that is permitted to invest in Government bonds and we are going to find that the taxpayers are going to continue to make a contribution to the TVA through this back-door method, without any control by the U.S. Government.

That is another issue before the United States Congress today.

Also we find that there are numerous other extremely extraordinary powers that are being granted to TVA under this bill. All you have to do is to read the bill to see how extraordinary and how broad these powers are. This is a wholly owned Government corporation. This is a corporation which Congress created. Admittedly, if the United States Congress, if the Members of this House should see fit to give TVA a free run, it has the power to do so. But I say, under these circumstances, is it not logical and is it not good business that Congress should retain control over TVA?

What is actually being done in this bill? At the present time TVA has got to come to Congress if it wants appropriations. That means that the Committee on Appropriations has to review it. Congress has to act on it. The Bureau of the Budget obviously comes into the picture. The President comes into the picture. It is part of the budget. Under this bill it would not be and the agencies referred to would have no say-so. The building of new plants for the TVA would not be in the President's budget. The only way in which even the building of new plants could come before the Congress would be in the form of a report, and then we would have to pass a joint resolution to do anything about it, an after-the-fact resolution which, in fact, is no control whatsoever.

In effect, what Congress is proposing in this bill is substituting for the present control that Congress has over TVA, which is proper control—we are doing away with that congressional control. Why? Under the argument that because we are no longer appropriating money, Congress should not have the right to control it, even though TVA is asking for very broad powers in this bill and asking for broad authority. This is the first such wholly owned Government corporation that has been given, or that would be given bond-issuing authority, if the bill pass. That would open the door wide. I can see Bonneville Power coming in and Southwest Power coming in for the same purpose.

So what you are being asked to do is to substitute bond issue authority for the appropriations procedure. Congress has control over present financing procedures. I believe we should retain congressional control.

Mr. SMITH of Mississippi. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall not use the full time granted to me, but I just wanted to call attention to the fact that the argument of the gentleman from Florida [Mr. CRAMER] was just about as fair as his promise to yield to me, during the extra time that he was granted, because he had yielded to someone for 30 seconds and was granted 3 additional minutes.

But the real argument that was made concerning these amendments that will be offered, was made by the gentleman from Washington. He stressed it in his first sentence. That is the argument that the amendments would give budgetary and Treasury control over TVA. That is the issue, the basic issue. The gentleman from Washington stated it. We do not argue with him. That is what the amendments would do. They would give complete control over the TVA operation to the Bureau of the Budget and to the Secretary of the Treasury. Bear that in mind when these amendments come up.

Despite all the smokescreen about congressional control there is greater congressional control in the bill offered by the committee than in any amendment which will be offered. The amendments give control to the Bureau of the Budget and the Secretary of the Treasury. They give that control with a veto power about which Congress would not be in position to do anything whatsoever. That is the issue with which we will be presented today.

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

On page 5, line 16, strike out the last sentence of subsection (a) and substitute in

lieu thereof the following: "Bond proceeds and power revenues shall be available for the purposes specified herein, including the addition of generating units to existing power-producing projects and the construction of additional power-producing projects: *Provided, however,* That the estimates of the financial condition and operations of the Corporation for the current and ensuing fiscal years and the actual condition and results of the operation for the last completed fiscal year contained in the annual budget programs of the Corporation submitted pursuant to sections 102 and 103 of the Government Corporation Control Act (31 U.S.C. 847 and 848) shall include estimates of the amount of bonds to be issued and sold and bond proceeds and power revenues to be expended by the Corporation for the current and ensuing fiscal years and its actual expenditures of bond proceeds and power revenues for the last completed fiscal year: *Provided further,* That, except as budget programs transmitted pursuant to said section 103 may be modified by the Congress, bond proceeds and power revenues shall be used by the Corporation to carry out such budget programs, subject to such reasonable adjustments as the Corporation may determine to be necessary due to changes in requirements for power facilities and the amounts of expenditures necessary therefor."

Mr. CRAMER. Mr. Chairman, this amendment deletes language which would exempt the TVA from "the requirements or limitations of any other law" with respect to the issuance and sale of revenue bonds and the expenditures of bond proceeds. I repeat the act was intended to provide Congress, as a part of the regular appropriation process, with a budgetary procedure which, while recognizing the special requirements of Government corporations, would permit a review prior to the time that such corporations undertook new programs. To limit the act solely to reporting the results of operations already under way would be contrary to its basic purpose. Experience since 1945 under this act has not only confirmed its value to the Congress but also has not produced any evidence the operations of such corporations have been impeded.

The insertion of language to include "and power revenues shall be available" is to require the same budgetary control over the use of power proceeds as bond proceeds since both sources of funds will be available to finance the expansion of power facilities. In this connection attention is called to the language on page 1, lines 3 to 6, which repeals title II of the Government Corporation Appropriation Act, 1948. This act directed that:

> None of the power revenues of the Tennessee Valley Authority shall be used for the construction of new power producing projects (except for replacement purposes) unless and until approved by act of Congress.

With the repeal of this act it is important to make clear, as this amendment does, that the use of power revenues for the construction of a new power producing project, as well as the expansion of an existing project, would be reviewed under the budgetary procedures prescribed for wholly owned Government corporations under the Government Corporation Control Act, 1945. Under H.R. 3640 this is not provided. This is particularly important since under the revenue bond financing proposal the power revenues from all existing power facilities—which are the property of the general taxpayer—as well as from facilities financed from revenue bonds will be used to secure such bonds. Language on page 6, line 15, removes every remaining semblance of budgetary and congressional control.

The amendment requires the submission of business-type budgets for the power programs and also reaffirms the intent of the Government Corporation Control Act to provide flexibility in budgeting for Government corporations. This intent of Congress that such should be the case is clearly expressed in section 102 of the present act, which is quoted below:

> The budget program shall be a business type budget, or plan of operations, with due allowance given to the need for flexibility, including provision for emergencies and contingencies in order that the Corporation may properly carry out its activities as authorized by law.

In this connection it should be noted that the Government Corporation Control Act has not been interpreted as limiting the amount of expenditures for a particular program to those presented in the budget if they can be financed within the resources legally available to the Corporation. Both the President and the Congress have directed their review principally to the programs which the Corporation proposes to undertake in the ensuing fiscal year. In the case of the TVA, the power program refers to additional generating capacity required expressed in kilowatts including related facilities.

In addition to requiring that the budget programs for the TVA power program include estimates of the amount of bonds to be issued and sold and bond proceeds and power revenues to be expended, the amendment provides specific authority in the second proviso to make "such reasonable adjustments as the Corporation may determine to be necessary due to changes in requirements for power facilities and the amount of expenditures necessary therefor." For example, if after a budget has been reviewed by the Congress it appears necessary to construct a plant of a slightly larger size or to construct a plant at a different site with some change in capacity, the Corporation could do so on its own initiative. On the other hand, it would be expected that any major change in the power program presented in the budget would be transmitted to the Congress by the President. It is believed that the Government Corporation Control Act, together with language authorizing reasonable program adjustments, will provide adequate flexibility for financing the TVA power operations.

The amendment is also intended to make clear that should the Congress take no action on the power budget of the TVA, the Corporation would be authorized to carry out the program as presented in the President's budget, but would not be permitted to deviate from that program except to make reasonable adjustments for changes in requirements and the amount of the expenditures necessary therefor. On the other hand, Congress would be authorized to modify the program, or, as has been the case for other wholly owned Government corporations, give its specific approval to the program.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield.

Mr. JONES of Alabama. Is this the amendment the gentleman from Florida identified on yesterday as being amendment No. 1?

Mr. CRAMER. It is.

Mr. JONES of Alabama. I thank the gentleman.

Mr. CRAMER. Mr. Chairman, this is the principal amendment that I will offer and I believe one of the principal amendments to be offered by the minority.

I ask you to look at page 5 of the bill. You will find that this amendment strikes out the sentence beginning on line 16 and running to line 7 on page 6, and the amendment that has just been reported inserted in its stead.

This subsection of the bill as reported by the majority of the House committee, because of this wordage, "shall not be subject to the requirements or limitations of any other law," would completely exempt the TVA in the spending of the bond proceeds from the provisions of law Congress enacted applicable to the budget and appropriation procedures of all Government corporations such as TVA.

Listen to the language in the last sentence of this subsection:

> The issuance and sale of bonds by the Corporation and the expenditure of bond proceeds for the purposes specified herein * * * shall not be subject to the requirements or limitations of any other law.

What does this seemingly innocuous language mean? Sections 102 and 103 of the Government Corporation Control Act provide that every Government corporation today, including TVA, shall submit a business-type budget annually to the Bureau of the Budget and that this, as revised and amended by the President, shall be transmitted—where? Of course, to the U.S. Congress. At present the TVA can spend funds that have been made available to it for the purposes specified in the budget as submitted to Congress unless Congress specifically modifies that budget. And that is the language of this amendment. In effect, this amendment puts into effect the Government Corporation Control Act, which is repealed by this section so far as this section is concerned.

But these provisions of the 1944 act, the Government Corporation Control Act, are certainly "requirements or limitations of any other law," and certainly would be repealed by this section of the bill. This bill states that the spending of bond proceeds shall "not be subject to the requirements or limitations of any other law."

There is not the slightest doubt that this language would exempt the Tennessee Valley Authority from these provisions that are in the Government Corporations Control Act and which are

applicable to TVA today—the report of the majority to the contrary notwithstanding. This is the amendment itself. What does it do? It deletes the language that would exempt the TVA from the requirements of any other law and the Government Corporations Control Act.

Therefore, the deletion of this language, as the amendment provides, would retain the applicability—and this is the key to it—would retain the applicability of existing budgetary provisions and the Government Corporations Control Act to TVA power operations and financing from revenue bonds. This act requires any wholly owned Government corporation, including the Tennessee Valley Authority, to submit annually to the President a budget program for the President to submit to the Congress the budget programs of the corporation, as part of the annual budget, required by the Budget and Accounting Act of 1921. But, if this act is passed in its present form, the Committee on Appropriations of this House will have nothing to say about the operation of the Tennessee Valley Authority so far as revenue bonds and their expenditures are concerned. In enacting the Government Corporations Control Act, this is what the Congress had to say and, of course, we acknowledge certain operations of the Tennessee Valley Authority have been traditionally exempted under section 26, and that will be the argument of the majority:

It is hereby declared to be the policy of the Congress to bring Government corporations—

And this is what the Congress said when it passed the Government Corporations Control Act in 1945—

It is hereby declared to be the policy of the Congress to bring Government corporations and their transactions and operations under annual scrutiny—

By whom? Not the Bureau of the Budget, except incidentally, but by the Congress—

and provide current financial control thereof.

That is the issue. The act was intended to provide the Congress, as part of the regular appropriation process, that budgetary procedure which, while recognizing the special requirement of Government corporations—and I submit this amendment does acknowledge not only the special requirement of Government corporations but the flexibility which they must have, being as TVA is given the power to issue bonds in the last sentence or clause in the amendment—it protects it and provides flexibility to that extent.

Mr. Chairman, I trust the amendment will be adopted.

Mr. JONES of Alabama. Mr. Chairman, I rise in opposition to the amendment.

Mr. JONES of Alabama. Mr. Chairman, this bill has one main purpose and that is to empower the Tennessee Valley Authority to issue bonds in the amount of $750 million to build new generating facilities. Now, the amendment offered by the gentleman from Florida is one which would place the Tennessee Valley Authority managerial authority in the hands of the Bureau of the Budget. Let us examine just what this amendment would do. Suppose, for instance, that it was the decision of the board of directors that in order to meet the energy requirements for next year it would be necessary to spend $100 million on new facilities. Under the terms of the amendment offered by the gentleman from Florida, the Board of the Tennessee Valley Authority could not make that decision. That would be a decision referred to the Bureau of the Budget. And, suppose the judgment of the board of directors did not suit the Bureau of the Budget. We all know that if the Bureau of the Budget took exception, the TVA Board could not transmit to the Congress of the United States its request for new generating capacity.

The TVA since its very beginning, under section 26 of the TVA Act, could expend the revenues coming into its hands for power supply purposes. That was noted by the distinguished chairman in the other body in writing this Government Corporations Control Act, for he wrote a provision, section 104, that makes clear that TVA's revenues are not subject to the type of budgetary controls which would be required under the gentleman's amendment.

Under this bill TVA will continue to submit its annual budget under the Government Corporation Control Act just like all other corporations. Make no mistake about it.

This amendment, however, would, in effect, amend the Government Corporations Control Act to subject TVA to a type of control that has never been applied to TVA's revenues and that has never been applied to the corporate funds of other corporate agencies of the Government. Under the Government Corporations Control Act, corporations submit each year their estimates of expenditures for the current and ensuing years and they report on their expenditures for the past year, but no affirmative action is required to permit them to spend their corporate funds. That authority is contained in their basic statutes and they may exceed their estimates if necessary to the carrying out of their authorized programs. A limitation in an appropriation act on their right to spend corporate funds would be subject to a point of order:

This is an amendment that would take away from the Authority the right to use the funds that would be derived from the sale of the bonds. We find ourselves in this unfortunate situation: Since 1953 the Bureau of the Budget has taken a firm and consistent position that it was not necessary or desirable for TVA to have additional appropriations. Therefore, the only recourse TVA had was the expenditure of the revenues from the sale of energy. They have used those moneys from the sale of power under Section 26. They have expended approximately $40 million a year.

As the gentleman from Mississippi has said, if this amendment is adopted Congress loses control of the operations of this corporation because the Bureau of the Budget would run it, and Congress would never find out what was really going on.

Mr. Chairman, in my opinion this amendment is the most vicious one that will be offered. If it is adopted, TVA can no longer carry on as it has in the past, because the position of the Bureau of the Budget has been one of hostility. It has stood in the way of orderly development of the electric energy needed to serve the people in that area as well as the defense plants.

I repeat, there are ample safeguards in this bill to protect Congressional control.

Mr. Chairman, I hope this amendment is rejected.

Mr. DAVIS of Tennessee. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

Mr. REECE of Tennessee. Mr. Chairman, reserving the right to object, I have not had an opportunity to express myself on this legislation. I am not particular about doing it at this time, but I do want 5 minutes somewhere along the line.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The CHAIRMAN. The Chair has noted the names of the gentlemen standing. The time will be divided equally among them, and each Member will be recognized for approximately 2 minutes.

The Chair recognizes the gentleman from Oklahoma [Mr. EDMONDSON].

(By unanimous consent Mr. DAVIS of Tennessee yielded his time to Mr. EDMONDSON.)

The CHAIRMAN. The gentleman from Oklahoma is recognized for 4 minutes.

Mr. EDMONDSON. Mr. Chairman, I am sure that the gentleman from Florida is earnest and sincere in his arguments about the effect of the language in this bill, but I must respectfully disagree with him as to the effect of the language in the bill. I believe that the majority of the committee and TVA management as well have an entirely different picture of what the language in this bill does to the Government Corporation Control Act provisions. There is no question in the minds of the majority of the committee or in the minds of TVA management that TVA will continue annually to submit its budget in accordance with the Government Corporation Control Act and that budget will come before the Congress. I do not think there is any doubt about the fact that all that is being sought with respect to this language is to nail down clearly in this law the provisions to be applied with regard to the spending of the moneys derived from these bond issues. The purpose is single and solitary, in that particular. It is felt desirable to make it clear that investors know just exactly what the procedure is going to be that is to be followed with these bond issue proceeds so that there will be none of the confusion that surrounds many of the interpretations of the Government Corporation Control Act.

The effect of the gentleman's amendment would be to make unattractive the bonds of the TVA so far as private investors are concerned. I think that is the clear purpose of the amendment; that is, to make it difficult to sell these bonds, to make it difficult for TVA to finance its activities. The gentlemen over on that side who propose this amendment do not want to follow the appropriation procedure of Congress. They say we must have a private financing procedure if they are going to have any financing in the future, but they want to surround this financing with so many obstacles and so many different complications that it will be impossible for TVA to sell its bonds when it does go out and attempt to do so.

Very definitely what we have tried to do with this act is to give to Congress complete control over the expansion of TVA. The procedure is spelled out in the very language that the gentleman from Florida seeks to change. We have submission to the President of whatever proposition we have to make, we have congressional review, and in that congressional review at any time within the 90-day period Congress can step in and stop any of these projected expenditures on the part of TVA.

We have presented to this House a workable plan whereby the President's own announced objective of getting private financing for TVA can be carried out. Let us go along with the committee in this workable plan; let us not impose so many obstacles and so many interferences with the plan that it becomes impossible to sell these bonds once we have authorized them.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from California.

Mr. HIESTAND. Can the gentleman tell me, please, Has any Government agency at any time ever been authorized to issue revenue bonds to promote and operate its own activity?

Mr. EDMONDSON. I think with regard to that there are a number of other Government agencies that have done so.

Mr. HIESTAND. Will the gentleman name one?

Mr. REECE of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Tennessee.

Mr. REECE of Tennessee. The Panama Canal is one.

Mr. HIESTAND. Is there anything presently in this bill that is parallel?

Mr. EVINS. Yes. The TVA has had the experience of issuing revenue bonds in the past in the amounts of $50,000,000 and $65,500,000, and there is nothing new or novel about this. They have all been liquidated, they have all been paid off. That was under sections 15 (a) and 15(b) of the Act.

Mr. HIESTAND. Were those exactly like these bonds? Were they not Federal obligations unlike these?

Mr. EVINS. These are bonds that are exempt from the Treasury. They are really technical bonds.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Chairman, as is common in general debate, I came to the floor yesterday to be instructed as to this issue from both sides of the House. I got the hearings, the bill, the resolution, and the report. But nowhere did I find the statement of the Treasury, the Comptroller General, or the Bureau of the Budget.

Now, I am constrained to inquire—and I direct this question to the gentleman from Alabama—of the majority leadership who have the responsibility for this bill, as to why we were not informed. Implicit in my request could be a rather serious charge that we are being denied this information in order for us not to have their views. And, I want to thank the gentleman from Florida [Mr. CRAMER] for giving us this information in his presentation yesterday. So, I direct this question to the gentleman from Alabama, as to why we do not have the views of these particular Government agencies at this time. I understand, too, that the views from last year's debates, the report and hearings, requested by the minority, were not even printed so that we could have these facts. Could the gentleman inform me on this?

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. ALGER. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. Did I understand the gentleman from Texas to say that he read the report?

Mr. ALGER. Yes; I certainly did; and nowhere do I find the statements of these three officers I mentioned.

Mr. JONES of Alabama. On page 3 there is a chronological order in which the hearings and the views and the reports have been uttered on this subject.

Mr. ALGER. That is exactly what I am referring to. The information I have requested is not included, and that was the reason for my question.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. ALGER. I yield to the gentleman from Mississippi.

Mr. SMITH of Mississippi. If the minority thought these reports of any value, they could have been put in the minority report.

Mr. ALGER. I have been informed by the minority, when I charged them with possibly not having done their job, that they asked for this to be done, and these reports were not made available.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. ALGER. I yield to the gentleman from Florida.

Mr. CRAMER. I am glad the gentleman now has that information contained in the RECORD yesterday. Is it not true that the President, who recommended this legislation, did so in 1958 by saying if that legislation were subject to Government control?

Mr. ALGER. Now, Mr. Chairman, under leave to extend my remarks, I want to point out that my questions are unanswered. Yesterday the gentleman from Wisconsin [Mr. BYRNES] attempted to learn why the Government agency views were not included in the report and failed to get answers from the gentleman from Alabama [Mr. JONES]. Yesterday also the gentleman from Washington [Mr. MACK] remarked that so far as he knew there were no reports from last year available, though he had requested that the chairman have them printed.

Now, remembering that the Bureau of the Budget, the Comptroller General, and the Treasury Department all disapproved this method of TVA self-financing by self-issued bonds, and that the majority leadership of the committee and of the House all approve this financing measure, the majority leadership has left itself wide open to the charge that the Members were being denied the facts.

I do not assume or accuse the leadership of this intent but the net result is the same. We Members relying on the committee report were denied the information which under House procedure is customarily provided the Members. We are all entitled to our own viewpoint or conclusion after study of the facts, of course, but we are also entitled to have these facts presented for our information. It seems to me that the committee leadership and the House leadership has a responsibility to see that the factual material is made available for House Members at the time of debate on the floor, or am I wrong?

I am opposed to public power development, it is true; so I am prejudiced to a degree against TVA at the outset. Yet I am able to weigh the conflicting views to determine the better or best course to take from those available if the TVA is to be financed.

How can a completely federally owned operation relinquish the control of the financing of the operation. This is patently wrong from a practical standpoint, if not political. Second, the budgetary limit or control of Government operation is being avoided by this bond issuance method, also the appropriation procedure of Congress. Third, the Secretary of the Treasury is having a difficult enough time now raising money for Congress' big spending without having competition from these TVA bonds, over which he would have no control. Fourth, the TVA has left its original flood and navigation purposes with some small hydroelectric power generation, now to engage in large scale steam generated power development. Fifth, the credit of the United States would indeed be behind these bonds since the Government owns the entire TVA outright, all protestations by the proponents of bond issuance to the contrary notwithstanding.

I happen to believe the U.S. Government should not be in business operation in competition with the citizens themselves. Flood and navigation as interstate matters are one thing, but power production is another. It is socialism, if you define socialism as Government controlling the means of production, and I do so define it. Also it is unfair to subsidize some citizens at the expense of all the others.

Let us sell the TVA to the people who live in this area and should be served by the TVA. This is the positive, practical

answer. Let us get the Government out of power production.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The Chair recognizes the gentleman from Washington [Mr. MACK].

Mr. MACK of Washington. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Florida [Mr. CRAMER]. The TVA is governed by a board of three members appointed by the President of the United States with the consent of the Senate. Each of those members serves for a period of 9 years, with one term expiring every 3 years. The directors of TVA are appointed by the President for a definite term of 9 years each. They are not removable except for misfeasance and malfeasance in office. Error in judgment is not one of misfeasance or malfeasance. I oppose leaving control of the financing of $750 million in bonds to sole judgment of three directors who cannot be removed. The Congress and President of the United States represent all of the people of the Nation. The President can remove the Director of the Bureau of the Budget and the Secretary of the Treasury by asking for their resignations at any time. Removable officials should have authority over these bond issues rather than that authority be given to a board which is not removable. Two members of that board, one serving 6 years and the other 9 years, could become virtual dictators unless the controls proposed in the amendments of the gentleman from Florida are adopted.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Florida.

Mr. CRAMER. Even if the position of the gentleman from Alabama is conceded—for whom I have a great deal of respect—which I do not concede, and I disagree with him on the effect of that section—even if his position is conceded, is it not true that 3 years after the Government Corporation Control Act was enacted, in 1945, Congress reconsidered the question in 1948, and in the Government Corporation Control Act the Congress said that Congress must approve any new construction even though that construction is made out of revenue money? That is being repealed by this act.

The CHAIRMAN. The time of the gentleman from Washington has expired.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts, the majority leader [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Chairman, this is not an unusual experience for us who have served here for years, particularly during the Roosevelt days of reconstruction. We have been through this spectacle many times.

What are we witnessing today? The President would not recommend appropriations to expand this great program. He recommended that it be expanded through private capital, and the committee reported out a bill in accordance with the President's recommendation. And our Republicans are opposing that. They are opposing that and trying to defeat it through indirection.

It was only a few years ago that the President sent up a message to this Congress providing the same type of authority for a corporation to issue nearly $35 billion worth of bonds in connection with the Interstate Highway System—identically the same proposition. The President recommended that. We did not accept it, but his recommendation was to establish a corporation having the authority to issue revenue bonds, not guaranteed by the Government. And these bonds are not guaranteed.

So in conclusion let me say that this bill carries out the basic recommendation of President Eisenhower; and his own party in the House, as always, are trying indirectly to defeat the bill. Even my Democratic friends who are opposed to the bill ought to vote against this amendment.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. MCCORMACK] has expired. All time has expired.

The question is on the amendment offered by the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. DAVIS of Tennessee and Mr. CRAMER.

The Committee divided, and the tellers reported that there were—ayes 129, noes 170.

So the amendment was rejected.

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMER: On page 6, in line 15, change the comma to a period and strike out the remainder of the paragraph ending in line 22, page 6.

Mr. CRAMER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point and my remarks previously made.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CRAMER. Mr. Chairman, this amendment will assure that the present practice of including the power operations of the TVA in the determination of the Federal Government's overall financial requirements will be continued and the integrity of the Federal budget will be preserved. To reduce the size of the Federal budget requirements by a legislative change in the definition of receipts and expenditures would establish a questionable financial precedent which might be extended to other Federal programs. This could lead to undermining the financial structure of our Government.

Should this provision be enacted in this form the President would not have to include in his annual budget submitted to Congress a statement of the expenditures that TVA proposes to finance from power revenues or from revenue bonds. This bill would do this because it provides that the power revenues and proceeds of revenue bonds would be excluded from the expenditures, surpluses or deficits in the budget prepared annually by the President by virtue of section 201 of the act of 1921—that is, section 11 of title 31 of the United States Code.

This provision is the basic budgetary provision in existing law. It provides that the President shall submit to Congress an annual budget showing the expenditures of the Government and all of its agencies, the revenues of the Government as a whole as well as the revenues of all of its agencies together with such additional funds as the Government might need to make its income equal to its expenditures. But from these totals, there would be excluded under this bill the expenditures and income of the TVA resulting from revenue bonds and power revenues. This would mean that inasmuch as the only items presented in the budget are those that go to make up the grand totals presented therein, the expenditures of the TVA financed from revenue bonds or power revenues would be excluded. The President would not have to present to Congress an estimate of what the TVA intends to spend from revenue bonds and power revenues, and Congress would not know what projects such funds would be spent on and in what amounts. This means that the TVA would have a free hand to spend its power revenues and proceeds from revenue bonds without any hindrance from the President and his assistants in the Bureau of the Budget. Obviously as a result its spending programs would not have to be reported to Congress for that body to act upon.

It should be remembered that the language of this subsection would have to be read in connection with the provision in section 15d(a) which provides that—

The issuance and sale of bonds * * * and the expenditure of bond proceeds * * * shall not be subject to the requirements or limitations of any other law.

As a consequence neither would TVA be required to submit a business type budget under sections 102 and 103 of the Government Corporation Control Act. Therefore, with this language in section 15b(b) and this sentence in section 15d(a), TVA would be exempt not only from the Budget and Accounting Act of 1921 but also from the budgetary provisions of the Government Corporation Control Act of 1944. It would not be subject to any form of budgetary control by the President and his assistants in the Bureau of the Budget, and appropriation procedures of Congress.

Why is it that the TVA is so insistent upon being freed from budgetary and congressional control? Repeatedly, proponents of the agency have stated that it has conducted itself in a businesslike and a trustworthy manner for more than 25 years. This being so, why is it so unwilling to conform to the basic principles of sound public administration that have been found to be applicable throughout the Government? What harm can the Budget Bureau do to the TVA? It is difficult to see how it can do the agency the slightest harm.

The TVA is a part of the executive branch of the Government. It is under

the President's control. It is a part of his responsibility. Then if this is true why is it that its expenditures should not be subject to the controls established by Congress that are applicable to all other Government agencies? There is not the slightest reason why the TVA will be hurt by having the President submit its budget to Congress as a part of his annual budget.

To remedy this defect it is highly desirable that there should be stricken from this bill that portion of subsection 15d(b) beginning on line 15 of page 6 with the words "and such proceeds" and going to the end of the paragraph.

Mr. Chairman, I sense the will of the House. I believe this amendment to be of significance and of almost equal importance to the one just considered by the House.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield.

Mr. JONES of Alabama. Is this amendment number three which the gentleman identified on yesterday?

Mr. CRAMER. Yes; the one appearing on page 6 of the bill.

Mr. JONES of Alabama. Yes; but that is the one you designate as amendment number three.

Mr. CRAMER. That is correct, yes.

If you will look on page 6, you will see it strikes from the bill that language beginning in line 15 through 22, which provides:

> And such proceeds and bonds shall not be included—

And this is significant. This is what the bill provides—

> such proceeds and bonds shall not be included in computations of receipts, expenditures, surpluses, or deficits in the budget prepared annually pursuant to section 201 of the act of June 10, 1921, as amended (31 U.S.C. 11), except to the extent of the amounts budgeted by the Corporation for payments pursuant to subsection (e) hereof on account of the appropriation investment as therein defined, and for reduction of said investment.

In other words, the budget of the Tennessee Valley Authority will not be included in the overall budget of the Government so far as receipts, expenditures and surpluses are concerned. It is inconsistent, I suggest, that the bill should specifically provide that the repayment of the appropriation investment will be included as a receipt, but nothing will be included as an expenditure and as a result, obviously, it is going to improperly reflect receipts versus expenditures concerned in the budget. It will be in imbalance.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield.

Mr. EDMONDSON. Would the effect of the gentleman's amendment that he is proposing be to include the proposed bond issue of the Tennessee Valley Authority under the debt limit?

Mr. CRAMER. No.

Mr. EDMONDSON. Would the effect of the gentleman's amendment be to include a proposed bond issue of the Tennessee Valley Authority under the debt limit ceiling of the United States?

Mr. CRAMER. No; it would not. I am glad you asked that question.

Mr. EDMONDSON. If it were included in the budget, would it not be a budgeted item coming within the debt limit?

Mr. CRAMER. No, it would not. I am glad the gentleman asked that question. That is a point I wanted to make. It would not be included under the debt limit, as voted by the Congress, although it would be included as a surplus, but it would not be included in the debt limit because of the language in the bill which specifically provides that these bonds are not obligations of the Federal Government.

Now, Mr. Chairman, let me attempt to explain the additional purpose of this amendment. Ever since the Tennessee Valley Authority was created in 1933, it has desired, of course, to escape from the controls imposed by executive departments and agencies of the Government including the Congress of the United States even though it is a wholly owned Government corporation. It has wanted to escape from the control of the Bureau of the Budget and from the Congress and from the control of the General Accounting Office and from the President of the United States and from proper budgetary and appropriation procedures. It has wanted to be exempted, for instance, from the requirement imposed by law such as the requirement that a contract be let only on a competitive bid.

Incidentally, this bill provides that these bonds do not have to be let on competitive bids, but they can be let by negotiation.

And that it gives preference to American producers.

Should Congress enact this bill, it would grant one of these basic wishes of the TVA. It would exempt them completely from budgetary control.

The language in this section, which I just read, would exempt the Tennessee Valley Authority in its programs financed by revenue bonds and power revenues from all control of the Bureau of the Budget and by Congress in effectively reviewing the budget. Should this provision be enacted in this form, the President would not have to include in his annual budget submitted to the Congress a statement of expenditures the Tennessee Valley Authority proposes to finance from power revenue or from revenue bonds. And I want to again stress the fact that this information is sent to Congress and the Appropriations Committee must act thereon; and I want to say this: My purpose is to try to strengthen this bill. I know that if TVA is to have this authority we have got to throw at least some semblance of congressional control over TVA when $1,200,000,000 of taxpayers' money is invested. This bill would do what I suggest, remove it from control of the Budget because it provides that the power revenues and power proceeds of all revenue bonds will be excluded from expenditures, surpluses, deficits, and budgets; and that is the provision which is being repealed by this amendment.

This provision which is being repealed is the basic budgetary provision in existing law as the result of which all agencies of the Government submit their budgets to Congress. That is being wiped out and repealed, and I say that this amendment should be adopted.

Mr. MACK of Washington. Mr. Chairman, several Members have asked me where a printed copy of the Cramer amendments and the amendments to be submitted later will be found. They appear on pages 7546 and 7547 of yesterday's RECORD.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. CRAMER].

The question was taken; and on a division (demanded by Mr. CRAMER), there were—ayes 89, noes 130.

So the amendment was rejected.

Mr. REECE of Tennessee. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I try to be as objective in the consideration of TVA legislation as any Member of this body. I am not emotional about it.

Those of us who feel that TVA should be developed so as to efficiently serve the area which it was intended to serve I think can justify supporting the bill now before the committee.

Mr. Chairman, the enactment of this bill will go far, if not altogether, in meeting the suggestions that the President made first in 1952 when he said he was in favor of continuance of TVA and effectively developing it to efficiently serve the people of that area and likewise in the message which he sent to the Congress proposing self financing.

This bill has four important provisions, not in the bill last, to which I should like to call the attention of Members particularly on my side of the aisle.

The first is the Vinson amendment, embodied in the bill, which definitely restricts the area to the present area served. The other is congressional control, which has been discussed, and I am impressed that this provision does give adequate congressional control. I read:

> *Provided, however,* That, except with the approval of the President during a period of national defense emergency hereafter declared by the President or by the Congress, no such bond proceeds, nor any power revenues, shall be used to initiate the construction of an additional power-producing project until (1) the Corporation notifies the President and the Congress of its plan to construct such additional project, and (2) following such notification, a period of 90 days, while Congress is in a single session, elapses without the passage of a concurrent resolution disapproving such construction.

Now, that leaves control in the hands of the Congress. The third provision is Treasury supervision and this bill appears to me to have adequate provisions for it. It provides—on page 7 after the proposal for the issuance of bonds has been submitted to the Secretary of the Treasury—for the following procedure and I read:

> And if the Secretary, within 15 days after receiving such advice, shall request deferral of the sale thereof for a period not in excess of 45 days, the Corporation shall not sell the bonds before the end of such period and if

the Secretary of the Treasury shall recommend changes in the amounts, terms, maturities or conditions of the bonds, the Corporation shall not sell the bonds until an additional 30 days have been given to consideration of said recommendations unless they have been sooner agreed upon.

You can hardly imagine the board of directors proceeding to negotiate the sale of the bonds after the Secretary had made his recommendation, unless they had substantially complied with it in view of this provision.

The fourth provision is with reference to the charging of rates. This bill provides that:

The Corporation shall charge rates for power which will produce gross revenues sufficient to provide funds for operation, maintenance, and administration of its power system; payments to States and counties in lieu of taxes; debt service on outstanding bonds, including provisions of reserve funds and other funds in connection therewith; payments to the Treasury as a return on the appropriation investment; and so forth.

This becomes a very important provision. It provides for the payment of 3-percent interest on the power investment that the Federal Government has made and then provides for repayment at the rate of $10 million a year. So far as I am concerned, I would be willing to make the payment at the rate of $20 million a year. I believe that TVA could do that within its present method of operation.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. BAKER. Mr. Chairman, I ask unanimous consent that the gentleman from Tennessee [Mr. REECE] may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. REECE of Tennessee. Mr. Chairman, we have the TVA down there now, and I want to call the attention of the Members of the House to the service that the TVA renders. It is not a retail distributor of power. It provides generating facilities, transmission lines, and sells the power wholesale to the municipal distributing companies except the power which it sells to governmental agencies and for defense purposes. My colleague, the gentleman from Tennessee [Mr. BAKER] has a letter from the Chairman of the Tennessee Valley Authority, and he estimates in his letter that the savings which have accrued to the Federal Government as a result of the utilization of TVA power in the defense activities has amounted to $250 million and that the saving is currently at the rate of $50 million a year. And, future savings will be at an increasing level. I think it would be advisable to have this letter inserted in the RECORD and, at the proper time, I shall ask unanimous consent to do that.

Mr. BALDWIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BALDWIN. On page 9, in lines 16 and 17 strike out the words "in excess of those required to meet" and substitute in lieu thereof the following: "prior to the payment of".

Mr. BALDWIN. Mr. Chairman, this amendment deals with the relative priority between the repayment of the investment of the taxpayer in the TVA and the repayment of interest on the bonds.

As subsection (e) now reads on page 9, it says very clearly that priority will be given to repayment of interest on the bonds. That means that the investment of the taxpayers of this country which amounts approximately to $1,195 million in appropriated funds will be placed in a secondary position to the bondholders. The amendment which I have offered would restore the priority to the taxpayers of this country. It would provide that they would continue to be first in priority and that the payment provided in this bill of a return on their investment, and then a repayment sum to them of $10 million per year would have priority.

It is only logical and right that this should occur. If one of us had a house upon which we had borrowed on a first mortgage at the time it was built and we needed to raise additional funds, we would have to get those additional funds in the form of a second mortgage subordinate to the first mortgage, because the man who had the first mortgage had already put his investment in the building and would be entitled to that priority.

The taxpayers of this country have an investment in the TVA. Every taxpayer in your district and every taxpayer in my district has an investment in the TVA. The total investment, just in appropriated funds alone, amounts to $1,195 million, let alone the amounts of earnings that have been collected by the TVA and reinvested, which exceed an additional $400 million.

Those taxpayers who in good faith have put this investment in TVA are entitled to have their priority protected. If the TVA now desires to raise additional funds, which they desire to do under this bill, then it is only right and proper it seems to me that the bonds be a second mortgage on TVA and not have priority over the taxpayers' investment.

There have been arguments by advocates of this bill that the investment of the taxpayers is like a stock investment in a stock corporation. That is not the case. Congress in 1947 said that the investment of the taxpayers in the TVA of appropriated funds would be repaid over 40 years. Certainly that provision would not have been put in the bill in 1947 by the Congress of the United States unless we considered the investment of the taxpayers primarily a debt obligation rather than anything comparable to an equity obligation.

Secondly, this bill itself provides for a return on the investment of appropriated funds and provides for a payment of $10 million per year on the principal of those funds. And that would not be in this bill unless Congress recognized the fact that the investment of the taxpayer is in the nature of a debt obligation.

Thirdly, the Comptroller General of the United States has stated that he feels that interest should be paid on the investment of the taxpayer in the TVA Corporation. He would not have made the statement unless he considered the investment of the taxpayer basically a debt obligation rather than anything else. So this amendment is simply to preserve the investment that your taxpayers and my taxpayers have already made in the TVA, and it provides that the bondholders, who are a small minority alongside of the taxpayers of the whole country, should have a secondary mortgage, such as you and I would have to float if we wanted to raise additional funds on a house on which we already had a first mortgage.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Would the gentleman agree with me, though, that the taxpayers of the United States are the owners of TVA and that their first mortgage goes to themselves?

Mr. BALDWIN. The TVA is a Government corporation, but the Congress has recognized that this investment by the taxpayers of this country is basically a debt obligation that should be repaid, because Congress spelled that out in the Act of 1947 when it said this investment should be repaid over 40 years, and we spelled it out in this bill when we said there should be a return on the investment each year comparable to the interest rate payable by the Treasury plus a payment on the principal. And this has also been recommended by the Comptroller General, who is an arm of the Congress.

Mr. BROWN of Missouri. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am an admirer of the gentleman from California [Mr. BALDWIN]. I have always found him to be a very openminded and sincere individual. I had hoped that on second thought the gentleman would not offer this amendment because I believe it will destroy this bill—kill it by sabotage. I do not think the gentleman wants to kill the bill, but this would be the effect of his amendment.

Let me ask you a question. Would you buy a bond in a corporation if the company's charter said that you could not draw interest on that bond until all the stockholders had received their dividends? You gentlemen who are lawyers and who have drawn a lot of charters and a lot of bylaws for corporations, did you ever draw an upside-down charter like that? Certainly it is a matter of tradition that bondholders get their interest before stockholders get their dividends.

I can recognize that there has been some misunderstanding through the years as to just what form the Government's investment in TVA is held to be. I say to you that we have clarified that in this bill. We have spelled it out so that everyone who runs can read that the position of the Government is this: We are stockholders in TVA, Inc., holding common stock. In this bill, we spell out that not only will the bondholders receive their interest according to the prearrangement by negotiation but the stockholders are going to draw dividends on this corporation which is so vital to the Government.

We have spelled out that the Government is going to get some $44 million each year on its equity investment of $1,200 million.

Naturally, we have said in the legal language that the bondholders, the people who buy these revenue bonds, are going to get their interest before the stockholders get their dividends if the occasion should ever arise when there has to be a choice, which I submit probably will never arise. But at any rate we have done it in the traditional way—placed bondholders in a priority position over stockholders.

If you turn that upside down and if you say that stockholders are going to get dividends before bondholders get interest, what you are doing is that you are placing the bonds in a subordinate position and, therefore, you are making them tougher to sell in the money market, if they can be sold at all, and you are placing a burden on this people's corporation, unnecessarily and unwisely, of added interest rates because of the legally subordinate position of the bonds.

Certainly we do not want to do that. The net effect will be that we render this act utterly worthless. We will be going through the motions, giving lip service to the idea and to the principle but the result will be that bonds will not be sold, either because no one would buy them or the interest rate would be so unreasonable that TVA would not issue them. I suggest to this committee that we think and think hard. Whatever has been the impression in the past, we have said in this bill that the Government owns this corporation. The Government needs this corporation. The Government will get dividends on its stockholder investment, but the bondholders are given priority on the revenues, if the occasion ever arises when there should be a legal question. Let us stick by the language of this bill. We have spelled out the territory to be served by TVA. We have provided the means of financing whereby TVA can serve that territory, can meet the growing need for power in the 80,000-square-mile area.

This committee has carefully scrutinized every word, every punctuation mark. We have debated all these amendments in committee and turned them down. Let us not come along here and insert a new phrase here and a new clause there that will sabotage the principle and render the whole legislation absolutely useless.

Let us pass this bill in the form in which it came out of the Public Works Committee.

Mr. CURTIS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment, and the other related amendments. This bill certainly moves in the direction of more subsidized, tax-free power, which will be in competition with those areas of the country that have power developments from which the Federal Government gets large amounts of taxes. It will help further to build an electric power paradise for the benefit of those people who are fortunate enough to live in that area and who compete with other areas.

So, Mr. Chairman, I support these amendments which will impose some further limits on this type of subsidized competition.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. BALDWIN].

The amendment was rejected.

Mr. MACK of Washington. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MACK of Washington: On page 9, in line 23, strike out "$10,000,000" and substitute in lieu thereof "$20,000,000."

Mr. MACK of Washington. Mr. Chairman, the bill before us provides that the Tennessee Valley Authority shall pay to the Federal Government each year $10 million of the amount that the Congress has invested in steam plants and power lines in the Tennessee Valley. The Federal Government has invested in TVA in appropriated funds $1,200 million. At a rate of payment principal of $10 million a year, it will require 120 years to pay off the debt that the Tennessee Valley owes to the Federal Government and to the taxpayers of this Nation. The Bonneville Power Administration in the Pacific Northwest, an organization very similar and comparable in size to the Tennessee Valley, pays both principal and interest in 50 years on the debt it owes the Government. BPA guarantees to charge power rates that will assure the return of the Government's invested money in the Bonneville Power Administration within a 50-year period both as to principal and interest.

The St. Lawrence Seaway project, which is being operated as a Federal project and which is federally financed, guarantees that the shippers and users of that waterway will return to the Federal Government the full amount of the Federal Government's investment in that project with interest and principal—interest at 4 percent—within a period of 40 years.

I know of no private business in which people have invested their money on a basis that they would be paid back their investment in 120 years. I do not believe there is a single Member of Congress who would loan his own money to any enterprise if he could not get it back until 120 years later.

The powerplants in the Tennessee Valley whether they be steam or hydro plants will be worn out long before 120 years elapse. If the plants are not worn out they will have become obsolete, because new discoveries are being made that may make production of power by steam plants or even hydro plants just as obsolete as sailing vessels or horses and buggies.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. Does the gentleman understand that the bill contains a provision that there will be a depreciation allowance so that the value of the property will remain constant in the future? Is that not true?

Mr. MACK of Washington. It should remain constant, but there is no guarantee if it becomes obsolete that it will remain constant. These production facilities will be worn out before the expiration of the 120-year period.

TVA is in financial position to make this $20 million a year payment without hardship or handicaps to its expansion. TVA had net profits last year of $55 million, and it had depreciation of $44 million. Thus, it had $99 million available for reduction of its debt, for the payment of interest, or for plant expansion. My provision would make the repayment of principal and interest provided by this bill total to $56 million. TVA would still have $43 million available under last year's earnings and last year's depreciation.

The gentleman from Alabama testifying before the Rules Committee the other day said that additional facilities are now being built in the Tennessee Valley that will increase the production of power by the TVA by 20 percent by 1961. Therefore, under the statement of the gentleman from Alabama himself, TVA will have gross sales in 1961 not of $223 million as TVA had last year, but gross receipts totaling $267 million, and a gross profit not of $56 million, but a gross profit in the neighborhood of $70 million by 1961.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield.

Mr. JONES of Alabama. Additional kilowatt generating capacity is under construction and much more must be built, but the projects can never be completed until we get this bill so that we can issue bonds to obtain the money to build them.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Florida.

Mr. CRAMER. The point raised by the gentleman from Alabama is true, but you will see from the language on page 4 of the bill that no power proceeds can be used to pay off these bonds irrespective of depreciation accruals; in other words, depreciation accruals may be used and become a part of net power proceeds.

Mr. MACK of Washington. No Member of this Congress would lend his own money for 120 years, nor would any Member of Congress advise a relative or a friend to do so. I ask Members of Congress to use the same prudent judgment in lending the Government's money as they would exercise in investing their own money. You would not loan your money to any organization if you were not to be repaid for 120 years. You should not loan money to the TVA for 120 years. My amendment limiting the repayment period to 60 years is reasonable and sound and should be adopted.

Mr. DAVIS of Tennessee. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ROOSEVELT].

(By unanimous consent (at the request of Mr. DAVIS of Tennessee), the time allotted Mr. DAVIS of Tennessee was given to Mr. ROOSEVELT.)

Mr. ROOSEVELT. Mr. Chairman, the pending bill now provides that TVA, in addition to paying a return to the Treasury each year on the amount of the appropriated funds invested in the TVA power system, will also pay the Treasury an additional amount of $10 million dollars each year in reduction of the appropriation investment. The minority call this the "120 Year Repayment Plan" and they propose to double the Treasury payment and thus to put TVA on what they call a "60 Year Repayment Plan." This is a very misleading presentation of the issue which is involved.

It is fundamental in considering this proposal, to recognize that the Government of the United States is the owner of TVA, lock, stock, and barrel. TVA is not a debtor of the United States, but a creature of Congress. Whether the appropriation investment is paid off in 60 years, or 120 years, or for that matter in 10 years—or not at all—Congress will still have complete control of TVA and the Government will still be the owner of its entire system. When a debtor pays off his debt, on the other hand, the creditor has no control over him whatever.

The original bill, as it was introduced by Mr. DAVIS and Mr. JONES, did not provide for any mandatory payment in reduction of the appropriation investment. The interests of the United States are fully protected without such a payment. But the bill provides that TVA must reinvest in new property, at least the amount by which the existing property declines in value because of depreciation or else TVA must reduce its debt by this amount or make a payment into the Treasury by the amount of the depreciation, in order to maintain the Treasury's equity position without impairment.

In any private corporation the stockholders do not withdraw their capital while the corporation is growing. On the contrary, if it is a successful business enterprise, they expect to add new capital from time to time. Yet we are here sending TVA out into the private money market to borrow the money it will need in the future, and at the same time withdrawing the Treasury's capital at the rate of $10 million a year. That is burdensome enough. To double this requirement would simply add to the amount of bonds that TVA must issue. In effect, it would be required to substitute borrowed money for equity capital at the same time it is borrowing for expansion. That does not make sense for a private corporation, and it does not make sense for TVA.

We have already gone perhaps too far in requiring the return of Treasury capital at the rate of $10 million a year. To double this amount would simply handicap TVA's ability to issue bonds, and increase the interest rate TVA must pay. It does not make sense for Congress to impose this burden on TVA and thus to jeopardize the entire bond plan. I trust the amendment will be defeated.

Mr. Chairman, I speak on this subject for a personal reason also.

On April 10, 1933, the President of the United States sent to the Congress "a request for legislation to create a Tennessee Valley Authority, a corporation clothed with the power of Government but possessed of the flexibility and initiative of a private enterprise."

Today, some 26 years later, the TVA has achieved world fame far beyond the hopes and dreams of the President who sent that message to the Congress.

Even that President, farsighted though he was, could not have foreseen that more than one-half of TVA's power output would be used by Federal defense agencies. He could not have known that TVA would be supplying some 30 billion kilowatt-hours of electricity to the Atomic Energy Commission at its Oak Ridge and Paducah plants.

But he did foresee the great multiple-purpose river development that has taken place, and the unified program of resource development that is unparalleled in the world today. He spoke in this message of "the proper use, conservation, and development of the natural resources of the Tennessee River drainage basin and its adjoining territory for the general social and economic welfare of the Nation."

I believe that President would be deeply concerned, as I am today, that this corporation retain flexibility and initiative. TVA, under the terms of this bill, will use private financing to finance the power capacity to meet the growing needs of the Tennessee Valley. To make effective use of private financing, TVA must have the management flexibility that will permit it to operate as it has in the past—with commendable economy and efficiency.

For 26 years TVA has operated as a fine example of decentralized Federal administration, of a Federal agency operating from headquarters located in the region with which it is concerned. It would be unwise to suddenly put the control of TVA in the hands of the Bureau of the Budget and the Treasury Department. It would be unwise to shift the control of TVA's management toward centralized political maneuvering, and away from the decentralized technical management for which TVA is widely known.

If the Congress is to authorize revenue bond financing for TVA—with a limit on the amount of bonds TVA is to issue, and with a limitation on TVA's power service area—then let's give the TVA Board the right to use this authority with the utmost efficiency.

Mr. Chairman, another point should be made. We are not debating reciprocal trade, and I regret that this extraneous issue has been raised. I particularly regret that TVA, an agency widely known for its efficiency and economy of operation, should be singled out for criticism on its purchase abroad of a power generator.

Let me say first that I would have been highly critical if TVA had awarded the contract for this generator to a domestic manufacturer, in violation of its specifications, and in the face of another bid which was nearly 50 percent lower. Such an action by the TVA Board of Directors would have been unthinkable, in my opinion.

Under the Buy American Act, and under an Executive order issued by the President on December 17, 1954, domestic bidders normally get a 6 percent advantage over foreign bidders on Federal purchases, and a 12 percent advantage if the low domestic bidder is in an area of substantial unemployment. TVA increased this domestic advantage to 20 percent in their specifications on this generator. This TVA action is permissible, but TVA would have had to make a special report on the matter to the President if it had awarded the contract to a U.S. manufacturer. Actually, the British bid was nearly 50 percent lower, in spite of the fact that the British firm must pay $1.5 million in import duty, plus trans-ocean shipping and marine insurance.

Let me quote the Wall Street Journal on this point:

> A policy of protectionism may protect a lot of firms—for a while, anyhow. But the one thing it does not protect is national security.

The problem of foreign competition is with us, and I do not want to minimize the seriousness of the situation. But I do question the use of this issue as the basis for an attack on TVA, and as a part of the debate on this bill.

In Los Angeles recently, the Department of Water and Power faced this same problem. The skyrocketing price of large turbogenerators forced the Los Angeles municipal system to buy generators abroad. In 1956, the Bureau of Reclamation bought 47 percent of its power equipment overseas; the Corps of Engineers bought 26 percent abroad; Bonneville Power Administration, 39 percent; and yet TVA is singled out for attack.

Mr. Chairman, may I again emphasize TVA's great record of achievement for the past quarter of a century which has been due in part to its diligent adherence to economy and efficiency. For my part, I wish that every organization, public or private, was dedicated to these principles to the degree that TVA is. This diligence and dedication to the public interest, is, indeed, a convincing reason why we should vote overwhelmingly to approve revenue bond financing for TVA, with the confidence that this responsibility will be handled as efficiently as the past responsibilities which Congress has placed on the TVA.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CEDERBERG].

Mr. CEDERBERG. Mr. Chairman, may I say that I am supporting the pending amendment.

The gentleman from California talks about the common stock of TVA. My citizens of Michigan are common stockholders and they will all be dead in 120 years. All of the common stockholders in TVA will be dead by that time. Let us give them a little consideration while they are still alive.

I see ads in our Michigan papers from time to time inviting some of our Michigan industries to go down to the TVA

area and take advantage of some of these cheap power facilities. As far as I am concerned, as one Member of the Congress, they ought to pay the same as we pay up in our area. There is no reason why the common stockholders of the TVA corporation, a Government-owned corporation, in the State of Michigan should subsidize TVA users in the States which the TVA serves. I cannot understand why this great corporation cannot pay off its capital investment in a period of at least 60 years at the rate of $20 million. It is inconceivable that they cannot, and if they cannot it is another example that this experiment in socialism is a complete failure.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, I take this time principally to indicate that in the testimony of the Bureau of the Budget with regard to the income of TVA and the capabilities of TVA to pay $20 million rather than $10 million annually in return on the capital investment of the taxpayers in TVA as provided in the bill, which would make it all be repayable in 120 years, the $20 million proposed in this amendment is reasonable. It is provided that TVA can do this out of its revenue without disturbing the operation of TVA. The Bureau of the Budget in effect recommended that the $20 million repayment be provided rather than the $10 million annually.

That was the purpose of my requesting time now.

May I say also that this amendment, as was the case with the other three amendments that have been offered, was largely for the purpose, contrary to the views of the distinguished majority leader with regard to the object of these amendments on the part of the minority, of clarification; and, so far as I am concerned, these amendments are offered in good faith to make this bill a more acceptable and workable bill and retain the necessary congressional control over TVA, while still accomplishing the bond issue purposes of the bill. The bill in its present form, in my opinion, will not become law. I am sorry to see politics dominate these deliberations for those supporting the bill, the majority, surely realize that a Presidential veto, in its present form, of this bill is imminent. Therefore, the minority, in supporting the amendments, are trying to strengthen the bill—rather than playing politics with the issue.

The CHAIRMAN. The time of the gentleman from Florida has expired.

The question is on the amendment offered by the gentleman from Washington [Mr. MACK].

The amendment was rejected.

Mr. AUCHINCLOSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AUCHINCLOSS: Page 7, line 10, strike out all after the word "determine" through the period on line 22 and insert the following: *"Provided,* That the Corporation shall advise the Secretary of the Treasury, ten days before issuing new bonds hereunder, with respect to the amounts and terms of bond to be issued, the rate of interest, and the proposed date of sale thereof, and that the Corporation may proceed with such issuance and sale at the end of said period or at such earlier date as the Secretary may determine unless the Secretary shall during said period object and designate the changes in the amounts, terms, maturities or conditions of the bonds necessary to meet such objection, and that the Corporation may thereupon proceed with the issuance and sale of the bonds modified in accordance with such objection."

Mr. AUCHINCLOSS. Mr. Chairman, this is an amendment which is submitted to be helpful. This is an amendment which I think is absolutely necessary if we are going to permit the TVA to float bonds and sell evidences of indebtedness of any kind. It is not prompted by any thought of crippling TVA. This amendment is offered from the bottom of my heart, to aid TVA in the sale of its securities. The bill, as it reads at present, makes it an impossibility for any underwriter to purchase these securities which may be offered and hope to market them. There are delays provided in this bill covering a period of 90 days before the Corporation can offer the securities for sale. Now that, to anyone who has ever had anything to do with the sale of securities, is an impossibility. The sale of securities must be done in a prompt manner.

Mr. Chairman, may I repeat the argument that I have already advanced during general debate against the present setup and in favor of this amendment. The present proposal is objected to because, first, such sales may seriously interfere with the financial operation of the Federal Government. Two, the Government has a right to pass on the financial plans of the Corporation because of the large investment of taxpayers' money in it. This is especially true because it is the sole owner of the Corporation, to quote TVA's General Counsel, Mr. McCarthy. I am somewhat amused listening to this debate about what has been said concerning the Government's interest in the TVA and that the taxpayers are stockholders. They are not stockholders. TVA receives its money from the taxpayers. The taxpayer did not have much to say about it. When a person becomes a stockholder he voluntarily invests his money in a corporation and receives stock for it. But he does not invest his money in a corporation, Mr. Chairman, unless he asks the question first, "When am I going to get my money back, and what am I going to get in interest?" That is what a stockholder, an investor asks. I am sure you understand that.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. AUCHINCLOSS. I yield to the gentleman.

Mr. SCHERER. And in a private corporation the company is operated for the benefit of the stockholders and the owners and not for the benefit of a special few.

Mr. AUCHINCLOSS. I thank the gentleman for his contribution, but I did not want to get into that at this time. I just wanted to straighten out this misconception which I think has been voiced on the floor.

Please bear with me in this. The approval of the Government is most important to the Corporation in the sale of these bonds or evidences of indebtedness. If the Government disapproves these bonds, if it fails to give its approval, the people who are asked to subscribe to them are going to think twice or three times. In order to find out whether I was correct in that position I got in touch with some bankers in Tennessee whom I knew in days gone by. A banker from Memphis came up and sat in my office and we talked this over. He brought an opinion from his lawyers down there that the present provisions in this bill are unworkable.

How does it operate? How does a banker go about underwriting a group of securities?

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. AUCHINCLOSS] has expired.

Mr. AUCHINCLOSS. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. AUCHINCLOSS. Mr. Chairman, when a corporation wants to offer stocks or bonds, the first thing they do is to go to their banker and talk it over. Then the banker goes down to the SEC and talks it over. That is what I want to happen here. The bankers for TVA would go to the Treasury Department and talk things over. They would say, "This is what we want to do; how can we go about it in agreement with you?" The Secretary of the Treasury and his experts would get together with representatives of the bankers and the Corporation and their minds would meet.

Mr. Chairman, it is to the everlasting advantage of the Government, and the taxpayers, to have them meet, in my opinion, and to have these bonds offered for sale on a proper basis. If they are sold on a proper basis they will enjoy a wide market in the country.

Mr. Chairman, I do not know how much you appreciate the necessity of a wide market for a corporation's securities. It is very necessary. You can make a lot of friends by having a great many stockholders or bondholders. And if you do not believe it, I refer you to the American Telephone & Telegraph Co., which has friends all over this country. That is the way it will operate, and that is what my amendment provides.

It is to the advantage of the Secretary of the Treasury and the taxpayers to have an amendment of this character. This amendment was drawn up with great care, with the help of representatives from the Securities and Exchange Commission as well as some bankers and underwriters of securities whom I have known in the days gone by.

I think it would be to the everlasting good of this whole project if this amendment were adopted.

Mr. DAVIS of Tennessee. Mr. Chairman, I rise in opposition to the amendment.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. DAVIS of Tennessee. I yield.

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent that debate on this amendment be limited to 10 minutes.

Mr. HALLECK. Reserving the right to object, Mr. Chairman, I should like to have 5 minutes following the gentleman from Tennessee. If the gentleman's request for 10 minutes will include that, I will not object.

Mr. JONES of Alabama. Mr. Chairman, I modify my request and ask that the debate on this amendment be limited to 15 minutes, including the time of the gentleman from Tennessee.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. DAVIS of Tennessee. Mr. Chairman, it appears that I will be sandwiched between a man for whom I have high regard and deep affection and by one of the fiercest debaters in the world, a warm personal friend but a man whom I have always considered a difficult adversary. However, I have a very simple answer, I think, to this amendment.

The bill as reported by the committee requires the TVA Board before issuing bonds to advise the Secretary of the Treasury and permits him to delay the issuance of bonds by as much as 90 days. I am entirely candid in telling the House that I think this requirement goes well beyond any legitimate need of the Treasury. The TVA bonds are not guaranteed by the Treasury. TVA will sell them in the proper bond market in competition with the bonds of private utility companies and other private corporations. These bonds will not compete with Treasury bonds any more than any other bond issues, public or private.

The proposal for Treasury control is another administration device for placing its hands on the TVA's throat. Nevertheless, the committee has given the Secretary of the Treasury power to delay the issuance of TVA bonds by as much as 90 days to avoid any possible conflict. That far we have gone in yielding to administration pressure. We can go no further without destroying the purpose of the bill.

Under the proposed amendment the Secretary could tell TVA that it could not issue bonds at the time the TVA proposed to issue them. He could repeat this refusal indefinitely. He does not have to give a reason. He is subject to no review.

The proposed amendment would also authorize the Secretary to fix the interest rate on the TVA bonds. The Secretary has given up trying to fix the interest rate on its own bonds, but here we are asked to empower him to fix the interest rate on TVA bonds. If he fixes a rate that is higher than the market will pay, he is simply throwing away the TVA's money and ultimately that means the money of the taxpayers of the United States. If he fixes a rate that is too low, the bonds are unsalable and the purpose of the bill is destroyed. We may as well not pass the bill as to pass it with this completely unworkable and unjustifiable provision included. The state of the corporate bond market determines what the TVA must pay by way of interest. These bonds will be sold by competitive bids. The arbitrary fixing of an interest rate by the Secretary of the Treasury could only be purely mischievous. The proposal turns over the management powers of the TVA's Board to the Secretary of the Treasury. I hope the amendment is not adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, the gentleman from Tennessee who just preceded me spoke of his friendship for me. May I say that that is a friendship which I certainly return. He and I have been close personal friends for many, many years. He also knows that from time to time I have cooperated with him to try to solve some of the problems of the TVA. As to my being a fierce debater, I think probably I might say to my friend, the gentleman from Illinois, that I would disclaim any such characterization as that, and I certainly shall not be fierce on this occasion.

Mr. Chairman, I should just like to elaborate a little bit. When the TVA first started out, it began as a hydroelectric power development project. There was very little controversy about it. There was a great natural resource in that area, and we were all willing to go along and help develop it to the advantage of that great area of our country. Then, in the late forties, we began to hear, after the hydroelectric aspect had been pretty well worked out—we began to hear of the necessity for steam generating plants to be built with the money of all the taxpayers of the country. It was first said that this was necessary to firm up the hydroelectric power. In those earlier days, we started out by defeating such projects. We thought that they were not in the province of the Federal Government and not properly a burden to be imposed upon the taxpayers generally. Subsequently, however, appropriations for steam generating plants began to pass through the Congress. Steam generating plants have been built, until now I would guess that upward of 70 percent of the power generated today by the TVA in that area is generated by steam and not by hydroelectric power.

Then, after a while, the Congress said, "Now wait, we are not going to appropriate any more of the taxpayers' money because we already have $1,200 million there, and a great many people are beginning to wonder about the production of below-cost, subsidized power and its adverse effect upon other areas of the country." So we said that this would not be done any more. Then, recognizing the necessity of meeting the growing needs for power, the suggestion was made that revenue bonds would seem to be the best course to pursue. That is, the course I favor. So what do we come down to at this point? Actually, these amendments that have been offered are amendments to improve this whole situation and to make the bonds more salable and to make the whole arrangement operate better and also to assure that this legislation, which many think is vitally needed, can finally become law. The principal question here revolves around the proposition as to whether or not the Government Corporation Control Act shall continue to apply. It is denied by the proponents of the bill as it comes from the committee that that act should apply—for reasons which are obscure to me because I have heard speaker after speaker from that side of the aisle support the bill, as reported out by the committee, saying that this is a Government corporation, owned lock, stock, and barrel, as one speaker said, by the taxpayers of the United States—the Government of the United States.

Now, if that is true—and I submit that it is—then why should not the provisions of the Government Corporations Control Act apply? I say that they should. This amendment offered by the gentleman from New Jersey certainly is the minimum amount of control that ought to be exercised. Personally, I think the Cramer amendment should have been adopted. It would not have destroyed revenue bond issues; it would have promoted the issuance of these bonds, and hence the meeting of the necessities in Tennessee Valley.

I think, likewise, the amendment offered by the gentleman from Washington [Mr. MACK] providing for a repayment of $20 million a year instead of $10 million a year should have been adopted. You just go back to your people where you do not have the advantage of this electric power from the TVA and undertake to say to them that they should get back only $10 million a year on a $1,200 million investment and not $20 million, and see what their reaction is.

So I say I think this amendment should be adopted. We are not unfriendly to TVA but are merely trying to perfect legislation that will meet the necessities of the Nation.

Most of the amendments we have offered have not prevailed. It is our purpose on the minority side to incorporate these various amendments into a motion to recommit. Then we will find out whether or not the Members of Congress here in this great body are ready to go along with this proposal that I say keeps Government controls that ought to be continued to be exercised over this great investment that we have in the Tennessee Valley.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. JONES].

Mr. JONES of Alabama. Mr. Chairman, this amendment is based upon the assumption that the Directors of the Tennessee Valley Authority and principals in the Office of the Secretary of the Treasury cannot come to a reasonable conclusion as to the most propitious time for offering these bonds to obtain for the Corporation the lowest interest charge. I say that is an idea that cannot be entertained. There is sufficient and ample room under the provisions of this bill to permit negotiations to be full and complete in the exchange of

advice by the Treasury Department and the Tennessee Valley Authority.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the distinguished majority leader.

Mr. McCORMACK. We have witnessed the usual spectacle, as I said before. Of course, nobody impugns the motives of our Republican friends, but those of us who have been here through the years during which these great progressive measures have been enacted have seen this kill-you-with-kindness attitude, these amendments, you know, which, if adopted, would kill the bill with kindness. So this is nothing new to us.

My friend, the gentleman from Indiana [Mr. HALLECK], made a most moderate speech, one unusual in that respect. Usually he is down there waving his hands, but on this occasion he makes a little purring, pleading speech; and, of course, I am suspicious when he gets down there and makes that kind of speech.

The pending amendment is identical so far as the results to this bill are concerned as the Cramer amendment. This amendment would put the complete control of TVA into the field of politics. Yes, I repeat, in the field of political control by the Secretary of the Treasury just the same as the Cramer amendment would put the bill under the political control of the Director of the Budget. The bill adequately protects the situation. The language goes further than I would have gone, if I had been a member of the committee, in assuring congressional control and in assuring that the Secretary of the Treasury would have plenty of time, at least up to 90 days, to make his recommendations. Anyone knows that any board, particularly the TVA Board, in consultation with the Secretary of the Treasury, would give profound consideration to his views and recommendations.

This amendment, like the Cramer amendment previously offered, I hope will be defeated.

Mr. JONES of Alabama. I am sure that the appointees of the President in the Treasury, as well as the President's appointees to the Board of Directors of the Tennessee Valley Authority, will not be at odds on a simple procedural matter such as contained in this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. AUCHINCLOSS].

The amendment was rejected.

Mr. CRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAMER: On page 8, lines 7 to 11, strike out "Notwithstanding the provisions of sections 302 and 303 of the Act of December 6, 1945, as amended (59 Stat. 601–602, 70 Stat. 667; 31 U.S.C. 867–868), or any other law, but subject to any covenants contained in any bond contract," and in lines 14 to 17, strike out "and deposit said proceeds and other funds, subject to withdrawal by check or otherwise, in any Federal Reserve bank or bank having membership in the Federal Reserve System;".

Mr. CRAMER. Mr. Chairman, I will very briefly discuss the purpose of the amendment. It is set out on page 7547 of the RECORD of yesterday and was considered as amendment No. 2.

It is a little difficult for me at this time to determine in what manner I should present the amendment after the remarks of our distinguished majority leader. I cannot be vociferous, so I will just simply explain the amendment, and suggest to the majority leader that, of course, if it is considered politics to suggest that the U.S. Congress should retain the control it presently has over TVA in the future when we are substituting a bond issue procedure for present appropriations, if he considers it politics to have Congress have something to say about that, that is the kind of politics we need in America, that is the kind of politics we need to protect the taxpayers' interest.

The effect of this amendment is to restore to the Secretary of the Treasury authority to supervise the selection of depositories and the investment of TVA funds. That is the power which the Secretary presently has. This is another indication of where existing control by the Congress, by the proper appropriation processes, is being eliminated by this bill.

Under section 302 of the Government Corporation Control Act, the Secretary of the Treasury is authorized to designate depositories for the funds of Government corporations, with certain exceptions, subject to the proviso that he is authorized to waive the requirements of this section at his discretion. Under section 303 of the Government Corporation Operation Control Act, with certain exceptions, the corporation may not purchase or sell direct or guaranteed obligations of the United States in excess of $100,000 except by approval or waiver by the Secretary of the Treasury. Both of these are being eliminated, as far as TVA is concerned. TVA is being given these two additional privileges which, so far as I am concerned, is a further indication of why Congress should have something to say about its operation in the future.

This amendment would continue the applicability of these two provisions of the Government Corporation Control Act to TVA. The Treasury Department provides depository facilities for the Government corporations which wish to use them. Section 302 of the Government Corporation Control Act authorizes these corporations to use also the depository facilities of the Federal Reserve banks or of commercial banks approved by the Secretary of the Treasury.

This amendment will retain present Treasury authority and should be adopted, there being no sound logic for removing TVA from this presently exercised authority.

Mr. JONES of Alabama. Mr. Chairman, I rise in opposition to the amendment.

Mr. DAVIS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Tennessee.

Mr. DAVIS of Tennessee. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. JENSEN. Mr. Chairman, reserving the right to object——

Mr. BAILEY. I object, Mr. Chairman.

Mr. DAVIS of Tennessee. Would 20 minutes be agreeable?

The CHAIRMAN. That is, on this amendment and all amendments thereto?

Mr. DAVIS of Tennessee. Yes, Mr. Chairman.

Mr. JENSEN. I notice several Members on their feet.

Mr. DAVIS of Tennessee. Mr. Chairman, I renew my original request that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. JENSEN. Mr. Chairman, reserving the right to object, do I understand that 20 minutes is allowed?

Mr. DAVIS of Tennessee. No.

The CHAIRMAN. Five minutes on this amendment and all amendments thereto, but other amendments will be in order later.

Mr. JENSEN. I object, Mr. Chairman.

Mr. DAVIS of Tennessee. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. JONES of Alabama. Mr. Chairman, the amendment now pending has the same objective that has been sought in similar amendments. When bonds are issued the money will not all be used immediately. This amendment would prohibit the TVA from investing funds not immediately needed so that it would obtain some return as an offset against the interest being paid on the bonds. It is one more effort to impose additional burdens on the Corporation. I think it would be very unwise, Mr. Chairman, and I ask that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. CRAMER].

The amendment was rejected.

Mr. JENSEN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. JENSEN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. JENSEN. Mr. Chairman, of course I would be happy if the enacting clause were stricken because it would be good for America, but I am not naive enough to believe the opposition will yield. But I do want to explain a substitute to this bill H.R. 3460 which I had intended to offer, but I learned that it is not germane. So I take this time to explain the provisions of my substitute. I shall drop it in the hopper as a bill when I complete my statement.

My substitute provides that the employees of the TVA shall be covered under the civil service laws of the United States of America. That is one of the provisions.

Another provision is that all moneys collected by the TVA as power revenues and from other sources shall be covered into the Treasury of the United States except $10 million annually which the TVA may use for emergency purposes to assure a constant flow of power over their lines.

Mr. Chairman, why do I offer such a bill? Because my bill squares completely with the rules, the regulations and the laws under which the Bonneville Power Administration operates, under which the Southwest Power Administration operates, under which the Southeastern Power Administration operates today and have operated for many, many years, and very successfully.

The TVA Board is composed of only three men appointed by the President, not elected by the people; however, my bill leaves them in the same position as the administrators in all other agencies of our Government. It leaves the appropriation function of the Congress intact. It does not make an exceptionally favored political subdivision in the United States of the Tennessee Valley area, as this bill H.R. 3460 provides.

This bill, of course, as everyone knows who has read the bill and listened to the debate, is anti-American to the nth degree. No such authority has ever been delegated to three men before in the history of this Nation.

I was quite amused to hear my good friend the Democratic floor leader say that this bill is comparable to the Highway Construction Act. That bill covers not just one small political subdivision of this Nation, it applies to the entire Nation and treats every State in the Union equitably, including the Tennessee Valley area.

So, Mr. Chairman, I shall drop my bill in the hopper; now I know that sooner or later if this bill which is now being considered, H.R. 3460, becomes a law of the land, it will be but a few years from now when this Congress will repeal that law.

Mr. Chairman, I ask unanimous consent to withdraw my preferential motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. DENT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DENT: On page 2, line 8, after the word "facility" insert "manufactured, produced, or assembled under standards of labor and industry prevalent in the United States of America,".

Mr. SMITH of Mississippi. Mr. Chairman, I make the point of order that the amendment imposes a duty not consistent with the provisions of the bill.

The CHAIRMAN. Would the gentleman from Pennsylvania like to be heard on the point of order?

Mr. DENT. I would, Mr. Chairman.

I note that every amendment that has been offered at one time or another during the debate concerned putting additional burdens and restrictions on the TVA, so if my amendment falls in that category, how can it be out of order any more than the other amendments that have been offered?

The CHAIRMAN. Would the gentleman from Mississippi like to be heard on the point of order?

Mr. SMITH of Mississippi. Mr. Chairman, the amendment imposes restrictions on the purchase of equipment by the TVA. The bill has to do with the sale of power and the methods of financing that power.

Mr. DENT. May I say that I am only putting back onto TVA the very restrictions you call for that have been on TVA since its inception.

The CHAIRMAN (Mr. BASS of Tennessee). The amendment offered by the gentleman from Pennsylvania is germane to the bill because it deals with the proceeds of the Corporation and the use of the funds. The Chair holds that the amendment is in order.

Mr. DENT. Mr. Chairman, I have deliberately and purposely stayed out of all debate relative to this subject of the propriety or impropriety of passing this legislation and the arguments pro and con as to private ownership or public ownership, or many other arguments that are injected into legislation of this type. I am only interested at this time in appealing to all of you on the basis of fairness to ask that you put back into the law governing the operation of the Tennessee Valley Authority certain restrictive covenants in the matter of purchases of facilities and equipment that they have had to abide by all these years since the inception of the TVA. I want to call to your attention, Mr. Chairman, that the Tennessee Valley Authority did on April 15 of this year in the Chattanooga Times set forth a statement that bids would be opened for facilities for the production of 6 million kilowatts running in value anywhere from $150 million to $200 million. A spokesman said that these bids would be received on May 28 in anticipation of the passage of this bill by the Congress. They also have asked, according to this article in the paper, that three foreign firms be invited and are invited to bid on this facility. These three firms are the English Electric Co., Brown-Boverie of Switzerland and Parsons Limited of England.

Mr. Chairman, none of these companies have ever been underbid in all of the history of bidding on power equipment by public utilities or private utilities in the United States. This means, gentlemen, that you are bidding for $750 million worth of foreign-made equipment on this day in this Congress of the United States. I am not arguing the point, as I said, as to whether or not they should have the right to issue revenue bonds, I am arguing that this Congress has placed upon the statute books certain legislation which increases the cost of American-made goods. I am asking you to vote for this amendment, you fair-minded men from the Tennessee Valley who are appealing to the rest of us from all over the country to be good to your industry and to your valley and to your workers—I am appealing to you fair-minded men to be just as reasonable to my workers and to the workers in the other areas of the country because under the present law, which you are now setting aside, any bidder or any company in the United States would be compelled to live up to the Walsh-Healy Act and to the Bacon-Davis Act and to the Buy American Act. If these companies in my area have to abide by these Federal laws, they have to add to their costs of production up to 11 percent with fringe benefits as contained in their union contracts, and will have to add up to 40 percent onto the cost of the contract.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield.

Mr. WIER. Mr. Chairman, I wish to associate myself with the gentleman's remarks because we have in Minneapolis the same problem that you are presenting to us here which occurred in my district when we lost a pretty substantial contract affecting employment for over 500 employees, all good constituents of mine, suffered as a consequence.

Mr. DENT. Mr. Chairman, I do not want to go into the details because time will not allow me to do so. But, I would like to give you just two specific examples which I think are important enough to have a bearing on how the House of Representatives votes today. I am not suggesting that foreign companies should be restricted and prevented from bidding. I am not closing the door on any production anywhere in the world. I am only saying that if an American producer has to live up to the laws passed by this Congress, then anybody who bids against us must abide by the same standards of American labor and American industry that are imposed upon American bidders and American manufacturers. That is what is contained in this amendment. The amendment I have offered does not enter into the ideology and has nothing to do with the arguments pro and con or the goodness or the badness of the legislation. My amendment does not deal with the propriety or the impropriety of the question of these revenue bonds. I am only asking the Members of the House to give consideration to the fact that you are voting for $750 million worth of foreign made equipment.

I want to call your attention to one further point. If the Tennessee Valley Authority requires $750 million worth of additional revenue to meet their requirements for power facilities and output, then the private utilities of the United States will require $5 billion in the next 5 years and there is not a private utility in the United States that can afford to buy American made equipment from this day on, if the Tennessee Valley Authority is given this amount of money to spend without having to meet the requirements of Federal law.

So I say to you that you are opening up a door you will never be able to close if you allow this to go through without

accepting this amendment placing reasonable restrictions upon the purchase of equipment abroad.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman from Massachusetts.

Mr. BATES. I wish to congratulate the gentleman on the statement he has made. Certainly something must be done in this area to correct the situation.

Mr. SMITH of Mississippi. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Pennsylvania is understandably disturbed about economic conditions in his district, and who of us would not be, as far as that goes? But in his amendment what he attempts to do today could be very costly and result in something we have no intention whatever of doing. In an effort to be slightly beneficial it might conceivably be something which would strike at the heart of basic American economic policy as well as basic defense policy. Because of this we do not want this bill used as a vehicle to deal with something which should be dealt with and threshed out in another bill.

First of all, the gentleman's amendment would have the effect of completely barring from any consideration whatsoever purchases from other countries by the TVA. We would have no idea of what the things or items might be, they could not be reached for foreign purchase. The amendment has not been considered nor have witnesses been heard in that respect.

In the matter of overall purchases by the TVA, let us look at the record: Throughout all the years of this Authority's existence only 1 1/10 percent of its purchases have been from firms abroad; in other words 98.9 percent of their purchases have been made domestically.

Mr. DENT. Mr. Chairman, will the gentleman yield at that point?

Mr. SMITH of Mississippi. I ask the gentleman to let me finish my statement.

In respect to this overall policy applied to TVA or any other Government agency this is something that if adopted would be carried forward in regard to all agencies. This is why I say this bill is not the vehicle in which to deal with such an all-inclusive far-reaching program; it should be handled in separate legislation.

I was concerned, too, as to what the feelings of the administration would be in regard to this type of activity, and I asked for an indication of position. This is the letter from the State Department I received in that regard:

> The Department of State believes that legislation further to restrict Government agencies in making purchases abroad is neither necessary nor desirable. It would in fact seriously impair our relations with our allies and weaken the cohesion of the free world. Such procurement is now governed by the "Buy America" Act of 1933. Under this legislation, preference is given to domestic producers for the supply of materials for Government use and adequate safeguards are provided to permit the rejection of foreign bids for reasons of national interest or national security. Additional preference is given to United States firms when they intend to produce the products in areas of substantial unemployment or when small business firms are involved.
>
> Sincerely yours,
>
> WILLIAM B. MACOMBER, JR.,
> *Assistant Secretary of State.*

This bill does not allow bids to be entertained unless the differential is higher than 18 percent. We talk about our concern for economy in Government and a reduction of expenditures. This amendment could be completely destructive in its effects. This has nothing to do with the Tennessee Valley Authority; this has a great deal to do with governmental policies that concern the whole country.

I hope we will not be rash in our actions today. This is an issue that we have had no opportunity to clarify. We have had no opportunity whatsoever to understand the ramifications of this amendment. We would be destructive of the best interests of our living in this world if we adopted the amendment. Our sales abroad of products from the State of Pennsylvania are large and are far in excess of this 1 percent I have talked about today or any other relatively small amount.

Let us maintain reason here today, Mr. Chairman, and not take any rash step that will lead us to a position that would greatly handicap the American position in the free world today.

Mr. DAVIS of Tennessee. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. BAILEY. Mr. Chairman, I object.

Mr. DAVIS of Tennessee. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close in 10 minutes.

The question was taken; and on a division (demanded by Mr. BAILEY) there were—ayes 115, noes 63.

So the motion was agreed to.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

> Mr. HOFFMAN of Michigan moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. HOFFMAN of Michigan. Mr. Chairman, this motion is offered in good faith because the amendment was not properly discussed and, in my judgment, should have been adopted. There is no sound reason why this early in the week debate should be shut off.

Is the gentleman from West Virginia [Mr. BAILEY] asking me to yield?

Mr. BAILEY. No. I was seeking recognition.

Mr. HOFFMAN of Michigan. Well, what puzzles me on the vote is the fact that the Republicans seem to be the only ones—there are a few on that side—who voted in favor of this last amendment which would give unemployment a jolt. The Republicans have been unjustly criticized as the party of big business, always against the worker and the little fellow. The record shows the charge to be without merit. Here we are today—and we all know it—when the union leaders, at least, though not the employees, are supporting the Democratic Party and doing their best or worst, if I might put it that way, to defeat the Republicans and sound policies which would give continuous employment. Even that shows up in campaign contributions, much to our detriment.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Pennsylvania, a member of the Committee on Education and Labor.

Mr. DENT. I want to observe that this is one of those sad oddities that occur every now and then in politics. The gentleman from Michigan, who is not particularly known as a friend of labor——

Mr. HOFFMAN of Michigan. That shows your lack of information. That is not my fault.

Mr. DENT. Taking up the cudgels and being——

Mr. HOFFMAN of Michigan. I cannot yield any further. You have acknowledged my fairness and willingness to go along with labor, and I will, and you, as a union organizer, ought to know that. And, here you are, while your political buddies are throwing you down the drain. I sympathize with you; I can see your tears and understand your grief and your sorrow. But they will do it every time. I can only say this, that I know the union leaders will do the same thing when you and they have the votes, and there will not then be any Democrats over on your side of the aisle. They will be members of the Labor Party.

Mr. DENT. Since you made me an organizer, give me a salary, will you?

Mr. HOFFMAN of Michigan. We cannot talk at the same time. You are louder than I. I do not say you are or have been an organizer since you became a Member of Congress.

Were you asking me something?

Mr. BAILEY. No.

Mr. HOFFMAN of Michigan. You have so impressed me by your superior knowledge of the situation in West Virginia that I hoped you would contribute to the situation. Here is a chance.

Mr. BAILEY. I was seeking recognition to speak in opposition to your preferential motion.

Mr. HOFFMAN of Michigan. Well, I will quit, because I know you will do a better job than I can.

Mr. BAILEY. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I feel I would be remiss in my duty if I did not vigorously support the amendment proposed by the distinguished gentleman from Pennsylvania [Mr. DENT]. I would certainly be remiss in my duty to the more than 100,000 unemployed people in the State of West Virginia and some 4.5 million unemployed throughout the Nation if I did not protest a practice that is going on here and is being participated in by the Tennessee Valley Authority, in that these

jobs that should go to American workmen are being given to foreign concerns.

Now, the gentleman from Pennsylvania is exactly right. We passed the Walsh-Healey bill; we passed the Davis-Bacon Act; we passed all kinds of restrictions. All American businessmen must live up to those standards we have set up. The gentleman from Mississippi [Mr. SMITH] said we would be violating a fixed Government policy. It is the policy of the Government, may I say to the gentleman, to set up these standards such as were contained in the Walsh-Healey bill and in the Davis-Bacon Act and other acts, all of which apply to these foreign concerns that are getting these contracts. They have no risks like we have. Their wage rates are sometimes one-fourth of what the wage rates are in this country. I say we cannot afford to conduct a practice of that kind, and the TVA is one of the worst offenders. On the 17th day of March I made a speech on the floor of the House outlining the various items in which the TVA had violated this idea of "buy American." They tell me that this project, if it goes through, will permit them to generate something like 6 million additional kilowatt-hours.

I want to know and I think there are enough Members of this Congress who want to know whether some of the jobs to cover the cost of the equipment for the installations that have been referred to are going to go to American people or whether we are going to peddle them out abroad as we have in the past.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman.

Mr. DENT. Mr. Chairman, I want to call attention to the fact that one of the most serious aspects of this matter, which has not yet been mentioned on this floor, has come to my notice. I have been told by one of the largest manufacturers of equipment in the United States not even to worry about putting this amendment in, because they have made a deal with foreign manufacturers and although they are going to bid, they cannot bid the American labor, the American cost of production. They are going to bid under an American title, but with foreign manufacturers making the goods. I shall see the day when this Congress will do something more drastic than is provided in the simple amendment that I have offered.

Mr. BAILEY. Mr. Chairman, let me remind my colleagues that certainly not more than 4 years ago a concern in West Virginia, Porcelain Products of Parkersburg, W. Va., lost a huge contract to supply porcelain material for insulation purposes at the Coulee Dam. We lost that to a Japanese bid, if you please. We have lost two or three others. Right now I am having a scrap with the Export-Import Bank to keep them from awarding a contract to England for the manufacture of some mining machinery which they propose to sell to India. England has a bid in. We have a small concern in Oak Hill in West Virginia where 34,000 of the miners are unemployed. Here is a chance for a $7 million contract, and the chances are 99 out of 100 that it will go to a British concern instead of to an American concern, right in the heart of this unemployment area. I say that it is time to break it up.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Michigan [Mr. HOFFMAN].

The motion was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. CONTE] on the amendment offered by the gentleman from Pennsylvania.

Mr. CONTE. Mr. Chairman, I rise in favor of the amendment offered by the gentleman from Pennsylvania. Mr. Chairman, I was quite impressed with my colleague from Massachusetts when he spoke about the history of the legislation of the TVA and how his party has been for progress in this field down through the years. I say that is true, Mr. Chairman. They have been for progress, and I, too, stand for progress.

However, Mr. Chairman, I am opposed to progress when it jeopardizes my home State of Massachusetts. There are 159 new plants in the Tennessee Valley. Where do those plants come from, Mr. Chairman? They come in part from my State of Massachusetts. Like a camel caravan, the soft goods industry has left Massachusetts. There are thousands unemployed in my district and in Massachusetts, people with large families are unemployed because these industries have left our part of the country. Is this the type of progress we want, Mr. Chairman? And then, to put a little more acid on the wound, the TVA has given large contracts to England, to Switzerland, and to other foreign countries, again taking jobs away from people employed at General Electric and Westinghouse Company in my district.

Mr. Chairman, we can well do away with this type of progress. Mr. Chairman, I hope the amendment is adopted.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, let me say in conclusion of what I said when I was speaking to the preferential motion, that the situation in my State is worsening. Right now we have the largest percentage of unemployed of any State in the Union, approaching close to 15 percent of the labor force.

I have been trying to point out to the Members of Congress for several years what these policies of ours are leading to. That is what I had in mind when I made a speech back in March. There are a few things that we are permitting to go on here that are going to destroy our basic American economy, and that is one of them. We just simply cannot tolerate a continuation of these big costly purchases being made abroad when we have thousands upon thousands of people needing jobs here at home. Let me remind you that the word "job" is the most important word in the English language today. We had better provide some of them if we want to continue the claim that America is the great Nation we say it is.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. BOW].

Mr. BOW. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Pennsylvania. I believe it should be brought to the attention of the House today that yesterday for the first time the British seized the trade balance away from the United States. For the first time since 1865 the balance of trade is reversed.

I point out to you from Michigan and the automobile States and the steel-producing States that the British exports of autos to the United States were $57,702,388 in the first quarter, as compared with $41,681,704 in the first quarter of last year.

To the gentleman from Mississippi and others interested in cotton, let me point out that when we lost this balance of trade to Great Britain the books show that cotton imports from the United States dropped from $31,397,663 to $8,848,890 in the first quarter. So there is a matter of twenty-some million dollars in cotton that we have lost.

We have lost the balance of trade. Are we going to say to all the manufacturers of great machinery in this country that we are going to deprive them of the right to bid on these plants?

We are losing industry after industry to unbridled competition from cheap labor areas, areas where the standard of living and welfare of the man who labors is second to the desire of cartels to flood our markets with cheap goods. Yes, Mr. Chairman, we are exporting the jobs of American workingmen and women. Today we will find whether this Democrat-controlled Congress sincerely believes in jobs for Americans, whether they are concerned in unemployment or just doing lipservice for political purposes.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. JONES].

Mr. JONES of Alabama. Mr. Chairman, I call to the attention of the committee in connection with the procurement policy of the Tennessee Valley Authority that from 1933 to 1958 it procured manufactures in the State of Pennsylvania in the amount of $348,918,000. It seems, Mr. Chairman, that the Tennessee Valley Authority is of considerable importance in the matter of purchases, and in this case the beneficiary is the State of Pennsylvania.

This is not the proper forum for the consideration of a matter of the vast importance this amendment provokes. If there is logic and justification for the adoption of this type of amendment on this bill, it would be necessary for us to adopt a similar amendment on every bill that comes to this floor. We will then recede into a state of economic isolation and that is not something that we should try to do here.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, my only purpose in coming to the well of the House at this time is

because when I left the floor a while ago, a Republican on the Committee on Foreign Affairs [Mr. BENTLEY], said I owed the House an apology, and I am hereby extending it. I referred to the gentlemen on the right as representing the "Labor Party." He said I should have said they—our Democrat friends—represented the foreign Labor Party. Apparently today, by their votes, they do just that. Hence, I apologize for the previous statement.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Pennsylvania [Mr. DENT].

The question was taken; and on a division (demanded by Mr. DENT), there were—ayes 100, noes 123.

Mr. DENT. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. DENT and Mr. SMITH of Mississippi.

The Committee again divided and the tellers reported that there were—ayes 115, noes 156.

So the amendment was rejected.

Mr. JONAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONAS: On page 10, line 15, after the period following the word "investment", strike out the remaining words on line 15 and all of lines 16, 17, 18, 19, 20, and 21.

Mr. SMITH of Mississippi. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 10 minutes.

The motion was agreed to.

Mr. JONAS. Mr. Chairman, the amendment speaks for itself. It is a simple amendment. It simply strikes out the last sentence in the section. Frankly, I think it should be agreed to by the Committee.

The section I propose to strike out gives the Board of Directors of TVA sole and exclusive authority to determine whether to pass over two annual installments of payments due the Federal Government. Now, in all of my experience dealing with creditor-debtor relationships, I have never heard of the board of directors of a debtor corporation having the sole and exclusive authority to decide whether to pass over two annual installments due on the obligation. Certainly the creditor should have some say-so about such an important matter.

I point out also that there is no language in this section or anywhere else in the bill that would require TVA to catch up with these lapsed or skipped-over payments at any subsequent time. Conceivably the Board might pass over two annual payments in 1961 and 1962 and then make several annual payments and then skip over two other annual payments at a subsequent date. It seems to me that this is too much authority to be vested in the board of directors of a debtor corporation. Moreover, I do not think the language I seek to strike is necessary. I can understand why, because of drought or other emergency conditions, the TVA Board of Directors might not be able to make payments due at any particular time, but there is another section in the bill which takes care of that, because TVA is required to make these payments out of "net power proceeds after bond payments and operating expenses." Now, if they do not have any net power proceeds, due to drought or other emergency conditions, they would not be required to make the payments, anyway. Therefore, I think the language is unnecessary, in addition to being very dangerous, to incorporate in a bill of this sort. It vests too much authority in the Board of Directors and should come out of the bill.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. JONES of Alabama. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in the independent offices appropriation bill of 1948 it was provided that TVA would pay to the Treasury over a period of 40 years amounts equal to the appropriated funds invested in power property. That provision gave TVA considerable latitude as to the time of payments. TVA has succeeded in paying way in advance of schedule up until the present time. The reason this provision is included in the bill is to give TVA some latitude in a repayment schedule due to the fact that 3¾ billions of installed capacity is hydro. With hydro plants it is necessary to have a constant stream flow, and that may not occur in the event of a dry season such as we had in the Tennessee Valley in 1956. This, I would like to remind the committee, is to insure that TVA can make its payments punctually and properly.

I hope, Mr. Chairman, that the amendment is not agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. JONAS].

The amendment was rejected.

Mr. STRATTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STRATTON: On page 5, line 22, after "law" insert "except the so-called 'Buy American Act', title 41, United States Code, paragraph 10".

Mr. STRATTON. Mr. Chairman, the amendment which I have offered has the same basic purpose as the amendment offered previously by the gentleman from Pennsylvania [Mr. DENT] namely, to protect the jobs of the workingmen and women of America and to insure that the funds which will be made available by this bill for the purchase of heavy electrical equipment, turbines and generators, for example, will have a reasonable opportunity of being utilized for purchases from American factories and in such a manner as to provide employment for hundreds of thousands of our people who are out of work in the heavy electrical manufacturing companies of America.

My amendment is designed to correct what I believe is merely an oversight on the part of the committee in the preparation of this bill, but a most serious oversight. A moment ago, in arguing against the amendment of the gentleman from Pennsylvania, [Mr. DENT] the gentleman from Mississippi [Mr. SMITH] said that the amendment was not needed because there was already available to American manufacturers and American working men and women the protection of the so-called By American Act, a part of the basic statutes of the land.

Actually, Mr. Chairman, this is not correct. The language on page 5 of the bill makes it very clear that the expenditure of bond proceeds for the purposes specified herein, including the addition of generating units to existing power-producing projects and the construction of additional power producing projects—which clearly refers to the possibility of purchasing generators and turbines—shall not be subject to the requirements or limitations of any other law. The term any other law obviously means just what it says and so includes the Buy American Act. In other words, the language of the bill as it has come out of the committee, even though I do not think the committee had that original intention, means that if this bill is enacted into law the $750 million which will be made available thereby to the TVA to purchase electrical generating equipment might well all be spent abroad and not a single American manufacturer would profit from these expenditures, and not a single American workingman would be put back to work. On the basis of the committee report and the discussion which has taken place in this committee today and yesterday it seems clear that this provision was designed to refer specifically to the Government Corporation Control Act. But in actuality, as I have shown, it goes much further than that.

If the gentleman from Mississippi [Mr. SMITH], a distinguished member of the committee, is under the impression that the Buy American Act still applies, and it was not the intention, as I believe it was not, of the committee to supersede the Buy American Act in this legislation, then I think we owe it to the businessmen and the workers of this country to make that fact crystal clear by spelling out in detail, as my amendment does, that this stipulation does not apply to the provisions of the act, title 41, United States Code, paragraph 10.

Mr. Chairman, I represent a district in upstate New York which has been heavily hit by unemployment. The major industry in our district is the great turbine industry of the General Electric Co. This industry has felt the impact of the recession far more severely than many other industries, and has been much slower in getting back on its feet. We in Schenectady want a fair crack at any turbine generator business which will be created if this bill becomes law, and I believe we have a right to expect a fair crack at it. The thousands of men and women who are out of work in Schenectady and who have exhausted their unemployment insurance benefits certainly have the right to expect that these vast sums of money appropriated

by the Congress will be used to put them back to work in the industry in which they are trained and for which they are best fitted.

Some people have said, Mr. Chairman, that American electrical manufacturers can never successfully underbid foreign manufacturers because of the higher costs which our American manufacturers are confronted with. The provisions of the Buy American Act, even though I personally feel that they do not go far enough, at least provide a spread of 6 percent to make up some of these cost differences between American manufacturers and foreign manufacturers, and in the case of an unemployment area, such as Schenectady, the differential allowed under the present operation of the act is 12 percent. This at least means that if the Buy American Act applies to the funds made available by this legislation, as it does apply to every other agency of Government, then American manufacturers of heavy electrical equipment will have a reasonable opportunity to compete for the machinery which will be purchased as a result of this legislation, and the people who are unemployed in the great centers of the electrical industry, not only in Schenectady but in the district of the gentleman from Massachusetts [Mr. CONTI], and the district of the gentleman from Pennsylvania [Mr. DENT], and the district of the gentleman from Minnesota [Mr. WIER], will also have a reasonable opportunity to hope that they can get off the unemployment rolls and get back to making a decent American living.

I do not see how this committee can do anything except adopt this amendment and make it clear that we do intend that the funds which are being made available to a corporation by Government appropriations will be used in every reasonable way in accordance with existing law, to help restore the economy and the livelihood of American men and women.

Already, I am informed, that the TVA, in anticipation of the adoption of this legislation, has requested preliminary bids on the kinds of machinery that it will need to bring its capacity up to full peak strength. If these bids, which are already being considered in the city of Schenectady, and on which labor and management I might say are working together, prove to be successful, then we can expect thousands of new jobs in our area and we can look forward to a revitalization of our economic life.

I have faced this legislation, Mr. Chairman, with a great deal of personal reluctance, because we in New York State are already aware, as the gentleman from Indiana, the distinguished minority leader [Mr. HALLECK] has already said, that the appeal of cheaper power in the southern areas of our country has persuaded many of our businesses and established industries to leave New York and other parts of the great Northeast and go elsewhere. We are seriously disturbed by these changes which are coming about, and we are desperately anxious to be able to continue to provide for our own livelihood and for our own families in our own home communities. It seems clear that this bill is going to be passed and that TVA will continue to operate. In fact, there has been almost unanimous opinion in this committee on both sides of the aisle that TVA is here to stay and should continue in business, within the area that it presently serves. I for one do not feel that it ought to expand its operations, and I am glad that the committee has seen fit to add the Vinson amendment which will guarantee that it does not expand outside of its present area. Personally, I would have preferred to have seen tighter controls over TVA on the part of the Government and the Congress.

But we in New York State are anxious about unemployment and we need to get an opportunity to get some turbine business to keep our people alive. I would like to be able to support this measure; I could not support it unless it includes the amendment which I have offered which will make clear that we in Schenectady will have a reasonable opportunity to take advantage of the funds made available in this legislation to put our unemployed people back to work. If, as I hope, this amendment is adopted, then I feel confident we can look forward to a real shot in the arm not only for our own area but for the turbine industry and the heavy electrical machinery industry throughout America.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I should be glad to yield to the gentleman from Mississippi.

Mr. SMITH of Mississippi. Mr. Chairman, this amendment has been shown to the committee. The committee certainly had no intention to and we do not believe the bill as written in any way would exempt the TVA from the Buy-American Act. The amendment of the gentleman makes it very clear that the TVA shall not be exempted. This side of the committee is glad to accept the amendment.

Mr. MACK of Washington. Mr. Chairman, we have had no opportunity to go into the details of the amendment so we cannot consent to it without hearing its merits.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. STRATTON].

The amendment was agreed to.

Mr. JONAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONAS: On page 11, line 14, strike out the period in line 14, insert a colon and add *"Provided, however,* That the Corporation shall furnish power to any wholly owned instrumentality of the United States, within the TVA service area as herein defined, at a rate or rates which will produce no greater rate of return than is produced upon sales to any other customer."

Mr. JONAS. Mr. Chairman, this is such a sound amendment that I am sure it will be adopted if I can clearly explain it to the Committee. It merely provides that in the sale of power TVA shall not charge the Atomic Energy Commission or any other wholly owned agency or instrumentality of the Government at a rate which will produce a higher rate of return than it receives from sales to its other customers.

There has been a great deal said in this debate and on previous occasions about the money the Federal Government has saved because of the fact that it gets bargain rates for power from TVA.

I should like to call the attention of the Committee to the Annual Report to the Congress on the Tennessee Valley Authority operations made by the Comptroller General of the United States and transmitted to the Speaker of this House on January 15, 1959. On pages 56 and 57 of this audit report, which is available to every Member of the House, you will find that the Comptroller General relates that since 1955 his office has been trying to get TVA to make a study of its rate of return on power sales to customers by classes, segregating the rate of return on power sales to the AEC and other Government installations and the rate of return from ordinary cutomers, including industrial and commercial customers.

When I read this report I was amazed to discover that the study conducted by TVA itself last year disclosed some startling facts. The rate of return to TVA last year from all operations amounted to 3.59 percent, but the rate of return from power sales to the Atomic Energy Commission was 3.81 percent.

The rate of return from sales to other customers was only 3.48 percent.

This seems indefensible to be. It is unconscionable for the TVA to produce for itself a rate of return on sales to the Atomic Energy Commission, an instrumentality owned by the Federal Government, which is higher than it receives from its sales to industrial, commercial, and other customers.

My amendment would simply require that in the future TVA shall sell its power to the wholly owned instrumentalities of the Federal Government at rates which will produce a rate of return no greater than the rate of return it receives on sales of power to its other customers. Why should our own instrumentalities pay more for the power we use than some of the other customers of TVA pay?

Yesterday in colloquy I read some other figures from the audit report to which I have referred today. I obtained permission this morning when we were in the House to insert extracts from this audit report as a part of my remarks. I will include the table on page 44 of the audit report, which shows the record for 1957 and 1958 on sales to municipalities and cooperatives; the table that appears on page 45 of the audit report, which shows sales to industrial and commercial customers; and the table that appears on page 47, which shows sales to Federal agencies, including the Atomic Energy Commission. I will also include page 56 and the table on page 57 of the audit report, which sets out the facts I have related comparing the rate of return from sales to the Atomic Energy Commission and other customers of TVA.

Sales to municipalities and cooperatives

	1958			1957		
	Sales in 1,000 kilowatt-hours	Revenues		Sales in 1,000 kilowatt-hours	Revenues	
		Dollars	Mills per kilowatt-hours		Dollars	Mills per kilowatt-hours
Municipalities:						
Chattanooga	2,286,928	9,432,273	4.12	2,240,282	9,081,353	4.05
Knoxville	1,409,137	5,816,844	4.13	1,248,719	5,139,709	4.12
Memphis [1]	2,032,507	8,141,246	4.01	2,237,468	8,913,295	3.98
Nashville	2,214,643	9,224,323	4.17	1,859,862	7,630,896	4.10
Other	6,510,284	28,125,942	4.32	5,528,212	24,124,714	4.36
Total	14,453,499	60,740,628	4.20	13,114,543	54,889,967	4.19
Cooperatives	4,243,672	19,946,300	4.70	3,663,616	17,496,161	4.78
Total	18,697,171	80,686,928	4.32	16,778,159	72,386,128	4.31

[1] Sales to Memphis for the month of June 1958 are not included in the above table, having been classified by TVA as sales to electric utilities.

Sales to industrial and commercial users

Type of power	1958			1957		
	Sales in 1,000 kilowatt-hours	Revenues		Sales in 1,000 kilowatt-hours	Revenues	
		Dollars	Mills per kilowatt-hours		Dollars	Mills per kilowatt-hours
Firm and interruptible	8,289,484	34,840,750	4.20	7,683,094	30,334,398	3.95
Supplemental or special	72,147	336,140	4.66	323,849	1,610,473	4.97
Total	8,361,631	35,176,890	4.21	8,006,943	31,944,871	3.99

Sales to Federal agencies

	1958			1957		
	Sales in 1,000 kilowatt-hours	Revenues		Sales in 1,000 kilowatt-hours	Revenues	
		Dollars	Mills per kilowatt-hours		Dollars	Mills per kilowatt-hours
Atomic Energy Commission:						
Oak Ridge:						
Normal, base contract	6,085,774	22,085,509	3.63	6,056,327	22,021,253	3.64
Normal, expansion contract	10,636,536	43,434,317	4.08	8,790,389	35,838,893	4.08
Interim and supplemental	613,999	2,602,757	4.24	3,356,850	15,165,613	4.52
Total, Oak Ridge	17,336,309	68,122,583	3.93	18,203,566	73,025,759	4.01
Paducah:						
Normal	10,540,486	39,388,454	3.74	8,945,977	33,180,560	3.71
Interim and Supplemental	439,837	1,682,543	3.83	4,050,176	18,744,647	4.63
Pumping water	7,685	32,744	4.26	9,211	38,843	4.22
Total, Paducah	10,988,008	41,103,741	3.74	13,005,364	51,964,050	3.99
Total	28,324,317	109,226,324	3.86	31,208,930	124,989,809	4.00
Arnold Engineering Development Center: [1]						
Power	349,714	2,196,199	6.28	260,195	1,772,754	6.81
Transmission charges		540,000			540,000	
Total	349,714	2,736,199	7.82	260,195	2,312,754	8.89
Other Federal agencies	222,907	1,131,214	5.07	197,804	998,036	5.05
Total	28,896,938	113,093,737	3.91	31,666,929	128,300,599	4.05

[1] AEDC is the Department of the Air Force wind tunnel project located at Tullahoma, Tenn. This project was established under the Air Engineering Development Center Act of 1949 (63 Stat. 937).

RATE-OF-RETURN STUDY

In our 1955 audit report to the Congress, we pointed out that, although TVA's power rates had generally provided it with a 4-percent return on the investment in the power program, the Authority had made no formal study designed to show the rates of return on its power investment by major classes of customers. We recommended that the Authority make such a study, it being our opinion that essential information would be provided for evaluating the reasonableness of TVA's power rates by classes of customers and for other management purposes.

This recommendation was discussed during our 1956 audit, and the Authority agreed to undertake a study for the purpose of allocating costs between long-term normal service to AEC and service to all other customers and appraising the rate of return from each. It was contemplated that the study would be made for fiscal year 1958, that being the first year that AEC's demands were expected to be supplied by long-term normal power. In accordance with this plan, TVA has prepared a study based on fiscal year 1958 operations which indicates that the rate of return on the overall power operation amounted to 3.59 percent, consisting of a return of 3.81 percent from long-term normal power sales to AEC and a return of 3.48 percent from the remainder of its power business. A copy of the TVA study is included as appendix B of this report.

A summary of the allocations developed by TVA in the study follows:

	Total system	AEC (normal loads)	Other customers
Revenue	$233,548,000	$104,673,000	$128,875,000
Expenses:			
Fuel	77,525,000	51,827,000	25,698,000
Steam, direct expense	19,044,000	11,415,000	7,629,000
Hydro, direct expense	13,290,000		13,290,000
Interchange (net)	[1] 725,000		[1] 725,000
Other production expense	1,756,000	979,000	777,000
Transmission expense	8,613,000	1,042,000	7,571,000
Customer accounting	183,000	10,000	173,000
Research and demostration in power utilization	553,000		553,000
Payments in lieu of taxes	5,272,000		5,272,000
Administrative, general, and other expenses	9,262,000	3,541,000	5,721,000
Total	134,773,000	68,814,000	65,959,000
Depreciation	43,793,000	15,497,000	28,296,000
Total expenses	178,566,000	84,311,000	94,255,000
Net income	54,982,000	20,362,000	34,620,000
Average net investment	1,530,000,000	535,000,000	995,000,000
Rate of return (percent)	3.59	3.81	3.48

[1] Deduction.

Mr. JONES of Alabama. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, today we have seen a series of amendments that have had as their purpose the taking over of the managerial operation of the Tennessee Valley Authority and the vesting of that authority in agencies and bureaus dispersed throughout the Government. Since these amendments have not succeeded, this amendment is now official which seeks to place the Congress in the position of fixing the rates by which the Authority shall operate.

Let me call your attention to the fact that this bill provides that the Tennessee Valley Authority can interchange power with contiguous private power companies. If this amendment were to be adopted and if the Authority should be required to provide an additional block of power to the Atomic Energy Commission and had to obtain that power at a higher rate it would mean that the Tennessee Valley Authority would be precluded from doing so because it would incur a deficit in buying the additional power. When you talk about power of that variety you are talking about firm power as distinguished from some cheaper power that may be available for the Authority to supply with firm power. It shows how very practical such an arrangement would be.

I hope, Mr. Chairman, that we will not deceive ourselves by claiming that we are obtaining for the Federal Government a better deal under the arrangement suggested by this amendment than we have under the terms of this bill.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I think it would be noteworthy to observe that the average rate charged to the Atomic Energy Commission is 3.74 mills per kilowatt-hour, and the average rate to all Government installations taking TVA power is 3.98 mills per kilowatt-hour. Those rates are considerably below the rate charged to other users. The return figure that is given by the gentleman ignores the fact that there are costs incurred in connection with the marketing to other agencies that are not incurred in connection with the marketing to the Government, so we are not highjacking any Government installations with the rates that are charged down there. As a matter of fact, the Government is getting a very low rate and the saving to the Atomic Energy Commission alone as a result of the TVA rates has been estimated at $50 million a year.

Mr. JONES of Alabama. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. JONAS].

The amendment was rejected.

LEGISLATIVE PROGRAM

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have asked for this time in order to inquire of the majority leader about the program for next week.

Mr. McCORMACK. On Monday, there are six bills to be taken up. That is District Day. They are as follows:

First. H.R. 4072, regulation of licensing of dentists.

Second. H.R. 2511, shoplifting, punishment—misdemeanor.

Third. H.R. 2318, regulation, closing out and fire sales.

Fourth. H.R. 2317, licensing and regulation collection agencies.

Fifth. H.R. 4454, corporations, to eliminate certain requirements.

Sixth. H.R. 2322, taxes, exemption common carriers, mileage tax.

Then on Monday, following the disposition of the District bills, the independent offices appropriation bill for 1960 will be taken up.

On Tuesday, there will be a joint meeting of both Houses at which the King of the Belgians will be our guest to make an address to the joint meeting.

There is no further program for next week other than what I have just announced. If the Committee on Rules should report out a rule on the housing bill, depending on what day the committee reports out the rule, if it is reported out of the committee, the bill will be programed, depending on whether the situation is such that it would be proper to do so.

Mr. HALLECK. I might say to the gentleman from Massachusetts that during the day there have been some statements to the effect that possibly the housing bill would come up under some other procedure than a rule. I take it from the statement made by the majority leader at this time that it would not come up next week except under a rule?

Mr. McCORMACK. That is correct.

Mr. HALLECK. In other words, it would be the gentleman's intention to dispense with the business in order on Calendar Wednesday of next week?

Mr. McCORMACK. Of course, the leadership does not like to bypass the Committee on Rules unless it is absolutely necessary. We have been very tolerant, although the Committee on Rules, outside of the housing bill, has been very cooperative. But, I think it is getting to the point where the leadership has the feeling that tolerance is being extended somewhat. Of course, I do not say that in any spirit of criticism at all.

Mr. HALLECK. Of course not; but may I say to the gentleman the purpose of my inquiry was simply to recognize the fact that there were three alternatives suggested and the only one which could be availed of next week would be under the Calendar Wednesday operation.

Mr. McCORMACK. That procedure will not be followed in this case.

The Clerk will read.

The Clerk read as follows:

SEC. 2. Paragraph seventh of section 5136 of the Revised Statutes (12 U.S.C. 24), as amended, is further amended by inserting after the words "obligations issued by the International Bank for Reconstruction and Development which are at the time eligible for purchase by a national bank for its own account" the words ", nor to bonds, notes and other obligations issued by the Tennessee Valley Authority," and by substituting for the words "said bank" in the immediately following proviso the words "either of said organizations".

Mr. RAINS. Mr. Chairman, the Tennessee Valley Authority is the property of the United States and it is a credit to all our people. Seldom does a foreign dignitary set foot in this country without requesting a visit to TVA. I think we should all keep in mind that this great power giant, which has meant so much to the economy of our farms and our homes as well as to our national defense efforts, was built by Federal appropriations and by its own producing revenues.

The bill to allow TVA to sell revenue bonds to finance its additional power needs makes sense in every respect. Such bonds would not be obligations of the Federal Treasury nor would they add to the national debt. This self-financing proposal was recommended by the TVA Board and it has been endorsed by those who use TVA power and they alone are the ones who will pay for the bonds.

I would like to point out that for some time now defense projects in the TVA region have been using more than half the power TVA produces. Their

needs are increasing and at the same time industrial and consumer needs are increasing. Unless TVA develops new generating capacity, the entire region is faced with a serious power shortage by 1961.

Congress should bear in mind that during the past 7 years no appropriations have been made for the construction of new generating capacity for TVA, yet those 7 years have witnessed an unprecedented population and industrial expansion in the TVA region, in addition to the location of more defense projects in this area.

The State of Alabama depends heavily upon adequate TVA services for our industrial progress and for the continuing efforts at an improved standard of living. TVA has been a great stimulant to development of the natural resources not only of Alabama but of the other States which it serves and it has thus contributed immeasurably to the prosperity of the entire Southeast.

I have never been able to understand why so many groups from time to time have sought one way or another to divide, disperse, sell, break up, or kill TVA. It is an agency of the Government, paying its own way, providing power for a large segment of our highly important defense projects and serving the day-to-day power needs of over 6 million of our citizens.

Unless Congress is willing to give TVA access to the financing which will meet its heavy load, the Tennessee Valley region will suffer. I am told that it takes at least 3 years to build a large generating unit, hydro or steam, and TVA should have one under construction right now if it is to meet the estimated power demands for 1961.

The self-financing bill is the obvious answer and I for one cannot help but question the motives of those who oppose this measure. It is fair and just and it will not cost the Federal Government any money. And in this regard, I might point that TVA has for the 25 years of its existence been turning back to the Federal Treasury, out of its revenues, all appropriated money used in building it. This was a requirement of the law, however I believe it is significant that TVA is now $43 million ahead of its repayment schedule.

Today TVA has reached a stage where it can no longer be the victim of catch-as-catch-can type of financing. The scope of its services has become too important for us to allow this vital installation to be thus accommodated. Four times the President has asked for TVA self-financing and the current budget presupposes enactment of such legislation. We in the TVA area need this legislation now. The greater the delay, the greater the distress when the estimated shortage develops.

Mr. MONAGAN. Mr. Chairman, I shall vote in opposition to H.R. 3460 because I am convinced that such a vote is in the best interest of the district which I represent.

I am convinced also that such a vote will not harm the Tennessee Valley Authority.

When this legislation was placed on the statute books in the thirties, the area to be served was a depressed section and one which needed and warranted the financial assistance of the more prosperous sections of the country.

Today the situation is reversed. While the Tennessee Valley area is booming many sections of New England have become depressed areas.

It seems wise, therefore, to put a limit to the extension of TVA and to call a halt to its financial dependence on the rest of the country.

There is another reason why a Representative from New England should oppose this bill. It is the fact that the cheap power available in the Tennessee Valley is one additional factor which is drawing industry away from our section of the country. There is no logical reason why the normal cost of operation of this power facility should not be borne by the area which it serves instead of being subsidized by New England and the rest of the country.

TVA has done the job which it was set up to do and it has performed well, but, in my judgment, the time has come to draw the line against further expansion against the expressed intention of President Roosevelt and its other sponsors at the time of its initiation.

Mr. ROBERTS. Mr. Chairman, I rise in support of H.R. 3460, to amend the TVA Act of 1933 relative to financing its power program with proceeds from revenue bonds.

I want to pay tribute to the distinguished gentleman from Tennesssee [Mr. DAVIS] the chairman of this subcommittee, and especially to my distinguished colleague from Alabama [Mr. JONES], who have worked so diligently on this legislation and who are responsible, along with the other members of this subcommittee, for the splendid legislative achievement which is this bill as presented to the House.

It will be a pleasure for me to cast my vote in the affirmative for this legislation.

Mr. PUCINSKI. Mr. Chairman, I hope we will all give very serious consideration to the amendment offered by the gentleman from Pennsylvania which would make it mandatory on the part of the Tennessee Valley Authority to protect American manufacturers against lower bids from foreign countries in the purchase of necessary equipment.

There is no question in my mind that this country is meeting with ever-increasing competition not only from our allies in international trade, but also from our enemies. As the industrial potential of the entire world begins to unfold in ever-increasing capacity, this Nation is going to be faced with this problem in ever-increasing degrees.

It has been said here today that for the first time in several decades Great Britain has now caught up with this Nation in the balance of trade and the search for foreign markets.

This great problem confronting America is now relatively in its infancy, but we would not be fair with ourselves and the people of this Nation if we failed to recognize the indisputable fact that foreign competition is going to be one of our major problems in a very short time and will have a direct bearing on whether we in the United States can maintain full employment under the present high standards of living that have challenged the imagination of the rest of the world.

Because I believe so firmly that this problem of foreign competition in international trade will ultimately have a most profound effect on every single man, woman, and child in this country, I believe that our own Government agencies, built and financed by American taxpayers' money, should certainly adhere to the strict principle that they will give American-made products ample protection against foreign-made products by equalizing the difference in production costs so that American industry won't be penalized because of its higher wage standards.

The amendment offered by the gentleman from Pennsylvania attempts to reemphasize this principle, and I think it is deserving of our serious consideration.

Mr. BURKE. Mr. Speaker, it seems pertinent to comment upon the definition of area of operations of the Tennessee Valley Authority as contemplated under the provisions of that act.

During the consideration of this legislation by the Committee on Public Works considerable testimony was heard concerning exchange power arrangements between the Tennessee Valley Authority and other utility systems. Under the bill, as passed by the House, economically feasible exchange power arrangements are preserved, and obviously, under the language of the bill, it is not only specific existing exchange contracts which are preserved, but the right to contract in the future for exchange of power is preserved in the Tennessee Valley Authority with respect to any other utility systems with which the corporation had any exchange power agreement on July 1, 1957.

It is a fact of the utility business that exchange power arrangements have been and are mutually beneficial to the Tennessee Valley Authority and its neighboring utility systems, both public and private. It should be very clear that within the geographical area of service of the Tennessee Valley Authority and at its boundaries, the right and the power to execute exchange power arrangements with other utility systems is preserved.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BASS of Tennessee, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3460) to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes, pursuant to House Resolution 260, he reported the same back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en grosse.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. SCHERER. Mr. Speaker, I have a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SCHERER. He is.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. SCHERER moves to recommit the bill H.R. 3460 to the Committee on Public Works with instructions to report the same back to the House forthwith with the following amendments:

"Page 5, beginning in line 16, strike out the last sentence of subsection (a), ending in line 7, page 6, and substitute in lieu thereof the following:

" 'Bond proceeds and power revenues shall be available for the purposes specified herein, including the addition of generating units to existing power-producing projects: *Provided, however,* That the estimates of the financial condition and operations of the Corporation for the current and ensuing fiscal years and the actual condition and results of the operation for the last completed fiscal year contained in the annual budget programs of the Corporation submitted pursuant to sections 102 and 103 of the Government Corporation Control Act (31 U.S.C. 847 and 848) shall include estimates of the amount of bonds to be issued and sold and bond proceeds and power revenues to be expended by the Corporation for the current and ensuing fiscal years and its actual expenditures of bond proceeds and power revenues for the last completed fiscal year: *Provided further,* That, except as budget programs transmitted pursuant to said section 103 may be modified by the Congress, bond proceeds and power revenues shall be used by the Corporation to carry out such budget programs, subject to such reasonable adjustments as the Corporation may determine to be necessary due to changes in requirements for power facilities and the amounts of expenditures necessary therefor.'

"Page 6, in line 15, change the comma to a period and strike out the remainder of the paragraph ending in line 22.

"Page 9, in lines 16 and 17, strike out the words 'in excess of those required to meet' and substitute in lieu thereof the following: ', prior to the payment of'.

"Page 9, in line 23, strike out '$10,000,000' and substitute in lieu thereof '$20,000,000'.

"Page 7, strike out the first sentence of the proviso beginning in line 10 and ending with the word 'upon' in line 22, and substitute in lieu thereof the following:

" '*Provided,* That the corporation shall advise the Secretary of the Treasury, 10 days before issuing new bonds hereunder, with respect to the amounts and terms of bond to be issued, the rate of interest, and the proposed date of sale thereof, and that the corporation may proceed with such issuance and sale at the end of said period or at such earlier date as the Secretary shall during said period object and designate the changes in the amounts, terms, maturities or conditions of the bonds necessary to meet such objection, and that the corporation may thereupon proceed with the issuance and sale of the bonds modified in accordance with such objection.'

"Page 8, lines 7 to 11, strike out 'notwithstanding the provisions of sections 302 and 303 of the Act of December 6, 1945, as amended (59 Stat. 601–602, 70 Stat. 667; 31 U.S.C. 867–868), or any other law, but subject to any covenants contained in any bond contract,' and, in lines 14 to 17, strike out 'and deposit said proceeds and other funds, subject to withdrawal by check or otherwise, in any Federal Reserve Bank or bank having membership in the Federal Reserve System;'."

Mr. SCHERER (interrupting the reading). Mr. Speaker, I ask unanimous consent that further reading of the motion be dispensed with, inasmuch as it sets forth the six amendments offered by the minority in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER. The question is on the motion to recommit.

(Mr. AUCHINCLOSS and Mr. DAVIS of Tennessee asked for the yeas and nays.)

The yeas and nays were ordered.

The question was taken, and there were—yeas 182, nays 231, answering "present" 1, not voting 19, as follows:

[Roll No. 39]

YEAS—182

Abbitt	Dorn, N.Y.	Michel
Adair	Downing	Miller, N.Y.
Alger	Dulski	Milliken
Allen	Dwyer	Minshall
Andersen, Minn.	Fenton	Monagan
	Fino	Moore
Arends	Flood	Morgan
Ashley	Fogarty	Mumma
Auchincloss	Ford	Nelsen
Avery	Frelinghuysen	Norblad
Ayres	Fulton	O'Konski
Bailey	Gary	O'Neill
Baldwin	Gavin	Osmers
Barry	Giaimo	Ostertag
Bass, N.H.	Glenn	Pelly
Bates	Gray	Philbin
Baumhart	Griffin	Pirnie
Becker	Gross	Poff
Belcher	Gubser	Quie
Bennett, Mich.	Haley	Ray
Bentley	Halleck	Rees, Kans.
Berry	Halpern	Rhodes, Ariz.
Betts	Hardy	Riehlman
Boland	Harrison	Robison
Bolton	Hechler	Rogers, Fla.
Bosch	Henderson	St. George
Bow	Herlong	Saylor
Bray	Hiestand	Schenck
Brooks, La.	Hoeven	Scherer
Broomfield	Hoffman, Ill.	Schwengel
Brown, Ohio	Hoffman, Mich.	Scott
Broyhill	Holt	Short
Budge	Jackson	Siler
Burke, Mass.	Jennings	Simpson, Ill.
Byrnes, Wis.	Jensen	Simpson, Pa.
Cahill	Jonas	Slack
Canfield	Judd	Smith, Calif.
Casey	Kearns	Smith, Kans.
Cederberg	Kee	Smith, Va.
Chamberlain	Keith	Springer
Chenoweth	Kilburn	Staggers
Chiperfield	Kilgore	Taber
Church	Knox	Taylor
Clark	Lafore	Teague, Calif.
Collier	Laird	Thomson, Wyo.
Conte	Lane	Tuck
Corbett	Langen	Utt
Cramer	Latta	Van Pelt
Cunningham	Lesinski	Van Zandt
Curtin	Lindsay	Wainwright
Curtis, Mass.	Lipscomb	Wallhauser
Curtis, Mo.	McCulloch	Walter
Daddario	McDonough	Weaver
Dague	McIntire	Weis
Dent	Macdonald	Westland
Derounian	Mack, Wash.	Wharton
Derwinski	Mailliard	Widnall
Devine	Martin	Wilson
Dixon	Mason	Withrow
Donohue	May	Younger
Dooley	Merrow	Zablocki

NAYS—231

Abernethy	Andrews	Baring
Addonizio	Anfuso	Barr
Albert	Ashmore	Barrett
Alexander	Aspinall	Bass, Tenn.
Alford	Baker	Beckworth
Bennett, Fla.	Hays	O'Hara, Mich.
Blatnik	Healey	Oliver
Blitch	Hébert	Passman
Boggs	Hemphill	Patman
Bolling	Hogan	Perkins
Bonner	Holifield	Pfost
Bowles	Holland	Pilcher
Boykin	Holtzman	Poage
Boyle	Horan	Porter
Brademas	Huddleston	Powell
Breeding	Hull	Preston
Brewster	Ikard	Price
Brock	Irwin	Prokop
Brooks, Tex.	Jarman	Pucinski
Brown, Ga.	Johnson, Calif.	Quigley
Brown, Mo.	Johnson, Colo.	Rabaut
Buckley	Johnson, Wis.	Rains
Burdick	Jones, Ala.	Randall
Burke, Ky.	Jones, Mo.	Reece, Tenn.
Burleson	Karsten	Reuss
Byrne, Pa.	Karth	Rhodes, Pa.
Cannon	Kasem	Riley
Carnahan	Kastenmeier	Rivers, Alaska
Carter	Kelly	Rivers, S.C.
Chelf	Keogh	Roberts
Coad	Kilday	Rogers, Colo.
Coffin	King, Calif.	Rogers, Mass.
Cohelan	King, Utah	Rogers, Tex.
Cook	Kluczynski	Rooney
Cooley	Kowalski	Roosevelt
Daniels	Landrum	Rostenkowski
Davis, Ga.	Lankford	Roush
Davis, Tenn.	Lennon	Rutherford
Dawson	Levering	Santangelo
Delaney	Libonati	Saund
Denton	Loser	Selden
Dingell	McCormack	Shelley
Dollinger	McDowell	Sheppard
Dorn, S.C.	McFall	Shipley
Dowdy	McGovern	Sikes
Doyle	McMillan	Sisk
Durham	McSween	Smith, Iowa
Edmondson	Mack, Ill.	Smith, Miss.
Elliott	Madden	Spence
Everett	Magnuson	Steed
Evins	Mahon	Stratton
Fallon	Marshall	Stubblefield
Farbstein	Matthews	Sullivan
Fascell	Metcalf	Teller
Feighan	Meyer	Thomas
Fisher	Miller, Clement W.	Thompson, La.
Flynn		Thompson, N.J.
Flynt	Miller, George P.	Thompson, Tex.
Foley		Thornberry
Forand	Mills	Toll
Forrester	Mitchell	Trimble
Fountain	Moeller	Ullman
Frazier	Montoya	Udall
Friedel	Moorhead	Vanik
Gallagher	Morris, N. Mex.	Vinson
Garmatz	Morris, Okla.	Wampler
Gathings	Morrison	Watts
George	Moss	Whitener
Granahan	Moulder	Whitten
Grant	Multer	Wier
Green, Oreg.	Murphy	Williams
Green, Pa.	Murray	Winstead
Griffiths	Natcher	Wolf
Hagen	Nix	Wright
Hall	Norrell	Yates
Hargis	O'Brien, Ill.	Young
Harmon	O'Brien, N.Y.	Zelenko
Harris	O'Hara, Ill.	

ANSWERED "PRESENT"—1

Machrowicz

NOT VOTING—19

Anderson, Mont.	Hess	Meader
	Hosmer	Pillion
Barden	Johansen	Rodino
Bush	Johnson, Md.	Teague, Tex.
Celler	Kirwan	Tollefson
Colmer	Kitchin	Willis
Diggs	McGinley	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hosmer for, with Mr. Rodino against.
Mr. Meader for, with Mr. Celler against.
Mr. Hess for, with Mr. Willis against.
Mr. Bush for, with Mr. Kitchin against.
Mr. Johansen for, with Mr. Colmer against.
Mr. Pillion for, with Mr. Kirwan against.

Until further notice:

Mr. Tollefson with Mr. Johnson of Maryland.

The SPEAKER. The question is on the passage of the bill.

Mr. MILLER of New York. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

Mr. HOFFMAN of Michigan. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN of Michigan. Is the question on the passage of the bill or on the engrossment and passage of the bill?

The SPEAKER. A motion to recommit is not in order until the bill has been engrossed; and a motion to recommit comes just before the final passage and the House has just voted on the motion to recommit.

Mr. HOFFMAN of Michigan. When the motion to recommit was made, I did not know whether the bill had been engrossed or not.

The SPEAKER. The Chair put the question on the engrossment and third reading of the bill some time ago and the bill was ordered to be engrossed and read a third time.

Mr. HOFFMAN of Michigan. Mr. Speaker, I did not hear the engrossment word.

The SPEAKER. The word was stated when the question was put, whether the gentleman heard it or not.

Mr. HOFFMAN of Michigan. I did not hear it.

The question was taken; and there were—yeas 245, nays 170, answered "present" 1, not voting 17, as follows:

[Roll No. 40]

YEAS—245

Abbitt	Davis, Ga.	Hogan
Abernethy	Davis, Tenn.	Holifield
Addonizio	Dawson	Holland
Albert	Delaney	Holtzman
Alexander	Denton	Horan
Alford	Dingell	Huddleston
Andrews	Dollinger	Hull
Anfuso	Dorn, S. C.	Ikard
Ashmore	Dowdy	Irwin
Aspinall	Downing	Jarman
Baker	Doyle	Jennings
Baring	Durham	Johnson, Calif.
Barr	Edmondson	Johnson, Colo.
Barrett	Elliott	Johnson, Wis.
Bass, Tenn.	Everett	Jones, Ala.
Beckworth	Evins	Jones, Mo.
Bennett, Fla.	Fallon	Karsten
Blatnik	Farbstein	Karth
Blitch	Fascell	Kasem
Boggs	Feighan	Kastenmeier
Bolling	Fisher	Kee
Bonner	Flynn	Kelly
Bowles	Flynt	Keogh
Boykin	Foley	Kilday
Boyle	Forand	King, Calif.
Brademas	Forrester	King, Utah
Breeding	Fountain	Kluczynski
Brewster	Frazier	Kowalski
Brock	Friedel	Landrum
Brooks, La.	Gallagher	Lankford
Brooks, Tex.	Garmatz	Lennon
Brown, Ga.	Gathings	Levering
Brown, Mo.	George	Libonati
Buckley	Granahan	Loser
Burdick	Grant	McCormack
Burke, Ky.	Gray	McDowell
Burleson	Green, Oreg.	McFall
Byrne, Pa.	Green, Pa.	McGinley
Cannon	Griffiths	McGovern
Carnahan	Hagen	McSween
Carter	Hall	Mack, Ill.
Chelf	Hardy	Madden
Coad	Hargis	Magnuson
Coffin	Harmon	Mahon
Cohelan	Harris	Marshall
Cook	Harrison	Matthews
Cooley	Hays	Metcalf
Corbett	Healey	Meyer
Cunningham	Hébert	Miller,
Daniels	Hemphill	Clement W.
Miller, George P.	Price	Spence
Mills	Prokop	Staggers
Mitchell	Pucinski	Steed
Moeller	Quigley	Stratton
Montoya	Rabaut	Stubblefield
Moorhead	Rains	Sullivan
Morris, N. Mex.	Randall	Teller
Morris, Okla.	Reece, Tenn.	Thomas
Morrison	Reuss	Thompson, La.
Moss	Rhodes, Pa.	Thompson, N.J.
Moulder	Riley	Thompson, Tex.
Multer	Rivers, Alaska	Thornberry
Murphy	Rivers, S. C.	Toll
Murray	Roberts	Trimble
Natcher	Rogers, Colo.	Udall
Nix	Rogers, Mass.	Ullman
Norrell	Rooney	Vanik
O'Brien, Ill.	Roosevelt	Vinson
O'Brien, N. Y.	Rostenkowski	Wampler
O'Hara, Ill.	Roush	Watts
O'Hara, Mich.	Rutherford	Whitener
O'Konski	Santangelo	Whitten
Oliver	Saund	Wier
Passman	Selden	Williams
Patman	Shelley	Winstead
Perkins	Sheppard	Wolf
Pfost	Shipley	Wright
Pilcher	Sikes	Yates
Poage	Sisk	Young
Porter	Slack	Zablocki
Powell	Smith, Iowa	Zelenko
Preston	Smith, Miss.	
	Smith, Va.	

NAYS—170

Adair	Dorn, N.Y.	Miller, N.Y.
Alger	Dulski	Milliken
Allen	Dwyer	Minshall
Andersen, Minn.	Fenton	Monagan
Arends	Fino	Moore
Ashley	Flood	Morgan
Auchincloss	Fogarty	Mumma
Avery	Ford	Nelsen
Ayres	Frelinghuysen	Norblad
Bailey	Fulton	O'Neill
Baldwin	Gary	Osmers
Barry	Gavin	Ostertag
Bass, N. H.	Giaimo	Pelly
Bates	Glenn	Philbin
Baumhart	Griffin	Pirnie
Becker	Gross	Poff
Belcher	Gubser	Quie
Bennett, Mich.	Haley	Ray
Bentley	Halleck	Rees, Kans.
Berry	Halpern	Rhodes, Ariz.
Betts	Hechler	Riehlman
Boland	Henderson	Robison
Bolton	Herlong	Rogers, Fla.
Bosch	Hiestand	Rogers, Tex.
Bow	Hoeven	St. George
Bray	Hoffman, Ill.	Saylor
Broomfield	Hoffman, Mich.	Schenck
Brown, Ohio	Holt	Scherer
Broyhill	Jackson	Schwengel
Budge	Jensen	Scott
Burke, Mass.	Jonas	Short
Byrnes, Wis.	Judd	Siler
Cahill	Kearns	Simpson, Ill.
Canfield	Keith	Simpson, Pa.
Casey	Kilburn	Smith, Calif.
Cederberg	Kilgore	Smith, Kans.
Chamberlain	Knox	Springer
Chenoweth	Lafore	Taber
Chiperfield	Laird	Taylor
Church	Lane	Teague, Calif.
Clark	Langen	Thomson, Wyo.
Collier	Latta	Tollefson
Conte	Lesinski	Tuck
Cramer	Lindsay	Utt
Curtin	Lipscomb	Van Pelt
Curtis, Mass.	McCulloch	Van Zandt
Curtis, Mo.	McDonough	Wainwright
Daddario	McIntire	Wallhauser
Dague	McMillan	Walter
Dent	Macdonald	Weaver
Derounian	Mack, Wash.	Weis
Derwinski	Mailliard	Westland
Devine	Martin	Wharton
Dixon	Mason	Widnall
Donohue	May	Wilson
Dooley	Merrow	Withrow
	Michel	Younger

ANSWERED "PRESENT"—1

Machrowicz

NOT VOTING—17

Anderson, Mont.	Diggs	Kitchin
Barden	Hess	Meader
Bush	Hosmer	Pillion
Celler	Johansen	Rodino
Colmer	Johnson, Md.	Teague, Tex.
	Kirwan	Willis

So the bill was passed.

The Clerk announced the following pairs:

Mr. Willis for, with Mr. Hess against.
Mr. Rodino for, with Mr. Hosmer against.
Mr. Celler for, with Mr. Meader against.
Mr. Kitchin for, with Mr. Bush against.
Mr. Colmer for, with Mr. Johansen against.
Mr. Kirwan for, with Mr. Pillion against.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. DAVIS of Tennessee. Mr. Speaker, I ask unanimous consent that all Members have permission to extend their remarks on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

INDEPENDENT OFFICES APPROPRIATION BILL, 1960

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Friday to file a privileged report on the Independent Offices Appropriation bill for 1960.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RHODES of Arizona. Mr. Speaker, I reserve all points of order on the bill.

CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on calendar Wednesday next be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADJOURNMENT UNTIL MONDAY NEXT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

INCOME LIMITATIONS OF WIDOWS OF VETERANS OF WORLD WAR I

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, a widow of a World War I veteran, now receiving a pension, is restricted by law as to the amount of money she can earn to supplement her pension.

If she is alone, she can earn up to $1,400.

If she has a child, she is permitted to earn up to $2,700. These figures are as old-fashioned as the depression, when all

monetary values were reduced to the lowest possible common denominator. Adjusted to the present day cost of living with its built-in expenses that will never decline to any appreciable extent, they have the effect of a ceiling toward which the floor is rising, thereby depriving pensioners of the income space that is necessary to maintain life.

Waiving for the time being any discussion as to the need of ceilings in the first place, I think that there is common ground for agreeing that the present ceilings are utterly unrealistic. They were established at a time when the prices of food and clothing and shelter, as well as other necessities, were much lower than they are today. Their rigidity is depreciating the pension-income-limitation formula and is the cause of considerable hardship for the widows of World War I veterans, and their dependents.

As the pensions themselves are lacking in substance, the additional elbow room of the widow's earnings become a matter of vital concern to her.

The present law says that the World War I widow cannot earn more than $26.92 per week, to supplement her meager pension. If she should break through this ceiling her pension would be reduced correspondingly.

As her pension amounts to approximately $11.63 per week—if there are no children by the deceased veteran—her pension plus income is limited to a total of $38.55 per week. That is, if her husband's death was not the result of a service-connected disability.

Thirty-eight dollars and fifty-five cents per week is less than the minimum wage. It is not a living income.

Many of these widows want to go on working, not only to meet their current living expenses, but to build up their own social security accounts during the few working years remaining for them.

One unforeseen effect of the present pension law, is to deny them the employment and income opportunities that are available to women of their age whose late husbands never served in World War I.

This is a regrettable and unintended form of discrimination. In these unfortunate circumstances, their only recourse is to petition the Congress for an upward revision of the income-limitation ceilings.

Unlike so many other problems of our times, this request does not involve extra appropriations by the Federal Government. It simply calls for an amendment of the United States Code to permit more freedom of opportunity for the deserving widows of World War I, by raising the income limitation of a widow without child, from $1,400 to $2,400, and of a widow with a child, from $2,700 to $3,800.

INCREMENTAL PRICE SUPPORTS FOR SMALL GRAIN CROPS

Mr. LANGEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. LANGEN. Mr. Speaker, I shall not preface these remarks which accompany my introduction of a small grain bill today with a statement of the many problems facing our farm people today, as is usually the custom. Anyone who is not aware by now of these problems and their importance will not be alerted by my setting them forth again. And those who are aware of the situation are not demanding words; they are demanding that we do something about agriculture. It is in this spirit and for this purpose that I have introduced this proposed legislation.

The need for this kind of legislation has become more necessary because of recent reductions in price supports of barley, oats, rye, soybeans, flax, and grain sorghums by the Department of Agriculture. These reductions will mean a corresponding reduction in 1959 cash income to the farmer of 17 percent or $436 million as compared to 1958, if we have an average crop. This is a situation which I definitely feel should not be repeated in 1960. Therefore, I have introduced this legislation which will increase the gross and net income of the individual farmer, thus providing him with a more fair share of the national income. At the same time, it will help reduce the surpluses which are presently depressing the prices of these crops and costing the taxpayer so much.

The bill does this through a system of incremental price supports, very simple to put into operation and administrate, and identical to the proposal which I made relative to wheat on February 26. Taken together, these proposals provide a complete farm program for those farmers engaged in the production of grains.

Under the system of incremental price supports in the bill which I introduced today, the producer of any combination of the above-mentioned small grains, plus corn, would receive a higher parity level, up to and including 100 percent of parity, for voluntarily reducing his average production of these crops, as illustrated by the following table:

If the percentage of his acreage average withdrawn from production is not less than 5, his level of price support shall be 70 percent of the parity price.

If the percentage of his acreage average withdrawn from production is not less than 10, his level of price support shall be 80 percent of the parity price.

If the percentage of his acreage average withdrawn from production is not less than 15, his level of price support shall be 90 percent of the parity price.

If the percentage of his acreage average withdrawn from production is not less than 20, his level of price support shall be 100 percent of the parity price.

The acreage average referred to above would be the average acreage which a farmer has devoted to the production of any combination of these crops during the past 3 years. You can see from the table that he would get a higher price in proportion to his efforts in reducing his production from this average. This would in turn, of course, reduce the surpluses which plague our entire farm economy today.

Let me emphasize that this is a voluntary program. A farmer would achieve 100 percent of parity if he chose to reduce his average production by 20 percent; he would achieve 80 percent of parity if he chose to reduce his average production by 10 percent; he would achieve 60 percent of parity, the present level, if he chose not to participate in the program at all. The fact that this program is optional is very important. It gives the farmer both the opportunity and the responsibility to achieve a higher and more fair price in return for his efforts in attempting to reduce the surplus problem. This, I feel, is the way it should be.

Two other provisions of the bill should be mentioned. Acreage voluntarily withdrawn from production could not be used for the planting of any other crop or for grazing, so as not to aggravate any other surplus problems. And acreage reserve payments to help the farmer pay the expense of taking this land out of production and maintaining it would be provided at a rate not to exceed $10 an acre per year.

I have stated in these and other remarks that there is a need for providing the farmer with the opportunity to achieve a more fair share of the national income. Some of you may be wondering what is meant by this contention. To illustrate, the average per capita income of our farm population in 1958 was $1,068, while the average per capita income of our nonfarm population during the same year was $2,034. This, you can see, is a difference of $966. These figures were released in February of this year by the Agricultural Marketing Service of the Department, and it is ironical that in the same report were these words:

Part of the prospective decline in income from farming [this year] may be offset by increased farm family income from nonfarm sources as industrial wage rates and job opportunities for farm people continue to improve.

Something is obviously out of step here, and this dangerous trend, which seems to be becoming more and more pronounced each year, must be stopped if we are to preserve our national productivity of food and fiber. For these are the very essentials on which our entire life and economy rest.

My bill, I believe, can go a long way toward improving this situation. It does provide the farmer engaged in the production of these grains with the opportunity to achieve a higher gross and net income—a more fair share of the national income. And at the same time it will be reducing the surpluses which are costing our taxpayers so much and preventing the farmer from achieving a decent price for his products.

About the surpluses of these grains—they have not increased a great deal during the last few years. In the case of oats, for example, the increase during the years 1948 through 1957 has been only 35 million bushels. And in these years, our production has not been as large as the disappearance through domestic use and exports. This is a situation about which I plan to have more to say in a few days.

I believe I have stated sufficiently above the reasons why I respectfully urge the passage of this legislation.

TAX AVERAGING

Mr. GRIFFIN. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I have introduced today a bill designed to provide for an averaging taxable income. This bill would add a new section to subchapter Q of the Internal Revenue Code of 1954. The present subchapter Q allows a readjustment of tax between years for a few specific types of income which may be received in 1 year but are partly attributable to a prior period. For example, such treatment is accorded for concentration of income from (a) employment which has covered 36 months or more, (b) development of an invention or artistic work which has covered 24 months or more, (c) back pay under certain conditions, and (d) compensatory damages awarded in civil action for infringement of a patent issued by the United States. This bill would introduce broader and quite different principles from those underlying the present subchapter Q.

The bill would provide in general for the averaging of total taxable income over a 6-year period for an individual whose taxable income in the current year exceeds 150 percent of his average taxable income for the 5 immediately preceding years. Individuals who qualify would be permitted, in effect, to spread back the part of the current year's total income that exceeds 150 percent of the 5-year average in six equal parts covering the year of receipt in the 5 preceding years. The total tax due in the sixth or current year would be the sum of (a) the current year tax on an amount equal to 150 percent of the average income for the 5-year period, (b) the additional tax on one-sixth of the excess income which is added as an increment to income of the current year, and (c) the additional taxes resulting from spreading one-sixth of the excess income back as an increment to the income of each of the 5 years in the base period.

In computing the average income in the 5-year base period, years without income or with deficits would be permitted to have only limited effect. Taxable income for averaging purposes in any of these years must be derived from an adjusted gross income at least equal to $3,000, plus the taxpayer's personal exemptions. For example, if in any year in the base period a married person with two dependents has an adjusted gross income below $5,400—$3,000 plus $2,400 of exemptions—he must raise it to that amount before computing his average taxable income. Thus, averaging would not be available to persons whose adjusted gross income is below this assumed income floor.

Under my bill the taxpayer would apply the averaging procedure to any number of successive years if the income to be averaged is high enough to meet the 150 percent of average income test. However, once the income of any year is adjusted under the averaging procedure, the adjusted figure would be used for all purposes of averaging in subsequent years.

USE OF PRIVATE BENEFIT PLANS IN LIEU OF SOCIAL SECURITY

Mr. GRIFFIN. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I have introduced today a bill to amend section 202 of the Social Security Act by adding at the end thereof the following new subsection: "Individuals Having Benefit Plans in Lieu of Social Security." The new section would provide that notwithstanding any other provision of this title, no individual shall be entitled to any benefit under this section if such individual, or the individual on the basis of whose wages and self-employment income such benefits would be payable, but for this paragraph, is entitled or can become eligible to benefit under any insurance policy in lieu of social security as defined in section 1433, subsection (a) of the Internal Revenue Code, or under a retirement plan in lieu of social security as defined in section 1433 subsection (e) of the Internal Revenue Code.

I have further asked that no individual shall be subject to the tax imposed by section 480 with respect to any period in which he has in effect an insurance policy in lieu of social security as defined in section 1433(a) or is subject to a retirement plan in lieu of social security as defined in section 1433(e). The bill also includes the proviso that no individual shall be subject to the tax imposed by section 1400 with respect to any period in which he has in effect an insurance policy in lieu of social security as defined in section 1433, subsection (a) or is subject to a retirement plan in lieu of social security as defined in section 1433(b). Also the bill includes the provision that no employer shall be subject to the tax imposed by section 1410 with respect to having any individual in his employ during any period in which such individual has in effect an insurance policy in lieu of social security as defined in section 1433, subsection (a) or is subject to a retirement plan in lieu of social security as defined in section 1433(b). The bill defines clearly, I hope, benefit plans in lieu of social security. Section (a) a definition of the insurance policy in lieu of social security. Section (b) the retirement plan in lieu of social security, and section (c) the reinstatement of social security coverage upon lapse or termination of a benefit plan in lieu of social security.

I suggest this amendment to our Social Security Act with the thought in mind that by so doing we might continue to encourage those citizens who desire to provide for their own retirement security by either participating in a company retirement plan or by the private purchase of an insurance policy in lieu of social security as defined by the terms of the bill. I am convinced that the philosophy of the framers of the Social Security Act acted to fill a vital need of our population—that of economic security, for our later years; but I also believe that there are many segments of our population who wish and desire to provide in their own way for the security of their later years, and I believe that we should encourage those people who desire to participate in their own retirement program with their employer or who wish to purchase insurance to do so: Thus with the passage of this bill the individual will have the opportunity to choose between the retirement plan as suggested by our present Social Security Act and one of their own choosing. In so doing, I believe we are encouraging personal initiative and are giving the people a wider choice of retirement programs. I am hopeful that this bill will be passed this year.

TO ENCOURAGE SMALL BUSINESS TO ENGAGE IN FOREIGN TRADE

Mr. GRIFFIN. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I have introduced today a bill designed to amend the Internal Revenue Code of 1954 to encourage small business concerns to engage in foreign trade.

Sections 921 and 922 of the Internal Revenue Code of 1954 (26 U.S.C.A. Sections 921 and 922) are commonly referred to as the Western Hemisphere Trade Corporation Law. The original act, which was passed in 1939, was restricted to corporations trading in only Pan-American countries. In reporting out this bill, the Senate report stated that "It is a wise policy to encourage the formation of such corporations for the purpose of stimulating American trade abroad." In 1942 the scope of this act was broadened to include trade through the entire Western Hemisphere. The purpose of this act is quite clearly set forth in the following statement in Senate Report No. 1631 of the 77th Congress:

> American corporations trading in foreign countries within the Western Hemisphere are placed at a considerable competitive disadvantage with foreign corporations under the tax rates provided by the bill. To alleviate this competitive inequality, the committee bill relieves such corporations from surtax liability. To obtain this relief 95 percent of the gross income of such companies must be from sources outside the United States. Moreover, 90 percent of their income must be from the active conduct of a trade or business.

In order to qualify for the benefits of this act, the following conditions must be met:

First. The taxpayer must be a domestic corporation.

Second. All of its business must be done in any one or more Western Hemisphere countries.

Third. Ninety-five percent or more of its gross income for the 3-year period immediately preceding the close of the taxable year must have been derived from sources outside the United States.

Fourth. Ninety-two percent or more of its gross income for such period must have been derived from the active conduct of a trade or business.

The effect of this act is to give the exporter a tax benefit of approximately 14 percent if he can qualify. The conditions 1, 2, and 4 are not too difficult to meet. The normal practice is to organize a subsidiary corporation to handle only Western Hemisphere export business. The third condition is the one which has received the most criticism and is one which, under the present interpretation by the Bureau of Internal Revenue, discriminates against small business. In October of 1947, the Bureau of Internal Revenue adopted the "passage of title" rule in interpreting the Western Hemisphere Trade Corporation Law. The effect of this interpretation is to require that "passage of title" to exports take place abroad as a prerequisite to qualification of the exporting company for tax relief under this act. As a result, the small business concern engaged in export trade which normally does not maintain a foreign warehouse or other facilities, and must of necessity arrange for the passage of title in this country, is deprived of the benefits of this act.

My bill, Mr. Speaker, makes two changes which will benefit small business. The more important is the change in the definition of "income derived from sources other than sources within the United States." The present interpretation of the Treasury Department restricts the definition to include only transactions where title passes outside the United States. This bill would extend the definition to include cases where the products are sold "for use or consumption in and actually shipped in due course to a Western Hemisphere country." This effect of this would be to permit concerns, especially small business concerns, to take advantage of this act without maintaining a foreign export office solely for the purpose of "passage of title."

The second change contained in this bill which is of benefit to small business is the cut in the period of time necessary for eligibility under the act. The present law provides that "95 percent or more of its gross income for the 3-year period" shall be derived from sources outside the United States. The proposed bill would cut this period from 3 years to 1 year. This should be more attractive to the small business concern giving consideration to entering this field.

In my opinion this bill is in accord with the original intention of the Western Hemisphere Trade Corporation Act, and that it will give to small business some of the same benefits which are now, under existing interpretation, economically restricted to large business concerns.

I am hopeful Congress will pass this bill this session.

THE 35TH ANNIVERSARY OF MR. J. EDGAR HOOVER AS DIRECTOR OF THE FBI

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, I want to call to the attention of my colleagues a most happy anniversary of an outstanding public servant—the 35th anniversary of Mr. J. Edgar Hoover as Director of the FBI. I know all of you will want to join with me in wishing him our heartfelt best wishes. He is truly the servant of servants—a man who has devoted his whole life for the welfare of his country.

On May 10, Mr. Hoover can look back on a generation of splendid accomplishment as Director of the FBI. From a graft-ridden agency in 1924, Mr. Hoover has made the FBI a towering figure of integrity, esteemed around the world for scrupulous honesty and dedication to service. The very name "FBI" has become a household word in America for the pinnacle of moral accomplishment. The traditions of this great organization are inextricably interwoven into the texture of American life.

The FBI is Mr. Hoover. This gallant gentleman has instilled his dynamic spirit into his employees. Wherever you meet the men and women of the FBI, you meet in part the spirit of Mr. Hoover. His high standards have become part of their lives. That is why the FBI, more than any other Government agency, has become a "we" organization—all working together for the common good.

Mr. Hoover would be the last man to personally claim credit for any of the accomplishments of the FBI. He is a humble man. At all times he gives full recognition to the devoted service of his associates. He makes quite specific that only through the zeal, enthusiasm, and courage of his fellow employees can the FBI conquer the jobs ahead. This is indeed a fitting insight into the personality of this great man.

Often you have heard the expression "mark of an FBI man." This is a compliment which many other agencies, both in the Government and in private business, would like to emulate. It means intelligent employees, of good reputation, moral character, and blameless backgrounds. They are men eager to make the FBI a career, realizing that only in service to a higher good can they gain the most in life.

The ability of Mr. Hoover to transmit his engaging and dynamic personality to others is part of the secret of his success. In large measure he has transmitted that personality beyond his own organization—to America at large. Thousands of young boys and girls hold Mr. Hoover and his G-men in the highest regard. They have nothing but praise for the great traditions of the FBI. Men and women—in all ranks of life—accord respect to this man who has held his high office continuously for three and one-half decades. They have seen him in times of peace and in times of war. They have seen him fight the criminal and the subversive. They have seen him mount one emergency after another. That is why they love and respect him—they know the wonderful qualities which are in his heart.

In this age of bitter strain, when communism is attacking from both within and without, America draws strength from the knowledge that the FBI is on the job. Let not the hearts of our citizens be troubled, J. Edgar Hoover is at the helm. This reassurance brings a tonic of great satisfaction. When all else may be shifting sands, the FBI stands firm—a bulwark against both the spy and the criminal.

We are delighted that he is still on the job. Many lesser men may have desired to give up. But that is not part of the makeup of this man. Not at all. He does not know what the word "quit" means. In 1917, as a very young man, he joined the Department of Justice. Today, over 40 years later, he shows the same tenacity and energy in getting the job done. That is a hallmark of the FBI.

It is not a matter of compensating Mr. Hoover in terms of money or material rewards. He is not the type of person who thinks in such terms. Rather our best tribute to him is a sincere "thank you" for a job well done—and the hope that he can serve many more years. In that all patriotic Americans can heartily join.

HEARINGS ON SMALL BUSINESS ADMINISTRATION

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. EVINS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. EVINS. Mr. Speaker, Subcommittee No. 1 of the House Small Business Committee, of which subcommittee I have the honor to be chairman, will hold hearings on the Small Business Administration this coming week, May 11 through May 13. I am aware of the great interest which my colleagues have in the operations of this agency and in view of this I am inserting in the CONGRESSIONAL RECORD the press release of the Small Business Committee in regard to the scheduled hearings.

SHALL WE TOLERATE PRACTICES WHICH DESTROY COMPETITION?

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, many of us who are fighting to preserve our system of free and competitive enterprise are much disturbed about the position representatives of big business are taking regarding the use of monopolistic practices, including the practice of price discrimination. It is becoming increasingly clear that they insist upon the law being left so that big business firms may continue to exercise their great economic power in using the practice of price discrimination to destroy small business firms, substantially lessen competition, and enhance the growth of monopolies.

For several years I and others who have struggled in the interests of small business and a free and competitive enterprise system have urged the enactment of legislation provided for by H.R. 11. In brief, such legislation would tend to restrict the use of the practice of price discrimination by big business firms where the effect would be to substantially lessen competition and tend to create monopolies, even though the large firms practicing price discrimination did so with good intentions and for some good purpose—in other words, acted in good faith with the economic result of destroying competition.

Our efforts to secure enactment of this legislation have been opposed by representatives of big business firms in many ways. They have included a great flood of propaganda against our proposals to strengthen our antitrust laws in that respect. Arguments in such propaganda are so devious that they appealed to the unsuspecting. Innocent and well-meaning people have been confused. Some have been led to believe that H.R. 11 would prevent competition. The propaganda has been so artful that it has been with difficulty that anyone could demonstrative its fallacy. However, recently an editorial appeared in the New York Journal of Commerce, entitled, "The Battle Over S. 11." S. 11 is the Senate companion bill of H.R. 11. That editorial in the Journal of Commerce took the position that "good faith" meeting of a competitor's price should continue to be an absolute defense to an action challenging destructive monopolistic discriminatory pricing practices. The editorial closed with the conclusion that Congress should reject once and for all the proposals which had been made to strengthen our antitrust laws against price discrimination destructive of competition.

From these circumstances it is clear that the naked issue of whether H.R. 11 and S. 11 should be enacted into law is, like the bills themselves, quite simple. It is this: "Shall we tolerate practices which destroy competition and create monopolies even when those practices are based on good intentions?" In an effort to sharpen and make clearer that issue, on April 22, 1959, I wrote Mr. H. E. Luedicke, editor of the Journal of Commerce, 80 Varick Street, New York, N. Y., and criticized the editorial policy of the Journal of Commerce for its support of practices which destroy competition and create monopolies. Also, I challenged the editor of that great newspaper to utilize its power and influence for the good of the public interest in the cause against practices promotive of monopoly. In that connection, I invited the Journal of Commerce to suggest language for inclusion in legislative proposals that would, if enacted, effectively bring a halt to price discrimination practices threatening our free competitive enterprise system.

On Tuesday, May 5, 1959, the Journal of Commerce, in accordance with my request, published, on its editorial page, most of the letter I had written to Mr. Luedicke, April 22, 1959. Also, at that time there appeared a new editorial on the same page, entitled, "Sorry, Mr. PATMAN, * * * but we cannot join you in your fight for what you call the public interest in price legislation."

This editorial, which appeared in the Journal of Commerce May 5, 1959, replied to my request for suggestions and legislative proposals which, if enacted, would effectively bring a halt to these price discriminatory practices threatening our free and competitive enterprise system. That reply appeared in the following words:

> You asked in your letter to us which is reprinted on this page: "What language would you suggest for inclusion in such proposals?" And you explain that you are interested in proposals "that would, if enacted, effectively bring to a halt these practices which threaten our free competitive enterprise system."
>
> Such a direct question deserves a direct answer. We would simply delete three lines from your controversial bill. Using the committee print H.R. 11, we would cut the lines 16, 17, and 18 on page 2 which read "that unless the effect of the discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, in any section of the country."

When that proposal of the Journal of Commerce is read in the light of the full text of H.R. 11, it is better understood. Therefore, the entire text of the substances of H.R. 11 is quoted as follows:

> Upon proof being made, at any hearing on a complaint under this section, that there has been discrimination in price or services or facilities furnished, the burden of reputting the prima facie case thus made by showing justification shall be upon the person charged with a violation of this section, and unless justification shall be affirmatively shown, the Commission is authorized to issue an order terminating the discrimination: *Provided, however,* That unless the effect of the discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, in any section of the country, it shall be a complete defense for a seller to show that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services of facilities furnished by a competitor.

It is easy for one to see that if H.R. 11 should be amended as proposed by the Journal of Commerce it would not strengthen the antitrust laws. Instead it would immeasurably weaken such laws further. That further weakening would be accomplished by writing into statutory law a provision that a firm may discriminate in price regardless of the fact that the effect of the discrimination would be to substantially lessen competition or tend to create a monopoly. In other words, the Journal of Commerce proposes the enactment of H.R. 11, but only with the qualification that it be amended so as to permit big business firms to continue the practice of price discrimination with the result of substantially lessening competition and tending to create monopoly.

Mr. Speaker, I ask that I be permitted to revise and extend my remarks by inserting at this point copies of the editorial entitled, "The Battle Over S. 11" as it appeared in the Journal of Commerce March 31, 1959, my letter April 22, 1959, to Mr. H. E. Luedicke, editor, Journal of Commerce, and the editorial entitled, "Sorry, Mr. PATMAN," which appeared in the Journal of Commerce, Tuesday, May 5, 1959.

The materials referred to are as follows:

THE BATTLE OVER S. 11

Everybody seems agreed that good faith meeting of a competitor's prices should continue to be an absolute defense to a charge of violation of the price discrimination provisions of the Robinson-Patman Act.

On the surface even S. 11 and H.R. 11—the two companion bills now before Congress which are designed to strengthen the Robinson-Patman Anti-Price Discrimination Act—seem quite reasonable in this respect. They only propose to restrict the good faith defense where the effect of a price discrimination may be substantially to lessen competition or tend to create monopoly.

This would hardly explain what all the shooting was about in the recent hearings on this bill before the Antitrust tnd Monopoly Subcommittee of the Senate Judiciary Committee and the House Commerce Committee over the past few weeks.

The rub is—and it explains the bitterness of the legislative struggle over S. 11 this year—that the phrase "may be substantially to lessen competition or tend to create a monopoly," if read fast, seems to require only that there be a "reasonable possibility" that the discrimination "may" lessen competition. Since such a finding could be made in practically any situation in which a case is brought, it logically follows that the proposed legislation would virtually eliminate the good faith defense.

If our economy is to be truly competitive, a businessman must have the right to meet, within the boundaries of the good faith defense, a competitor's lower price. Restricting this right, as proposed by S. 11, is contrary to our basic antitrust policy.

As Alex Akerman of the law firm of Shipley, Akerman, & Pickett of Washington, D.C., and Atlanta, Ga., said in testimony before the Antitrust and Monopoly Subcommittee of the Senate: Although S. 11 would severely restrict the sellers' freedom of competition, the bill would not necessarily eliminate competitive injury. And he also stressed that "the good faith meeting of competition-defense is not a loophole that permits subversion of the legitimate goals of the Robinson-Patman Act."

What makes this year's fight over S. 11 different from earlier episodes is that, for the first time, the buyers have been getting into the act. They are holding that S. 11 will have a tendency to place limitations on the opportunity to buy, and therefore will raise the prices of the commodities purchased by wholesalers or retailers and ultimately force higher costs on the consuming public.

Perhaps one of the least understood but most important functions of a good purchasing agent is to develop competition between qualified sources of supply. As George Renard, our own man for purchasing policies, says, par for this search and research is the best product from the best supplier at the best over-all cost through its useful life. It is the purchasing agent's responsibility to encourage suppliers to cooperate in that search for the best value by bidding against each other and selling to his company at the lowest reasonable price.

The whole procedure of buying is anchored on discrimination. We must discriminate in what product to purchase, from whom to buy it, and in the price we are willing to pay. In doing so, we are bound to injure competitors, if failing to give them orders is considered to be an injury.

That kind of discrimination by buyers breeds competition between sellers, which is the objective of our antitrust laws. Legislation that would make such discrimination illegal should carefully avoid any unwarranted infringement on our freedom to buy and to develop competitive sources which will increase the mileage of the dollars we spend.

George Renard states flatly that Senate bill 11 would be "a staggering blow to the purchasing profession." It also would deprive the American public of the benefits which flow from a competitive business system.

S.11 would add nothing constructive to the operation of competition, but would impair these vital processes. The only types of price discrimination which are not desirable are already precluded by present law. Thus, S.11 is merely redundant. Where it changes the legal situation, it weakens competition.

Congress should reject it once and for all.

Mr. H. E. LUEDICKE,
Editor, Journal of Commerce,
New York, N.Y.

DEAR MR. LUEDICKE: Reference is made to your editorial appearing in the Journal of Commerce, March 31, 1959, entitled "The Battle Over S. 11."

There the editorial position is taken on what Congress should express as a public policy in the field of antitrust. This matter is so important and the policy you suggest would present such serious and grave questions that I believe it would be only fair to your readers that you permit them to read this response to your suggestions. Therefore, it is requested that you publish this letter on your editorial page as prominently as your editorial to which this is in answer.

Your editorial took the position that "good faith" meeting of a competitor's price should continue to be an absolute defense to an action challenging destructive monopolistic discriminatory pricing practices. The editorial closed with the conclusion that Congress should reject once and for all the proposals which have been made to strengthen our antitrust laws against price discrimination destructive of competition. However, you did admit that "on the surface" these proposals "seem quite reasonable" since "They only propose to restrict the good faith defense where the effect of a price discrimination may be substantially to lessen competition or tend to create monopoly."

That admission is a fair summary of what the bills H.R. 11 and S. 11 would do. In other words, they would help us protect competition and thereby tend to preserve our competitive enterprise system. That feature of these legislative proposals strongly appealed to the Committee on the Judiciary, House of Representatives of the United States. As you know, the members of that committee are conservative men. In the report recommending that the House of Representatives enact these legislative proposals (H. Rept. 2202, 84th Cong.), the Judiciary Committee stated:

"Price discriminations favoring preferred buyers present a danger to the competitive enterprise system which is inconsistent with the policy of the price discrimination statute. Firms can abuse their superior market position and engage in discriminatory practices that eliminate small suppliers and small retailers from the competitive scene. In practical effect the law as presently construed allows the private interests of a discriminator to outweigh the public interest in preserving competitive opportunity at all levels of business activity. H.R. 11 would reassert that the public interest in protecting the economy against discriminations which may substantially lessen competition or tend to create a monopoly must prevail over private interests served by discrimination."

Overwhelming evidence has been accumulated for several decades showing the appalling effects of price discrimination in destroying free competition and leading to monopoly. The practice of price discrimination was one of the primary instruments used by the old Standard Oil Trust in acquiring approximately 90 percent control of the oil industry. It was necessary to dissolve that monopoly but such result was accomplished only after protracted antitrust litigation.

Subsequently, Congress enacted legislation, including the Clayton Antitrust Act of 1914 and the Robinson-Patman Act of 1946, which was believed would somewhat reduce the problem in dealing with price discrimination destructive of competition. The idea behind that legislation was to prevent the creation of monopolies and thereby avoid a procedure of standing by and allowing those with great economic power to practice price discrimination in the building of monopolies and then act to dissolve such monopolies.

Efforts of the Federal Trade Commission to enforce these laws against price discrimination have turned out to be almost wholly ineffectual. The small amount of progress which was being realized in that regard came to a halt when the Supreme Court of the United States in 1951 and again in 1958, ruled that the powerful Standard Oil Co. of Indiana may practice price discrimination with impunity, regardless of the fact that the practice is shown to have resulted in the destruction of competition and the tendency to create a monopoly. Therefore, the naked issue over whether H.R. 11 and S. 11 should be enacted into law is like the bills themselves, quite simple. It is this: "Shall we tolerate practices which destroy competition and create monopolies even when those practices are based upon good intentions?"

It is believed it should not be difficult for one to resolve that issue, especially in the light of our nationnal antimonopoly public policy to protect competition, preserve our free competitive enterprise system, and prevent monopolies. Certainly no practice destructive of competition and creative of monopoly can be said to be consonant with our antimonopoly public policy, even though the architect of such practices had some good, though misguided, purposes in mind.

Now, where are we? We have a serious loophole in the law which operates against its use to stop effectively pricing practices destructive of competition and creative of monopoly.

At this time I and other Members of the Congress are besieged with appeals from small businessmen that something be done to stop destructive discriminatory pricing practices. I, personally, have presided at hearings before committees of the Congress where an abundance of evidence was presented showing beyond dispute that discriminatory pricing practices are being used in a number of industries to the destruction of competition. For example, during December 1958 I presided over hearings before the House Small Business Committee in Dallas, Tex., where much evidence was received showing that some large nationwide processors and distributors of dairy products were selling milk in Dallas, Tex., at prices below cost. In other cities, such as Waco and Houston, Tex., they were selling essentially the same products at much higher prices, thereby subsidizing the below-cost sales in Dallas. Small businessmen, attempting to compete in Dallas with the nationally advertised branded merchandise of the national distributors were being ruined and put out of business. The small local concerns were not selling at discriminatory prices. However, their less recognized branded merchandise could be sold only at a price less than the price of the nationally advertised brands. Therefore, they sought to give the public a low nondiscriminatory price on good but little advertised merchandise. It happened that these low prices were met by the larger concerns only through the use of the practice of price discrimination.

The price discriminatory practices which were used in Dallas, Tex., to the destruction of small business concerns are being repeated in other areas over the country. In some of those areas where small concerns have disappeared and the large concerns have gained a monopoly, the public is paying higher prices than before the small competitors were eliminated.

Those of us in the Congress who are struggling with this problem in our effort to preserve our free competitive enterprise system need help. We need suggestions on what language should be considered for inclusion in legislative proposals that would, if enacted, effectively bring to a halt these practices which threaten our free competitive enterprise system. What language would you suggest for inclusion in such proposals?

Your newspaper is a great force which could be utilized for the good of the public interest in this cause. Therefore, may I suggest with great humility that you consider joining us immediately in this fight for the public interest by acting to prevent price discriminations which are destructive of competition and creative of monopoly.

May we have your suggestions?

Sincerely yours,

WRIGHT PATMAN.

SORRY, MR. PATMAN

But we cannot join you in your fight for what you call "the public interest in price legislation."

We believe that your whole premise in this fight is wrong and that your bill would not help but rather destroy competition.

As we have said before, your proposals "on the surface" seem to be quite reasonable since "they only propose to restrict the good faith defense where the effect of a price discrimination may be 'substantially' to lesson competition or tend to create monopoly."

Maybe we did not spell out this remark sufficiently when we first used it, but the phrase "on the surface" was of course meant to indicate that such interpretation did not stand up under closer inspection. This statement we now repeat.

You ask in your letter to us which is reprinted on this page: "What language would you suggest for inclusion in such proposal?" And you explain that you are interested in proposals "that would, if enacted, effectively bring to a halt these practices which threaten our free competitive enterprise system."

Such a direct question deserves a direct answer. We would simply delete three lines from your controversial bill. Using the committee print H.R. 11 we would cut the lines 16, 17, and 18 on page 2 which read "that unless the effect of the discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, in any section of the country."

This, we believe, would make the good faith defense an absolute one. Maybe this would destroy the real purpose of the bill, as you envision it but, in our book, this is the only way in which the bill can be made to jibe with the free enterprise system.

The Robinson-Patman amendment to the Clayton Act apparently proposed to make differences in prices not based on differences in costs and illegal discrimination.

The Federal Trade Commission interpreted that to mean that differences in costs must be reflected in a difference in prices. That interpretation would make the good five-cent cigar or $30 ton of steel sell at a variety of prices in different markets.

The businessman said that this was not practical. He is obliged to meet competition in all markets; so, an exception was made to permit him to do so. If he is not permitted to do so, a local distributor or manufacturer has the opportunity to develop a monopoly. H.R. 11 (or S. 11) would remove the exception that was granted in the Robinson-Patman Act.

Where is the "public interest"—meaning that of the buyer and consumer—in this situation?

Mr. Patman says a nationwide processor and distributor of widely advertised dairy products, meeting the price of a small, local, less-known product can put him out of business. Should the local, small operator be granted price protection by barring that competition, so that he can create a monopoly?

It seems that the public is answering that question when it chooses the widely advertised product as the better value at the same price.

If we wish to prevent monopoly in any market, it would seem logical to encourage competition in every market. Of course, some competitors are bound to be injured by competition, because competition "is the effort to secure the business by the offer of the most favorable terms." Where there is competition, someone loses the business and, if that is an injury, it is the bounce of the ball.

The aim of the Government should be to protect freedom of opportunity for the public to buy in competitive markets. It is confusing to find the investigators of so-called administered prices supporting a policy of discrimination in prices that is inconsistent with the principles of practical competition.

Texas is an important industrial State and Lone Star products must be sold competitively in many markets outside of Texas.

As has been stated, on the editorial page of the Journal of Commerce of May 5, 1959, there was reprinted most of the letter I wrote the editor of the Journal of Commerce April 22, 1959. A part of the letter the Journal of Commerce did not reprint included a quotation from House Report No. 2202, 84th Congress, in which the Judiciary Committee of the House of Representatives made the finding that price discriminations present a danger to our competitive enterprise system.

I am more convinced than ever we should enact legislation to strengthen our antitrust laws against monopolistic price discrimination. Certainly, those who are to follow us will not be fooled by any excuses for our failure to so act. We should continue our efforts to secure this needed legislation. I am strengthened in that effort by the conviction that we are on the right side and in the belief that the little people we represent will know that we did not fail to carry the fight for them and for what is right.

NEW JERSEY-NEW YORK COMPACT ON RAILROAD COMMUTING SERVICES

Mr. GRIFFIN. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. WALLHAUSER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WALLHAUSER. Mr. Speaker, today I have introduced a joint resolution which asks the consent of the Congress for a New Jersey-New York compact creating a bistate agency to deal with the interestate phases of railroad commuting services in this important metropolitan area.

Many of my distinguished colleagues from the States of New Jersey and New York have joined in introducing similar resolutions, for under our Constitution it is necessary for the Congress to approve such compacts between the States.

The joint action shows clearly the unanimity with which the Members from the States of New Jersey and New York are approaching a most critical problem—railroad commuter services.

The compact between the two States will create the New York-New Jersey Transportation Agency through which the Governors and the State Legislatures of New Jersey and New York expect to make a reasonable start in finding a solution to the mass problems of the area. It is an area which covers not only the great cities of Newark, Jersey City, and New York, but also the many highly populated suburban communities surrounding these cities.

It is my sincere hope that expeditious consideration and approval will be given this resolution by the Congress so that the officials of New Jersey and New York can proceed quickly with concerted plans to find a solution to a problem that is fast approaching a crisis stage.

CONGRATULATIONS TO HARRY S. TRUMAN ON HIS 75TH BIRTHDAY

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. MCCORMACK] is recognized for 1 hour.

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent that all Members who may desire to do so may extend their remarks at this point in the RECORD following my remarks, and also that all Members who desire to do so may have 5 legislative days in which to extend their remarks in the RECORD in connection with the 75th birthday anniversary of former President Harry S. Truman.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MCCORMACK. Mr. Speaker, as I rise to congratulate Harry S. Truman on his 75th birthday, which will occur tomorrow, my memory is filled with events which have shaped our lives and times. I had the great honor, the magnificent privilege, and the incomparable thrill of working with this historic statesman during the recovery from the great depression, during World War II, and the cold war.

I have known Harry Truman as a Senator, Vice President, President, and preeminent private citizen. As a Senator, he was hard working, studious, and one of the most conscientious and able lawmakers of his time. In February 1945, I stood with that small group in the White House at that fateful time when Harry S. Truman took the oath of office as President of the United States. And until 1952, I watched with my 170 million fellow countrymen while Harry S. Truman became one of the foremost Presidents in our Nation's history.

As President, when vital questions of war and peace depended on decisive leadership, Harry S. Truman demonstrated a capacity for shouldering responsibility and acting without fear of indecision, which has rarely been equaled and never surpassed. The world knew precisely where America stood when America spoke through the voice of President Truman. The absence of vacillation and of the delay that invites catastrophe put America, during President Truman's administration, in a position of world leadership that can hardly be matched in the annals of history.

Combined in his character are an iron strength and a profoundly warm feeling for humanity. The humility of Harry S. Truman greatly adds to his stature and to his place in history. He worked with and led the mightiest people of his time, but Harry Truman never lost the common touch. It was this humility, this common touch, that along with his statesmanlike qualities, made the voice and judgment of Harry Truman so respected by his fellow Americans.

Harry S. Truman's brilliant accomplishments as a statesman are far too numerous to recount. As chairman of the Senate committee to investigate the defense program during World War II, Harry S. Truman displayed the first-hand knowledge of intricate problems and the inner strength and resolution that later characterized his term as President.

The administration of Harry S. Truman accomplished more toward reorganizing and streamlining the Federal Government than any previous Presidential administration. In this important endeavor, he organized the best brains and talent the country had to offer, regardless of party affiliation.

During his administration, Harry S. Truman never faltered and never looked back in carrying the torch of liberalism and civil rights. America moved steadily ahead toward the great and imperative goal of equality for all races. Harry S.

Truman's policies made no distinctions as to race or class. He fought hard for the welfare and prosperity of the workingman, the farmer, and the small entrepreneur.

Might I say in relation to Harry Truman's policy and his understanding in relation to his fellow men without regard to race, color or creed, I remember Mrs. McCormack and I, some years ago, were celebrating the anniversary of our wedding mass which we do every year, and we were at the Dominican House of Studies in Washington. The Father Provincial of the Dominican Order was in town. Mrs. McCormack and I, after mass, went in to pay our respects to him. During the course of his remarks, he said to me, "How is Harry Truman?" I could tell from the way he said it that he knew the President. I said, "Father Provincial, do you know the President?" "Oh, yes," he said, "I served with him overseas in World War I. I was the chaplain of his outfit. Then he said, "When we were both discharged from the service, I went back to Independence as assistant priest in one of the parishes there." He said, "Many a night, Harry Truman and I went out and broke up Klan meetings." He said, "I used to take off my collar and Harry and I would go out to Klan meetings and we would ask questions of those who were talking at the meeting." He said, "We got fired out of many a meeting, but we broke up many a Klan meeting." I refer to that because I read not so long ago where someone wrote that Harry Truman attended Klan meetings. I can testify to that fact upon the word of a Catholic priest. He did—but, both of them attended the meetings to break them up. That is the type of man Harry Truman is.

Harry S. Truman's name in history will be most closely associated with the postwar international situation. His administration transformed West Germany and Japan into two of our strongest and most reliable allies. This achievement is without precedent in history. The Truman doctrine saved Greece and Turkey and maybe even Western Europe and the Middle East as well. The Marshall plan, a monumental feat of bipartisanship in foreign policy under his leadership, probably saved France and Italy from communism and contributed immeasurably to reconstructing the war-torn economy of the world.

Harry S. Truman made the awful but necessary decision to build the hydrogen bomb.

I might say that the decision in relation to the Manhattan project started with Franklin Delano Roosevelt out of blanket funds appropriated to him by the Congress and continued by Harry S. Truman.

Many scientists associated with this problem opposed it, as they did in the days of Franklin D. Roosevelt. But Harry Truman made the decision that was so instrumental in maintaining the military supremacy of the United States over the Soviet Union during his administration.

Harry S. Truman gave strong support to the United Nations and the cause of international law and organization. His point 4 program was the first time the United States adopted the policy of using its great wealth of technical knowledge to raise the standard of living for the entire world. That dream and that vision will never leave us.

His greatest and most crucial decision of all was to assist the South Koreans against Communist aggression. This—more than any other event—served notice to the world that the United States could be relied on to cooperate with free peoples everywhere to resist aggression.

America loves, honors, and admires its greatest private citizen, Harry S. Truman. Congratulations, President Truman, on your 75th birthday. America will never find itself bereft of recollections, warmth, and praise to eulogize you on your many forthcoming birthdays. And on this occasion we extend our very best wishes to Mrs. Truman.

Mr. Speaker, I now yield to the gentlewoman from Missouri [Mrs. SULLIVAN].

Mrs. SULLIVAN. Mr. Speaker, each of us is privileged at some time or another over the years to know many individuals whose character and outlook on life enrich our own lives and leave indelible impressions. On appropriate, sentimental occasions—such as a milestone birthday—we dust off and reassess our impressions of these friends and we are always thankful when these people stand up in our eyes to the greatness or the humanitarianism or the decency we have learned to ascribe to them.

I am aware of the fact that former President Truman grumbles a bit these days—especially on these recent days when he has been so lauded and entertained here in Washington—that he is getting tired of hearing his funeral eulogy preached everywhere he goes. But I really doubt that the grumbling is genuine. I have been privileged to renew a long friendship with our great Missourian this week and the characteristic twinkle in the eye is a little brighter, I think, in reaction to the unabashed tributes he is receiving on the occasion of his forthcoming 75th birthday tomorrow.

We missed Mrs. Truman on this trip. I hope the next visit which brings Mr. Truman to Washington will provide us the opportunity to see both of them. And I hope it will be soon. And I hope such occasions will be frequent for many years to come.

We are not preaching a funeral sermon on Mr. Truman when we tell him how much we love him, how grateful we are to him for the leadership he gave our country and the free world through 7 of the most critical years of the history of our country, and how proud we are as Americans of the manner in which this small-town Missourian proved again that the American concept of opportunity was still as valid as in the days of the Horatio Alger legends.

Recently, I had occasion to make a Jefferson-Jackson speech at a gathering of Democrats and happened to refer to Andy Jackson as "the Harry Truman of his day." The comparison, I believe, is an apt one. And the response to that statement was such that it was obvious Mr. Truman is by all odds the most popular Democrat in America today.

For a man who never hesitated to make enemies on issues of national policy if he felt the circumstances required him as President to chart a hard course and stick to it, it is reassuring to all of us who believe in that kind of leadership that a good, hard-working, conscientious President does not have to wait until he is dead for 50 years or more for the public to appreciate his courage and greatness.

My husband, during his years in Congress, regarded Mr. Truman as a great Senator and later a great President. I shared that view. We shared another feeling about the Trumans, too—our love for Harry and Bess.

On this wonderful occasion, when all of us in the House forget partisanship temporarily to laud a fine man on his 75th birthday, I want to assure Mr. Truman when he reads through these remarks in the RECORD that we are forgetting partisanship only temporarily, and that we will be back at the business of fighting out the issues as good Democrats and Republicans.

In the meantime, I am proud and happy to join with other Members of the House of Representatives today in saluting Missouri's favorite American, and America's favorite Missourian, Harry S. Truman, on his diamond jubilee birthday and on a career which, during all of his adult years, has put uppermost service to his country and his fellow man.

Mr. Speaker, in my mail this morning I received a resolution from the Philanthropic Literary Society of the University of North Carolina commemorating the 75th birthday of Harry S. Truman.

I ask unanimous consent to have this resolution follow my remarks unless someone from North Carolina makes the same request.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

The resolution referred to follows:

RESOLUTION COMMEMORATING THE 75TH BIRTHDAY OF THE HONORABLE HARRY S. TRUMAN BY THE PHILANTHROPIC LITERARY SOCIETY OF THE UNIVERSITY OF NORTH CAROLINA, TUESDAY, MAY 5, 1959

"Whereas on Friday May 8, 1959, A.D., citizens throughout the United States will pay tribute to a great man, a great President, and a great American, Harry S. Truman; and

"Whereas this demonstration of nationwide honor and esteem transcends political parties and affiliations; and

"Whereas, irrespective of political persuasion, all Americans recognize the contributions of 'The Man of Independence' to the American way of life and to the entire free world; and

"Whereas it is appropriate that the oldest society of the oldest State university in the Nation should join with groups throughout the country in saluting Harry S. Truman: Now, therefore, be it

"Resolved by the Philanthropic Literary Society of the University of North Carolina, That—

"ARTICLE I. This society officially extends to President Harry S. Truman its best wishes of the 75th anniversary of his birthday.

"ART. II. This society acknowledges with grateful appreciation the contributions of President Truman to America and the world.

"ART. III. The society extends to President Truman its wishes that he may enjoy many more years in continuing service to his fellow man, reaping those rewards of personal satisfaction which he so arduously earned.

"ART. IV. Copies of this resolution shall be sent to President Harry S. Truman, to the press, and to other appropriate agencies and persons."

Introduced by Representative Hobart T. Steele, Jr., county of Alamance.

Action: Passed unanimously.

JOHN C. BROOKS,
President.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished gentleman from Missouri [Mr. RANDALL].

Mr. RANDALL. Mr. Speaker, I am very mindful that nothing I may say could ever add to the already great stature of our former President of the United States, Harry S. Truman, on this the eve of his 75th birthday.

Instead, as the Representative in Congress of his home district, and speaking for all of the people of that district, it is a privilege, to simply say, "Happy birthday, happy diamond jubilee, and may there be many happy returns of the day."

The Fourth Missouri District includes not only Independence, Mo., made famous by its leading son, and home of the Truman Library, but at the southern end of this same district, four counties away is Lamar, Mo., the birthplace of Mr. Truman. There on Sunday, April 19, 1959, this restored home was made a State Park. Thousands gathered that day to pay trubute, but in the years to follow this will, in my opinion, become a national shrine, visited annually by increasing thousands of admirers of our great citizen.

It has been my pleasure and distinction to have known him as long as I can remember. I had always known that he was held in high esteem near his home, as a county judge and throughout his native Missouri. When I arrived in Washington, I quickly learned from my colleagues and all those on the Hill that he was loved and much respected by those who had served with him in Congress and those who were here while he lived at 1600 Pennsylvania Avenue. Without exception, they speak praisingly of him.

But what always brings a quick reaction is at the times when I may make a casual remark that I am from Independence, Mo., to some man on the street—men without titles, such as the barber, the bellhop, the cab driver. Their faces light up with warm admiration and in their own unsolicited and voluntary way they say, "How is Harry?" and add "We like that fellow, Truman."

His appearance, denying the fact that today he is 75 years of age, his morning walks, his youthful energy leave the impression he is a man 25 years younger than the birth records witness. Let us pray Harry S. Truman will continue, with his perennial enthusiasm as a teacher and counselor, to walk among us, now a statesman of international reputation, giving us freely of his wisdom and experience. A man of great stature and courage, history will increasingly emphasize President Truman safely piloted us through our most crucial times when communism was stretching its ugly tentacles in all directions. With President Truman at the helm, the United States successfully fought communism without involving the United States in war by several of his monumental decisions: Greece and Turkey were spared from the Communist peril by the Truman doctrine; the Marshall plan was the greatest single force in stabilizing the economy of Western Europe and thwarting Communist political victories; the Atlantic Pact added unity to the force against communism; the Berlin airlift saved Berlin from a Russian blockade which could have snuffed out forever her hope of ever attaining a free status.

In the face of bitter criticism and unfavorable popular opinion, President Truman steadfastly and courageously ordered the dropping of the atomic bomb to shorten the war against Japan, a measure militarily sound though not calculated to add to his immediate and unanimous acclaim. This is the test of the man—to proceed to do the right thing even though it may not be the popular thing.

Harry S. Truman is a man of decision—without which we might now be isolated in a Communist-dominated world. For these decisions we are thankful, and again we all hope that we have the benefit of his advice on the many decisions facing us in the future.

I am very honored and extremely fortunate to represent President Truman's district, the Fourth Congressional District of Missouri. To this man of Independence and to this great Missourian I am indebted for his wise advice and his sincere and valuable counsel. To this great American I take pleasure and pride in extending these birthday felicitations from his fellow Missourians.

Mr. McCORMACK. Mr. Speaker, I yield to our beloved and distinguished Speaker, the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, it was my good fortune to meet Harry Truman shortly after he came to Washington as a Senator. He and I soon became great friends because we looked upon men and measures in much the same fashion. The first time Harry Truman's name was called to the attention of the country was through the Truman investigation committee during World War II. That investigation by Mr. Truman saved the United States millions upon millions of dollars, and it was the kind of investigation that should be had. He did not go out to persecute anybody. He did not go out to scandalize anybody, but he went out to get the facts. I knew him, of course, when he was Vice President of the United States and all the time he was President of the United States.

Mr. Speaker, history is going to be kind to Harry Truman. As I said to him so many times, if he would just quit shooting from the hip and take a little more deliberate aim before he talked, why, he would be better off. But, future history will forget those little things, and he will be praised for the man and the statesman that he was. His courage in advocating the Marshall plan that we put into effect in the Congress saved Western Europe from today being in the bosom of communism. His courage and foresight, through the Truman Doctrine in Greece and Turkey, saved Greece and Turkey for the free world.

So, Mr. Speaker, tomorrow, on his 75th birthday, I congratulate him and wish for him health and happiness so that he may carry on his great teaching of government to the students of this country, because I say to you, when it comes to American history, I never heard of a man who knew more about American history and the fundamentals of this Government than does Harry S. Truman.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from California [Mr. ROOSEVELT], whose late father was one of our great Presidents, under whom former President Harry S. Truman served as Vice President of the United States.

Mr. ROOSEVELT. Mr. Speaker, in joining with Speaker RAYBURN and the majority leader [Mr. McCORMACK] in congratulating former President Harry S. Truman on the most happy occasion of his 75th birthday, I know I join a goodly number of his friends not only across this country but around the circumference of the entire world. As the majority leader has said, I remember the occasion in San Diego, Calif., when I happened to be with my father at the time of the Democratic Convention which chose Harry S. Truman as Vice President of the United States. It was a happy thing for the country; it was a wise decision from which our Nation and the world have definitely benefited.

Here is a man who possesses those wonderfully endearing qualities which mark him an honest-to-goodness human being; and President Truman never stopped being human and natural from the time he was born, I daresay, up to his present birthday. He was his own salty, practical self as Senator and President, and certainly now as the elder statesman he is "big as life and twice as natural."

I have an honest admiration for President Truman, which is all the more honest perhaps for a certain skepticism I once entertained in my less discretionary years. That I have since come to regret deeply this momentary lapse is a fact that is well known to Mr. Truman. He assumed the responsibilities of the Presidency in the midst of one of the most crucial times our country and the world have ever faced and he made some of the most difficult decisions a President has ever been called upon to make.

Fortunately for us and for the rest of the world, Harry Truman came to high office so well grounded in the subject of history, so imbued with the principles and ideals of our Government, and so well equipped by practical experience to cope with both domestic and international politics that he was able to make far-reaching decisions with the greatest success.

I think that a remark made to me once by an eminent American is something that will always go down in the history books, when he said that Harry Truman

had a greater understanding of the meaning of what the Presidency of the United States really meant than almost any other man who ever held the office. Mr. Truman understood the duties of the executive branch of the Government and his own duties as President.

Mr. Speaker, I could, of course, list as has already been listed, many of his contributions to world peace, such as Greek-Turkish aid, the Marshall plan, the point 4 program, the Berlin airlift, the fight against communism in Korea; and I could also point to his courageous stand in the field of civil rights at a time when his humanitarian beliefs were more important to him than winning an election.

Somehow, though, I think the greatest tribute I can pay President Truman on his diamond jubilee celebration is to say that here is a man—a man with roots sunk so deeply in his country's soil, and with such devotion to his fellowman, that he has had the courage to be himself, to think independently, and to dedicate himself wholeheartedly to doing the very best job he knew how at all times.

May he enjoy many, many more birthdays and give us all the continued benefit of his common sense approach to the problems facing us from day to day.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished gentleman from California [Mr. GEORGE P. MILLER].

Mr. GEORGE P. MILLER. Mr. Speaker, I am happy and honored to join the distinguished majority leader and others to pay tribute to a man who will go down in history as one of America's greatest Presidents, to greet Harry S. Truman on his 75th birthday.

Many compliments have been paid to Mr. Truman, and as time goes on and people begin to see him in a true perspective many laudatory things will be said about him.

Today we have heard about some of the great decisions that he was called upon to make. But there were little things that indicated the thoroughness of a good public servant and the way in which he worked in the intimate details of his job.

About 1947 when a controversy arose as to whether a flood control dam impounding 350,000 acre-feet of water, then authorized by legislation, should be replaced with a new authorization for a high multiple-purpose dam impounding 1 million acre-feet of water, on the American River near Folsom, Calif., was at its height, I had occasion to go down to see the President in the interest of the high dam, because this was of great importance to the people of our section of California. I went down to plead its cause.

As a civil engineer in and around Sacramento as a young man, as a member of the State legislature, and later on as a member of the House Committee on Irrigation and Reclamation, I thought I had some knowledge of the problem on which I talked. If the project had been in his own State of Missouri he could not have known more about it. I was confounded and astounded by the intimate knowledge of this project that he showed. The decision that followed was to the point: "If they send a bill down to this office that contained the authorization for any but a high dam that will serve all of the people I will veto it," and that was the end of it.

I cite this instance only to show how conscious he was of the problems that meant much to the American people, even in far-distant California.

It was my privilege to attend the dedicatory ceremonies at the new National Guard Building last Sunday and to see former President Truman receive the homage of the National Guard, with which he was so familiar. When some of his own boys from Battery D came up, the warmth of the greeting showed the human nature of the old soldier mixing with his comrades in arms.

It was a great privilege to serve in Congress during his administration. It was a greater privilege to serve with a man who can walk with kings yet keep the common touch.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Speaker, I am very much pleased with the fortuitous circumstances that prompted our majority leader to move forward from tomorrow to today this tribute to our great President, Harry S. Truman, because just as I now join in voicing my sentiments of approval for all that he and our great Speaker and other Members of this Congress say about this great American, so tomorrow all of the country will say amen to all of the nice things we say here about President Truman.

While we recall all the things that the world acclaims about this great citizen, a citizen not only of our country but of the world, may I be brash enough to say we ought not to overlook the religious background that made all of this possible in this great man. His every act, his every deed that is acclaimed throughout the world, you will find was based on the deep religious feeling of this great man who knows the Bible so well. I have not heard him quote chapter and verse, but I have watched and seen it implemented by deed time after time. Is there anyone that can deny that he lives every day of his life by the words inscribed upon the Liberty Bell taken from the Book of Leviticus, or that he was not harking back to the days of the Old Testament when he was among the first, nay, the first, to recognize the establishment of a little but strong bastion of democracy and of freedom in this world, the State of Israel in the Middle East?

May I, as I refer to that, recall to you that history tells us that Moses, the great lawgiver, lived until 120 years. That gave rise to a birthday greeting that my coreligionists use even unto this day, "Until 120 years." So in behalf of all of us, may I make bold to wish to Harry Truman, "Until 120 years," to continue the fine spirit that he has exemplified throughout all his days. May he ever continue to lead us in the ways of God and in the ways of democracy.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, I wish to commend the gentleman from Massachusetts for setting aside this period of time to pay tribute to one of our greatest Presidents. There is not much that I can add to what has been said by the Speaker, the majority leader, and others who have spoken in paying tribute to ex-President Truman. But I was very much interested in some of the statements regarding the great record he made not only as President but also as U.S. Senator. We must bear in mind that as Senator, Harry S. Truman fought in the legislative battles for all of those great progressive laws that were sponsored by ex-President Franklin D. Roosevelt, Speaker RAYBURN, and Majority Leader McCORMACK, and those Democratic leaders through the last 30 years. These laws were really instrumental in restoring the economy of our country from the dark days of the depression that we experienced in the early thirties. Harry Truman was part of that great period of economic progress that took place in the 1930's. I remember President Truman's veto of the Taft-Hartley law. There are not many Presidents in our time who have had the leadership and the courage to stand up to issues and to declare themselves squarely on the issues regardless of what might be the temporary public opinion of the time. I remember when President Truman vetoed the Taft-Hartley law he said in his veto message it could lead to bitterness between management and labor, and confusion and chaos. Of course, we who participated in those debates during that time when the Taft-Hartley law was being considered were told by its proponents that the millennium in management and labor relations was going to come after the passage of that bill. But, President Truman in his veto message predicted some of the things that have happened in the last 11 years—events which did happen and are happening now so far as management-labor relations are concerned. I could go on and mention other great battles that President Truman made not only as a Senator but as President of the United States—sponsoring legislation to protect the rights of the people. I attended the banquet 10 days ago where almost 1,000 of his friends gathered at the Statler Hotel, where ex-President Truman was presented a plaque in the form of a testimonial book from some 40-odd countries thanking him for sponsoring the point 4 program. This gathering was celebrating the 10th anniversary of the point 4 program. I remember a remark he made in his talk when he looked at the back of the program on which there was a list of about 40 or 50 men and women who served with him when he was President. These appointees served in his administration in various Government departments, in the Cabinet, and in other high positions. He said he was certainly happy to see this list of devoted public servants. "But," he said, "I remember that most of the newspapers in those days used to call these people whose names are on the back of this program 'my cronies'." "But," he said, "they have a different name for the people who function in the same capacity today. Now the newspapers call them statesmen and advisers instead of cro-

nies." President Truman always told the people the facts. We owe a great debt of gratitude to this great leader who led our country through the dark closing days of World War II and through the Korean war. He took such a stand in the battle against the spread of communism that I firmly believe that ex-President Harry S. Truman will go down in history as one of our few great Presidents.

He was the sponsor of the Marshall plan, aid to Greece and Turkey, the Atlantic Pact, ordered the atom bomb dropped, which terminated World War II and saved thousands of lives on both sides of the conflict.

Had it not been for his leadership on international problems after 1946 Communist aggression would have been rampant in Europe, Asia, South America, and other areas, throughout the world. His decisions gave confidence to the free world and halted Stalin's march of enslavement.

Had it not been for the leadership of Harry S. Truman the United States today might be isolated in a sea of world communism.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished gentleman from Pennsylvania, the able chairman of our Foreign Affairs Committee [Mr. MORGAN].

Mr. MORGAN. Mr. Speaker, tomorrow will be the 75th birthday of our distinguished former President, Harry S. Truman. I am proud to be able to pay tribute to him and to add my own best wishes to those of his counless admirers.

During his Presidency, Harry Truman was a controversial figure. And the reason was simply that his philosophy of politics has never permitted compromise on matters about which he has a conviction. The other day before our committee he candidly expressed this view:

> I like a political fight * * * on domestic issues I think it is healthy for the two great political parties to have a different approach sometimes.

Others in this body have referred to President Truman's impact on domestic policies, his concern for human betterment and an abiding faith in man's ability to direct his energies to constructive purposes.

During the past 2 months the Committee on Foreign Affairs has been considering the mutual security bill for next year. Almost daily some issue has arisen, some fact has emerged, some interpretation has been advanced in the field of foreign affairs which has its antecedents in the Truman administration. I do not want to inject any sense of partisanship into the considerations and debates that are now taking place before my committee. Yet I must record, as others have, that what we are doing today is in large measure a modification and improvement on what President Truman inaugurated.

More than 12 years ago, on March 12, 1947, President Truman sent a message to the Congress which stated a principle of our foreign policy that has been reaffirmed since then by our leaders. At least I know of no responsible individual in either party who has repudiated it. It is a characteristically concise statement:

> I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures.

These words are now known as the Truman doctrine. It was this statement that led to the Greek-Turkish aid program. Three months later it was broadened to an economic program that has never had an equal for intensity of effort in world history. Secretary of State Marshall delivered his now historic talk at Harvard in which he stated:

> It is logical that the United States should do whatever it is able to do to assist in the return of normal economic health in the world, without which there can be no political stability and no assured peace.

In his inaugural address in January 1949, President Truman set another milestone in foreign policy with the genesis of a worldwide technical assistance program that bore the label of point 4. Again with a brevity of words he gave hope to the aspirations of millions with the declaration that—

> We must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas.

The menacing advance of communism and the dangers it presented to us and other free peoples were recognized by President Truman before many had become aware of its true dimensions and intent. In July he sent to the Congress a message that became the basis for the Mutual Defense Assistance Act. He stated:

> To continue and strengthen our program for world peace and national security I recommend that the Congress enact legislation authorizing military aid to the free nations to enable them to protect themselves against the threat of aggression and contribute more effectively to the collective defense of world peace.

All of these programs and policies were challenged when the Communists invaded Korea in June 1950. Without delay President Truman used our forces to stem the Communist threat and to bring into play the machinery of the United Nations. As a result of that test the world soon learned that we were not engaged in the expression of high sounding words. We meant exactly what we said. And to the everlasting credit of our Nation is was President Truman who had the courage to defend these principles.

I know that President Truman has been criticized, reviled, and ridiculed. But I find courage in the fact that the course upon which he set this country has not been altered. Time has tested the validity of the principles he has enunciated; none of them has had to be discarded. If each of us had some measure of President Truman's resolution and devotion, freedom-loving peoples over the world would have no cause to fear threats to their liberty.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished gentleman from California [Mr. SHELLEY].

Mr. SHELLEY. Mr. Speaker, it gives me great pleasure to join with my colleagues in the House today in paying tribute to a man whom I consider will go down in history as one of the several real great Presidents of this country. We have heard a review of those things for which he is noted, the things that showed his courage, his determination, his devotion to his country, to the problems of the people of this country and to freedom throughout the world.

I want to relate a little incident to you that is of a personal nature but which bespeaks his kindliness, his interest.

In 1950, when they were signing the Japanese Peace Treaty in the city of San Francisco, there were a number of Members of the House who proceeded to my native city which I have the honor of representing in this great body, to take part in those ceremonies. At that time my then beloved wife had been ill for some years. She met Mr. Truman in 1944 and in 1945. She became ill in 1946. I was assisting in the office of the President in his suite in the Fairmont Hotel in San Francisco, working with his staff and setting up arrangements for his appearances and transportation and police escort throughout the city.

I was supposed to bring in my wife and daughter, Joan, to visit with him on one afternoon. He had just completed one series of appointments with people. He came out of his office in the hotel and he asked his secretary what was next on the calendar. His secretary told him that in a half hour my family was coming in to see him, whereupon the President turned and said, "JACK, is not your wife ill, or has she not been ill?" I said, "Yes, Mr. President." He asked, "Where is she?" I said, "I have her upstairs in a suite in the hotel." He asked, "What is wrong?" I said, "Mr. President, she has cancer of the spine." He said, "That lady is not coming to see me. Where is she? I am going to see her."

And this he did—much to the consternation of the Secret Service detail with him.

Yes, the President of the United States walked down the hallway and went up three floors in the elevator with me out of consideration, human kindness, and understanding—busy as he was, he spent 1½ hours visiting with an ill lady. This was and is the spirit of Harry Truman that makes him great. He had real feeling for other people. Some months later she passed away. This act of kindness and consideration pleased Gwen Shelby and made her happy in a dark hour.

I will always love him for this, and I say today, God bless you, Harry Truman. Happy birthday and many, many more of them.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Speaker, Harry Truman had a great respect for the Presidency. One of his first acts after he took up occupancy in the White House was to extend an invitation to former President Hoover to visit him. Later on he called back into public life former President Hoover so that the knowledge Mr. Hoover had obtained in his days in

the White House would be available to this Nation.

Some of us have been disappointed that in recent years recognition has not been given in an official way to Harry Truman as a former occupant of the White House; but while this recognition has not been extended to him as an individual, it has been impossible to ignore the work of Harry Truman in the Presidency and the benefits that his work in the Presidency has given to the Nation and to the world.

I think possibly one of the greatest tributes which has been paid to Harry Truman since he left the White House was that which was paid to him by President Eisenhower in his mutual security message to the Congress on March 13 of this year. I think that this tribute should again be made a part of the public record at this point, as we extend our felicitations and congratulations to Harry S. Truman on his diamond jubilee. President Eisenhower, in his mutual security message to the Congress, said this:

> Our military and economic aid has been indispensable to the survival and gradual progress of nation after nation around the perimeter of Asia from Greece to Korea and others in Africa and our own hemisphere. When I hear this program described as a "giveaway" or "aid to foreigners at the expense of domestic programs," I wonder what sort of America we would have today—whether any funds would be aavilable for any domestic programs—whether all of our substance would not today be devoted to building a fortress America—if we had not had such a program: if the key nations of Europe had been allowed to succumb to communism after the war, if the insurrectionists had been allowed to take over Greece, if Turkey had been left to stand alone before Soviet threats, if Iran had been allowed to collapse, if Vietnam, Laos, and Cambodia were now in Communist hands, if the Huks had taken control in the Philippines, if the Republic of Korea were now occupied by Communist China.
>
> That none of these tragedies occurred, that all of these nations are still among the free, that we are not a beleaguered people is due in substantial measure to the mutual security program.

May I add that the fact that none of these tragedies occurred; that all these nations are still among the free; and that we are not a beleaguered people is due in substantial measure to the leadership of Harry S. Truman.

Happy birthday, Mr. Truman.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Texas [Mr. BROOKS].

Mr. BROOKS. Mr. Speaker, I would like to say at the outset that I appreciate the opportunity to speak on this occasion through the kindness of the distinguished majority leader, who has himself contributed so much to the Democratic Party and to our Nation.

Mr. Speaker, as the House of Representatives has paid honor and tribute to past Presidents of the United States throughout the history of our country, I believe it is entirely appropriate that we take time out today to recognize the 75th birthday of the 33d President, the Honorable Harry Truman.

Since Mr. Truman left the White House, Americans have had an opportunity to look back on the nearly 8 years of his administration and to assess dispassionately many of the achievements of those years.

It is my conviction that all America recognizes the marked quality of courage and determination that highlighted President Truman's conduct of international relations. His ability to see through the deceptions of our enemies and his forthrightness in grappling with problems of fundamental importance gave us unquestioned leadership and respect by other nations in the cold war with communism.

As the leading figure of the Western World, President Truman's courage and integrity gave all free nations a beacon to guide by and to the Communist nations, he proved to be an immovable and unrelenting advocate of freedom for all peoples.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished gentleman from Nevada [Mr. BARING].

Mr. BARING. Mr. Speaker, I am grateful to the majority leader, Mr. McCORMACK, for this time he has relinquished that I might say a few words about my friend, former President Harry S. Truman.

In 1940 I was an attaché in the U.S. Senate working for the late Senator Key Pittman, of Nevada. It was a great privilege at that time to have become acquainted with Senator Harry S. Truman, of Missouri. In the fall of 1940 Senator Pittman passed away and I returned to my home in Reno.

Eight years later I campaigned for my first term in the U.S. Congress, and it was a real privilege to renew my acquaintanceship with President Truman who, of course, was campaigning for his second term as President of the United States. Without being introduced I recall he met me on the special train in the middle of Nevada and immediately referred to our acquaintanceship in the Senate. I give this illustration to the House today, along with the comments of my colleagues, to show that after an interval of 8 years President Truman had not forgotten me, and during the next 4 years our friendship became very warm. As a Congressman for the State of Nevada during the 81st and 82d Congresses, I was never denied a chance to see him if I wanted an appointment. President Truman never forgot his friends and I rank his fine mind as one of the best in this Nation. His many actions during the 8 years he served as President and his many famous statements have come to pass over the years and he will certainly go down in history of this great Nation as one of the finest Presidents we have ever had. His devotion to his country and to his family stand out to an unexcelled degree, but above all his recognition of the Deity in all of his major speeches and his true compliance with the love of his fellowmen makes him an example for which our country in particular can be very proud. President Truman never lost courage or faith in carrying out the words spoken by the greatest Man that ever lived, that most courageous Man from Galilee 2,000 years ago who came to this earth to teach us the true spirit of brotherhood toward mankind.

It was a great privilege to have served with him and I join with the countless millions in expressing congratulations to him on the 75th anniversary of his birth.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished gentleman from New York [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Speaker, I thank the distinguished Majority Leader for his kindness in giving me the opportunity to pay my tribute to our former President, Harry Truman, on his diamond jubilee birthday anniversary.

I did not have the good fortune of working intimately with Harry Truman, but I watched him from afar when I was a State legislator in the State of New York. I recall vividly the time in Philadelphia in 1948 when everything was dark and Democrats were scared, and thought that he did not have a chance to win the election. I was inspired by his speech, by his will to fight, by his never-say-die attitude. When I left the convention I knew that America would be safe because in Harry Truman we had a fighter; we had an American. We had a man who believed.

When Harry Truman came to New York, with his shock of white hair, he electrified the people of New York City, he electrified me, and gave me the desire to come to these halls so that I might follow somewhat in his footsteps and render service to our country.

To me, Harry Truman was a man of courage; he was a man of inspiration; he was a man of humanity. He was a man who never gave up despite insurmountable odds. He was a man who was not afraid to make a decision, and when he made a decision he was not afraid of the consequences.

America today is richer because Harry Truman was born here and lived here. America is greater today because Harry Truman was President of these United States. Men in the United States and throughout the world enjoy greater civil liberties because Harry Truman believed in the equality of man. He is truly "Mr. Civil Rights."

I wish him a long life and good health in order to enjoy that long life. We need his wisdom.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished gentleman from Kansas [Mr. BREEDING].

Mr. BREEDING. Mr. Speaker, I am honored today to concur and to join with our distinguished Speaker and my many colleagues in saying "Happy Birthday" to the former President of the United States, Harry S. Truman. Many Kansans, if they were here today, I am sure would want me to say "Happy Birthday" to you for them.

My family and I, my colleagues from Kansas, and many Kansans are happy for you.

On this your diamond jubilee, your 75th birthday celebration, we wish you many, many more years of health and happiness.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished gentleman from Utah [Mr. KING].

Mr. KING of Utah. Mr. Speaker, the memory of Harry S. Truman will always be held in affectionate remembrance by the members of my immediate family.

My late father, William H. King, who was a member of the other body, was one of the first to greet Harry S. Truman when he joined the membership of that body, and from then until the day of my father's death the two men maintained a long, affectionate, and warm friendship. On the occasion of my father's passing in 1949, Harry S. Truman, then President of the United States, took time out to send a sympathetic and a tender telegram of condolence to our family, which telegram, needless to say, we shall keep and cherish throughout our days.

Harry S. Truman as much as any other living American deserves the deep gratitude and rich esteem of this Nation. He is, I believe, the very embodiment of the American spirit—the same spirit which inspired the Declaration of Independence, which sustained Washington and his heroic men at Valley Forge, which pulsed in Thomas Jefferson, in Andrew Jackson, in Abraham Lincoln, and in Woodrow Wilson. This his career clearly shows.

We associate the name of Harry S. Truman with some of the most dramatic and decisive events in national and global history. These events are indelibly stamped with the marks of his courage and his leadership.

We also must associate his leadership with a remarkable transition in this Nation and its history. This was the adjustment which followed World War II. Harry S. Truman was the author, the framer, of that adjustment.

As peace quickly followed the atomic holocausts at Hiroshima and Nagasaki, the Truman administration faced a monumental task in shaping the American war machine—then the greatest capacity for production of armed might the world had ever seen, and the fountainhead of the Allied victory—into a peacetime economy. The task was fraught with complex problems.

The Truman approach showed imagination, mobility, flexibility, courage. That the adjustment went as smoothly as it did, that prosperity and harmony were maintained in the process, stands as a monument to his ability and leadership.

Imagination, mobility, flexibility, and courage remained hallmarks of the Truman administration. His was an administration able to adapt itself adroitly and effectively to the national needs.

When Harry S. Truman saw a national need, he left no stone unturned in his effort to see the need answered. He saw every problem as a personal challenge, and he sought the solution to every problem with the same resourceful, relentless, forceful devotion to duty.

At his 75th birthday, Harry S. Truman stands as one of the most colorful and courageous men of American history. For the sake of all Americans, as much as for his sake, I wholeheartedly and gratefully wish him many happy returns.

Mr. McCORMACK. Mr. Speaker, with the permission of those who have succeeding special orders, I ask unanimous consent to proceed for 10 additional minutes.

The SPEAKER pro tempore (Mr. PRICE). Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished gentleman from Ohio [Mr. LEVERING].

Mr. LEVERING. Mr. Speaker, I, too, wish to join our distinguished Speaker, our most able majority leader, and my other colleagues in paying tribute to Harry S. Truman on the occasion of his 75th birthday. President Truman, as he still is known to all of us, has had a typical American success story. He has emerged from all the bitter criticism of other days to become one of the best-liked men in the United States and the world.

As we all know, Harry S. Truman has been a farmer, a captain of artillery in World War I, the operator of a haberdashery in Kansas City, and a political worker from the precinct on up through county judge, to the U.S. Senate and thence into the White House itself.

I believe that one of the outstanding reasons why Harry S. Truman always has prospered in political life—and it is noteworthy that he never lost an election in which his name was on the ticket—is because he truly proved to be a man of the people in his own day and time.

Harry Truman has always thought as the people thought and he has led the people by interpreting their wishes through the decades.

It seems that at times, in the life of our great democracy, the good Lord has called on specific men to lead us through the most trying days. When we consider that God has a place in the affairs of men, we can well believe that Harry S. Truman was called for his specific time and period of service in the United States. There never has been any doubt but that he served with vision and foresight in a particularly trying period in our Nation's long history. No one ever accused Harry S. Truman of being perfect in his political life, but at various times, the best political thinkers have conceded that in certain periods he has been without a peer in American political life.

It appears, Mr. Speaker, that rarely is a man like Mr. Truman fully understood and appreciated by his contemporaries. Certainly, Jackson and Lincoln were in this class.

Borrowing some words from Kipling, when "the tumult and shouting dies," I believe Mr. Truman will emerge as one of our greatest Presidents because of his great power of decision under fire. I am told that upon his desk as President was a sign which read: "The Buck Stops Here."

Mr. Speaker, the world will remember that it was President Truman who made the momentous decision to use the atomic bomb to hasten the termination of World War II—and to oppose aggression in Korea, when for the first time in the history of mankind more than 50 nations marched under a single banner—the flag of the United Nations—for the sole purpose of defending the cause of liberty and to punish unprovoked aggression.

Mr. Speaker, when I think of the great service that Mr. Truman has rendered our country and the world, I recall certain lines of the "Battle Hymn of the Republic," such as—

He is trampling out the vintage where the grapes of wrath are stored;
His truth is marching on.
He has sounded forth the trumpet that shall never call retreat.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished gentleman from Maine [Mr. COFFIN].

Mr. COFFIN. Mr. Speaker, I join with all my colleagues in what I think is a truly remarkable and most sincere testimony to a great leader. I think one quality that President Truman has which was vital to the success of these great enterprises which have been discussed here is his ability to communicate. Now we live in an age where the mass media in communications are developed as never before, and it is easy to communicate in the mechanical sense. But President Truman had faith that if the people got the facts, they would make the right response. He proved it in his own campaign in 1948 and he proved it with these great enterprises that have done so much for this country and for the entire world. He had faith in himself—that he could communicate with the people and he had faith in the people. He was and is a man of plain talk, but a man of high ideals.

Mr. Speaker, this it seems to me is a lesson for all of us. Sometimes in this Chamber we are of faint heart and we feel that our people will not possibly understand why we may vote for or against a certain measure. In the critical years ahead, I think there is no quality that will be more important in our representative democracy than this quality of combining high ideals and plain talk which President Truman symbolized so supremely well.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished gentleman from Iowa [Mr. CARTER].

Mr. CARTER. Mr. Speaker, it is a real pleasure and a great honor, and I will explain that in just a moment, for me to associate myself with this fine list of men and our great majority leader in complimenting this giant among men, President Harry S. Truman, on his 75th birthday. One does not have to read a book to know that Harry Truman is a great man, that he has been a great statesman and a great President, but when the book is finally written it is not likely it will write the true stature of this great man.

I remember the day that his great predecessor passed on and Harry Truman was made President of the United States. I was walking down the streets of Honolulu, Hawaii, with some other naval officers. The newspapers blared the headlines, and we approached the newspaper stands with disbelief and no little fear in our hearts. I did not have the honor of knowing Harry Truman while he was a Senator, and the tremendous shadow cast by his predecessor left a great deal to be desired in the

heart of each of us who saw this headline. The greatness of Harry Truman is that he took his place in this great shadow and assumed a stature unequaled by man under similar conditions.

I met him a number of years later, in 1948, for the first time, in a town out in Iowa. I was running for Congress for the first time and it was there that I learned firsthand of the humanity in the man, that part of him that cannot be found in books. I was campaigning in a little town called Chariton, in southern Iowa. His train stopped in this town for a little pause, and he came out on the back platform to say a few words to the people. Two boys came alongside the car with an ear of corn in each hand. Not knowing that they were my own boys, for nothing had been said to him, he, while his protectors were shuddering, separated the crowd and beckoned the two little boys to come forward. He picked them up in his arm and held them and took from each their ear of corn. I told him they were my boys.

That event made that whole campaign worthwhile at that instant, and he turned to me and he said: "You know, today I won the election at Dexter, Iowa," and he went on to confound his critics, the poll takers, and most of his friends, and with sheer courage, sheer stick-to-it-iveness, the will to win, he taught us all a lesson, and he taught me a lesson, to hold on, to keep on fighting, and eventually you will win. For the first time in the last election I was elected in a district that has never known a Democrat in Congress.

I shall never forget this man's loyalty to his friends, this man's ability to speak the heart of all of us. These things may not appear in history books, but they are the signs of the tremendous stature of the man that makes us recognize him while he lives as one of the greatest men of all history.

It is an extreme pleasure to associate myself with the distinguished majority leader and my other colleagues on this occasion and I want to thank you for this opportunity.

Mr. McCORMACK. What my friend from Iowa [Mr. CARTER] has said about former President Truman, a man with whom I was closely associated and with whom I had been friends for many years, about his sheer courage is correct; and I also want to observe that the gentleman from Iowa [Mr. CARTER], himself, has plenty of courage, and I admire the gentleman very much. The gentleman himself has shown us an example of sheer courage.

I now yield to the gentleman from Iowa [Mr. WOLF].

Mr. WOLF. Mr. Speaker, I wish to join my few humble comments with those of more eloquent speakers here today.

I would like to outline, if I may, my meeting with ex-President Truman, but before I do so may I say, "Happy birthday, Mr. President."

I would like also to say to the distinguished majority leader that I join in his comments with reference to my fellow colleague, the gentleman from Iowa [Mr. CARTER]. His life is an inspiration to me.

Mr. Speaker, I met Harry S. Truman in the great and memorable campaign of 1948.

I was a student working for radio station WHA when he came to the University of Wisconsin in Madison.

I shall never forget his indomitable spirit which came through this day. Here was the Democratic candidate for President already defeated by the writers and pollsters of the country. Here was this dynamic, fighting man carrying his issues to the people as only Harry Truman could do it.

I went into that meeting from a Republican heritage and came out a fighter for Harry S. Truman.

I, like many people, knew he could not win, but I wanted to go down with him to defeat. No victory will ever be sweeter than this 1948 victory was.

Here was an underdog who fought the good fight for the people.

Mr. Speaker, the inspiration I received from Harry S. Truman that day in Madison, Wis., has never left me and the remembrance of his one-sided battle in 1948 sustained me many times in my own first two campaigns, my first in defeat, my second in victory. I cannot help but ask the question: How many others have stood up and fought again, and on to victory?

How many others outside of political life have been inspired by this American success story which the Harry S. Truman story is.

Again I say, "Happy birthday, Mr. President." And I am sure I speak for the countless thousands who take inspiration from your life.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Michigan [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Speaker, it is my privilege, representing the Republican side of the aisle, to extend warm greetings and sincere congratulations to former President Harry S. Truman on the occasion of his 75th birthday. And may he enjoy many more happy birthdays.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I enjoyed very much the expressions of praise and commendation and congratulations of ex-President Harry S. Truman upon his 75th birthday. Usually you hear those things when people are no more. It is nice to hear them when President Truman is so well and happy.

Although I am of a different party, the Republican Party, I have always felt there was no division, insofar as our friendship was concerned. I have always felt I enjoyed the friendship of his lovely wife and beautiful daughter. When I went to the White House I always believed that President Truman was willing to see me and that I was welcome. I received nothing but the greatest possible courtesy and cooperation from him and members of his staff. They were often helpful to me and my district.

It is a very wonderful thing to have that memory. I admire Harry S. Truman for his extreme courage which he showed time and time again under terrible stress and strain. I wish for Harry S. Truman a long life of happiness.

Mr. McCORMACK. I thank the gentlewoman from Massachusetts.

I now yield to the distinguished gentleman from California [Mr. KASEM].

Mr. KASEM. Mr. Speaker, I would like to add my word in recognition of the great contribution to the United States, and what I think it symbolizes, by Harry Truman, although I am one who has had no personal experience with Harry Truman to relate. It was not my good fortune to meet this great man until I came to Washington, but I would not like for us to overlook that his life teaches us a rather remarkable lesson. That lesson is that by adherence to certain fundamental basic concepts of fairness and justice, the most onerous burdens can be shouldered, the most intricate and difficult problems can be resolved.

I recall a night in 1948 when I was a student at USC Law School. My wife was also a student. We retired for the night. It was the night of the election. The odds, I think, were running something like 8 to 1 against Harry Truman. Of course, if I had been a gambling man, I had a wonderful opportunity to make some money. But, it appeared to me that the people of the United States would not reject this man; there was so much spunk, so much conviction. But, there was an air of gloom on the part of many of the workers on his behalf. My wife and I lived in an apartment over a store building in which there was a Democratic headquarters. My wife was very tired because all during that week she had been typing and making duplicate stickers for the Democratic Party.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. FLYNN].

Mr. FLYNN. Mr. Speaker, I have no prepared text today, but listening, as I am, in these hallowed Halls to the wonderful eulogies that have been delivered to what I believe is one of the greatest men that this country and the Democratic Party has ever produced, I cannot restrain myself from adding a few words to what has been said.

Mr. Speaker, I had the distinct privilege of being a delegate to the Democratic Convention in Chicago in 1944 when this great man was nominated as Vice President on the Democratic ticket, and I had the privilege again of being a delegate in 1948 to the convention at Philadelphia when Harry Truman was nominated for the Office of President. And, I will never forget, as I know those other delegates will never forget, the Philadelphia convention. It was a convention of gloom, one where the delegates in convention assembled had a defeatist attitude such as I had never seen before; where the average delegate felt that he could not stop Harry Truman from seeking the nomination, but if he did win it, the effect would be that we would go down to defeat. And, that situation prevailed until the final night of the convention when, at about 3 a.m. in the morning, Harry Truman, nattily dressed

in his white suit, with his wife and daughter, walked out on the veranda of that great convention hall with the doves released, flying in the rafters, and delivered a message to this assembly. He delivered an impassioned and forthright message. He ticked off in rapid succession what his administration had done in the last 2 years. He convinced all present of his sincerity, ability, and determination to improve the American way of life. He motivated everyone present to go out and work for his program of social justice. They were motivated to go out across the country and elect to the Presidency this great man with that set of ideals and principles. We all said then, "If Harry Truman can only talk to enough people, the way he talked to us tonight, Harry Truman will be the next President." And that feeling of gloom that pervaded the convention vanished into the morning air, about 4:30 in the morning, and the delegates left sparked with the spirit of victory.

Harry Truman inaugurated the whistle-stop campaign. He stopped at every corner in this country. I was at the meeting in Madison, Wis., which was attended by the gentleman from Iowa, and I can join him in everything he had to say about that meeting. I followed that delegation to Milwaukee, Wis., where he attracted the largest political crowd that has ever before or since attended any meeting in that city. And Harry Truman went on to the great and glorious administration that he had.

He was led by principle. He was motivated by a desire to do that which is right for the common and ordinary man. He was guided only by his conscience. There was no corporation, nor individual, that could buy his support or cause him to deviate from the right as he saw it. He acted in the interests of the little man. He acted in the interests of the underprivileged of this country. He raised their way of life. He improved the Nation as a whole, Republican and Democrat alike, not only in economic ways, but in social justice. This Nation is better for having had a man, an ordinary man such as you and I, who filled that Presidency and stuck to the principles as he did, and who was never swayed from them; a man who was right not only in the little decisions but in the major decisions, both national and international.

I am proud to say that I am a Democrat and that my party has produced in my lifetime a leader such as Harry Truman. I want to join with my colleagues here this afternoon in saying, "Happy birthday, President Truman."

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Missouri [Mr. CARNAHAN].

Mr. CARNAHAN. Mr. Speaker, no greater honor could come to me than the privilege of extending birthday greetings to a fellow Missourian, Harry S. Truman, on his 75th birthday on May 8. I want to recall what I said about Mr. Truman on the floor of the House on April 17, 1945, just shortly after he became President of the United States. I quote from my remarks on that occasion:

Mr. Speaker, my own native State, Missouri, bows with the Nation and the world in sorrow at the loss of the late President, Franklin D. Roosevelt.

As we bow in the presence of divine providence and have committed a national leader to the ages, we must carry on. New hands must take up the tasks of national leadership. Missouri is honored to present to the Nation and the world the new American leader, President Harry S. Truman.

Harry Truman, born and reared on a Missouri farm, elected county judge, sent to the U.S. Senate, selected by President Roosevelt as a running mate, elected Vice President, and now President of the United States, is typically Missourian and typically American. What could more truly represent the American tradition and spirit than "from farm boy to President."

President Truman has made the slow ascent from humble position to eminence by merit and no eminence of station will ever cause him to forget that all of us make up America.

This is the first time my beloved State, Missouri, has furnished a President. We are happy that it is Harry Truman. In sharing Truman with the Nation and the world we Missourians offer no apologies, since we are convinced that apologies would not be in harmony with facts as they exist. His honesty, ability, frankness, experience, and humility fit him for the very heavy tasks which lie ahead. He is equal to the occasion.

As I predicted Harry Truman has proved to be equal to the occasion. I wish him many more years of good health and happiness as well as continued effective work in instructing our younger people in the government and history of the United States.

Mr. ALBERT. Mr. Speaker, our former President, Harry S. Truman, will be 75 years old tomorrow. Most of the years of his life have been spent carving out one of the most dramatic political careers in history. During his tenure as President he was called upon to make some of the most momentous and hazardous choices, not only of his age, but of all time. A less courageous and decisive man would have been thrown into helpless confusion on inheriting the vast decisions involved in closing out World War II and laying the foundations for world peace in 1945. A lesser personality than Harry Truman could never have moved out of the shadow of the memory of so dominant a figure as Franklin Delano Roosevelt.

During his first 4 months in the White House, President Truman was faced with decisions relating to the German surrender, the signing of the United Nations Charter at San Francisco, the Potsdam Conference with Churchill and Stalin, and the A-bombing of Hiroshima and Nagasaki. He met these challenges with magnificent statesmanship and steered this Nation into its new responsibilities as leader of the free world in the perilous days following history's most frightful war.

With the 21 points of his Fair Deal, he spelled out the details of the program of liberalism and progressivism which was to form the foundation of his administration.

After his stunning victory at the polls in 1949, he initiated the Truman doctrine which rescued Greece and Turkey, the Marshall plan which lifted free Europe from postwar despair to prosperity, and the Berlin airlift which defeated the Communist threat in Germany. In 1950 he halted Communist aggression in Korea and thereby saved the Korean Republic and made the U.N. an effective, workable institution for world peace. President Truman conceived the NATO organization and gave to the Atlantic community a unified approach to the threat of Communist expansion. His point 4 program gave new hope to mankind, hope that has added lustre to the American flag throughout the world.

President Truman brought about unification of the Armed Forces, improvement of the social security program, advances in civil rights, and progress in slum clearance and housing.

Today the power and prestige of his personality are still an influence in national affairs, even though he no longer seeks to be an active force in policymaking. Nevertheless there is a constant demand for his time, for his views, and for his presence.

His place in history has been secured by the product of his efforts; his place in the hearts of the people has been secured by his innate goodness, by his understanding, by his tremendous courage, and by the jaunty humor which has endeared him to millions. On this his 75th birthday, I wish to congratulate President Truman, one of the foremost, and best beloved, historic figures of this century.

Mr. BROWN of Missouri. Mr. Speaker, may a Missourian add a word here about Missouri's great President on his 75th birthday?

No words can describe President Truman's contribution to the history of this country. A man of decision with a boundless love of America, Harry Truman shaped this Nation's destiny more than any single individual of our time.

Here indeed is the mirror of America incarnate in a single man.

From humble beginnings to the very summit of leadership, that is the story of Harry Truman and of America.

A champion of the plain folks, that is Harry Truman and that is America.

A man with a searching mind and a big heart, that is Harry Truman and that is America.

This plain man with so many facets to his lovable personality and high character scaled the heights because he was plain spoken, forthright, honest, sincere, and very human.

When I was 19, Harry Truman helped me get a college education, helped me get a daytime job so I could go to school at night.

Others will remember him for his historical achievements and his controversial battles.

I will always remember Harry Truman for his kindliness, his thoughtfulness, his consideration of a young man's problems when—as Senator—Mr. Truman had so many problems of his own.

The world has been enriched by Harry Truman's 75 years on this earth. I hope he lives at least another quarter of a century to enjoy and enrich it still more.

Mr. CELLER. Mr. Speaker, it is given to few to know during their lifetime, that they have left their mark on history. Among those few must be numbered

Harry S. Truman, 33d President of the United States. He shaped the destiny not only of his country, but that of the free world by his courage, his decisiveness, and imagination.

The Truman doctrine, calling for aid to Greece and Turkey, stemmed the Communist tide. His execution of the Marshall plan revived the Western World and his point 4 program embraced on a worldwide scale the very core of humanity. He did not hesitate to employ the strength and the power of his office when, with U.N.'s action, he met aggression with counterforces in Korea. Throughout it all, Harry S. Truman remained and remains a truly humble man. A fighting spirit, yes—zestful, yes—direct, yes—but nontheless, humble. He does not cloak himself, and never did, with the trappings of his office.

He has earned the respect and affection of his countrymen irrespective of political affiliations. He has the gift of laughter and the joy of life, which keep him at 75, the youngest of our elder statesmen. It is fervently to be hoped that we may have the privilege of having him with us for many, many, many, more years so that we may be the beneficiaries of his guidance and wisdom.

I join mine to the multitude of good wishes that are flowing toward Harry S. Truman and his family on this day.

Mr. HULL. Mr. Speaker, I wish to join my colleagues in saluting Harry S. Truman upon his 75th birthday and wishing him many more years of happiness and good health.

Nowadays, Harry Truman sometimes calls himself a "has-been." No one believes him, for his valuable contributions to the Nation continue, his influence is undiminished.

It is typical of the man that he has not rested on the laurels he gathered during a lifetime of public service as a soldier, an able U.S. Senator from Missouri, as our 32d President.

After chronicling his experiences in his memoirs, he has devoted a major share of his energies to the library bearing his name at Independence—to the Nation he generously gave his presidential papers and the personal gifts he received during his White House years. With characteristic vigor, he has traveled this land from ocean to ocean, telling the people—particularly young people—of the blessings of our liberty and how they may be preserved.

Harry Truman literally grew with the country. His metal was proved in the forge of World War II and the postwar years. He was the blacksmith of the free world's stand against communism. His tools were the Marshall plan, the Berlin airlift, the Truman doctrine, point 4, the North Atlantic Treaty Organization, the bravery of Korea.

Harry Truman knows of our affection and admiration for him. It is, nevertheless, nice to have this opportunity to tell him how we feel and to extend our felicitations upon his birthday.

Mr. LIBONATI. Mr. Speaker, in every generation of our country's leadership, we have been blessed by God with the type of leader that is equipped with the necessary qualities and abilities so necessary to protect the very existence of the Republic.

And so it came to pass that President Harry Truman upon his ascendency to the Presidency was called upon to defend the principles and guide the future of our military fortunes in World War II and later in the Grecian-Turkish crisis and the Korean conflict.

His every act was decisive in effect and complete in its accomplishment. His explosive attack against the enemies of the Republic brought about the slowing down of the cold war.

He truly represents the common American—everyone believes in his sincerity and high sense of integrity. The citizens of this country admire his bold and forthright manner in dealing with public questions.

He certainly is forceful and fiery in his delivery and led his party in every campaign, always winning against great odds.

His loyalty to his friends is a tradition that every American respects. This his 75th birthday, as his past birthdays, are being celebrated all over the United States by his personal and political friends and associates.

We are happy to join with them in celebrating this happy day to honor and may we congratulate Harry S. Truman and his fine family on this his 75th birthday.

We have only to remember the decisions that this great personage made relative to the release of the A-bomb in the Japanese theater to know that although as an official act it was a patriotic one, that Harry S. Truman made his determination as a human being facing his God at the seat of judgment and answering for the millions of Americans that would have lost their lives in taking the bristling armed areas of Japan. He saw his duty to his God and country—and did not falter. God bless this great American.

Mr. ZABLOCKI. Mr. Speaker, it gives me great personal pleasure to join with my colleagues in honoring one of our country's truly great Presidents, Harry S. Truman, on his 75th birthday.

I am certain that all of us will remember the prediction-shattering election of 1948 as long as we live. It was the year in which President Truman took the issues directly to the people in his famous whistle-stop campaign, and confounded all of the so-called experts by leading the Democratic Party, and the Democratic slate, to a great victory.

In the 4 years that followed, I had the honor to meet with President Truman on many occasions. He was and remains to this very day a great leader, a man of profound knowledge and understanding, a man of deep conviction, and a man who believes in fighting for the right cause. His record in the U.S. Senate, and his outstanding record in the office of the President of the United States, speak for themselves.

History, I am confident, will confirm the belief which most of us here share: the stanch belief that during the years of President Truman's stewardship of our Nation's affairs, the United States embarked energetically and emphatically upon a course in our domestic and international affairs which saved the free world from the disaster threatened by totalitarian communism.

Through his personal vision and leadership, our Nation adopted farsighted programs which laid the groundwork for the unity of the free world and for mutual cooperation in meeting the Communist threat. Since those days, we have endeavored—with a large measure of success—not only to contain open Communist expansion, but also to eliminate the conditions of poverty, illiteracy, disease, and insecurity which provide a fertile ground for Communist expansion.

I could continue much longer in recalling the concrete achievements of the Truman administration. They are, however, a matter of history. They are known to all of us, to our entire Nation, and to the entire world. My words would be inadequate in expressing their true merit.

Let me, then, conclude with these few words:

I am proud to have served in this body during the administration of President Harry S. Truman.

His life, and his achievements, are an inspiration to every American.

I want to congratulate him upon the occasion of his 75th birthday, and to wish him many more years of good health, happiness, and continued service to our Nation as an elder statesman and as one of the leaders of his party, whose wise counsel and advice will always be welcome and prized.

Mr. JOHNSON of Wisconsin. Mr. Speaker, I would like to join my colleagues in wishing a diamond of a birthday to former President Truman on his 75th birthday.

The years from 1934, when he came to Capitol Hill as a Senator, to 1952, when he completed his second term as President of the United States, brought greater national and international challenges than any other 18 years of history. President Truman met these challenges with characteristic sound judgment and directness of purpose. He steered the country safely through troubled times dotted with difficult decisions—what to do about the A-bomb and the Communist invasion of South Korea, to name a few.

He was "the people's President"—the Missouri farm boy who worked his way up to the highest office in the land, once again proving that the American dream can still come true. Now, crowned with the honors that have come from his many years of service to the Nation, President Truman has retained that human touch which has made him so dear to the hearts of the man on the street, the man on the farm, the man in the factory. I think President Truman would count as a great compliment the remark made by one of the folks in my district in Wisconsin. He commented: "You know, I don't always agree with Harry, but you can't help liking him. He's one of us—a good Joe."

Mr. FLOOD. Mr. Speaker, I am tremendously proud and happy to extend to the Honorable Harry S. Truman congratulations on the occasion of his 75th birthday.

Harry Truman has never suggested in his years of service to this Nation that his own role in the affairs of the world was a large one. He has left that to others. On the day he became Vice President of the United States, a few minutes after he was sworn in, Mr. Truman telephoned his 80-year-old mother in Missouri and said: "I'm the Vice President now." She had only one sentence of counsel: "Be a good boy, son." His reply was: "I will be, mother; you brought me up right." Mr. Truman succeeded in that promise.

Mr. Truman, coming from humble circumstances, working his way honestly and conscientiously toward the highest position his country could give him, has become the representative American of our time. He developed his capacities for clear thinking, foresight, ability to make decisions.

Brought up on his grandmother's farm near Independence, Mo., Harry Truman went to school in that quiet county seat and was known as a shy boy. As a young man he went to Kansas City, 10 miles from his home, to carve out a career. Discouraged, but not defeated, he returned to the farm. He has often expressed his pride in the fact that in those days he "could plow the straightest furrow of any farmer in Jackson County."

Long a member of a local battery, Harry Truman went overseas as a lieutenant in the 129th Field Artillery in World War I. There is no dispute as to the excellence of his Army record. He led his men through Saint Mihiel and the Argonne and won their devotion by his quick thinking and courage.

Business in Kansas City, local politics, diligent study in the Kansas City School of Law, preceded his election to the United States Senate in 1934. Reelection followed in 1940.

Through the bouquets and brickbats which are tossed to any public servant, Harry Truman emerged as the respected and diligent "watchdog" of the Senate Committee To Investigate the National Defense Program during World War II. In the first 3 years of his committee's existence, $400,000 had been allotted the committee, of which $100,000 was unspent in 1944. On its first major investigation this group—guided by the gentleman from Missouri—saved the country at least $250 million.

Such a record is dramatic, but it was really a secondary result. The big idea which first prompted Harry Truman to propose the committee was to get on with the war with the greatest dispatch. His sole weapon was a three-letter word, "Why?" Instead of waiting until the war was over, his foresight produced tangible accomplishments in a time of national emergency.

It has been said that there is no other country where such a committee could have worked without fear or favor. One of Harry Truman's colleagues in the Senate suggested that a sign should be placed outside Harry Truman's office door which would read, "Caution—democracy at work."

While serving his second term in the Senate, Mr. Truman was chosen as the Democratic candidate for the Vice-Presidency. With a sharp eye on the future of his country, in accepting the nomination as candidate for Vice President, Harry said:

> If we devote the same ingenuity to production for peace in America that we have given to the making of engines of destruction, in this war, our future will be secure. But to do this will require energy and courage. The forces of reaction and the selfishness of those who always fear any kind of change, will have to be overcome. We cannot go back, as we tried to do in 1920. We cannot stand still. We must go forward.

On April 12, 1945, Harry Truman found himself taking the oath of office as President of the United States. On that day in the White House he pledged himself to continue the policies for winning the war and for stabilizing the peace to follow.

In 1948 Mr. Truman was reelected in the race of polls which predicted his defeat. His personal energy, his belief that "government is politics," and his consistent energy, gave to the people of this country principles by which America has always progressed. Harry Truman looked toward the future and worked hard for the solution of our problems, even when the problems themselves had yet to be fully discerned.

On March 29, 1952, at the Jefferson-Jackson Day dinner in Washington, D.C., President Truman advised the Nation he would retire from public office. Since January 1953, his observations, his words of wisdom and unfailing perception for the good of America have continued to create a healthy climate on the political scene. He has never been content to look back upon a long career full of rich achievements. He has continued hard at work on projects of vital significance.

On his 75th birthday, we pay tribute to an exemplary American citizen, a man still young in his spirited zest to bring to his Nation the best of the future. We thank him for his influence. We congratulate him on the occasion of his birthday. We extend to him and his loyal wife and family our sincere good wishes for health and happiness.

When history speaks she will say "Harry Truman was one of the great Presidents of the United States of America."

Mr. CLARK. Mr. Speaker, it is a pleasure and a privilege to join with my colleagues in honoring today Harry S. Truman.

Objective historians will list Harry S. Truman among the greatest presidents this Nation has had; as a man who faced momentous decisions with courage and foresight.

Harry S. Truman not only is a gifted politician, a proven statesman and a great leader; he is a true humanitarian, a champion of the little fellow. May he enjoy many more birthday anniversaries.

Mr. ROONEY. Mr. Speaker, I am delighted to join my colleagues in extending felicitations and best wishes on the occasion of former President Harry S. Truman's 75th birthday.

I have always been a great admirer of former President Truman as he is a man of many accomplishments and one of the most colorful and courageous figures ever to occupy the White House.

No man over the years has worked quite so diligently at the job of supporting the Democratic Party and its programs. He has been relentless in pursuing his foes in the political arena and has never failed to expose their shortcomings to the people of our country. This was never better illustrated than in 1948 when he was reelected as President of the United States with one of the greatest victories and the most surprising upset in our Nation's history.

There are few men who have the satisfaction of living long enough to know that they have earned an important place in history. Former President Truman has certainly achieved this distinction. I feel that it is fitting and proper that he is being honored throughout the Nation on his 75th birthday, and I wish him and Mrs. Truman many years of continued good health and happiness.

Mr. CHELF. Mr. Speaker, 75 years ago tomorrow, May 8, former President Harry S. Truman was born at Lamar, in the great State of Missouri. His parents had previously moved there from Shelby County, Ky., which is located in the Fourth Congressional District which I have the honor to represent.

The Trumans were honorable, stoic, courageous, God-fearing, God-loving people. It was this great heritage that stood Mr. Truman in good stead when he was called upon to be sworn in as President of the United States.

History will prove that Harry S. Truman was one of the most fearless, conscientious, effective Presidents that this Nation has ever had the good fortune to possess. He had the raw courage and fortitude comparable to that of President Andrew Jackson. He did a magnificent job. His friends love him and even his enemies admire and respect his forthrightness. So—on this, his birthday—I salute and congratulate him. May God bless him and keep him for many, many years yet to come. "May his leaf never wither and whatsoever he doeth, may it prosper." May he also have a full fruition of his dreams and a happy realization of his endeavors.

Mr. HOLLAND. Mr. Speaker, it is only after a man has dwelt long and actively among us that we feel competent to judge his life and labors.

If this be true of the private citizen, how much more so does it apply to one whose career has brought him not only personal fame but has brought honor and security to a great Nation over which he was called upon to lead.

As we look back over the life and public services of Harry S. Truman, we are struck at once by two outstanding factors—so outstanding that they dominate everything else in that distinguished record: First, his innate honesty; and, second, his unswerving Americanism. The student of Mr. Truman's career can never escape the presence of those two elements which inspired and guided it from the beginning.

One of the most satisfying characteristics of Mr. Truman's life has been that he is entirely a self-made man—a living reminder that any American boy with health, a good average mind, and the determination to succeed has every

chance in this country of ours. Mr. Truman, rising from a farm boyhood in modest circumstances may seem to have come up the hard way, but it was the safe way, the true way, the American way. If, in that long upward climb he has known temporary defeat and poverty, those setbacks merely toughened his fiber and called into being higher powers.

He stands as the living embodiment of the American folksaying that you cannot keep a good man down.

We are proud to recall that such a man rose to the highest office in our Nation.

As he today reaches the three-quarter of a century milestone, may the years stretch out fair and smooth before him, paved, as they are bound to be, with the affection, esteem, and good wishes of his countrymen.

And may the 160 million Americans always remember that Harry S. Truman was their own personal representative, leader, and lobbyist in this city of many special interests.

Mr. LANE. Mr. Speaker, even though the evidence is clear and definite, I find it hard to believe that former President Harry S. Truman is 75 years old. In physical health and mental alertness, he is more active than many men who are only in their thirties.

His trim profile, bright comments, and quick smile give the impression that he has found the secret of eternal youth. He has, because his faith in freedom recognizes no limits of time or space.

With his irrepressible bounce, and his ability to speak the thoughts and the language of the man in the street, Harry Truman comes closer to reflecting the American image, than any other President of this century.

Steeped in the knowledge of American history and government, and schooled in the understanding of human nature and public problems that only the broad experience of practical politics can develop in a man, Harry Truman was little known but thoroughly prepared when fate summoned him to guide our Nation during one of the most critical and changing periods in our history.

I shall never forget the shock of sudden grief and despair that swept over the Nation on April 12, 1945, when the press and the radio broke into our lives with the shuddering news that President Roosevelt had died. A great and trusted leader had departed. And, like little children, we were afraid of being alone in the dark. What was going to happen to us now? Where, in all this country, was the man who could half-fill the shoes of F. D. R., and rally us with the ability and the courage of true leadership?

We had not reckoned on Vice President Truman. From out of the shadows he came, a stranger to most of the Nation, looking like the man next door. We followed him because we identified ourselves with him, from the deep humility with which he assumed the awesome burdens of the Presidency, through the climactic efforts that brought victory, and on into the problems of post-war adjustment.

There was purpose and there was confidence in our new President. And the people began to chuckle in admiration for this man who was one of their own, as he took on all comers who challenged the spread of economic democracy, or the obligations of the United States to counter the expansion of communism.

Without a hitch, the United States changed its gears from a war to a peacetime economy, dedicated to the new goal of providing full employment for the people. This accomplished, what next?

With foresight and skill, President Truman moved quickly to the international scene. The Truman doctrine, the Marshall plan, the Berlin airlift, the bold decision to stop Communist aggression in Korea; all these actions surprised and confounded Stalin's cold and calculating reach for world domination.

And the President's "under dog" battle for reelection in 1948; who can ever forget that. Everybody was against him but the people.

A typical American is Harry Truman, full of heart, and the homespun qualities that get things done. With the easy but genuine familiarity that is our way with those we like and honor, we still call him by his first name, "President."

Congratulations, President Truman on your 75th birthday.

We hope that your sparkling wit, your keen common sense, and your abiding love of freedom will be with us to strengthen and inspire us for a long time to come.

So that you will have the reporters panting to keep up with you when you take a brisk morning walk on your 100th birthday.

Mr. BURNS of Hawaii. Mr. Speaker, in joining those who have complimented the distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK], for having obtained the time for the Members of this House to pay tribute to one of the greatest Presidents in the history of our country, I am conscious of that fact that the majority leader is always considerate and thoughtful of others and that we of Hawaii owe a great deal to him for his tenacity of purpose and dedication to principle.

Though my brief time of service in this great deliberative body does not permit me the firsthand knowledge possessed by our great Speaker, majority leader and other distinguished Members who have joined in paying eloquent tribute to former President Harry S. Truman, I can, without reservation or equivocation, associate myself with every compliment that has been paid our great former President.

Mr. Speaker, the people of Hawaii, whom I have the honor and privilege of representing owe a very real debt to the Honorable Harry S. Truman. He was the first President of the United States to unequivocably and publicly, with his customary vigor and enthusiasm, advocate the admission of Hawaii as a State of the Union.

President Truman's position on statehood was forthright and positive as were his positions on other important matters. His contribution to the attainment of the hope and aspiration of the people of Hawaii, statehood—an accomplishment for which the 86th Congress will be remembered in history—was both substantial and material. Hawaii acknowledges her debt with heartfelt gratitude on this the 75th anniversary of his birth.

Though the fact is probably unknown to many people, former President Truman is an amateur volcanologist. On a visit to Hawaii after he left the Presidency, our "pit of everlasting fire" was one of the "must" attractions on his list. It is noteworthy that when he left the Island of Hawaii, on which is located Halemaumau—the home of the Fire Goddess Pele—a slight rain fell. As a keiki-o-ka-aina, I know that this circumstance is in the tradition of the Hawaiians a mark of respect accorded an "alii", a great chief.

An old Hawaiian lady told him of the legend and pointed out to him that along with the people the climate of Hawaii recognized him for what he was—a truly great leader.

Hawaii on this occasion extends its me ke aloha and its prayers that the Almighty will grant Harry S. Truman many more useful and productive years.

Mr. GALLAGHER. Mr. Speaker, in noting the 75th birthday of the Honorable Harry S. Truman, many of my colleagues have recited the magnificent contributions of this most distinguished citizen to his State and Nation in time of war and peace.

Mr. Truman's record of service is one which inspires the youth of America. I am sure that all of us derive from a knowledge of his devoted service encouragement and strength to face up to the problems that confront us in these difficult days.

He is destined to go down in history as one of this country's truly great Presidents. It was he who saw grave danger in the Communist actions in Greece in 1948 and took action to support the rightful government of that country.

He saw the great need for aid to the ravaged countries of Europe following World War II and brought forth the great Marshall plan. When the Communists moved into Korea, Mr. Truman acted without hesitation to block the aggression.

These are but a few actions and decisions that demanded great moral courage of Mr. Truman, but courage is a quality that he possesses in great abundance—courage, and wisdom and faith in America.

I am certain that he will be remembered by all of our citizens as a truly great American.

Mr. DOYLE. Mr. Speaker, I cordially join in congratulating the distinguished American, Harry S. Truman, upon his 75th birthday. This is not just for the 1 day: to wit, his birthday, but I congratulate him upon achieving this ripe age in spite of the very strenuous, I repeat, very strenuous and arduous duties he so admirably performed as President of the United States when so much of stress and strain necessarily came to his mind, soul, body, and spirit to endure and arise above.

Because it has been my pleasure to serve during the terms of three Presidents of the United States: to wit, Franklin D. Roosevelt, Harry S. Truman,

and now during the term of Dwight D. Eisenhower, I believe I have become at least a little bit aware of the fact that our beloved Nation is blessed by the men the American people chose to occupy that high office. And the distinguished former President of the United States, Harry S. Truman, about whom we are having this sincere tribute this day on the floor of this great legislative body, I am sure, has the kindest thoughts for his 75th birthday anniversary from the great masses of the American people.

As Representative in Congress from the great 23d District, Los Angeles County, Calif., in this my 13th year in this House, I bespeak for him the felicitations and congratulations and best wishes from almost all, if not all, of the folks in the great congressional district which I have identified and from which I am elected.

Mr. HECHLER. Mr. Speaker, as I listened to these many tributes to President Harry S. Truman, many memories flashed across my mind—memories of history-making decisions, fighting campaigns, the inspiration of working close to one of our greatest Presidents, and the rare opportunity to observe the indomitable spirit of a man who never gave up in his fight for human justice and freedom throughout the world.

I am sure that Harry Truman would snort a little if he were sitting here and listening to these tributes, because he is a man of deep humility. He combines the humble qualities of Abraham Lincoln with the sharp wit and tongue but steel-like courage of Andrew Jackson. I remember once when some of his staff members were sitting abound and there was some head-shaking and tut-tutting about an early-morning letter which our irrepressible boss had dashed off. Finally one of those present made the sage remark that in years to come history would honor the great high watermarks of his far-reaching foreign policy decisions, and would also record with spirited admiration the Jackson-like letter he penned.

Yes, President Truman was not afraid of any person, any group, any movement, or any nation which stood in the path of human rights and the free way of life. Whether it was communism, bigotry, greed, or sloth displayed by men or nations, he stood up against them relentlessly and effectively.

My distinguished colleague from California [Mr. ROOSEVELT], who himself spent may years in the White House working for his incomparable father, Franklin D. Roosevelt, stated a few minutes ago that Harry Truman had a genuine understanding of the Presidency. I recall an incident which occurred on March 4, 1952, which has become indelibly impressed on my memory. President Truman had been working on the final stages of an address concerning his campaign of truth through the Voice of America. As on all of his speeches, he had spent considerable time with his staff, revising, reworking, and putting his final personal touches on the address he was to deliver. When he had finished the final draft, he pushed his chair back from the cabinet table, and began to talk to his staff slowly and very seriously.

He reviewed some of the highlights of the big decisions which had confronted him during his Presidency. Then he remarked that whoever was elected President in November 1952, it would be necessary to plan for an orderly transition in the affairs of the U.S. Government. He asked the staff to start laying the necessary plans for such an orderly transition, so that the incoming President in 1953 had a full opportunity to become briefed on pending decisions, the status of major projects, and the ongoing work of the Government. He was determined that the President who succeeded him, be he a Republican or a Democrat, should be thoroughly briefed. President Truman did indeed carry out precisely what he had talked about on March 4, 1952, and as a result his successor was probably the best briefed Chief Executive in the Nation's history at the start of his term.

I believe this incident shows that Harry S. Truman—a robust partisan—was a statesman of the highest order. He had and has a depth of understanding and historical perspective on the institution of the Presidency above and beyond any occupant of that exalted office.

Harry Truman also knew that the Presidency is preeminently a position of moral leadership. I remember one occasion shortly after the outbreak of the Korean conflict when prices were rising fast and the housewives were getting less and less in their market baskets, and President Truman called a meeting of congressional leaders. When he called the meeting to order at the White House, one of the Congressmen spoke up rather querulously: "Mr. President, I don't see why we have to get worried about this issue. I haven't been getting any mail from consumers about high prices." I saw the President's jaw stiffen as he said quietly and firmly: "I represent the consumers; that's why I called you here."

For three-quarters of a century of full, rich, abundant, and immensely satisfying life, Harry Truman has been the living embodiment of the American dream. His incredible career proves that the average American possesses that spark of greatness that can blaze and soar into a beacon that leads and inspires free men of any time, any land.

Abruptly thrust into a task that might have overwhelmed a man whose roots were less firmly planted in the amazing American tradition, Harry Truman stands today as the living embodiment of the truth that men of small, humble beginnings can rise to great positions in our Nation, and can perform the duties of high office nobly and courageously.

His whole career might be summed up by saying that he devoted himself to being able to rise above the occasion.

In 1945 there were fears that this stocky little man from the heart of America's isolationist midlands might not be equal to meet the growing challenge which emerged from wartorn Europe. And the political tenor of the Nation was changing. Critics descended on President Truman in droves, scoffing, picking nits, splitting hairs. The Congress was handed over to the Republicans for the first time since the coming of Roosevelt. Doubt and lack of confidence became almost as great enemies in the Nation as the rising Communist threat of Russian expansion.

I hardly need to repeat at this time the way in which President Truman grew in stature during this difficult time. I hardly need recount the wise and capable, yet truly humble, leadership which he gave the Nation.

Let it suffice to say that he articulated the nature of the Communist menace, and that he distinguished himself by adopting and following policies of bold action and inspired leadership—so sadly missing from the White House at times during our century—to meet the challenge.

Harry S. Truman not only had to recognize the nature of the Russian dream of a Red world; not only did he have to draft policies and formulas for opposing it; but also he had to implement these policies and point them toward fruition. These things he did with firmness and an abiding interest in serving the future of his country and his people.

The accomplishments of his administration still stand as the free world's bulwark against the Soviets' new imperialism.

Turkey and Greece remain in the Western camp, because of his bold decision to help them; the North Atlantic Treaty Organization is our front-line defense against immediate Communist encroachment of Europe, and not a single NATO nation has fallen to communism since its inception; the Marshall plan proved to many nations an innate neighborliness and humaneness which many claimed America did not possess; and our Nation fought the mushrooming Communist imperialism to a standstill for the greater part of President Truman's administration and even through the first years of his successor's administration.

When the Communist world, with high disregard for the obstinacy and determination of Harry S. Truman to stop the spread of communism, attempted to seize South Korea by force, President Truman served notice on the Red world for all time that we would fight for the security and freedom of our allies.

In the face of these superhuman decisions, the abrupt rearmament just at the moment when it appeared we might lay down our swords, Harry S. Truman remained a human being—accessible, identifiable, warm, full of a native humor, outspoken, and undeniably prone to error.

If insecure postwar America sought not man, but superman, they received a goodly portion of both. In his major decisions, in the policies that would shape our future, he was almost invariable right. Yet in minor matters of little lasting consequence, he showed a remarkable facility for providing ammunition for the vultures who constantly circled about him, ever-eager to swoop and peck at a bit of minutiae.

These petty people, concerned with petty things, smugly assured us that

Harry S. Truman would invariably be turned away from the White House when he had completed the unexpired term of his predecessor.

But America, confounding the experts, returned to office the man whose firmness of leadership in the face of a mounting world threat had won the respect even of many of his detractors.

It was a great tribute to the essential soundness of our democratic process that Harry S. Truman was elected in 1948 and enabled to continue his courageous leadership over the next 4 years.

Various Members have spoken this afternoon of the inspiration they received from Harry Truman during their election campaigns. As I listened, it occurred to me that truly the Congress elected in 1958 can in large measure be traced back to the Truman inspiration of 1948. The 86th Congress is truly a Truman Congress.

Let me close with another little personal sidelight, if I may be permitted, Mr. Speaker. Almost exactly a year ago, in the spring of 1958, I filed for the nomination for Congress. Everybody said I didn't have a Chinaman's chance, and I was inclined to agree, until I made a trip out to Independence, Mo., to see my old chieftain. I told him rather laughingly that I was running for Congress, and when he asked me what my chances were, I gave him a rather evasive answer. As I left Independence that day and went back home to West Virginia, I reflected on the years I had spent close to Harry Truman, and the courage that was the hallmark of his Presidency. And I sat down and penned him a little note which read:

> You asked me what my chances are in this race. I'd say about as good as they said yours were in a certain race just 10 years ago.

Yes, Harry Truman's courage and his full-blooded passion for justice will always be an inspiration to free men throughout the world.

And so, I join with my colleagues in saying: "Happy birthday, Mr. President."

Mr. MOULDER. Mr. Speaker, it is a great honor to join with my colleagues in proudly praising and congratulating Harry S. Truman on his 75th birthday. He deserves every word of praise and expression of appreciation for his great services to our country and all mankind throughout the world. Much has already been said in recognition of his character, courage, and statesmanship and I can add very little to the fine statements I have heard here today, other than to say I concur and say that I cannot find the words adequate to fully express my feelings and my admiration and deep respect for Harry Truman. He is truly American, a great man and scholar. His life and public service will always be an inspiration to all people and his life's record will stand out as a monument of true pioneer progressive Americanism far more permanent than marble. Happy birthday, Harry, with our sincere wishes for your good health and many, many more happy birthdays.

Mr. PUCINSKI. Mr. Speaker, I rise first to congratulate the distinguished gentleman from Massachusetts, the majority leader of this House [Mr. McCORMACK], for acquiring time on the floor today to pay tribute to one of the great Americans of our times.

This Nation is indeed fortunate that it can join today in paying tribute to President Harry S. Truman on his 75th birthday. Few Americans have had an opportunity to serve their country with such great devotion and dedication as Mr. Truman, and few, indeed, will leave behind them such a tremendous record of courage in the face of adversity to do those things which would serve our great Nation best.

Mr. Truman's great devotion to those principles which have made America the most influential nation in the world have been and shall continue to be a source of inspiration to freedom-loving people all over the world.

There is not the slightest doubt in my mind that when the clouds of contemporary controversy have been dissipated and historians approach the task of evaluating Mr. Truman's record as an American, as a soldier, as a U.S. Senator, and finally, as President of the United States, they will find little difficulty in listing him among the greatest Presidents ever to serve this Nation.

I have had the opportunity of conferring with Mr. Truman personally on several occasions. His deep understanding and profound regard for human values, his great courage to speak out on those issues which need decisive action, his unyielding determination to do only those things which would serve all Americans, and his stubborn refusal to yield to the pressures of selfish interests have written a new and most inspiring chapter in the history of American statesmen.

God grant that Mr. Truman be blessed with continued health and indomitable spirit so that his great wisdom and counsel can be shared by all of us in these trying times for many years to come.

As I extend my congratulations to Mr. Truman today, I must say that it is with profound regret that I accepted his polite note to me recently indicating that he did not think it wise for him to seek a seat in the 86th Congress when a vacancy occurred in his home district. I am sure that had he acquiesced in my suggestion, we in this House, would have been that much the more fortunate in having his knowledge and counsel readily available to us in our many difficult deliberations.

Mr. ANFUSO. Mr. Speaker, I am delighted to join with our numerous colleagues in paying a deserved tribute to former President Harry S. Truman on his 75th birthday. I want to extend to him my heartiest felicitations on this very happy occasion and to wish him many more happy birthdays.

President Truman's golden jubilee anniversary is a cause for celebration by the entire Nation. With each passing year his achievements during his terms in the presidency assume greater proportions and wider recognition, particularly when it is realized that he served in the difficult postwar years of upheaval and adjustment. Our country was indeed fortunate to have a man of his caliber, wisdom and bravery to make the decisions that he did in that difficult period.

Truman will always be loved and admired as the great spokesman for the common people. His frankness, honesty, and sincerity always impressed the people of America and they respected his views, even if they did not always agree with him. In the perspective of time, we have come to appreciate the fact that the interests of the Nation were closest to his heart. He inspired and encouraged the development of the Marshall plan, the point 4 program for underdeveloped countries, the NATO organization, and other important programs which have become a permanent part of our international relations, as well as many plans and programs on the domestic front.

Historians will evaluate him and his leadership during that crucial period, and I have no doubt that the verdict will be that he ranks among the greatest of our Presidents.

Those of us who had the privilege of knowing him personally and intimately pray that the good Lord bless him with many long years of health and strength, and that the Nation may continue to enjoy his wise counsel in the years ahead. May he live to see our Nation truly at peace, prosperous and happy.

Mr. KEOGH. Mr. Speaker, today, the American people, foregoing all partisan considerations, are united in expressing our gratification that former President Harry S. Truman has achieved his 75th birthday. We extend to him our warmest and most cordial felicitations and our sincere wishes for many more years of fruitful life.

We are a fortunate people. Even though the heat of political campaigns sometimes engenders extravagant and even uncharitable sentiments in the zeal of defeating our political opponents, we have the happy faculty of making later reappraisals when the tumult and shouting have abated. Never in the history of our Nation have those reappraisals so thoroughly and so unanimously disclosed the great stature of an individual as in the case of President Truman. And perhaps even more surprising is the happy fact that this new appreciation is being had during his lifetime. On all sides we hear almost daily testimony of the recognition by the American people—yes, and by the rest of the world—that Harry Truman will go down in history as one of the greatest Presidents of the United States at a time when greatness was sorely needed.

In the light of what is being so happily said here today by my colleagues, it is unnecessary for me to recount the many debts we all owe to Harry Truman. It is sobering to reflect on what might have been if he had not been Chief Executive and he had not fearlessly and brilliantly conceived the steps that were vital to us and the other peace-loving peoples of the world.

I am grateful that I may have a part in expressing the heartfelt congratula-

tions of all of us, and that our former President has been spared to us so that he may know just how we all feel toward him.

Mr. BOLLING. Mr. Speaker, it is a pleasure to be able to join in honoring former President Harry S. Truman on his 75th birthday. A man nearly all of whose adult life has been dedicated to public service and who at the age of 75 still continues to make a real contribution to the public good is rare in the history of any democracy. Mr. Truman's place in history is assured by the great decisions he made greatly. His courage never falters under fire of governments or men. His perception and understanding of the problems of the world as well as those of our country continues to be a very real public asset.

I know we all, regardless of party, join in wishing him good health and many more years of productive and happy life. May God bless and keep him.

Mr. JONES of Missouri. Mr. Speaker, I am happy that we have this opportunity to express ourselves on the occasion of the 75th birthday of Missouri's most distinguished citizen, but even more pleased over the fact that President Truman can enjoy reading the tributes that are being paid to him. All too frequently such eulogies are delayed until an occasion when they can be only a comfort to a family in an hour of bereavement.

While I enjoy the reminiscence of this hour, the thing that gives me the greatest joy and the most satisfaction is the fact that President Truman is having that unique experience of enjoying during his lifetime the growing esteem and the increasing appreciation of the contribution which he made during his years of official service, and which he continues to make in the role of elder statesman. As he goes about the Nation speaking to university and college groups, impressing upon the minds of these young people their responsibilities in preserving the rights and liberties which we enjoy under our Constitution, he is continuing to perform a service of inestimable value.

I, along with my father, was among those who supported "Judge" Truman when he was first a candidate for the U.S. Senate. As individuals and through the newspaper which we operated at that time, we supported him in each of his campaigns, because we believed, as was later confirmed in all of his actions, that he was a man with a sincere desire to do the things that he believed were honest and right, and which would result in the greatest amount of good for the people whom he represented.

This did not mean that I always agreed with his judgment, and there were times when he was President that I did not agree with and did not support all of his policies. But, I also knew that he could appreciate my position in representing a constituency in southeast Missouri, with which he was most familiar since some of his most enthusiastic and effective support had come from that area during his elections to the Senate, and which, incidentally, has remained with him throughout his career.

However, Mr. Speaker, even when I could not agree 100 percent with President Truman, I always found that there were so many things in which we were in agreement, that it was never difficult for me to make a choice in his favor. Unfortunately, Mr. Speaker, all of the members of our great Democratic Party did not always make that choice, but it has been a great satisfaction to me to hear some of those who during his service as President were among his most severe critics, but who after he had left office and they had witnessed some of the changes that have taken place, were willing to admit, "Well, President Truman wasn't so bad, after all."

Yes; the man from Independence continues to grow in stature and influence, and today there is no question in my mind about the eminence of his place in history, or of the esteem in which he is held by a vast majority of the American people, who admire courage, frankness and fairness, to mention only a few of the many virtues for which we honor this champion of freedom and liberty on his 75th birthday.

Mr. BENNETT of Florida. Mr. Speaker, I am glad on this 75th birthday of President Harry S. Truman to pay tribute to his many fine accomplishments and to say a few words of personal regard. I remember the feeling of sympathy I felt for him when the news came of the death of President Roosevelt, sympathy because I knew it would be difficult to follow a world figure of the stature of his predecessor. This news came to me when I was in guerrilla fighting in the Philippine Islands near the end of World War II. President Truman, in the months and years which followed, proved time after time that he was capable of making well the big decisions which history would place upon him.

I remember a few years later at a banquet in Washington when I was a freshman Congressman in a wheel chair at a banquet in a Washington hotel, President Truman and our fine majority leader, JOHN MCCORMACK, perceived that there would be real trouble in placing the chair at the table assigned to me and they both insisted that I join them at their more adjustable table. This I did. The thoughtfulness of President Truman and Mr. MCCORMACK was certainly deeply appreciated by me. The outstanding remark that I can remember the President making in the conversation that evening was that if he had to make the decision again to drop the atomic bomb, he would have made the decision just as he did when history called upon him for that decision. His major decisions in the field of foreign affairs were of tremendous significance and will affect the world for centuries to come. I do not know of a single one of them that history so far has indicated as faulty.

No two people see everything exactly alike, and I can remember one occasion when President Truman wrote me what I considered to be a rather strong letter of disapproval of my position on a particular matter. He shortly thereafter wrote me a very kind letter which indicated that he realized that his first letter had been a little fiery in language. In referring to the earlier letter he said: "Sometimes we get ruffled for no good cause." Certainly this is another indication of the bigness of his character, and at the same time his persistent courage in standing for what he thinks is right. I believe the American people can be very, very grateful that a man of his fine qualities led them in the particular years of peril when he had these tremendous responsibilities upon his shoulders. I consider that I am a very lucky person to have known a man of his character and to have served in Congress when he was President.

That he is still very active in many things for the benefit of our country is well known to everyone. An illustration from my own mail was a recent letter from him encouraging me in my efforts to bring about the construction of the cross-Florida barge canal. He wrote:

> I hope that someday cross-Florida barge canal can be completed. In my opinion it is necessary for the welfare of the whole country.

As I close my remarks, I would like to say that one of the things that will last with me the longest about President Truman, and to which I have often referred in speeches, is a little incident illustrative of his strong personal loyalties. It was when the President was being criticized by some publicity seekers for being away from Washington when his mother was very ill in Missouri. His remark at that time was to the point when he said:

> She sat up with me many times when I needed her and I want to reciprocate when she needs me. Whenever she wakes up, she wants to talk to me. I want to be there.

I am glad that his loyalties to persons are accompanied by equally strong loyalties to his country and to God.

Mr. RANDALL. Mr. Speaker, I am very mindful that nothing I may say could ever add to the already great stature of our former President of the United States, Harry S. Truman.

Instead, as the Representative in Congress of his home district, and speaking for all of the people of that district, it is a privilege, to simply say, "Happy birthday, happy diamond jubilee, and may there be many happy returns of the day."

The Fourth Missouri District includes not only Independence, Mo., made famous by its leading son, and home of the Truman Library, but at the southern end of this same district, four counties away is Lamar, Mo., the birthplace of Mr. Truman. There on Sunday, April 19, 1959, this restored home was made a State park. Thousands gathered that day to pay tribute, but in the years to follow this will, in my opinion, become a national shrine, visited annually by increasing thousands of admirers of our great citizen.

It has been my pleasure and distinction to have known him as long as I can remember. I had always known that he was held in high esteem near his home, as a county judge and throughout his native Missouri. When I arrived in

Washington, I quickly learned from my colleagues and all those on Capitol Hill that he was loved and much respected by those who had served with him in Congress and those who were here while he lived at 1600 Pennsylvania Avenue. Without exception, they speak praisingly of him.

But what always brings a quick reception is at the times when I may make a casual remark that I am from Independence, Mo. to some men on the street—men without titles, such as the barber, the bellhop, the cab driver. Their faces light up with warm admiration and in their own unsolicited and voluntary way they say, "We like that fellow, Truman."

His appearance, denying the fact that today he is 75 pears of age, his morning walks, his youthful energy leave the impression he is a man 25 years younger than the birth records witness. Let us pray Harry S. Truman will continue, with his perennial enthusiasm as a teacher and counselor, to walk among us, now a statesman of international reputation, giving us freely of his wisdom and experience. A man of great stature and courage, history will increasingly emphasize President Truman safely piloted us through our most crucial times when communism was stretching its ugly tentacles in all directions. With President Truman at the helm, the United States successfully fought communism without involving the United States in war by several of his monumental decisions: Greece and Turkey were spared from the Communist peril by the Truman doctrine; the Marshall plan was the greatest single force in stabilizing the economy of Western Europe and thwarting Communist political victories; the Atlantic Pact added unity to the force against communism; the Berlin airlift saved Berlin from a Russian blockade which could have snuffed out forever her hope of ever attaining a free status.

In the face of bitter criticism and unfavorable popular opinion, President Truman steadfastly and courageously ordered the dropping of the atomic bomb to shorten the war against Japan, a measure militarily sound though not calculated to add to his immediate and unanimous acclaim. This is the test of the man—to proceed to do the right thing even though it may not be the popular thing.

Harry S. Truman is a man of decision—without which we might now be isolated in a Communist-dominated world. For these decisions we are thankful, and again we all hope that we have the benefit of his advice on the many decisions facing us in the future.

I am very honored and extremely fortunate to represent President Truman's district, the Fourth Congressional District of Missouri. To this man of Independence and to this great Missourian I am indebted for wise advice and sincere and valuable counsel. To this great American I take pleasure and pride in extending these birthday felicitations from his fellow Missourians.

REVISION OF IMMIGRATION LAWS

The SPEAKER pro tempore (Mr. PRICE). Under previous order of the House, the gentleman from New York [Mr. LINDSAY] is recognized for 45 minutes.

Mr. LINDSAY. Mr. Speaker, before I begin my remarks, I should like to wish former President Harry Truman many happy returns of the day on the occasion of his 75th birthday.

Mr. Speaker, I have asked for this time in order to speak about a subject of the greatest importance to this country and also of great importance to our neighbors abroad. That subject is immigration and the need for an overhaul, top to bottom, of our immigration and naturalization laws.

I have introduced legislation, H.R. 6826, designed to amend the Immigration and Nationality Act of 1952. This legislation is substantially the same as that which was recommended by the Administration to the 84th and 85th Congresses, with changes that have been necessitated by the enactment of interim laws and other changes that I have deemed important. I have a particular interest in this subject as I took part in the formation of the policy involved in this legislation when I served in the executive branch of the Government as Executive Assistant to the Attorney General of the United States.

In introducing this measure I speak not only for my own constituency but for all who now wish for a change in the immigration and naturalization laws. This proposal would make a workable and necessary revision in the basis of the quota system. I shall try to describe it briefly and succinctly, and I will leave out a great many of the details, and shall not go into some of the more minor aspects of this omnibus reform bill because of its complexity and because of the time that it would take. However, I shall at the conclusion of my remarks ask unanimous consent to have appended a simple analysis of the various sections of this bill.

First, the present quota system is derived from a formula, itself vastly complex, which is based on the 1920 population of this country. This anachronism, it seems to me, ought to be repealed. Apart from its theoretical objections it has some practical objections.

The total population as shown by the most recent census should be used as the base for determining the overall quota ceiling. I should like to interject that this quota is based not only on the 1920 population, but—and here is where the first discrimination comes in—on a formula which takes into account only the white population of the United States. It excludes from the definition of the word "inhabitants," in determining the population base upon which quota allocations are made, all persons not of the white race, which includes even the American Indians. If, instead of this, we use the total population as a base, and if we use—take a projection to 1950—the year of the latest census—it would result in an increase in the basic statutory quota of about 65,000 quota numbers. This is not such an increase as would break down the economy of the United States. On the contrary, it only gives recognition to increased demands of commerce, industry, science and technology for persons whose skills are needed in this country. Even more, it gives recognition to the fact that those citizens and persons here awaiting citizenship should be permitted to have freer access to quotas so that they may bring here close relatives and unite families which have been split up by the harsh restrictions of existing law.

In order to eliminate some of the inequity resulting from the fact that several countries have large quotas which they do not use, while others have small quotas which are oversubscribed, this bill will provide that the increase of about 65,000 quota numbers would be distributed among countries in proportion to their actual immigration to this country since the establishment of the quota system in 1924.

Second, this legislation will permit the utilization each year of unused quota numbers by distributing them for use in a quota pool for each of four geographical regions—Europe, Asia, Africa, and Oceania. Here again, it should be understood that this will not increase the quota as such, but is merely a method for utilization of quota numbers which now go by the board solely because certain of the large quota countries have not used, and do not yet use, their entire allotment of quota numbers. Meanwhile, the other countries of the world such as Greece, Australia, Italy, and the Philippines, which customarily exhaust their quota allotment, are unable to have access to the unused numbers. Obviously, such a system deprives the United States of aliens having some of the most needed skills. This is a fact which has been recognized by Congress. In 1957, and again in 1958, Congress saw fit to enact legislation declaring that all persons who were waiting on registered waiting lists for first preference visas—aliens having needed skills, education, experience, or ability—should forthwith be issued nonquota visas. This bill gives recognition to this fact, and by making a modest increase in the quota, coupled with a pooling of unused quota numbers, sets a permanent pattern for handling this problem which has heretofore been met with piecemeal legislation.

The third important feature of this bill relates to the system by which this country shall face up to the problem of refugees throughout the world, especially in these days when victims of Communist oppression continue to flee from behind the Iron Curtain to freedom in Western Europe. This is a subject upon which I can talk with some measure of personal knowledge of the facts. I was in Europe during and directly after the Hungarian revolt—that glorious, short-lived spark of freedom that so thoroughly exposed the Communist oppressors for what they are. I stood at the bridge at Andau; I walked the Hungarian border and saw courageous freedom fighters and women and children fleeing into Austria.

The administration at that time met the problem by invoking the parole provisions of the existing immigration law. Since then, doubt has been raised as to the legality of this procedure. In my view it is necessary for the Congress not only to clarify this area but to establish on a permanent basis legislation which will enable our Government intelligently and compassionately to meet its fair share of the responsibility for refugee relief in such critical periods.

This bill specifies that the President may direct the Secretary of State and the Attorney General to parole into this country a number of "refugee-escapees" and "nonsettled hard-core refugees," roughly amounting to a total of 68,000 per year. The Secretary of State and the Attorney General are given discretion to provide such measure of relief as is consistent with our world responsibility, working closely and chiefly through such organizations as the United Nations High Commissioner for Refugees. This provision does in fact place a large measure of discretion in the executive branch in the administration of this program, a discretion which I believe is necessary. By use of the parole system, however, flexibility is also granted in the speedy return of any person so admitted in the event an error is made. The legislation also provides a method whereby persons thus paroled into the United States can adjust their status to that of permanent residence, subject to congressional review in each case.

A fourth important provision of this legislation will vest in the Attorney General discretionary power, in proper cases and under certain conditions, to allow the entry into the United States, or to prevent the deportation of certain clearly specified classes of aliens, not to exceed 5,000 per year. Those classes are close relatives of United States citizens or lawfully resident aliens, veterans or members of the Armed Forces, and religious functionaries. I do not think I should belabor the point respecting the inadequacy and unacceptability of the private bill method as an avenue for relief in hardship immigration cases. The Congress has seen the number of such private immigration bills rise from 12 enacted during the 78th Congress to an astonishing total of 927 enacted in the 85th Congress—a frightening increase of over 10,000 percent. In the 84th Congress, 4,474 private relief immigration bills were introduced, and 1,227 were enacted. This is a fantastic burden upon the Judiciary Committee of which I am a member, the Congress as a whole, and the President, who must review all private bills that are enacted. In the present Congress, during the first 3 months of its existence, there were 1,435 such bills introduced. Certainly the time of this Congress should be devoted to matters of more general and national importance, although I would be the last to deprecate the vital importance of a private immigration bill to the individual concerned. It seems to me that this is a matter which must be delegated to the Attorney General so that, in the day-to-day administration of the immigration law, he can exercise his sound discretion and determine which aliens shall, within the limits specified by Congress, be excepted from the normal application of the strict letter of the law. There is nothing fantastic about this proposal. It merely carries forward what Congress has already done, not only in the basic immigration law but also in its enactments during the 85th Congress when it vested in the Attorney General greater authority to grant administrative relief to aliens seeking admission to this country as well as those already here.

I do not expect that the system I have suggested will eliminate all private bills in the immigration field, nor do I suggest that they should be eliminated. The people always have the right to petition Congress for redress. I do believe, however, that the administrators of the law should first be given an opportunity to investigate and determine the merits of the cases, and it may well be that in the case of an adverse administrative action, the Congress may be loathe to consider or enact a private bill.

One very serious matter which has confronted the Congress repeatedly but I believe would be adequately met with this legislation, is the problem arising from the fact that the worst of our deportable aliens—racketeers, narcotics peddlers, or worse—are able to protract their unwelcome stay in our midst indefinitely and beyond reason solely through misuse of our judicial processes. Let me make it clear that this is not the fault of our courts. Rather it is the fault of the statutory scheme now in existence which permits a deportable alien to shop around from court to court, to try and retry the same issue. One notorious alien of this type has been able to take his case through the courts and to the Supreme Court three times. I have made certain changes in this portion of this legislation from the form in which it was originally submitted by the administration. These changes are designed to make certain that the rights of aliens subject to deportation are safeguarded. I believe that the legislation as finally drafted will safeguard both the interests of the public as a whole in having a workable and effective system and the rights of the individual for a full and impartial hearing and review.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include at their conclusion a section-by-section analysis of this proposed legislation.

The SPEAKER pro tempore (Mr. PRICE). Is there objection to the request of the gentleman from New York?

There was no objection.

The matter referred to follows:

EXPLANATION AND ANALYSIS OF THE PROVISIONS OF THE BILL TO AMEND TITLES I, II, AND III OF THE IMMIGRATION AND NATIONALITY ACT, AND FOR OTHER PURPOSES

Sections 1, 2, and 3: These sections of the bill would provide moderate revisions in the quota system. The system would be brought up to date. Equitable distribution of additional quotas would be provided. Four regional quota pools would be established to which unused quota numbers would be assigned. Mortgages on quotas would be eliminated.

Under the existing law the annual quota of 154,657 is computed by taking one-sixth of 1 percent of the white population in 1920, less Western Hemisphere immigrants and their descendants. If the total population in 1920 had been used for this computation, the quota figure would have constituted one-seventh of 1 percent. The bill applies the latter percentage to the 1950 total population of the United States as defined in the act. The result is an annual quota of 219,461, or an increase of 64,804.

Under the bill the existing quota of 154,657 would continue to be allocated as at present, but the present maximum subquota allocation of 100 to each colony would be raised to 200. With respect to the allocation of the quota over and above 154,657 the legislation would provide for an increase in the quota for each minimum quota area. This increase would be from the present 100 to 200. With respect to the allocation of the remainder of the increase in the quota authorization the bill would provide an important new feature designed to recognize actual immigration since the Quota Act of 1924. This would be accomplished by providing for the distribution of the remainder of the increase in the total quota, to the several quota areas so that there will be assigned to each quota area that proportion which the immigration to the United States since July 1, 1924, and up to July 1, 1955, from that area bears to the total immigration from all quota areas.

Another significant change proposed is to provide for utilization of unused quota numbers. Under existing law failure to use in the year all of the quota allocated to a particular area results in its being wiped out. It is not carried forward into the next year. The bill would establish a separate quota pool for each of four regions, Europe, Asia, Africa, and Oceania, as described in the proposal, to which the unused quota numbers of the respective regions would be assigned for redistribution. Quota numbers thus assigned would be available for use only during the period of 1 year following their assignment. Such quota numbers would be made available only for allocation within the respective regions and only to qualified immigrants eligible for a preference status under paragraphs (1), (2), (3), and (4) of section 203(a) of the Immigration and Nationality Act.

Sections 4, 5, and 6: These provisions of the bill would revise and clarify existing parole authority covering the emergency admission of aliens into the United States. Also, procedures would be provided under which a designated number of aliens who have been paroled into the United States might adjust their immigration status to that of a lawful permanent resident. Aliens paroled into the United States and who are presently here in an indefinite status include aliens admitted for emergency reasons or for reasons of public interest.

Section 4 grants the President power to authorize the parole by the Attorney General into the United States of escapees from Communist tyranny, selected by the Secretary of State, who have fled from their homelands and are in other non-Communist countries. The number of escapees who could be so paroled annually may not, under the proposal, exceed the average number of aliens who have been permitted to come to the United States each year since June 25, 1948, by special acts of Congress (approximately 68,000). Parole could be granted under such proclamation to escapees from Communist persecution who have fled to any non-Communist area.

Section 5 sets up a procedure whereby the immigration status of parolees may be adjusted to that of a lawful permanent resident. The Attorney General could grant

such adjustment of status in his discretion after the alien has been in the United States for 2 years and if the applicant is of good character and if the adjustment would not be contrary to the national interest. A report of the Attorney General's action if favorable would be submitted to the Congress. Unless the Congress disapproved, the alien's entry would be recorded as of the date of the alien's last arrival in the United States. If the Congress did not approve the administrative action, the Attorney General is to require the departure of the alien from the United States.

Section 6 provides that the number of aliens whose status may be adjusted under section 5 shall not exceed in any fiscal year the average number of aliens authorized to be admitted to the United States for permanent residence each fiscal year between June 25, 1948, and July 1, 1957, by any special public acts of Congress enacted during that period.

Sections 7, 8, 9, and 10: These sections of the bill would provide the necessary administrative authority to take care of hardship cases. The purpose of these provisions is to reduce the need for private immigration legislation which over the years has grown to staggering proportions. The President and Congress would thus be relieved of unnecessary and intolerable burdens in this field. A more suitable means would be provided for the consideration of applications for relief and a basis would be established for the uniform treatment of all cases.

Section 7 of the bill would vest in the Attorney General discretionary power to admit to the United States aliens with close relatives in this country, regardless of a technical statutory ground of inadmissibility. The same benefits are made available to war veterans and to functionaries of religious organizations. However, the bill provides that no relief shall be accorded aliens whose presence here would be dangerous to the safety and security of the United States. Similarly, section 8 of the bill vests discretionary authority in the Attorney General to withhold institution of deportation proceedings, to cancel such proceedings if instituted, and to adjust the status of deportable aliens to that of permanent residents. This discretionary power to grant relief is likewise limited to aliens who have close relatives in this country, war veterans, and religious functionaries.

It is further provided that there shall be an annual ceiling of 5,000 on all cases in which the Attorney General may exercise the authority provided by sections 7 and 8, and that in each case there shall be an appropriate charge against the quota.

Section 11: Existing law requires that certain aliens who have been excluded or deported from the United States may not reapply for admission unless the Attorney General first grants permission to do so. This is an unnecessary and expensive complication in our immigration procedures and should be eliminated since there are now ample safeguards in the law against the readmission of unqualified aliens. Particularly is this true when consideration is given to the documentary requirements in the statute which contemplate a preliminary screening by a consular officer before the alien receives a travel document. Allied provisions in the statute require prosecution of aliens who have returned to this country without having obtained the necessary permission from the Attorney General. This section of the bill would provide for repeal of these requirements.

Section 12: The act contains provisions permitting the Attorney General and the Secretary of State to waive the requirement of travel documents in certain instances on behalf of nonimmigrant aliens. The exercise of this power in individual emergency cases is now limited to those which are "unforeseen." The quoted word is unnecessarily restrictive and should be eliminated. The provisions of this section of the bill would effect this desirable change.

Section 13: This section codifies into section 212(d)7 of the basic immigration and Nationality Act the effect of the recent statutes, Public Law 85–508 granting statehood to Alaska, and Public Law 86–3 granting statehood to Hawaii, which provide that aliens coming to the mainland from those places are not subject to the immigration inspection requirements.

Section 14: In prescribing the procedures for the conduct of hearings before special inquiry officers of the Immigration and Naturalization Service, to determine eligibility of persons to enter the United States (so-called exclusion hearings), existing law provides that such hearings shall be conducted by a special inquiry officer. The law does not specifically provide for the assignment of an additional officer to present evidence at such hearings. In regard to deportation proceedings the existing statute provides for the assignment of an additional officer to present the Government's case. In order to remove any doubt as to the authority of the Attorney General to assign an additional officer to perform the prosecutive functions in exclusion cases, in his discretion, where he deems such procedure to be desirable in particular cases, express statutory authority should be provided. This section of the bill would remove any doubt as to the authority of the Attorney General to make such assignments of examining officers in exclusion cases.

Section 15: There has been a tremendous increase in air and surface travel throughout the world and many aliens traveling from one foreign country to another find it necessary to pass through the United States. Under contracts authorized to be entered into between the Attorney General and operators of transportation lines such aliens may be exempted from certain documentary requirements of the Immigration and Nationality Act. However, they must undergo the examination and inspection required of aliens generally, resulting in some instances in their exclusion or deportation. The enforcement of this requirement has resulted in severe hardship as well as loss of good will and unnecessary expense to both the Government and the operators of transportation lines where the aliens would otherwise pass through this country in "direct transit." To alleviate this unfortunate situation authority should be vested in the Attorney General to dispense in his discretion with this requirement in individual cases. Section 15 of the bill would accomplish this purpose. The guarantees entered into by the Attorney General with the aliens and the operators of transportation lines, it is believed, would provide ample safeguards.

Section 16: This section would provide that deportation proceedings may be instituted otherwise than by a warrant of arrest. Under a practice of long standing, deportation proceedings have been instituted by a physical arrest of the respondent. Such action has been regarded on occasions as being unduly harsh, particularly when the alien is a child of tender years, or is of advanced age, or for some other reason is not likely to abscond. Although section 242(b) of the present law prescribes the deportation hearing procedure, it does not specify the manner in which such proceedings must be initiated. The Department of Justice has recently adopted the practice of commencing a deportation proceeding with an order to show cause, reserving a physical arrest for those cases in which custody and detention of the alien is regarded as necessary in the public interest or safety. While this procedure is regarded as being entirely within the contemplation of the law, enactment of this section would afford an unmistakable statutory sanction for this less drastic procedure.

Section 17: This section would liberalize those provisions of existing law granting special naturalization benefits to alien members of the Armed Forces and to certain alien veterans, and would consolidate and codify a number of related statutes. Existing law grants special benefits in this regard to aliens who have completed at least 3 years' peacetime honorable service in the U.S. Armed Forces. The advantages of the law however, are available only to those who were lawfully admitted to the United States for permanent residence. These requirements have the effect of denying benefits to many worthy soldiers who, because of oversubscribed quotas, or other reasons, are unable to obtain an immigration visa, and to those who, because of service connected disabilities, have been honorably discharged before completing the required 3 years' service. The proposed amendment would eliminate the requirement of lawful admission for permanent residence and would extend the benefits to those who were prevented from completing the necessary 3 years' service because of disabilities received while serving. In recent years the Congress has enacted a number of statutes providing special naturalization benefits for members of the Armed Forces. Separate statutes were enacted extending these special benefits to persons who served honorably in the Armed Forces during the Spanish-American War, during World War I, during World War II, and during the Korean conflict. This section would consolidate these separately enacted statutes and would make uniform the condition for naturalization although based upon service during different conflicts in which the United States may have been involved. Proper safeguards are contained in the proposal to limit the advantages of this new legislation to those who served in an active duty status, and were honorably discharged.

Section 18: (a) Under section 316 of the Immigration and Nationality Act, certain aliens who are employed by the U.S. Government or certain American firms or institutions, etc., may go abroad in the course of their employment without losing the residence prerequisites for naturalization. However, no provision is made for their alien spouses or children who wish to go abroad with them, but likewise desire to avoid endangering their eligibility for naturalization because of interruption of their U.S. residence. This causes unnecessary separation of families. It is believed that if an alien employee of the Government or of an American firm may receive the benefit of retaining his eligibility for naturalization because of the advantage to our national interest derived from his employment abroad, he should be permitted to bring with him his alien wife and children and they should be entitled to the same benefits. A similar provision, in respect to spouses, was contained in a former naturalization law (Act of June 29, 1938, 52 Stat. 1247). This proposal would benefit employees of the State Department and other governmental agencies as well as persons stationed abroad while serving in the Armed Forces. With respect to children, it is deemed appropriate that the benefits should be limited to the period before the child reaches the age of 23 years or is married. This will result in the receipt of benefits only by those children whose sole purpose in being abroad is to remain in the household of their parent, who leaves the United States because of his employment.

(b) Under existing law a petition for naturalization must be filed in a naturalization court having jurisdiction over the petitioner's residence. This places an undue hardship upon many aliens now being inducted into the Armed Forces for military training. Although they are fully eligible for naturalization, having completed the necessary 5 years residence in the United States, etc., they find that their military obligations frequently cause them to be sta-

tioned in the United States far away from the State where they have their residence. In view of the obligations placed upon them by the Government, it appears equitable that persons actually serving in the Armed Forces of the United States should, while so serving, be exempt from the ordinary requirements as to the place of filing a petition for naturalization. This proposal would accomplish that purpose by exempting persons in the Armed Forces from the requirement contained in section 310(a) of the Immigration and Nationality Act as to the location of the naturalization court in which a petition for naturalization must be filed.

(c) Under section 316(a) of the present act a petitioner for naturalization under the general provisions of the law must establish 6 months continuous residence in a particular State immediately preceding the filing of his petition. For the same reasons as are given above in respect to (b), this requirement also places an excessive burden upon aliens now being inducted into the Armed Forces. Their military service makes it impossible for them to remain in any particular State for as long as 6 months in order to meet the general requirements applicable to other petitioners for naturalization, causing delay in their acquiring citizenship. In view of their military obligations, such persons, while actually serving, should be exempted from the ordinary requirement as to the 6 months residence in a particular State at the time of filing a petition for naturalization. This proposal would accomplish that purpose by exempting them from that requirement contained in section 316(a) of the Immigration and Nationality Act.

Section 19: Section 202 of the act deals with the determination of quotas to which immigrants shall be chargeable. This section would revise section 202 so as to grant an Asian spouse the benefit of the quota of an accompanying spouse, and permit the Asian spouse of a native of a Western Hemisphere country to be classified as a nonquota immigrant if accompanying, or following to join, such spouse.

Section 20: Section 203 of the act establishes the bases upon which immigration visas shall be allocated within the quotas. This section of the bill would carry forward the provisions of section 3 of Public Law 85–316 which accorded first preference status to spouses and children "following to join" as well as "accompanying" the spouse or parent who received first preference status by virtue of his special skills and abilities under section 203(a)(1)(A). In addition, the quota allocations would be revised by giving the fourth preference category, that is, brothers, sisters, sons, and daughters of citizens, a fixed 10 percent of the quota, in lieu of the present percentage of an undetermined leftover amount of quota numbers which the present statute permits. This change is regarded as desirable to make this preference a reality. Section 203(a)(2) of the act provides that parents of an American citizen are entitled to second preference quota status only if the petitioning citizen is at least 21 years of age. Subsection (a)(4), which affords fourth preference status to brothers, sisters, sons, and daughters of citizens, does not limit that preference status to such kin of citizens who are at least 21 years of age. This section would amend section 203(a)(4) so as to limit its operation to those cases in which the petitioning citizen is likewise at least 21 years of age. It would also amend the section so as to accord the same preference quota status to the spouse and child of such a brother, sister, son, or daughter of a citizen, if such spouse or child is accompanying or following to join the relative.

Section 21: The present act permits the Secretary of State to determine the amount of nonimmigrant visa fees on the basis of reciprocity. This section of the bill would vest the Secretary with a desirable discretion to deviate from this rule when politically or otherwise necessary in the national interest. It would also clarify the present statute with respect to the manner of computing the amount of such visa fees.

Section 22: Section 212(a)(9) of the act specifies the classes of aliens who shall be excluded from the United States because of criminal involvement. This section would amend section 212(a)(9) so as to clarify and incorporate within the basic act the pertinent provisions of section 4 of Public Law 770, 83d Congress, 68 Stat. 1145, which, in effect but not in form, modified section 212(a)(9) of the Immigration and Nationality Act with respect to aliens who have been convicted of or have admitted the commission of petty offenses.

Section 23: Section 221(f) of the Act provides in part that an alien crewman may be admitted to the United States if his name appears on a crew list visaed by a consular officer, "until such time as it becomes practicable to issue individual documents." The quoted requirement for individual documents has proved to be most difficult of achievement and unduly burdensome. This section would delete the quoted matter, thus eliminating the requirement that all alien crewmen eventually must be in possession of individual visas.

Section 24: Section 222 of the Act prescribes the contents of a visa application. Subsection (a) deals with applications for immigrant visas and subsection (c) deals with nonimmigrant visas. Both require information as to "race and ethnic classification." This section would eliminate this requirement since the terms are not susceptible of definition and have served no useful purpose in the administration of the Immigration and Nationality Act.

Sections 25 and 26: Section 352 of the Act sets forth circumstances under which naturalized citizens shall lose their citizenship by virtue of residence abroad. Sections 353 and 354 enumerate categories of persons to which section 352 shall not apply. Sections 25 and 26, respectively, of the accompanying bill, would extend to veterans of World War I and II, and their spouses, children, and dependent parents, broader foreign residence privileges. The amendments would extend (1) to veterans of World War II, retroactively, the provisions of section 406(h) of the 1940 act; and (2) restore to veterans of World War I that part of the provisions of section 406(h) of the 1940 act which permitted World War I veterans to reside in the country of nativity or former nationality. The proviso to the proposed amendment contained in section 25 is designed to make clear what is thought to be the intent of Congress that the spouse, children, and dependent parents of such a veteran shall enjoy the same foreign residence privileges as does the veteran.

Section 27: Section 223 of the act relates to reentry permits. Subsection (b) authorizes the Attorney General to issue reentry permits under certain circumstances. However, such permits "shall be valid for not more than one year from the date of issuance" and may be extended for periods aggregating not more than one year. This has resulted in hardships to certain alien spouses and children of servicemen stationed abroad for extended tours of duty. This section would add a proviso to the subsection to provide that "the Attorney General may in his discretion extend the validity of the permit of a spouse or child of a member of the Armed Forces of the United States stationed abroad pursuant to official orders for such period or periods as the Attorney General shall deem appropriate."

Sections 28 and 29: Under the several methods of review available to them aliens clearly deportable, including many in the criminal classes, have been able to delay unduly their expulsion from this country. The purpose of these sections of the bill is to prevent the abuse of judicial process through the establishment of review procedures having uniformity, providing orderly venue and permitting the expeditious handling of such matters.

Historically, an order for the deportation of an alien could be challenged in the courts solely by habeas corpus proceedings, which were available to the alien only after he had been taken into custody pursuant to the order of deportation. In recent years, it has become possible, as a result of judicial decision, for aliens to obtain judicial review of an order of deportation upon its issuance. An equally divided Supreme Court on January 11, 1954, affirmed per curiam a holding that deportation orders issued under the Immigration and Nationality Act of 1952 are reviewable in actions for declaratory judgment as well as by habeas corpus. *Brownall* v. *Rubinstein,* 346 U.S. 929 (1954). Also, the Supreme Court has held that deportation orders entered under the Immigration and Nationality Act of 1952 can be judicially reviewed in actions for declaratory and injunctive relief under section 10 of the Administrative Procedure Act. *Shaughnessy* v. *Fedreiro,* 349 U.S. 48 (1955).

These several methods of review lack uniformity and are deficient with respect to such important incidents as the need for expedition, orderly venue and the avoidance of repetitious court proceedings. Legislation is necessary to resolve these problems effectively. It is believed also that such legislation should include a single statutory method of review specifically applicable to aliens subject to orders of deportation but who are not in custody pursuant to such orders.

Section 28 of the proposal would amend the Immigration and Nationality Act of 1952 (66 Stat. 163; 8 U.S.C. 1101), by adding to title II a new section "293." Paragraph (1) of subsection (a) of the new section would permit an alien in custody pursuant to an order of deportation to obtain judicial review of the order solely by means of habeas corpus. With respect to an alien not in custody but who is subject to an order of deportation issued after December 23, 1952, the proposal would provide a special single statutory method of review initiated by the filing of a petition for review in the appropriate U.S. district court.

Paragraph (1) of subsection (a) would further provide that deportation orders shall not be subject to judicial review except as provided in the bill, "Notwithstanding the provisions of the Administrative Procedure Act or any other law, including section 405(a) of this act." The purpose of this language is to insure that the specific provisions of the bill will not be overridden by the general provisions of existing law. It would also provide that a deportation order shall not be reviewed by the courts if the alien has not exhausted the administrative remedies for review available to him.

Paragraph (2) of subsection (a) would provide that "a petition for review may be filed not later than six months from the time that all administrative remedies for the review of the deportation order have been exhausted, or from the date of the enactment of this subsection, whichever is the later. The Attorney General may, upon a showing of good cause, extend the time in which such petition may be filed, but such extension may not exceed six months. No such petition or a petition for habeas corpus to review the validity of the order may be filed by an alien during the pendency of a criminal proceeding against such alien for violation of subsections (d) or (e) of section 242 of this Act." This time limitation is important. It is proposed for two reasons: By placing pressure upon aliens subject to deportation to obtain judicial review within a reasonable period of time (or undergo the

inconvenience of being taken into custody in order to obtain review in habeas corpus proceedings) it is hoped to facilitate the process of removing deportable aliens by reducing the number of last-minute judicial proceedings. A further reason for the proposed change stems from section 242(e) of the act which imposes criminal liability upon an alien, in the criminal, subversive or immoral classes "who shall willfully fail or refuse to depart from the United States within a period of six months from the date of the final order of deportation under administrative process, or, if judicial review is had, then from the date of the final order of the court,* * * whichever is the later."

Paragraph (2) of subsection (a) also deals with the problem of repetitious review proceedings by providing that "No petition for review or for habeas corpus shall be entertained if the validity of the deportation order has been previously determined in any civil or criminal proceeding, unless the petition presents grounds which the court finds could not have been presented in such prior proceeding or the court finds that the remedy provided by such prior proceeding was inadequate or ineffective to test the validity of the order." This provision is designed to insure that an alien shall have only one judicial review of a deportation order, except in unusual circumstances. Cf. 28 U.S.C. 2255 and *United States* v. *Hayman*, 342 U.S. 205, which would seem to remove all doubt as to the validity of such a provision.

Occasionally, an alien subject to an order of deportation, and for whom the Immigration and Naturalization Service has arranged passage on a ship or a plane, will file a petition for a writ of habeas corpus and, when the ship or plane has departed will withdraw the petition. Paragraph (2) of subsection (a) would prevent such abuse of legal process by providing that no petition for review or for habeas corpus may be withdrawn without the consent of the Government and of the court in which it is filed.

Paragraph (3) of subsection (a) would provide that the Immigration and Naturalization Service shall be the named respondent in a review proceeding under the proposed bill. If the Service rather than a named official is designated as respondent, there will be avoided the frustrating issues of abatement and substitution which occur when a named respondent official is replaced by another. It would further provide that a petition for review of a deportation order shall be filed in the judicial district in which the administrative deportation proceeding was conducted, or in the district of the alien's residence. Venue has been defined in these terms because a recently arrived alien often will not have a residence in the usual sense in any district. Alternative venue in the District of Columbia has been purposely omitted in order to eliminate the possibility of an undue concentration of cases in that district. Moreover, the present concentration of deportation review proceedings in the district court for the District of Columbia would be diluted by the provision in paragraph (1) of subsection (a) that cases pending, unheard in any district court on the date of the enactment of the bill, shall be transferred for determination to the district court having jurisdiction to entertain a petition for review. The further provision of paragraph (1) of subsection (a) that a deportation order shall not be subject to judicial review if the alien has departed from the United States after the issuance of the deportation order, is intended to prevent an alien who has already been deported, perhaps many years ago, from challenging in the court the order for his deportation.

Paragraph (3) of subsection (a) also would provide for the service of a copy of the petition for review upon certain designated officials and would provide that such service would ordinarily stay the deportation of an alien pending determination of the petition, unless the court otherwise directs. Also, in view of the calendar congestion in some district courts, paragraph (3) of subsection (a) would provide for expedition of review proceedings by stating that "The hearing and disposition of a petition for review shall be expedited in the same manner as is required in habeas corpus proceedings." See 28 United States Code 2243. This provision recognizes that while every alien is entitled to his day in court, the national interest requires that such cases should be determined promptly.

Paragraph (3) of subsection (a) also would provide that the administrative findings of fact in deportation cases shall be conclusive if supported by reasonable, substantial, and probative evidence on the record considered as a whole. This is essentially the evidentiary standard contained in section 10(e) of the National Labor Relations Act, as amended.

Paragraph (4) of subsection (a) would provide that claims of American nationality raised in resisting deportation shall be presented to the courts only in review proceedings under this proposal or in habeas corpus proceedings, and that such claims shall not be determined by the courts in any other way, as in proceedings under section 360 of the Immigration and Nationality Act of 1952. The purpose of this provision is to force into a single judicial proceeding all of the issues raised in a deportation proceeding, rather than to permit a claim of citizenship to be raised separately, perhaps for purposes of delay.

Paragraph (5) of subsection (a) would provide that in criminal prosecutions under subsections (d) or (e) of section 242 of the Immigration and Nationality Act the validity of deportation orders may be challenged only by a motion before trial, such motion to be determined by the court without a jury and upon the administrative record, rather than in a judicial trial de novo. See *Cox* v. *United States*, 332 U.S. 442, under the Selective Training and Service Act. This motion remedy would be made exclusive. Thus, the motion having been determined by the judge before jeopardy attached, the Government may properly be given a right to appeal from a determination that the deportation order underlying the criminal proceeding is invalid.

Paragraph (6) of subsection (a) would specifically provide that the mere availability of judicial review as distinguished from the actual commencement of review proceedings, will not require the Attorney General to refrain from deporting an alien or release an alien from compliance with the surveillance and departure requirements of subsections (d) and (e) of section 242 of the Immigration and Nationality Act. It would further provide that nothing in the proposed bill shall interfere with the Attorney General's present authority under subsection (c) of section 242 to detain an alien.

Until recently it was thought that an order excluding an alien from admission to the United States could be reviewed in the courts only by habeas corpus. However, the United States Supreme Court held in *Brownell* v. *Tom We Shung*, that such orders may be judicially reviewed in actions for declaratory judgments as well as in habeas corpus. It is believed that since an alien who has been excluded is ordinarily held in custody habeas corpus provides a wholly adequate remedy for the judicial review of exclusion orders, and accordingly subsection (b) of the proposed section 293 provides that habeas corpus shall be the exclusive method for judicial review of such orders.

Section 30: This section repeals those provisions of existing law relating to naturalization of soldiers and veterans, made necessary by the restatement and codification of that naturalization law as contained in this bill.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I think the gentleman should be complimented on the address he has just made on a rather emotional but difficult problem. I can appreciate the gentleman's frustration in handling private bills, since I find myself starting to use this method also in cases where the restriction in the present immigration laws prohibits human feeling and understanding being put into our processes.

Mr. Speaker, I certainly concur in the principles the gentleman has expressed, and am most happy to join him in cosponsoring this legislation.

Mr. LINDSAY. I thank the gentleman.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, I, too, would like to associate myself with the remarks of the gentleman from New York and I take this opportunity to compliment him for his learned dissertation on a very difficult problem.

May I ask the gentleman from New York if he feels that the present law, which went into effect the day before Christmas, 1952, and which is based on national origin, discriminates against individuals from the southern part of Europe?

Mr. LINDSAY. The answer to that is that it most certainly does, for the simple reason that, as the gentleman undoubtedly knows, when the national origins system was adopted, as I mentioned before, the quota for each foreign country was determined by finding the ratio that the number of inhabitants in the United States whose ancestry was traceable to that foreign country bore to the total number of inhabitants, as that word was defined. For example, let us take Italy: The quota for Italy was determined by taking the number of persons of Italian ancestry in this country under the 1923 census and computing their ratio to the total inhabitant population at that time.

Now, the result of that was that a very, very small quota was established for Italy.

Mr. CONTE. About 5,000, I believe.

Mr. LINDSAY. The exact figure is 5,677. Now, that quota, as well as the quota for Greece, which is a figure of 310, is vastly oversubscribed every year. In contrast, here is the quota for Germany, which is 25,957.

Mr. CONTE. What is the quota for England? Does the gentleman have the quota for Great Britain?

Mr. LINDSAY. The quota for Great Britain and Northern Ireland is 65,721.

Mr. CONTE. Does the gentleman have any idea how much of that quota is used per year by Great Britain and Ireland?

Mr. LINDSAY. I do not have the exact figures with me here, but it is a very small percentage.

Mr. CONTE. A small fraction. Does the gentleman's bill provide that the unused quota of Germany, Great Britain,

and Ireland shall be pooled and be used by these southern countries who have exhausted their quotas?

Mr. LINDSAY. Well, the bill provides that in the entire European region the unused numbers would be pooled. The European region is defined to include Albania, Andorra, Austria, Belgium, Bulgaria, Czechoslovakia, Free City of Danzig, Denmark, Estonia, Finland, France, Germany, Great Britain and Northern Ireland, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Monaco, Netherlands, Norway, Poland, Portugal, Rumania, San Marino, Spain, Sweden, Switzerland, Free Territory of Trieste, Turkey, Union of Soviet Socialist Republics, and Yugoslavia.

This pool would be administered in this regional area exactly as it is now for an individual country; in other words, the pool would first be divided up into first, second, third, and fourth preference, followed by the nonpreference as we have now. In each preference category visas would be issued on the basis of first come first served. Actually this would have resulted in fiscal 1958, assuming that all of the unused numbers had been used, in an increase in the European quota of 51,066 quota numbers; in Asia, 668; in Africa, 893; and in Oceania, 177.

Mr. CONTE. Does the gentleman agree with me that in many of these southern countries in Europe, for instance Italy and Greece, there is a national problem with communism because of the crowded conditions. For example in Italy, which is smaller than the State of New Mexico, and has about 50 million people crowded in a small territory, the people lack the opportunity to better themselves and give their families the necessary ordinary wants. Does the gentleman feel that because of these conditions communism is fostered and that one of the methods of alleviating the condition would be to relax our quota system and give these people the opportunity which they desire?

Mr. LINDSAY. There is no question about the fact that communism feeds on want, on overcrowded conditions, on lack of housing, lack of sufficient food, and breeds on it. And, I am firmly of the belief that, within reasonable limitations, if the quotas for these countries were increased, we would be doing much toward not only alleviating those conditions but demonstrating to all peoples in over populated countries our desire to help them enjoy a greater fullness of life and to give them a greater opportunity to share the blessings of this country. In addition, I believe that this country would benefit. This legislation does not propose to do away with the preferential system. In other words, under the first preference we make findings that persons included in it are needed in this country for the skills that they have, and under the second, third, and fourth preference, we bring together families and relatives that long have been separated.

Mr. CONTE. Mr. Speaker, the bulk of these people, particularly the Italians, came to the United States at the turn of the century. I believe there are more people of Italian extraction in the city of New York, which the gentleman represents, than are in the city of Rome, Italy. These people have proven themselves good citizens. They have adapted themselves to this country. They lead all other nationality groups in the United States in becoming American citizens once they are here. They have contributed greatly to this country in every area of endeavor. They have been patriotic citizens.

When we read the terrible lists of war casualties and war prisoners in World War II and the Korean conflict, we read the names of Adams and of Parker as well as the names of Scalopini and Derwinski and the names of all the other nationality groups here in the United States.

The first- and second-generation Americans have made a tremendous contribution to this country. Certainly there were no quota systems when Americans were called for duty in World War II or the Korean conflict. These men were patriotic men.

I believe that one of the first men who received the Congressional Medal of Honor in World War II was of Italian extraction, a boy by the name of Basiloni from the State of New Jersey. They have made tremendous contributions to this country, and now they are being made second-class citizens by this law which was passed in 1952.

Mr. LINDSAY. Mr. Speaker, I thank the gentleman for his comment. The men, women, and children of Italian extraction in the great city of New York, where I come from, and the district that I represent, are leaders in their community. They are substantial and forward looking citizens who have made a great contribution. The city of New York and Manhattan, which I am proud to represent, would be a far lesser place without such people. I thank the gentleman for his excellent comments.

Mr. CONTE. One other observation I would like to make. The gentleman from New York has the honor of serving on the Committee on the Judiciary. Without making this a partisan statement, these people have been fighting now for many years to relax this quota system. The Democratic Party has a large majority in the House of Representatives and in the United States Senate. Certainly the burden is upon them, the responsibility is upon them in the 86th Congress, to pass a law to relax the quota barriers that are put in the way of these people from the southern part of Europe. I think they owe it to the people to go back into the various districts of the United States when they run for reelection next year and explain to them, if they do not pass such a law, why they do not pass a law relaxing those restrictions.

Mr. LEVERING. Mr. Speaker, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Ohio.

Mr. LEVERING. I wanted to ask the distinguished gentleman from Massachusetts whether he had introduced legislation on this subject.

Mr. CONTE. I am working on a bill, and I am planning to introduce legislation similar to the bill that the Representative from New York has filed.

Mr. LEVERING. I thank the gentleman.

Mr. KASEM. Mr. Speaker, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from California.

Mr. KASEM. I only wanted the record to show that these immigration acts were enacted during times when the Democratic Party was not in the majority. I thank the gentleman.

Mr. LINDSAY. I would comment on that by saying that the Walter-McCarren Act was the creature of a Democratic Congress. Am I not correct on that?

Mr. KASEM. The Walter-McCarran Act was a codification of a great deal of legislation that had its inception immediately after World War I and during the twenties, when we first began to limit immigration to this country. They adopted this quota system then which was in principle that people who were not of the white race would not even be regarded as inhabitants of the United States. That includes American Indians. It put this matter on a racial basis and adopted the principle of national origins. I do not argue with the principle of national origins but I do take issue with the fact that they chose in determining the quotas to adopt a principle that recognized only people of one race.

Mr. LINDSAY. The comment I would make, so that we are clear on it, is that the McCarran-Walter Act is the act that this legislation which I have introduced seeks to overhaul. My bill is designed to eliminate as much as possible the built-in discrimination in this law. What I am trying to do here comes within my definition of the word "liberal." This, and civil rights legislation, are the kind of legislation that is needed in this country. I hope that we may see cooperation and leadership from the majority side in this House in order to enact this legislation this session of Congress.

Mr. CONTE. May I answer the gentleman from California? I am not interested in what past Congresses have done. But we must recognize that the Democrats have a strong and large majority in this 86th Congress. I hope that we can join with them in a crusade to relax the barriers which discriminate against the people from southern Europe. I hope that the Democratic leadership will give us an opportunity to vote on this bill in the 86th Congress. However, I do want to make it definite and clear that if the Democrats do not bring constructive immigration legislation to the floor, and themselves vote in favor of such legislation, then they must answer to the public as to why they did not pass a law in the 86th Congress relaxing the discriminatory immigration quotas to the United States.

Mr. LINDSAY. May I make this comment in answer to the gentleman from Massachusetts, that his statement is absolutely correct. It is time we had revision of the quota system. I think the bill I have submitted is good legislation, and I shall support it, with the help of Members of Congress on both

sides of the aisle, to the end of my ability. I am not wedded to it, however, and I shall examine and listen with an open ear and mind to any and all legislation which will go to the heart of the matter and will reasonably and comprehensively revise the present system.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I think, if the gentleman will permit me to call something to his attention, that he should have mentioned in pointing out the long-range benefits of his thinking—and I also would like to call this to the attention of the gentleman from Massachusetts, who I assume because of his obvious interest in the problems of Italian immigrants must be of Italian extraction. Is that correct?

Mr. CONTE. I am, but that is not the only reason I am interested in this.

Mr. DERWINSKI. I think the gentleman from New York, representing New York City, and the gentleman from Massachusetts, with an interest in the whole subject matter, should remind all of us, for example, that without the help of Frankie Crosetti, Tony Lazzeri, Joe DiMaggio, and Phil Rizzuto the New York Yankees would never have achieved the fame they now have. I think the gentlemen should be reminded of that.

I think the gentleman from New York mentioned his experience in an association at the time of the Hungarian Revolt. I assume the gentleman will agree with me that traditionally America as a land of the free has always been held in high regard by the people of Europe and throughout the world. The gentleman in his legislation does provide the means whereby the Department of Justice and Congress and other agencies of the Government will properly screen and handle the immigrants so that the people we do admit under the gentleman's bill will be full-fledged, sincere, sound American citizens, and there will be no danger of any undesirable people flooding into this country.

Mr. LINDSAY. To answer the gentleman, the means are provided and the safeguards are there. A good example of how this can work is the refugee system that was set up immediately on the heels of the Hungarian revolution. Thirty thousand Hungarian escapees and refugees were speedily admitted to this country, with an absence of red-tape. Under this flexible arrangement a very, very small handful were speedily returned to Austria or to countries to which they had escaped themselves on leaving Hungary when it was discovered, on full investigation, that an error had been made; in other words that we had taken a person who was not a bona fide escapee or refugee. There were some errors made, but very few, and under this flexible system, they were speedily remedied. Bear in mind, that under this flexible arrangement, even though such refugees are here, they have not technically entered. That is to say, the normal processes of immigration do not immediately take hold.

Mr. KASEM. Mr. Speaker, will the gentleman yield?

Mr. LINDSAY. I yield.

Mr. KASEM. I would like to say to the gentleman from Massachusetts by way of apology, after he took the precaution of stating that he did not mean to inject a partisan note, that my instinctive reaction was that I felt I had to defend the Democratic Party. But, I do want to say this—that I, as a good solid Democrat, am heartily in favor of the proposals presently being made by the gentleman from New York. I not only want to commend the gentleman, but I want to express my immense gratitude for the hard work that he has done toward trying to correct something that sorely needs to be corrected. I am in complete sympathy with the gentleman's remarks about the Italian people and their illustrious accomplishments. I say that somewhat as an opera lover, but I say that for other reasons as well. I am not in a position to be able to promise to deliver to you the Democratic vote, but I can promise to deliver to you one Democratic vote and I predict that the bill, when it comes before the Congress, will get more support from this side of the aisle than from the other side of the aisle.

Mr. LINDSAY. Mr. Speaker, I yield to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. I am very much interested in the gentleman's bill and am greatly interested in all that the gentleman said. I want to join my colleagues on both sides of the aisle in what they have said about my colleague from Massachusetts the Honorable SILVIO CONTE. He made a very wonderful record in the general court in the State of Massachusetts, and he is making a wonderful record here. He is a very fine man. I rejoice that he is of Italian descent because I have so many people of Italian descent in my district and they are so very fine. We are very proud that Judge Julian, of Watertown, in my district was recently appointed a judge. He, too, is of Italian descent. The gentleman, if I recall correctly, during the course of his remarks used the words—kind or humane operation of the law—and I hope he is taking that into account with his work on this legislation. Time and time again I have known of cases in my own district and elsewhere where it was agreed a person was to stay in this country and just when they had settled down, feeling that they were safe, some Federal representative from either Washington or at the State level has insisted that the man be put on a ship and be deported and the person would almost be deported. I have had a number of such cases and I know of a good many other cases. That, of course, is what takes place in the operation of the law. I think it is an outrage. I think the personnel of the Washington office and the personnel in the State offices should be admonished to administer the law fairly, and when a man's deportation is stayed, he should not be forcibly put on a ship and nearly deported. I would like to ask the gentleman the question whether he will take that matter up also with the Department of Justice?

Mr. LINDSAY. I thank the gentlewoman. I share her feeling of compassion in this whole area. I wish to assure her that her remarks strike a responsive chord with me. May I add that I join with the gentlewoman 1,000 percent in her admiration of the gentleman from Massachusetts [Mr. CONTE]. The State of Massachusetts has shown great wisdom in electing not only the gentlewoman [Mrs. ROGERS], but the gentleman from Massachusetts [Mr. CONTE], and other fine Members from Massachusetts to this body.

I am delighted, also, that the President has recently honored another gentleman from Massachusetts of Italian extraction, as you have just pointed out, in elevating to the Federal bench Mr. Anthony Julian.

Mrs. ROGERS of Massachusetts. I would like to ask the gentleman about another matter. Does the gentleman not feel that the law is too strict regarding stowaways?

Mr. LINDSAY. If so, there are cases that could be adjusted, if meritorious, under this proposed legislation.

Mrs. ROGERS of Massachusetts. But the law on stowaways is so strict it seems to make no difference for what reason the man was a stowaway, nor do they take into account the fact that for 10, 20, or 30 years he may have been a remarkable citizen and raised a nice family.

Mr. LINDSAY. It is not just stowaways. Under the present law, there is no flexibility to take care of any meritorious case.

Mr. LEVERING. Mr. Speaker, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Ohio.

Mr. LEVERING. I merely rise to compliment the gentleman on his very timely remarks in this very important issue. I am sure his cogent remarks will be considered by every Member of this House on both sides of the aisle. It certainly goes to the very heart of our great traditions and American ideals.

Mr. LINDSAY. I thank the gentleman.

Mr. Speaker, I yield back the balance of my time.

SEVENTEENTH ANNIVERSARY OF CORREGIDOR

The SPEAKER pro tempore (Mr. PRICE). Under the previous order of the House the gentleman from Ohio [Mr. LEVERING] is recognized for 10 minutes.

Mr. LEVERING. Mr. Speaker, today is the 17th anniversary of the fall of Corregidor, the island fortress which we had considered impregnable in the Philippines.

Like tens of millions of other Americans, I felt a qualm and a sadness on that fateful day on May 7, 1942, when I learned that Corregidor, our greatest bastion in the Pacific, had fallen before the onslaughts of the Japanese invaders.

As one of those hundreds of prisoners being held captive by the Japanese at that time, I cannot say that I lost

hope, but I can say that there was a sinking feeling in the pit of my stomach. I knew then that the way back toward victory was going to be long and rough and hard and bloody. My fellow prisoners and I felt that we still had a chance, but we knew that the odds against us had been lengthened.

Mr. Speaker, it was just a little less than 15 years ago that a Japanese prison ship docked at Mogi on Kyushu Island, Japan, loaded with American prisoners of war who had survived more than 2 years of starvation in filthy, disease-ridden prison camps. This "hell ship" had been on the China seas some 17 days and the men had received hardly any food or water in all that time. Only the crudest sanitation facilities had been provided by our captors.

I might add, Mr. Speaker, that these same people came to us later with fear written on their faces and with quivering lips, told us of the terrible weapon that our country was using against their homeland. They had sown to the wind and now they were reaping the whirlwind.

To give you some idea as to the condition of these men who had fought so valiantly in the defense of Bataan and Corregidor, when we were herded down the streets for the populace to see, those people who had used human waste on their vegetable gardens for centuries, held their noses and turned away at the sight and stench of us.

It is a source of pride to me that in spite of the fall of Corregidor and of the other defeats that regularly marked the news on that far-off day 17 years ago, the Filipinos did not falter in their support of the United States of America. We had gone into the Philippines on the heels of the Spanish tyranny, and we had striven to work with the natives there for many decades, in order to plant the seeds of freedom and democracy in the far-off Pacific. I am happy today to be able to say that the Filipinos stood with us almost to a man during World War II, in spite of the viciousness of the Japanese and the terrible hardships that came to all of them as a result of the Japanese invasion. We, today, can believe that it is possible to spread an ideal in the world, despite great odds, for we proved in the Philippines that we could spread the ideal of free government to a people who had never known freedom in its real and best forms.

The Filipinos had one great martyr who was their national hero, and I sometimes think that the knowledge of him that had been spread among the people was one of the great reasons why the Filipinos rallied for our side. I refer to Jose Rizal, who had been put to death by the Spaniards because he had striven to lead his people to victory. The name of Jose Rizal will be numbered among the great men of world history, when the final books are written about the men who contributed most toward the spread of human freedom on earth. He was a little man, but he was a leader from the day he became a young man until the day he gave his life for his people. The blood that was splattered when the Spanish soldiers assassinated Jose Rizal caused the birth of new ideas for freedom all over the Philippines.

So today, in commemoration of Corregidor Day, I would like to pay tribute to the Filipinos who stood with us when the chips were down. They proved that when freedom was at issue, they would not falter. Even now, we know, in spite of the many difficulties that the Filipinos have encountered in striving to build a free and representative Republic in the Far East, they are achieving mightily and they will stand with us in any forthcoming fight for freedom. The close comradeship between the citizens of the United States and the Filipinos has been one of the hallmarks of our program with other nations since World War II. We found that while it was not possible to buy friendship, it was possible to make firm and lasting treaties of the heart between people of America and people of other nations, regardless of their race, creed or color. We found on Bataan and Corregidor that the Filipino could be a friend in need and a friend in deed.

All of the brave Americans and Filipinos who died defending Bataan and Corregidor, and all the brave men who fought and died until victory was won were paying the price to keep our blessings of liberty.

As the memories of that war in the Pacific grow dim, I am disturbed by a mounting complacency on the part of many of us who sit in the Congress.

Are we forgetting that it is well to be reminded that eternal vigilance is the price of liberty.

Mr. Speaker, I believe it is to be regretted that so many years have elapsed since the war without a fitting memorial being erected on the hallowed ground of Corregidor in tribute to all those who fought and died in the cause of freedom in the Pacific in World War II. Such a memorial might well become the Statue of Liberty of the Far East—a tangible symbol of hope for those who love freedom in that entire area of the world.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. LEVERING. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am glad that the gentleman spoke of the anniversary of Bataan and Corregidor today. It must mean a great deal to him with all his memories and all of his suffering and the gallantry of himself including the men of the Philippines. I am so glad he has told us not to forget, because today it is so easy to forget in the stress of life today. I hope some memorial may be erected there to our gallant soldiers, as the gentleman suggests; and, if there is anything I can do to help, please let me know. We should do them all honor. The gentleman spoke to me recently about a further investigation and research work on the damage done to prisoners who were practically starving for so long. They should have the advantage of all medical help.

Mr. LEVERING. I thank the distinguished gentlewoman from Massachusetts for her remarks.

KOREN KOLLIGIAN, JR., FLIGHT SAFETY TROPHY AWARD TO 1ST LT. JAMES E. OBENAUF

The SPEAKER pro tempore. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, today I attended the second annual award of the U.S. Air Force's Koren Kolligian, Jr., Flight Safety Trophy, which was made this afternoon to 1st Lt. James E. Obenauf by Gen. Curtis E. LeMay, Air Force Vice Chief of Staff, in ceremonies held at the Pentagon.

The Koren Kolligian family, from Winchester, Mass., donators of the trophy, were present for the presentation in General LeMay's office. Mr. and Mrs. Kolligan are among my finest constituents.

The trophy, presented each year to the air crewman who most successfully handles an emergency situation in flight, was presented to Lieutenant Obenauf for landing a crippled B–47 from his copilot seat and saving the life of Maj. Joseph B. Maxwell, navigator, of Portsmouth, Va., who lay unconscious in the crawlway of the aircraft. This occurred on the night of April 28, 1958, on a high altitude training mission out of Dyess Air Force Base, Tex., Obenauf's duty station.

At 34,000 feet the aircraft developed a fire and explosion in the right outboard engine. The aircraft commander ordered the crew to abandon the aircraft. He and the navigator bailed out. Lieutenant Obenauf en route to the alternate exit saw the unconscious body of Major Maxwell, an instructor navigator, lying on the aircrew compartment walkway. Obenuaf's awesome decision was whether to bail out and save himself or remain with the B–47 and try to save his fellow officer from certain death. He chose to return to the copilot's seat and skillfully gained control of the aircraft.

The B–47's canopy and downward escape hatch cover had been jettisoned, and frigid air filled the cockpit, making it difficult for Obenuaf to see and interpret the readings on the aircraft instruments. In spite of these difficulties that continued for 2 hours, Lieutenant Obenauf eventually brought the crippled plane to a safe landing at Dyess AFB, saving the life of his fellow officer as well as preventing the loss of a valuable aircraft.

Lieutenant Obenauf is the son of Mr. and Mrs. Fred G. Obenauf, Route No. 1, Grayslake, Ill. He is married to the former Patricia M. Connors, of Chicago. They have two sons. Lieutenant Obenauf, assigned to Strategic Air Command's 341st Bomb Wing at Dyess as a jet bomber pilot, entered the Air Force in 1955 when he took pilot training. He is 24 years old.

The trophy was donated to the Air Force in the name and memory of 1st Lt. Koren Kolligian, Jr., USAF, who was declared missing in a T–33 jet aircraft off the Farallon Islands near San Francisco in 1955. He was assigned to McClellan AFB, Calif., at the time.

The trophy was established to recognize outstanding feats of airmanship by

aircrew members who, by extraordinary skill, exceptional alertness, ingenuity, or proficiency averted aircraft accidents or minimized the seriousness of accidents in terms of injury, loss of life, or property damage. In presenting the trophy to Lieutenant Obenauf, General LeMay said the young officer distinguished himself in the highest tradition of the Air Force.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MAILLIARD, for May 12, 13, and 14, on account of official business.

Mr. DIGGS (at the request of Mr. MACHROWICZ), for 1 week, on account of illness.

Mr. CHENOWETH, for May 11, 12, and 13, on account of official business attending the annual meeting of the Board of Visitors to the Air Force Academy at Colorado Springs, Colo.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mrs. ROGERS of Massachusetts, for 5 minutes, today, and to revise and extend her remarks and include extraneous matter.

Mr. WOLF (at the request of Mr. RANDALL), for 60 minutes, on Monday, May 18.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MULTER and to include extraneous matter.

Mr. JONAS, his remarks in Committee of the Whole today and to include excerpts from a report of the Comptroller General of the United States.

Mr. BOSCH and to include extraneous matter.

Mr. PATMAN and to include extraneous matter.

Mr. FULTON.

Mr. EVINS and to include a press release.

(At the request of Mr. RANDALL, and to include extraneous matter, the following:)

Mr. BOWLES.

Mr. WOLF in three instances.

Mr. GALLAGHER.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 5610. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes.

ADJOURNMENT

Mr. RANDALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 31 minutes p.m.), under its previous order, the House adjourned until Monday, May 11, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

948. A letter from the Secretary of Defense, transmitting the semiannual report of the Secretary of Defense, together with the reports of the Secretaries of the Army, the Navy, and the Air Force, for the period from January 1 to June 30, 1958; to the Committee on Armed Services.

949. A letter from the Comptroller General of the United States, transmitting a report on the review of selected activities of the government of the Virgin Islands for the fiscal year ended June 30, 1958; to the Committee on Government Operations.

950. A letter from the Acting Secretary of the Interior, relative to an application for a loan of $2,040,000 to the Pleasant Valley County Water District of Ventura County, Calif., pursuant to Public Law 984, 84th Congress, as amended by Public Law 85–47; to the Committee on Interior and Insular Affairs.

951. A letter from the Acting Secretary of the Interior, relative to an application for a loan of $3,878,000 to the Georgetown Divide Public Utility District in El Dorado County, Calif., pursuant to Public Law 984, 84th Congress, as amended by Public Law 85–47; to the Committee on Interior and Insular Affairs.

952. A letter from the Director, Administrative Office, U.S. Courts, transmitting a draft of proposed legislation entitled "a bill to amend section 632 of the Bankruptcy Act (11 U.S.C. 1032), by inserting the word "first" before "meeting" and by adding a new section 644 so as to require claims to be filed and to limit the time within which claims may be filed in chapter XIII proceedings (wage earners' plans)"; to the Committee on the Judiciary.

953. A letter from the Clerk, U.S. Court of Claims, transmitting certified copies of the court's opinion in the case rendered May 6, 1959, in re: *Edward R. Maher and wife, Genevieve Maher,* v. *The United States* (Congressional No. 11–56), pursuant to sections 1492 and 2509 of title 28, United States Code, and to House Resolution 490, 84th Congress; to the Committee on the Judiciary.

954. A letter from the Postmaster General, transmitting a draft of proposed legislation entitled "a bill to adjust postal rates of certain first-class mail and airmail, and for other purposes"; to the Committee on Post Office and Civil Service.

955. A letter from the Postmaster General, transmitting a draft of proposed legislation entitled "a bill to repeal the act of June 23, 1948 (62 Stat. 576), relating to the transportation of mail between post offices and airports"; to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McMILLAN: Committee on the District of Columbia. H.R. 2317. A bill to provide for the licensing and bonding of collection agencies in the District of Columbia; with amendment (Rept. No. 342). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS of Louisiana: Committee on Science and Astronautics. Report on Satellites for World Communication (Rept. No. 343). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORRESTER: Committee on the Judiciary. H.R. 2979. A bill to amend section 752 of title 28, United States Code; without amendment (Rept. No. 344). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORRESTER: Committee on the Judiciary. H.R. 5747. A bill to amend section 152, title 18, United States Code, with respect to the concealment of assets in contemplation of bankruptcy; without amendment (Rept. No. 345). Referred to the House Calendar.

Mr. FORRESTER: Committee on the Judiciary. House Concurrent Resolution 17. Concurrent resolution authorizing and requesting the President to designate the period beginning June 14, 1959, and ending June 20, 1959, as National Little League Baseball Week; with amendment (Rept. No. 346). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FEIGHAN: Committee on the Judiciary. House Joint Resolution 353. Joint resolution to facilitate the admission into the United States of certain aliens; with amendment (Rept. No. 347). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. House Joint Resolution 354. Joint resolution for the relief of certain aliens; without amendment (Rept. No. 348). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H.R. 1705. A bill for the relief of Louis J. DeWinter and Simone H. DeWinter; with amendment (Rept. No. 349). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 6964. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. BECKER:

H.R. 6965. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes, to the Committee on Armed Services.

By Mr. BOSCH:

H.R. 6966. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. BUCKLEY:

H.R. 6967. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services,

and for other purposes; to the Committee on Armed Services.

By Mr. CELLER:

H.R. 6968. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. DELANEY:

H.R. 6969. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. DEROUNIAN:

H.R. 6970. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. DOLLINGER:

H.R. 6971. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. DOOLEY:

H.R. 6972. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. DORN of New York:

H.R. 6973. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. DULSKI:

H.R. 6974. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. FARBSTEIN:

H.R. 6975. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. FINO:

H.R. 6976. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. HALPERN:

H.R. 6977. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. HEALEY:

H.R. 6978. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. HOLTZMAN:

H.R. 6979. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mrs. KELLY:

H.R. 6980. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. KEOGH:

H.R. 6981. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. LINDSAY:

H.R. 6982. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. MILLER of New York:

H.R. 6983. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. MULTER:

H.R. 6984. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. O'BRIEN of New York:

H.R. 6985. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. OSTERTAG:

H.R. 6986. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. PILLION:

H.R. 6987. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. PIRNIE:

H.R. 6988. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. POWELL:

H.R. 6989. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. RAY:

H.R. 6990. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. RIEHLMAN:

H.R. 6991. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. ROBISON:

H.R. 6992. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. ROONEY:

H.R. 6993. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mrs. ST. GEORGE:

H.R. 6994. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. SANTANGELO:

H.R. 6995. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. STRATTON:

H.R. 6996. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. TABER:

H.R. 6997. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. TAYLOR:

H.R. 6998. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. TELLER:

H.R. 6999. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. WAINWRIGHT:

H.R. 7000. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mrs. WEIS:

H.R. 7001. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. ZELENKO:

H.R. 7002. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. ANFUSO:

H.R. 7003. A bill to provide for a referendum in Puerto Rico on the admission of Puerto Rico into the Union as a State, and to establish the procedure for such admission if the people of Puerto Rico desire it; to the Committee on Interior and Insular Affairs.

By Mr. ASPINALL (by request):

H.R. 7004. A bill to facilitate the administration of the public lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BARING:

H.R. 7005. A bill to provide for the striking of medals in commemoration of the 100th anniversary of the first significant discovery of silver in the United States, June 1859; to the Committee on Banking and Currency.

By Mr. BENTLEY:

H.R. 7006. A bill to provide for denial of passports to supporters of the international Communist movement, for review of passport denials, and for other purposes; to the Committee on Foreign Affairs.

By Mr. BROOKS of Louisiana:

H.R. 7007. A bill to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction and equipment, and for other purposes; to the Committee on Science and Astronautics.

By Mr. CHENOWETH:

H.R. 7008. A bill to amend section 1(14)(a) of the Interstate Commerce Act to insure the adequacy of the national railroad freight car supply, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. COHELAN:

H.R. 7009. A bill to amend the Federal Credit Union Act; to the Committee on Banking and Currency.

By Mr. CURTIS of Missouri:

H.R. 7010. A bill to provide for an averaging taxable income; to the Committee on Ways and Means.

H.R. 7011. A bill to amend the Internal Revenue Code of 1954 and to encourage small business concerns to engage in foreign trade; to the Committee on Ways and Means.

H.R. 7012. A bill to encourage the use of private benefit plans in lieu of social security by providing that individuals who are eligible for certain benefits under such plans shall not be entitled to social security benefits or subject to social security taxes; to the Committee on Ways and Means.

By Mr. DEVINE:

H.R. 7013. A bill relating to the treatment of certain advertising, sales promotion, and similar items in determining price and price readjustments for purposes of the Federal manufacturers excise taxes; to the Committee on Ways and Means.

By Mr. FOGARTY:

H.R. 7014. A bill to provide for the vesting of primary responsibility for the protection of the public health and safety from radiation hazards in the Public Health Service of the Department of Health, Education, and Welfare, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7015. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a deduction from gross income for tuition and other expenses paid by him for his education or the education of his spouse or any of his dependents; to the Committee on Ways and Means.

By Mr. HALPERN:

H.R. 7016. A bill to repeal the depletion allowance for oil and gas wells in the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. HARRIS:

H.R. 7017. A bill to amend the Communications Act of 1934 for the purpose of substituting a "pregrant procedure" for the "protest procedure" now provided for by section 309, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. IRWIN:

H.R. 7018. A bill to amend the act of June 25, 1958, to provide annuities payable from the civil service retirement and disability fund to unremarried widows and widowers in certain conditional cases; to the Committee on Post Office and Civil Service.

By Mr. JENSEN:

H.R. 7019. A bill to amend the Tennessee Valley Authority Act of 1933 to place the officers and employees of the Tennessee Valley Authority in the competitive civil service, and for other purposes; to the Committee on Public Works.

By Mr. KARTH:

H.R. 7020. A bill to amend section 1(14)(a) of the Interstate Commerce Act to insure the adequacy of the national railroad freight car supply, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KASEM (by request):

H.R. 7021. A bill to establish comparative equalization in monthly income at age 65 for military service rendered by those who retired from the armed services prior to January 1, 1957, based on equal grade and length of service with those who retired after that date, and who are in receipt of social security benefits; to the Committee on Armed Services.

By Mr. KEOGH:

H.R. 7022. A bill to amend the Internal Revenue Code of 1954 so as to permit railroad corporations to take full advantage of tax relief measures enacted or granted by the States and their political subdivisions; to the Committee on Ways and Means.

By Mr. LAFORE:

H.R. 7023. A bill to amend the Internal Revenue Code of 1954 so as to provide for nonrecognition of gain or loss upon certain distributions of stock made pursuant to orders enforcing the antitrust laws; to the Committee on Ways and Means.

By Mr. McCORMACK:

H.R. 7024. A bill to establish a Department of Consumers in order to secure within the Federal Government effective representation of the economic interests of consumers; to coordinate the administration of consumer services by transferring to such Department certain functions of the Department of Health, Education, and Welfare, the Department of Labor, and other agencies; and for other purposes; to the Committee on Government Operations.

By Mr. McSWEEN:

H.R. 7025. A bill to amend the act of July 3, 1918, to provide an open season for 2 months of each year on certain migratory birds; to the Committee on Foreign Affairs.

By Mr. MONTOYA:

H.R. 7026. A bill to repeal the tax on transportation of persons; to the Committee on Ways and Means.

By Mr. MOORE:

H.R. 7027. A bill to amend title 38, United States Code, to increase the annual income limitations governing the payment of pension for disability or death, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. NORBLAD:

H.R. 7028. A bill to amend the Tariff Act of 1930 and the Internal Revenue Code of 1954 with respect to wood dowels; to the Committee on Ways and Means.

By Mr. SELDEN (by request):

H.R. 7029. A bill to provide increases in compensation for food service workers and laundry workers under the Veterans' Administration; to the Committee on Post Office and Civil Service.

By Mr. VINSON:

H.R. 7030. A bill to amend title 10, United States Code, section 2667, to direct the Secretaries of the military departments to lease property for public school use without the reservation of monetary consideration therefor; to the Committee on Armed Services.

By Mr. WALLHAUSER:

H.R. 7031. A bill to amend the Civil Service Retirement Act to remove certain inequitable restrictions with respect to the reemployment of retired Members of Congress; to the Committee on Post Office and Civil Service.

By Mr. WOLF:

H.R. 7032. A bill to permit weekly newspapers to suspend publication for not more than two issues in any one calendar year without loss of second-class mail privileges; to the Committee on Post Office and Civil Service.

By Mr. ADDONIZIO:

H.J. Res. 375. Joint resolution granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency; to the Committee on the Judiciary.

By Mr. AUCHINCLOSS:

H.J. Res. 376. Joint resolution granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency; to the Committee on the Judiciary.

By Mr. CAHILL:

H.J. Res. 377. Joint resolution granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency; to the Committee on the Judiciary.

By Mr. CANFIELD:

H.J. Res. 378. Joint resolution granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency; to the Committee on the Judiciary.

By Mr. DANIELS:

H.J. Res. 379. Joint resolution granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency; to the Committee on the Judiciary.

By Mrs. DWYER:

H.J. Res. 380. Joint resolution granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency; to the Committee on the Judiciary.

By Mr. FRELINGHUYSEN:

H.J. Res. 381. Joint resolution granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency; to the Committee on the Judiciary.

By Mr. GALLAGHER:

H.J. Res. 382. Joint resolution granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency; to the Committee on the Judiciary.

By Mr. GLENN:

H.J. Res. 383. Joint resolution granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency; to the Committee on the Judiciary.

By Mr. OSMERS:

H.J. Res. 384. Joint resolution granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency; to the Committee on the Judiciary.

By Mr. RODINO:

H.J. Res. 385. Joint resolution granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency; to the Committee on the Judiciary.

By Mr. THOMPSON of New Jersey:

H.J. Res. 386. Joint resolution granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency; to the Committee on the Judiciary.

By Mr. WALLHAUSER:

H.J. Res. 387. Joint resolution granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency; to the Committee on the Judiciary.

By Mr. WIDNALL:

H.J. Res. 388. Joint resolution granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency; to the Committee on the Judiciary.

By Mr. GEORGE P. MILLER:

H.J. Res. 389. Joint resolution to provide for the acceleration of the various reforestation programs of the Department of Agriculture and the Department of the Interior, and for other purposes; to the Committee on Agriculture.

By Mr. DEROUNIAN:

H. Con. Res. 172. Concurrent resolution proclamation designating the second week in June of each year as National Little League Baseball Week; to the Committee on the Judiciary.

By Mr. ULLMAN:

H. Con. Res. 173. Concurrent resolution that it is the sense of Congress that House Concurrent Resolution 108, dated August 1, 1953 (83d Cong.), shall be interpreted as stating an objective, not an immediate goal, as it pertains to Indian "termination" of relations with the Government; to the Committee on Interior and Insular Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. FORAND: Memorial of the Rhode Island General Assembly memorializing Congress to proclaim that Victory (V–J) Day

shall be observed as a national holiday; to the Committee on the Judiciary.

Also, memorial of the Rhode Island General Assembly memorializing Congress with respect to raising the allowable income for persons receiving less than the maximum amount under the Social Security Act; to the Committee on Ways and Means.

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to requesting Congress to enact Senate bill 910; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Florida, memorializing the President and the Congress of the United States to provide sufficient funds for commencement of construction of the Cross Florida Barge Canal at the earliest possible time; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Rhode Island, memorializing the President and the Congress of the United States to enact Senate bill 925, dealing with the Immigration and Nationality Act; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Wisconsin, memorializing the President and the Congress of the United States to acquire, establish and develop a Kettle Moraine National Park in Wisconsin; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOGGS:

H.R. 7033. A bill for the relief of Jack Darwin; to the Committee on the Judiciary.

By Mr. CHAMBERLAIN:

H.R. 7034. A bill for the relief of Tomo Vidmar; to the Committee on the Judiciary.

By Mr. DIGGS:

H.R. 7035. A bill for the relief of Hattie and Joseph Patrick, Sr., and for the legal guardian of Betty Ann Smith and the legal guardian of Stanley Smith, and for the legal guardian of James E. Harris, Jr.; to the Committee on the Judiciary.

By Mr. DORN of New York:

H.R. 7036. A bill for the relief of William J. Barbiero; to the Committee on the Judiciary.

By Mr. KASTENMEIER:

H.R. 7037. A bill for the relief of Carl J. Fisher, captain, U.S. Army, retired; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 7038. A bill for the relief of the estate of Oshiro Shoko; to the Committee on the Judiciary.

By Mr. WRIGHT:

H.R. 7039. A bill for the relief of Benjamin Leach, Diogracias Leach, and Rogelio Leach (all the adopted sons of Grady R. Leach, now residing in Okinawa); to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

179. By the SPEAKER: Petition of the president, Capital Unit No. 9, American Legion Auxiliary, Salem, Oreg., petitioning consideration of their resolution with reference to requesting favorable action on S. 1138, a bill to extend education and training benefits to veterans who enter military service from February 1, 1955, and as long as the draft shall continue; to the Committee on Veterans' Affairs.

180. Also, petition of James Dukas, president of Edwardsville Amusement Corp., Kingston, Pa., relative to further information designed to expedite the cases of *Edwardsville Amusement Corporation* v. *Monogram Distributing Corporation*, and *Edwardsville Amusement Corporation* v. *20th Century Fox Film Corporation*, now pending in the U.S. District Court for the Middle District of Pennsylvania, Scranton, Pa; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

The Festival of Jeanne d'Arc

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1959

Mr. MULTER. Mr. Speaker, tomorrow, May 8, marks the anniversary of that glorious day in history when a young maiden, guided by noble visions, led 10,000 men of France to victory over experienced English troops at Orleans. The story of that young woman, Jeanne d'Arc, told and retold in literature, drama, poetry, and art, has been a source of inspiration to thousands ever since. The Festival of Jeanne d'Arc, celebrated tomorrow by the people of France, brings to mind the qualities of Jeanne d'Arc which have made her memory endure for more than five centuries, and the equally endurable bond between France and the United States.

Jeanne d'Arc was a humble but deeply religious shepherdess who loved France and was distressed by France's occupation by foreign troops, its economic crisis, and the prevailing indecision about the right of uncrowned Charles VII to rule. Guided by visions which assured her of Charles' right to rule and commanded her to expel the enemy, Jeanne convinced the Prince of her divinely inspired mission. She was placed in command of 10,000 men and led them to the dramatic and impressive victory at Orleans, resulting in the liberation of large portions of French territory and the coronation of Charles as King. The strength and purity of purpose of the Maid of Orleans raised the spirits of the French troops from the depth of defeat to the height of victory.

The qualities which made Jeanne d'Arc an inspiring leader are ones which will always be needed in times of national crisis and which are essential in the free world today. One of these qualities is humility, the maintenance of a modest sense of one's own significance in relation to the rest of the world. Another is religious faith, belief that there is a divine will and a sincere attempt to follow this will. A third such quality is a sense of mission and wholehearted dedication to a cause which one believes is worthy. Courage, purity, and patriotism were other qualities which have made Jeanne d'Arc a heroine to peoples of all countries.

It is France and the people of French descent in this country who are especially remembered on this anniversary of the victory at Orleans. Many of the first settlers of this country came from France, and since 1820 more than 600,000 additional men and women have journeyed from France to make their home in the United States. Moreover some 270,000 French-speaking people who were born in Canada are now living in this country. In our neighbor to the north almost a third of the people are of French origin, and the flourishing French culture in some localities there is a source of delight to all American visitors. We are grateful for the great contributions in many spheres of life which have been made to our country by its citizens of French origin.

Ever since Lafayette came to the aid of the Continental Army led by George Washington, France has occupied a special place in the hearts of Americans. Gratitude for French assistance in time of need has been supplemented by a common devotion to liberty, democracy, and the rights of individuals. Today the alliance of France and the United States under the North Atlantic Treaty is essential to the maintenance of the ideals of liberty, justice, equality, and democracy which our two countries hold so dear. It is my hope that our bonds with France will not only be continued but that they will be expanded and strengthened in the years to come, and that NATO will be expanded from a military alliance into a means for increasing cultural, economic, and politicals ties as well. On this day celebrating the festival of Jeanne d'Arc, let us dedicate ourselves to strengthening these ties so that we can be sure that the great tradition of liberty shared by France and America will never be obliterated but will reach ever greater heights of realization.

Essential That H.R. 3460 Be Passed as Reported

EXTENSION OF REMARKS

OF

HON. CHESTER BOWLES

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1959

Mr. BOWLES. Mr. Speaker, under leave to extend my remarks, I wish to include the following comments on H.R. 3460, the bill now before the House.

I think it is highly important that this bill be passed by this body as reported from the Committee on Public Works.

The exhaustive study given to this proposal by the Public Works Committee fully supports the bill in its present form without amendments. To adopt restrictive amendments now to prevent TVA from issuing effective revenue bonds in the private money market for financing future power generation facilities would be highly obstructive.

There is no question in my mind, Mr. Speaker that TVA is known the world around as the single, most imaginative American contribution to resource development in the last quarter century. All over the world people are trying to emulate and adapt TVA for their own economic growth.

It is one of the supreme ironies of the day that this administration proclaims its enthusiasm for economic development projects abroad while it does everything in its power to undercut TVA here at home.

Not one cent has been appropriated to start new generation facilities for TVA in the last 6 years. We have been told from the other end of Pennsylvania Avenue that TVA should raise all the money it needs by issuing bonds. So now we have a second supreme irony. The bill before us would enable TVA to do just what the administration says it should do, but now spokesmen for the administration are trying to amend this bill out of existence.

Mr. Speaker, every power company in the United States knows that it must maintain new investment in plants on a continuing basis to keep its facilities in line with increasing demand for power. If TVA can obtain neither appropriations nor effective authority to raise money by selling bonds, the long term efforts of those who have always opposed TVA will finally be successful.

It takes at least 3 years to plan and construct a large generating facility for TVA. If the people of the Tennessee Valley and the United States at large are not to be deprived of the extraordinary range of benefits which TVA has given us over the years in terms of power, flood control, navigation and water supply, I believe it is essential that H.R. 3460 be passed as reported.

The Rural Electrification Administration

EXTENSION OF REMARKS

OF

HON. LEONARD G. WOLF

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1959

Mr. WOLF. Mr. Speaker, the President saw fit to veto the REA bill. I am happy to count myself among those who voted to override this veto.

I wish to make a brief statement of my views regarding the Rural Electrification Administration.

The REA is a Federal lending agency which loans funds to local nonprofit cooperative associations in 46 States. These cooperatives serve farms and other enterprises in rural areas which do not have electric service. By law they cannot serve anyone who already has central station service. In other words, they cannot take business away from anyone.

If serving these farms and other enterprises offered an opportunity to make a profit, the private companies would have brought their lines to them and thereby eliminate the need for REA service.

As you know, the rural electric cooperatives do repay their loans to the Government with interest, and their loan repayment record is unequalled. It is better than the record made by any other Federal lending agency.

It is true that the interest rate at 2 percent is low. Congress has seen fit to maintain that rate of interest to make possible the serving of all people who require service. Many of them live in remote areas where costs of service run high. It is estimated that about half of the rural consumers do not pay their own way; the other half have to make up the difference.

The rural electric cooperatives do not provide unfair competition to the private companies. In fact, they provide a good market for privately generated power. In 1956, REA borrowers purchased 49 percent of their power from private power companies. In Iowa they purchased 82.4 percent of their energy from private power companies. This has meant good business for the power companies. The REA estimates that rural electric cooperatives will buy a billion dollars' worth of appliances and chore equipment in 1959. This means good business for the electrical industry.

If the 2-percent rate of interest to rural electric cooperatives is considered to be a preferential rate, I think it is only fair to consider certain benefits that the Federal Government grants to the private power companies.

Quick reference to the CONGRESSIONAL RECORD of June 19, 1957, shows that the Office of Defense Mobilization granted accelerated depreciation certificates to electric power companies in an amount that exceeded $3.3 billion during the period 1950 through May 1, 1957. In Iowa, the amount certified totaled $31.8 million, or nearly 10 percent of the U.S. total during the same time.

This, in effect, gives the companies interest free loans and results in enormous financial benefits. I do not believe anyone could deny that these benefits are subsidies.

An estimate of the subsidy benefits that will accrue to various companies for accelerated depreciation that was certified between 1950 and May 1957, has been made in Washington. According to this estimate, six Iowa companies will benefit in the amount of $47.8 million during the normal depreciation period of most of the utilities' facilities.

I am not attempting to make a point that one group is favored more or less than another, but I do want to emphasize that our Government is not helping one group to the exclusion of others. It attempts to treat all groups with fairness. We have a Government, thank God, which is for all of the people, and in my small way I will help to keep it that way.

I believe that there is a place for both public and private power and I would not favor reducing the activities of either. I believe we have a stronger America because we have both forms of organization. For many years growth of private and public power has been parallel and one has not been reduced by the other.

Why the Kremlin Will Not Disarm

EXTENSION OF REMARKS

OF

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Thursday, May 7, 1959

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the text of a very interesting article on disarmament by Mr. CHESTER BOWLES, Representative from Connecticut, former Governor of that great State, and former Ambassador to India from the United States. The article appeared in the magazine section of the New York Times of April 19, 1959.

Mr. BOWLES discusses the reasons why it would be in the interest of the Soviet Union to enter into disarmament agreements with the United States and other nations. He also suggests the factors which, nevertheless, make it difficult for the Kremlin leaders to take precisely those steps which it is in their interest to take.

In view of the timeliness and the importance of the disarmament question, this analysis of "Why the Kremlin Will Not Disarm," should be of value to every Member of Congress, the administration, and the public as well.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY THE KREMLIN WILL NOT DISARM

(By CHESTER BOWLES)

WASHINGTON.—Negotiations on suspension of nuclear-bomb tests have been resumed at Geneva. Within a month, the Foreign Ministers Conference will convene in the same city. Presumably, it will be followed by a summit meeting.

All three conferences will be watched intently for any sign of a possible break in the nearly 15-year deadlock on disarmament. Discouraged and facing an apparent impasse, the world wonders whether anything effective can still be done to escape from the vicious circle of the arms race.

Clearly, an agreement on a test suspension alone would not reduce armaments. It could, however, be an invaluable precedent for further advances if agreement were reached on a control system. Yet the Soviet Union has insisted on a veto power over every operating phase of the complex control system needed to supervise a nuclear test ban. The Kremlin knows that no American Government could agree to such a veto. On its face, then, the Soviet position suggests

that the Russian leaders do not want a workable agreement.

Why do they not press for a sweeping disarmament program? There are two potent reasons why they should do so: First, the Soviet Union could divert military expenditures to consumer production with immediate advantage at home and abroad. Second, according to Kremlin dogma, the capitalist West is largely dependent on its armament industries for continued prosperity.

As for the first reason, something like 22 percent of the Soviet Union's productive energies is now allocated to the military. With a gross national product of about $190 billion, this is equivalent to some $40 billion annually. A general disarmament agreement would enable the Kremlin planners to divert most of this vast sum to other activities that would enormously strengthen the Soviet position.

Inside the Soviet Union, massive attacks could be launched on the grave housing shortage. Within 10 or 15 years, urban and rural slums could be wiped out in much of the country.

The production of Soviet automobiles and other consumer goods could be expanded rapidly. Showplaces could be created to awe and impress foreign visitors with the accomplishments of communism.

Simultaneously, the Kremlin could launch a heavily subsidized export offensive to undercut the trading position of the capitalist powers in the underdeveloped continents and, indeed, in Europe itself. Typewriters, automobiles, trucks, and other equipment could be priced to undersell American, British, French, and German goods by 30, 40, or 50 percent. Communism, Mr. Khrushchev never ceases to tell us, would surely win any headon test in peaceful competition.

As for the second reason for Russia to press for disarmament, the Communists assert that as American armament industries closed down, unemployment would rise, and purchasing power would dry up. Rapidly spreading depression would lead to bankruptcies, privation and bitter political differences which would hasten the collapse of capitalism and the coming of the Communist triumph.

Although this Marxist analysis greatly overstates our problem, even the most confirmed of us capitalists must agree that a major reduction in armament spending would create substantial difficulties for American industry.

True, if Congress cut taxes drastically, billions of dollars could be diverted from Government armament purchases to the bank accounts of consumers and businessmen, most of whom would spend their windfalls on immediate family purchases or for job-creating expansion.

Substantial sums could also be appropriated to meet the needs of the neglected areas of domestic national interest—housing, roads, urban renewal, hospitals, schools, and many others. In addition, we could sharply expand our now inadequate economic aid programs to Asia, Africa, and Latin America and thereby lay the basis for an expanding export trade.

Yet the current political atmosphere in the United States makes it questionable whether these decisive steps would, in fact, be taken with the necessary swiftness. And even if they were, many months of difficult adjustment would have to pass before their effects were felt. In the meantime, our Soviet competitors—with the speed available only to a totalitarian system—would be opening up new markets, pushing us out of old ones and impressing millions of visitors from all over the world with the physical accomplishments of communism.

On both these counts the Soviet Union appears to have every reason to work for a broad disarmament pact. The Russian leaders have issued broadsides, waved banners and released peace doves. Yet, on the negotiating level, they have failed consistently to come up with positive, workable proposals. Why?

The first answer is given by a group, consisting largely of professional military men (but by no means representing a cross-section of military opinion), that takes a narrow and cataclysmic view. Their argument holds that the Soviet refusal to come to grips with the disarmament issue is proof that the single, unalterable objective of the Soviet Union is to dominate the world by force.

Lenin, they remind us, put it coldly and clearly: "The prolonged existence of the Soviet Republic side by side with imperialist states is unthinkable. One or the other must triumph in the end. And before that end supervenes, a series of frightful collisions between the Soviet Republic and the bourgeois states is inevitable."

Once the Kremlin decides that it has a decisive advantage it will order an attack. Negotiations, in the meantime, are designed solely to soften us for the kill.

At the other extreme lies a group that gives a second answer. Idealistic to the point of being utopian, these people expect the best from all mankind, even from those who set Soviet policy. Sensitive to our genuine shortcomings, they find the answer to the disarmament impasse in the defects of American policy. The Kremlin has not accepted disarmament, they hold, because we have not tried hard enough.

I suspect, however, that the real explanation is far more complicated. The forces at work on disarmament policy within the Soviet Union are necessarily matters of guesswork, but war and peace may ultimately hang on the outcome of these guesses. I am convinced that an explanation of present Soviet behavior must also include these factors:

1. A genuine fear among the Soviet leaders of the very forces which they themselves have brought into being—a resurgent, armed Germany; NATO, and the worldwide American nuclear base system.

2. Their 650 million dynamic, land-hungry Chinese neighbors who seem likely sooner or later to bid for leadership of the Communist movement.

3. The extent to which the Soviet leaders themselves are victims of the Russian tradition of secrecy, and the relative advantages secrecy genuinely gives them in an armaments race with our more open society.

4. Policy hesitations and conflicting pressures—differences, for instances, within the Communist Party and between it and the armed forces—which may limit the Kremlin's freedom of action as similar differences limit our Government's.

Finally, I would add my personal guess that one of the primary factors that may be causing the Kremlin second thoughts about disarmament can be summed up in the one word "Hungary." Following the relaxation in tensions after the Big Four meeting in Geneva in 1955, a sense of possibility spread throughout the Communist empire, erupting in the upheaval in Poland and the revolt in Hungary.

As the Kremlin saw the raw temper of the suppressed people in Eastern Europe so furiously expressed, it must have been profoundly shaken by the possibility that in a more relaxed and disarming world its empire would disintegrate.

For the Soviet leaders, therefore, any genuine moderation of the cold war must be a terrifying thing, something that any totalitarian state would approach with supreme hesitation, for it would mean the abandonment of the unifying fears that have helped to hold the Soviet Union together, and the opening of the secret state.

Under the circumstances, what ought we to do? The answer is difficult. Since our estimates of Soviet intentions can be based only on guesswork, we must be prepared for any eventuality. To accomplish this, it seems to me, our policy must be threefold:

1. We must prepare for the worst—that Russia is determined not only to dominate the world but to do it by force.

As long as the Soviet Union refuses to negotiate a meaningful disarmament agreement, authoritative studies like the Gaither Committee and Rockefeller Brothers reports provide a persuasive case for an immediate strengthening of the American military position. They particularly emphasize the need for expanded ground forces, capable of fighting localized wars in any part of the world, with air transport that could bring troops swiftly into action.

In addition, Senator STUART SYMINGTON and others have convincingly underscored the need for a sharp acceleration in the development and production of missiles, in the light of dramatic new Soviet accomplishments in this field.

There are two reasons why the administration and Congress should consider these proposals. On the one hand, we are helpless to do otherwise. Those observers who assert that Soviet reluctance seriously to consider disarmament is proof that the Kremlin plans a war at a time and place of its own choosing may, in fact, be correct. In the absence of better evidence to the contrary, we cannot afford to take chances.

On the other hand, if Soviet reluctance to disarm is based on a wider variety of factors, there is an outside chance that our decision to match the Kremlin missile for missile might help to persuade the Russian leaders that the race has become too expensive and too dangerous, and that a major relaxation of the arms competition would be in their interest.

2. At the same time, we must call the Russians' bluff by demonstrating convincingly to the world that a step-up in our military programing is no more than a logical response to an impasse created by the Kremlin—that we are willing and anxious to negotiate large-scale disarmament.

This suggests the need for an immediate and searching reexamination of the uncertainties in our position. It is common knowledge that there are deep divisions within the administration on what we should do. Although the State Department recently has appeared anxious for genuine negotiations, the Pentagon and the Atomic Energy Commission have been allowed to snipe at this policy in public and to undercut it behind the scenes.

The White House could do much to persuade skeptics of our sincerity, both at home and abroad, by affirming its own vigorous support of our official position at Geneva, and by cracking down on those members of its administration who oppose it.

The Geneva negotiations, moreover, relate to only one small aspect of the arms race. Where would we be if the Soviet Union should suddenly follow the logic of taking an affirmative interest in arms control, and confront us with workable proposals to accomplish what we have said we wanted all along—that is, broad-scale disarmament affecting all weapons and strictly limiting military manpower?

If our Government has a clear, dependable, negotiable policy in regard to such disarmament, no one knows what it is. The fact that the Soviet Union is unlikely to present such proposals does not excuse our own failure to think through the admittedly difficult requirements and to develop a realistic, balanced peace program that we can press steadily and constructively before the world.

To what extent, for instance, has a rampant military technology modified the

positions which Harold Stassen took at London in 1957? Is every element in our far-flung base system as important now as it was before the creation of the intercontinental ballistic missiles and nuclear submarines? The political, as well as budgetary, price which we are paying for many of these bases is high. Political pressures for us Yankees to go home are mounting in Morocco and even in Spain. They are certain to grow in Okinawa and elsewhere.

A realistic approach to disarmament must also consider the position of the swaggering Chinese Communist Government in Peiping. Let us refuse official recognition if we will, but let us not assume that we can substantially and permanently ease the danger of nuclear war while disregarding the presence on this planet of 650 million militant Chinese.

3. Finally, we must prepare for the best—the possibility of eventual Russian willingness to disarm.

This will call for a frank appraisal of the effect that any relaxation of the armament race might have on our own economy. It requires the hardest kind of study.

Such a survey might be undertaken by the Joint Economic Committee of the Congress, or by an agency or committee expressly set up for the purpose. Teams of economic experts might be drawn from industry, the labor movement and our universities.

The study should consider, region by region, the extent of unemployment that would result from a cut in arms production, the nature and magnitude of corporate and personal tax reductions that would be made possible, and the anticipated impact of these tax reductions on corporate investment and consumer buying. It should explore the extent to which expanded urban development, housing, hospital, school and roadbuilding programs and oversea investment programs could take up the slack, and the amount and type of unemployment compensation that would be required for the transition period.

Many Americans will recoil in dismay from an open discussion of the economic consequences of disarmament. But, Karl Marx to the contrary, I believe that their fears are grossly inflated. Although I do not suggest that the transition would be an easy one, I believe it could be made much more smoothly than many people think.

In 1945, as a member of the War Production Board, I participated in planning our economic transition from war to peace. Within 18 months, we switched some 45 percent of American industry from wartime production to that of peace, and absorbed nearly 10 million men from our armed services into our civilian economy.

To be sure, we had the advantage then of a heavy backlog of war-accumulated demands for housing, schools, and consumer durables. But today the percentage of our economy devoted to defense production is only one-fifth of what it was in 1945. As for our backlog of unfilled needs, every mayor, city planner, educator, highway engineer, hospital superintendent, and sociologist knows that they are enormous.

Once we decide the military and political steps that we are prepared to take to lessen the present danger of war, and consider frankly the economic implications of this program within our own society, our position before the world will be unassailable.

To what extent, if at all, the Kremlin would be swayed by a new American initiative and a comprehensive American peace policy that considered the military, political, and economic aspects, no man can say. But this is a fast-moving age, and one of infinite possibilities. Changes within the Soviet Union have been considerable since Stalin's death. The creation of a sound, practical, imaginative American position on which we are prepared to stand is a national responsibility we cannot ignore or postpone.

At best, policymaking in our revolutionary century involves a delicate balancing of risks. Although there is no sure, no safe course, the policy of doing nothing as the arms race mounts in intensity may be the most dangerous of all.

The great powers are now caught up in an awesome, tragic circle. To break out requires both vision and vigor. But the price of running the arms race to its ultimate end is almost certain oblivion. Next time, there will be not one Rome, but two Carthages.

German American Chamber of Commerce, Inc.

EXTENSION OF REMARKS
OF

HON. ALBERT H. BOSCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1959

Mr. BOSCH. Mr. Speaker, on April 27, 1959, a very significant occasion was celebrated in New York, the establishment of the German American Chamber of Commerce, Inc. This came about when the United States-German Chamber of Commerce and the German-American Trade Promotion Office were united. The celebration was in the form of a reception and dinner.

Under leave to extend my remarks, I include a telegram to the chamber from President Dwight D. Eisenhower, a telegram from Hon. Theodor Heuss, President of the Federal Republic of Germany, a letter from Hon. Nelson A. Rockefeller, Governor of the State of New York, and a speech delivered at the dinner by John J. McCloy, chairman, the Chase Manhattan Bank:

THE WHITE HOUSE,
Washington, D.C., April 24, 1959.

Mr. GORDON W. MICHLER,
Care of German American Chamber of Commerce, New York, N.Y.:

It is a pleasure to send greetings to the members and guests of the German American Chamber of Commerce. The spectacular advancement of the German economy in recent years has impressed us all. Two aspects of that development are particularly significant. First, it is a product of many individual efforts operating under a free economy—a system which both our nations held to be most productive for the material and social advancement of our peoples. On the other hand, on the national level, our citizens have accepted their responsibility to the broader needs of the free world community. I am delighted to add my congratulations and best wishes to those businessmen whose work contributes so much to the living bonds of friendship which unite the people of the United States with their neighbors in the Federal Republic of Germany.

DWIGHT D. EISENHOWER.

[Telegram sent by the President of the Federal Republic of Germany to the German American Chamber of Commerce, Inc.]

APRIL 27, 1959.

On this occasion marking the consolidation of the German American Trade promotion office and the United States-German Chamber of Commerce into the German American Chamber of Commerce, I extend my sincere good wishes for a close and prospering relationship in an enterprise of benefit to both our countries. May the Chamber flourish as an efficient instrument of cooperation between the United States and Germany.

THEODOR HEUSS,
President of the Federal Republic of Germany.

STATE OF NEW YORK,
EXECUTIVE CHAMBER,
Albany, April 24, 1959.

Mr. GORDON H. MICHLER,
Chairman, German American Chamber of Commerce Inc., New York, N.Y.

DEAR MR. MICHLER: It is a great pleasure to have the opportunity to extend my cordial greetings to everyone present at the dinner tendered by the German American Chamber of Commerce to representatives of German industry attending the meeting of the International Chamber of Commerce.

I regret that the pressure of official duties precludes my being present. Your dinner, celebrating the first birthday of your combined and enlarged Chamber, is a significant occasion. It marks the growing ties of trade and friendship which your organization is steadily fostering between the West German Republic and this country.

To your guests representing West German Government and industry, I should like to express my admiration for the impressive economic growth of West Germany. This sturdy new democracy stands as a notable symbol of progress and evidence of a free way of life that cannot be matched behind the Iron Curtain. Indeed, West Berlin has been called a golden thorn in the side of a ruthlessly regimented East German Communist economy.

My best wishes to your organization for all possible future success in its important role of strengthening the many commercial and cultural bonds now linking our two free nations.

Sincerely,

NELSON A. ROCKEFELLER,
Governor.

SPEECH GIVEN BY JOHN J. MCCLOY, CHAIRMAN, THE CHASE MANHATTAN BANK, ON APRIL 27, 1959, AT THE RECEPTION AND DINNER SPONSORED BY THE GERMAN AMERICAN CHAMBER OF COMMERCE, INC.

Ladies and gentlemen, it is a real honor to be asked to help in officiating at this marriage, christening, or consummation of marriage as this consolidation of the German American Chamber of Commerce might be called.

This comes at a particularly propitious time. In the first place, it occurs while the trade between the two countries is in real vigor. Secondly it comes at a time when the general relations between the United States and Germany, the new Germany, are in a particularly happy state. Thirdly, it comes at a time when serious issues are being tested—issues which will do much to determine the future of Germany, of Europe, and the relations of the United States to both. At such a time, it is well that we have an agency on a nongovernmental level, such as the German American Chamber, where German and American businessmen may advise each other and exchange ideas on the problems each face in their respective trade and business lives.

COMMON MARKET

With the establishment of the institution that we celebrate tonight, I also want to refer to this phenomenon which prior speakers have spoken of, the new movement, now definitely under way, the integration of Europe:

We have heard much of the rise of Soviet power. We are now beginning to hear also of the rise of Chinese power. Both these

developments have been unduly long in coming. But another postwar development quite comparable with the combination of these forces, if not even more significant, is the growth of European power through this trend toward integration.

Here we have an area of somewhere between 150 and 200 million people, over a million square miles and the center of most of the world's technical and managerial skills, not to mention its role as the great repository of Western culture and art. A force in itself which, when integrated, is of such dimension and potential strength that continued insistence upon the weakness of Europe in relation to the strength of Russia, China, or the United States, is rapidly becoming quite artificial.

Here is a force with such power, moral, and material, that it need not bow to any accumulation of strength from any quarter of the globe. To speak of its function in the defense of the free world as no more than a trip wire, as some of our strategists have called it, is to me one of the most fantastic concepts which I have ever heard in connection with defense matters—and I have heard of a good many in the course of my experience. And at the core of this new strength is the new relationship which is developing between France and Germany. Both East and West are stirred by this new phenomenon, but without it, Europe would be incapable of integration and would remain an anachronistic example of divided peoples and nations as out of date as the old city states. When this combined strength and cultural leadership is meshed in with the strength and the moral power of the western Atlantic nations, there need be no fear, as I have said, of an imposed will from any quarter of the globe. On the contrary, with such strength of resources, we possess a full guarantee of both our liberties and our peace.

The days of desirable division on the European Continent, so long the object of astute diplomacy, have passed. New and broader forces are working. Newer concepts are demanded. Much of this has deep political implication, but at the heart of it are economic and business implications which throw a challenge to the commercial interests of Europe such as they have rarely faced in their long history. Nowhere does this challenge present itself more prominently than to the German businessman. Centrally located, the products of great industry and skill emanate from German industry, and the German businessmen are perhaps above all others in a position where they now have the responsibility of developing wisdom both in political and economic fields.

I doubt whether ever before in Europe there has been such a demand or such a need for business statesmanship. Old animosities have to be submerged. Goodness knows, we have done enough to each other to generate antagonisms and resentments that could last forever if we only allowed ourselves to dwell upon them. But if we cannot and should not entirely forget the past, we cannot now certainly afford to bear resentments based only on memories. I refer to one other thought and that is the great need—while we are in the process of putting together this great force which the new Europe represents—that business as well as political statesmanship should see to it that we avoid the creation of any new economic antagonisms. It will do us no good and the world no good, if we merely create within the Western World two or perhaps three economic areas with all the politicalisms, which could so readily flow from them, if we did that. Somehow, some way must be found to achieve not the partial, but the full strength of the free world.

DULLES AND ADENAUER

The solution is not simple but I believe that the solution is one which business statesmanship and political statesmanship can find the answer to. I refer to the sharp issues which are facing us in the near future. It is unfortunate that at just this period we are compelled to rearrange our forces and our teams, so to speak, as we go forth to deal with these issues. The illness of Mr. Dulles means that we shall have lost at this critical juncture, a man whose intellect, force, and character have become almost a symbol of the firmness of the free world and of the capacity to deal with the maneuvers—whatever they may be—of the Communist offensive. But at the same time we find Chancellor Adenauer in the process of moving from his position where he has directed the day-to-day operations of German policy to the honored position of President of the Federal German Republic, where, no doubt, his influence will continue to be felt, but where his responsibilities will, of course, be less direct. Yet I do not see any change in the direction of American or German policy resulting from either of these events.

Secretary Herter I know long and well and his very selection together with the undisturbed continuity of those in the State Department, including Mr. Loy Henderson, who through the years have worked with Mr. Dulles and followed his leadership, is the best indication of the fact that the U.S. policy will be as steadfast as heretofore. Moreover, whoever will be the next Chancellor, I cannot believe that there will be any fundamental change in German policy. Knowing him fairly well, I am reminded of this Scottish adage: wherever MacGregor sits, is the head of the table. There may be something of this on the German scene.

ON BERLIN

I probably should not say anything about Berlin at this rather delicate period perhaps for fear of being called an interloper, but I see amongst this audience some of the former defenders of that city and I spent some time there myself during periods of some tension and I don't feel that I should sit down without paying my respects to the spirit and determination of the people of that city.

I visited Germany in the period between the wars on a number of occasions and never had much regard for the City of Berlin. Somehow it seemed to me a rather large sprawling sort of a city with nothing of the architectural beauty of a number of cities in Europe, but after being in Berlin in that beleaguered spot and sensing in these periods of tension something of the mood of the people, I came to feel, with all due loyalty to my German "Heimatstadt" Frankfurt, that Berlin had a greater appeal than any of the German cities. We always got a good bit of criticism down in the Zones, but we could rarely do any wrong in Berlin and that was perhaps one of the reasons why I became so fond of that city. You could be quite critical of the Americans down around Frankfurt, but you didn't get very far with it in Berlin. From somewhere out of the spirit of those people some new Lucius Clay will again strike the note, receive the response and take the action which will maintain not only the freedom of that city but the integrity of the whole free world position.

May I say one thing more about Berlin. I do wish that we would stop vieing with each other in public in coming forward with compromise solutions in regard to how we should act in respect to Berlin. No sooner had the Russians stated their maximum position than the top columnists, and a number of Senators and others, including some interlopers, came forward with all manner of suggestions and sloganisms such as disengagement, getting off dead center, as contributions or supposed contributions to a proper settlement of the Berlin issue. One of our Allies seems already to have given away the Eastern frontiers and we seriously talk about confederation of the Soviet dominated DDR—whatever confederation such a circumstance means.

What I miss, is a statement of our maximum position. When the Soviets said they would occupy West Berlin, it seems to me we should have immediately said we wish to reoccupy Saxony and Thuringia. That is where our armies were when they were in West Berlin, and when some Senator says we must get off dead center in respect to our Berlin policy, it seems never to lie in his mind that the center might possibly be moved farther east. Not always farther west. There is not much space left in these days with the new speed tables in which to replace the center, if Europe is to remain free. Disengagement is a pleasant word to roll around the mouth but it's not so pleasant when we call it by its true name, withdrawal.

What disturbs me is that we strive to come forward with almost every conceivable position and suggest giving it away before we ever reach the negotiating table. There are a number of things, of course, that we could do at the table, but I don't like the idea of giving every intermediate position away before we even sit down. This is a technique which never commended itself to me in dealing with the Russians, though I think it is the experience of all those who have dealt with the Russians. To meet this Russian threat, and it is a threat, of course, from whatever angle you view it. It's a serious threat.

U.S. ECONOMY

Now let me leave polictics. I come back to business. More particularly, I should say something about the economy of the United States. Bankers are always supposed to say something about the economy and look wise in regard to economic future. I'll try to go through that pose tonight. One thing I would like to call your attention to is that one of the slogans that seems to have commended itself to our thinking in recent years, namely, that if the United States sneezes this induces pneumonia in Europe. Well, this has now proven not to be the case. We have had our sneeze and I don't see any fever in Europe. Europe seems to have been very able to have sustained our recession, a slight recession to be sure. I think this is another indication of the revised strength of Europe and it augurs well for the future.

So far as our own economy is concerned—by every index which one can judge these things—it seems strong and seems to be growing stronger. Of course, this is just the time when you had better look out, but I must say all the signs that I can see and read point to a vigorous future, at least as far as one can reasonably look into the future.

We have had some economic developments in this country which have caused some of our friends abroad a certain mixture of emotions, with some a certain sense of satisfaction, that the position of our currency is beginning to compare, let's say, somewhat less favorably with their own. In spite of the fact that the strength of the dollar had something to do in the not too remote past with the maintenance of some of those currencies. But on the other hand we have people that fear that the dollar might indeed grow weak. Of course, one can say if currencies have grown in strength in relation to the dollar, a great deal of energy, thought, time and money was spent in just trying to bring that situation about. As for the future of our own currency, I cannot feel that our legislators and Government leaders will so ignore their responsibilities as to permit the dollar to assume a significant weakness. Perhaps we have been losing out in world markets, due to our prices. But in spite of the level of stock market prices, we are, in my

judgment, not on the verge of a dangerous inflation. I don't mean to be too confident about this because we could readily slip. Our prices for the time being are relatively stable. There is a substantial amount of unused plant capacity still about. We have unemployment to an appreciable degree. More and more, as I see the clouds lifting, the prospect of a serious unbalanced budget seems to be disappearing.

In this country, I say to my German friends, we have really to excite ourselves to the need of a solid currency, particularly, when the rationalizers of little but persistent inflation urge it on as a wise Government policy. Fortunately or unfortunately we have not had the built-in fear of the experience of a real inflation, such as the Germans have undergone. This has given them an attitude which makes it unnecessary to argue about the ills of inflation. You, in the vernacular, have had it.

Over here we do have to argue, however, with some professors now and then—not all professors by any means—but it seems to me the only professors who can get the front page of the New York Times seem to be those who kick what is known as the sacred cow of sound money about. Now the President and the Secretary of the Treasury have struck the note of good financial sense and so has the Federal Reserve Board. They have been eloquent in what they have had to say regarding the need for a stable currency and a stable price system and I am sure they are determined. I have no doubt, however, that the most eloquent expression, that we could have, to top their resolution is the evidence of a balanced budget, but, as I say my guess is that we shall not be far from it in the ensuing year and I dare say that even with a balanced budget our economy will continue to grow, in spite of the professors.

Now I have rambled on, skipping from one subject to another. Perhaps I should return to my first thoughts which relate to businessmen and their responsibility to society and the public weal. Whether we be Germans or Americans, French, English, Italians—none of us can ignore that the great social and political forces that play around us in the modern world require statesmanship to deal with the problems of Europe and America and the underdeveloped countries in the world. Nor is all good to be found in the continuance of business prosperity. Statesmanship will frequently require the acceptance of harsh business sacrifices if we are to solve some of these problems.

May these two institutions which merge here tonight take the lead in accepting the great challenges and the heavy responsibilities which the making of a free world presents to all of us today.

Thank you very much.

A Bill To Permit Weekly Newspapers To Suspend Publication for 2 Weeks a Year Without Loss of Second-Class Mailing Privileges

EXTENSION OF REMARKS
OF
HON. LEONARD G. WOLF
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 7, 1959

Mr. WOLF, Mr. Speaker, today, I introduced a bill to permit weekly newspapers to suspend publication for 2 weeks a year without loss of second-class mailing privileges.

The rural area of Iowa, and of America, is dotted with many small communities which are served by small weekly newspapers—often these newspapers are owned by one family and are manned by only one or two people.

These small publishers are literally chained to their jobs because of Federal regulations governing their mailing permits and because of State laws relating to legal advertising. These laws and regulations require publications week after week without interruption. These publishers do not have the trained personnel to permit them to enjoy an annual 1- or 2-week vacation.

Mr. Speaker, my proposed legislation merely gives the individual publisher the right to suspend publication for 2 weeks each year if he chooses.

The small weekly newspapers, which are very near to the thoughts of the people, have provided us with a medium of news and editorial opinion that cannot be replaced. It, therefore, seems to me that we should take every step possible to strengthen the small community press—not discourage it.

Centralization of the press and news media, in general, is a dangerous thing. Since the tendency has been toward more centralization and consolidation, it is time we did something to stimulate and encourage the small independent news outlet.

Adequate Appropriations Needed for New Jersey-New York Port Channels

EXTENSION OF REMARKS
OF
HON. CORNELIUS E. GALLAGHER
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 7, 1959

Mr. GALLAGHER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following testimony which I gave before the House Appropriations Committee, Subcommittee on Public Works, requesting adequate appropriations for the New Jersey-New York port channels:

STATEMENT OF REPRESENTATIVE CORNELIUS E. GALLAGHER, OF NEW JERSEY, IN SUPPORT OF ADEQUATE APPROPRIATIONS FOR THE NEW JERSEY-NEW YORK PORT CHANNELS, APRIL 27, 1959

The New Jersey district I represent is a peninsula with federally improved channels on its three sides. The appropriations being requested for an adequate improvement program for the Federal channels in New York harbor affect all three of these channels. As this committee can therefore readily see, the economic welfare of the district I represent is greatly affected by what happens on the waterfront.

On the east side of the Hudson County Peninsula, which takes in my district, there is the New Jersey Pierhead Line channel. This particular channel is a shallow-draft channel which was authorized and constructed to relieve some of the congestion that is characteristic of Upper New York Bay in New York Harbor. The purpose of the channel was to draw off some of the harbor craft and other shallow-draft boats from the main ship channel and thereby eliminate danger of collision brought about by ship traffic congestion. Unfortunately, in the construction of this channel, the engineers underestimated the navigation requirements of flotilla tows—those towboats that have two or more barges in tow—and failed to provide sufficient maneuvering room to enter or leave the New Jersey Pierhead Line channel. As a result, this channel has not been playing its full role simply because boats have been unable to use it. With an ever-increasing amount of traffic in New York Harbor, the need to provide this relief valve becomes more critical day by day. I therefore strongly urge this committee to allocate sufficient funds in the forthcoming fiscal year to permit this project to be fully completed and be made economically effective.

On the south side of the Hudson County Peninsula lies the Kill Van Kull section of the New York and New Jersey channels project. The completion of the work on the Arthur Kill section of this project is therefore of great concern and has my full support. The budget recommendation of $2,790,000 will, I understand, see the completion of this work in the next fiscal year.

To the west of the Hudson County Peninsula lies the Newark Bay-Passaic River channel. While this project does not immediately affect the Jersey City-Bayonne area, it, like all the other channel projects in the New York-New Jersey port district described in the Port of New York Authority presentation before this committee, is indirectly important to the people of my district. I therefore strongly support the need to allocate $30,000 to commence the study of improving this channel, as well as the appropriations for the other essential channel projects in the New Jersey-New York port area.

I wish to express my thanks to you, Mr. Chairman, and to the other members of this committee for the opportunity and privilege to present my views concerning the economic welfare of the people I represent.

Remarks by Vice President Nixon at Conference on India and the United States

EXTENSION OF REMARKS
OF
HON. JAMES G. FULTON
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 7, 1959

Mr. FULTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the opening remarks of Vice President RICHARD NIXON to the Conference on India and the United States, May 4, 1959, in Washington, D.C., which was sponsored by the Committee for International Economic Growth:

OPENING REMARKS OF VICE PRESIDENT RICHARD NIXON TO THE CONFERENCE ON INDIA AND THE UNITED STATES, 1959

Mr. Johnston, Mr. Ambassador, and distinguished guests, ladies and gentlemen, I am very honored to appear here at this program, opening this historic conference and I can only say that I always feel much overwhelmed in a position such as this, because I realize that I am speaking before a group of people who are primarily experts on the subject which I am asked to cover. Mr. Johnston suggested that I have traveled a bit in the past 6 years, and he is, of course, cor-

rect—but I will have to admit that my travels throughout the world left time for only 5 days in India—and as anyone who has visited that country would tell you, 5 days does not make you an expert. I do not speak today to you who are experts in this field as one myself, and I know that from reading your program, you are going to make studies in depth of the problems which you are considering, but I thought it might be useful if I were to touch upon three matters of concern that might come up for consideration during the course of this conference. I noted that the first item listed on your agenda is the relation of India and its importance in relation to the security and freedom of the free world. Now when we consider the importance of India and its relationship to the security and freedom of the free world I think that perhaps we can best put it in context by pointing out one of the great crisis which confronts us today and measuring the problems of India with that crisis.

If you picked up your morning newspapers you no doubt noted that most of the headlines internationally on the front page dealt with the crisis in Berlin. I would not underestimate the importance of the Berlin crisis, but I will say today that in my own mind what happens to India insofar as its economic progress is concerned in the next few years could be as important, or could be even more important in the long run than what happens in the negotiations with regard to Berlin. Now, having made this statement, let me indicate why I believe that is the case. As we know, in the great struggle which is going on in the world today, primary emphasis at the present time is on the nonmilitary aspect of the struggle—in Asia, in Africa, in the Near East, and in parts of Latin America and the whole world—not only the Asian world, but the American world, this hemisphere, is watching that struggle in Asia. There are two great peoples in Asia. The peoples who live under the Communist government of China, and the people of India. These are the two greatest population centers of the world, and of course the two greatest in Asia. One of these people is attempting to achieve economic progress without freedom. The other, the people of India, are attempting to achieve economic progress with freedom. They are very different in many respects, but they are alike in this respect. They both need—they both want—economic progress and so the question which will be answered in the next 5 years—the next 10 years—will be this: Can a people who need economic progress to satisfy the wants of their greatly increasing populations, achieve it in a climate of freedom, or must they pay for progress by giving up freedom? And what happens in India will therefore have a tremendous impact on the decisions made in other countries in Asia, in the Near East, in Africa, and even in the Americas. So this indicates the tremendous stake that the free world has in the economic problems of India.

Now, a second point, that I would make, is with regard to the attitude of the Government of the United States—the attitude that our Government and our people should have insofar as any aid we are able to provide for the economic development of India, or any other country in a similar status. I have often heard it said during courses of debates on this subject, that there are times when countries which we have been able to assist through loans or other programs, should not receive such considerations in the future because their leaders do not always agree with our leaders in the United Nations, or in other world councils. And my answer is always this: The purpose of U.S. aid has been, is, and must always be, not to make any country dependent upon us, but to allow all countries to be independent of us, or of any other foreign domination. Now, how can we justify, my friends in the Congress might ask then, the allocation of Government funds when we agree at the outset that those funds may not, in some instances, obtain complete agreement with the policies of the United States, and my answer is this: Our stake, the free world's stake, in India and all the other countries which are in this category, is that they are able to get the economic stability which will enable them in turn to have political independence. How does this serve us? It serves us because international communism and national independence are completely incompatible. And so this, of course, is the answer to those who do raise questions when this matter is up for consideration, as it will be during the course of this conference.

Now, a third point that I would make, is this: We agree that India needs economic progress. There is, of course, considerable disagreement as to how other nations may assist and work with the people and Government of India in attaining that progress. The easy answer would be, as far as the United States is concerned, to suggest that we best could assist by expanding what government does, and I would certainly say here today that our technical assistance programs, the programs of loans to the Export-Import Bank and the Developmental Loan Fund, and other governmental programs, certainly should be approved in the minimum amounts which have been requested by the administration. But I would be less than realistic if I were not to point out that if you were to place exclusive or even primary reliance on government assistance from the United States in order to attain this economic progress, we would be most unrealistic. And so I was glad to note that in the course of this conference not only will you consider what government can do, but also how private capital may also be attracted to this area of the world. And I would mention just three advantages that private capital has over government capital, recognizing at the outset that both are necessary, and both have their place.

First—Private capital is expansible, almost to an unlimited extent, whereas government capital, insofar as our country, the United States, is concerned, is limited—limited by our own budget and by the considerations which always come up when budget problems are before a country.

The second point is that, where private capital is concerned, there is and can be no question of any political influence going with it, and on occasions there is, of course, a question where government capital is concerned that there might be political implications involved, and the third point is that private capital brings with it the skilled technical assistance which is needed, and without which capital might be wasted. These three advantages, I think, are worth mentioning, and I emphasize again that both are necessary, but in your considerations develop to the full how private capital can come in, because its greatest advantage is the first one I mentioned, that it is expansible, whereas government capital is definitely limited.

And now if I could go to one last point. It is related to my first—I noted that in your conference agenda you have pointed out that you would consider the importance of India in relation to the security and freedom of the free world. Speaking now as an official of the American Government, and as an American citizen, I would not like this great conference to begin believing that this was our sole interest, as far as a government and a people were concerned, when we did provide governmental assistance, or other assistance to our friends in India. If there were no communism in the world—if there were not threat of communism to the United States and other free nations like India, there would still be poverty and misery and disease, and when the people of the United States and our Government would be concerned about that poverty and misery and disease, and I would not like the case for Government assistance, the case for the interest of the American people in our friends in India, to be rested at the outset of this conference simply on the negative, defensive issue of helping India in order to save the United States from communism. I think the case can better be presented in terms of—not the defeat of communism, in which, of course, we are interested, because we realize that freedom can live only where dictators are defeated—but our primary interest must be the victory of plenty over want, of health over disease, of freedom over tyranny of any type, wherever it exists in the world, and as far as our friends in India are concerned, we can assure you, those who are here today, and those in that great land so far away, in which we have always had such a warm and friendly interest, we can assure you that we welcome the opportunity to work with you, to work with you in developing the economic progress which is yours, so that you can prove to all the world that it is possible to have progress with freedom. This is our aim, and we know also that it is yours.

Thank you very much.

Organization and Operation of the Small Business Administration

EXTENSION OF REMARKS
OF

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1959

Mr. EVINS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement:

ORGANIZATION AND OPERATION OF THE SMALL BUSINESS ADMINISTRATION

Representative JOE L. EVINS, Democrat of Tennessee, chairman, Subcommittee No. 1, House Small Business Committee, announced today that hearings on the operations of the Small Business Administration will be held in room 304, House Office Building, Washington, D.C. The hearings will begin at 10 a.m. on Monday, May 11 and continue through May 13.

Hon. Wendell B. Barnes, Administrator of the Small Business Administration, will appear at 10 a.m. on Monday. Other SBA officials will testify subsequently during the hearings. The subcommittee also will receive testimony from representatives of companies that have formed or attempted to form small business investment companies. In addition, witnesses representing small business concerns that have sought financial assistance from the agency will be heard.

Representative EVINS stated that all of the operations and activities of the Small Business Administration will be reviewed during these hearings. Although emphasis will be placed upon the Small Business Investment Act of 1958, the subcommittee will inquire into the loan policies of the financial assistance programs as well as the procurement and technical assistance activities of the agency.

Representative EVINS added: "We have had called to our attention considerable criticism of certain aspects of the loan programs of SBA—criticisms concerning collateral requirements, concerning premature discouragement of applicants, and criticism concerning the refusal to make loans to certain classes of small business that need help

under the act but, because of administration rulings or limitations appearing in the act itself, the help is not forthcoming. For instance, in the latter field it appears that producers of poultry, eggs, hogs, milk, etc., generally are not eligible for SBA loans; neither can they obtain financial assistance from the Farmers Home Administration, the Production Credit Association or other lending institutions because of the commercial aspects of their operations or for other reasons. The subcommittee expects to go into these matters fully.

"On the other hand," Representative EVINS commented, "we have heard favorable reports concerning the activities of the Small Business Administration and these point out that the agency has been of great help to the small business community. The hearings are for the purpose of studying, with the cooperation of the Small Business Administration, various problems which have developed under the acts. The subcommittee is entering into these hearings with an intense desire to be of the greatest benefit possible to the small business economy of the Nation."

Other members of the subcommittee are the Honorable JAMES ROOSEVELT, Democrat, of California; Hon. CHARLES H. BROWN, Democrat, of Missouri; Hon. ARCH A. MOORE, JR., Republican, of West Virginia; and Hon. WILLIAM H. AVERY, Republican of Kansas.

List of witnesses tentatively scheduled to appear before Subcommittee No. 1 of the House Select Committee on Small Business at the hearings scheduled for May 11, 12, and 13:

Monday, May 11, 1959: Hon. Wendell B. Barnes, Administrator, Small Business Administration; Mr. Duncan H. Read, Deputy Administrator for the Industrial Division, Small Business Administration; Mr. Ralph Farnum, Acting Director of Investment Division, Small Business Administration; Mr. Hugh M. Fraser, president, The Citizens and Southern Small Business Investment Co., Atlanta, Ga.

Tuesday, May 12, 1959: Mr. Thomas Grant, Jr., president, National Association of Small Business Investment Companies; Mr. Thomas Graham, the Bankers Bond, Inc., Louisville, Ky.; Mr. Howard D. Williams, past president, Smaller Business Association of New England, Inc., North Grafton, Mass.; Mr. Alan K. Ruvelson, president, First Midwest Small Business Investment Co., Minneapolis, Minn. Open: SBA officials on call for Tuesday afternoon, if necessary. Also Mr. Kinne and Mr. Lilly, who are scheduled for Wednesday, will most probably be available for Tuesday afternoon if needed.

Wednesday, May 13, 1959 (10 a.m.): Hon. Edward H. Gadsby; Hon. Albert C. Kelly, Deputy Administrator, Finance Division of SBA, Small Business Administration; Mr. Gary E. Lilly, Des Moines, Iowa; Hon. Donald A. Hipkins, Deputy Administrator for Procurement and Technical Assistance, Small Business Administration; Dr. Milford L. White, Office of Management and Research Assistance, Small Business Administration; Mr. Richard Kinne, industrial director, Missouri Resources and Development Commission, Jefferson City, Mo.

"Top Secret," but Should It Be?

EXTENSION OF REMARKS
OF
HON. HUBERT H. HUMPHREY
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES
Thursday, May 7, 1959

Mr. HUMPHREY. Mr. President, in these days of international peril, it is imperative that a great Nation like the United States take every reasonable precaution to protect its security. It is right that certain programs of our Government be classified. The public's right to know does not mean that all our defense secrets should be revealed. On the other hand, the public does have a right to know some things which are at present withheld by the administration.

In a recent article, Senator CLINTON P. ANDERSON, chairman of the Joint Committee on Atomic Energy, points to certain inconsistencies in the area of Government secrecy, especially as it relates to our atomic energy program. He maintains that preoccupation with classification sometimes violates the public's right to basic information and sometimes slows up scientific advance.

Mr. President, I ask unanimous consent that an article entitled "'Top Secret,' But Should It Be?" by Hon. CLINTON P. ANDERSON, which appeared in the May 3, 1959, number of the New York Times Magazine, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"TOP SECRET," BUT SHOULD IT BE?

(By CLINTON P. ANDERSON)

WASHINGTON.—How secret is the color of a bird's feathers?

Is the American public entitled to the facts about fallout?

Does it make sense for defense information to be labeled "top secret" and yet released in full to the newspapers?

Why are questions about the Nation's atomic energy programs met again and again with the reply, "It's classified"?

Is the secrecy surrounding the atom justified? Or is the secret stamp perhaps being used as a convenient shield behind which to hide information which someone somewhere happens not to like or not to agree with?

Concern has been expressed in many quarters about the secrecy problem. The Atomic Energy Commission holds that secrecy is essential to national defense. The press and other segments of the public fear that unnecessary secrecy is hampering scientific progress and obscuring the defense picture.

What are the facts? Where should secrecy end and freedom of information begin?

I had scarcely warmed my chair as a new member of the Congressional Joint Committee on Atomic Energy when I ran head on into the secrecy problem.

It began with the announcement of a series of tests to be conducted in Nevada—the first tests of this size within the United States. I was invited to observe them, and was told a special party would leave from my home city, Albuquerque I flew there to await instructions, having been specifically warned in advance that I could not tell my wife where I was going or what I was going to see.

In Albuquerque, I had a full day's briefing at the Atomic Energy Commission's offices on what we would see in Nevada. I watched the assembly of one of the bombs which was to be dropped. Then I went to a hotel and waited. I was told that I would be picked up about 9 or 10 p.m. and taken to the AEC offices for another short briefing before departing for Las Vegas around midnight.

At 9 p.m. I telephoned my wife in Washington and told her I would be gone from Albuquerque for a few days and would not be able to communicate with her, that I could not tell her where I was going or why, but that I would telephone her on my return.

In an hour or two, a man in uniform called for me, told me to leave my bag in the room, escorted me downstairs to a car, and had me driven around the city streets while he explained to me that the weather in Las Vegas was unfavorable and therefore we would not be leaving Albuquerque until the next night.

The next morning, I telephoned Mrs. Anderson and told her we had not left Albuquerque, that we would be leaving one of these days although I couldn't tell her when, and that she should rest easy.

Her reply startled me. She said: "Maybe I can help you out. I'll read you a story from this morning's Washington Times Herald."

The story she read reported that the weather over the target in Nevada had made it impossible for the test group to leave Washington the previous day, but that it was expected to leave on the day in question, that it would be joined in Albuquerque by the sole representative of the Joint Committee on Atomic Energy, Senator ANDERSON, of New Mexico, and that the group would then fly to Nevada to witness the test of an atomic weapon.

That was how I learned about secrecy. I couldn't tell my wife something which she could read in her morning newspaper.

In many instances, secrecy is undeniably justified. But in other cases it takes a vivid imagination to determine any valid reason for the "restricted data" tag on information. And the situation becomes ridiculous when one has only to pick up a newspaper to learn extensive details about classified projects.

Let me cite a few more examples to illustrate the problem:

(1) Project Argus. This is the code name of the three high-altitude nuclear explosions in the South Atlantic which have been described as "the most significant scientific experiment of the age." The Argus shots, according to published reports, spread a band of radiation along the earth's magnetic field, disrupted communications, created artificial auroras, and provided data of vital importance to the national defense.

Project Argus was described in cursory fashion to the Joint Committee before it took place and again afterward. Great emphasis was placed on its defense implications and the necessity for its very existence to remain secret.

Then, last March 19, full details of Argus appeared in the New York Times. This important subject became public not through a Defense Department announcement, but through the enterprise of two Times reporters.

On April 3, 2 weeks after the appearance of the Times story, the AEC sent the Joint Committee a letter advising which portions of Argus were declassified. These included the fact that the tests were held, the dates and location, the approximate altitude of the explosions, the delivery vehicles, and the Christofilos theory of electron entrapment.

As far as the Joint Committee is concerned, all other Argus data remain classified, despite the fact that effects of the experiment have been widely discussed in the press. Between March 19 and April 3, the Joint Committee had to treat all information about Argus as classified.

When the Defense Department was asked to justify the fact that the Joint Committee was not completely informed about Argus, the answer was that premature disclosure might have stirred up diplomatic protests which would have caused cancellation of the experiment.

To me, this does not seem a proper reason for failing to comply with the law's requirements that the Joint Committee be advised in full of such matters. I think the committee is entitled to at least as much information as was obtained by the New York Times.

(2) The strontium 90 report: This report, which concerns strontium 90 production from weapons testing through 1956, was prepared by three Los Alamos scientists, George Cowan, Wright Langham, and E. C. Anderson, early in 1957. It was part of an attempt to provide a basis for determining a safe level of testing.

The report was received by the Atomic Energy Commission on October 21, 1957, and attempts began immediately to have it declassified. The report finally was declassified about 2 weeks ago, and was sent to me by Atomic Energy Commissioner Willard F. Libby with the notation that it was "somewhat out of date."

I understand that Dr. Langham and his colleagues are in the process of preparing an updated version of their study. It will be interesting to see whether this paper, too, will hibernate for 3 years before it is turned loose.

(3) The case of the sooty terns: There reposes in the Joint Committee files a letter from the Atomic Energy Commission describing efforts to prevent the feathers of sooty terns and other dark colored birds from being scorched by radiation. This letter has borne a "secret" tag since it was written in July 1958.

Why should a bird's tail feathers be a subject of secrecy? Perhaps the AEC's reasoning is that if a scientist from another country should come across a scorched tern, he would in turn be able to deduce the level of radiation produced by a specific test and thus could decipher the secrets of our latest experiments.

So the sooty terns remain classified, scorched tail feathers or no. And the AEC wonders why the Joint Committee should be upset about secrecy.

(4) The scientist X affair: When research began into the use of nuclear propulsion for rockets, called Project Rover, Joint Committee members were prevented by a "restricted data" tag from discussing even the existence of the project on the floor of Congress.

Yet Los Alamos announced in the newspapers the hiring of "Scientist X" and released lengthy details of the work he would be doing on Project Rover. The Los Alamos announcement was billed as an attempt to recruit other promising scientists into the atomic energy program. And the Joint Committee once again found itself reading in the newspapers about matters which committee members could have gone to prison for discussing.

(5) The strange division of opinion: When Project Sherwood—controlled thermonuclear energy—was instituted, there was a good deal of dispute over whether the program should be publicized from the start in order to promote free exchange of scientific data, or whether it should be kept secret.

On June 28, 1952, the American Physical Society was holding a meeting in Denver. A number of the distinguished scientists in attendance were drawn to one side and were polled secretly on whether they thought Sherwood should be secret. The vote was 88–1 in favor of declassifying all research dealing with the use of thermonuclear forces to generate electric current.

The AEC decided that the one negative vote indicated a "division of opinion." Therefore, it ruled, Sherwood was classified. An interesting sidelight is that the AEC's classification expert, who participated in the poll, voted for nonsecrecy.

(6) Does "classified" mean "classified"? The Joint Committee last February 19 received from the Defense Department a report indicating that radioactivity in the stratosphere has a residence half-life of 2 years instead of the previously assumed time of 7 years. The report also indicated that fallout was heaviest in northern United States.

The Joint Committee felt this information was of great importance to the American people. It also felt there was no justification for the classification of confidential—restricted data on the report.

We questioned the reasons for the tag and requested an unclassified version. The Defense Department removed a portion of one sentence as containing confidential information but added, "We believe that until the results are more than preliminary, the confidential classification should remain on the letter."

After I protested strongly to Maj. Gen. Herbert Loper, retired, Assistant to the Secretary of Defense for Atomic Matters, the committee was finally notified on March 20 that the report could be made public with the deletion of the one classified sentence. And General Loper maintained during a subcommittee hearing that we had in actuality been free to release the report all the time—that the confidential classification did not necessitate its being kept secret. In addition, witnesses testified that the letter had never contained any restricted data, even in its original form, despite the restricted data tag.

As I commented in a press release at the time, "The process of making public the Argus and fall-out information is an example of how difficult it is to make available to the public the information it is entitled to have."

Attention has been called recently to another problem, that of unclassified information which fails to reach the public promptly because of a scientific proclivity for disseminating new data only through the medium of technical journals. Publishing bottlenecks result in reports containing information of vital public interest gathering dust for many months on the shelves of the prestige journals before they finally come to light.

Edward Gamarekian described the situation in the Washington Post a few weeks ago. He reported that in the United States it takes an average of 6 to 12 months for an article to reach print, while in the Soviet Union it is reported to take as little as 1 month.

One such article, which has now been released, concerns the quantity of strontium 90 concentrated in the bones of American children under 4 years of age. It indicates that the amount doubled in the 1-year period from July 1, 1957, to June 30, 1958. The article was written by Dr. J. Laurence Kulp of the Lamont Geological Observatory, and is the third report on a continuing study which he is conducting.

The Joint Committee learned of the existence of this report through a magazine article. At our specific request, a copy was finally made available to us. Apparently the AEC did not consider it of interest to the committee.

Such information is of vital interest to the American people, particularly in light of the current uproar over the hazards of fallout. The yardstick for its dissemination should be the public good, not the whim of a scientist.

Atomic energy and secrecy are virtually synonyms. The program was born in an atmosphere of utter, absolute secrecy, which at the beginning was an unquestioned necessity. The United States for a brief while was the sole possessor of the atom bomb. Had others learned its secrets in 1945, World War II might well have ended in a different manner.

Now secrecy has become a habit. The question is whether or not its use is being abused.

The law provides several pages of definitions of the types of information which can be classified. Defense information, for instance, is defined as "any information in any category determined by any Government agency authorized to classify information, as being information respecting, relating to, or affecting the national defense."

Another section defines "restricted data" thus: "All data concerning (1) design, manufacture, or utilization of atomic weapons; (2) the production of special nuclear material; or (3) the use of special nuclear material in the production of energy, but shall not include data declassified. * * *"

Armed with these statutes, those in charge of classification can justify a "secret" tag on just about anything, even sooty terns.

Because of the history of the atomic energy program, classification experts have often tended to be overconservative. Being in a "damned if you do and damned if you don't" situation, they have been inclined to play it safe whenever a question arose. No officer was ever denied promotion for saying nothing.

Under the law, all atomic energy information is born classified. The burden of proof rests on those seeking to remove the tags.

But the purpose of secrecy is to prevent our enemies from obtaining information which might help them realize their aims. Classification should not be used to keep from the public information vital to health and safety. It should not be employed to hide data which have no defense implications.

The preoccupation with secrecy in the atomic energy program not only violates the public's basic right to know, it has other, more concrete, effects. Suppression of information prevents discussion which might produce solutions to the problems at hand. It is impossible to say how many valuable scientific breakthroughs have perhaps been delayed, or even prevented, because scientists were not free to exchange information; how many Christofiloses have gone undiscovered because of secrecy. To a point, scientists are able to pursue various avenues of research independently. But often the absence of one piece prevents completion of the jigsaw puzzle.

Ignorance of a hazard, as in the case of fallout, for instance, could well prevent the discovery of methods for combating the hazard. Right now, there is a serious question about the adequacy of our systems for detecting underground nuclear explosions—a question which seems to be providing the biggest stumbling block in the current Geneva conferences. If scientists are not given access to all available information about present detection systems and their shortcomings, it will be a long time before they are able to improve the systems.

Another effect of secrecy is to prevent the formation of informed public opinion, an important force under our system of government. Aroused public opinion frequently exerts great influence on major policy decisions. And the force of misinformed public opinion could well lead to establishment of policies detrimental to the national security. In any case, the dissemination of half facts—which is now all too prevalent—can lead only to utter confusion.

The secrecy problem is not insoluble by any means. A genuine spirit of cooperation among the AEC, the Joint Committee, and the other agencies involved is the first step—and I am happy to say that this spirit is beginning to characterize the committee's relations with John McCone, the new chairman of the AEC.

Next, we must break the habit of secrecy and form new habit patterns. The burden of proof should be placed on those responsible for classification, rather than on those in quest of information. In other words, the Atomic Energy Commission should be required to provide a satisfactory justification for any tag placed on information before it is put there, and the tag should immediately be removed when it can no longer be justified. I personally would favor imposition of

as severe a penalty on those placing a restricted tag on unrestricted information as is now provided for those revealing secret data.

I am hopeful that our fallout hearings this week may provide some answers. One matter which will receive close scrutiny during the hearings is the use of the present maximum permissible concentration (MPC) as a standard for determining the hazards of fallout. The maximum permissible concentration is a source of great confusion because of its implications of a line between danger and absence of danger. I think we are going to have to redefine our terms; perhaps to think, instead, of a maximum acceptable concentration of radiation independent of actual hazard. The maximum permissible concentration and other problems of terminology are often more productive of confusion than is secrecy, and they need attention.

A solution to a portion of the secrecy problem might be for the AEC itself to publish summaries of all important unclassified reports, perhaps on a monthly basis—in other words, to establish its own technical journal. There seems to be little excuse for burying important information in publication bottlenecks. If significant reports contain no restricted information, they should be made available to the public immediately. If they cannot be published for 6 or 12 months by the present technical journals, the AEC itself should devise a means of publishing them.

We all agree, I think, that some secrecy is essential for our Nation's self-preservation. I do not feel, for example, that data on sizes of weapon yields or numbers of weapons in our stockpiles should be bandied over the garden fence.

But improper and indiscriminate use of the secret label will eventually weaken our entire security structure. Classification will come to have no meaning if it is not used with caution.

I think a new motto is in order as a guide for our atomic energy programs: "Is this secret tag really necessary?"

TVA Benefits Many

EXTENSION OF REMARKS
OF
HON. LEONARD G. WOLF
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 7, 1959

Mr. WOLF. Mr. Speaker, I would like to simply state that with all the debate we have heard on TVA I am still not certain that the greatest purpose to all the American people which the TVA has served, is as the conscience of the private power trust, not only in the region of the Tennessee River, but throughout the entire Nation.

Mr. Speaker, I visited the TVA back in its infancy and returned 20 years later. I was tremendously impressed by the great changes made during these years. The new industrial life which has come to this previously barren area has brought a fine new standard of living by creating many job opportunities. The new homes soon followed, along with the many demands which homebuilding creates. This again made more job opportunities, and so on.

Another aspect which is sometimes overlooked is the industry which has grown out of the many recreational advantages made available by the TVA lakes. For many years the country waited for the private power companies to develop fully our natural water resources. It is true that here and there they did purchase and develop a few sites. But in every case they had to be concerned with the question of whether the service they gave could be sold at a profit. They could not assume the responsibility for providing even electric service to all who wanted or needed it, much less for providing flood control, navigation ways and recreational areas for the benefit of all. Their resources were far too limited for this and they could never have justified full-scale river development to their stockholders had they made the attempt.

More than half the power generated by TVA is used by the Government at national defense installations. These atomic plants are serving our defense needs and providing medical and scientific progress for the entire country. We all benefit from it either directly or indirectly.

Instead of hampering the development of private power companies, the Federal power system is, in reality, promoting their development by selling a large block of power to them at wholesale rates. In 1956, private power interests served nearly eight-tenths—78.8 percent—of all consumers in the United States. In the same year they generated 67.2 percent of all power.

I would like to suggest, Mr. Speaker, that anything which tends to weaken the TVA ultimately affects these many factors made possible by the many great and forward thinking Congressmen who saw fit to establish the people's ownership of the water resources of this vital valley.

Previously I stated that the TVA has become the conscience of the private power industry. I would like to demonstrate my point by simply stating that prior to the coming of public power, electricity was costing nine times as much as it now costs in this area. This tremendous difference in cost dramatizes the need for the TVA. These are some of the reasons why I will always oppose any move to weaken this great project.

Action Needed To Save Small Businessmen in the Dairy Industry

EXTENSION OF REMARKS
OF
HON. WRIGHT PATMAN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 7, 1959

Mr. PATMAN. Mr. Speaker, a few days ago the National Independent Dairies Association held its annual convention in Washington, D.C. Even the small businessmen who participated in that convention were surprised by the large attendance from all parts of the country. The convention was about two and one-half times larger than it was in 1958. Mr. D. C. Daniel, the executive secretary of the association, is continuing to receive applications for membership and, therefore, the prospects are that the convention of that group will be even larger next year. Also, it should be noted that at the convention this year approximately 150 Members of the House of Representatives and several Senators attended one session of the convention in the evening of April 14, 1959.

In view of these circumstances one is prompted to ask the question, "Why do these small businessmen consider it important for them to travel at the individual expense of each from all parts of the country to Washington in order to participate in a convention?" The record of the proceedings during the course of their convention provides the answer to that question. The answer is that the small businessmen in the dairy industry apparently are facing extinction unless there is action by the Congress in the near future on legislative proposals to restrict the use of price discrimination and other monopolistic practices.

The House Small Business Committee has made and is continuing to make extensive investigations and studies into the use of trade practices prevalent in the dairy industry. Overwhelming evidence has been accumulated showing the appalling effects of price discrimination in destroying free competition and leading to the creation of monopolies in the dairy industry. At this time, I and other Members of the Congress are besieged with appeals from some businessmen in the dairy industry that something should be done to stop destructive discriminatory pricing practices.

Our colleague, the Honorable TOM STEED, Democrat, of Oklahoma, a member of the House Small Business Committee, is serving as chairman of a special investigating subcommittee, which is directing its attention and efforts to these trade practices in the dairy industry about which complaints have been made. Much evidence has been received showing that some large nationwide processors and distributors of dairy products are selling milk at prices below cost, while in other situations they are selling essentially the same products at a much higher price, thereby subsidizing their below-cost sales. Some small businessmen, attempting to compete against such situations in given localities, are finding it most difficult to survive.

During the course of the recent convention of the National Independent Dairies Association in Washington, D.C., our colleague, Mr. TOM STEED, addressed that group. In his address he stated:

> I am as convinced now as I ever have been, perhaps more so, that, unless some relief in the legislative field is forthcoming, the day of the independent dairyman is numbered in this country.

Mr. Speaker, I ask that I be permitted to extend and revise my remarks by inserting at this time a copy of the address which was made by our colleague, the Honorable TOM STEED, Democrat, of Oklahoma, before the National Independent Dairy Association in Washington, D.C., Monday, April 13, 1959.

The material referred to is as follows:

REMARKS OF HON. TOM STEED, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OKLAHOMA

Representative STEED. Thank you for your very kind and generous presentation. Like all politicians, we know we do not deserve so many nice things to be said about us, but we would always be disappointed if they were not said.

I am especially happy and delighted to be here today and to have with me two very able men who work on the staff of the Small Business Committee and who are devoted to the assignment that we have before us this year.

I know that many of you had the opportunity to read the report and to have some experience with the work that the subcommittee on the dairy industry problems did last year. I must say that we have received very favorable reaction throughout the industry and throughout the government on this report.

While I have gotten most of the credit for it, the fact is that the report is the work of Mr. Everette MacIntyre, general counsel of the committee, without whom it would have been impossible for us to have made any progress at all. I want today to publicly give him the credit for the very excellent and fine staff job that he did.

The work has increased, so I am very happy today to have my longstanding personal friend, Brooks Robertson, a man with long government experience, on the subcommittee staff. We learned last year, Mr. MacIntyre and I did, that this is a field in which you need a lot of help to get very far along. The truth is, as Scott Daniel, your executive vice president, told you, I got into this milk thing completely by accident. I had no desire to be heading up such a job as I am doing, but I got interested in it and we were happy to have the opportunity to meet so many of you, to have had your cooperation in our task of finding facts about this industry to present to the Congress.

But actually, when we finished our work last year and filed our report, I really thought that I had finished with the milk business. You can understand why, then, today I have some feeling about the fact that I have twice as much milk business now as then.

We have what might be called a two-headed subcommittee on milk this year. This afternoon the subcommittee will have a conference on a special assignment, to decide what, if anything, we think should be done in regard to the milk situation here in the District of Columbia. We are intrigued with that problem because it involves several subdivisions of government in the same metropolitan area.

I don't think a similar political situation exists anywhere else in the country. There has been a considerable amount of pressure brought on the Small Business Committee for public hearings to be held in order for these confusing and complicated facts about the situation in the District of Columbia to be made of record and to be made available to the consuming public.

Personally, I hope the subcommittee decides that we should have these factfinding hearings.

In addition to that, the subcommittee then becomes the Permanent Milk Subcommittee of the House Select Committee on Small Business. We find that there are a number of current trouble areas throughout the country in which some very extensive staff research work needs to be done, and perhaps public hearings held.

The purpose of public hearings is twofold. It is one method we have of getting a lot of information, and it is also a way of making that information available to the public generally. Sometimes our task is not only to find out the facts so we can make recommendations to the legislative committees of Congress themselves, but also to help the public have a better understanding of the problems confronting us.

We expect that the committee will have a heavy workload throughout the remainder of this year and into 1960. As you know if you read the report, we made certain specific recommendations to which we thought Congress should give attention in terms of additional legislation. We felt that we had found enough facts to justify our saying that the dairy industry is in dire need of some legislative relief.

We still feel that way, and we are sure as we go into this problem more extensively that we will be able to make that case even more strongly than it has been made up to now. There has not been any indication anywhere that has come to my attention which would indicate that the problems besetting the dairy industry have eased up or have found any solution.

I am as convinced now as I ever have been, perhaps more so, that, unless some relief in the legislative field is forthcoming, the day of the independent dairyman is numbered in this country. I don't know whether many people or anybody agrees with my view.

As I have said before, this is a deep-seated conviction with me. I have traveled in some foreign countries, and have convinced myself that the real thing that makes America great is what we call our great middle class, which is another way of saying our small business community. Since I am convinced of that, I think that the future of this country will depend on how well we can keep the small business community in this country not only alive but flourishing.

When we see the trends that have been so dramatic in the last 20 years, and especially the last 10 years, the trends that begin to squeeze out of industry whole segments of the small business community, common sense would tell us that such trends permitted to exist very long eventually mean there will be no small business community.

If it can happen in one industry, it will spread to other industries.

We have to learn some of the answers by trial and error as we go along. Many years ago, because of the fact that the free enterprise system is susceptible to exploitation and to monopoly, Congress saw fit to pass certain laws called antitrust laws to protect the American businessman against monopoly and exploitation.

A lot of litigation has come out of these acts, and I think any man who will give even a casual study to the situation will realize that a tremendous lot of good came out of these laws. As time goes on, and as the nature of our economic life changes with modern times and trends, we find that these laws sometimes no longer suffice. That is why we propose amendments to them, to meet problems as they come along.

Many problems that are current in your industry also exist in others. Of course, we must always legislate not for class or special interest, but for the general interest. That is why we think that not only can some of the difficulties your industry faces be solved, but that these same problems in all industries can be met if certain amendments to the law can be achieved.

That is why we have recommended to the legislative committees of Congress that the Sherman and Clayton Acts be amended to give the enforcement agencies more power to prevent continuation of what we think are illegal and unfair practices.

There is one recommendation we made about which I personally feel very strongly. We believe that we must find some legislative means to give the law-enforcement agencies the power to grant immediate relief on a temporary basis so that the economic damage being done through unfair competition can be stopped in its tracks and held in abeyance until these agencies have an opportunity to find out what the facts are and to make final and permanent determinations. There are too many cases, because of the nature of the litigation, that take a lot of time to reach final decision, and too often by the time the wheels of justice have turned, the victim long since has passed from the scene.

We would like to find some way, those who feel as I do, to give faster relief, at least on a temporary basis, so that the very passing of time itself will not work to the advantage of those who violate the law.

We also think that these "good faith" parts of the law that are used now for evasion and loopholes should be tightened up. We have specific legislation pending in the Congress today to accomplish this purpose. Those are matters before the legislative committees. We are urging these legislative committees to proceed with the amendments. That is one field in which you can help now because your problems have been reduced to proposed legislation and are now pending before committees where, if the will of the public becomes strong enough, action will automatically result.

In addition to that part of this problem that you are familiar with, we feel on this committee that there is another way that the small business community, as such, in this country can and should receive a great deal of assistance. That is what we choose to call a revision and reform of our tax laws, with special reference as to how these laws apply to small business.

This committee, the House Select Committee on Small Business, has been working on this subject for a number of years. We think we proved in our original hearings, and in the surveys and research on the subject since, that there is no question but that the tax structure, while making a burden on all business, makes a much heavier burden on the small firm than it does on the large firm.

I think that the very fact that the small businessman is cut out from many of the opportunities for capital and financing—that are open to big business—in itself will prove our case.

Because of that, we have insisted that amendments to the Internal Revenue Code be adopted which would give a little bit more breathing room for the small businessman in this country. It has been truly said by those who know that if Henry Ford were trying to build up the Ford Motor Co. under today's laws, it could never become the great corporation that it is. The Ford company is a typical example of how a little business in this country could, under old tax laws, grow to be big business.

I think that epitomizes the free enterprise system, what we call the American way of things. I think that we make a serious mistake when we permit tax laws, even though they were adopted during time of great national danger as emergency measures, to continue on the books interminably, to the extent that they themselves begin to snuff out, to squeeze out, and starve out this great middle class of our economic life called small business.

We have bills pending with 11 points or revisions which we are convinced would help small business.

The Committee on Ways and Means, which is our legislative committee on taxes, saw fit last year to adopt three of these ideas, and to add one or two of its own, which we were glad to see done for two reasons: first, it will help some phases of small business, and second, it got Congress to adopt the idea, the basic idea, that there is justice in granting tax concessions and revisions to small business. We are now in the process of revising our proposed legislation this year, which we

will urge before these committees in the hope that we can get additional tax revision to make the burden on the backs of the small business a little less heavy.

I believe that through tightening up our antitrust laws we can make it more difficult for a big corporation with nothing but sheer, ruthless financial power to destroy competition. Once we can protect the small businessman from that type of unfair trade practice, then if he does find himself in a profitable situation where the free enterprise and tax systems let him live and breathe, he can retain enough of his profits to become strong and to grow and expand.

I think when that is done, the economy of the country generally will reflect a very remarkable improvement. I think you will be surprised, that by revising some of these tax laws downward, in the long run the Treasury of the United States will receive more income than it is now able to obtain. There are a number of records to prove that.

In West Germany, they have made some five tax reductions, revisions, and reforms since World War II. Yet the Treasury of the German Republic receives more income than it ever did, because removing these tax burdens caused the economy of the country to grow, to expand, and flourish. It is only under those terms that the Government can hope to get the revenues it must have to carry on the people's business.

I think that is the real, permanent, sound road to what our country needs. We live in a time when the demands for funds to operate the functions of Government are at an all-time high. There are many reasons for that, and the biggest, of course, the most overwhelming of all, is the dangerous world we live in and the tremendous cost of our national defense.

In this space age, research and development costs are almost unbelievably high. Therefore, even if we have what we choose to call very prosperous times, we see our national debt going up, the cost of Government going up, and the burdens on the people becoming heavier. I think part of the cost is because of the fact that we have tried to make permanent, in effect have made permanent, many of these emergency burdensome tax laws that were adopted in time of actual war.

Congress imposed some of the wartime levies we now operate under, not so much to raise revenue, as to cut down the demand for some things.

Certainly in these times, we are trying to increase demand. Therefore, it would seem completely illogical to me that we continue tax levies which have, as their basic purpose, to curb demand. The best way to expand demand is to remove any and all of the roadblocks that prevent expansion. That is one field, I think, which is very important to the small business community of the Nation. It is one thing to fix it so that the businessman has a chance to make a profit; it is another to make it possible for him to use at least some of that profit to strengthen his business, to let it grow, and to expand it.

We have more people needing jobs all the time. It always has been, and I hope it always will be the case that the small businessmen in the country provide most of these jobs. It is only through increasing his numbers and prosperity that we can hope to create the employment opportunities in every nook and corner of the country that so many hundreds of thousands of our people are now needing and will continue to need.

These are some of the overall and broad things that I feel motivate those of us in this committee work, and which spell out the basic purpose at which we are aiming.

I know that it is a little grand to talk about it in broad terms, and it is a little prosaic to think about it in the humble little means that we use to accomplish it, but it is high time, I think, that some of these steps are taken.

The facts are all too clear that unless this sort of thing is accomplished, very soon there will not be very much little business to save.

I hope that Congress can get around to enacting these proposals while there is still some of it left. Even though it may be on the anemic side, I still hope we can act before there is too much loss of this segment of our industry. Like all other outsiders, I sometimes would like to come up with a magic answer to your troubles or anyone else's, but I know that it isn't that easy.

We can only deal with your problems on the governmental level, and that largely confines us to the field of the rules by which the game is played. We can liken this whole thing to a football game. We can set the boundaries, we can make the rules, and we can have a referee. Then it is up to the players to see which side wins.

If the game is fair, if the rules are fair, that is about as far as you can go if you want to keep the Government in what I think is its proper place.

We think that there is little need for clipping and stripping, that evidence shows there is altogether too much of this fouling going on at the expense of the small business community. That is why we are trying to get a few more rules adopted that give our referee a bigger club so that he can make more people play more fairly in our commercial life.

I hope that as the next few months unfold, if it becomes our sad responsibility to come into some of your communities and hunt for the facts that are troubling you, we can continue to have the same cooperation and assistance you have given us up to now. I know you are a young organization, but in this field of milk our committee is young, too.

Again, I would like to thank and commend Mr. Daniel, as your representative, for the tremendous cooperation and help he has given us. Without him and without many of you, the work we have tried to do would have been mostly wasted effort.

We are going to continue to give you a forum where your problems can be brought, and where the attention of the Congress can be focused on them. We think they are worthy, that they deserve attention. We hope that in doing that we carry out the main purpose that Congress had when it created the Select Committee on Small Business; that we are truly being the eyes and ears of the House in the field of the needs and the problems of small business so that the Congress will have a wiser way of approaching its solutions to those problems.

Gentlemen, I thank you again for this opportunity to participate in your program. I hope that we can meet together some day and talk about the good work that has been done and the problems that have gone, instead of the problems we have and how we are going to meet them.

Thank you. [Applause.]

SENATE

MONDAY, MAY 11, 1959

Rev. Father Stefan Feica, of the Rumanian Orthodox Episcopate of America, Akron, Ohio, offered the following prayer:

Almighty God, our help and refuge, fountain of wisdom, and tower of strength, who knowest that we can do nothing without Thy guidance and help, assist the Members of this Senate, we pray Thee, and direct them to Divine wisdom and power, that they may faithfully and diligently accomplish the great task before them, according to Thy will, so that it may be profitable to the United States and to the glory of Thy Holy Name.

Furthermore, we pray for the United States of America, that the Lord, our God, may establish peace on earth and goodwill among men forevermore. We have in our hearts and minds the peoples of the world who are subjugated, conquered, or enslaved. We ask Thy great mercy for them. Look upon them with compassion, to comfort and strengthen them, and to deliver them speedily from bondage and oppression.

We especially remember the Rumanian people on this, their day of independence, for which they have valiantly fought for centuries, and have won with great sacrifice, only to be lost again. Thou who art our fortress and strength, we humbly beseech Thee to restore independence and freedom to the Rumanian people and to all the enslaved peoples of the earth, for Thou art the help, victory, and salvation of them that put their trust in Thee; and unto Thee we ascribe glory, to the Father, to the Son, and to the Holy Ghost, now and ever, and unto ages of ages. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, May 7, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H.R. 3460) to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 3460) to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes, was read twice by its title and referred to the Committee on Public Works.

COMMITTEE MEETING DURING SENATE SESSION

Mr. O'MAHONEY. Mr. President, I ask unanimous consent, as acting chairman of a subcommittee of the Committee on Interior and Insular Affairs, that

the subcommittee be authorized this afternoon, during the session of the Senate, to hold a brief hearing on a bill that is now pending, to authorize a reclamation project in the State of Idaho.

The VICE PRESIDENT. Without objection, it is so ordered.

AGREEMENT ESTABLISHING INTER-AMERICAN DEVELOPMENT BANK—SPECIAL REPORT OF NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL PROBLEMS—MESSAGE FROM THE PRESIDENT (H. DOC 133)

Mr. MANSFIELD. Mr. President, there is at the desk a message from the President of the United States, which I ask the Chair to lay before the Senate. I ask that the message be not read, because it is now being read in the House of Representatives, but that it be referred to the Committee on Foreign Relations.

The VICE PRESIDENT laid before the Senate the message from the President of the United States, which, with the accompanying documents, was referred to the Committee on Foreign Relations.

(For President's message see House proceedings of today.)

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move the the Senate proceed to consider executive business, to consider the nomination on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The VICE PRESIDENT. If there be no reports of committees, the nominations on the calendar will be stated.

DEPARTMENT OF AGRICULTURE

The Chief Clerk read the nomination of Frank A. Barrett, of Wyoming, to be General Counsel of the Department of Agriculture.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

COMMODITY CREDIT CORPORATION

The Chief Clerk read the nomination of Frank A. Barrett, of Wyoming, to be a member of the Board of Directors of the Commodity Credit Corporation.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

U.S. TARIFF COMMISSION

The Chief Clerk read the nomination of Joseph E. Talbot, of Connecticut, to be a member of the U.S. Tariff Commission for the term expiring June 16, 1965.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

FARM CREDIT ADMINISTRATION

The Chief Clerk read the nomination of Glen R. Harris, of California, to be a member of the Federal Farm Credit Board, Farm Credit Administration, for a term expiring March 31, 1965.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of J. Pittman Stone, of Mississippi, to be a member of the Federal Farm Credit Board, Farm Credit Administration, for a term expiring March 31, 1965.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

COMPTROLLER OF CUSTOMS

The Chief Clerk read the nomination of Stanley Ormsbee Styles, of Saugerties, N.Y., to be Comptroller of Customs with headquarters at New York.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

COLLECTOR OF CUSTOMS

The Chief Clerk read the nomination of Robert Higgins, of California, to be collector of customs for customs collection district No. 28, with headquarters at San Francisco.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified forthwith of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

ANNOUNCEMENT OF JOINT MEETING TOMORROW TO HEAR ADDRESS BY KING OF THE BELGIANS—ORDER FOR RECESS

Mr. MANSFIELD. Mr. President, I announce, for the information of the Senate, that tomorrow, at 12:30 o'clock p.m., the two Houses will be privileged to hear an address by King Baudouin, of the Belgians. I ask unanimous consent that at 12:15 tomorrow, the Senate take a recess, subject to the call of the Chair, so that the Members may proceed to the House of Representatives for the joint meeting.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER DISPENSING WITH CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the calendar under rule VIII be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

MORNING BUSINESS

The VICE PRESIDENT. Morning business is now in order.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF TITLE 10, UNITED STATES CODE, RELATIVE TO PAROLE SYSTEM FOR NAVAL PRISONERS

A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize the establishment of a parole system for naval prisoners, and for other purposes (with an accompanying paper); to the Committee on Armed Services.

REPORT OF ATTORNEY GENERAL, RELATING TO BOOK AND MAGAZINE PAPER

A letter from the Attorney General, transmitting, pursuant to law, his report on a study of production and distribution of printing papers used by book and magazine publishers, dated May 8, 1959 (with an accompanying report); to the Committee on Banking and Currency.

EXEMPTION OF PAYMENTS TO CERTAIN INDIANS FROM INCOME TAX

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to make payments to Indians for destruction of fishing rights at Celilo Falls exempt from income tax (with an accompanying paper); to the Committee on Finance.

REPORT ON REVIEW OF HOME MORTGAGE SECTION, FEDERAL HOUSING ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of the Home Mortgage Section, Mortgage Insurance Division, Federal Housing Administration, Housing and Home Finance Agency, March 1958 (with an accompanying report); to the Committee on Government Operations.

PROPOSED CONCESSION CONTRACT, BANDELIER NATIONAL MONUMENT, NEW MEXICO

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed concession contract in Bandelier National Monument, New Mexico (with accompanying papers); to the Committee on Interior and Insular Affairs.

CERTIFICATION OF ADEQUATE SOIL SURVEY AND LAND CLASSIFICATION, TEAPOT DOME WATER DISTRICT, CENTRAL VALLEY PROJECT, CALIFORNIA

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, that

an adequate soil survey and land classification has been made of the lands in the Teapot Dome Water District, California, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation (with an accompanying paper); to the Committee on Interior and Insular Affairs.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Hong-Fon Toy from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on March 1, 1958; to the Committee on the Judiciary.

REPORT ON PENALTY MAIL

A letter from the Postmaster General, transmitting, pursuant to law, a report showing the number of envelopes, labels, wrappers, cards, and other articles bearing penalty indicia procured or accounted for through that Department, during the fiscal year ended June 30, 1958, by the executive departments, independent establishments, organizations, and persons authorized by law to use the penalty privilege (with an accompanying report); to the Committee on Post Office and Civil Service.

ADJUSTMENT OF CERTAIN POSTAL RATES

A letter from the Postmaster General, transmitting a draft of proposed legislation to adjust postal rates of certain first-class mail and airmail, and for other purposes (with an accompanying paper); to the Committee on Post Office and Civil Service.

AMENDMENT OF EURATOM COOPERATION ACT OF 1958

A letter from the Chairman, U.S. Atomic Energy Commission, Washington, D.C., transmitting a draft of proposed legislation to amend the Euratom Cooperation Act of 1958 (with an accompanying paper); to the Joint Committee on Atomic Energy.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of California; to the Committee on Armed Services:

"ASSEMBLY JOINT RESOLUTION

"Joint resolution relative to a congressional investigation of unnecessary sonic booms in populated areas in California

"Whereas there has been an increasing number of reports of sonic booms caused by high-powered, high-speed jet aircraft, the most recent of which was a report of successive sonic booms in the San Francisco Bay area on April 7 and 8, 1959, all of which were of sufficient intensity to actuate the seismograph at the University of California; and

"Whereas when blasted in congested or inhabited districts, sonic booms, at the very least, inconvenience and disturb the repose or peace of mind of many persons in such areas; and

"Whereas in addition to this, sonic booms in many areas in California have been strong enough to damage homes and other property and loud enough to cause extreme fright or shock among many persons subject to their explosive qualities; and

"Whereas medical spokesmen have stated that the fright or shock generated by sonic booms may trigger the onset of coronary diseases or other afflictions intensified by sudden fear or shock; and

"Whereas such intense sonic booms can frequently disrupt the usual emergency channels of communication, as was the case in the San Francisco Bay area recently when police telephone lines were jammed and rendered useless for their normal function by persons calling to inquire as to the cause of the tremendous explosion; and

"Whereas it is recognized by this legislature that sonic booms occur in the tactical operations practiced by the Armed Forces, and that such practice is necessary for the defense of our Nation, but it is also recognized that operational training in the type of maneuvers in which sonic booms occur is generally not necessary over densely populated areas because such training is easily conducted in uninhabited regions; and

"Whereas it appears clear that as aviation technology advances the frequency of sonic booms will increase, as will the property damage, physical discomfort and mental suffering necessarily accompanying such explosions; and

"Whereas there is evidence that the armed services of the United States do not fully recognize their public responsibility to minimize the force and frequency of sonic booms and to reimburse citizens for damage caused by such blasts, although the U.S. Air Force has taken steps to settle claims for property damage caused by sonic booms originating from its aircraft; and

"Whereas it is the sincere belief of the Legislature of the State of California that no suitable solution will be found for this problem until the Congress of the United States undertakes an investigation to determine the identity of the agencies causing unnecesasry sonic booms, and to find methods for alleviating the frequency and force of such explosions over population centers: Now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the Congress of the United States to undertake an immediate investigation of sonic booms caused by military aircraft operating over populated areas, and the property damage and danger of physical injury caused thereby, with a view toward developing methods for mitigating this unfortunate and dangerous situation; and be it further

"Resolved, That the chief clerk of the assembly is hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Government Operations:

"ASSEMBLY JOINT RESOLUTION 24

"Joint resolution relative to requesting Congress to enact S. 910 of the 86th Congress

"Whereas the problems of Western States and their counties and cities arising from the vast Federal ownership of property in the West have demanded solution for almost 15 years; and

"Whereas the Congress of the United States has not yet acted with respect to instituting the needed system of payments in lieu of taxes on Federal property which would partially solve these problems; and

"Whereas there is pending before the 86th Congress S. 910, sponsored by a large number of U.S. Senators, aware of the need for some system of payments in lieu of taxes; and

"Whereas the provisions of S. 910 provide only a modest beginning solution of these problems and will not be burdensome upon the Federal Treasury; and

"Whereas S. 910 would also create the long-needed Federal Commission on Payments in Lieu of Taxes to recommend a permanent solution to the problems of hardships caused State and local governments by Federal landownership: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California (jointly), That the Congress of the United States is respectfully memorialized to enact S. 910 during the 1st session of the 86th Congress; and be it further

"Resolved, That the chief clerk of the assembly is hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of Oregon; to the Committee on Interstate and Foreign Commerce:

"ENROLLED HOUSE JOINT MEMORIAL 8

"To His Excellency, the Honorable Dwight D. Eisenhower, President of the United States; to the Honorable Senate and House of Representatives of the United States of America, in Congress Assembled, and to the Interstate Commerce Commission:

"We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

" 'Whereas the Oregon economy is directly dependent upon a relative small number of basic industries; and

" 'Whereas the agricultural and lumber products of our State are vital to the health, welfare, and defense of our country; and

" 'Whereas due to circumstances beyond our control the aforementioned industries have for years suffered from periodic railroad car shortage; and

" 'Whereas the western railroads which serve this State have been and are building cars in larger numbers than are the eastern railroads; and

" 'Whereas the failure of eastern railroads to produce sufficient cars for their own needs stems from obvious financial difficulties; and

" 'Whereas this lack of cars leads the eastern railroads to delay return of western cars for extended periods of time; and

" 'Whereas the solution to this problem cannot be obtained locally but lies in the hands of the Federal Government, the Interstate Commerce Commission, and the eastern railroads: Now, therefore, be it

" 'Resolved by the House of Representatives of the State of Oregon (the Senate jointly concurring therein), That the President of the United States, the Congress of the United States, and the Interstate Commerce Commission are hereby requested to take appropriate action to improve our national defense capabilities and the economic condition of our State by: (1) assuring the return of rail cars to the railroad holding title thereto with the least practicable delay; (2) deferring action on any national legislation which would increase railroad cost of operation; and (3) making every reasonable effort to aid the railroads to develop a car construction program of sufficient size to increase materially the national car supply; and be it further

" 'Resolved, That copies of this memorial be transmitted to the President of the United States, the Secretary of the U.S. Senate, the Clerk of the U.S. House of Representatives, to each member of the Oregon congressional delegation, and to the Interstate Commerce Commission.' "

"Adopted by house April 17, 1959.

"RUTH RENFROE,
"Chief Clerk of House.
ROBERT B. DUNCAN,
"Speaker of House.

"Adopted by senate April 23, 1959.

"WALTER J. PEARSON,
"President of Senate."

A resolution of the General Assembly of the State of Rhode Island; to the Committee on the Judiciary:

"HOUSE RESOLUTION 1433

"Resolution memorializing the Congress of the United States to enact the passage of bill S. 925, dealing with the Immigration and the Nationality Act (McCarran-Walter law)

"Whereas Senate bill 925 has been introduced in the Senate of the United States which would grant nonquota status to certain immigrants who are brothers, sisters, sons or daughters of U.S. citizens;

"Whereas efforts have been exerted for many years by the American Committee on Italian Migration—member aegncy of the National Catholic Resettlement Council—for legislation to help resolve the urgent and pressing problem of the fourth preference quota on the grounds that it is unfair to permit U.S. citizens to file petitions for their brothers, sisters, sons, or daughters, granting them approval, and then letting them pile up in huge backlogs at the American consulates abroad approved without the hope of any visas being issued. Fourth preference visas can be issued only when deficiencies occur in the first, second, or third preferences, which are allotted 100 percent of the quota—a rare and unlikely occurrence especially in countries with low quota numbers.

"Resolved, That the General Assembly of the State of Rhode Island respectfully requests that the Congress of the United States pass Senate bill 925; directing the secretary of state to transmit a duly certified copy of this to the President of the United States, to the Presiding Officers of both Houses in the Congress of the United States, and to the Senators and Representatives from Rhode Island in said Congress.

"AUGUST P. LAFRANCE,
"Secretary of State."

A concurrent resolution of the Legislature of the State of Pennsylvania; to the Committee on Appropriations:

"The Upper Allegheny River Valley, especially during recent years, has suffered increasingly severe flood damage—in March 1956 the greatest flood since 1865 and this spring another of comparable destructive effect.

"In contrast, Pittsburgh and the Lower Allegheny Valley have incurred relatively little damage. The reason for this disparity in damage clearly lies in the fact that the system of flood control dams for the lower river has long been completed. The lower river tributary floodwaters are habitually held back until flood conditions abate.

"Although the flood-control system for the Allegheny Valley was authorized more than 20 years ago by the 74th Congress of the United States, the central project, the great Kinzua Dam above Warren, remains stalled in the planning stage.

"Continued inaction in getting on with building the Kinzua Dam means a heavy handicap to northwestern Pennsylvania—an ominous, ever-to-be-reckoned-with threat to life and property, an active and deadening threat to the economic growth and recreational development of the region.

"Like so many areas where the Congress has mounted vast public works to meet needs beyond local powers of enterprise, the Upper Allegheny Valley Watershed now feels a decisive need for positive and immediate Federal action: Now, therefore, be it

"Resolved (the Senate concurring), That the General Assembly of the Commonwealth of Pennsylvania memorialize the Congress of the United States to expedite to the utmost the appropriations and any additionally needed enabling legislation, including legislation to enunciate the will of Congress if this point continue unclear to the Federal courts, to bring into being without further delay the great Kinzua Dam; and be it further

"Resolved, That copies of this resolution be transmitted to the Presiding Officers of each House of the Congress of the United States, and to each Senator and Representative from Pennsylvania in the Congress of the United States.

"HIRAM G. ANDREWS,
"Speaker, House of Representatives.
"JOSEPH OMINSKY,
"Chief Clerk, House of Representatives.
"GRAYBILL DIEHM,
"Chief Clerk, Senate."

A resolution adopted by Post No. 1, the American Legion, Department of Puerto Rico, San Juan, P.R., protesting against the enactment of the bill (H.R. 5926) to provide for amendments to the compact between the people of Puerto Rico and the United States; to the Committee on Interior and Insular Affairs.

A resolution adopted by the City Council of the City of Philadelphia, Pa., relating to the attendance of a delegation at the ceremonies on July 4, 1959, at Independence Hall, Philadelphia; to the Committee on the Judiciary.

RESOLUTION OF INTERNATIONAL CHAMBER OF COMMERCE

Mr. BIBLE. Mr. President, I ask unanimous consent to have printed in the RECORD a fine resolution of thanks adopted by the U.S. Council of the International Chamber of Commerce, Inc.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF THANKS

Be it resolved by the U.S. Delegation to the XVIIth World Congress of the International Chamber of Commerce, That a vote of appreciation for their contributions to this Congress be transmitted without delay to the President of the United States and the First Lady.

And that a vote of appreciation be transmitted to Senator LYNDON B. JOHNSON, majority leader, and Senator EVERETT M. DIRKSEN, minority leader for the exceptional courtesy they showed in helping to arrange the panel at the special meeting on Thursday. Further, that a vote of appreciation be sent to Senators A. S. MIKE MONRONEY, J. W. FULBRIGHT, PRESCOTT BUSH, J. S. COOPER, and WALLACE F. BENNETT; and to Representatives HALE BOGGS, ROBERT R. BARRY, FRANK M. COFFIN, WALTER H. JUDD, HENRY S. REUSS, and WILLIAM B. WIDNALL who participated in the panel.

In our judgment, the contribution made to international understanding and good will is a considerable one. The business leaders from 63 nations who attended this world congress are influential in affairs of both commerce and government in the communities that they represent.

The 600 ladies who were privileged to visit the White House were all greeted personally by the First Lady. They returned with most enthusiastic comments for, what was for them, an unforgettable experience.

The comments about the President's warm and friendly message were most enthusiastic and appreciative. The President's appearance along with the willingness of our legislators to discuss the most challenging of questions with frankness and candor, had an impact on the audience which was reflected in the comment heard over and over again: "This is real democracy at work."

Furthermore, the competence and understanding of the problems involved and the ability of our Senators and Representatives to state their views comprehensively and with clarity added to the favorable impression which was made.

The combination of all the foregoing made Thursday afternoon a memorable one for our visitors from other lands. They have seen real democracy at work, and its impression on them, and on those with whom they will communicate, will be a lasting one.

RESOLUTIONS OF CENTRAL POWER ELECTRIC COOPERATIVE, INC., MINOT, N. DAK.

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD three resolutions adopted by members of the Central Power Electric Cooperative, Inc., at Minot, N. Dak.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED BY MEMBERS OF CENTRAL POWER ELECTRIC COOPERATIVE, INC., AT ANNUAL MEETING HELD IN MINOT, N. DAK., ON MARCH 19, 1959

Whereas we hereby endorse Senate Resolution 71 which has been introduced by Senators MURRAY, CARROLL, and NEUBERGER, to investigate the water and power problems of the United States: Now, therefore, be it

Resolved, That we urge the Senate to approve Resolution 71; and be it further

Resolved, That we send copies of this resolution to Senators MURRAY, CARROLL, NEUBERGER, YOUNG, LANGER, and MANSFIELD.

RESOLUTION ADOPTED BY MEMBERS OF CENTRAL POWER ELECTRIC COOPERATIVE, INC., AT ANNUAL MEETING HELD IN MINOT, N. DAK., ON MARCH 19, 1959

Whereas it is becoming increasingly difficult for consumer-owned electric cooperatives to obtain satisfactory service and use of the existing federally owned, as well as privately owned, transmission facilities which by law should be dedicated to public service; and

Whereas the use of such transmission facilities, and especially the excess capacity thereof, is becoming more and more essential to the survival of such cooperatives: Now therefore, be it

Resolved by Central Power Electric Cooperative, Inc., at its annual meeting duly assembled, That this federation respectfully urges the passage of H.R. 3142, introduced by Representative QUENTIN BURDICK, in order to assure the maximum use of such facilities by the consumer-owned electric cooperatives; be it further

Resolved, That copies of this resolution be sent to the Senators and Representatives of the States of Montana and North Dakota, as well as to the chairmen of the appropriate committees of the House and Senate.

RESOLUTION ADOPTED BY CENTRAL POWER ELECTRIC COOPERATIVES, INC., MEMBERS AT ANNUAL MEETING HELD IN MINOT, N. DAK., ON MARCH 19, 1959

Whereas Nebraska has offered to sell the Bureau of Reclamation winter firm power in ample quantity to furnish all the customers in the Missouri Basin their needs through 1963, which power can be purchased under the Fort Peck Act: Now, therefore, be it

Resolved, That we request the Bureau to immediately start negotiations for the purchase of this power from Nebraska, that all customers in the Missouri Basin will receive all of their requirements as preference customers through 1963, in order that the preference customers may have time to make necessary arrangements for ample power after 1963 when the new allocation of power

which is now in process of being allocated is completed; and be it further

Resolved, That a copy of this resolution be forwarded to Secretary of Interior Seaton; Assistant Secretary of Interior Aandahl; Senator Murray; Senator Mansfield; Senator Langer; and Senator Young.

PROPOSED LEGISLATION BEFORE THE CONGRESS—PETITION

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the RECORD a petition signed by sundry citizens of the State of Washington, relating to proposed legislation now before the Congress.

There being no objection, the petition was ordered to be printed in the RECORD, without the signatures attached, as follows:

Hon. WARREN G. MAGNUSON,
Senate Office Building,
Washington, D. C.:

We, the undersigned, favor the following bills:

S. 1132, KEATING, (New York), to punish use of interstate commerce in conspiracies to commit organized crime.

S. 1432, THURMOND (South Carolina), to prevent service and consumption of alcoholic beverages aboard commercial passenger aircraft and military aircraft.

We oppose the following:

S. 751, BIBLE and CANNON (Nevada), to repeal cabaret tax.

S. 592, DIRKSEN (Illinois), to repeal all retailer excise taxes, includes $10.50 tax on distilled liquor, $9 a barrel on beer.

If H.R. 2221 by SILER (Kentucky), to prohibit transportation in interstate commerce of alcoholic beverage advertising and its broadcasting over the air, passes the House, we greatly favor this bill. We have been working for this bill by SILER or LANGER for a long time now and want it to become law this year.

Truly "Righteousness exalteth a nation; but sin is a reproach to any people" (Proverbs 14: 34).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURRAY, from the Committee on Labor and Public Welfare, without amendment:

S. 56. A bill to amend the act of August 5, 1954 (68 Stat. 674), and for other purposes (Rept. No. 244).

By Mr. HILL, from the Committee on Labor and Public Welfare, with amendments:

S.J. Res. 41. Joint resolution to establish in the Department of Health, Education, and Welfare the National Advisory Council for International Medical Research, and to establish in the Public Health Service the National Institute for International Medical Research, in order to help mobilize the efforts of medical scientists, research workers, technologists, teachers, and members of the health professions generally, in the United States and abroad, for assault upon disease, disability, and the impairments of man and for the improvement of the health of man through international cooperation in research, research training, and research planning (Rept. No. 243).

Mr. HILL subsequently said: Mr. President, I ask unanimous consent that the names of Senators JAVITS, PROUTY, JORDAN, KEATING, BUSH, and BEALL be added as additional cosponsors of Senate Joint Resolution 41.

The VICE PRESIDENT. Without objection, it is so ordered.

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 554. A bill for the relief of Argyrios G. Georgandopoulos (Rept. No. 245);

S. 604. A bill for the relief of Christos Kartsonis (Rept. No. 246);

S. 621. A bill for the relief of George A. Zizicas (Rept. No. 247);

S. 687. A bill for the relief of Aram Fayda and his wife, Elena Fayda (Rept. No. 248);

S. 770. A bill for the relief of Feiga Altmann Rock (Rept. No. 249);

S. 1042. A bill for the relief of Stephanos Tsoukalas (Rept. No. 250);

S. 1109. A bill for the relief of Efthimios Chonacas (Rept. No. 251);

S. 1192. A bill for the relief of Angela Maria Stala Labellarte (Rept. No. 252);

S. 1643. A bill to amend section 2412(b), title 28, United States Code, with respect to the taxation of costs (Rept. No. 253); and

H.R. 3248. An act to provide for the payment of just compensation to certain claimants for the taking by the United States of private fishery rights in Pearl Harbor, Island of Oahu, Territory of Hawaii (Rept. No. 269).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment.

S. 32. A bill for the relief of Uwe-Thorsten Scobel (Rept. No. 254);

S. 298. A bill for the relief of John Macy (Rept. No. 255);

S. 317. A bill for the relief of Tatsuo Kochi (Rept. No. 256);

S. 463. A bill for the relief of Stanislaw (Stanislaus) Napora (Rept. No. 257);

S. 510. A bill for the relief of Peter R. Muller (Rept. No. 258);

S. 755. A bill for the relief of Siglinde Ginzinger Maxwell (Rept. No. 259);

S. 756. A bill for the relief of Antonella Gambino (Rept. No. 260);

S. 855. A bill for the relief of Sacko Higa and Masako Higa (Rept. No. 261);

S. 896. A bill for the relief of Anthony Elio Monacelli (Rept. No. 262);

S. 1128. A bill for the relief of Jurij Antin Nimyolowycz (Rept. 263); and

S. 1164. A bill to authorize the appointment of a commissioner for Grand Canyon National Park, Ariz. (Rept. No. 264).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 190. A bill for the relief of Melanie Hoffman (Rept. No. 265);

S. 967. A bill for the relief of Lea Levy (Rept. No. 266);

S. 1037. A bill for the relief of Jesse Isobel Foster (Rept. No. 267); and

S. 1073. A bill for the relief of Su-Ming Tseng and her daughter, Wu-Mo Tseng (Rept. No. 268).

By Mr. O'MAHONEY from the Committee on the Judiciary without amendment:

H. Con. Res. 103. Concurrent resolution to commemorate the quadricentennial anniversary of Florida and to recognize the quadricentennial anniversary commission of that State (Rept. No. 275).

By Mr. CHAVEZ, from the Committee on Public Works, without amendment:

S. 300. A bill to amend the act of August 28, 1958, establishing a study commission for certain river basins, so as to provide for the appointment to such Commission of separate representatives for the Guadalupe and San Antonio River basins, and of a representative of the Texas Board of Water Engineers (Rept. No. 276);

S. 692. A bill to authorize the sale of certain lands to the State of Missouri (Rept. No. 277);

S. 846. A bill to provide that the lock and dam referred to as the Cannelton lock and dam, near Cannelton, Ind., on the Ohio River, shall hereafter be known and designated as the George Ewing lock and dam (Rept. No. 278);

H.R. 2228. An act to provide for the acquisition of additional land along the Mount Vernon Memorial Highway in exchange for certain dredging privileges, and for other purposes (Rept. No. 280); and

H.R. 4695. An act to amend section 108(a) of title 23 of the United States Code to increase the period in which actual construction shall commence on rights-of-way acquired in anticipation of such construction from 5 years to 7 years, and for other purposes (Rept. No. 281).

By Mr. CHAVEZ, from the Committee on Public Works, with amendments:

S. 42. A bill to authorize the utilization of a limited amount of storage space in Table Rock Reservoir for the purpose of water supply for a fish hatchery (Rept. No. 279).

WITHDRAWAL OF SUSPENSION OF DEPORTATION OF EDUARDO PIRES

Mr. EASTLAND, from the Committee on the Judiciary, reported an original concurrent resolution (S. Con. Res. 30) withdrawing suspension of deportation in the case of Eduardo Pires, and submitted a report (No. 270) thereon; which concurrent resolution was placed on the calendar, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress, in accordance with section 246(a) of the Immigration and Nationality Act (8 U.S.C.A. 1256(a)), withdraws the suspension of deportation in the case of Eduardo Pires (A–7483662) which was previously granted by the Attorney General and approved by the Congress.

WITHDRAWAL OF SUSPENSION OF DEPORTATION OF EVA GARCIA DE ZEPEDA

Mr. EASTLAND, from the Committee on the Judiciary, reported an original concurrent resolution (S. Con. Res. 31) withdrawing suspension of deportation in the case of Eva Garcia de Zepeda, and submitted a report (No. 271) thereon; which concurrent resolution was placed on the calendar, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress, in accordance with section 246(a) of the Immigration and Nationality Act (8 U.S.C.A. 1256(a)), withdraws the suspension of deportation in the case of Eva Garcia de Zepeda (A–8769233) which was previously granted by the Attorney General and approved by the Congress.

WITHDRAWAL OF SUSPENSION OF DEPORTATION OF JOSE POBLET

Mr. EASTLAND, from the Committee on the Judiciary, reported an original concurrent resolution (S. Con. Res. 32), withdrawing suspension of deportation in the case of Jose Poblet, and submitted a report (No. 272) thereon; which concurrent resolution was placed on the calendar, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress, in accordance with section 246(a) of the Immigration and Nationality Act (8 U.S.C.A. 1256(a)), withdraws the suspension of deportation in the case of Jose Poblet (A–3013924) which was previously granted by the Attorney General and approved by the Congress.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Mr. EASTLAND, from the Committee on the Judiciary, reported an original concurrent resolution (S. Con. Res. 33) favoring suspension of deportation in the cases of certain aliens, and submitted a report (No. 273) thereon; which concurrent resolution was placed on the calendar, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation pursuant to the provisions of section 244(a)(5) of the Immigration and Nationality Act (66 Stat. 214; 8 U.S.C. 1254(c)):

A-3424896, Grassi, John.
A-4064019, Sierra-Pecina, Plutarco.
A-1039385, Almeida, Jaime Caido.
A-7812725, Bedo, Joseph.
A-4263318, Cruz, Jesus.
A-3569897, Del Gatto, Giovanni.
A-1076121, Diaz-Morales, Matias.
A-5403399, Erenburg, Scheel Levovich.
A-5539208, Governali, Vincent.
A-2219295, Granados, Rafael Flores.
A-4316081, Guerrero, Odilon.
A-2381741, Hassan, Kassan.
A-10841833, Koon, Wong Gim.
A-5297364, Ludorf, Edward Sebastian.
A-1301717, Mack, Henry Eino.
A-3020033, Medina-Becerra, Remigio.
A-2142402, Ortiz-Cabrera, Masedonio.
A-5635350, Quong, Joe.
A-5961863, Rice, Alvie Earl.
A-2894938, Rubio-Velasquez, Atanacio.
A-8831395, Ruiz, Ramon Guerrero.
A-8521028, Schultz, William.
A-1954680, Vargas, Garcia, Jose.
A-4963711, Weinstein, Arnold.
A-5741406, Femine, Ernest Delle.
A-1148737, Gastelo-Valenzuela, Felipe.
A-1315085, Garcia-Arias, Jose Maria.
A-10432465, Risa, Arne Michael.
A-3945465, Maldonado, Francisco.
A-5119438, Razzari, Giuseppe.
A-1377556, Vieyra-Landeros, Apolonio.
A-1120875, Vincent, Frank Medeiros.
A-11290619, Chin, Bing Kee.
A-5429423, Gutierrez, Joseph.
A-10448499, Hernandez-Perez, Eulalio.
A-5755208, Jacobson, Joseph.
A-5954258, Madonna, Joseph.
A-2539330, Mikkelsen, Hans Christian Gunnar.
A-7923286, McKelligan, Katherine Burke.
A-1933574, Barovia, Philip.
A-451853, Gaenther, Andreas.
A-11161876, Lemon-Barrera, Antonio.
A-6253520, Thomas, Herbert Otto.
A-4933047, Nunez, Baltazar.
A-4961824, Handlovits, Mary Elizabeth.
A-10605548, Madrigal, Sara.
A-9519314, Scordilis, Constantinos.
A-1691409, Tartakoff, David.
A-1981926, Andreini, Amadio Eugenio Giovanni.
A-8845161, Cohen, Henry.
A-5091649, Tereschenko, William Efim.
A-1273266, Gonzales-Hernandez, Jose.
A-1966028, Lindsay, Harry Fairweather.
A-10293639, Martin, Walter Hans.
A-2931126, Black, Henry Max.
A-2471376, Gee, Chew.
A-5901606, Lukas, Benedict.
A-2427566, Slepnikoff, Michael James.
A-1867473, Guerrero, Salvador Ybarra.
A-5896096, Helmers, Herman Heinrich Gotthold.
A-11403968, Huey, Hong Hen.
A-6249664, Jazer, Taire.
A-4228026, Perrin, Maurice J.

ROCHESTER IRON & METAL CO.—REFERENCE OF BILL TO COURT OF CLAIMS

Mr. KEATING from the Committee on the Judiciary, reported an original resolution (S. Res. 117) to refer to the Court of Claims the bill (S. 628) for the relief of the Rochester Iron & Metal Co., and submitted a report (No. 274) thereon, which resolution was placed on the calendar, as follows:

Resolved, That the bill (S. 628) entitled "A bill for the relief of the Rochester Iron & Metal Co.," now pending in the Senate, together with all the accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRIDGES:

S. 1887. A bill for the relief of Alice V. Tenly; to the Committee on Post Office and Civil Service.

By Mr. MURRAY (for himself and Mr. MANSFIELD):

S. 1888. A bill to repeal the tax on transportation of persons; to the Committee on Finance.

S. 1889. A bill to authorize the transfer of three units of the Fort Belknap Indian irrigation project to the landowners within the project; to the Committee on Interior and Insular Affairs.

By Mr. KEATING (by request):

S. 1890. A bill for the relief of Najla Malti, Hanna Malti, Fadwa Malti, Constantin Malti, and Marie Malti; to the Committee on the Judiciary.

By Mr. McCARTHY:

S. 1891. A bill for the relief of Donald G. Coplan; to the Committee on the Judiciary.

(See the remarks of Mr. McCARTHY when he introduced the above bill, which appear under a separate heading.)

By Mr. KERR (for himself and Mr. MONRONEY):

S. 1892. A bill to authorize the Secretary of the Interior to construct, operate and maintain the Norman project, Oklahoma; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. KERR when he introduced the above bill, which appear under a separate heading.)

By Mr. O'MAHONEY (for himself and Mr. EASTLAND):

S. 1893. A bill to amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. O'MAHONEY when he introduced the above bill, which appear under a separate heading.)

By Mr. CLARK:

S. 1894. A bill to amend title II of the Social Security Act and the Internal Revenue Code so as to increase benefits of individuals who delay their retirement beyond age 65; to the Committee on Finance.

(See the remarks of Mr. CLARK when he introduced the above bill, which appear under a separate heading.)

By Mr. JOHNSTON of South Carolina (for himself, Mr. HILL, and Mr. TALMADGE):

S. 1895. A bill to authorize the payment of annuities under the Civil Service Retirement Act to the survivors of certain employees separated from service prior to October 1, 1956, with title to deferred annuity; to the Committee on Post Office and Civil Service.

By Mr. JOHNSTON of South Carolina (by request):

S. 1896. A bill to repeal the act of June 23, 1948 (62 Stat. 576), relating to the transportation of mail between post offices and airports; to the Committee on Post Office and Civil Service.

By Mr. JOHNSTON of South Carolina (for himself and Mr. CARLSON) (by request:

S. 1897. A bill to improve the compensation policies and practices of the Federal Government with respect to civilian personnel thereof, to establish a temporary Commission on Federal Civilian Employees Compensation Policy, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MAGNUSON (by request):

S. 1898. A bill to amend the Communications Act of 1934 with respect to the procedure in obtaining a license and for rehearings under such act; and

S. 1899. A bill to authorize the establishment of the Arctic Wildlife Range, Alaska, and for other purposes; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bills, which appear under separate headings.)

By Mr. HOLLAND (for himself and Mr. AIKEN):

S. 1900. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act so as to include nematocides, plant regulators, defoliants, and desiccants, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. JORDAN:

S. 1901. A bill to amend section 101(c) of the Agricultural Act of 1949 and the act of July 28, 1945, to stabilize and protect the level of support for tobacco; to the Committee on Agriculture and Forestry.

By Mr. CHAVEZ (for himself, Mr. KERR, and Mr. CASE of South Dakota) (by request):

S. 1902. A bill authorizing additional appropriations for prosecution of projects in certain comprehensive river basin plans for flood control, navigation, and other purposes; to the Committee on Public Works.

By Mr. MURRAY (by request):

S. 1903. A bill to authorize a per capita distribution of funds arising from a judgment in favor of the Quapaw Tribe, and for other purposes;

S. 1904. A bill to authorize the use of funds arising from a judgment in favor of the Citizen Band of Potawatomi Indians of Oklahoma, and the Prairie Band of Potawatomi Indians of Kansas, and for other purposes;

S. 1905. A bill to authorize the classification, segregation, and disposal of public lands chiefly valuable for urban and business purposes; and

S. 1906. A bill to facilitate the administration of the public lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LANGER:

S. 1907. A bill to amend the Federal Credit Union Act so as to decrease the maximum interest rate on loans made by credit unions and increase the maximum amount of any unsecured loan which may be made by credit unions; to the Committee on Banking and Currency.

By Mr. CLARK:

S. 1908. A bill to authorize the Secretary of the Interior to acquire certain additional

property to be included within the Independence National Historical Park; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. CLARK when he introduced the above bill, which appear under a separate heading.)

By Mr. DOUGLAS:

S. 1909. A bill for the relief of John Gelbert (alias Max Theodore Gelbert); and

S. 1910. A bill for the relief of Helena Farbutko; to the Committee on the Judiciary.

By Mr. CAPEHART:

S. 1911. A bill for the relief of Dr. Ramon R. Panlilio; and

S. 1912. A bill for the relief of Timmy Kim Smith; to the Committee on the Judiciary.

By Mr. PROXMIRE:

S. 1913. A bill for the relief of Evagelos Mablekos; to the Committee on the Judiciary.

By Mr. EASTLAND:

S. 1914. A bill to amend section 508 of title 28, United States Code, relating to attorneys salaries; and

S. 1915. A bill for the relief of Chung Ching Wei; to the Committee on the Judiciary.

CONCURRENT RESOLUTIONS

Mr. EASTLAND, from the Committee on the Judiciary, reported the following original concurrent resolutions, which were placed on the calendar:

S. Con. Res. 30. Concurrent resolution withdrawing suspension of deportation in the case of Eduardo Pires;

S. Con. Res. 31. Concurrent resolution withdrawing suspension of deportation in the case of Eva Garcia de Zepeda;

S. Con. Res. 32. Concurrent resolution withdrawing suspension of deportation in the case of Jose Poblet; and

S. Con. Res. 33. Concurrent resolution favoring suspension of deportation in the cases of certain aliens.

(See the above concurrent resolutions printed in full when reported by Mr. EASTLAND, where they appear under the heading "Reports of Committees".)

RESOLUTION

Mr. KEATING, from the Committee on the Judiciary, reported an original resolution (S. Res. 117) to refer to the Court of Claims the bill (S. 628) for the relief of the Rochester Iron & Metal Co., which was placed on the calendar.

(See the above resolution printed in full when reported by Mr. KEATING, which appears under the heading "Reports of Committees".)

CONSTRUCTION, OPERATION, AND MAINTENANCE OF THE NORMAN PROJECT, OKLAHOMA

Mr. KERR. Mr. President, on behalf of myself, and my colleague, the junior Senator from Oklahoma [Mr. MONRONEY], I introduce, for appropriate reference, a bill which has for its purpose authorizing the Secretary of the Interior to construct, operate, and maintain the Norman project, Oklahoma. Representative JOHN JARMAN is introducing a similar bill in the other branch of Congress today.

The proposed project would provide municipal and industrial water for the cities of Norman, Midwest City, and Del City, and for the Tinker Air Force Base.

Pending completion of long-range plans for additional water supply works, the proposed project could provide a supplemental water supply to Oklahoma City for an estimated 15 years or until such time as the needs of project cities required the full capability of the project for water.

Provisions also would be made for flood control, fish and wildlife preservation and propagation, and recreation.

The physical features would include an earth fill dam on Little River, east of Norman, forming a reservoir of 364,000 acre-feet and a lake of 13,400 acres, pumping plants and pipelines. The estimated cost is $15 million allocated as follows:

	Federal		Non-Federal
	Reimbursable	Nonreimbursable	
Municipal and industrial water	$8,165,000	----------	----------
Water supply for Tinker Air Force Base	----------	$1,700,000	----------
Flood control	----------	2,100,000	----------
Fish and wildlife	----------	2,360,000	----------
Recreation	----------	280,000	$360,000
Total	8,165,000	6,440,000	360,000

Based on a 50-year period of analysis, annual costs are estimated at $628,000, annual benefits at $1,072,000 and the benefit-cost ratio is 1.71.

As introduced, the bill calls for repayment contracts to be in compliance with the Kerr Municipal Water Act (title III of the Flood Control Act of 1958). This gives flexibility to repayment for future water requirements.

This project has almost unanimous local support and, when constructed, will supply for the next 15 or 20 years the municipal and industrial water supply requirements of the metropolitan area which it will serve.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1892) to authorize the Secretary of the Interior to construct, operate and maintain the Norman project, Oklahoma, introduced by Mr. KERR (for himself and Mr. MONRONEY), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

AMENDMENT OF CHAPTER 223, TITLE 18, UNITED STATES CODE, RELATING TO ADMISSION OF CERTAIN EVIDENCE

Mr. O'MAHONEY. Mr. President, on behalf of the Senator from Mississippi [Mr. EASTLAND], chairman of the Committee on the Judiciary, and myself, I introduce, for appropriate reference, a bill to amend Chapter 223 of Title 18 of the United States Code. The bill makes provision for the admission of certain evidence in trials. It arises out of a decision of the Supreme Court in the Mallory case of some years ago. The form in which the bill is introduced is exactly the form on which the conference committee agreed last year but which could not be adopted in the Senate because of the situation which existed on the closing day of the session, when a quorum of the Senate disappeared before it was possible to submit the conference report for adoption. I ask unanimous consent that the text of the bill may be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1893) to amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence, and for other purposes, introduced by Mr. O'MAHONEY (for himself and Mr. EASTLAND), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 223 of title 18, United States Code, is amended by inserting immediately following section 3500 of such chapter a new section to be designated as section 3501 and to read as follows:

"§ 3501. Admissibility of evidence—statements and confessions.

"(a) Evidence, including statements and confessions, otherwise admissible, shall not be inadmissible solely because of reasonable delay in taking an arrested person before a commissioner or other officer empowered to commit persons charged with offenses against the laws of the United States: *Provided,* That such delay is to be considered as an element in determining the voluntary or involuntary nature of such statements or confessions.

"(b) No statement, including a confession, made by an arrested person during an interrogation by a law-enforcement officer shall be admissible unless prior to such interrogation the arrested person had been advised that he is not required to make a statement and that any statement made by him may be used against him."

(b) The analysis of such chapter is amended by adding at the end thereof the following:

"3501. Admissibility of evidence—statements and confessions."

Mr. KEATING. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. KEATING. Mr. President, I desire to commend the Senator from Wyoming for calling our attention to the need for this proposed legislation. It was my privilege, as a Member of the House of Representatives in the last Congress, to participate with the Senator in endeavoring to work out legislation which would deal fairly but effectively with the Mallory decision rendered by the Supreme Court. This decision, we are informed by many law enforcement officials, has seriously hampered them in dealing with crime, particularly in the District of Columbia. We must not tie their hands.

I have already introduced a bill which I would prefer to see enacted, so far as the language is concerned. However, the bill which the Senator has introduced, as he has pointed out, is the product of some give and take, and is in the form in which it came out of our conference in the last session. If the bill takes this form eventually, I shall be very happy to support the Senator from Wyoming

in his valiant effort to deal adequately with this problem.

Mr. O'MAHONEY. I thank the Senator for his very gracious response. Everyone knows that the Senator from New York was the ranking Republican member of the House Committee on the Judiciary, and that he was one of the members of the conference last year on the bill which was passed by the Senate, and was one of those who cooperated in bringing about the agreement which was reached. I thank the Senator from New York.

AMENDMENT OF SOCIAL SECURITY ACT, RELATING TO INCREASED BENEFITS FOR CERTAIN PERSONS

Mr. CLARK. Mr. President, I introduce, for appropriate reference, a bill to amend the Social Security Act.

As we all know, at the present time any retired person entitled to old age and survivors benefits loses those benefits if he earns over $1,200 a year.

This works a hardship on thousands of elderly persons. In effect, it constitutes a financial penalty against those who continue to work past age 65. Social security benefits are notoriously inadequate to maintain retired citizens at a decent standard of living. Yet if the social security beneficiary sets out to supplement his income by part-time work, he must hold his earnings below $1,200 or lose his benefits.

Many Pennsylvanians have suggested to me that the $1,200 limitation is an anachronism in these days of high living costs, and that they should be permitted to earn as much as they can between the ages of 65 and 72 when the limitation ceases.

One constitutent wrote me:

> I suppose it will be another 4 years before anything is done; by then I shall be 72 and if my eyes hold out and my hearing—only have hearing of one ear—does not get any worse, theoretically the sky is the limit on the amount I shall be able to earn. It is so absurd and unfair.

It is indeed absurd and unfair. Surely we cannot mean to penalize people for living long lives and having the spirit to want to go on working and the skill to do so.

At the same time, experts on problems of older persons tell us that one of the causes of demoralization and physical and mental illness among the aging is premature retirement. Older persons should be encouraged to work as long as they are willing and able, at least on a part-time basis. Not only is this important from the standpoint of their health and comfort, but, assuming that we succeed in restoring maximum employment, their labor adds to the production of the economy. Yet, instead of serving to encourage continued employment, the Social Security Act works in exactly the opposite direction.

Proposals have been introduced in the Congress to raise the earnings limit to $1,800. This would reduce the difficulties in the present law, but it would not eliminate them. Yet to raise the limit even higher, or remove it entirely, would force too great an increase in the social security tax rates.

Consequently, I have been endeavoring to find a formula which would provide an inducement to older persons to continue at work, yet not add unduly to the cost of the system.

The formula I have arrived at is not original. It has been incorporated, with variations, in legislation in previous Congresses, although it has not, to my knowledge, been embodied in any bills introduced in this Congress. Last year, four House bills contained the principle of this proposal; they were sponsored by Representatives Kean, Dellay, Roosevelt, and Libonati. It was also a provision of an omnibus bill sponsored by the junior Senator from Wisconsin [Mr. PROXMIRE].

My proposal would provide that persons who earned more than $1,200 after age 65 would not lose their entire social security benefit. Instead, they would be paid a higher benefit, through a retirement increment, after their eventual retirement.

The retirement increment would be 4 percent a year, or one-third of 1 percent a month. Thus, a person who worked 3 years after age 35 would receive benefits for the rest of his life at a rate 12 percent higher than he would otherwise receive. If he worked until age 70, his benefits would be 20 percent higher.

At age 72, a person continuing to work would receive his full benefits, as under present law, but at a rate 28 percent above present benefits.

The increase in benefits would also be reflected in the benefits of any eligible dependents or survivors who were entitled to them on the basis of the worker's earnings record.

The cost of this proposal would require an increase in taxes of roughly one-fourth of 1 percent each on employers and employees.

This proposal is, I believe, a reflection of the change which has taken place in the philosophy of social security, and I hope it points to a change in the manner in which our older people are to be treated.

When social security was conceived and established, we were in a period of unprecedented national depression. The aim was to assure our older citizens that they would not have to suffer the indignity of public relief after their active working years had ended. A corollary aim was to give greater opportunity to younger workers by encouraging older persons to retire.

Now, however, we have a national objective of maximum employment. We have succeeded in that aim in the postwar years, except for intervals of recession like the present one. I assume that we will achieve that aim again soon. So we need no longer have any national policy based on a philosophy of forced retirement.

I particularly commend this proposal to the attention of the distinguished senior Senator from Michigan [Mr. MCNAMARA] and his Subcommittee on the Problems of the Aging. I hope that the subcommittee will concern itself with the problem of forced retirement, even though they do not have legislative jurisdiction over this particular proposal.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1894) to amend title II of the Social Security Act and the Internal Revenue Code so as to increase benefits of individuals who delay their retirement beyond age 65, introduced by Mr. CLARK, was received, read twice by its title, and referred to the Committee on Finance.

AMENDMENT OF COMMUNICATIONS ACT OF 1934, RELATING TO PROCEDURE IN OBTAINING LICENSES AND REHEARINGS

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to amend the Communications Act of 1934 with respect to the procedure in obtaining a license and for rehearings under such act. The introduction of this proposal was requested by the Federal Communications Bar Association. I ask unanimous consent to have printed in the RECORD a statement prepared by that association, relating to the bill.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 1898) to amend the Communications Act of 1934 with respect to the procedure in obtaining a license and for rehearings under such act, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The statement presented by Mr. MAGNUSON is as follows:

FEDERAL COMMUNICATIONS BAR ASSOCIATION PROPOSAL FOR AMENDMENTS TO SECTIONS 309 AND 405, COMMUNICATIONS ACT OF 1934, AS AMENDED

INTRODUCTION

For several years there has been exhaustive consideration by the Federal Communications Bar Association of possible changes in the Communications Act to modify or find a more satisfactory substitute for the so-called protest procedure embodied in section 309(c) which provides for hearings or oral arguments on the demand of parties in interest after the Federal Communications Commission has granted without a hearing an application for a construction permit for a radio facility.

At the annual meeting of the association in January 1959 the members gave strong support to the substitution of a carefully defined pregrant hearing procedure for the postgrant protest hearing procedure. Further intensive consideration of the proposed legislation has been given this matter by the association's executive committee and its practice and procedure committee. On April 14, 1959, the executive committee voted to recommend the enactment of amendments to sections 309 and 405 in the form attached.

Under the proposed amendment to section 309 the pregrant hearing procedure would be made applicable to the broadcast and common carrier services and also to certain limited categories of applications in the safety and special services. The amendment to section 405 would require the Commission to take action within a specified period of time after filing on petitions for rehearing of grants made initially without hearing.

I. DIFFICULTIES WITH PRESENT STATUTORY SCHEME WHICH OCCASIONED RECOMMENDED AMENDMENTS

Without attempting to list all of the problems inherent in the existing protest procedure, we shall briefly summarize the principal ones.

In its present form section 309(c) can place a heavy burden on the Commission and on successful applicants by requiring unnecessary and lengthy proceedings, after grants are made, to vindicate the grants in situations where there is no substantial basis for attacking them. At the same time the protest procedure fails to give real assurance to protesting parties in interest that legitimate objections to a grant will be given timely and adequate consideration by the Commission.

The original enactment of section 309(c) as a part of the Communications Act Amendments, 1952 (the so-called McFarland Act), stemmed from a feeling of dissatisfaction with the treatment by the Commission of objections to grants. Unfortunately, the existing mandatory protest procedures leave the Commission little discretion to dispense with useless or even frivolous proceedings. While protests must be filed under oath, the factual allegations may be based upon information and belief, which unfortunately encourages the filing of ill-founded protests with allegations based not on known facts, but on suspicion or less. Protest hearings have created immeasurable delays in bringing service to the public, but have resulted in few final reversals of grants. From the protestant's point of view the protest procedure has the fatal drawback that it comes into operation after the Commission has made its determination that a grant is in the public interest. It is difficult for a protestant to meet the burden of persuading the Commission that its original grant was mistaken.

II. THE PREGRANT PROCEDURE

It is the view of the association that the inherent inadequacies of the protest procedure can best be remedied by providing for institution of a pre-grant procedure which will limit hearings to instances where material and substantial questions of fact are presented, and which will require explicit and reasoned resolution by the Commission, prior to grant, of questions of law or policy which do not warrant a hearing. The proposed pregrant procedure is more nearly consistent with normal administrative procedures. It provides a method for reducing the possibility that the Commission will act erroneously by providing for consideration of objections before rather than after the Commission acts, but eliminates the power of protestants to compel hearings or oral arguments in situations where no useful purpose would be served thereby. In short, the proposed procedure will give the Commission ample discretion to dispose summarily of frivolous objections to a grant, but will require appropriate consideration of substantial objections before it makes a grant.

The effectiveness of a pre-grant procedure clearly depends upon an adequate system of notice which will permit interested parties to be apprised of the pendency of an application, and give them an opportunity to invoke the procedure.

In the safety and special services the many thousands of applications handled cannot, as a practical matter, be made the subject of public notice. Moreover, as to the great majority of such authorizations, grants are taken subject to interference and other bases for objection by interested parties are rare or nonexistent. Thus, after a careful study of the problems of the safety and special services it was decided to make subject to the proposed pre-grant procedure limited categories of applications as to which legally valid objections by interested parties would appear to be most likely. These relate to authorizations which are made on a nonduplicating basis or which are entitled under the Commission's rules to protection against interference.

III. TIME LIMIT FOR ACTION ON PETITIONS FOR REHEARING UNDER SECTION 405

One of the problems which led to the original enactment of section 309(c) was the extended period of time elapsing between filing of and action upon petitions for rehearing of Commission decisions without hearing. A grant might remain in effect for a year or more without action on a petition which raises substantial questions as to its validity. It also unconscionably delays the seeking of judicial review in those situations where the filing of a petition for rehearing is a statutory prerequisite to seeking review by the courts of Commission action. In light of the proposed elimination of the post-grant hearing procedure (which has a requirement that the Commission act on protests within 30 days), the association believes this to be an appropriate time to recommend strengthening of the section 405 remedy by providing a time limit (90 days) for passing on petitions for rehearing of grants made without hearing.

IV. ANALYSIS OF PROPOSED AMENDMENTS

(a) Section 309: Section 309 is proposed to be revised as follows: A new section 309(a) sets forth the terms of the pregrant procedure. Existing section 309(a) becomes section 309(b), and is modified in minor, but not in substantive, detail for purposes of consistency. Existing section 309(b) becomes section 309(c). The existing procedure for notifying applicants of the necessity for hearing and for designation of applications for hearing is left unchanged where no petition to deny an application has been filed or where the Commission questions an application on grounds not set forth in any such petition. If a meritorious petition has been filed, the case is set for hearing. Language changes are made in the new section 309(c) to integrate the pregrant procedure with the existing procedures and to avoid inconsistencies and procedural duplications. Existing section 309(c) (the post-grant protest procedure) is eliminated entirely. A new section 309(d) lists the safety and special services applications subject to the pregrant procedure. A new section 309(e) gives the Commission the power by rule to make reasonable classifications in order to effectuate section 309.

The pre-grant procedure assures that interested parties receive adequate notice of applications subject to the procedure by requiring the Commission to withhold action for 30 days after public notice of acceptance of applications for filing. If an interested party files a petition to deny the application prior to grant, the Commission must dispose of the petition before making a grant. Unlike the present protest procedure, the pregrant procedure does not compel the Commission to hold automatic evidentiary hearings or oral arguments in cases where such proceedings may be futile. Moreover, the petition must contain specific allegations of fact supported by affidavit. The applicant is given an opportunity to reply.

If no substantial and material question of fact is raised, the Commission may deny the petition with a concise statement of its reasons. The holding of oral argument in such a situation is left to the Commission's discretion. If questions requiring a hearing are presented, the Commission has full authority to specify the issues and assign the burden of proof to be borne by the parties to the hearing. Thus the pre-grant procedure gives the Commission reasonable control of the proceedings before it, a control lacking under the existing protest procedure. At the same time, where the Commission denies a pre-grant petition, the concise statement of reasons required will furnish an adequate basis for immediate judicial review and will give interested parties the opportunity to seek judicial stay of Commission action. The Commission will not be able to deny pre-grant requests for hearing without explanation.

The pre-grant procedure would apply to all applications in the broadcast and common carrier services with six classes of exceptions. The exceptions generally cover emergency authorizations, authorizations involving operation of facilities substantially in the manner for which construction previously was authorized, authorizations involving involuntary or minor changes in existing authorizations and certain broadcast authorizations of a character such that the need for prompt Commission action is felt to outweigh the need for an opportunity to file objections prior to grant.

The pregrant procedure would not apply to the great bulk of applications in the safety and special services. Many thousands of these applications are handled each year. It is impractical to give prior public notice of their filing. In the overwhelming majority of situations there is no party in interest who may legitimately complain of such applications. Limited categories of safety and special service applications, grant of which may adversely affect rights of other licensees or applicants, would be made subject to the pregrant procedure. The Commission would also be given specific authority by rule to make additional categories of applications in safety and special services subject to the pregrant procedure.

(b) Section 405: The right of any party in interest to petition for rehearing under section 405, regardless of what proceedings may have been had before the Commission prior to grant would continue to be available under section 405.

Two amendments are proposed to section 405. The first would correct a typographical error in the most recent reenactment of that section. The second, which involves a change of substance, would provide a cutoff date for action on petitions for rehearing of Commission grants made without hearing. Under section 405 the filing of a petition for rehearing does not require a stay of the Commission action of which complaint is made. Under these circumstances it is important for the Commission to dispose with reasonable promptness of the petition, especially in those cases in which no hearing has been held. The 90-day limit proposed is believed to be long enough so as not to place an undue burden on the Commission, but short enough to assure that a questionable authorization will not be allowed to remain in effect for a prolonged period without Commission consideration of a pending petition for rehearing.

CONCLUSION

It is believed that the amendments here proposed to sections 309 and 405 of the Communications Act will go a long way toward eliminating the unjustifiable burdens upon the Commission's processes which have existed since the enactment of section 309(c) in 1952, and will at the same time result in improving the remedies available to interested parties in cases where substantial questions are presented.

For the first time since 1952 the Commission will no longer be compelled to hold an evidentiary hearing or oral argument in situations where the allegations of the objecting parties in interest fail to raise material questions suitably supported by affidavits as to facts. At the same time, objecting parties interest will for the first time be assured that the Commission will give adequate consideration to the objections raised before a decision to make a grant has been reached, and the Commission will be required to give reasons for its actions in denying pre-grant petitions which will permit a

prompt court test of the validity of Commission decisions.

Thus under the proposed amendment to section 309, the Commission and Commission permittees will be relieved of the oppressive burdens of unnecessary hearings (which, in turn, may create inducements for financial settlements that may be contrary to the public interest). The incentive to protestants to wait until after a grant to invoke mandatory delaying procedures will be destroyed. On the other hand, objecting parties will have the benefit of having their views given full consideration by the Commission in the processing of an application before the view of the Commission has been crystallized into a decision, and will have an opportunity for prompt court review.

Finally, the amendment to section 405 eliminates a defect which has existed in that section since the original enactment of the Communications Act in 1934. For procedural reasons a petition for rehearing under section 405 is frequently required as a condition precedent to obtaining judicial review. For the Commission to have the power to delay action on the petition for an indefinite period, and at the same time to allow the questioned grant to remain in effect, is a classic example of the power to deny justice by delaying justice. This loophole in the law should be closed.

ARCTIC WILDLIFE RANGE, ALASKA

Mr. MAGNUSON. Mr. President, by request of the Secretary of the Interior, I introduce, for appropriate reference, a bill to authorize the establishment of the Arctic Wildlife Range, Alaska, and for other purposes. I ask unanimous consent that the letter from the Secretary of the Interior, requesting the proposed legislation, may be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1899) to authorize the establishment of the Arctic Wildlife Range, Alaska, and for other purposes, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. MAGNUSON is as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 30, 1959.

Hon. RICHARD M. NIXON,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed herewith is a draft of a proposed bill, "To authorize the establishment of the Arctic Wildlife Range, Alaska, and for other purposes."

We recommend that such proposed legislation be referred to the appropriate committee and that it be enacted.

This proposed legislation would permit the establishment of a wildlife area in the State of Alaska to be known as the Arctic Wildlife Range. The purpose of this reservation would be the preservation of wildlife and wilderness values in the particular area. Recognizing that the defense requirements of our Nation are a major consideration, present or future Department of Defense operations in the area would not be affected. Furthermore, use of the area for other purposes would be permitted in a manner that would not impair the intent of this legislation.

Looking ahead 50 years to the unfolding story of Alaska's development, it is clear that the only economically feasible opportunity for maintaining a wilderness frontier large enough for the preservation of the caribou, the grizzly, the Dall sheep, the wolverine, and the polar bear, all of which require a sizable unrestricted range, lies in this northeastern Arctic region of the State.

Our studies of this matter have led to the selection of an area as set forth in this bill that we believe should be preserved for the purposes in question. This area extends eastward from the Canning River to the Canadian border and inland to include a portion of the south slope of the Brooks Range. At its largest dimensions, the area would be roughly 120 miles from east to west and 140 miles from north to south.

The proposed Arctic Wildlife Range offers an ideal opportunity, and the only one in Alaska, to preserve an undisturbed portion of the Arctic large enough to be biologically self-sufficient. It would comprise one of the most magnificent wildlife and wilderness areas in North America, being exceeded in extent only by Canada's Wood Buffalo Scientific Study Area, which is farther south and represents a different habitat.

The portion of the Arctic Plain included in the proposal is a major habitat, particularly in summer, for the great herds of Arctic caribou. The countless lakes, ponds, and marshes found here are nesting grounds for large numbers of migratory waterfowl that spend about half of each year in the United States. Thus, the production here is important to a great many sportsmen. The river bottoms with their willow thickets furnish habitat for moose. This section of the seacoast provides habitat for polar bears, Arctic foxes, seals, and whales.

The Arctic caribou herds use all of the Brooks Range in summer and the south side particularly in winter. This unmodified region is important for game management research, particularly on caribou range problems. The Dall sheep are year-round residents and, like the caribou, occur in greater total numbers here than in other parts of Alaska. Moose and grizzlies are common. Wolverines are seen occasionally. Ptarmigan are numerous. This spacious unaltered habitat would permit the reintroduction of the musk ox. The south slope of the Brooks Range meets the year-round requirements for all of the native wildlife.

In elevation and grandeur, Mount Nicholson (9,239 feet) and Mount Chamberlain (1,931 feet) in this particular region are exceeded by no other in the Arctic Circle except for some in Greenland and Siberia.

For the wilderness explorer, whether primarily a fisherman, hunter, photographer, or mountain climber, certain portions of the Arctic coast and the north slope river valleys, such as the Canning, Hulahula, Okpilak, Aichilik, Kongakut, and Firth, and their great background of lofty mountains, offer a wilderness experience not duplicated elsewhere in our country.

In the circumstances, we consider this proposal to be desirable for accomplishment of the purposes that we have outlined. We believe this proposal is adaptable to this particular area in that it will provide a practical method of realizing the public benefits to which we have referred and at the same time will permit other uses in the area, such as mineral activities. This bill would permit the Secretary to authorize mineral activity within the range while at the same time it would preclude the appropriation of title to the surface of the land.

The Bureau of the Budget has advised us that there is no objection to the submission of this proposed legislation to the Congress.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

ACQUISITION OF ADDITIONAL PROPERTY FOR INCLUSION IN INDEPENDENCE NATIONAL HISTORICAL PARK

Mr. CLARK. Mr. President, I introduce, for appropriate reference, a bill to authorize the Secretary of the Interior to require certain additional property to be included within the Independence National Historical Park. An identical bill was introduced in the House of Representatives the other day by Representative JAMES BYRNE, of Pennsylvania. The bill authorizes the acquisition of land immediately adjacent to Old St. Joseph's Church, comprising an area of 15,400 square feet, and would be a most beneficial addition to the present national park.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1908) to authorize the Secretary of the Interior to acquire certain additional property to be included within the Independence National Historical Park, introduced by Mr. CLARK, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

ALLOWANCE OF DEDUCTION, FOR FEDERAL ESTATE TAX PURPOSES, IN THE CASE OF CERTAIN TRANSFERS TO CHARITIES—AMENDMENT

Mr. JOHNSTON of South Carolina submitted an amendment, intended to be proposed by him, to the bill (H.R. 137) to allow a deduction, for Federal estate tax purposes, in the case of certain transfers to charities which are subjected to foreign death taxes, which was referred to the Committee on Finance and ordered to be printed.

INDIAN SANITATION FACILITIES ACT—ADDITIONAL COSPONSOR OF BILL

Mr. MURRAY. Mr. President, I ask unanimous consent that the name of the Senator from Alaska [Mr. BARTLETT] may be added as a cosponsor of Senate bill 56, the Indian Sanitation Facilities Act, introduced by me, for myself and other Senators, on January 9, 1959.

The VICE PRESIDENT. Without objection, it is so ordered.

AMENDMENT OF FEDERAL-AID HIGHWAY ACTS OF 1956 AND 1958—ADDITIONAL COSPONSOR OF BILL

Mr. NEUBERGER. Mr. President, on behalf of the Senator from West Virginia [Mr. RANDOLPH], I ask unanimous consent that the name of the Senator from Indiana [Mr. HARTKE] may be added as an additional cosponsor of the bill (S. 1826) to amend the Federal-Aid Highway Acts of 1956 and 1958 by extending the approval of the estimate of cost of completing the Interstate System for an additional year, and for other purposes, introduced by the Senator from West Virginia on April 29, 1959.

The VICE PRESIDENT. Without objection, it is so ordered.

UNCLAIMED PERSONAL PROPERTY ACT—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of April 30, 1959, the names of Mr. ENGLE and Mr. KUCHEL were added as additional cosponsors of the bill (S. 1846) to facilitate the discovery and recovery by the States of unclaimed personal property in the custody of Federal agencies, and for other purposes, introduced by Mr. HUMPHREY (for himself and Senators BYRD of West Virginia, BUSH, and JAVITS) on April 30, 1959.

FAIR POLITICAL BROADCASTING ACT OF 1959—ADDITIONAL COSPONSORS OF THE BILL

Under authority of the order of the Senate of May 5, 1959, the names of Senators THURMOND, GREEN, HUMPHREY, YOUNG of Ohio, MCGEE, BARTLETT, CASE of South Dakota, BIBLE, BUSH, MCCARTHY, RANDOLPH, and ENGLE were added as additional cosponsors of the bill (S. 1858) to revise, extend, and otherwise improve the Communications Act of 1934 (47 U.S.C. 315) to bring into focus and more proper perspective that section of the law governing political broadcasts, introduced by Mr. HARTKE on May 5, 1959.

ARMED SERVICES COMPETITIVE PROCUREMENT ACT OF 1959—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of May 7, 1959, the name of Mr. CASE of New Jersey was added as an additional cosponsor of the bill (S. 1875) to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes, introduced by Mr. JAVITS (for himself and Mr. KEATING) on May 7, 1959.

ACCELERATION OF VARIOUS REFORESTATION PROGRAMS—ADDITIONAL COSPONSORS OF JOINT RESOLUTION

Under authority of the order of the Senate of May 5, 1959, the names of Senators NEUBERGER and MORSE were added as additional cosponsors of the joint resolution (S.J. Res. 95) to provide for the acceleration of the various reforestation programs of the Department of Agriculture and the Department of the Interior, and for other purposes, introduced by Mr. MANSFIELD (for himself, and Senators AIKEN, ANDERSON, BYRD of West Virginia, COOPER, HART, KUCHEL, MURRAY, RANDOLPH, and STENNIS) on May 5, 1959.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. MANSFIELD:

Address entitled "The Problem in Germany," delivered by him before the Bicentennial World Affairs Forum of the Foreign Policy Association of Pittsburgh, on May 1st, 1959.

By Mr. SPARKMAN:

Address entitled "Our Responsibilities in World Affairs," delivered by Senator FULBRIGHT, as a Gabriel Silver lecture on international understanding, at Columbia University, New York, on May 7, 1959.

By Mr. MOSS:

Address entitled "Works For Peace," delivered by Senator HUMPHREY at Jefferson-Jackson day dinner at Salt Lake City, Utah, on April 25, 1959.

By Mr. CHURCH:

Address entitled "Next Year and the Next Ten Years," delivered by Senator Moss before the Women's National Democratic Club in Washington on May 7, 1959.

By Mr. HARTKE:

Address delivered by him at Truman diamond jubilee, Gary, Ind., May 8, 1959.

Memorandum of conversation at Federal Economics Ministry, Bonn, Germany, regarding aluminum marketing.

By Mr. CASE of New Jersey:

Address prepared by him for radio broadcast on the occasion of the Rumanian national holiday celebrated on May 10.

By Mr. MCCARTHY:

Statement entitled "National Milk Sanitation Act," prepared by him, dealing with sanitary regulations relating to milk.

By Mr. BYRD of West Virginia:

Statement made by him before Committee on Appropriations, May 8, 1959, in behalf of certain projects in West Virginia.

By Mr. NEUBERGER:

Article entitled "Oregon's Jubilee Year is Under Way," written by Robert McBride, and published in the New York Times of May 10, 1959; and article entitled "Oregon Celebrates Its Centennial Year," written by RICHARD L. NEUBERGER, and published in the New York Times of March 29, 1959.

NOTICE OF HEARINGS ON RADIATION CONTROL BILL

Mr. HILL. Mr. President, I should like to announce that at 10 o'clock on Thursday morning of this week, the Subcommittee on Health of the Committee on Labor and Public Welfare will begin holding public hearings on a legislative proposal which, I am sure, will be of major importance to Members of the Congress and to their constituents.

The bill is S. 1628. Its purpose is to vest primary responsibility for the protection of the public health and safety from radiation hazards in the U.S. Public Health Service and in the public health agencies of the States and local communities.

Mr. President, despite the intense and quite understandable interest of our people and our press during recent years in the possible menace of ionizing radiation to our health and that of our children and our children's children; despite the often talked of effects of fallout resulting from the explosion of nuclear weapons and of the utilization in medicine, dentistry, and pharmacy of equipment and materials which subject both the recipient and the donor to ionizing radiation; despite our growing realization of the probable importance of the differences in degree to which people resident in different places are subjected to the effects of that ionizing radiation which is not manmade but which comes inevitably from natural causes; despite these things, there is no one official in our Government on whom the public can rely to serve as the protector of their health, perhaps of their lives and those of their children, from the dangers which may be inherent in the totality of ionizing radiation from all sources to which they are or may be subjected.

The bill, S. 1628, does not propose any overnight transfer of responsibilities or authority from other agencies of Government to the Public Health Service. The bill does propose two things. The first is that we provide local, State, and Federal public health agencies with the authority and the funds needed to train personnel and otherwise acquire such aptitudes, skills, and abilities as will be needed to properly discharge the heavy responsibility we would vest in them. Secondly, the bill would require the Surgeon General to present to the Congress by February of next year a detailed program for the step-by-step development of such transfers or creation of responsibilities and authority as will assure our people that responsibility for protecting their health against the hazards of ionizing radiation will be vested in those agencies whose responsibility is the protection of our people's health. The Congress would, of course, have the responsibility of accepting, rejecting, or modifying any such program as the Surgeon General may offer.

I repeat, Mr. President, hearings on this most important bill will begin on Thursday of this week. They will be held in the hearing room of the Committee on Labor and Public Welfare in the New Senate Office Building. Our witnesses on that day will be Dr. Russell H. Morgan, Chairman of the National Advisory Committee on Radiation and professor of radiology at Johns Hopkins Medical School, Dr. Herman E. Hilleboe, State health commissioner of the State of New York, representing the Association of State and Territorial Health Officers, and Dr. Berwyn Mattison, executive secretary of the American Public Health Association.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the information of the Senate, and after discussing the various measures with the distinguished minority leader, let me state that the unfinished business is Calendar No. 141, Senate bill 44, to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, in California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

After the further consideration of that measure, the Senate will take up Calendar No. 185, Senate bill 1120, to amend section 19 of the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Fed-

eral Reserve System against deposits; Calendar No. 186, Senate bill 1062, to amend the Federal Deposit Insurance Act to provide safeguards against mergers and consolidations of banks which might lessen competition unduly or tend unduly to create a monopoly in the field of banking; Calendar No. 142, Senate bill 72, to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes; and Calendar No. 227, Senate bill 1559, to provide for the striking of medals in commemoration of the 100th anniversary of the first significant discovery of silver in the United States, in June 1859.

In fact, Mr. President, it is the hope of the leadership that it will be possible for the Senate to consider Calendar No. 227, Senate bill 1559, during the morning hour.

Mr. MANSFIELD subsequently said: Mr. President, I announced earlier the schedule of events for the Senate. I wish to make a further announcement. Calendar No. 185, Senate bill 1120, and Calendar No. 186, Senate bill 106 too, will not be considered today. However, we hope to be able to consider them tomorrow.

COMMEMORATIVE MEDALS FOR 100TH ANNIVERSARY OF DISCOVERY OF SILVER

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 227, Senate bill 1559.

The VICE PRESIDENT. The bill will be read by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1559) to provide for the striking of medals in commemoration of the 100th anniversary of the first significant discovery of silver in the United States, June 1859.

The VICE PRESIDENT. Is there objection to the request for the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill to provide for the striking of medals in commemoration of the 100th anniversary of the first significant discovery of silver in the United States, June 1859.

Mr. MANSFIELD. Mr. President, I understand there is no opposition to the bill. It provides for the striking of medals in commemoration of the 100th anniversary of the discovery of silver in the United States, in the State of Nevada. So far as I know, the bill has been approved by all the agencies contacted.

At this time, I yield to the Senator from Nevada.

Mr. BIBLE. Mr. President, I shall give merely a brief explanation of the bill. It provides for the striking of medals in commemoration of the 100th anniversary of the discovery of silver in the United States, in the State of Nevada. The centennial celebration will be held the coming June.

The bill has a report from and the support of the Treasury Department; in fact, the form of the bill was suggested by that Department. The bill has agency approval; and I am sure there is no controversy in connection with it.

There is some urgency about the matter, because, in order to be effective, the bill must be passed immediately, and must go to the House of Representatives, and then must go to the President, for his signature.

If there are any questions, I shall be delighted to try to answer them.

The VICE PRESIDENT. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1559) was ordered to be engrossed for a third reading read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in commemoration of the one hundredth anniversary of the first significant discovery of silver in the year 1859 the Secretary of the Treasury is authorized and directed to strike and furnish to the Nevada Silver Centennial Committee one thousand silver medals one and five-sixteenths inches in diameter, with suitable emblems, devices, and inscriptions to be determined by the Secretary. The medals shall be considered to be national medals within the meaning of section 3551 of the Revised Statutes.

SEC. 2 (a) The Secretary of the Treasury shall cause such medals to be struck and furnished at not less than the estimated cost of manufacture, including labor, materials, dies, use of machinery, and overhead expenses; and security satisfactory to the Director of the Mint shall be furnished to indemnify the United States for the full payment of such cost.

(b) Upon authorization from the Nevada Silver Centennial Committee, the Secretary of the Treasury shall cause duplicates in silver of such medal to be coined and sold, under such regulations as he may prescribe, at a price sufficient to cover the cost thereof (including labor).

THE FACTS ON UNEMPLOYMENT

Mr. BRIDGES. Mr. President, the American economy is riding the wave of a massive economic recovery. The outlook for jobs and income this summer is highly favorable.

The latest available figures show that nearly 64 million Americans are at work. This represents an increase in the past year alone of a million and a half jobs.

There has been considerable thought recently about the level of unemployment. Such questions arise as these:

How many people are unemployed?

How bad is the present unemployment situation?

Is employment lagging behind the rate of recovery in production?

What are the prospects of unemployment in the coming months?

Involuntary joblessness is always a serious matter for the individual involved. Nevertheless, the severity of present unemployment levels has been exaggerated in some quarters.

We can act most effectively on behalf of the unemployed if we first get the facts straight on the true dimensions of the problem.

First. How many people are unemployed?

Last month 4.4 million people were unemployed. This compares with the March 1958 recession level of 5.2 million unemployed. It compares with the prerecession March 1957 level of 2.9 million unemployed.

The 4.4 million represent about 5.8 percent of the labor force.

Second. How bad is the present unemployment situation?

The idea of 4.4 million unemployed is not as discouraging as it might seem to be—nor as ominous as some spokesmen imply it is.

First—and most important—the 4.4 million figure is declining; recovery is unquestionably under way. Already the picture is very much improved from last summer's levels of over 5 million unemployed. Many indications point to full recovery later this year.

Second, several hundred thousand are now unemployed, due purely to seasonal factors. When warm weather comes there will be many more jobs, particularly in construction and agriculture. Probably about 250,000 of those who were unemployed in March represented purely seasonal unemployment.

Third, about 3 percent of the labor force in this country is almost always unemployed, due to purely temporary or unusual reasons not involving great personal hardship. These include workers shifting to new jobs; those temporarily laid off; young people looking for their first job; people who are withdrawing from the labor force—for example, retiring; people who have no pressing financial obligations, and have elected to live on unemployment benefits for a time; the sick; and the "unemployable" alcoholics, handicapped workers, and so forth. Even in the boom years following World War II, 1947 and 1948, unemployment was about 3.5 percent of the work force.

Third. Is employment lagging behind the rate of recovery in production?

Some critics of present unemployment rates point out that, while production and output are back to prerecession peaks, employment is still below prerecession levels. This charge ignores the fact that at all times employment lags behind production. This is because, as the economy gets more productive and as new machines and new methods are introduced, the same number of workers can turn out more goods. The remedy is not to lament the increase in productivity, since ultimately this is the only source of higher incomes and an improved standard of living. The remedy is to get people back to work with even more production.

Fourth. What are the prospects of unemployment in the coming months?

Will unemployment remain at its present levels? Or can we expect the situation to improve as it has in the past few months? What will the unemployment picture be in 1960?

While it is never safe to make firm predictions, the prospects are generally favorable. As compared with previous recessions, we are recovering at about the same rate Since in light of hindsight, the recessions of 1949 and 1954 were not serious, the present situation would also appear to be not serious, so long as recovery continues.

If we continue to enjoy the rate of improvement which has taken place since last August, we shall be down to 3.5 percent unemployment by the end of the year.

Another encouraging fact is that the average length of the workweek has recovered its 1957 level. A few months ago, one reason for the "lag" in employment was that companies were lengthening the workweek of existing workers, rather than putting on new workers. Now with the workweek back to over 40 hours, it is likely that future increases in output will come about through more employment, rather than through longer hours for those now employed.

For 1960, the employment picture could be significantly better. Reemployment never gets fully under way until a boom in capital goods takes place. Since the capital goods sector has been somewhat quiet since the summer of 1957, we could be in for a strong recovery there in 1960. In addition, there are indications that 1960 could be a strong year for autos. These two factors could produce a strong resurgence in employment during 1960.

Some further thoughts:

While 5.8 percent of the labor force is unemployed, 5.3 percent of those employed are holding down two jobs. About 3.6 million people are dual jobholders. This would indicate that the job market is not as weak as some critics imply.

One false implication which the critics sometimes draw is that existing levels of unemployment could be automatically reduced merely by an extra billion dollars in Government spending. However, with recovery so fully under way, there is no reason to assume that an extra billion dollars in spending would call forth an equivalent volume of employment. Instead, the extra demand might simply bid up prices and wages for the resources which are already employed.

In many cities where thousands of persons are unemployed, we also find this revealing fact: newspaper want ads list page after page of job openings—jobs available to those looking for work.

Why do these job openings go unfilled, when thousands are unemployed in the same city? The answer involves many considerations. Mostly, the unemployed are not trained for or suitable for the available jobs. But, to a large extent, this curious situation exists because so many of the unemployed are not in bad straits, but recognize their jobless status as temporary.

The unemployment office in Detroit recently said: "The jobs are open, indicating that no one wants to fill them."

One thing is clear from this: an extra shot of deficit spending by Government will not cure this kind of unemployment.

To summarize:

George Meany, AFL–CIO president, has stated that we must reasonably expect to find about 2.5 million unemployed in a free, dynamic economy.

If we deduct first those who are unemployed for seasonal reasons, and, second, the 3 percent who are always found changing jobs, entering and leaving the labor force, and so forth, we find that the actual level of unemployment which we ought to worry about is, perhaps, about 2 million. If we then consider, first, that the momentum of recovery is under way, and, second, that anything the Government might do would not have an impact until several months hence, it appears that unemployment is not the major problem which it is sometimes said to be.

These facts do not indicate that we should do nothing about the unemployed. Unemployment can be a very serious matter for the individuals involved. There is much that wise Government policy can do to help eliminate excessive unemployment. But such policies can best be judged in a context of correct information about the true unemployment situation.

We are just entering a new period of full prosperity, more jobs, and a half-trillion-dollar level of output. More and more Americans are going to work. Pay scales are up and the price level is stable, although inflationary pressures must be watched carefully.

If we follow prudent policies, any unemployment problem which we might face will be quickly corrected.

Mr. President, I am delighted that the Department of Labor has just released new unemployment statistics which further substantiate the remarks I have just made. In April, 1.2 million more persons were employed than in March. That is much more than a seasonal rise in unemployment.

Unemployment is now down to 5.3 percent of the labor force.

More than 2 million more Americans are now at work than at this time last year.

There have been additional signs of the continuing upswing in economic activity. At Hot Springs, the Business Advisory Council of the Department of Commerce has been hearing most favorable reports of many kinds. Some of these good signs were reported yesterday in the Washington Post, and I ask unanimous consent to have printed at this point in the RECORD an article entitled, "Job, Output Increases Reported."

Mr. President, all this is excellent news. Here is abundant evidence that, as I stated earlier, "the American economy is riding the wave of a massive economic recovery."

The prospects for continuing economic progress are exceptionally favorable.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOB, OUTPUT INCREASES REPORTED—PRODUCTION RATE SEEN APPROACHING $500 BILLION

(By Sterling F. Green)

HOT SPRINGS, VA., May 9.—A glowing report on the economy—including word that unemployment dropped by some 500,000 last month—emerged today from a conference of industrialists and Government officials.

Business will keep expanding at least until mid-1960, the experts agreed, and by then will have hit a production rate close to half a trillion dollars a year.

And an auto industry leader predicted that Americans will buy between 6 million and 6.3 million new cars this year, including 500,000 to 600,000 foreign models.

The forecasts were made at a closed meeting of the Commerce Department's Business Advisory Council, made up of the heads of scores of the Nation's biggest corporations, with Secretary of Commerce Lewis L. Strauss, White House economists, and other officials.

REPORT DUE MONDAY

Strauss announced that the monthly job report to be issued Monday will show "a sharp further improvement." Unemployment declined and employment rose in April, both more than seasonally, officials reported.

Strauss gave no figure, but reporters learned from other sources that unemployment is expected to dip below 3,800,000. This is better than in any month since the onset of the recession in 1957 and is more than 1¼ million below the level a year ago.

The improvement was even more striking last month than in March, officials reported privately. In March joblessness declined 387,000 to a total of 4,362,000.

Reporters are barred from sessions of the Advisory Council, but after today's meeting on the economic outlook Strauss and officers of the Council gave newsmen a jubilant briefing.

GRADUAL RISE SEEN

Donald K. David, vice chairman of the Ford Foundation and head of the Council's Economic Policy Committee, said that scores of economists retained by major corporations expect a "gradual, steady, healthy rise, lasting certainly through the first half of the next year."

Total national production is estimated in this quarter at a record rate of $473 billion annually and will rise to $485 billion in the final quarter of the year. David called this an average estimate of the economic consultants.

Mr. DIRKSEN. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield.

Mr. DIRKSEN. I am very much interested in the Senator's observations on the employment and the unemployment situation. I venture the observation that if the most current figures can be secured, probably they will put the matter in even better light. I wonder whether the distinguished Senator from New Hampshire will request unanimous consent that the new figures, which I expect to obtain perhaps within the hour, may be printed in the RECORD as a part of his remarks.

Mr. BRIDGES. I thank the Senator from Illinois. The new figures will substantiate the remarks I have made; and, Mr. President, I ask unanimous consent that they may be printed in the RECORD as part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The memorandum subsequently submitted by Mr. BRIDGES is as follows:

COMBINED EMPLOYMENT AND UNEMPLOYMENT RELEASE, APRIL 1959

(This monthly "Combined Employment and Unemployment Release" is being issued

to provide an integrated picture of the employment situation. The report summarizes the employment and unemployment statistics collected by the Department of Commerce and the Department of Labor. Additional details are included in supplementary reports issued by the Bureau of Employment Security in "Unemployment Insurance Claims," the Bureau of Labor Statistics in "Employment, Hours, and Earnings," and the Bureau of the Census in "The Monthly Report on the Labor Force." For an explanation of these series, see the explanatory notes attached to this report.)

The job recovery accelerated in April, as unemployment fell by 700,000 to 3.6 million and total employment rose by 1.2 million to a record for the month of 65 million, Secretary of Labor Mitchell and Secretary of Commerce Strauss jointly announced today. Both these changes were about double the average seasonal improvement for this time of year. An usually large pickup in construction and brisk hiring in "hard goods" manufacturing accompanied the continuing spring expansion in agriculture.

The seasonally adjusted rate of unemployment continued downward to 5.3 percent from 5.8 percent in March and around 6 percent during the winter months. This April, 1 year after the turning point in the recession, the rate of unemployment was about two-thirds of the way back to prerecession levels (4 to 4½ percent). The strong improvement in the last two months was in contrast to the lag in job recovery during the past winter.

In April there was a drop of 150,000 to 1.4 million in the number out of work for 15 weeks or longer. This number was down by half a million from the recession high last year but was still double the level at this time in 1957. As in March, about half of the long-term unemployed were without jobs for over 26 weeks.

The increase in employment over the month was larger than the drop in unemployment because most of the 650,000 persons added to the farm work force were outside the labor force and not seeking work the previous month.

Total nonagricultural employment—including the self-employed, domestics, and unpaid family workers—reached 59.2 million in mid-April, while the number of employees on nonagricultural payrolls climbed to 51.3 million. Both of these totals were up by half a million over the month—much more than the usual seasonal gain—and were more than 1.5 million above the recession low last year.

Employment in manufacturing rose by 30,000 over the month to 16 million instead of showing the usual seasonal decline for this time of year. After slowing down toward the end of 1958, the rate of recovery in manufacturing employment has picked up recently. This April, there were 900,000 more factory jobs than a year ago, but still 800,000 fewer than in April 1957.

Employment in durable goods increased by 75,000 over the month with continued sharp expansion in steel and significant gains in other metals and machinery industries. Employment changes in nondurable goods industries were mainly seasonal except for apparel, where the job drop was less than usual, and rubber, where strikes curtailed activity.

Sizable job gains continued to be reported both in building and in highway construction. The upsurge in construction has been one of the main factors in the recent reduction in unemployment.

Both the factory workweek and earnings increased over the month. The workweek in manufacturing—40.3 hours in April—was 2 hours greater than a year ago, and back to the high levels of April 1955 and 1956. More than half of the gain over the year represented increased overtime. Average weekly earnings reached a record $89.87, up 63 cents over the month. This was more than $9 higher than a year ago, mainly as a result of increased hours and overtime pay. Hourly earnings moved up 1 cent over the month to $2.23, or 12 cents per hour higher than in April 1958.

The number of full-time workers reduced to part-time because of slack work or other economic factors fell to about 1 million in April, less than half the recession high a year earlier. The other group of economic part-time workers—those whose jobs normally provide only part-time work, although they desire full-time jobs—continued at 1.3 million this April, not significantly changed from a year ago.

Insured unemployment under the regular State programs continued to decline more than seasonally, dropping by 360,000 between March and April to 1.8 million. All States showed a decrease except Maine and New Hampshire, which began new benefit years in April. The largest reductions in insured unemployment were in California (42,000), and New York and Pennsylvania (36,000 each). Sizable declines—ranging from 16,000 to 25,000—were reported by Illinois, Massachusetts, Michigan, and Ohio.

Preliminary estimates indicate that 180,000 persons exhausted their regular State benefits in April, compared with 193,000 in March, and 231,000 in April 1958.

Insured joblessness under the temporary unemployment compensation programs declined 84,500 from March to 230,000 in April. In most States, part of the drop can be attributed to limitations of eligibility under the recent 3-month extension to those who had filed a valid claim for temporary benefits before the end of March.

Employment and unemployment indicators

	1959	
	April	March
LABOR FORCE FIGURES (CENSUS): [1]		
Total labor force, including armed forces	71,210,000	70,768,000
Civilian labor force	68,639,000	68,189,000
Employed (total) [2]	65,012,000	63,828,000
In agriculture	5,848,000	5,203,000
In nonagricultural industries	59,163,000	58,625,000
Worked 35 hours or more during week	47,288,000	46,293,000
Worked less than 35 hours during week	10,035,000	10,412,000
Usually work full time at present job	2,759,000	3,094,000
Worked part time for economic reasons	975,000	1,049,000
Worked part time for other reasons	1,784,000	2,045,000
Usually work part time at present job	7,276,000	7,318,000
Worked part time for economic reasons	1,327,000	1,387,000
Worked part time for other reasons	5,949,000	5,931,000
With a job but absent from work entire week	1,840,000	1,920,000
Unemployed (total) [2]	3,627,000	4,362,000
Seasonally adjusted unemployment rate	5.3	5.8
Unemployed 15 weeks or longer	1,398,000	1,544,000
Not in labor force	51,849,000	52,177,000
PAYROLL EMPLOYMENT STATISTICS (BLS)[3]		
Total employees in nonagricultural establishments	51,338,000	50,851,000
Manufacturing	15,991,000	15,961,000
Durable goods	9,285,000	9,210,000
Nondurable goods	6,706,000	6,751,000
Mining	691,000	686,000
Contract construction	2,634,000	2,409,000
Transportation and public utilities	3,877,000	3,865,000
Whole and retail trade	11,099,000	11,069,000
Finance, insurance, and real estate	2,404,000	2,386,000
Service and miscellaneous	6,504,000	6,378,000
Government	8,138,000	8,097,000
Average weekly hours of production workers in manufacturing industries	40.3	40.2
Durable goods	41.0	40.8
Nondurable goods	39.5	39.5
UNEMPLOYMENT INSURANCE STATISTICS (BES)[4]		
Initial claims (State), week ending—		
Apr. 11; Mar. 14	279,600	255,000
Apr. 18; Mar. 21	236,500	253,300
Apr. 25; Mar. 28	229,100	250,500
May 2; Apr. 4	220,900	277,000
Insured unemployment (State), week ending—		
Apr. 4; Mar. 7	1,938,300	2,243,500
Apr. 11; Mar. 14	1,886,100	2,164,600
Apr. 18; Mar. 21	1,802,400	2,077,700
Apr. 25; Mar. 28	1,724,600	2,003,100

[1] Calendar week ending nearest 15th of month.
[2] Data preliminary. (See text.)
[3] Payroll period ending nearest 15th of month. March figures revised, April.
[4] Excludes claims filed under the temporary unemployment compensation programs.

EXPLANATORY NOTES

Changes in employment and unemployment result from a variety of economic and social forces. Genuine understanding of what is happening in the labor market requires the collection of many different kinds of information. Current statistics on the employment situation are available from three principal sources: (1) Sample surveys of the population, (2) payroll reports from employers, and (3) administrative statistics of unemployment insurance systems. Although there is some inevitable overlap in coverage, the statistics from these separate sources provide information on basically different aspects of employment and unemployment and largely supplement each other.

A sample survey of the population provides the only comprehensive measure of the entire labor force, both employed and unemployed. It also provides information on the characteristics of employed and unemployed persons, such as age, sex, and color, which cannot be readily obtained except from direct enumerations of the population. Other unique information obtained are distributions of the employed by hours worked and by broad occupational attachment and of the unemployed by duration of unemployment. A sample of employers, on the other hand, can report the number of people on establishment payrolls, the hours worked, and the wages paid in nonagricultural industries. Statistics on employment, hours of work, and earnings are provided from this source for a large number of specific industries and areas on a current basis. Not included on these payrolls are several million people who are self-employed, who are hired as domestics, or who work at unpaid jobs. Most nonfarm workers, however, are employed in establishments and these are the basic figures on employment levels and trends for a wide range of specific industries. Finally, administrative statistics of unemployment insurance systems furnish a complete count of new and insured unemployment among the two-thirds of the working population covered by unemployment insurance programs. Although these administrative reports do not cover all of the unemployed, they are valuable as current indicators because the figures are available weekly, are given separately for each State, and show both emerging new unemployment and continued unemployment.

These three series reflect the same underlying economic situations yet measure different aspects of the labor market. It is therefore expected that the numbers will not move in complete harmony from month to month. Some discrepancies may also arise because of sampling variability and response or reporting errors, and administrative factors. The principal purpose of the combined report is to provide a rounded picture of the employment situation based on all of the available information and to promote a better understanding of the different types of data and of differences which may arise from time to time between the various series.

Following is a brief description of each series. For more detail, the publications of the Bureaus compiling the series may be consulted.

Sample surveys of the population—labor force statistics

Bureau of the Census: This Bureau prepares monthly estimates of the population of working age (14 years and over) showing the total number employed, the total unemployed, and the number not in the labor force. The information is obtained from a scientifically selected sample of about 35,000 interviewed households in 330 areas throughout the country and is based on the reported activity or status of the surveyed persons during the calendar week ending nearest the 15th day of the month. The employed total—which is divided between agricultural and nonagricultural pursuits—includes all wage and salary workers and self-employed persons who worked at all during the survey week or who had jobs or businesses from which they were temporarily absent that week because of illness, vacation, or various other reasons; it also includes unpaid workers in family-operated enterprises who worked 15 hours or more during the survey week. The unemployed total includes all jobless persons who were looking for work, regardless of whether or not they were eligible for unemployment insurance. Also counted as unemployed, effective January 1957, are persons on temporary (less than 30-day) layoff and those scheduled to start new wage and salary jobs within 30 days.

Sample surveys of employers—payroll employment statistics

Bureau of Labor Statistics: This Bureau issues monthly statistics of the number of employees on the payrolls of nonagricultural establishments, by industry. The figures are based on reports from a sample of 155,000 employers covering more than 20 million workers. The employment of production and related workers is also shown separately by industry, together with average weekly hours and average hourly and weekly earnings. The employee figures includes all persons who worked or received pay from nonagricultural establishments during the payroll period ending nearest the 15th of the month. Persons on paid sick leave, paid holiday or paid vacation, etc., are included, but not those on leave without pay for the entire payroll period. Persons on the payroll of more than one establishment during the period are counted each time reported.

Unemployment insurance statistics

Bureau of Employment Security: This Bureau issues weekly reports, by State, on the number of initial claims and the volume and rate of insured unemployment under State unemployment insurance programs, including the program of Unemployment Compensation for Federal Employees. Figures are also issued by State on the volume of unemployment compensation for veterans and nationally for the Railroad Retirement Board program. Week to week changes may be affected by holidays and other administrative factors. The count of insured unemployment represents the number of persons reporting a week of unemployment under programs which currently cover about two-thirds of the Nation's labor force. Included are some persons who are only partially unemployed, and excluded are persons such as those who have exhausted their benefit rights, new workers who have not earned rights to unemployment insurance and persons losing jobs not covered by unemployment insurance systems (agriculture, State and local government, domestic service, self-employment, unpaid family work, nonprofit organizations, firms below a minimum size). State initial claims are notices given by those losing jobs covered by State and Federal employee programs that they are starting periods of unemployment. A claimant who continues to be unemployed a full week is then counted in the insured unemployment figure. Initial claim counts are of value as the first indication of emerging new unemployment.

THE MONTHLY REPORT ON THE LABOR FORCE, APRIL 1959

(This report supplements the Combined Employment and Unemployment Release issued jointly today by the Departments of Commerce and Labor. The joint release, issued as a press statement, summarizes the material presented in full detail in this report, along with related data from the Department of Labor.)

A sharp further improvement in the job situation was reported between March and April, according to the latest Census Bureau figures. Employment rose by 1.2 million to 65 million in the week ending April 18, while unemployment fell by 700,000 to 3.6 million. Both these changes were about double the average seasonal gain for this time of year. This April, an unusually large pickup in construction and brisk hiring in some hard goods factory lines accompanied the continuing spring expansion in agriculture. The increase in employment was larger than the drop in unemployment because many of the 650,000 persons added to the farm work force were outside the labor force the previous month, that is, were not seeking work during the winter offseason.

The seasonally adjusted rate of unemployment continued downward to 5.3 percent in April from 5.8 percent in March and around 6 percent during the winter months. The current rate, about one year after the generally accepted turning point in the recession, was approximately two-thirds of the way back to more typical postwar levels (4 to 4½ percent). The strong improvement in the last two months has largely made up for the lag in job recovery noted during the past winter.

Another significant development in April was a drop of 150,000 to an estimated 1.4 million in the number of relatively long-term jobless—those out of work for 15 weeks or longer. This number was down by half a million from the recession high last year but was still double the level at this time in 1957. As in March, about half of the group had been without jobs for 26 weeks or more.

Nonagricultural employment advanced by 550,000 to 59.2 million in April, with virtually all of the increase recorded among men 20 years old or over. The largest part of the increase occurred in seasonally expanding activities, especially construction. Whereas recalls among construction workers nearly always occur in April, the movement this year was much larger than the average for the postwar period. To some extent, job gains among outdoor workers may have been accentuated by the lateness of the survey week (April 12–18), but there is evidence from other sources of record construction outlays this year.

At the same time, the hiring of previously jobless hard-goods workers also continued at a brisk pace. The unemployment rate in this sector came down over the month from 7½ percent to 6 percent (not adjusted for seasonality). This rate had been as high as 12 percent during several months in 1958. The typical level during the 1955–57 boom period, on the other hand, was around 4 percent.

TABLE A.—*Summary of estimates: March and April 1959 and April 1958*

[Thousands of persons 14 years of age and over]

Employment status	Apr. 12–18, 1959	Mar. 8–14, 1959	Apr. 6–12, 1958	Net change	
				March–April 1959	April 1958–1959
Total noninstitutional population	123,059	122,945	121,656	+114	+1,403
Total labor force, including Armed Forces	71,210	70,768	70,681	+442	+529
Civilian labor force	68,639	68,189	68,027	+450	+612
Employed	65,012	63,828	62,907	+1,184	+2,105
Agriculture	5,848	5,203	5,558	+645	+290
Male	4,900	4,505	4,704	+395	+196
Female	949	698	855	+251	+94
Nonagricultural	59,163	58,625	57,349	+538	+1,814
Male	38,898	38,338	37,578	+560	+1,320
Female	20,265	20,287	19,770	−22	+495
Unemployed	3,627	4,362	5,120	−735	−1,493
Male	2,317	2,971	3,492	−654	−1,175
Female	1,310	1,391	1,629	−81	−319
Not in labor force	51,849	52,177	50,975	−328	+874
Seasonally adjusted rate of unemployment	5.3	5.8	7.5		

This report, released today by Robert W. Burgess, Director, Bureau of the Census, Department of Commerce, is based upon the Bureau's current population survey. The estimates are based on a sample and are subject to sampling variability.

LABOR FORCE

The total labor force, including the Armed Forces, increased to 71.2 million, around 450,000 larger than in mid-March. This change resulted principally from the usual spring entry or reentry of seasonal workers (mostly housewives and young persons) into the farm work force.

The year-to-year growth of the labor force in April amounted to 500,000, about equal to the average of recent months but somewhat short of the average rate of growth observed over past years. Some slackening in the rate of labor force growth has been typical during the postwar recessions, when some potential entrants to the labor force apparently have postponed looking for work until conditions improve. The entry of these persons during and after the recovery period has usually made for larger than average increments in the labor force at those times.

Although the West has the smallest population among the Nation's four principal regions, this area accounted for most of the increase in the labor force for the country as a whole between 1957 and 1958. Cutbacks in employment were severe in the West in the downturn stage of the recession, but the recovery occurred earlier and was more vigor-

ous than elsewhere. Most of the gain in this region can be attributed to its rapidly growing population, but the labor force participation rate also advanced from 57.5 percent to 58.3 percent over the year. On the other hand, among the hard hit and more slowly recovering regions, the North Central part of the country experienced an actual decline in its labor force, not attributable to population changes. Participation in the labor force dropped from 58.3 to 57.5 percent of the civilian residents of this region between 1957 and 1958. In the Northeast, the regional labor force barely managed to keep pace with the population growth.

EMPLOYMENT AND HOURS WORKED

The 550,000 rise in nonfarm employment occurred entirely among those who actually worked at their jobs during the survey week. The total temporarily absent from work numbered approximately 2 million in both March and April. The number working full time (35 hours or more a week) rose by 1 million over the month, while those on part-time workweeks decreased by 400,000. Much of the decline in part-time work was due to improvements in weather conditions but the change also reflected the continuing recovery in economic conditions. There was no significant change in the number working in excess of 40 hours either in manufacturing or in nonfarm industries as a whole. In "hard goods" manufacturing, 22 percent of the wage earners had more than 40 hours of work, the same as in April 1957 but still well below the high point reached in several months during 1955 and 1956 (30 percent).

The number of usual full-time workers in nonfarm industries whose hours were below 35 because of economic factors dipped to 975,000 in April. The present level is not materially different from that recorded in the spring of 1956 before cutbacks in the workweek got under way. At its recession peak in March 1958 this economic part-time group was as high as 2.3 million.

Changes in the size of this category preceded changes in employment and unemployment during both the recession and recovery phases of the recent business cycle. Part-time workweeks due to economic factors showed some increase as early as the first quarter of 1957 even though nonfarm employment was still at peak levels. Moreover, rapid improvement in the part-time situation was already apparent during the spring and summer of 1958, whereas employment and unemployment had not yet shown any substantial recovery from recession levels.

TABLE B.—*Persons employed in nonagricultural industries, by hours worked: March and April 1959 and April 1958*

[Thousands of persons 14 years of age and over]

Hours worked, usual status, and reason working part time	Apr. 12–18, 1959	Mar. 8–14, 1959	Apr. 6–12, 1958
Total employed	59,163	58,625	57,349
At work, total	57,323	56,703	55,195
41 hours or more	17,622	17,517	15,507
35 to 40 hours	29,666	28,774	28,658
1 to 34 hours	10,035	10,412	11,030
Usually work full time at present job	2,759	3,094	4,258
Worked part time for economic reasons	975	1,049	2,131
Worked part time for other reasons	1,784	2,045	2,127
Usually work part time at present job	7,276	7,318	6,773
Worked part time for economic reasons	1,327	1,387	1,293
Worked part time for other reasons	5,949	5,931	5,480
With a job but not at work	1,840	1,920	2,154
Average hours for persons at work	40.2	40.0	39.6

On the average, the 975,000 full-time workers on shortened workweeks had 24 hours of work in April, the equivalent of a 3-day workweek. Although the total number of such workers edged down only slightly over the month, there was a good deal of turnover in the group. Roughly half of those on part time for economic reasons in March had returned to full time by April and were replaced by a nearly corresponding number of others whose hours were reduced at least temporarily.

The other group of involuntary part-time workers—those who usually work only part time but want full-time work—remained virtually unchanged over the month at 1.3 million. In contrast to the full-time group on reduced workweeks, there has been no improvement in this latter category since the bottom of the recession and it was still one-half million higher than during the spring months of the 1955–57 period.

During the recent cycle and the postwar period in general, changes in this part-time group preferring full-time work have lagged a good deal behind changes in employment and unemployment. In part, this may reflect their concentration in sectors not immediately responsive to changes in underlying economic conditions. For example, 60 to 65 percent are in trade or in domestic and other services, whereas only 20 to 25 percent are in basic industries such as construction, manufacturing, and transportation. These proportions are just about reversed for those on reduced workweeks who normally work full time.

Other characteristics of the two groups also differ considerably. Those who usually work part time have fewer hours of work (18 versus 24 hours a week, on the average); are much more likely to be women, teenagers, and older men; and include a much smaller proportion of semiskilled operatives but a far larger proportion of service workers and unskilled laborers. The current size and composition of this part-time group, however, indicates that it may now also include a number of normally full-time workers who lost their regular jobs and accepted part-time employment as a temporary expedient.

Agricultural employment rose by 650,000 to 5.8 million in April, one of the largest March-April changes during the postwar period. In part, this development reflected particularly favorable weather and a late survey week. The farm workweek rose seasonally by 4½ hours to 45½ hours and was about the same as in April a year ago. At the same time, the number of farmworkers on part time because of bad weather was 80,000 lower than in March and also under the total of a year ago.

UNEMPLOYMENT

Around 70 percent of the 700,000 drop in unemployment and over the month occurred among men 25 years old and over, reducing the number of jobless in this group to about 350,000 above April 1957 levels. At this time in 1958, unemployment among adult men was approximately 1 million over April 1957 levels.

The influence of seniority rights had presumably caused severe layoffs among young men in the 20 to 34 age group during the early stages of the downturn, but these workers have now recovered up to two-thirds of the previous job loss. The recovery in unemployment has lagged, in contrast, among older men past 65, presumably because once out of work persons in this age group have greater difficulty in finding something new. There has also been little or no change in unemployment from a year ago among teenagers of either sex, whose jobless rates were typically high even before the recession. Among adult women, who experienced sharp job cutbacks last year—mainly those in the 35 to 60 age brackets—the return to 1957 levels has generally been slower than among men of comparable age. The somewhat sharper drop in the unemployment rate for women 25 to 34 partly reflects withdrawals from the labor force because of their greater family responsibilities.

The recently increased tempo of construction activity accounted for about 30 percent of the hiring of jobless workers in nonfarm industries during the past 2 months. There is evidence that a certain number of unemployed factory workers has been taking jobs in construction recently, but the recall of regular construction craftsmen and laborers in April far outweighed this development. The drop in the construction unemployment rate over the month from 18.8 percent to 11.8 brought it down to a prerecession level.

Unemployment rates in a few "hard goods" manufacturing industries have virtually returned to prerecession levels (table C). One of these is the stone-clay-glass industry, where the uptrend is apparently related to construction activity. A more striking example is the primary metals industry where the present jobless rate of 3 percent compares with 13 percent at this time a year ago. In the machinery sectors, unemployment is still substantially above comparable 1957 levels, although down sharply from April 1958. In the automobile industry, the current rate of 9 percent compares with 24 percent last April and 5 percent in April 1957.

TABLE C.—*Unemployment rates for wage and salary workers, by industry group: April 1957 to 1959*

[Percent of labor force in industry who were unemployed; not adjusted for seasonality]

Industry group	1959	1958	1957
Agriculture	8.4	13.7	5.5
Nonagricultural industries	5.4	8.0	4.2
Mining	9.2	12.7	5.0
Construction	11.8	16.2	11.7
Manufacturing	6.1	10.6	4.6
Durable goods	6.0	11.9	3.9
Primary metal industries	3.3	12.9	2.7
Fabricated metal products	5.0	10.7	3.9
Machinery, except electrical	4.1	10.4	2.3
Electrical machinery	6.6	10.4	3.8
Transportation equipment	6.2	13.8	3.7
Automobiles	8.6	24.2	5.0
All other	4.5	6.3	2.7
Other durable goods industries	8.4	11.8	6.4
Nondurable goods	6.3	8.8	5.6
Transportation, communication, and other public utilities	3.6	7.1	3.0
Railroad and railway express	4.2	12.0	3.7
Other transportation	5.7	8.1	3.4
Communication and public utilities	1.3	3.0	2.0
Wholesale and retail trade	5.6	7.9	4.2
Service industries	3.8	4.1	2.8
Finance, insurance, and real estate	3.3	2.4	1.4
Professional services	2.0	2.3	1.6
All other services	6.1	6.6	4.6
Public administration	2.1	3.1	1.7

Employment and unemployment—like most other measures of economic activity—are subject to appreciable seasonal variations, that is, fluctuations which recur fairly regularly at certain times of the year. In recent years, procedures for calculating seasonal adjustment factors and seasonally adjusted data on the Bureau's electronic computers have been successfully applied to the employment and unemployment statistics published in this report.

The seasonal adjustment method programed for the electronic computers is an elaboration of the standard ratio-to-moving-average method, with a provision for moving adjustment factors to take account of changing seasonal patterns. Even since World War II, seasonal patterns in several major employment series have changed appreciably. A number of refinements have already been added to the original program prepared in 1954, and the method will be further revised if warranted on the basis of future study and experience. Tests show that in its present form it yields seasonal adjustment factors of a high quality for most time series. A detailed description and illustration of the method appears in appendixes II and III of

"Current Population Reports," series P–50, No. 82, "Seasonal Variations in the Labor Force, Employment, and Unemployment."

Seasonal adjustment factors for the major components of the labor force to be applied specifically to the data for 1957 and later are shown in table D. These factors are consistent with the definitions of "employment" and "unemployment" adopted in January 1957. In computing the factors, the pre-1957 data were adjusted insofar as possible to reflect the changes in definitions. In accordance with the Bureau's policy, the factors are recomputed at the conclusion of each calendar year, but those in current use are ordinarily replaced only if a significant change in seasonal patterns is indicated.

Different factors would have been used in adjusting the published series based on the definitions in effect prior to 1957. For major components of the labor force, these factors are provided in table D of series P–50, No. 82.

The factors presented in this report represent approximations of the seasonal component in each of the series shown, and describe the direction and relative magnitude of the seasonal changes during the year. Differences from 100 percent in the factors for a given month represent normal deviations from the annual average in that month. The factors are frequently used to seasonally adjust the original series, that is, to derive series from which seasonal fluctuations have been removed insofar as possible.

The only seasonally adjusted statistic regularly presented in this report is the unemployment rate in tables A and 1 (unadjusted rate also shown in tables 1 and 2). Other monthly estimates may be seasonally adjusted by dividing them by the corresponding adjustment factor for that month. For example, total civilian employment was estimated at 62,311,000 in March 1958 while the adjustment factor for total employment for that month (table D) is 97.7. Dividing the original estimate by the factor yields a seasonally adjusted employment figure for that month of 63,778,000. One way of describing that figure is to state that, on an annual average basis, total employment was at 63.8 million in March 1958.

TABLE D.—*Seasonal adjustment factors for the labor force and its major components to be used for 1957 and 1958*

[Applicable to figures based on definitions adopted in 1957]

Month	Civilian labor force	Employment			Unemployment	
		Total	Agriculture	Nonagricultural industries	Total	Rate[1]
January	97.6	96.8	80.7	98.7	114.3	116.9
February	97.6	96.9	81.6	98.8	113.2	115.7
March	98.2	97.7	85.8	99.1	108.3	110.2
April	98.7	98.7	93.5	99.3	99.0	100.3
May	100.1	100.2	106.1	99.5	98.5	98.6
June	102.6	102.0	118.7	100.1	116.0	113.4
July	103.0	102.9	117.2	100.9	105.5	102.6
August	101.8	102.4	110.8	101.4	89.6	88.1
September	100.5	101.3	111.6	100.3	83.1	82.5
October	100.8	101.8	112.7	100.6	78.5	77.8
November	100.1	100.3	97.0	100.7	95.5	95.0
December	99.3	99.3	84.4	100.9	98.6	99.0

[1] Unemployment as percent of civilian labor force.

Seasonally adjusted estimates, like the original data on which they are based, are subject to sampling variability as well as response errors and biases. No specific computations have as yet been made to measure the sampling variability of the seasonally adjusted data, but it probably is not much different from that of the unadjusted figures (see tables E to G). For the seasonally adjusted rate of unemployment, changes from month to month would have to be almost two-tenths of 1 percent before they could be regarded as statistically significant at the two-thirds confidence interval (one standard error).

In evaluating deviations from the seasonal pattern—that is, changes in a seasonally adjusted series—it is also important to note that seasonal adjustment is merely an approximation based on past experience. Furthermore, nonseasonal changes may be secular, cyclical, or irregular, or any combination of these fluctuations. Secular growth is exemplified by the expansion of the Nation's labor force over time as the population of working age continues to increase. Irregular phenomena, such as weather conditions, the timing of the survey week in relation to peak activity, strikes, etc., may cause departures from average seasonal expectations.

Population coverage: Except as otherwise specified, the data presented in this report relate to the civilian noninstitutional population of the United States 14 years of age and over which comprises all civilians living within the continental United States except inmates of penal institutions, homes for the aged, infirm, and needy, mental institutions, tuberculosis sanitariums, and similar places. A few of the tables include members of the Armed Forces as part of the categories "Total noninstitutional population" and "Total labor force."

Source of data: The estimates are based on data obtained monthly in the Current Population Survey of the Bureau of the Census. The current sample design, instituted in May 1956, is spread over 330 areas comprising 638 counties and independent cities, with coverage in each of the 48 States and the District of Columbia. Approximately 35,000 households are interviewed each month. Another 1,500 occupied units, on the average, are visited but interviews are not obtained because the occupants are not found at home after repeated calls or are unavailable for some other reason. There are also about 5,500 sample units in an average month which are visited but are found to be vacant or otherwise not to be enumerated. The previous sample design, in use from January 1954 through April 1956, was spread over 230 sample areas comprising 453 counties and independent cities. Data on the Armed Forces are obtained from the Department of Defense.

Survey week: Beginning with data for July 1955, the estimates relate to the calendar week (Sunday through Saturday) which contains the 12th of the month. For prior months, data relate to the calendar week containing the 8th of the month.

Employment status concepts

Employed: Employed persons comprise those who, during the survey week, were either (a) "at work"—those who did any work for pay or profit, or worked without pay for 15 hours or more on a family farm or business; or (b) "with a job but not at work"—those who did not work and were not looking for work but had a job or business from which they were temporarily absent because of vacation, illness, industrial dispute or bad weather, or because they were taking time off for various other reasons. Prior to 1957, the statistics also included in the group "with a job but not at work" persons on layoff who had definite instructions to return to work within 30 days of the date of layoff—now classified as "unemployed"—and persons waiting to report to new wage and salary jobs scheduled to start within the following 30 days, now classified either as "unemployed" or (if in school during the survey week) as "not in the labor force."

Unemployed: Unemployed persons include those who did not work at all during the survey week and were looking for work. Also included as "unemployed" are those who did not work at all during the survey week and (a) were waiting to be called back to a job from which they had been laid off; or (b) were waiting to report to a new wage or salary job scheduled to start within the following 30 days (and were not in school during the survey week); or (c) would have been looking for work except that they were temporarily ill or believed no work was available in their line of work or in the community.

Prior to 1957, part of group (a) above—those whose layoffs were for definite periods of less than 30 days—were classified as "employed" (with a job but not at work) rather than as "unemployed," as were all of the persons in group (b) above (waiting to start new jobs within 30 days).

Labor force: The civilian labor force comprises the total of all civilians classified as "employed" or "unemployed" in accordance with the criteria described above. The total labor force also includes members of the Armed Forces stationed either in the United States or abroad.

Not in labor force: All civilians 14 years of age and over who are not classified as employed or unemployed are defined as "not in labor force." These persons are further classified as "engaged in own home housework," "in school," "unable to work" because of long-term physical or mental illness, and "other." The "other" group includes for the most part retired persons, those reported as too old to work, the voluntarily idle, and seasonal workers for whom the survey week fell in an off season and who were not reported as unemployed. Persons doing only incidental unpaid family work (less than 15 hours) are also classified as "not in labor force." Since January 1957, the category "not in labor force—in school" includes a small group formerly classified as employed (with a job but not at work), namely, persons attending school during the survey week who had new jobs to which they were scheduled to report within 30 days. Persons—whether or not attending school—who had new jobs not scheduled to begin until after 30 days (and not working or looking for work) are classified as not in labor force under both the new and old definitions.

Occupation, industry, and class of worker: Occupation, industry, and class of worker data apply to the job held in the survey week. Persons with two or more jobs are classified in the job at which they worked the greatest number of hours.

The major occupation groups used here are the same as those used in the "1950 Census of Population." The categories shown within some of the major groups are either detailed occupations or combinations thereof. The composition of these groups is available upon request from the Bureau of the Census.

The industry groups used here are mainly major groups used in "1950 Census of Population." The composition of the major industry groups is shown in volume II of the "1950 Census of Population."

The class-of-worker breakdown specifies "Wage and salary workers," subdivided into private and government workers, "Self-employed workers," and "Unpaid family workers." Wage and salary workers receive wages, salary, commission, tips, pay in kind, or piece rates from a private employer or from a governmental unit. Self-employed workers have their own business, profession, or trade, or operate a farm, for profit or fees. Unpaid family workers work without pay on a farm or in a business operated by a member of the household to whom they are related by blood or marriage.

Hours of work: The statistics on hours of work relate to the actual number of hours worked during the survey week. For persons working in more than one job, these figures relate to the number of hours worked in all jobs during the week. Average hours is an arithmetic mean computed from a distribu-

tion of single hours of work. Persons with jobs but not at work during the survey week are excluded from the computations.

Persons designated as working "full time" are those who worked 35 hours or more in the survey week; those designated as "part time" are persons who worked between 1 and 34 hours. Part-time workers are further classified by their usual status at their present job (either full time or part time) and by their reason for working part time during the survey week (economic or other reasons). "Economic reasons" include: Slack work, material shortages, repairs to plant or equipment, start or termination of job during the week, and inability to find full-time work. "Other reasons" include: Labor dispute, bad weather, own illness, vacation, demands of home housework, school, etc., no desire for full-time work, full-time worker only during peak season, and other such reasons.

Duration of unemployment: The duration of unemployment represents the length of time (through the current survey week) during which persons classified as unemployed had been continuously looking for work or would have been looking for work except for temporary illness, or belief that no work was available in their line of work or in the community. For persons on layoff, duration of unemployment represents the number of full weeks since the termination of their most recent employment.

Comparability with related data: The employment data shown here were obtained by interviews with occupants of households and will differ from employment data based on reports from individual business establishments and farms. "The Monthly Report on the Labor Force" provides information about the work status of the whole population, without duplication. Persons employed at more than one job are counted only once as employed, and are classified according to the job at which they worked the greatest number of hours during the survey week. Estimates based on reports from business establishments and farms, on the other hand, count more than once persons who work for more than one establishment. Differences will also arise from the fact that other estimates, unlike those presented here, generally exclude private household workers, unpaid family workers, and self-employed persons, and may include workers less than 14 years of age. In addition, persons with a job but not at work are included with the employed in the estimates shown here, whereas only part of this group is likely to be included in employment figures based on establishment payroll reports.

For a number of reasons, the unemployment estimates of the Bureau of the Census are not directly comparable with the published figures for unemployment compensation claims or claims for veterans' readjustment allowances. In the first place, certain persons such as private household workers and State and local government workers are usually not eligible for unemployment compensation. Also, the qualifications for drawing unemployment compensation differ from the definition of unemployment used by the Bureau of the Census. For example, persons with a job but not at work and persons working only a few hours during the week are sometimes eligible for unemployment compensation, but are classified by the Bureau as employed. Furthermore, some persons may be reported as not looking for work even though they might consider themselves available for jobs and be eligible for unemployment compensation.

Rounding of estimates: Individual figures are rounded to the nearest thousand without being adjusted to group totals, which are independently rounded. Percentages are based on the rounded absolute numbers.

Reliability of estimates: Since the estimates are based on a sample, they may differ somewhat from the figures that would have been obtained if a complete census had been taken using the same schedules, instructions, and enumerators. As in any survey work, the results are also subject to errors of response and reporting. These may be relatively large in the case of persons with irregular attachments to the labor market.

The standard error is primarily a measure of sampling variability, that is, the variations that might occur by chance because only a sample of the population is surveyed. As calculated for this report, the standard error also partially measures the effect of response and enumeration errors, but does not reflect any systematic biases in the data. The chances are about 68 out of 100 that an estimate from the sample would differ from a complete census by less than the standard error. The chances are about 95 out of 100 that the difference would be less than twice the standard error and about 99 out of 100 that it would be less than 2½ times as large.

TABLE E.—*Standard error of major employment status categories*

Employment status and sex	Standard error—	
	Monthly level	Month-to-month change
BOTH SEXES		
Civilian labor force	250,000	180,000
Employed in agriculture	230,000	120,000
Employed in nonagricultural industries	300,000	180,000
Unemployed	100,000	100,000
MALE		
Civilian labor force	120,000	90,000
Employed in agriculture	150,000	90,000
Employed in nonagricultural industries	200,000	120,000
Unemployed	75,000	90,000
FEMALE		
Civilian labor force	180,000	150,000
Employed in agriculture	75,000	65,000
Employed in nonagricultural industries	180,000	120,000
Unemployed	65,000	65,000

TABLE F.—*Standard error of level of monthly estimates*

Size of estimate	Both sexes		Male		Female	
	Total or white	Nonwhite	Total or white	Nonwhite	Total or white	Nonwhite
10,000	5,000	5,000	7,000	5,000	5,000	5,000
50,000	11,000	10,000	14,000	10,000	10,000	10,000
100,000	15,000	14,000	20,000	14,000	14,000	14,000
250,000	24,000	21,000	31,000	21,000	22,000	21,000
500,000	34,000	30,000	43,000	30,000	31,000	30,000
1,000,000	48,000	40,000	60,000	40,000	45,000	40,000
2,500,000	75,000	50,000	90,000	50,000	70,000	50,000
5,000,000	100,000	50,000	110,000	------	100,000	------
10,000,000	140,000	------	140,000	------	130,000	------
20,000,000	180,000	------	150,000	------	170,000	------
30,000,000	210,000	------	------	------	------	------
40,000,000	220,000	------	------	------	------	------

The estimates of standard errors shown in the following tables are approximations for the 330-area sample. Corresponding figures for the 230-area sample may be found in previous reports in this series (see "Current Population Reports," series P–57, No. 166). Table E shows the average estimates of standard errors for the major employment status categories. The figures presented in table F are to be used for other characteristics and are approximations of the standard errors of all such characteristics. In order to derive standard errors which would be applicable to a wide variety of labor force items and could be prepared at a moderate cost, a number of approximations were required. As a result, table F should be interpreted as providing an indication of the order of magnitude of the standard errors rather than as the precise standard error for any specific item.

The standard error of the change in an item from one month to the next month is more closely related to the standard error of the monthly level for that item than to the size of the specific month-to-month change itself. Thus, in order to use the approximations to the standard errors of month-to-month changes as presented in table G, it is first necessary to obtain the standard error of the monthly level of the item in table F, and then find the standard error of the month-to-month change in table G corresponding to this standard error of level. It should be noted that table G applies to estimates of change between 2 consecutive months. Changes between the current month and the same month last year, or between 2 other nonconsecutive months, will generally be subject to somewhat greater sampling variability than is indicated in table G.

Illustration: Assume that the tables showed the total number of persons working a specific number of hours, as 15 million, an increase of 500,000 over the previous month. Linear interpolation in the first column of table F shows that the standard error of 15 million is about 160,000. Consequently, the chances are about 68 out of 100 that the figure which would have been obtained from a complete count of the number of persons working the given number of hours would have differed by less than 160,000 from the sample estimate. Using the 160,000 as the standard error of the monthly level in table G, it may be seen that the standard error of the 500,000 increase is about 135,000.

TABLE G.—*Standard error of estimates of month-to-month change*

Standard error of monthly level	Standard error of month-to-month change	
	Estimates relating to agricultural employment	All estimates except those relating to agricultural employment
10,000	14,000	12,000
25,000	35,000	26,000
50,000	70,000	48,000
100,000	100,000	90,000
150,000	110,000	130,000
200,000	------	160,000
250,000	------	190,000
300,000	------	220,000

The statistics by age and sex in table 2 are generally subject to smaller sampling variability than would be indicated by reference to tables F and G. The reductions are particularly large for estimates amounting to a substantial part of the total population in the specific age-sex category (for example, the number of males in the labor force in most age groups). For estimates comprising small proportions of the total population (such as the unemployed or certain categories of the group not in the labor force) the standard errors in tables F and G constitute satisfactory approximations.

The reliability of an estimated percentage, computed by using sample data for both numerator and denominator, depends upon both the size of the percentage and the size of the total upon which the percentage is based. Estimated percentages are relatively more reliable than the corresponding absolute estimates of the numerator of the percentage, particularly if the percentage is large (50 percent or greater).

TABLE 1.—*Employment status of the noninstitutional population of the United States*

[Thousands of persons 14 years of age and over]

Week ending—	Total noninstitutional population	Total labor force, including Armed Forces		Civilian labor force							Not in labor force
					Employed			Unemployed			
		Number	Percent of noninstitutional population	Total	Total	Agriculture	Nonagricultural industries	Number	Percent of civilian labor force		
									Not adjusted for seasonality	Adjusted for seasonality	
BOTH SEXES											
July 13, 1957	120,579	73,051	60.6	70,228	67,221	7,772	59,449	3,007	4.3	4.2	47,528
Aug. 17, 1957	120,713	71,833	59.5	68,994	66,385	6,823	59,562	2,609	3.8	4.3	48,880
Sept. 14, 1957	120,842	71,044	58.8	68,225	65,674	6,548	59,156	2,552	3.7	4.5	49,797
Oct. 12, 1957	120,983	71,299	58.9	68,513	66,005	6,837	59,168	2,508	3.7	4.7	49,684
Nov. 16, 1957	121,109	70,790	58.5	68,061	64,873	5,817	59,057	3,188	4.7	4.9	50,318
Dec. 14, 1957	121,221	70,458	58.1	67,770	64,396	5,385	59,012	3,374	5.0	5.0	50,763
Jan. 18, 1958	121,325	69,379	57.2	66,732	62,238	4,998	57,240	4,494	6.7	5.8	51,947
Feb. 15, 1958	121,432	69,604	57.5	67,160	61,988	4,830	57,158	5,173	7.7	6.7	51,627
Mar. 15, 1958	121,555	70,158	57.7	67,510	62,311	5,072	57,239	5,198	7.7	7.0	51,397
Apr. 12, 1958	121,656	70,681	58.1	68,027	62,907	5,558	57,349	5,120	7.5	7.5	50,975
May 17, 1958	121,776	71,603	58.8	68,965	64,061	6,272	57,789	4,904	7.1	7.2	50,173
June 14, 1958	121,900	73,049	59.9	70,418	64,981	6,900	58,081	5,437	7.7	6.8	48,851
July 12, 1958	121,993	73,104	59.9	70,473	65,179	6,718	58,461	5,294	7.5	7.3	48,889
Aug. 16, 1958	122,092	72,703	59.5	70,067	65,367	6,621	58,746	4,699	6.7	7.6	49,389
Sept. 13, 1958	122,219	71,375	58.4	68,740	64,629	6,191	58,438	4,111	6.0	7.2	50,844
Oct. 18, 1958	122,361	71,743	58.6	69,111	65,306	6,404	58,902	3,805	5.5	7.1	50,618
Nov. 15, 1958	122,486	71,112	58.1	68,485	64,653	5,695	58,958	3,833	5.6	5.9	51,374
Dec. 13, 1958	122,609	70,701	57.7	68,061	63,973	4,871	59,102	4,108	6.0	6.1	51,909
Jan. 17, 1959	122,724	70,027	57.1	67,430	62,706	4,693	58,013	4,724	7.0	6.0	52,697
Feb. 14, 1959	122,832	70,062	57.0	67,471	62,722	4,692	58,030	4,749	7.0	6.1	52,770
Mar. 14, 1959	122,945	70,768	57.6	68,189	63,828	5,203	58,625	4,362	6.4	5.8	52,177
Apr. 18, 1959	123,059	71,210	57.9	68,639	65,012	5,848	59,163	3,627	5.3	5.3	51,849
MALE											
July 13, 1957	58,879	50,307	83.4	47,517	45,713	5,975	39,738	1,803	3.8	3.9	8,573
Aug. 17, 1957	58,939	49,745	84.4	46,940	45,344	5,391	39,953	1,596	3.2	4.1	9,195
Sept. 14, 1957	58,996	48,620	82.4	45,835	44,270	5,115	39,155	1,565	3.4	4.5	10,375
Oct. 12, 1957	59,060	46,503	82.1	45,751	44,157	5,292	38,865	1,594	3.5	4.7	10,557
Nov. 16, 1957	59,116	48,286	81.7	45,589	43,548	4,834	38,713	2,041	4.5	4.9	10,831
Dec. 14, 1957	59,164	48,096	81.3	45,440	43,047	4,634	38,413	2,392	5.3	5.0	11,068
Jan. 18, 1958	59,206	47,801	80.7	45,186	42,045	4,399	37,646	3,141	7.0	5.6	11,406
Feb. 15, 1958	59,251	47,944	80.9	45,332	41,700	4,271	37,429	3,632	8.0	6.4	11,307
Mar. 15, 1958	59,305	48,126	81.1	45,510	41,767	4,427	37,340	3,743	8.2	7.0	11,179
Apr. 12, 1958	59,346	48,396	81.5	45,774	42,282	4,704	37,578	3,492	7.6	7.3	10,951
May 17, 1958	59,398	48,858	82.3	46,252	42,986	5,024	37,962	3,266	7.1	7.3	10,540
June 14, 1958	59,453	50,005	84.1	47,406	43,884	5,296	38,588	3,521	7.4	[1] 6.8	9,448
July 12, 1958	59,492	50,359	84.6	47,759	44,247	5,346	38,901	3,513	7.4	7.7	9,133
Aug. 16, 1958	59,536	50,017	84.0	47,412	44,331	5,291	39,040	3,081	6.5	7.9	9,919
Sept. 13, 1958	59,596	48,759	81.8	46,155	43,539	4,916	38,623	2,615	5.7	7.4	10,838
Oct. 18, 1958	59,663	48,756	81.7	46,155	43,701	5,008	38,693	2,454	5.3	7.2	10,907
Nov. 15, 1958	59,718	48,418	81.1	45,822	43,318	4,704	38,614	2,504	5.5	6.0	11,300
Dec. 13, 1958	59,773	48,190	80.6	45,601	42,699	4,235	38,464	2,902	6.4	6.1	11,582
Jan. 17, 1959	59,822	47,981	80.2	45,417	42,135	4,154	37,981	3,282	7.2	5.9	11,841
Feb. 14, 1959	59,868	48,073	80.3	45,514	42,156	4,165	37,991	3,359	7.4	5.9	11,795
Mar. 14, 1959	59,918	48,360	80.7	45,813	42,842	4,505	38,338	2,971	6.5	5.5	11,558
Apr. 18, 1959	59,967	48,653	81.1	46,114	43,798	4,900	38,896	2,317	5.0	4.8	11,314
FEMALE											
July 13, 1957	61,700	22,745	36.9	22,711	21,508	1,797	19,711	1,203	5.3	4.7	38,956
Aug. 17, 1957	61,774	22,088	35.8	22,054	21,041	1,433	19,609	1,013	4.6	4.7	39,686
Sept. 14, 1957	61,846	22,484	36.3	22,390	21,404	1,403	20,001	986	4.4	4.7	39,422
Oct. 12, 1957	61,922	22,796	36.8	22,763	21,849	1,546	20,303	914	4.0	4.8	39,126
Nov. 16, 1957	61,993	22,506	36.3	22,479	21,326	982	20,343	1,147	5.1	5.0	39,488
Dec. 14, 1957	62,057	22,362	36.0	22,330	21,349	751	20,596	981	4.4	5.0	39,695
Jan. 18, 1958	62,119	21,578	34.7	21,546	20,193	599	19,594	1,353	6.3	5.9	40,541
Feb. 15, 1958	62,181	21,861	35.2	21,829	20,288	559	19,729	1,541	7.1	6.9	40,320
Mar. 15, 1958	62,250	22,032	35.4	22,000	20,544	645	19,899	1,456	6.6	6.7	40,218
Apr. 12, 1958	62,310	22,286	35.8	22,254	20,625	855	19,770	1,629	7.3	7.9	40,024
May 17, 1958	62,378	22,745	36.5	22,713	21,075	1,249	19,826	1,638	7.2	7.0	39,633
June 14, 1958	62,446	23,043	36.9	23,012	21,096	1,603	19,493	1,915	8.3	7.0	39,403
July 12, 1958	62,501	22,745	36.4	22,714	20,933	1,373	19,560	1,781	7.8	6.9	39,756
Aug. 16, 1958	62,556	22,686	36.3	22,655	21,036	1,330	19,706	1,619	7.1	7.3	39,870
Sept. 13, 1958	62,623	22,617	36.1	22,586	21,090	1,275	19,815	1,496	6.6	7.1	40,006
Oct. 18, 1958	62,698	22,987	36.7	22,956	21,605	1,396	20,209	1,351	5.9	7.0	39,711
Nov. 15, 1958	62,769	22,695	36.2	22,663	21,334	991	20,343	1,329	5.9	5.7	40,074
Dec. 13, 1958	62,836	22,510	35.8	22,479	21,273	635	20,638	1,206	5.4	6.1	40,326
Jan. 17, 1959	62,902	22,046	35.0	22,013	20,571	539	20,032	1,442	6.6	6.1	40,856
Feb. 14, 1959	62,964	21,989	34.9	21,957	20,566	527	20,039	1,391	6.3	6.3	40,975
Mar. 14, 1959	63,027	22,408	35.6	22,376	20,985	698	20,287	1,391	6.2	6.3	40,619
Apr. 18, 1959	63,092	22,557	35.8	22,525	21,214	949	20,265	1,310	5.8	6.3	40,535

[1] Revised.

TABLE 2.—*Employment status of the noninstitutional population, by age and sex, for the United States: Week of Apr. 12–18, 1959*

[Thousands of persons 14 years of age and over]

Age and sex	Total labor force, including Armed Forces		Civilian labor force						Not in labor force				
					Employed		Unemployed						
	Number	Percent of noninstitutional population	Number	Percent of civilian noninstitutional population	Agriculture	Nonagricultural industries	Number	Percent of civilian labor force [1]	Total	Keeping house	In school	Unable to work	Other
Both sexes	71,210	57.9	68,639	57.0	5,848	59,163	3,627	5.3	51,849	34,256	9,947	1,835	5,810
Male	48,653	81.1	46,114	80.3	4,900	38,898	2,317	5.0	11,314	86	4,898	1,119	5,212
14 to 17 years	1,717	31.3	1,663	30.6	413	1,033	217	13.0	3,772	8	3,633	12	120
14 and 15 years	581	20.8	581	20.8	171	356	54	9.3	2,215	3	2,170	3	39
16 and 17 years	1,136	42.2	1,082	41.0	242	677	163	15.0	1,557	5	1,463	9	81
18 to 24 years	6,587	83.8	5,108	80.0	582	4,051	475	9.3	1,276	3	1,107	34	132
18 and 19 years	1,691	72.0	1,286	66.2	215	904	167	13.0	657	----------	574	16	66
20 to 24 years	4,896	88.8	3,822	86.1	367	3,147	308	8.1	619	3	533	18	66
25 to 34 years	11,008	97.5	10,380	97.3	665	9,250	466	4.5	283	5	133	53	92
25 to 29 years	5,264	96.6	4,864	96.3	307	4,290	267	5.5	187	3	112	29	43
30 to 34 years	5,744	98.4	5,517	98.3	358	4,960	198	3.6	96	2	21	24	49
35 to 44 years	11,218	97.8	10,892	97.8	872	9,649	371	3.4	250	9	18	85	138
35 to 39 years	5,832	97.9	5,609	97.8	400	5,002	207	3.7	128	2	15	39	72
40 to 44 years	5,386	97.8	5,283	97.7	472	4,647	164	3.1	122	7	3	46	66
45 to 54 years	9,477	96.2	9,428	96.2	981	8,072	373	4.0	377	7	6	140	224
45 to 49 years	5,085	96.9	5,048	96.8	527	4,353	167	3.3	166	5	6	49	106
50 to 54 years	4,392	95.4	4,380	95.4	454	3,719	206	4.7	211	2	----------	91	118
55 to 64 years	6,318	87.2	6,314	87.2	778	5,241	294	4.7	927	18	----------	261	648
55 to 59 years	3,564	91.1	3,561	91.1	420	2,976	165	4.6	350	7	----------	104	239
60 to 64 years	2,754	82.7	2,753	82.7	358	2,265	129	4.7	577	11	----------	158	409
65 years and over	2,330	34.5	2,330	34.5	610	1,601	120	5.2	4,429	37	----------	535	3,857
65 to 69 years	1,264	47.8	1,264	47.8	260	921	83	6.6	1,379	7	----------	127	1,245
70 years and over	1,066	25.9	1,066	25.9	350	680	37	3.5	3,050	30	----------	408	2,612
Female	22,557	35.8	22,525	35.7	949	20,265	1,310	5.8	40,535	34,171	5,050	716	598
14 to 17 years	913	17.1	913	17.1	66	723	124	13.6	4,412	297	4,069	4	42
14 and 15 years	261	9.6	261	9.6	29	217	15	5.9	2,445	49	2,380	----------	16
16 and 17 years	652	24.9	652	24.9	37	506	109	16.7	1,967	248	1,689	4	26
18 to 24 years	3,453	44.4	3,436	44.3	55	3,066	316	9.2	4,324	3,362	911	10	41
18 and 19 years	1,060	46.1	1,054	46.0	15	899	140	13.3	1,238	613	602	2	21
20 to 24 years	2,393	43.7	2,382	43.6	40	2,167	176	7.4	3,086	2,749	309	8	20
25 to 34 years	4,094	35.2	4,086	35.2	157	3,725	205	5.0	7,526	7,396	46	24	60
25 to 29 years	1,877	34.0	1,872	33.9	54	1,723	96	5.1	3,649	3,592	22	9	26
30 to 34 years	2,217	36.4	2,214	36.3	103	2,002	109	4.9	3,877	3,805	24	15	34
35 to 44 years	5,248	43.6	5,243	43.6	218	4,751	274	5.2	6,794	6,696	10	32	56
35 to 39 years	2,568	41.1	2,565	41.0	112	2,331	123	4.8	3,683	3,639	5	14	26
40 to 44 years	2,680	46.3	2,678	46.3	106	2,420	151	5.7	3,111	3,057	5	18	30
45 to 54 years	5,097	49.3	5,095	49.3	217	4,629	248	4.9	5,233	5,122	8	59	46
45 to 49 years	2,828	51.3	2,827	51.2	112	2,562	152	5.4	2,690	2,648	7	20	16
50 to 54 years	2,269	47.2	2,268	47.1	105	2,067	96	4.2	2,543	2,474	1	39	30
55 to 64 years	2,917	37.2	2,917	37.2	164	2,637	116	4.0	4,929	4,796	5	68	60
55 to 59 years	1,748	41.8	1,748	41.8	98	1,574	76	4.3	2,430	2,372	----------	32	26
60 to 64 years	1,169	31.9	1,169	31.9	66	1,063	40	3.4	2,499	2,424	5	36	34
65 years and over	835	10.2	835	10.2	73	734	28	3.4	7,317	6,503	2	518	293
65 to 69 years	498	16.7	498	16.7	32	447	19	3.8	2,491	2,375	2	60	53
70 years and over	337	6.5	337	6.5	41	287	9	2.7	4,826	4,128	----------	458	240

[1] Not adjusted for seasonality.

NOTE.—Total noninstitutional population may be obtained by summing total labor force and not in labor force; civilian noninstitutional population by summing civilian labor force and not in labor force.

TABLE 3.—*Employment status of the civilian noninstitutional population, by marital status and sex, for the United States: Week of Apr. 12–18, 1959*

[Percent distribution]

Employment status	Male				Female			
	Married, wife present	Married, wife absent	Widowed or divorced	Single	Married, husband present	Married, husband absent	Widowed or divorced	Single
Total, 14 years and over	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Labor force	89.6	84.4	55.0	58.5	30.8	56.8	39.3	45.3
Not in labor force	10.4	15.6	45.0	41.5	69.2	43.2	60.7	54.7
Total in labor force	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Employed	96.6	90.2	90.8	89.2	95.0	91.8	94.4	92.8
Agriculture	9.4	13.3	10.3	15.7	5.6	5.1	2.0	2.3
Nonagricultural industries	87.2	76.9	80.5	73.5	89.4	86.7	92.4	90.5
Unemployed	3.4	9.8	9.2	10.8	5.0	8.2	5.6	7.2

TABLE 4.—*Employment status of the civilian noninstitutional population, for the United States, total and urban, by regions: Week of Apr. 12–18, 1959*

[Percent distribution]

Region	Total						Urban					
	Percent of population 14 years and over		Percent of labor force				Percent of population 14 years and over		Percent of labor force			
			Employed			Unemployed			Employed			Unemployed
	Labor force	Not in labor force	Total	Agriculture	Nonagricultural industries		Labor force	Not in labor force	Total	Agriculture	Nonagricultural industries	
United States	57.0	43.0	94.7	8.5	86.2	5.3	58.0	42.0	94.3	0.9	93.4	5.7
Northeast	57.6	42.4	94.0	2.4	91.6	6.0	58.1	41.9	93.6	.5	93.1	6.4
North Central	57.2	42.8	95.4	11.3	84.1	4.6	57.5	42.5	94.5	.6	93.9	5.5
South	56.0	44.0	94.6	11.9	82.7	5.4	58.6	41.4	94.2	1.7	92.5	5.8
West	57.3	42.7	95.1	7.9	87.2	4.9	57.8	42.2	95.2	1.2	94.0	4.8

TABLE 5.—*Employment status of the civilian noninstitutional population, by color and sex, for the United States: Week of Apr. 12–18, 1959*

[Thousands of persons 14 years of age and over]

Employment status	White			Nonwhite		
	Both sexes	Male	Female	Both sexes	Male	Female
Civilian noninstitutional population	108,340	51,735	56,605	12,150	5,694	6,456
Civilian labor force	61,270	41,611	19,659	7,370	4,504	2,866
Percent of population	56.6	80.4	34.7	60.7	79.1	44.4
Employed	58,369	39,761	18,608	6,644	4,037	2,607
Agriculture	4,986	4,215	771	863	685	178
Nonagricultural industries	53,383	35,546	17,837	5,780	3,352	2,428
Unemployed	2,901	1,850	1,051	726	467	259
Percent of civilian labor force	4.7	4.4	5.3	9.9	10.4	9.0
Not in labor force	47,070	10,124	36,946	4,760	1,190	3,590

TABLE 6.—*Employment status of the male veterans of World War II in the civilian noninstitutional population, for the United States: Week of Apr. 12–18, 1959*

[In thousands]

Employment status	Number
Total male veterans of World War II	14,47.
Civilian labor force	14,087
Employed	13,587
Agriculture	649
Nonagricultural industries	12,938
Unemployed	500
Not in labor force, total	385

TABLE 7.—*Employed persons, by type of industry, class of worker, and sex, for the United States: Week of Apr. 12–18, 1959*

[Thousands of persons 14 years of age and over]

Class of worker	Both sexes	Male	Female
Total employed	65,012	43,798	21,214
Agriculture	5,848	4,900	949
Wage and salary workers	1,594	1,401	193
Self-employed workers	3,161	3,024	137
Unpaid family workers	1,095	475	620
Nonagricultural industries	59,163	38,298	20,265
Wage and salary workers	52,354	33,876	18,478
In private households	2,630	397	2,232
Government workers	7,773	4,756	3,017
Other wage and salary workers	41,952	28,723	13,229
Self-employed workers	6,268	4,960	1,308
Unpaid family workers	540	61	479

TABLE 8.—*Employed persons with a job but not at work, by reason for not working and pay status, for the United States: Week of Apr. 12–18, 1959*

[Thousands of persons 14 years of age and over]

Reason for not working	Total	Nonagricultural industries		
		Total	Wage and salary workers	
			Number	Percent paid
Total with a job but not at work	2,017	1,839	1,533	41.6
Bad weather	90	42	26	
Industrial dispute	68	68	68	
Vacation	437	424	382	81.2
Illness	1,021	934	797	34.0
All other	401	370	259	22.8

NOTE.—Persons on temporary (less than 30-day) layoff and persons scheduled to start new wage and salary jobs within 30 days no longer included in the category "With a job but not at work." Those groups numbered 99,000 and 129,000. respectively, in April.

TABLE 9.—*Persons at work, by hours worked, type of industry, and class of worker, for the United States: Week of Apr. 12–18, 1959*

Hours worked during the survey week	Total	Agriculture				Nonagricultural industries			
		Total	Wage and salary workers	Self-employed workers	Unpaid family workers	Total	Wage and salary workers	Self-employed workers	Unpaid family workers
Number at work, thousands	62,994	5,671	1,539	3,037	1,095	57,323	50,816	5,967	540
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1 to 34 hours	18.8	31.9	35.4	20.9	57.8	17.6	17.1	18.9	38.8
1 to 14 hours	6.1	7.5	13.7	7.1	----	6.0	5.8	7.7	----
15 to 21 hours	4.9	11.2	9.8	5.7	28.4	4.3	4.1	4.5	16.6
22 to 29 hours	4.0	8.5	7.1	4.6	21.6	3.6	3.5	3.6	12.9
30 to 34 hours	3.8	4.7	4.8	3.5	7.8	3.7	3.7	3.1	9.3
35 to 40 hours	48.5	18.8	18.7	12.1	17.0	51.7	55.7	21.2	23.6
35 to 39 hours	6.0	6.2	4.7	5.3	11.1	5.9	6.2	3.7	9.6
40 hours	42.5	8.6	14.0	6.8	5.9	45.8	49.5	17.5	14.0
41 hours or more	32.8	53.3	46.0	67.1	25.3	30.7	27.3	59.8	37.5
41 to 47 hours	7.8	4.8	4.6	5.0	4.4	8.1	8.2	7.8	3.9
48 hours	7.2	5.1	6.3	5.3	3.0	7.4	7.3	8.5	6.4
49 hours or more	17.8	43.4	35.1	56.8	17.9	15.2	11.8	43.5	27.2
49 to 54 hours	5.6	7.6	8.7	8.6	3.6	5.4	4.8	10.8	5.4
55 to 59 hours	2.4	4.4	6.1	4.5	1.7	2.2	1.8	5.4	2.3
60 to 69 hours	5.1	12.6	10.9	15.0	8.1	4.3	3.2	13.6	8.1
70 hours or more	4.7	18.8	9.4	28.7	4.5	3.3	2.0	13.7	11.4
Average (mean) hours	40.7	45.7	40.4	52.6	34.4	40.2	39.4	46.9	41.0

TABLE 10.—*Persons at work in nonagricultural industries, by full-time or part-time status, by age and sex, for the United States: Week of Apr. 12–18, 1959*

[Percent distribution]

Age and sex	Total at work	Worked 1 to 34 hours during survey week					35 to 40 hours	41 hours or more	Average (mean) hours
		Total	Usually work full time on present job		Usually work part time for—				
			Part time for economic reasons	Part time for other reasons	Economic reasons	Other reasons			
Both sexes	100.0	17.6	1.7	3.1	2.3	10.4	51.7	30.7	40.2
Male	100.0	12.5	1.7	3.3	1.8	5.8	51.2	36.4	42.4
14 to 17 years	100.0	89.8	.5	1.0	4.4	83.9	7.0	3.3	14.9
18 to 24 years	100.0	21.2	2.3	3.2	3.1	12.6	48.2	30.6	38.9
25 to 34 years	100.0	7.7	1.8	3.3	.9	1.7	53.5	38.9	44.0
35 to 44 years	100.0	7.2	1.9	3.4	1.2	.7	51.9	40.9	44.5
45 to 64 years	100.0	8.4	1.3	3.4	2.0	1.7	54.8	36.9	43.6
65 years and over	100.0	33.7	1.4	3.6	3.4	25.3	40.0	26.3	36.3
Female	100.0	27.3	1.8	2.8	3.4	19.3	52.9	19.9	35.9
14 to 17 years	100.0	89.1	.2	.2	2.7	86.0	7.5	3.4	13.1
18 to 24 years	100.0	19.6	1.5	1.8	2.3	14.0	65.2	15.2	36.4
25 to 34 years	100.0	24.9	2.3	3.6	2.7	16.3	57.6	17.5	36.3
35 to 44 years	100.0	25.0	2.4	2.9	3.1	16.6	54.4	20.6	36.9
45 to 64 years	100.0	24.8	1.5	2.8	4.3	16.2	51.4	23.7	37.6
65 years and over	100.0	46.6	1.0	3.4	4.0	38.2	27.3	26.0	32.4

TABLE 11.—*Persons at work in nonagricultural industries, by full-time or part-time status, by marital status and sex, for the United States: Week of Apr. 12–18, 1959*

[Percent distribution]

Marital status and sex	Total at work	Worked 1 to 34 hours during survey week					35 to 40 hours	41 hours or more	Average (mean) hours
		Total	Usually work full time on present job		Usually work part time for—				
			Part time for economic reasons	Part time for other reasons	Economic reasons	Other reasons			
Male	100.0	12.5	1.7	3.3	1.8	5.8	51.2	36.4	42.4
Single	100.0	32.7	1.9	2.7	3.8	24.3	45.4	21.9	34.7
Married, wife present	100.0	8.3	1.5	3.4	1.2	2.2	52.1	39.6	43.9
Other [1]	100.0	16.8	3.0	3.4	4.7	5.7	53.9	29.3	40.6
Female	100.0	27.3	1.8	2.8	3.4	19.3	52.9	19.9	35.9
Single	100.0	26.0	.9	1.5	2.2	21.4	56.9	17.1	34.4
Married, husband present	100.0	29.0	2.1	3.1	3.1	20.7	52.3	18.8	35.9
Other [1]	100.0	24.5	2.0	3.4	5.4	13.7	49.9	25.6	37.7

[1] Includes separated, widowed, and divorced persons.

TABLE 12.—*Persons at work in nonagricultural industries, by full-time or part-time status, by color and sex, for the United States: Week of Apr. 12–18, 1959*

[Percent distribution]

Color and sex	Total at work	Worked 1 to 34 hours during survey week					35 to 40 hours	41 hours or more	Average (mean) hours
		Total	Usually work full time on present job		Usually work part time for—				
			Part time for economic reasons	Part time for other reasons	Economic reasons	Other reasons			
White	100.0	16.5	1.5	3.0	1.7	10.3	51.8	31.6	40.7
Male	100.0	11.8	1.5	3.1	1.4	5.8	50.6	37.6	42.7
Female	100.0	26.0	1.6	2.8	2.3	19.3	54.3	19.7	36.6
Nonwhite	100.0	26.3	3.1	3.9	8.1	11.2	51.4	22.4	37.1
Male	100.0	19.0	3.2	4.8	5.7	5.3	57.7	23.4	39.0
Female	100.0	36.3	3.0	2.5	11.4	19.4	42.7	21.0	34.5

TABLE 13.—*Wage and salary workers by full-time or part-time status, by major industry group, for the United States: Week of Apr. 12–18, 1959*

[Percent distribution]

Major industry group	Total at work	1 to 34 hours					35 to 39 hours	40 hours	41 hours or more			
		Total	Usually work full time on present job		Usually work part time for—				Total	41 to 47 hours	48 hours	49 hours or more
			Part time for economic reasons	Part time for other reasons	Economic reasons	Other reasons						
Agriculture	100.0	35.4	2.0	6.4	11.5	15.5	4.7	14.0	45.0	4.6	6.3	35.1
Nonagricultural industries	100.0	17.1	1.7	3.1	2.4	9.9	6.2	49.5	27.5	8.2	7.3	11.8
Construction	100.0	21.4	5.6	9.1	4.0	2.7	5.7	50.4	22.5	8.5	5.8	8.2
Manufacturing	100.0	9.5	2.4	3.4	1.0	2.7	5.5	62.4	22.5	7.4	7.1	8.0
Durable goods	100.0	7.3	1.6	3.6	.8	1.3	3.1	67.4	22.2	7.0	7.0	8.2
Nondurable goods	100.0	12.6	3.5	3.2	1.3	4.6	8.7	55.7	22.9	8.0	7.3	7.6
Transportation, communication, and other public utilities	100.0	8.3	1.6	2.8	1.1	2.6	4.0	65.2	22.5	7.1	4.7	10.7
Wholesale and retail trade	100.0	21.3	1.2	1.5	2.4	16.2	4.7	34.9	39.1	10.0	10.7	18.4
Service industries	100.0	25.8	.7	2.3	4.2	18.7	9.1	37.6	27.6	8.3	6.2	13.1
Private households	100.0	59.9	1.2	2.1	15.7	40.9	5.8	13.7	20.6	4.7	5.1	10.8
Educational services	100.0	20.6	.3	2.1	1.0	17.2	10.9	36.9	31.6	11.2	4.2	16.2
All other service industries	100.0	17.7	.7	2.4	1.9	12.7	9.4	44.9	28.0	8.2	7.2	12.6
All other industries	100.0	10.1	.9	4.2	1.3	3.7	4.6	60.3	26.1	6.3	7.4	11.4

TABLE 14.—*Persons at work, by full-time or part-time status, by major occupation group, for the United States: Week of Apr. 12–18, 1959*

[Percent distribution]

Major occupation group	Total at work	1 to 34 hours					35 to 39 hours	40 hours	41 hours or more				Average (mean) hours
		Total	Usually work full time on present job		Usually work part time for—				Total	41 to 47 hours	48 hours	49 hours or more	
			Part time for economic reasons	Part time for other reasons	Economic reasons	Other reasons							
Total at work	100.0	18.8	1.6	3.4	2.4	11.3	6.0	42.5	32.8	7.8	7.2	17.8	40.7
Professional, technical, and kindred workers	100.0	11.7	.3	1.8	.5	9.1	6.7	47.2	34.5	10.3	5.0	19.2	42.0
Farmers and farm managers	100.0	20.2	.6	7.7	.7	11.2	5.3	6.7	67.7	4.8	5.3	57.6	53.0
Managers, officials, and proprietors, except farm	100.0	8.0	.6	2.6	.4	4.4	3.9	28.3	59.8	10.1	9.1	40.6	48.9
Clerical and kindred workers	100.0	14.1	.4	2.4	.9	10.4	11.4	60.5	14.0	6.5	3.3	4.2	38.1
Sales workers	100.0	27.2	.6	1.5	1.6	23.5	4.8	30.6	37.3	8.8	9.5	19.0	37.9
Craftsmen, foremen, and kindred workers	100.0	10.0	2.3	4.3	1.4	2.0	3.8	56.6	29.6	8.5	8.6	12.5	41.3
Operatives and kindred workers	100.0	14.5	3.9	3.7	1.9	5.0	5.5	51.9	28.1	8.3	8.1	11.7	40.5
Private household workers	100.0	59.2	1.1	1.3	14.3	42.5	5.7	13.9	21.2	4.8	5.4	11.0	26.9
Service workers, except private household	100.0	26.7	1.0	2.7	3.4	19.6	5.0	35.5	32.8	6.2	12.2	14.4	38.5
Farm laborers and foremen	100.0	46.8	1.2	5.6	7.2	32.8	7.5	9.6	36.0	4.6	4.4	27.0	37.3
Laborers, except farm and mine	100.0	29.8	4.0	7.4	8.2	10.2	4.0	47.9	18.3	6.1	5.3	6.9	35.4

TABLE 15.—*Occupation group of employed persons, by sex, for the United States: Week of Apr. 12–18, 1959*

[Thousands of persons 14 years of age and over]

Occupation group	Both sexes	Male	Female	Percent distribution		
				Both sexes	Male	Female
Total employed	65,012	43,798	21,214	100.0	100.0	100.0
Professional, technical and kindred workers	7,196	4,527	2,669	11.1	10.3	12.6
Medical and other health workers	1,228	484	744	1.9	1.1	3.5
Teachers, except college	1,637	436	1,201	2.5	1.0	5.7
Other professional, technical, and kindred workers	4,331	3,607	724	6.7	8.2	3.4
Farmers and farm managers	3,128	3,004	124	4.8	6.9	.6
Managers, officials, and proprietors, except farm	6,878	5,815	1,063	10.6	13.3	5.0
Salaried workers	3,422	2,886	536	5.3	6.6	2.5
Self-employed workers in retail trade	1,693	1,358	335	2.6	3.1	1.6
Self-employed workers, except retail trade	1,763	1,571	192	2.7	3.6	0.9
Clerical and kindred workers	9,093	2,982	6,111	14.0	6.8	28.8
Stenographers, typists, and secretaries	2,222	78	2,144	3.4	0.2	10.1
Other clerical and kindred workers	6,871	2,904	3,967	10.6	6.6	18.7
Sales workers	4,278	2,703	1,575	6.6	6.1	7.4
Retail trade	2,523	1,116	1,407	3.9	2.5	6.6
Other sales workers	1,755	1,587	168	2.7	3.6	.8
Craftsmen, foremen, and kindred workers	8,438	8,222	216	12.9	18.8	1.0
Carpenters	839	838	1	1.3	1.9	----
Construction craftsmen, except carpenters	1,651	1,643	8	2.5	3.8	----
Mechanics and repairmen	1,975	1,956	19	3.0	4.5	0.1
Metal craftsmen, except mechanics	1,065	1,050	15	1.6	2.4	0.1
Other craftsmen and kindred workers	1,757	1,663	94	2.7	3.8	0.4
Foremen, not elsewhere classified	1,151	1,072	79	1.8	2.4	0.4
Operatives and kindred workers	11,586	8,384	3,202	17.9	19.1	15.1
Drivers and deliverymen	2,375	2,330	44	3.7	5.3	0.2
Other operatives and kindred workers:						
Durable goods manufacturing	3,419	2,610	809	5.3	6.0	3.8
Nondurable goods manufacturing	3,097	1,476	1,621	4.8	3.4	7.6
Other industries	2,694	1,967	727	4.1	4.5	3.4
Private household workers	2,283	53	2,230	3.5	0.1	10.5
Service workers, except private household	5,837	2,724	3,113	9.0	6.3	14.6
Protective service workers	767	737	30	1.2	1.7	.1
Waiters, cooks, and bartenders	1,634	464	1,170	2.5	1.1	5.5
Other service workers	3,436	1,523	1,913	5.3	3.5	9.0
Farm laborers and foremen	2,467	1,680	787	3.8	3.9	3.7
Paid workers	1,386	1,212	174	2.1	2.8	.8
Unpaid family workers	1,081	468	613	1.7	1.1	2.9
Laborers, except farm and mine	3,826	3,703	123	5.9	8.5	.6
Construction	906	903	3	1.4	2.1	----
Manufacturing	1,152	1,086	66	1.8	2.5	.3
Other industries	1,768	1,714	54	2.7	3.9	.3

TABLE 16.—*Major occupation group of employed persons, by color and sex, for the United States: Week of Apr. 12–18, 1959*

Major occupation group	White			Nonwhite		
	Both sexes	Male	Female	Both sexes	Male	Female
Total employed, thousands	58,369	39,761	18,608	6,644	4,037	2,607
Percent	100.0	100.0	100.0	100.0	100.0	100.0
Professional, technical, and kindred workers	11.8	11.0	13.5	4.4	3.4	5.9
Farmers and farm managers	4.9	6.9	.6	3.9	6.1	.5
Managers, officials, and proprietors, except farm	11.6	14.4	5.5	1.9	2.2	1.5
Clerical and kindred workers	14.9	7.0	31.8	5.9	4.8	7.5
Sales workers	7.2	6.7	8.3	1.1	1.2	.9
Craftsmen, foremen and kindred workers	13.8	19.8	1.1	5.4	8.6	.4
Operatives and kindred workers	17.7	18.8	15.2	19.0	22.3	14.0
Private household workers	2.1	.1	6.4	15.8	.5	39.5
Service workers, except private household	8.0	5.4	13.6	17.3	13.9	22.6
Farm laborers and foremen	3.3	3.2	3.3	8.5	10.0	6.3
Laborers, except farm and mine	4.6	6.6	.5	16.8	27.1	.8

TABLE 17.—*Unemployed persons by duration of unemployment, for the United States: Week of Apr. 12–18, 1959*

[Thousands of persons 14 years of age and over]

Duration of unemployment	Number	Percent	Duration of unemployment	Number	Percent
Total unemployed	3,627	100.0	5 to 6 weeks	246	6.8
			7 to 10 weeks	319	8.8
Under 1 week	22	0.6	11 to 14 weeks	283	7.8
1 week	345	9.5	15 to 26 weeks	675	18.6
2 weeks	403	11.1	Over 26 weeks	723	19.9
3 weeks	326	9.0			
4 weeks	286	7.9	Average (mean) duration	16.8	----

Mr. BUSH subsequently said: Mr. President, we have received some extremely good news today in connection with the unemployment problem, concerning which the senior Senator from New Hampshire spoke a few momoments ago.

I have in my hand a United Press dispatch which says:

Unemployment fell by 735,000 in April to 3,627,000—the lowest level since December 1957—the Government reported today.

This is a fantastic situation, Mr. President. There has been a decline of nearly three-quarters of a million in unemployment, which leaves a figure of 3,627,000 unemployed. In this day and age, 3 million unemployed is almost the normal figure with which we have to reckon, so the employment situation has made remarkable improvements. It is most gratifying to every Senator, I am sure, on both sides of the aisle, when we realize confidence is being so rapidly restored, and that there has been such a great reduction in unemployment statistics.

The dispatch also states:

The Commerce and Labor Departments said in a joint report "the job recovery accelerated in April" and the favorable developments mean that two-thirds of the unemployment bulge attributed to the 1957–58 business recession was wiped out.

Average factory earnings rose 63 cents from March. This gave factory workers $89.87 a week in April.

Seymour Wolfbein, the Labor Department chief job expert, noted as "a most encouraging sign" that 450,000 of the unemployment drop included married men with families—a critical sector where it really counts."

Mr. President, I think this is a very happy day and one which must bring great satisfaction to all of us who have been so greatly concerned about this serious problem.

THIRTY-FIFTH ANNIVERSARY OF J. EDGAR HOOVER AS DIRECTOR OF FEDERAL BUREAU OF INVESTIGATION

Mr. BRIDGES. Mr. President, yesterday, May 10, 1959, one of America's most distinguished public servants—J. Edgar Hoover—celebrated his 35th anniversary as Director of the FBI. The citizens of our great Nation on this occasion pay him their homage of respect and admiration. He stands today as a towering bulwark of integrity, courage, and bravery—a man who has given unsparingly of his life that this might be a better country.

HOOVER'S ASCENDANCY IN 1924

As a young man of 29, on that fateful day of May 10, 1924, Mr. Hoover was summoned to the office of then Attorney General Harlan Fiske Stone, later to become Chief Justice of the United States. There he was entrusted with a high responsibility, to head the FBI. These were years when the Department of Justice and the FBI were not held in too high regard. But Mr. Stone, with his uncanny ability for knowing the inner hearts of men, knew that this young attorney was the man for the job, a man who would turn inefficiency into efficiency; political corruption into meticulous honesty; personal favoritism into a system of merit.

This is exactly what Mr. Hoover did. Not a breath of scandal, mismanagement, or malfeasance of office has come from this agency. For more than a generation, under Mr. Hoover's guidance, the FBI has been fighting day and night against the criminal and the subversive, both in times of peace and in times of war. This valiant organization has protected both our internal security and our historic liberties.

HOOVER'S POSITION TODAY

Today this man wears an invisible crown, woven from the respect, admiration, and personal gratitude of men, women, and children throughout the Nation. From Puget Sound to the Keys of Florida, from the rocky mountains of my own New Hampshire to the sands of California, America wants to express its profound thanks to a man who has done so much to protect our democratic traditions. This man has sought no honors, yet they come in great numbers; he has sought no publicity, yet he is known throughout the world; he has sought no rewards, yet from Presidential citations to the simple "thank you" of a child's letter, he knows the esteem in which he is held.

I think it would be highly appropriate if we would pause for a moment to think about some of the contributions of this great American. So much of what he has done has come silently—without fanfare, noise, or acclaim. Always on the job, ever conscientious, inveterately honest, J. Edgar Hoover and the FBI have been the watchdogs of American security. This is today a more secure, a more democratic, a more enlightened Nation because J. Edgar Hoover has served these 35 years as head of the FBI.

HOOVER'S IMPROVEMENT OF LAW ENFORCEMENT

Let me mention, for example, Mr. Hoover's contribution to law enforcement. We need only recall the conditions of law enforcement in the 1920's. So often they were a melee of confusion, inexperience, and jealous jurisdictions. A new police recruit was given a gun and a badge and told, "Go to work." Seldom was he afforded effective training in criminal investigative techniques. Many times he was carrying a loaded gun; yet had little or no training in its use. Scientific crime detection was virtually unknown. Many oldtime officers even laughed at the microscope, the test tube, and chemicals as aids in law enforcement "These newfangled ideas will not work," they laughed in ridicule.

We know the story of crime in the early 1930's—the rise of criminal gangs, the murders and kidnapings. The names of men like John Dillinger, Alvin Karpis, and "Doc" Barker became household words for terror. These desperadoes robbed banks, kidnaped peaceful citizens, and threw entire communities into fear. The law of the jungle had struck into the very heart of America, with the staccato of the machineguns barking up the main streets of many cities. These criminal bands roamed with virtual impunity—mocking the best efforts of law enforcement to defeat them.

FOUNDED FBI LABORATORY

Mr. Hoover, with keen vision, early began to lay the foundations of an effective crime-fighting force. In 1924, he established the FBI Identification Division, making possible the effective use of fingerprints in the war against the criminal. In 1932, he founded the FBI Laboratory. Now the wonders of science opened new ways to combat the lawbreaker. Three years later, in 1935, the FBI National Academy was established—an FBI school to train local police executives and instructors. These and other bold steps revolutionized law enforcement. New dynamism, enthusiasm, and vision were brought to the profession.

The results are available for all to see. The desperate criminal gangs of the 1930's were swept from the land. The FBI, acting in close cooperation with local law enforcement agencies, brought these dangerous criminals to justice. No longer was it possible for gangs to stage bank robbery after bank robbery and seek sanctuary by simply fleeing across State lines. The FBI, operating under new legislation passed by the Congress, hunted the violators to their lairs. Excellent training, scientific crime detection, and a mission of personal dedication were beginning to tell. The criminal now realized he faced a most formidable foe in the new FBI under Mr. Hoover. In fact, the entire law enforcement profession, catching this new spirit, rose to new heights of accomplishment.

HOOVER OPPOSES NATIONAL POLICE AGENCY

Today the Nation can be proud of its excellent law enforcement agencies—Federal, State, and local. Law enforcement in America is the servant of the people, not the ruling master, as in totalitarian countries. Law enforcement is as much interested in gaining evidence to exonerate the innocent as in proving guilt. At all times it strives to protect the historic rights of the individual. Working in voluntary and mutual cooperation, there is no need for any national police agency. Mr. Hoover time after time has opposed the creation of any such organization. It might lead, he so rightfully says, to the abuse of police power.

The efficient operation of law enforcement today—protecting the right of the individual and at the same time the welfare of the Nation—is attributable, in large part, to Mr. Hoover and the FBI.

HOOVER'S CONSTANT ALERTNESS TO SUBVERSION

In the field of subversion Mr. Hoover is a foremost authority. Even before he became Director of the FBI, while serving as a Special Assistant to the Attorney General, he learned about the Communist conspiracy. He did special research work in 1919 on the newly formed Communist Party. In fact, he has personally followed the activities of the Communist Party from the very day of its founding in Chicago in 1919 to the present day. Very few individuals can make that claim.

During these years, Mr. Hoover learned the diabolical techniques of Marxism-Leninism. He saw how this atheistic conspiracy, spawned in evil minds abroad, had jumped the ocean and found root in our land. He knew the fanaticism of the true Communist believer and the utter inhumanity of the doctrines of communism—doctrines which reverse all the historic traditions of our Western culture. Mr. Hoover early learned the sinister menace of communism and labored valiantly to protect his Nation.

While many in America slept, Mr. Hoover and the FBI were awake to the growing power of communism. All through the fateful years of World War II, while ferreting out Axis spies and saboteurs, Mr. Hoover and his men kept close tab on these Moscow henchmen. After the war the investigation of communism and Soviet espionage continued. Names such as Klaus Fuchs, Harry Gold, Julius and Ethel Rosenberg, David Greenglass blazed across newspaper pages—witness to the effective work of the FBI in identifying Soviet spies.

THE COMMUNIST MENACE TODAY

Today the Communist menace still booms. The tramp of the Soviet iron boot can be heard around the world. The anguished cries of millions of suffering men, women, and children testify to the brutal tyranny being exercised over their minds, bodies, and souls. International communism, by military might, diplomacy, infiltration, and propaganda is attempting to make the whole world a satellite of the Kremlin.

The Communist Party, U.S.A., is the obedient vassal of Moscow, determined to enslave our Nation. Any individual who laughs at the Communist danger in America is highly unrealistic. He does not know the true nature of Marxism-Leninism. He has failed to appreciate the devious techniques of a movement which 100 years ago was a mere sect—but today is the ruler of millions. He sees only the surface of life, not the lurking poison without our Nation's borders.

HOOVER AND FBI GUARDIANS OF INTERNAL SECURITY

Mr. Hoover and the FBI stand as guardians of our internal security. Millions of Americans can sleep more soundly every night because they know that this agency is the bulwark defending their rights, lives, and property from the predatory ambitions of enemy agents.

On the occasion of his 35th anniversary as Director of the Federal Bureau of Investigation, we all join to wish Mr. Hoover a most happy anniversary, with the fervent prayer that he will remain as Director of the FBI for many years to come.

America needs him.

His courage has given inspiration to countless men, women, and children.

His integrity is a beacon light to an age in which all too often moral standards are falling.

His humbleness is an example for all of us to emulate.

Here is a man to whom the entire Nation is indebted—a man who on his 35th anniversary is not thinking of retiring or quitting. Rather, he is continuing to give his very best for the people he so dearly loves.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article about Mr. Hoover written by columnist George E. Sokolsky, which appeared in the Washington Post and Times Herald, and other newspapers, on May 8.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THIRTY-FIVE YEARS OF SERVICE

(By George E. Sokolsky)

On Sunday, J. Edgar Hoover will have been Director of the FBI for 35 years, which is undoubtedly a record in Government service. His has been a difficult task, for the American people reject the concept of a national police force. He had to establish an organization which would serve when needed but would not bring the full weight of the Federal Government into police activities, which, in this country, remain local.

Hoover took over an agency of Government which had become disreputable and his need was not only to give it a new and more proper orientation but also to find scope for it within our constitutional system. This, J. Edgar Hoover accomplished in spite of all the efforts of Congress and Government officials to enlarge his service into a police agency. Thus Hoover has managed to lead the FBI through World War II and the Korean war without expanding it beyond civil affairs and beyond the strict limits set for it by Congress. The FBI has not become a Federal police agency. It remains a Bureau within the Department of Justice, under the supervision of the Attorney General.

The work of the FBI nevertheless has increased and many activities not originally part of its work are now routine. For instance, over the years, it has developed enormous files of information about persons, associations, organizations, and so forth. It has also its large file of fingerprints. These have become available to local police throughout the country and by modern systems of communications and filing, required data is instantly obtainable, thus making the work of local police more efficient.

The FBI also gathers crime statistics and has set up a proper method of uniform reporting. This has had a moral effect upon police departments, for the municipal politician who likes to falsify his statistics finds himself in difficulties with public opinion when he declines to adopt the uniform reporting method.

There is the FBI National Acadmy to which local police departments send promising police officers to learn the most modern methods of crime prevention and crime detection.

The FBI is charged by Congress, under the Lindbergh law, to step into kidnaping cases, after an interval, to assist local police. This is a great advantage because county and State lines can be crossed by the FBI and it makes it more difficult for the crooks to get away. The FBI also is called into bank embezzlement cases. It is charged with protecting the United States against subversives and such fifth-column activities as the Communists practice.

The FBI has maintained such a high quality of personnel and service that it has won the good will of the American people and the position of J. Edgar Hoover in American life has been extraordinary. He has placed the FBI above and beyond politics.

However, in recent years the FBI has been attacked with more violence than truth, particularly by those doctrinaire groups which run interference for the Communists. The principal charge against the FBI is that it is not as good as it is presumed to be and that J. Edgar Hoover's emphasis on subversion is either designed to enhance his personal popularity or to obtain larger appropriations from Congress.

It is only to be expected that the Communists would attack the FBI and J. Edgar Hoover and that they would employ every method available to humiliate and degrade him in the eyes of the American people and of the world. Their motive is to force his retirement, so that the FBI will become a football of partisan politics and be of no value at all.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, I should like to subscribe to the thoughts and expressions of the Senator from New Hampshire in regard to the 35th anniversary of Mr. J. Edgar Hoover as Director of the FBI. Yesterday, May 10, marked this anniversary. I think all America should pay its most grateful respect to J. Edgar Hoover, who has toiled unceasingly against crime and subversion.

He is a man who has dedicated his entire life to the service of his country.

He has become a symbol of honesty, integrity, and courage.

MAN OF MISSION

Mr. Hoover most truly is a man of mission. As Director of the FBI, he has brought into being new concepts of public service—concepts which have made the FBI a revered institution of Government. Senators know the high standards he maintains: integrity in office, dedication to duty, humility of character. His measuring rods are efficiency, honesty, and fair play.

The image of this man has become important to the decent citizens of our Nation, young and old alike. When many other symbols and values have been tarnished by the ravages of time, this man remains firm, granite-like in support of the ideals of America. That is why he has achieved the pinnacle of esteem.

RECOGNIZED EVIL OF COMMUNISM

Keen insight and depth of understanding have characterized Mr. Hoover's career at the helm of the FBI. In years past many Americans—some who should have known better—misread the challenge of communism. The Kremlin leaders were called, by some, mere "social reformers," "20th-century liberals," or "proletarian wonder workers." Nothing dangerous could come from them. Mr. Hoover saw otherwise, and rightly.

From the very beginning, even from the founding days of the Communist Party, he recognized communism as a diabolical evil which corrodes the very heart of man. It is atheistic, imperialistic, and sadistic. Communism will never rest content until it has conquered the entire world. The very essence of Marxism-Leninism is a dynamic fervor to bring men everywhere within its suffocating folds. This is the communism which has smashed freedom in Hungary, which is attacking Tibet, and which threatens our very existence.

Hence, to millions of Americans, Mr. Hoover stands as a leader in our fight

to preserve Americanism against this Kremlin conspiracy. And their faith has not been ill founded. He has indeed stood the test.

BATTLER AGAINST CRIME

Mr. Hoover also has distinguished himself as an uncompromising battler against the evils of crime. He has made the FBI the most widely respected crime-fighting agency in the Nation's history. His courageous words, based on vast experience, have alerted America to the desperate problem of racketeering, corruption, and organized crime.

Mr. President, the celebration of this 35th anniversary is especially timely because in very recent times some vicious well-planned attacks have been made on J. Edgar Hoover and the Federal Bureau of Investigation. These attacks come from various sources, and are probably based on different motives.

These efforts to "get" Hoover and the FBI were the subject of a series of articles written and documented by Edward J. Mowery, Pulitzer Prize journalist from the Newark (N.J.) Star-Ledger. The series appeared in the Star-Ledger February 1–9, 1959.

In his opening article, Mr. Mowery wrote:

WASHINGTON.—Americans are witnessing a brazen and unprecedented attack from a number of apparently diverse sources upon the Federal Bureau of Investigation and J. Edgar Hoover.

Friends of the FBI characterize the crusade as a carefully planned, concerted movement to smear—not merely discredit—Hoover and the internal security agency.

And it has two goals:

(1) To capture the FBI when the 64-year-old Hoover steps down—or render it impotent.

(2) To harass or halt the FBI's current, around-the-clock investigations of subversion.

The campaign received its initial impetus on September 20, 1957, in New York when the Emergency Civil Liberties Committee launched a nationwide anti-FBI drive with a barnstorming tour earmarked for 22 major cities.

(The committee has been cited by the Senate Internal Security Subcommittee as a Communist front.)

On May 4, 1958, Canadian-born industrialist Cyrus Eaton delivered a scathing denunciation of the FBI on ABC–TV.

(Eaton, who first attacked the FBI in 1954, was the star of the telecast sponsored by the Ford Foundation's Fund for the Republic.)

The time was now ripe for a major contribution to the campaign. And it came on October 18.

The Nation, a leftist organ familiar in Capitol cloakrooms and on America's campuses, devoted a 60-page special edition to a massive attack on Hoover and the FBI, illustrated with line drawings in a motif familiar to readers of leftwing periodicals.

Mr. President, after reading the entire series of articles, the Senator from Nebraska considered them sufficiently important to secure consent of the Senate for their publication as a Senate document, which was done on April 10, under Document No. 23. I urge my colleagues and others interested in this phase of National Government and well-being to procure and read these very enlightening and instructive articles written by a qualified authority.

The celebration of J. Edgar Hoover's 35th anniversary with the FBI should have as part of its purpose the determination of all thoughtful and patriotic citizens to carefully and gratefully evaluate and acknowledge the career of dedication and service rendered by this great American.

INSPIRATION TO DECENT CITIZENS

Mr. Hoover is today more than the Director of the FBI, important as that position is. He is an inspiration to decent citizens throughout the country. Our people owe him the highest honors they can bestow. He is a public servant par excellence, his only thought being to help his fellow men. Personal gain, he has scorned; greater governmental power, he has refused; fabulous commercial offers, he has passed by. His heart belongs not to himself, but to America.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. I should like to join the Senator from New Hampshire and the Senator from Nebraska in paying tribute to Mr. J. Edgar Hoover on his 35th anniversary as Director of the FBI.

Mr. Hoover has been responsible for the great prestige which his Bureau now enjoys. His service to his country will go down in history as being that of a loyal and hard working public official—a great American.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from Illinois.

Mr. DIRKSEN. I have known J. Edgar Hoover for about 25 years. I think it is worthy of note that always he has kept the FBI within the context of the Department of Justice, has maintained its dignity, and has never let there be imprinted upon the Bureau the kind of stamp which might designate it as an ordinary police agency.

It is amazing to note the high quality of personnel Mr. Hoover has been able to attract to his Bureau, and the high standards which he has established and maintained in the FBI. In so doing, he has kept himself and all his personnel above suspicion.

One other thing I think has endeared him to Members of Congress in every Congress in which I have served, and that is his complete candor before congressional committees. He has spoken very plainly many times in open hearings, and in executive meetings, always having his eye on his interest in the perpetuity of this country and its ideals.

I suppose no one man has done so much to bring fear to those who would, by coercion and force, destroy American ideals. Not only this generation, but later generations to come, will realize the great debt of gratitude they owe to a fine public servant, J. Edgar Hoover.

Mr. MANSFIELD. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield to the Senator from Montana.

Mr. MANSFIELD. I join in the expressions of my distinguished colleague from New Hampshire [Mr. BRIDGES] and my other colleagues, in extending my best wishes and congratulations to J. Edgar Hoover on his 35th anniversary as Director of the FBI.

As the Senator from Illinois [Mr. DIRKSEN] has pointed out, Mr. Hoover has performed outstanding service in combating subversion, and also has rendered valuable service in the field of juvenile delinquency. Only yesterday I noted that Mr. Hoover has warned us that we can expect increased activity in the area of juvenile delinquency. I hope the people of the United States will take heed of his words of warning and do what they can to bring about an alleviation and a lessening of the critical conditions which confront us today in that field.

We have been fortunate indeed to have had J. Edgar Hoover in the position in which he has served for so many years.

We wish him many more years of continued health and success in the future.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from New York.

Mr. KEATING. Mr. President, it is a great pleasure for me to join with my colleagues in paying tribute to the great Director of the Federal Bureau of Investigation, J. Edgar Hoover, on this anniversary of his service in that post. I am proud to call this man a friend, and I am proud to stand shoulder to shoulder with him in his unrelenting mission to wipe out crime and subversion in America.

No public official in our country today commands more respect than J. Edgar Hoover. As he completes his 35th year as Director of the Federal Bureau of Investigation, he can be assured that his dedicated service has not gone unnoticed.

On May 10, 1924, Mr. Hoover, as a young man of 29, was promoted to the position of Director of the FBI. Before him loomed the formidable challenge of lifting that Agency from the mire of corruption and ineptitude to a higher plane of integrity and efficiency.

His record and the FBI's record since May 10, 1924, speak for themselves. Here are but a few of the outstanding highlights:

In July, 1924, the FBI's Identification Division was founded, giving the Nation's law enforcement agencies, for the first time, a national clearinghouse for fingerprint records.

In November, 1932, the FBI Laboratory was founded. Today, municipal, county, and State law enforcement agencies throughout the United States are provided cost-free examinations of evidence by the FBI Laboratory.

In July, 1935, the FBI National Academy was founded. Often referred to as the West Point of law enforcement, the FBI National Academy provides an advanced training course to career members of the law enforcement profession.

Through these and other efforts, Mr. Hoover has insured that the FBI will employ the latest methods in combating crime and subversion, and at the same time his Agency has pioneered in seeking new means for carrying out its missions.

Particular note should be paid to the close cooperation Mr. Hoover has fostered between his organization and State agencies and officials. These relations should serve as a model for Federal-State cooperation. They demonstrate how the facilities of the Federal Government can aid the work of the States, without in any way interfering with their legitimate functions.

Added to these great strides forward are many other accomplishments of the FBI under the Director. These include the relentless fight to wipe out gangsterism during the thirties, the apprehension of spies and would-be saboteurs in World War II, and the continuing battle against Communist subversion and organized crime in the postwar years.

Throughout his career, Mr. Hoover's work has been characterized by thoroughness and restraint, by strict adherence to the Constitution, and dedication to tracking down enemies of our people and our Nation. The tremendous effectiveness of the Director and his Agency has resulted in concerted campaigns of smear tactics and ridicule by those who have felt the sting of Mr. Hoover's activities. Undaunted by this opposition, the FBI has continued its fine work, and Mr. Hoover has continued to grow in stature and national esteem.

He has exerted a great and good influence on young and old alike in many fields. His dedication to American ideals, his championing of fair play, and his emphasis on the importance of the spiritual and moral side of life have been widely felt. He is undoubtedly the Nation's greatest influence against juvenile delinquency and the greatest force for good in building fine citizens for tomorrow.

Mr. President, Mr. Hoover has consistently opposed making his organization a national police force, and none can argue against his reasoning on such a matter. However, I do feel Congress should act in a number of well-thought-out, reasonable ways to strengthen the arm of the FBI. We need, for example, to clarify our wiretap laws and in other ways to grant needed powers to this agency. The continuing threat of the international Communist conspiracy and the unending efforts of organized crime to corrupt our people and circumvent our laws make such actions imperative.

Just as Mr. Hoover has kept his Agency abreast of the latest methods of scientific detection and has kept one step ahead of the latest criminal tactics, so Congress must give him the powers he needs to continue effectively his war on crime.

However, let us never forget that J. Edgar Hoover's greatness is reflected not merely in the many achievements of his Agency. It is equally evident in his deep concern for the increase of crime among our youth, his great respect for civil liberties, his unrelenting vigilance against communism, and his determination to guard zealously our inheritance of freedom.

Truly, Mr. Hoover's record these past 35 years stands on its own merit. I am pleased to extend to him hearty congratulations on this anniversary. May he enjoy many more years of happiness and success in the work he loves so well—protecting his beloved land and insuring that it remains true to the ideals which have made it great.

Mr. BUSH. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield to the Senator from Connecticut.

Mr. BUSH. Mr. President, I wish to compliment the distinguished senior Senator of our party upon bringing this matter to the attention of the Senate today. I join with the Senator from New Hampshire [Mr. BRIDGES], with my good friend the Senator from New York [Mr. KEATING], and my other colleagues in paying tribute to J. Edgar Hoover. Certainly there is hardly a man one could think of who in the past 20 years has exercised so profound an influence for good in this country as has this great man who heads the fine organization known as the FBI.

As several Senators have pointed out, one of our great problems today is that of youth—the problem of discipline among the youth in the homes, in the schools, and elsewhere. I think probably J. Edgar Hoover has done more to emphasize the need for greater discipline of the youth of the land in the homes, in the schools, and in the churches than any other single American. I hope he may live long to continue to lay down to the youth of our country and to all of our people the precepts he espouses, so that family life, education, and citizenship may all continue to be improved by virtue of his admonitions.

Mr. BRIDGES. Before the Senator takes the floor in his own right, I should like to yield to the Senator from Wisconsin, who wishes to speak upon this subject.

Mr. PROXMIRE. Mr. President, later today, after the morning hour, I intend to speak at greater length on this subject, but I want to congratulate the distinguished senior Senator from New Hampshire for having taken the initiative in paying tribute to J. Edgar Hoover.

The only point I should like to stress now was mentioned briefly by the junior Senator from New York, the role J. Edgar Hoover has played not only in doing his main job and performing his fundamental mission of enforcing our laws but also in protecting the rights of the individual while performing his duty. I have quite a bit of documentation to put in the RECORD in support of this position, and I shall do so later.

Mr. SALTONSTALL. Mr. President, I wish to join my colleagues in congratulating J. Edgar Hoover on his 35 years of service as head of the Federal Bureau of Investigation.

We who are Members of this body know the difficulties of retaining the confidence of the public and of those who work in the Government over a period of years. A public man who has been able to retain not only the confidence of the American people as a whole, but also those in Government service for 35 years deserves our congratulations. Mr. Hoover has done it. He has intelligence; he has education; he has integrity; and he has demonstrated energy and objectiveness in his work. So I join my colleagues in expressing my congratulations to him.

Mr. MAGNUSON. Mr. President, I wish to associate myself with Senators who have made remarks in tribute to Mr. J. Edgar Hoover.

A number of years ago I was a local prosecutor, as was the Senator from Utah [Mr. Moss]. On many occasions I found that the cooperation of J. Edgar Hoover and the FBI was invaluable. I commend him for his long service. Because of it I am sure that the Nation has been much better off in the field of law enforcement in many respects. Those who deal with the task of law enforcement in our local communities and those who deal with it in the U.S. district attorneys' offices are grateful for the fine work of J. Edgar Hoover and his associates.

Mr. MOSS. Mr. President, I wish to join other Senators in paying tribute to Mr. J. Edgar Hoover for his service to our Nation.

For 2 years I had the honor of serving as president of the National Association of State Prosecutors. We had the closest liaison and cooperation from the Federal Bureau of Investigation and from Mr. Hoover. I can testify that he has done an outstanding job in law enforcement at the Federal level. At the same time, he has respected the rights of the local and State agencies, and has cooperated with them.

Mr. NEUBERGER. Mr. President, I wish to join in the tributes voiced today by Senators on both sides of the aisle in honor of Mr. J. Edgar Hoover on the anniversary of the impressive and lengthy service he has achieved in the Federal Bureau of Investigation.

We in Oregon have always been very favorably impressed with the high personal qualities and caliber of the relatively young agents of the Federal Bureau of Investigation who have served Mr. Hoover's organization in the various communities of our State.

Some 6 or 7 years ago I wrote a book about the Royal Canadian Mounted Police, which is the famous Federal constabulary of our neighbor, Canada, to the north. I was very much pleased to learn of the high esteem in which officials of Canada's famous national police force hold the Federal Bureau of Investigation under Mr. J. Edgar Hoover. I was informed that they treasure very greatly the privilege they have each year of sending several members of the Royal Canadian Mounted Police to Washington to serve here in very close liaison with the Federal Bureau of Investigation.

I think it is fortunate to have as the head of the FBI an individual like Mr. Hoover, who has likewise been concerned about the civil liberties and civil rights of the great body of American citizens.

Mr. SCOTT. Mr. President, I should like to join my colleagues in paying tribute to J. Edgar Hoover, who yesterday observed his 35th year as Director of the FBI.

The FBI today guards the welfare of America as surely as our Armed Forces. The kidnapers, the embezzlers, and other enemies of society have become fewer and fewer in number, thanks to

the efforts of the remarkable organization developed by Mr. Hoover.

J. Edgar Hoover has had countless opportunities to capitalize on the reputation which he has established. He has spurned them all. He has stuck to his job. It is for this selfless devotion to duty that all Americans should be everlastingly grateful.

In peace and in war, the FBI has stood watch over the liberties of the individual.

In the years that preceded World War II, the FBI helped run down such killers as John Dillinger, the Barker gang, Baby Face Nelson, and other desperadoes who terrified the citizenry like so many jackals.

During the war, the FBI performed magnificently in catching Axis spies and saboteurs who sought to cripple America's war effort. And under the leadership of Mr. Hoover, who years ago realized the dangers inherent in communism, it has guarded America's internal security by tracking down subversives and Soviet agents.

There are few men in American Government who have set such an inspiring example of dedicated public service as J. Edgar Hoover. I hope the Nation will have the benefit of his brilliant service for many years to come.

Mr. MUNDT. Mr. President, I know I am joined by millions of Americans when I offer my congratulations and best wishes to J. Edgar Hoover, who yesterday celebrated his 35th anniversary as Director of the Federal Bureau of Investigation.

Mr. President, I wish to associate myself with the remarks of my colleagues who have previously paid their respects to this great American.

During these 35 years, J. Edgar Hoover and the FBI have been in the vanguard of those relentlessly resisting the forces of godless communism. The constant efforts of the FBI have not always had the full support of the public. Nevertheless, J. Edgar Hoover's dedication of purpose in recognizing and combating the menace of the Communist conspiracy, has earned for this outstanding Federal Agency and its leader the respect and gratitude of freedom-loving Americans everywhere.

When the Nation's vigilance faltered, the FBI met these new challenges with increased diligence.

When some were crying "red herring" and throwing roadblocks into every effort to unmask the Communist conspiracy, the FBI doggedly pursued the Red adversary.

Today the dangers of Communist encroachment upon our free institutions are no less than when the Iron Curtain first fell on Eastern Europe.

But those same free institutions in this country can look with pride and gratitude to J. Edgar Hoover and the FBI because of the determination of this Agency to protect and preserve the liberties of this Nation.

I cannot say that without the FBI we might have fallen victim to communism. However, I can say that if it had not been for the FBI and J. Edgar Hoover, this Nation would be so dangerously vulnerable to the Communist conspiracy, that it could well have been within the realm of possibility that in only a matter of time the Kremlin leaders could have achieved their dream of a Soviet America.

The great leadership of the FBI was demonstrated again in the World War II. when the Nazi saboteurs who landed on our eastern coast sent over in submarines by those "snakes of the sea" were so rapidly picked up and apprehended by the FBI and convicted by the American system of jurisprudence.

The FBI again showed diligence by virtually stamping out the wholesale kidnaping racket which for so long a time had flourished in this country as the most nefarious of all crimes.

The FBI rose valiantly against the crime wave in the era of Al Capone and other mobsters, and once again demonstrated the talent, courage, efficiency, and diligence exemplified by the FBI, which has served the public by protecting it against the ravages of those who are determined to violate the law.

If ever a man could personify the great ideal of American patriotism, it is J. Edgar Hoover. His deep devotion to the true principles of freedom has prompted five Presidents to continue this dedicated patriot as Director of the FBI.

This fact, in itself, that he has earned the confidence and respect of our Nation's leaders during his 35 years as FBI Director, speaks more strongly than any words of the outstanding leadership and service which J. Edgar Hoover has given to our country.

No other American, to my knowledge, has served so well and so long under such a variety of administrations, under both the major political parties, while continuing to hold the respect of the vast majority of those in public life in both parties.

All Americans, regardless of political affiliation, are indebted to J. Edgar Hoover and the contributions he has made as Director of the FBI. His dedication is perhaps best illustrated by his concluding statement in his book, "Masters of Deceit," when he wrote:

> With God's help, America will remain a land where people still know how to be free and brave.

I can add only this: that with God's help in giving our country leaders such as J. Edgar Hoover, we most surely will remain both free and brave.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, a tribute to Mr. Hoover, by the distinguished newspaper columnist, George E. Sokolsky. Mr. Sokolsky's column is from the Friday, May 8, issue of the Madison Daily Leader, my hometown paper in Madison, S. Dak.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THIRTY-FIVE YEARS OF SERVICE

(By George E. Sokolsky)

On Sunday, J. Edgar Hoover will have been Director of the FBI for 35 years which is undoubtedly a record in Government service. His has been a difficult task, for the American people reject the concept of a national police force. He had to establish an organization which would serve when neded, but would not bring the full weight of the Federal Government into police activities, which, in this country, remain local.

Hoover took over an agency of Government which had become disreputable and his need was not only to give it a new and more proper orientation but also to find scope for it within our constitional system. This, J. Edgar Hoover accomplished in spite of all the efforts of Congress and Government officials to enlarge his service into a police agency. Thus Hoover has managed to lead the FBI through World War II and the Korean war without expanding it beyond civil affairs and beyond the strict limits set for it by Congress. The FBI has not become a Federal police agency. It remains a bureau within the Department of Justice, under the supvervision of the Attorney General.

The work of the FBI nevertheless has increased and many activities not originally part of its work are now routine. For instance, over the years, it has developed enormous files of information about persons, associations, organizations, etc. It has also its large file of fingerprints. These have become available to local police throughout the country and, by modern systems of communications and filing, required data is instantly obtainable, thus making the work of local police more efficient. The FBI also gathers crime statistics and has set up a proper method of uniform reporting. This has had a moral effect upon police departments, for the municipal politician who likes to falsify his statistics finds himself in difficulties with public opinion when he declines to adopt the uniform reporting method.

There is the FBI National Academy to which local police departments send promising police officers to learn the most modern methods of crime prevention and crime detection.

The FBI is charged by Congress, under the Lindbergh Law, to step into kidnapping cases, after an interval, to assist local police. This is a great advantage because county and State lines can be crossed by the FBI and it makes it more difficult for the crooks to get away. The FBI also is called into bank embezzlement cases. It is charged with protecting the United States against subversives and such fifth column activities as the Communists practice.

The FBI has maintained such a high quality of personnel and service that it has won the good will of the American people and the position of J. Edgar Hoover in American life has been extraordinary. He has placed the FBI above and beyond politics.

However, in recent years the FBI has been attacked with more violence than truth, particularly by those doctrinaire groups which run interference for the Communists. The principal charge against the FBI is that it is not as good as it is presumed to be and that J. Edgar Hoover's emphasis on subversion is either designed to enhance his personal popularity or to obtain larger appropriations from Congress.

It is only to be expected that the Communists would attack the FBI and J. Edgar Hoover and that they would employ every method available to humiliate and degrade him in the eyes of the American people and of the world. Their motive is to force his retirement, so that the FBI will become a football of partisan politics and be of no value at all. Attacks have been made upon its use of informants, without whom it cannot exist. Attempts have been made to open its files which would wreck the organization altogether because its files also contain unscreened material, some of it perhaps untrue but retained because of leads. This is normal police practice.

In recent months reporters of certain publications have been interviewing persons associated with or antagonistic to J. Edgar Hoover, apparently with the object of getting as much about him that may be deleterious as possible. Publication of these articles seems to be delayed because there is nothing to get on an outstanding personality who has given 35 years of his life to the service of his country in fighting crime, subversion, treason and indecency on all fronts as Director of the FBI.

Mr. BIBLE. Mr. President, yesterday, May 10, marked another milestone in the illustrious career of one of America's great public servants. On that day, in 1924, a 29-year-old attorney named John Edgar Hoover was entrusted with the responsibility of revitalizing the Department of Justice's Division of Investigation.

That he did his work well is now legend—on the 35th anniversary of what has since become the Federal Bureau of Investigation, truly one of the greatest agencies of its kind in the entire world.

Young Hoover worked his way through law school in Washington while a clerk in the Library of Congress. He entered the Justice Department as an attorney, and was soon tapped by Attorney General Harlan Fiske Stone, later Chief Justice of the United States, to head up the Investigative Branch of the Department.

J. Edgar Hoover has served under 12 Attorneys General, a tenure which in itself gives eloquent testimony to the caliber of his service.

Mr. President, before entering the U.S. Senate, I had served as a district attorney and as attorney general of my native State. During those years I had the opportunity of working closely with many special agents of the FBI, and I became familiar with the thorough training they had received under a program initiated and carried out by Mr. Hoover.

It is a pleasure to salute J. Edgar Hoover on this anniversary, and to wish him continued success in this most important post.

THE FBI AND J. EDGAR HOOVER

Mr. PROXMIRE subsequently said: Mr. President, the FBI has been praised to the heavens as a godlike magnificently efficient foe of all that is evil and treasonable. It has also been condemned as a gestapo. There are some who consider praise of the FBI nothing but flag-waving political hokum. The same people deem almost any kind of public denunciation of the Bureau as the most genuine mark of political courage. On the other hand, many will automatically view any criticism of Mr. J. Edgar Hoover and the FBI as Communist inspired, prima facie evidence of disloyalty.

This extreme quality of public discussion of the Federal Government's vital law enforcement agency serves both our country and the FBI badly.

Because yesterday marked the 35th anniversary of John Edgar Hoover's directorship of the FBI, I have decided that this might be a sensible occasion for a more measured evaluation of what to tens of millions of Americans has probably grown into the most exciting and interesting instrumentality of the Federal Government.

The Nation is presently on a "western kick" on television. The sheriff, the U.S. marshal, the Texas ranger of the Old Wild West ride to glory day after day and night after night. They have shot their way into the hearts of most old as well as young Americans. And why not? The law enforcement agent at his best personifies decency, courage, action and good sense. And just as the oldtime lawman is currently riding high on TV, today's FBI agent has become his current embodiment. He is Ameriea's 20th century hero.

Mr. President, I have no doubt that in every country regardless of their form of government, the law enforcement or police agencies and the governments that use them strive to create a public respect and gratitude for the enforcer that is close to uncritical hero worship.

The FBI and the American people deserve both better and more than this. The measure of the FBI performance must be how it meets the acid test of successful law enforcement while steadily, constantly and effectively safeguarding the rights of all citizens including the accused and the suspects.

No agency that is made up of hundreds of police can be perfect in meeting this standard. Because much police work must be done secretly, and must remain secret, it is hard to know exactly how well or how badly we are doing in keeping the rights of every individual sacrosanct.

There is hard evidence that the FBI is efficient in prosecuting criminals. For instance, year after year the record of convictions flowing from FBI investigations greatly exceeds 90 percent. Its agents are rigorously selected. Educational requirements are stiff. Training is thorough and comprehensive. Agents work extremely hard. Hours are long. Standards of job performance are exacting. I have talked with many FBI agents and am constantly impressed with their pride in the FBI. It is the kind of morale you find in a winning team, a team that is good and knows it, or a topflight military outfit.

While there have been denunciations of the FBI and J. Edgar Hoover I have been able to find literally no criticisms of him or his Agency for inefficiency or failure to accomplish their mission. Praise of FBI success in law enforcement is voluminous and of course the saga of successful cases can be recited by millions, including underworld hoodlums, kidnappers, Nazi saboteurs, Communist spies.

But this is only half the story, and perhaps in a democracy it is less than half. Police in other countries have on occasions had efficient records too. But their regard for citizens' rights has been something else.

A well-known American put the issue very well recently when he wrote:

Law enforcement is a protecting arm of civil liberties. Civil liberties cannot exist without law enforcement; law enforcement without civil liberties is a hollow mockery. They are parts of the same whole—one without the other becomes a dead letter.

Democratic law enforcement is loyal to both the state and the individual. It is obligated to uphold the sovereignty of the government, yet, at the very same time, to protect the rights of the citizen.

Law enforcement ethics must rise to prevent abuses, such as third degree techniques, unlawful arrests, unreasonable detentions, illegal searches and seizures. These practices are anathema to civil liberties, destroying the very heart of the American democratic system. They represent law enforcement at its worst.

Here is the very heart of the problem; the vital necessity of having men and women in law enforcement who hold inner allegiance to the principles of democracy and perform their duties in a completely legal manner.

Mr. President, I think it is significant that those are the words of J. Edgar Hoover, writing in the Iowa Law Review in the winter issue of 1952.

It is immensely important that the head of the Nation's most famous law enforcement agency recognizes so thoroughly and emphatically the crucial importance of the rights of individual citizens.

Does the FBI practice these eloquent words of freedom and rights written by its Director?

Mr. President, Morris L. Ernst, author of "The First Freedom" and a frequent counsel of the American Civil Liberties Union, has won a deserved reputation as a watchdog of civil rights. Mr. Ernst has reported that he has rarely heard charges of brutality or violation of individual rights against the FBI, but a few years ago he decided to investigate this more thoroughly so he wrote articles in which he asked readers to send him any evidence they might have that the FBI had violated a person's constitutional rights. He reported:

My scoreboard shows a remarkable absence of such accusations. On the contrary, all the evidence indicates that the FBI as a matter of unvarying policy has played fair with criminals and suspects.

Mr. President, the FBI has not confined its rigorous insistence on observance of civil rights to its own agents. It has vigorously worked to inspire an understanding of the importance of civil rights among the law enforcement officials throughout the land. These officials are of course many times more numerous than FBI agents. For the average citizen it is the local police officials to whom he looks for protection of his life and property on the one hand and of his rights as an individual on the other.

The FBI has worked in at least three ways to secure a deeper appreciation of individual rights among these hundreds of thousands of local police.

Hundreds of the Nation's top local police officials have been trained at the FBI National Academy in Washington. These officials have been graduated after training in such areas as "Ethics in Law Enforcement" and "The Constitution and Bill of Rights." A prime theme in this training is insistence that local police officers understand the importance of respecting the rights of every individual.

Secondly, literally tens of thousands of law enforcement officers from all over the country have attended specialized,

day-long civil rights schools conducted by the FBI. In all of these schools the FBI stresses every aspect of the rights of suspects and accused to be free of physical violence, illegal restraint, mob violence or interference with free expression.

Finally, Mr. Hoover has campaigned during his 35 years as Director of the FBI for higher standards for law-enforcement agencies. Better training, better equipment, better salaries, and, as Hoover puts it—a personal integrity which scorns the temptation of graft, bribery, and corruption—have been the hallmarks of his campaign for the development of law enforcement as a profession.

The example the FBI has set has been most important of all. Its insistence on the protection of rights of all has been increasingly emulated by law-enforcement agencies. As the best known, most widely publicized law-enforcement agency in the country, it sets the pace.

Mr. Hoover and his FBI have met the rigorous test of law enforcement in a civil rights democracy. They have been highly successful in their investigations. Available evidence impressively indicates they have avidly protected the rights of the accused or the suspected in the process.

More than this, through training of local police and through their own example they have had a profound effect in affirming civil rights throughout the Nation.

Mr. President, I ask unanimous consent that the following documents supporting these remarks be printed in the RECORD at this point:

"Civil Liberties and Law Enforcement: The Role of the FBI," by John Edgar Hoover, Iowa Law Review, winter 1952.

"Why I No Longer Fear the FBI," by Morris L. Ernst, December 1950 Reader's Digest.

"The FBI Civil Rights Schools," two articles from the April 6 and 8, 1956, New York Herald Tribune, by Roscoe Drummond.

Directions from the FBI "To All Law-Enforcement Officials," FBI Law Enforcement Bulletin, July 1958.

"The FBI Protects the Innocent," by Karl Detzer, March 1954 Reader's Digest.

There being no objection, the articles were ordered printed in the RECORD, as follows:

[From Iowa Law Review, winter 1952]

CIVIL LIBERTIES AND LAW ENFORCEMENT: THE ROLE OF THE FBI

(By John Edgar Hoover, Director, Federal Bureau of Investigation)

INTRODUCTION

Mankind has been tormented for centuries by a problem still of vital concern to the American people—the relation of the individual to the state.

This Nation was founded on the historic principle that the individual must be protected from the tyranny of the state. Washington, Franklin, and Madison witnessed the terror of a government of men. Therefore they resolved, through the Constitution, to establish the supremacy of law. The state, they believed, must be strong enough to maintain national security but not so strong as to violate the civil rights of its citizenry. The wisdom of the Founding Fathers lives still, for the Constitution remains today the basic document of the American system of government, the culmination of centuries of thought, suffering, and faith for the principles of freedom and justice among men. The Constitution provides a framework for a government of law—and under it both civil liberties and law enforcement derive their meaning.

The century and a half following the adoption of the Constitution brought an intensification of the problem of the relation between the individual and the state. In the days of Washington and Jefferson, it was a problem of thousands of miles; months, even years on the calendar; affecting few, not the great mass of people. Today it is otherwise: a problem immediate, near at hand, touching intimately the lives of millions of individuals. The tremendous growth of the United States, the rise of an industrial society, the passing of the frontier, the expansion of government—all these factors brought changes, convulsing the problem into an everyday topic. A Daniel Boone, a Kit Carson, a Davy Crockett, if he desired, could simply pack up and leave. Hundreds of miles of wilderness stretched before him. Today that is no longer true; the interests of the individual and the state touch at a great number of points. New modes of accommodation are being created, new points of issue being raised. Here is America's great problem today—to maintain the basic civil liberties of the individual, which are the foundation stones of free government, yet, at the same time, to protect the security of the Nation.

The answer lies in the wisdom of the Founding Fathers, in the principles embodied in the Constitution of the United States. Law enforcement is today playing an integral role in helping to solve this great problem. Law enforcement arises from law; its sacred responsibility is to uphold the basic laws of the land and to give meaning to the democratic tradition of America. In a government where men, not law, are all-powerful, law enforcement, as we understand it, does not exist—there is no need for it. Law enforcement is a protecting arm of civil liberties. Civil liberties cannot exist without law enforcement; law enforcement without civil liberties is a hollow mockery. They are parts of the same whole—one without the other becomes a dead letter.

Democratic law enforcement is loyal to both the state and the individual. It is obligated to uphold the sovereignty of the government, yet, at the very same time, to protect the rights of the citizen. Law enforcement, operating in a democratic matrix, believes that the free exercise of liberty, based on the laws of the land, is the best method of strengthening the Nation's security. The state is strong because the individual is strong, free and virile; the individual is strong because the state is strong, secure, and solid. They are essentially ingredients for maintaining America as the home of the free, the brave, and the just.

The FBI, which I have had the honor of heading for over a quarter of a century, is dedicated to this proposition: To protect both the security of the Nation and the liberties of each individual. This duty is in the highest traditions of the Nation. Along this path—the path pointed out by the Founding Fathers—lies the eventual solution of this historic problem. The state and the individual can and must exist as cooperating and mutually interacting entities.

PROTECTION AGAINST THE EVILDOER

The basic function of law enforcement is protection against the evildoer—the murderer, the rapist, the burglar who desire to destroy the citizen's rights, life, and property. The criminal, in the most simple terms, is a transgressor of the law, who, through illegal means, attempts to promote his own personal welfare, comfort, and ends at the expense of another. To be successful is to destroy civil liberties. The police officer and the judicial system, by enforcing the laws, are giving validity to the right guaranteed in the statutes of this Nation. Why have laws, if they are to be violated with impunity? Laws have meaning only with enforcement; in that way, and in that way only, can civil liberties be maintained and the security of the community insured.

The duty of the FBI is to investigate violations of the laws of the United States, to collect evidence in cases in which the United States is or may be a party in interest, and to perform other duties required by law or administrative directive. The FBI is a Federal law enforcement agency, with limited and specified powers. It is responsible, just as all other law enforcement agencies, to the elected representatives of the people. The policies of the FBI at all times are under the supervision of the Attorney General, and its appropriations are provided by the Congress. The FBI is not, in any sense of the term, a national police agency, a unilateral, separate, independent agency working outside the mainstream of democratic law enforcement.

At the present time the FBI has jurisdiction over more than 120 violations of Federal law.[1] The FBI, as the investigative arm of the Department of Justice, is strictly a fact-finding agency. It is interested exclusively in obtaining the facts—accurately, completely and without bias. It does not authorize or decline prosecution, or make recommendations or evaluations. This duty belongs to other officials of the Government.

The objective of the FBI is to protect the individual, to bring the evildoer to justice. By so doing, it is at the same time strengthening the security of the community. Law enforcement may be likened, in correct analogy, to a vast umbrella, sheltering the citizen and the State from the attacks of the criminal. Neither civil liberities nor the Government could long endure if the evildoer were allowed to ply his trade unmolested. In fact, the criminal is in rebellion against the law. He is comparable to an aggressor nation in international society. Individual aggression, as well as international aggression, must be curbed if peace and security are to reign. That is law enforcement's basic obligation in the protection of civil liberties.

MAINTAINING INVIOLATE THE HISTORIC CIVIL LIBERTIES OF THE INDIVIDUAL WHILE ENGAGED IN DEFEATING THE CRIMINAL

Law enforcement, however, in defeating the criminal, must maintain inviolate the historic liberties of the individual. To turn back the criminal, yet, by so doing, destroy the dignity of the individual, would be a hollow victory. This is a problem of great concern in the discussion of civil liberties.

Law enforcement is, in fact, an agency of government. It is controlled, directly and indirectly, by the people. Nevertheless, by the very nature of modern-day government, it possesses, like other agencies, a certain area of independence—outside the scope of immediate supervision but always facing a final accounting for its acts. This particular area, where the officer is temporarily "on his own," so to speak, is of tremendous importance.

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[1] Some of these statutes have been in effect for many years, e.g., White Slave Traffic Act, 36 Stat. 825 (1910), 18 U.S.C. sec. 397 (1946); Interstate Transportation of Stolen Motor Vehicle Act, 59 Stat. 536 (1945), 18 U.S.C., sec 408 (1946) (formerly the National Motor Vehicle Theft Act of 1919). In the 1930's by the passage of the "Federal Crime Bills" (e.g., National Bank Robbery Act, 48 Stat. 783 (1934), 12 U.S.C., sec. 588a (1946); Federal Extortion Statute, 48 Stat. 781 (1934), 18 U.S.C., sec. 408d (1946); Federal Kidnaping Statute, 48 Stat. 781 (1934), 18 U.S.C., sec. 408a (1946)), Congress greatly increased the responsibilities entrusted to the FBI.

It can be and, in some rare instances, has been abused, resulting in the violation of civil rights. It is in this area that law enforcement ethics must rise to prevent abuses, such as third degree techniques, unlawful arrests, unreasonable detentions, illegal searches and seizures. These practices are anathema to civil liberties, destroying the very heart of the American democratic system. They represent law enforcement at its worst.

Here is the very heart of the problem: the vital necessity of having men and women in law enforcement who hold inner allegiance to the principles of democracy and perform their duties in a completely legal manner. There have been abuses—that cannot be denied. But these are the symptoms of a dying school in law enforcement, of the poorly trained officer who lacks the technical know-how to compete with the criminal. Year after year these abuses are decreasing; the modern-day officer feels no need to stoop to dishonorable methods. He is better trained. He is utilizing up-to-date scientific techniques of crime detection to win his battles.

I have fought, during my 27 years as Director of the FBI, for the development of law enforcement as a profession. I have worked for better training programs, modern equipment, adequate salaries, and above all, a personal integrity which scorns the temptations of graft, bribery, and corruption. Time after time I have seen law enforcement betrayed and civil liberties violated by one of these factors: by a poorly trained officer who thinks brute strength and sadistic cruelty will bring a confession; by the resignation of intelligent, fearless, and honest police officers who simply could not and would not make law enforcement a career at such low wages and long hours; by poor morale caused by lack of civic respect and the treatment of the police department as the "lost duckling" of government, deprived of funds, equipment and interest; by police officers who, for a piece of silver, betray their sacred calling to the lust, greed, and vice of the crooked politician or gang leader.

PROBLEMS FACING LAW ENFORCEMENT

These are some of the enemies of civil liberties in the field of law enforcement: poorly trained officers; lack of community interest in providing adequate salaries, equipment, and personnel; corruption within the profession, though involving only a very small minority, yet paralyzing in its effects; failure to keep pace with up-to-date crime detection methods. These make for poor quality law enforcement and allow abuses of civil liberties. We can have the Constitution, the best laws in the land, and the most honest reviews by the courts—but unless the law enforcement profession is steeped in the democratic tradition, maintains the highest in ethics, and makes its work a career of honor, civil liberties will continually—and without end—be violated. Moreover, law enforcement must have the tools to do its job. To deprive a police department of training, equipment, and good personnel policies is to invite the very evil we abhor. The best protection of civil liberties is an alert, intelligent, and honest law-enforcement agency. There can be no alternative.

A few actual cases will illustrate the problems faced today by law enforcement in its struggle to achieve professional status and to develop an unimpeachable code of conduct:

A police department in a northern State, for example, was particularly handicapped because the mayor, who reportedly was closely associated with gambling interests, would not provide permanent appointments to the police force, including the position of chief. All officers held acting appointments. Why? The mayor constantly had the entire department at his will and discretion. How can law enforcement be effective under such conditions?

The sheriff in another State scoffed at training schools for law enforcement officers. He and his men, he said, were too busy to attend. What was the result? Inefficiency, lack of an adequate records system, poor performance.

A chief of police was greatly worried. His department, at that time, had 11 less police officers than 20 years ago. Yet, in this period, as might be expected, his city had greatly increased in population. Many new problems in law enforcement were arising—how could he do an adequate job?

In one county gambling houses were closed—it was an election year. If the sheriff wouldn't have an opponent, it was said, gambling would be resumed. If he were opposed for office, however, gambling would remain closed during the campaign. What happens to law enforcement when a sheriff's efficiency varies with the political season.

Here are the obstacles to good law enforcement. Can you expect civil liberties to be preserved when the community tolerates such unhealthy conditions?

Great progress, nevertheless, has been achieved during recent years to overcome these handicaps and make law enforcement a profession of efficiency, respect and honor. More and more communities, by full-fledged support, adequate financial appropriations, and interest in police problems, are creating a new, progressive, modern concept of law enforcement. This is encouraging indeed, and these communities will reap an ever higher quality of protection.

EFFECTIVE TRAINING AIDS CIVIL LIBERTIES

Law enforcement itself is today doing much to conquer the fetters which bind it. First and foremost is training—the creating of an intelligent, responsible and trustworthy officer of the law. In 1935 the FBI National Academy was founded,[2] and to date 2,426 law enforcement officers from every State of the Union, territorial possessions and a number of foreign countries have been graduated. The primary purpose of the National Academy is to train selected local law enforcement officers as police administrators and instructors. At the present time over 26 percent of the graduates are the executive heads of their respective departments. Many of them, upon their return home, have instituted training programs for their brother officers, utilizing material learned in the National Academy classes as their basic outline. We estimate that over 100,000 local law enforcement officers have benefitted, directly or indirectly, from the National Academy.

The academy's curriculum includes, among other things, courses especially designed to promote knowledge of and respect for civil rights. For instance, instruction is given on such topics as "Law Enforcement as a Profession," "Ethics in Law Enforcement," "Laws of Arrests, Searches and Seizures," "Rules of Evidence," and "The Constitution and the Bill of Rights." In addition, throughout the period of training, the officers are constatntly reminded of their obligations, legal and moral, to respect the rights of every individual. These National Academy courses give the local officer a basic understanding that law enforcement is a profession of honor, that the police officer must at all times be an exemplar of legality, and that successful crime detection can only arise from a scrupulous regard for civil rights.[3]

The passage of years has brought confirmation of the principles exemplified in the National Academy. These graduates are at work, putting into practice the information learned in the classroom. And they are doing good, giving meaning to the concept that law enforcement can be a profession of honor and trust. A National Academy graduate has reorganized the records section of a department; has instituted a training program; has established higher standards of personnel selection. These are the reports which reach my desk day after day—and give buoyancy to the hope that we are well on the way. The higher the standards of law enforcement, the greater the protection for civil liberties.

The FBI also maintains a training program for its own special agent personnel,[4] special agents must either be (1) graduates of an accredited resident law school or (2) graduates of an accredited accounting school or possess a 4-year resident college degree, with a major in accounting.[5] These high educational qualifications ensure the finest of America's young manhood. Before being assigned to field investigative work, the new special agent is given an intensive 16-week period of training.[6] He receives, among other things, instructions in Constitutional law and the Bill of Rights. He studies Federal criminal procedure, and is carefully instructed on searches and seizures, interviews, and confessions and the need at all times for the protection of the rights of the individual. The rules of evidence are thoroughly explained and the statutes over which the FBI has jurisdiction analyzed.

The FBI's training program, in every respect, is aimed toward teaching special agents their obligations as officers of the law. For example, in firearms training, special agents are taught that at all times the safety of the innocent bystander, and the criminal himself, must be considered as well as that of the arresting officer. The criminal should be apprehended alive, not needlessly injured or slain. Likewise, special agents are taught

[2] An applicant to attend the academy must be a regular full-time law enforcement officer with at least 2 years' experience, not over 50 years of age, capable of performing vigorous physical activities, of unimpeachable character and reputation, and possessed of latent ability as an instructor or administrator. Each training session is 12 weeks in length, 10 weeks being devoted to general training and 2 weeks to specialized topics. No tuition or fees are charged, though the student must pay his own living expenses.

[3] The number of local officers who are able to attend the National Academy, in relation to the national total, is extremely small. Therefore, the FBI provides training, if desired, for officers in their own departments. In the 1951 fiscal year, ending June 30, 1951, for example, the FBI participated in a total of 2,380 police training schools. In these schools training was given in crime detection problems and at all times the theme of civil liberties, as presented in the National Academy curriculum, was stressed.

[4] Applicants must be male citizens, willing to serve in any part of the United States or its territorial possessions, between the ages of 25 and 40, in good physical condition, and of unimpeachable character. Prior to any appointment being made, those applicants showing proper basic qualifications are investigated with the object of securing additional evidence of their qualifications and fitness for the position, their scholarship, employment, conduct, honesty, character, and habits.

[5] At the present time, because of the national emergency and the urgent need for investigative personnel, individuals possessing only a resident 4-year college degree are being considered for employment. All other basic qualifications, however, remain the same.

[6] Training is given in FBI Headquarters, Washington, D.C., and the FBI Training Academy, Quantico, Va.

that any suspect or arrested person, at the outset of an interview, must be advised that he is not required to make a statement and that any statement given can be used against him in court. Moreover, the individual must be informed that, if he desires, he may obtain the services of an attorney of his own choice. Duress or brutality of any type is absolutely forbidden. Any special agent guilty of such conduct is subject to immediate dismissal from the service. The highest ethics of law enforcement become part of the special agent's credo. Nothing less can be accepted.

ROLE OF TECHNICAL CRIME DETECTION

The trained police officer must possess, in addition, extensive knowledge of the techniques of technical crime detection—the scientific laboratory [7] and fingerprints.[8] These topics occupy a large role in the training program of FBI agents, as well as the National Academy. Offhand, the casual observer might comment that a fleck of paint, a teaspoonful of dirt or a set of fingerprints is far removed from the subject of civil liberties. Not at all. These technical skills, developed over recent years, have greatly increased the effectiveness of law enforcement and, as a result, have strengthened civil liberties. Day after day they are solving cases, identifying the guilty and protecting the innocent. The law enforcement officer, utilizing the microscope, the X-ray or the criminal record, is depending on skill, intelligence and resourcefulness to outmaneuver the evildoer—not brute force, cruelty or dishonorable methods.

Technical crime detection methods have greatly reduced arbitrary intrusions on civil liberties. The apprehended suspect won't talk. Third degree methods, the ill-trained officer might think, perhaps a severe beating, will force a confession. But the trained officer, schooled in the latest techniques of crime detection, will think otherwise—he will go to work, locating a latent fingerprint, a heelprint in the mud, or a toolmark on a safe. These items of evidence are brought into play to help determine, through the orderly operation of the American judicial system, the guilt or innocence of the accused.

In one case, for example, a young man admitted having in his possession a mutilated 10-cent piece which the cashier of a bank thought he recognized as one of the coins taken from his bank during a burglary. The suspect denied the theft, saying that he had mutilated the coin while using it as a target in shooting against a tree. An FBI agent and local officers cut out the appropriate section of the tree, and the FBI Laboratory confirmed the young man's story. Technicians found 11 copper-coated bullets and two small metal-fragments, determined to be deformed pieces of coin metal, one of them bearing the letter "D" and a portion of the letter "S." The missing section of the mutilated dime would necessarily bear those letters. The innocence of the young man was proved. Certainly civil liberties was the victor. Justice could have no higher obligation than to determine the truth.

The possibilities of technical crime detection are unlimited. Each year the law enforcement official becomes more skilled. In the FBI Laboratory, for example, we are now utilizing an electron microscope which, with the aid of photography, can create magnifications of 100,000 times, compared with the ordinary light microscope's approximate 2,000-times magnification. This instrument is symbolic of things to come—evidence, which a few years ago might have been too minute for analysis, now becomes of first-rate importance.

The FBI Identification Division presently possesses over 123 million sets of fingerprints. These prints are working each day, like scientific criminal examinations, in the interests of better law enforcement: identifying fugitives, solving criminal cases, and protecting the innocent. The Identification Division has become, since its founding, a national clearinghouse for fingerprints. Like the FBI Laboratory, this service is rendered willingly and without charge for the benefit of local law enforcement.

Specialized training, fingerprints, scientific examinations—these are the very sinews of law enforcement's contribution to preserving civil liberties. The very fact, however, that their significance is not appreciated by many people in the community leads to their neglect; hence, poor police salaries, inadequate equipment, tolerance of corruption. If the citizen suddenly realized that these factors vitally affected him—perhaps, some day, to prove his innocence against false charges, to protect his life and property against illegal attack, to guarantee his right to travel the streets at night without molestation—then he would, without question, hold law enforce in greater respect, help understand its problems and lend his support.

But to law enforcement this fact is most evident: regardless of the quantity or quality of the tools provided by the community, they can become effective instruments in the defense of democratic society only in the hands of officers whose inner faith and integrity are unquestioned. Here lies the sacred responsibility of law enforcement—to build the men and women who are willing to work, live and, if necessary, die for the ideals which have made this Nation strong.

FEDERAL CIVIL RIGHTS STATUTES

All of the civil rights enjoyed by the citizens of this country are not protected by the Federal Government. The Constitution, in fact, secures relatively few rights to the individual. This document deals primarily with (1) relations between the various governmental agencies, Federal and State, and (2) the Government and the citizenry, rather than with the relations of private individuals to each other.

The two principal civil rights statutes over which the FBI has jurisdiction are Sections 241 and 242, Title 18, United States Code (Supp. 1951).[9] These statutes are highly restrictive in nature and the FBI's investigative jurisdiction is limited. The essential elements of Section 241 are:

(a) Two or more persons conspiring to injure, oppress, threaten or intimidate any citizen,

(b) In the free exercise or enjoyment of any right or privilege secured to him by the Constitution or laws of the United States, or because of his having exercised the same; or

(a) Two or more persons going in disguise on the highway, or on the premises of another,

(b) With intent to prevent or hinder his free exercise or enjoyment of any right or privilege so secured.

The chief violations arising under this section involve involuntary servitude and slavery[10] and election law violations.[11] Individuals having no law enforcement status may be prosecuted under this section.

Section 242 has the following elements:

(a) A person acting under color of any law, statute, ordinance, regulation or custom

(b) Willfully deprived, or caused to be deprived from any inhabitant

(c) Rights, privileges or immunities secured or protected by the Constitution or laws of the United States; or

(a) A person acting under color of any law, statute, ordinance, regulation or custom

(b) Willfully subjected, or caused to be subjected, any inhabitant.

(c) To different punishment, pains or penalties than prescribed for the punishment of citizens,

(d) On account of such inhabitant being an alien, or by reason of his color or race.

This section covers duly constituted law enforcement officers who have deprived an individual of a right or privilege guaranteed under the Constitution or the laws of the United States. The gist of this offense is the intentional misuse of the power of public office.

Upon receipt of a complaint or learning of a civil rights incident from any source indicating a possible violation of sections 241 and 242, the FBI conducts an investigation. If the facts so warrant, a full and complete investigation is conducted and the results promptly furnished to the Department of Justice for a determination as to whether there will or will not be prosecutive action. The FBI's role is strictly investigative; to determine all the facts accurately, fairly, and promptly.

Civil rights cases are considered of the greatest importance by the FBI. They are afforded the most expeditious, thorough, and meticulous attention. The FBI has conducted special civil rights schools for selected special agents, giving them detailed instructions in the handling of these cases. Only those special agents who are experienced in the Bureau's work are assigned to the investigations. A special Civil Rights Section at FBI headquarters carefully supervises the field's work. The FBI's investigations are conducted impartially, without bias or prejudice, and with the most painstaking efforts to obtain all the facts. Frequently, these cases require extensive work, the interviewing of many witnesses, some of whom may be hostile, and the securing of evidence against law enforcement officials who have cooperated with the FBI in other cases.

SECURITY INVESTIGATIONS

Security investigations especially affect the FBI which is charged with a large share of the protection of the Nation's internal security.[12]

Great interest, and most rightfully so, is presently being expressed about the relation of the State and the individual in matters of security. Communism represents a different kind of enemy, an enemy new in the

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[7] The FBI Laboratory was founded in 1932 and at the present time contains over a million dollars worth of equipment. The laboratory will examine, free of charge, any piece of evidence submitted by a Federal agency or duly authorized law enforcement official, provided it, or any other evidence in the same case, has not and will not be subjected to the same type of technical examination by another expert.

[8] The Identification Division was founded in 1924 by a consolidation of the criminal records on file at Leavenworth Penitentiary with those of the International Association of Chiefs of Police (a total of 810,188 fingerprint cards). The prints are presently maintained in two basic files: criminal, now containing approximately 23 million prints; and noncriminal, roughly 100 million prints.

[9] Related sections include 18 U.S.C. § 243 (Supp. 1951) (exclusion of jurors on account of race or color) and 18 U.S.C. § 244 (Supp. 1951) (discrimination against persons wearing uniform of armed services).

[10] Additional statutes: 18 U.S.C. §§ 1581–1588 (Supp. 1951).

[11] Additional statutes: 18 U.S.C. §§ 591–612 (Supp. 1951).

[12] The FBI does not have responsibility for the physical protection of the Nation's industrial plants. The Munitions Board is responsible for formulating the policies, procedures, and standards from a security standpoint in those plants that manufacture defense materials.

ideological patterns of human thought. The Nation never before has been faced with an external enemy of such danger. Communism is not hostile to one sector of our society, but to non-Communist civilization itself. It would obliterate, completely and ruthlessly, everything we cherish. Moreover, it is not only an external enemy; through ideological infection, thousands of its agents have been planted in our midst. It has a shocking—almost unbelievable—way of converting individuals born, reared, and educated in America to its fold. Not only that, but its converts are often difficult to identify—lying like serpents in ambush in an industrial firm, labor union, school, or church, waiting for the opportunity to strike.

The Nation's security is today threatened on the internal security front by a foe inexplicably deadly, employing experiences gained in 100 years of battle, parading under highly misleading disguises, and dedicated, as an infallible rule of conduct, to utilizing, whenever necessary, illegal means to gain its objectives. That is America's danger.

A free society must defend itself. Democracy is not impotent. Steps must be taken to defeat the enemy—no only on the battlefield, but here at home. The Founding Fathers never visualized free government's being betrayed by a lack of ability, enthusiasm or will to defend its principles.

The problem, therefore, is not "shall free government defend itself?" but "how can free government defend itself and still maintain the liberties of the individual?" To disregard the individual, to view him as meaningless and the security of the state as all important, is equally to betray democracy. Free government cannot be defended by dictatorial methods—in so doing the defenders will devour the very thing to be defended. The protection of the individual is just as important as the safety of the state. Our task, in this mid-century decade, is to proceed along a path whereby we can achieve national security and yet maintain our freedoms.

The FBI's responsibilities in this regard are based on various congressional enactments such as the espionage [13] and sabotage statutes,[14] the Smith Act,[15] the Foreign Agents Registration Act,[16] the Internal Security Act of 1950,[17] rulings of the Attorney General and Presidential Directives. President Roosevelt in a directive made public on September 6, 1939, placed upon the FBI the duty of correlating internal security investigations.[18] This directive called upon all law enforcement agencies to furnish promptly to the FBI any information in their possession regarding espionage, sabotage, and subversive activities. President Truman, in a directive issued July 24, 1950, reemphasized this policy, urging all law enforcement agencies, patriotic organizations, and individuals to assist the FBI in fulfilling its responsibilities.

In the field of internal security, the FBI's obligations may be divided into two major categories: (1) General security operations, which involve counterespionage, counterintelligence and countersubversion. In this category, the FBI is responsible for the investigation of espionage, sabotage and subversive activities. The greatest amount of effort, of course, has been concentrated on the Communist threat, especially the Communist Party, U.S.A. (2) Special security operations, which encompass, chiefly, applicant and employee investigations arising from congressional enactments of executive directives specifically calling upon the FBI to obtain and report the facts pertaining to security, character and loyalty in the Government service. The Atomic Energy Act of 1946,[19] the Federal employees loyalty program, [20] and various miscellaneous applicant investigations [21] have provided the great bulk of work in this field.

The role of the FBI in security investigations, as in criminal cases, is to adhere strictly to its position as a factfinding agency only, leaving to other legally constituted authority the responsibility for making decisions as to action to be taken on the facts developed. The FBI does not make recommendations, evaluations or express opinions.[22] Its job is solely to gather the facts.

The FBI has been investigating the Communist conspiracy for many years. The Communist Party, U.S.A., in fact, is a state within a state, requiring extreme skill, patience, and effort to penetrate. Members of the Communist Party have been identified, its activities followed,[23] legally admissible evidence secured. An individual has been investigated as an individual—no all-embracing shotgun approach has been utilized. This has required meticulous, constant, and time-consuming efforts. The FBI is not interested in what an individual thinks, but what he does to undermine the Nation's security—not in his ideas, but his deeds. A man may think what he desires, he may read what he desires, he may have faith in what he desires—that is his right in a democratic society. The FBI has no concern about his thoughts—only when they are translated into action which results in a violation of a Federal law over which the FBI has jurisdiction. Then the FBI will investigate.

The FBI's investigations are purposive and discriminate. Before a case is opened there must be a specific allegation which, if proved true, would constitute a matter within the FBI's investigative jurisdiction. These investigations are not promiscuous or designed to fish for information—these are the methods of a dictatorial police intent on destroying every vestige of freedom. The FBI operates strictly within its investigative jurisdiction. That has been a cardinal and unalterable policy since I became Director in 1924.

The validity of the FBI's work in the internal security field was demonstrated by the conviction of the 11 members of the Communist Party's National Board in New York City after a lengthy trial in October, 1949.[24] This trial represented years of work, development of informants inside the Communist Party, and evidence collected on each of the defendants. The Government's case stood the bitter attack of the Communist defense, which utilized every device, tactic, and method of harassment and delay to impede the orderly operation of justice.

This approach to the internal security problem—an objective search for the truth; slowly, carefully, patiently developing all the evidence; and handling each subject on an individual basis—safeguards civil rights. The blunderbuses method, shooting wildly, hoping that in the broadside the guilty will be hit, unmindful of the number of innocent injured—that method is wrong, the very antithesis of democratic law enforcement. Security investigations can be conducted fairly, accurately, and without hysteria. That is the aim of the FBI.

For example, in the search for Dr. Klaus Fuchs' American contact—the man who had transmitted vital atomic secrets from the German-born scientist to the Russians—literally hundreds of suspects were considered. Identifying details were few: the FBI possessed, in fact, only the vaguest outline of this mysterious espionage agent. But that man, somewhere in the United States, had to be found. The field was narrowed, step by step, until above all others, the finger of suspicion pointed to one man—a New York City engineer who, more than any other suspect, met the general physical and background requirements of the espionage contact. Pictures of the most likely suspects, including the engineer, were flown to England, where Dr. Fuchs was then in prison. The scientist rejected all photographs except one—that of the New York engineer. After carefully examining the picture, attempting to focus his memory on the man he had met in America, Fuchs exclaimed, "I think it is the man."

The long search was ended—but, no, it had not. The New York engineer was innocent.

The FBI's investigation kept going. Agents knew, despite Fuchs' tentative identification, that the full story was yet incomplete. Literally days and weeks of intensified effort brought forth the truth—an obscure, self-effacing Philadelphia chemist by the name of Harry Gold and, through him, a fantastic story of American betrayal, treason and intrigue.

The search for the truth has no halfway stopping point. It must go forward to the final goal.

These investigations are twofold: to protect the national security and to preserve individual liberties. Harry Gold simply had

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[13] 62 Stat. 736 (1948), 18 U.S.C., §§ 791–797 (Supp. 1951).

[14] 62 Stat. 798 (1948), 18 U.S.C. §§ 2151–2156 (Supp. 1951).

[15] 54 Stat. 670 (1940), 18 U.S.C. § 2385 (Supp. 1951).

[16] 64 Stat. 399 (1950), 22 U.S.C. § 612 (Supp. 1951).

[17] Public Law No. 831, 81st Cong., 2d sess. ch. 1024 (Sept. 23, 1950).

[18] This Directive reads: "The Attorney General has been requested by me to instruct the Federal Bureau of Investigation of the Department of Justice to take charge of investigative work in matters relating to espionage, sabotage, and violations of neutrality regulations.

"This task must be conducted in a comprehensive and effective manner on a national basis, and all information must be carefully sifted out and correlated in order to avoid confusion and irresponsibility.

"To this end I request all police officers, sheriffs, and all other law enforcement officers in the United States promptly to turn over to the nearest representative of the Federal Bureau of Investigation any information obtained by them relating to espionage, counterespionage, sabotage, subversive activities and violations of the neutrality laws."

[19] 60 Stat. 755 (1946), 42 U.S.C. sec. 1801 (Cum. Supp. 1951). Under this act the FBI has no responsibility for physically safeguarding atomic energy installations, materials or security data. However, it is charged with the investigation of alleged violations of the criminal provisions of the act. Moreover, the act requires the FBI to investigate "the character, associations, and loyalty" of every Atomic Energy Commission employee and applicant, and any other person having access to restricted atomic energy data. The FBI furnishes factual reports to the Commission in cases of this type but does not draw conclusions or make recommendations as to the action to be taken.

[20] Executive Order No. 9835, 12 Fed. Reg. 1935 (1947).

[21] These include, among others, the following agencies and programs: Voice of America program; European recovery program; International Labor Organization; and international development program.

[22] If the FBI receives information, either of a criminal or subversive nature, outside the scope of its jurisdiction, these data are immediately transmitted to the appropriate local law enforcement or Government agency. No comment, evaluation or recommendation is made by the FBI.

[23] The FBI, of course, is responsible for intelligence information and in its security investigations collects data of this type. If of interest, this information is immediately disseminated to other agencies of the Government.

[24] New York Times, Oct. 15, 1949, p. 1, col. 8.

to be found. What if he were still an active espionage agent? Who were his contacts? Did he have associates? The security of the Nation demanded that his identity be determined. Yet, at all times, the FBI's investigation protected the liberties of the individuals involved. The guilty party was identified; the innocent men, like the New York engineer who had even been tentatively named by Fuchs as the culprit were exonerated. Truly, this is the highest traditions of American democracy.

In 1947 the FBI was given additional responsibilities by the institution of the Federal employees loyalty program.[25] The FBI first began conducting investigations into the loyalty of Federal employees in the 1942 fiscal year when the Department of Justice Appropriations Act provided for the investigation of any Government employee belonging to a subversive organization or advocating the overthrow of the Federal Government.

Similar provisions were made in 1943, but there was no specific appropriation in 1944. The Attorney General, however, instructed the FBI to continue this type of investigation under the provisions of the Hatch Act which prohibits Federal employees membership in any organization advocating the overthrow of our constitutional form of government.[26] These instructions remained in effect until the Federal employees loyalty program began. Executive Order 9835 was signed by the President on March 21, 1947.[27] On August 1, 1947, the Congress appropriated the funds necessary to implement the Executive order.

Under the order the FBI is required to search through its files the names and fingerprints of all employees and applicants for positions in the Government's executive branch and to report any information indicating disloyalty. When such information is disclosed by the file search, full field investigations are conducted and complete reports submitted by the FBI.

The FBI's role under the loyalty program is to report the facts to the Civil Service Commission without bias, conclusions or recommendations. It is the responsibility of the employing agencies and the loyalty hearing boards to weigh the facts and to decide the proper administrative action.[28] The same basic, fundamental principles of investigative ethics are applied by the FBI in loyalty investigations as in other types of security cases.

The FBI operates on the highest code of ethics, attempting to fulfill its responsibilities yet, in every iota, respecting the civil rights of the individuals involved. This means that special agents not only observe the letter but also the spirit of the law, not only the basic rights guaranteed to the individual by law, but also the rights implied in the American tradition of democracy. FBI agents are gentlemen at all times, conducting themselves in a businesslike, respectful, and efficient manner. Their personal conduct is above reproach, their characters impervious to the temptations of financial graft, inaccurate reporting, or deliberate omission of facts. They feel proud to be FBI agents, and wherever they may be, they form part of a great tradition of loyalty, integrity, and devotion to duty. Their objective is to obtain the facts, and facts only. Promotions depend exclusively on merit, not on political favoritism, the friends they know, or the amount of derogatory information they unearth. They are secure in their jobs, not afraid of outside intimidation, threats, or fears. They can, therefore, concentrate on their specific task, knowing they will not be undercut by political bickering, personal strife, or arbitrary changes of policy.

These factors make for fair and impartial investigations—they are the very lifeblood of the FBI. Special agents, moreover, in their investigations maintain a demeanor of conduct, by their manner of asking questions, soliciting information, and securing evidence, which protects the character and reputation of the individual being investigated.

For example, in conducting a loyalty of Government employee investigation, a neighbor or friend being interviewed will be advised that "Under an Executive order, all Government employees and applicants are being checked as a part of the loyalty program. Mr. John Doe is a Government employee (or an applicant). He is being checked under this program," and no mention, either directly or indirectly, is made of any derogatory information, if any, in the possession of the agent. This protects the civil rights of the person involved. He is not slandered and maligned by unproved charges emanating from intemperate utterances of an investigator. A poorly conducted investigation can wreak havoc with civil liberties and leave a trail of dishonor, innuendoes, and false charges.

Of course, the investigative endeavors of the FBI are always under the scrutiny of public opinion. Individuals interviewed have the privilege, if they desire, to write the FBI or other appropriate agencies of the Government. The newspapers, radio, and television are constantly alert, as are patriotic organizations, groups, and individuals, to any infringement of civil liberties. If an allegation is made, at any time, about the conduct of an FBI agent, we immediately conduct a complete investigation. Invariably, the allegations have been disproved.

In addition, as in criminal cases,[29] the FBI agent's specialized training enables him to distinguish fact from rumor, to run down the incomplete, the half true, and the unconfirmed. This factor is playing a vital role every day in protecting civil liberties. Malicious gossip, idle rumor and spite complaints are detected, and, by complete and accurate investigation, the full and complete story obtained. Time after time innocent people, unfairly smeared or impugned, are exonerated.

In one case, for example, a citizen voluntarily furnished the FBI information that a certain individual, being considered for employment with the Government, was a member of the Communist Party. This was a serious charge. The FBI's investigation, however, reflected nothing, except the original allegation, to indicate any disloyalty. Even the data cited by the complainant as proof of his charges were refuted. It was learned, moreover, during the investigation that the families of the original informant and the individual accused had been involved in a personal quarrel. They had been neighbors and as a result of a trivial incident considerable ill will existed. Here was a spite grudge, which—unless thoroughly investigated—might have ruined an innocent man's reputation.

In another instance, in a loyalty of Government employees case, information was received that a Government appointee's husband was "known to be in sympathy with Russia." The original informant was interviewed. He stated that he heard this from Mr. X, who, when contacted, said that a Mr. Y had informed him and a friend that he had overheard the appointee's husband make remarks which led him to believe that this person was hostile to the United States and sympathetic to Russia. Mr. X and his friend commented that they had no reason to question the appointee's or her husband's loyalty.

Mr. Y, upon interview, expressed the opinion that the appointee's husband was a loyal American. He denied ever having told Mr. X or Mr. X's friend that the husband made un-American or pro-Russian remarks. He added that he had probably discussed some other individual and had been misunderstood. Step by step, point by point, this allegation of disloyalty was traced and dispelled by the truth.[30]

Moreover, in this connection, the confidential nature of FBI files gives additional protection to civil liberties. This is an important point. Only individuals specifically authorized by law have the right of access. This prevents information—some of which, of course, has not been confirmed or verified by investigation—from falling into the hands of unauthorized individuals who, through inadvertence or malice, might misuse it and thereby injure innocent people or give rise to vigilante action by private citizens outside the orderly procedures of law. Data kept in the hands of trained and experienced personnel, utilized only for official duty, are added insurance against their perversion. That is why, time after time, I have insisted that the FBI's files be kept confidential. The very heart of civil liberties is here involved.

In addition, by keeping the FBI's files confidential, the confidence of the citizens is promoted. They can furnish information secure in the knowledge that it will be kept confidential, will not be allowed unfairly to tarnish reputations, will not be used for vigilante actions or exploited for private gain. A piece of information voluntarily offered by a private citizen may be the link to help solve a case. To discourage the furnishing of data to the FBI is to promote inefficiency, poor quality work, and, in the long run, to decrease the community's protection.

Public confidence in law enforcement is another important factor in the preservation of civil liberties. Too often a rumor, an unfounded allegation, an honest mistake will cause private citizens, even whole communities, to agitate for vigilante action. During the early days of World War II, for example, rumors of submarine landings, suspicious strangers, enemy parachute troops were abroad. Amid hysteria and panic, rumors compound, reason flees, and the law is trampled under foot. Within minutes, civil liberties, often of innocent individuals, may be horribly abused by private citizens, who, even though patriotic and well-inten-

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[25] Executive Order No. 9835, 12 Federal Register 1935 (1947).

[26] 53 Stat. 1147 (1939), 5 U.S.C. sec. 118j (supp. 1951).

[27] See note 25 supra.

[28] As of Jan. 31, 1952, a total of 4,130,939 loyalty forms had been received and retained since the inception of the program. These included 1,790,313 incumbent and 2,340,626 appointee forms. The loyalty program is in a current status, with only 8,249 forms on hand being processed. Full field investigations have been opened on 8,513 incumbents with 8,435 completed, while 12,071 investigations have been opened on appointees with 11,322 completed.

The Civil Service Commission has advised that as of December 1951, according to the Loyalty Review Board, the following dispositions have been made on loyalty cases involving both incumbents and appointees: Dismissed as a result of ineligible determination, 365; persons rated eligible, 10,048; employees left service during investigation, 2,140; employees left service prior to adjudication of cases, 2,123.

[29] During the 1951 fiscal year 97.5 percent of all persons brought to trial in cases investigated by the FBI were convicted, 94.5 percent being on pleas of guilty.

[30] The FBI Laboratory is also of great assistance in security work. In loyalty of Government employee cases, for example, handwriting experts, after carefully examining Communist nominating petitions, have often determined that a signature on the petition was not written by the Government employee.

tioned, are highly misinformed and ill-advised. This type of action is abhorrent, the enemy of free government. Confidence must be placed in the American judicial system adequately to handle the situation. That is the only solution.

There are calls today, whether from the misguided or from persons harboring ulterior motives, urging that the Communists be liquidated. "A few fast raids, a dozen trees and a few yards of rope—that would finish them off." This is the attitude of the frenzied individual who, in the grip of emotion, would destroy the very freedom he is seeking to maintain. The Communists admittedly are a danger, but they can be handled through the orderly operation of the American system of government. The confessed members of the Communist Party, who, at a moment's notice, would destroy the Nation, must be accorded the same rights as any other individual. That is the American way.

The FBI, in fulfilling its responsibilities, is respecting civil liberties. Its investigations are being carried out with a minimum of manpower and financial expense.[31] Of course, during recent years the FBI has increased in size. That was unavoidable. But yet the FBI is still a small agency.

At the present time, for instance, there is one special agent for roughly 23,000 inhabitants in the United States. Or looking at the topic from another angle, there are approximately 5 Communist Party members in the United States for every special agent and an estimated 50 fellow travelers. These figures show, in relative proportion, the size of the FBI in the overall governmental structure. By no stretch of the imagination is the FBI a vast, colossal bureau, growing with uncontrollable speed.

Moreover, as I have repeatedly reiterated, the United States has no need for a national police agency. The present system of law enforcement, local, State, and National, working together in voluntary and fraternal cooperation, can fulfill its responsibilities. What is needed is not a new structure of law enforcement, but strengthening, improving, and making more efficient the present arrangement. That is what intelligent law enforcement officers are now attempting to do, and with the aid of America's citizenry, it can be done.

Law enforcement is today, in mid-20th century America, dedicated to fulfilling its sacred obligations—preserving both national security and personal freedom. There is no fixed boundary where a line can be drawn between the two. To achieve such a boundary is to pursue a false hope. But we in America, I think, can make great strides in finding a solution. We know that security and freedom cannot stand alone—one without the other is meaningless. The problem is not to separate them, but to weave them together. The law enforcement profession, operating as an organ of democratic society, is determined to do its share.

The path will be difficult—but we can fervently ask, "To what greater work could we be called?"

[From Reader's Digest, December 1950]

WHY I NO LONGER FEAR THE FBI

(By Morris L. Ernst)

I still remember my start of surprise when I read in the paper one morning in 1939 that J. Edgar Hoover, Director of the Federal Bureau of Investigation, had asked the U.S. Attorney General not to endorse a law that would legalize a free use of wiretapping. Why was Mr. Hoover opposing a law which would make his own work much easier? His own words, published soon afterward, gave me the answer: "I do not wish to be the head of an organization of potential blackmailers."

I had been hearing criticisms that the FBI was made up of "witchhunters" hounding loyal citizens out of their jobs on the flimsiest sort of rumor; that they tapped telephone wires indiscriminately, learning everybody's private business.

Ever since I read that newspaper item I have been studying the FBI. I would like to record here what I have learned.

As a liberal with a long record of aggressive fighting for the preservation of personal liberties, I am inclined to view all law-enforcement officers with a wary eye. And not without reason: too many times they break the law in the performance of their duties.

I grew up in New York where there was often a wanton disregard for the rights and dignity of human beings. Large numbers of newcomers to American freedom let the cops bulldoze them. In their native lands they had been used to police brutalities, and in their new home, they did not know that the laws protected them.

Such disregard of individual rights, expanded on a national scale, seemed to me a positive danger, for national police have almost invariably abused their power. It was therefore utterly confounding to me to discover that our Federal police agency was doing its work with a fervid insistence on respecting the rights and privileges of individuals.

When a skeptical person like myself reads that of all the trials in which the FBI was involved last year 97 percent ended in conviction, he is likely to have cynical reservations. And when he learns that 94 percent of the convictions were based on pleas of guilty, he is bound to ask: "How were these confessions obtained?"

Nazi and Communist courts have taught us that a plea of guilty may prove nothing more than that a man's will can be broken. One rarely hears such charges against the FBI. In our courts of appeal—where accusations are heard of unfair treatment and violations of constitutional rights—the charge is almost never raised against the FBI.

However, I did not rely on this indication alone, nor even on my study of case reports. I wrote articles in which I asked readers to send me any evidence they might have that the FBI had violated a person's constitutional rights. My scoreboard shows a remarkable absence of such accusations. On the contrary, all the evidence indicates that the FBI as a matter of unvarying policy has played fair with criminals and suspects.

This record is of profound importance because events in recent years have brought the FBI into quasi-political problems. Here the danger to personal liberties could easily become acute. The necessity for inquiring into political activities and associations is a new thing in our country. We began this Nation with a great gamble in our hearts—the conviction that, if all opposing viewpoints were allowed free expression, truth in the end would win out.

The progress of our country has so far justified our forefathers' faith in the potency of truth. But in the last 20 years a new enemy—and a complex problem—has arisen to confuse us. New political movements, by underhanded methods, seek to bypass the honest competition of ideas. We face an invisible underground where Fascists and Communists work furtively and zealously against our freedom and our ideas of decency.

Something had to be done about that, and the FBI had to do it. What was its task? To bring the facts up from underground so that all the people can know what is being plotted.

It is natural that loyalty investigations should give us qualms. We shudder to authorize wiretapping and other forms of spying. But they seem necessary if we are to preserve our freedom. They have been forced upon us by the underground.

I am unwilling to ignore the danger of the Communist movement in the United States just because the Reds seem few in number. I saw my friend Jan Masaryk, Czechoslovakia's democratic Foreign Minister, in Prague not long before he came to his end. I know intimately the story of Quisling. I know how helpless democratic forces can be, if they do not protect their people against the secret discipline, the abominably careful scheming of totalitarian minorities.

The Communists could never win an election in the United States. They do not expect to do so. The Communist program, like the Ku Klux Klan, can grow only by stealth in dark cellers. J. Edgar Hoover was right when he stood firmly against a plan to outlaw the Communist Party when the first public outcry was made against the Communists. Why drive more of them underground? All that such an act could ever outlaw would be a name. The next day the same revolutionists would turn up under a new title.

Until Congress is wise enough to pass laws which force open operation of all mass movements, we shall have to protect ourselves against secretly organized attack. We can bring all subversive outfits into the open by requiring all mass movements to report to the Government the essential facts about themselves—the names of all their officials, the money they take in and from whom it comes, and how it is spent.

I suggest that the McCarran bill recently passed by Congress will not work because the Communists will either put their organizations underground or abandon them to start other organizations for the same purposes under other names.

The requirement to disclose essential facts is no invasion of privacy. The President's Committee on Civil Rights unanimously recommended that such laws be passed; represented on the committee are members of the AFL, the CIO, and various minority groups. No decent organization hesitates to identify itself; why should any other kind of organization be protected?

Even without such laws, the FBI has handled delicate problems well. On Pearl Harbor Day the Bureau was able to advise the Attorney General of the basis for authorizing the arrest of some 16,000 persons. A few of the 16,000 became my clients. I defended them before hearing boards and was able to help free some of them. In every case there were fair hearings, with every consideration being shown to the defense.

And although I was the lawyer for certain acquitted suspects, I must admit that Mr. Hoover had a justification in picking up my clients; there was cause for suspicion, and no injustice was done.

One Jewish refugee was picked up because she had entertained one of Hitler's most potent underground spies. But it was easy for me to produce conclusive evidence that my client did not know her guest was a Nazi. She was set free—but the authorities had been right to bring her in for questioning.

Largely as a result of the trials of Judith Coplon and Valentin Gubitchev, there has been publicity and much argument about "listening in," but both sides seem to overlook the real purpose of FBI wiretapping and its actual extent.

One of the greatest liberals said in 1941: "I do not believe it [wiretapping] should be

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[31] During the 1951 fiscal year, the FBI's return to the taxpayers in the form of fines, savings, and recoveries totaled $39,605,860. Renegotiation Act claims, moreover, investigated by the FBI and adjusted in favor of the Government totaled $57,506,930.

used to prevent domestic crimes, with possibly one exception—kidnaping and extortion in the Federal sense. There is, however, one field in which, given the conditions in the world today, wiretapping is very much in the public interest. This Nation is arming for national defense. It is the duty of our people to take every step to protect themselves. I have no compunction in saying that wiretapping should be used against those persons, not citizens of the United States, and those few citizens who are traitors to their country, who today are engaged in espionage or sabotage against the United States."

This statement was made by President Franklin D. Roosevelt. In fact he established the policy which has since been adhered to by the Attorneys General. Note, however, that FBI agents never undertake wiretapping on their own authority; permission must first be obtained from the Attorney General. Furthermore, wiretapping evidence cannot be used in Federal courts. Its only value to the FBI is in opening up leads for inquiry.

The loyalty-investigation program has created a misconception about the FBI's function. Every American should understand that the FBI does not try Government employees. It merely serves various Government bodies as a reporting agency. When a reporting agency has the power to edit, it can make anyone appear a devil or a hero. But the FBI does not edit. It gathers the facts about a Federal employee and turns over its findings to the head of the department. And that is all it does, or can do, except that it frequently is able to save a suspect in his job when rumor is doing its best to get him fired. J. Edgar Hoover cannot fire a single person. His reports do not even contain recommendations. The FBI turns in all the evidence it finds—including unverified tips, rumors, gossip—everything. It adds comments and evaluation of their accuracy, and there its responsibility ends. It is up to the heads of administrative agencies to act.

It would be folly to ignore rumors, or even anonymous messages; an unsigned note was instrumental in sending the notorious General Meyers[1] to prison. Ditto for thousands of less spectacular examples. To abandon that policy would be to assign to Hoover's assistants the duty, and the power, to screen the reports. I should be very much disturbed if police agents were permitted to withhold evidence on their judgment of its value. Far better the present system: the complete reports go to the responsible official; everything is in the dossier, with a careful comment on each item, whether it is a fact, probability, or rumor.

In my study of the FBI it soon became clear that lies were being spread against it. For example, it has been said and printed repeatedly that agents in loyalty investigations demand to know whether a suspect reads certain magazines of leftist tinge. This charge is a lie. Whenever he hears of the statement being made, Hoover calls for the facts—and invariably everybody backs down. They "heard it somewhere," they "can't remember where." Directives to FBI agents specifically forbid such questions, unless the reading matter is published by the Communist Party.

Of course, some agents may blunder or offend. When that happens, write J. Edgar Hoover. He will see your complaint, and it will be gone into thoroughly. I have personally checked about 100 such complaints, and I have yet to find one piece of evidence of improper questioning by agents.

[1] Maj. Gen. Bennett E. Meyers, former Air Force purchasing officer, convicted of inducing a former business associate to lie under oath about irregular war contracts in which Meyers was involved.

The real difficulty in loyalty investigations is that there is almost no way of proving that a person is a Communist. The suspect, if a party member would deny it. Communist doctrine holds that it is right and proper to lie and cheat. This fact makes new techniques necessary. Yet in spite of alarms and outcries, nothing oppressive has been done.

It surprised me to learn that, of 2,873,180 employees whose records were examined by the FBI, all but 12,825 were promptly cleared. This minority being further investigated, only 230 employees were finally dismissed. In 163 cases the employees appealed and were given their jobs back. One significant factor must be noted: 1,474 resigned before their cases came up. Actually the FBI is now being criticized for not having found as many subversives as it should have.

A real smear campaign has been carried on against Hoover's work. Those who feared the Bureau—as I once did—will be glad to know the facts. The FBI is unique in the history of national police. It has a magnificent record of respect for individual freedom. It invites documented complaints against its agents. It has zealously tried to prevent itself from violating the democratic process.

Among liberals I am by no means alone in this opinion. A while ago Roger Baldwin, formerly director of the American Civil Liberties Union, wrote to J. Edgar Hoover:

"It seems to me that your Bureau has accomplished an exceedingly difficult task with rare judicial sense."

For me, that sums up the record.

[From the New York Herald Tribune, Apr. 6, 1956]

THE FBI'S CIVIL RIGHTS SCHOOLS

(By Roscoe Drummond)

WASHINGTON.—To help avert and correct civil rights abuses the Federal Bureau of Investigation is now conducting, in cooperation with State and local police throughout the country, a series of specialized civil rights schools. It is paying dividends by way of deepening the understanding of the Nation's 200,000 enforcement officers of the civil rights which they must help protect and which, in preserving law and order, they must not violate.

Already this year the FBI has conducted day-long training schools for local police agencies in 175 cities and by the end of 1956 will have held fully 750 such schools with a total attendance of 100,000 officers especially charged with civil rights responsibilities.

The FBI reports special interest and responsiveness through the southern and border States. It finds that in numerous instances that attitude of local police agencies in the South in the area of safeguarding civil rights as the laws stand, and in shunning and punishing violations by the police themselves, is better than in several cities in the North.

The FBI, as the investigative arm of the U.S. Department of Justice, considers civil rights cases of the utmost importance and gives the highest priority to civil rights investigations. Such investigations are difficult and, at times, delicate, because they require interviewing State and local police officers, some of whom may not be in sympathy with the investigation, and the obtaining of evidence against enforcement officials who have cooperated with the FBI on other matters in the past.

This is one of the reasons why the FBI is eager that State and local police fully understand that the FBI can intervene to investigate any action by the police which violates civil rights guaranteed under the Constitution.

As a result of these schools, the FBI is finding that the local police are increasingly aware how they can do a better job in safeguarding civil rights, conscious that one case of police abuse is "one case too many" and that investigation and correction are best for all.

The special civil rights schools, though initiated by the FBI, are carried out at the invitation of local police and include the participation of local leaders of the bar and civic life. Local police departments are responding beyond all hopes and attendance is double the expectation.

The guiding tenets which the FBI's specially trained instructors bring to these conferences with the local police are:

That peace officers must know the basic liberties they share with other Americans.

That they must know and act within the limitations to their own authority.

That willfully depriving any person of his constitutional rights by public officers acting under the color of law is a violation of Federal civil rights statutes—and automatically becomes an FBI case.

That a single act of police brutality is a blow to respectable and responsible peace officers everywhere in the United States, starts a chain reaction in the courts, the press, and among the public, makes resistance to law easier, enforcement of the law harder.

The FBI's new civil rights schools are designed as a positive, forward contribution to help prevent law violation. They are a part of its cooperation with State and local police to make it less likely, for one thing, that racial controversies break into violence.

What is encouraging its that these FBI schools are bringing about a new level of positive contributions between Federal and local authorities on one of the most delicate and critical fronts of law enforcement—the safeguarding of civil rights by the police and the safeguarding of the police from violating civil rights.

THE FEDERAL ROLE IN CIVIL RIGHTS—II

(By Roscoe Drummond)

It is evident that the Federal Bureau of Investigation in rendering a valuable and timely service in taking the initiative to equip the Nation's 200,000 State and local enforcement officers with a fuller understanding of the role of the Federal Government, including the FBI's in safeguarding civil rights. The FBI's specialized civil rights schools, which are now being conducted throughout the country, were carefully worked out on a pilot project basis during the last 2 years. They were not related to the public school desegregation decision of the Supreme Court, but they come at a time when they can do the maximum good in helping to hold watch over and reduce civil rights incidents rendered more acute by the desegregation controversy. The FBI reports the widest responsiveness and cooperation by State and local law officers. What, I think, is not generally appreciated is the large responsibility which the Federal Government, including the FBI as the investigative arm of the Department of Justice, has as a protector of civil rights guaranteed by the Constitution. This point is strongly stressed in the instruction which the FBI uses in the day-long seminars with State and local officials. It includes such facts as these:

That the individual is protected against the Federal Government by the fifth amendment, which forbids the Federal Government to deprive any person of life, liberty or property without due process of law.

That the individual is protected against the State governments by the 14th amendment, which forbids the States from depriving any person of life, liberty or property without due process.

That the function of protecting the individual from invasion of his basic rights falls to the Federal Government, and especially to the Supreme Court.

That while the protection of a private citizen from violation of his civil rights by another private citizen is the responsibility of State and local police, the invasion of basic rights by two or more private persons in conspiracy can make it a Federal offense.

In all its civil rights schools, the FBI enumerates the following as the principal rights which it is the duty of the Federal Government to protect against State invasion, and against interference by persons acting under the color of the law:

1. The right to be free of illegal restraint of the person.
2. The right to vote as protected by Federal law.
3. The right to be immune from physical violence applied to extract testimony or to compel confession of crime or alleged offenses.
4. The right to be immune from punishment except after fair trial and conviction by due process.
5. The right to be free from interference with the free exercise of speech, press, assembly, and religion.
6. The right to be free from mob violence incited by or involving public officers.

The FBI emphasizes that its role in investigating civil rights violations stems from specific legislation as well as from the Constitution, that the 13th, 14th, and 15th amendments direct Congress to enforce the guaranties by appropriate acts. It points to section 242 of the Criminal Code as the substantive civil rights statute which requires the Federal Government to safeguard the rights, as secured by the Constitution and Congress, wherever they are violated by a Federal, State, or local official.

The preliminary facts of alleged violation of civil rights are gathered by the FBI, then referred to the Criminal Division of the Department of Justice, which determines whether a full field investigation should be made.

The FBI is finding the local police increasingly willing to have false complaints cleared up and real abuses exposed so they can be punished.

The local law enforcement authorities need to realize that the FBI is simply carrying out its statutory duty in investigating civil rights violations the same as it does in investigating bank robbery or extortion violations.

U.S. DEPARTMENT OF JUSTICE,
FEDERAL BUREAU OF INVESTIGATION,
Washington, D.C., July 1, 1958.

To All Law Enforcement Officials:

One hundred and eighty-two years ago this month the Declaration of Independence was adopted at Philadelphia. Its great principles of "life, liberty, and the pursuit of happiness" are today the heart and soul of our Nation.

We in law enforcement take special pride in this historic document. From it came the very foundation and reason for law enforcement. Every citizen enjoys basic rights, such as freedom of speech, freedom of the press, freedom of worship. These are the rights for which our forefathers fought, bled, and died. Our sacred responsibility, as law enforcement officers, is to protect these liberties. To do otherwise is to deny the very reason for our profession's existence.

Through dedicated service, devotion to high ideals, and self-sacrifice, American law enforcement has compiled a magnificent record of accomplishment. Often against great odds, such as venal politicians, low salaries, and public apathy, it has continually improved in efficiency, capability, and service to the community. Yet, all the time, it has remained undeviatingly loyal to the principles of freedom and justice. This is indeed a tribute to our profession.

Yet today an unscrupulous few, through insults and calculated distortions, would besmirch and disgrace this world-renowned record of democratic achievement. Recently, loud and slanderous charges have come from some quarters that law enforcement is gravely impairing the historic liberties of the people. Violent and hateful words, such as "Gestapo," have been hurled as descriptions of our efforts.

The testimony of American law enforcement emphatically refutes these baseless charges. Our record is open for all to see. Unlike totalitarian law enforcement, we have no dark corners to hide. Law enforcement—local, State, and National—is constantly subject to the will of the people, exercised through the various executive, legislative, and judicial processes. Moreover, its jurisdiction is specifically defined by statute. Our day-to-day activities are under the review of the free press and the citizens of the community. As American patriots as well as law enforcement officers, we would have it no other way.

These reckless charges can only undermine public confidence in law enforcement, weaken its record of democratic achievement and give grist to the propaganda mills of our Communist enemies. There is today in America no danger of a national police force or any threat of usurpation of authority by law enforcement. American law enforcement remains loyal to the principles enunciated by our forefathers 182 years ago.

Under our system of government, an individual has every right to speak freely. I thoroughly subscribe to the well-known historical expression that "I may disagree completely with what a man says, but I will defend to the limit his right to say it." Free expression is the essence of our way of life. This tradition must remain inviolate if we are to survive as a free Nation.

Yet, in the spirit of our forefathers, I think potential rabble rousers should carefully digest a word of wisdom from a distinguished American, Bernard M. Baruch, who said: "Every man has a right to his own opinion, but no man has a right to be wrong in his facts." To utter inaccuracies in the exercise of free speech is to do a grave disservice to democratic society.

The self-sacrificing efforts of thousands of law enforcement officers across the Nation are a living testimonial that they, in the spirit of 1776, are protecting fully our great heritage of "life, liberty, and the pursuit of happiness."

Very truly yours,

J. EDGAR HOOVER,
Director.

[From the Reader's Digest, March 1954]

THE FBI PROTECTS THE INNOCENT

(By Karl Detzer)

At 1:35 a.m. one rainy night, a policeman sloshing his lonely rounds through a dark neighborhood in a small Midwest city saw someone moving furtively in the shadows. Flashing his light, the officer recognized a local ne'er-do-well named Pete.

"Where're you going this time of night?" the policeman asked.

Pete held up a newly bandaged hand. "Home from the doctor's," he said. "Cut my thumb on a broken window in my henhouse. Doc took two stitches."

The policeman splashed on through the rain. Next morning he remembered Pete when a merchant reported that his shop, a block from the scene of the encounter, had been burglarized. Blood smears on a broken pane in the back door indicated that the thief had cut his hand. A woman who lived above the shop had heard glass breaking about 1 o'clock.

Pete had rung the doctor's night bell at 1:10. Investigation also disclosed that Pete and the merchant had quarreled violently and that Pete had boasted that he would "get even."

To the police, the crime seemed to have solved itself: a suspect found near the scene of a burglary a few minutes after it occurred carried strong physical evidence of having committed it; he was a shoddy character, had a weak alibi, and the quarrel was motive enough to satisfy even the most skeptical jury.

But Pete stubbornly stuck to his story about the henhouse window. The police checked the henhouse, found a broken pane with blood on it; but just when it had been smashed there was no way of knowing.

However, as smart policemen all over the Nation do every day, the authorities called on the FBI for scientific aid. The doctor who patched up Pete's thumb fortunately had saved two slivers of glass he had removed from it. The police sent them, along with the bloody fragments of glass from the shop door and the henhouse window, to the FBI crime laboratory in Washington.

This evidence was studied first by the serological section, devoted to the study of blood and body fluids. Chemical analysis and examination under microscopes took several hours. Then the exhibits went to other scientist-investigators who specialize in identifying glass or plastics, metals, paint, or crockery.

The next day the report, complete to the last unarguable detail, moved quickly to the office of FBI Director J. Edgar Hoover. He studied it. Minutes later a teletype was clicking out a message to the police chief who was holding Pete in jail.

"Pete is not the burglar," was sum of it. He was released. For the police and district attorneys everywhere know that the Federal Crime Laboratory never guesses; it can prove its findings every time.

In this case the blood on the glass slivers from Pete's thumb proved to be a different type from that left by the burglar on the shop door. But it was the same type found on the henhouse window, where Pete insisted he had cut his hand. Also, the slivers could not have come from the glass in the door; they had different compositions, densities, and optical properties. But the slivers did match the glass in the henhouse.

So the convincing array of circumstantial evidence collapsed in the face of indisputable findings by the world's most skilled crime laboratory.

The FBI, which, as every schoolboy knows, nearly always gets its man, is even prouder of the long list of innocent men it has cleared of suspicion. Sheriffs and city and State police from coast to coast have learned to depend on the 65 physicists, chemists, metallurgists, toxicologists, microscopists, and specialists in other fields who make up the scientific staff. Using a vast assortment of laboratory equipment, including spectrographs, an infrared spectrophotometer, X-rays, measuring devices that determine the diameter of a human hair, scales that weigh a fleck of dust, an electron microscope, the FBI scientists wheedle the truth out of a strange assortment of inanimate objects.

More than 100,000 specimens a year find their way to FBI headquarters. Among objects recently received for study have been a Mackinac trout, a cobweb, a railroad rail, a piece of cheese, a bone from a human elbow, an apple core, a chicken head, a bowling pin, a bear claw, a dab of peanut butter, enamel from a tooth, a dog's hind leg, checks, love letters, a quid of tobacco, and the hair of a mummy. In nearly every case the scientist-investigators were able to dig out hidden facts to prove the guilt or innocence of some individual.

When burglars smashed their way into a small Oklahoma bank one night in 1949 they had to content themselves with $12 in small change from a drawer. Bank employees remembered that among the stolen coins was

a mutilated Roosevelt dime. Several weeks later a filling-station operator deposited at the same bank a mutilated dime which looked like the stolen one. Within a few hours the police had traced it to a young farmer whose story sounded more like an alibi than the truth.

He admitted that he had passed the dime. But, he insisted, he had mutilated this coin himself. Several weeks before he had stuck the dime into the bark of an oak tree and banged away at it with his .22-caliber rifle. After perhaps a dozen shots he had hit the coin, knocking a hole in one edge. Later he hammered it flat, used it to buy gasoline.

He showed the police the oak tree, but the rough bark gave little hint of target practice. So the officers sawed out a slab and mailed it to the FBI laboratory. With it they sent the dime and the remainder of the farmer's box of cartridges.

The laboratory X-rayed the slab, found in it 11 bullets and 2 small metal fragments. Analysis showed that the bullets matched those in the box and that the pieces of metal were of the same composition as the damaged dime. Then one fragment was found to be stamped with part of the letter "D." That letter was missing from the words "United States" on the dime. The FBI notified Oklahoma police that the farmer had been telling the truth—and another reputation was saved.

The scientists sometimes find themselves protecting a known criminal, who happens not to be guilty of the particular crime with which he is charged. A forger just out of prison was arrested by Midwest police when forged checks appeared in his neighborhood. Victims could not identify him positively and he denied the charge. The FBI examined the checks and found that for once he was telling the truth; another forger had gone to work in his neighborhood.

In Detroit a woman was found dead with a pistol and what purported to be a suicide note beside her, addressed to her husband. Police questioned a maid, who confessed that she had written the note at the husband's direction after he had killed his wife. The maid swore that she and the husband had plotted the murder and that for 6 months she had practiced the dead woman's handwriting. Found guilty, the man had served 5 years of a life sentence when his daughter persuaded officials to submit the note to the FBI, together with samples of her mother's writing. Experts at the laboratory found many proofs that the wife actually had written the farewell message. New evidence also showed that the maid, rebuffed by the husband, had invented the story of the plot for revenge. After a new trial the husband was freed.

Occasionally the FBI, in proving a man innocent, is able to point to the guilt of someone else not at first suspected. When a North Carolina woman was found beaten to death in a muddy field, sheriff's officers arrested a man seen loitering nearby. He had no alibi, and his shoes and clothing were covered with mud which seemed to have come from the murder scene. More damning was the fact that he wore a shirt with one button missing, and a button that appeared to match the others on his shirt had been picked up near the woman's body.

The sheriff sent the victim's muddy clothing and that of the suspect to the laboratory in Washington, together with the button and the fellow's shirt. The experts there proved by analysis that the mud on the man's clothes had come from a different field. And the button found near the body had not come from the man's shirt.

He was released at once. Another suspect, with a button missing from his shirt but with no mud on his newly cleaned clothing and shoes, was questioned. The evidence against him was slight until the FBI reported that the threads from the button found in the field matched those on his shirt.

With some exceptions the FBI can identify from a single flake of paint the make, year and model of a car which has its original paint. Early one morning a car in a Pennsylvania town smashed into an aluminum store front. The driver backed away and escaped. Later that day a local citizen drove downtown in his 1951 Ford sedan, with a front fender crumpled. Questioned by the police, he denied that he had been near the scene of the accident and said that his damaged fender was the result of running into a tree in his own backyard.

The car, however, was exactly the same gray color as smears left on the store front. The police sent to the laboratory a sample of paint from the suspect's fender and a strip of paint-smeared aluminum from the store. The report came back promptly. A spectrographic test showed that the smears had come not from this Ford but from a 1949 Chevrolet.

The FBI crime laboratory, which each year clears scores of such innocent victims of circumstantial evidence or perjured testimony, was established in 1932 with a single scientist as staff. Planned merely as an aid to FBI agents in the field, it soon began to receive calls for help from city and State police. With a growing workload, the number of scientists and technicians and the amount of equipment slowly were increased. Because it is devoted to science and never seeks merely to "pin a conviction" on anyone, it approaches each new problem with an open mind. Its constant search is for the truth, rather than for a record of convictions.

And many a grateful suspect, unjustly accused, has found that the truth does make him free.

RUSSIAN CLAIMS OF SCIENTIFIC ACHIEVEMENT

Mr. BRIDGES. Mr. President, not long ago I publicly deplored the American tendency—particularly in some public media—to accept as gospel every Russion pronouncement of scientific achievement. Specifically, I was referring to the Soviet claim last January that their 1½-ton Mechta probe, or Lunik, came within 3,000 or 4,000 miles of the moon and then went into solar orbit.

On the face of it, this announcement—which, by the way, received a great deal of space in our own newspapers—obliterated the significance of our Pioneer and Atlas successes.

The information which I acquired in the course of investigating the Lunik story strongly indicated to me that it might well have been nothing more than another example of Soviet propaganda, but nevertheless effective propaganda.

I should like to have consent to have printed in the body of the RECORD an article which appears in the May issue of True magazine. It is entitled "The Big Red Lie." The author is Lloyd Mallan, a veteran science reporter who made an extensive tour of Russian scientific facilities—before the Lunik announcement—and returned to this country convinced that the Soviets were far behind. Mr. Mallan maintains that the Lunik does not exist and never did. He further expresses his belief that the Russians do not have any ICBM's.

The article is highly interesting. I believe it substantiates my contention that Americans should display less gullibility about announcements from the Kremlin.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE BIG RED LIE

(By Lloyd Mallan)

On Friday, January 2, 1959, the Soviet Union announced that it had successfully launched a rocket toward the moon. The Russians also claimed that this rocket, which they dubbed "Lunik," subsequently went into orbit around the sun.

This was a monumental triumph of propaganda. In one shattering blow, it wiped out the effects on world opinion of three great American achievements: The two Pioneer rockets that had nosed farther into space than anything previously made by man, and the delicately instrumented Atlas satellite that had opened a new era of long-distance communications. The world was agog. U.S. scientists writhed in chagrin and admiration. President Eisenhower himself, in a heroic show of sportsmanship, offered the Kremlin his genuine congratulations.

As for me, I was stunned.

In those first wild hours after the Russian announcement, I walked around in a nightmare. I was faced with a clearcut choice between two fantastic propositions. Neither seemed acceptable, but somehow I had to choose.

The first proposition was that something was wrong with me, that in some unfathomable way I had been led into a colossal error of judgment. The second proposition was, simply, that the Russian moon rocket did not exist.

A few months before, I had traveled 14,000 miles through Russia on a scientific reporting expedition. I had talked to 24 of the top Soviet scientists—far more, I'm told, than any other Western journalist has ever been lucky enough to reach. I had seen major Soviet universities, research centers, observatories. Seemingly eager to have me take home a glowing report of their progress, the Russians had proudly shown me the cream of their technological achievements. I had looked and listened carefully. I had formed conclusions, tested them and retested them.

And I had come out of Russia with the dead, flat certainty that the United States was immeasurably far ahead in space technology—that, for one thing, Russia had no effective intercontinental ballistic missile; and that, for another, the United States would beat Russia to the moon without half trying.

But here I stood on the evening of January 2, Russia's epic announcement ringing loudly and mockingly in my ears. I poured myself a drink and sat down. I combed back through the notes and tape recordings and photographs and memories of my Russian journey. But no matter how I sifted and reevaluated, I couldn't make it add up. Everything I'd seen and heard in Russia argued against the alleged fact of Lunik. The scientific community which I had studied in that enigmatic land was not capable—simply not capable—of producing any such thing.

It was a hard concept to grasp, both intellectually and emotionally. But this was it: The Russians did not fire a rocket past the moon on January 2, 1959. If they fired anything, it failed to reach the distances achieved by the U.S. Pioneers. The Lunik, in short, was a cooly insolent, magnificent, international hoax.

I couldn't just let the incredible thought ferment in my brain, of course. I went to Washington, talked with military men and intelligence officers in the Pentagon. I visited Project Space Track, the Air Force in-

stallation in Massachusetts that collects and correlates tracking data from all over the free world. I telephoned major tracking stations. I talked with scientists.

Not one of them would make the flat statement that he had heard a signal from Lunik. Officially, the United States was acknowledging the existence of Lunik. Unofficially and privately, the wet cold edge of doubt was beginning to seep into some clever minds.

Slowly this doubt emerged into the open. Puzzled little essays began to appear in newspapers. Syndicated columnist Fulton Lewis, Jr., for instance, wrote on January 21 that intelligence sources were questioning Russia's veracity. An editor of the magazine Electronic News ran an exhaustive probe of the affair through correspondents around the world, ended convinced that no Lunik exists. He couldn't print his conviction, however; his publisher feared repercussions, ordered merely another vaguely puzzled essay.

These men are on the trail of the big Red lie, but unfortunately they must piece the story together from shadows on this side of the Iron Curtain. There is virtually no more chance of getting any useful leads inside Russia, for the Kremlin is now undoubtedly on guard to protect its lie. I was lucky enough, though, to get the story before Lunik. I saw Russia and talked to Russian scientists at a time when there was no Lunik hoax to protect.

In my notes and pictures and tape recordings there is, I submit, solid evidence that no such sun-orbiting rocket—and no effective Russian ICBM—could or does exist.

I arrived in Russia 1 year ago this month. In my luggage were letters to top Soviet scientists from their counterparts in U.S. science—men such as physicist Dr. S. Fred Singer, of the University of Maryland, the man who first seriously proposed an earth satellite and showed that the idea was feasible. These letters asked the Russians to cooperate with me, identified me as a trained scientific observer and author of scientific books, and stated my mission as that of bringing home an objective and, presumably, flattering report on the state of Soviet science.

The whole idea of this mission sat well with the Russians, for they are politically committed to brag. To a huge extent, the success of communism depends on the success of Communist propaganda in winning the world's admiration. From Premier Khrushchev down to the lowliest newspaper hack, Russians lose no opportunity to tell the world of their every achievement. I fitted into this effort very nicely. Here I was: an American science journalist, all starry eyed, eager to add my voice to the admiring chorus. I really was. As I entered Russia that spring, I was fully prepared to be overwhelmed by an impression of tremendous technological progress.

I let the Russians know this, and they welcomed me. I have no other explanation for the fact that I was allowed to talk with so many key scientists, to see so much of what previously had been obscured. American news correspondents whom I met in Moscow gaped in disbelief when I showed them the list of Russians I planned to interview. They told me that they rarely, if ever, get to see a Soviet scientist of any note. Most of their science news is spooned out to them by Soviet press bureaus. It isn't hard to guess why: these are hard-digging reporters, and the Kremlin fears them. I, on the other hand, was billed as a man so full of awe and admiration that I'd swallow whatever was handed me.

Intourist, the Soviet Government travel bureau, assigned an intelligent, moderately pretty girl named Natasha as my interpreter and guide. I told her that the first man I wanted to see was Prof. Leonid Sedov, head of the Permanent Interdepartment Commission on Interplanetary Communications (i.e., space travel) of the Soviet Academy of Sciences. As over-all boss of the Russian space program, Sedov had two things that I needed badly: (1) the locations and phone numbers of other important scientists, and (2) the power to help me, or not help me, get in touch with them. There are no phone books available to the public in Russia, and it is very, very hard to track down key men without help. Hard? Impossible.

Sedov, a big man with thick rimless glasses, was as obliging as a salesman with a hot prospect. I asked if I could look in on key research projects. Of course I could. Could I interview people working in the space program? Certainly. Could I photograph rockets? Sure thing. I handed him a list of the top men I hoped to visit. Would he tell me where these people were and smooth the way for me to see them? He nodded amicably, jotting reminders to himself in a notebook. It could all be arranged. No problem.

Obviously, then, the Russians intended to show me things, send me reeling back to my hotel dazzled by scenes of mighty rockets and pioneering experiments. Mentally, I shrugged. It was an acceptable bargain. If they wanted to put on a show for me, I'd give it honest reviews when I got home.

But almost as soon as the curtain went up, I sensed that something was wrong.

One of my key interviews was with a man who, as far as I know, had never before talked with a Western reporter: Prof. Gleb Chebotarev, director of the Institute of Theoretical Astronomy in Leningrad. Chebotarev is one of Russia's top mathematical astronomers. In the months before I'd come to Russia, he had been widely touted in the Soviet press as the head of Project Boomerang, a planned effort to send a rocket around the moon. According to these reports, Project Boomerang was well along; the Russian moon rocket would be launched quite soon.

Chebotarev was a bespectacled, amiable, middle-aged man; he looked the way astronomers look in the movies. I asked him how close his project was to its goal.

He shrugged. "I cannot say," he said. "I have not yet been approached by the engineers."

Trying not to look startled, I asked: "At any rate, your project is being seriously considered for future use?"

"Right now this is only theoretical work."

"You mean to say that no engineers have read your calculations and at least commented on them?"

Chebotarev smiled. "If they have, they have not let me know. I do not think they believe in my sanity."

It was a shock. All along, I'd pictured the Boomerang project as a missile center alive with busy men, designs being drawn, components arriving, maybe a launching pad being made ready. Instead, it turned out to be a middle-aged professor in an ivory tower. The propagandists had grabbed a little weed of fact, held a magnifying glass up to it and made it look like a tall tree.

I was badly shaken, but I tried to hide it. I went on with more questions. Before coming to talk with Chebotarev I'd read over some newspaper clippings on him, and I now remembered a fragment from the New York Times. The Times was quoting from a Moscow News story on Boomerang: "The increase of a rocket's speed from the 18,000 m.p.h. already achieved (by the sputniks) to 25,000 m.p.h. so that it can escape the earth's gravitational pull is 'perfectly possible at the present stage of technical development.'"

I asked Chebotarev about the problem of speed. Said he: "It will be a very great jump from 8 to 11 kilometers a second. I do not know when it will be possible for them to do it."

Another shock. I sat there and looked at Chebotarev, trying to figure it out. He wasn't lying to me. Why should he? When the whole Communist propaganda machine was bragging raucously about the coming moon shot, why should this one scientist suddenly try to play it down? If he was going to lie, he'd have lied in the other direction; he'd have told me how the rocket was poised and ready to shoot.

I could only conclude he was telling the truth as he knew it. He was a scientist. Scientists are rigorously trained against falling into the trap of exaggeration; they make statements cautiously. They know that, in their business, a man's professional reputation can collapse overnight if he's caught saying misleading things about his work.

Then I wondered: wouldn't Sedov have foreseen this? Sedov, or whoever else was masterminding my journey? Wouldn't he have realized that, in sending me to see scientists, he was sending me to see the truth? Maybe not. Maybe he believed the propaganda himself, or maybe he felt certain that the scientists, being Russians, would loyally back up the Big Red Lie.

Or maybe, I thought, maybe there's a moon shot under wraps somewhere, and Chebotarev just doesn't know about it. But this didn't stand up. One of Russia's top astronomers, a well-known expert in celestial mechanics, kept in the dark about Soviet space activities?

I put out another probe. I remembered reading an article in *Znaniye-Sila* (translation: Knowledge is Power), a leading Soviet science magazine. The article dealt with Chebotarev's lab and it said in part: "By means of huge automatic computing machines, this Institute is engaged in calculating the precise movements of the earth, moon, and planets . . ."

I said to Chebotarev: "Perhaps you can give me some information regarding your electronic computers?"

Chebotarev said: "I am not acquainted with these machines. In my kind of work the electronic machines are not needed. All my calculations are made by another professor with the help of small electrical calculators."

It was unbelievable. Not *Znaniye-Sila's* exaggeration, which was remarkable enough, but the fact itself. In the U.S. today, electronic computers are 100% essential both to theoretical astronomy and to the nuts-and-bolts work of space travel. Even small research shops use computers—scramble for them, rent them part-time when there's no other way to get them. Yet one of Russia's best astro-physicists is "not acquainted with these machines."

I wanted to read more about Soviet computers. I knew that a good place to do so was as Moscow's Technical Bookstore, the one place in the city where scientists, technical people and students can buy their specialized books. In this store, I reasoned, I'd find descriptions of the most up-to-date Soviet equipment.

I sneaked in without Natasha, for I didn't want to give her too many clues to the direction of my thinking. I have only a minimum knowledge of the Russian language, but mathematical and scientific symbols—and, of course, pictures—know no language barriers. In books with 1957 and 1958 publication dates, I found diagrams and photos of primitive electronic machines such as those used in America back in the early 1950's. In the fast-moving computer business, six or seven years add up to a long time. Compared to what IBM and Remington Rand are producing today, those old machines were slow, not very versatile, and hounded by frequent breakdowns. I got the definite impression—and Chebotarev's statement backed me up—

that even these machines were not used widely in Russia.

Maybe Russia is keeping its new computers under wraps, I thought. But this didn't make much sense. Keep them from Chebotarev? Keep them from the Technical Bookstore?

I was deeply puzzled. Without high-speed computers, you can't advance very fast in space technology. Maybe you can slam a satellite into a half-baked orbit by bolting a few big rockets together, aiming them at the sky, and hoping. But you can't quickly progress from there to the delicately instrumented, perfectly controlled craft that will land on the moon or pass close to it. You can't quickly progress to new, more powerful kinds of propulsion. Millions upon millions of calculations are necessary. Take nuclear propulsion. Both IBM and Remington Rand are now building for the U.S. Atomic Energy Commission machines that will multiply a pair of 15-digit numbers in millionths of a second. These machines will do as much work in a day as the fastest existing computers can do in a month—and even so, says AEC, don't expect results too soon.

Next, I went to Moscow's Polytechnic Museum, the most important scientific showplace in Russia. In a special room devoted to progress in electronics, I found a computer that U.S. scientists would not have been very proud of even back in 1952. This was the Polytechnic Museum, an institution designed for showing off. Could I assume this backward machine was an example of Russia's best?

I was reminded of the time a year or two back when a Russian magazine published a picture of a Univac, with Remington Rand's label blacked out and a caption proudly referring to Soviet progress in electronic brains.

The thing that impressed me most at the museum was something that wasn't there: miniaturization. In space flight, where every ounce of weight counts, you must build microscopically small. You must have tiny sensing devices, a tiny computer, tiny navigation and control equipment. Without such miniaturized innards, the U.S. Atlas missile, for instance, would not be able to guide itself through space and land on a target 6,000 miles away. That's controlled space flight, necessary either for an ICBM or a trip to the moon.

At the museum, where the pride of Soviet science is displayed, I saw no evidence of miniaturization. The smallest vacuum tubes on display were bulky compared to what's turned out in the United States, Germany, England and Japan. The Russians are known to make transistors, tiny gadgets that can do the work of big vacuum tubes in certain uses, but none were on display. From this and from subsequent reading and looking, I got the impression that Russians don't consider miniaturization an important kind of progress.

They admire bigness. Premier Khrushchev is fond of referring to the U.S. Vanguard satellite as the "Grapefruitnik." He alludes to the greater size of the sputniks. What he doesn't say is that the Vanguard spaceball is evidence of a much more sophisticated technology, a much firmer mastery of miniaturization. The Vanguard was guided into an orbit so stable that it'll be up there for a good two centuries. Sputniks I and II had remarkably unstable orbits, indicating that they weren't guided but merely thrown almost haphazardly into space.

In fact, Dr. I. M. Levitt, director of the Fels Planetarium in Philadelphia, took the sputniks' faulty orbits alone as evidence that the Kremlin has no ICBM, no really accurate guidance system.

The sputniks are big. Could the reason be that Russian engineers don't know how to build electronic equipment small? U.S. scientists have grumbled that Russia hasn't published much data collected by the sputniks. Could it be that there is no data—no fine enough instruments aboard to collect it? Even the instruments that are aboard seem inferior. The monster Sputnik III's signals have always been so weak that only the most sensitive receiving equipment can detect them. Tiny Vanguard, less than a thousandth as big, comes in loud and clear.

I came out of the museum with my head spinning. Over a quite cup of bad Soviet coffee, I tried to reconcile what I had seen and heard with the picture of Russia that I'd carried into the country. The whole progress of world affairs in the past 10 years had been shaped, to a big extent by the belief that Russia was developing ICBM's, fearsome weapons that could break up New York and San Francisco and Detroit in one colossal attack. Were these terrifying things nothing, after all, but figments of somebody's imagination.

No, I told myself. You're going too far on too little evidence. Surely before long, they'll show you some instruments that'll knock your eye out.

I went to see Alla Massevich, Vice President of the Astronomical Council of the Academy of Sciences. She heads Russia's optical tracking network. A Red Newspaper had said that sputniks and lunik were tracked by "specially built scientific stations equipped with a great number of radio technical and optical instruments." This is a field in which I have real interest and knowledge and I was anxious to talk to this celebrated woman astrophysicist. Accurate tracking is a must, you need to know exactly how your spacecraft behave in flight in order to improve them. And for accurate tracking, you need extremely fine, superfast cameras, radiotelescopes, and other very precise equipment.

Alla Massevich took me up on the roof of the Sternberg Astronomical Institute. "We have 25 tracking stations like this at universities and observatories all across Russia," she told me, proudly.

The major piece of equipment was an ordinary Red air force aerial reconnaissance camera, adapted for its new spacetrack job. It was of World War II vintage. Sure, it was a good, serviceable camera—but if you tried to sell it at Cape Canaveral, they'd laugh at you. In fact, Edmund Scientific Co. of Barrington, N.J., will sell you a war-surplus American aerial camera of the same type for under $80.

I asked Alla Massevich whether Russia's other tracking stations had the same equipment. She said they had. All of them? Yes. Later in my trip, I verified this by visits to the key optical teaching stations. I also talked to a scientist who was starting to develop more accurate space-tracking camerias. But his project had hardly got off the ground.

It was all very hard to believe. The whole thing had the air of a last minute scramble to throw a tracking network together with whatever equipment happened to be lying around loose. In the United States, scientists had planned ahead. The Navy had gone to Perkin-Elmer Corp. more than a year before the first satellites were due to be launched, and had ordered special tracking cameras built at a cost of some $100,000 each. These cameras were not just set up wherever universities and observatories chanced to be, but were very carefully spotted across the Northern and Southern Hemispheres for the best possible tracking effectiveness.

Well, I thought, maybe the Russians depend on radio and radar more than optical tracking. I asked Dr. Massevich about this. Said she: "We have amateur radio enthusiasts all over Russia. They collect this information for us."

I pressed her further on the point, later asked other scientists about it. Crazy as it seemed, that is the way it was, this huge, science mundel nation depended on hams to keep track of the satellites' signals. The United States welcomes hams tracking reports, but there are not enough for the precise measurements demanded by an advanced space technology. In the American space program, official, professionally manned radio tracking posts are located at carefully picked spots on the map.

I remembered something about the sputniks. Instead of broadcasting on the high frequency bands originally agreed on by International Geophysical Year scientists, the Russian moons came in on low frequencies—the frequencies allotted by worldwide convention to hams. This surprised and puzzled the West. Maybe, I now thought, the reason was simply that Russia didn't have enough of the more critical, harder-to-build high frequency equipment. Maybe Russia had to depend on ham receivers because nothing else was available.

I also remembered something else. Some 3 months after Sputnik I was launched, the Russians lost track of it. An official announcement from Moscow said that it had burned to nothing in the atmosphere. This revealed much about the precision of Russian tracking equipment. Eight days later, astronomers at Ohio State University's Radio Observatory were still tracking the fragments of Sputnik I that remained in orbit.

My whole concept of Russia was turning upside-down, and it turned a little more with each scientist I questioned. I went to see Prof. Alexander Mikhailov, director of the Pulkovo Observatory at Leningrad. A big front-page story in the Moscow News had startled Western astronomers with this statement:

"The biggest telescope in the world, with a 6-meter (236-inch) diameter reflector, is being built in the Soviet Union. The designing of such an astronomical instrument is a very complex technical problem * * * It took 10 years to build a similar telescope with a 5-meter reflector in the United States * * *. The new instrument will help astronomers in their observations of artificial satellites and interplanetary rockets which may soon fly around the moon, to Venus and Mars."

That's a whopping big statement. In one blow, it (1) sneers at the present world's largest (200-inch) scope, at Mount Palomar, Calif., (2) establishes Russia as a nation with superb technical skills, and (3) hints at an ambitious space program. I was eager to hear more about this new giant telescope. I asked Mikhailov for details.

"That telescope will take 10 or 15 years to make," he said. "The construction has not yet begun."

I asked him for details on the design. There weren't any. "It is not yet decided what kind of mount it will have," Mikhailov said. "We do not know yet where it will be installed."

In other words, the telescope that was "being built" hadn't even been designed. About all that had happened, apparently, was that somebody had decided it would be nice to have such a telescope some day. Once again, the weed of fact and the magnifying glass.

This was how the big Red lie was built, I reflected. It was cumulative; each lie supported a complex of others. Having believed other Russian exaggerations about their technical progress, the West was ready to believe the giant telescope story. And, believing that, it now stood ready to swallow still more.

I tried to get an interview with Prof. Viktor Zhdanov, Russia's Deputy Commissioner of Public Health. He had been quoted in the Soviet press as a space physiologist. He was said to be studying problems of human survival as these might be posed by viruses in

space during interplanetary flight. He turned me down. "I do not have connections in these fields," he said.

I had a long session with Professors Yury Pobedonostev and Kiril Stanyukovich, both key scientists in the Soviet space program. One topic I had on my mind was inertial navigation, an important technique used in guiding U.S. rockets and missiles. I was fairly sure by now that Russia had not mastered the technique, for it requires a miniature computer and other kinds of high-grade electronic engineering. But I asked anyway.

I was right. "Some work in this field has been done," Stanyukovich told me. "But it is all theoretical so far."

I turned to another topic. The Soviet press had made much of Russia's intensive program to send men up in satellites and out to the moon. I asked about pressure suits, the kind that would be used by men in outer space.

Said Pobedonostev: "We will develop such suits when we need them."

Here it was again: the apparent unwillingness or inability of Russian space officials to plan ahead. In the United States, pressure suits are the subject of elaborate and determined research, and have been for a good 15 years. Both the Air Force and the Navy have already developed operational pressure suits.

I asked: "Are you working toward manned space flight?"

"Yes," said Pobedonostev.

"Then you must have rocket-powered aircraft?"

"We have jets."

"No—I mean pure rocket-powered aircraft such as the American Bell X–1 series."

"We do not believe in such aircraft."

I stared. The rocket plane, capable of climbing over the top layers of atmosphere, is an essential experimental tool for manned space flight. It trains pilots in the art of flying through a vacuum, gives space physiologists priceless information on medical problems involved. It's the forerunner of the true spaceship, the logical stepping stone to interplanetary travel. I pointed this out.

"Such flying," said Stanyukovich, "is much too risky."

I asked what Russia was doing about space medicine, in that case.

"We make use of dogs," Pobedonostev replied. "The dogs will lead to the time when we can use men. One cannot know where he is going until he gets there."

"But if you don't know where you're going until you get there," I pointed out, "then you must take risks. You claimed rocket aircraft are too risky, but aren't such risks necessary for achieving space flight?"

Stanyukovich suddenly exploded with anger. He and Pobedonostev held a heated argument in Russian, which Natasha didn't translate for me. Obviously, I'd touched a tender spot. Despite all the bragging, Soviet Russia was a long, long way from landing a man on the moon. Matter of fact, there seemed to be no organized, long-range program at all for any such purpose.

Bit by bit, my picture of the Russian space and missile program was fitting together. The program, it turned out, was more noise than reality. It was a superb example of the propagandist's art.

I went on probing. I dropped in on Znaniye-Sila, the science magazine. Among the photographs that the editor proudly pulled out of his files for me was one of a radar-optical camera. It had a caption subtly leading the reader to believe the instrument was of Russian make. I knew better. I'd helped take the photo myself 4 years before, at the White Sands Proving Ground in New Mexico.

Academician Sedov, who had promised me the world when I started out, now seemed to have changed his mind. He'd disappeared, leaving me to shift for myself. I was getting nervous. More than once, I thought I was being spied upon—and whether it was just nerves or the real thing, it was enough to worry me seriously. I was also worried about my photographs and film, my tape recordings, my notes. I began to think of ways to get them out of there safely.

It was time to go home. The film and tapes were a real problem. By Soviet law, I was supposed to submit them to the Government for review before taking them out of the country. But if I did so, I felt, I'd be unlikely ever to see them again.

I put the tapes, photos, and film on the bottom of a large suitcase, surrounded them with socks, covered them with a layer of shirts. On top of the shirts I put a row of scientific and technical books that had been autographed for me by their authors—big men like Podedonostev and Chebotarev.

I walked up to the baggage inspector at the Moscow Airport and handed him the hot suitcase first. Then I held my breath.

He lifted the lid. A frown crossed his face when he saw the books' titles—all severely technical. Brows knit, he picked up one of the books, flipped through it. He looked at me, then back at the book. He seemed to be wondering whether it was all right to allow such books out of the country. It was, of course, but now I'd made him suspicious and alert.

Finally he saw the flyleaf and the autograph. His eyes widened. He looked at the other books' flyleafs. His hand wandered over the layer of shirts. He was going to lift them up. I thought: I'm finished.

Then he pushed the suitcase at me. I'd made it.

In West Germany, I was questioned about what I'd seen by U.S. intelligence agents. Eventually I got home. The American picture of Russia hadn't changed much since I'd left. There was still fright in the air. Russia was dangerous, they said. Russia claimed to have intercontinental missiles that could cripple America in one crushing blow. Russia would soon have armed satellites and a base on the moon. Russia would control space and all earth beneath.

This wasn't the Russia I knew.

The Russia I knew was not capable of designing or building an effective intercontinental missile—or, indeed, any long-range rocket that would know where it was going before it got there. This Russia was a good 20 years behind the United States in space technology. It had little more hope of controlling space than did the Principality of Monaco. If it was ever foolhardy enough to start a war, the Strategic Air Command would destroy it as a nation in 1 week.

Then the Soviet Union announced Lunik. You may imagine how it hit me. Only by an incredible freak of luck could a Russian rocket have turned in any such performance. A moon shot predicates the existence of highly sophisticated computers, clever miniaturization, precise tracking, fine guidance, high-grade electronics. These things were not available to the scientists who allegedly built Lunik. A moon shot must also be planned very carefully in advance. No such plan existed when I was in Russia half a year before. One lonely professor was mulling over the idea. No one else seemed actively interested.

Lunik had to be a hoax. I was almost certain of it. I started to check around. By the time I finished, I was 100 percent certain.

The first new clue I got came, paradoxically, from a phone call that didn't go through. The Lunik announcement reached the United States on a Friday evening. On Saturday I placed a call to Ohio State's Radio Observatory to find out whether any signals had actually been heard from Lunik. The switchboard operator told me that the astronomers had closed shop for the New Year's holiday weekend.

Sure, I thought. If I wanted to perpetrate a space hoax, when would I do it? Over a holiday weekend, when the Western World was relaxed.

On Monday, the Kremlin announced that Lunik's radio transmitters had gone dead as it passed the moon and headed into an orbit around the sun. Thus, all contact with the rocket—and all hope of proving or disproving its existence—was thenceforth and forever lost. Convenient. A little too convenient, perhaps. Two months later the successful U.S. space probe, Pioneer IV, kept transmitting useful data on three channels until it was almost half a million miles away.

When I finally got in touch with the Ohio State people and other tracking stations, a provocative new fact came to light: nobody, absolutely nobody, had received a signal that he could identify with certainty as coming from Lunik.

The Russians claimed that, on their receivers, signals were coming in clear as bells on all four of Lunik's announced radio frequencies. No one else had any luck, although trackers throughout the world had picked up Sputniks, U.S. satellites and moon probes—including, later, Pioneer IV. The huge radio telescope at Jodrell Bank, England, which later followed out beyond 400,000 miles, and which detects radio impulses from galaxies thousands of trillions of miles away, scanned the skies for 18 hours without finding a trace of Lunik. Prof. Bernard Lovell, Jodrell Bank's director, was quoted by the New York Daily News in March as speculating that "the whole story may have been a Russian propaganda hoax."

Other trackers around the world had doubts, too. Drs. Nakada and Takeuchi, top Japanese tracking scientists who had caught signals from all other space vehicles, detected nothing from Lunik. "We have to rely on the Russians' claims," they told Astronautics, official publication of the American Rocket Society. "We cannot acknowledge the existence of the rocket on the basis of our own findings."

According to George Grammer, official of the American Radio Relay League, the search the Lunik was "a complete negative as far as we're concerned." The ARRL has 90,000 members throughout the world, and hundreds of them reported picking up each United States and Russian satellite. But only one report came in on Lunik. The ARRL is now sure the signals described in this report came from Sputnik III.

I checked with military and intelligence men to find out what they thought. They were wary; I sensed that they wanted to keep their doubts to themselves. But the doubts were real. One Pentagon general told me: "Yes, it could have been a hoax. There's at least one other case where we know they were doing the same thing." He wouldn't elaborate. There was a good deal of embarrassment in the air. Another general smiled enigmatically. "Even if I knew," he said, "I wouldn't tell you." I guessed that he knew.

The embarrassment seemed to stem partly from the fact that President Eisenhower had publicly congratulated the Russians. He'd look silly, the feeling ran, if he now had to retract his words. But still the doubts piled up in secret. I was amused to notice that it took weeks for any of this to leak into the newspapers. On January 21, Fulton Lewis, Jr., wrote in his column: "Allen Dulles, chief of the Central Intelligence Agency, reported ruefully to a secret session of Senators and Representatives that all evidence indicates the missile never went beyond the general vicinity of the moon, if, indeed, it got that far." Shortly afterward, the Defense Department slammed a security lid on all information about Lunik, and the papers lapsed into silence on the subject.

But the doubts and puzzlement continued. I talked with John T. Mengel, director of the Tracking and Guidance Section of Project Vanguard. He told me that, theoretically, the skin temperature of a rocket or other body in sunlight should grow hotter as it moves away from the earth. Thus, the Lunik on its sun-bathed way to the moon should have reported considerably higher temperatures than does the Vanguard satellite, which never goes farther from the earth than 2,460 miles. But the people who invented Lunik apparently didn't know about this. An early report from Tass, the Soviet news agency, boasted that Lunik was 130,000 miles from the earth and stated that its skin temperature was 59° to 68° F. In months when the Vanguard is in sunlight all the way around its orbit, its skin temperature goes up near 150°.

To bolster their lie, the Russians released what they said was a photograph of Lunik before launching. At least two things about this picture made it suspect. First, it was very crudely and very heavily retouched—as much a painting as a photograph. Second, the transmitting antenna system depicted could not possibly have broadcast clearly from outer space on Lunik's announced wavelengths. According to Prof. Thomas A. Benham of Haverford College, well-known expert in radiophysics, the Russians would have needed a receiving antenna system several acres broad to catch any signals at all—let alone the loud, clear ones they claim to receive—from such a rig.

The Kremlin also published what it said was a photograph of a sodium flare released by lunik at a point 62,000 miles out from earth. The photo, allegedly, was taken by the Alma Atá Observatory in Soviet Asia. It wasn't very convincing. It showed a great big nondescript white blob on a starless black background. There was no grain in the photo, so it wasn't an enlargement. I'd visited the Alma Atá Observatory, and I know that the biggest telescope there is 500 millimeters in diameter. Even if Lunik's flare was a mile across, it would have appeared to this telescope as a mere dot of light from 62,000 miles away.

Only one non-Russian observer thought he saw Lunik's flare. This was a Scottish cameraman, who snapped a picture of a cigar-shaped patch of light in the sky over Edinburgh. If it was 62,000 miles away, it would have had to be at least a thousand miles across to appear that big to the camera's naked eye. Scientists, examining the picture, concluded that what the Scotsman saw was really the result of a temperature inversion—a miragelike reflection of light from the city below.

Yet despite all these inconsistencies and improbabilities, the U.S. man-in-the-street believed in Lunik—just as he has believed other parts of the big Red lie. Americans in general are gullible when it comes to Soviet stories; no boast from that big, mysterious nation seems too fantastic to be true. The lie is self-supporting.

Occasionally, you hear a voice beseeching everybody to calm down. Late in January, for instance, Gen. Nathan F. Twining, Chairman of the Joint Chiefs of Staff, stated flatly that the Kremlin's boast about having operational ICBM's is just that—a boast. Said Twining: "There's nothing to it."

But most Americans fear Russia. It is easy to fear something you don't understand; and to most Westerners, Russians are a strange, paradoxical people. They don't think or act like us, as many Western reporters have noted. John Gunther, author of "Inside Russia Today," comments that the Russians can build big, powerful machines, "but a simple flashlight seems beyond them." It's hard for Americans to understand this. We tend to think that, because the Russians can blast an earth satellite into orbit, they must also be able to guide a rocket to the moon or a missile to a U.S. city. It just isn't so.

It is also hard for Americans to understand how anybody could have the sheer nerve to lie on so huge a scale. To the Russians, it comes easy. The lie, the hoax, the con game occurs again and again down through their history.

For instance, every schoolboy who has studied Russia knows of the famous hoax that was perpetrated on Catherine the Great in 1787. When she visited what is now the Ukraine in that year, the governor general of the region, Grigori Potemkin, was worried over what might happen to him if Tsarina found out how poverty-stricken the area had become under his inefficient administration. To fool her, he had the wretched hovels along her river route daubed with bright new paint. Collapsed roofs were covered with painted cardboard. The hordes of ragged poor were ordered to stay indoors out of sight. The blighted landscape was even brightened with cardboard trees.

That's what Russians are like. Today, they're hoaxers not only by temperament, but also by political decree. Make no mistake, the Communists in control of Russia are without morality as we know it. They gibe at democratic nations for their honesty. As it was written by Lenin, the father of the Russian revolution:

"We repudiate all morality taken apart from human society and classes. We say that it is a deception, a fraud, a befogging of the minds of the workers and peasants in the interests of the landlords and capitalists.

"We say that our morality is entirely subordinated to the interests of the class struggle of the proletariat."

What Lenin meant, simply, was that if lying was useful to communism, then it was moral. To those in the Kremlin today, lying is not only useful; it is a foundation stone of their power.

Next time the Kremlin announces a new space triumph, consider carefully whether the triumph is real—or whether the Russians are merely, once again, practicing the gospel that Lenin preached.

GOLD: THE U.S. SUPPLY AND WORLD ECONOMY

Mr. BUSH. Mr. President, I invite the attention of the Senators, the Members of the House of Representatives, and others who read the CONGRESSIONAL RECORD to a news story published in the New York Times of yesterday entitled "Gold—Questions and Answers on U.S. Supply and World Economy," written by Edwin L. Dale, Jr., the chief economic writer for the New York Times.

The article has many of the answers to questions of those who are interested in this subject. Some of the questions are: "What is the role of gold in the money systems of the world? What is the present role of gold? What is the world gold supply? How did the United States get so much gold?"

These basic, simple questions are well answered in the article by Edwin L. Dale, Jr., and I ask unanimous consent that it be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. HRUSKA in the chair). Is there objection to the request of the Senator from Connecticut?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOLD: QUESTIONS AND ANSWERS ON U.S. SUPPLY AND WORLD ECONOMY

(By Edwin L. Dale, Jr.)

WASHINGTON, May 9.—The United States last year lost a record total of $2,300,000,000 of its large stock of gold to foreign countries. In the first quarter of this year the outflow slowed to a trickle—only $92 million in the 3 months. Then in April and the first week of May the outflow picked up sharply again, totaling $186 million for the 5 weeks. This has caused renewed discussion of the gold situation.

What is the role of gold in the money systems of the world?

Ever since the days of the Greeks and Romans, men have deemed gold an acceptable "medium of exchange" for other goods and services. That is, a man would always accept gold as "good" money because he knew he could buy other goods and services with it.

As the expansion of commerce gradually required the use of paper money, governments always used gold or, in some cases, silver, as backing for the paper money. The gold standard simply meant that a holder of paper money could turn it in at any time for gold, in an amount equal to the value of the paper money as decided by the Government.

This is no longer true. Since 1934, a holder of a dollar has been unable to turn it in for gold. He is not allowed to hold gold, except in such forms as jewelry. The United States and the rest of the world are now off the gold standard.

What, then, is the present role of gold?

Its present function is to settle international accounts between nations. The world's gold, except for private hoarding in nations such as France and India, is all held by the world's treasuries and central banks.

Each nation continues to fix a gold par value of its currency (in the United States, the dollar is worth .888761 grams of gold, which means $35 an ounce). Thus balances owing from one nation to another can be converted into a quantity of gold and payments made by a transfer of gold.

Typically, a nation that exports more than it imports first builds up holdings of foreign currencies. If it builds up dollars, it can then go to the U.S. Treasury and convert the dollars into gold at $35 an ounce. If it is short of dollars it can sell gold to the Treasury and get $35 for each ounce sold. This is the mechanism for settling international accounts.

What is the world gold supply?

Altogether, there is about $39,900 million worth of gold (at $35 an ounce) in the central banks and treasuries of the world, excluding the Communist countries. This total rises by nearly $1 billion a year from new gold production, most of which flows into Government stocks.

Of the $39 billion, $20,250 million is held by the United States, more than all the rest of the non-Communist world put together.

How did the United States get so much?

The great bulk of it flowed to the United States during the depression years. It flowed here because the United States was running a large and persistent surplus in its transactons with the rest of the world.

These transactions include exports and imports but are by no means limited to them. For example, if a Frenchman buys stocks on the New York Stock Exchange, or simply transfers some of his money to a bank in New York for safekeeping, that counts the same as an export in the total

U.S. balance of payments. It is a U.S. receipt. A disbursement of dollars in Germany by the U.S. Army there counts the same as an import. It is a U.S. payment. Foreign aid, investment by U.S. business abroad, payment for shipping—these and other elements enter the total balance.

In the thirties a combination of forces, including a large export surplus by the United States and a large flow of "scare" money from Europe to New York, led to a huge surplus each year in the total U.S. balance of payments. Foreign countries used up any surplus dollars they had and then had to sell gold to the Treasury to get more. Thus the U.S. gold stock rose, from $4,226 million in 1932 to $22,042 million in 1940.

World War II brought a temporary reversal. For special reasons, the United States ran a deficit in its payments and some gold flowed out. But the end of the war found the United States, with its economic machinery intact, running a heavy surplus again. The gold stock rose to its peak in 1949, when the United States held $24,600,000,000 and the rest of the world had to get along on the obviously inadequate total of $10,500,000,000.

What happened in the postwar period?

Since 1949, though the point is not generally realized, the United States has persistently run a deficit in its balance of payments with the rest of the world. Foreign countries have been net earners of dollars almost every year since that time.

For the most part, they simply allowed dollar balances to build up in New York banks, investing part of them in short-term securities such as Treasury bills to earn a little interest. But from time to time a nation with ample dollar balances would convert some of them to gold.

Thus the United States gold stock declined from $24,600,000,000 at the end of 1949 to $22,800,000,000 at the end of 1957. This was universally considered a healthy and desirable trend. It meant that the rest of the world's reserves of gold and dollars were slowly building up.

Why the big outflow of gold recently?

In 1958 the outflow of gold from the United States suddenly accelerated. There were two reasons.

The first was that the United States not only ran a balance-of-payments deficit with the rest of the world but also ran an unusually big one. Exports were off sharply, for a number of special reasons, while imports fell very little. Low interest rates in New York prompted foreign governments and private companies to float a postwar record amount of new stocks and bonds in the United States, sparking an overflow of dollars as they were paid for. Other elements in the balance were unchanged or worked against the United States.

The second reason was that in 1958, in contrast with most earlier years, foreign countries decided to convert the bulk of their added supplies of dollars into gold. The United States deficit was about $3,300,000,000 and foreign countries converted $2,300,000,000 of this into gold.

They did so in part because the dollar working balances of many nations had already been built up far enough and in part because the big dollar earners last year were European nations that traditionally hold most of their reserves in gold. Britain's gold holdings rose $1,250,000,000 last year, Holland's by $300 million, Belgium's by $350 million, and Italy's by $600 million.

As a result, there was the largest gold outflow on record. The U.S. stock fell to $20,600 million at year-end.

To most people in the international financial world this was nothing to get alarmed about. It was more of the same desirable thing—a move toward a more even distribution of the world's reserves.

But many of these same men began to wonder for the first time about the problem of a chronic deficit in the U.S. balance of payments that, over the long run, could exhaust even the huge U.S. stock of gold. The continuation of the gold outflow this year, slow for the first 3 months and then a big jump in April, has kept this sort of concern alive.

If the deficit and gold outflow continue, what can be done about it?

The United States could impose barriers on imports, widely regarded as the least desirable solution.

It could cut out foreign aid, but that is a two-edged sword because the great bulk of the aid dollars finance U.S. exports. That is, a cut in aid on the outflow side would be matched by a nearly equivalent cut in exports on the inflow side.

In the end, presumably, it could devalue the dollar by raising the gold price, but this idea brings shudders to practically everyone who contemplates it.

By all odds the favorite solution is a program of anti-inflation policies. This would lower export prices, thus augmenting exports. The same policies, involving higher interest rates, would bring more money into the United States and make foreign borrowers look to non-U.S. money markets. The combination might solve the balance-of-payments problem. In the meantime the problem has not yet become pressing, with the gold stock at a comfortable $20,255 million as of Wednesday.

DONALD A. QUARLES

Mr. BUSH. Mr. President, after we adjourned on Thursday the Nation lost one of its great public servants in the person of Donald A Quarles. This man gave long and distinguished service to the people of the United States, mostly in connection with the defense of our country. He was one of the finest public servants ever to appear on the Washington scene. His disarming simplicity and his utter honesty impressed the Members of both Houses of the legislative branch, and I believe they must have impressed the people of the Nation.

I think Donald Quarles literally worked himself to death. He died in his sleep on Friday night. There is no explanation for his death other than the fact that he simply worked himself to death. His passing is a matter of deep personal regret to me, as I enjoyed the privilege of his friendship and held him in warm respect.

Mr. President, the Washington Post and Times Herald published a story Saturday morning, May 9, concerning Donald Quarles, entitled "Quarles Held Unique Niche," and indeed he did occupy a unique and highly important position in American public life. I ask unanimous consent that the article, which gives a very nice biographical account of Donald Quarles, and also an editorial from the Washington Post and Times Herald of the same day, be printed in the RECORD at this point.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

QUARLES HELD UNIQUE NICHE

Deputy Defense Secretary Donald A. Quarles, who was found dead at his home here early yesterday, occupied a unique and highly important position in American public life.

While little known to the man in the street, the 64-year-old Pentagon official was largely responsible for many of the crucial decisions on weapons development and military policy made by the Government during the past 6 years.

His long service as a research engineer and top executive of the Western Electric Co. and Bell Telephone Laboratories (from 1919 to 1953) gave him the scientific and technological background that fitted him for his first Pentagon post.

As Assistant Defense Secretary for Research and Development from 1953 to 1955, Mr. Quarles was chief advisor to then Defense Secretary Charles A. Wilson on "weaponry"—a term he is said to have coined. Wilson leaned heavily on him in deciding many of the complex decisions involving new weapons and finally promoted him to Air Force Secretary.

DECIDED IMPORTANT MATTERS

In the latter spot, he took action on many other important matters that normally are actually decided by uniformed military experts and simply ratified by civilian service chiefs. And as Deputy Secretary of Defense during the past 2 years, he made many key decisions in the name of the Defense Secretary. By law, the No. 2 Pentagon chief is the alter ego of the Secretary.

Similarly, President Eisenhowever, Defense Secretary Neil H. McElroy—who has no technical background—and the National Security Council relied greatly on Mr. Quarles' intimate knowledge of the intricate problems of nuclear energy, missiles, and aircraft in passing on vital defense matters.

Congressional critics of the administration's defense policies, in fact, often directed their fire at Mr. Quarles—rather than either the President or Secretary—for decisions on such questions as the atomic aircraft program and missile production cuts. It was Mr. Quarles who usually had to defend them in detail behind closed committee doors.

A cautious man, the small, slim Pentagon deputy was as precise in his choice of words in casual conversation as in formal public statements. He seemed austere, and neither smoked nor drank, but possessed charm, a ready smile, and a quiet wit.

A tremendous worker, he arrived early and stayed late at his Pentagon office, 6 or 7 days a week. Until McElroy got him to spend 2 weeks in Bermuda earlier this year, he is said to have never taken a vacation from his duties.

BORN IN OZARKS

Born in the Ozark mountain town of Van Buren, Ark., on July 30, 1894, he was graduated from high school there at the age of 15. A brilliant student, he was offered $50 a month teaching mathematics at the high school, conditional on summer study at the University of Missouri. After 2 years of this, he entered Yale University in 1912. Majoring in math and physics he was graduated from Yale in 1916, with a Phi Beta Kappa key.

Shortly after the United States entered World War I, Mr. Quarles enlisted in the Army. He became a captain in field artillery. He went to work for the Western Electric Co. in 1919, and rose to be a vice president, and president of the Sandia Corporation, a Western Electric subsidiary which operates the special weapons laboratory at Albuquerque, N. Mex., for the Atomic Energy Commission and Pentagon.

In recognition of his achievement in the engineering field, Mr. Quarles was awarded the honorary degree of Doctor of Engineering by the University of Arkansas on June 6, 1953, and a similar honorary degree by New York University on May 7, 1955.

Mr. Quarles was a member of Phi Beta Kappa, Sigma Xi, the American Association for the Advancement of Science, the Yale Engineering Association and the Telephone Pioneers of America and is a fellow of the American Physical Society, the Institute of Radio Engineers and the American Institute of Electrical Engineers. He served a number of years as a director of the latter institute and as its president from August 1952 until August 1953.

Mr. Quarles had a few small flings in practical politics. When he had his family settled in Englewood, N.J., he recalled that he grew up in a Democratic community and "I didn't know there were any good Republicans." In Englewood, however, he found that a good Government group were Republicans so he joined them.

He was elected first as a member and then as president of the city council, and served a 2-year term as mayor. After that he was chairman of the County Sewer Authority.

He is survived by his wife, the former Nora Cotton, and two daughters and a son by a former marriage.

Mr. Quarles will be buried with simple military honors at Arlington National Cemetery at 2 p.m. Tuesday.

DONALD A. QUARLES

For earnestness, quiet efficiency and pleasant manner Deputy Secretary of Defense Donald A. Quarles had few peers. His sudden death will come as a great shock to the administration and to the many friends he acquired during his 6 years in Washington.

Mr. Quarles was a combination of engineer, scientist and administrator who had a brilliant career with Western Electric and the Bell Laboratories before becoming Assistant Secretary of Defense for Research and Development in 1953. In that post he presided over a rapid expansion of the missile program in which he maintained his interest when he became Secretary of the Air Force in 1955 and the No. 2 defense official in 1957. A tireless worker, he had a highly developed concept of public service which once led him into local politics as mayor of his home city of Englewood, N. J.

His geniality and soft-spoken approach concealed a strong and sometimes dominant personality. As is the case with many strong men, he acquired both fierce admirers and impassioned critics in the Pentagon. This newspaper, among others, found his concept of defense narrow and overly keyed to a big bomb and missile strategy, sometimes to the exclusion of balance and flexibility. He could be both stubborn and ruthless in championing his views, and he carried out a vigorous defense of the military budget against attempts to increase it. He had a rare courtesy in listening to others, but basically he was a man of single-minded devotion and zeal.

Even those who differed with Mr. Quarles, however, conceded his great ability and charm. If his views sometimes became too dominant, it was because there seldom were men of equal force and knowledge to dispute him. We join in sincere regret over the death of this man whose devotion commanded such respect.

Mr. SALTONSTALL. Mr. President, like the Senator from Connecticut [Mr. BUSH], I was grieved to learn of the sudden passing last week of Mr. Donald A. Quarles, Deputy Secretary of Defense.

As a member of the Armed Services Committee and of the Committee on Appropriations, I have listened to Mr. Quarles testify many times. I have had many personal contacts with him with relation to the work of the Air Force and the Department of Defense.

I have had many pleasant social contacts with him and Mrs. Quarles. I have lost a personal friend. The Department of Defense and the Government have lost a very valued member. I join my colleagues in extending sympathy to Mrs. Quarles and the other members of his family. I shall miss him.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks an article written by Jack Raymond and published in the New York Times of May 9, 1959, dealing with the career of Mr. Quarles.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DONALD A. QUARLES DIES—MCELROY'S DEPUTY WAS 64—HE WAS IN LINE TO HEAD PENTAGON—SECRETARY RECONSIDERS RETIRING

(By Jack Raymond)

WASHINGTON, May 8.—Donald A. Quarles, Deputy Secretary of Defense, died in his sleep today. He was 64 years old.

Mr. Quarles was one of the most influential officials at the Pentagon, particularly in the field of missiles and nuclear energy. He had been mentioned as a successor to Neil H. McElroy, Secretary of Defense, who has planned to resign next fall.

The death of Mr. Quarles caused the Secretary to postpone his trip to the Foreign Ministers' Conference in Geneva until at least next week. The Conference begins Monday.

The Secretary indicated that the Pentagon's top echelons would have to be reorganized because no one appeared qualified to fill all the assignments carried out by Mr. Quarles.

Mr. McElroy said his own plans to retire before the end of this year will also be reconsidered.

There was no immediate indication of the cause of Mr. Quarles' death, officials said. His chauffeur found him in bed at 7:55 a.m., when he attempted to rouse him to appear on a television program.

The Pentagon said an autopsy had been ordered.

Mr. Quarles was alone in the house. His wife, who returned to Washington this afternoon, had been in Chicago. His physician, Col. Marshall Groover, Jr., of the Air Force, said the Deputy Secretary had been in "a good state of health."

Secretary McElroy, speaking to newsmen in Cincinnati before he returned to the Capital, appeared to confirm the belief that Mr. Quarles had been slated to succeed him in President Eisenhower's Cabinet.

M'ELROY HAILS QUALIFICATIONS

"He was extraordinarily well qualified to assume the reins," the Secretary said.

In Washington, Mr. McElroy said the death of his Deputy "will have to be another factor in considering what I do." This was a reference to his plans to retire in the fall.

Among those mentioned today for the Secretary's post in the event that Mr. McElroy leaves were Henry Cabot Lodge, Ambassador to the United Nations; Gordon Gray, the President's adviser for national security affairs; Fred A. Seaton, Secretary of the Interior; Gen. Alfred M. Gruenther, president of the American National Red Cross, and Wilfred J. McNeil, Controller of the Defense Department.

Mr. McNeil, who has been Assistant Secretary of Defense for Fiscal Affairs since the Defense Department was created 11 years ago, was also prominent among prospective candidates to succeed the late Deputy Secretary.

WILL DISCUSS DEPUTY'S POST

Secretary McElroy said that replacing the "really irreplaceable" Mr. Quarles was the immediate problem that he planned to discuss with President Eisenhower.

The Secretary said he doubted that any other individual could be found with Mr. Quarles' qualifications in administration, science, atomic energy, and engineering.

"He worked harder than most anyone I ever saw, days, night, and weekends," the Secretary said.

There are many wonderful people in the Defense Department and he favors the idea of promotion from within whenever possible, Mr. McElroy continued.

PRESIDENT'S TRIBUTE

A statement by President Eisenhower said he was shocked and saddened by Mr. Quarles' death. It went on:

"As Deputy Secretary and prior to that as Secretary of the Air Force, Mr. Quarles devoted his extraordinary talents to the service of his country. His contribution was of inestimable value to the security not only of the United States but of that of the entire free world. I share with his associates in the Government a keen sense of personal loss."

Mr. Quarles met with the President yesterday as a member of the National Security Council.

The Deputy Secretary was to have testified today before the Senate Appropriations Subcommittee for Defense. Senator DENNIS CHAVEZ, Democrat, of New Mexico, and chairman of the group, led committee members in eulogizing Mr. Quarles. He then adjourned the meeting for the day.

Donald Aubrey Quarles was a slightly built man of some 140 pounds, with graying hair. Solemn-faced and conservative in appearance, he was usually solemn and conservative in the views that he expressed.

His outstanding characteristic was his great appetite for work. His doctor said that he had been trying to get Mr. Quarles to take a vacation.

His earnestness was demonstrated at an early age. He was born in Van Buren, Ark., the son of a dentist. He was graduated from high school at 15, took summer courses at the University of Missouri and taught school at Van Buren.

One of his students was the late Bob Burns, the bazooka-playing entertainer. Mr. Quarles for a time was a guitarist in the Burns band.

At the age of 18, Mr. Quarles entered Yale. He majored in mathematics and physics and was elected to Phi Beta Kappa, receiving his bachelor of arts degree in 1917. He enlisted in the Rainbow Division and served in France and Germany during World War I.

After World War I Mr. Quarles joined a department of the Western Electric Co. that later became the Bell Telephone Laboratories. By 1940 he headed the Bell Laboratories' radar programs. During World War II he was a member of the Joint Research and Development Board. In 1948 he was made a vice president of Bell Laboratories.

In March 1952 Mr. Quarles became vice president of the Western Electric Co. and president of the Sandia Corp., a subsidiary that still operates the atomic-research weapons laboratories at White Sands, N.Mex.

He came to Washington September 1, 1953, as the First Assistant Secretary of Defense for Research and Development. In this post he was responsible for billions of dollars' worth of missiles and satellite programs.

He became Secretary of the Air Force in 1955 and Deputy Secretary of Defense in 1957.

CONFEDERATE BACKGROUND

Mr. Quarles was the grandson of a Confederate soldier who died in a Union prison hospital, and he had the orientation of a Southern Democrat. But he became a Republican politician in Englewood, N.J. "I never knew there was such a thing as a good Republican," he said afterward.

He served in the Englewood Common Council from 1940 to 1946, when he was elected mayor. Afterward he was named to the Bergen County Sewer Commission.

Mr. Quarles is survived by his widow, the former Rosina Cotton, and two daughters and a son by a former marriage that ended in divorce—Carolyn Anne Quarles, Mrs. Stanley Lewis, and Donald Aubrey Quarles, Jr.

He will be buried with military honors at Arlington National Cemetery Tuesday at 2 p.m.

Mr. CASE of South Dakota. Mr. President, if ever a man gave his life in living service to his country, Donald Quarles, Deputy Secretary of Defense, did.

I was not an intimate personal friend of his. I knew him only as I saw him in action before the Senate Committee on Armed Services; but he won my respect and admiration for his keen mind, his command of facts, and his ability to speak clearly and precisely, even when badgered and interrupted. When tossed six issues in a long involved question, Quarles would unravel them in order one by one. He not only knew the answers; he also knew the "why" of them. He could say "no" on a personal matter and still retain the respect of the person concerned.

He worked with loyalty, dedication, and self-sacrifice. I have seen him restrain temper and refuse to be thrown off balance by possible innuendoes and inaccuracies.

If Donald Quarles had any personal disappointment over not having been named first Secretary of Defense when Charles Wilson retired, it was never apparent. He carried on. He had the confidence that goes with knowledge. He worked as though he believed his country needed him. And it did. It can ill spare him now.

There is no doubt in my mind that the intensity of his application as he prepared for the hearings before the Appropriations Subcommittee on the Defense Department Appropriations overstrained his heart and brought on his death. His body may have tired, but his spirit did not. He would not quit or let up. His devotion to his country's security drove him to the very end.

The service of Don Quarles, Mr. President, should be an inspiration to all Americans in these days of destiny. He should be ranked with men such as Robert P. Patterson and James V. Forrestal for intelligent, devoted service to the country's Defense Establishment in the difficult days that follow war and that come when people are weary from challenge and sacrifice.

Who follows in their train?

Mr. KUCHEL. Mr. President, will the Senator from South Dakota yield to me?

Mr. CASE of South Dakota. I yield.

Mr. KUCHEL. Mr. President, the tribute to the late Donald Quarles by the distinguished junior Senator from South Dakota has been well and truly said.

In his service to our Government, the late Deputy Secretary of Defense demonstrated a ceaseless and unselfish devotion to the Nation and to the cause of a just peace in the world. I desire to associate myself, Mr. President, with the splendid sentiments which have just been uttered by our colleague.

ELECTION OF SENATOR BRIDGES AS PRESIDENT OF NEW HAMPSHIRE SAVINGS BANK

Mr. COTTON. Mr. President, although my colleague the senior Senator from New Hampshire [Mr. BRIDGES] is nationally known for his achievements in public life as a former President pro tempore of the Senate, the ranking member and former chairman of its Committee on Appropriations, a former floor leader and now chairman of the policy committee of the Republicans in this body, he is known in his home State of New Hampshire not only for these things but as a former Governor of the State and for his long and active participation and leadership in its business, agricultural, and civic life.

Among his other activities he has been a trustee of the New Hampshire Savings Bank, of Concord, N.H., one of the two or three largest and oldest savings institutions in the State for the past 25 years. He has been a vice president of the bank for 21 years and the senior vice president since 1946. During recent months in spite of his manifold activities in the Senate he has served as acting chairman of the board since the death of the president of the bank. On May 4 he was elected president of the institution.

The action of his associates on the board of trustees in insisting upon his accepting the presidency of the bank in spite of the fact that he intends to remain and will remain a U.S. Senator is no small tribute to Senator BRIDGES. Undoubtedly, many of the bank duties will be delegated to some other official because Senator BRIDGES is not one to permit any activity to interfere with his service in the Senate. However, his knowledge, experience, and ability will be the guiding force in the administration of this solid, old New Hampshire bank.

Mr. President, I am sure that the Members of the Senate will be interested and take satisfaction in this new honor that has come to their colleague, and I ask unanimous consent that an editorial on this subject, entitled "Retire? Not yet," which appeared in the Concord Daily Monitor on May 6, 1959, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RETIRE? NOT YET

By some 5 years, Senator BRIDGES is not as old as Jack Benny whose last 39th birthday actually was his 65th, but he could echo Benny's statement that he intends to keep on working "if someone still wants me."

There is no indication the demand for the Senator's services is diminishing. This week he was elected president of the New Hampshire Savings Bank, a fitting reward for long years of banking activity.

He already has announced he intends to run for reelection in 1960 and there is nothing to indicate he will not be successful in his quest for a fifth term.

Every so often there is a spate of rumors that BRIDGES is going to retire from the Washington scene, that his health is not good, that he would be happy to sit back in a chair and watch the world go by.

All of these turn out to be the result of someone's overactive imagination, or someone's wishful thinking. BRIDGES is one of the most active men on the floor of the Senate. Moreover, he continually is being pressed into service as a mediator to win compromises on pending legislation, for he has powerful friends among Democrats as well as Republicans.

Far from being ready to quit, BRIDGES is taking on another arduous chore. He is backing Vice President NIXON, who has his eyes on the White House, and in this backing he is contributing to NIXON'S campaign the skill of a seasoned political veteran.

The Senator is not missing any chances to get an early start for the Vice President. On schedule is a visit by NIXON to New Hampshire in September, an obvious move to stake a claim for NIXON in the State's presidential primary next year.

New Hampshire's primary is the first in the Nation and if the Vice President can make a good showing on Republican ballots it would be helpful when convention delegates meet.

Friends of Nelson Rockefeller, New York's politically minded Governor, already are talking organization plans and this State may provide the first major test of these two contenders for the GOP presidential nomination.

In the meantime, Senator BRIDGES certainly is not contemplating quitting. At least not as long as "someone still wants me." And that appears to be for a long time.

TIME FOR A CONGRESSIONAL REVIEW OF SECTION 315 OF COMMUNICATIONS ACT

Mr. KEATING. Mr. President, last Saturday's Washington Post and Times Herald contained an excellent editorial dealing with the FCC ruling in the Lar Daly case. I share the Post's opinion that the Attorney General has acted persuasively and effectively in carrying his case to the FCC, and I also agree that it is time for Congress to undertake a broad study of this provision of the Communications Act.

The potential of broadcast journalism in building an informed public opinion—and particularly an informed electorate—is tremendous, and we must make sure the participation of radio and television in this great work is not curbed by shortsighted rules and regulations.

At the same time, any action by Congress or by the FCC must not in any way cripple the efforts of meaningful and important third parties to make their views known. For example, while I am sympathetic with the objectives of the legislation which has been introduced to revise section 315, I am somewhat disturbed by the implications of these bills with regard to the activities of important third parties such as the Liberal Party in my State of New York.

I feel that a very careful, overall study of this section of the law should be undertaken by Congress and that special attention must be given to protecting the rights of significant third parties, while at the same time preventing the flooding of the mass media by small fringe groups which happen to have a presidential candidate in the field.

Mr. President, I ask unanimous consent to have the editorial from the Washington Post printed in the RECORD, following my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHERE EQUALITY IS ABSURD

Attorney General Rogers' memorandum urging the Federal Communications Commission to reverse its equal time ruling in the Lar Daly case is as persuasive as it is welcome. Nevertheless, in our opinion Mr. Rogers ought to have taken his case to Congress, too.

The language of section 315 of the Communications Act is so broad and is open to such sweeping interpretations that Congress should at the very least specifically exempt news broadcasts from the law. Indeed, there have been so many changes in the broadcasting industry in the 32 years since the equal time provision was first enacted that a careful congressional review of section 315 and its consequences in a free society surely is in order.

The immediate problem, however, is the decision in the Lar Daly case. In February the FCC ruled, 4–3, that Chicago television stations would have to give Mr. Daly, a perennial office seeker with only a handful of followers, equal time on its news broadcasts with other candidates. At the time Mr. Daly was seeking to succeed Mayor Richard J. Daley, who was reelected. Lar Daly requested equal time after the television stations showed films of the mayor welcoming President Frondizi of Argentina to Chicago, opening a March of Dimes drive and filing his nomination papers together with his Republican opponent.

These were news events covered on regular news programs. They were not special political broadcasts. If the FCC ruling is allowed to stand it will be impossible, as Mr. Rogers noted, for radio and television stations to cover political campaigns.

There were 24 presidential and vice-presidential candidates representing 12 parties in the 1956 elections. Under the Lar Daly decision time equal to that given news reports of the campaigns of President Eisenhower or Adlai Stevenson would have had to be accorded the views of the candidates of the Greenback or the Vegetarian Party. No station could do this without turning most of its news broadcasting time over to candidates who have few if any supporters. The alternative would be for the stations to refrain from covering a campaign. Such a situation would be absurd as is the Lar Daly ruling itself.

An important issue raised by the Lar Daly case is, as Mr. Rogers pointed out in his memorandum, "our time-honored goal of an informed electorate," but the question is even more basic than that. Radio and television stations ought to have the same freedoms enjoyed by newspapers in the reporting of news, which includes the necessary right to determine what is news. That is why Congress ought to reconsider the whole concept of the equal time provision of the Communications Act.

The Lar Daly decision has turned the members of the FCC into ex post facto editors of news broadcasts, a task for which they are hardly fitted. The ruling seems to us to do violence to the first amendment guarantee of freedom of the press as it applies to radio and television.

RUMANIAN INDEPENDENCE DAY

Mr. KEATING. Mr. President, May 10 marked the anniversary of Rumanian Independence Day. Since observance of this traditional national holiday is banned today behind the Iron Curtain, it is especially appropriate that we in the free world mark this important occasion.

Rumania is one of the larger countries in the Balkan Peninsula, and some 17 million Rumanians constitute one of the largest of all ethnic groups in that region. They have lived in their historic homeland since time immemorial, and they have always had to defend their homes against invaders and conquerors.

They also had to struggle hard for their freedom and independence. Since the beginning of modern times they had faced some formidable and fearless adversaries. Centuries ago the country was overrun and conquered by the Ottoman Turks, and Rumanians were subjected to the conqueror's harsh rule. They endured the oppressive rule for hundreds of years, but they never lost sight of their goal—national freedom and independence. In the course of the last century they staged several revolts, with that end in view, but each time they fell short of their goal; and they were ruthlessly punished for their attempts. But in the middle of the century the Crimean War provided an opportunity.

In 1856, at the conclusion of that war, European powers agreed to restrain the rule of the Ottoman Sultan over Rumania, and thus set up two autonomous principalities there. Later these two principalities were united under the rule of a prince, and in 1880 the kingdom of Rumania was established. On May 10 of the following year, 78 years ago, the ruling prince was crowned as King Carol of Rumania.

Since those happy days Rumanians have had their ups and downs, and their country grew prosperous at times, and at times it became almost penurious and poverty stricken. In the course of two World Wars it was invaded by enemies and ravaged and ruined.

Again, the brave people of Rumania had to endure indescribable hardships and suffering. Even before the end of World War II, they were overrun by the men in the Kremlin, who brought with them their own style of oppression and tyranny.

Today, noble Rumania writhes in the chains of a Soviet satellite. Here people are ground under the heel of their Red overlords and the freedom and independence so dear to the hearts of Rumanians is completely denied them. But they have not given up hope. The flame of liberty continues to burn bright in the hearts and minds of these people, who over the centuries have suffered so much.

Today, as we observe the 78th anniversary of the founding of their independent kingdom, let us hold out the hand of friendship to these courageous people. Let us assure them we have not forgotten their plight and that we are working and praying for their liberation.

Let us all rededicate ourselves to that happy day when noble Rumania will once more take its place in the family of free nations. May that rebirth of Rumanian freedom be not long delayed.

CARPETING IN OFFICES OF SENATORS IN THE NEW SENATE OFFICE BUILDING

Mr. DOUGLAS. Mr. President, on April 29, 1959, the Senate, by a vote of 55 to 34, rejected my amendment to cut the appropriation for carpets for 207 offices in the New Senate Office Building. We are therefore spending $150,000 to carpet these offices. The main argument of those who advocated this expenditure was that the new tile floors were slippery and that individual employees had slipped and fallen physically as a result of the slipperiness of the floors.

Yesterday, Mr. David Wise, of the New York Herald Tribune News Service, reported that when the new carpeting is put down the doors in the offices will not open or close, for they were fitted originally to swing open only above a layer of tile. The additional carpeting will prevent doors from swinging free or from opening at all. As a result of this, the doors will have to be taken down and a half inch sawed off the bottom of them. As the doors are two and one-quarter inches thick, and as most of them are made from "fine, highly polished walnut" and a few of metal, this will mean a large additional expenditure of money.

It is one more act in the tragic comedy of the New Senate Office Building.

I believe this illustrates still further the need for the passage of the bill which I introduced last week, which provides that the Architect of the Capitol should be appointed jointly by the Speaker of the House and the President pro tempore of the Senate, and that he be a qualified architect.

There is a simple answer to this entire problem of the carpeting. I have received letters from a firm which makes a nonslip floor polish which gives a nonslip surface.

I have never believed that the danger of slipping on these floors was so great as had been represented by the Architect of the Capitol. However, if there is any danger, I believe this product will completely remove it. If the claims of this firm are justified, then the use of this or a similar product would end the need for carpeting.

The use of this or a similar material would save, first, the capital outlay of $150,000 for carpeting and, second, both the expense and inconvenience of cutting one-half inch from the bottom of the walnut and metal doors of the 207 rooms for which carpeting has been approved. It would also save the taxpayers money at a time when we are being urged to cut fat and waste from Government expenditures and services.

Mr. President, I believe that this product should be tried. Before putting down the carpets and cutting off the doors, let us have a 1-month's trial period for nonslip floor polish. I shall be delighted to put the Architect of the Capitol in touch with the firm which has developed such a product, and also in touch with at least one of the country's largest corporations which have

successfully used this product to solve their own physical slipping problems.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am very glad to yield to the Senator from Wisconsin.

Mr. PROXMIRE. Once again I support the distinguished Senator from Illinois in his crusade for saving money, and in beginning to save money here at home in the Congress itself. As one who has offices in the New Senate Office Building, I would be delighted to have this product tried on the rubber-tiled floors.

I might say that we are completely satisfied now that there is no slippage; but to show that these floors can be made even safer without the use of carpets, I will be delighted to have that product tried in my offices.

Mr. DOUGLAS. Am I correct in understanding that the Senator from Wisconsin is one of those Senators who has refused to have carpets laid in his offices?

Mr. PROXMIRE. That is correct.

Mr. DOUGLAS. And thus has saved the Government $3,000?

Mr. PROXMIRE. That is correct. I am told that these carpets will cost $750 a room. There are four rooms. That means a saving of $3,000.

Mr. DOUGLAS. Has the Senator learned of anyone who has slipped on the floors because they are not carpeted?

Mr. PROXMIRE. No. The staff of my office was polled. The distinguished junior Senator from Oregon [Mr. NEUBERGER] raised the point that this proposal might be discrimination against staff members. In polling the staff——

Mr. DOUGLAS. I hope the Senator took a secret ballot.

Mr. PROXMIRE. The ballot was private and secret. It was done with my consent, but it was done with the knowledge that whatever position a member of the staff took would not be held against him and would not even be known by me. The poll was overwhelmingly in favor of not having carpets. The experience of our staff is that the rubber tile floors provide completely safe footing and provide all the acoustical protection which is needed to operate quietly and efficiently.

Mr. DOUGLAS. I had intended to make an offer to the Architect of the Capitol that I would buy a number of cans of this product to be applied to certain floors, so that the product could be tried before the carpets go down. Do I understand correctly that the Senator from Wisconsin has offered the floors of his offices for a trial of the product?

Mr. PROXMIRE. I offer the floors of my offices for a trial, and also I will be happy to pay the cost of the product.

Mr. DOUGLAS. I think we should share the cost. I am willing to meet half the cost.

Mr. PROXMIRE. Fine.

Mr. DOUGLAS. When the preparation is applied to the floors, I think the Architect of the Capitol should be invited to come and see how we can save $750 an office, $4,000 a suite, and $150,000 for the building. I therefore make this as a formal offer to the Architect.

I suggest also that the Architect select the busiest and the slipperiest room in the New Senate Office Building for the trial. Let him pick the most horrible example he can find, and I will buy for him the nonslip preparation for the floors. I think this will insure the physical safety of the young women who work in the offices.

Mr. PROXMIRE. Regardless of the attitude or the action of the Architect of the Capitol, we can start at once, or as soon as the Senator from Illinois can secure some of the preparation.

Mr. DOUGLAS. I will get in touch with the producer immediately.

Mr. CLARK. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. CLARK. I wondered whether the rooms of the Committee on Appropriations might not be used for the test.

Mr. DOUGLAS. They are probably the most used rooms. I hesitate to say, however, that they are the slipperiest.

Mr. President, I ask unanimous consent that the article, entitled "Six Hundred Doors Must Be Trimmed To Clear New Senate Offices' Carpet on Tile," written by David Wise, and published in the Washington Post and Times Herald, be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A LITTLE DETAIL OVERLOOKED: 600 DOORS MUST BE TRIMMED TO CLEAR NEW SENATE OFFICES' CARPET-ON-TILE

(By David Wise)

Remember how the Senators voted $150,000 to put carpet over the nice, $100,000 rubber tile floor in their new office building? Well, it seems a small detail was overlooked.

With carpet down, the doors in the offices won't open or close. They were never meant to swing above a layer of tile and a layer of carpet.

Capitol Architect J. George Stewart will have to take down 600 doors in the 42 senatorial suits and chop a half-inch off the bottom of each, to provide clearance. This must be done before the carpet can be laid.

The carpeting is going in because employees complained the tile flooring was so slippery they were in danger of taking a spill. The most vocal critics have been high-heeled women.

The task, which will take hundreds of man-hours, is the latest in a series of troubles in the $25 million building on Capitol Hill, like squawking microphones and asthmatic clocks.

The only Senator who won't lose his doors for amendment is Senator WILLIAM PROXMIRE, Democrat, of Wisconsin, who has blasted the carpet-over-tile as a frill and won't allow any carpet in his office.

Sawing off a half-inch from each door will be no easy job. The massive doors are 2¼ inches thick and made of fine, highly polished walnut. After the cut back the raw wood must be refinished with several coats of varnish.

Several doors are metal, and will have to be ground down with special machinery by outside specialists.

No estimate could be obtained of the cost of Operation Door Chop, but Stewart has a $750,000 contingency fund on hand for such emergencies.

The Senate voted the carpet funds April 29, after defeating 55 to 34, an amendment by Senator PAUL H. DOUGLAS, Democrat of Illinois, to eliminate the carpeting.

Mr. GRUENING. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. GRUENING. Would it not be advisable to poll the Senators having offices in the new building to see how many, like the junior Senator from Alaska, are willing to forgo the installation of new carpets? I should prefer that the money which would be saved by not buying carpets be used to speed up the operation of the elevators.

Mr. DOUGLAS. I think there is no requirement that Senators be forcibly supplied with carpets, if they do not wish to have them. Although I do not wish to put pressure on any Senator, am I to understand that the junior Senator from Alaska is willing to forswear carpets?

Mr. GRUENING. That is entirely satisfactory to me.

Mr. DOUGLAS. That is another net saving of $3,000 this afternoon. If the Senator wishes, I will be glad to have him supplied with some of the nonslip floor polish.

Mr. GRUENING. We will be happy to keep it in reserve, in case someone should slip on the floor, but I think that is unlikely to happen.

Mr. DOUGLAS. The Senator from Illinois will be in his office at the conclusion of the session of the Senate today. If any other Senators wish to give up their carpets and save $3,000 for the taxpayers, I will be glad to see that they are furnished with the floor polish which its producer claims will prevent slipping.

HEALTH FOR PEACE AND INTERNATIONAL POOLING OF MEDICAL RESEARCH

Mr. NEUBERGER. Mr. President, on May 8, 1959, in Washington, D.C., a panel on international aspects of medicine was held in connection with the Second National Conference on World Health. I was privileged to participate with such eminent leaders as the Senator from Alabama [Mr. HILL]; Dr. Walter Judd, of Minnesota; Dr. Thomas Parran, ex-Surgeon General of the United States; Leo Cherne, of the Research Institute of America; P. C. Spencer, chairman of the board of Sinclair Oil Corporation; and others.

The chairman of the panel was the distinguished medical editor of the New York Times, Dr. Howard A. Rusk, one of the world's greatest authorities on physical rehabilitation.

This world health discussion was most timely because the Senate soon will be debating Senator LISTER HILL'S legislation for a new International Health Institute, to be added to the National Institutes of Health. I am proud to be a cosponsor with Senator HILL of this wise and urgently needed proposal.

In the New York Times for May 10, Dr. Rusk has described the views expressed on our panel under the appropriate title of "Health for Peace." I ask unanimous consent that his article be printed in the body of the RECORD.

I commend it to all among my colleagues who are interested in pooling medical discoveries among all the races and peoples of mankind, regardless of race or creed or color.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HEALTH FOR PEACE: CONFERENCE SEEKS WAYS OF ACHIEVING MEDICAL GAINS ON INTERNATIONAL SCALE

(By Howard A. Rusk, M.D.)

Writing in the New York Times magazine 7 years ago, Arnold Toynbee said, "The 20th century will be chiefly remembered as an age in which human society dared to think of the welfare of the whole human race as a practicable objective."

This past week in Washington a group of 1,000 American health leaders, businessmen, and citizens met to discuss how international health can be used as a means of making Dr. Toynbee's prediction a reality.

The meeting was the Second National Conference on World Health sponsored by the National Citizens' Committee for the World Health Organization. Dr. Milton S. Eisenhower, president of Johns Hopkins University, was the conference chairman.

The highlight of the 3-day meeting came Friday morning with a panel discussion on "World Health for World Peace."

Much of this discussion centered on the pending International Health and Medical Research Act of 1959. During the panel discussion Senator LISTER HILL, Democrat of Alabama, who introduced the bill in the Senate, announced that it now had 63 cosponsors.

He predicted that the bill which has been approved by the Senate Committee on Labor and Public Welfare, would come to a vote before the Senate this week.

WOULD AID RESEARCH

This legislation, known popularly as the health for peace bill, could create a National Institute of International Medical Research within the National Institutes of Health. Funds would be used to encourage and support research and the exchange of information on research, the training of research personnel and the improvement of research facilities throughout the world.

When asked if he thought the full $50 million a year authorized under the legislation for these purposes would be appropriated in the first year, Senator HILL replied in the affirmative.

Senator RICHARD L. NEUBERGER, Democrat of Oregon, and Representative WALTER H. JUDD, Republican of Minnesota, also predicted that the bill would pass and that the full amount would be available.

Senator NEUBERGER stressed that although the legislation had significant humanitarian and diplomatic aspects, Americans should not lose sight of its self-interest aspects. From this program, he said, may come many medical discoveries that will prevent death and extend the lives of millions of Americans.

SEPARATION STRESSED

Two representatives of large American pharmaceutical companies, Mr. John T. Connor, president of Merck & Co., Inc., and John J. Powers Jr., president of Pfizer International, Inc., reported that their own companies and the pharmaceutical industry favored the proposals. Both, however, expressed hope that the traditional pattern of division of responsibility between governmentally supported research and research and development conducted by private industry would continue to be observed.

To this, Dr. Thomas Parran, former Surgeon General of the U.S. Public Health Service, replied that there had been no major conflict on this point within the program of the National Institutes of Health since their inception. Senator HILL confirmed this statement and said he saw no reason why this traditional division of responsibility would not continue in the expanded international research program.

Although the panelists agreed unanimously on the need for increased Federal support of all fields of international health, they stressed this should not be at the expense of private, voluntary effort.

Representative JUDD, physician who served 10 years as a medical missionary in China, illustrated the importance of personal, voluntary effort with a story of his own experience. While he was operating a small medical clinic in Outer Mongolia in the early thirties, a young mother came to him with an infant near death.

USED EARTH POULTICE

Dr. JUDD could not save the infant's life, for the child had tetanus as a result of the mother's following the traditional practice of using a poultice of earth on the umbilical cord. He consoled the mother by commenting that she was young and could bear other children. She replied that this was her seventh child and all had died from the same cause.

Dr. JUDD then showed her a small piece of sterilized gauze and told her that when the next child was about to be born to come back to the clinic and he would give her such a piece of gauze to cover the umbilical cord. During 4 years at this clinic, he reported dispensing more than 25,000 such inch-square pieces of gauze. Tetanus was prevented and countless lives were saved.

Leo Cherne, executive director of the Research Institute of America, suggested that the use of humanitarian intervention involving health services could in most instances be more effective than military intervention in conflicts with the Soviet Union.

Mr. Cherne, as chairman of the International Rescue Committee, was among the first Americans in Budapest after the Hungarian uprising in 1956. He conjectured that if U.N. Secretary General Dag Hammarskjold had flown to Budapest and had had the United States and other free nations send medical supplies, medical personnel, and food immediately after the Soviet troops had withdrawn, the troops would not have returned 7 days later.

P. C. Spencer, chairman of the board of the Sinclair Oil Corp., emphasized that private support of international health work should not be limited to foundations, voluntary organizations and individuals. He said that it was also a responsibility of corporate industry, and particularly of the oil industry.

"To do an effective job as ambassadors of good will for America and to establish and maintain a favorable political and economic climate for oil development and production in foreign lands, our oil industry must do something more than just carry on a commercial business.

"It is not enough to build hospitals and to supply medical aid for our own employees, which we do most generously. We must continuously search for and adopt appropriate ways and means of aiding our foreign hosts to develop an overall better way of life, to improve their general standards of living and to raise their general level of health and well-being."

Through its Venezuelan affiliate, the Sinclair Oil Corp. is sponsoring a program for Venezuelans to receive training in rehabilitation in the United States. Mr. Spencer contrasted the warmth with which the announcement of this project was received in Caracas in February of 1958, despite the political turmoil, with the regrettable and tragic reception given Vice President RICHARD M. NIXON a few weeks later.

Printed across the conference program was a quotation from Dr. Frank G. Boudreau, president of the Milbank Memorial Fund, that summarized succinctly a philosophy on international health. It read: "In world health, there is no room for destructive competition. The supply of health is unlimited; if your neighbor gains in health, you lose nothing." Dr. Boudreau might have added: "In fact, in today's shrinking and interdependent world, when he gains, you gain."

FEDERAL FISCAL RESPONSIBILITY

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the RECORD an address made by Percival F. Brundage concerning expenditure control. While I do not necessarily endorse all of the conclusions Mr. Brundage reaches, I have great respect for his reasoning and understanding of this difficult problem. As a former Director of the Bureau of the Budget, Mr. Brundage is well qualified to discuss Federal expenditures. I think his remarks merit the very serious consideration of all of us.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

FEDERAL FISCAL RESPONSIBILITY

(Address by Percival F. Brundage before the annual meeting of the New Jersey Taxpayers Association at Newark, N.J., on November 24, 1958)

It gives me great pleasure to meet with such a representative taxpayer group in my own State. I told your chairman that I though you should be interested in my subject because, in my opinion, any satisfactory tax reform is dependent upon the recognition of its need and the insistent demand by the majority of our taxpayers and voters. They must realize the necessity for real Federal fiscal responsibility before the Congress will take the mandate seriously enough to do something about it.

It is a relief, I must admit, to be able to speak to you tonight with personal detachment about Government affairs and the heavy burdens that your public servants carry. For some years I felt to a small degree like Mr. Lincoln, who when asked how did it feel to be President, replied, "You remember the man who had been tarred and feathered and was being ridden out of town on a rail? A man in the crowd asked him how he liked it. His answer was 'if it wasn't for the honor of the thing I'd rather walk.'"

It was a terrific strain to be one of the focal points of continuous attack on administration fiscal policy, when actually the Bureau of the Budget and the President only propose and Congress disposes.

Government is growing as our population is growing. Our whole economy is growing and getting more and more complicated. Our gross national product in uniform dollars has more than doubled since the beginning of World War II. In my opinion, we must accept the fact that we shall continue to have a large Government but resolve to keep it within bounds and do all we can to improve and simplify it.

You know the definition of an adult—"One who has stopped growing at each end but continues to grow in the middle." I believe we can limit our Government to that kind of growth.

I have been studying our governmental procedures very closely for 4 years and I am going to summarize for you some of my conclusions.

In the first place, our budget procedures are much too complicated. They take altogether too much time of the top officials of

the Government and the responsibility is too divided in spite of all our efforts for coordination and simplification.

To review briefly, we have to start the preparation of the budget at least 15 months before the beginning of the fiscal year to which it relates. Each department or agency spends weeks and months of analysis and review before it reaches the Bureau of the Budget where it gets a thorough going over. There are frequent reviews and decisions by the President, Cabinet and Security Council before submission to the Congress.

Then come months of hearings before the House and Senate committees. This is the most grueling kind of work—the heads of all the important departments and agencies are required to appear in person, to be away from their executive responsibilities and to answer questions for as many as four different committees.

The net result of congressional action is that there are many cuts made in needed requests for appropriations and many unnecessary increases are added.

This is vastly different from the system in all other countries where the party in power takes responsibility for the budget that is submitted, and it is either accepted and passed or rejected by the Parliament. I firmly believe that our present system is unwieldly, costly and unsatisfactory.

As an illustration of what happens, I would like to summarize what took place last spring in the consideration by Congress of the 1959 budget, which was submitted by the President in his budget message last January.

Let us first consider economy measures proposed to the Congress in the 1959 budget of which there were 16:

The President asked for postal rate increases which would bring in an estimated $725 million; Congress voted increases estimated to total $546 million but also gave pay increases to postal employees exceeding our recommendations by $219 million (including $117 million retroactive). This cut our net savings in half and we will still have a postal deficit in fiscal 1959 of over $700 million.

The budget proposed user charges for aviation which would have eventually brought us $211 million a year more in revenue, to help pay for advanced airway navigation aids, which are costing well over a billion dollars. The Congress took no action at all.

The President proposed increasing the interest rates on FNMA special assistance mortgages and the Congress gave us about half of what we proposed.

Higher interest rates on college housing loans were proposed and Congress gave us nothing.

The budget proposed to adjust certain veterans benefits which I believe would have eventually resulted in annual savings of at least $500 million; Congress did not even consider it.

We proposed reductions in REA loan programs, which largely cover not farmers but industry which is now spreading out into the rural communities. This would have saved $200 million a year eventually but Congress gave us nothing.

The budget proposed increased local participation in public assistance which could have saved $250 million a year. The Federal proportion was ill advisedly increased last year. Congress on the other hand increased the Federal portion again which cost an additional $197 million.

The President proposed limiting school aid in federally affected areas by increasing local participation, and this would have saved $190 million, but it was not enacted.

We asked for greater flexibility in price support for agriculture. Congress gave us some flexibility but at much larger cost. We asked to have the acreage reserve end with the 1958 crop year which would have saved $525 million. Congress ended it but liberalized it last year with a net saving of only $275 million. To sum up, the proposed savings came to three and a half billion dollars, and Congress gave us only half a billion.

But this is not all. Congress raised appropriations beyond our requested amounts: Department of Defense, military, $1.3 billion; General Services Administration for public buildings, $200 million; National Institutes of Health, $96 million, for the third successive year; public works appropriations, $61 million (in addition, the future year costs of the new starts Congress approved will be $694 million). In total, the increases came to $2.2 billion.

Other budget increases were made outside of appropriation acts. For example: Emergency Housing Act—$1.8 billion; changes in the Federal Aid to Highway Act which will lead to an increased highway fund deficit of $850 million; pay raises over the budget, a total of $845 million.

Congress increased 1959 budget recommendations by a total of $7.7 billion. This is not 1 year's spending but its force will be felt in 1959 and later years. Against these increases, reductions came to something over $2 billion. The net result was that Congress increased our budget proposals by over $5 billion.

I cannot believe that this kind of operation is satisfactory to the taxpayers or adequate to our needs today. I don't know anyone better fitted than C.P.A.'s to improve it.

I have frequently thought of the story of the Texan who was visiting Washington for the first time. He was shown around the White House, the Treasury and the Capitol but was not overly impressed. That evening he remarked to some friends, "Thank heaven we're not getting all of the government we pay for."

This brings me to a second serious failing in our fiscal system. We spend millions of dollars in preparing our budgets and only a small fraction of that amount in evaluating the results afterward. There seems to be so little time and staff available to the Bureau of the Budget, the agencies or Congress for subsequent analysis, investigation and explanation of variances between budgets and actual performance which private business follows up so closely. Here lies the greatest opportunity for self-criticism and improvement for the future. The Bureau of the Budget of course apportions funds, the Treasury summarizes expenditures and the General Accounting Office makes a postaudit to see that they were not made for unauthorized purposes. But no one determines how much was spent for unnecessary or undesirable purposes and why.

ADMINISTRATION LEADERSHIP

Let me turn now to a third place to which public attention should be directed. I believe the American people and the press have got to change their attitudes toward Government service and recognize the achievements and good points of our public leaders as well as their failings. Press and radio talk much of freedom of speech, very little of the responsibility that should go with it. Any political leader who displeases a pressure group may expect to be ridiculed and even insulted. His every motive is impugned, people are encouraged by propaganda to believe that he is weak, incompetent or corrupt.

A man was taken to the nearest hospital after an automobile accident. The doctor put his leg in a cast and told him that he would have to remain overnight but could leave the next day. In the morning the doctor returned and said he'd have to stay for a few more days. "I didn't know how badly banged up you were until I read about the accident in the paper."

Sometimes when I get through reading about how bad conditions are, or listening to a commentator, I wonder if they are talking about my country.

When I went to Washington 4 years ago, I dreaded the bureaucratic atmosphere for two reasons. I thought that the personnel would be below business standards, and that it would be impossible to make progress. In my first assumption, I was completely wrong. Generally speaking, the personnel is fully up to private industry and in the case of the Bureau of the Budget is above it. As for the second, I was partially right. Progress is difficult and very slow. Each one of us is partly responsible, for we tend to interest ourselves only in what directly affects our personal interest, rather than the interest of the Nation as a whole. This helps to build up pressure groups and political antagonisms.

It has been said that too many people seem to think it isn't enough for the Government to guarantee them to pursuit of happiness. They expect the Government to run interference as well.

We must have greater confidence in our leadership once we have chosen that leadership. I have one practical suggestion to offer and that is to take a lesson from the Australian practice. There, when a government official is criticized in the newspapers or over the radio or television, he is given the same space or the same time to reply. I believe that might go a long way to help correct this abuse of freedom which I think we all recognize.

Let me tell you that the group of men who are running our Washington administration are as capable and devoted a group of men as could be found in this country, and amazing progress has been made in improving efficiency and putting modern business practices in the Government.

BETTER ORGANIZATION

One of our real accomplishments this year was passage by Congress of H.R. 8002 which requires that agency budgets and appropriations be made in terms of annual accrued expenditures. The American Institute was very helpful in enabling us to get this bill through the Congress. The approval of the reorganization plan of the Defense Department is the second big accomplishment this year. Each of these will take some time for thorough implementation but they are really significant developments.

Other important accomplishments are the merger of the Office of Defense Mobilization and the Federal Civil Defense Administration. Also, the more effective coordination in the operations of our civil aviation agencies with those of the Defense Department through a new Federal Aviation Agency. This was largely worked out by General Quesada, and will enable us to avoid a very costly duplication of facilities.

But in spite of all these accomplishments, there is still a tremendous lot to be done. The President's responsibilities and duties are much too great for any one individual. A number of suggestions have been made and detailed plans have been proposed which are still under consideration. I personally think that the recommendations of the second Hoover Commission task force report for further strengthening the Bureau of the Budget would be very helpful. The Budget Bureau already acts very much like a controller or financial vice president of a modern business corporation. Then there is Mr. Hoover's recommendation for a second Vice President; perhaps we should have two more Vice Presidents, appointed by the President in addition to the elected Vice President. The Government certainly needs more good managers and effective coordinators at top levels.

FISCAL POSITION

Our many fiscal problems have been discussed pretty thoroughly in the press and

periodicals. However, much more education seems to be required. Take the Defense Department—there is no limit to the amount of money that we could spend on our Defense Establishment. Each of our thousands of installations of the different services throughout the world have many needs and desires. I can assure you that the budget as presented to the Congress with the President's budget message has reduced the service desires by several billion dollars and is well balanced as to the Nation's defense needs and capabilities. It is as reasonably adequate defense as it would be possible to prepare for in advance. There is no one who has had more experience in this type of fiscal problem or in actually operating vast forces afield than our President.

When it gets to Congress, however, the Defense budget has another thorough going-over by the various committees. As finally enacted, the budget in my opinion is not as good, not as well balanced, and not as carefully worked out as the original budget presentation. I have the greatest admiration for our military leaders, but the Director of the Budget is not the most popular member of the administration in military circles. They say that the officer of the deck on a destroyer on patrol off Formosa asked the starboard lookout what he would do if a man fell overboard. The lookout was silent for a moment and then asked, "Which one, sir?"

Turning back to Agriculture, Secretary Benson has fought gallantly year after year for more flexible price supports and lower fixed minimum payments. The administration has been able to defeat some adverse proposals and a lot of undesirable amendments. At the same time, agriculture has been going through a technological revolution with rising productivity. The net result has been that the cost has been going up to fantastically high figures. It is not only the cost to the U.S. Government but the cost to every citizen, by increasing the cost of every item he has to buy. Each one of you should interest himself in this problem. Most of the payments, I believe, are going to the large-scale operators.

Take a look at our programs for natural resources. Here we have competition, between the Corps of Engineers which has many supporters, the Bureau of Reclamation, the Interior Department, the Forest Service and other programs of the Department of Agriculture. In my opinion, these programs should be united under one department.

Take the veterans programs as another example. Here the administration has waged a continuous fight to prevent many expensive, unnecessary and undesirable programs, bonuses, subsidies, and benefits which are proposed each year by some Member of Congress.

Consider the housing programs. After the war there was a great shortage of housing units and both parties helped in putting through a very progressive legislation which benefited the returning veterans and helped make up our terrific housing shortage. That emergency has passed, yet Congress is continually revising the housing programs and starting new programs that compete with private enterprise and do not begin to have the urgency of the earlier programs.

Our highway programs are far reaching in significance. The administration was able to put through legislation to place the magnificent new countrywide program of throughways on a self-supporting basis. As the result of recent congressional action, however, expenditures next year will be more than the trust fund receipts and accumulated balances. We can expect that unless something is done about it, the needed funds will be voted out of the general receipts. I, for one, strongly believe that if necessary, tolls and gas taxes should be increased so as not to have to dip into our general receipts for this vast program.

I could go on all day to illustrate our constant fight to reduce the concentration of power both fiscal and administrative in Washington. The President is a vigorous leader in this effort.

THE CONGRESS

I mentioned incidentally, several places where I thought that Congress and its procedures could be improved. I think it is time to have a thoroughgoing study made by the legislators and outside experts as to how we could improve the operations of both Houses.

To start with, I believe that the term of representatives should be extended from 2 to 4 years. Too much time is spent in campaigning and the political effects of each decision take too prominent a part in their approach to every problem. Even better would be to have the terms of the President and Vice President and Congressmen all extended to 6 years, and have the elections coincide. Then we would really have a Donnybrook every 6 years, but during the other 5 years, I think we might get more attention to business and less influence exerted by the pressure groups and politicians.

During the past few years I have sounded out a number of Congressmen and I believe that the time is about right to put through some very fundamental changes which would greatly improve our fiscal control. In my opinion, we should have a single appropriation bill to cover all of the operations of the Government, plus the power of an item veto by the President. One way would be to have the individual appropriation bills considered and passed as at present, but then held in abeyance and not sent to the President until the last bill has been passed. They could then be grouped together and reconsidered as a whole. The revenue measure should be considered at the same time as the appropriation bill, so that every Member of Congress would be made aware of the total amounts he was appropriating and their relation to the expected annual revenues. At the present time I am certain that many Congressmen do not realize the effect of their votes in relation to the total budget picure.

In addition to the single appropriation bill, it is very important that the President be granted an item veto so that he could disapprove a single item in the budget which had been added without his approval and for which he did not wish to take responsibility. This would restore to the President the responsibility which is rightfully his to conduct the operations of the Government in the most effective, efficient manner. I believe that Congress could grant this authority without a constitutional amendment, but in any case, I would like to see it tried. If the Members of Congress feel sufficiently strongly about the necessity for an item that has been vetoed by the President, they could of course, pass it over his veto with a two-thirds majority of each House. It would not be necessary, however, for the President, who disapproved of a single item, to return the whole bill, thereby nullifying other good features which the bill may contain.

Another proposal I have in mind is to have more joint hearings held at which the members of the different committees of both the House and the Senate could be present so that the top administrators of the Government would have to appear only once and therefore be able to give more of their valuable time to the administration and operation of the Government. It is most difficult to get leaders of business and labor to take jobs in Washington with the present cumbersome procedures, the conflict of interest laws, and the continuous criticism to which they know they will be subjected. The conflict of interest rules should, in my opinion, be modified and applied to Congressmen as well as to members of the executive branch.

INFORMATION AND PUBLIC RELATIONS

Another broad area in Government which needs intensive study and review is the area of public relations. Through the USIA and the Voice of America, we are trying to present the facts of American life to other nations of the world. Every effort is being made to present a fair and true picture without propaganda overtones. But much of the good is counteracted by unfortunate statements made by individuals in Congress and business which are widely publicized in the press and converted by our enemies into telling propaganda attacks. Radio Moscow has a midnight broadcast in English which is fiendishly clever in attributing false and misleading motives to every action which we take. This is supported by daily quotations from the press of this country which can be found to serve almost any purpose. I think we badly need a public relations and education program in this country as well as abroad. I was told it was politically impossible because it was feared that it would become a propaganda office. I am not willing to give up that easily and I believe something could be done to meet the need, once the general public recognizes it.

TAXATION

Before concluding my remarks, I shall say something about the subject which is of course of more direct interest to you; namely, taxation. While we have been talking and thinking favorably of a thorough overhaul of our tax legislation since the war, tax reform bills themselves have added more complications, more technical provisions that have to be interpreted. We have also failed to do anything about the overlapping between the Federal, State, and local taxes. The Kestnbaum Commission made some excellent studies into this problem and the Federal-State Joint Action Committee has touched on phases of it. I believe that the time is now ripe for a thoroughgoing review of our whole tax policy—Federal, State, and local. I personally believe that too much reliance is being placed by the Federal Government on income taxes. While these act as a cushion against too rapid a decline in business net income, changes in the Government's income are difficult to estimate for budgetary purposes. As an example, the Treasury estimates of receipts both from Federal individual income taxes and corporate income taxes, combined, for fiscal 1959 have been revised downward during the last 9 months by $6.2 billion, or more than 10 percent. This is in spite of the fact that business activity has still been maintained at a high level. In the future, too much reliance on income taxation could jeopardize our Federal budget and credit structure.

I believe also that we have a multiplicity of tax returns which is quite unnecessary. Certainly it should be sufficient to prepare one individual income tax return and one corporate income tax return which could be used for several purposes and for several levels of government. We could have a joint collection agency, Federal, State, and local, which could apportion the receipts from excise taxes, sales taxes, and possibly a new manufacturers excise tax. A local sales tax is quite inefficient when residents of neighboring States can have purchases shipped direct to their homes and thereby avoid payment of the tax. Furthermore, there should be standard exemptions and credits.

I have come to believe that so long as we continue high tax collections we are going to have high Government spending. Even if settlement should be reached in the cold war over the next few years so that we could look forward to a more normal and peaceful coexistence, I fear that expenditures of

other Federal agencies might easily pick up most of the savings unless plans for tax cuts have already been studied and approved for initiation when the opportunity arises. I do not think there is any good justification to continue indefinitely a corporate tax of over 50 percent, or individual taxes at the present high levels, particularly in the top brackets, and there are other serious inequities.

In conclusion, let me reiterate the statement that the taxpayers of this country will get the kind of government that they want if they go out and work for it. There is a lot of educational work to be done with business groups, with housewives, among the professions, with the farmers, and with labor groups as well, if we want to get back to a balanced budget, reduced Federal expenditures, and lower taxes. But don't let's get discouraged and think things are worse than they really are. We have tremendous assets.

Let me list some of our assets briefly:

1. Tremendous strength in military equipment of the latest types, coupled with our now well recognized desire for the peaceful settlement of all international differences.

2. The remarkable productive capacity of our country and of the other free countries of the world. All we hear about are the accomplishments of the communistic countries which started after the war from so much lower levels than our own. Let us not forget that the recovery of Western Germany far surpasses that of Eastern Germany by any measurement.

3. We have been able to maintain our free democratic processes among the Western nations in spite of many difficulties. This has been demonstrated again most recently in France. The Communist reliance is still on force and repression as was again brought out by the Nagy execution and the continuing purges.

4. The strength and standing of the United Nations and regional international organizations like NATO and SEATO has been maintained and is growing with a constant use of their facilities and decisions.

5. We have a most effective national administration, not only a President who will rank among the greatest of all time, but a Vice President of exceptional capacity and training. The Cabinet and the group of agency heads are composed of experienced business and professional leaders; the military staffs have brilliant technical achievements to their credit; and our foreign and domestic civil service has men of great distinction.

It is natural that we should be more concerned with our difficulties than our advantages but don't exaggerate the difficulties. Let us continue to improve but let us have confidence. The troubles of our opponents about which we do not hear are much more serious than our own. We and the other free nations of the West have great cause for satisfaction and confidence.

ONE HUNDRED AND SIXTY-EIGHTH ANNIVERSARY OF THE CONSTITUTION OF POLAND

Mr. WILLIAMS of New Jersey. Mr. President, I wish to add my comments to those already made about May 3, a day marking the 168th anniversary of the adoption of Poland's Constitution.

The Poznan revolt of June 1956 still stands clear in the memory of free people. It was a clear demonstration of courage and impatience with tryranny. Now, nearly 3 years later, the Polish people still face continuing curbs on freedom and their basic human rights.

We in this Nation can offer only moral support to those who still are behind the Iron Curtain, and we can offer economic aid in limited amounts. And we can also remember that May 3, now a symbol of yearning for restoration of Polish independence, may some day once again become a holiday for a free people in a free land.

In response to a request from the Polish National Fund of New Jersey, I ask unanimous consent to have printed in the RECORD a message of the President of Poland. Mr. Sigmund H. Uminski, president of the fund in New Jersey, has explained to me that it had been the custom in Poland before the war for the President of Poland to issue such a message. Free Poles still continue this custom.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

MESSAGE OF THE PRESIDENT OF POLAND, ON MAY 3, 1959

On the occasion of the Polish National Day, His Excellency August Zaleski, legitimate president of the Polish Republic, issued the following message to the Polish nation:

"The Reform Constitution of May 3, 1791, was described by Hugo Kollataj, one of its fathers, as 'a gentle revolution.' It really was the incorporation of the most progressive principles of liberty proclaimed by the thinkers of contemporary Western Europe and as such again testified to the ties of Polish civilization with that of the West.

"Notifying the new constitution to the French National Assembly, King Stanislas Augustus of Poland wrote: 'Barely had you given the world a great example, when it was followed by others. Here is a nation, always a friend of France, which has raised and dedicated the standard of liberty without fighting, without bloodshed, and amidst the joy of all classes of its citizens.'

"In actual fact, the Polish Reform Constitution was the outcome of a compromise attained by two parties. To the eternal glory of the leaders of the Reform Party and that of the King, united by the love of their country, they succeeded in setting aside what had separated them and created a memorable work—the anniversary of which has been celebrated by the Polish people for the last 168 years.

"Unfortunately, it was not granted to Poland to carry the constitution into practice. Its liberal character was too much at variance with the convictions of the autocrats neighboring with Poland. They conspired against the existence of such a dangerous example among them.

"They knew the significance of a constitution for every nation. The Polish Constitution of May 3, 1791, affirmed: 'The fate of us all depends solely on the consolidation and perfecting of the national constitution.'

"During the short period of Poland's recovered independence, lasting barely 20 years, the Polish nation consolidated and perfected its constitution in such wise that it assured the existence of the legitimate authorities of the Republic even during an enemy occupation of the country. It is indubitably an invaluable advantage which all Poles living in freedom should cherish and defend with all their might since it provides the best possibilities for the struggle to restore Poland's freedom.

"In God I trust that now, as in 1791, all Poles, again united by the love of their country, will join in this struggle."

TRIBUTE TO CAREER OF HON. ERNEST GRUENING, OF ALASKA

Mr. NEUBERGER. Mr. President, the New England Journal of Medicine for November 4, 1954, published an outstanding article in tribute to our illustrious colleague, the junior Senator from Alaska [Mr. GRUENING]. The author of the article is a distinguished New England physician, Dr. James Howard Means, former dean of the Harvard University Medical School, and at one time a classmate of Senator GRUENING at Harvard.

I ask unanimous consent that the article, describing the eventful career of ERNEST GRUENING, be printed in the body of the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DOCTORS AFIELD: ERNEST GRUENING

(By James Howard Means, M.D.)

A doctor far afield from the medical point of view, but very far from afield in the career he finally elected to follow, is the Honorable ERNEST GRUENING, M.D., LL.D., journalist, public servant, and statesman.

GRUENING was a member of the Harvard College class of 1907 and of the Harvard medical school class of 1911. Actually, he left the medical school in the middle of his fourth year to take a job as cub reporter for the Boston American. Then and there he switched careers from medicine to journalism, or as he put it himself, he "decided to give up one profession for another, and exchange the art of curing the ills of the human body for an attempt to play a similar part in relation to the body politic." As it has turned out, these were prophetic words for he has indeed, throughout his life, played with distinction the role that so early he indicated. In spite of his change in objective, however, he returned to the medical school long enough to earn his M.D. degree, which was granted him at commencement in 1912.

Returning directly to his newspaper work he signed up, this time with the Boston Herald. It is interesting that, although he said, "It is always a good plan to start with Hearst in the newspaper game," he did not stay in that controlled environment very long. It was not one that his independent and forthright spirit could tolerate.

On the Herald he advanced rapidly through the various gradations of newspaper work until July 1914 found him acting city editor of the Herald and November of that year managing editor of the Boston Traveler, which had then become the Herald's evening edition.

He served in this last-mentioned job for 2 years, and of it he had these significant remarks to make:

"It was an interesting job. The times were thrilling (World War I prior to U.S. participation); circulation, that summum desideratum of newspaper publishers, came readily. The only problems were those common to many American newspapers—to try to make the management understand that a newspaper owes very definite obligations to its readers—to the public—and that advertisers are entitled to the space they buy and not to special favors and considerations in the shape of suppression and distortion of news; that, in short, independence and intellectual honesty are the best policies."

If the press of the United States had had the ability or the desire to approach these high standards the country might be happier and better today.

In October 1916 GRUENING made a startling exposure of certain shocking shenanigans

going on in city hall, Boston, over the censoring of plays, and thus earned the enthusiastic approval of the editor of the Herald. The wounded, however, were so exalted politically that the owners of the Hereald-Traveler ordered the publication of a retraction, and since GRUENING would have no part in such ignominy, he resigned.

He went next to the Boston Journal, then a moribund paper, and together with a small group of friends attempted to keep it alive. Some progress was made, but uncontrollable circumstances proved too difficult, and the paper failed. GRUENING next took a whirl as managing editor of the New York Tribune, and after that he did his bit by enlisting in the field artillery.

After the war he managed La Prensa in New York—the only Spanish-American paper in the United States—for a year and a half, and then shifted for the first time to weekly journalism by becoming managing editor of the Nation, a post that he held for 3 years.

During this period he became conscious of, and strenuously opposed to, U.S. imperialism in the Caribbean. Under his direction the Nation brought to light certain facts about the unjustifiable military intervention in Haiti in 1915 and in the Dominican Republic in 1916. In consequence of this exposé a Senate Commission of Inquiry was sent to the island in 1921, and GRUENING was invited to accompany it. The findings of the Commission led to the withdrawal of U.S. forces from the Dominican Republic in 1924 and from Haiti in 1932.

In 1923 GRUENING began a study of Mexican affairs, paying four visits to that country in as many years, and one to Spain for background. In 1928 the results of his studies appeared in his book Mexico and Its Heritage.

Two other newspaper items should be mentioned. In 1927 he was invited by a group of citizens of Portland, Maine, where, as in many other places, existing newspapers were quite under the control of business and political interests, to start for them an independent paper and to become its editor. He accepted this challenge. Its name was the Portland Evening News, and he kept it going until 1932. Then, however, as with many fighting independent newspapers, the financial odds were too great, and it had to be discontinued.

GRUENING next went back to the Nation for a year, this time as editor, and finally wound up his journalistic career with a three months' fling as editor of the New York Post.

In 1934, for the second time in his life, he made a major change in career. This time he switched from journalism to the public service of his country. President Roosevelt, in the fall of 1934, appointed him Director of the newly created Division of Territories and Island Possessions of the Department of the Interior.

The function of this new agency was to combine into one organization the affairs of territories and insular possessions that had formerly been scattered through several agencies. It included the Virgin Islands, Puerto Rico, Alaska and Hawaii. GRUENING put his heart into this work and visited and studied all the areas within the jurisdiction of his division. The overcrowded and poverty-stricken state of the people of Puerto Rico particularly aroused him. Observing the simple fact that the population of this island was increasing faster than the food supply, and with scant funds available to import food, he made attempts both at industrialization and population control through education.

In 1939 GRUENING was appointed Governor of Alaska, and he served in that vital post until 1953. Directly after his appointment Alaska became of immense military importance. In 1940 the Governor obtained for the first time the establishment of a National Guard, and when this was federalized, he organized a territorial guard that had units scattered over the entire territory. From the beginning of his experience there, GRUENING had great faith in Alaska. For years he has worked continually for its statehood. Recognizing its strategic importance, he believes that it would be a stronger outpost for the United States if it had the larger population and resources that statehood would give it.

There can be no doubt of the great usefulness of ERNEST GRUENING's life. He has always fought for the freedom of the press and has striven to improve the lot of the common man. In him the virtues of courage and sincerity are combined with keen insight into public affairs. It is for this reason that he may properly be called a statesman.

The readers of a medical journal will at once ask, Were his four years in medical school wasted, either for him or for the school? The costliness of medical education is such that it is usually an economic misfortune when a person who has earned a medical degree forsakes medicine. In GRUENING's case, certainly this is not true. For himself, he has more than once stated that he has found his medical education constantly of value to him. It has given him understanding of the role of health in human welfare, and of how it can be promoted, that he would otherwise have lacked. The medical school can take satisfaction in having contributed to the education of a man who has served the country so well and will continue to do so, for his career is by no means finished. It is known, for example, that his book, The State of Alaska, will be published this autumn. This will, no doubt, be the definitive work on the Territory and Uncle Sam's relation to it during the 87 years in which it has been his stepchild.

THE STATE OF WEST VIRGINIA

Mr. BYRD of West Virginia. Mr. President, the West Virginia State motto, Montani Semper Liberi, means "mountaineers are always free." We West Virginians are proud of our rich heritage of freedom, and of the picturesque hills and majestic mountains for which West Virginia is known. Our rich natural resources, our geographic location, and our neighborly and free people, make West Virginia a wonderful place in which to work and play and live. The State has tremendous possibilities for industrial growth.

I ask unanimous consent to have printed in the RECORD an article entitled "The State of West Virginia," which was published in the current issue of the Vancoram Review, a house organ of the Vanadium Corp. The Vanadium Corp. broke ground for its modern ferroalloy plant at Graham Station, Mason County, in March 1951. The article, which I commend to my colleagues, reflects the feeling of pride which Vanadium Corp. shares with other West Virginians, pride in our State, its history, its resources, and its future.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STATE OF WEST VIRGINIA

Men endowed with persistent visions of individual human rights under representative government created the State of West Virginia.

Strong men, with great objectives, they conquered rugged mountains, trackless wilderness and hostile Indian tribes. Their land was bloodied in the American Revolution and in the War Between the States, yet the dramatic history of the Mountain State is also the heroic story of legislative struggles for the democratic way of life.

The character of the founders is reflected in the motto upon their State's seal, Montani Semper Liberi, "mountaineers are always free." The State seal also appropriately carries symbols representing the cardinal, black bear, sugar maple, and great laurel.

Sometimes called the most southerly of the northern, most northerly of the southern, most westerly of the eastern, and most easterly of the western States, West Virginia stretches north above the latitude of Pittsburgh, Pa., and reaches south below Roanoke, Va. Its western extremity is in the longitude of Port Huron, Mich., the eastern in that of Rochester, N.Y.

The State's area is slightly more than 24,000 square miles. An average altitude of 1,500 feet makes it the highest east of the Mississippi River. Of the State's boundary of 1,170 miles, only 200 are manmade. Natural boundaries are the Ohio, Big Sandy, Tug Fork Rivers, and Potomac River; and the 365-mile crest of the Alleghenies. A northern panhandle, in one place barely 5 miles wide, adjoins Pennsylvania and Ohio. Maryland and Virginia squeeze an irregular eastern panhandle to a minimum width of 15 miles.

Forests occupy two-thirds of the State. Mountain ranges, peaks and deep, narrow valleys make some areas rough and isolated. Mistletoe and the great laurel grow wild. Hunting and fishing are rewarding.

TRANSPORTATION AIDS DEVELOPMENT

Natural barriers, which so long deterred settlement by any except the most determined, now are surmounted or detoured by highways, railroads, and airlines. Some 70,000 farms, blessed by a 40-inch annual rainfall, yield fruits, vegetables, wheat, corn, dairy products, poultry, and meats.

The transformation of part of this mountainous wilderness into an industrial empire began about 1797 with the establishment of water-driven saw and grist mills. Coal was discovered in 1742 and oil and natural gas in 1859. Many of the men who helped to create the world petroleum industry got their early training in West Virginia.

To this day, oil, natural gas, coal, glass, salt, limestone, clay, sand, and lumber are among the State's important products. Since 1931 West Virginia has been the Nation's second largest producer of bituminous coal. Reserves are estimated to be sufficient for 400 years.

In 1790 the first iron furnace west of the Alleghenies began operating in what is now West Virginia's northern panhandle. This furnace, of 2 tons daily capacity, made cannon balls used by Capt. Oliver H. Perry against the British fleet on Lake Erie during the War of 1812.

Modern industrialization, while widely distributed, has shown a spectacular concentration in that relatively broad section of the Ohio River Valley known as "the American Ruhr." In the 125 miles between Moundsville to the north, and Point Pleasant to the south, nearly half a hundred modern industrial plants contribute to West Virginia's growing economy. Their products range from ferro alloys, steel, and aluminum to paper, glass, chemicals, abrasives, ceramics, as well as finished products such as oilfield equipment and ships.

By developing its natural resources, both coal and water, West Virginia has become a large producer of steam electric power. An extensive high-wire system is linked with interstate circuits.

Many peoples desired the land that is now West Virginia with its 55 counties. In 1675 the Iroquois controlled the Ohio Valley section, but ceded much of the area to the British 3 years later over the protests of the Shawnees, Delawares, Mingoes, and other tribes. They fought to regain and retain it

as a major source of fish and game. The land was claimed also by the French on the basis of expeditions down the Ohio in 1749.

The original Indian rule was challenged by explorers from Virginia's Jamestown. Their 17th century search for short routes west culminated in an expedition led by Virginia's Lt. Gov. Alexander Spotswood in 1716. His band crested the Blue Ridge and there drank a toast to Britain's king.

Returning to Williamsburg, Governor Spotswood organized his troop into the Transmountain Order, Knights of the Golden Horseshoe. He thought to extend crown possession westward, but his efforts were less productive than the reports of the adventurers. Their glowing tales of wooded mountains, fertile valleys, and refreshing springs suggested that men might acquire and develop land in freedom.

In 1726 Morgan ap Morgan built a log home in what is now Berkeley County and thus became the first recorded settler. The next year a settlement sprang up at Packhorse Ford, now Shepherdstown. By 1735 much of the area of the Potomac Valley, or Northern Neck, had been settled.

Many settlers—English, Scots, Irish, Welsh, Swiss, German, and the Quakers—poured into the broader valleys, especially that of the Ohio. By mid-18th century both the French and the Indians had abandoned all claims to the land. It was then proposed, by Benjamin Franklin, among others, to make the region the 14th Colony, Vandalia.

Men of tidewater Virginia had been moving their families westward in an attempt to escape confiscatory taxation, to own and to retain land, to vote and to worship as they pleased. Above all, they wanted a government more representative and democratic than that dominated by tidewater Virginia's aristocracy, which was influenced by feudal philosophies and enforced by despotic crown officials.

GRIEVANCES AND WAR

But King George III delayed recognition of the new colony and the breaking point came in 1774 when Lord Dunmore, Virginia's Crown Governor, sought to distract attention from grievances and to discourage westward migrations by declaring war on the Indians. Under the guise of protecting the settlers, the Governor organized an army for what was to become known as Lord Dunmore's war. The army started westward in September 1774, and split into two forces. Lord Dunmore led one force northwest to Fort Pitt, now Pittsburgh, Pa. The other group, consisting of 1,200 men under a Virginian, Brig. Gen. Andrew Lewis, was dispatched to the southwest.

Lewis brought his men to the junction of the Ohio and Great Kanawha Rivers, where they encamped on the wooded peninsula now occupied by Point Pleasant. On October 10, 1774, the Virginians were attacked by Indians led by a Shawnee warrior. Popular with the settlers, who knew him as Chief Cornstalk, he was opposed to the attack but had been overruled by the Indian council. The Virginians beat off the Indians, but lost nearly one-quarter of their men.

Chief Cornstalk sought out Lord Dunmore and pledged to keep peace for 3 years. The respite enabled settlers to fortify Point Pleasant and to extend their holdings in the valley. During the peace Cornstalk was murdered and Lord Dunmore removed from office.

FIRST BATTLE OF REVOLUTION

Histories customarily record the battles at Concord and Lexington, Mass., in April 1775, as the first engagements of the Revolution. The honor is claimed also for Major John Sullivan's December 14, 1774, raid on Fort William and Mary at Portsmouth, N.H. However, in 1908 the U.S. Senate recognized the precedence of the October 10 Battle of Point Pleasant.

Historian Virgil A. Lewis, writing in 1887, described in this way the battle's priority and importance: "On that day the soil on which Point Pleasant now stands drank the first bloodshed in defense of American liberty. It was here decided that the decaying institutions of the Middle Ages should not prevail in America, but that just laws and priceless liberty should be planted forever in the domains of the New World."

While the Revolution ended on October 19, 1781, with the formal surrender of Cornwallis at Yorktown, it is West Virginia tradition that the last battle was the September 10, 1782, attack on Fort Henry, now Wheeling.

The close of the 18th century marked the beginning of prolonged legislative battles for representative government. Differences of opinion as high as the Alleghenies separated Virginians of the east and the west. Review and revision of the Virginia State Constitution in 1850 won some recognition for the people of the west. In 1860 they succeeded in electing a Governor, Joseph Johnson.

Virginians of the west had as yet no state, but they upheld principles of federal union and of human freedom. When in 1861, Virginia approved an act of secession, the men of the western country met at Wheeling, restated their opposition to secession and initiated serious discussion of forming a separate State, New Virginia.

In June 1861, at a second Wheeling convention, plans were made for organizing a State government and electing a Governor, In August formal work was begun to establish a new State to be called "Kanawha." By now Virginia was a State divided. For the east, Gov. John Letcher held office at Richmond. For the west, Gov. Francis H. Pierpont held office at Wheeling.

In 1862 another convention completed preparations for the State of West Virginia and adopted resolutions providing for the gradual abolition of slavery. The general assembly appealed to Congress for recognized statehood and President Abraham Lincoln signed a bill making West Virginia, as of June 20, 1863, the 35th State and member of the Federal Union.

Meanwhile the War Between the States had broken out. Its first land battle was fought at Philippi, W. Va., on June 3, 1861. Union forces under Col. William J. Kelly defeated Confederates under Col. George A. Porterfield and captured the covered bridge which still carries U.S. Route 250 across the Buckhannon River.

This minor engagement had major repercussions. It kept in Union control the Baltimore & Ohio Railroad and opened a corridor south for passage of troops and supplies. It also started upon the path to military fame Union Gen. George B. McClellan, who had ordered the troops into action to prevent depredations by Porterfield's men.

West Virginia was the scene of many other battles, among them Rich Mountain, Laurel Hill, and Corrick's Ford. Skirmishes were frequent in the Kanawha Valley and in the eastern Panhandle. One community, Romney, changed hands more than 50 times. Thousands of West Virginians enlisted in the Union Army; other thousands, among them General Thomas J. "Stonewall" Jackson, joined the Confederates.

The ending of the war and the achievement of statehood brought prosperous growth. Boundary agreements were reached with neighboring States. In 1872 a new State constitution was adopted, and in 1885 the capital was transferred from Wheeling, on the Ohio, to Charleston, on the Great Kanawha.

VCA COMES TO WEST VIRGINIA

Operations of Vanadium Corp. of America were started in this historic country in 1951 with the purchase of approximately 400 acres of land beside the Ohio River at Graham Station, Mason County. The site was developed by erecting a ferroalloy plant which, in 1952, was enlarged.

Since 1953 the plant, one of the most modern in the world, has been producing Vancoram Exlo, a special low-carbon ferrochromium alloy used in making stainless and heat-resisting steels; Ferrosilicon, a deoxidizer and degasifier for irons and steels; and ferrochrome silicon alloys for stainless steels. Additionally Graham plant produces alsifer, noduloy and silicomanganese alloys.

Normally providing year-round jobs for several hundred trained workmen and technicians, the Graham plant makes substantial contributions to the economies of four counties—Mason and Jackson, in West Virginia, and Meigs and Gallia, in Ohio.

THE PLANT ON THE BEND

The Graham Plant is located in "the American Ruhr" at that sweeping turn in the Ohio River known as the Bend. It is served by railway, highway and waterway. Electric power is supplied by the Appalachian Power Co.'s Philip Sporn Station, which adjoins the Graham Plant property.

The site shares West Virginia's dramatic history. Graham Station is named for Rev. William Graham, an early landowner, and, in the old days, was a terminus of a ferry service to Racine, Ohio.

Land in this region had been deeded by Lord Dunmore to Virginians who had served in the French and Indian Wars. Among them was George Washington, who headed a surveying party and received acreage immediately south of the Great Kanawha.

Another to receive a grant was John Polson who, in 1798, deeded a 6,000 acre tract bordering the Ohio River to Reverend Graham. The Graham plant occupies a portion of this tract. Reverend Graham subsequently conveyed the tract to others and it became the subject of one of the first lawsuits instituted in Mason County, and an early and basic case reviewed by the United States Supreme Court.

Mason County, established in 1804, is named for George Mason, one of the framers of Federal and State constitutions. Point Pleasant is the county seat. The county now contains about five times the area of the original land grants. Its place names—among them New Haven and Hartford—reflect the New England backgrounds of early settlers.

Mason County long has produced coal and salt, but farm production also has been extensive, especially of livestock, dairy products, tobacco, poultry and eggs. The present trend is toward industrialization.

INDEPENDENCE DAY CEREMONIES, INDEPENDENCE HALL, PHILADELPHIA, PA.

Mr. CLARK. Mr. President, on April 22, 1959, the Philadelphia City Council adopted a resolution urging members of the State Legislature of Pennsylvania and of the Congress of the United States to form a delegation of distinguished legislators to come to Philadelphia to attend the ceremonies on July 4 at Independence Hall. I hope the resolution will be favorably considered by both the Senate and the House, so that a congressional delegation may go to Independence Hall on July 4.

The principal speaker on that occasion will be the distinguished junior Senator from Alaska [Mr. GRUENING]. I believe this will be a most appropriate way of commemorating our National Independence Day and, at the same time, of paying honor to our distinguished colleague.

Mr. President, I ask unanimous consent that the text of the resolution be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION 352

Resolution urging members of the State Legislature of Pennsylvania and of the Congress of the United States to form a delegation of distinguished legislators to come to Philadelphia to attend the ceremonies on July 4, at Independence Hall

Whereas this Nation observes the 183d anniversary of its independence on July 4, 1959; and

Whereas the city of Philadelphia, where the Founding Fathers created the historic document of liberty, the Declaration of Independence declaring the 13 Colonies a free and independent Nation, will observe this occasion with appropriate public ceremonies in Independence Hall at 11 a.m.; and

Whereas this celebration will salute the new State of Alaska and will feature as its keynote speaker the Honorable ERNEST GRUENING, U.S. Senator from the State of Alaska; and

Whereas an unduplicated historic moment will be shared at this observance when the 49-star flag will be raised officially for the first time in accordance with the law that the new flag does not fly officially until the 4th of July following the vote of the people for statehood; therefore

Resolved by the Council of the City of Philadelphia, That we hereby urge the members of the State Legislature of Pennsylvania and of the Congress of the United States to form a delegation of distinguished legislators to come to Philadelphia to attend these ceremonies on July 4 at Independence Hall, as an inspiration to their constituents all over America to join also in the national pilgrimage to this hallowed shrine; and be it further

Resolved, That the city representative forward invitations and certified copies of this resolution to Hon. David L. Lawrence, Governor of Pennsylvania; Hon. John Morgan Davis, Lieutenant Governor; Hon. Hiram G. Andrews, speaker of the house; and Hon. M. Harvey Taylor, president pro tempore of the State senate; and to Hon. Sam Rayburn, Speaker of the House of the Congress of the United States; Hon. Carl Hayden, President pro tempore of the U.S. Senate; the Representatives in Congress from Philadelphia and the U.S. Senators from Pennsylvania, with the request that they bring this ceremony to the attention of their illustrious colleagues.

THE O'MAHONEY AMENDMENT TO THE BANK MERGER BILL

Mr. ROBERTSON. Mr. President, on last Thursday, the Senator from Wyoming [Mr. O'MAHONEY] submitted an amendment to Senate bill 1062, the bank merger bill. I immediately requested the views of the three Federal bank supervisory agencies, namely, the Comptroller of the Currency, the Federal Reserve Board, and the Federal Deposit Insurance Corporation. I have now received from these agencies letters giving their views on the O'Mahoney amendment. I ask unanimous consent that these may be printed at this point in the RECORD, so that other Senators may have the benefit of these views.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEDERAL DEPOSIT INSURANCE CORPORATION,
Washington, D.C., May 11, 1959.

Hon. A. WILLIS ROBERTSON,
Chairman, Banking and Currency Committee, U.S. Senate, Washington, D.C.

MY DEAR SENATOR: I was absent from Washington the latter part of last week, in attendance at the annual convention of the North Carolina Bankers Association, and hence I could not follow the developments relating to the bank merger bill (S. 1062) which occurred during this time. Upon my return there were made available to me copies of the telegrams which you exchanged with Attorney General Rogers and a draft of the amendment that Senator O'Mahoney proposes to introduce when the bill comes up for debate on the floor of the Senate. I have also read with interest the record of your statements to the Senate on this subject last Thursday, as it appears in the CONGRESSIONAL RECORD.

In behalf of the Corporation, I want to assure you that the Corporation approves and recommends for enactment S. 1062, as approved by the Senate Banking and Currency Committee. Further, the Corporation does not favor the O'Mahoney amendment, and recommends that it be not adopted.

Our general counsel has given consideration to the amendment, and I am enclosing herewith a letter to you, which sets forth the basis for our opposition to the amendment.

Sincerely yours,

JESSE P. WOLCOTT,
Chairman.

FEDERAL DEPOSIT INSURANCE CORPORATION,
Washington, May 8, 1959.

Hon. A. WILLIS ROBERTSON,
Chairman, Banking and Currency Committee, U.S. Senate, Washington, D.C.

MY DEAR SENATOR: The chief of staff of your committee has provided the Corporation with copies of the telegrams that were exchanged last week between yourself, as chairman of the Senate Banking and Currency Committee, and the Attorney General, pertaining generally to amendments to the pending bank merger bill (S. 1062), and a copy of a proposed amendment which Senator O'MAHONEY contemplates introducing during the discussions of the bill on the floor of the Senate. Mr. Yingling has requested that we favor the committee with an expression of our views on the amendment.

The committee-approved draft of S. 1062 fixed the administrative responsibility and decision in the three Federal bank supervisory agencies, with public interest as determined by a consideration of well-established banking factors, together with competitive factors, as the gage to be applied in the determination of the propriety of all bank merger transactions involving insured banks. The amendment, while ostensibly leaving the decision authority in the banking agencies, fixes the competitive factor as the sole test in judging the propriety of such transactions, except in four specified instances, and then provides for public hearings if either of the banking agencies or the Attorney General disapproves the transaction, and further provides for a special appeal to the court of appeals of the District of Columbia at the instance of any aggrieved party or of the Attorney General. This brief analysis of the provisions of the respective proposals points up the fact that the amendment would effect fundamental changes in the theory, administration, and jurisdiction of bank merger transactions of such consequence that it, in effect, would constitute a new and different proposal.

As you properly stated on the floor of the Senate, yesterday, neither interested bankers nor the banking agencies which are charged with the primary responsibilities have had an opportunity to express their views as to the applicability and propriety of the amended proposal. Suffice to say that the three bank supervisory agencies are united in opposing the adoption of the amendment, for the basic reason that it is their joint view that the committee bill provides a practical, effective, and workable formula for the screening of bank merger transactions in public interest, while the amended proposal provides a complicated formula, impractical of operation, which dissipates responsibility, and would ultimately lead to confusion in administration.

The O'Mahoney amendment contemplates the adoption and application of Clayton Act terminology to banking transactions involving mergers, consolidations, or acquisition of assets, or assumption of deposit liabilities, of insured banks. The testimony submitted to your committee by the several bank supervisory agencies has called attention to the fact that Clayton Act terminology cannot, in public interest, and should not, for the stability of the banking structure, be applied to banking transactions. The merit of this contention is fully recognized in the amended proposal, but there is an attempt to avoid or evade the implications thereof. The O'Mahoney amendment provides for certain exceptions to the application of the Clayton Act provision which would prohibit any merger transaction where there is a substantial lessening of competition, and thus, in four specified instances, transactions may be approved notwithstanding that the transaction would result in a substantial lessening of competition. Proponents of similar legislation in the past have used the four examples with others generally as illustrations of the general type of transactions that should, in public interest, be excluded from the application of the provisions of the Clayton Act, always admitting that the strict application of this language would in many instances be contrary to best public interest. It is evident from the provisions of the proposal that the present proponents accept the proposition that the banking factors, as set forth in the committee-approved bill, may in many instances be permitted to outweigh the factors of competition, if our sound banking structure is to be maintained, and if the public is to be fully served. However, it is now proposed that these exceptions shall no longer be considered as mere illustrations of general situations, but that the four stated exceptions, and such stated exceptions alone, shall provide the limited field in which the banking factors are to be applied to merger transactions. Thus, Congressman CELLER, in testifying before the Banking and Currency Committee on the current consideration of the subject bill, testified in part as follows:

"In addition to the acquisition of a bank which otherwise would be faced with a possibility of failure, there are other circumstances in which, from a banking standpoint, the acquisition of a bank by another bank may be in the public interest. For example * * *. These various situations are illustrative of the circumstances where the consummation of the transaction would not be contrary to the public interest and not be banned under the 'substantially' test."

While we disagree with Mr. CELLER'S conclusion that the illustrations that he gave would not be prohibited by the strict application of the Clayton Act terminology to such transaction, nevertheless we must wholeheartedly agree that these illustrations and others that will be presented determine conclusively that the strict application of

the inflexible terminology of the Clayton Act to bank merger transactions would not be in best public interest.

In his testimony, Mr. Joseph M. Naughton, president of the Second National Bank of Cumberland, Md., who appeared at the committee hearings on behalf of the American Bankers Association (committee hearings, p. 72), set forth a list of illustrative circumstances in which bank merger transactions may substantially lessen competition, and yet be desirable in public interest. Thus, Mr. Naughton testified:

"Moreover, there are certain circumstances in which bank mergers may substantially lessen competition and yet be desirable in the interests of the public and sound banking, such as the following practical examples:

"1. Where there is a reasonable probability of the ultimate failure of the bank to be acquired.

"2. Where because of inadequate management the acquired bank's future prospects are unfavorable.

"3. Where the acquired bank is a problem bank with inadequate capital or unsound assets and its acquisition by another bank would be the best practical means of dealing with the problem.

"4. Where the acquired bank has no adequate provision for management succession or its management is incompetent.

"5. Where the acquired bank is an uneconomic unit or is too small to meet the needs of its community by providing loans of sufficient size or by providing needed banking facilities.

"6. Where several banks in a small town are compelled by an overbanked situation to resort to unsound competitive practices which may eventually have an adverse effect upon the condition of such banks and the merger of the two or more banks would, therefore, be in the public interest."

After hearing the views of the three supervisory agencies and others who appeared before the committee, including the two above-mentioned witnesses, the committee concluded in its report that competitive factors involved in merger transactions are only one element of several to be considered, and that the committee wanted it to be crystal clear that the various banking factors in any particular case might be held to outweigh the competitive factors. Now, the O'Mahoney amendment admits by its wording that there are banking factors and certain banking factors will outweigh competitive factors, but it proposes to put the banking factors in a straitjacket. Only the specified and limited banking factors mentioned in the O'Mahoney amendment can outweigh competitive factors, and this provision marks a fundamental difference between the committee bill and the O'Mahoney amendment. The corporation believes that the philosophy stated by the committee in this report is sound and valid, and constitutes the proper approach for providing a gage for the screening of bank merger transactions.

The O'Mahoney amendment recognizes the following four instances in which the banking factors may outweigh or override the competitive factors:

1. Where there is probability of the ultimate failure of one of the merging banks;

2. Where one of them has inadequate or incompetent management;

3. Where one of the banks is a problem bank with inadequate capital and unsound assets; or

4. Where several banks in a small town are compelled by an overbanked situation to resort to unsound competitive practices.

The foregoing factors, enumerated in the amendment, are quite proper as instances or illustrations of situations where the banking factors must be predominant. It is to be noted, however, that such factors are set forth in the disjunctive, whereas, as a matter of fact, such factors in actual cases normally occur in the conjunctive. Thus, in most instances it is not practical, feasible, or even possible, to justify or criticize a merger transaction by the consideration of a single factor, for if a single factor were considered alone, it might well be that one answer would be achieved, while if all of the factors be considered jointly, giving due weight to each, then a different answer would properly be reached. Also, the factors that are enumerated in the amendment constitute some of the many factors that provide an equally proper basis for approval, and by proper basis I mean that such transactions are in public interest and in conjunction with sound banking.

One of the major considerations that gives rise to merger transactions in smaller banks located in smaller communities is the lack of management succession—not a failure of management, but rather the realization by management that the death or permanent illness of a single individual would be disastrous to the institution. As of today, management is adequate and competent, and, therefore, the second factor enumerated in the O'Mahoney proposal would not be applicable, and there is no provision made in the amendment for such a situation.

Permit me to elaborate briefly. In actual cases produced by lack of management succession, management and the supervisory agencies alike are often faced with the alternate propositions of merger or liquidation. Neither wants to deprive the community of existing and needed banking services. Congress cannot legislate against liquidation, but Congress can provide for this kind of a case, and it has so provided in the committee bill which authorizes approval of transactions where the foregoing considerations are predominant. Under the amendment, liquidation would be the only course open and available.

Our economy is generally expanding, but the rate of growth will vary as between regions and the banks must be able to adjust to and serve the ever-changing needs of trade and commerce within their communities. With growing communities, there is need for enlarged financial services, and hence it is found that the needs for larger loans, the need for additional categories or types of credit, the need for generally expanded banking services may be one of the underlying factors that encourage merger transactions. Within proper limits, these may be representative of sound justification for mergers which are consistent with the public interest.

The foregoing concerns growing regions and communities. As has been said, our economy is generally expanding, but, in fact, declines will be taking place in some communities in the midst of the general advance, and banks in such communities, too, must be able to adjust to their changing state. The relocation of a factory or the bypassing of a town by a superhighway may convert a once active and prosperous community to an inactive, sleepy village. The construction of a dam or power project, with consequent flooding of large tracts of fertile farmland, represent other instances which may occur and which justify the merger of banking institutions. Yet these situations do not come within the purview of the four specified exceptions.

Again, the primary considerations for bank mergers do not ordinarily appear as single and isolated items providing the basis for such transactions, but they are ordinarily present in the conjunctive and with other factors frequently unique to the particular transaction. It is submitted that it is only by a consideration of all the factors present that a proper determination can be made as to whether the merger transaction is in public interest and consistent with sound banking. The committee proposal permits—and even requires—that such determination be made in each instance. We submit that the guide of public interest, after a consideration of all the factors, provides a worthy gage, which will take into consideration not only the usual, but likewise the unusual, elements of the transaction. It is necessary, if proper decisions be made, that consideration be given to all these factors.

Congress has established a criterion of banking factors. More than 20 years ago the formula was incorporated in the Federal Deposit Insurance Act as a guide not only to the Corporation, but to the other supervisory agencies, for consideration in determining whether applying banks should be eligible for Federal deposit insurance, and in consideration of branch applications. It has now been broadened so that the Comptroller must take into consideration these factors in granting national bank charters, and the Board of Governors of the Federal Reserve System must consider them in actions upon applications for membership in the system. These factors have been put to practical use and application over a period of more than 20 years by the Federal bank supervisory agencies, and thus the factors have stood the test of time as being competent guides by which to gage the propriety of banking transactions. The committee-approved bill has reaffirmed the use of these established factors as basic criteria for the determination of the propriety of merger transactions. The committee bill, in addition thereto, charges the agencies with the responsibility of appraising the impact of the merger transaction on competition by a consideration of the factors of competition and monopoly. An amendment to the bill, made by the committee but not appearing in the original draft of the proposal, requires the agency on all occasions, except in the instance of an emergency, to seek the views of the Attorney General on the competitive and monopolistic factors. Under the committee bill the Attorney General has no responsibility in reference to the banking factors, and, further, his views, as expressed in any memorandum that he gives to the agencies, are persuasive and not binding. In other words, the committee bill, by its terms, and the committee, by its report, makes it clear and certain that the banking factors may in certain instances outweigh the competitive factors, and so the committee bill by its provisions makes public interest and public welfare the guide by which to gage these transactions. The discretion and decision in the weighing of the factors are vested exclusively in the appropriate banking agency. This we believe to be a proper grant of authority. It centralizes responsibility in the agencies best qualified to discharge such responsibility.

The issues that are presented by the O'Mahoney amendment have heretofore been presented and discussed before the committees of Congress. It has been one of the major contentions of those favoring the application of the inflexible rules of the Clayton Act to banking transactions that the language of the Clayton Act has been judicially interpreted. As a corollary, they point out that the word "unduly," as used in the committee approved bill, has not been judicially interpreted. I submit that these arguments are not entirely valid, and, further, that they do not constitute a proper basis for the adoption of Clayton Act terminology, subject only to the exceptions noted in the current proposal, in lieu of the adoption of the banking factors as the primary considerations to be applied to such transactions.

The chairman most aptly pointed out on the floor of the Senate last Thursday that there has only been one adjudicated case in

the banking industry under the provisions of the Clayton Act. This decision provides no help or guide to the Attorney General or to the bank supervisory agencies for a test as to what constitutes "a substantial lessening of competition." The adjudicated case, *Transamerica Corporation* v. *Board of Governors* (206 F. 2d 163), involved a citation of Transamerica Corp., a holding company, by the board of governors, alleging that Transamerica had violated section 7 of the Clayton Act, in that it and its predecessors had continuously and systematically for many years been acquiring stocks of independent commercial banks located in the States of California, Oregon, Nevada, Washington, and Arizona, and "the effect of such acquisitions may be to substantially lessen competition, restrain commerce, or tend to create a monopoly." The appellate court, in reversing the decision of the trial court, stated that the application of this clause (sec. 7 of the Clayton Act) requires a preliminary determination of the "area of effective competition" between the companies involved before the question of competition may be considered. Because the Board had not fixed the "area of effective competition" and had not made findings related to such area, the proceedings against Transamerica were dismissed. There is nothing in this case to which the Attorney General can point that will give him any assistance in resolving the validity of any transaction between two or more individual banks. I repeat, this case constitutes the only judicial authority in the banking industry on the subject.

We turn now to the use of the word "unduly," which has been criticized because the word has "practically no judicial analysis" and "its meaning is unclear." Again, the chairman of the Senate Banking and Currency Committee, in his statement on the floor of the Senate on Thursday, pointed out that the Interstate Commerce Act of 1920 provides for "unduly restrain competition," and this terminology has received the approval of the Supreme Court as being language with meaning.

Further, there have been frequent references in the current and prior hearings on this and similar bills to the *International Shoe* case (280 U.S. 291). It has been characterized as one of the bulwarks in the interpretation of the Clayton Act. Reference to this case is made in the committee report on this subject.

Pertinent to the meaning of the term "unduly," I quote from a paragraph in the majority opinion of the case:

"Section 7 of the Clayton Act, as its terms and the nature of the remedy prescribed plainly suggest, was intended for the protection of the public against the evils which were supposed to flow from the undue lessening of competition. In *Standard Oil Company* v. *Federal Trade Commission* (282 Fed. 81, 87), the court of appeals for the third circuit applied the test to the Clayton Act which had theretofore been held applicable to the Sherman Act, namely, that the standard of legality was the absence or presence of prejudice to the public interest by unduly restricting competition or unduly obstructing the due course of trade."

I respectfully submit that in this case, which is recognized, as stated above, as one of the landmarks in Clayton Act litigation, the Supreme Court had some idea of the meaning of the term "unduly" as it might apply to competition and monopoly.

From a discussion of generalities pertaining to the O'Mahoney amendment, let's now turn to some specifics. I would direct attention to the wording of the fourth exception noted in the amendment for the application of the competitive standard, being the clause that reads as follows: "Or that several banks in a small town are compelled by an overbanked situation to resort to unsound competitive practices which may eventually have an adverse effect upon the condition of such banks and the merger of the two or more banks would, therefore, be in public interest." I would first inquire as to how small a town must be to be a small town, or how large a town can be and still be a small town. Is it a population of 500, or 1,000, or 5,000, or 10,000, or 25,000, or 100,000? I assume that we can consider that a town with a population of 1 million is a big town or a city, but what about a town of 25,000, and if 25,000 be the line of demarcation, why is it different from a town of 26,000 or 27,000? Certainly the language, as proposed in the amendment, is no criterion for lack of ambiguity. Further, this clause provides for a finding that banks are compelled by an overbanked situation to resort to unsound competitive practices. May I submit that it would be impractical, if not impossible, for any of the agencies charged with responsibility hereunder to make a finding that the bank or banks were compelled by their competitors to engage in unsound practices. Now, it is true that terminology similar to this has been used by witnesses when they were citing this as an example or illustration for the inapplicability of Clayton Act terminology, but there was no intention, by the use of the illustration, that it should be verbatim incorporated as a fixed condition in an applicable statute. A consideration of this provision indicates that clarity of expression has not been achieved in the proposal.

Let us turn next to the provision for public hearing and appeal therefrom to the appellate court of the District of Columbia. The proposal contemplates that the applicant banks will file an application for initial consideration of the merger with the appropriate bank supervisory agency. Such agency will then seek the views of the other two banking agencies and the Attorney General. If either of the agencies or the Attorney General does not approve the transaction, and the appropriate agency vested with the authority to make the decision wants to approve, then, before doing so, it must hold a public hearing on the application. This means that there must be a unanimity of views on every application to obviate the necessity of a public hearing, and in every instance the Attorney General may require such public hearing.

Under this provision, notwithstanding the banking agencies approve the merger, and the appropriate agency finds that an emergency exists, the Attorney General nevertheless can still require a hearing. The effect of this provision is that no emergency action can be taken with assurance by the Corporation to render financial assistance to a troubled bank, as contemplated by the Federal Deposit Insurance Act, without waiting 30 days for the action of the Attorney General. This provision would unreasonably restrict and hamper the Corporation in many instances in the discharge of its insurance responsibilities.

It is also to be noted that the disapproval by the Attorney General, necessitating a public hearing, is not restricted to his conclusions from a consideration of competitive factors, but may be based on a disagreement with the banking agencies on the banking factor exceptions.

We have heretofore commented on the fact that the hearing is to be held by—or before—the agency which has been fully informed as to the facts—pros and cons—and, on the basis thereof, has ruled in favor of the merger. There would seem to be no advantage to requiring the banks to take this additional hurdle, involving as it does delay and expenses, particularly before the agency that is theretofore fully informed. Perchance the hearing provides a record for a judicial interpretation. The amendment does not state whether the appellate court shall on appeal consider the facts "de novo," or shall be limited to a determination as to whether the agency decision is substantially supported by the evidence. This provides another area of ambiguity and doubt.

Then as to the record—it is contemplated by the committee bill, and I assume by the amendment, that the agency decision will be in part supported by materials and data in the records and files of the appropriate agency. As is well known, most of the information that bank supervisors obtain concerning banks under their supervision is contained in the reports of examination, and other special reports of the individual banks. For years State and Federal bank supervisors have stood shoulder-to-shoulder in the maintenance of the confidential and privileged character of reports of examination. The supervisory agencies have repeatedly stated that they can only adequately discharge their responsibilities if the integrity of the reports of examination is maintained. The proposition is fundamental to supervisory authority. Returning to the hearing, the agency will not (cannot with propriety) put into the record of the hearing its confidential files and data. Thus, if the decision be appealed, the appellate court can get a full record of the hearing, but it will not have access to the privileged facts, which facts may be decisive of the agency decision. These considerations provide a real obstacle to the use of judicial review as a vital step in stopping bank merger transactions.

The public hearing and appeal provisions, which constitute the backbone of the amendment, do not provide techniques which will be of material value in arriving at a proper decision in bank merger transactions, and again we mean decisions in public interest. The procedures required by the amendment provide confusion, dissipation of responsibility, and add delay and expense, all without any compensating advantage. The committee-approved bill vests primary responsibility for screening banking transactions in one of the three supervisory agencies. It requires the several supervisory agencies to harmonize their policies on merger transactions. It also requires the agencies to seek the advice and counsel of the Attorney General on competitive factors, except in emergency transactions. However, the test to be applied is public interest, public good—a right good guide—and the final decision is made by the agency which has the greatest knowledge and experience with the merging institutions. It is our view that the committee bill provides a proper and adequate means of screening merger transactions among banks, curtailing them to the extent that they should be limited, but permitting such transactions to occur that provide a basis for continuing service to the public at the same or improved levels.

For these many reasons, we sincerely recommend that the O'Mahoney amendment be disapproved, and that the Senate adopt the committee-approved bill.

Sincerely yours,

ROYAL L. COBURN,
General Counsel.

BOARD OF GOVERNORS,
FEDERAL RESERVE SYSTEM,
Washington, May 8, 1959.

The Honorable A. WILLIS ROBERTSON,
Chairman, Committee on Banking and Currency,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: It is understood from the chief of staff of your committee that you wish to have the views of the Board regarding an amendment introduced by Senator O'MAHONEY on May 7, 1959, to the bill S. 1062, relating to bank mergers which was favorably reported by your committee on April 17.

The Board strongly opposes enactment of the proposed amendment. In the Board's opinion, adoption of the amendment would

be directly at variance with the underlying purposes of the bill as reported by your committee. The reasons for the Board's position are set forth in detail in the enclosed memorandum.

Briefly stated, the proposed amendment would (1) Prohibit the Federal bank supervisory agencies from approving any bank merger if its effect might be substantially to lessen competition or to tend to create a monopoly, except in certain limited circumstances described in the amendment; (2) require the appropriate bank supervisory authority to hold a hearing in any case in which either of the other two Federal bank supervisory authorities or the Attorney General expresses disapproval of a proposed merger; (3) allow an appeal from the decision of the bank supervisory authority, to the Court of Appeals for the District of Columbia, by any party adversely affected or by the Attorney General; and (4) require each of the bank supervisory agencies to submit a report twice a year with respect to all bank mergers approved by it, indicating the names and resources of the banks involved and submitting a copy of the report made by the other Federal bank supervisory agencies and by the Attorney General regarding the competitive factors involved in the merger.

The proposed amendment, by prohibiting approval of any merger that might substantially lessen competition, would bar all consideration of other factors that might make a proposed merger desirable, or even essential, in the public interest. This would represent a fundamental change in the concept of the reported bill which contemplates that due weight should be given to financial condition, character of management, and convenience and needs of the community, as well as effect upon competition. The amendment would make "substantial lessening" of competition the controlling factor in all cases.

The holding of hearings with respect to bank mergers as required by the amendment would be inadvisable and in many cases could have detrimental effects upon the banks involved, their customers, and the general public. The provisions of the proposed amendment granting judicial review of orders of the bank supervisory agencies at the instance of aggrieved parties are unnecessary.

The authority that would be given the Attorney General to obtain judicial review of the banking agency's decision would vest in the Attorney General an effective control over bank mergers that would tend to minimize, if not ignore, factors that should be considered in determining whether such a merger is in the overall public interest. Again, this would be inconsistent with the concept of giving due weight to all factors pertinent to the public interest and not to competition alone. It would also be at variance with the concept of the bill of vesting judgment in the bank supervisory agencies with respect to all of the statutory factors including the competitive effect of a particular merger. Furthermore, the Attorney General would be placed in the anomalous position of representing the United States in appealing from the decision of a Federal agency while at the same time representing the agency itself as appellee, unless, of course, special arrangements were made for the use by such agency of its own counsel.

For these reasons the Board earnestly hopes that the proposed amendment will not be adopted.

Sincerely yours,

C. CANBY BALDERSTON,
Vice Chairman.

MEMORANDUM REGARDING AMENDMENT SUGGESTED BY SENATOR O'MAHONEY TO BANK MERGER BILL (S. 1062)

(1) The proposed amendment would prohibit any merger the effect of which may be substantially to lessen competition, or to tend to create a monopoly. The obvious effect of this prohibition would be to make substantial lessening of competition, the standard now contained in the Clayton Act, the controlling test as to bank mergers. It would require disapproval of any merger which might quantitatively lessen competition, notwithstanding offsetting favorable factors that would clearly make the proposed merger desirable in the public interest. While the proposed amendment would purport to set forth certain situations in which this prohibition would not apply, there is no assurance that the situations described in the amendment are exhaustive of the types of situations that might require consummation of a bank merger even though it would lessen competition. In other words, the proposed amendment would be directly contrary to a fundamental concept of the reported bill, which is designed to enable the bank supervisory agencies to consider and weigh various factors affecting the public interest, including but not limited to the effect of the merger upon competition.

As stated in the report of the Senate Banking and Currency Committee of April 17, 1959, it is essential in the case of a bank merger that any lessening of competition "should not be used as a controlling or determinative factor in and of itself" (p. 22) and "that the competitive factors, however favorable or unfavorable, are not, in and of themselves, controlling on the decision" (p. 24).

(2) The proposed amendment would require the holding of a hearing with respect to every merger considered by one of the three Federal bank supervisory agencies as to which either of the other bank supervisory authorities or the Department of Justice have expressed disapproval. Such a hearing requirement could well be detrimental to the public interest. The standards stated in the reported bill would require the appropriate bank supervisory agency to consider the financial condition and competency of management of the banks involved, as well as the competitive effect of the proposed merger. In order to provide a complete record, a hearing would of necessity contain references to the internal condition and management of a bank that for good reasons should not be disclosed other than to the authority considering the matter.

Various items of information of this kind, taken alone, could easily give rise to unfounded rumors as to the financial condition of a bank, the adequacy of its capital structure, or the character of its management, and might well result in irreparable injury to the bank, its stockholders, its depositors, and the public. It is for this reason that such information has always been treated in the most confidential manner by all bank supervisory authorities. Furthermore, revelation of all information relating to the required consideration of the competitive effect of a proposed merger could easily result in giving competing banks information now held in confidence which might unjustly injure the competitive position and business prospects of the bank involved.

(3) Apart from the inadvisability of such hearings, the holding of hearings with respect to bank mergers is questionable. The Federal bank supervisory agency that would be required to pass on a bank merger would be the agency that normally has supervision of the bank that would continue after the merger. That agency would, therefore, have available to it, or could obtain, full information as to the financial condition, management, and other factors pertinent to a decision as to whether the merger should be permitted. A hearing would add little or nothing to the information available to that agency and needed by it in order to appraise the merger in the light of the statutory standards.

(4) The proposed amendment would require hearings even in those cases in which, because of emergency circumstances, a report would not be required under the reported bill to be obtained from the Attorney General. For example, if one of the Federal bank supervisory agencies should express its disapproval of the proposed merger, for whatever reason, a hearing would be mandatory, despite the existence of emergency conditions requiring immediate action.

(5) The provisions of the proposed amendment authorizing appeal from a bank supervisory agency's decision on a proposed merger are unnecessary. Under present law, a person aggrieved by the agency's decision could seek judicial review of the agency's action, either through a suit for a declaratory judgment or an injunction, or a combination of the two, wherein a court of law could determine whether the agency's decision was capricious or arbitrary or in excess of its statutory authority.

(6) The provision of the proposed amendment that would give the Attorney General a right of appeal from the decision of one of the bank supervisory agencies as to a proposed merger would obviously afford the Department of Justice an effective power to substitute its judgment for the judgment of the banking agency and to assert that power solely on the basis of the Department's opinion as to the effect of the merger upon competition, without regard to any favorable factors that would make the proposed merger desirable in the public interest. Again, this result would clearly be contrary to the basic intent of the reported bill.

In this connection, it is important to observe that in the event an appeal should be taken by the Attorney General pursuant to the proposed amendment, unless the agency involved obtained its own counsel, there would result a situation in which the Attorney General would appear before the appellate court both as the appellant and also as representative of the appellee, the particular bank supervisory authority whose decision would be in question. This result would, of course, follow from the fact that the Attorney General, as the legal officer of the United States, normally represents agencies of the Federal Government in suits involving such agencies.

The proposed amendment would give the Attorney General an unqualified right to challenge the decision of the appropriate bank supervisory agency by appeal to a court solely on the basis of his disapproval of the merger on the ground of its competitive effect. Nevertheless, the Attorney General's right to appeal would not be limited to cases in which he might disagree with the banking agency's judgment as to effect on competition; on appeal he could challenge that agency's judgment as to factors related to financial condition, character of management, and other matters wholly unrelated to competitive effect.

It should be borne in mind that, if a proposed merger approved by one of the banking agencies should in fact violate the antitrust laws, the Attorney General would continue to have power to prevent the merger pursuant to his jurisdiction under the Sherman Act. In the absence of such a situation, however, the proposed amendment would have the effect of substituting the judgment of the Attorney General for that of the banking agency as to all statutory factors, including competition, notwithstanding the banking agency's specialized experience in the field of banking. This would be in direct conflict with the sound philosophy of the reported bill and the proposed amendment itself, both of which would place in the banking agencies charged with primary supervision of the institutions involved the responsibility for exercising judgment as to all of the statutory factors including the competitive effects of a proposed bank merger.

TREASURY DEPARTMENT,
COMPTROLLER OF THE CURRENCY,
Washington, D.C., May 11, 1959.

Hon. A. WILLIS ROBERTSON,
Chairman, Committee on Banking and Currency, U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: You have requested our comments on an amendment to S. 1062, the bank merger bill, introduced by Senator O'MAHONEY.

The basic aim of this amendment is to make the standards contained in section 7 of the Clayton Act applicable to bank mergers and to make competitive standards conclusive. Both of these proposals have been fully considered by the Senate Banking and Currency Committee on at least three occasions, and have been rejected. For reasons previously stated on many occasions before congressional committees the Comptroller of the Currency is opposed to this approach to bank mergers. The effect of the amendment would be to take effective control over bank mergers out of the hands of the bank supervisory agencies and place it in the hands of the Department of Justice. As we testified before your committee S. 1062 as introduced by you for yourself and Senators FULBRIGHT and CAPEHART implies recognition that a strong banking system is vital to the welfare of the Nation and that banking is a supervised and regulated industry. It would extend Federal regulation to bank mergers not now subject to Federal control in a manner consistent with the existing banking structure and it would leave jurisdiction over bank mergers in the bank supervisory agencies with authority to weigh and adequately consider the important banking factors in conjunction with purely competitive factors in order to arrive at fair and well-balanced decisions.

The adoption of the O'Mahoney amendment which would make competitive factors conclusive completely ignores the fact that banking is an industry clothed with the public interest and that the public interest must be considered in bank merger transactions. As you know, a representative of the Justice Department has testified before your committee that that Department in enforcing section 7 of the Clayton Act must determine whether there is a substantial lessening of competition without viewing that in the light of the public interest. The banking agencies on the other hand do take into consideration, and under S. 1062 as reported would be specifically permitted to take into consideration in passing upon bank mergers the usual banking factors such as the effect upon the soundness of the banking system, the effect upon the convenience and needs of the community, the effect upon the particular banks involved, whether the resulting institution will be capably managed, soundly capitalized, and in a sound asset condition, and whether the plan is fair and equitable to the stockholders of each of the banks. Thus, under S. 1062 as reported the banking agencies would be permitted to act upon bank mergers after full consideration of all the factors which should be considered and in the light of the public interest.

The use of the word "unduly" in S. 1062 would give the banking agencies needed flexibility whereas the substitution by the O'Mahoney amendment of the phase "substantially to lessen competition" would inject into banking a rigidity which would be highly undesirable.

We have previously testified that the applicability to banks of percentages which have been applied to industrial corporations under Clayton Act language, would clearly not be in the public interest. It must be kept in mind that the relevant market for banking is for the most part local rather than national in scope.

S. 1062 would require the appropriate bank supervisory agency in passing upon bank mergers to seek the views of the other two bank supervisory agencies and to request a report from the Attorney General on the competitive factors involved. The O'Mahoney amendment would add a provision to the effect that in the event either of the other two banking agencies or the Attorney General disapproves the application a public hearing shall be held at which all interested parties shall be afforded a reasonable opportunity to testify, and from which any party adversely affected or the Attorney General could appeal to the Court of Appeals for the District of Columbia. The amendment does not make it clear that the disapproval must be on competitive grounds nor that any such hearing shall be confined solely to competitive factors. Should it be contemplated that such a public hearing would not be confined to competitive factors but would require a consideration of all the factors involved in the decision to approve or disapprove, it would introduce into banking a completely novel and, in our view, dangerous concept which should not be adopted by the Congress without first having had serious and adequate consideration by the appropriate congressional committees. Public hearings have never been held on the mergers of financial institutions and for very good reasons. We know of no State which requires public hearings in connection with bank mergers. Consideration of bank mergers by supervisory agencies involves consideration of intimate details of the conditions and affairs of the banks involved including management weaknesses, investment depreciations, classified loans, and other such matters which should not be made public. A great deal of the information considered by bank supervisory agencies in passing upon bank mergers is contained in the examination reports of the banks. Traditionally, since 1863 these reports have been regarded and treated as confidential not only by the bank supervisory agencies, but also by the courts. See *Bank of America National Trust and Savings Association* v. *Douglas* (App. D.C. 1939) 105 F. 2d 100.

Moreover, bank mergers should not be held pending for long periods of time. The provisions contained in the amendment for public hearings with subsequent appeal to the courts could result in long drawn out proceedings.

The provision contained in the proposed amendment for appeal by the Attorney General to the courts from the order of the Comptroller of the Currency would place the Comptroller's Office in an untenable position. Under existing laws and regulations the Attorney General is required to represent the Comptroller of the Currency in litigation. Hence should the Attorney General appeal from an order of the Comptroller of the Currency the Attorney General would be placed in the position of being the plaintiff and at the same time counsel for the defendant; and the Comptroller would have as his counsel the plaintiff in the litigation against him.

Even though competitive factors would be made conclusive by the O'Mahoney amendment, there would be inserted a statement to the effect that the provision shall not be deemed to prohibit a merger in certain enumerated cases. The exceptions provided are completely inadequate. The bank supervisory agencies have testified in detail on many occasions as to why it is impossible to enumerate all of the categories of cases in which flexibility is needed. Aside from this the O'Mahoney amendment does not even include all of those situations which have been pointed out as properly belonging in any such enumeration. For example, there is no recognition in the proposed amendment of the fact that it may be necessary on occasion for smaller banks to join forces in order to provide more effective competition to nearby larger institutions. Nor is there recognition of the fact that some smaller banks are unable to meet the borrowing needs of their communities and which might make it highly desirable for these banks to become parts of larger organizations. The report of the House Judiciary Committee at the time it reported favorably a bill which would have amended section 7 of the Clayton Act to make it applicable to bank mergers, recognized that there are other situations than those listed in the O'Mahoney amendment in which, from a banking standpoint, the acquisition of a bank by another bank may be desirable. For example, the committee report referred to a situation in which the acquired bank had not made provision for management succession. The report further stated that the same principle applies where there are not adequate banking facilities.

In those cases which are enumerated as exceptions the language is much too restrictive. In the second exception where because of inadequate or incompetent management the acquired banks future prospects are unfavorable, the bank agency would have to find that correction could be made "only" by a merger or consolidation. There are almost always alternative methods of dealing with such situations although some obviously would be better than others. To require a finding that merger is the only solution makes the exception unworkable for practical purposes. The same objection applies to the third exception where also there would have to be a finding that merger was the only solution.

Another objection to the attempted enumeration of exceptions is that there would be left no latitude for the exercise of judgment by the bank supervisory agencies in borderline situations.

In addition to the basic unsoundness of the O'Mahoney amendment, the amendment contains many ambiguities and in many respects is unclear.

As indicated above, it is not made clear that the hearings which would be required would be confined to the competitive aspects of the bank merger at issue.

Under S. 1062 as reported it is clear that the views of the other two supervisory agencies shall be sought only on the question of the competitive effects. Under the proposed amendment it is unclear as the question on which the views of the other two agencies shall be sought. Under the language of the amendment it would seemingly not be solely and perhaps not at all on the question of the competitive effects.

The amendment would require that the appropriate agency seek the views of the other two banking agencies on "such question" (sic), and shall request a report from the Attorney General on the competitive factors. The very next paragraph, however, refers to disapproval of the application by the Attorney General, thus implying that in addition to making a factual report on competitive factors the Attorney General shall have the right to approve or disapprove the application. Nowhere in S. 1062 or in this proposed amendment is he given any such authority.

The provision for public hearing in the event of disapproval of the application by one of the banking agencies or the Attorney General would, under the laguage of the amendment, apply to the emergency cases referred to in the preceding paragraph of the amendment as well as to all other cases. Thus, the provision that in case the agency finds an emergency exists it may shorten the period for the Attorney General to report to 10 calendar days would be useless for if the Attorney General disapproves a hearing would have to be held with right of

appeal to the court before the agency could act notwithstanding the emergency nature of the situation.

It is not clear what the situation would be with respect to public hearings should the agency find under the second proviso that an emergency makes necessary immediate action in order to prevent the probable failure of one of the merging banks. Apparently, notwithstanding the emergency nature of the situation, the agency would nevertheless have to seek the views of the other two banking agencies either of which could bring into play the public hearing provisions by disapproving.

In addition to the basic objections to the proposed legislation from a policy standpoint, and the ambiguities and lack of clarity which would be written into law should the Congress adopt the O'Mahoney amendment, it remains to be said that the procedure provided is so cumbersome in nature that it would render the bank supervisory agencies completely unable to deal with a nationwide banking emergency such as has existed before in this country and which, while it is to be hoped will not occur again, the bank supervisory agencies must be prepared to face, and to properly handle in the the interests of maintaining the economy and banking services in the Nation. It is most unfortunate that those seeking to make Clayton Act standards applicable to bank mergers do not recognize the importance to the economy of a strong banking system, nor the dire consequences which might someday result to the Nation if the bank supervisory agencies are unduly restricted in their efforts to deal with their responsibilities conscientiously and effectively.

Sincerely yours,

RAY M. GIDNEY,
Comptroller of the Currency.

THE MORGAN-GUARANTY TRUST CO. MERGER

Mr. ROBERTSON. Mr. President, a letter which has been received by the Banking and Currency Committee raises questions on the Morgan-Guaranty merger. Among other things, the letter criticizes the Federal Reserve Board for permitting this merger.

It is unfortunate that such a misunderstanding exists; and I have answered the letter fully, in order to correct it.

The Morgan-Guaranty merger was not reviewed or approved by the Federal Reserve Board. Under the present law, no approval or permission from any Federal banking agency was needed for the merger.

The only matter submitted to the Federal Reserve Board was a request to use the old Morgan office at 23 Wall Street as a branch of the new bank. This was approved by the Federal Reserve Board, on the basis, I assume, of considerations applicable to the use of the branch—not on the basis of considerations relating to the merger.

The Morgan-Guaranty merger is a demonstration of the need for the enactment of Senate bill 1062, in order to provide uniform and effective legislation covering the field of bank mergers. It is not the basis for any criticism of the Federal Reserve Board.

I ask unanimous consent to insert in the body of the RECORD copies of the incoming letter and my reply.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

TEXTILE WORKERS UNION OF AMERICA,
LOCAL 1355, AFL–CIO,
COMMITTEE ON POLITICAL EDUCATION,
Hendersonville, N.C., May 5, 1959.

Senator J. W. FULBRIGHT,
Chairman, Senate Committee on Banking and Currency, U.S. Senate Office Building, Washington, D.C.

DEAR SENATOR FULBRIGHT: In the CONGRESSIONAL RECORD for Monday, April 27, in the House proceedings for that date, there appears on pages 6851–6852, inserted therein by Representative PATMAN, of Texas, a chart relative to the recent merger of J. P. Morgan-Guaranty Trust Co., and on the preceding page appear the remarks of Representative PATMAN when he introduced the chart.

In discussions amongst our membership on the implications of this merger we are inclined to agree with Mr. PATMAN's remarks concerning the Federal Reserve Board's action in permitting it. We are also very much concerned with its probable impact on the business world, and are very much afraid that if such mergers are allowed to continue, it will not be but a few short years until one or two concerns will have a virtually unbreakable monopoly and stranglehold on all of the Nation's finances.

We do not feel that it is either legally or morally proper for two such organizations as J. P. Morgan Co. and Guaranty Trust Co. to gain the monopoly of the Nation's business that they have by this merger, and feel very strongly that Congress should, at the very least, pass a resolution enjoining the Department of Justice to investigate this merger. It strikes us as a red flag being waved in the face of business, large and small.

We realize this defense of business, coming from a labor union, sounds strange, in face of the fact that we are always being accused of fighting business. However, our fight with business and management is only to the extent that both labor and management are after essentially the same things, a fair and equitable share of the better things in life, both socially and economically, and does not include doing away with business. Both labor and management, or business, if you prefer, should never lose sight of the fact that one cannot exist without the other, and labor should never lose sight of the fact that someday the opportunity may present itself for a few of us to enter a business of our own, and if such mammoth financial mergers, with all its implications as this one, are allowed to exist or continue, then the individual may as well forget trying to start anything new. If one cannot get bank financing, what incentive is there for progressive-minded men and women to enter the business world?

We note that there are two bills before the Senate, S. 1120 and S. 1062, relative to Federal Reserve and Federal Deposit Insurance. These bills, of course, we are completely unfamiliar with, and do not know if they will remedy the situation, or make it worse. However, in view of the above statements, and in order to lend a more firm air of authority and conviction to our statements and feelings on this subject, we submit to the Congress of the United States the following resolution and respectfully request and urge your support for action on same.

"Resolved, That we condemn the recent merger of the J. P. Morgan-Guaranty Trust Co. as being unsound, because it represents a grave threat to individual business, and a monopoly of all the major banking insurance, and business firms of the Nation;

Resolved further, That it is contingent upon the present Congress to pass a resolution, or whatever form of legislation may be necessary to accomplish the act, enjoining the Department of Justice to investigate the aforesaid merger, to determine and destroy its monopolistic aspects, and that the Federal Reserve Board be censured for its action in permitting this merger and enjoined from any such future acts of this magnitude."

Respectfully yours,

A. H. CRIPPEN,
Director, Committee on Political Education.

U.S. SENATE,
COMMITTEE ON BANKING
AND CURRENCY,
May 11, 1959.

Mr. A. H. CRIPPEN,
Director, Committee on Political Education, Textile Workers Union of America, Hendersonville, N.C.

DEAR MR. CRIPPEN: Your letter of May 5, 1959, to Senator FULBRIGHT has been referred to me. In that letter you tell about the discussions among your membership on the subject of the recent Morgan-Guaranty bank merger, and you set forth two resolutions adopted by your members:

"Resolved, That we condemn the recent merger of the J. P. Morgan-Guaranty Trust Co. as being unsound, because it represents a grave threat to individual business, and a monopoly of all the major banking, insurance, and business firms of the Nation;

"Resolved further, That it is contingent upon the present Congress to pass a resolution, or whatever form of legislation may be necessary to accomplish the act, enjoining the Department of Justice to investigate the aforesaid merger, to determine and destroy its monopolistic aspects, and that the Federal Reserve Board be censured for its action in permitting this merger and enjoined from any such future acts of this magnitude."

I want to answer your letter at length, partly in order to tell you what the Senate Banking and Currency Committee has done and is doing to provide for the control and regulation of bank mergers, and partly to correct the erroneous understanding that the Federal Reserve Board approved or authorized the merger. No authority or approval by the Federal Reserve Board was needed for this merger, and none was given. All the Board did, and all it could do under present law, was to review an application to operate the old office of J. P. Morgan at 23 Wall Street. It is because the Board had no authority to review the merger itself, and similar mergers, that the committee has reported out S. 1062 and is urging that this bill should be passed at once.

The Committee on Banking and Currency is concerned over the incomplete and ineffective Federal legislation on the subject of bank mergers. Along with Senator FULBRIGHT and Senator CAPEHART, I introduced S. 1062 this year, in an effort to provide uniform and effective regulation of mergers of all banks over which the Federal Government now has supervision. The Banking and Currency Committee, after hearings and careful consideration, reported this bill out to the Senate on April 17, 1959, and it is expected to be considered by the Senate in the immediate future, perhaps tomorrow.

For your information, I enclose copies of the bill, as reported, the hearings, and the committee report.

One of the situations where Federal control over bank mergers is ineffective is in cases like the Morgan-Guaranty merger.

These two banks were members of the Federal Reserve System and they were insured by the Federal Deposit Insurance Corporation. The new bank also is an insured member bank. But these Federal banking agencies had no authority to review, and to approve or disapprove the merger (approval by the Federal Reserve Board would have been required if the capital stock or the

surplus of the new bank had been less than the capital stock or the surplus of the merged banks; but this was not the case). The merger was reviewed and was approved by the New York State Superintendent of Banks, but not by any Federal banking agency.

The merger is subject to the Sherman Antitrust Act, and if Attorney General Rogers should feel that the merger constituted a violation of that act, he could institute a proceeding to break up the new organization. Newspaper reports indicate that the Attorney General does not intend to do so, but the committee has not had any official advice from the Attorney General as to his plans with respect to this merger.

The only action taken by the Federal Reserve Board, or by any other Federal banking agency, in connection with the Morgan-Guaranty merger was that the Federal Reserve Board was asked to approve, and did approve, the use by the new bank of the office at 23 Wall Street which had formerly been occupied by J. P. Morgan & Co., Inc. This was about two blocks away from the head office of Guaranty Trust Co., at 140 Wall Street.

The application considered by the Federal Reserve Board related only to the request to use 23 Wall Street as a branch office, and the Federal Reserve Board's consideration should have been, and I assume was, limited to factors involved in the use of the branch office. The Federal Reserve Board, in reviewing the application for the branch office should not, and I assume did not, take into consideration factors relating to the merger.

Since the business of the two merging banks had been and would continue to be, I understand, almost exclusively a wholesale banking business, involving loans to and deposits by large corporations and other financial institutions, and since, I understand, neither bank has engaged in any neighborhood or local banking business, at least in the Wall Street area, I can easily understand how the Federal Reserve Board could reach the conclusion that maintenance by the new bank of a branch office at 23 Wall Street, in addition to a head office about 2 blocks away at 140 Broadway, would have no possible adverse effect on competition.

To express it another way, the Federal Reserve Board could not say that an industrial firm seeking to borrow $10 million from a bank would happen to drop in at the 23 Wall Street office because it was nearby and convenient, but would go to some other bank, perhaps to the Chase-Manhattan Bank office at 40 Wall Street or the First National City Bank office at 55 Wall Street, if the nearest Morgan Guaranty offices were around the corner at 140 Broadway.

Consequently, from the information I have received, the Board's decision to approve the branch at 23 Wall Street seems entirely reasonable and proper, if considered for what it was—approval of a branch office. But the Board's decision on this single limited question should not be taken to mean that the Board authorized or approved or reviewed the merger between the two banks.

As I have said, the Federal Reserve Board had no authority to review the Morgan-Guaranty merger. It is because of the Board's lack of authority to review this merger, and because of other similar gaps in the existing law, and because of unsatisfactory standards in those cases where the law does apply, that the Banking and Currency Committee has recommended the enactment of S. 1062.

I might add that the authority of the Board to review applications for branches resulting from mergers, and the authority of the Board to consider competitive factors in such a review, have been challenged in litigation in the U.S. district court. The Board was sustained by the district court. I am advised that the time for appeal of this decision to the Court of Appeals has not expired. It would not, of course, be proper for me to comment on this litigation; I mention it merely to show the lack of clarity and certainty of the present statutes, and the need for uniform and effective legislation.

The Senate has twice, in 1956 and again in 1957, passed bills similar to S. 1062, but these bills have not been enacted into law. The Banking and Currency Committee, as my report states, has amended the bill to give the Justice Department greater participation in the review of the merger.

It is the committee's hope that the bill now before the Senate will be promptly enacted into law, so that we can have uniform and effective regulation of bank mergers, by the informed and responsible Federal supervisory agencies, with the benefit of full information from the Department of Justice.

Sincerely yours,

A. WILLIS ROBERTSON,
Chairman.

NOMINATION OF POTTER STEWART TO BE ASSOCIATE JUSTICE OF THE SUPREME COURT—PERSONAL STATEMENT BY SENATOR SMATHERS

Mr. SMATHERS. Mr. President, in the midafternoon of May 5, while in my office visiting with some constituents, I inquired of the Democratic cloakroom as to whether a vote was expected that afternoon. I was advised there would be none.

On the strength of that representation, I drove those distinguished Florida visitors to the airport; and during that time we discussed the prospects of my proposing legislation which is designed to give to self-employed the right to set aside certain portions of their income for retirement purposes, a refinement of the original Jenkins-Keogh bill.

After dropping them at the airport, I drove back by way of St. Albans School, to pick up my son, at which time I was told a vote was being taken in the Senate. I rushed back to the Capitol, and onto the Senate floor, where I was advised the vote had been concluded, but that the result had not yet been announced. I inquired of one of the attendants on the floor what the vote was about, and was told it was on the nomination of Mr. Potter Stewart, to be a Supreme Court Associate Justice. The clerk then called my name, and I announced in the affirmative. The result of the vote was then stated by the Chair as being 70 yeas and 17 nays in favor of confirmation. In short, the nomination was confirmed.

I then walked back to my office in the new Senate Office Building. En route, I fell into a discussion with some of the assistants for a southern Senator, who advised me they thought I had voted incorrectly, and stated what I felt were good reasons for their conclusions.

The next morning I read the debate preceding the vote, as published in the CONGRESSIONAL RECORD. I was particularly impressed by the remarks of the able senior Senator from Georgia. Having read those remarks, I am thoroughly convinced that I should not have voted for confirmation of the nomination, but on the contrary, that I should have voted against it.

I am relieved that my vote on the question of confirmation of the nomination of Mr. Potter Stewart was not decisive. He won by a 53-vote majority. I would, however, assure him and any others that, with the knowledge I now have, I would not have voted for confirmation of his nomination.

I cannot help but believe that, despite Mr. Stewart's previous 3 years on the circuit court of appeals, his particular philosophies and views do not represent the views of the people of the State of Florida, nor do they represent my own.

HYDROELECTRIC DEVELOPMENT IN ALASKA

Mr. GRUENING. Mr. President, recently, there appeared in the Daily Oregonian, of Portland, Oreg., an excellent description of what the full development of the hydroelectric potentials of the mighty Yukon, at Rampart Canyon, Alaska, will mean. The article was written by the well-known and very able Washington correspondent, A. Robert Smith.

Mr. Smith, in his article, very penetratingly places the Rampart Dam project in perspective, both in terms of what its potential is for the economic development of Alaska and of the United States and its meaning in terms of winning the struggle in which we are now engaged with the powers of totalitarianism.

I call the particular attention of my colleagues to the statement in the article about how the Soviet Union is building up the economic potential of Siberia. There has been much talk of the economic cold war. In what Russia is doing on its side of the Bering Sea, we are given tangible proof—if any be needed—that that nation is waging the economic cold war with full realization that, first, it will last a long time; and, second, that whatever side is to win must be strong in its own resources. Russia has no policy of "no new starts." Apparently it has seen the wisdom of spending to increase economic potential.

I wish this administration could be made to see the wisdom of such a policy here at home.

My colleague [Mr. BARTLETT] and I appeared before the Appropriations Subcommittee last week to request starts on various longstanding and approved engineering projects in Alaska for flood control and harbor development, which will do much to improve the economy of the various regions in which they are located. For the supremely important studies leading toward the construction of the Great Dam on the Yukon at Rampart, the request was a modest one of only $100,000 for this year, with an additional $35,000 for some lesser hydroelectric studies which will be needed for dams which can be completed in a few years and will tide over Alaska's great need for hydroelectric power until this major project on the Yukon can be completed more than a decade hence. We are very hopeful that Alaska may be-

come a living demonstration of America's determination to move forward with the development of natural resources, of which our hydroelectric potential in Alaska is the greatest and the least developed. Less than one-fourth of 1 percent of Alaska's hydro potential has been harnessed. It would be a shocking thing if it could be said that Alaska, which was once Russian America, would lag behind in development which the Kremlin is now going all-out to effect in Siberia, and that had Alaska remained under Russian rule, a similar desirable and needed development of hydroelectric resources would long since have begun there.

I ask unanimous consent that Mr. Smith's excellent article be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BIG HYDRO PROJECT LOOMS FOR ALASKA

(By A. Robert Smith)

WASHINGTON.—The Corps of Engineers has, in effect, chosen the new State of Alaska in which to challenge the Russians in the kilowatt race. On the Yukon River they are preparing to start detailed engineering plans for a dam that would dwarf Grand Coulee and all those bigger hydroelectric projects the Soviets are now building.

Closing the kilowatt gap is a great concern of Maj. Gen. Emerson C. Itschner, Chief of Engineers. He came up to Capitol Hill last session and told a group of western Senators in detail how the Russians were forging ahead in construction of great hydro powerplants, at a time when the United States seemed to be slowing down because of budget balancing priorities.

Itschner reported the Soviets are building Krasnoyarsk Dam on the Yenisey River with a powerplant capacity of 4,004,000 kilowatts; Bratsk Dam, Angara River, 3,840,000 kilowatts; Stalingrad Dam, Volga River, 2,300,000 kilowatts; and they have completed the 2,100,000-kilowatt Kuybyshev Dam on the Volga.

All, he pointed out, are greater in power capacity than America's largest dam, Grand Coulee, which generates just under 2 million kilowatts.

Itschner said Soviet progress in water resource development "is demonstrating to the world what can be done in this field by well-considered, long-range planning, and a willingness to make sacrifices in present standards of living in order to achieve the goal of a great future industrial development." He told Senators "the Soviets have given water resource development a priority second only to the development of heavy industry designed to support military programs."

At a closed door conference with Alaskan Senators last week, Itschner spoke further of this United States-Soviet rivalry. The upshot of the meeting was agreement to push for planning and subsequent construction of Rampart Dam, a 4,770,000-kilowattt project that would be the world's largest hydropower plant. No borings have been taken of the site, so engineers don't know what type dam it would be—or the cost.

The Senate Public Works Committee quickly approved a resolution authorizing planning to commence.

Quite incidental to the international rivalry involved, this move may give the Corps of Engineers the upper hand over the Bureau of Reclamation in the 49th State in a rivalry that is reminiscent of yesteryear in the Columbia Basin. The Bureau has built Alaska's only Federal dam—the 32,000-kilowatt Eklutna project near Anchorage. Some Reclamation officials have been urging that the Bureau launch an aggressive program to develop Alaska's great hydro potential.

But Alaskan Senators don't want their State to be declared a "Reclamation State," because legally this would require Alaska to pay into the Federal reclamation fund 52½ percent of the revenue it now stands to get from mineral leasing on its public lands—as all other Western States now do in return for reclamation benefits.

With a baby oil boom going, Alaskans want to hang onto this revenue. So their Senators are turning to the Corps of Engineers with an invitation to come to the Yukon to regain American kilowatt supremacy.

Although Rampart Canyon is within transmission line distance of Anchorage (300 miles) and Fairbanks (90 miles), arguments against the dam will doubtless resemble those once made against Grand Coulee (Who will use all that power, the polar bears?).

Engineers estimate it will take 15 to 20 years from now to complete it, considering undercertainty of appropriations year-to-year, even if Congress authorizes construction without a long struggle. Alaskan Senators see it as a big factor in helping their State attain the industrial base to support the 15-million population they visual for the bright future of this American Scandinavia.

CANADIAN AGRICULTURAL POLICIES

Mr. HUMPHREY. Mr. President, just across our northern international boundary there is developing a refreshing contrast to the ill-founded and costly farm policies of the Republican administration.

In Canada, the farm income improvement and stabilization program is being used to help preserve and improve family farming for the benefit of consumers.

In the United States, our Government has sat idly by as farm prices and farm income have gone down and down and as surpluses have accumulated. In Canada, the Government moved to stop further declines in the returns to hog producers. The vertical integration of farming by nonfarm interests is developing in Canada as well as in the United States. It is heartening to read the comments of the Canadian Minister of Agriculture affirming that he does not intend to allow the income protection program to finance or to assist further vertical integration of hog production by nonfarmers. We would welcome such a pronouncement in the United States from the Secretary of Agriculture.

It is also significant to note that the Canadian Minister of Agriculture looks toward deficiency payments with a family farm cutoff as the appropriate instrument to improve the family farm income while preserving the family farm pattern of agriculture. Here in the United States, we find only opposition on the part of the administration toward this type of program—except, of course, when it is applied to wool and sugar.

Mr. President, the senior Senator from Minnesota agrees fully with the Canadian Minister of Agriculture that hog product purchases as a means of price support can only result in hastening the trend toward vertical integration of hog production by chain stores and meatpackers. That is why the Senator from Minnesota criticized the canned meat and gravy purchase program operated by Secretary Benson. This is why the Senator from Minnesota has introduced amendments to every farm bill that has come to the Senate floor to provide for the inauguration of a payment-type income improvement program for hogs.

Mr. President, may I quote from the comments of the Canadian Minister of Agriculture, as follows, as reported in the Manitoba Co-operator of April 2, 1959:

Federal Minister of Agriculture Douglas Harkness does not intend to operate the Federal Agricultural Prices Stabilization Act for the benefit of anyone except bona fide farmers and, of course, consumers.

Addressing the Meat Packers Council in Ottawa, Mr. Harkness added, "In my view, there is no justification for using the taxpayers' money to support livestock raising or feeding operations by large feed companies, processing companies, or retailing chains."

Last week Mr. Harkness announced that the price support on hogs would be cut October 1. His statement to the House of Commons at the time was:

"The Agricultural Stabilization Act provides for the announcement of support prices on an annual basis. The existing support price for hogs expires at the end of March. Therefore, I am now announcing that the existing price of $25 per 100 pounds, basis Toronto and Montreal, warm dressed weight, for A grade carcasses, with appropriate prices for other markets, will continue in effect until September 30. For the period October 1, 1959, to March 31, 1960, the support price will be at the mandatory level, which is 80 percent of the 10-year average or $23.65 per 100 pounds, basis Toronto and Montreal.

"As is well known, hog marketings in 1958, and more particularly during the last quarter of 1958 and in 1959 to date, have been running at unusually high levels. This has resulted in hog prices over the past 6 months remaining at or close to the support level. It has also resulted in a considerable accumulation of pork products by the Stabilization Board.

"There is good reason to believe that one of the important factors behind the increased production of hogs is the development of so-called vertical integration, financed or sponsored in one way or another by large commercial organizations.

"The assured price under the existing stabilization program appears to have been an important factor in the greatly accelerated production under this type of operation. I have, therefore, directed the Stabilization Board and officers of the department to actively explore the method of providing price support for hogs by means of a payment to producers, commonly described as a deficiency payment, rather than by an undertaking to purchase the product. Under this alternative method, the price of hogs would not be supported in the market but producers would be paid the difference between the actual average price received and the prescribed support price. This method would make it possible to withhold payments from commercial organizations operating under the so-called vertical integration plan and to limit payments to any individual to a specific number of hogs delivered.

"I am sure that all who have knowledge of hog production and marketing procedures will agree that before radical changes are made an administratively sound plan must be developed. Consequently, I cannot at this moment state where the proposed change can be put into effect. However, I wish to assure the House that every effort will be made to complete the necessary studies and

put the alternative plan into effect at the earliest possible date."

Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

RESOLUTION BY INTERNATIONAL RESCUE COMMITTEE IN SUPPORT OF WORLD REFUGEE YEAR

Mr. HUMPHREY. Mr. President, I wish to invite the attention of the Senate to a resolution which was recently adopted by the International Rescue Committee in support of World Refugee Year, which commences in July of this year.

In our own country the United States Committee for Refugees has been formed to stimulate efforts here on behalf of World Refugee Year. The distinguished chairman of this committee is Dean Francis Sayre, of the Washington Cathedral. Under his dedicated leadership, I am confident that the committee will perform a most important and beneficial function.

May I also take this opportunity to pay special tribute to the President of the International Rescue Committee, the Honorable Angier Biddle Duke. We are all indebted to this great American for his humanitarian and untiring efforts on behalf of the victims of tyranny. His work, and that of the committee itself, deserves our full support.

I ask unanimous consent that the resolution to which I have made reference be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION ON WORLD REFUGEE YEAR

Whereas the 13th session of the General Assembly of the United Nations on December 5, 1958, adopted a resolution in which it urged member states to promote a World Refugee Year, beginning in July 1959, as a practical means of securing increased assistance for refugees throughout the world; and

Whereas the U.S. Government has joined in sponsoring this proposal and will be implementing its observance in the United States of America; and

Whereas the United States Committee for Refugees has been formed to stimulate American efforts on behalf of World Refugee Year;

Whereas the International Rescue Committee has for 25 years given assistance to refugees from tyranny:

Resolved, That the Board of Directors of the International Rescue Committee—

(1) Strongly endorse the objectives of World Refugee Year;

(2) Offers its full cooperation to the United States Government and the U.S. Committee for Refugees in stimulating increased American participation in World Refugee Year;

(3) Expresses the belief that plans for World Refugee Year should take account of the fact that as long as there is tyranny there will be refugees from tyranny; therefore, plans for increased efforts on behalf of refugees should prevent raising false hopes of quick or final solutions, but work for genuine solutions which involve the realization that refugees from behind the Iron Curtain are a collective responsibility of the Western World and that the United States should take its fair share of these refugees, including hardship cases.

THE LONG ORDEAL OF COEXISTENCE

Mr. HUMPHREY. Mr. President, we are living in difficult and tragic days, but not without the hope of a better future. The cold war has produced attitudes of apathy and even cynicism among some of our people. I do not believe such negative attitudes are justified when we see our present time of troubles in historical perspective. In this connection, I should like to call the attention of my colleagues in this Chamber to an article, "The Long Ordeal of Coexistence," by Reinhold Niebuhr, which appeared in the March 30, 1959, New Republic.

Professor Niebuhr points out that the struggle between the Communist world and the free world is not only a military struggle, but perhaps fundamentally a moral struggle which expresses itself more in economic and political terms than it does in strictly military terms. By presenting the cold war in a meaningful historical perspective, Professor Niebuhr gives us a sensed proportion and a sense of courage for dealing with the grave problems which confront us in Berlin, in the Far East, and in the Middle East.

I ask unanimous consent that Professor Niebuhr's article, entitled "The Long Ordeal of Coexistence," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE LONG ORDEAL OF COEXISTENCE

(By Reinhold Niebuhr)

For the long haul of competitive coexistence, we require something better than the emotional attitudes engendered by the cold war. Polemical animus is not a source of wisdom, for it fails in giving us insights about the virtues and weaknesses of both ourselves and our adversaries. This is particularly true in our own Nation, where polemical attitudes are colored by the cynicism of disappointed hopes. We need not consider the disillusioned Marxists, whose dreams were mocked by the terror of Stalinism, because they had little influence on our national life. But we must think of the hopes which the genuine leaders of the Nation once had, not for the Marxist utopia, but for partnership with Russia after the war. These hopes were expressed by such diverse figures as Franklin Roosevelt and Dwight Eisenhower, Henry Stimson and Senator Arthur Vandenberg. They were rather desperate hopes; they disregarded the obvious reluctance of the wartime partnership with the Russians and obscured the dynamic of the Communist plan of world salvation, which was only momentarily deflected by the incidental collaboration with a capitalist nation.

The Charter of the United Nations expressed and was founded upon these hopes; for the charter assumes the unanimity of the great powers and rests its plans for peace upon a concurrence between them. Such unanimity has been absent almost from the beginning. The arrangements for the governments of both Germany and Berlin, exposing us as they do to Russian pressure whenever it suits Russian purposes, are so fantastic that they can be explained only in terms of illusions about our former ally and present adversary, so widely held that both the President and his chief military adviser held them in common. In a sense, this was a fortunate fact, because it has prevented extreme partisan exploitation of past mistakes. About the share of the military commander in these mistakes it is only necessary to remind the reader of what Dwight D. Eisenhower had to say about Russia in "Crusade in Europe."

"Past relations between America and Russia were no cause to view the future with pessimism. Historically the two nations preserved an unbroken friendship since the founding of our Nation as an independent Republic. * * * Both were free of the stigma of empire building by force."

The judgment about "empire building" was historically false, even when applied to traditional Russia. But it was even more fantastic if it was meant to be relevant to the new Russia, so soon to become the center of a new imperialism, informed by a dynamic utopian creed. Even the implied barb at our most intimate ally, Great Britain, was not a unique mistake. It was the stereotype of American attitudes, despite two wartime alliances. Clearly we are disappointed partners, who mistook a military marriage of convenience for a marriage between kindred souls. Our emotions are now frantic because our hopes were high. But these emotions must not blind us to the present sober obligation of measuring both our own resources and those of our adversary in the fateful encounter in which we are involved.

We must think particularly of comparative political and economic resources in the struggle, for these will undoubtedly dominate our history and that of the world for decades to come. At the same time, we dare not undervalue the military dimension of the East-West conflict, though for our present purposes we can tentatively dismiss that part of the encounter by acknowledging that such peace as we enjoy (if that is the word for it) rests upon a "balance of terror"; and that we cannot afford to fall too far behind the Russians in maintaining the balance, lest they push us to the limits of our patience because they erroneously believe that we are not prepared to join issue with them, either in limited wars or in the ultimate conflict.

In the realm of politics it is important to recognize that the struggle is not so simply a contest between despotism and freedom as many complacently assume. Admittedly, the Communist system is still totalitarian. The political leadership still dominates the whole of Soviet life and still forces the whole of the culture to conform to the standards of socialist realism which means the glorification of the political status quo. But what is developing now cannot be understood either in terms of analogy with Hitler's despotism or in comparison with Stalin's reign of terror. Khrushchev may become another Stalin; the 21st party congress certainly gave evidence of disquieting obeisance to the autocrat. But it is well to notice the difference: Compare the crude backward nation in which Stalin ruled and the emerging dynamic society in which Khrushchev achieved his eminence. That society is dominated by a Communist creed, but it also is the prey of contests of interest between competing oligarchies—economic, military, and political. Essentially Khrushchev has triumphed thus far because he has shrewdly used the still powerful political oligarchy as his instrument. He beat the rising economic managers, who were behind Malenkov, partly by destroying their chain of command to Moscow in his famous decentralization maneuver, which placed the local industrial manager under the local party boss. He also defeated Malenkov, by the trick of restoring the wartime hero of the Army, Marshal Zhukov. But when that worthy, seemingly secure as a member of the presidium, tried to make military power independent of the party, Khrushchev used party fears and the jealousies of Zhukov's war buddy Marshal Konov, to overthrow the

military hero. Before all this happened he engaged in the hazardous venture of destroying the Stalin myth, both for the sake of extricating himself from the taint of Stalinism and of assuring the budding bourgeoisie—the classes of oligarchs of the new dynamic society—that they would not be again subject to Stalin's capricious terror. He also gave something to the common man of Russia by swiping the consumer promises of the defeated Malenkov, without making the mistake of arousing the fears of the military oligarchy by invading heavy industry for the sake of the consumer. He has since improved his position with the Russian consumers by mixing plausible and implausible promises, including a 40-percent rise in wages, the reduction of hours to 35 per week and a general rise of gross national product by 80 percent in 7 years. The implausibility of the promises are slightly obscured by the enormous achievements of Russian technics, by the 5-percent annual increase in productivity and by the inability of any of the lesser oligarchs effectively to challenge Khrushchev's figures.

Thus, his achievements are those of a shrewd politician but of a politician working in an oligarchic community, and therefore comparable to, say, Sir Robert Walpole's achievements in the context of the aristocratic politics of England at the beginning of the 18th century. It would be foolish to detect here the beginnings of an "open society." The Russian system still tolerates a monopoly of power, which Khrushchev has, in a sense, aggravated by preserving or restoring the monopoly of the political oligarchy. In subordinating the military oligarchy, communism has achieved a unique distinction in the history of dictatorships. And by subordinating the economic oligarchy, communism probably prevents the rise of a class with an independent source of power—an important element in the rise of democratic society.

Khrushchev, as a versatile politician, may have been the agent of these developments, but his personal achievements should not obscure the historical context which made them possible. For Khrushchev is presiding over a nation very much on the make. The Russian society is fermenting with the dynamic possibilities of a technical civilization. It will probably be a vexatious oligarchy for decades to come. But it cannot turn back, even as Khrushchev could not exercise Stalin's terror on the technicians whose achievements have added to the prestige of the Communist boss. It is furthermore disquieting to realize that our free society does not have the attractive power for the new nations which we attributed to it. The newly independent nations may merely exchange the restraints of the collectivism of a pastoral or feudal society for the technical collectivism of Communism. Communism has, moreover, become a political movement appealing to a whole people and to their rulers, and not simply to the "oppressed." It promises them quick results in industrialization and the abundance of a technical civilization.

The stability which each new nation seeks is, furthermore, not as obviously compatible with freedom as we often assume. Freedom, justice and stability have been wedded only in Western Europe and the British Commonwealth, and even in Western Europe the record is not too impressive. France has not digested its revolution in a century and a half. Germany is just beginning a new life after a terrible interlude. Italy is still unstable.

Outside of Europe our democratic allies are not exactly exemplars of an "open society." We may still remember the pious resolutions with which the Batista dictatorship supported us in the United Nations. Certain of the Latin American nations are dictatorships. The fallen Iraqi Government, lynch-pin of the Baghdad Pact in the Middle East, was a dictatorship, as is the government which supplanted it. Our intimate ally, which pretends to be China on the island of Formosa, is a police state. The democratic achievements of the Rhee government in Korea are not too impressive. Vietnam, the brand plucked from the burning, is strongly anti-Communist but certainly not democratic. In short, the record of the free world proves that the compatibility between freedom, justice, and stability is a rare achievement. The nontechnical world will be pardoned if it regards the achievement as beyond its present competence.

In the field of economic competition our handicaps seem even more disturbing than in the political field.

The launching of the earth satellites, culminating in the achievement of the moon or sun satellite, was the Soviet Union's dramatic announcement to the world that it had mastered the techniques which are the foundation of industrial abundance. The once backward Russians had in four decades entered the circle of technically competent nations. Capitalism and democracy were cherished in the 19th century, not only for their freedom, but as the prerequisites of technical competence. If communism now steals the "emperor's clothes" of this prestige and sets itself up as the necessary prerequisite of industrialization, one must recognize a certain ironic justice in the vagaries of history, and realize that the claim will seem plausible to some of the budding nations of the awakened continents. We have not noted sufficiently that communism, which once promised utopia to the downtrodden of the industrial nations, has been transmuted and now promises industrial power and independence to the colonial nations, meanwhile exploiting the present or residual resentments of once subject peoples against Western imperialism. Western imperialism was morally ambiguous rather than purely exploitative; and none of the new nations could have achieved integral nationhood without the linguistic, technical, and legal means of integration supplied by their former masters. Yet these subject nations did experience the white man's racial arrogance, and they cannot be expected to discriminate too sharply now between the creative and exploitative aspects of the former imperialism. Nor can they easily discern the perennial pattern of imperialism in the bland promises of help from the Communist "big brother."

While these Communist promises and performances contain many dishonesties, it cannot be denied that the help of a once backward nation, offering both economic and technical assistance to the now backward nations, can be impressive. It is particularly so since the Russian oligarchy in its foreign-aid program does not have to deal with a budget conscious electorate. It can barter its productive capacity with other nations so long as it allows moderate improvement in the living standards of its own people, who are not accustomed to the standards of comfort which Western nations, particularly our own, regard as their God-ordained right.

Our Nation, at least its most thoughtful citizens and leaders, is becoming increasingly aware that this economic competition is the paramount issue confronting us. But are our leaders? They are not incapable of occasional eloquents statements on the importance of the economic competition, but usually they are content to picture our struggle with communism in simpler moral terms. For example, just before his illness, Secretary Dulles assured the American Bar Association that our Nation is dedicated to the high goal of establishing the world rule of law which substitutes law and justice for force, while the Communists use the United Nations for propagating their conception that laws are means by which those in power suppress or destroy their enemy.

Such official explanations of the essence of the struggle have the same relation to realities as fairy tales have to facts. We need not be the paragons of virtue and Communists need not be the devils which we and they are in the imagination of some to make our contest with communism a fateful one. It is also apparent that that contest can be successful only if we are armed, not only with a sense of the virtue of our cause, but with a full realization of the hazards we face in the military, economic and political realms in this struggle; and only if we are fully conscious of the political and moral ambiguities in which we are involved. If we fail in these marks of maturity, the alleged flexibilities of an open society will degenerate into an inflexible stance of moral complacency, somewhat akin to the original Communist dogmatism.

ISRAEL AND THE AFRO-ASIAN WORLD

Mr. HUMPHREY. Mr. President, ever since the Republic Israel was founded, I have emphasized the positive role that this small state could perform as an example of political democracy and economic progress in an area of the world where the people are reaching out for new political loyalties and are no longer content with the bitter fruit of poverty. I believe Israel has played, is playing, and will continue to play this positive role in certain parts of Asia and Africa.

In a recent article, Arnold Rivkin, director of the African economic and political development project at the center for international studies of the Massachusetts Institute of Technology, stated that an increasing number of nations in Africa and Asia are looking to Israel for economic and technical assistance, trade, and investment capital. He refers to this as "a striking development in international relations," and indeed it is. Mr. Rivkin's article, "Israel and the Afro-Asian World," appeared in the April 1959 number of Foreign Affairs. I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ISRAEL AND THE AFRO-ASIAN WORLD

(By Arnold Rivkin)

A striking development in international relations is the mounting interest with which more and more states of Africa and Asia, notably Ghana and Burma, are looking to Israel. They have found in Israel, a state with an advanced technology capable of extending assistance, providing technicians, entering into trade, and supplying investment capital without in any way compromising their sovereignty or threatening their independence. Israel also has the advantage of being a relatively neutral source of assistance, without any of the possible ideological implications which might attach to assistance from the West or the Communist bloc. In addition, the dynamism of the Israeli development effort, the pioneer spirit that pervades it, and its visible achievements in difficult circumstances have undoubtedly excited the interest of many underdeveloped countries, and provide an attractive model with which they can identify themselves.

For Africa, Israel's desire to establish reciprocal relations offers a special attraction in that it can serve as a countervailing political force to offset Egypt's ambitions there. This

was first perceived by Prime Minister Nkrumah of Ghana, who has his own plans for Africa; and as a result the Israeli initiative has found its warmest reception in Ghana.

African relations with Israel, which have been evolving over the past 18 months, have proved capable of withstanding antagonistic and even disruptive external pressures. Egypt's previously discreet efforts to weaken the Ghanaian-Israeli relationship became relatively overt at the Accra Conference of Independent African States in April 1958. There, the Egyptians tried to obtain an anti-Israel resolution which would tend to drive a wedge between Ghana and other African States on the one hand and Israel on the other. They were defeated. Dr. Fawzy, Foreign Minister of the United Arab Republic, sustained a double rebuff, first, in his failure to have the question of Israel placed on the Conference agenda as a separate item, and second, in the noncommittal resolution which emerged from the Conference, calling for a "just" resolution of the Arab-Israeli dispute. At the subsequent All-African People's Conference held in Accra in December 1958, Egypt sustained still another setback in her efforts to introduce the Israeli issue at an African conference. This meeting of representatives of African political parties, trade unions and nationalist organizations firmly resisted Egyptian efforts to label Israel as an imperialist state along with the United Kingdom and France.

One of the highlights of the All-African People's Conference, which assumes particular importance in this context, was a somewhat enigmatic statement by Prime Minister Nkrumah in his address to the opening session of the Conference. "Do not let us also forget," he warned, "that colonialism and imperialism may come to us yet in a different guise, not necessarily from Europe. We must alert ourselves to be able to recognize this when it rears its head and prepare ourselves to fight against it."[1] Certainly this is susceptible, inter alia, to the interpretation that Nkrumah was warning against direct Egyptian expansionism or indirect Communist penetration of African areas through a willing Egypt. This interpretation is consistent with the report that "Dr. Nkrumah told intimates late last week that he would ignore Bandung [Conference of African and Asian States in 1955] because he felt that President Gamal Abdel Nasser * * * had corrupted its principles of non-interference and intruded Asian and Communist influences into African affairs."[2]

The role President Nasser envisages for Egypt in Africa is set forth in his book on the Egyptian revolution. It expresses a latter-day version of the "white man's burden," complete with references to Egypt's "manifest destiny" and "civilizing burden" in "the interior of the Dark Continent:"

"The peoples of Africa will continue to look to us, who guard their northern gate, and who constitute their link with the outside world. We will never in any circumstances be able to relinquish our responsibility to support, with all our might, the spread of enlightenment and civilization to the remotest depths of the jungle."[3]

In north Africa this role has meant interference in the internal political affairs of Tunisia and Morocco and calculated campaigns to penetrate the public administration and educational system of Libya. In the Sudan it has meant interference in the Sudanese national elections, assertion of territorial claims against the northern frontier boundary of the Sudan, and disputes over use of the Nile River waters. In the Horn of Africa it has meant an intrusion in domestic affairs by a political appeal to Moslem unity. In Africa generally it has meant a drumfire of anti-Western and anti-Israel propaganda and a beehive of conspiratorial activity against incumbent regimes in independent African states as well as in dependent territories.

Under the circumstances, for an African nation to establish close relations with Israel is at once courageous and useful. The kind of political penetration that Egypt has achieved in Libya would be particularly dangerous in sub-Sahara Africa at a time when education and public administration are generally undergoing drastic changes with the coming of independence. The ability and willingness of Israel to supply technicians and management personnel on reasonable terms for sterling reimbursement is thus extremely important. It could be a crucial factor in preventing indirect aggression by Egypt.

II

The most far reaching of the evolving relationships between Israel and Afro-Asian states is that between Israel and Ghana. As a precedent and as a model for other countries to follow, it warrants examination in greater detail. What are the elements of this new relationship which may at first glance appear unlikely between states with seemingly disparate interests?

Trade: Early in 1957 the Israeli Minister of Commerce and Industry went to Ghana to represent Israel at the Independence Day ceremonies of the new nation. Shortly thereafter trade relations between Ghana and Israel were inaugurated, and the first shipment, a modest export of 1,000 tons of cement and miscellaneous industrial items from Israel, took place in May 1957. In the following August the Ghanaian Minister of Trade and Industry headed a trade mission to Israel to explore the possibilities of developing a regular flow of trade between the two countries. These visits at the ministerial level led to the initialing of a preliminary trade agreement in January 1958, and in July long-term trade and payments agreements came into force. The agreements are for a period of 4 years but are automatically renewable on a yearly basis unless terminated by either party after appropriate notice.

A principal feature of the agreements is the provision of credits to Ghana in the impressive sum of $20 million over the 4-year period. Credits for capital goods and services are to run 6½ years; others are to run 5 years. All credits involve a 2-year grace period for payments of principal. Under the trade agreement Ghana will buy cement and other building material and equipment, tires, glass, ceramics, paper, cardboard, leathergoods, plastics and other industrial goods, processed foods, chemicals and pharmaceuticals, and in return will export to Israel cocoa, coffee, copra, oil seeds, hides and skins, palm kernels and oil, hardwoods, bauxite, manganese and rough diamonds.

In 1956, prior to independence, Israeli trade with the Gold Coast was virtually nonexistent; 1 year later Israeli exports to Ghana during its first 9 months of independence exceeded $100,000, and imports from Ghana reached $300,000. In 1958, on the basis of unofficial statistics, Ghanaian exports to Israel will show a further growth but are not likely to increase at the rate of growth projected for Israeli exports to Ghana.

Dizengoff West Africa, Ltd., was organized in Israel in 1957 as a trading company with the exclusive purpose of engaging in two-way trade between Israel and West Africa. It established an office in Accra early in the same year and a second branch office was opened early in 1958 at Lagos, Nigeria. In the first 9 months of operation of the Accra branch, Dizengoff received orders for $550,000 worth of Israeli goods—primarily cement, tires and food products—and placed orders for approximately $250,000 worth of Ghanaian goods—mainly cocoa and timber.

Investment: In the fall of 1957, the Black Star Line was incorporated in Ghana with 60 percent ownership vested in the Government of Ghana and 40 percent ownership in Zim Israel Navigation Co., Ltd., a private Israeli corporation. The corporation has an authorized capitalization of $1,400,000, with $840,000 paid in. Zim is the managing agent and will operate the Black Star Line for the first 5 years. Thereafter, the Government of Ghana may, if it desires, take over these functions and, in fact, buy out the Zim interest. The company owns three vessels and has four others under long-term charter sailing on regular schedules, primarily between West Africa and the United Kingdom and Western Europe. The start of operations in December 1957 was commemorated by Ghana in a series of three colorful postage stamps designed by an Israeli artist.

In conjunction with the establishment of the Black Star Line, Israel has provided a technical asistance mission to assist in the establishment and operation of a Ghanaian Nautical Academy to train officers for the developing merchant marine. For a number of years Israel will help to staff the academy and on-the-job training will be made available aboard Zim vessels and in Zim offices in Israel and abroad.

The second major Israeli investment in Ghana is in the building. The Ghana National Construction Co., Ltd. was established in March 1958, with 60 percent participation by the Ghana Industrial Development Corp., a wholly owned government corporation, and the remaining 40 percent controlled by Solel Boneh, the industrial complex of the Israeli labor organization, Histadrut. The new corporation is to engage primarily in large-scale construction projects in the public sector, but it may also participate in private projects, particularly industrial building. Technical assistance is also an important feature of this investment. Solel Boneh is to train a substantial number of Ghanaians in the skills and techniques of the construction industry. The capitalization of the new coporation, all paid in, is $560,000.

These two investments have established precedents, particularly with respect to the distribution of ownership and the provision of Israeli technical personnel and assistance. Future investments in Ghana are likely to adhere to the pattern set in these two important ventures.

Technical assistance: In addition to private technical assistance associated with the two Israeli investments described, the Government of Israel has provided technical assistance in the fields of city planning, public veterinarian services, trade union organization, irrigation and drinking water supplies, and maritime law. Ghana has also shown considerable interest in receiving technical assistance in the operation of cooperatives. During the fiscal year 1958, Ghana received visits from Israeli technicians in the fields of cooperative farming and resettlement projects, cooperative banking, cooperative marketing and consumer cooperatives.

Perhaps the most dramatic technical assistance is to be found in the agricultural field. An Israeli cooperative settlement expert is studying the feasibility of creating farm communities patterned on the Israel kibbutzim and moshavim. Other Israeli technicians are pioneeering in water-drilling experiments in the hinterlands. And still others are concerned with commodity marketing, agricultural credit and agricultural productivity generally.

Exchange programs: In addition to trade, investment and technical assistance, there has been a growing exchange of official and

[1] The New York Times, Dec. 9, 1958.
[2] Ibid.
[3] Gamal Abdul Nasser, "Egypt's Liberation—The Philosophy of the Revolution" (Washington: Public Affairs Press, 1955), pp. 109–110.

unofficial visits between the two countries. Israel has initiated a scholarship program for Ghanaian students to study in Israel; more than 40 have already arrived there and the number is expected to increase steadily. The Israeli Government helped to recruit two Israeli professors of civil engineering to teach at Kumasi College of Technology for 3-year periods. There is also a growing number of private scholarships, such as the 10 granted by Solel Boneh to provide Ghanaians with the opportunity to become architects, engineers and building foremen.

The evolving Ghanaian-Israeli relationship thus brings together two new postwar states, both pioneers in their respective ways and areas, and both seeking in difficult circumstances to create enduring and viable nations. It brings together two former segments of the British Empire which, as part of that Empire, had no contracts. It brings together two states heretofore unrelated by historic ties, tradition or habit solely on the basis of newly developing mutual interests.

III

Many of the elements found in Israel's relationship with Ghana are present in her expanding relations with other areas of Africa and Asia. These contacts have been abetted by the completion of Israel's "dry land Suez Canal," the hard-surface road reaching to the port of Eilat on the Gulf of Aqaba. Israel has instituted regular freight service between Eilat and the entire east coast of Africa and the Union of South Africa, postal services between Eilat and Ethiopia and British East Africa, and expanding commercial contacts with Ethiopia, British East Africa, the Federation of Rhodesia and Nyasaland, Mozambique and the Union of South Africa. The recent trade agreement between the Federation of Rhodesia and Nyasaland and Israel is among the most important of these expanding trade relations. The agreement puts trade between the two countries for the first time on a general open license system and a most-favored-nation basis.

Both Liberia and Ethiopia maintain diplomatic relations with Israel, and both have been developing trade, investment, technical assistance, and cultural relations with that country. Both are reported to have stood firm with Ghana in resisting Egyptian attempts to obtain an anti-Israel declaration from the Accra Conference of Independent African States. The Liberian Construction Corporation was set up in Israel for the express purpose of constructing public works and roads in Liberia; and the Alliance Tire & Rubber Co., Ltd., of Israel, is in an advanced state of negotiations with respect to investment in a new rubber plantation in the western region of Nigeria. Israel has also developed increasing contacts with other parts of west and central Africa, and trade with French West Africa, especially increased last year, partly, perhaps, as a result of the visit of Mrs. Golda Meir, the Israeli Foreign Minister, to that area and to Nigeria in March 1958. In 1957 Israeli exports to the Belgian Congo and French Equatorial Africa also started to increase significantly.

In Asia the relationship between Israel and Burma comes closest to the Israel-Ghana model. Burma is Israel's oldest friend in Asia. Their growing relationship has been subjected to hostile pressure ever since early 1955, when Burma incurred Egyptian displeasure by its efforts to moderate the Arab anti-Israel resolution at the Bandung Conference. Shortly thereafter Prime Minister U Nu, of Burma, defied an Egyptian demand that he abandon an official visit to Israel. Instead U Nu made his visit to Israel and canceled a planned 3-day visit to Egypt scheduled at the same time. Israel has established diplomatic relations with Japan, Thailand, Laos, Ceylon, and the Philippines, as well as Burma. The one striking gap is the absence of any rapprochement with India, which has steadfastly refused to exchange Ambassadors although it recognized Israel as long ago as 1950.

On the economic side, there has been a growing stream of Israeli technicians going to Burma, and a reverse flow of Burmese trainees going to Israel. Both groups have been largely concerned with agricultural development. Recently 56 Burmese arrived in Israel to spend 1 year living and working on collective and cooperative farms on the frontiers of the country. At the same time a Burmese Army contingent of 33 officers and men will spend 1 year studying defense arrangements in these border settlements. In 1956 and 1957 Israeli exports to Burma, made up entirely of industrial goods, totaled approximately $1 million, while Israeli imports from Burma amounted to $900,000 in each of these years. For both countries, these are not insignificant totals.

A shipping partnership has recently been formed with financial interests in Hong Kong, which annually handles Israeli exports amounting to more than $2 million. The Gold Star Line is to operate between Far Eastern ports, the United States, and West Africa, with the Black Star Line serving as its representative in West Africa and as a connecting link with Western Europe. Thus, Israel has brought together in an imaginative way its developing and complementary relationships with Ghana and Hong Kong. In this type of arrangement there are potentially interesting possibilities for triangular trade.

Elsewhere in Asia, Israel has growing trade relations with Japan, the Philippines, and Iran. In 1957 trade with these states showed a significant increase over the 1956 levels. Growing numbers of Asian trainees are finding their way to Israel, including a small group of trainees from Thailand, India, and Japan who are studying at Israeli scientific and technical institutions. The most recent development is the creation by the Israeli Government of an integrated program of several months' duration for the study of agricultural settlements and cooperative enterprises. At the present time 60 trainees from 17 Afro-Asian countries and territories are participating.

IV

One of the most hopeful aspects of Israel's relations with Afro-Asian States is that her economic methods, rather than those of the Communists, may serve as a model for underdeveloped areas.

The Soviet and Chinese Communist models undoubtedly have a strong attraction for those countries which, after centuries of subsistence-level economies and, in many cases, generations of colonial status, are seeking the shortest route to economic development. The underdeveloped countries are casting about for the formula that will not only work for them but also achieve maximum results in minimum time. The temptation to find a short cut by the use of authoritarian policies and techniques is constantly with them.

The forced pace of Russian and Chinese development is likely to be attractive for new political leaders in underdeveloped countries under a variety of circumstances: for those laboring under a compulsion to show tangible results within a single generation; for those impatient with democratic processes for obtaining a consensus on development policies; for those unsure of their position and fearful of the political pressures likely to accompany economic growth; for those attracted by the argument that poor nations cannot afford the luxury of relatively unplanned growth of private economic sectors; and for those whose anticolonialism leads them to regard all private enterprise with suspicion and to consider private ownership of the means of production a dangerous relic of the colonial past.

The Israeli model might well prove to be a sort of economic third force—an alternative differing from the Western pattern but certainly far more compatible with free world interests than any Communist model. For Israel has many things in common with the underdeveloped countries: limited natural resources, short supplies of capital, fundamental social problems, major tasks of building a national state and developing new political institutions, and a will to develop modern economies—indeed, the whole range of problems confronting almost any new state in today's world. The inspirational note and sense of purpose associated with the Israeli economic development effort are likely to exercise an appeal for underdeveloped countries with a drive to achieve expanding economies and higher standards of living. Finally, and most important, Israel by no stretch of the imagination presents an external threat to these newly independent countries. Israeli assistance can be accepted without fear of strings which might in any way be thought to compromise the independence of the recipient states.

As Israel develops its relationships with other African and Asian countries, her economy and development schemes will be on exhibit before a growing number of visitors. The availability of qualified Israeli technicians and the apparent adaptability of Israeli economic development techniques are likely to enhance the possibilities for a transfer of some or much of the Israeli experience to African and Asian areas.

V

The general benefit to Israel of expanding relations with the Afro-Asian States is implicit in the foregoing. In conclusion, it seems worthwhile to note some of the specific advantages which may accrue to Israel as these relationships develop.

Already, Israel is breaking out of Nasser's Arab circle. Measures to secure and develop the port of Eilat and an overland route from the Mediterranean Sea to the Gulf of Aqaba are part of the unfolding strategy of outflanking the Arab blockade on the east. Similarly, the Black Star Line, founded in Ghana with substantial Israeli participation, provides a greater measure of security on the western flank. It would appear unlikely that Egypt will choose to interfere with free access to the Suez Canal of ships flying the flag of Ghana even if such ships should be plying routes originating or terminating in Israel.

The friendly and mutually profitable relations which Israel has achieved with other young states have also been successful thus far in forestalling Egyptian efforts to turn the Afro-Asian bloc against Israel. The refusal of the African States and political organizations to take an anti-Israel position at the respective Accra Conferences, already noted, is one instance of this important development.

The material advantages for Israel in developing fruitful economic ties with African and Asian States and territories are no less promising. The Afro-Asian world represents both markets for her manufactured goods—cement, tires, chemicals and pharmaceuticals—and sources of raw materials for her processing and manufacturing industries and of agricultural products which supply her with food and animal fodder on reasonable terms. Israel is particularly interested in obtaining rough diamonds for her important diamond finishing industry, which furnishes her second most important export by value. African areas, such as Ghana, are a source of diamonds outside the control of the international cartel, which in recent years has reduced Israel's share of total production within the syndicate.

Investment opportunities of the type already developed in Ghana and Hong Kong are also advantageous to Israel. They afford

employment opportunities for her technicians, provide a return on capital invested, and, in sterling areas, achieve savings in foreign exchange.

Finally, the advantages which Israel finds in her growing relations with the States of Africa and Asia are shared by the free world generally. Her assistance in economic development, the expanding use of her technicians and her agricultural and industrial technology, the increase in her private and quasi-public external investment and the growth of her trade—all these contribute to the strength of a number of young and uncertain states in Africa and Asia. In addition, in several of these states Israel offers an economic model as an attractive alternative to that offered by the Soviet Union. These developments are in the general interest as well as of value to the nations directly involved.

THE ESKIMO SCOUTS

Mr. GRUENING. Mr. President, on Saturday, the New York Times printed an excellent news article by Hanson W. Baldwin, the New York Times' military editor, which was headlined—"Eskimos Helping to Guard Alaska," with a subhead: "Guardsmen in Two Scout Units Keep a Keen Year-Round Watch Along Coastline." The article is illustrated with a map showing the extensive coastline of Alaska fronting on Soviet Siberia, with the caption under the map reading: "Eskimo scouts: vast coastline of Alaska kept under surveillance by more than 1,000 National Guardsmen."

I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alaska? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. GRUENING. Mr. President, Mr. Baldwin, in the course of his article, says:

> As an intelligence organization, they—
>
> Meaning the Eskimo scouts—
>
> are highly effective. It is doubtful that any strangers could penetrate this human screen without detection.

I am particularly happy at this well-deserved tribute to our Eskimo guardsmen because the organization of these units goes back to the early dangerous days of World War II, when the United States was attacked without warning.

The four companies of Alaska National Guard which I had organized in the month preceding Pearl Harbor had been federalized. After World War II had begun and considering Alaska's vulnerability, I felt it imperative that we have no passive noncombatants in Alaska and that every able-bodied man who had not been called to the service otherwise be enlisted. So I secured permission to organize the Alaska Territorial Guard. In the course of the next few months, 111 units were organized, and they extended from Metlakatla, at the extreme southern and eastern end of Alaska, a fine community of Tsimshiam Indians, to Point Barrow on the north, to Gambell and Savoonga on St. Lawrence Island in the Bering Sea, in the west, and to the Pribilof Islands, in the southern part of the Bering Sea. These western units were, of course, the more important ones militarily since they fronted toward the west, from where the threat of enemy invasion would come. All these units acted with the greatest patriotism and devotion, serving voluntarily, without pay, and becoming, in the phrase of one high ranking officer in the Alaska defense department, "the eyes and ears of the Army."

They were organized largely through the energy and devotion of major—later lieutenant colonel—Marvin R. Marston, who traveled personally to every Eskimo village, by dog team or plane, whichever was available, bringing arms and ammunition so there would be no delay in equipping these brave, loyal, and patriotic citizens of Eskimo blood.

When, at the conclusion of hostilities, it was necessary to demobilize the Alaska Territorial Guard, I was determined that its members would be included in a reconstituted National Guard. I encountered a certain amount of opposition in the National Guard Bureau, owing to the fact that I could not guarantee that these units could drill at one spot 48 out of 52 weeks of the year, and that some of the units might be smaller than the usual requirement for National Guard companies, but I managed to persuade the National Guard Bureau that the very mobility of these units would be of the highest value under the changed conditions of warfare. I pointed out further than if the Russians should attempt to send any commando raids into Alaska, these might be constituted by Siberian Eskimos, whom only our own Eskimos could promptly recognize and identify.

It was finally agreed that our Eskimos should be incorporated in scout battalions of the Alaska National Guard.

To give the Senate some idea of the excellence and superiority of these men in the role to which they were assigned, I recall an encampment which was held at Fort Richardson, near Anchorage, in February 1952. It was a savage day. To the best of my recollection, the thermometer read in the neighborhood of 20 below zero, with a 30-mile an hour wind blowing. Nevertheless, these units took their target practice out of doors. The next day was still sufficiently cold so that the Alaska Defense Command decided to have the ceremonies incidental to awarding these men their medals for marksmanship indoors, and the ceremonies were held in the new auditorium at Fort Richardson. Present were the high command of the Air Force, Army, and Navy. Lt. Gen. William E. Kepner, commander in chief, and a most excellent officer, congratulated the men on their showing and expressed the wish that the scout battalion about to receive its award, numbering 400, numbered 40,000 instead.

As the ceremonies proceeded, the commanding officer of this battalion, Capt. Frank Clayton, called these guardsmen one by one to the platform, indicating the degree of award which they had received—either expert, or sharpshooter, or marksman, and thereupon, I, as Governor of Alaska and commander in chief of the National Guard, made the award. As man after man came to the platform for his award, I was more and more impressed with the large proportion that had qualified. It appeared as the roll-call progressed that it was over half, over three-fourths, over five-sixths, who were being decorated. So it seemed to me. Then Captain Clayton stepped to the microphone and said "That is all, Governor." I went to the microphone to congratulate the men of the 2d Battalion on their fine showing, and said: "As for those of you who did not make it this time, I am sure you will get an award the next time." At that point, Captain Clayton interrupted me to say: "Governor, every one of these men got an award." I turned to Maj. Gen. Julian Cunningham, commander of the infantry, on the platform, and asked him: "Is this not unusual?"

"Unusual," he replied, "it is unprecedented. I have never known of a unit with a 100-percent record like this one."

These are the men who would be under the parachutists if they should ever choose to come over from Soviet Siberia. No words of mine could add materially in praise to their record of loyalty, patriotism, and skill. We are proud of them.

Not only in the field of defense are they serving Alaska well, but also in other fields and particularly in the legislative field. For a number of years, Eskimos have been represented in the Territorial legislature and have served there with devotion and public spirit. In the first State legislature, the president of the senate was William E. Belz, an Eskimo, and there were, in addition: Eben Hopson, of Barrow, in the senate, and Charles Fagerstrom, of Nome, and John Nusunginya, of Barrow, in the house. The United States may well be proud of its Eskimo citizens of Alaska. They are first-class citizens in every meaning of the term, and a great asset to our Nation.

EXHIBIT I

[From the New York Times, May 9, 1959]

ESKIMOS HELPING TO GUARD ALASKA—GUARDSMEN IN TWO SCOUT UNITS KEEP A KEEN YEAR-ROUND WATCH ALONG COASTLINE

(By Hanson W. Baldwin)

From Cape Lisburne to the Pribilof Islands an unusual military organization, composed chiefly of Eskimos, guards the coastline of Alaska—the closest American territory to the Soviet Union.

The watchdog force is composed of two battalions of Alaska National Guard Scouts. They are scattered around the coastline from Barter Island to Bristol Bay. They augment naval patrol planes, radar stations, communications, intelligence and Air Force reconnaissance planes in observing and reporting.

The scout battalions, totaling more than 1,000 men, are on duty the year round. They report anything moving in the area—from ships to floating oil drums, aircraft, and men. They represent the only on-site ground defense of the Alaskan periphery.

Although they are equipped with weapons, their job is not primarily to fight—but to observe and to report.

As an intelligence organization they are highly effective. It is doubtful that any strangers could penetrate this human screen without detection.

The headquarters of the 1st Scout Battalion is at Nome, or the Seward Peninsula. This is a desolate town of 2,000, which has no

permanent doctor and no water mains. Its area extends from Canada, in the northeast, to St. Lawrence Island in the Bering Sea.

Ninety-five percent of the enlisted men and noncoms are Eskimos; six officers are white, nine Eskimos.

The 2d Scout Battalion has headquarters at Bethel. Its men include Eskimos, Indians, Aleuts, and whites.

ON DUTY ALL THE TIME

The men are on duty all the time, even though they maintain the regular National Guard schedule of 48 drill periods a year and 2 weeks of summer camp. The battalions are scattered in small groups. The 1st Battalion's men, for instance, live in 31 villages.

Each man keeps his M–1 rifle and ammunition and his personal equipment in his sod or frame hut. Sometimes he uses the rifle for hunting. Each detachment has a small portable radio. The noncommissioned officer in charge is responsible for maintaining a regular communication schedule with battalion headquarters, which, in turn, is linked with Alaskan Army Command Headquarters.

The men carry on their normal occupations. Many of them range widely over the Arctic ice or along the coast, hunting and fishing. But they are expected to report anything unusual they see at any time. They cover the coastline thoroughly and range well out into the Bering Strait. There are outpost detachments on St. Lawrence Island, the Pribilofs and Little Diomede Island. The last-named island is just 3 miles from Big Diomede Island, owned by the Soviet Union. The battalion commander visits his detachments by light aircraft, usually traveling 40,000 to 50,000 air miles annually. To reach some detachments he must use dog sled or skin boat.

A POINT OF PRESTIGE

Membership in the Scout battalions is proudly regarded; it conveys a local prestige. Many of the noncoms are headmen in their villages, president of the town council, or peace officers.

The reports and the discipline are both informal but effective.

Most of the men speak some English, although it is often broken and some complex military terms may have to be translated into Eskimo. The written English of their reports may be tortured, but it is always intelligible. The scouts have a remarkable facility for accurate and precise sketching and for dimensions and colors.

Master Sgt. Michael A. Okpealuk, noncom in charge of the Little Diomede Unit, has a strategic observation post, because of the island's proximity to Big Diomede. The Eskimos on the two islands are related, and used to go back and forth.

Until last year, however, the Russians had been enforcing a strict prohibition against fraternizing. But twice within the last year parties of Eskimos from Big Diomede have visited Little Diomede, gossipped and traded Russian cigarettes for American ones. Sergeant Okpealuk and his men have regularly reported these and many other incidents.

One radio report of January 22, 1959, read:

"Saw black smoke seems from stove coming out in spurts from Big D [Diomede] OP [observation post] 1200 hrs for 10 minutes weather clear observed from LDV [Little Diomede Village].

"JAMES IYAPANA, *Pfc.*"

Sergeant Okpealuk in a written "unusual incidents" report told his superiors that "I arrived here [Little Diomede] 16th of this month from Kotzebue after I return from Dexter encampment.

"Letter reports for the next four months may be delayed getting to you as usual for reason of no mail service but I will try all effort to send them by radio."

The Scout Battalions are some of the most unusual, but most effective units in the entire National Guard.

A dispatch from Adak, Alaska, published in the New York Times on February 13, mentioned a "winter night in 1944 when Capt. Hooley Gearing's boys stole the [Officers' Club] slot machine so he could play it on his flagship while his destroyers were en route to bombard the Kuriles."

Robert Lubar who is now on Fortune magazine, but in 1944 was an officer on Captain Gearing's flagship (U.S.S. *Picking*), writes that he has "conducted a 360-degree search of my memory and has failed to turn up any recollection of the slot machine being hauled aboard the flagship."

"I must add," he writes, "there is a ringing plausibility to the tale. The legend does no injustice to those of us who were aboard the flagship. There is incentive for taking along a borrowed slot machine on a bombardment run in which it is impossible to see the enemy or the target."

A SALUTE TO THE REPORTER MAGAZINE AND THE PROGRESSIVE MAGAZINE—INDEPENDENT JOURNALISM IN AMERICA

Mr. YARBOROUGH. Mr. President, since the founding of The Progressive by the late Senator Robert M. La Follette, Sr., of Wisconsin, in 1909, and the establishment of the Reporter 10 years ago by Mr. Max Ascoli, the field of independent thought and outspoken, unintimidated, journalism has worn a brighter face in America.

It is national journals of opinion such as these which provide an explanation and a greater interest in the vital happenings in our world.

Mr. President, in recognition of these two independent publications, I request unanimous consent to have printed in the CONGRESSIONAL RECORD an editorial from the Washington Post and Times Herald for Monday, May 11, 1959, under the heading "Tributaries of Opinion."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TRIBUTARIES OF OPINION

The main stream of public opinion sometimes might not move at all without the tributaries that replenish and animate the more lethargic currents of thought. It is in this sense that our journals of opinion play so vital a role; without the multifarious weeklies and monthlies, both liberal and conservative, our public debates might be lifeless indeed. Two journals which have honorably fulfilled this function are the Reporter and the Progressive. Both deserve a salute as they celebrate anniversaries in a field where survival is a distinction itself.

Ten years ago, Max Ascoli founded the Reporter as a liberal-minded fortnightly of opinion, and within that decade circulation has jumped from 15,000 to 125,000. The reason for this response can be found in the well-edited pages of the magazine, which has managed to combine sprightliness with substance. Especially memorable have been the extended articles which the Reporter has devoted to subjects ranging from Jimmy Hoffa to the China Lobby. The Progressive also falls on the liberal end of the spectrum. Launched in 1909 by Wisconsin's great Senator Robert M. La Follette, Sr., the monthly has become known as an authentic and vigorous voice of Midwest liberalism. Editor Morris Rubin performed a particularly appropriate service 5 years ago by devoting an issue to Joe McCarthy, the curious successor to La Follette's Senate seat.

Yet given the invaluable catalytic function of magazines like these, it is distressing to look at the economic realities. Without the help of a private fortune, Mr. Ascoli's now-solvent magazine could not have survived; the Progressive is supported by annual contributions from its subscribers. The venerable liberal weeklies like the New Republic, Nation and New Leader, as well as their conservative counterparts such as the National Review, have all depended to some extent on private help. A score of magazines have perished in recent years due to rising costs. This ruthless natural selection could lead to a suffocating sameness. Surely the national journals of opinion, which have stimulated so much debate on other matters, might well inspire some discussion on how diversity in published opinion may be assured.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. PROXMIRE. I believe the Progressive magazine refers to what was the old La Follette Weekly published in Madison, Wis.

Mr. YARBOROUGH. The Senator is correct.

Mr. PROXMIRE. As a Senator from Wisconsin who is conscious of the great traditions of old Bob La Follette, and the way the Progressive magazine has fought to keep those traditions alive, I am very happy to join the Senator and to thank him for inserting this editorial in the RECORD.

Like all liberal magazines, the Progressive magazine has had a great struggle to keep its head above water. It has been fighting the cause of liberalism for a long time, against great odds, and has been doing an outstanding job.

Mr. YARBOROUGH. I thank the Senator from Wisconsin for his contribution.

The editorial in the Washington Post of today points out how independent sources of income were obtained by the Progressive magazine to keep it alive, and how the people of Wisconsin made contributions to it to keep it alive. Its income from the publishing activity was not sufficient.

The publisher of the Reporter magazine is a man of considerable wealth, who has put into that enterprise a great deal of his private means. The subscription list of the Reporter has grown from 15,000 to 100,000, and it is now in a stronger financial position.

I am glad the distinguished Senator from Wisconsin has helped to call these facts to the attention of the American people.

SIGMA DELTA CHI FOUNDERS DAY

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a proclamation issued by the Governor of North Dakota fixing April 17, 1959, as Sigma Delta Chi Founders Day.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

Whereas Friday, April 17, 1959, is the 50th anniversary of the founding of Sigma Delta Chi, the national professional journalistic fraternity—an organization dedicated to the highest ideals of journalism; and

Whereas members of this organization include a majority of North Dakota's working professional newsmen, who labor continually and unselfishly to further the progress of their State and contribute to the knowledge of its citizens; and

Whereas the North Dakota members of Sigma Delta Chi, like their 17,000 fellow members elsewhere in the Nation, have strived ceaselessly for preservation of the people's right to a free press; and

Whereas the State of North Dakota is privileged to have among its organizations an undergraduate chapter of Sigma Delta Chi at the University of North Dakota, as well as the statewide North Dakota Professional Chapter of the fraternity:

Now, therefore, I, John E. Davis, Governor of the State of North Dakota, do hereby proclaim Friday, April 17, 1959, as "Sigma Delta Chi Founders Day" in North Dakota and urge all of its citizens to pay tribute to Sigma Delta Chi, expressing appreciation to its members for the work they do to keep us informed, promote our State and community enterprises, and protect our rights and privileges.

In affixing my signature to this proclamation, I take especial note of the fact that members of Sigma Delta Chi will be in Williston April 16 and 17 to observe their golden anniversary with fitting exercises, and to participate in the annual meeting of the North Dakota Press Association.

Given under my hand and the great seal of the State of North Dakota here in my office in the State capitol at Bismarck, N.Dak., this 9th day of April 1959.

JOHN E. DAVIS,
Governor.

Attest:

BEN MEIER,
Secretary of State.

RESPONSIBILITY FOR FARM LEGISLATION

Mr. LANGER. Mr. President, this morning I received a radio broadcast reprint from the Farmers Union Grain Terminal Association, St. Paul, Minn., dealing with the farm bill and wheat in particular.

It is a sad reflection when the Democratic Party controls approximately two-thirds of the House and Senate, that November, December, January, February, March, and April—nearly one-half the year—has gone by since the election, and no farm bill has yet been reported to either the House or the Senate. The Democrats have the votes. They would be joined by many Republicans from farm States to pass a good, effective farm bill, and have the votes to override a veto. I believe in putting the responsibility squarely where it belongs, and it is on the Democratic majority.

I ask consent to have the broadcast printed in the RECORD.

There being no objection, the broadcast was ordered to be printed in the RECORD, as follows:

GTA DAILY RADIO ROUNDUP FOR TUESDAY, MAY 5, 1959

What's happening in Congress on new wheat legislation? We'd like to give you an encouraging report but the truth is that neither the Senate nor the House farm committee has yet reported out a wheat bill.

Let's take a look today at a big city newspaper's view of the situation. The Wall Street Journal, the business newspaper, says that wheat legislation is heading for a snarl and that hopes are dimming for action this year.

"Almost everyone wants a new attack on the No. 1 surplus problem," the Journal comments, "but there's little agreement on how to do it." Less than a month remains until June 1 which is Congress' new deadline for Secretary of Agriculture Benson's announcement on wheat referendum choices.

The newspaper explains that "Congress is badly split. A sliding scale Senate bill would offer growers increased price props in return for voluntary acreage cuts. A House measuse would boost the support level from 75 percent of parity to 85 percent, but would clamp on tighter planting controls."

So what is going to happen? Here's the way the Wall Street Journal weighs the situation: "There's little time to reconcile House-Senate differences and produce a single bill in time to cover the 1960 crop. Meanwhile, Benson talks tough, hinting he'll urge a veto of any bill that raises price supports. This threat makes a House-Senate compromise harder. In fact, the newspaper indicates, Secretary Benson is content to leave Congress dangling. He hasn't made a concrete wheat proposal but he's let it be known in congressional circles that he wants no wheat program at all—and only very low price supports.

So the Secretary is playing a waiting game, apparently, and the Wall Street Journal points out that he hopes for a city revolt against farm programs that will gain him his ends in Congress.

And, actually, the farm Secretary is pushing hard for that revolt. In speech after speech, usually before city or business audiences, he is attacking the cost of farm aids, saying they account for the greatest amount of money spent on agriculture by any government.

There's no doubt that Members of Congress are getting pressure from some of the millions of people who hear and read these statements and, unfortunately, believe them. According to United Press reports, the administration is playing for a revolt on the Senate and House floors against the recommendations of their farm committees.

So you see the strategy by which the administration seeks to kill the wheat program.

But the farmers have some very good friends in Congress and they are working hard to hold, and even improve, the wheat program for 1960 and 1961. And may we suggest that letters from you farmers might help to swing the tide in their favor?

We'll keep you posted on developments in Congress as they occur, so tune in to the radio program brought to you by the farmers of GTA, the co-op way.

AWARD TO DR. ANNE H. CARLSEN AS HANDICAPPED AMERICAN OF THE YEAR

Mr. LANGER. Mr. President, Dr. Anne H. Carlsen, of Jamestown, N. Dak., was highly honored this morning by having presented to her by the Vice President of the United States the eighth annual President's Trophy as the Handicapped American of the Year. This award is given annually by the President's Committee on Employment of the Physically Handicapped in the name of the President of the United States.

Mr. President, it was a distinct pleasure and privilege for me to sit in the audience with the family and friends of Dr. Carlsen, who came from North Dakota to witness this splendid occasion at the Departmental Auditorium in Washington, D.C. Dr. Carlsen, who was born without feet or hands, has devoted her entire life to the rehabilitation and education of severely handicapped children, and has developed a worldwide reputation for her wonderful and amazing accomplishments.

Mr. President, yesterday the congressional delegation from North Dakota had Dr. Carlsen and a few of her friends at a luncheon in her honor in the Senate dining room, where we had the opportunity to discuss with her some of the problems affecting the handicapped. Pondering the wonderful work this courageous lady has been doing in her lifetime, reemphasizes in our minds the great need for legislation to aid the needy and the handicapped.

On behalf of the people of North Dakota, I extend our deepest thanks and congratulations to Dr. Carlsen for not only gaining this outstanding honor of being named the Handicapped American of the year, but because of her dedicated service to her fellow sufferers, the physically handicapped.

Upon receiving this award, Dr. Carlsen made a concise but truly touching appreciation speech when she in part said:

Mr. Vice President, you will agree with me when I say that America is truly a great country when an ordinary person such as me is honored by the President of the United States for doing an ordinary job for her country.

Mr. President, I ask unanimous consent that the press release issued by the President's Committee on Employment of the Physically Handicapped be printed in full at the conclusion of my remarks.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

NORTH DAKOTA WOMAN WITH DOCTOR OF PHILOSOPHY DEGREE WINS PRESIDENT'S TROPHY, 1958

Born without feet or hands, Anne H. Carlsen, Ph. D. of Jamestown, N. Dak., has climaxed a lifetime of dedicated service to her fellow sufferers from impairment by being named to receive the eighth annual President's Trophy as the Handicapped American of the Year. It is awarded annually by the President's Committee on Employment of the Physically Handicapped in the name of the President of the United States.

Dr. Carlsen will receive the award May 7 at the annual meeting of the President's committee in the Departmental Auditorium, Washington, D.C.

Dr. Carlsen, who is superintendent of the Crippled Children's School, Jamestown, N. Dak., has devoted her entire lifetime to the rehabilitation and education of severely handicapped children and has developed an international reputation for her amazing accomplishments. While her school is frequently compared to the famous Mayo Clinic, Rochester, Minn., she hastens to protest that the Crippled Children's School "is in every sense of the word, a school."

Dr. Carlsen was nominated for the high honor by the North Dakota Governor's Committee on Employment of the Physically Handicapped, Walter R. Johnson, chairman. Her nomination was personally supported by Gov. John E. Davis, of North Dakota; Gov. Joe Foss, South Dakota; Gov. William G. Stratton, Illinois; Gov. Herchel C. Loveless, Iowa; and Gov. J. Hugo Aronson, Montana. Scores of her former students and many officials, prominent in the rehabilitation field in the Midwest, also added their approval to Dr. Carlsen's nomination.

Dr. Carlsen's life story is an inspiration for anyone who has ever suffered a physical disability or who has come in contact with physically impaired people in daily life. For years she was a teacher and a guiding spirit of physically handicapped children in North Dakota. Her own struggle which she has so ably won, has prompted many admirers to say that she is the "completely adjusted handicapped woman."

Dr. Carlsen was born in Grantsburg, Wis. She had only stubs of arms that ended above the elbow. One leg ended above the knee and the other was malformed, terminating in a clubfoot. At 4 her mother died. Her father, Alfred Carlsen, and a 13-year-old sister gave every encouragement to the little girl and soon she was playing games with the rest of the children and even managed to participate in an amended version of baseball with the assistance of a coaster wagon. Hers was a long uphill struggle including a long siege in a hospital to straighten contractures of her knees. This done, she was fitted with artificial legs and soon learned to use crutches. She has amazing dexterity with the stumps of her arms and manages to write a beautiful hand. Her most recent accomplishment was to qualify as a driver of a motor car.

"The spirit is a wonderful thing," Dr. Carlsen says, "I know what I can do."

Since taking over the reins at the Crippled Children's School in Jamestown in 1950, Dr. Carlsen has developed an international reputation for her genius in rehabilitating severely handicapped boys and girls. Numbers of severely impaired students leave the school each year, thoroughly trained for social independence. Many go on to college and win advanced degrees. One of Dr. Carlsen's prize pupils, a victim of cerebral palsy, is now a research physicist with the Federal Government. Dr. Carlsen's reputation has attracted physically handicapped students from as far away as Puerto Rico, Canada, and Alaska. At the present time, children from 15 States and Canada are enrolled in the Jamestown School.

Those who know Dr. Carlsen say she is a constant inspiration to her students. Much of her social time she spends with graduates of her school. To indicate her lifelong preoccupation with the problems of children, she received her doctorate for a thesis on the subject "A Comparative Study of the Response of Crippled and Noncrippled Adolescents on Some Personality and Interests Tests."

The President's Trophy is created each year by handicapped students at the Institute for the Crippled and Disabled, New York City, Willis C. Gorthy, director. It is a handsome metal plaque on a polished wooden base bearing a suitable inscription to the trophy winner and includes the signature of the President of the United States in facsimile.

The awards committee selected the 1958 winner.

FREE MARKET IN EGGS AND POTATOES

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter I have received from Leif Ringsruds, of Mayville, N. Dak., regarding a free market in eggs and potatoes.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TRAILL COUNTY FARMERS UNION,
Mayville, N. Dak., May 1, 1959.

DEAR SENATOR LANGER: We would like to see our acreage cut and an increase in price supports rather than a free market. We have a free market in eggs and potatoes now, and it is taking us further into debt. The eggs are 17 cents a dozen. The chickens don't pay for the feed consumed. When we sell the hens, we can get 5 cents and 7 cents a pound.

Yours sincerely,

LEIF RINGSRUDS.

OPPOSITION TO CREATION OF ADDITIONAL ADMINISTRATIVE ORGANIZATIONS TO CONDUCT AGRICULTURAL RESEARCH

Mr. LANGER. Mr. President, the Honorable Arlon G. Hazen, dean and director, Agricultural Experiment Station, Fargo, N. Dak., has written me in opposition to Senate bill 690. He pointed out that the Agriculture Experiment Station directors of our land grant colleges and universities have taken the position of opposing the creation of additional administrative organizations for conducting this kind of research.

Dr. Hazen agrees with the position taken by the experiment station directors. He further points out that an additional administrative unit would be unnecessary when we consider the rather elaborate machinery already in existence in the U.S. Department of Agriculture and in the individual States.

Mr. President, I ask unanimous consent that Dr. Hazen's letter, from the North Dakota congressional delegation, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NORTH DAKOTA AGRICULTURAL COLLEGE,
AGRICULTURAL EXPERIMENT STATION,
State College Station, Fargo, N. Dak., April 22, 1959.

Hon. WILLIAM LANGER,
Senator.
Hon. MILTON R. YOUNG,
Senator.
Hon. QUENTIN N. BURDICK,
Representative.
Hon. DON L. SHORT,
Representative.

GENTLEMEN. The CONGRESSIONAL RECORD of April 16 shows that the Senate Committee on Agriculture and Forestry reported, without amendment, Senate bill 690. It is my understanding that this bill is almost identical with Senate bill 4100 of last year and provides for a separate administration for utilization research with agricultural products.

The agricultural experiment station directors of our land-grant colleges and universities have taken the position of opposing the creation of additional administrative organizations for conducting this kind of research. This letter is intended to relay to you my personal agreement with the experiment station directors' position.

I am keenly aware of your tireless efforts in support of a better agriculture for North Dakota and for our Nation, and I know your wisdom and decisions are based upon long experience. I do not know whether you favor or disfavor a new and separate administration such as is provided in Senate bill 690.

It would seem to me that an additional administrative unit would be unnecessary when we consider the rather elaborate machinery already in existence in the U.S. Department of Agriculture and in the individual States. Here I am referring specifically to the Agricultural Research Service and the Agricultural Marketing Service as well as the Federal-Grant program which is administered by the USDA, ARS in cooperation with the several State agricultural experiment stations. I believe our research dollars would stretch further in these established organizations than in a new administrative organization.

Sincerely,

ARLON G. HAZEN,
Dean and Director.

ROUNDTABLE DISCUSSION MEETINGS OF DEMOCRATIC SENATORS

Mr. GORE. Mr. President, some weeks ago I reported to the Senate on the series of informal round-table discussion meetings of Democratic Senators, which at that time had just begun. From the very beginning, the response to these meetings has been excellent, and I feel that each of the sessions has proven most informative and helpful.

We have been fortunate in obtaining as invited guests to head the discussions in the Old Supreme Court Chamber of the Capitol some of the leading intellectuals and authorities of our Nation. Guest speakers have included Dr. Henry A. Kissinger, of Harvard University, whose topic was "Central European Security"; Dr. Raymond L. Garthoff, author of "Soviet Strategy in the Nuclear Age," who led a discussion based upon the general subject area of his book; Dr. Gardiner C. Means, a leading economist, and Mr. Leon Keyserling, Chairman of the Council of Economic Advisers to President Truman, who gave their views on "Inflation, Employment, and Growth"; and the Honorable Dean Acheson. "The Position of the West," relating to the Geneva Conference of Foreign Ministers, was Mr. Acheson's subject at the meeting last Tuesday evening, and Mr. George Kennan, of The Institute for Advanced Study, Princeton, N.J., will give us his views on this same subject at the meeting tomorrow evening.

I take this means of inviting each Democratic Senator to participate in an examination of this timely subject.

It is contemplated that this series of meetings will continue through the month of May. Dr. Arnold Oscar Wolfers of the Johns Hopkins School of Advanced International Study has consented to lead a group discussion on the following Tuesday, May 19, on the topic of "Orientation for Tomorrow's International Problems."

The following week our guest will be Dr. Herbert York, Director of Defense Research and Engineering. His subject will be "Science and Defense."

Mr. President, since this series of roundtable meetings has been in progress, a total of 44 Democratic Senators have attended one or more of the sessions. The Geneva Conference, to which our topic tomorrow evening will relate, is of utmost significance. The discussion tomorrow evening at 6 p.m. in the Old Supreme Court Chamber by Dr. Kennan should be particularly provocative. It may well be that his views will differ from those expressed by Mr. Acheson last Tuesday evening. Dr. Wolfers may view our problems still differently. This should make these discussions and studies the more helpful.

Mr. MANSFIELD. Mr. President, is morning business concluded?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIFORNIA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 44) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS] for himself and the Senators from Oregon [Mr. MORSE and Mr. NEUBERGER].

DEFERMENT OF PROCLAMATION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 226, Senate Joint Resolution 94.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (S.J. Res. 94) to defer the proclamation of marketing quotas and acreage allotments for the 1960 crop of wheat until June 1, 1959.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. ELLENDER. Mr. President, I wish to thank the acting minority leader, as well as the acting majority leader, for permitting action to be taken on the joint resolution at this time.

The Secretary of Agriculture appeared before our committee on February 16 and 17 of this year, and among other things stated that in his opinion something should be done about wheat, by way of revision of the present laws.

Upon my recommendation he agreed to submit the administration proposal in bill form to the committee. This was received on March 12, 1959.

Earlier, on February 18, I had suggested to the committee that hearings be held as expeditiously as possible after receipt of the Secretary's proposal. Again on March 13, I suggested to the committee that since the administration's proposal had been received, the subcommittee responsible for price support legislation should consider holding hearings at an early date.

Thereupon the chairman of the subcommittee [Mr. JOHNSTON of South Carolina] scheduled hearings on wheat legislation on March 20, through the 25th.

During these hearings all farm organizations interested in wheat were heard, as well as the Department of Agriculture officials. I might say that all appearing before the committee presented different and in some cases diverse views as to what should be done about the wheat situation.

Following the wheat hearings the committee met on April 15 at which time the wheat problem was again discussed and a decision to hold further hearings on a committee print was made. These hearings were held on April 22. Again the committee attempts to find some area of agreement for stopgap legislation met with failure.

Since these last hearings the Committee on Agriculture has held four executive sessions during which wheat legislation was discussed but as yet has been unable to develop any legislation which would satisfy the divergent views of those interested in wheat.

All of us are in agreement that some action is necessary, but the solution of the problem is one which is rather difficult to find. The Committee on Agriculture and Forestry has been trying to draft some legislation to take the place of the present law, beginning with the 1960 crop. Unless such proposed legislation is enacted before May 15, acreage allotments and marketing quotas for the 1960 crop will have been proclaimed under existing law, so that any subsequent change in the rules will cause a certain amount of confusion and misunderstanding. The joint resolution before us would extend the time for the proclamation of marketing quotas and acreage allotments from May 15 to June 1. It is my hope that, in the meantime, the committee can report to the Senate a wheat bill which will be acceptable to the Congress.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, the Secretary of Agriculture shall defer until June 1, 1959—

(1) any proclamation under section 332 of the Agricultural Adjustment Act of 1938, as amended, with respect to a national acreage allotment for the 1960 crop of wheat; and

(2) any proclamation under section 335 of such Act with respect to marketing quotas for such crop of wheat.

ORDER FOR ADJOURNMENT UNTIL TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand adjourned until noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

INSURANCE OF SHIP MORTGAGES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 206, S. 1434.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1434) to amend title XI of the Merchant Marine Act, 1936, as amended, with respect to insurance of ship mortgages, and for other purposes.

The PRESIDING OFFICER. Is there objection to the unanimous consent of the Senator from Montana?

Mr. KUCHEL. Does the able acting majority leader contemplate having a quorum call?

Mr. MANSFIELD. Not at this time, because the Senator from Wisconsin [Mr. PROXMIRE] would like to address the Senate on another matter, and when he completes his address I shall suggest the absence of a quorum, so that the Senator from Delaware [Mr. WILLIAMS] may be present to ask questions of the Senator from Washington [Mr. MAGNUSON].

Mr. KUCHEL. Does the Senator from Wisconsin desire to speak on the pending measure?

Mr. MANSFIELD. No.

The PRESIDING OFFICER. Is there objection to the unanimous consent request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate and Foreign Commerce with amendments.

(Mr. PROXMIRE addressed the Senate in tribute to J. Edgar Hoover, Director of the FBI. His speech appears earlier in today's RECORD, following other speeches on the same subject.)

INSURANCE OF SHIP MORTGAGES

The Senate resumed the consideration of the bill (S. 1434) to amend title XI of the Merchant Marine Act, 1936, as amended, with respect to insurance of ship mortgages, and for other purposes.

The amendments of the Committee on Interstate and Foreign Commerce were on page 2, line 17, after the word "vessel", to insert "(or if the keel of the vessel was laid under such contract prior to the enactment of this act, and the vessel owner or prospective owner has an unexpired commitment from the Secretary of Commerce to insure a mortgage on the vessel, issued prior to enactment of this act under the law then existing, then prior to the expiration of such commitment),"; on page 3, line 1, after the word "construction", to insert "reconstruction, or reconditioning"; in line 4, after the word "construction", to insert "reconstruction or reconditioning"; at the beginning of line 7, to strike out

"either separately or in conjunction with a transfer of the vessel" and insert "without the prior written approval of the Secretary of Commerce"; in line 10, after the word "not", to insert "at the time of insuring the mortgage pursuant to the commitment"; after line 21, to strike out:

(4) the mortgage involves a principal obligation which when added to the unpaid balance of the principal obligations of prior mortgages on the vessel will result in a sum which will not, (a) if the vessel was not built with aid of construction-differential subsidy and complies with the requirements of section 509 of this Act, exceed 87½ per centum of actual cost of such vessel depreciated at the rate of 5 per centum per annum from the date such vessel is delivered by the shipbuilder to the date such mortgage is executed, and (b) if the mortgaged vessel was built with the aid of construction differential subsidy or does not comply with the requirements of section 509 of this Act, exceed 75 per centum of such amount.

And, in lieu thereof, to insert:

(4) the mortgage involves a principal obligation which when added to the unpaid balance of the principal obligations of prior mortgages on the vessel (other than mortgages that are being refinanced by this mortgage) will result in a sum which will not, (a) if the vessel was not built with the aid of construction-differential subsidy and complies with the requirements of section 509 of this Act exceed (A) if the vessel has not been reconstructed or reconditioned before such mortgage is executed, 87½ per centum of all amounts the mortgagor has paid or is obligated to pay for the construction (including designing, inspecting, outfitting, or equipping) of the vessel, depreciated at the rate of 5 per centum per annum from the date the vessel was delivered by the shipbuilder to the date such mortgage is executed, or (B) if the vessel has been reconstructed or reconditioned before such mortgage is executed, 87½ per centum of all amounts the mortgagor has paid or is obligated to pay for the construction (including designing, inspecting, outfitting, and equipping) of the vessel, depreciated at the rate of 5 per centum per annum from the date the vessel was delivered by the shipbuilder to the date of such reconstruction or reconditioning, and depreciated, from the date of such reconstruction or reconditioning to the date such mortgage is executed, on a straight-line basis and on the basis of a useful life of the vessel determined jointly by the Secretary of Commerce and the Secretary of the Treasury, plus 87½ per centum of all amounts the mortgagor has paid or is obligated to pay for the reconstruction or reconditioning of the vessel (if such reconstruction or reconditioning was done without aid of construction subsidy and the vessel complies with the requirements of section 509 of this Act; otherwise, 75 per centum of such amount), depreciated, from the date of such reconstruction or reconditioning to the date such mortgage is executed, on a straight-line basis and on the basis of a useful life of the vessel determined jointly by the Secretary of Commerce and the Secretary of the Treasury, and (b) if the vessel was built with the aid of construction-differential subsidy, or does not comply with the requirements of section 509 of this Act, exceed the amount computed under (a) above except that, where (a) above provides for 87½ per centum of the construction cost of the vessel, the percentage shall be 75 per centum.

On page 6, after line 4, to strike out:

(5) the mortgage has maturity dates which do not exceed the remaining years of a useful life of the mortgaged vessel of twenty years computed from the date the vessel was delivered by the shipbuilder.

And, in lieu thereof, to insert:

(5) the mortgage has maturity dates which, if the vessel has not been reconstructed or reconditioned, do not exceed the remaining years of a useful life of the mortgaged vessel of twenty years computed from the date the vessel was delivered by the shipbuilder or, if the vessel has been reconstructed or reconditioned, do not exceed the remaining years of a useful life of the vessel determined jointly by the Secretary of the Treasury and the Secretary of Commerce.

After line 17, to strike out:

(6) the loan agreement for the making of the loan secured by the mortgage, or the mortgage, provides that the loan, except such portion thereof as it has been agreed will be used to refinance an existing mortgage on the vessel which has been insured by the Secretary of Commerce, will be disbursed by the mortgagee to a shipbuilder in payment, on behalf of the mortgagor, of part of the contract price for the construction of a vessel contracted for by the mortgagor which has not yet been delivered.

And, in lieu thereof, to insert:

(6) the loan agreement for the making of the loan secured by the mortgage, or the mortgage, provides that the underwriter or mortgagee will disburse the loan for one or more of the following purposes: (a) to pay one of the components of actual cost of the vessels to be constructed, reconstructed, or reconditioned and, if any such payment is to reimburse the operator for payments made from his capital reserve fund, to deposit such payment in his capital reserve fund, or (b) to pay part of the loan to discharge an existing mortgage which is insured by the Secretary of Commerce on the vessel that is subject to the mortgage which is to be insured, or (c) to deposit part or all of the loan in the operator's capital reserve fund, if he is a subsidized operator, and in a construction reserve fund, if he is an unsubsidized operator; if any deposit is made in a capital reserve fund, or construction reserve fund under (c) hereof, such deposit may be withdrawn only to pay one of the components of actual cost of the vessels that are to be constructed, reconstructed, or reconditioned, or if for any reason such payments do not exhaust the deposit, then to pay off the loan secured by the mortgage that is to be insured.

On page 8, after line 8, to strike out:

(8) the mortgaged vessel is in as good condition as it would have been in if it had been mortgaged immediately after delivery by the shipbuilder (and remained subject to such mortgage until the date of execution of this mortgage) and such mortgage had been insured by the Secretary of Commerce, and all requirements of the Secretary of Commerce with respect to a vessel on which he has insured the mortgage had been complied with.

And, in lieu thereof, to insert:

(8) the mortgaged vessel shall be in class A-1, American Bureau of Shipping, with all required certificates, including but not limited to marine inspection certificates of the United States Coast Guard, with all outstanding requirements and recommendations necessary for retention of class accomplished, unless the Secretary of Commerce permits a deferment of such repairs, and shall be tight, stanch, strong, and well and sufficiently tackled, appareled, furnished and equipped, and in every respect seaworthy and in good running condition and repair and in all respects fit for service.

And, on page 9, after line 3, to insert:

SEC. 2. Section 1104(a)(2) of the Merchant Marine Act, 1936, as amended, is amended by striking out of the proviso the words: "That in the case of a vessel, the size and speed of which are approved by the Secretary of Commerce, which is eligible for mortgage aid" and inserting in lieu thereof the words: "That in the case of a vessel, the size and speed of which are approved by the Secretary of Commerce, and which is, or in the case of a vessel to be reconstructed or reconditioned would have been, eligible for mortgage aid for construction".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title XI of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1271–1279), is amended—

(1) by redesignating sections 1107, 1108, and 1109 as sections 1108, 1109, and 1110;

(2) by striking out of section 1102 the reference "section 1109" and inserting in lieu thereof the reference "section 1110";

(3) by striking out of section 1104(f) the reference "sections 1101–1109" and inserting in lieu thereof the reference "sections 1101–1110";

(4) by striking out of section 1106, before the dash, the word "except" and inserting in lieu thereof the words "except as provided in section 1107 or"; and

(5) by inserting after section 1106 a new section 1107 to read as follows:

"SEC. 1107. The Secretary of Commerce is authorized, upon such terms as he may prescribe, to make a commitment to the prospective owner of a vessel who is a citizen of the United States, prior to the time when the keel of such vessel is laid under a contract which such prospective owner has made with the shipbuilder for the construction of the vessel (or if the keel of the vessel was laid under such contract prior to the enactment of this Act, and the vessel owner or prospective owner has an unexpired commitment from the Secretary of Commerce to insure a mortgage on the vessel, issued prior to enactment of this Act under the law then existing, then prior to the expiration of such commitment), to insure the interest on and the unpaid balance of the principal of a mortgage or mortgages which such prospective owner, as mortgagor, may at any time place on the vessel in order to finance the construction, reconstruction, or reconditioning of other vessels or both to refinance a mortgage insured by the Secretary of Commerce on the vessel and to finance the construction, reconstruction or reconditioning of other vessels, subject to the following conditions—

"(1) the commitment shall not be assignable without the prior written approval of the Secretary of Commerce;

"(2) the vessel is not, at the time of insuring the mortgage pursuant to the commitment, subject to a mortgage which has not been insured by the Secretary of Commerce;

"(3) within a reasonable period prior to, or at the time of, insuring the mortgage pursuant to the commitment, the Secretary of Commerce makes the finding required by section 1104(c) of this Act (which requires a finding that the mortgaged vessel or the project with respect to which the mortgaged vessel is to be operated will be, in the opinion of the Secretary of Commerce, economically sound);

"(4) the mortgage involves a principal obligation which when added to the unpaid balance of the principal obligations of prior mortgages on the vessel (other than mortgages that are being refinanced by this

mortgage) will result in a sum which will not, (a) if the vessel was not built with the aid of construction-differential subsidy and complies with the requirements of section 509 of this Act exceed (A) if the vessel has not been reconstructed or reconditioned before such mortgage is executed, 87½ per centum of all amounts the mortgagor has paid or is obligated to pay for the construction (including designing, inspecting, outfitting, or equipping) of the vessel, depreciated at the rate of 5 per centum per annum from the date the vessel was delivered by the shipbuilder to the date such mortgage is executed, or (B) if the vessel has been reconstructed or reconditioned before such mortgage is executed, 87½ per centum of all amounts the mortgagor has paid or is obligated to pay for the construction (including designing, inspecting, outfitting, and equipping) of the vessel, depreciated at the rate of 5 per centum per annum from the date the vessel was delivered by the shipbuilder to the date of such reconstruction or reconditioning, and depreciated, from the date of such reconstruction or reconditioning to the date such mortgage is executed, on a straight-line basis and on the basis of a useful life of the vessel determined jointly by the Secretary of Commerce and the Secretary of the Treasury, plus 87½ per centum of all amounts the mortgagor has paid or is obligated to pay for the reconstruction or reconditioning of the vessel (if such reconstruction or reconditioning was done without aid of construction subsidy and the vessel complies with the requirements of section 509 of this Act; otherwise, 75 per centum of such amount), depreciated, from the date of such reconstruction or reconditioning to the date such mortgage is executed, on a straight-line basis and on the basis of a useful life of the vessel determined jointly by the Secretary of Commerce and the Secretary of the Treasury, and (b) if the vessel was built with the aid of construction-differential subsidy, or does not comply with the requirements of section 509 of this Act, exceed the amount computed under (a) above except that, where (a) above provides for 87½ per centum of the construction cost of the vessel, the percentage shall be 75 per centum:

"(5) the mortgage has maturity dates which, if the vessel has not been reconstructed or reconditioned, do not exceed the remaining years of a useful life of the mortgaged vessel of twenty years computed from the date the vessel was delivered by the shipbuilder or, if the vessel has been reconstructed or reconditioned, do not exceed the remaining years of a useful life of the vessel determined jointly by the Secretary of the Treasury and the Secretary of Commerce:

"(6) the loan agreement for the making of the loan secured by the mortgage, or the mortgage, provides that the underwriter or mortgagee will disburse the loan for one or more of the following purposes: (a) to pay one of the components of actual cost of the vessels to be constructed, reconstructed, or reconditioned and, if any such payment is to reimburse the operator for payments made from his capital reserve fund, to deposit such payment in his capital reserve fund, or (b) to pay part of the loan to discharge an existing mortgage which is insured by the Secretary of Commerce on the vessel that is subject to the mortgage which is to be insured, or (c) to deposit part or all of the loan in the operator's capital reserve fund, if he is a subsidized operator, and in a construction reserve fund, if he is an unsubsidized operator; if any deposit is made in a capital reserve fund, or construction reserve fund under (c) hereof, such deposit may be withdrawn only to pay one of the components of actual cost of the vessels that are to be constructed to be reconstructed, or reconditioned, or if for any reason such payments do not exhaust the deposit, then to pay off the loan secured by the mortgage that is to be insured;

"(7) the mortgage complies with all of the requirements of section 1104(a) of this Act (which defines an eligible mortgage) except subdivision 2 thereof (which specifies the maximum principal amount of the mortgage), subdivision 3 thereof (which specifies the maximum duration of the mortgage), and subdivision 8 thereof (which specifies the purpose of the loan secured by the mortgage);

"(8) the mortgaged vessel shall be in class A-1, American Bureau of Shipping, with all required certificates, including but not limited to marine inspection certificates of the United States Coast Guard, with all outstanding requirements and recommendations neecssary for retention of class accomplished, unless the Secretary of Commerce permits a deferment of such repairs, and shall be tight, stanch, strong, and well and sufficiently tackled, appareled, furnished and equipped, and in every respect seaworthy and in good running condition and repair and in all respects fit for service."

SEC. 2. Section 1104(a)(2) of the Merchant Marine Act, 1936, as amended, is amended by striking out of the proviso the words: "That in the case of a vessel, the size and speed of which are approved by the Secretary of Commerce, which is eligible for mortgage and" and inserting in lieu thereof the words: "That in the case of a vessel, the size and speed of which are approved by the Secretary of Commerce, and which is, or in the case of a vessel to be reconstructed or reconditioned would have been, eligible for mortgage aid for construction".

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, Senate bill 1434 amends title XI of the Merchant Marine Act of 1936, as amended. The bill was reported unanimously by the Committee on Interstate and Foreign Commerce.

At present, under the act of 1936, the owner of a vessel must borrow money for a mortgage on ship construction at the time the mortgage is instituted by the Maritime Board. Usually that is when the keel is laid and the vessel is about ready to be built in the dock.

The bill would permit flexibility of financing by allowing the owner of a vessel to use his own money and to take advantage, perhaps, of low interest rates at a given time; then later, apply the mortgage on the vessel, and the mortgage would be picked up as of the terms of the original mortgage when it was placed by the owner.

The best description of the purpose of the bill is given by the Comptroller General of the United States, who, as everyone knows, watches such matters as this very closely. In a letter dated March 24, 1959, the Comptroller General said:

This arrangement—

That is, as proposed by the amendment—

would delay borrowings until needed, and could result in a saving in interest and mortgage insurance costs, a reduction in the life of the insured mortgage, a better utilization of reserve funds by subsidized operators, and greater flexibility in the financing of new ship construction. Furthermore, the conditions under which the insurance commitment must be exercised appear adequate to safeguard the interests of the Government.

The bill was proposed by the Department of Commerce and the other Government agencies concerned and was highly recommended by all of them. I introduced the bill at their request. After hearings, the bill was reported unanimously by the committee.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. WILLIAMS of Delaware. If a vessel is built by the United States Government on a contractual basis and is then later sold to a shipping company at a lower price, under the bill the mortgage could not be, as I understand it, for more than 87½ percent of the lower purchase price from the Government? Is that correct?

Mr. MAGNUSON. That is correct.

Mr. WILLIAMS of Delaware. Under no circumstances would the construction be financed on a relationship to the total cost originally.

Mr. MAGNUSON. That is correct.

Mr. WILLIAMS of Delaware. The specific example I had in mind was the *United States*, which was built at a cost of about $100 million and was sold back to the operator at a price of about $40 million. I wanted to be certain that under the bill a mortgage could not be guaranteed by the Government for 87½ percent of the original cost but that the formula would apply only to the lowest sale price or lowest cost figure.

Mr. MAGNUSON. It is my understanding from the testimony and also from the interpretation made by the Comptroller that under any such arrangement as the Senator suggests the Comptroller General would refuse to make payment.

Mr. WILLIAMS of Delaware. That was my understanding of the bill after a study of it. But I wanted to be certain that the legislative background is clear that it is the intent that under no circumstances would more than 87½ percent of the cost to the owner be granted, after all subsidies had been taken into consideration and that under no circumstances would the Federal Government be guaranteeing a mortgage higher than a price for which they may have sold the ship.

Mr. MAGNUSON. That is correct.

I think the bill will greatly aid an urgently needed ship construction program, because it will allow subsidized lines to use their otherwise idle reserve funds and make ship construction more advantageous for themselves and the Government as well.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the committee amendments be considered en bloc.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments en bloc.

The committee amendments were agreed to en bloc.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that that portion of the committee report dealing with the effects of the bill and the effects of the amendments, together with the communications from the Government departments, be printed at this point in the RECORD.

There being no objection, the portion of the report (No. 206) referred to was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

Title XI of the Merchant Marine Act, 1936, as amended, authorizes the Secretary of Commerce to insure ship mortgages which in principal amount do not exceed 75 percent, or in some cases 87½ percent, of the actual cost of construction, reconstruction, or reconditioning of the vessel mortgaged. Under existing law, a vessel mortgage is not insurable unless it is placed on the vessel before it is delivered by the shipbuilder.

This bill would amend existing law so as to allow the steamship operators to defer placing the mortgage on the ship until such time as they could get the best possible interest rate, yet still retain the right to be eligible for mortgage insurance. At the same time there would be no increase of Government risk or need for additional Federal expenditure under the legislation.

NEED FOR THE LEGISLATION

The administration, the industry, and the Congress have recognized the need for greater flexibility on the part of the shipping industry in the financing of vessel construction, reconstruction, or reconditioning. Both the administration and the industry have recommended bills S. 1434 and S. 1457, respectively, in the 86th Congress, similar in principle, that would implement the benefits now available under title XI, Merchant Marine Act, 1936, as amended.

To overcome the problem of block obsolescence in the American merchant marine, the shipping industry and the Federal Maritime Board have cooperated in a long-range effort to update the fleet. In a hearing before your committee witnesses from the Government, the shipping industry, and the institutional lenders testified that the efficient and economic replacement of vessels under such a program would be aided by giving the steamship lines the same financing flexibility as is now available to other businesses.

Shipowners, under present law, are frequently forced to take mortgages when interest rates are high because that is the only time title XI insurance is available.

The owner may, however, be able to pay up to 100 percent of the cost of construction of a given vessel in order to avoid prevailing high interest rates, if that vessel can later be mortgaged under a title XI insured mortgage to finance subsequent vessel replacements or improvements. This bill would simply provide the flexibility necessary to enable the owner to make the most economical use of his own funds and to select, within the limits of his own resources, the most favorable time to resort to private borrowing.

EFFECT OF THE BILL

Existing law, as indicated above, limits the placing of an insured mortgage on a vessel to a time prior to the delivery of the vessel. As an example of the flexibility this proposed amendment to title XI would allow, suppose a shipowner constructing vessel A decided to use his own resources for the immediate financing of the new ship in order to avoid high interest rates in effect at the time. At a later date, when interest rates were lower, the shipowner could place a mortgage on vessel A and apply the resulting funds to the construction, reconstruction, or reconditioning of another vessel.

BILLS COMPARED

Both S. 1457 and the bill herein reported recognize the need for amendment to implement title XI, which was designed to aid borrowing from private resources. Each bill seeks the same objectives without increasing the Government's risk. The essential differences between the two bills is in form and procedure. The administration bill accomplishes its purpose by adding a new section to title XI. S. 1457 would make detailed amendments throughout title XI.

It is the belief of your committee that the better course is to deal with the matter in a separate section. In addition, the administration recommended version requires that the owner obtain a commitment to insure a mortgage from the Secretary of Commerce prior to the laying of the keel on the vessel to be mortgaged, except in the case of an owner who has obtained such a commitment in the construction differential subsidy contract applicable to such vessel.

SUMMARY OF DEPARTMENTAL RECOMMENDATIONS

There is an immediate need by the shipping industry for this legislation. On a similar bill, H.R. 8129, considered by the House Merchant Marine and Fisheries Committee in the 85th Congress, 2d session, the departmental comments were all favorable, except that of the Commerce Department which recommended two modifications not adopted by the House. It is to be noted, however, that the administration bill reported with amendments by your committee was prepared under the guidance of the Department of Commerce. The Department of Commerce has concurred in the amendments.

Following are reports of the Government departments on S. 1434:

DEPARTMENT OF JUSTICE,
Washington, D.C., March 26, 1959.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, U.S. Senate, Washington, D.C.

DEAR SENATOR: This is in response to your request for the views of the Department of Justice concerning the bill (S. 1434) to amend title XI of the Merchant Marine Act, 1936, as amended, with respect to insurance of ship mortgages, and for other purposes.

The bill has been examined, but since the subject matter thereof does not directly affect the activities of the Department of Justice, we would prefer not to offer any comment concerning it.

Sincerely yours,

LAWRENCE E. WALSH,
Deputy Attorney General.

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, March 24, 1959.

B-115403

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, U.S. Senate.

DEAR MR. CHAIRMAN: Further reference is made to your letter of March 17, 1959, acknowledged on March 18, requesting the comments of the General Accounting Office concerning S. 1434, 86th Congress, 1st session, entitled "A bill to amend title XI of the Merchant Marine Act, 1936, as amended, with respect to insurance of ship mortgages, and for other purposes."

The bill would enable a prospective owner to use his own resources for financing a new vessel without losing the benefit of mortgage insurance later during the 20-year life of the vessel, if the mortgage proceeds are to be used to finance the construction of other new vessels. This arrangement would delay borrowings until needed, and could result in a saving in interest and mortgage insurance costs, a reduction in the life of the insured mortgage, a better utilization of reserve funds by subsidized operators, and greater flexibility in the financing of new ship construction. Furthermore, the conditions under which the insurance commitment must be exercised appear adequate to safeguard the interests of the Government.

In view of the foregoing, and while we recognize the amendment to be a matter of policy for determination by the Congress, we believe it is worthy of consideration.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

THE SECRETARY OF COMMERCE,
Washington, March 11, 1959.

Hon. RICHARD M. NIXON,
The President of the Senate,
U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT: There are submitted herewith four copies of a draft bill, together with a statement of purpose and provisions, to amend title XI of the Merchant Marine Act, 1936, as amended, with respect to insurance of ship mortgages.

The draft bill would authorize a delay in placing a mortgage on a newly constructed vessel, if the loan secured by the mortgage is to be used to make the downpayment on other vessels to be constructed, without depriving the owner of the privilege of obtaining Government insurance of the mortgage. Under existing law a vessel mortgage is not insurable unless it is placed on the vessel before the vessel is delivered by the shipbuilder. Under the draft bill, if the loan is to be used for the foregoing purpose and the mortgagor obtains a commitment before the keel of the vessel to be mortgaged is laid, the mortgage would be insurable if placed on the vessel at any time during the vessel's economic life. All restrictions under existing law would be applicable in addition to new restrictions which would keep the substance of the insurance transaction the same as it is under existing law, except that the Government would not be under risk for so long a time.

The draft bill would make it possible for an operator who plans to replace a fleet of vessels to pay in full for the first vessel and to mortgage the vessel subequently (and obtain Government insurance of the mortgage) to obtain the downpayment on other vessels, rather than mortgaging each new vessel as it is delivered by the shipbuilder as he must under existing law if his mortgages are to be insurable.

The draft bill would thus enable the operator to arrange his financing in a more flexible way, would save him interest, and would reduce the period of time during which the Government would be under risk with respect to the vessel mortgage.

We have been advised by the Bureau of the Budget that there would be no objection to the submission of this report to the Congress.

Sincerely yours,

LEWIS L. STRAUSS,
Secretary of Commerce.

[Enclosures.]

STATEMENT OF PURPOSE AND PROVISIONS OF DRAFT BILL TO AMEND TITLE XI OF THE MERCHANT MARINE ACT, 1936, AS AMENDED, WITH RESPECT TO INSURANCE OF SHIP MORTGAGES, AND FOR OTHER PURPOSES

The purpose of the draft bill is to amend the Merchant Marine Act, 1936, as amended, by inserting in title XI (Federal Ship Mortgage Insurance) of that act a new section 1107, which would permit the prospective owner of a vessel that is to be constructed to delay placing a mortgage on the vessel, until some time after the vessel has been delivered by the shipbuilder, without losing his privilege of having the mortgage insured by the Secretary of Commerce.

The purpose of the new section is to permit the prospective owner to save interest, and to reduce the period of time during which the Secretary of Commerce is under risk with respect to the mortgage.

The new section would be available both to subsidized and to unsubsidized operators.

An operator who plans to replace his existing fleet by new construction that will be built at staggered intervals over a period of years may have sufficient money on hand to pay in full for the first ship. Under existing law, however, if he does this, he will not later be able to mortgage the vessel and obtain Government insurance of the mortgage in order to obtain the downpayment on future vessels.

If, for example, an operator who has (1) a fleet of four ships, (2) plans to replace one each at 3-year intervals at a cost of $10 million each, and (3) a fund of $10 million to finance such replacement, spends the entire fund to pay for the first ship, he cannot under existing law, later obtain an insurable mortgage on the vessel to finance the downpayment on the other three vessels, because under existing law a vessel mortgage is not insurable unless it is placed on the vessel before the vessel is delivered by the shipbuilder. Under existing law, therefore, to finance his replacement program, the operator cannot use his fund to pay in full for the first ship, but must use his fund to make the minimum downpayment on each ship ($2½ million if he receives construction-differential subsidy) and must mortgage each ship as it is delivered so that the mortgage will be eligible for Government insurance.

The existing law thus unduly restricts the operator in arranging his financing, makes the financing more expensive to the operator than is necessary, and keeps the United States under risk on the mortgages for a longer period than is necessary.

The draft bill would remedy this situation by authorizing the Secretary of Commerce to make a commitment to the vessel operator before the keel on the first vessel is laid, to to insure any eligible mortgages such operator, as mortgagor, may place on the vessel at any time to obtain the downpayment on other vessels. The foregoing authorization is subject to conditions which will keep the substance of the mortgage insurance transaction the same as it is under existing law, except that the placing on the vessel of the mortgage that is to be insured would be delayed until such time as the operator needs the money to make the downpayment on other vessels.

Under provisions of the existing law, the Secretary of Commerce is authorized to insure a mortgage on a vessel if he finds that the vessel or the project with respect to which the vessel is to be operated is in his opinion economically sound and if the mortgage (1) secures a loan made to finance construction of the vessel; (2) involves a principal obligation not exceeding 87½ percent of the actual cost of the vessel, if the vessel complies with the requirements of section 509 of the act, or 75 percent of the actual cost of the vessel if the vessel does not comply with those requirements; (3) has a mortgagee who is responsible and able to service the mortgage, and a mortgagor who possesses the ability, experience, financial resources, and other qualifications necessary to the adequate operation and maintenance of the mortgaged property; (4) secures bond, notes or other obligations having maturity dates satisfactory to the Secretary of Commerce but not exceeding 20 years; (5) contains amortization provisions satisfactory to the Secretary of Commerce requiring periodic payments by the mortgagor; (6) secures bonds, notes, or other obligations bearing interest at a rate not exceeding 5 percent per annum, or, if the Secretary of Commerce finds the lending market demands it, not exceeding 6 percent per annum; (7) provides in a manner satisfactory to the Secretary of Commerce for the application of the mortgagor's periodic payments (except interest payments) to amortization of the principal of the mortgage; (8) contains such terms and provisions with respect to construction, maintenance, and operation of the vessel and with respect to repairs, alterations, payment of taxes, insurance, delinquency charges, revisions, foreclosure proceedings, anticipation of maturity, additional and secondary liens, and other matters pertinent to the security as the Secretary of Commerce may prescribe; and (9) provides that the mortgagor shall pay the mortgagee the amount of each mortgage insurance premium at least 60 days before payment of such charge to the Secretary of Commerce is due.

Under the draft bill, all of the foregoing requirements would have to be met at the time the mortgage is to be insured except (1), (2), and (4), and in addition the following requirements would have to be met: (1) The vessel is not subject to a mortgage that has not been insured by the Secretary of Commerce; (2) the principal obligation of the mortgage to be insured shall not exceed an amount which when added to the unpaid balance of the principal obligations of prior mortgages will exceed 87½ percent or 75 percent, as the case may be, of the actual cost of the vessel depreciated at the rate of 5 percent per annum from the date the vessel was delivered by the shipbuilder to the date the mortgage is executed; (3) the mortgage has maturity dates which do not exceed a period of 20 years from the date the vessel was delivered by the shipbuilder; (4) the purpose of the loan secured by the mortgage is to finance the construction of other vessels or both to refinance a mortgage on the vessel which is insured by the Secretary of Commerce and to finance the construction of other vessels; (5) the loan agreement for the making of the loan secured by the mortgage, or the mortgage, provides that the loan, except such portion as it has been agreed will be used to refinance a mortgage on the vessel which has been insured by the Secretary of Commerce, will be disbursed by the mortgagee to a shipbuilder in payment, on behalf of the mortgagor, of part of the contract price for the construction of a vessel contracted for by the mortgagor which has not yet been delivered; and (6) the vessel is in as good condition as it would have been in if it had been mortgaged immediately upon delivery of the vessel by the shipbuilder and such mortgage had been insured by the Secretary of Commerce, and the mortgagor had complied with all of the requirements of the Secretary of Commerce with respect to a vessel on which he has insured the mortgage.

Under the draft bill, therefore, the risk to the United States under the insured mortgage is the same as it is under existing law, except that under the draft bill the United States would not be under risk for as long as it is under existing law.

Under existing law if an operator has (1) a fleet of four vessels, (2) plans to replace one each at 3-year intervals at a cost of $10 million each, and (3) a fund of $10 million to finance such replacement, he must mortgage each vessel as it is delivered by the shipbuilder if he wishes to obtain Government mortgage insurance. Each vessel, therefore, would be subject to an insured mortgage for a period of 20 years.

Under the draft bill, the operator could pay for the first vessel in full, obtain a mortgage commitment from the Secretary of Commerce, and mortgage the vessel later on to obtain all or part of the downpayment on the other three vessels. If he mortgages the vessel in the amount of $2½ million at the end of 3 years to obtain the downpayment on the second vessel, and again at the end of 6 years in the amount of $2½ million to obtain the downpayment on the third vessel, then at the end of 9 years he will be able to mortgage the vessel only in the amount of $250,000, because 75 percent of the depreciated actual cost of the vessel at the end of 9 years would be $4,125,000, and the unpaid principal balance of prior mortgages would be $3,875,000.

The foregoing example is not the only way in which the draft bill could be used. Under the draft bill, an operator who pays for his first vessel in full and, before the keel is laid, obtains a commitment from the Secretary of Commerce to insure mortgages on the vessel, could, at any time during the 20-year life of the vessel, obtain Government mortgage insurance on eligible mortgages on the vessel in the aggregate amount of 75 percent or 87½ percent, as the case may be, of the depreciated actual cost of the vessel for the purpose of financing the construction of other vessels.

CONCLUSION

In view of the foregoing, your committee urges the prompt enactment of this legislation.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MAGNUSON. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROPOSED CHANGES IN ACT CREATING THE COMMONWEALTH OF PUERTO RICO

Mr. FULBRIGHT. Mr. President, a few weeks ago the Governor of the Commonwealth of Puerto Rico, the Honorable Munõz-Marín, made a significant statement regarding the signing of a joint resolution proposing certain changes in the Federal Relations Act which created the Commonwealth of Puerto Rico.

Governor Munõz has already demonstrated an unusual talent, not only for governing the Commonwealth but, also, for expressing clearly the significance of complicated governmental actions.

Governor Munõz possesses a talent for reducing to clear and simple terms the most involved and complicated constitutional principles.

The evolution which one observes now taking place in governmental institutions and relations in many parts of the world emphasizes the importance of men such as Governor Munõz, and the achievements of his regime in Puerto Rico. It may well be that no other area can or should duplicate the experience of Puetro Rico, but certainly much can be learned by the emerging nations of Africa and Asia from that experience.

I should like to quote one paragraph from Governor Munõz' statement, to illustrate to my colleagues a significant facet of the Governor's statement:

For the dynamic system of the United States there is nothing unusual in creating new political forms when these are required by new ways of political freedom or economic needs. At the beginning of this century it created the concept of unincorporated territory, a concept which had not existed before in the American system. It created the concept so as not to have to ruin the Puerto Rican economy by strictly applying the Federal Constitution to the island, as it would have had to do if Puerto Rico had been considered an incorporated territory. Acting in conjunction with Puerto Rico, it likewise created the Commonwealth between 1950 and 1952.

Finally, let me draw the attention of my colleagues to the fact that the Governor in his speech proposed that Puerto Rico now consider making voluntarily its contribution to the Government of the United States. Puerto Rico has made remarkable progress in her standard of living, but it is still far less than one-half that of the United States. Yet this remarkable Governor is proposing that Puerto Rico consider making a contribution to our common effort to maintain a democratic system of government.

Mr. President, I ask unanimous consent to have the complete text of the Governor's statement printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ANNOUNCEMENT BY GOV. LUIS MUNÕS MARÍN OF THE COMMONWEALTH OF PUERTO RICO TO THE COMMONWEALTH LEGISLATURE OF THE SIGNING OF THE RESOLUTION PROPOSING TO THE CONGRESS OF THE UNITED STATES MODIFICATIONS TO THE FEDERAL RELATIONS ACT

I take pleasure in communicating to you, for the information of that high body, that on this 19th day of March 1959, I have signed Joint Resolution 2 of the legislative assembly.

Joint Resolution 2 proposes to the Congress of the United States the approval, if considered convenient, of a number of modifications to the Federal Relations Act (compact) which, if voted also by the Puerto Rican electorate, will clarify and modify the relations between Puerto Rico and the Federal Union.

It is fitting to affirm at this point, as emphatically as possible, that the proposed changes are entirely within the new status created by the Congress of the United States and the people of Puerto Rico between 1950 and 1952. These changes are intended to perfect the said status, and not to transform it into federated statehood or separated independence.

The concept of permanent association, as it should be understood in Puerto Rico, means that the people of Puerto Rico, in the exercise of their natural rights, which have been recognized by the Congress of the United States, have created for themselves their own political organization, have organized into a political state, and at the same time have agreed to remain united with the American Union to be a part, in a new manner, of its political system.

With the creation of the Commonwealth, the political system of the United States no longer consists exclusively of a Federal Union of 49 States—which will soon be 50—of a Federal District where the Government of the Union has its seat, of certain incorporated Territories—which, upon Hawaii's entrance into the Union, will have been reduced to none—and of several unincorporated Territories. The political system of the United States now consists of these types of entities and of a new type: The Commonwealth of Puerto Rico. In a letter addressed to me by the Department of the Interior in Washington on November 13, 1958, the Under Secretary, Mr. Elmer F. Bennett, clearly expressed this reality when he said that "it is recognized that the Commonwealth is an entity within this Nation which is not a State, and that the Commonwealth is neither an 'incorporated Territory' nor an 'unincorporated Territory' as those terms have been traditionally and historically applied and interpreted."

In the Commonwealth, as in the federated States, two governments coexist and work together, each supreme in the jurisdiction over the citizens which has been assigned to it by a compact. In the case of the federated States, the compact distributing jurisdictions is the Constitution of the United States. In the case of the Commonwealth, it is the compact approved by the Congress of the United States and the electorate of Puerto Rico. But it is not the case that the U.S. Government in its functions involving the citizens living in Puerto Rico means the presence of an extraneous government among us. We are citizens of the United States, and the Government of the United States has with us, and we have with it, the same relationship of reciprocal loyalty existing between any other citizen of the United States and the Government of the United States. In the United States, too, the sovereign government of each State functions simultaneously with the Federal Government.

The Federal Government has functions in Puerto Rico in the same though more limited manner as in the federated States. When they voted the compact, the people of Puerto Rico decided that the Federal laws regulating these functions and responsibilities are effective in Puerto Rico. Whether these responsibilities are to be more or less numerous, that will depend on what Puerto Rico and the Federal Union will have covenanted at any given time.

The concept of a Commonwealth did not originate all of a sudden. It comes from a historical process of development that started at the end of the Spanish-American War and continued when the Congress created the political entity "the people of Puerto Rico" and a "government of Puerto Rico". This government, though acting by delegation of powers, with its executive and some of its legislative officials appointed from the outside, compared in the scope of its powers with a State of the Union.

When this regime was subsequently liberalized (but still a government by delegated powers) and full legislative powers were placed in the hands of the people of Puerto Rico, although subject to the practically absolute veto of the appointed Governor; when U.S. citizenship was conferred upon the Puerto Ricans, making them citizens of the United States and of Puerto Rico in the same manner that these same Puerto Ricans are citizens of the United States and of New York when they move to New York, for example; when the right of the people of Puerto Rico to elect their own Chief Executive was recognized (a new method in the political system of the United States indicative of the realistic attitude of Congress in clearly perceiving that Puerto Rico is an entirely new kind of entity within the American political system and that, therefore, it requires a political thought that is also new, for the greater development of its internal affairs and its relationship with the United States); when we observe all these changes, we can see that we are in the presence of an orderly process.

This process culminated when Congress recognized the natural right of the people of Puerto Rico to create their own government within the previously established framework of economic, social, and political relations and under a compact meriting the approval of both the people of Puerto Rico and the Congress of the United States. Congress recognized the natural right of Puerto Rico when it ratified the constitution of the Commonwealth, which expressly bases upon such right the authority of the people of Puerto Rico when it states:

"We, the people of Puerto Rico, in order to organize ourselves politically on a fully democratic basis, * * * do ordain and establish this constitution for the Commonwealth which, in the exercise of our natural rights, we now create within our union with the United States of America." (Preamble to the constitution, first paragraph.)

Both the people of Puerto Rico and the Congress of the United States clearly saw that in order to recognize this principle it was not necessary to alter the economic, social, or political relations that had been the groundwork of a process of continuous development for more than 50 years. In other words, in terms of those fundamental relations that would not and could not change because they were connected with a common citizenship, it was possible to create a political status which involved a new manner of association with the Federal Union.

For the dynamic system of the United States there is nothing unusual in creating new political forms when these are required by new ways of political freedom or economic needs. At the beginning of this century it created the concept of unincorporated territory—a concept which had not existed before in the American system. It created the concept so as not to have to ruin the Puerto Rican economy by strictly applying the Federal Constitution to the island, as it would have had to do if Puerto Rico had been considered an incorporated territory. Acting in conjunction with Puerto Rico, it likewise created the Commonwealth between 1950 and 1952.

In the present resolution passed by the legislative assembly and approved by me, the government of the Commonwealth of Puerto Rico proposes a number of clarifications and modifications. It is reasonable to ask if this represents the maximum possible development of the Commonwealth, of the system of permanent relationship between Puerto Rico and the United States. The answer is "No." The proposals represent the criterion of what the experience of the 7 years that have elapsed since the beginning of the Commonwealth points out as desirable, as mutually fair and advantageous for the United States and Puerto Rico. Future experience will show what other gradual and judicious changes, all of them within the specific nature of the Commonwealth, may be considered by both the people of Puerto Rico and the Congress of the United States. Without that future experience, we cannot predict what these changes should be. Clearly all of them should imply the greatest possible scope, within our association with the United States, of the powers and faculties of the people of Puerto Rico to govern

themselves internally and the greatest efficiency for the Government of the Federal Union to carry out the responsibilities it may retain with respect to Puerto Rico at any point in the course of history.

But if it is impossible to answer the question of which responsibilities, in addition to those already proposed in the joint resolution, may be transferred from the Federal Union to the Commonwealth, it is quite possible to state clearly and beyond a doubt which responsibilities may not be transferred within the concept of permanent association, from the Federal Union to the Commonwealth. It is fair and fitting that Puerto Ricans should have the answer to that question. And the answer is that the concept of permanent association irrevocably implies that there will be a common citizenship, and that, through its government instrumentalities, the Federal Union will be responsible for (1) a common defense, (2) a common currency, (3) common international political relations, (4) a common Federal judiciary system, and (5) the maintenance of a basically common free market. These are the strong ties of association that will always link the Commonwealth to the Federal Union. All future development of the Commonwealth must be in keeping with this concept.

There is another aspect of the development of the Commonwealth that I have mentioned in my messages to the legislative assembly before and after the present status was established. I am referring to the contributions which Puerto Rico should make to the extent that the growth of its economy will permit, in order to share, first, the expenses of the Federal Union in Puerto Rico for such purposes as exclusively affect the people of Puerto Rico, and then the amounts expended by the Federal Union, mostly outside Puerto Rico, for the common purposes of all the citizens of the United States, such as defense and international political relations.

In my message of March 20, 1952 (before the Commonwealth was established), I said:

"Puerto Rico ought to pay its share into the Federal Treasury as soon as it is in an economic position to do so in the same way that it is now contributing morally to the good democratic reputation of the Union. It would, however, be un-Christian, uneconomic, un-American and extremely foolish to exact such a contribution to the Federal Treasury if that were to mean aggravating instead of diminishing poverty, surrendering health to disease, closing instead of opening schools, lowering instead of improving standards of living, increasing instead of decreasing unemployment, and betraying the wing of hope to the claw of desperation. But a day will come when this will not be so. And when that day arrives we ought not to wait until we are asked to share in the expense; we should rather be the ones to propose the sharing and to pay for it ourselves in the exercise of our own democratic authority and our own sense of responsibility as members, in a new way, of a great Union."

And in my message of February 17 (after the Commonwealth was established) 1954:

"Some day Puerto Rico shall make its financial contribution to the Treasury of the United States, as it is already contributing, before the world, good will and better understanding to the Treasury of American democratic meaning."

I am bringing this up to stress the fact that Puerto Rico sees in the Commonwealth not a mere economic convenience but a political status that, with its potentialities, the people of Puerto Rico may reasonably consider permanent. The Commonwealth gives to Puerto Rico a maximum of creative freedom for the spiritual development and enrichment of its union with the United States, for its own benefit and for the benefit of the United States and of the creative flexibility of political thought throughout the world. Under the principle of no taxation without representation, the contributions that within the two stages already pointed out Puerto Rico may gradually come to make to share the expenses of the Federal Union, ought of course to answer in due time to a formula providing for action by the Legislature of Puerto Rico on behalf of the electorate, or directly by the electorate on its own behalf.

It goes without saying that the day when Puerto Rico may be able to make substantial contributions is still at a distance of many years, of several generations. However, I believe it necessary to bring this fact into special prominence at this time for two reasons:

(1) To make clear that the maximum development of the Commonwealth is not in the direction of independence, nor of federated statehood.

(2) To make it likewise clear that the fundamental insight embodied in the Commonwealth idea is based upon permanent values of freedom and self-government, and not upon financial values that, although long-lasting in character, are nevertheless transitory.

THE FULBRIGHT AMENDMENTS TO THE MUTUAL SECURITY ACT—LETTER FROM VICTOR REUTHER

Mr. FULBRIGHT. Mr. President, I have been gratified by the many expressions of support which I have received regarding some amendments which I have submitted to the Mutual Security Act.

A letter from a large labor union places the issue of foreign aid in proper perspective, to my mind, in relation to our domestic policies and programs.

Mr. President, I ask unanimous consent that there may be printed at this point in the RECORD a letter which I have received from Mr. Victor Reuther, representing the auto workers union.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INTERNATIONAL UNION, UNITED AUTOMOBILE, AIRCRAFT, AND AGRICULTURAL IMPLEMENT WORKERS, OF AMERICA, UAW,
Washington, D.C., April 30, 1959.

Senator J. W. FULBRIGHT,
Chairman, Senate Foreign Relations Committee, Washington, D.C.

DEAR SENATOR FULBRIGHT: Before Walter left for Berlin this week, I had the opportunity to review with him the general international situation and in connection with this, I called to his attention your action proposing a substantial increase in the international economic cooperation program, not on a hand-to-mouth or year-to-year basis, as a stepchild of military aid and assistance, but rather as an independent long-range investment in sharing the abundance resulting from automation and technological progress in this atomic age. Walter asked me to convey to you his congratulations for this positive initiative on your part.

It is most encouraging to see that you have acted so promptly and courageously on the recommendations made to the Senate Foreign Relations Committee by various task forces. We are pleased that you and your cosponsors, Senators HUMPHREY and KENNEDY, concur in the nature, magnitude, and duration of the basic recommendations made in those reports.

Ever since the winter of 1948 when the trade unions of the United States recommended larger commitments to implement the Marshall Plan, it has been our firm conviction that international economic cooperation is essential for closing the ever-widening gap between the industrially developed and the underdeveloped areas of the world. Herein lies the road to victory for free men in the contest that Communist imperialism is forcing upon the peoples of the world.

Our union has long been committed to the proposition that the United States should lead the way in this field by dedicating up to 2 percent of our gross national product for a positive peace offensive. We believe we can meet our domestic and international obligations only by balancing both our human and material budgets at full production and full employment levels and for as long as it may take to win. Tax loopholes can be closed and, if necessary, tax rates can be increased to put us on a pay-as-we-go basis over the next 20 years or longer if required. In assuring you of our continued support for such a stepped-up program of international economic development such as you yourself advocate, we should like to reiterate our strong beliefs in support of SUNFED (Special United Nations Fund for Economic Development). We firmly believe, along with many others in both political parties, that more and more of the economic development job should be assigned to the U.N. and affiliated multinational agencies.

Our support is offered independently of action on adequate domestic programs. We recognize the brutal fact that many domestic programs vital to the welfare, strength, and health of the American people and their economy are in danger of being butchered by the administration and the 86th Congress in the name of a balanced budget. We shall continue to fight for programs and appropriations adequate to meet these needs here at home at the same time that we step up our international responsibilities; we will not engage in attempted reprisals against international economic cooperation programs because of votes cast against domestic programs.

If there is any way in which you think we can be of direct help to you in achieving a more adequate international cooperation program, I trust that you will let us know.

We are taking the liberty of supplying copies of this letter to the members of the committee listed below.

Sincerely yours,

VICTOR G. REUTHER,
Administrative Assistant to the President.

Copies to Senator JOHN J. SPARKMAN, Senator HUBERT H. HUMPHREY, Senator MIKE MANSFIELD, Senator WAYNE MORSE, Senator RUSSELL B. LONG, Senator JOHN F. KENNEDY, Senator ALBERT GORE, Senator FRANK CHURCH, Senator ALEXANDER WILEY, Senator WILLIAM LANGER, and Senator GEORGE D. AIKEN.

EXHIBITION OF IMPRESSIONIST AND POST-IMPRESSIONIST PAINTINGS AT THE NATIONAL GALLERY OF ART

Mr. FULBRIGHT. Mr. President, I have been authorized by the Director of the National Gallery of Art, John Walker, to call attention to the current exhibition of masterpieces of impressionist and post-impressionist paintings in the National Gallery. This exhibition will close on May 24.

Recognizing that Members of the Senate are extremely busy during the usual hours when the gallery is open, Mr. Walker has generously offered to open the gallery at any time the Members of the Senate, or the Members of the

House of Representatives, would like to view this exhibit. He has authorized me to say that if any of the Members wish to visit the gallery, if they will give him some notice by telephone, he will arrange to conduct them personally—if at all possible; and if there should be a conflict in his engagements, he will see that a qualified person conducts the Members through the gallery. He suggests that we may come individually, or in groups, or both—at our convenience.

On the opening night of this exhibition, there was such a crowd of people that it was impossible to view the paintings properly. This exhibition was arranged to celebrate the 50th anniversary of the founding of the American Federation of Arts, and also to honor the meeting of the International Chamber of Commerce, in Washington. The exhibition gives Members of the Senate a unique opportunity to see an extraordinary collection of paintings, borrowed from private collections in this country. Many of the pictures have never before been exhibited in this country, and probably will not be exhibited again in the near future. Among these paintings will be found some of the greatest masterpieces of all time. A statement, recently published in the local newspapers, indicated that this exhibition is valued at more than $20 million.

This is a rare opportunity, which I am sure many of the Members of the Congress will not want to miss. A telephone call to Mr. Walker, at the gallery, is all that is necessary to arrange for a visit.

SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIFORNIA

The Senate resumed the consideration of the bill (S. 44) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GRUENING in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Without objection, it is so ordered.

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KUCHEL. What is the question before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the amendment to Senate bill 44, offered by the Senator from Illinois [Mr. DOUGLAS], for himself and the Senators from Oregon.

Mr. KUCHEL. I wonder if the Senator from Illinois will lend me his ears for a moment, so that he might indicate whether he would be in a position to consider any reasonable unanimous-consent request by which the Senate might be placed on notice, in advance, as to the hour his amendment would be disposed of, and when the bill might thereafter be voted upon.

Mr. DOUGLAS. Mr. President, I appreciate the concern of my friend from California. I am, of course, anxious to expedite the business of the Senate, but I think no issue is settled unless it is settled rightly, and I think some further discussion of this measure is needed.

I should like to ask my good friend from California if he is now willing to accept the very reasonable amendment which the two Senators from Oregon and the Senator from Illinois have proposed, the main provision of which is to strike section 6(a).

If the Senators from California are willing to strike section 6(a), I think we shall be able to come to a unanimous-consent agreement for a reasonably prompt vote; but if they are not willing to strike section 6(a), I give assurance to my good friend from California that, in defense of the people, the Senator from Illinois, and I believe the Senator from Oregon is likewise disposed, intends to fight on the beaches, in the fields, on the streets, and from house to house, in an effort to protect the people of the United States from one of the greatest land steals that has ever been attempted in the history of this Nation.

Mr. KUCHEL. Mr. President, despite that Churchillian euphemism to describe a filibuster, I regret to inform my colleagues that I find myself unable to accept the amendment which they have proposed.

My only object in making my very brief comment was to ascertain whether it was possible to ascertain when the Senate could vote up or down the amendment offered by the Senator from Illinois and the Senators from Oregon. That is all I had in mind. Their amendment has been debated in the Senate now during the larger part of 2 days. This is the third day that a reclamation project affecting one State, a project which has been approved by every relevant Federal agency and by every relevant State agency, has been before the Senate as the pending business.

The same argument was advanced by the Senator from Illinois against the bill last year, when my then able colleague, Senator Knowland, and I had joined in cosponsoring a similar bill. That bill passed the Senate. This proposal is nothing new. I simply hope that after a certain number of times during which, repetitiously, the position of the Senator from Illinois has been advanced, the men and the one lady in the Senate may have an opportunity to vote on the amendment, for or against.

Mr. President, I yield the floor.

Mr. DOUGLAS. Mr. President, I deeply regret that my good friend from California accused the Senators from Oregon and me of an intention to filibuster. It is a very inexact use of the word "filibuster." If my colleagues will consult the Encyclopedia Britannica, they will find the word "filibuster" is defined as prolonged discussions or other delaying tactics intended to prevent a vote.

There is no such purpose on the part of the Senators from Oregon and the Senator from Illinois. We do not wish to prevent a vote. We want a vote to come.

But we want the vote to come only when the Senate and the public are informed about the contents of the bill and are aware of the issues which are involved. So, Mr. President, an attempt to delay a vote in order to develop the debate and the public understanding of an issue is not equivalent to a filibuster.

I repeat, we want the vote to come. We want the majority will to prevail. But we believe that the interests of the people, which have not received too much recognition until this measure came to the floor, should be properly considered and properly stated. While we made great progress in the two sessions last week in developing the case against the bill, I do not think we have developed it adequately or sufficiently.

For instance, over the weekend a number of letters and telegrams came to me which I think I should read. The first telegram came from Fresno, Calif., and states:

> We strongly approve your amendment to the San Luis bill. You are absolutely right that no project at all would be better than public water without a firm acreage limitation.
>
> RUSSELL E. LEAVENWORTH,
> *President, Fresno County Democratic Council.*
> ANN M. LEAVENWORTH,
> *President of the Democratic Women.*

I have also a telegram I have received from San Francisco, Calif.:

> Re San Luis bill. Urgently request you exert energies to fight for 160-acre limitation, to apply without qualification.
>
> MARY LOUISE ALLEN,
> *State President, California Federation of Young Democrats.*

I likewise received a letter from Miss Anga Bjornson, of Piedmont, Calif., who heard the debate last week. I read the opening paragraphs of her letter:

> Yesterday I had the privilege of sitting in the balcony of the Senate, listening to the magnificent discussion by both you and Senator MORSE and Senator LAUSCHE. As you may know, I am a resident in the State of California and a member of the Democratic Central Committee of that State. In 1954, this is incidental, I ran for the Senate and received 130,000 votes. I merely state this to let you know that I have been more than casually interested in politics.
>
> In all my political activity in that State I have fought for the Reclamation Act and I always find that the citizens of my community agree 100 percent with my interpretation of that basic act. I know, therefore, that if the people of California had heard your speeches yesterday they would have applauded 95 percent.

Then there are certain other paragraphs which I shall not read, but which, if the Senators from California so desire, I will show to them.

I now turn to a resolution adopted by the California Democratic Council, issued in its legislative letter of May 8, 1959. I should like to read, from page

2 of the letter, the appropriate paragraphs under the heading of "Water—San Luis Project":

H.R. 5687 and S. 44 are two bills now before Congress in Washington to authorize joint use of the San Luis Unit of the Central Valley project by California and the United States.

The bills both contain provisions (called Section 6a) which have aroused controversy concerning their effect on the 160-acre limitation of Federal reclamation law. Proponents of the controversial sections (principally Senator KUCHEL) say they just clarify existing law, opponents (Senators DOUGLAS, MORSE, and NEUBERGER) say they would erode existing reclamation law.

This is a further section of the statement from the Democratic Council:

The unbiased Los Angeles Times Washington Bureau describes section 6a as exempting landowners receiving State water in the joint project from the acreage limitation which applies to exclusively Federal reclamation projects. The same source also says, removal of the 160-acre limitation in the State service area was one of the conditions on which Kern County landowners near the project agreed to the joint construction legislation.

In other words, the Los Angeles Times says that the Kern County landowners—the large landowners of Kern County—insisted that section 6a was to be the condition of their approval of the San Luis project as a whole.

Statements in the hearings are to the same effect.

The newsletter goes on to quote the Senate Interior Committee hearings on Senate bill 44, dated March 16, 1958, quoting the Los Angeles Department of Water and Power representatives—

On the Senate floor Thursday Senator ENGLE said he personally opposes section 6a but that its inclusion had been insisted on by the above groups. Both Senator ENGLE and Governor Brown say publicly that, with or without section 6a, only State law applies to State water.

Conclusion: Delete the controversial section. However, there is a lot of heat and little light shed on this problem, so write Washington persuasively, considerately, impersonally, and without demanding anything.

1. Write or wire your Congressman and your Senator. Tell him the Los Angeles Times and Senate debate make it clear that only a limited group (large Kern landowners and similar interests in southern California) insist upon the offending part of section 6—and apparently for selfish reasons; that Senators MORSE, DOUGLAS, and NEUBERGER, who have nothing material to gain from the legislation—

I interpolate to say, that is the sober truth. We have nothing to gain from passage of the legislation, and we have nothing to gain from fighting it—

recommend removal of the offending section; that Governor Brown and Senator ENGLE say, in effect, that the section adds nothing to the bill; that the bill won't be a bad bill if the controversial provisions are removed, so why not delete them?

The letter goes on to ask the recipients of the letter to:

Write or wire Representative WAYNE ASPINALL, Democrat, of Colorado, and chairman of House Interior; California Congressmen D. S. SAUND and B. F. SISK; GRACIE PFOST, Democrat, of Idaho; AL ULLMAN, Democrat, of Oregon; and QUENTIN BURDICK, Democrat, of North Dakota, to the same effect. Act at once. They hear it Wednesday, May 13.

This is simply the Senate bill we are considering. The reason for the suggestion in the newsletter is that the same struggle will shortly go on in the House of Representatives.

I have other telegrams and letters.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. MORSE. I should like to have the attention of the two Senators from California.

I desire the attention of the Senator from California [Mr. KUCHEL] and the Senator from California [Mr. ENGLE] because in the last few minutes I have been having some discussions with colleagues, and there is reason to believe, in view of what has taken place thus far in this debate, that the proper course of action is for the Senate to recommit the bill to committee for further consideration of the evidence which has been brought out in the debate and for further consideration of the rising opposition in California to the retention of section 6(a) in the bill.

The latest bit of information comes from the head of the California Grange, Mr. George Sehlmeyer, in a telegram I have received in the last 30 minutes. It reads:

California State Grange supports amendment S. 44, all waters delivered from San Luis projects be under reclamation law, therefore suggest section 6(a) be deleted from the bill.

Mr. President, this is no filibuster. This is an attempt on the part of the two Senators from Oregon, under our leader with respect to the bill, the Senator from Illinois [Mr. DOUGLAS], to try to get the Senate, in its very busy deliberations, to consider the facts about the bill.

This is not the first time in 15 years I have been in this situation, Mr. President, when at the very minute we are meeting on the floor of the Senate, at 2:30 in the afternoon, numerous committees of the Senate are in session to take care of very important Senate business. Consequently, Senators are not present in the Chamber to consider what is involved in the bill. What is involved in the bill, as I said at great length last Tuesday and again Thursday, under the leadership of the Senator from Illinois [Mr. DOUGLAS], is a backdoor amendment to the reclamation laws of the United States through the medium of a project bill.

I will join the two Senators from California in a clean bill which proposes to amend the reclamation laws, because I think they should be amended. I think the 160-acre limitation provision should be amended with respect to certain fact situations.

Mr. DOUGLAS. Does not the Senator think that in such a rich area as the Central Valley of California, instead of the 160-acre limitation there should be perhaps a 60-acre limitation?

Mr. MORSE. As I stated to the Senator earlier, I think there is a possibility that a 40-acre limitation might be better. However, that all depends on the determination of questions of fact.

My good friend, the senior Senator from California [Mr. KUCHEL], is seeking to give the impression that the Senator from Oregon and the Senator from Illinois [Mr. DOUGLAS], are trying to conduct some sort of filibuster. We have been talking about the problems of the bill. We have been placing the facts with respect to the bill in the RECORD. We have been trying to warn a Senate, consisting for the most part of empty seats, for 2 afternoons on the floor of the Senate, about what we consider to be one of the most important major legislative issues, so far as our natural resources are concerned, that can confront the Senate at this session.

What is beginning to happen? At long last the country is becoming aware of the basic issue which is involved. We hear from the head of the State Grange of California. Do Senators suppose that the farmers of California do not have an interest in the bill? Do Senators suppose that the State Grange which is representative of thousands of operators of family-sized farms in California, do not grasp the significance of what is before us? This is the kind of support which will pour into the Senate once the operators of family-sized farms in America realize what is hidden in the bill in section 6(a).

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. DOUGLAS. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. MORSE. I am perfectly willing to continue to discuss the bill—and the bill only—on the basis of its merits, for whatever additional time may be necessary in order to acquaint the people of America with the facts with respect to the bill. What I think we should do is to begin consideration of a motion to recommit the bill to the committee; and I shall make such a motion in due course of the debate this afternoon, if we cannot reach some amicable settlement in regard to eliminating section 6(a) from the bill.

Mr. KUCHEL. Mr. President, will the Senator yield to me for a brief comment?

Mr. MORSE. I do not have the floor.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DOUGLAS. Am I to understand that the senior Senator from California is asking the Senator from Illinois to yield?

Mr. KUCHEL. I am.

Mr. DOUGLAS. I am delighted to yield to my good friend—that is, to yield the floor to him for a brief comment, but not the argument.

Mr. KUCHEL. Mr. President, it has been said before, but let it be said again, that this is not merely a piece of legislation which a Republican Senator has introduced. It is not merely a piece of legislation which a Democratic Senator from California has introduced. The Governor of California, who was elected by the people last November, urges the Congress to pass the bill. He came here

and testified in favor of it. Who, in God's name, speaks for the people of California? Does a Democratic Governor? Do the two Senators from California?

Mr. DOUGLAS. No.

(Manifestations of laughter in the galleries.)

The PRESIDING OFFICER [Mr. YOUNG of Ohio in the Chair]. The Senator will suspend for a moment. Occupants of the galleries must maintain order, or the Sergeant at Arms will be instructed to clear the galleries.

Mr. KUCHEL. Does not the Governor of California, whether he be a Republican or a Democrat, have the right honorably to represent before the Congress what he believes are the best interests of the people who elected him—all the people of our State? I think so.

Do not my colleague and I have the right to stand on this floor and be given credit for indicating our best judgment as to what the best interests of the people of California are, and how they might best be served? I think so.

I do not quarrel with the right of the Senator from Oregon or the Senator from Illinois to say, "There is a great wave of sentiment sweeping across the country," and to introduce a few telegrams into the record. I could get a few telegrams on almost any subject. I do not quarrel with their right to do what they are doing.

But they are wrong, and the record should demonstrate that they are wrong. What is sought here—and, to the credit of the Senator from Illinois, he has indicated by his own words that that is what is sought—is to make the people of California conduct their water system, from San Luis south, under Federal law; and from San Luis north they can do it as the State legislature sees fit. What a mockery. What a ridiculous proposal. What a horrible thing it would be for the Congress to adopt such a policy with respect to any State.

I suggest that the Senator from Oregon is well within his rights in making a motion to recommit the bill. Let him make his motion to recommit; let us debate it. I believe that the debate, which has extended over two lengthy sessions, has fairly well covered the problem; but let us debate it further, and let the Senate vote the motion to recommit up or down, and get along with its business.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. DOUGLAS. Mr. President, I had hoped to be able to make a speech in my own time, but I cannot deny my good friends from California the right to refute my arguments before I advance them.

I am very glad to yield to the junior Senator from California.

Mr. ENGLE. Mr. President, as I understand, the distinguished Senator from Illinois takes the position that his amendment striking section 6(a) would apply the 160-acre limitation to all the lands served by both the Federal and State governments under this project.

Mr. DOUGLAS. The Senator has put some words in my mouth.

Mr. ENGLE. I will give the Senator an opportunity to straighten out the situation.

I have stated consistently that striking section 6(a) from the bill would not accomplish what the Senator from Illinois says it would. I asked him the question, and he said, "Oh, yes; it would do what I have said it would do."

But I have asked the Senator from Oregon, a renowned and celebrated lawyer, the same question. He is not prepared to say that the amendment of the Senator from Illinois would accomplish what the Senator from Illinois says he is trying to accomplish. If the Senator from Illinois could accomplish, by the amendment he proposes, what he says it would accomplish, it should, of course, be resoundingly voted down by the Senate.

We should not, in the Senate, pass legislation which would apply the Federal reclamation law to a project which is built and paid for, lock, stock, and powerhouses, by the State of California. As the Governor has said—and he and I agree 100 percent—that is a matter resting within the discretion of the State legislature.

But I perceive that our two friends who are supporting the amendment are not altogether in agreement with respect to what it would do. It would not do what the Senator from Illinois says it would do. I am glad it would not, because if it happens to be adopted it will not do us any harm. I think we should straighten the record out on that score.

I have before me the telegram from Mr. George Sehlmeyer, master of the State Grange. I have known him for a period of 25 years.

Mr. DOUGLAS. Does the Senator deny the authenticity of the telegram?

Mr. ENGLE. Not at all. I have known George Sehlmeyer for many years. I know that he wants to apply the 160-acre limitation in California. I support the 160-acre limitation too. But then he says, "Support the amendment offered by the Senator from Illinois." What my friend George Sehlmeyer does not know is that the amendment of the Senator from Illinois would not do what the Senator from Illinois thinks it would do.

Mr. DOUGLAS. Mr. President, a number of themes have been introduced into this debate. I shall deal with the point just raised by the junior Senator from California in a moment. First, let me deal with the point raised by the senior Senator from California [Mr. KUCHEL].

He asked very eloquently, "Who represents the people of California?" He implied that the two Senators from California and the Governor of California represent them and oppose our amendment. Let me say that a careful examination of the telegram of the Governor of California will disclose that he is very careful not to commit himself against the Neuberger-Morse-Douglas amendment. He did not say that he wanted section 6(a) to stay in the bill; not at all, and there is no declaration to that effect in the telegram.

I do not wish to abuse the confidence of the junior Senator from California, but he has stated openly on the floor of the Senate he would be perfectly willing to have section 6(a) eliminated from the bill. Therefore apparently what the senior Senator from California is saying is this: "I represent the people of California. The law is the embodiment of everything that is excellent, and I am the very embodiment of the law."

I have read some quotations from representative groups in California who are in favor of the Neuberger-Morse-Douglas amendment to eliminate section 6(a). The California Grange wants to have it eliminated. The Farmers Union wants to have it eliminated.

Now I should like to read some testimoney and communications from the AFL–CIO. First, I should like to call to the attention of my colleagues a statement filed with the committee by Mr. C. J. Haggerty, secretary-treasurer of the California Labor Federation, AFL–CIO. I ask unanimous consent that that statement and the accompanying telegram to the Senator from New Mexico [Mr. ANDERSON] be printed in the RECORD at this point.

There being no objection, the letter and telegram were ordered to be printed in the RECORD, as follows:

STATEMENT OF THE CALIFORNIA LABOR FEDERATION, AFL–CIO

In accordance with the long-established policy of the California Labor Federation, AFL–CIO, I appreciate the opportunity again to support a request for Federal aid for water development in California, specifically upon this occasion for construction of the San Luis project.

The feasibility of the San Luis project and the absolute necessity of its construction have been established beyond all reasonable doubt. We strongly urge its immediate authorization and early construction.

We recognize and support the position that provision should be made in the authorizing legislation for coordination of the Federal project with California water plans, should the State decide to enter the field of water and power development. At the same time, we insist that the Federal San Luis Unit be constructed under reclamation law without deviation or evasion, and that the occasion for cooperation with the State shall not be used as a pretext for undermining, or for permitting others to undermine national antiwater monopoly policy. We stand on our position as stated previously when San Luis project bills were under consideration by Congress (see hearings before the Senate Subcommittee on Irrigation and Reclamation, 85th Cong., 2d sess., on S. 1887), and appreciate that some of our earlier specific objections were met in preparing current drafts. We continue to insist, however, that Congress shall maintain present law and policy on San Luis, which S. 44 and H.R. 301 fail to do, and ask that these bills be redrafted to preserve existing law and policy.

There is no need to set up a new policy for cooperation between the Federal Government and a State government. Reclamation law already provides that the basis of cooperation between the Federal Government and other agencies, public and private, corporate and individual, shall be national water policy.

Reclamation law, which we believe should stand unchanged, provides that in the event of cooperation, the excess land provision shall govern all water-using Federal project facilities involved in the cooperative endeavor. The Warren Act of February 21, 1911 (36 Stat. 925, 926) states: "That whenever in

carrying out the provisions of the reclamation law, storage or carrying capacity has been or may be provided in excess of the requirements of the lands to be irrigated under any project, the Secretary of Interior * * * is thereby authorized * * * to contract for the impounding, storage, and carriage of water * * * with irrigation systems * * * individuals, corporations, associations, and irrigation districts * * *. What so impounded, stored, or carried shall not be used otherwise than as prescribed by law as to lands held in private ownership within Government reclamation projects. *Provided further,* That water shall not be furnished from any such reservoir or delivered through any such canal or ditch to any one landowner in excess of an amount sufficient to irrigate one hundred and sixty acres * * *."

We see no reason to make any exception to this law in any respect because the cooperation of the Federal Government proposed in the San Luis bills is with California or some California landowners. Unfortunately, H.R. 301 and S. 44 do propose to sacrifice the public policy inscribed in the Warren Act of 1911. The attention of Members of Congress and citizens could easily be diverted away from the crucial question whether the water benefits from Federal facilities, to the irrelevant inquiry, Where is the land located? Hoping we will forget that the limitation relates to water, these bills seek to divert our attention to land. Whether the land to receive water that is stored and carried in Federal reservoirs and canals happens to be situated in a State's service area or not, has nothing to do with the propriety of conforming to or escaping from public policy.

The issue is one of substance as well as principle. Physical advantages of the proposed integration with the Federal Central Valley project are indispensable, and all landowners will benefit from integration whether their lands lie within the Federal or the State's service area. Central Valley project facilities will be used to store and to bring water from sources hundreds of miles away, including water that will reach lands in the State's service area.

The financial benefits of integration are great, if not also indispensable to the benefitting landowners. It may be impossible to measure precisely in dollars the advantages to landowners of financial integration of San Luis with the Central Valley project, but a number of California Congressmen have applied, as descriptive terms, to similar benefits for Central Valley landowners the strong words, "unearned" and "unjust" enrichment. (CLAIR ENGLE, GEORGE P. MILLER, JOHN E. MOSS, HARLAND HAGEN, B. F. SISK, and J. J. MCFALL to Edmund G. "Pat" Brown, Feb. 4, 1957, L.A. 23,043, in the Supreme Court of the State of California, *The Ivanhoe Irrigation District, Plaintiff and Respondent,* v. *All Parties and Persons, etc., Defendants and Appellants,* petition for rehearing of the appellant, the State of California.)

These six Congressmen estimated that the financial advantages to landowners in the present Central Valley project were of approximately the following order of magnitude: a direct subsidy of $350 per acre from the Federal Government and an additional subsidy of $227 per acre from public power revenue; the landowner himself is expected to repay $123 per acre. (Ibid.) Recognizing that the Federal benefits to landowners in the State service area are somewhat less than in the Federal service area, and some uncertainty as to how closely these estimates fit the proposed San Luis integration, it is clear that the advantages to be conferred by the San Luis project on all landowners, at the hands of Federal taxpayers and California power users, will be substantial.

We see nothing in the facts of the San Luis project to justify relieving excess landholders in whatever service area from the Federal statute controlling "unearned" or "unjust" enrichment. On the contrary, the concentration of landownership in areas that would benefit from the San Luis project appears to be precisely the concentration that persuaded Congress to pass the excess land provision in the first place. Congressman George W. Ray, of New York, for example, seeking to protect the public interest in 1902, opposed all spending of public funds for reclamation. When Federal aid was being debated in the original reclamation bill in 1902, he said: "and so we find behind this scheme, egging it on, encouraging it, the great railroad interests of the West, who own millions of acres of these arid lands, now useless, and the very moment that we, at the public expense, establish or construct these irrigation works and reservoirs, you will find multiplied by 10, and in some instances by 20, the value of now worthless land owned by those railroad companies, the title to which they obtained through grants from the Government for building great transcontinental railroad lines" (35 CONGRESSIONAL RECORD 6685).

The original objections to public aid for private benefit, of course, were not grounded on the particular occupation of large landowners but on the excessive concentration of "unearned" benefits and water resources if size were not made a ground for limitation.

"Acceptability" is relative. On August 15, 1958, one Senator said on the floor of the Senate that he thought one very large landholding corporation in San Luis project area, although opposed to the excess land provision publicly, nevertheless "will be compelled to participate through the force of public opinion." Another Senator added immediately, "In my judgment, the Southern Pacific will reverse its decision, and will participate in the project, and will subdivide its land" (CONGRESSIONAL RECORD, vol. 104, pt. 14, p. 17733).

Former Senator Downey predicted in 1947 that the Di Giorgio Fruit Corp. would not accept the excess land provision (They Would Rule the Valley, p. 180). But when the electors of a dozen water districts along the Friant-Kern Canal voted 10 to 1, on the average, to accept water under reclamation law, this corporation complied, too (California Farmer, May 17, 1952, p. 533).

We believe that large landowners in California, generally, when they fully realize the public purposes of the excess land provision, and when they believe that neither Congress, the courts, nor unsympathetic, administrators will grant them escape from the law, will accept the law in good spirit and subdivide their lands.

The Supreme Court of the United States recently, in June 1958, has upheld the excess land provision against judicial attack. The Attorney General of the United States even more recently, on December 15, 1958, has upheld the law on Kings and Kern River projects in the immediate vicinity of the San Luis service area against upsympathetic administrators.

We urge Congress, likewise, to stand firmly now for historic public policy, rather than offer a partial exemption to excess landowners at San Luis, and stir hopes of more laxity elsewhere.

The present is no time for Congress to yield, just when the executive and judicial branches of Government are standing firm, when the electors in Central Valley, speaking clearly their acceptance of reclamation law, and when leading landowning corporations are moving in the direction of acceptance.

SAN FRANCISCO, CALIF.,
March 23, 1959.

Senator C. P. ANDERSON,
Chairman, Senate Irrigation and Reclamation Subcommittee, Senate Office Building, Washington, D.C.:

You will appreciate our difficulty 3,000 miles from Washington in keeping informed of every latest move to undermine antimonopoly and antispeculation law in our Central Valley project. On the assumption that a move has been or will be made before your committee to replace S. 44 by something worse as in the House H.R. 5687 now seeks to replace H.R. 301 the latter being identical to S. 44, I respectfully urge you to consider insofar as it is applicable to your deliberations and to print in your San Luis Central Valley project hearings this telegram of protest we have just sent to Congressman WAYNE ASPINALL, chairman, House Irrigation and Reclamation Subcommittee, the text of which reads as follows:

"Have just learned of introduction of San Luis bill H.R. 5687 on March 13. Emphatically protest this bill especially section 6 which explicitly subverts Warren Act of 1911 by proposing to substitute a location of land principle for the present beneficial use of public reservoirs and canals' principle, the latter is sound while the former illogical, irrelevant, diversionary, and subversive to policy. California Labor Federation, AFL–CIO oppose this effort to destroy national law and water policy governing Central Valley project and urges the 86th Congress to do as well as the 78th and 80th Congresses by striking down H.R. 5687. Please print this wire in the San Luis Central Valley project h- rings."

C. J. HAGGERTY,
Secretary-Treasurer, California Labor Federation, AFL–CIO.

Mr. DOUGLAS. Mr. President, as the senior Senator from California is well aware, Mr. Haggerty, representing AFL–CIO, specifically stated as follows:

We urge Congress, likewise, to stand firmly now for historic public policy, rather than offer a partial exemption to excess landowners at San Luis, and stir hopes of more laxity elsewhere.

The present is no time for Congress to yield, just when the executive and judicial branches of Government are standing firm, when the electors in Central Valley, speaking clearly their acceptance of reclamation law, and when leading landowning corporations are moving in the direction of "acceptance."

I will say at this point that, while it properly refers to the acceptance of reclamation law in the referendum elections in various water districts, the last clause perhaps places too much reliance and too much hope on the movements of the leading landowning corporations, more in fact than the circumstances justify.

Mr. Haggerty sent a telegram to Representative ASPINALL, as follows:

Have just learned of introduction of San Luis bill H.R. 5687 on March 13.

I understand H.R. 5687 is identical with S. 44.

Emphatically protest this bill especially section 6 which explicitly subverts Warren Act of 1911 by proposing to substitute a "location of land" principle for the present "beneficial use of public reservoirs and canals" principle, the latter is sound while the former illogical, irrelevant, diversionary, and subversive to policy. California Labor Federation, AFL–CIO oppose this effort to destroy national law and water policy governing Central Valley project and urges the 86th Congress to do as well as the 78th and 80th Congresses by striking down H.R. 5687. Please print this wire in the San Luis Central Valley project hearings.

C. J. HAGGERTY,
Secretary-Treasurer, California Labor Federation, AFL–CIO.

It is now printed in the CONGRESSIONAL RECORD.

I received a telegram this morning from Mr. Andrew J. Biemiller, director, AFL–CIO Legislative Department, which reads as follows:

Washington, D.C., May 9, 1959.

Senator PAUL H. DOUGLAS:

Deeply appreciate the good fight you are making to preserve 160-acre Federal reclamation law as it applies to San Luis unit, California. Deletion of section 6a and amendments as outlined in my letter of May 6 to all Senators would in our judgment protect national reclamation policy. Keep up the good work.

ANDREW J. BIEMILLER,
Director, AFL–CIO Legislative Department.

I have a letter dated May 6, 1959, from Mr. Biemiller, addressed to me, which reads as follows:

On behalf of the American Federation of Labor and Congress of Industrial Organizations and the California Labor Federation, AFL–CIO, I am writing you to outline a most urgent situation respecting S. 44, a bill to authorize construction of the San Luis unit of the Central Valley project in California.

This legislation contains clear and present dangers to Federal reclamation law. These dangers do not lie in the project itself, which deserves authorization, for it is badly needed by the people of the State of California. Instead the threat to the public interest lies in the language of S. 44 as it pertains to the antimonopoly, antispeculation provisions of the Reclamation Act of 1902 as amended.

Passage of S. 44 as it now stands would do serious injury to a half century of national reclamation policy. The language in the San Luis bill specifically in section 6 and in section 3 (f), (g), (h), should be stricken before this bill is allowed to pass. The above-mentioned sections offer nothing to the public interest and favor nobody but holders of excess lands.

I may add that it is precisely section 6(a) and the related part of section 1 which the Morse-Neuberger-Douglas amendment proposes to eliminate.

The letter goes on to say:

As you so well know, the excess land provisions of reclamation law assure widespread distribution of water resources, and place an upper limit on the public subsidy which any individual landowner may receive. Any landowner may own all the land that he wants and can obtain, but under the excess land provisions of the Reclamation Act, he cannot obtain water from a Federal project unless he agrees to comply with this section of the act, allowing water for his land up to 160 acres with 320 acres for a man and wife.

Six California Congressmen have estimated the value of public subsidy under reclamation law to landowners in the presently constituted Central Valley project. They give the figure as at least $577 per acre. Thus the holder of 160 acres would receive $92,320 in subsidy and the joint holders of 320 acres would have a subsidy value on this amount of land of $184,640.

In the San Luis project area, ownership tables carried in the records of the 85th Congress hearings on the San Luis project show 34 owners of land holding nearly three-fourths of a million acres, or an average of 22,000 acres per owner.

From these data it is readily understandable why the San Luis bill (S. 44) as presently written, destroying existing acreage limitation on these lands, would be of such tremendous benefit to a handful of great corporations and corporation farms. Each of these huge landowners would benefit from Federal subsidies to the amount of approximately $12.7 million per holding. The aggregate subsidies to this small group would amount to more than $430 million.

There is no doubt that the large landowners in California's most fertile and productive areas are using S. 44 as a tremendous "gravy train" for them at the expense of both Federal and State taxpayers. It is equally clear that if S. 44 passes the Senate of the United States without amending language to restore without question the operation of both State and Federal service areas under full provision of the acreage restrictions carried in the 1902 act, that this will set a precedent in every future reclamation project in the West. It will cause the program either to be an instrument to pour millions of dollars in subsidies to the corporation farmers and undermine the family sized farm, or cause a negative reaction in Congress that vitally needed and feasible reclamation projects, like San Luis, will be rejected by the Congress when authorization is sought.

Specifically, the AFL–CIO and the California Labor Federation urge that section 3(f), (g), and (h), and section 6, as they now stand in S. 44 be amended to:

(a) Restore unmistakably operation of the Federal service area under provisions of the Reclamation Act of 1902 without exception or equivocation.

(b) Establish the excess land provision of reclamation law to land facilities in the San Luis project jointly constructed and used by the Federal Government and the State of California.

(c) Reserve only to the Congress the power of decision on the date and the terms of any transfer of the San Luis project works to the State of California.

* * * * *

It should be * * * obvious as debate unfolds that this bill is obscurely and badly drafted and can be subjected to various kinds of interpretation.

We can see no reason, therefore, why there would be any objection by any Senator, including those in support of the bill, to clarifying its language so that the protection offered by the 1902 Reclamation Act, as amended, and other pertinent legislation, is clearly and unmistakably written into this bill. We bring this matter to your attention because of your long and untiring effort to protect the public interest against all efforts to weaken the 160-acre limitation law.

Sincerely yours,

ANDREW J. BIEMILLER,
Director, Department of Legislation.

In further reference to the paragraph in Mr. Biemiller's letter about the large holdings of some 34 owners in the area, I would point out that the public subsidy to these 34 owners, at $577 an acre, on the three-quarters of a million acres of land they own would, if they would secure water for it all, amount to more than $400 million. That is not all.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. DOUGLAS. Not at this point.

This is in effect a proposal to give hundreds of millions of dollars to a limited, small group of huge landowners, many of whom obtained their land in devious ways, as is true of the Southern Pacific Land Co. We brought out in the debate—and it has not been challenged—that 120,000 acres lying within this so-called Federal service area, owned by the Southern Pacific Land Co., were originally given to that company in return for a railway which they promised to construct through that area, but which they never built.

The subsidy of $577 an acre which is proposed to be given on at least 120,000 acres of this company's land, will amount to a payment of over $75 million to this company alone if they can evade acreage limitation. In addition to this, huge amounts are to be given to the Boston Ranch Co., as well as to a number of other companies, whom I named in the CONGRESSIONAL RECORD last Thursday. I will sum up a few of them.

There is the Standard Oil Co., with 104,770 acres in the valley. At $577 an acre, that amounts to $60 million. Some of this land, of course, is outside the service area, but a portion of it I understand lies within the San Luis service area.

Then there is in this general area the Anderson-Clayton Company of Texas, with 24,771 acres. There would be a subsidy paid in that instance of more than $14 million. Helen Lillis has 20,000 acres. The subsidy would amount almost to $12 million in that instance. And so on through the whole list.

I wish the committee might have included in the hearings more specific information on the precise facts of land ownership both within the so-called Federal service area, and the areas outside to be served by the enlargement of the reservoir and project later.

What the Senator from Oregon and the Senator from Illinois are trying to say is that these great subsidies go primarily to a limited number of people.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ENGLE. I should like to place in the RECORD the whole picture of the ownerships. Under 160 acres, there are 1,157 farms, totaling 44,086 acres.

Under 320 acres, which on a family ownership basis is within the Federal acreage limitation, there are 87 farms, totaling 22,034 acres. That is a total of 90 percent of the individual ownership.

Mr. DOUGLAS. Yes; but what percentage of the land do they have?

Mr. ENGLE. I am coming to that. Between 320 acres and 1,000 acres, there are 80 farms, having 47,701 acres.

Over 1,000 acres, there are 53 farms, having 255,619 acres.

Let me say to the Senator from Illinois that that is why we have insisted, and it is why the bill clearly provides, that the 160-acre limitation shall apply within the Federal service area. That is what I am talking about—the Federal service area. The 160-acre limitation, with its nonspeculative purpose, applies to this area. But the Senator keeps hollering about what is going on in that area. The 160-acre limitation applies. He certainly does not object to that, does he? Does the Senator from Illinois object to the application of the 160-acre limitation to those lands?

Mr. DOUGLAS. Of course I do not. The Senator from Oregon and the Senator from Illinois want the 160-acre limitation to apply to all the lands serviced by projects in which the Federal Government has made and will make a huge investment of funds.

Mr. ENGLE. I am all for that. I agree with the Senator on that.

Mr. DOUGLAS. Then the Senator should agree to strike section 6(a).

Mr. ENGLE. No. The Senator from Illinois, if his interpretation of the amendment is correct, wants to apply the acreage limitation law to projects built by the State government, projects for which the State has paid every cent. Then he wants to apply the 160-acre limitation of the Federal reclamation law.

What the Governor of California said in the telegram which I read to the Senate the other day was that he approved the principle of acreage limitation, as I do, as applied to Federal projects. With respect to parts of a project for which the State puts up money, that is a matter which ought to be decided by the State government and the State legislature, and he intended to see to it that that was given proper attention.

But the Senator from Illinois wants to sit in Washington and legislate reclamation law onto a part of a project for which every dime, every nickel, and every red cent was paid by the State of California.

I support the 160-acre limitation with reference to all those ownerships to which the Senator has referred, on which the 160-acre limitation applies.

Mr. DOUGLAS. Mr. President, I think this issue was covered quite fully in the discussion of last Tuesday and last Thursday. The first point is that the waters which will be used will be commingled waters, resulting from Federal investment and State investment, if the State goes through with the projects which they say they will complete.

Then, if we take the San Luis Dam itself, that is a dam the substructure of which is to be constructed by the Federal Government, with only a $10 million to $17 million initial contribution to be made by the State. The first story will be constructed by the Federal Government. The second story, the State says, will be constructed later with State funds. But that is a unified structure. We cannot cut across it with a knife and say, "Up to a certain height, this is a Federal dam, and above a given height it is a State dam." We cannot say of the waters in the reservoir, "This is Federal water, and the other is State water." No. The two are mixed inextricably. That is the San Luis Dam and Reservoir situation.

Upstream, we find other things. We find that the delta-cross canal, which joins the Sacramento River with this project, is already a Federal project, with Federal funds expended, and which is to be utilized by the allegedly State waters.

Then it is found that cheap Federal power will be needed from the waterfalls at Shasta and other places still farther up stream in order to hoist the water from the Sacramento River into the San Joaquin Valley to make the basic San Luis project feasible.

Then it is found that the prior Federal investments at Shasta, Keswick, Folsom, Trinity, and the other places are all necessary for this project.

I know our friends from California say that Oroville Dam is to be a separate State project in connection with the Feather River. It is very interesting that at this very moment California is asking for an increase in Federal planning money from $30,000 to $40,000 for Oroville Dam, and that the distinguished former Governor, whom the present junior Senator from California had the honor to defeat in the elections last fall, stated that California wanted "an appropriation of at least $75 million in Federal funds for the nonreimbursable benefits of the Feather River Project's Keystone Oroville Dam." That statement appears in the San Francisco Examiner of April 10, 1957. The Governor from California in 1957 made that statement, and it was printed in the San Francisco Examiner.

Mr. KUCHEL. The Senator from Illinois is nearer right than he thinks. If he will yield to me, I can give him the exact fact.

Mr. DOUGLAS. I am very desirous of being precisely correct. I do not want to overstress the truth.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ENGLE. The Senator is pretty close to the facts.

Mr. DOUGLAS. I generally am, but I try to be right on the nose.

Mr. ENGLE. For his information, legislation has already passed Congress authorizing the Federal Government to make a contribution for the nonreimbursable flood control features of the Oroville Dam. That is what the distinguished former Governor was talking about.

Mr. DOUGLAS. And the present junior Senator from California as well.

Mr. ENGLE. I was the author of the bill.

Mr. DOUGLAS. Now we are getting down to cases.

Mr. ENGLE. I am proud of the fact that I was the author of the bill.

Mr. DOUGLAS. How can one separate water held back to serve the purposes of nonreimbursable factors, for flood control, from water which is held back for irrigation? We cannot say to 1 gallon of water, "You are a nonreimbursable gallon," and to another, "You are a reimbursable gallon."

The acre-feet of water which pour down, commingle and commix. Now the junior Senator from California, out of his own mouth, has said he wants a $75 million Federal appropriation for Oroville and to help hold the other waters which will come down. But he further says, "We do not want the Federal Government to extend the protection of the Federal irrigation law to the water which will be used for irrigation purposes." But I do not believe Congress can draw any such line, because that water is not marked as to whether it is used for irrigation or is held back for flood prevention. Ultimately it all goes downstream, although not at the same time it otherwise would.

Mr. ENGLE. Mr. President, will the Senator yield, so that I may answer his argument, which has a surface plausibility?

Mr. DOUGLAS. It not only has surface plausibility; it is true.

Mr. ENGLE. Any time a dam is placed in a river, everybody's water is stopped. There is no way to put a dam in a river and not stop everybody's water. A dam will stop water which belongs to the irrigation districts. It will stop water which belongs to the farms below. It will stop waters which belong to the State of California.

When the great Shasta Dam was built, a dam which blocks the Sacramento and other rivers of northern California below their confluence, everybody's water was stopped. Four and one-half million acre-feet of water were stored up.

The Sacramento River, which comes down from northern California some 150 miles, is used as a canal. It is everybody's water.

Mr. DOUGLAS. That river has been deepened and put into shape by Federal appropriations.

Mr. ENGLE. That is correct; just as in the case of other waterways throughout the Nation. But when the water gets out of the dam, the Federal water is distributed on Federal projects. The Federal water is picked up in the appropriate amounts at the Delta pumps, run to the San Joaquin Valley, and distributed on Federal reclamation lands under the 160-acre limitation. Those waters go into Shasta Lake, with its storage of 4½ million acre-feet. Irrigation districts such as the Anderson and Cottonwood districts take their waters out, and their waters are distributed free and clear of any acreage limitation. And that is as it should be.

Now the Senator from Illinois is beginning to see the implication of the sort of argument he is making, namely, that the mere commingling of water because the Federal Government sticks a piece of cement across a river, and thus blocks everyone's water, does not give the Federal Government the right to pursue each molecule of water as if it had "U.S.A." stamped on it. The law applies to the quantum of water delivered to the Federal reclamation projects, and not otherwise. If that were not the case, the Federal Government could not ever build a dam across a major stream in any State of the Nation without applying all the national reclamation laws to every project built by every State and every farmer group in the Nation; and the distinguished Senator from Illinois knows that would not happen. That is precisely why the formula about which he is arguing is wrong.

I would say to the Senator from Illinois that if California uses facilities built by the Federal Government and paid for by the Federal Government, to implement a California water project, such as the Delta pumps on the Central Valley project or the Delta-Mendota Canal, apply the 160-acre limitation. But that is not the situation in this case.

I call my colleague's attention to the fact that whenever a great dam is built and plugs a river—whether it is the Colorado River at Boulder, the Colorado River at Glen Canyon, the Colorado

River at Parker or Davis, the American River at Folsom, the Sacramento River at Shasta, or the Trinity River at the Trinity project—that wall of cement stops everyone's water; and the distribution of the water is not necessarily made on the basis of the national reclamation law. If that were the case, we simply would have to get out of the reclamation business.

Mr. DOUGLAS. Mr. President, I recite the facts about commingling of waters, use of Federally built facilities, and use of joint facilities only to show that, as a matter of fact, the Oroville Dam and so-called State service area project are not a separate State project. It will all be a joint project.

It will be a joint project because of the Federal-State joint works of the San Luis Dam and Reservoir, the federally built Delta Cross Channel, and possibly the enlarged Delta-Mendota Canal.

It will be a joint project because of the Federal supporting works that make the water and power available, which in turn make the San Luis unit possible. The cheap power is created and the water is stored and then channeled to the lands through the construction of the whole Central Valley project, in which water power, reservoirs, pumping, and channels are interwoven; and in this connection I could mention the Shasta Dam and powerplant; the Keswick Dam and powerplant; the Trinity Dams and powerplant, which are under construction, and are 65 percent complete; the Sacramento canals; the Nimbus Dam and powerplant; the Folsom Dam and powerplant, the Sly Power Dam, the Delta Cross Channel, to which I have referred, the Tracy pumping plant, the Delta-Mendota Canal, and the San Luis Dam and Reservoir itself.

And now I believe we shall have to add the Oroville dam project, for which the Senator from California and other Senators have been asking a Federal contribution of $75 million to help build the dams.

Previously, they have been saying this would be a 100 percent State project. But it turns out to be nothing of the sort. A large part of the basic cost of the Oroville project is to be charged to the Federal Government, in the case of the flood control, and possibly navigation costs; and only the residue, or the irrigation costs, are to be borne by the State government. And as I shall shortly suggest, perhaps even some of these irrigation costs of the so-called State project will also be thrust on the Federal Government.

But I should like to point out, in this connection, that the waters which will be held back by the Oroville dam for flood control and navigation purposes—for which the Federal Government is asked to pay—ultimately will go to the jointly-constructed San Luis reservoir, just as much as will the water which is specifically earmarked for irrigation. All the water pumped into the San Luis valley will go down there for irrigation, regardless of the cost allocations at Oroville dam between flood control and irrigation.

I point out that despite all these Federal contributions, the Senators from California do not want the Federal reclamation law to apply except in the so-called Federal service area in this valley. However, it is clear that in this valley there is an exceptionally high degree of concentrated land ownership. Probably three-fourths of the land is locked up in huge landed estates, largely descended either from the railway land grants or from the Mexican and Spanish land grants, or in other cases acquired by shrewd purchasing at low land values or by some questionable means.

These landowners are the ones who will make close to $600 an acre—which will be given to them by the taxpayers of the United States—by the taxpayers of Michigan, by the taxpayers of North Dakota, by the taxpayers of Oregon, by the taxpayers of Minnesota, by the taxpayers of Illinois, by the taxpayers of Wisconsin—by all the taxpayers of the Nation when the irrigation water is put on their lands. All of the taxpayers will pay the bill. But who will get the profit? The profit from these expenditures will be received by the big landowners in very large part, unless existing Federal land policies favoring family-farms are allowed to apply.

Very frankly, Mr. President, I take the position that although it may be against the immediate economic interests of my State to pay these taxes and, in return, to have these areas produce more wheat than they otherwise would produce, and to have that wheat enter into competition with wheat produced in the Middle West, I would be ready to agree that that be done if we could democratize the land ownership in this valley, so that the small farmers could have a chance to get hold of the land.

But I would be false to my trust if I voted for these huge expenditures which not only would enrich a few, but also would perpetuate a condition of agrarian feudalism, in which a few large landowners control the land, and thousands of persons, many of them Mexican-Americans, day laborers who live in poverty-stricken villages—and I have inspected some of the villages on this land—actually do the farming.

Mr. President, that is not the American system. The American system is that the person who farms the land should, insofar as possible, be the farm owner.

That is the basis on which democracy was established in the Mississippi Valley; but that basis of agrarian democracy does not exist in large areas of California. It does not exist in certain sections of Texas, which also inherited Mexican and Spanish law. But it is the condition which we hope will prevail increasingly in the future if we can only apply the U.S. reclamation law.

I have indicated that this is a rather frail reed in itself in the case of areas as rich as this one, because a family which grows fruit can make a living with 30, 40, or 50 acres, whereas a man and wife under the reclamation law can secure water for 320 acres. Personally, I think that if we wish to have a realistic, family-farm acreage limitation and if we wish to democratize agriculture, the limit should be 60 or 40 acres in these fertile valleys, as the Senator from Oregon has suggested.

But all we are trying to do is establish 160 or 320 acres as the limit—which will make these people rich beyond the dreams of avarice, and would give a man and wife a subsidy of close to $180,000 a farm.

But the junior Senator from California says that is not enough—that we must let the Southern Pacific Railroad Co., with its 120,000 acres in the Federal service area, have its 30,000 or so acres outside that area irrigated by the joint project without any limitation. We must let the Kern County Land Co. have all of its 348,000 acres that are in the so-called State service area receive water without acreage limitation, and so forth and so on.

Mr. President, I think that in this connection I should point out that there is a possible further Federal subsidy in the case of the Oroville Dam—namely, through interest-free payments to the so-called State irrigation project. That is a subsidy from the Federal Government. This shows what an illusion it is to call this a separate State project, from which Federal land policy should be excluded, as section 6(a) seeks to do.

I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, the clear and revealing statement dealing with this subject by the very able junior Senator from California, which was placed in the CONGRESSIONAL RECORD of September 19, 1957, by him and includes quotations from various California newspapers.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the CONGRESSIONAL RECORD of Sept. 19, 1957]

ENGLE WATER PLAN PRAISED

(Extension of remarks of Hon. CLAIR ENGLE, of California, in the House of Representatives, Friday, August 30, 1957)

Mr. ENGLE. Mr. Speaker, the early response to my proposal, whereby the Federal Government would make nonreimbursable contributions for flood control and interest-free loans for irrigation features of State projects constructed primarily for development of municipal and industrial water, has been most gratifying.

Under leave to extend my remarks, I include some of the articles and editorials appearing in leading newspapers in northern and southern California, with comments on the proposal, as follows:

"[From the Sacramento Bee of Aug. 12, 1957]

"ENGLE PROPOSES UNITED STATES-STATE WATER PLAN SPEEDUP

"(By Edward H. Dickson)

"WASHINGTON.—Chairman CLAIR ENGLE of the House Interior and Insular Affairs Committee today disclosed a new legislative plan which he said is designed to speed joint Federal-State construction of water projects in California and the other Western States.

Under the program, the Federal Government for the first time would be allowed to participate in projects designed primarily to

furnish domestic and industrial water rather than irrigation water.

"ENGLE, a Democrat representing the Sacramento Valley and Sierra Nevada district, made known his views in a letter to Assemblyman Carley Porter, of Los Angeles County, chairman of the subcommittee of the joint interim committee on State water problems of the State legislature.

"He urged that congressional and State legislative water committees meet this fall in California to discuss his suggested legislation and also the financing of future State water projects.

"OUTLINES STATE ROLE

"Under the Engle plan, the States would build the projects where the prime purpose is the development of domestic and industrial supplies with the State responsible for the financing of these features plus any hydroelectric power development.

"The Federal Government would make an outright contribution for flood-control benefits as a recognized Federal responsibility and also make an interest-free loan for benefits ascribed to irrigation.

"While many multiple-purpose projects built now by the Federal Government provide for flood control and domestic and industrial water, historically Congress has insisted that the primary purpose be the irrigation of farmland."

"[From the Sacramento Bee, Aug. 13, 1957]

"FEATHER RIVER PROJECT BACKERS LAUD ENGLE WATER PLAN

"Grover C. Shannon, of Yuba City, Sutter County, president of the Feather River Project Association, and Samuel B. Morris, of Los Angeles, a vice president of the group, today lauded a new proposal to speed joint Federal-State construction of water projects.

"The water development leaders from the northern and southern sections of the State praised a suggestion made yesterday by Congressman CLAIR ENGLE, Democrat, of Red Bluff, Tehama County, chairman of the House Interior and Insular Affairs Committee.

"Under ENGLE's plan the States would build the projects where the prime purpose is the development of domestic and industrial supplies, with the State responsible for the financing of these features plus any hydroelectric power development.

"The Federal Government would make an outright contribution for flood-control benefits and also make an interest-free loan for benefits ascribed to irrigation.

"Most encouraging

" 'It is most encouraging to learn of Congressman ENGLE's proposal that will make it possible for the Federal Government to grant benefits to State projects like the Feather River project,' Shannon said.

" 'The Feather River Project Association has just adopted a broad financing policy for State water projects. ENGLE's reported suggestions are covered by our program and would aid in the solution of Feather River project financing which is so important to millions of Californians.'

"Morris called the Engle plan a major step in encouraging local initiative to undertake large multipurpose water projects such as the Feather River project.

"State leadership

" 'Instead of depending upon Uncle Sam to do these jobs, California and other States can take the leadership to solve their own problems, where the major interest is domestic and industrial water supply, with assurance they would get the same degree of financial support for other purposes that would be given a strictly Federal project.'

"Historically, Congress has insisted that the primary purpose of Federal water projects be the irrigation of farmland. With California's expanding population the domestic and industrial demands are increasing but the cost of supplying them is considered by some water experts as prohibitive for State financing alone."

"[From the Los Angeles Examiner, Aug. 13, 1957]

"WATER AID PLAN BACKED

"Representative CLAIR ENGLE's proposal that Federal aid be extended to big State projects designed primarily to take water to cities and industries was commended here yesterday by Samuel B. Morris, a Feather River Project Association vice president.

"The effect of ENGLE's proposal, it was indicated, would be that the Federal Government, now limited to aid for or building of projects in which flood control and irrigation of farms is paramount, could help the Feather River project.

"In other words, the Government would put up the cash for flood control and provide interest-free loans for the important irrigation aspects of this big project which mainly is concerned with serving big growing cities.

"Major step

"Morris, now a consulting engineer, retired Los Angeles Department of Water and Power general manager, said of ENGLE's proposal:

" 'This is a major step in encouraging local initiative to undertake large multipurpose projects such as the Feather River project.

" 'Instead of depending on Uncle Sam to do these jobs, California and other States can take the leadership to solve their own problems, where the major interest is domestic and industrial water supply.

" 'This could be done with assurance that they would get the same degree of financial support for other purposes, such as flood control and irrigation, that would be given a strictly Federal project.

"Lower rates

" 'The result would be more eocnomical construction and lower water rates for users.'

"ENGLE, a Democrat, from Red Bluff, is chairman of the important House Interior Committee.

"He made his proposal to Assemblyman Carley Porter, of Compton, chairman of a subcommittee of the legislature's joint interim committee on State water problems.

"ENGLE suggested that this committee and a House group hold hearings this fall on financing the $11,500 million California water plan, of which the Feather River project would be the backbone."

"[From the Los Angeles Times, Aug. 14, 1957]

"WATER DISTRICT OFFICIALS BACK ENGLE'S PLAN

"Officials of the metropolitan water district yesterday joined the Los Angeles Water and Power Department in praising a proposal by Representative CLAIR ENGLE that the Federal Government help pay for, but not control, large municipal and domestic water projects.

"Joseph Jensen, chairman of the metropolitan water district board of directors, said ENGLE's suggestion 'should go far to advance Federal-State partnership on a fair and sound basis.'

"ENGLE had suggested, in a letter to Assemblyman Carley Porter, that the Federal Government should remove its ban on financial aid for water projects other than flood control and irrigation works. 'Then,' ENGLE said, 'the Government could help pay for domestic and municipal water projects but control of the works would remain with the State.'

"Samuel B. Morris, former general manager and now consultant with the Los Angeles Water and Power Department, already had said ENGLE's suggestion for Federal grants would tremendously increase prospects for a Feather River project to bring water to southern California from the North."

[From the Los Angeles Times, Aug. 15, 1957]

"ENGLE'S WATER AID IDEA GAINS FAVOR—PROPOSAL FOR NEW TYPE FEDERAL HELP ON PROJECTS WINS FEATHER RIVER GROUP O.K.

"(By Ed Ainsworth)

"Additional support, on a statewide basis, was given yesterday to a proposal by Representative CLAIR ENGLE, of California, for a new type of Federal financial aid to State water projects for domestic and industrial use.

"The Feather River Association, made up of members all over the State, endorsed the ENGLE suggestion as being in line with its own recently adopted policy statement on water project financing.

Word on approval

"Grover C. Shannon, of Yuba City, president of the Feather River Association, made the announcement approving the Engle plan. It already had been approved by Samuel B. Morris, consultant of the Los Angeles Water and Power Department, and by the Metropolitan Water District of Southern California.

"Representative ENGLE, chairman of the House Interior and Insular Affairs Committee, proposed early this week that Federal grants and loans be made on domestic and industrial water projects, with no strings attached."

[From the Los Angeles Herald-Express of Aug. 14, 1957]

"FEATHER RIVER PLAN AID

"New hope is raised for the planned construction of the giant Feather River project which would bring irrigation, domestic, and industrial water to Los Angeles and other sections of southern California by announcement by Congressman CLAIR ENGLE of proposed new Federal legislation.

"Congressman ENGLE, California Democrat, who is chairman of the House Interior and Insular Affairs Committee, is proposing legislation under which the Federal Government would advance interest-free loans for projects in which the principal purpose is to provide municipal and industrial water supplies.

"If this legislation is passed, it could mean that the funds required would be provided by the Federal Government and the State would carry out the construction and operation.

"Thus one of the biggest hurdles which has faced the Feather River project, obtaining the necessary funds, would be surmounted.

"The other principal obstacle, of course, is lack of agreement of the California Legislature on proposed constitutional amendments determining the rights of northern California 'counties of origin' and southern California counties to the flow of water from the Feather River.

"Southern Californians interested in the future of this end of the State, where the growing water needs of an ever-increasing population are of vital importance, should immediately write to their Congressmen and Senators in Washington requesting that they join forces in helping Congressman ENGLE in his campaign for the proposed legislation.

"Samuel B. Morris, nationally known consulting engineer, retired former general manager of the Los Angeles Department of Water and Power and now a vice president of the Feather River Project Association, assesses the new proposal as follows:

" 'This is a major step in encouraging local initiative to undertake large multipurpose water projects such as the Feather River project.

" 'Instead of depending upon Uncle Sam to do these jobs, California and other States can take the leadership to solve their own problems, where the major interest is domestic and industrial water supply, with assur-

ance that they would get the same degree of financial support for other purposes that would be given a strictly Federal project.

" 'The result should be more economical construction costs and lower rates to water users'."

"[From the Sacramento Bee of Aug. 16, 1957]

"ENGLE PLAN WOULD AID NEEDED WATER PROJECTS

"Congressman CLAIR ENGLE of the Second California District suggests a new concept of Federal-State cooperation in water resources development which merits the most careful study.

"He proposes the Federal Government be authorized to make financial contributions to State projects which are designed primarily to provide water for domestic and industrial purposes.

"Historically the Federal Government's role has been confined to irrigation undertakings in order to bring the semiarid lands of the West into useful production.

"ENGLE's plan recognizes that, because of the amazing population growth and the shift to an industrial economy, the development of domestic and industrial water supplies is of vital importance to California.

"The requirement for an irrigation supply, of course, will persist. And the Federal Government should and under the Engle plan would continue its part in financing such projects as San Luis and the Auburn Dam.

"But certainly the Federal Government's responsibility is no less in seeing that cities and towns have enough water.

"The difficulty is that the cost of providing such supplies often is prohibitive to the local governments, especially when the sources of water are far removed from the centers of population.

"Under ENGLE's proposal, for projects whose primary purpose is a domestic and industrial water supply, Congress would make outright grants for flood control, which is a traditional responsibility of the Federal Government. It also would make interest-free loans for irrigation, as presently is the practice.

"The States would finance the dams and incidental hydroelectric installations.

"The plan appears to be sound and represents an equitable division of the cost. It would enable States to go ahead with projects which they presently cannot finance. It would represent the highest order of partnership which the Eisenhower administration professes to support.

"Moreover, it is a plan which easily would be expanded to aid eastern localities where the problem is not one of irrigation but of domestic water supplies and should appeal to Congressmen from beyond the 100th meridian whose interest in western reclamation often has been remote."

Mr. HUMPHREY. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. Mr. President, I rise only to point out to my colleagues—the Senator from Illinois [Mr. DOUGLAS], the Senator from Oregon [Mr. MORSE], and other Senators—who have raised a vital question concerning the reclamation issue in connection with the irrigated land, that their arguments have not gone unnoticed. Sometimes I believe that those who stand to do the fighting and the battling for established public policy reach the conclusion that their arguments are being listened to by only a few, and perhaps not too attentatively at that. I wish the Senator from Illinois to know that I had very serious doubts as to how I would vote in reference to the San Luis unit, because there are grave problems involved respecting the relationships between Federal and State Governments. Nevertheless, no matter what those doubts are, it seems to me that if we are to amend the basic public policy of the Nation prescribing a 160-acre limitation for one person, or 320 acres for a man and his wife, it is something that ought to be done de novo, on its own. It is something that ought to be considered in terms of overall policy, rather than in terms of specific project units.

I imagine arguments could be advanced to the effect that there have been attempts to lift the limitation in other instances.

Mr. DOUGLAS. There have been some clearly unwise exemptions, in Texas, I think. But, generally, the limitation has been lifted in connection with high altitude projects, which probably should never have been started in the first place, because of the short growing season, and where it is probable, because the crops are of low value, that 160 acres will not produce an adequate living.

So a case could be made for lifting the limitation in high altitude areas such as are found in the Rocky Mountains. But we know there is no justification for lifting the limitation in the Central Valley of California, which is probably the richest agricultural area, potentially, in the United States. Here, if any place, the 160-acre limitation should be safeguarded; and, indeed, a more restrictive limitation might be needed.

Mr. HUMPHREY. I was about to say to the Senator that a reexamination of the 160-acre limitation is something which, if it is to be made at all, needs to be done not on a particular project, but in terms of the broad areas of the Nation that would be affected, such as high altitude areas, which the Senator has just mentioned, or areas where there is less fertility, but where we have some idea of what the fertility of the soil can be and will be.

I regret that section 6(a) is in the bill, because otherwise I think there would be no doubt about the importance of the passage of the bill. In fact, I would support the passage of the bill. I am hopeful section 6(a) can either be modified, so as not to upset the established pattern of the 160-acre limitation, or that it can be removed entirely.

I understand the pending amendment of the Senator is to strike that section from the bill.

Mr. DOUGLAS. That is the amendment of the Senators from Oregon and the Senator from Illinois.

Mr. HUMPHREY. On that basis, the matter of the relationships between the Federal and State Governments and land owners would be left to the courts to be determined. Is that correct?

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. That is a process which would probably lend itself to a more equitable settlement than would be obtained from a legislative settlement on a particular project. It does not foreclose the possibility of some adjustment by State legislative power over certain lands. Am I correct in that statement?

Mr. DOUGLAS. That is the point on which the junior Senator from California [Mr. ENGLE] touched earlier this afternoon, which I promised to deal with at a later hour.

The Senator from Minnesota, with his usually keen mind, has put his finger on a very difficult and controversial point. Let me state the situation in this way: The inclusion of section 6(a) makes it perfectly clear, I think, that the 160-acre limitation will not apply in the so-called added acreage over and above, or outside of, the initial acreage to be irrigated by water impounded in what are admitted to be exclusively Federal projects.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. It is our contention that the additional irrigation of 500,000 acres would be carried out on projects, a long list of which I have given, in many of which Federal funds only have been spent, and in others of which Federal money and State money would be commingled, and that the water would be commingled. Furthermore, we say that if the added acreage is exempt from the operation of Federal law as section 6(a) would exempt it, then, in the absence of State law, the sky would be the limit.

I should like to have the attention of the Senator from California when I make this statement. It is my understanding that there is no acreage limitation at present under California State law.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ENGLE. I desire to read, for the benefit of the distinguished Senator from Illinois and the distinguished Senator from Minnesota, the telegram which I received from Governor Brown, of California. This is what he said:

I am convinced that the Federal reclamation laws do and will apply to all Federal facilities and service areas of the San Luis project.

There is no doubt about it.

I resume reading the telegram:

In addition, with or without the language contained in section 6(a) under S. 44, the Federal reclamation laws do not and, in my view, should not apply to the State facilities and State service areas of the project. I am, and I believe that the California Legislature also is, opposed to any unjust enrichment or monopolization of benefits by owners of large land holdings as a result of either Federal or State operation.

However, I feel that the handling of this matter, insofar as State activities are concerned in relation to this project or other State construction, should come as a result of State legislation. I intend, at an appropriate time and before contracts are executed, to take this matter up with the California Legislature in order to preclude the undesirable results which I have described, but I firmly believe that this matter should not delay either Federal or State authorization or construction.

If I may proceed for a moment, what the Governor is saying is that there are going to be two separate service areas, Federal and State. The waters are commingled behind a single dam. That fact is what troubles my friend from

Illinois. But on that dam the State of California pays its full share when the water goes into a ditch under Federal law and under the 160-acre limitation.

When and if the State undertakes the second step and impounds the 100 million acre-feet, when the water goes into the ditches and to those areas to be served by State works, the State legislature, under the leadership of Governor Brown, will arrange for appropriate legislation to see that there is no unjust enrichment, because of a subsidy from the Federal taxpayers, going to those lands.

The bill, in section 6(a), states affirmatively that the Federal reclamation laws shall not apply to State service areas. I have said to the Senator from Illinois, and I have repeated day after day, that that language is surplusage. The amendment is to strike that language. What does an amendment do that strikes surplusage? Nothing. With or without that language, Federal reclamation law cannot apply to State service areas. The Senator from Illinois says that if we strike that language we will automatically apply Federal reclamation law to State service areas. I do not believe it, Governor Brown does not believe it, and I do not think the Senator from Oregon [Mr. MORSE] believes it.

Mr. DOUGLAS. I should like to reply to my good friend from California.

In the first place, as Senators will notice, the telegram from Governor Brown says in effect, "We do not now have any State law placing any limitation upon the acreage which can be served by 'State water' but I hope we will have. I intend to propose a law in the future. I oppose land monopolization. I hope the project will go ahead, and if it does, then to preclude the undesirable results of land monopoly, I will propose a law." I have paraphrased his message.

It is one thing for a Governor to propose, and it is another thing for a legislature to carry out the proposal.

My friends from California became indignant the other day when I reminded them of some of the facts about the California Legislature. I think the people of California are as good as the people of any other State, but the fact is that the Legislature of California is gerrymandered so that a few mountain counties control the senate. The great county of Los Angeles, with 7 million people, I believe has only one State senator. The San Francisco Bay area, the other great population area of California, is grossly underrepresented. The mountain counties have been manipulated in the past, as we all know, by lobbyists for the special interests of California.

I am happy to say I think there has been an improvement in the California Legislature. A Republican legislature has been replaced by a legislature largely Democratic. The forces of reform have therefore been greatly strengthened. But upon occasion there are a few black sheep—not many, but a few—and powerful groups can often induce a few black sheep to join the unregenerated black sheep, to make up a majority. The opposition can pick off a few of our men and get a majority.

Frankly, this is what I am afraid of. I think the Governor of California and the junior Senator from California should be afraid of it, also. I think what the Governor of California and the junior Senator from California are doing, in effect, is indulging in the well-known California real estate practice of selling us hope. Hope is a beautiful quality, but it is not a substitute for solid protection.

The point is that California has no State law on the matter. If we should sweep away the defenses of the Federal law as section 6(a) does, until a State law were passed, there would be no limitation. One can imagine the way the large landowners would go to town, get their subsidies, and refuse to split up their land.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. Did I correctly understand the distinguished junior Senator from California to say he felt that section 6(a) in this bill was so much surplus and therefore was not necessary?

Mr. ENGLE. To use a legal term, we call it surplusage.

Mr. HUMPHREY. Yes.

Mr. ENGLE. The distinguished Senator from Illinois has disagreed on this floor with respect to the impact of the language. I say that the language in section 6(a) is surplusage. The Governor of California in his telegram agrees that the language is surplusage.

I am sure the Senator from Oregon [Mr. MORSE], who is a fine lawyer, agrees with me that simply stating what the law is would not change the law and would not make applicable something not otherwise applicable. Removing the language from the bill will not have the effect the Senator from Illinois says it will have.

Mr. HUMPHREY. If the language is eliminated from the bill it will, of course, leave the restriction on Federal lands untouched. If the language is stricken from the bill the law will remain as it is.

Mr. ENGLE. The Senator is correct. The 160-acre limitation will apply like a straitjacket to every acre of federally serviced land.

Mr. HUMPHREY. Is it the interpretation of the Senator from California that the dispute over the commingled water—and this is a new type of commingling—is a dispute which is for the courts to determine rather than for the legislative body to determine. Is that the interpretation?

Mr. ENGLE. It has been said that the matter would be taken to court, but it ought to be handled by the legislature if there is any doubt about it. In any case, it ought to be handled, with reference to the State service area, by the State government and by the State legislature. I am referring to those elements of the project built completely by the State, as to which every dime of investment will be handled by the State government. It is the intent to do exactly that.

Mr. DOUGLAS. Mr. President, if the State wants to adopt its own acreage limitation, that will be fine. Let the State do so first, however, and then let it come back to us.

Let us not destroy the Federal land policy now, before the State acts, on the basis of hope. Let us not do that.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. DOUGLAS. Not at this time. I should like to continue for a minute.

Mr. ENGLE. I would be delighted to comment.

Mr. DOUGLAS. I know my good friend from California, like the rest of us, sometimes in the heat of debate, says things he does not wish fully to stand on later. I do not want to hold my friend to his statements too rigidly.

Mr. ENGLE. I do not want to retract anything. I merely want to embellish the statements.

Mr. DOUGLAS. In a colloquy held on May 7, 1959, among the Senator from California, the Senator from Illinois, and the Senator from Oregon, when we were dealing with the question of section 6(a), the Senator from California [Mr. ENGLE] said:

> I will be glad to have the matter settled right here and thus abate the rumpus a little.

And the Senator from Oregon [Mr. MORSE] said:

> I understand the Senator is willing to have the matter settled here. That is, I must say, an admission on the Senator's part of how sound the senior Senator from Illinois is in the amendment which he has offered, because he then points out that it does make a difference whether the section is in or out of the bill.

We hoped, when the junior Senator from California uttered those words, that he would be willing to have section 6(a) stricken from the bill, that he recognized that it did make a difference. Very frankly, we have been prolonging this debate not only to produce additional evidence, but also to let the better nature of the junior Senator from California assert itself, and to lead him to agree to eliminate section 6(a) of the bill.

Day after day has gone by, and although we hoped we might get a telephone call or a visit from the junior Senator from California or from the senior Senator from California, to announce that they were willing to back up, they seem to be held somehow, in some way, in a bind, and they cannot do it.

I think we should offer on opportunity for the better natures of the Senators from California to continue to work, because we know that they do have better natures and very strong better natures. We think they should be given an opportunity to operate.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I am glad to yield to the senior Senator from North Dakota, one of the best fighters for the underdog the Senate has ever had.

Mr. LANGER. I thank the Senator very much.

Do I correctly understand the Senator's position to be that we should not pass the bill until the California Legislature has acted?

Mr. DOUGLAS. The Senator is correct.

Mr. LANGER. Is that the entire position?

Mr. DOUGLAS. Or we should strike section 6(a) from the bill, if we act in the absence of some desirable land policy adopted by that legislature.

Mr. LANGER. That is what I referred to. We should delete section 6(a).

Mr. DOUGLAS. That is correct. We should delete section 6(a). Then if the California Legislature wants to enact a decent acreage limitation, which will meet the Federal standards, we should consider it.

I think the California Legislature could introduce a really desirable principle, by providing limitation of less than 160 acres. If the junior Senator from California were to appear before the California Legislature, the legislature would be willing, possibly, to adopt a 60-acre limitation, if it were made a political issue in the State of California.

Mr. LANGER. Mr. Presdent, when we passed the homestead law, with respect to the rich land in the Red River Valley—an area familiar to the Senator from Minnesota [Mr. HUMPHREY], and where I live, an area which the Senator from Illinois also knows so well—we placed in the law a limitation of 160 acres, which has worked out very well. We have provided a 160-acre limitation for irrigated land for many years. We have had the law, and have abided by it. It seems strange that we should be asked to proceed to amend the law without having the committee thoroughly analyze the matter. That should be done before the Senate is asked to vote on the matter.

Mr. DOUGLAS. Mr. President, I am very glad the Senator from North Dakota spoke as he did. It does not surprise me in the slightest. The Senator from North Dakota is sometimes misunderstood in the country, but if one examines his record one will find the Senator from North Dakota has always been consistent in favor of a broad democratization of property in this country, a wide distribution of property and power, so that no one will have enough power to oppress others, but everyone will have enough power to protect himself.

He has always realized the vital connection between agrarian democracy and industrial and political democracy. The stand which he takes with respect to the 160-acre limitation is thoroughly in keeping with his entire public record.

As Senator after Senator takes the floor and testifies in behalf of this principle, I hope the Senators from California will change their position and accept the amendment to eliminate section 6(a) which so gravely endangers that principle of agrarian democracy.

While some of us are willing to waive our sectional interest and vote for the expenditure of huge Federal sums if the Valley is democratized, we are not for granting huge subsidies to a relatively limited group; and if section 6(a) is retained in the bill, we shall fight the bill. Not only will we fight the bill, but there are others who will fight the bill for other reasons.

For example, the Senator from Georgia [Mr. RUSSELL] thought he had won a great victory last Thursday when he was successful in obtaining the adoption of the amendment which provided that, on land newly irrigated by this project, water would not be furnished for the production of crops which were in surplus, and for which Government subsidies were paid.

I am sure the Senator from Georgia thought he had therefore protected the cotton-producing States from the growing of additional cotton. Senators from wheat-producing States probably felt that they were protected against the growing of additional wheat in other States.

But I am afraid the Senator from Georgia was sold a false bill of goods, because if we read that amendment, we see that it merely provides that, on newly irrigated land, such crops would not be raised. The realities of the situation are that in the last year for which we have a record, some 273,000 of the initial block of approximately 440,000 acres were irrigated fom underground waters, and from local water supplies, and in other years additional acres had been irrigated.

So those lands would not be newly irrigated. If we turn to the feasibility report, on page 6 we find the statement from the Department of the Interior, Bureau of Reclamation, that more than 400,000 acres have been developed for irrigation, but the water supply is inadequate to irrigate it all in any one year. In 1950, about 273,000 acres were irrigated. Of this, grain occupied 162,000 acres, and cotton 73,000 acres. The remainder was devoted to forage, truck, and miscellaneous field crops. The nonirrigated areas in 1950 included 12,000 acres of grain and 64,000 acres of native pasture.

The point is that the Senator from Georgia obtained exclusion from the receipts and of water of only the 76,000 acres, and he did not obtain exclusion of whatever part of the more than 400,000 acres which have been developed for irrigation might be used to produce the basic crops in surplus.

What will happen? Additional water will be placed on those lands. They will be irrigated not merely every other year, but every year. More water will be put on this land than can be put on it at present. The crops of cotton and wheat on such lands will increase, and those crops will enter into competition with the Southern States and the Midwestern States.

I am not going to raise this point as an objection to the plan from my standpoint because, as I have said, I am trying to consider the national interest. But I believe there will be many Members of this body who will not wish to bring into competition with the cotton-producing States of the South and the wheat-producing States of the Northwest and the trans-Missouri area, additional supplies of cotton and wheat.

If section 6(a) is in the bill, our friends from California may find that those of us who object to section 6(a) and those who will object to the bill itself because of increased production of crops already in surplus, may have sufficient strength to defeat the bill.

Therefore, once again I urge the Senators from California to think of the interests of their State, and not tie themselves to the chariot—or to the trucks, if I may use a modern analogy—of the big landowners. I ask them not to come into this Chamber shackled with the chains of the Southern Pacific Land Co., the Boston Ranch Co., the Kern County Land Co., the Standard Oil Co., the other oil companies, and other large landowners in this area.

I am not making any threat, because that would be unbecoming a Senator, but I wish to point out the realities of the situation. If our California friends insist on holding onto section 6(a), they may defeat the whole measure.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield to my distinguished friend from California.

Mr. ENGLE. With reference to the Senator's argument respecting the limitation on cotton and other subsidized crops, I am glad the Senator has called attention to what may be an ambiguity in that section, although what was intended by the section is subject to interpretation. I am sure the Senator from Georgia, when he offered the amendment which was adopted, meant to say that the level of price-supported crops in the federally serviced area should not increase by reason of this project being brought into existence.

When we use the words "newly irrigated lands"——

Mr. DOUGLAS. They represent only 76,000 acres.

Mr. ENGLE. That would be true if we construed "newly irrigated lands" to mean lands on which this water is not being placed, but which were otherwise irrigated. I think the language is subject to the interpretation we intended, namely, that the expression "newly irrigated lands" means simply newly irrigated from this project, whether or not there was an original or supplemental supply of water.

I am glad to give the assurance that if that language is not clear, and if what we intend to do is not clear, with the help and concurrence of the distinguished Senator from Illinois, we will take care of the situation.

Mr. DOUGLAS. The Senator cannot depend upon me to improve that language.

The point is that, of the 440,000 acres in the Federal service area, 400,000 have been developed for irrigation and only 76,000 are not irrigated.

The Russell amendment merely bars the growing of surplus crops on the newly irrigated areas, or on the 76,000 acres. It does not bar production on the 440,000 acres. Application of more water to the 400,000 acres would increase the quantity of cotton and wheat, and therefore depress the price of cotton and wheat which the farmers of the South and the Midwest would receive. It would result in the payment of subsidies to the big landowners. Some of the landowners in this area are already recipients of the biggest cotton subsidies in the country.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield to the distinguished Senator from Wisconsin.

Mr. PROXMIRE. I should like to ask the distinguished Senator from Illinois how this bill—and I am speaking of the entire bill—can be in the national interest at a time when we have a vast overproduction of farm commodities, when our Committee on Agriculture and Forestry is deeply concerned over the tremendous wheat surpluses, when we are working very hard to develop some way of limiting farm production, when our present farm program is immensely costly to the American taxpayers, and when, because of the technological explosion of farm production, we have a very serious farm income situation. How can a Senator such as I, from Wisconsin, which is the No. 1 alfalfa-producing State in the country, support a bill which, as shown in the RECORD of last Thursday, on the basis of remarks of the junior and senior Senators from California, would vastly increase the production of alfalfa?

It seems to me that this is going to be in competition with the farmers of my State; it is true to some extent in indirect competition, but also in direct competition. I would say that for fruit farmers throughout the country it would have a depressing and adverse effect.

I believe that a project such as this, which costs $290 million in additional Federal authorization—am I correct in that figure?

Mr. DOUGLAS. We have already spent in this Central Valley area approximately $630 million. Another $230 million has been authorized and probably will be appropriated.

The pending bill authorizes a further $290 million. There is the prospect in the offing of $190 million on top of that for distribution works, and appropriations are authorized for those. It looks as though the project will call in the aggregate for the expenditure of $1,300 million of Federal money. Therefore there is an enormous amount of Federal money involved.

I do not blame the Senator from Wisconsin for balking at this proposal. I almost have had to hold my nose and swallow hard to take in and accept such a project as this. I did so because I have traveled through the valley. It is literally one of the wonderlands of this Nation, lying, as it does, between the coast range and the Sierras. It may well be that at some time in the future, with a teeming population, we shall need this land. The acreage yields will be very high.

Therefore I am ready to waive, with a great deal of reluctance, my own personal doubt, and probably I am a little more ready to waive the immediate interests of my State and of our farmers because we do not produce much wheat or alfalfa. Our main crops are soybeans and corn. Therefore I do not believe we would be injured too much. If we were more seriously injured, perhaps I would feel impelled to take a different position. However, I do not blame the Senator from Wisconsin for opposing the measure.

As the debate proceeds, and the longer the Senators from California try to protect the large landowners, there will be more Senators rising on the floor of the Senate to oppose any further appropriation for this valley.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. PROXMIRE. I would agree that a project of this kind, which might very well increase our national bounty and the productivity of our soil, would be someday in the long-range national interest. However, I believe it is a matter of timing. It might be in the national interest, not in this year, but perhaps in 10 or 15 years from now, when we might well have a different situation, when we might have a shortage. There is no foreseeable shortage today. There is an enormous overproduction. It would seem to me that to ask Senators to vote for an authorization of $290 million of additional Federal funds in order to increase the production of food in the next few years is something which in all good conscience those of us who have any regard for economy, and who have any concern for the income of our farmers, would find extremely hard to justify to the people in our States.

Mr. DOUGLAS. I am delighted that the Senator from Wisconsin has taken his stand. From the standpoint of his State he is completely correct. He raises more doubt in my own mind. If he keeps up much longer, I shall vote against the bill even with section 6(a) eliminated. I hope, however, that we can get a democratization of the valley.

The Central Valley, the Imperial Valley, and sections of Texas contain the last principal refuges of agrarian feudalism in this country.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ENGLE. The point made by the Senator from Wisconsin would be valid if we were starting de novo to bring in new areas of production. In other words, California is a great State. It has a population of 15 million. There will be somebody on this land, and there will be some farming going on there whether it is irrigated or nonirrigated land. As a consequence, there will be agricultural production from this land in any case.

At the present time the wells go down from 600 to 2,000 feet. Necessarily the type of production which can be obtained from such a service area of some 500,000 acres is a very limited type. It falls into categories which come under supports. Whenever water is put on land the production tends to move from the production of crops which are supported into other crops. Let us take cotton, for example. We expect cotton production to decrease. We expect wheat production to decrease. They constitute two big problems with reference to subsidized agriculture. Two big problems, in agriculture, as we all know, are in the field of wheat and cotton. We expect the production of those commodities to decrease.

As a consequence, it is not a matter of dealing with what we might do de novo. The areas are there. By putting water on the land we can get a smaller ownership, as the Senator from Illinois wants. History has shown that every time water is put on land acreages owned by the individual grow smaller. In addition, production goes into row crops, and various other type of production, instead of cotton and wheat.

There is no production of corn, peanuts, or tobacco in those areas. Those three crops are a few of the main staples.

It is true that under the projected crop program in this area, alfalfa production would increase. However, California is having a hard time taking care of its own production in the field of alfalfa and all sorts of legumes.

The tendency at the present time is to enable American agriculture to pivot into areas which are not subsidized by the Federal Treasury, and to withdraw from the production of corn and cotton and peanuts and tobacco and wheat, and into areas of agriculture where high subsidies are not provided. That is what this kind of project will do. I realize that the Senator from Wisconsin has been attending hearings dealing with the wheat problem, and I know that some of our other colleagues have also.

The purpose is to reduce the production of subsidized crops. For instance, in this area there are some 162,400 acres in grains of one type or another, and, in addition to that, other types of forage crops are in production there. The way to reduce that production is to get the land irrigated and in that way make it possible to grow row crops. In that way it would be possible to support the local population through the production of such crops, and get away from the subsidized crops.

Mr. PROXMIRE. Mr. President, will the Senator from Illinois yield at this point so that I may reply to the Senator from California?

Mr. DOUGLAS. I yield.

Mr. PROXMIRE. I believe the Senator from California makes the very best of a difficult case. What I am concerned about is the effect the proposed type of irrigation will have on commodities which are not basic commodities. Of course, I am concerned with dairy products also, because there is a clear connection between the production of alfalfa and the production of milk.

I am also concerned with the production of vegetables. Wisconsin is the No. 1 State with regard to the production of some vegetables. I am also concerned with fruit, because we are getting into a situation where we will have to change our basic farm program, and to the point where many competent agricultural economists believe that we should either support no farm commodities or all of them.

If we are to have a vast expansion of the production of a number of farm commodities which are now not supported, we might very well come into the position where the production will be such that prices will drop sharply, and where

there will be an understandable demand for the reduction of the production of such commodities.

Therefore, any proposal that we should take $290 million out of the Federal Treasury in order to increase farm production is one for which it is extremely hard for any Senator to vote, even though the production is not of those crops which now happen to be basic crops and on which production is limited.

Mr. ENGLE. I would not want the Senator to think that we are proposing to increase production. What we are expecting is a change in the nature of the production. The land will not stay idle. It cannot stay idle. The owners of the land are going to produce crops. The thing to do is to get the land into the kind of production that is least likely to be subsidized by the Federal Government. We are moving in that direction with this kind of project.

Mr. PROXMIRE. Is it the Senator's view that the increase in the irrigation of the land, either of the presently irrigated acres or the acres which are now irrigated every other year, will not increase the production of farm commodities?

Mr. ENGLE. I believe it will create a greater income for the area. It would have to do so, in order to pay for the project. But I think that in terms of subsidized crops, it will, for all practical purposes, move such crops out of that area—that is, subsidized crops as we know them today.

Mr. PROXMIRE. But because there is land substitution, and as the production of melons and other fruits and vegetables becomes more intense, and the price drops, it seems to me there will be a substitution of land for such production, and the land use to produce those commodities will be transferred into the production of other commodities which are in surplus.

The whole farm problem is so intertwined and so interdependent that it seems to me that if production is greatly expanded in any field, it will have serious and substantial consequences and effects in other fields.

Mr. ENGLE. California is having a very difficult time in retaining enough land on which to grow sufficient food to provide for the people who live immediately adjacent to the farm area. Orchards have been pulled out by the hundreds of acres in Southern California to make way for the building of houses. The same thing has happened in the Santa Clara Valley. Beautiful prune orchards have been pulled out, and the land subdivided for building purposes. So far as the production of those crops is concerned, California is actually running out of land.

That is why I was particularly willing to have the Senator from Georgia [Mr. RUSSELL] offer his amendment, which provides that there cannot be any increase in the production of the basic crops. Otherwise, this kind of project does not make sense. That is the way we intend it.

Mr. CARROLL. Mr. President, will the Senator from Illinois yield, so that I may propound a question to the Senator from California?

Mr. DOUGLAS. I yield for that purpose.

Mr. CARROLL. How long will it take to build this project?

Mr. ENGLE. I assume about 5 years.

Mr. CARROLL. What has been the increase in population in California within the past year or 2 years?

Mr. ENGLE. California has been gaining population at the rate of almost one congressional seat a year. After the next apportionment, there will be seven new seats. So the population increase is on the order of 500,000 a year.

Mr. CARROLL. Has there been any estimate of the population increase for California in the next 5 years?

Mr. ENGLE. I assume it will be on the order of 2,500,000. The present population is somewhat in excess of 15 million, according to the best estimate.

Mr. CARROLL. I apologize for interrupting. I was not in the committee when this project came before it. I was not a member of the subcommittee.

Is the water to be only for irrigated lands, or is it contemplated that the water will be used for the vast population coming into California? Will it be for domestic or metropolitan use?

Mr. ENGLE. There is not a large amount of this water which will be used for municipal and domestic purposes. The major purpose of the Federal part of the project is to take care of what I explained to the Senator from Wisconsin [Mr. PROXMIRE]: transferring this land from the production of cotton and wheat, primarily, into the production of row crops—vegetables, melons, and the like—which supply the local population.

Mr. CARROLL. It seems to me that it will be a joint project.

Mr. ENGLE. Yes. The State project, incidentally, which is to supplement this project, is almost entirely for municipal and domestic use.

Mr. DOUGLAS. I congratulate the Senator from Colorado for putting his finger on the decisive factor, that this is a joint project. It is exclusively Federal to begin with; and then it will have joint use facilities in the later developments.

This is the issue: If section 6(a) is eliminated, then on the second area which is brought under cultivation, in default of State action there will be no acreage limitation. The Federal protection will be swept aside, and the big landowners can go rolling through. The California Legislature will be the only group which can stop them.

Should we abandon Federal protection with the hope that the California Legislature will later act, particularly in view of the fact that the Senate of the California Legislature is grossly gerrymandered?

I understand that the Senators from California winced last week when I mentioned the control which Mr. Arthur Samish exercised over the legislature in the past. I may say that while there has been a big improvement in California in the election of more democratic, liberal, and progressive State legislators, in view of the past record we are not justified in depending upon the frail reed of State action. What is likely to happen is that there will be no defense, and the big landowners will now take over.

If the large landowners take over in the second area, they will make it very difficult for the 160-acre limitation to be applied in the so-called Federal area, because the Federal area will be enclosed by a State area in which there are no limitations. It will be very difficult to maintain democracy inside the so-called Federal area when it is surrounded by feudalism in the exterior area. This point was well developed by the distinguished junior Senator from Oregon [Mr. NEUBERGER] in opening the debate on this subject last week.

But I also call attention to the fact, which is illustrated on the first map in the rear of the Chamber, that Southern Pacific Land Co., in its holdings in the area designated as Federal, has a checkerboard pattern. The usual practice was followed in the granting of these lands, namely, that 640 acres was granted to them in alternate sections, east and west, and then north and south, surrounding the one area which was not given to them. So if we look at the map, we find checkerboards in which the white areas, not owned by the Southern Pacific Land Co., are almost completely enclosed by red areas, which are owned by the Southern Pacific Land Co.

The Southern Pacific Land Co. has explicitly said it does not intend to sell its land. It has made that fact clear, again, again, and again. The details of their statements have been placed in the RECORD several times.

The continued control of the Southern Pacific Land Co., the Boston Ranch Co., and other companies within the Federal service area, will be reinforced if they are surrounded by areas in which the 160-acre limitation does not apply.

So, as a practical matter there is every likelihood that the big landowners within the so-called Federal area may be able to hold out and defeat the attempts to enforce the 160-acre limitation for their land, just as they have done on Pine Flats, where they have thus far forced the hand of the Secretary of the Interior and compelled him to give them the water without their subscribing to the acreage limitation.

In this connection, I call attention to the testimony of J. E. O'Neill before the Committee on Interior and Insular Affairs, and printed in the hearings from pages 88 to 96. Mr. O'Neill is president of Westlands Water District, and he testified to practically what I have stated.

The Senator from New Mexico [Mr. ANDERSON] asked him the question:

If you took that 65,000 acres out—left it out entirely—would that change the feasibility?

I do not know how it could be done, but would that change the feasibility of the project somewhat?

Mr. O'NEILL. Well, I don't know how it could be done, especially on the distribution system. Because they have alternate sections within our district.

Senator ANDERSON. Checkerboarded?

Mr. O'NEILL. Checkerboard; yes. And they make it very difficult and very expensive to

the other lands to bypass Southern Pacific lands.

Mr. KUCHEL. Mr. President, will the Senator yield on that point?

Mr. DOUGLAS. I yield.

Mr. KUCHEL. The Senator from Illinois understands, does he not, that under Federal reclamation law, when a project such as this one is authorized by Congress, the Secretary of the Interior is required in advance of construction to enter into contracts with the landowners—the farmers—in the area, so that there will be no question about the engineering and economic feasibility of the project? The Senator is aware of that requirement of the law, is he not?

Mr. DOUGLAS. That is the theory. But in practice, as the Senator from California well knows, in connection with the Pine Flats projects, local interests demand that not merely the retention dams, but also the distribution system be constructed first. Then later they say, "We will decide whether or not we want to take the water under the terms of Federal law."

In the case of Pine Flats—and Isabella Dam also, I believe—the big landowners said, "We do not want the water on those terms." But there the distribution system was; and, as things wound up, the big landowners are getting the water, but they have not split up the land holdings.

Mr. KUCHEL. Mr. President, if my friend were testifying in a court of law, that answer would be stricken as not responsive. I asked him whether he was acquainted with the fact that in advance of construction, the Secretary of the Interior is required to enter into contracts with the landowners of the district, to determine the feasibility of the project.

Mr. DOUGLAS. But he did not get such contracts with the Pine Flats owners.

Mr. KUCHEL. Was it built under the Federal reclamation law?

Mr. DOUGLAS. The Federal reclamation law applied to the lands irrigated by that project.

Mr. KUCHEL. Again my friend is not responsive, Mr. President.

Mr. DOUGLAS. Does Senator mean that I do not answer in the way he wants me to answer?

Mr. KUCHEL. No, Mr. President; my friend, the Senator from Illinois, is unacquainted with the history of my State's irrigation projects. When he refers to Pine Flats, let me tell him that Pine Flats had nothing to do with the reclamation laws of the Federal Government.

Mr. DOUGLAS. Let me say that I should like to have a chance to insert in the RECORD at a later point an opinion from the Attorney General which holds precisely to the contrary of the statement the Senator from California has just made. He has held that reclamation law does apply. I ask unanimous consent that that may be done, Mr. President.

The PRESIDING OFFICER. Is there objection?

Mr. KUCHEL. Mr. President, I have no objection at all. In fact, I hope the Senator from Illinois will do so, because I am acquainted with, and I have read, the opinion of the Attorney General. I merely wish to say to my able friend, the Senator from Illinois, that there is no relationship, in my opinion, between the problem the Senator from Illinois is discussing and the Pine Flats project. That is my opinion.

The PRESIDING OFFICER. Is there objection?

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., January 2, 1959.

Hon. PAUL H. DOUGLAS,
U.S. Senate, Washington, D.C.

DEAR SENATOR DOUGLAS: In view of your interest in these matters, I am enclosing a copy of an opinion of the Attorney General of the United States dealing with the administration of the Flood Control Act of 1944 (58 Stat. 887), particularly as it relates to Pine Flat Reservoir, Kings River project, and to Isabella Reservoir, Kern River project, California.

As you will note in the opinion, it was rendered in response to a request by Secretary Seaton and an expression of interest on the part of the Department of the Army.

Sincerely yours,

ELMER F. BENNETT,
Under Secretary.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., December 15, 1958.

The Honorable THE SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: This is in response to your request for my opinion with respect to a question arising in the administration of the Flood Control Act of 1944 (58 Stat. 887), particularly as it relates to the Isabella and Pine Flat Reservoir projects constructed pursuant to section 10 of the act (58 Stat. 891–892, 901). The Department of the Army has also expressed its interest in the question.

I am advised that the Isabella Reservoir project is a multiple-purpose dam and reservoir for flood control, irrigation and related purposes located on the Kern River northeast of the city of Bakersfield in California. The Pine Flat Reservoir project is a similar multiple-purpose dam and reservoir constructed in California on the Kings River east of the city of Fresno. It appears that all the necessary diversion works, canals and ditches for irrigation were constructed by the landowners in each vicinity prior to the construction of either the Isabella or Pine Flat project. However, in each case space in the dam not immediately required for flood control purposes can be used for the conservation storage of water. Water so stored can be released for irrigation purposes merely by opening the outlet valves of the dam. While no facilities in addition to those presently constructed are needed to serve the purposes of irrigation, the reservoirs and dams store waters so that they can be released when needed rather than being dissipated by natural flow down the channels. Therefore in each case the project substantially improves the irrigation water supply.

Section 10 adopts and authorizes "to be prosecuted under the direction of the Secretary of War and supervision of the Chief of Engineers" specified "works of improvement for the benefit of navigation and the control of destructive floodwaters and other purposes." The works specified include the Isabella and Pine Flat projects. Section 8 of the act (58 Stat. 891, 43 U.S.C. 390) provides, subject to conditions contained therein, that when any such works may be utilized for irrigation purposes, "the Secretary of the Interior is authorized to construct, operate, and maintain, under the provisions of the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), such additional works in connection therewith as he may deem necessary for irrigation purposes." The section also provides that dams and reservoirs operated under the direction of the Secretary of War may be utilized for irrigation purposes only in conformity with its provisions.

The question originally presented was whether the Secretary of the Army or the Secretary of the Interior is responsible for contracting with respect to the disposition of irrigation benefits from dams and reservoirs constructed under the authority of section 10 where such benefits may be supplied without the construction of additional irrigation works. However, discussion with representatives of the Department of the Army and the Department of the Interior has disclosed that that question is of only incidental interest. The question of primary concern does not relate to which officer has the duty to contract on behalf of the Government in the circumstances, but rather whether the reclamation laws apply to any contract for the disposition of irrigation benefits which may be negotiated, irrespective of which officer has that duty. This opinion therefore treats only with that question. The question of contracting responsibility is discussed merely to the extent that it bears upon the applicability of the reclamation laws.

I conclude that even though no additional works need be constructed to make irrigation benefits available from the projects in question, the Flood Control Act of 1944 requires that the reclamation laws apply to any contract for the disposition of irrigation benefits made available from the Isabella and Pine Flat projects. In connection with this conclusion it should be noted that irrigation use is subject to regulation for flood control. In addition, under the reclamation laws rights to the use or distribution of water vested under State laws are not affected.[1]

1. The provisions of the act: The question here involved turns upon sections 8 and 10 of the Flood Control Act of 1944. Section 8 provides:

"SEC. 8. Hereafter, whenever the Secretary of War[2] determines, upon recommendation by the Secretary of the Interior that any dam and reservoir project operated under the direction of the Secretary of War may be utilized for irrigation purposes, the Secretary of the Interior is authorized to construct, operate, and maintain, under the provisions of the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), such additional works in connection therewith as he may deem necessary for irrigation purposes. Such irrigation works may be undertaken only after a report and findings thereon have been made by the Secretary of the Interior as provided in said Federal reclamation laws and after subsequent specific authorization of the Congress by an authorization act; and, within the limits of the water users' repayment ability such report may be predicated on the allocation to irrigation of an appropriate portion of the cost of structures and facilities used for irrigation and other purposes. Dams and reservoirs operated under the direction of the Secretary of War may be utilized hereafter for irrigation purposes only in conformity with the pro-

[1] Sec. 3 of the Reclamation Act of 1902 (32 Stat. 390; 43 U.S.C. 383). See *United States* v. *Gerlach Live Stock Co.*, 339 U.S. 725.

[2] The title of the Secretary of War was changed to Secretary of the Army by sec. 205(a) of the National Security Act of 1947 (61 Stat. 495, 501; 5 U.S.C. 181–1(a)).

visions of this section, but the foregoing requirement shall not prejudice lawful uses now existing: *Provided*, That this section shall not apply to any dams or reservoir heretofore constructed in whole or in part by the Army Engineers, which provides conservation storage of water for irrigation purposes."

Standing alone, the first two sentences of the section relate only to such additional works in connection therewith as the Secretary of the Interior may deem necessary for irrigation purposes. Any impact which section 8 may have upon the question here considered must, therefore, turn upon the meaning of the first clause of the third sentence to the effect that "dams and reservoirs operated under the direction of the Secretary of War may be utilized hereafter for irrigation purposes only in conformity with the provisions of this section."

It has been urged that this provision is limited by the conditions of the first two sentences to situations in which additional works are required. If so, section 8 would not necessarily require that the reclamation laws apply to situations such as the instant ones in which no additional works are required for irrigation purposes.

In addition, it may be contended that section 10 of the act implies that the reclamation laws are not intended to apply to the Pine Flat and Isabella projects. Section 10 provides:

"SEC. 10. That the following works of improvement for the benefit of navigation and the control of destructive flood waters and other purposes are hereby adopted and authorized in the interest of the national security and with a view toward providing an adequate reservoir of useful and worthy public works for the postwar construction program, to be prosecuted under the direction of the Secretary of War and supervision of the Chief of Engineers in accordance with the plans in the respective reports hereinafter designated and subject to the conditions set forth therein."

The language of section 10 authorizing construction of the Isabella project is as follows:

"The project for the Isabella Reservoir on the Kern River for flood control and other purposes in the San Joaquin Valley, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in his report dated January 26, 1944, contained in House Document No. 513, 78th Congress, second session, at an estimated cost of $6,800,000."

The report of the Chief of Engineers referred to in the section does not indicate whether the reclamation laws were intended to be applicable to the Isabella project. Rather, he appeared to recommend that the whole question be deferred pending further studies. His report stated:

"The exact manner of use of the storage for irrigation purposes will be influenced by future developments in the area and must take cognizance of existing and future water rights established by State law and of the desires of the local interests owning such rights. Continuing studies by the Bureau of Reclamation, this Department, and the local organizations will establish the best plan of operation and appropriate cost allocations. Under these conditions it is considered appropriate that provision be made for the construction of the reservoir with Federal funds, and that after completion and when use thereof is made conservation interests be required to pay the United States for the beneficial use of the conservation capacity, either in lump sum or annual installments". (H. Doc. No. 513, 78th Cong., 2d sess., p. 6).

The Chief of Engineers further stated:

"Authority to construct should be understood to include authority to make modifications of the plans, to construct the reservoir at Federal cost, and to make arrangements for payment by the State or other responsible agency to the United States for the conservation storage when used" (ibid., pp. 6–7).

In its report on H.R. 4485, which was enacted as the Flood Control Act of 1944, House Committee on Flood Control stated with respect to the Isabella, or Kern River, project that it "believes that the interests of the Bureau of Reclamation are fully safeguarded by the cooperative procedures recommended by the Chief of Engineers in his report, which recommendations attain the force of law through adoption of the report in the bill" (H. Rept. No. 1309, 78th Cong., 2d sess., pp. 40–41).

The Pine Flat Reservoir project was authorized by the following language of section 10:

"The project for flood control and other purposes for the Kings River and Tulare Lake Basin, Calif., is hereby authorized substantially in accordance with the plans contained in House Document No. 630, 76th Congress, 3d session, with such modifications thereof as in the discretion of the Secretary of War and the Chief of Engineers may be advisable at an estimated cost of $19,700,000: *Provided*, That the conditions of local cooperation specified in said document shall not apply: *Provided further*, That the Secretary of War shall make arrangements for payments to the United States by the State or other responsible agency, either in lump sum or annual installments, for conservation storage when used: *Provided further*, That the division of costs between flood control, and irrigation and other water uses shall be determined by the Secretary of War on the basis of continuing studies by the Bureau of Reclamation, the War Department, and the local organizations."

The Chief of Engineers made a somewhat more specific recommendation as to the principles to guide the disposition of irrigation benefits from the Pine Flat project than he had made with respect to the Isabella project. He stated:

"Since the flood-control and water-conservation benefits, estimated to accrue to the project, are substantialy equal, I am of the opinion that the first cost of the reservoir should be charged one-half to flood control and one-half to water conservation. Under reclamation law the $9,750,000 chargeable to water users would be repaid in 40 equal annual payments without interest, or at the rate of $243,750 annually. This sum would carry the fixed charges, with interest rate of 3.5 percent and amortization in 40 years on $5,210,000. I consider that this sum would be a fair charge to local interests for the conservation features of this multiple-purpose project * * *" (H. Doc. No. 630, 76th Cong., 3d sess., pp. 4–5).

This recommendation is apparently what was referred to in the proviso to the authorization of the project as "the conditions of local cooperation specified in" the Chief of Engineers report which "shall not apply." Instead, the second proviso directs "that the Secretary of War shall make arrangements for payment to the United States by the State or other responsible agency either in lump sum or annual installments, for conservation storage when used."

In view of the foregoing, it may be seen that section 10 expressly provides that the Secretary of War shall make arrangements for payment for conservation storage with respect to the Pine Flat project and appears to adopt the recommendation of the Chief of Engineers with respect to the Isabella project that authority to construct should include authority to make arrangements for payment for conservation storage. In addition, in the case of Pine Flat the section appears to reject a formula for repayment which the Chief of Engineers considered to be derived from "reclamation law." In the case of Isabella the grant of authority to the Secretary of War contemplates that it will be exercised in the light of future studies, but not necessarily in accordance with the reclamation laws.

From the foregoing it may be seen that the contention that the reclamation laws were not intended to apply to the Isabella and Pine Flat projects rests upon two bases: First, that section 8 does not apply to projects which do not require additional works in order to make irrigation benefits available; and, second, that the implication of section 10 is that the reclamation laws were not intended to apply to the two projects.

However, the interpretation of section 8 suggested above is subject to serious objection. Since the first two sentences of the section already deal with projects which require additional works for irrigation use, the view that the whole section applies only to such projects would make the third sentence redundant. It may, rather, be contended persuasively that the reference to "conformity with the provisions of this section" is intended to bring into play the basic provision of the first sentence, i.e., that the irrigation aspects of any dam and reservoir otherwise operated under the direction of the Secretary of War shall be "under the provisions of the Federal reclamation laws * * *." On balance I would be inclined to accept this interpretation. However, any doubt as to the meaning of section 8 and its inter-relationship with section 10 may, I believe, be resolved by reference to the legislative history (*United States* v. *Local 807* (315 U.S. 521, 528); *District of Columbia* v. *Murphy* (314 U.S. 441)). It also seems appropriate to test any implication which may be drawn from section 10 in the light of that history.

2. The legislative history: Beginning in 1939 there were substantial disputes relating to the projected dams and reservoirs on the Kern and Kings Rivers.[3] Those disputes centered upon the interrelated questions whether these were essentially flood control or irrigation projects, whether the Bureau of Reclamation or the Corps of Engineers should construct them, and which agency should administer the reclamation benefits which the projects might provide. The disputed questions also related to the conditions of local cooperation and the applicability of the reclamation laws, particularly the "160-acre"[4] and "antispeculative"[5] provisions.

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[3] See, e.g., hearings before the House Committee on Flood Control, 77th Cong., 1st sess., on H.R. 4911.

[4] Sec. 5 of the Reclamation Act of 1902 (32 Stat. 389, 43 U.S.C. 431) provides in part that "No right to the use of water for land in private ownership shall be sold for a tract exceeding 160 acres to any 1 landowner, and no such sale shall be made to any landowner unless he be an actual bona fide resident on such land, or occupant thereof residing in the neighborhood of said land, and no such right shall permanently attach until all payments therefor are made."

[5] Section 46 of the Omnibus Adjustment Act of 1926 (44 Stat. 649, 43 U.S.C. 423e) provides in part that contracts made by the Secretary of the Interior with irrigation districts "* * * shall further provide that all irrigable land held in private ownership by any one owner in excess of 160 irrigable acres shall be appraised in a manner to be prescribed by the Secretary of the Interior and the sales prices thereof fixed by the Secretary on the basis of its actual bona fide value at the date of appraisal without reference to the proposed construction of the irrigation works; and that no such excess lands so held shall receive water from any project or division if the owners thereof shall refuse to execute valid recordable contracts

The issues came to a head in connection with three bills which were considered in the course of the 78th Congress. These were H.R. 4679, the Department of Interior Appropriation Act for the fiscal year ending June 30, 1945 (act of June 28, 1944; 58 Stat. 463), H.R. 3961, the rivers and harbors bill, and H.R. 4485 which was ultimately enacted as the Flood Control Act of 1944.

In connection with the Department of Interior appropriation bill, the House Appropriations Committee refused to approve a request for the sum of $1 million for preliminary work on the construction of the Kings River (Isabella) project. It referred to information presented to it by representatives from the area and called attention to the fact that the House Committee on Flood Control was considering the project as a flood control project (H. Rept. No. 1395, 78th Cong., 2d sess., p. 14). The Senate committee recommended restoration of the item because of objections to the repayment provisions recommended by the Chief of Engineers in House Document No. 630, 76th Congress, 3d session, discussed above, and because the committee believed that section 46 of the Omnibus Adjustment Act of 1926 would not apply to the project if it were constructed by the Corps of Engineers (S. Rept. No. 899, 78th Cong., 2d sess., pp. 3-4). The item was again struck in conference (H. Rept. No. 1678, 78th Cong., 2d sess., pp. 1, 14) and the bill was enacted without that provision. This, however, was obviously merely a preliminary skirmish which was resolved in the light of the fact that the issue was being considered in other contexts.

In connection with consideration of H.R. 3961, the rivers and harbors bill, the House adopted a section 4 which would have made the excess-land provisions of the Federal reclamation laws inapplicable to lands which will receive a water supply from the Central Valley project, California (CONGRESSIONAL RECORD, vol. 90, pt. 2, p. 2765; pt. 3, pp. 2921–2924). The Senate committee recommended elimination of section 4 as it passed the House and proposed the insertion instead of a provision somewhat similar to section 8 of the Flood Control Act as it was ultimately adopted (S. Rept. No. 903, 78th Cong., 2d sess., pp. 4–5; CONGRESSIONAL RECORD, vol. 90, pt. 7, p. 8676). However it differed from section 8 in that it expressly made the reclamation laws applicable to the irrigation uses of works constructed by the Army pursuant to the bill and did not require, as does section 8, specific authorization by the Congress for the construction of additional irrigation works. During the Senate discussion, Senator Overton, chairman of the subcommittee of the Senate Committee on Commerce responsible for both the flood control and rivers and harbors bills, offered an amendment to section 4 of the latter bill to make it identical with section 8 of the flood control bill, indicating that the purpose of the change was to require specific congressional authorization for the construction of additional irrigation works (CONGRESSIONAL RECORD, vol. 90, pt. 7, pp. 8674–8675). He stated that the amendment met with the approval of the Department of the Interior (ibid., 8675).

The third sentence of the Overton amendment was further amended on the floor of the Senate so as to make it read "in conformity with the Federal reclamation laws and the provisions of this section," thus, in substance, reinstituting the language of the original Senate committee amendment. Senator Hatch who offered the floor amendment stated "It merely emphasizes the first line, but it makes no change." Senator Overton stated, "it is wholly unnecessary, but there is no objection to it" (ibid., 8875). As so amended the bill passed the Senate (ibid., 9247, 9252).

However, the conference report recommended inclusion of both the Senate and House versions of section 4 (H. Rept. 2070, 78th Cong., 2d sess., pp. 1, 7). Because of Senate opposition to the House amendment (CONGRESSIONAL RECORD, vol. 90, pt. 7, pp. 9493–9500), the rivers and harbors bill failed of passage during that session of Congress. Early in 1945 the 79th Congress enacted a rivers and harbors bill (act of Mar. 2, 1945, 59 Stat. 10) similar to H.R. 3961, but eliminating several items including the controversial section 4. (See S. Rept. No. 63, 79th Cong., 1st sess., pp. 1–2; H. Rept. No. 63, 79th Cong., 1st sess., pp. 1–2; CONGRESSIONAL RECORD, vol. 91, pt. 1, pp. 531–532, 1335, 1337.)

At the outset of any discussion of the legislative history of the Flood Control Act of 1944, it must be recognized that both the President and the Secretary of the Interior wished the Isabella and Pine Flat projects to be constructed by the Reclamation Bureau and operated under the reclamation laws.[6] It is similarly clear that as enacted the Flood Control Act vested construction authority in the Corps of Engineers and to that extent failed to adopt the recommendations of the President and the Secretary of the Interior. This conclusion does not, however, dispose of the question whether the act intended the reclamation laws to apply to the irrigation aspects of the projects, as to which the history of section 8 and the various forms which it took is enlightening.

As introduced and as originally recommended by the House Committee on Flood Control, section 6 (which was later enacted as section 8) of H.R. 4485 provided:

"Hereafter, whenever in the opinion of the Secretary of War and the Chief of Engineers any dam and reservoir project operated under the direction of the Secretary of War can be consistently used for reclamation of arid lands, it shall be the duty of the Secretary of the Interior to prescribe regulations for the use of the storage available for such purpose, and the operation of any such project shall be in accordance with such regulations. Such rates, as the Secretary of the Interior may deem reasonable, shall be charged for the use of said stored water; the moneys received to be deposited into the Treasury to the credit of miscellaneous receipts."

Describing this provision the House committee stated:

"The construction of multiple-purpose reservoirs is in the public interest. Sound public policy requires not only that flood-control storage be under the supervision of the Secretary of War and the Chief of Engineers but also that storage for the reclamation of arid lands be under the supervision of the Secretary of the Interior.

"The committee recognizes that good administration demands that projects be built by the agency having the dominant interest with suitable provisions for safeguarding the interests of other agencies. Accordingly, the bill provides that whenever in the opinion of the Secretary of War and the Chief of Engineers any dam and reservoir project operated under the direction of the Secretary of War can be consistently used for reclamation of arid lands, it shall be the duty of the Secretary of the Interior to prescribe regulations for the use of the storage available for such purposes, and the operation of any such project shall be in accordance with such regulation. Such amounts as the Secretary of the Interior may deem reasonable shall be charged for the use of such stored water; the moneys received to be deposited into the Treasury to the credit of miscellaneous receipts" (H. Rept. No. 1309, 78th Cong., 2d sess., p. 8).

Thus at this point in the legislative development of the bill, section 10 provided that the Secretary of War would make arrangements for the payment of conservation storage of water with respect to the Isabella and Pine Flat projects and section 6, as recommended by the committee, would merely have authorized the Secretary of the Interior to prescribe regulations for such use of the stored water. The Secretary of War was to be guided in the exercise of his authority by the regulations issued by the Secretary of the Interior. However, the bill was silent as to whether those regulations were to constitute an application of the reclamation laws, were to be issued without regard to those laws, or whether their applicability was to be left to the Secretary of the Interior's discretion.

The further history of the bill on the floor of the House of Representatives throws light on these questions. Chairman Whittington proposed three amendments which were adopted by the House and which emphasized the applicability of the reclamation laws (CONGRESSIONAL RECORD, vol. 90, pt. 3, p. 4204). The first amendment was to replace the phrase "stored water" in section 6 with the word "storage." Mr. Whittington's explanation of the amendment was as follows:

"The section under consideration provides that where there is water for reclamation of arid lands in any reservoir and provision therefor that the distribution of the water shall be by the Secretary of the Interior, the Director of Reclamation will handle the distribution; there was a criticism that this language, which is substantially the reclamation law, undertook to change existing law and required the beneficiaries of reclamation to pay for water. This language in here is the language of the Reclamation Act and they pay only for storage."

The second amendment was to insert the words "Under existing reclamation law" after the authority conferred upon the Secretary of the Interior by section 6 to prescribe regulations for the use of storage. He explained this amendment as follows:

"It was asserted that where provision was made in a reservoir where there was water for reclamation that the Commissioner of Reclamation should have the power to prescribe regulations ad libitum without regard to existing law. This is merely a perfecting amendment. This amendment provides that these regulations shall be under existing reclamation law. It is a perfecting amendment."

Finally, Mr. Whittington proposed a proviso similar to that which was ultimately enacted as part of section 8 to the effect "That this section shall not apply to any dam or reservoir heretofore constructed which supplements any existing locally operated irrigation district." This amendment was explained as follows:

"At one or two reservoirs at least provision is made for the water for lands that are not presently under the Director of Reclamation in districts where the local interests have constructed their own canals and their own distribution system. The purpose of this amendment is to limit the provisions of this act so that they shall not apply to districts with canals and distribution facilities that have already been paid for and constructed by local interests."

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for the sale of such lands under terms and conditions satisfactory to the Secretary of the Interior and at prices not to exceed those fixed by the Secretary of the Interior."

[6] See Letters from President Franklin D. Roosevelt to Hon. William M. Whittington, chairman, House Committee on Flood Control, dated May 5, 1941, and February 7, 1944. Hearings before the Committee on Flood Control, House of Representatives, 78th Cong., 2d sess., on H.R. 4485, pp. 615–617. See also letter from Secretary of the Interior Ickes to Senator Josiah W. Bailey, chairman, Senate Committee on Commerce. Hearings before a subcommittee of the Senate Committee on Commerce, 78th Cong., 2d sess., on H.R. 4485, pp. 310–314.

While Mr. Whittington did not emphasize the limitation, it is significant that the proviso was limited to dams or reservoirs "heretofore constructed," since the Isabella and Pine Flat projects were at this time merely proposals.

The changes made in section 6 as it passed the House provided strong support for the view that the reclamation laws were intended to apply to the irrigation uses of any project authorized by the Flood Control Act, and the Secretary of the Interior took that position in his letter of June 2, 1944, to Senator Bailey. He stated:

"I regard section 6 of the bill as intended to provide for the application of the Federal reclamation laws to projects having irrigation possibilities. * * * However, the provisions of this section are not entirely apt in their relation to the various technical features of the Federal reclamation laws. For this reason, I would much prefer to have the section read substantially in accord with the following proposed amendment." [7]

He thereupon proposed a substitute section, the first and third sentences of which were substantially similar to section 8 as it was ultimately enacted. It differed from that section primarily in that the second sentence did not require specific congressional authorization for the construction by the Secretary of the Interior of additional irrigation works. The Senate committee thereafter recommended that section 6, now to be numbered section 8 because of other Senate committee amendments, be amended substantially as proposed by the Secretary of the Interior. However, the committee inserted in the second sentence the requirement of subsequent congressional authorization for any additional works constructed by the Secretary and incorporated a proviso similar to that proposed by Congressman Whittington relating to works "heretofore constructed." The committee stated:

"During the hearings and also by letter the Secretary of the Interior expressed to the committee his views with regard to the utilization of multiple purpose projects under the control of the War Department where irrigation may be involved and he expressed the view that the language of H.R. 4485, if modified, would provide for more effective administration in relation to the various technical features of the Federal reclamation laws. The committee therefore recommends the adoption of amendment No. 10 which is generally in accord with existing law and the expressed views of the Secretary of the Interior" (S. Rept. No. 1030, 78th Cong., 2d sess., p. 4).

This was the form in which the bill was finally enacted.

During the course of the debate in the Senate, Senator O'MAHONEY, together with certain other Senators, proposed a number of amendments to the bill. Included among them was a new section 6 which would have expressly conferred upon the Secretary of War authority "to contract for water storage for any beneficial uses or purposes." Senator O'MAHONEY described the amendment to be "intended as an authorization to the Secretary of War to make contracts for use of surplus water stored in dams which would be constructed solely by the Army Engineers," and stated that irrigation uses were among those as to which this amendment would confer contractual authority upon the Secretary of War (CONGRESSIONAL RECORD, vol. 90, pt. 6, p. 8548). Another proposal included among Senator O'MAHONEY's amendments was a revision of section 8 to read substantially in its present form but which would have expressly provided that the section "shall not apply to any dam or reservoir heretofore or hereafter constructed which supplements any existing locally operated irrigation system or other locally operated water facilities" (ibid., 8850).

Senator Millikin, a cosponsor of the amendment, explained that the two proposals had "the combined purpose of not subjecting all of the detail of the reclamation law to projects where the Army Engineers have a reservoir in the middle of an existing privately owned irrigation system; are in independent position to take the water and therefore should not be required to go through all of the incidents of a reclamation project started from grass roots" (ibid., 8549).

In a letter to Senator HILL dated November 29, 1944, Secretary Ickes objected strenuously to both proposals on the grounds that they would disregard the reclamation laws while placing the Corps of Engineers in the irrigation field. (Ibid., 8545–8546.) Instead of being acted upon, the amendments were referred to the Senate Committee on Irrigation and Reclamation. (Ibid., 8550.)

During the course of the debate, Senator MURRAY introduced an amendment to delete the projects on the Kings and Kern Rivers from the bill (ibid., pt. 7, pp. 8622–8623) and to modify section 8 so that the third sentence would provide that:

"Dam [sic] and works authorized by this act may be utilized for irrigation purposes only in conformity with the provisions of said Federal reclamation laws and this paragraph." (Ibid., 8618.)

In opposing the Murray amendments, Senator Overton stated:

"The able junior Senator from Montana has made considerable comment in reference to the Sacramento and San Joaquin Rivers and the Central Valley, in California. The principle to which I have just referred was carried out in respect to the projects contained in the bill which were authorized for those streams. The testimony shows, I think rather conclusively, that the projects herein authorized to be constructed by the Army Engineers are ones in which flood control predominates over irrigation. Of course, the Senate will understand that, insofar as irrigation is concerned, all surplus water which can be used for irrigation is turned over to the Department of the Interior, and the method of irrigation and the operation of the irrigation works are under the control of the Department of the Interior" (ibid., 8625).

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"Mr. President, the Assistant Chief of Engineers, as well as all the engineers who appeared before our committee, stated that they had absolutely no objection whatsoever to the irrigation and power amendments which were suggested by the Secretary of the Interior. They were similar to those suggested by the Senator from Montana, and were subsequently incorporated in the pending bill. The engineers stated that they were perfectly willing to turn over to the Department of the Interior control of the power generated for distribution, and were perfectly willing to turn over to the Bureau of Reclamation the distribution of all surplus water held back by the dams constructed by them, the distribution of which would come under the reclamation law, or would follow whatever method Congress might determine upon" (ibid., 8626).

The amendments were rejected (id.).

After the passage of H.R. 4485 by the Senate, including the committee amendment of section 8 (ibid., 8668), the bill went to conference. The House conferees agreed to the Senate amendment (H. Rept. No. 2051, 78th Cong., 2d sess., p. 2), and the statement of the managers on the part of the House describes the amendment as follows:

"This amendment of the Senate replaces section 6 of the House approved bill with certain modified language substantially as requested by the Secretary of the Interior and constitutes section 8 of the Senate approved bill. The Senate language will provide for more effective administration in relation to the various technical features of the Federal reclamation law. It establishes a procedure for the utilization of multiple-purpose projects for irrigation purposes when the Secretary of War determines upon recommendations of the Secretary of the Interior that a project operated under the direction of the Secretary of War may be utilized for irrigation purposes" (ibid., p. 7).

When the bill returned from conference the following colloquy took place on the floor of the Senate:

"Mr. HILL. There still seems to be confusion on the part of some Senators with reference to the application of reclamation laws in regard to some of these projects.

"I heard the distinguished senior Senator from Louisiana, when the bill was under consideration, and I think he made it very clear. However, I wish to ask this question: Is it not a fact that section 8 of this bill, as agreed to in conference, makes some reclamation laws applicable to the handling of irrigation water of any of the projects, including California projects, where it is found that irrigation may be carried out? I ask the Senator in charge of the bill whether it is not a fact that the President wanted the California projects in this bill constructed under the Bureau of Reclamation so that the water policies would conform to reclamation laws?

"Mr. OVERTON. The Senator is correct with respect to the projects in the so-called Central Valley of California. The President wrote me and the chairman of the subcommittee in this regard. However, in view of the fact that the Senate amendment made not only the California projects but all such projects subject to irrigation laws, and in view of the fact that the House concurred in this action by agreeing to section 8 of the Senate bill, I am sure that the President will feel that we have met the problem that he raised. Section 8 of the bill clearly places reclamation uses of water from these projects under the Secretary of the Interior and under the applicable reclamation laws. No project in this bill which may include irrigation features is exempted from the reclamation laws.

"Mr. HILL. I thank the Senator.

"Mr. OVERTON. The Senate amendment made not only the California projects, but all such projects subject to the irrigation law. In view of the fact the House concurred in that action by agreeing to section 8 of the bill, I am sure the Senator from Alabama will feel that we have met the question which he has raised. As I stated a while ago, section 8 of the bill clearly places reclamation uses of waters from all projects authorized in this bill under the Secretary of the Interior, and under the applicable reclamation laws" (CONGRESSIONAL RECORD, vol. 90, pt. 7, p. 9264).

The foregoing discussion of the legislative history of the bill clearly indicates that while the President and the Secretary of the Interior were unsuccessful in their efforts to have the projects here discussed constructed by the Bureau of Reclamation, they were able to impress upon the Congress their views that the irrigation uses of any waters made available by these projects should be made subject to the reclamation laws. This also appears to have been the view expressed by the chairman of the House committee which considered the matter when he explained his amendments. The change in the language of section 8 made by the Senate committee was apparently intended to dissipate any ambiguities which might

[7] Hearings before a subcommittee of the Senate Committee on Commerce, 78th Cong., 2d sess., on H.R. 4485, p. 313.

exist in this regard. While more apt language could have been used for this purpose, and indeed some was suggested, the intent is clear. Certainly this view of the bill was emphasized by Senator Overton in the course of the debate on the flood control bill.

It is significant that both Senator Overton and Senator Hatch regarded the latter's amendment to section 4 of the rivers and harbors bill so as to make the third sentence refer expressly to the reclamation laws as merely a matter of emphasis which made no change in substance. The discussion of the Murray amendments to the flood control bill were to the same effect.

The interpretation of section 8 as being intended to make the reclamation laws applicable to the projects here considered is also reinforced by the discussion in the Senate of the O'Mahoney amendments. It will be recalled that these amendments had as one of their puposes exemption from the reclamation laws of projects in areas where private irrigation systems already existed. At no point in the discussion of those amendments was it ever suggested that this proposal was in fact incorporated in the bill, and the subsequent statements of Senator Overton, made in the course of the discussion of the Murray amendments, are clearly to the contrary.

As suggested earlier, the provisions of section 10 conferring authority upon the Secretary of War to make arrangements for payment for conservation storage with respect to Pine Flats and Isabella can be contended to carry the implication that the reclamation laws are not to apply to irrigation benefits provided by those projects. However, this is at best an implication, and the section does not expressly preclude the application of the reclamation laws. On the other hand, section 8, read in the light of its legislative history, appears to me to require their application. It has been stated that "In construing any statute the legislative intent, if it can be ascertained, must control; and in arriving at the legislative intent the entire statute, its form, its several parts, its purposes, its relation to other statutes, and the effect of construing it one way or another, must be considered" (39 Op. Atty. Gen. 42, 44 (1937)). Indeed, these principles were applied by my immediate predecessor in connection with the construction of another section of the Flood Control Act of 1944 (41 Op. Atty. Gen. No. 36, p. 9 (July 15, 1955)). To the same effect, the Supreme Court has said:

"In the interpretation of statutes, the function of the courts is easily stated. It is to construe the language so as to give effect to the intent of Congress. There is no invariable rule for the discovery of that intention." *United States* v. *American Trucking Associations*, 310 U.S. 534, 542.

The legislative history of the Flood Control Act of 1944 and its structure impel me to the conclusion that the provisions of section 8, interpreted as suggested above, rather than whatever may be implied from the terms of section 10 should determine whether the reclamation laws should apply to irrigation benefits made available by the Isabella and Pine Flat projects. In reaching this conclusion, I am impressed by the fact that section 10 is basically an enumeration of over 90 projects which are authorized by the act. The dispute over whether the Bureau of Reclamation or the Corps of Engineers was to construct the projects here involved was resolved by their inclusion in section 10. After that issue was resolved, the question of the applicability of the reclamation laws was largely discussed in connection with section 8 as it evolved. The expression of intention that the reclamation laws apply to projects such as are here involved appears too strongly in the legislative history of section 8 to permit its frustration by virtue of any implication which might be drawn from section 10.

For these reasons, I conclude that section 8 makes the reclamation laws applicable to contracts for the disposition of irrigation benefits from dams and reservoirs constructed under the authority of section 10, even if no additional works are required to be constructed in order to make such irrigation benefits available.

Sincerely,

WILLIAM P. ROGERS,
Attorney General.

Mr. DOUGLAS. Mr. President, what I am trying to show is that in view of the large landholdings of the Southern Pacific Land Co., arranged, as those holdings are, in a checkerboard pattern, if it refuses to come in, it will be able to shut off water from the lands enclosed within those rectangles; even if the distribution system crossed their lands it is doubtful if it would be feasible to serve the other lands alone; and the position of the Southern Pacific Land Co. resisting sale of their excess lands, would be further strengthened if in the area outside of the admittedly Federal project there were to be no limitations whatsoever upon land ownership. Since the two areas will be served by water either wholly or partially distributed by Federal projects, and made possible by Federal projects, we should not waive Federal reclamation law in the illusory hope that if we do so, the State would impose an adequate substitute for the Federal reclamation law.

The other day I used the analogy of the defensive tactics of a football team. A linesman would be very poor, indeed, if he did not try to stop the opposing team at the line, and if he let the opposing backs go through the line, and hoped that the defensive backfield men would do all of the tackling. Yet that is precisely what the Senators from California are asking us to do. They are asking us to waive the restrictions of the Federal law in the possibility or in the hope that the backfield—in this case, the California Legislature—will come forward with adequate protection.

We say there is a great difference between hope and reality. Many Governors propose programs to legislatures but the programs are not always put into effect. I have no doubt that Governor Brown intends to propose a program of land limitation, although bills to that effect have not yet been introduced, apparently. But it is one thing for the Governor to propose such a program, and it is quite another thing for California to enact such a law. Until California comes forward with a law at least as good as the Federal law, I do not believe we should give up the protection the Federal law affords.

Mr. President, this matter is a very serious one. The farm policy of our country has been based upon the idea that ownership should be widely distributed, that there should be family-size farms, that we should not have the agrarian conditions of Eastern Europe, where there are a few landowners and many farm laborers.

That was the economic basis of feudalism in East Germany. It is the economic basis for feudalism in Sicily and the Valley of the Po in Italy, today. It was the economic basis in Hungary and in Poland.

Wherever there is that condition, there is an unhappy peasantry, and an unstable economic and political situation which ultimately results in political convulsions.

Fortunately, our Government, in the Homestead Act, adopted a different policy. Fortunately, the climate of the Northern States caused the lands in that area to be adjusted to small farms. The areas where the huge estates were maintained were the slave States of the South and the areas we took from Mexico, where Spanish and Mexican law had prevailed, and where huge estates had been built up. That was the condition of Texas and of what is now New Mexico and of California and perhaps of sections of what is now Arizona.

The question is one of basic values: Do we want California and the great Central Valley, which some day will be opened up, to be on the basis of small farms, where the owner farms the land; or do we want it to be on the basis of huge estates?

As I think I mentioned in the debate on this bill last year, I have visited this area and I have seen both types of settlements.

I visited one town on the west side of the San Joaquin Valley, where the land was distributed in relatively small fruit farms or fruit ranches. The homes were American homes. There were telephones, running water, electricity, television sets. There was a good high school in the community. The community itself looked like the towns of the Middle West or of New England. It was what I like to think of as an American community.

Then I visited a town on the east side of the San Joaquin Valley, where the land around the town was held almost entirely by one company. The people who lived in that community were almost entirely Mexican-Americans who were day laborers. They lived in miserable houses. The streets were not paved. The houses could perhaps best be described as hovels. The town itself was run down. It consisted of only a few stores. One of them was a tavern. In another one, rude clothing was sold—the overalls which in California are called, I believe, levis, and rough shirts. There was also a general store where the cheapest articles were offered for sale. I did not have time, because it was dusk, to ascertain how many doctors were around there, but I can hazard a guess that not many were there.

Some years ago articles were written about two of these communities, after a thorough study, by economists connected with the Department of Agriculture; and I believe that study so aggravated the big landowners of the area that they then closed down on the unit inside the Department of Agriculture which made the study, in order to prevent similar comparisons from getting to the American people.

Now, that is the issue. The issue is which type of community we want in the area we are considering. It is an issue as to whether we want to pay huge subsidies for the benefit of a relatively

restricted few, or whether we want to use the money which we appropriate for reclamation, in an effort to build up a greater degree of democracy in the valley.

This is an issue, Mr. President, which has divided the politics of California for a long time. I pay tribute to the humble men and women who have fought for the principle of democracy in the valley, at great personal cost to themselves; to those who have fought for the 160-acre limitation, at the price of being blacklisted from their jobs and driven from their communities by the large landowners. I pay tribute to the few politicians who have taken up the cause of the small landowner, and especially former Representative Helen Gahagan Douglas, who was crucified in the campaign of 1950 because, among other reasons, she stood for this principle.

Many people have died by the roadside, politically and otherwise, in contending for the principle. They contended for something which they thought was precious and divine, but the juggernaut of the large landowners has gone over them. Now we on the floor of the Senate are to see whether the blood of the martyrs is to be the seed of the church, or whether they shall have died in vain.

The record is replete also with the stories of politicians gaining office with promises, but, for one reason or another, being seduced by the roadside and ending up as the defenders of the large landowners in this area.

I am not referring to the present Senators from California. I like them as friends. I think they are fine public servants.

But we ought to know of some of the instances which have occurred in the past and the tragic consequences which have come to men because they lost their early ideals and abandoned the principles for which they had initially fought. I do not want to see that happen again.

The taxpayers of the country are being asked to make a huge investment in the Central Valley. We have already committed ourselves for $860 million. We are being asked to commit ourselves for $290 million more. After that there will be a request for another $190 million for a distribution system. We are asked to contribute a large portion of the cost of the Oroville Dam, which it is being contended is an exclusively State project, but which is no such thing.

All we are asking is that if the Federal Government contributes this money, at least we should let the historic land policy of the American people apply.

If my good friends say that the elimination of section 6(a) will not have any effect, let them carry the case to the courts. I believe that the elimination of section 6(a) will indicate pretty clearly that it is the intention of the Congress that the 160-acre limitation shall apply throughout this area; but if there are others who think to the contrary——

Mr. KUCHEL. Mr. President, will the Senator yield on that point?

Mr. DOUGLAS. Yes.

Mr. KUCHEL. I appreciate the frankness with which the Senator from Illinois is now speaking. Is it the Senator's belief that his amendment will result in having Federal reclamation law applied to all the water which would come from a dual-purpose San Luis Reservoir?

Mr. DOUGLAS. I am not thoroughly acquainted with the riparian rights of landholders alongside the waterways in California, and it may be that property holders along the rivers which will have increased water flow or existing irrigators may have some prior claims to this water. But certainly the elimination of section 6(a) will make it clear it is the intent of Congress that Federal reclamation law shall not be barred from applying to lands outside the area served exclusively by the initial Federal projects, but also served later by joint projects.

Mr. KUCHEL. By any joint project, or by this one project as to which the Senator is offering his amendment?

Mr. DOUGLAS. This particular project, yes.

Mr. KUCHEL. That is the Senator's opinion as to the meaning of the amendment he is offering?

Mr. DOUGLAS. Yes.

Mr. KUCHEL. Let me ask this question in good faith. The Senator knows the San Luis reservoir would be located, roughly, in the middle of California, going from north to south. Is that correct?

Mr. DOUGLAS. Yes.

Mr. KUCHEL. The reservoir would supply water on its way south.

Mr. DOUGLAS. That is correct.

Mr. KUCHEL. Would it be fair to say that the Senator's amendment, in his opinion, would seek to apply Federal law to waters in the State system south of the reservoir, but not north of the reservoir?

Mr. DOUGLAS. I may say to my good friend, who talks about a State system, my contention is that there will not be any pure State system arising from this project. What we shall have will be a completely Federal system, first, and then a commingled Federal-State system.

Mr. KUCHEL. I most respectfully state to the Senator from Illinois that he is in error. The people of my State have begun to acquire rights-of-way and have perfected plans for the building of a State system to be paid for by the people of the State, and not by the Federal Government.

Mr. DOUGLAS. I say to my good friend that all of that would be impossible if there were no prior Federal project. The second story to the San Luis Dam could not be constructed without the first structure or substory being federally constructed.

Let me point out those in the area outside the Federal service area will be compelled to use, at least in part, the Delta-Mendota Canal, which has already been constructed by the Federal Government. They may have to use some Federal power to pump water from the Sacramento to the San Joaquin.

They will have to use the federally constructed Cross Delta Channel from the Sacramento to the San Joaquin. They will, indirectly, have to use dams constructed on the upper Sacramento at Shasta, Keswick, and the other places.

They will have to use the Federal appropriation which has been or will be requested for Oroville and they apparently hope to get interest-free irrigation money also.

All of those projects are prerequisite. It will not be an exclusively State project. There will be commingled water and commingled facilities.

Mr. KUCHEL. Mr. President, will the Senator yield again?

Mr. DOUGLAS. I yield.

Mr. KUCHEL. Is it fair to say that the Senator's amendment and the theory which the Senator believes is inherent in his amendment cannot and will not apply to waters prior to the time they flow into the San Luis reservoir? Is that a fair statement?

Mr. DOUGLAS. If there is irrigation north of San Luis——

Mr. KUCHEL. As there is.

Mr. DOUGLAS. If there is irrigation north of San Luis, with these commingled waters assembled and distributed as a result either of exclusively Federal facilities or of commingled facilities, then of course Federal law would apply in that instance, too.

Mr. KUCHEL. Is the Senator telling me that his amendment would apply to waters before they come into San Luis? Is that the intent of the Senator's amendment?

Mr. DOUGLAS. To the degree that there is additional territory brought under irrigation by these additional waters; yes.

Mr. KUCHEL. I will simply say to the Senator, that is a technical legal question. I want the Senator to have a little time to think about it, because I believe the Senator will want to say that his amendment would apply to the use to which the water in this dam would be put, but that waters prior to the time they come into the reservoir obviously could not be regulated by the law with respect to this dam. I think the Senator is going to want to tell me that.

Mr. DOUGLAS. Something more is involved in this matter than merely the San Luis Dam. The whole valley project is involved.

Mr. KUCHEL. I am trying to understand the intent of the Senator in offering his amendment, and to have it spelled out so that other Senators can understand what my friend has in mind.

I ask again, Is it not true that my friend offers his amendment to govern the use of waters in the reservoir after they come to the reservoir? Is that not true?

Mr. DOUGLAS. I will say that if we strike section 6(a), the existing Federal reclamation law will be applicable wherever Federal waters, in whole or in part, irrigate additional areas of land or put additional quantities of water on land already being irrigated by pumping.

Mr. KUCHEL. Is the Senator going to answer my question?

Mr. DOUGLAS. I am not necessarily going to answer the question the way the Senator from California wants me to answer it.

Mr. KUCHEL. I would say the Senator has not answered it at all.

Mr. DOUGLAS. I believe probably many questions will have to be left for judicial interpretation. However, inclusion of section 6(a) will sweep away all

defenses and will mean farewell to the 160-acre limitation.

Mr. KUCHEL. Mr. President, will the Senator yield once more?

Mr. DOUGLAS. Of course. I am always glad to yield to my good friend.

Mr. KUCHEL. When the Senator uses the phrase "Federal waters" as he discusses his amendment, and as he endeavors to state today what his intention is; what does the Senator mean by "Federal waters"? What does the Senator mean by that phrase?

Mr. DOUGLAS. I would say they are waters the assembling and distribution of which have been primarily effected by Federal investments in dams, power stations, distribution channels, reservoirs, pumping stations, distribution systems and so forth.

Mr. KUCHEL. The Senator heard my colleague earlier today, did he not, when he indicated that after the waters spill over the great Shasta Dam and go down the river they feed irrigation districts which are not complying with and are not required to comply with Federal law, and feed others in the Central Valley project which do?

Mr. DOUGLAS. The landowners may have had prior riparian or irrigation rights under California law.

Mr. KUCHEL. Let us assume they did not, which is the fact.

Mr. DOUGLAS. I think the U.S. Bureau of Reclamation ought to look into this matter. This is a new subject for the U.S. Bureau of Reclamation. I hope very much the Bureau will take it up.

I thank the Senator from California for suggesting this possibility. I will address a letter to the Commissioner of Reclamation tomorrow, calling attention to the fact that he may have slipped as to the rights of the U.S. Government.

The Senator from California has raised a most important question in the public interest, and I congratulate him.

Mr. KUCHEL. I want my friend to accept my thanks for those kind words.

My fondness for the Senator from Illinois, like my fondness for the Senator from Oregon, is going to continue, but I wish to say, most respectfully, that some of the comments my friend from Illinois has made in the course of this debate demonstrate his unawareness of California and the needs of the people of California. I say that most respectfully, and I say it particularly with reference to the manner in which the Senator has not answered the questions I have asked him about the very amendment he has offered.

Mr. DOUGLAS. My good friend from California, who accuses me of being unaware of the needs of California, has, I think, justified a reply on my part.

I never believe in applying the "tu quoque" or "you're another" argument, but I must say to my good friend from California I am really surprised by the course of this debate.

I have always found the Senator from California, on the floor of the Senate and in committee meetings, to be responsive to the needs of the average man. I think the Senator has been a great addition to the Senate, even though he is of a different political party. I am disappointed to find him unappreciative of the real needs of the people who live in the Central Valley. The Senator has listened too much to the siren call of the large landowners. That is true.

Mr. KUCHEL. No. No.

Mr. DOUGLAS. They have misled my good friend, and I am sorry to see that. I think my friend is going to recover his sense of direction. I think the compass of his conscience will point him in the right direction. I have great hope for his ultimate redemption. Since the Senator expressed his pain at my being unaware of the alleged needs of the people of California——

Mr. KUCHEL. My intense pain, I will say to the Senator from Illinois. It is a very intense pain. I feel it in my heart.

Mr. DOUGLAS. I have an equally intense pain at the derelictions of the senior Senator from California.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield to the Senator from Oregon.

Mr. MORSE. I have two or three questions to ask, in view of the very pertinent inquiry made by the senior Senator from California.

I think the Senator from Illinois very rightfully said that now he intends tomorrow to address a letter to the Bureau of Reclamation, seeking information regarding the inquiry of the senior Senator from California. That means we will need more time in order to determine finally what should be the disposition of the bill, until the Senator hears from the Bureau of Reclamation. Is that not a reasonable conclusion?

Mr. DOUGLAS. I think it would be highly desirable.

Mr. MORSE. The Senator also addressed himself to the senior Senator from California, pointing out that he in effect has been taking the position, with regard to the proposed legislation, taken by the large landowners in the Central Valley of California. This seems to be evidenced by the fact that the Senator from Illinois has put in the RECORD today support for the amendment offered by the Senator from Illinois from such groups as the farmers' union and labor groups.

Mr. DOUGLAS. The Grange.

Mr. MORSE. The Grange, and many of those people interested in the family farm problems of California. That documentation would add up to the conclusion, would it not, that the position taken by the senior Senator from California is certainly not the position being recommended to the Senator from Illinois by the representatives of the family farm groups of California?

Mr. DOUGLAS. I think that is true. I shall be glad to go to California and debate this issue up and down the Central Valley and up and down the coast with the two Senators from California. I will pay my own way to California, and I am ready to hold joint debates in Sacramento, Bakersfield, Fresno, San Francisco, and Los Angeles. In fact, I am tempted to issue a challenge now to the Senators to debate this issue.

Let us recommit the bill in the meantime, until the people of California have had a chance to pass upon the matter.

Mr. CARROLL and Mr. KUCHEL addressed the Chair.

Mr. DOUGLAS. I am glad to yield first to the Senator from Colorado.

Mr. CARROLL. I should like to ask a question of the senior Senator from California.

Mr. KUCHEL. Yes, sir.

Mr. CARROLL. I seek information.

As I understood the question propounded by the senior Senator from California to the Senator from Illinois, it is whether or not some of the waters flowing from the north into the San Luis Dam are under Federal control. Is it not true that today waters which move through Mendota are clearly under Federal control, under the reclamation laws? Is it not true that such waters will come into the San Luis Reservoir?

Mr. KUCHEL. Yes; during certain periods of the year.

Mr. CARROLL. Assume that the State should construct a parallel system for State waters, running to the east of the Mendota, or the San Luis wasteland, as shown on the map. That would be State water. Is there any contention that such State water shall be under Federal control?

Mr. KUCHEL. Not at all; and if I may elaborate on the excellent point the Senator is making, let me say this: Picture California, 1,100 miles long, with a wonderful Federal system, under Federal reclamation law, in the Central Valley project, which is in being. Then picture a second system, a State system, paralleling it, designed to bring surplus northern water into the parched and arid southern part of the State. If there were two reservoir sites, and if the State developed one reservoir site and the Federal Government developed the second reservoir site, so that there would be two parallel systems, each with a storage reservoir, there would be no problem. California would not be heard to say that the State law should apply on the Federal system; and I know that my friend from Illinois would not contend that the Federal law should apply to the State system.

Mr. CARROLL. I have listened to the very excellent debate of the able public servant, the senior Senator from Illinois [Mr. DOUGLAS]; and I think he makes a good point. I ask the senior Senator from California to consider this point very carefully:

Is it not true, as appears from a study of the maps, that the Federal area to be served is clearly defined? If the area is clearly defined, how could there be confusion and commingling of water, unless there was an ulterior purpose in the inclusion of section 6(a) in the bill?

Mr. DOUGLAS. Mr. President, may I be permitted to answer that question?

Mr. CARROLL. If the Senator from Illinois will permit me, I should like to continue along this line.

If the map is correct, all of this area comes under the Federal reclamation law.

Mr. KUCHEL. The Senator is correct.

Mr. CARROLL. As I understand, all the people of California want is the money to build this great reservoir. They want to use about $290 million of the people's money, on the basis of a loan.

Mr. DOUGLAS. Plus $190 million.

Mr. CARROLL. Most of which is reimbursable.

Mr. KUCHEL. The Senator is correct.

Mr. CARROLL. I believe the Senators from California should give serious consideration to the amendment of the Senator from Illinois. I think it would clarify the situation.

There is no contention on the part of the people of California that the Federal Government should not continue to maintain control, under Federal reclamation law, with respect to that portion of the water which comes within the law.

Mr. KUCHEL. The Senator is absolutely correct.

Mr. CARROLL. I assume that there is no disposition on the part of anyone to say that the Federal Government should control State water.

Mr. KUCHEL. Yes. That is what the Senator from Illinois wants to do to the State system.

Mr. DOUGLAS. That is not State water. The additional acreage would be irrigated by water largely assembled through prior Federal expenditures. It would be commingled water, assembled and distributed through commingled facilities, and therefore the project could not be isolated as an exclusively State project.

If we permit unlimited landownership in this peripheral area, we shall enclose the so-called Federal area with an area largely dominated by large landowners, and we shall make still more difficult the task of maintaining the 160-acre limitation within the original block of land in the so-called Federal service area.

Mr. CARROLL. Mr. President, will the Senator further yield?

Mr. DOUGLAS. Certainly.

Mr. CARROLL. At this point I believe there is some confusion in the mind of the junior Senator from Colorado.

It seems to me that the senior Senator from Illinois and other Senators are concerned about the application of the 160-acre limitation. Why not eliminate section 6(a)? The senior Senator from California says there is no doubt in his mind that the area is marked out. Marked out for what? For Federal water. For what purpose?

Mr. KUCHEL. For irrigation.

Mr. CARROLL. If this area is marked out for a Federal purpose, it comes under the Federal reclamation law, does it not?

Mr. KUCHEL. Yes.

Mr. CARROLL. Therefore, why go into the question of the commingling of water, and try to legislate on the floor of the Senate? There may have to be a judicial determination later. Why not meet the issue in the proper tribunal, and in the proper area?

Mr. KUCHEL. I will tell the Senator why not, in my opinion.

I think it is the clear duty of the Congress to spell out the intent with which it enacts legislation. I studied the speech of my friend from Oregon [Mr. MORSE] over the weekend. I spoke with the leaders of public agencies in California over the weekend. The Senator from Illinois is quite frank. He says that he offers the amendment to eliminate section 6(a) to throttle, by Federal legislation, the people of California in their waterworks.

Mr. DOUGLAS. Mr. President, I protest. That is a gross misstatement of the position of the Senator from Illinois.

Mr. KUCHEL. I do not think it is.

Mr. DOUGLAS. Our friend has allowed himself to be carried away by the enthusiasm of his advocacy.

Mr. KUCHEL. With the Presiding Officer now occupying the chair [Mr. ENGLE], I feel comfortable about it. [Laughter.]

Mr. DOUGLAS. I have great confidence in his fairness as a Presiding Officer, when he is in the chair. He may be a protagonist of his case on the floor, but when he is placed in the chair, I think he will decide any issue put to him on the basis of parliamentary law. I will not say that I am comfortable with him in the chair, but I feel safe with him in the chair. [Laughter.]

Mr. KUCHEL. I join my friend in those sentiments.

Mr. DOUGLAS. I do not believe the junior Senator from California would take undue advantage of the Senator from Oregon or the Senator from Illinois.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I note the presence in the Chamber at this moment of both Senators from Oregon. This is a matter of extreme importance to the State of Oregon. The State of California is switching water from the northern part of the State of California to the southern part of the State. That is all right.

But it is well known that it has designs on the Columbia River, too.

Mr. KUCHEL. Careful——

Mr. DOUGLAS. The Columbia River has one of the greatest flows of water in the country—approximately 180 million acre-feet a year.

Mr. KUCHEL. Mr. President, I protest my friend's statement.

Mr. DOUGLAS. Mr. President, who has the floor?

Mr. KUCHEL. I think the Senator from Illinois is now being carried away.

The PRESIDING OFFICER. The Senator from Illinois has the floor. Does the Senator from Illinois yield?

Mr. DOUGLAS. I do not, at least not until I finish this paragraph.

There have been articles in the newspapers to the effect that it would be a fine thing if the water of the Columbia River were at some point hoisted over some of the mountains or brought through a tunnel and taken down to California, because California can put it to better use than can Oregon.

Under what conditions would the water be taken? For whose benefit? For the benefit of the people of Oregon or the benefit of the people of California?

And if and when taken to California, for whose benefit would the water be used within California? Would it be taken there for the benefit of the large landowners, who are now attempting to take the water of northern California, held back and then channeled down by a Federal investment? Or would they distribute it for the benefit of the average people of California?

I believe the Senators from Oregon have a real interest in this issue.

What we are doing now will set a precedent for later developments. If I were a Senator from Oregon I would be very skittish about accepting any of this bill, because it may pave the way for one of the greatest water steals and water diversions in the history of the Nation.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield to the Senator from Oregon.

Mr. MORSE. We always like to give our California friends the benefit of the doubt, but we watch them. There has been too much Columbia River diversion propaganda coming out of California to allow us ever to abate our vigilance.

If the Senator from Illinois will yield, I should like to address a few remarks to the Senator from Colorado [Mr. CARROLL].

Mr. DOUGLAS. I yield for that purpose, with the understanding that I do not lose my right to the floor.

Mr. MORSE. I believe the Senator has made a contribution to the debate which is very much worthwhile, and has raised the same question with the senior Senator from California which the Senator from Illinois and the senior Senator from Oregon have been raising now for the third afternoon of debate on this issue. There will be some more afternoons of debate on this issue, if necessary, in order to make the public aware of what is involved.

The Senator from Illinois is quite right in his reference to the danger of a water steal. I believe that the bill in its present form, with section 6(a) in it, has lurking in it the danger of the greatest water steal in the history of our country.

I do not intend to let this steal go through the Senate, with empty seats confronting us for the most part during this debate, to be voted on finally by Senators who may not have the time, because of their busy schedules, to read the RECORD.

Therefore I believe we must discuss the subject until the people of the country become aware of what is involved here. They are becoming aware, judging by the increasing number of messages which we are receiving, even from people in the State of California. I have received some more since the Senator from Illinois put in some messages earlier this afternoon. In due course of time I shall put them into the RECORD, on my own time, and at some length.

I wish to say to the Senator from Colorado that we have some questions of fact here. In my judgment, we are not the competent group to decide those questions of fact. Those questions of fact, as the Senator from Colorado

knows as a lawyer, are operative facts inherent in a judicial determination of the application of the reclamation laws to specific litigation which is bound to arise in the future no matter what bill on this issue we should pass.

There has been discussion here this afternoon, as there was last Tuesday afternoon and last Thursday afternoon, of the problem of whether there is or is not a commingling of waters. Let me say that we do not get the answer by having the Senator from Colorado ask the Senator from Illinois, the two Senators from California, or the Senator from Oregon whether there is any dispute about the commingling of waters in this matter. There is such a dispute. There is a great dispute about it. I do not purport to answer that question this afternoon.

I wish to say, however, that it is a question that calls for the presentation of legal proof in a courtroom as to what degree, if any, there is a commingling of waters. That is what I said in my legal argument last Thursday, and I wish to refer to it again this afternoon. This is not the forum in which that question and the next question I will raise in my discussion with the Senator from Colorado should be raised. It is a question of whether or not there is a certain commingling of waters. That should be for judicial determination. The question as to whether or not the Federal service area is clearly defined is disputed. That ought to be decided in a courtroom, not here. It involves an operative fact. It can be resolved in the process of determining to what extent the reclamation laws apply to the various segments of this project.

The question as to whether or not there is a State system separate and distinct from the Federal system involved in this project is a question of fact which is in dispute.

The Senator from Illinois has pointed out time and time again in the debate that we could not raise in this debate the issue of whether the 160-acre limitation applies to the new land which is going to be brought under irrigation by the project, if it were not for the fact that we have the basic Federal dam project, with the deep foundation, on top of which it is proposed that some State money be spent for a superstructure which will make it possible to store more water behind the dam. Does that change the water into State water, or does it leave in that reservoir Federal water?

The Senator from Colorado and I know that we cannot determine that question of fact on the floor of the Senate. It is an operative question of fact inherent in a judicial determination of the application of the reclamation laws to the project.

What is the next question of fact? It has been stated by the two Senators from California that they plan to dig some canals or channels right alongside of the Mendota Canal and some other Federal canals, taking water out of the reservoir impounded by a basic Federal dam on which a superstructure has been built with the use of State money. Let me say that we will look in vain through the record for any guarantee that that is the way it is going to be done, but let us assume that it is going to be done that way. Does that make it State water and not Federal water? It is a question of fact, to be determined by litigation, not to be determined on the floor of the Senate.

Let us move into another question of fact which is involved here. What is the effect of section 6(a)? It is pretty clear, although it does not in its language mention the 160-acre limitation, that those who want it kept in the bill—the Southern Pacific Land Co. and all the other large landowners—believe that in section 6(a) they have a gimmick whereby they will be able to have the 160-acre limitation removed from their land.

Section 6(a) is not necessary in this bill, let me say to the Senator from Colorado, for a final determination as to whether the 160-acre limitation does or does not apply. However, if we leave it in the bill—and this is what the senior Senator from California, I respectfully submit, has as his chief motivation—it strengthens the waiver of the 160-acre limitation, he believes. That is why I say to the two Senators from California—and I say it respectfully—I do not believe they are being fair to those of us from the great water resources States of the West to put us in a position where we have to oppose the San Luis project, when we are for it, because they have this gimmick in section 6(a), and because they want to stack the case against us.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. MORSE. Not yet. Because they want to get us into the position of leaving 6(a) in the bill, and in that way strengthen the big land companies in litigation which is bound to follow as to the effect of section 6(a). It would strengthen those land companies in the position they will take, namely, that the reclamation laws do not apply.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. MORSE. I will yield in a moment.

I say to the two Senators again, "You are overlooking some shoulder-to-shoulder support which you would get from the senior Senator from Oregon, and I believe also from most of the other western Senators, if we were to pass this bill with 6(a) omitted from it, and were then to present to the committee, of which the Senator from Colorado is a member, a clean bill for a revision of the reclamation laws. On such a revision proposal we would be found going along with some modification of the reclamation laws, but not for such a modification as would waive the 160-acre limitation on the richest land area in this country."

We say "You should not be trying to determine that matter in connection with this litigation."

I repeat my question of last Tuesday and Thursday to my two good friends from California: Why do they not take section 6(a) out of the bill? If I understand the Senator from Colorado [Mr. CARROLL] correctly, he is raising the same question. Why do they not take section 6(a) out and let the matter run its course through the judicial processes of the country; then come forth with a clean bill on reclamation law amendments, and let us work together as a group of western Senators on a problem which is of common importance to all of us?

What I think the two Senators from California are doing is putting those of us in the three Pacific Coast States in a very difficult position. We should not be asked to determine on the floor of the Senate the answers to a whole series of questions which ought to be determined by the courts rather than by the Senate.

Mr. DOUGLAS. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DOUGLAS. Mr. President, I ask unanimous consent, that I may be permitted, without losing the floor, to yield, first to the Senator from California, who wishes to reply to the Senator from Oregon, and that I may then yield to the Senator from Colorado.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KUCHEL. Mr. President, I can say this for my colleague as well as for myself: We respect the right of the able Senator from Oregon to his opinion. But, speaking for myself, I say the Senator from Oregon is wrong in his opinion, and he is wrong in describing, in particular, the motivation of the Senator from California.

The fact of the matter is that both Senators from California gave the most searching scrutiny to the Senate RECORD of last week. Speaking for myself, I telephoned persons who represent public agencies in California, trying to ascertain if there were a way in which we could do what it sometimes seemed to me, from statements in the RECORD, the Senator from Oregon wanted to do, and yet, at the same time, to avoid what the Senator from Illinois frankly says he desires to do.

Here is an instance in which persons who are skilled lawyers in my State, and who represent public agencies, believe that the Senator from Illinois, in the position he takes, would have some vigorous supporters if the legislation got into the court, in contending that judicial adoption of the Douglas-Morse amendment would mean that the Federal reclamation law would cover all the waters coming out of the dam which is provided for by the bill.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KUCHEL. I wish to make a very short answer to the able Senator from Oregon; then I shall take my seat.

Here, Mr. President, is the reason why we cannot accede at this late date. We disagree with what the Senator from Illinois and the Senator from Oregon say, but we also do not want to run the chance that our disagreement with these two estimable Senators will be misconstrued. The fact is that we do not want the Federal Government to tell the people of California how they shall utilize their waters. The fact that it is simply good business judgment for the State and the Federal Government to

sponsor jointly and to use jointly one reservoir should not alter that situation.

I say to the Senator from Oregon that I do not speak in this debate for any single citizen of California. I speak for the people of California who, through their official representatives, this year were able to come to an agreement on the language which should be used. I think we have a duty clearly to say to our fellow Senators what the intention of the bill is. That is the extent of what I have tried to do in this debate.

Mr. MORSE. Mr. President, will the Senator from Illinois yield, so that I may make a brief reply to the Senator from California?

Mr. DOUGLAS. I yield for that purpose.

Mr. MORSE. I say to the senior Senator from California that there is not a single thing which PAUL DOUGLAS and WAYNE MORSE could possibly say in this debate which would change the reclamation laws of the country as they are now on the books. There is not one single thing I could say in the debate which would cause any court, including the Supreme Court of the United States, in any way to be released in any degree from its judicial obligation to apply the Federal reclamation laws as they are.

Mr. KUCHEL. As Congress wants them to be.

Mr. MORSE. No. Let me finish. There is not a thing we can say which would change the Federal reclamation laws.

But if the Senators from California get by with section 6(a), it is our fear that by legislation they will be changing the Federal reclamation laws, and the courts would have to follow that change made by a statute enacted by Congress.

The senior Senator from California, is overlooking, I think, what the Senator from Illinois has said. He seems to think there is a variation or a difference between that and what the senior Senator from Oregon said. Let us assume there is a variance. I do not happen to think there is, but let us assume there is. It would not make a single bit of difference in a court, because the court has the job of determining what the application of the reclamation laws is to the San Luis project. But put section 6(a) in the law, and the hands of the court are tied, because the court will have been told, under section 6(a), in effect, in my opinion, that the reclamation laws are modified by law.

Mr. KUCHEL. Modified how?

Mr. MORSE. I think the court may find that the 160-acre limitation does not apply to comingled waters. We want to find out what the law is.

Mr. KUCHEL. Oh no; we want to determine how to legislate.

Mr. MORSE. We want to know whether the law applies. So we ask: Why are the Senators from California not willing to take the reclamation laws as they are now on the books? Why do they want to question the reclamation laws by this provision of the bill rather than by a separate, distinct reclamation amendment?

Mr. KUCHEL. I say to the Senator from Oregon that it is the duty of the legislative branch of the Government to pass legislation with regard to a specific intention. Congress ought to indicate what the intention is by the legislation it enacts.

I suggest to the Senator that we abandon our responsibility if we simply say this: Let the courts decide. Does the Senator from Oregon mistake my intention with respect to an understanding of the bill with section 6(a) in it?

Mr. MORSE. I think the Senator is trying to amend the reclamation law.

Mr. KUCHEL. To what extent?

Mr. MORSE. By not having the 160-acre limitation apply to new lands, as they relate to Federal waters. The Senator says it does not affect Federal waters. I say let us leave the laws as they are and let the courts determine the question.

Mr. KUCHEL. Let us see if we can come to an honest agreement. Let us see if both sides can honestly agree to something.

Does the Senator from Oregon agree that any person in California who obtains water from the State of California by entering into a contract with the State to purchase a certain amount of water ought to follow State law, and not Federal law?

Mr. MORSE. Where Federal water is not involved.

Mr. KUCHEL. What does the Senator mean by "where Federal water is not involved"?

Mr. MORSE. That is exactly what I am trying to point out. The Senator is trying to determine that question on the floor in relation to his project. I say the question ought to be determined by the application of Federal reclamation laws, as the courts find them to be in a specific case.

Mr. KUCHEL. But what does the Senator believe Federal waters to be? How would he define them?

Mr. MORSE. That would all depend on the operative facts of each individual case which came before the court. There can be no other answer. How can we look into the future and decide on the floor of the Senate the particular application of the general principle of each individual case which the Senator from California wants to raise?

I simply say that where Federal waters are involved, I want the 160-acre limitation to apply. If there is a case of solely State waters, of course it does not apply; that is up to the State legislature to determine.

Mr. KUCHEL. But we use the terms "State waters" and "Federal waters." Good heavens, Mr. President. There is no such thing as State waters in one instance, in one part of a State, and Federal waters, in another.

Mr. DOUGLAS. I am glad the Senator from California has admitted that fact.

Mr. MORSE. That is our point.

Mr. KUCHEL. Let me try to be helpful. I thought for a moment there was an opportunity to get together. I am afraid now there is not. But, Mr. President, these terms are used. All we tried to do, I will say to my friend, the Senator from Oregon, was to indicate that State law would follow the State system, and that the fact that one dam would serve a Federal reclamation project and a State system, as well, was not a basis for applying the law of the Federal Government to the law of the State.

Mr. MORSE. Let me say most respectfully that I do not think the senior Senator from California is giving sufficient weight to what the March 17, 1959, hearings show some of his constituents, representing the large landholders of California, clearly implied was their intention. We do not intend to vote for section 6(a) of the bill, which we believe is designed to carry out the intention of the large landowners of California—which is to scuttle the 160-acre limitation.

Mr. KUCHEL. Mr. President, the Senator from Oregon is mistaken.

Mr. MORSE. I have stated what I believe the intention to be. The Senator from California says I am mistaken. That is his interpretation. We have stated ours. Certainly both of us have a right to state our own interpretations.

Mr. KUCHEL. Certainly.

Mr. MORSE. Now let the courts determine the matter.

Mr. KUCHEL. But that was not the intention of the Senate Committee on Interior and Insular Affairs. In the committee, no vote on that question was taken.

Mr. MORSE. But my colleague is a member of that committee. He is saying, in effect, that he does not think that point of view was given the consideration it should have been given in the committee. After having voted in the committee for the Senator's bill, now he has come to the floor of the Senate and has observed for the first time the problem that is hidden in the bill; and the Senator has become a cosponsor of the amendment. He is a member of the committee.

Here is the Senator from Colorado [Mr. CARROLL], who has been raising some questions which I believe are subject to the interpretation that he, too, is making. He is asking, "Why do you not go along with the proposal to strike out section 6(a)?" He is a member of the committee.

Mr. KUCHEL. Mr. President, my friend, the Senator from Colorado, can speak for himself as to what he is going to do.

But I wish to suggest to the Senator from Oregon that the great Senator from Wyoming is in favor of this bill; and the great Senator from New Mexico is in favor of this bill; and the great Senator from Montana, the chairman of the committee, may, I believe, rise and say that he has changed his position on this matter. My point simply is that there are differences of opinion. I respect the right of my colleagues to have differences of opinion. But that does not mean that we who differ should simply roll over and say, "All right; we will abandon what we in good faith believe."

We have talked with representatives of public agencies. We have not talked with large landowners or with anyone from our State who has not had a public interest. That is why I want the

Senate to proceed in good time to vote this issue either up or down.

Mr. MORSE. Mr. President, I never quote Senators without their permission. However, the Senator from California has just mentioned some members of the Committee on Interior and Insular Affairs, among whom is at least one who has told me that section 6(a) should be stricken from the bill. He says this issue was not raised in the committee.

I have just talked to the Senator from New Mexico [Mr. CHAVEZ], a very able member of the Committee on Public Works. I am sure he will not object to my quoting him now. He asked that the Senate not vote on this matter until tomorrow, because he wishes to be here to vote to strike section 6(a) from the bill.

The sad fact is that I believe the Senate Committee on Interior and Insular Affairs never gave consideration to the points we are making in regard to section 6(a), points which the Senator from Illinois [Mr. DOUGLAS] has brought out so eloquently on the floor of the Senate.

I believe section 6(a) is pregnant with great abuse, so far as the future of reclamation law is concerned.

Mr. KUCHEL. And in my judgment the position the Senator takes is pregnant with great damage to the people of California.

Mr. DOUGLAS. Mr. President, I think the genetic effects of this provision will be extremely unfortunate and will produce malformations in the body politic of California.

Mr. CARROLL. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I am glad to yield. In fact, I believe I have received unanimous consent to yield to the Senator from Colorado.

The PRESIDING OFFICER. That is correct.

Mr. CARROLL. Let me say to the senior Senator from California that the more I listen to this debate, the more I am convinced that my colleagues have almost reached a point of agreement. I say this very seriously. For example, a little while ago I asked about the area to be covered by the Federal system. It would seem that that area has been very clearly defined.

Mr. KUCHEL. That is correct.

Mr. CARROLL. But suppose in the parallel system of which we speak—and in that connection we have referred to the map—some State waters were to come through.

Mr. DOUGLAS. Mr. President, will the Senator from Colorado yield?

Mr. CARROLL. I yield.

Mr. DOUGLAS. It is not a parallel system; I wish to emphasize that point. The second system will be a commingled system almost throughout its course.

Mr. CARROLL. Regardless of that, my point is that if it involves State water which goes upon some Federal area—and this is the point the Senator from Oregon makes, and I believe it is an important point—we cannot determine that, to use his expression, as an operative fact. That question must be determined by the courts, on the basis of the testimony of engineers—competent witnesses and experts.

I am very serious about this matter. As the two Senators from California know, I want to vote for this project. I know the real problems which confront the people of California. Millions of people are very seriously affected. I was in that area a few months ago, and I think of the 6 million people in and around the Los Angeles area and the desperate need for water. I do not share the viewpoint of some of my colleagues; namely, that water is not needed for the land. I think it is needed.

I know there will be a financial windfall for certain landowners; but that presents another question.

The question before us, as I think the Senator from Oregon and the Senator from Illinois have made plain, is how are we to preserve the Federal reclamation system.

I am sure the Senator from California is very sincere. I am convinced that he has no ulterior purpose; I am convinced that he does not intend to undermine the Federal reclamation laws.

Mr. KUCHEL. That is correct.

Mr. CARROLL. Therefore, I appeal to his good judgment in this matter, and I believe the people of his State will understand. If we can move ahead here, I will stand on his side and I will fight for him. But, as a member of the committee, I think we must face this issue, which was not brought up in the committee.

The able Senator from Illinois has raised certain questions. This is not an attempt to defeat the project. California will get this project, in my opinion; but I believe California should bow a little, and should let the bill go to conference until there is further study, and should let it go to the courts, if necessary—although I do not think the Senator from California wants it to go to the courts. But there is the problem of commingling.

Mr. KUCHEL. Mr. President, will the Senator from Colorado yield briefly?

Mr. CARROLL. Yes.

Mr. KUCHEL. I should like the Senator from Colorado to listen to language which I think was recommended by the Senator from Oregon and the author of the report in the House of Representatives, Representative B. F. SISK. Here is what he suggests in place of the present section 6(a):

> The State's use of joint-use facilities authorized by and constructed in accordance with this act shall not cause the Federal reclamation laws to be applicable to water deliveries or to the use of drainage facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis unit service area described in the report of the Department of the Interior entitled "San Luis Unit, Central Valley Project," dated December 7, 1956.

Does not that have some interest to the Senator from Colorado?

Mr. CARROLL. It has great interest.

But this is the reason why I think the matter should go to the other House: When we speak of a contract, that is an important point. But suppose there is a contracting agency within the Federal system, too. Then we get into the question of commingling. That is what some are afraid of. For instance, suppose the great landowners come under the Federal system.

Then they are bound by Federal law. I do not know whether this point has been brought out in the debate. I was not going to name any names; but, on the other hand, I do not think it would make any difference if I did. Let us say Southern Pacific owns land in this area. I do not know how much it does own in the area. Does anyone doubt for a minute that the great landowners will not have a tremendous financial windfall? Why? Because when water is put on this rich land, the value of the property is enhanced greatly.

Mr. KUCHEL. But they cannot get it.

Mr. DOUGLAS. The testimony of six Members of Congress is that the value of the land will be increased, on an average, $577 an acre. The Southern Pacific Land Co. has testified it owns 120,000 acres in this area. Therefore, if the company gets the water and holds onto the land, it will benefit to the degree of $70 million. That is what is really involved here. There are similar large land holdings, perhaps not of this magnitude, but running into 10,000, 20,000, and 30,000 acres. As a matter of fact, Standard Oil Co. owns more than 100,000 acres—most of it, however, outside the immediate San Luis area. And the Kern County Land Co. appears to have the largest holdings of any—south of the so-called Federal service area.

Mr. CARROLL. This is the real point which is raised, and I want the senior Senator from California [Mr. KUCHEL] to listen very closely. All the Senator from Illinois has said is accurate but for one thing. Under either the Federal reclamation law or a regulation under that law, as I understand it, if landowners contract for water upon the land, which will make it valuable, within a certain period—10 years—they must divest themselves of the land, and that land will be broken up into small units.

Mr. KUCHEL. At the prices at which the Secretary of the Interior shall appraise the land.

Mr. CARROLL. Perhaps that will help us on the question of speculation. That fact presents the real issue. That is why I should like to have both Senators from California listen. This is something that perhaps the senior Senator from California has not thought about. I have great confidence in his integrity. Let us assume that in a Federal area a contract is entered into for Federal water. Let us assume a contract is entered into for State water. There is a commingling of the water on the land by virtue of the contracts. Those involved may say, "We are not bound under the 10-year rule, and the Secretary of the Interior is not bound to set the value of our land."

Mr. KUCHEL. Under this proposed legislation, that simply could not happen. It is provided that before the dam shall be constructed for joint use, the State and the Federal Governments must enter into a contract. There will be no problems of dual jurisdiction over a given area.

The State project here contemplated is called the Feather River project. It is

overwhelmingly in the interest of water supply, for example, for the housewife who lives in my hometown of Anaheim and who needs water. Why is there a need for such water? The State of California is involved in a lawsuit with Arizona over the use of water. God knows what is going to happen. The Upper Colorado River project is a reality. The people of the State of Colorado need water. The project under discussion will be one way of bringing water, which is wasted by flowing into the Pacific Ocean, into the populous Los Angeles area.

It is true that subsequent to the Feather River project there will be other projects constructed under State works. It is also true that State water may still be desired for agricultural purposes—I do not know—but it is not going to take place at this time.

Mr. CARROLL. I am willing to go on record as to my legislative intent. I think the State of California should have control and jurisdiction over its own waters.

Mr. KUCHEL. I thank my friend—as Colorado should have over its own waters.

Mr. CARROLL. That is right. But, by the same token, when there is water within the Federal reclamation system, there is no question that it is subject to the Federal reclamation laws.

Mr. KUCHEL. And should be.

Mr. CARROLL. Very well, but here is the point, and now we get off on a tangent argument, and we get into other arguments which go to the merits of whether this proposal would be good legislation. I think great harm will be done if section 6(a) is not withdrawn and we let the bill go to the other House containing that section. There will be ample time to argue and to consider this matter. The question will be under consideration in the other body. Representative SISK's amendment may be offered. There will be time to study and examine it.

There is a deep-seated feeling that, however unwitting, an attempt is being made to undermine the effect of the Federal reclamation laws, which are vital to the West. Whether that feeling is founded on fact, the question has been raised. The more I think of the question and the more I listen to the debate, the more I feel section 6(a) must come out of the bill.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CARROLL. I yield.

Mr. DOUGLAS. I commend the Senator from Colorado. He comes from one of the irrigation States. It is well known that those representing the 16 or 18 irrigation States are a band of brothers. They generally stand together for appropriations.

May I say that in these projects they are bleeding the rest of the country white.

In the first place, a large part of the cost is absorbed in flood control and navigation aspects of the projects, on which there is no return. Another portion of the cost is absorbed in power projects, when it really should be charged to irrigation. Then, on the small portion which is charged to irrigation, no interest is paid. Then the principal which is repaid is impounded and not returned to the Federal Treasury, but is used for further reclamation.

Believe me, the reclamation States have made all the other States pay. If blood be the price of reclamation, we have paid in full. There is a revolt coming from the sections of the country, which pay the taxes in large part.

However, in this particular instance, I am willing to swallow my scruples if only we can be assured that this subsidy will be used to help the family-sized farm, and not help the big, agrarian, feudal landholders in this area.

What is it in the Federal reclamation law that the two Senators from California want to avoid? They say they do not want the Federal reclamation law to apply in this 500,000-acre block of land—of course they never tell us precisely where or how much it is—which will be brought in after the initial 440,000 acres are.

Why? There is only one answer—because they do not want the 160-acre limitation to apply. The Senators will not come out openly and say that, but that is the reason.

There is no question of States' rights involved. As a matter of fact, we know California does not have any law on this subject at present.

Knocking out section 6(a) would not replace the Federal reclamation law with a State law. A vacuum would be left. There should not be a vacuum left in this area any more than there should be a vacuum left in nature. We do not want a vacuum in the law, because into that vacuum will rush the big landowners with their possession of tens of thousands of acres, in some cases over a hundred thousand acre, so that they will get an increase in the value of their land, to the extent of $600 an acre, on an average, which will mean enormous benefits. From whom? These benefits will come from the taxpayers of the country as a whole.

In this process the entire irrigation and reclamation program of the country will be so besmeared and discredited that an indignant public will repudiate the whole thing.

I have been greatly pleased to observe the way the reclamation bloc seems to be breaking up, and how one Member after another will rise in his place to urge, in the interest of reclamation as a whole, that section 6(a) be stricken from the bill.

The Senator from Colorado is a loyal member of the reclamation bloc, although he is also a great public servant. The two Senators from Oregon have served notice on the Senators from California that they cannot go along with section 6(a). There has been unofficial testimony from others, yet these Senators hold on to section 6(a) because, I believe, the large landowners who agreed to this bill do not want the 160-acre limitation law applied.

Mr. President, the Senators from California speak of a partnership between the Federal Government and the State government. As they look at it, one part of this project is to be Federal, and another distinct part is to be State.

I wish to point out that the whole additional investment will be built upon the existing Central Valley project, upon which the Federal Government and the taxpayers of the Nation have already expended $630 million, and upon which they are pledged to spend an additional $230 million, or a total of $860 million.

Furthermore, the bill calls for an additional $290 million for the Federal share of the San Luis Dam and for other works, and authorizes another $190 million for a distribution system in the offing. Roughly we are going to have a prior investment of $1.3 billion.

And what is the State's share of all of this? The State says, "We will pay some of the added costs of the foundations, which have to be dug, at a cost of from $10 million to $17 million." This is California's immediate contribution. This is the partnership.

This is a marvelous partnership for California, to be able to put up $10 million to $17 million and have the use of $1.3 billion. It puts in the shade the so-called 50–50 principle of the hash made out of one horse and one rabbit. It is much worse. It is more like one molecule compared to a tremendous aggregation of material.

Then there are vague promises about the future.

I should like to point out that the whole project is dependent upon many prior Federal projects, including the great dams up north at the base of Shasta, which I have enumerated.

There is the exclusive Federal investment in the Delta Cross channel or canal, which will be used to take water from the Sacramento River to the pumping station.

Cheap Federal power will be used to lift the water from the Sacramento Basin into the San Joaquin Basin, for the so-called Federal part of the project, and possibly for the later additions, and so on.

The San Luis Dam will be a joint facility

The Oroville Dam, which has been heralded as an exclusive State project, is to have a large Federal investment of "at least"—those were Governor Knight's words—$75 million.

Yet these new additions are said to be exclusively State projects.

Mr. President, I think the full nakedness of this project is becoming manifest. I should say that the partnership is like the celebrated cartoon which John M. Baer used to draw and have published in the magazine Labor, in which he had one section of the country feeding the cow and another section of the country milking the cow. This is the partnership. The rest of the Nation will feed greenbacks into the Central Valley projects—hard-earned money for which people all over the country have worked for, and, which they have paid in taxes—and the people who will milk the project will be the big landowners of the valley.

Mr. President, that is really what is at stake if we do not strike out the section 6(a) which seeks to bar Reclamation

law from any application to their joint project.

Unless there are further questions I am disposed to yield the floor. If there are any Members of the Senate who wish to interrogate me I would not wish to disappoint them, but I am perfectly ready to yield the floor.

Mr. President, I yield the floor.

AGE REQUIREMENTS FOR ELIGIBILITY FOR OLD-AGE AND SURVIVORS INSURANCE

Mr. PROXMIRE. Mr. President, both houses of the Wisconsin Legislature have met to memorialize this Congress to reduce age requirements for eligibility for old-age and survivors insurance to 60 years of age. Like all memorials from this session of the Wisconsin Legislature, this is bipartisan. The Wisconsin Assembly is 55 to 45 Democratic, the State senate is 20 to 13 Republican.

I am glad to commend this memorial to my colleagues.

As one who has been to literally thousands of plant gates in my State over the past 6 years and talked to hundreds of thousands of working people, I can say without qualification that no single action of the Congress would be more warmly welcomed by working people throughout Wisconsin than the reduction in social security age eligibility which this memorial proposes.

I can recall very well sitting in the Senate gallery some 14 years ago, when I was in the Army stationed in Washington, and hearing "Mr. Republican"—Senator Robert Taft, of Ohio—talk of the golden day when American citizens could retire at an earlier age. As I recall, he may have mentioned 60 as the objective at this time.

Of course, Mr. President, I recognize that such a retirement provision would be very expensive. It would require a sharp increase in social security taxes on both employees and employers, but I think the suggestion nevertheless has very great merit; and I suggest my colleagues can benefit from careful study of the reasons for the reduction in social security age set forth in the resolution.

I ask unanimous consent, Mr. President, that the resolution be printed in the body of the RECORD, immediately following these remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

JOINT RESOLUTION 4, A

Joint resolution memorializing Congress to reduce age requirements for eligibility for old-age and survivors insurance

Whereas there is a serious shortage of jobs across the Nation; and

Whereas automation or the use of modernized machinery has enabled industry to boost production while the job market sags further; and

Whereas unemployment in Wisconsin is still widespread; and

Whereas people over 60 years of age with no special skills find it almost impossible to obtain jobs; and

Whereas the employment outlook for young people is considerably dimmed because older workers with seniority rights are continued at arduous tasks which tax their strength and vitality in order to meet requirements under present retirement plans: Now, therefore, be it

Resolved by the assembly, the senate concurring, That the legislature urge the Congress of the United States to reevaluate the age requirements for eligibility for old-age and survivors insurance in an effort to provide social security for unemployed older workers at an earlier age; and be it further

Resolved That a copy of this resolution be sent to the Honorable Dwight D. Eisenhower, to each Member of the House of Representatives from Wisconsin, to Senators PROXMIRE and WILEY and to the Governor and legislative body of each State.

PHILLIP ASH,
President of the Senate,
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
GEORGE MOLINARO,
Speaker of the Assembly.
NORMAN C. ANDERSON,
Chief Clerk of the Assembly.

AWARD TO CANON CITY CHAMBER OF COMMERCE

Mr. CARROLL. Mr. President, the Canon City, Colo., Chamber of Commerce has won recognition for its outstanding achievement in developing a better understanding of the American economic system.

The Chamber of Commerce of the United States gave its top award of 1958 to the Canon City Chamber of Commerce for its economic understanding program, and I believe it an honor which was well deserved. I am most happy at the prize-winning activity.

Dr. Kon Wyatt, Sr. is president of the Canon City Chamber of Commerce, and George Reitemeier is the manager of the livewire organization. Joe Chapman is another leader in the very worthwhile program which made it possible for the Canon City organization to receive this national honor.

Canon City has many attractions. The bridge across the Royal Gorge at this place is one of the most spectacular sights in the Nation.

But Canon City is not dependent on spectacular scenery to justify its existence. It has a population of 17,500, has good schools and churches, manufacturing, industry, fine homes and happy people.

But the chamber of commerce inaugurated a program which is worthy of high praise, and this was not overlooked by the U.S. Chamber of Commerce when it presented its top award to the Canon City Chamber of Commerce.

The business relations committee of the chamber of commerce was formed in Canon City only slightly more than 2 years ago. Its program was based on the belief that divisions within the community and the lack of real cooperation with the citizens in all walks of life came from the lack of understanding of each other's problems. This was the basis for the program which has developed national recognition.

It was felt the best start for such a program was to draw together the business people of the community. The discussion group program was the kickoff. The results of closer unity and cooperation were felt immediately in the business area. The other groups' programs were then inaugurated, and within a few short months walls and barriers which divided the groups within the community were torn down.

With this new climate of relationships the Canon City Chamber of Commerce took many steps forward in solving community, social and labor problems.

Among the outstanding programs offered during the year was a Business-Clergy Day. Ministers of many churches attended all-day sessions at six diversified business firms. In this manner many concepts not correctly understood were explained, which dispelled the error from the minds of the participants. A similar program was carried out for the teachers and educators of Canon City, and later the businessmen visited the schools.

Over 50 business and professional men and women participated in a 17-week course in basic economics to prepare themselves to tell the story of free enterprise. These students of business acted as hosts to the many groups which were exposed to a clearer understanding of economic problems and their influence on social and political issues. The course provided the opportunity to many to gain their first knowledge of economics. Guest speakers were frequent, and told the story of free enterprise and its advantages.

This outstanding program brought about better team play in the community, and I am most happy the U.S. Chamber of Commerce has selected the Canon City Chamber of Commerce for its top award in promoting economic understanding.

SIXTY-FIFTH ANNIVERSARY OF CATHOLIC CZECH AMERICAN NEWSPAPER NAROD

Mr. HRUSKA. Mr. President, on May 16th the Catholic Czech American newspaper, the Narod will publish an anniversary issue marking its 65th year of uninterrupted existence.

This newspaper was founded as a daily by the late Right Reverend Abbot Procopius Neuzil, O.A.B., in 1894. It was published by the Benedictine Fathers of St. Procopius Abbey as a daily until 1954, when it was changed to a semi-weekly publication.

Originally its publication was entirely in the Czech language. It is published at this time in that language with a 12-page supplement in the English language.

It has served the cause of America well among immigrants from Czechoslovakia, in many ways, toward the goal and objectives of good American citizenship. Traditionally, it has taken a leading role in many Catholic social and charitable endeavors among the Czech Catholic people.

In more recent years, it has taken its place among those foremost in vigorously exposing and opposing communism in this country. Especially has it striven to counteract the Communist lies and propaganda which are circulated among and directed against Americans of Czech and Slovak origin.

The leaders and the publishers of this journal are to be congratulated upon this journal's attaining its 65th anniversary. They are to be commended for their leadership and vision, as well as their constant efforts, to attain the best in American citizenship.

May their efforts continue with the same dedication and the same zeal into the many years which lie ahead.

SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIFORNIA

The Senate resumed the consideration of the bill (S. 44) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Without objection, it is so ordered.

Mr. MORSE. Mr. President, I understand it is the intention of the leadership either to recess or adjourn tonight and to proceed with the debate tomorrow. I am much pleased, as usual, to accommodate the leadership, but I have a couple of matters I desire to put in the RECORD.

I have received a telegram from one of the leaders of the Young Democrats of the State of California, Mr. Keith Murray, 350 Santa Clara, Oakland, Calif., in which he states:

> Urge fight for unqualified 160-acre limitation in San Luis bill on behalf of California Democrats who seek a State limitation but are deceived into supposing this bill all right.

That telegram is only one of the many additional communications which are being received from Democrats in California, let me say to the junior Senator from California and my very good Democratic friends from the House who are also interested in the bill, showing the Democratic Party policy in California. I am informed that it has always been consistent with the policy of the National Democratic Party in regard to the matter of protecting the small family-sized farm in connection with the 160-acre limitation.

I do not intend to walk out on that Democratic Party policy. I intend to fight for it on the floor of the Senate. I have received another communication, from a very fine Democratic leader of California, Miss Anga Bjornson, who, I am sure, is well known to the junior Senator from California and to my Democratic friends in the House who are very much interested in the bill. She is one of the leaders of the Democratic Party in California, and at the present time is a member of the Democratic central committee of that State.

I received a letter from her today. I think she addressed another letter, of somewhat different content, but the same meaning, to my great leader in this debate, the Senator from Illinois [Mr. DOUGLAS].

She pointed out that last Thursday she sat in the Senate gallery and listened to the debate in the Senate, participated in by the two Senators from California, the Senator from Illinois, and the Senator from Oregon. In this letter, which I shall place in the RECORD with the consent of the Senate, she states that she agrees with the position taken by the Senator from Illinois and the Senators from Oregon, and disagrees with the position taken by the two Senators from California in regard to section 6(a) of the bill.

She is a member of the Democratic Central Committee of California. She so completely agrees with us and so completely disagrees with the reported position of the Governor of California on this question that she sent us a copy of the letter which she has written to the Governor of California, seeking to apprise him of the fact that she does not believe that he has been fully informed as to the implications of section 6(a) of the bill, and suggesting that he obtain a little better understanding of the facts before he permits his name to be used on the floor of the Senate in support of section 6(a).

The question was asked this afternoon by the senior Senator from California [Mr. KUCHEL] as to who speaks for the people of California. The Senator from California seems to think the Governor of California speaks for the people of California. My reply is that he does not if he is wrong on an issue. The only thing that speaks for the people of California is the right side of an issue; and if a Governor is wrong on an issue, I do not accept him as speaking for the people of California. I am sorry if the Governor believes—although we have nothing in the RECORD which specifically so states—that section 6(a) should remain in the bill, in the light of the record made in this debate. If we had anything of the sort in the RECORD, the only conclusion I could reach would be that on that issue Pat Brown would be dead wrong.

If the two Senators from California wish to use Pat Brown, the Governor of California, as a witness in support of section 6(a), I believe they should get from the Governor of California a statement for the RECORD tomorrow to the effect that he has read the debates, that he has read the arguments advanced on the floor of the Senate against section 6(a), and that he thinks the issue should be decided by way of an amendment to the reclamation laws rather than by the courts of America, which have authority to decide questions affecting the application of the reclamation laws.

If the name of the Governor of California is to be used in debate in support of the contention that the Governor believes section 6(a) should remain in the bill, I believe we should have a statement from the Governor for the record. I cannot purport to speak for the Governor of California, but I have a very high regard for him. I had a high regard for him when he was attorney general of the State of California. I have a high regard for him as Governor of California. I think it is very easy to give the impression in this debate that the Governor of California is for the bill, unchanged, when he has not had the benefit of a study of the debates and the arguments which have been made.

This afternoon a member of the committee, the Senator from Colorado [Mr. CARROLL], after becoming familiar with the content of the debate, stated on the floor of the Senate that he agrees that section 6(a) should be dropped from the bill.

Mr. President, I ask unanimous consent that the letter which I have received from Miss Bjornson and a copy of the letter she wrote to Governor Brown, be printed in the RECORD, with the understanding that I shall delete from the two letters any language which could possibly violate rule XIX of the Senate.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

PIEDMONT, CALIF., *May 8, 1959.*

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORSE: Yesterday, I had the privilege of sitting in the balcony of the Senate, listening to the magnificent discussion by both you and Senator DOUGLAS and Senator LAUSCHE. As you may know, I am a resident in the State of California and a member of the Democratic central committee of that State. In 1954, this is incidental, I ran for the Senate and received 130,000 votes. I merely state this to let you know that I have been more than casually interested in politics.

In all my political activity in the State I have fought for the Reclamation Act and I always find that the citizens of my community agreed 100 percent with my interpretation of that basic act. I know, therefore, that if the people of California had heard your speeches yesterday, they would have applauded 95 percent.

Unfortunately, as no one knows better than you how difficult it is to make people aware of the fights that take place in the Congress of the United States as well as State legislatures * * *.

I know Governor Brown personally, and he knows that I have worked in the State for the Democratic Party and also supported him wholeheartedly in every election in which he has been a candidate.

I am enclosing a copy of the letter I am sending to him in regard to the debate which took place yesterday. I hope you have time in your busy schedule to read what I am sending you. I am sending similar letters to Senators DOUGLAS and LAUSCHE.

Thanking you again, and someday I hope you, too, will have your name and picture in the room in the Senate dedicated to great Senators. You surely deserve it.

Sincerely yours,

ANGA BJORNSON.

PIEDMONT, CALIF., *May 8, 1959.*

Hon. EDMUND G. BROWN,
Governor, Sacramento, Calif.

DEAR PAT: I've been visiting across the country for a few weeks now, and came in to Washington, D.C., just in time to see the Congress in action yesterday. I sat in the balcony of the Senate during the debate on S. 44, the San Luis project. It puzzled me to see a man whom all liberal Democrats admire, Senator PAUL DOUGLAS, of Illinois, take the lead in opposition to S. 44 as offered by our two California Senators, KUCHEL and ENGLE. He pointed out that he was for the

development of the water and land potentials of our rich Central Valley, that his opposition to S.44 was because it destroyed the long-established land policies of this Nation as contained in the acreage limitation law of 1902. As you know, the law provides that Federal monies and subisidies for water development must not result in enrichment of those land profiteers who get more than enough water from such installations than is required for a family sized farm.

When all the camouflage was lifted by Senator DOUGLAS' brilliant attack on S. 44, it was apparent that we are dealing here with an attempt of the big landowners, the corporations like the Southern Pacific with 120,000 acres of land gotten through false promises in which they promised to build a railroad which they never built, get a tremendous windfall through the construction of the San Luis project. What surprised me was that the California Senators did not answer this charge, as the record of the debate amply shows.

But a Senator said on the floor of the Senate that you had proposed a plan for the expenditure of $11 billion of money in a State water project, which included the State's part of the San Luis. Am I to understand, as a Californian who, as you know has taken and now takes a very active part in the political and public life of the State, that we are to bond ourselves and the next generation for 40 years to come for this enormous sum to benefit the rich corporations owning the bulk of the land to be irrigated by the San Luis project?

I have been proud of our Democratic platform. And when a Senator read a telegram from you on this whole subject, urging the passage of S. 44 as introduced, saying that at some future time, whenever it seems appropriate, the matter will be taken up with the legislature, imposing acreage limitations through State law to prevent large landholders benefiting from public development of irrigation water, I was astonished.

For surely one could not pass a bad law now and then hope to change the situation at some future time when the dam is built and the water is being spread on the lands of the corporation farms. For we all know very well, that to get legislation passed then, or to get these corporation farms to sign contracts to dispose of their excess lands then, will prove utterly impossible.

Frankly, Governor Brown, I feel it is because these great land owners do not fear the fulfillment of such a promise as was read that they are all supporting the passage of S. 44 now. We, the people of California, and you, their representative, are not going to link ourselves up alongside these land grabbers and speculators by giving them S. 44 as introduced, if we mean to keep faith with the principles of democracy in which we believe.

This is what Senator DOUGLAS told the Senate.

In my humble opinion, you should wire our representatives in both Houses of Congress, while there is yet time to save the San Luis project, to pass a proper measure, seeking those amendments which will insure the application of the acreage limitation law. For this purpose, all of section 6(a) should be stricken.

The language appearing on page 3, lines 2 and 3 should be stricken, reading as follows: "Except so far as the provisions thereof are inconsistent with this act;" and all of section 3, (f), (h), and (g) should be removed. Then the intent of the act will be clearly to make the acreage limitation law apply to these mixed development programs in which the State and Nation have a stake.

Governor Brown, we have a great opportunity to make the State of California into the "land of milk and honey" its people deserve. But we cannot do it by turning over the riches of the State's land and waters to a handful of national corporations for exploitation. Let us live up to the high level of performance we all expect of us as the first Democratic peoples' government in California in a quarter of a century. Let us act on this matter now.

Let us not forget that $11 billion expanded by the State of California will be a bonded indebtedness of $21 billion in 40 years. These are tax-exempt bonds from which banks will benefit at a time we cannot find enough money to finance our schools. Why not use the interest free money provided by the Federal Government in the Reclamation Act?

Sincerely yours,

ANGA BJORNSON.

Mr. MORSE. Mr. President, in order that there may be no misunderstanding, when I first received the telegram from the head of the California Grange, Mr. George Sehlmeyer, I read it as follows:

California State Grange supports amendments S. 44 all waters delivered from San Luis projects be under reclamation law. Therefore, suggest section 6(a) be deleted from the bill.

When the telegram arrived, it read "suggest section 6 be deleted from the bill." I was satisfied that there was a typographical error. He would not send me a telegram urging that all of section 6 be eliminated, but only section 6(a). So my office got into telephonic communication with Mr. Sehlmeyer, and I was authorized to correct his telegram in accordance with his intention when he sent it, so as to read "suggest section 6(a) be deleted from the bill" rather than "section 6."

This means that the head of the California Grange believes that section 6(a) should be stricken from the bill. That brings the head of the Grange in California, along with the leaders of the Farmers' Union, in support of the Douglas-Morse-Neuberger amendment.

In order that I may have it in the RECORD for purposes of reference tomorrow, I invite attention to an article entitled "The Land," published in the Oregon Grange Bulletin for May 5, 1959, discussing the San Luis bill, and giving great support to the position which the Senator from Illinois and the two Senators from Oregon have taken on this issue.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE LAND

Ever since its founding, the United States has been fighting to keep vast areas of productive land out of the hands of the few. One result has been that except for minor instances, the United States has avoided the land problems that have haunted most of the rest of the world.

The battle has not been easy. The power that lies in the ownership of huge areas of soil has always attracted men of wealth and ambition. Whole landed empires have been built by individuals in Europe, Asia, and South America. An impoverished peasantry was almost always the result. Revolutions have flourished in the need for land reform.

By and large, American democracy can claim its basic foundation in the family farm of reasonably small dimensions. For more than a century great American figures sprang from the soil. The independent farmer was a figure of sturdy tradition.

One reason for the existence of this kind of rural life was the success of the Federal Government in limiting the amount of land that settlers could farmstead, in limiting the acreage that could take advantage of Federal irrigation projects. The 160-acre quarter section was the standard—at most, 320 acres for a man and his wife.

This 160-acre limitation of irrigated land has always been fought bitterly by land speculators or developers. This has been especially true in desert areas where land can be bought for a song and overnight become immensely valuable should multimillion-dollar irrigation systems be installed by the Government.

This has been especially true in California, in particular the great Central Valley whose topsoil is the richest in the world, needing only water to produce bumper crop after bumper crop. For the most part the water that it has comes through federally built dams and works. This water is subject to the Federal 160-acre limitation except on agreement by the owner to sell his excess irrigable land after 10 years.

Big landowners, at times, have gone along with this stipulation reluctantly. But mostly they have fought in one way or another to break down the 160-acre limitation.

They are doing it now in California's Central Valley in a highly legalistic maneuver that seeks to take advantage of the present States rights and partnership atmosphere so strongly favored by the Eisenhower administration.

The project involves the Federal San Luis service area where irrigation works are to be built serving a large area mostly owned by a relative handful of individuals and corporations. Construction of this project by the Federal Government with Federal acreage limitation provisions included has always been opposed by big leaders among the land interests.

Now, suddenly, everybody seems to be for it. Why? Because a scheme has been developed to circumvent the acreage limitation provision. The proposal is that the Federal and State Governments will build the project jointly.

The Federal part of the project, of course, will come under the Federal 160-acre limitations. But what about the State part which won't get built unless there are Federal funds to start with? Are there adequate provisions in the proposed legislation to make sure that the State doesn't turn around, flaunt the 160-acre limitation and put untold millions of dollars into the pockets of the area's huge landowners who will see their desert holdings turned into gardens at the expense of both National and State taxpayers?

There have been many pious expressions of California politicians that this mustn't happen and won't happen.

Nevertheless, there are other groups that are convinced that this is exactly what will happen unless ironclad restrictions are placed in the Federal legislation authorizing Federal participation in the project.

What they point to is a clause in the bill now before the Senate which says "the provisions of the Federal reclamation laws shall not be applicable to water deliveries or to the use of drainage facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis service area."

They see another provision which would make it possible for a complacently minded Secretary of the Interior to turn over the whole business to the State under conditions that would ignore the 160-acre limitations.

And they don't trust the State of California to resist the powerful landholding groups that are well represented both in Sacramento and Washington.

Groups which are alarmed at what they fear are clearly moves to get the camel's nose under the tent are the California Water and Power Users Association, the California

Labor Federation, AFL–CIO, the California Federation of Young Democrats, and the California State Grange.

Another strong fighter against the opening of the door to a breakdown of the 160-acre limitation is editor George Ballis of the labor-owned Valley Labor Citizen, published in Fresno, which is in the heart of the Central Valley.

These groups are convinced that unless the huge landowners who will profit enormously by the project are placed under tight recordable contracts to sell their excess land at the end of 10 years, in accordance with previous precedents, the entire 160-acre limitation principle will be at stake and the door will be opened to immensely rich land domains that public policy has always opposed.

They don't want assurances that everything will be all right. They want tight contracts before work is even begun. They have been told that unless the law is passed without such contracts, the project won't be built. In view of the immense principle at stake and the huge windfall that a handful of landowners stand to make, they are willing to risk that.

The acreage in the Federal part of the project totals over 450,000 acres. The State will serve a much larger but as yet not clearly defined area. Some 12 percent of the owners hold over 76 percent of the land. One railroad company, Southern Pacific, holds title to 120,000 acres obtained 75 years ago as part of the biggest Federal giveaway program of all time.

Acreage in the State part of the project is even more extensive.

Some of the other huge owners are: Standard Oil, Tidewater Oil, Shell Oil, DiGiorgio Fruit Corp., the Los Angeles Times, and Kern County Land Co.

In some cases the huge areas go back to the Spanish era before the entry of California into the Union. In others, corporations have systematically bought up large areas of dry land for low prices. In others, as in the case of DiGiorgio, the land was acquired in comparatively recent years.

In any event, land that today may be worth a few hundred dollars an acre will be worth $1,000 or more once there is a possibility of attaining cheap irrigation water provided by the American taxpayers both on the State and Federal levels.

But even more important than the immense dollar windfalls is the social principle of whether huge land holdings are to be encouraged, "factories in the fields" extended, and the best land in California permanently controlled by the few.

The issue is expected to come under debate in the Senate shortly. What Congress decides to do will be crucial for California's future.

Mr. MORSE. Mr. President, in cooperation with the leadership, I yield the floor at this point, with the understanding that I shall continue my discussion of this issue in the debate tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HART in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, under the order previously agreed to, I move that the Senate——

Mr. KUCHEL. Mr. President, I should like to ask if my colleagues from Oregon and Illinois will lend me their ears for a moment. Earlier today I asked if there was an opportunity for an agreement to be reached that at a time certain the Senate may proceed to vote. This is the third day now that we have devoted to this proposed legislation. I believe that the record has been thoroughly embellished. Would there be any disposition on the part of my two valiant and valued friends to enter into a reasonable agreement on a time to vote?

Mr. MORSE. I am ready to vote now.

Mr. KUCHEL. Then I wonder, in view of that statement of the Senator from Oregon, if he would agree to a unanimous-consent agreement that we shall vote at a time certain tomorrow, since many of my friends have left the Chamber with the understanding that there would not be any vote tonight.

Mr. MORSE. I would be ready to have a vote on the amendment right now, without any unanimous-consent agreement.

Mr. KUCHEL. Inasmuch as several Senators on my side of the aisle have been told that there would be no vote this evening, I ask unanimous consent that the vote on the pending amendment be taken 1 hour after the end of the morning hour tomorrow.

Mr. MORSE. I could not agree to that.

Mr. KUCHEL. Two hours after the morning hour.

Mr. MORSE. I could not agree to that.

Mr. KUCHEL. Is my friend from Oregon prepared to enter into an agreement to vote on the amendment at any time tomorrow?

Mr. MORSE. I am for letting nature take its course.

Mr. KUCHEL. I regret that my friend is prepared to vote now, when there are so few Senators in the Chamber, but is not prepared to vote tomorrow at a time certain, when we might have a substantial number of Senators voting on this important issue. Would the Senator from Oregon be prepared to agree to a time certain on Wednesday of this week?

Mr. MORSE. I would rather wait to hear from the country. I will not enter into an agreement now.

Mr. KUCHEL. Is there not some inconsistency in the position the Senator takes? He is prepared to vote now——

Mr. MORSE. I am merely trying to be a good parliamentary general.

Mr. DOUGLAS. I think that, of course, the situation is that if we were to vote now we would win.

Mr. KUCHEL. That is an unfortunate attitude for my able friend, the Senator from Illinois, to take.

I have said that we should vote this issue up or down, but certainly not with only a handful of Senators on the floor. I say we should let the Senate of the United States stand up and be counted.

Mr. MORSE. I am sure the Senator from California has it in his parliamentary power to determine, when this question will finally come to a vote so far as his side is concerned, whenever those who support his position are here. I can assure the Senator that is going to be the position taken by the Senator from Oregon on the opposition side. So we have not reached such a state in this debate when I could possibly agree to fix any time certain, other than now, for a vote.

Mr. KUCHEL. I regret that very much, because if my able friend from Oregon is willing to vote now I do not see why he should not be willing to enter into a unanimous-consent agreement, so that all Senators could be on notice that they would be called upon to vote on this important issue tomorrow.

I simply want the RECORD to show my regret that that cannot be accomplished.

Mr. MORSE. This is not the time for me to discuss the policy of the Senate of having most of its votes by unanimous-consent agreement. I have long been an opponent of unanimous-consent agreements, as a general policy, for voting in the Senate. I have tried to accommodate the leadership in regard to unanimous-consent agreements. However, certain experiences I have had with unanimous-consent agreements have convinced me that they should be a rarity rather than the general rule. All I am doing now is for the first time expressing my general attitude against entering into unanimous-consent agreements to vote except under the most rare circumstances.

ADDRESS DELIVERED BY FORMER SENATOR KNOWLAND AT THE UNIVERSITY OF CALIFORNIA

Mr. KUCHEL. Mr. President, on May 3, at the Bancroft Library, University of California, our former Senate Republican leader, Hon. William F. Knowland, delivered a most interesting address. In the course of it he stated that the papers and documents which he accumulated during his long official life as a Senator will be made available to our great State university. His comments are interesting and constructive. We recall with pleasure his many years of service here, and we remember him as a strong, persuasive Senator, who received the highest honors his Republican colleagues could accord him. But beyond that, our Democratic brethren, like those on this side of the aisle, knew, and know, Bill Knowland as a good friend. I ask unanimous consent that his remarks on the occasion referred to be printed in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY HON. WILLIAM F. KNOWLAND

I am very happy to be back on the campus today. Little did I realize 30 years ago while studying for finals in this great university library that I would one day be delivering a lecture here.

As an alumnus of the university I share the pride of all Californians in our university, which has come to be recognized as one of the greatest institutions of learning in the entire world.

When the invitation was extended to me to speak at this meeting of the friends of the Bancroft Library, I gave considerable thought to the subject matter. Obviously,

in the limitations of time from the date of the invitation to today, and in the time allocated for my remarks, you would not expect an historic paper of the first magnitude.

Yet, having such a high regard for our university and the Bancroft Library, I did want to use the opportunity to make a preliminary statement which might be considered as a preface to a subsequent, more detailed, and documented paper on California's growing importance in the political, cultural and economic life of our country.

There is also much than can and needs to be said on the U.S. Senate, as one of the great legislative bodies of the world and the functions of Senate leaders, majority and minority.

In 13½ years in the Senate of the United States, as majority or minority leader for 6 of those years, I have, of course, accumulated a considerable number of documents, letters and memoranda, at least a part of which has invaluable historic interest and significance.

I hope to be able in the near future to bring some order out of the strong boxes, mail bags, and filing cabinets that fill several rooms. These I intend to make available to the Bancroft Library in response to the invitation of the University of California authorities.

Since I had succeeded the late Senator Hiram W. Johnson in the Senate, whose papers are now in this library, future researchers will have available source material for 42 years of continuous Senate service.

As an indication of how the responsibilities of a California Senator have grown, when Hiram Johnson came to the Senate in 1917, the State had a population of approximately 3 million, and when I left the Senate on January 3 of this year, California had a population of almost 15 million.

I at first gave some thought to speaking to you today on the subject of California's representation in the Senate of the United States from 1850 to the present. I thought that from my experience in the Senate, I could go through the records of my predecessors, and in the proverbial blue book sense, compare and contrast and come up with some interesting observations.

I plunged into this subject without realizing the vastness of it. When you consider that most doctoral dissertations which have personalities as their subject matter limit the scope to one historical figure, I soon came to the realization that it would be impossible for me to thoroughly research and synthesize the lives and works of 34 men, spanning a period of over 100 years, and do all this in a month's time.

A full-time doctoral candidate, working full-time on one thirty-fourth of such a subject takes several years. I came to realize that a full-time newspaperman tackling the entire field and working during unencumbered nights, might take decades.

But I confess to you that it was with some disappointment that I had to abandon my original goal. The subject fascinated me and it was with a great deal of interest that I studied the lives of a number of the men who had preceded me in the Senate. But I learned a great deal from my somewhat cursory study. I could, of course, have come to you with a bulky compilation of statistics, such as of the 34 Senators who represented California, only 8 of them were native born Californians; or that 14 were Republicans, 14 were Democrats, 2 were Union Republicans, 2 were Antimonopoly Democrats, 1 was a Free Soil Democrat, and 1 was a Union Democrat; or, that in length of service, my immediate predecessor, Hiram Johnson, holds the record with more than 28 years of continuous service in the Senate, and that a fellow publisher, Thomas Storke, with only 1 month and 25 days, was a Senator for the shortest time. My own service of 13 years was third in length of time, coming after Hiram Johnson and George C. Perkins, who had 21 years in the Senate.

But such statistics, as interesting as they might be, are not really history. The job of the historian is to synthesize and to explain, and search for the significance in each event. I am sure you now understand why it was necessary for me to abandon my original goal.

The debate over California's admission into the Union extended over many months after President Zachary Taylor, on February 13, 1850, laid before Congress the constitution California had adopted, with its anti-slavery section and recommended its admission as a State.

William H. Seward, in the U.S. Senate, March 11, 1850, during the debate, said: "Today, California is a State, more populous than the least and richer than several of the greatest of our 30 States. This same California, thus rich and populous is here asking admission into the Union, and finds us debating dissolution of the Union itself." His plea for California's admission as a free State ended with these words: "While looking forward to that day, its countless generations seems to me to be rising up and passing in dim and shadowy review before us; and a voice comes forth from their serried ranks saying: 'Waste your treasures and your armies, if you will; raze your fortifications to the ground; sink your navies into the sea; transmit to us even a dishonored name if you must; but the soul you hold in trust for us, give it to us free. You found it free, and conquered it to extend a better and surer freedom over it. Whatever choice you have made for yourselves, let us have no partial freedom; let us all be free; let the reversions of your broad domain descend to us unencumbered, and free from the calamities and sorrows of human bondage.' "

Daniel Webster, by vote of the Senate in 1958, determined to be one of the five greatest Senators, showed during the statehood debate that even those in that limited distinguished company were not infallible. In answering John C. Calhoun with a solidly reasoned account of the rise of slavery in the South, he came to the conclusion, seemingly cogent at the time, that as cotton could not be grown in California, slavery was debarred there by act of God. His logic appeared so unanswerable that in the end it prevailed in the Senate.

Today, Senator Webster to the contrary notwithstanding, California is one of the leading cotton producing States of the Union. While Webster was conversant with some of the geographic and geologic attributes of California, he was only willing to concede that there were some tracts of valuable land.

The Webster-eye view of California as presented in the Senate on March 7, 1850, was: "California and New Mexico are Asiatic in their formation and scenery. They are composed of vast ridges of mountains of enormous height, with broken ridges and deep valleys. The sides of these mountains are barren—entirely barren—their tops capped with perennial snow. There may be in California—now made free by its constitution—and no doubt there are—some tracts of valuable land."

Today as we look upon the agricultural productivity of a California that ranks first among all the States of the Union in value of its crops, farming as we do 14 million acres of which 7 million are irrigated, out of which we produce 124 different agricultural products, even Webster would admit that some tracts had done right well.

One of the most interesting things which I came across during the evenings I spent here in the Bancroft Library, was the diary kept by Senator Milton S. Latham, who served in the Senate from 1860 to 1863. Perhaps Latham's case had a special and understandable interest as far as I am concerned. Subsequent to his being elected Governor and prior to his inauguration, a vacancy in the U.S. Senate resulted from the death of Senator David C. Broderick, who had been killed in a duel with Judge David S. Terry. Two days after taking his oath of office as Governor, on January 9, 1860, Latham was chosen U.S. Senator by the legislature and resigned effective January 14, thus serving as Governor for less than 1 week. Even in those days, distant pastures seemed greener. Latham's long trip from San Francisco to New York by way of an overland crossing of Panama is in sharp contrast to the 4½-hour jet plane trip between the west coast and east coast which I made 2 weeks ago.

A week after arriving in Washington he was dining at the White House with President Buchanan. Except for the party leaders, it is not unusual for a Senator today to go through one or more 6-year terms without ever privately dining with the President, be he Democrat or Republican. Such have the burdens of the Presidency become, together with the increase in Senate membership from 62 to 98 and soon to be 100.

In the earlier days of Senate history the job was less burdensome than today. The direct election of U.S. Senators, brought about by the 17th amendment in 1913, made a considerable change in the Senate. In the days when Senators were elected by the legislatures of the several States they retained a larger share of their ambassadorial status as representatives of their sovereign States. Since then they have become to a much greater extent than previously, Senators of the United States. James D. Phelan, in 1914, and Hiram W. Johnson in 1916, were the first two California Senators elected by direct vote of the people.

After I was sworn in as a U.S. Senator on August 26, 1945, I began to realize that Californians are prolific letterwriters. Certainly I make no complaint, and I believe correspondence and contact between constituent and Congressman is both necessary and desirable.

I went to Senator Wallace White of Maine, then the Republican leader of the Senate and asked him how long the very large volume of mail had been flooding the Capitol. He told me that in his personal experience a great change took place during World War I. Senator White had come to Washington in 1899 as a committee clerk and subsequently as secretary to his grandfather, Senator William Pierce Frye, who was President pro tempore of the Senate. He told me that if Senator Frye received more than 10 letters a day he felt he was being imposed upon. All the communications were replied to by handwritten letters and the office kept no files. No constituent called on a Senator unless he was personally brought and introduced by a Member of the House of Representatives. I could not help recalling this story a few years later when Gen. Douglas MacArthur was removed from his command. My office alone received over 110,000 letters and telegrams in the subsequent 10-day period.

It is perhaps some sort of historical coincidence to recall to your memory that my predecessor, Senator Johnson, died on August 6, 1945, the date the atomic bomb was dropped on Hiroshima. A phase of our life had come to an end and the public was made cognizant that we had entered the atomic age. Eight days later, on August 14, 1945, Gov. Earl Warren cabled me overseas that I had been selected to succeed the late Senator Johnson. August 14 was V–J Day. Since there was more important business with higher military priority, I did not get the cable until several days had passed. As a matter of fact, I first learned

of my appointment through reading an article in the Army newpaper, Stars and Stripes.

I came back from Army service to serve 13½ years in the post-World War II period with the great problems of demobilization, OPA controls, economic dislocations, the Berlin blockade, the Korean war, a change in administration, the cold war, and the opening up of the space age.

These were eventful years and as long as I shall live I shall be grateful to the people of California for having given me the privilege of representing them in the Nation's Capitol.

Now that the means of communication and destruction have speeded up to a fantastic degree, a challenge is presented to our schools, our press, and our public officials to make certain that our people are fully informed.

The survival of western civilization, war, and peace, life and death, prosperity or economic dislocation, a rule of law or lawless violence, these are all the people's business. No longer can a free government deal with a free people on a "papa knows best" policy.

Security classifications are only justified to protect the bona fide security needs and never to cover up the mistakes of public officials, local, State, or national.

Of one thing we can be certain. California's contribution to the economic, political, and cultural life of the Nation will continue to expand.

We have received a great heritage from those who preceded us and a part of whose myriad exploits, successes, and failures are recorded in the stacks and files of this great Bancroft Library of the University of California.

God grant that in this jet and space age we may take heart from the sacrifices of the pioneers and in the faith of those who founded our missions, our churches, and our synagogues, that we may understand that whatever material success we have achieved in California and in America has come from the divine guidance which has made and preserved us a nation.

ADJOURNMENT

Mr. MANSFIELD. Mr. President, I wish to inform the Senate that we will meet at 12 o'clock noon tomorrow and stand in recess at 12:15, to march in a body to the House of Representatives for a joint session of Congress in honor of the King of the Belgians.

Mr. President, I move that, under the order previously entered, the Senate stand adjourned until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 46 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Tuesday, May 12, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 11, 1959:

U.S. PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

I. FOR APPOINTMENT

To be surgeon

Clarence A. Imboden, Jr.

To be senior assistant veterinary officer

Joe R. Held

To be nurse officers

Rena E. Boyle
Kathryn M. Fritz
Dorine J. Loso

To be health services officer

Marion Andrews

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

I. FOR PERMANENT PROMOTION

To be medical directors

George Massengill
Robert F. Martin
Paul A. Lindquist
R. Lincoln Smith
George E. Parkhurst
Randolph P. Grimm
Elmer L. Hill
James F. Maddux
Eugene J. Gillespie
Edward T. Blomquist
James L. Elliott
Andrew P. Sackett
Frederick C. Bartter
Herbert Tabor
Robert J. Huebner
Luther Terry
Joseph H. Bragdon
Donald S. Martin
John M. Whitney
Will H. Aufranc
Burnet M. Davis
Leon A. Heppel
Fred W. Thyng
Mary Walton
Elton S. Osborne, Jr.
Robert W. Rasor
William W. Richards
Lewis C. Robbins
Carl R. Kunstling

To be senior surgeons

Charles S. McCammon
Richard A. Malmgren
Roger K. McDonald
Andrew G. Morrow
Robert O. Scow
James H. Baxter
Milton Zises
G. Donald Whedon
Robert C. Lam

To be surgeons

Louis A. Gaul
Donald S. Fredrickson
Howard W. Kopping
William B. Kannel
Eugene W. Veverka
Wallace P. Rowe
Charles M. Bowyer
Aubrey F. Haynes
Fred J. Payne
Joseph A. Falzone, Jr.
Melvin R. Davis
Robert J. Trautman
David C. Miller
Margaret S. Wheeler
Cameron L. Self
Bernard G. Keizer
James L. Goddard
Craig S. Lichtenwalner
Gilbert R. Christenson
T. Phillip Waalkes
Donald R. Chadwick
Frederick Stohlman, Jr.
Leonard J. Duhl
David Horwitz
Edward V. Evarts
John L. Stephenson

To be senior assistant surgeons

Conrad E. Herr
Ellsworth Y. Ching
George H. Christ
Joseph M. Torruella
S. Ross Fox, Jr.
Stanley R. Mohler
Richard I. Myers
Jack P. Clark
Vernon O. Larson
Donald C. Loos
Norbert L. Dugan, Jr.
Paul P. Carbone
Dean F. Tirador
Richard L. Pentecost
Ray L. Zeigler
James D. Bremner
Robert A. Fouty
David N. Smiley
Richard G. Griffin
Alexander V. Monto
Ray A. Harron
George W. Sciple

To be dental directors

Mark E. Bowers
Fred D. Lewis, Jr.
Dennis E. Singleton, Jr.
John C. Heckel
Earl C. Hewitt
Maurice S. Rodgers

To be senior dental surgeon

Charles P. White

To be dental surgeons

Richard L. Hayes
Viron L. Diefenbach
Norman W. Littleton
Stanley Lotzkar
James L. Field
Harold M. Fullmer
Marvin S. Burstone

To be senior dental surgeons

John F. Dyar
William R. Wallace
James E. Hardwick III
Kenneth C. Lynn
Ralph S. Johnson
Herald D. Green, Jr.
Samuel Kakehashi
Raymond Berlin
James W. Smith, Jr.
Richard A. Coulson
Richard C. Doub
John L. Ames
John T. Bauer
Richard H. Fender
Alfred Hamel

To be sanitary engineer directors

James H. Le Van
Ralph Porges
John S. Wiley
Kaarlo W. Nasi
Richard L. Woodward
Gerald W. Ferguson
Conrad P. Straub
Ernest C. Anderson
Donald L. Snow
George L. Carley, Jr.
Roscoe H. Goeke
Graham Walton
Ralph C. Graber

To be senior sanitary engineers

Andrew D. Hosey
Henry J. L. Rechen
Frederick S. Kent
Charles R. Bowman
Earl H. Arnold
Keith S. Krause
Lloyd W. Gebhard

To be sanitary engineers

William E. Bell
Lester M. Klashman

To be senior assistant sanitary engineers

Paul A. Kenline
Walter M. Sanders III
George W. Walsh

To be assistant sanitary engineers

Paul W. Kolp
Lloyd A. Reed
Marvin D. High
Robert A. Herrick
Anton J. Muhich

To be senior pharmacists

Henry L. Verhulst
Reede M. Ames

To be senior assistant pharmacist

Mark H. Barnett

To be scientist directors

Roy F. Fitz
Ralph C. Barnes
Harold B. Robinson
Dohrman H. Byers
David B. Lackman
Howard W. Bond
Elmer G. Berry
John H. Hughes
Leon Jacobs
Milton Silverman
Louis J. Olivier

To be senior scientists

William B. Cherry
Harvey I. Scudder
Walter L. Newton
Geoffrey M. Jeffery
R. Edward Bellamy
Robert J. Fitzgerald
Paul P. Weinstein
George E. Jay, Jr.

To be scientists

Martha K. Ward
Sidney S. Chernick

To be sanitarian directors

Glenn M. Kohls
Maurice E. Odoroff

To be senior sanitarians

Louis J. Ogden
Kent S. Littig

To be sanitarians

Morgan S. Seal
Joseph A. Staton

To be veterinary officers

Robert W. Menges
Donald D. Stamm

To be senior assistant veterinary officers

Daniel Cohen
Roy F. Kinard, Jr.
Wellington Moore, Jr.
Robert L. Watson

To be nurse directors

Ellwynne M. Vreeland
Esther A. Garrison
Vera P. Hansel
Ethel A. Todd
Martha B. Naylor
Frances E. Taylor

To be senior nurse officers

Esther Kaufman
Apollonia O. Adams
G. Alice Boore
Ann F. Mathews
Jeannette E. Potter
Jane Wilcox
Josephine K. Fitzpatrick
Maria B. Rementeria

To be nurse officers

Mildred Jones
Anne J. Lello
Mary B. Krause
Mary L. Casey
Katherine B. Holland
Irma F. Monlux
Doris D. Day
Ava S. Dilworth

To be senior dietitian

Clara B. Tavis

To be senior assistant therapists

Michael J. Oliva
John L. Echternach
Donald E. Shipley

U.S. JUDGE

John A. Field, Jr., of West Virginia, to be U.S. district judge for the southern district of West Virginia, vice Ben Moore, deceased.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 11, 1959:

DEPARTMENT OF AGRICULTURE

Frank A. Barrett, of Wyoming, to be General Counsel of the Department of Agriculture.

COMMODITY CREDIT CORPORATION

Frank A. Barrett, of Wyoming, to be a member of the Board of Directors of the Commodity Credit Corporation.

U.S. TARIFF COMMISSION

Joseph E. Talbot, of Connecticut, to be a member of the U.S. Tariff Commission for the term expiring June 16, 1965.

FARM CREDIT ADMINISTRATION

The following-named persons to be members of the Federal Farm Credit Board, Farm Credit Administration, for terms expiring March 31, 1965:

Glen R. Harris, of California.
J. Pittman Stone, of Mississippi.

COMPTROLLER OF CUSTOMS

Stanley Ormsbee Styles, of Saugerties, N.Y., to be comptroller of customs with headquarters at New York.

COLLECTOR OF CUSTOMS

Robert Higgins, of California, to be collector of customs for customs collection district No. 28, with headquarters at San Francisco.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 11, 1959

The House met at 12 o'clock noon.

Rev. J. Paul Brown, associate pastor, First Methodist Church, Houston, Tex., offered the following prayer:

Thou who art the Supreme Architect of the Universe, we come to Thee at the beginning of this week to take a fresh look at Thy plans for Thy people and their betterment. Dedicate our motives as we hear our Master saying, "He that is greatest among you shall be your servant."

May the memories of the yearnings for places of influence and prominence burn upon our conscience that we may be humbled before our tasks. May we be diligent in the pursuit of our calling that we may prove ourselves to be workmen that needeth not be ashamed.

Bless this our legislative body. May they be empowered with divine wisdom. In the midst of their perplexities, give them a vision that will illumine this darkened world.

May Thy presence in our lives be a source of wisdom and truth, of order and sanctity.

Bless Thy people throughout this good earth, that by the diligence of their hands they may seek to spread wide freedom's banner.

In the name of the Master we pray. Amen.

The Journal of the proceedings of Thursday, May 7, 1959, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On April 27, 1959:

H.R. 2575. An act to authorize the appropriation of $500,000 to be spent for the purpose of the III Pan-American games to be held in Chicago, Ill.; and

H.R. 3648. An act to regulate the handling of student funds in Indian schools operated by the Bureau of Indian Affairs, and for other purposes.

On May 5, 1959:

H.R. 2589. An act for the relief of Elizabeth Lucie Leon (also known as Lucie Noel); and

H.J. Res. 301. Joint resolution providing for printing copies of "Cannon's Procedure in the House of Representatives."

THE LATE HONORABLE DONALD AUBREY QUARLES

Mr. VINSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON. Mr. Speaker, it is with sorrow that we note the passing of an able and dedicated public servant, the Deputy Secretary of Defense, Donald Aubrey Quarles.

Mr. Speaker, no Member of the Congress, no resident of the District of Columbia, no citizen of the Nation, can be unfamiliar with the tremendous responsibilities of the Department of Defense. And the Department of Defense is not a self-operating organization. Next after the Secretary of Defense, the Deputy Secretary of Defense occupies one of the most important offices in our Federal Government.

Mr. Quarles occupied the position of Deputy Secretary of Defense from April 9, 1957 until his death. Prior to that date he served as Secretary of the Air Force, and prior to that date, from September 1, 1953, he had served as Assistant Secretary of Defense for Research and Development.

Few American citizens have devoted themselves so completely, and so unselfishly, to the task of national security as did Donald A. Quarles.

An Arkansan by birth, a graduate of Yale University, and a veteran of World War I, having served as an enlisted man and as a captain in the Field Artillery, Mr. Quarles was a man of great accomplishments.

He was successful in every endeavor to to which he applied himself. An engineer at the Western Electric Co.; department head of the Bell Telephone Laboratories; director of the transmission development department and director of apparatus development of Bell Telephone Laboratories; vice president of Western Electric Co.; and president of Sandia Corp.

In addition to his important positions in the executive branch of the Government, he was also a member and later Chairman of the Committee on Electronics of the Joint Research and Development Board, Department of Defense; Chairman of the reorganized Air Navigation Development Board; and a member of the National Advisory Committee for Aeronautics.

He is claimed, rightfully so, by two States: the State of his birth, Arkansas, and the State of his residence, New Jersey.

He was active in local affairs. Mr. Quarles served as president of the Common Council of Englewood, N.J., from 1940 to 1946, and as mayor of Englewood from 1946 to 1948.

He received honorary degrees from the University of Arkansas, New York University, Grinnell College, Stevens Institute, and Yale University. He was a member of Phi Beta Kappa, Sigma XI, the American Association for the Advancement of Science, the Yale Engineering Association and the Telephone Pioneers of America, as well as a fellow of the American Institute of Radio Engineers and the American Institute of Electrical Engineers. In fact, Mr. Quarles was president of the American Institute of Electrical Engineers from August 1952 to August of 1953.

Mr. Quarles was a devoted public servant. He was an engineer and a scientist. He was interested in obtaining the facts. I am told by those who worked directly with him that he was properly intolerant of superficial answers, but inspired those who worked for him to efforts beyond their normal capacity. He had a mind trained to preciseness, coupled with an inexhaustible memory. Whether one agreed or disagreed with this distinguished American citizen, one always realized that he was fully informed and that any decision he reached had been reached after careful consideration. Each person who had business with him was given his day in court. The example he set to the devotion of the task at hand and for never accepting or providing less than the best, made all of those who were associated with him aspire to his high standards.

Mr. Speaker, the Nation can ill afford the loss of men of Mr. Quarles' capacity and devotion to duty. I can only summarize my own impression of Mr. Quarles by quoting from a poem by John Quincy Adams, delivered in the 2d session of the 25th Congress on December 4, 1837:

Almighty Father! Look in mercy down!
Oh! grant me virtue, to perform my part—
The patriots fervor, and the statesman's art
In thought, word, deed, preserve me from thy frown.
Direct me to the paths of bright renown—
Guide my frail bark, by truth's unerring chart.
Inspire my soul; and purify my heart;
And with success, my steadfast purpose crown.
My country's weal—be that my polar star—
Justice—thou rock of ages' is thy law—
And when thy summons calls me to thy bar
Be this my plea, thy gracious smile to draw—
That all my ways to justice were inclin'd—
And all my aims—the blessing of mankind.

When death touched the sleeping Donald Quarles on the 8th of May, our Nation lost one of its most distinguished and able leaders. To his bereaved wife and to their children we proffer our heartfelt sympathy. Their loss is our loss. Husband, father, friend, and public servant, this distinguished gentleman will live on in our memories.

RUMANIAN INDEPENDENCE DAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, Rumanians are one of the largest of Balkan nationality groups who have had the misfortune to suffer under oppressive alien regimes during most of modern times. As a matter of fact they had to struggle hard and fight relentlessly in defense of their freedom throughout their long history. In the course of these life-and-death struggles they often suffered defeats, even though even in defeat they survived as a distinct national entity.

Late in the 15th century Rumania was overrun and conquered by the Ottoman Turks, and for centuries Rumanians lived under the rule of cruel Ottoman Sultans. For several centuries they endured the almost unbearable yoke of their alien rulers, but they succeeded in maintaining their traditional national beliefs and national ideals, freedom and independence. During the middle of the last century they had their chance to attain their goal, and after the conclusion of the Crimean War in 1856, they regained autonomy with the guarantee of the great powers of Europe. Years later, in 1880, the Sultan's suzerainty was relaxed and the kingdom of Rumania was created. On May 10 of 1881 King Carol was crowned as the King of United Rumania, and that is the date which is being celebrated as the founding of the Rumanian kingdom, or the Rumanian Independence Day. Today, even though some 17 million Rumanians live in their homeland under Communist totalitarian regime, they and their more fortunate kinsmen in the free world celebrate the 78th anniversary of that memorable day, the founding of the Rumanian kingdom, the real Independence Day of the Rumanians.

I join all Americans of Rumanian descent and hope that their unfortunate kinsmen suffering under totalitarian dictatorship will one day attain their freedom and that Rumania will again assume its place among the free and independent nations of the world.

TO PRESERVE ELLIS ISLAND AS A NATIONAL SHRINE

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FEIGHAN. Mr. Speaker, today I have introduced a bill to establish Ellis Island as a national shrine to be administered by the Smithsonian Institution. Such a shrine would contain exhibits of early immigrant life and complete microfilm records of all immigrants. The Statue of Liberty ferry from the New York City Battery could be rerouted to include a stop at Ellis Island. Ellis Island was the port of entry for more than 10 million immigrants whose descendants today number at least one-tenth of our present population. To these millions of Americans Ellis Island is their Plymouth Rock. Establishment of Ellis Island as a national shrine will forever complement the Statue of Liberty. The Statue of Liberty and Ellis Island are synonymous. Both epitomize freedom and individual liberty to the world.

VETERANS' ADMINISTRATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I understand that the independent offices appropriation bill that is coming up shortly contains cuts in three very important items for the Veterans' Administration. One is the inpatient care, the other is the outpatient care and the third has to do with the administrative offices. I have had protests already from the DAV, the Veterans of Foreign Wars, the American Legion, and other veterans' organizations. I hope very much that these cuts may be restored.

THE LATE HONORABLE DONALD A. QUARLES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, in the passing of Under Secretary of Defense Donald A. Quarles, our Nation has lost one of the finest men and most dedicated public servants that I have ever known. He had great strength of character and ability and was a tireless worker. A great soldier. A great American. He worked day in and day out and gave his life to his country. He was very helpful to so many. He never refused to help me in any matter for my district and for my State, and after he had done so, he would say, "What can I do next to help?" The success of the Lowell Technological School in my district is a living memorial of his assistance, as President Sydne of the institute said he made the institute when he sent the Air Force Reserves to be trained there and he helped with the great research development there. Secretary Quarles was a very remarkable man and one that the country can ill afford to lose. My sympathy goes to his wonderful wife and his children. Mrs. Quarles took up flying after she married the Under Secretary and was of great help to him. In every way they made a wonderful couple and one that Washington and the country will never forget. My deepest sympathy goes to all of his family and friends who mourn him.

EGG PRICES

Mr. SMITH of Iowa. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SMITH of Iowa. Mr. Speaker, I have noticed with interest lately that the Representatives from many areas are complaining that eggs produced at a cost of about 38 cents per dozen are bringing only about one-half that amount on the market. This is a very serious matter to those who have worked so hard to make an abundance of eggs available.

The thing that I want to call to your attention, however, is that many of these same Representatives are great advocates of low grain prices and that they and others have promoted the idea of low feed grain prices. Low feed grain prices have resulted in many farmers increasing drastically the number of hens that they keep on the farm for egg production.

Low feed grain prices may have temporarily benefited some egg producers, but the long term result has been a loss for both the feed grain producers and the egg producers. Feed grain prices at 90 to 100 percent of parity would, in fact, be a long term stabilizer for the price of eggs.

I hope that some of those low feed grain price advocates will profit by this additional proof of the utterly fallacious approach they have had to feed grain problems. One will never benefit from his mistakes unless he recognizes them, and then tries to do something about them. I do hope that some of these low feed grain price advocates will now recognize the mistakes in their thinking and forever more avoid the idea that some segments of agriculture can profit at the expense of other segments of agriculture.

COMMITTEE ON BANKING AND CURRENCY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent on behalf of the gentleman from Kentucky [Mr. SPENCE] that the Committee on Banking and Currency may sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

COMMITTEE ON THE JUDICIARY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee

on the Judiciary may sit during general debate during all of this week.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

HASTY LEGISLATIVE PROCESSES

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, I take this time to object to the consideration this afternoon of the independent offices appropriation bill. I point out, Mr. Speaker, that it was impossible to obtain a numbered copy of this bill until this morning. In a short time we will be dealing with a bill providing for appropriations totaling $6½ billion; yet the Members will not have had an opportunity to read the bill or the report accompanying the bill before they are called upon to consider it.

I object to this method of trying to run a legislative railroad.

INCREASING SUPPORT FOR NATIONAL MILK SANITATION CODE

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, I am pleased at the way interest is mounting in my national milk sanitation bill, which would let milk that meets the standards of the U.S. Public Health Service's Milk Code move freely in interstate trade. My colleagues, Congressmen QUENTIN BURDICK, of North Dakota, and MORGAN MOULDER, of Missouri, have recently joined the 18 other House sponsors of the proposed legislation. Many others have requested background information on this bill, which will eliminate the use of outdated sanitary standards as trade barriers against the free flow of high-quality milk from State to State.

ANNOUNCEMENT OF HEARING TO CONSIDER NATIONAL FLORAL EMBLEM BILLS

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JONES of Missouri. Mr. Speaker, I wish to advise the House that the Subcommittee on the Library of the Committee on House Administration will hold hearings next Monday afternoon, May 13, at which time we will consider all bills which have been introduced proposing the selection of a national flower or floral emblem. Any bill introduced by that time dealing with the subject will be taken up.

All Members who are interested are invited to be present at the meeting which will be held in the hearing room of the Committee on Agriculture, room 1310, New House Office Building.

THE LATE HONORABLE DONALD QUARLES

Mr. KEARNS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KEARNS. Mr. Speaker, I, too, wish to pay tribute to the late Under Secretary of Defense, who left us last Thursday. I followed his career very closely, not only here but around the world. It is my personal opinion that very few men who have served the military have ever made such a fine contribution to the solution of our international problems and our military strategy as did Donald Quarles. Not only was he a great soldier but also his vast wealth of knowledge in the field of science added much to the effectiveness of our Department of Defense. Long after he is gone the people will remember his splendid contribution.

NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL PROBLEMS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 133)

The SPEAKER laid before the House the following message from the President of the United States, which was read; and, together with the accompanying papers, referred to the Committee on Banking and Currency and ordered to be printed:

To the Congress of the United States:

I herewith submit to the Congress the Agreement for the establishment of the Inter-American Development Bank together with a Special Report of the National Advisory Council on International Monetary and Financial Problems recommending United States participation as a member of such Bank. Representatives of the United States took an active part in the inter-American meetings which formulated the agreement. I urge that the Congress enact legislation authorizing the President to accept membership in the Bank for the United States and to assume the subscription obligations prescribed in the agreement.

The establishment of the Inter-American Development Bank and our participation in it will be a most significant step in the history of our economic relations with our Latin American neighbors. It will fulfill a long-standing desire on the part of the Latin American Republics to have an inter-American institution specifically designed to promote the financing of accelerated economic development in Latin America. At the Buenos Aires Economic Conference in August and September of 1957, the United States supported a resolution calling for a study of possible solutions for the problems of financing economic development. In August of 1958 the United States indicated that it would be prepared to consider the establishment of a development institution for Latin America and in September of that year an informal meeting in Washington of the Foreign Ministers of the American Republics recommended that a specialized committee of governmental representatives negotiate and draft an instrument for the organization of such a development institution. A specialized committee, thereafter established by a resolution of the Inter-American Economic and Social Council, was convened at the Pan American Union in Washington on January 8, 1959, and devoted 3 months of continuous effort to the preparation of the agreement which I now lay before the Congress for its approval.

The proposed institution is well designed to serve the needs of the Latin American Republics on a sound financial basis. The bulk of its assets, $850 million, which are subscribed for the capital stock of the Bank, are to be used to make or facilitate loans on banking terms, repayable in the currency in which the loan has been made. Each member republic is called upon to make a significant subscription to the capital of the Bank. Of the $850 million in authorized capital stock, $400 million is for paid-in shares to be paid for in installments over a period of approximately 3 years. Half of each installment is payable in gold or dollars, and half in the national currency of the members. The U.S. subscription to the paid-in capital is $150 million. The Latin American subscriptions for such capital total $250 million.

The balance, $450 million of callable capital, will constitute a guarantee of borrowings by the Bank in capital markets and would only be actually expended if the Bank were unable to meet its commitments. It is planned that the Bank will rely heavily on raising funds from private sources for the financing of sound economic development projects in Latin America. The U.S. portion of the callable capital is $200 million.

It should be noted that the agreement expresses the intention of increasing the capitalization of the Bank by an additional $500 million after September 30, 1962, if the increase is approved by a three-fourths vote in the Board of Governors. The increase would be in the form of callable capital and the U.S. share would be approximately $200 million. This arrangement was included in recognition of a deep conviction on the part of the Latin American representatives that definite provision should be made in the agreement for an increase in the capital of the Bank at an early date. The U.S. representatives agreed that such an increase would be desirable but believed that it would be wise to have an initial period of experience with the Bank's operations before the additional capital was subscribed. Accordingly, if the Bank's operations are established on an effective basis in accordance with ex-

pectations, the United States will in good faith be committed to vote for the increase and subscribe to its share of the increased capital.

The agreement also establishes a Fund for Special Operations to be financed by specified contributions by all of the member countries, half in gold and dollars and half in the national currencies of the members. Its initial resources will be $150 million. The United States contribution of $100 million is payable in installments, the first of which will be $50 million. The Fund is established for the making of loans on terms and conditions appropriate for dealing with special circumstances arising in specific countries or with respect to specific projects, where normal terms of lending would not be appropriate. Loans by the Fund may be made repayable in whole or in part in the currency of the borrowing country. The agreement carefully segregates the resources of the Fund from the capital resources of the Bank so as not to jeopardize, in any way, the financial soundness of the institution and its ability to raise funds in the capital markets.

It is proposed that the funds necessary to meet the initial portion of the U.S. subscription to the Bank be provided by a no-year appropriation, to be expended at such time after its enactment as may be desirable taking into account the active role which the United States has played in formulating the proposal for the Bank.

The charter authorizes the Bank to provide its members, and private entities in the territories of the members, with needed technical assistance. Particular attention is given to technical assistance in the fields of preparation, financing, and execution of development plans and projects, and the training of personnel specializing in the formulation and implementation of development plans and projects. These are two areas where there has long been a need for additional assistance and the facilities which will be provided by the Bank should be very helpful to member countries in utilizing their international borrowing capacity for the development projects most essential to their economies.

Throughout the agreement emphasis is given to the promotion of private investment in Latin America. It is recognized that only through the increased flow of private investment can the desired rate of progress be attained, and that public institutions such as the one now being created, must complement, rather than substitute for, private investment.

In the preparation of the agreement careful attention has been given to the experience of other institutions for international financing. The representatives of the Latin American countries, as well as those of the United States, have demonstrated an awareness of the necessity of making adequate provision for safeguarding the resources of the institution in order that its future existence as an important factor in the development of the hemisphere may be assured. In this respect the agreement follows, in many aspects, the charter of the International Bank for Reconstruction and Development. It is anticipated that the new Bank will work closely with existing sources of public credit, including the International Bank for Reconstruction and Development, the Export-Import Bank, and the Development Loan Fund.

The special report of the National Advisory Council, submitted herewith, describes the agreement creating the Bank in greater detail.

I am strongly of the opinion that because of the following general policy considerations the United States should support the creation of this Bank for Latin America:

(1) The special relationship, historical, political and economic, between the United States and the Latin American Republics;

(2) The pressing economic and social problems in the area resulting from a rapid rate of increase in population and widespread desire for improved living conditions; and

(3) The desirability of an institution which will specialize in the needs of Latin America, which will be supported in large part by Latin American resources and which will give the Latin American members a major responsibility in determining priorities and authorizing loans.

I urge the Congress to enact promptly legislation enabling the United States to join with the other members of the Organization of American States in establishing the Inter-American Development Bank which will foster, in a sound and efficient manner, more rapid advance by the people of the nations south of our border as they strive to improve their material well-being.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *May 11, 1959.*

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed a bill of the following title, in which concurrence of the House is requested:

S. 1559. An act to provide for the striking of medals in commemoration of the 100th anniversary of the first significant discovery of silver in the United States, June 1859.

DISTRICT OF COLUMBIA DAY

The SPEAKER. This is District of Columbia day. The Chair recognizes the gentleman from South Carolina [Mr. MCMILLAN].

Mr. MCMILLAN. Mr. Speaker, I ask unanimous consent that I may have permission to insert in the RECORD, after consideration of each bill that is taken up today, an explanation thereof.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. MCMILLAN. Mr. Speaker, I now yield to the gentleman from Florida [Mr. MATTHEWS].

REGULATION OF THE PRACTICE OF DENTISTRY IN THE DISTRICT OF COLUMBIA

Mr. MATTHEWS. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 4072) to amend the act entitled "An act for the regulation of the practice of dentistry in the District of Columbia, and for the protection of the people from empiricism in relation thereto", approved June 6, 1892, as amended, and ask unanimous consent that this bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 of the Act entitled "An Act for the regulation of the practice of dentistry in the District of Columbia, and for the protection of the people from empiricism in relation thereto", approved June 6, 1892 (27 Stat. 42), as amended (sec. 2-308, D.C. Code, 1951 edition) is amended by adding the following sentence at the end thereof: "The Board of Dental Examiners may, in its discretion, waive the theoretical examination and issue a license to any applicant who holds a certificate from the National Board of Dental Examiners: *Provided,* That such applicant shall pass a practical examination given by the Board of Dental Examiners: *Provided further,* That in exercising its discretion to waive theoretical examinations the Board of Dental Examiners shall satisfy itself that the examination given by the National Board of Dental Examiners was as comprehensive as that required in the District of Columbia."

SEC. 2. The foregoing amendment of said Act of June 6, 1892, as amended, shall not be considered as affecting the authority vested in the Board of Commissioners of the District of Columbia by Reorganization Plan Numbered 5 of 1952 (66 Stat. 824), and the performance of any function vested by said plan in the Board of Commissioners or in any office or agency under the jurisdiction and control of said Board of Commissioners shall continue to be subject to delegation by said Board of Commissioners in accordance with section 3 of such plan. Any function vested by this amendatory act in any agency established pursuant to such plan shall be deemed to be vested in said Board of Commissioners and shall be subject to delegation in accordance with said plan.

Mr. MATTHEWS. Mr. Speaker, the purpose of this bill is to authorize the Board of Dental Examiners in its discretion to waive the theoretical examination which is usually given if the candidate to practice dentistry in the District has had or now has a certificate from the National Board of Dental Examiners.

Under existing law the Board of Dental Examiners for the District of Columbia is required to give two examinations, a theoretical and a practical examination.

The National Board of Dental Examiners is composed of 9 members of the Council of the National Board of Dental Examiners together with 20 additional persons who come from all parts of the United States, and who act as consultants in the preparation of the National Board questions. This council was established by the American Dental Association in 1928 and has a standing committee.

It was felt that the questions that are prepared by the National Board give a much broader cross section or scope in the dental field than is possible by the

Dental Board itself making up its own questions.

The bill does not waive the power or the rights of the District of Columbia Dental Board to give an examination—it merely authorizes them to accept a certificate that the candidate has passed the National Board examinations. If they are not satisfied with those questions which were asked in the National Board examination were comprehensive enough for practice in the District they can go ahead and give their own theoretical examination.

This bill was requested by the District Commissioners. We had hearings on it, and it was unanimously reported by the subcommittee and the full committee. It will cost no money, and as far as I know there is no opposition to the bill.

I now yield to the gentleman from Pennsylvania [Mr. KEARNS].

Mr. KEARNS. The gentleman is correct in his statement, and there is no opposition.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REGULATION OF CLOSING-OUT AND FIRE SALES IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 2318) to provide for the regulation of closing-out and fire sales in the District of Columbia, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of this Act, (1) "closing-out sale" shall mean and include all sales advertised, represented, or held forth under the designation of "going out of business," "discontinuance of business," "selling out," "liquidation," "lost our lease," "must vacate," "forced out," "removal," or any other designation of like meaning; and (2) "person" shall mean and include individuals, partnerships, voluntary associations, and corporations.

SEC. 2. (a) No person shall advertise or offer for sale in the District of Columbia a stock of goods, wares, or merchandise under the description of closing-out sale, or a sale of goods, wares, or merchandise damaged by fire, smoke, water, or otherwise, unless he shall have obtained a license to conduct such sale from the District Commissioners. The applicant for such a license shall make an application therefor in writing and under oath at least 14 days prior to the opening date of sale, showing all the facts relating to the reasons and character of such sale, including the opening and terminating dates of the proposed sale, a complete inventory of the goods, wares, or merchandise actually on hand in the place whereat such sale is to be conducted, and all details necessary to locate exactly and identify fully the goods, wares, or merchandise to be sold.

(b) If the Commissioners shall be satisfied from said application that the proposed sale is of the character which the applicant desires to advertise and conduct, the Commissioners shall issue a license, upon the payment of a fee of $100 therefor, together with a bond, payable to the District of Columbia in the penal sum of $1,000 conditioned upon compliance with this Act, to the applicant authorizing him to advertise and conduct a sale of the particular kind mentioned in the application. Any merchant who shall have been conducting a business in the same location where the sale is to be held for a period of not less than one year, prior to the date of holding such sale shall be exempted from the payment of the fee and the filing of the bond herein provided.

(c) The Commissioners shall endorse upon such application the date of its filing, and shall preserve the same as a record of office, and shall make an abstract of the facts set forth in such application, and shall indicate whether the license was granted or refused.

(d) Any person making a false statement in the application provided for in this section shall, upon conviction, be deemed guilty of perjury.

SEC. 3. No person in contemplation of a closing-out sale under a license as provided for in section 2 of this Act shall order any goods, wares, or merchandise for the purpose of selling and disposing of the same at such sale, and any unusual purchase and additions to the stock of such goods, wares, or merchandise with 60 days prior to the filing of application for a license to conduct such sale shall be presumptive evidence that such purchases and additions to stock were made in contemplation of such sale.

SEC. 4. No person carrying on or conducting a closing-out sale or a sale of goods, wares, or merchandise damaged by fire, smoke, water, or otherwise, under a license as provided in section 2 of this Act shall, during the continuance of such sale, add any goods, wares, or merchandise to the damaged stock inventoried in his original application for such license, and no goods, wares, or merchandise shall be sold as damaged merchandise at or during such sale, excepting the goods, wares, or merchandise described and inventoried in such original application.

SEC. 5. No person shall conduct a closing-out sale or a sale of goods, wares, or merchandise damaged by fire, smoke, water, or otherwise beyond the termination date specified for such sale, except that an extension may be authorized upon proper showing of need; nor shall any person, upon conclusion of such sale, continue that business which had been represented as closing out or going out of business under the same name, or under a different name, at the same location, or elsewhere in the District of Columbia where the inventory for such sale was filed; nor shall any person, upon conclusion of such sale, continue business contrary to the designation of such sale.

SEC. 6. Any person who shall advertise, hold, conduct, or carry on any sale of goods, wares, or merchandise under the description of closing-out sale or a sale of goods, wares, or merchandise damaged by fire, smoke, water, or otherwise, contrary to the provisions of this Act, or who shall violate any of the provisions of this Act shall be deemed guilty of a misdemeanor and shall, upon conviction thereof, be fined not less than $50 and not more than $500, or shall be imprisoned for not less than ten days and not more than six months, or both.

SEC. 7. The provisions of this Act shall not apply to sheriffs, constables, or other public or court officers, or to any other person or persons acting under the license, direction, or authority of any court, local or Federal, selling goods, wares, or merchandise in the course of their official duties.

SEC. 8. Upon complaint of any person, the United States District Court for the District of Columbia shall have jurisdiction in equity to restrain and enjoin any act forbidden or declared illegal by any provisions of this Act.

SEC. 9. This Act shall become effective sixty days after the date of its enactment.

With the following committee amendments:

On page 1, line 4, after the word "include" insert "any sale in connection with which there is any representation by the person conducting such sale that the sale is being conducted, or is required or compelled to be conducted, for reasons of economic or business distress, inability to continue business at the same location, or the age or health of the owner or owners of the business, and the term 'closing out sale' shall include but not be limited to,".

On page 4, line 17, after "SEC. 6." add "(a)".

On pages 4 and 5 strike the following language: "not less than $50 and not more than $500, or shall be imprisoned for not less than ten days and not more than six months, or both", and insert in lieu thereof "not more than $300 or imprisonment for 90 days or both".

On page 5, following line 2, insert a new subsection:

"(b) Prosecutions for violations of this Act shall be conducted in the name of the District of Columbia by the Corporation Counsel or any of his assistants."

On page 5, line 4, strike out "sheriffs, constables, or other".

On page 5, following line 13, insert a new section:

"SEC. 10. Nothing in this Act shall be construed so as to affect the authority vested in the Commissioners by Reorganization Plan No. 5 of 1952 (66 Stat. 824). The performance of any function vested by this Act in the Commissioners of the District of Columbia or in any office or agency under the jurisdiction and control of said Commissioner may be delegated by said Commissioners in accordance with section 3 of such plan."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. Without objection, the title is amended by correcting the spelling of the word "clossing-out" to read "closing-out."

There was no objection.

Mr. McMILLAN. Mr. Speaker, the purpose of this legislation is to provide for the regulation of closing-out and fire sales in the District of Columbia.

At a hearing before a subcommittee of this committee, it was brought out that a considerable number of what are known as "going out of business" sales are not such sales in fact, but are sales which are so characterized in order to take advantage of the ignorant, gullible, or credulous individual. It was further pointed out that many such sales are carefully planned and executed according to a schedule and are not motivated by any condition or situation of business distress.

This legislation provides that the operators of any "going out of business" sales shall obtain a license. Application for such license must be made under oath at least 14 days prior to the opening of the sale, and all the facts of such sale, including a complete inventory of goods, wares, or merchandise involved, must be made known at the time of such application. Provision is made for the

payment of a $100 license fee and for a bond in the amount of $1,000, although merchants who have been in a location for at least a year prior to the date of any such sale may be exempt from the payment of the prescribed license fee and the filing of the bond. The bill further provides that no person shall order goods, wares, or merchandise for the purpose of disposing of the same at the "going out of business" sale.

The bill further provides that with respect to the sale of goods damaged by fire, smoke, water or otherwise, no additional goods, wares, or merchandise may be added to the damaged stock which is being sold.

The bill provides for a period of time during which a "going out of business" sale may be conducted and for the extension of the termination date established for such sale, upon a proper showing of need.

The bill, as amended, provides that persons found guilty of violating its provisions shall be fined an amount not to exceed $300 or imprisonment for 90 days or both.

LICENSING AND BONDING OF COLLECTION AGENCIES IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 2317) to provide for the licensing and bonding of collection agencies in the District of Columbia, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That no person shall conduct within the District of Columbia a collection agency or engage within the District of Columbia in the business of collecting claims for others, or of soliciting the right to collect or receive payment for another of any claim, or advertise, or solicit, either in print, by letter, in person, or otherwise, the right to collect or receive payment for any other of any claim, or seek to make collection or obtain payment of any claim on behalf of another without having first applied for and obtained a license. The license fee shall be $ per annum.

SEC. 2. The term "collection agency" shall not, for the purposes of this Act, be deemed to include the following when engaged in the regular course of their respective professions or businesses:

(1) Attorneys at law.

(2) Persons regularly employed on a regular wage or salary, in the capacity of credit men or in a similar capacity, except as an independent contractor.

(3) Banks and financing and lending institutions.

(4) Common carriers.

(5) Title insurers and abstract companies while doing an escrow business.

(6) Licensed real estate brokers.

(7) Employees of licensees under this Act.

SEC. 3. The Board of Commissioners of the District of Columbia shall establish a Collection Agency Board which shall—

(1) advise and assist the Commissioners;

(2) consist of three members appointed by the Commissioners; and

(3) be composed of members who shall have been engaged in the collection business for a period of five years immediately prior to his appointment. One member shall be appointed for the term of one year, one appointed for the term of two years, and one appointed for the term of three years. Upon the expiration of the term of office of any member of the Board, the Commissioners shall appoint a member for the term of three years. Upon the death, resignation or removal of any member of the Board, the Commissioners shall appoint a member to fill out the unexpired term. Any member of the Board may be removed by the Commissioners after due hearing for failure to properly perform his duties. The Corporation Counsel of the District of Columbia or his representative shall as legal adviser to the Board. The Board shall meet quarterly or upon call of the Chairman of the Board. The Board shall investigate, as to qualifications, all applicants for licenses. If the Board's recommendation is unfavorable, the Commissioners shall reject the application. Otherwise, it shall be approved and the license granted. The tenure of office of any member of the Board shall depend upon his being continuously engaged in the collection agency business during the term of office.

SEC. 4. The Collection Agency Board shall require any duly licensed collection agency to file with the District of Columbia and maintain in force a sufficient bond in the penal sum of $10,000 in a form to be prescribed by the Board, as it shall deem reasonably necessary to safeguard the interest of the public. Such bond shall, in addition to all other requirements of the Board, be conditioned for the payment of all damages by owners or assignors of accounts, claims, or debts by reason of the failure of any licensed collection agency to report and remit the proceeds of the collection thereof.

SEC. 5. In addition to any other penalty, any person, firm, corporation or voluntary association, or any officer or director of any corporation or association carrying on business as a collection agency without first having obtained from the Board a license, or who carries on such business after the revocation or expiration of any license, is guilty of a misdemeanor and punishable by a fine not to exceed $500 or by imprisonment not exceeding six months or by both fine and imprisonment.

SEC. 6. (a) Application for a license shall be made in writing to the Board of Commissioners in such form as may be required by the Board. The application shall state, among other things, the name of applicant together with the name under which the applicant will do business and the street and number location for which the license is sought. The application shall be accompanied by sworn statements of three reputable citizens of the District of Columbia, each of whom shall certify that he has personally known the person who signed the application for a period of at least five years prior to the date of execution, that he is not related or connected by blood or marriage to the person concerning whom he is certifying and that the person is competent to engage in the collection business, is honest, truthful, and of good character and reputation.

(b) No applicant shall be granted a license unless he is of good moral character, a citizen of the United States, at least twenty-one years of age and the possessor of at least a high school diploma. Each applicant for a license shall have not less than two years' experience in the business of collecting or the equivalent in an allied or related field, shall not have been convicted of any crime involving moral turpitude; shall not have a record as a defaulter in the payment of money collected or received for another, or be a former licensee whose license was suspended or revoked and not reinstated.

(c) Applicants for licenses shall satisfactorily pass an examination, practical in character and such length, scope, and character as the Board deems necessary to determine the fitness of applicants to engaged in the general collection agency business or in the repossession collection business as the case may be. The number and character of questions, examination procedure, method of grading, general average required to be obtained by successful applicants, and other details of the examinations shall be determined by the Collection Agency Board, or by rules and regulations established by the Board of Commissioners.

SEC. 7. (a) Upon receiving and filing the application and bond and satisfactorily passing the required examination, the Board of Commissioners shall grant and issue a license. Upon receipt of the license, the licensee has the right to conduct the business of a general collection agency or to engage in the repossession-collection business subject to any rules and regulations of the Commissioners.

(b) Each license, or duplicate license, together with the current continuation license, if any, shall be conspicuously displayed at the place of business noted in the license at all times. The license is not transferable and is effectual until the first day of July next ensuing the date thereof and is renewable unless sooner revoked or canceled. No license shall be revoked or suspended except after a hearing before the Collection Agency Board. A complaint stating the grounds for revocation or suspension shall be served in writing on the license not less than twenty days nor more than thirty days after filing of the complaint against the licensee.

SEC. 8. It shall be unlawful for any licensee under the provisions of this Act to do any of the following:

(1) Prepare, publish, or distribute any system of collection letters, demands forms, or other printed matter upon his stationery, or upon stationery upon which the licensee's name appears in such manner as to indicate that a demand is being made by the licensee for the payment of any sum or sums due or asserted to be due, where such forms are to be sold or furnished to any person other than the licensee, to be used by such person at any address different from the address of the licensee as shown on the face of the license.

(2) Advertise for sale or threaten to advertise any claim for sale as a means of endeavoring to enforce payment thereof, nor agree to do so for the purpose of solicitation of claims, provided, however, that any licensee may advertise for sale claims he has received as assignee for the benefit of creditors, as a trustee in bankruptcy, or acting under any order of court.

(3) Publish, or post or cause to be published or posted, any list of debtors commonly known as a "dead beat" list.

(4) Collect or attempt to collect by the use of any methods contrary to postal laws and regulations of the United States.

(5) Use any unfair methods of competition as defined by the Unfair Practices Act.

(6) Commingle the money of his customers with his own, except insofar as he may be authorized by the rules and regulations of the Collection Agency Board.

(7) Employ any person as a solicitor or collector who has been convicted of a felony or any crime involving moral turpitude, with knowledge of such conviction, or employ any person whose licenes to engage in the business of a collection agency has been revoked, with knowledge of such revocation.

(8) Directly or indirectly aid or abet any unlicensed person to engage in business as

a collection agency or receive compensation therefrom.

SEC. 9. Every licensed collection agency shall maintain a separate and distinct bank account in which the share of all payments received belonging to the persons, firms, or corporations, for whom the accounts are being collected, shall be deposited and left deposited until a remittance is made to such persons or firms.

With the following committee amendment:

Strike out all after the enacting clause, and insert: "That paragraph numbered 46 of section 7 of the Act entitled 'An Act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and three, and for other purposes', approved July 1, 1902, as amended (sec. 47–2345, D.C. Code, 1951 edition), is amended by adding thereto the following subparagraph:

"'(c) The Commissioners may in their discretion require that any class or subclass of licensees licensed under the authority of this section to engage in a business, trade, profession or calling involving an express or implied agreement to collect money for others shall give bond to safeguard against financial loss those persons with whom such class or subclass of licensees may so agree.

"'The bond which may be required by the Commissioners under the authority of this subparagraph shall be a corporate surety bond in an amount to be fixed by the Commissioners, but not to exceed $15,000, conditioned upon the observance by the licensee and any agent or employee of said licensee of all laws and regulations in force in the District of Columbia applicable to the licensee's conduct of the business, trade, profession, or calling licensed under the authority of this section, for the benefit of any person who may suffer damages resulting from the violation of any such law or regulation by or on the part of such licensee, his agent or employee.

"'Any person aggrieved by the violation of any law or regulation applicable to a licensee's conduct of a business, trade, profession, or calling involving the collection of money for others shall have, in addition to his right of action against such licensee, a right to bring suit against the surety on the bond authorized by this subparagraph (c), either alone or jointly with the principal thereon, and to recover in an amount not exceeding the penalty of the bond any damages sustained by reason of any act, transaction, or conduct of the licensee and any agent or employee of said licensee which is in violation of law or regulation in force in the District of Columbia relating to the business, trade, profession, or calling licensed under this section; and the provisions of the second, third, fourth, and fifth subparagraphs of paragraph (b) of the first section of the Act entitled "An Act to grant additional powers to the Commissioners of the District of Columbia, and for other purposes", approved December 20, 1944 (58 Stat. 820; sec.1–244(b), D.C. Code, 1951 edition), shall be applicable to such bond as if it were the bond authorized by the first subparagraph of such paragraph (b) of the first section of said Act approved December 20, 1944: *Provided,* That nothing in this subparagraph (c) shall be construed to impose upon the surety on any such bond a greater liability than the total amount thereof or the amount remaining unextinguished after any prior recovery or recoveries.

"'This subparagraph (c) shall not be applicable to persons when engaged in the regular course of any of the following professions or businesses:

"'(1) Attorneys at law.

"'(2) Persons regularly employed on a regular wage or salary, in the capacity of creditmen or in a similar capacity, except as an independent contractor.

"'(3) Banks and financing and lending institutions.

"'(4) Common carriers.

"'(5) Title insurers and abstract companies while doing an escrow business.

"'(6) Licensed real estate brokers.

"'(7) Employees of any class or subclass of licensees required to give bond under this subparagraph.'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend section 7 of 'An Act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and three, and for other purposes,' approved July 1, 1902, as amended, so as to provide for the bonding of persons licensed to engage in a business, trade, profession, or calling involving the collection of money for others."

A motion to reconsider was laid on the table.

Mr. McMILLAN. Mr. Speaker, the purpose in the amendment to this legislation is to give the Commissioners of the District of Columbia, in their discretion, the right to require that any class or subclass of licensees licensed under the authority of paragraph 46 of section 7 of the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, as amended—section 47–2345, District of Columbia Code, 1951 edition—to engage in a business, trade, profession or calling involving an express or implied agreement to collect money for others, to give bond to safeguard against financial loss those persons with whom such class or subclass of licensees may so agree.

The bond which may be required by the Commissioners under the authority of this subparagraph shall be a corporate surety bond in an amount to be fixed by the Commissioners but not to exceed $15,000, conditioned upon the observance by the licensee and any agent or employee of said licensee of all laws and regulations in force in the District of Columbia applicable to the licensee's conduct of the business, trade, profession, or calling licensed under the authority of this section, for the benefit of any person who may suffer damages resulting from the violation of any such law or regulation by or on the part of such licensee, his agent, or employee.

It was pointed out to the committee that there were approximately 30 agencies operating in the District of Columbia with little or no restrictions under law. While the vast majority of these agencies probably operate ethically under good business standards and serve a useful and important function in the community, it is not unknown for an out-of-State agency to come into the area, solicit accounts for collection, collect money for our businessmen and then vanish from the area with the money. Without restrictions or licensing it is difficult to administer or prevent abusive behavior toward the public and the debtor. It is felt that by bonding such operators it will raise the standards under which they operate.

This legislation is not new in the United States. Statutes are already in effect in the following States: Alaska, Arizona, Colorado, Idaho, Louisiana, Michigan, Mississippi, New Jersey, Oregon, Washington, Wisconsin, California, Connecticut, Indiana, Massachusetts, Minnesota, Nevada, New Mexico, Tennessee, Utah, Wyoming, and Hawaii.

H.R. 2317, as amended, specifically exempts persons when engaged in the regular course of any of the following professions or businesses: Attorneys at law, persons regularly employed on a regular wage or salary, in the capacity of creditmen or in a similar capacity, except as an independent contractor, banks and financing and lending institutions, common carriers, title insurers and abstract companies while doing an escrow business, licensed real estate brokers, employees of any class or subclass of licensees required to give bond under this subparagraph.

RELATING TO CERTAIN DISTRICT OF COLUMBIA CORPORATIONS

Mr. McMILLAN. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 4454) to amend the act of March 3, 1901, to eliminate the requirement that certain District of Columbia corporations be managed by not more than 15 trustees, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 608 of the Act entitled "An Act to establish a code of law for the District of Columbia", approved March 3, 1901, as amended (D.C. Code, sec. 29–204), is amended by striking out "nor more than fifteen".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. McMILLAN. Mr. Speaker, at the present time, business corporations incorporated under sections 605 through 641 of the act approved March 3, 1901—31st Statutes, page 1284; title 29, chapter 2, District of Columbia Code, 1951 edition—are required, by section 608 of such act to limit the number of their trustees to "not less than three nor more than fifteen." The purpose of this legislation is to strike the words

"not more than fifteen" thus enabling such corporations to have more than 15 trustees.

EXEMPTING CERTAIN COMMON CARRIERS FROM MILEAGE TAX

Mr. McMILLAN. Mr. Speaker, I call up the bill (H.R. 2322) to amend the act of July 1, 1902, to exempt certain common carriers of passengers from the mileage tax imposed by that act and from certain other taxes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subparagraph (b) of paragraph (31), of section 7 of the Act approved July 1, 1902, as amended (D. C. Code 47–2331 (b)), is amended as follows:

(1) The third sentence of such subparagraph (b) is amended by inserting after "each such applicant" the following: "who is not otherwise exempt under this subparagraph from payment of the mileage tax imposed by this subparagraph,".

(2) The fifth sentence of such subparagraph (b) is amended to read as follows: "Upon receipt by the Commissioners of the District of Columbia or their designated agent of the approved copy of the application of any applicant who is exempt under this subparagraph from payment of the mileage tax imposed by this subparagraph, the Commissioners of the District of Columbia or their designated agent shall issue a license authorizing the applicant to carry on the operations embodied in the approved application. No increase of operations shall be commenced or continued unless and until an application similar to the original and covering such increase in operations shall have been approved and forwarded in the same manner as the original and, if a payment is necessary, the corresponding additional payment is made, and license issued. No applicant engaged in the transportation of passengers for hire principally within the commercial zone of Washington, District of Columbia, as such commercial zone has been established on the date of enactment of this amendment by the Interstate Commerce Commission for the purposes of section 203(b)(2) of the Interstate Commerce Act (49 U.S.C. 303(b)(8)), shall be required to pay any tax under this section and no such applicant shall be subject to—

"(1) the gross sales tax levied under the District of Columbia Sales Tax Act;

"(2) compensating use tax levied under the District of Columbia Use Tax Act;

"(3 the excise tax upon the issuance of titles to motor vehicles and trailers levied under subsection (j) of section 6 of the District of Columbia Traffic Act of 1925 (D. C. Code 40–603 (j) (4));

"(4) the tax that is imposed on tangible personal property, to the same extent that the District of Columbia Transit System, Incorporated, is exempt from such taxes on the effective date of this amendment, under section 8(b)(5) of the Act entitled 'An Act to grant a franchise to the District of Columbia Transit System, Incorporated, and for other purposes', approved July 24, 1956."

SEC. 2. The amendments made by the first section of this Act shall take effect as of October 1, 1959.

Mr. McMILLAN. Mr. Speaker, under existing law any person, partnership, association, trust, or corporation operating or proposing to operate any vehicle or vehicles not confined to rails or tracks for the transportation of passengers for hire over all or any portion of any defined route or routes in the District of Columbia shall, on or before the 1st day of October in each year, or before commencing such operation, submit to the Public Utilities Commission of the District of Columbia, in triplicate, an application for license, stating therein the total number of vehicle-miles to be operated with such vehicles within the District of Columbia during the 12-month period beginning with the 1st day of November in the same year. The Public Utilities Commission shall thereupon verify and approve each such statement. Upon receipt of the approved copy, and prior to the 1st day of November in the same year, or before commencing such operation, each such applicant shall pay to the Collector of Taxes, in lieu of any other personal or license tax, in connection such operation, the sum of 1 cent for each vehicle-mile proposed to be operated in the District of Columbia in accordance with the application as approved. Upon presentation of the receipt for such payment, the Commissioners of the District of Columbia or their designated agent shall issue a license authorizing the applicant to carry on the operations embodied in the approved application.

The purpose of this bill is to exempt from the operation of the mileage tax effective October 1, 1959, applicants engaged in the transportation of passengers for hire principally within the commercial zone of Washington, D.C.

This bill would also exempt common carriers coming within its provisions from the gross sales tax levied under the District of Columbia Sales Tax Act, the compensating use tax levied under the District of Columbia Use Tax Act, the excise tax upon the issuance of titles to motor vehicles and trailers levied upon subsection (j) of section 6 of the District of Columbia Traffic Act of 1925, and the tax imposed on tangible personal property, to the same extent that the D.C. Transit System, Inc., is, on October 1, 1959, the effective date of H.R. 2322 exempt from such taxes under section 8(b)(5) of the act entitled "An act to grant a franchise to the D.C. Transit System, Inc., and for other purposes," approved July 24, 1956.

It is believed that the following-named transportation companies, that is, those companies operating principally within the commercial zone of Washington, D.C., will be exempt from all of the foregoing taxes by the enactment of this legislation: Alexandria, Barcroft & Washington Transit Co.; American Bus Lines, Inc.; Atwood Transport Lines, Inc.; Federal Coach Line; the Gray Line, Inc.; Suburban Transit Co.; Washington, Marlboro, Annapolis Transit Co.; Washington, Virginia & Maryland Coach Co., Inc.

The estimated loss of revenue to the District of Columbia will amount to approximately $24,200 annually.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 41]

Alford	Dingell	Moeller
Alger	Dorn, N.Y.	Montoya
Anderson	Doyle	Nix
Ashley	Flynn	O'Konski
Bailey	Fogarty	Philbin
Barden	Fountain	Pirnie
Barrett	Frelinghuysen	Poage
Barry	Gallagher	Powell
Bass, N.H.	Glaimo	Quie
Betts	Hays	Quigley
Bolling	Healey	Reece, Tenn.
Bowles	Hébert	Rivers, S.C.
Brademas	Hess	Robison
Breeding	Hosmer	Rodino
Buckley	Hull	Rogers,
Byrne, Pa.	Jackson	Roosevelt
Cahill	Johansen	Rostenkowski
Carnahan	Kilburn	Shelley
Celler	Kitchen	Slack
Chenoweth	Kluczynski	Steed
Collier	Laird	Taylor
Cooley	Lesinski	Teller
Corbett	McCulloch	Thompson, N.J.
Daniels	Macdonald	Toll
Devine	Mailliard	Withrow
Diggs	Merrow	Zelenko

The SPEAKER. On this roll call 346 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

INDEPENDENT OFFICES APPROPRIATION BILL, 1960

Mr. THOMAS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7040) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1960, and for other purposes; and, pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, the time to be equally divided and controlled by the gentleman from New York [Mr. OSTERTAG] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House

on the State of the Union for the consideration of the bill H.R. 7040, with Mr. IKARD in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. THOMAS. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, may I respectfully say to my colleagues that we will cooperate with you in trying to finish consideration of this bill today. I know a lot of you have some things you want to do. This will be a hard week, and we will do our best to get you out of here no later than 5:30 or 6:00 this afternoon.

Mr. Chairman, I hope you will agree with us. We think we have a reasonably good bill. We on both sides of the aisle have worked long and hard on the bill, and there is no serious disagreement inside the committee in reference to it.

The gentleman from New York [Mr. OSTERTAG], the gentleman from North Carolina [Mr. JONAS], and the gentleman from Arizona [Mr. RHODES], over on the other side of the aisle, know as much about this bill as I do, and, the gentleman from Illinois [Mr. YATES], the gentleman from Tennessee [Mr. EVINS], and the gentleman from Massachusetts [Mr. BOLAND], on this side, know exactly as much about it. None of us are going to talk too long, and we will do our best to cooperate with the membership and give you as fair and frank answers as we are capable of doing. And, we prayerfully ask your indulgence and your help.

May I yield 10 minutes now to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, the Independent Offices Subcommittee of the Committee on Appropriations brings its recommendations for fiscal year 1960 in this bill. The committee labored long and hard. If you have not as yet examined the hearings, I suggest that you do so, for on 2,500 pages you will find that the committee analyzed tables, went through charts, conducted a very detailed cross-examination of the 18 agencies which appeared before our Appropriations Subcommittee.

Mr. Chairman, it is a delightful custom each year for those of us who serve on this subcommittee to pay tribute to our chairman. I haved served in this House for 10 years now during which time it was my good fortune to be affiliated with the committee headed by the genial gentleman from Texas. I know of no one in this House who is better qualified, who is more able, who is more familiar with the subject matter of the legislation over which he has charge than the chairman of our subcommittee, the gentleman from Texas [Mr. THOMAS]. The manner in which he conducts the hearings before our subcommittee was recently described in one of the evening newspapers as a combination of a charm school and a snakepit. I think if you will read the hearings, you will find that there is much truth in that description. He can be charming—he can be tough as the occasion demands—but one thing is clear: he is thorough and requires the agencies to justify their budget in every respect.

Suffice it to say that I think the budget before our subcommittee received a thorough going over, a complete review. I only hope that in our deliberations and our recommendations for the amounts to be allowed for the various governmental agencies which are a part of this bill we were as correct in coming to the right conclusions as we were in the hearings. If we erred at all, we erred on the side of economy, for the weight of the budget is heavy.

This bill calls for a very substantial amound of money. The budget estimates for the year 1960 totaled $6,584,-188,000. There is recommended in this bill $6,438,839,800, which is a reduction of approximately $250 million below the recommendation of the Bureau of the Budget. That is quite a cut when you stop and consider the fact that this was supposed to be a very tight budget this year that the President submitted to the Congress. If I had my way entirely, I might have recommended more money for some of the agencies, such as in the medical budget for inpatient and outpatient care in the VA appropriation. The Federal Aviation Agency might have used more money for navigation facilities and for training its personnel to operate them. This is the first year for this agency. It was organized pursuant to an act of Congress last year to make the airways of our Nation much safer. It is now seeking to make sure that our airlines are the finest commercial airlines in the world. It has a tremendous job of training personnel and purchasing and installing a modernized, thoroughgoing, complete set of air navigation equipment. We want it to accomplish its mission as promptly as possible, and I hope there is sufficient money in this bill for their purposes. When it is remembered that they have not yet been able to fill 3,400 authorized jobs, it would seem that the additional 500 positions approved by my bill would be adequate.

We have under our jurisdiction the matter of appropriations for the regulatory agencies, too. To my mind these are some of the most important operations of the Federal Government; the Federal Communications Commission, the Federal Power Commission, the Federal Trade Commission, the Interstate Commerce Commission, agencies that have been established pursuant to acts of Congress in an effort to make sure that the businesses which come under their regulatory supervision should not carry on excesses in business operations which the basic legislation sought to guard against. Many have a critical task to perform.

Mr. GEORGE P. MILLER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman.

Mr. GEORGE P. MILLER. Mr. Chairman, I wanted to interrupt the gentleman when he was speaking on the Federal Aviation Agency. There are a number of emergency landing fields throughout the country. I want to know if anything has been done to reduce that number, or if any specific consideration has been given to them.

Mr. YATES. No effort has been made to reduce that number. We join you in seeking to make sure that all safety facilities are maintained.

Mr. GEORGE P. MILLER. I was in a plane that was forced to land on one of these fields, a plane with 2 motors knocked out, a scheduled airline plane with 56 people in it. That was some 2 months ago. I now have a fine realization of the necessity for these emergency landing fields that I did not have prior to that time. Some information has been given out that in the interest of economy, you were going to reduce the number of those fields or to discontinue their operation. I do not know that the committee has done that, but I think the number should be increased. I should like to say that I am willing to trade places with anyone here, who has had the experience that I had recently, because I assure you that he would have a much deeper sense of the value of these emergency landing fields throughout the country. I should like to yield to the chairman, if he would like to comment on this matter.

Mr. YATES. Mr. Chairman, I yield to the chairman of the committee, who is on his feet.

Mr. THOMAS. Mr. Chairman, I thank the gentleman for permitting me to say this: he is not 100-percent correct, he is 1,000-percent correct in his desire for this service. And his desire is the desire of the committee. Suffice to say that since 1953 or 1954 we have doubled our efforts in this field of safety; we have not diminished them, but more than doubled them. So the situation is in pretty good shape now.

Mr. GEORGE P. MILLER. I know the committee has, and I compliment the chairman on it. I just wanted to bespeak consideration of these little emergency fields throughout the country. I did not used to think they amounted to much, but I do now.

Mr. THOMAS. But when you need them, it is good to have them.

Mr. GEORGE P. MILLER. That is correct.

Mr. YATES. Mr. Chairman, I thank the gentleman for his contribution. I agree with him entirely. We are attempting through this budget appropriation to make air travel much safer than it has been in the past.

Mr. Chairman, I want to comment, too, on the appropriation for the Veterans' Administration. I think we could have provided additional funds both for inpatient care and outpatient care in this budget. I think we may have hurt the Veterans' Administration a little in a $9 million cut that we made for inpatient care. We went into the matter thoroughly. We allowed $9 million additional for inpatient care over what the agency had last year. We thought that would be sufficient, and I would not like to see any curtailment in services afforded patients in Veterans' Administration hospitals or any cut in the excellent medical care that they have received over the years.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Texas.

Mr. TEAGUE of Texas. Mr. Chairman, the Veterans' Administration tells us that the reduction in inpatient care was $9,279,000.

The present budget provides an increase over 1959 of $6,478,000. May I state to the gentleman that the Committee on Veterans' Affairs would like to have that money put back in there because we think it is needed desperately.

Mr. YATES. I agree with the gentleman there is some question about the appropriation for inpatient care. There should be no reduction in the quality of medical care offered in the VA hospitals.

Mr. TEAGUE of Texas. And also about the outpatient care.

Mr. YATES. There was an increase in outpatient care of $667,000. There was a reduction of $866,000, which was directed against increased fees.

Mr. TEAGUE of Texas. That pertains to service-disabled veterans. The Veterans' Administration tells us it would definitely hurt them.

Mr. YATES. The question is whether medical fees to the doctors who are taking care of the patients should be increased. The impression we gained was that this question had not yet been determined, and we thought that this reduction could safely be made.

Mr. TEAGUE of Texas. That is not what the Veterans' Administration tells me. It says this reduction will result in a backlog of physical examinations for compensation and pension purposes, which we think is wrong.

Mr. YATES. I agree with the gentleman that the determination of the qualifications for pensions and benefits is a necessary and vital part of the Veterans' Administration program, but we also believed the amount being paid for fees was adequate and should not be increased. The fee schedule presently in existence seems to be perfectly fair. Why should it be increased again? The fees were raised only a short time ago. If the gentleman has other statistics to go on other than were presented to our committee, we would be very happy to receive them.

Mr. TEAGUE of Texas. The Veterans' Administration is very reluctant to get into an argument with the committee.

Mr. YATES. The gentleman knows that the committee appropriated the same amount for veterans' research as of last year, which was $4 million above the amount recommended by the Bureau of the Budget. In this respect, certainly the gentleman will agree that the committee did act wisely.

Mr. OSTERTAG. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this Independent Offices Appropriation bill represents a large number of agencies, and I might add, important agencies. The committee has labored long and hard under the able leadership of the distinguished gentleman from Texas [Mr. THOMAS]. The members of this subcommittee under his leadership have done a rather thorough job, and by and large I believe we present to the House a very good bill. I do not agree with all that is in the report. I also concede that there are some very severe cuts in this bill.

May I point out that one of the agencies coming within the jurisdiction of the Independent Offices Subcommittee is that of the National Aeronautics and Space Administration. That appropriation is not included in this appropriation bill because of the lack of the necessary authorization for the appropriation of funds.

In the overall picture with regard to this bill may I point out that last year the Independent Offices bill amounted to $6,845 million. The budget requests for these 18 agencies, for the fiscal year 1960 amounted to approximately $6,584 million. In this bill funds are provided in the amount of $6,438 million, which is a total reduction of $252 million. The actual cuts in this bill amount to $145 million, coupled with $107 million in the form of a rescission from prior funds or unobligated funds of the stockpile program.

Of the total overall picture of $6,438 million, I think it is important to note that the Veterans' Administration alone receives $5,020 million.

In other words, five-sixths of this total bill involves veterans' affairs, veterans' benefits and Veterans' Administration. I should like, because of one or two points that already have been made in connection with this appropriation bill, to say a word about the Veterans' Administration and these veterans' programs. There are two increases in these veterans' appropriations. One is for an amount of $4,300,000 over the budget request for research, medical research in veterans' hospitals. I might add that it is the largest hospital system in the world. The other item is an increase of $10 million over the budget request. Nevertheless, the total Veterans' Administration budget is $5,020 million and this bill reduces the total sum approximately $9,200,000.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and eight Members are present, a quorum.

Mr. OSTERTAG. Mr. Chairman, I should like to take this opportunity to pay tribute to the administration of veterans' affairs, particularly to the Administrator, Mr. Sumner G. Whittier. I believe our Veterans' Administration is doing an outstanding job of service to our veterans. They are operating with efficiency. In that connection I might point out that the cost of administration in this budget is less than 3 percent of the total cost of benefits or the appropriation for the Veterans' Administration. Favorable hospital costs are in order today. There are 25,000 employees in the Veterans' Administration plus 121,000 in the hospitals. It might be interesting to note that there are nearly 23 million veterans in America today, and when you add their families to that number, it constitutes more than 40 percent of the population of the United States.

The largest item in the Veterans' Administration appropriation, of course, is that of compensation and pensions. It amounts to $3,300 million. As every Member of the House knows, that is a statutory obligation on the part of the Congress and the Federal Government of the United States to provide whatever necessary funds are required to meet the costs of compensation and pensions. There are today 2,400,000 veterans receiving compensation for service-connected disability and 1,400,000 veterans receiving disability pensions. In other words, the total number of veterans receiving either compensation or pensions of one form or another is 3,800,000.

Another important and large item is that of the cost of hospital care. That is known as inpatient care recently discussed by the gentleman from Illinois [Mr. YATES], and about which the gentleman from Texas [Mr. TEAGUE], expressed his concern and interest. The total appropriation for inpatient care is about $777,500,000, and I want to agree with the gentleman from Illinois in his statement that the cut in the appropriation for in-patient care is too severe. I feel that it might work some hardship, and I believe we should provide all the funds necessary to meet this responsibility.

There are 123,800 beds available today. This is in addition to the 4,000 phantom beds referred to in the report. I think it is interesting to note, Mr. Chairman, that there are some 4,000 beds chargeable to the Veterans' Administration for which they have no use and for which no purpose is served.

The average patient load for fiscal 1960 is estimated at 112,000 sick and disabled veterans which is an increase of 356 beds over the average of 1959.

Outpatient care was also discussed by the gentleman from Texas [Mr. TEAGUE]. That amount is $83 million. This is necessary for the care or treatment and the servicing of veterans outside of hospitals. In that connection I might point out that there are over 2 million veterans receiving outpatient care today.

An important item in this Veterans' Administration budget is that of hospital construction and domiciliary facilities. In that connection there is $30 million in this bill for fiscal 1960. We must bear in mind that there are some 172 hospitals and 17 domiciliary institutions operating today.

The committee, as I mentioned earlier, has approved an additional $10 million over the budget for the hospital construction program, but for fear there may be some misunderstanding I think it ought to be pointed out that this additional $10 million is for improvements and repair of existing facilities, and not for new starts and not for new hospitals.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I understand that the gentleman feels that the cut in in-patient care is too great.

Mr. OSTERTAG. Yes, that is what I said.

Mrs. ROGERS of Massachusetts. Would the gentleman accept the restoration of that cut?

Mr. OSTERTAG. I feel some adjustment might be made if it is determined that it is not sufficient, because that is an important part of service to our veterans, and we want to provide adequate funds for in-patient care in our veterans hospitals.

Mrs. ROGERS of Massachusetts. I know there is great need there. The patients need expensive medicines which they do not get as often as they should. Then, it is very expensive to operate hospitals, particularly the mental hospitals where they have locked wards, locked elevators, where they do not have enough nurses, butlers, and attendants to care for the patients properly.

They are not doing what they ought to do. Many of the cases that they thought were cured came back to the hospitals.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield to the gentleman from Texas.

Mr. TEAGUE of Texas. Mr. Chairman, did I understand the gentleman correctly to say that the $10 million will go for maintenance and not for new construction?

Mr. OSTERTAG. Let me respond by saying I did not intend to imply that it would go for maintenance. As I understand the program presented to us of the moneys made available by the committee in this bill, an additional $10 million will go for improvements and repairs of existing facilities.

Mr. Chairman, referring to agencies, unfortunately time will not permit going into a discussion of funds and services of all these agencies involved in this independent offices appropriation bill, however, I do think one additional important agency might well be mentioned. I refer to the General Services Administration. The budget request for the General Services Administration was $255 million. In this bill we provide $271 million. The committee made one important and significant increase in the bill allocated to the General Services Administration. The addition of $25 million is intended to provide for sites and planning in connection with public buildings. There is no money in here for new construction, there is no money in here for the acquisition of property; but the committee felt in its wisdom that too much money is being spent for the rental of space, very expensive space, in Washington and elsewhere, and that in the interest of economy in the Government itself, it might well be better to eventually construct these additional buildings.

As a first and important step, $25 million is made available for the acquisition of sites and for the planning program.

The committee also eliminated $500,000 for the leasing of additional space for the Library of Congress. The reason the committee took this step was due to the fact that a committee of the Congress is currently studying and reviewing the whole question of space in connection with the Library. The sum of $60 million is provided in here for the repair and improvement of buildings generally.

It might interest you to know that the GSA today rents some 37,000,000 square feet at a cost of $63 million a year. That is an increase of 500,000 square feet of office space at $2,500,000 over that for the fiscal year 1959.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman think that the construction of additional office buildings is going to take care of the space proposition insofar as leasing in the District of Columbia is concerned?

Mr. OSTERTAG. Of course, the Government is involved in some long-term leases, very expensive leases, but basically they are requiring additional space year after year; and rather than look forward to leasing additional office space at very high prices, it was felt that the Government would save money by moving in the direction of the construction of these public buildings.

Mr. GROSS. We have the example now of the State Department leasing nearly 100,000 square feet of space in one of the plush apartment buildings just across the river, over in Virginia. I am informed that even though the new State Department building is being constructed at a cost of $55 million or $60 million, there will be no space available for the Foreign Service Training Institute. The way to cure this huge spending for buildings in Washington is to stop expanding the various Government agencies. That is the only effective way.

Mr. OSTERTAG. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. THOMAS. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, I strongly urge approval of the 1960 appropriation bill for the independent executive bureaus, boards, commissions, corporations, and agencies. And, I want to emphasize that this is a good bill. It has been said to be a big bill, but that does not mean it is not a good bill, because it certainly has been thoroughly considered for a period of over 4 months, with very extensive and intensive hearings on all phases of the budget requests of the independent offices. I should like also to say a word of tribute to our chairman, the distinguished gentleman from Texas [Mr. THOMAS]. He is one of the most genial and certainly one of the most able men in the House; yes, in the entire Congress. I want to say that when an agency passes the Thomas test, it has passed a very thorough test and its budget is generally justified.

A glance at the printed hearings which totaled some 2,600 pages in 2 volumes will suffice to indicate the great task which faced the subcommittee. This bill and the report thereon are testimonials to the excellent way in which the gentleman from Texas organized and carried out the hearings. It has been a real pleasure to be associated with Representative ALBERT THOMAS as well as with the distinguished gentleman from New York, Representative HAROLD OSTERTAG, the ranking minority member, and all the other members of the subcommittee, my colleagues Representatives SIDNEY R. YATES, EDWARD BOLAND, CHARLES JONAS, and JOHN J. RHODES.

Mr. LANE. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to the gentleman from Massachusetts.

Mr. LANE. I would like to ask the gentleman from Tennessee a question. It is very apparent and noticeable today that the chairman of the Committee on Veterans' Affairs, the gentleman from Texas [Mr. TEAGUE], and the former chairman of that committee, the gentlewoman from Massachusetts [Mrs. ROGERS], are rather disturbed in reference to the reductions in the appropriations for the Veterans' Administration, especially the inpatient, and outpatient, and hospital programs, and whatnot. I would like to ask the gentleman to be kind enough to confine some of his remarks to an explanation of the reduction in those amounts in this independent offices appropriation bill to see whether or not the veterans are going to receive those services to which they are properly entitled.

Mr. EVINS. I certainly expect to do that, and I want to say to my friend that I served for a time as a member of the Committee on Veterans' Affairs. As a member of the Independent Offices Subcommittee on Appropriations I never have opposed any program for the benefit of the veterans of our Nation. I want to point out that we have the greatest veterans benefit program of any nation in the world, with more than $5 billion carried in the budget for the veterans program for next year. It has been for a time under $4 billion, but now the veterans program is more than $5 billion. There have been some reduction in administrative costs and administrative expenses. And, we commend the administrator, Mr. Sumner Whittier, for the improvement of the administrative processes and credit is due him for making those improvements and thus reducing administrative costs. The major reduction in this program has to do with readjustment benefits. Most of the veterans have come home from World War II and the Korean conflict, and the readjustment programs have been tapering off. Compensation and pensions have been increasing, and more than half of the amount in this bill is carried for pensions and the compensation programs of the veterans. I, for one, am opposed to reducing desirable and worthwhile program for the benefit of the veterans of our Nation. It is very difficult to determine the number of inpatients that will be taken into our veterans hospitals. It fluctuates and varies from time to time. Last year the administrator, Dr. Middleton, wanted some increased funds for this purpose, and the committee provided the VA with these increases with the understanding that next year they would have a reexamina-

tion and take a look at the question of number of beds for the veterans of the Nation. Now, we find that the number of tuberculosis patients is decreasing, and there will be a surplus of beds in that department. So, possibly an adjustment can be made. And, I want to say that if a supplemental request is offered by the Administrator for needs in this area, I, for one, will want to support it. This bill will have to go through the Senate, and perhaps further studies can be made, and if a supplemental fund request for in-patient care is made, I pledge myself to support whatever funds are recommended as needed for this program.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I would like to ask if the money for research, for prosthetic appliances for the amputees and the paraplegics, and the blind is included in this bill.

Mr. EVINS. Yes, I will say to the gentlewoman from Massachusetts, who is the former chairman of the Committee on Veterans' Affairs and a devoted friend of the veterans of our country, that in most of the items for the Veterans' Administration increases were made. An increase in medical administration of $622,700 over last year has been provided; an increase in outpatient care, $668,000; an increase of $9 million for inpatient care over last year; an increase for operation of supply depots for the VA, $16,300. As has already been pointed out, there is a substantial increase for pensions and compensation of $47.5 million, making a total of $3,000,300,000 for compensation and pensions. There is an increase in the veterans' insurance program of $1,900,000. There is an increase in the hospital construction and domiciliary program of $10,864,000. So, all in all, there are substantial increases in various of our veterans programs. The committee did provide some reductions in administrative expenses.

The medical program of the VA has improved in recent years but we cannot expect to really meet the need until we complete the program of new hospitals. The funds in this bill make it possible for the VA to continue its medical-care program at a level which, if it is not fully up to what we would all desire, at any rate makes it possible to use the present medical facilities as effectively as possible.

As pointed out above, we cannot expect adequate and complete medical care for all our veterans until we complete our program of constructing new hospitals. The Appropriations Committee has for several years urged the Veterans' Administration to accelerate its hospital modernization and replacement program. As we know, in the past few years we have appropriated funds for the construction of several new hospitals. Some of these new hospitals will soon be completed but others are still several years from completion. In order to further accelerate this program of hospital construction and modernization, the Appropriations Committee recommends an increase of $10 million in the program for for this purpose. This makes a total of $30 million for hospital construction in the coming year.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I should like to ask if the special program which was initiated years ago and has been appropriated for every year, in the amount of $1 million, is in this bill?

Mr. EVINS. There is a total of $1 million in the bill, I will say to the gentlelady. We consider it a most important service that the Veterans' Administration is rendering.

Mrs. ROGERS of Massachusetts. So much has been done for civilians as a result of that, as well as for the veterans.

Can the gentleman tell me with reference to repairs of hospitals, where those renovations will be made?

Mr. EVINS. There is no more worthy program than the program for the amputees, those who have lost an arm or a leg, and the program of research in that field, in the field of prosthetic appliances. The committee is very much interested in seeing that the fine work that is being done moves ahead, I will say to the gentlewoman.

Mrs. ROGERS of Massachusetts. Can the gentleman tell me what hospitals are to be renovated?

Mr. EVINS. I will say to the gentle lady that for a long time the committee has felt that with the tremendous investment, of more than $2 billion, I believe, in all of our veterans' hospitals, that the failure to make timely repairs and renovations would be false economy. The committee has urged the Administrator to make such repairs wherever in his discretion those repairs are necessary. It is largely a matter of what the Administrator thinks should have first priority.

Mrs. ROGERS of Massachusetts. That is just a blanket authority, not specifically related to specific hospitals?

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to the gentleman from North Carolina.

Mr. JONAS. Mr. Chairman, let me say to the gentlewoman that there is a table in the hearings showing where those renovations will be made.

Mr. THOMAS. Mr. Chairman, will the gentleman yield to me?

Mr. EVINS. I yield to the Chairman of the committee.

Mr. THOMAS. In answer to the gentlewoman's question, they earmark $6 million for day-to-day repairs, when the budget only asked for $5.1 million. Let me repeat, they earmark $6 million.

Mr. JONAS. Mr. Chairman, will the gentleman yield further?

Mr. EVINS. I yield to my friend from North Carolina.

Mr. JONAS. I do not think the record ought to be allowed to rest as it now is. An impression may be gained from what has been said so far that the committee reduced the appropriation for inpatient care compared with last year. That is not true. The bill contains an increase of $9 million of funds for inpatient care above the amount that was available for that purpose in the current year. There is another $9 million cut in the budget request, but the committee did not reduce the funds below what was available the previous year. The committee bill increases those funds by $9 million.

Mr. EVINS. I thank my friend for his contribution.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to the gentleman from Florida.

Mr. HALEY. Mr. Chairman, I might say to the gentleman that one thing that has given the Committee on Veterans' Affairs considerable concern is the fact that according to the testimony before our Subcommittee on Hospitals, there is a backlog of approximately $15 million of deferred maintenance. I think we are being penny wise and pound foolish when we have an investment of $2.8 billion, if we do not furnish sufficient moneys to make the necessary repairs.

I might say to the gentleman that the Veterans' Administration has broken down these needed repairs over a 3-year program. It seems to me, going over these amounts that they have requested for repairs that are needful to protect our investment that we should give that request favorable consideration. I hope some amendment will be offered to increase the amount for necessary repairs.

Mr. EVINS. The Administrator is going forward with an extensive modernization and repair program.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield further?

Mr. EVINS. I yield to the gentle lady.

Mrs. ROGERS of Massachusetts. All of the administrators of hospitals tell me—and this is particularly true of mental-patient hospitals—that these new buildings are very much more expensive to operate. So you have an added cost of maintenance there for those hospitals.

Mr. EVINS. I thank the gentle lady for her fine contributions.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to my friend the distinguished chairman of the Veterans' Affairs Committee.

Mr. TEAGUE of Texas. I should like to read to the House exactly what the Administrator of Veterans' Affairs told me about inpatient care.

Mr. EVINS. This is one of our largest appropriation bills involving a total of almost $6½ billion. It is a carefully considered bill. Your committee has held hearings for almost 4 months on these appropriations. It has considered the needs of these agencies in the light of their own needs and has balanced those needs against the total budgetary situation facing us. This bill as it comes to you reflects the committee's determination that the important agencies whose budgets we are considering, should be able to discharge their duties and obligations effectively and efficiently; but it also expresses the realization of the

members of the committee that all the agencies of our Government should operate without extravagance or frills.

This bill carries appropriations for some 18 boards, bureaus, commissions and independent agencies. These include the Civil Service Commission, the Interstate Commerce Commission, the Federal Trade Commission, the Securities and Exchange Commission, the Federal Power Commission, the Federal Communications Commission, the Veterans' Administration, the General Services Administration, and the National Science Foundation among others.

I might recall to the members of the committee that most of these agencies are arms of the Congress—established originally more or less as deputies of the Congress to carry out in detail certain functions granted to the Congress by the Constitution. Although in recent years some of these agencies have lost some of their independence, and the Congress has lost some of the previous control it exercised over them, nevertheless we should bear in mind that in appropriating funds for these independent agencies we are dealing not with agencies of the executive branch but basically with agencies established by the Congress to carry out its own functions.

This bill recommends $6,438 million in funds for these agencies. This is a reduction of a quarter of a billion dollars over the estimates submitted to the committee by the President's budget, and $400 million less than we appropriated for the same agencies last year.

The reductions involve almost every item in this bill and almost every agency concerned. I might point out that this bill comes to you with the unanimous approval of the subcommittee as well as the unanimous approval of the full committee.

Mr. Chairman, in general, the Appropriations Committee has made considerable reductions in the administrative or overhead costs of these agencies. It has also considered the appropriations for the programs of these agencies carefully and particularly in regard to the ability of the agencies to carry out the proposed programs. We have all noted in the past that very often the various agencies of the Government—not merely those we are concerned with here—come to us with ambitious programs which, as a matter of fact, they could not carry out in the period covered by a given budget. In the past, this has resulted in building up a large carryover of funds. It seems to the Appropriations Committee to make good sense to appropriate in the first place funds that can reasonably be expended and to avoid as far as possible overappropriations that result in building up carryovers. The committee believes sincerely that with the appropriations in this bill all of these agencies can carry out their functions and their programs effectively.

It would be impossible, of course, to cover all of the agencies involved in this budget. I should like to concentrate my remarks on three of them, the General Services Administration, the Veterans' Administration, and the National Science Foundation.

It will be noted that the committee recommends a net increase of $16 million above the Budget recommendations in appropriations for the General Services Administration. Despite this increase, however, the appropriations for the GSA for the coming year are $215 million less than for the present fiscal year. Most of this reduction is in the funds for the construction of new public buildings. Last year, it will be recalled, the Congress appropriated $152 million for construction of public buildings. This reflected the need for stimulating our economy in view of the recession which faced us a year ago. In this bill there are no funds for additional public buildings construction.

The budget as presented to the committee did not include funds for the acquisition of sites for needed public buildings. Your Appropriations Committee, however, recommends $25 million for this purpose. It is the feeling of the committee that the GSA should be able to continue in an orderly fashion the planning of new public buildings and the acquisition of suitable sites for them.

In part, this represents the committee's observations that the costs of renting space are increasing each year. As a result, the annual rental bill for the Government is increasing at a disturbing rate. We all know that it is more expensive to rent space, and it seems foolish to keep increasing the cost of the Government in this way. Therefore, the Appropriations Committee is convinced, first, that the GSA should exercise vigorous efforts to reduce its annual rental bill; and secondly, that the orderly program of constructing new public buildings should continue without interruption.

THE NATIONAL SCIENCE FOUNDATION

No agency of our Government is more important to the future of our Nation than the National Science Foundation. We all know that today science is fighting in the frontline for the security of our Nation. Never in history has the safety of our Nation and indeed of the world been so dependent on the ability, caliber, and quality of our scientists. This is a field in which our Nation cannot afford to be second best.

As we all know we are devoting a very considerable part of our national budget for scientific research and development in various fields and through many agencies, including the Defense Department and the National Space Agency. But, the work of the National Science Foundation is directed at the very foundation of the problem—the encouragement of basic research and the education and production of first-class scientists in the future. In other words, these other agencies are working largely to apply the scientific knowledge we already have today. The National Science Foundation addresses itself to the problem of producing new scientific knowledge and new scientists for the future.

The budget of the National Science Foundation is, therefore, divided into two parts. On the one hand, the program of encouraging basic scientific research today and on the other hand the program for encouraging the education of scientists. Both of these are tremendously important and I am sure the Congress desires to give the National Science Foundation the means to perform these two important functions effectively.

The recommendations in this bill for the NSF represent a net increase of about $7 million over the funds appropriated for this year. The Appropriations Committee has made no significant change in the funds for the program of supporting scientific manpower—that is the program of encouraging the education of scientists and scientific education. This program, under this bill, would be carried out on about the same level as during the present year. I know there are those who would like to accelerate and increase this program and I might say that I would like to be counted among them. However, it became apparent during the hearings that there is a limit as to the amount of work the Foundation can do in this area. Last year it will be recalled we made a large increase in funds for this purpose and the Foundation has employed these funds well. But, it takes time to get such a program going and it is believed that the funds we are recommending for this purpose represent just about all that the Foundation could effectively employ in the coming year.

I might remind the committee that last year we authorized a very ambitious program of loans to college students. To a certain extent those loan funds supplement the fellowship program of the National Science Foundation. It is believed that as the loan program goes into high gear in this coming year there will be a smaller demand in some areas in the National Science Foundation. At any rate, the recommendation of the committee for this portion of the Foundation's work are substantially the same as the request of the National Science Foundation.

The committee recommends about $16 million less in funds for the total basic scientific research than was requested in the submitted budget. The budget requested $71 million for basic research. This compares with $49 million appropriated last year. The committee recommends $60 million for the coming year, an increase of approximately 25 percent. It is felt that this increase is about all that the Foundation can efficiently employ in the coming year.

In regard to the funds for this basic research program, I pointed out above that we have many programs for encouraging scientific research in the Defense Department and the National Space Agency particularly. Those programs have also been tremendously accelerated in the past year. Many of the universities which are working on National Science programs are also working on research and development contracts for the Defense Department. There was a real question in the minds of the subcommittee as to whether these universities could absorb any great additional increase in scientific work and it is felt that the increase we have allowed in the bill is one that can reasonably be absorbed.

In looking over the budget for the National Science Foundation is apparent that the $143 million we recommend for the coming year—though not a very large increase over last year's total budget for this agency—represents an increase of more than 50 percent over the budget of 2 years ago which is a very large increase in the program of this agency in so short a space of time.

Mr. Chairman, in conclusion let me repeat that this is a good—a carefully considered bill—it is a bill that tries to find a balance between the two great questions that occupy our thinking in this significant year.

On one hand, we have the need to maintain an orderly progress in the development of our Nation and its material and human resources. On the other hand, we have the problem of keeping the expenditures of our Government within the ability of our economy to support them. In this bill the Appropriations Committee has tried to find a path between these two much to be desired objectives—to reconcile them in the public interest.

I believe that the bill has achieved a good balance and I, therefore, urge my colleagues to support the measure as recommended by the Appropriations Committee.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. OSTERTAG. Mr. Chairman, I yield 15 minutes to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Chairman, the bill under consideration disposes of a great deal of the taxpayers' money—nearly $6½ billion of it. This is more money than was required to run the entire Federal Government when I began to work for a living. Yet the bill covers the financing of only 18 of the independent offices of the Government and does not even include any of the activities that are under the supervision of a Cabinet officer, nor does it include any funds for the new Space Agency. Funds to finance the Space Agency will be provided in a second bill later in the session.

We heard all of the witnesses that indicated a desire to testify. The total number of witnesses that appeared before the committee runs into the hundreds—317 to be exact. Their cross-examination and testimony will be found in these two large printed volumes, containing more than 2,500 pages. The hearings began on January 23 and were not concluded until April 23, 1959.

This bill, therefore, which we present to you today is the result of extensive hearings and careful and earnest consideration.

I would not contend that this is a perfect bill. The members of this committee are human and therefore are prone to err. We do not represent ourselves as knowing everything that should be known about all of these agencies or having any crystal ball through which we can look to determine to the penny what these sensitive and essential agencies of Government will require to finance their activities during the next fiscal year. But if we have made any mistakes in this bill they are mistakes of judgment.

I would not maintain either that there are not areas of controversy in the bill. I doubt if you could find seven Members of the House who would agree with every single item in this bill. Certainly there were differences within the committee itself, but I have been a Member of this body long enough to know that on appropriation bills you have to make compromises.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from Tennessee.

Mr. EVINS. I think it might be well to point out that the point I made was that the subcommittee unanimously approved this bill and the full Committee on Appropriations unanimously approved it also.

Mr. JONAS. That is correct.

Irrespective of some differences that might exist within the committee, which would be natural in a bill of this size, the bill which the committee presents today represents the composite view of a seven-man subcommittee, and it was approved by the full committee last Friday without dissent.

Nor do I subscribe to all of the language in the report. There are several comments that I would not have included if I had been writing it, but seven men cannot write a report. The language used is that of the author, and it was ably prepared. I just do not subscribe to every paragraph of the language, particularly in the sections dealing with civil service and civil defense.

During the sitting of the House before it resolved itself into the Committee of the Whole this morning, I obtained permission to include in my remarks certain tables and certain parts of the record which we compiled during the hearings. I do that because there are some very significant facts that I think should be brought to the attention of the Members of the House, and also to those who read the CONGRESSIONAL RECORD but who may not have access to the printed hearings.

FEDERAL POWER COMMISSION

The bill provides $7,062,000 for FPC for 1960, a slight increase over 1959 but a reduction of $363,000 in the budget estimate. The funds provided will permit the filling of 75 vacant positions and thus assure continued operations at or above the current level.

It has become a habit in recent years to draw comparisons between the United States and the Soviet Union. A cartoon on the editorial page of Sunday's Washington Post shows a fat and complacent Uncle Sam drifting down the river in a canoe apparently oblivious to a fast overtaking shell being propelled through the water by a vigorous and aggressive group of Soviet crewmen.

In an effort to develop some facts concerning relative United States and Soviet power development, the committee closely questioned commission witnesses and some interesting and revealing information was secured. This appears on pages 349 to 356 of part I of the hearing. But for the benefit of those who may not have access to the printed hearings, I wish at this point to include the statement and tables prepared and furnished the committee by the Commission showing a comparison of United States and Russian power development. This comparison, I am pleased to report, shows that U.S. superiority in installed electric generating capacity is increasing and not diminishing:

COMPARISON OF UNITED STATES AND RUSSIAN POWER DEVELOPMENT

Table 1 shows the total installed capacity of electric generating plants in the United States at the end of 1957 together with electric energy production during the year. The data are broken down by Federal Power Commission regions. Forecasts up to the year 1975 are also shown. Table 2 shows a breakdown of the installed capacity in the United States for each year back to 1945.

Available information indicates that the total installed generating capacity in Russia at the end of 1957 amounted to 45,970,000 kilowatts, including 35,500,000 kilowatts of thermal capacity and 10,470,000 kilowatts of hydro capacity. Generation in 1957 amounted to about 210 billion kilowatt-hours, of which 173.5 billion kilowatt-hours were generated in thermal plants and 36.5 billion in hydroplants.

With a population of around 201 million, the capacity per capita in Russia amounted to 0.229 kilowatts and the annual energy production per capita amounted to 1,045 kilowatt-hours. These figures may be compared with the following for the United States, with a 1957 population of 171 million; capacity per capita, 0.846 kilowatts; annual energy production per capita, 4,184 kilowatt-hours.

The total estimated potential hydroelectric power in Russia has been reported as 340 million kilowatts of capacity with annual production of some 2,978 billion kilowatt-hours, which is 3 to 5 times the estimated hydro potential of the United States. On the basis of these figures, it appears that about 2½ percent of the total Russian potential has been developed as compared with 23 percent development in the United States.

The following tabulation compares the total installed electric generating capacity in the United States and Russia at 5-year intervals. Details by years are shown in table 3. It will be noted that the U.S. superiority has become 2½ times as great as in 1940, having increased from 39,962,000 kilowatts in 1940 to 100,251,000 kilowatts in 1957.

[Kilowatts]

	United States	U.S.S.R.	U.S. superiority
1940	50,962,000	11,000,000	39,962,000
1945	62,868,000	10,700,000	52,168,000
1950	82,850,000	22,400,000	60,450,000
1957	146,221,000	45,970,000	100,251,000

The following tabulation shows the average annual growth of installed electric generating capacity in the United States and Russia from 1940 to 1957. In the last 7 years the United States has been adding capacity at an average rate nearly three times that of Russia.

Average annual growth in kilowatts

	United States		U.S.S.R.	
	Growth in period	Per year	Growth in period	Per year
1940–45	11,906,000	2,380,000		
1945–50	19,982,000	3,996,000	11,700,000	2,340,000
1950–57	63,371,000	9,053,000	23,570,000	3,367,000

During the above period the maximum yearly installation for the United States was 11,531,000 kilowatts in the year 1954 although almost precisely the same amount, 11,529,00 kilowatts, was added in 1955. Russia's maximum year was 1956 during which 5,564,000 kilowatts were installed. For the year 1958, preliminary data are available for the United States and they show that generating capacity added in this year reached an alltime high of 14 million kilowatts.

The accompanying chart shows a comparison of total generating capacities in the United States and Russia for the years 1940–56 with projections to 1975. It shows graphically how the United States has been outdistancing Russia in the installation of electric generating capacity. As shown on the lower curve, if Russia is to catch up with the United States by 1975 it must install new capacity at the unprecedented rate of 16,200,000 kilowatts annually, or at a rate more than four times their actual rate (3,399,000 kilowatts) during the 6-year period 1950–56, and nearly three times their maximum annual rate of installation (5,564,000 kilowatts) during that period.

TABLE 1.—*Electric generating capacity and production of electric energy of the United States by regions with projection to 1975 (utility and industrial)*

FPC region	Installed capacity at end of year (millions of kilowatts)					Production (billions of kilowatt-hours)					Production kilowatt-hours per capita 1957
	1957	1960	1965	1970	1975	1957	1960	1965	1970	1975	
I	30.3	35.8	43.9	53.2	63.6	137.3	157.9	193.9	234.8	281.1	3,198
II	28.6	34.7	44.4	54.5	65.1	145.8	178.0	223.3	270.7	320.4	5,038
III	26.3	31.8	41.6	51.7	63.4	137.8	159.9	198.5	243.2	295.1	5,040
IV	17.2	21.6	28.1	35.0	42.5	80.1	102.5	134.1	167.0	202.7	3,463
V	16.6	22.3	30.0	37.4	45.7	85.3	104.2	134.2	164.5	195.2	4,019
VI	3.5	4.0	5.4	6.8	8.0	12.7	16.8	22.4	27.8	32.8	2,490
VII	10.5	14.7	18.6	23.3	28.4	57.2	76.3	97.1	120.7	146.7	8,667
VIII	13.2	15.1	21.0	27.1	34.3	60.2	72.3	97.0	125.2	157.1	3,960
Total	146.2	180.0	233.0	289.0	351.0	716.4	867.9	1,100.5	1,353.9	1,631.1	4,184

TABLE 2.—*Hydroelectric generating capacity in the United States*

Year	Utilities			Industrial MW	Total MW	Annual increase MW
	Federal MW [1]	Nonfederal MW	Total MW			
1945	4,621	10,291	14,912	980	15,892	
1946	4,488	10,360	14,848	980	15,827	−65
1947	4,596	10,375	14,971	985	15,956	+129
1948	5,095	10,557	15,652	983	16,635	+679
1949	5,784	10,870	16,654	1,008	17,662	+1,027
1950	6,448	11,227	17,675	999	18,674	+1,012
1951	7,401	11,467	18,868	1,002	19,870	+1,196
1952	8,257	12,162	20,419	996	21,415	+1,545
1953	9,311	12,734	22,045	1,009	23,054	+1,639
1954	10,191	13,020	23,211	1,027	24,238	+1,184
1955	11,300	13,704	25,004	738	25,742	+1,504
1956	12,135	13,519	25,654	732	26,386	+644
1957	13,018	13,933	26,951	725	27,676	+1,290
1958 [2]	13,697	15,666	29,363	735	30,098	+2,422

[1] MW equals 1,000 kilowatts.
[2] Preliminary date for 1958.

Mr. Chairman, in the debate last week on the TVA bond financing bill, there was some discussion of rates charged the Atomic Energy Commission by TVA as compared with rates charged AEC by private utilities. This situation was referred to in the hearings and the Commission was requested to and did file with the committee a table showing a comparison of these rates. The table appears on page 364 of part I of the hearings and I include it as a part of my remarks at this point:

ATOMIC ENERGY COMMISSION

Purchased power costs

Projects and supplier	1957			1958 (January through November)		
	1,000 kilowatt-hours	Amount	Mills per kilowatt-hour	1,000 kilowatt-hours	Amount	Mills per kilowatt-hour
Oak Ridge: TVA	17,843,659	$70,792,070	3.967	15,582,407	$60,814,201	3.903
Paducah:						
TVA	12,099,815	47,037,403	3.887	10,024,304	37,069,669	3.698
EEI	6,765,908	26,115,831	3.859	5,888,467	22,797,391	3.872
Portsmouth: OVEC	17,060,922	66,583,416	3.902	15,592,088	62,483,649	4.007

NOTE.—EEI—Electric Energy, Inc.; OVEC—Ohio Valley Electric Corp.

I think it is worthy of note that during the period of 1935 to 1958, when inflationary forces have been pushing the cost of living up and up, the cost of electricity has remained stable and, in some instances has gone down. To show the trend the Commission filed with the committee a table which appears on page 368 of part I of the hearings and which I reproduce at this point:

TRENDS IN ELECTRIC RATES

During 1957 as a result of rate revisions slight increases were shown in the weighted average of electric bills for representative residential, commercial, and industrial uses. General trends in the level of bills for these services since 1935, based on data for cities of 50,000 population and more, are shown by the following table:

Average bills for electric service

Year	Residential (250 kilowatt-hours)	Commercial		Industrial (1,000 kilowatts, 200,000 kilowatt-hours)
		Light (6 kilowatts, 750 kilowatt-hours)	Power (30 kilowatts, 6,000 kilowatt-hours)	
1935	$8.90	$37.09	$182.23	$3,081
1940	7.05	31.76	170.96	2,828
1945	6.89	29.96	166.21	2,863
1950	6.81	27.64	160.75	3,024
1951	6.76	27.35	158.06	3,011
1952	6.79	27.48	159.40	3,042
1953	6.93	27.00	158.03	3,154
1954	6.96	27.06	158.16	3,162
1955	7.03	27.20	159.16	3,168
1956	7.07	27.38	160.05	3,204
1957	7.11	27.44	160.71	3,235
1958	7.18	27.70	162.88	3,279

Although the average trend was slightly upward in 1957–58, a number of utilities decreased rates for certain types of service and amounts of consumption, with residential customers principally affected.

An important factor in the upward trend of electric rates in recent years has been the necessary fuel costs. However, the industry has been able to restrict increases in service charges despite higher costs of operation. In 1958, for example, the residential bill was approximately 6 percent above the low established in 1951, while commercial light and power bills for 1958 remained lower than those for any year prior to 1950. But in the industrial category, where fuel costs exerted a predominant influence, 1958 charges exceeded those of any previous year listed in the table, with the 1958 industrial bill about 16 percent higher than the 1950 low but only about 6 percent above the 1935 level.

NATIONAL SCIENCE FOUNDATION

The bill provides $143,273,000 for NSF. This is an increase of $9,273,000 over 1959 but is $17,027,000 below the budget estimate.

The committee is impressed by the importance of science in the modern world but it does not believe that we should issue a blank check to the Foundation even though its work is of supreme importance. We felt that an increase of nearly $10 million over the funds provided last year should provide a substantial increase in NSF activities. The growth of NSF since it was created is shown by the following figures:

1951	$225,000
1952	3,500,000
1953	4,700,000
1954	8,000,000
1955	12,250,000
1956	16,000,000
1957	40,000,000
1958	40,000,000
1959	130,000,000
1960	143,000,000

The following table sets forth the major programs of NSF and how they will be financed by the funds provided in the bill:

	1959 appropriation	1960 budget	Recommended in bill
Support of science:			
Basic research	$48,999,000	$71,900,000	$60,450,000
Facilities	13,995,000	12,600,000	9,300,000
Surveys and reports	290,000	355,000	290,000
Dissemination of scientific information	3,620,000	5,100,000	3,620,000
Program development and evaluation	1,780,000	2,365,000	1,780,000
Allocations to other Government agencies	1,091,145		
Total, support of science	69,775,145	92,320,000	75,440,000
Support of scientific manpower:			
Fellowships	12,400,000	12,700,000	12,700,000
Institutes	33,050,000	33,050,000	33,050,000
Clearinghouse of scientific information	880,000	1,000,000	880,000
Projects in science education	11,593,000	11,600,000	11,593,000
Course content program	6,000,000	6,000,000	6,000,000
Program development and evaluation	2,270,000	2,249,000	2,249,000
Total	66,173,000	66,599,000	66,452,000
Executive direction	1,381,000	1,381,000	1,381,000
Total	[1] 137,329,145	160,300,000	143,273,000

[1] Includes $2,000,000 by transfer from the Atomic Energy Commission and $1,329,145 of prior year funds.

While I am on the subject of the support of science let me say that we read occasional comments indicating that the Federal Government is being too parsimonious in the support of medical research. We therefore asked the National Science Foundation to bring together in one table a record showing the amount of funds the Federal Government in all of its agencies is spending in this important field, and I think the committee may be interested in knowing that the Department of Health, Education, and Welfare in 1958 spent $167 million in that field; the Department of Defense spent $3 million; the Atomic Energy Commission spent $15 million, and the Veterans' Administration spent $10 million, or a total of $196 million for medical research.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. I notice here an item of about $2 million for a program of collecting scientific information; in other words, a reduction. The Budget recommended $5,100,000 and the committee appropriated $3,620,000.

Let me say this is an extremely important field of operation. I know of no place where we could get as great a return in the way of scientific information for as small an expenditure as in the assembling and developing which is done by other scientists and other nations throughout the world, and that undoubtedly is the purpose of that program. I am sure the gentleman realizes the importance of that program.

Mr. JONAS. May I say to the gentleman from Louisiana that the committee does recognize the importance of that program. We went into that rather thoroughly, as the record will show.

Mr. BROOKS of Louisiana. I merely wanted to call attention to the vital importance of that program where we can obtain the information which we ourselves do not have to develop but just merely assemble.

Mr. JONAS. We have a big program in that field, and the committee allowed a substantial amount of money for it.

CIVIL SERVICE SYSTEM

The committee report is very critical of the Budget Bureau for failing to include $773,734,000 in the budget for the civil service retirement fund. The committee could have added this sum, as it increased budget requests in several instances, but it obviously was unwilling to assume the responsibility of increasing the budget by three-fourths of a billion dollars. I do not concur in the severe criticism directed at the Bureau of the Budget in the report because there is an honest difference of opinion as to whether this money is actually needed.

The report fails to point out, as I believe it should have, that the budget for 1960 includes $720 million as agency contributions to the civil service retirement and disability fund. This substantial sum appears in the budgets of the several agencies and, if Congress appropriates the money, will be added to the retirement fund. Government employees will pay in an equal amount so that the contributions plus interest will augment the fund next year by $1.676 billion. The anticipated payouts from the fund will amount to $943 million, so that there will be a net improvement in the fund by the difference between receipts of $1.6 billion and disbursements of $943 million or approximately $700 million.

FEDERAL TRADE COMMISSION

The committee recommends $7,062,000, which is an increase of $284,000 over last year but $230,000 under the budget estimate. The funds provided will allow the employment of 32 additional people and will bring authorized positions for 1960 to 770.

In 1936, when gross national product was $83 billion, the Commission had a staff of 571. Today, with gross national product $435 billion, the staff has increased to 738. But in the meantime Congress has added some heavy responsibilities to the Commission, in the following ways:

First. In 1936 Congress amended the Clayton Act by enacting the Robinson-Patman Act. Enforcement of this act accounts for the largest number of FTC complaints in the antimonopoly field. There were 64 such actions in 1958.

Second. In 1938 the FTC Act was amended by the Wheeler-Lea Act which increased the Commission's responsibilities in the advertising of foods, drugs, cosmetics, and devices. In 1951, it was again amended to prohibit representing oleomargarine as a dairy product.

Third. Enactment of four major pieces of consumer legislation: In 1939 the Wool Products Labeling Act; in 1951 the Fur Products Labeling Act; in 1953 the Flammable Fabrics Act; and in 1958 the Textile Fiber Products Identification Act.

Fourth. In 1958 Congress also amended the Packers and Stockyards Act and transferred jurisdiction over companies engaged in meatpacking from the Department of Agriculture to the FTC.

As the Nation's advertising bill has gone above the $10 billion a year mark, and as the jurisdiction of the FTC has been expanded by the enactment of new legislation, the workload of the Commission has increased by leaps and bounds. This increase is illustrated by the following figures: Deceptive practice complaints have increased from 125 in 1955, to 160 in 1956, to 187 in 1957, to 270 in 1958. Antimonopoly complaints have increased from 36 in 1955 to 86 in 1958. Applications for complaints have likewise increased sharply. In 1957 these applications came in at the rate of 283 a month but in 1958 the number moved up to 291 a month and during the first 6 months of the current fiscal year the number had gone up still higher to 324 and is still climbing as the months pass.

There is also a steady increase in the compliance work of the Commission. This activity is under the direction of the General Counsel and it is his responsibility to enforce compliance with the orders of the Commission. It may be of interest to note that during the last 4 years or since 1955, 43 penalty suits were certified to the Attorney General compared with 21 such cases in the preceding 7 years or from 1947 to 1955.

My own mail indicates that there is some feeling that the government agency charged with responsibility in the field of monopoly, price and promotional discrimination, restraints of trade, and deceptive practices, has not been as active in recent years as it should have been. In case other Members have occasion to respond to inquiries on this point, I invite their attention to pages 119–124 in part I of the hearings for a rather complete and revealing record of FTC activity in these fields during the past year. In brief, the record shows that the Commission issued 7 new merger complaints during the year, bringing the number of pending cases to 19; it proceeded against seven suppliers of chain food stores and against a variety of other manufacturers to force discontinuance of the practice of granting illegal or discriminatory promotional allowances; it filed complaints against six drug manufacturers charging

a conspiracy to fix prices and to monopolize their sale and promotion and issued orders against a number of other manufacturing organizations prohibiting price fixing and other illegal or discriminatory practices; and it stepped up its activity in the deceptive practice field 54 percent over fiscal 1957 and 73 percent over fiscal 1956.

The Commission is currently engaged in certain economic studies as directed by the Congress. One of these is a study of food distribution. Questionnaires have been sent out to 1,000 food retail organizations asking for data on sales, acquisitions, and manufacturing activities they conduct on their own behalf. This is the first step the Commission is taking under its mandate to study the subject of food retailing.

VETERANS' ADMINISTRATION

The committee recommends an appropriation of $5,020,226,000 to finance the activities of the VA during 1960. The breakdown by activity is as follows:

General operating expenses	$160,000,000
Medical administration	27,349,000
Inpatient care	777,500,000
Outpatient care	83,000,000
Maintenance and operation of supply depots	2,218,000
Compensation and pensions	3,300,000,000
Readjustment benefits	585,000,000
Grants to the Republic of the Philippines	2,000,000
Construction of hospital and domiciliary facilities	30,159,000
Total	5,020,226,000

The VA has shown a remarkable decrease in administrative personnel over the last 10 years. This is all the more significant when you realize that the veteran population has substantially increased, causing a considerable increase in workload. The committee requested the VA to provide a table showing comparable employment figures during the 10-year period. This table appears on page 769 of part I of the hearings but I will include it at this point for the information of all concerned:

Comparison of average employment from fiscal year 1947 through fiscal year 1960

Program or appropriation	Administrative appropriations—Average number of employees														Change from fiscal year 1947 to fiscal year 1960	
	Actual, fiscal year 1947	Actual, fiscal year 1948	Actual, fiscal year 1949	Actual, fiscal year 1950	Actual, fiscal year 1951	Actual, fiscal year 1952	Actual, fiscal year 1953	Actual, fiscal year 1954	Actual, fiscal year 1955	Actual, fiscal year 1956	Actual, fiscal year 1957	Actual, fiscal year 1958	Estimated, fiscal year 1959	Estimated, fiscal year 1960	Percent increase	Percent decrease
General administration							3,063	2,555	2,288	1,949	1,762	1,455	1,511	1,512		
Department of Veterans' Benefits							25,847	24,306	22,806	21,766	20,606	18,913	18,456	17,815		
Department of Insurance							11,103	9,481	7,620	6,128	5,446	4,734	4,312	4,471		
General operating expenses, subtotal	106,684	88,619	80,071	68,990	61,277	48,676	40,013	36,342	32,714	29,843	27,814	25,102	24,279	23,798		78
Medical administration	3,617	3,015	2,714	1,603	1,430	1,424	1,460	1,313	1,185	1,120	1,072	1,048	987	1,027		72
Research		77	240	371	422	396	530	680	760	809	1,030	1,286	1,538	1,299		
Medical administration and miscellaneous operating expenses, subtotal	3,617	3,092	2,954	1,974	1,852	1,820	1,990	1,993	1,945	1,929	2,102	2,334	2,525	2,326		36
Maintenance and operation of hospitals	78,992	85,892	92,077	97,860	99,523	105,182	105,435	111,860	112,914	115,360	116,038	114,835	115,096	117,658	49	
Maintenance and operation of domiciliary facilities	5,087	2,966	3,632	4,021	4,042	4,192	4,198	3,859	4,019	3,921	3,891	3,876	3,935	3,935		23
Inpatient care, total	84,079	88,858	95,709	101,881	103,565	109,374	109,633	115,719	116,933	119,281	119,929	118,711	119,031	121,593	45	
Outpatient care	9,025	11,793	12,837	12,179	10,717	9,907	11,325	10,392	9,525	8,965	8,526	8,189	7,938	7,973		12
Maintenance and operation of supply depots	746	945	906	716	538	482	476	405	336	326	328	332	379	374		50
Medical program, subtotal	97,467	104,688	112,406	116,750	116,672	121,583	123,424	128,509	128,739	130,501	130,885	129,566	129,873	132,266	36	
Grand total	[1] 204,151	193,307	192,477	185,740	177,949	170,259	163,437	164,851	161,453	160,344	158,699	154,668	154,152	156,064		24

[1] The peak VA employment of 219,242 (full-time equivalent) was in February 1947.

NOTE.—Due to reorganization, comparative employment by the new organizational elements in the appropriation "General operating expenses" for fiscal years 1947 through 1952 is not available. Excludes construction of hospital and domiciliary facilities and equivalent employment for consultants.

It should be noted that in the category of general administration, employment has gone down from 106,684 in 1947 to 23,798 for 1960. In this day when there is considerable criticism about loose Government administration, the substantial improvement shown by the VA in this field is deserving of commendation.

The overall total veteran population and families as of September 30, 1958, is as follows:

Total male veterans in civil life:	
World War II	14,900,000
Korean conflict	4,300,000
All other	3,000,000
Total	22,200,000
Total wives	19,000,000
Total children	24,600,000
Total other (relatives by blood, marriage or adoption living in family units headed by veterans	11,400,000
Total	77,200,000

It is staggering to contemplate the fact that more than 40 percent of the entire population of the United States is either entitled to some form of benefit under programs administered by the VA or is potentially entitled thereto. No wonder the cost of administering these programs and of financing these benefits is in excess of $5 billion a year.

The VA Medical Director assured the committee positively that there is no waiting list at any VA hospital for service-connected cases. There is, however, a substantial list of eligible veterans, with non-service-connected disabilities awaiting admission to VA hospitals.

GENERAL SERVICES ADMINISTRATION

This is the housekeeping agency of the Federal Government. GSA operates and maintains public buildings, acquires space for Government agencies, operates the Federal Supply Service, disposes of surplus property, maintains the National Archives, and engages in a wide variety of other services to departments and agencies of the Federal Government.

The bill provides $271,346,800 to finance these activities during 1960. This is $215,802,390 less than was provided last year but is $16,847,800 above the budget estimates.

The largest cut from last year comes about because no new funds were budgeted for the construction of public buildings. This accounted for a reduction under last year's appropriation of $151,810,000.

The principal increase over budget estimates is in the item for sites and planning for public building projects. There was no budget estimate for this but the committee added $25 million to enable GSA to go forward with its acquisition of sites and planning for future building projects. This compares with $39,915,000 for this item in the 1959 bill.

FEDERAL HOME LOAN BANK BOARD

The committee approved $1,800,000 for expenses of the Board and $775,000 for administrative expenses of the Federal Savings and Loan Insurance Corporation. These sums represent slight increases over the current year but not quite as much as the budget estimates.

The growth and vitality of the savings and loan business in this country is amazing. Membership in the Federal Home Loan Bank System at June 30, 1958, was 4,534 and total assets increased during the year by 12.4 percent or to $50.1 billion. Mortgage loans made by member associations in 1958 aggregated $10.3 billion, the third highest year on record. These loans represent 38 percent of the Nation's home financing. Home purchasers accounted for 43 percent of the total, construction 34 percent, and improvements and refinancing for 23 percent.

The flow of savings into member associations was over $17 billion in 1958, withdrawals amounted to $11.8 billion, leaving a net gain of $5.3 bilion. This is an alltime record and is 8 percent above the previous peak which was established in 1956.

The activities of the 11 Federal home loan banks also reflected substantial gains during 1958. Assets reached $2.4 billion; net income increased by 9 percent to $21.4 million and investments by 34 percent to $1.4 billion. Loans to member institutions aggregated $1.3 billion and repayments aggregated $1.4 billion, another alltime record.

Memberships in the Federal Savings and Loan Insurance Corporation at June 30, 1958 were 3,832. Members' assets were up during the year by 13 percent to $47.6 billion while reserves and undivided profits climbed to $3.2 billion, an increase during the year of 15 percent.

The Corporation's insurance losses since its creation to date total $5.2 million or 1.6 percent of its cumulative gross income through June 30, 1958. Its insured liability at June 30, 1958 was $41.6 billion.

During the past year the Corporation retired the last of its $100 million capital stock. For the 24 years the Corporation had capital stock outstanding, it paid as a return on such stock $42,976,000 or an average of $1,791,000 a year.

This is a magnificent record of accomplishment and is proof of the dynamic vigor of our expanding economy.

The Board estimates that new private housing starts this year will total 1,200,000, of which approximately 700,000 will be conventional or uninsured loans. The home loan banks will furnish approximately 38 percent of the financing.

Mr. THOMAS. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. BOLAND].

Mr. BOLAND. Mr. Chairman, what has been said on this bill so far gives the members of the committee a pretty good idea of the kind of proposal we have brought to the floor.

Let me say this is the kind of a committee one delights in serving on, not only because of the multiplicity of agencies with which we deal but also because of the personalities that are involved. I can say without fear of any mental reservation of mine that the men with whom I serve on this committee are some of the finest in the Congress and the most able.

As has been pointed out, Mr. Chairman, this bill carries a total appropriation of about $6½ billion. This figure represents a reduction of $406 million, as compared with the 1959 appropriation. It is $145 million below the 1960 budget estimate, and there is also the rescission of prior year funds in the total amount of $107 million. Thus the total effected savings and reductions come to $252,348,200.

We have brought a good bill to the floor. There are some items affecting various agencies that were not unanimously agreed to by the committee, but this is not an unusual phenomenon in a bill of this kind. I personally was not in full agreement, nor were many of the other members in full agreement, with all of the reductions; however, a majority of the committee rules. None of us has made any reservations. If there are errors, as has been pointed out by the gentleman from North Carolina, they were errors of judgment, and we have erred on the side of economy.

After thorough and exhaustive hearings, your committee believes that the 18 agencies that are blanketed in this appropriation bill can live and live very comfortably with the total amounts we have provided.

The agencies under this appropriation are some of the finest in the Federal system. Their programs and their activities touch every corner of the Nation and all facets of our society in some manner or other. Your committee believes it has made adequate provision for the continuation of and recommended extensions of all of the activities in which these 18 agencies are involved.

I was delighted a moment ago to listen to the support of the gentleman from North Carolina for science that this committee and this Congress has given over the past decade or so. As he pointed out, back in 1951 the National Science Foundation received its first appropriation in the total amount of $225,000. This bill today makes an amount available to the National Science Foundation of $143,273,000. Just think of it, an increase of $143 million in the past 10 years.

So I think, Mr. Chairman, this conclusively points out that this committee and the Congress have met their responsibility in this field. As the gentleman from Louisiana has pointed out, there was a reduction in some particular items; but they always ask for more than they need and they usually get more than they can use.

I submit that this is a good bill. It has been brought here under a unanimous agreement of the committee and comes only after exhaustive hearings by your Subcommittee on Independent Offices and the full Appropriations Committee.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from California.

Mr. McDONOUGH. Under the item Housing and Home Finance Agency, you have an appropriation of $90 million for capital grants for slum clearance and urban renewal. The last line of the paragraph in the report states:

> The amount provided in the bill is expected to be adequate for the liquidation of obligation for projects during 1960.

Now, I would like to know to what extent and what discretion does the Committee on Appropriations have in the commitments that are made by the Agency with various cities for urban renewal. In other words, we are going to have a housing bill on the floor here very shortly, and I understand that there is a large backlog of demands for urban renewal. Now, if those commitments are made by the agencies with the cities and the counties, how much screening do you apply to those commitments and how much did you allow for those commitments in this appropriation bill?

Mr. BOLAND. Well, in reply to the gentleman, let me say that is an administrative priority. This committee gives very little or no consideration to specific commitments. They come in and ask for a specific amount, and we give them the amount which we think covers all of the commitments that have been made. We have done so in this particular bill.

Mr. OSTERTAG. Mr. Chairman, I yield 10 minutes to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Chairman, I am the freshman member of this subcommittee. I want to say to the House that I have thoroughly enjoyed being on the subcommittee. The work is very demanding. The jurisdiction is very broad, but the quality of people with whom you are associated is very high.

The chairman of the committee, the gentleman from Texas [Mr. THOMAS], does a tremendous job in getting through masses of very difficult information quickly and in such a way as to create what I think is a very good record supporting the bill that he brings out. The gentlemen on both sides of the aisle were very zealous in their attendance at the committee, and I think that as far as I can tell I have never had the pleasure of working with people who are more conscientious and more dedicated to the job than the members of this particular subcommittee.

I would like to say, however, Mr. Chairman, that the idea of appropriating this much money is rather appalling. I wonder sometimes if we should not here in the House take a closer look at our appropriations facilities and compare those facilities with those we had when this Government was appropriating much less money than it now is. I think we would find those facilities have not increased proportionately. We have people working for the House who are absolutely dedicated, who spend many hours a day, many days a week on understanding what this Government is doing, trying to keep the purse strings of the Government in the hands of the Congress. These people deserve all the credit in the world. Sometimes I wonder if there are enough hours in the day and enough days in the week for the number of people who are trying to do this job to actually do the kind of job which we have all taken oaths to do. In other words, this is a tremendously big Government, Mr. Chairman, and this

subcommittee, as well as the other subcommittees of the Appropriations Committee, have tremendous jurisdictions. We must always make certain that the facilities to do this job properly are kept available. To do otherwise is false economy, and risks failing to do the job of appropriating the Constitution delegated to the Congress.

As far as the report itself is concerned, I think it is very well written. There are some parts of it with which I do not agree, but I do not see any good reason why I should belabor these points at this particular time. I have discussed these matters before with members of the subcommittee.

I would like to point out, Mr. Chairman, that those Members of the House who feel that this appropriation bill represents a great saving below the budget should read the footnote on page 1. You will note that the appropriations for 1959 were $6,845,000,000 plus. In this bill we recommend $6,438,000,000 plus which on the face of it appears to be a reduction of $407 million. However, the appropriations figure for 1959 also includes funds which were in the first supplemental and which are in the second supplemental appropriation bill as these bills passed the House. This, then, is the bill which is the first step in the appropriating procedure for the fiscal year 1960. We are fairly certain that, as always, there will be supplementals. We hope that the total of all those bills will be in an amount which will at the end of the year result in an overall reduction as far as appropriations are concerned, comparing this year with the last fiscal year, but this is a hope which is not likely to be realized, as will be shown.

The appropriation for the year 1959 for the National Aeronautics and Space Agency is an item of $184 million which appears in the committee report as a basis of comparison of this bill with appropriations for 1959. There is no money appropriated for this item in this bill for a very good and sufficient reason. The authorization legislation has not been passed.

However, in considering this appropriation bill, compared with the appropriation bill for 1959, it must be remembered that there will be a bill which will come before this body and which must be passed for a very substantial sum of money to be appropriated for the Aeronautics and Space Agency. This amount must be considered before a valid comparison may be made.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, I thank the gentleman for yielding to me. I have been listening very patiently trying to learn something about this bill, and I appreciate and concur in the remarks made by the gentleman from Arizona.

I should like to ask with reference to the subsidy that is paid to local service carriers, an appropriation that is made available to the Civil Aeronautics Board. With reference to that, what is the appropriation for helicopter service subsidy?

Mr. BOLAND. Mr. Chairman, if the gentleman will yield to me, it is about $4,800,000. It concerns only three lines, one in New York, one in Los Angeles, and one in Chicago. Those are the only three helicopter lines that are getting a subsidy.

Let me say to the gentleman that I do not, myself, like that subsidy and have so expressed myself in the hearings. I think this is a field in which we could spend millions and millions and millions of dollars—that is, subsidies for helicopter operations. This is precisely the direction in which we are headed. I disagree with it. It helps passengers in town to get to the major airports. All of our airports are now situated, most of the great ones, on high-speed highways. Specifically, there is no reason in the world why we should provide money to subsidize that service, in order that someone in the heart of New York City, or someone in the Loop in Chicago, or in downtown Los Angeles, can take a helicopter to save himself 20 minutes. Why that should be done, I do not know. This is the kind of day and this is the kind of time in which we are living. I disagree with this theory, and I do not like it.

Mr. VANIK. Mr. Chairman, can the gentleman tell me what is the amount appropriated for this service?

Mr. BOLAND. Five million, one hundred thousand dollars.

Mr. VANIK. Did the committee cut down that amount, or allow the original request?

Mr. BOLAND. The committee did not cut this requested appropriation one dime.

Mr. VANIK. Can the gentleman tell me about local service, local carrier airlines?

Mr. BOLAND. The gentleman is talking about feeder lines?

Mr. VANIK. That is correct.

Mr. BOLAND. That sum is about $52 million.

Mr. THOMAS. Mr. Chairman, will the gentleman yield to me for a minute?

Mr. RHODES of Arizona. I yield to the gentleman.

Mr. THOMAS. We regard that as an obligation that has to be paid. The exact amount may vary some 5 to 10 percent. That is a matter of guesswork. We might cut it a little bit, and if it proves not sufficient, we could supply the deficiency the next year.

Mr. VANIK. Under the law, do we have any alternative?

Mr. THOMAS. No; it was testified that it is a debt.

Mr. VANIK. And we must pay it.

Mr. THOMAS. Yes.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. I am sure that the gentleman, like many others of us, is being importuned and is himself determined to keep within the budget figures of the President. I am therefore disturbed to find this language in the committee report, on page 6:

> Although the budget did not include funds for this purpose, the bill provides $25 million for sites and planning of public buildings to enable the Administrator to continue in 1960 the program of acquiring sites for needed public buildings.

Being mindful of the many cavernous holes around the Capitol where buildings are now being constructed, may I ask if the gentleman is convinced that the committee is indeed justified in recommending this $25 million?

Mr. RHODES of Arizona. I think I can agree with the gentlewoman from Illinois that we should be very careful in going beyond the President's figures. I believe as she does that we should certainly be zealous in getting the budget balanced. This $25 million for sites and planning we thought was necessary in consequence of the continuing need of the Federal Government for new buildings, mainly to replace old ones, and to house Federal agencies in Federal buildings to save paying high rents.

Mrs. CHURCH. We certainly hope so.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Ohio.

Mr. BOW. The gentleman has addressed himself to the question of the feeder lines, the local air carriers. I think it is very important that the gentleman make some statement as to the fact that the reduction in the amount requested for the local air carriers, the feeder lines, having been made is not an indication that the Congress is not going to meet its obligations to these air carriers. They are dependent upon this subsidy for their existence. With new purchases of equipment coming along now, a reduction that is considered to be the will of Congress not to pay this bill could seriously affect their operations. Would the gentleman care to comment that this is not an attempt to curtail their operations?

Mr. RHODES of Arizona. As far as I am personally concerned, and if I am wrong I should like to be corrected by some member of the subcommittee, I think the gentleman has made an accurate statement.

Mr. BOW. The money that is going to them will be paid under existing law. This is not taking anything away from them, for their obligation must be paid.

Mr. RHODES of Arizona. That is absolutely correct.

Mr. VANIK. If the gentleman will yield further, the gentleman is familiar with the language under which we must appropriate this money. I cannot follow that. I recognize the subsidy principle, but what would happen if we just decided not to pay them?

Mr. BOW. I think the gentleman will find that the air carriers would have a right then to go to the Court of Claims to secure their funds through the Court of Claims, that it is an obligation of the Government to the air carriers and they would have a right to enforce it in the Court of Claims if we did not appropriate it.

Mr. VANIK. Is it the gentleman's contention that that is a legal obligation?

Mr. BOW. That is my contention.

Mr. VANIK. I would appreciate having the staff of the committee advise me on that. I can recognize the moral obligation, and I think may be one exists, but I want to know if it is a legal obligation.

Mr. JONAS. If the gentleman will yield, I think the liability arises by reason of the fact they are certified. When carriers are certified, and they were all certified as a mandatory proposition a few years ago, then they become entitled to subsidy. It is a question of providing the money. If they do not receive it, they can go into the Court of Claims.

Mr. VANIK. Is my understanding correct that the Civil Aeronautics Board can allocate whatever funds are appropriated among the several carriers, and if there were no money appropriated the CAB could decide that there was none to be allocated?

Mr. JONAS. To take care of it, all of the money will ultimately have to be provided.

Mr. RHODES of Arizona. I have one more point I wish to make. In considering the appropriation for the Federal Trade Commission it became apparent that there is very likely, duplication of effort in the Federal Trade Commission and the Office of the Attorney General a far as antitrust activities are concerned. We questioned the Commission rather carefully on its activities. I cannot say that its activities are wrongfully taken, that the Commission has gone into territory occupied by the Attorney General but I do feel very strongly that this is an area in which the proper agencies of the administration, insofar as coordination is concerned, should take cognizance of the very distinct possibility that here we have two agencies of the executive department who are getting into the very same field, and probably there could be better coordination between them in an effort to eliminate duplication of effort and bring about a consequent saving to the taxpayers.

Mr. THOMAS. Mr. Chairman, I yield myself 1 minute. The gentleman from Vermont [Mr. MEYER], wanted to ask a question.

Mr. MEYER. Mr. Chairman, I would like to ask a couple of questions about the Office of Civil and Defense Mobilization. I notice the committee recommends $43,735,000. I was quite pleased to hear that the full committee as well as the subcommittee were unanimous in endorsing the recommendations of the committee report. My question is: Does this mean that there is a full recognition now that by appropriating such a small sum for civil defense, there is no real practical defense for that type of war that we might face in a nuclear war and that we are not going ahead with a civil defense program that really would be adequate for that type of war?

Mr. THOMAS. I will say to my distinguished and lovable friend from Vermont that you took us over the hurdles a far piece in one or two short sentences. I think the first year's request for an appropriation was in the neighborhood of $500 million. They wanted to go into some underground shelter program. That frightened us all to death. But to make a long story short, we have had some very able and distinguished men such as Governor Caldwell of Florida, the distinguished gentleman from New York, and the very able Governor from Nebraska, and certainly we have no finer in the land than the ex-Governor from Iowa. But this is a big program, and we are trying to carry it on very well.

Mr. MEYER. There are quite a few sincere workers in the field of civil defense. I think it is a little sad sometimes that we have the American people laboring under the impression that they are probably doing an awful lot. If this is the type of defense program that we are going to have, if this is the type of civil defense program, then basically the main thing is—it is merely propaganda or something of that type which leads the people to believe that they will have a civil defense program, when, as a matter of fact, they are not having it. Therefore, I wanted to bring this point out—not that I say we should spend the $50 billion that might be necessary to build a shelter system and all that type of thing, but I do feel the point should be brought out, and I just wonder if this is the real feeling of the committee.

Mr. THOMAS. I know the gentleman is sincere, and we appreciate his sincerity. The gentleman is asking not only pertinent questions, but some very interesting questions.

After all, we have been stockpiling medical supplies, and we have been conducting schools, and we have been supplying to the cities and to the States certain money to buy pumps and fire fighting equipment, and so forth. The gentleman used the word "propaganda" a while ago. I do not know whether you meant that in the exact sense, but sometimes the committee might agree with you that maybe there is more talking going on than is necessary, and with this situation of traveling around and talking. I do not know what else they can do, and I say that in all sincerity to you. We go out here and make some maps and spend good money these days nailing signs up on the highways saying, "In case of emergency or attack, this highway will be closed."

You can go to a football game, as we frequently do, but let me see you get away before the game is finished. I do not know what the answer to the gentleman's problem is, but I want to commend him for his interest in the item.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. BECKWORTH. A few days ago we had some people from the International Cooperation Administration before the members of the Foreign Affairs committee, I asked one of the gentlemen to estimate for me the cost to recruit each person this agency will hire in this fiscal year, and he said $2,000. I have been very much interested in some comments I have read in the papers with reference to the number of people that the Civil Service Commission examines, and I believe I read the statement that the Civil Service Commission has a part in recruiting only one-quarter of the people hired by the U.S. Government annually.

Mr. THOMAS. That is true.

Mr. BECKWORTH. Why cannot the Civil Service Commission with its vast experience in examining people, examine a higher percentage or be the primary agency in recruiting a higher percentage than one-quarter of the people required by the U.S. Government?

Mr. THOMAS. Let us be perfectly frank about it; about one-half is done by the agencies under the supervision of the Commission.

Mr. BECKWORTH. Is it the opinion of my very able colleague from Texas who does such excellent work as a Member of this body and as a chairman that that is the more economical way?

Mr. THOMAS. No; I would not say so.

Mr. BECKWORTH. I think this particular point should be looked into. The $2,000 recruitment cost per person by one of the agencies is very high, it seems to me. It is urgently necessary to bring about economy in Federal expenditures and to curb inflation. Perhaps a considerable saving in examining and recruitment costs could be made. I include at this point in the RECORD seven letters I recently have received.

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., April 13, 1959.

Hon. LINDLEY BECKWORTH,
House of Representatives

DEAR MR. BECKWITH: I am returning herewith my letter of March 24, 1959, concerning the cost of our recruiting activities. In your footnote on that letter you asked that we also give you the cost of conducting and rating the examinations and the total number of people that will be recruited.

For fiscal year 1959, we estimate that 592,000 applicants will be examined and that 72,000 appointments will be made from our lists of eligibles. The following table shows the estimated cost of our work in processing these examinations and appointments:

(a) Recruiting activities	$383,100
(b) Conducting examinations and rating and reviewing applications	1,346,700
(c) Setting up and maintaining lists of eligibles	481,700
(d) Issuing certificates of eligibles for appointment to specific vacancies and auditing the selections	530,000
Total	2,741,500

Sincerely yours,
ROGER W. JONES,
Chairman.

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., April 27, 1959.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D.C.

DEAR MR. BECKWORTH: In reply to your letter dated April 17, 1959, it is estimated that approximately 487,900 appointments of all types will be made in fiscal year 1959 by June 30. Hiring has been running behind fiscal year estimates made last year. Of these appointments about 93,200 will be appointments based on previous Federal service. They will include transfers between agencies, reinstatements of persons with civil service status and restorations and returns

to duty after military furlough or extended leave without pay.

We compile no statistics on previous Federal employment of persons whose appointments are not based on such service. They are hired in the same way as new employees and so considered in our statistics. Of the remaining 394,700 expected appointments which we consider "new" ones, 128,800 will probably be "excepted" appointments and 265,900 will be to positions in the competitive service. Some of these employees may have had prior Federal service but we believe the proportion to be relatively small.

The following table compares the above estimates for the current fiscal year with actual totals for the two previous fiscal years:

	1959 estimates	1958 actual	1957 actual
Total accessions	487,900	495,938	567,565
Former Federal employees	93,200	98,050	93,403
"New" employees	394,700	397,888	474,162
"Excepted" employees	128,800	137,331	157,288
"Competitive" employees	265,900	260,557	316,874

Sincerely yours,

WILLIAM C. HULL,
Executive Assistant.

DEPARTMENT OF THE NAVY,
OFFICE OF INDUSTRIAL RELATIONS,
Washington, D.C., April 29, 1959.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D.C.

MY DEAR MR. BECKWORTH: In our letter to you on April 22, 1959 we stated that a report would be forthcoming from this office in answer to your inquiry of April 15, 1959 concerning the recruitment activities of the Department of the Navy.

We have compiled data covering Navy recruiting activities from the best available statistics, and we estimate this to be as follows for fiscal year 1959:

(a) Applications to be examined by Boards of Examiners, 230,000.

(b) Appointments to be made (include appointments to be made by other agencies from registers maintained by Navy Boards of Examiners), 21,000.

We do not have available the fine breakdown of cost figures on examinations and appointments submitted to you by the Civil Service Commission. However, we do have on record a total cost figure for boards of examiners' work; and by applying the percentages used by the Commission for its cost figures against our total costs, we have been able to establish a similar summary. We have used this method since we firmly believe that our costs closely parallel the Commission's costs in the area of examining and appointing applicants. We find, therefore, that the estimated costs for fiscal year 1959 for processing examinations and appointments are as follows:

(a) Recruiting activities	$120,000
(b) Conducting examinations and ratings and reviewing applications	423,000
(c) Setting up and maintaining lists of eligibles	151,000
(d) Issuing certificates of eligibles for appointment to specific vacancies and auditing the selections	166,000
Total	860,000

As requested, your letter of April 15, 1959, is herewith returned.

Sincerely yours,

R. E. CRONIN,
Rear Admiral, U.S. Navy,
Chief of Industrial Relations.

DEPARTMENT OF THE ARMY,
Washington, D.C., May 4, 1959.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: The following information is furnished in reply to your letter of April 15, 1959 to the Secretary of the Army. In your letter you asked for information on this Department's examining and appointment activities for fiscal year 1959 paralleling that furnished you by the chairman of the U.S. Civil Service Commission, whose letter of April 13, 1959 you forwarded with your note.

We have appointed approximately 9,400 persons from registers during the first 9 months of fiscal year 1959. We anticipate that we will appoint an additional 2,400 during the final quarter for a fiscal year total of 11,800. To secure the eligibles needed for these appointments, we will have examined approximately 110,000 applicants by the end of the fiscal year.

Since our boards of examiners are very small operations, ranging from part of the time of 1 employee to 3 or 4 employees for large installations, we do not separate our costs by the fine divisions of work shown in the Civil Service Commission's letter. In addition, our recruiting activities are not performed by our examining boards, but by our regular installation personnel staffs, These are performed for all occupations in short supply, including many employed through examinations conducted by the Civil Service Commission. We cannot, therefore, furnish recruiting cost data paralleling that furnished in the Commission's letter, for our board operations. We have done very little recruiting during this fiscal year. Since we are reducing in strength in many of our operations, our appointments are primarily for replacement of normal turnover.

Cost for examining the 110,000 applicants, certifying eligibles for the 11,800 placements and handling approximately 6,700 noncompetitive actions will be approximately $400,000 for fiscal year 1959. This is $3.40 per application reviewed or $21.60 per action processed by our boards, including the noncompetitive cases in which promotion and reassignment actions are examined for conformance to the same standards used in examining for appointment. Since it is not possible to separate the cost of this work from the appointment workload, our cost figures are not completely comparable to those furnished you by the Civil Service Commission.

I trust that this information will be of assistance to you.

Sincerely,

R. H. WILLEY,
Director of Civilian Personnel.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., May 7, 1959.

Hon. LINDLEY BECKWORTH,
House of Representatives

DEAR MR. BECKWORTH: Returned herewith is the letter you received from the U.S. Civil Service Commission furnishing data on its recruiting activities. Your request for similar information from AEC, found in the marginal notes, has been carefully considered, and the following advice submitted:

Exception from civil service: Because AEC is an excepted agency, it should be borne in mind, in considering this reply, that the Civil Service Commission performs no recruiting, examining, or certification functions for AEC. Unlike the Government departments in the competitive service, AEC performs for itself, without reference to the Civil Service Commission, all the activities relating to employee selection which are normally carried out through the combined efforts of the operating department and the Civil Service Commission.

Applications for Federal employment: The number of persons outside AEC who will apply for employment direct to AEC's headquarters and 12 operations offices in fiscal year 1959 will approximate 17,000. This figure covers written applications which have been formally submitted and does not include informal oral inquiries. AEC accepts applications for employment at any time in fields of work it utilizes. As the result of a single application, an applicant may be considered for several types of work in which his principal qualifications might profitably be used.

Appointments to Federal positions: The number of persons outside AEC who will be appointed in fiscal year 1959 to positions in AEC headquarts and operations offices will approximate 630 (a smaller number than estimated in our last letter to you).

Cost of recruiting and related activities: AEC maintains no figures on costs which are comparable to those furnished by the Civil Service Commission. Employment is decentralized and is one of several functions performed by the personnel offices in AEC Headquarters and each Operations Office. In a relatively small agency such as AEC (approximately 6,800 Federal employees, with fairly low turnover), it is difficult to isolate costs relating specifically to recruiting, and especially difficult to break them down by the specialized activities listed by the Civil Service Commission. In an AEC personnel office, one person may recruit candidates, review applications, conduct examinations, prepare lists of "eligibles" (qualified candidates), and issue AEC's counterpart of the CSC "Certificate of Eligibles." These activities would be in addition to work concerned with such matters as interviewing, internal placement and promotion, job evaluation, employee relations and training. It would appear that AEC's activities would be more comparable to the combined personnel activities of other Government agencies and those services performed by the Civil Service Commission in the recruitment, examining and selection of personnel for the competitive service.

Our best estimate, however, of the cost of such personnel activities as recruiting, examining, setting up and maintaining lists of eligibles, and issuing certificates of eligibles for appointments as performed by an independent excepted agency, is approximately $61,000 for fiscal year 1959.

It is hoped this information will serve your purpose.

Sincerely yours,

ARTHUR L. TACKMAN,
Director, Office of Personnel.

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., May 8, 1959.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D.C.

DEAR MR. BECKWORTH: In reply to your communication of April 29, 1959, asking that we relate the figures furnished in our letters of April 13 and April 27, the former covers only the work done in the Civil Service Commission's own offices; the latter contains Government-wide totals.

The 72,000 appointments estimated to be made from our lists of eligibles this fiscal year are part of the 265,900 competitive appointments which we expect will be made throughout the Federal service. Of the balance approximately 151,800 competitive appointments are expected to be made from lists of eligibles established by Boards of Examiners. The remaining 42,100 appointments consist of those the Commission authorizes the agencies to make directly because (1) the job is temporary or of a short-term nature and an examination is not practical or economical or (2) a continuing job must be filled by making a temporary appointment whenever a list of eligibles is not immediately available.

The examinations for appointments to the competitive service are conducted by the Commission or by Boards of U.S. Civil Service Examiners operating under our supervision. Competitive examinations are generally not conducted for the appointment made directly by agencies; however, they are reviewed as a part of our inspection program.

Sincerely yours,

WILLIAM C. HULL,
Executive Assistant.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., May 8, 1959.

Hon. LINDLEY BECKWORTH,
House of Representatives,
Washington, D.C.

DEAR MR. BECKWORTH: I am returning the Civil Service Commission's letter with your footnote dated April 15, requesting a breakdown of the cost of our examining activities.

We do not have actual figures of the percentage of time our employees devote to each of the activities listed in the Civil Service Commission's letter of April 13. Our examining costs as contained in our letter of January 2, 1959, on this subject represent the cost of operating civil service boards of examiners. However, we have made an estimate of the cost to be allocated to each of the categories, excluding recruitment. They are as follows:

Conducting, examining, rating and reviewing applications	$78,080
Setting up and maintaining lists of eligibles	20,740
Issuing certificates of eligibles for appointment to specific vacancies and auditing and selections	23,180
Total	122,000

Last year approximately 3,200 employees were hired of the approximate 32,000 applicants recruited and tested.

It is our understanding that the item "Recruitment activities" in the Civil Service Commission's letter of April 13, 1959, covers the cost of such items as preparation of examination notices and recruitment material, development of recruitment sources, and conducting recruitment visits to high schools, colleges, and civic groups. We are unable to furnish you an accurate figure as to the cost of such activities for the Department of the Interior. The majority of the activities of this type in the Department are performed as an incidental part of some employees' jobs. There are no figures maintained of the cost or the amount of time involved. A copy of our letter of January 2, 1959, is enclosed for easy reference.

Sincerely yours,

NEWELL B. TERRY,
Director of Personnel.

Mr. JENSEN. Mr. Chairman, will the gentleman take a couple of minutes more to permit me to ask a question?

Mr. THOMAS. Yes. Mr. Chairman, I yield myself 2 additional minutes.

Mr. JENSEN. First, I should like to make a statement and then ask a question. I appreciate the fine statement the gentleman from Texas [Mr. THOMAS], chairman of the subcommittee, has made about the former Governor of Iowa, and Administrator of Civil Defense. I can assure the gentleman that Mr. Hoegh would spend no money which he did not feel was completely justified in this big job that he has to do. It is a job in which the American people are greatly interested, and they want to know whether the money which is in this bill is sufficient to carry on that great and important task. Now I wish to ask this question of my very good friend from Texas [Mr. THOMAS]:

What is the situation relative to personnel that is carried in this bill? What is the number of personnel provided for in this bill for fiscal 1960 as compared to the number of personnel in the 1959 budget?

Mr. THOMAS. My good friend from Iowa embarrasses us.

Mr. JENSEN. I did not mean to do that.

Mr. THOMAS. I know the gentleman did not. But the impression has gone abroad that this committee does nothing but cut, cut, cut, and then cut some more. If anything, there is a slight increase in personnel in this bill over what was provided for the current fiscal year.

Mr. JENSEN. Just a slight increase?

Mr. THOMAS. To the contrary, people think we just come in here and wield a heavy hand and just cut, cut, cut. That is not true. Is that statement correct?

Mr. EVINS. The gentleman is correct.

Mr. THOMAS. If anything, it is an increase over last year.

Mr. JENSEN. I might say to the gentleman I was in hopes he would say that there was a reduction.

Mr. THOMAS. No; I cannot. That is why I said the gentleman's question embarrassed us.

Mr. EVINS. Mr. Chairman, will the gentleman yield me a minute to make an observation?

Mr. THOMAS. Mr. Chairman, I yield the gentleman from Tennessee 1 minute.

Mr. EVINS. In view of the great interest in the subject of civil defense I might point out that the testimony disclosed that the warehouses for stockpiles are filled, the hospitals are completed and staffed to a complete amount; there is a surplus of material to such an extent that they are now considering disposing of some of it as surplus material. So the fact is that the civil defense program is amply restored.

The equipment for air raid warnings on the various courthouses and city halls has been installed, and we have a very fine and very adequate civil defense program. As I say, they have so much material on hand that they are now considering declaring some of it surplus.

Mr. THOMAS. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Chairman, I know the committee has had a difficult time in dividing as best it could the sum of $6 billion, which is not a minor amount of money.

I do want to say a few things and point out certain facts which I think are important at the present time. It is, of course, very comforting to see in the report that the committee wants some of these programs reviewed. I fully agree with the committee on that. We adopt laws here like the Stockpiling Act; then we pay very little attention to it afterward, especially the committees that report these measures out. We have a shortage of time and we are doing the best we can. That program should have been reviewed some time ago. There are some other programs here that ought to be reviewed very carefully.

I am for research and have always been a strong supporter of research, but we have to take a look at some of these things to see what we are getting and whether or not we are getting results from the money we are spending.

I think the committee did very well in connection with most of these scientific organizations with funds; but, when you go from $126,000 to $143 million in the short space of 10 years, you are making great strides, so far as appropriating money is concerned. I believe the National Science Foundation is a good organization and very valuable one for the advancement of science.

There is one other thing I want to point out, and it has been mentioned here. I refer to the Civil Defense Act. I handled that act in the beginning and all the other legislation in connection with it that has come out of the Committee on the Armed Services. You did very well by them as far as the overall amount of money is concerned. There are, however, some spots in here that we have to take care of one way or the other—take it away from something and put it into something else, if necessary, to get results from this organization. I will point this out to you in what I put in the RECORD and shall ask permission when we go back into the House.

This is not merely a question of the danger of nuclear war. We know what our policy is right now. It is a policy of mass retaliation. That ought to be reviewed as to whether or not that is satisfactory for the security of our country.

We have put fission material in the atmosphere, tons of it; in 1945, 60 kilotons. That is in the United Kingdom and the United States. In 1946 we put in 40 kilotons; in 1948, 100 tons; in 1951, 500 tons; in 1952 and 1954 we put in 37,000 kilotons of fission material; in 1955 we put in 200 more; in 1956, we put in 9,000; in 1957 and 1958 we put in 19,000.

Russia put in, which we cannot control, in 1945 to 1951, 60 kilotons; 1952 to 1954, 500 tons; 1955 and 1956, 4,000 tons; 1957 and 1958, 21,000 tons.

United States, United Kingdom, and Soviet nuclear events

[Yield in kilotons]

Inclusive years	Fission yield			Total yield	
	Air burst	Ground surface burst	Water surface burst	Air burst	Surface burst
1945 to 1951	190	550	20	190	570
1952 to 1954	1,000	15,000	22,000	1,000	59,000
1955 to 1956	5,600	1,500	6,000	11,000	17,000
1957 to 1958	31,000	4,400	4,600	57,000	28,000

I mention this because of the fact it is up there and it has got to come down or will come down some time in the future.

When we enacted Public Law 606 for civil defense, there were a lot of people who wanted to go back to the States and put the power in the hands of the States. But we come back here, take the Federal agency, and put the entire power in

the Federal Government. So, the intent of that law 606 was to put some of this authority back into the local States and make them responsible for it. Now, somebody has got to be trained to know something about what is going on in the world, and I do not know of any way to do it except teach people. And, this is not going to be a city hall game, as people point out sometimes. Certainly I, as well as everybody else, would be opposed to such programs if it turned out to be such a thing. I do not believe in it. But, intelligence has got to be displayed in this country if we expect to survive. This is up there, fission debris, whether we like it or not, and it has to come down. Somebody should know something about it. We had 4 days of hearings recently and we had every top scientist in the country before us who knows anything about fissionable material. So, I am just pointing these things out, that we have got to have a balanced program. This is one way to improve it, or else we cannot have civil defense in this country. It is a tough program; it is a tough proposition. I know all about it, because we have gone into it thoroughly. The report brought out by the gentleman from California [Mr. HOLIFIELD], of the Government Operations Committee, I think every Member of the House ought to read. You would be surprised what Sweden and other countries have done. They have gone underground, and they have far better protection than we have in this country. I do not know what Russia has got, but it is assumed that they are not sitting there as a bunch of idiots and not doing anything about it. I know it is a costly program, but we have to survive, and if we do not want to survive, we might as well close shop.

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentlewoman from Oregon.

Mrs. GREEN of Oregon. In the Committee on Armed Services last week the head of Convair Division of General Dynamics Corp. testified that ATLAS could travel at the rate of 16,000 miles an hour; that it would go from New York to Los Angeles in 15 minutes, and therefore about the same 15 minutes from Moscow to New York. Would the gentleman tell me what real defense we have and why we are spending these hundreds of millions of dollars on civil defense and in what way we could possibly evacuate the cities when we have but 15 minutes' stand from the time the ATLAS will go from New York to Los Angeles?

Mr. DURHAM. I think it is generally agreed there is no defense against such a weapon, but that is a good reason to try to do the best we know how to cope with the present day weapons and one way is to keep the people informed.

Mr. OSTERTAG. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I can well understand the feeling of the gentleman from Ohio [Mr. VANIK], when he spoke a few minutes ago and said that he was having a hard time finding out anything about this bill. He never had an opportunity to find out very much about it, because the bill was not available until this morning. And, I want to continue—well, now, the chairman of the subcommittee shakes his head. I tried to get a copy——

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Just a moment, and I will yield to the gentleman. I tried to get a copy of this bill last Friday and again on last Saturday and could not obtain a copy of it. Now I will be glad to yield to the gentleman.

Mr. THOMAS. I beg the gentleman's pardon if he did not get it. It was available at 10:30 Friday. I humbly apologize, and I think the committee will apologize, too. I do not know why he did not get it. Maybe it was our fault, but it was available.

Mr. GROSS. Is the gentleman speaking of the committee print or the numbered copy of the bill?

Mr. THOMAS. The committee print. It has not been changed.

Mr. GROSS. The gentleman from Iowa has no way of knowing whether you changed the committee print or not. Oftentimes committee prints are changed before they come to the House, and the gentleman is well aware of that fact. Even though the bill was available on Friday at noon, even though the bill was available then, that was not ample time for the Members of the House of Representatives to get the bill, go over the hearings, and find out what happened in the period of Saturday and Sunday. We are supposed to devote ourselves to other things on Sunday. To call this bill up, a bill that deals with $6.5 billion and 18 agencies of the Government on such short notice is a wholly unfair procedure. Hereafter, I will be constrained to object when unanimous consent is asked for committees to have until midnight Friday or Saturday to file reports. Let me say to the majority leader, if this is the kind of procedure we are going to have—I will be constrained to object to such unanimous consent requests. This bill could well have come up on Wednesday or Thursday of this week, by which time we could have had an opportunity to study the bill, know what is in it, correlate the bill with the hearings and the hearings with the bill.

Now I should like to ask a question or two of the chairman, if I may. Am I correctly informed that there is no money in this bill for the so-called Career Executive Board?

Mr. THOMAS. Not one penny. I should like to beg the gentleman's pardon that he did not have an opportunity to see this bill. There was no idea of trying to hide anything, I assure him.

Mr. GROSS. I did not intend to address my remarks to the gentleman from Texas. I do not say that he or the committee was trying to hide anything.

Mr. THOMAS. Frankly, I spent Saturday and Sunday studying this bill, and I do not like that, either. But there is no money in here for the Executive Board.

Mr. GROSS. I want to compliment the committee for not providing a penny in the bill for the Executive Career Board. I hope, if there are any other appropriation bills in which it is expected funds will be carried for this elite corps in Government, that those items will also be eliminated.

I should like to ask a question with reference to the retirement fund. Is there any contribution made by the Government in this bill to the employees retirement fund?

Mr. THOMAS. Over and above the present fund; no. The Government's contribution for this year should be about $775 million.

Mr. GROSS. In other words, the employees are continuing to carry the load?

Mr. THOMAS. That is right.

Mr. GROSS. Does the Government pay interest on the money it should have contributed to the fund to make it actuarially sound?

Mr. THOMAS. The gentleman knows that the Treasury used to pay 3 percent. That was reduced to 2½ percent. Regardless of the niceties of this matter, in my judgment, the Government should make these contributions. I agree with the gentleman. I really think the Government should contribute in order to keep this fund from becoming insolvent. That amount would be $775 million. The Budget said, "No; they had the faith and the credit of the Government behind it." It is a two-sided argument, but I do not agree with them.

Mr. GROSS. I certainly agree with the gentleman that some provision ought to me made for this purpose.

Mr. THOMAS. We ought to pay as we go. That is good, old common horsesense.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. YATES. Last year the committee sought to put it in the bill, it passed the House and the other body, and the President vetoed it.

Mr. GROSS. Yes; I voted to put it in the bill last year.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. JONAS. Just to straighten the record at this point, the Government is contributing $720 million to this fund, this year, 1960. The employees are putting in an equal amount, and the Government is putting in about $235 million in interest in addition to that. So the fund will receive $1,676 billion in 1960 and will pay out about $943 million. So the fund will be nearly $700 million better off.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. GROSS] has expired.

Mr. OSTERTAG. Mr. Chairman, I yield the gentleman 2 minutes.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. YATES. The fact that the Government has made this contribution does not prevent the fund from becoming additionally insolvent to the tune of $775 million.

Mr. GROSS. That is right. May I ask the Chairman if there is anything in this bill for the former Presidents' pension fund, and if so, how much?

Mr. THOMAS. There is $200,000.

Mr. GROSS. I read the hearing with respect to this appropriation and did not get very much information. I thought the committee gave this item a little too much of the once-over-lightly treatment for something that is brandnew and something about which we ought to have more information. Can the gentleman tell me which former Presidents are getting pensions under this fund?

Mr. THOMAS. Yes; the two living ex-Presidents, Mr. Hoover and Mr. Truman.

Mr. GROSS. And they are both taking it?

Mr. THOMAS. As far as we know. I understand one gives it to charity, but he takes it.

Mr. GROSS. Was thought given to reducing Mr. Truman's pension, in view of the fact that the other day he said that if Members of Congress cut the foreign giveway bill they ought to first reduce their own salaries? Was there any thought given to reducing his pension?

Mr. THOMAS. No, there was no thought given to reducing any item in here, the rent or postage or anything else.

Mr. GROSS. Now about the widows. How many widows are there?

Mr. THOMAS. Two widows, Mrs. Roosevelt and Mrs. Woodrow Wilson, at $10,000 each.

Mr. GROSS. Where did Mr. Hoover and Mr. Truman establish their offices?

Mr. THOMAS. Mr. Hoover is in the Waldorf-Astoria in New York.

Mr. GROSS. Is that where he lives?

Mr. THOMAS. That is right.

Mr. GROSS. And Mr. Truman?

Mr. THOMAS. We are not paying any rent for Mr. Truman because it is in the library out in Independence. But let us not go into that. I do not criticize Mr. Hoover. If he wants to have it on Times Square I do not care.

Mr. THOMAS. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman, I want to join with the other members of the committee in complimenting the work of this fine and distinguished subcommittee of the Appropriations Committee and the Appropriations Committee itself. I realize, as you do, that $6 biliion-plus is a lot of money. We recognize that when we are considering sums of this kind it makes a tremendous impact on the Federal Treasury and the pocketbooks of the taxpayers.

We do, however, as fully as this committee has done, recognize the responsibility of the Congress in meeting certain necessary obligations to provide for services which the public, the citizens, the people of this country demand.

I am somewhat concerned about one or two phases of this appropriation, and specifically at this point the funds for the New Federal Aviation Agency. I should like to ask some questions about it because I think it is tremendously important for the future of transportation and the services that are to be provided by this agency of the Government.

In the first place, I might remind you, Mr. Chairman, the last Congress recognized that the Government must do a better job of assuring safety in aviation and, first, established the Federal Aviation Agency; and second, provided the necessary funds for making rapid improvements in air safety. These actions were well considered and took into account:

First. Our air traffic control system is inadequate.

Second. Jet aircraft operations cannot be effectively performed with the air navigation and traffic control devices currently available.

Third. The volume of activity in aviation is increasing at a rate of about 15 percent annually.

Fourth. Extensive technical studies have made clear that a major 5-year effort is necessary to expand the capacity of and advance the Federal airway system to where we have positive control over all aircraft that are operating under instrument conditions.

Fifth. That maximum air safety and effective and economical operation can be achieved by the merging of the military and civil air traffic management and navigation facilities under the administration of FAA.

In accordance with the will of Congress, the new Agency has been established. Major efforts are being undertaken to prevent accidents such as happened at Grand Canyon, Brunswick, Md., and Las Vegas with the funds for new equipment authorized in fiscal years 1957, 1958, and 1959. In fiscal year 1960, many important facilities will be ready for service, including, 17 long-range radars, 19 terminal radars, 28 traffic control towers, 166 VORTAC facilities, and 44 approach light systems.

The fund allowance by the Appropriations Committee, which makes a reduction of $76 million, will not permit this new equipment to be placed in service. In fact, new equipment valued at more than $50 million will have to be mothballed and the recruitment and training of air traffic control personnel would need to be stopped immediately, even though the committee report would appear to authorize 500 new positions for 1960.

A 5-year plan of the types and costs of new equipment required for this program has been available to the Congress for several years. We have known that assuring safety in aviation is expensive. Deferring the day when we provide what is required to assure aviation safety is not economy, it is only a deferment of the inevitable. The training of men to be competent in air traffic control and the operating of equipment necessary for air safety, while expensive, is a small cost for the results obtained in public safety, effective conduct of air commerce and military aviation. To further defer the time when recognized needs are met will place our Nation in a position where unlimited funds could not provide what is required for development and production of equipment and training of skilled manpower requires time.

Finally, I would point out that a function of this new agency is to assimilate, with large attendant economies, air traffic control services from the Department of Defense. This important objective cannot be attained if Congress fails to support the FAA requirements.

Our committee was called upon to investigate the tragic accident of the new turbo-jet Lockheed Electra, at New York. We have had conferences where there were innumerable misses reported, when an Air Force jet barely missed a commercial airplane loaded with people. We had reports that on another occasion without any intention, I suppose, a jet not knowing perhaps just what its target was, took a bead on a commercial airline and within just a few hundred feet of it took off in another direction.

This agency has a tremendous job. There are many thousands who were transferred from the military to this new agency.

I know the committee has considered these important problems because I have read over your report. But what I am concerned with is the progress being made. I would like to ask, Mr. Chairman, are there funds in this appropriation bill for 1960 to provide for the facilities which are being readied—No. 1, for the additional 17 long-range radar stations? Are there appropriations made available for the additional 19 terminal radars that are necessary in this jet age? There are 28 traffic control towers. How are they going to be operated or can they be operated with the funds appropriated here? There are 166 of the VORTAC facilities. Mr. Chairman, I do not need to outline these any further, but may I ask our distinguished chairman and other members of the committee—do we have funds in this bill to take care of these additional facilities?

Mr. THOMAS. I think you have the funds and personnel. I think you have a plus side on both. There was an increase of 8,000 jobs from 1958 to 1959, I will say to my very able friend, the gentleman from Arkansas, than whom there is no finer chairman of a committee in the House of Representatives. This year they want to go 5,000 above that 8,000 and the evidence showed that there are 3,000 unfilled jobs. First, they got the figures mixed up and said it was 5,000 unfilled jobs. But, I think when they reconsidered and recounted, the figure of 3,000 was nearer correct. So we gave them 500 more than they had last year. When you take their facilities and spell it out—for instance, they wanted to buy three jet aircraft to the tune of $5 million.

Mr. HARRIS. I know that and I am not concerned with that item.

Mr. THOMAS. All right, that is out.

Mr. HARRIS. I join the committee in that. But, let us get back to the subject.

Mr. THOMAS. I believe that you will join us in everything that we are going

to say here, if you will give us just a little bit of a chance here.

Mr. HARRIS. If you can assure me that there is sufficient money to provide the personnel necessary to carry out this program, of course, I join with you.

Mr. THOMAS. In our humble judgment, we think they have more than they need.

Mr. HARRIS. There is a feeling on the part of some of those who are responsible for this program that the 3,500 so-called vacancies are really not vacancies. That is a part of the accentuated program that was supposed to reach a certain figure by the first of July of this year, and when the gentleman's committee took the testimony, as he well knows and I have read a great deal of this record, and you have done a splendid job in developing it, but at that time back in February, it lacked 3,500 and I think you will find by now it lacks only about 900 of reaching that figure.

I am sure that if the gentleman in the light of this discussion will again consider the present situation and the future he will find that they will have to stop recruiting at the particular moment right where we are and that many of these facilities that have been purchased and paid for are going to have to be put in mothballs. I trust that if this bill goes through, the gentleman will reconsider and that these additional facts will be taken into consideration and necessary funds to carry out this terrific and important program will be restored.

Mr. OSTERTAG. Mr. Chairman, I yield 2 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, I wish to use my time to ask a few questions of the chairman of this committee. One is with respect to the items on page 12, Veterans' Administration, where it states that this item is for hospital inpatient care. It is stated that the amount is $9,378,000 more than the appropriation for 1959, but $9 million less than the request of the budget. Is that correct?

Mr. THOMAS. That is correct, I will say to my genial friend from Kansas.

Mr. REES of Kansas. Is it not true that the amount is left just where it was a year ago?

Mr. THOMAS. No. There is not one additional hospital that came into service this year. Let me give you a little explanation of this. We are talking to one of the finest Members of this House, a man who is level-headed, I do not care which side of the aisle he is on, and reason registers with him.

Mr. REES of Kansas. The gentleman is very kind.

Mr. THOMAS. Last year we went above the budget—now, listen—above the budget $8,365,000—$8 million round figures above the budget, and in my judgment under perhaps the finest administrator we have ever had, the gentleman from Massachusetts, Mr. Whittier. He came before our committee and he said that there were 4,165 phantom beds which you have been appropriating for that do not exist. That took a lot of nerve, did it not? There was nothing dishonest about it, not at all, and I will tell you how it came about. The administration would take over some old Army hospital and carry it on the books for 745 beds when as a matter of fact there were 35 or 40 beds that have not been used for 10 years but they have been carrying them as active beds although the Veterans' Administration could not use them. So through the years it has accumulated to the extent that last year we had $8 million more than the year before, that they could not use. They have an additional $9,300,000 in the bill for 1960, or altogether $17 million. It is no attempt to not give them the money they need should they need an increase, but it was not needed. The gentleman is on sound ground.

Mr. OSTERTAG. Mr. Chairman, I yield 1 minute to the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON. May I ask the distinguished chairman of the committee if there is anything in this bill for the long-promised Cleveland G.M. & S. hospital that last year we were told would be in this budget?

Mr. THOMAS. Is that the one that had not been started?

Mrs. BOLTON. It has been held up for 10 years; yes.

Mr. THOMAS. We started one hospital for the gentle lady, then she wanted another couple of hundred beds and after we got through we were very much involved.

Mrs. BOLTON. This hospital has not been started.

Mr. THOMAS. I thought the gentlewoman had a hospital under way.

Mrs. BOLTON. We have just broken ground for a mental hospital.

Mr. THOMAS. I know money has been appropriated for that one.

Mrs. BOLTON. Last year the gentleman was very kind. Two years ago he made it possible for us to start plans for the G.M. & S. hospital, and there was the promise that there would be money in this bill for the building of this hospital.

Mr. THOMAS. The Budget did not request it.

Mrs. BOLTON. Who does the gentleman mean by budget—the Budget or somebody in the veterans' organization?

Mr. THOMAS. May I ask the gentlewoman not to get me started on the budget. The money is not in here, and I sympathize with the gentlewoman.

Mrs. BOLTON. The money is not there?

Mr. THOMAS. That is right.

Mr. OSTERTAG. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. TEAGUE].

Mr. TEAGUE of Texas. Mr. Chairman, I suppose that accurate information is the hardest thing to get in Washington, but at 12 o'clock today I asked the Administrator of Veterans Affairs about the patient load, and I would like to say to the gentleman from Kansas that he tells me there will be an increase in 1960 over 1959. In fiscal 1959 the patient load was 140,493 and 1960 it will rise to 140,846 or an increase of 253.

Mr. REES of Kansas. That is my understanding, also.

Mr. OSTERTAG. Mr. Chairman, I made reference to the increase in patient load. The total overall patient load will be increased somewhat in 1960 over 1959.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

INDEPENDENT OFFICES

Civil Aeronautics Board

Salaries and expenses

For necessary expenses of the Civil Aeronautics Board, including contract stenographic reporting services; employment of temporary guards on a contract or fee basis; hire, operation, maintenance, and repair of aircraft; hire of passenger motor vehicles; and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates for individuals not to exceed $50 per diem; $6,925,000: *Provided*, That the Chairman is authorized without regard to any other provision of law, to place five General Schedule positions in the following grades: one in grade GS–18, one in grade GS–17, and three in grade GS–16, and such positions shall be in addition to positions previously allocated to this agency.

Mr. OSTERTAG. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in connection with the Office of Civil and Defense Mobilization, it is important, in my opinion, that we note the fact that Civil and Defense Mobilization have been combined into one agency. The bill itself appropriates $43,700,000 for fiscal 1960, but the original budget request was for $74,900,000, a reduction of $31,200,000, which is substantial and a very severe cut. The bill carries $10 million, or approximately that, as Federal contributions to the States and to the localities for the procurement of equipment, education and training of special assistants. The sum of $15 million was cut in this area.

Under the Durham Act that we passed in this House a year or so ago there is an obligation on the part of the Federal Government to carry forward the program with regard to services in the States and localities. The committee in its report referred to the dangers imminent in this question of Federal grants to States and localities for personnel.

I want to say for the record that I do not share the concern or the fear of our chairman and others that Federal grants to States and localities for personnel purposes would be a political proposition, sort of a city hall racket. Nevertheless, the cut has been made and Civil Defense has been more or less denied the inauguration of this program which was recommended in the basic law known as the Durham Act. I regret this change or this development, although I shall not at this time offer any amendment to restore these funds.

Mr. GROSS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. Did I understand that when the Clerk read, that the Clerk had read on page 4, line 1 through line 16?

The CHAIRMAN. Yes.

Mr. GROSS. Mr. Chairman, I make the point of order against the language contained in the bill beginning on line 11 through line 16, page 4, as being legislation on an appropriation bill. Mr. Chairman, it may well be that the Civil Aeronautics Board needs more super grades, but this is not the way to get it.

The CHAIRMAN. Does the gentleman from Texas desire to be heard on the point of order?

Mr. THOMAS. Mr. Chairman, I oppose the point of order. Let me make this explanation to my distinguished friend. You will recall that this language was put in the bill and thoroughly argued and debated last year. It was covered by a rule, you remember that, only it was for 10 of these jobs, and the Civil Service Commission, through some misunderstanding, only granted 5 of them. Now, the same language was in for FAA, and they were granted those 10.

Mr. GROSS. Mr Chairman, the subcommittee on which I have the privilege of serving has been trying very hard to regulate the disposition of super grades and the expansion of super grades.

Mr. THOMAS. We are not violating any rule. It was approved last year.

Mr. GROSS. I must insist on my point of order in protection of the committee and in protection of the Civil Service Commission.

Mr. THOMAS. I oppose the point of order because the paragraph was read.

The CHAIRMAN. The Chair thinks the gentleman from Iowa was within his rights to make the point of order. He observed the gentleman standing when unanimous consent was granted to go back to the previous section.

Mr. THOMAS. Well, the point of order is good, then. We admit it, then.

The CHAIRMAN. The Chair sustains the point of order.

The Clerk will read.

The Clerk read as follows:

PAYMENTS TO AIR CARRIERS

For payments to air carriers of so much of the compensation fixed and determined by the Civil Aeronautics Board under section 406 of the Federal Aviation Act of 1958 (72 Stat. 763–765), as is payable by the Board, $57,000,000, to remain available until expended.

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: On page 4, line 21, strike out "$57,000,000" and insert "$51,900,000."

Mr. VANIK. Mr. Chairman, by this amendment I seek to cut out and eliminate subsidy in this budget for passenger helicopter operation at Chicago, Los Angeles, and New York. The arguments in support of subsidy seek to justify this expenditure of $5.1 million in order to obtain a so-called operating experience of the helicopter. It seems to me that the amount of this subsidy is completely out of line with any experience benefit on this type of operation.

Helicopter service is generally used by expense account business executives who spend most of the extra time they save writing to Congressmen urging them to cut Federal expenditures.

I think this is an appropriate place to start saving money. Helicopter operation experience is abundantly available to the Government in the operation of Army helicopter service between Army compounds here in the Washington area. In addition to that, we have the benefit of the operating experience of the Gettysburg express which operates on a regular schedule.

It seems to me that this is an unnecessary waste of public money, and I urge the adoption of this amendment to save a useless expenditure of public funds.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that all debate on this paragraph end in 30 seconds.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas.

There was no objection.

Mr. THOMAS. Mr. Chairman, the committee is merely trying to carry out in some measure the legislative enactment of the House. If the House wants to take it out, in its wisdom, that is up to the House. Mr. Chairman I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VANIK.]

The question was taken; and on a division (demanded by Mr. VANIK) there were—ayes 33, noes 44.

Mr. VANIK. Mr. Chairman, on that I demand tellers.

Tellers were refused.

So the amendment was rejected.

The Clerk read as follows:

FEDERAL AVIATION AGENCY

Expenses

For necessary expenses of the Federal Aviation Agency, not otherwise provided for, including administrative expenses for research and development and for establishment of air navigation facilities, and carrying out the provisions of the Federal Airport Act; purchase of one passenger motor vehicle at not to exceed $3,500; not to exceed $12,950,000 for expenses of travel; and purchase and repair of skis and snowshoes; $283,200,000: *Provided*, That there may be credited to this appropriations funds received from States, counties, municipalities, other public authorities, and private sources for expenses incurred in the maintenance and operation of air navigation facilities.

Mr. BOW. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I ask unanimous consent to proceed for 5 minutes additional?

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BOW. Mr. Chairman, the distinguished chairman of the Committee on Interstate and Foreign Commerce raised on the floor of the House today what I consider to be a very serious and pertinent question. That question goes to appropriations in this bill for the Federal Aviation Agency.

Mr. Chairman, for some years I have been a member of the subcommittee that has been making appropriations for the old Civil Aeronautics Administration which has now been taken over by the FAA. I supported the bill to create FAA. I thought it was the thing to do. I think it is a step forward for transportation and safety in transportation and the advancement of the art in this country. But it must be remembered that when we established FAA we did more than take CAA out of the Department of Commerce. We established an agency in which the military would be coordinated with civil aviation in the airways of the Nation.

Mr. Chairman, may I point out that last week this House and the Committee on Appropriations went about $158 million over the budget estimates for Health, Education, and Welfare, because that department has to do with research and the saving of lives. May I point out, Mr. Chairman, that in this case we reduced the budget by $76 million, and there is involved in this item exactly the same consideration that was involved in HEW, the saving of lives and research looking to additional saving of lives. I will say to you that if you crash in a midair collision you are going to be just as dead as you are from cancer, tuberculosis, heart disease, or any of the others. So it seems to me that it is important that we give careful consideration to this fact.

I am not speaking for airlines, aircraft manufacturers, or the Federal Aviation Agency. I am talking for those Americans who are traveling in the air and for whom we have an obligation to create the safest aviation in the world.

I will say this to you, and I mean it sincerely, and I have said it on this floor before. I believe we should have a user charge. I think the time has come that those who use the airways, the corporations, the traveling public, and others, should be charged commensurate with the cost of the maintenance of these great airways of ours. But Congress has not done that, so we are still in the position where Congress must provide for the safety of those in the air. I am afraid that by this severe cut in this appropriation we are jeopardizing the lives of those who travel on the airways.

The gentleman from Arkansas, the distinguished chairman of the Committee on Interstate and Foreign Commerce, pointed out that there have been established certain facilities that will be closed. May I say to you that this reduction will cause the closing of 17 long-range radars, 19 terminal area radars, 28 traffic control towers, 166 VORTAC facilities, and 44 approach light systems. In other words, this Congress, this House, you, my colleagues. have over the years appropriated the money to establish these facilities. Many of them are now in being. The balance of them that I have read off will be in being during 1960. But with the appropriations here made there will not be bodies on board at the Federal Aviation Agency to man these facilities and the very important navigational facilities will have to be put in mothballs

because there will be no one to operate them.

I assume that that statement will be questioned, but let me look at the record. The employment authorized by the 1959 Appropriation Act was 29,893. The Agency had planned on June 30, 1959, to have that many people on board, that is, 29,893, which this Congress authorized last year. The employment now financed by the House subcommittee with this bill now before you will employ 29,000 employees, or a reduction of 893. That is the number necessary to man these facilities.

If you go forward with other new facilities which have been authorized and appropriated for, you will need an additional 2,791. So we are going to be shy not only those from this bill, 893, but if you are to man all the new facilities which you have voted for and provided for, you are going to be shy 2,791. Then, if the workload increases, you are going to have further difficulty.

It has been said there are 3,500 vacancies. That just is not exactly right. There are not that many vacancies. There never were. These jobs never were filled. They were authorized last year to take care of this new Agency and to set up this new facility. They have never been filled. But as of February of 1959 the actual employment was 27,445, in March, 28,099; and if this had not been reduced, we would have the 29,893 to maintain these facilities. So, you see, you are not increasing a single person in this bill, you are reducing by 893 the number of people you have to have to man these important facilities.

As I said, there are 17 long-range radars. I intend to get permission when we go back into the House to insert in the RECORD where these will be. They will be at Montauk, Long Island; Roanoke, Va.; El Paso, Tex.; surprisingly enough, Houston, Tex.; Jackson, Miss.; Nashville, Tenn.; Orlando, Fla.; Pensacola, Fla.; Texarkana, Ark., LaGrange, Ind.; Fresno, Calif.; Klamath Falls, Oreg.; Las Vegas, Nev.; Needles, Calif.; Paso Robles, Calif.; Salem, Oreg.; and Sacramento, Calif.

Now, there are terminal radars right down the line. May I say that the air traffic control towers that will be cut out will be Atlantic City and Cleveland, Ohio—I say to my colleague from Ohio. Cleveland is losing the new lake front control tower.

Huntington, W. Va.

Trenton, N.J.

Williamsport, Pa.

I could go on and read them all, all over the country, where these necessary facilities for safety in the air will not be in operation by reason of these severe cuts.

It can be said that this is a great increase over the years. Last year we brought it to you on the floor of the House and you passed it and approved it. But today you are reducing the manpower, but you still have the facilities which cannot be operated. I say to you my colleagues, I sincerely hope, and I am not going to offer an amendment, but I sincerely hope that when this bill comes back from the other body, some of these funds will be restored. I do not believe this whole $76 million should be restored. Believe me, this committee has done an excellent job on this bill. I do not believe the research development is particularly necessary. I think what should be put in this bill is the amount of money necessary to man all of these facilities so that these things which we have purchased, the facilities which we have ready for operation, can be manned and operated rather than for this new modern technique for the jet age, built and established by the wisdom of this Congress, should have no one to operate them.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield.

Mr. ARENDS. I would just like to say to the gentleman from Ohio that I have never agreed with any statement more than with the statement just made by the gentleman. All you have to do is to look at these numerous installations here which will not come into being because of the lack of these funds—and I might add—below the budget request. I think it is a serious matter and something to which we should give more attention. Just recently in this House, we talked so long about air safety and air safety devices and many other things that we should do for the traveling public, and yet here today we are going to cut out many of these installations that are so vital and so necessary. I commend the gentleman for the position he has taken on this particular matter.

Mr. BOW. I thank the gentleman.

The committee's action in reducing the Federal Aviation Agency's 1960 budget request by $76 million cannot be reconciled with recent actions of the Congress to correct serious deficiencies in Federal aviation programs. Starting in 1957 the Congress has consistently supported efforts to develop, purchase, and install the electronic and communications equipment required to increase the capacity of the air navigation and traffic management system and has provided the funds needed to support this objective. These increased appropriations have financed the first stages of a several year program to close the gap between the capacity of the traffic management system and the expanding needs of civil and military aviation. In providing substantial sums to establish additional air navigation and traffic control facilities, the Congress certainly intended that resources would be made available to operate these and existing facilities to their capacity.

Only last year, the Congress authorized the establishment of the Federal Aviation Agency to centralize in a single organization responsibility for those functions necessary to meet the common needs of military and civil aviation. An important purpose of this act was to integrate, during the next few years, military air navigation, traffic management and communications activities into one system, administered by FAA.

Successful completion of these major efforts to correct deficiencies and effectively integrate civil-military activities and achieve the economies that will flow from this integration, is largely dependent on the availability of adequate resources to FAA. Appropriation reductions of the magnitude recommended by the committee will effectively prevent the FAA from achieving the purposes of the Federal Aviation Act and will, in fact, lead to a reduction in the existing level of services.

EXPENSES

With respect to FAA's appropriation for operating expenses, the committee recommends an allowance of $203.2 million, a reduction of $43.2 million from the Agency's request. The committee indicated that the increase of $26 million over the 1959 appropriation will provide 500 additional positions in 1960 and increase the authorized strength of FAA by 3,500 from the current payroll. This is not the case. The vacancy figures of 3,000 used by the committee were as of February 28, 1959, which has been reduced at a rate of 600 per month. The practical effect of the committee's action is to freeze the present authorized strength of the Agency as the dollar allowance is approximately $9 million less than the amount needed to finance, in 1960, the program authorized by Congress for the end of the 1959 fiscal year.

The allowance makes no provision for increased workload requirements arising from a 14 percent increase in aviation activity and the rapid transition from piston-driven to turbine-powered aircraft. Furthermore, FAA will not have the manpower and funds necessary to operate some 500 new air navigation and traffic management facilities, representing an investment of more than $50 million for procurement and installation funds appropriated in prior years.

FAA requirements for operating expenses in a given year are largely determined by prior appropriations for procurement and installation of new facilities and by workload requirements resulting from increased aviation activity. The request for 1960 indicates that $292.3 million is needed to continue the level of operations to be reached in the current fiscal year, $15.4 million for additional workload, and $17.2 million for new facilities and services that are required to keep the operating program in phase with the commissioning schedule of the long-term improvement program.

Failure to provide the additional funds needed will result in an increase in traffic delays and flight cancellations. It will not be possible to operate such important new equipments as 17 long-range radars, 19 terminal area radars, 28 traffic control towers, 166 VORTAC facilities, and 44 approach light systems. All segments of aviation in all areas of the country will be adversely affected by this action. These are key facilities in extending positive traffic control and relieving airspace congestions. Without these radar facilities, it will not be possible to extend areas where controllers can see potential traffic conflicts along busy airways.

My experience indicates that budget estimates for these activities represent

sound, straightforward planning of requirements. The committee is kept advised of program changes that materially reduce the Agency's dollar requirements.

ESTABLISHMENT OF AIR NAVIGATION FACILITIES

The allowance of $131.2 million is $13.8 million below the request and $100 million below the amount called for in 1960 in the 1959 Federal airway plan. In anticipation of joint use of military facilities and to hold back all but the most urgent needs pending the outcome of the research and development effort of the Agency, the FAA supported the $145 million in the President's budget, but did so recognizing it was the the absolute minimum in light of undeferrable needs. The report specifically denies $5.1 million for the purchase of three jet aircraft required to perform high altitude flight inspections of the reliability of our facilities. The military and civil jet aircraft are now operating at high altitudes. The FAA does not have the capability of determining at high altitudes the reliability of ground-based air navigation equipments. The additional reduction of $8.7 million is primarily attributed to excessive cost estimates for equipment to be procured. The estimates submitted were based on engineering studies and considerable experience in procuring the types of equipment included in the 1960 estimate. Therefore, the effect of this reduction is to eliminate needed equipments.

RESEARCH AND DEVELOPMENT

The allowance of $47.1 million for research and development is a reduction of $16.5 from the request. Capital improvements at the FAA test facility, including the construction of a runway, were specifically denied. This program is the means through which the new concepts of equipments, leading to greater capacity and equipments, will be developed. This will retard the evaluation of research efforts which are being conducted by industry. There is a need to test the results of all of our research and development efforts, prior to their adoption for use and the expenditure of substantial capital funds.

GRANTS-IN-AID FOR AIRPORTS (LIQUIDATION OF CONTRACT AUTHORIZATION)

The allowance of $47.5 million is a reduction of $2.5 million in the budget estimate. These funds are required to make payments for obligations authorized by Congress in prior years. This action wil' delay payments to participants in the Federal-aid airport program.

OPERATION AND MAINTENANCE, WASHINGTON NATIONAL AIRPORT

The full amount of the budget estimate of $2.4 million was approved by the committee.

Federal Aviation Agency expenses appropriation

Employment authorized by 1959 Appropriation Act	29,893
Agency planned employment, June 30, 1959	29,893
Employment financed by House committee allowance	29,000
Reduction required by House allowance	893

Federal Aviation Agency expenses appropriation—Continued

New employees required beyond June 30, 1959:	
To man new facilities	2,791
To meet increasing workload	2,207
Additional employment required above House committee 1960 allowance	5,891

Employment [1] financed by expenses appropriation

Date	Agency plan [2]	Actual employment	1960 House allowance
June 1958	22,676	22,763	
July	23,422	23,309	
August	23,893	23,780	
September	24,312	24,218	
October	24,991	24,833	
November	25,778	25,384	
December	26,430	26,113	
January 1959	26,896	26,761	
February	27,496	27,445	
March	28,096	28,099	
April	28,696		
May	29,296		
June	29,893		29,000

[1] Includes permanently authorized positions, temporary positions, and intermittent employees.
[2] Planned employment levels anticipate continuing vacancies at a rate of about 2 percent, due to employee turnover. Permanent positions authorized for June 30, 1959, are 30,382.

EXPENSES APPROPRIATIONS

The House allowance for fiscal year 1960 does not provide for the manning of the facilities listed below, which have been procured with funds already provided by the Congress: 17 long range radars, 19 terminal radars, 28 traffic control towers, 166 short range navigation facilities, 44 approach lights systems, 24 instrument landing systems.

Funds required to place these facilities in operation were estimated at $17.2 million.

Detailed breakdown follows:

Long range radar

The 17 additional long range radar facilities requested for fiscal year 1960, which are not provided for under the House allowance, are located at the following sites: Montauk, Long Island, N.Y.; Roanoke, Va.; El Paso, Tex.; Houston, Tex.; Jackson, Miss.; Nashville, Tenn.; Orlando, Fla.; Pensacola, Fla.; Texarkana, Ark.; LaGrange (Goshen) Ind.; Fresno, Calif.; Klamath Falls, Oreg.; Las Vegas, Nev.; Needles, Calif.; Paso Robles, Calif.; Salem, Oreg.; Sacramento, Calif.

These facilities are required to provide positive identification of aircraft and maximum safety.

Terminal radars

The 19 additional terminal radar facilities requested for fiscal year 1960, which are not provided for under the House allowance, are located at the following sites: Atlantic City, N.J. (2); Pittsburgh, Pa.; Oakland, Calif.; Kansas City, Mo.; Dallas, Tex.; Houston, Tex.; Seattle, Wash.; Lincoln, AFB, Nebr.; Robbins, Macon, Ga.; Little Rock, Ark.; Detroit, Mich.; Indianapolis, Ind.; Portland, Oreg.; San Francisco, Calif.; St. Louis, Mo.; Beaufort, Morehead, N.C.; Dyess, Abilene, Tex.; Mather, Sacramento, Calif.

These facilities are needed to provide positive identification and maximum safety at high density airports.

Airport traffic control towers

The 28 additional airport traffic control towers requested for fiscal year 1960, which were not provided for under the House allowance, are located at the following sites: Atlantic City, N.J.; Cleveland, Ohio (lake front); Huntington, W. Va.; Trenton, N.J.; Williamsport, Pa.; Hot Springs, Ark.; Key West, Fla.; Oklahoma City, Okla. (Tulakes); Plainview, Tex.; Sarasota, Fla.; Cedar Rapids, Iowa; Champaign, Ill.; Green Bay, Wis.; Kalamazoo, Mich.; Lincoln, Nebr.; Milwaukee, Wis. (Curtis Wright); Oshkosh, Wis.; Concord, Calif.; Fresno, Calif. (Chandler); Fullerton, Calif.; Grand Junction, Colo.; Ogden, Utah (municipal); Oxnard-Ventura, Calif.; Roswell, N. Mex.; Santa Ana, Calif.; Santa Rosa, Calif.; Spokane, Wash. (Felts); Torrence, Calif.

These facilities are needed to provide improved safety at locations where activity has reached the standards established for such service.

Short-range navigation facilities

The 166 short-range navigation facilities requested for fiscal year 1960, which were not provided for under the House allowance, are located at the following sites:

Akron (Wellington), Ohio; Atlantic City, N.J. (2); Attica, Ohio; Blackford, Va. (2); Bradford, Pa.; Brushy Run, W. Va. (2); Cameron, Pa. (2); Central City, Ky.; Colts Neck, N.J.; Commack, N.Y. (2); Craigsville, Va. (2); Elmira, N.Y.; Findlay, Ohio; Franklin, Va. (2); Garrett, Pa. (2); Hartford, Conn.; Johnstown, Pa.; Linden, Va. (2); Nantucket, Mass.; New Haven, Conn. (2); Presque Isle, Maine; Robbinsville, N.J. (2); St. Thomas, Pa. (2); Patuxent, Md. (2); Pulaski, Va.; Thornhurst (Caldwell), Pa.; Tidioute, Pa.; Tower City, Pa.; Tyrone, Pa.; Washington, D.C. (2); Worcester, Mass. (2); Zanesville, Ohio; Abilene, Tex.; Alice, Tex.; Alma, Ga.; Ardmore, Okla.; Athens, Ga.; Baton Rouge, La.; Big Springs, Tex.; Bristol (Tri-City), Tenn.; Columbia, S.C.; Columbus, Miss.; El-Dorado, Ark.; El Paso, Tex.; Fayetteville, Ark.; Kingfisher, Okla.; Longview (Gregg County), Tex.; McDonough, Ga.; Mobile, Ala.; Muscle Shoals, Ala.; Orlando, Fla.; Raleigh, N.C.; Rock Springs, Tex.; Savannah, Ga.; Spartanburg, S.C.; Sulphur Springs, Tex.; Taccoa, Ga. (2); Tallahassee, Fla.; Tuscaloosa, Ala.; Tuskeegee, Ala.; Vienna, Ga.; Columbia, Mo.; Dupree, S. Dak.; Grand Island, Nebr.; Huron, S. Dak.; Iowa City, Iowa; Knox, Ind.; Lafayette, Ind.; Liberal, Kans.; Lone Rock, Wis.; Mankato, Kans.; Maples, Mo.; Marquette, Mich. (2); Minneapolis, Minn.; Naperville, Ill.; Nodine, Minn.; Rochester, Minn.; Sioux City, Iowa; Smithwick, S. Dak. (2); Westpoint, Ind.; Winner, S. Dak.; Wolbach, Nebr.; Alamosa, Colo.; Arlington, Calif.; Billings, Mont.; Blythe, Calif.; Bonneville, Utah; Cherokee, Wyo.; Cochise, Ariz.; Dunoir, Wyo.; Tobe, Colo.; Beulahville, Va.; Church, Iowa; Buckeye, W. Va.; Kinston, N.C.; Oxnard, Calif.; Swainsboro, Ga.; Yuba Pass, Calif.; Keating, Pa.; Mystic, Ky.; Ricker Island, N.Y.; South Kaui, T.H.; Gaviota, Calif; Gila Bend, Ariz.; Gunnison, Colo.; Hermosa, Calif. (2); Monterey, Calif.; Newberg, Oreg.; Olympia, Wash.; Ontario, Calif.; Fresno, Calif.; Slate Run, Pa.; Grand Marsh, Wis.; Bimini, West Indies; Idaho Falls, Idaho; McAllen, Tex.; Port Angeles, Wash.; Hyannis, Mass.; Kennebunk, Maine; Grand Forks, N. Dak.; Houghton, Mich.; Shadyside, Md.; Anchorage, Alaska; Bethel, Alaska (2); Cold Bay, Alaska (2); Fairbanks, Alaska (2); King Salmon, Alaska (2); Sisters Islands, Alaska (2); Kenai, Alaska (2); El Centro, Calif.; Ukiah, Calif.; Garrison, Mo.; Danville, Ill.; Cincinnati (Lunken), Ohio; Liberty, N.C.; Pasco, Wash.; Talladega, Ala.; Taylor, Fla.; Toledo, Iowa; Grand Marais, Mich.; Kansas City, Mo.

These facilities are required to improve the safety and reliability of the total airways system.

Approach lights systems

The 44 approach lights systems requested for fiscal year 1960, which were not provided for under the House allowance, are located at the following sites: Allentown, Pa.; Rochester, N.Y.; Washington, D.C. (second facility); Wheeling, W. Va.; Wilkes-Barre, Pa.;

Amarillo, Tex.; Atlanta, Ga. (second facility); Baton Rouge, La.; Fort Smith, Ark.; Greenville, S.C.; Lafayette, La.; Albany, N.Y.; South Bend, Ind.; Wilmington, Del.; Nashville, Tenn.; Fairbanks, Alaska; Macon, Ga.; Spartanburg, S.C.; St. Petersburg, Fla.; Tyler, Tex.; Wichita Falls, Tex.; Wilmington, N.C.; Battle Creek, Mich.; Evansville, Ind.; Green Bay, Wis.; Muskegon, Mich.; Peoria, Ill.; Des Moines, Iowa; Reading, Pa.; Portland, Oreg.; Oklahoma City, Okla.; Rochester, Minn.; Bakersfield, Calif.; Cheyenne, Wyo.; Eugene, Oreg.; Monterey, Calif.; Reno, Nev.; Seattle-Tacoma, Wash. (second facility); King Salmon, Alaska; Honolulu, T.H.; Charleston, W. Va.; Boise, Idaho; El Paso, Tex., and San Antonio, Tex.

These approach lights extend outward from a runway to aid pilots during landings.

Instrument landing systems

The 24 instrument landing systems requested for fiscal year 1960, which were not provided for under the House allowance, are located at the following sites: Akron (Mun), Ohio; Atlantic City, N.J.; Boston, Mass. (second facility); Cleveland, Ohio (second facility; Reno, Nev.; San Diego, Calif.; San Francisco, Calif.; Abilene, Tex.; Cold Bay, Alaska; St. Petersburg, Fla.; Spartanburg, S.C.; Waco, Tex.; Muskegon, Mich.; Peoria, Ill.; Waterloo, Iowa; Columbus, Ohio (second facility); Mansfield, Ohio; Washington, D.C.; Seattle (Tacoma), Wash.; Atlanta, Ga. (second facility); Columbus, Ga.; Honolulu, T.H.; Springfield, Mo., and Wichita Falls, Tex.

These facilities provide pilots with direction, distance, and glide slope information for making an approach to a runway under conditions of poor visibility.

I ask you to consider these facts and urge your support of this important program.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask the chairman of the subcommittee a question. On page 6, under the heading, "Investigations of United States citizens for employment by international organizations," there is an appropriation of $400,000. May I ask the gentleman whether those Government employees who provide the United Nations and other international organizations with information are exempt from paying Federal income taxes as are the employees of the United Nations?

Mr. THOMAS. Frankly, I cannot answer that question. That is a tax matter.

Mr. GROSS. I just wondered if any part of the $400,000 would be used for the purpose of tax reimbursement?

Mr. THOMAS. I have heard that they are exempt. But, I will give it to you for what it is worth. It is hearsay with me.

Mr. GROSS. Who is exempt?

Mr. THOMAS. Our employees.

Mr. GROSS. Of the United Nations. Of course, they are. There is no question about that. I just wonder if the people who work for them are likewise exempt.

Mr. THOMAS. No, no.

Mr. GROSS. And whether this $400,000 is to reimburse them.

Mr. THOMAS. We all pay.

The Clerk read as follows:

SITES AND EXPENSES, PUBLIC BUILDINGS PROJECTS

For an additional amount for expenses necessary in connection with construction of public buildings projects not otherwise provided for, as specified under this head in the Independent Offices Appropriation Act, 1959, $25 million, to remain available until expended, and this amount shall be expended for projects at such additional locations as may be selected by the Administrator of General Services and in amounts he deems necessary.

Mr. HARRIS. Mr. Chairman, I move to strike out the last word.

CAMDEN, ARK.

Mr. Chairman, I want to commend the committee for the inclusion of $25 million for the purchase of sites and planning of public buildings for the next fiscal year.

I observe from the reading of the hearings that among others to be included for this purpose is a post office Federal all-purpose building for Camden, Ark.

I want to thank the committee, not only for myself but for the people of Camden and those to be served by this facility. There is no community, anywhere in the country, in my opinion, that is in greater need for such a facility than is Camden, Ark.

As brought out in the hearings, the General Services Administration is "operating under the old 1926 act." There were some questions raised as to the limitation but on further discussion and consideration, it is made clear that the authority that was given in the old act was unlimited.

For this and the other three projects, the Administrator of General Services Administration, stated that they would not need construction money for this year.

The question was asked by the chairman of Mr. Macomber and Mr. Floete, the Administrator of General Services Administration, if they could "take care of these four projects without any language changed, and so forth?"

Mr. Macomber replied: "I think probably that could be done with just an appropriation for sites and expenses."

Mr. Floete, the Administrator, then agreed by stating "without designating what?" and Mr. Macomber further stated "or by designating," and the chairman, Mr. THOMAS said: "It could be done with some sites and planning money because you have the authority."

This is clear, Mr. Chairman, that of the $25 million appropriated for this purpose, the site is to be acquired and planning for such a public building at Camden, Ark.

The hearings further revealed that the total cost would be some $795,000.

Again, I am grateful for the committee and this House for including this project. I am sure the General Services Administration will proceed as expeditiously as possible toward the acquisition of a site for the Federal building in Camden, Ark., and planning for its construction at such future time as construction funds will be made available, which I hope will be the following year.

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

SALARIES AND EXPENSES FOR SEC

Mr. HARRIS. Mr. Chairman, the committee in its wisdom reduced the budget request for the operation of the Securities and Exchange Commission in the sum of $475,000. It is true this is some $127,000 above the current year.

Too often the work of the Securities and Exchange Commission is not fully understood and appreciated by the average American citizen. The committee has done an excellent job in connection with the overall budget included in this bill for the independent offices or agencies of the Government. I do raise a question, however, as to the wisdom of this reduction for the operation of the Securities and Exchange Commission during the next fiscal year.

There is nothing sacrosanct about a budget estimate. It is, as we know, arrived at in an effort to provide an adequate service, as in this agency for an example. It is usually arrived at on the basis of the actual needs. At least, an effort is made toward this objective.

No one has been more critical of some of the actions of the Securities and Exchange Commission than I and our committee. It was so during the course of our investigation during the last Congress. You are familiar with some of the problems that we developed. I am convinced that a part of the trouble has been the lack of personnel to do the effective job that we expect this agency to do.

No one knows better than our Committee on Interstate and Foreign Commerce of the tremendous workload of this agency. Registrations increased 29 percent over the last year, and this is one of the services performed by this agency which is most important and which, as we found in our investigation last year, was to a great extent responsible for some of the trouble that we uncovered.

The increased workload of cases referred to the Department of Justice for criminal action over last year is 167 percent. This requires a lot of work and personnel to prepare the cases and determine whether or not such action should be taken.

And I could go on enumerating the increased demands made of this agency. I will have included with this statement an outline showing the status as of now as compared with last year and what will be expected in the future.

The committee provided only for 10 additional personnel for the agency. These are all in the field. Much of this work is performed here in Washington. If we are going to expect this agency to perform its duty, then we should give them sufficient funds for personnel that will be effective. If we are not, we have no right to criticize the agency for the lack of a service which is demanded by the public in this field.

I hope, Mr. Chairman, that in the light of this information which I am giving to the House, the full amount of the budget request will be approved.

The following outline shows the exact situation which the Congress should very well take note in its final decision.

Securities and Exchange Commission

	Total amount	Positions		
		Department	Field	Total
1959 appropriation	[1] $7,737,000	562	391	953
1960 estimate	8,275,000	592	426	1,018
1960 estimate proposed by House Committee on Appropriations	7,800,000	562	401	963

[1] Includes supplemental request of $637,000 to finance cost of pay increase for the Commission.

Securities and Exchange Commission—statement of certain principal workload items for the 10-month period ending Apr. 30, 1959 and 1958

Principal workload item	10-month period ending—		Percent of increase, 1959 over 1958
	Apr. 30, 1959	Apr. 30, 1958	
1. Registration statements filed	941	731	29
Dollar value of registration statements filed, in billions	$14.3	$13.5	6
2. Regulation A filings	703	602	17
Dollar value of regulation A filings, in millions	$139.5	$110.8	26
3. Preliminary proxy statements filed	1,879	1,821	3
4. Cases referred to the Department of Justice for criminal action	40	15	167
5. Pending investigations:			
Beginning of period	937	978	(4)
Opening during period	410	377	9
Subtotal	1,347	1,355	(1)
Closed during period	345	387	(1)
Pending, end of period	1,002	968	4
6. Broker-dealer inspections	1,066	1,045	2

[1] Investigations closed during the 10-month period ending Apr. 30, 1959, required far more time and effort than those investigations experienced in the past. Specifically, approximately 75 percent of all investigations opened for the 10 months ending Apr. 30, 1959, represented full-scale investigations as compared to approximately 64 percent of all investigations opened for the 10-month period ending Apr. 30, 1958.

Securities and Exchange Commission—statement of certain principal workload items for the 10-month period ending Apr. 30, 1959, and 1958

Principal workload item	10-month period ending—		Percent of increase 1959 over 1958
	Apr. 30, 1959	Apr. 30, 1958	
7. Number of registered investment companies	502	449	12
8. Registration of new investment companies	58	34	71
9. Review of filings for compliance with regulatory provisions of Investment Company Act of 1940	944	819	15
10. Regulation of financing transactions under the Public Utility Holding Company Act of 1935	219	186	18

Securities and Exchange Commission—statement of certain principal workload items for the 10-month period ending Apr. 30, 1959, and 1958—Continued

Principal workload item	10-month period ending—		Percent of increase 1959 over 1958
	Apr. 30, 1959	Apr. 30, 1958	
11. Regulation of acquisitions of securities, utility assets and other assets under the Public Utility Holding Company Act of 1935	131	94	39
12. Number of reorganization petitions filed in courts under ch. X of the National Bankruptcy Act	79	58	36

Securities and Exchange Commission

	Calendar year 1958	Jan. 1 to Mar. 31, 1959
Transactions on stock exchanges:		
Number of shares	*Billions* 1.4	507 million.
Dollar value	$38.4	$14.1 billion.

The Clerk read as follows:

VETERANS' ADMINISTRATION

General operating expenses

For necessary operating expenses of the Veterans' Administration, not otherwise provided for, including expenses incidental to securing employment for war veterans, uniforms or allowances therefor, as authorized by law; not to exceed $3,500 for newspapers and periodicals; and not to exceed $67,000 for preparation, shipments, installation, and display of exhibits, photographic displays, moving pictures, and other visual education information and descriptive material, including purchase or rental of equipment; $160,000,000: *Provided*, That no part of this appropriation shall be used to pay in excess of twenty-two persons engaged in public relations work: *Provided further*, That no part of this appropriation shall be used to pay educational institutions for reports and certifications of attendance at such institutions an allowance at a rate in excess of $1 per month for each eligible veteran enrolled in and attending such institution.

Mr. TEAGUE of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TEAGUE of Texas: On page 26, line 2, strike out "$160,000,000" and insert "$163,373,000."

Mr. TEAGUE of Texas. Mr. Chairman, the committee has cut from the appropriation for the Veterans' Administration an amount of $3,373,000 in general operating expenses; $9,279,000 in in-patient care; $866,000 from out-patient care; $85,000 in maintenance and operation of supply depots; $7 million in pensions, and $3 million in readjustment benefits.

Mr. Chairman, amendments will be offered to restore the cuts in operating expenses, in-patient care, and out-patient care.

Mr. Chairman, the Veterans' Administration asked for $168,918,220 for this item. The Bureau of the Budget cut that to $163,373,000. The Appropriations Committee cut it to $160 million.

This morning, from the Veterans Administration, we are told that this amount of money is paid from the operating cost of the Department of Veterans Benefits, the Department of Insurance. The reductions would require the elimination of approximately 500 positions for the next fiscal year below the amount now projected, and that this would have to be accomplished mostly at the expense of operations in the field.

The gentleman from Illinois mentioned 2,500 pages of testimony. Here are 4,700 pages of information that our committee has on veterans' affairs. We feel that each year we have cut and cut the veterans' benefits until we have reached a point that is dangerous. That is the reason the Committee this year is so interested and is doing everything it can to restore this money.

I hope the Committee will adopt my amendment.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that all debate on the pending paragraph close in 10 minutes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I believe the Committee and the House will restore this money. If you go back over the years you will realize that many of these men would not be in the condition they are in today if they had had the proper equipment, the proper medical care when they needed it. That goes back to World War I days, when we did not have an airplane that was fit for anyone to ride in. It goes back to World War II when they were not properly equipped. It goes back to the Korean days when our men were not properly trained and did not have the proper equipment or care. We were unprepared. They suffered frozen feet and many other disabilities because they did not have proper clothing.

Perhaps the Committee does not realize these things, it does not go into the hospitals enough to realize what these cuts mean. In my personal mail today I have several cases that have waited a year to be rerated due to shortage of personnel in the Veterans' Administration. Veterans have died because they were not seen in the outpatient clinics or they were sent back to wait for hospitalization. Lack of personnel in hospitals, accidents, even hangings—and murders—but it is not necessary to argue because I know the Committee will restore these cuts.

I have been told that the House committee reported a total of $5,002,226,000 as compared to the budget request of $5,029,485,000, a net reduction of $9,259,000. This does not tell the story. The committee added $10 million for construction over and above the budget request and $4,344,000 for medical research so that the cut, aside from the reductions, totals $23,603,000. Of this amount $10 million was in the direct

benefit areas and $13,603,000 was in the operating appropriations where the cut will hurt.

GENERAL OPERATING EXPENSES

The reduction in general operating expenses is $3,373,000. From this appropriation are paid the operating costs of the Department of Veterans' Benefits, the Department of Insurance, and the Central Office staff exclusive of the Department of Medicine and Surgery. This reduction would require the elimination of approximately 500 positions for the fiscal year 1960 below the amount now projected. This would have to be accomplished largely in the 67 Department of Veterans' Benefits field stations.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

The committee added $4,344,000 to this appropriation and earmarked it for medical research. This would bring the total available for medical research for 1960 to $15,344,000 which is the 1959 level. The Veterans' Administration can use profitably the medical research money but not at the expense of the operating appropriations, particularly the care of patients.

INPATIENT CARE

The reduction in inpatient care is $9,279,000. In addition the committee report earmarks $2,900,000 of the appropriation to be spent for additional deferred maintenance which was not requested. This, in effect, means a total cut of $12,179,000 in the inpatient appropriation for patient care and provides an increase over 1959 of only $6,478,000. The budget request anticipated an additional employment of about 2,600 people for improved patient care. Due to within-grade salary increases and other rising costs the $6,478,000 will be more than absorbed so that the net effect will be less employment for 1960 than was experienced for 1959.

OUTPATIENT CARE

The committee reduced the outpatient care request by $866,000. The outpatient load has continued to increase throughout the current fiscal year and indications are that it will continue to increase in fiscal year 1960. This reduction will result in backlogging of physical examinations for compensation and pension purposes. This is an area where much difficulty was experienced during the early part of the current year. This appropriation covers only service-connected disability cases.

MAINTENANCE AND OPERATION OF SUPPLY DEPOTS

The committee reduced this appropriation request by $85,000. While this is a small amount, it is related to a small appropriation and the increase is necessary because of Wage Board increases which have already been approved. The reduction of $85,000 will require a reduction of appoximately 15 people.

COMPENSATION AND PENSIONS AND READJUSTMENT BENEFITS

The committee reduced compensation and pensions $7 million and readjustment benefits $3 million. These are rounded off figures and the reductions are not significant in view of the magnitude of the appropriation and the fact that the Congress will provide through supplemental appropriations such additional funds as may be found necessary to meet statutory benefit provisions.

CONSTRUCTION

The committee added $10 million for construction. This amount certainly can be used profitably by the Veterans' Administration but the increase at the expense of the operating appropriations does produce very serious results.

I am sure that the Veterans' Administration will verify this.

The American Legion has asked me to do everything possible to restore VA cuts.

MAY 11, 1959.

Three important areas of the VA 1960 budget have just been slashed by the Appropriations Committee: $9¼ million slash in inpatient care: $3⅓ million cut in general operating expenses; and a slash of over $800,000 in outpatient care. These three funds have to do primarily with care of the sick and disabled. These cuts will substantially reduce treatment for paraplegics, blind, and mentally afflicted, and other disabled. The DAV believes that heavily reducing these vital funds below amounts already approved even by the Bureau of the Budget is poor economy; this will result in fewer doctors and nurses; service-connected veterans will have to wait for treatment and examination in outpatient clinics. The DAV earnestly requests restoration of these funds.

Judge DAVID B. WILLIAMS,
National Commander, DAV.

The above telegram came to me from the DAV.

Mr. Omar Ketchum of the Veterans of Foreign Wars telephoned a vigorous protest to the cuts.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, my reason for rising at this time in support of the pending amendment is to say that I have today discussed this matter with the representatives of big veterans organizations with offices in Washington. They tell me that this, and amendments immediately to follow, are extremely important, that during next year we are going to need this money; otherwise they are going to have to cut services where it hurts. I do not think we ought to cut the service in the hospitals where they are needed.

Mr. Chairman, I therefore support the amendment by the gentleman from Texas.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. THOMAS].

Mr. THOMAS. Mr. Chairman, let me talk a little common, everyday horse sense about this program.

First, let us see what the amendment does. This has nothing to do with medicine, not a thing in the world. This is general administration. It covers benefits, programs, insurance, housing, housekeeping, publicity—everything but medicine.

It is time, in my humble judgment, for this House to use some good old common everyday horse sense relative to veterans. We do not have to get frightened when we hear the word "veteran" mentioned. We are all veterans. Lord knows, if this cold war keeps on much longer every male in this country under 30 years of age in another 10 years will almost be a veteran. So everybody is affected.

This covers general operating expenses, the bookkeepers, accountants, housekeepers, everybody except the nurses and doctors, and it has nothing to do with medicine.

Do you know how much money is involved here? One hundred and sixty-three million dollars. We cut it $3 million, and you just rise up in holy horror. Do you know what our information is? They have 350 jobs over there unfilled out of a personnel load of 23,000 or 24,000. Think of it. There is $160 million involved, and we are asking for a 2-percent cut here. Now, be frank about it. If it was any other agency, you would not mention it; you would not even turn on your heels about it. You are not dealing with medicine here. That is coming up a little bit later. And, I am going to oppose that addition, too. Now, gentlemen, think about it. Just 2 percent, and you are having high blood pressure. It has reached the point in the House of Representatives, where under the Constitution money bills are supposed to originate, if you touch anything that affects the veteran, you have committed a sin. I am a veteran, yes, and most of you folks are veterans. Who wants to hurt the veteran? Not a man; not a soul.

I think we have one of the finest Administrators we ever had. And as far as the chairman and the former chairman are concerned, my lovable friend, the gentleman from Texas, Mr. TEAGUE, and the gentlewoman from Massachusetts, there are just no finer. Let us vote this down. We are not hurting anybody. Let us go to conference, and when we get through, we will do the right thing as we have always done for the veterans. Nobody wants to hurt them. You are dealing with a very large amount of money, and the cut is very, very trivial. Think about it—2 percent.

I ask for a vote, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. TEAGUE].

The question was taken; and on a division (demanded by Mr. THOMAS) there were—ayes 50, noes 37.

Mr. THOMAS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. THOMAS and Mr. TEAGUE of Texas.

The Committee again divided, and the tellers reported that there were—ayes 70, noes 55.

So the amendment was agreed to.

The Clerk read as follows:

INPATIENT CARE

For expenses necessary for the maintenance and operation of hospitals and domiciliary facilities and for the care and treat-

ment of beneficiaries of the Veterans' Administration in facilities not under the jurisdiction of the Veterans' Administration as authorized by law, includng the furnishing of recreational articles and facilities; maintenance and operation of farms; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the Veterans' Administration, not otherwise provided for, either by contract, or by the hire of temporary employees and purchase of materials; purchase of fifty-two passenger motor vehicles for replacement only; uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); and aid to State or Territorial homes as authorized by section 641 of title 38, United States Code, for the support of veterans eligible for admission to Veterans' Administration facilities for hospital or domiciliary care; $777,500,000, plus reimbursements: *Provided*, That allotments and transfers may be made from this appropriation to the Department of Health, Education, and Welfare (Public Health Service), the Army, Navy, and Air Force Departments, for disbursement by them under the various headings of their applicable appropriations, of such amounts as are necessary for the care and treatment of beneficiaries of the Veterans' Administration: *Provided further*, That the foregoing appropriation is predicated on furnishing inpatient care and treatment to an average of 140,846 beneficiaries during the fiscal year 1960, including members in State or Territorial homes, and if a lesser number is experienced such appropriation shall be expended only in proportion to the average number of beneficiaries furnished such care and treatment.

Mr. TEAGUE of Texas. Mr. Chairman, I offer two amendments and ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. TEAGUE of Texas: On page 27, line 14, strike out "$777,500,000, plus reimbursements" and insert in lieu thereof the following: "$792,079,000, plus reimbursements: *Provided*, That $8,400,000 of such sum shall be for deferred maintenance" and on page 28, line 9, after the semicolon strike out "$83,000,000" and insert "$83,866,000".

Mr. TEAGUE of Texas. Mr. Chairman, if I were half as able as my good colleague from Texas, I would try to put back all this money; but I am not, and I am merely trying to put back that money that I think is absolutely essential for the benefit of our veterans.

Mr. Chairman, I ask unanimous consent that the Clerk be asked to read again the first part of my amendment.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

(The Clerk again read the first part of the amendment.)

Mr. TEAGUE of Texas. Mr. Chairman, as I said before, we have about 4,700 pages of data on our hospitals. There is an item in one of these amendments that includes $8,400,000 for deferred maintenance, on which other members of my committee will speak; but I merely wish to speak about the inpatient and outpatient care.

As far as our outpatient care is concerned, this pertains only to service-connected disability. I should like to read what the Administrator of Veterans' Affairs gave me this morning, and I quote:

The committee reduced the outpatient care request by $866,000. The operation load has continued to increase throughout the current fiscal year, and indications are that it will continue to increase in the fiscal year of 1960. This reduction will result in backlogging of physical examinations for compensation and pension purposes. This is an area where much difficulty was experienced during the early part of the current year. This appropriation covers only service-connected disability cases.

I should like to read what we received from the Administrator on inpatient care, and again, I quote:

The reduction in inpatient care is $9,279,000. In addition, the committee report earmarks $2,900,000 of the appropriation to be spent for additional deferred maintenance, which was not requested. This, in effect, means a total cut of $12,179,000 in the inpatient appropriation for patient care and provides an increase over 1959 of only $6,478,000. The budget request anticipated an additional employment of about 2,600 people for improved patient care. Due to within-grade salary increases and other rising costs the $6,478,000 will be more than absorbed so that the net effect will be less employment for 1960 than was experienced for 1959.

In the 83d, 84th, 85th, and 86th Congresses, the Committee on Veterans' Affairs has carefully surveyed the VA medical system by individual stations. The present survey is nearing completion and the tables below give the net cost of operation of VA hospitals for 1955–59 fiscal years:

Net cost of operation of VA hospitals, fiscal years 1955–59

Hospital	Fiscal year	Elements of cost									Cost per patient discharged
		Total	Salaries of staff	Patient travel	Communications	Utilities	Raw foods	Drugs and medicines	Medical and dental supplies	Asset acquisitions	
Alabama:											
Birmingham (G.M. & S.)	1955	$2,904,245	$2,226,850	$64,054	$18,049	$78,212	$118,119	(1)	$203,827	$47,775	$704
	1956	2,805,790	2,214,316	25,501	18,546	77,915	122,967	$90,915	95,040	27,074	708
	1957	2,892,338	2,336,387	26,612	18,111	77,812	127,310	99,810	91,428	10,700	755
	1958	3,238,094	2,568,766	20,441	14,333	85,339	140,458	126,967	110,266	45,797	729
	1959	3,429,603	2,758,536	22,300	13,372	88,267	175,733	127,021	115,075	21,734	752
Montgomery (G.M. & S.)	1955	1,763,785	1,373,172	28,544	7,154	33,344	109,327	43,085	29,284	34,095	528
	1956	1,857,645	1,460,950	27,139	7,358	36,025	106,929	41,849	37,166	28,531	565
	1957	1,837,361	1,466,067	25,404	7,804	37,101	103,610	41,952	39,475	21,842	590
	1958	1,984,123	1,622,329	22,430	7,887	40,299	101,573	47,747	36,981	11,495	665
	1959	2,058,067	1,692,212	23,779	8,109	38,092	102,806	47,401	41,444	8,440	667
Tuscaloosa (NP)	1955	3,201,722	2,612,689	12,879	9,208	51,164	314,071	33,697	21,836	24,370	1,492
	1956	3,305,494	2,691,626	10,217	9,257	50,771	315,039	38,818	28,716	34,249	1,340
	1957	3,334,948	2,724,489	7,869	9,389	49,088	319,193	42,598	37,265	38,084	1,007
	1958	3,686,249	2,981,926	9,727	9,294	52,777	325,781	52,174	44,256	78,035	1,108
	1959	3,835,292	3,231,884	9,270	9,385	60,176	333,956	48,499	33,142	6,231	1,197
Tuskegee (NP)	1955	7,102,688	5,612,639	56,260	19,140	79,865	748,572	92,177	79,300	41,613	145
	1956	7,650,228	6,055,368	53,531	20,105	94,512	702,002	98,602	131,610	113,567	135
	1957	7,561,810	6,031,157	48,731	20,036	92,690	650,508	128,412	154,147	128,784	194
	1958	7,859,972	6,498,510	41,291	20,891	85,194	655,124	122,040	132,721	20,810	137
	1959	8,257,512	6,917,226	41,547	20,727	84,680	634,833	113,464	114,111	28,049	165
Arizona:											
Phoenix (G.M. & S.)	1955	1,597,095	1,235,110	10,455	13,893	68,384	78,043	53,996	42,426	18,733	587
	1956	1,651,678	1,331,716	10,018	11,195	52,716	73,875	56,410	45,471	14,199	583
	1957	1,653,640	1,339,140	8,704	10,159	53,206	72,593	63,735	40,848	14,018	639
	1958	1,820,354	1,491,939	10,963	9,949	55,846	75,669	58,750	41,612	25,056	745
	1959	1,896,935	1,588,932	11,165	10,247	57,828	78,526	60,485	39,181	6,648	722
Tucson (TB)	1955	2,520,536	1,994,836	8,668	5,397	39,582	178,351	66,776	36,104	54,227	1,376
	1956	2,659,418	2,155,270	9,171	6,212	38,478	171,137	76,190	46,965	37,918	1,186
	1957	2,848,047	2,190,072	13,952	6,694	37,662	168,298	78,224	55,110	126,654	1,279
	1958	2,825,912	2,301,917	6,832	9,044	43,915	166,621	64,424	45,290	22,840	1,377
	1959	2,966,168	2,413,230	6,684	18,647	53,566	166,327	68,374	48,548	22,806	1,433
Whipple (TB)	1955	2,030,434	1,597,296	10,636	8,706	55,764	161,390	49,657	31,724	38,447	1,479
	1956	2,125,335	1,673,433	12,099	8,769	56,679	157,708	49,612	38,088	21,461	1,450
	1957	2,202,502	1,726,061	11,952	8,972	55,143	148,268	60,077	40,243	50,470	1,346
	1958	2,513,801	1,937,017	10,816	9,137	58,367	150,734	51,141	36,093	39,622	1,339
	1959	2,453,699	1,99,6651	9,587	11,369	63,000	144,687	53,952	32,451	46,822	1,188

See footnotes at end of table.

Net cost of operation of VA hospitals, fiscal years 1955–59—Continued

Hospital	Fiscal year	Elements of cost									Cost per patient discharged
		Total	Salaries of staff	Patient travel	Communications	Utilities	Raw foods	Drugs and medicines	Medical and dental supplies	Asset acquisitions	
Arkansas:											
Fayetteville (G.M. & S.)	1955	$1,474,569	$1,206,191	$8,728	$4,813	$17,741	$81,217	$46,000	$22,452	$40,202	$544
	1956	1,549,419	1,270,372	12,466	5,037	18,947	76,642	52,752	27,307	47,780	579
	1957	1,543,888	1,279,857	17,141	4,842	19,464	77,138	53,356	30,412	37,755	587
	1958	1,680,717	1,415,626	16,363	5,168	20,155	80,875	54,409	32,030	26,285	617
	1959	1,755,943	1,496,828	16,768	5,592	24,424	79,217	55,618	35,086	14,181	656
Little Rock (G.M. & S.)	1955	2,884,833	2,395,944	22,339	15,382	43,248	161,820	81,435	60,101	16,705	530
	1956	3,066,229	2,564,190	21,211	14,966	51,809	154,447	95,688	58,243	6,312	542
	1957	3,161,888	2,617,331	19,895	13,970	51,091	165,162	80,501	74,626	40,727	479
	1958	3,423,133	2,863,520	18,424	13,287	61,622	171,956	103,043	73,030	15,650	541
	1959	3,583,039	3,011,991	20,000	13,770	61,156	171,335	80,482	93,015	5,811	568
North Little Rock (NP)	1955	6,436,356	5,012,780	16,645	19,407	109,286	708,126	60,694	55,852	91,241	2,592
	1956	6,730,442	5,359,709	10,545	17,879	118,163	634,462	84,401	81,006	110,585	4,288
	1957	6,791,431	5,464,498	11,801	18,336	111,317	654,642	104,178	89,137	92,642	2,516
	1958	7,367,154	5,969,674	14,946	18,913	121,289	674,296	144,218	99,992	81,999	4,720
	1959	7,716,920	6,299,645	13,621	18,965	120,798	690,428	136,898	96,330	57,458	4,326
California:											
Fresno (G.M. & S.)	1955	1,642,791	1,300,502	4,432	9,969	38,171	89,207	65,163	33,300	10,449	741
	1956	1,798,086	1,430,827	4,054	9,750	41,125	88,157	55,858	41,206	27,195	669
	1957	1,846,547	1,472,186	3,535	8,718	39,849	85,787	46,107	44,749	56,768	673
	1958	1,997,261	1,635,529	3,032	8,380	39,411	90,008	53,899	43,391	19,664	746
	1959	2,008,822	1,758,071	3,505	8,495	44,061	90,891	52,807	47,202	2,450	794
Livermore (TB)	1955	2,716,677	2,085,052	17,809	9,048	60,119	232,092	39,073	34,949	39,456	2,929
	1956	2,765,150	2,197,597	11,439	8,704	63,627	198,450	41,974	38,849	45,561	3,353
	1957	2,883,898	2,281,277	8,392	9,117	62,181	211,451	39,133	33,411	65,891	3,575
	1958	3,150,042	2,560,593	8,561	9,016	59,602	197,946	57,507	40,797	42,781	3,984
	1959	3,341,437	2,682,277	3,150	9,950	72,600	189,489	48,215	37,302	51,552	3,964
Long Beach (G.M. & S.)	1955	8,746,438	7,040,353	49,407	22,752	115,117	614,954	215,212	187,356	93,827	807
	1956	9,004,778	7,298,475	48,725	22,901	97,227	555,102	231,251	209,339	124,106	860
	1957	8,514,502	6,913,110	47,072	22,946	104,684	499,711	247,940	220,333	99,999	965
	1958	9,577,332	7,852,031	45,678	25,618	119,430	506,486	272,670	248,826	80,268	1,146
	1959	10,565,336	8,664,141	57,160	34,914	136,850	534,000	294,693	262,956	50,000	1,263
Los Angeles (G.M. & S. and NP divisions)	1955	15,524,858	12,536,859	21,871	69,248	246,277	1,107,257	267,772	216,178	278,167	3,873
	1956	16,567,228	13,181,081	15,756	75,134	234,884	1,090,126	392,042	322,396	160,566	4,227
	1957	16,565,611	13,470,794	15,600	61,070	224,074	1,074,995	411,977	317,097	238,838	3,838
	1958	18,130,534	14,958,022	15,569	59,309	240,024	1,020,924	464,251	315,770	221,024	4,283
	1959	19,338,686	16,044,636	15,658	90,126	261,493	1,037,147	497,967	324,497	163,935	5,140
Oakland (G.M. & S.)	1955	4,404,146	3,320,267	26,435	18,760	48,934	263,468	131,800	145,000	104,968	(3)
	1956	4,663,038	3,554,639	21,379	19,216	51,319	259,441	132,408	146,327	128,092	(3)
	1957	4,778,576	3,701,948	19,520	19,266	49,821	258,076	131,950	136,672	103,849	(3)
	1958	5,185,960	4,159,137	16,013	19,605	50,802	254,871	135,173	156,154	76,033	(4)
	1959	5,464,369	4,484,062	17,052	19,441	50,009	241,529	142,664	155,752	18,635	(3)
Palo Alto (NP)	1955	4,483,681	3,677,652	1,347	8,014	97,014	506,538	34,605	51,811	40,754	4,493
	1956	4,796,567	3,945,713	2,134	7,900	97,876	495,534	40,958	53,390	61,926	7,163
	1957	5,163,538	4,065,528	3,842	11,767	96,656	490,807	53,706	46,923	64,222	7,238
	1958	5,675,058	4,719,771	2,671	19,030	98,025	468,979	72,456	48,609	56,984	9,052
	1959	5,930,016	5,075,389	1,644	20,715	99,789	466,663	74,804	56,947	49,496	9,492
San Fernando (TB)	1955	2,875,103	2,277,813	8,540	10,403	(2)	(2)	(2)	(2)	79,582	4,056
	1956	3,030,013	2,466,969	10,189	10,910	59,835	229,813	72,782	63,182	37,623	4,181
	1957	3,134,115	2,552,701	6,589	10,720	59,584	235,729	79,149	59,498	45,694	4,198
	1958	3,419,386	2,815,573	7,347	10,591	62,011	238,245	74,493	57,752	70,854	4,155
	1959	3,597,824	3,004,800	7,163	11,120	65,931	236,748	75,924	62,608	48,340	3,577
San Francisco (G.M. & S.)	1955	3,087,893	2,484,099	28,082	14,918	50,398	174,848	90,386	77,064	36,811	691
	1956	3,285,517	2,683,761	25,476	14,959	51,831	162,549	88,843	78,024	49,037	698
	1957	3,391,616	2,766,005	26,241	15,783	52,153	160,010	86,809	76,292	14,568	776
	1958	3,718,711	2,988,299	20,080	17,209	52,088	164,691	95,111	82,721	69,080	796
	1959	4,023,328	3,157,801	21,848	16,291	54,946	170,098	98,795	85,821	127,700	864
Sepulveda (NP)[4]	1956	3,473,924	2,784,800	596	19,736	72,265	213,586	35,847	82,485	35,644	
	1957	4,838,108	3,922,596	3,689	24,037	93,454	326,691	85,319	73,620	69,070	1,706
	1958	5,555,147	4,698,693	4,228	24,438	111,279	317,487	103,013	73,051	21,749	1,609
	1959	5,906,191	5,079,851	4,825	25,345	100,720	305,668	92,685	76,978	6,779	1,853
Colorado:											
Denver (G.M. & S.)	1955	3,240,947	2,554,741	26,209	15,524	38,269	189,336	101,475	76,441	15,499	493
	1956	3,467,202	2,768,518	25,464	13,834	40,742	187,076	108,774	78,453	20,399	544
	1957	3,545,953	2,822,884	24,910	5,253	30,905	200,705	127,609	93,423	24,702	579
	1958	3,870,195	3,118,397	22,760	13,295	47,345	205,674	124,933	106,362	36,521	623
	1959	4,076,567	3,3 2,643	24,920	12,718	46,677	196,629	128,149	103,117	5,122	690
Fort Lyon (NP)	1955	2,571,484	1,880,278	3,365	2,357	71,690	248,758	9,289	16,348	90,077	6,259
	1956	2,502,269	1,883,812	2,518	2,580	83,334	210,502	28,652	34,280	56,163	9,691
	1957	2,585,718	1,943,648	5,349	2,731	78,275	216,242	39,080	27,981	65,139	9,490
	1958	2,804,002	2,102,912	4,313	2,405	85,152	226,067	55,976	28,800	79,923	13,625
	1959	2,965,525	2,389,144	3,847	2,717	88,361	227,000	51,002	27,750	33,451	12,013
Grand Junction (G.M. & S.)	1955	969,647	774,721	3,033	7,091	13,700	45,258	22,671	12,814	17,034	571
	1956	1,011,477	821,595	3,155	6,865	25,681	45,505	23,795	13,447	9,130	740
	1957	1,056,589	841,466	4,614	6,943	28,923	44,677	29,755	14,445	18,105	700
	1958	1,155,405	925,403	5,367	6,451	30,763	47,712	31,340	18,015	29,635	672
	1959	1,181,948	979,823	7,455	6,515	31,414	48,924	31,012	16,466	7,582	666
Connecticut:											
Newington (G.M. & S.)[5]	1956	1,968,767	1,644,219	1,995	6,727	47,407	65,463	42,578	36,776	21,785	677
	1957	2,051,158	1,602,732	1,710	7,945	50,743	74,928	42,724	42,247	35,248	791
	1958	2,236,490	1,814,142	962	7,982	52,599	74,793	46,742	47,885	32,865	886
	1959	2,293,078	1,893,585	1,895	9,050	19,792	76,650	48,833	47,517	17,274	887
West Haven (G.M. & S.)	1955	4,182,656	3,175,842	2,107	12,752	186,909	254,553	104,392	85,706	26,445	1,355
	1956	4,591,176	3,664,441	2,371	13,339	190,574	262,685	106,505	80,047	37,820	1,205
	1957	4,572,030	3,655,169	2,196	13,465	194,302	265,237	105,842	105,390	30,147	1,227
	1958	5,264,977	4,248,734	5,090	15,714	204,393	285,268	114,401	108,565	20,423	1,375
	1959	5,472,191	4,450,633	4,950	15,400	201,560	305,733	117,008	120,339	10,000	1,215
Delaware: Wilmington (G.M. & S.)	1955	1,833,450	1,518,880	4,935	7,397	62,191	96,482	52,560	26,954	4,700	813
	1956	1,857,460	1,525,954	3,437	7,192	63,305	100,341	50,378	23,024	8,542	673
	1957	1,876,892	1,532,272	3,400	8,401	65,906	100,316	48,133	25,935	12,736	913
	1958	2,055,888	1,705,613	1,896	7,554	68,236	104,254	50,504	37,084	12,164	1,075
	1959	2,130,652	1,782,549	2,104	9,848	69,440	104,608	51,800	32,828	9,314	1,092
District of Columbia: Washington (G.M. & S.)	1955[6]										587
	1956	3,144,605	2,523,197	3,673	10,455	18,062	119,076	90,321	88,819	110,426	605
	1957	3,327,399	2,717,742	2,574	10,977	20,471	132,909	103,759	79,741	50,555	698
	1958	3,678,683	3,004,997	2,274	11,490	22,063	131,765	105,833	95,681	123,296	771
	1959	3,891,396	3,285,243	2,300	11,600	24,600	129,236	103,330	89,455	51,084	793

See footnotes at end of table.

Net cost of operation of VA hospitals, fiscal years 1955–59—Continued

Hospital	Fiscal year	Elements of cost									Cost per patient discharged
		Total	Salaries of staff	Patient travel	Communications	Utilities	Raw foods	Drugs and medicines	Medical and dental supplies	Asset acquisitions	
Florida:											
Bay Pines (G.M. & S.)	1955	$3,224,402	$2,520,921	$36,225	$13,130	$35,654	$225,085	$113,506	$64,893	$29,185	$762
	1956	3,479,868	2,718,631	41,860	13,161	45,080	219,717	136,412	62,478	52,122	859
	1957	3,565,824	2,811,350	44,791	14,914	43,809	213,169	143,296	71,334	30,813	877
	1958	3,845,950	3,104,507	32,190	17,785	56,850	203,763	137,421	69,131	34,159	851
	1959	3,949,519	3,232,841	33,539	16,659	45,396	206,688	127,600	66,219	29,272	931
Coral Gables (G.M. & S.)	1955	3,130,931	2,409,573	17,850	10,608	54,575	196,062	95,779	123,164	33,990	653
	1956	3,355,749	2,598,258	20,899	11,695	54,729	196,157	108,012	120,694	35,996	679
	1957	3,409,093	2,669,326	20,638	13,717	56,362	186,787	110,493	113,235	26,912	653
	1958	3,636,002	2,891,518	19,495	14,240	60,664	183,263	122,883	116,065	23,540	716
	1959	3,902,804	3,123,651	18,516	15,262	64,811	189,009	130,000	118,000	40,000	753
Lake City (G.M. & S.)	1955	2,173,871	1,693,055	29,327	4,416	45,021	127,890	67,554	48,581	12,581	919
	1956	2,284,574	1,788,109	31,112	9,326	64,661	129,895	76,415	46,930	9,837	900
	1957	2,333,561	1,797,900	27,424	10,562	59,086	130,913	74,518	43,412	27,601	864
	1958	2,524,161	1,995,788	29,760	11,129	73,554	128,435	84,887	45,812	19,147	981
	1959	2,625,754	2,090,872	34,249	10,579	64,750	133,796	90,820	58,512	10,266	951
Georgia:											
Atlanta (G.M. & S.)	1955	2,300,764	1,897,274	21,617	10,710	37,330	118,351	62,160	59,200	26,114	518
	1956	2,408,786	2,013,865	23,905	9,573	38,270	114,527	68,603	63,716	19,853	547
	1957	2,480,021	2,089,621	22,784	9,890	40,478	114,738	70,682	61,999	20,093	700
	1958	2,870,377	2,476,717	19,258	9,626	43,436	114,521	85,576	62,666	14,598	663
	1959	3,034,944	2,627,770	20,247	9,740	45,936	114,788	84,966	68,024	10,000	656
Augusta combined (G.M. & S.)	1955	6,474,642	5,148,026	24,368	25,355	160,673	561,335	77,560	84,559	62,125	1,390
	1956	7,266,919	5,812,254	33,145	27,576	156,213	577,111	105,962	92,774	92,684	1,378
	1957	7,351,132	5,909,110	38,586	28,454	166,954	582,264	110,281	110,471	69,358	2,876
	1958	7,741,859	6,260,891	31,133	28,650	176,594	573,441	146,746	135,514	74,174	2,042
	1959	8,063,323	6,645,751	36,800	28,600	173,392	592,962	160,900	145,436	20,000	2,139
Dublin (G.M. & S.)	1955	2,307,606	1,866,688	26,746	8,578	63,971	146,444	69,437	27,817	32,984	576
	1956	2,432,623	1,931,825	17,049	9,645	71,380	142,665	87,425	37,444	38,159	629
	1957	2,958,277	2,327,261	17,155	10,960	76,465	192,868	107,289	55,632	49,562	708
	1958	3,263,001	2,617,260	11,149	11,337	85,727	187,873	95,520	54,866	70,359	779
	1959	3,417,860	2,818,833	11,200	12,800	82,000	190,900	97,312	57,200	18,200	1,055
Idaho: Boise (G.M. & S.)	1955	1,493,394	1,119,718	11,325	283	32,558	58,039	31,142	24,065	77,818	624
	1956	1,495,767	1,163,554	12,615	679	33,966	61,412	31,749	24,420	25,648	623
	1957	1,533,494	1,203,994	9,073	763	36,377	62,769	30,323	26,703	15,722	629
	1958	1,628,623	1,313,161	8,478	991	34,972	63,750	29,978	27,086	12,635	743
	1959	1,712,776	1,370,947	9,295	1,007	35,540	70,738	30,028	25,964	6,766	781
Illinois:											
Chicago (West Side) (G.M. & S.)	1955	3,362,972	2,672,914	2,216	17,931	82,486	178,128	98,835	81,052	42,022	510
	1956	3,633,041	2,949,394	3,277	15,888	95,139	175,568	103,716	81,980	30,374	547
	1957	3,752,213	3,041,066	5,473	18,360	71,690	181,673	101,964	100,492	69,063	599
	1958	4,107,087	3,380,923	4,749	17,336	83,207	191,798	97,587	101,942	30,730	732
	1959	4,210,761	3,510,711	4,900	16,000	95,000	208,000	100,104	87,000	19,046	802
Chicago (research) (G.M. & S.)	1955	2,978,769	2,202,411	7,673	17,933	99,752	129,885	52,000	55,000	127,207	976
	1956	3,853,879	3,056,499	7,411	20,064	111,455	191,744	117,055	126,267	73,773	897
	1957	3,929,072	3,141,053	7,616	21,871	127,854	211,952	129,133	125,882	29,638	820
	1958	4,305,969	3,462,043	8,695	23,867	121,828	228,065	138,056	128,354	48,755	902
	1959	4,569,072	3,782,396	7,305	22,022	122,824	217,493	126,665	109,766	24,492	955
Danville (NP)	1955	4,903,212	3,774,281	3,156	12,513	104,870	543,073	39,183	35,456	73,098	3,837
	1956	5,474,054	4,114,361	2,640	13,406	98,931	526,366	36,509	82,985	132,908	3,281
	1957	5,592,126	4,379,489	2,824	14,334	95,520	547,278	46,380	62,111	178,985	4,529
	1958	6,151,690	4,900,395	2,213	13,935	106,167	544,308	60,769	66,821	62,890	5,215
	1959	6,292,617	5,169,738	2,946	14,118	109,917	566,835	58,838	69,760	72,032	5,870
Downey (NP)	1955	8,120,507	6,377,705	2,688	27,370	32,768	675,238	62,353	34,292	196,274	6,965
	1956	9,025,060	7,141,070	2,831	27,212	316,965	665,452	104,061	67,188	175,625	7,130
	1957	9,161,275	7,363,398	1,259	26,835	363,861	699,461	129,344	84,977	108,609	8,293
	1958	9,827,694	7,904,064	1,296	29,304	401,359	684,010	134,590	85,524	120,810	9,356
	1959	10,164,417	8,316,228	1,674	28,822	488,616	698,441	132,031	111,484	20,621	11,134
Dwight (G.M. & S.)	1955	1,370,545	1,058,887	11,447	6,295	13,246	84,078	29,399	24,710	31,187	611
	1956	1,486,527	1,141,358	11,384	6,502	15,492	83,863	31,913	25,033	20,467	674
	1957	1,443,513	1,159,259	10,204	6,678	16,440	75,472	32,420	25,267	12,142	650
	1958	1,654,927	1,306,516	10,261	7,022	15,638	76,340	35,625	28,185	23,291	766
	1959	1,700,543	1,373,838	10,200	7,000	18,140	85,089	39,158	29,483	23,490	806
Hines (G.M. & S.)	1955	14,986,050	11,606,552	81,785	48,864	326,871	957,954	261,690	272,313	463,564	1,235
	1956	15,357,304	12,342,909	77,746	54,588	283,888	894,346	241,662	303,286	293,549	1,314
	1957	15,487,740	12,683,858	79,148	56,374	300,459	890,617	243,884	333,950	149,459	1,392
	1958	16,752,407	13,753,512	79,936	59,426	324,071	871,599	260,950	338,820	194,869	1,431
	1959	17,640,696	14,787,642	83,452	59,833	317,990	878,115	270,666	320,410	199,144	1,531
Marion (G.M. & S.)	1955	1,126,978	911,751	12,570	4,671	30,074	65,766	19,674	8,328	16,077	577
	1956	1,227,452	1,000,737	13,303	4,633	29,152	65,084	21,998	13,766	29,456	524
	1957	1,242,838	1,024,226	17,249	4,553	28,737	68,233	21,564	18,366	16,097	534
	1958	1,409,738	1,133,891	12,494	5,810	30,989	72,761	26,832	23,059	39,762	783
	1959	1,451,145	1,214,746	11,916	6,818	30,924	72,934	26,370	26,951	1,380	716
Indiana:											
Fort Wayne (G.M. & S.)	1955	1,298,315	1,009,611	2,973	5,326	24,563	66,394	27,295	21,937	62,344	715
	1956	1,345,841	1,113,466	3,414	6,037	22,356	66,946	30,050	21,597	22,574	756
	1957	1,343,996	1,128,438	3,015	6,510	20,500	66,230	31,115	22,803	12,485	765
	1958	1,493,735	1,249,184	2,370	6,499	21,685	70,326	41,629	22,691	24,751	957
	1959	1,554,390	1,306,033	2,682	6,763	21,754	74,291	36,752	23,558	7,447	1,121
Indianapolis (G.M. & S.)	1955	4,574,991	3,681,578	22,022	23,406	154,117	279,275	135,950	96,576	70,704	----------
	1956	4,755,769	3,792,860	18,903	24,469	159,452	257,451	115,552	104,422	48,336	----------
	1957	4,661,723	3,720,652	20,229	24,344	162,154	256,569	111,351	95,318	42,523	----------
	1958	5,065,822	4,038,664	16,915	26,514	164,670	262,285	129,397	104,134	78,865	----------
	1959	5,311,853	4,304,463	18,840	27,008	174,717	283,627	147,232	111,225	11,342	----------
Marion (NP)	1955	5,218,029	4,230,229	373	9,354	101,756	549,414	16,773	34,754	94,892	14,137
	1956	5,474,321	4,487,427	282	9,346	108,348	518,197	28,179	56,749	77,759	14,738
	1957	5,555,428	4,520,717	562	9,718	106,036	520,883	45,344	63,824	111,019	14,989
	1958	5,875,075	4,804,662	743	9,783	128,529	536,778	60,311	54,309	100,024	16,459
	1959	6,294,585	5,281,009	1,189	11,000	134,891	514,892	69,735	58,925	36,800	18,465
Iowa:											
Des Moines (G.M. & S.)	1955	2,493,925	2,016,916	16,502	11,275	45,552	121,909	129,161	61,210	29,058	482
	1956	2,692,963	2,032,777	17,680	10,068	49,653	128,770	118,697	59,390	24,554	593
	1957	2,753,864	2,161,814	14,875	8,988	50,036	137,971	107,749	64,379	56,500	589
	1958	2,962,327	2,413,962	13,149	9,792	50,831	139,629	129,556	65,655	20,502	549
	1959	3,021,624	2,501,736	9,384	9,792	50,232	140,929	126,474	65,191	16,371	559
Iowa City (G.M. & S.)	1955	3,133,998	2,340,455	22,313	14,941	92,068	165,712	118,489	86,593	39,210	827
	1956	3,384,458	2,635,726	26,176	14,631	98,914	168,173	103,044	90,859	32,803	781
	1957	3,437,955	2,688,636	30,174	14,709	96,931	176,490	94,182	92,532	54,873	788
	1958	3,764,861	2,976,944	21,921	15,349	104,381	184,277	120,607	98,526	31,257	918
	1959	3,883,003	3,143,607	21,698	15,860	105,218	190,727	112,769	90,691	19,381	938
Knoxville (NP)	1955	4,443,800	3,479,316	4,862	10,113	101,005	506,421	27,981	17,708	68,609	10,555
	1956	4,625,895	3,723,497	3,746	9,856	95,332	428,321	46,431	47,227	70,276	13,390
	1957	4,972,787	3,939,018	4,477	9,647	95,308	423,905	54,155	63,037	77,726	11,933
	1958	5,142,225	4,159,336	3,725	9,647	95,439	435,779	63,348	48,009	102,224	12,815
	1959	5,506,089	4,530,834	3,818	9,730	102,096	421,442	63,452	69,989	122,247	14,138

Net cost of operation of VA hospitals, fiscal years 1955–59—Continued

Hospital	Fiscal year	Elements of cost									Cost per patient discharged
		Total	Salaries of staff	Patient travel	Communications	Utilities	Raw foods	Drugs and medicines	Medical and dental supplies	Asset acquisitions	
Kansas:											
Topeka (NP)	1955	$6,252,950	$5,342,341	$18,159	$21,439	$122,144	$359,533	$76,753	$55,599	$22,906	$1,871
	1956	6,506,418	5,605,118	15,937	20,970	123,986	351,271	74,451	55,538	41,023	2,014
	1957	6,576,045	5,693,186	21,100	21,284	133,280	350,177	97,399	51,934	19,392	1,939
	1958	6,892,940	5,975,803	14,993	21,159	136,819	352,512	92,247	51,006	12,618	2,167
	1959	6,736,717	5,911,005	15,665	21,087	119,999	320,614	104,935	59,983	1,072	2,762
Wadsworth (G.M. & S.)	1955	4,147,898	3,423,121	16,677	12,657	61,868	281,542	93,880	69,148	93,253	1,108
	1956	4,394,021	3,620,714	13,965	12,436	70,044	281,314	85,022	80,743	79,853	1,232
	1957	4,404,648	3,644,557	11,563	12,262	60,811	283,397	91,450	84,807	78,831	1,159
	1958	4,676,279	3,929,167	9,286	13,194	56,223	299,528	110,011	69,022	79,599	1,365
	1959	5,066,014	4,182,859	8,685	14,921	81,206	300,444	121,590	94,817	62,959	1,552
Wichita (G.M. & S.)	1955	1,634,579	1,296,199	20,881	7,927	35,448	90,331	36,444	15,165	47,071	677
	1956	1,722,666	1,416,183	23,271	6,646	40,892	86,389	34,074	31,247	28,958	774
	1957	1,750,438	1,421,468	18,596	8,175	30,660	81,686	43,079	38,147	34,134	789
	1958	1,908,941	1,613,091	15,683	7,683	31,748	82,200	37,788	35,367	13,691	841
	1959	1,978,416	1,678,041	16,360	9,710	30,770	81,545	38,755	37,626	18,500	875
Kentucky:											
Lexington (NP)	1955	3,585,854	2,903,184	2,833	9,417	78,921	366,249	20,029	23,113	56,156	2,500
	1956	3,764,762	3,031,975	2,778	10,080	75,029	339,622	41,299	25,343	86,753	4,483
	1957	3,872,125	3,089,956	3,824	10,835	87,249	357,689	55,251	49,515	67,557	3,123
	1958	4,188,167	3,390,919	3,123	10,909	101,004	360,083	71,614	40,699	51,548	5,678
	1959	4,496,780	3,697,218	3,544	10,909	99,958	367,778	77,213	51,258	24,427	5,611
Louisville (G.M. & S.)	1955	3,465,781	2,865,698	32,143	19,358	66,457	193,273	100,415	59,572	10,345	836
	1956	3,623,140	3,005,304	28,348	19,170	71,528	189,013	101,923	68,139	17,144	890
	1957	3,630,028	2,998,683	23,810	18,827	79,683	188,825	100,924	77,784	13,052	947
	1958	3,912,198	3,265,237	26,629	18,134	86,660	190,638	100,280	78,859	23,572	959
	1959	4,092,534	3,422,466	29,250	19,000	87,600	195,990	102,541	79,190	16,086	967
Outwood (TB)	1955	1,083,096	884,468	6,162	2,335	13,290	76,683	8,056	7,630	49,389	2,700
	1956	1,123,916	928,216	5,652	2,102	12,867	71,771	11,586	12,535	39,783	2,601
	1957	1,105,435	930,720	6,098	1,978	13,292	67,449	12,054	11,322	28,020	2,279
	1958	1,263,950	1,004,152	5,144	2,006	14,838	66,707	12,656	12,304	26,958	2,507
	1959	1,152,636	968,555	5,301	1,849	15,184	55,908	10,556	11,248	23,397	2,938
Louisiana:											
Alexandria (G.M. & S.)	1955	2,870,038	2,358,832	16,500	9,430	48,606	174,506	54,438	42,757	36,145	793
	1956	3,153,524	2,580,505	18,144	10,795	51,914	176,645	59,655	56,151	66,183	867
	1957	3,110,921	2,580,666	18,021	10,904	53,733	175,709	61,032	57,597	47,773	971
	1958	3,343,931	2,806,408	18,116	10,695	58,522	169,838	61,684	56,705	51,021	922
	1959	3,430,656	2,877,189	18,293	10,157	59,653	154,899	73,306	63,238	50,735	907
New Orleans (G.M. & S.)	1955	3,287,089	2,672,162	7,876	11,713	53,996	174,725	103,200	68,000	24,140	740
	1956	3,456,999	2,780,318	8,668	12,246	56,821	183,835	108,422	73,890	24,829	798
	1957	3,526,951	2,808,013	8,762	11,396	59,939	182,356	120,202	79,596	57,807	768
	1958	3,834,211	3,073,959	7,621	12,307	64,663	187,728	133,548	77,689	69,819	806
	1959	4,032,440	3,279,612	10,481	13,048	65,947	192,769	133,124	76,833	13,540	893
Shreveport (G.M. & S.)	1955	1,968,989	1,633,381	26,657	13,518	34,861	110,366	45,302	54,406	1,997	520
	1956	2,379,001	1,887,114	28,616	10,355	44,755	141,735	51,665	62,253	25,149	603
	1957	2,595,908	2,100,156	27,321	7,028	48,537	147,544	55,919	69,740	40,763	673
	1958	2,906,397	2,344,707	26,767	13,282	53,720	166,114	59,484	66,749	68,820	752
	1959	3,099,653	2,576,228	27,760	13,572	60,141	166,800	60,917	67,967	24,000	802
Maine: Togus (NP)	1955	3,653,778	2,852,967	24,227	6,536	85,237	255,125	102,099	43,228	38,778	667
	1956	3,795,839	2,968,788	19,649	10,800	120,330	248,649	90,108	54,159	64,852	1,105
	1957	4,128,087	3,072,122	17,650	12,764	132,069	268,636	94,453	71,067	145,991	1,604
	1958	4,484,511	3,487,561	17,451	13,860	128,418	261,558	106,723	71,785	57,619	1,888
	1959	4,587,476	3,555,411	17,625	13,860	131,893	259,035	96,093	68,542	30,279	2,073
Maryland:											
Baltimore (TB)	1955	1,755,378	1,473,722	3,024	8,773	25,800	122,509	81,446	(6)	15,759	3,616
	1956	1,959,037	1,590,336	6,098	10,722	26,723	114,676	36,966	22,542	6,495	3,297
	1957	1,965,655	1,599,373	6,356	9,775	26,919	113,376	43,472	30,118	16,611	3,156
	1958	2,121,980	1,770,724	2,087	10,298	27,962	114,146	37,622	28,348	26,983	3,068
	1959	2,219,111	1,838,089	2,100	10,240	28,460	113,251	37,207	31,541	7,028	2,396
Fort Howard (G.M. & S.)	1955	2,754,523	2,273,779	3,364	6,536	45,378	164,918	65,479	56,375	74,155	720
	1956	2,886,616	2,327,600	3,235	7,031	50,551	154,776	66,355	57,905	74,963	777
	1957	2,941,443	2,432,370	5,883	8,015	46,210	141,778	61,208	54,637	100,018	914
	1958	3,215,594	2,700,395	4,084	8,878	55,826	143,401	66,127	57,440	74,471	1,042
	1959	3,271,231	2,761,616	3,916	9,301	59,786	135,813	67,029	57,022	18,944	1,042
Perry Point (NP) [5]	1956	6,156,741	4,779,198	7,070	16,407	54,300	557,501	96,230	93,645	110,786	1,763
	1957	6,555,299	4,924,168	6,043	15,937	54,530	566,588	115,022	123,962	125,505	1,683
	1958	6,609,251	5,234,665	3,726	17,873	53,880	545,693	94,851	87,131	102,650	2,288
	1959	6,970,760	5,577,657	3,907	18,027	54,790	556,493	122,479	80,632	42,959	2,489
Massachusetts:											
Bedford (NP)	1955	5,130,654	3,988,868	118	13,863	164,049	614,088	31,342	99,249	5,942	8,940
	1956	5,485,743	4,305,230	199	15,062	159,159	626,193	46,656	64,139	26,851	7,426
	1957	5,535,458	4,362,284	85	14,358	176,562	630,225	49,435	90,637	18,131	8,158
	1958	6,199,760	4,876,829	210	15,022	183,336	646,136	81,630	92,017	65,276	11,022
	1959	6,498,608	5,171,512	525	16,200	195,830	627,905	87,941	110,576	44,417	11,623
Boston (G.M. & S.)	1955	8,696,036	7,027,179	21,693	42,423	259,390	435,895	231,462	225,347	77,272	605
	1956	9,115,495	7,473,685	19,210	42,599	254,800	422,084	221,880	289,656	72,350	746
	1957	9,173,965	7,558,112	14,664	44,442	251,472	424,256	233,719	299,287	31,976	726
	1958	9,979,130	8,302,426	14,241	45,224	261,860	434,258	252,909	315,326	38,992	794
	1959	10,448,746	8,759,351	15,283	46,428	286,876	442,899	245,355	301,956	24,554	840
Brockton (NP)	1955	4,182,094	3,152,830	189	15,259	123,322	271,629	35,071	30,666	218,916	1,310
	1956	5,136,431	4,185,764	311	17,018	143,045	339,669	65,975	61,622	69,953	2,528
	1957	5,402,044	4,398,575	1,006	18,250	154,063	353,321	99,362	65,116	63,675	3,766
	1958	6,293,455	5,304,855	976	18,325	144,129	357,986	128,701	60,589	41,152	6,066
	1959	6,652,774	5,747,387	864	16,904	139,932	355,836	124,409	58,679	14,619	6,781
Northampton (NP)	1955	3,340,787	2,653,825	344	6,895	112,265	367,115	38,182	22,085	31,451	7,015
	1956	3,563,440	2,878,900	341	7,146	114,142	354,662	45,886	41,309	25,495	8,045
	1957	3,611,169	2,908,692	314	7,071	120,551	349,208	40,209	44,005	39,433	6,579
	1958	3,926,259	3,182,654	140	7,701	118,482	362,108	44,304	45,450	60,125	7,758
	1959	4,178,526	3,439,145	256	8,596	121,984	376,115	46,314	47,359	29,892	9,029
Rutland Heights (TB)	1955	2,873,459	2,302,668	2,642	9,425	88,800	276,924	79,861	(6)	51,816	4,108
	1956	3,003,222	2,446,798	2,645	9,685	91,471	268,236	52,082	52,386	31,028	3,844
	1957	3,010,861	2,453,251	1,470	9,765	95,197	250,157	55,858	50,852	37,873	3,814
	1958	3,313,074	2,722,950	1,512	10,004	92,974	257,480	68,736	56,813	65,333	4,351
	1959	3,306,222	2,737,726	1,608	10,304	95,494	240,614	64,788	54,603	39,745	4,762
Michigan:											
Ann Arbor (G.M. & S.)	1955	2,444,083	1,885,935	32,554	14,788	80,719	121,432	85,997	91,081	13,896	873
	1956	3,070,355	3,400,770	45,573	16,158	81,282	155,189	98,803	84,243	28,749	888
	1957	3,206,304	2,556,237	42,278	16,447	91,111	162,008	92,603	89,202	19,759	879
	1958	3,260,844	2,646,912	31,329	16,346	95,849	148,372	93,172	89,908	15,363	843
	1959	3,442,236	2,791,322	32,000	16,389	97,205	149,303	107,130	97,772	10,387	905
Battle Creek (NP)	1955	5,723,249	4,486,808	1,780	10,134	154,502	684,337	27,340	48,669	131,582	4,970
	1956	6,002,986	4,841,992	3,116	9,953	154,948	599,169	31,052	51,589	155,725	3,646
	1957	6,088,602	4,876,828	1,276	10,142	172,547	630,974	45,602	62,811	140,538	5,031
	1958	6,804,875	5,549,203	1,509	10,574	179,348	664,908	59,500	52,930	120,829	(3)
	1959	7,188,623	5,963,381	1,808	10,663	177,889	659,171	74,506	52,325	78,380	(3)

See footnotes at end of table.

Net cost of operation of VA hospitals, fiscal years 1955–59—Continued

Hospital	Fiscal year	Elements of cost									Cost per patient discharged
		Total	Salaries of staff	Patient travel	Communications	Utilities	Raw foods	Drugs and medicines	Medical and dental supplies	Asset acquisitions	
Michigan—Continued											
Dearborn (G.M. & S.)	1955	$5,258,597	$4,309,779	$13,280	$17,847	$56,638	$337,002	$126,045	$113,219	$18,547	$849
	1956	5,887,158	4,811,563	14,360	18,011	51,943	358,675	136,416	141,324	59,384	834
	1957	6,035,637	4,955,294	12,337	17,555	58,163	349,736	161,478	131,243	73,946	842
	1958	6,317,709	5,285,408	11,191	17,712	59,173	354,110	196,621	135,179	68,249	985
	1959	6,609,576	5,538,995	11,900	17,660	59,970	354,526	201,150	138,930	3,200	1,048
Iron Mountain (G.M. & S.)	1955	1,202,160	965,277	15,564	8,840	50,006	59,380	23,021	22,996	7,839	710
	1956	1,556,260	1,217,776	20,614	8,990	58,092	88,233	30,588	41,198	13,751	609
	1957	1,630,207	1,285,249	19,085	8,870	59,406	91,390	31,292	41,492	35,994	724
	1958	1,810,975	1,458,716	22,157	8,596	63,801	96,488	41,358	43,986	16,317	824
	1959	1,895,143	1,548,624	22,395	8,421	64,202	99,615	43,085	38,503	12,148	730
Saginaw (G.M. & S.)	1955	1,259,587	1,032,528	7,192	6,928	44,627	69,772	34,037	18,998	13,120	696
	1956	1,450,070	1,167,229	7,178	8,217	47,743	82,881	34,418	28,252	31,342	674
	1957	1,471,567	1,201,827	6,968	7,545	49,871	84,074	31,214	29,888	16,439	808
	1958	1,623,222	1,338,860	5,963	7,538	50,471	88,361	34,191	26,379	26,045	880
	1959	1,691,174	1,420,765	6,636	7,514	52,092	84,165	33,952	26,691	11,674	1,027
Minnesota:											
Minneapolis (G.M. & S.)	1955	6,638,114	5,382,738	66,064	23,618	157,375	309,871	192,321	158,277	13,089	834
	1956	7,130,759	5,788,371	73,260	26,096	216,594	308,423	202,730	205,371	71,819	828
	1957	7,302,182	6,062,070	75,208	28,815	125,833	316,000	222,275	217,484	36,329	846
	1958	8,499,715	7,079,638	80,424	31,942	142,193	328,092	261,334	243,259	65,399	673
	1959	8,880,640	7,344,794	76,300	33,253	188,723	327,802	248,364	273,089	32,875	593
St. Cloud (NP)	1955	3,571,746	2,733,828	4,624	2,157	97,049	432,096	20,628	34,452	44,733	7,097
	1956	3,816,344	2,967,763	4,115	2,413	104,298	415,957	22,867	32,687	59,524	7,800
	1957	4,051,341	3,181,800	3,637	2,208	111,197	406,986	46,845	35,977	79,503	17,492
	1958	4,385,660	3,527,994	3,350	2,672	115,314	413,909	66,578	35,814	51,830	11,632
	1959	4,773,490	3,896,945	3,907	3,060	125,268	420,054	66,389	35,878	12,060	9,070
Mississippi:											
Biloxi (G.M. & S.)	1955	1,598,400	1,147,756	9,360	5,146	7,379	103,966	49,326	23,479	168,342	608
	1956	1,573,210	1,200,768	8,726	7,484	8,627	105,846	54,067	25,365	41,600	675
	1957	1,559,672	1,227,755	8,598	7,744	9,451	102,106	58,312	29,826	42,792	758
	1958	1,633,191	1,327,181	5,953	7,811	10,369	90,606	55,882	27,878	39,609	890
	1959	1,700,870	1,352,669	8,835	8,178	11,449	93,162	54,683	30,598	26,869	941
Gulfport (NP)	1955	3,179,226	2,518,536	9,442	7,382	33,457	364,208	19,256	28,629	31,033	8,104
	1956	3,503,698	2,707,056	10,269	7,564	36,190	339,908	30,693	32,447	154,326	8,516
	1957	3,421,767	2,818,509	9,909	8,540	39,501	285,688	29,953	29,641	45,921	1,054
	1958	3,719,121	3,069,116	7,096	8,861	43,863	277,049	51,447	31,984	46,555	7,725
	1959	3,996,890	3,268,007	7,645	9,175	54,066	287,039	60,471	30,960	55,394	3,754
Jackson (G.M. & S.)	1955	3,298,435	2,671,984	52,303	13,382	59,782	168,701	103,989	94,250	38,873	620
	1956	3,444,302	2,785,385	51,780	13,480	61,335	172,962	95,521	71,995	68,216	692
	1957	3,439,985	2,825,053	50,883	13,452	66,882	172,817	103,313	86,622	38,978	752
	1958	3,721,658	3,075,258	42,489	15,612	84,727	173,777	117,167	98,398	33,885	793
	1959	3,962,209	3,329,708	38,496	15,612	90,392	178,280	124,875	92,536	2,320	860
Missouri:											
Excelsior Springs (TB)	1955	1,299,249	1,018,829	2,991	3,971	29,367	99,490	14,168	9,198	55,490	3,856
	1956	1,321,099	1,074,728	3,324	3,704	32,141	91,305	10,828	14,650	33,549	3,300
	1957	1,279,839	1,073,653	3,339	3,691	32,491	83,904	11,197	13,752	21,391	3,007
	1958	1,286,573	1,098,643	2,214	3,594	32,912	72,213	12,372	15,609	22,047	3,823
	1959	1,189,331	996,983	1,721	3,419	32,938	60,014	10,524	11,932	36,529	5,363
Jefferson Barracks (NP)	1955	2,416,873	1,893,138	4,742	14,337	65,567	183,662	38,195	40,472	37,781	2,354
	1956	2,994,024	2,385,109	2,693	13,775	89,899	206,080	55,660	36,525	93,206	2,824
	1957	3,117,042	2,525,984	2,567	13,940	99,100	206,049	42,926	32,951	53,059	5,011
	1958	4,075,543	3,349,997	6,257	14,895	135,402	258,640	52,834	55,709	33,134	2,184
	1959	4,713,652	3,817,221	5,773	15,510	131,146	301,760	62,321	52,192	35,568	2,158
Kansas City (G.M. & S.)	1955	3,152,579	2,461,232	14,894	12,912	53,843	163,119	109,480	132,688	47,013	632
	1956	3,391,007	2,694,361	15,409	12,862	52,464	172,547	101,586	145,143	45,306	1,128
	1957	3,470,584	2,799,031	19,313	12,510	54,688	177,151	114,357	126,648	20,747	711
	1958	3,732,274	3,053,456	13,194	12,442	52,381	174,123	138,635	135,273	17,072	904
	1959	3,881,611	3,183,133	15,803	12,589	53,191	181,158	139,900	148,284	10,266	807
Poplar Bluff (G.M. & S.)	1955	1,054,235	875,367	9,695	6,111	28,448	56,697	27,336	17,411	8,481	440
	1956	1,204,104	1,007,906	11,263	6,072	27,386	64,877	33,089	22,632	9,392	463
	1957	1,215,081	1,020,005	9,869	5,791	28,877	62,627	34,123	22,692	12,222	520
	1958	1,340,557	1,113,613	11,245	5,781	30,161	63,417	37,983	25,481	23,412	615
	1959	1,380,971	1,171,959	12,064	5,804	28,995	65,738	37,578	25,102	3,762	651
St. Louis (G.M. & S.)	1955	3,300,935	2,586,680	18,254	14,120	52,849	174,081	108,288	89,945	44,714	593
	1956	3,627,781	2,956,161	18,957	14,342	55,468	184,363	119,200	92,166	40,677	599
	1957	3,659,968	2,992,320	16,230	14,361	57,647	190,397	126,323	104,110	20,254	604
	1958	4,351,812	3,622,325	16,790	15,090	60,627	195,205	126,411	124,079	28,586	756
	1959	4,676,806	3,950,490	18,459	15,149	63,151	195,996	130,225	126,003	20,163	795
Montana:											
Fort Harrison (G.M. & S.)	1955	1,253,892	990,510	29,438	6,410	23,249	67,405	42,089	23,206	14,669	602
	1956	1,322,116	1,034,008	29,702	5,049	23,150	62,227	40,105	27,523	47,196	670
	1957	1,349,495	1,060,188	26,345	7,625	24,241	66,111	34,313	26,170	57,267	663
	1958	1,431,866	1,159,763	28,241	6,815	23,323	68,510	39,410	27,959	25,910	750
	1959	1,538,496	1,243,728	27,480	6,380	32,706	65,975	35,507	25,760	43,745	806
Miles City (G.M. & S.)	1955	666,175	515,996	7,237	3,979	34,160	33,187	9,936	7,315	8,880	527
	1956	686,377	548,837	6,558	3,874	33,728	30,204	9,749	7,969	4,950	604
	1957	693,827	552,546	7,053	3,719	29,200	29,618	10,239	9,143	11,878	605
	1958	746,461	621,836	5,416	3,826	28,936	28,505	12,053	8,574	1,315	579
	1959	794,323	655,171	5,825	3,843	29,214	27,465	12,334	10,423	10,641	670
Nebraska:											
Grand Island (G.M. & S.)	1955	959,457	792,004	10,448	6,906	25,878	44,615	19,586	14,232	1,592	631
	1956	1,012,768	845,526	8,947	6,853	27,693	42,732	18,760	13,668	4,873	658
	1957	1,240,676	990,592	8,958	7,434	26,684	61,075	22,638	20,315	43,532	622
	1958	1,371,470	1,153,509	8,326	7,716	28,378	67,509	26,866	24,056	7,990	829
	1959	1,443,828	1,219,607	9,214	7,709	29,036	68,622	27,844	23,832	5,175	707
Lincoln (G.M. & S.)	1955	1,606,654	1,328,894	6,977	5,920	30,034	84,781	50,582	49,671	17,748	796
	1956	1,630,571	1,364,006	7,582	5,658	30,961	78,226	47,313	44,711	21,486	775
	1957	1,692,756	1,386,025	9,277	4,985	28,817	82,719	49,024	49,978	28,361	939
	1958	1,905,527	1,570,430	7,597	5,995	32,097	88,047	57,004	44,885	48,154	886
	1959	2,047,422	1,711,212	7,927	6,334	32,533	92,329	63,570	42,304	39,875	1,005
Omaha (G.M. & S.)	1955	2,782,540	2,247,451	8,308	15,435	73,559	158,879	51,065	36,584	38,909	765
	1956	2,929,479	2,411,523	5,111	12,939	61,999	153,073	82,621	69,711	12,550	738
	1957	2,971,687	2,388,339	7,759	12,699	58,876	161,764	83,379	76,643	51,671	743
	1958	3,281,524	2,674,526	6,409	13,290	58,219	164,461	75,540	88,422	54,304	791
	1959	3,402,260	2,824,482	6,492	13,265	58,690	173,081	94,383	71,331	11,639	823

Net cost of operation of VA hospitals, fiscal years 1955–59—Continued

Hospital	Fiscal year	Elements of cost									Cost per patient discharged
		Total	Salaries of staff	Patient travel	Communications	Utilities	Raw foods	Drugs and medicines	Medical and dental supplies	Asset acquisitions	
Nevada: Reno (G.M. & S.)	1955	$1,004,332	$751,723	$6,713	$6,712	$25,882	$61,332	$43,804	$30,693	$10,926	$582
	1956	1,114,769	825,924	8,563	6,776	26,626	63,141	43,692	31,115	15,123	615
	1957	1,224,116	870,942	8,353	6,419	26,224	67,719	45,742	30,872	31,795	743
	1958	1,340,391	1,021,150	8,492	6,411	28,152	64,699	37,493	29,756	26,357	798
	1959	1,417,738	1,133,788	8,264	6,494	24,677	69,894	38,227	28,180	8,565	810
New Hampshire: Manchester (G.M. & S.).	1955	1,138,867	925,999	3,823	7,347	27,447	54,403	35,761	27,867	25,941	686
	1956	1,176,688	956,582	3,864	6,496	30,362	54,809	37,916	25,070	9,234	672
	1957	1,219,436	963,197	3,016	6,527	33,286	54,314	39,529	27,559	2,042	786
	1958	1,278,122	1,065,120	2,854	6,572	31,785	53,862	35,922	26,845	5,752	836
	1959	1,345,319	1,136,962	2,884	6,237	32,715	51,042	33,886	25,052	9,798	885
New Jersey:											
East Orange (G.M. & S.)	1955	5,177,430	4,174,993	4,745	19,549	172,886	307,802	158,250	85,567	31,399	1,444
	1956	5,472,355	4,482,227	5,188	18,803	162,204	314,578	129,823	137,614	42,328	1,342
	1957	5,656,709	4,608,146	4,362	18,943	170,755	330,603	156,807	149,006	57,720	1,287
	1958	6,657,365	5,473,750	3,979	20,718	183,844	371,778	164,302	176,863	96,938	1,416
	1959	7,182,998	5,978,421	4,615	22,816	189,262	387,311	157,560	161,198	72,555	1,381
Lyons (NP)	1955	6,987,949	5,245,746	176	18,383	267,331	763,580	78,987	58,910	112,862	14,994
	1956	7,445,776	5,590,466	178	18,427	237,209	729,929	129,241	111,801	218,084	15,195
	1957	7,522,262	5,752,389	129	18,745	221,965	747,861	139,321	91,428	188,582	14,301
	1958	8,290,232	6,531,073	204	20,383	264,542	737,276	149,382	81,818	126,138	15,525
	1959	8,749,732	7,043,069	231	20,588	277,099	732,327	137,674	95,760	85,338	16,509
New Mexico:											
Albuquerque (G.M. & S.)	1955	3,166,198	2,492,512	22,668	17,529	60,978	211,361	94,914	63,259	33,006	774
	1956	3,254,550	2,591,686	21,421	18,478	53,492	218,572	93,837	60,550	31,352	833
	1957	3,292,323	2,680,579	22,119	19,421	66,268	212,280	89,584	75,905	34,302	817
	1958	3,594,506	2,941,090	21,695	19,419	56,630	208,930	108,565	74,752	28,508	881
	1959	3,723,203	3,111,806	19,723	20,000	60,700	210,000	128,764	64,440	8,170	916
Fort Bayard (TB)	1955	1,355,042	1,070,222	10,988	10,488	40,648	90,008	27,839	19,142	51,837	1,620
	1956	1,356,376	1,078,389	11,725	10,661	40,013	76,601	27,193	21,374	59,142	1,703
	1957	1,374,310	1,103,682	10,561	10,748	39,460	75,685	28,137	20,402	63,604	1,521
	1958	1,506,350	1,243,166	10,704	10,361	40,983	83,569	28,941	22,894	33,863	1,458
	1959	1,547,013	1,296,429	11,209	7,697	43,322	79,329	30,583	22,818	35,570	1,681
New York:											
Albany (G.M. & S.)	1955	5,355,898	4,268,868	15,671	24,354	70,600	360,870	170,185	112,330	46,843	728
	1956	5,678,023	4,556,583	17,633	24,884	71,420	366,218	161,199	131,567	59,720	746
	1957	5,864,511	4,715,415	15,846	24,900	74,793	378,875	160,408	139,639	61,059	826
	1958	6,435,629	5,333,375	14,326	27,314	76,879	370,968	164,395	114,702	29,976	871
	1959	6,702,261	5,618,099	14,637	29,313	77,138	382,500	166,280	124,898	28,381	939
Batavia (TB)	1955	1,443,412	1,124,739	1,293	4,719	38,929	99,454	24,013	19,355	69,039	6,065
	1956	1,464,448	1,201,163	1,059	4,993	37,131	94,967	25,015	23,891	25,686	4,847
	1957	1,448,559	1,189,743	1,131	5,335	40,748	86,477	24,199	24,293	14,807	5,139
	1958	1,583,566	1,300,965	980	5,598	43,221	92,122	28,780	23,977	24,270	4,791
	1959	1,695,315	1,408,172	1,608	5,966	47,014	96,024	29,489	28,937	17,082	3,665
Bath (G.M. & S.)	1955	2,089,591	1,750,328	9,654	7,795	28,679	125,975	36,707	39,072	8,159	804
	1956	2,190,607	1,845,774	10,093	8,607	30,122	123,196	38,220	36,275	15,015	846
	1957	2,187,334	1,812,220	8,144	9,364	33,353	125,464	31,733	36,307	58,066	763
	1958	2,357,305	1,978,669	8,861	9,088	31,810	129,893	33,967	31,845	40,926	1,210
	1959	2,125,691	1,793,077	4,633	8,495	30,771	89,855	31,047	31,585	33,027	1,338
Bronx (G.M. & S.)	1955	9,739,795	7,843,815	10,183	30,540	232,707	556,105	289,087	229,987	203,516	803
	1956	9,963,990	8,258,991	12,430	30,212	188,537	535,388	261,728	269,058	143,186	914
	1957	10,013,490	8,207,192	9,895	36,022	243,773	547,891	305,097	293,020	122,387	860
	1958	10,874,852	8,930,638	9,708	38,247	221,591	575,360	324,645	323,473	175,306	1,141
	1959	11,680,439	9,555,787	10,125	41,256	229,012	553,775	304,804	348,897	174,277	1,229
Brooklyn (G.M. & S.)	1955	6,209,624	4,844,838	3,738	22,753	96,655	372,217	205,005	167,245	29,243	988
	1956	6,684,995	5,215,672	3,479	22,969	104,736	363,871	276,509	192,759	77,266	970
	1957	6,731,835	5,345,707	2,966	23,874	112,171	376,055	279,791	192,158	37,427	897
	1958	7,337,514	5,878,929	1,936	25,373	110,981	409,812	302,626	189,155	42,893	1,161
	1959	7,751,223	6,315,952	2,584	24,543	113,199	388,680	291,063	193,595	33,053	1,199
Buffalo (G.M. & S.)	1955	5,178,044	4,106,004	11,935	17,026	130,550	292,528	176,340	118,569	70,310	732
	1956	5,403,949	4,440,978	13,874	17,829	145,274	283,151	170,206	119,694	30,871	810
	1957	5,653,165	4,574,986	14,634	19,106	154,036	302,578	191,940	140,729	52,070	892
	1958	6,173,948	5,092,958	10,703	19,155	152,831	306,856	210,294	132,331	41,407	1,127
	1959	6,445,992	5,390,903	14,930	20,000	154,379	307,823	208,291	136,213	595	1,235
Canandaigua (NP)	1955	4,561,174	3,552,844	4,178	7,337	157,100	601,508	28,685	42,393	89,834	12,832
	1956	4,848,712	3,759,858	1,829	8,268	159,735	586,640	40,209	57,870	110,683	6,839
	1957	4,926,794	3,806,197	910	9,110	170,832	579,200	57,234	77,945	87,922	5,996
	1958	5,452,188	4,288,150	950	9,175	176,030	592,609	67,868	75,390	81,064	8,365
	1959	5,821,441	4,687,861	1,374	9,471	187,212	593,795	70,099	77,656	25,002	9,698
Castle Point (TB)	1955	2,745,927	2,058,364	2,633	9,751	76,487	233,556	51,789	41,503	132,611	5,027
	1956	2,464,527	1,960,133	1,588	9,206	78,129	184,780	41,207	36,079	14,394	6,671
	1957	2,345,515	1,807,419	1,419	9,578	80,748	157,841	33,681	36,216	28,140	6,430
	1958	2,508,816	2,022,190	1,561	10,835	85,455	159,954	33,066	34,162	59,394	6,353
	1959	2,259,666	1,932,931	2,936	10,763	81,559	138,081	26,558	33,305	4,804	7,352
Montrose (NP)	1955	5,912,573	4,511,566	1,575	14,011	158,994	647,724	68,059	42,079	41,971	6,229
	1956	6,164,855	4,843,412	414	15,737	171,018	651,045	92,015	70,372	49,594	6,024
	1957	6,381,335	5,062,774	494	16,790	182,834	635,049	89,385	86,306	73,281	7,126
	1958	6,661,539	5,274,403	327	17,888	187,530	679,890	102,795	92,090	79,033	7,918
	1959	7,022,472	5,689,516	670	18,089	198,743	675,987	100,900	90,992	13,339	5,789
New York (G.M. & S.)	1955	2,571,036	1,727,275	616	18,546	154,646	102,198	185,602	139,202	103,749	992
	1956	6,228,906	4,811,372	6,486	22,975	232,112	337,294	219,747	169,012	162,010	810
	1957	7,748,991	6,376,540	6,519	27,611	251,707	477,402	298,089	191,741	74,616	983
	1958	8,610,368	6,910,244	5,710	32,128	269,447	488,625	333,273	221,284	68,906	1,097
	1959	9,310,099	7,487,252	6,451	31,464	274,538	479,431	326,446	227,840	27,585	1,099
Northport (NP)	1955	6,411,830	5,036,990	1,961	13,875	169,810	760,553	60,250	84,549	57,138	6,507
	1956	6,905,336	5,488,209	630	14,873	176,408	855,136	63,586	87,619	127,139	7,097
	1957	7,530,076	5,931,668	386	17,448	209,440	885,196	73,546	95,305	227,340	6,292
	1958	8,215,561	6,700,410	519	18,821	204,206	905,379	90,804	71,031	119,933	6,458
	1959	8,650,604	7,056,583	400	20,400	206,725	919,118	93,200	81,444	91,235	7,956
Sunmount (TB)	1955	2,625,910	1,959,633	17,020	9,910	90,753	216,811	72,104	61,324	32,723	2,821
	1956	2,691,240	2,019,863	16,172	10,107	101,987	227,521	61,723	63,495	54,441	2,563
	1957	2,709,106	2,056,350	13,586	11,053	107,783	214,917	55,971	64,454	29,464	2,891
	1958	2,919,695	2,287,254	14,367	11,661	114,075	201,253	62,524	55,729	34,192	2,848
	1959	2,815,104	2,236,231	14,494	11,740	107,164	189,460	51,841	54,750	26,907	2,712
Syracuse (G.M. & S.)	1955	2,526,698	1,985,620	11,550	13,264	100,233	139,973	78,356	74,879	12,587	773
	1956	2,926,888	2,339,401	11,592	15,075	98,502	157,005	99,032	76,615	14,254	791
	1957	3,272,373	2,543,717	12,579	17,060	91,430	181,943	116,267	106,358	37,020	804
	1958	3,568,779	2,830,178	12,323	18,640	100,146	185,376	131,995	116,277	32,798	869
	1959	3,794,493	3,055,233	13,728	19,811	105,532	186,275	121,448	132,674	8,554	920

Net cost of operation of VA hospitals, fiscal years 1955–59—Continued

Hospital	Fiscal year	Elements of cost									Cost per patient discharged
		Total	Salaries of staff	Patient travel	Communications	Utilities	Raw foods	Drugs and medicines	Medical and dental supplies	Asset acquisitions	
North Carolina:											
Durham (G.M. & S.)	1955	$3,073,295	$2,447,851	$27,273	$13,393	$70,857	$161,678	$111,721	$106,015	$7,060	$563
	1956	3,316,844	2,601,837	22,751	13,067	74,717	172,747	107,069	99,596	48,185	592
	1957	3,497,851	2,734,619	24,146	13,381	80,969	179,189	110,025	110,673	75,742	608
	1958	3,810,376	3,084,288	21,938	13,406	89,240	177,759	126,219	111,434	34,076	610
	1959	4,052,070	3,301,380	33,430	15,008	93,660	181,171	142,912	106,665	14,000	668
Fayetteville (G.M & S.)	1955	1,972,017	1,573,881	17,628	8,520	36,216	134,626	45,396	43,294	33,307	507
	1956	2,186,157	1,770,053	16,282	8,869	41,185	138,041	48,579	41,628	27,002	470
	1957	2,300,176	1,849,334	14,779	8,989	45,594	143,957	50,984	48,820	40,433	538
	1958	2,584,551	2,072,477	15,926	9,120	51,347	147,349	60,933	61,002	65,127	699
	1959	2,674,727	2,199,348	17,000	9,500	51,850	148,652	68,822	54,815	17,000	701
Oteen (combined) (TB)	1955	7,494,187	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	1,496
	1956	7,748,438	6,232,940	38,979	33,660	222,347	516,432	180,352	159,463	80,530	1,456
	1957	7,434,188	6,006,688	32,226	33,906	210,219	463,242	159,852	144,756	84,115	1,583
	1958	7,484,351	6,085,220	31,782	33,876	194,486	440,913	168,234	153,923	118,977	1,510
	1959	7,847,210	6,394,486	32,462	33,405	206,669	446,878	186,754	161,742	74,754	1,426
Salisbury (NP)	1955	2,277,276	1,767,292	5,508	10,895	39,514	152,567	28,958	19,141	41,520	2,321
	1956	3,129,651	2,526,863	10,999	12,986	47,809	206,853	41,495	40,486	56,457	1,951
	1957	3,615,797	2,997,888	10,045	13,642	51,644	244,236	43,797	47,162	34,511	1,139
	1958	4,300,738	3,610,480	9,326	13,794	55,261	280,576	52,632	51,167	37,756	1,658
	1959	4,855,184	4,098,503	8,013	13,978	59,714	315,958	61,041	56,596	35,068	2,326
North Dakota:											
Fargo (G.M. & S.)	1955	1,211,419	976,979	12,664	5,355	44,047	47,960	26,129	20,769	11,831	680
	1956	1,379,057	1,095,611	14,525	4,736	44,349	60,845	41,706	26,872	37,464	652
	1957	1,455,382	1,146,834	11,799	2,236	50,029	72,355	41,368	29,614	49,623	789
	1958	1,610,989	1,301,660	12,264	1,858	44,339	77,184	43,013	26,374	43,279	883
	1959	1,667,071	1,393,229	12,958	5,148	53,025	71,737	53,677	29,702	12,386	722
Minot (G.M. & S.)	1955	659,544	515,098	3,475	3,359	32,511	25,361	11,897	7,466	8,667	1,010
	1956	610,638	491,300	3,204	3,703	27,320	27,824	11,624	8,200	3,049	1,075
	1957	690,438	554,552	3,993	3,073	24,298	34,146	14,692	11,658	13,682	767
	1958	750,457	612,267	3,869	3,083	25,417	34,840	16,036	11,317	8,773	876
	1959	802,676	659,126	4,409	3,510	27,224	35,737	17,584	11,616	3,070	961
Ohio:											
Brecksville (TB)	1955	1,626,846	1,246,082	2,324	5,280	49,248	144,145	24,366	20,720	36,477	4,246
	1956	1,616,737	1,266,681	2,306	5,009	51,468	112,649	31,982	28,917	30,058	3,909
	1957	1,610,480	1,279,519	2,158	4,970	53,101	111,800	30,366	26,675	18,924	3,707
	1958	1,755,307	1,414,424	3,020	5,382	53,920	113,017	33,553	22,182	29,841	3,777
	1959	1,822,114	1,488,667	2,946	5,855	53,429	115,775	32,473	25,131	12,066	3,682
Chillicothe (NP)	1955	5,924,831	4,528,068	3,720	5,108	106,152	720,310	41,443	115,928	114,335	4,267
	1956	6,211,049	4,853,655	4,596	4,899	126,698	666,697	87,014	125,955	71,758	4,992
	1957	6,225,013	4,894,774	4,523	5,167	136,339	639,726	124,847	80,660	110,669	5,501
	1958	6,799,557	5,443,319	5,136	5,821	134,395	660,069	127,605	97,490	84,218	6,438
	1959	7,089,113	5,817,733	5,495	5,107	137,655	655,568	123,309	72,884	47,541	6,837
Cincinnati (G.M. & S.)	1955	3,381,138	2,540,580	3,127	15,144	106,636	247,530	80,783	33,609	27,941	(3)
	1956	4,142,190	3,236,113	5,666	17,603	112,516	260,765	81,366	89,867	73,069	(3)
	1957	4,456,463	3,350,301	6,525	17,708	128,214	281,975	99,563	96,095	143,683	(3)
	1958	4,918,100	3,854,477	6,302	19,031	132,037	306,541	115,264	121,580	67,356	(3)
	1959	5,127,604	4,045,916	7,000	22,081	132,725	310,200	124,000	119,480	38,445	(3)
Cleveland (G.M. & S.)	1955	5,573,626	4,460,815	29,118	16,904	176,876	341,381	149,785	132,168	132,748	744
	1956	5,841,095	4,744,486	36,295	22,189	173,377	334,919	121,359	167,249	104,966	792
	1957	5,736,732	4,716,127	32,632	21,750	177,398	334,830	123,165	161,988	72,603	810
	1958	6,227,770	5,160,695	30,754	22,041	183,578	323,288	125,123	154,881	94,282	1,025
	1959	6,472,042	5,403,331	32,642	21,838	200,175	330,702	127,386	158,368	48,293	1,082
Dayton (G.M. & S.)	1955	5,329,214	4,125,361	22,328	16,111	49,859	356,418	144,131	113,549	116,304	(3)
	1956	5,761,014	4,459,732	16,338	18,306	41,887	347,732	161,982	129,592	147,173	(3)
	1957	6,080,686	4,686,244	12,704	20,773	38,695	360,681	166,337	144,617	157,359	(3)
	1958	6,719,442	5,486,063	10,379	19,693	43,509	351,005	159,128	150,875	100,883	(3)
	1959	6,736,150	5,599,835	11,507	19,568	68,897	310,726	147,819	136,373	68,957	(3)
Oklahoma:											
Muskogee (G.M. & S.)	1955	2,138,357	1,723,573	27,518	7,577	26,577	108,698	73,991	49,572	31,501	455
	1956	2,246,897	1,831,123	27,091	7,638	25,834	113,183	72,553	48,123	35,165	450
	1957	2,303,143	1,847,367	24,889	8,100	27,297	118,303	67,921	51,755	70,764	449
	1958	2,497,181	2,057,403	20,677	8,644	31,868	116,405	70,902	50,256	49,646	537
	1959	2,592,722	2,168,032	24,465	8,586	33,556	122,017	72,142	53,054	18,209	578
Oklahoma City (G.M. & S.)	1955	2,761,819	2,188,053	18,843	13,499	49,400	155,371	86,889	61,823	87,394	735
	1956	3,150,362	2,518,321	25,428	12,491	51,368	184,237	99,137	76,957	72,096	606
	1957	3,199,876	2,626,812	24,776	12,024	51,650	184,403	104,157	73,558	26,499	557
	1958	3,508,882	2,890,107	18,373	13,123	54,106	183,366	111,052	82,420	42,276	688
	1959	3,764,445	3,139,515	23,151	13,695	55,410	185,769	133,550	79,137	20,270	688
Oregon:											
Portland (G.M. & S.)	1955	3,845,065	3,043,323	21,324	14,913	(2)	197,778	(2)	(2)	126,887	(3)
	1956	3,866,885	3,163,509	24,198	16,640	21,037	197,103	88,787	95,843	47,798	(3)
	1957	3,903,637	3,199,777	23,124	20,859	20,799	193,746	95,183	95,173	66,059	(3)
	1958	4,349,604	3,637,455	31,742	18,874	21,190	204,130	101,387	96,898	36,200	(3)
	1959	4,533,171	3,830,325	32,382	19,115	22,300	202,967	107,264	101,199	1,862	(3)
Roseburg (NP)	1955	1,879,003	1,443,565	912	6,546	65,000	213,140	8,937	17,500	33,577	4,463
	1956	2,068,546	1,596,724	1,469	5,995	66,614	214,194	23,719	18,002	33,986	5,807
	1957	2,180,964	1,680,311	569	7,186	70,997	211,866	32,545	21,590	50,611	8,910
	1958	2,392,446	1,866,498	511	6,996	70,200	216,908	40,431	22,864	53,622	(2)
	1959	2,454,564	2,001,163	1,067	7,011	70,930	204,034	40,413	21,236	10,047	(2)
Pennsylvania:											
Altoona (G.M. & S.)	1955	1,324,387	1,042,100	7,503	5,351	35,794	75,698	26,716	22,360	42,118	633
	1956	1,386,759	1,115,519	6,482	5,416	36,728	73,427	30,883	26,476	17,500	723
	1957	1,414,748	1,143,167	6,492	5,854	39,821	74,430	31,831	23,763	23,293	739
	1958	1,548,204	1,283,882	5,341	6,312	42,350	76,408	36,929	24,467	14,011	912
	1959	1,615,788	1,372,271	5,881	6,244	43,931	76,179	36,010	20,737	5,449	885
Butler (TB)	1955	2,609,366	2,076,084	4,146	8,564	59,348	234,979	47,686	30,945	15,904	4,747
	1956	2,625,918	2,147,420	3,938	10,155	75,695	218,897	50,629	54,108	30,971	4,188
	1957	2,647,082	2,165,245	3,000	10,097	75,999	224,742	61,104	51,162	30,048	4,476
	1958	2,919,589	2,445,160	3,697	10,211	80,069	234,483	62,268	50,600	18,163	4,919
	1959	3,054,734	2,563,940	3,414	10,300	80,911	225,295	62,441	54,505	27,841	4,847
Coatesville (NP)	1955	5,590,404	4,505,339	2,948	10,992	154,293	662,612	42,235	31,195	58,638	12,595
	1956	5,866,399	4,663,872	608	11,421	129,260	565,799	71,898	58,152	142,624	14,773
	1957	5,894,574	4,736,321	9,356	12,814	142,444	551,344	114,496	55,573	114,005	11,181
	1958	6,096,849	4,960,309	1,422	13,405	152,476	531,889	104,241	42,935	53,604	11,534
	1959	6,259,914	5,260,440	2,108	13,722	149,141	534,708	104,581	51,649	28,261	13,897
Erie (G.M. & S.)	1955	1,243,214	1,005,547	4,175	6,377	46,930	62,505	27,546	18,481	22,100	770
	1956	1,318,563	1,071,511	4,880	5,849	49,572	64,813	25,712	16,854	5,979	867
	1957	1,309,750	1,096,514	4,696	5,318	47,924	66,937	30,699	17,258	3,065	1,029
	1958	1,480,810	1,230,531	5,086	5,084	52,358	73,905	33,628	18,815	14,460	932
	1959	1,552,121	1,310,257	5,132	5,294	51,349	78,007	35,152	19,113	6,989	940

See footnotes at end of table.

Net cost of operation of VA hospitals, fiscal years 1955–59—Continued

Hospital	Fiscal year	Elements of cost									Cost per patient discharged
		Total	Salaries of staff	Patient travel	Communications	Utilities	Raw foods	Drugs and medicines	Medical and dental supplies	Asset acquisitions	
Pennsylvania—Continued											
Lebanon (NP)	1955	$3,929,096	$3,182,451	$6,785	$11,184	$102,264	$343,350	$63,650	$68,176	$35,594	$986
	1956	4,148,922	3,438,370	7,961	11,147	103,981	322,291	60,274	70,894	32,743	1,071
	1957	4,225,058	3,507,985	7,675	11,343	99,729	320,661	71,514	81,244	45,824	1,257
	1958	4,644,275	3,916,594	7,997	11,729	114,211	335,203	74,178	74,502	26,970	1,874
	1959	4,896,628	4,127,546	8,734	11,953	118,736	339,488	70,028	62,931	13,778	1,836
Philadelphia (G.M. & S.)	1955	3,254,385	2,546,043	1,089	13,078	70,338	188,589	112,102	97,227	61,061	679
	1956	3,484,608	2,785,385	2,425	14,068	62,233	185,254	122,062	96,176	69,185	695
	1957	3,494,848	2,811,803	2,359	14,526	77,679	190,051	104,721	98,323	29,400	700
	1958	3,833,638	3,145,154	3,086	16,833	78,795	194,114	114,398	102,947	10,460	736
	1959	4,065,551	3,340,013	3,210	16,034	84,252	199,899	123,129	109,621	11,640	778
Pittsburgh (NP)	1955	3,619,398	2,832,045	4,035	11,174	96,302	249,662	52,603	54,270	177,907	1,897
	1956	4,896,008	4,053,042	3,874	12,966	99,433	318,846	60,852	60,342	113,387	2,847
	1957	4,784,353	4,062,874	3,920	14,942	94,449	342,037	72,422	53,790	29,003	4,089
	1958	5,156,249	4,356,222	3,019	15,761	103,783	329,782	90,286	66,316	43,604	4,695
	1959	5,446,818	4,657,685	3,668	16,000	116,255	337,829	87,572	59,088	16,009	5,228
Pittsburgh (G.M. & S.)	1955	6,058,777	4,688,566	32,544	19,842	59,628	304,222	202,643	232,242	198,319	715
	1956	6,623,331	5,273,240	28,729	23,465	127,895	373,937	175,865	141,604	55,608	591
	1957	6,728,634	5,530,727	30,088	27,069	147,950	418,473	185,389	164,586	109,739	494
	1958	7,411,723	6,069,677	29,582	26,286	139,394	450,172	243,120	153,830	104,969	696
	1959	7,784,043	6,337,632	41,120	26,800	146,653	472,922	213,147	156,659	88,170	733
Wilkes-Barre (G.M. & S.)	1955	2,945,646	2,483,480	6,294	8,835	83,281	182,257	54,624	36,929	11,325	979
	1956	3,157,783	2,668,695	5,295	9,380	82,651	186,933	63,985	48,356	12,201	863
	1957	3,180,885	2,676,839	4,664	9,944	77,848	182,544	56,332	52,390	21,020	981
	1958	3,487,073	2,973,109	3,599	10,214	84,973	190,026	66,273	57,868	17,287	1,178
	1959	3,645,365	3,116,725	4,024	10,564	84,850	190,226	65,318	66,197	4,465	1,279
Puerto Rico: San Juan (G.M. & S.)	1955	1,882,424	1,579,343	3,734	----------	13,021	82,047	36,483	60,229	23,500	560
	1956	1,954,037	1,579,654	3,889	----------	10,273	77,108	41,985	73,039	26,997	544
	1957	2,014,437	1,604,681	6,163	----------	15,036	81,924	38,979	68,559	46,533	555
	1958	2,045,759	1,691,727	3,926	----------	17,063	83,339	43,343	67,706	14,582	484
	1959	2,163,382	1,837,277	4,302	----------	20,595	78,256	52,764	58,505	4,915	463
Rhode Island: Providence (G.M. & S.)	1955	2,558,529	2,063,562	7,541	10,275	27,374	128,125	63,231	53,680	14,171	696
	1956	2,534,085	2,051,968	6,347	8,762	26,730	132,784	63,572	62,483	55,575	684
	1957	2,538,169	2,064,747	6,874	9,171	27,451	132,464	67,280	55,881	41,758	711
	1958	2,755,191	2,268,072	4,168	9,616	28,249	132,576	80,041	55,124	26,424	705
	1959	2,867,500	2,423,499	4,676	9,614	28,667	132,102	75,610	56,347	6,887	716
South Carolina: Columbia (G.M. & S.)	1955	3,275,453	2,618,002	37,557	9,430	25,895	185,247	118,415	89,054	33,168	689
	1956	3,587,976	2,851,084	41,231	9,875	27,640	202,917	114,343	89,469	69,550	593
	1957	3,690,737	2,948,278	42,121	10,234	30,267	212,385	107,679	91,783	80,717	637
	1958	4,008,022	3,280,120	41,793	11,538	29,675	203,046	115,472	88,853	46,140	620
	1959	4,244,064	3,478,612	45,165	11,904	31,242	222,590	117,093	93,359	64,308	617
South Dakota:											
Fort Meade (NP)	1955	2,466,526	1,792,330	2,618	9,399	71,255	251,200	20,805	45,733	112,839	5,207
	1956	2,500,089	1,941,609	1,351	10,823	69,442	227,821	23,794	42,069	49,647	10,848
	1957	2,512,123	1,977,609	1,286	9,873	63,832	231,908	21,804	33,342	44,765	7,918
	1958	2,738,357	2,175,563	1,732	10,158	58,630	234,701	24,951	34,168	57,211	7,829
	1959	3,129,374	2,453,998	3,012	10,530	76,089	248,808	23,919	30,928	1,521	7,951
Hot Springs (G.M. & S.)	1955	1,412,141	1,084,211	12,032	8,932	33,804	108,002	39,231	19,261	29,629	906
	1956	1,540,989	1,213,881	12,246	9,431	35,138	103,643	32,491	22,746	24,484	869
	1957	1,589,099	1,224,028	8,999	8,732	36,029	95,898	42,570	20,722	64,747	883
	1958	1,710,462	1,328,153	7,721	8,788	41,755	107,352	43,834	23,024	76,065	1,077
	1959	1,798,725	1,432,327	9,208	8,000	54,115	106,480	39,446	18,619	18,499	1,219
Sioux Falls (G.M. & S.)	1955	1,527,288	1,163,625	12,335	5,660	36,314	78,273	44,491	17,405	48,525	591
	1956	1,594,500	1,244,213	15,269	5,544	36,369	77,898	42,782	17,093	40,948	605
	1957	1,688,230	1,330,457	15,824	5,905	32,627	88,886	48,374	31,148	47,975	698
	1958	1,875,263	1,507,980	13,034	6,132	36,097	91,369	51,488	27,120	51,481	799
	1959	1,945,274	1,606,443	13,715	6,612	38,946	100,102	46,997	27,327	17,392	806
Memphis (G.M. & S.)	1955	8,088,178	6,499,746	93,027	25,709	121,413	450,398	251,432	149,145	132,164	600
	1956	8,495,465	6,937,655	92,539	25,044	122,193	409,984	255,374	206,444	152,664	728
	1957	8,643,770	7,019,676	96,509	26,640	124,859	426,552	283,887	225,368	155,410	757
	1958	9,521,224	7,935,431	76,681	32,164	135,341	454,040	348,143	218,509	81,634	903
	1959	10,504,178	8,957,956	70,093	32,432	148,193	486,847	304,409	219,909	42,375	943
Mountain Home (G.M. & S.)	1955	2,735,126	2,134,101	21,931	3,838	44,062	193,890	128,446	72,250	47,026	664
	1956	2,912,710	2,287,388	21,275	3,007	55,856	178,557	106,113	59,230	45,915	696
	1957	3,101,701	2,495,464	22,814	3,265	29,695	195,455	114,438	78,648	49,257	687
	1958	3,462,205	2,889,200	24,512	4,048	36,367	202,058	88,774	78,605	57,039	847
	1959	3,603,803	2,999,368	23,723	3,820	41,053	240,944	92,836	77,673	15,191	894
Murfreesboro (MP)	1955	3,143,873	2,521,344	6,541	7,049	79,701	337,248	12,507	32,822	40,840	9,527
	1956	3,308,780	2,666,766	6,237	7,172	59,865	330,714	29,485	38,371	40,518	9,140
	1957	3,404,961	2,724,075	10,121	7,110	64,951	321,180	53,709	48,055	55,303	5,591
	1958	3,963,659	3,169,401	21,205	9,042	70,846	381,573	64,024	59,100	42,752	4,499
	1959	4,058,349	3,320,698	25,000	9,216	70,959	383,869	56,440	48,793	8,594	4,289
Nashville (G.M. & S)	1955	3,731,735	3,001,324	35,213	15,230	114,533	202,977	109,840	97,334	37,345	771
	1956	3,878,693	3,126,729	40,412	16,625	116,632	190,330	106,800	94,683	52,460	771
	1957	3,855,248	3,115,269	45,779	16,522	117,077	187,080	98,873	93,798	55,630	721
	1958	4,201,836	3,419,226	46,490	19,625	128,746	194,544	138,136	103,614	34,462	796
	1959	4,489,297	3,594,297	47,051	19,789	127,752	194,540	122,771	120,289	48,305	847
Texas:											
Amarillo (G.M. & S.)	1955	1,002,926	794,133	11,629	4,523	18,056	50,691	19,741	14,113	17,452	436
	1956	1,057,131	822,485	11,342	4,399	17,226	53,840	27,314	18,752	34,600	504
	1957	1,078,567	833,151	11,465	5,016	18,061	54,863	26,302	15,824	28,987	522
	1958	1,202,838	921,300	11,415	5,234	17,396	56,572	29,051	17,306	23,121	586
	1959	1,247,647	1,012,904	13,400	5,320	17,450	56,385	26,509	16,894	6,363	593
Big Springs (G.M. & S.)	1955	1,172,720	888,411	18,616	7,374	39,000	68,535	40,444	19,279	8,297	506
	1956	1,408,646	1,073,334	21,009	7,220	42,370	93,636	57,708	24,656	13,474	449
	1957	1,452,855	1,103,879	20,242	7,941	41,662	90,915	64,840	26,553	28,645	476
	1958	1,633,410	1,271,937	21,234	6,980	42,978	97,409	65,874	29,259	27,270	534
	1959	1,733,734	1,386,787	19,828	7,905	45,426	97,027	63,319	28,164	13,007	565
Bonham (G.M. & S.)	1955	374,430	324,155	594	799	8,625	18,228	5,687	2,334	936	684
	1956	461,275	399,072	624	2,632	7,976	18,047	10,490	5,841	1,477	693
	1957	444,386	375,272	463	2,306	8,036	18,116	11,175	6,338	5,923	568
	1958	476,716	398,540	656	2,798	8,083	18,012	17,156	6,696	6,625	706
	1959	514,526	435,581	1,174	3,107	8,560	19,312	14,738	6,029	4,017	744
Dallas (G.M. & S.)	1955	2,557,218	1,951,421	11,224	11,910	42,304	128,789	91,734	135,283	11,393	723
	1956	3,042,324	2,393,653	34,599	17,797	48,882	139,209	107,037	145,406	50,610	618
	1957	3,143,666	2,539,085	41,831	18,262	51,160	149,699	127,031	130,706	17,516	562
	1958	3,536,876	2,862,201	22,985	18,510	52,447	150,463	138,804	112,881	25,321	707
	1959	4,746,157	3,833,113	34,022	20,856	78,590	227,086	172,177	181,302	24,300	731
Houston (G.M. & S.)	1955	7,121,305	5,548,479	77,156	33,483	120,754	476,087	260,817	241,563	137,332	769
	1956	7,662,463	6,053,246	75,239	35,151	129,176	463,400	299,696	252,804	49,410	773
	1957	7,802,352	6,165,507	63,428	34,861	152,998	445,683	286,459	311,460	69,201	780
	1958	9,052,328	7,266,363	59,497	38,237	167,705	470,448	294,259	318,013	98,151	916
	1959	9,741,411	7,854,279	66,000	38,621	190,000	531,230	354,692	328,056	34,491	860

Net cost of operation of VA hospitals, fiscal years 1955–59—Continued

Hospital	Fiscal year	Elements of cost									Cost per patient discharged
		Total	Salaries of staff	Patient travel	Communications	Utilities	Raw foods	Drugs and medicines	Medical and dental supplies	Asset acquisitions	
Texas—Continued											
Kerrville (TB)	1955	$2,241,363	$1,793,491	$7,595	$6,437	$44,401	$181,651	[2]	[2]	$52,629	$1,606
	1956	2,315,090	1,880,588	10,680	6,673	46,440	173,070	$46,199	$36,994	36,541	1,753
	1957	2,276,403	1,882,715	12,477	6,770	48,174	176,257	51,990	41,620	12,562	1,602
	1958	2,543,013	2,125,642	10,326	6,793	51,821	172,451	61,536	40,482	16,191	1,673
	1959	2,646,948	2,226,479	10,529	6,780	49,008	173,086	61,326	39,998	7,276	1,644
Marlin (G.M. & S.)	1955	1,009,682	827,093	7,008	5,818	27,708	55,174	20,555	15,453	20,059	741
	1956	1,209,594	990,333	5,475	6,140	28,221	65,404	30,471	18,606	10,990	895
	1957	1,317,172	1,079,502	6,486	6,500	30,657	75,011	32,937	22,722	19,520	759
	1958	1,548,594	1,291,506	10,037	6,671	31,837	75,979	44,048	30,349	35,209	744
	1959	1,629,464	1,382,025	11,037	6,629	31,444	76,647	39,694	29,802	7,880	741
McKinney (G.M. & S.)	1955	3,734,512	2,972,457	45,725	14,558	92,460	211,811	135,892	94,708	22,832	747
	1956	3,557,069	2,704,917	36,903	15,561	93,955	176,206	123,113	118,419	53,183	761
	1957	3,224,742	2,545,771	36,919	15,882	106,221	161,112	120,290	86,037	27,970	774
	1958	3,456,417	2,739,457	27,368	15,846	117,158	161,196	128,362	77,854	36,578	985
	1959	2,449,138	1,976,885	14,459	14,696	115,563	98,249	79,457	52,926	6,752	902
Temple (G.M. & S.) [5]	1956	4,260,464	3,343,754	25,070	13,406	80,113	249,097	93,157	72,295	120,575	695
	1957	4,347,478	3,409,364	26,629	14,642	81,040	262,742	91,644	75,014	106,764	771
	1958	4,699,191	3,783,851	19,374	16,083	83,060	274,585	109,993	84,394	72,411	874
	1959	4,901,823	4,028,624	20,900	14,846	82,824	280,467	108,388	77,017	35,714	906
Waco (NP)	1955	5,784,572	4,680,482	24,896	14,062	73,654	615,613	81,302	17,747	21,811	3,674
	1956	6,153,061	4,942,681	28,508	15,389	75,897	611,969	104,410	64,266	56,146	3,816
	1957	6,245,340	4,981,042	31,192	17,167	77,879	601,919	111,910	107,036	75,924	2,789
	1958	6,876,406	5,570,307	34,416	18,314	83,828	583,700	124,577	85,186	142,498	3,208
	1959	7,106,710	5,948,670	30,435	16,724	81,977	570,184	129,364	84,520	11,500	2,214
Utah: Salt Lake City (G.M. & S.) [5]	1956	5,093,438	4,268,608	15,372	22,021	69,605	268,564	88,675	74,866	49,883	1,242
	1957	5,091,518	4,288,077	12,564	21,085	71,402	269,998	100,226	79,154	34,961	1,229
	1958	5,349,864	4,419,656	11,433	22,974	77,838	269,749	135,333	86,209	53,298	1,641
	1959	5,601,341	4,612,407	14,263	23,800	74,465	275,970	136,226	102,520	34,823	1,889
Vermont: White River Junction (G.M. & S.)	1955	1,542,518	1,119,099	15,467	4,760	32,681	72,545	87,129	[6]	7,898	644
	1956	1,613,819	1,187,375	14,314	5,200	37,832	67,178	37,926	47,037	16,420	560
	1957	1,577,140	1,122,032	15,144	5,404	38,561	68,950	43,506	57,950	32,682	536
	1958	1,728,889	1,281,102	13,602	8,039	34,005	72,795	34,865	53,782	13,186	870
	1959	1,818,491	1,386,542	13,534	8,245	32,432	72,720	36,773	53,513	4,728	814
Virginia:											
Kecoughtan (G.M. & S.)	1955	3,176,117	2,487,158	4,444	10,228	56,323	217,807	81,546	59,871	113,232	1,280
	1956	3,296,142	2,411,467	7,615	11,218	74,450	172,362	93,711	67,793	111,225	1,314
	1957	3,302,543	2,464,749	5,776	11,751	70,681	167,855	106,077	73,194	55,924	1,313
	1958	3,554,693	2,939,799	3,956	12,935	80,783	159,804	122,503	66,698	39,046	1,546
	1959	3,756,163	3,132,372	3,839	11,875	67,588	162,223	117,955	66,967	33,412	1,590
Richmond (G.M. & S.)	1955	6,979,059	5,619,080	58,882	18,695	155,758	373,119	237,153	133,324	189,581	890
	1956	7,257,369	5,897,651	48,159	20,637	166,276	364,250	254,064	134,329	128,566	982
	1957	7,229,783	5,863,433	44,516	20,852	186,578	364,792	245,415	141,989	61,941	871
	1958	7,813,140	6,366,391	44,330	21,731	183,748	379,062	279,499	148,666	79,819	991
	1959	8,165,591	6,744,899	48,180	22,769	190,674	378,752	271,637	168,115	39,580	1,009
Roanoke (NP)	1955	6,060,201	4,906,209	12,787	16,361	101,414	630,360	51,553	64,117	76,965	3,023
	1956	6,385,368	5,211,010	10,661	15,637	113,022	585,542	126,036	78,294	64,530	3,560
	1957	6,515,340	5,163,603	15,200	16,187	126,489	581,115	140,917	86,942	178,994	3,494
	1958	7,066,801	5,726,779	11,892	15,650	140,149	609,414	146,707	75,818	126,725	3,468
	1959	7,258,289	5,985,301	12,245	15,155	127,939	636,878	128,496	79,556	73,968	3,906
Washington:											
American Lake (NP)	1955	3,108,763	2,335,727	1,836	12,475	93,975	271,820	28,586	24,781	112,575	8,007
	1956	3,213,551	2,507,582	2,073	10,237	61,451	266,131	39,112	38,414	46,197	7,558
	1957	3,403,171	2,642,907	1,180	9,778	77,697	250,899	32,283	53,131	81,098	8,255
	1958	3,683,771	2,924,123	2,246	9,818	79,294	260,860	48,907	46,817	57,710	9,639
	1959	3,741,609	3,101,267	2,784	10,011	82,785	254,556	48,880	44,464	30,475	9,576
Seattle (G.M. & S.)	1955	2,347,188	1,886,621	16,809	13,800	45,438	118,377	62,855	69,008	18,270	730
	1956	2,493,299	2,047,857	15,907	14,632	39,537	118,731	61,686	69,808	11,622	740
	1957	2,507,505	2,024,922	15,569	14,627	45,614	125,485	66,073	75,985	24,507	689
	1958	2,740,370	2,264,986	14,495	14,706	48,527	130,900	64,994	88,693	11,630	759
	1959	2,912,101	2,442,647	15,050	14,558	46,980	132,147	70,000	73,928	10,438	815
Spokane (G.M. & S.)	1955	1,056,208	835,070	6,042	7,330	38,469	53,659	34,189	22,565	5,111	756
	1956	1,357,000	1,074,954	7,068	7,913	37,678	75,229	45,068	39,247	12,243	755
	1957	1,393,646	1,116,059	6,609	7,363	48,317	75,051	41,428	33,955	17,458	745
	1958	1,537,922	1,241,950	7,180	7,324	48,600	74,513	40,000	36,774	22,569	775
	1959	1,628,880	1,350,352	6,700	7,175	48,200	75,948	40,227	35,275	7,017	787
Vancouver (G.M. & S.)	1955 [5]										745
	1956	3,070,378	2,347,206	14,700	10,500	20,600	176,300	64,700	40,900	23,700	760
	1957	3,174,384	2,190,243	12,300	8,100	23,800	188,600	70,700	40,700	39,500	864
	1958	3,671,180	3,055,881	14,500	11,400	18,100	182,500	70,300	47,200	93,900	895
	1959	3,771,538	3,236,649	14,000	11,300	24,000	182,800	71,100	43,300	3,900	1,008
Walla Walla (TB) [3]	1956	2,286,749	1,833,409	12,599	9,433	11,649	157,977	44,263	36,299	39,232	1,952
	1957	2,283,252	1,818,000	11,500	9,493	11,471	153,686	46,442	33,857	44,689	1,881
	1958	2,522,050	2,043,390	11,234	10,535	11,253	159,807	51,841	38,225	24,095	2,323
	1959	2,654,793	2,181,547	12,302	9,760	12,161	160,728	51,049	41,380	18,346	2,465
West Virginia:											
Beckley (G.M. & S.)	1955	1,068,814	871,566	7,124	5,891	33,063	60,464	17,601	19,401	5,992	370
	1956	1,152,623	943,500	8,772	6,476	34,863	53,787	18,090	20,153	12,703	460
	1957	1,159,289	953,498	8,883	7,053	33,589	58,539	27,422	16,261	5,355	522
	1958	1,327,949	1,087,838	6,786	7,479	39,733	63,279	32,696	21,538	17,365	712
	1959	1,409,200	1,170,934	7,415	8,070	40,506	63,453	32,715	21,393	7,298	758
Clarksburg (G.M. & S.)	1955	1,158,771	958,883	5,740	7,858	33,833	51,353	35,607	18,304	7,909	612
	1956	1,287,770	1,065,505	7,531	8,047	32,134	53,572	39,419	20,299	5,610	611
	1957	1,276,195	1,074,053	6,880	8,137	35,917	50,499	37,613	20,383	5,527	669
	1958	1,408,902	1,177,243	6,800	8,868	39,725	62,527	31,926	24,316	9,421	741
	1959	1,493,625	1,258,533	7,187	9,037	39,717	59,132	37,085	20,990	22,896	698
Huntington (G.M. & S.)	1955	1,373,414	1,048,850	18,827	7,473	29,043	65,216	28,736	25,136	61,230	690
	1956	1,400,276	1,112,325	19,821	6,736	27,195	60,676	31,526	24,610	59,896	664
	1957	1,398,174	1,138,931	19,235	7,694	29,688	64,438	40,273	30,965	20,050	701
	1958	1,507,285	1,243,419	19,214	9,173	32,102	66,189	49,871	30,801	16,072	922
	1959	1,572,757	1,309,723	18,513	7,377	34,276	66,285	53,257	31,299	2,545	757
Martinsburg (G.M. & S.)	1955	4,426,862	3,460,968	16,411	10,442	87,488	330,318	87,302	66,867	111,080	90_3
	1956	4,773,410	3,773,799	18,736	13,404	93,699	334,320	87,138	61,400	91,890	87_1
	1957	4,789,284	3,848,305	20,156	15,504	106,176	357,829	98,024	84,471	48,926	$1,03_7$
	1958	5,234,612	4,298,566	19,665	16,107	112,447	361,482	112,417	91,950	17,734	$1,23_5$
	1959	5,353,059	4,409,222	20,787	16,874	118,285	351,616	102,708	78,545	53,801	$1,21_5$

See footnotes at end of table.

Net cost of operation of VA hospitals, fiscal years 1955–59—Continued

Hospital	Fiscal year	Elements of cost: Total	Salaries of staff	Patient travel	Communications	Utilities	Raw foods	Drugs and medicines	Medical and dental supplies	Asset acquisitions	Cost per patient discharged
Wisconsin:											
Madison (TB)	1955	$2,634,609	$2,026,324	$7,234	$11,092	$57,874	$193,148	$62,219	$48,886	$70,986	$4,081
	1956	2,650,349	2,109,526	9,322	10,756	44,356	154,903	59,523	44,088	49,107	4,101
	1957	2,666,419	2,102,206	9,214	9,946	46,372	171,590	64,943	53,908	38,471	2,112
	1958	3,029,396	2,387,802	8,247	10,050	46,734	181,526	70,394	60,302	43,758	2,015
	1959	3,215,827	2,663,906	9,541	11,051	45,718	179,397	65,703	53,514	13,960	2,099
Tomah (NP)	1955	3,112,999	2,388,128	2,585	7,163	27,727	390,477	27,228	12,641	30,768	2,542
	1956	3,272,475	2,569,755	4,420	7,027	28,619	357,154	30,831	16,636	38,953	2,760
	1957	3,481,354	2,700,875	3,422	7,514	29,753	359,449	40,784	18,726	93,393	3,223
	1958	3,771,036	3,055,781	4,151	7,712	30,932	367,957	47,461	19,274	28,304	5,026
	1959	3,966,240	3,236,559	3,712	7,802	33,850	366,211	50,247	22,146	8,032	5,989
Wood (G.M. & S.)	1955	7,888,610	5,461,937	40,637	19,273	146,117	493,987	162,809	124,159	68,316	915
	1956	7,574,170	5,998,416	41,497	25,336	156,713	471,971	174,063	180,822	104,508	1,029
	1957	7,605,584	5,980,675	40,089	26,894	181,739	468,220	173,308	186,105	121,581	1,071
	1958	8,223,646	6,627,797	32,917	31,646	204,686	459,726	246,995	193,335	62,816	1,202
	1959	8,649,330	6,960,430	40,246	28,476	214,049	440,116	238,530	212,222	85,229	1,189
Wyoming:											
Cheyenne (G.M. & S.)	1955	1,013,992	773,132	21,068	5,583	20,557	55,315	14,434	11,784	5,062	237
	1956	1,085,726	847,874	20,705	5,198	22,487	50,097	21,277	19,760	39,822	255
	1957	1,071,674	845,142	19,036	4,217	21,581	50,480	10,904	12,653	26,275	249
	1958	1,168,858	939,712	19,370	4,019	17,720	51,201	15,944	12,067	15,815	276
	1959	1,233,791	1,010,624	20,054	4,549	21,786	50,663	17,563	16,250	15,944	296
Sheridan (NP)	1955	2,275,913	1,815,682	2,599	8,356	32,056	228,028	11,984	11,789	56,867	8,073
	1956	2,417,690	1,942,990	2,561	8,509	33,644	211,011	16,257	23,713	38,318	10,090
	1957	2,436,959	1,968,782	2,649	8,569	32,972	211,619	23,883	22,702	45,746	10,614
	1958	2,643,319	2,190,611	2,251	8,223	32,519	218,616	24,904	19,806	30,409	13,972
	1959	2,760,226	2,341,489	2,336	7,828	28,828	219,255	22,448	16,236	20,686	10,565

[1] Combined with medical and dental supplies.
[2] Not available.
[3] Not reported.
[4] Hospital opened Apr. 11, 1955.
[5] 1955 figures not available.
[6] Combined with drugs.

Source: Teague committee report.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from Illinois.

Mr. YATES. As I understand the figure the gentleman submitted in this amendment, it is approximately $15 million more than the amount in the bill. Is that correct?

Mr. TEAGUE of Texas. About $14 million.

Mr. YATES. The figure I thought the Clerk read was $792,775,000. If my mathematics is right, the result is over $15 million.

Mr. TEAGUE of Texas. The exact figure is $14,579,000.

Mr. YATES. What was the figure that was in the gentleman's amendment? Was it $792,779,000?

Mr. TEAGUE of Texas. $792,079,000.

Mr. YATES. I thank the gentleman.

Mr. TEAGUE of Texas. There is an item in this amendment that increases it over the budget slightly. Our committee in addition obtained a report from each VA hospital and had a hearing on deferred maintenance. We have a $2.8 billion hospital plant across the country which we are just letting fall to pieces without providing the essential upkeep. Another member of the committee will speak to that in a few minutes. All except a couple of million dollars of this pertains to the hospital care program. the Subcommittee on Hospitals found the need for additional funds for maintenance to be as indicated in the table which follows:

Summary of deferred maintenance and repair in VA hospitals

	Million
VA consolidated list of deferred maintenance and repair compiled for fiscal year 1959 budget	$15
List reduced by VA Central Office by reclassification and elimination of items to	11.5

Summary of deferred maintenance and repair in VA hospitals—Continued.

	Million
Included in fiscal year 1959 budget for deferred maintenance and repair items	$3.1
Carryover of deferred maintenance items to fiscal year 1960	8.4
Included in fiscal year 1960 budget for deferred maintenance and repair items	3.1
Deferred maintenance and repair items to be carried over to fiscal year 1961 from fiscal year 1959	5.3
Deferred maintenance and repair items accumulated each year over and above appropriations for current and deferred maintenance and repair	3–4
Predicted deferred maintenance and repair items at end of fiscal year 1960, if appropriation for fiscal year 1960 for deferred maintenance and repair fund is not increased	8–9

The effect of the proposed reduction in the inpatient care is indicated by the table which I shall read:

Average employment including consultants	122,612
01 personal service costs	$597,596,000
Civil Service contribution	34,638,000
Federal insurance contribution account	180,000
Employee insurance	1,800,000
Total personal service and related costs	634,214,000
Average salary per budget	5,173
Inpatient care estimate in budget, total	786,779,000
Personal services and related costs	634,214,000
All others	152,565,000
House committee bill as reported	777,500,000
Reduction, net	$9,279,000
Increase to $6,0000,000 for deferred maintenance and repair, per report	2,912,000
Reductions to be applied to other costs	12,191,000
Total personal services in budget	634,214,000
Less reduction proposed	12,191,000
Total	622,023,000
Latest average salary per field report	5,258
Based on current experience will permit employment including consultants of	118,300
April 30 preliminary report of on duty employment	118,546
Reduction necessary under House committee bill, average employment of	246
Increase in patient load:	
1960 bill specifies	140,846
1959 fiscal year plan	140,493
Increased average patient load	253

Two hundred and sixty-five employees needed for additional patient load.

Two hundred and forty-six employees needed to maintain present on duty employment.

Five hundred and eleven employees at $5,258 average salary will require $2,687,000 in order to maintain present level of operations.

Additional staffing is needed to give adequate medical care—1960 patient loan in VA hospitals=111,296.

Employee-patient ratios of 1.048 necessary for proper hospital care applied to 1960 patient load (actual ratio is 1.035) will require 116,638 employees; 1960 member load of 16,750 at necessary employee member ratio of .237 (actual ratio in 1959 is .233) will require 3,970 employees.

Total employees needed to care for patients	120,608
Cost for 120,608 at $5,258 average salary	$634,157,000
Amount provided by House bill	622,023,000
Increase needed to maintain proper care	12,134,000

Mr. ROUSH. Mr. Speaker, I ask unanimous consent that the gentleman from Oregon [Mr. PORTER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. PORTER. Mr. Chairman, I rise in support of the amendment which has been offered by my colleague, the respected chairman of the Veterans' Affairs Committee, the gentleman from Texas, OLIN TEAGUE. In my opinion this amount added to the budget and specifically earmarked for deferred maintenance at VA installations would be well used. For example in the city of Roseburg, in the Fourth Congressional District of Oregon, there is pressing need for a therapeutic exercise clinic building and connecting corridors from buildings 1 and 2.

Therapy to be effective is best performed under conditions where crowding is kept at a minimum. Patients deserve improvements which will keep them more comfortable.

The patients at the Roseburg Veterans' Administrative hospital, some 400 of them, are required to travel quite a distance from building 2 to the main dining room 3 times each day for their meals. It rains a great deal in my district. Too often these men must stand in the rain for many minutes as they go to the cafeteria for their meals. They catch colds. They are discomfited. There is no excuse for this sort of treatment. It can be corrected with a modest expenditure.

When I have discussed these hospital needs with the Veterans' Administration, I am told that the VA is aware of them but unable to budget for them. I believe this amendment would correct a deficient area. I am sure it would be helpful and would improve the care facilities for veterans throughout our country.

Mr. THOMAS. Mr. Chairman, I move that all debate on these two paragraphs close in 10 minutes, the last 5 minutes to be reserved for the committee.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. HALEY].

Mr. HALEY. Mr. Chairman, I think the chairman of this subcommittee should accept this amendment because a little while ago he said the amendment that was previously adopted did not pertain to veterans' care or medical care. I want to tell him now that this is something directly affecting the welfare of veterans of this country. As I said previously in my remarks here on the floor, Mr. Chairman, it just seems to me a foolhardy thing to do to take an installation in which the taxpayers of America have invested over $2.5 billions and not make these necessary repairs, which under the program that we have been using, especially for the last few years, continues to go backward in the upkeep of these hospitals. I think that if you had a building of your own and it needed a roof that you would put the roof on the building. That is exactly what we are trying to do here. I hope the amendment is adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, all of us believe in economy, but when we seek to advance the cause of false economy by putting the dagger in the back of the veteran, I think we are departing from every American tradition. Since I have been in the Congress, I have always voted for the veteran and as long as I am here I will vote for the veteran. To me this is merely a matter of doing the decent thing for the veteran. I shall vote for the amendment offered by the distinguished chairman of the Veterans' Committee, Mr. TEAGUE, and supported by the beloved ranking minority member of that committee, Mrs. ROGERS.

There are no Members of the House whom I hold in higher regard and warmer esteem than the great chairman and his colleagues on this subcommittee of the Appropriations Committee. I know they have worked hard and conscientiously on this bill, and while I cannot agree with them in the items affecting veterans, I do want to commend them on their work generally. I am especially pleased with the understanding they have shown of the vital importance of the National Science Foundation and the recognition of the tremendously valuable achievements of the Foundation they have given by boosting its appropriation $10 million above that of 1959.

If the committee now would reconsider and accept the amendments of the gentleman from Texas, its score would be near perfect.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. MITCHELL].

Mr. MITCHELL. Mr. Chairman, at the outset let me commend each member of this distinguished committee and its able and gracious and distinguished chairman, the gentleman from Texas [Mr. THOMAS] for the able job that they have done on the entire bill, and particularly so far as the Veterans' Administration is concerned. I note in the committee report on page 12 that they have recognized the fact, and they put it in the report, and say that it has come to the committee's attention that there is need for more funds to eliminate the backlog of maintenance and repair items in the hospitals.

In doing that, they increased this item over the amount requested. What we are asking by this amendment is to set up an orderly 3-year plan to bring our Veterans' Administration maintenance program up to a current level. In effect, the amendment concerning maintenance will add only $2.4 million to the committee bill.

When you vote for this amendment, you will be setting up an orderly process of maintenance and operation in our Veterans' Administration hospital program. In addition, you will be saving the Government money in the long run because repairing a facility when it is needed is economy.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. GUBSER].

Mr. GUBSER. Mr. Chairman, the author of this amendment, the gentleman from Texas [Mr. TEAGUE] is, in my opinion, one of the outstanding authorities on veterans' affairs in the Nation. He possesses a distinguished service record and is chairman of the Committee on Veterans' Affairs as we all know.

It almost seems superfluous for me to add to the remarks that he has made. However, I can from personal observation attest to the condition of one of the hospitals which will be benefited by repair which will be made as a result of his amendment, and that is the neuropsychiatric hospital at Palo Alto. It is a World War I barrack, a firetrap, crowded to the rafters with neuropsychiatric veteran patients. I would like to say that this hospital is, in my opinion, a disgrace to the Government of the United States and it should be repaired. The outstanding and dedicated administration of Dr. Prusmack at this hospital is deserving of better facilities in which to work. I hope this amendment will be favorably considered.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. THOMAS].

Mr. THOMAS. Mr. Chairman, I realize the temper of the House on these matters, but I think just a little factual information is not going to do us too much harm. I will repeat that we are all for the veterans and we are all in the same boat. This day-to-day maintenance is a matter that ought to be attended to. Let us deal here with maintenance and then we will talk about hospital care later. Of course, maintenance should be done and it is false economy not to be done. As a matter of fact, any hospital manager who lets his hospital get in a sloppy condition so far as day-to-day maintenance is concerned ought to be removed and replaced. There is no justification for it. The budget carried an item for $3,100,000 for day-to-day maintenance. Do not confuse that with a big operation in maintenance such as where you are going to tear down a wing of the hospital or you are going to put in a new boiler or a big cooking utensil in the kitchen costing maybe $15,000.

This is day-to-day ordinary maintenance and repair. We increased from $3,100,000 to $6 million. The Veterans' Affairs Committee wrote a letter and asked us to do it, and we did it. So that certainly ought to take care of that. But now let us look at the amendment, let us see what the amendment does.

The first amendment here on page 27 deals with an appropriation of $777,500,000, three-quarters of a billion dollars. We have cut it $9 million, about 1 percent. That is an increase of $9 over what they have for this year.

You have 121,000 employees in this organization. Any day of the week you are going to find a vacancy of 1,000 or

1,200 employees just because you cannot fill all the positions. Who am I to say that they cannot absorb that $9 million? Who are you?

There has not been a single new hospital built in a year, a year and a half, or 2 years, there has not been a single new bed added in a new hospital. They still have 141,000 beds. There is no salary increase here; that has already been taken care of, and yet all we cut was $9 million, and the amendment restores the $9 million plus 5 million more.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I shall be glad to yield to my friend from West Virginia.

Mr. BAILEY. When it comes to these cuts and a reduction in personnel is forced it always happens to be the little three, four, five, and six categories that are cut; it never happens to be the higher ones.

Mr. THOMAS. I do not think there is any reduction of personnel here. If I thought this was going to close one bed or cut off one service I would not do it. We gave $9 million over this year and cut out about 1 percent of the $786 million request. Now, this is not as if you had brought in four or five hundred new employees. That would be something else.

Mr. BAILEY. But this involves 570 employees, does it not, approximately?

Mr. THOMAS There are something like 1,350 unfilled jobs over there now, and that is normal, out of 121,000 employees, do you mean to tell me they cannot absorb this?

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. I hope the distinguished chairman of the subcommittee will tell the House about the 4,000 phantom beds to show how difficult it is to appropriate with any degree of particularity.

Mr. THOMAS. Yes, 4,165 phantom beds—beds that do not exist.

And then we come to a cut of $800,000 out of an item of $83 million. Not one employee was cut. And do you know what that cut of $800,000 was? It was for increased medical fees. The doctors out of that $83 million were getting $9.8 million for medical fees and they went up $800,000. We denied the increase. We did not cut a single employee or benefits to a single patient.

Five million dollars is in here for veterans' travel. We did not take a penny out of the item for veterans' travel.

Can we not make these little minor reductions of 1 percent? Can we not think of the taxpayer a little bit there?

Mr. Chairman, I ask for a vote.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to my distinguished friend from Michigan.

Mr. HOFFMAN of Michigan. I want to congratulate the gentleman on having such an agreeable job.

The CHAIRMAN. The time of the gentleman from Texas has expired; all time on these amendments has expired.

The question is on the amendments offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. THOMAS), there were—ayes 73, noes 40.

So the amendments were agreed to.

The Clerk read as follows:

COMPENSATION AND PENSIONS

For the payment of compensation, pensions, gratuities, and allowances (including burial awards authorized by section 902 of title 33, United States Code, and subsistence and allowances for vocational rehabilitation), authorized under any Act of Congress, or regulation of the President based thereon, including emergency officers' retirement pay and annuities, the administration of which is now or may hereafter be placed in the Veterans' Administration, and for the payment of adjusted-service credits as provided in sections 401 and 601 of the Act of May 19, 1924, as amended, $3,300,000,000, to remain available until expended.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it is about all a man's political life is worth to vote against the veterans or anything that may be proposed in their behalf. It is also extremely difficult to vote against the committee and the chairman of the committee when they have such a disagreeable job, a job where they are permitted to limit the amount of other people's money to be voted away.

What I am now about to say, however, has nothing to do with the amendments heretofore offered on behalf of veterans. My purpose is to call attention to some remarks made on the floor not long ago when attention was called to the classes in hunting and fishing which it was said were being held in at least one Michigan university.

FEDERAL AID TO EDUCATION—INSTRUCTION THAT IS NECESSARY OR JUST INTERESTING OR PERHAPS DESIRABLE

Attention was called by me—see CONGRESSIONAL RECORD, April 30, 1959, page 7241—to a report that, in Michigan, two State universities had courses on hunting and fishing.

Thereafter, on May 4, Robert B. Weaver of the law firm of Weaver & Weaver, Leipsic, Ohio, wrote me as follows:

MR. HOFFMAN: If your remarks were accurately reported it would seem that you owe an apology to the University of Michigan, its students and alumni. Our local papers carried an account of a speech that you made in which you stated that both the University of Michigan and Michigan State University offered courses in fishing and hunting. I cannot speak for the curriculum offered at East Lansing; however, I can assure you that there is no course of study nor even a solitary credit course offered at Michigan which would be correctly cataloged as "hunting and fishing". We members of the "Michigan family" take pride in our academic standing and jealously cherish the fact that we have not placed education on the country club level. Again I say the big "if"—if you were reported correctly you have made a serious and reckless accusation with no basis in fact. The University of Michigan is presently fighting to maintain its high position among the colleges and universities of the United States even in face of the threatened bankruptcy of the State of Michigan. Your malicious statements will, of course, hurt them in that fight.

I would be interested in knowing to what college, if any, we owe our thanks for your learned stature? There certainly must be some taint of prejudice in your remarks for there is no other satisfactory explanation as to why you would make them.

Since I am not one of your constituents my displeasure can be manifested only in writing; however, write I will. Check the next monthly edition of the Michigan Alumnus when I will exercise my franchise in an entirely different but most effective way.

My attention was called to the report by a news article—and usually there is a background of truth in them. That article read:

[From the St. Joseph (Mich.) Herald-Press, Mar. 10, 1959]

HUNTING AND FISHING ON CURRICULUM

(By Tom Shawver)

EAST LANSING.—"Go to college and learn to hunt and fish."

There's no such slogan in brochures describing the advantages of life at Michigan State University. Both hunting and fly and bait casting courses are available nevertheless to men and women students at MSU—and for credit toward a degree.

Lest the academicians and tongue-clickers get the wrong idea it should be made clear that both courses are part of the physical education program. They're good for only one credit and are completed in about 12 weeks.

There's no such thing as a B.A. degree in fly casting or hunting with a rifle.

Michigan State is the only higher education institute in the State offering both courses and one of the few in the Nation.

Dr. Roy Niemeyer, an assistant professor, teaches shooting and hunter training and Gene Kenney gives instruction in fly and bait castings. Both are widely experienced in their specialties.

Both courses caught on fast. Kenney's class is available only in the spring. Niemeyer gave his first course last fall to 30 students, including one girl. Two classes will be available this spring and three next fall.

Actually, there's some fairly good reasoning behind college training in skills normally picked up from longtime experiences and friends and relatives rather than from professors.

As Niemeyer puts it:

"Hunting is a good 'carryover' sport. Most boys who play football or basketball quit as soon as they leave college. But hunting is recreation that can last a lifetime. Physical education is a required course, so why not hunting and fly casting?"

Most of his students, he said are planning careers that will take them outdoors much of the time—game and fish biologists, and foresters, for example.

"The day is coming when a youngster will have to take a hunter training course in order to qualify for a hunting license," Niemeyer said. "My students, a good many of them, are probably going to be called on to teach those kids. This is a good place to learn what they need to know if they don't already have good experience."

Only cost to the student is $5 for ammunition and clay pigeon charges.

"This is a course that's going to catch on fast, not only at Michigan State but probably in many other parts of the country," Niemeyer said. "As more and more people turn to hunting for recreation, it's going to become more important to know how to hunt properly. Too many people just don't know how."

The article named but Michigan State University, and apparently I assumed that the University of Michigan carried similar courses. If I was in error and the university does not offer all the courses that the State School at Lansing does, perhaps it should be commended.

From the Otsego Union, published at Otsego, Allegan County, Mich., on April 23, 1959, to me now comes the following statement:

From Chicago writer, Jack Mabley, writing for the Miami, Fla., Herald comes this little gem entitled, "Why Michigan Is Broke."

I think I can offer some light on why Michigan is broke.

There arrived in this office last week a paperbound book from Michigan State University, called the quarterly bulletin.

It apparently is distributed free. It is printed on an expensive glossy paper.

It contains articles on agriculture. One article is entitled "Some Economic Aspects of Pie Consumption."

The slick paper contains an astoundingly detailed analysis of the age, economic status, family size, and vocations of people who eat apple, blueberry, cherry, pineapple, berry, pumpkin, mince, cream and custard and other pies.

Thousands of man-hours must have gone into this study, which one presumes is intended as a service to people who grow the makings for the interiors of pies.

Whether this is an essential or necessary or even advisable service from a government that is on the verge of bankruptcy might be debated.

Another article is titled, "The Effect of Age on the Social Organizations of Chickens."

And that isn't a typographical error you just read.

The study relates instances of pecks, fights, and threats by chickens in a controllable group.

A peck was defined as a peck on the head or neck of another bird. A fight was two birds flying together and pecking at the same time.

The nastiest age of chickens was found to be about 17 months, when they constantly threatened other chickens.

I suppose all this has some value to the agricultural communities.

But if the State is looking for some way to economize, it doesn't seem it looked very far.

These studies were made in the very shadow of the Michigan State capitol.

Presumably, Mr. Robert B. Weaver, the writer of the letter quoted above, who suggests he will give me a going over in the Michigan Alumnus, may be able to profit from this illustration of spending in Michigan.

It is assumed Robert is a graduate of at least the Law School at the University of Michigan and it may be his courses there will enable him to justify both the activities referred to by the Otsego Union. Perhaps the Chicago writer, Jack Mabley, does not know what he is writing about.

In any event, I am quite well aware of the protests which come from constituents in the 4th Congressional District of Michigan and which have as their basis Michigan's present financial condition—due, many of the writers suggest, to unnecessary even though desirable courses in local schools and State universities.

Lack of funds would seem to suggest more discrimination in the selection of what is taught at publicly supported institutions of learning.

If time permits, perhaps I will get around to answering Brother Weaver.

The CHAIRMAN. The Clerk will read.

The Clerk completed the reading of the bill.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to commend the committee for section 301 of the bill. I hope that when hearings are held again next year, and in the interim, Committee members will watch closely to see that provision of the bill is not violated.

Also I want to commend the committee for the inquiries made during the hearings this year into the use of consultants in Government. I hope the committee next year will continue to quiz department and agency heads on the prevalent policy of going outside and hiring people to come in and tell those in the Government at further expense to the taxpayers, how they should run their departments. I hope the committee will continue its work along that line, too.

Mr. EDMONDSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wanted to express my personal appreciation to the committee of their foresight which they demonstrated by providing $2.5 million for construction of prototype shelters for demonstration purposes in the field of civil defense. I think that represents a very forward-moving step of the committee and of this Congress, and I am very pleased to see it in the bill.

I was concerned about some language that appears in the committee report which states that the committee has received assurances that a wide-scale shelter construction program is not contemplated. It was my hope that the gentleman would elaborate on that just a little, with regard to what was meant by that statement.

Mr. THOMAS. Mr. Chairman, I will say to my friend from Oklahoma that this item represents the budget estimate. The very able Administrator of Civil Defense said he was coming back next year and ask for another $2.5 million and wind up the program. He said that these were experimental types. We took him at his word and said, "If that is what you are going to do, we will make a trade with you," and this is the result of it.

Mr. EDMONDSON. Of course, the gentleman is aware, I imagine more than anyone else, that our Office of Civil Defense has put out publications all over the United States saying that shelter construction is of the very highest priority in our civil defense program. It was my hope that the committee did not mean in any way by this language in the report to discourage the construction of shelters by civil defense agencies across the country, when these shelters have supplied a model for construction. Can the gentleman give me some assurance on that?

Mr. THOMAS. I can only assure the gentleman that they stated that they wanted only $5 million for this purpose, and if they want more than that, I assure the gentleman that we shall take a really good, long, sharp look at it. It was their program. This is all they said they wanted, and we gave them what they asked for.

Mr. EDMONDSON. Many of us have been looking at the civil defense shelter program across the world and have observed that civil defense requirements are built into all public buildings in Germany. Every new building in the Soviet Union is required to include civil defense protection. In the Scandinavian countries and in most of the European countries civil defense requirements are built into the programs of the government in their new construction. We are hopeful that we will have something along that line in the United States in the near future. I think the shelter construction provided in this bill is a good step in that direction, and I commend the committee for making that money available.

Mr. METCALF. Mr. Chairman, I am gratified that this bill includes funds for planning and technical services for a replacement for the Veterans' Administration hospital at Fort Harrison, Mont.

Members of the Montana congressional delegation, who have been working for years with representatives of veterans organizations on modernization of this inadequate hospital, were pleased to receive the following letter early this year:

JANUARY 19, 1959.

Hon. LEE METCALF,
House of Representatives,
Washington, D.C.

DEAR MR. METCALF: In view of your keen interest in the construction of a replacement for the VA hospital at Fort Harrison, Mont., I am glad to tell you that the President's proposed 1960 budget includes funds for planning and technical services for this project.

The exact bed capacity of the new hospital is awaiting the outcome of a VA survey of bed needs in the Northwest, but it probably will be no less than the present capacity of 200 beds.

Contingent upon Congress passing the fiscal year 1960 budget, including the Fort Harrison project, and its being signed into law by the President, it would take probably a year to develop preliminary plans and working drawings for a hospital of this size.

Present plans call for the construction of a new hospital building. The present hospital building would be converted to an administration building to accommodate all hospital and regional office administrative activities at the Fort Harrison center.

Sincerely,

SUMNER G. WHITTIER,
Administrator.

Last year, the gentleman from Texas [Mr. TEAGUE], chairman of the Committee on Veterans' Affairs, visited Fort Harrison. He found facilities there to be "poor" and "obviously overcrowded." He told a news conference:

I don't know of any other place in the country that has temporary buildings for its administration quarters and part of the hospital that is not included in the rehabilitation program.

He also said:

There are too many beds in each ward.

From living for years within a few miles of this 27-year-old hospital, I know that it is inadequate to meet present-day needs. Our files are full of additional evidence provided by officials of the

American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, and the Montana Veterans Welfare Commission.

The Veterans' Administration says this facility has 262 beds. Together with a smaller hospital at Miles City, Mont., it has a total of 358 beds, or a ratio of 1 bed for every 285 veterans. This compares with the national ratio of 186 veterans per operating bed.

But many of the beds at Fort Harrison are located in 17-year-old Army cantonment type wooden buildings. These are of frame construction, at best difficult to heat in Montana's winters, impossible to keep cool in the summer, and expensive to maintain. Because of the fire hazard, they are spread out over a considerable area, making operations relatively inefficient.

At times during the winter, it is impossible to heat these temporary buildings. This cuts the hospital back to the permanent structure, which has a rated bed capacity of 132 beds. Capacity of the permanent buildings has been increased to 165 by putting extra beds in single rooms, hallways, stair wells, porches, solariums and recreational space. At these times, the overflowing permanent structure at Fort Harrison plus the 100 beds at Miles City—500 miles away—gives Montana's almost 90,000 veterans an average of one bed for every 377 veterans—or about half the national average. Even with beds in every foot of available space, it is often impossible for anyone except an emergency case to be admitted, and many veterans have been turned away.

I hope the Veterans' Administration will carry planning and design forward rapidly and that the next budget request will include an item to begin construction of this needed replacement.

Mr. THOMAS. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a telegram.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Chairman, I wish to call the attention of the members of the House that the increases in the bill for the Veterans' Administration do not increase the amount budget requests. They are really restoration of budget items. I am in favor of reduction in appropriations where I think it is reasonable to do so. I am not in favor of reducing items that might affect sick and disabled veterans. I wish to quote from a message I received today from Mr. David B. Williams, National Commander, Disabled American Veterans, being similar to messages received by other Members of the House:

Three important areas of the Veterans' Administration 1960 budget have just been slashed by the Appropriations Committee: $9¼ million slash in inpatient care; a $3⅓ million cut in general operating expenses; and a slash of over $800,000 for outpatient care. These three funds have to do primarily with care of the sick and the disabled. These cuts will substantially reduce treatment for paraplegics, blind, the mentally afflicted, and other disabled. The DAV believes that heavily reducing these vital funds below amounts already approved even by the Bureau of the Budget is poor economy. This will result in fewer doctors and nurses, service connected veterans will have to wait for treatment and examination in outpatient clinics. The DAV earnestly requests restoration of these funds.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. IKARD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7040) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1960, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. THOMAS. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ONE HUNDREDTH ANNIVERSARY OF FIRST SIGNIFICANT DISCOVERY OF SILVER IN THE UNITED STATES

Mr. BARING. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1559) to provide for the striking of medals in commemoration of the 100th anniversary of the first significant discovery of silver in the United States, June 1859.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Nevada?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in commemoration of the one hundredth anniversary of the first significant discovery of silver in the year 1859 the Secretary of the Treasury is authorized and directed to strike and furnish to the Nevada Silver Centennial Committee one thousand silver medals one and five-sixteenth inches in diameter, with suitable emblems, devices, and inscriptions to be determined by the Secretary. The medals shall be considered to be national medals within the meaning of section 3551 of the Revised Statutes.

SEC. 2. (a) The Secretary of the Treasury shall cause such medals to be struck and furnished at not less than the estimated cost of manufacture, including labor, materials, dies, use of machinery, and overhead expenses; and security satisfactory to the Director of the Mint shall be furnished to indemnify the United States for the full payment of such cost.

(b) Upon authorization from the Nevada Silver Centennial Committee, the Secretary of the Treasury shall cause duplicates in silver of such medal to be coined and sold, under such regulations as he may prescribe, at a price sufficient to cover the cost thereof (including labor).

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SMALL BUSINESS COMMITTEE

Mr. EVINS. Mr. Speaker, I ask unanimous consent that on tomorrow Subcommittee No. 1 of the House Small Business Committee be permitted to sit during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

NATIONAL INSTITUTE FOR INTERNATIONAL HEALTH AND MEDICAL RESEARCH

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ROBERTS. Mr. Speaker, on May 4, 1959, I introduced a resolution—House Joint Resolution 361—to establish a National Institute for International Health and Medical Research. As an integral part of the National Institutes of Health, the principal purpose of the new Institute would be to provide for international cooperation in health research, research training and research planning.

Mr. Speaker, in 1956 the Subcommittee on Health and Science, under the chairmanship of the late great Chairman J. Percy Priest, held several days of hearings on the subject of international health programs and the role which the United States Public Health Service plays in these programs As a result of these hearings, the Committee on Interstate and Foreign Commerce, on May 23, 1957, filed a report on the or-

ganization and financing of, and the participation of the United States in, international health programs—House Report No. 474, 85th Congress, 1st session, Union Calendar No. 157.

The report attempted to present a complete résumé of what the United States is doing in the field of international health as a whole. Part I of the report deals with the organization and financing of international health programs; part II outlines international health problems that are of special significance to the United States, and describes what is being done by various agencies of the Government, in cooperation with other nations, to serve these problems; and part III gives detailed information concerning the organization of American and international health agencies.

The report stressed the importance of new insights which can frequently be obtained by studying the cause of particular diseases in different settings. Therefore, the report concluded, it is important that in addition to research carried on by American scientists at home, such research also be conducted abroad. The then Surgeon General, Dr. Leonard A. Scheele, testified that, for example, in the field of cancer there are substantial differences in the incidence of certain forms of cancer in different countries, and that by persuading researchers in these other countries to take on their country's side of the project, "we might have some windows of knowledge opened because of these differences."

Similar studies conducted abroad, Dr. Scheele testified, in the case of certain heart diseases might suggest the circumstances responsible for the fact that some populations do not seem to have coronary heart disease and do not seem to have as much hypertension as we have.

Use of foreign opportunities for research investigations not only helps us to find answers to unsolved disease problems but enables us to check the continuing validity of solutions of old problems. For example, cases of typhoid are so rare in this country that it was difficult to test the continued effectiveness of typhoid fever vaccine used for many years in this country. Through the cooperation of another country where typhoid is prevalent, more is now known about the efficacy of various typhoid vaccines.

Similar results were reached through tests abroad of an antirabies serum. It would have been impossible to conduct satisfactory tests in this country because cases of human rabies are too rare to make possible valid tests.

Mr. Speaker, the report further points out that international health activities have important collateral effects which go way beyond the immediate medical and health benefits. International health activities help the economies of foreign nations and create new markets for American business concerns. Although these collateral effects are by no means the principal goals of our international health programs, the building up of international trade greatly aids in strengthening peaceful international relations, and thus it may be said that these programs made a valuable contribution in promoting peace.

Mr. Speaker, for all of these reasons I am gratified that through the introduction of House Joint Resolution 361 I am in a position to make a small contribution toward still more effective international health activities.

Under this resolution the following actions would be taken:

First. There would be established a National Institute of International Health Research as a part of the National Institutes of Health in the Public Health Service, Department of Health, Education and Welfare.

Second. There would be created a National Advisory Council for International Health Research whose membership would be drawn from leaders in the fields of medical and health research and public affairs generally. This Counsel would serve under the chairmanship of the Surgeon General to provide advice and consulation in respect to programs and activities carried out under the resolution and to reviews and make recommendations in respect to the approval of applications for financial grants.

Third. The Surgeon General would be authorized:

(a) To conduct, or support through grants, loans, and contracts research, research planning and research training activities relating to the causes, diagnosis, treatment, control and prevention of disease and disability or relating to rehabilitation of the physically or mentally handicapped in the United States and foreign countries.

(b) Cooperate with and assist in the planning and conduct of research, research planning and research training projects carried out through the World Health Organization and other international organizations.

(c) Establish and maintain research fellowships to train U.S. research workers abroad or to provide for the training of talented research fellows from foreign countries in the United States or in other countries.

(d) Encourage and support international communication in the medical and biological sciences, through support of conferences, the international interchange of scientific personnel, the translation, financing and issuance of scientific materials and publications, and the means to secure the more effective dissemination of scientific information with respect to health research.

(e) Provide for the improvement, and alteration of facilities, including the erection of temporary facilities when necessary to carry out research and research training projects under the resolution.

Fourth. An annual appropriation of $50 million to remain available for a 2-year period would be authorized to carry out the provisions of the resolution.

The resolution also provides for certain other administrative matters considered necessary to permit the effective initiation and operation of programs and projects under its terms.

Mr. Speaker, other Members of the House of Representatives have introduced resolutions similar to House Joint Resolution 361, and I want to congratulate them on their awareness of the need for improved and expanded international health programs. It is my purpose, as chairman of the Health and Safety Subcommittee of the Committee on Interstate and Foreign Commerce, to hold early hearings on these resolutions in the hope that the House of Representatives will overwhelmingly endorse this legislation. Perhaps the immediate undertaking proposed in its legislation is relatively modest, but the potential of this legislation in its worldwide effect, in my judgment, is tremendous.

HON. J. EDGAR HOOVER

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY. Mr. Speaker, there is no more happy occasion for me than to congratulate a great public servant and a patriotic American—J. Edgar Hoover on his 35th anniversary as Director of the FBI. He has the best wishes of all citizens for many more years of service to his country.

Looking back over this span of years we can see that the history of the FBI is actually the history of America. There were the going twenties, the roaring thirties, the fighting forties, and the tension-laden fifties. In all of these the FBI played an important role. In the twenties Mr. Hoover started to mold the FBI into the image of a modern, efficient, hard-hitting, crime-fighting organization. Away with obsolescence, inefficiency, and political favoritism. In their place must be effectiveness, mobility, intelligent appraisal, and dedicated service. He led the way personally—with long hours of hard work. His employees followed. The groundwork was laid well.

Next came the roaring thirties—with the Lindbergh kidnaping, the Barker-Karpis gang, John Dillinger, and "Baby Face" Nelson. The FBI was ready and literally roared into action. The verdict of history stamps an emphatic approval on the fine work of the FBI, in cooperation with local law enforcement, in destroying the gangster elements.

In 1939 World War II broke out in Europe. In 1941 Japanese bombs dropped on Pearl Harbor. A peaceful Nation found itself in hostilities against three of the most vicious totalitarian nations in existence. Mr. Hoover mobilized the men and women of the FBI. Famous cases, such as the eight Nazi saboteurs, were solved; Japanese and German spies located; excellent undercover work accomplished in South America. Thousands of investigations were conducted. The internal security of the Nation was protected.

All the time the FBI was fighting the Communist Party, USA—a battle which became even more intense in the 1950's. You will recall the Smith Act trials in

which the FBI placed evidence before the courts against leaders of this party. The high quality of this evidence and the informants presented showed the accuracy of the FBI's investigative work. Today, more than ever, this battle continues. Communism and freedom, the FBI knows, can never mix. That is why Mr. Hoover is on the frontlines of the fight against subversion.

You would think that the battle against the enemy agent and spy would be enough to keep the FBI fully occupied. But then there was the criminal—the bank robber, kidnaper, and embezzler. This fight was waged around the clock. The mounting postwar crime rate was of serious concern and the FBI's full resources were mobilized against it.

Today the challenges of crime and subversion remain. We only wish that the enemy agent and criminal would disappear from our midst. But they will not. International communism is intensifying its onslaught against the United States. Nikita Khrushchev and his henchmen will not be content until the entire world is under the Communist banner. They are working in every possible way to destroy our way of life.

Likewise the criminal is on the march. Crime is mounting year after year. Juvenile delinquency is a growing problem. As the school, home, church, and youth-serving organizations fail to stem the tide of lawlessness, the problem looms ever larger.

The need of the FBI remains great today. We need its valiant integrity, keen knowledge, and unexampled courage. At its helm, as for the past 35 years, we need Mr. Hoover. He is truly the FBI's chief of state, the personification of the fidelity, bravery, and integrity which have made the FBI one of the Nation's most revered organizations. We can best show our confidence in Mr. Hoover by expressing our genuine support. We should tell him that May 10, 1959, is just another year of service of which we hope there will be many more.

MODERNIZING PENSION PROGRAMS FOR CERTAIN VETERANS AND THEIR DEPENDENTS

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, since hearings were held in Boston on Saturday, May 9, by the Veterans' Affairs Committee on H.R. 6432, a bill to modernize the pension programs for certain veterans and their dependents, I wish to record my opposition to this economy-proposed legislation.

To me, the problem is external and not internal. Instead of making adjustments within the present structure of veterans' pensions, I believe that we should create a pure service pension of substance for all veterans reaching the age of 62, without any means or disability technicalities. A streamlined pension of this type would cut red tape to a minimum and would hold the proliferating bureaucracy of administration in line.

Rather than tinker with the system now in operation, we should build a new one. Even the so-called modernization recommended by H.R. 6432 depends upon charts and ratios and income limitations, that shift around the pieces on the checkerboard but provides no relief for the veterans' confusion. When they were in active military service they learned to accept so much that was beyond any reasonable explanation. Resigning themselves to the inevitable, they were not surprised upon their return to civilian life, when they were confronted by the intricate and baffling procedures of law pertaining to veterans and the administration of them. As a result, I have heard few complaints from veterans regarding the present pension program, outside of the fact that they consider the payments as woefully inadequate.

Rearranging the formula does not strike them as being much of an improvement. They are not fooled or flattered by these minor adjustments. As old soldiers they look forward to the end of the campaign when they can celebrate the true victory of pure pensions that will be of substantial assistance to them.

I must, therefore, oppose H.R. 6432, the bill that concentrates so much on the magic implicit in the word "modernization," without making any progress toward the eventual goal that all aging veterans have in mind; namely, pure service pensions for all honorably discharged members of our Armed Forces upon reaching the age of 62.

This bill makes much of the claim that it will correct the "all or nothing" ceilings in the present law. It calls our attention to the fact that a single veteran who earns 1 cent more than $1,400 in outside income has his whole pension wiped out. It proposes a graduated scale as a solution. It seems to me that even under a minor amendment program, the first step should be the raising of the present low and unrealistic income ceilings, and not by a token fraction. Shuffling the formula fails to meet this need.

Basically, a pension is a form of annuity that a man earns because of his special service, and which he becomes entitled to upon reaching a qualifying age. It should not be compromised by factors that have nothing to do with his previous service or his age.

Through the device of comparisons, this bill plays off the indigent veteran against the average veteran, instead of emphasizing the right of all veterans of qualifying age to a more substantial pension.

Disability compensation takes care of the majority of the younger veterans. Even where the veteran under 62 years of age qualifies for a non-service-connected pension, provisions of the present law—once the minimum rate is increased—are sufficient.

The bill represents a leveling out correction that adroitly evades the necessity for raising the floor and the ceiling. It refers frequently to the need of one veteran against the lesser need of another, but with no reference to the increased cost of living that affects in varying degrees all veterans. Logically, this should call for an increase in all rates, but the bill sidesteps this issue.

Stirring the mixture of the thin soup may improve the taste for some, but this action adds nothing to the extra nourishment that is required.

Because H.R. 6432 is content with the illusion of progress, transferring us from one treadmill to another, without advancing toward the pure service pension that is essential, I must register my opposition to this bill.

DANGER FROM RADIOACTIVE FALLOUT

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, the question of the danger from radioactive fallout is one on which this House has heard discussion in the past. Those of us who are convinced that our present stockpile of weapons is sufficient to depopulate the only world we have and that our Government has no moral right to trifle with the future of the human race by continued tests have said so. Those who sincerely believe that the risk of disease and deformity incident to accumulating fallout are outweighed by security considerations have also spoken out. Both sides have their statistics, both can cite impressive scientific pronouncements to bolster their case. As usual, as our discussions become hotter and more dogmatic, it remains for the people to focus our attention on the really basic question. Such a reminder recently crossed my desk in the form of a letter from a constituent. I ask unanimous consent, Mr. Speaker, that that letter be printed in full at the conclusion of my remarks. But I ask also the forbearance of the House that I may read one passage.

It is better to light a candle than to curse the darkness. But I do not know where the candles and matches are hidden—

Says this moving letter. In one sentence, Mr. Speaker, this thoughtful and deeply concerned American housewife and mother has summed up the entire fallout controversy.

MAY 3, 1959.

The Honorable EDITH GREEN,
House of Representatives,
Washington, D.C.

DEAR MRS. GREEN: It is with real concern and deep apprehension that I almost daily read of further radioactive fallout and the increased presence of strontium 90 in our dairy foods.

As a mother and a human being, I have rarely felt so helpless in my ability to protect my children, myself, and the generation yet unborn from what seems to be a real threat to their health and safety.

It is better to light a candle than to curse the darkness. But I do not know where the candles and matches are hidden

and beyond my fervent hope that you as a legislator, and a mother, will do all in your power to investigate, inform and legislate, I know no other positive action to take.

As a constituent, temporarily absent from our State, I would be most grateful to learn what current investigation and legislation is in progress, and what your personal position on these matters is.

Sincerely,

Mrs. GENEVIEVE S. HANSEN.

WE ARE WORRYING ABOUT THE WRONG MISSILE GAP

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. GUBSER] is recognized for 60 minutes.

Mr. GUBSER. Mr. Speaker, the Great Walls of China and the Roman Empire, Rhineland and Scottish castles, and the Walled City of Quebec are something more than outstanding tourist attractions. They also stand as monuments to a military mistake which has been repeated by men through the centuries. Once the hope of a civilization for security, peace, and freedom, they are testimony to a principle which man, with all his intelligence, has never quite learned—that the defense of tomorrow cannot be rooted to the fixed and immobile concepts of warfare with the weapons of today.

The famous Maginot line of France presents a more recent monument to the same mistake. Even in the 20th century man has still to learn that the impregnable fortress of today will certainly be bypassed or splintered by the weapon of tomorrow.

Yet, in the face of all this evidence, the United States of America is frantically making preparation to repeat the same military mistake made by a dozen generations. Acting on the basis of incomplete information the public has shown an almost hysterical concern over the so-called missile gap. Urged by constituents at home and reinforced by the polished words of Air Force public relations experts the U.S. Congress seems ready to sacrifice mobility and all-around military capability to build masses of concrete and steel which house the ultimate weapon, the intercontinental ballistic missile.

Perhaps I am not justified in speaking out in fear of what this Congress might do. But the pages of history will reveal that other men spoke out against the complacency and reaction which built the ancient walls of Rome and the Maginot line. As they did their duty, so I must do what I consider to be mine. I must protest the placing of all our eggs in the ICBM basket.

There is a missile gap, but not the one we have been worrying about. While frantically trying to match Russian ICBM's missile for missile, we have been overlooking the gap in our defenses which the fleet ballistic missile system would fill. If there is a missile gap, it is our relative neglect of the Polaris program.

At the outset let me make it quite clear that I am not opposed to a vigorous program of development and deployment of the ICBM. My only plea is for a well-rounded defense capability which must include stronger emphasis on the fleet ballistic missile system.

I do not challenge the motives of those who seek a disproportionate share of the Defense budget for ICBM's. Without a doubt they act in a sincere desire to give us what they consider the best possible defense. Certainly the architects of the Maginot Line were equally as sincere. But how different history might have read had a few Panzer division been added to supplement the steel and concrete of the Maginot Line. Polaris submarines can be to our deterrent forces what the Panzer divisions would have been to the Maginot Line.

First let me prove my premise that overreliance on the ICBM leaves a serious gap in our deterrent capability.

Because it is a new weapon it has characteristics which are new. For the first time complete strategic surprise is possible and victory within hours by an aggressor nation is conceivable. There is no doubt that the ICBM is a good weapon—in the hands of an aggressor.

Immediately this question comes to mind: "Will we ever be the aggressor?" Obviously the answer is a definite and unqualified "No." Our policy throughout the nuclear age has always been to build deterrent forces like the Strategic Air Command of today—forces which we must have to avoid war and which we hope will never be used. The alternative is to fight a preventive war and anyone knows the possiblity of accepting the alternative in this peace loving Nation is too ridiculous to discuss. We shall always follow the policy of deterring war whenever possible.

Military experts tell us that we have a true deterrent force when the enemy knows we have the power and strength to recuperate from attack and retaliate with destructive forces so great that an aggressor will not risk the attack. Now the question is: "How effective will the ICBM be as a deterrent force?"

An effective deterrent force is premised upon three requirements. First there must be the time in which to react, second there must be the ability to react, and third there must be something left to react for.

Overreliance on an ICBM deterrent does not afford us sufficient time in which to react.

At present the DEW line—distant early warning—can give our Strategic Air Command hours of strategic warning. With this warning it is possible for SAC to get its planes airborne from areas of dispersal. But this will not be the case with the ICBM.

Let us assume that BMEWS—ballistic missile early warning system—does give us the anticipated and hoped for 15 minute warning against ballistic missile attack. Assume that some sergeant watching a radar screen which forms a part of our ballistic missile early warning system sees a blip on that screen. Immediately he wonders, "What is it? superman? a flying saucer? or is it an ICBM?" He calls his lieutenant. The lieutenant reports to his major or colonel. He in turn goes to the radio and notifies the White House because nuclear weapons can only be used at a command from the President. A decision is made and relayed by telephone or radio to the masses of concrete within the territorial limits of the United States which make up our intercontinental ballistic missile bases. All of this takes time—maybe more than 15 minutes time. But assuming the full 15-minute warning, is that sufficient time in which to make the decision that will plunge the world into nuclear warfare? If it is not, and I do not believe it is, then it is obvious that our intercontinental ballistic missiles must be launched after they have received the first shock of an enemy attack. The question then arises, "Will we have the ability to react?"

Overreliance on ICBM's as a deterrent force will not provide us with the ability to react with a force sufficient to cause an enemy not to risk the attack in the first place.

An ICBM base is not invulnerable because it is fixed to one spot. If it can be found it can be hit.

Admittedly there is a great unbalance in military intelligence between the Russian continent and the continental United States. Because of this great difference one can expect that the Russians will know the exact position of all our fixed offensive bases whether they be missile or aircraft bases. They will be "zeroed in." Each fixed ICBM base will stand 30 minutes from destruction by a command given by someone in the Kremlin. With a rather modest number of ICBM's Russia can have reasonable assurance of destroying all our fixed bases regardless of how they are built.

Some will say that it is possible to sufficiently "harden" these ICBM bases in masses of steel and concrete so that they will be invulnerable to enemy attack. I seriously doubt this contention for the reason that a hard base is only as hard as its softest point. What about the spot where aboveground communications enter the underground base? Wouldn't the Russians aim for this point? Considering the ease with which their agents get information wouldn't that spot be easy to find?

Those who assume that bases can be hardened to withstand an initial attack state with confidence that they can be built to overpressures which will stand a shock of 1 or 2 megatons.

Russia has proven rocket power which we have not been able to approach. Some scientists have estimated that the rocket which allegedly placed "Lunik" into orbit around the sun must have had a thrust of at least a million pounds. With such a surplus of power, warhead size will obviously not constitute much of a limitation against the Soviets. By the simple act of screwing on a heavier warhead with a greater yield the base hardened to certain overpressures must shatter in the face of a greater force.

To anyone who believes that steel and concrete can be hardened to withstand nuclear attack from Russian ICBM's I ask this question in all sincerity: Has any reputable engineering authority ever dared to positively state that a fixed, immobile, ICBM base can be hardened to

the point where it would definitely withstand an enemy attack? They have not made such a statement nor do I believe that they ever will.

Overreliance on ICBM's as a deterrent force might deny us the ability to react because of the sheer weight of ICBM numbers on the Soviet side. The possibility that the Russians may be 2 years ahead of us enables them to produce a very large number of these missiles before we can produce a corresponding number. This is well illustrated by the capability of the Germans in World War II to produce in 15 months something in the order of 4,000 V–2's. At that time the V–2 represented no more of an advance in the state of the art of weaponry than a large ICBM represents today. Through sheer weight of numbers the Russians might deny us our ability to react.

Because an ICBM must operate over a maximum range its reliability is necessarily complicated. This is an obvious engineering truth to even the nonscientific mind. It explains why Thor and Jupiter are already operational while the first generation of intercontinental ballistic missiles—the Atlas—is only scheduled for the near future with the second generation following a year or so behind.

What further complicates a situation where overemphasis is placed upon the ICBM as a deterrent force is the fact that even if there is time to react, even if there is the ability to react after the initial attack there is always the strong possibility that there would be nothing left to react for. Assuming that hardened bases could withstand the nuclear impact, the fallout from bombs and missiles exploding on our soil as the enemy attacked our own ICBM bases may kill millions of people. Some of these estimates have ranged as high as 40 million, others have been lower but all of them have been in the millions. By stressing the construction of hardened bases of steel and concrete we are inviting the nuclear attack and fallout which must inevitably follow.

It is therefore apparent that placing all our eggs in the ICBM missile basket will not give us sufficient time to react to an initial attack, it will not give us an insurance of the ability to react and in all probability it will guarantee that little or nothing will be left to react for. For all of these reasons the conclusion that the ICBM is not an ideal deterrent force is inescapable.

Certainly if this is the case we are not justified in a numbers race on ICBM's. Such a race would be ruinous financially and militarily. This is particularly true if we try to match the Russians missile for missile at the expense of other deterrent and retaliatory forces like the fleet ballistic missile program commonly referred to as Polaris.

Taking the defects of the ICBM as an efficient deterrent force in order let us see where the Polaris missile combined with the nuclear-powered submarine in the Fleet Ballistic Missile System fills the gap.

In the first place Polaris will give us a deterrent capability with time to react. We will have the time in which to make a mature decision. Lying beneath the surface of the ocean or under the polar icecaps the nuclear submarine is obviously not a target for an ICBM because its position is unknown and it is a moving rather than a fixed target. Because it is relatively invulnerable to enemy attack, it will be there hours after the sergeant has noticed the blip on the radar screen and the information has been relayed to the White House. A hasty decision made in less than 15 minutes time will not be necessary. Furthermore, the Russians know that the nuclear submarine equipped with Polaris will be there. This is a real deterrent force, one which the enemy knows cannot be knocked out and which will retaliate.

The Polaris equipped submarine will have the ability to react regardless of the intensity of the initial strike by the enemy. Submarines and ships at sea cannot be hit by ICBM's and other weapons must be used. Therefore a massive or complete strategic surprise cannot be obtained against these vehicles; only tactical surprise. In the case of tactical surprise, only a limited number of these units may be destroyed within a short time and the rest of the units will be capable of retaliating.

The Polaris submarine which can be moved in closer to enemy strategic targets under the protective cover of hundreds of feet of ocean will not experience the reliability problems which go with maximum long-distance intercontinental ranges. Our ability to react will be improved further.

With a respectable number of Polaris-equipped submarines at sea the chances of leaving something to react for after the initial attack are considerably greater. A potential enemy would know absolutely that wiping out the major portion of a nation with nuclear fallout from direct hits and misses against ICBM bases would not render the enemy homeland immune from the same type of horror which they would send our way. Because we would have the Polaris to react with and complete strategic surprise would be impossible an enemy would not risk the attack in the first place. This is a real deterrent force.

It has been reliably estimated that 25 Polaris-equipped submarines continuously at sea, with more in inventory, can destry 150 widely separated Soviet strategic targets. They will be operating in relative safety from the ocean, a base which covers four-fifths of the globe, and cannot be denied us by political upheaval.

It is essential that counters to the Russian ICBM include Polaris forces mobile at sea. If the Russians are leapfrogging our SAC bomber force with a large number of ICBM's then we should leap-frog their ICBM with ballistic missiles at sea which they cannot hit.

In Polaris we have a weapon with great promise. It is not a figment of someone's imagination. It will be an operational weapon in the year 1960. Every point in its timetable of development has been met on time and in many cases 2 years early.

Close examination by competent and unbiased technical men of top caliber give assurance of this. Those who may say otherwise should consult these sources.

The missile itself, its engines, its guidance, its nuclear submarine carrier, its farflung and intricate communication system, even its operating crews are under preparation and training in scores of plants and bases across the Nation. The first Polaris firing from a surface vessel will take place this summer, a full year or more ahead of the Navy's original time schedule. The first underwater launching will occur next year, some 4 years ahead of the original plan. Every major technological problem in the system has been solved. There is no question that this great fleet ballistic missile system will work and become a part of the free world arsenal—on schedule.

Because of the Strategic Air Command, to whom we owe a great debt of gratitude, our security in this year of 1959 is assured. But if we accept the least optimistic estimates of the "missile gap," and for security reasons we must accept them, the time will come, probably in 1962 or 1963, when manned bombers will no longer give us total security from nuclear attack. By that time another and new deterrent force must be in existence to assist SAC in major war deterrence. We should have a "mix" and one of its important elements is an adequate force of Polaris submarines.

The Department of the Navy has made recommendations which are aimed at providing that deterrent force by the danger time of 1962 or 1963.

For fiscal year 1960 the Navy originally requested $1,423,291,000 for the fleet ballistic missile program. The actual budget request was cut back to $611,-568,000.

If $1,400 million is appropriated for fiscal year 1960 we could build six more nuclear Polaris submarines to go with the nine which are already or will shortly be under construction. With an appropriation of $1.7 billion in 1961 an additional 12 could be built with the same being possible in 1962. After that date it would be possible to produce one Polaris submarine per month with $1.7 billion per fiscal year. This is a lot of money—but we are paying a lot now for SAC and it is money well spent. Comparatively speaking a Polaris submarine force which will not surrender to obsolescence for at least 20 years would be inexpensive.

This would give us a total of 39 operational submarines by the year 1963 with the expenditure of an amount of money which is not large when compared with the entire Department of Defense budget. This total of 39 would allow us to keep enough submarines at sea to attack at least 150 strategic Russian targets. It would certainly be enough to make the realistic Russians realize that here was a deterrent force which they could not knock out and would force them to decide that the risk of all-out nuclear war was too great. For the security it will buy a Polaris program is dirt cheap.

Some will say, "Let us prove the Polaris before spending a billion four hun-

dred million dollars." But these people overlook the fact that we have been given that technical assurance and that the funding lead time for an atomic reactor which goes into a nuclear submarine is 46 months. We cannot afford to wait. We must start now if we are to get the Polaris in time to save us from all-out nuclear warfare.

I read and hear no eloquent pleas for raising the appropriation of $600 million for the fleet ballistic missile program to the $1.4 billion which is consistent with national security. On the other hand I do hear those pleas for the Air Force ICBM program.

If Congress responds to those pleas, and there is every indication that it will, the Air Force budget will be raised between $700 and $800 million for more ICBM's, more concrete bases, and more engraved invitations to our potential enemy to send a rain of nuclear fallout death on the continental United States.

In my opinion this would be building an ICBM Maginot line, another Wall of China, and another monument to the perennial military mistake of building fixed and immobile bases that can be overcome by the sheer weight, power, and numbers of new weapons.

Fortress America is a good concept for the age of the airplane but it is a poor one for the ballistic missile era. Polaris—the mobile ICBM—gets away from this concept. It takes the missile far from our shores in friendly waters within range of enemy targets.

Though I shall not dwell upon it I cannot close these remarks without urging greater consideration of services like the Army, Tactical Air Force, Navy, and Marine Corps which will fight the conventional wars of the future. If deterrent forces work, and we pray they will, there will still be the Koreas, Lebanons, and Quemoys. The Army, TAC, Navy, and Marine Corps, like the fleet ballistic missile program should not become the poor country cousins of the architects of another Maginot line.

My plea to the Members of Congress is simple. Let us not once again commit the mistake which recurs throughout the pages of history. Let us not build a fortress America because we know the concept will prove no more effective in the preservation of our way of life than did the Wall of China or the walls of the Roman Empire.

Let us build ICBM's as fast as we can, but let us not do it at the expense of Polaris, our best deterrent, and at the expense of our conventional forces.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. GUBSER. I yield.

Mr. ALBERT. I desire to associate myself with the remarks of the gentleman from California. Recent tests of the Polaris missile have given cause for even greater optimism about the possibilities of this great weapon. It is the one weapon that cannot be pinned down. It is mobile; it can be fired from any point over three-quarters of the globe that is from any part of the sea.

I would like to advise my friend that Admiral Raborn who is working on the Polaris system was appointed to the Naval Academy from Oklahoma. He is a very devoted public servant, and a great citizen. I know of no one who has greater dedication to the overall cause of American defense than he. He is to be commended for the untiring effort he is putting into this program.

Mr. GUBSER. I thank the gentleman for his contribution. He echoes the very sentiments I feel for Admiral Raborn and his entire staff, men who have down such a marvelous job in developing the fleet ballistic missile system.

This is a very serious problem, and I sincerely hope that when my remarks are printed in the CONGRESSIONAL RECORD tomorrow every Member of Congress will take the time to read them and give them a few moments thought.

Mr. Speaker, I yield back the balance of my time.

HIGHWAY ACCIDENTS

The SPEAKER pro tempore (Mr. SANTANGELO). Under the previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am very much interested in the remarks of the gentleman from California [Mr. GUBSER]. I know it is enormously expensive to develop these missiles for some of the missiles are being developed in my own district. A very fine plant, Avco—at Wilmington—in my district is now being dedicated. It is a $20 million new plant for this purpose. Avco has already a large plant at Wilmington employing many persons.

We are lucky to have them, we congratulate them on being there, and I will do everything I can to help them with their project.

Mr. Speaker, we have the development of various missiles for our national protection, yet, Mr. Speaker, we do nothing, absolutely nothing, as I see it, to safeguard our pedestrians and people who ride in automobiles. A woman was killed not so very long ago just outside of my house, five were injured less than a month ago outside of my house, and there have been other near accidents there; also 15 arrests on the street within the last 10 days. There is a horrible toll of life on the highways.

Mr. Speaker, before Congress adjourned last year I introduced House Concurrent Resolution 337, which reads as follows:

Whereas millions of motor vehicle traffic accidents occur in the United States every year; and

Whereas there are millions of persons injured and permanently crippled as a result of these accidents; and

Whereas there are many thousands of persons killed as a result of these accidents; and

Whereas many of these accidents occur over long weekends due to a holiday; and

Whereas many drivers of motor vehicles over these holiday weekends are inexperienced; and

Whereas many of the motor vehicles in operation on the highways over these weekends are mechanically defective; and

Whereas speed is very largely the cause of these accidents; and

Whereas it is the desire of the Congress of the United States to prevent as many motor vehicle accidents as possible over holiday weekends and prevent death and injury on the highways; and

Whereas, it is the desire of Congress to take whatever steps that are possible to limit these accidents: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That (a) it is the sense of the Congress that the speed of all motor vehicles on the highways over holiday weekends, with the exception of emergency vehicles, should be limited to 50 miles an hour, and that no vehicle should be permitted to operate on the highways over such weekend if it has not been inspected and certified to be in safe operating condition.

(b) The President of the United States is requested to notify the governors of the several States of this resolution, and to request their cooperation in its implementation.

Mr. Speaker, we are approaching Memorial Day, and I hope so much that this can be enacted before that day of rededication. I shall ask for an immediate hearing on the bill and hope so much that it will pass. Hundreds of persons have told me that they feel that this is a very far reaching step in the right direction. They feel that most persons can manage an automobile if it is not going too fast.

THE BRITISH THOR MISSILE

The SPEAKER pro tempore (Mr. SANTANGELO). Under the previous order of the House, the gentlewoman from New York [Mrs. ST. GEORGE] is recognized for 20 minutes.

Mrs. ST. GEORGE. Mr. Speaker, within the past month I have returned from Europe where, first of all, I attended the Interparliamentary Conference in the south of France.

After that I went to England where, thanks to the chairman of the Armed Services Committee, I was permitted to inspect and to visit the British Air Ministry and the British Air Corps Headquarters.

What I have to say concerns the British and concerns them only, although I also visited some of our bases on the same mission.

On my return, Mr. Speaker, I have been rather surprised, confounded, and not a little shocked at the tremendous discussion and argument that goes on in this country between members of our armed services who certainly must know, I imagine, what they are talking about, top politicians and others as to the fact of whether the Thor missile in England is operational or not.

Mr. Speaker, I am not going to pose before this House as an expert on missiles, but I think I can tell you in simple language what I actually saw and what I actually heard.

First of all, I was anxious to question the British Air Ministry on why they preferred their Blue Streak to our Thor missile. This, of course, is a matter of record, that they do. On going to the Ministry and asking the question, the reply was this, and I would like this reply to be emphasized, if possible: We do prefer the Blue Streak for many reasons, one being that it will be underground, whereas the Thor missile is above ground. Also the British preferred the liquid fuel rather than the solid fuel preferred by Americans. And, said the Air Minister—and these are his

exact words—"But the Blue Streak will not be operational for 2 or 3 years whereas the Thor missile is operational here today." Now, I think that that answer is pretty emphatic. And, after having heard it I also asked my British friends whether they had any objection to my repeating that statement. Their reply was, "Not at all. You can repeat it, and we hope that you will repeat it. Our philosophy is different from yours. We believe that these engines of war are primarily deterrent. They will not be good deterrents unless our enemies know all about them. For that reason we are not hiding anything that we have."

After that I went personally and visited one of the major emplacements in Great Britain. I will not give the name of the place, although it certainly is no secret. And, there are five or six of them. On going there I saw the missile. I was given every facility. As a matter of fact, the hangar was pulled back. The missile, which was in a horizontal position, was brought forward and erected in a very few minutes. When I repeated this to one of our very high ranking people in the Pentagon, I was informed that they did not consider that operational because I had not actually seen the fuel put into the missile or the warhead. My reply to that, Mr. Speaker, is that I hope to God I never live to see the fuel put into the missile or the warhead, because if I ever see those two accomplishments, I will then see the beginning of the end of our civilization and the destruction of mankind. The Thor missile in Great Britain, in spite of what we may hear from amateur experts—and heaven knows our country abounds with them on many subjects—is considered operational by the British who are living under the menace of the Soviet Union and are far closer to it than we are. They give us full credit for what we have done in supplying them with the missiles. They also admit that they are still training, and, of course, constant training is going on in our own country and will go on everywhere until doomsday, because that is indeed the proper name for that day. If it should ever come, it would be a day of doom. But, they do believe and I do believe, and I am sure that the majority of this House believes, that it is a good thing to let the world know the strength that we have rather than constantly decrying it. I am beginning to think that there is a new breed in the United States or possibly a new society, and it should have a name, and that name is Russia First.

There seem to be many of our people who believe that every Russian is a superman, that Russia has everything that we strive for and want. We do not know what she has. We have no means of finding out, but we just take it for granted. So, sometimes for political reasons, sometimes because sincerely we do believe these things, we allow our people to become frightened when they need not be, and we also allow ourselves to decry some of the great achievements that we have made.

I was reassured not only by what I saw in England but by the spirit that I saw in England. There was no fear. Surely, we know that the impossible might happen, but they do not believe, and I do not believe, that any country in the world wants to start this final holocaust. I deplore and they deplore that we have to keep these missiles, that we have to spend our people's substance to keep them, and also our fighter planes and all the other weapons of war; and this great Polaris missile that our colleague from California had just spoken about. But we must do these things.

But how can we go before our people and ask them to beef up this program, and ask them to send their sons to be drafted, if we are going to turn and in the next breath say, "In spite of all this, you are unprepared; and when the time comes you will not be able to survive"?

Ah, no, Mr. Speaker; that is not the road to success, and that is not the truth. We are doing a magnificent job, and instead of hiding our light under a bushel we should proclaim it to the world and keep on the road that we are now traveling.

TIMBER RESOURCES FOR AMERICA'S FUTURE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Florida [Mr. SIKES] is recognized for 15 minutes.

Mr. SIKES. Mr. Speaker, on March 23 while discussing the forestry appropriation items from the floor, I mentioned a report entitled "Timber Resources for America's Future." This document of over 700 pages, released by the Forest Service of the Department of Agriculture early in 1958, was described by Secretary Benson as "the most complete appraisal of the timber situation ever made in this country." It is just that.

It also tells us in the Congress and the people of America why we should get on with the job of tree planting, forest fire protection and many other forestry activities on all classes of forest land whether in private or public ownership. Many in the Congress have a copy of this report. I hope that as you delve into its contents you will become convinced that the forestry improvement work on our forests cannot be postponed indefinitely. Nor can we do the job by cutting the appropriations for tree planting every year.

The next day after this floor discussion on the forestry appropriation items, Secretary Benson sent to the Congress a report entitled "Program for the National Forests."

Just as the "Timber Resources for America's Future" is a complete appraisal of the timber situation on all the Nation's forest land, this "Program for the National Forests" is a complete appraisal of what needs to be done in the next 10 to 15 years and up to the year 2000 to make all our national forests yield their full measure of resources and services.

I am interested in this latest report submitted to the Congress because we have two large national forests in Florida. As they are developed to a maximum of use and services consistent with sound conservation policies, the benefits will be forthcoming not only to my State but to other sections of the country depending on the resources of these forests.

Since the "Timber Resources for America's Future" report has been used as a basis for information in this program for the national forests, I have confidence in the recommendations and measures that are needed to make the national forests better producers of timber, water, recreation, wildlife, and forage.

On March 25, I asked Assistant Secretary of Agriculture E. L. Peterson for an estimate of the cost of implementing the program for the national forests. I quote from the second paragraph of his reply of April 21:

> In response to your request, the approximate cost of the interim program, when fully implemented, would more than double the present annual rate of about $122 million, excluding funds for emergency forest fire fighting, which is expended for national forest protection and management. At the same time it is anticipated that receipts to the Treasury from national forest operations would about double. These projections cannot be considered official since they have not had budgetary consideration in either the Department or the Bureau of the Budget.

Here, then, we have a realistic program that will result in not only increased monetary returns to the Treasury and to local county governments in the forests, but also we can expect huge benefits on which no monetary values can be placed.

In the past I have been critical of the cuts in Forest Service appropriations for tree planting on private lands. I will continue to be critical as long as I believe that we are not getting on with the tremendous job of planting and protecting our privately owned forests in the Nation.

I do, however, want to compliment the Department, Mr. Peterson, and all others involved in the preparation of this timely program for the national forests. The Congress now has a basic plan from which to work in developing the national forests to meet the needs of a Nation that is daily demanding more and more of the forest resources. Resources which are renewable if we are of a mind and purpose to make them so.

I hope that conservation minded people throughout the Nation and Members of Congress will let the Forestry Subcommittee of the House Agriculture Committee know of their interest in the full development of our national forests on May 14 and 15 when hearings will be held on the matter.

SENATOR DOUGLAS ON INFLATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. O'HARA] is recognized for 40 minutes.

Mr. O'HARA of Illinois. Mr. Speaker, I have asked for this time to bring to the attention of the House a letter to the Chicago Tribune from the senior Senator of Illinois, the Honorable PAUL H.

DOUGLAS, and to recite the unusual circumstances leading to its writing and publication.

It is a story that I find inspiring of how a great newspaper and a great statesman, of different political affiliations and of different philosophical approaches, cooperated in the mission, most essential to a functioning democracy, that of informing the electorate.

The chain of circumstances started with the publication in the Chicago Tribune of an article depicting the dangers of inflation and the effect upon persons in various groups; those subsisting on retirement pensions and income from investments as well as those now in business and employment. With the article was a coupon, which the Tribune suggested might advantageously be used by its readers in adding their weight to the fight against inflation. The suggestion was that readers should sign the coupons and mail them to the Congress.

The second development in this interesting chain of circumstances was when in a matter of days Senator DOUGLAS' office was so covered with mail sacks that visitors had to use them for seating purposes instead of the chairs they had replaced. The last count of coupons was over 30,000. After that even the counting stopped.

Senator DOUGLAS happens to be one of the most militant advocates of economy and vigorous practitioners of economy who ever came to the Congress. Here was the source of his perplexity: if he adhered to his practice, followed religiously during his tenure in the Senate, of personally answering all his correspondence, he would have little time for legislative duties.

Moreover, there was the matter of cost, and economy-minded Senator DOUGLAS was aghast with the calculation, hastily made by him as he surveyed the piles of mail sacks, that the expense of replying to all who had written him, at the suggestion of the Chicago Tribune, would extract in excess of $5,000 from the pockets of the American taxpayers. This $5,000 to Senator DOUGLAS' keen sense of economy was worth saving.

So in his perplexity he wrote the Chicago Tribune with the suggestion that it accord him space for a general letter on the subject, which carried in the newspaper from which the coupons had been clipped would reach the attention of all his correspondents and thus, while serving as an answer individually to all who had addressed him, would add up by saving the taxpayers the tidy sum of more than $5,000.

Mr. Speaker, I wish heartily to commend the Chicago Tribune in acting favorably on the suggestion of Senator DOUGLAS. This is the more marked since not often have the Senator and the Tribune been in agreement. They may not be in complete agreement now in all aspects of the problem of inflation. But in carrying Senator DOUGLAS' letter in its completeness, and entirely unchanged or edited, the Tribune has abided by the highest traditions of American journalism.

I might add that not only does the Tribune of this morning devote all of its reading space on page 10, with a generous runover on page 11, to the letter of Senator DOUGLAS, but it prints prominently on page 1 a box calling the Senator's letter to the attention of its readers.

I join with my colleagues in the House in congratulations to the senior Senator from Illinois for a scholarly and most masterful presentment of the problem of inflation in all its aspects.

I am extending my remarks to include the full text of Senator DOUGLAS' letter as it appears in this morning's Chicago Tribune, together with the Tribune's introduction:

LETTER BY PAUL H. DOUGLAS, SENIOR SENATOR FROM ILLINOIS

(The following letter from Senator PAUL H. DOUGLAS, Democrat, of Illinois, was prepared by him as an answer to the thousands of persons who sent him coupons from the Chicago Tribune protesting inflation, and is published in response to his request for space in which to make his reply. At the time the Senator made this request he said he had already received 30,000 of the Tribune coupons. Since that time he has received thousands more. Senator DOUGLAS said that to reply adequately to each of his correspondents would cost the taxpayers 12 cents a letter or $4,000 on mail received up to that time, and that he hoped the Tribune would enable him to spare the Government this expense by giving him two columns of space. The Tribune was glad to grant his request.)

I wish to thank the Tribune for giving me the chance to reply to the thousands of letters and coupons which I have received as a result of its campaign on inflation. I am particularly pleased at this opportunity, for otherwise it would be almost impossible for me to answer each person individually and I am thus permitted to make my views on this subject known to those who have written to me.

GOALS OF OUR ECONOMY

I believe that the American people desire to see our economy achieve at least three basic results. First, maximum or relatively full employment and jobs for our people. Second, an adequate rate of economic growth in order that we may have a rising standard of living and defend ourselves better against Communist aggression. Third, that we should achieve these goals with substantially stable prices and without runaway inflation.

There are some who would be willing to see us have excessive unemployment if only we could achieve price stability. There are others who would be quite willing to have inflation provided only that we have an adequate rate of growth and full employment. I believe instead that we must devise ways and means to achieve all three goals at the same time.

I am as much opposed to inflation as those who have written me. For inflation hurts those on fixed incomes, such as our older people; those on salaries, such as our schoolteachers and ministers, and those who have bought bonds or invested in insurance, only to see their value or purchasing power greatly decreased.

Of course, some benefit from inflation but in general, they are the speculators whose goods appreciate in value as a result of price rises. But the average person, who spends a large proportion of his income for goods and services and who also pays his fair share in taxes, does not have the chance to hedge against inflation as do those who have enough with which to speculate on the stock market.

WHAT IS INFLATION?

There are various kinds of inflation. Usually when people speak of it they refer to a situation where there is an excessive demand for a limited amount of goods and services which results in the bidding up of prices. This is often referred to as "too much money chasing too few goods."

During World Wars I and II, that is what happened. Our economy was fully employed. Taxes were not increased fast enough to provide the funds to pay for the tanks, guns, and expenses of war as we went along. Consequently, the Government went into debt and floated bonds which were financed primarily by the creation of bank credit and, hence, increased the amount of money and credit in our system. This excessive supply of monetary purchasing power was, in turn, used to bid up the prices of the goods which were in short supply because our factories were manufacturing the tools of war.

This condition can also happen during peacetime. But it generally only happens when there is substantially full employment, when our plants and factories are running at full steam, and if the Government then goes into debt and creates an excessive supply of money and credit. If the banking system is also allowed to generate such excessive amounts of money and credit by the Federal Reserve Board, then inflation results.

EXISTING SITUATION

At the moment, however, we face a different situation. During the past year, our price levels have been relatively stable. The so-called cost of living index increased only eight-tenths of 1 percent from February of 1959 through March of 1959, and has actually fallen by two-tenths of 1 percent since July of 1958 to a level of 123.7. Wholesale prices have also been steady from March 1958 to April 7, 1959, at exactly 119.7.

At the same time, 6 to 7.5 percent of our people have been fully unemployed, and those who have been working part time amount to the equivalent of another 1 percent fully unemployed. This compares with a normal unemployment rate of from 3 to 4 percent.

In addition, we have had a very inadequate rate of growth which has fallen far short of the normal 3 to 4 percent a year which we should achieve. Curiously enough, our price levels in this period have been relatively stable even though the Federal Government has run a $13 billion deficit in its budget.

ADMINISTERED PRICE INFLATION

Thus far, I have been talking about the short-run situation. If we look back to the period between 1953 and 1958, there was a 9-percent rise in the cost of living. However, this was a very uneven increase. Food prices in the towns rose only 5 percent, but medical expenses have gone up 24 percent. The prices of farm products and raw materials in the countryside decreased sharply but industrial prices have risen by 13 percent.

Thus, while the prices of raw materials have gone down, the prices of the final manufactured products have gone up. When only the wholesale price index is considered, we see that over two-thirds of the increase can be accounted for by the increase in the price of steel and steel processing industries.

What has happened is that the prices of the goods which are highly competitive—like farm products and raw materials—have gone down, while the price of goods which are largely noncompetitive and where only a few firms or manufacturers control the market—like steel, steel fabricating, and the automobile industry—have risen markedly.

According to the testimony of the eminent economist, Dr. Gardiner Means, before the Senate Antitrust and Monopoly Subcommittee, the monopoly or administered price industries account for 85 percent of the gross

increase in the wholesale price index since 1953.

Thus, what we are suffering from is not the ordinary or classical inflation where too much money chases too few goods or where an excessive amount of bank credit—or Government-created credit due to a deficit—are used to bid up prices. What we are suffering from is instead an administered price inflation largely found since 1953 in those sectors of our economy where prices are not competitive but in which a few manufacturers and some extremely well organized labor groups are in a position to administer or control their own prices. In each case, these prices have been administered up.

This kind of inflation clearly calls for different answers than does monetary inflation. The fact is that the methods which we would use to fight monetary inflation—such as tightening the money supply, increasing interest rates, or sharp tax increases—would probably have little or no effect in stopping this administered price inflation.

These actions would instead only prolong the recession. In addition, they could prevent us from achieving full employment and an adequate rate of growth and might even result in increased unemployment and a depression if they were applied too vigorously. One does not treat pneumonia by taking out the patient's appendix.

CONGRESS AND THE BUDGET

Now let us turn to the question of the budget. The President has requested $77 billion for the fiscal year 1960 budget which runs from July 1, 1959, to June 30, 1960, and for which we are now making appropriations. I think this sum which he has requested is certainly adequate. This amount of money, if properly spent, can provide for an adequate defense and for those services which are necessary for the Government to provide for our civilian economy.

I believe that this budget can and should be balanced, and I hope that we might even have a surplus which could be used either to retire some of the debt or to decrease some of the wartime excise taxes or to make our tax system more equitable.

Year after year, the President has predicted a balanced budget, but generally at the end of the year it has been out of balance. This has been true in 4 of the 6 years in which he has been responsible. Last year, he predicted a balanced budget, but will end up with about a $13 billion deficit. The year before, he predicted we would have a balanced budget, but we had a $2.5 billion deficit.

Then, of course, he has tried to blame these deficits on us Democrats in Congress and has labeled us "wild spenders."

The truth, however, is quite different. The deficits were not due to the "spenders" in Congress. In each of the last 4 years, we have cut the President's budget by hundreds of millions below what he has demanded, both in his regular and supplemental requests.

The facts are as follows:

In 1957, in the first session of the 85th Congress, the President requested $64,638,110,610. The money appropriated by Congress was $59,589,731,631, a cut by Congress of $5,048,378,979. In the second session the President requested $73,272,659,573 and Congress appropriated $72,653,476,248, a cut of $619,183,325.

In the preceding Congress, the 84th, the President in the first session requested $66,023,089,195. Congress appropriated $63,947,281,321, a reduction of $2,075,807,874. In the second session the President requested $73,298,859,629 and Congress appropriated $73,041,364,417, a cut of $257,495,212.

This may come as a surprise to many people, but we cut the President's budget requests by over $2.3 billion in the 84th Congress and by almost $5.7 billion in the 85th Congress. I think it is unbecoming of the President to blame the Congress for his fiscal problems when we have actually appropriated a great deal less money than the President himself has requested.

The deficit of $13 billion in fiscal year 1959 was not due to a wild spending Congress. It was due, for the most part, to the falling off of tax receipts because of the recession.

Last August, I questioned the Secretary of the Treasury, Mr. Anderson, about the reasons for the deficit when—for the third time—he came before the Senate finance committee to request an increase in the debt limit.

The following is a direct quotation from those hearings:

"Senator DOUGLAS. What I am trying to get at is, if one takes the deficit of $15 billion for 2 years, then $10 billion of the deficit will be created by the decline in business activity, or two-thirds of the total; only $5 billion, or one-third of the total, will be created by an increase in expenditures above those budgeted, and therefore it is the recession which has primarily created the problem; is that not true?

"Secretary ANDERSON. That is correct, sir."

WHERE TO CUT THE BUDGET

Personally, I think we can and shall cut the President's budget again this year. I think there are numerous places where it can be cut and I have been making a fight this year, as I have in past years, to cut out the excessive waste and fat in the President's budget. Let me give some examples.

MILITARY SUPPLIES AND PROCUREMENT

I have been trying to get the Defense Department to use up some of its surplus supplies. It now has at least $17 billion in surplus goods. At the same time that the military departments have been disposing of vast quantities of these supplies—some $6 billion per year—for only 2½ cents on the dollar, they have been buying nearly identical or similar items for 100 cents on the dollar.

We have seen that at Carpentersville, Ill. The civil defense unit got huge quantities of military surpluses like buses, trucks, cranes, fork lift trucks, typewriters, and other items which were quite usable and which the Defense Department should have used before it buys more, and these wound up, almost without payment, in private hands.

I have also been making a fight against the defense department practice of negotiating 95 percent of the number of its contracts rather than letting them by competitive bidding. This system has resulted in excessive prices.

I believe that from 2 to 3 billion per year could be saved if the surpluses were used properly and if there were more competitive bidding. Some of these savings could then be used for the further development of our missiles and to keep the combat strength of the Army at 900,000 men and the Marine Corps at 200,000, instead of cutting them back as the President is now doing.

CONGRESSIONAL PRIVILEGES

The Architect of the Capitol, who is appointed by the President and serves without confirmation by the Congress, is now in the midst of a huge program to renovate and expand the Capitol at a cost of about 100 million dollars. Only last week, I fought to cut back on funds for extra furniture for the New Senate Office Building and for a terminal at the Senate end of the new tunnel leading from the Senate Office Building to the Capitol. Much of this expense is unnecessary and wasteful. We have excessive supplies of old furniture going to waste and the $4 million tunnel terminal would save us only 50 steps at a cost of about $80,000 a step. This is too expensive for Senators who need the exercise anyway.

WASTE IN THE ADMINISTRATION

Because I have fought against congressional waste, I feel that I can justifiably attack waste in the administration. There are now 99 limousines with chauffeurs at the White House and for heads and assistants in the executive agencies. The President has 8 of them and the defense department has 37. I think the total of 99 could be cut back to 35. Most of the various assistant secretaries and undersecretaries at the Pentagon could just as well drive themselves in moderately priced cars.

The Air Force has been giving free trips to influential citizens to visit their bases around the country at a cost of many millions per year. This is a waste of the taxpayers' money and is both unjustified and unauthorized by Congress.

The President could get by on one helicopter instead of two, and I also believe that the number of supergrade employees at the White House, which have increased from nine in the Truman administration to 22 at the present time, could be cut back to 15.

The Post Office Department now has 71,000 more employees than in 1952, although the service has been cut back. The Department of Agriculture has an increase over 1952 of some 16,000 employes, or 27 percent. The civilian personnel in the various Government agencies could be cut—on the average—by 3 percent with no loss of efficiency or service.

SUBSIDIES FOR BUSINESS

The budget also includes huge subsidies for business and for agriculture. In the 1960 budget, the subsidies for ship construction, ship operating differential costs, and for the airlines, are $54 million more than for the year 1959.

First-class mail essentially pays its own way, yet apparently we are going to be asked to raise the rates on first-class mail from 4 cents to 5 cents. But the loss on second-class mail is $274 million per year and the loss on third-class mail an equal sum. We should raise the rates on second and third class mail instead, for this is where the subsidy is to be found.

Interestingly enough, some of the large weekly magazines which constantly print editorials against Government subsidies, and call for a cut in the budget, receive many millions in the mail subsidies. According to a House appropriations committee study, the yearly subsidy to one magazine was $9.4 million; to yet another, $6.1 million. Some $38.7 million per year goes in mail subsidies to the 14 largest weekly and monthly magazines.

FARM SUBSIDIES

In the fiscal year 1960 budget, it is estimated that the cost of farm price support operations will amount to $4.5 billion. At the same time, we have $9 billion in surpluses and some of the big operators receive as much as a million per year in Commodity Credit Corporation loans. I think we could save great sums by (1) placing an upper limit of $2,000 on the total amount which any one farm or farmer could receive in any one year and (2) by shifting to some form of income rather than price support program so that the consumer would not have to pay for this program twice, first through the subsidy to the individual farmer, and second by way of higher prices for farm products.

TAX LOOPHOLES

Finally, there are numerous loopholes in our tax laws. The most glaring of these is the oil depletion allowance. In a 5-year period, one very famous company had total profits of $48.5 million but did not pay 1 cent in Federal corporation taxes. This happened while other companies paid 52 percent and while an individual with only $2,000 of taxable income pays 20 percent.

This example is not exceptional, for I have examined the statements of numerous

oil companies which show that one after another pays taxes at 1 percent, 2 percent, 5 percent, or less than 10 percent. This is a scandalous situation which is unfair and which means that the rest of the people have to pay higher taxes to make up for this special privilege to the few.

We should also repeal the 1954 dividend exclusion and credit. Under it, a taxpayer who is married and has two children with an income of $10,000 per year would pay 20 percent less in taxes if all of his income were from dividends than he would pay if his income were from wages and salaries.

Thirdly, the Government loses some $300 million to $400 million per year because people fail to report their income from interest and dividends. By withholding at the source as we now do for earned income, we could close this tax loophole.

Fourth. I think we should reform the provisions for business expense accounts. We all know that Christmas gifts, tickets to "My Fair Lady," trips to Florida, large social functions, and other expensive items are charged off as necessary and proper business expenses when they are indeed unnecessary and very improper.

CHANGE BUDGET PRIORITIES

Thus, while I believe that the President's budget is certainly adequate, I think the priorities in the budget are wrong. This budget gives a priority for limousines for the brass at the Pentagon, free trips to influential citizens, carpets for Senators, tax privileges for the few, huge subsidies to the shippers, the large magazines and the big farmers at a time when we should be using these funds for other and more important purposes.

We should cut back on military fat and waste and use a part of the savings to increase our actual fighting strength.

We should cut back on business and farm subsidies and use part of the savings for our schools, for the unemployed, and to bring new business to the chronically depressed areas of our country which will otherwise die on the vine.

We should close our tax loopholes and use these savings to help pay off a part of the debt and to reduce some of the inequitable wartime excise taxes which are regressive and which fall most heavily on the lower income groups.

We should ask both the President and the Congress to practice what they preach.

I believe that our country and our economy is strong enough to provide for an adequate defense and for the urgent needs of our people. However, there is no justification for waste or for very special and lavish privileges—whether through expenditures or by way of tax privileges—for the strong and powerful who need them the least.

I shall continue to fight for these kinds of changes in our Government policies and I am prepared to do this even when pressures to do otherwise are very great.

A CORRECTION AND AN APOLOGY TO INEZ ROBB

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 20 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, a constituent sent me a recent column by Inez Robb which charged that, from the well of the House, on April 13—CONGRESSIONAL RECORD, pp. 5779–5780—I had falsely stated that, in an earlier column answering her charge that Congressmen were guilty of reprehensible official misconduct, I had untruthfully—falsely—charged that she had enjoyed certain special privileges of the House Press Gallery when I said:

> But Inez, you have been sitting up there in the comfortable press gallery and on those nice, soft cushions while waiting for a timid Congressman to leave the floor at your finger crooking to answer your call in the hope you would send on a good word to your paper. So why do you let out an unladylike squawk?
>
> Instead of worrying and complaining about the furniture used in the Capitol which the Congressmen are permited to use, Inez might give a little thought to the fact that she is treated in the same way when in the Capitol. * * *
>
> She sits up there and pounds a Government typewriter, she and the rest of the reporters; lolls back in a comfortable chair, has a cigarette tray handy if she wants one, a glass of cool, clear water waiting in the hand of a Congressman if she wants it.

She wrote that she does not work out of the House Press Gallery but works from her home in New York City. Hence it is evident that my statement was false, and this is the correction and apology. I carelessly assumed she was working out of the House Press Gallery.

Also an apology for referring to her as Inez. We are strangers and I do not know whether I should address her as Miss or Mrs.

She again refers to the fact that I have a daughter-in-law and a granddaughter-in-law on my payroll. That fact was never concealed. Both are, in addition to being housewives and mothers, professional women of ability, university graduates, and earn every dollar they receive and, really, it is none of Miss—if she is "Miss"—Robb's business whether they are or are not related. The only question with which she is concerned or, for that matter, any other taxpayer, is whether or not they earn their money and I am saying—and I know, and she does not—they do.

What Miss—or Mrs.—Robb did, in her article to which reference was made by me, was to falsely intimate that Congressmen generally were guilty of wrongful, if not illegal, conduct in the way tax dollars allocated to them are used. Some Congressmen, like members of every other group, have, beyond question, misused Federal funds, and for that there is no excuse. However, it is not an offense, either moral or legal, to employ one's relatives so long as adequate service is rendered.

FALSE STATEMENTS

What Miss—or Mrs.—Robb has failed to do is to correct the false statements in her previous article which I criticized and in which she accused Congressmen of improper and illegal conduct. Here are a few of the lady's misstatements:

Misstatement No. 1:

> Congressmen are among the most highly paid and most lightly taxed executives in the country.

Neither statement is true, as the record will demonstrate.

Misstatement No. 2: Miss—or Mrs.—Robb said "the truth is that Congressmen receive from three to eight times that sum—$22,500," and, for good measure, she added that "they belong to that most privileged and lordly of all modern financial categories, the expense-account aristocracy."

We do receive some items of expense, but there are many more and larger items of expense for which we are not repaid.

Misstatement No. 3: Miss—or Mrs.—Robb falsely states that we have voted ourselves over the years the "congressional take-home pay, the great majority of it tax exempt, ranges anywhere from $70,000 to more than $180,000 annually."

That statement is at least $100,000 out of line. Nor is "the great majority of it tax exempt."

Misstatement No. 4: Miss—or Mrs.—Robb says:

> Each Congressman occupies a luxurious suite, in either the Senate or House Office Buildings, suites sometimes as large as seven rooms.

Congressmen and, I assume, Senators would like to know where those suites are. I have been here 24 years and I know of none such. Name one, its occupant, and locate it, Miss—or Mrs.—Robb.

Now, Miss—or Mrs.—Robb, get back to the real issue: publicly correct the false statements you previously made. I have the article but I do not know its date.

Miss—or Mrs.—Robb cites two of her outstanding virtues; that is, she does not smoke cigarettes and she does not do any "lolling." Praise be. Shall the Congress vote her a decoration or pass a resolution of commendation?

More important than either of those virtues is the habit of telling the truth. I have pointed to her misstatements. Let us see if she is fair enough to acknowledge her mistakes, if she wants to call them that. Of course, if she knew they were false when she made them or if they were malicious, that she will not do.

Yours for a free press but, while you are telling a story, make it truthful.

Miss—or Mrs.—Robb states that hereafter in her thoughts she will always cherish me as "Clare de Lune." That will be all right with me. Equally intelligent individuals have called me crazy and, unfortunately, I cannot, as did a congressional candidate in Ohio, produce a certificate from a mental institution showing that I am of sound mind because I never was confined in such an institution.

Miss—or Mrs.—Robb does not vote in my district. Presumably, the average of intelligence of the people of the Fourth Congressional District of Michigan is as high as is that of her neighborhood and, as long as they are fairly well satisfied, her opinion and what she prints does not matter too much. Beyond doubt, many of her readers know that the statements made by her and to which I referred on April 13 have no basis in fact.

Miss—or Mrs.—Robb seems to assume that many of those who read her column are dumb. Perhaps they know as much about Congressmen and their compensation and how it is used as does she.

Miss—or Mrs.—Robb has the one advantage of a larger audience than many of them.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ALFORD (at the request of Mr. TRIMBLE) on account of illness in the family.

Mr. DOYLE (at the request of Mr. COHELAN), for May 11 through May 15, on account of attendance, Air Force Academy, Colorado Springs, Colo., as a member of Board of Visitors, House Armed Services Committee.

Mr. THOMPSON of New Jersey (at the request of Mr. GARMATZ), for today, May 11, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SIKES (at the request of Mr. MCCORMACK), for 15 minutes today, and to revise and extend his remarks.

Mr. BAILEY (at the request of Mr. MCCORMACK), for 45 minutes tomorrow, instead of 30 minutes heretofore granted.

Mrs. ROGERS of Massachusetts, for 10 minutes, today.

Mrs. ST. GEORGE, for 20 minutes, today.

Mr. BOYLE (at the request of Mr. ALBERT), for 60 minutes, on Wednesday, May 13.

Mr. O'HARA of Illinois, for 40 minutes, today.

Mr. KING of Utah, for 15 minutes, on Wednesday next.

Mr. HOFFMAN of Michigan, for 20 minutes, on today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. WOLF and to include extraneous matter.

Mr. MARSHALL.

Mrs. GREEN of Oregon and to include extraneous matter.

Mr. MCCORMACK and to include extraneous matter.

Mr. WEAVER.

Mr. CRAMER.

Mr. BERRY in two instances and to include extraneous matter.

Mr. JONAS, the remarks he will make in Committee and to include tables and excerpts.

Mr. BOLAND and to include extraneous matter.

Mr. HARRIS, to revise and extend his remarks on the Federal Aviation Agency and include certain additional information.

Mr. BOW to include extraneous matter in his remarks made today.

Mrs. ROGERS of Massachusetts to include extraneous matter in her remarks made today.

Mrs. BOLTON in two instances, with regard to Rumanian Independence Day and also public health activities in underdeveloped areas.

Mrs. ROGERS of Massachusetts, her remarks during debate on the independent offices appropriation bill and to include extraneous matter.

Mr. TEAGUE of Texas, his remarks today in Committee of the Whole and to include extraneous matter and tables.

(At the request of Mr. CURTIN, and to include extraneous matter, the following:)

Mr. GRIFFIN.

Mr. WESTLAND.

(At the request of Mr. ROUSH, and to include extraneous matter, the following:)

Mr. QUIGLEY.

Mr. MULTER.

Mr. LANKFORD.

Mr. HARRIS.

ADJOURNMENT

Mr. ROUSH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 32 minutes p.m.) the House adjourned until Tuesday, May 12, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

956. A letter from the Asistant Secretary of the Interior, transmitting a report certifying that an adequate soil survey and land classification has been made of the lands in the Tea Pot Dome Water District, California, pursuant to Public Law 172, 83d Congress; to the Committee on Appropriations.

957. A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to amend title 10, United States Code, to authorize the establishment of a parole system for naval prisoners, and for other purposes"; to the Committee on Armed Services.

958. A letter from the Attorney General, transmitting a report which presents a study of production and distribution of printing papers used by book and magazine publishers, pursuant to section 708(e) of the Defense Production Act of 1950, as amended; to the Committee on Banking and Currency.

959. A letter from the Comptroller General of the United States, transmitting a report on our review of the Home Mortgage Section, Mortgage Insurance Division, Federal Housing Administration, Housing and Home Finance Agency, March 1958 (H. Doc. No. 130); to the Committee on Government Operations and ordered to be printed.

960. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "a bill to make payments to Indians for the destruction of fishing rights at Celilo Falls exempt from income tax"; to the Committee on Interior and Insular Affairs.

961. A letter from the Assistant Secretary of the Interior, transmitting a proposed concession contract which, when executed by the Director of the National Park Service, will authorize Evelyn C. Frey to provide concession facilities and services for the public in Bandelier National Monument, N. Mex., for a period of 10 years from January 1, 1959, pursuant to the act of July 14, 1956 (70 Stat. 543); to the Committee on Interior and Insular Affairs.

962. A letter from the Postmaster General, transmitting a tabulation showing the number of envelopes, labels, wrappers, cards, and other articles bearing penalty indicia procured or accounted for through this Department during the fiscal year which ended June 30, 1958, by the executive departments, independent establishments, organizations, and persons authorized by law to use the penalty privilege, pursuant to Public Law 785, 80th Congress; to the Committee on Post Office and Civil Service.

963. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, relative to the case of Hong-Fon Toy, A–11405246, involving suspension of deportation under the Immigration and Nationality Act, and requesting that it be withdrawn from those before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

964. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "A bill to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the University, and for other purposes"; to the Committee on Education and Labor.

965. A letter from the Assistant Secretary of State, transmitting certain International Labor Organization recommendations adopted at the 41st (maritime) session of the International Labor Conference, at Geneva, May 1958, pursuant to article 19 of the constitution of that organization (H. Doc. No. 131); to the Committee on Foreign Affairs and ordered to be printed.

966. A letter from the Assistant Secretary of State, transmitting certain International Labor Organization recommendations adopted by the International Labor Conference at its 42d session, at Geneva, June 24, 1958, concerning conditions of employment of plantation workers, pursuant to article 19 of the constitution of that organization (H. Doc. No. 132); to the Committee on Foreign Affairs and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of May 7, 1959, the following bill was reported on May 8, 1959:

Mr. THOMAS: Committee on Appropriations. H.R. 7040. A bill making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1960, and for other purposes; without amendment (Rept. No. 350). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted May 11, 1959*]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FORRESTER: Committee on the Judiciary. H.R. 4060. A bill to eliminate all responsibility of the Government for fixing dates on which the period of limitation for filing suits against Miller Act payments bonds commences to run; without amendment (Rept. No. 351). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. H.R. 4957. A bill to amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence, and for other purposes; without amendment (Rept. No. 352). Referred to the House Calendar.

Mr. BROOKS of Louisiana: Committee on Science and Astronautics. Report on U.S. policy in the control and use of outer space; (Rept. No. 353). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, pursuant to the order of the House of May 7, 1959,

the following bill was introduced May 8, 1959:

By Mr. THOMAS:

H.R. 7040. A bill making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1960, and for other purposes.

[*Introduced and referred May 11, 1959*]

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY:

H.R. 7041. A bill to authorize the sale and permanent transfer of acreage allotments; to the Committee on Agriculture.

By Mr. ASPINALL:

H.R. 7042. A bill to authorize the classification, segregation, and disposal of public lands chiefly valuable for urban and business purposes; to the Committee on Interior and Insular Affairs.

By Mr. BARING:

H.R. 7043. A bill to provide that the Veterans' Administration shall maintain in each State at least one regional office; to the Committee on Veterans' Affairs.

By Mr. BERRY:

H.R. 7044. A bill to authorize the establishment of the Central National Monument at the geographic center of the United States; to the Committee on Interior and Insular Affairs.

By Mr. BONNER:

H.R. 7045. A bill to authorize the establishment of the Arctic Wildlife Range, Alaska, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BROWN of Missouri:

H.R. 7046. A bill to amend title 10, United States Code, section 2667, to direct the Secretaries of the military departments to lease property for public school use without the reservation of monetary consideration therefor; to the Committee on Armed Services.

H.R. 7047. A bill to amend sections 4081 and 4082 of the Internal Revenue Code of 1954 to include wholesale distributors within the definition of "producers" of gasoline, and for other purposes; to the Committee on Ways and Means.

By Mr. CHAMBERLAIN:

H.R. 7048. A bill to amend the act of August 16, 1950, relating to exclusion from the mails of obscene articles, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CRAMER:

H.R. 7049. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

By Mr. CURTIS of Missouri:

H.R. 7050. A bill to provide further for permissible writing and printing on third- and fourth-class mail matter, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 7051. A bill to amend the Servicemen's Indemnity Act of 1951, so as to provide that in the absence of a designation of beneficiary thereunder by a person having national service life insurance or U.S. Government life insurance, the designated beneficiary of such insurance shall also be the designated beneficiary of any indemnity payable under such act; to the Committee on Veterans' Affairs.

By Mr. DINGELL:

H.R. 7052. A bill to amend section 2 of the Defense Production Act of 1950; to the Committee on Banking and Currency.

By Mr. EDMONDSON (by request):

H.R. 7053. A bill to authorize a per capita distribution of funds arising from a judgment in favor of the Quapaw Tribe, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FEIGHAN:

H.R. 7054. A bill to provide for the establishment of the Ellis Island National Shrine; to the Committee on Government Operations.

By Mr. HARRIS:

H.R. 7055. A bill to repeal the provisions of section 5 of the act of July 28, 1916, relating to the furnishing of information to the Postmaster General by the Interstate Commerce Commission with respect to revenue received by railroads from express companies for the transportation of express matter; to the Committee on Post Office and Civil Service.

H.R. 7056. A bill to amend the act of October 15, 1914, commonly referred to as the Clayton Act, and the Federal Trade Commission Act, with respect to the applicability thereof to contract carriers subject to the Interstate Commerce Act, and for other purposes; to the Committee on the Judiciary.

H.R. 7057. A bill to provide the President with the means to discharge satisfactorily his responsibilities in connection with national telecommunication resources including the Government's use of the radio frequency spectrum; to the Committee on Interstate and Foreign Commerce.

H.R. 7058. A bill to amend section 212(a) of the Interstate Commerce Act, as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7059. A bill to amend section 222(b) of the Interstate Commerce Act with respect to the service of process in enforcement proceedings, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JARMAN:

H.R. 7060. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Norman project, Oklahoma; to the Committee on Interior and Insular Affairs.

By Mr. KILBURN:

H.R. 7061. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. McCORMACK:

H.R. 7062. A bill to provide for payment of annuities to widows and dependent children of Comptrollers General; to the Committee on Government Operations.

By Mr. McDOWELL:

H.R. 7063. A bill to amend the International Cultural Exchange and Trade Fair Participation Act of 1956 to provide for the utilization of Ellis Island by the Secretary of State as a training center for Americans going abroad, in order to keep this great landmark as a living memorial to American freedom and the contributions made to the United States by the immigrants who have come to these shores, and for other purposes; to the Committee on Foreign Affairs.

By Mr. MACDONALD:

H.R. 7064. A bill to amend the Public Health Service Act to provide for a public health training program, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MORRISON:

H.R. 7065. A bill to provide retirement eligibility for certain Federal employees whose rates of compensation are adversely affected due to any international commitment, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 7066. A bill to amend the Civil Service Retirement Act with respect to voluntary retirement of certain Federal employees assigned to duty in overseas areas, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. O'NEILL:

H.R. 7067. A bill to liberalize the tariff laws for works of art and other exhibition material, and for other purposes; to the Committee on Ways and Means.

By Mr. RHODES of Arizona:

H.R. 7068. A bill to amend Public Laws 815 and 874, 81st Congress, relating to Federal assistance in the construction and operation of schools in areas affected by Federal activities, to discontinue making grants attributable to Federal activities carried on through contractors; to the Committee on Education and Labor.

By Mr. SIMPSON of Pennsylvania:

H.R. 7069. A bill to amend section 665(b) of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

H.R. 7070. A bill to amend the Internal Revenue Code of 1954 with respect to the basis (for determining gain or loss) of property acquired from a decedent; to the Committee on Ways and Means.

H.R. 7071. A bill to amend the Internal Revenue Code of 1954, so as to restore competitive equality to retailers and other distributors with respect to certain sales to business and other organizations; to the Committee on Ways and Means.

By Mr. SPENCE:

H.R. 7072. A bill to provide for the participation of the United States in the Inter-American Development Bank; to the Committee on Banking and Currency.

By Mr. KILBURN:

H.R. 7073. A bill to provide for the participation of the United States in the Inter-American Development Bank; to the Committee on Banking and Currency.

By Mr. VAN ZANDT:

H.R. 7074. A bill to provide that the tax exemption heretofore accorded the Veterans of Foreign Wars with respect to certain property in the District of Columbia, formerly owned by such organization but never used for its intended purpose, shall apply instead to other property subsequently acquired and used for that purpose; to the Committee on the District of Columbia.

By Mr. WESTLAND:

H.R. 7075. A bill to amend section 1371 of the Internal Revenue Code of 1954 to permit stock of a small business corporation which is owned by a husband and wife to be treated as owned by a single shareholder for purposes of determining the number of shareholders of such corporation; to the Committee on Ways and Means.

By Mr. WHARTON:

H.R. 7076. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

H.R. 7077. A bill to authorize appropriations for the Federal-aid primary system of highways for the purpose of equitably reimbursing the States for certain free and toll roads on the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. YOUNGER:

H.R. 7078. A bill to provide for an open air assembly area in the Golden Gate National Cemetery, San Bruno, Calif.; to the Committee on Interior and Insular Affairs.

By Mr. LINDSAY:

H.J. Res. 390. Joint resolution granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency; to the Committee on the Judiciary.

By Mr. ADDONIZIO:

H. Con. Res. 174. Concurrent resolution providing for the development through the United Nations of international educational programs; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Alaska, memorializing the President and the Congress of the United States relative to providing the State of Alaska, Department of Fish and Game with annual funds of not less than $5 million per year for not less than 15 years for the rehabilitation of the salmon resources; to the Committee on Merchant Marine and Fisheries.

Also, memorial of the Legislature of the State of Oregon, memorializing the President and the Congress of the United States relative to requesting that appropriate action be taken to improve our national defense capabilities and the economic condition of our State by assuring the return of rail cars to the railroad holding title thereto with the least practicable delay, deferring action on any national legislation which would increase railroad cost of operation, and making every reasonable effort to aid the railroads to develop a car-construction program; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Pennsylvania, memorializing the President and the Congress of the United States to expedite the appropriations and enabling legislation, including enunciation of the will of Congress, to bring into being without further delay the great Kinzua Dam on the Upper Allegheny River in northwestern Pennsylvania; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAVIS of Tennessee:

H.R. 7079. A bill for the relief of Don L. Herring; to the Committee on the Judiciary.

By Mr. FULTON:

H.R. 7080. A bill for the relief of Masako Tamanana; to the Committee on the Judiciary.

By Mr. HARMON:

H.R. 7081. A bill for the relief of the Hardy Manufacturing Corp.; to the Committee on the Judiciary.

By Mr. MOSS:

H.R. 7082. A bill for the relief of Graham Wong; to the Committee on the Judiciary.

By Mr. OSMERS:

H.R. 7083. A bill for the relief of Jane Jean Baptiste; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H.R. 7084. A bill for the relief of Willibaldo Delgadillo-Rojas; to the Committee on the Judiciary.

By Mrs. SIMPSON of Illinois:

H.R. 7085. A bill for the relief of John B. Sutter; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petition and papers were laid on the Clerk's desk and referred as follows:

181. By Mr. WIER: Petition on memorial of members of the House of Representatives, State of Minnesota, regarding their favorable views on and support of H.R. 1354, introduced by Congressman STAGGERS, of West Virginia, a bill to amend the Standard Time Act of March 19, 1918, so as to provide that the standard time established thereunder shall be the measure of time for all purposes; to the Committee on Interstate and Foreign Commerce.

182. By the SPEAKER: Petition of the president, National Guard Association of the United States, Washington, D.C., petitioning consideration of their resolution with reference to requesting Congress to study, make a report, and offer remedial legislation concerning the subject of medical care, hospitalization, disability retirement, and death benefits for members of the National Guard and Reserve components; to the Committee on Armed Services.

183. Also, petition of the commander, Capital Post No. 19, the American Legion, Salem, Oreg., petitioning consideration of their resolution with reference to requesting favorable consideration of S. 1138, a bill to extend educational and training benefits to all veterans who enter military service from February 1, 1955, and as long as the draft shall continue; to the Committee on Veterans' Affairs.

EXTENSIONS OF REMARKS

The 10th of May, a Rumanian National Holiday

EXTENSION OF REMARKS
OF
HON. CLIFFORD P. CASE
OF NEW JERSEY
IN THE SENATE OF THE UNITED STATES
Monday, May 11, 1959

Mr. CASE of New Jersey. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address I recently prepared for radio broadcast on the occasion of the Rumanian national holiday which was celebrated on May 10.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The 10th of May is the Rumanian national holiday, the day on which the free Rumanian nation celebrated its independence. Since the present Communist regime has forbidden the people of Rumania to commemorate this day of national pride, it is fitting that we use the occasion to make clear that the free world has not forgotten the unhappy fate of the captive peoples behind the Iron Curtain.

For more than a decade the nations of Eastern Europe have lived under the grim shadow of Communist rule, enduring ceaseless and methodical oppression from regimes backed by the armed might of Soviet Russia. All of the terrors common to the modern police state have been used to integrate these nations into the Communist system, and to destroy, in the process, every desire for nationality and freedom.

That the Communists have largely failed in their efforts has been made abundantly clear in recent years by revolts in Hungary, Poland and East Germany. The revolt in Poland resulted, for a time, in some small measure of freedom for the people of that nation. But in Hungary, the rebellion was crushed with shameless brutality, despite the overwhelming censure of world opinion.

The role of the Russian army in suppressing these revolts revealed the extent to which force is the basis for Communist control in Eastern Europe. The Kremlin leadership knows that without an army and a vast police apparatus to underpin its rule the Iron Curtain would vanish overnight.

Today, thousands of Iron Curtain refugees still continue to flee into free Europe. Their flight from Communist tyranny testifies that the quest for freedom remains constant, despite relentless efforts by the Communists to seal off every avenue of escape.

For those who must remain behind, Communist domination will be endured with the hope that someday the light of freedom will penetrate the Iron Curtain, heralding the dawn of a better life. Their willingness and ability to resist the encroachments of communism shows that hope has not died among the captive peoples. It must be the earnest prayer of all Americans that this desire for independence will someday be fulfilled in Rumania, as in the other nations in Eastern Europe.

Aluminum Marketing

EXTENSION OF REMARKS
OF
HON. VANCE HARTKE
OF INDIANA
IN THE SENATE OF THE UNITED STATES
Monday, May 11, 1959

Mr. HARTKE. Mr. President, during the Easter congressional recess I visited several countries in Europe as a representative of the U.S. Senate and the Committee on Interstate and Foreign Commerce. While in Germany I had the opportunity of discussing coal and aluminum marketing with officials of the Federal Economics Ministry in Bonn. The U.S. Minister for Economic Affairs in Bonn recently sent me memorandums outlining my conversations with officials of the Federal Economics Ministry and I ask unanimous consent that these memorandums be printed in the CONGRESSIONAL RECORD.

There being no objection, the memorandums were ordered to be printed in the RECORD, as follows:

MEMORANDUM OF CONVERSATION

APRIL 1, 1959.

Subject: Discussion of aluminum marketing.
Place: Federal Economics Ministry, Bonn.
Participants: The Honorable Vance Hartke, U.S. Senator; Mr. August Bourbon, staff member, U.S. Senate; Ministerialrat Dr. Heinrich Sennekamp, Mr. Storz, Dr. Pickard; economic counselor, Mr. William C. Ockey, U.S. Embassy, Bonn, Dr. Vaeth, Mr. Sommer; Mr. Thomas C. Stave, second secretary, U.S. Embassy, Bonn.

Senator HARTKE began his remarks by complimenting West Germany for the rapid economic progress it had made since the end of the war. He then described Soviet economic warfare in the world aluminum market since the war, particularly since 1957, when Soviet aluminum appeared on the British market on a cut price basis. He noted that Britain had been acquiring most of its aluminum from Canada, and that the Soviets then offered aluminum at a price of 2 cents below whatever price the Canadian producers were quoting. By the end of 1957, the proportion of Soviet aluminum in Britain

had increased considerably while the Canadian proportion had decreased. Canada, in January 1958, petitioned the British Government to take antidumping action against the Soviets, but no action was taken, whereupon the Canadian producers, in April 1958, were forced to cut the free world price of aluminum 2 cents per pound, with a resultant decrease, during 1958, of both profits and tax revenues. Noting the erratic pattern of Soviet aluminum shipments, Senator HARTKE described the move as "sharpshooting" rather than "dumping."

Mr. Sennekamp thanked Senator HARTKE for his compliments, adding that much of the West German progress would not have been possible without U.S. Marshall plan aid. He then confirmed Senator HARTKE'S opinion on the Soviet maneuver, stating the same effect on aluminum prices in Germany had been seen during the 1957–58 period. He indicated, however, that there was no longer such a problem as far as the German market was concerned. He explained that in 1956 there was an aluminum shortage in Germany, which then entered into contracts for imports of limited amounts of Soviet aluminum. When the licenses for these shipments expired, however, new licenses were not granted. Furthermore, Mr. Sennekamp said, aluminum was not included in the recent West German-Soviet trade agreement, despite Soviet efforts to have the item included. He continued that in 1956 the Federal Republic entered into long-term contracts (up to 1961) for aluminum imports from Canada and Norway, which countries will supply most of its import needs. He estimated that West German production of primary aluminum in 1959 would be about 150,000 tons, with consumption about 190,000 to 200,000 tons. The difference of 40,000 to 50,000 tons would come through contracts with Canada and Norway. He predicted, however, that the Soviet Union would again enter the world aluminum market, since its processing industry cannot keep up with Soviet production of pig aluminum. He said this was also true with tin, zinc, and other nonferrous metals. Mr. Sennekamp also explained that the Federal Republic has a basic tariff of 7 percent on aluminum imports, but that imports of up to 40,000 tons are free of such duty, which covers practically the entire gap between domestic production and consumption. He expressed his opinion that 7 percent is not a high rate, since practically all other countries, including the United States, have a similar rate, while others, particularly France and Italy, have much higher rates. Senator HARTKE said the United States had no complaints with Germany on the question of tariffs, but that a problem had arisen on the Belgian tariff on semifinished aluminum products.

Senator HARTKE then expressed the interest of U.S. aluminum producers in developing new markets for aluminum, particularly in other areas of the world. Mr. Sennekamp commented that German producers had a like interest, and were cooperating with U.S. industry in hopes of developing new uses. He mentioned that within a few weeks a group of German architects would be visiting the United States to confer with representatives of the building industry here. Senator HARTKE said he would be glad to assist them in making contacts with U.S. firms, mentioning Alcoa, Harvey Aluminum, Reynolds Aluminum, and the institute, National Homes, which is developing a prefabricated house constructed almost entirely of aluminum. He said he would like to see an exchange of ideas, and suggested the possibility of using the United Nations as a clearing station.

Mr. Pickard then said he was an official of the Vereinigte Aluminumwerke (VAW) which represents 70 percent of West German aluminum producers. He described the problem of building up the industry after the war, and stated that although German per capita consumption was not as high as the United States, it was nevertheless going well, following U.S. pioneer work. He said the VAW had good contacts with U.S. producers, but would appreciate efforts to intensify what has been done so far, including the use of Senator HARTKE'S good offices. The Senator said that by lending their brains, the Germans would be contributing to the economic welfare of the United States; that it was in the German interest to see a strong United States. He said that, due to apprehension over economic conditions, some U.S. producers were delaying planned expansion, mentioning specifically a contemplated new Alcoa plant at Evansville, Ind. Mr. Pickard agreed that cooperation was important, adding that he expected to be in the United States in June, and would like to meet with U.S. aluminum producers.

Mr. Sennekamp then said he would like to learn of expected future aluminum production in the United States. He noted that present U.S. annual production has increased to about 1.5 million tons, with consumption about the same, and that U.S. representatives have expressed interest in making sales to Europe, including Germany. Mr. Prichard interjected that the German gap between production and consumption is pretty well taken up by Canadian and Norwegian contracts. Senator HARTKE said that this was why a factual information exchange was necessary, in order that no country is hurt. He repeated that efforts should be made to increase consumption. He noted that the U.S. population is growing, and that there should be a growing need for aluminum. Mr. Pickard then commented favorably on U.S. efforts to develop a demand for aluminum in South American countries.

After a mutual exchange of good wishes, the meeting was ended.

MEMORANDUM OF CONVERSATION

APRIL 1, 1959.

Subject: Discussion of coal marketing.
Place: Federal Economics Ministry, Bonn.
Participants: The Honorable Vance Hartke, U.S. Senator; Mr. August Bourbon, staff member, U.S. Senate; Ministerialdirigent Richter, Ministerialrat Dr. Steinhaus, Ministerialrat Dr. Estner, Ministerialrat Dr. Prescher; Mr. Thomas C. Stave, second secretary, U.S. Embassy, Bonn.

Senator HARTKE said he wished to discuss the adverse effect on the U.S. coal industry and on U.S. public opinion caused by the recently imposed West German coal import restrictions, which he understood was based on German unilateral action. He said that unemployment in the United States was relatively high (6 percent in 1959 as compared to 2½ percent in Germany), particularly so in certain coal mining areas such as Kentucky (15 percent) and West Virginia (nearly 25 percent). He said that total coal production in the United States had been declining for some years, despite shipments to Europe, including West Germany. He said he understood the coal industry had expected to ship about 9 million tons to Germany in 1959. Mr. Richter interjected that in 1958 Germany had imported about 13 million tons, of which 11.2 million tons came from the United States.

Senator HARTKE stated he understood that, prior to 1958, German industrialists had signed long-term contracts with U.S. coal producers, covering a total of 40 million tons, and that the German industrialists had entered into such contracts upon the request of the Bonn Government for reasons of defense. He said he believed that a New York Times article in September 1958 was the first indication U.S. producers had of German contemplated controls, which was followed by the German tariff and quota imposition in January 1959. He indicated that U.S. coal producers believed this constituted a breach of contract.

Senator HARTKE stated that both countries have the capacity to produce more coal than they can consume or export, and thus have common economic problems. One such problem would be the difficulty of reopening a mine once it has been closed. Other problems are created for related industries, such as transportation. He said that political problems are also created, and that the relative importance of each of these problems must be considered. He mentioned a Joint Economic Council study earlier this year on the poor economic situation in the West Virginian coal mine area, which had received considerable U.S. newspaper publicity. He stated that, as a result of the U.S. economic recession and unemployment in the coal mining industry, Congress was disturbed over the effect the German import restrictions will have on future economic relations between the two countries. He said he was not there to say that the U.S. problems would be solved by raising the restrictions, but neither did he believe the German problems would be solved by imposing them. He thought that the net benefit to Germany of the import restrictions could be more than offset by damages which might be caused by U.S. policy. He asked if any of the Germans present had any comments to make before he continued.

Mr. Richter said he was especially interested to learn of the high unemployment in Kentucky and West Virginia. He said he had visited the United States and noted several differences between the United States and German coal industries. He said he had observed that U.S. mines were generally no deeper than 100 meters, while German mines average 750 meters in depth. He said U.S. mining is more highly mechanized, and that the rate of productivity is six times as high as in West Germany. German miners normally work a 5-day week; U.S. miners, 3 to 4. He noted also that German coal mining is concentrated in the Ruhr area, thus constituting greater potential political trouble than in the United States, where mining is more widespread. Mr. Estner commented that, with their greater depth, closed German coal mines would be more expensive to reopen than American mines.

Mr. Richter said he believed the Senator was misinformed in having stated that long-term contracts had been signed upon the Bonn Government's request. He explained that this was done on the initiative of the importers who found long-term contracts more profitable, since they could obtain better rates from shipowners. He said that, prior to September 1958, because of mounting surpluses, both at the pitheads and in the stocks of consumers, the Government suggested to importers that they reduce the number of new contracts. Since this measure was not adequate, the Government imposed an embargo in the form of permitting no new contracts, and finally the Economics Ministry had to take new steps, in the form of duty-free import quotas. Mr. Richter said the German authorities do not yet know what the result of these measures will be, and probably will not know until they expire on December 31, 1959.

Mr. Richter expressed a German belief that the American public is either misinformed or has misunderstood the German efforts, if it is really felt that the Germans treated their contracts as mere scraps of paper. He said reasonable compensation had been offered both to German importers and to U.S. exporters, and that German visitors to the United States reported they had found full understanding there on the matter of compensation. He said a heavy financial load had been placed on the German mining industry, and that he would be grateful if the Senator would explain to the U.S. public that the Germans were not considering the contracts as mere scraps of paper.

At this point, Mr. Richter was obliged to leave the discussion.

Dr. Steinhaus then described social problems in the Ruhr area, which he said were important to both Germany and the United States. He said the Ministry was forced to impose the import restrictions so that not too many miners would be laid off. He emphasized that the Ruhr is a small area with a great industrial potential. He mentioned the density of population, 1,152 persons per square kilometer. He said that even though the Government did not favor the idea of import restrictions in principle, it was concerned because of the radical elements in this densely populated area, which could result in an uncontrolled political development. He said that only 200 miles from the Soviet Zonal border, it constituted a hotbed of political activity. He said he could not overemphasize this danger.

Senator HARTKE said he could appreciate the German problems, including the Berlin situation, and that the United States was aware of the necessity for cooperation in solving them. Nevertheless, he said, Germany should also appreciate that the German restrictions had the effect of aggravating serious economic problems in the United States, and could thus have an adverse psychological effect on Congress. He said that, for example, Congress was concerned about the effect of unemployment in the U.S. automobile industry, and that one of the States is in such a poor financial status that it is in danger of going bankrupt. He said that the United States had overextended itself financially in the past few years, and suggested that Congress might be inclined to cut down foreign aid as a result. He commented on the fact that West Germany had received considerable U.S. economic assistance, and likened the effect of the recent German restrictive measures, which was hurting the U.S. economy, to that of a "wet towel." He expressed his hope that the Federal Government would take steps to lift the coal import restrictions.

Alcoa's Safety Award

EXTENSION OF REMARKS

OF

HON. RICHARD E. LANKFORD

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, May 11, 1959

Mr. LANKFORD. Mr. Speaker, the attainment of a high record of efficiency after keen competition is a matter of widespread interest, particularly when it concerns such a question as safety, which is a main objective of the American people throughout our country.

For this reason, it is noteworthy that the Alcoa Steamship Co. has just been awarded first place in this year's safety contest conducted by the marine section of the National Safety Council. The enviable good record of Alcoa has been recognized generally, so that the basis on which this year's award is made confirms the beliefs of many individuals and companies who have enjoyed the benefits of Alcoa services.

It is noted that the officers and men sailing Alcoa's fleet of freighters maintained an accident rate of 2.94 in achieving this result through operations of both passenger and cargo ships.

William C. White, president of Alcoa, and a member of the board of directors of the American Merchant Marine Institute, deserves the commendation of the American people. His continuing high standard of achievements is worthy of recognition by public-spirited citizens.

The presentation of the safety council award was made by Carl F. Vander Clute, general manager of the Gulf Oil Corp. marine department and also general chairman of the marine section. Because of the importance of this eminently satisfactory showing, I desire to bring this matter to public attention by publication of these remarks in the CONGRESSIONAL RECORD.

Next Year and the Next 10 Years

EXTENSION OF REMARKS

OF

HON. FRANK CHURCH

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Monday, May 11, 1959

Mr. CHURCH. Mr. President, the junior Senator from Utah [Mr. Moss] addressed the Women's National Democratic Club here in Washington last Thursday night. He spoke discerningly and with clarity on the posture of this Nation as our Western civilization faces great dangers.

I was particularly interested in his discussion of the tasks we have assigned to the Select Committee on Water Resources by Senate Resolution 48, recently passed.

Mr. President, I ask unanimous consent that this fine address delivered by Senator Moss be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

NEXT YEAR AND THE NEXT 10 YEARS

(Address by Senator FRANK E. MOSS before the Women's National Democratic Club, Washington, D.C., May 7, 1959)

For a new Senator, Washington has many surprises, most of them pleasant. My biggest surprise, however—and I think I can claim an exclusive on this one—was to be asked to address Lincoln Day dinners. One of the first pieces of mail I opened was from former Republican National Chairman Meade E. Alcorn, requesting my preferences as to places to deliver Lincoln Day speeches.

And actually I would welcome the opportunity of talking to a Lincoln Day audience. I would like to remind them of the needs of the present day, as Republican Senator GEORGE D. AIKEN, of Vermont, did when he said in his speech this year:

"It is a mistake to give the public the impression that a balanced budget to be achieved at any cost is the paramount aim of our Republican administration.

"Lincoln had to choose between conflicting values and he chose the greater ones," AIKEN said. "He could have balanced the budget and lost the Union. He could have held down the national debt and perpetuated slavery.

"Instead of 'scaring the daylights out of people' by putting budget balancing first," AIKEN said, "Republicans should make clear that national security and a stable progressive economy are our paramount interests.

"The United States is a growing nation. The progress we have made to date is only preliminary to what the future holds for us."

In addition I would remind Republicans that Lincoln said this: "The dogmas of the quiet past are inadequate to the stormy present * * * as our case is new, so we must think anew and act anew." Surely the need to "think anew and act anew" was never greater than it is today.

For today we face new threats to our security, to our way of life, to Western civilization itself. The entire concept that was summed up in Woodrow Wilson's historic phrase, "To make the world safe for democracy," is in great danger.

This audience is thoroughly familiar with the nature and extent of that threat. We have seen the development of the fearsome weapons which, their creators tell us, are capable of blowing up civilization itself. We have heard the soothing statements of the administration prior to the launching of the first sputnik, and have seen revealed the rapidly increasing economic productivity of the Soviet Union.

We are aware that last year, for the first time, the Communist bloc, including the U.S.S.R., its East European satellites and China, produced more steel than did the United States. And of the even more sobering fact that half our capacity—an amount equal to the U.S.S.R. production—was idle. Put another way, the American furnaces that were idle last year could have produced as much steel as all the furnaces in the Soviet Union.

The totalitarian dictators know what kind of world they want it to be in the years ahead. They boldly plan for that world, and channel their productive capacity, their educational facilities, and their diplomatic maneuvers to making it that kind of world.

If we are to win in this kind of struggle, we must project our program ahead—we must decide what kind of world we want it to be twenty years from now. And within the framework of democratic individual liberty, we must devote the years ahead to the effort to create that kind of world.

And the competition of Russia is only one of the developments that make it necessary to take the long view, to plan ahead, to decide what kind of world we want it to be and set out consciously to make it that kind of world.

More basic than even that, are two other problems—the accelerating population of the world, and the increased use of Western industrial techniques.

The most famous of living English historians, Arnold Toynbee, has pointed out how the formerly backward nations of the world are beginning to use the mass-production methods developed by the West; and how—if they succeed in developing productive economic systems—their tremendous advantage in numbers is bound to tell against us.

There is no question as to the administration's program to meet these problems. As Senator AIKEN indicated, first, last, and all the time it is: balance the budget to stop inflation. And this administration policy is getting a free publicity ride on the tremendous "stop inflation" advertising program being conducted by American business.

Now, we Democrats want to see as much study of economic problems as possible, and it is a healthy thing for our citizens to take an interest in the budget, and to take the time and effort to study the problem and to make their views known. We are all aware of the tragic things that inflation can do to the economy of a country and to the people who live in it. We must also be aware of the complex nature of inflation, and of all those problems that have to do with our monetary system.

Many feel that deficit financing by the Federal Government is the sole cause of the rise in the price level that we call inflation. While it may be true that it is a contrib-

uting cause, a year-by-year examination of our Federal budgets and the rise in the cost-of-living figures clearly show that balancing the budget in one year does not necessarily mean stable prices that year. For example, the present Eisenhower budget is $13 billion out of balance, but there has been virtually no increase in the cost of living for the past 4 months.

No one seems to know precisely how to halt inflation, although we recognize many of the factors which contribute to it. For example, the tight-money policy was supposed to slow down borrowing and credit and thus to halt inflation, but this slowdown caused a business decline which resulted, in turn, in an increased Federal deficit due to loss of tax revenue. So we know that we must have a healthy and expanding economy to meet the fixed obligations of the Government with adequate tax income. If we do not, we are compelled to resort to deficit financing.

Let me say, however, that I am hopeful that we can balance the budget this year, and that this will contribute to stabilization of the value of the dollar. But in attempting to do this, we must not forget our primary needs of defense and of the economic well-being of our people. It is important to safeguard the incomes of those on fixed incomes. It is equally important to provide what is needed for education, for social security, for conservation of our natural resources, and for defense of the free world against the Soviet military and economic threat.

The administration is making the budget for this fiscal year an end in itself. Actually, it should be only a means to the greater ends—the needs for national security and necessary domestic programs.

With much of what I have said, many Republicans would agree, except that they would have a different definition of the word, "necessary." What do we mean by necessary domestic programs?

As an example, let's look at two domestic matters that I consider necessary: the solution of the unemployment problem and conservation of our natural resources.

As you know, we are in a period marked by rising output of our gross national product, and what has been described as a profit explosion. In these two fields, recovery is undoubtedly good. But in employment, we are witnessing a much slower increase.

Studies indicate that increasing productivity due to automation may make it impossible for many workers to ever get their jobs back.

Increasing productivity is what makes a high standard of living, and this is good news. It is only one side of the story, however. Unemployment is bad news, and this problem must be met. The areas most affected are finding it difficult to finance their local governments. Unemployment, the resulting lack of purchasing power and tax-paying power was one of the great contributing causes of the 13 billion deficit for this fiscal year.

If this problem will solve itself, so much the better. But a realistic look at our history for the last 30 years must show that unemployment is a symptom of more basic economic problems which, if not met, will give us real trouble in many other areas including that of the budget.

The second question is how our irreplaceable resources upon which our prosperity has been built—land, water, minerals, forests, and the others—are to be handled to retain and enlarge their productive capacities.

One of the most necessary of these, and one that well illustrates the point, is water. Since my State of Utah has been a leader in water conservation, it is a subject that is very near to me.

Water was once a problem only to the West. But our water table is falling throughout the Nation, and there is grave concern on adequacy of resources. Almost the entire supply of water that is high quality, inexpensive, and readily available is in use already.

Our population increase, as well as our increase in standard of living, must be provided for by conservation. And our requirements per person are rapidly accelerating. What was good enough for our grandfathers is not good enough for us. We are becoming used to automatic washers and automatic dishwashers. The Saturday night bath has been replaced by almost daily showers. The small patch of lawn in front of the cottage has given way to many beautifully landscaped areas for home, schools, and churches. We are building newer and larger golf courses, parks, and recreation areas.

Our industry is geared to large production of thousands of items that require great quantities of water, for instance 200,000 gallons to produce 1 ton of rayon, 300,000 gallong to produce 1 ton of aluminum, and 600,000 gallons to produce 1 ton of synthetic rubber.

Today we are using about 240 billion gallons of water a day. By 1975, if our 175 million population grows to 225 million as expected, even our present rate of consumption would outstrip our resources. It is expected that by 1975 we will need 350 billion gallons a day, or more than a 90-percent increase over the amount used in 1950.

As an example of how we Democrats are attacking these problems of the future, the Senate has, by resolution, set up a Select Committee on Water Resources. The resolution was the result of action taken earlier in the session by the Western Conference of Democratic Senators. The committee consists of Members of the Senate from the Committees on Interior and Insular Affairs, Public Works, Interstate Commerce, and Agriculture and Forestry.

Its task is to determine the water resource projects that will be needed between now and 1980 to supply the requirements of population, agriculture, and industry. The committee will report its findings and recommendations to the Senate not later than January of 1961.

In addition to conservation through storage and regulation of flows, the committee will study recent technical advances, including desalinization of brackish and saline waters, reduction of loss through evaporation, seepage control, and waste-water salvage.

Water development programs must be started well in advance of requirements. Relatively small projects take 10 to 15 years for the careful planning that must be done and for construction. Measures needed to meet 1980 requirements should be started as soon as possible.

A whole speech could easily be devoted to the history, features, and benefits of one of these great developments, the upper Colorado storage project, now underway in my State of Utah and surrounding States.

This project has been under consideration for more than 50 years. Some land withdrawals were made as early as 1904.

When completed, the project will develop an area of 100,000 square miles. It will consist of four large main-stream dams, one on the Green River on the Utah-Wyoming border, one on the Colorado on the Arizona-Utah border, one on the San Juan in New Mexico, and one on the Gunnison River in Colorado.

One million kilowatts will be added to upper basin power capacity, 132,000 acres of new land will come under irrigation, and 234,000 acres will receive supplemental water.

It will provide the water and power for full development of the more than 200 different minerals found in the Colorado Basin area, as well as open up great new recreation areas to boating, fishing, and refuges for ducks and other migratory birds.

One specialized but very important aspect of the conservation problem is the Federal-State conflict of Federal preemption of water rights. This, like all water problems, is most acute in the West, but will become more important to the entire country as conservation and allocated use becomes widespread.

The settlement of the West required cultivation of land which did not enjoy sufficient rainfall. This meant irrigation, which, in turn, meant storage of water during wet seasons for use in other places during dry seasons. As soon as water that originates one place is put to use somewhere else, the question arises as to ownership.

Since the first Utah settlements, water law has developed on the basis of beneficial use. Whoever first puts water to beneficial use owns it. And this property right is more valuable than the land itself. All existing water rights have been secured under State law and now the Federal Government refuses to recognize those State laws and the individual rights granted under them, as binding on itself.

This controversy has accelerated as more Federal projects have been built in the West, and court decisions have held against the States.

Legislation to establish Federal recognition of individual water rights has been introduced in the last several sessions of the Congress, and I am the author of a water rights law this year. All previous bills have failed, largely because of the opposition of the Federal departments that deal with western lands.

You will have a better idea of the scope of the problem if you realize that the Federal Bureau of Land Management administers 176 million acres in 26 States and 298 million acres in Alaska, and that 74 percent of Utah is federally owned.

We in the West, who have had the experience with this problem, believe that the orderly development and expansion of water conservation demands the recognition of State laws, and the willingness of the Federal Government to apply for water rights in the same way as other users do.

The Problem in Germany

EXTENSION OF REMARKS
OF

HON. MIKE MANSFIELD

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Monday, May 11, 1959

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a speech which I made on "The Problem in Germany" before the Bicentennial World Affairs Forum of the Foreign Policy Association of Pittsburgh on May 1, 1959.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SPEECH OF HON. MIKE MANSFIELD, OF MONTANA, BEFORE THE BICENTENNIAL WORLD AFFAIRS FORUM OF THE FOREIGN POLICY ASSOCIATION OF PITTSBURGH ON MAY 1, 1959

INTRODUCTORY REMARKS

Thank you for your kind words of introduction. They are deeply appreciated though undeserved.

Ladies and gentlemen, your welcome has been warm and generous and I shall do my best not to wear it thin. As you know this is my second visit with the Foreign Policy Association of Pittsburgh. To have been asked to come again is both a pleasure and a reassurance. It is a little like being reelected to the

Senate. I am honored and I am most grateful to you, as I am to the citizens of Montana, for giving me a second chance.

Before proceeding to my remarks for this evening, I want to express to you, to your hard working and able director, Mr. Higgins, and, in truth, to all the foreign policy associations throughout the country, my admiration for the very significant public service which you perform.

May I take this means to state publicly what I have said many times privately about one of your members present with us this evening.

He served outstandingly in the European theater in World War II. He assumed command and set up a command post for Americans in Bogota, Colombia, when a revolution broke out in that country during the Ninth Inter-American Conference in 1948. He commanded our troops in Korea at the most critical and difficult stage and from there, he went to Europe and became Supreme Commander of NATO. He rounded out his career as Chief of Staff of the U.S. Army and has retired here at Pittsburgh to become one of your outstanding citizens.

I refer, of course, to Gen. Matthew B. Ridgway, who was and is not only considered a soldier's soldier, but perhaps most important during his entire military career he was a statesman's soldier as well.

There was a time when the Nation faced the problem of getting adequate and prompt information on developments elsewhere in the world. That problem has largely been solved. Modern means of communication bring the people of the United States, just as soon as it is made, almost more news than they can handle.

A related problem, however, remains. It is illustrated by a New York Times nationwide survey of public attitudes on the Berlin situation. The survey, made several weeks ago, showed that while an overwhelming percentage of Americans favored "standing firm" in the Berlin situation almost 40 percent did not know that in standing firm in Berlin we were standing over a hundred miles inside Communist Germany. According to the Post-Gazette of today an even more startling show of public ignorance or apathy has come from Britain. A recent opinion poll there revealed that 3 Britons in every 10 had never heard there was a dispute over Berlin.

This suggests to me that while the problem of supplying the news from abroad in sufficient quantity is being met, the problem of filling in the background and of giving the news perspective in terms of the Nation's needs and interests has not yet been adequately met. It is precisely in this field that the work of the Foreign Policy Association is most useful. As a Member of the Senate and the Committee on Foreign Relations, I applaud you for your contribution to public understanding of the vital international issues which confront the Nation. I express the hope that you will go on doing even more in this connection.

I am here, tonight, to participate with you in a small way in your important work I am here to discuss one segment of the international situation—the question of Germany.

At this point in the unfolding of that question I believe it is reasonable to say that as a Nation, we know that there is such a thing as a problem in Germany. Further, that we realize that we must "stand firm" in Germany. More recently, we have heard too of the need for not only "firmness" but also "flexibility." Let me try, tonight, to go beyond those slogans, for, in truth, that is what they are. Let me try, tonight, not merely to reiterate the need of being firm or flexible or firmly flexible or flexibly firm. Rather, let me try to explore with you the problem which confronts us in Germany and the possibilities of dealing with it in ways other than disastrous war or disastrous diplomatic retreat.

THE PROBLEM IN GERMANY

The problem which confronts us in Germany is a segment of the worldwide problem of establishing equitable, rational, and evolving, conditions of peace. Today the crisis looms in a divided Germany and a divided Berlin. Tomorrow the scene of principal danger may shift to the Middle East. The day after it could be in the Far East that the clouds of conflict gather.

Since the end of the second war we have lived with a succession of international crises in these and other regions of the globe. It is as though the world were a vast and dangerous mine. We have rushed from one point of imminent or actual cave-in to another in a never-ending struggle to shore up the sagging roof of peace. We have timbered with a Berlin airlift, with a military defense of South Korea, with vast aid programs in Europe, Asia, and elsewhere, with troops in Lebanon and with naval power and other measures in the Formosan Straits.

These costly and strenuous improvisations represent our efforts to prevent a complete collapse of peace. It is doubtful, however, that what these measures have produced in the principal zones of danger—in Germany and Central Europe, in the Middle East and in Asia—this patchwork of timbering on which the fate of civilization rests—would meet a minimum safety code. The fact is that a dangerous world, no less than a dangerous mine, is not made safer, in any permanent sense, by patchwork. Improvisations may be unavoidable, as interim measures, as desperate measures. They ought not to be confused, however, with peace. On the contrary, improvisations may conceal an encroaching danger to ourselves and to the rest of the world by creating the illusion of stability, by permitting the postponement of essential, fundamental changes until it becomes perilously late to make them.

Something of that sort, I believe, lies at the root of the present problem in Germany. For years now, there has existed in that nation a kind of surface stability.

This is the appearance of that stability. In Western Germany which houses about 50 million Germans, the responsible, representative government of the Federal Republic, its capital in the city of Bonn, functions with a high degree of effectiveness. West Germany has one of the most productive and dynamic industrial economies in the world. It also has the substantial beginnings of a powerful German military establishment. Beside this establishment, there are garrisoned over 275,000 other NATO troops—French, British, and American—many with their dependents.

To the east of the Federal Republic is a Communist-held German territory, much smaller in area and with a population of only 17 million. Many Germans regard this region not as East Germany but as Central Germany, having in mind the Polish-annexed territories beyond the Oder-Neisse as the true, the unredeemed east. For our purposes tonight, however, I shall speak of the region as East Germany or Communist Germany. In this sector of the divided nation, there is poverty, stagnation, and oppression from which vast numbers have fled to the west in recent years. Increasingly, however, we hear reports of plans, if not the beginning, of an economic revival in the east.

There is Communist rule in Eastern Germany. A German totalitarian regime exists there by virtue of its own and Soviet power and the acquiescence, however sullen, of the East German people. As in the west, a German military establishment has been reconstituted in the east, under Communist control. It is supplemented by many divisions of Soviet Russian troops.

This brief sketch of a divided Germany also fits in microcosm, with some variations, the present situation in a divided Berlin. A principal difference is that Allied and Soviet Russian forces still retain tangible, visible responsibility for what happens, respectively, in the western and eastern sectors of the city. Garrisons of both are present and the Russians control the routes through East Germany over which French, British, and American forces must pass, from their bases in West Germany to their outpost in Berlin.

Under the ultimate control of the Allies, West Berlin has its own municipal government with Willy Brandt as its able, outspoken mayor. Under Soviet control, a sector of East Berlin—Pankow—serves as the seat of the Communist East German regime.

Among Germans of the two zones of the divided nation and the two parts of Berlin there is considerable contact, official and unofficial, in trade and in other matters. There is no formal recognition, however, of the one by the other. In fact, of all the principal countries involved in the German situation, only the Soviet Union recognizes both the West and East German Governments.

That, in brief, is the look of stability in Germany. The arrangements which underpin this stability are those which evolved at the end of World War II. They were designed originally for the temporary occupation of a defeated Germany. But what began as an expedient took on a kind of permanence with the breakdown in relations between the Soviet Union and the Western nations.

All around the rim of Germany changes have taken place. Within West Germany and East Germany, respectively, changes have also taken place. But between the divisions, the arrangements for stability have not changed in essentials for years.

All of the nations involved have recognized at one time or another that these arrangements are inadequate. We and other Western nations have said, in effect, that they must be changed. The Soviet Union has admitted that they should be changed. The German leaders—East and West—know that sooner or later they will be changed. All involved have paid at least lip service to the basic requirements of change, that is, to the need for reunification of Germany and of its capital of Berlin and to the need for a final liquidation of World War II.

However, no nation has really moved from the position it assumed years ago on how these admittedly necessary changes should be brought about. The Western position has been based, at least until recently, on the contention that there should be free all-German elections as the prerequisite to reunification and a peace settlement. The Russians have been vague on this matter but it is apparent that even if they use the same language as we do, they do not mean the same things. They clearly do not accept a unification of Germany by free all-German elections, if it means, as it would at this time, the obliteration of German Communist political influence in East Germany. It may be that they are not really prepared to accept unification under any circumstances unless it means the domination of all of Germany by communism.

In the meantime, all have managed to live with the existing arrangements, with a divided Germany and Berlin, part free and part Communist, with a Germany no longer at war but not yet fully at peace. On only two occasions have these arrangements been seriously challenged. They were hit by the Stalin-imposed blockade of Berlin in 1948. Then, in 1953, the Communist political structure in East Germany was shaken by worker uprisings. Both attempts, as you

know, failed. The Western nations committed enormous resources in the Berlin airlift and in the supply and reconstruction of West Berlin. Finally, Stalin was persuaded to abandon his attempt to force us from the city and to unify it under Communist control. The East German revolt which we supported with very articulate enthusiasm was suppressed by Soviet military power and the hope of a spontaneous unification of all Germany under freedom, in that fashion, was set back.

Since 1953, the status quo has not again been subjected to a major test anywhere in Germany. To be sure, there have been incidents which have sent tremors through the stability but they did not upset it. Just last November, for example, Mr. Khrushchev warned that he would change the status quo at Berlin. He did not schedule the execution of the change, however, until this month. Now, apparently, it has been postponed, pending the results of the coming conferences.

In short, the German situation is still held together by the same provisional, improvised arrangements which have held it together for years. These arrangements are tied to certain basic conditions, conditions which must prevail if the stability in Germany, in its present form, is to continue. We must see clearly what these conditions are if we are to measure the scope of the problem which confronts us. Let me, therefore, outline them at this point.

First, the present stability in Germany depends upon the absence of decisive accidents or provocations between the military forces of the West and the Soviet Union. It is conceivable that there may be hostile or threatening contact between these forces, as indeed there has been, without a collapse. This contact, however, cannot go too far. At some undetermined point, military accidents or provocations are likely to set off a chain reaction which will engage in a decisive fashion the prestige—the face, so to speak—of the principal powers. At that point the irrevocable slide or plunge into the abyss of war will have begun.

That, then, is one condition of the continuance of the status quo in Germany, of the present stability which is neither peace nor war. There must be an absence of hostile accidents or provocations between the military forces in Germany which go beyond the point of no return.

The second condition is German acquiescence, the acquiescence of the people of the East as well as the West in the systems under which they now live. Let me say, parenthetically at this point that I do not suggest that this is desirable. I merely say that it is one of the factors which underlie the existing stability.

As a part of acquiescence, Germans must be willing to accept the continued division of their country, the continued presence of foreign troops in great numbers in their land and the military arrangements which join one segment of the nation to NATO for protection and subordinate the other to the Warsaw Pact.

The third basic condition of the status quo is that the Western Powers and the Soviet Union must also tolerate the existing division of Germany and the present arrangements for occupation of a divided Berlin. In short, if the German people must accept the status quo, the Western Powers and the Soviet Union must not challenge it, at least they must not challenge it with anything much stronger than words. Further, the peoples of the West must be prepared, as must the people of the Communist bloc to pay the ever-increasing costs of defense establishments and the instruments of cold war which are made necessary in part by the existing arrangements for keeping the status quo in Germany.

In stating these conditions, I emphasize again that I do not advocate them or subscribe to their desirability. I merely note them as underlying the present situation in Germany, as the conditions precedent to its continuance. These conditions are not the foundations of an equitable, rational, and evolving peace in Germany and central Europe. They are the patchwork timbering of an improvised truce. Nevertheless, they are the conditions on which the lives of the German people, the people of Europe and, in a larger sense, the survival of a recognizable human civilization now depend.

If one of these conditions is changed in any significant fashion, I cannot see that the present situation in Germany is likely to persist. It seems to me that it must either evolve into something more durable or it will collapse in the chaos of war, limited, or unlimited.

Putting aside for a moment Mr. Khrushchev's announcement that he proposes to alter one of the conditions of the present stability, that is, the arrangement at Berlin, what of others? Can these others, in any event, be counted upon to support indefinitely the existing situation? I do not see how they can be. I believe that these other conditions have already changed markedly beneath the surface calm, that they are continuing to change and that they cannot change much more before the churning shall break through the surface.

In that sense, I am persuaded that the present stability in Germany was in the process of erosion long before Mr. Khrushchev's announcement last November. Indeed, I said so in the Senate many months prior to that time.

Let us look for a moment at the present state of these conditions of stability, these basic conditions which must prevail if there is to be no change in the German situation. Take the first—that there must be no military accident or provocation in Germany which goes beyond the point of no return. It is obvious that none, so far, has done so. But there have been grave near-misses. The Berlin blockade was a massive near-miss. Since that time there have been other incidents, provocations. I need not catalog them. You have seen reference to them time and again—to the buzzed transports, to the challenged convoys, to the downed planes and the detained soldiers. I do not know which of these incidents may have been prompted by higher Soviet headquarters and which may have come about by the whim of some local commander. Given a conducive set of circumstances, however, it is far from inconceivable that any incident of this kind might go out of control.

Apart from deliberate provocation, there still remains the very real danger of military accident, if not on our part, then on theirs. The chances of accident multiply when forces are poised—as they are in Germany—at swords-point and are keyed tight by the electrified atmosphere of cold war, of propaganda war. They multiply again as the countdowns of the new weapons quicken and their delivery times shorten. They multiply still again as these devices of incredible devastation find their way into more and more hands. In this sense, then, a basic precondition of the status quo in Germany has indeed changed, quite apart from any recent change in Soviet policy with respect to Berlin. It has changed in the sense that the margin for military error or provocation has narrowed. The prospects are, moreover, that the margin will narrow still further as time goes on.

I believe, too, that it is reasonable to suggest that the acquiescence of the Germans—East and West—the second basic condition on which the status quo rests, has also changed significantly and will continue to change. It is, of course, difficult to document the sentiment of a whole people. We are informed, however, that there is great unexpressed discontent in East Germany. We know, moreover, that there are movements for reunification and neutralization in Western Germany, even if we cannot measure their strength. We must assume that currents of a similar and probably stronger kind flow through East Germany even though Mr. Gallup has yet to conduct a poll in that region.

It is obvious that the defeated Germany, the disarmed Germany, the shattered, starving Germany for which the present improvised arrangements of stability were devised, no longer exists. As I noted earlier in my remarks, at least in one zone—in the West—there is a revitalized nation. Furthermore, in both zones, there now exist German military forces and political structures manned by Germans, even if, in the East, they may not be controlled ultimately by Germans. In both zones, finally, a new generation is coming into its own—a generation which was young in the days of defeat but which, now and in the years immediately ahead, will inevitably rise to leadership in Germany. In these circumstances, it would be unrealistic in the extreme to believe that the arrangements for stability which exist in Germany—devised in another hour and for another setting and modified only within each zone separately—will continue to serve for the indefinite future. In short, we must face the likelihood that the second condition of the status quo—the continued acquiescence of the German people in division and quasi-occupation may well be drawing to an end. We must reckon with the strong possibility that, increasingly, Germans will seek their unity and national equality by whatever means may be available if constructive machinery to facilitate it in peace and order does not exist.

As for the third basic condition on which the present stability in Germany rests, I have already noted that if we are to go on as we are, the Western nations and the Soviet Union must not challenge the existing arrangements with anything much stronger than words. In fact, except for occasional dangerous but limited military incidents and provocations, neither has challenged it, in any other fashion in recent years. Further I said that both the people of the Western nations and the Soviet Union must be willing to pay the ever-increasing costs of defense establishments and the instruments of cold war to keep a rough equilibrium of force not only in Germany but throughout the world. That, too, has been done until now, although I would be less than honest if I did not express my deep concern over continuing reports that the Soviet effort in this respect is greater than our own. I am not in a position to evaluate those reports. The official secrecy—necessary and unnecessary—which engulfs this question cannot be easily penetrated by Members of Congress. The disquieting reports, however, come from highly qualified and competent sources and they do not augur well for the future. They certainly raise doubts about the likelihood of maintaining the present stability in Germany or anywhere else for that matter.

Finally, the third condition of the status quo also depends upon the maintenance of the present arrangements at Berlin. We now know that these arrangements have been challenged. Mr. Khrushchev has assailed the Western position in Berlin and demanded that it change. He has done so, however, only in words and, in that respect, his challenge is not new.

What is new, what does threaten the status quo is the strange action by which Mr. Khrushchev proposes to bring about this change. He proposes to withdraw himself from Berlin, that is, he says that he will remove Soviet forces from the city and from

the routes of access to it. Our official answer has been equally strange. We have said, in effect, that the Russians cannot leave the city and the routes of access, that they certainly cannot leave it in spirit and perhaps not even in body. After trying for many years to get the Russians out of the areas into which they sprawled after World War II, here is one place that we do not wish them to leave.

The reason for this is clear. If the Russians do quit Berlin, they will turn over the instruments of control to East German Communists. That opens, for the Soviet Union, a large field of maneuver in the war of nerves. But in a more fundamental sense, the action will also work a change in the underlying conditions of the status quo in Germany. It will increase the strains and stresses on the essential military restraints which are a part of the present stability. It will do the same to German acquiescence which is also a part of it. In short, the entire German situation will move into a period of grave instability out of which is likely to emerge either a new status quo or conflict.

There has been a great deal of speculation on why Mr. Khrushchev has threatened to take this step. One may assume, of course, that Mr. Khrushchev has been motivated by what he believes will be ultimately to the advantage of the Soviet Union and world communism. I would hope that we are equally motivated by what we believe to be to the advantage of the United States and to world freedom.

What is significant at this moment, is not so much the ultimate aims of Soviet communism. We know what they are and it is of little value to intone them again and again as though this litany will somehow protect us from them. More significant is the question of how Mr. Khrushchev proposes to serve Communist interests through Soviet policies at a moment in history when the transcendent interests of civilization, and of the human species itself, rest in delicate balance between survival and nuclear obliteration.

No one who is not privy to the operations of Mr. Khrushchev's mind and the inner working of the machinery of Soviet communism can be certain of what lies beneath the Soviet maneuver at Berlin. The move could have been motivated by a combination of any of a score of reasons, some logical, some illogical, some groping toward peace, some stumbling toward war.

The interpretation of the charades of Soviet policy may be a fascinating game. As I have already noted, however, this game is essentially speculative. What seems to me most important at this point is not to guess at the obscure contents of the Soviet mind but rather to get clearly in our own minds what it is that we—the western nations—seek in this situation. What is most important is to make certain that what we seek is reasonably related to the situation that exists in Germany today, not to one which we would like to exist or one which may have existed years ago and no longer exists.

If the interests of this Nation, of freedom, and of human civilization lay only in maintaining existing arrangements in Germany, if Mr. Khrushchev's maneuver at Berlin were the only threat to these arrangements then, indeed, it would be sufficient to counter that maneuver merely by standing firm.

Is that, however, the case? I think it is clear that Mr. Khrushchev's maneuver at Berlin is not the only danger to the status quo in Germany. Further, I question whether an effort to maintain that status quo indefinitely is, in fact, in accord with the interests of this Nation, freeedom, and human civilization.

To be sure, we shall stand firm at Berlin and in Germany. I know of no responsible person in the Government of this Nation who holds otherwise. I certainly do not hold otherwise. Moreover, I know of no statesman in the Western World who holds otherwise. We shall stand firm because to permit the forces of freedom to be frightened, cajoled, or driven from Berlin—the future capital of all Germany—will be to remove one of the props of the present stability in that country before another firmer support is in place. Let us not, however, confuse the necessity for standing firm in that sense with a mere maintenance of present arrangements in Germany for the indefinite future.

I am not persuaded that the interests of this Nation, of freedom and of human civilization lies in an indefinite continuance of the present military situation in Berlin and in Germany, a situation which, increasingly, will permit an accident or an irresponsible local provocation to precipitate the suicide of civilization. I am not persuaded that these interests are served by perpetuating arrangements in Germany which offer little prospect of progress toward peaceful unification to the German people. I am not persuaded that these interests are served by the ever-mounting costs of the arms rivalry of the cold war, and the propaganda war—costs which are occasioned in great part by the existing situation in Germany.

What I am trying to suggest, in short, is that it is not enough, in our own interests, merely to stand fast in Germany, as an end in itself. It is not enough merely to seek to sustain an existing situation which is ceasing to be adequate for minimum stability in Germany and central Europe. Rather, we must stand fast in order to go forward, in order to establish more equitable, rational, and evolving conditions of peace.

That is the challenge of the impending conferences on Germany. We must strive in them, it seems to me, to create a less volatile situation in Berlin, not merely by changing the Western position in that city as the Russians have suggested but perhaps by altering the status of the entire city, by internationalizing all Berlin under United Nations or other satisfactory international auspices as an interim arrangement. We must seek a readjustment of the military situation in all of Germany and Central Europe in a fashion which promises to reduce the danger of war by accident of provocation. We must seek, finally, a beginning on the spread of full political freedom throughout Germany and on German unification and, to that end, we must enlist in far greater measure than heretofore, the participation of the Germans themselves—East and West.

I realize, fully, that we shall not get anywhere with negotiations to these ends if the Russians are not of a mind, in their own interest, to move in a similar direction. As I have said, I do not presume to know the contents of the Soviet mind at this time, nor do I know of anyone who does. I do know that regardless of Russian intentions we shall not begin to move toward these ends unless we ourselves are clear as to where it is we want to go. We require at this point in time, beyond all else, a frank recognition of the importance of a change in Germany, a change not in the manner expounded by the Russians and not necessarily in the manner first projected by ourselves years ago. Rather, we need a change which conforms to the realities of the present, a change brought about by concessions which match concessions. To this task, we—all the western nations—must bring a new dedication, a new determination to develop equitable, durable, and evolving conditions of peace.

Sanitary Regulations Relating to Milk

EXTENSION OF REMARKS
OF
HON. EUGENE J. McCARTHY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES

Monday, May 11, 1959

Mr. McCARTHY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement entitled "National Milk Sanitation Act," prepared by myself, and dealing with the subject of legislation relating to sanitary regulations in connection with milk.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

NATIONAL MILK SANITATION ACT

I am pleased to be a sponsor of the bill called the National Milk Sanitation Act. Last year in the House of Representatives I joined Congressman LESTER JOHNSON, of Wisconsin, in sponsoring this legislation. This year, with Senator HUBERT HUMPHREY and other Senators, I am sponsoring it in the Senate while Congressman JOHNSON and some of his colleagues are again sponsoring it in the House.

The bill has been improved over the version of last year, and the climate for this necessary legislation has also improved.

SANITATION OFFICIALS' APPROVAL

Last year's bill faced the opposition of many of the State and local sanitation officials who feared that the legislation would interfere with the enforcement of their sanitary regulations. Hearings were held on the bill to study the recommendations and objections of these officials. The Association of State and Territorial Health Officers developed a set of principles which they wished to have embodied in this legislation, and the bill as it is written this year includes these principles.

Last year the bill provided that all milk moving in interstate commerce must meet the sanitary requirements of the United States Code.

The principal change in the bill this year is that it provides that no milk meeting the sanitary requirements of the United States Code can be excluded from interstate commerce. There are additional provisions for further inspection of milk shipped in interstate commerce to insure that the milk meets State and local sanitary regulations after shipment.

Milk not meeting the United States Code requirements may also be entered in interstate commerce, but it must meet any sanitary requirements imposed by State or local officials.

ELIMINATION OF INTERSTATE BARRIERS

There have grown up in the United States over the years many barriers to interstate commerce. Some of these barriers, like those now affecting the milk industry, have originated as legitimate sanitary protection but have later become economic barriers to free trade as changes in transportation and sanitation have made the original barriers obsolete.

This bill offers a solution to this problem, since it provides for the interstate shipment of milk and still affords adequate and modern sanitary protection for any milk in interstate commerce. It continues the jurisdiction of State and local sanitary officials over milk coming into their areas.

MINNESOTA SUPPORT FOR LEGISLATION

There has long been concern in the State of Minnesota, as well as in other Midwestern States, for the free shipment of milk in interstate commerce. Gov. Orville Freeman and Attorney General Miles Lord of Minnesota have made many and various attempts to break through barriers to such free shipment of milk, and their efforts have been supported by the legislature.

The Congress should share such concern and support this one effort to eliminate barriers which have become obsolete so that free competition in the milk industry can be reestablished, while at the same time every sanitary protection is provided for milk shipped in both interstate and intrastate commerce.

Truman Diamond Jubilee

EXTENSION OF REMARKS
OF
HON. VANCE HARTKE
OF INDIANA
IN THE SENATE OF THE UNITED STATES
Monday, May 11, 1959

Mr. HARTKE. Mr. President, last Friday Indiana Democrats celebrated the Truman diamond jubilee in Gary, Ind. I had the honor of speaking to this group, which was participating in the national celebration of President Truman's 75th birthday. I am very grateful that I was asked to participate in this celebration, since President Truman was good enough to open my campaign in Fort Wayne, Ind., last fall. I ask unanimous consent that my remarks in Gary at the Truman diamond jubilee celebration be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SPEECH OF SENATOR VANCE HARTKE, DEMOCRAT, OF INDIANA, AT TRUMAN DIAMOND JUBILEE, GARY, IND., MAY 8, 1959

Griff, Ray, mayors, friends, and fellow Democrats all, this is my first trip back to Gary since the eventful election of last November.

Many times since then I have been reminded of the day the people of Lake County were so patient that night and so wonderful to me on election day. I regret sincerely that Senate business has not permitted me as much time in Indiana as I would like to have. God willing, I shall tour the State again following the present session of Congress. Perhaps we can visit again then.

I am reminded also tonight of another election campaign, one that took place 10 years before the one in which I was privileged to head a statewide victory ticket. I refer, of course, to the 1948 election campaign.

Well we remember that Harry S. Truman stood almost alone at his nomination in Philadelphia. Among the few with him was the late Alben W. Barkley.

During the campaign that followed, we heard everywhere that everyone had deserted Harry Truman and the Democratic Party. Gone were the extreme conservatives of the day. Gone were the extreme liberals of the day. Down the path between these extremes went Harry S. Truman, a plain-speaking man who took his case directly to the people.

There were those then and since who thought of President Truman as a lightweight. And there were those of us who insisted all the time that history would record Harry S. Truman as one of the great Presidents of all time.

I remember Harry Truman, too, when the time came to open our campaign last fall. It was he who responded to our beckoning. And how he packed the galleries and the vast area floor of the Fort Wayne Coliseum.

"I don't give 'em hell," he declared. "I just tell the truth and it sounds like hell to some of the people."

I remember Harry Truman as a man who has principles and stands by them. I remember Harry Truman as a man who acted boldly and with great courage.

Tonight Harry Truman—a man warm of smile, hearty of handshake, practical as a Missouri farm boy, wise as a world renown statesman, political as only a real party man can be—turned 75 years old. Nobody in his right mind expects Harry Truman to collapse in his rocking chair, go back to Independence and retire. We would be disappointed if he did. America would be less rich if he did.

We need men like Harry Truman today.

I wonder sometimes when I hear of certain people high in our Government complain about dynamic leadership if we have gone so far in the few years since President Truman's occupancy of the White House that we have forgotten what real leadership is. One thing for sure: When H.S.T. was living in the White House, there was never any question about who was boss, where we were going or how we were going. Our allies knew where we stood. Our enemies knew where we stood. Above all, we ourselves knew where we stood.

Right or wrong—and over and over we are learning how overwhelmingly often he was right—Harry Truman made decisions and stuck by them. Yet, he was never arrogant.

Remember, he was not too big to visit Wake Island to see General MacArthur. Yet, when the general failed to heed orders from the President, Harry Truman fired him.

When the time came for a decision on dropping the atomic bomb, Harry Truman consulted and prayed. Then he ordered the bomb dropped. "I did not like the weapon," Mr. Truman said. "But I had no qualms if, in the long run, millions of lives could be saved."

This capacity to make decisions was brought to my mind again only yesterday. The day before I was privileged to have breakfast with Mr. Truman in the company of several other Senators. That was Wednesday. Then, on Thursday, I read in the Washington Post that President Eisenhower before leaving for a golfing holiday had decided that the 22d amendment to the Constitution was perhaps a good one. This is the amendment barring a President from serving more than two terms.

Over and over, President Eisenhower has told news conferences that he believes the amendment is bad. Suddenly, and without any apparent new information, he decides it is right.

I wonder if he is just trying to disagree with President Truman.

Of course, Mr. Truman made other decisions, but I believe a few—mostly in the field of foreign affairs—are sufficient to recount here tonight to prove the very greatness of the man.

Is there doubt in anyone's mind here tonight that the Truman doctrine, the Marshall plan and point 4 preserved the free world? Without them, I fear, the Middle East would have been lost, Europe would still be in the depths of postwar darkness and despair if not indeed wholly behind the Iron Curtain, Africa would be lost and Asia would be more Communist than it is.

The Truman doctrine rescued Greece and Turkey. Mr. Truman continued his efforts to rebuild these strife-torn lands so that now they are bulwarks guarding our interests in the Mediterranean and the Middle East. Turkey, for instance, is all that stands between Soviet Russia and the vast oil reserves of the Middle East. Turkey, for instance, has supplied proportionately more troops for U.N. actions than we have.

Then there was Italy. Communists had reached a pinnacle of success in that land. They were in position to take over peacefully and through the ballot. But Harry Truman's bold action aided the gallant fighters for democracy in that war-torn land.

In Berlin the Russians had moved to block our supply lines. Harry Truman did not sit idly at the White House or Burning Tree Country Club or Augusta Golf Club. He ordered the Berlin airlift. And thus we stopped effectively for the first time, Russian expansion.

From this, all our allies and the neutrals of the world were on notice that we had principles and that we would, above all, stick by these principles.

The Marshall plan has rebuilt Europe until today the Western countries of the continent are proud proof that our system works. I wish you all could see, as I have recently, the vast difference between East and West in Germany. And what has happened in West Germany has happened everywhere in Europe among our allies.

Mr. Truman's point 4 program is a bold, imaginative program to provide technical know-how to backward countries. It has taken the stigma of colonialism from us. It has helped countries help themselves. It has built new free countries loyal to us and our way of life—vital allies in a life and death struggle.

You know and I know that Harry Truman's most controversial decision was Korea. When he made it, Congress backed him to the hilt. The vote was virtually unanimous. But when the war dragged on, his critics called it Truman's war.

But Harry Truman, student of history, knew that had we taken such bold steps in 1931 when Japan invaded Manchuria we might have prevented World War II. Truman's war may, in turn, have prevented world war III. It has certainly delayed it. Historians agree on this.

President Truman also brought about unification of our Armed Forces, better social security, advances in civil rights, progress in slum clearance and housing, NATO.

But I think that we Americans remember Harry Truman best for his fighting campaign of 1948, when he made 356 speeches in 35 days. And what did Mr. Truman say later on of this? He said, "I am always glad to do anything I can to help the Democratic Party, whether in marbles, money, chalk, or time."

Happy birthday, Mr. President, for all the people of Indiana, for lovers of freedom everywhere. Thank you for your inspiration. May God keep you with us many more years.

Rumanian Independence Day

EXTENSION OF REMARKS
OF
HON. FRANCES P. BOLTON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, May 11, 1959

Mrs. BOLTON. Mr. Speaker, Sunday, May 10, was Rumanian Independence Day, the day on which Rumania achieved

national unity, freedom, and independence. Again this year the occasion was marked by public gatherings throughout the Nation, attended by the many friends of Rumania.

As part of their plan to extinguish freedom from Eastern Europe, the Communist rulers have forbidden public observance of this historic date in Rumania. Celebrations have been shifted from the 10th to the 9th of May, the anniversary of a Soviet victory, in an effort to alter the significance of Independence Day.

We may be certain, however, that this day was appropriately commemorated in the hearts and the minds of all the Rumanian people. Despite dark years of Communist repression their resolute courage and steadfast faith in freedom continues unbroken. They have known oppression many times before, but have always maintained their profound love of liberty in the face of harsh totalitarianism.

The city of Cleveland is proud to include many persons of Rumanian descent among its populace, and I am privileged to represent many of them in my constituency. They have contributed substantially to the richness of our community life, and are among our most responsible citizens.

Let us renew the historic bonds of friendship with a liberty-loving people and pray to Almighty God that the day will soon return when they may again live in freedom and independence.

Our Responsibilities in World Affairs—Address by Senator Fulbright

EXTENSION OF REMARKS
OF

HON. JOHN SPARKMAN

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Monday, May 11, 1959

Mr. SPARKMAN. Mr. President, on the evening of May 7, 1959, the very learned and distinguished chairman of the Committee on Foreign Relations, the Senator from Arkansas [Mr. FULBRIGHT], delivered the Gabriel Silver lecture on international understanding at Columbia University in New York. His subject was "Our Responsibilities in World Affairs." It was a fine presentation and thought provoking. I ask unanimous consent, therefore, that it be printed in the RECORD:

There being no objection, the address was ordered to be printed in the RECORD, as follows:

OUR RESPONSIBILITIES IN WORLD AFFAIRS

(Remarks of Senator J. W. FULBRIGHT, chairman, Senate Committee on Foreign Relations; Gabriel Silver Lecture on International Understanding, Columbia University, May 7, 1959)

In the Constitutional Convention, when it was proposed that each session be opened with prayer, Alexander Hamilton jumped to his feet with an objection. "I am opposed on principle," he said, "to calling on any foreign power for help."

As a new chairman of the Senate Committee on Foreign Relations, this narrow view from a Founding Father is not at all to my liking. On the contrary, I seek help from various sources—and especially from the "foreign power" Alexander Hamilton tried to keep outside the 3-mile limit.

I have come to do this for many reasons. In the first place, I have had pointed reminders that a chairman of the Senate Foreign Relations Committee is also a Senator from a single State—a State whose people have legitimate local interests which demand his attention in the Congress. If he fails to speak the local voice—while trying at the same time to serve the national interest—it seems safe to make one prediction about his future. The people of his State will see that he has time to write his memoirs, following the next election.

In the second place—and this is much more important where foreign affairs are concerned—the chairman and his committee colleagues often find themselves in a constitutional no man's land. We want to do our best to contribute to the energy, the strength of will, and the clarity of purpose which the effective conduct of our external relations demands. But the question constantly is: How can we make this contribution when the constitutional boundary line between the Senate and the Executive in this general area is so uncertain?

In times past, the rivalry between the Senate and the Executive, over the conduct of foreign affairs, found both too weak to advance, too strong to surrender—and may I add, too proud to ask for mercy. We want to avoid such a result today. But the practice of the matter is shot through with problems.

For example, if my committee colleagues and I tried to detail a solution to any crisis of the moment in our foreign affairs, the immediate effect would be an increase in the post office deficit. For there would follow a flood of mail charging us with a dangerous usurpation of the Executive's constitutional responsibility for the conduct of foreign relations. On the other hand, if we tried to lay down guidelines for the longer range problems of foreign policy, the same letter-writers would inform us that we have a special taste for the fuzzy and impractical, when America's real need is for specific solutions to the latest problem in the headlines.

Meanwhile, whether we deal with the problems of the here and the now, or with those of the day after tomorrow, my committee colleagues—indeed all the Members of the Senate—face a further complication. The professionally trained personnel, and the complex communication network that is involved in formulating and executing foreign policy, are not, and should not be, under the direct control of the Senate. They are, and should remain, under the direct control of the President—if for no other purpose than to read and answer Mr. Khrushchev's latest note, but it is a complex system.

To all this, there is a more immediate reason why I feel the need of guidance from above. It is, quite simply, that you have asked me to speak this evening about "Our Responsibilities in World Affairs." The danger here takes the form of an analogy to a German professor who spent his life writing a three-volume treatise on the "Secret of Hegel." When the work was finally published, the reviewer observed that the "author should be congratulated for having written so much about the secret of Hegel yet managing just the same to keep the secret to himself."

Still, despite the danger that you will apply that same judgment to what I have to say, let me come to my theme by putting three questions. First, what are the issues of foreign policy which now face the Nation? Second, among those issues, which are as transient as the wind, and which are like the deep current of a river? And third, what is the proper role of the Senate with respect to those issues? Our responsibility in world affairs is to understand these three issues and then to take appropriate, effective action to meet them.

The issues of foreign policy that we face are born of three revolutions abroad in the world. One is the revolution of nationalism. The second revolution is in the will for improved living conditions. And the third is the technological revolution. Each of these has an inner connection with the other. All share the common word "revolution." All defy the attempt of any single nation to exercise a full control over the course the three revolutions take. All three would have occurred if Karl Marx and Joseph Stalin had never been born. And perhaps most ominous of all, few Americans seem yet to have grasped the full significance of these three worldwide revolutions.

Let me take them up in order.

First, nationalism: We must disabuse ourselves of the notion that the American War of Independence had anything in common with the spirit of nationalism that is now sweeping through the newly independent countries and through most colonial areas. Our own case was one where American Englishmen had demanded English rights from British Englishmen—including the right to be represented in the British Parliament. Indeed, had Benjamin Franklin's plan for representation been accepted by King George III, with a little stretch of the imagination one can conceive of a sequel, admirably suited to be scenario material for Hollywood.

Specifically, in the year 1860, the population of America for the first time exceeded that of Great Britain. Hence the American members of the English Parliament would have been in the majority and would promptly have voted to move the English Crown to this country. Whereupon there would have followed the spectacle of Queen Victoria sailing up the Potomac River, to be greeted at the Georgetown landing by her new Prime Minister—Abraham Lincoln.

Unfortunately for Hollywood, Benjamin Franklin's plan was rejected and we had our revolution. But unlike the general case nowadays in nationalist revolutions, the racial factor did not enter into the picture. The social factor did not enter either, since the chief revolutionaries in America were card-carrying English Whig gentlemen of the highest pedigree. Nor, for that matter, was the technological element a motive for revolution. The greater part of England, like the greater part of the United States, still lived off a barnyard economy in rural isolation.

Today, by marked contrast, the national revolutions going on all around us represent, only in part, a desire for political independence for its own sake. They also express a desire to erase the memory of racial subservience; a desire to be the author of one's own history, and a desire to stand in the sun with a distinctive national personality. For the latter reason, it is closely related to the demand for better living conditions, for the prestige and the respectability associated with industrialization and material prosperity.

In the maturity of our own industrial civilization, it is easy enough for us to sermonize the newly independent nation on the theme that the producer, not production, should be the object of social effort; that the human soul, and not the human body, should be the paramount good one ought to seek. But we can scarcely blame these people if, to our sermonizing, they answer: "It is true enough that man does not live by bread alone; but at least he lives if he has bread." Nor can we blame them if they go on to add: "Unless we can get bread-producing ma-

chines from the West, then we will get them from the Communist bloc, and, if necessary, in the Communist manner."

Meanwhile, the daily spectacle unfolding before our eyes is the way the Soviet Union has identified itself in many countries with the cause of nationalism while we are identified with that of imperialism. Why should this be so, in defiance of all logic and the history of our actual interests? The reason, I suspect, is that the Soviet Foreign Office and the Politburo are better at simple arithmetic than are the American State Department and the National Security Council. For the Soviets and their local Communist agents make it appear that they are on the side of the people; whereas we make it appear that we are on the side of the oligarchs who rule the people. Too often we find our friends and allies liquidated as a new group takes over.

To be sure, both we and the Soviets use the same words—peace, freedom, democracy, self-government, social justice, and independence. And I suppose that we ought to take a certain pride in the fact that these words, first taught in the West, express such universal hopes that the Soviets have seized upon them for their own purposes. Yet it is infuriating to see that in the Russian translation and application, these words are twisted into a caricature of the meaning we give them. It is all the more frustrating to observe that it is the Russian version, and not our own, which so many other peoples of the world have adopted for their own usage—to their own eventual sorrow.

Still, we have to deal with the world, not as we would like it to be, but as it is. And as much of the world is, the Soviets, by parading themselves as the example of a peasant people made over swiftly into a giant industrial power, have become the merchants of hope. We, on our part, have been made out to seem the defenders of hopelessness, and the arch beneficiaries of a status quo outstripped by history.

What can we do about all this? It does not lie within our power to prevent the Communists from peddling hope; but it does lie within our own power to prevent ourselves from representing despair.

I turn now briefly to the second world force I mentioned—the demand for improved living standards.

The material wealth of this world is poorly distributed, to say the least. The United States, with 7 percent of the world's population, produces 50 percent of the world's wealth. At the other end of the scale, India, Pakistan, and Indonesia—to give but three examples—have more than 20 percent of the world's population, yet produce only 7 percent of its wealth.

The implications this has for us, as the greatest of all creditor nations, are plain enough, if only we would stop snoring with our eyes open. Our creditor position demands that we give our debtors a chance to buy in our markets by selling their own products here more readily. Our position also demands that we export more capital to underdeveloped countries so that they can increase their own industrial production to our mutual advantage. For it is a demonstrable fact that the greatest volume of foreign trade from which everyone stands to gain is carried on not between industrial and nonindustrial nations. It is carried on within the community of industrial nations—between the United States and Canada, the United States and Great Britain, the European Common Market, and so on.

We are in for serious trouble if we think that we are at liberty to get richer while most of the rest of the world gets poorer. In a poker game played with stacked cards, and where all the chips come to be concentrated in relatively few hands, the other players will be tempted to do one of three things: to change the rules, to quit, or to shoot from the hip. Leaving the economics of the matter out of account, the political imperatives of the universal demand for a rising standard of living are such that, unless we act sensibly to help meet it, the Soviets will appropriate that demand for their own purposes, in the same way that they have captured and distorted nationalism.

The technological revolution is the third force within whose context we must give form and focus to our foreign policy. My comments on this score, like those which have come before, will have the character of truisms. Yet they are worth reemphasis just the same.

Technology works in chain reactions. For example, the improvement in transportation and communication was in part responsible for the growth of nationalism. From the same cause, the poor nations of the world could better see how the rich nations lived. This in turn spurred the demands of the poor for economic development—even as those same technological advances made it feasible to meet the demand. And so on and on—up to the final step in the chain reaction, namely, the creation of military weapons that can destroy everything.

Now the key point in all this is, that technology is becoming progressively internationalized. No nation now has a clear monopoly over its secret. Nor can any nation fully control its social and political effects, with the precision of an experiment conducted in a laboratory. If the Soviet Union, for example, is quite different in an industrial sense from what it was less than a decade ago, the pressures of technological change have unleashed social and political pressures that the rulers of the Russian state have not fully subdued.

One thing, however, can be said in this general connection. If the Soviet Union did not start the worldwide technological revolution, any more than it started the other two revolutions I have mentioned, it is exploiting all three to its advantage in a degree to which we are not. And the reason, I suspect, is that they know more clearly what they want to do and work harder at it.

Consider, for example, our relative performance in the matter of economic growth. The figures are not so spectacular as the sputniks and missiles, but they are more alarming.

Briefly, even when we discount the U.S. recession year of 1958, Soviet industrial growth during the 1950's has been in excess of 2½ times the American growth rate—9.5 percent a year as against 3.6 percent. And the rate in Communist China is even greater than in the Soviet Union. I recognize the need for a qualification—that the percentages are computed from vastly different base points of reference. Still, despite this qualification, and despite the element of spread-eagle oratory in Khrushchev's promise that the Soviet Union will outstrip the United States per capita production by 1970, the threat is real enough. Whether it materializes in 1970 or later, it will surely come unless the disparity in present trends of growth is changed.

To be sure, the theoreticians in the U.S. Chamber of Commerce would have a rough time of it. For they have taught us that free enterprise is inherently and absolutely more productive than any other system; and moreover, that democracy and capitalism are one and the same thing. They would therefore be hard pressed to explain how it was that communism, based on State capital, outdistanced us in the production of things.

I also recognize that if we were no longer the richest nation in the world, we might suffer in the eyes of the underdeveloped nations—who would then look to communism and not to us as having the more promising method of economic advancement. Yet the Soviet growth has already been such as to impress many underdeveloped countries with this general idea.

What ought to count is not wealth per se, but what one does with it. Indeed, if we could be sure that the increased Russian production would be applied in full to an increase in Russian living standards, we ought to welcome the development. Paul Henri-Spaak, the wise and distinguished secretary general of NATO, has said that "a rich Communist is probably less to be feared than a poor Communist." We might even look forward to the day when the Soviets become as snug and complacent as we have become. In fact, when I lie in bed at night wondering what I can do to help the cause of peace in the world, my fancy starts to play with this idea that we should use some $20 billion of our $40 odd billion defense budget on the purchase of television sets, hi-fi phonographs, ankle-deep carpets, block-long automobiles—and give the lot of these annually to the Russian people as a free gift. The argument can be rather persuasively made that something of the sort will eventually happen through the growth of the Soviet Union's own economy.

But the fanciful elements to one side, what worries me about this argument is the emphasis on "eventually". Eventually can be a long time; and even then we would still be faced with the growing and ominous power of Communist China. In the meantime, we must deal with a set of variables that enter into the international politics of the present hour, and promise to continue to do so for the next decade or two.

It seems to me that within this time span, the growing Soviet wealth can be used by the Kremlin to meet the following objectives: (1) reinvestment to make possible still further expansion; (2) increased living standards; (3) greater arms production; (4) more loans and other investments in underdeveloped countries generally and perhaps also in Communist China and the East European satellites; (5) trade wars with the West.

We do not know, of course, in what proportion these purposes will be served. We do know that the Soviets can switch from one purpose to another as it suits their convenience. Khrushchev has bluntly and forthrightly declared economic war on us. We discount at our peril his seriousness of purpose and his ability to carry it out.

Indeed, in my judgment one of the most difficult problems we face is how to meet Soviet trade practices. For in a growing line of products, the Soviets are reaching a point where they can disrupt world markets and world trade patterns almost at will. This has happened already with tin, aluminum, and benzene. And the list is growing, while the practice itself finds the decentralized, private trading economies of the West poorly equipped to deal with this kind of competition from the Soviet Union.

Frankly, I do not know how to meet Soviet economic warfare. But I do know that we must start at once to think about the problem in a systematic way. I also know how not to meet the Soviet economic challenge. I know that it cannot be met so long as we make a balanced budget the sole and overriding aim of Government policy—as if Government itself were just a bookkeeping operation. If that is all there is to it, then we would be well advised to abolish the Presidency, the Congress, and the courts, and install some certified public accountants in their place.

I also know that Soviet economic warfare cannot be met so long as it is our national policy to pay a one-fifth higher price for generators to be used in an Arkansas dam, merely to give the order to a Philadelphia firm instead of to one in England. If American business cannot compete even with British business, which works in approximately

the same kind of economic framework, how can we ever expect to compete with Russian buisness, which operates as a political arm of the state?

The question as to how we allocate our resources is certainly as important, and in many respects, more important than the rate of our economic growth. What counts is the uses to which the growth is put. Leaving the question of quality to one side, we ought to be sobered by one single representative fact. It is that the Soviet Union devotes 8 percent of its gross national product to education, while the United States devotes but 3 to 4 percent. Yet there is in the United States an enormous margin for luxury that could be drawn upon for purposes that are in the interest of the whole Nation, without depriving anyone of what would still remain the highest material standard of life in the world.

The question we have to decide is a question of priorities. It is not—or need not be—difficult to resolve. For it does not call for a choice between guns and butter, or between electronic computers and television sets. It may call for a choice between better schools and teachers, or more country club memberships. But this could hardly be called an austerity program. Moreover, the whole of the educational and other programs that we need for national strength—here at home and abroad—would bear all the more lightly on the Nation if we could but cast off the anchor of economic shibboleths that keep us tied to a rate of economic growth of 2 to 3 percent a year. The Rockefeller Brothers Fund report last spring put the attainable minimum rate of growth at 5 percent a year.

I know that this figure was described as visionary by the apostles of economic standpattism. Yet I also recall that the same adjective was used in 1941 when Franklin Roosevelt called for the production of 50,000 airplanes a year. The standpatters did not begrudge him what they felt was just a propaganda gambit to frighten the enemy. Yet they were certain among themselves that such an actual production goal was unattainable. As the event proved, Roosevelt was guilty of a gross understatement of purpose. For we were producing 100,000 planes a year before long.

We could do much the same sort of thing for our current needs, if we had the leadership that could make its own vision and its own determination the source of the Nation's vision and determination.

Why do we keep kidding ourselves that we can get along with a little more when we know very well that we need a great deal more? Why do we congratulate ourselves that the shortage of classrooms, far from getting better, is simply not getting worse? Why do we think it is progress if we stand still?

In my judgment, we give too little attention to the long-range questions of national policy, and too much, relatively, to short-term tactical problems. Since last summer, our national attentions has been focused, in turn, on the Middle East, the Far East, and Europe. Jarred by a revolution in Iraq, we sent troops to Lebanon and vowed that we needed a long-term policy to bring peace and stability to the Middle East. Then we withdrew the troops from Lebanon, and the Middle East continues to fester like a running sore. It is without peace, without stability, and without much of a policy on our part.

Next we were confronted with the crisis last fall over Quemoy and Matsu. During that period, a few people pointed out that what was really needed was not so much a solution of the Quemoy-Matsu question, but a long-term policy which would take into account the realities in the Far East. Then the Chinese Communists turned off the heat as suddenly as they had turned it on, and today, several months later, we are no nearer a Far Eastern policy then we were before.

At the moment, our attention is centered on Berlin. I do not want to minimize the gravity of the Berlin crisis. It could supply the cause of world war III; just as the Middle East could have supplied it; and might yet; just as Quemoy and Matsu could have supplied it, and might yet.

The point is that we have to keep Berlin in perspective. It is illustrative of many of the long-term issues between us and the Soviets; but in itself it is only a short-term tactical move on their part.

I think the Berlin crisis will be settled. I hope it will be settled in a way which will lead to a broader settlement of at least some of the issues which divide Eastern and Western Europe. But the most ideal settlement one can imagine would still leave us with many serious problems in other parts of the world; and especially it would leave us in our same position vis-a-vis the Soviets in the economic competition which will determine whether or not the United States remains a first-class power.

And after the Berlin crisis is settled, we have to be prepared to meet another crisis somewhere else. So long as we stay on the defensive, it is folly to assume that the Soviets will not continue to probe and trust and keep us off balance.

Our Government ought to take to heart the sage advice of Demosthenes: "As a general marches at the head of his troops, so ought—politicians—to march at the head of affairs; insomuch that they ought not to wait the event, to know what measures to take, but the measures which they have taken, ought to produce, the event."

It would be rather satisfying, just once, we could get in the position where it is the Soviets who are reacting to our initiatives and not the other way around.

In order to get into such a position, a number of things are necessary.

We need a State Department that is hospitable to new suggestions instead of foreclosing all inquiry with an automatic "no".

We need more concentrated Executive energy instead of buckshot spray in the White House.

We need more broad international vision and less local politics in Congress.

We need a national resurgence of self-awareness about where we stand in history.

But above all, we need to learn how to talk to each other again—to reach a working agreement on what our paramount national interests really are.

THE ROLE OF THE SENATE

It is on this last point, which is central to all the others, that I think the Senate has its greatest role to play.

Despite the large measure of agreement on many of our foreign policy actions in recent years, we do not have in this country a national agreement on what our role in the world really is. We agree on the kind of world we want to live in—we agree that we want it to be peaceful, prosperous, secure, and preferably one in which the Communists have gone away some place else. But these are ideal objectives. The likelihood of attaining all of them is as improbable as the hope an elephant might have of turning itself into a ballet dancer. In any case, we have only the foggiest notions of how even to approach our prescription for an ideal world.

Here again, it is necessary to distinguish between short-term tactics and long-term policy. We do have a deep-seated national unity in regard to protecting our rights in Berlin. But we do not have anything like this same kind of unity in regard to meeting the Soviet economic threat. Indeed, we are not even united on the nature and magnitude of that threat.

The kind of national agreement on our world role which I have in mind is akin to the sort of natural consensus that has been present in support of British foreign policy for many generations. In many respects, it is an unspoken agreement which in large measure is taken for granted and which, in turn, takes a great deal for granted. It is the kind of agreement which develops over a period of years as a result of much public thought and discussion. But it is also the kind of agreement which creates a national confidence and assurance out of which come predictable public reactions to specific situations.

It is the lack of this sort of agreement that has made so much of our recent foreign policy both half-hearted and halfway. If Americans were thoroughly convinced that we were in the world to stay and were well-settled in our own mind as to how we fit into the world, we would not go through our annual soul-searching debates over foreign aid. We would not go through our quadrennial wrangles over the reciprocal trade program. We would not be trying to fight change around the world. Instead, we would be trying to influence the direction the movement for change takes and we would be in tune with it. We would be exercising the world leadership role in which, in large part, we are defaulting.

Our defaults in world leadership are not exclusively faults of foreign policy. The image which we present to the world is based on many policies we think of as domestic in nature. This is one of our weaknesses. We have failed to relate domestic policies to foreign policies.

For the same reason, we have sacrificed the interests of the whole people to the demands of the few—the few who prefer high prices to full steel production, the few who prefer uneconomic protective tariffs to low prices, the few who oppose the use of our resources for education, housing, highways, and who, in effect, prefer that our resources go into the high profit luxury trades.

In short, our foreign policy has represented the lowest common denominator of national agreement because too many people and too many special interests have been given a practical veto over policy.

It is precisely at this point that I think the Congress as an educational institution—has its greatest opportunity. That is the opportunity of increasing the understanding of all Americans of the interaction of domestic and foreign policy, so that the parochial interests of the few may not thwart the Nation. Not until we agree in the very marrow of our bones that most of our domestic policies have foreign policy aspects and most foreign affairs affect our domestic life will we be able to discharge our world responsibilities.

As has often been said, there are limits on what the United States can do abroad—just as there are limits to what the Senate can do about the general conduct of foreign policy.

Constitutionally, our role is essentially negative. We can refuse to ratify treaties or to pass legislation which the President wants. We can attach reservations to treaties or we can amend bills to bring them more nearly in line with our own views. But these actions, too, are more likely to be effective if they are negative than if they are positive. We can, for example, keep the President from spending money by denying appropriations. But we cannot force the President to spend more money, simply by increasing appropriations. We can advise the President that he ought to enter negotiations for a given treaty. But we cannot force him to do so.

For both constitutional and practical reasons, the Senate should not concern itself obsessively with the day-to-day conduct of foreign policy. I repeat that this is the prerogative of the executive branch, and properly so. I also repeat that the Senate itself is very poorly equipped to engage in administrative matters.

But over and beyond this, the Senate can, I think, make a useful contribution through the public discussion of long-range, basic problems of foreign policy. I have touched on some of these problems today, and I have alluded briefly to others. In the months ahead, I intend to explore these further.

I have said many times that we in the United States operate under a most extraordinarily difficult system of government. Democracy may have reached its peak in our country, but it is an extremely complicated piece of machinery to operate. It requires of the people that extra measure of determination and ability often characteristic of a few individuals in a community, but seldom a characteristic of most of the people. It requires especially education and self-discipline.

I hope in the months ahead we may draw on the wealth of information, the ideas and professional ability that are to be found in academic communities such as this. Unfortunate experiences during the past decade have, I fear, seriously damaged good relations between government and the academic world. We have both suffered. Government misses the bold, astringent, pragmatic, inventive ideas which flowed from the academic communities of the Nation in the early days of the Roosevelt Presidency. The social science faculties of the universities doubtless miss an interplay with the problem-oriented workings of the Government in its day-to-day affairs.

I am making a systematic endeavor, in my position as chairman of the Committee on Foreign Relations, to promote a better two-way communications channel between Government and the universities especially at the policy level. The Committee on Foreign Relations has contracts with some 20 educational institutions (including the Russian Institute here at Columbia) in connection with an overall foreign policy review which we expect to have completed by early next year. This is an attempt to spur the rate at which ideas can flow directly from the universities to the practicing politician.

The Committee on Foreign Relations has also been promoting a series of informal exchanges between outstanding scholars in the field of foreign affairs and Members of the Senate. This is not an isolated phenomenon. Similar activties are underway in the House of Representatives and in fields other than foreign policy.

Perhaps out of this process and out of literally thousands of discussion and study groups throughout the country, there can be developed the kind of agreement on our foreign policy objectives which is based on a habit of the mind; the kind which will come only after we, as people, have steeled ourselves to look unpleasant facts in the face and to react rationally instead of trying to wish them away.

There is nothing inevitable about the survival of the United States. Survival is the reward of civilizations which meet the responsibilities history thrusts upon them. It is the job of you, of me, of every American to see to it that our country, in this age, meet those responsibilities.

Every generation has what Franklin Roosevelt called a rendezvous with destiny. We Americans in 1959 have to determine—and soon—whether we are going to keep our rendezvous.

I hope it is not later than we think.

Government by Formula

EXTENSION OF REMARKS
OF
HON. JACK WESTLAND
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES

Monday, May 11, 1959

Mr. WESTLAND. Mr. Speaker, more and more restrictions are being placed on the basic freedoms of the American people by the very Federal Government which, according to our Constitution, is dedicated to preserve these freedoms.

One word, I believe, summarizes the reason for this encroachment. The word is "bureaucracy," meaning government by bureau heads. This leads to rigid, formal administration according to their whims. It is government by formula. There are numerous cases to document this trend, but one which I am familiar with is the proposition that Snohomish County in my own State of Washington should become part of the Seattle Standard Metropolitan District.

This example of the loss of a basic freedom points out the present trend of rigid rule by formula. The Bureau of the Budget arbitrarily has created a criteria that says if a certain percentage of the labor force in Snohomish County works in Seattle, Snohomish County must become a part of Seattle. The percentage to which I referred is 15 percent. It so happens the Bureau estimates that 23 percent of the Snohomish County residents work in Seattle. Even if all of these workers wanted to be included in the Seattle Metropolitan District, they would not represent the majority of people who reside in Everett and Snohomish County. I have serious doubts that even a minority of the estimated 23 percent want to be included in Seattle.

Every day we talk about human values, yet some are willing to subject us to rule by bureaucratic formula and statistics. It seems to me we need a new set of statistics to deal with the human element of our society. I think the people of Snohomish County have a right to choose for themselves whether or not they are to be included in the Seattle Metropolitan District.

Furthermore, I believe that further study by the Bureau of the Budget would prove their own statistics wrong, particularly if the Bureau of the Budget looked to the future. Planning directors from the Puget Sound Regional Planning Council have taken a look at the population expectations and have become amazed at what they have turned up. Snohomish County, they feel certain, is going to show the largest percentage gain of any county in the Puget Sound area. With a population of 112,000 in 1950, the count for 1957 was 135,000. The 1960 census is expected to show the county at 144,000 and the growth over succeeding 10-year counts will jump to 189,000, 251,000, 324,000, and 371,000.

The planners when they began comparing notes found that all of them were basing their compilations on a much slower rate of growth than the Federal Government was anticipating. They started again using U.S. Census estimates released November 1958, substantially higher than previous estimates and reflecting the unpredicted continuing high birth rate. The committee said that while the greatest share of growth in the region between 1960 and 2000 is expected to continue in King and Pierce Counties, the greatest rate of growth and the greatest growth in terms of percentage of the total region is expected in Kitsap and Snohomish Counties.

In the case of Snohomish County this rate of growth is already high and is expected to continue high during the projection period. With this growth in mind, it is hard to conceive that the vast part of the population in Snohomish County will find employment in the Seattle area.

The contrary is true. It is common knowledge that large cutbacks in employment are due at Boeing where the majority of the Snohomish workers in Seattle are employed. On the other hand, oil refineries moving into Snohomish County will mean increased employment opportunities for local residents. There are three oil refinery companies ready to open up these opportunities.

Fred Powell, vice president of Standard Oil Co., according to the Everett Daily Herald on April 30, 1959, said the proposed refinery at its site south of Mukilteo will be twice as large as the huge installation now under construction in Hawaii. While the Hawaii facility is considered a huge installation, the Snohomish County refinery will cover a 2,300-acre site. Meanwhile other industries continue to thrive and grow.

It is clear that the population of Snohomish County is growing, its industry is expanding and the employment for its workers in the Seattle area faces a decline. Common sense, therefore, indicates that the people of Snohomish County should be left alone and should be allowed to determine their own destiny. But the rule by formula continues.

I was advised last week that the Bureau of the Budget has made Snohomish County a part of the Seattle Metropolitan Standard area. I have been further advised that this designation will be reviewed following the completion of the 1960 census. This review probably will take place in June 1960. It seems foolish to me to include Snohomish County in a metropolitan area in May 1959 when there is a distinct possibility that in June 1960 it may be excluded.

Geographical Center of the United States

EXTENSION OF REMARKS
OF
HON. E. Y. BERRY
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES

Monday, May 11, 1959

Mr. BERRY. Mr. Speaker, I would like to call the attention of my colleagues to a bill I am introducing today which would authorize the establishment of the

Central National Monument at the geographic center of the United States, which is located near the Black Hills in my district in South Dakota.

With the admission of Hawaii to the Union, the location of the geographic center is now permanent. Tourists from across the Nation are interested in seeing the spot of the geographic center. It is a point of national interest and the national interest will be increased by the designation of a 10-acre spot as a national monument.

The national interest will be increased by the fact that those living in South Dakota, and particularly western South Dakota and eastern Wyoming, are planning a drive to finance the construction of an appropriate marker to be located in the center of this 10-acre plot. The marker will be donated by residents over a plan prepared by the National Park Service. The owner of the land upon which the geographic center of the Nation is located has agreed to donate the necessary acreage for this purpose. The monument itself will be without expense to the taxpayers of the Nation other than the small expense of maintenance of such a national monument.

Since the geographic center of the Nation is of universal interest, since such geographic center should be properly designated, since this national monument can be accomplished without cost to the taxpayers of the Nation, I ask that Congress take the necessary steps to designate this geographic center as a national monument in the interest of the people of the Nation and those in years to come.

Works for Peace

EXTENSION OF REMARKS
OF
HON. FRANK E. MOSS
OF UTAH
IN THE SENATE OF THE UNITED STATES
Monday, May 11, 1959

Mr. MOSS. Mr. President, the senior Senator from Minnesota [Mr. HUMPHREY] was in Salt Lake City on the 25th of April, and he delivered a speech there at the Jefferson-Jackson Day dinner.

As always, he treated his subject with insight and clarity. The address is extremely timely. I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Nearly 8 years ago—on May 24, 1951—President Truman said, "The only kind of war we seek is the good old fight against man's ancient enemies—poverty, disease, hunger, and illiteracy."

His words were drawn from the heart and the wisdom and the history of the American people. But he knew, as we know, that words, however eloquent, are not enough; nor do good intentions, however generous, suffice.

They must result in works for peace.

It is 10 years since President Truman enunciated what became known as the point 4 idea—the idea of aiding the peoples of the underdeveloped areas of the world.

That idea did not spring out of empty air. It was firmly grounded in the lifeblood and life experience of the missionaries our great churches have for generations sent out to all corners of the world.

The strength of our best missionaries is that they not only preached the faith to all peoples, but they also fed the hungry and healed the sick.

They have gone beyond charity. They have been willing to walk out into the fields and villages and show people how to grow more abundant crops—how to live better and more meaningful lives. They have trained them to be their own nurses and their own doctors.

In a day when we hear much of the ugly American it is well to remember these dedicated Americans. For they were the real progenitors of the point 4 idea.

There is much talk today of the need for Americans abroad to speak the language of the peoples among whom they work. I have joined in urging the importance of this.

But our missionaries needed no urging. They knew that they would save few souls speaking a language that nobody understood. They learned the languages—even the dialects—of those they sought to help. In fact, in some cases they ventured into such unexplored lands that it was they who compiled the first dictionaries. Often they had to invent a system of writing the language where none existed before.

In a very literal sense, they gave the great gift of literacy to the peoples among whom they lived.

Those who are suddenly concerned about the competition with communism in Asia, Africa, and the Middle East do not realize that we had a very long head start upon them. While the early Bolsheviks were wrangling over the cafe tables of Europe, our missionaries were at work helping people grow two blades of wheat where only one grew before—helping them to resist disease—helping them to lift the burden of illiteracy.

But despite this head start, we have dissipated much of our lead. In too many underdeveloped areas of the world, the Communists are making far more headway than we.

Why? Not because of the righteousness of their ultimate cause, for it is an oppressive and godless cause.

It is because of the Communists' total dedication to their goals—a total dedication which today the West is not equaling.

Too many Americans have lost the zeal and dedication that motivated the missionaries of the past.

Perhaps this is because we have lost the spirit that guided the missionaries: the desire to help people for no other reason than that they are our brothers; that they are God's children; that they are hungry and need food, or sick and need healing.

Today, our aid to poor nations springs not so much from love as from fear—fear that if we do not help others, they will be lost to the Communists.

Our efforts to help other countries too often seem determined by how many Communists they have in their midst. The country which is short of Communists must sometimes be tempted to import them.

But to our missionaries what was important was that these were people who needed help. Their actions were motivated by the appeal of the scriptures, not by the fear of the appeal of Karl Marx and Lenin.

It is the spirit of the missionaries from which point 4 drew its inspiration—and this is the spirit in which it got under way.

It is a measure of the soundness of the point 4 idea that it has survived under the present administration. It has even survived administrators who came to the job convinced it was a sort of Operation Rathole.

But, as with so many of the fine programs this spiritless administration inherited, the spirit has slipped from it.

It has been sold too often as something—against communism—rather than for humanity.

It has been pictured too often as a painful expedient—a necessary nuisance that we can wind up next year, or the year after.

Here is another lesson to be learned from the missionaries of our churches. Their dedication to the great work overseas was not for 1 year, or for 2 years, but for many.

So, too, we must recognize that the task of helping other nations to help themselves is a continuing task. It will not be finished next year or the year after.

To be effective, our foreign aid program should be established on a longer term basis, so that both we and those we seek to help can plan ahead, can rely on a sustained effort—and can be spared the annual agonizing reappraisal to which we subject the very existence of foreign aid.

This will not prevent modifying the program as conditions dictate. Congress will still have annual control over the moneys appropriated.

But if in fact it will be necessary to continue our aid programs over a longer period, why do we not recognize this just as we recognize it in countless domestic programs, which do not live on a year-to-year basis?

I like to talk to people who have spent their lifetimes in remote areas of the world, for there is a genuine nobility in this self-sacrifice.

But they recognized that there is a danger as well, the danger of paternalism.

There comes a time, painful to all of us parents, when our children grow up—when we must begin to work with them rather than for them.

Most of our missionaries are wise enough to recognize this, and to move forward to the higher challenge of partnership.

This is the great opportunity before us today—the opportunity we are so largely missing.

It does us no good to complain that the Communists are busy everywhere, preaching their own secular heresy.

It does just as little good to complain that, as "Ivans-come-lately" in the field of overseas aid, they are peddling their loans and their technicians in many crucial areas of the world.

It does no good to proclaim that point 4 began as an American idea that the Communists have appropriated for themselves.

The real trouble lies not in what they are doing. It is how much less we are doing than we could and should.

Today in Congress we are debating the details of a meager and unimaginative program.

While we debate, a new world is coming into existence around us. Most of Asia has achieved freedom since the war. New nations are being born every year out of Africa. Latin America is only now achieving the full fruits of freedom.

This new independence and liberty carries with it strong desires for self-help—desires we should strive to foster.

Here is what one of our point 4 workers reports from Chile:

"The United States has helped to establish an 'aided self-help housing program' in a Santiago slum. When the program was started, many had doubts that unskilled people could do the work. One night a Chilean official went out to inspect the job—the work was done after regular hours, often by floodlight. Here was a man using a trowel, and doing beautiful work. The official said to him:

" 'You must be a mason.'

" 'No, sir,' the man replied. 'I'm a tailor.'

"Surprised, the official said: 'But this is very good work.'

" 'Sir,' " the tailor replied, " 'you perhaps do not understand. It is my own home that I'm building.' "

In a very real sense—in the largest sense—it is their own homes, their own nations, which millions of Asians and Africans are now building.

They do not expect miracles—the Asian peasant does not dream of driving in his Cadillac down a six-lane superhighway. He does not want a tractor or a combine to work his fields. Rather than a fancy machine he does not understand, he needs to know how to care for his ox when it is afflicted by disease. He needs a simple pump for getting water out of the ground and onto his land.

In short, what he does want—and very deeply—is a better life for himself, and above all for his children.

The overriding fact is that mankind is on the move—and at least half of it in a hurry. We can seize the opportunity to move with them—or run the grave risk that they will move without us, or even against us.

I hope that there is enough of the missionary spirit in all of us that we will play our full part in this great chapter of the world's unfolding history. I hope that we will do this because it is the right thing to do, and not solely out of fear of our adversaries.

All Americans need is to be themselves. Why is it that so many feel embarrassed by the prospects of doing something noble and disinterested?

The mistakes made out of greatness of heart are forgiven—the mistakes of meanness, never.

I would much rather stand in the Senate and defend my Government against the charge of having spent generously to help India achieve the goals of her 5-year plan than to join in some future inquest, as to why we gave too little and too late.

Parenthetically, I may say that I am willing and anxious to stand in the Senate and defend the Republican administration's requests for funds to help other nations—though they too often reward Democratic Senators for their support of these overseas programs by calling us spenders when we propose doing something about schools, health, housing, social security in our own country.

I reject the word "spender" when I support the administration's foreign aid programs—they are an investment in the economic health of the world and in peace.

And I equally reject the word "spender" when I support domestic aid programs—they are an investment in the economic health and well-being of our own Nation.

As President Eisenhower said in a special message to Congress on foreign aid, "It is not the goal of the American people that the United States should be the richest nation in the graveyard of history."

Our aid to other nations should not be a partisan matter. To help our fellow man is a goal all Americans should share alike.

But the goal is not attained by words alone. Effort, action, enterprise, and dedication are required.

In this, I fear there has been a difference between Democratic and Republican administrations.

Under President Truman, the deeds more nearly matched the words. The point 4 idea did not end with Mr. Truman's second inaugural address. It was translated into action, a living program.

But what, I ask, has become of President Eisenhower's fine atoms-for-peace address before the United Nations in 1953? Have our deeds matched the President's eloquent words?

I fear not. In the atoms-for-peace field we are not leaders, we are laggards. Our promised contributions of nuclear materials to help in peaceful atomic research have not been forthcoming. We have allowed nations far smaller than we to take the lead.

Too often, it has seemed that the words are the words of Eisenhower, but the acts are the acts of the Old Guard.

What the world needs today is not massive retaliation, but massive doses of health, education, and food.

We must move on the offensive, and declare war against mankind's most ancient and terrible enemies of hunger, disease, poverty, and ignorance.

We need a bold new "food for peace" program, dedicating our God-given abundance to serving the need of humanity—rather than complaining about it.

We need a dramatic, worldwide "health for peace" program, with vastly expanded international medical research—and perhaps a white fleet of mercy ships carrying our medical know-how and wonder drugs to the disease-ridden and suffering in the far corners of the earth.

We need to launch a broad program of world educational development—a plan for education for peace.

These are truly the works of peace.

There is, in the affairs of nations as well as men, a tide which

"* * * taken at the flood, leads on to fortune;
Omitted, all the voyage of their life
Is bound in shallows and in miseries."

That tide is rising, is already lapping at our shores. Please God, we shall have the wisdom, the courage, and the vision to take it.

Federal Projects in West Virginia

EXTENSION OF REMARKS
OF
HON. ROBERT C. BYRD
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES

Monday, May 11, 1959

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement which I submitted last Friday to the Committee on Appropriations, in behalf of certain projects in West Virginia.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR BYRD OF WEST VIRGINIA

Mr. Chairman, I appreciate this opportunity to appear before the committee in behalf of certain projects in West Virginia. I shall try to be as brief as possible, knowing that the committee has much work to do, and desiring, as I do, to avoid imposing upon your generosity and courtesy in permitting me to present this statement.

Mr. Chairman, I wish to recommend and urge that the committee give careful consideration to the following projects, these being of the utmost importance to my State of West Virginia from the standpoint of flood control, regulation of waterflow, and, in some instances, growth of river traffic.

OHIO RIVER LOCKS AND DAMS

Project	Estimated cost	Amounts that could be used	Remarks
1. Racine	$51,700,000	[1] $50,000	Tentatively proposed replacement structure for locks 23, 22, and 21.
2. Belleville (authorized)	64,100,000	[1] 125,000	Replacement structure under study for locks 18, 19, and 20.
3. Opossum Creek	52,200,000	[1] 150,000	Replacement structure under study for locks 12, 13, and 14.
4. New Cumberland	41,500,000	[2] 6,800,000	Will replace existing locks and dams 7, 8, and 9 on Ohio River.
5. Pike Island	63,500,000	[2] 5,000,000	Replaces locks and dams 10 and 11.

MONONGAHELA RIVER LOCKS AND DAMS

6. Opekiska	21,900,000	[2] 1,000,000	
7. Hildebrand	12,460,000	1,278,000	Completes cost of construction.
8. Dam No. 8	3,500,000	725,000	Do.

FLOOD CONTROL

9. Williamson	640,000	[1] 71,000	
10. Princeton	1,000,000	[2] 500,000	$55,000 appropriated for planning in fiscal year 1959.
11. East Rainelle	775,000	[2] 500,000	$40,000 appropriated for planning in fiscal year 1959.
12. Summersville Reservoir, Gauley River.	46,800,000	[2] 2,000,000	

[1] Planning.
[2] Construction.

Mr. Chairman, item No. 1, Racine locks and dam, will replace obsolete and inadequate locks and dams Nos. 21, 22, and 23, which are 38 to 41 years old, with one modern structure to accommodate the increasing volume of Ohio River traffic. The Engineers report a benefit-to-cost ratio of 2.8, and they indicate that the money requested can be efficiently utilized in fiscal 1960 for advance engineering and design work.

Item No. 2, Belleville locks and dam, contemplates the construction of a modern, nonnavigable dam and two locks of 110 feet by 1,200 feet and 110 feet by 600 feet usable dimensions on the Ohio River in the vicinity of Belleville, W. Va., about 285 miles below Pittsburgh, Pa., and located in Meigs County, Ohio, and Wood County, W. Va. Obsolete and inadequate locks and dams Nos. 18, 19, and 20 will be replaced with one modern structure to accommodate the increasing volume of Ohio River traffic. The Engineers' benefit-to-cost ratio for this project is 2.7.

Item No. 3, Opossum Creek, locks and dam, contemplates the construction of a modern, nonnavigable dam and two locks of 110 feet by 1,200 feet and 110 feet by 600 feet usable dimensions on the Ohio River bordering Marshall County, W. Va. Existing obsolete and inadequate locks and dams

Nos. 12, 13, and 14, will be replaced by a single modern structure to accommodate increasing Ohio River traffic. The Engineers report a benefit-to-cost ration of 2.2.

Item No. 4, New Cumberland locks and dam, will replace existing locks and dams Nos. 7, 8, and 9 on the Ohio River, some of which locks are in imminent danger of collapse. Traffic is presently moving through lock No. 7 in grave peril because a lateral movement of the hill and esplanade adjoining the locks is pushing this lock into the river. Facilities would be blocked for many months if collapse should occur. The Corps of Engineers has assigned a benefit-to-cost ratio of 2.7, but it is thought that this estimate may be far too conservative.

Item No. 5, Pike Island locks and dam, proposes construction of a dam and two locks to replace obsolete and inadequate locks and dams Nos. 10 and 11, which were constructed between 1904 and 1916. The Engineers report a benefit-to-cost ratio of 1.8 to 1, an estimate which is thought to be very conservative.

Mr. Chairman, the Ohio River is one of the most important inland waterways of the world. It is the vital link between the northern industrial States, such as West Virginia, Pennsylvania, and Ohio, and the South and southern gulf ports. The products which it bears in vast quantities are iron and steel; coal and coke for the manufacture of iron and steel; fuel oil, gasoline and other petroleum products; sulphur; limestone, and iron and steel scrap. Tonnages of traffic are very large and have been constantly increasing. For example, in 1945 annual tonnage was about 34 million; in 1950 it approached 50 million tons and in 1957 it was over 81 million tons, of which over 13 million tons consisting mainly of coal, oil and gasoline, and iron and steel products, passed through the project area. Traffic shipments of steel on the Ohio River have increased 414 percent over what they were in 1945. Coal shipments have increased 225 percent. Petroleum shipments on the Ohio have increased 181 percent over 1945, and shipments of chemicals have increased 244 percent. Overall traffic on the Ohio River has increased, in the past 43 years, at a rate nearly three times the rate of growth of the gross national product. Tonnage shipments on this river are now one and one-half times those of the Panama Canal and they already exceed the expected ultimate capacity of the St. Lawrence Seaway by about 50 percent. It can easily be seen that the traffic on the Ohio River is undergoing a tremendous growth change.

The basic iron and steel industry is dependent upon river transportation via the Ohio River. Steel manufacturers at Pittsburgh, Pa., Weirton, W. Va., Steubenville, Ohio, Wheeling, W. Va., and points downstream use the river extensively to ship their finished products. The heavy concentration of steel production below Pittsburgh receives practically all of its requirements of coking coal in barges which traverse the Ohio, and much of its limestone and other important operating supplies are delivered in the same manner. Their dependence upon river transportation is not merely a matter of operating economy, but if river shipments were halted for any appreciable length of time their operations would be critically curtailed. Mr. Chairman, a failure to provide the funds I have requested will mean a costly delay in replacing the obsolete and inadequate facilities on this heavily traveled waterway.

Item No. 6, Opekiska locks and dams, will replace existing locks and dams Nos. 14 and 15 of the Monongahela River. This will complete the modernization of the upper Monongahela. Vast reserves of metallurgical coal lie in the area along this portion of the river, and completion of the project will make possible better access to these reserves.

Item No. 7, Hildebrand locks and dam, a replacement for existing locks and dams Nos. 12 and 13, is an integral unit in the comprehensive plan of improvement of the upper Monongahela River. Traffic from this area consists principally of coal, sand, and gravel while traffic from downriver points into the area consists of petroleum and steel products. Although the increase in traffic through this reach of the river has been substantial through the years, the lack of adequate navigation facilities on the upper river has hindered movement of much greater prospective tonnage of coal reserves from the contiguous area. These reserves are ample to sustain for an indefinite period of time a much greater production rate than that currently being utilized. An improved waterway will provide a water outlet for a large part of the production of the Fairmont coal district similar to that now existing on the lower river. The increased channel width and depth along with increased lock sizes for the upper river will permit full loading of standard coal barges and the efficient movement of Monongahela River standard six-barge tows without breaking and reassembling the tows during lockage, resulting in appreciable transportation savings through reduced line haul costs, more efficient use of towing equipment, fewer lockages, and savings in operating time. It is anticipated that extension of a deeper channel will result in additional movement of petroleum products in the upper river. Bulk storage centers at the head of the existing deep draft navigation below Morgantown are actually on the fringe of the area to which distribution is now made by truck. Upon provision of adequate navigation facilities, Fairmont, which is the geographical hub of the service area, will probably develop as a storage and distribution center for gasoline. The life of existing locks and dams Nos. 12 and 13, which were constructed during the period 1901–3, cannot be extended to meet the burden of a greatly increased traffic. In addition more economical operation and maintenance for the Government will result from replacement of these old and obsolete structures with one modern lock and dam at the Hildegrand site.

Item No. 8, Dam No. 8. Completion of this project, together with the Hildebrand project, would give the steel industry better access to the rich coal reserves in the upper Monongahela River. Under existing conditions, barges navigating pool 8 must be loaded to less than 70 percent capacity due to the restricted depth of the upper reaches of pool 8.

Item No. 9, Williamson. The total cost of this project is estimated at $707,000, of which $665,000 is Federal and $42,000 is local. To date, $4,000 has been appropriated to cover costs of preauthorization studies. The project is located on the right bank of Tug Fork in Mingo County, W. Va., about 57 miles above the junction of Tug and Levisa Forks which form the Big Sandy River. The plan of improvement which contemplates construction of about 2,700 feet of concrete wall, 3 pumping stations and appurtenant work. The project will provide protection to almost the entire city of Williamson from floods equal to the maximum of record (January 1957). The Engineers' benefit-to-cost ratio for this project is 1.2 to 1.

Item No. 10, Princeton. The Engineers' benefit-to-cost ratio for this project is 1.8 to 1. The plan of improvement provides for enlarging, straightening and clearing Brush Creek, Christian and Glady Fork for a total distance of 21,000 feet together with necessary alterations of railroad and highway relocations. The plan of improvement will give protection from flows about 20 percent greater than that experienced in June 1924, the maximum for which there are reliable data.

Item No. 11, East Rainelle. The project is located on Meadow River in Greenbrier County, W. Va. The proposed plan of improvement provides for widening and deepening the channel of Meadow River for 2.47 miles below the mouth of Sewell Creek; improving the channel of Sewell Creek, a distance of 5,450 feet upstream from its mouth and improving Boggs Creek for a distance of 3,230 feet above its mouth. The plan of improvement will provide near complete protection to East Rainelle from floods equivalent to that of record and partial protection from greater floods. The Engineers' benefit-to-cost ratio for this project is 2 to 1.

Item No. 12, Summersville Reservoir. Construction of this project will materially affect the well-being of a large segment of the population of the greater Kanawha Valley, in which Charleston, W. Va., is situated, and will be a major factor in attracting new industries because it will not only contribute to flood prevention but it will also insure an even and ample flow of water for industrial plants in the Charleston area during the dry season. An appropriation of $2 million would permit work to be initiated immediately toward the construction of the access roads, spillways, and other necessary preliminary operations. Completion of the Summersville project would considerably reduce a flood hazard that exists in the narrow and densely occupied industrial Kanawha River Valley. Extreme floods of record have inundated virtually the entire valley floor, and the occurrence of a great flood similar to that of 1861 under the present congested condition of the valley would result in stark tragedy. The flood of 1861 covered the area now occupied by the Charleston business district to depths ranging from 2 to 11 feet and residential areas were flooded to like depths. The Bluestone Reservoir, on New River, controls but 4,565 square miles of the drainage area above Charleston, which totals 10,420 square miles, and it is apparent that additional reservoir control is required to assure dependable protection from major floods. The industrial developments on the flood plain at and below Charleston, located at the confluence of the Elk and Kanawha Rivers, include great basic alcohol, ammonia and chlorine products plants which help to make the Kanawha Valley one of the greatest chemical centers of the world, a major U.S. naval ordnance plant, and large general manufacturing industries, all of which are of utmost importance to the national defense and economic welfare. A major portion of the processing and manufacturing works of the Carbide & Carbon Chemicals Corp. is located on a large island in the Kanawha River downstream from Charleston. The island is subject to inundation by major floods, and if flooded, damage to the property on this island alone would amount to over $6 million. The major industries located in the flood plain have a combined value of over $1 billion and an extreme flood, similar to that of 1861, would result in a major degree of destruction to most of the plants and force some of them out of operation for undetermined but long periods of time. This project will also make available a source of water which will be of general benefit to downstream areas as a result of low flow regulation.

Completion of the project at the earliest possible date is very desirable to furnish flood protection in the highly industrialized areas downstream. The Kanawha Valley has experienced rapid industrial expansion in recent years and many new industrial developments continue to locate in the flood plain. A high percentage of the industries crowded into the narrow valley are essential to the national economy of the country and the Kanawha Valley industrial center is con-

sidered to constitute one of the major flood risks in the Nation at this time.

Mr. Chairman, I thank you again for permitting me this opportunity to appear in behalf of the items I have covered. I trust that the committee will give favorable consideration to each and all of the projects mentioned.

Speech of Hon. Overton Brooks, of Louisiana, Chairman of the House Committee on Science and Astronautics, Before the Controllable Satellites Conference, American Rocket Society, MIT, Boston, Mass.

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 11, 1959

Mr. McCORMACK. Mr. Speaker, under permission to extend my remarks, I include a splendid and informative address made by our distinguished colleague, the chairman of the Committee on Science and Astronautics, the gentleman from Louisiana [Mr. BROOKS], before the controllable satellites conference, American Rocket Society, Massachusetts Institute of Technology, Boston, Mass. There is no one better qualified on the legislative level to discuss the technical subject mentioned in the within address than our friend from Louisiana [Mr. BROOKS]. As chairman of the standing Committee on Science and Astronautics, Chairman BROOKS is making an outstanding record. Under his leadership the House committee is also making an outstanding record. Under the leadership of the gentleman from Louisiana [Mr. BROOKS], the committee will make marked constructive contributions toward the use for peaceful purposes of present and future discoveries in the great area commonly known as outer space:

It is a source of great pleasure to me as chairman of the House Committee on Science and Astronautics to speak to the people assembled here tonight under the auspices of the American Rocket Society and the Massachusetts Institute of Technology.

While I am neither a scientist nor an engineer, I share your interest in this vital field of astronautical achievement. One aspect of space technology and exploration never ceases to impress me, and that is the number of years scientists and engineers have been giving serious attention to moving even farther into space. I doubt whether many people working directly in these areas realize that more than 50 years ago Robert H. Goddard was laying a firm foundation for the accomplishments that would be made beginning in 1957. Dr. Goddard, who rightfully deserves the name of father of American rocketry, was busy in 1909 and even before working out the difficult problems associated with the use of rockets to send payloads into space, to the moon, and to the planets.

I have long felt that the tremendously important contributions of Dr. Goddard deserve far greater national recognition than has transpired to date, and I have, therefore, been both delighted and gratified to learn from Dr. T. Keith Glennan, Administrator of the National Aeronautics and Space Administration, that the new space flight center, now being constructed at Beltsville, Md., will be named the Goddard Space Flight Center.

The Goddard Space Flight Center will consist of specially designed laboratories and will be staffed by outstanding scientists and engineers working to solve new problems connected with space technology and exploration. There, too, will be located important data reduction devices which are tied in to the extraordinarily complicated tracking equipment used to follow the course of space vehicles.

Many years ago Dr. Goddard said, "It is difficult to say what is impossible, for the dream of yesterday is the hope of today and the reality of tomorrow." I hope that the people who work at the Goddard Space Flight Center in the years ahead will be inspired by his courageous thinking.

It is with pleasure that I note the presence at this gathering of the gracious Mrs. Goddard, who did so much to inspire her illustrious husband in his work.

I think it is particularly appropriate to take note of this latest honor accorded Dr. Goddard before this group and in this city, where he spent a considerable portion of his early life before returning to Worcester, where he was born and later attained success.

I was also gratified to learn this evening that the American Rocket Society has decided to erect a memorial to Dr. Goddard in Worcester.

The subject matter before this conference is one of great importance to the United States and the free world and one which is of great concern to me personally and to my committee. In addition to the obvious military implications of controlled satellites, there will also be innumerable peaceful uses of manned maneuverable satellites. Our imagination is inadequate to appreciate the many economic benefits that may arise from this.

In a recent speech at the University of Maryland, Prof. George P. Sutton, our new chief scientist at the Defense Department's Advanced Research Projects Agency, and past president of your society, predicted that special controlled satellites will be used for the development and testing of interplanetary rocket engines and other equipment.

The Science and Astronautics Committee follows developments in this field as well as in other areas of space research. We have realized that even true satellites will not remain indefinitely in fixed orbit. Perturbations resulting from the influence of the moon and the sun will necessitate means to kick them back into orbit by remote control, or change their orbit, or perhaps service them with a manned space vehicle. This will be especially important in the case of satellites whose functions require that they remain permanently in a given orbit, such as the communication relay satellites.

An important series of satellite launchings is now under way at the Pacific Missile Range which will do much to increase our mastery of control techniques. I refer, of course, to the Discoverer satellite program.

This program is being carried on by the Advanced Research Projects Agency of the Department of Defense. It is designed to overcome such tremendous satellite control challenges as command communication, stabilization in orbit, command change of attitude in orbit, capsule ejection from outer space, and recovery of the capsule at a predetermined time and place.

Discoverer II, which returned to earth a few days ago, is regarded as having substantially advanced the art of controlling satellites.

As you know, the capsule which was ejected from the satellite over Spitzbergen in the arctic regions was not recovered. Plans called for it to be ejected over the Hawaiian area where ships and planes were waiting to spot it. However, due to initial malfunction of a part of the timer mechanism in the satellite, ejection occurred prematurely. Timer control was achieved on the 22d pass, but, unfortunately, automatic ejection had already occurred due to the action of a so-called fail-safe device.

Discoverer III is expected to be launched in approximately a month. This time it is planned to have the capsule carry four white mice now undergoing testing at Sunnyvale, Calif.

We are hopeful that the capsule can be directed to a safe landing in the Hawaiian area and that the tiny passengers can be retrieved alive.

If so, this will be the first time any living thing has orbited the earth and been recovered. It will represent a significant step forward toward the day when man can venture into space.

The mice are now undergoing testing for emotional and physical stability by an Air Force biological team. Scientists are greatly interested in the biological reactions of the mice, including oxygen intake, heart respiration, and the physiological and psychological effects of weightlessness, such as the effect on their digestive processes and upon their nervous systems.

As a prelude to ejection of the capsule from Discoverer III, the satellite's attitude will be changed in orbit. It will be turned initially into a tail first position and then turned 60 degrees down from the horizontal by means of compressed gas jets.

When in this position a series of explosive bolts will cause the capsule to eject from the satellite. Immediately thereafter, a retrorocket will be fired which will slow the capsule and direct it into a reentry trajectory.

At an altitude of about 50,000 feet, a switch, operated by the force of deceleration, will release a 20-pound parachute which will slowly lower the capsule, now weighing about 35 pounds, to the water.

C–119 airplanes from Hickman Feld scouting the Hawaiian area hope to spot the parachute visually because of its bright orange color, by signal from the radio beacon or by means of the plane's own radar, since the parachute is equipped with a reflecting undercoating of aluminum. If an airplane is within the immediate vicinity of the capsule as it falls, it is planned to snatch it out of the air with specially designed equipment. Destroyers waiting below will be ready to retrieve it should the aerial grab fail.

The conically shaped capsule, which will float on the water, has a diameter across the bottom of 2½ to 3 feet and a height of about 2 feet. It contains a radio beacon which will emit signals for about 10 to 18 hours, sufficient time, it is believed, to enable the waiting planes and ships to detect it.

The Discoverer II is believed to have passed within several hundred miles of the North and South Poles. It was visible to the naked eye in the North and South Pole regions. Our people at the U.S. IGY station at the South Pole saw it pass overhead on 22 consecutive passes. It appeared to them as a bright small moon. The satellite was also observed by individuals at the Admiral Byrd station, several hundred miles from the South Pole.

Considerable control was exercised over Discoverer II from the ground below.

It may be of interest to review the separate elements of these automatic controls, as well as ground-initiated commands. On various passes over the tracking network in the Alaska-Hawaii-California area, the satellite was commanded to relay its telemetry data to the ground and did so several times successfully.

Discoverer II was also commanded, on its second pass, to incorporate an actual orbital period of 90.5 minutes into its automatic control equipment to insure capsule ejection at the proper time and place.

Due to initial malfunction of a segment of the satellite's timer system, an orbital period of about 95 minutes was incorporated in response to the command from the ground. There was no opportunity to correct this error until after the 17th orbital pass. In the meantime, the capsule was automatically ejected, over the Spitzbergen area apparently, instead of over Hawaii.

Timer control of the satellite was accomplished on the 22d pass, but by this time the capsule had been ejected.

A second major form of control to which the Discoverer II was subjected is known as attitude control or stabilization. Prior to second stage ignition and injection into orbit, Discoverer II was placed into a horizontal position by means of an inertial reference package and a hydraulic control system, aided by an infrared horizon scanner.

Upon ignition, the pneumatic jet control system was replaced by a hydraulic control system which gimballed the Bell second stage engine, maintaining the satellite in a horizontal position during orbital injection. The infrared sensitive horizon scanner continued to operate, relaying corrections to the second stage guidance system.

After the Bell engine cutoff, the pneumatic jet control system resumed operation. Compressed gas under high pressure was metered to a series of external jets which stabilized the satellite as it orbited the earth.

A third form of control over the Discoverer took place when the satellite's attitude was changed in orbit as a prelude to capsule ejection.

The control functions applied to the Discoverer II required relatively small amounts of energy. A considerable increase in space propulsion energy will be required in order to accomplish a change in orbital attitude and direction or to maneuver a satellite from orbit to orbit.

In this regard, it is worthy of note that ARPA is planning a more advanced program than the Discoverer, dubbed "Mrs. V," for maneuverable, recoverable space vehicles. A major effort is also being directed toward the development of advanced space propulsion through the study of the feasibility of ion, plasma and charged particle jets.

The members of our committee are keenly aware of the importance of such developments to both the civilian and military space efforts of the United States. Such early programs can lead to the preciseness of control which will be required for interplanetary travel as well as for the development of maneuverable space vehicles which can operate in space in much the same manner as aircraft now perform in the atmosphere.

Many problems must be solved before man can venture safely into outer space, but if we have the vision and the courage to forge ahead, success will surely crown our efforts. Above all we must not be afraid to try, again, and again, and again, until we succeed.

We must be prepared to meet failure, as well as successes. Dr. Arthur Kantrowitz, director of the Avco-Everett Research Laboratory, put it well, I think, when he told our committe in a recent hearing: "I would feel better about our space program if I saw us making more mistakes than we do."

"Let's take a chance," said Dr. Kantrowitz. "Let's have the courage to risk making a mistake."

I cannot close without a word of caution about the state of our research "reservoir." If we are to continue to forge ahead, we must not lose sight of the importance of supporting the search for new knowledge. Only in this way can we replenish the well from which all progress flows.

We want results, yes. But we must prepare the way for results by laying the groundwork in advance, by continually searching for the truth. Here is where we will find many of the failures Dr. Kantrowitz referred to, but out of failures will come success.

Dr. Wernher von Braun, who heads the Army ballistic missile development program at Huntsville, Ala., says, "We are too busy with crash programs and are in danger of forgetting the long-range requirements which lie ahead and which will demand much more really new knowledge. We are concentrating upon doing things now with existing systems or with those which can evolve from existing technology."

"If we delay initiating basic and supporting research until the things down the road are upon us," he warns, "it will be too late. We will suddenly find ourselves brought to a stop by the exhaustion of our resources."

I agree 100 percent with Dr. von Braun and it is for this reason that I have introduced H.R. 5266 in Congress to set aside 10 percent of all Government expenditures for research and development for basic research. I plan to press for enactment of this legislation.

It has been a pleasure to appear before you and to address this body. The men and women assembled here tonight are making a real contribution to the welfare of the United States and the progress of mankind.

The great unknown, awesome in its immensity, stretches before us. Great adventures beckon us. We must always keep our eyes on the goals ahead, undaunted by failures. If we do so, success will surely be ours in the end.

Thank you.

State of Oregon Preparing 100th Birthday Party

EXTENSION OF REMARKS

OF

HON. RICHARD L. NEUBERGER

OF OREGON

IN THE SENATE OF THE UNITED STATES

Monday, May 11, 1959

Mr. NEUBERGER. Mr. President, the principal event of Oregon's 1959 statehood centennial celebration—the Centennial Exposition and Trade Fair—will not open until June 10, but the State of Oregon is alive now with the excitement of its 100th birthday party.

Robert McBride, a talented young writer on the editorial staff of the Oregon Daily Journal in my hometown of Portland, has written an excellent story, which was published in the travel section of the New York Times of Sunday, May 10, 1959, describing current and coming centennial events, and natural attractions available to visitors who come to Oregon this year, to help us celebrate 100 years of statehood.

I ask unanimous consent that Robert McBride's article, entitled "Oregon's Jubilee Year is Under Way," be printed in the CONGRESSIONAL RECORD, together with a second article on Oregon's centennial which I wrote for the New York Times of Sunday, March 29, 1959. The title of my article is "Oregon Celebrates Its Centennial Year."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Sunday, May 10, 1959.]

OREGON'S JUBILEE YEAR IS UNDER WAY

(By Robert McBride)

PORTLAND, OREG.—The residents of this State celebrate at the drop of a tree or a rose or a raspberry, and this centennial summer will be their biggest, wildest blowout in more than 50 years.

Among the things to see and do will be the largest exposition and international trade fair in the West in a decade. It opens June 10 in Portland, with dozens of rodeos, festivals, parades, symphony concerts, operas, frog-jumping contests, sham holdups, fistfights and national Indian games to follow.

The centennial is just now getting into its stride and the excitement will not ease until late September. Not since the Lewis and Clark Fair of 1905 has so much money been spent and so much time been given toward making Oregon attractive to the summer traveler.

The only way of traveling in which one can truly experience the sweep and throb of this land is on horseback. But the next best way is by automobile.

The old Oregon Trail begins at Independence, Mo. It is concrete and asphalt now, but much of the land on the other side of the ditch will look to today's travelers the way it did from the seat of a covered wagon in 1859.

Eastern Oregon is an area of rolling plains, deserts, mountains, and cool forests. It is ranch and farm country. They do not grow corn as high as an elephant's eye, but they grow real cowboys and straight-backed Herefords, and they have some of the wildest scenery in America.

MESAS AND VALLEYS

In the Big Basin country of southeast Oregon, rimrock mesas reach into quiet valleys and meadowlands, deer and antelope roam undisturbed, and hundreds of other species of birds and animals live under the protection of the Malheur National Wildlife Refuge.

The eastern division of the refuge extends from the head of Malheur Lake to the southern extremity of the lake at French Glen, a distance of 53 miles. Both these points are marked by high, steel towers which carry the symbol of the refuge, the sign of the flying wild goose. Adjacent to the refuge are hundreds of thousands of acres of land ranged by great herds of cattle and sheep.

Malheur Lake, its 40,000-acre maze of marsh, and its bullrushes and cattails is the breeding, resting, and feeding place for more than 200 species of water birds, including bitterns, rails, ibis, avocets, willets and snipes of several varieties in the refuge. Here, also, is the habitat of the fabulous American egret.

To the south and east of the 160,000 acre refuge are the incomparably beautiful and lonely Steens Mountains and the Blitzen Valley. The setting here harks back to the time when the West was young. Cattle ranching goes on as it has since pioneer times. Stately sandhill cranes, Canada geese, fat mule deer and noisy terns mingle with the cattle in the great meadowlands of the Blitzen, which falls south from Malheur Lake.

COOL AREA

East of the valley the Steens rise to a cool 9,000 feet, offering pleasant relief in summer from the heat. An ideal camping spot in the Steens is Fish Lake, eighteen miles of graveled road from French Glen.

No camping is allowed in the refuge itself, because there are no developed campsites

and the danger of an uncontrollable fire in the meadows is great.

In a setting of lingering snowbanks, rustling, quaking aspens and mountain mahogany, 7,600-foot-high Fish Lake is the air-conditioned summer retreat of this entire area. Its 25 acres contain both brook and rainbow trout. Camping facilities are good.

The Steens Mountains are one of the United States' best examples of fault-block formation. The area has several great gorges half a mile deep, chiseled out by ancient glaciers of the Ice Age.

This wonderland of pristine charm has been largely missed by both the tourists and by Oregonians themselves, because the paved highways lead to the places where there is more manmade comfort, food and entertainment.

But those who can take dust in the eyes and the bumps of corduroy roads, the modest fare of a country hotel, or eating out with the cowboys, should steer off the well-traveled trail at Burns, and drive south to the Malheur Refuge. There one can obtain information and directions about where and how best to see and enjoy this wild land.

Just south of Ontario and Nyssa, near the Oregon-Idaho border, is another magnificent fishing and camping spot. This is in the lake behind Owyee Dam. It is 55 miles long and has 300 miles of shoreline, hemmed by a jumble of mountains and sheer cliffs.

Wildlife experts call Owyhee Lake the finest untapped piece of recreational water in eastern Oregon. One must see the lake to appreciate its fantastic desert rock formations. One sails past cliffs and pinnacles with all the colors of the Southwest's deserts. Leslie Gulch, on the upper lake, is comparable to Bryce Canyon National Park.

BIG BUCKS

Hunters get in their boats and fade away from civilization by going far up the lake to hunt the biggest bucks in Oregon. They camp on the shore and bring their bucks out by boat. Crappie are caught by the bucketful and bass reach 8 pounds.

Owyhee Lake is so big that it cannot be fished hard enough to even keep up with the bass and crappie production, according to fishing experts. Mallards by the thousands flock onto the reservoir in the fall, and decoy hunting along the shores is excellent.

The breaks of the Owyhee are the last stronghold of the wild horse of the West. Indian petroglyphs may be seen on the lake cliffs.

Also in eastern Oregon, the traveler will find special centennial events every week in nearly every county.

The Harney County Pioneers' Days will be held at Burns, June 13. The June parimutuel races are scheduled at Ontario, June 10–13.

One of the biggest rodeos and roundups of the West will be held at Pendleton, September 16–19. This is always a colorful and fast-moving show, and this year it is expected to be particularly exciting. One of the features of the roundup is a national Indian encampment. More than 2,000 representatives of American Indian tribes will be camped on the roundup grounds. The encampment will feature a series of races, authentic Indian games and dances.

No report of the natural grandeur of Oregon would be complete without mention of the back-country lakes of the Cascade and Wallowa Mountains. Between 700 and 1,000 of these lakes are found in the two ranges, many of which can be reached by road.

Most of the lakes are stocked with trout and many of them may be reached over well-maintained U.S. Forest Service trails. Others have never had a trail blazed to their shores.

In addition to the pleasure of fishing these lakes, pack trips into them gives one a chance to see some more of Oregon's rugged mountain scenery.

VARIED SCENERY

Here are great areas of uncut forests, sprinkled with flower-filled mountain meadows, deep canyons flanked by snow-laden peaks, and cascades of clear water rushing down the slopes. Here also are deer, bear, game birds, songbirds and small animals. Here are views of Jefferson Park from the Skyline Trail and the breathtaking granite peaks and mountain meadows of the high Wallowas.

Moving on to special centennial events in central Oregon, one might want to visit the Saturday afternoon horseshoe-pitching contests throughout June in Prineville. Those who like rocks, plain or fancy, will be able to see plenty of them at the All Rockhounds powwow in Prineville, July 3–5.

The National Field Archers Association will holds its tournament at Bend, July 27–30. Redmond will celebrate the Oregon potato with a festival, September 26.

County fairs and rodeos will be held throughout the central Oregon area by the dozen. At these celebrations the visitor can experience the exhilaration of small-town life in a festival mood.

Albany, a town at the hub of a great timber-producing area, is the host each year to a World Championship Timber Carnival. Set for July 2, 3, and 4, and billed as spectacular, inexpensive and thrilling, the carnival will offer some of the best log chopping, bucking, speed climbing, topping, birling and jousting to be found anywhere.

The center of the centennial, of course, will be the Exposition and International Trade Fair in Portland. Opening with the exposition, June 10, will be the Portland Rose Festival, always an impressive show.

If the pompous, flower sweet pageantry of the Rose Festival's grand floral parade makes the spectator hungry or dries his throat, Portland has dozens of good bars and restaurants. A good steak costs anywhere from $3.50 to $6. Seafood here is among the best.

The exposition will, at the very least, be an entertainment-filled fair. A huge midway is to be set up and about $25 million will be spent on exhibits from atomic energy to Tillamook cheese. Daily and nightly water-ski shows will be staged on the Oregon estuary of the Columbia River, adjacent to the centennial grounds. The trade fair will be second only to that of New York.

The Garden of Tomorrow, 3½ acres of flowers, shrubs and floral displays, will feature a special Japanese garden with a teahouse and a floral clock 32 feet in diameter, planted with several thousand flowers. It will tell time.

Fist fights and gun duels will be features of the Frontier Town. Nightly shows have been booked for the arena of the 11-acre centennial building. Harry Belafonte, Roy Rogers, Japan's Kabuki Dancers, the Ice Capades, and the Aqua Follies already have been signed.

No visitor to Oregon, winter or summer, will want to miss seeing the thundering, sublime, lonely Oregon coast. It is 400 miles long, mostly paralleled by U.S. 101 and nearly every inch owned by the State of Oregon.

There are times when one can walk for miles on sandy beach, with the furious surf of the Pacific pounding in one's ears, without seeing another soul or even another footprint.

ON THE DUNES

Deep-sea fishing, sun bathing on the great Oregon Dunes, golfing, clam digging, surf fishing, overnight camping beside a driftwood fire on the beach, and any number of other possibilities await the traveler.

One of the famous sports of western Oregon is white-river boating on the McKenzie River. The visitor on a trip down the McKenzie may feel that he has never seen so much violent, cold water in so great a hurry. His light boat will pitch and toss in the deep troughs and powerful curlers formed by boulders strewn liberally in narrow channels running steeply downhill.

He will look back at these rocks, which the skilled guides have avoided, and he will swear that they seem to be settling resentfully back to the bed of the stream after leaping to clutch at the boat.

Much of Oregon stands on its 100th anniversary of statehood as it stood when the classic American settler, the pioneer-farmer, first unyoked his oxen in the Willamette Valley.

Barely a century separates the stone, steel, and glass skyline of Portland from the log cabin and the fur trade. The State's population is only 1,750,000, and nearly half of this is concentrated in the metropolitan Portland area.

OVERNIGHT CAMPS

However, since two or three times the average number of tourists are expected this year, hotel and motel reservations should be made early. There are scores of roadside camps and parks with tourist facilities along every major highway. It costs only $1 to stay overnight in most of the camps. All have water and other camping necessities.

One should write the Oregon Centennial Commission, 400 Jackson Tower, Portland, for help with obtaining accommodations in advance. Special ,tourist information and hospitality centers are being opened in nearly every town of any size in the State, particularly along major highways.

These centers will be staffed with volunteers who can help the traveler plan an entire vacation in Oregon or send him to the nearest historical marker with an armload of information about everything from wildflowers to salmon fishing. The hospitality and information program has been thoroughly planned.

[From the New York Times, Mar. 29, 1959]

OREGON CELEBRATES ITS CENTENNIAL YEAR

(By RICHARD L. NEUBERGER)

(Mr. NEUBERGER, junior U.S. Senator from Oregon, is a native son of that State and the author of many books and articles about its wonders.)

Oregon, always a bonanza for tourists because of its vast and verdant outdoors, is offering many additional inducements this year as part of the centennial observation of its admission to statehood in 1859. While Conestoga wagons still creaked on the Oregon Trail, the scenic realm which gave the troubled trail its name came into the Union on the eve of the Civil War.

Even Oregon's traditional and annual events of long standing, such as the Portland Rose Festival and the Pendleton Round-Up, will be far more elaborate than ever before in tribute to the fact that Oregon is now 100 years old and the first of all the States of the Pacific Northwest to attain so lusty an age.

Yet, despite a long list of manmade spectacles which will be part of the centennial celebration, Oregon's dominant attraction continues to be the grandeur of its mountains, valleys, and timbered seacoast. It contains more fir and pine forests, more State parks, and more fish-filled rivers than any other State. Beyond each horizon are innumerable mountain meadows which invite the pitching of a tent. Oregon is an easy place to hook a trout and fry it in bacon fat over a crackling campfire.

The first Americans to explore Oregon were the great frontiersmen, Meriwether Lewis and William Clark. Even they, accustomed to cosmic and sweeping panoramas, were awed and impressed by the dimensions and majesty of the Oregon outdoors. So it

has been with virtually all other visitors ever since. Oregon inspires its guests.

U.S. 101 clings to the Oregon seacoast for nearly 300 spectacular miles, looping like a hatband around sheer rock ramparts and then swooping down to wide beaches of glittering white sand. This is a shoreline which offers every possible sort of recreation—digging and raking for clams and crabs, ocean bathing, mountain climbing, hikes in dense evergreen "rain forests," trolling for salmon offshore and casting for steelhead in riffled streams that pour foamingly to the sea.

ROADSIDE SPOTS

The highway is dotted with modern motels and restaurants. Many of these will bake your salmon and fry your razor clams, while you wait at the table with a heaping cocktail of the Dungeness crab that you have brought from one of the crabholes dotting the beaches while the tide was out.

Although the National Park Service has warned of our "vanishing" shoreline elsewhere in the Nation, this stern admonition fortunately does not apply to Oregon. All the beaches, without exception, were reserved for the public by Gov. Oswald West back in 1909. Mr. West, who still lives in the State, recently saw a magnificent park beside the Pacific named in his honor. Many such parks offer forested campsites barely a mashie shot from the nippy surf, with its booming breakers.

Appropriately, in this centennial year, Oregon's first national historic shrine is under construction by the Federal Government near Astoria on the seacoast. It will be the Fort Clatsop National Memorial, marking the site where Lewis and Clark spent the winter of 1805–06 after the first overland crossing of this continent by Americans.

Their log stockade has been rebuilt and a modern museum building will be added. Legislation also is contemplated to give national-monument status to the "Oregon dunes," a picturesque stretch of shoreline where towering desertlike billows of sand form huge ramparts above the ocean.

MOUNTAINS AND SHORE

Oregon is both a mountain State and a seashore State. Besides having one of the country's most picturesque seacoasts, it is ribbed with four or five lofty mountain ranges. These offer the traveler a wide variety of opportunities.

Timberline Lodge, on the glacial slopes of Mount Hood, is one of the most unusual resorts in America. It contains notable examples of the native arts of the Northwest in drapes, blankets, mosaics, decorations and newel posts of Indian design. Ski lifts and ski runs dot the slopes near Timberline Lodge, and there also is a new steam-heated swimming pool amid Hood's eternal snows.

A comparatively short distance from the lodge, which is the only such inn anywhere in the 153 national forests of the United States, sprawl many campgrounds for the pilgrim who prefers somewhat more primitive or rustic quarters.

The Skyline Trail threads along the crest of the Cascade Mountains for 250 miles in Oregon. A wayfarer can spend weeks on this rugged path and never see another person. He can almost imagine himself in the solitudes with Lewis and Clark before the white man came—except, perhaps, for that airplane between Portland and San Francisco winging far overhead.

But this is the big wilderness. It is not a realm of wide open spaces like the Nevada or Arizona deserts. It is characterized by dense evergreen forests. From every knoll or pinnacle, the nomad can see an endless blanket of fir, spruce, and pine. He realizes why Oregon, with 434 billion board-feet of softwood timber, is the leading State so far as lumber production is concerned.

Oregon's people are profoundly conscious of their roads and highways. Indeed, Oregon was the first State to levy a tax on motor fuels to be used directly for the construction of roads. It also was the first to paint a white strip down the center of highways for guidance on foggy or rainy nights.

With the assistance of Federal funds, U.S. 30 and U.S. 99 are under conversion to four-lane express highways. These are the main roads bisecting the State from east to west and from north to south. Secondary paved roads also are receiving extensive improvements. Unless the motorist wants to take his car to the most remote fishing or hunting retreats, he can be certain his wheels will be on hard surface all during his sojourn in Oregon. Roads loom large in Oregon's State budget.

PROPOSED BRIDGE

The next such development may be still more spectacular. Plans are under way for a bridge 7 miles in length, to connect the States of Oregon and Washington at the mouth of the West's greatest river, the mighty Columbia. The span, to cost approximately $28 million, would be part of U.S. 101. This would eliminate the longest ferryboat voyage on the principal road paralleling the Pacific's shoreline from Canada to Mexico.

It also would be of great importance to the tourist trade generally, because this is one of the most popular areas on the entire Pacific coast for fishing, boating and surf-bathing. And trolling for salmon in the Columbia has become a much more successful pastime since inundation of the Indian fishery behind the Dalles Dam began to permit larger numbers of migratory fish to escape to their spawning grounds in the distant solitudes.

But the pilgrim can travel comfortably to Oregon even if he decides not to bring his own sedan or convertible. United, Northwest, Western and West Coast are among the leading airlines which serve the State with daily flights. Pan American soars to Hawaii from Portland's recently refurnished international airport.

Several railroads operate streamliners into Oregon. These include the Southern Pacific, Great Northern, Northern Pacific and Union Pacific. The equipment features vista-dome cars and the latest pullmans. The Union Pacific even has a diner with a dome.

TICKET PLAN

The secondary passenger trains of the Northern Pacific and Great Northern—the Mainstreeter and Western Star, respectively—now offer travelers a bonus in that sleeping-car space can be purchased with only a coach ticket. These two systems enter Oregon over the route of the Spokane, Portland, and Seattle Railway.

Although plans were under way long before Oregon became 100 years old, it is significant that both the Sheraton and Hilton Hotel chains are invading Portland with impressive new structures in this centennial year. The Sheraton project is scheduled for completion next December. Target date for the Hilton Hotel is April 1961.

Furthermore, the city of Portland itself is constructing an elaborate exposition-recreation center, which will make Oregon's principal metropolitan community far more suitable for large conventions and meetings. In the past, such facilities have been lacking.

Portland also is building one of the West's most elaborate zoological gardens, with a miniature streamlined train which will wind through the wooded hills that are one of the city's most striking natural characteristics. This "zooliner" has been heralded as without counterpart anywhere in the Nation.

Principal event of Oregon's centennial celebration will be the Exposition and International Trade Fair, to run from June 10 until September 15. It will be on the shores of the Columbia River just north of Portland, with exhibits on hand from approximately 50 countries. Its inaugural will come a day after the opening of the Portland Rose Festival, which this year is scheduled from June 9 to 14. The famous grand floral parade will take place June 13, and the next day the golden rose ski tournament is slated for the white slopes near Timberline Lodge.

ROSES AND GLACIERS

Oregon is that kind of State—roses flourish within sight of eternal glaciers. Indeed, much impetus to make the rose the national flower of the United States always has come from public opinion in Oregon. Along with the Senators from the States of New York and Pennsylvania, I am sponsoring a bill to proclaim such a policy for the country.

Other events of importance scheduled for Oregon's centennial year are the annual canoe fete at the University of Oregon May 15, the McKenzie River White Water Parade at Blue River June 21, the Albany Timber Carnival July 3 and 4, the Bend Water Pageant July 3 to 5, the Oregon Fish Festival at Astoria August 26 to 31, and the famous Round-Up at Pendleton September 16 to 19.

Many of these events are quite extraordinary. The Timber Carnival specializes in contests of skill and brawn associated with the lumber industry, such as trying to stay on logs floating in a millpond. The McKenzie White Water Parade features rowboating through the rapids and riffles of a river that is the favorite trout stream of ex-President Herbert C. Hoover.

Officials of the Oregon State Centennial Commission anticipate at least 8 million people will visit the exposition and trade fair alone, which they herald as the greatest fair to be held in the West since the San Fancisco World's Fair of 1939. In addition to countless industrial and manufacturing exhibits, the fair will include dramatizations of significant occurrences out of Oregon's historic past.

THE WILD WEST

These will recreate jolting stagecoach rides with the Wells Fargo Express, frontier Indian villages and the robberies of pioneer railroads running on wooden rails. President Eisenhower has already signed an official proclamation passed by both branches of Congress urging the entire country to join in celebrating Oregon's 100th birthday.

But despite all these extensive plans the principal attraction to visitors still will be Oregon's plethora of magnificent scenery. The trade fair and the rodeos and even the rose festival will be long forgotten when the rock ramparts of the Columbia River Gorge, the stately white spire of Mount Jefferson and the timbered headlands of the Oregon seacost continue to be rich and vivid in countless memories.

The Late Ralph H. Moyer

EXTENSION OF REMARKS

OF

HON. FRED MARSHALL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 11, 1959

Mr. MARSHALL. Mr. Speaker, the recent death of Ralph H. Moyer marks the passing of a real pioneer in several of the farm programs which have been so important to the development of American agriculture. He was associated with the Department of Agriculture for almost 26 years and at the time of his death was Deputy Director, Performance Division, Commodity Stabilization Service.

It was my privilege to become acquainted with Ralph Moyer in the early days of the Agricultural Adjustment Administration. He was a leader in the development of the corn-hog program and a dedicated public servant who virtually lived for his work. Later he became just as dedicated to the advance of aerial photography in measuring farm acreages. His pioneering efforts in this field resulted in a considerable saving in time and money with the development of photographic measurement rather than manual measurement in the field.

When he began his work in the experimental stages of aerial photography, it was in use in relatively few counties. It has now become established as an accurate and economical method of measurement and about 95 percent of all cropland in this country has been photographed.

The clerk of our Subcommittee on Departments of Labor and Health, Education, and Welfare Appropriations, Mr. Robert Moyer, is a worthy son of this distinguished public servant. To him, and to his mother and sisters, we extend our deepest sympathy in their great loss.

Small Business Legislation

EXTENSION OF REMARKS
OF
HON. WILLIAM C. CRAMER
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 11, 1959

Mr. CRAMER. Mr. Speaker, I have today introduced a small business tax reform bill which is identical to the small business bill introduced by the Republican members of the House Small Business Committee.

We must face up to the responsibility of providing the means by which our small business institutions may grow and expand on a sound constructive basis. The bill would provide additional reform and revisions of certain sections of the Internal Revenue Code to assist small businesses, and overcome the difficulties encountered in their efforts to grow, expand, and modernize. Small business represents the broadest base of our entire economy and we must recognize the importance of small and new businesses and enact a tax policy which encourages freedom of entry into business. The tax system should be designed to stimulate incentive and provide growth but not penalize either large or small firms. This is necessary to our free enterprise system.

Unless we provide for the growth of small and medium sized businesses we shall inevitably be confronted with a greater merger and business failure problem than we have now.

In brief the purposes of the bill are to provide for expansion, growth, and modernization, to permit individuals and partnerships filing income tax returns for small and independent businesses engaged in trade or commerce to have election to be taxed as a corporation, to provide a normal tax rate of 20 percent for taxable years after June 30, 1959, to provide family-sized farmers and others engaged in agricultural pursuits an exemption for the improvement, modernization, and renewal of buildings, and to provide small and independent business an exemption for good will in the determination of the value of the estate.

I think that this legislation is absolutely necessary to the Nation and should be enacted into law without delay.

Recommendation of Cooley Committee for More Effective Spectrum Management

EXTENSION OF REMARKS
OF
HON. OREN HARRIS
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Monday, May 11, 1959

Mr. HARRIS. Mr. Speaker, on March 27, 1959, there was transmitted to the Congress a report and recommendations of the Special Advisory Committee on Telecommunication, commonly known as the Cooley Committee after its Chairman, Victor E. Cooley. In addition to Chairman Cooley, the Committee consisted of the following individuals: W. Preston Corderman, major general, U.S. Army, retired; Frank G. Kear; Irvin Stewart; William G. Thompson.

The Cooley Committee submitted its report and recommendations on December 29, 1958, and its recommendations included a draft bill calling for the establishment in the Executive Office of the President, of a three member National Telecommunications Board to assist the President in the discharge of his responsibilities with regard to telecommunications and radio spectrum management.

Mr. Speaker, I introduced today the draft bill recommended by the Cooley Committee so that that bill may be considered by our committee together with other proposals previously introduced relating to spectrum studies and spectrum management.

Mr. Speaker, in order to permit all interested persons and Members of Congress to study the recommendations of the Cooley Committee, I would like to insert at this point the report of that Committee:

REPORT OF SPECIAL ADVISORY COMMITTEE ON TELECOMMUNICATION DECEMBER 29, 1958

LETTER OF TRANSMITTAL

DECEMBER 29, 1958.

Hon. LEO A. HOEGH,
Director,
Office of Civil and Defense Mobilization,
Washington, D.C.

DEAR MR. HOEGH: We have the honor of sending to you for transmittal to the President the report and recommendations of the Special Advisory Committee on Telecommunication as called for by your letter of November 4, 1958, creating the Committee and setting forth its mission.

Since the initial meeting of the Committee which you convened on November 18, we have reviewed the administrative organization and procedures currently in force dealing with day-to-day matters relating to telecommunications management within the executive branch and the growing demands for frequency assignments by both Government and nongovernment applicants. We have also considered the broad overall methods of allocation of the radio spectrum and the assignment of radio frequencies as well as the availability of desired frequencies. The results of our considerations are embodied in our report which you requested be completed and in your hands prior to January 1, 1959.

The Committee is unanimous to recommending to you the conclusions reached in its report.

Respectfully submitted.

W. PRESTON CORDERMAN,
Major General, U.S. Army (Retired).
FRANK G. KEAR.
IRVIN STEWART.
WILLIAM G. THOMPSON.
VICTOR E. COOLEY.
Chairman.

INTRODUCTION

The telecommunication systems of the United States are essential to the national security, to the safety of life and property, to international relations, and to the business, social, educational, and political life of the country. As such they are one of the Nation's most valuable assets in peace and provide vital and essential support in the prosecution of war.

The President in recognizing the importance of telecommunications declared in his letter to Speaker RAYBURN dated July 28, 1958, that "changing technology along with changing needs in Government and nongovernment areas present problems in the telecommunication field which require searching examination. The situation is becoming no less complicated by prospective developments in satellites and space vehicles as well as defense weapons systems. Thus it has seemed to me that a fresh examination of the role of the Federal Government in this field would be desirable."

The concern felt by the 85th Congres was indicated by the Senate's adoption of Senate Joint Resolution 106 establishing a Commission to investigate the utilization of the radio and television frequencies. This resolution was approved with amendments by the House Committee on Interstate and Foreign Commerce but did not come to a vote in the House.

Industry's concern was evidenced more than a year ago and reaffirmed this year through the adoption of a resolution by the Electronic Industries Association calling for a study of the spectrum. Nongovernment users of the spectrum, for example the broadcasters, have indicated a need for additional channels in certain frequency ranges not now available.

While landline and submarine cable facilities are capable of expansion almost without limit, such is not the case with the radio spectrum. There is only one such spectrum, the usable band of which extends in the present state of the art to about 30,000 megacycles—a frequency of about 30 billion cycles per second. This figure may give the impression of an inexhaustible supply, but unfortunately all parts of the spectrum are not equally usable. Different parts have different characteristics, many being very useful while others have little or no current application. In consequence, requests for frequencies having the most favorable characteristics are of sufficient volume often to cause an excess of demand over supply.

The importance of efficient use of the spectrum is emphasized from a national security standpoint by the expanding need of radio channels in the Department of Defense. Not only have all branches of the military become increasingly dependent upon spectrum use for communications, but the engineering design of space vehicles and many of our most modern weapons makes the use of radio channels essential to their

operation and direction. Also urgent is the increased need of frequencies for modern airplane operation, and other important services are equally demanding.

The demand for radio frequencies has been growing steadily since the early 1900's. At the time of the Berlin Radio Conference in 1906 the usable radio spectrum comprised about 500 kilocycles of space. Currently nearly 40 million kilocycles of space, or about 80,000 times as much, is allocated in the United States, of which about 15 million kilocycles is used so intensively that it has become difficult to satisfy new requirements. The increase since the beginning of World War II is about two-hundred-fold and since the Korean action began is about fourfold. Thus it is vital to the welfare and security of the country that the radio spectrum be efficiently and effectively used.

With the foregoing in mind, and being aware of his responsibilities in this field, the Director of the Office of Civil and Defense Mobilization, on behalf of the President, created the Special Advisory Committee on Telecommunication to review the role of the Federal Government in the management of telecommunications. The text of the Director's letter is attached as appendix A.

In view of the study given the subject in recent years, the results of which are available, the committee felt it was not necessary to hold hearings to determine the existence, nature, and scope of the problem assigned to it. A review of past studies in light of the current situation was undertaken. The discussion and recommendations which follow are based on this review.

OUR CURRENT MECHANISM

The Government of the United States has from time to time established agencies to deal on a continuing basis with various aspects of telecommunication management which includes radio, landline, and submarine cables. As the use of telecommunications has grown, with the Government itself a major user, existing Government mechanisms have required and will continue to require adjustment and strengthening.

The Communications Act of 1934, as amended, gives to the President the responsibility for assigning radio frequencies to the Federal Government agencies, and to the Federal Communications Commission the responsibility for assigning frequencies to commercial and private users, including State and local governments. Thus the law establishes a dual control over a single national resource. Additionally, the act vests in the President wartime authority over all telecommunications.

The necessity for a mechanism to supervise and administer the Government's needs and uses of telecommunications was stressed by the report of the President's Communications Policy Board in 1951.[1]

The mechanism which was subsequently established on a minimal basis consisted of a Telecommunications Advisor to the President and a small professional staff. Later reorganization resulted in a downgrading of the office. This important work is now assigned to a numerically inadequate staff—about 12 people—under the direction of the Deputy Assistant Director for Telecommunications who reports to the Director of the Office of Civil and Defense Mobilization through the Assistant Director for Resources and Production. Thus it has no established source of high-level direction from executives knowledgeable in telecommunications.

Assisting the Deputy Assistant Director for Telecommunications is the Interdepartment Radio Advisory Committee (IRAC), a committee of Federal agency experts which affords technical guidance in the assignment of radio frequencies to Government agencies. This committee reports to the Director of OCDM through the Deputy Assistant Director for Telecommunications. The IRAC is primarily a group of coequal users and as such is not an appropriate group to act, nor does it act, as a policymaking or authoritative body.

The Federal Communications Commission which succeeded the Federal Radio Commission in 1934 regulates nongovernment telecommunications, including the assignment of radio frequencies, with a staff of about 1,000 people. Administering the work of the Commission are seven Commissioners which give it a continuing source of high-level direction.

These various segments form our national regulatory and control mechanism of telecommunications.

CONSIDERATIONS LEADING TO A CONCLUSION

As inferred in the introductory pafagraph of this report, the basic problem giving rise to the appointment of this committee is the fact that in certain parts of the radio spectrum the demand for frequencies has become greater than the supply, and the further fact that the trend in volume of applications, both Government and nongovernment, for frequencies in specific bands indicates that the situation will grow progressively worse.

Although it has been possible to date through piecemeal compromise on the allocations and assignments of radio frequencies to satisfy most requests in a workable manner, it is plainly of great importance to our national security and welfare that the mechanism of allotting and assigning frequencies, particularly in the Government field, be reviewed and strengthened to the end of assuring the most effective use of a scarce but essential national resource.

A consideration disquieting to many is the fact, as mentioned earlier, that the law establishes a dual control over the radio frequency spectrum, the President having responsibility for Government use and the Federal Communications Commission for nongovernment use. Thus there is no individual, agency, or board invested with the responsibility for the effective use of the radio spectrum as a whole.

In reviewing the structure as it has evolved the Committee was continuously struck by the absence of adequate provision for high-level consideration on the Government side of a variety of matters of vital national importance in the area of telecommunications. The Federal Communications Commission provides a vehicle for adequate consideration in the nongovernment area. In sharp contrast, as indicated earlier, decisions in the area of Government use or of conflict between Government and nongovernment use, are often made by compromises at the operational level by staff members, who though competent in their fields, do not necessarily have the total picture of national interest. There is also an unfortunate absence at present of anyone in the executive branch with adequate knowledge, experience, and stature to act for the President in these matters and there is not available therein an organization adequate to accumulate the information and experience upon which to base sound action.

CONCLUSION

In the opinion of the Committee any sweeping change in the regulation and control of telecommunications by the Government, and in the legislation therefor, should be considered only after extensive study and the development of a well-thought-out course of action. The committee does feel, however, that in advance of such a study, certain immediate steps can and should be taken to strengthen the executive branch side of telecommunications management.

It has been suggested that additional powers in this area might be given to the Federal Communications Commission. To give such powers to the FCC would present a number of difficulties. That body is fully occupied with its regulatory and assignment functions in the nongovernment field. The duties needing attention, including the allocation of frequencies to Government agencies, call for a different type of operation than is required in an agency concerned with the regulatory problems of nongovernmental users. It would also seem inappropriate to give the FCC the power to act in matters affecting the executive agencies or responsibilities relating closely to national defense or foreign affairs. These are areas of decision which belong to the President and should be his prerogative to delegate. Because of these considerations the committee believes that these broad discretionary functions can best be discharged and the strengthening best be accomplished through creation of a board within the executive office of the President to act for and be answerable to the President in the carrying out of his responsibilities under the Communications Act.

The type of responsibility which is contemplated should, we feel, be vested in a board of three rather than in a single individual. A wisely constituted board can bring a variety of experience and points of view to the problems with which the United States is confronted in the area of telecommunications, and we believe that the desirable diversity of viewpoints can be achieved with three properly selected individuals.

The new Board would necessarily be privy to the plans of all agencies it serves, for both present and future use, under an assurance of complete security for all information which it receives. Its decisions would have a bearing upon war plans and upon the production of vast quantities of civilian and military equipment. It would introduce a positive planning factor into decisions which are now being made on the basis of insufficient information as to present plans and probable future developments, scientific and otherwise.

The Board should undertake studies of the kind and intensity of use of currently assigned frequencies; acquaint itself with the present state of both military and civilian operations and research which may have a bearing upon the future demand for frequencies; prepare itself to suggest areas in which additional research might be undertaken in the light of probable future requirements, both civilian and military; review the international telecommunications situation with a view to strengthening our international posture; and keep continually under examination the entire field of telecommunications in order to advise the President of any actions which it thinks he should take to advance the public interest.

The type of organization we have in mind would have the following characteristics:

1. It would be established by Congress at the request of the President.

2. It would be established in the Executive Office of the President at a level to give it direct access to the President and to the heads of Government agencies using telecommunications.

3. It would have its own staff to the extent necessary to assure both the objectivity of the information upon which it acts and the unbiased character of recommendations based upon that information.

4. It would have the authority to require any Government agency to produce any information within its field of interest and to provide any assistance which it believes necessary to a proper decision.

5. It would have continuity to facilitate the development of long-range policies.

6. It would be an agency with no responsibility for the operation of any telecommunications.

7. It would not disturb the present functions of the Federal Communications Com-

[1] Telecommunications—A Program for Progress.

mission, including that of determining which applicants shall receive assignments within bands set aside for nongovernmental use.

MEASURES RECOMMENDED

Recommendation in summary

It is recommended that a Board be established through legislation requested by the President in order to provide the President with the means of discharging his responsibilities in connection with national telecommunication resources, including the Government's use of the radio frequency spectrum.

A draft bill designed to accomplish the foregoing recommendation by establishing a National Telecommunications Board is attached as Appendix B.

A draft Executive order designed to establish mobilization planning responsibilities for the Board is also attached as Appendix C.

ESTABLISHMENT OF A NATIONAL TELECOMMUNICATIONS BOARD

There should be established in the Executive Office of the President a National Telecommunications Board which reports directly to the President. The Board should consist of three members to be appointed by the President, by and with the advice and consent of the Senate. The Chairman should be designated by the President. Board members should receive compensation in accordance with prevailing scales in comparable Government bodies. The Interdepartment Radio Advisory Committee (IRAC) should report to and assist the Board in the performance of the Board's functions as the Board may direct.

Functions of the Board

The Board should assist and advise the President in the discharge of his responsibilities as President of the United States in connection with U.S. telecommunication resources to meet the changing demands of national security and welfare, and should act for him in the discharge of his responsibilities arising from the Communications Act of 1934, as amended, for management of the Federal Government's use of the radio frequency spectrum in such a way as to provide the optimum accommodation of present and foreseen future needs of national security, safety of life and property, international relations, and the economic, social, educational, and political life of the Nation and the general welfare of its people.

The Board should formulate telecommunication policies, plans, programs, and standards designed to assure efficient telecommunication management within the executive branch of the Government with due regard for the maintenance of sound and healthy commercial telecommunication services both domestic and overseas. The Board should coordinate the formulation of U.S. policies and positions within the executive branch of the Government for international negotiation and should assist and advise the Secretary of State in the projection internationally of U.S. telecommunication policies and positions. The Board should provide policy guidance for and direct the implementation of U.S. international telecommunication treaty obligations by the several agencies in the executive branch of the Government.

The Board should carry out such policy making, planning, and executive functions as are required for the discharge of the President's responsibiilties arising from section 305 of the Communications Act of 1934, as amended, for the assignment of radio frequencies to Government stations or classes of stations. The Board should formulate policies, criteria, engineering standards, and procedures for the allocation and assignment of radio frequencies to the several agencies of the executive branch of the Government and for the use thereof. The Board should maintain or cause to be maintained suitable records of assignment of frequencies to Government users and the publication of lists of Government frequency assignments as appropriate.

The Board should, as a special duty, review the national table of radio frequency allocations being employed by Federal Government and non-Federal Government users. This review should be undertaken in consultation with the Federal Communications Commission to the end that a determination be made as to whether the current division of radio spectrum serves the national interest to an appropriate degree. The Board should make a report of findings to the President for transmission to Congress. The report should contain, in addition to the findings resulting from the review and the comments of the FCC thereon, such recommendations as may be considered desirable and applicable. The report should be made at the earliest date consistent with the task to be performed but no later than 2 years from the appointment and qualification of the Board members.

The Board should maintain continuing review of the national table of radio frequency allocations, coordinating with the Federal Communications Commission, for the purpose of ensuring an appropriate division of spectrum space between the Federal Government and non-Federal Government users. The Board should formulate, and coordinate with the FCC, the development of long-range plans for future use of the radio spectrum resource. The Board should encourage the operational application of new techniques, improved equipment and methods to promote a more effective use of the radio spectrum and to conserve radio frequencies.

The Board should, as a further special duty (1) study the role of the Federal Government in the management of U.S. telecommunications; (2) study the administrative organizations for discharging the Government's responsibilities with particular reference to the division of responsibility under the Communications Act of 1934, as amended, and the terms of the proposed bill; and (3) not later than 2 years of the appointment and qualification of the Board members, report to the President for transmission to the Congress the Board's recommendations on what changes, if any, should be made in the existing administrative organization.

The Board should carry out such other duties and responsibilities as may be directed by the President from time to time.

The Board should establish and maintain liaison as required with departments and agencies of the Federal Government and the telecommunication industry, including but not limited to the broadcasting, electronic, and communication services, with particular reference to research and development and new manufacturing techniques and capabilities, for the purpose of improving telecommunication services, the conservation of the spectrum, and for increasing productivity of the total resource. The Board should encourage research and studies in those areas where the need exists.

The Board should, in the formulation and promulgation of policies, plans, programs, criteria, standards, and procedures of national import, consult as appropriate with the Federal Government agencies.

Mobilization planning responsibility

The Board should also:

1. Formulate national telecommunication policies, plans, and programs designed to assure maximum security to the United States in time of national emergency with a minimum interference to continuing nongovernmental requirements;

2. Formulate plans for the adaptation of nondefense telecommunication services and facilities to the requirements of defense in a national emergency or war;

3. Direct and coordinate the development by the several agencies of the executive branch of agency plans, programs, and actions designed to carry out approved national plans, programs, and actions in an emergency;

4. Formulate plans and directives to provide for the control of telecommunications in a national emergency;

5. Formulate plans for the conversion of defense telecommunication services and facilities no longer required for defense purposes after an emergency to the purposes of reconstruction, rehabilitation and peace.

In order to avoid duplication within legislation concerning the mobilization planning function which is already a legislated responsibility of the Office of Civil and Defense Mobilization, it appears preferable to exclude this function from the draft bill and provide, in the form of an Executive order, for Presidential delegation of this planning responsibility.

APPENDIX A

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF CIVIL AND
DEFENSE MOBILIZATION,
Washington, D.C., November 4, 1958.

Mr. Victor E. Cooley; Maj. Gen. W. Preston Corderman, U.S. Army, retired; Dr. Frank G. Kear; Dr. Irvin Stewart; Mr. William G. Thompson:

On behalf of President Eisenhower, I write to invite you to serve as members of a temporary Special Advisory Committee on Telecommunication to the President and me. This committee is created to review the role of the Federal Government in the management of telecommunication and, based on such review, to make recommendations to me which I may submit to the President, on actions essential to improve the allocation, management, and control of radio and television frequencies for Government and nongovernment use. It is thought the administration should be in a position to recommend to the Congress that a Commission be appointed to advance specific recommendations in this vital field. Other persons invited today to be members of the committee are as listed on the attachment to this letter.

Our economy and national defense today are highly dependent upon the smooth functioning of our national telecommunication services. The rapidly changing technology and changing needs in Government and nongovernment areas are presenting increasingly difficult problems in telecommunication management. The situation is becoming no less complicated by developments in satellites and space vehicles as well as defense weapons systems.

It would be genuinely appreciated if you will accept this invitation and attend the initial meeting of the committee on November 18 and 19, 1958, at 10 a.m. on November 18, in my office, room 100, Executive Office Building, 17th and Pennsylvania Avenue NW., Washington, D.C. It is my opinion this assignment will not be too arduous or require you to be away from your normal responsibilities an undue amount of time.

Because early action in the field is needed, it is my hope the Committee will be able to complete its assignment and have its recommendations in my hands prior to January 1, 1959.

In the execution of your mission, you will receive the full cooperation and assistance of the Office of Civil and Defense Mobilization and other agencies of the Federal Government concerned.

You will be compensated for services rendered as a member of this Committee as indicated on the attached transmittal sheet.

Your willingness to give us the benefit of your knowledge and experience by accepting

this important assignment will be of great assistance in our effort to solve the many important problems in our communication services which is so vital to our Nation.

Sincerely yours,

LEO A. HOEGH.

APPENDIX B

H.R. 7057

A bill to provide the President with the means to discharge satisfactorily his responsibilities in connection with national telecommunication resources including the Government's use of the radio frequency spectrum

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Telecommunications Act of 1959".

NATIONAL TELECOMMUNICATIONS BOARD

SEC. 1. There is hereby established in the Executive Office of the President the National Telecommunications Board, hereinafter referred to as the "Board", which shall report directly to the President. The Board shall consist of three members to be appointed by the President, by and with the advice and consent of the Senate. The Chairman shall be designated by the President and shall receive compensation at the rate of $20,500 per annum. The other two Board members shall receive compensation at the rate of $20,000 per annum. All actions of the Board except those relating to internal administrative matters shall be by affirmative vote of a majority of its members. The Chairman shall be responsible for the internal administrative direction of the Board and its staff.

FUNCTIONS OF THE BOARD

SEC. 2. (a) The Board shall assist and advise the President in the discharge of his responsibilities as President of the United States in connection with United States telecommunication resources to meet the changing demands of national security and welfare and shall act for him in the discharge of his responsibilities arising from the Communications Act of 1934, as amended, for management of the Federal Government's use of the radio frequency spectrum in such a way as to provide the optimum accommodation of present and foreseen future needs of national security, safety of life and property, international relations, and the economic, social, educational, and political life of the Nation and the general welfare of its people.

(b) The Board shall formulate telecommunication policies, plans, programs, and standards designed to assure efficient telecommunication management within the executive branch of the Government with due regard for the maintenance of sound and healthy commercial telecommunication services both domestic and foreign. The Board shall coordinate the formulation of United States policies and positions within the executive branch of the Government for international negotiation and shall assist and advise the Secretary of State in the projection internationally of United States telecommunication policies and positions. The Board shall provide policy guidance for and direct the implementation of United States international telecommunication treaty obligations by the several agencies in the executive branch of the Government.

(c) The Board shall carry out such policy-making, planning, and executive functions as are required for the discharge of the President's responsibilities arising from section 305 of the Communications Act of 1934, as amended, for the assignment of radio frequencies to Government stations or classes of stations. The Board shall formulate policies, criteria, engineering standards, and procedures for the allocation and assignment of radio frequencies to the several agencies of the executive branch of the Government and for the use thereof. The Board shall maintain or cause to be maintained suitable records of assignment of frequencies to Government users and the publication of lists of Government frequency assignments as appropriate.

(d) The Board shall, as a special duty, review the national table of radio frequency allocations being employed by Federal Government and non-Federal Government users. This review shall be done in consultation with the Federal Communications Commission to the end that a determination be made as to whether the current division of radio spectrum serves the national interest to an appropriate degree. The Board shall make a report of findings to the President for transmission to Congress. The report shall contain, in addition to the findings resulting from the review and the comments of the Federal Communications Commission thereon, such recommendations as may be considered desirable and applicable. The report is to be made at the earliest date consistent with the task to be performed but no later than 2 years from the appointment and qualification of the Board members.

(e) The Board shall maintain continuing review of the national table of radio frequency allocations, coordinating with the Federal Communications Commission, for the purpose of ensuring an appropriate division of spectrum space between the Federal Government and non-Federal Government users. The Board shall formulate, and coordinate with the Federal Communications Commission, the development of long-range plans for future use of the radio spectrum resource. The Board shall encourage the operational application of new techniques, improved equipment, and methods to promote a more effective use of the radio spectrum and to conserve radio frequencies.

(f) The Board shall, as a further special duty, (1) study the role of the Federal Government in the management of United States telecommunications; (2) study the administrative organizations for discharging the Government's responsibilities with particular reference to the division of responsibility under the Communications Act of 1934, as amended, and the terms of this Act; and (3) not later than two years of the appointment and qualification of the Board members, report to the President for transmission to the Congress the Board's recommendations on what changes, if any, should be made in the existing administrative organization.

(g) The Board shall carry out such other duties and responsibilities as may be directed by the President from time to time.

(h) The Board shall establish and maintain liaison as required with departments and agencies of the Federal Government and the telecommunications industry, including but not limited to the broadcasting, electronic, and communication services, with particular reference to research and development and new manufacturing techniques and capabilities, for the purpose of improving telecommunication services, the conservation of the spectrum, and for increasing productivity of the total resource. The Board shall encourage research and studies in those areas where the need exists.

(i) The Board shall, in the formulation and promulgation of policies, plans, programs, criteria, standards, and procedures of national import, consult as appropriate with the Federal Government agencies.

(j) The Board is also authorized: (1) subject to the civil service and classification laws, to select, employ, appoint, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary to carry out the provisions of this Act, and to define their authority and duties; (2) to appoint such advisory committees as shall be appropriate for the purpose of consultation and advice to the Board in performance of its functions hereunder and to obtain services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55(a)), at rates not to exceed $100 per diem for individuals; and (3) to place in grades 16, 17, and 18 of the General Schedule established by the Classification Act of 1949, as amended, not to exceed ten positions which shall be additional to the number authorized by section 505 of that Act.

ORGANIZATION OF NATIONAL TELECOMMUNICATIONS BOARD

SEC. 3. The term of office of each member of the Board shall be six years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and (2) the terms of office of the members first taking office after the date of enactment of this Act shall expire, as designated by the President at the time of appointment, one at the end of two years, one at the end of four years, and one at the end of six years. Two members shall constitute a quorum of the Board. Each member of the Board shall be a citizen of the United States.

ANNUAL REPORT

SEC. 4. The Board shall make an annual report to the President for transmission on or before the 15th of March of each year to the Congress, summarizing the activities of the Board for the previous calendar year and making such recommendations as it may deem appropriate.

TRANSFER OF RECORDS, PROPERTY, PERSONNEL, AND FUNDS

SEC. 5. The records, property, personnel and funds used, held, employed, available, or to be made available, in connection with the functions vested in the Director of the Office of Civil and Defense Mobilization by Executive Order 10460 of June 16, 1953, and Executive Order 10705 of April 17, 1957, shall be transferred, consonant with law to the Board.

APPROPRIATIONS

SEC. 6. There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes of this Act.

APPENDIX C

EXECUTIVE ORDER CONFERRING UPON THE NATIONAL TELECOMMUNICATIONS BOARD THE RESPONSIBILITY FOR MOBILIZATION PLANNING TO CONTROL AND REGULATE NATIONAL TELECOMMUNICATIONS IN AN EMERGENCY

By virtue of the authority vested in me by the Constitution and laws of the United States, including the Defense Production Act of 1950, as amended, (50 U.S.C. App. 2061, et. seq.), and as President of the United States and Commander in Chief of the Armed Forces of the United States, it is hereby ordered as follows:

SECTION 1. The National Telecommunications Board which is responsible for assisting and advising me pursuant to my responsibilities for the management of U.S. telecommunications, shall assume the additional responsibilities for mobilization planning to control and regulate national telecommunications in an emergency. These responsibilities shall include but not necessarily be limited to the following tasks:

(a) The Board shall formulate national telecommunication policies, plans, and programs designed to assure maximum security to the United States in time of national emergency with a minimum of interference to continuing nongovernmental requirements.

(b) The Board shall formulate plans for the adaption of nondefense telecommunication services and facilities to the requirements of defense in a national emergency or war.

(c) The Board shall direct and coordinate the development by the several agencies of the executive branch of agency plans, programs, and actions designed to carry out approved national plans, programs, and actions in an emergency.

(d) The Board shall formulate plans and directives for an emergency telecommunications agency to direct the control and priority of use of U.S. telecommunications in a national emergency.

(e) The Board shall formulate plans for the conversion of defense telecommunication services and facilities no longer required for defense purposes to the purposes of reconstruction, rehabilitation, and peace.

SEC. 2. The Board, in the process of carrying out the foregoing responsibilities, will consult with the various Government agencies and commercial enterprises as necessary to produce effective planning at the national level in order that individual agency plans may become integral parts of the whole. It will form such committees and boards as are necessary to assist and advise it in discharging these additional responsibilities.

SEC. 3. The mobilization plans developed by the Board shall be consistent with the policy direction and program guidance established by the Director of the Office of Civil and Defense Mobilization.

DWIGHT D. EISENHOWER.

APPENDIX D

STATE OF THE UNION MESSAGE

Changing technology, along with changing needs in Government and nongovernment areas, presents serious problems that require searching examination in the field of telecommunications, particularly as respects administration and use of the radio spectrum. These problems affect both the national security and the industrial and social welfare of the country. The present Government mechanism is not adequate to meet these problems. To correct this situation I will send to the Congress a bill requesting that a National Telecommunications Board consisting of three members be established in the Executive Office of the President whose primary mission will be to carry out the responsibilities imposed on the President by the Communications Act of 1934 in connection with national telecommunications resources, including management of the Government's use of the radio frequency spectrum, and of all telecommunications in time of emergency.

Israel Independence Day

EXTENSION OF REMARKS
OF
HON. EDWARD P. BOLAND
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, May 11, 1959

Mr. BOLAND. Mr. Speaker, 11 years have passed since the State of Israel was declared independent in 1948. In that short period of time Israel has evolved from an infant state barely able to survive into a strong and capable country. Its growth can be described only as phenomenal.

Opening its doors to the Jews of the world Israel has absorbed more than 1 million immigrants and has thus trebled its population. The country's agricultural production has doubled and 65 percent of Israel's food needs are now met by its own farmers. The arable land has been increased by well over half a million acres and the near-miracle of transforming the arid Negev desert into green farmland continues.

But Israel is not solely an agricultural nation. Actually it is the most industrialized country in the Middle East. In general, the country has progressed so remarkably that the standard of living of most of its people is on a level with many West European countries. In fact, given a breakthrough in any one of the scientific fields presently being explored in the country—atomic energy, desalinization of sea water, and the harnessing of solar energy—Israel could speedily become one of the world's most technologically advanced countries.

Self-improvement alone, however, has not satisfied Israel. For the past few years it has been providing technical assistance to African and Asia countries, notably Ghana and Burma. Many new African and Asian nations have found in Israel a state capable of extending assistance, entering into trade, and providing capital and technicians without encountering the danger of economic domination or military commitment. Also, the dynamic spirit of Israel and its visible accomplishments provide an attractive example for the Afro-Asians. This is one of the most promising aspects of the relationship between them. Israel's democratic system, rather than that of the Communists, may serve as a model for the underdeveloped areas.

On this, Israel's 11th Independence Day, therefore, it is with great pride that I congratulate its citizens and wish them all peace, prosperity, and continuing progress in the coming years.

U.S. Public Health Activities in Underdeveloped Areas

EXTENSION OF REMARKS
OF
HON. FRANCES P. BOLTON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, May 11, 1959

Mrs. BOLTON. Mr. Speaker, one of the major obstacles to progress in the underdeveloped areas of the world is the widespread prevalence of debilitating diseases. Each year such diseases take a staggering toll in human lives and wasted energy.

A malaria epidemic in Ethiopia alone last year is estimated to have caused 50,000 to 60.000 deaths in a 2½-month period. All areas of the country up to an elevation of 6,800 feet were affected, and millions of people involved.

Trypanosomiasis — African sleeping sickness—a disease which attacks both man and his domestic animals, has been described as the single most important bottleneck in the development of much of the African continent. Almost equally pervasive is schistosomiasis—bilharzia — the debilitating disease transmitted by snails that live in irrigation canals and estimated to affect more than 100 million people in the Near East, South America, Africa, and elsewhere.

Another common disease in many newly developing countries is tuberculosis, which annually kills hundreds of thousands. Most frequently found in young and middle-aged adults, its victim is often the family wage earner or the mother who cares for the children. Its effect on a country's economic productive capacity is enormous.

Diarrheal diseases in various forms account for one out of every four human deaths that occur each year. While some occur frequently in epidemic form, most represent a constant, day-to-day threat of illness and death. Simple cleanliness through good bodily hygiene is the key to prevention of these infections, but inadequate and impure water supplies in many of the less developed areas makes improvement difficult.

Mention should be made, too, of trachoma, an eye disease rarely found in the United States, but common in the Middle East and Africa. An estimated 3 million persons have been blinded by it and other infectious eye diseases in the Middle East alone.

These are some of the numerous diseases that the underdeveloped areas must cope with, invariably with inadequate doctors, nurses, hospital facilities, and medical equipment. In one such country, with a population over 8 million, there are less than 80 practicing physicians and only 600 hospital beds. In another, 70 percent of all babies are delivered by midwives who do not know or practice basic hygiene. In still another, one province with over 1 million inhabitants does not have a single physician.

The United States is actively engaged in extensive bilateral and multilateral programs of public health improvement with other governments. Since the first joint program of the present type was launched in Ecuador in March 1942, technical cooperation in this field has grown progressively.

Our bilateral health assistance programs center primarily on training of health personnel, organization of services and programs, and planning for better health. Supplies and equipment are significant contributions in special projects such as the worldwide malaria eradication campaign.

The response to these projects has been enthusiastic, with local sources contributing substantially more than is spent by the United States on joint programs. Host governments are being stimulated to increase the total health activities of their own countries, with a consequent improvement in the national health.

Some insight into our health programs in action overseas may be gained by an examination of representative programs in three countries—India, Ethiopia, and Puerto Rico.

In India, where malariologists have calculated nearly half the free world's total population exposed to malaria exists, real progress is being made. The eradication program is under direction of the Indian Ministry of Health, and the United States through ICA is supplying

the foreign exchange needed for imported insecticides and other commodities. During fiscal year 1959, 260 million people will be protected and it is expected that this will be increased to 360 million in fiscal year 1960.

A study reported in the Indian Journal of Malariology estimates the return on malaria control measures to be about 50 to 1 in increased production, as compared to the cost of DDT spraying operations. Malaria control in the state of Uttar Pradsch has permitted the reclamation of hundreds of thousands of acres of land formerly idle, with the production of large quantities of vitally needed wheat. Estimates of the World Health Organization indicate that the national income of India could be augmented by $500 million annually through malaria eradication.

Ethiopia is currently in the communicable disease era. Statistics available from Government hospitals indicate that probably 70 percent of the population suffers from some form of intestinal parasites; 25 percent to 35 percent of the population is at risk from malaria; 30 percent of the population suffers from veneral disease; possible 3 percent have active pulmonary tuberculosis; some areas have a 6 percent to a 7 percent incidence of leprosy; trachoma and other eye infections may affect as many as 60 percent in selected regions; and typhus, relapsing fever, and pneumonia take a tremendous annual toll during the cold, raw, rainy season. Poor nutrition plays a significant role leading to deaths resulting from many infections which would otherwise not prove fatal.

There are currently only five Ethiopian nationals who are doctors of medicine. The bulk of professional medical attention falls on the shoulders of 160 foreigners of different nationalities. All of the Ethiopian physicians and half of the foreign physicians are concentrated in Addis Ababa, leaving but one doctor for each 400,000 persons in areas outside of Addis.

There are currently 4 schools of nursing in the Empire, but, since the graduation of the first class in 1953, only 90 to 100 nurses have completed their schooling and are practicing.

In 1953, a project agreement was signed by ICA with the Ethiopian Government in conjunction with the World Health Organization and the United Nations Children's Fund for establishment and operation of the Public Health College and Training Center at Gondar, Ethiopia. This institution was designed for and is training Ethiopians to staff local health departments. Health officers take a 3-year course, community nurses a 2-year course, and sanitarians, a 1-year course. On August 23, 1957, 20 health officers, 15 community nurses and 12 sanitarians were graduated as the first class from this institution. These graduates then served a year's internship in the province in which the college is located and under direct supervision of the project staff. After August 1958, these graduates were assigned to local health services in other parts of the empire. In August of 1958, a second class composed of 29 health officers, 13 community nurses, and 19 sanitarians was graduated. Thus by August 1958, this institution had educated 108 well-qualified health workers trained specifically to attack the major health problems of the country. A small corps of laboratory technicians is also being trained in this institution and 12 will finish their course in August of 1959.

In 1954 a contract was signed with the University of Puerto Rico, under which the university accepted people from Latin America for training in public health. All public health classes are held in Spanish. Training in spoken English is a part of the curriculum. Puerto Rico provides a golden opportunity to demonstrate American democracy and know-how operating within a Spanish culture. That this combination can be successful is readily evident to the visitor from Latin America to Puerto Rico.

The contract has been a real success. Each year since 1954, 25 to 30 ICA sponsored trainees have been given professional training. Equally important, many trainees each year have been trained for other agencies such as WHO and PASB at their expense, and the Ministries of Health of Latin America have used Puerto Rico for training sponsored and financed by their own resources.

Mr. Speaker, solution of major health problems in the underdeveloped areas is an important concern to the people of the United States. Our participation in public health assistance programs is a natural expression of the American tradition of extending a helping hand to our fellow man, and as such deserves our wholehearted support.

Address by Hon. Fred Seaton, the Secretary of the Interior

EXTENSION OF REMARKS
OF
HON. PHIL WEAVER
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 11, 1959

Mr. WEAVER. Mr. Speaker, recently the Honorable Fred A. Seaton, the Secretary of the Interior, made a remarkable address to the student body of the University of Hawaii. I believe his remarks should be spread in the RECORD for the benefit of all Members of this House.

The address follows:

ADDRESS BY SECRETARY OF THE INTERIOR FRED A. SEATON BEFORE THE UNIVERSITY OF HAWAII, HONOLULU, HAWAII, MAY 7, 1959

This convocation of your own great University of Hawaii is for me a happy occasion. Among other reasons, it marks the second time within a year it has been my privilege to speak to a university in a Territory of the United States just before the achievement of long-sought statehood.

When the 50th star is finally affixed to the American flag, what a glorious day it will be for Hawaii, the Federal Union and the free world.

I am one of those who believe wholeheartedly in your eagerness and ability to shoulder your new responsibilities which necessarily accompany the blessings of statehood. I am confident you will use your new opportunities vigorously and wisely. Toward that end it behooves us all to abide by Woodrow Wilson's admonition "that we are not put into this world to sit still and know; we are put into it to act"—to act as best we can in the service of our community, our State, our Nation, and the entire family of man.

In order so to act, we must think and plan long years ahead. We must consider, for example, the decade 1965 to 1975—years when we may be confronting at least two major challenges.

For one thing, Russian Premier Nikita Khrushchev hopes to realize his boast that, at some point in those years, his country will sweep ahead of ours—and of all others—in economic production.

Personally, I believe that the Soviet Union will not be the world's foremost economic producer in 1970. Nonetheless, its output may well rise to 60 percent of ours, as against about 40 percent now. Unavoidably, of course, that rise in Soviet productivity will increase the Soviet Union's capacity, as it chooses, either to improve the meager living of its people or further to endanger the free world by way of aggression.

For a second thing, assuming the perpetuation of the Chinese Communist regime, it may well rule by the year 1975 over 894 million Chinese on the mainland, a number nearly equal to the then combined population of the Soviet Union and the United States, multiplied by two.

True, without an enormous industrial growth, Communist China will remain, as today, a truculent but relatively feeble monster. But as the regime there holds to its belligerent ways, every increase in its industrialization, though accomplished at terrible cost in human life and pain, increases its power to threaten other nations. As to that, I suspect that no matter what the men in the Kremlin say publicly, even now they ponder the fact "other nations" might well someday include the Soviet Union.

My own conviction is that the Reds will not have succeeded in industrializing China enough by 1975 to tempt them to risk the madness of a major war. Nevertheless, we do expect that they, along with the Soviets, will continue to thrust outward, using every subversive device imaginable to probe for weaknesses in the armor of the free world. The impact of these expansionist tactics will likely materially influence your adult lives and the lives of all citizens of the free world.

Faced with these tactics, it seems obvious we have but three alternatives. The first two are unthinkable: (1) declare war, (2) surrender. Only the third is possible for a Nation which is sane and brave and free: compete with vigor, be strong militarily, and always remain ready to negotiate wisely and sincerely for peace with honor.

Here at home and abroad, we must make certain the free world economy continues to swell its mighty torrent of production. That means many things. One is we have no realistic choice other than to maintain our worldwide policy of mutual security. Another is that we must ever strive toward removing all artificial obstacles to trade, except those which must remain because of a clear and overriding national interest.

The doing of these things not only helps counter the expansionism of the Soviet Un-

ion and Red China; even more importantly, it recognizes the revolution of rising expectations which is taking place in the less-developed countries of the world. We must continue our help to the people in these countries in their efforts to achieve better homes, better sanitation, better food, better education and—above all—liberty.

In this struggle of others for a better life, our own great Nation certainly has been the champion, both by precept and example. The United States of America has not been the represser, nor will it ever be.

In truth, by heritage and conviction, you and I believe profoundly in the right of any people freely to choose the economic system by which they hope to better their standard of living. You and I also believe something else: any nation which still has a freedom of choice should mark well the fact that no matter what economic system it may choose, there can be no production statistics which would justify the surrender of its mind and will to Communist rule.

The specters of many once-free nations cry out from the grave of human rights. They are eloquent witnesses to the tragic truth that the greatest mistake of all is to follow the Communist pattern.

Too many have discovered too late that in the world of the Communist will, the false dawn of economic promise inevitably darkens into the black and terror-filled midnight of political captivity and degradation of humanity.

There is—and always there will be—an easy way to slavery. To the gaining or the keeping of liberty, there is no easy way.

The easy way to slavery may take various forms. It may be the way of outright military conquest and submission. It may be the way of beguilement and subversion. It may be the way of sloth, disinterest, or internal weakness, or it may be a mixture of all. Whatever the way, the end result is the same.

It is an ironical fact of history that just 1 day before the President of the United States signed the Hawaiian statehood bill the Dalai Lama began his flight from Tibet to India. Here, in Hawaii, American citizens of Asian extraction in Hawaii were gaining new political rights through the peaceful processes of legislative action in a Republic. At the same time, the people of Tibet were being forcibly deprived of even the small measure of self-government which the Chinese Communists had previously guaranteed to them.

Contrasted with Hawaii's fulfillment of her dreams, the Tibetan nightmare of murder and torture should be a historic reminder to every free nation of these three things:

First, of Chinese Communist perfidy, specifically their breaking of a 1951 agreement that the Tibetans should have full autonomy and the right to pursue without interference their religion and customs;

Second, of the Communists' iron-fisted brutality toward all who stand in their way; and

Third, of the fact that, when freedom has such implacable foes, it must have even more unshakable friends if it is to continue alive in the world. Those who are free must band together, stay together and work together, with courage, understanding, and constancy—if they are to remain free.

In the Far East, as in the world, American policy is based on the recognition of these three facts.

You will recall that last fall the Chinese Communists were threatening to take Quemoy and Matsu and then Taiwan, and finally to force the United States out of the Western Pacific.

In the face of this threat, and it was a dire one, certain people looked only at the immediate problem and either neglected or refused to think ahead. Having fallen into that error, they then tried to repeddle an old idea in the guise of something new. "Retreat," they said, "Let the Communists have those little islands. How would Americans feel," they cried, "if Communist forces were in possession of our Staten Island, lying offshore from New York?"

Fortunately, the President of the United States, long experienced in the wiles of the Reds, stood firm, and the American people supported him in his wise decision. The result you know. The Communists did not take Quemoy and Matsu, to say nothing of Taiwan.

Another idea, abroad for a long time but currently redressed as something new, is the recognition of Red China. To do so would reverse the U.S. policy established in 1950 and supported ever since by the leaders of both political parties.

What would recognition of Red China mean? Among other things it would likely mean the free world's eventual loss of Taiwan, the extinction of 600,000 Chinese Nationalist troops, and the breaking of our island chain of defenses in the Western Pacific. In the eyes of the Chinese Communists, who publicly proclaim their hatred of the United States and respect only military might, such recognition would be a clear victory for them. In the eyes of the free countries throughout the Far East—countries looking to us for help in stopping any Communist crossing of their borders—such recognition would be considered both retreat and defeat for the free world.

Our refusal to recognize Red China serves both a moral and a practical purpose. Certainly, neither the Japanese, the Koreans, the Vietnamese, the Filipinos nor other free peoples could look with equanimity at the prospect of an Asia dominated by Red China and her ally, Soviet Russia.

All our valued friends have vividly implanted in their minds the current lessons of Tibet.

They remember Red China's confiscation of foreign property in 1949.

They remember its repeated violation of the armistice agreements in Korea and Indochina.

They remember its communes and forced labor.

They remember its liquidation of 18 million Chinese people in 9 years—a number equal to nearly 30 times the population of Hawaii.

Such memories help to explain why, as we steadfastly adhere to our China policy, America does not stand alone.

Such memories help to explain why, in 1954, a number of free nations in the Far East joined the Southeast Asia Treaty Organization—determined to draw the line on Communist aggression in their part of the world.

Basic to the immediate features of U.S. foreign policy is our fundamental belief in two convicitions so eloquently expressed by Thomas Jefferson: "Nothing is unchangeable but inherent and inalienable rights of man" and "I have sworn upon the altar of God eternal hostility against every form of tyranny over the mind of man."

We need constantly to remind not only ourselves but all other peoples as well that we of America stand proudly, today and forever, for the rights of man and the freedom of the mind.

We should make clear, for example, that it is the Red Chinese regime, not the U.S. Government, which has refused to allow American reporting out of the China mainland. Today there are 30 American correspondents representing 30 news-gathering organizations whose passports are valid for travel there. For nearly 2 years the Chinese Communists have refused to all them entry, just as they have refused to permit any Chinese newspaperman to visit this country.

Such intransigence on the part of the Communists is a bar to one people's knowledge and understanding of another.

A second hindrance is the Communists' clever and diabolical propaganda, endlessly distorting the truth.

And for ourselves, there are difficulties in the fact that we and the peoples of Asia perforce must span not only distance but also differences—differences of race, of religion, and of culture. Here, the new State of Hawaii can have its golden hour. That is so because you are particularly fitted to tutor your fellow Americans in understanding and solving the problems.

Already you have shown much evidence of your will and your capability in this respect. Hawaiian achievements in social research, in the instruction of Asian students coming to the United States and of American students going to the Far East, and in the introduction of philosophers from East and West—these are a splendid beginning.

It is my prediction you will expand such rewarding activities in the years ahead.

In that respect I should like to see the University of Hawaii become an ever more thriving laboratory with professors and students constantly seeking new ways to interpret our history, our culture, and our foreign policy into terms which Asian people plainly can understand.

Moreover, I should like to see—and I expect to see—the State of Hawaii, facing as it does toward Asia, become an ever more brilliant showcase of American freedoms and American economic growth. I suggest one way to do this would be to establish here a permanent international trade and culture center, designed to serve as a magnet and clearing house for buyers and sellers of American and Pacific area merchandise.

Perhaps it could be called Pacific House, both because of its location in your beautiful islands, and because of the meaning of the word "pacific"—"making or tending to make peace." Such a project, I submit, could well be one in which government and private enterprise could join.

Further, your great university and your State will always be a living demonstration of a key fact about the American people: That what we oppose, even beyond communism, is the forcing of communism—or any other system—on an unwilling population.

We can be pardonably proud of the incontrovertible fact of history that in this century the United States has neither sought nor acquired new territory, except for the peaceful purchase of the Virgin Islands from Denmark in 1917. Outside our traditional continental limits we have granted freedom to Cuba and the Philippines, self-government to the Commonwealth of Puerto Rico and statehood to Alaska and Hawaii.

I repeat that you of Hawaii, perhaps more effectively than your fellow Americans, can make this truth abundantly clear throughout all Asia.

All of us together, must keep before the peoples of the world the stark contrast between the Communists' international exhibit A—Hungary and Tibet—and ours—Alaska and Hawaii.

What America really wants for the world is a new age in international relations, an age in which the rule of force and fear will give way to the rule of law—that kind of universal law of which a kindly and brilliant Englishman, Richard Hooker, said more than three centuries ago: "Her voice [is] the harmony of the world: All things in heaven and earth do her homage, the very least as feeling her care, and the greatest as not exempted from her power."

Trusting in God, let us each, to the utmost of our ability, help usher in that new age. Let us each do our part in keeping America, as Abraham Lincoln hoped it always would be, never the terror but forever the example of the world.

Israel Independence Day Greetings

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, May 11, 1959

Mr. MULTER. Mr. Speaker, the anniversary celebration of Israel's independence has become a memorable holiday.

It is observed not only in Israel but throughout the world by friends and sympathizers. Since the rebirth of the State of Israel by the attainment of its independence, Israeli citizens as well as Jews everywhere have been living in a new age, ideally and spiritually.

Having seen their 2,000-year-old dream come true, by recreating Israel in their ancient homeland as an image of their ancestral kingdom, and seeing it prosper, and register impressive advances in every phase of their national life, on May 13, the 11th anniversary of Israel's independence, they all join hands and celebrate that event in due solemnity.

For nearly 2,000 years Jewish people were practically barred from what had been their homeland. Events at the end of the First World War introduced startling changes in all parts of the world, and historic Palestine was no exception. That part of the old Ottoman Empire was placed under British mandate, and the Jews were allowed to work for the reestablishment of a national home there. At the time the Jewish population of Palestine was about one-tenth of the total. By 1940, they constituted about a third, or about 450,000.

At the time the new state was set up early in 1948 the Jews were numbered close to if not an actual majority of the inhabitants of that area of about 5,000 square miles. Today the State of Israel boasts of more than 1,800,000 inhabitants.

Thus in 11 years the small State of Israel has provided homes and safe haven for more than 1 million homeless Jewish refugees. If Israeli leaders and Israel's citizens had accomplished nothing else, the performance of this daring and difficult task alone entitles them to our admiration. But they have done more, much more than that. They have made the new Israel a living and growing entity as a dynamic and democratic state, a powerful force in the Middle East.

What is more important than the mere counting of numbers of people is the fact that all of the people now living there, Moslems, Christians and Jews, are all first class citizens with equal rights, accorded the same privileges and subject to the same duties. All of them have the right to vote. All of them have the right to hold public office. All of them are covered by the same labor laws, receiving the same compensation and the same benefits for the same work, and none being required to do more onerous or more menial tasks than others. Every child must receive an education and all but the parochial schools are maintained at the expense of the Government.

Not only is religious freedom an accomplished fact but the jurisdiction of the religious courts is preserved by law in connection with matters concerning the marital and family status. The deep religious sentiments of all of the people give emphasis to their universal desire to advance the divine principle of brotherhood in order to accomplish world peace.

For all of these superb accomplishments we salute the State of Israel and all its people and wish them well on this anniversary of their independence.

The Highest Tax: Unemployment

EXTENSION OF REMARKS
OF
HON. JAMES M. QUIGLEY
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 11, 1959

Mr. QUIGLEY. Mr. Speaker, I was among the honored guests at the second annual dinner sponsored by the York County, Pa., Democratic organizations dedicated to the memory of Franklin Delano Roosevelt, last Thursday, May 7, 1959, at York. It was my privilege not only to be among the honored guests, but it was also my great privilege to hear an address by the distinguished and able senior Senator from Minnesota, the Honorable HUBERT H. HUMPHREY. It was an address that I commend to Members of both Houses of Congress, to members of both political parties.

The address follows:

THE HIGHEST TAX: UNEMPLOYMENT

(Remarks of Senator HUBERT H. HUMPHREY, Democrat, Minnesota, York County Democratic Committee dinner, York, Pa., May 7, 1959)

I want to talk about a subject that is supposed to be forbidden to politicians: taxes. Did I hear a groan in the back row?

Now before you begin heading for the exits, let me make it clear that I am not going to talk about the taxes that you pay to your county or your State or the Federal Government. The memory of that April 15 deadline is, no doubt, all too vivid in your minds to require any refreshing from me.

But there are other kinds of taxes—taxes the Republicans don't talk about, and don't want you to think about.

Let me tell you what I mean.

Here in York County, I am told that about 1 out of every 10 job-seekers is out of work. Now I consider that a tax of the worst kind, for it deprives the people of this county of things they ought to have.

It deprives the breadwinner of an honest means of earning a living for himself and his family.

It deprives the businessmen of purchasing power that is needed to keep Main Street prosperous.

It deprives York County of badly needed revenues to help conduct the public's business: roads and schools and teachers' salaries and sewers and clean streets.

Yes, unemployment—needless unemployment—is a terrible tax on the people of this county. It is a foolish, wasteful tax.

Pennsylvania is paying the tax of unemployment, too. I am told that almost a half million Pennsylvanians are out of work.

I am also told of the vigorous efforts being made to improve the economic well-being of this State by your fine Governor, Dave Lawrence. I know he will do everything—and I mean everything—within his power to reduce unemployment in the State.

But there is only so much a Governor can do. For unemployment is not just a State problem; it is a national problem.

No State can do well when the Nation is not doing its best.

Unhappily, this particular kind of tax—this tax of unemployment—is not just being paid by the people of York County or Pennsylvania. It is being paid in hundreds of counties across the nation. It is being paid by much more than four million Americans.

Now I hope that no one will breathe a word of what I have just told you about all this unemployment. I'm afraid I have just divulged one of official Washington's best kept secrets.

You know, I sometimes get the impression that the Republicans honestly believe that if they ignore unemployment long enough, and refuse to recognize its existence, that somehow, by some miracle, it will go away.

Every month, the leaders of this Republican administration breathlessly await the latest unemployment figures to be worked up by the Labor Department. If the figures are encouraging, they release them a little earlier than usual—but not before the President, and the Secretary of Commerce and the Secretary of Labor have all issued separate glowing statements telling the country how great the new statistics are going to be.

Now I join with the leaders of this administration in rejoicing at every gain in employment and every drop in unemployment. But when I look at these glowing statements issued by the Republican leaders, I look in vain for some expression of compassion for the millions of families who have no breadwinner. I look in vain for some sign of concern for the hundreds of thousands of families who have exhausted their unemployment benefits and have nowhere to turn.

And I am filled with misgivings and mistrust when I see these Republican leaders juggling with these figures as if there were no human lives involved.

The Secretary of Labor tells us that there will be only three million Americans unemployed by next October. Of course, to the man who's out of a job, "prosperity-around-the-corner" doesn't go very far toward paying the bills or feeding the family.

But no matter—what's important to the Republicans is that the slogan sounds good. Prosperity by fall. Prosperity by October.

What the Republicans don't tell you is that October is traditionally a month of very low unemployment—a month when the figures look the best. But when you take into account the seasonal swings in unemployment, three million in October is actually almost no improvement over what we have now.

But that's not what this Republican administration would have you believe.

Maybe you don't believe me when I tell you that national unemployment is a tax. Well, let me put it in dollars and cents.

Since this Republican administration took office, the American economy has grown only half as fast as it did in the previous 8 years.

That half growth has cost the average American family $3,000 in real income since 1953.

It cost the Nation more than $150 billion in lost production—goods that should have been produced and bought and put in every American home.

It cost the American farmers $30 billion in income.

It cost American businessmen some $40 billion in investment opportunity.

And it deprived State and local governments as well as the U.S. Treasury between $25 and $30 billion in badly needed revenues—money that could have been put to use in building better roads and better schools and more hospitals—and a stronger defense against the Communists.

Now maybe you begin to understand what I mean when I call unemployment a tax.

Let me tell you about some other Republican taxes.

Let me tell you about the tax of Republican inflation. Now in a sense, this is the most remarkable tax of all, for the Republicans have achieved the impossible. They have brought on rising prices in the midst of high unemployment.

As they say on the radio these days, "They said it couldn't be done."

But Humphrey did it—and not the HUMPHREY you're looking at, either. It was a Humphrey named George who preferred a stable dollar to a vigorous economy and got neither.

The Republicans are fond of talking about the sound dollar. It may surprise you to know that the Republican inflation since 1955 has been the most rapid we have ever experienced except under conditions created by war.

How did they do it?

How did they cause recordbreaking inflation during recession?

Well, they did it partly with economic slack, for idle plants and idle men breed inefficiency, and inefficiency means high prices.

But they also did it with some costly economic policies, costly to every American man, woman, and child.

Perhaps the most high-priced of these is the so-called tight money policy. In case you don't know what the tight money policy is, it's what makes it cost so much to borrow money for a car or a house.

Before that tight money policy has run its course, it will have taken about $20 billion out of the pockets of the American people, an average of about $400 per family.

If that's not a tax, I don't know what is.

It's the Republicans who are the taxers of this Nation, for they tax America with unemployment; they tax it with tight money; they tax it with inflation. If you want to go on paying that kind of tax, it can be easily arranged; just vote Republican in 1960.

Personally, that is a prescription I do not commend to my own family, so I hardly feel it fair to recommend it to you. In fact, I am tempted to slip in a suggestion that you vote Democratic.

Now let me tell you about the taxes we can all avoid paying, if we are able to achieve once again the same economic growth we had under President Truman.

If we do that instead of allowing our growth to lag at its present pace, America will gain some $400 billion in total output in the 7-year period from 1958 through 1964.

The average American family will enjoy about $6,000 more in real buying power during that same period.

Federal, State, and local governments will have the use of about $70 billion more in revenues.

Which way will America choose? The way of stagnation? Or the way of growth?

This question is not just important to America. It is important to the entire free world.

America today is challenged, but not merely by Communist growth and expansion. Even if that threat were to disappear—and it will not—we would still be challenged by the knowledge and aspirations of millions of people all around the world.

For the first time in human history, these people know that there exists the means, the know-how to stamp out starvation and to create plenty. They know that the economic and political means can be devised to harness this technology to the service of mankind.

Because of our unrivaled potentials here in the United States, these people's eyes are fastened upon what we do.

To the extent that we do what we can and should, we shall provide an example for others to follow. To the extent that we fail or falter, many will be drawn by the blandishments or yield to the threats of the totalitarian States.

Our influence abroad depends in large measure upon our policies at home. There is no such thing as a forward-looking international policy and a backward-looking domestic policy. A nation which is not in tune with the second half of the 20th century at home, cannot hear the impelling cry of the second half of the 20th century all around the globe.

Nations and peoples overseas, struggling despite pitifully scarce resources to provide full employment, cannot maintain high respect for a nation which tolerates or even cultivates high unemployment.

Poor nations and primitive peoples who cannot afford to do what they need, cannot greatly respect a nation which says that it cannot afford the essentials which its idle resources would easily provide if put to use.

Free nations growing several times faster than we and watching the totalitarian States grow even faster, cannot greatly respect a nation which confuses economic stagnation with economic stability.

Other nations cannot greatly respect a nation which refuses to join them in using some of our surpluses of foods and other materials to help erase a small portion of their staggering deficits.

Nor is our world prestige enhanced when, preponderantly through their own hard efforts, other peoples improve their economic condition, only to have America begin to fear that they will take markets away from us or impair our world trade. Can it do us any good to pretend that we want the rest of the free world to become stronger, if our leadership regards their weakness as the source of our strength?

For international as well as domestic reasons, therefore, America must return to the road of full prosperity, full employment.

One of the great legislative milestones of the postwar era was the enactment of the Full Employment Act of 1946. That law pledged the Government of the United States to devote every resource at its command to assure maximum employment and production for America. It called on the Government to plan for that purpose.

If the present Republican administration has not flagrantly violated that law, it has totally disregarded its spirit. For it has now sat through two great economic recessions, devoting most of its energies to a desperate search for signs of better times, and seeming to place its faith in the song, "Wishing Will Make It So."

There has been no Government thrust for full employment because our Government has lacked that essential ingredient: Presidential leadership.

Fortunately, this has not always been the case. Presidential leadership was not lacking when America heard the words, "We have nothing to fear but fear itself"—words that came from the magic voice of Franklin Delano Roosevelt.

Nor was presidential leadership lacking when the White House was occupied by that man of Independence, who tomorrow celebrates his 75th birthday—Harry S Truman.

Before the war, Franklin Roosevelt devoted his energies to banishing the scourge of a Republican depression and seeing to it that there was a job for every American.

After the war Harry Truman devoted his energies to banishing a time-honored economic axiom: that every war must be followed by a recession.

Under Harry Truman, America adjusted from war to peace, without faltering.

Under Harry Truman, the Congress enacted the Full Employment Act.

Seven years later, as he was leaving office, President Truman told Congress of the true meaning of that act. Let me recall his words for you:

"Full employment means more than jobs. It means full utilization of our natural resources, our technology and science, our farms and factories, our business brains, and our labor skills. The concept of full employment values ends as well as means: it values leisure as well as work; it values self-development as well as dedication to a common purpose; it values individual initiative as well as group cooperation. In the broadest sense, full employment means maximum opportunity under the American system of responsible freedom.

* * * * *

"We cannot afford to be complacent. We cannot assume that henceforth what needs to be done to promote the maintenance of full employment will be done. None of us—regardless of party—should let the idea of full employment generate into a slogan bandied about for narrow political advantage. Like freedom, it needs to be guarded zealously and translated into action on a continuing basis."

Those words of Harry S Truman ring true today. Let every American take them to heart.

Proposed Amendments to the Fair Labor Standards Act

EXTENSION OF REMARKS

OF

HON. E. Y. BERRY

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 11, 1959

Mr. BERRY. Mr. Speaker, under leave to extend my remarks, I wish to include a portion of my statement before the Senate Labor and Public Welfare Committee today on proposed amendments to the Fair Labor Standards Act.

I appeared before the committee at the request of the South Dakota Press Association in opposition to the proposed removal of the existing exemption of smaller newspapers under the act. I sincerely believe that removing the exemption would sound the death knell not only for many small newspapers, but more serious, the opportunity for many young people to learn to do for themselves.

The excerpt from my statement is as follows:

As a former weekly newspaper publisher myself and a past president of the South Dakota Press Association, I speak from personal knowledge of the personal requirements of these small publications. To require them to meet minimum wage and hour provisions would, in many cases, force their discontinuance. Knowing the vital part these papers play in small communities, this would be a tragic loss.

Those of you who have never lived in a rural area where a 6-day week is a normal business week may not fully appreciate the problems involved. In addition, living costs are lower, as a rule, and the margin of profit of small business is smaller. To impose

Federal regulation as suggested by the legislation under consideration would cut into that narrow profit margin to force a publisher out of business.

More important than all this, however, is the effect it would have on the public generally. I am thinking now of the high school kids that come into these small shops and work to supplement their income, earning a few dollars to buy the things their parents may not be able to provide for them, but more important, learning how to work.

I am thinking of several young men, besides my own son, who got their start and learned a profession in my own shop. One or two of them not only learned how to help make up forms and feed press, but in addition learned how to operate a linotype and later were able to work their way through college by operating a linotype in larger daily shops on Saturdays and evenings.

I am also thinking of the boys who got their start in the newspaper business by working part time and full time in the small shops in my State and then went on to college, taking advantage of the rural newspaper course taught at our State college, going out to become top-flight newspaper publishers, providing the people of their communities with local, State, and national coverage of the news.

I firmly believe that Government should place a protective floor under income, but I also believe with all my heart that we must be very cautious that this floor must never become a ceiling upon opportunity. This provision would place a ceiling upon opportunity for thousands of young people.

In my judgment it would be the most ill-considered and dangerous legislation this Congress could possibly pass.

I would also like to have included in the record of these hearings a telegram I received from the South Dakota Press Association, advising of the action taken at their annual convention on May 8, 1959:

MAY 8, 1959.

Congressman E. Y. BERRY,
House Office Building,
Washington, D.C.:

South Dakota Press Association in annual convention assembled here today unanimously approved a resolution urging that you appear before the Senate Labor Committee in our behalf. We earnestly request that an amendment be made to Senate bill No. 1046 to retain section 9 of present law which applies to circulation exemption for smaller newspapers of the country. We consider such an amendment vital and necessary to the welfare and stability of the smaller newspapers.

SOUTH DAKOTA PRESS ASSOCIATION,
E. H. LIGHTER, *President.*
HOMER GIVENS, *Manager.*

"The Big Red Lie"

EXTENSION OF REMARKS
OF
HON. LEONARD G. WOLF
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 11, 1959

Mr. WOLF. Mr. Speaker, considerable publicity has surrounded the article in True magazine, called "The Big Red Lie," by Lloyd Mallan. The charges by Mr. Mallan that the Soviet lunik or mechta did not in fact exist, and that the Soviet Union is incapable of building an ICBM now or in the near future involve serious enough issues as to deserve close scrutiny. If in fact Mr. Mallan is right, then a great hoax has been staged with acute political damage to the United States, and our national treasure might be wasted with the present level of defense activities. On the other hand, if Mr. Mallan is mistaken, his article could cause serious damage to the United States by adding to public confusion, bringing a lack of confidence in serious conclusions of Federal authorities, and creating a false sense of self-confidence at a very critical time in the race for scientific and military superiority on the part of the United States.

The expression "snow job" has come up in connection with the Mallan article, and some commentators question whether the Soviets did a snow job on Mr. Mallan, or whether Mr. Mallan is doing this to the American public. There is no reason for not being charitable to Mr. Mallan, and crediting him with sincerity. But there is real reason to doubt that he is in a position to give a very good judgment despite his having written popular books about space personalities and having made a tourist visit to the Soviet Union.

The House Science and Astronautics Committee, of which I am a member, has now spent 4 days in hearings, some public and some executive, on the points raised by Mr. Mallan and on related matters. We have not yet concluded these studies, and there will be no committee judgment until all the evidence is in and carefully evauated. At the same time, we have now heard enough to be able to see generally what the probable conclusion is likely to be. I will touch on a few of these points.

It is the definite conclusion of top Government scientists, military leaders, and administrators based on all the evidence, both open and classified, that the Soviet probe did approximately what the Soviets claimed; namely, it traveled to the vicinity of the moon, sending back signals on the way, and at some point beyond the moon entered into an independent orbit around the sun. That it orbited the sun is only a tribute to the very powerful rocket motors used. That it came near the moon and broadcast back signals along the way is a tribute to the overall high level of technical competence, including abilities in guidance, computing, and related areas.

Mr. Mallan's visit to the Soviet Union on which he based his view of Soviet technical backwardness brought errors in his judgment for a number of reasons. Although he met some notable Soviet scientists, there is no evidence that he met the teams actually working on the space program. From photographs and oral testimony to the committee, it is clear that he did not get to see the best Soviet equipment in telescopes, miniaturization, or computers. One must remember that the Soviet Union classes all foreign journalists as spies, and it is hardly likely that they would make it easy for him to see the people and the facilities which would lead to any real insight into their highly classified space activities. Mr. Mallan assumes that for propaganda reasons the Soviets would show him their best. Actually their goal would be to convince the lay public that they are the most advanced country in all respects, as their propaganda mills illustrate. At the same time, it would be a superb victory for their counterintelligence people if through visitors like Mallan, they could convince United States decision makers in high places that the Soviet Union lagged behind, and that the United States could slacken its pace.

This statement cannot be long enough to discuss point by point every comment by Mr. Mallan. In summary, our committee learned that a consistent pattern of U.S. observations, many beyond all known techniques of faking, established that the Soviet device did travel to the moon and beyond. Having gone that far, there was no particular feat in entering into orbit around the sun. The committee also heard that Soviet technical skills are respectable, and that the pace of development there is so great as to pose a rising threat to this country.

Our report, when it is issued, will support these generalizations in a more specific way.

The Challenge of the American Economy

EXTENSION OF REMARKS
OF
HON. EDITH GREEN
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Monday, May 11, 1959

Mrs. GREEN of Oregon. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following remarks of Senator HUBERT H. HUMPHREY, at a Democratic dinner meeting in Portland, Oreg., on April 22, 1959, "The Challenge of the American Economy."

On April 23, the distinguished senior Senator from Minnesota [Mr. HUMPHREY] spoke at a Democratic dinner meeting in my home city of Portland, Oreg. His remarks, addressed to the question of the challenge which the world situation and our own domestic situation poses for the American economy, were typical of the insight and the leadership which this outstanding Senator, this great Democrat, and great American has continued to demonstrate.

This speech was a good speech, Mr. Speaker. It did not equivocate, it did not evade issues, it did not flinch from facts. It was a speech which deserves the careful attention of every American interested in the future of our economy and the future of our people. I ask unanimous consent that it be printed, following my remarks, in the RECORD:

THE CHALLENGE OF THE AMERICAN ECONOMY

I want to talk to you tonight about the great challenge to the American economy—about my deep concern over its domestic aspects and my even deeper preoccupation with its implications in the field of world affairs.

There could be no more fitting place to probe this challenge than here in the great Pacific Northwest. Those who first opened this area breasted an immense challenge to their courage and strength, their practical

ability, their imaginative faith. They persisted when the going was most severe.

But today, the past seems less inspiring than the eternal, forward-looking thrust of the people of this area. The very air here is quick with a sense of unmet needs, restless aspiration, determination to press ahead and to excel.

And those are the very qualities that are needed to meet today's challenge.

This challenge to the American economy can be simply stated: It is to live up to our full potential.

If we achieve this goal, our position as a world leader will be the stronger and our capacity to do the domestic jobs at hand will be the greater.

If we continue to fall short of that goal—as we have in the past half decade—the world will hold us in less esteem. And, more important, we will be less able to carry out those programs, both here and abroad, that go with world leadership.

A nation that aspires to world leadership—a nation that must lead to survive—must set its standards high and its goals higher.

Think, for a moment, of the image we now present to the world.

Twice in 5 years our economy has been ravaged by recession.

Today, 4½ million Americans are without jobs—and yet our Government glows with satisfaction that the number is 4½ instead of 5 million.

For more than half a decade, our economy has been crawling forward, while other nations have been speeding ahead.

We lack the schools and hospitals and roads and health services that we could and should have. We, the richest Nation on earth, assert that we cannot afford to raise our sights or our standards in these fields. Our Government even tells us that we cannot afford the national defense that our military leaders say we need.

We alone of all nations stand on the very threshold of realization of the prophets' dreams of unlimited abundance. Our troubles arise from our failure to call forth this abundance fully, and to use it wisely.

Others suffer because they cannot yet do what they need. We suffer only because we are not yet doing what we can.

This has not always been true of America. We have risen to challenges and attained our full potential in times past. But more recently, we have been dozing, and even the Lilliputians could tie up Gulliver when he fell asleep.

What are some of our major defaults today?

Let's look first at the greatest economic resource of any nation—its people, and especially its young people.

Millions of our youngsters are in overcrowded classrooms, with insufficient and inadequately paid teachers. Hundreds of thousands, with both ambition and ability, are denied higher education, either because they cannot afford it, or because the schools of higher learning have no room for them.

In the underdeveloped countries, only a tiny fraction of the children obtain even the rudiments of formal education. This, however, is not by any fault of theirs; they simply lack the resources to do more now.

But our own educational deficiencies exist while we have idle resources begging to be used. We have or can easily produce the steel and cement and lumber to build schools. We have idle manpower, waiting to be put to work. And what's more, if we were able to keep our economy running at full capacity, there would be ample public revenues to pay for the schools—and the teachers too.

And yet we are told that we cannot afford more schools.

Our people also need good housing and health services. But isn't it tragic that almost a quarter of the richest Nation on earth is still living in urban and rural slums. Isn't it tragic, too, that health services for a majority of the people have not begun to keep up with the amazing progress of medical science. Doctors and nurses, hospitals, and other health facilities, are in nationwide short supply, acute short supply in some areas, because of uneven distribution. Here again, we do not lack the basic means to do better; we simply have not marshaled the determination.

What of our older citizens? We now have more than 15 million senior citizens, 65 years of age and over, and the number is increasing very rapidly. Despite some recent progress in social security programs, a large majority of these people still live in genuine deprivation. Their incomes have not kept up with the rising cost of living, and have fallen even more seriously behind advances in technology which should mean better living standards for all. A vast expansion of social security is imperative.

Two million American families and individuals still have incomes below $1,000 a year. More than six million American families and individuals have incomes below $2,000.

Of course, poverty is infinitely worse in many other lands, where tools and skills are not available. But it seems hard to believe that so many millions of citizens of the richest Nation on earth live in poverty or close to it, only because our tools and skills are not being fully used.

After human resources, the second great source of the wealth of nations is natural resources. Some countries lack these resources. Others have them under the ground or in the water, but do not yet have the techniques to call them forth. But we in America lack neither resources nor know-how.

We need a tremendous lift along the whole front of resource development and conservation. The magnitude of the job, the high costs, the interstate character of much of the work, and above all the national interest, demand that the Federal Government—in cooperation with States and localities—resume its historic responsibility for resource development. In fact, the programs need to be bigger and better than ever before, responsive to the new needs and economic capabilities of our country.

Why are we falling so tragically short in the development of our human and natural resources? Because we are saddled with an administration that believes in living off our inheritance rather than adding to our substance.

The Republican administration has allowed our economy to limp along over the past half decade, faltering badly at times, falling far short of the growth it should enjoy.

During the past 5 years, the economy has grown less than half as fast as it grew in the first half of the 20th century—and only about one-fourth as fast as it needs to grow if we are to prevent new technology and automation from becoming an economic Frankenstein that we cannot control.

The losses from this economic slowdown are staggering. In the past 5 years, our low growth rate caused us to lose an estimated $150 billion in production. It forced upon us 10 million man-years of needless unemployment. It costs the average American family almost $3,000 in income.

And it has cost the Government billions of dollars in lost revenues—dollars that could have been put to work building schools and hospitals and broadening social security and building natural resources—and, at the same time, giving jobs to millions who sought but could not find them.

The Republicans decry spending and waste. But they are the greatest wasters of all. For how could there be greater waste than men without jobs, factories and mills without production, children without proper schools, families without proper shelter?

The Republicans also decry deficit spending. But under whose administration, I ask, are we suffering a $13 billion deficit—the largest in peacetime history? We are suffering this under a Republican administration which has sat through two economic recessions hoping America would come through on a wing and a prayer.

The Republicans decry big spending. But it doesn't seem to bother them that the interest payments on our national debt have risen nearly $2 billion a year since they took office. And this is the direct result of their high-interest, hard-money, tight-credit policy which bears the trademark of a man named Humphrey. But I can assure you, it is not the HUMPHREY you see before you now. I can also assure you, we are not even remotely related—either biologically or politically—a fact that pleases both of us.

By the time this tight-money policy has run its course, nearly $20 billion will have been taken from those who have little to embroider the earnings of those who already have much.

I leave it to your own imagination as to what could have been done with that $20 billion—in schools and roads and hospitals and higher unemployment benefits and social security, not to mention the defenses we need but supposedly cannot afford.

The financial policies of this administration are not only wrong in detail; they are wrong in philosophy. They assert that we can meet larger and larger problems by doing less and less.

They do not understand the ultimate source of the wealth of nations: the improvement of human resources, the conservation and expansion of natural resources, the building of plant and tools to the full limits of technology—and, most important, the full employment of the people.

What could the attainment of these goals mean to America in the next 5 years?

If we brought our economic growth up to proper rates, and avoided a repetition of our limping progress over the last 5 years, we would, in the next half decade, produce an extra $400 billion in goods and services.

We will have the benefit of more than 16 million man-years of productive employment.

The average family would enjoy $6,000 more in income.

And local and State governments, together with the Federal Government, would have the use of an added $70 billion in revenues with which to meet the needs of a growing population.

We cannot attain these goals without looking ahead and planning for the future, setting targets for ourselves and devising programs to meet them.

So far as I can see, this Republican administration has only one goal: to balance this year's budget. That one shining goal seems to blind our national leaders to any grander goals for future years.

Mr. Khrushchev must be mighty happy to view this Nation devoid of any long-range goals or aspirations, to hear America's leaders assert that a free people cannot look ahead as a nation, cannot translate their aspirations into bold targets, and cannot call upon their unique combination of free enterprise to meet these targets.

I do not believe in an all-powerful centralized government. But I do know that our Federal Government is, or should be, a great instrument of the whole American people. I do know that it is, or should be, an effective single mirror of their yearnings and servant of their needs.

The Thirteen American Colonies recognized that they could survive only as one Nation. Lincoln put the holding together of the Union above all other objectives. And Franklin D. Roosevelt, in the time of

the great depression, was able to bring home to the whole American people that the Federal Government was their Government, and that it bore a bedrock responsibility for their well-being in times of stress.

I cannot believe that we have now come to a time when the Federal Government should become a silent junior partner in the saga of America, or take a vacation.

But that's just what this Republican administration seems to want. They want a caretaker government—not a positive force for progress. They want a custodial government—to keep books and records, not to help make records of social progress.

My friends, the farmer must cultivate his farm well; but he cannot solve the problem of world food prices.

The small businessman must watch his expenditures and his sales and improve his methods; but he cannot protect himself against monopolistic threats, nor survive in a sluggish national economy.

The worker must do his own job faithfully; but he cannot create job opportunity when it is not there.

The average family must try to live within its means; but it cannot do this if its breadwinner is unemployed, and it cannot prosper and advance against a powerful headwind of unfavorable nationwide conditions.

The States and localities have much to do; but they cannot be solvent if their industries and workers are on part-time.

In these times, families and localities and States can be strong only in a strong nation. But a strong nation needs strong leadership. A national administration which tells the people only what they "cannot afford," can never fulfill the role of a leadership which realizes what the American people can do. A national administration which believes in scarcity and stagnation can never achieve the results of a leadership dedicated to abundance and economic growth.

To resume the progressive evolution in our national life which has been the hallmark of American achievement, we need a new spirit in Washington.

This administration appeals to the people's timidity and their caution.

The times call for a government which appeals to men's confidence in themselves, which challenges them to meet higher goals, and which dares men to dream great dreams.

As the Bible tells us, "If the trumpet gives an uncertain sound, who shall prepare himself to the battle?"

Our responsibility to ourselves and to the world is such that we must act with greatness. No people has ever risen to greatness without being called to greatness.

The tragedy of these years is that the voice that should summon us is silent.

A New Approach to Labor-Management Problems

EXTENSION OF REMARKS

OF

HON. ROBERT P. GRIFFIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 11, 1959

Mr. GRIFFIN. Mr. Speaker, recently the distinguished ranking minority member of the Committee on Education and Labor, the Honorable CARROLL D. KEARNS, of Pennsylvania, delivered an important and timely address before the Invest in America Committee in Philadelphia. As the House proceeds toward consideration of needed labor reform legislation, the views of Congressman KEARNS on this subject are particularly meaningful. His excellent address follows:

A NEW APPROACH TO LABOR-MANAGEMENT PROBLEMS

(An address delivered by Hon. CARROLL D. KEARNS)

The labor reform legislation which has become such an important issue this year is an old problem. Congress has been working on it for years. When we look back to the middle thirties we recognize today's proposed legislation as the third step in a continuing process.

First was the Wagner Act, passed in 1935. There Congress stated the labor policy of our country. Briefly, it is to encourage collective bargaining and to protect American workmen in their exercise of full freedom of association. When the Wagner Act was passed, Congress decided the only labor reform needed was to protect employees from antiunion conduct by employers.

Twelve years later, the enactment of the Labor-Management Relation Act of 1947, commonly called the Taft-Hartley Act, recognized the necessity to protect workmen from union conduct also. This was the second step in labor reform. At that time the Congress wisely felt it was necessary to state specifically, as a part of the labor policy of our country, the fundamental right of workmen not to associate or deal collectively.

Today, in the third phase, labor reform continues to be concerned with protecting the rights of individual workmen. Our policy has not changed. But now it has been clearly shown that these rights need to be protected from abuses in the internal affairs of unions. Also, some activities of employers and unions in their relationships with each other continue to be detrimental to American workmen. The task before us is to strengthen and add to the present safeguards.

You may well ask whether new laws are needed. The corrupt activities exposed by the McClellan committee are, for the most part, violations of existing criminal statutes. Lack of democracy within unions is often contrary to existing State law. Other infringements on the rights of workmen are violations of the National Labor Relations Act.

But performance under existing laws is sadly lacking. Performance must be improved.

Individuals subject to these laws must cooperate in carrying out the intent of the law. Emotional appeals, such as the union condemnation of Taft-Hartley as the "slave labor" act, should be forgotten.

Government officials likewise need to improve their performance. More emphasis should be placed by Government law enforcement officials on the necessity of protecting the rights of individual workmen. Courts should avoid strained and legalistic interpretations.

But, we in Congress also have a responsibility to improve performance. We can be most effective, in my opinion, by recognizing that we must provide laws which are easily enforced. Experience demonstrates present laws do not meet this test. Therefore, we do need new legislation. Its language must be simple and clear to all concerned. It must not be subject to misinterpretation by enforcement officials. This is a big order but I am confident we can show substantial improvement.

The Congress will be deluding itself and the public if new laws rely on criminal enforcement. As I said a moment ago, this has proven to be one of the weakest aspects of performance under existing law. Most of the corruption brought to light by the McClellan committee has been a violation of one or more existing criminal statutes. But how many of the criminals have been convicted? Only a handful.

Here is the basic weakness of Senator KENNEDY'S approach to the third step in labor reform. His bill, which the Senate passed, is a criminal statute. He would require a tremendous number of reports of activities of unions, union officials, employers, labor consultants—just about anyone coming into contact with the labor movement. For enforcement, he relies primarily on criminal penalties. What reason do we have to believe that performance under these criminal laws will be any greater than under existing law?

Is Senator KENNEDY'S "massive reports" theory reasonable, regardless of how enforced? Most of the activities to be reported are perfectly legitimate. Honest union officers and employers will file reports. But are corrupt and dishonest persons going to file reports of their dishonesty? If so, a whole new concept of law enforcement is opened to us. Perhaps we should require all persons who exceed a speed limit to file a report of the traffic violation and thus solve the speeding problem.

There are some good features in the Senate bill. For example, the principle of a "bill of rights" for union members is truly gratifying. Protection of union members from unfair treatment by their own leaders is the heart of the third step in labor reform. A bill of rights is essential but the Senate provisions must be strengthened.

Here again, the bill of rights must be a part of a law which will secure performance. It too must be easily enforceable. I have already expressed my doubts as to criminal penalties to secure enforcement of labor reform laws. The burden of proof in criminals cases is too great.

Union members should be able to enforce their own rights in State courts. I understand the Senate bill includes such a provision. But working men and women should also have some simple means of securing the help of the Government. Lawsuits are expensive. The unions will have plenty of money to defend their position in the suits but many rank and file members will not have the funds to prosecute them. We must give the members additional, effective means of enforcement of their rights.

It was also encouraging to have the Senate at least recognize the principle that additional restraints on organizational picketing and secondary boycotts are needed. These two weapons have been used by labor racketeers again and again to interfere with the rights of decent, law-abiding Americans. Unfortunately, the improvements made by the other body in this area are woefully inadequate.

Another serious deficiency in the Senate bill is its failure to deal satisfactorily with the so-called no man's land of NLRB jurisdiction. At present, because of a ruling of the Supreme Court, there is no forum where cases may be heard and no remedy available to small employers who do not come within the NLRB jurisdictional standards. The Senate would permit State agencies, but not State courts, to handle such cases if the State would apply the Federal law. It is highly questionable whether the few States which have suitable agencies will accept this kind of dictation. And, in those States where there are no little NLRB's, small employers and their employees will continue to be without a remedy.

I am confident that we can write a bill in the House which will be a big step forward in protecting the individual American workman in exercising his fundamental rights. To do so, the bill must provide:

1. TRUE DEMOCRACY WITHIN UNIONS

It must give each member a bill of rights governing his relationship with his union. He should be able to speak freely for or against the policies of his leaders. He must be able to vote secretly on issues vital to him. He must have equal rights with his

fellow members. In short, a union must belong to its members—not to its officials.

2. HONESTY WITHIN UNIONS

Each member must receive full and accurate reports of activities of his union and its officials. The union member is the best watchman over the finances of his own organizations. But he needs the help of the Government in investigating mishandling of union funds and in correcting any wrongdoing.

3. PROTECTION FOR INNOCENT WORKMEN AND SMALL EMPLOYERS FROM COERCIVE PICKETING AND SECONDARY BOYCOTTS

Not all picket lines and boycotts are coercive. But some, which are permitted under existing law, clearly injure American workmen in the exercise of their freedom of association and the exercise of their free choice as to dealing collectively. Reasonable compromises can be worked out. The line may not be perfect, but we can show major improvement.

4. ELIMINATION OF CRIMINAL ELEMENTS FROM THE UNION MOVEMENT

This will be accomplished only if we provide simple, practical means of enforcement. The right of union members to the courts should not be curtailed, but the working people of this country and small employers deserve quicker and less expensive methods of securing justice, using the framework of proven means of law enforcement.

5. A FORUM FOR EVERY DISPUTE

The no man's land must be eliminated and, through either State or Federal courts or agencies, there must be a place where labor reform cases can be heard. The same forum need not be used for all cases, but no one subject to the law of the United States should be without a remedy if his fundamental rights have been impaired.

As ranking member of the minority on the House Committee on Education and Labor, I will do everything in my power to see that our committee reports out a bill which will assure the working men and women of this country the fullest protection of their individual freedom. It is not an easy job but one which must—and can—be done.

SENATE

TUESDAY, MAY 12, 1959

Rev. Frederick M. Brooks, rector of the Church of the Saviour, Philadelphia, Pa., offered the following prayer:

O eternal Lord God, who alone spreadest out the heavens, in an order so precise that man has always been able to look up and know where He is, it is at once complex yet simple, simple and familiar as the dipper in a woman's kitchen or a hunter's belt and horn, grant to us on earth, as You reveal every day new knowledge of Your domain in space, a deeper respect for this order, with its assurance of constancy and continuity.

In this new world of guided missiles, as You reveal this new knowledge, are You speaking to us from Your throne to say: "Mankind must also live in order"?

Are You saying: "I, the Lord God, want guided men as well as guided missiles"?

Are You saying: "Man must work as hard to penetrate the self-barrier as he does the sound barrier"?

Are You telling us, as You reveal the secrets of Your domain, where "the oceans of the future are in the space between the stars," that You are showing us this to save us?

May this, Your order, forever revealing Your greatness and love, speak to the people of the United States in general and especially its Senate.

Grant wisdom to those to whom, in Your name, our people entrust the authority of Government, that justice and peace may be sought, not alone for this country, but for the world.

Remember all who serve this country, at home and abroad; guide them and keep them wherever they may be.

All this we ask in the name of our Redeemer. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, May 11, 1959, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 1559) to provide for the striking of medals in commemoration of the 100th anniversary of the first significant discovery of silver in the United States, June 1859.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 2317. An act to amend section 7 of "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, as amended, so as to provide for the bonding of persons licensed to engage in a business, trade, profession, or calling involving the collection of money for others;

H.R. 2318. An act to provide for the regulation of closing-out and fire sales in the District of Columbia;

H.R. 2322. An act to amend the act of July 1, 1902, to exempt certain common carriers of passengers from the mileage tax imposed by that act and from certain other taxes;

H.R. 4072. An act to amend the act entitled "An act for the regulation of the practice of dentistry in the District of Columbia, and for the protection of the people from empiricism in relation thereto," approved June 6, 1892, as amended;

H.R. 4454. An act to amend the act of March 3, 1901, to eliminate the requirement that certain District of Columbia corporations be managed by not more than 15 trustees; and

H.R. 7040. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1960, and for other purposes.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H.R. 2317. An act to amend section 7 of "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, as amended, so as to provide for the bonding of persons licensed to engage in a business, trade, profession, or calling involving the collection of money for others;

H.R. 2318. An act to provide for the regulation of closing-out and fire sales in the District of Columbia;

H.R. 2322. An act to amend the act of July 1, 1902, to exempt certain ccmmon carriers of passengers from the mileage tax imposed by that act and from certain other taxes;

H.R. 4072. An act to amend the act entitled "An act for the regulation of the practice of dentistry in the District of Columbia, and for the protection of the people from empiricism in relation thereto," approved June 6, 1892, as amended; and

H.R. 4454. An act to amend the act of March 3, 1901, to eliminate the requirement that certain District of Columbia corporations be managed by not more than 15 trustees; to the Committee on the District of Columbia.

H.R. 7040. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1960, and for other purposes; to the Committee on Appropriations.

REORGANIZATION PLAN NO. 1 OF 1959—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 140)

Mr. MANSFIELD. Mr. President, there is at the desk a message from the President of the United States, transmitting Reorganization Plan No. 1 of 1959, which I ask the Chair to lay before the Senate. I ask that the message be not read, because it is now being read in the House of Representatives, but that it be referred to the appropriate committee for consideration.

The VICE PRESIDENT laid before the Senate the message from the President of the United States, which, with the accompanying paper, was referred to the Committee on Government Operations.

(For President's message, see House proceedings of today.)

COMMITTEE MEETINGS DURING THE SESSION OF THE SENATE

On request of Mr. MANSFIELD, and by unanimous consent, the Constitutional Rights Subcommittee and the Subcommittee on Antitrust and Monopoly Legislation of the Committee on the Judiciary were authorized to sit during the session of the Senate today.

On request of Mr. MANSFIELD, and by unanimous consent, the Subcommittee on Constitutional Amendments of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I wish to notify the Senate that the time between now and 10 minutes after 12 will be used only for the introduction of bills and other measures, after which a quorum will be called.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON CONTRACTS NEGOTIATED FOR EXPERIMENTAL OR RESEARCH WORK

A letter from the Assistant Secretary of Defense, transmitting, pursuant to law, a report on contracts negotiated for experimental or research work, for the period July 1 to December 31, 1958 (with an accompanying report); to the Committee on Armed Services.

AUDIT REPORT ON NATIONAL FUND FOR MEDICAL EDUCATION

A letter from the Executive Vice President, National Fund for Medical Education, New York, N.Y., transmitting, pursuant to law, a report on an audit of that fund, for the year ended December 31, 1958 (with an accompanying report); to the Committee on the Judiciary.

AUDIT AND ANNUAL REPORTS OF BOARD FOR FUNDAMENTAL EDUCATION

A letter from Ross, McCord, Ice & Miller, Indianapolis, Ind., transmitting, pursuant to law, the audit and annual reports of the Board for Fundamental Education, for the year 1958 (with accompanying reports); to the Committee on the Judiciary.

TRANSFER OF FREEDMEN'S HOSPITAL

A letter from the Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university, and for other purposes (with accompanying papers); to the Committee on Labor and Public Welfare.

RECOMMENDATIONS ADOPTED BY INTERNATIONAL LABOR ORGANIZATION

Two letters from the Assistant Secretary of State, transmitting, pursuant to law, recommendations adopted by the International Labor Conferences at Geneva, May 1958 and June 24, 1958 (with accompanying papers); to the Committee on Labor and Public Welfare.

RESOLUTIONS OF GENERAL ASSEMBLY OF RHODE ISLAND

Mr. PASTORE. Mr. President, on behalf of myself, and my colleague, the senior Senator from Rhode Island [Mr. GREEN], I present a resolution memorializing Congress to work for the passage of a U.S. constitutional amendment denying any State an unfair process of taxation adopted by the General Assembly of the State of Rhode Island at the January session 1959, and I ask that the resolution be appropriately referred.

There being no objection, the resolution was referred to the Committee on the Judiciary, and, under the rule, ordered to be printed in the RECORD, as follows:

SENATE RESOLUTION 550

Resolution memorializing Congress to work for the passage of a U.S. constitutional amendment denying any State an unfair process of taxation

Whereas it has ever been the unending crusade of the citizens of the State of Rhode Island and Providence Plantations to uphold the freedom of the individual from unjust acts; and

Whereas said State of Rhode Island and Providence Plantations has never sought to take advantage of the citizens of neighboring States that are employed within the border of this State by dual taxation on earnings; and

Whereas a Commonwealth which having built its history upon the premise of war against unfair taxation, dating back to Revolutionary days now does seek to extract from wage earners of other States an unjust tax without representation: Now, therefore, be it

Resolved, That the members of the general assembly now memorialize Congress to work for the passage of a U.S. constitutional amendment denying any State this unfair process of taxation; and be it further

Resolved, That the secretary of state be and he is hereby authorized and directed to transmit duly certified copies of this resolution to the Senators and Representatives from Rhode Island in the Congress of the United States asking each to give immediate attention to the need for such a U.S. constitutional amendment and to work for its passage.

AUGUST P. LAFRANCE,
Secretary of State.

Mr. PASTORE. Mr. President, on behalf of myself and my colleague, the senior Senator from Rhode Island [Mr. GREEN], I present a resolution memorializing the Congress of the United States to enact the passage of bill, S. 925, dealing with the Immigration and Nationality Act and adopted by the General Assembly of the State of Rhode Island at the January session, 1959, and request it be appropriately referred.

There being no objection, the resolution was referred to the Committee on the Judiciary, and, under the rule, ordered to be printed in the RECORD, as follows:

HOUSE RESOLUTION 1433

Resolution memorializing the Congress of the United States to enact the passage of bill, S. 925, dealing with the Immigration and Nationality Act (McCarran-Walter law)

Whereas Senate bill 925 has been introduced in the Senate of the United States which would grant nonquota status to certain immigrants who are brothers, sisters, sons, or daughters of U.S. citizens;

Whereas efforts have been exerted for many years by the American Committee on Italian Migration—member agency of the National Catholic Resettlement Council—for legislation to help resolve the urgent and pressing problem of the fourth preference quota on the grounds that it is unfair to permit U.S. citizens to file petitions for their brothers, sisters, sons, or daughters, granting them approval, and then letting them pile up in huge backlogs at the American consulates abroad approved without the hope of any visas being issued. Fourth preference visas can be issued only when deficiencies occur in the first, second, or third preferences, which are alloted 100 percent of the quota—a rare and unlikely occurrence especially in countries with low quota numbers.

Resolved, That the General Assembly of the State of Rhode Island respectfully requests that the Congress of the United States pass Senate bill 925; directing the secretary of state to transmit a duly certified copy of this to the President of the United States, to the presiding officers of both Houses in the Congress of the United States, and to the Senators and Representatives from Rhode Island in said Congress.

AUGUST P. LAFRANCE,
Secretary of State.

U.S. FORESTRY PROGRAM—RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a resolution in support of the U.S. forestry program, as adopted by the Board of Commissioners of Itasca County, Minn., on May 5, be printed in the RECORD and referred to the appropriate committee.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

RESOLUTION 5-59-12

Whereas the Secretary of Agriculture has submitted to the U.S. Congress a program for the national forests which sets forth long-range objectives for development and use of the forests and for research work which will be of benefit to all forestry programs; and

Whereas a substantial part of the Chippewa National Forest is located in Itasca County and the improvement of roads, recreation facilities, fire protection and the increased planting and harvesting of timber is important to the people of Itasca County; and

Whereas the research program of the U.S. Forest Service is important in providing information for the management of county-owned lands as well as other lands used for forestry purposes and which are a vital part of the economy of the entire northern Minnesota area: Now, therefore, be it

Resolved, That this Board of Commissioners of Itasca County, Minn., does hereby urge the Congress of the United States to give favorable consideration to the program for national forests as outlined by the Secretary of Agriculture and take the appropriate action to implement the program; be it further

Resolved, That certified copies of this resolution be sent to Congressman H. D. COOLEY, chairman of the House Committee on Agriculture, and to the Senators and Congressmen from Minnesota.

PLIGHT OF TIBETAN PEOPLE—RESOLUTION

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Diocesan Union of Holy Name Societies of the Diocese of Rockville Centre, Long Island, N.Y., expressing sympathy for the plight of the Tibetan people.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas on May 23, 1951, the Chinese Communist government signed an agreement to preserve the political and religious autonomy of the Tibetan people; and

Whereas the Tibet local government under its head, the Dalai Lama, has recently been ordered dissolved by the Chinese Communist government; and

Whereas the Chinese Communist government has barbarously intervened to deprive the Tibetan people of their political and religious autonomy; and

Whereas the United States has long been urged by some factions to grant diplomatic recognition to the Chinese Communist government, and to support its request for admission to the United Nations, on the basis that the Chinese Communists were different from the Russian Communists, and were only agrarian reformers: Now, therefore, be it

Resolved by the Diocesan Union of Holy Name Societies of the Diocese of Rockville Centre, That we express our sympathy for the plight of the Tibetan people; and be it further

Resolved, That we urge the U.S. Government to continue its policy of not granting diplomatic recognition to Communist China and of not supporting its request for admission to the United Nations.

HEMPSTEAD, N.Y., *May 3, 1959*.

RESOLUTION OF DAIRY FARMERS OF AMERICA, INC., SELKIRK, N.Y.

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Dairy Farmers of America, Inc., of Selkirk, N.Y., relating to farm prices.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF THE DAIRY FARMERS OF AMERICA, INC., SELKIRK, N.Y.

Whereas the Department of Agriculture recently stated that the farmer's share of the consumer's food dollar in 1958 amounted to 40 cents, compared with the 53 cents received in 1946;

Whereas the Department also stated that present indications are the farmer will receive less of the food dollar in 1959 than in 1958;

Whereas the present farm program has failed to increase farmers' income; and

Whereas the Congress needs to take action to improve farm income: Therefore be it

Resolved, That the Onondaga County Dairy Farmers of America in session this 5th day of May request the Congress to pass legislation to encourage an upward trend in farm prices; and further

Resolved, That copies of this resolution be sent to you, Senator KENNETH KEATING, and Congressman R. WALTER RIEHLMAN.

Respectfully yours,

WALLACE GREVELDING, *President*.
JOHN SUTTER, *Secretary*.

JOINT MEETING OF THE TWO HOUSES—ADDRESS BY KING BAUDOUIN OF THE BELGIANS

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COTTON in the chair). Without objection, it is so ordered.

Pursuant to the previous order the Senate will stand in recess, subject to the call of the Chair.

Thereupon, at 12 o'clock and 15 minutes p.m., pursuant to the order entered yesterday, the Senate took a recess, subject to the call of the Chair.

The Senate, preceded by the Secretary (Felton M. Johnston), the Sergeant at Arms (Joseph C. Duke), the Vice President, and the President pro tempore, proceeded to the Hall of the House of Representatives for the purpose of attending the joint meeting of the two Houses to hear the address to be delivered by King Baudouin of the Belgians.

(For the address delivered by the King of the Belgians, see p. 8007 of the House proceedings in today's CONGRESSIONAL RECORD.)

RESUMPTION OF LEGISLATIVE SESSION

The Senate returned to its Chamber at 12 o'clock and 56 minutes p.m., and reassembled when called to order by the President pro tempore.

COMMENT ON ADDRESS TO CONGRESS BY BAUDOUIN, KING OF THE BELGIANS

Mr. MANSFIELD. Mr. President, I have listened to many memorable addresses delivered before joint sessions of the U.S. Congress. I have listened with great attention to such persons as Prime Minister Sir Winston Churchill, Madam Chiang Kai-shek, Prime Minister Clement Attlee, and others.

But I think the speech delivered today by the King of the Belgians, with its emphasis on peace, youth, and better understanding, is one of the outstanding messages ever delivered to a joint session of the U.S. Congress. The point he made that it takes 20 years to make a man and only 20 seconds to destroy him is one worth taking to our hearts.

Mr. President, King Baudouin has honored us with a great speech and we are grateful to him for the sentiments expressed. He represented his country, his person, and his ideals in a way which will cement Belgian-American relations and make for a better understanding between us. The Senate wishes the King and his country well.

Mr. AIKEN. Mr. President, I wish to endorse the remarks of the Senator from Montana [Mr. MANSFIELD] with respect to the magnificent address which was delivered at the joint meeting of Congress by the King of the Belgians.

It was one of the finest addresses, if not the finest, by the head of a foreign government, which we have been privileged to hear at a joint meeting of Congress. The sincerity with which it was delivered touched the hearts of everyone who was privileged to hear it.

Mr. DIRKSEN. Mr. President, I echo the sentiments which have been expressed with reference to the masterful and brilliant address delivered by the King of the Belgians at the joint meeting of Congress. Seldom have we been privileged to hear such emphasis, in such a profound, philosophical way, on two themes which His Majesty dwelled on particularly, peace and youth. He could not have chosen any other subject on which he would find such great and enthusiastic response from everyone in this country.

Mr. COOPER. Mr. President, I join with the Senators who have commended to the Senate and to the country the address delivered today at the joint meeting of Congress by the King of the Belgians. It was a great address in many respects, moving and philosophical.

We are preoccupied, as is natural and necessary with our difficulties with Soviet Russia and with the conflict between the democratic and the Communist worlds. We are concerned, and properly so, with our military strength to assure our security. We also concern ourselves with many economic measures to assist other countries, because it is right to do so, and to maintain a democratic balance of power in the world.

Nevertheless we forget at times a great source of unity between the democratic and non-Communist countries, which the King of the Belgians brought to our minds today. It is this:

The democratic and non-Communist countries, in their most essential sense, differ from the Communist countries in that our systems are derived from spiritual sources. The Communist world rejects this fundamental thesis—it rejects any Supreme Being, and our concept that man's proudest freedoms are derived from spiritual law. It is a point of unity which we forget and which we neglect. It is a great source of spiritual power between the non-Communist countries which we ought to understand and which could move many peoples throughout the world. The King recognized this in his speech. It was a profound address, philosophically and spiritually—and because it was, it moved all of those who heard it.

Mr. HUMPHREY. Mr. President, I am sure that every Member of Congress who was privileged to hear the address delivered by the King of the Belgians was deeply moved and greatly impressed not only by the eloquence of the address but by the profoundness of its philosophy, and the meaning of the words expressed.

Mr. President, I found the address most remarkable for two reasons. First of all, it was a completely affirmative and constructive message which laid before the Congress of the United States and the American people an attitude of mind and spirit which I think it would be well for us to emulate.

The King, in his remarks, did not resort to an appeal to negative qualities, or even to an attack upon those who threaten the peace of the world. Rather, he appealed to man's sense of decency and justice, and he urged upon us the realization of our responsibilities as a great power and as a great people.

Secondly, Mr. President, I was impressed by the emphasis in the message upon peace and youth. I shall long remember what the King had to say, and I can only paraphrase it, and most inadequately: It takes 20 years to make a young man, but only 20 seconds to destroy his life. That analogy will be remembered by the listeners of the address and by the public in general for years to come. It tells us in a few short words the many difficulties a nation has in building the peace; the careful, constructive, creative work which must go into building conditions that are conducive to peace It also tells us what mankind has been able to perfect in terms of destruction, which can lead to catastrophe.

The emphasis upon youth in a nation of young was most appropriate. I trust we may support the idealism which that phrase reveals, and that the faith and courage which are so typical of youth will stand us well in the years to come.

I wish to thank the Belgian people for giving us the privilege of hearing their King. I wish to associate myself with the comments of my colleagues in praise, not only of the man and the office he

holds, but of the message and the ideals and hopes expressed in it.

Mr. MORSE. Mr. President, I join my colleagues in expressing my thanks to the King of the Belgians for the great message he delivered to the Congress of the United States. It was a message not alone to the Congress and to the people of the United States; it was a message to the people of the world. Of the many great truths he spoke, I thought his definition of peace as the tranquillity of order had imbedded in it a message to the leaders of all the nations, because, after all, what must be sought and accomplished is an order through justice, to which the King referred.

As one Member of this body, I thank the people of Belgium for sending to us such an able leader with such a great message.

Mr. JAVITS. Mr. President, I wish to associate myself with everything that has been said on the floor of the Senate respecting the address delivered by the King of the Belgians to Congress today. I also wish to make two points, to which I should like to invite the special attention of my colleagues. The first point is that the very person of this young man, who spoke so optimistically of youth, typified youth. It is very heartening to us to see a youth in such a position of responsibility and in full command of the ideals of youth. Secondly, and very importantly, the King spoke of democratic ideals. Yet he is a king. I think that fact demonstrates what is happening in the modern world, all to the good, so far as we are concerned.

Next, the King spoke of self-determination, which he sees as something in prospect for the peoples whose fortunes are now so heavily the responsibilities of the Belgians. I refer to people in Africa. We see the modern concept of trusteeship and stewardship by people in a more advanced degree of industrialization in behalf of less fortunate people, so they can soon conduct their own affairs and fully participate in all important matters which need to be decided in the world.

So I wish to join my colleagues, first, in thanking the people of Belgium for sending us their King. Secondly, I wish to thank the people of Belgium for their free institutions, as depicted in their ideals, so that on this day in 1959 a king can be speaking his own mind and also the minds of his own people.

FURTHER MORNING BUSINESS

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Morning business is still in order.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CLARK, from the Committee on Post Office and Civil Service, without amendment:

S. 1887. A bill for the relief of Alice V. Tenly (Rept. No. 282).

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, without amendment.

H.R 4597. An act to provide for the training of postmasters under the Government Employees Training Act (Rept. No. 283); and

H.R. 4599. An act to provide certain administrative authorities for the National Security Agency, and for other purposes (Rept. No. 284).

By Mr. FREAR, from the Committee on the District of Columbia, without amendment:

S. 685. A bill to exempt from all taxation certain property of the Association for Childhood Education International in the District of Columbia (Rept. No. 285); and

S. 1370. A bill to amend section 13 of the District of Columbia Redevelopment Act of 1945, as amended (Rept. No. 286).

By Mr. HARTKE, from the Committee on the District of Columbia, without amendment:

S. 1159. A bill to facilitate the acquisition of real property under the District of Columbia Alley Dwelling Act (Rept. No. 287); and

H.R. 4282. An act to supplement and modify the act of May 24, 1828 (6 Stat. 383, ch. CXII), insofar as it relates to the corporate powers of the Sisters of the Visitation, of Georgetown in the District of Columbia (Rept. No. 288).

By Mr. BEALL, from the Committee on the District of Columbia, without amendment:

S. 866. A bill to amend the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1911, and for other purposes", approved May 18, 1910 (Rept. No. 289).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

One hundred and thirty-four postmaster nominations.

By Mr. BIBLE, from the Committee on the District of Columbia:

David Brewer Karrick, of the District of Columbia, to be a Commissioner of the District of Columbia.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. COTTON (for himself and Mr. STENNIS):

S. 1916. A bill to establish a Central Security Office to coordinate the administration of Federal personnel loyalty and security programs, to prescribe administrative procedures for the hearing and review of cases arising under such programs, and for other purposes; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. COTTON when he introduced the above bill, which appear under a separate heading.)

By Mr. JAVITS:

S. 1917. A bill for the relief of Artemis Toskos; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 1918. A bill to amend the International Claims Settlement Act of 1949, as amended, and for other purposes; to the Committee on Foreign Relations.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. JAVITS (for himself, Mr. CASE of New Jersey, Mr. KEATING, and Mr. SALTONSTALL):

S. 1919. A bill to make certain changes in the Immigration and Nationality Act; to the Committee on the Judiciary.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. NEUBERGER:

S. 1920. A bill relating to mining claims on lands within the national forests; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. BIBLE:

S. 1921. A bill to exempt from taxation certain property of the United Spanish War Veterans, Inc., in the District of Columbia; to the Committee on the District of Columbia.

By Mr. BIBLE (by request):

S. 1922. A bill providing a uniform law for the transfer of securities to and by fiduciaries in the District of Columbia; to the Committee on the District of Columbia.

RESOLUTION

Mr. CLARK (for himself and Senators HUMPHREY, JAVITS, O'MAHONEY, BARTLETT, CARROLL, DOUGLAS, GRUENING, HART, JACKSON, MCCARTHY, MCNAMARA, MORSE, MOSS, MURRAY, MUSKIE, NEUBERGER, PROXMIRE, SYMINGTON, WILLIAMS of New Jersey, and YARBOROUGH) submitted a resolution (S. Res. 118) to amend the Standing Rules of the Senate with regard to the selection of the Senate members of committees of conference, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when submitted by Mr. CLARK, which appears under a separate heading.)

FEDERAL SECURITY ACT

Mr. COTTON. Mr. President, on behalf of myself, and the junior Senator from Mississippi [Mr. STENNIS], I introduce, for appropriate reference, a bill to establish a Central Security Office to coordinate the administration of Federal personnel loyalty and security programs, to prescribe administrative procedures for the hearing and review of cases arising under such programs, and for other purposes.

The bill carries out the principal recommendations of the Commission on Government Security, the 12-member bipartisan group set up by Congress to conduct a thorough review of all our loyalty and security programs. The junior Senator from Mississippi and I represented the Senate on that Commission.

We are presenting this proposed legislation, as we did last year, to make sure the recommendations of the Commission are formally before the Congress in bill form. I believe they furnish a good pattern from which to work in establishing an effective, consistent, and fair loyalty and security program for Federal employees, though I am not suggesting they should be adopted without the dotting of an "i" or the crossing of a "t."

The work of the Commission clearly demonstrated the need for a full overhauling of our present loyalty-security

programs which rest on the confusing and even conflicting philosophies expressed in a 1950 law, a 1953 Executive order, and a 1956 decision of the Supreme Court.

I believe the time has come for the enactment of legislation to put the program on a sound, permanent basis, with adequate safeguards for the rights of every individual affected, and I hope the subject will receive early attention by the appropriate Senate committee.

In this connection, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a statement I submitted on this subject to the House Committee on Post Office and Civil Service.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 1916) to establish a Central Security Office to coordinate the administration of Federal personnel loyalty and security programs, to prescribe administrative procedures for the hearing and review of cases arising under such programs, and for other purposes, introduced by Mr. COTTON (for himself and Mr. STENNIS), was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

The statement presented by Mr. COTTON is as follows:

STATEMENT OF U.S. SENATOR NORRIS COTTON, REPUBLICAN, OF NEW HAMPSHIRE, TO COMMITTEE ON POST OFFICE AND CIVIL SERVICE, HOUSE OF REPRESENTATIVES, ON LEGISLATION TO EXTEND THE GOVERNMENT SECURITY PROGRAM TO NONSENSITIVE POSITIONS

Mr. Chairman, members of the committee, I am grateful for the opportunity you have accorded me, in view of my service as a member of the Commission on Government Security, to express my views on proposed legislation dealing with the loyalty security programs for Federal employees.

I believe the time is ripe for the long delayed, top to bottom overhauling of the Government's loyalty security systems.

The Federal employee security program grew up like Topsy during World War II and the decade which followed. Vigorous efforts on the part of the administration have produced some gains in coordinating the various programs (there are some seven different loyalty security programs), eliminating abuses, and closing the loopholes. Nevertheless, the fact remains our present personnel security programs are based on the rather conflicting philosophies of 1950 legislation, a 1953 Executive order and a 1956 Supreme Court decision.

An overhauling is sorely needed. Demands for it have echoed and re-echoed in Congress for many years. Congress clearly, and unanimously, expressed the need for it in 1955 when the Commission on Government Security was established and charged with laying the groundwork for a thoroughgoing revision.

A great public service can be performed by consideration and enactment of a new statutory basis for the whole loyalty security program.

I am convinced this is the opportune time for such an achievement. The heat of controversy which so long engulfed the security programs has now largely dissipated. The emotional basis which colored so much of the discussion of the past is gone. Congress, and this committee, can approach the task now with a dispassionate calmness which would have been impossible a few years ago.

Furthermore, new tools are at hand. The Commission on Government Security has completed its work. Its 800-page report has been available for almost 2 years. Ample time has passed for review and consideration of its recommendations. Numerous other public and private agencies have completed their own studies of the loyalty-security problem and offered their recommendations.

Furthermore, mere stop-gap legislation to deal with the decision of the Supreme Court in the Cole case is no longer adequate, in my opinion. Three years have elapsed since that decision and the time for emergency action by the Congress has long since passed. Legislation should meet the long-term need.

This committee, under the guidance of both Mr. MURRAY and Mr. REES, has a long record of leadership in the field of Federal employee legislation. I hope the committee will seize this opportunity to enact new, permanent legislation which will set the loyalty-security program to rights. I urge it to do so.

I urge this course because a vigorous and effective security program is imperative to our national security and survival.

My convictions in this matter were reinforced by my service on the Commission on Government Security. The first conclusion which the Commission reached concerned the inescapable necessity for a loyalty-security program. We are naturally reluctant to inquire into the beliefs and allegiances of our fellow citizens, but the world we live in has robbed us of any choice. It is fact that the Communist still aims its weapons of infiltration, deception, and subversion against our Nation, probing unceasingly for the weak links in the chain of American security. Modern technology has only heightened the dangers and increased the needs. Dangers which were formerly days or weeks away are now only minutes away. Only a positive requirement for loyalty to the ideals and aspirations which are shared by all devoted Americans can suffice.

A loyalty-security program for Federal employees and others in sensitive positions is unpleasant, but absolutely unavoidable necessity. Nevertheless, it need not be an undue burden on our sense of freedom, justice, or fair play. I believe the recommendations of the Commission on Government Security pointed the way to an effective and realistic program of security which grants full recognition to the rights of individuals. In fact, I regard adequate safeguards for the rights of individuals as a vital means of strengthening the security program. Public confidence and individual confidence in the fairness of the system is essential to its operation.

The first principle which must govern our program is a consistent, all-inclusive requirement of loyalty. There is no room in the Federal service for the disloyal citizen. The American people are entitled to full assurance that their public servants are loyal and worthy of trust. This requirement for loyalty must be applied to every Federal employee and every applicant for employment, whether his work will involve vital defense secrets or the most menial and commonplace tasks. The Commission on Government Security has suggested a specific standard of loyalty and recommended rather detailed criteria for applying that standard and I commend them to you.

To brand any American as disloyal carries the gravest consequences. To inflict such a brand upon a patriotic citizen would be tragic. Therefore, I believe the most careful and comprehensive safeguards must surround every loyalty proceeding. No person should be excluded from Federal employment on loyalty grounds without every fair chance to meet the charge. A full hearing should be accorded, accompanied by a right of appeal and a number of procedural safeguards, including, I believe, a right of subpena and the right to confront the witnesses, restricted only by the most impelling considerations of national security.

Even though he may be loyal beyond question, an employee may constitute a threat to national security because of background or character defects. A man who simply talks too much may unintentionally reveal important secrets. The sex pervert or the alcoholic may be subjected to pressure to aid the Communist conspiracy. Such a person should not occupy a position which provides even the slightest opportunity to damage the national interest. But, at the same time, he must not bear the stigma of disloyalty. I believe such persons should be dealt with under the time-tested suitability procedures established by the Lloyd-La Follette Act of 1912. For 46 years the act has provided a satisfactory and fair basis for excluding persons from Federal employment for the efficiency of the service. These procedures can be easily adapted to meet the additional requirements of national security. They offer the best means of treating this problem. I am heartened by the Committee's approval of this approach in its action on S. 1411 in the last Congress.

May I say in conclusion that I am not suggesting that the report of our Commission on Government Security, even though it was the result of long and careful consideration by members of Congress and representative citizens with the aid of an exceptionally able staff, necessarily contains all the solutions or that it should be adopted without the dotting of an "i" or the crossing of a "t". I do assert that it sets up a real standard and furnishes a good pattern from which to work.

I am positive, however, that a sound legislative foundation in this field is a pressing need.

AMENDMENT OF INTERNATIONAL CLAIMS SETTLEMENT ACT OF 1949

Mr. HUMPHREY. Mr. President, during the 84th Congress we passed legislation amending the International Claims Settlement Act of 1949. The Senate Foreign Relations Committee was then aware of the fact that if tax benefits were added to the benefits under the bill providing for the amendment, as written, it would be possible for some large corporate claimants to receive more in total benefits than was actually lost abroad. At the same time, some of the smaller claimants would not receive anywhere near the amount of money that they lost in foreign countries. To correct this patently unfair and unsought for effect, the Senate Committee adopted an amendment which I offered. The Senate accepted the amendment and it went with the bill to conference.

During our meetings, the conference committee, of which I was a member, was informed by representatives of the Internal Revenue Service that the Senate's interpretation of the bill as it related to existing tax law was inaccurate. On the strength of that information, the conference committee agreed to drop the Senate amendment.

Subsequent to the enactment of the law, I engaged in further consultation with the Treasury Department. In the course of this consultation, the Department furnished me with a memorandum on the law which in effect proved that the Senate had been correct and that the representatives of the Internal Revenue Service had been wrong. I therefore urged that a new bill be prepared

to correct the defect in the present legislation. Such a bill was prepared with the cooperation of the Treasury Department and the Foreign Claims Settlement Commission. I introduced it in the 85th Congress as S. 979.

My bill provided for the reduction of any awards made under title III of the act, by an amount equal to any tax benefits which a claimant may have obtained from writing off the loss upon which the award is based, except that no award would be reduced on that account to less than $5,000.

In favorably reporting my bill to the Senate the Committee on Foreign Relations stated in its report that the bill "will correct a serious injustice in the provisions of Public Law 285, and that it will insure a more equitable distribution of the funds available to deserving claimants"—Senate Report No. 612, 85th Congress.

S. 979 was passed by the Senate on August 5, 1957, but the House of Representatives took no action on it.

Recent statements by the Chairman of the Foreign Claims Settlement Commission have confirmed the doubts which I expressed almost 4 years ago. It appears, for example, that the Hungarian claims fund will have in it about $3 million and that the awards against it will exceed $45 million. Claimants without tax benefits will, therefore, be compensated to the extent of no more than 7 percent. Claimants who were able to obtain tax benefits will be able to reduce their losses by a substantially higher percentage and, in some cases, even register windfall gains.

I do not think we should close our eyes to the tax benefits which claimants may have received, and pay the same 7 percent to the man who has never been able to cut down his loss as well as to the man who has reduced his loss by more than 90 percent.

Therefore, I introduce for appropriate reference another bill to amend the International Claims Settlement Act of 1949. I believe that this bill will remedy the inequity which has already been demonstrated. Also it will prevent claimants who were able to obtain tax benefits from having windfall gains. I send the bill to the desk and ask that it be appropriately referred.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1918) to amend the International Claims Settlement Act of 1949, as amended, and for other purposes, introduced by Mr. HUMPHREY was received, read twice by its title, and referred to the Committee on Foreign Relations.

IMMIGRATION AND NATIONALITY ACT AMENDMENTS OF 1959—WORLD REFUGEE YEAR

Mr. JAVITS. Mr. President, on behalf of myself and the Senator from New Jersey [Mr. CASE], the Senator from Massachusetts [Mr. SALTONSTALL], and my colleague, the junior Senator from New York [Mr. KEATING], I introduce, for appropriate reference, a bill which I call the World Refugee Year immigration bill.

Mr. President, as to the participation of my colleague from New York [Mr. KEATING] as a cosponsor of this measure, I wish to make the following statement. The junior Senator from New York is a member of the Committee on the Judiciary and of its Immigration and Naturalization Subcommittee. Hence, while joining in the introduction of the bill, because of his interest in the general objective of a constructive revision of the immigration laws, and his interest in an effective provision for refugee-escapee admissions to the United States, especially those from behind the Iron Curtain, the junior Senator from New York reserves his judgment and freedom of action as to the detailed provisions of the bill.

This World Refugee Year immigration bill seeks to modernize the present Immigration and Nationality Act and to make provision for the admission annually of about 60,000 refugee-escapees fleeing racial, religious or political persecution by Communists or others opposed to the free world; 40,000 refugee-escapees specially would be admitted over a 2-year period beginning July 1, 1959, the date marking the official start of World Refugee Year.

Representative SEYMOUR HALPERN, of New York is introducing a similar bill in the other body.

During World Refugee Year 59 United Nations members, including the United States, have pledged themselves to focus attention on the refugees, seek additional financial aid and help develop a permanent solution of the world refugee problem which encompasses the fate of over 2 million persons.

The immigration legislation we are introducing would give the President the authority to admit a maximum of 60,000 refugee-escapees per annum on parole in the event of an emergency situation; they would be eligible to apply for permanent residence 2 years after their entry into the United States under this program. This is substantially the administration's recommendation of a few years ago. We must not be caught unprepared again as to refugee-escapees as we were at the time of the Hungarian revolt. In addition, this legislation would permit "pooling" of unused quotas left over from any previous year; also it would update the quota system by basing it on 1950 instead of 1920 census figures.

Also, it would eliminate various procedural injustices in the administration of the present law, speed up the admission of immigrants who are related to U.S. citizens and thus eligible to apply under the fourth preference category; and provide for the issuance of a total of 5,000 special nonquota immigrant visas under the refugee-escapee section to unresettled, so-called hard core cases.

The recent announcement by Senator EASTLAND, chairman of the Senate Judiciary Committee, that very shortly the Subcommittee on Immigration and Naturalization will hold hearings for the first time in more than 3 years on major bills including vitally important amendments to the often discriminatory current Immigration Act—Public Law 414—has long been awaited. For some years now, attempts by many of us to get consideration of amendments to the immigration law on the Senate floor have met the threat that our efforts would result in the defeat of miscellaneous, minor but deserving immigration bills like last year's Azores refugee bill.

At long last, a national awareness on the part of our people which is attributable in large part to work of many private groups like the Zellerbach Commission of the International Refugee Committee, the U.S. Committee on Refugees and others is stimulating immigration law revisions. The United States has a moral responsibility to its own citizens as well as to the anti-Communist struggle to assume its fair share of the homeless, often hopeless refugee-escapees of Communist and other totalitarian forces within the broad framework of a modern, humane immigration law. Today, our immigration regulations appear to stand as a barrier before the very eyes of those who have risked all in a gesture of faith in U.S. peace leadership.

Bipartisan efforts in 1957 and 1958 in the Senate to serve the national interest and to carry out the pledges in both the Republican and Democratic national platforms of 1956 by enacting fundamental revisions in the immigration law were constantly frustrated. Then in late August of last year, the chairman of the Judiciary Committee gave assurances in a colloquy on the floor of the Senate that the Immigration Subcommittee would finally explore four key issues—the national quota system, resettlement of Iron Curtain refugees, speeding up admissions of refugee-escapees under Public Law 84–316, and action on the enormous backlog of persons awaiting entry under the "fourth preference." I hope that every provision in the comprehensive immigration bill we are submitting today to do this will receive the closest study by the subcommittee and the expert witnesses who will testify before it.

A major provision of today's bill calls for the admittance annually of a maximum of 60,000 refugee-escapees with an additional 40,000 special nonquota immigrant visas to be available from July 1, 1959, through June 30, 1961, for the pool of refugee-escapees awaiting help. The pathetic procession of the dispossessed which began from Nazi Germany in the 1930's has swelled to such tragic proportions since World War II that no area in the free world can remain immune to the desperate predicament of refugee-escapees.

It is reported that the free nations in Asia are flooded with more than 1 million refugees from the Chinese mainland and now escapees from courageous Tibet are joining their ranks as they flee the Red Chinese. In North Africa, 170,000 Algerian refugees live in the most primitive conditions. In the Mideast, Israel has resettled 900,000 Jewish refugees while little progress has been made in resettling the 600,000 to 700,000 Arab refugees. Nonresettled European refugees, thousands from behind the Iron

Curtain, total an estimated 175,000 with another 25,000 anticipated in the next 2 years.

Since the end of World War II, the United States has taken slightly less than 25 percent of those European refugees who have been resettled compared to nearly 50 percent absorbed by European nations. Under the terms of the bill we are now proposing, the United States could issue visas during a 2-year period to 40,000 or about 23 percent of the nonresettled refugees in Europe alone, which if they are issued at the rate of about 20,000 a year would approximate the recommendations of both the Zellerbach Commission and the U.S. Committee on Refugees. Five thousand of these could be issued to hard core, unresettled refugee-escapees.

The bill's provision of $5 million in grants to public and private agencies to bear the cost of resettling and rehabilitating 5,000 so-called hard core cases is as small as this because of the experience of other nations. Austria, Sweden, Norway, Belgium, and West Germany, for example, have found that the majority of these refugees can become self-supporting. Even if they cannot, frequently, they are members of a family group which has remained behind with them in a camp to avoid separation. Following their own resettlement, these families could provide adequate care for such relatives unable to care fo themselves. The U.S. share under this section would absorb about one-tenth of the hard core cases still in European camps today.

By establishing 1950 as the base year for the national origins quota system instead of 1920, the present law would recognize that the U.S. population has increased by 40 percent or some 45 million people, during those three decades. Then although the regular immigration quota for any one of these named countries would still not exceed 12,000 annually, the allotment for Italy would increase 99 percent, for Hungary 93 percent, for Greece 116 percent, and for Austria 136 percent. No provision under our existing law has drawn heavier, more justified criticism from our friends abroad as unjust, inequitable, and hopelessly archaic than has the present state of the national origins quota system. This change is the most urgently needed revision in existing law contained in my bill.

Title IV of the bill would facilitate the entry of an estimated 85,000 individuals, principally from Italy and Greece who are eligible for entry under the "fourth preference" provision—they have reached 21 or are married and are the sons or daughters, brothers or sisters of U.S. citizens.

Those whose admission was already approved by the Attorney General prior to July 1, 1957, would now be eligible to enter without reference to the quota for their native land, thus speeding up the admission of those who have become eligible for entry since that date by cutting sharply the waiting period.

Title I of the proposed legislation eliminates the second-class citizenship provisions in the present law which forces naturalized citizens to surrender their citizenship if they reside abroad indefinitely. Another amendment in the same title ends the racial test for those of half-Asiatic origin seeking to immigrate and allows Asiatic and colonial peoples to come in under the quota for their native country.

No greater service could be performed in the name of justice, humanity, and our own national self-interest than that as a result of the scheduled hearings on major immigration bills such as this one, the facts on our immigration policies and their importance to our position in the struggle for peace shall become clear to every one of us. And no fundamental revision of our existing laws would be complete without a refugee-escapee provision which indicates by its very adequacy that we realize the United States must help the free world to offer those brave enough to escape an attractive alternative to communism and all forms of totalitarianism. We must be prepared to make attainable reality to those now trapped behind the Iron Curtain the prospect of some day living in freedom.

Mr. President, I ask unanimous consent to have printed in the RECORD a section analysis of the bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the section analysis will be printed in the RECORD.

The bill (S. 1919) to make certain changes in the Immigration and Nationality Act, introduced by Mr. JAVITS (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the Judiciary.

The section analysis presented by Mr. JAVITS is as follows:

ANALYSIS OF BILL AMENDING IMMIGRATION AND NATIONALITY ACT (MCCARRAN-WALTER IMMIGRATION ACT—PUBLIC LAW 414, 82D CONGRESS)

The short title of the bill is "Immigration and Nationality Act Amendments of 1959."

TITLE I

Section 101: Amends sections 212(a)(15) and 241(a)(8) of the Immigration and Nationality Act with respect to standards for determining whether aliens are or are likely to become public charges. The provision which gives controlling effect to the opinion of the consul or of immigration officials, without adequate supporting evidence, is eliminated.

Section 102: Amends subsections (27) and (29) of section 212(a) of Public Law 414 with respect to standards for determining whether immigrants would engage in subversive activities. The consul and immigration officials would no longer be vested with the authority, without restraint, to determine by their own mental process the probability of future proscribed conduct.

Section 103: Amends section 287(a)(1) of Public Law 414 with respect to power of officers and employees of the Immigration and Naturalization Service to interrogate without warrant persons believed to be aliens as to their right to be or remain in this country. Strengthens the term "believed" by requiring "with probable cause," thus preventing improper interrogation of citizens.

Section 104: Repeals sections 352, 353 and 354 of Public Law 414, which provide for loss of nationality by naturalized citizens because of residence abroad. Repeals section 350 of Public Law 414, which provides for divestiture of nationality in the case of dual nationality of natural-born Americans. Repeals section 355 of Public Law 414, which deals with loss of American nationality through the expatriation of a parent.

Section 105: Amends sections 101(2)(37), 212(a)(28)(D), 241(a)(6)(D), and 313(a)(3) of Public Law 414 by broadening restrictions contained in that act with respect to persons who have advocated a totalitarian dictatorship or have belonged to totalitarian organizations. Nazis and Fascists would, as a result, be barred from the United States without the necessity of proving, as Public Law 414 now requires, that they have advocated, or belonged to organizations which advocated the establishment of a totalitarian dictatorship in the United States. This closes the loophole in Public Law 414 that now permits Nazis and Fascists to enter the United States and to become naturalized.

Section 106: By amending section 244(a)(1), (2), (3), (4), and (5) of Public Law 414 eliminates the standards of "exceptional and extremely unusual hardship" in granting suspension of deportation, substituting the term "serious hardship."

Section 107: Amends section 201(e) of Public Law 414, eliminating provision requiring future mortgaging of quotas.

Section 108: By amending sections 202(a)(5) and 202(e) and repealing section 202 (b), (c), and (d) of Public Law 414, eliminates quota provisions in the present act which discriminate against Asiatic and colonial peoples. The amendment will restore the law as it existed prior to Public Law 414, by which colonial peoples came under the quota of their mother country. Public Law 414 establishes a quota determined by race for Asiatic peoples no matter in what country of the world they are born while the quota for non-Asiatics is determined simply by birth within quota area. The amendment extends the latter provision to persons of an Asiatic race and thus removes the stigma of racial discrimination.

TITLE II

This title corrects certain administrative deficiencies that have become apparent since the beginning of enforcement of Public Law 414.

Section 201: By amending section 101(a)(6) of Public Law 414, restored preexamination (an administrative procedure adopted in 1935 which permitted an alien in the United States to become a permanent resident by obtaining his immigration visa in Canada instead of being required to make the long and expensive journey to his country of origin for that purpose).

Section 202: By amending section 212(9) and (10) permits entry of an alien who has received a pardon for a crime.

Section 203: Amends section 212(c) of Public Law 414 to restore the law as it existed, and operated satisfactorily, from 1917 to 1952. The result would be to give the Attorney General discretionary power to admit an alien who is returning to an unrelinquished American residence of at least 7 years, with no requirement that the alien was originally admitted to this country for permanent residence.

Section 204: Repeals section 235(c) of Public Law 414 which permits exclusion without a hearing.

Section 205: Repeals section 241(d) of Public Law 414, the retroactive provision which makes an alien deportable for conduct prior to December 24, 1952, even though that conduct was not a ground of deportation before Public Law 414 came into effect.

Section 206: Amends section 245 of Public Law 414 which permits the Attorney General to adjust the status of an alien temporarily here to that of an alien admitted for permanent residence. The amendment softens the unnecessarily rigorous requirements which an alien now must meet.

Section 207:

(a) Permits judicial review in exclusion and deportation cases.

(b) Establishes a statute of limitations whereby no alien may be deported by reason of conduct occurring more than 10 years prior to the institution of deportation proceedings.

Section 208: Repeals section 360(a) of Public Law 414 and substitutes a provision granting judicial review for a person claiming American citizenship who has been denied such right.

Section 209: Amends section 260(c) of Public Law 414 by broadening provision for judicial review of final determination by the Attorney General in refusing entry to persons issued certificate of identity as claimants of American citizenship under section 360(b).

Section 210: Establishes a Board of Visa Appeals in State Department to review questions involving the denying of visas and the application or meaning of State Department regulations applying to immigration.

TITLE III

Section 301: Provides for the pooling of unused quotas and their allocation the next succeeding fiscal year to those on waiting lists of quotas 12,000 and under (includes Italian, Creek, Dutch, Austrian, and Eastern European quotas). Quotas are to be determined on the basis of the 1950 census instead of the 1920 census as is now the practice.

TITLE IV

Section 401: Amends Public Law 85-316. Petitions for admission by fourth preference quota immigrants which were approved by the Attorney General prior to July 1, 1957, will be admitted to the United States without reference to quota. For those filing petitions subsequent to July 1, 1957, therefore, the waiting time for admittance would be greatly diminished.

TITLE V

Section 501: Empowers the President to direct the Attorney General to parole into the United States refugee-escapees, selected by the Secretary of State, who because of persecution or fear of persecution on account of race, religion, or political opinion, have fled or shall flee from any Communist, Communist-dominated, or Communist-occupied area or from other countries or areas in which forces opposed to the free world and free institutions are at work, and who cannot return on account of race, religion, or political opinion. Limits the number of such refugee-escapees to the average number of aliens authorized to be admitted to the United States for permanent residence each fiscal year since June 25, 1948, by any special acts of Congress enacted on or after that date; this would set a maximum limit under this section of approximately 60,000 annually. Sets up a procedure whereby the immigration status of parolees may be adjusted to that of a lawful permanent resident by permitting the Attorney General to grant such adjustment in his discretion after the alien has been in the United States for 2 years and if the applicant is of good character, and if the adjustment would not be contrary to the national interest. Requires a report of such adjustment to be submitted to the Congress and if Congress does not register disapproval then the alien's entry would be recorded as of the date of the alien's last arrival in the United States. Limits the number of aliens whose status may be adjusted in any one fiscal year to the average number of aliens authorized to be admitted to the United States for permanent residence each fiscal year since June 25, 1948, unless otherwise specified by congressional resolution.

Section 502: Authorizes the issuance of 40,000 special nonquota immigrant visas to refugee-escapees for the period July 1, 1959, to June 30, 1961, of which 5,000 may be unresettled hard core refugees. This is pointed to the reservoir of refugees presently awaiting settlement.

Section 503: Refugee-escapees under section 502 to be admitted only if eligible under the Immigration and Nationality Act except for unresettled hard core refugees.

Section 504: Special nonquota immigrant visas authorized in section 502 shall be issued in accordance with section 221 ("Issuance of Visas") of the Immigration and Nationality Act, except for unresettled hard core refugees.

Section 505: Authorizes $5 million in grants to U.S. public or private agencies for resettlement in the United States of unresettled hard core refugees admitted under section 502.

Section 506: Definitions.

Section 507: Authorizes necessary appropriations to carry out provisions of this title.

PROTECTION OF FEDERAL TIMBER ON LANDS INVOLVING MINING CLAIMS OR PATENTS

Mr. NEUBERGER. Mr. President, I introduce for appropriate reference, a bill which would make applicable to all national forests those laws which are now in effect in the case of certain individual national forests such as the Mount Hood Forest of Oregon, in order to prevent the free and automatic conveyance of surface resources when a mining patent is granted on these public lands.

I am joined in sponsoring this proposed legislation by my colleagues, the senior Senator from Oregon [Mr. MORSE], the junior Senator from Montana [Mr. MANSFIELD], the senior Senator from Minnesota [Mr. HUMPHREY], the junior Senator from Colorado [Mr. CARROLL], the junior Senator from Wisconsin [Mr. PROXMIRE], the senior Senator from Maine [Mrs. SMITH], the senior Senator from Illinois [Mr. DOUGLAS], and the senior Senator from Pennsylvania [Mr. CLARK].

I ask unanimous consent that a short statement which I have prepared regarding my proposal be printed in the RECORD at this point.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 1920) relating to mining claims on lands within the national forests, introduced by Mr. NEUBERGER, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The statement presented by Mr. NEUBERGER is as follows:

STATEMENT BY SENATOR NEUBERGER

The bill which I introduce today is similar to a measure which I presented in the last Congress. It is designed to correct a loophole in existing law on the subject of management for multiple use of the surface resources of public lands on which mining claims are awarded.

At the present time Federal law gives to a successful locator of minerals on Federal public lands a fee-simple patent to the land in question—without regard to its surface resources which may have nothing to do with minerals or mining. This fact is of particular importance in our national forests where management of timber, recreation, and watershed activities requires regulation and control as a single unit. Congress has recognized such significance in a series of acts passed over the past 25 years by which a number of national forests have been removed from the scope of the laws under which mining patents convey title to surface as well as minerals.

The provisions of this bill leave ample opportunity for all legitimate mining operations. Persons who locate mineral deposits on national forest land may occupy and use the surface to the extent necessary to carry on prospecting and developmental work. Timber may be cut and used for actual mining operations. If a claim is patentable under the mining laws, a patent will still issue. But it conveys only title to the mineral deposits within the claim and the right to use the surface and timber to the extent essential to actual mining. Title to the surface remains with the United States. The timber belongs to our Government.

Thus, subject to the full privileges necessary for actual mining operations, the U.S. Forest Service would retain control over surface resources and surface management for all the other multiple purposes of the national forests. Yet it would be difficult to claim that mining activities were not fully protected and given every opportunity to succeed. And, provided, that legitimate mining operations are given all the rights and privileges necessary for carrying on actual mining operations, I do not see how any direct defense can be offered for giving to mineral patentees, along within the minerals they have located, valuable timber stands and other important resources and surface rights necessary for conservation and multiple-use policies in our national forests.

It is bad enough that, under present law, the United States has to convey with a mining patent a fee-simple title that goes beyond the actual needs of even a sound, legitimate mining operation, and conveys timber, other resources and control permanently beyond the policies of the Forest Service. But implicit in this situation is, of course, the much more outrageous result that such a complete title to national forest land may be conveyed—land and trees worth many thousands of dollars and perhaps very important to some Forest Service objective or policy—and then no mining may actually be carried on for years, or even ever. These patents, once legally granted, are not accompanied by any condition subsequent which would cause the land to revert to the United States unless mining is carried on. If the patentee, or someone to whom he sells the patented former national forest acres, wants to cut off all the trees, or build a lodge, or a whole subdivision, I suppose it is then his business. It is private land.

This outrageous result was illustrated by the well-known Al Sarena case, which was investigated by two committees of the 84th Congress.

The need for extending to all national forests the reform which has been realized in the case of several individual national forests has been conclusively demonstrated. My bill would effectively accomplish this purpose.

AMENDMENT OF RULE RELATING TO SELECTION OF SENATE MEMBERS OF CONFERENCE COMMITTEES

Mr. CLARK. Mr. President, on behalf of myself, the senior Senator from Minnesota [Mr. HUMPHREY], the senior Senator from New York [Mr. JAVITS], the senior Senator from Wyoming [Mr. O'MAHONEY], the senior Senator from Alaska [Mr. BARTLETT], the junior Senator from Colorado [Mr. CARROLL], the senior Senator from Illinois [Mr. DOUGLAS], the junior Senator from Alaska [Mr. GRUENING], the junior Senator from Michigan [Mr. HART], the junior Senator

from Washington [Mr. JACKSON], the junior Senator from Minnesota [Mr. MCCARTHY], the senior Senator from Michigan [Mr. MCNAMARA], the senior Senator from Oregon [Mr. MORSE], the junior Senator from Utah [Mr. MOSS], the senior Senator from Montana [Mr. MURRAY], the junior Senator from Maine [Mr MUSKIE], the junior Senator from Oregon [Mr. NEUBERGER], the junior Senator from Wisconsin [Mr. PROXMIRE], the junior Senator from Missouri [Mr. SYMINGTON], the junior Senator from New Jersey [Mr. WILLIAMS], and the junior Senator from Texas [Mr. YARBOROUGH], I submit for appropriate reference, a resolution to amend the Standing Rules of the Senate with regard to the selection of the Senate members of committees of conference.

Mr. President, the question of how Senate conferees shall be selected is one which has repeatedly given rise to controversy in recent decades. The question arises because the Senate rules are silent on this highly important aspect of our procedures. It is the purpose of our resolution to add a provision to the rules dealing with this question, to prevent controversy and conflict on this point in the future.

Our proposed rule would incorporate the principle stated in Cleaves' Manual, which is included in the Senate Manual, that Senate conferees are chosen so as to reflect the prevailing opinion of the Senate on the issues to be considered in the conference.

Mr. Watkins and Mr. Riddick, in their handbook entitled "Senate Procedure," likewise state that conferees are designated by friends of the measure, who are in sympathy with the prevailing view of the Senate.

However, the procedure set forth in the manuals is not always followed. As we all know, the practice is for the senior members of the committee or subcommittee handling the bill to be appointed Senate conferees. Thus, the Senate is frequently represented on a particular bill by Senators who voted against the Senate position, and in favor of the House position, on the bill as a whole or particular provisions of it.

This is an awkward situation for all concerned. It is awkward both for the conferees and for the majority of the Senate, who—however much they respect and honor the conferees as individuals—can hardly be blamed for preferring to be represented by conferees in sympathy with the measure. As was said by an English parliamentarian quoted in Jefferson's manual, "The child is not to be put to a nurse that cares not for it."

At the present time, if a Senator wishes to protest that the practice as stated in the manuals is not being adhered to, he must publicly or privately challenge the conferees who have been designated and ask one or more to step aside. For obvious reasons, this is seldom done. It was last done, I believe, in 1952 on the submerged lands bill. When, however, a Senator does raise the question, the necessary changes are usually made to give the majority of the Senate a majority of conferees. This happened in the 1952 case.

Under our proposed rule, the committee chairman or other manager of the bill would suggest the list of proposed conferees to the Chair in accordance with existing practice. In the large majority of cases the conferees, chosen by seniority from the appropriate committee, will favor the Senate position on matters in dispute between the two Houses. In these cases there would be no change in present practice. In the few cases where an adjustment had to be made, one of which unhappily occurred a few weeks ago, the senior committee or subcommittee members who may be in disagreement with the Senate position on a provision in dispute between the two Houses would still be appointed so long as they did not make up a majority of the Senate conferees. In almost all cases the proposed requirement could be met simply by adding other members from the committee or by substituting one member of the committee for another.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a memorandum which traces this controversy through the years and cites some of the leading cases.

The PRESIDING OFFICER. The resolution will be received and appropriately referred; and, without objection, the memorandum will be printed in the RECORD.

The resolution (S. Res. 118), submitted by Mr. CLARK (for himself and other Senators), was referred to the Committee on Rules and Administration, as follows:

Resolved, That rule XXIV of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"3. A majority of the Senate members of a committee of conference shall have indicated by their votes their sympathy with the bill as passed and their concurrence in the prevailing opinion of the Senate on the matters of disagreement with the House of Representatives which occasion the appointment of the committee."

The memorandum presented by Mr. CLARK is as follows:

MEMORANDUM IN SUPPORT OF PROPOSED RULE RELATING TO SELECTION OF SENATE MEMBERS OF CONFERENCE COMMITTEES

This memorandum summarizes the arguments in support of a resolution to add the following paragraph at the conclusion of rule XXIV of the Standing Rules of the Senate:

"3. A majority of the Senate members of a committee of conference shall have indicated by their votes their sympathy with the bill as passed and their concurrence in the prevailing opinion of the Senate on the matters of disagreement with the House of Representatives which occasion the appointment of the committee."

A RULE IS NEEDED

The Standing Rules of the Senate are virtually silent on the subject of appointment of the Senate members of committees of conference, the applicable rule (rule XXIV) merely stating: "* * * All other committees shall be appointed by ballot, unless otherwise ordered, and a plurality of votes shall appoint."

In practice, the members have been elected only once in modern times (on the Muscle Shoals bill in 1925). In all other instances, the Chair has been authorized to make the appointments, and it is the practice for the Presiding Officer to have the Senators suggested to him by the chairman of the appropriate committee or other member in charge of the bill.

Since before the time of Jefferson the principle has been acknowledged that the majority of conferees should represent the prevailing view of the body on the bill to be considered. The current manuals state that this is Senate practice. Yet in the routine handling of bills, the alternative practice has grown up of appointing the senior members of either the committee or the subcommittee which considered the legislation.

Necessarily, the prevailing view principle and the seniority practice come into conflict on some bills, and at such times either the principle or the practice must give way. If on such an occasion no Senator makes an issue of the appointment of conferees—as is usually the case—the seniority practice is routinely followed, resulting in the appointment of conferees unsympathetic to the prevailing view of the Senate.

The most recent such instance occurred on March 25 of this year, when four of the five Senate conferees on H.R. 5640, the temporary unemployment compensation bill, had voted against the Senate version, and in favor of the House version, of the bill to be considered by the conference.

When, on the other hand, an issue has been made of the conflict between principle and practice, the prevailing view principle has usually been adhered to, but often only after cumbersome and embarrassing maneuvers. Ordinarily, the maneuvering has taken place behind the scenes, but sometimes it has broken out into acrimonious controversy on the Senate floor. Friends of the measure have found themselves in the embarrassing position of appearing to challenge the integrity of senior Senators. The senior Senators have found themselves in the equally embarrassing position of having to choose between resigning under protest or subjecting themselves to criticism for insisting upon representing a Senate position with which they were out of sympathy.

To write into rule the recognized prevailing view principle would provide an orderly procedure for the future and obviate further controversy on the question.

THE PREVAILING VIEW PRINCIPLE HAS LONG BEEN ACKNOWLEDGED

1. The manuals recognize the principle

Cleaves' Manual, which was reported to the Senate pursuant to a Senate resolution in 1900 and which is incorporated in the Senate Manual, states in section 17:

"In the selection of the managers. * * * Of course the majority party and the prevailing opinion have the majority of the managers. It is also almost the invariable practice to select managers from the members of the committee which considered the bill. * * * But sometimes in order to give representation to a strong or prevailing sentiment in the House the Speaker goes outside the ranks of the committee."

This section of Cleaves' Manual is taken from section 1383 of Hinds' "Parliamentary Precedents of the House of Representatives of the United States, published by authority of a joint resolution of the Congress approved in 1898.

The current House Manual and Rules contains even stronger language on this point (sec. 536).

2. Presiding officers have asserted the principle

In 1896, when Senator Hill of New York, objected to the Chair's going outside the ranks of the Committee which had considered the bill in naming a conferee, the presiding officer stated that "* * * no new precedent has been established by the Chair. It has been the custom of the Senate for a great many years to appoint other than a member of the committee reporting a bill

on the conference committee" (54: 2, RECORD, p. 3857).

In 1935, Vice President Garner announced that "hereafter the present occupant of the Chair expects to exercise some discretion in the matter of selecting conferees when the Senate authorizes him to make the appointments." The Minority Leader said his understanding of the rule was that "the majority, at least, of the conferees must be sympathetic with the prevailing opinion, which must be the majority of the Senate who support the measure. * * *" Vice President Garner replied, "That will certainly be the policy of the present occupant of the Chair" (73: 1, RECORD, p. 5296).

3. Many individual Senators have cited and supported the principle

During consideration of the Oklahoma statehood bill, in 1905 and 1906, Senator Teller said:

"The rule has been in parliamentary bodies, not only in this country, but in others, particularly in Great Britain, that when a measure * * * comes * * * from another body, the friends of the measure as it passed the body (and it is true in the other House as well as this) take charge of it from that time on. When we shall have reached the point * * * that there is to be a conference, they are entitled to a majority in the conference" (58: 3, RECORD, p. 2815).

"Whenever a conference committee is created, it is created to bring the mind of the other body to that of this body, and to bring them together. It is not to represent the view of the minority, but to represent, if possible, the majority. Upon that theory the majority of the proposition that passes this body is entitled by custom and usage and on principle to name the committee. A majority only of this body can pass a bill * * * this body then is entitled to have a friendly committee. * * *

"So far have the English authorities gone on this subject in Parliament that they have declared that it was the duty, when a man was put on a conference committee or on any other committee to deal with a subject to which he was hostile, to refuse to become a member of the conference committee or any other committee. As was said by a distinguished English writer on Parliamentary law, and as is quoted approvingly in Jefferson's manual, 'the child is not to be put to a nurse that cares not for it.' * * * It is only * * * in modern times—that the custom has grown up to allow the chairman of the committee, however hostile he may be to the bill as it passes the Senate, to designate who shall deal with the House in the effort by a conference to bring the House to the sentiment of the Senate. Everyone can see that logically the friends of the measure are the proper ones to represent the matter to the conferees on the part of the House and win them to the senatorial mind" (59: 2, RECORD, p. 4155).

During the 1906 debate on the same question, Senator Foraker (Ohio) said: "* * * the rule of the Senate which I * * * evoke in this instance would but give * * * us * * * the benefit of the general rule that obtains, laid down by all parliamentary writers, that those who are the friends of a proposition should go to the conference to represent it" (59: 2, RECORD, p. 4155).

During consideration of the Army appropriation bill in 1888, Senator Hawley (Connecticut) asserted that the rules required "that two of the conferees shall be Senators friendly to the action of the Senate." The Chair thereupon stated that, in practice, conferees "are designated by the friends of the measure" (50: 1, RECORD, p. 7223).

During consideration of the Cuban intervention resolution in 1898, Senator Stewart (Nevada) said: "I remember that until quite recently in making selection of conferees, the Chair always has in view the idea of representing the majority of the Senate upon that particular question where there is a difference, and those constituting the majority in favor of the measure, are entitled to have a majority of the committee to represent their views. That has been the rule; and I have never known an exception to it until 1890. It was stated frequently by the older Members 30 years ago that that was binding in all cases" (55: 2, RECORD, pp. 4027–4028).

On the same occasion, Senator Frye (Maine) said: "* * * in my judgment, in my place as conferee there should be appointed some Senator on the committee who holds views diametrically opposite to mine. The Senator from Ohio [Mr. Foraker] is the real father of the proposition to recognize the Cuban Republic now. He was persistent in committee, has been persistent since, and if I were presiding officer of the Senate, I would appoint Senator Foraker as one of the conferees on that committee" (55: 2, RECORD, p. 4030).

During consideration of the Muscle Shoals bill in 1925 (68: 2, RECORD, pp. 2552–2563), Senator Underwood (Alabama) moved for election of conferees in order to avert the appointment of the senior members of the Committtee on Agriculture and Forestry, saying: "* * * according to the rules and the precedents I think we are entitled to conferees who reflect the last vote of the Senate in passing the bill" (id., p. 2552).

And Senator Norris (Nebraska) who was the chairman of the Committe on Agriculture and Forestry who would be bypassed, said: "* * * we ought to appoint conferees who believe in the action the Senate has taken and are in sympathy with it. * * * This bill that was passed by the Senate—the Coolidge-Underwood bill—was opposed by me almost in its entirety. If we follow what I think we should follow—the right kind of an honest rule—then when the conferees are appointed I should not be on the conference committee from the Senate. * * * I had determined, even before any suggestions had been made, that I would not accept appointment on the conference committee, because, to my mind, I would almost have to stultify myself. I did not believe in the bill; I had no faith in the action taken by the Senate; I was sincerely bitterly opposed to it, and it seemed to me that I should eliminate myself and ought to stay off the committee. * * * I think the fundamental proposition that those friendly to legislation should be appointed on conference committees is correct" (id., p. 2555).

On the same occasion, Senator Smith (South Carolina) said: "I agree with the Senator from Nebraska that when the majority have expressed themselves touching the principle of legislation, those in sympathy with it ought, if possible, to go on the conference committee to meet the objections to that principle which come from the other House" (id., p. 2559).

On the same occasion, Senator Edge (New Jersey) said: "* * * Speaking entirely apart from the legislation at issue, it appeals to me that the rule of seniority, so far as it applies to the naming of conferees, is a very unfortunate one. * * * I believe conferees appointed on any measure should be Senators convinced that the measure they are to consider in conference is correct and is right. * * * They should go into conference with the enthusiasm of believing the measure should become a law" (id., p. 2560).

On the same occasion, Senator Heflin (Alabama) said: "* * * there is no doubt that the dominant thought of the Senate is entitled to be represented on the conference committee, and when we seek to get Senators who represent that thought and have to disregard Senators who are bitterly antagonistic to the view of the Senate we make no reflection upon those latter Senators" (ib., p. 2561).

SENIORITY PRACTICES HAVE FREQUENTLY BEEN ABANDONED IN ORDER TO REFLECT THE PREVAILING VIEW

Ada Chenoweth McCown whose study of conference practice in the first 70 Congresses ("The Congressional Conference Committee" Columbia University Press 1927) is the authoritative work on this subject wrote that seniority and committee membership had little to do with the selection of managers for conferences during the first 30 Congresses. By 1848 she noted that seniority standing on committees appeared to have some influence on choice of managers by the House, but was still not the general practice of that Chamber. In the Senate there was no evidence of a seniority practice by that date (pp. 61–63).

During the last half of the 19th century and during the 20th century the seniority practice grew but on occasions when the issue was raised that the "prevailing view" principle was being violated the seniority practice was repeatedly abandoned to permit the majority of the Senate to have the majority of the Senate conferees.

In some such cases the original appointments were made without strict adherence to seniority. In others the original appointments were made according to seniority but were followed by resignations—sometimes promised in advance—to permit substitution of Senators favorable to the Senate view.

Examples of both procedures follow:

1. Departure from seniority in original appointments

Federal Reserve Act (1913): Every Democratic member of the Banking and Currency Committee was appointed except Senator Hitchcock (Nebraska) second-ranking Democrat (RECORD, Dec. 13, 1913, p. 1230).

Chinese Exclusion Act (1902): Senator Reed (Pennsylvania) was passed over in favor of more junior committee members (57: 1, RECORD, p. 4424).

Cuban Intervention (1898): After a protest had been voiced by Senator Foraker (Ohio) that a majority of the prospective conferees did not support the Senate position, Senator Frye (Maine) who would have been a conferee had the seniority rule been followed suggested that the Chair appoint Senator Foraker in his place. The Chair adopted this suggestion (55: 2, RECORD, pp. 4027–4032).

Displaced Persons Act amendment (1950): An objection was voiced to the original slate of seven conferees proposed by Senator McCarran (Nebraska) on the ground that four of them had opposed a substitute which was adopted by the Senate. Senator McCarran thereupon withdrew his proposed names and moved that the Chair appoint conferees. The Vice President then appointed five conferees, including only three of the original group proposed by Senator McCarron, giving a majority of 4 to 1 in favor of the majority view of the Senate (81: 2, RECORD, pp. 4802–4803).

2. Resignations of senior members to permit substitutions

Muscle Shoals (1925): All three of the Senators elected by the Senate to the Conference Committee (Norris, of Nebraska; McNary, of Oregon; and Smith, of South Carolina) resigned following their election because they were opposed to the measure which passed the Senate. Following their resignation, other appointments were made in order from the committee and three other Senators (Keyes, of New Hampshire; Capper, of Kansas; and Ransdell, of Louisiana) resigned for the same reason, thus making possible a majority of conferees favorable to the measure.

Federal Revenue Act (1936): Senators Couzens, of Michigan and Keyes, of New Hampshire resigned immediately after appointment, insisting they were out of sympathy with the bill (74:2, RECORD, p. 10266).

Agricultural Adjustment Act (1938): Senators Norris, of Nebraska and McNary, of Oregon resigned after appointment, the latter explaining that it had been "an unbroken rule of mine that when I oppose a bill I refuse to act as a conferee" (75:2, RECORD, p. 1768). They were replaced by Senators Frazier, of North Dakota and Capper, of Kansas.

Submerged Lands Act (1952): After conferees were appointed on the Submerged Lands Act bill, Senator Long, of Louisiana protested that three of the five had voted against the so-called Holland-Connally substitute which had been approved by the Senate. Senator Long contended the provision of Cleaves' Manual, quoted above, had been violated. He entered a motion that the Senate reconsider the appointment of conferees (82:2, RECORD, p. 3580).

On the following day, Senator O'MAHONEY, of Wyoming, announced that one of the conferees, Senator McFarland, of Arizona, had asked to be excused from service on the committee and that the next two senior men on the committee, Senators ANDERSON, of New Mexico and Lehman, of New York, had made like requests because they, too, had opposed the substitute amendment which had prevailed. The next Senator in order, Senator Long, accepted appointment and withdrew his motion to reconsider (82:2, RECORD, p. 3678).

On other occasions, protests at the appointment of conferees not in sympathy with the prevailing Senate opinion have been registered, but withdrawn upon assurance by the conferees that they would faithfully support the Senate position despite their own divergent views. Yet the necessity for such demeaning public assurances would not arise were it not for the doubt that inevitably exists when the child is put to a nurse that cares not for it.

Whenever the question of abandoning the seniority system is raised on a particular bill, the issue become one of personalities. As was so notably the case in the lengthy and harsh debate on appointment of conferees on the Muscle Shoals bill, Senators seeking to assert the right of the majority to select the Senate managers are accused of impugning the integrity and honor of the senior Senators. At the same time, the senior Senators who would be bypassed are placed in a bad light if in other cases other committee chairmen and ranking Members have been trusted to handle bills with which they were not in agreement.

If the proposed rule is adopted, then the selection of conferees in sympathy with the bill in question will be automatic. The issue will not have to be raised on the Senate floor, as in the past, giving rise to divisive debate and recriminations. And the principle of the prevailing view, which has been so often violated, will be regularly honored.

YOUTH CONSERVATION ACT OF 1959—ADDITIONAL COSPONSOR OF BILL

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the name of the junior Senator from Nevada [Mr. CANNON] be added as a cosponsor of Senate bill 812, the Youth Conservation Act of 1959, which I introduced, on behalf of myself and several other Senators, on January 29, 1959.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL ANTILYNCHING BILL—ADDITIONAL COSPONSORS OF BILL

Mr. HART. Mr. President, I ask unanimous consent that the names of Senators HENNINGS, CASE of New Jersey, and ALLOTT may be added as additional cosponsors of the bill (S. 1848) to declare certain rights of all persons within the jurisdiction of the United States, and for the protection of such persons from lynching, and for other purposes, introduced by me on April 30, 1959.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOOD ADMINISTRATION ACT OF 1959—ADDITIONAL COSPONSOR OF BILL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the name of the junior Senator from Oregon [Mr. NEUBERGER] be added as an additional cosponsor of the bill (S. 1884) to transfer the administration of the program for distribution of surplus agricultural food commodities to needy persons, and for other purposes, introduced by the Senator from Massachusetts [Mr. KENNEDY], for himself and other Senators, on May 7, 1959.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL MEMBERS OF SELECT COMMITTEE ON NATIONAL WATER RESOURCES

The PRESIDING OFFICER. The Chair has been requested by the Vice President to announce his appointment, under authority of Senate Resolution 48, agreed to April 20, 1959, as amended, of the following additional members of the Select Senate Committee on National Water Resources; namely, Senator THOMAS MARTIN, of Iowa; Senator GALE W. MCGEE, of Wyoming; Senator FRANK E. MOSS, of Utah; and Senator HUGH SCOTT, of Pennsylvania.

AMENDMENT TO AGREEMENT FOR COOPERATION WITH GOVERNMENT OF SWITZERLAND, RELATING TO PEACEFUL USES OF ATOMIC ENERGY

Mr. PASTORE. Mr. President, pursuant to section 123c of the Atomic Energy Act of 1954, as amended, the following documents were submitted to the Joint Committee on Atomic Energy on May 2, 1959: First, an amendment to the agreement for cooperation with the Government of Switzerland which was signed on June 21, 1956; second, a letter from the Atomic Energy Commission to the President recommending approval of the amendment; and, third, a letter from the President to the Atomic Energy Commission approving the amendment to the agreement for cooperation.

The amendment would modify the agreement for cooperation to permit the transfer of quantities of special nuclear materials, including U^{235}, U^{233}, and plutonium, on an as-may-be-agreed basis, for defined research projects related to the peaceful uses of atomic energy.

I ask that these documents be printed in the RECORD at this point.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

AMENDMENT TO THE AGREEMENT FOR COOPERATION CONCERNING CIVIL USES OF ATOMIC ENERGY BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF SWITZERLAND

The Government of the United States of America and the Government of Switzerland desiring to amend the agreement for cooperation concerning civil uses of atomic energy between the Government of the United States of America and the Government of Switzerland signed at Washington on June 21, 1956 (hereinafter referred to as the "agreement for cooperation"), agree as follows:

ARTICLE I

Paragraph A of article IV of the agreement for cooperation is hereby amended to read as follows:

"A. Research Materials

"Materials of interest in connection with the subjects of agreed exchanges of information as provided in article III and under the provisions set forth in article II, including source materials, special nuclear materials, byproduct material, other radioisotopes, and stable isotopes, will be exchanged for research purposes other than fueling reactors in such quantities and under such terms and conditions as may be agreed when such materials are not available commercially."

ARTICLE II

This amendment shall enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for the entry into force of such amendment and shall remain in force for the period of the agreement for cooperation.

In witness whereof, the undersigned, duly authorized, have signed this amendment.

Done at Washington, in duplicate, in the English and French languages, this 24th day of April 1959.

For the Government of the United States of America:

IVAN B. WHITE,
Deputy Assistant Secretary of State for European Affairs, Department of State.

JOHN A. MCCONE,
Chairman, U.S. Atomic Energy Commission.

For the Government of Switzerland:
Ambassador HENRY DE TORRENTE,
Government of Switzerland.

This is certified to be a true copy of the signed original.

W. M. FULLERTON.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., April 15, 1959.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: The Atomic Energy Commission recommends that you approve the enclosed proposed amendment to the agreement for cooperation between the Government of the United States of America and the Government of Switzerland concerning civil uses of atomic energy and authorize its execution. The Department of State supports the Commission's recommendation.

The amendment has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, and is, in the opinion of the Commission, an important and desirable step in advancing the development of the peaceful uses of atomic energy in Switzerland in accordance with the policy which you have established. This amendment would modify the agreement for cooperation signed by the Government

of the United States and the Government of Switzerland on June 21, 1956.

The only revision being made in the agreement for cooperation is contained in article I of the amendment which would permit the transfer of quantities of special nuclear materials, including U^{235}, U^{233}, and plutonium, on as-may-be-agreed basis, for defined research projects related to the peaceful use of atomic energy.

Following your approval and subject to the authorization requested, the agreement will be formally executed by the appropriate authorities of the Government of the United States of America and the Government of Switzerland and placed before the Joint Committee on Atomic Energy in compliance with section 123c of the Atomic Energy Act of 1954, as amended.

Respectfully,

JOHN A. McCONE,
Chairman.

THE WHITE HOUSE,
Washington, April 22, 1959.

Hon. JOHN A. McCONE,
Chairman, Atomic Energy Commission,
Washington, D. C.

DEAR MR. CHAIRMAN: Under date of April 15, 1959, you informed me that the Atomic Energy Commission has recommended that I approve the proposed amendment to the agreement for cooperation between the Government of the United States of America and the Government of Switzerland concerning civil uses of atomic energy, and authorize its execution.

The recommended amendment has been reviewed. The only revision it makes in the agreement for cooperation is that it permits the transfer of quantities of special nuclear materials, including U^{235}, U^{233} and plutonium, on an as-may-be-agreed basis, for defined research projects related to the peaceful uses of atomic energy.

Therefore, pursuant to the provisions of section 123 of the Atomic Energy Act of 1954, as amended, and upon the recommendation of the Atomic Energy Commission, I hereby (1) determine that the performance of the proposed amendment will promote and will not constitute an unreasonable risk to the common defense and security of the United States; (2) approve the proposed amendment to the agreement for cooperation between the Government of the United States and the Government of Switzerland enclosed with your letter of April 15, 1959; and (3) authorize the execution of the proposed amendment for the Government of the United States by appropriate authorities of the Atomic Energy Commission and the Department of State.

It is my hope that this amendment will enhance the very productive program of cooperation between the United States and Switzerland in the peaceful uses of atomic energy.

Sincerely,

DWIGHT D. EISENHOWER.

DECLINE IN UNEMPLOYMENT

Mr. BUSH. Mr. President, I have before me a news release issued by Secretary of Labor James P. Mitchell, the title of which is: "Mitchell Predicts Era of Prosperity." The statement speaks not only of the unemployment situation, to which attention was called yesterday, particularly the fact that unemployment in April was 735,000 less than in March, which was more than twice the expected seasonal drop for that month. It also points out that factory wages reached an all-time high in April, averaging $89.87 a week. The statement also reports that spendable income in the United States, after taxes, reached an all-time high in the first quarter of 1959, and that new construction has been running at a record monthly rate of $4.5 billion since last January. Finally, the Secretary said:

Now let me make one thing clear: This is very good news for our country, but it cannot lead us to ignore the fact that there remain valleys of trouble in our prosperity, where people live who cannot find jobs. In our general rejoicing we must not forget them. We must have adequate area assistance legislation, and we must have an improved program of Federal-State unemployment insurance.

I assume that the Secretary referred to the area assistance legislation which was recommended by the President, and not to the so-called Douglas bill which was passed by the Senate, to which I was opposed. Indeed, I had some reservations about the administration bill submitted to implement the President's recommendations. Principally it lacked strong enough provisions to prevent industry pirating, but it was a far better bill than that which, to my regret, the Senate approved. I commend and applaud the Secretary of Labor for the excellent statement which he has issued. It is gratifying to all of us, I believe, to realize that the serious unemployment situation which has concerned all Members of Congress in the past year and a half is showing very great improvement, indeed. It is truly a cause for rejoicing.

Mr. President, I ask unanimous consent that Secretary Mitchell's statement may be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MITCHELL PREDICTS ERA OF PROSPERITY

Secretary of Labor James P. Mitchell today told a business and professional group in Miami that the United States was entering an era of unprecedented prosperity in which working men and women would share as they had never shared before in history.

The Secretary listed those economic facts that made him confident of the future well-being of American workers. They include:

Sixty-five million men and women were employed in April, 1,200,000 more than in March, and an all-time high for the month.

Unemployment in April was 735,000 less than in March, better than twice the expected seasonal drop for the month.

Factory wages hit an all-time high in April, averaging $89.87 per week.

The spendable income in the United States, after taxes, reached an all-time high in the first quarter of 1959 of $1,823 for each man, woman and child—all 176 million of us.

The buying power of workers' pay checks was the highest in history in April, because the cost of living has remained virtually unchanged for the longest period on record.

New construction has been running at a record monthly rate of $4.5 billion since last January, up 15 percent over last year.

More steel was produced in March and April of this year than in any other 2 months in our history, including wartime.

New car sales in April were at a 22-month high.

The value of goods and services reached a record annual rate of $465 billion in the first quarter of this year.

The Secretary added: "Now let me make one thing clear: This is very good news for our country, but it cannot lead us to ignore the fact that there remain valleys of trouble in our prosperity, where people live who cannot find jobs. In our general rejoicing we must not forget them. We must have adequate area assistance legislation, and we must have an improved program for Federal-State unemployment insurance."

CIVIL DEFENSE NOW BARGING INTO STRIKE DUTY

Mr. YOUNG of Ohio. Mr. President, civil defense as it has been handled in the Nation and as it is presently being handled under the guise of Office of Civil Defense Mobilization is a wasteful, unnecessary, and enormously expensive bureaucracy. It is as outmoded as flintlock muskets and tallow dips, and even as outmoded as Civil War cannonballs.

Surely the Armed Forces of the United States—especially the Army—are best suited to handle civil defense functions. At the outset of the War Between the States, which we in the North call the Civil War, Abraham Lincoln suspended the writ of habeas corpus. He became a virtual dictator.

If an attack were made upon missile installations in this country by forces of the Soviet Union firing missiles with nuclear warheads from submarines off our coasts or intercontinental ballistic missiles coming from the Soviet Union, it is a certainty that our Armed Forces would immediately take over complete authority, in order to save lives and to engage in retaliatory warfare.

It is certain that no civilians with armbands would be permitted to interfere with the Armed Forces in the defense of our Nation.

Mr. President, here is a quotation from a recent news dispatch from Hazard, Ky., where three battalions of Kentucky National Guard were called into active duty by the Governor of Kentucky, to help maintain order in the coal-mine labor troubles in that area of Kentucky:

Brig. Gen. Jesse Lindsey, Kentucky Civil Defense Director, toured Perry and Leslie Counties today in a jeep with a National Guard liaison plane flying overhead. The plane kept the jeep in constant radio touch with Guard communications headquarters on a mountaintop at Hazard.

So, Mr. President, it appears that in the great State of Kentucky the civil defense organization is being used for strike duty.

Mr. President, in that State, as in Ohio—and, in fact, as in all of our States—local police, county sheriffs, State police, and the State National Guard are available to protect property and prevent people from being killed when labor disputes or any sort of mob violence gets out of hand.

Furthermore, if things are completely out of line in my State of Ohio, in Kentucky, or in any of the other States, it is a fact that the Army, the Air Force, the Navy, and the Marines are available to protect property and save lives. According to this news dispatch from Kentucky, we have now an added starter, with the civil defense, headed by so-called Brig. Gen. Jesse Lindsey, barging into the picture.

Mr. President, of course, Brig. Gen. Jesse Lindsey, who appears to be running the civil defense show in Kentucky, is

evidently a plumose pipsqueak, as witnessed by the fact that he is apparently clinging tenaciously to his former military title.

Mr. President, it may be that civil defense bureaucrats, such as this military-title-clinging Mr. Lindsey, civil defense director of Kentucky, who have very little to do except to sit in their elaborate offices, issue conflicting plans, and draw their salaries, while the taxpayers sweat, feel that it is essential, in order to retain their jobs and to secure increased appropriations from the Congress, to move into more and more situations with which we in this Nation have always been able to cope before there ever was an organization called civil defense.

Let me say, Mr. President, that it came as a shock to me to learn that a paid civil defense official has been using his position and his organization for strike duty.

Many of the thousands and thousands of good American citizens who have volunteered for civil defense work, and have really spent many hours of work without compensation, would undoubtedly be shocked were they to know that in this instance a State civil defense director engaged in strike duty.

These good citizens who have been volunteer workers can surely perform a more needful public service in their respective communities as volunteer firemen, volunteer auxiliary policemen, and volunteer deputy sheriffs, to be available in times of fire, floods, hurricanes, and other disasters which sometimes afflict our communities.

Surely, they will find it revolting that a civil defense director has barged into the activity of engaging in strike duty.

A CENTURY OF PROGRESS IN THE OIL INDUSTRY

Mr. RANDOLPH. Mr. President, this is the year in which the oil industry throughout the United States commemorates a century of progress. The vision and perseverence of Col. Edwin P. Drake were rewarded when, on August 27, 1859, he brought in the first well ever drilled for oil. It occurred on a little stream called Oil Creek, near Titusville, in northern Pennsylvania.

There was born then the industry which has since changed the face of the world, made Americans the most mobile people in history, and brought more progress in the past 100 years than man had achieved in the thousand years preceding.

The August 27, 1859, success of Colonel Drake was duplicated just 2 months later in my State of West Virginia when a hardy pioneer, Charles H. Shattock, successfully completed drilling of the first commercial oil well along the Hughes River near Sistersville, W. Va.

For centuries, men had skimmed oil from the surface of ponds and other natural outlets—using it for heat and light, for medicinal purposes, and for such uses as the caulking of boats. But only a hundred years ago were man's first efforts crowned with success in his systematic attempt to unlock this treasure house of nature.

While the world well knows of the tremendous resources of energy abounding in the coal fields of West Virginia, many people have forgotten that our State also held a preeminent place in the early development of the oil industry.

The community of Sistersville on the Ohio River in Tyler County, W. Va., was first settled in 1802, and was plotted in 1815, but 67 years ago Sistersville was an early and typical oil-boom city. There an important part was played in the history of the oil industry. Many of the industry's personalities of subsequent national fame experienced their early training there when, in 1891, the Sistersville pool discovery well produced its first oil. There, in 1894, was completed the then largest gas well, with an estimated open flow of 100 million cubic feet. And there is the birthplace of the natural gas-gasoline industry.

We are reminded of these developments and of the significance of Sistersville—as well as the larger role of oil in human affairs—in a most inspiring address delivered at the Sistersville Oil Centennial held April 16 this year by the noted oilman and civic leader of Pittsburgh, Mr. Paul Gregory Benedum.

The Sistersville and Tyler County Board of Trade made possible the celebration held on that date commemorating the 100th anniversary of the discovery of oil. I was delighted to be present for a part of the day's well-planned activities. It was most fortunate in having as the toastmaster at the culminating oil centennial ceremonies the Honorable Sam T. Mallison, former State auditor of West Virginia, and distinguished journalist, who has achieved eminence in the oil industry.

The speaker for the occasion, Paul Benedum, is a West Virginian, the son of one of the early pioneers of the oil industry, and the nephew of the world-famous "wildcatter," Michael L. (Mike) Benedum. He delivered his thought-provoking speech on the contribution of oil to human progress and to the destiny of America. Discoursing on the theme that we have reached "A Point of No Return," Paul Benedum referred to the present renaissance of the oil industry in West Virginia, as follows:

> The history of the oil industry is a symbol of American "do or die" achievements. The great events of human progress—those that have changed the way men live—are not always easy to find in the history books. Too many histories dwell on political changes—changes in the mastery of men over other men. Most political changes are not basic; they are limited in scope and time. They affect a nation, a culture, a civilization; they last for a decade or a century. They do not affect all men for all time to come.
>
> The basic changes come from man's mastery over nature. They change the way men live forever after. They are not wrought by conquerors or rulers or even by statesmen; they are wrought by innovators—men who learn how to do new things.
>
> We owe the way we live in the discoverers and inventors—our unknown ancestors who learned to use fire; the prehistoric men who first grew crops; the nameless geniuses who developed the wheel; the early men who discovered iron and the later men who made steel abundant; the men who drilled the first modern oil well. To such men we should raise our monuments. They are the men who change man's way of living. Their discoveries are the great events of human progress.
>
> Because of Drake, the innovator, today we live in an entirely different world from that of a generation ago. We have been propelled into the space age at jet speed. I don't think we should shed nostalgic tears at the passing of what we call "the good old days," because really they were not so good as they appear in retrospect. Instead, we should seek for the central theme of evolution. We must adjust ourselves to its broad new horizons and equip ourselves and our children to meet its terrifying responsibilities. We must face up to the fact that we have long since passed the point of no return. We cannot go backward. We must go forward in the fulfillment of our evolutionary destiny.
>
> In appraising our strength of today and tomorrow, we start with a vast treasure of material resources, but any valuation of them would be spurious and misleading if it did not take into consideration two other factors—human resources, and a free, stable, and solvent government.
>
> Natural resources are worthless without human resources in the form of men of courage and dedicated purpose—especially equipped to meet their respective responsibilities. And both would be futile and unproductive without free and stable government. The three elements—materials, men, and government—form the tripod in which is wrapped up our individual and national destiny. Any weakness in any one leg of that tripod throws the whole into unbalance and threat of collapse.

It is appropriate to point out, too, that as the first century of oil progress drew to a close, another resource, salt crystals left by an ancient sea, had been discovered in the area where the oil began in 1892 to show in increasing and better-paying quantities in the Sistersville pool of the Marshall-Wetzel-Tyler counties area of West Virginia—one of the largest and richest developed in that State.

This salt crystal discovery from drilling previously carried on by the oil and gas drillers of another day heralds what may be a second century of even greater progress. It gave birth to the founding 40 years ago of the petrochemicals industry in West Virginia and, of course, it is a substantial prediction that upward to 50 percent of all chemicals made in the United States will be derived from oil and gas.

And, referring to gas, from its humble, small-scale beginning in western Pennsylvania and West Virginia, the gas industry has grown to be America's fifth largest.

Like coal and oil, natural gas and the gas industry have been important factors in the development of West Virginia—but, as Paul Benedum so properly declared in his address at Sistersville, even these "natural resources are worthless without human resources in the form of men of courage and dedicated purpose especially equipped to meet their respective responsibilities."

West Virginians are men and women of courage. They are dedicated Americans who will equip themselves to meet their responsibilities for the challenging work on the frontiers of the future.

EMPLOYMENT

Mr. CLARK. Mr. President, I noted with pleasure yesterday not only the splendid improvement in employment throughout the country and the decrease in unemployment, but also the paeans of joy with which the figures were received on the other side of the aisle.

I am certainly no prophet of gloom and doom, Mr. President, and I rejoice with all Americans at this long awaited and far overdue upturn in the employment situation. I should like, however, to sound a very short note of warning. Much of the upturn is due to the building up of steel inventories. Steel companies will have to cut back in the third quarter even if there is no strike, and many workers now employed will be out of work again.

Construction is relatively high, but if we as a Congress do not pass a housing bill pretty soon new starts will fall off drastically.

The problem of depressed areas is still with us. Depressed areas existed before the recession and will exist after it has entirely disappeared unless we furnish aid.

The effects of automation are very real. In many industries laid off workers will not be employed again, and new jobs must be created in other industries.

Discrimination in employment is still a serious problem. Nonwhites are underemployed and need new opportunities.

I note for the RECORD that in April of 1957 265,000 Pennsylvanians were seeking work they could not find. Two years later, in April of 1959, despite the strong upturn in employment, 413,000 Pensylvanians were looking for work they could not find.

Mr. President, about 2 weeks ago I had the pleasure of attending a conference called by the American Assembly, under the auspices of Columbia University, at Arden House in New York State. Some 60 individuals were gathered there from all areas of the economic spectrum—business leaders, industrialists, executives, labor economists, politicians, and college professors. They found that—

> The average level of unemployment during 1953–58 of 4.7 percent, approximately 3 million unemployed, was too high.

Our present rate of unemployment is 5.8 percent, and our present number of unemployed is in the neighborhood of 3.7 million.

I continue to quote from the findings:

> Reliance on large-scale unemployment to achieve price stability is intolerable in our present society.

Mr. President, I hope that the May employment figures will be better than the April figures. I hope the improvement will continue throughout the year. I suggest, however, that we in the Congress are in no way justified in sweeping under the rug an unemployment condition which is reflected in a figure still far too high for national well-being.

THE STRIKE IN KENTUCKY

Mr. COOPER. Mr. President, a few minutes ago the distinguished present occupant of the chair, the junior Senator from Ohio [Mr. YOUNG], in a brief statement made reference to the situation which obtains in eastern Kentucky—the strike in the coalfields which has been marred by breaches of public order. The Senator drew from certain facts the conclusion that the civil defense organization of Kentucky had been used in strike duty.

The Senator was kind enough to give me a copy of his remarks before he made them; and, as I understood his statement, the fact from which he drew his conclusion was that Brig. Gen. Jesse Lindsey, Kentucky civil defense director, toured two counties in eastern Kentucky in a jeep with a National Guard liaison plane flying overhead.

I, of course, can understand and agree with the concern of the distinguished junior Senator from Ohio that the civil defense organization should not be used in strike duty. It would be indefensible. I agree with the Senator wholly upon that point. I appreciate also the Senator's forthrightness. I have great confidence and trust in the statements of the Senator.

I am not familiar with the particular incident he has mentioned respecting Brigadier General Lindsey. I wish to say, however, since I have heard the Senator make his statement, it would not be fair if I did not respond briefly. The situation in Kentucky has been unfortunate. After the strike was called there were breaches of public order, and it appeared after a time that local authorities could not properly control the situation. After some time the Governor of Kentucky, who does not happen to be of my political persuasion but who nevertheless is the Governor of Kentucky and is my Governor, made his decision to send troops into the area. I think the Governor acted with restraint and with judgment. That opinion is held not only by me but also by others. Recently the Courier Journal of Louisville, Ky., a very fine newspaper, published quite a long editorial in which it reviewed the situation in eastern Kentucky and commended the Governor of Kentucky for his judgment in handling the situation and for his final determination to send National Guard troops into the area.

Having stated this background information—although I have been there from time to time and have kept in touch with the situation—I think I can assure the junior Senator from Ohio that the civil defense organization of Kentucky has not been used for strike duty. As I have said, the Senator's conclusions seem to be based only upon the fact that the director of civil defense in Kentucky toured two of the counties.

I know General Lindsey. From what I have heard about him and from what I know about him General Lindsey enjoys a fine reputation in Kentucky. I am not sure whether the general is a member of the National Guard or is a Reserve officer, but in either case I know he is an active member of one of the two organizations. I assume it was probable that because of his position he happened to be in these two counties at that time.

I do not think this is a situation which deserves any prolonged discussion, but I wanted to draw these two conclusions myself: First, I am certain the civil defense organization has not been used in strike duty in Kentucky. Second, knowing General Lindsey, I am sure whatever his purpose was it was considered in line with his duties either in the National Guard or in the Reserve, whichever it may be.

PEACE THROUGH LAW

Mr. HUMPHREY. Mr. President, during the Congress of the International Chamber of Commerce, which was held in Washington this past month, many important subjects were discussed.

One of the most important was the subject of "World Peace Through World Law." This is a matter in which I have been very much interested. In an effort to bring about more effective settlements of disputes between nations by way of international law rather than force, some time ago I submitted Senate Resolution 94, which would delete the reserve clause from our declaration of acceptance of the jurisdiction of the United Nations International Court of Justice.

I am pleased to report that Mr. Henry Luce, the editor in chief of Time magazine, in a speech before the International Chamber of Commerce, indicates support for my proposal—Senate Resolution 94.

I believe that this address by Mr. Luce entitled "Peace Through Law" carries an important message for all Members of Congress, Mr. President, and I ask unanimous consent that it be inserted at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

PEACE THROUGH LAW

(Address by Mr. Henry Luce, editor in chief, Time, Inc.)

Three weeks ago there was held in Boston a very special conference of lawyers. They met, under the auspices of the American Bar Association, to devise ways and means to advance the rule of law throughout the world, soon.

At that meeting Erwin Canham, editor of the Christian Science Monitor and now president of the U.S. Chamber of Commerce, said:

"I have a feeling that in this meeting I am in the midst of history in the making."

Gentlemen, I hope that that is the way each and every one of you will feel when you conclude this great congress of businessmen. May you, too, make history, here and now.

Perhaps you can make history by finding some new directions for economic progress in business terms. Or perhaps you will wish to go even further. Perhaps you will wish to unite your energies on something which is really fundamental—fundamental to civilization and therefore to economic progress. That fundamental is the advancement of the rule of law.

The honor and duty which President Cortney has assigned to me today is to put this cause before you.

Economic progress is a tremendous thing in itself. A good part of my life has been devoted to prophesying the age of abundance and to reporting it. The age of abundance has now arrived in America and in Europe. Elsewhere we see poverty and misery, but far from accepting poverty and misery as the normal lot of mankind, every nation is determined to break out from this poverty and the United States is sharing and will share in the fulfillment of this universal purpose by government and by business action.

The furtherance and the wise guidance of the age of abundance is, I presume, the principal business of this gathering. There are many problems to be faced. But the basic trouble with the age of abundance is that it is also the age of insecurity. And I do not refer only to the threat of war. Nor do I refer only to foolish economic policies or to corrupt practices. The trouble with the age of abundance, on a worldwide scale, is that one of its foundations is missing. That foundation is the rule of law—the rule of law both within countries and between countries.

Now, however, the time is coming, and indeed is here, when all over the world leading men are ready to get together to build that foundation. Now is the time for businessmen to make history—to insist that the rule of law shall be exalted and that the arbitrary rule of dictators and demagogs shall be curbed.

There is talk these days of summits. The true summit toward which we must start immediately to climb is the rule of law throughout the world. In that effort lies th best hope of peace. And equally important, if we set out determinedly toward that goal we shall find that our path through all the unknown hazards of the future will he marked by coherence rather than by confusion, will be marked by confidence and courage rather than by doubts and fears.

The rule of law? Is that not the business of lawyers? Or of governments and politicians? Yes, it is and the lawyers are now at work—lawyers in America and lawyers in every nation of the free world. As for governments and politicians, they have been laggard. But governments too, and political leaders, are now ready to move toward the achievement of the rule of law.

The last speech made by Secretary of State John Foster Dulles before he went to the hospital was devoted exclusively to this subject. He said: "Often peace is identified with the imposition by strong nations of their 'benevolent' rule upon the weaker. Most of these efforts collapsed in war. * * * But the world of today is very different from the world of past centuries. It cannot be ruled. Hence the time is ripe for the rule of law." When Foster Dulles says something he means it. We know that; the world knows it. In that speech Secretary Dulles was sounding the trumpet of a great advance. And I have reason to believe that Secretary Herter will press forward in the same direction, vigorously and soon.

Only a few days ago Vice President NIXON took up this cause. He said: "the time has now come to take the initiative in * * * establishment of the rule of law in the world to replace the rule of force."

Both Secretary Dulles and the Vice President were filling out the meaning of the most significant passage in President Eisenhower's January state of the Union message. In that message President Eisenhower said: "It is my purpose to intensify efforts * * * to the end that the rule of law may replace the rule of force in the affairs of nations."

Last week Vice President NIXON made two specific recommendations for U.S. initiative.

One, already promised by the President in January, would revitalize the World Court. The other would name the Court as umpire of any future agreements between East and West (as for example over Berlin), the agreeing nations to be bound by the Court's decision in any dispute over what the agreement means. These two proposals are part of a major administration campaign to hasten the day foreseen by the late Senator Taft whom NIXON quoted. Senator Taft said: "I do not see how we can hope to secure permanent peace in the world except by establishing law between nations and equal justice under law. * * * The time will come when public opinion will support the decision of any reasonably impartial tribunal based on justice."

The World Court is certainly a "reasonably impartial tribunal," whose 15 eminent judges know as much international law as there is to be known. Unfortunately, theirs is also the most unused Court in the world. It has decided an average of less than one case a year since the U.N. was founded. A primary reason for this scandalous neglect lies right on the doorstep of the United States.

This reason is the Connally amendment, a reservation to the terms by which we accepted the Court's jurisdiction in 1946. The Court neither has nor wants jurisdiction over essentially domestic disputes; but the Connally amendment makes the United States sole judge of what is domestic and what is not. This is bad law and has been ever since Sir Edward Coke in 1610 declared the sound legal principle that no man can be the judge in his own case. (The American Bar Association has long opposed the Connally amendment.) But it is also bad foreign policy, with a built-in boomerang effect against American interests. The Connally amendment has not only weakened the Court by setting a bad example to other nations; it has robbed us of recourse to it. Until the Connally amendment is amended, as the administration urges, our bad example will keep the Court in its present scandalous idleness, and also frustrate any U.S. claim to be a champion of law in world affairs.

Thus I have laid before you samples of the importance which the Government of the United States now attaches to the advancement of the rule of law. The measures to which I have referred are only first steps. I predict that in the next few years the Government of the United States will take giant strides toward the strengthening and broadening of the rule of law.

Now let me get back to the lawyers—and then we will ask ourselves about businessmen. That meeting in Boston 3 weeks ago was immediately followed by a similar meeting in Chicago. Other regional meetings are scheduled for the near future. If enough practical progress is made, then in 1961 there will be held somewhere on this planet an assembly of leading jurists of all the free nations—and I hope of the unfree nations too.

All this activity stems from the historic meeting of the American Bar Association 2 years ago at London—London, the seat of most of our American ideas about law and some of our ideas about commerce. At that meeting a remarkable young man, Charles S. Rhyne, became president of the Bar Association and, taking up the sense of that meeting, he has inspired hundreds of his fellow lawyers, here and overseas, to help us make the rule of law the major theme of all international action. In the past 2 years, American lawyers have gone all over the globe—to Vienna, Lugano, New Delhi, Cologne, Tokyo, Warsaw, and in these places have met with lawyers from many other lands in attempts to find common grounds for understanding of every kind of problem that can arise in international law—problems reaching from the technical details of court procedures to the most fundamental principles of legal theory.

The lawyers of America are on the march—in their historic role of being the creators of the institutions of justice and of order. Governments and statesmen are now saying that, after so many horrible decades of international disorder, the time is ripe to demand something better than peace-by-terror; the time is ripe to build new institutions of law and justice and to invigorate all the institutions that already exist. The time is ripe, therefore, for the enlightened businessmen of the world to make this cause their own. If that happens here, if you agree—then it is certain that giant strides will be taken soon and within a very few years the whole aspect of man's world will have altered radically for the better.

As businessmen, your first and special responsibility is for the world of business. It is primarily up to you, with the help of lawyers and experts who are ready to help—it is up to you to see to it that the rule of law prevails in every corner of the business world. By that I mean that it would be good business if businessmen would spend less time and money fighting for or against certain rules and regulations which directly affect their own pocketbooks and would spend more time and money fighting for basic and universal rules under which all business could prosper.

In recent years, the volume of international trade has grown with amazing rapidity in spite of all manner of arbitrary obstacles and restrictions. All of us know the insecurity that envelopes international business; if world business could get off the tenterhooks of legal uncertainty, its rate of growth would be many times as great as it has been.

A leading German banker, Hermann Abs, has made a proposal of the greatest interest and importance. He started from a practical banker's concern for such matters as defaulted loans and the expropriation of foreign capital. He wanted to deal with these on a general basis of establishing what was called a grand international convention which would bind the signatory nations to observe fair rules. To apply and interpret these rules he proposed a court of arbitration. Mr. Abs called his proposal a Magna Charta of international commerce. Here is an example of the vast range and reach of the law; it starts by dealing with practical everyday matters and soon we are speaking in terms of a Magna Carta, with all that name means in the history of civilization.

Similar proposals have been made by the International Chamber of Commerce; now is the time to reactivate those proposals.

An immense vertical distance lies between the everyday practicalities of the international law of commerce and the goal of legal restraint upon the warmaking power of the greatest nations. Yet the reach of law can cover this distance. Law—internal, international, business, and political—is all one fabric—and anything we can do to strengthen and extend the rule of law in our practical affairs will have its effect upon the larger and higher problems of political order.

Therefore, I believe that every enlightened businessman should work to bring about a Magna Carta of international trade and investment. For at stake there is the prosperity of the world—and our American prosperity. At stake there is the future of free enterprise—here in America no less than abroad. At stake there may even be the peace of the world, since nothing could so vitalize the rule of law as to have it extended to all business transactions everywhere on earth. This would give to millions of people the habit of abiding by the law, of trusting in the law, and of prospering in the trust and confidence which only the law can give.

When we speak of the rule of law, the grand end we have in view is justice between men and nations. Law is the only human means we have of reasonably gratifying the

human need for justice and of protecting human freedom. In our age, it is not enough to make the rule effective within a nation—though it must start there. In our age the quest for justice and the establishment of law, the means to justice, must be pursued on a worldwide scale.

Years ago, one of our most popular authors, Mark Twain, was asked to give his legal name and address. He replied: "My name is Samuel Clemens and I reside at 351 Farmington Street, in the city of Hartford, in the county of Hartford, in the State of Connecticut, in the United States of America, in the world, in the solar system, in the universe, in the mind of God."

You will note that the first part of that stipulation is all very legal—city, county, State, Nation. But when you come to the world, there is no longer a legal ring to it. There is nothing lawful about the world; it is a lawless place. When you get beyond the world, all is again legal, for both scientists and theologians assure us that the universe and the mind of God manifest perfect law.

Gentlemen, the task of our generation is to make the world entire a lawful place—to make the world at last a proper legal residence of men.

This is the task in which the legal profession and the governments of the free world must take the lead.

It is also a task which, for every reason, calls for the support of enlightened businessmen. You can be the decisive factor in bringing about the rule of law. By making this cause your own you will indeed be making history—good history. And we shall be able to look to the future not with fear and doubt but with confidence and hope.

U.S. ARMY SIGNS $7.5 MILLION CONTRACT WITH FRENCH MISSILE FIRM

Mr. HUMPHREY. Mr. President, in the days and weeks immediately ahead during our negotiations with the Russians, the NATO alliance will face a severe test of strength. Already its will and integrity are being questioned by some timid souls. We can be sure that the Communists will try to sharpen and exploit whatever differences exist between the partners of the NATO community.

I have no doubts about the fundamental will and firmness of our common resolve, but we must keep working to strengthen the alliance even further. In this connection, I would like to congratulate the U.S. Army on its recent decision to purchase two types of French-built antitank missiles for the use of NATO. This decision will promote both the economic and the military strength of the Atlantic community.

One of the problems within the alliance is to achieve an equitable degree of burden sharing.

"Burden sharing," a term used both by the economists and military planners, has military, economic, political, and, I might add, moral implications. It is especially concerned with the manufacture of weapons. We Americans, as leaders of the alliance, have often preferred to use weapons and equipment of American design and manufacture. This is understandable, but it has always seemed to me that this policy should also encourage the development and manufacture of weapons by our allies. NATO achieves its maximum strength when each member of the alliance is prosperous, strong, and enjoys the respect of the other members for its abilities and skills.

The recently announced American contract to procure two French designed and produced antitank missiles is a long step toward building mutual confidence in NATO. Recently, the U.S. Army announced that it has given a $7.5 million contract to Nord Aviation of Paris. This is a straight cash-and-carry arrangement. The costs of this purchase do not come from mutual security funds. The Army has simply found that the French had produced two remote-controlled, antitank missiles which turned out to be the best buy available. The contract calls for a $6.5 million expenditure for the SS–10 missile, which is fully developed and operational, and $1 million to buy and test the SS–11 missile, which has more than double the range of the SS–10.

The value of these weapons is great. The SS–10, which has already been adopted as standard equipment by our Army, has a unit cost of $755; while the more advanced SS–11 will cost about $1,000. These missiles are capable of knocking out any tank in existence, including tanks like our own M–48, 52 tonner, which cost $139,000 each. These new French missiles, designed basically for use with ground forces, will soon be incorporated into the equipment used by our NATO forces in Germany. It is a good guess, and this is no security violation, that in the near future these missiles will also become part of the equipment of our forces in Korea and of the new mobile Strategic Army Corps stationed here in the United States.

This welcome step by the Army should serve as a model for the future. Our European allies represent one of the world's most highly concentrated pools of industrial skills and resources. Too often they have been neglected in building a common defense for the free world. A new policy based on greater use of these resources would have many advantages, including its contribution to greater military standardization, a No. 1 military priority in NATO.

Prince Bernhard of the Netherlands, who for a number of years has spoken with uncommon wisdom on aviation and NATO matters, recently touched on this problem at a meeting of the World Congress of Flight. He pointed out that NATO relies on about 40 different types of aircraft in its operations, whereas the Warsaw Pact countries use only about 15 types. This has been one of NATO's troublesome problems. In the prepared text of his address, Prince Bernhard said only that there was "hope" that NATO might cooperate more fully as the more advanced weapons are developed. But, when he heard the news about the Army's purchase of the French missiles, he cited it is as a perfect example of one way to improve and strengthen the alliance.

It is clearly in our enlightened self-interest to pursue this new policy further. If we encourage our allies to design and build military equipment, and stimulate that development with our own purchases, the costs of our Military Aid program can be materially reduced. Our allies will be less dependent on expensive American equipment on the one hand, and they can earn badly needed dollar credits on the other.

I congratulate the Army and the Defense Department for its foresighted act in negotiating this contract with Nord Aviation of Paris, because it will help strengthen the military, political, economic and moral sinews of NATO at a crucial time of testing.

DR. HOWARD A. RUSK IS HONORED FOR HIS CONTRIBUTIONS TO THE BATTLE AGAINST EPILEPSY

Mr. KEATING. Mr. President, 1,500,000 Americans are afflicted with epilepsy. At a time when great progress is being made toward prevention and cure of other diseases, at a time when great publicity is being given to efforts to curb other dread scourges which plague mankind, epilepsy continues to wreak havoc with an astounding number of Americans.

A great counterattack is today being mounted by the United Epilepsy Association. By means of varied programs, community service, and public education, the association is helping to lead the epileptic out of the darkness. The association has described its mission as one of erasing injustice, insuring that every American with epilepsy receives proper care, and seeking cures as well as ways of preventing and treating this dread disease.

Public understanding is being promoted through public forums, the mass media, and word of mouth. This truth campaign is designed to teach people to accept epileptics as normal human beings.

The United Epilepsy Association is also supporting research which has already made great strides and which may eventually lead to total control and cure of this ailment.

Finally, the association is helping to establish clinics and community facilities in order to cut down the present shocking fact that less than half of those who have epilepsy are being adequately treated for it.

At a recent ceremony in New York City, Dr. Howard A. Rusk, the doctor-journalist who has established an international reputation as an authority on rehabilitation and who has contributed magnificently to public understanding of the ramifications and challenges of modern medicine, was honored by the United Epilepsy Association for his efforts in the great battle against epilepsy. Because of the importance of the matters discussed and the eminence of the men involved, I ask unanimous consent that the introductory remarks and Dr. Rusk's response be printed in the RECORD, following my comments.

There being no objection, the introduction and address were ordered to be printed in the RECORD, as follows:

PRESENTATION OF PLAQUE TO HOWARD A. RUSK, M.D., ASSOCIATE EDITOR OF THE NEW YORK TIMES, AND PROFESSOR AND CHAIRMAN, DEPARTMENT OF PHYSICAL MEDICINE AND REHABILITATION, NEW YORK UNIVERSITY BELLEVUE MEDICAL CENTER, AT CEREMONY APRIL 21, 1959, AT THE NEW YORK ACADEMY OF SCIENCES, 2 EAST 63D STREET, NEW YORK, N.Y.

Dr. H. Houston Merritt, dean of College of Physicians and Surgeons, Columbia University, New York, and chairman of the professional advisory council of the United Epilepsy Association, made introductory comments. Dr. Merritt is a neurologist and co-discoverer of Dilantin, the principal anticonvulsive medicine used for controlling epileptic seizures.

REMARKS BY DR. MERRITT

"No man in this country has done more to advance the cause of the handicapped than the one we are honoring today, Dr. Howard A. Rusk. It is almost solely through his efforts that the specialty of physical medicine and rehabilitation has reached the present high level in our country.

"Dr. Rusk's interest in the physically handicapped started with his work in the Armed Forces during World War II. He is now director of the greatest rehabilitation center in the world. In addition to his achievements in the medical field, he has been an important adviser to the President of the United States in the problem of health resources and the Selective Service System.

"Dr. Rusk is a gifted writer and for many years has been associate editor of the New York Times. He has been a leader in the education of the public with regard to problems of patients with epilepsy and in the advancement of the care and treatment of these patients. The United Epilepsy Association is honoring itself in giving this award to Dr. Rusk in recognition of the great work which he is doing for the cause of epilepsy.

"I feel very privileged to introduce Mr. Revell McCallum, the vice president of the United Epilepsy Association, who will present our association's award to Dr. Rusk."

REMARKS BY MR. REVELL M'CALLUM

"Dean Merritt, Dr. Rusk, and distinguished guests. Our president, Mr. Carl Marks, has asked me to express his deep regrets that he is not able to be present while sharing the honors of this notable occasion. As vice president of the United Epilepsy Association, I feel very honored and privileged indeed to present Dr. Rusk with this award, which reads:

" 'For distinguished medical journalism and achieving international understanding in public health and rehabilitation.

" 'Through his worldwide column and significant medical science articles, Dr. Rusk has broken the barrier of scientific technical writings and thus made the knowledge accessible to people everywhere, bringing understanding and enlightenment to millions. His leadership in the fields of international health, education, and welfare is hereby recognized.

" 'CARL MARKS, *President.*

" 'Seal of United Epilepsy Association, April 21, 1959.

" 'H. HOUSTON MERRITT, M.D.,
" 'Chairman, Professional Advisory Council.' "

REMARKS BY DR. RUSK

"Mr. McCallum, Dr. Merritt, I really should say Dean Merritt, and my many friends, I am highly honored and deeply grateful to you for coming today to join with me in receiving the United Epilepsy Association's award for my interest and work in the field of epilepsy.

"I was recalling my first interest in this specific field and it goes back to my second year in medical college when I worked for a summer in a colony of feebleminded and epileptic in rural Missouri. There were no places then for the epileptic except in with the feebleminded; everybody classed the same. Unfortunately, I am afraid that is often too true today. I was sort of a general assistant in this program and shortly after I had been there one of the patients went into that horrible condition of status epilepticus, having one convulsion after another. Sodium luminal had just come into the country from Germany and I suspect most of you here today are too young to remember the terrible deprivation during the war when no luminal was exported out of Germany and none was manufactured any other place in the world. Epileptics who were dependent upon this drug as their lifeline to prevent seizures went into status and many died.

"Maybe you'll remember that when the first German submarine surfaced off Hampton Roads a number of boxes were brought ashore. They contained precious German anilin dyes and luminal. Well, I asked my chief 'How much shall I give him?' He said 'I don't know. There's no dose on the box. Sit with him and give it to him until the seizure stops or he is dead.' I shall never forget the next 24 hours. This tortured boy on the floor on the mattress and my two assistants, two other inmates, and I started giving sodium luminal hyperdermically every 2 hours. At the end of 24 hours the seizures had stopped. I had given him 120 grains—the average dose being a grain and a half, or two. But he survived and a few weeks later was up and about and just a few years ago I saw this young man still living and still an inmate in the institution.

"I remember, too, in my early days in practice before we had the magnificent anticonvulsive drugs that we do now through research primarily initiated by Dean Merritt, the Chairman of the Professional Advisory Council of the United Epilepsy Association, a wonderful family in St. Louis—three fine girls and one boy, the last of his line—started seizures at the age of seven. He had everything in the world that was known, including bromide, until he couldn't keep his head up and his face broke out in a horrible rash—brain surgery, dehydration diets, allergy tests, everything was tried. And he went on to continue his convulsions, not too often, just often enough to ruin his life and that of his family. Unfortunately, he died in his early twenties before he could benefit by modern research that is available to the one-and-a-half or 2 million epileptics today.

"You know, I like the slogan of this organization, and I think of the understanding that has come from it. This has been a disease of shame in the past. When you wrote your pamphlet under the title, 'The Ghost is Out of the Closet,' that was the beginning of real public understanding. We still have a long way to go. These are wounds that show no scars. I don't think any of us not having been intimately associated with the problem knows what it is like to go through your life perfectly normal most of the time but with the sword of Damocles hanging over your head and not knowing when it was to fall. That is why it has made the problem of the placement of the epileptic in industry so difficult. But enlightened management and enlightened labor, too, have been tremendously helpful in many instances, in doing pilot studies and placing these young people in the jobs which they can do and do well without danger to themselves or to their fellow employees.

"But this is only the beginning. Our only tools to fight this monster—epilepsy—is one through research and there are many, many leads today that lead me to predict that one day we will find the solution to this problem just as we have found the solution to the management of the diabetic, pernicious anemia, and infectious diseases that in the past were thought to be unmanageable and fatal.

"And the second tool is public education and understanding. I need not tell you how important this is for the person with epilepsy. Your association's very excellent public education program is forging the trail for the acceptance of the epileptic in every corner of our Nation and in many distant lands. For without that, although the epileptic can be managed and can live a self-sufficient productive life in dignity, he will find no place to go.

"So I accept this award today with deep gratitude and satisfaction that you feel that the New York Times and I writing for them have had some little part in this great education program that must be a continuing one not only in the United States but all over the world. So again I say my heartfelt gratitude and my deep appreciation to the United Epilepsy Association and to you for coming here today."

CIVIL RIGHTS

Mr. HART. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from an article entitled "NAACP Praised in Integration," written by Luther Jackson, and published in the Washington Post and Times Herald of today. Mr. Jackson, a staff reporter, reports a speech or remarks made yesterday by the Deputy Attorney General of the United States, the Honorable Lawrence E. Walsh, to a religious leadership conference of the President's Conference on Government Contracts.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Outlining the administration's civil rights proposals in the fields of employment, voting, and education, Walsh warned against more liberal measures contained in other bills.

"The other bills are well-intended," he said, "but we must not seek legislation which we know we cannot get."

Mr. HART. Mr. President, the newspaper report does not identify "the other bills," and it is possible that the Deputy Attorney General did not specify them. To many of us in Congress it is clear that the civil rights problem is broader in scope and more demanding in nature than the measures proposed by the administration would recognize.

It is regrettable that the second in command of the Department of Justice in the administration would counsel, as he does, that we must not seek legislation which we know we cannot get.

I would ask, first, who knows the answer to the question "What can we get?" until we try, and, second, I would say it counsels we ask only what our opponents may be willing to grant. Progress is not made by this attitude and it is something less than leadership.

I have inquired, and I have been told that the remarks of the Deputy Attorney General were not made from a prepared text. I suspect that all of us on one occasion or another have said things which, when we saw them in print, we realized did not convey the idea we had

in mind. I hope that a correction will be made in this instance if such is the case.

MINNEAPOLIS HIGH SCHOOL RESIDENTIAL SEMINAR ON U.S. FOREIGN ECONOMIC POLICY

Mr. McCARTHY. Mr. President, last month 75 high school students from 60 Minnesota high schools participated in a high school residential seminar on U.S. foreign economic policy in Minneapolis. This was the second annual high school seminar in world affairs sponsored by Macalester College, the center for continuation study of the University of Minnesota, and the Minnesota World Affairs Center. The participants were selected on the basis of their academic ability and achievement, and their deep and genuine interest in world affairs. The final report of the 1959 seminar was prepared under the direction of Dr. Henry Wriston of the American assembly and represents the thinking of these outstanding young people on the military, economic, and technical assistance programs of the United States. I ask unanimous consent to have the report printed in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

UNIVERSITY OF MINNESOTA FINAL REPORT OF THE HIGH SCHOOL RESIDENTIAL SEMINAR ON U.S. FOREIGN ECONOMIC POLICY, MINNEAPOLIS, MINN., APRIL 16, 17, AND 18, 1959

(Sponsors: Center for Continuation Study, University of Minnesota; Macalester College, Minnesota World Affairs Center)

The members of the second High School Residential Seminar on U.S. Foreign Policy wish to express their sense of the value of the seminar discussions, their indebtedness to the distinguished faculty which assisted with factual information and suggestions, and their thanks to the sponsoring institutions and supporting foundations which made the seminar possible.

The topic considered was the military, economic, and technical assistance programs of the United States. We have attempted to determine how these programs contribute to achievement of the objectives of U.S. foreign policy, and to consider the desirability of changes in emphasis or direction. Although we are not in complete agreement we have found a substantial consensus of opinion which supports the following conclusions.

ENDS AND MEANS OF AMERICAN FOREIGN POLICY

1. Objectives of U.S. foreign policy: The continuing object of U.S. policy should be to assure for this and other countries a peaceful international order which permits them to develop their own institutions freely. This requires security from military interventions and territorial aggrandizement. For many countries it requires assistance in economic development which will help to improve standards of living, and thus to reduce dependence upon other states or susceptibility to subversive movements which gather strength by easy promises which cannot be fulfilled. It requires continuous support of those countries which value individual liberty and human dignity and continuous effort to prevent countries which reject these values from attaining a dominant world position, from stifling open channels of trade and communication, or curtailing our freedom of action.

2. The choice of means: The statement of these objectives does not provide an easy guide to policy. The means employed must be consistent with the principles of our free, democratic society. The choice of means must be considered in terms of conflicting interests presented by particular situations, and by our estimate of the relative importance of the claims made. As our capacities are not unlimited priorities must be established. For the present it seems clear that military, economic, and technical assistance are all useful and necessary instruments of policy. However, their utility must be considered with reference to particular countries and areas, which vary in the character of their needs, in their capacity to utilize assistance effectively, and in the value of the contribution they can make to the objectives stated. It follows that the claims which military, economic, and technical assistance make upon the national budget must be considered in the light of a complex experience with many individual problems. In the absence of detailed information we think it right to avoid broad generalizations about increasing one form of aid at the expense of another. We propose that economic aid and technical assistance be increased because we depend upon them for permanent improvement in conditions, but we recognize this can be done only to the extent that our security is not endangered and that such aid can be effectively utilized. We need continuously to review the many factors which enter into our choice of means. This review should certainly include an estimate of any changes in the capabilities or intentions of the Communist states.

3. Means other than assistance programs: The use of other techniques such as diplomacy, defense alliances, development of collective security agencies, cultural relations programs, or propaganda is certainly not excluded by reliance upon aid programs. On the contrary effective diplomacy and information programs are essential to the success of any other programs we undertake. Defensive alliances may provide the framework for effective allocation of military assistance. To the extent that such security devices can be replaced by collective security mechanisms the latter should be preferred. However, the gap between the value systems of Communist and Western states suggests that there is not yet a sufficient community to support collective security at more than regional levels, and in some parts of the world not enough even at the regional level. Cultural relations programs may be useful in gradually extending the perception of mutual interest and shared values.

FOREIGN AID AND COMPETITIVE COEXISTENCE

4. Soviet economic growth: We recognize the rapid growth of Soviet economic power and the capacity to use this power as a weapon of foreign policy. This results from a rigid political control of the Soviet economy which enables Russia to exploit labor and to hold the production of consumer goods to subsistence levels, thus in effect converting labor into capital growth. The same course may be expected in Communist China. Such a system permits concentration of effort narrowly upon development of heavy industry, production of military goods, and technical development. Resources can be diverted at will to meet special requirements. The system has achieved controlled power in the hands of the government, which thus has become a serious threat to free nations. This impressive growth of power has also had great propaganda value in countries where government leadership is weak and poverty is general. Yet Soviet power has been achieved at the expense of the standard of living of the Russian general public, and it has deliberately milked the economies of satellite states. It is not a system which the United States or other free states which have a concern for the well-being of their citizens would care to imitate. Our problem is to continue our open economy which favors individual enterprise and consumer benefits, yet to achieve the voluntary concentration of strength and purpose which will enable our Government to meet the Communist threat.

5. Soviet economic aid: The concentration of political and economic power in the hands of the Soviet Government has enabled it to give economic assistance to underdeveloped countries and to pinpoint this aid at times when and in places where dramatic effects can be produced and the propaganda value of the effort will be great. Governmental control in the hands of a small party elite has permitted rapid decisions and adjustments to meet special circumstances. Our own elaborate and slow governmental process has sometimes presented a contrast which has impressed recipient states unfavorably, despite the far more substantial character of our aid programs. Whereas the Soviets can exploit fully the propaganda possibilities of their gifts or loans and make every effort to do so at the local and personal level, we sometimes make grants only after invidious public discussions of the desirability of doing so and thus arouse doubts concerning our attitudes or motives. The Soviets have cultivated the impression that no strings are attached to their aid. In a formal sense this may have been true, yet the aid has been used to open a backdoor for Soviet influence through technical advisers, propaganda, and close economic ties. We have sought primarily the assurance of productive employment of grants and loans. Yet we have created the impression that our aid is restricted to countries which support us in the cold war or even to those willing to accept defensive alliances, and we have failed to quiet the fears inspired in underdeveloped countries by Communist propaganda that our aid cloaks imperialist designs.

MILITARY ASSISTANCE POLICY

6. Graduated deterrence; massive retaliation: U.S. policy with respect to military assistance, bases, and alliances is purely defensive in purpose. It must depend upon the types of military action which can reasonably be anticipated and their relationship to our security and to the preservation of the free world. The experience of the past decade suggests the probability of military incidents on widely dispersed fronts deliberately provoked to probe the defensive temper of the free world, which can be contained as limited wars by prompt, energetic action. Our interest in dealing with such incidents as limited wars is apparent. Not to meet and suppress such attacks as they occur might result in the passing of free countries under Communist control and the weakening of the will of other free nations to resist. But to meet limited and exploratory attacks by force far greater than is required to contain them might invite major nuclear welfare. Widely dispersed forces of varied character which can apply graduated deterrents proportioned to the magnitude and character of the attack seem to be necessary for the conduct of such limited wars. On the other hand deterrence against all-out nuclear attack must depend upon the capacity and will to reply in kind.

We have considered the question whether capacity for massive retaliation by use of nuclear weapons would in itself suffice as a deterrent to "brush fire" wars without the maintenance of an elaborate set of alliances and oversea military establishments. Such a sole reliance upon major nuclear weapons by the development of a kind of nuclear "fortress America" of missiles and aircraft based here seems to us to overlook the fact that deterrence would depend not merely upon capacity for massive retaliation but also upon the will to use that capacity and

upon our success in convincing the Soviets of our intention to use it. We believe the people of the United States would never sanction the use of a major nuclear attack in response to a minor military probe in a remote country, and that the Soviets know this as well as we. Consequently we feel that the only deterrents likely to be effective in restraining limited wars are of the graduated variety. Although we realize that the provision of such deterrents throughout the world imposes a great financial burden and involves us in many incidental problems we see no escape from it.

7. Defensive alliances: Our defensive alliances differ in the degree to which they have been implemented by joint military forces in being. In some cases they are bilateral, in others multilateral. In the case of NATO and OAS they may rest upon a firmer political consensus than in the case of SEATO. The Baghdad Pact, with which we are associated, rests upon no consensus of the Arab World and therefore projects us into problems we might prefer to avoid. All these arrangements, as well as those with Australia and New Zealand, with Nationalist China, with Japan, and with Korea, must be separately weighed in terms of the kind of threat presented in the area concerned. We can hardly suppose that all of these pacts are equally necessary or useful, but we believe all of them have some utility. At the least they serve as a declaration of joint purpose, an assurance of a unified military front. They may provide a framework for consultation, military planning, and acquisition of oversea bases. They give such assurance as we can obtain that military assistance will be applied to purposes useful to the free world. In some cases they permit the organization of joint staffs, the procurement of uniform weapons and supplies, and joint training and exercises. Althought they project us into political problems we might otherwise avoid this seems a necessary price to be paid for these advantages. We can only seek the form of political agreement which in each case seems best calculated to assure the desired results. In some cases we have found it necessary to make direct commitments of military manpower in oversea bases in order to make our involvement physically apparent. Elsewhere we find it necessary to provide military equipment in large quantities and training cadres; by doing so we utilize the manpower of other nations in the defense of the free world and reduce the demands upon our own. Where feasible it should, of course, be our aim to move increasingly toward economic aid, some of which may be used by the recipients to develop production of their own military equipment.

POLICY FOR ECONOMIC AND TECHNICAL ASSISTANCE

8. Purposes of economic and technical assistance: It can be said that the object of economic and technical assistance is defense, if by the latter term we mean the preservation of a world in which nations have self-determination and open communication and competition. Certainly we must include in our objectives a stabilized international trade and must seek to avoid a situation in which controlled economies may be used deliberately to disrupt foreign trade. Except for emergency aid to meet conditions of famine and distress we need not think of our purposes as simply humanitarian, although the humanitarian impulses of our people may bring them support. Our Government can properly proceed from motives of enlightened self-interest, in the conviction that economic stability and progress in other countries will be the best insurance against disruption of the free world and consequent danger to our own institutions.

We need to make our purposes clear, perhaps as much to ourselves as to others, so that directness in administration and single-mindedness as to policy are encouraged. If we can make our objects clear we need not doubt that they will compare favorably with those of the Soviets in the view of recipient states.

9. The recipients of aid: The basic test of entitlement to economic aid or technical assistance should be need and the capacity to utilize the aid effectively in development programs. The fact that a state is considered neutralist with respect to the cold war should certainly not be a bar. Neutralism usually reflects a desire for independence and avoidance of involvement in struggles which might delay internal development. If economic aid can assist a country in these objects the result must be gratifying to the United States, for it will contribute to the spread of free institutions. It may even be that aid can properly be given to Communist states where there is reason to think that it will strengthen their independence from Russian control. We have already adopted this policy with respect to Yugoslavia and Poland. Of course we should avoid assistance to countries which would turn the aid to the support of institutions we seek to combat. Every case will need to be considered individually from this point of view, and we must expect to have some hard choices. For example, there are underdeveloped countries which are not communistic but are controlled by corrupt or despotic governments. We have here to weigh the desirability of helping economic development against the danger of strengthening such regimes.

10. The extent of aid: The amount of aid given to a particular country must be determined by its capacity to put it to productive uses without rapid inflation. In relatively primitive countries caution must also be observed not to build a complex economy faster than the limits of cultural adaptation. A strong economy in the hands of an inept, corrupt, or benighted government is hardly a contribution to free institutions. These facts suggest that technical assistance and development programs for underdeveloped countries should be kept in balance with programs of cultural exchange, literacy, training of teachers, and the like, and that substantial appropriations will be required for these purposes.

From the standpoint of the United States there are also limits to the amount of aid which can be given, but we think these limits have not been reached. It is probable that from $2 to $3 billion could be usefully devoted annually to economic aid and technical assistance. Sound distribution of this total would of course require careful consideration in administering the program, and the possibility of limiting the amounts spent should be frequently reviewed. The present contribution of about $1½ billion by the United States does not tax our capacity. An expanded program is desirable.

11. Kinds of aid: The types of aid and proper proportions of each type must be decided individually for each country. Underdeveloped countries are usually in need of technical assistance and long-range development capital. In most instances, they are not appropriate recipients of large-scale military assistance. Other countries will require economic and military aid in varying proportions. In the sense of overall policy the United States will probably not find it practicable to reduce military assistance significantly at present, although it seems desirable to reduce it relatively by increasing the programs of economic and technical assistance.

12. Conditions attached to aid: There should be no political or military conditions attached to eligibility to receive economic aid or technical assistance. In view of the false impressions already current on this point a clear disclaimer of such requirements is needed. Perhaps a direct congressional prohibition of such conditions would be useful, as would a skillful information program designed to combat the misapprehensions created by Communist propaganda.

Economic conditions are valid only to the extent that they relate to employment of the aid for productive projects. Aid should not be given for projects which do not contribute to economic development, and aid programs should be reviewed to see that there is no diversion of funds to unauthorized purposes. Any other type of economic condition would not be compatible with our own purpose.

13. Trade versus aid: It is desirable as far as possible to avoid keeping underdeveloped States in the condition of pensioners. For this reason we should move toward long-term low-interest loans and toward such modification of our restrictions upon trade as will enable them to export to us and thus to pay the loans. This will help to produce stabilized economies which will be able to present more inviting opportunities for private investment. Direct grants are in many cases now necessary, but we must find ways to move to bilateral relationships which avoid such direct dependence and provide permanently viable economic arrangements.

14. Surpluses and dumping: A factor which often disrupts international markets is the disposition of States having large agricultural surpluses to dump them upon the world market, thus depressing prices. Some countries, including the United States, encourage such surpluses by artificial price supports designed to improve the relative economic position of farmers. Where famine exists in other countries there is indeed reason to relieve it by making such surpluses available, but this should be done in a way which will minimize effects upon the market. The free gift of surplus crops to another government or selling below the world market will produce difficulties. Grants to enable such governments to buy at market prices would be more satisfactory. Perhaps an international agreement could be reached among the surplus-producing countries either to reduce surpluses or to determine their disposition. An international crop bank might be a possible solution.

15. Bilateral versus multilateral aid programs: In the case of underdeveloped countries we could avoid distrust of our motives by channeling economic aid and technical assistance more heavily through international agencies. Such agencies can also draw upon a wider pool of technical experts available for missions. Such a redirection might well be proposed first upon condition that the Soviet Union follow the same course, but we might find it advantageous to move in this direction even if they refuse. The usefulness of regional planning and administration has also been demonstrated in the Colombo plan and in Latin America.

However, we do not suggest that a single pattern of multilateral aid would serve our purpose. Bilateral programs of economic aid may be more appropriate in the case of countries having developed economies, since these have less fear of imperialism. Certainly we should deal directly with allies where mixed programs of military and economic assistance are used. Even a complete channeling of economic aid through international agencies would seem undesirable. In some cases a greater proportion of our contribution might go to states we considered to be poor risks. Furthermore, the anonymity of international administration would tend to obscure the large contribution and laudable purposes of the United States. There are cases in which direct aid can work to our advantage. Therefore, we must again consider the cases individually and resolve them on the basis of the factors peculiar to each.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the joint resolution (S.J. Res. 94) to defer the proclamation of marketing quotas and acreage allotments for the 1960 crop of wheat until June 1, 1959.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 5916) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon and that Mr. THOMAS, Mr. KIRWAN, Mr. ROONEY, Mr. BOLAND, Mr. CANNON, Mr. JENSEN, Mr. BOW, Mr. JONAS, and Mr. TABER were appointed managers on the part of the House at the conference.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 1559) to provide for the striking of medals in commemoration of the 100th anniversary of the first significant discovery of silver in the United States, June 1859, and it was signed by the President pro tempore.

ORDER OF BUSINESS

Mr. MOSS. Mr. President, has the morning hour been concluded?

The PRESIDING OFFICER. Is there further business in the morning hour? If not, the morning hour is concluded.

Mr. MOSS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIFORNIA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 44) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, Calif., to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

Mr. MANSFIELD. Mr. President, what is the pending question?

The PRESIDING OFFICER (Mr. HART in the chair). The question is on agreeing to the amendments submitted by the Senator from Illinois [Mr. DOUGLAS], on behalf of himself and the Senators from Oregon [Mr. MORSE and Mr. NEUBERGER].

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KUCHEL. Mr. President, I should like to have the RECORD disclose the facts surrounding what we here try to do. First of all, the able Senator from Illinois has suggested that the authorization called for by our bill is not a $290 million one, but that it is open-ended and that it will involve untold additional millions. I deny it.

All I can do, Mr. President, besides deny that assertion, is to point to the printed hearing on the proposed legislation before the Senate, and most particularly to page 78 of that hearing, in which Mr. Goodrich Lineweaver, of the staff of the Senate Committee on Interior and Insular Affairs, in a memorandum to the junior Senator from New Mexico [Mr. ANDERSON], who was chairman of the subcommittee, stated, in part:

> 1. The authorization for appropriations in section 6 of the bill is $290,430,000.
>
> 2. Included in this total of $290,430,000 are: (a) $10,814,000 for footings and other facilities of San Luis Dam, whereby the capacity may be increased from 1 million acre-feet to 2,001,000 acre-feet (i) if the State comes into the project, or (ii) if the service area of the San Luis project is extended to the Avanol Gap area in the southern San Joaquin Valley;
>
> (b) Four million dollars for additional capacity or facilities at the Tracy pumping plant, under either of the conditions mentioned in (a); and
>
> (c) Two million eight hundred and eighty-seven dollars for San Luis modifications in the event the enlargement project is developed.
>
> The total of these figures provided for in the $290,430,000 authorization for appropriations is $17,701,000.
>
> 3. This $290,430,000 appears to be an absolute limitation so far as the facilities mentioned with the respective amounts estimated. Any additional facilities, such as further enlargement of existing canals or additional canals would require reauthorization by the Congress. It is estimated that in event the State project comes in an additional $5 to $8 million would be required to finance extra outlet capacity in the dam.

I regret that the Senator from Illinois is not now present in the Chamber. I intend to bring this matter to his attention when he returns.

Mr. President, I observe my friend, the Senator from Oregon, is present in the Chamber. I now observe the Senator from Illinois entering the Chamber. I will repeat what I said.

It is easy, Mr. President, for a Senator in good faith to make a startling charge, without proof and have that charge reiterated outside this hall until finally some believe that perhaps there may be merit to the charge. I said earlier that with respect to the charge of the Senator from Illinois as to what amount is intended to be authorized for appropriation in the bill, it is $290,430,000. The Senator from Illinois has said again and again that this is not so, and that the proposed legislation would authorize much more than that amount to be appropriated.

I repeat, Mr. President, my denial of that statement. I deny the charge of the Senator from Illinois. Moreover, I point to page 78 of the hearings on the bill and call attention to the statement not of one of the authors of the bill, but of a staff member of the Committee on Interior and Insular Affairs, in the memorandum which he prepared for the distinguished junior Senator from New Mexico [Mr. ANDERSON], who is chairman of the subcommittee.

This is all I can do by way of refuting the charge of the Senator from Illinois, which is not a fact, so I repeat the language:

> This $290,430,000 appears to be an absolute limitation so far as the facilities mentioned with the respective amounts estimated. Any additional facilities, such as further enlargement of existing canals or additional canals would require reauthorization by the Congress. It is estimated that in event the State project comes in an additional $5 to $8 million would be required to finance extra outlet capacity in the dam.

Mr. President, basically there is a good faith dispute in this Chamber as to what ought to be done by way of applying or not applying Federal reclamation law in its entirety to the projected Feather River project of the people and of the government of California. And some here believe that, whether the amendment carries or not, Federal reclamation law will not, as it should not, apply to the State projects merely because of joint use of San Luis.

Mr. President, there are reclamation projects in almost all the Western States of America. The United States has been generous with California. In the State of my friend from Oregon, the Government of the United States has invested money, to be repaid as the Federal laws apply, in great reclamation projects. I say to my friend from Oregon, and I know he will agree, there never has been in the history of reclamation legislation one instance in which the Federal Government has sought to make any State comply with Federal law in State water projects.

I believe in the Federal reclamation law. I believe it ought to be upheld. I believe when Federal reclamation projects are undertaken with money from the Government of the United States, Federal reclamation law ought to apply.

But I also believe that if the State of Ohio, the State of Virginia, the State of Louisiana, the State of Illinois, the State of Wyoming, the State of Oregon, or the State of California desires to bond itself, to borrow money and to construct its own State water system, the Federal Government ought not tell the State the Federal reclamation law must apply.

I desire to refer again to the hearings with respect to the San Luis unit, which are on our desks. Gov. Pat Brown came to Washington, and testified before my committee in the Senate and the similar

committee of the House of Representatives in favor of the proposed legislation. I do not need to spend any time observing that Governor Brown and I belong to different political parties. Governor Brown is in favor of the proposed legislation. Governor Brown stated to the members of my committee, Mr. President:

The third point I wish to call to your attention with special force and all of the clarity that I can command is that the State itself is launching an unprecedented water development program of its own. We know that we cannot and should not depend entirely on the Federal Government. I hope and expect that the State of California will commit itself to invest more than $11 billion in the next 25 years over and above the Federal programs to insure adequate statewide water development. The State is now in the process of earmarking a $190 million investment fund for these purposes.

And I might add that this investment fund is money that was received from offshore oil reserves in bonus bidding and royalties that we already achieved. So one natural resource, oil, will now be committed to water, if I am successful in my program.

I am sure that the voters will approve a bond issue and I intend and I know that I will get bipartisan support in this—this bond issue which will finance the remainder of the cost. Future generations that will achieve the benefits will share in the repayment of those bonds.

No State has ever launched so great a water program. California recognizes, however, that it cannot do the job alone. The joint venture at San Luis represents, I believe, the best possible example of a proper method for Federal-State action in water resource development.

Thus the bill was fashioned in a way which received the complete, unequivocal approval of the Governor of California and of the various public agencies and conservancy districts north, south, and central in my State. Today it is fair and accurate to say that the people of California are quite united in their earnest petition to the Congress of their country to pass this proposed legislation.

The Federal Government, through the Bureau of the Budget, the Bureau of Reclamation, and the Department of the Interior, has placed its stamp of approval on the pending legislation.

Here is one State in America which has within two of its great valleys a Federal reclamation project called the Central Valley project, where Federal reclamation law applies as it should apply.

Alongside it, and somewhat longer, when it is completed, will be the State of California water project. It will transport northern surplus water into the parched areas of southern California, along the way assisting all other areas of the State, until finally, $11 billion will have been contributed by the people of California to its ultimate and complete construction.

In the process of bringing northern water into the southernmost reaches of our State it is necessary, so the State engineers tell us, to construct a storage dam, into which northern surplus waters would be carried, and from which such surplus waters as might be required would be taken from there south. But the Bureau of Reclamation and the Department of the Interior want to give greater service in the Central Valley area, and so they want the service area of the Central Valley project enlarged. For that purpose the Federal Government requires the construction of a storage dam.

The unhappy fact is that there is only one reservoir site available. The Federal engineers say so. The State engineers say so. If there were two reservoir sites available, the State of California could utilize one, and no one would raise any question as to what law should apply. The State law would apply.

The Federal Government could use the other dam site, if there were two, and no one would raise a question as to what law should apply with respect to the reservoir constructed by the Federal Government. Federal reclamation laws would apply. But because there is only one site, I think it is to the credit of the State and the Federal Government that, acting through their engineers and also through their policymakers, they have reached an agreement by which one reservoir site will be utilized for both systems—first, the Central Valley project system now in being, and second, the State of California Feather River project, which is in prospect. For that reason the reservoir would double the capacity which would otherwise be available.

It was at that point in the agreement between the State and the Federal Government that section 6(a) was written into the bill. The same section was in the bill last year, when Senator KNOWLAND and I introduced it. My friend from Illinois [Mr. DOUGLAS] made the same argument a year ago. He was joined by the Senator from Oregon [Mr. MORSE], but the Senate saw fit to repudiate their position, and passed the bill.

As I say, the section with respect to what law should apply, which was in the bill in the last Congress, is now in the bill before us. It is section 6(a). Let me read it again:

SEC. 6. (a) The provisions of the Federal reclamation laws shall not be applicable to water deliveries or to the use of drainage facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis unit service area described in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project", dated December 17, 1956.

What is meant by that language? I think the report of the Senate Committee on Interior and Insular Affairs describes it in a rather clear and pithy fashion. Let me read what the report states on that point. On page 8 of the report the Committee on Interior and Insular Affairs says:

The position of the committee is that the Federal reclamation law with respect to acreage limitations should apply only to lands under contract with the United States.

I have said in the Senate and in my State many times that the people of California are indebted to the Federal Government. The Central Valley project represents the difference between economic life and death in the two central valleys. In southern California, where my home is, we are indebted to the great Hoover Dam, which was fought through the Senate years ago by the late great Hiram W. Johnson, a magnificent Senator and a courageous leader in my political party, who fought against tremendous odds in order finally to win approval by the Senate, and thereafter by the House of Representatives, of a gigantic multipurpose structure which today brings water and hydroelectric power into almost every area of southern California.

However, at times in the past the people of my State have had some difficulty in dealing with representatives of the Federal Government, and there have been some unhappy chapters in the history of that relationship. Senators on the other side of the aisle will remember one of my predecessors, Senator Sheridan Downey, a Democrat, who had quite a stormy battle with the Bureau of Reclamation 15 or 20 years ago. I believe that is the reason why this bill contains a statement as to where Federal law should apply and where State law should apply, in order to eliminate the last possible objection which someone might raise at some time against allowing the State to operate its own system the way it desires.

For example, I quote from page 71 of the hearings, in a statement prepared by Warren Butler, vice chairman and a member of the board of directors of the Metropolitan Water District of Southern California. This is a great public agency whose responsibility it is to bring water for domestic purposes into the homes of my city and of most of the other communities in southern California. By way of description of the bill I quote from what he had to say at page 71 of the hearings:

As a measure to increase confidence and avoid misunderstanding, the language of section 7 of S. 1887 of the last congressional session would be restored, so that the point at which Federal laws will cease to apply and State laws will prevail is clearly and unmistakably set forth. In view of the confusion which now exists in many fields over the applicability of Federal and State laws, we think this provision would greatly increase the confidence of our people in the legislation.

Let me say parenthetically, gentlemen, that our concern south of the Tehatchapie does not involve this 160-acre limitation as it does north of the Tehatchapie. What we are concerned about is like the man who has two bosses. Sometimes he does not know what to do. If you only have one, then you have a situation that is easier to work with.

In a similar vein, I should like to read into the RECORD the text of a telegram which I have received from Stanley W. Kronick. Mr. Kronick is a California lawyer. He has been honored by Gov. Pat Brown with appointment to a position of civic responsibility in the government of my State. This is what he says:

SACRAMENTO, CALIF.,
May 9, 1959.

Senator THOMAS KUCHEL,
Senate Office Building,
Washington, D.C.:

I strongly urge that section 6(a) remain in S. 44. Its inclusion was agreed to by all interests in the State of California, including the State itself and the congressional representatives from the affected areas. The reasons were (1) that Federal law should

not control water deliveries by the State from the joint Federal-State project, and (2) that this should be made so clear by the Congress that a contrary argument could not later be made.

The reason Federal reclamation law should not control water deliveries by the State is because the State will contribute its proportionate share of the cost of construction, operation, and maintenance of the joint-used facilities of the project. Federal law should no more apply to proportionate State use of the joint-used facilities than to State use of projects financed and constructed solely by the State.

Section 6(a) was included because it was recognized that in the absence of a clear expression of congressional intent and strong contrary argument might be made, somewhat as follows: Since the proposed San Luis project will be financed partially with Federal funds, the complete joint Federal-State facilities could not have been constructed without the Federal investment. The Federal investment therefore to some extent makes the State water deliveries possible, and as a consequence Federal law applies to such deliveries.

By setting forth this argument, I do not mean to imply that it would necessarily prevail in the courts. But the argument is substantial enough to make it advisable in any event to preclude it by express statutory language. The effort now being made on the Senate floor to delete section 6(a) by those who intend thereby that the Federal acreage limitation will apply to water deliveries by the State is further support that the California interests were right in clarifying the matter by the inclusion of section 6(a).

If section 6(a) is deleted now as a result of the insistence of those who state flatly that they want Federal law to apply to water deliveries by the State, this legislative history might be almost conclusive as to the intent of the Congress that Federal law is to apply to such deliveries. Logically, the only valid argument for deletion of section 6(a) is that Federal law should control water service by the State. To prevent that result it is now plainly imperative that section 6(a) remain in the bill. In the light of the current debate on the Senate floor, I see no other way to accomplish what all the State interests believe is fair and just—that State law shall govern State water delivery.

STANLEY W. KRONICK.

Mr. President, I believe that all of us can be given credit for trying to represent the best interests of our State.

When my friend from Illinois introduced proposed legislation to have the great city of Chicago receive water from one of the Great Lakes, Lake Michigan, he was representing, as he saw the light, the best interests of the State of Illinois. The fact that our great neighbor to the north, Canada, interposed objections, however sound they may have been, did not dissuade the Senator from Illinois from doing that which the people of his State would, I suppose, want him to do, to stand on the floor of the Senate and in good faith try to obtain more water from Lake Michigan for the great city of Chicago in Illinois.

The fact that the State of Michigan opposed what the Senator from Illinois was trying to do should, I think, be quite irrelevant in judging whether or not my friend from Illinois hewed to the line of the public interest of the people he represents.

It is not for me to say that my friend from Oregon [Mr. MORSE] was right or wrong with respect to the position he took on the Federal reclamation projects in the State of Oregon. I do not know what the situation is in the State of Oregon. I do know that in the Committee on Interior and Insular Affairs charges have been made that a great many landowners in Oregon have waxed wealthy and fat from Federal reclamation projects. But I am certain that if that were the case, it would have the earnest attention of the senior Senator from Oregon.

On the floor of the Senate today, a Democratic Senator and a Republican Senator from California are simply asking in good faith that Congress approve what the Federal agencies involved have already approved, namely, a means whereby waters originating in California can be saved and put to beneficial use. Every year, 3 million acre-feet of water flow from California into the Pacific Ocean, and are lost forever. Here is an opportunity for a generous and a far-sighted Congress to demonstrate once again that when the public interest is at stake, it will respond and will do that which it ought to do, and which it always has done, with respect to water problems in whatever part of the country may be involved.

There is one more thing I wish to say in this argument. I say most respectfully that the Senator from Oregon and the Senator from Illinois have offered an amendment which, in the opinion of the Senator from Illinois, will apply Federal reclamation law to all the waters which enter the dam which is authorized to be constructed by the bill.

I asked the Senator from Illinois if he meant that such an intention on his part would apply to the waters before they flowed into the reservoir. The RECORD does not disclose that the Senator from Illinois answered my question. I think it is fair to say that if the Senator from Illinois were correct in the position he takes as to the intention of his amendment, it would mean that Federal reclamation law would apply to waters of the State system south of the reservoir provided for in the bill, but that waters north of the San Luis Reservoir would not be subjected to Federal law.

Is that not a mockery? Is that not a perfectly ridiculous thing to attempt to wreak on 14 million people? Would it not provoke sheer deviltry in what the Governor of my State, the legislature of my State, and the water districts of my State are trying to do? Of course it would.

If there is a misguided belief that the Senate will be doing something constructive if it votes for the Douglas-Morse amendment, I beg and pray that Senators take another look at it and read the RECORD again. Replete in the last 3 days of speechmaking are repeated charges that large landowners will receive a windfall. All I can say again is that the elected representatives of the people, both from the Democratic Party and the Republican Party, and from a Democratic State administration and a Republican national administration, have joined together in urging that this proposed legislation be passed.

I say in all sincerity that however much in good faith the Senator from Illinois and the Senator from Oregon unquestionably are acting, they are wrong, wrong, wrong in their understanding of the needs and the plight of California, and of what, in good faith, working together, the Federal Government and the State government will be able, in the instance of the San Luis joint-use reservoir, to do.

I earnestly hope that the amendment will be rejected.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. CARROLL. I believe the senior Senator from California, the junior Senator from California, the people of California, and the courts which may interpret the legislative intent concerning the bill would like to have this statement in the RECORD. The junior Senator from Colorado does not agree with the statements made by the senior Senator from California that inherent in the Douglas amendment is the construction which has just been placed upon it, for the reason which I stated yesterday in debate. So far as I am concerned—and I think it could be easily construed by a court examining this RECORD—that is not the intent of the Douglas amendment. If such were the intent, I might change my position.

I take the position, for the purpose of this RECORD, which might be reviewed by a court, that the objective of the amendment is to insure the preservation of the Federal reclamation laws. That is the interpretation of the junior Senator from Colorado.

My second interpretation is that the amendment does not interfere with waters which arise within California and are under the jurisdiction of California. It does not confer Federal jurisdiction over those waters. I think inherent in the amendment, as the distinguished senior Senator from Oregon has pointed out, to use again his phraseology, are what we call objective facts which may be determined by a court because of the commingling of the waters.

I say this only for the purpose of keeping the RECORD straight, because very easily this matter could be taken into court. I know the distinguished senior Senator from California does not in any way want to injure the validity of this project or the principles which he has announced in behalf of it.

Mr. KUCHEL. I appreciate the comment of the able Senator from Colorado. I must say that the RECORD will be helped because he has so spoken.

I say to him very frankly that I violently disagree with what the Senator from Illinois has said on the floor of the Senate his amendment will accomplish. I am certain the Senator from Colorado joins me in that disagreement. The Senator from Illinois, if I can quote him correctly, has stated several times that if his amendment shall be adopted, it will mean that Federal reclamation law shall apply to all waters which flow from the joint use reservoir, whether they go into the State system, paid for by the people of the State, or not. I deny that

contention. I take it from what the Senator from Colorado has said that he, too, denies it. I take it that I have correctly quoted the Senator from Illinois, generally speaking, concerning the intention with which his amendment has been offered.

But I must say there is merit in the position of the telegram sent by a California lawyer, which I read, that some persons could argue in a judicial proceeding that if at this late date section 6(a) were stricken from the bill it would constitute an intention on the part of the Senate to make Federal law apply, as the Senator from Illinois would say, and as the Senator from Colorado would deny.

Mr. CARROLL. That is the very point of my closing statement on this matter. I think whoever reads the RECORD should understand that there is no perfect unanimity of opinion and, therefore, no clear legislative intent concerning this question.

As I understand the argument made by the senior Senator from Illinois, I think there is considerable merit to his position, but I do not interpret it to be so all destructive and all conclusive as the interpretation placed upon it by the senior Senator from California.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. MORSE. I had intended to answer this point in my speech this afternoon; but it is a fact that the Senator from Colorado has hit the nail on the head today with regard to the legal aspects of the matter, so I want to answer the question now.

The lawyer who sent the Senator from California the telegram which he read, has not, in my judgment, read the record of this debate, because I think the conclusion which the lawyer reached in his telegram is highly erroneous.

Let me state again that nothing the Senator from Illinois and the two Senators from Oregon could say in this debate could possibly change existing reclamation law. Existing reclamation law is not changed by debate on the floor of the Senate. To the contrary, Mr. President, what we fear is—and we are satisfied it is true—that if section 6(a) remains in the bill, existing reclamation law will be changed, and will be changed against the interest of the public. So we are going to do everything we can to try to persuade the Senate to delete section 6(a).

Let me state the situation as I believe it to be: With section 6(a) out of the bill, the Federal reclamation laws will remain unchanged. Then it will be for the courts to determine to what extent, if any, the Federal reclamation laws apply to the various phases of the San Luis project.

But I say most respectfully that what the two Senators from California have been trying to do is to make a record around section 6(a), so that if it does remain in the bill, then that record will be used by the courts as the basis for a finding that it was the intention of the Senate that the reclamation laws should be modified. The legal proposition is just that simple.

If the senior Senator from California and the junior Senator from California do not think section 6(a) changes the existing reclamation laws, why do not they agree to elminate it?

On the other hand, the fact that they have persistently insisted that section 6(a) remain in the bill is an admission of the accuracy of our case, namely, that what they are trying to do by means of a project bill is to amend the reclamation laws.

If they believe the reclamation laws should be amended, let them come forward with a clean bill which would do just that. I happen to think that the reclamation laws should be amended in some particulars, although I do not think the particular amendment the Senators from California are proposing should be agreed to. But if the Senators from California believe the reclamation laws should be amended, let them come forward with a separate bill to that effect; and perhaps it would be one on which we would like to help them.

But so long as they insist on keeping section 6(a) in the pending bill, and so long as it is our opinion that section 6(a) has the effect of modifying the reclamation laws, we are going to try to get section 6(a) deleted from the bill.

Mr. KUCHEL. Mr. President, let me say that the Senator from Oregon is wrong. I am sure he will agree that the Senate and House of Representatives can, if they wish, either extend reclamation law over non-Federal projects in California simply because one reservoir is jointly used; or they can do exactly the reverse, if they wish to do so.

There is nothing secret about what we have sought to do. As I previously stated, the Senate Committee on Interior and Insular Affairs went on to say, at the time when the bill was reported favorably:

> The position of the committee is that the Federal reclamation law with respect to acreage limitations should apply only to lands under contract with the United States.

What is the matter with that? If one contracts with the State of Idaho for water, he should be subjected to the laws of the State of Idaho.

Mr. MORSE. Mr. President, will the Senator from California yield?

Mr. KUCHEL. In a moment.

Mr. President, if one contracts for water with the State of California, he should be subjected to the laws of the State of California.

Mr. DOUGLAS. Mr. President——

Mr. KUCHEL. So, Mr. President, I maintain that it is simply ridiculous to allege that here in the Senate we are trying to change reclamation law. The Senate can change reclamation law if it wishes to do so. A proposal to amend the reclamation law would originate in the Senate Committee on Interior and Insular Affairs, and that is the committee which reported the pending bill; and in writing the bill, the committee tried to indicate where Federal law would apply and where it wanted State law to apply.

Mr. President, I remember, in my first year in the Senate, the extensive debate which involved the tidelands. Do you remember that debate, Mr. President? I do not know whether the people of Michigan had then honored you with public service. That was a notable and long debate.

I am inclined to believe that back of the recommendation by some public agencies in California that section 6(a) be included in the bill was a thought about something like the tidelands controversy. I remember when some of the farmers in the Central Valley were bludgeoned and punished by representatives of the Bureau of Reclamation, and they looked to a Democratic Senator for assistance.

So here is an honest attempt to eliminate any contention, however tenuous, that Federal law should apply to the State system simply and solely by reason of the joint use of this project.

Now I yield to my friend, the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I should like to speak in my own time.

Mr. KUCHEL. Then, Mr. President, if my friend would like to proceed in that way, I yield the floor.

Mr. DOUGLAS. Mr. President, I am sorry my friend, the Senator from California, seems to be leaving the floor, because I want to deal with several questions of fact which he raised earlier today and also yesterday.

My good friend, the senior Senator from California, accused me of making a misstatement as regards the amount of additional Federal money authorized by this bill.

All of us know that there has already been authorized for the Central Valley project approximately $860 million, of which $630 million has been expended.

In section 7, in the first sentence, we find the following:

> There is hereby authorized to be appropriated for construction of the works of the San Luis unit, including joint use facilities, authorized by this Act, other than distribution systems and drains, the sum of $290,430,000, plus such additional amount, if any, as may be required by reason of changes in costs of construction of the types involved in the San Luis unit as shown by engineering indexes.

Note that this sentence expressly states that this $290 million is authorized for "the works of the San Luis unit other than distribution systems and drains."

The Senator from California says that is all that is authorized in the bill, and that the additional $190 million which I have mentioned has been conjured up by me, and does not exist in reality.

But I call his attention and the attention of the Senate to the fact that the sentence I have just read is followed by another sentence, namely—

> There are also authorized to be appropriated—

Mr. President, let us remember those words—

> in addition thereto, such amounts as are required (a) for construction of such distribution systems and drains as are not constructed by local interests.

So in the second sentence of section 7, there is an additional authorization.

And in the committee report, we find the following statement on page 10:

In addition to the main water supply features the San Luis area would require distribution systems, drains, and some deep wells.

In other words, the identical types of work for which additional authorizations are made in the sentence I previously read.

Then we find this:

The estimated cost of these works is $192,650,000.

So the figure I gave—namely, $480 million—is correct, and, indeed, is a slight understatement; as a matter of fact, the amount thus authorized would be approximately $483 million. So that the Senator from California, in his anxiety to convict me of a misstatement, had not read either the bill or the report as carefully as he should have.

Now let me deal with the second question of fact. Yesterday the Senator from California said that I was wrong in my interpretation of the legislation relating to the dam at Pine Flat and the opinion of the Attorney General relative thereto. I had said that the provisions of the Federal reclamation law had been held to apply in the Pine Flat case. The Senator from California questioned that contention.

I put into the RECORD, without reading it, an opinion from the present Attorney General, Mr. William P. Rogers, dated December 15, 1958, and given to the Secretary of the Interior. Those who wish to study this statement will find the opinion on pages 7862–7863 of the CONGRESSIONAL RECORD of yesterday. I read a few sentences from that opinion:

The expression of intention that the reclamation laws apply to projects such as are here involved appears too strongly in the legislative history of section 8 to permit its frustration by virtue of any implication which might be drawn from section 10.

For these reasons, I conclude that section 8 makes the reclamation laws applicable to contracts for the disposition of irrigation benefits from dams and reservoirs constructed under the authority of section 10, even if no additional works are required to be constructed in order to make such irrigation benefits available.

In other words, the mere fact that the construction was to be in the hands of the Army Engineers did not remove the provisions of the reclamation laws from applying to the land thus irrigated.

Mr. President, with those two questions of fact cleared up, and the contentions of the Senator from California having been proved to be in error, let me pass, if I may, to one or two other points.

I do not desire to spend too much time on the question of whose waters are involved in the proposed San Luis project.

It is true, I think, that virtually all the water of the Sacramento Valley originates inside the State of California; but the State of California did not provide the vast funds for utilizing those waters. It called on the Federal Government for aid. The Federal Government will be committed, if this bill goes through, to spend $1,300 million.

It is our contention that when the Federal Government constructs facilities, and when the States come to the Federal Government and ask for money for those facilities, the provisions of the Federal laws should apply to the disposition of the water thus impounded and distributed upon the land which is irrigated.

I will not continue to labor the point that the initial block of some 440,000 acres will all be irrigated by facilities constructed wholly by the Federal Government. That is obvious.

But I should like to emphasize that the so-called second block of 500,000 acres which is designated by the Senators from California as a "State service area" is, in reality, no such thing.

That land will be irrigated by joint facilities: A dam jointly constructed by the State and Federal Governments; a reservoir jointly filled; the Cross Delta Channel, which has been entirely financed by the Federal Government; water that will also be lifted from the Sacramento Valley into the San Joaquin Valley by power supplied largely by Federal dams and power stations upstream.

The new Oroville Dam will probably be constructed in substantial part by Federal funds. Interest-free Federal loans will be sought by the so-called State irrigators.

The whole complex in the Central Valley which has been federally financed is essential for this added amount of water; and it is obvious that the water and the facilities will be commingled; and, being commingled, Federal reclamation laws should prevail.

That is a rough outline of the physical situation. But, of course, the human stake is very great. The question is whether the water is to be put on giant estates for the benefit of the owners of those giant estates, giving them windfalls of tens of millions of dollars, and, in the aggregate, hundreds of millions of dollars, or whether the water shall be used to democratize the use of the land in accordance with democratic landownership policies.

That is the issue. We cannot escape it.

The State of California has no acreage limitation law. If the Federal reclamation law is ruled not to apply to the second block of land—and that is the express effect of the provisions of section 6(a)—then we can be certain that if and when water is put on the second block of land, it will be put on land owned by the large landholders.

The State of California, as I have said, has no acreage limitation. I think it is extremely doubtful that it will enact a law imposing such limitation. In effect, we are being asked to give up the protection which Federal reclamation law already provides for an illusory protection which, in all probability, will not be furnished.

I think the debates which have been going on for almost a week have clarified people's minds on this subject.

I should like to read into the RECORD telegrams which have been coming in from California.

I should like to read first a telegram from Clovis, Calif., addressed to me:

CLOVIS, CALIF., *May 12, 1959.*

Senator PAUL DOUGLAS,
Senate Office Building,
Washington, D.C.:

I want to add my name in support of your stand on the 160-acre limitation. I am farming with my father and brother on our 100-acre cotton and dairy farm in Fresno, Calif. We are proud that we are growing quality products and at a decreasing cost to our consumers. The San Luis project without an acreage limitation allows large scale farms to grow products at a price which we cannot compete against. The limitations means that we small farmers can continue to operate and many of us will have an opportunity to buy land in the fertile San Luis project area.

Sincerely,

ALBERT NIEPO.

He is not a large landowner, but apparently he is an industrious and hard-working citizen of California, who sees what is coming.

Another telegram addressed to me reads as follows:

CLOVIS, CALIF., *May 12, 1959.*

The Honorable PAUL H. DOUGLAS,
U.S. Senate, Washington, D.C.:

We favor the reclamation policy of wide distribution of resources and benefits. Our studies led us to conclude that acreage limitation is essential to the preservation of family-size farms and should apply to State service areas. Therefore we heartily endorse the Douglas-Morse amendment to the San Luis bill.

WATER RESOURCES COMMITTEE, LEAGUE OF WOMEN VOTERS OF FRESNO,
V. COLVER,
J. DUBISCH,
E. HALL,
C. MARICA.

Mr. President, I ask unanimous consent that the remaining telegrams which I have received be printed in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

BERKELEY, CALIF., *May 12, 1959.*

Hon. PAUL DOUGLAS,
U.S. Senate, Senate Office Building,
Washington, D.C.:

Congratulations to Senators MORSE, NEUBERGER, and yourself on your great fight to preserve acreage limitation provisions of Federal reclamation law. Our membership of 200 precinct-working Democrats urges your continued effort to delete section 6(a) and other objectionable provisions from S. 44, San Luis project.

JOHN S. PAGE,
Vice President, Kensington Democratic Club.

FRESNO, CALIF., *May 11, 1959.*

Senator PAUL DOUGLAS,
Senate Office Building,
Washington, D.C.:

Congratulations on your wonderful fight on the San Luis bill. I am a student of Fresno State and member of the Young Democrats. I find it frightening that our own Senators won't protect us from the bad parts of this bill. Keep up the fight. We of the valley are behind you.

Respectfully yours,

JOHN ZAVER.

FRESNO, CALIF., *May 11, 1959.*

Hon. PAUL DOUGLAS,
Senate Office Building,
Washington, D.C.:

Many of us in the San Joaquin Valley are praying that you and the sponsors of the

amendment to S. 44 will be successful. We will be cheering you when you fight on the beaches, in the fields, and in the streets defending the rights of the people.

SUSIE RABOURN,
Legislative Chairman of Fresno Democratic Women's Club.

FRESNO, CALIF., *May 12, 1959.*
Hon. PAUL H. DOUGLAS,
Member, U.S. Senate,
Washington, D.C.:

Appreciate your stand on 160-acre limitation. Please use all possible influence to write San Luis water bill without such loopholes as Reclamation Bureau maneuvered at Pine Flat Dam. Acreage limitation will help equalize opportunities for developing this valley and ameliorate present ruthless exploitation of farm laborers.

ROLLIN PICKFORD, Jr.
Mrs. GLENNA PICKFORD.

BERKELEY, CALIF., *May 12, 1959.*
Senator PAUL DOUGLAS,
Senate Office Building,
Washington, D.C.:

Your support of the excess land law, is very much appreciated here. Stick to it.

EUNICE TRUE GRIFFIN.

BERKELEY, CALIF., *May 12, 1959.*
Senator PAUL DOUGLAS,
Washington, D.C.:

Congratulations on your struggle to have excess land law apply to hold San Luis project. Please keep up fight.

CARL LANDAUER.

SAN FRANCISCO, CALIF., *May 12, 1959.*
Senator PAUL DOUGLAS,
Senate Office Building,
Washington, D.C.:

We, as Californians, thank you for your stand on bill S. 44. We urge you to continue your fight.

Mr. and Mrs. PHILIP GREENE.

FRESNO, CALIF., *May 12, 1959.*
Hon. PAUL H. DOUGLAS,
Senate Office Building,
Washington, D.C.:

Water is the lifeline of our State. Judicious use of it is essential the 160-acre limitation of Federal use of water must be maintained. We are counting on your support.

Mr. and Mrs. ROBERT REVILLA.

FRESNO, CALIF., *May 11, 1959.*
Senator PAUL H. DOUGLAS,
Senate Office Building,
Washington, D.C.:

Congratulations on your stand on the 160-acre limitation law which is so vital to the welfare of California. Keep up the good fight.

MARIE R. WOMACK.

FRESNO, CALIF., *May 11, 1959.*
Senator PAUL DOUGLAS,
Senate Office Building,
Washington, D.C.:

The Young Democrats of Fresno County congratulate you for your courageous fight for acreage limitation and against land speculation in the San Joaquin Valley.

JEFFERSON E. HAHESY,
President, Young Democrats of Fresno County.

BERKELEY, CALIF., *May 12, 1959.*
Senator PAUL DOUGLAS,
U.S. Senate Office Building,
Washington, D.C.:

Appreciate your fight to retain 160-acre limitation on water. Please hold the line in public interest.

WAYNE WELCH.

SAN FRANCISCO, CALIF.,
May 12, 1959.
Senator PAUL DOUGLAS,
U.S. Senate Office Building,
Washington, D.C.:

We Californians are grateful for your gallant defense of reclamation law. Keep up your fight on San Luis.

DANIEL AND MARY DIXON.

FRESNO, CALIF., *May 12, 1959.*
Hon. PAUL H. DOUGLAS,
Member, U.S. Senate,
Washington, D.C.:

Congratulations on your stand to amend the bill creating San Luis project. One hundred and sixty acres limitation essential to insure equitable distribution cost of obtaining water. As a teacher and social worker, I am in complete support of your amendment.

PATRICIA PICKFORD.

NEW YORK, N.Y., *May 12, 1959.*
Senator PAUL DOUGLAS,
Senate Office Building,
Washington, D.C.:

Thanks for brave men who defend at San Luis the right of families to make homes on the land.

EDWARD STEICHEN.

Mr. DOUGLAS. The support for a democratic agrarian policy from many representative groups in California is most encouraging.

For all the reasons I have outlined, I hope the Senate will agree to the amendments we have offered.

Mr. MORSE. Mr. President, I wish to speak briefly prior to what I hope will be a vote on the Douglas amendment. Some things were said by the Senator from California which must be answered in the RECORD, in fairness to those of us who respectfully oppose the Senator in this debate.

I wish to restate the legal situation which confronts us. It is a legal situation which in effect has been confessed over and over again by the senior Senator from California, who is insisting that section 6(a) remain in the bill.

I will state the case in this way: Section 6(a) either will or will not affect Federal reclamation laws. The Senator from Illinois [Mr. DOUGLAS], and the senior Senator from Oregon have repeated over and over again the thesis of their argument, namely, that if section 6(a) remains in the bill the 160-acre limitation will be adversely affected in relation to thousands and thousands and thousands of acres of land in the Central Valley of California, which is admitted to be, if water is applied to it, the most fertile and richest land in the entire Nation.

Mr. President, the Senator from Illinois has put figures in the RECORD to show that in the case of one owner, one large corporation, there is ownership of more than 400,000 acres of this land in question. The Southern Pacific Railroad got the land shown on the checkerboard map at the rear of the Senate Chamber at the time of the homestead settlements in this country, on the basis of an understanding with the Government that it would build a railroad, which it never built; in other words, the Southern Pacific Railroad got the land without carrying out its obligation. In this so-called Federal service area, about which we are debating the Southern Pacific Railroad owns 120,000 acres of the rich land.

Mr. President, the two Senators from Oregon and the Senator from Illinois have no intention of failing in their obligation to do everything possible in this debate to prevent the senior Senator from California from succeeding in keeping in the bill section 6(a), which in the opinion of the Senator from Illinois and the Senator from Oregon will affect, and affect adversely, the reclamation laws. That is the legal proposition about which we are talking, Mr. President.

In his remarks of Thursday, the senior Senator from California, backed by the junior Senator, doubted that the Federal Government could "impose reclamation law upon California." The senior Senator, however, said that he felt a specific exemption from the law on the extended San Luis project—miscalled the "State" project because the extension will be the result of substantial Federal expenditures—could avoid possible future lawsuits which might tie up the project.

Can the United States impose reclamation law upon California? To me, this puts the wrong question. The real question is this: Can the United States place upon water developed by Federal projects, restrictions which will prevent this water from being used unjustly to enrich huge corporate landholders?

This is the basic question at issue. S. 44 is not a bill to create a joint State-Federal project for the benefit of all the people of California. Rather, S. 44 is a bill which simply uses the State of California as a conduit for transferring water heavily subsidized by the Central Valley project. The great bulk of this water has been stored by dams which the people of all the States in the Union have helped build in California. Who are the beneficiaries? They are principally a group of large landholders in Southern Kings and Kern Counties, oil companies, the Southern Pacific Co., the Kern County Land Co., the Tejon Ranch, and other large holdings.

Thus, we have only one more in a long series of devices to avoid the consequences of reclamation law in California.

Years ago the attempt was made to repeal the law in the Central Valley. That effort failed. An attempt was made to bypass the law by having the works constructed by the Army Engineers. The Flood Control Act was amended in an attempt to make this device futile—section 8, Flood Control Act of 1944. The amendment has not been successful to date because the large landowners have not signed contracts to abide by the 160-acre limitation.

Various State takeover proposals were made. These fell because they were far too big a chunk for California's taxpayers to swallow.

Now we have the latest device. For a comparatively modest amount, some quarter of a billion dollars, a so-called State project is being pinned on to the tail of the Federal San Luis project. Much of it is not even a new project. It is a new name for an old project, always contemplated in the full development of

the Central Valley project, both by Federal and State engineers.

This evanescent project—this new name for an old project—is solemnly held by my good friends from California to be something uniquely Californian, on which applying reclamation law would be a gross intrusion, a violation of sovereignty.

This would be true under existing law without any of the circumspect language of S. 44, if the water being carried was, in fact, water developed solely at State dams and carried to its final point of delivery through a State-financed system.

But this is not, as I have said before, what we are dealing with here. Every drop of water that the State will distribute has been developed by the federally constructed Central Valley project—and I believe that this will be true in the future, on the basis of the record of last Tuesday, Thursday, and yesterday, indicating that the State government, and even indeed the junior Senator from California are seeking Federal funds for the so-called State project. And the power for moving this water of the State project at reasonable cost will exist only because of the Central Valley project power pool, again constructed with great Federal subventions.

This alleged State project we are dealing with, therefore, is merely a vision created in the hope that it can somehow transform everybody's water to water reserved only for a few people. I do not believe that this entity is any different from an irrigation district—which is a State agency, with governmental powers.

In its relations with such entities, and with water users in general, the Federal Government has the undoubted right, and has always asserted it firmly, to govern the policy under which water from dams built under the reclamation law is used.

I quote Senator Newlands, of Nevada, a sponsor of the original reclamation act:

> And so the wise policy of the National Government in this act has been to encourage homebuilding, and to destroy land monopoly; not only the monopoly of public land, but to break up the existing land monopolies throughout the arid regions. * * *
>
> We provided that water rights could be secured for lands in private ownership within reach of Government projects, to be guarded against monopoly by preventing any proprietor from securing water rights for more than 160 acres, the amount of land fixed in the bill (speech before the Sacramento Valley Development Association, October 1, 1905; in hearings on S. 912, 80th Cong. 1st sess., p. 1326).

Another sponsor, Representative Mondell, of Wyoming, told the House, volume 35, CONGRESSIONAL RECORD, page 6678:

> Under nearly every project undertaken (there will be lands in private ownership which deserve to have water, which in equity we should provide) providing their owners are willing to comply with the conditions of the act; and in order that no such lands shall be held in large quantitites or by nonresident owners, it is provided that no water right for more than 160 acres shall be sold to any landowner, who must also be a resident or occupant of his land. This provision was drawn with a view to breaking up any large landholdings which might exist in the vicinity of Government works and to insure occupancy by the owner of the land reclaimed.

These quotations could be multiplied as to the firm intent of the law, and I could quote decisions and administrative rulings which specifically carried out the broad intentions of the framers of the law—and I include the Warren Act of 1911, which was designed to facilitate off-project deliveries in accordance with the specific terms of the law. But such elaboration is not necessary to the main point which is simply this: The intent of Congress in writing reclamation law was to prevent land monopoly and to refuse service of water to land monopolists, on or off the project. The question is not one of whose land or whose water but—and here is the crux of our argument—the question is what facilities these waters pass through.

I say again that the so-called State San Luis project is merely another attempt in the long series to avoid the effect of the law which land monopolists have always been fighting. I say that the whole history of reclamation law and its enforcement condemns such attempts and deals firmly with them. I do not believe that we should betray these farsighted men who wrote the law at the turn of the century by coloring this latest attempt to avoid the plain consequences of a fine law with a pale wash of legality. I say again that if the State or any other non-Federal agency builds a project without Federal funds no special language is required in this legislation to assure that Federal regulations do not apply. Therefore, the special language in 6(a) and other places in this bill is included for the benefit of interests who are or will seek the benefits resulting from Federal expenditure without complying with Federal regulations.

Furthermore, I do not believe that adoption of Senator DOUGLAS' amendment, applying the 160-acre limitation to the so-called joint facilities in the broad San Luis plan will bring about "future lawsuits which might tie up the project," although I will admit that, in the West, wherever there is water, there is a lawsuit over it. This would be true in any case.

But on what grounds would the Kern County land barons sue?

There is no water right to water that does not exist. A canal is not a stream running by your property. It is not a reservoir under your land. The water is, in effect, owned by a public utility, the Central Valley project and its extensions, and is available to anyone who can reasonably be served by the water under such terms and conditions as the laws governing the utility set forth.

No, gentlemen, the only reason that there is opposition to reclamation law and Senator DOUGLAS' amendment in the so-called joint service area is that the opponents think they have discovered a way around the law.

This opposition is not on the principle of State sovereignty or on any other principle. It is simply on the basis of expediency. Their opposition to a great and good law is, I think, based on the forlorn hope that the Senate of the United States will abandon the trust that the people of the United States have placed in us, and neglect its duty to guard the rights and to promote the general welfare of all the American people. This I believe the Senate will not do. And this, Mr. President, is the point of the argument which is being led here in the Senate by the senior Senator from Illinois [Mr. DOUGLAS].

Mr. President, I state again to the senior Senator from California, "If you think section 6(a) does not make any difference, if you think section 6(a) does not in any way affect the reclamation laws, if you think section 6(a) has no effect whatsoever upon the 160-acre limitation, why do you not agree to strike out the section?"

We have put that question to the Senator time and time again. What is his reply? It is a highly fallacious one, Mr. President. The Senator says, in effect, that he does not want to delete the section because he thinks something which the Senator from Illinois or the Senator from Oregon may have said up to this time in this debate may have some effect on some future court decision applying to the Federal reclamation laws. Mr. President, that is simply a plain absurdity.

The Senator from California read a telegram from a lawyer in California who is supposed to support the Senator's position on this matter, but I respectfully submit it is obvious from the message itself that the lawyer has never read this debate. If the lawyer has done so and gives the Senator that legal advice, I say, most goodnaturedly, the senior Senator from California needs a new lawyer.

Mr. President, what the reclamation laws mean as a matter of law cannot be changed one iota by anything the Senator from Illinois or the Senator from Oregon say in this debate. What the reclamation laws mean from the standpoint of congressional intent has to be determined by the debates at the time the reclamation laws were enacted years and years ago, and not by anything we say in the debate in 1959. That happens to be elementary in regard to statutory construction. Congressional intent, congressional meaning, and congressional purpose in regard to the reclamation laws were elements which were decided when the reclamation laws were passed.

What the Senator from Illinois and the Senator from Oregon have been saying for days of debate on this measure is that we are asking to have section 6(a) stricken from the bill because we think it is a backdoor attempt to amend the reclamation laws. Of course, if we leave the section in the bill, what the Senator from California says in support of the provision he seeks to have retained in the bill will have tremendous weight before the courts in an interpretation of section 6(a), but it will have no effect if section 6(a) is removed from the bill, because there will not be any section 6(a) for the court to interpret or to apply.

Let me state the point again, Mr. President. As the Senator from Colorado [Mr. CARROLL], a member of the committee, said to me before he left the Chamber for a few minutes on official business, "WAYNE, when you give your

next speech hit it again, because it goes to the very essence of this debate."

I respectfully say that section 6(a) is in the bill because the senior Senator from California and those behind section 6(a) are trying to amend the reclamation laws. The Senator from Illinois and the Senator from Oregon are trying to strike section 6(a) from the bill because we say this bill is not the proper vehicle for an amendment to the reclamation laws. I have said over and over in the debate—and I shall state it again—I am perfectly willing to join with the senior Senator from California in consideration of a clean bill which proposes amendments to the reclamation laws, because I think the reclamation laws need to have a little reappraisal and possibly some amendment. But, Mr. President, the pending bill is not the proper vehicle for a consideration of amendments to the reclamation laws.

I state again that section 6(a), as the Senator from Illinois and the Senator from Oregon see it, will have an effect by way of amendment to the reclamation laws, and we do not think that section has any place in the bill under consideration. As a matter of law, deleting the section could not possibly, the senior Senator from California and his lawyer to the contrary notwithstanding, have the slightest effect upon an interpretation of existing reclamation laws, because the question of congressional intent and purpose was determined in the debates when the reclamation laws were adopted in the first instance, and could not possibly be modified by any debate decades later.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. KUCHEL. Let me ask my good friend once more what answer he would give me to a specific question.

Section 6(a) provides, as the Senator and I both well know:

> SEC. 6. (a) The provisions of the Federal reclamation laws shall not be applicable to water deliveries or to the use of drainage facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis unit service area described in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project," dated December 17, 1956.

The Senator seeks to eliminate that language. Does the Senator believe that if he succeeds in doing so, the Federal reclamation laws will be applicable to water deliveries under contract with the State of California?

Mr. MORSE. The Federal reclamation laws are applicable to Federal waters, and not to State waters. It is a question for the courts to determine as to what kind of waters are involved in the San Luis project. Both kinds may be involved. Only one kind may be involved. But I say that the floor of the Senate is not the place to determine that legal question, because it requires the presentation of legal proof on a very highly complicated legal issue. I do not propose to vote for section 6(a) to remain in the bill, because the Senator's statement of his own question shows an implied intent on his part to modify the Federal reclamation laws by determining a question of fact on the floor of the Senate, which question ought to be left to the courts to determine on the basis of legal proof.

Mr. KUCHEL. Does the Senator——

Mr. MORSE. I do not know to what extent——

Mr. KUCHEL. Does the Senator——

Mr. MORSE. Let me finish.

I do not know to what extent the San Luis project may involve both Federal and State waters, but I say that the place to determine that question is in the courts, and not on the floor of the Senate.

I have told the Senator from California that I am not for the application of Federal reclamation laws to solely State waters. It would make no difference if I took an opposite view, because they could not possibly apply. But here we have a singular case, a novel case, a precedent-making case; and I want the precedent to be established by the courts by way of judicial determination, and not on the floor of the Senate by political plays. That is my point. So we should allow this kind of mixed case, in which there is involved a basic Federal dam, without which there would be no project at all, to be decided by the courts. We should leave it to the courts to determine to what extent and in what degree the Federal reclamation laws apply.

Mr. KUCHEL. Does the Senator deny the right of the Congress to make a policy decision?

Mr. MORSE. Not at all. I am arguing against the Senator's policy. I am merely saying that it is very bad policy to have this kind of section in the bill, when the Senate does not know any more about the complicated facets of the problem than it does. The bill came to the floor of the Senate with section 6(a) in it. Now we discover that many members of the committee were not even aware of the implications of section 6(a). One member of the committee, when he discovered the implications of section 6(a), asked that he be allowed to cosponsor the Douglas amendment to eliminate it.

Another member of the committee, the distinguished Senator from Colorado [Mr. CARROLL], after he became aware of what was involved in section 6(a), said he favored striking it out, because he did not believe it had received the consideration in committee that it would have received if the committee had been apprised of the implications of the section.

Mr. KUCHEL. First of all, it is exactly the same section that was in the bill a year ago when it passed the Senate. If the distinguished Senator does not deny the right of the Congress to make a policy decision as to whether it believes the State of California should be permitted to apply its own State laws without worry over the attempt by some to impose a Federal reclamation law upon State projects, why can we not establish such a policy?

Mr. MORSE. The Senator is begging the issue. He assumes the result. We say that we do not know to what extent we are dealing with State waters. The senior Senator from California continually talks about a State project, as though this were exclusively a State project. The Senator from Illinois and the Senator from Oregon have been trying to point out that this is a singular case. We do not know where the dividing line is between Federal and State water.

Mr. KUCHEL. What does the Senator mean when he says "Federal water" and "State water"? What does he intend to convey when he uses those expressions?

Mr. MORSE. The meaning is very simple. If Federal water is involved, Federal reclamation laws apply, and the 160-acre limitation becomes automatic.

Mr. KUCHEL. What is Federal water?

Mr. MORSE. If it is State water, the Federal 160-acre limitation does not apply. We are raising the question, What is involved in this project? How much of it is Federal water and how much, if any, is State water? To what extent are the waters commingled; and if they are commingled, have they lost their Federal characteristic and become a part of a State project? Or do they retain the basic Federal characteristic?

Mr. KUCHEL. How would the Senator determine whether a particular quantity of water was State or Federal?

Mr. MORSE. That is exactly what I am trying to tell the Senator. Neither he nor I can determine that question. It is a highly complicated legal question, which calls for legal proof. It should be determined by the courts, and not on the floor of the Senate.

The whole question of Federal facilities is involved. The project involves Federal facilities, which are paid for by all the taxpayers, from California to New York. I believe that the taxpayers across the country have some interest in the project, to see to it that the Federal interest, to whatever extent it exists, is protected. That is why we want to leave the question to the courts. Is the Senator afraid of the judicial process? Would the Senator not like to see the question eventually come before the U.S. Supreme Court, if it should be carried that far?

Mr. KUCHEL. May I answer my friend?

Mr. MORSE. Certainly.

Mr. KUCHEL. I am afraid that what my friend wants to do is to abdicate the duty and responsibility of the Congress to pass judgment on policy issues.

Mr. MORSE. Not at all.

Mr. KUCHEL. Here is a policy question. Let us go ahead and vote on it.

Mr. MORSE. Quite to the contrary, I am saying that it is such a bad policy the Senator from California is proposing that we should vote it down by eliminating section 6(a) from the bill. That is the legislative duty which faces the Senate. I am in favor of acting upon the policy.

Mr. KUCHEL. The Senator from California is not the author of this bill. He is an instrument by which this policy decision, approved by the Senate Committee on Interior and Insular Affairs, approved by the Governor of California, approved by the State government, and all interested public agencies in California, has been brought to the floor of the

Senate, with the request that the Senate approve it.

Mr. MORSE. The Senator has just enunciated an interesting chain of false assumptions. I shall proceed to discuss that chain of assumptions.

I think the Senator is quite wrong if he thinks section 6(a) has all the approval he has told the Senate it has. I wish to tell the Senator why I think so.

Mr. KUCHEL. The Senator has the right to his opinion, but I respectfully say that the Senator from Oregon is wrong.

Mr. MORSE. Very well. I am not interested in exchanging statements that each of us thinks the other is mistaken. I am interested in discussing what I believe to be the facts.

I believe it will be found that the author of section 6(a) on the House side is not insisting that it remain in the bill, whereas the junior Senator from California [Mr. ENGLE]—I do not wish to make this statement in his absence. Much has been said by the senior Senator from California to the effect that there is great unity behind section 6(a). I make the statement on the floor of the Senate this afternoon that there is not the unity behind section 6(a) which the senior Senator from California—I am sure honestly—believes to be the case. He is mistaken if he thinks there is unity behind section 6(a) on the part of the proponents of the bill. He is mistaken if he thinks there is unity in California. The longer this debate continues, and the more the people of California become aware of what is involved in section 6(a), the greater will be the evidence of disunity on this question.

The junior Senator from California has now returned to the Chamber, and I hope he will follow my remarks.

It is my understanding that the junior Senator from California has taken the position from the beginning that he does not believe section 6(a) makes any difference in the bill, so far as the Federal reclamation laws are concerned. He does not believe that it makes any difference whether section 6(a) is in or out of the bill.

If I have not heard him say so more than once, I should get a hearing aid—and no one has ever told me that I am even slightly deaf.

The junior Senator from California, in my judgment, has never gone as far as the senior Senator from California has gone in respect to section 6(a). He *has left me* with the impression that he would be perfectly willing to have section 6(a) come out of the bill, because he does not believe it makes any difference whether it stays in or comes out. Of course, the junior Senator from California is in a position that many of us find ourselves in from time to time. He would like to go along with his colleague, because his colleague, the senior Senator from California, happens to be the leader in the fight for section 6(a), and therefore the junior Senator is not advocating deleting section 6(a). But certainly he has made it clear in the debate that he has no objection if it comes out. In other words, he is not insisting that it stay in.

Let me say that I have talked to some other leaders in California.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. MORSE. I am glad to yield. If I have made any misstatement, I hope the Senator will correct me. I do not want to create the slightest wrong impression as to the position taken by the junior Senator from California and as to whatever impression he has left with me.

Mr. ENGLE. The distinguished senior Senator from Oregon has represented my position correctly. In saying that I wish to emphasize again the telegram I have received from the Governor of California. This is what he said. I wish to read it again, because it states my position as well as the Governor's position. He says:

> Upon the basis of my own legal analysis and that of all my legal advisors I am convinced that the Federal reclamation laws do and will apply to all Federal facilities and service areas of the San Luis project. In addition, with or without the language contained in section 6(a) under S. 44, the Federal reclamation laws do not and, in my view, should not apply to the State facilities and State service areas of the project.

That is precisely what I think. I believe the Governor has correctly stated the law. If the amendment comes to a vote I intend to vote for keeping the language in the bill, because I believe that the Federal reclamation law should not apply to a State service area. That is what the language in 6(a) provides. However, that is merely a statement of what the law presently provides. Whether in or out of the bill it will not change the law, as the senior Senator from Oregon very clearly has stated time and time again.

Mr. MORSE. In the statement of the junior Senator from California we see again focused what the real difference is in regard to section 6(a) between the protagonists and the antagonists of that particular section. The Senator from Illinois and the Senator from Oregon do not go so far as do the two Senators from California as to what the application of 6(a) will be. We say, "Let that question be decided by the court." I should like to go down the road with the two Senators from California on the principle that Federal laws can apply only to Federal facilities. However, it is for the court to determine, in the light of the operative facts of a given case, whether we are dealing with a Federal project or with a State project; or, if we are dealing with a mixed project, to what extent and to what degree the Federal reclamation laws apply to that project.

Let me say that I am satisfied the telegram of the Governor of California makes perfectly clear that he is not taking the position that we should modify the Federal reclamation laws in regard to this project. I happen to know that that would necessarily be the case with respect to the Governor of California, because the present Governor of California when he was Attorney General of the State of California took a great reclamation case right up to the United States Supreme Court. The present Governor of the State of California, Pat Brown, is on record over and over again in favor of protecting the family farmer of California and of preventing large landowners from squeezing out the little fellow and making an unconscionable profiteering and privateering profit out of large land holdings.

I cannot quote the Governor of California. I do not purport to quote him. However, I wish to say that, in my judgment, there is in fact, no difference between the point of view of the Governor of California and that of the junior Senator from California. I wish to restate it, because over and over again in the debate the Governor of California has been quoted by the senior Senator from California. I wish to say that I am satisfied the Governor of California does not differ in his opinion from the junior Senator from California [Mr. ENGLE]. In other words, there is not in California the unity which the senior Senator from California suggests in regard to the retention of section 6(a) in the bill.

Let us take some further evidence. Yesterday we placed in the RECORD a telegram from the State Grange of California, urging that section 6(a) come out of the bill. Does that spell unity?

We put into the RECORD yesterday telegram after telegram from farm groups in California, pleading with us that we hold the line until we can get section 6(a) out of the bill. Does that bespeak the unity which the senior Senator from California gave the Senate assurance early this afternoon was the present state of public opinion in California?

Mr. President, we put into the RECORD yesterday telegrams from Democratic leader after Democratic leader in the State of California, urging that section 6(a) come out of the bill. Does that bespeak the unity in California which the senior Senator from California told the Senate earlier this afternoon exists in that State?

It does not. The telegrams continue to pour in. For example, we have a telegram from Mr. Peter Odegaard. He is a great educator in California and the former president of Reed College in my State. He was a candidate in the Democratic convention a year ago for United States Senator, and was defeated by the very able junior Senator from California. He is a recognized civic leader in the State of California. Let us see what Peter Odegaard says:

> BERKELEY, CALIF., *May 12, 1959.*
> Senator WAYNE MORSE,
> *Senate Office Building,*
> *Washington, D.C.:*
> Congratulations on your fight on Senate bill 44 many Californians hope you will continue to press for elimination of exemption provision in section 1 and section 6a and deletion of subsection F, G, H, of section 3.
> Best wishes,
> PETER ODEGAARD.

We have a telegram from Ralph E. Pruett, a member of the Fresno County Democratic Central Committee. If any county would be benefited by the San

Luis project, it is Fresno County. Yet Mr. Pruett says:

FRESNO, CALIF., *May 12, 1959.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Thanks for good fight on San Luis. Most of us in Fresno County favor San Luis only because irrigation with acreage limitation will make possible family size farms. We oppose San Luis if it is to mean more prosperous plantations and more destitute migrant workers.

RALPH E. PRUETT,
Member Fresno County Democratic Central Committee.

Mr. President, I ask unanimous consent, without reading the remaining telegrams I have before me, that they be printed in the RECORD at this point as a part of my remarks.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

FRESNO, CALIF., *May 11, 1959.*
Senator WAYNE MORSE,
U.S. Senate Office Building,
Washington, D.C.

SIR: Congratulations on your vigorous stand against the efforts of special interest groups who seek to exempt the San Luis project from Federal reclamation law.

RICHARD S. GUERIN NORTH,
Chairman, California Federation of Young Democrats.

FRESNO, CALIF., *May 11, 1959.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Sincere thanks from the veterans in the heart of the Central Valley of California on San Luis project bill to enforce 160-acre limitation law. This law is necessary to stop factory farming in California and open more farmland for veterans and small taxpayers.

EVAN MCPHERSON,
Adjutant, Post 884, VFW, Fresno, Calif.

FRESNO, CALIF., *May 12, 1599.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Congratulations on your fight for the San Joaquins west side. Acreage limitation prerequisite to remedying the social ills resulting from mammoth farming. More important than the giveaway are the human values involved.

ROY GREENAWAY,
Vice President, California Democratic Counsel.

SAN FRANCISCO, CALIF., *May 12, 1959.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

California Labor Federation wholeheartedly appreciates your efforts on S. 44 San Luis project on behalf of people of California. Urge you to continue the fight to obtain full application of reclamation law to Federal subsidized water development. We must firmly close the door to unjust enrichment, to monopoly of water resources, and to subsidized giantism in agriculture. Your policy would secure the greatest good for the greatest number, and stop aggrandizement of large landowners.

C. J. HAGGERTY,
Secretary-Treasurer, California Labor Federation, AFL–CIO.

FRESNO, CALIF., *May 12, 1959.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Following fight on San Luis; Californians are fortunate to have your loyal support.

LYLE F. GRAY.

FRESNO, CALIF., *May 12, 1959.*
Hon. WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

May I, a social worker, add my support to your stand on the San Luis project bill; 160-acre limitation only way to spread cost and benefits of additional irrigation water to promote welfare of all California citizens.

ELAINE GIANNOPOULOS.

BERKELEY, CALIF., *May 12, 1959.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Thank you for all you are doing to preserve reclamation law in California. Keep up fight until you win for us.

WALTER PACKARD.

BERKELEY, CALIF., *May 12, 1959.*
Senator WAYNE MORSE,
U.S. Senate Office Building,
Washington, D.C.:

Please do all you can to have the 160-acre limitation law on water. Appreciate your fight in the public interest. Our club is behind you.

GRASSROOT DEMOCRATS.

AUSTIN, TEX., *May 12, 1959.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

The Texas State AFL–CIO appreciates and endorses the efforts you and Senator DOUGLAS are making to require full application of reclamation law to San Luis project. The money of all the people is being used in this water development project, therefore every effort should be made to insure its benefits going to the many and not the few.

JERRY R. HOLLEMAN,
President, Texas State AFL–CIO.

Mr. MORSE. Mr. President, with the exception of the last one, from the Texas State AFL–CIO, all the telegrams I have received come from California, and they deny and rebut the argument of the senior Senator from California with respect to the great unity in California in favor of section 6(a).

I am about to close, and I shall then ask for a quorum, if that will meet the approval of the acting majority leader.

I hope the Senate will not forget what the legal issue is. All we are asking is that there be stricken from the bill one section which looks as though it is an attempt to amend the Federal reclamation laws, and that we wait to take up any amendment of the Federal reclamation laws by way of a clean bill, because there are many phases of the Federal reclamation laws which I agree ought to be amended. But this is not one of them.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Bush	Carroll
Anderson	Byrd, Va.	Case, N.J.
Beall	Byrd, W. Va.	Case, S. Dak.
Bennett	Capehart	Church
Bible	Carlson	Clark
Cotton	Jackson	Muskie
Curtis	Javits	Neuberger
Dirksen	Johnston, S.C.	O'Mahoney
Dodd	Jordan	Pastore
Douglas	Keating	Prouty
Eastland	Kefauver	Proxmire
Ellender	Kennedy	Randolph
Engle	Kerr	Robertson
Ervin	Kuchel	Russell
Frear	Langer	Saltonstall
Fulbright	Lausche	Scott
Goldwater	Long	Smathers
Gore	McCarthy	Smith
Green	McClellan	Sparkman
Gruening	McNamara	Stennis
Hart	Magnuson	Talmadge
Hartke	Mansfield	Thurmond
Hayden	Martin	Williams, Del.
Hennings	Morse	Yarborough
Hill	Morton	Young, N. Dak.
Holland	Moss	Young, Ohio
Hruska	Mundt	
Humphrey	Murray	

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. CANNON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. JOHNSON], the Senator from Wyoming [Mr. MCGEE], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Missouri [Mr. SYMINGTON], the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that the Senator from Alaska [Mr. BARTLETT] is absent because of illness.

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] and the Senator from Idaho [Mr. DWORSHAK] are absent on official business.

The Senator from Maryland [Mr. BUTLER], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from Wisconsin [Mr. WILEY] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kentucky [Mr. COOPER] are detained on official business.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendments proposed by the Senator from Illinois [Mr. DOUGLAS], for himself and other Senators, striking out certain provisions of the bill (putting the question).

Mr. KUCHEL. Mr. President, I ask for a division.

On a division, the amendment was agreed to.

Mr. MORSE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOUGLAS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WILLIAMS of Delaware. Mr. President, I move to recommit the bill, but before speaking on the motion I ask that the yeas and nays be ordered.

Mr. MANSFIELD. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order. The Senator from Delaware has the floor.

Mr. WILLIAMS of Delaware. Mr. President, I move to recommit the bill to the Committee on Interior and Insular Affairs, and I ask for the yeas and nays on the motion to recommit.

The yeas and nays were ordered.

Mr. WILLIAMS of Delaware. Mr. President, I supported the amendment offered by the Senator from Illinois and the Senator from Oregon; however, the adoption of their amendment does not clear up the basic opposition to the bill.

I should like to point out the fact that under the bill we are proposing to spend $290 million to bring into production new acreage on which to grow agricultural crops which are already in surplus and agricultural crops of which we have an overabundance.

This bill proposes at a cost of $290 million to the American taxpayers to furnish water to a total of 440,000 acres of agricultural land.

On the basis of estimates submitted by the various departments the indicated Federal and non-Federal investment costs for irrigating this land would be about $1,576 per acre.

It simply does not make sense for one agency of the U.S. Government to spend $290 million to bring 300,000 acres of land into production while at the same time we have another agency of the Government paying hundreds of millions of dollars to farmers for taking land out of production.

This project, if approved, is estimated to increase cotton acreage from 49,200 to 132,000 acres, increase truck crops and alfalfa from none to 88,000 acres, increase irrigated pasture from none to 44,000 acres, increase tree and vine crops from none to 22,000 acres, and increase other field crops from none to 66,000 acres, although there would be a slight reduction in the hay and grain crops acreage.

In defense of this project the proponents claim that criticism of the project's bringing in new acreage, thereby adding to our present agriculture surpluses, has been overcome by the adoption of the so-called Russell amendment.

The Russell amendment which was adopted last Thursday provides that none of the waters provided under this irrigation project can be used for the irrigation of new land upon which any basic crops will be produced. This amendment specifies new land and will have little effect upon the proposed project by virtue of the fact that this project deals with the irrigation of approximately 300,000 acres of land, all of which has an historical record of being irrigated in that they have been irrigated by deep wells.

To confirm this point, I talked with Mr. John F. Cook, program specialist, Cotton Stabilization Service, who after examining the language of the Russell amendment stated that in the opinion of his department less than one-fourth of the acreage involved under S. 44 would be affected by the Russell amendment.

Furthermore, I point out that the original justification of this whole project by the Department of the Interior was based upon the assumption that 132,000 acres of the San Luis project will be devoted to the production of cotton, and in estimating the projected income possibilities of the farm land in this new project on page 99 of the Department of the Interior's report the estimated income from these 132,000 acres of cotton is listed at $15,818,000 annually.

The total estimated production of the 440,000 acres is only $35,216,000.

Furthermore, as has been pointed out by the Senators from Illinois and Oregon, the major benefits under the $290 million program would not, as has been suggested, go to many small farmers.

Even the adoption of the amendment offered by the Senator from Illinois and the Senator from Oregon will not entirely remedy this situation. I say that as one who supported their amendment. It would be a simple procedure to break the acreage of land down into small blocks, to form separate corporate entities, or to transfer ownership to individual members of the family.

In any event once the water is made available in the area the land will be used for the production of crops. Whether these crops are produced on large or small farms makes no difference as far as the taxpayers are concerned.

They will be called upon to pay the extra costs of storing these additional crops.

Now, who benefits under this bill?

The Department of Interior report on page 89 states that of the 440,000 acres in the San Luis area, 4 landowners own 143,700 acres; 10 own 68,500 acres; 52 own 111,200 acres; and 64 own 39,700 acres. This means that 130 landowners in the area own a total of 363,100 acres.

As pointed out earlier, based upon the Department of Agriculture's report this project is estimated to increase cotton acreage by 82,000 acres.

The junior Senator from California claimed the other day that the type of cotton produced in California is a different type from that produced in the South and would not be in competition with Southern cotton. I asked the Department of Agriculture to comment upon that question, and I was advised that the cotton produced in the State of California is in direct competition with the Southern cotton; that it is all classified as being upland cotton; and that all the cotton being produced in California is presently being supported by the Department of Agriculture. California produces the same type of cotton as the South, and it is the same type of cotton of which there is such a surplus.

It is interesting to note that in the year 1958 California produced 1.6 bales of upland or long staple cotton. Loans were made on 835,000 bales, and the Government still holds from the 1958 crop 752,000 bales of cotton produced in the State of California.

In 1957 the Department of Agriculture under the soil bank program paid $2,741,143.72 to 105 farmers in California for the purpose of getting them to withdraw 28,724 acres from the production of cotton.

The bill proposes to bring into production 80,000 acres of cotton, which is nearly three times as much cotton to be brought into production as was taken out of production by the $2¾ million payment only 2 years ago.

Now, under S. 44 and at an estimated cost of $290 million it is proposed that we bring into production 300,000 acres of new croplands, of which amount 82,000 acres will be used for the production of cotton. Other crops scheduled to be produced are also in oversupply.

I repeat, based upon information furnished by Mr. Cook of the Cotton Stabilization Service of the Department of Agriculture, the Russell amendment will not prohibit the production of cotton in this area, as was intended.

Our Government today has in excess of $9 billion invested in surplus agricultural products. Storage costs alone on these surplus commodities this year will exceed $600 million.

In one year alone, our Government paid more than $600 million to farmers for the purpose of encouraging them to let their land lie idle.

Today it is proposed to spend another $290 million to bring into production 440,000 acres of land.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Do I correctly understand, from what the Senator has said, that the land could be applied to basic crops, including cotton, so that from the point of view of the New England textile plants, which are struggling with a cotton surplus problem, passage of the bill would increase the cotton surplus?

Mr. WILLIAMS of Delaware. The passage of the bill would increase the cotton surplus. The Russell amendment, I was advised by the Department of Agriculture, would apply to less than one-fourth of the acreage devoted to any of the basic crops by virtue of the fact that the land in this area has a historical record of having been irrigated by wells and thereby would not come under the Russell amendment definition as to new lands.

The Department of Agriculture had written a letter to the Department of the Interior commenting upon the bill. I read again the last paragraph of the letter from the Department of Agriculture to the Department of the Interior:

> The project is estimated to increase cotton acreage from 49,200 to 132,000 acres, increase truck crops and alfalfa from 0 to 88,000 acres, increase irrigated pasture from 0 to 44,000 acres, increase tree and vine crops from 0 to 22,000 acres, increase other field crops from 0 to 66,000 acres and to decrease hay and grain crops from 98,700 to 44,000 acres.

I made the statement the other day that while it is recognized and admitted that the Department of the Interior did recommend this project, and perhaps the Bureau of the Budget approved the project, I have been unable to find any evidence—and no one else has come forward with any such evidence—to show that the Department of Agriculture is in favor of the bill. This is the Department which will be called upon to pay to take this land out of production or to support the crops produced. I have talked with representatives of the Department of Agriculture, and they have said they were not asked for an opinion. The Department of Agriculture did write the Department of the In-

terior and called attention to the fact that adoption of the project would bring into production several thousand acres of new cropland and that these acres would produce crops already in oversupply.

They also bring out the fact that the Russell amendment, even though offered with good intentions, would not be applicable in this particular case because three-fourths of these lands would not fall under the definition of "newly irrigated."

At some future date when we need increased agricultural production to feed an expanded population this project may well be justified, but it cannot be justified today in the face of our huge inventories of surplus products. Certainly it cannot be justified in the face of a $10 billion deficit.

The point has been made that a special type of cotton, called extra long staple cotton, can be raised on the proposed project. However, I invite attention to the fact that even if this acreage is devoted to the production of extra long staple cotton we already have a surplus of that type of cotton.

We are now having to support the price of extra long staple cotton. The stockpiling agency has 220,000 bales of it on hand which it desires to get rid of. That cotton would be placed back on the market.

All of these crops are in oversupply. No one will deny that fact.

On April 28, 1959, representatives of the Department of Agriculture testified before the Tariff Commission, asking for an increase in tariff or for quotas on extra long staple cotton on the basis that we now have an oversupply of that particular kind of cotton. In their testimony they said that we had a supply large enough to last more than 3 years without any production whatsoever of that particular commodity. As to the other types of cotton, we know that we have millions of bales stored in warehouses, and we are paying millions to get acreage out of production.

In my opinion there can be no justification for the enactment of the bill at this time, bringing into production this new land, even though it may at some future date be practicable.

I urge the defeat of the bill.

Mr. PROXMIRE. Mr. President, I rise enthusiastically to support the position of the Senator from Delaware. It seems to me that this is about as clear-cut an economy vote as Senators will have an opportunity to cast in this session.

As the Senator from Delaware has pointed out, the bill authorizes $290 million. That is substantially more than is involved in the present version of the depressed areas bill, which is in the House of Representatives, and which has been denounced from one end of the country to the other as extravagant spending.

This bill would greatly increase the production of farm products, some of which, as the Senator from Delaware has pointed out, are now in surplus.

I should like to reaffirm something I said the other day. While many of the crops proposed to be produced, such as alfalfa, vegetables, fruits, and so forth, are not now in surplus, it seems to me that anyone who has studied the farm problem over the past years must recognize that those commodities might very well be in surplus in the near future.

If there is one truism in agricultural economics, it is that we are now having a technological explosion in farm production.

Another truism is that the demand for food is fairly inelastic. If we increase the production of food the price the farmer receives drops catastrophically.

The bill would do one of two things—or perhaps both. Either it would depress farm income, or it would result in a great increase in the burden on the Federal taxpayer, who would have to take the surpluses off the market if we support farm income.

It seems to me that the issue is very clear-cut. Senators who believe in safeguarding farm income, and those who believe in economy in government, will vote in favor of the proposal of the Senator from Delaware to recommit the bill to the Committee on Interior and Insular Affairs.

Mr. BUSH. Mr. President, I join my distinguished friend from Wisconsin [Mr. PROXMIRE] in complimenting the Senator from Delaware [Mr. WILLIAMS] on his analysis of the bill.

I congratulate the Senator from Delaware on his clear presentation of the fallacy of the bill. It seems impossible that we are about to vote to bring a vast amount of new land under irrigation, so that it can be put into production, while at the same time we are paying large sums of money to induce farmers to take land out of production.

I concur in the thought that Senators who favor economy—or even commonsense—in Government should support the motion of the distinguished Senator from Delaware to recommit the bill. I earnestly hope the Senate will so vote.

Mr. DIRKSEN. Mr. President, I should like to ask the distinguished senior Senator from California [Mr. KUCHEL] a few questions about the bill.

The first question is this: Did the bill receive Senate approval last year?

Mr. KUCHEL. It did.

Mr. DIRKSEN. Were there any dissenting votes last year?

Mr. KUCHEL. There were two.

Mr. DIRKSEN. I ask the Senator whether the bill has the support and endorsement of the Bureau of the Budget?

Mr. KUCHEL. Indeed, it has.

Mr. DIRKSEN. Does it have the support of the Bureau of Reclamation?

Mr. KUCHEL. It has.

Mr. DIRKSEN. Does it have the support of the Department of the Interior?

Mr. KUCHEL. It has.

Mr. DIRKSEN. Is it in line with the administration program?

Mr. KUCHEL. There can be no question about that.

Mr. DIRKSEN. Were all the factors which have been discussed taken into account by the Bureau of the Budget before the bill became a part of the administration program?

Mr. KUCHEL. That is true.

Mr. DIRKSEN. Let me say in response to the distinguished Senator from Wisconsin [Mr. PROXMIRE] that the bill was approved last year. It is within the confines of the President's budget, and it has been carefully thought out over a period of time. So some of the comparisons which are made seem to fall of their own weight. In my judgment they have no substance.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. WILLIAMS of Delaware. The Senator from Illinois has enumerated a number of agencies. Will he also ask the Senator from California if he can produce any letter or statement from the Department of Agriculture to the effect that it approves the bill? Certainly the Department of Agriculture is one agency which would be vitally interested in the proposal to bring under cultivation 440,000 acres of land.

Mr. DIRKSEN. The answer to that question is, of course——

Mr. WILLIAMS of Delaware. "No."

Mr. DIRKSEN. The answer is simply this: This subject is under the jurisdiction of the Department of the Interior. I do not know that it is the function of the committee to ask the Secretary of Agriculture or the Department of Agriculture whether this kind of measure should be approved. If it is a measure involving subjects under the jurisdiction of the Department of the Interior, that is the place to go to obtain approval of it, because that agency has jurisdiction of the subject matter. That agency includes the component agency, namely, the Bureau of Reclamation.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator further yield?

Mr. DIRKSEN. I yield.

Mr. WILLIAMS of Delaware. If this proposal does not fall within the jurisdiction of the Department of Agriculture, I ask the Senator why the Department of the Interior should request the comments of the Department of Agriculture, and why, after receiving the letter from the Department of Agriculture, the Department of the Interior did not send it to the Congress.

I repeat the Department of Agriculture did not endorse this bill. They are not on record as favoring bringing into production new croplands when we already have our warehouses full of surplus crops.

Mr. DIRKSEN. That is a matter of interdepartmental character, and is not a responsibility of ours. I am pointing out the essential fact that I have been given to understand that this bill was a part of the administration's program. It has been approved by the Department of the Interior and the Bureau of Reclamation. It has been approved by the Bureau of the Budget. Certainly it is within the context of the administration's program.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. ANDERSON. In addition to its being a part of the administration's program, I suggest, from this side of the aisle, that this is a project which I have gone over with extreme care. I have been over every part of it. I have studied

it twice in anticipation of action by the Senate. I wish to say to the Senator from Illinois that it also has the approval of the Subcommittee on Irrigation and Reclamation of the Committee on Interior and Insular Affairs. I believe it to be a fine, worthwhile project and is one which could be adopted without danger to the agricultural situation in the United States.

Mr. DIRKSEN. Mr. President, I am sure that either by silence or otherwise I approved this program last year in the Senate. Obviously in the absence of any argument or contention which would persuade me to vote otherwise, I believe that in the interest of consistency I ought to support the position taken by the distinguished Senator from California.

Mr. KUCHEL. Mr. President, I cannot begin to thank the minority leader for the comments he has just made. I am rather surprised at the opposition of my friend, the Senator from Wisconsin [Mr. PROXMIRE]. My friends from Wisconsin comes from a State which has received munificent treatment by the Federal Treasury in price supports throughout the years. How much of that has come back into the Treasury of the United States? Not a penny.

But here today we have a project which is a reimbursable project, the moneys derived from which will be returned to the Federal Treasury by the water users and by the power users in the State of California. This is no largess. This is something which has the approval of every affected agency. I am greatly distressed by my friend from Delaware [Mr. WILLIAMS]. Is it not fair to say that the approval by the Bureau of the Budget constitutes the approval by the administration? I think so.

It is also fair to point out—and with this I conclude my statement—that the able and distinguished Senator from Georgia [Mr. RUSSELL] offered an amendment with respect to the so-called basic crops. That is exactly in line with what the Senate did 2 years ago in the upper Colorado River legislation, which was also recommended by the Eisenhower administration.

There is nothing new and novel in the proposed legislation we have before us. Only a few days ago one of the Senators from the State of Washington came to the Senate with a project, likewise recommended. It was approved by the Senate. Why should this proposed project be chosen for opposition?

Mr. WILLIAMS of Delaware. In answer to the Senator from Illinois and the Senator from California I might say that when I opened my remarks I conceded that the project had the approval of the Department of the Interior and the Bureau of the Budget, which indicates that the administration is in favor of it. That, however, does not make it sacred. I have said, and I repeat the statement, if anyone can show me where the Department of Agriculture has indicated in any way that it is in favor of this project, I should like to see it. I cannot conceive that the Department of Agriculture, which asked Congress to appropriate $600 million annually to pay farmers to take land out of production, should now ask that $290 million be spent through another agency to bring land back into production.

I did not support the measure last year, and I am not supporting it this year. Whether it passes or not this year is a decision for the Senate to make.

I repeat that, notwithstanding all the arguments which have been made by the proponents of this project, no one denies the fact that the project will increase the surplus farm commodities which are already in oversupply. That statement cannot be denied. It cannot be denied that the project will increase the production of cotton and all the other basic crops, notwithstanding the adoption of the Russell amendment, because the Russell amendment spells out newly irrigated land, and the Department of Agriculture has said that less than one-fourth of the project will fall into the category of newly irrigated land, and that all the rest will come in under old basic allotment.

The enactment of this bill will further increase, through the Commodity Credit Corporation in the Department of Agriculture, the multimillion dollar storage expense of these products. We cannot escape that fact in any manner, shape, or form. I do not believe that the proponents will even attempt to deny it.

Mr. NEUBERGER. I merely wish to make a brief statement in favor of the bill as it stands, and against the motion to recommit it.

I am very much distressed that Senators from the Middle West, particularly, should raise their voices against the bill. Because of a geographic phenomenon, most of the western part of the United States is arid. That whole vast section of the United States which lies between the Great Plains and the Pacific mountain barriers, such as the Sierras and the Cascades, does not have enough water in natural precipitation. There can be no agriculture in vast sections of California, Oregon, and Washington and in the great mountain States like Arizona, Wyoming and Colorado unless there is reclamation. Theodore Roosevelt recognized that fact, when this great President who was so familiar with the West, established the U.S. Bureau of Reclamation.

I recently saw a compilation prepared by the Department of Agriculture on the vast sums paid in Federal price supports and soil bank payments since those programs were instituted. If I am not mistaken, two of the three crops which have received the largest sums in price support benefactions and soil bank benefactions are mainly grown in the Middle West, and those are corn and wheat. Price supports do not return any direct financial payment to the Treasury.

Mr. YOUNG of North Dakota. Mr. President, will be Senator yield?

Mr. NEUBERGER. I shall be glad to yield in a moment. My State receives to some limited degree wheat price supports and soil bank payments. Notwithstanding that fact, in 1957 I was one of only seven Members of the Senate who voted to do away with the acreage reserve of the soil bank, because in my opinion it had become very extravagant and wasteful.

I believe that the distinguished junior Senator from Arizona [Mr. GOLDWATER], who is on the floor, was another Senator who cast his vote in favor of that proposal, as was also the distinguished Senator from Delaware [Mr. WILLIAMS].

I do not see how Senators from the Middle West can say that a reclamation project in one of the States of the Far West is a wasteful project, when most of the cost of the project will be returned to the Treasury in the form of revenues collected for the water and power produced or in the form of amortization for the development of land, and in the payments for pumping. We must even pay for what it costs to pump the water, in addition to the water rights. I believe that is correct.

Mr. KUCHEL. That is correct.

Mr. NEUBERGER. My friend, the Senator from California says it is correct, and of course it is.

By contrast, the vast sums spent for farm price supports and soil bank payments are not returned to the Treasury at all. Therefore I do not understand how Senators from the lush Middle West can take the position that the costly price support payments are not a drain on the Treasury, whereas the Federal reclamation projects, which are reimbursable, do constitute a drain on the Treasury. It does not seem to me to be a fair or reasonable contention.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. YOUNG of North Dakota. Is it not true that because of these reclamation projects, millions of Americans have found opportunity in the western part of the United States, and that if we wait for such time as when there will be no surpluses of cotton or wheat, we will wait until eternity, except if we should go through another wartime period. I believe if we will examine the record we will find that we have always had surpluses of cotton and wheat through long periods of time, except during wartime.

Mr. NEUBERGER. The Senator from North Dakota is eminently correct. He is a man of consistent position. He has supported price support payments, which are important to his great agricultural State, and he has supported, also, the Federal reclamation program which operates in a few parts of the Dakotas and throughout most of the American West.

I think it is a historical fact, which we must recognize, that there would be virtually no agriculture in the Rocky Mountain region if it were not for the Federal reclamation program. When Senators take the floor to urge the defeat of a reclamation project such as this, they are, in effect, saying there should be no expansion of agriculture in most of the American West from the Continental Divide on to the Cascades and Sierras.

I thank the Senator from North Dakota [Mr. YOUNG] for the consistent

support he has given to this irrigation program.

Mr. PROXMIRE. Mr. President, in reply to the Senator from Illinois and the Senator from California, the fact that the Bureau of the Budget favors a program should in no way, it seems to me, foreclose the right of Senators to make, or try to make, economies in the program. The minority leader offers the Senate a fantastic argument when he says that this is a program which cannot be cut simply because the Bureau of the Budget has recommended it. I expect to offer amendments in the coming months which will reduce authorizations or appropriations approved by the Bureau of the Budget, whenever I find there is fat—as there is in this case—in their recommendations. They have and will yield to political pressure to advocate unwarranted spending.

The second argument made by the Senator from California and the Senator from Oregon, that this is money which will be returned, and is not simply a gift, is not quite accurate. The fact is that this is largely interest-free money, because it relates to irrigation, as contrasted with bills which so far have been under fire the most in the country, namely, the housing bill and the depressed areas bill. Those are largely loan programs, which make available funds which will be returned to the Federal Treasury without the loss of a nickel, because they will be paid back with interest. Interest loss on this bill may in the judgment of some competent students of the legislation equal the total authorization in the bill; and of course the American taxpayer will have to make up the full interest loss.

The Senator from Oregon makes an excellent point, and the only point, I believe, raised by opponents of reclamation which really relates to the heart of the argument raised by the Senator from Delaware. He points out that it is necessary to have irrigation in the Far West if there is to be any kind of agricultural program at all. Of course, he is correct.

I think the Senate and the House which means the American taxpayers have been enormously generous to that part of our country, and properly so. I think it is highly desirable that there be this kind of program. However, it seems to me that it is a matter of timing. At present, I think it is a masterpiece of understatement to say there is no need for a greater production of food. It is true that some agricultural commodities are not in surplus, but many of those are likely to be in surplus in the future. However, for the next 5 or 10 years there is not likely to be any vast additional need for cotton, alfalfa, fruits, and vegetables.

It is true that my State of Wisconsin, as well as the rest of the Midwest, has benefited by the price support program. We are very sorry we have found these programs necessary. Democrats and Republicans, alike—farmers, particularly—regret very much the necessity for the price support program. Above all, we want to see programs supported by Congress which will eliminate the necessity for price support programs. We do not want programs which will force us to rely on price supports more in the future than has been the case in the past.

That is exactly what the bill proposes to do. The bill will greatly increase the production of food products which are in competition with similar products grown in Wisconsin, particularly alfalfa. There will be a further increase in the surplus of alfalfa and of milk. This will make it necessary for us to rely even more on price support programs, and we do not like them.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. NEUBERGER. The Senator from Wisconsin regrets the necessary to have a price support program. I may say that we from the Far West regret the necessity to irrigate our arid uplands in order to make them productive. But Almighty God, in His infinite wisdom, did not cause enough precipitation in the form of rain or snowfall to occur there so as to permit agriculture in its natural state Therefore, it is necessary to have artificial reclamation in the form of canals and storage reservoirs.

I ask the Senator from Wisconsin if in the interest of economy he will offer an amendment to reduce the amount of Federal funds for price supports on dairy products.

Mr. PROXMIRE. I offered an amendment to the principal farm bill last year to do exactly that. I think it would have saved the Government an enormous amount of money. The proposal was supported by every dairy-producing organization in my State. This was a self-help bill which would have prevented dairy surpluses by self-regulation of production with adequate penalties. We favor that kind of action.

Mr. NEUBERGER. Does the Senator favor eliminating price supports on corn and wheat?

Mr. PROXMIRE. I do not want to get into a discussion of that subject; it is an entirely different one. I think there ought to be a farm program which will eliminate the necessity for price supports by a limitation of farm production. But that is entirely aside from the point at issue.

My only difference with the Senator from Oregon is one of timing. I agree, certainly, that assistance should be provided for the reclamation and the irrigation of land in the Far West. I simply say that this is not the time to do a great deal more of it.

Mr. ENGLE. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield.

Mr. ENGLE. The area covered by the bill is already in agricultural production. This is not a matter of bringing new land into production; it is a question of changing the type of agriculture. Almost 200,000 acres are producing wheat there now, because it is necessary for the farmers to do dry-land farming, inasmuch as their wells go down from 600 to 2,000 feet. It is my assertion that by putting water on the land, this agricultural area will be transformed from one which produces price-supported wheat and cotton into one where non-price-supported products will be substituted. More melons, fruits, and vegetables will be grown to feed the millions of people who are coming to California. We simply cannot otherwise grow enough of such food to be consumed in the metropolitan centers.

So if the Senator from Wisconsin is arguing that we shall be bringing new land into production, I should say that he does not understand the point. We are not doing that. These lands are at present in production. We are trying to change the nature of the production, so that it will become non-price-supported production.

Mr. PROXMIRE. The facts were specified by the Senator from Delaware [Mr. WILLIAMS]. They have not been challenged. He pointed out that there would be an enormous increase in cotton production and a tremendous increase in alfalfa. Alfalfa is not now supported, but it is directly related to the production of livestock and milk products, which are either in oversupply now or will be in oversupply in the near future.

It makes all the sense in the world that when this much water is put on the land, there will be an enormous increase in the agricultural income in this particular area, at a time when there is a surplus of food in America. Supply will increase further; price will drop. So the effect on the overall farm income will be harmful, will be deleterious, and the effect on the taxpayers will be even more so.

The PRESIDING OFFICER (Mr. HART in the chair). The question is on agreeing to the motion of the Senator from Delaware [Mr. WILLIAMS] to recommit the bill. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. CANNON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. JOHNSON], the Senators from Wyoming [Mr. McGEE and Mr. O'MAHONEY], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Missouri [Mr. SYMINGTON], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I also announce that the Senator from Alaska [Mr. BARTLETT] is absent because of illness.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Nevada [Mr. CANNON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. JOHNSON], the Senators from Wyoming [Mr. McGEE and Mr. O'MAHONEY], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Missouri [Mr. SYMINGTON], and the Senator from New Jersey [Mr. WILLIAMS] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] and the Senator from Idaho [Mr. DWORSHAK] are absent on official business.

The Senator from Maryland [Mr. BUTLER], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from Wisconsin [Mr. WILEY] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kentucky [Mr. COOPER] are detained on official business.

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from Colorado would vote "nay."

The result was announced—yeas 24, nays 57, as follows:

YEAS—24

Aiken	Eastland	Russell
Beall	Ervin	Saltonstall
Bush	Frear	Scott
Byrd, Va.	Keating	Smith
Capehart	Lausche	Stennis
Case, N.J.	Prouty	Talmadge
Clark	Proxmire	Thurmond
Cotton	Robertson	Williams, Del.

NAYS—57

Anderson	Hart	McClellan
Bennett	Hartke	McNamara
Bible	Hayden	Magnuson
Byrd, W. Va.	Hennings	Mansfield
Carlson	Hill	Martin
Carroll	Holland	Morse
Case, S. Dak.	Hruska	Morton
Church	Humphrey	Moss
Curtis	Jackson	Mundt
Dirksen	Javits	Murray
Dodd	Johnston, S.C.	Muskie
Douglas	Jordan	Neuberger
Ellender	Kefauver	Pastore
Engle	Kennedy	Randolph
Fulbright	Kerr	Smathers
Goldwater	Kuchel	Sparkman
Gore	Langer	Yarborough
Green	Long	Young, N. Dak.
Gruening	McCarthy	Young, Ohio

NOT VOTING—17

Allott	Cooper	O'Mahoney
Bartlett	Dworshak	Schoeppel
Bridges	Hickenlooper	Symington
Butler	Johnson, Tex.	Wiley
Cannon	McGee	Williams, N.J.
Chavez	Monroney	

So the motion of Mr. WILLIAMS of Delaware to recommit the bill was rejected.

Mr. KUCHEL. Mr. President, I move that the vote by which the motion was rejected be reconsidered.

Mr. ENGLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question now is, Shall it pass?

The bill (S. 44) was passed.

Mr. KUCHEL. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ENGLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RESERVES REQUIRED TO BE MAINTAINED BY MEMBER BANKS OF THE FEDERAL RESERVE SYSTEM

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 185, Senate bill 1120, so that it may be made the unfinished business.

The PRESIDING OFFICER. The bill will be read by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1120) to amend section 19 of the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with amendments.

Mr. MANSFIELD. Mr. President, for the information of Senators, let me say that while this bill has been made the unfinished business, it will not be acted upon until tomorrow. It is my understanding that the introductory statement on behalf of the bill will be made by the chairman of the committee, the junior Senator from Virginia [Mr. ROBERTSON], at the conclusion of the morning hour tomorrow.

The remainder of the session today will be for the purpose of speeches, insertions in the RECORD, and things of that sort. There will be no more votes.

SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIFORNIA

Mr. DOUGLAS. Mr. President, the people of the country won a great victory this afternoon when section 6(a) of the San Luis bill was eliminated.

If this provision is not restored in the House of Representatives, it will mean that the big estates of California in the Central Valley, if they wish to secure the surface irrigation water, can be compelled to dissolve into smaller farms, and there will be a better basis of land ownership and cultivation in this great area.

Mr. President, I think the result of this vote indicates the importance of discussion and debate, because when the bill was brought to the floor on last Tuesday everything was apparently primed for its speedy passage. The committee, with one possible exception, had brought in a report advocating the bill with the inclusion of section 6(a). This provision was supported by the two very amiable, popular, and able Senators from California. The great majority of the membership did not know a great deal about the bill, and therefore was ready to approve it.

I must also admit that the two Senators who primarily took the floor to oppose the measure, the senior Senator from Oregon and the senior Senator from Illinois, would probably never win any popularity contest among the Members of this body.

We had before us for consideration, therefore, a measure with everything in its favor.

The Senator from Oregon and the Senator from Illinois in the debates of last week and yesterday tried to develop the facts in this case, and I think we demonstrated to the satisfaction of those who listened and read the RECORD that, with section 6(a) in it, it was a bad bill.

There were only a few people who listened to the debates. At times it seemed to be a futile exercise. There were only a few people on the floor as we talked against what seemed to be overwhelming odds.

Yet the extraordinary thing is that as the facts were developed one could see the opinion of the Senate change. Senator after Senator took the floor to say he believed section 6(a) was a bad section and should be eliminated from the bill.

The analysis of the bill spread by a process of osmosis through the Senate as a whole, so that those who did not hear the debates nevertheless read the RECORD, or colleagues upon whom they relied relayed information to them. This afternoon it became pretty clear from the voice vote, and was made abundantly clear on the division vote which was taken, that it was the overwhelming opinion of the Senate that section 6(a) should be eliminated from the bill.

This was both a great victory for the people and also a demonstration of the value of discussion and debate. There has been too much of an idea, Mr. President, that important public matters should be settled off the floor, should be settled by secret arrangements, and that debate itself should be minimized and curtailed, being at best useless and at worst actually harmful.

I hope our experience in this debate will encourage other Senators from time to time, when they feel strongly about a measure and feel informed about that measure, to take the floor of the Senate and to express their convictions honestly and accurately. I hope, therefore, that this discussion may pave the way for something of a change in Senate procedure in this matter.

I also wish to pay tribute to the many people in California who, amidst discouragements and great pressures, have remained faithful to the ideal of a democratic system of ownership of land—humble men and women, farmers, laborers, scholars, and editors of small papers who have made great sacrifices.

I also wish to pay tribute to those who in the past have held up the ideal of the 160-acre limitation and the broad ownership of land, and who were punished for their convictions. These are people who have been boycotted and blacklisted in the valley and throughout California because of opinions which they have held. There are heroic public figures such as Helen Gahagan Douglas, who went down to political defeat in 1950 in part because she stood for this principle. These people perished along the wayside—in some cases physically and in other cases politically—but they

kept the spark of revolt against land monopoly alive. Without them the victory which was won this afternoon would not have been possible. I salute these men and these women. I thank them for all they have done. I pay tribute to them.

I also wish to thank the two Senators from Oregon, both the senior Senator and the junior Senator, for the magnificent help, assistance, and leadership they gave in this debate, which are really beyond praise.

I also wish to pay tribute, if I may, to the two Senators from California, the senior Senator and the junior Senator. We had a hard struggle. It was a vigorous fight, but the Senators from California fought fair and preserved throughout the personal friendliness and amiability we should all have in our relationship with those with whom we may disagree. I wish to say that on my part I have only the kindliest, warmest, and friendliest of feelings for both these fine Senators.

I believe that in its final form the measure, while it is costly, will probably in the long years ahead pay out, because the land is extremely fertile. I can only hope that the retention of the 160-acre limitation will prevail in the House and will be present in the final bill.

I wish to say to my good friends from California that if by any chance section 6(a) should reappear in the bill in any form the Senator from Illinois will fight the proposed bill, as he has stated, on the beaches, in the fields, and on the streets, to the very end.

I voted for the bill once section 6(a) had been eliminated. But if section 6(a) comes back into the bill, I believe it will be found that the Senator from Illinois, the Senators from Oregon, and other Senators will be quite vigorous in their opposition.

STATEMENT BY SENATOR SCHOEPPEL ON NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. DIRKSEN. Mr. President, the distinguished Senator from Kansas [Mr. SCHOEPPEL] yesterday made a robust statement before the Committee on Interstate and Foreign Commerce on the nomination of Lewis L. Strauss to be Secretary of Commerce. I believe the statement is enlightening, and is worthy of a place in the RECORD. I therefore ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR ANDREW F. SCHOEPPEL AT HEARING OF SENATE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE DURING HEARING ON NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE, MAY 11, 1959

Now that we are entering what I hope will be the final week of our hearings on the nomination of Lewis L. Strauss to be Secretary of Commerce, I want to make a brief statement as ranking minority member on the way the committee has handled this nomination. Those of the minority with whom I have talked do not want our silence thus far to be taken as approval of or acquiescence in the extraordinarily hostile approach that has been taken toward the nominee in the name of our committee. Others may wish to make their own or supplementary remarks.

We Republicans are a minority of 6 on a committee having 17 members. We cannot control what is done in the name of our committee, but we can protest, and this I am now doing. In so doing, I recognize that there may be and likely are members of the majority who have neither authorized nor approved the conduct I condemn. Their influence should be helpful in bringing about much needed correction.

It was anticipated, of course, that the nomination of Lewis L. Strauss would not meet with universal acclaim. He is a strong-minded man who has for years carried the responsibility for decision in areas roamed by other strong-minded men. In particular, we were aware of his opponents among proponents of public power and the long-standing series of disagreements between the nominee and the present chairman of the Joint Committee on Atomic Energy. We thought it likely that Senators active in the Dixon-Yates inquiries as well as the chairman of the Joint Committee on Atomic Energy would want to oppose the Strauss nomination vigorously.

It does not seem appropriate to us that our committee be turned into a practice hall for the 1960 senatorial campaign or into an arena for the settlement of old grudges. Therefore, in behalf of the minority, I suggested to our committee chairman that we invite our Senate colleagues, if interested, to appear as witnesses before our committee or to submit questions through the chairman, but that we limit questioning of witnesses to members of our own committee and to properly designated members of the committee staff. Chairman MAGNUSON agreed and announced at an executive session of our committee that, without objection, such a course would be followed. Thereafter, letters to that effect went to all Senators.

It came as quite a surprise to the minority when a Senator not on this committee began his testimony by saying that he had not availed himself of the general invitation issued by our committee but had responded to a special invitation dated April 22, 1959, in which our chairman told him:

"I feel very strongly that it is important to our consideration of this nomination that you appear and outline for our committee the record of Mr. Strauss' dealings with the Joint Committee and lend us the benefit of your opinions with regard to the important questions raised in connection with this nominee."

The minority members were not advised that any such letter had gone out. It has had these consequences that could have been anticipated and should have been avoided: A Senator not a member of our committee has dominated our public hearings, sat with the members of our committee, vicariously cross-examined the nominee, and, behind the scenes, has participated in planning an examination of a kind wholly inappropriate to our purposes. It would be appropriate at all only if Mr. Strauss were being considered for another term on the Atomic Energy Commission. We deplore this usurpation. It should have been resisted by the majority.

Normally, nominations referred to our committee are handled with the assistance of the regular committee staff. However, after slightly earlier oral notice to me, the other minority members learned on April 8, through a committee press release, that an attorney had been hired by the committee as special counsel for the Strauss hearings. Later, an assistant was hired for the special counsel, but no press release was issued and his presence on the staff came to public knowledge only when he was mentioned during the hearings as having custody of some Civil Aeronautics Board files which the nominee had been seeking to examine in order to prepare rebuttal testimony.

The chairman's private office adjoining the Commerce Committee's quarters has been turned over to the special counsel, and there, almost half a city block away from the room which the minority clerk and the minority counsel share with others of the committee staff, people come and go who are zealous to block the confirmation of Secretary Strauss. While any intent to act in secret is now denied, the practical reality is that the minority members of this committee have been kept in the dark and the office of special counsel, under some urging unknown to us, has become the office of special prosecutor.

We of the minority concede that a more timely protest on our part could have averted some of the matters of which we complain. We explain our tardiness on three grounds: The natural reluctance of each of us to place any restriction on any other Senator, our desire to avoid emphasizing partisanship in the consideration of this nomination, and our hope that correction would come in due course from the majority.

There are some signs that this is now beginning to happen. Objection has been voiced on the majority side to the latitude allowed witnesses in stating undocumented opinions, and just last Saturday, special counsel offered to open to minority inspection such unsolicited communications from outside the Senate as have been sent to the committee or its chairman with respect to the pending nomination.

It is not too late to get this matter firmly back on the track. As the record stands, a few events in the long public life of the nominee have been singled out for an inordinate amount of attention. They are all past history. Historians, not this committee, will have to decide as to each event who was right and who wrong, or whether under the pressure of strong emotions mountains were made of molehills.

In our view, the majority members of this committee have the responsibility for correcting the distortions that have entered the record of these hearings. Theirs is the responsibility so to conduct the hearings that exhumed controversies outside this committee's jurisdiction will not becloud or crowd out testimony relevant to the nominee's fitness for the post to which he has been named. It is the majority's responsibility to protect the nominee against demands that he show more than mortal skill in remembering and describing events long past, and more than mortal patience when attacks on his truthfulness and integrity are dignified and endlessly repeated.

It is up to the majority to conduct these hearings in a climate in which it becomes easy to recognize that truth does not spring automatically from the lips of the accuser and falsehood automatically from the lips of the accused. Most important of all, it is up to the majority to reclaim effective control of these proceedings, to restore dignity to them, and to push them to an early conclusion.

UNEMPLOYMENT STATISTICS

Mr. DIRKSEN. Mr. President, supplementing the statement made by the Senator from New Hampshire [Mr. BRIDGES] on Monday on the new unemployment statistics just released by the Labor Department, I should like to add

that an employed labor force of 65 million for April is an all-time high for that month. The increase in employment by 1.2 million in April as compared with March is very impressive. With it unemployment was down by 735,000 last month. That leaves a total unemployed force of 3.6 million, or 5.3 percent of the employed total.

Both the drop in unemployment and the increase in employment is double the seasonal expectations. These figures should inspire confidence in the vitality of our economy and also in the national administration.

By this I do not mean to say that with an unemployed force of 3,600,000 we should be complacent or that the battle is entirely won. The Eisenhower administration is dedicated to a strong national economy founded on right policies and this program will continue.

One more observation is in order. It is quite clear that Secretary Mitchell will not have to eat his hat. At the AFL–CIO Jobless Conference in Washington in April, Secretary Mitchell stated his conviction that unemployment would be down to 3 million and employment up to 67 million by October. We are in the month of May and if nothing more than normal seasonal increases occur between now and October, the unemployed will drop to 2.8 million and the employed will increase to a figure of 67 million. It is quite certain that Secretary Mitchell will not be called upon to eat his chapeau.

Mr. President——

The PRESIDING OFFICER. The Senator from Illinois.

U.S. DISTRICT ATTORNEY FOR THE NORTHERN DISTRICT OF ILLINOIS

Mr. DIRKSEN. Mr. President, a statement appeared in the House hearings on the Department of Justice appropriation bill for fiscal 1960 which relates to the U.S. attorney for the northern district of Illinois.

The chairman of the subcommittee addressed a question to the budget officer of the Department of Justice based on a report by the House Judiciary Committee with reference to the conduct of Robert Tieken, the U.S. attorney for the northern district of Illinois. The question related to what had been done by the Attorney General with reference to the conclusions and recommendations in that report, to which the Attorney General provided the following information:

Mr. CELLER's letter transmitting the report was received in the Department on August 27, 1958. Careful consideration has been given to its conclusions and recommendations. Mr. Tieken's term expired March 17, 1958. The person to succeed him has not yet been recommended to the President, but such a recommendation for another person will be made in the very near future.

I have been queried concerning this statement since the hearings became public. More than 5 years ago I submitted Mr. Tieken's name for U.S. attorney, because I deemed he would be competent, courageous and vigorous in carrying out his duties in a very sensitive office.

I have known Mr. Tieken for 25 years, and when I submitted his name I was more than confident that he would perform the duties of the office in a satisfactory way and bring to the people within the jurisdiction of that office the kind of vigorous law enforcement which they expected and to which they are entitled.

Nothing has arisen in all the intervening years to change my mind regarding his integrity and ability. The record achieved by him and his associates in that office is unexcelled in any area of the Nation. I have submitted no other name to replace him nor have I asked him to resign. I expect him to continue in that office and to conduct it in the same capable fashion which he has done in the past.

PANAMA DANGER ZONE

Mr. MARTIN. Mr. President, for more than a decade I have followed interoceanic canal problems closely and made many statements thereon in and out of the Congress, particularly with respect to the question of canal defense and Isthmian Canal policy. These matters are now being studied by a board of consultants under the direction of the Committee on Merchant Marine and Fisheries of the House of Representatives.

Thus, it was most gratifying to read in the May 9, 1959, issue of the Saturday Evening Post a highly informative article on the canal question by Demaree Bess, one of its distinguished contributing editors specializing in foreign affairs. I commend it for readng by all Members of the Congress and other agencies of the Federal Government concerned with canal matters.

To make this article more readily available, I ask unanimous consent to place significant portions of it at this point in the body of the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

[From the Saturday Evening Post, May 9, 1959]

THE PANAMA DANGER ZONE

(By Demaree Bess)

(The celebrated canal is still one of our vulnerable lifelines—and now the Panamanians are making things really difficult.)

The Panama Canal was the subject of the first full-length speech in the new 86th Congress, made last January 9 in the House by Representative DANIEL J. FLOOD, veteran Democrat from Wilkes-Barre, Pa. Recognized by many as an authority on his subject, Representative FLOOD warned the House that a situation has developed which threatens to make the Panama Canal "another Berlin" on our southern doorstep. He explained that this threat arises from a very slick law passed by the little Republic of Panama last December which enables its government to control access to the canal by water both from the Pacific and Atlantic—Caribbean—sides in the same way Russia controls access by land to Berlin.

The new law extends Panama's sovereignty over its coastal waters from the traditional 3-mile limit to a 12-mile limit, and thus asserts control over a 9-mile stretch of ocean between both canal terminals and the open seas. This was made possible by a loophole in the 1903 canal treaty which restricted U.S. jurisdiction to 3 sea miles from each terminal—that was enough in 1903 to assure access to the open seas.

Representative FLOOD told the House that this is only one of many recent moves by Panamanian nationalists and politicians to undermine U.S. control of the canal. He added, "This is a matter that cannot safely be ignored.

"We must not permit the creation of another Berlin at this artery of world commerce."

However, other Members of Congress did ignore his warning. Not one of them publicly commented on his speech, and it did not get a single line in Washington and New York newspapers which specialize in foreign news. But on the same day that Congressman FLOOD addressed the House for 30 minutes, the State Department sent a note to the Government of Panama protesting the new law and expressing the hope that the Republic would "find it possible to reconsider its action." Four days later Panama's National Assembly unanimously rejected this request for reconsideration, which meant that the matter was deadlocked unless and until some overt act occurred.

Now, minor crises between our Government and the Republic of Panama over issues connected with the Panama Canal are nothing new—there have been a good many of them through the years. But it is doubtful whether any crisis has been as acute as the current one. A potentially explosive situation has been set up which would compel a showdown between the United States and Panama if the latter government ever attempted to enforce its sovereignty to the waters in question. Representative FLOOD's Berlin analogy has dramatized the situation although, of course, the power factors are not comparable. Panama is not a military power and has virtually no navy.

Nevertheless, it has been demonstrated time and again recently that the actions of very small nations can have far-reaching effects upon great powers. So it is worth noting that the Republic of Panama's challenge to the United States, though generally ignored in this country, was treated as one of the major news events of the year in Panama. For days on end it was reported under banner headlines in both English- and Spanish-language newspapers there.

Last January 13 the fifty-odd members of Panama's Assembly voted unanimously to give Congressman FLOOD the formal title of Panama's "Public Enemy No. 1," although Representative FLOOD had pointed out in his January speech that he was not the first to compare the Panama Canal's present predicament with the Berlin situation. That comparison originated in a Panama City newspaper owned and edited by former President Harmodio Arias, of Panama.

The situation in Panama will not evaporate merely because the American press generally has ignored it. The 12-mile law was a planned move in a lengthy campaign by Panamanian nationalists to reinforce their claim to sovereignty in the 10-mile-wide Canal Zone through which the canal was cut. Panama's politicians are frankly interested in using the canal to get more revenue from the United States. Extreme nationalists have more far-reaching ambitions. They proclaim their intention eventually to nationalize it as Egypt did the Suez Canal.

This is the situation which worries Representative FLOOD, who has been fascinated by the Panama Canal since he first traversed it in 1918, when he was 15 years old. He has followed its affairs closely ever since, and he recently urged the Saturday Evening Post to make an independent study of its present predicament. I was assigned to do that. After many weeks of research, I have reached conclusions somewhat different from Mr.

FLOOD'S, but I do not think he has exaggerated the potential dangers.

* * * * *

A brief review of the canal's history is necessary to understand today's complications. The U.S. role in the story divides rather sharply into two distinct parts, each dominated by a Roosevelt. Theodore Roosevelt looms large in the early part, while Franklin D. Roosevelt initiated the current part.

The American Government decided to construct the canal only after the French builders of the Suez Canal had tried and failed. The Frenchmen discovered to their sorrow that the Panama project was infinitely more difficult than Suez, and they lost fortunes before finally abandoning the attempt. President Theodore Roosevelt then became enthusiatic about the project in 1902. Although a majority in the Senate favored a route through Nicaragua, T.R. plumped for Panama. His administration first negotiated a liberal treaty with Colombia, which then governed the Isthmus of Panama as a province. But the treaty got mixed up with Colombia's domestic politics. Colombia's congress adjourned in 1903 without ratifying it, despite the repeated warning of the Colombian negotiator in Washington, Tomá Herrán, that the delay would mean either the loss of the canal to Nicaragua or would provoke T.R. into backing Panamanian revolutionaries, who had made several previous attempts to secede from Colombia.

Theodore Roosevelt wasted no time in making that prediction come true. Only a few days after the Colombian Congress adjourned, the Republic of Panama was proclaimed, and T.R.'s administration immediately recognized the new government and guaranteed its independence. In return the revolutionaries accepted a treaty which was much more favorable to the United States than the Colombian treaty had been. The envoy who represented the revolutionaries in negotiations for the 1903 treaty was not a Panamanian but a brilliant French engineer, Phillippe Bunau-Varilla, who was eager to salvage his large share of the defunct French New Panama Canal Co.'s stock, which the United States had agreed to buy if the canal went through Panama.

This highly irregular procedure more than a half a century ago figures prominently in today's claims by Panamanian nationalists. It explains why some Panamanians are still grateful to Theodore Roosevelt and why many are not. The grateful ones recognize T.R. as one of the Republic's founding fathers. They agree that if he had not acted as he did the canal almost certainly would have been built through Nicaragua, so that today's world shipping would bypass Panama. Ungrateful Panamanians argue that T.R. cheated Panama when, by underwriting Panama's independence, he obtained a more favorable treaty than he had previously offered Colombia. This is the basis of nationalist demands for sovereignty in the Canal Zone and an immediate split in the canal's receipts.

The Theodore Roosevelt period in United States-Panama relations lasted three decades. Then Franklin D. Roosevelt initiated drastic changes in 1933. During the T.R. period the Republic of Panama was an American protectorate, defended by American troops and profiting from business the canal brought. The 553 square miles of the Canal Zone became a strongly fortified American-style outpost, governed from Washington as an outfit wholly concerned with operating the canal efficiently. During these three decades Panamanians more or less gracefully consented to be beneficiaries of the canal tolls. But nationalist emotions were growing. During a visit to Washington in 1933 Panama's President Harmodio Arias persuaded Franklin D. Roosevelt that it was time to terminate the protectorate and relinquish special American treaty rights in Panama outside the Canal Zone. These included the authority to pre-empt land for military purposes, to control sanitation and public health and to conduct enterprises designed to make the canal more efficient.

F.D.R. gave up these treaty rights. When he did so, he underestimated the opposition of American military leaders and the Senate. The promises he made, although hailed with tremendous enthusiasm in Panama, were so vigorously resisted in Washington that 6 years of negotiation and debate followed before our Senate ratified a revised treaty in 1939. This lengthy delay between pledge and fulfillment caused much ill-feeling in Panama, and the revisions left American military leaders still unhappy about the canal's defenses. When World War II broke out, their misgivings were confirmed. By that time Panama had a president openly hostile to the United States, and not until Pearl Harbor did the Panama Government agree to lease land outside the Canal Zone for military bases—and then only for the duration. Immediately after World War II ended, agitation against the American bases became so intense that half of the leases were canceled in 1945, the rest in 1948. American Armed Forces were thereafter confined to the narrow confines of the Canal Zone.

Thus American hopes that concessions to the Republic of Panama would reduce friction over the canal have not been fulfilled. Since F.D.R. initiated major treaty revisions, many additional concessions have been made, but nationalist agitation for a greater voice in the canal's affairs has increased. Egypt's nationalization of the Suez Canal in 1956 added fuel to Panamanian flames. International Communism has not overlooked this opportunity to aggravate tensions in a vulnerable area. From the Communist viewpoint, it would be foolish not to make the most of unrest in Panama and the Canal Zone, which can simultaneously weaken American control of this strategically and commercially vital waterway and damage U.S. relations with Latin Americans.

But, in my opinion, Congressman FLOOD has overstressed Communist influence, which thus far has been more potential than real. A much more serious threat, I believe, lies in Washington's failure to make a sharp distinction between the two entities which are uneasy neighbors in the Isthmus of Panama—the Republic of Panama and the American-administered Canal Zone. For all practical purposes the Canal Zone and the Republic resemble two separate countries. Yet ever since 1933 their affairs have been increasingly scrambled. This has come about because so many different segments of the American Government have had some kind of finger in the Panama Canal pie. These include the White House, both houses of Congress, all three branches of the armed services and at least a dozen other governmental departments and agencies. For a quarter of a century these multiple Washington authorities have been unable to reconcile their views about whether the Canal Zone and the canal are exclusively U.S. enterprises or whether the Republic of Panama has a joint interest in them.

For example, Presidents Truman and Eisenhower both have contributed personally to the existing uncertainty in Washington about the canal's status. In 1945 President Truman shocked almost everybody directly concerned with the canal when, at the Potsdam Conference, he proposed that the Panama Canal be internationalized along with other waterways in world commerce. That proposal got nowhere only because Joseph Stalin flatly rejected it. Apparently Mr. Truman still does not realize that Stalin saved him from an embarrassing predicament, because his proposal would have been as bitterly opposed by almost all Panamanians as it would have been by U.S. Armed Forces and the Senate. Only last November 30, Mr. Truman defended his Potsdam proposal on Edward R. Murrow's television program, "Small World." The former British Prime Minister, Lord Attlee, also was on that program, and one interchange went as follows:

"Mr. MURROW. Lord Attlee seems to believe that some of the trouble spots, including Formosa, ought to be internationalized. How do you feel about that, Mr. President (Truman)? I seem to remember that you suggested as far back as 1945 at Potsdam that certain areas should be internationalized, including, I believe, the Suez Canal.

"Mr. TRUMAN. Yes, I did. And the Rhine-Danube Canal, the Kiel Canal, the Panama Canal. All those waterways and the Bosporus, too, ought to be internationally controlled, and then there wouldn't be any trouble over them.

"Mr. ATTLEE. Yes, I remember very well your putting that forward at Potsdam, and I agreed with you entirely.

"Mr. TRUMAN. You certainly did, and we tried our best to get some action on it, but the Russians wouldn't agree to it."

One illogical result of President Truman's proposal was to encourage Panamanian nationalists, although most of them are more vigorously opposed to internationalizing the canal than most Americans are. They proclaim, "The canal is ours," and cite Mr. Truman's lumping together of Panama and Suez to support their claims. However, the status of these two canals is wholly different. The Suez Canal was built by a private company on leased Egyptian territory, under a contract providing reversionary rights to the Egyptian Government. The Panama Canal was built by the U.S. Government in a Canal Zone which the United States was empowered to govern in perpetuity "as if it were the sovereign." But if an American President doesn't recognize any difference, Panamanians can hardly be blamed for equal misunderstanding.

Soon after President Eisenhower assumed office in 1953 he sought to improve our relations with Panama by personal diplomacy. Unfortunately this well-meant attempt has further scrambled the affairs of the Canal Zone and the Republic of Panama. In September 1953, President José Remón of Panama paid a state visit to Washington, getting red-carpet treatment. When he went home President Remón, who was later assassinated, told cheering crowds in Panama City about his visit. He said that Mr. Eisenhower greeted him as a friend, and the two Presidents quickly agreed to issue a joint statement approving a principle eagerly supported by Panamanian nationalists. This was the principle that "the two nations which made possible the construction of the canal" should benefit equally from it.

According to Panamanian newspaper reports at the time, President Remón declared that just before a state dinner given for him by Secretary Dulles "a little bureaucrat from the State Department brought over a joint statement which was not the same thing at all" as the visitor wanted. "So before the dinner," Remón told his cheering supporters. "I told Mr. Eisenhower that I could not drink with him until we signed the right statement. He read the one that had been sent me and agreed it was not right. So in a corner of the banquet room the President dictated to Secretary Dulles—who used his knee for a desk"—the communique which was made public. The generalized principle thus proclaimed is the basis for the current nationalist campaign demanding a 50–50 split in the canal's gross revenues, which amounted in fiscal 1958 to $83,100,000. Of course, any such split would mean that the Panama Canal Company would be compelled either to increase tolls already considered high or operate at a heavy loss.

With so many points of friction unresolved, the Panama Canal is approaching one of the most critical periods in its history. The canal is partially obsolescent, and costly changes will be required to bring it up to date. So the American Government must soon make both technical and political decisions about the canal. The technical problems are being studied by a group of experts who were appointed in November 1957 by Congress to investigate the future of transisthmian waterways, not only in Panama but also in "alternate locations in the isthmus." The group will report some time this summer. The results of their studies will not be revealed before they are submitted to the Congress, but two of their conclusions can be confidently predicted:

1. The Panama Canal can be modernized at a fraction of the cost of any new transisthmian canal, and can have the capacity to handle probable traffic increases at least until the end of this century. According to an estimate by the Stanford Research Institute, increase in cargo volume will not exceed 73 percent by 1975, and 136 percent by the year 2000. So no new canal is technically necessary.

2. The Panama Canal's approaching obsolescence is due to the fact that ships have become much larger than its builders anticipated, so that many are handled with difficulty, and some huge tankers and warships cannot get through at all. Two schemes have been proposed to solve this deficiency. One is a sea-level canal; the other is the so-called locks-terminal lake system. The latter would adopt the present canal, in which ships are lifted in three steps to a fresh-water lake 85 feet above sea level. The proposed modification would widen some cuts and build a terminal lake on the Pacific side. A sea-level canal admittedly would cost several times the terminal-lake scheme—as much as $10 billion—and the chief argument in its favor has been that it offers greater protection from attack. But that argument has lost much of its force because almost all experts now agree that any kind of waterway could not be locally defended in a nuclear war. Today the only real importance of local defense in the Canal Zone is against sabotage. So the technical consultants are almost certain to recommend the locks-terminal lake system.

To sum up, this means the Panama Canal can be modernized to meet the needs of world shipping at least to the end of this century at reasonable cost to the United States and at no cost to Panama. There is just one major obstacle to this project, and that is the political uncertainty in United States-Panama relations.

An illustration of the potential danger occurred last February, when an accidental coincidence brought Panama briefly into the news. The United States conducted long-planned maneuvers designed to show that the Panama Canal can be best defended by bringing paratroopers from distant bases. About 2,000 Americans from Carolina bases were dropped at Rio Hato, the only maneuvering ground in the isthmus which Americans still have treaty rights to use. Almost at the same moment riots broke out in Panama City, the Republic's capital, which adjoins the Canal Zone. These riots were wholly concerned with domestic politics, but a few nationalist agitators did their best to connect them with demands for more power in the zone and with the American maneuvers—fortunately with little success. But this episode underlined the need to determine unmistakably the Canal Zone's political status before the American Government commits further large-scale expenditure on the canal.

ADJOURNMENT

Mr. MANSFIELD. Mr. President, I move that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 33 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, May 13, 1959, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 12, 1959

The House met at 12 o'clock noon.

Dr. Cliff R. Johnson, Westminster Presbyterian Church, Alexandria, Va., offered the following prayer:

We remember, O God, how our Lord Jesus has said, "Ask, and it will be given unto you, seek and you will find; knock and it will be opened unto you."—Matthew 7: 7.

We ask for Thy wisdom, O God, we seek Thy guidance, we stand knocking that we may receive of Thy infinite grace. With Thy wisdom, Thy guidance, and Thy grace, we can make this a good day for our Nation and for ourselves.

Grant that all that transpires within this Chamber this day may serve to make for understanding, for compassion, for brotherhood, and for peace. This we pray for Jesus' sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 94. Joint resolution to defer the proclamation of marketing quotas and acreage allotments for the 1960 crop of wheat until June 1, 1959.

RECESS

The SPEAKER. The House will stand in recess subject to the call of the Chair.

Accordingly (at 12 o'clock and 2 minutes p.m.) the House stood in recess subject to the call of the Chair.

JOINT MEETING OF THE TWO HOUSES OF CONGRESS TO RECEIVE HIS MAJESTY THE KING OF THE BELGIANS

The SPEAKER of the House of Representatives presided.

At 12 o'clock and 21 minutes p.m. the Doorkeeper announced the Vice President and Members of the U.S. Senate, who entered the Hall of the House of Representatives, the Vice President taking the chair at the right of the Speaker, and the Members of the Senate the seats reserved for them.

The SPEAKER. On the part of the House, the Chair appoints as members of the committee to escort His Majesty the King of the Belgians, into the Chamber, the gentleman from Oklahoma, Mr. ALBERT; the gentleman from Michigan, Mr. RABAUT; the gentleman from Texas, Mr. BURLESON; the gentleman from Indiana, Mr. HALLECK; and the gentleman from Illinois, Mr. CHIPERFIELD.

The VICE PRESIDENT. On the part of the Senate the Chair appoints as members of the committee of escort the Senator from Texas, Mr. JOHNSON; the Senator from Montana, Mr. MANSFIELD; the Senator from Minnesota, Mr. HUMPHREY; the Senator from Illinois, Mr. DIRKSEN; and the Senator from Vermont, Mr. AIKEN.

The Doorkeeper announced the following guests, who entered the Hall of the House of Representatives and took the seats reserved for them:

The Ambassadors, Ministers, and Chargés d'Affaires of foreign governments.

The Chief Justice of the United States and Associate Justices of the Supreme Court.

The members of the President's Cabinet.

At 12 o'clock and 31 minutes p.m. the Doorkeeper announced His Majesty the King of the Belgians.

His Majesty the King of the Belgians, escorted by the committee of Senators and Representatives, entered the Hall of the House of Representatives and stood at the Clerk's desk. [Applause, the Members rising.]

The SPEAKER. Members of the Congress, it gives me great pleasure, and I deem it a high privilege, to welcome into this Chamber the leader of a great, a proud, and a free people, and a people who are friendly to the United States of America.

I present the King of the Belgians. [Applause, the Members rising.]

ADDRESS OF HIS MAJESTY, THE KING OF THE BELGIANS

The KING OF THE BELGIANS. Mr. President, Mr. Speaker, Members of Congress, ladies and gentlemen, I who am a young man come from a country old enough to have been spoken of proudly by Julius Caesar.

I come to a country which for centuries God kept hidden behind a veil until its appointed hour when it took into its young arms, the people of the Old World.

America has been called a melting pot, but it seems better to call it a mosaic, for in it each nation, people, and race which has come to its shores has been privileged to keep its individuality, contributing, at the same time, its share to the unified pattern of a new nation. [Applause.]

I rejoice in the honor given to me by this assembly, an honor which deeply moves the hearts of the Belgian people. After all, your country and mine have

much in common. [Applause.] In both, the state exists for the people, not the people for the state. [Applause.] In both, rights and liberties take their origin, not in the government, but as your Declaration of Independence states, in the unalienable rights given by the Creator.

Time has not dimmed the gratitude of my people for the sympathetic attitude and practical help from America in World War I. It was the American Commission for Relief formed by Brand Whitlock under the Presidency of Herbert Hoover, which saved the population of Belgium from the horrors of starvation. The hunger we then had for bread is now a hunger to be everlastingly grateful for that great work of mercy.

Permit me also to register justifiable pride in recalling that it was upon our Belgian soil in the last war that General MacAuliff wrote the shortest and most unforgettable diplomatic note ever sent in wartime. [Applause.] As you all know it, I shall not tax your memory by repeating it. [Laughter.]

Since that day, the name of Bastogne has ever been cherished in our minds. The graves of your gallant soldiers are now part of our sacred soil. Their sacrifice will never be forgotten.

When my great uncle, the late King Leopold II, undertook with Stanley his bold adventure of bringing civilization into the unexplored regions of central Africa, the United States—through Congress—was the first Government to proclaim the humanitarian nature of this great enterprise, and to recognize the independent state of the Congo as a friendly Government.

During the 75 years that have followed, Belgium has done her utmost to bring to the Congo security and a more human life.

Today all my countrymen join in the desire to raise the population of Congo to a level that will enable them freely to choose their future destiny. As soon as they are matured, as soon as they have received the loving care in education that we can give them, we shall launch them forth on their own enterprise and independent existence. [Applause.]

There are two other points, ladies and gentlemen, for which I crave your indulgence: the first is on peace, the second on youth.

Peace, as you know, is the tranquillity of order. Mere tranquillity can be cold war, but the tranquillity of order implies justice.

Perhaps never before has peace been so difficult to achieve as it is today. At other periods, the possibility of war endangered our homelands and our homes. Today war endangers our minds and our hearts. The older imperialism sought the conquest of lands; the new seeks the mastery of intellects.

The peace for which we have to labor is not just to preserve our possessions, but our very personalities.

The preservation of peace has, therefore, become in our day, the work not only of the heads of governments, but of the entire citizenry of every nation. Since it is not only our bodies but also our minds that are at stake, peace is made from two directions: one from the conference table to the people, the other from the people to the conference table. And as the differences between governments often are greater than the differences between peoples, the peace within our hearts is the greatest guarantee of peace in the world. [Applause.]

I am here to register the solidarity between the peoples of Belgium and America [applause] in the fond hope that all human beings, wherever they be, may join with us in the prayer of your great Lincoln that government of the people, for the people, and by the people may not perish from the earth. [Applause.]

A word about youth.

Youth is the first victim of war, the first fruit of peace. It takes 20 years or more of peace to make a man; it takes only 20 seconds of war to destroy him.

In a certain sense America is the land of youth, because it dedicates more of its energies, talents, money, and science to the birth and preservation of life than any other country in the world. [Applause.]

Where better can the free peoples of the world look for the averting of war and death than to your Nation so vibrant with the love of life? It is unthinkable that those who spend so much to save life would ever seek to destroy it. Even the money spent on the defense of peace we see as a deterrent to those who would endanger human life.

Not only I, but all the youths of my country, most willingly adhere to your reverence for life. Nor shall our confidence in you be misplaced, for what is written on your coins, I have read in the hearts of the American people: "In God we trust." [Applause, the Members rising.]

At 12 o'clock and 47 minutes p.m., His Majesty the King of the Belgians, accompanied by the committee of escort, retired from the Chamber.

The Doorkeeper escorted the invited guests from the Chamber in the following order:

The members of the President's Cabinet.

The Chief Justice of the United States and the Associate Justices of the Supreme Court.

The Ambassadors, Ministers, and Chargés d'Affaires of foreign governments.

JOINT MEETING DISSOLVED

The SPEAKER. The Chair declares the joint meeting of the two Houses now dissolved.

Thereupon (at 12 o'clock and 49 minutes p.m.) the joint meeting of the two Houses was dissolved.

The Members of the Senate retired to their Chamber.

AFTER RECESS

The recess having expired, at 1 o'clock and 45 minutes p.m. the House was called to order by the Speaker.

PRINTING OF PROCEEDINGS HAD DURING THE RECESS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

MARKETING QUOTAS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk Senate Joint Resolution 94 and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. McINTIRE. Mr. Speaker, reserving the right to object, and I shall not object, may I ask the gentleman from Oklahoma to give the House some explanation of this resolution?

Mr. ALBERT. Under existing law, Mr. Speaker, I will say to the distinguished gentleman from Maine, the Secretary of Agriculture is required to proclaim marketing quotas and national allotments for wheat on May 15. All this resolution does is to postpone until June 1 that requirement of law.

Mr. McINTIRE. I thank the gentleman. I withdraw my reservation of objection, Mr. Speaker.

Mr. PORTER. Mr. Speaker, further reserving the right to object, may I ask why that is done?

Mr. ALBERT. The Senate has sent over this resolution. Both the Senate and the House committees are hoping to bring out new legislation prior to the proclamation of the quota. That is the reason for the resolution.

Mr. PORTER. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, the Secretary of Agriculture shall defer until June 1, 1959—

(1) any proclamation under section 332 of the Agricultural Adjustment Act of 1938, as amended, with respect to a national acreage allotment for the 1960 crop of wheat; and

(2) any proclamation under section 335 of such Act with respect to marketing quotas for such crop of wheat.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SECOND SUPPLEMENTAL APPROPRIATION ACT, 1959

Mr. THOMAS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5916) making supplemental appropriations for the

fiscal year ending June 30, 1959, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. THOMAS, KIRWAN, ROONEY, BOLAND, CANNON, JENSEN, BOW, JONAS, and TABER.

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the conferees on the disagreeing votes of the two Houses on the bill H.R. 5916 may have until midnight, Wednesday, May 13, in which to file a conference report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

RENEGOTIATION ACT

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight Thursday next to file a report, including minority, individual, and supplemental views, on the bill H.R. 7086 to extend the Renegotiation Act.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

LAKE MENDOCINO

Mr. CLEMENT W. MILLER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 2193) to designate the Coyote Valley Reservoir in California as Lake Mendocino.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the body of water created by the Coyote Valley Dam in Mendocino County, California, and known as the "Coyote Valley Reservoir" shall hereafter be known and designated as "Lake Mendocino". Any law, regulation, document, or record of the United States in which such body of water is designated or referred to under and by the name of "Coyote Valley Reservoir" shall be held and considered to refer to such body of water under and by the name of "Lake Mendocino".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SPECIAL ORDERS TRANSFERRED

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the special orders heretofore entered on behalf of the gentleman from Illinois [Mr. BOYLE] and the gentleman from Utah [Mr. KING], for tomorrow, may be postponed until Thursday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

ADJOURNMENT UNTIL THURSDAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Thursday next.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ELIGIBILITY FOR DISABILITY BENEFITS UNDER SOCIAL SECURITY ACT

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin.

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, today I am introducing in the House of Representatives legislation to eliminate the requirement that a person must be 50 years of age before he is eligible for disability benefits under the Social Security Act. Under the present law no one is eligible for disability insurance benefits until he or she is 50 years of age. To me, this restriction makes little sense. The breadwinner who has the misfortune of being disabled at age 30 or 40 needs the money then, when his family is growing up. It seems heartless as well as senseless to make him wait 10 or 20 years to qualify under an arbitrary age limit. My bill would permit such an employee to file immediately for benefits to which he is rightfully entitled, thus assisting him in some measure to contribute to the support of his dependents, in preventing his absolute dependency on others.

I believe we Members of Congress must look to the welfare of all our citizens whether they are young or old, able or disabled. If it becomes necessary to change some of our programs to meet the challenge of the changing times then this we must do.

I respectfully urge my colleagues to give every possible consideration to the enactment of my bill.

DAVIS-BACON ACT MUST BE BROUGHT UP TO DATE

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, good laws are often left behind by the march of events. New circumstances that could not be anticipated, and therefore are not covered by the law, make it impossible for the law to carry out its original intent.

Under these conditions, it becomes necessary to modernize the law so that it will function properly.

Back in 1931, the Davis-Bacon Prevailing Wage Act was enacted. It established the basic principle that no public tax money should be used to undermine prevailing wages. Before this law went into effect, private contractors paying lower wages, had underbid other contractors paying the going rate. This had the effect of depressing wage standards and weakening the position of organized labor in the construction industry. As this was taking place on construction initiated by direct spending on the part of the Federal Government, it resulted in the Government becoming responsible for this cut-wage competition. The Davis-Bacon Act eliminated that contradiction.

New programs developed since 1931, to cope with the depression first, and then with the complex problems of our dynamic economy, have brought about situations beyond the coverage of the Davis-Bacon Act.

As most of the Federal spending on construction today is of an indirect nature, through the medium of Federal grants-in-aid, Federal loans, Federal insured loans, or Federal guaranteed loans, there are loopholes where the enabling legislation fails to specify that the end contractor along this circuitous route shall come within the reach of the Davis-Bacon Act. The original Prevailing Wage Act did not make provision for the health and welfare plans, the vacation plans, and the apprenticeship-training plans that have since become a part of fair labor standards, supported by contractor payments. Wages alone do not tell the whole story. Fringe benefits are now an integral part of the return due to the worker for his share in the productive effort and achievement.

Construction companies that do not yet provide such benefits for their employees, have an unfair competitive advantage over the majority of construction companies that cooperate with union building tradesmen to insure that the workers will be protected by health and welfare plans. This situation becomes intolerable when it involves Government contracts.

The Davis-Bacon Act must be brought up-to-date in order to overcome the defects and evasions that have been revealed since 1931 and to make certain that the original act will fulfill its purpose today.

H.R. 4362 and its companion bills in both the House and the Senate have four major objections:

First. To broaden the coverage of the present act.

Second. To require the Secretary of Labor to predetermine, and the Government contractors to pay, not only the prevailing hourly rate as presently specified in the Davis-Bacon Act, but also the prevailing contractor payments to health and welfare funds, retirement funds, vacation funds, and apprenticeship funds.

Third. To put hours of work and overtime on a prevailing basis.

Fourth. To centralize enforcement, and to create a construction appeals board.

Union building tradesmen, through collective bargaining, have won through to standards that have the approval and support of the general public. The proposed amendments to the Davis-Bacon Act will guarantee that the Federal Gov-

ernment, in its spending of public tax money, will never even through neglect, become a party to the weakening of local labor conditions.

This legislation will help to protect the legitimate progress of organized labor from the undermining tactics of the few irresponsible contractors.

INEQUITIES IN EXCISE TAX ON LAWNMOWERS

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CHAMBERLAIN. Mr. Speaker, American homeowners are cutting a wider swath these days. They are finding a degree of economy in buying wider lawnmowers. This just goes to show how ridiculous our Federal excise tax structure has become.

If I fail to make myself clear, Mr. Speaker, I am referring to the increased production of king-sized 24-inch power lawnmowers which are exempt from our Topsy-like taxes while the perspiring owner of a 23-inch mower must pay a 5-percent excise on his purchase.

It is one more example of the willy-nilly tax discrimination imposed upon the American consumer who has to pay a 10-percent tax on his automobile which is a necessity, while his neighbor pays no such tax on a yacht.

This lawnmower inconsistency goes back to a 1951 law putting a 5-percent tax on power mowers "of the household type," whatever that means. Could it have been intended that a mower used to cut your yard should be taxed, but not a mower used on a golf course?

Confronted with such an obviously impossible determination, the Treasury Department had to make a regulation separating the household from the industrial mowers, and decided that mowers with a cutting width of 24 inches or more were industrial, and hence tax free, since the power mowers for home use at that time were substantially smaller.

But, with automation whirling around in every front yard, the 17-inch home mower gave way to the 19-inch mower, and the 19-inch mower gave way to 21- and 22-inch mower, and then, naturally, came the tax-exempt 24-inch mower.

The result is wholesale confusion. Some manufacturers have gone to the 24-inch mower, the rest are wondering whether they should to meet competition, and the Treasury Department is studying whether to broaden the definition of household type mowers, or, perhaps, to disregard the distinction and apply the tax to all power mowers.

I cannot conceive of a more ridiculous situation, Mr. Speaker, than to have a Federal excise tax on one lawnmower that cuts grass and no such tax on another mower that also cuts grass, but has a blade an inch wider. To me, this shows how our excise tax laws are completely out of focus with our economy. We could, of course, continue to cut our grass tax-free by using hand mowers.

This is a ludicrous situation, and points up once again the urgent need for a complete revision to eliminate discrimination, injustice, and the inconsistencies of our patchwork system of Federal excise taxes. Again, I urge my colleagues of the Ways and Means Committee to direct their attention to this essential task.

SPEECH OF THE KING OF THE BELGIANS TO THE CONGRESS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I believe that the very beautiful, extremely moving speech just delivered in the House of Representatives of His Majesty, the young King of Belgium, will go down in history as one of the most remarkable, dedicated speeches of any person of another country in all the history of the United States Congress. Although every inch a king, he has the human or the common touch. I wish, Mr. Speaker, that a copy of that speech could be put in every classroom, in every school in the United States for the youth of the country, to whom it was primarily addressed, and that recordings could be made of it and played, again and again, in every school and institution over our great land. The appreciation and understanding of the King of Belgium will show the youth of America that a king has sympathy for the great price they pay for patriotism. It is good for them to know in these difficult days.

REORGANIZATION PLAN NO. 1 OF 1959—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 140)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Government Operations and ordered to be printed.

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 1 of 1959, prepared in accordance with the Reorganization Act of 1949, as amended, and providing for transfer of certain functions from the Secretary of the Interior to the Secretary of Agriculture.

Both the Department of Agriculture and the Department of the Interior now have responsibilities with respect to certain land or timber exchanges and land sales involving Federal lands. Also, the Department of the Interior is responsible for the use and disposal of mineral materials from acquired lands which are under the jurisdiction of the Secretary of Agriculture. By placing certain functions pertinent to these matters in the Department which administers the lands, Reorganization Plan No. 1 of 1959 will bring about simplification of the work of the two Departments relating to such matters, more expeditious and economical performance of such work, and clarification of responsibilities concerning the work.

The exchange act of March 20, 1922 (42 Stat. 465), as amended, authorizes the exchange of national forest land or timber for other lands within the boundaries of the national forests. The national forests are administered by the Department of Agriculture. Under this law and the seven other land exchange statutes cited, the Secretary of the Interior must make determinations as to whether a transaction is in the public interest, must review and accept titles, and adjudicate appeals. With exceptions indicated in the transmitted reorganization plan, including exceptions with respect to the issuance of patents to lands, the plan provides for the transfer of the functions of the Secretary of the Interior under these exchange statutes to the Secretary of Agriculture, who administers the national forests. The Secretary of the Interior also has the responsibility under the act of April 28, 1930 (46 Stat. 257) to reconvey lands under the jurisdiction of the Secretary of Agriculture not accepted in exchange transactions. These functions either are duplications of those performed by the Department of Agriculture or can be more easily performed by that Department as it administers the lands involved and has detailed information and records.

The Tongass Timber Act of August 8, 1947 (61 Stat. 920) authorizes the sale of tracts of national forest land found reasonably necessary for the processing of timber from the Tongass National Forest. Under the act, the Secretary of the Interior must appraise and sell such lands, with concurrence of the Secretary of Agriculture. The Department of Agriculture administers the land involved, has personnel on the ground, and can perform this function most expeditiously and economically.

Section 10 of the Weeks law of March 1, 1911 (36 Stat. 962) authorizes sale of small tracts of acquired national forest land found chiefly valuable for agriculture. Under the act the Secretary of the Interior must join in the promulgation of joint regulations. Such lands are administered by the Department of Agriculture and sale of them is not related to programs of the Department of the Interior. This function can be most easily and economically performed by the Secretary of Agriculture.

Under the act of July 31, 1947 (61 Stat. 681), as amended, the Secretary of Agriculture can dispose of common varieties of sand, gravel, stone, pumice, and other materials from lands reserved from the public domain which are under his jurisdiction. With respect to these materials in acquired lands under the jurisdiction of the Secretary of Agriculture such disposal must be by the Secretary of the Interior. The reorganization plan will place in the Secretary of Agriculture the same authority in regard to such materials in acquired lands under his jurisdiction as he now exercises for other lands. Such activity

most efficiently and economically can be performed by the Secretary of Agriculture in conjunction with other management activities on lands he administers.

By providing sound organizational arrangements, the taking effect of the reorganizations included in the accompanying reorganization plan will make possible more economical and expeditious administration of the affected functions. It is, however, impracticable to itemize at this time the reductions of expenditures which it is probable will be brought about by such taking effect.

After investigation, I have found and hereby declare that each reorganization included in the reorganization plan transmitted herewith is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949, as amended.

I recommend that the Congress allow the reorganization plan to become effective.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *May 12, 1959.*

PERMISSIBLE WRITING AND PRINTING ON THIRD- AND FOURTH-CLASS MAIL MATTER

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, under the present postal rate law medical prescriptions which carry handwritten or typewritten directions as to their use, usually by attached gummed labels, are subject to the first-class postage rate while patent medicines which carry printed directions as to their use also on gummed labels are entitled to third- or fourth-class rate of postage. This appears to me to be a capricious distinction.

Today many medicines other than "patented medicines" are mailed to the patients. To people of longstanding illnesses the cost of first-class postage becomes a real item of expense of necessity added to the cost of the medicine.

Accordingly, I have introduced a bill to correct this inequity. This bill will allow medicines to go third- and fourth-class mail where the written material in the package is simply the instructions for the use of the medicine.

RED POWER IN CUBA HELD EXAGGERATED

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Oregon [Mr. PORTER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. PORTER. Mr. Speaker, Jules Dubois, veteran and distinguished Latin American correspondent for the Chicago Tribune, knows a lot about Cuba. He has studied it for a long time and he has studied the Castro revolution more minutely than any other man. His book, "Fidel Castro—Liberator or Dictator?" is one indication of his work in this field.

The following gives some facts which should be considered very carefully in connection with reports like that of Stuart Novins on CBS-TV network on Sunday, May 3:

[From the Washington Post and Times Herald, May 7, 1959]

RED POWER IN CUBA HELD EXAGGERATED
(By Jules Dubois, Chicago Tribune Press Service)

HAVANA.—Charges that the Communists are taking power under Premier Fidel Castro and occupy key posts in the Cuban army, press, radio, schools and unions are not supported by facts. There is Communist infiltration, but not domination.

The Communists suffered thumping defeats in recent days in union elections throughout the country. Where the Communists were certain their candidates would lose, they supported the 26th of July movement's candidates.

The Reds took a decisive beating in nationwide elections held in the Sugar Workers Federation, which has 500,000 members. The Communists won in only 8 of the 243 locals.

The Communists also lost in four other important union elections. These included the National Teachers College, the Modern Bus Union, and the Graphic Arts Union.

The Communist Party of Cuba has for many years maintained one of the most effective organizations in the Caribbean area. The party never broke openly with former dictator Fulgencio Batista but retained its members in certain key posts in the same manner the Reds have infiltrated in certain positions in the Castro government.

Members of the Communist Party, which is known as the Popular Socialist Party, still wear the uniform of the rebel army. Some of the Communists are officers, but with the exception of Maj. Ernesto Che Guevara, Argentine hero of the revolution, none is reported to be in a dominating position. Guevara is commander of La Cabana fortress.

The charges that Minister of Education Armando Hart and his wife, Haydee Santa Maria, are Communists is laughed at by Cubans, just as any attempt to label Castro as a Red is ridiculed.

Hart and his wife are devoted leftist revolutionaries like most of the 26th of July members. In Latin American politics there is a wide dividing line between leftist revolutionaries and Communists.

There is evidence that the newspaper Revolucion, organ of the 26th of July movement, is adopting a militant campaign against Communist infiltration in the labor movement. In recent years its editor, Carlos Franqui, has openly clashed with Communists.

The Government took over a network of radio stations early in January which was the property of Batista cronies and has been operating it under the Ministry of Property Recovery. The network is not run by a Communist, although Violetta Gasals, former television star, who is a fellow traveling sympathizer, works in a subordinate post.

Maj. Raul Castro, commander of the armed forces and brother of Fidel, makes no secret of the fact that he visited behind the Iron Curtain in 1953 at the age of 20. This, he argues, does not make him a Communist.

The press has been publishing all the news, including every accusation made of Communist infiltration in the Government, which has been transmitted by the wire service.

NATIONAL SERVICE LIFE INSURANCE

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I have introduced today a bill designed to amend the Servicemen's Indemnity Act of 1951 so as to provide that in the absence of a designation of beneficiary thereunder by a person having national service life insurance or U.S. Government life insurance, the designated beneficiary of such insurance shall also be the designated beneficiary of any indemnity payable under such act. The bill provides that the third sentence of section 3 of the Servicemen's Indemnity Act of 1951 be amended to read that if the designated beneficiary or beneficiaries do not survive the insured or if none has been designated, the Administrator shall make payment of the indemnity to the first eligible class of beneficiaries according to the order set forth above and in equal shares if the class is composed of more than one person, except that in any case where no beneficiary of the indemnity had been designated but the insured has in full force national service life insurance or U.S. Government life insurance the indemnity shall be paid in the amount authorized by the first sentence of section 5 to the designated beneficiary of such insurance if such designated beneficiary is within one of the classes herein provided. It is the purpose of this bill to minimize the confusion and to eliminate the uncertainty and to insure prompt payment by the Government to the close relatives of a serviceman who for some reason of misfortune or oversight no longer has a beneficiary under the Servicemen's Indemnity Act of 1951 but who has such a beneficiary under either the national service life insurance or the U.S. Government life insurance. I believe that the passage of this bill will tend to help the family of the serviceman upon his death. I am hopeful that this bill will pass this Congress this year.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PATMAN, for 2 hours, on June 26, to revise and extend his remarks and include extraneous matter.

Mr. JOHNSON of Wisconsin, for 30 minutes, on Thursday, May 14.

Mr. MCCORMACK, for 20 minutes, on Thursday.

Mr. PATMAN, for 20 minutes, on Thursday next, and to revise and extend his remarks and include extraneous matter.

Mr. BAILEY, for 45 minutes, on Tuesday next.

Mr. VAN ZANDT (at the request of Mr. LAFORE), for 15 minutes on Monday, May 18.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. HECHLER and to include extraneous matter.

(At the request of Mr. LAFORE, and to include extraneous matter, the following:)

Mr. ALGER.

Mr. CURTIS of Missouri in two instances.

Mr. HALPERN.

(At the request of Mr. ALBERT, and to include extraneous matter, the following:)

Mr. PORTER.

Mr. MEYER in two instances.

Mr. FASCELL in two instances.

Mr. FLYNN in two instances.

Mr. HALEY.

Mr. POWELL.

SENATE ENROLLED BILL SIGNED

The Speaker announced his signature to an enrolled bill of the Senate of the following title:

S. 1559. An act to provide for the striking of medals in commemoration of the 100th anniversary of the first significant discovery of silver in the United States, June 1859.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 57 minutes p.m.), under its previous order, the House adjourned until Thursday, May 14, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

967. Under clause 2 of rule XXIV, a letter from the Assistant Secretary of Defense (Supply and Logistics), transmitting reports submitted by the Departments of the Army, Navy, and Air Force for the period July 1, through December 31, 1958, listing new contracts negotiated under the authority of sections 2304(a)(11) and 2304(a)(16) of title 10, United States Code, was taken from the Speaker's table and referred to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SELDEN: Committee on Foreign Affairs. Report on U.S. relations with South America (Rept. No. 354). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MILLS:

H.R. 7086. A bill to extend the Renegotiation Act of 1951, and for other purposes; to the Committee on Ways and Means.

By Mr. BAILEY:

H.R. 7087. A bill to amend title III of the act of March 3, 1933, with respect to the acquisition by the United States of articles, materials, and supplies for public use; to the Committee on Public Works.

By Mr. ADDONIZIO:

H.R. 7088. A bill to provide pension for widows and children of veterans of World War II and of the Korean conflict on the same basis as pension is provided for widows and children of veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. BARRY:

H.R. 7089. A bill to amend titles I, II, and III of the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

H.R. 7090. A bill to amend title 10 of the United States Code to encourage competition in procurement by the armed services, and for other purposes; to the Committee on Armed Services.

By Mr. DERWINSKI:

H.R. 7091. A bill to amend titles I, II, and III of the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. FASCELL:

H.R. 7092. A bill to provide for the reorganization of administrative procedures and practices in Government operations for improving their economy and efficiency, to provide for the organization of machinery to coordinate and administer such procedures and related practices; and for other purposes; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 7093. A bill to make certain changes in the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. HOLTZMAN:

H.R. 7094. A bill to aid in controlling inflation, and for other purposes; to the Committee on Banking and Currency.

By Mr. JOHNSON of Wisconsin:

H.R. 7095. A bill to amend title II of the Social Security Act to eliminate the requirement that an individual must have attained the age of 50 in order to become entitled to disability insurance benefits; to the Committee on Ways and Means.

By Mr. MACHROWICZ:

H.R. 7096. A bill to amend the Internal Revenue Code so as to provide relief with respect to the tax treatment of damages in antitrust actions; to the Committee on Ways and Means.

By Mr. GEORGE P. MILLER:

H.R. 7097. A bill to make permanent certain increases in annuities payable from the civil service retirement and disability fund; to the Committee on Post Office and Civil Service.

By Mr. PORTER:

H.R. 7098. A bill to prohibit discrimination because of age in the hiring and employment of persons by Government contractors; to the Committee on the Judiciary.

H.R. 7099. A bill to amend the Foreign Service Act of 1946 to provide a criminal penalty for violations of certain provisions of that act; to the Committee on Foreign Affairs.

H.R. 7100. A bill relating to mining claims on lands within the national forests; to the Committee on Interior and Insular Affairs.

H.R. 7101. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. RIVERS of Alaska:

H.R. 7102. A bill to amend the Merchant Marine Act, 1936, for the purpose of providing with respect to the requirements for the operation of subsidy constructed vessels that certain vessels shall be considered as operating in foreign trade; to the Committee on Merchant Marine and Fisheries.

By Mr. SPRINGER:

H.R. 7103. A bill to amend the Federal Aviation Act of 1958 in order to assure for the Civil Aeronautics Board independent participation and representation in court proceedings, to provide for review of nonhearing Board determinations in the courts of appeals, and to clarify present provisions concerning the time for seeking judicial review; to the Committee on Interstate and Foreign Commerce.

H.R. 7104. A bill to amend section 1005(c) of the Federal Aviation Act of 1958 to authorize the use of certified mail for service of process, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7105. A bill to amend section 408(b) of the Federal Aviation Act of 1958 so as to authorize elimination of a hearing by the Civil Aeronautics Board in certain cases; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas:

H.R. 7106. A bill to amend title 38, United States Code, with respect to forfeiture of benefits under laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. THOMSON of Wyoming:

H.R. 7107. A bill to provide for the maintenance and operation of the flood control projects on the Snake River in the State of Wyoming by the Secretary of the Interior from the power revenue of the Palisades project; to the Committee on Interior and Insular Affairs.

By Mr. UTT:

H.R. 7108. A bill to amend section 1371 of the Internal Revenue Code of 1954 to permit stock of a small business corporation which is owned by a husband and wife to be treated as owned by a single shareholder for purposes of determining the number of shareholders of such corporation; to the Committee on Ways and Means.

By Mr. WILLIAMS:

H.R. 7109. A bill to amend section 407 of the Federal Aviation Act of 1958; to the Committee on Interstate and Foreign Commerce.

H.R. 7110. A bill to amend the Federal Aviation Act of 1958 in order to assure for the Civil Aeronautics Board independent participation and representation in court proceedings, to provide for review of nonhearing Board determinations in the courts of appeals, and to clarify present provisions concerning the time for seeking judicial review; to the Committee on Interstate and Foreign Commerce.

H.R. 7111. A bill to amend section 408(b) of the Federal Aviation Act of 1958 so as to authorize elimination of a hearing by the Civil Aeronautics Board in certain cases; to the Committee on Interstate and Foreign Commerce.

H.R. 7112. A bill to amend section 1005(c) of the Federal Aviation Act of 1958 to authorize the use of certified mail for services of process, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MONAGAN:

H.J. Res. 391. Joint resolution designating mountain laurel as the national flower of the United States; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. FLYNN: Memorial of the Wisconsin Legislature urging the Congress of the United States to reevaluate the age requirements for eligibility for old-age and survivors insurance in an effort to provide social security for unemployed older workers at an earlier age; to the Committee on Ways and Means.

By Mr. FORAND: Memorial of the Rhode Island General Assembly memorializing the Congress of the United States to enact Senate bill 925, dealing with the Immigration and Nationality Act; to the Committee on the Judiciary.

By the SPEAKER: Memorial of the Legislature of the State of Maryland, memorializing the President and the Congress of the United States relative to resolution No. 27 passed at the 1959 session of the General Assembly of Maryland, and ratifying the 14th amendment to the Constitution of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DEROUNIAN:

H.R. 7113. A bill for the relief of Hilda Kruse Hacinkiewicz; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 7114. A bill for the relief of Erasmo Ramos; to the Committee on the Judiciary.

By Mr. SMITH of Virginia:

H.R. 7115. A bill for the relief of Inga Maja Olsson Nylander; to the Committee on the Judiciary.

By Mrs. SULLIVAN:

H.R. 7116. A bill for the relief of George W. Gibson; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Credit Unions—Bulwark of Economic Democracy

EXTENSION OF REMARKS
OF
HON. KEN HECHLER
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 12, 1959

Mr. HECHLER. Mr. Speaker, credit unions are economic democracy in action, as I indicated in the following statement which I made this morning:

STATEMENT OF THE HONORABLE KEN HECHLER, FOURTH WEST VIRGINIA DISTRICT, PRESENTED TO SUBCOMMITTEE NO. 3, HOUSE COMMITTEE ON BANKING AND CURRENCY, MAY 12, 1959, ON H.R. 5777 AND RELATED BILLS TO AMEND FEDERAL CREDIT UNION ACT

Mr. Chairman, on behalf of over 36,000 credit union members in my home State of West Virginia, I wish to express my support of your bill, H.R. 5777.

I know your committee is aware of the great progress credit unions have made since the first one was established half a century ago in the United States. And I would like to commend you, Mr. Chairman, for your untiring work on behalf of credit unions in the quarter century since the passage of the Federal Credit Union Act of 1934.

As time and experience move along, the 1934 act needs strengthening. Exactly 9 years ago this month, I was with a great champion of credit unions, President Harry S. Truman, when he dedicated Filene House in Madison, Wis., to the memory of the Boston merchant and philanthropist who did so much for this movement. But since that day in 1950, as in other fields in the midfifties, we have not made the bold progress of former years.

I believe, as proposed in H.R. 5777, that Federal credit unions should be permitted to invest in the shares of central credit unions. I would also like to see the limits on certain types of loans raised, including the limit on unsecured loans, and I believe it would be wise to extend loan maturity from 3 to 5 years. The limit on unsecured loans should be increased from $400 to $1,000. After all, we know that since 1949 the purchasing power of the consumer dollar has decreased, and a $1,000 loan today would barely exceed the purchasing power of a $400 loan made in 1949.

It is for the welfare not only of individual credit union members, but for the entire economy of our country, that I support this legislation. In making these statutory changes, we are only taking note of the changes which have occurred in our economy—changes which, in most instances, have had their most telling effect upon the little man, the wage earner and the white-collar worker.

Mr. Chairman I believe deeply that the strength of our way of life lies in the fact that you and I and a majority of the Congress and the American people are convinced that freedom of economic opportunity is essential to our survival. Freedom of economic opportunity can only be achieved if we are concerned with the protection of that freedom for the little people—because we know that the big boys can take care of themselves.

Now credit unions are one of the best examples of economic democracy in action, for the benefit and protection of the little people, and we ought to do everything in our power to strengthen them. The people need a source, a safe source, from which to obtain small loans at low interest rates without turning to loan sharks.

In these days when we hear and read so much about Government expenditures and taxes, it is refreshing to recall that the Federal Credit Union system under the Department of Health, Education, and Welfare does not cost the American taxpayer a red cent, and is self-sustaining. And we have an opportunity by passing H.R. 5777 to strengthen the whole system without spending any more money.

Several weeks ago, I had the honor to be invited to address the annual luncheon of the West Virginia Credit Union League, in my home town of Huntington, W. Va. I expected 30 or 40 hardy experts to be present, but I was amazed when 130 credit union officers from all over West Virginia turned up at the luncheon. Since they had been getting a steady diet of credit union facts for 24 hours I told them I'd talk with them about outer space and the work of my Committee on Science and Astronautics. I've never had such an attentive audience and while they listened to me talk about outer space they indicated by their questions that they had their feet on the ground. Finally, I did slip over a few remarks about credit unions, and I pledged my support for H.R. 5777.

This morning, Mr. Chairman I am here to redeem that pledge. For West Virginia, for the economy of the country and for the average man everywhere, I hope you will use your efforts to secure the enactment of this worthwhile legislation.

Military Reorganization

EXTENSION OF REMARKS
OF
HON. THOMAS B. CURTIS
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 12, 1959

Mr. CURTIS of Missouri. Mr. Speaker, I wish to call to the attention of the Members of the House a copy of a letter which I have addressed to the Chairman of the Council of Economic Advisers, Raymond J. Saulnier, regarding the need for forceful actions toward unification of military supply activities. It has been my strong belief for many years that the enormity of the military supply activities has a tremendous effect on the entire economy. Furthermore, from my personal knowledge of the overlapping, duplication, and waste in and amongst the many military supply systems, there is an urgent need to bring about corrective measures at the earliest possible time.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPESENTATIVES,
Washington, D.C., April 28, 1959.

Hon. RAYMOND J. SAULNIER,
Chairman, Council of Economic Advisers, Washington, D.C.

DEAR DR. SAULNIER: I am sure that you recall the recent discussion at the hearings of the Joint Economic Committee concerning the impact of military supply and service programs on the national economy.

It has been my strong belief for many years that the enormity of the military supply activities has a tremendous effect on the entire economy. Furthermore, from my personal knowledge of the overlapping, duplication, and waste in and amongst the many military supply systems, there is an urgent need to bring about corrective measures at the earliest possible date.

Enclosed is a report of the House Government Operations Committee which, at page 65 and following, details the extent of the military supply inventories. When one considers that the inventory of personal property is almost $120 billion and that in the supply systems alone there is $47 billion, it is no wonder that annual declarations of surpluses run at $8 to $10 billion and will continue to do so. I am sure that the attached monthly list of excess military property I am enclosing as a sample is convincing that factors other than obsolescence are responsible for generating much of the excess military property. If you will analyze the reported inventories of the individual departments and services I am sure that you will agree that much needs to be done to integrate common supply activities. But despite a long history of efforts to do just that, the military bureaucracies have always managed to remain intact.

The proponents of the National Security Act of 1947 intended that the Air Force would continue to obtain supply and service support from the Army. Despite this, the Air Force has worked diligently to become completely independent. In 1951–52, the Bonner committee, of which I was a member, held extensive hearings on military supply management and as a result of the hearings and reports, the O'Mahoney amendment to the 1953 Military Appropriations Act called for the establishment of an integrated military supply system. Some steps were taken by Secretary Lovett, particularly in setting up a coordinated medical supply activity known as the Alameda Medical Supply Test.

This test, though successful, was discontinued despite the recommendations of the Hoover Commission and others who had studied it. More recently, the Department of Defense has set up single manager systems for subsistence, clothing, medical supply, and petroleum products. This effort,

though apparently successful, is being stubbornly resisted by the military departments who fear loss of autonomy through any steps that tend toward unification.

The last Congress passed the DOD Reorganization Act of 1958 and included the so-called McCormack-Curtis amendment which gives the Secretary of Defense wide authority to operate supply and service activities through such an entity or entities as he deems appropriate to bring about economy and efficiency. Despite this broad authority there has been but small progress in accomplishing what to me is one of the most fruitful areas for economy. I know of no one who has objectively studied this matter who had a different opinion.

It seems to me that the time is long past when the common inventories and operations of the military services should be brought under unified control so that existing stores are taken in account before additional purchases are made. As a matter of fact, we have expended at least $150 million in developing a catalog system in order that this could be done.

I am sure you are aware that each military department spends hundreds of millions of dollars annually for the operation and maintenance of its own supply and depot system. Furthermore, the services compete against each other in many ways in the procurement of supplies, equipment, and personnel. Since most of the procurement is by negotiation the net effect of these methods is to accelerate an inflationary spiral in my opinion.

It seems to me that some forceful actions toward unification must be taken not only for the sake of defense itself but to relieve the economy of the inflationary pressures which are now being exerted upon it. Since the legislative framework appears to be adequate, I think that the executive branch is vulnerable in not vigorously pushing this matter. I cannot understand why the Budget Bureau condones this situation while it is simultaneously the management arm of the President, is responsible for reorganizational plans, and has the primary duty of screening the various appropriation estimates within the framework of a balanced budget. It is the belief of many people on the Hill that the Bureau has become a prisoner of the Pentagon and that the joint hearings on the military budget do not give the Bureau the control status it should have.

From what I can learn, the Budget Director is doing an excellent job and has the fortitude to do what is necessary. However, it is impossible for anyone to grasp the complexities of the Federal budget within a period of several years and he must rely upon his assistants. I think, however, that time is running swiftly and that some topside decisions must be taken in this area.

I am sending a copy of this letter to Mr. Stans and will appreciate any comments you or he may have with respect to this letter.

Sincerely,

THOMAS B. CURTIS.

"Our American Heritage"—Mary Aline Magner

EXTENSION OF REMARKS

OF

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 12, 1959

Mr. FASCELL. Mr. Speaker, in this era of uneasiness in world and domestic problems, it is a refreshing privilege for me to call your attention to the efforts of Miss Mary Aline Magner, a resident of my congressional district, and to her fine music, copies of which she has recently provided each Member of Congress, along with a thoughtful and sincere letter.

We should be especially proud of the spirit, pride, and love for God and our country demonstrated in Miss Magner's words and music. Through these carefully written lyrics, we are reminded that our cherished freedom remains a priceless privilege—gained through struggle, prayer, and unity in our American heritage.

Congressman Gerald T. Flynn, Democrat, of Wisconsin, Defends the Richard I. Bong Airbase

EXTENSION OF REMARKS

OF

HON. GERALD T. FLYNN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 12, 1959

Mr. FLYNN. Mr. Speaker, I have noted with much dismay remarks made in the CONGRESSIONAL RECORD relative to waste, frills, and extravagance in the construction of the Richard I. Bong Air Force Base at Kansasville in the First Congressional District of Wisconsin. These remarks were filed by a Congressman representing a district in which the base is not located, and were apparently made by him after examination of blueprints and plans furnished by the Leo A. Daley firm of architects of Omaha, Nebr. I also have a copy of these plans, and I have examined them thoroughly. It is with much displeasure that I take issue with remarks printed in the RECORD by a Member of Congress from Milwaukee. None of us favor spending for nonessentials. None of us favor military boondoggling. However, we are all in favor of building adequately and soundly for current needs with an eye open for future needs. The Bong Airbase anticipates a complement of military personnel and civilians working on the base, together with their families, of approximately 20,000 people. This base is being built in a country area and is approximately 20 miles from any metropolitan center.

The criticism contained in the RECORD was to the effect that money is being spent for a theater, bowling alley, hi-fi shop, gymnasium, and indoor swimming pool, steamroom, and squash court, and these facilities are not essential spending. I do not concur in this conclusion, and I allege that 20,000 people located in a country area some 20 miles from a metropolitan city must have on the base reasonable opportunities for relaxation and recreation. The building of a bowling alley or a gymnasium, including a swimming pool and massage room, is not a foolish expenditure of money. The Government of the United States has over $40,000 invested in the training of every one of these air cadets. Because of poor, uninteresting, and inadequate facilities, the Air Force has witnessed its fully trained and highly competent personnel, including those flying the planes, leave the service as soon as their tour of duty was completed. The Government then is compelled to spend another $40,000 to train a replacement. If the Government offered reasonable housing, as it is now doing under the Capehart housing program, and reasonable facilities for recreation, the percentage of those signing up for a second, third, and fourth enlistment would materially increase. The Air Force has experimented and has found a great increase in the reenlistment rate when living conditions have been improved, and this has accounted for a huge saving to the taxpayer. It, therefore, would be very foolish for the Air Force, in building this fine and modern new airbase, to fail to include therein a gymnasium. A bowling alley for the relaxation of the airmen and their families, and even a hi-fi shop in which junior can buy a record for his record player, and even a swimming pool for the airmen's use is not extravagance.

It is proposed in the bill of criticism that the airmen use gymnastic and swimming pool facilities located in cities 20 miles from the base. Imagine, an airman returning from a flight and getting into his car, or if he does not have his own car, of taking a bus into the nearest town some 20 miles away to find a gymnasium and swimming pool. From firsthand knowledge I can state, without fear of contradiction, that the swimming pools and gymnastic facilities in the cities of Racine and Kenosha, are inadequate for their own population, without taking into consideration the 20,000 people the base will bring in.

Most bases have a theater—and a theater providing a seating capacity for 650 people under modern conditions is not unrealistic or extravagant. It is merely building for present needs with an eye to the future, with a thought of taking care of normal needs of the 20,000 people who will live on or near the base. The criticism also includes a community service building wherein there are retail stores, snack bars, maintenance shops, warehouse, laundry and drycleaning shops, concessions, barbershops, a central post office, reading room, Red Cross office, and so forth. It is inconceivable to me that any Member of Congress would propose that a modern up-to-date Strategic Air Command base which will attract 20,000 people should be built in a country area 20 miles from any large city without such facilities being built into the base, and I do not feel it fair to criticize those who designed the base for this expenditure in money, any more than I would criticize the Air Force for building a modern SAC plane instead of duplicating the Kitty Hawk. We are living in the modern age of 1959, and looking forward to the sixties, and our bases must represent modern needs and facilities, and not the needs of World War I.

I have gone carefully over the plans and I believe that the SAC and the architectural firm should be highly complimented for the designing of a modern SAC base with modern facilities—and

on the other hand for the construction of a base that is not extravagant or wasteful, and that does not have needs above and beyond the requirements of the boys who are going to man and staff the base.

In answer to the question of whether the Richard I. Bong Air Force Base really needs these facilities, I say that the Bong Airbase and any other modern airbase built in a similar location definitely needs a swimming pool, a gymnasium, a bowling alley, and the other facilities described herein—and it would be preposterous and unthinkable to have military personnel who are on a 24-hour alert required to go to cities 20 miles away and attempt to use the inadequate facilities that those cities have. I feel it would be nearsighted and would do nothing to prevent the thousands of airmen, trained at great expense to the Government, from leaving the service. Whereas the facilities of a modern base will help to keep trained personnel in the service and will result in a large saving to the country. I earnestly solicit the examination of the Bong Airbase plans by any Member of Congress who has an interest therein.

Development of Our National Forests

EXTENSION OF REMARKS
OF
HON. WILLIAM H. MEYER
OF VERMONT
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 12, 1959

Mr. MEYER. Mr. Speaker, from the vantage point of the professional forester, I wish to comment briefly on the report "Program for the National Forests" which the Agriculture Department sent to the Congress on March 24, 1959.

Because of the multiple use aspects of forest land which this report involves, it should be of interest to every Member and more particularly to my colleagues who have national forests in their States or districts.

With the rapid increase in our population and the increasing demand for natural resources to maintain an expanding economy, the use pressures on forest land are growing daily. Careful planning and full development of our forests are therefore necessary if both current and long-range resource needs are to be met.

Winter sports have become an intensive use on the Green Mountain National Forest in Vermont. We welcome this activity because it balances the recreational use in the forest and provides a year-long use by tourists. Because the areas are accessible to the heavily populated metropolitan areas in New England and the Northeast, their orderly expansion as provided for in this "Program for the National Forests" is essential. The local economy of the area is considerably benefited by the money which the skiers and recreationists spend on winter sports and other outdoor activities on the national forest.

This "Program for the National Forests" will improve hunting and fishing. Our lakes and streams on the Green Mountain National Forest provide sport fishing for thousands of visitors each summer. As more thousands come to Vermont and to the other national forests throughout America, full development of this wildlife resource of the forest is necessary and desirable.

To a forester, multiple use means the full use of all the renewable resources on forest land. The growing, cutting, and sale of timber is one of these uses. In Vermont, much high quality maple timber is harvested from the national forest.

This activity supports many small community forest industries. It provides the raw material for the manufacturer of maple bowls and other specialty products which require a high input of local labor. These wood products supplement the tourist trade and again the local economy of areas surrounding the national forest is improved. Also there are other special uses of national forest trees which provide the sap from which the famed Vermont maple syrup is made.

The nature of our country in Vermont and much of New England is such that watershed values are high. The land is glaciated and unstable. We have found that forest cover is one of the best stabilizing forces to keep the land from eroding into our streams and valleys. As a forester, I am pleased that this "Program for the National Forests" has plans for stepping up the management and protection of the watersheds on all the national forests throughout America.

This broad-scale program for the national forests includes accelerated research in forest genetics, timber cutting methods, new uses for low-quality trees and better protection from fire, insects, and disease.

Such research is essential if the forests' resources are to be kept renewable in quantities to meet the impact of present and future use.

Mr. Speaker, it is gratifying to know that the Forestry Subcommittee of the House Agriculture Committee plans to hold hearings on May 14 and 15 on this long-range conservation and development program for the national forests. I hope many of my colleagues will take advantage of this opportunity to indicate their interest in the full development of the national forests.

National Association of Plumbing Contractors Will Hold 77th Convention in Florida

EXTENSION OF REMARKS
OF
HON. JAMES A. HALEY
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 12, 1959

Mr. HALEY. Mr. Speaker, one of the great trade associations in the construction industry, the National Association of Plumbing Contractors, will have its 77th annual convention and its 1959 National Plumbing-Heating-Cooling Exposition in Miami Beach, Fla., May 31–June 4, 1959.

There is an excellent reason why this splendid trade association is meeting for the first time in its long history in Florida, and that reason, Mr. Speaker, is because its president, John M. Rhoades, has been successful in his strenuous endeavors to bring this outstanding conclave to Florida.

The president, John M. Rhoades, of Sarasota, Fla., is one of our most respected citizens. He has built a fine business—a credit to himself and his profession. He is not only a successful businessman, but also a thoughtful, constructive, and progressive contractor.

Mr. Rhoades was born in Lakeland, Fla. He attended Georgia Tech and served region 4, Federal Public Housing Authority, as a mechanical engineer in Atlanta, Ga., during World War II. He is president of the John M. Rhoades Co., in Sarasota.

In association work, he served three terms as president of the Associated Plumbing and Mechanical Contractors of Florida, and is secretary-treasurer of his local association. He has been active in the National Association of Plumbing Contractors for the past 12 years, serving as chairman of the conference, sanitary, and sanitation committees, and as a member of the convention auditing, industry development, policy and interindustry liaison committees. He served on NAPC's board of directors in 1952–53 and was elected second vice president of NAPC in 1956.

He has been associated with the plumbing busines in Sarasota, Fla., for the past 34 years. A member of the Episcopal Church of the Redeemer in Sarasota, he is also a Kiwanian and an Elk. A 32d degree Mason, he is a member of the Egypt Temple Shrine in Tampa, and Samoor Grotto and Scottish Rite Club in Sarasota.

I wish to take this opportunity to join with my fellow Floridians in congratulating President John M. Rhoades and the National Association of Plumbing Contractors on 77 years of achievement and service to its membership and to the construction industry. My best wishes go to President Rhoades and the NAPC for a most successful convention and exposition in Miami Beach within the next few weeks.

The Cause of Human Dignity

EXTENSION OF REMARKS
OF
HON. SEYMOUR HALPERN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 12, 1959

Mr. HALPERN. Mr. Speaker, last Wednesday, May 6, I had the great privilege of attending a dinner given by the National Conference of Christians and Jews at New York's Waldorf-Astoria

Hotel, in honor of Mr. Louis Stein, president of Food Fair Stores, Inc. Mr. Stein was awarded the National Conference's Brotherhood Award for 1959, in recognition of his outstanding contribution in this most meaningful of all fields of endeavor.

The occasion was a most fitting one for the delivery by the guest speaker, the Honorable James P. Mitchell, Secretary of Labor, of one of the finest and most moving addresses on the unbounded capabilities of the human spirit and man's infinite potential for moral brilliance and grandeur that I have ever heard.

I was so stirred by the spirit and breadth of the Secretary's excellent remarks, entitled "The Cause of Human Dignity," that I felt they should be brought to the attention of all Members of Congress.

The Secretary devoted his text to reaffirming with brilliance and clarity that if mankind is to preserve and advance the great ideals of human freedom and dignity, he must realize that their effective consummation is inextricably interlocked with the duty to strive toward their effectuation. Stressing the moral and economic reasons for the elimination of barriers of prejudice and bigotry, he emphasized that both deep moral values and enlightened national self-interest demand the eradication of discrimination. This challenge, he explained, "is the most important decision facing America today."

Secretary Mitchell's moving thesis reflects so fully the great aims of the conference and is so appropriate to the needs of the times that I deem it an honor to request that it be printed in the RECORD at the conclusion of my remarks, as follows:

THE CAUSE OF HUMAN DIGNITY

(Address by Secretary of Labor James P. Mitchell before the National Conference of Christians and Jews, New York, N.Y., May 6, 1959)

I am happy to be here this evening, to add my voice to the others who have taken this time to honor Mr. Stein.

As you know, Sir Winston Churchill is visiting in Washington at this very moment. It was 18 years ago this coming June that Sir Winston was in the United States on a previous visit; as some of you may remember, he spoke at the University of Rochester, here in New York State. In that speech he presented an idea that has remained with me, and one, I believe, that we here this evening can review with good advantage.

"The destiny of mankind," Churchill said, "is not decided by material computation. When great causes are on the move in the world * * * we learn that we are spirits, not animals; and that something is going on in space and time, and beyond space and time, which, whether we like it or not, spells duty."

For us, of course, the greatest cause is that of human freedom, as it expresses itself in the cause of political freedom, the cause of individual liberty, the cause of human dignity, the cause of freedom from want, and freedom from ignorance, and freedom to worship as one will.

Mr. Churchill, with his customary wisdom, did not relate these things to mere material computation. He did not add up imports and exports, investments and labor forces, industrial plants and agricultural potentials, and give the total of these as freedom.

He related the great causes, rather, with "something going on in space and time, and beyond space and time." He was certain that any computation would fall into a great error which did not account for the accountable, the unpredictable: the creative power of the free spirit.

He perceived that man's greatest causes, today as 18 years ago, arise from the acknowledgement of that spirit.

Some people saw, 18 years ago, that this was the fundamental distinction between the free societies of the Western World, and the tyranny of the Communist world.

So coarse and shallow is the Communist view of man and his destiny that a few weeks ago a Soviet theorist announced that the satellites and rockets of recent years have adequately disproven the idea of God since they reached into heaven and didn't find Him.

I sometimes think that this kind of moral moronity is a greater danger to peace than armed aggression.

You will note, also, that Mr. Churchill's idea of a transcendental destiny is interlocked with the idea of duty.

Having realized what he is, man is obligated to act upon that knowledge.

Certainly our philosophy of life is much more than a structure of thought and logic; it is a pattern for action and plan for activity.

Thus, we in the Western World are presented with this decision—what actions are we to to take in response to our public belief in man's dignity?

Let's start right here at home.

I need not tell a gathering like this how short we are of acting as if we believed in the dignity of all men—both in what we do and what we say within our own border.

We pride ourselves on being a state created to protect human dignity. And we have a long tradition of opportunity here, based upon our early history when every newcomer to these shores found an open road and a wide land.

Now, however, the test of freedom is no longer only whether or not we can provide opportunity to newcomers—but to our own people who are within our borders but outside our society, closed off from the full experience of American life by barriers of racial and economic discrimination.

To meet this test, we can no longer rely on wide ranges of open land and new roads through a wilderness.

The old national road to the west, the old Homestead Act, find their equivalents in equal job opportunity in all our plants and offices and mills and mines and ships. The road to new opportunity is no longer a geographic line on a map; it runs through the plant gate to the hiring office, and it may end in the President's office.

But we all know it has barriers, detours, do-not-enter signs for many thousands of American citizens who hope to travel down it. It was not long ago that Jews and Irish immigrants faced these signs. Today the Negro in the South, and in some northern communities; the Puerto Rican on the east coast; the American oriental on the west coast; the American Indian—these stand by the wayside, watching the parade of American progress go by. Their presence is enough to make us suspect that what we say about America and what we do about it are sometimes two different things.

Yet this discrimination is intolerable, not only from moral but for economic reasons as well, reasons that can be proven down to the last decimal point.

Economically, we cannot support our standard of living for an exploding population, and maintain an adequate defense, without making use of all our human resources. We need all the talent, all the skill we can muster, and we need to develop it now.

Let me give you the figures:

There are 100 million more people in this country than there were in 1900. More than 50 million children have been born since World War II. By 1970, there will be 210 million Americans.

Now, note this fact:

In 1970, there will be 20 million people in this country over 65 years of age. That is a tremendous number of people not in the most productive age group. At the same time, because our birth rate was very low during the depression years of the 1930's, there will actually be nearly 2 million fewer 20- to 29-year-olds in our male population in the 1960's than there are now.

Consider what that means in terms of need for skilled manpower, for reviewing our personnel policies in regard to older men and women.

But that isn't all the story. Within those statistics there are important currents and changes which put an even heavier strain on our supply of trained, educated manpower:

The composition of the workforce is changing. We are needing fewer unskilled laborers; in fact, we will need no more to do all the essential jobs in the 60's than we have today. But we'll need 50 percent more professional and technical workers, 30 percent more craftsmen, and 30 percent more semiskilled workers.

Those are the figures. To sustain our present standard of living, to say nothing of mobilizing better the human resources we have in a highly competitive world, we must start now to train and educate all our young people, whatever the color, wherever their parents were born, wherever they may worship, because we cannot be without them.

The low birthrate of the 1930's has produced a generation which will be able to produce enough goods and services for a much larger population only if it is fully used, only if we waste none of our human resources. That is a practical argument which should satisfy even those who have no patience with history—or with humanity—or with religion.

But, although this practical argument is a compelling and convincing one, our stake in broader opportunity is much larger and much more essential to America on another level, and one that is difficult to document.

In the world today there are 20 new nations under the sun. They are something new to history—and they are going through a measuring-up and sizing process, making a careful estimate of the value of friendship, especially when it comes to the two most influential members of the community of nations: Russia and ourselves.

How do we look to them?

Do we look like a society topheavy with the chosen and preferred? Do we look like a society that makes varvelous progress at the expense of the least of us? Is it as Ghandi said to an American visitor inquiring about peace: "Go back to America," Ghandi said, "and when you have learned to treat your Negro citizens as equals, then come talk to me of peace. Until then, I will not listen to you."

In a world in which the educated, opulent white man is in the small minority, just how far do we expect a society to be honored that honors him to the exclusion of others?

It is against that background of world awakening and of domestic economic need that the true stature of the opportunity problem in our Nation must be measured.

The chance to live a decent comfortable life, to enjoy the products of industry and agriculture, to have the protections of medicine and savings, to have open access to the benefits of education and employment, and to worship in the manner that the conscience dictates—that is what the struggle for the world is all about. This is what it boils

down to, as an aspiration only for many, many millions, and as a reality for a few lucky ones. How we conduct ourselves in the pursuit of these goals, whether selfishly or selflessly, is the most important decision facing America today.

One might think that there are few occasions for a practical pursuit of our duty; as a matter of fact, almost every day is an occasion.

A great number of writers have, for a long number of years now, tried to write about what they call "the American experience"—trying to define it, to analyze it, to picture it. I think, in the end, it is this—a feeling of respect for each and every fellow human being, knowing in our hearts that there really is something going on in space and time which has to do with the human spirit, and knowing in our hearts that we have a duty because if it.

Thank you.

Congratulations to the New Government of Laos

EXTENSION OF REMARKS
OF
HON. ADAM C. POWELL
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 12, 1959

Mr. POWELL. Mr. Speaker, I wish today to greet the Kingdom of Laos, Prince Souphanouvong and His Excellency, Ourot R. Sovannavong, Permanent Representative to the United Nations. I take this opportunity, also, to congratulate the new Laos Government, presided over by His Excellency, Phoui Sananikone. This Government, whose policy is one of restriction, austerity, and order, has set itself a hard and definite objective which can be summed up as follows:

First. Fight against Communist infiltration and development in the kingdom.

Second. General reorganization of the political, economic, financial, and social fields.

Third. National recovery.

The task of stabilizing nations newly emerged from colonialism is an immense one which we of America too often fail to appreciate. For, as His Excellency Sananikone states it:

> Yesterday, we had to work out the reunification of our motherland and the reconciliation of all the Lao peoples. Today, our goal is to safeguard our independence and our newly achieved unity by protecting them against the most terrible evil that threatens them; communism.

His Excellency, Phoui Sananikone, emphasized that the government program rested on the following basic principles:

First. The fight against extremist ideology.

Second. True unity and independence of the Kingdom.

Third. The well-being of the Lao people and respect for the regime while seeking to promote education and medico-social welfare even to the most desolate regions; and to contribute to the maintenance of peace through a strict policy of neutrality within the framework of the principles of Panchasila and of the Charter of the United Nations.

In addition to the above enunciated policy of Laos, His Excellency pointed out that in the area of economic and financial policy the country's objective is the economic development and full exploitation of the country's national resources. In this latter regard, he pointed out that his government supported an all-out drive in favor of both foreign and local investments.

His Excellency deserves the commendation of leaders of this country for his announced policy and for the resistance he has maintained against Communist infiltration. It was his forthright leadership that saved that nation from being overrun by the Communists last year. But for the $48 million in United States aid which tiny Laos received in 1957, the Communists might have rolled up an added victory in Asia and have now been in possession of another beachhead there.

Though determined to define itself, Laos wishes to remind its friends everywhere that it is traditionally a peace-loving country with only one wish to rebuild its economy severely damaged by war and lift the level of its people on all fronts. Again, I wish to salute the tiny country for its determination to be both free and peaceful.

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 12, 1959

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of May 9, 1959:

WASHINGTON REPORT
(By Congressman BRUCE ALGER, 5TH DISTRICT TEXAS)
MAY 9, 1959.

The Trinity River survey appropriation was the subject of the Appropriation Committee's hearing at which a large Dallas group appeared. Congressmen of the Trinity River area joined the delegation of Texans in a united front requesting the survey by the Corps of Engineers. I was happy to join in support of this interstate matter. It is both legitimately a Federal-State proposition and within justifiable cost limits of flood control and navigation projects by the usual tests of priority. The big "if" is whether boondoggle and wasteful projects will also receive attention now, thus squeezing out legitimate projects in the exceeding of the budget.

President Eisenhower warmly greeted Bill Junker of Dallas, the Goodwill Industry's Man of the Year, along with Bill's mother and Goodwill officials. The President's attention was a further honor to Bill who was elected by his 35,000 nationwide handicapped fellow workers. Along with personally commending Bill Junker, the President described animatedly the paintings and art objects in his beautiful oval office. He is looking very fit. I had the opportunity to commend the President for his efforts to maintain a balanced budget. When I exhorted him to stand firm, he laughed and said it wouldn't be he who weakened. It was up to Congress.

H.R. 3460, a bill to amend the Tennessee Valley Authority Act of 1933 (TVA), to permit self-financing by the TVA issuing its own bonds up to $750 million, was the subject of long, controversial, but generally good-natured debate. The TVA is wholly owned and operated by the Federal Government. Electricity developed serves 5 million people in 1,250,000 families in 80,000 square miles in parts of 7 States—Georgia, Virginia, North Carolina, Alabama, Mississippi,, Tennessee, and Kentucky. Originally, the TVA was intended for navigation and flood control. A small amount of hydroelectric power development was included. Since then the electricity production has mushroomed to include many steam-generated powerplants. Power output and area served has grown terrifically. This bill would permit the TVA's three-man Board of Directors to issue bonds for new powerplant and facilities construction on terms and conditions of their choosing.

Arguments for include: (1) Twelve percent yearly growth requires $180 million yearly in plant expansion; (2) 50 percent of power produced is used by Government installations; (3) besides paying 3 percent interest yearly ($36 million) on TVA Federal indebtedness of $1,200 million, this amount will be reduced from TVA revenues by $10 million per year; (4) Congress has 90 days to veto new TVA construction. Arguments against include: (1) Though wholly federally owned, the Federal Government would have no control—neither the Treasury Department over the bonds, the Budget Bureau over expenditures, since this would be outside the budget, nor Congress, since usual appropriations procedures would be sidestepped; (2) the opposition of the Treasury, Budget Bureau, and Comptroller General were not printed in the hearings or report, so Congressmen were denied this usual information; (3) TVA bonds would compete with U.S. bonds without Treasury control; (4) bonds, though alleged to be secured solely by TVA revenues, would in fact be U.S. obligations since TVA is federally owned.

For myself, the more fundamental objection was not stressed, as almost everyone accepts this 27-year-old experiment in socializing power production, and that is that Government should not be in business operation in competition with its citizens in their private enterprise. Further, subsidy for a few at the expense of all is not a Federal right, even though the Federal Government has done so. These basic objections should be met head on and solved. My suggestion? That the TVA be sold by the Federal Government to the people of the area served by the TVA, a simple and sensible solution to disposing of public power facilities here and elsewhere. Amendments sponsored by Republicans to improve the bill by reestablishing congressional control over this financing were defeated by the Democrats in almost a solid partyline vote. Obviously, this will be a political campaign issue by both parties with some exceptions, namely, the switching of Republicans in the TVA area and a few Democrats outside TVA. The closeness of amendment votes indicated that a Presidential veto cannot be overridden by the House. Interesting, indeed, was the "Buy American" amendment sponsored by a Democrat labor leader in which the Republicans with only a handful of Democrats supported U.S. industry. This amendment would have forbidden TVA to buy foreign equipment with its lower cost because of lower wage rates.

The $64 question now is: Will the House Democrat leadership bypass the Rules Committee to force out the huge, costly housing bill? At present, a rules deadlock has it bottled up. Will the spending deluge of this and other pet programs yet engulf us? Right now, it's a stalemate. The people hold the key to the balanced budget and deficit financing. They should write their Representatives and Senators.

Federal Administrative Practice Act

EXTENSION OF REMARKS
OF
HON. DANTE B. FASCELL
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 12, 1959

Mr. FASCELL. Mr. Speaker, I have reintroduced today a bill I was privileged to cosponsor during the last Congress, entitled the "Federal Administrative Practice Act."

This is a major and comprehensive piece of legislation which would implement proposals advanced by the American Bar Association after intensive study and independent evaluation of current administrative procedures and practices.

Mainly, the bill does four things. It would establish at interagency level the Office of Federal Administrative Practice which would be the vehicle through which badly needed coordination and direction of procedures and practice on matters of concern to all governmental agencies would be accomplished. The bill would provide new and improved procedures for the selection, appointment, and administration of hearing commissioners. The bill seeks to increase the efficiency of the Government legal services by establishing for the first time a legal career service for civilian lawyers in government which would serve not only to attract the more capable and talented lawyers to Federal service but would provide incentive and encouragement so desperately needed to keep them in Government service. The final major purpose of this bill is to assure all persons the right of representation before Government departments and agencies by both attorneys and qualified lay persons, the bill would assist attorneys around the country by providing for centralized admission to practice; at the same time, it imposes standards of conduct upon these representatives, and contains a provision for adequate disciplinary proceedings.

During the last Congress, reports were requested from 26 Government departments and agencies. The reports have been received, most of them in support of the general objectives of the bill, some in support or in opposition to some parts of the bill, and most of them suggesting amendments to the legislation.

I respectfully submit that with the ever-increasing amount of administrative practice within Government circles, there is a great need for a thorough congressional study of this field to bring up to date and to improve the legal procedures and services of all of our Federal departments and agencies, some 70 in number. My bill seeks to simplify and modernize these procedures, to make them more uniform wherever that can be done, to encourage able lawyers to enter Federal service as a career, and to assure our citizens that they will receive fair and impartial consideration at hearings conducted before truly independent hearing commissioners.

Each of us in government and all of our citizens have an interest in this proposal. I hope the Committee will see fit to schedule consideration of this legislation in its agenda this year, so that full testimony and study can be given this subject and all suggested amendments carefully reviewed, to the end that our vast governmental operations in this field are improved and modernized in the best interest of our citizens and the legal officers of our Federal Government.

Justin Smith Morrill Homestead

EXTENSION OF REMARKS
OF
HON. WILLIAM H. MEYER
OF VERMONT
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 12, 1959

Mr. MEYER. Mr. Speaker, on March 23 I introduced a bill to provide for the establishment of the Justin Smith Morrill Homestead at Strafford, Vt., as a national monument. This bill, H.R. 5934, now with the Committee on Interior and Insular Affairs, is most appropriate for Congress to consider at this time, because we are approaching the centennial celebration of the great Land-Grant College Act of 1862, better known as the Morrill Act for its sole author, Senator Justin Smith Morrill, of Vermont. It would be fitting indeed to make provision in ample time for the dedication of this shrine to the memory of Senator Morrill during the year of events which is being planned for 1962 to mark the 100th anniversary of the establishment of our national system of land-grant colleges and State universities.

In connection with this proposal, I would remind the Members of the House that we have already acted favorably on April 20 on a bill, H.R. 4012, to provide for a Centennial Celebration Commission and for other appropriate recognition of the Morrill Act in 1962. This bill, introduced by the distinguished chairman of the Committee on the Judiciary, Congressman CELLER, takes note of both the establishment of land grant colleges and State universities and the establishment of the Department of Agriculture, both of which occurred in 1862. These historic acts have had an invaluable, almost incalculable, bearing on the development of agriculture and higher education in the United States.

It is fitting indeed for Congress to establish such a commission as provided in H.R. 4210 in order that appropriate events can be arranged and supported during 1962.

One such appropriate event of this centennial celebration would be the dedication as a national monument of the home of the author, in fact the sole author, of the act which we will be commemorating, the Morrill Act. Senator Justin Smith Morrill was born in Strafford in 1810, the son of a blacksmith, and he received his own formal education in the little red schoolhouse of the day. He had to leave school at the age of 14 to go to work, but he never forgot the importance of books and education. Morrill was successful in business, and when he felt that he had acquired enough to live on, he turned to public affairs and served Vermont in the U.S. House of Representatives and Senate for 44 years. Having been denied higher educational opportunities himself, Justin Smith Morrill was resolutely determined that others would have this great opportunity, and he initiated and provided the leadership for passage of one of the most memorable educational measures yet known, the Morrill Land-Grant Colleges Act. It was the high point of a distinguished career.

We all know the enormous importance of the land-grant colleges and State universities. There are now 68 of them in our country, at least one in every State, including Alaska and Hawaii, as well as one in Puerto Rico. It is estimated that about 20 percent of the Nation's college students are enrolled in land grant institutions. More than 40 percent of the doctorate degrees in all subjects, more than half in the sciences and in the health professions, and all those in agriculture, are conferred by land-grant colleges and universities. Furthermore, the quality has been extraordinary. Of 35 living American Nobel Prize winners who went to college in this country, 21 have earned degrees from land-grant institutions. This is truly evidence of the national character of the Morrill Act and of the interest that there is in honoring its author, Justin Smith Morrill.

Morrill distinguished himself as a legislator, and was referred to at the time as the "Gladstone of America." It is said that in the field of finance lay his greatest talents, and he gave years of leadership to the Ways and Means and Finance Committees in Congress. Also, he served as chairman of the Senate Committee on Buildings and Grounds and is largely responsible for the planning and execution of the terraces, fountains, and gardens around the Capitol, as well as the completion of the Washington Monument. However, it is interesting that this Vermont Senator, deprived of higher learning himself, should be remembered best for the Land-Grant College Act, and for his important part in the establishment of the Library of Congress as a truly national institution during the 19th century. This merely serves to confirm the broad character and vision of Morrill, a man to whom higher education and the Nation owes so much.

Strafford always remained home for the Senator, and his homestead there is an attractive, charming place, definitely and closely related to the Senator's work and achievements. Acquisition would be by gift from the Strafford Historical Society, Inc., and would be made possible by the generous support which is already indicated by friends of the society and admirers of Morrill. The house is reasonably well preserved, and is a delightful example of Victorian gothic. It is set near the Common in one of our beautiful Vermont villages, the village where Morrill was born and went to school, where he operated a general store, and where he returned regularly all during his 44 years in Congress. This village will be within about 15 miles of a main

intersection in the projected new Interstate Highway System, making it easily accessible to travelers from both Boston to the east and from Connecticut and New York to the south. Yet it will at the same time be far enough from these main routes so as to be assured of the quiet and deep charm which our Vermont villages exemplify.

There is wide interest in this project among educators all over the country. Everyone familiar with land-grant colleges will agree that it would be fitting to honor the man whose vision is responsible for their establishment. The centennial office of the American Association of Land-Grant Colleges and State Universities has already indicated its interest for this proposal in conjunction with its plans for the centennial celebration in 1962. We will want to take action early enough so that dedication can be arranged in conjunction with the centennial activities planned for 1962. That is the obvious and appropriate year for such a dedication, and it would be a high point of the celebration. The impact of Senator Morrill's efforts are national and even worldwide in scope, and in many ways they are more memorable and more important for their positive results than are many of the other events which we already commemorate. The name of Justin Smith Morrill means a great deal to our country as a whole and is particularly honored in the field of higher education.

In Vermont our State legislature is taking steps already to do its part in observing the centennial celebration, as urged in section 7 of the proposed H.R. 4210. I am sending a copy of the recent resolution to this effect by our general assembly to Chairman CELLER, and I would also like to insert this resolution in the RECORD at this point:

JOINT RESOLUTION 23

Resolution relating to the observance of the 100th anniversary of the enactment of the Morrill Land-Grant Act of 1862

Whereas the Morrill Land-Grant College Act was enacted into the laws of this Nation in 1862; and

Whereas the author of this act was Justin Smith Morrill, of Strafford, Vt., a Member of the U.S. Congress from Vermont for the period 1855 until 1898; and

Whereas the act which carries the name of this famous Vermonter has resulted in the founding of 68 land-grant colleges and universities, of which the University of Vermont is one; and

Whereas those 68 colleges and universities have given instruction and training to hundreds of thousands of young men and young women of our Nation, many of whom could not otherwise have afforded a college education; and

Whereas the year 1962 will be the 100th anniversary of the Morrill Land-Grant College Act; and

Whereas the American Association of Land-Grant Colleges and State Universities are planning a nationwide observance during 1962 for the 100th anniversary of the Morrill Act: Now, therefore, be it

Resolved by the senate and house of representatives, That the Governor of the State of Vermont appoint a committee of five members to serve without compensation. This committee's duties will be to plan a suitable statewide observance during 1962 for the 100th anniversary of the Morrill Act and to honor the famous Vermonter, Justin Smith Morrill, who designed the Morrill Act.

Mr. Speaker, I would also like to bring to the attention of the House two further resolutions in support of the Morrill homestead bill, H.R. 5934. These resolutions show the strong local support which such a project will have, as well as showing the interest which Vermont has in obtaining its first national monument, and in fact its first recognition of any sort by the National Park Service. At present our State has no national monument, and no more appropriate one can be suggested than the homestead of Justin Smith Morrill, a great Vermonter and a great American statesman, whose vision and determination served the cause of education, and thus the Nation, so well. It would be a monument of truly national interest and character. The resolution of the Vermont General Assembly, passed on April 14, the anniversary date of Morrill's birth in 1810, and the resolution of the Strafford Historical Society, Inc., which has been most active in support of this proposal, are as follows:

JOINT RESOLUTION 27

Joint resolution relating to the Justin Smith Morrill Memorial and urging the passage of H.R. 5934 by the Congress of the United States

Whereas Justin Smith Morrill of Strafford, Vt., was a Member of the U.S. Congress for nearly 50 years; and

Whereas he served his State and country with honor and distinction; and

Whereas there is now pending before the Congress of the United States a measure, H.R. 5934, providing for the purchase and restoration of the Justin Smith Morrill homestead in the town of Strafford for the purpose of its preservation as an historical monument to his memory and achievements; and

Whereas on April 14, 1810, 149 years ago today, Justin Smith Morrill was born in the town of Strafford; and

Whereas this general assembly is cognizant of the great honors that have been brought to the State of Vermont by his many achievements, particularly as to his authorship of the famous Land Grant Acts to colleges in the field of education: Now, therefore, be it

Resolved by the Senate and House of Representatives, That the General Assembly of the State of Vermont hereby goes on record as favoring the passage of H.R. 5934 by the Congress of the United States, and urge early and favorable action by the Department of the Interior in this matter; and be it further

Resolved, That the secretary of state is hereby directed to send copies of this joint resolution to the President of the United States, the Vermont congressional delegation, the Secretary of the Interior of the United States, the president of the University of Vermont, the president of the University of New Hampshire, the president of the University of Massachusetts, the director of the Vermont Historical Society, the chairman of the Vermont Historic Sites Commission, and the president of the Strafford Historical Society.

RESOLUTION OF THE STRAFFORD HISTORICAL SOCIETY, INC., STRAFFORD, VT.

Whereas Justin Smith Morrill contributed much for the good of the country during his long service as a Member of Congress; and

Whereas his most memorable achievement was his authorship and adoption by Congress of the Land-Grant College Act signed into law by Abraham Lincoln on July 2, 1862; and

Whereas the impact of this legislation has been and will continue to be of enormous value to our Nation's progress; and

Whereas in recognition of the Nation's debt of respect, a bill has been introduced into Congress by Representative WILLIAM H. MEYER, providing for the acquirement and administration by the Secretary of the Interior of the Morrill homestead in Strafford, Vt., as a national monument: Now, therefore, be it

Resolved, That the board of directors and members of the Strafford Historical Society urge the passage of the bill; and be it further

Resolved, That favorable consideration be given to dedicating the monument on July 2, 1962, the centennial of the Land-Grant College Act; and be it further

Resolved, That a copy of this resolution be sent to Congressman MEYER and to any others whom our members may select.

Controlling Inflation

EXTENSION OF REMARKS
OF
HON. LESTER HOLTZMAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 12, 1959

Mr. HOLTZMAN. Mr. Speaker, I am introducing in the House of Representatives today a bill which is to be known as the Anti-Inflation Act of 1959. The bill would authorize the President to freeze our entire economy for a period not in excess of 90 days, during which period the Congress of the United States would have time to adequately consider the advisability of continuing the freeze, and the best manner in which to effectuate controls, if found necessary.

We all recognize that resort to direct controls is dangerous to economic freedom and incompatible with our free enterprise system. Nevertheless, in an emergency, I feel that the President should have authority, at least for a limited period, to protect consumers, workers, farmers, persons living on fixed or limited incomes, and business against the menace and danger of runaway inflation. The position of world leadership of the United States rests primarily upon the strength of our economic system, and must not, under any circumstances, be jeopardized by sudden inflation.

Our dollars purchase less and less every day, and it is about time that the machinery to cope with this problem be made available if and when needed.

When I first came to Congress over 6 years ago, in 1953, the purchasing power of the dollar, using 1947 to 1949 as a base period, was 87.4 cents. As of March of this year that purchasing power had been reduced to 80.4 cents, a decline of almost 7 cents in a 6-year period. Using 1939 as a base period we find that the dollar is worth only 48 cents at the present time, so we can clearly see that in a 20-year period we have lost over 50 percent of the value of the dollar.

History has demonstrated that the greatest danger from inflation comes when an emergency suddenly develops.

It is national policy that the President have the authority, at the moment of crisis, to take the necessary steps to protect the economic stability and security of the Nation. I believe my bill will provide such protection.

Safety Patrol Delegation for 1959 From the First Congressional District of Wisconsin

EXTENSION OF REMARKS
OF
HON. GERALD T. FLYNN
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 12, 1959

Mr. FLYNN. Mr. Speaker, it is with pride that I rise to advise this honorable body of a civic project in my hometown of Racine, Wis., in which a large number of manufacturers, individuals, and private organizations have cooperated. This civic and community project has made it possible for the city of Racine to participate annually in the grade school safety patrol program. Racine, Wis., was one of the pioneers in this movement; the first unit of the school safety patrol program in Wisconsin was organized in the city of Racine on January 11, 1926. It was one of the first such units organized in the Nation. Racine realized then and knows now the value of such a program in protecting the lives of schoolchildren at school crossings adjacent to elementary schools. In the 33 years since Racine has been extremely fortunate in that there has never been an accident involving a schoolchild at a school crossing where these safety patrol youngsters have been on duty.

A distinguished Racine citizen, Dr. George Walter, now deceased, gave of his time for many years in the promotion and development of this project. In his memory the group of industrialists, individuals and private organizations above mentioned have created a memorial fund, a nonprofit organization dedicated totally to providing finances through voluntary donation of funds, which are used to defray the annual expenses of sending one safety patrol boy or girl from each school in the city of Racine to Washington to participate in the annual safety patrol parade. These schoolchildren are accompanied by several civic-minded citizens and officials. The result of this trip spurs the young boys and girls on to dedicated service to the safety patrol. The result is that Racine is developing character in its young people, safety at its school crossings and has a program of which all can be proud.

It was with pride that I witnessed these boys and girls march in Saturday's parade. It was a happy occasion for me to visit and have breakfast with them while they were in Washington. The boys and girls selected this year and the school from which they came are:

School, Racine, Wis.: James Blake, St. John's Lutheran; Gary Bosak, Garfield School; Dale Dow, Winkler; James Esser, Holy Trinity School; Donald Fowler, St. Rose; Stephen Heisa, Stephen Bull; Marvin Johnson, St. Charles', Burlington, Wis.; Dale Ketterhagen, St. Mary's, Burlington, Wis.; Sigmund Kizirnis, St. Joseph's; Robert Knotek, St. John's Nepomuk; Lawrence Kraus, Lincoln Elementary; Craig Monroe, Our Father's Lutheran; John Morgan, Jerstad-Agerholm; Daniel Panyk, Rapids; Jerry Pusch, Trinity Lutheran; Ronald Rasmussen, Howell; Charles Retert, Roosevelt; Robert Richards, Jr., Wadewitz; John Schatzman, Franklin; David Wenszell, St. Mary's; James Stratman, St. Edwards'; Charles Wittkowski, Holy Name School; John Zimmerman, Epiphany Lutheran; Daniel Zuehlke, Washington; Theodore Zukewich, Sacred Heart; Kenneth Burns, Elkhorn School, Elkhorn, Wis.; Dick Pollak, Elkhorn School, Elkhorn, Wis.; Jack Zwieg, Elkhorn School, Elkhorn, Wis.; Lois Dandeneau, St. Patrick's School; Wendy Jane Dibble, S. C. Johnson; Jane Gutknecht, Franksville; Charlene Mae Harlow, St. Stanislaus; Ellen Ihrman, Winslow; Annette Jardina, St. Rita; Jane Mutschmann, James; Susan Oravetz, Fratt Elementary; Joyce Petersen, Gilbert Knapp; Marilyn Schetter, McKinley Elementary; Sally Shookman, Beebe; Mary Teut, St. John's Evangelical Lutheran, Burlington, Wis.; Pauline Walsh, Waller School, Burlington, Wis.; Sandra Weiss, Mitchell Elementary; Nancy Wtipil, Jefferson; Kathie Zabit, Trautwein.

The chaperones caring for these boys and girls were: Harold A. Schink, Racine County Safety Council; Officer Edward Kirt, Racine Police Department; Sgt. James Anderson, Racine Sheriff's Department; Mrs. Bertha Halliday, R.M. Racine Health Department; Miss Grace Piskula, physical education consultant, Racine Public Schools.

I commend both the children and their chaperones for the fine display they put on in Washington and for a job well done. I commend their schools for adequately preparing them for the trip. The chaperones said they were the finest behaved group of children that they had yet taken to Washington and I commend the civic-mindedness of the group and the individuals contributing to the Dr. Walter memorial fund for this most worthy project.

Mockery of Civil Service Tenure

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 12, 1959

Mr. PORTER. Mr. Speaker under leave to extend my remarks in the RECORD, I include the following statement which I made in the Post Office and Civil Service Committee on Monday, May 11, which was holding hearings on the so-called loyalty-security bill. This followed the testimony of Mr. Loyd Wright, of Los Angeles, Chairman of the President's Commission on Security and former president of the American Bar Association:

Thursday, Mr. Wright, you used most of your time to make an eloquent statement about the danger of communism. You spent practically no time on the merits of the bill before us. Of course we Members of Congress, like other Americans, don't want Communists and other subversives in Government employ. I think you could have assumed that attitude on our part.

What you, as well as the witnesses who preceded you, did not demonstrate was the need for this legislation. Of course, it is not the bill you had in mind when you came before us 2 years ago. This bill was an emergency measure to tide us over until your more comprehensive bill was introduced. I wonder what happened to your bill. I know what happened to the Walter bill. It passed the House but died in the Senate. I have heard of no dire consequences. Perhaps you have.

Let's discuss need. We don't need this legislation to keep Communists out of Government service. We already have laws on the books to do that. I refer you to the Hatch Act and the Internal Security Act of 1950.

We don't need it to keep subversives out because we have laws against espionage and sabotage.

I can't see then that we need to correct the Cole decision. If you add almost 2 million employees on the theory that each must be investigated and watched, you not only put an impossible burden on our FBI, but you are making a ridiculous and slanderous attack on good Americans.

You are also opening the way to abuses which would very soon make a mockery of the tenure assurances in the civil service system. Let's look at the bill and consider how it would work.

I am an agency chief. You are an employee with tenure under civil service. If I want you fired, for any reason, good or bad, founded in fact or not, I can do it. I don't have to have any particular grounds for calling you a security risk. I, your accuser, set up your so-called hearing and so-called appeal. You can't call witnesses, much less identify, or face, or cross-examine the witnesses against you.

As for the appeal to the Civil Service Commission, you are a lawyer, Mr. Wright. Members of the Commission are not. Furthermore, the only record they have is one prepared by the agency head, who is at the same time the accuser, judge, and jury.

This shocks me. I hope it shocks you. It shocks the League of Women Voters and many other Americans. We think that designating a person as a security or loyalty risk is a very serious matter. We think it should be done by due process of law. You know what that means. You know that the procedures set up in this bill are a travesty of due process.

We do have due process of law in our courts. I say let the courts dispose of persons, Government employees or not, who conspire or act against our Nation.

The Civil Service Commission 2 years ago took no position on this bill. I hope it will speak up strongly against it.

The Association of the Bar of the city of New York opposes this kind of legislation.

You were concerned about fairness and uniformity when you testified 2 years ago and recommended a Central Review Board (p. 47, 1957 hearings). Yet you are here endorsing this legislation which has no such Board.

[From Labor, Washington, D.C., May 9, 1959]

MUST WE SACRIFICE LIBERTY FOR SECURITY

"The scars of McCarthyism are still with us," said the conservative Denver Post re-

cently in a significant editorial that deserves wider circulation.

"Today most of us consider that we have recovered fairly well from that period of pointless suspicion, fear, character assassination, and ruined careers," the Post continues. "Therefore, it is interesting to ask how many of the following practices are still going on:

"Punishment for the advocacy of ideas, unconnected with any immediate action.

"Loyalty checks in which unverified accusations are used against persons who then have no opportunity to confront their accusers.

"Investigations of universities, foundations, and churches, by congressional committees, even though there is no direct connection to proposed legislation."

All those practices are still going on, the editorial says. "The truth of the matter is that the assault on civil liberties began before McCarthy ever made any headlines, and still persists today."

The editorial then adds:

"An even more widespread evil than the malpractices listed above is the general disrepute into which controversy of any kind has fallen. Deep probing of the institutions and customs by which we live is considered at best impolite and at worst the sign of someone who is 'politically unreliable.'

"At the root of this attitude is the idea that, in the face of Communist aggression, liberty must be sacrificed for the sake of security." That idea, the editorial says, "is the most mischievous political patent medicine ever swallowed by the American people."

Labor which opposed McCarthyism when that destructive doctrine was at its height, feels like the Denver Post that the battle to preserve the liberities guaranteed by the Constitution is not yet won. The American people must be constantly on guard to protect both liberty and security.

How Can World Law Be Achieved?

EXTENSION OF REMARKS
OF
HON. THOMAS B. CURTIS
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 12, 1959

Mr. CURTIS of Missouri. Mr. Speaker, I am inserting into the CONGRESSIONAL RECORD a letter I received from Donald Harrington, president of the United World Federalists, enclosing a copy of the speech Vice President NIXON delivered on April 13, 1959, before the Academy of Political Science on the subject of how world law might be achieved.

Mr. Harrington believes that this subject merits immediate public discussion and debate. I agree with him. Certainly Vice President NIXON's speech and the comments of the highly respected Columnist James Reston deserve to be read and considered by as many people as possible. Therefore, I am placing them in the CONGRESSIONAL RECORD.

I want to commend the United World Federalists, Inc., for calling this important matter to the attention of all the Members of the Congress. I have always had a high regard for this organization because, unlike so many organizations we have today with ideas and a mission, they have remained open-minded on the subject. They have not resorted to attacking the motives of those who disagree with them. Indeed, their primary objective seems to have been to keep the subject of world law and how we achieve it open for discussion.

I agree with their basic premise: the question is no longer whether world law is desirable but how world law can be achieved. The problem is extremely difficult and the answers will not be found immediately, or probably in our generation, but certainly we should start seeking for the answers in a more determined way and there are some forward steps than can be achieved immediately:

UNITED WORLD FEDERALISTS, INC.,
New York City, April 28, 1959.

Hon. THOMAS B. CURTIS,
House Office Building,
Washington, D.C.

DEAR MR. CURTIS: Enclosed herewith is a copy of a speech delivered by Vice President RICHARD M. NIXON, April 13, before the Academy of Political Science, together with a letter of comment and congratulations which we have written to Mr. NIXON.

We feel that this is a really historic address which at last brings to sharp focus the central issue of this time. The question is no longer whether world law is desirable but how world law can be achieved.

Although President Eisenhower and other prominent members of both political parties have many times called for world law, Mr. NIXON's speech is the first time that a high official of our Government has proposed specific action leading toward the rule of law. Since it was reportedly proposed as a trial balloon, it seems to us most important that Mr. NIXON receive as much reaction as possible to his proposals.

Whether or not this highly desirable public debate takes place may well depend on a few individuals like yourself who have the influence and interest to lead it. I hope you will do so, and will be interested in hearing from you.

Sincerely yours,
DONALD HARRINGTON,
President.

The text of Vice President NIXON's address proposing World Court rule in East-West disputes follows:

TEXT OF NIXON'S ADDRESS PROPOSING WORLD COURT RULE IN EAST-WEST DISPUTES

An invitation to address this distinguished audience is one of the most flattering and challenging a man in my position could receive.

Flattering because the very name of this organization at least implies that the profession which I am proud to represent can properly be described as a science rather than by some of the far less complimentary terms usually reserved for politics and politicians.

And challenging because I realize that an academy of political science expects a speech of academic character. I hasten to add, however, if it is proper to quote a Princeton man at a Columbia gathering, that in using the term "academic" I share Woodrow Wilson's disapproval of the usual connotation attached to that word.

Speaking on December 28, 1918, in London's Guildhall, he said:

"When this war began, a league of nations was thought of as one of those things that it was right to characterize by a name which, as a university man, I have always resented. It was said to be academic, as if that in itself were a condemnation, something that men could think about but never get."

In my view, the primary function of the practicing politician and of the political scientist is to find ways and means for people to get those things they think about; to make the impractical practical; to put idealism into action.

It is in that spirit that I ask you to analyze with me tonight the most difficult problem confronting our society today. It is, as I am sure we will all agree, the simple but overriding question of the survival of our civilization. Because, while none of us would downgrade the importance of such challenging problems as the control of inflation, economic growth, civil rights, urban redevelopment, we all know that the most perfect solutions of any of our domestic problems will make no difference at all if we are not around to enjoy them.

CHALLENGE TO SURVIVAL

Perhaps at no time in the course of history have so many people been so sorely troubled by the times and dismayed by the prospects of the future. The almost unbelievably destructive power of modern weapons should be enough to raise grave doubts as to mankind's ability to survive even were we living in a world in which traditional patterns of international conduct were being followed by the major nations.

But the threat to our survival is frighteningly multiplied when we take into account the fact that these weapons are in the hands of the unpredictable leaders of the Communist world as well as those of the free world.

What is the way out of this 20th century human dilemma? For the immediate threat posed by the provocative Soviet tactics in Berlin, I believe that to avoid the ultimate disaster of atomic war on one hand, or the slow death of surrender on the other, we must continue steadfastly on the course now pursued by the President and the Secretary of State.

May I say that before boarding the plane in Washington, I talked at the hospital with the Secretary of State. I am happy to bring the greetings of one of the most heroic and bravest men produced in our country in this generation.

In the record of American policy, as it has unfolded since the time of Korea, our national resolves to stand firm against Communist aggression are clearly revealed. This has particularly been the case since the policy of containment matured into this policy of deterrence. In the recurrent post-Korean crises of the Formosa Straits, the Middle East, and now Berlin, the President and Mr. Dulles have given the Soviet leaders no possible cause to misconstrue the American intent.

I believe, moreover, that the Soviet leaders are equally on notice that regardless of which political party holds power in Washington these policies of resolute adherence to our principles, our commitments and our obligations will prevail. I specifically want to pay tribute to members of the Democratic Party in the Congress for putting statesmanship above leadership by making this clearly evident in the developing situation of Berlin.

ADEQUATE MILITARY POWER

We can also take confidence in the fact that at this moment the United States possesses military power fully adequate to sustain its policies, and I am certain that whatever is necessary to keep this balance in favor of the free nations and the ideals of freedom will be done, by this administration and by its successors regardless of which political party may be in power.

What this posture of resolute national unity taken alone must mean in the end, however, is simply an indefinite preservation of the balance of terror.

We all recognize that this is not enough. Even though our dedication to strength will reduce sharply the chances of war by deliberate overt act, as long as the rule of force retains its paramount position as the final arbiter of international disputes, there will ever remain the possibility of war by miscalculation.

If this sword of annihilation is ever to be removed from its precarious balance over the head of all mankind, some more positive courses of action than massive military deterrence must somehow be found.

It is an understandable temptation for public men to suggest that some "bold new program" will resolve the human dilemma—that more missiles, more aid, more trade, more exchange or more meetings at the summit will magically solve the world's difficulties.

The proposals that I will suggest tonight are not offered as a panacea for the world's ills. In fact, the practice of suggesting that any one program, whatever its merit, can automatically solve the world's problems is not only unrealistic, but, considering the kind of opponent who faces us across the world today, actually can do more harm than good in that it tends to minimize the scope and gravity of the problems with which we are confronted, by suggesting that there may be one easy answer.

But while there is no simple solution for the problems we face, we must constantly search for new practical alternatives to the use of force as a means of settling disputes between nations.

INDIVIDUALS LIKE NATIONS

Men face essentially similar problems of disagreement and resort to force in their personal and community lives as nations now do in the divided world. And, historically, man has found only one effective way to cope with this aspect of human nature—the rule of law.

More and more the leaders of the West have come to the conclusion that the rule of law must somehow be established to provide a way of settling disputes among nations as it does among individuals.

But the trouble has been that as yet we have been unable to find practical methods of implementing this idea. Is this one of those things that men can think about but cannot get?

Let us see what a man who had one of the most brilliant political and legal minds in the Nation's history had to say in this regard. Commenting on some of the problems of international organization the late Senator Robert Taft said:

"I do not see how we can hope to secure permanent peace in the world except by establishing law between nations and equal justice under law. It may be a long hard course, but I believe that the public opinion of the world can be led along that course, so that the time will come when that public opinion will support the decision of any reasonable impartial tribunal based on justice."

We can also be encouraged by developments that have occurred in this field in just the past 2 years.

Not surprisingly the movement to advance the rule of law has gained most of its momentum among lawyers. Mr. Charles Rhyne, a recent president of the American Bar Association, declared in a speech to a group of associates in Boston a few weeks ago that there is an idea on the march in the world. He was referring to the idea that ultimately the rule of law must replace the balance of terror as the paramount factor in the affairs of men.

NOTED MEN SPOKE

At the time of the grand meeting of the American Bar Association in London in July 1957, speaker after speaker at this meeting—the Chief Justice of the United States, the Lord Chancellor of Great Britain, the Attorney General of the United States, and Sir Winston Churchill—eloquently testified that the law must be made paramount in world affairs.

One hundred and eighty-five representatives of the legal professions of many nations on earth met in New Delhi last January and agreed that there are basic universal principles on which lawyers of the free world can agree.

President Eisenhower, you will recall, said in his state of the Union message last January:

"It is my purpose to intensify efforts during the coming 2 years * * * to the end that the rule of law may replace the obsolete rule of force in the affairs of nations. Measures toward this end will be proposed later, including reexamination of our relation to the International Court of Justice."

I am now convinced, and in this I reflect the steadfast purpose of the President and the wholehearted support of the Secretary of State and the Attorney General, that the time has now come to take the initiative in the right direction of establishment of the rule of law in the world to replace the rule of force.

Under the Charter of the United Nations and the Statute of the International Court of Justice, institutions for the peaceful composing of differences among nations and for law giving exist in the international community. Our primary problem today is not the creation of new international institutions, but the fuller and more fruitful use of the institutions we already possess.

The International Court of Justice is a case in point. Its relative lack of judicial business—in its 12-year history an average of only 2 cases a year have come before the tribunal of 15 outstanding international jurists—underlines the untried potentialities of this Court.

While it would be foolish to suppose that litigation before the Court is the answer to all the world's problems, this method of settling disputes could profitably be employed in a wider range of cases than is presently done.

As the President indicated in his state of the Union message, it is time for the United States to reexamine its own position with regard to the Court. Clearly all disputes regarding domestic matters must remain permanently within the jurisdiction of our own courts. Only matters which are essentially international in character should be referred to the International Court.

But the United States reserved the right to determine unilaterally whether the subject matter of a particular dispute is within the domestic jurisdiction of the United States and is therefore excluded from the jurisdiction of the Court. As a result of this position on our part, other nations have adopted similar reservations. This is one of the major reasons for the lack of judicial business before the Court.

CONGRESS ACTION PLANNED

To remedy this situation the administration will shortly submit to the Congress recommendations for modifying this reservation. It is our hope that by our taking the initiative in this way, other countries may be persuaded to accept and agree to a wider jurisdiction of the International Court.

There is one class of disputes between nations which, in the past, have been one of the primary causes of war. These economic disputes assume major importance today at a time when this cold war may be shifting its major front from politics and ideology to the so-called ruble war for the trade and the development of new and neutral countries.

As far as international trade is concerned, an imposing structure of international agreements already exists. More complex and urgent than trade, as such, is the area of international investment. For in this area will be determined one of the most burning issues of our times—whether the economic development of new nations, so essential to their growth in political self-confidence and successful self-government, will be accomplished peacefully or violently, swiftly or wastefully, in freedom or in regimentation and terror.

We must begin by recognizing that the task of providing the necessary capital for investment in underdeveloped countries is a job too big for mere Government money. Only private money, privately managed, can do it right in many sectors of needed development. And private investment requires a sound and reliable framework of laws in which to work.

Economic development, involving as it does so many lawyers and so many private investors, will tend to spread and promote more civilized legal systems wherever it goes.

Already, in its effort to encourage U.S. private investment abroad, the U.S. Government has negotiated treaties of commerce with 17 nations since 1946, tax conventions with 21 nations, and special-investment guarantee agreements under the Mutual Security Act with 40 nations.

What has been done is for the most part good, but there are several areas where additional action is called for. The countries that need economic development most are too often least likely to have the kind of laws, government, and climate that will attract investment. The political risks of expropriation and inconvertibility against which ICA (International Cooperation Administration) presently sells insurance are not the only political risks that investors fear. Three U.S. Government commissions, as well as numerous private experts, have recently recommended a variety of improvements in our machinery for fostering foreign investment.

I select three for particular endorsement. Our laws should permit the establishment of foreign business corporations meriting special tax treatment, so that their foreign earnings can be reinvested abroad free of U.S. tax until the U.S. investor actually receives his reward.

In addition, more tax treaties should be speedily negotiated to permit tax sparing and other reciprocal encouragements to investors. The ICA guarantee program should be extended to include such risks as revolution and civil strife. Finally, a concerted effort should be made to extend our whole treaty system into more countries, especially those in most need of development.

The great adventure of economic development through a worldwide expansion of private investment is bound to develop many new forms and channels of cooperation between governments and between individuals of different nations.

We need not fear this adventure; indeed we should welcome it. For if it sufficiently engages the imagination and public spirit of the legal profession and others who influence public opinion, it must be accompanied by the discovery or rediscovery, in countries old and new, of the legal principles and the respect for substantive law on which wealth and freedom alike are grounded.

There are encouraging signs at least that we are on the threshold of real progress toward creating more effective international law for the settlement of economic disputes between individuals and between nations.

Turning to the political area, we have now come far enough along in the great historic conflict between the free nations and the Communist bloc to know that negotiation and discussion alone will not necessarily resolve the fundamental issues between us. This has proved to be the case whether the negotiations took place through the very helpful processes of the United Nations, or at the conference table of Foreign Ministers, or even at what we now call the summit.

PACTS WITH SOVIET CITED

What emerges, eventually, from these meetings at the conference table are agreements. We have made a great many agreements with the Soviet leaders from the time

of Yalta and Potsdam. A major missing element in our agreements with the Soviet leaders has been any provisions as to how disputes about the meaning of the agreements in connection with their implementation could be decided.

Looking back at the first summit conference at Geneva, for example, we find that it produced an agreement, signed by the Soviet leaders, which elevated the hopes of the entire world.

It should be noted, however, that the President and the Secretary of State repeatedly warned both before and after the holding of the conference that success could be measured only in deeds. One of the announced purposes of the conference was to test the Soviet sincerity by the standard of performance.

The summit conference has since been characterized by some as a failure, but in terms of agreements, as such, it was a success.

Let me quote briefly from that agreement:

"The heads of government, recognizing their common responsibility for the settlement of the German question and the reunification of Germany, have agreed that the settlement of the German question and the reunification of Germany by means of free elections shall be carried out in conformity with the national interests of the German people and the interests of European security."

In other words, those who participated in the conference, including Mr. Nikita S. Khrushchev, agreed at Geneva on a sound method for dealing with the German problem—the very same problem from which he has now fathered the new crisis at Berlin. But while the agreement seemed clear, as events subsequently developed, Mr. Khrushchev's understanding of its meaning was ostensibly different from ours.

The crucial question remained—how was the agreement to be effective when the parties disagreed as to what it meant? This is typical of a problem that can arise wherever any agreement is entered into between nations.

In looking to the future what practical steps can we take to meet this problem? I will not even suggest to you that there is any simple answer to this question. But I do believe there is a significant step we can take toward finding an answer.

We should take the initiative in urging that in future agreements provisions be included to the effect: (1) that disputes which may arise as to the interpretation of the agreement should be submitted to the International Court of Justice at the Hague; and (2) that the nations signing the agreement should be bound by the decision of the court in such cases.

Such provisions will, of course, still leave us with many formidable questions involving our relationships with the Communist nations in those cases where they ignore an agreement completely apart from its interpretation. But I believe this would be a major step forward in developing a rule of law for the settlement of political disputes between nations and in the direction all free men hope to pursue.

If there is no provision for settling disputes as to what an international agreement means and one nation is acting in bad faith, the agreement has relatively little significance. In the absence of such a provision an agreement can be flagrantly nullified by a nation acting in bad faith whenever it determines it is convenient to do so.

While this proposal has not yet been adopted as the official U.S. position, I have discussed it at length with Attorney General William P. Rogers and with officials of the State Department and on the basis of these discussions I am convinced that it has merit and should be given serious consideration in the future.

The International Court of Justice is not a Western instrumentality. It is a duly constituted body under the United Nations Charter and has been recognized and established by the Soviet along with the other signatories to the charter.

There is no valid reason why the Soviets should not be willing to join with the nations of the free world in taking this step in the direction of submitting differences with regard to interpretation of agreements between nations to a duly established international court and thereby further the day when a rule of law will become a reality in the relations between nations.

And, on our part, as Secretary Dulles said in his speech before the New York State Bar Association on January 31:

"Those nations which do have common standards should by their conduct and example, advance the rule of law by submitting their disputes to the International Court of Justice, or to some other international tribunal upon which they agree."

We should be prepared to show the world by our example that the rule of law, even in the most trying circumstances, is the one system which all freemen of good will must support.

In this connection it should be noted that at the present time in our own country our system of law and justice has come under special scrutiny, as it often has before in periods when we have been engaged in working out basic social relationships through due process of law.

It is certainly proper for any of us to disagree with an opinion of a court or courts. But all Americans owe it to the most fundamental propositions of our way of life to take the greatest care in making certain that our criticisms of court decisions do not become attacks on the institution of the court itself.

Mr. Khrushchev has proclaimed time and again that he and his associates in the Kremlin, to say nothing of the Soviet peoples, desire only a fair competition to test which system, communism or free capitalism, can better meet the legitimate aspirations of mankind for a rising standard of living.

The world knows that this is the only kind of competition which the free nations desire. It is axiomatic that free people do not go to war except in defense of freedom. So obviously we welcome this kind of talk from Mr. Khrushchev. We welcome a peaceful competition with the Communists to determine who can do the most for mankind.

Mr. Khrushchev also knows, as we do, that a competition is not likely to remain peaceful unless both sides understand the rules and are willing to have them fairly enforced by an impartial umpire. He has pointedly reminded the world that Soviet troops are not in Germany to play skittles. The free peoples passionately wish that Mr. Khrushchev's troops, as well as their own, could find it possible to play more skittles and less atomic war games. But we remind him that his troops could not even play skittles without rules of the game.

If the Soviets mean this talk of peaceful competition, then they have nothing to fear from the impartial rules impartially judged, which will make such peaceful competition possible.

The Soviet leaders claim to be acutely aware of the lessons of history. They are constantly quoting the past to prove their contention that communism is the way of the future. May I call to their attention one striking conclusion that is found in every page of recorded history.

It is this: The advance of civilization, the growth of culture and the perfection of all the finest qualities of mankind have all been accompanied by respect for law and justice and by the constant growth of the use of law in place of force.

The barbarian, the outlaw, the bandit are symbols of a civilization that is either primitive or decadent. As men grow in wisdom, they recognize that might does not make right; that true liberty is freedom under law; and that the arrogance of power is a pitiful substitute for justice and equity.

Hence once again we say to those in the Kremlin who boast of the superiority of their system:

"Let us compete in peace, and let our course of action be such that the choice we offer uncommitted peoples is not a choice between progress and reaction, between high civilization and a return to barbarism, between the rule of law and the rule of force."

In a context of justice, of concern for the millions of men and women who yearn for peace, of a constant striving to bring the wealth abounding in this earth to those who today languish in hunger and want—in such a context, competition between the Communist world and the free world would indeed be meaningful.

Then we could say without hesitation:

"Let the stronger system win, knowing that both systems would be moving in a direction of a world of peace, with increasing material prosperity serving as a foundation for a flowering of the human spirit."

We could then put aside the hatred and distrust of the past and work for a better world. Our goal will be peace. Our instrument for achieving peace will be law and and justice. Our hope will be that, under these conditions, the vast energies now devoted to weapons of war will instead be used to clothe, house, and feed the entire world. This is the only goal worthy of our aspirations. Competing in this way, nobody will lose, and mankind will gain.

I also want to include an article by James Reston, "Search for Rule by Law," which appeared in the New York Times, April 14, 1959:

SEARCH FOR RULE BY LAW—DOMESTIC FACTORS AS WELL AS WORLD ISSUES LED TO TRIAL BALLOON BY NIXON

(By James Reston)

WASHINGTON, April 13.—Vice President NIXON sent aloft in New York tonight a fairly important trial balloon on how to negotiate future agreements with the Soviet Union.

Why not, he suggested to the Academy of Political Science, let the International Court of Justice at The Hague settle all differences of interpretation of future United States-Soviet agreements? The background of this suggestion is as interesting as the proposal itself.

It arises from the fact that almost every United States-Soviet agreement since the war has failed wholly or in part because it was interpreted in one way by Washington and another by Moscow, and there was no legal way of resolving these differences.

Accordingly, the Justice and State Departments have been talking for years about trying to take these questions of interpretation out of the political sphere and placing them in the realm of international law before the World Court or some other court.

Attorney General William P. Rogers and Arthur Larson, former Presidential assistant, have been talking with Mr. NIXON about this for several years. The Vice President, in turn, recently discussed the proposal with Acting Secretary of State Christian A. Herter, and with the President, who knew and approved of the Vice President's decision to discuss the matter publicly tonight.

FUTURE IS EMPHASIZED

It was emphasized here today that the Vice President was not talking about trying to apply the principle of compulsory arbitration to the interpretation of past treaties and international agreements.

He was, instead, proposing a procedure for future agreements so that each agreement

could be considered on its own merits. For example, if the forthcoming talks with the Big Four foreign ministers should reach a new agreement on Berlin, or Germany, or atomic testing, that agreement, under the Nixon proposal, would contain a clause stating two things:

1. That any disputes that may arise as to the interpretation of the agreement should be submitted to the World Court.

2. That the nations signing the agreement should be bound by the interpretation of the World Court in such cases.

The proposal was put forward in this way for several reasons. For example, there is still considerable opposition on the Republican right and in the Democratic South to any move that might, even in remote cases, extend the authority of the World Court to matters some people regard as wholly within the domestic jurisdiction of the United States.

The administration would like to repeal the so-called Connally amendment of 1946, which insisted that the United States had the sole right to determine whether cases involving the United States should be subject to the jurisdiction of the World Court.

In the last few years, the administration has with difficulty defeated the so-called Bricker amendment, which would have placed further limitations on the jurisdiction of the United Nations and its associated organizations. And while the supporters of the Bricker amendment have been weakened in recent elections, the State and Justice Departments do not want to get involved in another battle on this issue.

Before the end of this week, the State Department will send to the Senate Foreign Relations Committee its ideas of how the Connally amendment should be modified, but there is some doubt whether any modification will take place in this session of the Congress.

The administration is more hopeful about winning acceptance for the more specific idea of letting the World Court decide disputes arising out of the interpretation of future agreements with the Soviet Union and other nations.

This would enable the Congress to look at one case at a time. It would force the Executive to draft future international agreements in careful language that could, if challenged, be examined by the World Court, rather than leaving them vague, as in the past Big Four agreements on Western access to Berlin. Finally, it would, if accepted by the Soviet Union, provide one way of resolving the interminable arguments over what United States-Soviet agreements mean.

It is pointed out here that, even if the Soviet Union did not agree to submit the interpretaton of future agreements to the World Court this in itself would make clear Moscow's insistence on being the sole judge of its own actions. Whereas, if it did accept, at least some progress could be made toward substituting the rule of law in a limited field for the present rule of force.

There will undoubtedly be opposition to Mr. NIXON'S trial balloon. Some Senators feel that the United States, like the Soviet Union, cannot afford to let any court decide matters that might affect its security.

Some for example, would be opposed to letting the World Court sit in judgment on Panama's claim to sovereignty over the 12-mile sea limit beyond its shores. This would take in most of the critical approaches to the Panama Canal and is thus regarded here as vital to the security of the canal and the United States.

Finally, there are some legislators who think that any extension of the powers of the World Court might, at some future date, enable citizens of the United States to claim that they were not enjoying the human rights spelled out in the Declaration of Human Rights under the United Nations.

Thus, Vice President NIXON, in his scholarly address tonight, has opened up, not only some fundamental legal questions, but quite a few important international and national political questions as well.

This is why his World Court idea was put forward as a trial balloon rather than as established administration policy.

SENATE

WEDNESDAY, MAY 13, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, standing in the living present, as its panorama unfolds, teach us to be taught by the speaking past.

Make us greatly humble as we have a part in determining the directions and goals of today.

May we be still long enough to listen to the sad story of cultures which have failed in their high hour and have left only broken memories of great races displaced by less creative races, of civilizations which have been undone or have undone themselves just as they seemed ready to enter into their glory.

Solemnize us with the knowledge that the divine laws—which, defied across the ages, have brought collapse, decline, and defeat—have not been revoked in Thy world, and that still where there is no vision the people perish.

May this glittering century, so rich in things and so poor in soul, by its clamor not drown Thy voice, warning—

"I have set before you life and death—therefore choose life."

We ask it in the Name of the Holy One who came to bring life abundant to all mankind. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the Journal of the proceedings of Tuesday, May 12, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H.R. 2193) to designate the Coyote Valley Reservoir in California as Lake Mendocino, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 2193) to designate the Coyote Valley Reservoir in California as Lake Mendocino, was read twice by its title and referred to the Committee on Public Works.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Constitutional Amendments Subcommittee of the Committee on the Judiciary, the Foreign Relations Committee, the Constitutional Rights Subcommittee of the Committee on the Judiciary, the Internal Security Subcommittee of the Committee on the Judiciary, and the Civil Service Subcommittee of the Committee on Post Office and Civil Service, were authorized to sit during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate go into executive session, to consider the nominations on the calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of John M. Raymond, of the District of Columbia, to be a representative on the United Nations Commission on Permanent Sovereignty Over Natural Wealth and Resources, which was referred to the Committee on Foreign Relations.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. HILL, from the Committee on Labor and Public Welfare:

Stuart Rothman, of Minnesota, to be General Counsel of the National Labor Relations Board;

Dr. Logan Wilson, of Texas, to be a member of the National Science Board, National Science Foundation;

Thomas Edward Keys, of Minnesota, to be a member of the Board of Regents of the National Library of Medicine, Public Health Service; and

Edwin R. Price, of Maryland, to be a member of the Federal Coal Mine Safety Board of Review.

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

Clarence R. Reed, and sundry other persons, for permanent appointment in the Coast and Geodetic Survey.

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

C. Douglas Dillon, of New Jersey, to be Under Secretary of State, vice Christian A. Herter;

Mark A. May, of Connecticut, to be a member of the U.S. Advisory Commission on Information;

Lewis W. Douglas, of Arizona, to be a member of the U.S. Advisory Commission on Information; and

Harold M. Randall, of Iowa, a Foreign Service officer of class 1, to be the representative to the eighth session of the Economic Commission for Latin America of the Economic and Social Council of the United Nations.

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mr. SALTONSTALL. Mr. President, from the Committee on Armed Services, I report favorably the nominations of two lieutenant generals to be placed on the retired list in the grade of lieutenant general, two generals to be placed on the retired list in the grade of general, and two lieutenant generals to be assigned to positions of importance and responsibility in the rank of general. I ask that these names be placed on the Executive Calendar.

The VICE PRESIDENT. Without objection, it is so ordered.

The nominations, placed on the Executive Calendar, are as follows:

Gens. Williston Birkhimer Palmer, and Cortlandt Van Rensselaer Schuyler, Army of the United States (major general, U.S. Army), to be placed on the retired list in the grade of general;

Lt. Gens. Carter Bowie Magruder, and Charles Day Palmer, to be assigned to positions of importance and responsibility designated by the President;

Lt. Gen. Clarence S. Irvine (major general, Regular Air Force), U.S. Air Force, to be placed on the retired list in the grade of lieutenant general; and

Lt. Gen. Clovis Ethelbert Byers, Army of the United States (major general, U.S. Army), to be placed on the retired list in the grade of lieutenant general.

Mr. SALTONSTALL. Mr. President, in addition, I report favorably a group of 7 major generals and 32 brigadier generals for appointment in the Regular Army, 5 major generals and 19 brigadier generals for appointment in the Army Reserve, and 131 appointments in the Regular Air Force in the grade of major and below. All of these names have already appeared in the CONGRESSIONAL RECORD. In order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Vice President's desk for the information of any Senator.

The VICE PRESIDENT. Without objection, the nominations will lie on the desk, as requested by the Senator from Massachusetts.

The nominations, ordered to lie on the desk, are as follows:

Maj. Gen. Carl Henry Jark, and sundry other officers, for appointment in the Regular Army of the United States;

Brig. Gen. Philip Campbell Wehle, and sundry other officers, for temporary appointment in the Army of the United States;

Brig. Gen. Paul Bela Bell, and sundry other officers, for promotion as Reserve commissioned officers of the Army;

Cols. Frank Douglas Pickney, and John Clyde Wilson, Adjutant General's Corps, Army National Guard of the United States, for appointment as Reserve commissioned officers of the Army;

John F. Graf, and sundry other persons, for appointment in the Regular Air Force;

John Stakle, Jr., and Ronald W. Campbell, distinguished military students of the Air Force Reserve Officers' Training Corps, for appointment in the Regular Air Force, in the grade of second lieutenant; and

Louis Samuel Cohen, and sundry other midshipmen, U.S. Naval Academy, for appointment in the Regular Air Force, in the grade of second lieutenant.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the calendar will be stated.

COMMISSIONER OF THE DISTRICT OF COLUMBIA

The Chief Clerk read the nomination of David Brewer Karrick, of the District of Columbia, to be a Commissioner of the District of Columbia for a term of 3 years and until his successor is appointed and qualified.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the postmaster nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the postmaster nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

The VICE PRESIDENT. Morning business is in order.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORTS ON OVEROBLIGATIONS OF APPROPRIATIONS

A letter from the Secretary of Defense, transmitting, pursuant to law, reports on the overobligations of appropriations within that Department (with accompanying papers); to the Committee on Appropriations.

FINANCIAL STATEMENT OF THE AMERICAN LEGION

A letter from the director, the American Legion, Washington, D.C., transmitting, pursuant to law, a financial statement of that organization, as of December 31, 1958 (with an accompanying report); to the Committee on Finance.

AUDIT REPORT ON BUREAU OF ENGRAVING AND PRINTING

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Bureau of Engraving and Printing, Treasury Department, fiscal year 1958 (with an acccompanying report); to the Committee on Government Operations.

REPORT ON GRAY REEF DAM AND RESERVOIR, GLENDO UNIT, WYOMING

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report on the Gray Reef Dam and Reservoir, Glendo unit, Wyoming, Missouri River Basin project (with an accompanying report); to the Committee on Interior and Insular Affairs.

AUDIT REPORT ON THE AMERICAN SOCIETY OF INTERNATIONAL LAW

A letter from the executive secretary, the American Society of International Law, Washington, D.C., transmitting, pursuant to law, an audit report by a certified public accountant, of that society, for the period January 1, 1958–March 31, 1959 (with an accompanying report); to the Committee on the Judiciary.

FEDERALLY AFFECTED AREAS SCHOOL ASSISTANCE AMENDMENTS OF 1959

A letter from the Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend Public Laws 815 and 874, 81st Congress, relating to school assistance in federally affected areas, so as to limit payments under such laws to situations involving tax-exempt Federal property (with accompanying papers); to the Committee on Labor and Public Welfare.

AMENDMENT OF LAWS RELATING TO ST. ELIZABETHS HOSPITAL, SO AS TO FIX SALARIES OF CERTAIN EMPLOYEES

A letter from the Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the laws relating to St. Elizabeths Hospital so as to fix the salaries of the superintendent, assistant superintendent, and first assistant physician of the hospital, and for other purposes (with an accompanying paper); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A concurrent resolution of the Legislature of the Territory of Hawaii; to the Committee on Finance:

"SENATE CONCURRENT RESOLUTION 114

"Concurrent resolution requesting the Congress of the United States to further amend the Internal Revenue Code of 1954, as amended, to include under the term 'dependents' the residents of any country to which the transfer of U.S. funds is not prohibited

"Whereas section 152(b)(3), Internal Revenue Code of 1954, as amended, provides that the term 'dependent' includes any noncitizen of the United States if such individual is a resident of the United States, of a country contiguous to the United States, of the Canal Zone, or of the Republic of Panama, or if such individual is a child of the taxpayer born to him, or legally adopted by him, in the Philippine Islands before January 1, 1956, if the child is a resident of the Republic of the Philippines, and if the taxpayer was a member of the Armed Forces of the United

States at the time the child was born or legally adopted by him; and

"Whereas these provisions exclude as 'dependents' many persons who receive substantial support from taxpayers and who meet all other requirements under the definition of the term 'dependent'; and

"Whereas there does not appear to be any compelling reason why the taxpayers providing such support should be discriminated against and why they should not be accorded the same privileges accorded those taxpayers whose noncitizen dependents happen to reside in the countries listed in section 152 (b) (3): Now, therefore, be it

"Resolved by the Senate of the 30th Legislature of the Territory of Hawaii (the House of Representatives concurring), That the Congress of the United States be and is hereby respectfully requested to further amend section 152(b)(3), Internal Revenue Code of 1954, as amended, to include under the term 'dependent' any noncitizen of the United States who resides in any country to which the transmittal of U.S. funds is not prohibited by law or government regulation if such individual meets all other requirements of said section 162; and be it further

"Resolved, That duly authenticated copies of this concurrent resolution shall be transmitted to the President of the United States, the President of the Senate, and the Speaker of the House of Representatives of the Congress of the United States, and to the Delegate to Congress from Hawaii."

A resolution adopted by the Indiana Federation of Clubs, at French Lick, Ind., favoring the enactment of legislation to establish a national shrine of the Lincoln homesite area in southern Indiana; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Chamber of Commerce of Van Nuys, Calif., favoring the enactment of legislation to provide for the uninterrupted construction of the National System of Interstate and Defense Highways; to the Committee on Public Works.

SUPPLY OF RAILROAD BOXCARS—JOINT RESOLUTION OF OREGON LEGISLATIVE ASSEMBLY

Mr. NEUBERGER. Mr. President, I have mentioned before on the floor of the Senate the importance of an adequate supply of railroad boxcars to the lumber industry of my home State.

The recent session of the Oregon Legislature gave similar recognition to this problem through the adoption of House Joint Memorial 8. I ask consent to have printed in the RECORD, and appropriately referred, House Joint Memorial 8 as it was adopted by the 50th Oregon Legislative Assembly.

There being no objection, the joint resolution was referred to the Committee on Interstate and Foreign Commerce, and, under the rule, ordered to be printed in the RECORD, as follows:

ENROLLED HOUSE JOINT MEMORIAL 8

To His Excellency the Honorable Dwight D. Eisenhower, President of the United States; to the Honorable Senate and House of Representatives of the United States of America, in Congress Assembled, and to the Interstate Commerce Commission:

We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

"Whereas the Oregon economy is directly dependent upon a relatively small number of basic industries; and

"Whereas the agricultural and lumber products of our State are vital to the health, welfare, and defense of our country; and

"Whereas due to circumstances beyond our control the aforementioned industries have for years suffered from periodic railroad car shortage; and

"Whereas the western railroads which serve this State have been and are building cars in larger numbers than are the eastern railroads; and

"Whereas the failure of eastern railroads to produce sufficient cars for their own needs stems from obvious financial difficulties; and

"Whereas this lack of cars leads the eastern railroads to delay return of western cars for extended periods of time; and

"Whereas the solution to this problem cannot be obtained locally but lies in the hands of the Federal Government, the Interstate Commerce Commission, and the eastern railroads: Now, therefore, be it

"Resolved by the House of Representatives of the State of Oregon (the Senate jointly concurring therein), That the President of the United States, the Congress of the United States and the Interstate Commerce Commission are hereby requested to take appropriate action to improve our national defense capabilities and the economic condition of our State by: (1) Assuring the return of rail cars to the railroad holding title thereto with the least practicable delay; (2) deferring action on any national legislation which would increase railroad cost of operation; and (3) making every reasonable effort to aid the railroads to develop a car construction program of sufficient size to increase materially the national car supply; and be it further

"Resolved, That copies of this memorial be transmitted to the President of the United States, the Secretary of the U.S. Senate, the Clerk of the U.S. House of Representatives, to each member of the Oregon congressional delegation, and to the Interstate Commerce Commission."

Adopted by house April 17, 1959.

RUTH RENFROE,
Chief Clerk of House.
ROBERT B. DUNCAN,
Speaker of House.

Adopted by senate April 23, 1959.

WALTER J. PEARSON,
President of Senate.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, without amendment:

S. 1234. A bill to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 5 years, ending September 7, 1965 (Rept. No. 290).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DIRKSEN:

S. 1923. A bill to adjust postal rates of certain first-class mail and airmail, and for other purposes; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. DIRKSEN when he introduced the above bill, which appear under a separate heading.)

By Mr. GOLDWATER:

S. 1924. A bill for the relief of Fahmi I. Hashish; to the Committee on the Judiciary.

By Mr. JACKSON:

S. 1925. A bill to provide that an officer of the Army, Air Force, or Navy assigned to serve as Director of the Armed Forces Institute of Pathology shall hold the rank of not less than brigadier general or rear admiral, as the case may be, while so serving; to the Committee on Armed Services.

By Mr. JACKSON (for himself and Mr. MAGNUSON):

S. 1926. A bill to provide for the disposal of certain real property to the city of Spokane, Wash., and for other purposes; to the Committee on Government Operations.

By Mr. NEUBERGER:

S. 1927. A bill to amend the Bonneville Project Act in order to establish the Bonneville Power Corporation; to the Committee on Public Works.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. FULBRIGHT (by request):

S. 1928. A bill to provide for the participation of the United States in the Inter-American Development Bank; to the Committee on Foreign Relations.

(See the remarks of Mr. FULBRIGHT when he introduced the above bill, which appear under a separate heading.)

By Mr. HOLLAND:

S. 1929. A bill to amend the Communications Act of 1934 to provide that equal time provisions shall not apply to news programs; to the Committee on Interstate and Foreign Commerce.

By Mr. KUCHEL (for himself and Mr. JACKSON):

S. 1930. A bill to authorize and direct the Secretary of the Navy to acquire, in fee or otherwise, lands and rights in land on the island of Guam, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON:

S. 1931. A bill for the relief of Salvatore Guiseppe Malaspina; to the Committee on the Judiciary.

CONCURRENT RESOLUTIONS

JOINT COMMITTEE ON SALARY ADJUSTMENT

Mr. JOHNSTON of South Carolina submitted the following concurrent resolution (S. Con. Res. 34), which was referred to the Committee on Post Office and Civil Service:

Resolved by the Senate (the House of Representatives concurring), That in recognition of the principle of equal pay for substantially equal work, it is the purpose of the Congress to provide a plan for—

(1) the review, evaluation, and revision of the salary determination system provided by the Classification Act of 1949, as amended, so as to establish and maintain equitable rates of basic compensation for officers and employees of the Government of the United States and of the District of Columbia subject to such Act, and

(2) any needed modification of such Act, after appropriate study thereof.

SEC. 2. (a) There is hereby established a joint congressional committee, to be known as the Joint Committee on Salary Adjustment (herein referred to as the "committee"), to be composed of ten members, as follows:

(1) five members of the Committee on Post Office and Civil Service of the Senate, three from the majority party and two from the minority party, to be appointed by the chairman of the committee, and

(2) five members of the Committee on Post Office and Civil Service of the House of Representatives, three from the majority party, and two from the minority party, to be appointed by the chairman of the committee.

(b) A vacancy in the membership of the committee shall not affect the power of the remaining members to perform the functions of the committee. Any such vacancy shall

be filled in the same manner as the original appointment. The committee shall select a chairman and a vice chairman from among its members, one of whom shall be a Member of the Senate and the other a Member of the House of Representatives.

SEC. 3. (a) The committee is authorized and directed to conduct a full and complete study of the structure and operation of the Classification Act of 1949, as amended, under which the majority of the civilian employees of the Government of the United States and of the District of Columbia are compensated, in order to provide a basis for the revision of rates of basic compensation in the compensation schedule for the General Schedule of such Act which will achieve uniformity in the recognition of relative differences in difficulty, responsibility, and qualification requirements of the positions subject to such Act. Such study shall be conducted for the purpose of providing for any needed revision of any provision of such Act which may be dictated by the results of such study.

(b) The committee shall invite the United States Civil Service Commission and other governmental agencies, as well as employee organizations, to submit recommendations based on past experience in dealing with problems arising in the administration and operation of the Classification Act of 1949, as amended. In making this appraisal of the operation of the Classification Act of 1949, as amended, the Commission and other governmental agencies shall devote particular attention to the directing function of management as an important factor to be considered in the classification of positions. In its recommendations submitted to the committee the United States Civil Service Commission shall give due consideration to the desirability of (1) effecting realinement of grades, (2) changing the number of grades in the General Schedule of the Classification Act of 1949, wherever justified, and (3) appropriate modification of the range of pay steps within a grade in order to provide incentive for continued efficient service. As soon as practicable during the present Congress, the committee shall submit a detailed report to the Senate and House of Representatives of the results of its study, together with such recommendations as it deems advisable including, specific recommendations in the form of drafts of proposed legislation to provide a basis for necessary legislative action to effect the desired changes in salary rates and other conditions related to compensation. On the thirtieth day after submission of such report, the committee shall cease to exist.

SEC. 4. For the purpose of carrying out the provisions of this resolution, the committee, or any subcommittee thereof authorized by the committee to hold hearings, is authorized to sit and act during the present Congress at such times and places within the United States, including any Commonwealth or possession thereof, whether or not the Congress or either House thereof is in session, has recessed, or has adjourned, to hold such hearings, to require by subpena or otherwise the attendance of witnesses and the production of such books, correspondence, memorandums, papers, and documents, and to take such testimony as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him and may be served by any member designated by such chairman.

SEC. 5. (a) The committee is authorized to appoint and fix the compensation of such experts, consultants, clerical and stenographic assistants, to procure such printing and binding, and to make such expenditure, as it deems necessary. The staff of experts and consultants shall be persons who are trained in the analysis of rates of compensation and of related economic conditions. Compensation of personnel of the committee shall not exceed the compensation fixed under the Classification Act of 1949, as amended, for positions of comparable levels of duties and responsibilities.

(b) The committee is authorized to utilize the services, information, and facilities of any department, agency, establishment, or instrumentality of the United States or the District of Columbia.

Mr. MAGNUSON (for himself and Senators CHURCH, JACKSON, MANSFIELD, MORSE, MURRAY, and NEUBERGER) submitted a concurrent resolution (S. Con. Res. 35) to make an investigation concerning anadromous fish in the Columbia River Basin, which was referred to the Committee on Interstate and Foreign Commerce.

(See the above concurrent resolution printed in full when submitted by Mr. MAGNUSON, which appears under a separate heading.)

ADJUSTMENT OF RATES ON FIRST-CLASS MAIL AND AIRMAIL

Mr. DIRKSEN. Mr. President, today I am privileged to introduce, for appropriate reference, a bill to adjust postal rates of certain first-class mail and airmail, and for other purposes. This bill is responsive to the President's budget for fiscal year 1960 which includes on the revenue side an additional $350 million in postal receipts.

The bill calls for an increase of 1 cent an ounce on letter mail and 1 cent an ounce on air mail, bringing these rates to 5 cents and 8 cents, respectively. I should remind my colleagues that last year, after debate on the same issue, the Senate passed a postal increase bill calling for a 5-cent letter rate. Unfortunately, the Senate conferees, during the course of long and arduous negotiation, acceded to the other body; and the bill, as passed, established a 4-cent letter rate.

Inasmuch as the postal-rate legislation passed by the 85th Congress was less than requested, and was over 50 percent offset by a simultaneous 10-percent salary increase enacted by the Congress, a substantial postal deficit remains. The Post Office Department's budget for the fiscal year 1960 indicates a loss of more than half a billion dollars. A 1-cent increase on letter mail will produce approximately $339 million in new revenues. A 1-cent increase on airmail will produce more than $16 million. Thus, while the bill which I have introduced will not completely eliminate the deficit, it will bring postal revenues substantially closer to postal costs. If a 5-cent letter rate was justified during the 85th Congress—and I am confident it was—then it is clearly called for today.

The proposed legislation makes no provision at this time for increases in second- and third-class rates of postage. The postal rate and pay bill enacted last year provided for successive increases in the rates of postage applicable to second-class—newspapers and magazines—and third-class matter, consisting largely of advertising circulars. Second-class postal rates, which were increased effective January 1 of this year, are scheduled to be increased again on January 1, 1960, and again on January 1, 1961. Third-class postal rates, which were increased, effective January 1 of this year, are scheduled to move up again on July 1, 1960.

First-class mail is not now paying its fair and historic share of postal costs. The cost coverage for first-class mail averaged 140 percent from 1926—when ascertainment of costs started—until World War II. However, at the present time, based upon 1958 cost ascertainment data—the latest figures available—adjusted to show the full effects of higher postal rates and postal costs, first-class mail covers only 111 percent of its cost. The proposed 1-cent increase in first-class letter mail will bring the present cost coverage back up to the same level which it maintained for years before the war.

The justification for maintaining first-class mail revenues in excess of straight allocated costs is not only established by precedent, but was formally acknowledged and established as the law of the land by title I of Public Law 85–426 which was enacted by the Congress last year. Section 103(c)(2) states:

> The acceptance, transportation, and delivery of first-class mail constitutes a preferred service of the postal establishment and, therefore, the postage for first-class mail should be sufficient to cover (A) the entire amount of the expense allocated to first-class mail in accordance with this title and (B) an additional amount representing the fair value of all extraordinary and preferential services, facilities, and factors relating thereto.

This section of the act was neither revolutionary nor arbitrary. It simply was a means adopted by the Congress to give formal recognition to the long-established practice of charging first-class mail more than its straight allocated cost. The preferential service given to letter mail is a well known and a widely accepted fact. Not only are letters granted preferential and expeditious treatment, but they are also sealed against inspection and the privacy of communications is secured by law. Moreover, the trust of letter mail to the U.S. Post Office is so sacred that when letters cannot be delivered for any reason whatsoever, no step is overlooked in the Department's endeavor to return such letters to the sender. Because first-class mail receives preferential treatment, because it receives certain privileges of secrecy which are denied other classes of mail, and because, perhaps most important of all, such mail has relatively greater value to the sender, the 85th Congress wrote into the Postal Rate and Policy Act the provision that first-class mail should continue to pay more than its straight allocated cost.

The postal administration of Arthur E. Summerfield has revolutionized the mail service.

The vast and unprecedented program which has been launched will modernize, mechanize, and improve the entire postal system. New machines, new methods, new facilities, and new concepts will—when fully implemented—bring the American people better postal service than they have ever known.

The Department has also inaugurated a program for vastly improving service

in metropolitan areas. This insures that a letter deposited anywhere within a metropolitan area before 5 p.m. on a business day will be delivered to any point within that area the next day. This plan has been applied to 30 cities, including Washington, Denver, Detroit, Houston, Los Angeles, New York, Cincinnati, and has proved 95 to 98 percent effective. Approximately 85 million persons are now served under the metropolitan plan. By July of 1961, a total of about 90 areas will receive this type of improved service, and the benefits of such service will be enjoyed by more than 125 million people.

When these plans have been fully implemented, the U.S. postal system will be the finest and most efficient system in the world. The ultimate beneficiaries of these far-reaching improvements are the people themselves—the users of the mails. They have time and again expressed their willingness to pay for the kind of postal service that the American public deserves, and which it soon will receive. At 5 cents, the letter mail will still be the biggest bargain in the open marketplace.

Many nations manage to operate their post office departments on what is essentially a breakeven basis. I believe in time the people are going to demand that we put our postal finances in order and operate on a breakeven basis. The bill I have introduced today is an important step in this direction.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1923) to adjust postal rates of certain first-class mail and airmail, and for other purposes, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

INTER-AMERICAN DEVELOPMENT BANK ACT

Mr. FULBRIGHT. Mr. President, by request, I introduce, for appropriate reference, a bill to provide for the participation of the United States in the Inter-American Development Bank.

The proposed legislation responds to the message to Congress from the President of the United States on May 11, 1959, urging prompt action to enable this country to join with other members of the Organization of American States in establishing an institution for economic cooperation on a sound financial basis. I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the measure is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill may be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1928) to provide for the participation of the United States in the Inter-American Development Bank, introduced by Mr. FULBRIGHT, by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Inter-American Development Bank Act."

ACCEPTANCE OF MEMBERSHIP

SEC. 2. The President is hereby authorized to accept membership for the United States in the Inter-American Development Bank (hereinafter referred to as the "Bank"), provided for by the agreement establishing the Bank (hereinafter referred to as the "agreement") deposited in the archives of the Organization of American States.

GOVERNOR, ALTERNATE GOVERNOR, AND EXECUTIVE DIRECTOR

SEC. 3. (a) The President, by and with the advice and consent of the Senate, shall appoint a Governor of the Bank and an alternate for the Governor. The term of office for the Governor and the alternate Governor shall be five years, but each shall remain in office until a successor has been appointed.

(b) The President, by and with the advice and consent of the Senate, shall appoint an Executive Director of the Bank. Except as provided for in article XV, section 3, of the agreement, the term of office for the Executive Director shall be three years, but he shall remain in office until a successor has been appointed.

(c) No person shall be entitled to receive any salary or other compensation from the United States for services as a Governor, Alternate Governor, or Executive Director.

NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL PROBLEMS

SEC. 4. The provisions of section 4 of the Bretton Woods Agreements Act, as amended (22 U.S.C. 286b), shall apply with respect to the Bank to the same extent as with respect to the International Bank for Reconstruction and Development and the International Monetary Fund. Reports with respect to the Bank under paragraphs (5) and (6) of subsection (b) of section 4 of said Act, as amended, shall be included in the first report made thereunder after the establishment of the Bank and in each succeeding report.

CERTAIN ACTS NOT TO BE TAKEN WITHOUT AUTHORIZATION

SEC. 5. Unless Congress by law authorizes such action, neither the President nor any person or agency shall, on behalf of the United States, (a) subscribe to additional shares of stock under article II, section 3 of the agreement; (b) request or consent to any change in the quota of the United States under article IV, section 3 of the agreement; or (c) accept any amendment under article XII of the agreement. Unless Congress by law authorizes such action, no governor or alternate appointed to represent the United States shall vote for any increase of capital stock of the Bank under article II, section 2 of the agreement or any increase in the resources of the Fund for Special Operations under article IV, section 3(g) thereof.

DEPOSITORIES

SEC. 6. Any Federal Reserve bank which is requested to do so by the Bank shall act as its depository or as its fiscal agent and the Board of Governors of the Federal Reserve System shall supervise and direct the carrying out of these functions by the Federal Reserve banks.

PAYMENT OF SUBSCRIPTION

SEC. 7. (a) There is hereby authorized to be appropriated to the President, without fiscal year limitation, for the purchase of 35,000 shares of capital stock in the Bank, $350 million. In addition, there is hereby authorized to be appropriated to the President, without fiscal year limitation, for payment of the subscription of the United States to the Fund for Special Operations, $100 million.

(b) For the purpose of keeping to a minimum the cost to the United States of participation in the Bank, the Secretary of the Treasury, after paying the requisite part of the subscription and quota of the United States in the Bank required to be made under article II, section 4, and article IV, section 3, respectively, of the agreement, is authorized and directed to issue special notes of the United States from time to time, at par, and to deliver such notes to the Bank in exchange for dollars to the extent permitted by the agreement. The special notes provided for in this subsection shall be issued under the authority and subject to the provisions of the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include the purposes for which special notes are authorized and directed to be issued under this subsection, but such notes shall bear no interest, shall be non-negotiable, and shall be payable on demand of the Bank. The face amount of special notes issued to the Bank under the authority of this subsection and outstanding at any one time shall not exceed, in the aggregate, the amount of the subscription and quota of the United States actually paid to the Bank under article II, section 4, and article IV, section 3, respectively, of the agreement.

(c) Any payment made to the United States by the Bank as a distribution of net income shall be covered into the Treasury as a miscellaneous receipt.

JURISDICTION AND VENUE OF ACTIONS

SEC. 8. For the purpose of any action which may be brought within the United States, its Territories or possessions, or the Commonwealth of Puerto Rico by or against the Bank in accordance with the agreement, the Bank shall be deemed to be an inhabitant of the Federal judicial district in which its principal office in the United States is located, and any such action at law or in equity to which the Bank shall be a party shall be deemed to arise under the laws of the United States, and the district courts of the United States shall have original jurisdiction of any such action. When the Bank is a defendant in any such action, it may, at any time before the trial thereof, remove such action from a State court into the district court of the United States for the proper district by following the procedure for removal of causes otherwise provided by law.

STATUS, IMMUNITIES AND PRIVILEGES

SEC. 9. The provisions of article X, section 4(c), and article XI, sections 2 to 9, both inclusive, of the agreement shall have full force and effect in the United States, its Territories and possessions, and the Commonwealth of Puerto Rico, upon acceptance of membership by the United States in, and the establishment of, the Bank.

SECURITIES ISSUED BY BANK AS INVESTMENT SECURITIES FOR NATIONAL BANKS

SEC. 10. The last sentence of paragraph seventh of section 5136 of the Revised Statutes, as amended (12 U.S.C. 24), is amended by inserting after the words "International Bank for Reconstruction and Development" the words "or the Inter-American Development Bank" and by striking the words "said Bank" and inserting in lieu thereof "either of said Banks".

SECURITIES ISSUED BY BANK AS EXEMPT SECURITIES; REPORT FILED WITH SECURITIES AND EXCHANGE COMMISSION

SEC. 11. (a) Any securities issued by the Bank (including any guarantee by the Bank, whether or not limited in scope) in connection with raising of funds for including in the Bank's ordinary capital resources as defined in article II, section 5 of the agreement, and any securities guaranteed by the Bank as to both principal and interest to which the commitment in article II, section 4(a)(ii) of the agreement is expressly applicable, shall be deemed to be exempted securities within the meaning of paragraph (a)(2) of section 3 of the Act of May 27, 1933, as amended (15 U.S.C. 77c), and paragraph (a)(12) of section 3 of the Act of June 6, 1934, as amended (15 U.S.C. 78c). The Bank shall file with the Securities and Exchange Commission such annual and other reports with regard to such securities as the Commission shall determine to be appropriate in view of the special character of the Bank and its operations and necessary in the public interest or for the protection of investors.

(b) The Securities and Exchange Commission, acting in consultation with the National Advisory Council on International Monetary and Financial Problems, is authorized to suspend the provisions of subsection (a) at any time as to any or all securities issued or guaranteed by the Bank during the period of such suspension. The Commission shall include in its annual reports to Congress such information as it shall deem advisable with regard to the operations and effect of this section and in connection therewith shall include any views submitted for such purpose by any association of dealers registered with the Commission.

CERTAIN REPORTS REQUIRED

SEC. 12. The reports of the National Advisory Council on International Monetary and Financial Problems provided for in section 4(a)(6) of the Bretton Woods Agreements Act (and referred to in section 4 of this Act) shall also cover and include the effectiveness of the provisions of section 11 of this Act and the exemption for securities issued by the Bank provided by section 5136 of the Revised Statutes in facilitating the operations of the Bank and the development of the economic resources of member countries of the Bank and the recommendations of the Council as to any modifications it may deem desirable in the provisions of this Act.

INVESTIGATION CONCERNING ANADROMOUS FISH IN THE COLUMBIA RIVER BASIN

Mr. MAGNUSON. Mr. President on behalf of myself, and Senators CHURCH, JACKSON, MANSFIELD, MORSE, MURRAY, and NEUBERGER, I submit for appropriate reference a concurrent resolution, expressing the sense of the Congress that the Secretary of the Interior should immediately undertake an intensified research program, dealing with the upstream and downstream passage of salmon on the Columbia River and its tributaries.

To finance this program additional funds will be required. The Department currently has full authority to undertake such research. The problem is money.

The concurrent resolution expresses the sense of the Congress that such funds should be provided by the respective Appropriations Committees substantially in accordance with a report entitled "A Priority Research Program for Fish and Dams in the Columbia River Basin," which was submitted to the Columbia Basin Interagency Committee by its Fisheries Subcommittee on February 11, 1959.

The February 11 report recommends a 3-year crash program, calling for the expenditure of $700,000 the first year and $1 million for each of the two following years.

Many believe that the upstream-downstream migration of anadromous fish can be solved if the scientists really go to work on the problem and have sufficient money with which to operate. I need not tell the Senate what the value of our great salmon resource is, because you have heard that story from me on the floor many, many times.

The concurrent resolution further declares it to be the sense of the Congress that while this study is in progress, the Federal Power Commission should not license any projects in the so-called Middle Snake Basin until the Secretary makes his final report to the Congress on the success of this intensified research effort. Approximately 80 percent of certain salmon runs are produced in the Salmon River—which is a part of the Middle Snake River Basin.

It is possible that our scientists could make a major breakthrough within a year or even 2 years, if this effort gets underway. If such should be the case and the Secretary of the Interior so reports to the Congress, the concurrent resolution would become inoperable. With good luck and good planning, therefore, we might come up with a permanent solution to the running controversy that has existed between builders of dams and the conservation of fish.

Mr. President, the Senate is aware that the Corps of Engineers has reviewed its previous reports on comprehensive development of the Columbia River and its tributaries. Many of us had hoped this report could be presented to the Congress at this first session. Latest information, however, indicates the report cannot traverse the innumerable steps ahead of it and reach Congress until we reconvene in January 1960.

Those of us sponsoring this concurrent resolution, therefore, decided that action is essential at this time for three reasons:

First, the Congress will have no opportunity to study and act on the 308 review report for at least 6 to 9 months;

Second, during this period, valuable time can be gained by launching this fisheries research program, as called for in the concurrent resolution; and

Third, the status quo should be preserved until Congress itself, through authorizing legislation, determines the policy for development of those areas of the Columbia Basin affected.

The time element is the most important consideration in this entire situation.

The VICE PRESIDENT. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 35) was referred to the Committee on Interstate and Foreign Commerce, as follows:

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress—

(1) that for the purpose of—

(A) securing the maximum utilization of the rivers and streams of the Columbia River Basin for the conservation and production of anadromous fish, and thereby increasing the value of this public resource for the people of the Pacific Northwest region and the United States.

(B) solving various problems of anadromous fish conservation related to potential and planned water resource development for other needed public uses, including navigation, irrigation, reclamation, industrial and municipal water supplies, flood control, power production, and recreation, and

(C) encouraging the harmonious use of the water resources of the Columbia River Basin for all beneficial purposes by assuring that provisions for the production and conservation of anadromous fish will be secured sufficiently in advance of project construction in certain areas of the Middle Snake River subbasin which presently contributes a great share of the Columbia River Basin's anadromous fishery resources,

the Secretary of the Interior should make a full and complete investigation and study (including research and experimental work) within the Snake River subbasin, and such other portions of the Columbia River Basin as he deems necessary, under such existing authority under law as he may have, including previously authorized basinwide and comprehensive fisheries research and development programs, and in coordination with the Secretary of the Army and appropriate agencies in the States of Oregon, Washington, Idaho, and Montana, of the fisheries resources and the potential for increasing the development thereof, the methods of anadromous fish guidance and passage at water resources projects, the feasibility of relocation of anadromous fish runs, pond rearing, creation of artificial spawning areas, and other methods of increasing the crop of anadromous fish, and such other matters as the Secretary may deem necessary to solve the fisheries problems incident to the comprehensive development of the water resources of the Columbia River Basin, with special emphasis given to finding a solution to problems of fish migration and conservation connected with the construction of dams over 100 feet in height in the Snake River subbasin;

(2) that the Secretary should submit a preliminary report on such investigation and study, along with his recommendations for further investigations and activities for solving the problems involved, to the Congress not later than June 30, 1961, and should thereafter make regular progress reports to the Congress until his final report on such investigation and study is submitted to the Congress. Such final report shall be submitted to the Congress at the earliest practicable date but in no event later than June 30, 1964;

(3) that for the purpose of allowing such investigation and study to be conducted by the Secretary of the Interior and reviewed by the Congress in order that such flood control, navigation, and other development as the Congress may determine may be authorized, the Federal Power Commission should issue no permit, license, lease, or other authorization under the provisions of the Federal Power Act for any dam, conduit, reservoir, powerhouse, transmission line, or other works for the storage or collection of water or for the development,

transmission, or utilization of power within the limits of the reach of the Snake River from river mile 180 to 245, the Salmon River, or the Imnaha River in the States of Oregon and Idaho; and

(4) that in making such investigation and study the Secretary of Interior should proceed substantially in accord with recommendations contained in the report entitled "A priority research program for fish and dams in the Columbia River Basin", which was submitted to the Columbia Basin Interagency Committee by its Fisheries Subcommittee on February 11, 1959.

CONVEYANCE OF CERTAIN LANDS TO STATE OF ILLINOIS—AMENDMENTS

Mr. DIRKSEN. Mr. President, I submit, for appropriate reference, amendments in the nature of a substitute, intended to be proposed by me, to the bill (S. 747) to provide for the conveyance of certain lands known as the Des Plaines Public Hunting and Refuge Area to the State of Illinois. The bill provides for the conveyance, by the Secretary of the Army, of 1,500 acres of land in Will County, Ill., to the State of Illinois, for wildlife, conservation, and recreation purposes.

This bill is a part of a program which has been achieved after long negotiations with all parties in interest, including the State of Illinois, the conservation interests, and the industrial interests. The package contains two other proposed items.

The second of these is an understanding contrived with the Administrator of the General Services Administration, which calls for the sale to the State of Illinois of an additional 948 acres for wildlife purposes at a cost of $303 an acre. This arrangement is agreeable to the Governor and the Director of Conservation.

The third item in the package would be the remaining 1,468 acres suitable for industrial purposes, which would return in excess of $1 million to the Federal Treasury.

In sum, this would provide 2,448 acres to be used exclusively and in perpetuity for recreation, wildlife, and conservation purposes, and at the same time would make available to industry areas which are deemed to be necessary, in view of the industrial development and the potential development which is expected to result from increased commerce through the St. Lawrence Seaway.

The VICE PRESIDENT. The amendments will be received, printed, and referred to the Committee on Government Operations.

COMMISSION ON FEDERAL TAXATION—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of May 7, 1959, the names of Senators CAPEHART, LAUSCHE, SMITH, BIBLE, EASTLAND, and ALLOTT were added as additional cosponsors of the bill (S. 1885) for the establishment of a Commission on Federal Taxation, introduced by Mr. WILEY on May 7, 1959.

AMENDMENT OF COMMUNICATIONS ACT, RELATING TO COMMUNITY ANTENNA TELEVISION SYSTEMS AND CERTAIN REBROADCASTING ACTIVITIES—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of May 7, 1959, the name of the Senator from Montana [Mr. MURRAY] was added as an additional cosponsor of the bill (S. 1886) to amend the Communications Act of 1934 with respect to community antenna television systems and certain rebroadcasting activities, introduced by Mr. Moss on May 7, 1959.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. HUMPHREY:

Address entitled "Targets for the 20th Century," delivered by him at the 12th annual convention of Americans for Democratic Action, at Washington, D.C., on May 9, 1959.

By Mr. STENNIS:

Address delivered by Senator ROBERTSON at the annual meeting of Robert E. Lee Memorial Foundation, Stratford, Va., May 3, 1959.

By Mr. CASE of New Jersey:

Statement prepared by him regarding the 350th anniversary of the founding of Cape May County, N.J.

By Mr. YARBOROUGH:

Letter from Senator O'MAHONEY commenting on the Strauss nomination.

NOTICE OF CONSIDERATION OF THE NOMINATION OF JOHN M. RAYMOND TO BE REPRESENTATIVE ON THE UNITED NATIONS COMMISSION ON PERMANENT SOVEREIGNTY OVER NATURAL WEALTH AND RESOURCES

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate today received the nomination of John M. Raymond, of the District of Columbia, to be the representative on the United Nations Commission on Permanent Sovereignty over Natural Wealth and Resources.

In accordance with the committee rule, the pending nomination may not be considered prior to the expiration of 6 days.

DIPLOMATIC APPOINTMENTS FROM THE CAREER SERVICE

Mr. DIRKSEN. Mr. President, from time to time questions arise concerning the percentage of career service appointments in this administration and whether or not there is emphasis on the career service or on the noncareer service.

I am advised that as of the first of May, the high level career appointments total 54; the noncareer appointments total 23; and the vacancies 4, or a grand total of 81.

Among the pending appointments, there is the nomination of a career appointee to Pakistan, and likewise one to Liberia, and of a noncareer appointee to Israel. In the case of Brazil, there is pending a career appointment. I make note of this matter only for purposes of the record.

OPPOSITION TO CONFIRMATION OF NOMINATION OF C. DOUGLAS DILLON

Mr. LONG. Mr. President, the nomination of C. Douglas Dillon will soon be before the Senate for confirmation as Under Secretary of State. I wish to serve notice upon the Senate at this time that I expect to oppose confirmation of the nomination.

During the past several years we have spent billions of dollars on foreign aid. For some time it has been my impression that, in many instances, we were buying with this money more enemies than friends. I have said so on the floor of the Senate on numerous occasions, and I have voted against the mutual security program as a protest, because of my feeling that this situation existed.

There is nothing personal in my opposition to Mr. Dillon, and I can prove it. There is nothing political about this opposition, and I can prove that.

Some of the things this man advocates are the same kind of mistakes which are spelled out in the best-selling novel "The Ugly American." Accordingly, I feel that I would be untrue to my sworn oath of office if, under these circumstances, I voted for confirmation of Mr. Dillon's nomination.

For a number of years those of us who have resisted mismanagement and waste of foreign-aid funds have tried in vain to shape the program into some type of arrangement with clearly defined objectives which could be understood by the people of the world, as well as by the people of the United States. We have been unable to do so because of the manner in which the program has been conducted. In my opinion, Mr. Dillon typifies the leadership we have been getting in that respect.

I recognize that Senators are frequently importuned to pledge their votes upon an issue without ever understanding the full impact of their commitment. It is for this reason that I urge Senators to reserve judgment in this matter until they have heard it fully discussed.

Previously, my vote was cast for the confirmation of the nomination of Mr. Dillon to his present position. However, during recent testimony presented by Mr. Dillon before the Senate Foreign Relations Committee, grave doubts have been raised in my mind about his judgment and his competence for this high position in our Government. I am satisfied that we shall never eliminate the undesirable features of the foreign-aid program so long as we have administering the program men with little understanding of the point of view of the ordinary every-day people around the world.

Mr. President, I believe I may sum up my statement by quoting from the prayer

given today by the Senate Chaplain at the commencement of this session:

Where there is no vision, the people perish.

I ask unanimous consent to have printed at this point in the RECORD excerpts from the May 4 hearing of the Senate Foreign Relations Committee, appearing between pages 119 and 132. In those pages a considerable portion of my objection to Mr. Dillon is indicated, particularly if one looks at the full implication of the testimony of the witness.

There being no objection, the excerpts from the hearing were ordered to be printed in the RECORD, as follows:

Senator LONG. Do I understand counterpart funds can be used in those countries only in ways to which those countries agree?

Mr. DILLON. That is the general understanding, as far as Public Law 480 counterpart goes.

* * * * *

Senator LONG. Under the Public Law 480 part, if we can only use it for purposes for which the particular country agrees, then if that country declines to agree that the appropriated fund can be put to any use whatever, that is almost equivalent to canceling out the funds or to freezing them indefinitely. Wouldn't that be the case?

Mr. DILLON. That has been the case in some cases.

Senator LONG. Wouldn't it be to our advantage if we could get agreement that we would have flexibility to use it in ways we thought desirable, in the interest of those people and of the people of the United States?

Mr. DILLON. Oh, yes, I would like to make it clear we do have that in the counterpart we get from development loan fund, the repayment there. But Public Law 480 is a different matter. That arises from the sale of agricultural surplus products which the United States is very happy and glad to sell irrespective of what happens to the counterpart, so we haven't been able to enforce these additional restrictions on those sales.

Senator LONG. Yes. But those commodities have value. They are not just a pile of junk. We could send them to someone. There are hungry people all over the world who would have use for them and would be glad to pay them back when they are able to do so.

Usually a hungry man would be willing to pay you back when he found himself able to.

Mr. DILLON. They pay for these, under the program, the way the law presently provides; they pay for these things cash on the barrel out of their own funds.

We then have those funds, and it is a question of how we use those funds, and once we have the funds they do not like us to utilize them for things that are not already agreed to.

* * * * *

Senator LONG. I look upon counterpart money as being a huge asset which could be used over and over again for desirable purposes, to help bring humanity forward, to help bring economic development to areas that need it.

Now, I am disappointed to find there are so many restrictions to which we ourselves agree and which I fear in many instances we voted right here in Washington, without the foreign nations imposing them on us. That is the effect of some of your testimony here today, is it not?

Mr. DILLON. That is true to some extent.

Senator LONG. Here is a country, for example, that held a large amount of counterpart money and said, "Well, we couldn't think of any finer thing to do than to take this and cancel out the national debt."

I believe that was done in Norway at one time, wasn't it? * * * Which country was it that decided to reduce the national debt with counterpart money?

Mr. DILLON. It was done apparently in Norway, I am told.

Senator LONG. We have to admire those people who have a high regard for public finance, and who think it would be just a fine thing to pay off the public debt with the American counterpart funds they were holding.

Now, I understand Greece is making a similar suggestion with regard to counterpart funds. Is that correct?

Mr. DILLON. No, this suggestion is being made by us, because these funds have been sterilized and sitting in an account for nearly 10 years, and we feel that any other use in the particular state of the Greek economy now would lead to serious inflation. They have no need for extra funds for these purposes, so we are suggesting that this use be made of those particular funds. But only in a case where there is no other possible use for them.

Senator LONG. How much is that, now?

Mr. DILLON. In Greece it is about $100 million.

Senator LONG. Is that money frozen and sterilized because of any action on the part of the Government of the United States, or because the Greek Government refuses to let us use it?

Mr. DILLON. In full agreement between the two Governments, because we agree that any use of it would lead to great inflation in Greece.

It arose because this was money generated at the time of the Greek and Turkish program, when right after the time when Greece had been devastated by this Communist rebellion, and very substantial funds were poured in there in the form of commodities and things of that nature which were then sold, and the counterpart that was generated was so large that it wasn't able to be spent. One could not spend it without having very substantial inflation. That does not exist in many places.

Senator LONG. Is my understanding correct, that with $100 million of funds sitting there this country has made no proposal to the Government of Greece that that money be used to build houses for people who have inadequate housing, or roads where roads are needed, or sanitary facilities for someone who needs them? Do I understand we haven't even made proposals like that for the use of our $100 million?

Mr. DILLON. The reason is that to use this in addition to what Greece is already doing, there either is not the manpower there, or for other reasons, these funds could not be effectively used in Greece, output in Greece. They would merely create inflation and raise the price of everything by an equivalent amount.

Senator LONG. Then the answer to my question as to whether we have made any proposals to make any effective use of our $100 million would be "No, we have made no such proposals on behalf of this Government."

Mr. DILLON. I think the answer would be that we have studied all possible uses of it, and have determined that there is no use that could be made of them, of that amount, because we are continually generating more, that would be useful for either the Greek people or for ourselves, and therefore we have allowed them to stay frozen.

Mr. DILLON. And have not made additional proposals to spend them in addition to the effect on the Greek economy.

Senator LONG. Now, you propose to take the $100 million and just cancel it out?

Mr. DILLON. Yes.

Senator LONG. In other words, that is the same as sitting here with a man with a lighted match and seeing him light your $100 million of cash, in currency.

Mr. DILLON. That is Greek currency.

Senator LONG. But that is money we paid for in dollars.

Mr. DILLON. That is right. But at the original time of the Greek and Turkish program as a result of that rebellion in Greece, the Communist rebellion.

Senator LONG. Mr. Secretary, some of these large American trading corporations have offices in New York and some other places and they will attempt to figure what can they do with these currencies when they have them on hand—how they can use the funds and how they can shift them around so as to get the best use out of the money.

Do you think any private corporation would advocate just burning up their cash that they are holding in a foreign country? It would be better to paper a wall with it, would it not?

Mr. DILLON. I think if they had the same objectives as the U.S. Government, which is to increase the economic stability of an ally such as Greece, that they would probably take the same course that we are taking.

Senator LONG. It would just seem to me if you have a situation like that you ought to try to get some sort of an agreement where you could use that money to fulfill some of the commitments that you made, at least somewhere in the world, if not in Greece. Take some of it and let them produce some grain, maybe, and go give it to these starving Arabs in the Gaza strip, or use some of it somewhere, because just to go and destroy the money for which we have paid $100 million of good commodities doesn't seem to me to be making any particular use of our currency.

Mr. DILLON. Of course, this currency, as you recognize, is owned by the Greek Government. It is not owned by us, and this happens to be Greek-owned counterpart.

* * * * *

Senator LONG. Does Greece have no unemployment whatsoever, no labor available at all to do any constructive work?

Mr. DILLON. I will have to give you a full report on that. I can't answer that offhand.

Senator LONG. I would be interested to know if there is somebody out of work out there. It would occur to me, for example, it would be nice, rather than burning the money or throwing it away, to build a road or a school building and erect a big sign over it and put Mr. Roosevelt's Four Freedoms Declaration up there, how to reduce want and need and fear all throughout the world, and show this is why we are doing it, and say that America is paying for this. If you build a highway, or even an outhouse if you can't build anything else for your money it would be better than to destroy it and get rid of your $100 million.

Mr. DILLON. The great need of Greece is for money to help them with their balance of payments requirements. At the moment they are in a deficit, so it would not be practical for them to use this for exports that were unrequitted outside of Greece, which they have to use all their exports to get foreign currencies to pay for the imports that they currently need.

Senator LONG. If that is how we are going to use our counterpart, it looks to me like the idea of calling it a loan is ridiculous to begin with, because it just means it is a loan which those people have to pay themselves back, not to pay back to us. If they don't feel like paying it back to themselves, then this country sits here quite willing to just let them scratch it off the books and forget about it.

Mr. DILLON. This is not a loan, Senator. This was a grant that was made at the time of the Greek-Turkish program, and counter-

part is Greek counterpart owned by the Greek Government.

Senator LONG. But didn't this program say that this counterpart money was to be paid back for various purposes and that after it was repaid, then we would put it to use for some desirable purpose in that country?

Mr. DILLON. No, sir; not this. This is, this was counterpart money that was owned by the Greek Government, and which the Greek Government is not allowed to spend except in agreement with the United States.

Senator LONG. Well, didn't the agreement visualize that it would be spent in agreement with the United States?

Mr. DILLON. Yes, but it did not visualize that it would ever be paid back. It was to be spent within Greece for Greek purposes.

Senator LONG. I certainly hope that you won't just destroy the money. I would like to see us get $100 million worth of goodwill out of it.

My guess is if you do what you are doing about it, that the public in Greece won't even know the difference. None of them will know that has happened.

Mr. DILLON. That may be so. This is what the Greek Government wants us to do with it, however.

Senator LONG. You might get more benefit among the politicians, but my impression is that among the people you have just a kind of criticism that I heard during the Marshall plan days when people would come back from the European countries and say, "Senator, what is the idea behind this thing? You know I am a foreign national, let me tell you that the people aren't getting any of this money. They don't particularly approve of all of this business. They think it is some crooked arrangement with our politicians and yourself."

By just scratching out the money, without doing something with it, it looks to me like a bit of criticism is justified.

* * * * *

It would seem to me, Mr. Secretary, that the taxpayers of this country are entitled to some goodwill, if nothing else, for that $100 million. One way to get it might be to go build yourselves some roads where they needed them or put in some sanitary facilities. Many places, even in this country, do not have sanitary facilities. Put in some sewerage, and in the course of it let the people of Greece know that is something they got for some of the money the United States gave over there.

If you do not do it, some local politician is going to take credit as a result of making just a bookkeeping entry and going ahead with some other programs.

Indirectly, we are paying for a lot of these power dams, highways, and various improvements, and I don't see why we shouldn't get the credit for them. We paid for it, and rather than just cancel it out and letting them forget about it, it seems to me we ought to do a few things. If you didn't do anything except build in the harbor of Athens a replica of the Statue of Liberty, then we would get something instead of just scratching the $100 million off the books.

Do you think there is some possibility of working out some arrangement whereby we can make more general use of these counterpart currencies? If so, I would hope you would put some of your people to work on it and see if you could come up with some ideas of how we might be able to make some of this currency more generally useful. I hate to see us not be able to use it, or see it work out where we wind up with additional examples of just canceling out a part of a nation's public debt when they had all that money sitting there.

Mr. DILLON. We will make a full report in cooperation with the committee staff, as was requested by the chairman.

Senator LONG. I would hope some of you people would come up with some ideas and suggestions as to some of the things we might be able to do about it.

THE LABOR BILL

Mr. GOLDWATER. Mr. President, in the hope that the House Committee on Education and Labor will tomorrow take cognizance of my remarks in the RECORD, I rise to speak to a point I tried to make in the debate on Senate bill 1555.

During the course of the debate, when a successful effort was being made to water down the McClellan amendment, which was the so-called labor bill of rights, I expressed grave concern about the threat to freedom of speech which was embodied in the new language, but I was unable to amend it to remove the fears I had.

I should like to read this section on freedom of speech under the labor bill of rights. It reads:

Every member of any such labor organization shall have the right to meet and assemble freely with other members and to express any views, arguments, or opinions; and to express at union meetings his views, upon candidates in a union election or upon any business properly before the union meeting, subject to the organization's established and reasonable rules pertaining to the conduct of meetings: *Provided*, That nothing herein shall be construed to impair the right of a labor organization to adopt and enforce reasonable rules as to the responsibility of every member toward the organization as an institution and to his refraining from conduct that would interfere with its performance of its legal or contractual obligations.

I contended that every workingman in this country, whether he belongs to a union or not, comes under the Constitution of the United States, and, as such, has freedom of speech. He can say what he wants to say so long as it does not do damage to another.

The constitution of the International Association of Machinists, under article K, section 3, lists the "Improper Conduct of a Member." I ask unanimous consent that this section be inserted in the RECORD at this point in my remarks, so that my colleagues may see how a union constitution can deny freedom of speech to a member.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

IMPROPER CONDUCT OF A MEMBER

SEC. 3. The following actions or omissions shall constitute misconduct by a member which shall warrant a reprimand, fine, suspension and/or expulsion from membership, or any lesser penalty such as an apology, or any combination of these penalties as the evidence may warrant:

Circulating or causing in any manner to be circulated any false or malicious statement reflecting upon the private or public conduct or falsely or maliciously attacking the character, impugning the motives, or questioning the integrity of any member or officer.

Refusal or failure to perform any duty or obligation imposed by this constitution; the established policies of the IAM; the valid decisions and directives of any officer or officers thereof; or, the valid decisions of the EC or the GL convention.

Attempting, inaugurating, or encouraging secession from the IAM, or advocating or encouraging or attempting to inaugurate any dual labor movement, or advocating, or encouraging communism, fascism, nazism, or any other totalitarian philosophy, or by other actions giving support to these philosophies or "isms."

Acquiring membership by false pretense, misrepresentation, or fraud.

Accepting employment in any capacity in an establishment where a strike or lockout exists as recognized under this constitution, without permission.

Any other conduct unbecoming a member of the IAM.

Mr. GOLDWATER. Mr. President, in California, after the last election, action was taken against three union members of the International Association of Machinists—Cecil Mitchell, Edward Ferguson, and John Mulgrew.

Let me read the charges:

I am charging him with conduct unbecoming a member of the International Association of Machinists, under article K, section 3, lines 16 through 44. Specifically, I am charging him with supporting California Proposition 18, the so-called "right-to-work" initiative measure, for several months prior to the election on November 4, 1958, and with urging all members of unions of the International Association of Machinists, including District Lodge 727, to vote in favor of said proposition and its open-shop objective.

In answer to those charges defendant Mitchell said:

I plead not guilty of conduct unbecoming a member but guilty of nothing more than exercising my right as an American citizen in backing proposition No. 18.

Defendant Ferguson said:

I object to this trial and I plead not guilty by right of the Constitution of the United States * * *

Defendant Mulgrew said:

I also plead not guilty inasmuch as this is my guaranteed right under the Constitution of the United States.

Mr. President, all these men did was go forth and publicly espouse the cause of proposition 18, which was the so-called right-to-work movement. What happened? They were tried. They were found guilty under the section to which I have referred, and they have been dismissed from the union.

Let me read the closing paragraph of a letter sent by Mr. A. J. Hayes, international president of the organization:

While it is agreed that the right to freely express one's views is a privilege guaranteed by the U.S. Constitution, this does not mean that a member of our association is entitled to openly denounce the considered position of the labor movement and particularly his own organization, without the possibility of losing his rights to retain his standing as an I.A. of M. union member.

What Mr. Hayes is saying there is that, contrary to the Constitution of the United States, the constitution of the I.A.M. supersedes it and these men have no freedom of speech.

Mr. President, I ask unanimous consent that the entire letter of Mr. Hayes

be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 29, 1959.

Subject: The case of Stanley G. Litwin against Cecil C. Mitchell, Edward G. Ferguson and John Mulgrew—L.L. 727–E, North Hollywood, Calif.

DEAR OFFICERS: By letter dated February 24, 1950, Brothers Mitchell, Ferguson, and Mulgrew, codefendants in the subject case gave notice of their appeal from the decision of local lodge 727–E and the penalty of expulsion imposed upon them. Such notices were given under the provisions of article K, section 14, of the I. A. of M. constitution.

On March 12, 1959, I officially notified the officers and members of lodge 727–E of the codefendants' appeal. In the same communication, I instructed the recording secretary to furnish this office with a copy of the charges, transcript, or minutes of the trial, and all exhibits, reports, and recommendation of the trial committee, and excerpts from the minutes of lodge 727–E, dealing with the action of the membership with respect to the committee's report and recommendation. The material requested was received from Recording Secretary George H. Ayre on March 23, together with a letter of transmittal dated March 19.

FINDINGS BASED ON THE RECORD IN THIS CASE

1. On December 5, 1958, separate but identical charges were filed against defendants Cecil Mitchell, Edward Ferguson, and John Mulgrew by Brother Stanley G. Litwin. The charges in each case alleged as follows:

"I am charging him with conduct unbecoming a member of the International Association of Machinists, under article K, section 3, lines 16 through 44. Specifically, I am charging him with supporting California proposition 18, the so-called right-to-work initiative measure, for several months prior to the election on November 4, 1958, and with urging all members of unions of the International Association of Machinists, including district lodge 727, to vote in favor of said proposition and its open-shop objective."

2. The trial committee, consisting of Brothers Newman, Pappanastos, Sanders, and McMurtrie, and Sister Nadle, was appointed to investigate the charges and take testimony concerning the guilt or innocence of the accused.

3. The trial in this case was held on January 13, 1959. The defendants entered a plea of "not guilty" of the charges of conduct unbecoming members of our association, but readily admitted that they had supported California proposition 18.

Said Defendant Mitchell: "I plead not guilty of conduct unbecoming a member but guilty of nothing more than exercising my right as an American citizen in backing proposition No. 18" (tr. 12).

Said Defendant Ferguson: "I object to this trial and I plead not guilty by right of the Constitution of the United States which gives me the freedom of expression of speech and to campaign on any issue or for any candidate that I see fit and in any way that I see fit. I therefore plead not guilty. * * * We admit that we worked for proposition 18" (tr. 12 and 24).

Said Defendant Mulgrew: "I also plead not guilty inasmuch as this is my guaranteed right under the Constitution of the United States and the Bill of Rights, and inasmuch as I don't believe the International Association of Machinists has as yet quite become completely Fascist" (tr. 13).

The trial committee found the defendants guilty of the charges against them and recommended that each defendant be expelled from membership in the International Association of Machinists.

4. The report and findings of the trial committee were presented to the members of lodge 727–E at a regular meeting held on February 12, 1959. After hearing the report and recommendations of the trial committee, the members present voted by secret ballot as follows: Guilty, 55; not guilty, 15.

In support of the trial committee's recommendation of expulsion, 54; against, 16.

5. In deference to the codefendants' position, as expressed in their joint appeal, it is my finding that the charges in this case did not constitute an infringement of the rights of the defendants as guaranteed in the U.S. Constitution. I agree with the codefendants that one of the five members of the trial committee, Brother Pappanastos, made statements during the hearing which indicated a partial and biased position on his part. This trial committee member was advised by Grand Lodge Representative McGraw to withdraw from the case. The facts show that Brother Pappanastos did direct a letter to the president of Lodge 727–E on January 15, wherein he officially withdrew from the case without having any part in the trial committee's report and recommendation and before such report was submitted to the lodge for action. Accordingly, I find this case to be properly before me on appeal, under the provisions of article K, section 14, page 84, of the I. A. of M. Constitution.

PERTINENT FACTS REVEALED IN THE RECORD IN THIS CASE

The codefendants in this case left no doubt that they knowingly advocated and supported California proposition 18. It is noted that Defendant Mitchell, who acted as the attorney for the defendants in this case, stated in part in his closing remarks:

"We do not have voluntary unionism. Once you join here you have to remain a member. With complete voluntary unionism you would be able to get out, in and out any time you want. I don't mean to advocate the individual getting out of the union. What I mean by voluntary unionism is that the membership have the control of the union and have the right to strike against the union just as against management" (tr. 95).

Witness Greenfield testified that he had met and talked with Defendant Mitchell about the position he had taken in favor of proposition 18. Witness Greenfield stated that Defendant Mitchell "tried to convince me that he was doing what is the proper thing * * * and that he was trying to benefit the labor movement" and also that Defendant Mitchell indicated that he thought California proposition 18 would serve the best interests of the union (tr. 26–27).

Witness Pinsky, a member of the Office Employees International Union, testified that she watched a television program on September 13, 1958, and that Defendant Mulgrew participated in the program and spoke in favor of proposition 18. Witness Pinsky stated that she made notes of Defendant Mulgrew's speech on that TV program and a copy of said notes was entered as evidence in these proceedings and marked as exhibit B (tr. 38–41).

Witness Taylor stated that he heard Defendant Mitchell speak in favor of proposition 18 at a meeting in Santa Maria. Said Witness Taylor:

"I would say it was within the last 2 weeks before the election * * *. At the time I was a member of a group from Actors Equity. We went up to this meeting to put on a skit against proposition No. 18. And Cecil was there as a representative of—I believe it was called—a committee that was called Union Volunteers for Proposition No. 18. It is my recollection that he was introduced as the chairman of that group—I believe I'm correct * * *. Well, in general, Cecil's statements were pretty much in line with the propaganda that was put out by the proponents of proposition No. 18. At the time I asked Cecil if he hadn't run for office in this union and if he hadn't found that the elections were held very properly. And he told me, 'Of course, at the time I wasn't speaking of the elections'" (tr. 32 and 33).

Witness Madigan testified that he had attended an advertised open forum where the pros and cons of proposition 18 were discussed. He testified that Defendants Mitchell and Mulgrew were present and spoke in favor of proposition 18. He also testified that a sign, approximately 16 feet by 36 feet, was in a chair in the front of the hall during the entire meeting, which read:

"This chair was reserved for John Snider, president, Machinists District Lodge 727" (tr. 51–52).

Defendant Mitchell denied any knowledge of the origin of the above-mentioned sign, a copy of which was entered as evidence in these proceedings and marked exhibit C. Said Defendant Mitchell:

"I didn't know it was there until afterwards" (tr. 54).

I find no evidence that Defendant Mitchell was responsible for the sign; however, according to the unrefuted testimony of Witness Madigan, the sign "was in a chair upon the podium and the chair was facing the entire audience. Brother Mitchell and Brother Mulgrew were standing in the back of the hall to start with. I'd think it would have * * * to be very much of an oversight for somebody not to notice the sign being there" (tr. 55).

Witness Shean testified that he was in attendance at a meeting of District Lodge 727 on August 12, 1958, and that Defendant Ferguson was present also. Said Witness Shean in response to questions:

"Question. Did you make a motion on the IDL floor in connection with proposition 18?

"Answer. I did.

"Question. Will you identify that motion from the minutes of that date?

"Answer. I will be happy to. The minutes of August 12, 1958, I made the following motion: 'That the delegate body reaffirm its stand against the right-to-work initiative and request that any members of the union who are supporting this initiative resign from any offices that he [sic] may be holding in District 727 out of respect to the organization.'

"I particularly watched one delegate present. This motion was carried unanimously and the delegate voted in its behalf. The delegate was Brother Ed Ferguson.

"Question. How do you know?

"Answer. I knew it was Brother Ferguson because I particularly watched him and that was my reason for placing the motion on the floor of the delegate body because of certain activities of members of ours in behalf of proposition 18."

It is noted that Defendant Ferguson denied that he had voted with the delegate body to reaffirm its stand against the right-to-work initiative (tr. 67–68).

Regardless of the position allegedly taken by Defendant Ferguson at the August 12 district meeting, it is clear that the defendant openly supported California proposition 18, which proposition had been denounced by District Lodge 727 and its affiliated lodges.

Numerous exhibits were entered as evidence in these proceedings by the plaintiff, all purporting to show that Defendants Mitchell, Ferguson and Mulgrew gave active support to the proponents of proposition 18.

Witness Greenfield stated that Defendants Mitchell and Mulgrew were active in a "Headquarters for Yes on 18" and it was from that source some of the pamphlets were secured, which were used as exhibits in this case. Five of these pamphlets or leaflets were entered as evidence and collectively marked for identification as exhibit No. 1 (tr. 30).

SUMMARY AND CONCLUSIONS

The codefendants in this case, Brothers Mitchell, Ferguson and Mulgrew, are accused of conduct unbecoming members of the I.A. of M. in that they gave active support to California proposition No. 18. This proposition had for its purpose the abolition of the right of management and labor to enter into collective bargaining agreements which provide for the union shop. Proposition 18 was presented to the California voters on November 4, 1958, at which time it was defeated.

It is recognized throughout the bona fide labor movement that California proposition No. 18 was originated and supported by selfish forces whose deliberate aim is to weaken and destroy the American labor movement. The defendants, like all of our members, upon induction into the I.A. of M., had given their solemn pledge to promote the interest of our association and to further its principles. The defendants' defiant and bitter opposition to the considered and well-known position of our association, relative to California proposition 18, is conclusive evidence that they were not willing to fulfill the requirements of their obligation.

Certainly it has been long established that California proposition 18 and other similar attempts to enact so-called right-to-work laws in the various States are against the principles of the International Association of Machinists. While there could be no criticism of a member exercising his right to freely express his views in a union meeting, it does not follow that a member can openly oppose the established position of our association to those outside the labor movement and still expect to retain his rights of membership. In other words, had the defendants confined their activities in support of California proposition 18 to union meetings, their actions would not be a sound basis for charges, under the laws governing our association. In this situation, however, the defendants chose to use the facilities of television, open forum discussions, newspaper advertisements and pamphlets to support California proposition 18 which was in direct opposition to the position of District 727, its affiliated lodges and the International Association of Machinists. This action by the defendants was in contradiction to their membership obligation.

While it is agreed that the right to freely express one's views is a privilege guaranteed by the United States Constitution, this does not mean that a member of our association is entitled to openly denounce the considered position of the labor movement and particularly his own organization, without the possibility of losing his rights to retain his standing as an I.A. of M. union member. Having made their decisions to openly oppose the announced position of the I.A. of M., in regard to California proposition No. 18, the defendants did engage in activities which are unbecoming members of our association and they knowingly placed their membership rights in jeopardy. For this reason, the lodge was within its rights in expelling the defendants from membership.

DECISION

On the basis of the entire record before me in this case and in consideration of the factors hereinbefore set forth, and pursuant to my duties and responsibilities as international president, I agree with the findings of the trial committee and the action taken by the membership of lodge 727-E as set forth in No. 4 above. Accordingly, and for the reasons above stated, the joint appeal of Defendants Mitchell, Ferguson and Mulgrew is hereby dismissed.

Fraternally yours,

A. J. HAYES,
International President.

Mr. GOLDWATER. Mr. President, in closing, I ask my colleagues this question: If the IAM can bar a member from union membership because he espouses the right-to-work clause in California, what is going to happen when unions openly endorse a candidate and that becomes the official position of the organization and union members cannot exercise their political freedom to vote for a candidate of their choice?

I think that is a point to ponder, when we realize the need for the House of Representatives to strengthen the weak bill we sent over to it. When American citizens can be denied their right of free speech because of caprices of a union, the Senate and the House of Representatives should take steps immediately to put into line a union which undertakes to exercise such unwarranted authority.

UTILIZATION OF MILITARY MANPOWER

Mr. PROXMIRE. Mr. President, Representative FRANK KOWALSKI yesterday made a devastating statement to the House Armed Services Subcommittee on the gross waste of manpower by our Armed Forces—a waste which he says costs the taxpayers $250 million. Mr. KOWALSKI, who has served 33 years in the Armed Forces, and has devoted much of his life to the problem of military personnel, speaks with great authority.

The most shocking and shameful aspect of what I think is the scandalous situation revealed by Mr. KOWALSKI is the destruction of self-respect, the demeaning of our soldiers by compelling them to serve as maidservants and flunkies after they have been drafted into the service of our country and trained for combat.

Mr. President, because this is such a tremendously compelling statement, I am going to read to the Senate a few of the most pungent observations by Mr. KOWALSKI. He says:

I for one, decry the evergrowing tendency in the services to forget that it is men and not cold statistical units who make up the defense forces of our Nation. I think they should be thought of as men, referred to as men—not "bodies" and "spaces."

But what happens to morale when some members of the services are treated as lackeys and assigned to lackeys' tasks? What happens to respect for a service when men carefully and expensively trained in special skills are assigned to be waiters in the Pentagon? What happens to a free American boy's pride in himself when he is ordered to be a babysitter in a commissary?

If we must have the military draft in order to maintain our defense forces at a proper level, then we should see to it that the men drafted are used for military purposes, to help bulwark the defenses of our country, not to serve as flunkies or laundry boys or maidservants.

Every general and admiral who occupies public quarters on a post or base, has two, three, four, and sometimes five enlisted men working as full-time servants, available not only to cut the grass, trim the shrubbery, polish the floors, wash the windows, and serve canapes, but employed, also, to cook and serve the family meals, wash and polish the officer's private automobile, do general housecleaning, including the laundry, and take care of the dog.

I would estimate that the taxpayers are footing a $30 million to $40 million servant bill annually for the senior officers of the military services with some individual officers costing the taxpayers as much as $2,500 a month for military servants.

In addition to performing service for individual officers of senior rank, there are several thousand enlisted men working as stewards, messboys, short-order cooks, waiters, clerks, orderlies, and bartenders in officers' messes and billets. Enlisted men are assigned to these facilities for the good and obvious reason that if civilians were used this would entail higher club dues and more costly liquor and meal charges.

Why should the Army draft or enlist 50 soldiers to serve as chauffeurs in the White House motor pool? Why should 180 soldiers be drafted to serve as chauffeurs at the Pentagon for officers and civilian employees when civilian chauffeurs can be hired? Why should soldiers, sailors, and airmen be inducted and trained for combat and then assigned to drive school buses?

I ask unanimous consent that the statement by Representative KOWALSKI be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

UTILIZATION OF MILITARY MANPOWER

(Statement by Representative FRANK KOWALSKI, Member at large, Connecticut, May 12, 1959)

Mr. Chairman and fellow members of the Manpower Utilization Subcommittee, I consider myself highly privileged to have this opportunity to submit for your consideration a statement outlining some of my views on the subject of utilization of military manpower.

As this special subcommittee begins its study, I think that we could set our investigation in proper perspective if we first give some serious thought to the member of the military services as a free American—a citizen, with all the rights and privileges of citizenship guaranteed to him by our Constitution and our laws; a free man, who either by enlistment or by the draft process has accepted military service to help defend his country; and, above all, as a human being with his own personality and his own human dignity.

I, for one, decry the ever-growing tendency in the services to forget that it is men and not cold statistical units who make up the defense forces of our Nation. I think they should be thought of as men, referred to as men—not as bodies and spaces. Part of the blame for the situation which we are now undertaking to study results, I think, from the cold impersonality with which the individual enlisted man is regarded in some quarters. It is not a body which stands guard in the tension of Berlin, or mans a late watch aboard ship in an icy sea, or patrols an outpost in Korea—but instead it is somebody's son, somebody's brother, somebody's husband or sweetheart, a man who loves and is loved, a man who has the right to be regarded as and treated as a man.

The man in the armed services must be not only trained in the skills of modern warfare; he must also have a belief in his cause and a pride in his service. He will function best if he knows that his job counts in the overall picture, that his role in the defense of America, however small it may be, is a real one.

We talk of the intangible called morale and like to feel that American servicemen have it in high degree. But what happens to morale when some members of the services are treated as lackeys and assigned to lackeys' tasks? What happens to respect for

a service when men carefully and expensively trained in special skills are assigned to be waiters in the Pentagon? What happens to a free American boy's pride in himself when he is ordered to be a babysitter in a commissary?

If we must have the military draft in order to maintain our defense forces at the proper level, then we should see to it that the men drafted are used for military purposes, to help bulwark the defenses of our country, not to serve as flunkies or laundry boys or maidservants. I am not opposing KP and I realize that there are distasteful jobs which have to be done in each service (I have done them as an enlisted man myself), but I do say we should not condone the assignment of men, with or without authorization, to servant status, or to housekeeping duties.

I suggest that as we proceed with our study each of us keep in mind this question: If my son were drafted into military service, would I want this for him?

From this perspective, this special subcommittee can look at the entire manpower utilization picture—not limiting ourselves necessarily to general and specific misuses of available manpower, but considering also a positive, constructive program for better use of the available manpower potential.

One field which I believe we can explore profitably is the ratio of combat troops to total troop strength. We will be both helping the military services and strengthening our national defenses if we can propose concrete steps whereby the services can make better use of the manpower now on hand.

The broad question we are undertaking to explore is this: Cannot our armed services devote a much greater percentage of their men to combat assignments than they are now doing?

It is scarcely necessary for me to remind the subcommittee of the importance of the task we are now undertaking. The men and women of the military services, both officers and enlisted men, will be watching our progress with great interest. The American public will be watching also.

Many officers, including some of very high rank, have expressed to me the hope that our deliberations will result in a program to improve manpower use and eliminate abuses which they say freely now exist. A number of them have suggested possible fields of inquiry to me. In the preparation of this statement, I am happy to inform the subcommittee, I have had the assistance and advice of a fellow graduate of West Point who now holds a high position in the Army.

I am sure that all of you have been concerned by the steady, progressive reduction in the strength of our active military forces over the past 5 years, and especially the reductions in the number of Army divisions and the cutbacks in the strength of Marine divisions. Actually, the number of active Army divisions fails adequately to reflect the decline in our military strength, because as General Taylor recently stated, the Army is presently overstructured. But what is really tragic is that this overstructured Army is being overstructured still further. On March 31, 1959, the Army with a total military strength of 878,692 had 15 divisions. At the end of fiscal year 1959, the projected strength of the Army will be 870,000 troops and 14 divisions. Faced with a reduction of 8,692 men, the Army has decided to write off one division. I ask you, gentlemen, can we permit this kind of structuring? I hope this subcommittee may be able to show the Army how it can have more divisions and increase its ratio of combat to noncombat men.

Considering that a present-day division has only some 10,000–15,000 total strength (depending on the type), this means that only about 200,000 men, or less than one-fourth of our active Army strength, is assigned to such combat units. I realize, quite well, that there are many essential combat units, such as antiaircraft and other missile battalions, which are not included within divisions. I also recognize that many essential training and other missions are performed by personnel assigned to nontactical units and detachments, such as those working with reserve components, ROTC, service schools, personnel centers and hospitals. Even taking into account these numerous and varied requirements, well over half a million men are serving in noncombat units in the Army, and equivalent numbers are similarly assigned in the Navy and Air Force. I am convinced that this subcommittee can profitably examine the utilization of military manpower in these areas.

I should like to propose three general lines of inquiry. First, I suggest the subcommittee take a hard critical look at the wasteful practice of using combat-trained enlisted men as orderlies, houseboys, butlers, cooks, messboys, babysitters and chauffeurs for individual officers, groups of officers and officers' families. The second line of inquiry, I suggest, involves duties related to functions which are admittedly essential or useful to the military service, but for which civilian employees could be readily recruited and often at less overall cost to the taxpayer. The third line of inquiry relates to missions and activities which are not essentially military and which the subcommittee might decide could be transferred wholly or in large part to other agencies.

In the examination of the first line of inquiry, it is significant that Congress has traditionally opposed the use of an enlisted man as a servant in any case whatever. In the revision and codification of titles 10 and 32 of the United States Code, enacted by Public Law 1028, 84th Congress, approved August 10, 1956, this longstanding prohibition was continued for the Army in section 3639 and Air Force in section 8639.

Despite these specific statutory prohibitions, practically every general and admiral who occupies public quarters on a post or base has two, three, four, and sometimes five enlisted men working as full-time servants, available not only to cut the grass, trim the shrubbery, polish the floors, wash the windows, and serve canapes, but employed also to cook and serve the family meals, wash and polish the officer's private automobile, do general house cleaning, including laundry, and take care of the dog. Hundreds of other officers also enjoy this privileged service but, of course, in lesser numbers individually. How many enlisted men are performing these servant duties? This will be a most difficult answer to develop, because only a few enlisted men are actually authorized as orderlies for general and flag officers, and officers of lesser rank are not authorized any. Most of the men performing these duties are actually hidden in some headquarters or unit assignments, or are rotated so that no one is shown on the rolls as assigned to these duties. I daresay that the duties are usually not onerous, and some of the men assigned to such tasks may find them more congenial than the exertions and discomforts of field training. Nevertheless, I would estimate that the taxpayers are footing a $30 to $40 million servant bill annually for the senior officers of the military services with some individual officers costing the taxpayers as much as $2,500 a month for military servants.

In addition to performing service for individual officers of senior rank, there are several thousand enlisted men working as stewards, mess boys, short-order cooks, waiters, clerks, orderlies, and bartenders in officers' messes and billets. These facilities perform useful functions on a base or installation, but they are supposed to operate on a self-supporting basis. Enlisted men are assigned to these facilities for the good and obvious reason that if civilians were used this would entail higher club dues and more costly liquor and meal charges. So again the taxpayer foots the bills and young men are drafted because there are not enough "bodies," as the services call them, to fill the combat units.

How many soldiers, sailors, airmen, and marines are in these jobs? This is going to be particularly difficult to determine. To show you how difficult it will be for us to get at the facts, I refer you to the report of the hearings before the House Subcommittee on Defense Appropriations, 86th Congress. At the request of that subcommittee, the Department of Defense submitted a comprehensive report on utilization of military personnel. On page 734 of the published hearings in note 7 referring to "Stewards (officers' messes, clubs, and bachelor officers' quarters)," the Army testified "none authorized in Army." This would imply that since the Army has no stewards authorized in officers' messes, clubs, and bachelor officers' quarters, Congress is to assume that no soldiers are used in these activities. Nothing could be further from the truth and, in actuality, a considerable number of enlisted men are used as stewards, cooks, orderlies, mess boys, and waiters in these nonappropriated fund activities. The obvious intent of the Army statement is to confuse and beg the basic question. We, of course, will have to look behind the official reports to get at the facts.

In any case, we will have no difficulty in finding that within a few minutes' automobile ride of where we sit, there are several Army officers' messes where one can buy a hamburger which will be either cooked by a sergeant or served by a sergeant, or both. In this connection, I thought it might be interesting to record that the Army uses a total of 14 very senior noncommissioned officers to serve meals to its civilian officials and officers in its Pentagon messes. The Air Force reported 18 senior airmen working in the Secretary of the Air Force's mess and other messes in the Pentagon, and the Navy has 12 sailors serving in messes at the White House.

It is important to underscore that these are all messes which should be operated with nonappropriated funds, should be self-supporting. Accordingly, there is no reasonable excuse to use combat-trained senior noncommissioned officers and other enlisted men in these assignments. I believe our subcommittee might be able to show the Secretary of Defense how he can shake out several battle groups if he would stop this particular practice. The only problem he would have is that these battle groups would be heavy in master sergeants and other senior NCO's.

I am not talking here about stewards on Navy ships or KP's or cooks in enlisted messes or officers' messes in the field. These jobs, of course, have to be performed by enlisted men.

Another area where savings in military manpower may be accomplished is in the practice of using enlisted men to stock shelves and bag groceries in sales commissaries. We might well inquire how the military service justify the use of combat-trained men in these Government-owned and Government-operated supermarkets. We should also ask why a young man should be drafted to take in and issue family laundry bundles in our military laundries or to work in a gasoline service station operated by the Army and Air Force Exchange Service.

Another questionable use of military manpower we should study occurs in connection with the drivers assigned to motor vehicles used by the White House, the Pentagon and commanders of installations and units all down the line. While, in theory, these vehicles are pooled and are not officially assigned to the exclusive use of any particular individual, in practice they are so assigned. If the General or Colonel has no

strictly official use for the car assigned to him or he is away from the station, the car is available for the use of his wife or to pick up groceries or deliver his children to school. Though many of these vehicles are effectively utilized, there are far too many enlisted chauffeurs wasting their time waiting in front of the post or unit headquarters until such time as the officer concerned may have some use for the vehicle. Doctors, lawyers, salesmen and others normally drive their own cars, and incidentally hire their own maids if they have any.

I think we should ask: Why should the Army draft or enlist 50 soldiers to serve as chauffeurs in the White House motor pool? Why should 180 soldiers be drafted to serve as chauffeurs at the Pentagon for officers and civilian employees when civilian chauffeurs can be hired? Why should soldiers, sailors and airmen be inducted and trained for combat and then assigned to drive school buses? There are 15 airmen driving school buses in the Washington area alone.

The Department of Defense, in its report to the House Appropriations Committee, has admitted that approximately 20,000 enlisted men are assigned as stewards, orderlies, mess boys, chauffeurs, and in other similar assignments. This admission at best is very fuzzy and does not include men in the Army who are performing these jobs. It fails to account for several thousand other enlisted men who are serving in assignments which contribute nothing to our national defense effort.

In the light of this admission, this subcommittee through proper investigation may be able to save the taxpayers as much as a quarter of a billion dollars annually.

When we begin to consider, in the second line of inquiry I suggest, the jobs or assignments which should be filled by civilian employees rather than military personnel, we will encounter a series of most fundamental questions. What, for example, is essentially a military assignment? In some areas, the determination will be obvious, but in other areas, there will be broad bands of gray. Our individual views will be colored by our feelings about the draft, what we think an enlisted man costs the Government, and our notions about that vague term "military necessity."

I would urge the subcommittee to explore the administrative and support areas. Cannot we use fewer enlisted men on clerical and typing duties, particularly in the Pentagon, major headquarters in the United States, and at installations and bases? Cannot civilian chauffeurs replace enlisted drivers at the White House, the Pentagon, and various administrative headquarters? In the maintenance and repair of installation and base facilities, is there justification for use of enlisted men? Similarly, do we need enlisted personnel in sales commissaries, installation laundries, billets, recreational hotels, and on permanent streetsweeping and grass cutting details? With 4½ million people unemployed in this country, we will have no difficulty in recruiting civilian employees for these assignments and at a saving in dollars.

Finally, I should like to invite the subcommittee's attention to my proposed third line of inquiry relating to the possibility of transferring whole functions from the military to other agencies. To begin with, we might study why the Army, Air Force, and the Navy should retain in disciplinary barracks felons and other hardened offenders who obviously will not be restored to any military duty. Ample statutory authority already exists, in the Uniform Code of Military Justice (article 58a), for the transfer of such prisoners to civilian correctional institutions. If this authority was more generally used, we could reduce the number of military personnel employed as guards and supervisors.

I have also observed that on most military installations and bases, enlisted men are assigned to sort and process mail. We might find that all postal activities, except in the field, could be taken over directly by the Post Office Department which derives the revenue.

In the fields of possible inquiry which I have mentioned, I am planning to submit for the consideration of the subcommittee a number of letters, documents, reports, and supporting material which I believe may be of help to us in our deliberations.

My office is now assembling and correlating many letters from present and former members of the services who point out instances in which they claim that many men trained for combat duty are assigned to duties which cannot be considered military in nature. I shall submit these for the consideration of the subcommittee.

I have made a personal check on the assignment of men as orderlies and other related nonmilitary duties by the armed services in the Washington area and will submit these figures to the subcommittee soon. The figures for this area alone are, to say the least, startling.

Further, I plan to submit for the study of the subcommittee a considerable amount of data relating to the ever-growing policy of replacing civilians by military personnel in jobs which this subcommittee may find can be handled more efficiently and at less cost to the taxpayers by using civilians. In the support and administrative operations of the Air Force, in the SAGE program and in other instances, I shall propose that special studies be made of current trends.

I am hopeful that this subcommittee will be able to establish realistic figures on the assignment of men to nonmilitary duties in the services. It is natural for me to have great concern on this point, in view of the demonstrated reluctance of the services to provide full information in this regard. When I made reference several months ago to what appears to be misuse of manpower, high-ranking officials, both military and civilian, pooh-poohed my claims. Subsequently, as I have pointed out earlier, the Department of Defense, at the insistence of the House Subcommittee on Military Appropriations, quietly submitted figures which refuted its earlier claims. The newspapers reported that the Defense Department had finally admitted that some 20,000 men are being used in such jobs as orderlies, laundry boys, mess attendants, and the like.

As one with some experience in military matters, I frankly suspect that this total, admittedly incomplete, does not come anywhere near the true figure. I suggest that one of the tasks of this subcommittee should be to look behind the tables of organization to get the full story—the story which includes all men assigned to servant-type duties, whether they are officially assigned to such duties or not.

No doubt there are other areas and lines of inquiry which can be explored, such as the layers upon layers of very sizable headquarters which seem to flourish and grow in spite of troop cutbacks or other adversities. We could examine dual staffing and the stratification of echelons within the various headquarters. We could find cases upon cases of misassignments and improper utilization of individuals. All these explorations could prove most profitable. But, in my opinion, the most valuable immediate fields this subcommittee might study are: (1) The practice of using enlisted men in assignments which provide personal services of various kinds to officers and their families; (2) possible substitution of civilian employees for enlisted men in clearly defined areas which Congress should establish; and (3) possible transfer from the military services those functions which obviously contribute nothing to national defense.

Today, at a time when we must continue the draft to meet our essential manpower requirements, we owe it to the American people to insure, so far as it lies within our power, that every man inducted or enlisted is effectively utilized on essential military functions and that any who are not are either relieved and separated, or reassigned to duties where their military training can be used.

ISRAEL INDEPENDENCE DAY

Mr. PROXMIRE. Mr. President, 11 years ago today, when the Independent State of Israel was proclaimed, the economic, social, and political situation in the Middle East was quite different from the situation today. In these 11 years, there have been great changes in this region. Probably the most dramatic has been the emergence of Israel as a stable and vigorous democratic nation. Israel is a nation which has grown to strength and vitality despite tremendous handicaps, imposed both by geography and by international politics and prejudice. Certainly the Israeli people, who have built their nation out of a desert with an unprecedented mass effort and sacrifice, are deserving of the admiration and recognition which we extend to them on their Independence Day.

The United States has of course participated in this effort, to a significant extent, through the aid and technical assistance of our Government and through the tremendous backing of millions of American citizens.

But the Middle East today is probably in as great and as serious a state of turmoil as it was 11 years ago. The forces of Communist imperialism are reaching further and more strongly than ever; the energies of Arab nationalism are still looking for effective leadership that can direct them in constructive, progressive pursuits.

Therefore, on Israel's Independence Day, it is proper that Americans should send with our greetings for their celebration our assurance that our country's foreign policy will continue to embody diplomatic support and economic assistance to Israel, and our national domestic policy will include action to eliminate discrimination and prevent demonstrations of violence against minority groups, both here and abroad.

Mr. JAVITS. Mr. President, from time to time during the year, Members rise on the floor to deliver commemorative remarks noting the anniversary of independence of nations throughout the world. Such tributes are indeed fitting in the Congress of the United States as this Nation has inspired—and continues to inspire—all peoples realizing sovereignty and willing and able to perform the obligations of civilized nations to attain national liberty and free institutions.

On this 11th anniversary of the achievement of independence of the State of Israel, I rise briefly to note that relationships between that young and vigorous democracy in the Middle East and our own United States have never been better. Israel, as it enters the second decade of its independence, is already showing itself a mature and fully participating member of the family

of free nations. For example, Israel is rendering appreciable and valuable aid to other new and developing nations in Africa and Asia, such as Ghana and Burma, to help them develop and grow in their recently-acquired independence. Israel has assumed and is faithfully discharging her full, fair share in the world struggle for the survival and development of free institutions.

Israel has proved for the free world a force for peace and against Communist or other subversion of a strategic area of the world as illustrated during the recent crises in Lebanon, Syria, Jordan, and Iraq. This growth, this maturity, this constructive role of Israel in strengthening United States and free world foreign policy objectives fulfills in the field of statecraft the confidence of all Americans in this vigorous new free people who realize the dreams of 20 centuries for a secure home for offended Jews from everywhere.

Mr. KEATING. Mr. President, it is a great pleasure to salute noble Israel on the occasion of her 11th anniversary. We in America are proud and happy to salute this gallant country as she marks another milestone in her history as a member of the nations of the world.

The 11-year-old State of Israel is one of the newest and certainly the most striking phenomenon in the restive Middle East. So far as the cause of democracy, progress, and peace is concerned, the birth of Israel may be regarded as the most encouraging event in the whole Middle East region since the end of World War II.

In a little more than a decade, through sheer determination, courage, patriotic, and religious dedication, and unshakeable belief in the rightness of their cause, the people of Israel have etched a memorable chapter in the history of the world. This state, through its heritage, its culture, its devotion to human freedom and human dignity, has become a stalwart ally in the camp of the free nations of the world.

We in the United States can take special pride in Israel's accomplishments. Through private and governmental efforts, we have contributed greatly to the growth of the new state.

I desire to pay tribute to the many private individuals and organizations in this country who have worked unceasingly to bolster this bastion of freedom in the Middle East. Through numerous programs involving loans, grants and dispersal of equipment and know-how, these dedicated citizens are making incalculable contributions to the welfare of Israel.

I shall never forget, Mr. President, my own visit to Israel, my conversations there with Prime Minister Ben-Gurion and other leaders, and the invigorating feeling of being a witness to history in the making. It has been a history made of heroism and sacrifices, bravery and daring, and industry and ingenuity.

True to their centuries-old tradition of their heritage, which braced them together and steeled them to bounce back from every reversal, and possessing the courage of true frontiersmen in the face of formidable enemies, the citizens of Israel have planted the seeds of democracy and a better way of life. These sturdy, industrious and inventive people will not be denied. Israel is here to stay.

We in America, bound to Israel by common dedication to human freedom and by common experiences as founders of new democracies, would do well to study the example of the Israeli. For these courageous people have demonstrated time and time again their willingness to die in defense of their freedoms and their democracy.

On this 11th anniversary of Israel's independence, let us all join in wishing the people of this noble state godspeed and every success in their reborn homeland.

CONSTRUCTION BY AMERICAN CORPORATIONS OF FACTORIES IN FOREIGN COUNTRIES

Mr. PROXMIRE. Mr. President, once again I invite to the attention of the Senate the serious and rapidly growing impact of the construction by American corporations of factories abroad.

The Wall Street Journal has been doing a magnificent reporting job, in depth, on this problem. I have previously called the attention of the Senate to Wall Street Journal articles on what appears to be an export of jobs in the machine tool and tractor industries. Today's Wall Street Journal carries a report from Munich, Germany, by Edmund K. Faltermayer, on what is happening to the scientific instrument industry. Mr. President, I ask unanimous consent that the article be printed in the RECORD following these remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EXPORT ASSAULT—U.S. INSTRUMENT MAKER USES TWO-PRONGED PLAN TO LIFT EUROPEAN SALES—BECKMAN SPURS RESEARCH TO KEEP LEAD IN TECHNOLOGY, EXPORTS ADVANCED GEAR—MUNICH UNIT SELLS OTHER ITEMS

(By Edmund K. Faltermayer)

MUNICH.—"The only hope for American firms that want to keep a foot in this fast-growing market is to cut their manufacturing costs through more automation, to keep ahead of Europe in know-how through more research—or to start manufacturing in Europe."

This advice, aimed at U.S. companies worried by rising labor costs and declining exports, comes from Harry Zander, 40-year-old Minnesota-born director of the European subsidiary of Beckman Instruments, Inc., a Fullerton, Calif., maker of laboratory and industrial instruments.

Beckman, which built a $800,000 American-type factory here 2 years ago, is following all three of the possible courses outlined by Mr. Zander—and finding it pays. The company is one of a small but growing number of American concerns which are boosting overseas sales by filling Europe's ravenous demand for scientific equipment.

PRODUCTS SHIPPED FROM UNITED STATES

Like many of these companies, Beckman ships most of its newest and fanciest products, such as ultracentrifuges for separating chemicals and $60,000 analog computers for solving mathematical equations, direct from its U.S. factories. This is because lower priced competing versions don't yet exist abroad, or because there isn't sufficient demand to make foreign manufacturing profitable.

Simultaneously, to meet the low-cost foreign competition on less advanced and simpler gadgets, Beckman and similar firms have begun setting up their own manufacturing plants in Europe. This move also has turned out to be a sort of double hedging operation. It gives these U.S. companies a lower cost manufacturing base in Europe that could enable them to remain competitive on many other products even if foreign firms should overcome the U.S. technological lead on advanced-type instruments.

Secondly, it gives the companies a foothold inside the new European Common Market, whose six members—West Germany, France, Italy, Holland, Belgium, and Luxembourg—began paring tariffs on one another's goods on January 1. In the next 12 to 15 years, the six nations gradually will erect a common external tariff which many American firms fear will exclude many goods made in the United States.

Beckman is well hedged in yet another way. It has just opened its second overseas manufacturing plant at Glenrothes, Scotland, as a foothold inside the so-called sterling bloc of countries in case a trade war should develop between the six nations of the European Common Market on the one hand and Britain and its trading partners on the other.

OTHER FIRMS PLAN EXPANSIONS

Many other American makers of precision instruments and labor-saving equipment for factory, laboratory, and office are starting to manufacture on the Continent or to expand existing facilities—as are U.S. makers of many other types of wares—while simultaneously pushing exports of other products from their plants in the United States.

High Voltage Engineering Corp., Burlington, Mass., selected Amersfoort, the Netherlands, as a plant site after surveying locations in Belgium and Germany. Explaining his company's plans to continue exporting to Europe from the United States when the new plant is in operation, a High Voltage spokesman says: "You don't suddenly start to make everything abroad, especially with a scientific, technical product like ours. For certain things you need the skilled labor and know-how we have in the United States."

On a main highway leading out of Frankfurt, workers are swarming over the framework of a new eight-story building that will house offices of the German subsidiary of Minneapolis Honeywell Regulator Co., of Minneapolis, Minn. This company, which began manufacturing in West Germany only 5 years ago, has assigned its Frankfurt plant the task of supplying automatic industrial control valves for the European market. It still will ship a number of its more complex items to Europe from its U.S. plants.

Consolidated Electrodynamics, a Pasadena, Calif., instrument maker, hopes to begin manufacturing some of its products through a German licensee but would continue to export some of its products to Germany from the U.S. Cenco Instruments Corp., a Chicago instrument firm, plans to build a factory at Breda, the Netherlands, but also will continue to export some items from the United States.

TECHNIQUE PAYS OFF

So far, Beckman's typical technique of exporting some products and manufacturing others on the spot seems to be paying off handsomely. Since 1955, when Beckman Instruments G.m.b.H. (the initials stand for the German equivalent of incorporated) began manufacturing in significant quantities, the subsidiary's sales have risen from $500,000 a year to the current annual rate of $3.6 million. Half the current billings represent Munich-made merchandise while the other

half represents advanced-type equipment from California for which the subsidiary drums up customers all over Europe.

In the instrument field, Mr. Zander says, U.S. exports and manufacturing abroad should continue to complement each other for years to come. But, he warns, this will remain true only as long as American firms continue to stay ahead of their European competition in developing new products.

Not content with an over 600-percent sales growth in less than 4 years, Mr. Zander hopes to see his sales top $10 million "in 2 or 3 years." What with a growing labor shortage and the climb in industrial production and living standards in Western Europe, the market potential here is "fantastic," he declares.

Noting that 25 percent of his plant's present output is shipped outside Europe to customers in such places as Australia, South Africa, and South America, he adds, "I wouldn't be surprised to see our sales outside Europe grow even faster" than those within Europe in the future. He stresses, however, that Munich isn't competing with the home office in these so-called third markets outside Europe and the United States. "Beckman wants Munich and the home division to grow in parallel fashion," he declares.

Nevertheless, Mr. Zander admits, lower wages put Munich in a better position than the parent firm to exploit the third markets, at least in selling some of its simpler devices. A case in point is the quartz spectrophotometer, one of Beckman's biggest selling items. Selling cost has become important because since World War II, two firms, one German and the other British, have come out with copies of this Beckman instrument, which is used for analyzing the composition of liquid chemical compounds by passing a beam of light through them.

In Munich, where male workers toil 44 hours a week for an average of 54 cents an hour, Beckman's subsidiary has been able to hold the price of this instrument to $1,500, the price charged by the parent firm in 1954 and a price that's still competitive in Europe. But at the main plant in California, where wages are between three and four times those paid in Germany, the price has climbed to $1,900. "If we hadn't started manufacturing in Germany, we would have lost our European market for this item," Mr. Zander says.

The same could happen with other devices, he concedes, as foreign firms rush to reduce the U.S. still-commanding lead in the instrument field. A possible portent of things to come is the EASE analog computer which Beckman now makes only in California. Shortly Munich will begin turning out small components of this system. Reason: Germany's Telefunken, radio and electronics firm, has come out with an analog computer of its own.

Back in the United States, Beckman is working hard to keep its production costs down and thus help to maintain the export share of the company's oversea sales. At the company's Helipot division in Fullerton, Calif., for example, a 4-inch-wide moving conveyor belt has put production of precision potentiometers—electronic parts used in instrument systems—on an assembly-line basis. Introduction of the conveyor belt has made possible a cost reduction of 40 to 50 percent over old assembly methods, the company says. Continuing introduction of new products by Beckman's U.S. plants also helps to bolster the company's exports.

MANY PRODUCTS MADE ONLY IN THE UNITED STATES

"There's sort of a competitive race between us and the home office," Mr. Zander says. "But if the home office keeps bringing out new products as fast as they are right now, products such as complete data handling systems and automatic control installations for petroleum refineries, there should be plenty of growth potential for everybody." Even now, he notes, Munich makes only 80 of Beckman's 600-odd products, which range from tiny transistors to big industrial meters for measuring acidity or alkalinity of chemical mixtures. The fancier, newer—and more expensive—instruments probably always will be produced exclusively in California, he declares.

Someday, he adds, Munich might ship some of its less complicated products into the United States. Right now a relatively high U.S. tariff of about 45 percent makes such specialization between the home office and its German subsidiary unprofitable. "But it could come if the traffic rate were changed," Mr. Zander says.

A likelier possibility, he suggests, is that Munich might do some of the precision mechanical work on certain standardized parts, which carry only an 8 percent to 10 percent tariff, with final assembly carried out in the United States. A host of American outfits already farm out such work to their foreign subsidiaries, he notes.

A high U.S. tariff wall against imports and high American labor costs haven't prevented a postwar boom in both exports and imports of scientific instruments. In 1957, the latest year for which figures are available, U.S. imports from eight key European nations—the Common Market six plus Britain and Switzerland—climbed to a record $14,762,000, up from $11,532,000 in 1956 and $4,092,000 as recently as 1950. While final 1958 figures aren't yet in, latest monthly figures show a continued climb.

U.S. INSTRUMENT EXPORTS UP

At the same time they are buying more European scientific gadgets, Americans also are selling even larger quantities abroad. In 1957 the United States shipped a record $21,254,000 worth of scientific instruments to the same eight European countries, up from only $13,308,000 in 1956 and $6,785,000 in 1950. There are indications 1958 brought another gain. West Germany accounts for the largest share of the instrument trade in both directions, having sold $7,927,000 worth to the United States and bought $6,055,000 worth in 1957.

Contrasted with these figures, U.S. exports as a whole slumped to $16.3 billion in 1958, according to the Commerce Department, from the record $19.5 billion of 1957 and from $17.3 billion in 1956. Imports in recession-year 1958 also fell, but only to $12.8 billion from $13 billion in 1957.

In March, the Commerce Department began a new study of how to prevent U.S. exports from slipping further in the world market. At the time the study was announced, Assistant Secretary Harry Kearns acknowledged that indications are we are in a downward trend, and not necessarily in a temporary slump caused by the recession.

Beckman, only one of many companies cashing in on Europe's hunger for American instruments, is a growth company by anyone's yardstick. As recently as 1943, Beckman's total worldwide sales were only $660,000. By 1953 they had leaped to $16.4 million and last year they reached a record $39.8 million.

Plenty of room for sales expansion exists in the European market, at least at present, those in the business say. "Germany today is 4 years behind the United States in the instrumentation field," says A. W. Brandmaier, who heads Consolidated Electrodynamics' Frankfurt office. One big reason for the strong demand here is the shortage of labor. In summer, when construction workers are on jobs, unemployment in West Germany runs less than 400,000, or slightly over 2 percent of the labor force. Moreover, wages, while still low by American standards, have been rising, from an average of 37.5 cents an hour in 1952 to 56 cents late in 1958. Result: An increasing interest in higher efficiency and labor-saving devices.

Mr. Zander's experiences in building up Beckman Instruments G.m.b.H. from its formation in 1953 to a modern manufacturing plant with 300 employees pinpoint some of the problems U.S. firms face in building plants in Europe. By 1953, when European export sales of Beckman had reached $500,000, Dr. Arnold O. Beckman, the company's founder and chairman, decided it was time to set up a European plant. Holland first was considered as a location because it has tax incentives which West Germany lacks. Eventually, however, Germany was chosen because, in Mr. Zander's words, "in our field we needed a country with an internal market big enough to support the operation." As it has turned out, about 80 percent of the products made at Beckman's Munich plant are sold to customers outside Germany.

Munich was chosen as a headquarters, he says, partly because it's a stronghold of the Christian Social Union, the Bavarian branch of West German Chancellor Konrad Adenauer's Christian Democratic Party, and therefore has a climate strongly favoring free enterprise. Wages, which are 8 percent to 10 percent lower here than in other German manufacturing centers, were another consideration, but not an overriding one, Mr. Zander contends. Another factor was the availability of skilled workers; Munich, along with Stuttgart, long has been a center of precision instrument making.

Once these decisions were made, Mr. Zander relates, "you still couldn't just walk in and set up a company." German firms tend to fear foreign intruders. Therefore, before the federal, state, and local authorities would allow Beckman to incorporate, they polled the prospective competition to see if they strongly opposed a new instrument firm. As it turned out, they welcomed a concern such as Beckman, which didn't compete directly and which would help advance German technology, still lagging as a result of World War II's defeat.

"Things were pretty makeshift at first," Mr. Zander recalls. "Our plant was a one-and-a-half-story temporary wood and plaster building. The staff consisted of me, two German engineers we'd just hired and sent to the United States for a 3-month training course, and five production workers. The location made it hard to hang on to people. We were 15 miles out from the center of Munich, in a place called Puchheim near the city dump, and could be reached only on muddy roads."

STARTED WITH FOUR PRODUCTS

One of the biggest manufacturing problems was to find satisfactory German parts that could be substituted for U.S. components. Starting modestly, the firm concentrated on only four products—a quartz spectrophotometer, an accessory instrument used with it, and two types of industrial meters. "By the end of 1954," Mr. Zander recalls, "we were using 95 percent German parts for the spectrophotometer."

Another key problem was to teach workers the combination of skills required to make the Beckman products. "Germany long has been noted for precision mechanical work or precision optical work. The trouble is, making one of our instruments requires both these skills—plus skill in making electronic components—a combination that hadn't existed in Germany before."

Still another problem was creating a team of salesmen who also had enough engineering savvy to deal with highly demanding German customers, traditionally noted for insisting on very exact specifications. "You can make a salesman out of an engineer but not vice versa," Mr. Zander observes, "so we had no choice but to follow the first course."

Getting the engineers in the first place wasn't easy, because Germans like the security of staying with a big-name firm like

Siemens & Halske, even if the wages aren't as good. "It's hard to use the sort of razzle-dazzle you'd use back home about a chance to get in on the ground floor of a growth company," Mr. Zander says. "We really had to get down on our knees and beg."

Despite these obstacles, sales climbed and the company outgrew its first home. By the end of 1955 the staff had grown to 30 employees, turning out 12 products, and by early 1957 it had swollen to 65 workers. By then Beckman had acquired a 6-acre site in a sort of industrial park on the edge of Munich proper and built a modern brick factory with about 40,000 square feet of working area. The site allows for a potential sixfold expansion of production above the present level.

TRAINING COSTS CUT PROFITS

Low wages by themselves, Mr. Zander insists, don't insure success. "What's the advantage in having to pay workers only half as much if they're only one-fourth as good?" he asks rhetorically. Because of the time required to train workers, he says, profits may be disappointing or nonexistent at first. Nevertheless, he notes, the Beckman subsidiary operates in the black, although the parent firm hasn't yet recovered its $2 million investment in plant, equipment, parts, and training.

Success to date, Mr. Zander says has been due to several factors. The most obvious, of course, is growing sales. These were helped from the outset by the fact the Beckman name already was well known among German technicians. But a big boost also came from aggressive, American-type selling.

Mr. Zander believes he avoided one pitfall which has frustrated some American firms in Germany. German law protects independent sales agents that handle a company's products and, in Mr. Zander's words, "Once a guy has your signature he's entitled to a fee on all sales in his area for 1 year even though your own salesman made the deal. That can cut into your profits." Beckman gradually has placed sales offices of its own in seven German cities to get around this problem.

By adapting to local conditions, Mr. Zander has created a sort of hybrid firm combining American and German characteristics. The most German thing about Beckman G.m.b.H. is the fact that, outside of Mr. Zander himself, all the employees are natives. Another German feature is what Mr. Zander calls the social load—payment to social insurance, sick benefits, company outings, and other fringe benefits which add 25 cents for each dollar paid in wages.

A THREAT FROM WARM MEALS

The social load at Beckman will go up somewhat in June, when Mr. Zander hopes to complete a new plant cafeteria that will serve hot lunches. The fact that a new Siemens factory is being built across the street from Beckman and also is slated for completion in June lends a sense of urgency to the project. "It's a race against time," says Mr. Zander, who has much more fear that Siemens will lure his workers away with warm meals than with higher wages and a company name that is better known in Germany.

"In Germany the midday meal is the big one," Mr. Zander explains. "A lot of our people live way out in the suburbs, often get up as early as 5:15 a.m. in a cold-water flat where they eat a very simple breakfast." Many workers thus expect the firm to give them a substantial meal at midday, he says.

Along with yielding to local custom, Mr. Zander also has given a basically American character to his firm. The new plant itself, with its large windows and uncluttered offices, wouldn't look out of place in Fort Wayne or Oshkosh. Unlike the stiff "Herr General-Direktor" who still is the dominant type in German business, Mr. Zander operates in a highly informal but firm fashion. And he delegates plenty of responsibility to his immediate subordinates and department heads.

"I know a lot of German company directors who are on the verge of a nervous breakdown because they try to do everything themselves. Well, I've made up my mind that if anybody in this plant is going to get the 'managers' disease' it isn't going to be me." He refers to the currently fashionable German term for the general collapse that has afflicted many German businessmen in the present age.

Vitally important in the successful operation of any oversea firm, Mr. Zander believes, is the selection of the right top executive. Referring to his own case, he says "you've either got to have an American with a somewhat German outlook or a German with an American outlook." Mr. Zander, who has a German wife and sends his three children to a German school, worked here in American military government after World War II, so he evidently is well equipped to understand German ways of thinking. At the same time he is unmistakably American in appearance and outlook. With close-cropped brown hair and blue eyes, his still-boyish appearance and easy manner would stick out at any German businessman's lunch. "This business of going native can get you into a lot of trouble in your day-to-day dealings," he says.

There's little chance Mr. Zander ever will go native, although he seems content to settle down in Germany for the rest of his life. He still keeps up his golf game and, in a land noted for status symbols, insists on driving a 4-year-old Opel sedan with 63,000 miles on it. "Everybody says I should have a Mercedes-Benz," he says, "but this car is perfectly good. I'll drive it until it drops."

INDIA'S DEVELOPMENT: PROBLEMS AND PROGRAMS

Mr. SPARKMAN. Mr. President, on May 4–5 there was held in Washington a Conference on India and the United States—1959, sponsored by the Committee for International Economic Growth. I have heard many good reports on the conference. Certainly, it is imperative that the United States do whatever it can to help preserve democratic principles in India and to enable the Government of that Nation to continue to combat efforts of Communists to attain a position of influence in India.

One of the best presentations of the situation in India was made by His Excellency B. K. Nehru, Commissioner-General for Economic Affairs of India.

I ask unanimous consent that his address may be printed in the RECORD, and I urge that each Senator take the time to read his statement.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

INDIA'S DEVELOPMENTS: PROBLEMS AND PROGRAMS

(Remarks by His Excellency B. K. Nehru, Commissioner-General for Economic Affairs, India, before the Conference on India and the United States, 1959, sponsored by the Committee for International Economic Growth, at the Mayflower Hotel, Washington, D.C., May 4 and 5)

I should like, Mr. Chairman, to add my compliments to the Committee for International Economic Growth for having organized this conference on India and the United States.

I have been asked to speak on the problems and programs of Indian economic development. This is a very tall order. But as these problems and programs will, during the course of today and tomorrow, be subjected to minute and detailed examination and criticism in the various panels, I propose to content myself with giving you on this occasion a bold outline of the problems with which we are faced, the methods we have adopted for solving them, the success we have achieved in our efforts and the direction in which we propose to go.

The biggest problem of India is its size. We are a nation of almost 400 million people; we are one-seventh of humanity and nearly 40 percent of the population of the non-Communist underdeveloped world. I emphasize this, Mr. Chairman, because one tends to regard India sometimes as just one more underdeveloped country. It is not always appreciated that India is equal in population to the whole of Latin America and the whole of the continent of Africa put together. The immensity of the population is, therefore, one of our basic difficulties. Any operation in India to be meaningful must be of colossal size; otherwise the entire effort tends to get lost in the vast desert of need.

The second problem of India is its extreme poverty. Even when judged by the standards of the less developed countries of the world, India is among the poorest of them all. The average per capita income of the non-Communist underdeveloped world is a little over $100 per annum. The India per capita income is only $60 per annum. There are only a few countries in the world who are poorer.

The third problem of India—and I speak of it as a problem because it complicates infinitely the task of economic development—is the fact that India has chosen for herself the democratic method of government with all the checks and balances that that method implies and with all the individual liberties that are inherent in a system that respects the rule of law.

It is only against the background of these basic factors I have mentioned, viz, the size of our population, the extreme poverty of our people and the essentially democratic framework in which we have chosen to organize our efforts that the task of promoting rapid economic development in India can be seen in its proper perspective. To be meaningful at all, our operations, whether they be in the field of education or health or community development, of agriculture or transport or industry, must of necessity be on a very large scale. This scale of operation, in terms of dollars and cents, is, however, not much as compared to the operations of the developed countries. In fact, compared to what a developed society can and does do our operations are rather small. But the scale of the effort that is required in India for promoting development must be measured in the context of the extreme difficulty in raising resources in a poor country. The basic requirement for development is the capital required for investment, and this capital is nothing more than the surplus of current production over current consumption. But when current consumption is less than a dollar and a quarter a week it becomes extremely difficult to squeeze out of this miserable pittance even the smallest amount required for investment.

In this effort to raise resources, democracy, to which we are fully and wholeheartedly committed, is an obstacle for no democracy can afford to enforce that degree of hardship which alone can raise investible capital in a poor economy to any significant amount. Nor do we have the power which is available in other systems to regiment labor and to compel it to perform arduous tasks without any material reward. There are countries in the world where millions of peasants can

be made to part with a sizable part of their crops in exchange for little or nothing, where millions of people can be transplanted hundreds of miles from their homes to work in forced labor camps at subsistence wages. But such methods are rightly anathema to free societies. Democracy must necessarily rely more on the carrot than on the stick. The difficulty with India, as with all poor countries with low levels of production, is that it does not have a large enough carrot to offer.

This then is the problem and these are the limitations within which we must work. When the odds are so heavily against us, we have, in societies such as ours, to develop certain guidelines along which the entire process of economic development must take place. The shortage of capital makes this commodity so precious that we cannot afford to allow it to be wasted in unproductive activity or frittered away in achieving objectives of a low priority in national terms. The limited trained, technical, managerial, and administrative manpower that is available also has to be conserved for the tasks of the highest priority. The determination of priorities in a free enterprise system is left almost entirely to the mechanism of the market and is dictated by the choice of the consumer. In rich societies, it does not really matter if, for a short time, the consumer prefers lipstick to hospitals or Cadillacs to schools or color television sets to roads. There are already within a rich society sufficient roads, schools, and hospitals to permit that society to continue to live and develop at a very high rate. But where capital and skilled manpower are scarce, there has to be some ordering of priorities; and in particular, there has to be some policy for the transference of resources from consumption to investment.

The method we have adopted in India to combine the essence of democracy with the need for development is the instrument of the planned economy. Indian planning is done by a planning commission which is outside the main structure of political government. The planning commission is assisted by a large body of experts in all fields of the country's growth. These experts are drawn from all walks of life—from within the ministries of the Government of India, from private industries and from universities and research institutions of various kinds. The plans they draw up are submitted to genuine popular criticism, are discussed throughout the country in popular forums, are examined and criticized by the governments of the states and finally, after such alteration and amendment as this democratic process justifies, are submitted to the Parliament of India for adoption. There is in our planning, therefore, the maximum possible popular participation and, indeed, this has been one of the main sources of the strength and vitality of Indian development.

Indian planning differs also very considerably from planning in the totalitarian states. I have already mentioned that a poor society wanting rapid development cannot rely entirely on the dictatorship or the sovereignty of the consumer. Nevertheless, Indian planning operates almost wholly through the market mechanism. There are controls at various points of the economy such as import control, exchange control, capital issues control and the like; but within the framework of these controls the processes of the market are allowed free play and the incentives are the same as in the more developed free economies.

Another characteristic of Indian planning is that the guidelines laid down for development in the plan cover both the public and the private sectors. The agency for the execution of the plans in the two sectors is different; in the public sector, it is the ministries of the Government of India or the state governments; in the private sector, it is the private entrepreneur within agriculture or industry. But there is a fairly close interrelationship between the two sectors both in the matter of exchange of personnel and in the coordination of activities. And a significant part of the developmental activity of the state consists of programs of assistance and encouragement to the private sector. The Indian economy, contrary to popular belief in this country, is still a predominantly private enterprise economy. Indian governmental expenditures are about 10 percent of the total net national income as against 20 percent in this country. Indian Government industry is responsible for no more than 3 to 5 percent of large-scale industrial and mining activities in the country compared, for example, to Italy where 45 percent is government owned. By far the largest segment of private enterprise in India consists of the millions of small peasants and artisans in whose case governmental assistance in regard to credit, marketing, and other facilities is the very precondition to the development of real enterprise and initiative. It is, therefore, obvious that a plan for the public sector alone would, in our conditions, be meaningless.

Planned economic development has now been underway in India for 8 years. The first 5-year plan which began its course in 1951 has already been completed and the second plan is now under implementation. Preparations have already begun for the third plan which will commence its term from 1961. It would be of interest to note briefly at this stage the progress that has already been achieved and the problems that have arisen in the implementation of the plans so far.

In keeping with the basic needs of the people, the first 5-year plan gave the highest priority to the development of the irrigation and power potential of the country and to the improvement of the transport system which had deteriorated considerably during the war and in the early postwar years. Altogether, the targets for investment and for increases in production and productive capacity envisaged during the first plan were of a modest character. In retrospect, however, it would appear that the modest beginning in the first plan was wisely conceived. Achievements during the first plan period exceeded expectations, giving to the people and the Government a sense of justifiable pride and self-confidence. Taking the first plan period as a whole, national income increased by 18 percent in real terms, making for an improvement of 10 percent in the average standard of living of the people. For the first time in many a decade there was visible improvement in the meager lot of the Indian peasant and the artisan, and this improvement, however modest, strengthened the faith of the people in their own future as well as in the future of the democratic institutions which they had just acquired.

What was perhaps as important as the increase in production and levels of living was the environment of financial and economic stability in which this progress was achieved. Nothing destroys social harmony and the atmosphere of honest endeavor in a poor country as effectively as inflation and, thanks to their wartime experience, the Indian people are fully conscious of this danger. That is why it is significant that over the first plan period, the general level of prices in India actually declined. What is equally significant, the higher level of investment was financed almost entirely by an increase in the voluntary savings of the Indian people. As much as 93 percent of the investment undertaken in the first plan came from domestic sources with only 7 percent being financed by foreign aid.

While the first 5-year plan was thus remarkably successful in creating confidence among the people and the Government, it also brought to light certain basic weaknesses in the Indian economy. For one thing, the additional employment created by the plan fell far short of the increase in the labor force so that there was actually an increase in unemployment. At the same time even the modest increase in production and in irrigation, power, and other facilities led to acute shortages in the supply of basic materials such as steel and cement and fertilizers. It was, therefore, felt that if these shortages were not to lead to a continuous and sharp increase in imports with a consequent dislocation in balance of payments, it would be necessary to give a high priority in the years to come to an increase in the production of these basic commodities.

Accordingly, in the second 5-year plan, which came into operation in 1956, a somewhat greater emphasis was placed on the development of basic industries. The second plan also envisaged a total investment roughly twice as large as in the first plan and an increase in total national product at the rate of 5 percent per annum as against an increase of about 3½ percent per annum which was achieved during the first plan. It was realized from the outset that a larger investment effort with a greater emphasis on the development of basic industries would put a considerable strain on the balance of payments and that this would require the flow of external capital on a substantially larger scale than during the first plan period. But it was felt that a larger effort at mobilizing domestic savings as well as foreign loans and grants was inevitable if India was to take a decisive step forward in economic development.

Most of you are no doubt aware that during the last 3 years the level of investment in the Indian economy has been stepped up steadily and that this, in turn, has led to a considerable strain on India's balance of payments. By and large, the internal price situation has remained satisfactory, and there has been a significant increase in the total domestic resources set apart for investment. But the emergence of balance-of-payments difficulties from the very start of the second plan has necessitated a cutback in the original targets. Generally speaking, it would appear that in the second plan we shall achieve no more than 80 percent of our goals. The national income will rise at the rate of 4 percent instead of 5 percent per annum as we thought it would; and, in physical terms, many of our projects will take a year longer to complete than originally planned. It is, however, significant that even this partial success has become possible only as a result of substantially greater external assistance than was envisaged initially. Thus, on present indications, if external assistance on the scale necessary for implementing the plan in the present form is available over the next 2 years, the total foreign assistance utilized during the second plan period will amount to approximately $3 billion, as against only $450 million during the first plan. As a proportion of the total investment effort, the contribution of external assistance during the second plan is likely to be of the order of 20 percent as against the comparable contribution during the first plan of just about 7 percent. By far the largest proportion of the foreign aid we have received has come from the United States. For this, no less than for the manner in which it has been given, the Government and the people of India are truly appreciative and grateful.

If I may sum up, therefore, while the Indian experiment in planning for prosperity within a democratic framework has so far been modestly successful with total national product increasing at the rate of somewhat under 4 percent per annum and a modest but perceptible improvement in the levels of living of the people, the stresses and strains of this development are already

being felt and such increases in productive capacity as have been made in recent years have become possible only as a result of very sharp increases in taxation at home and a much greater flow of grants and loans from abroad.

The question, therefore, arises: "What is the course that India must follow in the years to come?" This is a question which is being debated anxiously in India at the present moment in connection with the preparation of our third 5-year plan. I think there can be hardly any doubt that despite the difficulties that have been experienced in recent years, the only course open to the Indian people is not only to maintain but to accelerate the tempo of development that has already been built up. To falter now would be to destroy the very foundations of self-confidence which have been so assiduously built up over the past 10 years. If we are to continue to develop at the rate at which we have done so far, it will take us 35 years to give to ourselves a per capita income of just over $2 a week. This rate of development is far too slow in the modern world. It is too slow first, because the techniques of production have advanced so much that such low levels of living as are symbolized by an income of $2 or $3 per week have lost all justification. It is too slow because we have before us the example of societies applying these techniques for development at a much faster rate. The fact that techniques of production have developed so much that poverty and misery can be eradicated in a very short period of time and the fact that this is being done in countries which have no inherent advantages over us lead to impatience and discontent with an admittedly just but incredibly slow process; and both impatience and discontent are capable of weakening, if not wholly destroying, the social fabric. It is essential, therefore, that if India is to continue to be a stable and contented democracy, the rate of her economic progress must be substantially increased.

This involves the increase of investment greatly beyond what we have been able to achieve so far. It is clear that we have to be prepared to tax ourselves to the hilt and to limit our consumption so as to increase the investable surplus to the very maximum point which the people will bear. But at present levels of living in the country the total resources available internally which can be mobilized within a democratic framework of society are insufficient for the task. And it is in this context that the flow of large amounts of external capital into India assumes importance, whether that flow is through governmental or private channels.

We in India fully appreciate that not only is it necessary to increase the rate of investment, but it is also essential that India should become in the shortest practicable time an economically independent and self-generating economy. No self-respecting people wish to continue to be a burden on others one moment longer than is absolutely obligatory. This is necessary also because external funds available for economic development are inadequate to meet all the needs of the world and the sooner some countries can be put into a position of not only not drawing from this limited fund but actually contributing to it, the better for humanity at large. We in India are fortunately better placed than many other underdeveloped countries in regard to the possibilities of achieving an economically independent and self-generating economy. During the last 10 years of development we have laid a very considerable basis not only of general achievement, but what is more important, of the availability of skilled technical and administration manpower, of experience in the construction and management of large-scale enterprises and in the mobilization of the tangible and intangible resources of our people.

India is today in a position very similar to that of Europe before the Marshall plan. It is true that in Europe production capacity had been destroyed and had to be re-created; in India it does not exist and has to be created for the first time. But the similarity lies in the fact that in India, as in postwar Europe, the trained manpower, the managerial, administrative and organizational capacity exist and the only factor limiting economic growth is capital. The Marshall plan operation took 3½ years and cost $13 billion. At the end of it Europe was an independent and self-generating economy, with the strength to help economies less fortunate than her own. India is on the threshold of such an economic takeoff. A similar operation in India will take a longer time but will cost less. At the end of it India should be in a position to cease to require abnormal external aid on a government-to-government basis; and should be able in fact appreciably to increase the help it gives to its less fortunate neighbors. The figure for such a plan of external assistance may in absolute terms be larger; but it is a very small fraction of the annual increase in income of the Western World. The stakes are so high that it seems to me the sacrifice is well worth making.

The public and private sources of the capital we need and how it can be best applied are subjects of this conference which I will leave to others for the moment. There are gathered here today and tomorrow an extraordinary group of men and women with experience and knowledge of the economic problems my country faces. Those of us from India look forward with keen anticipation to the ideas which will be generated by your discussions and we thank you for the interest which you have manifested in what we are trying to do by taking the time to gather here. I am sure it cannot but help in the solution of problems in which the people of both our countries have such a great stake. For all of this, I extend my deepest appreciation. Thank you very much.

CITY PLANNING AND URBAN RENEWAL

Mr. SPARKMAN. Mr. President, on February 5 the Senate passed S. 57, the Housing Act of 1959. This bill is now pending in the House of Representatives and I am hopeful that it will become law within the near future. One of the provisions of this bill, which has received support from all parts of the country, particularly from those who are concerned about planning for the future, is section 708. This section authorizes $500,000 annually for a 3-year period to be used by the Housing and Home Finance Administrator to provide scholarships and fellowships for the graduate training of professional city planning and housing technicians and specialists.

I have had called to my attention a recent statement made by Mr. Charles Kellstadt, president of Sears, Roebuck & Co. Mr. Kellstadt reviews the tremendous task in urban renewal and city planning in the years ahead and notes that our educational institutions are not producing sufficient numbers of trained people absolutely essential to do this work. He relates that the Sears, Roebuck Foundation has since 1957 made graduate fellowship awards in city planning and urban renewal and that the Foundation is awarding 10 fellowships in this field again this year.

Mr. Kelstadt points out that private American business by itself cannot solve the problems of our cities—despite business' great and vital stake in them. But if business so chooses, it can make an invaluable contribution to the solution of city problems simply by supporting—with fellowships and direct financial aid—the schools of city planning in existence today and the new schools which may be in existence tomorrow.

Mr. President, I am greatly encouraged by the awareness evidenced in statements such as the one made by Mr. Kellstadt. I believe that the small scholarship program authorized in S. 57 is a minimum Federal contribution in this field. Mr. President, I ask unanimous consent that the entire statement made by Mr. Kellstadt be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Is there objection to the request of the Senator from Alabama?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

HELP OF BUSINESS REQUIRED—MORE CITY PLANNERS HELD NEEDED TO HELP OVERCOME URBAN BLIGHT

(EDITOR'S NOTE.—Elmer C. Walzer, UPI financial editor, is on vacation. His column is being written by business and financial executives.)

(By Charles H. Kellstadt)

CHICAGO.—By conservative estimates, Americans in the next few years will invest literally billions of dollars in programs designed to solve or alleviate the problems of urban blight and decay.

A $2½ billion Federal housing bill is before the Congress now, and some sort of substantial housing measure seems certain of passage and approval by the President.

Even without Federal participation in the problems of urban renewal and city planning, hundreds of millions—and perhaps billions—will be spent in coming years by State and local agencies and private organizations as they battle urban blight at the local level.

INTELLIGENT SPENDING

Encouraging as it is to note the growing awareness of urban problems, it is far from encouraging to note how little has been said—and how very little has been done—about one particular aspect of the problem.

Granting we have the money to spend, who will spend it? As things stand now, even with money in our pockets, we simply do not have—and will not have—enough men and women who are qualified to spend it intelligently.

The American Society of Planning Officials recently issued a bulletin which points up this fact, and ought to give pause to anyone concerned with the problems which face our cities.

CITY PLANNERS NEEDED

There were, according to the society, more than 650 planning jobs available and advertised in 1958, more than double the number of jobs advertised just 3 years earlier. And as more and more cities face their urban problems, the number of openings in the field can be expected to continue to rise dramatically.

Yet, in contrast, in 1958, according to the society, only 235 men and women were graduated from American universities with degrees in city planning, and this year only 244 will be graduated.

Depressing though they are, even these figures exaggerate the number of newly trained planning personnel available to us. A portion of our graduates, at least 20 percent, are foreign nationals who return to

their native lands once their schooling is complete.

The reason why our universities turn out so few people trained in city planning is simple. Only a handful of universities—less than 25 at present—have recognized schools or departments of city planning.

EDUCATION GRANTS

What's more, in the entire United States today, there are fewer than 100 full-time faculty members teaching city planning and the techniques of administering urban renewal programs. Each school has only a handful of students enrolled.

Recognizing the need for more people trained in planning the Sears Roebuck Foundation has since 1957 made graduate fellowship awards in city planning and urban renewal. Again this April, the foundation will award 10 fellowships ranging up to $3,000, with $1,000 cost of education grants to each of the schools involved.

Private American business by itself cannot solve the problems of our cities—despite business' great and vital stake in them. But if business so chooses, it can make an invaluable contribution to the solution of city problems simply by supporting—with fellowships and direct financial aid—the schools of city planning in existence today and the new schools which may be in existence tomorrow.

The challenge is there. Business can help meet that challenge.

TESTIMONIAL LUNCHEON IN TRIBUTE TO SENATOR HILL

Mr. SPARKMAN. Mr. President, on Wednesday, April 29, a Health-U.S.A. testimonial luncheon was held in Washington, D.C., by the Washington Board of Trade, the Medical Society of the District of Columbia, and related organizations, in honor of my distinguished colleague, the senior Senator from Alabama [Mr. HILL]. This was a remarkable luncheon. About 700 persons attended in what was generally stated to be the largest assembly for such a purpose ever held in the city of Washington, D.C.

Tribute was deservedly paid to the senior Senator from Alabama for the great leadership he has manifested throughout the years with regard to so many different health programs. Frequent mention was made, for instance, of the Senator's earliest effort, the so-called Hill-Burton Act, under which it has been possible for towns, cities, rural areas, and communities of every kind to obtain hospitals, health centers, clinics, and different health institutions which have served to bring closer to the people a more readily available health service. Many other things, entirely too numerous to mention, were covered. It was a great and most unusual testimonial.

Mr. President, I have obtained a transcript of that luncheon meeting, and I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

THE HEALTH-U.S.A. TESTIMONIAL LUNCHEON IN TRIBUTE TO THE HONORABLE LISTER HILL

INTRODUCTION

On Wednesday, April 29, a Health-U.S.A. testimonial luncheon was held here in Washington by the Washington Board of Trade, the Medical Society of the District of Columbia, and related organizations, in honor of the senior Senator from Alabama, Mr. HILL.

Almost 700 persons attended in what was generally stated to be the largest assembly for such a purpose ever held in the city of Washington.

Distinguished officials who came to honor the chairman of the Senate Committee on Labor and Public Welfare for his great contributions in the field of health included leaders in both the executive and legislative branches of Government, famous names in medicine in public and private life, leaders of voluntary health organizations, and a wide variety of other prominent Americans.

There follows the text of the transcript of the proceedings as reproduced from a tape recording made of the entire event.

The sequence of comments was as follows:

An introductory statement and address, entitled "The U.S. Senate: Forum for Greatness," by Mr. Julius N. Cahn, project director, International Health Study, Senate Committee on Government Operations, who was also general chairman of the Health-U.S.A. luncheon.

A tribute from the majority leader of the U.S. Senate, the senior Senator from Texas, Mr. JOHNSON.

A statement from the general counsel of the Albert Schweitzer Foundation and member of the board of directors of the Washington Board of Trade, Mr. Ralph E. Becker.

Greetings from the executive branch, the Secretary of the Department of Health, Education, and Welfare, the Honorable Arthur S. Flemming.

A tribute from a spokesman of American science, 1953 winner of the Nobel prize, Prof. Selman Waksman, of Rutgers University, discoverer of streptomycin.

A greeting from the State of Alabama by Mr. John E. Bryan, general manager, Birmingham Chamber of Commerce.

Presentation of the Health-U.S.A. plaque by Dr. Howard A. Rusk, director, New York University, Bellevue Institute of Physical Medicine and Rehabilitation.

Finally, the acceptance address by my colleague, Mr. HILL.

The outline of the overall program may, incidentally, be found in the CONGRESSIONAL RECORD of April 29, as reprinted by Congresswoman EDITH NOURSE ROGERS, of Massachusetts, beginning on page 7101.

There follows now the transcript of the entire proceeding:

OPENING STATEMENT BY MR. JULIUS N. CAHN, GENERAL CHAIRMAN, HEALTH-U.S.A. LUNCHEON—TRIBUTE TO SENATOR HILL AND TO THE U.S. SENATE, FORUM FOR GREATNESS

Mr. CAHN. We have met to do honor to a member of what has been rightly called the greatest deliberative body in the world.

We honor a man who has done honor to the Senate, the legislative chamber in which he has effectively served for 21 years after 15 notable years in the House.

Here on the dais in the audience, you see his colleagues who have come to pay well-deserved tribute to him.

But I ask you for a few moments to look at the great and remarkable institution—the Senate—where he has achieved his finest hours.

It is no exaggeration that the eyes of the world are upon the U.S. Senate and upon the coequal House of Representatives.

The destiny of mankind is shaped in large part on Capitol Hill.

It is a fact that for our interest today, we look particularly at the U.S. Senate, although the tribute which we pay is deserved as well by the House of Representatives.

The Members of the U.S. Senate represented so well today by their majority leader are the heirs of a great and special heritage. Walk through the U.S. Capitol and gaze at the portraits in the halls and in the committee rooms. Some of the finest names of the Republic stand out in hallowed memory.

They include the five selected by the Senate itself—Clay, of Kentucky; Calhoun, of South Carolina; Webster, of Massachusetts; Taft, of Ohio; LaFollette, of Wisconsin—men of different regions, of different persuasions, but men who rose to great occasions and symbolized great issues.

Men who were often ahead of their times, men who battled and won, men who battled and lost, but who nonetheless left the imprint of their personality in the annals of history.

And of recent memory, there were George, of Georgia; Barkley, of Kentucky; Vandenberg, of Michigan; and in Alabama, the State of our focus today, the Bankheads—father and sons—in the Senate and the House.

Today his colleagues, his friends, his admirers add new laurels to an Alabamian who already ranks high with the Senate's most honored figures.

LISTER HILL, of Capitol Hill, stands in the vanguard of an epic story, unique to the 20th century. It is the saga of the relative freeing of man from an ancient enemy, disease and disability.

Alabama knows what it is to fight for freedom. The motto of the State is, "We dare defend our rights." And it is Alabama's LISTER HILL who has enabled men to defend their right to be given every opportunity against the common enemy, disease.

As you and I know, there are many kinds of tyranny. Disease is one particular kind. It has many of the earmarks and the features of a despot. Disease strikes cruelly without apparent rhyme or reason, destroying young and old, according to its whim. Disease is arbitrary and unthinking.

It lurks as a danger to every man, not simply the infectious diseases which have long since been greatly reduced, but the chronic and degenerative diseases.

Into this audience, or any audience, for example, in the form of cancer, the tyrant disease, strikes. It counts off among you, "1, 2, 3, 4," and whoever the fourth person is, cancer strikes down in the course of a lifetime. It counts among you, "1, 2, 3, to 12." and whoever the 12th person may be, he or she may spend some part of his lifetime in a mental hospital.

The tyrant, disability, strikes at the innocent unborn. It decrees that 3 out of 100 babies, through no fault of their own, will come into the world mentally retarded, 126,000 American babies a year. Or they will be born with impaired hearing or sight or harelip or various other defects.

This is tyranny, because it is arbitrary, it is merciless. What is most tragic, it is in large part, as Senator LISTER HILL has proven, avoidable.

Against this tyrant, the senior Senator of Alabama has defended our God-given rights. He has struck some of the most effective blows in the history of the Congress of the United States.

His dream has been of a South and a North, of all regions, freed of ancient scourges, just as yellow fever and malaria and smallpox have long since been banished.

And he has forged his dream into reality in a pattern of greatness. For greatness is to find an issue larger than yourself. It is to serve a human need which may outlive you, yourself. As mortals, the days of man's years—however long—are numbered. But there is almost no limit on works of greatness. And the U.S. Senate is an ideal forum for deeds of greatness.

It shares, of course, coequal responsibilities with the House of Representatives, differing only in such features as that of virtually unlimited debate, 6-year term of office, and the advice-and-consent feature of the Constitution.

But, like the House, it has its own unique traditions in which it rightly takes deepest pride.

It is a fact that in this age of cynicism and debunking, some critics may scoff at the Senate.

But the record of the Senate stands for all to see as the example of what freemen in a free forum can achieve by the legislative process.

Individual greatness in the Senate follows no fixed formula. There is no patent on greatness. Some men have risen to its heights through the brilliance of their oratory; others for their quiet, largely unheralded work within committees.

Some men have been masters in the molding of a team; others have achieved greatness entirely as individuals.

But greatness is not without its sacrifices. Public office is not only a public trust; it is also a public target.

There is not a man on the dais who has not felt slings and arrows which he at times felt were deeply unjust. A politician, the jesters say, must have a thick hide.

But a public servant can bleed, too, although the wounds may never show.

Nonetheless, a great man battles on for that is the meaning of his greatness.

The poet, Browning, had written, "Life has meaning and to find its meaning is my meat and drink."

LISTER HILL has found a meaning of life, service to human health. It has been his meat and drink, as it was his honored father's before him.

The stature of great Senators is such that often in referring to them, the authors of articles and books have designated them only by their last names and by their States—like JOHNSON, of Texas.

To the honored list of great men, his colleagues add with pride the name of HILL of Alabama.

Many a prophet is unfortunately not honored in his own land. But, as witness today, it is to the credit of his native State that Alabama roars with a proud rebel yell in praise of its senior Senator.

We recall that Montgomery, Ala., was in the Cradle of the Confederacy. It was the cradle of LISTER HILL, son of Dr. L. L. Hill, a great surgeon. In Montgomery, the proud stars and bars first flew over the Confederate States of America. It is over Montgomery that, today, the proud Stars and Stripes fly with greater glory because of the deeds of HILL of Alabama.

H is for health.

H is for HILL.

H is for happiness which we wish for you, Senator HILL.

A great Chamber—the Senate.

A great issue—health.

A great man—HILL of Alabama.

Introduction to Senator Johnson

Ladies and gentlemen, I have spoken of the Senate in order to set the scene.

But now, far better, let the Senate speak for itself. There is no tribute which I could pay, or which could be paid by any staff member who is privileged to serve in however humble the capacity on Capitol Hill—no tribute which we can pay in words which matches in eloquence the deeds of the man you are about to hear—the majority leader of the Senate.

The fact of the matter is, that his achievements in the Senate speak volumes—history-making volumes.

Partisan considerations aside, the further fact is that the U.S. Senate has under his responsible leadership achieved patriotic goals which even the Senate's most enthusiastic supporters might have thought unattainable.

Whether he has had a majority of 64 Senators (as at present), or of 49 (as previously), he has demonstrated wisdom, statesmanship, and vision in using the perogatives of his office in a way which would best advance the interests of the country, which he has served in uniform and in the Congress.

Summarize LYNDON JOHNSON's record and you can put it in six words, to borrow an expression of his own:

"Can do"—"Will do"—"Have done."

In a Senate where tradition is hallowed, and rightly so, with deep reverence, he has wrought historic innovations. In a Senate which prides its right—and it is a great right—of unlimited debate, he has time and again proven the Senate's ability to act with lightning speed and with the free accord of all concerned.

He has been described by leading writers as an authentic genius (and they use the word advisedly) of the American system of legislative government. But he has applied this genius in ceaseless toil, in unending devotion to his duties with a meticulous attention to a thousand and one problems.

Suffice it now to say that his colleagues have pointed out that not within the memory of living man has a majority leader of the U.S. Senate served more effectively and with more esteem.

Ladies and gentlemen, the Honorable LYNDON JOHNSON. [Applause.]

SENATOR LYNDON JOHNSON

Senator JOHNSON. Mr. Chairman, Senator and Mrs. Hill, distinguished and honored guests, I am deeply grateful for the generous introduction of your chairman. And as unworthy as I am of it, I appreciate it all the more.

LISTER and I have been contemplating how we could arrange with HUBERT to let us have his distinguished committee assistant, who has presided so eloquently and effectively today, in the hope that we could share him equally on a full-time retainer basis in both Texas and Alabama where we may have need for his services next year. [Applause and laughter.]

First, I want to say to the chairman and to the members of the board of trade what a good thing, what a thoughtful thing, what a noble thing you have done to arrange this luncheon today. Second, I want to assume for a moment, to speak for each of you, and say to our noble host, how grateful I am and how privileged I feel to have a chance to come here and honor my beloved friend.

I think each of you are here today for the same reason that I am here—not because we had to come, but because we wanted to come; because we must come; because we felt that way.

You know, the board of trade gave some prizes not long ago in an attempt to increase their membership. And they looked to my State for its generosity, and they asked us to provide the prizes, and we did. The third prize was a week on the King Ranch in Texas. The second prize was a week at the beautiful Shamrock Hotel in Houston—all-expense tour. And the first prize, you didn't have to go to Texas at all. [Laughter.]

So there wasn't anyone that really had to come here at all. Except when we heard about the wonderful thought the board of trade had, we picked up our knitting and came on down.

Now one of the most difficult questions to pose to any man is to define statesmanship. I want to talk about that very briefly in connection with this honor to our friend.

The cynics claim that a statesman is a dead politician.

The partisans claim that a statesman is a candidate whom they voted for in the last election.

The historians tell us that a statesman can be revealed only by the passage of time.

But there is one definition with which everybody can agree. It is that any man who acts effectively, and acts wisely as a public servant, to improve the lives of the people is a statesman. And that is the test, I think, that LISTER HILL passes with such flying colors.

I have known him for a great many years. What is more important, I have known him as a friend and as a warm human being.

As a Senator he has been involved in a wide range of activities. But his permanent and his abiding interest has been in legislation which touches directly upon the welfare and the well-being of people—p-e-e-p-u-l, p-e-e-p-l-e.

And I have come here today to say to you that I am very proud to be a Member of a Senate which, under LISTER HILL's leadership in the last two Congresses, has done more to advance medical research than any of its predecessors. And I think that I should include in that tribute the very valiant work of that great friend of ours in the House, JOHN FOGARTY, and his colleagues, and that wonderful American lady, Mary Lasker.

I want to say today—and I want to make it clear for the record of posterity—that no man has done more to bring this record of advancement in the field of modern medicine than LISTER HILL. His skill, his determination, time and time again, have been the deciding factor.

Washington is a city in which, over the long pull, men are respected more for what they do than what they say. A record of accomplishment is the measuring rod which finally determines the durability of public servants. LISTER HILL is a man who has been here for a long, long time. And he is going to be here for a long, long time to come.

And I am grateful to LISTER and to Henrietta for not only their friendship to me and mine but for their leadership in this field that has been so hungry for a voice. And I am grateful to the Board of Trade for giving me the privilege of taking part in the honors that you are paying this good and great and kind man.

In a period of sunshine, you can always look to LISTER HILL; and he is there, too, in periods of sorrow.

I remember that on one Tuesday, after I had had my suits measured by a little tailor across the street here, I was under an oxygen tent out in Bethesda. My wife, who comes from Alabama and who is a great friend of LISTER'S, came in and said that the little tailor that had measured these two suits for me had her on the telephone and wanted to know what to do about those suits. He had been reading these headlines, "JOHNSON Sick." [Laughter.]

And I thought of the great work that is being done by the Institute just across the road; the hearings that were then being held by my friend down under the dome of the Capitol. And, without a moment's hesitation, with my chin up and my chest out, I said to Ladybird, "Tell him to go on and make 'em up, we'll need the blue one, whatever happens." [Applause and laughter.]

And I might say that—thanks to LISTER and the great scientists in the field of medicine—I am still using both of those suits effectively. And I am grateful to the great State of Alabama for not only having sent this leader to us in our time of need, but for having furnished the U.S. Senate with two of the best Senators of any State in the Union—LISTER HILL and JOHN SPARKMAN. [Applause.]

RALPH E. BECKER

Mr. CAHN. Thank you very much indeed, Senator JOHNSON.

We are going to move right along in our program.

I might say that all of the remaining speeches will be but 2 or 3 minutes in length with the exception of the remarks of Dr. Rusk and, of course, of our guest of honor, because I know that our doctors and all the many busy people here are most anxious to keep their appointments this afternoon.

Ladies and gentlemen, you have already met the chairman of the award committee. I would like to introduce him now—Mr. Ralph E. Becker. [Applause.]

Mr. BECKER. Senator HILL, Mrs. Hill, distinguished members of the Cabinet, Senators and Representatives, members of the organizations that are here, and guests, before undertaking my assigned task, I wish to commend our able general luncheon chairman, Mr. Julius Cahn, for his tireless work in inspiring and arranging today's impressive affair. [Applause.]

I believe that most of us here also realize his many contributions to important legislation in the field of national health. Your own applause indicated the manner in which he impressed you in action.

I have only one comment to make for the record: I heard Senator JOHNSON refer to the "conspiracy" between him and Senator HILL about proselyting Julius Cahn from Senator HUMPHREY.

What I think you ought to know is that Senator HUMPHREY took him from Senator WILEY, and that is the reason we are short of good men in the Republican Party—perhaps short of some votes. [Laughter.]

I wish also to acknowledge the selfless efforts of Henry Loss, of the Board of Trade, without whom this luncheon would not have proved a success. It was a tireless job of 3 months to do the staff work. And my deep gratitude to the executive vice chairman of the Board of Trade, Bill Press, on whose guidance and counsel we depend to do the work that we are striving for here in the Nation's Capital.

One of the West's most profound statesmen, Benjamin Disraeli, once stated that "the health of the people is really the foundation upon which all their happiness and all their powers as a state depend."

The wisdom of this observation is all too evident to Americans in this period of international stress and searching concern for the sources and the condition of our moral and physical strength.

Believing that the fiber of national resolution is dependent upon the health and well-being of the people, we can appreciate the importance of the tasks which your next speaker performs.

In my opinion, the present Secretary of Health, Education, and Welfare is not only fully aware of his enormous responsibilities, but has discharged them in a manner best suited to insure that as a nation, we are the healthiest, happiest and most virile people on earth.

It is my pleasure to introduce the Honorable Arthur S. Flemming. [Applause.]

THE HONORABLE ARTHUR FLEMMING

Mr. FLEMMING. Mr. Becker, Mr. Chairman, Senator, and Mrs. Hill, and friends, I regard it as a very high privilege to have the opportunity of representing the executive branch of the Federal Government at this very significant occasion.

A good neighbor, it seems to me, is one who never passes up an opportunity to help his fellow human beings realize their highest potentials. Judged by this standard, Senator HILL is a good neighbor to all of America. [Applause.]

I think it is appropriate, particularly appropriate, that the tribute that is being paid to Senator HILL today is being paid by the community of Washington. Certainly as a community, we are deeply indebted to him for all that he has done in our behalf. There isn't a community in this Nation, however, that couldn't likewise pay tribute to Senator HILL for all that he has done for all the communities of our Nation.

I noticed that in arranging the program, some persons have been called upon to pay tribute; others have been called upon to extend greetings; but that I am called upon to make a statement.

I don't know just what those who developed the program had in mind. Possibly they felt that there would be a little less enthusiasm within the executive branch than for example on the part of the Congress. But I can assure you that that is not the case. In fact, I can say that Senator HILL is a good neighbor to those of us who serve in the executive branch of the Government. And I can say it with some feeling. Because before we came down here this morning, he and I spent the morning up in one of the committee rooms of the U.S. Senate where he was listening to a presentation that I was making. I know he didn't agree with it, but he was a good neighbor and he was very very kind to me—as he always is.

But I want to say to him (representing the executive branch) that we are deeply grateful to him for his qualities of statesmanship, for the outstanding leadership that he has brought to the health area, as well as to all other areas that he has touched. But that, above all, we are grateful to him for serving as an inspiration to all of us by virtue of his being, in the very best sense of the word, a good neighbor to all with whom he comes in contact.

I am grateful for this opportunity of giving expression to my own feelings which I know are shared by all of my colleagues within the executive branch. Thank you. [Applause.]

PROFESSOR WAKSMAN

Mr. CAHN. Thank you, Mr. Secretary.

We have many distinguished representatives from the scientific community. We have selected but one, because time is running short. I refer to the 1953 winner of the Nobel Prize for his historic contribution in isolating streptomycin which has helped man to conquer, for the first time in history, the great white plague of tuberculosis, professor emeritus, of the Institute of Microbiology of Rutgers University—Prof. Selman Waksman. [Applause.]

Professor WAKSMAN. Senator HILL, Mrs. Hill, ladies and gentlemen, it is indeed a great privilege to be here to honor Senator HILL, both as representing science in general and medical science in particular, which owes so much to this great Senator.

In the few minutes that I have at my disposal I would like to emphasize one or two aspects of science as a whole and of medical science in particular.

In the growing importance of science in the world at large and in this country of ours in particular, the need for universities, the need for university laboratories and equipment, is becoming greater and greater. New problems are being thrown upon their limited staffs. Funds are provided for carrying out the research, but difficulties are experienced in providing the laboratories and for providing the very expensive equipment that is needed more and more in a modern-day research organization.

Let me illustrate, for example, the great importance that can come from the cooperation in scientific research and in the application of that research to the control of disease.

When we discovered streptomycin in 1944—and in 1945 it became a reality in the control of tuberculosis—there was a great need for establishing standards, methods of procedure, production, coordination. And in that one organization, located right here in Washington, the Veterans' Administration, and through their cooperative effort in the numerous hospitals throughout the country, have been carried out the program of cooperative research which is second to none in the history of medicine.

Let me give you another illustration of the need. I am about to depart in a few days for Geneva to participate in an important Committee for the World Health Organization. That Committee is to plan a coordinated program of research for the world at large in one particular field; namely, the field to which I have devoted the last two decades of my life: the field of antibiotics.

There are two problems there which to the ordinary man do not appear to be of great importance. But if I had the time and if I had the opportunity to outline these problems.

As you may recall, the annual mortality from tuberculosis has been reduced from 100 per 100,000 only a few years ago to about 10 or less per 100,000 in this country at the present time. But mortality in certain countries of the world is still between 100 and 200 per 100,000. You will greatly appreciate the need therefore for this coordination of medical research and of application of great discoveries.

And it is to you, Senator HILL, that the scientific community are looking to help us in solving some of these problems. Thank you. [Applause.]

Mr. CAHN. Thank you, Professor Waksman. I know that your comments reflect the sentiments of Dr. Shannon, of each of the directors of the institutes and of all the other distinguished scientists in this room.

TRIBUTE TO SENATOR SPARKMAN

We had hoped to be able to have a few moments to hear from the distinguished Senator who is Senator HILL's colleague from Alabama. You have already heard far finer tribute to him paid by his majority leader, Senator JOHNSON, than I could possibly submit.

Let me only say this: Aside from Senator SPARKMAN's able cowork in the field of health with Senator HILL, he is chairman of the Senate Committee on Small Business; he is most active in connection with economic problems over the years. And he has played a great role in the American economy in connection with improved housing. We cannot regrettably have even a few moments to hear directly from him. Let me therefore pay this brief but well-deserved tribute:

To a man who rose from humblest family circumstances, a proud but humble family, to the high and great position of the vice presidential candidate of his party—Senator JOHN SPARKMAN. [Applause.]

JOHN BRYAN

But now let Alabama speak for itself. We have many distinguished Alabamans with us who are here to attend the U.S. Chamber of Commerce convention. Speaking for his fellow chamber members and speaking for his State—Mr. John E. Bryan, general chairman, Birmingham Chamber of Commerce. [Applause.]

Mr. BRYAN. Senator HILL, Mrs. Hill, and distinguished and honored guests of this occasion, coming to you today from Alabama, I would like to express to all of you a little history.

This young man you are honoring today was the youngest president of a board of education in his home city of Montgomery. Just out of college, he assumed responsibility for the education and welfare of his people, serving as the youngest president of a board of education that we know of in the history of our country.

And so, today we salute the great organizations represented here. We salute the Members of our great Congress of the United States, all of those societies who have honored LISTER HILL, our native Alabaman.

We also express our thanks and appreciation to the Washington Board of Trade, the Medical Society of the District of Columbia, for arranging this award program which so richly is deserved by our honored Alabaman.

I should like to review for a few minutes some of the things that he has accomplished.

Way back yonder, someone said that the South was the economic problem No. 1 of the Nation. Many people in the South didn't like that. Senator HILL made up his mind to do something about it.

Today, we in Alabama, who have advanced economically in the last 10 to 15 years, have buckled together (with the help of our people). Only last year our State advanced further in the economic per capita income of its people than any State in the Union.

And so, we could give as one of the answers this Hill-Burton program. It has brought to this country in the past 12 years more than 4,000 hospitals, public health centers, tubercular sanitariums, crippled children's hospitals, clinics, rehabilitation centers, nursing homes, diagnostic and treatment clinics, and health facilities of all kinds.

Alabama is a leader among the States in taking advantage of this Hill-Burton program. More than 140 facilities have already been completed, or are under construction, or will be completed in a very short time. These Alabama facilities include general hospitals, health centers, crippled children's centers, clinics, rehabilitation centers, diagnostic and training centers, and above all tuberculosis centers, and nursing homes and other facilities.

The major contribution of the Hill-Burton program has been the inducement of young doctors to locate in small communities and rural areas not only in Alabama, but throughout this Nation of ours.

Many of our counties in Alabama, and over the Nation, and over the South especially, had no doctors. In whole counties there were no doctors.

Under these acts, that have been sponsored by our Senator HILL, many things have been done to provide the necessary facilities so that doctors can serve in these counties. More than one-half of some of the 1,300 hospitals that have been built throughout this country under this act are located in rural communities in areas of under 5,000 population. And more than half of them have been located in southern rural areas. This means that the rural communities can now attract doctors whom they need, but simply could not get if they had no hospitals.

The Hill-Burton program makes a vital contribution in the field of medical research, as has already been outlined here today. Modern clinical research is possible with the personnel from these clinics and other places.

A major step in the advancement of medical research in America was taken in 1956 with this passage of the Research Facilities Construction Act. This Hill-sponsored measure, which has just been extended, provides $30 million a year for grants in the construction of facilities for research in the sciences relating to health. These funds are being spent on a matching basis for the construction, remodeling and renovation of the laboratories and research facilities for medical research.

Alabama has already shared in this program with a $294,000 grant in Federal funds coming to the Alabama Polytechnic Institute and $1,194,000 to the University of Alabama, one of the great medical centers now under construction in our city of Birmingham.

And to the Southern Research Institute—one of our great research institutes—has come $250,000 to one of the greatest of cancer research projects, one of the greatest in this country and throughout the world, in cooperation with the great Sloan-Kettering Institute in New York City.

And so we could go on and on with this. But the importance of this in Alabama is that we have become a State now of some of the finest activities in the Nation in connection with our medical research.

To you, Senator HILL, we are thankful for the great help you have given in the rehabilitation of our crippled and in the research that is being done to demonstrate that crippled people can do as well as other people if they are given the opportunity.

You have been the author, of course, of all these bills that have done so much for building up the health facilities.

Senator HILL, your native State, and the Nation at large, are grateful to you for the vision and the devotion you have shown in providing funds in the effort to learn ways and means by which the terrible diseases can be finally conquered.

Thank you. [Applause.]

DISTINGUISHED GUESTS

Mr. CAHN. We approach the conclusion of the program.

We should like to mention the presence in the audience (not by name, but by designation) of a great many leaders of the American private pharmaceutical industry who have cooperated with us in this program—representatives of such distinguished companies as Merck & Co., American Cyanamid, Pfizer, Squibb, Schering Corp., Warner Chilcot, and Smith, Kline & French.

Time is precious and so it will not be possible to refer to many other individuals who should be mentioned. I am glad that Ralph Becker, however, paid tribute to the executive vice president of the board, Bill Press—without whom this program could not have been possible.

Time is indeed important to Capitol Hill. If you knew how many decisions and how many appointments Senator LYNDON JOHNSON would ordinarily make during the 2 hours that he set aside to be with us today, his very presence with us during that amount of time would confirm his great personal tribute. And I know that Speaker RAYBURN would be here—he had expressed his delight in being here—but he is at the helm of the House of Representatives in connection with important legislation on railroad retirement.

INTRODUCTION TO DR. RUSK

Now ladies and gentlemen, tomorrow in New York, there will be held the 10th annual Lasker award luncheon.

You have heard Senator JOHNSON refer to a great woman, Mary Lasker—thanks to whom this series of Lasker award luncheons is held in New York with honors accorded to the great leaders of science and to medical journalists. Chairman of the event tomorrow in New York, and appropriately so, is your next speaker who will make the presentation to Senator HILL.

This great man, Dr. Howard A. Rusk, is qualified to do so, not simply because he is a warm, personal friend of Senator HILL, but because he is, in his own right, one of the oustanding leaders of American medicine.

When the history of rehabilitation in this or any other country of the world is written, Howard Rusk's name will figure on so many pages and in so many connections that the man who compiles the index will be hard put.

Howard Rusk is the director, as you know, of the New York University Bellevue Institute of Physical Medicine and Rehabilitation—one of the most remarkable such institutions in the world. I have visited many medical facilities in many countries but I have never seen the like of that one, because he takes the toughest rehabilitation cases.

And the miracles which he and his colleagues bring into being there in rehabilitating the handicapped are something to bring tears even to the most hardened eyes.

Former Chief of Convalescent Training in the Air Force, Office of the Surgeon General, during the war—he had wrought these same miracles in bringing back men who had been almost destroyed by war.

Recipient in his own right of innumerable awards in the United States from the Korean Government and from many countries; President of World Rehabilitation Fund; a dynamo for health; and a great man in his own right—Dr. Howard A. Rusk. [Applause.]

DR. RUSK

Dr. RUSK. Mr. Chairman, Senator and Mrs. Hill, and all of your friends here, I want to express my deep appreciation to the Washington Board of Trade for inviting me to make this presentation.

I know of no greater honor that can come to an American physician. I also know of no greater responsibility because there is so much that you want to say in behalf of so many, many people.

I'd like to first say thank you to Senator HILL from the community where I was born—a little town of 5,000 people in north Missouri, known as Brookfield, who next month will dedicate their hospital at the same time that they celebrate their centennial celebration of the founding of the village. It is the first time in 100 years that this community has had a hospital.

And I would like to express appreciation in behalf of the now almost 1 million disabled people that have been rehabilitated, 90 percent of whom are back at some kind of gainful work for your understanding—the kind that put the tools in the hands of Mary Switzer and her colleagues in every State of the Union and to those of us in my own branch of medicine. Because they wouldn't be working and living dignified lives today, had you not given them the opportunity.

And I would like to say thank you for the physicians of the United States. You know sometimes country preachers when they talk about the prophets and they get down to Luke, who was one of the great say, "Today we are going to take our text from Dr. Luke's version of the Scriptures."

We honor you as a Senator, but I think subconsciously (although we don't say it out loud) we feel, LISTER, that you are a doctor—that you are one of us.

I am glad that you aren't just a regular doctor, although that is what you wanted to be. Because had you been, you would have just been like us—limited in the scope of your opportunity to serve. Because any doctor can only serve just so many people.

But, see, you have put the tools in the hands of all of us. You have given us the things with which to work. So we are grateful to you. We are grateful to you in emergencies and in serious situations that confront doctors in the practice of medicine and surgery because you have given us the things with which to work that let us do our job and which have brought the life expectancy in this country from 46 at the turn of the century, to the last year the biblical three score and ten.

And to research workers and teachers whom you have given the tools with which to work; the tools and the opportunity.

But one other thing that you have given them, and it is for the first time, I believe, in history. It is a feeling of security, so that someone can dedicate his life to the less remunerative phases of medicine—again to forge the tools that others may work with.

And now, recognizing all of these things, you are adding to your role of physician and Senator and statesman, that of diplomacy. You realize as Osler said, more than 50 years ago, that medicine does not know, nor has ever known an international boundary; that modern medicine came from many places—vaccination from England, bacteriology from France, basic research in the antibiotics from Germany and England and the United States, insulin from Canada, anesthesia from the United States, many of the modern surgical techniques in chest and heart surgery from our own country and so on ad infinitum.

You remember, too, that Rauwolfia came from India and lay dormant for hundreds of years, until it was taken and was refined and is now one of the strongest tools that we have in combating some of our primary mental health problems.

You know better than almost anyone that this world of ours is technologically precocious and spiritually adolescent. But in the field of health, sickness, and disability, we can still speak a common language; and in a democracy we feel that whatever we learn for the benefit of mankind must be shared.

And you know, too, that possibly some place, almost ready to be uncovered, either in this country or some place in the world, may be the answer to cancer, or arteriosclerosis, or arthritis or some of these other scourges of mankind.

So, your newest campaign is for a program that would share and take from the world everything that is known to be put together for the benefit of all mankind. And if we hit the jackpot and find something specific, it will benefit all mankind.

That is the principle of the program. But the interest may be more important than the principle, and that is the interest of international understanding. Because here, in the diplomacy of health and the care of people, possibly we can learn to live together and have peace in the world.

At least it is one solid stone in a foundation of a structure that must be built, or else all of us are wasting our time.

I'd like to conclude these remarks of gratitude from all of the people from all over the world for this philosophy and dynamic spiritual program that you have created by reading, what I believe to be, an appropriate six lines. This is not a political speech, but I must tell you that I first saw it 5 years ago on the Christmas card of Adlai Stevenson. I wrote and asked him where he got it. It came from the archives of an old church in the South. It is a prayer of an unknown Confederate soldier, which is the creed of our own institution.

And it became our creed because one of our patients read it and handed it to his friend, and he read it and he said, "This man is talking about us. He is talking about us." And his father, one of the great industrialists in this country said, "He is talking about me, too."

And he had it cast in bronze. It stands in our institute for comfort and solace and for stimulation and courage to work. And our patients entitled it "A Creed for Those Who Have Suffered."

"I ask God for strength that I might achieve, I was made weak that I might learn humbly to obey.

"I asked for health that I might do greater things, I was given infirmity that I might do better things.

"I asked for riches that I might be happy, I was given poverty that I might be wise.

"I asked for power that I might have the praise of men, I was given weakness that I might feel the need of God.

"I asked for all things that I might enjoy life, I was given life that I might enjoy all things.

"I got nothing that I asked for, but everything that I had hoped for.

"Almost despite myself, my unspoken prayers were answered: 'You are among all men most richly blessed.'" [Applause.]

It was said so simply 400 years ago—your philosophy—when it was said in a sentence that "If every man would mend a man, then all the world would be mended."

Speaking in behalf of the Washington Board of Trade and the millions of people throughout the world, we are grateful to you. I am privileged to make this presentation to "The Honorable LISTER HILL, U.S. Senator from Alabama, for distinguished contributions to the health of the American people, presented by the Washington Board of Trade, April 29, 1959."

(Dr. Rusk presented Health, U.S.A., award.)

[Applause.]

SENATOR LISTER HILL'S ACCEPTANCE SPEECH

Mr. HILL. Dr. Rusk, distinguished guests, and my friends, long ago, it was written: "From the fullness of the heart, the mouth speaketh."

At this hour, I know that there are times when the heart is too full to speak. But may I endeavor to thank you—to thank the Washington Board of Trade—to thank each of you for your presence here today—to express my appreciation for the kind and most generous words that have been spoken here—to say to you that I am most grateful to all of you.

This occasion will ever be an abiding inspiration to me and will serve to strengthen, to stimulate, and to challenge me for the great tasks that lie ahead.

And as I endeavor to thank you for the great honor that you do me, I think I should also express my appreciation to the one who shares so fully and completely in this honor—to her who has been my kindest critic, my wisest counselor, my best friend, my partner, my wife, Henrietta Hill. [Applause.]

I am, as you know, the son of a doctor, the nephew of a doctor, the brother-in-law of two doctors, both of my sisters (whom I rejoice to have here today) are married to doctors, am the first cousin of five doctors, and am one who bears the great and honored name of JOSEPH LISTER. (I think I might add, I also bear two Mayo trademarks. We are honored here today by the presence of Dr. Charles William Mayo. His eminent father operated on me twice and left the Mayo trademark both times.)

And so, I have been privileged my friends, to witness at close hand the need for good medical care and to be challenged by the battle for the health of our people.

It was my father and my father's friends (the doctors) who played such a large part in sending me to Congress and who, through the years, have given me their friendship, their loyalty, and the gold of their wisdom. They are, in truth, sharers of any accomplishments that might be credited to me.

Today, in this new age of science and technology, we know that there must be coordinated effort on the part of men of business and industry with men of science and medicine. To this cause, we know that men of business and industry have already made great contributions. For the men of business and industry are this day studying and testing concepts and providing the best tools, and materials, and designs for relieving human suffering and saving human lives.

Here in Washington, not many days ago, at a great meeting, sponsored by the American Heart Association and the National Heart Institute, we heard the story of how industry in developing plastics and other materials and devices had made it possible not only to substitute for human limbs, but to replace vital human organisms. Witness the plastics of business and industry replacing the aorta—the great blood vessel leading out of the heart today. In fact, today we see as never before the partnership of business and industry with medicine and science.

We are now engaged, my friends, in a worldwide conflict to stem the tide of Communist imperialism. We find ourselves in a political and military crisis over Berlin. And we know that any victory the Soviet Union should gain regarding Berlin might well lend encouragement to the Chinese Reds with reference to Quemoy, Matsu, and Formosa. We recognize the ever-present danger of the situation in the Middle East, and hanging ominously over all of this is the possibility of nuclear warfare.

We must be aware of the fact that an underprivileged two-thirds of the human race are constantly afflicted by the ravages of diseases. Millions of these people in the underdeveloped areas rarely if ever in an entire lifetime see a doctor. We must recognize that medicine is the universal language, since it speaks to all peoples of all lands. We must make our medical voice heard by those who without us have no hope—saying to them that we do care for their lives and their happiness.

Dr. Gunnar Gundersen, the distinguished president of the American Medical Association, in speaking for that association in behalf of our international medical research bill, declared and I quote:

"There is a growing recognition that medicine, with its resources and its influence fully mobilized, can do more for the peace of the world than all the billions of dollars being poured into armaments."

My friends, we must continue to give our wholehearted support of the World Health Organization and the other international organizations in the field of preventive medicine in which we are sharers, in the prevention of yaws, malaria, tuberculosis, typhoid fever, and other diseases.

I am thinking of the Ship of "Hope," doctor; I'm thinking of "MEDICO"; I am thinking of these other voluntary, privately financed organizations brough into being to send doctors and medical personnel into these underdeveloped areas.

We must press forward with our international medical research bill to provide the mechanisms through which our country would join with all the countries of the world in a united medical research effort against the major killing and crippling diseases that have baffled and plagued mankind through the centuries.

Yes, my friends, we must have a great program of international cooperation in medical research so that we may, as my friend Senator HUBERT HUMPHREY has so brilliantly phrased it, "Find a new vaccine, a peace vaccine."

With profound thanks to you, may I say that we must and we shall continue to press forward into the ever-widening horizons of medical discovery and medical knowledge.

In the providence of knowledge, in the strength of integrity, in the tenderness of sympathy, in the fellowship of humility, and in the love of God—we must and we shall continue the never-ending battle for the health of our people, for the health of all people, and for peace on this earth. [Applause.]

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I am glad to yield.

Mr. HUMPHREY. I was privileged to attend the luncheon and the meeting to which the distinguished Senator from Alabama has referred. It was one of the most thrilling and delightful occasions I have ever experienced. What a joy it was to see the great leaders in the field of medicine, pharmacy, the healing arts—the great figures in the field of public health—salute the distinguished senior Senator from Alabama for his service far beyond the call of duty in behalf of the health and well-being of mankind.

I am delighted I could be present at this particular moment, when the junior Senator from Alabama, who likewise has made such great contributions to the betterment of people everywhere, is paying a deserved tribute to his distinguished colleague.

Mr. SPARKMAN. I thank the Senator from Minnesota.

Mr. MANSFIELD. Mr. President, I should like to associate myself with the remarks made by the distinguished

junior Senator from Alabama [Mr. SPARKMAN] and the distinguished senior Senator from Minnesota [Mr. HUMPHREY]. The senior Senator from Alabama [Mr. HILL] has rendered most valuable service throughout the years, and the country is indebted to him far more than it will ever realize.

Mr. President——

The PRESIDING OFFICER. The Senator from Montana.

STRENGTH OF THE ARMED FORCES

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial published in the New York Journal-American of Sunday, May 3, 1959.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

U.S. RIGHT ARM

If a brush-fire war erupts anywhere on the globe, the first line of U.S. defense is still—as it has been for over 180 years—the Marine Corps.

For any Pentagon civilian planners who fail to get that point, the Senate spelled it out and underlined it by unanimous vote to halt ill-advised reductions in manpower of the corps.

The Nation's security demands that the Marines be maintained at full strength of 200,000. Congress insisted last year in adding budget funds to that effect. Defense Department reductions in the Marines were in defiance of Congress order.

The Senate has now reasserted the importance of the Marines, for which a grateful Nation must give thanks.

Mr. MANSFIELD. Mr. President, this editorial is of particular interest to Members of the Senate in that it endorses, and points up the importance of the recent action of the Senate in writing a mandatory strength provision into the second supplemental appropriation bill of 1959. The mandatory provision written by the Senate provides a minimum end strength for the Marine Corps of 200,000.

In the course of the debate which preceded the adoption of the mandatory strength amendment, it was pointed out that the amendment was not only consistent with military requirements but, also, was in complete accord with the Constitution, which makes Congress a partner of the Executive in national security matters. The editorial reflects firm endorsement of the Senate's exercise of its proper constitutional responsibility.

The editorial was carried in the Detroit Times, Los Angeles Examiner, the Albany Times-Union, the Pittsburgh Sun-Telegraph, the San Antonio Light, and the Milwaukee Sentinel. Such an editorial by these leading publications underlines the importance of the action taken by the Senate in seeking to prevent the ill-advised reduction of the Marine Corps in these times.

I note from the press at the present time that the Army, instead of being reduced to 870,000 men by the end of this fiscal year, as the administration contemplated, is now at a strength of 1,000 below that level, or a total of 869,000 men. That means, of course, that the reenlistments which the Army expected have not come up to expectations. It means also that, so far as inductions are concerned, they have not been sufficient in number. I hope the Congress, on the basis of its constitutional responsibility and in accord with the law, so far as the Marine Corps is concerned, will stick to its guns and make certain that the Marine Corps is maintained at a strength of 200,000 men, which is sufficient to meet statutory requirements and provide the Marine Corps with three combat-size divisions and three air wings at all times, and that the Army will be maintained at a strength of 900,000, so that it, too, may be in a position to perform the functions which are its own by right.

I sincerely hope that the Congress will recognize that its position is at stake in this connection, and that Congress will not back down in connection with the supplemental bill now waiting for conferees to be appointed, in order that the strength of the Army may be maintained at 900,000, and the strength of the Marine Corps at 200,000.

LIST OF SENATOR KEFAUVER'S EMPLOYEES AND THEIR SALARIES

Mr. KEFAUVER. Mr. President, previously I have made available to the press a list of employees and salaries paid in my office, with a breakdown by general classification groups.

At that time I advised the Associated Press reporter who asked for the list that I would make it available on a person-by-person basis, but preferred the classification listing in the interest of inter-office harmony and morale. The reporter took the classification listing, but this was not given wide publicity, apparently.

In order that any interested person may have full information, I am placing in the CONGRESSIONAL RECORD a complete list of employees in my office and their salaries. I ask unanimous consent that this be placed in the RECORD at this point in my remarks.

I want it also to appear in the RECORD that I am very proud of all of my staff, of their abilities and of the services they perform for me and for the public. Each person on my staff is loyal, hard-working, and efficient and more than earns his or her pay.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

OFFICE OF SENATOR ESTES KEFAUVER

Charles Caldwell, administrative assistant	$16,300
Henrietta O'Donoghus, personal secretary	11,513
Frank Brizzi, special assistant	10,329
Lucile Myers, executive field assistant	7,212
Clerks and secretaries:	
Sarah Murrey	6,647
Donald Vaughn	6,308
Anne Campbell	5,742
Rosalie Kinberg	5,742
Jowanda Shelton	5,177
James T. Wall	4,386
Ray Creekmore	4,386
Lois Crookes	4,273
Carolyn Jones	3,828
Kate S. Higgins	3,934
Elizabeth Johnson	3,523

OFFICE OF SENATOR ESTES KEFAUVER—Con.

Part-time employees:	
Mary Rolen	$1,993
Mrs. John Erwin	2,116
Michael Zapach	887
Thomas Rundle	1,133
Field assistants:	
Virginia Price	2,777
Harry Mansfield, part time	887

PROPOSED POLICE FORCE FOR THE ORGANIZATION OF AMERICAN STATES

Mr. KEFAUVER. Mr. President, my able colleague, the Senator from Florida [Mr. SMATHERS] has demonstrated on many occasions his thorough grasp of inter-American affairs. In a recent speech on Pan-American Day, Senator SMATHERS recommended the creation of a police force for the Organization of American States made up of volunteers from member nations. This excellent suggestion, based on Senator SMATHERS' sound insight into the Western Hemisphere's problems, earned well-deserved praise in an editorial in yesterday's Washington Daily News.

I ask unanimous consent that this editorial be placed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News, May 12, 1959]

A USEFUL SPEECH

A couple of weeks ago, in commemoration of Pan-American Day, Senator GEORGE SMATHERS, Democrat of Florida, recalled for the benefit of his colleagues a recent trip he made through Central America.

During the course of his speech, he recommended the creation of a police force for the Organization of American States made up of volunteers from member nations. This proposal made very little splash in the press and this is unfortunate, because Senator SMATHERS' remarks made a lot of sense and deserve wider attention.

Essentially, for instance, it was a police action by OAS, drawing upon forces from Colombia and other Caribbean lands as well as the United States, which successfully rid Panama recently of the Cuban marauders, and similar situations may yet develop in Haiti, the Dominican Republic, Nicaragua, and elsewhere.

Senator SMATHERS' suggestion calls to mind another worthy proposal made to the OAS itself by former Costa Rican Ambassador Gonzalo Facio.

Dr. Facio felt that the cost of hemisphere defense arms furnished to South American nations by the United States was an undue burden on these relatively impoverished economies. Furthermore, he questioned the usefulness of much of the materiel in a missile and nuclear bomb age. He thought that the money spent for obsolete arms and equipment could be better spent on social services or capital development.

His plan got little editorial support except this newspaper's. There was almost no feeling for it among OAS delegates and Luis Quintanilla, Mexico's delegate at the time, opposed it on the silly grounds that it was a United States inspired maneuver to disarm our neighbors.

Senator SMATHERS' proposal, if adopted and implemented, would provide a means of controlling irresponsible inter-American aggressions without raising the nasty bugaboo of intervention by any single state.

Senator SMATHERS said a great many other useful things in his speech. Noting the truism that the United States is such a huge customer of the other American republics that any controls we impose have immediate and drastic effect on their economies, he suggested that this placed the United States under an obligation to exercise a great care in setting up quotas on imports, raising tariffs and generally tampering wtih the free flow of goods.

He also said that the best sort of aid we can give our underdeveloped sister nations is technical aid to help them make good use of their own riches.

This is an area in which the Senator can be of great help by persuading members of his own party to vote for the administration's foreign aid program. The Democrats seem to have narrowed their vision substantially in reference to foreign aid and shortened it, too.

In the long run, economically depressed neighbors will always be a liability—for all concerned, including ourselves; on the other hand, a wealthier, developed, and expanding South America is good for them, for us, and for the world.

GRASSROOTS CAMPAIGN AGAINST INFLATION

Mr. MUNDT. Mr. President, one of the great economic dangers confronting the Nation in this great era of expansion to which we often refer as the space age is the threat of inflation.

The fight against inflation is not being carried on by only a handful of citizens. Reaction against excessive Government spending and deficit budgeting procedures is coming in from all sections of the country.

Americans in every walk of life are concerned, and rightfully so, over the depreciation of our dollar that has occurred in the past several years. Now, for the first time in many a month, our citizens see an opportunity further to stabilize the dollar.

And they look to Congress to take action that will enhance opportunities to create the proper economic atmosphere to promote national development without feeding fuel to the fires of inflation.

An example of the constructive efforts being made at the grassroots level to inform the public of the need for a realistic approach to and understanding of the threat to our economic life posed by inflation, are the thoughtful editorials of newspaper editors throughout the country including my home State of South Dakota.

The editors are performing a service in the public interest by telling the story of what inflation means and what it can do to a nation's fiscal system. I want to bring to the attention of my colleagues at this time an editorial from the Aberdeen American-News, one of our outstanding daily newspapers in South Dakota, edited by Henry Schmitt and E. J. Karrigan.

The American-News has devoted a number of its editorials to the threat of inflation, and I ask that the most recent contribution to discussion of this important topic be included in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MUST STOP INFLATION TO PROTECT UNITED STATES

Although the Chamber of Commerce of the United States at its recent annual meeting in Washington was addressed by President Eisenhower and many other leaders in Government the speech that attracted the most favorable comment was by a layman.

He is William A. McDonnell, a St. Louis businessman, and his speech was about inflation which he said is the Nation's number one domestic problem.

The information for his speech was obtained while he toured the country as president of the National Chamber.

"We hear on every hand," he said, "that it is the duty of the Government to provide for the welfare of the people. That is true, but the greatest benefit any nation can provide for its people is a stable currency."

A stable currency, he said, would:

Prevent further inflationary theft from those with fixed or lagging income.

Benefit those who depend on social security.

Protect the value of our savings accounts and insurance policies.

Encourage thrift and the formation of investment capital.

Enable business to expand more boldly and so provide more jobs.

"In a word," he explained, "a stable dollar would protect the little people * * * the very ones who are supposed to be helped the most by the so-called Federal aid programs."

Persons who are impressed by the wisdom of the middlewestern businessman's appraisal should write to their Representatives in Washington and let them know that inflation must not be allowed to ruin opportunities in the United States.

J. EDGAR HOOVER AND THE FBI

Mr. DODD. Mr. President, I was unavoidably absent from the Senate floor on May 11, and was therefore unable to pay a deserved tribute to J. Edgar Hoover on the occasion of his 35th anniversary as Director of the Federal Bureau of Investigation.

I speak of J. Edgar Hoover and the FBI first with the gratitude and admiration which all thoughtful Americans must feel for this great man and this splendid Bureau, and secondly with the personal attachment and pardonable pride of one who was a member of the FBI and who learned the ground rules of public service in that organization.

It was my privilege to serve under J. Edgar Hoover as a special agent, to benefit from the training programs which he instituted, to be exposed to the ideals of public service, self-sacrifice, and patriotism which permeate his Bureau, and to experience the atmosphere of dedication to the traditions of this country which he inspired.

Later on, as a special assistant to the U.S. Attorney General, working daily with the FBI in fields ranging from civil liberties to espionage, I had additional cause to appreciate and be thankful for the thoroughness of investigation, the mastery of detail, the unsurpassed standards of performance of the FBI.

Thirty-five years ago the FBI was a minor agency of Government, riddled with scandal, marred with political favoritism and threatened with abolition. Today it occupies a preeminent position in the fields of law enforcement and the protection of our national security. The principal credit for this achievement belongs to J. Edgar Hoover.

He gave the leadership, established the standards, and provided the personal inspiration which brought about this transformation.

His insistence upon thorough mastery of detail and scientific methods of investigation, his stress upon training programs and uniform methods of reporting has had an exemplary influence upon State and local police systems and has brought law enforcement ever closer to the status of a true science.

During an era in which Americans in important places reacted to the threat of subversion by calling for abrogations of constitutional rights, J. Edgar Hoover insisted upon complete observance of the spirit and the letter of those rights.

Having established great prestige for the FBI, he refused to squander it by indulging in political disputes or forays. Executive police officials in other countries have been the focus of political intrigue. Not so with J. Edgar Hoover.

He has successfully resisted demands to have the FBI usurp the tasks of State and local police, and thus become a national police force.

The list of J. Edgar Hoover's accomplishments are many, but two achievements overshadow all others.

Under his leadership, the FBI has proved that a law enforcement agency can reach the pinnacle of effectiveness and success without resorting to brutality, violating due process of law, or engaging in other unethical practices.

And he has demonstrated that a democratic society can develop effective methods of controlling subversion and protecting its security that do not involve the destruction of essential constitutional freedoms.

Mr. Hoover's leadership of the FBI spans a period of domestic and international upheavel unparalleled in history. Through recurring panics and hysteria, through radical swings of political sentiment, through all the shifting currents of peace and war, J. Edgar Hoover has provided a steady leadership which makes his name and his organization synonymous with devotion to the public interest and dedication to the ideals which gave birth to this Nation and which have motivated it in its finest hours.

All honor to him on this anniversary.

A grateful Nation hopes that there will be many more.

Mr. KEATING. Mr. President, in a recent issue of the Government Standard, the publication of the American Federation of Government Employees, a fine tribute to the Federal Bureau of Investigation and its Director was paid. The salute came from AFGE's national president, James Campbell, who based his statement on a tour of the FBI and his organization's long years of experience in dealing with J. Edgar Hoover and other personnel of this fine agency.

At a time when some people are taking potshots at the FBI and seeking to discredit the essential and important work

it is carrying out in such admirable fashion, and particularly because Mr. Hoover recently celebrated his anniversary as Director, Mr. Campbell's words deserve close study and a wide readership. I therefore ask unanimous consent to have this article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Government Standard, Apr. 17, 1959]

MODERN FBI METHODS OBSERVED BY CAMPBELL

Take it from AFGE national president, James Campbell, any lawbreaker who tangles with the FBI is due to come off second best.

On a recent visit to the Federal Bureau of Investigation, Campbell had an opportunity to get a firsthand look at some of the crime detection techniques that have made the FBI such an efficient law enforcement agency.

Special Agent George Medler, president of FBI Lodge 334, and Cartha De Loach, of the Crime Records Division, coordinated Campbell's visit. Special Agent Edward L. Campbell, Jr.—no relation to President Campbell—led the way on a tour of some of the FBI's activities.

One of the FBI's best known functions is the maintenance of a huge fingerprint file. The file contains some 151 million prints and is added to at the rate of approximately 20,000 a day.

Fingerprints are useful for identification purposes in many circumstances not involving crime. Sometimes the FBI fingerprint file is the only means of identification following an accident or disaster.

The AFGE president was shown a rack of panels painted with the identical paint used by auto manufacturers. If a car is scratched with an ordinary pin the FBI can examine the paint left on the pinpoint and identify the car it came from.

Police from all over the country send things to the FBI for analysis and identification. Mr. Campbell was shown a blood-stained automobile cushion that was sent in to find out whether the stain was made by human or animal blood.

After returning from his tour of the FBI, Campbell issued the following statement about the Bureau and its Director, J. Edgar Hoover:

J. Edgar Hoover, the director of the Federal Bureau of Investigation, is an outstanding civil servant who has dedicated the past 42 years of his life to the protection of the law-abiding citizens of this Nation.

All of us can take pride in the achievement of Mr. Hoover and his organization.

The outstanding services of the FBI in time of national crises are well known. During World War II the FBI effectively thwarted foreign-directed sabotage in the United States without a breakdown in the respect and safeguards for civil rights.

In the past there have been some efforts to discredit the FBI and Mr. Hoover. As the head of a government employees' union which is dedicated to improving the career service, I commend Mr. Hoover and the other devoted Federal employees who serve under him. The FBI's record continues to speak for itself despite the efforts of certain self-seeking individuals and groups to tarnish it through the use of falsehoods, half-truths and innuendo.

The FBI has always been in the forefront of the fight against communism and has fought steadfastly to prevent the infiltration and destruction of the merit system.

It is also required to conduct investigations where there are allegations of disloyalty or subversive activity among government workers. These investigations, designed to protect the Government service, have been conducted in such a way as to protect the rights of individuals and in many instances false allegations of disloyalty were effectively brought to light.

As president of the AFGE, I urge all our members to remain alert for any smear tactics aimed at discrediting the loyal and devoted group of fellow government employees in the FBI and all other departments and agencies who serve us and the Nation.

Mr. JAVITS. Mr. President, will my colleague yield?

Mr. KEATING. I am very happy to yield to my colleague.

Mr. JAVITS. I wish to associate myself with the fine comments my colleague has made with respect to J. Edgar Hoover; especially, as we are both lawyers, for his lawyerlike approach to his work, with his deep understanding of the need for the preservation of the constitutional freedoms which are involved in his work. That is one of the most gratifying aspects of his service to the country.

Mr. KEATING. I appreciate the remarks of my distinguished senior colleague.

PLANS FOR MEMORIAL DAY WEEKEND

Mr. DIRKSEN. Mr. President, I should like to ask the acting majority leader whether any plans have been consummated with respect to the weekend which encompasses Memorial Day. As I understand, Memorial Day falls on a Saturday this year, and I would assume that normally, since Members of the Senate like to make arrangements for speeches back home, the Senate would adjourn or recess from Thursday until Monday.

Mr. MANSFIELD. Mr. President, I cannot speak for myself, but before leaving the city, the majority leader told me that it was his intention, if at all possible, and barring anything unusual or unforeseen, to have the Senate go over from the preceding Thursday to the following Monday, thereby taking into consideration the needs of Members who may desire to make speeches or who have engagements on Memorial Day.

Mr. DIRKSEN. I thank the acting majority leader.

RECOMMENDATIONS FOR PROPOSED LEGISLATION BEFORE CONGRESS—MESSAGE FROM THE PRESIDENT (S. DOC. NO. 27)

The PRESIDING OFFICER (Mr. PROXMIRE in the chair) laid before the Senate the following message from the President of the United States, which was read as follows:

To the Congress of the United States:

In making my legislative recommendations in January of this year I called to the particular attention of the Congress three matters requiring urgent consideration and action. It is now some 4 months since I made these recommendations and to date the Congress has dealt finally with none of them. On one, it has taken no action at all.

These recommendations were as follows:

1. To avert a serious disruption of the interstate highway program due to an impending deficit in the highway trust fund, I recommended a temporary increase in the Federal tax on motor fuels;

2. To avoid the possibility of a serious interruption in homebuilding, I recommended an increased authorization for the insuring of home mortgages by the Federal Housing Administration;

3. To halt the accelerated build-up of surplus agricultural commodities and to reduce those stocks and their ever mounting cost to the taxpayer, I recommended corrective legislation.

Since these recommendations were made, time has grown steadily shorter and the problems occasioned by the lack of action in the Congress increasingly critical.

HIGHWAY TRUST FUND

In setting up the interstate highway program in 1956, the Congress provided that it be conducted on a pay-as-you-go basis and, to accomplish this purpose, established the highway trust fund. Motor fuels and other highway user taxes are paid into this fund, and Federal grants, amounting to 90 percent of the cost of building the Interstate Highway System, are paid to the States out of the fund.

Legislation enacted last year, however, has increased the rate at which money is being spent from the fund and nothing has been done to put more money into the fund. Because the law wisely requires that the fund's expenditures not exceed its receipts, it will be impossible this year, without congressional action, to apportion funds so that the States may make commitments for future highway construction. Apportionments in the following year would also be far below those needed to carry forward the road-building schedule now contemplated by law.

To keep the highway trust fund on a pay-as-you-go basis and to maintain the planned construction schedule, I recommended a temporary increase of 1½ cents a gallon in the Federal tax on motor fuels, effective July 1 of this year.

The recent suggestion that receipts from the manufacturers' excise tax on automobiles be earmarked for the trust fund is an unsatisfactory alternative. The transfer of those receipts, running about a billion dollars a year, from the general fund to the highway trust fund would mean only that the problem would then be to raise new taxes to replenish the loss to the general fund.

An even more unsatisfactory alternative, proposed by some, would be legislation to waive the pay-as-you-go requirement. This would only be a refusal to face reality—one that the Congress would be hard put to explain. Less than 3 years ago, as a matter of legislative policy, the Congress declared in the Highway Revenue Act of 1956 that if it ever appears that the trust fund's total receipts will be less than its total expenditures "the Congress shall enact legislation in order to bring about a balance of total receipts and total expenditures."

Less than 2 months remain for timely, responsible action by the Congress on my recommendation.

HOUSING

In January I urged the enactment of emergency legislation to increase by $6 billion the Federal Housing Administration's authority to insure privately extended home mortgages.

This recommendation has not been enacted. The height of the home-building season is upon us, builders must plan ahead and the agency's insurance authority is in danger of being exhausted.

The $6 billion increase in authority involves no Federal spending and FHA's operations are self-supporting.

Because it could see that its authority was running out, the agency late last year, where it could, began issuing agreements to insure in the future provided it then actually had authority remaining. By thus substituting provisional agreements for actual commitments, the agency has been able to avoid an abrupt halt in its operations due to a lack of insurance authority.

Although the agency may be able to continue on this temporary basis until June 30, the end of the fiscal year, the situation grows more precarious every day. The agency's outstanding agreements to insure in the future now exceed $3 billion, more than twice the amount of the agency's remaining authority to make actual insurance commitments.

To avoid the possibility of a serious interruption in homebuilding all across America, sound congressional action in this area is urgently needed.

WHEAT

I have frequently requested legislation to deliver our farmers and taxpayers everywhere from the mounting failures and staggering excesses of the mandatory farm price support and production control program. Unless this pressing issue is squarely met and resolutely dealt with, the next few years will see the surplus problem, because of its staggering cost to increasingly frustrated and impatient taxpayers, crash of its own weight, carrying with it all that is sound and good in the support of agriculture by the Federal Government.

The most dramatic failure of all—and the problem requiring the most urgent attention—is the wheat program. Surplus wheat stocks are already two and one-half times our annual domestic consumption for food. By July 1 of next year these stocks are expected to reach 1.5 billion bushels and to involve an investment of $3.5 billion by the Federal Government. Wheat storage, handling and interest charges alone will cost the American taxpayer close to half a billion dollars in the next fiscal year. Final proof of the present program's utter failure to control production lies in the fact that the last wheat crop was the largest in history.

Because the Secretary of Agriculture is required by law to announce a continuation of this thoroughly discredited program by the 15th of May, in January I urgently recommended corrective legislation. The deadline set by law is now only two days away. No such legislation has been passed.

I understand that at this late hour the Congress has elected further to postpone its decision by briefly extending the deadline for announcing next year's wheat program. Having chosen this course, the Congress should use this added time to enact realistic and constructive legislation that will effectively avert the impending disaster in wheat.

I am compelled once again to call these particular matters to the special attention of the Congress because the orderly and efficient conduct of the people's business so requires. I urge the Congress to act expeditiously in these critical areas.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *May 13, 1959.*

Mr. MANSFIELD. Mr. President, I ask unanimous consent that recommendation No. 1, relative to the highway trust fund, be referred to the Committee on Finance; that recommendation No. 2, relative to the insuring of FHA mortgages, be referred to the Committee on Banking and Currency; and that recommendation No. 3, relative to surplus agricultural commodities, be referred to the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, I wish to make a rather succinct comment on the President's message. For a good many weeks, now, after the usual leadership conferences at the White House, I have spoken to our own policy committee, to other Senators, and to the press about the deep concern of the President over these three emergent programs—and I emphasize that all of them are emergent. When they were submitted in the first instance, they carried emergency tags: Namely, the shortage in the housing mortgage funds; the highway program, with an admitted $240 million deficit on the 1st of July, 1959; and the wheat program, as to which we have undertaken to place on the calendar a bill which proposes simply to defer the matter for a few weeks, but does not face up to reality.

These, then, are emergency programs, and there should have been action on them before now. The housing program, as I understand, is still held in the Committee on Rules of another body.

The highway program, so far as I know, has had no consideration and no action. I point out that highway construction costs, since the passage of the 1957 act, have mounted by almost $11 billion. The so-called Byrd amendment, which requires that there be no deficit status in the fund, will make it impossible on the 1st of July to allocate any funds under that program, because of the $240 million deficit. Of course, Congress can waive that requirement, as it has done before, but that still does not face up to the fact.

The same problem confronts us so far as wheat is concerned. As the President has pointed out, there is a surplus of 1,500 million bushels of wheat, which is equal to our requirements for a period of 2½ years. Once upon a time I was a baker, so I express the meaning of the surplus of wheat in terms of bread, because I understand it better that way. If 1,500 million bushels of wheat were apportioned on a per capita basis throughout the country, the amount would be approximately 9 bushels. I learned long ago in the baking business that 5 bushels of wheat are needed to produce a barrel of flour. Three hundred 1-pound loaves of bread can be made from a barrel of flour. So the present surplus of wheat is the equivalent of 550 1-pound loaves of tasty bread for every man, woman, and child in the United States of America, if this whole hoard of wheat could be devoted to that purpose.

Mr. President, this situation offers a great challenge to Congress. Because of the mandatory characteristics of existing law, this matter must have the attention of Congress. The sooner the better.

Mr. NEUBERGER. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. NEUBERGER. I have been impressed by the remarks of the distinguished minority leader, particularly as they concern the deficit in the highway trust fund. I call his attention to the fact that a little more than 2 months ago I introduced a bill designed to carry out the President's recommendation to increase the Federal motor fuel tax from 3 cents to 4½ cents a gallon.

As a member of the Subcommittee on Roads and Highways of the Committee on Public Works, I further call the attention of the minority leader to one of the problems which confront us. Some 34 Governors of States, both of the Democratic Party and the Republican Party, have exerted strong pressure on the subcommittee not to authorize the increase in the motor fuels tax which the President has recommended. One Governor who has taken this position is the Republican Governor of my own State. Yet Oregon desperately needs the improvements which the highway trust fund will finance on U.S. Highways 30 and 99, both along the interstate network.

I agree with the minority leader and with the President that if the Federal Government is to provide 90 percent of the cost of the interstate roads, then the Federal Government has the right to increase the Federal share of the motor fuel tax. I think the 34 Governors who are opposing the increase recommended by the President are in the wrong and have taken an unsound position. They claim the motor fuels tax should be left to the States. I do not see how that position can be taken consistently when the States are perfectly willing to accept from the Federal Government 90 percent of the payment of the costs of the most expensive roads ever built anywhere in the United States.

So I wish to say that I concur with the minority leader and with the President of the United States that the Federal motor fuels tax should be increased from 3 cents a gallon to 4½ cents a gallon. It is my intention, if opportunity develops, to submit my tax bill as an amendment in the highway subcommittee, if there is available a suitable proposed legislative vehicle for doing so. Of course I understand that such a bill

must originate in the House of Representatives.

I am firmly of the opinion that the Federal motor fuels tax should be increased from 3 cents a gallon to 4½ cents a gallon.

Mr. DIRKSEN. Mr. President, I am delighted to hear the distinguished Senator from Oregon make that statement.

As he has so well pointed out, the States are the recipients of 90 percent of the cost of this highway program. If, however, they compel it, and if there were no waiver of the so-called Byrd amendment, we have this choice, in the absence of further revenue: either to cut back the program in its entirety or to charge a larger share of the cost of the program to the States. I am sure the Governors would not like that at all.

Mr. NEUBERGER. It seems to me that certain of the Governors have taken a completely inconsistent position, because, on the one hand, they ask us to maintain the program; but, on the other hand, they oppose any increase in the tax to finance it.

So I agree with the President's recommendation for an increase in the motor fuels tax.

Mr. DIRKSEN. Mr. President, I conclude my comment by saying that these three items simply cry for action; and certainly the President has not been amiss in alerting the Congress to the need for action. Consequently, the responsibility rests upon us.

THE INTERNATIONAL HEALTH YEAR—HOPE FOR NEW HEALTH GAINS

Mr. NEUBERGER. Mr. President, the desire of plain people the world over for permanent peace and the devotion of public expenditures to projects which are aimed at the betterment of man, instead of his destruction, seem frequently to fail to reach fulfillment in realistic projects which can provide graphic demonstration of the possibilities of international cooperation.

But today there is encouraging evidence that at least one such program will be achieved, to the benefit of all mankind. I refer to the International Health Year.

This proposal for an all-out worldwide attack on disease, through medical research and expansion of public-health practices, has gained support in countries on both sides of the Iron Curtain. It has received the backing of medical men and laymen alike, in all areas of the globe. The World Health Organization will take up the proposal this month.

As an enthusiastic supporter of the idea of an International Health Year, I have been pleased and encouraged by this response to this proposal, which was advanced originally by Adlai E. Stevenson in June of last year.

Mr. President, one of the principal leaders in promoting the concept of an International Health Year has been the able senior Senator from Minnesota [Mr. HUMPHREY]. Under his direction, the International Organizations Subcommittee of the Senate Committee on Government Operations has prepared a series of background studies which have aided significantly in enabling the Congress and the American public in their study of this program. In his public appearances and Senate speeches, he has effectively outlined the numerous benefits which can be derived from initiation of such a project.

Now, in the May 10, 1959, issue of This Week magazine, one of our most widely circulated periodicals, Senator HUMPHREY describes in clear and cogent terms the need for international cooperation in seeking the cause and cure of diseases which presently cause untold pain and economic loss. He points out the massive savings in lives and productivity which could result from a united effort to extend to underdeveloped areas modern techniques and knowledge which are available in this country and other nations with more developed economies. He notes that the IHY would serve as a springboard for new international joint efforts in medicine, permitting exchange of information and elimination of duplication.

Because Senator HUMPHREY'S comments so vividly and succinctly sum up the numerous and needed gains which might be realized through an IHY, I ask unanimous consent that the text of his article in This Week magazine of May 10 be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IHY: OUR BEST HOPE TO STOP ATOMIC FALLOUT

(By Hon. HUBERT H. HUMPHREY, of Minnesota)

WASHINGTON.—This week, while the world's eyes are on the deliberations of the foreign ministers at Geneva, a meeting that may be even more important to your future is taking place in the same city. The 88 member nations of the World Health Organization are considering plans for an International Health and Medical Research Year. It could prove to be the most important year of your life.

The reason? IHY, as it is already nicknamed, is designed to attack problems so urgent and so universal that nothing short of a multination effort offers hope of success.

In this category of problems, none is more immediate or more ominous than how to cope with nuclear radiation, the rays given off by the nucleus of a radioactive atom.

Atomic energy is both a miraclemaker and a monstermaker.

It is one of the biggest hopes and one of the biggest headaches for the world's scientists today. It can help diagnose ills (by the application of radioactive isotopes as tracers). It can cure (through cancer-destroying cobalt bombs). It can kill (as in dreaded leukemia, caused by strontium 90 absorbed into the bones). It can deform (as is possible in generations unborn whose grandparents' reproductive cells may have been accidentally struck by rays, causing terrible mutations of genes).

The atom hangs over mankind like the very cloud it precipitates. Past and present United States, British, and Soviet testing of atomic and hydrogen weapons has resulted in drenching the atmosphere with trillions of radioactive nuclear fragments. We have recently learned the alarming fact that this deadly debris is falling out of the atmosphere much faster than the public had been informed, and is most concentrated in the northern United States.

A WAR OVER FALLOUT

How significant is this fallout to human health? This is the topic of bitter controversy throughout the scientific world. Charge and countercharge fill the air. The squabble adds up to one fact: No one is really sure about the effects of fallout.

IHY can strengthen the efforts of all the scientific agencies studying the problem by pooling their findings, so that needless fear or groundless complacency can be avoided and sensible counteraction taken.

And let me emphasize once again, we must get the answers soon. Radiation in the human body is cumulative. The amount of roentgens you may absorb this year is added to the total of previous years—until who is to say what will result?

But, vital though this study of radiation is, IHY would accomplish even more. As its predecessor, the International Geophysical Year, probed the secrets of our physical world, IHY would focus scientific investigation on some of the basic riddles in biology. Here are five essential problems of 20th century medicine that the IHY can attack:

1. Why does an apparently normal body cell suddenly begin to divide wildly, multiplying beyond control? That's the big question in cancer.

2. What is the relationship of diet, stress, heredity to heart disease?

3. What happens inside our cells to make us grow older? Fourteen million Americans over 65 would like to know the answer to that one.

4. What goes wrong in a pregnant mother's womb to cause brain damage or premature or deformed babies?

5. What special characteristics can be found in the blood of schizophrenics or arthritics or patients afflicted with many other kinds of disease?

None of these vital questions is new. All of them are being studied at hundreds of research centers in the United States and throughout the world. But IHY can add new dimensions to research—make it stronger, better manned, better coordinated, better supported, more highly regarded than ever before in human history.

When I visited Premier Nikita Khrushchev in Moscow last December, I discussed IHY with him as part of an overall program of expanding health cooperation. During my 8-hour conference, I heard a lot of "nyets" from the Soviet leader, but a cordial "da" was his answer on IHY.

MEETINGS OF EAST AND WEST

During IGY, Soviet and American scientists exchanged visits in each other's stations in the Antarctic. I am hoping that during IHY, Soviet, Polish, and other Eastern European scientists will visit and work in our research centers for cancer, heart, and other diseases. I also hope that our greatest scientists and physicians will increase the number of their visits to Soviet and other Eastern health facilities.

But IHY is to be more than a research year. It will also be a public health year.

One of its primary goals will be to step up public sanitation and other efforts against disease, particularly in the rapidly developing areas of the globe—Asia, Africa, the Middle East, Latin America.

Here, the problem is not research, for the causes of many of the widespread maladies are already known. Rather, the challenge is to apply known remedies or preventives on a mass basis. That means reaching the overwhelming proportion of undernourished, poorly protected populations which are the prey of age-old infections and parasitic ailments.

A blight of disease in many parts of the world results in this vicious cycle:

1. Disease incapacitates wage earners.

2. Families must subsist on insufficient income (sometimes as low as $50 a year).

3. Tax revenue is low and public funds are lacking to develop adequate schools, hospitals, recent sewage or wells. And so—

4. Still more disease results.

Malaria—the world's No. 1 health problem—is a case in point.

Nearly one-half the world's population lives in malaria-ridden areas. One-third of these people are unprotected from this disabling scourage, with its terrible chills and fevers. Incidence would be much higher if the World Health Organization and cooperating nations had not already achieved great progress in wiping out the disease.

But the malaria-eradication program is slowing down in some places and has hardly started in others, especially in Africa. Meanwhile, malaria-carrying insects are becoming resistant to DDT. Time is running out on the eradication program.

IHY could and should be used for a bold counteroffensive.

Other targets as well might be lined up in IHY's sights—at least for limited attack. Most of these diseases we are thinking of are almost unknown in the United States and Western European countries. But to developing regions, they bring a nightmare of pain and pauperization. Here are a few likely targets: 400 million cases of hookworm (caused by blood-sucking worms, producing anemia and weakness), 250 million cases of filariasis (parasitic worm infections), 150 million cases of schistosomiasis (caused by larvae which enter the skin and attack the liver), 50 million cases of yaws (painful, ulcerating sores which can be cured by a single shot of penicillin), 400 million cases of trachoma and infectious conjunctivitis (diseases which can lead to blindness).

A BRIGHTER OUTLOOK

Neither 1 year nor 10 years will be adequate to eliminate these blights. But the time to begin is now.

If we can begin to conquer these diseases in underdeveloped nations, it will mean a brighter outlook for freedom, friendship, and stability in new Asian, African, and Middle Eastern countries. Too often they feel neglected by the richer, healthier Western nations. If, moreover, we can help them increase food production for the hungry mouths of their rising populations, we will have banished the grim specter of mass starvation snuffing out the very lives that medical science will otherwise save and prolong.

How much would IHY cost? As much as the nations are willing to pay. That means both governments and people. A vast array of private organizations should be willing to help make IHY a resounding success. Indeed, as in the case of IGY, the basic initiative should come from private groups.

The United States already has a proud record of health aid. Right now we are devoting $80 million a year to international health. That includes National Institute of Health research overseas, aid programs of the International Cooperation Administration, contributions to WHO and the United Nations Children's Fund, as well as other aid. No nation has done more. But no nation has the responsibility of doing more, for we are the great beacon of mankind.

IHY is a tool for us and all men of good will. It is not a cure-all for health problems. It is not an end in itself. Its real success will be measured not by what it begins but by its continuing results over the years.

Nothing could be crueler or more self-defeating than to begin a major health program, and then drop it 12 months later.

NEED MEN, MONEY, MATERIAL

Effective research and improved public health require men, money, material, and time. Patience and persistence are the qualities that pay off. Cures for baffling diseases may be 1 month or 1 year or one generation away, even if we mobilize all possible resources.

Chronic shortages of doctors, nurses, trained midwives, dentists, pharmacists, researchers, can't be solved in 1 year. But IHY can help awaken the world to the danger of medical scarcity. Eradication and training programs can be launched.

An old Arab proverb reads, "He who has health has hope, and he who has hope has everything." IHY might well signify "International Hope Year."

IHY—A U.S. SENATOR'S IDEA: ACCEPTED BY THE RUSSIANS, CHEERED BY THE U.N.

(EDITOR'S NOTE: What is IHY? It is a proposed International Health Year to be sponsored by the World Health Organization of the United Nations.

(If the plan for it goes through it will be put into effect in June 1961. During the following year all the nations of the world would contribute their skill and knowledge in an all-out war against cancer, heart disease, mental illness, old age and infants' diseases, as well as many other human ills.

(But the major effort would be in the field of atomic research. In addition to studying ways in which the atom can be used to diagnose and cure disease, IHY would investigate the dangers of dreaded atomic fallout.

(Last July, Senator HUMPHREY introduced a proposal in the U.S. Senate urging that the President explore the possibility of an International Health Year. The plan was unanimously approved.

(A month later, a resolution for such a year was introduced in the U.N. by the Ukrainian Soviet Socialist Republic. In December, the U.N. General Assembly voted for IHY, and now final acceptance of the plan is awaited from the World Health Organization.)

SUSTAINED YIELD FORESTRY PRACTICES OF THE U.S. FOREST SERVICE

Mr. NEUBERGER. Mr. President, the supply of national forest timber is of utmost importance to the economy of the State of Oregon, and also plays a major role in the economy of the United States. Policies for management of this publicly owned asset determine both the near- and long-term effect of Federal timber resources on business and industry and on multiple public use.

Some of these policies and practices of the U.S. Forest Service are explained in an article which was written recently for the Herald and News of Klamath Falls, Oreg., by Mr. Douglas B. Shaw, assistant ranger for the Klamath District of the Forest Service. Mr. Shaw has given us an especially good analysis of U.S. Forest Service conservation practices, and I think it is valuable to know that these policies will be used in any portions of the Klamath Indian Reservation lands which might eventually move into custodianship of the Forest Service under the present Klamath Termination Act. I ask consent, Mr. President, to include Mr. Shaw's informative article in the body of the RECORD with my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TIMBER RESOURCES ON OUR NATIONAL FORESTS PLAY BIG PART IN U.S. ECONOMY

(By Douglas B. Shaw, assistant district ranger, U.S. Forest Service)

The timber resource of the Klamath Ranger District is, of course, very important to the people and economy of the Klamath basin. The resource is managed according to the concept of sustained yield and multiple use. Sustained yield means that cut does not exceed growth and mortality, thus perpetuating the timber crop. Multiple use is the management of each resource in such a way that the other resources may also be used to the extent that they are compatible on each area.

In managing the timber resource on a sustained yield basis, the allowable cut figure is used to denote the amount of timber that may be cut each year forever. This figure is adjusted periodically to reflect more complete utilization, new growth figures and so forth. The Klamath Ranger District has just completed a complete reinventory of the timber resource. When these figures are compiled, there will be a new allowable cut figure calculated. The present allowable cut is set at 14 million board feet with an adjustment for 1959 of 10 million board feet making a total of 24 million board feet the allowable cut for 1959.

In harvesting the timber, the overmature timber is the first to be cut. Most of this timber lies in undeveloped areas. To reach these areas, roads must be built. The location and construction of these roads are large and important jobs. The roads must be located in such a way as to reach the timber to be harvested and also to serve future needs. The future needs including reaching timber further back, conducting salvage of dead material, use of the road for access to recreation areas, and others. Thus the location must be carefully thought out. Also, in locating and constructing roads, the soil and water resource must be protected. Then the roads are designed and built to achieve the least possible soil disturbances, to assume adequate drainage and provisions are made to protect the cut and fill slopes from erosion. Also roads crossing streams present problems in protecting other resources. Culverts and bridges are used to provide for maximum stream flow. Culverts are installed in such a way as to assume fish passage upstream.

The logging operations present other problems. In laying out cutting areas, again the other resources are considered. The areas are laid out to provide for the minimum of soil movement which protects both the soils resource and water quality. Logging disturbance is of course necessary. However, on steep ground the use of tractors is usually prohibited and instead cable yarding methods are used. Cutting areas are seeded to grass and replanted to trees as soon as possible to prevent soil movement and to restock the area.

Clear cutting is the type of cutting used in stands of even-aged, overmature, and mature timber. In the type of timber, it is possible to put a line around a cutting unit and cut all the timber within the area. The size and shape of these units depend on the topography, whether it will be tractor or cable yarded and consideration of the other uses. Lease areas between units are left to provide for future cuts and to avoid cutting over a large piece of ground at one time. These lease units are left usually until the cut units have a well-established crop of new timber on them. These lease units will be left uncut then for a period and usually there is some mortality. Where it is economical and feasible, the dead and down timber is removed from the area periodically.

Another type of cutting is partial cutting. This is usually practiced in uneven-aged stands. This type of cutting is more common in the ponderosa pine type. The trees cut are those that are putting on practically no growth and are diseased or damaged in some way.

Another type of cutting is the salvage cut. This is a cut of the dead and down material only. It is practiced in either even-aged or uneven-aged stands. Its purpose is to salvage the dead and down material while it can still make good lumber. The salvage program is taking on greater proportions now because we have more access roads and are able to economically reach the timber.

The practice of slash burning on cutover areas is an activity which has two basic objectives. One is to reduce the fire hazard and the other is to prevent the outbreak of bark beetle attacks. The cost of this work is figured as part of the logging costs on each area and is deposited on a special fund by the timber purchasers. The work is then done by the Forest Service.

Another part of timber management is the Sole area betterment program. This includes two phases. One is timber stand improvement which includes pruning, thinning and release in areas of young growth timber. The other is reforestation, which is the planting of cutover areas with seedlings. The cost of this work is figured as a separate part of stumpage price and is deposited in a special fund by the timber purchaser. This is called KV work after Senator Knudsen and Senator Vandenberg, who authorized the work.

The stumpage price, which is the price paid for the timber cut, is figured briefly as follows: The lumber selling price for each species is determined for average prices in the area. From this is deducted the cost of logging, milling, erosion control, slash disposal and other necessary work. The resulting figure is the stumpage and KV price. The cost of the KV work is then deducted and the resulting figure is the stumpage price. This stumpage price, plus special deposits, represents the minimum bid price for the timber. The bidders then submit their bids and the timber is sold to the highest bidder. Thus the bid stumpage price, multiplied by the volume cut, represents the revenue for each timber sale. Twenty-five percent of this revenue is returned to the counties in which the timber was cut for use for roads and schools. Thus this money, plus what is spent for roads and fire protection, which the county or States would otherwise spend, exceeds the taxes the land would bring in if it were subjected to ordinary assessment and levy. Thus the Klamath Ranger District makes an important contribution to the economy of the basin.

The harvesting of the timber crop is an operation that brings considerable comment from the general public and various single-use groups. With more and more pressure for the use of the various national forest resources, the multiple use concept becomes more important. Thus very careful analysis and planning is done to determine what is the primary use for each area. If the primary use for an area is determined to be recreation, then timber harvesting will be modified so that it is compatible with this use. On the other hand, if timber is the primary resource on an area then recreation use will be limited but not eliminated. Attention will be given to desirable recreation areas within a timber sale area. Examples would be leaving streamside and roadside uncut areas. It should also be remembered that timber harvesting provides access to areas that were inaccessible before and will enable more use of the other resources.

Esthetically speaking, timber harvesting is probably not too desirable. However, it must be remembered that when the harvesting is done on an area, the debris is burned and the area planted, the esthetic values return as the scars heal and the new crop grows.

Thus the use of the timber resource is just another, though a very important use, in the multiple-use concept of national forest management. The use of every resource and its extent of compatibility with each other's use is constantly kept in mind, not only in timber management but in other resource management.

RADIATION FALLOUT

Mr. BRIDGES. Mr. President, the conclusion of the hearings of the Radiation Subcommittee of the Joint Congressional Atomic Committee makes available to the American people for the first time the thoughtful testimony of the Nation's top atomic scientists in regard to radiation fallout. This testimony is most welcome as a long overdue step in assuring the people of this country and those throughout the world in regard to the true facts of the situation.

I know that all of us in the Congress have been deluged with mail from sincerely concerned people in regard to the effect on human life of the radiation resulting from nuclear experimentation. Although many of us in the Congress knew the true facts, it was difficult to reassure constituents and the general public in the face of all the conflicting testimony made available from time to time in the public press. No doubt, most of the people who expressed concern and predicted dire results were sincere, but I cannot help but think that much of the opposition to continued nuclear experimentation was inspired by subtle Communist propaganda to influence public opinion in this country to an extent which would reduce our experimentation while the Russians forged ahead. I constantly have pointed out that radiation plays no favorites and that the instinct for survival among the nations involved would act as an effective automatic control at levels far below the danger level. At the same time, I pointed out that any lessening of experimentation on our part, rather than reducing the amount of radiation, would merely furnish a vacuum into which the Soviet Union would rush in pushing its experimental work to an extent that we might be hopelessly outdistanced.

Most impressive in the reassurance of the testimony in the hearings just concluded is that of the very distinguished General Advisory Committee of the Atomic Energy Commission, which was most clear and emphatic in placing the hazard of fallout in proper perspective. In nontechnical language that all can understand, they state that all tests to date have exposed human beings around the world to an amount of total body external radiation—past, present, and future—that is (a) less than 5 percent of the estimated average exposure of the American public to medical X-rays, and (b) less than 5 percent as much as the average exposure to cosmic rays and other background radiation, including that emitted by the bricks of one's home.

On March 29 of this year, in a statement, I called for an immediate and complete reevaluation of radiation fallout from nuclear experimentation. I said that the American people, and those of the free world, are entitled to the best our scientific know-how can produce. I, therefore, call upon all agencies and functions having to do with nuclear experimentation, or having the capacity for evaluation, to coordinate their efforts for an immediate and complete study. I am now much gratified that the Radiation Subcommittee has proceeded so far in this direction, and I shall make every effort to see that there is a constant reevaluation as experimentation continues.

Mr. President, an excellent editorial on this whole subject appeared in the Washington Sunday Star of May 10, 1959. I would like to submit it for the RECORD in conjunction with the remarks I have made.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FALLOUT IN PERSPECTIVE

Now that the radiation subcommittee of the Joint Congressional Atomic Committee has concluded its hearings on the problem of fallout, peoples everywhere have reason to feel reassured. For the hearings, although they have left a number of questions unresolved, have established one fact of prime importance—namely, that the experts best qualified to pass judgment on the matter, the scientists who have studied it with the greatest care, share the view that alarmists have grossly exaggerated the dangers involved in past nuclear testing.

The most emphatic and clearest testimony on this point has come from the distinguished General Advisory Committee of the Atomic Energy Commission. After a thoroughgoing review, undertaken in order to place the hazard of fallout in proper perspective, the GAC has flatly declared that all the tests to date (ours, Britain's and Russia's combined) have exposed human beings around the world to an amount of total body external radiation—past, present, and future—that is (a) less than 5 percent of the estimated average exposure of the American public to medical X-rays and (b) less than 5 percent as much as the average exposure to cosmic rays and other background radiation, including that emitted by the bricks of one's home. Further, the GAC's statement includes the following instructive observations, among others:

"It is interesting to note that human beings have lived for many generations in parts of the world which have 5 times or more the background radiation normal to the United States, or more than 100 times the average amount of radiation from fallout in the United States.

"In regard to internal effects of strontium 90 due to ingestion, the amount of strontium 90 which has been found in food and water is less of a hazard than the amount of radium normally present in public drinking water supply in certain places in the United States, and in public use for many decades."

In making these and similar points, the GAC has not sought to give the impression that fallout, especially that which might result from future largescale testing, is a thing of no consequence. Nevertheless, while not pooh-poohing what could be the danger inherent in an unlimited continuation of such testing, it has plainly indicated that the problem, as it exists today, is not nearly so serious as some Cassandras would have the world believe. As for tomorrow, the AEC's General Advisory Committee—leaving aside the question of military nuclear experiments—has emphasized that our Public Health Service and comparable agencies will have to play an ever-expanding regulatory role to maintain safe standards in connection with the increasing civilian uses of radioisotopes, atomic reactors and X-rays, which are still the most important source of radiation hazards.

Meanwhile, as the GAC has declared, "There is a real need for clear, simple exposition of the facts of fallout in media widely available to the public." Unfortunately, these media have not yet presented such an exposition on a continuing or coherent basis, largely because the experts themselves have been discussing the problem in terms too technical to be related to everyday life. The latest congressional hearings on the subject, together with lucid statements like the GAC's, constitute a good ex-

ample of the kind of educational effort that is needed to dispel not only complacency, but unreasoning fears as well.

ALLEGED RUSSIAN SCIENTIFIC SUPERIORITY

Mr. BRIDGES. Mr. President, I am concerned over what seems, to my mind, a dangerous national psychology. The launching of the original sputnik by the Soviet Union had such a dramatic impact that it apparently has created in the minds of some people an overreadiness to accept as fact any Soviet scientific claims. The most glaring example of this type of psychology was found in the ready acceptance of the claimed Russian moon satellite, Lunik, which even the Russians themselves changed to moon probe. That in itself is significant in that if the rocket had gone into orbit around the moon, it could have been tracked and verified, but when no tracking was possible, the Russians then claimed that it had gone beyond the moon into boundless space, too far for return signals to travel.

In my effort to combat what seems to me to be a dangerous psychology, I am assembling all available information, and I am pleased that, along with that effort, the Senate Preparedness Subcommittee of the Armed Services Committee has the matter under study. This matter should be the subject of the most widespread public information, and in that regard, I ask unanimous consent to have printed in the RECORD in connection with my remarks an editorial from the Sunday Standard-Times of New Bedford, Mass., which has served to alert the people in that area.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WAS LUNIK A HOAX?

"Lunik, fact or fiction?" is no longer a question to be taken lightly.

Senator STYLES BRIDGES, Republican, of New Hampshire, has disclosed that investigation of the Russian moon rocket has turned up much additional evidence which tends to question seriously the validity of Russian claims.

Much of the new material disclosed by Senator BRIDGES comes from a report of the Jet Propulsion Laboratory of the California Institute of Technology.

The Jet Propulsion Laboratory tracking team was the only organization which claimed to have tracked Lunik after the alleged launching on January 2 somewhere in the vast Siberian wasteland.

But Senator BRIDGES has pointed out that even the Jet Propulsion Laboratory scientists agree they formed their opinions from data that are not conclusive.

In the report now under study by the Senate Preparedness Subcommittee, W. H. Pickering, director of the world-famous laboratory, states that on Friday evening, January 2, hours after the Soviets reported the launching of Lunik, no signals were received which could be identified as coming from the rocket.

Not until early Sunday morning, January 4, shortly after moonrise, when tracking equipment had been improved to increase greatly the sensitivity of the apparatus, was a signal heard.

"At no time were the signals strong enough to get either a good recording or a good tracking," the report said.

Probably most damaging to the Russian claims was Mr. Pickering's statement that the signals heard were like a two-tone keyed modulation.

These, he said, were "similar" to the signals broadcast by Moscow radio as coming from the moon rocket, "but the signals we heard were at a faster switching rate."

Despite the lack of solid, scientific evidence that Lunik was truly in orbit, President Eisenhower—at the suggestion of his scientific advisers—sent off swift congratulations to Russia. Other important Government figures were also quick to speak out to press and radio.

Now, however, Senator BRIDGES' disclosure of the Jet Propulsion Laboratory report, plus the statement of the scientific adviser to the British Embassy in Washington that his country had no conclusive evidence the Soviet rocket is in orbit, should open up the subject to minute study.

The House Space Committee has scheduled hearings for this week. One of its first witnesses will be Lloyd Mallan, a top science writer. In the current issue of True magazine, Mallan states bluntly, "The Soviet Union's first manmade planet, Lunik, does not exist and never did." He was in Russia for several months just prior to the time the Soviets said they had launched the sun-circling rocket.

In pursuing this subject, Senator BRIDGES performs a great service for the Nation. After all, as the New Hampshire Senator put it, "all we had was the word of the Russian Communists, who are trained liars."

It was the thought of Senator BRIDGES that the Western World may have been trapped into promoting the greatest hoax of the Soviet up to this time.

At the very least, the Senator's probing and the congressional studies should prompt caution on all such Soviet scientific pronouncements in the future.

Mr. MANSFIELD. Mr. President, has the morning hour been concluded?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RESERVES REQUIRED TO BE MAINTAINED BY MEMBER BANKS OF THE FEDERAL RESERVE SYSTEM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business, Senate bill 1120, Calendar No. 185, be laid before the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1120) to amend section 19 of the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits.

BONNEVILLE POWER CORPORATION ACT PROVIDES METHOD TO SPEED COLUMBIA BASIN PROGRESS

Mr. NEUBERGER. Mr. President, on January 23, 1958, I introduced, by request, Senate bill 3114, to establish the Columbia River Development Corporation.

The bill had been prepared by the Northwest Public Power Association, an organization of over 100 public agencies involved in the production and distribution of power in the Pacific Northwest, including municipalities, cooperatives, and utility districts organized under State law. These public organizations have continually demonstrated the ability of the people of the region to provide for themselves, on a nonprofit basis, a service as vital to their welfare as electric power, through organizations locally owned and democratically controlled. Their efficient and honest operation is a permanent testimonial to the operation of the democratic system at the local level.

Many of these agencies purchase power from the Bonneville Power Administration, the Federal agency which is charged with marketing federally produced power in the Pacific Northwest. Therefore, they have an important stake in the welfare and continued effectiveness of the BPA and the Federal Columbia River power system. When it appeared that under the present administration, BPA could not expect from the executive branch the sympathetic interest and concern with the continued development of Northwest resources it had previously enjoyed, many people in the Northwest began to seek a solution to the problem of improving the financial basis and operating framework of the Federal power system and the Bonneville Power Administration. The bill which I introduced, by request, in 1958 was one major solution to this serious question.

I do not believe it is necessary to list here the numerous facts and events which led to, and have reinforced, the view that the people of the Northwest had to seek a new approach to their problems of power supply. In summation, these facts constitute the purposeful abdication by the present administration of the Federal responsibility in the field of natural-resource development and a reversal of policies dating back to President Theodore Roosevelt and his Chief Forester, Gifford Pinchot.

However, I think I should take this opportunity to correct the rather erroneous impression which some officials of the present administration have endeavored to leave in the Pacific Northwest, by citing the fact that during the past 6 years more Federal power has been brought on the line than during the preceding 6-year period. The truth is that on January 1, 1953, there were only two completed projects providing power for the BPA system—the Grand Coulee and the Bonneville Dams. Bonneville Dam had been completed in December 1943; and the last generator at Grand Coulee came on the line in September 1951. The first generator at Hungry Horse Dam was put in service in October 1952, and was the only unit of the post-war projects in operation in January 1953.

Nevertheless, at that time 10 multipurpose projects under construction in the Northwest were scheduled for completion in the following 8 years—10 projects with an installed capacity of over 3,700,000 kilowatts, or almost half a million kilowatts a year from 1953 through 1960. Most of those projects had been authorized and all of them had been started under the administration of President Harry Truman. So, for the Eisenhower administration to claim them as its children, simply because it happened to be present at the end of their

gestation period, is a claim of paternity based on an erroneous understanding of the facts of life.

With the new administration came the now famous policy of no new starts on hydroelectric projects in the Pacific Northwest. With a consistency not always apparent in its policies, the administration has for 7 years refused to request funds to commence a single multipurpose water-resource project in the river basin comprising over 40 percent of the Nation's hydroelectric potential. This year the policy is urged in the interest of a balanced budget. Two years ago, the war cry was economy; and before that, it was partnership. But the result is always the same—no new starts for the Pacific Northwest. In spite of this adamant opposition by the administration, the Congress has initiated appropriations for five projects—Roza and Ice Harbor, in the State of Washington; Cougar and Hills Creek, in my State of Oregon; and the mighty John Day project on the lower Columbia, between the two States. Nevertheless, as a direct result of this administration's no-new-starts policy, the only generation which will be added to the Bonneville system in the 3-year period between last November and November 1961, are the generators at the Dalles Dam, the last dam started at the request of President Harry S. Truman.

BONNEVILLE ACT WAS ONLY TEMPORARY LEGISLATION

Because this series of events was predictable, the Northwest Public Power Association 5 years ago commenced the preparation of an amendment of the Bonneville Project Act to change BPA from its status as a mere provisional subagency of the Interior Department, entirely dependent on congressional appropriations for its continued operation and existence, to a more independent agency—a Federal corporation under the Government Corporation Control Act. During the succeeding 4 years this proposal went through successive drafts, and was widely circulated throughout the Northwest for suggestions. Over 700 amendments were received and considered for incorporation in the bill, which went through seven separate drafts, the seventh being the one which I introduced by request. It was, to a very great extent a truly grassroots bill expressing the composite wishes and ideas of thousands of people in the Northwest.

The main purpose of its introduction in January 1958, was to permit hearings on the bill, as drafted, and its study by the interested Federal agencies, in order to obtain their comments and suggestions. Such agency comments and recommendations were received in considerable detail. Public hearings were held for 4 days during May and June by the Subcommittee on Rivers, Harbors, and Flood Control, of the Public Works Committee. A large number of witnesses, representing Federal agencies and both public and private utilities, testified; and the printed record covered 647 pages. This record was meticulously studied and indexed by the professional committee staff members handling the proposed legislation, who then prepared a new draft of a bill, incorporating in it a considerable proportion of the amendments suggested by the Federal agencies and hearing witnesses. This new draft was included in a committee print of November 21, 1958.

HEARINGS WIDELY HELD IN PACIFIC NORTHWEST

On this new draft, it was decided to hold hearings in all four States of the Pacific Northwest, in order to give people and organizations in the region full opportunity to be heard. The hearings were held last December 8, 9, 10, and 11, in the cities of Portland, Oreg.; Seattle, Wash.; Coeur d'Alene, Idaho; and Kalispell, Mont. They were exceedingly well attended, with spokesmen of every interested group and many private citizens being given a chance to express their views.

Although those hearings were naturally somewhat less technical in nature than those previously held in Washington, they brought forth again a substantial number of proposed amendments for consideration in redrafting the bill. Then, with the cooperation of the Solicitor of the Department of Interior, a new draft of the bill was prepared, largely by the regional solicitor's staff in Portland, Oreg. Just as the previous draft was a considerable improvement over Senate bill 3114, as originally introduced, so the new bill is much improved over the former draft. I think I should add that although we are extremely grateful for the high degree of cooperation we received from the able staff members of the Legal Division of the Department of the Interior, they are in no way responsible for the substantive provisions of the bill; and I do not wish to give the impression that they are committed to it. The bill also includes several of the substantive changes suggested in the December original hearings. In addition, the present bill incorporates a large number of improvements which have long been suggested by the experts, the attorneys of the Bonneville staff, in Portland, now assigned to the regional solicitor's office—who have had to work with the Bonneville Project Act for the past two decades.

Such is the legislative history and background of the Bonneville Reorganization Act which I am introducing today. I am convinced that it is a fine bill, a creative bill, and one which if enacted into law could go far toward helping the Pacific Northwest become an even more productive contributor to the national economy in the uncertain years which lie ahead for our country as it faces the challenge of increasing economic competition from the U.S.S.R.

THE BONNEVILLE POWER REORGANIZATION ACT

I turn now to consideration of the bill which I am introducing today. I think the first point on which I should comment is its title. While the two previous drafts, both S. 3114 and the committee print of last November, were entitled "A bill to amend the Bonneville Project Act in order to establish the Columbia River Development Corporation," the present bill would establish the Bonneville Project Corporation. While the committee print draft provided for its citation as the Columbia River Development Corporation Act of 1959, this bill would be cited as the Bonneville Reorganization Act of 1959.

This is a distinction with a real difference, Mr. President, and I want to make that difference clear for the record.

S. 3114 was a far cry from the valley-authority type of organization in that the powers of the Columbia River Development Corporation would have been much more limited. Nevertheless, it would have provided for considerably more control by the Corporation over the resources of the Columbia River Basin than is now exercised by BPA. For example, the Corporation would have had a so-called veto power over FPC licensing of projects in the basin, a frank attempt to provide a check on the FPC to prevent further instances of resource underdevelopment like the Hells Canyon case.

Hearings showed considerable concern over this provision and several others, some founded on fact and some completely imaginary. The proposed corporation was charged with being another Columbia Valley Authority in disguise. Actually, in its authority and responsibilities regarding resource development, it was somewhere between TVA and the existing BPA, but far closer to the BPA end of the scale.

In addition to the concern expressed by some witnesses, it was apparent that there was to a large degree satisfaction with the functioning of the existing Federal agencies in the Pacific Northwest operating in their traditional manner, with the major exception of the financing of multi-purpose projects and particularly of the power costs of such projects. There was also evident an increasing awareness of the importance of low-cost financing if the full development of the resources of the Columbia River is to be achieved—an understanding that the higher the rate of interest on funds available for investment, the higher would be the cost of the resulting power produced and the less would be the ultimate degree of development of the basin.

There was also a realization, Mr. President, that with the extremely rapid growth of electric loans, the eventual end of the area's hydro resources was foreseeable, and if the BPA was to continue its effectiveness as a dynamic factor in the region's economy, it must have authority to supplement its hydro resources with thermal power installations. In short, it was generally felt that for the continued success of the program of resource development in the Northwest all that was required was to make Bonneville more self-sufficient and businesslike in its operation, with no major changes in its relationship to other Federal agencies.

This is exactly what the present bill does, Mr. President, and for that reason the new corporation to be formed has been renamed the Bonneville Power Corporation. This is fitting because it describes exactly what this bill will produce—a reorganization of the Bonneville Power Administration into a Federal corporation under the Government Corporation Control Act. For the same rea-

son the bill provides for its citation, when enacted, as the Bonneville Reorganization Act of 1959, rather than the Columbia River Development Corporation Act as in the preceding draft.

I should like to point out, Mr. President, that the reorganization of BPA as a Federal corporation was a primary recommendation of the second Hoover Commission on organization of the executive branch, so to a great extent this bill will carry out the Hoover Commission's suggestion.

MEETING THE MAJOR PROBLEMS

Now I want to discuss the major problems facing Bonneville and the Pacific Northwest in the years ahead and describe how I believe this bill will help meet those problems.

1. POWER SHORTAGE

Many of the economic problems of the Pacific Northwest can be traced directly to the shortage in recent years of firm power available for industry. This is easily understandable, because with each passing year we find our civilization is increasingly based on energy utilization; we know from observation that wherever energy use is high and rapidly increasing, there the economy is certain to be both productive and expanding. Thus we in the Northwest experienced our years of greatest economic health and growth coincident with, and to a great extent as a result of, our one great period of abundant low-cost energy up until about 10 years ago.

Other areas of the Nation have their own indigenous energy resources, Mr. President, some of them largely developed, like the coalfields of Pennsylvania and West Virginia and the great oil and gas deposits of Texas and Oklahoma and a dozen other States, and some still await ing a more pressing national need, like the oil shale mountains of Colorado and the unfiltered sunshine of the Southwest. And sections without massive energy sources have other compensating advantages of geography and population.

But the Northwest has always had to depend on the tumbling energy of its snow-fed mountain streams and the great river system they unite to form on their way to the ocean. And because the "white coal" of the Columbia River hydroelectric system has had to overcome the tremendous economic disadvantage of great distances to major market areas, its energy has of necessity been developed in the most efficient and economical way possible. This the Bonneville Power Administration and the Federal dams have done for us, providing the Nation's lowest-cost power from the Nation's hydro-power resource in return for our promise to repay with interest the required investment.

It has been no pleasure for me to recount today what has happened to that great conservation program under the policies of the present administration, Mr. President. The failure to press ahead with the vital upstream storage projects like Hells Canyon has crippled the firm-power capability of the Bonneville system and destroyed its ability to serve the industrial loads on which much of the region's economic growth must be founded. The most publicized example is the case of the Ormet Corp. aluminum smelter, which was recently located on the Ohio River rather than in the Northwest, mainly because of the inability of BPA to guarantee 300,000 kilowatts of firm power for the plant operation. The loss of this single plant complex was an economic tragedy which cost the Pacific Northwest thousands of jobs, both in the Ormet installations and in supporting service industries.

This is one of the major reasons for my introduction of this bill to reorganize the Bonneville Power Administration—to provide a corporate framework within which the Pacific Northwest can once again assure to industry as well as to distribution utilities a satisfactory power supply when they need and seek it. Because under section 2(g) of this bill the Corporation would have a public utility responsibility to supply the net wholesale power needs of distributors or consumers who desire to purchase from it, the economic growth of the Northwest need never again be held up by the inability of Bonneville to supply power to industry.

PUBLIC UTILITY RESPONSIBILITY CLAUSE IS ESSENTIAL

In my opinion, Mr. President, this provision for the Bonneville Power Corporation to have a public utility responsibility is the most important single element in this bill. It would be a poor assurance to the Northwest to give the new BPC the ability to finance new hydroelectric projects and build supplementary thermal plants without at the same time giving it the direction and responsibility to use this new power to supply the needs of the region as they develop.

It is important to recognize, however, that the responsibility of the Corporation is not total and absolute; there is nothing here to forbid any amount of private or non-Federal public generation being installed. The responsibility of the Corporation goes only to the net wholesale electric power needs of the distributors and consumers of the Northwest. A utility which supplied its own entire requirements, for instance, would have no net needs, but the small cooperative or municipal which could not afford to construct a large and efficient generating plant would never suffer for lack of an adequate power source.

At the same time a large industrial power user desirous of settling in the region could obtain an adequate supply of electricity if it were willing to enter into a contract with the Corporation on which the Corporation could fairly base its advance program. As I think is well understood, the term "consumers" in this paragraph refers to the major industrial users who have traditionally purchased power directly from BPA, so it would assure power to the one class of consumer to which BPA has not been able to supply new blocks of power during the past few years.

It is in this utility responsibility clause that the bill I introduce today would break new ground. Always before Federal power systems have operated on the basis of dividing up the scarcity of power, of allocating the inadequate available supply to cooperatives and public agencies under the public preference clause. As long as there is no shortage of power, the preference clause has no effect, and under this section it is the responsibility of the Corporation to assure that no condition of shortage is permitted to develop.

Because of this many interested parties have said, "Then why keep the preference clause of the Bonneville Project Act intact in this bill? If it is never going to have any effect, why do you need it?" Because this question is so closely tied to the problem of unreasonable geographic concentration of power from the Federal system in the Northwest, I think I should consider them together.

2. GEOGRAPHICAL CONCENTRATION MUST BE PREVENTED

Section 2(g) of the bill, after providing the firm wholesale public utility responsibility I have discussed previously, goes on to declare it to be "the policy of the Government to distribute electric power equitably throughout the States of the Pacific Northwest so that there will be no unreasonable geographic concentration thereof" The effect of this provision would be to prevent any State with a preponderance of the region's public agencies from monopolizing the power generated by the Bonneville Power Corporation in the unlikely event that the public utility responsibility requirement of the section were ignored and power shortage allowed to develop in the region.

This provision has been criticized by public power groups as a modification of the traditional public-power preference clause; and perhaps it is—although a very mild and gentle modification, indeed. I have always supported the public-power preference clause because it is the basic antimonopoly provision of our Federal power policy. It often helps to keep alive the small cooperative or municipal electric systems in many areas of the country and thereby preserve the only really effective competitive influence in the electric utility field. It is for this reason that the preference clause of the Bonneville Project Act is kept intact under this proposed legislation, and within each individual State it would still retain its full effectiveness.

But I am also in favor of fairness, Mr. President, and I do not think it fair that, where several States are served by a system like the Bonneville Power Corporation, one State should be allowed to monopolize the vast bulk of the power it generates. I do not believe anyone will seriously claim that there is any unfairness in the inclusion of this provision in this proposed legislation.

I want to emphasize, Mr. President, that I firmly regard this discussion as being quite moot and immaterial; else I would not be introducing this measure. Clearly, if the concept of this bill has any validity at all, if the Corporation carries out the public utility responsibility imposed upon it, there will be power available to anyone requesting it, and there

will be no problem of geographic concentration. Only in a shortage could the preference clause possibly cause the imbalance of power distribution from the Federal system in the Northwest which section 2(g) seeks to prevent. The inclusion of this provision is more an insurance policy to the people of the States served primarily by private electric organizations than an effective power-distribution provision. Its greatest effect will probably be to stimulate all power organizations to encourage the Corporation to meet its full responsibilities, in order to make certain that no deficiency is ever allowed to develop.

KILOWATTS MUST BE DISTRIBUTED WITH FAIRNESS

And now the queries come from another quarter, from the sincere public power supporters who wonder why the provision is necessary. Just as other groups ask, "Why keep the preference clause if it is to have no effect?" the public power groups ask, "Why is it necessary to include a provision regarding geographical concentration if there is going to be plenty of power for everyone?"

I think the answer to each of these groups is the same—because to err is human, and there is always the possibility of human error in both the drafting and administration of any legislation. I sincerely believe this bill's public utility responsibility clause, in combination with its other provisions, would assure an abundance of power for the Northwest throughout the foreseeable future. But I am the last person to claim omniscience. No one can foresee every possible eventuality which the future may bring, and just as human beings are fallible, so is their finest legislative handiwork. Just as a competent engineer will design a margin of safety into any bridge he builds, so do I believe both the preference clause and the fair distribution clause should be retained in this proposed legislation as insurance against some slight failure of its structure under the daily stresses and strains which can develop after years of operation.

I believe I should point out, however, that this is not the first time a modification of the preference clause has been proposed, although it seems to be the first time the public power groups have opposed such a modification.

Consider some of these events:

First. At Hungry Horse Dam, some 208,000 kilowatts are reserved for exclusive use in the State of Montana notwithstanding the preference clause. The legislative history of the Hungry Horse project gave a general priority on at-site energy to Montana.

Second. At Priest Rapids and Wanapum, on the Columbia River in the State of Washington, 1,388,500 kilowatts were removed from Federal preference control so that the Grant County PUD could build the dams. Much of this power has been contracted to private utilities. Public-power groups were active in promoting the shift from the Federal preference system to local construction and sovereignty.

Third. In the Hells Canyon Dam bill of the 85th Congress (S. 555) 500,000 kilowatts were set aside for use in the State of Idaho, without regard to preference demands elsewhere in the Bonneville system. Idaho has very few public agencies to buy this power, so it mainly would have gone to Idaho Power Co. and private industry.

PREFERENCE CLAUSE MODIFIED AT MONTANA DAMSITES

Fourth. In the bill for the Knowles-Paradise project, presently before the Senate, the entire amount of energy generated at the site of this dam in the Columbia Basin is set aside for the State of Montana. This would be somewhere from 256,000 kilowatts to 432,000. The reservation is provided for, despite the public-preference clause.

Fifth. At Big Bend Dam on the Missouri River, 50 percent of the 450,000 kilowatts to be produced is reserved for the State of South Dakota—once again, notwithstanding the preference clause.

In view of these precedents I fail to understand why the very mild modification I have proposed should stir up any serious opposition. The gains which this bill could provide to both public and private power organizations in the Pacific Northwest are so immense that they easily justify separate segments of the industry and individuals overlooking minor differences of opinion or interpretation of the bill.

In all these modifications of the preference clause, it should be stressed that the preference clause still would prevail within the favored State. This was made clear to us in the Senate by the distinguished Senator from South Dakota [Mr. CASE] when he explained the Big Bend modification on the Missouri. He pointed out that, while a private utility in South Dakota might prevail as against a public agency in a neighboring State, it still would be within the rights of a public body in South Dakota to withdraw this energy from a power company also in the State of South Dakota. This is likewise the case in Montana, Idaho, and other States where such modifications have been proposed or enacted—as it would be in the modification suggested in this version of the Bonneville Power Corporation bill.

As an additional assurance that neither the preference clause nor any modification of it would ever become actively operative, I think I should point out that this bill's carefully defined public utility responsibility is given more effectiveness by the provisions of section 2(h) of the bill, which require the Corporation to submit annually to the President and Congress a carefully planned and coordinated advance program. This would permit a reasonable surveillance of the Corporation program by the Congress and fully effective coordination of its programs with the plans of other agencies concerned.

3. FINANCING CALLS FOR REVENUE BOND OF $1.1 BILLION

Section 11(c) permits issuance of revenue bonds by the Corporation to the Secretary of the Treasury at a rate of interest equal to the average rate of outstanding Treasury obligations at the beginning of the fiscal year, up to a maximum of $1,100 million. Although the Secretary of the Treasury would be required to accept these obligations, this provision in effect assures that the Treasury will in no way be subsidizing the Corporation except by the loan of its credit during the early years of the Corporation's existence. After this initial seasoning period of 8 years the Corporation will submit to the Congress its recommendations for a proper permanent method of financing to be provided by new legislation.

In addition to the issuance of bonds the Corporation may use its own revenues. How important this can be is shown clearly by the experience of TVA in recent years, where the organization has been kept both alive and fairly healthy in its service role, despite the continual efforts of the Bureau of the Budget to starve it out of existence or into stagnation by not budgeting a single dollar for additions to its generating capacity within the past 6 years. In the face of another unfriendly administration at some future date these provisions for financing could very well save the life of the new Bonneville Power Corporation.

One other aspect of the importance of low-cost money should be mentioned here, because more is involved than just low-cost power for the region. What is directly concerned is the conservation and full utilization of the Nation's resources. Half the potential of the Columbia River, America's greatest power stream, is still awaiting development. But it is the high-cost, more difficult, 50 percent. Experience with the effects of high-cost private financing, such as in the Hells Canyon case, demonstrates the importance in the interest of conservation of our natural resources of making available to the Corporation the advantage of the credit of all the people, since this gives the lowest interest rate available and will assist the fullest feasible development of the resources of the Northwest.

The importance of this conservation aspect of low-cost money is emphasized by the current 308 review report of the Corps of Engineers. The major water plan of that report involves projects requiring $1,800 million in financing. This sum, added to the backlog of $1 billion worth of authorized projects awaiting development in the Northwest, gives some idea of the magnitude of the resource-development job faced by the Corporation in the next two decades. For the information of those who are not familiar with the Bonneville Power Administration's financial record, I should add that probably over 90 percent of this investment will be repaid on schedule from the power revenues of the Bonneville Corporation.

4. LIMITATIONS OF HYDROELECTRIC POWER GENERATION

In the past 20 years the Northwest has felt confident that the abundant energy resources of the Columbia River would supply its needs forever, or at least for the foreseeable future. We know now that this is not true, that the time is not far distant when Columbia hydropower will have to be supplemented with either conventional thermal or new

atomic powerplants, as the region's and the Nation's electric loads skyrocket upward. In addition, we are told by power experts that in a combined hydrothermal system the most effective use of hydroelectric installations is to carry the peak loads of the system, with the less flexible thermal plants carrying the base load.

Clearly, not only will future load growth require the Bonneville Corporation to be able to provide thermal capacity in its system, but the most effective and economic use of its hydro capacity will demand it. Only in this way can the economy of the Pacific Northwest continue its normal growth without serious and perhaps cataclysmic readjustments, for the Bonneville system has been a major factor in that growth during nearly a quarter of a century. This is the other major improvement this bill can provide over present operations of BPA, for at present there is only hydro in the Federal system.

5. ADDITIONAL ACCOMPLISHMENTS OF THE BILL

I am not going to attempt today any full description of other features of this proposed legislation. Many of them were included in the previous drafts and have been widely and publicly discussed, both in the hearings and in the public press. As to most of these elements, because I have described my view of them fully in hearings and here in the Senate, there is no need to burden the record now with mere repetition.

However, in summary I want to list a few of the accomplishments I envision for this bill if enacted into law, in addition to the major points previously discussed.

I think the Bonneville Corporation will have a new identity with the Pacific Northwest, its interests and its people. In the past few years too many—in fact almost all—of the important decisions for BPA have been made in Washington, D.C., under the Interior Department reorganization plan. The Corporation, whether it is finally created with a Board of Directors or with an Administrator as recommended by the Bureau of the Budget, would perform a major service in reversing this trend toward centralization of the decisionmaking process in Washington, D.C. The Corporation would inevitably be closer to the people of the Northwest and more responsive to their views and needs.

The Corporation could take a major part in the final settlement of the problems on the Columbia River involving our great friend and neighbors, Canada. With the approval, and upon request of the Secretary of State, it could play an important role both in the negotiation of these issues and in the operational settlement finally agreed upon.

The Bonneville Corporation could be a dynamic regional economic planning agency with its carefully planned and coordinated advance programs. In this sense it could be a far more effective force for regional development than even BPA in its best days—and with no important expansion of its actual authority over the resources of the region.

I believe the financial position and operations of BPA would be greatly improved by this legislation. It is probable that the jerry-built nature of the present organization would leave room for important new efficiencies in a tighter more business-like corporate framework. Passage of this bill would assure a continual supply of new power for the Federal system and permit a steady growth of the economy in the future rather than the fits-and-starts growth of the past 10 or 15 years.

BONNEVILLE POWER CORPORATION BILL OFFERS PROMISE

Because the Pacific Northwest needs a new and constructive approach to all these problems and many others, Mr. President, I am introducing today the Bonneville Power Corporation bill, with the hope that my able colleagues from the Pacific Northwest will join me in working for its passage, after full and adequate committee consideration of it and after any necessary perfecting amendments have been incorporated in it.

I therefore send this bill to the desk, and ask that it be referred to the appropriate committee.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The bill will be received and appropriately referred.

The bill (S. 1927) to amend the Bonneville Project Act in order to establish the Bonneville Power Corporation, introduced by Mr. NEUBERGER, was received, read twice by its title, and referred to the Committee on Public Works.

FARM PROGRAMS

Mr. AIKEN. Mr. President, newspaper and magazine articles, business organizations, some Government officials, and many individuals are attacking the farm programs these days.

Many of these attacks are obviously inspired by those who would profit by the abandonment of programs which tend to maintain farm income at a reasonable level.

Most of them, however, are the result of uninformed or misinformed public opinion.

Some attacks are strictly diversionary tactics designed to focus attention on a limited number of cases in which farm operators have received rather large benefits so that the public will not notice the unwarranted benefits which the attackers themselves are receiving at Government expense.

Farm programs are also under attack by another group, which insists that the present system of controls over the farmer does not go nearly far enough and who, if judged by their words and action, will be satisfied with nothing short of a completely Government controlled and operated agriculture.

The furor over farm programs has become so intense, so biased, and so unreasoning as to cast confusion and suspicion into the public mind.

What I shall try to do today is to set forth the purpose of Federal farm programs, the importance of such programs to our national economy and national security, the extent to which they benefit persons not engaged in agricultural production, and the necessity for continuing such programs on a well conceived and practically applied basis.

The grounds on which attacks are being made upon farmers and farm programs are based primarily on these three reasons:

First. The agricultural appropriation bill now exceeds $6 billion annually. Even so, it has now been outstripped by the annual interest bill of this country.

Second. The Government now owns or has loans on over $9 billion worth of agricultural commodities, and this amount is likely to increase.

Third. Over the past 25 years, the Federal Government has incurred losses ranging from $5 to $20 billion, depending upon what sets of figures are used and how such figures are applied.

At the outset, I concede that we have made many mistakes in setting up and operating farm programs.

There has been inefficient application at times.

There has been dishonesty in some cases.

There have been inequities in the distribution of benefits, with some who need relief the least receiving the lion's share.

We are undoubtedly paying unnecessarily high rates for the storage of Government owned commodities and probably paying these rates to the wrong people in many instances.

Government programs in the past and at the present time have encouraged and continued to encourage the production of certain commodities of which we already have surpluses.

New legislation is needed to correct abuses and to put us on a sounder and more practical basis.

Farm legislation for the most part, however, has been honestly enacted and conscientiously applied.

I shall not talk about new legislation today, other than to point out the necessity for keeping farm programs up to date.

I am, however, ready to cooperate fully with other Members of this body, with the officials of the executive branch and with the farm organizations of America whenever it is indicated that they seriously wish to make such corrections in existing programs as will insure a prosperous agriculture and a sound economy for the Nation.

There is not much time to lose if such action is to be taken at this session of this Congress, to be effective this year.

Unwarranted delay can only spell further confusion, and possible disaster.

Although price supports and controls were first practiced in this country more than 300 years ago, the modern farm program came into existence in the 1930's.

When the Congress realized at that time the extent to which the depression was due to disastrous farm prices and the effect such prices had upon the national economy, it took steps to effect economic recovery through the establishment of programs which would increase farm income.

When a minimum price was established for a bushel of corn, not only the

farm economy, but the national economy as well, began to recover.

So we see that the primary purpose of the modern farm program was to restore and maintain a healthy national economy.

When World War II broke out farm programs took on an added importance.

The Allied Nations looked to the United States for the grains and other commodities which were necesary to the successful prosecution of the war.

The normal production of our farms would have been inadequate to meet the need.

Farmers, however, were not in position to increase their production to the extent necessary because they lacked capital with which to do so.

Not only that, but with thousands of farm boys leaving to enter the service, most farms in America were shorthanded.

Only new equipment and new facilities could meet the requirements; and these cost money.

The Congress, therefore, not only provided for agricultural loans, but increased the support price of the most important commodities, from a level of 50 to 57 percent which then prevailed to 90 percent of parity and a guarantee that such prices would be supported for the duration of the war and 2 years thereafter.

With such guarantee of prices, the farmers were able to obtain credit with which to increase their production.

In fact, the increase in agricultural production in America was largely responsible for winning the war, and was a feat which was exceeded only by the men in the fighting forces themselves.

So the second reason for establishing strong farm programs was in the interest of national security.

After the war the productive power of American farms was instrumental in putting the countries of Western Europe and other parts of the world back on their feet.

This had hardly been accomplished when the Korean war broke out; and again there was a demand for increased production of certain commodities, particularly wheat.

Again the American farmer responded.

Since the end of the Korean war production of grains and some other commodities have exceeded our normal requirements in this country.

The result has been an accumulation of surpluses, primarily wheat, corn, cotton, and tobacco, until Government investment in such surpluses amounts to between $9 and $10 billion today.

There has been much argument, some of it recriminatory, concerning the responsibility for these surpluses.

On the one hand, there are those who say that an increase in price supports inevitably results in greater production.

On the other hand, there are those who say that a reduction in price supports will not reduce production.

We have proved conclusively that an increase in price such as was made at the beginning of World War II can increase production tremendously.

The farmer buys new equipment.

He improves his land.

He acquires more land, if possible, on which to produce greater crops.

His capital investment increases.

However, having done this, there is no positive assurance that he will produce substantially less if price supports are sharply reduced.

In the first place, every landowner, whether farmer or corporation executive or city investor likes to see crops grow.

He likes to produce the maximum amount of the best quality. It is in his blood.

A more practical reason, however, for not reducing production when prices are lowered lies in the fact that having become geared to high production, a farmer cannot reduce his production without taking a beating, unless he is compensated for it in one way or another, as in the case of the conservation reserve or the acreage reserve of the past few years.

With the land, the facilities and the equipment designed to produce maximum crops, the farmer knows, since his capital investment is a fixed cost, that for every unit he reduces his production, he increases the cost of producing that unit whether it be per pound or per bushel.

I sometimes wonder if the critics of farm programs really know what it is they are attacking.

It is not the farmer so much as it is the public that would pay dearly if farm programs were abolished.

Only the fact that some surpluses are produced holds retail prices for foods as low as they are today.

Even a slight shortage would result in skyrocketing consumer prices.

It is the economy of the United States, the security of America, and the preservation of our soil and water resources that necessitate the operation of a basically sound and prosperous agriculture.

Does the urban dweller, living alongside a river where floods used to be prevalent, realize that he is more secure today because of a series of reservoirs in the upper reaches of the river, the cost of which is charged to the farmer on whose land they are located and who does not necessarily get much, if any, benefit from it?

Do the millions of mothers in our cities realize that the lunches which their children receive at school are charged in part to the farm program?

Do our internationally minded citizens know that in the aggregate billions of dollars worth of foreign-aid programs and military assistance for other countries are paid for with agricultural commodities, the cost of which is charged to farm programs?

Does the merchant seaman realize that his job and a part of his pay probably come from our Department of Agriculture appropriation?

Fifty million dollars a year of this appropriation accrues to the merchant marine for transporting farm commodities under Public Law 480.

How many persons realize that a part of the cost of the milk and dairy products used by our Armed Forces is charged against the farm program?

Do those who are concerned with maintaining the soil and water resources of the Nation realize that nearly all the cost of this conservation work is charged against the farm program?

Do they realize that we are planting over 1 billion forest trees a year on eroded and tired land, and that the farmer who plants those trees will in all probability never harvest a single one of them?

The harvesting will be done by those who come two generations later.

Yet the cost of all our public reforesting is charged against agricultural appropriations.

Does the housewife realize that much of the research work done on the preparation and handling of food for her benefit is charged against the farm program?

That all the inspection of meats and other food products which is charged to the farm program is done primarily for the benefit of the nonfarm population?

And finally, do we fully realize how mighty fortunate we are to be living in the most productive Nation on the face of the earth where we are sure of enough to eat and wear, and where the future does not hold the prospect of privation?

Had it not been for the productiveness of American farms, Western Europe would not be a democratic area today, and there would have been no NATO.

Neither would many other countries be part of the free world had it not been for the fact that American products helped keep body and soul together until they could stand on their own feet.

Not one of us would swap places with a person living in any other country on earth, yet we see a continuing attack being made upon the policies and programs which make our enviable position possible.

Certainly we should correct faults in our programs, but we must not go so far as to jeopardize the future security and economy of the Nation.

It is estimated that 40 percent of our national economy is generated on the farm.

Nearly 40 percent of our gainfully employed people are engaged in making farm supplies, producing crops and handling and processing our agricultural production.

Our job is not to abolish farm programs. It is to keep them in balance and up to date.

Right now, we are somewhat unbalanced because we have been encouraging an overproduction of wheat on land which, for the good of the Nation, should be used for other purposes.

More realistic legislation affecting wheat should be enacted without delay.

Mr. President, since I prepared this statement the President has sent an urgent message to Congress asking for action on wheat legislation. It is imperative that we do something in this field without delay. It means that a great many people will have to give. If we do nothing, we will find our vital farm programs in danger of falling from the weight of their own irrationality.

The American public is being lulled to sleep by the assurance that even though farm programs be curtailed or abolished,

there will always be plenty to eat and plenty to wear in this country. They take it for granted. They are sure it will always be that way.

This feeling of complacency could be shattered almost overnight.

There is plenty to eat and plenty to wear today, indeed, more than enough, but two short crop years in succession could throw our economy into a panic.

Speculation and inflation would take place.

Food costs would rise. Unemployment and depression could follow.

Other nations which now feel that the United States can come to their aid with food whenever necessary would lose confidence in our ability to assist them.

The greatest stabilizing influence of the world's economy today is the agriculture of the United States.

Take away our assurance of plenty of food and international chaos could result.

I am saying what I am today in the hope of impressing upon Government officials, farm organizations, and the American public the fact that we must not take steps which would put American agricultural production or farm income on the skids.

We must take steps to put our price support programs in order.

I hope the seriousness of the situation will come home to all those who talk solely in terms of costly handouts to the farmer and oppressive burdens on the taxpayer.

I hope they will take the trouble to read the credit side of the farm program ledger.

This Nation cannot afford the luxury of farm organization fighting farm organization; of executive branch fighting legislative branch; or urban people organizing against farm people, because we are all in the same boat.

It is our country, and all of us must rise or fall together.

We cannot afford to take chances which might impair our democratic form of government.

We cannot afford to suspend programs which assure decent living to coming generations.

We cannot afford either inflation or a major depression.

It is time to lay aside spite and prejudice, to take farm policies out of politics and to concentrate on maintaining, improving, and modernizing farm programs before it is too late.

Mr. CARLSON. Mr. President, I wish to commend the distinguished Senator from Vermont, who is the ranking minority member of the Committee on Agriculture and Forestry, for a timely, statesmanlike, and exceedingly constructive statement on the problems of agriculture.

I say it is timely because a considerable amount of criticism has developed in this Nation with respect to the present farm programs and the operations of the farmers themselves.

The situation must be clarified. I am confident that the Senator's speech today will be most helpful in that regard.

The Senator has well stressed the importance of agriculture in our domestic economy, and also its importance in our international relations. I am sure the Senator from Vermont, who serves on the Committee on Foreign Relations, will agree with me as to the importance of the great quantities of food we are sending to countries all over the world, whose people lack food for the nourishment of their bodies and in some cases are starving. I am convinced personally that it is much better to send food to those countries than it is to send guns. I hope we will be able to increase the great quantity of food we are sending to these countries, in order to improve our relations with them.

The Senator mentioned the reference to wheat in the President's message. Coming from the State of Kansas, which produces one-fourth of the winter wheat of the United States, I concur in the statement that we must give some consideration to the present situation which has developed in the wheat-producing States.

It is easy to say that price supports should be reduced. That, too, would have some very serious effects in an area which is completely a wheat-producing region. The wheat farmer realizes that there is a problem with respect to surpluses of wheat. He is asking only one thing, namely, that he be given his fair share of the national income. That is true of all our farmers, so far as I have noticed.

I sincerely hope that as we move into a discussion of the wheat question, every consideration will be given to the problems of the wheatgrowers, because they affect not only the wheatgrowers themselves, but also the economy of the communities where wheat is grown.

In 1951 the wheat farmers of Kansas planted 18 million acres of wheat. Following the allotment program, they now have an allotted acreage of 10½ million acres. Consequently, Kansas wheat farmers have actually reduced their production. I sincerely hope it will not be necessary to have further reductions of acreage, because to do so would bring about serious problems.

I myself have introduced a bill which I know will receive attention, and I urge that it be given additional consideration. It proposes a program which would give full parity for the amount of wheat produced and consumed in this Nation, and the world price, or whatever other price might be agreed on, for the remainder. I know there are some problems in connection with such a program. I would be less than frank if I did not say so. But anyone who has studied the wheat program knows there are problems in whatever direction we may move.

I am personally indebted, as I believe the Senate and the country are indebted, to the outstanding statement which has just been made by the Senator from Vermont concerning the farm programs and food.

Mr. AIKEN. I thank the able Senator from Kansas. Nobody knows better than does our colleague from the great wheat-producing State of Kansas the problems of the farmer, particularly those of the wheat farmer.

I have made my statement today to try to impress upon Congress and upon the people of the Nation, as well, the seriousness of the present situation. I have tried to tell the purpose of the farm programs and what is likely to happen if we let them fall of their own weight.

I know there are weaknesses in our farm programs. I myself have no feeling at all against attacking these weaknesses or seeing others attack them. But we have now reached the point where the country as a whole is attacking the farm programs, and such attacks can have disastrous results. So I hope the people will take notice of the situation and will realize that only a few days are left for Congress to do something about the wheat situation.

Many plans have been proposed. The administration has its ideas; the Senator from Kansas has his ideas; I have my own ideas. I think all of us will have to "give" a little somewhere along the line if we are to avoid going down to—well, not to disaster, but to harder times altogether, and take the consumers of the country with us.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MANSFIELD. I join with the Senator from Kansas [Mr. CARLSON] in complimenting the distinguished senior Senator from Vermont for laying the facts on the table, so far as the farm program and farm appropriations are concerned. It is true that many persons throughout the country seem to be anxious to make a guinea pig out of the farmer. They picture the American farmer as one who has had his nose in the public trough for many years.

As the able Senator from Vermont has pointed out, many things are charged to the farm program which are not applicable to it and are not of direct benefit to the farmers themselves.

The Senator from Vermont has stated that if this Nation were to have 2 years of poor crops, we would be in a state of panic or near panic. He is absolutely correct. We moan about our surpluses. We forget the years of our scarcities. I recall, as a boy in Montana, that if we had 1 good crop year in 7, we were doing very well. The Nation has now had 17 good crop years in a row. Suppose the cycle turns. Suppose bad crop years come once again. Then we shall be extremely glad that we have on hand a reserve inventory of food to take care of the emergency.

I think the Senator from Kansas [Mr. CARLSON] directed his remarks toward the right person when he said to the Senator from Vermont that he would like to see more of our surplus foods used in the foreign aid program, and fewer of our dollars.

I want the Senate and the country to know that the Senator from Vermont has been a leader in the fight to establish a program for the disposal of excess commodities in such a way as to take care of our older citizens, our needy citizens, and our children, under the Aiken food stamp plan. I know he is just as much interested in getting rid of some

of the surplus commodities on a humanitarian basis among the underdeveloped peoples of the world in the same manner.

So I congratulate and compliment the distinguished senior Senator from Vermont, the ranking Republican member of the Committee on Agriculture and Forestry, and assure him that, in my opinion, by laying the facts on the table he has performed a public service today.

Mr. AIKEN. Mr. President, I thank the Senator from Montana. As he knows, and as almost everyone else knows, there are very few persons whose opinions I value higher than I value those of the junior Senator from Montana.

I am glad that our surplus commodities have been used to alleviate some of the want in this country and in foreign countries. I am still of the opinion that more of our agricultural productivity could be used to good advantage in enabling the 30 million persons in this country who now have insufficient and inadequate diets to have enough of the right kinds of food to sustain them better and make their lot a much happier one.

I have not forgotten that proposal. I realize that up to now we have not had sufficient votes to pass it. However, I feel that the time will come when we will realize that one of the best uses to which we can put agricultural production, which might otherwise be surplus, is to provide a better diet and a better life for 30 million people in our own country who now are undernourished. We should continue our efforts. It is a source of great satisfaction that we have been able to produce enough food in this country so as to have virtually outlawed famine in any part of the world, although malnutrition still exists among probably 2 billion persons. It is a great satisfaction to use our own bounty, for which we ought to be thankful, in such a way. We ought not to find fault, but should be glad that we can help people who are so much less fortunate than we are.

Mr. WILLIAMS of Delaware. Mr. President, I join with my colleages in paying my respects to the senior Senator from Vermont for the constructive statement he has made in pointing up the need for a revision of our present farm program. During the past few years it has been my privilege to serve with the Senator from Vermont on the Committee on Agriculture and Forestry. I know that there is no Member of the Senate who is better informed and better qualified to speak on this subject than he; neither is there any Senator who has worked harder to try to find a solution of the farm problem.

I have oftentimes criticized the present program, and shall criticize it again when necessary. On many occasions I have pointed out that much of the criticism of the present farm program relates to the abuses which are being committed in the name of the American farmers; but mostly the abuses represent the large payments which are unrelated to and do not accrue to the benefit of the bona fide American farmer.

I know of no better example of that than one which is published in today's issue of the Washington Daily News, in which it is pointed out by the writer, Dick Preston, that in New Mexico large acreages are being rented from the State for 25 cents an acre by persons who are not in reality farmers, and then are leased back to the Government, under the soil bank or conservation reserve program, at an average of approximately $8 an acre. Mr. President, this is but another indefensible example of how tax dollars are being paid out in the name of the American farmer, whereas in reality these benefits are not accruing to the benefit of the bona fide farmers.

As the Senator from Vermont has pointed out, I think the time is long overdue when we in Congress should recognize the abuses and the excesses which are committed under the program, and should bring about corrections.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, the article which was published today in the Washington Daily News. The headline is "Land Leased at 25 Cents an Acre, $8 Gained From Soil Bank—Huge New Mexico Farm Profits Bared."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LAND LEASED AT 25 CENTS PER ACRE, $8 GAINED FROM SOIL BANK—HUGE NEW MEXICO FARM PROFITS BARED

(By Dickson Preston)

ALBUQUERQUE, N. MEX., May 13.—Some New Mexico farmers—and some city workers who know a good thing when they see it—are making a 3,000 percent profit out of doing literally nothing for Uncle Sam.

At least 60 of them are using the soil bank feature of the $6-billion-a-year U.S. farm program to collect an average of $8 an acre each year for land they lease from the State for only 25 cents an acre.

The land originally belonged to the Federal Government—which gave it to New Mexico in 1912 to help finance the new State's schools.

Under contracts now in force, these deals will cost U.S. taxpayers more than $500,000 over a period of 5 years. Total outlay by the leaseholders for the 5 years will be only about $17,000.

OTHER STATES

Similar sure-profit arrangements reportedly are in effect in other Western States which have public lands for lease for dry farming and grazing purposes.

In Colorado, 49 persons lease land from the State at $2 an acre and collect about $8 an acre from the soil bank. Officials here say such contracts probably have been written in Texas, Utah, and other States which have received Federal land grants.

Records of the New Mexico land office at Santa Fe and county Agriculture Department offices show that among those profiting in this State are an Agriculture Department employee and a former Republican candidate for U.S. Senator.

The Federal worker is Ray C. McDaniel, deputy State conservationist for the Soil Conservation Service. The ex-candidate is F. S. Atchley, of Mount Dora, former State representative who opposed Senator DENNIS CHAVEZ in 1958.

FIVE-YEAR LEASE

Mr. McDaniel holds a 5-year lease from the State for State-owned lands in Harding County in eastern New Mexico. He pays 25 cents per acre per year for these.

He also holds a 5-year contract with the Federal Government to put 135.1 acres of the same land into the soil bank conservation reserve at $7.70 an acre.

Over the 5 years, Mr. McDaniel will draw $5,201.35 for land on which he pays the State only $148.61—a net profit of $5,052.74. All he has to do is promise not to grow any crops on the land.

In addition, the United States will share any expense to which Mr. McDaniel is put in growing cover crops or for other approved practices under soil bank regulations.

Mr. Atchley is receiving $1,245.04 per year under similar arrangements. Largest annual payment in the State is $5,355 to Emma L. Jamison of Quay County.

NOT ILLEGAL

Under present laws, there is nothing illegal about the scheme. Congress has barred Federal lands from the soil bank, but has done nothing about State-owned lands.

Dale Helsper, State administrator of the agricultural stabilization and conservation program, says New Mexico farm officials opposed leaving the soil bank's door open for State lands.

"We realized what was going to happen and opposed it," Mr. Helsper said. "Now, however, we feel there is nothing we can do except to grant contracts for State-owned lands when they comply in other respects."

Mr. Helsper said the land must have at least a 2-year history of being planted to crops before it is eligible for the soil bank. That bars would-be profiteers from leasing State lands and popping them into the soil bank at once for a quick profit.

Most of the 13,800 acres of State land in the soil bank had produced crops for several years before being placed in the reserve, he said.

Mr. AIKEN. Mr. President, I thank the Senator from Delaware. No one has been more diligent than he in trying to correct inequities, weaknesses, and wrongdoings in our farm programs. He has performed a very valuable service indeed, because if we fail to recognize the weaknesses and shortcomings of the programs, we only invite the destruction of the programs as a whole.

I do not know exactly what the Senator from Delaware has referred to, in quoting from the press, because I have not seen it. However, I think I know; and I believe what he has said is true; namely, that large acreages—hundreds of acres, perhaps thousands of acres—have been leased for small sums, and then have been released to the Federal Government at very high prices.

This morning, I have been in consultation, and perhaps the Senator from Delaware has been, too, with officials of the Department of Agriculture who are seeking a way, and, I think, have found a way, to prevent such abuses.

A few persons who will take advantage of their neighbors and of their country to obtain unwarranted profits and benefits and unearned income for themselves can do tremendous harm to a program which otherwise is of great importance and can be of great benefit.

RESERVES REQUIRED TO BE MAINTAINED BY MEMBER BANKS OF THE FEDERAL RESERVE SYSTEM

The Senate resumed the consideration of the bill (S. 1120) to amend section 19 of the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits, which had been

reported from the Committee on Banking and Currency with amendments on page 1, line 4, after the word "the", where it appears the first time, to strike out "provisos" and insert "proviso"; in line 5, after the word "fourth", to strike out "and fifth paragraphs" and insert "paragraph"; in line 6, after "(b)", to strike out "and (c), respectively"; in line 7, after the word "in", to strike out "each"; in line 8, after the word "such", to strike out "fifth" and insert "fourth"; on page 2, line 5, after the word "balances", to strike out "specified" and insert "in effect under this section for member banks described"; in line 7, after the word "above", to strike out "and a member bank in a central reserve city may hold and maintain the reserve balances specified in paragraph (a) or (b) above,"; after line 16, to strike out:

SEC. 2. (a) The fifth paragraph of section 19 of the Federal Reserve Act, lettered (c) (U.S.C., title 12, sec. 462), is amended by striking out the word "thirteen" in such paragraph and substituting in lieu thereof the word "ten".

And, in lieu thereof, to insert:

SEC. 2. (a) Section 19 of the Federal Reserve Act is amended by striking out the fifth paragraph, lettered "(c)".

In line 25, after the word "amended", to insert "(i) by striking out '(1) by member banks in central reserve cities or (2) by member banks in reserve cities or (3) by member banks not in reserve or central reserve cities or (4) by all member banks' and inserting in lieu thereof '(1) by member banks in reserve cities or (2) by member banks not in reserve cities or (3) by all member banks' and (ii)"; and on page 3 after line 8, to insert a new section, as follows:

SEC. 3. (a) New York and Chicago are hereby reclassified as reserve cities.

(b) The classification "central reserve city" and the authority of the Board of Governors of the Federal Reserve System to classify or reclassify cities as "central reserve cities" are terminated.

(c) All references in the Federal Reserve Act, in the National Bank Act, and in any other Federal statute to central reserve cities shall be deemed to be and shall be treated as references to reserve cities.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 19 of the Federal Reserve Act, as amended, is further amended by striking out the proviso in the fourth paragraph of such section, lettered (b) (U.S.C., title 12, sec. 462), by changing the colon in such paragraph to a period, and by adding after such fourth paragraph the following:

"Notwithstanding the other provisions of this section—

"(1) the Board of Governors, under such regulations as it may prescribe, may permit member banks to count all or part of their currency and coin as reserves required under this section; and

"(2) a member bank in a reserve city may hold and maintain the reserve balances in effect under this section for member banks described in paragraph (a) above if permission for the holding and maintaining of such lower reserve balances is granted by the Board of Governors of the Federal Reserve System, either in individual cases or under regulations of the Board, on such basis as the Board may deem reasonable and appropriate in view of the character of business transacted by the member bank."

SEC. 2. (a) Section 19 of the Federal Reserve Act is amended by striking out the fifth paragraph, lettered "(c)".

(b) The sixth paragraph of section 19 of the Federal Reserve Act (U.S.C., title 12, sec. 462b) is amended (i) by striking out "(1) by member banks in central reserve cities or (2) by member banks in reserve cities or (3) by member banks not in reserve or central reserve cities or (4) by all member banks" and inserting in lieu thereof "(1) by member banks in reserve cities or (2) by member banks not in reserve cities or (3) by all member banks" and (ii) by striking out the words "on the date of enactment of the Banking Act of 1935".

SEC. 3. (a) New York and Chicago are hereby reclassified as reserve cities.

(b) The classification "central reserve city" and the authority of the Board of Governors of the Federal Reserve System to classify or reclassify cities as "central reserve cities" are terminated.

(c) All references in the Federal Reserve Act, in the National Bank Act, and in any other Federal statute to central reserve cities shall be deemed to be and shall be treated as references to reserve cities.

Mr. ROBERTSON obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from Virginia yield to me?

Mr. ROBERTSON. I yield.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUADRICENTENNIAL ANNIVERSARY OF FLORIDA

Mr. MANSFIELD. Mr. President, with the permission of the Senator from Virginia, and with the proviso that he holds the floor, I ask unanimous consent that the unfinished business be laid aside temporarily and that the Senate proceed to the consideration of House Concurrent Resolution 103.

Mr. ROBERTSON. I do not object.

The PRESIDING OFFICER. Without objection, it is so ordered, and the Chair lays before the Senate House Concurrent Resolution 103, which will be stated by title.

The LEGISLATIVE CLERK. A concurrent resolution (H. Con. Res. 103) to commemorate the quadricentennial anniversary of Florida and to recognize the quadricentennial anniversary commission of that State.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. HOLLAND. Mr. President, first, I appreciate greatly the willingness of the leadership on both sides of the aisle to have the Senate take up now and agree to the resolution in question, and also the kindness of the Senator from Virginia in yielding to me.

The resolution simply recognizes the fact that Florida is beginning today the celebration of the quadricentennial of Florida's settlement.

The first settlement at Pensacola, 400 years ago, in 1559, was made by the de Luna expedition which was organized at Mexico City. This settlement was not permanent, though it lasted 2 years.

Following that there was the Fort Caroline settlement at the mouth of the St. Johns River near Jacksonville in 1564 by the French Huguenots which was wiped out the next year by the Spanish from St. Augustine under Menendez. The settlement by the Spanish at St. Augustine, in 1565, became the first permanent settlement in Florida and in the continental United States.

These three events which occurred in the space of those 6 years are the reason for the setting up of the quadricentennial anniversary commission in our State and the beginning of celebrations which commence today at the city of Pensacola with outstanding festivities.

Mr. President, the concurrent resolution would simply recognize this historic situation, and would cooperate, so far as the Congress is concerned, with the quadricentennial anniversary commission appointed by the State of Florida, the first of any of the States of the Union which have been able to celebrate the quadricentennial anniversary of their settlement from European sources.

I ask that the concurrent resolution be adopted.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

The PRESIDING OFFICER. Without objection, the preamble is agreed to.

Mr. HOLLAND. I thank the distinguished Senator from Virginia for his courtesy.

Mr. ROBERTSON. The Senator is very welcome, indeed.

RESERVES REQUIRED TO BE MAINTAINED BY MEMBER BANKS OF THE FEDERAL RESERVE SYSTEM

The Senate resumed the consideration of the bill (S. 1120) to amend section 19 of the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits.

Mr. ROBERTSON. Mr. President, the Senate has before it a banking bill, S. 1120, which the junior Senator from Virginia, chairman of the Banking and Currency Committee, feels is about as noncontroversial as a bill could be which covers all the national banks of the Nation and all the State banks that are members of the Federal Reserve System, and are affected by a bill relating to reserve requirements.

The bill is very short. It could be printed on 2 pages. But the report is very extensive. It covers 26 pages.

We deliberately filed a full report, first, in order that the bankers of the Nation might easily understand what we are attempting to do; and, secondly, to save the time of Senators who would have an

opportunity to read the report, and thus eliminate much discussion on the floor of the Senate.

Mr. President, the Committee on Banking and Currency has reported the bill to which I have just referred, S. 1120, which I introduced for myself, the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Indiana [Mr. CAPEHART], at the request of the Board of Governors of the Federal Reserve System.

The purpose of the bill is to remove some generally recognized inequities that now exist in the structure of reserve requirements applicable to member banks of the Federal Reserve System.

Originally, the primary—if not the sole—purpose of bank reserve requirements was to assure the liquidity of banks. The reserve was considered as a supply of money immediately available in the event of a sudden demand for cash. However, practice has shown that reserve requirements cannot be used to any great extent to meet cash withdrawals. Cash needs of a going bank must be met largely by drawing on excess reserves and other cash assets, or by liquidating security assets, or borrowing from the Federal Reserve banks. In the final analysis, therefore, the liquidity of the banking system as a whole now depends on the ability and the willingness of the Federal Reserve to supply additional funds to the banking system in periods of stress.

Similarly, the assumption that required reserves would aid the depositor in time of bank distress has been changed; for it has been seen that these reserves would only cover a fraction of a depositor's claim. Hence, deposit insurance has replaced required reserves as a means of deposit protection.

Today, member bank reserve requirements have importance primarily because they are an essential part of the mechanism through which the Federal Reserve can influence credit conditions and thereby influence prices and economic activity.

Under the Federal Reserve Act, a bank which is a member of the Federal Reserve System must maintain with its Federal Reserve bank, as a reserve balance, a certain proportion of its deposits. The proportion of reserves to deposits varies according to whether the deposit is a time deposit or a demand deposit and also according to the classification of the bank. For purposes of the reserve requirements against demand deposits, all banks are classified into one of three categories:

First. Central Reserve city banks.

Second. Reserve city banks.

Third. Country banks.

There are at present 2 central Reserve cities and 49 Reserve cities. The 6,331 member banks—as of September 24, 1958—include 32 central Reserve city banks, 274 Reserve city banks, and 6,007 country banks.

The basic or minimum reserve requirements prescribed by law, as amended in 1917, are 3 percent on time deposits for all member banks which this bill does not affect. On net demand deposits, minimum reserve requirements are 13 percent for banks in central Reserve cities, 10 percent for banks in Reserve cities, and 7 percent for other member banks. Since 1933 the Board of Governors has had authority to vary the requirement percentages up to maximum requirements of double the minimum requirements. The requirements in effect and the permissible limits are shown in table 1, page 3 of the report on S. 1120:

TABLE 1.—*Member bank reserve requirements*

Class of bank	Percent of demand deposits			Percent of time deposits		
	In effect Jan. 1, 1959	Statutory		In effect Jan. 1, 1959	Statutory	
		Minimum	Maximum		Minimum	Maximum
Central Reserve city banks	18	13	26	5	3	6
Reserve city banks	18½	10	20	5	3	6
Country banks	11	7	14	5	3	6

In addition to reserve balances with Federal Reserve banks, which satisfy reserve requirements, banks also hold vault cash—currency and coin for which no reserve allowance is permitted under existing law. Banks hold this vault cash in amounts they feel obliged to keep for working purposes. Generally, banks hold no more vault cash than necessary to meet their daily currency demands, but some banks find it desirable or necessary to hold larger amounts of cash than other banks, depending on location and other factors.

Today, holdings of vault cash for all member banks amount to a little over $2 billion. Country banks in the aggregate hold nearly $1.3 billion of vault cash, amounting to nearly 4 percent of their net demand deposits, or about a fourth of their present required reserves, while Reserve city banks as a group have vault cash holdings amounting to 1.7 percent of net demand deposits, or less than one-tenth of their total required reserves. The vault cash holdings of many large city banks, however, including most central Reserve city banks, amount to 1 percent or less of their net demand deposits, and but a small fraction of required reserves.

The bill would make three changes in present law:

First. It would authorize the Federal Reserve Board to permit member banks to include all or part of their vault cash holdings in their required reserves.

Second. It would give the Board more flexible authority to permit individual member banks in Reserve cities to carry reserves at the lower requirement levels specified for country banks.

Third. It would eliminate the central Reserve city classification. New York and Chicago would be reclassified as Reserve cities with legal reserve requirements specified for Reserve city banks. This third provision is a committee amendment. The Federal Reserve Board proposed only to change the range of permissible requirements for central Reserve city banks to 10 to 20 percent, the range currently applicable to Reserve city banks.

Mr. President, at this point I think I should say that there was some difference of opinion among the members of the committee concerning the amendment which was finally adopted by a majority of the committee, which was to wipe out the special classification of central Reserve city banks, which applied only to the banks of New York and Chicago.

Since the committee reported the bill we have learned that if the amendment shall become immediately effective it will release a very substantial amount of new credit. Consequently, the distinguished Senator from Connecticut [Mr. BUSH], who presented to our committee the amendment which was adopted, will, at the appropriate time, offer some language which has been drafted as a substitute for the bill, by which the bill would be changed only in one respect; that is, to make it discretionary, so far as the timing is concerned, that the Federal Reserve Board may eliminate the classification of central Reserve city banks during a period of 3 years.

In view of the information which the chairman of the committee received from the Federal Reserve Board, it is felt that the effect of the amendment the committee adopted, if immediately complied with, either would be inflationary or would require an increase in reserve requirements of all banks, so the chairman is going to indicate, when the amendment to postpone the date of the effectiveness of the provision is offered, that he thinks it ought to be accepted by the committee.

Mr. BUSH. Mr. President, will the Senator yield for a question?

Mr. ROBERTSON. I yield.

Mr. BUSH. I wonder if the Senator correctly stated the provision about the 3 years. I believe the reference is to within a period of 3 years.

Mr. ROBERTSON. That is what the Senator from Virginia intended to say.

Mr. BUSH. I simply wanted to make sure the RECORD was correct.

Mr. ROBERTSON. It is not necessary to wait 3 years. At such time as the Federal Reserve Board feels the action can be taken without having an undesirable inflationary effect on the economy of the Nation, the action can be taken.

Mr. CLARK. Mr. President, will the Senator yield for a question?

Mr. ROBERTSON. I yield.

Mr. CLARK. Do I correctly understand that the amendment which the Senator from Connecticut intends to propose was not discussed within our committee?

Mr. ROBERTSON. That is correct.

Mr. CLARK. The amendment would merely give the Federal Reserve Board a discretion, for a 3-year period, with respect to increasing reserve requirements, but would not require the Federal Reserve Board to comply with the present requirements, would it?

Mr. BUSH. The Senator is correct. It would simply give a period of grace, one might say, to the Federal Reserve Board, of 3 years in which the Board could in orderly fashion adjust the reserve requirements, as indicated by the bill. I refer to the release of the vault cash and other provisions of the bill.

It would be much more orderly if the Reserve Board were not required all at once to make a drastic change in reserve requirements.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. ROBERTSON. I yield.

Mr. CLARK. Since we are making some legislative history about the bill, and since I am one of a number of members of the Committee on Banking and Currency who favor easier credit instead of more strict credit requirements, and one of those who do not believe there are apparent in the bill as reported by the committee, inflationary effects, I should like to indicate that, while I am quite content to go along with the amendment which the Senator from Connecticut has persuaded the Senator from Virginia to accept, I do not think the bill as it was reported by the committee has any inflationary implications at all. I hope very much the Federal Reserve Board will loosen credit and will use the discretionary authority which is to be given to it, even under the amendment to be offered by the Senator from Connecticut, to increase credit, thus tending to eliminate the tight money policy which I believe is holding back the necessary growth of our Nation.

In the end we come to the conclusion that we are both prepared to support the bill, but for quite different reasons. Since we are making legislative history, that should be noted for the RECORD.

Mr. ROBERTSON. That is exactly so.

The chairman of the committee wishes to point out that so far as easy money is concerned the potentialities of the bill are tremendous, although, of course, this is also true under the present law. As I have already stated, the vault cash carried by country banks, which is not now counted, amounts to about 25 percent of their required reserves. Vault cash is counted in the reserve requirements of most State banks by State authorities. In the Reserve city banks the vault cash is one-tenth of 1 percent.

This will be a great boon to small country banks when conditions permit the Federal Reserve Board to ease up on credit. In order to equalize matters, the three sponsors of the bill—the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Indiana [Mr. CAPEHART], and myself—are interested in getting the bill enacted into law.

In view of the present attitude of the Federal Reserve Board, we do not anticipate the Board will take action immediately one way or the other, but the power should be provided, and we would give it to them by passing the bill.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. BUSH. I wish to observe also that it is fair to say there is nothing in the bill or in the amendment to be offered which would in any way inhibit the Federal Reserve Board from making credit just as easy as it chose. In other words, there is no deterrent of any kind; if anything, the tendency is a little on the opposite side. The bill would give discretion.

The chairman of the committee suggested that I offer the amendment, which I will offer in a moment.

Mr. ROBERTSON. The Senator is quite correct.

Mr. President, the inclusion of vault cash as reserves would remove the inequity which now exists because many banks, particularly country banks, find it necessary for operating purposes to hold larger amounts of vault cash than do other banks. If vault cash were permitted to satisfy reserve requirements, total requirements would be the same for every bank in a class, while the proportionate amounts carried on balance with Reserve banks or as vault cash would vary.

The bill also recognizes that some banks located in Reserve city areas are predominantly engaged in business which is similar to the business of country banks. The Board, under present law, is permitted to reclassify, for lower reserve requirements, only those banks which are located in the outlying districts of central Reserve and Reserve cities. The proposed change would broaden the Board's authority to permit reclassification as country banks of individual member banks now located in the central district of a Reserve city.

I wish to add, for the benefit of my friend from Pennsylvania, that represents a loosening of credit for banks, which are located in Philadelphia or other Reserve cities, which do the type of business which country banks do.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. CLARK. I think the general result of the passage of the bill, despite the amendment which the Senator from Connecticut will offer, will be to make money easier not only in the country districts but also in the Reserve districts and central Reserve districts. That is one reason why I am in favor of the bill. I believe if we are to get our economy back on the road to growth we must provide the credit necessary for expansion.

I realize that my friend from Virginia and my friend from Connecticut do not happen to agree with that particular economic theory.

Mr. ROBERTSON. We can certainly agree on one matter. As the Senator from Pennsylvania has said, the Senator from Virginia is a little more disturbed at the present time about the inflation potential than he is concerned with a need for easier credit. However, if the time should come when all of us can agree that we need more credit and need more expansion of the money supply, this is a medium to which we could turn.

Mr. CLARK. I agree.

Mr. ROBERTSON. I thank the Senator.

Mr. PROXMIRE. Mr. President, will the Senator yield at that point?

Mr. ROBERTSON. I yield.

Mr. PROXMIRE. I should like to clarify in my own mind, the last remark of the chairman of the committee. He said that when the time comes for easier money, this meaning lower reserve requirements is the way to get it. I am not sure that I follow him completely. I am sure he does not mean to say that when the time comes for easier money he would foreclose the possibility that one way to get it would be by open market operations. I am afraid there may be a tendency in the bill to substitute lowering reserve requirements for lower rediscount rates on open market operations as a means of easing credit.

Mr. ROBERTSON. The chairman will clarify his statement by saying that that is one means of doing it. Another means, of course, is to reduce the rediscount rate. A great many banks which have substantial borrowing power would rather have a cheaper rediscount rate than a low reserve requirement which would release more of their own assets. A great many persons believe that a low rediscount rate has more effect on the interest rate charged by commercial banks than have the reserve requirements.

Of course, there is the other field, of open market operations. However, the chairman would rather not go into that question. That is a policy question, entirely outside the scope of this bill.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. BENNETT. The point the Senator from Virginia has just made is that the Federal Reserve Board has three paths to travel, either to tighten money or loosen it. The fact that we change the reserve requirements in this bill does not in any sense involve the other two paths.

Mr. ROBERTSON. That is true; but some persons are unmindful of the fact that if there are very lenient reserve requirements, and the banks have a great deal of borrowing power, if the rediscount rate is set below the rate being paid in the market on Federal bonds, the banks can jump in, without any risk, borrow money at 3 percent from the Federal Reserve Board, and buy Government bonds paying 3¼ or 4 percent. That is not desirable from the standpoint of a sound economy.

I have discussed the fact that the committee adopted this amendment because we did not believe that the designation of central Reserve city banks, applying only to New York and Chicago, was necessary. It was understood that the Senator from Connecticut [Mr. BUSH] would offer a substitute which would provide for a period of 3 years, during which the Federal Reserve Board could eliminate this special designation.

The committee amendment to eliminate the central Reserve city classification is based on the conclusion that separate classification of New York and Chicago banks is an unwarranted discrimination against such banks. The committee felt that the rapid growth of Reserve cities as financial centers reflecting population and industry shifts, together with tendency of large business

corporations to decentralize, had removed the distinctions between central Reserve city and Reserve city banks.

It is important to note that these proposed changes create a more rational and equitable structure of reserve requirements. In no sense of the word may these changes be construed as devices to alter monetary policy or the effectiveness of credit control instruments of the Federal Reserve Board. I call attention to the fact that under the vault cash proposal, the amount of reserves released is subject to the discretion of the Board, and that the Board, at its own discretion, reclassifies individual member banks in Reserve city areas for lower country bank reserve requirements. The classification of New York and Chicago banks as Reserve city banks, a change which is to become effective within a period of 3 years as stipulated in the amendment to be proposed by Senator BUSH, would involve at most, in the absence of offsetting changes by the Federal Reserve Board, a release of only $400 million in reserves.

The lowering of the range of permissible requirements for 32 New York and Chicago banks from 26–13 percent to 20–10 percent does not mean that we are moving, or that we want to move, any closer to dangerous inflation.

In commenting on the 20 percent upper limit, the Federal Reserve Board, which has been expressing great concern over the dangers of inflation, stated during the hearings on this bill:

> It seems unlikely that occasion will arise in the future when a reserve requirement of more than 20 percent for any class of banks would be necessary.

Nor is there any reason to be alarmed over the reduction of the minimum requirement from 13 to 10 percent for this handful of banks in New York and Chicago. It is most unrealistic to worry about $750 million of additional reserves that could be released in New York and Chicago with a drop from 13 to 10 percent, when, under existing law and existing minimum requirements, the Federal Reserve Board could, by reducing legal reserves to the minimum, now release for all member banks an additional $5.4 billion in reserves. That the Board has not utilized this great and existing inflationary potential should be most reassuring to those of us concerned with inflation and should help us to consider this reserve requirement bill, S. 1120, in proper perspective.

S. 1120 is a bill designed to remove longstanding inequities in the structure of reserve requirements; it is nothing more—nothing less.

Before I conclude this brief summary of the bill, I feel that I should add that I have been informed that a distinguished member of our committee, the Senator from New York [Mr. JAVITS] will offer an amendment to come at the end of the bill, affecting the reserve requirements of bank holding companies. That is a subject which was not discussed in our committee, and I could not agree, therefore, to accept it on behalf of the committee. However, I understand that it has been worded in a manner which is acceptable to the Federal Reserve Board, which has jurisdiction over bank holding companies, and that it is in substantially the same form as was approved in March 1957, when the Senate adopted what was then known as the Financial Institutions Act, which I had sponsored, to codify all the banking and credit laws of the United States.

Those are the two amendments we are to consider: First, the amendment to be offered by the Senator from Connecticut [Mr. BUSH], providing a 3-year period within which the Federal Reserve Board may decide to wipe out the distinction of a central Reserve city bank; and second, the amendment to be offered by the Senator from New York [Mr. JAVITS], relating to the reserves of bank holding companies.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. PROXMIRE. I should like to ask the Senator from Virginia, the chairman of our committee, some questions, because I feel very strongly that this is an extremely important and historic action we are about to take. Is it not true that ever since the establishment of the Federal Reserve System, the statutory reserve requirements have been a minimum of 7–10–13?

Mr. ROBERTSON. That is correct.

Mr. PROXMIRE. Is it not also true that in 1935 the maximum reserve requirements were increased, roughly, to what they are now, namely, 7–14, 10–20, and 13–26?

Mr. ROBERTSON. That is correct.

Mr. PROXMIRE. Is it not also true that, as a means of counteracting inflation after World War II, when there was a tremendous pent-up purchasing power, the Congress enacted legislation which has a 1-year duration, and which increased the minimum reserve for country banks from 18 to 24, and for central Reserve banks to 30?

Mr. ROBERTSON. That is correct.

Mr. PROXMIRE. It seems to me that on the basis of this history, what the Senate is being asked to do—and, roughly, I agree with it for the same reasons as those expressed by the Senator from Pennsylvania—is extremely important. However, as a matter of complete and frank disclosure, it should be pointed out that we are now curtailing the authority of the Federal Reserve Board to limit the supply of money. Is not that correct?

Mr. ROBERTSON. I could not agree with that statement.

Mr. PROXMIRE. Let me put my question in a different way.

Mr. ROBERTSON. This bill was prepared by the Federal Reserve Board. The testimony was that they could not see any possibility, within the near future, of wanting to go above 20 percent; and certainly no immediate possibility of going down to 10 percent. As I have pointed out, under the terms of the bill we could add billions of dollars merely by counting all the vault cash. Under the present authority to release credit, the Board could release $4½ billion of credit.

Mr. PROXMIRE. I recognize that.

Mr. ROBERTSON. On the question whether the Federal Reserve Board is responsive to economic needs, soon after it became apparent, in the spring of 1958, that we were in a recession, and there was substantial unemployment and a large drop in production, the Federal Reserve Board cut the rediscount rate. It increased the supply of money in the first months of 1958 at the rate of 5 percent a year, when production was rapidly falling.

The total amount of money added to the money supply in the recent year 1958, which was, with respect to the national gross product, substantially below what was added in 1957, was $4½ billion. This was done by the very agency of which many persons say, "The agency is not responsive to economic conditions." The agency did respond. The agency cut the rediscount rate, and money piled up faster than it could be used without an inflationary effect. The farmers traditionally always take it "in the neck." They have to take what the people are willing to pay for food. That means wheat and the other major farm products, and certainly they have not gone up, but have been evaluated at 40 percent of the index of the cost of living. I might say the cost of living has remained fairly stable for the past 6 months. The reduction in the cost of food, while other things have gone up, is what has maintained the stability. In other words, if the farmer were to get what he is entitled to, we would have some inflation in the very near future.

Mr. PROXMIRE. I have been a severe critic of the Federal Reserve, and I expect that I shall always be one who will disagree with them so long as they adhere to their present policies. I agree with what the Senator has just said, that certainly the Federal Reserve Board has exercised its judgment. That is their judgment. My judgment happens to differ.

What I am worried about is that we are moving into such a position that the Federal Reserve System will tighten credit, not by raising the reserve requirements—because they have proposed legislation which will to some extent limit the figure to which they can raise reserve requirements—but to sell Government securities, and, in doing that, drive the interest rates up, and put into private hands holdings of Government securities which are now in public hands; thus costing the taxpayer the interest which is being paid on these Government securities.

That is not merely my idea. It is the idea of some responsible, respected, thoughtful, recognized economists, as well as Members of the House of Representatives and this body. I believe it makes sense. It is something which concerns me very much.

That is why I feel we should make some history on the pending bill, and why I, as at least one member of the committee, and one Member of the Senate, should say that I feel very strongly that this bill should not be interpreted by the Federal Reserve Board or anyone else as a departure by the Senate from its past attitude on monetary policy.

This is what the chairman of the committee has described as a method of adjusting an inequitable situation and providing an opportunity for some banks to use their vault cash.

Mr. ROBERTSON. When the chairman said that this is a simple bill, he did not mean to give the impression that it is a bill without any significance. The bill has a great deal of significance. It involves practically all the banks of the Nation, and it provides leverage, if exercised, over the control of our money supply and the value of the dollar.

Since the Senator from Wisconsin has raised the question whether a change from 26 percent to 20 percent weakens the power of the Federal Reserve Board to control the value of the money, I believe I should say that the reserve requirement ceiling of 20 percent for New York and Chicago banks as well as for other Reserve city banks does not weaken the powers of the Federal Reserve Board to combat inflation.

First. The Federal Reserve Board assures us that it sees no current nor future need to have a reserve requirement ceiling above 20 percent.

Second. Since the Accord of 1951, the Federal Reserve Board has been released from the responsibility of supporting the bond market at a fixed price. Open market sales of Government securities have now assumed major importance as a credit restraining device.

It should be noted that the occasions on which the Board raised requirements to 26 percent for central Reserve city banks—the outbreak of World War II and the post-war release of price controls—and above 20 percent with the outbreak of Korean hostilities, encompassed a period during which the Board was still committed to buy Government securities to support security prices at a predetermined level of interest rates. As long as the Board had to support Government bond prices, it was in no position to combat inflation with open market sales of securities.

Third. The currently large Federal Reserve holdings of Government securities—$25 billion—with about $20 billion in short maturities is ample enough to absorb any anticipated increases in excess reserves. At present, the excess reserves of the total member banks amount to no more than $500 million, most of which has been borrowed from Federal Reserve banks.

Fourth. Over an extended period of time, a relatively steady growth may be expected in amounts of currency and bank deposits essential to cover the money needs of a growing economy. An expansion of bank deposits would require an expansion of reserves available to the banking system at the present level of legal reserve percentages. In other words, in the face of growth requirements for additional money supply to feed real economic expansion, credit could become very tight even though the Board maintained the present percentage legal reserve requirements against deposits. In the long run, if reserve requirements have to be changed, they would move down rather than up in order to meet the needs of an expanding economy.

Fifth. It is not likely that member banks will accumulate large holdings of excess reserves resulting from heavy gold inflows as they did in the 1930's. The Federal Reserve has ample security holdings to offset the impact of gold inflows and more importantly, the evidence seems to point in the direction of gold outflows rather than inflows.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. PROXMIRE. I may at this point say that that is a little hard to accept, because, as I pointed out in my initial question, we have had continuously, ever since 1914 or 1913, the same statutory minimum for reserve requirements, and the economy has grown enormously since then. Since 1935 it has grown sixfold. Yet we have had the same 13, 10, and 7 minimum percent for this full 45-year period and 26, 20, and 14 maximum since 1935.

Mr. ROBERTSON. The Senator from Virigina would say that there is an urgent need for a comprehensive study of our monetary system and the problems of a stable dollar. The President has appointed a group of men to conduct such a study. A few days ago the Senate confirmed the nomination of a very able man who will serve as a member of that group. Some Members of the Senate thought he was another conservative. However, he is a well qualified conservative, even though his general viewpoint does not agree with the viewpoint of some members of our committee. There is a much larger and very splendid group which has been at work for about 6 months. It plans to make a 3-year study of the question of inflation, deflation, and the monetary supply, as well as what is the best way in which to preserve the stability of the currency. That is the committee which my friend, Mr. J. Cameron Thomson of Minnesota, was instrumental in forming. It was formed by the Committee on Economic Development. Some of the finest economists in the Nation have been appointed to serve on that committee. Bankers and economists and other experts are serving on that committee. We are looking with some hope to the results of their study. It may be comparable to the fine study which was made by the Aldrich Monetary Commission, which labored for about 4 years, and out of whose studies grew the Federal Reserve Act of 1913.

Mr. PROXMIRE. I should like to close with this observation, if the Senator will yield to me further. The statement which the Senator from Virginia made only a few minutes ago indicates the reason why open market operations were not engaged in in the 1940's; namely, that we had adopted the monetary policy of fixing interest at a low rate, and in that way supporting bond prices; and therefore it was impossible for the Federal Reserve Board to engage in open market operations. That would depart from this policy.

It seems to me that this policy may or may not have been wise. Many people believe it was then and do now; on the other hand, many people disagree. I am afraid that if we move too far in the direction we are now taking we will foreclose the Federal Government from following that policy in the future. What I am concerned about is—and I say it with deep respect for the fine people, people of great integrity, who serve on the Federal Reserve Board—that there is a tendency for an agency of the Government to become the captive of the industry it supervises. This works to the great advantage of the bankers. When reserve requirements are lowered, it is of tremendous advantage to them, just as it is advantageous to hold securities and earn the interest on them, rather than to have the Government hold them.

It is possible that if we adopt a monetary policy which eases credit by lowering reserve requirements, and then tightens credit by open-market operations, the income of the banks will greatly increase, but the people who have to pay interest will suffer, and suffer severely as their interest rates go up. That is the basis, frankly, for my serious misgivings about this bill, although I was the author of the original vault-cash-as-reserve bill this year.

Mr. ROBERTSON. Again, I wish to emphasize the fact that the bill is largely one of mechanics. On an automobile there is a gearshift. When the going is really tough, the driver can shift into low gear. If the going is pretty good, he can shift into intermediate gear. Then, if he wants to get a breeze, he can shift into high.

The provisions of this bill can be also shifted back and forth, so as to provide for easy money or for tight money; we do not say which. It is a bill dealing with mechanics, not policy.

As the Senator has said, there should be a study of the proper function of the Federal Reserve Board. After all, the country operates on a managed currency. While the Constitution requires Congress to provide for the issuance of money and to fix the value thereof, we have, for all intents and purposes, delegated that power to the Federal Reserve Board. Naurally, we are vitally concerned about how the power with reference to reserve requirements, rediscount rates, and open-market operations is exercised. But this bill does not deal with those policy questions.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. CLARK. While I await with interest the result of the study by the Commission appointed by the President, to which the Senator from Virginia has referred, I am sure that he, too, looks forward to what I hope will be perhaps an even more fruitful study conducted by the Joint Economic Committee of Congress, under the chairmanship of the distinguished senior Senator from Illinois [Mr. DOUGLAS] who is also a member of the Committee on Banking and Currency.

Mr. ROBERTSON. That is true. The only trouble with that committee is that it does not have adequate funds for a staff and does not have sufficient time. That is the reason why I hope

the Commission organized by the Committee on Economic Development, will make a more fruitful study. It is a subject which needs to be studied and as to which a policy must be agreed upon.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. BENNETT. I should like to take the attention of the Senator from Virginia back to the amendment which will be offered by the Senator from Connecticut, and which the Senator from Virginia has indicated he will accept. Is it the understanding of the Senator that within the 3-year grace period permitted by the amendment, the Federal Reserve Board may move both with respect to the counting of vault cash and also with respect to the designation of the Reserve cities?

Mr. ROBERTSON. The sponsor of the amendment says that that is correct. The Board was not, in the original bill, required to act on the vault cash within a 3-year period or any other period; it could move when it saw fit up to the top limit of counting vault cash. I understand that is the case under the Bush substitute.

Mr. BUSH. The bill as modified will so provide.

Mr. BENNETT. I wish to ask another question. Perhaps the Senator from Virginia or the Senator from Connecticut may wish to reply to it.

Mr. ROBERTSON. The technical staff informs me that I was right in my first statement. The authority to permit counting vault cash takes effect immediately. It is discretionary and need not be done at once. The 3-year limitation indicates that we do not want to apply the provision wiping out the classification of central Reserve cities immediately.

Mr. BUSH. In both cases, the discretion is with the Federal Reserve Board.

Mr. BENNETT. Is it the understanding that with respect to vault cash the Board has the power to make a decision tomorrow to count half the vault cash, or a quarter of the vault cash, or all the vault cash?

Mr. ROBERTSON. Or none of the vault cash.

Mr. BENNETT. Or none of the vault cash.

Mr. ROBERTSON. That is correct. Let us be certain that that is in the RECORD, because there is no assurance that the Board will count any of it at once or at a certain date.

Mr. BENNETT. Under the provisions of the bill, would it be possible for the Board, after it has come to the point where it has allowed the bank to count all its vault cash as a part of its reserve, thereafter to decide it wants none of the vault cash counted, and restore the present situation?

Mr. ROBERTSON. I do not think that is the meaning of the bill. The meaning of this part of the bill is to equalize the present disparity of requirements between the central city reserve banks and the country banks. One carries 3 percent of its required reserves in cash; the other carries 25 percent of its required reserves in cash. The bank carrying 25 percent is penalized by having to put up cash for its reserve requirement. Once cash is put up, it is there for keeps.

Mr. BENNETT. While they may take several steps in getting down to the point where they will require the banks to count all their cash, they cannot reverse the process.

Mr. ROBERTSON. They cannot come back and act unfairly to our country banks. They cannot exclude vault cash from the reserve requirements, once they have let it be counted.

Mr. BENNETT. I thank the chairman of the committee for clearing up this point. I think it is important.

Mr. ROBERTSON. It certainly is. I would not have been so much interested in the bill if I did not ultimately think that the country banks would get some advantage from it.

Mr. BENNETT. I thank the chairman of the committee.

Mr. ROBERTSON. Mr. President, that completes the presentation of the essential elements. I am very grateful to the members of the committee who assisted me in explaining the meaning of the bill to the Senate. I yield the floor.

The PRESIDING OFFICER (Mr. CLARK in the chair). The Chair is advised that the committee amendments should be disposed of before the Senator from Connecticut offers his amendment. Does the Senator from Virginia desire to have the committee amendments considered en bloc?

Mr. ROBERTSON. I understand that the amendment proposed to be offered by the Senator from Connecticut is a substitute for the entire bill. If so, he can offer the amendment in the nature of a substitute and have the Senate vote on it.

The PRESIDING OFFICER. The Chair is advised that the committee amendments must be disposed of first.

Mr. ROBERTSON. Then let us vote on the committee amendments en bloc.

The PRESIDING OFFICER. The question is on agreeing en bloc to the committee amendments.

The amendments were agreed to.

Mr. BUSH. Mr. President, I offer an amendment in the nature of a substitute. I ask unanimous consent that, in lieu of a reading of the amendment, the amendment be printed in full at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment in the nature of a substitute is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That section 19 of the Federal Reserve Act, as amended, is further amended by striking out the provisos in the fourth and fifth paragraphs of such section, lettered (b) and (c), respectively (U.S.C., title 12, sec. 462), by changing the colon in each such paragraph to a period, and by adding after such fifth paragraph the following:

" 'Notwithstanding the other provisions of this section—

" '(1) the Board of Governors, under such regulations as it may prescribe, may permit member banks to count all or part of their currency and coin as reserves required under this section; and

" '(2) a member bank in a Reserve city may hold and maintain the reserve balances which are in effect under this section for member banks described in paragraph (a), and a member bank in a central Reserve city may hold and maintain the reserve balances which are in effect under this section for member banks described in paragraph (a) or (b), if permission for the holding and maintaining of such lower reserve balances is granted by the Board of Governors of the Federal Reserve System, either in individual cases or under regulations of the Board, on such basis as the Board may deem reasonable and appropriate in view of the character of business transacted by the member bank.'

"SEC. 2. (a) The fifth paragraph of section 19 of the Federal Reserve Act, lettered (c) (U.S.C., title 12, sec. 462), is amended by striking out the word 'thirteen' in such paragraph and substituting in lieu thereof the word 'ten'.

"(b) The sixth paragraph of section 19 of the Federal Reserve Act (U.S.C., title 12, sec. 462b) is amended by striking out the words 'on the date of enactment of the Banking Act of 1935'.

"SEC. 3. (a) The amendments made by the first two sections of this Act shall be effective on the date of the enactment of this Act.

"(b) Effective three years after the date of the enactment of this Act—

"(1) New York and Chicago are reclassified as Reserve cities under the Federal Reserve Act;

"(2) the classification 'central reserve city' under the Federal Reserve Act, and the authority of the Board of Governors of the Federal Reserve System to classify or reclassify cities as 'central reserve cities' under such Act, are terminated;

"(3) Section 5192 of the Revised Statutes of the United States (12 U.S.C., sec. 144) is amended by striking out 'central reserve or';

"(4) Section 2 of the Act of March 3, 1887 (ch. 378; 24 Stat. 560) is repealed;

"(5) the last paragraph of section 2 of the Federal Reserve Act (12 U.S.C., sec. 224) is amended by striking out 'and central reserve cities';

"(6) section 11(e) of the Federal Reserve Act (12 U.S.C., sec. 248e) is amended by striking out 'and central reserve' each place it appears;

"(7) the third paragraph (lettered (a)) of section 19 of the Federal Reserve Act (12 U.S.C., sec. 462) is amended by striking out 'or central reserve';

"(8) the fifth paragraph (lettered (c)) of such section 19 is repealed;

"(9) subparagraph (2) of the sixth paragraph of such section 19 (as added by the first section of this Act) is amended by striking out 'and a member bank in a central reserve city may hold and maintain the reserve balances which are in effect under this section for member banks described in paragraph (a) or (b),'; and

"(10) the seventh paragraph of such section 19 is amended by striking out clauses (1), (2), (3), and (4) and inserting in lieu thereof the following: '(1) by member banks in Reserve cities, (2) by member banks not in Reserve cities, or (3) by all member banks'.

"Amend the title so as to read: 'A bill to amend the National Bank Act and the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits and to eliminate the classification "central reserve city".' "

Mr. BUSH. Mr. President, in the committee I offered an amendment to S. 1120 which would eliminate the central Reserve city classification for banks which are members of the Federal Reserve System. The amendment was unanimously approved by the committee.

I was convinced, and so, apparently, were all other members of the committee,

that this classification, imposing higher reserve requirements upon member banks in New York and Chicago, was unfair and was an anachronism.

The other principal provision of the bill was that which permitted banks to count their vault cash as a part of their required reserves. The latter provision, under the bill, goes into effect at the discretion, so far as timing is concerned, of the Federal Reserve Board. It is anticipated that it would be put into effect over a period of time, in order that the resulting lower reserve requirements would not conflict with the Federal Reserve's policy of monetary and credit restraint. It was also anticipated that this would be done in such a manner that the liberalizing effect could, if necessary, be compensated for by other actions of the Federal Reserve Board, such as the sale of Government securities in open market operations.

My amendment, however—the elimination of the central Reserve city classification—would be put into effect under the terms of the bill immediately upon its enactment into law. Certain difficulties have arisen because of this fact. The purpose of the amendment I am now offering is to allow the Federal Reserve Board a period of approximately 3 years in which to make effective the elimination of the central Reserve city classification.

Although I firmly believe the classification should be eliminated, and the committee so agreed, I am convinced that it should be done without inflationary effect and that the timing of it, within a reasonable period such as 3 years, should be determined by the Federal Reserve Board.

As a matter of fact, representatives of the New York Clearing House Association, who testified before the Banking and Currency Committee, agreed that the classification should be eliminated gradually. A representative of the Chicago banks concerned testified similarly before the House Committee on Banking and Currency.

The difficulties involved in immediate elimination of the central Reserve city classification are somewhat complicated, but I shall attempt to explain them as best I can.

In order to understand the problem one must understand the difference between "effective reserves" and "required reserves," or "legal reserves." Effective reserves include vault cash; that is, cash held by banks for the convenience of themselves and their customers over and above the reserves they are required to maintain by law and the regulations of the Federal Reserve Board. The latter, of course, is what is meant by required reserves, or legal reserves.

If the classification of central Reserve cities—that is, New York and Chicago—is eliminated immediately, with no release of vault cash, the effective reserves for city banks, particularly smaller ones with large vault cash holdings, would be higher than the effective requirements for the principal New York and Chicago banks. The reason for this is that Reserve city banks, on the average, hold vault cash amounting to about 1.6 percent of net demand deposits, while vault cash holdings of leading New York and Chicago banks average only six-tenths of 1 percent.

Obviously, this would be an inequity to all banks other than the leading banks of New York and Chicago. Therefore, to avoid the inequity, the Board would have to permit, at the same time, banks to count a substantial portion of their vault cash holdings as reserves. Thus, the Board would not only have to compensate immediately, through open market operations or otherwise, for the elimination of the central Reserve city requirement, but it would also have to compensate for an addition to excess reserves caused by the release of vault cash.

This problem would be very complicated at the present time, because of the difficulties which the Treasury is facing in its financing. The Board, by heavy sales of Government securities in a market already weak, might create a most undesirable destabilizing impact on Government security prices and yields.

Therefore, if the Board is to maintain its policy of monetary restraint, it would be forced to impose higher reserve requirements on all member banks. The compensating requirements, in order to maintain the same aggregate effective reserves now existing, would have to be fixed, for country banks, at 14 percent, and, for Reserve city banks, at 18.5 percent. This would compare with present legal reserves of 11 percent for country banks and 16.5 percent for city banks, and effective reserves—which include vault cash—of 14.5 percent and 18.1 percent, respectively. Thus, the benefit of the inclusion of vault cash would be almost entirely lost for the average country bank; and the average city bank would, in fact, be penalized by a requirement that it carry higher reserves than presently required or effective.

Thus, the immediate effect of the elimination of the central Reserve city classification would be to create very real problems of monetary management for the Federal Reserve Board. The purposes of both Senate bill 1120 and of my amendment to eliminate the central Reserve city classification are to remove inequities from the structure of reserve requirements and not to interfere with the monetary policy objectives now determining the actions of the Federal Reserve Board. Therefore, I believe it proper to amend the bill further, so as to provide a period of time for a smoother transition to the reserve structure sought by the bill and by the amendment which I offered, which was adopted in committee.

In offering this amendment, however, I should like it understood that I am only concerned with providing the Board with a means of orderly transition; and I am in no sense withdrawing from my position, nor is the committee withdrawing from its position, that the elimination of the central Reserve city classification should be accomplished at the earliest possible time consistent with sound monetary policy.

Mr. President, I would simply say, in addition, that the amendment in the nature of a substitute does not provide in any way for any changes of substance in the bill which the committee has already reported favorably. The amendment simply does one thing, and one thing only—namely, it gives the Federal Reserve Board a period of grace of 3 years in which to put into effect, the provisions of the bill, rather than to have them go into effect immediately upon the enactment of the bill.

Mr. ROBERTSON. Mr. President, I have no objection to such an amendment.

Mr. JAVITS. Mr. President, I should like to ask a question of the Senator from Connecticut. As I understand, the banks encompassed in the central Reserve city banks are agreeable to the Senator's substitute.

Mr. BUSH. There is no question about that; the Senator from New York is correct.

Mr. JAVITS. As I understand the parliamentary situation, Mr. President, it is necessary for me to call up at this time the amendment which I have at the desk. Therefore, I now call it up as an amendment to the amendment in the nature of a substitute.

The PRESIDING OFFICER. The Senator from New York is correct; and the amendment to the amendment will be stated.

The LEGISLATIVE CLERK. At the end of the amendment in the nature of a substitute it is proposed to insert a new section, as follows:

SEC. . Paragraph (c) of section 5144 of the Revised Statutes (12 U.S.C. 61(c)) is amended by inserting before the semicolon at the end thereof a period and the following:

"In any case in which there is more than one holding company affiliate with respect to the same bank or group of banks the establishment and maintenance of the reserve of readily marketable assets required by this paragraph by only one of such holding company affiliates, designated by the Board under such conditions as the Board may prescribe, shall constitute compliance with such reserve requirement: *Provided*, That all of the stock of the banks affiliated with such holding company affiliates which is directly or indirectly owned or controlled by them shall be owned or controlled, directly or indirectly, by the one so designated by the Board. This proviso shall not be interpreted as authorizing the Board to require any such designated company to own such stock directly."

Mr. O'MAHONEY. Mr. President, will the Senator from New York yield to me?

Mr. JAVITS. Certainly.

Mr. O'MAHONEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from New York yield for that purpose?

Mr. BUSH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Connecticut will state it.

Mr. BUSH. I believe I have the floor.

The PRESIDING OFFICER. The Senator from New York has the floor. It is the understanding of the Chair that the Senator from Connecticut had concluded his statement.

Mr. BUSH. That is perfectly satisfactory, Mr. President; I merely thought I had the floor.

The PRESIDING OFFICER. Does the Senator from New York yield for the purpose of the suggestion of the absence of a quorum?

Mr. JAVITS. Certainly, Mr. President, if that is desired.

Mr. O'MAHONEY. Then, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, this amendment, I think, may properly be described as a hardship amendment. It relates to a type of reserve which obtains so far as holding companies for banks are concerned, and it deals with a particular banking situation in which more than one holding company is involved. In a tier of holding companies which deal with the Morris Plan banks there are statutory requirements for a reserve, because of the way the law is worded, in every rank of the tier. Hence, there are duplicating reserve situations where, instead of the 12 percent reserve, there is the possibility of a requirement of 12 percent on 12 percent, and possibly more than that.

The reason for the amendment is the manner in which the Morris Plan bank system is established. The banks are essentially local institutions established for making small loans to small businesses. The strength they have comes from the fact that they lean on each other. They have been traditionally organized on a sectional holding company basis, with individual holding companies, of which there are seven, and five would be affected by this amendment.

At the top of the Morris Plan banks in question is the Morris Plan Corp. of Delaware. That, in turn, is controlled by an investment trust.

The substance of this particular amendment was included in the banking bill which passed the Senate in 1957, and which went to the House, but was not acted upon.

A situation is involved which the Comptroller of the Currency has an interest in seeing corrected, because unless it is corrected some of these banks may have to leave the national bank system.

The matter has been discussed with the Federal Reserve Board, which apparently finds this proposal acceptable; indeed, the last sentence of the amendment was inserted at the Board's request.

Mr. President, I ask unanimous consent to have made a part of my remarks a memorandum on this subject submitted to us by Arthur J. Morris, who is the directing head of this general enterprise.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MAY 4, 1959.

To Mr. Kaufman, assistant to U.S. Senator JAVITS.

Re Federal legislation.

As requested at my interview at which I had the pleasure of meeting you this morning, I set forth herein a brief summary of the situation regarding holding company affiliates, which make it most desirable that we have relief in the form of Federal legislation.

Section 5144 of the Revised Statutes (U.S.C. title 12, sec. 61) is a part of the National Bank Act and relates to holding company affiliates. A holding company affiliate is defined in the Banking Act of 1933 as a corporation or similar organization which owns or controls, directly or indirectly, either a majority of the shares of a member bank or more than 50 percent of the number of shares voted for the election of directors of any one bank at the preceding election, or controls in any manner the election of a majority of the directors of any one bank.

Section 5144, Revised Statutes, provides, among other things, that shares controlled by a holding company affiliate of a national bank shall not be voted unless the holding company affiliate shall have first obtained a voting permit, which permit is in force at the time the shares are voted, the only exception being in a case of a vote for voluntary liquidation of the bank. The section provides further that shares shall be deemed to be controlled by a holding company affiliate if they are owned or controlled, directly or indirectly, by such holding company affiliate, or held in trust for the benefit of the shareholders thereof.

There are various conditions to the granting of the voting permit:

1. The holding company affiliate must agree to submit to such examinations as may be necessary to disclose the relations between the banks and the holding company affiliate, which examinations must be at the expense of the holding company affiliate so examined.

2. The reports of the examiners must fully disclose the relations between the affiliate and the related banks.

3. The examiners have the right to examine each bank owned or controlled, both individually and in conjunction with other banks owned or controlled.

4. Publication of the individual or consolidated statements of condition of such banks may be required.

5. Probably most important of all is the requirement that the holding company affiliate is required to establish and maintain out of net earnings over and above 6 percent per annum on the book value of its own shares outstanding, a reserve of readily marketable assets in an amount of not less than 12 percent of the aggregate par value of bank stocks controlled by such holding company affiliate.

In the application for a permit, the holding company affiliate must make certain representations and undertake certain commitments which are not relevant here.

Under regulation "P" issued by the Federal Reserve Board, a holding company affiliate must obtain a voting permit to vote shares of a state member bank and must execute an agreement to be bound by the provisions of section 5144 R.S. outlined above.

On the basis set forth above, our seven holding company affiliates would be required to set up the 12 percent reserve and, in addition thereto, the Morris Plan Corp. would also have to set up similar reserves and, in addition, Financial General would have to duplicate the reserves. The reason for this is that each one of these companies meets the definition of a holding company affiliate. Indeed, it is possible that Equity Corp. might also be required to set up the reserve, as well as any private holding companies which control the election of the board of Equity Corp., if the Federal Reserve Board determined that Equity and its holding company through its minority interest in Financial General should be deemed to be controlling "in any manner the election of a majority of the directors of any one bank."

I am attaching a diagram which is designed to illustrate the superimposition of the various holding company affiliates, some or all of which would have to accumulate the 12 percent reserve in the fashion outlined above.

We should have legislation which would make it clear that only one reserve need be set up, and the draft of an additional clause to be added to section 5144 R.S., which I gave you, is designed to do this. The language employed is lifted out of the Financial Institutions Act which Senator ROBERTSON got through the Senate last year and the year before, but it was not passed by the House. The language of the Financial Institutions Act is quoted below, with last sentence thereof omitted.

"In any case in which there is more than one holding company affiliate with respect to the same bank or group of banks, the establishment and maintenance of the reserve of readily marketable assets required by this paragraph by only one of such holding company affiliates, designated by the Board under such conditions as the Board may prescribe, shall constitute compliance with such reserve requirement."

Respectfully submitted.

A. J. MORRIS.

Mr. JAVITS. Mr. President, I hope very much the Senate will act favorably on the amendment. I hope, too, that the substitute which the Senator from Connecticut has proposed may be amended in the way suggested. I think the Senate would be willing to adopt separate legislation for a situation of this character. The fact that the reserve bill is before the Senate gives us an opportunity to act on it at one and the same time with the question of central reserve city banks.

I hope very much my colleague from Virginia, who knows about this amendment, and who has actually discussed it with Mr. MORRIS, will take the amendment to conference.

Mr. ROBERTSON. Mr. President, as our distinguished colleague from New York has said, in 1957 the committee and the Senate adopted a provision substantially similar to this amendment. Under existing law, each bank-holding company must maintain the statutory reserve, 12 percent of the fair market value of the bank stock it owns.

It was stated on page 42 of the report on the Financial Institutions Act of 1957:

> Present law has been interpreted as meaning that each of the several holding company affiliates of the same member banks must maintain the statutory reserve. The purposes of the statute would be served if only one of the holding company affiliates in such a case, as designated by the Board, is required to establish and maintain the necessary reserves.

Since this matter was not brought up in committee, the chairman did not feel at liberty to say he could accept the amendment as on behalf of the committee; but he had communicated with the Federal Reserve Board, and the Federal Reserve Board had informed the chairman that it had reworded the proposed amendment so that it would be more acceptable to the Board than was the wording of the 1957 proposal, and, in the form in which it is now offered by the distinguished Senator from New

York, the Board had no objection to the amendment.

Since the chairman of the committee had the same provision in his bill 2 years ago, of necessity he has no objection to the amendment.

The PRESIDING OFFICER. Does the Senator from Connecticut wish to modify his amendment so as to accept and include the amendment of the Senator from New York?

Mr. BUSH. Mr. President, the amendment of the Senator from New York is acceptable to me. In view of what the chairman of the committee has stated, I am very happy to accept it as a modification of my own amendment.

The PRESIDING OFFICER. The Senator from Connecticut accepts the amendment of the Senator from New York as a modification of his amendment in the nature of a substitute.

Mr. JAVITS. Mr. President, I ask unanimous consent to include in the RECORD as a part of my remarks a listing of the holding companies in question, together with the subsidiary banks under each holding company. I have that information in the form of a chart, but I am sure the reporter can work it out so it will be in the form of text.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

SCHEDULE A

BANK HOLDING COMPANIES AND THEIR PARENT CORPORATION

THE MORRIS PLAN CORP. (DELAWARE)

Dominion Securities, Inc. (Virginia), 100 percent: Industrial Bank of Commerce of Albany, the Chesterfield County Bank.[1]

Potomac Securities Corp. (Maryland), 100 percent: The Bank of Silver Spring, Manchester Morris Plan Bank.[2]

Empire Shares Corp. (Delaware), 100 percent: Buffalo Industrial Bank, Industrial Bank of Schenectady, Industrial Bank of Commerce New York.[1]

Tennessee Shares Corp. (Delaware), 100 percent: Industrial Bank of Commerce of Albany, the Tennessee Valley Bank.[1]

Capitol Securities Corp. (Delaware), 100 percent: Union Trust Co. of the District of Columbia.[2]

Southeastern Shares Corp. (Delaware), 100 percent: Industrial Bank of Commerce of Albany, the Bank of Georgia.[1]

Illinois Shares Corp. (Delaware), 100 percent: Pullman Trust & Savings Bank, Standard State Bank, State Bank of Blue Island.[1]

JUNE 1958.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute proposed by the Senator from Connecticut, as modified by the amendment of the Senator from New York.

Mr. O'MAHONEY. Mr. President, I suggested the absence of a quorum a few moments ago and then stepped out of the door, intending to return immediately. When I returned, the order for the quorum call had been rescinded.

Mr. MANSFIELD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Montana?

Mr. O'MAHONEY. I yield.

[1] Bank holding companies.

[2] Not bank holding companies according to Federal Reserve.

Mr. MANSFIELD. Mr. President, I must take the responsibility for having the order for the quorum call rescinded. I had not known that the Senator from Wyoming suggested the absence of a quorum, and had I known it, I would not have asked that the order for the quorum call be rescinded.

Mr. O'MAHONEY. I know the Senator was acting in proper order, and I have no resentment and am making no complaint.

I simply wish to make a public record of the fact that at this moment, when we are considering a most important banking bill, there are present on the Democratic side of the Chamber five Senators, and on the Republican side three Senators. We are dealing with a subject of momentous importance to all the people in the United States. I look with fear and trembling upon the absentee record of Members of this body while we are engaged in the process of so legislating.

We think that free government is at stake in the world. We think that the Government of the United States is going to lead the free world to the salvation of free government, but how can this be accomplished if Members of the Senate are absent when important measures of this kind are being considered, and important amendments are being discussed and agreed to?

I have no criticism of the members of the Committee on Banking and Currency. I refer to a situation which has been brought about by the great accumulation of business which pours into the separate offices of every Member of this body, and to which we must give attention.

I know the Senate Committee on Appropriations is now holding hearings upon appropriation bills. I know the Committee on Interior and Insular Affairs, through its subcommittee of which I happen to be the chairman, the Subcommittee on Public Lands, is presently holding a hearing in the new Senate Office Building upon matters which are of great importance. Public officials of the State of Indiana have come before the committee to testify with respect to pending bills.

The Senator from Illinois [Mr. DOUGLAS] who has written supplemental views with regard to the bill presently under consideration, is at the committee hearing. I suggested the absence of a quorum, because I wanted to communicate with the Senator from Illinois to let him know that the bill was about to come to a vote, to determine whether he intended to be present. The Senator from Illinois must present witnesses at the hearing he is attending, and must be present at the hearing, so I did not insist that he come to the Chamber.

I am perfectly satisfied that the order for the quorum call was rescinded. I have no objection to that at all. I think it ought to be clear, however, to the Members of this body who are not present today, what is happening when we pass upon proposed legislation of such great importance.

Mr. President, I wish to take this opportunity to read a paragraph from the supplemental views of the Senator from Illinois [Mr. DOUGLAS].

Mr. BUSH. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I am happy to yield.

Mr. BUSH. Before the Senator reads the supplemental views, I should like to observe that I certainly share the Senator's regret that we do not have more Senators present in the Chamber when we are considering important legislation—and this is important legislation.

Mr. O'MAHONEY. Of course, it is.

Mr. BUSH. I also wish to observe, in fairness to the Senate, which is heavily overburdened with work, as the distinguished Senator has pointed out, that there are now, I imagine, 5 or 6 committees meeting on important business, or perhaps even 10. To my knowledge the bill presently under consideration has been on the calendar almost a month.

Mr. O'MAHONEY. That is true.

Mr. BUSH. The committee staff has received repeated inquiries about the bill. I and other members of the committee have received inquiries about the bill. We have been able to say that the bill was reported unanimously and that it really is not a controversial bill. I daresay that possibly accounts for a lack of proper representation on the floor of the Senate.

Mr. O'MAHONEY. I am glad the Senator has made those comments. I know his statements are true. The Senator is saying, in other words, what I had just finished saying, except to the extent that the Senator referred to the action of the Committee on Banking and Currency. That I knew nothing about.

Mr. BUSH. If the Senator will permit me so to state, I did not like to leave the RECORD with an indication that the Senate was quite as inattentive to such an important bill as might have appeared to be the case from viewing those present in the Chamber.

Mr. O'MAHONEY. I had pointed out that subcommittees and committees were meeting. The Senator will recall that, I am sure—or perhaps the Senator was not listening.

Mr. BUSH. Indeed I was listening.

I also wish to point out that, while the committees are meeting, it is not the case that there have not been inquiries made. The committee members really were informed that although this is an important bill it is not particularly controversial.

Mr. O'MAHONEY. Mr. President, the paragraph in the report of the committee, in the supplemental views of the Senator from Illinois [Mr. DOUGLAS] which I desire to read, is on page 16.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. ROBERTSON. The Senator from Illinois [Mr. DOUGLAS] told me, before he left for the committee meeting to which the Senator has referred, that he had planned previously to offer an amendment but had decided not to do so. The Senator asked if I had any objection to his supplemental views being printed in

the RECORD, and I said I did not. I assume the Senator made arrangements to have the supplemental views in their entirety printed in the RECORD. Perhaps the Senator from Wyoming would rather have the entire supplemental views printed, and then make comment upon a part of them.

The Senator from Illinois said that he did not intend to offer an amendment, and was satisfied to let the bill pass.

Mr. O'MAHONEY. I am rising now not for the purpose of doing what the Senator from Illinois might have intended to do but to gain some information for myself and for the RECORD. I wish to point out what seems to me to be one of the aspects of the bill which is most important. I have no doubt that the Senator from Virginia can explain it adequately, but I think it ought to be explained.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. O'MAHONEY. If the Senator will permit me——

Mr. ROBERTSON. The Senator from Virginia spent 45 minutes explaining the bill when the Senator from Wyoming was not present on the floor. The Senator from Wyoming came onto the floor in the last few minutes.

Mr. O'MAHONEY. I came onto the floor long before the last few minutes, I will say to the Senator. I came away from the meeting of the subcommittee of which I am chairman to be present and to listen to the explanation given by the Senator from Virginia.

Certainly I am burdened with many tasks, as is the Senator from Virginia and as are other Senators. I am not making any personal reference to any Member of this body, not even to the Senator from Virginia. Neither do I want to assume whatever action the Senator from Illinois [Mr. DOUGLAS] desires to take. The Senator did tell me he was going to have his supplemental views set forth in the CONGRESSIONAL RECORD.

I should like to read from the second paragraph of the supplemental views of the Senator from Illinois:

> The second change is to give to the Federal Reserve Board the power to treat cash held in the vaults of its member banks as a part of their legal reserves. The present requirement is that only deposits held in the Federal Reserve banks may be counted as legal reserves. These deposits result, in practice, from the Federal Reserve System buying Government securities from dealers. When the dealer deposits the Federal Reserve check in his bank, and the bank in turn clears or deposits the check with the Federal Reserve bank, the end result is to create a credit to the member bank on the books of the Reserve System and hence a reserve of that amount is credited to the depositing bank.

These words of the Senator from Illinois reminded me of the language of the Secretary of the Treasury, Robert Anderson, who was quoted in an editorial in the Washington Daily News of Tuesday, April 21. I read from the editorial, which is entitled "The Blight of Inflation":

> Treasury Secretary Anderson, speaking yesterday in New York, used a little story to show how the Government creates inflation.

Note those words, my colleagues—"how the Government creates inflation."

> He said he had a visitor in his office who obviously didn't understand why Government borrowing helps kick up the price of everything everybody buys. So the Secretary said this to the visitor:
>
> "Now suppose I wanted to write checks of $100 million starting tomorrow morning, but the Treasury was out of money. If I called up a bank and said, 'Will you loan me $100 million at 3½ percent for 6 months if I send you over a note to that effect?' the banker would probably say, 'Yes, I will.'
>
> "Where would he get the $100 million with which to credit the account of the U.S. Treasury? Would he take it from the account of someone else? No; certainly not."

This is the editor of the Washington Daily News speaking, quoting the words of the Secretary of the Treasury.

> "No; certainly not. He would merely create that much money—"

Observe the word "create"—

> "He would merely create that much money, subject to reserve requirements, by crediting our account in that sum and accepting the Government's note as an asset."

Note that language. This is the Secretary of the Treasury speaking—"accepting the Government's note as an asset."

"I O U'S ARE LIKE GREENBACKS," SAYS SECRETARY ANDERSON

Interrupting the reading of the editorial, let me say that on the 15th of May, 2 days hence, the Secretary of the Treasury will sell $5 billion worth of I O U's. These are bills and notes which will be due in less than a year, some of which are to be issued in exchange for existing outstanding short-term obligations, and some of which are to be issued for new money, which the Government needs, because it does not have in the till the cash with which to pay the current bills which are being presented for payment. That is our situation, and no one can deny it.

Now I come back to the statement of the Secretary of the Treasury:

> When I had finished writing the checks for $100 million the operation would have added that sum to the money supply. Now certainly that approaches the same degree of monetization (creating money) as if I had called down to the Bureau of Engraving and Printing and said "Please print me up $100 million worth of greenbacks, which I can pay out tomorrow."

Does anyone deny the correctness of the analysis of the situation in the words of the Secretary of the Treasury? I am sure no one will, because it is the sad fact. That is the situation in which we find ourselves. We are dealing with the people's money. We are dealing not only with the prices which the people must pay for the goods they must buy, but also the prices of the article and commodities which the Government must buy.

The Government creates inflation by this banking policy, and the Government is one of the victims of the inflation, because this increase in cost enters into almost every dollar of appropriations the Congress is asked to make. The budget submitted to the Congress by the President of the United States is $77 billion-plus. It has reached that sum because the Government and the Congress have not taken any steps to fight inflation. We leave our seats in the Senate vacant while inflation goes on. We attend our committee meetings, dealing with other matters which seem to be of pressing importance; but I say to the Senate that there is nothing of more pressing importance to the people of America and the people of the world than the soundness of the money of the United States. If we continue to create money by a practice which the Secretary of the Treasury says is little different from the printing of greenbacks, we shall have only ourselves to blame when bankruptcy falls upon the Nation.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Let me first add this word: We are engaged in a great economic war, which is being waged against this Nation by the Soviet Union. Oh, yes, we have the Secretary of State in Geneva, discussing with Gromyko and others questions relating to Berlin and Europe, but the big economic warfare which is being waged against us is being waged right here, when we permit inflation to go unchecked, and do not take the action which is required.

I now yield to the Senator from Connecticut.

Mr. BUSH. I am glad to hear the Senator from Wyoming express his deep concern about the very important subject of inflation. However, in respect to the matter of the Treasury financing through the banking system, I observe that it is only to the extent to which the Treasury is financing a deficit that one encounters the inflationary force about which the Senator speaks. To the extent to which the operation involves an exchange of securities, it does not create an inflationary force, or new money, so to speak, in accordance with the illustration from which the Senator read, and which I read with much interest. In fact, I think I placed the editorial in the RECORD 2 or 3 weeks ago, when it first appeared. I am glad the Senator has called attention to it again. It shows the sorry plight we have gotten ourselves into as a Nation, when the Secretary of the Treasury, as the Senator points out, within 2 days will have to go to the banking system to finance some $5 billion worth of Government obligations.

I point out that at the bottom of the whole trouble is the question of the deficit. That is why the deficit is so important. That is why the balancing of the budget is so important. It is the financing of the deficit that is inflationary. I hope the Senator will agree with me on that point. That is the reason why some of us are trying to lay such great stress upon the desirability of living within the budget, and not spending beyond our means, because, to the extent we do spend beyond our means, we are really fanning the inflationary fires.

Mr. O'MAHONEY. I quite agree with the Senator that financing the deficit is one of the methods by which the inflationary condition is created. But I say

to the Senator that the I O U's which are to be issued in 2 days by the Treasury are being issued in exchange for existing I O U's, about to mature, which the Government cannot pay off with cash. So it gets another I O U.

The reason why the exchange is made is that the Secretary of the Treasury is compelled to raise the interest rate. A few days ago an analysis of this transaction appeared in the business section of the New York Times. Whoever wrote that article reported as a fact that the interest rate which our Government must pay on its new I O U's to the banking system will be more than 4 percent.

The other day, in the Committee on Interior and Insular Affairs, we were discussing a reclamation project, and also the provision in the Reclamation Act which requires that the interest rate on money which is to be repaid shall be what the Government must pay. It happens that the latest instructions issued by the Bureau of the Budget and the Treasury Department fix that interest rate at 2½ percent; whereas the record now shows that the Government of the United States is borrowing new money at the rate of more than 4 percent.

That is a situation which creates more deficits. Is that not correct?

Mr. BUSH. The Senator is certainly correct on that point. I think we ought to raise the 2½ percent interest rate at least to what it is costing the Government to borrow money.

Mr. O'MAHONEY. It is utterly insane for the Government to lend money for less than it must pay to get the money. We cannot begin to have a really sound fiscal system when we do otherwise. The Senator from Connecticut nods his head in agreement.

Mr. BUSH. I am in full agreement with that statement.

Mr. O'MAHONEY. Let us proceed. First let me say that a part of the $5 billion of the refinancing which will take place on Friday is for new money. That is to say, it creates an additional debt of the United States, and is piled on top of the existing $283 billion debt, which is the greatest debt we have had since just before World War II was terminated. I remember that I was in the Chamber on the day the President of the United States issued an order requiring that the proceeds of the last loan which had been made to fight the war be immediately applied upon the national debt. He did that because surrender had been achieved. The national debt at that time was about $300 billion. The proceeds of the last loan were $25 billion. By order of the President the proceeds were applied to the reduction of the debt. The debt was then cut down to $275 billion. That was the national debt when the fighting stopped. The debt now is $283 billion.

This is a grave situation. It threatens our victory in the economic war. I am making these remarks at this time, not in criticism of any persons, and not in criticism of the committee which has reported the pending bill, but because I believe the record of this session of the Senate should show the terrible and appalling dilemma in which we have allowed ourselves to become embroiled.

I shall now continue to read from the editorial the comments of the editor on the statements of the Secretary of the Treasury:

> The obviously startled visitor at once said he would be against printing the greenbacks. Because it would cheapen the value of all the money already in circulation. He should be against this kind of Government borrowing, too, because it is the same thing.

Mr. President, what is the meaning of that? It simply means that the $5 billion borrowing which will take place this week on the part of the Treasury of the United States will cheapen the value of all the money already in circulation. It means that the dollar will be worth less, and that the prices for all commodities will rise. There is no answer to this argument.

The editorial goes on:

> It is this monetary inflation (pumping artificial credit into the banking system) which over the years has led to a spiralling of wages, prices, and living costs, with special interests and pressure groups scrambling to gain advantages at the expense of others.
>
> This seriously has affected the Government's credit, eroded the value of the people's savings and weakened confidence in our currency.
>
> There is no way for anyone to beat inflation. Like a blight over a land, or a plague engulfing a population, it ultimately damages and sickens all it touches.
>
> There is no way to survive inflation except to stop it.
>
> First step in stopping it is for the Government to quit spending money it does not raise in taxes—and to use some of its tax revenues every year to reduce the national debt.

Mr. President, the new money which the Government will get this week in the money market from the private banking system, to create new money, not to pay off or exchange any outstanding I O U's, is not obtained from tax revenue. It is exactly the same sort of money this editor is discussing when he says that the Government should "quit spending money it does not raise in taxes." It will be spending that kind of money when it pays these bills.

> Our Government has adequate tax revenues to pay for defense and pay interest and amortization on the debt.

That is a statement with which I disagree. I do not believe the Government has adequate tax revenues to pay for all the items of defense and to pay all the interest and amortization upon the debt. I am well aware of the reports of the General Accounting Office. The General Accounting Office, which was established to examine the accounts of all the bureaus of the Government, for the benefit of Congress and the people, reports that the military spending which we are carrying on under the name of foreign aid is full of waste and duplication, and is a spending program which foreign nations, contrary to agreement, make a profit because of the contracts which our Government makes to pay for arms and ammunition manufactured abroad in the guise of economic aid.

> But it—
>
> Meaning the Government—
>
> Does not have a bottomless barrel of money to pay now for even many desirable undertakings that might prove supportable later.
>
> We can no longer suffer demagogs to delude us that the Government can appropriate money it does not have to provide us comforts and security. The printed money they spend robs us of what we earn and save, and thus adds to our insecurity.
>
> The wealth of our Nation is only what people produce. The capital to build our industries and services is only what people save. The common defense for which our Government was created can be provided only by taxes people pay.
>
> "This country can," said Secretary Anderson, "have a bright economic future—it can have it without inflation.
>
> "This country cannot have an enduring bright economic future with inflation."
>
> That is the overriding issue before the country and Congress at this moment.
>
> "Should we impair either military security or economic growth in our efforts to achieve both," said Mr. Anderson, "we shall have failed our trust."

To this the editor of the Washington Daily News adds—

> and lost both.

This is the situation concerning which the Senator from Illinois [Mr. DOUGLAS] was dealing when he pointed out that the bill now under consideration makes a change which gives the Federal Reserve Board the power to treat cash held in the vaults of its member banks as a part of their legal reserves. I am inclined to believe, from what the Secretary of the Treasury has said, that such cash should not be a part of the legal reserves. May I ask the Senator from Virginia to explain that?

Mr. ROBERTSON. I shall very gladly do so. The bill is for the relief of country banks. Every bank in the great State of Wyoming is a country bank—every one of them. The bill will ultimately give country banks an average credit of 25 percent for their reserve requirements by counting their vault cash. I am very sorry that several members of his own committee challenged the position of the chairman of the committee that the bill is not an inflationary bill, because it it only a mechanical bill—an authorization. The Federal Reserve Board is aware of the dangers of inflation. At least one member of the committee felt that the bill should be an instruction to the Federal Reserve Board to be more liberal in the creation of credit and to make money more plentiful. The chairman pointed out that when the Board cut the rediscount rate last year, they created, in 1958, $4,500 million more money. Then they found they had to tighten up.

I am very happy that the distinguished Senator from Wyoming has raised this issue, although we might have disposed of it a little more expeditiously if he could have been here when the Senator from Virginia was fighting the very battle which the Senator from Wyoming is now mentioning. The bill is one of mechanics, but ultimately it will help all the country banks. Certainly it will help the banks of Wyoming, because all the banks in that State are country banks. Instead of having to put up good negotiable paper as the reserve requirement,

the money they have in their hands can be treated as a credit against their reserve requirements. That will happen eventually as I have said; the Federal Reserve Board will not do it now.

When it was found that $200 million of credit might be released in New York and Chicago—I do not know the exact amount; the staff said it was $400 million—the Federal Reserve Board became disturbed, so the authors of the bill, the Senator from Connecticut [Mr. BUSH] and the Senator from New York [Mr. JAVITS], amended their own amendment to allow the Board 3 years in which it could reduce the reserve requirements of the big, powerful banks in New York and Chicago.

So the Senator from Wyoming can assure his friends that in no instance can the bill be treated as anti-inflationary measure. It is not a policy bill in any respect. The bill merely does justice to the country banks, whenever the Federal Reserve Board will get around to giving them credit for their money. But it does not do that right now, because the Federal Reserve has said that to do so would increase the amount of credit at at time when it is not desired to expand the economy for fear of inflation.

Mr. O'MAHONEY. Is it not true, as the Senator from Illinois has said in his separate views, and as the Secretary of the Treasury said with respect to the I O U's, that when these credits are created, they are a demonetization of the notes, and they should be created as legal reserves? May I ask the Senator from Virginia to point out the language in the bill which makes this change, if there is such a change—the change which allows this money to be counted among the legal reserves?

Mr. ROBERTSON. Beginning in line 10, at the bottom of page 1, the bill reads:

(1) The Board of Governors, under such regulations as it may prescribe, may permit member banks to count all or part of their currency and coin as reserves required under this section.

That language was prepared by the Federal Reserve Board. It was endorsed by the Federal Reserve Board. It was endorsed by all the banking agencies of the Nation. It was endorsed by the American Bankers' Association. It was endorsed by the Independent Bankers' Association. It was endorsed by all the country banks of the United States. If the Senator from Wyoming has any doubt about it, he can call several of the banks in Wyoming, and they will tell him how much they are interested in the bill, a bill which will do justice to member State banks when under almost all State laws the cash in a State bank is credited against the Federal Reserve requirements, but not in the Federal Reserve System.

Mr. O'MAHONEY. I am not certain that the Senator from Virginia will be able to convince the bankers of Wyoming by his allusions to the banks of Wyoming as country banks—which they are, no doubt—that I am speaking against their interests when I call attention to the appalling danger of inflation.

Mr. ROBERTSON. I understood the Senator from Wyoming to say that he did not believe the Federal Reserve Board thought this was a good move.

Mr. O'MAHONEY. Oh, no; I did not say that. I know the Federal Reserve Board has been the creator of the tight money policy which has been very disastrous, in my opinion, in many areas of the country and to many independent entrepreneurs in the country. I think it is a policy which has been more to the interest of the banks of the Federal Reserve System and the banks at large than it has been to the benefit of the people at large.

Mr. ROBERTSON. As I have previously said, I feel that the Senator from Wyoming has made a worthwhile contribution to the theory of inflation. I only regret that when we were ready to vote on the passage of the bill, he was not willing to reserve the rest of his remarks until later, when he could have had the rest of the afternoon to deliver them, so far as the Senator from Virginia is concerned.

The Senator from Wyoming complained about the few Senators in attendance in the Chamber. The bill has been on the calendar almost a month.

On a two-page bill, we purposely submitted a 26-page report, in order that all Senators could know what the bill was about. Senators have heard from their bankers, and know their bankers want the bill enacted. Senators have discussed the bill with me. I have said the bill is noncontroversial, and that we expect the Senate to vote on it.

The Senator from Wyoming has an amendment which is to be considered following this discussion. Members of the Senate are aware of his amendment. The Senator from Wyoming will not be disappointed in the number of Senators who will be in the Chamber to pass on the amendment, and he should not be concerned that not more Senators are present now. I assure him that Senators know what the bill means, and they are satisfied with what is being done.

Mr. BUSH. Mr. President, I shall not delay the Senate; but I wish to compliment the Senator from Wyoming for his remarks in regard to the dangers of inflation. In bringing to the attention of the Senate the editorial to which he has referred, I believe he has very properly and very truly emphasized the dangers of inflation.

I must say that, sharing his sentiments in regard to the very grave dangers and the inflationary effects of deficit financing, I have endeavored to oppose bills which would violate the budget, increase the deficit, and have to be financed largely through the banking system; and the Treasury has indicated, in this very month of May, that such is the effect of bills of that sort.

Bills such as the housing bill, which the Senate passed, and the depressed areas bill or assistance bill—whichever term we may use—and the airport construction bill, all of which violate the budget very considerably, tend to do only one thing, insofar as the Treasury is concerned, namely, to put the Government further in the red, further violate the budget, and add to a deficit which, under present conditions, will have to be financed largely through the banking system.

Thus, we are inescapably driven to the conclusion that, as the Senator from Wyoming has pointed out, the greatest inflationary force of all is the creation of new money as a result of financing such measures and programs through the banking system.

So I hope all Members of the Senate and all Members of the House of Representatives will read in the CONGRESSIONAL RECORD the statement the Senator from Wyoming has made today, so they will appreciate the full force and effect of deficit financing, which must come to an end if we are to preserve the value of the American dollar and the credit of the Government of the United States, upon which I believe depends our entire mutual security program. In fact, the credit of the Government of the United States is the basic foundation of finance for the entire free world.

HOW GOVERNMENT MAKES INFLATION

Mr. O'MAHONEY. Mr. President, the remarks of the Senator from Connecticut, while very complimentary to a certain degree, raise some issues which I think entitle me to make a brief additional comment.

As I have said, the Government is issuing $5 billion worth of I O U's. These are not long-term bonds; they are bills and notes, all of which will be due and payable within 1 year. At the same time, the expenditures for foreign aid which are contained within the budget exceed $5 billion. The largest part of those expenditures will be for so-called military assistance, in which there are the waste and the duplication to which I have previously alluded. These expenditures also include the purchasing by the U.S. Treasury, with tax-raised dollars, of surplus agricultural commodities within the United States, which then are sold by the International Cooperation Administration to foreign countries, which, in turn, issue soft currencies in payment therefor.

The International Cooperation Administration has reported to Congress that, as of December 31, 1957, the Government of the United States held soft currencies said to be equivalent in value to $2,500 million American dollars. So, Mr. President, the United States holds $2,500 million worth of soft currencies of a number of foreign nations. The United States cannot spend for general purposes those large holdings of soft currencies. It cannot use them to pay the interest upon the national debt; it cannot use them to pay the salaries of the Members of Congress or to pay the men in the Army, the Navy, the Marine Corps, and the Air Force. It cannot even spend that money in the foreign countries which have issued it, without the consent of the governments of those countries, other than to use small amounts of it to pay for the expenses of our diplomatic representatives in those countries, to pay for U.S. expenditures by certain Members of Congress who go abroad to investigate the situations over there, and for expenditures of that kind. However, such expenditures

amount to only a drop in the bucket. That money is accumulating.

We are asked by the President to appropriate $750 million for the Development Loan Fund for the next fiscal year. During the present fiscal year, Congress appropriated, I believe, $500 million for that purpose. In the appropriation bill which passed the Senate only a week or so ago there was included an item of $200 million for this fiscal year; and if that item clears the conference, that appropriation will become available to the President, and will mean an expenditure, in the fiscal year 1959, of a total of $700 million for development loans.

I have in my office communications from persons in whom I have confidence, who tell me that the American dollars which are being loaned by the Development Loan Fund for construction work abroad are handled in such a manner that if an American contractor is building a project, he is required to accept as a partner some sort of a contractual company or organization in the country in which the project is to be constructed, and he is required to hire unnecessary, unneeded, and unqualified help. It is charged that these expenditures are being made for the profit of the political leaders in some of the countries involved, instead of for the benefit of the countries themselves, and that Communist agitators are filling the minds of the people of those countries with the charge that corruptionists in the United States of America are making partnerships with corruptionists in the countries we are aiding; and the Communists allege that we do nothing for the rank-and-file people of those countries.

Mr. President, the $5 billion for mutual security are American dollars raised by taxes. There are many wastes which can be obviated if we put our minds to it. The House of Representatives reduced the $250 million the President wanted for the Development Loan Fund, and allowed only $100 million. The Senate increased the amount to $200 million. What the amount finally authorized will be, I do not know. I point out, however, that here is an opportunity for saving money by preventing wasteful expenditure, and to that extent it will contribute materially to the fight against inflation.

The PRESIDING OFFICER (Mr. FREAR in the chair). The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Connecticut [Mr. BUSH], as modified by the amendment of the Senator from New York [Mr. JAVITS].

Mr. O'MAHONEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Connecticut, as modified by the amendment of the Senator from New York.

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. MANSFIELD. Mr. President, on behalf of the senior Senator from Illinois [Mr. DOUGLAS], I ask unanimous consent that his supplemental views on Senate bill 1120 be printed in the RECORD immediately prior to the passage of the bill.

There being no objection, the supplemental views were ordered to be printed in the RECORD, as follows:

SUPPLEMENTAL VIEWS OF SENATOR DOUGLAS ON S. 1120

The bill as reported by the committee does three things:

1. It abolishes the antiquated and obsolete distinction between the central Reserve cities (New York and Chicago) and the so-called Reserve cities. This distinction is no longer valid because (a) there has been an increasing use of new financial centers such as San Francisco, Los Angeles, Detroit, Atlanta, etc.; (b) there has been a greater reliance of the smaller banks for liquid funds upon the Federal Reserve banks rather than upon the big city banks, and (c) deposit insurance is now afforded by the FDIC. Thus the reason for discriminating against the New York and Chicago banks (i.e., requiring a higher reserve than in other large cities) has disappeared. I therefore supported Senator BUSH's amendment designed to do away with this discrimination. As I shall make clear in succeeding paragraphs, however, the Federal Reserve Board should not use the removal of this statutory discrimination as an excuse for unduly expanding the Nation's money supply and thus adding to the forces of inflation which they verbally deplore.

2. The second change is to give to the Federal Reserve Board the power to treat cash held in the vaults of its member banks as a part of their legal reserves. The present requirement is that only deposits held in the Federal Reserve banks may be counted as "legal" reserves. These deposits result, in practice, from the Federal Reserve System buying Government securities from dealers. When the dealer deposits the Federal Reserve check in his bank, and the bank in turn "clears" or deposits the check with the Federal Reserve bank, the end result is to create a credit to the member bank on the books of the Reserve System and hence a "reserve" of that amount is credited to the depositing bank. On other occasions the commercial banks may borrow from the Federal Reserve bank in order to provide themselves with further reserve balances. In either case, the Federal Reserve plays the part of commercial banker to the commercial banks by creating deposits which serve the commercial banks as reserves.

Under the bill in its present form, the Board may, at its discretion, count all or part of its member banks' vault cash as a part of their required reserve. Vault cash amounts to less than 1 percent of the assets of the New York and Chicago banks, but to over 2 percent of assets of the Reserve city banks and to about 4 percent of the assets of the so-called country banks. It is obvious, therefore, that the inclusion of vault cash as a part of the legal reserve would help the banks in the smaller cities the most.

3. The third change involves the range of reserves required of the member banks. Under the present law, the Board may set the level of required reserves for the central Reserve city banks (New York and Chicago) between 13 and 26 percent. The legal reserves of the Reserve city banks may be set in the range of 10 to 20 percent. The specific requirements which the Board has fixed within these ranges are now 18 percent for the central Reserve city banks (New York and Chicago) and 16.5 percent for the Reserve city banks.[1]

In summary the reserve requirements governing demand deposits are set out in the table below:

[Percent]

Class of bank	Range of reserve requirements	Present reserve requirement
Central Reserve city	13 to 26	18.0
Reserve city	10 to 20	16.5
Country	7 to 14	11.0

The bill would amalgamate the first two classes of banks into one category, and if this is done, then a uniform ratio would presumably be applied to both groups of cities.

GENERAL APPRAISAL

The first feature of the bill is certainly justified and, of course, there are plausible grounds for justifying its second and third features. So far as the safety of deposits is concerned, obviously vault cash is ultimately as good and immediately even more reassuring than accredited reserves held in the regional Reserve bank. Such cash enables depositors to convert their credit deposits into legal tender money and to do so immediately. Why then it may be asked should not this vault cash be counted as part of the legal reserve?

Similiarly, if the old distinctions between New York and Chicago on the one hand and the Reserve cities upon the other are either disappearing or being blurred, why not adopt for both of the present classes the present Reserve city range of from 10 to 20 percent?

But all this ignores the danger of undue credit expansion and of inflation against which the Reserve Board has been inveighing so eloquently.

BANKS HAVE POWER TO CREATE MONEY

Banks long ago discovered—and today the banking laws of the United States and the various States support them in the position—that not all of their depositors are likely to withdraw deposits at the same time. The result is that banks need and, in fact, do hold as reserve only a fraction of the amount of demands which might be made upon them.

If the required reserves were 100 percent, the banks in the System would have to have $1 on reserve for each $1 they could loan out. But if the required reserves were 20 percent, then the banks in the System could loan out $5 for every $1 on reserve. And if the required reserves were reduced to 10 percent, then the banks in the System could loan out $10 for every $1 on reserve. This is illustrated by the following table:

Required reserve	Amount on reserve	Potential loans by banking system
100 percent	$1	$1
50 percent	1	2
20 percent	1	5
10 percent	1	10

[1] Time deposits call for reserves of between 3 and 6 percent with the currently prevailing rate set at 5 percent. No changes in respect to time deposits are involved in the current bill.

Therefore, banks and the banking system can increase the potential amount of their loans either by adding to their reserves or by having their reserve requirements reduced by the Federal Reserve Board. This is a fact little understood by the public in general but it is the way in which the commercial banking system actually does act as "manufacturers" of money and credit. Typically, the actual process involves the granting of a loan to a customer by a commercial bank; the customer in turn is credited by a bookkeeping entry adding to his deposit; i.e., his checking account with the bank. The increased deposits, that is to say, originate in the increased loans upon which the commercial banks collect interest.

The vault cash provisions of the bill would increase the amount the banks have on reserve and thus increase the potential amount of their loans, while other features of the bill would result in a reduction of the reserve requirements, both actual and potential.

VAULT CASH PROVISION INCREASES POTENTIAL CREDIT EXPANSION

While the banks themselves must determine the minimum reserves upon which they may safely build, the fact that legal minimums are set by statute encourages them toward a "loaned up" position in the light of the reserves legally required. As previously pointed out, under present law only deposits at the Federal Reserve bank may be counted as legal reserves. If the banks by this bill are now allowed to treat so-called vault cash or till money as ready reserves they will be able to make additional loans.

Let us apply this example to the bill itself and examine the expansion in bank credit which would in all probability result were the Board to exercise the discretionary power, for which it asks, namely, to count vault cash as part of the legal reserve which banks can hold against demand deposits. The amount of vault cash held by all member banks in February 1959 was just over $2 billion. Of this, $1.60 million was held by central Reserve city banks (New York and Chicago), $645 million by banks in the Reserve cities, and $1,235 million by the so-called "country" banks. Since the present reserve requirements for these three classes of banks are 18, 16½, and 11 percent, respectively, this means that upon each added cash dollar of legal reserves, the three classes of banks would be able to expand loans and deposits by $5.55, $6.06, and $9.09, respectively. Applying these ratios to the amounts of added reserves which would become available, we get an immediate potential credit expansion of $0.9 billion, $3.9 billion, and $11.2 billion, or a total of $16 billion.

The table below summarizes the total potential credit expansion which could result from the vault cash provision of the bill:

Class of bank	Estimate of new reserves created by counting vault cash	Multiplier	Potential credit expansion
	Millions		*Millions*
Central Reserve cities	$160	5.55	$888
Reserve cities	645	6.06	3,909
Country banks	1,234	9.09	11,217
Total	2,039		16,014

POTENTIAL CREDIT EXPANSION FROM COMBINING RESERVE REQUIREMENTS OF CENTRAL RESERVE CITY AND RESERVE CITY BANKS

In addition, as we have seen, the two existing categories of central Reserve city banks and Reserve city banks are to be combined. When these categories are combined, a new single reserve requirement for the new category will no doubt be established in place of the present differential rates. If the Federal Reserve Board establishes the new specific rate, as seems likely, at the present level of the Reserve city banks—i.e., at 16.5 percent—the effect of that action will be to reduce the specific requirement for the present central Reserve city banks from 18 to 16.5 percent or by $428 million. The potential expansion of credit for the banking system of these new reserves would be a little over six times that amount (a 16 percent reserve means that for every dollar on reserve the system can extend $6.06 of credit). The $428 million would thus support a total of new potential bank credit of almost $2.6 billion.

Thus the total immediate new reserves which could result from these two items in the bill would be $2,467 million and the total potential credit expansion could be $18.6 billion, as follows:

Action	Estimate of new reserves created	Potential credit expansion
	Millions	*Millions*
Vault cash provision	$2,039	$16,014
Eliminating differential between central Reserve city and Reserve city banks (i.e., reducing requirement from 18 to 16.5 percent)	428	2,594
Total	2,467	18,608

POTENTIAL EXPANSION OF CREDIT IF FULL AUTHORITY WERE USED

In addition to all of this, if the bill is passed the Federal Reserve Board would have the authority to lower reserves for the new combined categories from 16.5 percent to a minimum of 10 percent, and to lower reserves for the so-called country banks from the present 11 percent to the minimum of 7 percent.

If the reserve requirements were ultimately reduced to these statutory minimums, the new reserves which would be made available to the banking system would be approximately $6.8 billion and the additional credit expansion founded upon these new reserves would be about another $76.5 billion. The computation is given in the table below:

Class of banks	Estimate of new reserves created by reducing requirements to statutory minimums	Multiplier	Potential credit expansion
	Billions		*Billions*
Reserve cities (new combined class)	$4.9	10.0	$49.0
Country banks	1.9	14.4	27.5
Total	6.8		76.5

This is indeed a staggering figure which should make the country, the Congress, and the Board realize the potential dangers of inflation from reducing reserve ratios and increasing the possibilities of credit expansion.

FEDERAL RESERVE BOARD HAS LOW THRESHOLD OF RESISTANCE TO PRESSURES OF BANKING COMMUNITY

Certainly we would hope that the Federal Reserve authorities would not allow the expansion authority granted by this bill to go into effect without at the same time taking an offsetting or compensatory action.

But banks are in business to make money, and with interest rates already driven up, the potential expansion of earning assets permitted under this bill could not help but result in pressure from most of the banks for the chance to create additional credit.

It is, of course, true that, if the Federal Reserve Board were to lower reserve requirements, they could try to offset the resulting expansion of credit by blotting up some of the newly created reserves by means of open market sales of Government securities. It is also true that, at the moment they allowed vault cash to be counted with reserves, they could raise reserve requirements in such a way as partially to offset the potential expansion of credit which such an act would bring.

But the Reserve authorities, influenced as they tend to be by the views of the banking community, would find it hard to resist the demand of the commercial banks that they be allowed to use the reserves, or at least a considerable portion of the reserves, which this legislation makes available to them.

If past actions are a guide to the future, the Federal Reserve Board may be lacking in the necessary courage to check expansionist desires. We have seen in recent times how this is done. When inflationary pressures are the problem, the Federal Reserve has not limited the total amount of credit which the banks can loan by raising reserve requirements but has, instead, raised the discount rate. This makes it possible for the commercial banks to charge higher interest rates and hence receive a larger income on the existing total amount of credit.

When recession and deflation have, however, been the problem, the Federal Reserve has lowered the reserve requirements of the banks. This is shown by the following table giving the movement of reserve requirements during the history of the Board:

Member bank reserve requirements

[Percent of deposits]

Effective date of change	Net demand deposits [1]			Time deposits	
	Central Reserve city banks	Reserve city banks	Country banks	Central Reserve and Reserve city banks	Country banks
1917—June 21	13	10	7	3	3
1936—Aug. 16	19½	15	10½	4½	4½
1937—Mar. 1	22¾	17½	12¾	5¼	5¼
May 1	26	20	14	6	6
1938—Apr. 16	22¾	17½	12	5	5
1941—Nov. 1	26	20	14	6	6
1942—Aug. 20	24	------	------	------	------
Sept. 14	22	------	------	------	------
Oct. 3	20	------	------	------	------
1948—Feb. 27	22	------	------	------	------
June 11	24	------	------	------	------
Sept. 16, 24 [2]	26	22	16	7½	7½
1949—May 1, 5 [2]	24	21	15	7	7
June 30, July 1 [2]	------	20	14	6	6
Aug. 1, 11 [2]	23½	19½	13	5	------
Aug. 16, 18 [2]	23	19	12	------	5
Aug. 25	22½	18½	------	------	------
Sept. 1	22	18	------	------	------
1951—Jan. 11, 16 [2]	23	19	13	6	6
Jan. 25, Feb. 1 [2]	24	20	14	------	------
1953—July 1, 9 [2]	22	19	13	------	------
1954—June 16, 24 [2]	21	------	------	5	5
July 29, Aug. 1 [2]	20	18	12	------	------
1958—Feb. 27, Mar. 1 [2]	19½	17½	11½	------	------
Mar. 20, Apr. 1 [2]	19	17	11	------	------
Apr. 17	18½	------	------	------	------
Apr. 24	18	16½	------	------	------
In effect Mar. 1, 1959	18	16½	11	5	5
Present legal requirements:					
Minimum	13	10	7	3	3
Maximum	26	20	14	6	6

[1] Demand deposits subject to reserve requirements which, beginning Aug. 23, 1935, have been total demand deposits minus cash items in process of collection and demand balances due from domestic banks (also minus war loan and series E bond accounts during the period Apr. 13, 1943–June 30, 1947).

[2] 1st-of-month or midmonth dates are changes at country banks and other dates (usually Thursday) are at central Reserve or Reserve city banks.

We invite especial attention to the changes since 1953 when the maximum rates in the central Reserve city banks have been reduced seven times, from 24 to 18 percent, in the Reserve city banks five times from 20 to 16.5 percent, and for the country banks four times from 14 to 11 percent. There has thus been a secular drift of reserve ratios downward at the very time when the Board has been loudly proclaiming its fears of inflation and its desire to prevent the money supply from unduly increasing.

In periods of both expansion and contraction the Federal Reserve has chosen, under the plea of economic stability, that policy which most benefits the commercial banks. Thus, it might not resist for long the pressures of the banking community to lower reserve requirements and to make use of the permissive power to count vault cash as a part of their reserves.

WHAT SHOULD BE DONE

It is proper that vault cash ultimately be counted as a part of the reserves of the commercial banks, and it is also proper that the categories of central Reserve city and Reserve city banks be combined, for the historical and economic reasons for this distinction have passed.

However, these actions, when combined with that of reducing the reserve range for the former central Reserve city banks, create the possibility of a staggering increase in the amount of credit which the banking system can create. Such a total or partial increase coming as a result of this bill could have two unhappy results. First, it could greatly increase the dangers of inflation. We need to remember that banks by inflating credit more rapidly than production increases can cause prices to rise just as freely as can governments by printing paper money. Second, it could provide the commercial banking system with considerable windfall gains. Neither of these is desirable, and we should act to protect the public which has a great interest in this bill at the same time that we try to make the structure of our banking system more equitable.

Because of these dangers, I believe that there should be certain modifications in this bill and that the Federal Reserve Board and the Congress should act in certain ways to offset the inflationary dangers and windfall potentials in this bill if and when passed.

1. Compromise new range of reserve requirements:

As we have seen the present range of reserve requirements for the central Reserve city banks is from 13 to 26 percent and that for the Reserve city banks is from 10 to 20 percent. As we have also seen, every drop in the amount of reserve requirements almost inevitably increases the extension of credit. Consequently, it would be fairer to the public and would roughly neutralize the inflationary dangers, if the range of reserve requirements for the new combined category of banks is set somewhere between the old 13 to 26 and the old 10 to 20 percent range. I suggest that the new range be set at 11 and 22. Thus, while the requirements for the old central Reserve city banks would be reduced from 13 to 26 to 11 to 22, the requirements for the Reserve city banks would be increased from 10 to 20 to 11 to 22. This would lower requirements in New York and Chicago while recognizing the newly acquired and growing importance of the intermediate sized cities as financial centers. The increase in one set of reserves would roughly neutralize the reduction in the New York and Chicago reserves and thus protect the country from this source of inflation.

There is another reason why the ratios should be 11 to 22 rather than 10 to 20. The public has a financial interest in the creation of bank credit. When the reserves of commercial banks are increased by means of the open market operations of the Federal Reserve, the banks are essentially required (at existing ratios) to put up only $1 of their own money (i.e., sacrifice an earning asset) in order to extend $6 worth of credit, or to put it in another way, commercial banks, under open market operations, are now required on the average to put up approximately 16 cents for each dollar by which they can expand credit. Thus, under open market operations, the Government gets a commission of 16 cents on the $1 in return for Congress delegating to the commercial banking system its constitutional prerogative of creating money (art. I, sec. 8).

When, however, the reserve requirements of the commercial banks are reduced, they then may expand credit without any real cost to themselves. Consequently when this method is used, the Government receives no compensating return whatever for Congress delegating its constitutional prerogative to create money.

It is for these reasons that I believe that there is an added public interest involved in this feature of the bill. I believe the public has a right to a share in the increment realized by the banking system when the total money and credit supply which the banking system can create is increased.

2. Federal Reserve Board should set new rate at 17 percent:

Only the upper and lower reserve limits—that is the range—are established by statute. The actual determination of an applicable rate at any time must be set by the administrative discretion of the Federal Reserve Board. Since the bill as reported abolishes the distinction between central Reserve cities and Reserve cities the Board will be required to take immediate action to equalize prevailing reserve requirements. These are now 18 percent for the central Reserve cities and 16½ percent for Reserve cities. Rather than merely to reduce the higher figure to the lower figure, it is only proper to suggest that a 17 percent requirement be established for the combined class. This would roughly neutralize the inflationary forces inherent in only reducing the reserve ratios.

3. Federal Reserve Board should not surrender power to fight wartime inflation: Finally, it is a little hard to see the urgency or wisdom of reducing at this time the upper limits on legal reserve requirements. We are constantly being warned by the Federal Reserve authorities, and the present administration of the threat of inflation. Whether the threat is real and present as we are told or only potential, it is not clear why we should be discarding one of the instruments useful in the control of inflation even though that instrument may be blunt and in recent years little used.

In the central Reserve cities, for example, the actual reserves required were raised to 26 percent—the present maximum—at the beginning of World War II, and up to that level again in the face of the postwar release of price controls. As recently as the Korean war, rates well above the proposed maximum were put into effect. While the effective rate has been consistently reduced in recent years, certainly the time might again come when rates higher than the proposed 20 percent maxima would be in order and needed. Thus, if we should again become involved even in a limited war, and if, as usual, taxes were not raised sufficiently or rapidly enough to produce the needed revenue, the Government would be forced to borrow large sums. Then, if individual and corporation savings did not take up the bond issues, the Government would be forced to ask the banks and the Federal Reserve to buy them. But in doing so, the Federal Reserve would build up member bank reserves which, unless checked, would lead to a further multiplication of private credit and hence to inflation. The best, and indeed the only, way of checking this inflation in wartime would be to raise the reserve ratios. I do not believe that we should deprive the Board of this weapon against inflation and I cannot understand why the Board itself wishes to surrender it. My desire to prevent future inflation is so great that I cannot quietly acquiesce in a surrender of these vital defenses by those who claim to be the sturdy guardians of stable prices.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (S. 1120) was passed.

The title was amended, so as to read: "A bill to amend the National Bank Act and the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits and to eliminate the classification 'central Reserve city'."

Mr. BUSH. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. ROBERTSON. Mr. President, I move to lay that motion on the table.

Mr. JAVITS. Mr. President, I move to lay the motion to reconsider on the table.

The motion to lay on the table was agreed to.

SENATOR SALTONSTALL TO LEAD HARVARD CREW AGAIN

Mr. BUSH. Mr. President, the noble and traditional sport of rowing is outstanding for its integral components of teamwork. balance, and power. Its participants, the oarsmen, must demonstrate stamina, concentration, and an unvarying and precisely coordinated application of strength.

I have, Mr. President, an article clipped from the Washington Evening Star of yesterday, which is headlined "Saltonstall to Lead Harvard Crew Again." It tells about the oarsmen of the famed Harvard Crew of 1914, winner of the Henley Grand Challenge Cup, reuniting to row again on the Charles River in Cambridge on May 23. That crew will be led once again by its captain, Senator LEVERETT SALTONSTALL.

I believe that all my colleagues in this great body of such noble tradition will agree with me when I say that the service and leadership in the Senate of the United States of the senior Senator from Massachusetts have been superbly characterized by the same capabilities proved in those championship races on the Thames River 45 years ago. The setting is different, to be sure, although similarly noted for its teamwork, balance, and power. And Senator SALTONSTALL, here among us for 14 years, has distinguished himself, his State, and this body by his characteristics of stamina, concentration, precision, and unvarying strength.

Mr. President, I ask unanimous consent to have this article printed in the RECORD at the close of these remarks.

In closing them, I should like to observe that the reunion of the Harvard crew of 1914, to row, 45 years later, on the Charles River in Massachusetts, is probably one of the most unusual events in the history of American sports. I believe our great friend from Massachusetts is to be highly complimented.

The PRESIDING OFFICER (Mr. FREAR in the chair). The Chair concurs in the statement made by the Senator from Connecticut.

Mr. BUSH. The Senator from Connecticut is delighted to have the concurrence of such a distinguished Member of this body.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star, May 12, 1959]

SALTONSTALL TO LEAD HARVARD CREW AGAIN

(By Grace Bassett)

Captain SALTONSTALL, age 67, will lead 11 older gentlemen to the Charles River in Cambridge, Mass., on Saturday, May 23, when the Harvard crew of 45 years ago rows again.

With no urging, they'll lower a shell borrowed from the Harvard boathouse into the water and lean over their oars to see if they still can stroke together like the champions they were nearly half a century ago.

Vests and button-down collars will be cast aside for the day by the old friends, including a cotton broker from New York, a lawyer from Cleveland, and a chick breeder from Concord, Mass.

Few perhaps will look so trim in their short-sleeved shirts, woolen rowing drawers, and long socks as their 6-foot, knobby-kneed captain.

His long nose, deep-set eyes, and lean cheeks may mark the senior Senator SALTONSTALL, Massachusetts Republican, as the only generally recognizable member of the crew.

But the girls on the shore—mothers and grandmothers now—will know these Harvard boys as the 1914 crew they cheered to victory in the Henley (England) Grand Challenge race 45 years ago.

"We'll row half a mile, God willing," Senator SALTONSTALL said yesterday. Then, he said, oarsmen will picnic on the Cambridge shore with their wives.

Ever since that spring day in England, the friends and their families have gone back to Harvard every 5 years to relive the race.

In the every day world, they are James Talcott, the cotton broker; Henry L. S. Kreger, the lawyer; Robert C. Cobb, the chicken farmer; F. Wadsworth Busk, a broker; Harry S. Middendorf, insurance man; Louis Curtis, broker; Henry H. Meyer, lawyer, and Dr. Charles C. Lund, doctor, all of Boston; Samuel M. Felton, retired railroad executive, Philadelphia; William Middendorf, Jr., banker, Baltimore; and David P. Morgan, chemical engineer, New York.

The original Henley race course they rowed was 1 5/16 miles. It gets shorter every 5 years, Senator SALTONSTALL admitted.

"We rowed three heats at Henley," he recalled. "First, against a British crew, then a Canadian, and finally an American." Pressed for details, the New Englander would only concede:

"I'm afraid we won rather handily."

He is an old sportsman himself, having captained the Harvard hockey team that won a 38-minute overtime game with Princeton, thanks to a goal scored by the Senator.

His boat crew, until 5 years ago, used its original shell. Then the craft disintegrated. A plan to cut up the boat and give each oarsman a piece was never followed up by the busy boatmen.

The Senator said his wind can stand the reunion. His legs and arms, less exercised in the Senate than lungs, give out, he added.

There is only one way to get into shape for the reunion, and, as captain, Senator SALTONSTALL tries to set an example.

"I keep rowing," he explained.

AMENDMENT OF FEDERAL DEPOSIT INSURANCE ACT

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 186, Senate bill 1062.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1062) to amend the Federal Deposit Insurance Act to provide safeguards against mergers and consolidations of banks which might lessen competition unduly or tend unduly to create a monopoly in the field of banking.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with an amendment on page 2, line 19, after the word "such", to strike out "question; and in such a case the appropriate agency may also request the opinion of the Attorney General with respect to such question" and insert "question. In the case of a merger, consolidation, acquisition of assets, or assumption of liabilities, the appropriate agency shall request a report from the Attorney General on the competitive factors involved in the merger. The Attorney General shall furnish such report to such agency within thirty calendar days of the request: *Provided, however,* That in case the agency finds an emergency exists the agency may advise the Attorney General thereof and may thereupon shorten the period for the Attorney General to report to ten calendar days: *And provided further,* That where the agency finds that an emergency makes necessary immediate action in order to prevent the probable failure of one of the merging banks, the appropriate agency may act without obtaining such report from the Attorney General.", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 18 of the Federal Deposit Insurance Act is amended by striking out the third sentence thereof and substituting in lieu thereof the following: "No insured bank shall merge or consolidate with any other insured bank or, either directly or indirectly, acquire the assets of, or assume liability to pay any deposits made in, any other insured bank without the prior written consent (i) of the Comptroller of the Currency if the acquiring, assuming, or resulting bank is to be a national bank or a district bank, or (ii) of the Board of Governors of the Federal Reserve System if the acquiring, assuming, or resulting bank is to be a State member bank (except a district bank), or (iii) of the Corporation if the acquiring, assuming, or resulting bank is to be a nonmember insured bank (except a district bank). In granting or withholding consent under this subsection, the Comptroller, the Board, or the Corporation, as the case may be, shall consider the factors enumerated in section 6 of this Act. In the case of a merger, consolidation, acquisition of assets or assumption of liabilities, the appropriate agency shall also take into consideration whether the effect thereof may be to lessen competition unduly or to tend unduly to create a monopoly, and, in the interests of uniform standards, it shall not take action as to any such transaction without first seeking the views of each of the other two banking agencies referred to herein with respect to such question. In the case of a merger, consolidation, acquisition of assets, or assumption of liabilities, the appropriate agency shall request a report from the Attorney General on the competitive factors involved in the merger. The Attorney General shall furnish such report to such agency within thirty calendar days of the request: *Provided, however,* That in case the agency finds an emergency exists the agency may advise the Attorney General thereof and may thereupon shorten the period for the Attorney General to report to ten calendar days: *And provided further,* That where the agency finds that an emergency makes necessary immediate action in order to prevent the probable failure of one of the merging banks, the appropriate agency may act without obtaining such report from the Attorney General."

Mr. MANSFIELD. Mr. President, after consultation with the acting minority leader [Mr. BUSH], the distinguished senior Senator from Wyoming [Mr. O'MAHONEY], and the chairman of the Committee on Banking and Currency, the Senator from Virginia [Mr. ROBERTSON], and for the information of the Senate, I wish to state that it is the intention of the leadership to have the chairman of the Banking and Currency Committee make his opening statement on the bill this afternoon. Then it is hoped, and I ask unanimous consent it be so ordered, that the consideration will next be given to the amendment to be offered by the Senator from Wyoming, so that when the Senate meets tomorrow, that amendment will be the pending question; and I ask further unanimous consent that the Senator from Wyoming be recognized, so that he may speak in behalf of his amendment, at the conclusion of the morning business tomorrow.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Mr. ROBERTSON. Mr. President, today has been a very busy day for the Members of the Senate. A number of committees have been engaged in hearings, and the senior members of the Committee on Appropriations have been engaged in a conference on the second supplemental appropriation bill. Undoubtedly tomorrow will be another busy day. Since Members of the Senate cannot be in more than one place at a time, they cannot attend a conference or an important hearing on a bill and be on the floor to hear all the debate on the pending banking bill.

Many of the Senators knew what was involved in the bill which was just passed. The Senators were satisfied with what was in the bill and knew that we did not plan to have a record vote. That is the reason why Senators were attending to business somewhere else.

For the benefit of Senators, in considering the O'Mahoney amendment, which will be the pending question after the conclusion of the morning hour tomorrow, I wish to invite their attention to the fact that they can find the wording of the O'Mahoney amendment and some

comments on it beginning at page 7691 of the CONGRESSIONAL RECORD for May 7.

I wish further to invite attention to the fact that Senators can find a very comprehensive analysis of the amendment by all three of the banking agencies of the Government—the Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Comptroller of the Currency—in the CONGRESSIONAL RECORD for May 11, commencing at page 7826.

With respect to the debate which will start tomorrow, I hope Members of the Senate who will not be able to be present in the Chamber throughout the debate will take the time to read the reasons why all the banking agencies of the Government are opposed to the O'Mahoney amendment. The O'Mahoney amendment would completely change the philosophy of the bill. The bill has been unanimously reported to the Senate by the Committee on Banking and Currency, and similar bills in substantially the same form have twice before been passed by the Senate. The bill has the unqualified endorsement of the American Bankers Association and of a large percentage of the independent bankers.

Some bankers have sent telegrams to Senators suggesting amendments to the bill the committee reported. Many of these were sent before the O'Mahoney amendment was submitted and do not refer to it. With all due deference, I doubt if most of those sending the telegrams really understand the effect of the O'Mahoney amendment.

Mr. President, I shall not engage in any extended discussion of the bank merger bill because, as I say, similar bills have twice before passed the Senate by substantial majorities. The pending bill comes nearer than any previous bill to meeting the purpose of the O'Mahoney amendment, namely, the purpose of submitting the question of competition to the Department of Justice. We have included in the bill now before the Senate a provision to that effect, which should satisfy all those who want to make sure that no merger which would unduly limit and restrict competition is permitted, but who do not want to put a positive roadblock in the pathway of future mergers, no matter how beneficial or how much in the public interest they might be. That is what the O'Mahoney amendment, in practical effect, would do.

With all due deference to Mr. Harry Harding, at the last minute, after the bill had been on the calendar for nearly a month, he succeeded in having presented an amendment which was not even proposed to us in the committee, although the bill had been before the committee for weeks. Mr. Harry Harding does not favor branch banking. He does not favor any type of bank holding company. He would prefer a type of bill which would prevent all mergers.

Mr. FREAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Does the Senator from Virginia yield to the Senator from Delaware?

Mr. ROBERTSON. I yield.

Mr. FREAR. I understood the chairman of the committee to say that the public has had knowledge about the bill for some time. Mr. Harding, I suppose, had some idea of what was on the record?

Mr. ROBERTSON. Of course, he knew.

Mr. FREAR. Did he testify?

Mr. ROBERTSON. He sent a statement to the committee which appears in the printed hearings at page 17.

Mr. FREAR. Does the Senator mean to state this gentleman was not sufficiently interested to put in an appearance himself, but only sent a statement?

Mr. ROBERTSON. He sent a statement that he was opposed to the bill.

Mr. FREAR. What makes the chairman think that Mr. Harding's interest has been aroused so greatly now as to cause a disturbance? Why does the Senator think this gentleman is so interested now, when he was not interested a month, 2 months, or 3 months ago?

Mr. ROBERTSON. It is a little difficult for the chairman to explain. It seemed to be a last minute performance on Mr. Harding's part. We were taken by surprise when we found he was here seeing Members of the Senate and, I assume, conferring with representatives of the Department of Justice.

For those who might wish to read about this bill in advance, I had printed in the RECORD on May 7 a telegram I sent to the Attorney General expressing great surprise that all of a sudden he would approach the Federal Reserve Board with an amendment. He telegraphed back that he had not transmitted any specific amendment to any Member of the Senate, but I happen to know what had been going on. He did not actually transmit an amendment to any Member of the Senate, so far as I know, but he went to the Federal Reserve Board and asked their approval of an amendment. That happened to coincide with the time when Mr. Harry Harding was in the District of Columbia.

Mr. FREAR. What is Mr. Harry Harding's business?

Mr. ROBERTSON. Mr. Harry Harding is president of a bank in California, and he is honorary president of the Independent Bankers Association of the 12th Federal Reserve District. He has complained about other banks becoming bigger and bigger, when his does not. He is against bank holding companies. He would like to put all of them out of business. He is opposed to branch banking. He would like, I think, to see a law passed to prohibit all State and national banks from engaging in that type of business.

As I say, a law drafted so that the practical effect would be to prevent future mergers and to prevent any bank from becoming bigger than it was before would please him very much.

Mr. FREAR. I thank the Senator.

Mr. ROBERTSON. Mr. President, the Committee on Banking and Currency has reported Senate bill 1062, which I introduced on behalf of the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Indiana [Mr. CAPEHART], and myself, to provide for the regulation of bank mergers.

Senate bill 1062 provides that any merger involving a national bank, State member bank, or a nonmember State bank insured by the FDIC, must be approved by the appropriate Federal banking supervisory authority—the Comptroller of the Currency for national banks, the Federal Reserve Board for State member banks, and the FDIC for insured nonmember banks.

An application for a merger would be reviewed by the banking agency on the basis of both banking factors and competitive factors. The banking factors alone would not be controlling; the competitive factors alone would not be controlling. Each would be considered in relation to the other. The application would be denied, even if the banking factors were favorable, if the agency concluded that the proposed merger would lessen competition unduly—that is, if the effect on competition was so great as to outweigh the banking factors. On the other hand, the merger would be approved, even if there were a substantial lessening of competition, if the banking agency found that the favorable banking factors outweighed the unfavorable competitive factors.

S. 1062 is basically the same as two bills which have already passed the Senate—S. 3911, in the 84th Congress, and section 23 of title III of S. 1451, the Financial Institutions Act, in the 85th Congress. Neither of these bills became law.

There is one major difference between the previous bills and S. 1062, now before the Senate. The bill as introduced provided that consultation with the Attorney General was optional. The banking agencies might get his views if they wished, or they might not ask for them. The committee adopted an amendment proposed by the Senator from Delaware [Mr. FREAR], which was designed to meet the wishes of those who felt the Attorney General should have a larger part in the approval of the applications. The committee amendment requires that the banking agency considering a proposed merger must get from the Attorney General a report on the competitive factors involved in the merger. The only exception is where immediate action is needed in order to prevent the probable failure of one of the merging banks.

The committee hopes that this major change in the bill will make it possible to pass a law on the subject of bank mergers, a law which will effectively regulate bank mergers, instead of continuing for another 5 or 10 years the present unsatisfactory state of affairs.

It is now more than 6 years since what was essentially this bill was first drafted by the Federal Reserve Board. During these 6 years, more than 1,000 bank mergers have taken place, hundreds of them not requiring approval of any Federal agency or specific consideration of the problem of the effect upon competition.

Bank mergers are, for all practical purposes, exempt from section 7 of the Clayton Act and are not now subject to uniform and effective control by the Federal regulatory bodies. Bank mergers are, in fact, subject to less Federal control than almost any other kind of merger which can take place in the country today.

The situation should not continue any longer. Competition in banking should be encouraged and safeguarded. Vigorous competition, between sound and strong banks in a sound banking system, is important and desirable. Such competition will benefit depositors, borrowers, and the Government, and all of them have a vital interest in banking.

But unlimited and unrestricted competition in banking is just not possible. We have had too many panics and banking crises and bank failures, largely as the result of excessive competition in banking, to consider for a moment going back to the days of free banking or unregulated banking.

Instead, in the National Bank Act of 1864, the Federal Reserve Act of 1913, and the Banking Acts of the 1930's, including particularly the Federal Deposit Insurance Act, we have taken the position, from which I trust we will never retreat, that banking is affected with a public interest and must be regulated like public utilities and monopolies. Granting a charter to a national bank, granting membership in the Federal Reserve System to a State bank, insuring the deposits of a State bank through the FDIC, are not and should not be mere rubber stamp operations.

Before a bank can get insurance under the Federal Deposit Insurance Act, the Comptroller, in the case of national banks, the Federal Reserve Board, in the case of member banks, or the FDIC must consider the factors set forth in section 6 of the Federal Deposit Insurance Act. These are the financial history and condition of the bank, the adequacy of its capital structure, its future earnings prospects, the general character of its management, the convenience and needs of the community to be served by the bank, and whether or not the bank's corporate powers are consistent with the purposes of the act.

Competition among banks must continue to be subject, in the interest of the Government, in the interest of industry and commerce, and in the interest of depositors, to these considerations.

I should like to point out here that these banking factors do not exclude consideration of competition. On the contrary, competitive factors should and do, in my judgment, constitute an essential and important part of these banking factors, particularly "the convenience and needs of the community to be served by the bank." But the committee did not consider this implicit requirement enough. The committee wanted to have "competition" an explicit and primary criterion in the consideration of bank mergers, though not the sole criterion.

The significance of the banking system to the monetary and fiscal policies of the Government, to the businesses and individuals who depend on bank loans for growth and development, and to depositors who must have confidence in the security of their deposits, is too important to permit unrestricted competition.

In the opinion of the committee it is impossible to subject bank mergers to the simple rule of section 7 of the Clayton Act. Under that act, a merger would be barred if it might tend substantially to lessen competition, regardless of the effects on the public interest. This was clearly stated by the district court in the Bethlehem-Youngstown case:

> If the merger offends the statute in any relevant market then good motives and even demonstrable benefits are irrelevant and afford no defense.
>
> The consideration to be accorded to benefits of one kind or another in one section or another of the country which may flow from a merger involving a substantial lessening of competition is a matter properly to be urged upon Congress. It is outside the province of the court. The simple test under section 7 is whether or not the merger may substantially lessen competition "in any line of commerce in any section of the country."

Congress "made no distinction between good mergers and bad mergers. It condemned all which came within the reach of the prohibition of section 7."

This Clayton Act rule is applicable to virtually all nonregulated industries. Mr. Adoph Berle, Jr., said in his article on "Banking Under the Antitrust Laws":

> It is the theory, in ordinary commercial fields, that competition is the desirable check on price levels—the process by which the efficient are rewarded by survival, and the inefficient eliminated by failure. The price of business failures is not regarded as too high for the community to pay in view of advantages to consumers, stimulus toward greater efficiency, and freedom of enterprise.

But section 7 does not apply to transactions approved by the Civil Aeronautics Board, the Federal Communications Commission, the Federal Power Commission, the Interstate Commerce Commission, and a few other agencies. These exceptions are granted because the public interest requires consideration of other factors as well as competition. Mr. Berle's article continues:

> But it is doubtful (to say the least) whether any such assumption is indulged in with respect to deposit banks; certainly the theory is not there accepted to the full extent of its logic. A bank failure is a community disaster, however, wherever, and whenever it occurs. * * * The economic and social premises of the Sherman Act in respect of other businesses are not fully accepted by the Congress, the States, or the public as the only considerations applicable to deposit banking.

The American Bankers Association and Judge CELLER, chairman of the House Judiciary Committee, both testified that there were occasions when it would be in the public interest to approve mergers even though the mergers substantially lessen competition. The committee also was convinced that the public interest must also be considered.

S. 1062 takes the public interest into consideration. It requires the Federal banking authorities who will rule upon bank mergers to consider the factors specified in section 6 of the Federal Deposit Insurance Act and the competitive factors involved in the merger. On the basis of all of these considerations, including both banking and competitive factors, on the basis of advice from the other two banking agencies, and on the basis of the Attorney General's reports on the competitive factors involved, the Federal banking agency will approve or deny the application for a merger.

Section 5 of the Interstate Commerce Act provides that certain mergers of carriers should be approved if they are in the public interest and will not unduly restrain competition. The committee considered that this was a valid precedent for the field of banking. Mergers between carriers under section 5 of the Interstate Commerce Act are not subject to either the Clayton Act or the Sherman Antitrust Act. The committee did not recommend that bank mergers should be exempted from the Sherman Act, but it does recommend continuance of the existing exemption from section 7 of the Clayton Act.

The committee amendment deserves special consideration. As introduced, the bill would authorize the banking agencies to obtain the views of the Attorney General on the merger. The committee amended this to require a report from the Attorney General on the competitive factors involved in the merger, in every case except when an emergency required immediate action in order to prevent probable failure by one of the merging banks. This exception is based on the International Shoe case, which held, in effect, that if one of the merging concerns was about to fail, there would be no lessening of competition and, therefore, no violation of section 7 of the Clayton Act.

The banking agencies urged that consultation with Justice should be optional, and they opposed a requirement that they obtain the views of the Attorney General in every case.

The committee took note of the fact that the Attorney General is specially charged with the duty of enforcing the antitrust laws. Ever since 1890, when the Sherman Antitrust Act was passed, the Attorney General has been looking into and prosecuting restraints on competition and monopolistic practices in the American economy. Accordingly, while the Attorney General has not the same familiarity with banking as the Federal banking agencies, he has a wide background of experience in anticompetitive and monopolistic matters. The committee reached the conclusion that the Attorney General's knowledge and background should be made available to the banking agencies in their consideration of bank mergers. Accordingly, the committee required, in all but the excepted emergency cases, that the Attorney General provide a report on the competitive factors involved in a merger.

The committee expects that these reports will be helpful to the banking agencies. The committee expects that the banking agencies will study them carefully and give weight to them. But the

committee also made it clear in its report that the Attorney General's report on competitive factors is not controlling on the banking agencies with respect to competitive factors. And the committee made it clear in its report that the competitive factors alone were not controlling, and had to be considered in connection with the banking factors specified in section 6 of the Federal Deposit Insurance Act.

The Committee on Banking and Currency urges prompt and favorable consideration of S. 1062 in order to provide effective control by the Federal banking agencies over all bank mergers under Federal jurisdiction under uniform and clear standards calling explicitly for consideration of both banking and competitive factors.

I should like to make one final comment. The Banking and Currency Committee has made a careful study of this bill, and of the situation which calls for this bill. The committee considered carefully the various recommendations made to it by representatives of the banking industry and by the Government agencies. The committee made one change, which was requested by the Independent Bankers Association, and by the Department of Justice—the requirement that Justice's views be obtained in all but exceptional emergency cases. The committee's report contains a thorough and careful study of the matter and embodies the reasons for the committee's conclusions.

In my judgment, the committee has recommended a sound, practical, workable bill, which meets all the valid suggestions which were made to the committee. There is a real need for the bill, and it should be passed promptly in its present form.

Mr. President, I ask unanimous consent that the committee amendment be agreed to, and that the bill, as so amended, be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Pursuant to the previous agreement, the amendment previously offered by the Senator from Wyoming [Mr. O'MAHONEY] will be stated.

The LEGISLATIVE CLERK. On page 2 it is proposed to strike out lines 11–25 beginning with the words "In the case of a merger" at line 11.

On page 3 it is proposed to strike out lines 1–9 and insert in lieu thereof the following:

The Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, shall not grant consent under this section to any merger, consolidation, acquisition of assets, or assumption of liabilities, where in any section of the country the effect thereof may be substantially to lessen competition, or to tend to create a monopoly. This provision shall not, however, be deemed to prohibit a merger, consolidation, acquisition of assets or assumption of liabilities where the Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, finds that there is a reasonable probability of the ultimate failure of the bank to be acquired; that because of inadequate or incompetent management the acquired bank's future prospects are unfavorable and can be corrected only by a merger or consolidation with the acquiring bank; that the acquired bank is a problem bank with inadequate capital or unsound assets and its acquisition by another bank would be the only practical means of dealing with the problem; or that several banks in a small town are compelled by an overbanked situation to resort to unsound competitive practices which may eventually have an adverse effect upon the condition of such banks and the merger of the two or more banks would, therefore, be in the public interest. In the interests of uniform standards, the appropriate agency shall not take action as to any such transaction without first seeking the views of each of the other two banking agencies referred to herein with respect to such question. In the case of a merger, consolidation, acquisition of assets, or assumption of liabilities, the appropriate agency shall request a report from the Attorney General on the competitive factors involved in the merger. The Attorney General shall furnish such report to such agency within thirty calendar days of the request: *Provided, however,* That in case the agency finds an emergency exists the agency may advise the Attorney General thereof and may thereupon shorten the period for the Attorney General to report to ten calendar days: *And provided further,* That where the agency finds that an emergency makes necessary immediate action in order to prevent the probable failure of one of the merging banks, the appropriate agency may act without obtaining such report from the Attorney General.

If either or both of the other banking agencies or the Attorney General disapproves the application in writing within thirty days, the Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, shall notify in writing the applicant and the disapproving agency or agencies, or authority, or Attorney General of the date for commencement of a hearing by it on such application. Any such hearing shall be commenced not less than ten nor more than thirty days after the Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, has given written notice to the applicant of the action of the disapproving agency or agencies, authority, or Attorney General. The length of any such hearing shall be determined by the Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, but it shall afford all interested parties a reasonable opportunity to testify at such hearing. At the conclusion thereof, the Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, shall by order grant or deny the application on the basis of the record made at such hearing. Such order may be appealed to the Court of Appeals for the District of Columbia by any party adversely affected or by the Attorney General, within thirty days after entry of such order.

The Comptroller, the Board, and the Corporation shall submit to the Congress a report each six months after approval of this Act setting forth the following information with respect to each merger, consolidation, acquisition of assets, or assumption of liabilities approved by the Comptroller, the Board, or the Corporation, as the case may be, the name of the receiving bank, the name of the absorbed bank; the total resources of the receiving bank; the total resources of the absorbed bank; a copy of the report of the other two banking agencies and of the Attorney General on the competitive factors involved in the merger, consolidation, acquisition of assets, or assumption of liabilities.

EISENHOWER HIGHWAY RECOMMENDATIONS IMPERATIVE

Mr. KUCHEL. Mr. President, we tend to take the great revolutions in transportation for granted nowadays. It is not unusual that we do so, what with man's first journey into outer space rapidly moving from the planning stage to that of the accomplished fact. And the spectacular passage of the submarines *Nautilus* and *Skate* under the Arctic icepack of the North Pole tend to diminish the more prosaic form of travel used by most of us—the family car.

Yet a revolution on wheels has occurred, too. It is well to recall that a little more than 50 years ago the first automobile crossed the Mississippi River on a railway flatcar, because there were no roads suitable for even the automobile of that day. Farmers were still burying sharp instruments face up in the dusty roads to prevent weekend drivers from invading countryside. Automobile advertisements of circa 1900 claimed "this car is as gentle as a horse," but safer, "because it could not scare."

In 1912, the year the distinguished senior Senator from Arizona [Mr. HAYDEN] began his legislative career, Congress considered financing a system of national roads. But that proposal was hooted out of the Halls of Congress as a frivolous expenditure for the benefit of a few wealthy pleasure seekers. And Woodrow Wilson viewed the new vehicle with despair.

Nothing has spread socialistic feeling more—

He declared—

than the automobile * * * a picture of the arrogance of wealth.

Today, not only is there one automobile for every three people in the United States, it will soon be possible to drive from Houlton, Maine, to San Diego, Calif., or from Seattle, Wash., to Miami, Fla., on the Interstate and Defense Highway System all the way. That is, it will be possible to make such a trip if the highway system provided for by Congress in 1956 can be completed.

Today the President sent to the Congress a message which deals in part with his recommendation of 4 months ago, in which he told the Congress that to avert "a serious disruption of the interstate highway program due to an impending deficit in the Highway Trust Fund, I recommended a temporary increase in the Federal tax on motor fuels."

He indicated, in his message to the Congress today, the urgency of that recommendation, unhappily not acted upon thus far in this Congress. Then he pointed out that—

Less than 2 months remain for timely, responsible action by the Congress on my recommendation.

The New York Times, under date of May 13, in commenting on the highway building program, said in part:

One unpleasant thought to contemplate as the vacation season is about to begin is still another increase in the gasoline tax. Yet such an increase in the Federal tax is much

the best way out of the impasse that now threatens the huge Federal-aid highway program. Unless Congress takes some action the program will rather quickly come to a halt. In the present condition of the Highway Trust Fund no apportionment of funds can be made to the States in July for the fiscal year 1961. This would mean a drastic slowdown in contract letting.

Mr. President, I ask unanimous consent that at the conclusion of my comments there appear in the RECORD the several paragraphs of the President's message of today which deal with the problem of the Highway Trust Fund, and, immediately thereafter, the complete text of the New York Times editorial.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KUCHEL. Mr. President, as you recall, the Federal Aid Highway Act of 1956 and the Highway Revenue Act of 1956, in combination, provided funds for continuation at a high level of the construction program for the Federal aid primary and secondary systems and their urban extensions—the ABC program, and for a great acceleration in the rate of construction of the National System of Interstate and Defense Highways. The declaration of policy states as follows—section 101(b), title 23, United States Code, "Highways":

> It is hereby declared to be in the national interest to accelerate the construction of the Federal-aid highway systems, including the National System of Interstate and Defense Highways, since many of such highways, or portions thereof, are in fact inadequate to meet the needs of local and interstate commerce, for the national and civil defense.
>
> It is hereby declared that the prompt and early completion of the National System of Interstate and Defense Highways, so named because of its primary importance to the national defense and hereafter referred to as the "Interstate System," is essential to the national interest and is one of the most important objectives of this act. It is the intent of Congress that the Interstate System be completed as nearly as practicable over the period of availability of the 13 years' appropriations authorized for the purpose of expediting its construction, reconstruction, or improvement, inclusive of necessary tunnels and bridges, through the fiscal year ending June 30, 1969, under section 108(b) of the Federal-Aid Highway Act of 1956 (70 Stat. 374), and that the entire system in all States be brought to simultaneous completion. Insofar as possible in consonance with this objective, existing highways located on an interstate route shall be used to the extent that such use is practicable, suitable, and feasible, it being the intent that local needs, to the extent practicable, suitable, and feasible, shall be given equal consideration with the needs of interstate commerce.

Mr. President, I will confine my remarks to the current status of the Interstate and Defense Highway System, and the urgent need to provide the moneys necessary for carrying out the intent of Congress.

The Federal Aid Highway Acts of 1956 and 1958 provided authorizations totaling $25.625 billion for the fiscal years 1957 through 1969 for improving the National System of Interstate and Defense Highways. The legislation also provided authorizations for the fiscal years 1957 through 1961 for continuing the regular program of Federal aid to primary, secondary, and urban highway improvement. Under the provisions of the Highway Revenue Act of 1956, the highway program is to be financed from revenue accruing to the highway trust fund established by the act.

Taxes accruing to the highway trust fund under the provisions of the 1956 act were set as follows:

Gasoline and diesel fuels, 3 cents per gallon.

Trucks, buses, and trailers, 5 percent of manufacturing price.

Tires, 8 cents per pound.

Inner tubes, 9 cents per pound.

Tread rubber, 3 cents per pound.

Heavy vehicle use, $1.50 per 1,000 pounds gross vehicle weight.

Amounts accruing to the trust fund during the fiscal years 1957 and 1958 totaled $3.526 billion, or $41 million more than the original estimates. During the first 8 months of the fiscal year 1958 the revenues were approximately equal to the estimate for the period. On March 1, there was a balance of $534 million in the trust fund. However, expenditures are expected to exceed revenues during each of the fiscal years 1959 and 1960, with the result that the surplus will be fully expended during fiscal year 1960 and a deficit is anticipated by the end of that year unless additional revenues are provided.

Under the provisions of section 209(g) of the Highway Revenue Act of 1956, the full amounts authorized to be appropriated for the Interstate System cannot be apportioned to the States if the estimated revenues to be placed in the highway trust fund will not be sufficient to meet required expenditures from the fund. The Federal Aid Highway Act of 1958 suspended the limitations of this section for the 1959 and 1960 fiscal year apportionments in order that the interstate program could be maintained on schedule. The 1958 act also provided increased authorization for fiscal years 1959, 1960, and 1961.

But no additional revenues were provided to cover the increased expenditures resulting from the 1958 act. Under existing legislation, therefore, there will be a deficit in the highway trust fund beginning in the fiscal year 1960 and continuing to the end of the fiscal year 1963, after which estimated receipts and expenditures would be in balance. However, there could be no apportionment of interstate funds for the fiscal year 1961, and the interstate apportionment for the fiscal year 1962 would amount to only about $500 million. Thenceforth the interstate apportionments would range from $1.7 to $1.8 billion per year in accordance with amounts estimated to be available in the highway trust fund for the interstate program.

The provisions of section 209(b) of the Highway Revenue Act of 1956 require Congress to be responsible for keeping trust fund revenues and expenditures in balance. If we, in the 86th Congress, make fiscal year apportionments of interstate funds for 1961 and 1962 in accordance with amounts authorized by the 1958 act, it will be essential to provide additional revenue, or face the ugly alternatives. To keep the highway trust fund in balance and maintain the authorizations of $2.5 billion for fiscal years 1960, and 1961, and $2.2 billion for fiscal year 1962, it is imperative that the Congress act favorably on the President's recommendation for a temporary increase in Federal motor fuel taxes, from 3 cents to 4½ cents per gallon. This tax would be levied during fiscal years 1960 through 1964.

Mr. President, failure to provide this needed revenue can have a disastrous effect on the interstate program already so well begun. In testimony before the Subcommittee on Public Roads, the Under Secretary of Commerce for Transportation, Mr. Allen, stated that as of December 31, 1958, construction had been completed or was underway on 11,463 miles, or 28 percent of the 41,000 mile Interstate System. Right-of-way acquisition and survey and design work were completed, underway, or authorized on an additional 16,843 miles or 41 percent of the total.

The States have committed or obligated 97 percent of fiscal year 1959 of interstate funds. In my own State of California, 52 percent of 1960 funds have already been obligated.

In strictly monetary terms, here is what will happen under existing legislation, with section 209(g) applicable to fiscal year 1961 and 1962 apportionments:

Interstate

[Amounts are in millions]

Fiscal year	Apportionments		Expenditures	Receipts	Year end balance
	Date	Amount			
1957	June 29, 1956	$1,000	$966	$1,482	$516
1958	Aug. 1, 1956	1,700	1,602	2,134	1,049
1959	Aug. 1, 1957	2,000	2,553	2,143	639
1959	Apr. 16, 1958	200			
1960	Aug. 1, 1958	2,500	3,102	2,222	−241
1961		0	2,809	2,291	−759
1962	July 1, 1960	500	2,284	2,377	−666

Thus, for fiscal year 1961 no apportionment to the States could be made, and only $500 million would be available for fiscal year 1962. No one wants the delay in the construction of the Interstate Highway System certain to flow from the failure to make an apportionment to the States in fiscal year 1961. Yet, as the law now stands, the Bureau of Public

Roads would have no alternative but to comply with the requirements of section 209(g).

Under existing legislation with section 209(g) suspended for fiscal year 1961 and 1962, here is what would happen:

Interstate

[Amounts are in millions]

Fiscal year	Interstate apportionments		Expenditures	Receipts	Year end balance
	Date	Amount			
1957	June 29, 1956	$1,000	$966	$1,482	$516
1958	Aug. 1, 1956	1,700	1,602	2,134	1,049
1959	Aug. 1, 1957	2,000	2,553	2,143	639
1959	Apr. 16, 1958	200			
1960	Aug. 1, 1958	2,500	3,102	2,222	−241
1961	July 1, 1959	2,500	3,109	2,291	−1,059
1962	July 1, 1960	2,200	3,484	2,377	−2,166

By the end of fiscal year 1962 there would be a fund deficit of $2.166 billion. It would be necessary to repay this deficit before new apportionments could be made, unless Congress chose to continue suspending section 209(g).

A good many suggestions have been made as to how to best finance the Interstate Highway program during these critical initial years. For example, some people recommend assigning all revenues accruing to the Federal Treasury from the excise on automotive parts to the highway trust fund. And some people have recommended assigning the costs of the Interstate Highway System to the Department of Defense as part of the defense budget. It should be obvious that these proposals contain the underlying philosophy of "robbing Peter to pay Paul."

Some of the States have argued that an increase in the Federal gasoline tax will impair a major source of revenue to them. It is difficult to justify this argument, in view of the fact that the Federal Government bears 90 percent of the costs of the Interstate System, the States only 10 percent. Moreover, the proposed increase in the Federal tax is for a fixed period, with a terminal date established at least 5 years from the date of its inception.

Mr. President, under the law the Secretary of Commerce will present two reports to the Congress in 1961. The first of these two reports will present a new detailed estimate of the cost of completing the Interstate System. The second report will present the conclusions derived from a 4-year study of highway-user taxes, direct and indirect beneficiaries of the highway systems, and the findings regarding the equitable distribution of highway taxes among the various classes of users and those otherwise deriving benefits from highways. Thus, in 1961, the Congress, with these two basic reports, will have the opportunity to consider what taxes should be imposed and the equitable distribution of such taxes for highway purposes. From this information it will be possible to provide for appropriate financing and scheduling of apportionments required to complete the Interstate System as Congress originally intended.

We need to remember that the growth of motor transport outstrips other indexes of the Nation's economic expansion. Between 1950 and 1957, the population of the United States increased by 13 percent. Gross national product in constant dollars was estimated to have risen 27 percent. During the same period the number of motor vehicles in operation increased 38 percent, and traffic was up 40 percent. If this rate continues, with the population expansion predicted for 1975, there will be 88 million automobiles, or 30 million more than today. And, if the ratio of one truck to every 15 people remains constant, there will be 15 million trucks on our highways. It is not too much to say that we may well have more than 100 million vehicles operating in the United States in 1975.

Such horrendous growth makes it imperative that the Interstate System be completed as quickly as possible. And it is also imperative that the costs be met on a pay-as-you-go basis, rather than the theory that the future will take care of itself.

Mr. President, there is only one logical, understandable way for Congress to face the problem of financing the Interstate Highway construction program; and that is to accept, and to accept with rapidity, the recommendation of the President that our country have a temporary increase in the Federal gasoline taxes, no matter how onerous that may appear to be to some persons.

I earnestly hope that Congress may now, somewhat belatedly, give favorable consideration to the recommendation which President Eisenhower made last January.

EXHIBIT 1

HIGHWAY TRUST FUND

In setting up the interstate highway program in 1956, the Congress provided that it be conducted on a pay-as-you-go basis and, to accomplish this purpose, established the highway trust fund. Motor fuels and other highway user taxes are paid into this fund, and Federal grants, amounting to 90 percent of the cost of building the Interstate Highway System, are paid to the States out of the fund.

Legislation enacted last year, however, has increased the rate at which money is being spent from the fund and nothing has been done to put more money into the fund. Because the law wisely requires that the fund's expenditures not exceed its receipts, it will be impossible this year, without congressional action, to apportion funds so that the States may make commitments for future highway construction. Apportionments in the following year would also be far below those needed to carry forward the road-building schedule now contemplated by law.

To keep the highway trust fund on a pay-as-you-go basis and to maintain the planned construction schedule, I recommended a temporary increase of 1½ cents a gallon in the Federal tax on motor fuels, effective July 1 of this year.

The recent suggestion that receipts from the manufacturers' excise tax on automobiles be earmarked for the trust fund is an unsatisfactory alternative. The transfer of those receipts, running about a billion dollars a year, from the general fund to the highway trust fund would mean only that the problem would then be to raise new taxes to replenish the loss to the general fund.

An even more unsatisfactory alternative, proposed by some, would be legislation to waive the pay-as-you-go requirement. This would only be a refusal to face reality—one that the Congress would be hard put to explain. Less than 3 years ago, as a matter of legislative policy, the Congress declared in the Highway Revenue Act of 1956 that if it ever appears that the trust fund's total receipts will be less than its total expenditures the Congress shall enact legislation in order to bring about a balance of total receipts and total expenditures.

Less than 2 months remain for timely, responsible action by the Congress on my recommendation.

[From the New York Times, May 13, 1959]

HIGHWAY BUILDING

One unpleasant thought to contemplate as the vacation season is about to begin is still another increase in the gasoline tax. Yet such an increase in the Federal tax is much the best way out of the impasse that now threatens the huge Federal-aid highway program.

Unless Congress takes some action, the program will rather quickly come to a halt. In the present condition of the highway trust fund, no apportionment of funds can be made to the States in July for the fiscal year 1961. This would mean a drastic slowdown in contract letting.

Three solutions have been proposed. One is to divert additional highway-related excise taxes to the trust fund from the general fund. This, of course, would require either tax increases elsewhere, out of the question now, or Treasury borrowing to make up the loss. Further deficit finance now is the wrong prescription, given the state of the economy and of the money market.

The second solution is to have the highway trust fund borrow money, from either the public or the general fund of the Treasury, with repayment to be made late in the next decade, when receipts in the trust fund will again exceed expenses. Once again the real effect of this plan would be deficit financing now, when deficit financing is the wrong medicine.

The third method is the one backed by the President, preserving the principle of paying for the roads as they are built. It is the noninflationary way to solve the problem. It has the merit of letting people know that if they want Government services they must pay for them. Congress is said to have rejected this solution out of hand. But it is never too late to do the right thing.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, what is the pending question?

The PRESIDING OFFICER. The pending question is on the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY].

Mr. MANSFIELD. As I understand, under the unanimous-consent request previously agreed to, at the conclusion of the morning hour tomorrow the Senator from Wyoming [Mr. O'MAHONEY]

will have precedence on the floor. Is that correct?

The PRESIDING OFFICER. That is correct. When the bill is next before the Senate, the Senator from Wyoming will have the floor.

NAVAJO INDIAN PROJECT

Mr. MANSFIELD. Mr. President, for the information of the Senate, at the conclusion of action on S. 1062, it is the intention of the leadership to take up Calendar No. 142, Senate bill 72, to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian project.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, May 13, 1959, he presented to the President of the United States the enrolled bill (S. 1559) to provide for the striking of medals in commemoration of the 100th anniversary of the first significant discovery of silver in the United States, June 1859.

ADJOURNMENT

Mr. MANSFIELD. Mr. President, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 50 minutes p.m.) the Senate adjourned until tomorrow, Thursday, May 14, 1959, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate, May 13, 1959:

UNITED NATIONS

John M. Raymond, of the District of Columbia, to be the representative of the United States of America on the United Nations Commission on Permanent Sovereignty over Natural Wealth and Resources.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 13, 1959:

COMMISSIONER OF THE DISTRICT OF COLUMBIA

David Brewer Karrick, of the District of Columbia, to be a Commissioner of the District of Columbia for a term of 3 years and until his successor is appointed and qualified.

POSTMASTERS

ALABAMA

Rubye H. Killough, Alpine.
Norman C. Minor, Beaverton.
Edith E. Bowden, Honoraville.
Sylvia W. Knight, Millry.

ALASKA

Corinne M. Thompson, Hoonah.
Harold B. Lie, Kotzebue.

ARIZONA

Walter L. Bristol, Nogales.

ARKANSAS

Henry T. Hogg, El Dorado.
Mattie M. Suagee, Norphlet.

CALIFORNIA

Harry P. Dowdell, Alhambra.
Alvina E. Brune, Alvarado.
Mary M. Parker, Capitola.
Louis E. Mitchell, Huntington Beach.
Robert S. Dart, Lincoln.
Ralph W. Davis, Sr., San Bernardino.
Ray O. Durning, Thermal.
Eugene C. Schmitt, Vina.
Rose V. Brown, Warm Springs.
Genaro A. Villegas, Wasco.
Lloyd R. Varner, Winton.

COLORADO

Neil K. Clay, Hotchkiss.

CONNECTICUT

Carolyn R. Kirchhoff, Quaker Hill.

DELAWARE

Joseph J. Pearce, Jr., Milford.

GEORGIA

George E. Towns, Alamo.
Alson C. Snyder, Jr., Hartwell.
Cecil Hancock, Royston.
Amie F. Gray, Union City.

IDAHO

Wesley H. Gross, American Falls.
Delbert W. Taylor, Eagle.

ILLINOIS

Lee H. Clark, Glenarm.
Harry J. Kribs, Glen Ellyn.
Harold J. Dehr, Hinsdale.
Wayne B. Tatham, Industry.
John R. Clarke, Mount Sterling.
Elmer J. Leusby, Rock Falls.
Irene F. Hitzeman, Roselle.
William E. Halvey, Techny.

INDIANA

Leland F. Hess, Brook.
Maurice F. Keilman, Dyer.
William J. Leonard, Monroeville.
Ray E. Melick, Oaktown.
Glenn H. Newby, Russiaville.
W. Lehr Wilder, St. Joe.
Verda May Penrod, Uniondale.

IOWA

Barbara E. Sommers, Andrew.
Charles W. Fry, Earlham.
Robert L. Curtis, Greene.
Verle E. Meggers, Independence.
John H. Hendriks, Muscatine.
Charles C. Yost, West Des Moines.

KANSAS

Mary F. Findley, Coyville.
Bruce R. Corrick, Esbon.
Lauren E. Daetwiler, Ramona.

KENTUCKY

William Clyde Sanders, Burnside.
Perry M. Day, California.
Earl G. Cothran, Eddyville.
James C. Davis, Gray.

LOUISIANA

Pauline S. Jones, Angie.
Viola H. Smith, Bonita.
Trellis Black, Farmerville.
Cecil B. Waldrip, Quitman.

MARYLAND

Charles E. Whittle, Fort George G. Meade.

MICHIGAN

R. Don Pretty, Allen Park.
Leon B. Crofoot, Mikado.
George W. Austin, Romulus.

MINNESOTA

Bernice A. Bottemiller, Bertha.
Jacob W. Kangas, Chisholm.
Paul H. Hiller, Good Thunder.
J. Shirley Cole, Kenyon.
Sylvester H. Prigge, Mazeppa.

MISSISSIPPI

William R. Moore, Duck Hill.
Lola Lee Crawford, Meadville.
Edward L. Filgo, Shannon.

MISSOURI

Harold M. Wood, Campbell.
Oren Dee Moor, Lincoln.
Clifton E. Schuenemeyer, Union.

MONTANA

Dale A. Wetzel, Broadview.

NEBRASKA

Earl A. Christenson, Craig.

NEW HAMPSHIRE

Oliver L. Carter, Seabrook.

NEW JERSEY

Alfred E. Casagrand, Bayville.
Mary C. Bittle, Neshanic Station.

NEW MEXICO

John P. McFarland, Albuquerque.
Roy W. Harman, Carrizozo.
Thomas W. Wilson, Ojo Caliente.

NEW YORK

Charles A. Briggs, Jr., East Chatham.
Leo V. Jordan, Lyons Falls.
Lawrence M. Kendall, Millwood.
Martin J. O'Carroll, Monticello.
George A. Cole, Northport.
H. Douglas Troutman, Romulus.
Kirk E. McKee, Smyrna.
Ethelyn M. Cox, Williamstown.

NORTH CAROLINA

Edward Leroy Hobby, Apex.
Walter W. Monroe, Eagle Springs.
John H. Lynch, Mill Spring.

OHIO

Clifford J. Haglock, Dover.
Marvin O. Crabtree, Morral.

OKLAHOMA

Della I. Harlan, Big Cabin.
Howard E. Barkley, Forgan.
John F. McDaniels, Owasso.

OREGON

Leroy F. Fernlund, Bonanza.
Dean S. Reimers, Delake.
Edwin H. Condit, Westport.

PENNSYLVANIA

Emil F. Baiocco, Chester.
Robert L. Graham, Grand Valley.
Diantha E. Webster, Mainesburg.
Berton R. Rearick, Rural Valley.
Sherwood H. McCormack, Sligo.

PUERTO RICO

Angel Cesar Benitez Lopez, Aguas Buenas.

SOUTH CAROLINA

Edward F. Cross, Cross.
William P. Scarborough, Lamar.
Fred G. Best, McClellanville.
Marguerite B. Carr, Meggett.
William H. Masche, Jr., Mount Pleasant.
William A. Linder, Smoaks.

SOUTH DAKOTA

Melvin H. Weisner, Orient.

TENNESSEE

Freddie R. Maxwell, Algood.
Elisha T. Morris, Jr., Carthage.
Oliver M. Spence, Chattanooga.
Carmon C. Bowlin, Dresden.
Johnnie V. Braswell, Smyrna.

TEXAS

Sidney E. Chandler, Bowie.
William H. Moore, McAdoo.
Johnnie L. Richardson, Sanger.

VERMONT

Deane K. Page, Groton.

VIRGINIA

William W. Thomas, Dryden.
William N. Legard, Marshall.
Christine D. James, Waterford.

WASHINGTON

Merle R. Johnson, Trout Lake.

WEST VIRGINIA

Charles F. Parker, Maidsville.

WISCONSIN

Irving P. Aamodt, Emerald.
Gilbert D. Stannard, Greenbush.
Theodore R. King, Mazomanie.

WYOMING

George W. Nichols, Big Piney.

EXTENSIONS OF REMARKS

Lee's Spirituality

EXTENSION OF REMARKS
OF
HON. JOHN STENNIS
OF MISSISSIPPI
IN THE SENATE OF THE UNITED STATES
Wednesday, May 13, 1959

Mr. STENNIS. Mr. President, on May 3, 1959, our colleague, the junior Senator from Virginia [Mr. ROBERTSON], delivered an address at the annual meeting of the Robert E. Lee Memorial Foundation, at Lee's ancestral home at Stratford, Va.

This address, entitled "Lee's Spirituality," not only analyzes some of the strong spiritual qualities of the great Virginian, Robert E. Lee, but it reflects also the outstanding spiritual qualities of our colleague, also a worthy Virginian.

Through this emphasis on Lee's spiritual qualities, the Senator from Virginia has rendered a service in making the true character of General Lee better known to the American people.

That there may be further circulation of this worthy address among the people of the Nation, I ask unanimous consent that the address be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

LEE'S SPIRITUALITY

(Address by Senator A. WILLIS ROBERTSON at annual meeting of Robert E. Lee Memorial Foundation, Stratford, Va., May 3, 1959)

It was on such a spring day as this that Gen. Robert E. Lee was called upon to make the most trying decision of his life. The grass was green at Appomattox, the fragrant arbutus was opening its chalice of perfume among the drifted leaves, the white flowering dogwood would soon be in full bloom. All nature seemed to be proclaiming "God's in his heaven—all's well with the world." But Lee's heart was heavy with the realization of the fact that future resistance to the overwhelming might of Grant's army would be futile. In the bloody battle of Sayler's Creek he had lost one-third of his fighting strength, and to prevent the needless sacrifice of what remained of his brave men, Lee, the professional soldier, must suffer the public humiliation of surrendering his army and admitting that he had lost the war. "How easy," he said as his soul was being tried by the implications of that decision, "I could be rid of this and be at rest. I have only to ride along the line and all will be over. But it is our duty to live. What would become of the women and children of the South if we were not here to protect them?"

In those simple words, "it is our duty to live," Lee expressed the keynote of a character so sublime and so secure in the halls of eternal fame that his memory could not be lifted to any new place of distinction by any man's words of praise. * * *

In the shadows of the historic home at Stratford in which Lee was born, preserved by the unselfish patriotism and loving care of the Robert E. Lee Memorial Foundation, we may well recall the reference to the Lee family by Woodrow Wilson when in a speech on Robert E. Lee, he said: "We like to remember all the splendid family traditions of the Lees, but we like most of all to remember that this man was greater than all the traditions of his family; that there was a culmination here that could not have been reached by the mere drift of what men remember, but must be reached by what men originate and conceive."

In the opinion of that great scholar and statesman, what Lee had conceived, in a superlative degree, was a sense of duty. In the performance of that duty he was a singular contradiction—"a gentleman who loved his fellow men and sought to serve them by the power of love, and who yet won the imperishable fame of a great soldier."

Woodrow Wilson, in the address to which I have referred, explained this apparent paradox by saying: "The lesson of General Lee's life to me is that it is not the immediate future that should be the basis of the statesman's calculation. * * * Even a man who saw the end from the beginning should, in my conception as a southerner, have voted for spending his people's blood and his own, rather than pursue the weak course of expediency. There is here no mere device, no regard to the immediate future. What has been the result?—ask yourself that. It has been that the South has retained her best asset, her self-respect."

Senator John Warwick Daniel, in his oration at the unveiling of the Valentine recumbent statue of Lee in Lexington in 1883, said that the life of Lee taught the grandest lesson: How manhood can rise transcendant over adversity and is in itself alone, under God, preeminent.

"At the bottom of all true heroism is unselfishness," Senator Daniel said. "Its crowning expression is sacrifice."

After years of study, the great historian and brilliant writer, Dr. Douglas S. Freeman, compressed into one sentence his impressions of Lee: "What he seemed," Dr. Freeman said, "he was—a wholly human gentleman, the essential elements of whose positive character were two and only two, simplicity and spirituality." To that we can appropriately add Wilson's appraisal of Lee's life when he said, "Lee spent himself not in his self interest but for the interests of mankind." "It was," said Wilson, "not only moral force, but it was a moral force conscientiously guided by interests which were not his own."

Constituted as he was, Robert E. Lee could not have been true to himself except by spending himself unselfishly for others. He revealed his personal creed when, asked for a word of advice at the christening of a friend's child, he said simply: "Teach him to deny himself." He revealed it again when he wrote down among the maxims which he carried in his saddlebags during the war: "There is a true glory and a true honor: the glory of duty done, the honor of the integrity of principle."

But the self-sacrificing faith of Robert E. Lee was revealed in deeds even more clearly than in words. He showed it when he declined the command of the Federal army, preferring to fight the unequal battles and share the hardships of his own people; at Gettysburg when he took upon himself the blame for a disaster which he might have attributed to his lieutenants; after Appomattox when he walked under the yoke of conquests without a murmur of complain; and at Lexington when he refused large financial offers to devote the last years of his life to training the youth of his country.

Lee's services as an educator at Washington College (later to bear the joint names of two of Virginia's greatest sons) in training the youth of his Southland to successfully meet the challenge of a bitter Reconstruction period—a stain on our democracy which, let us hope, in the final day of judgment, the recording angel will blot out with a tear—was no small part of his contribution to his day and generation. But typical of his great humility, Lee said shortly before his death: "Life is gliding away and I have nothing to show for mine. I pray I may be spared to accomplish something for the benefit of mankind and the honor of God."

Avoiding the forms of discipline which he had known in his military education, General Lee established at Washington College the honor system under which the boys were required to be gentlemen in all things, to study faithfully, to hold high moral standards and to remember their Creator.

Part of that system, which avoided compulsion and stressed moral responsibility, was abolition of compulsory chapel attendance, but Lee himself set the example by faithfully attending religious services at the college and in his own church. He invited the ministers of the town to take turns acting as chaplain. He sent each Lexington pastor a list of boys in the college of that pastor's faith and encouraged the clergymen to keep in touch with them. He carefully selected only Christian homes for students who lived in the town and on one occasion he said: "If I could only know that all the young men in the college were good Christians, I should have nothing more to desire. I dread the thought of any student going away from the college without becoming a sincere Christian."

The point I want to emphasize here is that Robert E. Lee was not merely a man of high ethical and moral principles, but he was a Christian in the fullest sense of that term—one who believed in the Bible, tried to the best of his ability to follow its teachings and who put God first throughout his life.

* * * * *

There was, for example, the occasion when General Pendleton, who was a minister before the war and afterward, had lunch with General Lee in his tent. Afterward each sought to apologize for the fact that no blessing was said before the meal. General Pendleton said he had waited for his commanding officer to suggest it, but Lee said he waited because he felt the suggestion should have come from the clergyman. Then Lee added the significant statement that when nothing was said, he said the blessing silently, as he always did when he ate alone.

In General Lee's home morning prayers were a regular routine, with him reading from a worn pocket edition of the Bible he carried throughout the war, and he referred to the Bible as "a book which supplies the place of all others and cannot be replaced by any other."

Indicating the nature of his personal faith, General Lee said: "There are many things in the Old Book which I may never be able to explain, but I accept it as the infallible word of God and receive its teachings as inspired by the Holy Ghost. * * * I prefer the Bible to any other book. There is enough in that to satisfy the most ardent thirst for knowledge; to open the way to true wisdom; and to teach the only road to salvation and eternal happiness. It is not above human comprehension, and is sufficient to satisfy all its desires."

On this Lord's day when we meet as it were to give thanks to a Gracious Providence for giving to us in the times of greatest need spiritual as well as military leaders like George Washington and Robert E. Lee, I will feel that my halting efforts to interpret to you the real meaning of Lee's life will not have been in vain if you can leave this meeting with the feeling that the true significance of Lee to our day and generation is

contained in Dr. Freeman's summation when he wrote: "Of humility and submission was born a spirit of self-denial, that prepared him for the hardship of war and, still more, for the dark destitution that followed. * * * Had his life been epitomized in one sentence of the Book he read so often, it would have been in the words, 'If any man will come after Me, let him deny himself, and take up his cross daily, and follow Me.'"

"I have fought against the people of the North," Lee once said, "because I believed they were seeking to wrest from the South her dearest rights. But I have never cherished toward them bitter or vindicative feelings and have never seen the day when I did not pray for them."

We must strive for mutual tolerance because the rights for which Lee fought are threatened not only by internal friction at home but by the alien forces of an anti-God ideology. I shall never cease to give thanks for the work of the United Daughters of the Confederacy and of the Lee Memorial Foundation, who keep green the memory of a great spiritual as well as military leader, Robert E. Lee, and who have demonstrated to the Nation and to the world that the fight for a principle of self-government, known as the rights of sovereign States, in which the red blood of the flower of the South was shed on far-flung battlefields, was not a lost cause because in that fight the South saved her most precious heritage—her self-respect.

And so today we can proudly say of Robert E. Lee, as did Pericles of the young men of Athens: "They gave their bodies to the Commonwealth and received, each for his own memory, praise that will never die, and with it the grandest of all sepulchers, not that in which their mortal bones are laid, but a home in the minds of men, where their glory remains fresh to stir to speech or action as the occasion comes by. For the whole earth is the sepulcher of famous men; and their story is not graven only on stone over their native earth, but lives on far away, without visible symbol, woven into the stuff of other men's lives.

Three Hundred and Fiftieth Anniversary of the Founding of Cape May County, N.J.

EXTENSION OF REMARKS
OF
HON. CLIFFORD P. CASE
OF NEW JERSEY
IN THE SENATE OF THE UNITED STATES
Wednesday, May 13, 1959

Mr. CASE of New Jersey. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement prepared by me regarding the 350th anniversary of the founding of Cape May County, N.J.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CASE

This year, Cape May County in New Jersey is celebrating the 350th anniversary of its founding, and I am happy to call this historic fact to the attention of my colleagues.

Cape May is a delightful area in the southern part of New Jersey and has long been famous for its excellent recreational facilities. For more than 150 years vacationers and sportsmen from every part of New Jersey as well as from other States have been enjoying the limitless sports and recreational opportunities which abound in this tract of great natural beauty.

But what is more significant is the role of Cape May County in the early history of our country. Henry Hudson was the first to come upon it in 1609 and claim it for the Dutch. Thereafter a succession of navigators were sent from Holland to explore further the area of the Delaware Bay and River. In 1623 the first settlers arrived from Holland (a group of Walloons under the leadership of Cornelius Jacobsen Mey) and soon afterwards colonists from the surrounding territories migrated to the Cape May area, either in pursuit of religious freedom or for economic purposes.

Thus, the same factors which motivated the settlers of our great land were responsible also for the early growth of what is now known as Cape May County.

This is a very proud moment for the residents of Cape May County and I am happy to have this opportunity to express my felicitations to them.

Nomination of Admiral Strauss

EXTENSION OF REMARKS
OF
HON. RALPH W. YARBOROUGH
OF TEXAS
IN THE SENATE OF THE UNITED STATES
Wednesday, May 13, 1959

Mr. YARBOROUGH. Mr. President, the hearings on the President's request for confirmation of Admiral Strauss have occasioned a great deal of comment.

Some of this discussion, I feel, has clouded the issue. However, Senator JOSEPH C. O'MAHONEY, our able and distinguished colleague from Wyoming, has clearly painted the true picture in a letter to the editor of the Washington Post and Times Herald. This letter offers a plain explanation of the reasons for the Senate's actions in this matter.

Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the letter to the editor by Senator O'MAHONEY, published in the Washington Post and Times Herald for Tuesday, May 12, 1959, under the heading "Grasping at Strauss."

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GRASPING AT STRAUSS

May I not take the liberty of suggesting that your editorial of May 2, "Grasping at Strauss," seems to be based upon a mistaken constitutional premise, namely, that "The President, we believe, ought to be entitled to have in his Cabinet the persons in whom he has confidence."

This is not what the framers of the Constitution believed. They were of the opinion that the President should be required to have the advice and consent of the Senate not only to the appointment of Ambassadors, other public ministers and consuls and judges of the Supreme Court, but also "all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law."

Is there any present reason to support this view of the members of the Constitutional Convention? Yes. It is to be found not only in the traditional American principle that this is a government by law, not a government by men, but also in the words of your editorial. You said:

"This newspaper has not been by any means an admirer of Admiral Strauss. It has differed with him strongly in the Oppenheimer case, on his defense of the Dixon-Yates contract, on excessive secrecy in nuclear matters and on a number of other important policy questions."

Let me add, it is more important now that we have a President who delegates to others so much of his power that the Senate should not waive its constitutional right to deny confirmation in the case of a nominee whose record amply establishes the charge that he aspires to have his own way in matters of public importance, the Congress and even the President to the contrary notwithstanding.

The battle that is being waged now in the United States is a battle to transfer to private management the powers granted by the Constitution to the Congress to regulate interstate and foreign commerce. It is not necessary in a case like this to find "evidence of serious misconduct or some similar compelling disqualification," as your editorial asserts. It is only necessary to insist that a man nominated to be a Cabinet officer shall have a record which justifies the belief that he will support a government by law instead of a government by men.

This constitutional view was never better exemplified than in the case of Charles Beecher Warren, of Michigan, nominated on March 5, 1925, to be Attorney General of the United States. He was rejected on March 10, 1925, by the Senate by a vote of 41 to 39. President Coolidge renominated him 2 days later and the Senate again rejected him, this time by a vote of 46 to 39.

He was opposed by both Senators from Michigan—James Couzens, a Republican, and Woodbridge N. Ferris, a Democrat. The burden of the argument against him was made by Senator Thomas J. Walsh, of Montana, whose qualifications as a constitutional lawyer no one will deny.

Senator Walsh, in opposing the nomination of Warren, made no personal attack upon him and did not oppose him for any interior office. He said he was not qualified to be the Attorney General because of his association in the activities of the American Sugar Co., which was then generally known as the Sugar Trust.

These activities, Senator Walsh contended, were such that he could not be entrusted with the enforcement of the antitrust laws. Thus the President's nominee, under clear constitutional authority, was rejected because, in the belief of a majority of the Senate, public policy required his rejection.

This is the situation that exists now in the case of Mr. Strauss. Public policy requires his rejection as Secretary of Commerce. Surely the President can find another nominee in whom he has equal confidence who will be qualified both from the President's personal point of view and from the public policy point of view.

JOSEPH C. O'MAHONEY,
Senator From Wyoming.

WASHINGTON.

Targets for the 20th Century

EXTENSION OF REMARKS
OF
HON. HUBERT H. HUMPHREY
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES
Wednesday, May 13, 1959

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address entitled "Targets for the 20th Cen-

tury," which I delivered at the 12th annual convention of Americans for Democratic Action, in Washington, D.C., on May 9, 1959.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TARGETS FOR THE 20TH CENTURY

(Address by Senator HUBERT HUMPHREY to the 12th annual convention of Americans for Democratic Action, Washington, D.C., May 9, 1959)

We hear a great deal these days about firmness in our international affairs, and especially in our dealings with the Soviet Union.

I am for being firm. There is no way to deal successfully with Khrushchev and company except to be constant in principle and resolute in purpose. But a policy of firmness does not require us to stand pat and to stand still while our principal adversary carries on a campaign of maneuver and subversion against the free world. To sit tight behind a maginot line of stubborn complacency while our adversary grows stronger and bolder is not firmness; it is folly and suicide.

And make no mistake about it: the Soviet Union is growing stronger—and therefore bolder. The evidence is abundant, not in the windy boastfulness of Comrade Khrushchev but in the fine print of the solid and substantial performance and plans of the Soviet economy and the Soviet military.

Just 3 months ago, while we Americans were listening to the latest unemployment figures and fighting the battle of the balanced budget, the 21st Party Congress of the Communist Party of the Soviet Union was proclaiming the Soviet goals—economic, political, and ideological—in the cold war. To any who bothered to listen, this was sobering news.

The Soviet goals were stated, of course, in the propaganda-tinted phrases of the Communist jargon. In plain English they add up to a declaration of Soviet strategy for the cold war.

In plain English they mean that the Soviet Union has set out to arm itself with such massive economic, political, and military power that it will be able to force an end to the cold war on terms of its own choosing. This is the Soviet version of victory without nuclear war.

Their chosen instrument for this victory is the expanding Soviet economy, controlled and directed by the Communist hierarchy for this overriding purpose.

The Soviet economy must provide the material base for continued expansion of Soviet arms.

It must provide the base for the economic invasion of the underdeveloped neutrals, for yoking them to the Soviet economy.

It must provide the means of persuading the political and intellectual leaders of poverty-stricken Asia, Africa, and Latin America that communism is capable of lifting them by their economic bootstraps.

The 21st Party Congress has put us on notice: "The fundamental problem of the coming 7 years," it said, "is to make the most of the time factor in socialism's peaceful competition with capitalism. Fast rates and the necessary proportions must be insured in developing the national economy."

"Fast rates and the necessary proportions" like these:

Increases in the capital goods industries of 85 to 88 percent in 7 years.

Increases in consumer goods industries of 62 to 65 percent in 7 years.

Raising the productivity of industrial workers 50 to 55 percent in 7 years.

Increasing total output 86 percent in 7 years.

Let's not kid ourselves that they do not mean this, or that they are incapable of doing it. They may not fully meet these goals; but they mean business, and they have enormous resources and a record of getting things done.

We have laughed off 5-year plans and 7-year plans in the past—and to our sorrow. We will laugh this one off to our peril. We have it on the authority of the Chief of the CIA, Mr. Allen Dulles, that for the past 7 years Soviet industry has grown at the annual rate of 9.5 percent. This is about four times the rate of growth of our own economy in the same time.

We have little cause for comfort in comparing our own economic progress with the spectacular performance of the Soviet Union.

While the economy of the U.S.S.R. has been growing at an annual rate of 9.5 percent, the economy of the United States has been growing at an annual rate of 2 percent. And the gap in total output has been steadily narrowing.

While the U.S.S.R. has been racing forward, we have been wallowing in our second unnecessary recession in 5 years. During one quarter of last year, for the first time, steel production in the Communist bloc exceeded production in the United States.

While the U.S.S.R. speaks of increasing the productivity of labor by 7 or 8 percent a year, our productivity has been increasing by less than 2 percent.

The Russians are laying their bets on the proposition that our production will continue to grow at the rate of 2 percent a year while theirs will grow at the rate of 8 or 9 percent. If this happens, as Mr. Allen Dulles says, "the United States will be virtually committing economic suicide."

The answer rests not with them, but with us.

I am not arguing for a competition of keeping up with the Soviet Joneses. It may or may not be necessary to match them stride for stride, industry for industry.

But, I do say that we need to know our goals as clearly as they know theirs. And we need to manage our affairs as effectively for our purposes as they manage their affairs for their purposes.

And moreover, we must do it by the means of democracy, and to take full advantage of the enormous productive potential of our enterprise economy.

I have dwelt in some detail on the economic competition because it is basic. But this is not the only field in which we have failed to set our goals high enough, or where we are in danger of falling behind in the competition.

In spite of the President's soothing words, there are well-documented doubts about our military strength, now and in the future.

In international politics and diplomacy, by our dogged defense of the status quo we have allowed ourselves to be outmaneuvered in Europe, leapfrogged in the Middle East, and seriously challenged in Asia and even in our own hemisphere.

In the ideological competition we have frittered away the priceless assets of our heritage. We have been silent on the revolutionary implication of our Declaration of Independence and our Constitution, with their universal appeal to mankind. Because we have been so inept in translating these timeless principles into the times and places of the 20th century, we find ourselves on the defensive against the glittering sophistry of Marxism and Leninism with its perverted appeal to those who have never really known freedom.

Whether we talk in terms of economics, or politics, or arms, or ideas, the conclusion is the same: It is not for want of resources and capacity that we are falling behind in this competition, but because we lack a sense of purpose, a sense of direction, a sense of disciplined action. And this is the massive failure of our national leadership.

We all remember that it was this same failing which cost us so dearly in the days of the great depression of the 1930's. Franklin Roosevelt's greatest service to this country was his gift of leadership, his ability to understand the capacity of the country, to express its purposes, to set its goals and to marshal the richest of our resources—our people—for their fulfillment.

There is much that we need to recall and to learn from the history of those years. Arthur Schlesinger's latest volume of the "Age of Roosevelt" recounts how in 1933 the President and the devoted team who drew their inspiration from him faced the country's terrifying problems frankly and without illusion, and how they set themselves to rebuild the country's resources and put them to work.

There were false starts and mistakes. But over all there was a sense of purpose and direction, as they sought not only to relieve the ills of that depression but to make another one impossible. Before they were finished, they had laid a foundation for national and individual security; they had reshaped the banking system; they had built the framework of a social security system; they had established the rights of labor and safeguarded the rights of homeowners and investors. And most important, they had restored to the country its confidence, its vitality and its belief in the ability of free people to use the processes of democracy to rescue themselves even from the depths of chaos.

We should recall, too, that in the war against fascism, F. D. R. once again saw clearly where the destiny of the American people lay and called them to meet it. And once again the country responded.

The contrast with the present is inescapable. Where is the vision now, and the leadership that is both dramatic and realistic? Now, when we should be doing more, we are restrained by timid cautions.

Just this week it was my privilage to take part in a most important conference on India, which brought together many experts on the massive problems confronting that country. We discussed ways in which the United States could cooperate in the solution of these problems. At the climax of the conference, what does our leader say? He is "massively interested" in India, he told the press, but "fearful" of a massive program of aid. If this is the attitude at the top, how is the country to understand that these are times when massive problems required massive solutions?

How different it was with F. D. R.

Who can ever forget his goal of 100,000 planes, which all practical people knew was impossible. Only the visionaries like Bob Nathan knew how to plan and bring them into being.

Even during the war, with its stern military priorities, the President kept before us not only the military but the economic and the political goals. Beyond the goal of military victory he raised the banner of the four freedoms and the vision of the United Nations. The American people responded with sacrifice and discipline and on outpouring of energy and devotion. This is what made victory possible, even though Franklin Roosevelt himself did not live to see it.

"Well," you may say, "that was different. We were in a war." Well, my friends, let me tell you this: like the war against fascism, the contest with communism is a total competition for the survival of our system of freedom and our existence as a free nation. It is not a shooting war, thank God. But in its totalness, in its perils, in the imperative tasks it lays on us, and in the frightful consequences if we lose—it is a war.

Fifteen years ago we were in a war and we knew it. Now we are in a war but we

don't want to believe it. Those who should summon us to its tasks refuse to recognize it. Instead they dope us with tranquilizing pap which dulls us to the dangers and saps our strength to defend ourselves.

The war against fascism was bloody and tragic and filled with sacrifice. But it was our salvation that it was the kind of war which gave us time to mobilize resources which in the end proved decisive.

The cold war is a different kind of war—a mortal struggle between two ideological and political systems. In this war also our resources can be decisive, but only if they are mobilized in time. And that time is now, before there is any shooting. After will be too late.

Our national leaders warn us of the evils of international communism. They profess to recognize its dangers. But when it comes to fighting this war, they tell us we can fight it with one arm tied behind our backs. They propose to fight the balance of terror with balanced budgets, with business as usual, with politics as usual.

Those who are in a positon to make the decisions of leadership shrink from decisions. They refuse to acknowledge that this struggle requires more than we are putting into it, that it should have first priority on our energies and resources.

"If the trumpet give an uncertain sound, who shall prepare himself to battle?"

Comrade Khrushchev says, "We declare war upon you in the peaceful field of trade. We will win over the United States." He boasts that our grandchildren will live under his brand of socialism.

I say we should take up that challenge, not only in trade, but in ideas; in works for peace, and in food for peace; in showing by example that the ways of freedom can build more stately mansions for soul and body than tyranny ever could.

I propose that we launch a grand design for peace—a 7 year plan of our own—beginning right now, or if that is too much to hope, then on January 20, 1961.

I propose that we set the goals which are the price of survival and that we set ourselves to meet them.

I do not propose that we imitate the Soviet Union—either its goals or its methods.

I propose that as they have set their goals for the triumph of communism, we set our goals for the preservation of peace and security and for the extension of human freedom and individual welfare everywhere on earth.

They have set authoritarian priorities by dictate. We must set our goals by consent through democratic processes.

We must demonstrate the superiority of the methods as well as the goals of freedom and democracy.

The highest goal is the winning of a just and durable peace.

But, my friends, this is not a goal that can be reached by wishing, or by recoiling from the unspeakable horrors of war in the nuclear age. It requires cool nerves, but also endless patience and the ability to keep ourselves at the peak of our strength for decades—perhaps for a generation.

We have had enough of nerve-wracking take-offs and crash landings. We need to gear ourselves to a fast cruising speed.

We must seek the way to disarmament, to remove the terror of nuclear extinction and release the productive energies of the world for the works of peace. But even as we seek it, we must maintain our defenses at the peak of efficiency and effectiveness. There is no future for those who undertake to negotiate with the Soviet Union from a position of weakness. They understand and respect power.

Strength for us is not strength of the United States alone, locked in a fortress America, but strength in a community of free nations—with our allies and friends. Our contribution to that strength is not only the strongest military defense of which we are capable, but equally the strongest political, economic and ideological counterattack against international communism.

We should make and take every opportunity to negotiate agreement with the Communist bloc. There is only one test of the usefulness of an agreement: Will it enhance the strength and security of the free world and the chances for peace? We should encourage and seek opportunities to relax tension by working together on matters like health and science, and through cultural and personal exchanges.

We should move steadily to build the United Nations as an instrument for nations to work effectively together and as a framework of international relations in which law and order are respected.

Our second goal is to realize the American dream of dignity and well-being—life, liberty and the pursuit of happiness—for every American.

I propose that we dedicate the decade of the 1960's to the realization of that dream.

This unfinished business of democracy is necessary to do for its own sake. It is even more imperative now because the rest of the world is watching to see whether democracy can really do it. We must succeed.

To make equality of rights and opportunities for all Americans a living fact. To wipe out the last vestige of discrimination under color of law.

To end forever the poverty which still afflicts, young and old, one-sixth of the richest Nation that is or ever was. To erase slums and banish hunger from our land.

To bring the best of education to every American child. To bring the blessings of medical knowledge and medical care within the reach of every American.

To secure the future of small farmers and small businessmen.

By these fruits shall we be known.

Our third goal is to cooperate with free people anywhere in technical and economic progress—in industry, in agriculture, in health, in education.

In this "only war we seek" food and science, medicine and education, and skills are our megaton weapons of massive rehabilitation.

For this "war" we should plan to set aside $2 billion each year, and as time goes on, maybe even more, for as long as the need persists—for years certainly, maybe for decades.

We must export our know-how carried by a peaceful army of technical missionaries.

We must export our capital, because without it, the revolution of rising expectations may be frustrated and violent, instead of peaceful and beneficent.

We must use the blessings of our agricultural abundance in the war against hunger and malnutrition.

Instead of the ugly American, we must turn the face of America the beautiful, through our art, our music, our books, our theater, our orchestras.

If we do not do these things, it is possible, even likely, that some nations, including some which hold the key to the future, may turn to the Communists in desperation. But that is not our sole reason for doing these things.

We must do them because they are required in this war of interests and ideologies. But we must do them also because this is our mission in this last half of the 20th century. This is our call to greatness, our call to leadership. If we were to fail in this, we would forfeit our claim to greatness; we would forfeit democracy's appeal to mankind.

These goals are no idle dreams. They are the stark necessities of our times. But they will not come easily. And if we choose to live in fat and comfortable complacency, they will not come at all.

They will test our moral and political fiber. They will test our leaders and our capacity for self-government. And they will test our economy.

If we continue as we have for the past 6 years, our economy will grow just about as fast as our population. We will just about stand still.

If that happens, only by rigorous controls of our economy will we be able to give priorities to national defense, to foreign economic development, to education, health and welfare here at home.

On the other hand, if we reach and maintain the 5 percent rate of economic growth that is necessary and possible, there will be enough for the priority purposes and for the free functioning of the enterprise economy.

In our purposes, too, the national economy is basic. Khrushchev is betting everything that we cannot make it. I am betting that we can and will.

The Soviet goals are directed to Communist domination of the world. Ours are directed to the reign of freedom throughout the world.

We are called on to show that a democratic society can mobilize its resources and that a free people can accept the rigorous disciplines of planning and performance without losing their freedom. We are called on to show that a free people can compete successfully with a totalitarian system that uses the disciplines of dictatorship to achieve its ends.

We demonstrated this once before, in the competition with fascism, but not until we had been forced into a shooting war. The challenge is much greater now than it was 20 years ago. Communism, with its massive military and economic power and its sugar-coated ideology, is a more formidable enemy than fascism ever was. Moreover, this time the fate of mankind rests on our being able to win without falling into a shooting war.

This kind of challenge requires the concentrated efforts of all areas of our national life, dovetailed together in coherent, well-planned whole.

I have proposed that the Congress create a Joint Congressional Committee on National Strategy, to consider overall our national goals, our national resources, and our national strategy.

And I have proposed that the executive branch of the Government have a national policy planning staff, responsible for devising and recommending plans to express the national purposes in terms of the realities of the world situation and our own capabilities. The Department of State has long had such a staff to advise the Secretary on foreign policies. We have a Council of Economic Advisers to the President. We have a maze of interdepartmental coordinating committees. We have competing and conflicting policies and priorities—from State, Defense, Commerce, CIA, Treasury, and the Budget Bureau, which often mistake control of the purse for control of policy. Nowhere is there a staff of competent thinkers and planners, undistracted by administrative responsibilities, able to think through plans and priorities of national goals and an integrated strategy for the total of our national effort in all its aspects. I propose that such a staff be created. It is time we took planning out of the doghouse and put it in the White House.

My friends, this country has a glorious future. It has an opportunity which history has offered to no other people, anywhere, anytime. But it is an opportunity that only liberals can grasp. We have seen for 6 years that the conservative mind and the conservative spirit are unequal to it. At best the conservative is dedicated to the constructive preservation of the status quo. At worst he

is mired down in the dogmas of things as they were. This kind of challenge takes the boldness, the inventiveness, the imagination, the creative political and economic risk-taking which has been the characteristic of liberals in this country from the times of Jefferson, Jackson, and Lincoln to the days of Wilson, the two Roosevelts, and Harry Truman—whose diamond jubilee we joyfully celebrate this week.

It is a job for you and me. Let's get on with it.

SENATE

THURSDAY, MAY 14, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, we beseech Thee that Thou wilt make this wayside altar of prayer a pavilion of Thy peace, as trusting only in Thy mercy we bring our soiled lives to Thy cleansing grace.

We come with anxious burdens on our minds and hearts for our Nation and the world; with haunting fears spoiling the music of what could be a fairer earth, but which is being cursed by an uneasy peace which is itself war.

We come with deep concern for the future our children's children will inherit from our blundering hands.

We pray Thee to guide by Thy kindly light those who now take counsel for the nations of the earth. Give to them a right judgment in all things and the dominant desire to seek not only the welfare of their own people, but the greater good of the security, peace, and unity of all mankind, that Thy Kingdom, which has no selfish frontiers, may be advanced and Thy will be done on earth, as it is in Heaven. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 14, 1959.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. B. EVERETT JORDAN, a Senator from the State of North Carolina, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. JORDAN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, May 13, 1959, was dispensed with.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Constitutional Rights Subcommittee and the Antitrust and Monopoly Legislation Subcommittee of the Committee on the Judiciary were authorized to sit during the session of the Senate today.

On request of Mr. MANSFIELD, and by unanimous consent, the Internal Security Subcommittee of the Committee on the Judiciary was authorized to meet during the session of the Senate on Friday, May 15.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate go into executive session, to consider the nominations on the executive calendar, beginning with those to the Advisory Commission on Information.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. If there be no reports of committees, the nominations on the calendar, beginning with those to the Advisory Commission on Information, will be stated.

ADVISORY COMMISSION ON INFORMATION

The Chief Clerk read the nomination of Lewis W. Douglas, of Arizona, to be a member of the U.S. Advisory Commission on Information for a term expiring January 27, 1962, and until his successor has been appointed and qualified.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Mark A. May, of Connecticut, to be a member of the U.S. Advisory Commission on Information for a term expiring January 27, 1962, and until his successor has been appointed and qualified.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

NATIONAL LABOR RELATIONS BOARD

The Chief Clerk read the nomination of Stuart Rothman, of Minnesota, to be General Counsel of the National Labor Relations Board for a term of 4 years.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

FEDERAL COAL MINE SAFETY BOARD OF REVIEW

The Chief Clerk read the nomination of Edwin R. Price, of Maryland, to be a member of the Federal Coal Mine Safety Board of Review for a term expiring July 15, 1962.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

NATIONAL SCIENCE FOUNDATION

The Chief Clerk read the nomination of Dr. Logan Wilson, of Texas, to be a member of the National Science Board, National Science Foundation, for the remainder of the term expiring May 10, 1964.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The Chief Clerk read the nomination of Thomas Edward Keys, of Minnesota, to be a member of the Board of Regents of the National Library of Medicine, Public Health Service, for the remainder of a term expiring August 3, 1962.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

COAST AND GEODETIC SURVEY

The Chief Clerk proceeded to read sundry nominations for permanent appointment, subject to qualifications provided by law, in the Coast and Geodetic Survey.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Coast and Geodetic Survey nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the Army nominations will be considered en bloc; and, without objection, they are confirmed.

THE AIR FORCE

The Chief Clerk read the nomination of Lt. Gen. Clarence S. Irvine, 296A (major general, Regular Air Force), U.S. Air Force, to be placed on the retired list in the grade of lieutenant general.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

ARMY AND AIR FORCE NOMINATIONS ON THE VICE PRESIDENT'S DESK

The Chief Clerk proceeded to read sundry nominations in the Army and the Air Force which had been favorably reported and placed on the Vice President's desk.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these Army and Air Force nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

UNITED NATIONS

Mr. MANSFIELD. Mr. President, I overlooked the nomination of Harold M. Randall to the United Nations. I ask that the nomination be stated at this time.

The ACTING PRESIDENT pro tempore. The nomination will be stated.

The Chief Clerk read the nomination of Harold M. Randall, of Iowa, to be a representative of the United States of America to the 8th session of the Economic Commission for Latin America of the Economic and Social Council of the United Nations.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of all nominations confirmed today.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is now in order.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters which were referred as indicated:

SALINE WATER DEMONSTRATION PLANT

A letter from the Secretary of the Interior, reporting, pursuant to law, that the multistage flash distillation process, having a capacity of at least 1 million gallons per day, has been selected for use in the second saline water demonstration plant; to the Committee on Interior and Insular Affairs.

PRESERVATION OF UNDEVELOPED SHORELINE AREA OF THE UNITED STATES

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to save and preserve, for the public use and benefit, a portion of the remaining undeveloped shoreline area of the United States, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT ON BACKLOG OF PENDING APPLICATIONS AND HEARING CASES IN FEDERAL COMMUNICATIONS COMMISSION

A letter from the Acting Chairman, Federal Communications Commission, transmitting, pursuant to law, a report on the backlog of pending applications and hearing cases in that Commission, as of March 31, 1959 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF ACT RELATING TO IMPORTATION OF TRADEMARKED ARTICLES

A letter from the Under Secretary of Commerce, transmitting a draft of proposed legislation to amend the act entitled "An act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes" approved July 5, 1946, with relation to the importation of trademarked articles, and for other purposes (with accompanying papers); to the Committee on the Judiciary.

ADMISSION INTO THE UNITED STATES OF CERTAIN DEFECTOR ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting admission into the United States of certain defector aliens (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Wick Chu from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on July 1, 1958; to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A resolution adopted by the annual convention of the National Association of Credit Management, relating to the application of principles of sound credit to the operations of Federal, State, and local governments; to the Committee on Finance.

A resolution adopted at the annual convention of the Izaak Walton League of America, at Philadelphia, Pa.; to the Committee on Agriculture and Forestry.

Resolutions adopted at the annual convention of the Izaak Walton League of America, at Philadelphia, Pa.; to the Committee on Appropriations.

Resolutions adopted at the annual convention of the Izaak Walton League of America, at Philadelphia, Pa.; to the Committee on Interior and Insular Affairs.

Resolutions adopted at the annual convention of the Izaak Walton League of America, at Philadelphia, Pa.; to the Committee on Interstate and Foreign Commerce.

Resolutions adopted at the annual convention of the Izaak Walton League of America, at Philadelphia, Pa.; to the Committee on Labor and Public Welfare.

Resolutions adopted at the annual convention of the Izaak Walton League of America, at Philadelphia, Pa.; to the Committee on Public Works.

RESOLUTION OF BOARD OF SUPERVISORS OF GREENE COUNTY, N.Y.

Mr. JAVITS. Mr. President, I present, for appropriate reference, a resolution adopted by the Board of Supervisors of Greene County, N.Y., relating to services available at the Veterans' Administration Hospital, at Castle Point, N.Y. I ask unanimous consent that the resolution may be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Whereas the Veterans' Administration as of July 1, 1959, contemplates reducing the services available at the Veterans' Administration Hospital, Castle Point, N.Y.; and

Whereas the veterans from the Greene County area have become more reliant on the facilities of this hospital due to the large waiting list that prevails at the Veterans' Administration Hospital in Albany, N.Y.; and

Whereas there is a constant and increasing demand for hospitalization of veterans from the Greene County area for general medical and surgical care; and

Whereas the Administrator of Veterans' Affairs has authority to allocate 125,000 beds for veterans in Veterans' Administration facilities: Now, therefore, be it

Resolved, That the Board of Supervisors of Greene County go on record in urging the Administrator of Veterans' Affairs and other Government officials necessary to allocate at least 75 to 100 beds for veteran patients needing general medical and surgical treatment at the Castle Point Veterans' Hospital thereby eliminating the ever-increasing delay in securing admittance to the Veterans' Administration Hospital in Albany. And the clerk of the board of supervisors is hereby instructed to forward certified copies of this resolution to the following named officials; William S. Middleton, M.D., Chief Medical Director, Department of Medicine and Surgery, Veterans' Administration, Washington, D.C.; Hon. Sumner G. Whittier, Administrator of Veterans' Affairs, Veterans' Administration, Washington, D.C.; Hon. Olin E. Teague, chairman, House Committee on Veterans' Affairs, House of Representatives, Washington, D.C.; Senator Jacob K. Javits, U.S. Senate, Washington, D.C.; Senator Kenneth Keating, U.S. Senate, Washington, D.C.; Representative J. Ernest Wharton, House of Representatives, Washington, D.C.

RESOLUTIONS OF ORGANIZATIONS IN STATE OF NEW YORK

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD resolutions adopted by the New York State Association of Refrigerated Warehouses, Inc., of Rochester, and a resolution adopted by the Rye-Port Chester-Harrison, N.Y., chapter, American Veterans Committee.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTIONS OF NEW YORK STATE ASSOCIATION OF REFRIGERATED WAREHOUSES, INC.

Whereas the U.S. Department of Agriculture announced on March 12, the dollar and cents support prices for manufacturing milk and butterfat to be in effect for the marketing year beginning April 1, 1959; and

Whereas at the same time the Department of Agriculture announced the prices at which they would buy butter at various markets, in order to make the first announcement effective. These purchase prices are arrived at by a device of allowing 80 percent of the lowest published freight rate in order to determine the f.o.b. price the Government will pay the creamery or handler (not the producer) for his butter; and

Whereas this whole device of allowing 80 percent of the lowest published freight rate is an unwarranted effort by Government action to keep butter from flowing in its established market channels to New York State and is hereby seriously altering the butter distribution in all its phases; and

Whereas to make this discrimination more destructive, the Government policy of al-

lowing 80 percent of the lowest published freight rate is totally unrealistic, since the lowest possible freight rate applies to cars containing 50,000 pounds of butter, and the Government is buying cars of butter containing only 30,000 pounds on which the freight is much higher. In addition, when the Government gets around to moving this butter into some channel of distribution, it will have to pay freight itself on the higher basis applying to 30,000-pound cars; and

Whereas the end effect of this policy will be to have the railroad setting the standards of Government price support programs by adjustment of freight rates which are now under consideration; and

Whereas the use of this device is resulting and will continue to result in an increased revenue for the creamery or handlers (not the producers) which will seriously disturb the whole price relationship, and consequent harmful effect on all elements of industry entering into the distribution of butter: Now, therefore, be it

Resolved by the New York State Association of Refrigerated Warehouses, Inc., at its annual meeting in Syracuse, N.Y., on April 24, 1959, That the United States Department of Agriculture correct this butter price support program so as to eliminate the objections above pointed out; and be it further

Resolved, That copy of this resolution be sent to the Secretary of the U.S. Department of Agriculture, the New York State department of commerce, and the Interstate Commerce Commission, and also to U.S. Senators JAVITS and KEATING.

Whereas there is now pending before the Interstate Commerce Commission in Washington, D.C., a petition on which extended hearings have been held to equalize the freight rates into the port of New York so that they will be on the same level as other ports such as Baltimore and Philadelphia; and

Whereas there is no justification or reason for the unfair discrimination against the port of New York which has prevailed by reason of these lower rates into these other ports, and its harmful effects on the general business of New York State: Now, therefore be it

Resolved by the New York State Association of Refrigerated Warehouses, Inc., at its annual meeting in Syracuse, N.Y., on April 24, 1959, That the freight rates into the port of New York be equalized with those of other ports such as Baltimore and Philadelpha; and be it further

Resolved, That a copy of this resolution be sent to the Interstate Commerce Commission, the New York State Department of Commerce and also to Senators JAVITS and KEATING and our other congressional Representatives.

Whereas the policy of the U.S. Government under the present administration has been to withdraw from all competition with private industry; and

Whereas this policy has been effectuated in practically all manufacturing industries throughout the Nation; and

Whereas despite this universal policy, the Department of Defense has seen fit to refurbish and operate a wartime emergency facility, Cheatham Annex and other Government-owned facilities, for the purpose of manufacturing and processing materials for the refrigeration of food; and

Whereas this continuing action by the Department of Defense has and is causing great harm to the Refrigerated Warehousing, Transportation and Food Industries of New York State: Therefore be it

Resolved, That the Department of Defense continue to pursue its policy to withdraw from all competition with private industry and in particular as it applies to Cheatham Annex and other Government facilities directly competing with the public refrigerated warehousing industry; and be it further

Resolved, That copies of this resolution be sent to U.S. Senators Javits and Keating and Secretary of Defense Neil McElroy and New York State Commerce Commissioner for immediate relief from this unjust competition by a Government subsidized installation.

ENDORSEMENT OF SENATE CONCURRENT RESOLUTION 17 (HOUSE CONCURRENT RESOLUTION 107–108), ADOPTED BY THE RYE-PORT CHESTER-HARRISON, NEW YORK, CHAPTER, AMERICAN VETERANS' COMMITTEE, APRIL 21, 1959

"Whereas the continued existence of free institutions rests on the unity of the free nations of the West, yet serious division within NATO and the Atlantic Community threatens the peace and security of the West, and such division among the Western democracies is a primary objective of Soviet foreign policy; and

"Whereas the international affairs platform of the American Veterans Committee adopted at its 10th national convention urged 'that some of the best minds from the Western democracies be assembled for the express purpose of exploring just how, and to what extent, it might be possible to create the unity which is essential for us all': Now, therefore, be it

"*Resolved,* That we, the members of the Rye-Port Chester-Harrison, New York, Chapter of the American Veterans' Committee, do endorse Senate Concurrent Resolution 17 (House Concurrent Resolution 107–108) which resolved:

"1. That the Legislatures of the other democratic governments of the North Atlantic Treaty Organization shall be invited to name delegates to meet in a convention with delegates from the United States and from such other democracies, wherever situated, as the convention may invite, to explore and to report as to what extent their people might, within the framework of the United Nations and in accord with the basic principles of the Constitution of the United States, achieve more effective and democratic unity in advancing their common economic and political affairs, their joint defense and the aims of world peace and individual freedom.

"2. That the convention should be composed of leading representative citizens officially appointed on a nonpartisan basis but free to explore the problem fully as individuals without being officially instructed or able to commit their governments."

We urge adoption of this resolution by the U.S. Congress.

We instruct our delegates to the next annual convention to seek inclusion in the international affairs platform of a statement endorsing this concurrent resolution.

May 5, 1959.

LIFE INSURANCE COMPANY INCOME TAX ACT OF 1959—REPORT OF A COMMITTEE (S. REPT. NO. 291)

Mr. BYRD of Virginia. Mr. President, from the Committee on Finance, I report favorably, with amendments, the bill (H.R. 4245) relating to the taxation of the income of life insurance companies, and I submit a report thereon. This is the insurance bill, which will be taken up for consideration at 10 o'clock Tuesday morning next. I ask that the report, together with supplemental views, be printed.

The ACTING PRESIDENT pro tempore. The report will be received and the bill will be placed on the calendar; and the report will be printed, as requested by the Senator from Virginia.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ENGLE:

S. 1932. A bill to provide for the retirement of the public debt in amounts which reflect annual increases in the gross national product; to the Committee on Finance.

(See the remarks of Mr. ENGLE when he introduced the above bill, which appear under a separate heading.)

By Mr. JOHNSTON of South Carolina (by request):

S. 1933. A bill to provide a uniform premium pay system for Federal employees engaged in inspectional services, to authorize a uniform system of fees and charges for such services, and for other purposes; and

S. 1934. A bill relating to the rate of wages and to the payment of benefits for persons employed in highway post office service by contractors; to the Committee on Post Office and Civil Service.

By Mr. HENNINGS:

S. 1935. A bill for the relief of Fred Foster and George Morris, doing business as Independent Cab Co.; and for the relief of Pulaski Cab Co., Inc.; to the Committee on the Judiciary.

By Mr. HENNINGS (for himself, Mr. SYMINGTON, Mr. CLARK, and Mr. SCOTT):

S. 1936. A bill to make permanent certain provisions relating to State plans for aid to the blind; to the Committee on Finance.

(See the remarks of Mr. HENNINGS when he introduced the above bill, which appear under a separate heading.)

By Mr. GOLDWATER:

S. 1937. A bill to amend the laws relating to Saint Elizabeths Hospital so as to fix the salaries of the superintendent, assistant superintendent, and first assistant physician of the hospital, and for other purposes;

S. 1938. A bill to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university, and for other purposes; and

S. 1939. A bill to amend Public Laws 815 and 874, 81st Congress, relating to school assistance in federally-affected areas, so as to limit payments under such laws to situations involving tax-exempt Federal property; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. GOLDWATER when he introduced the above bills, which appear under separate headings.)

By Mr. KERR:

S. 1940. A bill for the relief of Maria Ioannou and Vassiliki Ioannou; to the Committee on the Judiciary.

By Mr. ELLENDER:

S. 1941. A bill to extend section 17 of the Bankhead-Jones Farm Tenant Act for 2 years; to the Committee on Agriculture and Forestry.

By Mr. EASTLAND:

S. 1942. A bill to amend section 632 of the Bankruptcy Act (11 U.S.C. 1032) by inserting the word "first" before "meeting" and by adding a new section 644 so as to require claims to be filed and to limit the time within which claims may be filed in chapter XIII proceedings (Wage Earners' Plans);

S. 1943. A bill amending the Bankruptcy Act to clarify time for review of orders of referees; and

S. 1944. A bill to amend the Bankruptcy Act in regard to the verification of pleadings; to the Committee on the Judiciary.

By Mr. EASTLAND (by request):

S. 1945. A bill for the relief of Josef Jan Loukotka; and

S. 1946. A bill for the relief of Vincente Solvia Empleo; to the Committee on the Judiciary.

By Mr. LANGER:

S. 1947. A bill relating to the authority of the Customs Court to appoint employees, and for other purposes; to the Committee on the Judiciary.

By Mr. CHAVEZ:

S. 1948. A bill for the relief of Luka Biondich; to the Committee on the Judiciary.

By Mr. CURTIS:

S. 1949. A bill to provide further for permissible writing and printing on third- and fourth-class mail matter, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. KEFAUVER:

S. 1950. A bill for the relief of Sue Lee Kam; and

S. 1951. A bill for the relief of Dr. Carmela Torre; to the Committee on the Judiciary.

By Mr. CASE of South Dakota:

S. 1952. A bill to enable the mothers and widows of deceased members of the Armed Forces now interred in cemeteries outside the continental limits of the United States to make a pilgrimage to such cemeteries; to the Committee on Armed Services.

By Mr. MORSE:

S. 1953. A bill for the relief of the United Builders, Inc.; and

S. 1954. A bill for the relief of Wong Man Wan; to the Committee on the Judiciary.

By Mr. GREEN:

S.J. Res. 97. Joint resolution to authorize preliminary study and review in connection with proposed additional building for the Library of Congress; to the Committee on Public Works.

RESOLUTIONS

HEIRS OF HARMON WALLACE JONES—REFERENCE OF BILL TO COURT OF CLAIMS

Mr. MURRAY submitted the following resolution (S. Res. 119); which was referred to the Committee on the Judiciary:

Resolved, That the bill (S. 1824) entitled "A bill for the relief of the heirs of Harmon Wallace Jones," now pending in the Senate, together with all accompanying papers, is hereby referred to the Court of Claims; and the Court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

EXTENSION OF TIME FOR STUDY OF NATIONAL LABOR RELATIONS ACT AND LABOR-MANAGEMENT RELATIONS ACT

Mr. HILL submitted the following resolution (S. Res. 120), which was referred to the Committee on Labor and Public Welfare:

Resolved, That Senate Resolution 66, 86th Congress, agreed to February 6, 1959, is amended (1) by striking out the date "July 1, 1959" in section 2 and inserting in lieu thereof the date "November 30, 1959", and (2) by striking out the date "June 1, 1954" in section 3 and inserting in lieu thereof the date "December 31, 1959".

PERMANENCY OF CERTAIN PROVISIONS RELATING TO STATE PLANS FOR AID TO THE BLIND

Mr. HENNINGS. Mr. President, on behalf of myself, my colleague, the junior Senator from Missouri [Mr. SYMINGTON], and the Senators from Pennsylvania [Mr. CLARK and Mr. SCOTT], I introduce, for appropriate reference, a bill which would enable Missouri and Pennsylvania to participate in the Federal-State program of aid to the blind on a permanent basis. Now we are operating under a temporary permission.

All of this is necessary because our aid-to-the-blind program differs from that of other States. We permit our blind people to earn more money than do other States and still be eligible for State assistance.

We ask that we be permitted to do this because we believe it is a more enlightened, sympathetic, and humane approach. We are not asking for more Federal aid than other States are receiving. We only ask that we will be allowed to permanently continue our own program and receive matching Federal funds to the same extent that other States are receiving them under their programs.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1936) to make permanent certain provisions relating to State plans for aid to the blind, introduced by Mr. HENNINGS (for himself, Mr. SYMINGTON, Mr. CLARK, and Mr. SCOTT), was received, read twice by its title, and referred to the Committee on Finance.

SALARIES FOR CERTAIN OFFICERS AT ST. ELIZABETHS HOSPITAL

Mr. GOLDWATER. Mr. President, I introduce for appropriate reference, a bill to amend the laws relating to St. Elizabeths Hospital so as to fix the salaries of the superintendent, assistant superintendent, and first assistant physician of the hospital, and for other purposes.

I ask unanimous consent that the bill be printed in the RECORD, together with a statement from Mr. Flemming, Secretary of Health, Education, and Welfare.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and statement will be printed in the RECORD.

The bill (S. 1937) to amend the laws relating to St. Elizabeths Hospital so as to fix the salaries of the superintendent, assistant superintendent, and first assistant physician of the hospital, and for other purposes, introduced by Mr. GOLDWATER, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

S. 1937

A bill to amend the laws relating to Saint Elizabeths Hospital so as to fix the salaries of the superintendent, assistant superintendent, and first assistant physician of the hospital, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 4839 of the Revised Statutes, as amended (24 U.S.C. 165), is amended by striking out "he shall reside on the premises and devote his whole time to the welfare of the institution" and inserting in lieu thereof "he shall reside on the premises, and, for this purpose, they are authorized to be appropriated from time to time such sums as may be necessary to build on the grounds of the hospital, and furnish, a residence for the superintendent; he shall devote his whole time to the welfare of the institution".

SEC. 2. Such section is further amended by inserting after the first sentence the following new sentence: "The superintendent shall receive compensation at the rate of $19,000 per annum, the assistant superintendent shall receive compensation at the rate of $18,000 per annum, and the first assistant physician of the hospital shall receive compensation at the rate of $17,500 per annum".

SEC. 3. The last proviso of the first paragraph under the head "Saint Elizabeths Hospital" in the Act of March 4, 1929 (45 Stat. 1562, 1606), is repealed.

SEC. 4. Section 3 of this Act and the amendment made by section 2 of this Act shall become effective with the beginning of the first pay period commencing after the enactment of this Act.

The statement presented by Mr. GOLDWATER is as follows:

I enclose for your consideration a draft bill "To amend the laws relating to St. Elizabeths Hospital so as to fix the salaries of the superintendent, assistant superintendent, and first assistant physician of the hospital, and for other purposes."

The provisions of this bill are designed to accomplish the following objectives:

1. To establish the following salaries for the three top positions at St. Elizabeths Hospital:

	Present salary	*Proposed salary*
Superintendent	$16,335	$19,000
Assistant superintendent	15,150	18,000
First assistant physician	14,430	17,500

2. To authorize the appropriation of funds to build and furnish, in conformity with policies on construction of housing for Federal personnel promulgated by the Bureau of the Budget, a new set of quarters for the superintendent in lieu of the apartment he now occupies in a building for patients.

3. It would repeal the following proviso in the 1930 Interior Department appropriations: *"Provided further*, That the practice of allowing quarters, heat, light, household equipment, subsistence, and laundry service to the superintendent and other employees who are required to live at St. Elizabeths Hospital may be continued without deduction from their salary, notwithstanding the Act of March 5, 1928 (45 Stat., p. 193), pending determination by the Personnel Classification Board, in accordance with said Act."

This proposed bill is identical to H.R. 9416 submitted to the 85th Congress in August 1957, except for two proposed changes:

1. The increase in salary proposed for the assistant superintendent is raised from $17,500 to $18,000 (a change which we requested while the legislation was under consideration in the 85th Congress in order to reflect the difference in status and responsibilities between this position and the position of the First Assistant Physician, the salary for which would remain at $17,500).

2. It is proposed that furnished quarters (rather than quarters) be built for the superintendent—in line with present policy and practice followed for officers of the military services, Public Health Service commissioned personnel, and personnel of the

Veterans' Administration, and other Federal employees required to live on their work premises.

In submitting this legislation to the 85th Congress, the Department described this bill as necessary legislative action to meet a longstanding problem concerning the furnishing of quarters, subsistence, and other items of maintenance to the three named officials of St. Elizabeths Hospital.

On October 10, 1956, the Comptroller General submitted to the Congress a report (B–121250) concerning the allowances for these officials of the hospital. During the hearings on our 1958 appropriation estimates, the Appropriations Committee of the House of Representatives requested that we insert in the record a statement indicating the action the Department proposed to take with respect to the Comptroller General's report. The requested statement was submitted and appears on pages 1321–1323 of the hearings record. This proposed bill would provide the necessary legislative authorizations embodied in the proposal reported to the House committee.

The need for action on this proposed legislation is urgent. In the interval between submittal of this legislation to the 85th Congress and the present date the incumbent of the position of assistant superintendent has retired and accepted a more lucrative position outside the Government. In addition, the incumbent of the first assistant physician's position has died and only recently been replaced by a promotion from within St. Elizabeths Hospital of a physician who is nearing retirement. This bill is an essential step in placing the Department in a position where it can hope to recruit qualified persons for these very important posts.

Additionally, the measures needed to resolve the problems resulting from the Comptroller General's report are delayed by the lack of authorization to build and furnish separate quarters for the superintendent of the hospital. As was pointed out in a letter transmitted to the chairman of the Committee on Education and Labor on June 20, 1958, without the additional salary provided under this legislation, the burden of complying with the self-maintenance requirements of the Comptroller General's report would become unrealistic for the incumbents of these three positions.

We shall appreciate it if you would be good enough to refer the enclosed draft bill to the appropriate committee for consideration. It is our earnest hope that early action can be taken to enact this bill and thus provide a substantial step toward solution of this longstanding problem.

The Bureau of the Budget advises that it perceives no objection to the submission of this proposed legislation to the Congress for its consideration.

Sincerely yours,

ARTHUR S. FLEMMING,
Secretary.

TEACHING HOSPITAL FOR HOWARD UNIVERSITY—TRANSFER OF FREEDMEN'S HOSPITAL

Mr. GOLDWATER. Mr. President, last year the Senate passed a bill which transferred Freedmen's Hospital to Howard University. The bill died in the House. In my estimation it is necessary for Howard University to take over Freedmen's Hospital if the hospital is to be kept in any condition at all, and it is planned to improve the hospital as soon as the transfer to the university has been effected.

Therefore I introduce, for appropriate reference, a bill to accomplish this. I ask unanimous consent that the bill be printed in the RECORD, together with a statement from Arthur Flemming, Secretary of Health, Education, and Welfare.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and statement will be printed in the RECORD.

The bill (S. 1938) to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university, and for other purposes, introduced by Mr. GOLDWATER, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

S. 1938

A bill to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TRANSFER OF FREEDMEN'S HOSPITAL

SECTION 1. (a) For the purpose of assisting in the provision of teaching hospital resources for Howard University, thereby assisting the university in the training of medical and allied personnel and in providing hospital services for the community, the Secretary of Health, Education, and Welfare shall, pursuant to agreement with the board of trustees of Howard University, transfer to Howard University, without reimbursement, all right, title, and interest of the United States in certain lands in the District of Columbia, together with the buildings and improvements thereon and the personal property used in connection therewith (as determined by the Secretary), commonly known as Freedmen's Hospital.

(b) It is the intent of Congress (1) that the transfer of Freedmen's Hospital to Howard University be effected as soon as practicable, (2) to assure the well-being of patients at Freedmen's Hospital during the period of transition, and (3) that the transfer be effected with minimum dislocation of the present hospital staff and maximum consideration of their interests as employees.

(c) The Secretary of Health, Education, and Welfare shall report to the Congress the terms of the agreement for such transfer.

PROVISION FOR EMPLOYEES OF HOSPITAL

SEC. 2. (a) The agreement for transfer of Freedmen's Hospital referred to in section 1 shall include provisions to assure that:

(1) All individuals who are career or career-conditional employees of the hospital on both the date of enactment of this Act and the day preceding the effective date of the transfer of the hospital, except those who are notified not less than six months prior to the effective date of such transfer that their positions are to be abolished, will be offered an opportunity to transfer to Howard University.

(2) Howard University—

(A) will not reduce the salary levels for such employees who transfer,

(B) will deposit currently (i) in the civil service retirement and disability fund created by the Act of May 22, 1920, the employee deductions and agency contributions required by the Civil Service Retirement Act, and (ii) in the fund created by section 5(c) of the Federal Employees' Group Life Insurance Act of 1954 the employee deductions and agency contributions required by the Federal Employees' Group Life Insurance Act of 1954, and

(C) will provide other benefits for such employees as nearly equivalent as may be practicable to those generally applicable, on the effective date of the transfer of the hospital, to civilian employees of the United States.

(3) The transfer will become effective not later than the beginning of the second month which begins after construction of the new hospital facilities authorized by section 3 is commenced.

(b) The Department of Health, Education, and Welfare shall make every reasonable effort to place in other comparable Federal positions all individuals who are career or career-conditional employees of Freedmen's Hospital on the date of enactment of this Act and who do not transfer to Howard University.

(c) Each individual who is an employee of Freedmen's Hospital on the date of enactment of this Act and who transfers to Howard University shall, so long as he is continuously in the employ of Howard University, be regarded as continuing in the employ of the United States for the purposes of the Civil Service Retirement Act and the Federal Employees' Group Life Insurance Act of 1954. For purposes of section 3121(b) of the Internal Revenue Code of 1954 and section 210 of the Social Security Act, service performed by such individual during the period of his employment at Howard University shall be regarded as though performed in the employ of the United States.

AUTHORIZATION OF CONSTRUCTION OF HOSPITAL FACILITIES

SEC. 3. For the purpose specified in section 1, there are hereby authorized to be appropriated such sums as may be necessary for the construction of a building or buildings and facilities, including equipment, and for remodeling of existing buildings (including repair and replacement of equipment) which are to be combined with the building or buildings and facilities so constructed, to provide a hospital with a capacity of not to exceed five-hundred beds.

CONTINUED OPERATION OF FACILITIES

SEC. 4. If, within 20 years after the completion of construction (as determined by the Secretary of Health, Education, and Welfare) of the new hospital facilities authorized by section 3, any of such facilities, or of the facilities transferred pursuant to section 1 and combined with such new facilities, are transferred by Howard University to any other person or entity (except a transfer to the United States) or cease to be operated by the university as teaching hospital facilities, the United States shall be entitled to recover from the transferee or the university, in the case of a transfer, or from the university, if there is no transfer, an amount equal to the then value of such facilities (or so much thereof as is involved in the transfer, as the case may be), such value to be determined by agreement of the parties or by action brought in the U.S. District Court for the District of Columbia.

AUTHORIZATION OF APPROPRIATIONS FOR OPERATION

SEC. 5. In order to facilitate operation of teaching hospital facilities at Howard University, there are authorized to be appropriated annually to the university such sums as the Congress may determine, for the partial support of the operation of such facilities giving consideration to the cost imposed by the provisions of section 2 and the portion of the agreement under this Act relating to such provisions. The cost of operating such facilities, the appropriations pursuant to this section, and any other income derived from such operation or available for such purpose shall be identified and

accounted for separately in the accounts of the university.

FINANCIAL POLICY

SEC. 6. It is hereby declared to be the policy of the Congress that, to the extent consistent with good medical teaching practice, the Howard University Hospital facilities shall become progressively more self-supporting. In order to further this policy, the President shall submit to the Congress a report, based on a study of the financing of the operation of the hospital, containing his recommendations on the rate at which, consistent with the above policy, Federal financial participation in such cost of operation shall be reduced. Such report shall be submitted not later than the end of the second calendar year following the year in which the construction of the new hospital facilities, authorized by section 3, is completed.

REPEAL OF LAWS

SEC. 7. All laws heretofore applicable specifically to Freedmen's Hospital are, to the extent of such applicability, repealed, effective with the transfer of Freedmen's Hospital pursuant to section 1.

TRANSFER OF FUNDS

SEC. 8. All unexpended balances of appropriations, allocations, and other funds, available or to be made available, of Freedmen's Hospital are, effective with the transfer of Freedmen's Hospital pursuant to section 1, transferred to Howard University for use in the operation of the Howard University Hospital facilities, except to the extent (determined by the Director of the Bureau of the Budget) required to meet obligations already incurred and not assumed by the university.

The statement presented by Mr. GOLDWATER, is as follows:

Enclosed for your consideration is a draft of a bill to transfer Freedmen's Hospital to Howard University, with provision for construction of a new teaching hospital.

Bills for this purpose were introduced last year in the Senate (S. 3626) and House of Representatives (H.R. 12094). Hearings were held and the bill was reported favorably by the Senate Committee on Labor and Public Welfare, but the Congress adjourned without further action.

The transfer of Freedmen's Hospital from the Federal Government to Howard University, with provision for a new hospital to replace the obsolete and uneconomical plant now in use at Freedmen's was recommended in 1955 by a study commission of distinguished citizens appointed by the Secretary of this Department on authorization by the 83d Congress.

Construction of new facilities for Howard University's medical teaching program and for proper care of the patients of Freedmen's Hospital is urgently needed, and has been delayed for determination of the future role of Freedmen's Hospital. The disproportionate shortage of Negro medical and allied personnel makes Howard University's medical teaching program of national importance.

The proposed legislation would at the same time give essential support to Howard University's program of medical education and end the anomaly of the Federal Government's operating a community hospital. It would make the hospital an integral part of the university with the advantages of unified responsibility and control. Under private control and with new facilities it could become progressively more self-supporting, without impairment of its teaching function.

Opposition to an earlier version of this legislative proposal, introduced in the 84th Congress, was expressed by representatives of employees at Freedmen's Hospital because of the loss of civil service employment. After extensive discussion with officials of Howard University and with employees of the hospital, new provisions were included in the 85th Congress bills, and are carried forward in the present draft bills, in order to preserve, for the employees affected by the transfer, as much of the advantages of civil service employment as is possible without infringement upon Howard University's status as a private, self-governing institution.

While it would be incompatible with Howard University's status for the transferred employees to be in Civil Service employment at the university, the new proposals will minimize disadvantage to them by providing for continuation of equal pay and benefits in the university's employ, plus continuation of their present retirement and group insurance coverage. In short, the bill would give them all the security it can without continuing them as Federal employees. For those unwilling to remain at the hospital under these conditions, additional provision is made for administrative action under present law to transfer them to other Federal jobs.

The bill as now drafted would, in substance:

1. Direct the Secretary of Health, Education, and Welfare to transfer the present Freedmen's Hospital to Howard University pursuant to agreement with the board of trustees, the transfer to be effective within the calendar month after the month in which construction of the new hospital is started.

2. State as the intent of the Congress (A) to complete the transfer as soon as practicable, (B) to assure the wellbeing of patients at Freedmen's Hospital during the transition, and (C) to effect the transfer with minimum dislocation of the present staff and maximum consideration of their interests as employees.

3. Specify that the agreement between Howard University and the Secretary of Health, Education, and Welfare include provisions to assure that career and career-conditional employees at Freedmen's Hospital will be offered an opportunity to transfer to Howard University (except for personnel notified at least 6 months in advance that their positions are to be abolished) and that Howard University will continue the salary levels of transferred employees and provide other benefits for them as nearly equivalent as may be practicable to those prevailing in the Federal Civil Service at the time of transfer.

4. Require the Department of Health, Education, and Welfare to make every reasonable effort to place in other comparable Federal positions those employees who do not transfer to Howard University.

5. Provide for continued coverage under the Civil Service Retirement Act and the Federal Employee's Group Life Insurance Act of 1954 for transferred employees who are covered under these acts on the date of enactment of the transfer legislation.

6. Authorize appropriation of funds necessary to carry out the foregoing provisions, and for new construction and remodeling of existing buildings to provide teaching hospital facilities for Howard University, with a capacity not to exceed 500 beds.

7. Authorize annual appropriations, in a separate appropriation account in the Howard University budget, for the partial support of the operation of the new teaching hospital, but declare it to be the policy of the Congress that, to the extent consistent with good medical teaching practice, the new facilities shall become progressively more self-supporting; and provide further for submission by the President to the Congress of a report, within 2 years after the year in which the new hospital is completed, containing his recommendations for carrying out this policy.

Supplementing the legislation as proposed, the Civil Service Commission will extend its separated career employees program to give career and career-conditional employees who transfer to Howard University 3 years from the transfer date (instead of the 90 days generally allowed) in which to claim reemployment priority in the Federal civil service if separated in good standing from the university; upon filing such a claim an eligible employee would remain on the separated career employee roster for a further period of either 2 years (for career employees) or 1 year (for career-conditional employees).

As a result of questions raised at the congressional hearings on last year's bill, Howard University has recently completed an analysis comparing the present status of Freedmen's Hospital employees with the status they will have after their transfer to Howard University and with the status of the present employees of the university. In appraising the future status of the transferred employees, the comparison takes into account both the provisions of the proposed bill and the undertakings which Howard University is prepared to incorporate in the agreement referred to in paragraph 3 of the summary set forth above. Two areas of difficulty which neither the bill nor the proposed agreement would expressly eliminate are (a) the applicability to the transferred employees of future Federal pay increases, and (b) the discrepancies in pay and benefits between such employees and Howard employees doing similar work.

Each of these difficulties is met by established policies. In the past, both the executive branch and the Congress have acted promptly to see to it that statutory pay increases for Federal employees were reflected in the salary scale of Howard University employees. It is the firm intention of the executive branch to maintain this policy, and we have every reason to believe that the Congress will cooperate in making it possible for us to do so.

With respect to the second difficulty, a program of adjustments in the Howard University pay system designed to bring it into line with the Federal pay system has already been initiated. The first step in this direction was taken in the fiscal year 1958 budget of Howard University by providing for within-grade promotions to employees of the university. The fiscal year 1960 budget currently being considered by the Congress contains further provision for within-grade promotions. The administration intends to continue this policy until the Howard University pay system is fully comparable with that of the Federal Government.

The legislation as now drafted will, we believe, achieve the beneficial purposes of the transfer with a minimum of temporary disturbance for those most directly affected.

We shall appreciate it if you will refer the enclosed draft proposal to the appropriate committee for consideration.

In compliance with Public Law 801, 84th Congress, 2d session, there is enclosed a statement of cost estimates and personnel requirements which would be entailed by enactment of the proposed legislation. You will note that no additional personnel costs are involved.

The Bureau of the Budget advises that it perceives no objection to the submission of this proposed legislation to the Congress for its consideration.

Sincerely yours,

ARTHUR S. FLEMMING,
Secretary.

Program: Transfer of Freedmen's Hospital to Howard University—Estimate of cost, fiscal year 1959–63

Item	1959	1960	1961	1962	1963
Appropriation requirements:					
Personal services	(1)				
Other objects	0	$410,000	$110,000	$8,637,000	
Total	0	410,000	110,000	8,637,000	
Expenditures:					
Personal services	(1)				
Other objects	0	410,000	110,000	4,400,000	$4,237,000
Total	0	410,000	110,000	4,400,000	4,237,000

[1] No additional costs for personal services are anticipated but there will be a transfer of costs from one appropriation to another. Over a period of years a decrease in cost is expected.

ASSISTANCE TO SCHOOLS IN FEDERALLY-IMPACTED AREAS

Mr. GOLDWATER. Mr. President, in the President's budget message of January 19, 1959, he said:

Schools in Federally affected areas: Although education is primarily a responsibility of State and local governments, the Federal Government has an obligation to assist communities where large numbers of children of persons engaged in Federal activities impose an extraordinary burden on local school districts.

Programs to provide financial assistance to districts thus affected have been extended and liberalized several times since they were first started in 1950, despite the fact that they should be modified to assure greater and more equitable local responsibility. The Federal Government's responsibility is clear for those children whose parents both work and live on Federal property, and do not, therefore, pay local property taxes. On the other hand, it is only proper for the communities to bear the cost of educating children of those Federal personnel who, like all other residents, pay local taxes directly or indirectly for the support of public schools. In accordance with these principles, legislation will be recommended to place these aid programs on a more sound and equitable basis (p. M66).

Mr. President, in keeping with the President's message, I introduce a bill and ask that it be appropriately referred. I ask unanimous consent that the bill be printed in the body of the RECORD, along with a statement prepared by Arthur Flemming, Secretary of Health, Education, and Welfare, and also a table which is a summary of Public Law 874 entitlements, by State, under current law and proposed amended law, fiscal year 1960.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill, statement, and table will be printed in the RECORD.

The bill (S. 1939) to amend Public Laws 815 and 874, 81st Congress, relating to school assistance in federally affected areas, so as to limit payments under such laws to situations involving tax-exempt Federal property, introduced by Mr. GOLDWATER, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

S. 1939

A bill to amend Public Laws 815 and 874, 81st Congress, relating to school assistance in federally affected areas, so as to limit payments under such laws to situations involving tax-exempt Federal property

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federally Affected Areas School Assistance Amendments of 1959".

TITLE I—AMENDMENT TO PUBLIC LAW 874

Employment on Federal property

SEC. 101. (a) The first sentence of subsection (b) of section 3 of the Act of September 30, 1950, as amended (20 U.S.C. 238), relating to the determination of the number of children residing on Federal property or residing with a parent employed on Federal property, is amended by striking out "who, while in attendance at such schools, either resided on Federal property, or resided with a parent employed on Federal property situated in whole or in part in the same State as such agency or situated within a reasonable commuting distance from the school district of such agency" and inserting in lieu thereof "who, while in attendance at such schools, (1) resided on Federal property, or (2) resided with a parent employed on Federal property situated in whole or in part in the school district of such agency, or (3) resided with a parent employed on Federal property (A) all of which is situated outside of the school district of such agency and (B) all or part of which is situated within the same State as such school district or within reasonable commuting distance from such school district".

(b) Clause (B) of paragraph (1) of subsection (c) of such section, relating to computation of the amount of entitlement, is amended to read: "(B) the sum of the number of children determined under subsection (a), 50 per centum of the number of children determined under clause (1) of subsection (b), 40 per centum of the number of children determined under clause (2) of such subsection, and 25 per centum of the number of children determined under clause (3) of such subsection".

Districts which cease to meet eligibility requirements

SEC. 102. Clause B of paragraph (2) of such subsection (c) is amended by striking out ", except that such 3 per centum requirement need not be met by such agency for any period of 2 fiscal years which follows a fiscal year during which such agency met such requirement and was entitled to payment under the provisions of this section, but the payment, under the provisions of this section to such agency for the second fiscal year of any such 2-year period during which such requirement is not met, shall be reduced by 50 per centum of the amount thereof."

Sudden and substantial increases in attendance

SEC. 103. (a) Section 4 of such Act (20 U.S.C. 239), relating to sudden and substantial increases in school attendance as a result of activities of the United States, is repealed.

(b) Clause (A) of section 3(c)(4) of such Act is amended by striking out "(including funds available under section 4 of this Act)".

(c) Subsection (a) of section 5 of such Act (20 U.S.C. 240), relating to the method of making payments, is amended by striking out "section 2, 3, or 4" and inserting in lieu thereof "section 2 or 3".

(d) Subsection (c) of such section is amended by striking out "sections 2, 3, and 4(a)" and inserting in lieu thereof "sections 2 and 3".

Federal property leased to private persons

SEC. 104. (a) The first two sentences of paragraph (1) of section 9 of such Act (20 U.S.C. 244), relating to the definition of "Federal property", are amended to read: "The term 'Federal property' means real property which is owned by the United States and from which no State, political subdivision of a State, or the District of Columbia could, because of the immunity of the property from taxation under the Constitution and laws of the United States, derive tax revenues on substantially its full value, by a tax imposed either with respect to the property or with respect to any use thereof or interest therein."

(b) The third sentence of such paragraph is amended by inserting "and" before "(B)" and by striking out ", and (C) any school which is providing flight training to members of the Air Force under contractual arrangements with the Department of the Air Force at an airport which is owned by a State or a political subdivision of a State".

(c) Section 2(b)(1) of such Act is amended by striking out "and property taxes paid with respect to Federal property, whether or not such taxes are paid by the United States,".

TITLE II—AMENDMENTS TO PUBLIC LAW 815

Employment on Federal property

SEC. 201. (a) Paragraph (2) of section 5(a) of the Act of September 23, 1950, as amended (20 U.S.C. 635), relating to the determination of the number of children residing on Federal property or residing with a parent employed on Federal property for purposes of the limitation on the total of the payments to any local educational agency, is amended by striking out the matter preceding the period and inserting in lieu thereof:

"(2)(A) the estimated increase, since the base year, in the number of children residing on Federal property, multiplied by 50 per centum of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is located; (B) the estimated increase, since the base year, in the number of children residing with a parent employed on Federal property situated in whole or in part in the school district of such agency, multiplied by 40 per centum of such average per pupil cost; and (C) the estimated increase, since the base year, in the number of children residing with a parent employed on Federal property situated (i) completely outside the school district of such agency but (ii) in whole or in part in the same State as such school district or within reasonable commuting distance from such school district, multiplied by 25 per centum of such average per pupil cost".

(b) Section 5(b) of such Act is amended by striking out "two or more" and inserting in lieu thereof "both", and by striking out "paragraph (2)" and inserting in lieu thereof "clause (A), (B), or (C) of paragraph (2)".

Sudden and substantial increases in attendance

SEC. 202. (a) Section 5(a) of such Act is amended by striking out "; and" at the end of paragraph (2) and inserting in lieu thereof a period and by striking out paragraph (3) thereof.

(b) The first sentence of section 3 of such Act (20 U.S.C. 633), relating to the dates of filing applications, is amended by striking out "paragraphs (2) or (3) of section 5(a)"

and inserting in lieu thereof "paragraph (2) of section 5(a)".

(c) The last sentence of section 5(a) of such Act is amended by striking out "paragraph (1), (2), or (3)" and inserting in lieu thereof "paragraph (1), or clause (A), (B), or (C) of paragraph (2)" and by adding "or clause" after "such paragraph".

(d) Section 5(c) of such Act is amended by striking out "paragraph (1), (2), or (3) of subsection (a) unless the increase in children referred to in such paragraph" and inserting in lieu thereof "paragraph (1) or (2) of subsection (a) unless the increase in children referred to in such paragraph (1), or the sum of the increases referred to in such paragraph (2), as the case may be", by striking out "in the case of paragraph (1) or (2), or 10 per centum in the case of paragraph (3),", and by striking out ", and unless, in the case of paragraph (3), the construction of additional minimum school facilities for the number of children in such increase will, in the judgment of the Commissioner, impose an undue financial burden on the taxing and borrowing authority of such agency".

(e) Section 5(f) of such Act is amended by striking out "paragraph (1), (2), or (3)" and inserting in lieu thereof "paragraph (1), or clause (A), (B), or (C) of paragraph (2)", by striking out "such paragraph" in clauses (3) and (4) and inserting in lieu thereof "such paragraph or clause", and by adding at the end thereof the following new sentence: "For purposes of clause (4) of the preceding sentence, in cases in which the increase period or base year referred to in such clause (4) occurred prior to July 1, 1960, the number of children therein referred to who come within paragraph (2) of subsection (a) shall be divided, with respect to such increase period or base year occurring prior to such date, into the number of such children described in clause (A), the number of such children described in clause (B), and the number of such children described in clause (C), of such paragraph (2)."

(f) Paragraph (15) of section 15 of such Act (20 U.S.C. 645), relating to the definition of "base year", is amended by striking out "'paragraph (2) or (3)" and inserting in lieu thereof "paragraph (2)".

Additional Federal payments

SEC. 203. Section 8 of such Act (20 U.S.C. 638), relating to additional Federal payments in unusual cases, is repealed.

Federal property leased to private persons

SEC. 204. (a) The first two sentences of paragraph (1) of section 15 of such Act, relating to the definition of "Federal property", are amended to read: "The term 'Federal property' means real property which is owned by the United States and from which no State, political subdivision of a State, or the District of Columbia could, because of the immunity of the property from taxation under the Constitution and laws of the United States, derive tax revenues on substantially its full value, by a tax imposed either with respect to the property or with respect to any use thereof or interest therein."

(b) The third sentence of such paragraph is amended by striking out "(A)" and by striking out ", and (B) any school which is providing flight training to members of the Air Force under contractual arrangements with the Department of the Air Force at an airport which is owned by a State or a political subdivision of a State".

Technical amendment on judicial review

SEC. 205. Section 11(b) of such Act is amended by adding at the end thereof the following new sentences: "The local educational agency affected may file with the court a petition to review such action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner, or any officer designated by him for that purpose. Upon the filing of the petition the court shall have jurisdiction to affirm or set aside the action of the Commissioner in whole or in part." Section 32 of the Act of August 28, 1958 (P.L. 85-791), is repealed.

TITLE III—MISCELLANEOUS

Effective date

SEC. 301. The amendments made by this Act, other than section 205, shall be effective for the period beginning July 1, 1959.

Transition provision

SEC. 302. If the amount to which a local educational agency is entitled under section 3 of the Act of September 30, 1950, as amended by this Act, for the fiscal year ending June 30, 1960, is less than the amount to which such agency was entitled under such section 3 (after application of section 4(c)), as in effect prior to such amendments, for the year ending June 30, 1959, and the difference between the two amounts exceeds 3 per centum of the current expenditures, as defined in such Act of September 30, 1950, of such agency for the school year 1958-1959, the amount to which such agency is entitled under such section 3, as so amended, for the fiscal year ending June 30, 1960, shall be increased by the amount of such excess.

The statement and table presented by Mr. GOLDWATER are as follows:

STATEMENT BY ARTHUR S. FLEMMING, SECRETARY OF HEALTH, EDUCATION, AND WELFARE

I have transmitted to Congres a bill to amend Public Law 874, under which Federal assistance is provided for the operation and maintenance of public elementary and secondary schools, and Public Law 815, which provides for assistance in the construction of such schools.

These are the laws designed to compensate school districts for financial problems attributed to Federal operations or the tax immunity of Federal property.

The bill would change these laws in two principal respects:

1. It would authorize aid only to those school districts whose school revenues are impaired by reason of the tax-exempt status of Federal property.

2. It would reduce payments to levels more consistent with the school revenue losses actually borne by such districts.

Available data clearly indicate that under the laws as now written many school districts receive assistance from the Federal Government as compensation for revenue losses which these districts in fact do not sustain because of tax immunity of Federal property.

Following is a summary of the situations in which assistance is provided under these laws, the changes we are proposing, and our reasons for these proposals.

1. Where parents both live on and work on tax-exempt Federal property: Under Public Law 874, as a general principle eligible districts receive for each child an amount equal to the per-pupil expenditures which are financed out of local tax revenues.

Under Public Law 815, when additional classrooms need to be constructed for the additional children whose parents work and live on Federal property, eligible districts receive an amount equal to the number of such additional children times 95 percent of the average per-pupil cost of school construction in the State.

The proposed bill would leave both laws unchanged with respect to such children.

2. Where parents work on tax-exempt Federal property but live off the property: Under both Public Law 874 and Public Law 815, an eligible school district receives just as much assistance for the education of children in this category if the Federal property involved is located outside the district as does a district in which the Federal property is actually located.

Under Public Law 874, regardless of where the property is located, the basic principal for determining the amount of assistance for pupils whose mothers or fathers work on but do not live on Federal property is that the local districts be reimbursed for half the normal per-pupil expenditures that are derived from local tax sources.

If, for example, expenditures for maintenance and operation of public elementary and secondary schools amount to $200 per-pupil per year and $100 of this is derived from local tax sources, the Federal Government under the present law provides $50 for each public school child whose father or mother is employed on Federal property.

Similarly, if a district qualifies for Federal construction funds under Public Law 815 because of increased enrollment of students whose mothers or fathers are employed on Federal property, regardless of where the property is located, the Government pays half the construction costs of the classrooms needed to accommodate the additional students. Payments are based on average school construction costs prevailing in each State.

Thus, if the average classroom construction cost for a State is $1,100 per pupil, the Government under this provision of the law pays eligible districts within that State $550 for each additional pupil enrolled whose mother or father is employed on Federal property.

The proposed bill would divide assistance for children whose parents work on but do not live on Federal property into two categories—one for those situations where the property is located within the district in which the children go to school and one for those situations where the property is located outside the district in which the children go to school.

Available data do not justify a 50 percent rate even in those districts in which Federal property is located. This rate is still more unrealistic where Federal property is located outside the district.

The proposed bill would reduce assistance under both Public Law 874 and Public Law 815 from 50 percent to 40 percent with respect to districts in which Federal properties are actually located and from 50 percent to 25 percent with respect to districts in which the properties are not located.

The 50 percent rate in these present laws is based on the broad assumption that half the local revenue for public school purposes is derived from taxes on residential property and half from taxes on commercial and industrial property. Federal property which constitutes a place of employment is figured for the purposes of these laws as commercial or industrial property from which a school district derives no tax benefit.

A report on property tax assessments published in December 1957 by the Bureau of the Census does not support the assumption that half the average school district's real property tax base consists of commercial and industrial property. This report indicates that for the country as a whole such property accounts for only 27.7 percent of the local real estate tax base.

For no State does the assessed valuation of all commercial and industrial property reach even 40 percent of the total real estate assessment, the highest for any State being 37.1, the lowest 9.3 percent.

On the basis of these figures, the assumption of a 50-50 split in local tax revenues as between residential property and commercial-industrial property is clearly unrealistic.

For the Federal Government to assume half the local costs of educating the children of parents employed on Federal property whose dwellings are subject to taxation, like the homes of their privately employed neighbors, constitutes an unjustified use of Federal funds, even where the children go to school in the same district in which the Federal property is located.

In proposing reimbursement for the education of these children at the 40 percent level, we have made allowance for the fact that many of the school districts eligible for Federal payments under Public Laws 815 and 874 are in urban or suburban communities where the proportion of revenues derived from commercial and industrial property will generally exceed somewhat the average for all school districts in the Nation.

I can find no justification whatsoever for reimbursing all districts at the same level, irrespective of where Federal property is located. The payment-in-lieu-of-tax principle simply cannot be applied equally—and at the same time equitably—to all situations.

No matter who owns it, property located outside a school district cannot be taxed by that district. Federal assistance to a school district in connection with Federal property located outside that district can be justified on a payment-in-lieu-of-tax basis only on the assumption that if the property were taxable by the school district in which it is located, some residual benefit from this would accrue to the district where the children go to school. For example, if the district in which the Federal property is located could tax that property, this might free some State school funds for other districts in which children of parents employed on the property go to school.

The proposed level of 25 percent for districts in which the Federal property is not located would seem to be adequate reimbursement for any indirect loss of revenues those districts might sustain because of tax-immunity of Federal property located outside their taxing jurisdiction.

3. Where parents live on tax-exempt Federal property but work off the property: Payments are computed under both Public Law 874 and Public Law 815 on the same basis for children in this category as for children whose mothers or fathers work on tax-exempt Federal property but live off the property.

Under Public Law 874, the basic principle for determining the amount of Federal assistance for pupils in this category is that the local districts be reimbursed for half the normal per-pupil expenditures that are derived from local tax sources.

Similarly, if a district qualifies for Federal construction funds under Public Law 815 because of increased enrollment, the Government pays half the construction costs of the classrooms needed to accommodate the additional students whose parents live on but do not work on Federal property. Payments are based on average school construction costs prevailing in each State.

The proposed bill would leave both laws unchanged with respect to these children.

4. Where parents work or live on taxable Government property: Under both Public Law 874 and Public Law 815, districts which are eligible for Federal assistance because of Federal properties in their areas receive such assistance even though the Federal properties have been leased to private firms or individuals who, under recent Supreme Court decisions, can be taxed by State and local governments for the full valuation of the properties just as though they were privately owned. Although any taxes actually paid by a lessee to a local school district are deducted from Federal payments to that district, all other eligible districts involved in such situations receive full Federal assistance.

The bill would revise the definition of Federal property in both laws so as to discontinue Federal assistance in these situations.

5. Where parents have moved into an area to work for a Government contractor: Payments are made to school districts in these situations on the basis that increased enrollments resulting from Government contract work have caused a financial hardship on these districts.

Under Public Law 874, payments are based on the amount needed to prevent a deficit in school financing. Under Public Law 815, payments are based on the number of additional children enrolled times 45 percent of the per pupil construction costs prevailing in the State.

The proposed bill would discontinue this form of Federal assistance. It is our position that such assistance, originally occasioned by the rapid expansion of large-scale defense activities, is no longer justified. Plants working on Government contracts are fully taxable and, therefore, are sources of school revenues the same as any other industrial or commercial establishment. In fact, Government contracts generate additional revenues for many school districts.

All the proposed changes would be effective for the 1959–60 school year, except that for this one year no school district's revenues for current operating expenses would be reduced by more than 3 percent on account of the changed levels of payment with respect to children of parents employed on tax-exempt Federal property. After the first year, the reduced levels of payment would be fully effective with respect to all districts.

The various amendments proposed would reduce Federal expenditures under the two laws by approximately $61,270,000 for the first year and by still larger amounts thereafter. Under Public Law 815, the estimated appropriation requirements for fiscal year 1959–60 would be reduced by approximately $14,250,000—from $61,135,000 to $46,885,000. Under Public Law 874, the estimated appropriation requirements would be reduced for fiscal year 1959–60 by approximately $47,020,000—from $163,960,000 to $116,940,000.

Summary of Public Law 874 estimated entitlements, by State, under current law and proposed amended law fiscal year 1960

State	Estimated entitlements	
	Under current law	Proposed amended law
Alabama	$4,081,812	$1,538,776
Arizona	3,333,838	2,498,955
Arkansas	1,075,056	730,212
California	25,707,200	18,455,067
Colorado	4,860,295	3,510,633
Connecticut	1,437,471	566,900
Delaware	202,304	108,868
Florida	4,419,586	3,015,591
Georgia	5,058,182	3,370,138
Idaho	1,152,014	907,543
Illinois	2,866,672	2,058,493
Indiana	746,130	380,102
Iowa	431,199	98,513
Kansas	4,158,945	2,770,676
Kentucky	1,219,773	770,619
Louisiana	1,068,198	748,653
Maine	1,246,372	1,017,825
Maryland	5,849,612	4,041,701
Massachusetts	4,116,123	3,074,119
Michigan	868,591	592,018
Minnesota	438,741	362,133
Mississippi	1,280,050	966,183
Missouri	1,856,291	640,712
Montana	1,314,639	1,154,915
Nebraska	1,674,964	1,291,012
Nevada	975,828	841,673
New Hampshire	772,623	616,270
New Jersey	2,465,858	1,901,453
New Mexico	4,057,778	3,312,185
New York	3,569,606	2,309,610
North Carolina	1,830,622	1,377,447
North Dakota	282,403	227,379
Ohio	3,893,757	2,494,464
Oklahoma	5,907,458	4,504,892
Oregon	815,707	499,916
Pennsylvania	1,978,089	1,439,369
Rhode Island	$1,500,203	$1,147,089
South Carolina	2,691,424	1,941,446
South Dakota	1,589,889	1,445,852
Tennessee	1,805,640	1,106,065
Texas	10,723,982	5,655,312
Utah	1,520,160	1,058,911
Vermont	67,728	49,531
Virginia	10,355,044	7,605,452
Washington	7,825,265	5,839,612
West Virginia	143,394	56,575
Wisconsin	599,339	405,538
Wyoming	471,631	396,408
Alaska	5,134,832	4,227,595
District of Columbia	554,922	482,449
Guam	3,156,104	2,622,185
Hawaii	703,242	604,977
Virgin Islands	8,100,000	8,100,000
Sections 6 and 8(a)	163,956,676	116,940,01
Total		

Summary of Public Law 874 estimated entitlements, by State, under current law and proposed amended law fiscal year 1960—Continued

Construction aid by State under Public Law 815, as amended, and under further proposed amendments to Public Law 815, fiscal year 1960

	Fiscal year 1960, Public Law 815 construction aid	
	Currently in effect [1]	Proposed [1]
Alabama	$1,020,747	$480,000
Arizona	1,594,850	1,520,050
Arkansas	1,332,250	1,259,610
California	14,909,615	9,932,065
Colorado	702,900	565,700
Connecticut	338,490	296,400
Delaware		
Florida	1,466,430	978,910
Georgia	1,670,435	897,680
Idaho	733,600	696,500
Illinois	88,500	61,200
Indiana	1,056,120	360,290
Iowa	260,668	182,670
Kansas	1,426,488	1,274,345
Kentucky	132,300	87,290
Louisiana		
Maine	109,600	90,000
Maryland	1,083,400	407,130
Massachusetts		
Michigan	3,556,179	2,315,970
Minnesota		
Mississippi	$577,300	$518,150
Missouri	1,713,950	1,621,550
Montana	525,200	486,910
Nebraska	648,294	533,420
Nevada	350,300	287,720
New Hampshire	602,250	602,250
New Jersey	669,600	560,190
New Mexico	3,747,384	3,256,175
New York	791,700	791,700
North Carolina	1,497,900	1,445,820
North Dakota	279,600	273,510
Ohio	528,300	445,210
Oklahoma	1,979,131	1,546,565
Oregon		
Pennsylvania		
Rhode Island	47,500	38,400
South Carolina	129,500	98,140
South Dakota	1,205,589	1,104,130
Tennessee	21,000	13,440
Texas	2,218,010	790,700
Utah	415,850	381,830
Vermont		
Virginia	2,344,600	1,536,800
Washington	2,025,370	1,871,370
West Virginia	11,000	10,510
Wisconsin		
Wyoming	77,500	74,210
Alaska	1,060,325	1,033,725
Guam	930,100	901,190
Hawaii	2,350,800	2,350,800
Puerto Rico	1,904,375	1,904,375
Total	60,135,000	45,884,600
Technical assistance	1,000,000	1,000,000
Grand total	61,135,000	46,884,600

[1] Data estimated.

Number of school districts which claim for entitlement under Public Law 874 children living in their boundaries whose parents are employed on representative major military bases during 1957–58 school year

STATE AND MILITARY INSTALLATIONS	
California:	
McClellan Air Force Base, North Sacramento	81
Presidio of San Francisco	98
Mather Air Force Base, Sacramento	71
Naval Base, Harbor Drive, San Diego	129
Colorado: Air Force Academy	26
New Mexico: White Sands Missile Range	10
Oklahoma:	
Fort Sill, Lawton	55
Tinker Air Force Base, Midwest City	104
Alabama: Fort McClellan, Anniston	24
Arkansas: Fort Chaffee, Fort Smith	21
Georgia: Fort Benning	49
Illinois: Scott Air Force Base, Belleville	24
Kansas: Air Force Plant No. 2 (B.O.P.–G.M.C.), Kansas City	58
Kentucky: Fort Knox	26
Maine: Naval Base, Kittery	55
Massachusetts: Boston Army Base	63
Missouri: Naval Industrial Reserve Aircraft Plant, Kansas City	77
New Jersey: Fort Monmouth—Main Post, Red Bank	39
New York: New York Naval Shipyard, Brooklyn	65
Ohio: Naval Industrial Reserve Aircraft Plant, Columbus	54
Pennsylvania: Olstead Air Force Base, Middletown	62
Rhode Island: Naval Base, Newport, at Newport	34
Texas:	
Air Force Plant No. 4, Fort Worth	75
Fort Hood, Killeen	53
Naval Industrial Reserve Aircraft Plant, Dallas	66
Washington:	
Air Force Plant No. 17 (Boeing plant No. 2), Seattle, commingled	47
Puget Sound Naval Shipyard, Bremerton	42
Total number of military bases	27
Total number of school districts	1,508

Each base is located in one or sometimes two school districts.

Estimated entitlements under Public Law 874 of school districts in the Washington, D.C., metropolitan area for the 1959–60 school year

School district	Entitlement under present provision of the act	Entitlement under proposed amendments
Montgomery County, Md.	$1,915,824.15	$1,112,563.94
Prince Georges County, Md.	1,722,706.42	1,032,060.64
Alexandria City, Va.	635,980.21	438,667.67
Arlington County, Va.	1,579,607.00	1,160,007.43
Fairfax County, Va.	2,814,613.18	2,146,654.98
Falls Church City, Va.	127,448.36	63,724.18
Total	8,796,179.32	5,953,678.84
Amount of reduction	2,842,500.48	

The full amount of the proposed reduction would not apply to four of these districts—Prince Georges, Arlington, and Fairfax Counties and the city of Alexandria—in the 1959–60 school year, because this would reduce their operating budgets by more than 3 percent. After the first year, Federal payments to the four districts would be further reduced as follows.

Prince Georges County	$27,881.64
Arlington County	148,623.53
Fairfax County	632,190.05
Alexandria City	276,538.99
Total	1,085,234.21

Category of Federal impact and rate of payment

Category of Federal impact	Present law (percent of local contribution rate)	Proposed amendment (percent of local contribution rate)
1st category	$100	$100
2d category	50	50
3d category	50	40
4th category	50	25

Information showing estimated attendance of children and rate of payment under Public Law 874 for school districts in the Washington, D.C., metropolitan area during the 1959–60 school year [1]

School district	Estimated average daily attendance					Percent of children living with parent employed on Federal property located outside school district	Estimated local contribution rate
	Total average daily attendance	Children by categories					
		(1) Children living on Federal property with parent employed on Federal property	(2) Children living on Federal property with parent not employed on Federal property	(3) Children living with parent employed on Federal property located in school district	(4) Children living with parent employed on Federal property located outside school district		
Montgomery County, Md.	66,614	113	6	5,828	17,025	74.1	$165.98
Prince Georges County, Md.	60,416	371		4,498	15,518	76.1	165.98
Alexandria City, Va.	12,863			174	5,255	96.8	234.29
Arlington County, Va.	22,854	161	2	5,564	7,172	55.6	241.90
Fairfax County, Va.	47,896	228	42	2,181	21,026	89.6	237.47
Falls Church, Va.	1,880				1,096	100.0	232.57

[1] The data in this table give the basis for estimating entitlement for these school districts under the amendment proposed for Public Law 874.

Estimated entitlements under Public Law 874 of school districts in the San Francisco, Calif., metropolitan area for the 1959–60 school year

School district	Entitlement under present provisions of the act	Entitlement under proposed amendments
San Francisco Unified School District	$1,049,150	$869,499
South San Francisco City Unified School District	68,748	45,351
Berkley City Unified School District	203,357	124,096
Oakland City Unified School District	748,087	466,701
Alameda City Unified School District	465,567	355,179
Albany City Unified School District	23,397	12,162
Jefferson Union High School District	44,482	22,416
San Rafael City High School District	61,119	50,611
San Mateo Union High School District	60,593	31,523

Estimated entitlements under Public Law 874 of school districts in the San Francisco, Calif., metropolitan area for the 1959–60 school year—Continued

School district	Entitlement under present provisions of the act	Entitlement under proposed amendments
San Mateo City School District	54,385	27,192
Jefferson School District	41,903	21,219
Sausalito School District	32,452	27,281
San Bruno Park School District	26,390	13,908
Walnut Creek School District	22,556	11,234
Mill Valley School District	24,072	13,908
Total	2,926,258	2,092,280
Amount of reduction	$833,978	
Percent of reduction	28.5	

NOTE.—The reduction in Federal payments shown in this table are those resulting from the change in rate of payment per child and do not include reductions that may result from the change in definition of "Federal property."

Information showing estimated attendance of children and rate of payment under Public Law 874 for school districts in the San Francisco metropolitan area during the 1959–60 school year [1]

School district	Estimated average daily attendance					Percent of children living with parent employed on Federal property located outside school district	Estimated local contribution rate
	Total average daily attendance	Children by categories					
		(1) Children living on Federal property with parent employed on Federal property	(2) Children living on Federal property with parent not employed on Federal property	(3) Children living with parent employed on Federal property located in school district	(4) Children living with parent employed on Federal property located outside school district		
San Francisco Unified School District	94,831	1,443	161	6,078	1,054	12.1	$206.14
South San Francisco Unified School District	9,282	105		5	452	80.4	206.14
Berkeley City Unified School District	15,836	144		246	1,439	78.7	206.14
Oakland City Unified School District	61,703	106		2,643	4,403	61.6	206.14

Information showing estimated attendance of children and rate of payment under Public Law 874 for school districts in the San Francisco metropolitan area during the 1959–60 school year [1]—Continued

School district	Estimated average daily attendance					Percent of children living with parent employed on Federal property located outside school district	Estimated local contribution rate
	Total average daily attendance	Children by categories: (1) Children living on Federal property with parent employed on Federal property	(2) Children living on Federal property with parent not employed on Federal property	(3) Children living with parent employed on Federal property located in school district	(4) Children living with parent employed on Federal property located outside school district		
Alameda City Unified School District	10,727	665		1,746	1,441	37.4	$206.14
Albany City Unified School District	2,809			17	210	92.5	206.14
Jefferson Union High School District	2,737			1	253	99.6	350.25
San Rafael City High School District	1,548	93		73	90	35.2	350.25
San Mateo Union High School District	7,050			22	324	93.6	350.25
San Mateo City School District	11,613				610	100.0	178.31
Jefferson School District	6,586			8	462	98.3	178.31
Sausalito School District	1,299	118		23	105	42.7	178.31
San Bruno Park School District	4,136			25	271	91.6	178.31
Walnut Creek School District	4,362				253	100.0	178.31
Mill Valley School District	2,983	14		24	218	85.2	178.31
15 California districts	237,502	2,688	161	10,911	11,585	45.7	

[1] The data in this table give the basis for estimating entitlement for these school districts under the amendments proposed for Public Law 874.

Information showing estimated attendance of children and rate of payment under Public Law 874 for school districts in the El Paso, Tex., metropolitan area during the 1959–60 school year [1]

School district	Estimated average daily attendance					Percent of children living with parent employed on Federal property located outside school district	Estimated local contribution rate
	Total average daily attendance	Children by categories: (1) Children living on Federal property with parent employed on Federal property	(2) Children living on Federal property with parent not employed on Federal property	(3) Children living with parent employed on Federal property located in school district	(4) Children living with parent employed on Federal property located outside school district		
City of El Paso	41,345	2,295		9,044	16	0.14	$155.99
Socorro Common School District W-5, El Paso	585			7	52	88.14	155.99
Ysleta Independent School District	13,587			4,224	172	3.9	155.99
Anthony Independent School District No. 906	247	25		38	35	35.7	155.99
4 Texas districts	55,764	2,320		13,313	275	1.7	

[1] The data in this table give the basis for estimating entitlement for these school districts under the amendments proposed for Public Law 874.

Estimated entitlements under Public Law 874 of school districts in the El Paso, Tex., metropolitan area for the 1959–60 school year

School district	Entitlement under present provision of the act	Entitlement under proposed amendments
City of El Paso	$1,064,632	$922,993
Socorro Common School District W-5	4,602	2,496
Ysleta Independent School District	342,866	270,331
Anthony Independent School District No. 906	9,593	8,074
Total	$1,421,693	$1,203,894
Amount of reduction	$217,799	
Percent of reduction	15.3	

NOTE.—The reductions shown in this table are those resulting from the changes in rate of payment per child and do not include reductions that may result from the change in definition of "Federal property."

AMENDMENT OF AGRICULTURAL ACT OF 1949, RELATING TO MARKETING OF DAIRY PRODUCTS—ADDITIONAL COSPONSOR OF BILL

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the name of the junior Senator from Ohio [Mr. YOUNG] be added as a cosponsor of Senate bill 1821, the Dairy Marketing Act, which I introduced on behalf of myself and Senators MCCARTHY and PROXMIRE, on April 28, 1959.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF FEDERAL COMMUNICATIONS ACT—ADDITIONAL COSPONSORS OF BILL

Mr. HARTKE. Mr. President, I ask unanimous consent that the names of Senators DODD and CAPEHART may be added as additional cosponsors of Senate bill 1858, to amend the Communications Act, relating to political broadcasts, introduced by me on May 5, 1959.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE PRESIDENT AND MR. DULLES

Mr. WILEY. Mr. President, when the history books record this period it will be with the words "They kept the peace."

But the books will record something else. It is a human interest story. It is the story of two strong men like David and Jonathan, like Damon and Pythias. I refer to Ike and Foster.

The world knows only in part of the deep affection and respect each has for the other. They have kindred minds; they are devoted to the service of their country; they are outstanding public servants who have faced shoulder to shoulder the problems on the world stage.

A few years ago Ike was stricken, and then it was that Foster, with his strength of mind and body and his knowledge, stood by.

Now, after 7 years, Foster has been stricken, and Ike stands by. He has brought to Foster's bedside in the hospital the distinguished friends of both of them—kings and prime ministers, present and past, and others. Through the years since they became acquainted, they have worked tirelessly, so that the people of the world might have a wealth of good things.

Mr. President, they are two strong, dedicated, clean men of great faith. Where else in history is there to be found such a camaraderie of mind and soul?

Who will write the story for posterity? "Thar's gold in them thar hills."

BEGINNING OF THE VERNAL UNIT OF THE CENTRAL UTAH PROJECT

Mr. BENNETT. Mr. President, today in Vernal, Utah, a ceremony is being held to mark the beginning of one of the West's important reclamation developments, the Vernal unit of the central Utah project.

This is the first part of the central Utah project, which, in turn, is an important part of the great upper Colorado River storage project, one of the most ambitious reclamation undertakings in the Nation's history.

Thirteen new reservoirs will be built in Utah under the central Utah authorization; and these reservoirs, with the attendant facilities for irrigation, recreation, and municipal water supply, will make profound and permanent changes in the economy of Utah. In a State which has been limited in economic growth by the available water supply, the importance of this project cannot be overemphasized.

The entire Vernal unit will cost approximately $6,874,000, and will provide irrigation water for nearly 15,000 acres. The central Utah project will cost an estimated $240 million, and will benefit much of central and northern Utah; it will provide irrigation for approximately 160,000 acres of land.

The more glamorous byproducts of the project—fishing, boating, swimming, and similar activities—are less important from an economic standpoint; but, nevertheless, they will add much to the beauty and the recreational possibilities of northern and central Utah. The National Park Service, at the request of the Bureau of Reclamation, has made preliminary recommendations for development of recreational facilities at these new reservoirs.

For example, the reservoir on which construction will begin today—the Stanaker Reservoir—will be used by an estimated 15,000 persons per season; and plans for inexpensive facilities for the accommodation of these visitors have been prepared by the National Park Service.

So today marks the beginning of a new era in central and northeastern Utah, the first phase of the central Utah project. Those of us who worked so long to obtain the passage of the legislation authorizing this project in 1956 and the appropriations for it in 1958 consider this an important milestone, and I am sure that all Members of the Senate join in looking forward to the completion of this vital and significant step in the development of the West.

DEDICATION CEREMONIES OF THE HARRY S. TRUMAN BIRTHPLACE

Mr. SYMINGTON. Mr. President, last month it was my privilege to participate in the dedication ceremonies of the Harry S. Truman birthplace at Lamar, Mo. It was a great day for the State of Missouri, and for the Nation.

The house where President Truman was born 75 years ago was given to the State of Missouri for preservation as a State park.

I hope that people from all parts of our country and the world will visit the town and the home where the life of this great American began.

Mr. President, I ask unanimous consent that the able presentation speech by Mr. Leonard Woodcock, international vice president of the United Auto Workers, and my own speech, delivered on April 19, at Lamar, Mo., be printed at this point in the RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

REMARKS OF LEONARD WOODCOCK, INTERNATIONAL VICE PRESIDENT, UAW, AT DEDICATION OF HARRY S. TRUMAN BIRTHPLACE

I am very proud today to have the honor of representing our union, the UAW, in transferring ownership of the birthplace of President Harry S. Truman to the Missouri State Park Board.

It was a few years ago, in the early 1950's, that some of our UAW leaders, Mr. Cox, of Lamar, Mr. Rinkenbaugh, and others, resolved to preserve this home for history. Their opportunity came in 1957 when the property was placed for sale. A quickly organized committee of people from Lamar, citizens throughout Missouri, together with the officers' councils of UAW in St. Louis and Kansas City went to work and raised the funds for purchase. The magnificent cooperation of the Missouri State Park Board brings us to this day.

There is a comforting illusion cherished by the American people that all Presidents are men of greatness when critical times are upon us. This illusion, I suppose, despite much evidence to the contrary, is fostered by the fact that America has had the great good fortune to be led my men of greatness in many of her crises.

You yourself have said, Mr. President, that the final verdict on a President cannot be made in less than a generation. Yet in 7 short years, I think, the votes are coming in—and the verdict is that in some of her most critical years—1945 to 1953—America had at the helm a man of courage, and vision, and greatness, and a spotless, fearless honesty.

You said, Mr. President, in Lexington, Ky., on October 1, 1948: "It's the horse that comes out ahead at the finish that counts." And come out ahead you did, when on the morning of November 3 of that year those who sat in the seats of the mighty discovered to their wild surprise that the people had faith in Harry Truman.

And well they should.

The economic expansion of the years of your administration brought about by your policies is without parallel in the history of America. Had we continued at that rate in these latter years, we would today have neither the problem of mass unemployment nor of inflation.

The defensive bulwarks of the free world were erected in those same years. These bold and imaginative policies saved our heritage and continued the opportunity for progress for the new generations.

What a list it is.

The loan to Britain.

The Truman doctrine for Greece.

The Marshall plan, without which there would not today be a strong and free Europe.

Point 4.

The Atlantic Pact, which brought into being NATO, the shield of our freedom.

The Berlin airlift.

The German policy, which set West Germany on the democratic path.

The turning aside of the Communist threat to Italy.

The repelling of the Communist invasion of South Korea.

The rebuilding of our defenses, for which your administration had been fighting in all the days until Korea.

The people know their debt to you, Mr. President. Their verdict is in.

In a very proud moment, Mr. Wolpers, I present through you to the State of Missouri the abstract of title of the birthplace of President Harry S. Truman.

ADDRESS OF SENATOR STUART SYMINGTON, AT DEDICATION OF THE BIRTHPLACE OF FORMER PRESIDENT HARRY S. TRUMAN, LAMAR, MO., APRIL 19, 1959

It is a rare privilege to be with you on this occasion unique in the history of Lamar, unique in the history of Missouri.

The events we are participating in here today have great significance. With the enthusiastic approval of its membership, one of the Nation's outstanding labor unions has purchased this homesite and donated it as a public shrine to the people of the United States. A great State has undertaken to preserve this site as a showplace for all people.

The men and women of the United Auto Workers, led by their gifted president, make this gift because they believe in what President Truman stood for in his public career. We in Missouri accept this gift with pleasure because President Truman through his life and works is now recognized as the number one citizen in the history of our great State.

And may we express our deep gratitude to all those whose hard work has made this project possible.

Starting today, people will be coming to Lamar from all over the world. They will be making the pilgrimage to learn about the beginnings of the man of Missouri, who has written for himself an imperishable chapter in history.

They will see that what went into the making of Harry Truman was America itself, an America which had grown for over 100 years here at the crossroads of our continent.

This is a very central place, our State of Missouri. It borders eight other States. It has the West, the South, and the East within a few miles of its boundaries. Therefore it is possible, here, to be brushed by every element of our Nation's heritage, to absorb all that goes into the making of an American.

In 1881, John Truman and his wife Martha moved to Lamar from Grandview, in order to farm and to trade in livestock. Their ancestors had reached Missouri by way of Scotland and Virginia and Pennsylvania and Kentucky. They settled in the Middle Border, within sight of the wagon trains headed for Colorado, Utah, and California. They were thus in the mainstream of the restless westward movement which dominated the history of this continent for almost 300 years.

When Harry Truman was born, here in this house in 1884, his father John nailed a mule shoe over the door to mark the event.

People said of John Truman that when he sold a horse, you knew it was a good one. In his later life, the elder Truman was a devoted public servant. From him no doubt his famous son received much of his own sense of public duty.

Martha Truman, who also lived in this house, is one whom many of us remember as a wise and gracious lady—a constant inspiration to the man we honor today.

My friends, if Harry S. Truman had never been President of the United States, he would still be worthy of note, because his life and character have been a mirror of America.

He started his first job at $3 a week. He was a timekeeper, a bank clerk and a small businessman. He knew failure and disappointment, and he knew the pride of doing a job well. He was a farmer who plowed a straight furrow. That was what his mother remembered. That was what she liked to say. He was a soldier who could not pass the vision test for West Point, but voluntarily left his home and went thousands of miles to fight (in France) with capacity and courage when America was attacked. He was a storekeeper who went broke when the price of wheat to his farmer-customers dropped from $2.15 a bushel to 88 cents in 3 years. No doubt this experience had much to do in later years with his passionate desire to see that the farmers received a square deal. He was a county judge who worked hard, and made good his promise to the voters that he would build good roads, and build them honestly. He was a devoted husband and father, whose home and family were always respected in his community, as they are now respected throughout this Nation and the world.

If this man had never been President, he would still deserve our admiration because he has within him the characteristics of all that is best about America.

Courage—enough to take command under enemy fire in the Vosges Forest in France; and convert incipient panic into orderly withdrawal.

Dedication—enough to work from eight in the morning to nine and later at night both in business and in government.

Independence—enough to run the affairs of his county court with such abilities and integrity that the patronage politicians called him "the contrariest cuss in Missouri."

And warmheartedness—so that his office is, and always has been, full of folks in trouble, people who sensed instinctively that he was working for their welfare.

Even if he had never been President—even if he had never gone beyond the borders of Missouri—all these qualities would have endeared Harry Truman to his friends and neighbors.

But on April 12, 1945, Harry S. Truman did become President, and what he did for the next 7 years will be remembered as long as freemen walk the earth.

The qualities of character nurtured on our own Missouri soil were firm when tested by the great affairs of state.

He has had the courage to stand up to the Communist aggressors and say: "You have gone this far and you will go no further."

He had the dedication to work far into the night in the most exhausting job in the world.

He had the incredible courage to win a presidential election almost by himself, in the greatest personal triumph of American political history.

He had the warmheartedness and breadth of understanding to present a progressive program of human welfare measures which looked toward a secure, healthy, and happy America.

Because he was so typically an American, Harry Truman has been able to symbolize the meaning of America to all the world. The United Nations, point 4, and the Marshall plan are also his monuments, just as is the birthplace we are dedicating today.

From now on, people will come to Lamar to study the beginnings of this man's life. And all can learn from it. All can learn that greatness can be bred in humble surroundings. All can learn of the American ideal of progress by ability. All can learn that here, in our country, we have been able to create a very special kind of man—common and extraordinary—lighthearted and determined—kind and firm—able to love his family and care passionately about the future of all the world.

Harry Truman is this kind of man. It is to the glory of America and all freedom-loving peoples that we honor him today.

"To count the life of battle good
And dear the land that gave you birth,
And dearer yet the brotherhood
That binds the brave of all the earth."

STATEMENT BY HON. DAVID J. MAYS BEFORE CONSTITUTIONAL AMENDMENTS SUBCOMMITTEE OF SENATE JUDICIARY COMMITTEE REGARDING SENATE JOINT RESOLUTION 32

Mr. ROBERTSON. Mr. President, I had the privilege of introducing to the Constitutional Amendments Subcommittee of the Senate Judicary Committee the Honorable David J. Mays of Richmond, Va., who is chairman of the Virginia Commission on Constitutional Government and president of the Virginia State Bar Association.

Mr. Mays and I appeared before the committee in support of Senate Joint Resolution 32, which would propose an amendment to the Constitution of the United States reserving to the States exclusive control of public schools. The presentation made by Mr. Mays included a historical summary of the relation, or, perhaps, I should say the lack of relation, of the 14th amendment to public schools as indicated by the action of the Congress which proposed the 14th amendment and actions of all the States which ultimately ratified that amendment.

The conclusion reached on the basis of this summary was that the Congress which initiated the 14th amendment did not believe that it barred segregation in the public schools, and that not 1 of the 37 States that considered the amendment made a record indicating that the amendment included any such prohibition.

Because of the importance of the facts cited in this summary, I ask unanimous consent that it may be inserted in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF DAVID J. MAYS, OF RICHMOND, VA., BEFORE THE SUBCOMMITTEE OF CONSTITUTIONAL AMENDMENTS, U.S. SENATE, RELATIVE TO SENATE JOINT RESOLUTION 32, MAY 14, 1959

Mr. Chairman and members of the committee, I am David J. Mays, of Richmond, Va., and appear in my capacity as chairman of the Virginia Commission on Constitutional Government, whose purpose is to bring to the attention of our people basic concepts relating to the Constitution of the United States.

I am grateful for the opportunity of appearing before you in connection with the Senate Joint Resolution 32.

Since many arguments have been and will be made concerning this resolution, I believe that I can be of most use to you in confining myself to the historical background of the 14th amendment, and more particularly to the interpretations placed thereon by the Congress and by the States at the time of its ratification. The source of this information is the legal brief prepared by my law office and the counsel with whom we were associated in the school cases decided by the Supreme Court of the United States in 1954. This résumé clearly demonstrates that the Court did not follow the interpretations placed upon the 14th amendment by the Congress and the States at the time of its adoption, and that action is needed to restore the meaning of the amendment as it was understood for nearly a century.

THE EFFECT OF THE 14TH AMENDMENT UPON RACIAL SEGREGATION IN THE PUBLIC SCHOOLS, AS INTERPRETED BY THE CONGRESS

The starting point in any such discussion is the Civil Rights Act of 1866 since it was designed to cover the same field as the amendment. The bill provided:

"That there shall be no discrimination in the civil rights or immunities among the inhabitants of any State or Territory of the United States on account of race, color, or previous condition of slavery; but the inhabitants of every race and color * * * shall have the same rights to make and enforce contracts, to sue, be parties, and give evidence, to inherit, purchase, lease, sell, hold, and convey real and personal property, and to full and equal benefit of all laws and proceedings for the security of person and property, and shall be subject to like punishment, pains, and penalties, and to none others, any law, statutes, ordinance, regulation, or custom to the contrary notwithstanding." [1]

When the bill came before the Senate, there was some concern on the part of Senator Cowan, Pennsylvania Republican, that it would end segregation in the schools; [2] but he was assured by Senator Trumbull, of Illinois, the bill's patron, that it affected only civil rights.[3] When the bill reached the House, the floor leader, Mr. Wilson of Iowa, chairman of the Judiciary Committee to which the bill had been committed, stated in opening the debate:

"What do these terms mean? Do they mean that in all things civil, social, political, all citizens, without distinction of race or color, shall be equal? By no means can they be so construed. * * * Nor do they mean that * * * their children shall attend the same schools. These are no civil rights or immunities." [4]

And he repeated that assurance later in the course of debate.[5]

The Civil Rights Act is important in this discussion since it referred to the "full and equal benefit of all laws," which could mean nothing less than equal protection.

The resolution proposing the 14th amendment has been introduced before the Civil Rights Act and both were before the Congress at the same time. There is nothing in the proceedings of the House committee that considered it to indicate that school segregation was discussed, and there is nothing to that effect in the majority and minority reports that came from the committee. Mr. Thaddeus Stevens, one of the strongest advocates of the amendment did not indicate that it went beyond the Civil Rights Act. His position was that the amendment was necessary since "the first time the South with their copperhead allies obtained control of Congress the Civil Rights Act would be repealed." [6] He was anxious to put the Civil Rights Act beyond the reach of transient congressional majorities.

In the midst of the debate on the amendment in the House the Senate passed an act donating certain lots in the city of Washington for schools for colored children in the District of Columbia.[7] And another statute was enacted to provide for equitable apportionment of school funds to Negro schools.[8]

The Congress would hardly have taken such a course in the midst of the debates over the Civil Rights Act and the 14th amendment had it been thought that they barred segregation in the public schools. Moreover, when the Congress codified the laws relating to the District of Columbia in 1874, it specifically preserved the mandatory segregation requirements enacted in 1866.[9] These statutes remained in effect until declared unconstitutional in *Bolling* v. *Sharpe*, 347 U.S. 497.

Alabama rejected the 14th amendment in 1866.[10] After its government was reorganized under Federal military rule, the amendment was ratified without debate (1868).[11] A new constitution was adopted in the same year without reference to segregated schools although there is evidence that it was recognized that segregation would be practiced.[12] The legislature, less than a month after its ratification of the amendment, adopted a general school law requiring segregation.[13] Obviously, the legislature saw no conflict between the amendment and the school statute. The next constitution (1875) made segregation mandatory.[14]

Arkansas at first rejected the amendment.[15] Committee reports in both houses

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[1] Cong. Globe, 39th Cong., 1st sess. (1866), 211.
[2] Ibid., p. 500.
[3] Ibid., p. 600.
[4] Ibid., p. 1117.
[5] Ibid., p. 1294.
[6] Ibid., p. 2459.
[7] Ibid., p. 2719.
[8] 14 Stat. 216 (1866).
[9] Revised Statutes of the District of Columbia, 18 Stat. pt. 2 (1874).
[10] Alabama Senate Journal (1866–7) 155; Alabama House Journal (1866–67) 84.
[11] Alabama Senate Journal (1868) 10; Alabama Journal (1868) 10.
[12] Bond, "Negro Education in Alabama: A Study in Cotton and Steel" (1939).
[13] Alabama Acts (1868) 148.
[14] Alabama Constitution (1875) Art. 13, 51.
[15] Arkansas Senate Journal (1866) 262; Arkansas House Journal (1866–1867), 291.

of the assembly stated objections in detail, but there is no indication that the amendment was thought to affect segregation.[16] The same assembly specifically required it.[17] The amendment was ratified in 1868 by a military legislature, which then directed the State Board of Education to set up segregated schools.[18]

California never ratified the amendment, but its assembly must have concluded that it did not ban segregation in the public schools, since the statutes requiring segregation in 1863 and 1864 were repeated in 1866 and 1870.[19]

Connecticut abolished school segregation in 1868,[20] but there is nothing to indicate that the amendment was in any way related to the statute. Of course, this was not a grave issue in that State since it had only 9,668 Negroes according to the 1870 census.

Delaware did not ratify the 14th amendment until 1901. At that time its constitution, adopted in 1897, required segregation.[21] Certainly, Delaware did not consider the amendment in contravention of its constitution.

Florida ratified the amendment in 1868,[22] and in the same year adopted a new constitution under pressure of the Reconstruction Act.[23] Nothing was said about school segregation, although there was quite a cross section represented in the assembly: 23 Democrats, 13 carpetbaggers, 21 scalawags, and 19 Negroes.[24] It is true that Florida prohibited segregation by statute in 1873;[25] but, according to the Florida attorney general, the statute was not enforced, and in the constitution which became effective in 1887 segregation was required.[26] There is no affirmative evidence that the amendment was considered to have outlawed school segregation.

Georgia ratified the amendment in 1870.[27] The same assembly passed the first statute establishing a public school system and it expressly required segregation.[28] The Governor was a Republican and a majority in both houses were Republicans, but they defeated an amendment to eliminate the segregation provision.[29]

Illinois ratified the amendment in 1867.[30] There is nothing in the official publications or in current newspaper accounts to indicate any intention to affect public schools. The superintendent of public instruction reported (1865–1866) that no schools were provided for Negroes since the law did not contemplate their mixing with the whites.[31] In his next report he stated:

"The question of coattendance, or of separate schools, is an entirely separate and distinct one, and may safely be left to be determined by the respective districts and communities, to suit themselves. In many places there will be but one school for all; in many others there will be separate schools. This is a matter of but little importance, and one which need not and cannot be regulated by legislation." [32]

The Illinois Constitution of 1870 required compulsory education, but made no reference to segregation.[33] The Governor, in his message to the assembly, urged statutes to implement the constitution, and said:

"The question whether children of different complexions shall be admitted to and instructed in the same school is one of mere local and temporary interest, and may be safely left to those who vote and pay the taxes." [34]

The constituted authorities of Illinois obviously thought that the 14th amendment did not wipe out segregation in the schools. Nor did Illinois bar segregation in the schools until 1874.[35]

Indiana adopted the amendment in 1867.[36] None of those advocating adoption suggested that segregation in the schools would be affected. Under the School Law of 1865, there was no provision for Negro pupils.[37] In 1869, however, the statute was amended and separate schools were provided for Negroes.[38] The debate was extensive, but there was no suggestion that the 14th amendment was violated.[39] Segregated schools were made permissive by statute in 1877.[40] In 1874, the Supreme Court of Indiana rejected the argument that the 14th amendment was violated by school segregation statutes, citing the action of Congress in maintaining segregation in the schools of the District of Columbia.[41] It did so again in 1926.[42]

Iowa's constitution barred school segregation before the adoption of the amendment, according to its Supreme Court.[43] After the adoption of the amendment, an effort was made to segregate the schools, but the Iowa Supreme Court held this violative of Iowa statutes. The 14th amendment was not mentioned.[44]

Kansas ratified the amendment in 1867.[45] The same legislature in the same year authorized segregated schools in the cities of the second class; [46] and, in 1868, authorized such schools in cities of the first class.[47] Except for one adverse vote in the house, action on the latter was unanimous.[48] Except for the period 1876–1879, segregated schools were maintained until the Brown decision.[49]

Kentucky rejected the amendment in 1867 [50] and never again considered it. There is nothing to indicate that the amendment affected that decision. The legislature obviously thought the amendment was not related to school segregation since it established seperate schools for Negroes that same year.[51] And the Constitution of 1891 required segregated schools.[52]

Louisiana rejected the amendment unanimously in 1867.[53] Reconstruction caused the 1868 legislature to be composed mostly of Negroes who adopted the amendment by a wide margin.[54] That same year a constitution was adopted barring school segregation.[55] Several members gave reasons for their votes, but none mentioned the 14th amendment.[56] Riots followed, and no effective schools were established while the 1868 constitution was in effect.[57] In 1879 a new constitution was adopted requiring school segregation.[58] There is no affirmative evidence that the people of Louisiana thought that the amendment affected segregated schools.

Maine never had segregation, and its Negro population in 1870 was only 1,606, about one-quarter of 1 percent of its population.

Maryland never ratified the amendment. In his message of submission the Governor did not mention the amendment; [59] nor did the lengthy report of the Joint Committee on Federal Relations to which the amendment was referred.[60] Maryland adopted a new constitution in 1867 and it did not require segregation in the schools. But the debates in convention make it clear that the delegates did not think the subject required discussion, much less prohibition.[61] When a comprehensive school system was set up by statute in 1868, it provided for separate schools for the races.[62] All of this was contemporaneous with the early history of the 14th amendment and clearly shows that Maryland thought it had no application.

Massachusetts prohibited segregated schools by statute in 1855,[63] and its adoption of the 14th amendment throws no light. The Governor reviewed the amendment in detail but made no reference to its application to schools.[64]

Michigan passed a statute in 1867 providing that "all residents of any district shall have an equal right to attend any school therein.[65] The Supreme Court of Michigan construed this as permitting Negroes to at-

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[16] Arkansas Senate Journal (1866), 258; Arkansas House Journal (1866–1867), 288.

[17] Arkansas Stat. (1866–1867), 100.

[18] Arkansas Stat. (1868), No. LII, S. 107.

[19] California Stat. (1863), ch. CLIX, S. 68; (1864), ch. CCIX, S. 13; (1866), ch. CCCXLII, S.S. 57–59; (1870), ch. DLVI, S.S. 56–57.

[20] Connecticut Public Acts (1868), ch. CVIII.

[21] Delaware Constitution (1897), art. 10, S. 2.

[22] Florida Senate Journal (1868) 9; Florida House Journal (1868) 9.

[23] Florida Constitution (1868), art. VIII, S. 1.

[24] Davis, "Civil War and Reconstruction in Florida" (1913), 259.

[25] Florida laws (1873), ch. 1947.

[26] Art. XII, S. 12.

[27] Georgia Senate Journal (1870), vol. I, 74; Georgia House Journal (1870), 74.

[28] Georgia public laws (1870), 49.

[29] Georgia House Journal (1870), 449.

[30] Illinois Senate Journal (1867); Illinois House Journal (1867), 134.

[31] Report of Superintendent of Public Instruction of Illinois (1865–66) 28; Illinois Laws (1865), 105.

[32] Report of Superintendent of Public Instruction of Illinois (1867–68), 21.

[33] Illinois Constitution (1870), art. VIII, S. 1. A proposal to require segregated schools was defeated; Journal of Constitution Convention of Illinois (1869) 234, but the majority did not bar segregation.

[34] Message to legislature by Governor of Illinois (1871), 26.

[35] Illinois Rev. Stat. (1874) sh. 122, S. 100.

[36] Brevier Legislative Reports (1867) 58, 90.

[37] Indiana laws (1865) 3.

[38] Brevier Legislative Reports (1867) 267–268, 353, 444. cf. id. pp. 356, 444.

[39] Idem (1869) 34, 341–42, 419–96, 506–12, 533.

[40] Indiana laws (1877) 124.

[41] *Cory* v. *Carter*, 48 Ind. 327 (1874).

[42] *Greathouse* v. *Board of School Commissioners*, 194 Indiana 95, 151 N.E. 411.

[43] *District* v. *City of Dubuque*, 7 Iowa 262 1858).

[44] *Clark* v. *Board of Directors*, 24 Iowa 266 (1868).

[45] Kansas Senate Journal (1867) 76, 128; Kansas House Journal (1867) 79.

[46] Kansas Laws (1867) ch. 49, S7.

[47] Kansas Gen. Stat. (1868) ch. 18, art. V, S75.

[48] Kansas House Journal (1868) 637; Kansas Senate Journal (1868), 389, 391, 399.

[49] Kansas Laws (1876) ch. 122; Kansas Laws (1879); Kansas Gen. Stat. (1949) SS 72–1724.

[50] Kentucky Senate Journal (1867) 64; Kentucky House Journal (1867) 63.

[51] Kentucky Acts (1867) 94.

[52] S. 187.

[53] Louisiana Senate Journal (1867) 20; Louisiana House Journal (1867), 23.

[54] Louisiana Senate Journal (1868) 21; Louisiana House Journal (1868), 8.

[55] Louisiana Constitution (1868) art. 135.

[56] Journal of Louisiana Constitutional Convention J–1868, pp. 200–201.

[57] Idem (1877) IV.

[58] Art. 224; cf. art. 231.

[59] Message of the Governor of Maryland to the legislature of 1867, p. 22.

[60] Documents of the General Assembly of Maryland, regular session, 1867.

[61] Debates of the Maryland Constitutional Convention of 1867, pp. 199–203, 243–248, 251–257.

[62] Maryland Laws (1868), ch. 407; idem, p. 766.

[63] Massachusetts acts and resolves (1855), ch. 256.

[64] Message of the Governor of Massachusetts to the general court, Jan. 4, 1867, pp. 67 et seq.

[65] Michigan Laws (1867), 43.

tend white schools. The opinion made no reference to the 14th amendment.[66]

Minnesota abolished segregated schools in 1864,[67] and throws no light on our problem. Minnesota had only 759 Negroes in the 1870 census.

Mississippi at first rejected the amendment out of hand.[68] Reconstruction followed, and the provisional Governor, a major general of the U.S. Army, compelled ratification.[69] Segregation was not mentioned in the constitution of 1868,[70] nor in the 1870 statute setting up a school system.[71] However, the Republican Lieutenant Governor recognized that the statute accomplished segregation in effect, since in a speech to the senate he said: "If the people desire to provide separate schools for white and black, or for good and bad children, or large or small, or male or female children, there is nothing in this law that prohibits it." [72] The schools established under this statute were nearly always segregated,[73] and segregation was expressly required by statute in 1878. The Mississippi Legislature that ratified the 14th amendment, dominated as it was by Republicans and former slaves, did not consider that ratification made school segregation unlawful.

Missouri ratified the amendment in 1867,[74] but no reference to schools is found in the proceedings. It has been consistent in maintaining segregated schools: the Constitution of 1865,[75] and statutes enacted in 1865, 1868, 1869, and 1874.[76] Segregation was again required by the Constitution of 1875 without debate,[77] and subsequent statutes laid down the same requirement in 1879, 1887, and 1889.[78]

Nebraska was admitted to the Union in 1867 and immediately ratified the amendment.[79] While the first school statute, enacted in 1867, made no reference to segregation,[80] the legislature specifically declared against segregation at the University of Nebraska when it was established 2 years later.[81] There is nothing in the record to indicate that school segregation was thought to be required by the amendment. Nebraska had only 789 Negroes in the 1870 census, and the matter of racial mixing gave no concern.

Nevada ratified the amendment in 1867.[82] The same legislature provided for segregated schools.[83] There was a minority report by the committee that recommended this legislation, but there is nothing to indicate that the division of opinion was caused by the amendment.[84] In 1872 Nevada Supreme Court held that a particular statute providing separate schools for Negroes was invalid under the Constitution of Nevada though not under the 14th amendment.[85] The dissenting opinion stated:

"The case of relator was sought to be maintained on the ground that the statute was in violation of the 14th amendment to the Constitution of the United States. I fully agree with my associates that the proposal of counsel is utterly untenable."

So there was unanimity only to the extent of agreeing that the amendment had no application to segregation.

New Jersey ratified the amendment in 1866.[86] Although when the Democrats got control of the Assembly in 1868 they rescinded that action over the veto of the Governor, and stated numerous objections to the amendment, none of them related to its effect upon the school system.[87] New Jersey never had mandatory school segregation by law, but in 1868 the State superintendent of schools interpreted the statute to permit segregation,[88] and there was no amendment of the statute until 1881, when segregation in the schools was abolished.[89]

New York ratified in 1867.[90] It had long permitted separate schools for the races. In 1864, as part of the general revision of the school laws, local authorities were empowered to establish separate schools for Negroes,[91] and this act was continued in effect in subsequent codifications.[92] Authorities in some localities took advantage of the act and maintained separate schools.[93] Although the New York Constitutional Convention of 1867 adopted a strong resolution on civil rights, there was nothing said about abolishing school segregation.[94] Efforts were made over a period of more than 30 years to have school segregation statutes declared unconstitutional in the New York courts, but in each case the court refused.[95]

North Carolina ratified in 1868.[96] A new constitution, adopted that same year, did not expressly require segregation, but the Convention adopted a resolution asserting that the interest and happiness of the races would best be promoted by separate schools.[97] This convention, it will be observed, was dominated by the radical Republicans who recognized the validity of segregation statutes.[98] Within 2 weeks after ratification of the 14th amendment, the assembly adopted a joint resolution asserting that it was the duty of the assembly to adopt a system of free public schools, but that the races should be separated.[99] Accordingly, legislation was adopted to carry out that purpose,[1] and segregated schools were thereafter maintained under law until North Carolina was recently required to integrate by force of Federal court order.

Ohio ratified in 1867.[2] No mention was made in those proceedings of school segregation. The following year, a resolution was passed by both Houses rescinding its previous action.[3] Again, no mention of school segregation. Ohio had a long record of segregated schools. A statute providing schools for Negroes was enacted as early as 1831.[4] Others were enacted in 1847 and 1848.[5] In 1860 separate schools were required where there were more than 30 children in a school district.[6] In 1874 separate schools were authorized in the discretion of local authorities,[7] and this provision was codified in 1880.[8] Segregation was not barred by statute until 1887.[9]

Oregon ratified in 1866[10] and rescinded in 1868.[11] There is no mention of school segregation in either record. Nor was any segregation statute passed. Oregon had only 346 Negroes in 1870 and there was no problem.

Pennsylvania ratified in 1867.[12] The debates are preserved, and there are some references to segregation, but it is not clear that the legislature believed that school segregation was involved. Subsequently, however, the legislature did make it clear that the 14th amendment did not affect school segregation, since it required separate schools in Pittsburgh in 1869,[13] and did not abolish school segregation until 1881.[14] Meantime, the constitutionality of segregation had been upheld in the courts.[15]

Rhode Island ratified in 1867,[16] but school segregation had been abolished by statute in Jan. 1866.[17] The 14th amendment, therefore, was never involved.

South Carolina in 1866 unanimously rejected the amendment for one vote in the House.[18] Then came Reconstruction, followed by the adoption of a constitution (1868) which abolished segregation in the public schools.[19] Three months after the convention adjourned the 14th amendment

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[66] *People* ex. rel. *Workman* v. *Board of Education of Detroit* 18, Michigan 400 (1869).

[67] Minnesota Laws (1864) 25–26.

[68] Mississippi House Journal (1867), 201–202, app., p. 77; Mississippi Senate Journal (1867), 195–196.

[69] Mississipi House Journal (1870), 13, 26; Mississippi Senate Journal (1870), 19.

[70] See art. VIII relating to education.

[71] Mississippi laws (1870) ch. 1.

[72] Mississippi Senate Journal (1870) 440.

[73] Message of the Governor of Mississippi (1871) 6; annual report of superintendent of public instruction of Mississippi (1871) 66, 124–127, showing only two mixed schools in the entire State.

[74] Missouri Senate Journal (1867) 30; Missouri House Journal (1867) 50.

[75] Missouri Constitution (1865) art. IX, S2.

[76] Missouri laws (1865) 177; (1868) 170; (1869) 86; (1874) 163–164.

[77] Missouri Constitution (1875) art. XI, S3.

[78] Missouri Rev. Stat. (1879) S7052; Missouri Laws (1887) 264; Missouri Laws (1889) 226.

[79] Nebraska House Journal (1967) 15; Nebraska Senate Journal (1867) 174.

[80] Nebraska Laws (1867) 101.

[81] Nebraska Laws (1869) 172, 177.

[82] Nev. S.J. (1867) 47; Nev. Assembly J. (1867) 25.

[83] Nev. Stat. (1867) 95.

[84] Nev. Assembly J. (1867) 208, 211.

[85] *State* v. *Duffy*, 7 Nev. 342, 8 Am. Rep. 713 (1872).

[86] N.J.S.J. (extra session, 1866) 14; Minutes of the Assembly (1866) 8, 17.

[87] N.J. Acts (1868) 1225.

[88] Annual Report of State Supt. of Schools (1868), 41–42.

[89] N.J. Laws (1881) Ch. CXLIX, p. 186.

[90] New York Senate Journal (1867), 34; New York House Journal (1867), 77.

[91] New York Laws (1864), ch. 555, title X, S. 1.

[92] New York Laws (1894), ch. 556 title XV, art. 11; New York Laws (1909), ch. 21, art. 10.

[93] Report of New York Superintendent of Public Education (1867), 75–6, 206, 208–9; (1868), 19, 219–20, 247–9; (1869), 78–9, 202–3, 227; (1870) 97–8, 230.

[94] New York Constitution (1868), art. IX; Documents of the Convention of the State of New York (1868), No. 15.

[95] *Dallas* v. *Fosdick*, 40 How. Prac. 249 (1869); *People ex. rel. Dietz* v. *Easton*, 13 Abb. Prac. (N.S.) 159 (1872); *People ex. rel. King* v. *Gallagher*, 93 N.Y. 438 (1883); *People ex. rel. Cisco* v. *School Board of Queens*, 161 N.Y. 598, 56 N.E. 81.

[96] North Carolina Laws (1868), 89.

[97] Constitution of the State of North Carolina, Together with Ordinances and Resolutions of the Constitutional Convention Assembled in the City of Raleigh, January 14, 1868 (1868), 122.

[98] Noble, "A History of Public Schools in North Carolina" (1930), 299.

[99] North Carolina House Journal (1868) 54; North Carolina Senate Journal (1868), 237.

[1] North Carolina Laws (1868–9), ch. 184.

[2] Ohio Senate Journal (1867) 7; Ohio House Journal (1867) 12; Ohio Laws (1867), 320.

[3] Ohio House Journal (1868), 33; Ohio Senate Journal (1868), 39; Ohio Laws (1st session, 1867), 280.

[4] Ohio Laws (1831), 414.

[5] Ohio Laws (1847), 81; (1848), 17.

[6] 2 Ohio Rev. Stat. (1860), 1357.

[7] Ohio Laws (1874), 513.

[8] Ohio Rev. Stat. (1880), S. 4008.

[9] Ohio Laws (1887), 34.

[10] Oregon Senate Journal (1866), 35; Oregon House Journal (1866), 74.

[11] Oregon Senate Journal (1868), 32, 131; Oregon House Journal (1868), 271.

[12] Pennsylvania Senate Journal (1867) No. 125; Pennsylvania House Journal (1867), 278.

[13] Pennsylvania Laws (1869), No. 133, S. 15.

[14] Act of June 8, 1881, Public Law 76.

[15] *Commonwealth* v. *Williamson*, 30 Legal Int. 406 (1873).

[16] 25 Journal of the Rhode Island Senate 1865–68), Feb. 5, 1867; 41 Journal of the Rhode Island House (1866–68), Feb. 7, 1867.

[17] Rhode Island Acts and Resolves (1866), Ch. 609.

[18] Charleston Daily Courier, Dec. 20, 22, 1866.

[19] Art. X, S. 10.

was ratified.[20] There is nothing to indicate that the amendment was a factor either in the convention or the legislature. Even though the radical element was then in control in South Carolina and had abolished segregation by law, its Governor, a brigadier general, U.S. Army, advocated that in practice the races be separated in the schools, and that the ultimate solution of the problem be left to time.[21] The legislature followed his advice and never set up the system of schools contemplated by the framers of the constitution, but something very different.[22] In 1870, a Massachusetts Negro was named the first superintendent of public education. He submitted a report to the legislature which contained recommendations from local school authorities, 12 of the 13 reporting advocating segregation.[23] In practice, there was little integration. When the superintendent ordered integration for the school of the deaf, dumb, and blind, it closed down, and remained closed until it was reopened 3 years later on a segregated basis. Efforts to integrate the State university also failed.[24]

Tennessee ratified the amendment in 1866 after some members were put under arrest to make a quorum. Efforts were made by the opponents to except various State rights from its operation, but no one seemed to consider it necessary to make exceptions to cover segregation in the public schools.[25] The same legislature which ratified the amendment amended the school law (March 5, 1867) to require segregated education in Tennessee,[26] a statute which the Republican Governor referred to in his second inaugural address as "wise and desirable." In 1870, school segregation was written into the constitution,[27] and reenacted in a further amendment to the school laws in 1873.[28] They have remained segregated until our day.

Texas at first rejected the amendment.[29] Both house and senate committees on Federal relations filed long reports opposing ratification, pointing out that the amendment might serve to give the Negroes the vote, the right to serve on juries, to bear arms, etc.; but no one seemed to think it necessary to mention segregation in the schools, which was not enumerated among the objections.[30] Then came Reconstruction and ratification of the amendment in 1870.[31] Again, there is no record of any reference to schools. The 1869 constitution required establishment of a free school system, but segregation was not mentioned.[32] The same legislature that ratified the amendment enacted a statute which left it to the localities, "when in their opinion, the harmony and success of the schools require it, to make any separation of the students or schools necessary to insure success."[33] The report of the committee that recommended adoption made it plain enough that it was intended to establish segregation on the local level.[34] Segregated schools were required by the 1876 Constitution,[35] and that requirement has been continued.

Vermont ratified in 1866.[36] Throughout the proceeding no mention was made of the school problem. But Vermont seems never to have had segregated schools, and it had no problem since it had only 924 Negroes in 1870.

Virginia refused to ratify in 1867. There were no favorable votes in the Senate and only one in the House.[37] There was no mention of public schools in the proceedings. Ratification followed Reconstruction at the 1869–70 session of the legislature.[38] In 1869, a constitution was adopted which made no reference to segregated schools, but in 1870 the same legislature which ratified the 14th amendment provided for segregated schools and resisted every effort to strike this provision from the school statute.[39] On Virginia's statute books this has been the law ever since.

West Virginia ratified in 1867,[40] and the same legislature only 6 weeks later adopted a statute providing that "white and colored persons shall not be taught in the same schools."[41] In 1872 a new constitution was adopted. It required segregation in the schools,[42] and West Virginia has continued that provision ever since.

Wisconsin ratified in 1867.[43] There was no reference in the proceedings to segregated schools, but it was immaterial anyway since Wisconsin never had segregation in its schools, and in 1870 had only 2,113 Negroes to segregate.

CONCLUSION

The foregoing summary seems conclusive that the Congress which initiated the 14th amendment did not believe that it barred segregation in the public schools, and that in not one of the 37 States that considered the amendment is there substantial evidence to indicate that the amendment was deemed such a prohibition.

The Supreme Court of the United States on March 20 of this year decided a case involving an interpretation of the amendment by a careful examination of the constitutions of the several States at the time of the amendment's adoption, and felt bound thereby.[44] It, therefore, approves that method of interpretation. However, all of the material above cited and more, was supplied to the Court in the school cases, but was held by it to be "inconclusive."[45] Surely we have the right respectfully to differ when the evidence is so overwhelming and irrefutable.

There are only two possible ways of restoring the original meaning to the 14th amendment: by the reversal of its position by the Supreme Court itself or by action of the Congress and orderly amendment. The first seems out of the question since the Court has adopted the policy of committing new Justices to the rule laid down in the school cases as they take their places on the bench.[46] The remedy, therefore, is in the hands of Congress alone.

Again, I wish to thank you gentlemen for the opportunity of appearing before you.

[20] Charleston Daily Courier, July 8, 9, 1868.

[21] Ibid., July 10, 1868.

[22] *Holler* v. *Rock Hill School District*, 60 S.C. 41, 38 S.E. 220, 221 (1901).

[23] Reports and Resolutions of the South Carolina General Assembly (1870), 403–87.

[24] Simpkins and Woody, "South Carolina Reconstruction" (1932), 439–42.

[25] Tennessee Senate Journal (called session) (1866), 4, 23, 24, 41; Tennessee House Journal (called session) (1866), 25, 36.

[26] Tennessee Statutes (1866–67), ch. XXVII, S. 17.

[27] Art. XI, S. 12.

[28] Tennessee Statutes (1873), ch. XXV, S. 30.

[29] Texas House Journal (1866), 584; Texas Senate Journal (1866), 471.

[30] Texas House Journal (1866), 578; Texas Senate Journal (1866), 421.

[31] Daily State Journal, v. I, No. 19 (Feb. 19, 1870).

[32] Texas Constitution (1869), art. IX, S. IV.

[33] Texas General Laws (1870), 113.

[34] Texas Senate Journal (1870), 482.

[35] Art. VII, S. 7.

[36] Vermont Senate Journal (1866), 75; Vermont House Journal (1866) 140.

[37] Virginia House Journal (1866–67), 108; Virginia Senate Journal (1866–67), 103: Virginia Acts (1866–67), ch. 46.

[38] Virginia House Journal (1869–70), 36; Virginia Senate Journal (1869–70), 27.

[39] Virginia Acts (1869–70), ch. 259, S. 47; Virginia Senate Journal (1869–70), 485, 489, 507; Virginia House Journal (1869–70), 606–607, 615.

[40] West Virginia Senate Journal (1867), 24; West Virginia House Journal (1867), 10.

[41] West Virginia Acts (1867), ch. 98.

[42] West Virginia Constitution (1872), art. XII, S. 8.

[43] Wisconsin Senate Journal (1867), 119; Wisconsin House Journal (1867), 223.

[44] *Bartkus* v. *People of the State of Illinois*, 27 L.W. 4233.

[45] *Brown* v. *Board of Education of Topeka*, 347, U.S. 483,489.

[46] *Cooper* v. *Aaron*, 3 L. ed. 5, 18.

DEATH OF THOMAS E. DUNWODY

Mr. KEFAUVER. Mr. President, I was saddened to learn of the death on May 2 of a truly great person: Mr. Thomas E. Dunwody, the popular president of the International Printing Pressmen and Assistants Union.

Mr. Dunwody succumbed of a heart and circulatory ailment at East Tennessee Baptist Hospital.

Mr. Dunwody was the third president in the 70-year history of the union. He was born in Lafayette, Ga. At the age of 6, after his parents died, he was placed in the Thornwell, S.C., Orphanage. He acquired his fundamental education in the grammar and high-school departments, after which he completed the college course there. It was at Thornwell that Dunwody received his first technical training.

Mr. Dunwody became editor and publisher of the St. Matthews, S.C., Recorder in 1905. In June 1910 he came to Chattanooga as foreman of the pressroom of the Imperial Press.

As a member of Pressmen's Local 165 in Chattanooga, he took an active part in union matters, and his efforts were rewarded by many honors.

Mr. Dunwody's boundless energy and desire to improve the technical training of printing pressmen was primarily responsible for the erection in 1948 of the beautifully modern brick and glass Technical Trade School. This was the fulfillment of one of his fondest dreams.

He had been editor of the union's magazine, The American Pressman, since 1916. He became acting president of the International Pressmen's Union in 1951. A year later, he was elected president of the union.

Mr. Dunwody long will be remembered as a fine citizen and as a great moral and civic force.

I extend my sympathy to his wife, Mrs. Norma Dunwody, and to all friends and associates of Mr. Dunwody.

EDUCATION LEGISLATION

Mr. MURRAY. Mr. President, the proposed amendments to Public Laws 815 and 874 sent to the Congress by Secretary Flemming Tuesday clearly illustrate the administration's desire to pinch pennies at the Federal level to save big business and big income taxpayers from paying their fair share of the Nation's school tax bill.

They also illustrate the administration's consistent efforts to force persons of lower income levels to carry much more than their rightful share of the staggering financial load for supporting schools by forcing State and local tax structures to carry almost the total load of school support.

It is time for Americans of average and below average income to examine the reasons why some of the big business and allied interests in this Nation that are primarily interested in higher and higher personal profits and that ignore our Nation's most basic need—educated and productive citizens—are opposing the use of the Federal tax gathering machinery to channel badly needed funds to the State and local school districts for schools.

In issuing the proposal in a special press conference, the administration is apparently attempting to confuse the logical solutions to our school needs which are earnestly being weighed by the Congress in its present consideration of the Murray-Metcalf bill (S. 2 and H.R. 22) which would allot $25 per child 5–17 years of age to the States to be used for teachers' salaries and school construction.

Our bills propose a sound and reasonable method of preventing State and local taxes for schools from becoming confiscatory. Our bills are in keeping with American traditions and the American heritage of Federal support for education. Our bills are in keeping with the old Northwest Ordinance of 1784, which—even before the adoption of the Federal constitution—set aside the 16th section of land in every township of our new Nation for the financial support of schools. It was this action by our Founding Fathers at the Federal level that established the public schools in most of our States.

The administration in its statement is concerned with what it terms tax equity to make sure that a few federally impacted school districts will not continue to receive the funds which the Congress—including both Republicans and Democrats—overwhelmingly voted for them and which the President approved last year. The submission of this proposal by the administration at this time is like counting Federal pennies when hundreds of thousands of American children go without a qualified teacher or a decent classroom.

The American people and the 86th Congress will not be diverted or confused by the administration's attempt to get them involved in a Federal penny-counting game when it is essential that we provide teachers and classrooms for our Nation's children.

Mr. President——

The ACTING PRESIDENT pro tempore. The Senator from Montana.

THE COPPER MARKET

Mr. MURRAY. Mr. President, on Tuesday, May 12, my colleagues the junior Senator from Montana [Mr. MANSFIELD], the junior Senator from Iowa [Mr. MARTIN], and myself, met with Gov. Leo A. Hoegh, Director of the Office of Civil and Defense Mobilization, and discussed the continued uncertainty prevailing in the copper industry with respect to rumors that OCDM was on the verge of releasing a quantity of copper on the open market. I am pleased to inform the Senate that we received every assurance from Governor Hoegh that no such thing will happen. Governor Hoegh was explicit and direct in his assurances. Following our conference I received a letter from him which reads, in part:

> In further answer to your letter of April 14, this is to advise you that we have no plans to dispose of any copper.

Governor Hoegh has been most cooperative with the large number of Senators who have been concerned with the wide fluctuations that have been occurring in the copper market. He has displayed a complete understanding of the problems of the industry, and has made it crystal clear that no action will be taken by his agency at any time which will adversely affect the copper industry or market. I want to express my personal appreciation to him, and I know my feelings are shared by my colleagues who have been concerned with this problem.

In the light of the assurances we have received, I am convinced that the copper industry may now proceed in an orderly manner.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. MURRAY. I yield to the Senator from Utah.

Mr. BENNETT. I should like to join my colleague from Montana in expressing the appreciation of the people of Utah for the action which has been developed by the defense agency through his leadership. The Utah copper mine of the Kennecott Copper Co. is the largest producer of copper in the United States. Therefore, we in Utah probably have the highest single stake in this particular problem. I am grateful to my colleague for recognizing the problem and for taking the leadership in obtaining the assurance which he has now stated to the Senate.

Mr. MURRAY. I thank the Senator from Utah for his comments. I am sure what he has said is true, and that the copper industry may now proceed in an orderly manner.

Mr. BENNETT. I am glad to join my colleague in this enterprise. I am delighted with his efforts in bringing this matter to a successful conclusion.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. MURRAY. I yield to the Senator from Arizona.

Mr. HAYDEN. Arizona produces more copper than does any other State. Of course, we have been vitally interested in the subject. Copper is essential to the national security. I congratulate the Senator from Montana for the activity he displayed when it was rumored that copper owned by the Government was to be placed on the market. It is reassuring to hear the words he has spoken today.

Mr. MURRAY. I thank the Senator from Arizona for his comments.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MURRAY. I yield to my able colleague from Montana.

Mr. MANSFIELD. I want to join my colleagues from Utah, Arizona, and other copper-producing States, in expressing my personal thanks for the leadership shown by my distinguished colleague, the senior Senator from Montana [Mr. MURRAY], in his efforts to bring about the removal of uncertainty which hung over the copper market for several months.

I also wish to congratulate Governor Hoegh for the fine job he has done, and for the reassuring statement he has made, and for the understanding he has shown during all this trouble. I think the Senator from Montana is entitled to the thanks of all of us who come from the hard-rock, copper-producing States, because I think he has brought about stability to an industry which augurs well for its future.

Mr. MURRAY. I thank my colleague. I am sure everything he has said about the copper industry is absolutely true, and that from now on the industry may proceed in an orderly manner, and that there will not be a repetition of the dangerous condition which was facing the copper industry.

Mr. HART. Mr. President, will the Senator yield?

Mr. MURRAY. I yield to the Senator from Michigan.

Mr. HART. On behalf of the people of the upper peninsula copper area, I salute the senior Senator from Montana, and express our appreciation. The concern which has been expressed heretofore certainly was shared by the people of the upper peninsula of Michigan.

Mr. MURRAY. I thank the Senator from Michigan for his comments.

Mr. President, the distinguished Senator from North Carolina [Mr. JORDAN] had intended to be present when this discussion was opened, but was detained because of attendance on a committee hearing. His State is interested in the copper industry. He wishes to be included with his colleagues in expressing appreciation for the action of the Director of the Office of Civil and Defense Mobilization in assuring the copper industry that no action will be taken adversely affecting that industry.

FLOORING IN THE NEW SENATE OFFICE BUILDING

Mr. PROXMIRE. Mr. President, I received an extremely interesting telegram this morning which pertains to recent Senate business. I read the telegram for the interest and edification of my colleagues:

> For your information, I have sent the following wire to Senators SCOTT, CHAVEZ, STENNIS, and BRIDGES.
>
> Just now, on my return from a business trip abroad, have I learned that a product my company makes is in the spotlight of a Senate debate. I refer to the argument over rubber-tile flooring versus carpet for the New Senate Office Building.
>
> While it pleases me that rubber tile should hold center stage in senatorial discussion—in times like these, it also disturbs me. I'm sure the honorable Senators have other matters far more significant underfoot. But since the criticism and senatorial doubts reflect on the entire rubber-tile industry, I feel compelled to express my observations.
>
> Surely the respected Senators who want carpet on the grounds that it muffles noise must know that rubber absorbs or tends to deaden noise. To answer one Senator, I would suggest that with our rubber-tile

floorings, he would hear not, as he said with superb hyperbole, "the noisy chatter of blackbirds or starlings," but the soft velvety chirpings of robins.

If perhaps the good Senator would like to walk on clouds, we can even provide him with that: "custom cloud," our new award-winning vinyl design.

As for mention that rubber tile is "slippery," the very nature of rubber makes tile skidproof. We put our rubber tile in scores of hospitals and doctors' offices. Doctors and nurses are stepping around human life, not among voters, so they must tread more carefully—on rubber tile, if you will. That fact alone should answer the skeptical Senators.

Mr. President, yesterday we conducted some exhaustive tests on these floors and found them to be absolutely skidproof. The Senator from Illinois tried to skid on them. So did I. We have some excellent skidders in our office, yet we found we could not skid at all.

The correspondent goes on to say:

There has never been a more carefully manufactured rubber tile floor than the one which graces the new Senate Office Building. An outstanding firm of architects selected the tile as the ultimate in fine permanent resilient floor covering. Each tile was custom styled for perfection of color and design or marbelization. It was installed with the exquisite craftsmanship of a master gem setter. It would indeed be a deplorable waste of money, to say nothing of decorative beauty, to cover this floor.

Frankly, it amazes me that there are some Senators, normally talkative, who at last don't want "to take the floor."

The writer of the telegram is Poncet Davis, Jr., of Tuscumbia, Ala. He is not from Wisconsin, I regret to say. I think he makes an excellent point. Rubber tile is a beautiful floor covering. It is quiet. It is skidproof. It seems to me those who oppose it may do so because they dwell in the old Senate Office Building and have not had an opportunity to experience it as I have, or because they dwell there and are themselves wearing hair shirts. Themselves, ascetic, they are yet unable to appreciate beauty and the joy of dwelling on a floor covering such as is provided. They are unable to see the great value of saving $750 per room by avoiding putting carpeting in the new Senate Office Building. And $750 for each room—$3,000 to $3,750 per suite is what we save when we refuse to permit rugs in our offices proffered to us by the Architect of the Capitol.

DIFFERING VIEWPOINTS ON PROVISIONAL AUTHORIZATION OF NEZ PERCE DAM

Mr. NEUBERGER. Mr. President, an editorial has analyzed the viewpoints of myself and the distinguished senior Senator from Oregon [Mr. MORSE] in regard to provisional authorization of Nez Perce Dam in the Snake River. There has been no change in my long-held opinion that our present state of knowledge in fishery research lacks evidence of successful fish-passage operations at a dam of the height of the proposed Nez Perce project. I ask unanimous consent to include the Oregonian editorial of May 1, 1959, with my brief remarks in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SENATORS DISAGREE

In statements on the floor and in the CONGRESSIONAL RECORD, Oregon's Senators MORSE and NEUBERGER have taken exactly opposite positions on "provisional authorization" of Nez Perce Dam in the Snake River.

Senator MORSE made his statement, reaffirming his testimony before the Board of Engineers for Rivers and Harbors, April 15. He introduced and approved resolutions of the Multnomah County Labor Council, AFL–CIO, and the Idaho-Oregon-Washington Hells Canyon Association. The burden of these is that fishery research is certain to find means of passing adult salmon upstream and small salmon downstream over high barriers within 5 years. Hence, they say, Congress should authorize Nez Perce now to prevent licensing and construction of other dams in the Snake above the Salmon River, which is the main producer of salmon and steelhead in the Columbia system.

"I have every reason to believe," said Senator MORSE, without quoting any fish experts, "that within a reasonably short period of time an intensive study by the experts in this field will produce a solution to the fish-passage problem."

Senator NEUBERGER disagreed with Senator MORSE in a statement on the floor April 22, in which he said:

"I am opposed to any authorization of Nez Perce Dam, provisional or otherwise, at this time.

"In my opinion, the first step toward Middle Snake River development requires financing of an accelerated Columbia Basin fish research program as approved by the Federal and State agencies of the Pacific Northwest region. Until this basic research is accomplished, no one can forecast eventual solution of fish passage problems involved in Middle Snake Dams or prospect for rehabilitation of migratory fish."

Senator NEUBERGER wants a moratorium on dam construction in the Middle Snake which would include the High Mountain Sheep project, as well as Nez Perce and lower Canyon in the Salmon River. He has been working to get Federal funds for fishery research.

No recognized fishery biologist, engineer or management man or agency supports the view of the Nez Perce backers that answers to fish passage problems, chiefly downstream migration, can be expected within 5 years.

The only so-called skimmer device in the river, at Brownlee Dam, was an engineering failure last winter. It is being repaired, but has yet to be tested. The Chinook salmon return as 4-year-old fish and steelhead from 3- to 5-year old fish. Several cycles would be needed under ideal conditions of fish passage to find out if the runs would be depleted or lost. Even the adult passage upstream is in the guessing stage for a 700-foot barrier like Nez Perce.

NEED FOR EQUITABLE SYSTEM FOR DETERMINING POSTAL RATES

Mr. NEUBERGER. Mr. President, in my opinion, the proposed legislation which I have introduced to determine postage rates is far more fair and equitable than that proposed by the President in the administration bill (S. 1923) introduced yesterday by the distinguished minority leader [Mr. DIRKSEN].

My bill (S. 1295), introduced by me on March 5, would spread the increase across all classes of mail users by giving the Post Office Department the right to set its own rates—subject to congressional veto—based on sound cost-accounting methods and due consideration of public-service benefits. This means that every class of mail would bear its fair proportion—airmail, postcards, so-called junk mail, newspapers, and magazines.

However, the administration bill would place the entire increase on first class and airmail. This is not fair, in my estimation. What about requiring other classes such as second class, third class and parcel post, to share in the increases?

I want to go on record as stating definitely that I believe we should have the rate increases necessary to make the post office self-sustaining within certain limits prescribed by Congress. I think that is a better system than having a huge annual postal deficit paid for by the taxpayers of the country, whether they use the mails extensively or not.

But I believe the increases should be spread across all segments of mail users, rather than confined narrowly to first class and airmail as the administration has proposed.

That is why I have recommended something like the British and Canadian systems, where rate adjustments are tabled in the law-making body after administrative decision by the Post Office Department career officials—subject to parliamentary veto.

ABSENCES OF AMBASSADORS FROM POSTS ABROAD

Mr. MANSFIELD. Mr. President, 2 years ago, I brought to the attention of the Senate certain information which I had obtained from the Department of State on absences of our Ambassadors from their posts abroad. The information showed that the practices of vacation-taking, which are not controlled by law, were of a kind which in some instances, bordered on abuse of privilege. Moreover, the information showed extended absences on official duty on the part of some Ambassadors. This raised questions as to the effectiveness of our official staffs in certain countries, functioning as they were without a head. Very significantly, the information which I obtained and inserted in the CONGRESSIONAL RECORD of August 26, 1957, also revealed that noncareer Ambassadors were away from their posts almost twice as often as career chiefs.

I am happy to report to the Senate that I am in receipt of additional information from the Department of State on this subject. It indicates that the absenteeism has been drastically reduced in the past 2 years and that the leave-taking practices of career and noncareer chiefs of mission are now about the same. Vacations of noncareer Ambassadors have been cut from an average of about 60 days a year in 1956 to 25 days a year in 1958. I have the categorical assurances of Assistant Secretary of State Loy Henderson that "there have been no instances of abuse by chiefs of missions of their leave privileges."

I know that the Senate will be pleased with this improvement in the situation. I will say that I am now considering the possibility of legislation which will consolidate the improvement by fixing regular leave schedules for Ambassadors. In any event, as chairman of the relevant Subcommittee of the Foreign Relations Committee I intend to keep current on this question and from time to time I shall report on it to the Senate.

TRIBUTE TO WILLIAM J. DONOVAN BY THE HONORABLE ALLEN W. DULLES

Mr. KEATING. Mr. President, an interesting and eloquent tribute to Gen. William J. Donovan was recently paid by the Honorable Allen W. Dulles, Director of the Central Intelligence Agency. Addressing the Erie Bar Association in Buffalo, N.Y., Mr. Dulles gave a fascinating narration of Mr. Donovan's career and exploits.

General Donovan's activities as lawyer, patriot, war hero, leader of men, public servant, Communist fighter, and father of the modern American intelligence system have won him a lasting place on the honor role of great Americans. It is fitting that he should be saluted by Mr. Dulles, under whose superb leadership CIA has continued the high standards of excellence set by General Donovan.

Truly, the American people—and, indeed, all the peoples of the free world—are deeply in the debt of these two men. Through their efforts our Nation and the world are more secure.

Mr. President, I ask unanimous consent to have Mr. Dulles' fine address printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

WILLIAM J. DONOVAN AND THE NATIONAL SECURITY

(Speech by Allen W. Dulles, Director of Central Intelligence, to the Erie County Bar Association, Buffalo, N.Y., May 4, 1959)

It's a very great pleasure to be in Buffalo, and an honor to be asked to address your bar association on Bill Donovan's day.

It was my privilege to be associated with William J. Donovan both as a lawyer and then during World War II when I served under his command in the Office of Strategic Services. His courage and leadership qualities made a profound impression on me.

You are all familiar with the early career of this distinguished son of Buffalo's first ward. Born here on New Year's Day, 1883, he attended St. Joseph's Institute and Niagara University, and then went on to New York City where he received his bachelor of arts degree from Columbia in 1905 and his law degree in 1907.

At Columbia, Donovan was a star quarterback on the football team. He often commented on his football experience as having set a pattern for him of keeping in top physical condition—a pattern which he inspired in others.

After being admitted to the bar, Bill Donovan returned here in 1907 to practice law.

His interest in our national defense and security started early. In 1912 as the war clouds gathered in the Balkans, he helped organize troop I of the New York National Guard. Shortly after this, in 1914, he married Ruth Rumsey, a Buffalo girl.

In 1915 he went to Poland as a member of a Rockefeller commission—there being in that country a great shortage of food and particularly milk for the children. When the National Guard was mobilized in 1916, Bill resigned his war relief assignment and came home to join his troop I on the Mexican border.

Then came his fabulous career in World War I with the 165th Infantry of the 42d Division—the renowned Fighting 69th of the Rainbow Division. Here he received his nickname "Wild Bill." The legend goes that after the regiment landed in France he ran them 5 miles with full packs to limber them up. As the men were grumbling with exhaustion, Donovan pointed out that he was 10 years older and carrying the same 50-pound pack. One of the men replied, "But we ain't as wild as you, Bill." Another legend has it that Bill gained his honorary title from a professional baseball pitcher named Bill Donovan whose control left something to be desired. Whatever the origin, the title stuck.

The citations Colonel Donovan received in France tell the military story: On July 28, 1918, a Distinguished Service Cross. The citation reads, "He was in advance of the division for 4 days, all the while under shell and machinegun fire from the enemy, who were on three sides of him, and he was repeatedly and persistently counterattacked, being wounded twice."

Three days later, on July 31, the Distinguished Service Medal: The citation reads, "He displayed conspicuous energy and most efficient leadership in the advance of his battalion across the Ourcq River and the capture of strong enemy positions. * * * His devotion to duty, heroism, and pronounced qualities of a commander enabled him to successfully accomplish all missions assigned to him in this important operation."

And then, for action in combat in the Meuse-Argonne on October 14, the greatest of them all, the Congressional Medal of Honor. This citation reads, "* * * Colonel Donovan personally led the assaulting wave in an attack upon a very strongly organized position, and when our troops were suffering heavy casualties he encouraged all near him by his example, moving among his men in exposed positions, reorganizing decimated platoons and accompanying them forward in attacks. When he was wounded in the leg by a machinegun bullet, he refused to be evacuated and continued with his unit until it withdrew to a less exposed position."

Gen. Douglas MacArthur who saw the action in which Donovan won the Medal of Honor said, "No man ever deserved it more."

Rev. Francis P. Duffy, the chaplain of the 69th, said, "His men would have cheerfully gone to hell with him, and as a priest I mean what I say." Three aids were killed at Donovan's side in the course of these actions.

Last Thursday I read these pages to one of the most distinguished leaders of the bar, and a former president of your association, John Lord O'Brian. John remarked that several years ago Gen. Frank McCoy described his close association with Bill Donovan during World War I. General McCoy said that Donovan was one of the finest soldiers he ever saw in his life-long service in the Army; that he had the qualities of the ideal soldier, judgment and courage and the respect and affection of his men.

Shortly after Donovan returned from the war, Niagara University awarded him an honorary law degree in 1919.

In 1922 he made his first venture into the political field, running for Lieutenant Governor of the State of New York. That same year Donovan was appointed U.S. Attorney in Buffalo.

Shortly thereafter he entered a new phase of his career. In 1924, President Coolidge reorganized the Department of Justice and called Bill to Washington to be assistant to the Attorney General, and to head the Antitrust Division. Here he showed both his fearless qualities in law enforcement and his intense interest in making law a practical vehicle to promote the economic welfare.

Donovan was firmly convinced that individual freedom was vitally linked to our system of free enterprise. He attacked restraints and monopoly with effective enthusiasm. In the Trenton Potteries case the Supreme Court agreed that price fixing among dominant competitors was illegal per se. Brought under legal attack were such diverse industries as oil, sugar, harvesting machinery, motion pictures, water transportation, and labor unions. Yet he recognized that the uncertainties of our antitrust laws posed serious business problems. Accordingly, as head of the Antitrust Division, he instituted the practice of passing in advance upon the legality of proposed mergers and certain other business conduct which lay in the area of uncertain legality.

It is said that Bill had his heart set on being Attorney General, but that honor did not come to him. When President Hoover entered the White House in 1929, he offered Donovan the Governor Generalship of the Philippines, but Bill turned it down and went into law practice in New York City.

This brought him back to the State and he was shortly appointed counsel to several of the New York Bar Associations in connection with a general overhauling of the bankruptcy laws. During this period he also served as counsel to the committee for the review of the laws governing the State's public service commission. In 1932 he unsuccessfully ran for Governor of the State.

While in Washington he had gained valuable experience practicing before the Supreme Court of the United States. In 1935 as a corporation attorney he won the important Humphrey case which you will remember held that the President could not arbitrarily remove a Chairman of the Federal Trade Commission.

He also won an important decision in the Appalachian coal case, upholding the right of coal producers to organize a joint selling agency, as a measure of economic self-defense. This is still in existence.

During this period of corporate law practice, Bill never lost his interest in world affairs. He took time off to visit Ethiopia during the Italian invasion of that country in 1935. He was in Spain during the civil war, carefully observing the Axis efforts to test their new equipment in these foreign adventures.

In the early days of World War II, Donovan was called into action by President Roosevelt. In 1940 he was sent on a factfinding mission to England; in 1941 to the Balkans and the Middle East. Anthony Eden advised Washington that Colonel Donovan's confidential mission to the Balkans had been most helpful to the British in their assessment of the situation in the area.

From his earlier trip to Britain, not long after Dunkirk, Bill Donovan brought back to Washington a very important message about the British situation. You will recall that at that time there was skepticism in some quarters in this country whether the British could effectively carry out Churchill's thrilling promise, "We shall defend our island, whatever the cost may be, we shall fight on the beaches, we shall fight on the landing grounds, we shall fight in the fields and in the streets, we shall fight in the hills; we shall never surrender."

Donovan reported to Roosevelt that the British could, and that they would, do just that. This had a direct effect on American policy.

He also warned Harry Hopkins that the Germans might strike toward Suez through French North Africa—a prophecy that soon became a reality.

Donovan also reported to the President that the United States should start preparing immediately for a global war. He particularly stressed the need of a service to wage unorthodox warfare and to gather information through every means available. Donovan discussed this idea at length with his close friends in the Cabinet, Secretaries Knox and Stimson, and with Attorney General Jackson.

The seeds which Bill planted bore fruit. In July 1941 the President established the Office of the Coordinator of Information and called Donovan to Washington to head it. The original concept of this organization was that it should combine information and intelligence programs with psychological and guerrilla warfare. This proved too big a morsel for one basket and in 1942 the organization was split. That portion of it dealing with wartime information services became the Office of War Information, while the intelligence and unorthodox warfare work, where Bill's greatest interest lay, was put in the Office of Strategic Services.

Truly one of the remarkable accomplishments in World War II was the organization and activities of the OSS—a feat which would never have been achieved without Bill Donovan's leadership and his vast interest in the unorthodox, the novel and the dangerous.

Starting from scratch in 1941 Donovan built an organization of about 25,000 that made a real contribution to the to the victory. Many of the deeds of OSS will have to remain secret, but many with the passage of time can now be disclosed.

Bill Donovan conceived the OSS as a worldwide intelligence organization that could collect the facts necessary to develop our policy and war strategy. He was convinced that the Axis secrets were to be found not only in Berlin, Rome, and Tokyo, but in other capitals and outposts around the world. So he immediately set about dispatching officers to key spots in Europe, Asia, and later Africa. The payoff justified the effort.

He was able to obtain information of great value from carefully established agents with contacts in Berlin, in the German High Command, and the Abwehr—the secret German service. As the result of the work of his agents we were able to receive advance information about the development of German jet aircraft, about German work with heavy water in an effort to develop a nuclear weapon, about the V–1's and V–2's—the "buzz bomb" and rocket with which they attacked England, and about the plot against Hitler.

Donovan knew that in addition to an organization for the collection of strategic intelligence there should be a counterpart to help gather tactical information in the combat areas. Here he set about having oragnized teams of parachutists—Americans as well as indigenous—to drop behind enemy lines.

In addition to both these types of intelligence, he also wanted action. He knew that well organized guerrillas operating behind enemy lines in areas where the local population was friendly could wreak havoc on enemy lines of communication and tie down troops that could otherwise be used in combat. Working with our allies, he built up teams of leaders and communicators to organize resistance in the Nazi, Fascist, and Japanese-occupied countries. There were also air drops of supplies and equipment—deep behind the Axis lines in France and Italy, in Burma and elsewhere.

Such action groups were well supported by a headquarters technical group which was constantly at work under Bill Donovan's guiding hand in an imaginative fashion developing new ways to sabotage the enemy war effort and new gadgets either to harass the enemy or help our own cause. Illustrative of what this unusual part of the organization did was the development of equipment ranging from the most sophisticated communications systems to a lotion that could be used as a shark repellent for personnel forced to bail out in shark-infested waters. Not all of the products were quite so practical.

Ambassador David Bruce, one of Bill Donovan's closest associates, in a recent tribute to the general's qualities of leadership, vividly described his excitement over ideas. Ambassador Bruce wrote, and I subscribe to every word of it, "his imagination was unlimited. Ideas were his plaything. Excitement made him snort like a racehorse. Woe to the officer who turned down a project because, on its face, it seemed ridiculous, or at least unusual. For painful weeks under his command I tested the possibility of using bats (they were to carry delayed action incendiary bombs) taken from concentrations in western caves, to destroy Tokyo. The general, backed by the intrigued President Roosevelt, was only dissuaded from further experiments in this field when it appeared probable that the cave bats would not survive a trans-Pacific flight at high altitudes."

Many ingenious ideas to work on the nerves of the enemy were born in another part of the OSS—the morale operations branch. This was the undercover psychological warfare branch of the war effort. While the Office of War Information was telling the enemy about the magnitude of the U.S. war effort and getting the facts and figures well circulated, this branch of OSS was dedicated to confusing the enemy and breaking their will to resist.

General Donovan was convinced that there were great untapped reservoirs of information in this country about foreign areas which had become of vital interest to the United States at war. These included information in the archives of business organizations, information acquired abroad by American scientists, academicians, and tourists and also that held by foreign experts residing here. He set about to collect this information and data and a mass of photographs of foreign areas. As the war extended on a global basis, this information became of great importance.

He also realized the importance of properly analyzing and presenting intelligence to the policymakers in readily usable form—one of the most difficult tasks in the intelligence field. To accomplish this, in the OSS, a very major branch was established for research and analysis. He assembled in Washington the best academic and analytical brains that he could beg, borrow, or steal from the universities, laboratories, libraries, museums; from the business world, and from other agencies of government. Theirs was the task of following the political and economic aspects of the war, as regards both our allies and our enemies, the neutrals and the occupied lands. Theirs also was the task of estimating Axis vulnerability and war potential and the staying power of the Russians who even then told us all but nothing about themselves.

Bill Donovan possessed the qualities of a great intelligence officer. He took nothing for granted and at the same time was insatiably curious. He had a good nose for the news and a faint whiff of something unusual would speed his mind into a dozen possible explanations. The explanations were generally as ingenious as the wiles of the enemy.

He wanted to see things on the spot and judge for himself. He was constantly on the move and drove his staff wild trying to keep him from going places they thought too exposed. He also kept them in a state of near exhaustion trying to keep up with the pace he set himself. One of his great qualities was his dedication to the men who served under him, and his ever readiness to give them his full support. He, in turn, had their complete loyalty, respect and affection. I vividly recall a personal instance.

For about 2 years from November 1942 to September 1944, I was working for Donovan in Switzerland which then was entirely encircled by the Nazi-Fascist forces. In September 1944, the American 7th Army coming up from southern France, broke through to the Swiss border near Geneva.

Under orders to return to Washington to report on my 2 years' stewardship, I had joined a group of the French underground in a secret retreat in the Rhone Valley between Geneva and Lyon awaiting a clandestine flight to take me to London. As far as I knew, General Donovan was in Washington, and, as far as I knew, he had not the slightest idea where I was hidden. Weather prevented my plane coming from London for several days and as I was waiting in my hideout, there was a knock on the door in the middle of the night. It was one of General Donovan's aides, telling me that the general himself was waiting for me at the nearest available airstrip south of Lyon which had just been evacuated by the Nazis. For some 24 hours, Bill Donovan, who had come from Washington, had been searching the area, had finally discovered where I was. Together we flew back to London, reunited after 2 years.

We arrived in London, as I remember well, on that day in September 1944 when the Germans launched the first of their ballistic missiles on the British capital. It descended near the center of London after a flight of nearly 200 miles.

Both the American and the British intelligence services had been closely following the development of this missile. I have often wondered why, in this country, our technicians and strategists had failed to draw earlier the real implications of the success of the V–2, as I believe the Soviet did, and to realize, much earlier in the game, that the combination of the ballistic missile and the atomic bomb, which then was about to be unveiled, could change the nature of war and the security position of this country.

Few men of his time were more alert than Donovan to the new threats that might develop. In late 1944 he sent a man to Cairo to take over the direction of activities at that post and gave him oral instructions to the effect that the main target for intelligence operations should now become discovering what the Soviets were doing in the Balkans rather than German activities in the Middle East. The German threat was receding. The Soviet danger was already looming. He realized this but, for obvious reasons, he could not put such instructions in an official dispatch.

Also, while the war was still in progress, General Donovan was looking forward to the peace. He foresaw the need for a permanent organization not only to collect intelligence but, perhaps even more important, to coordinate the overall intelligence effort of the Government and to see that the President and the policymakers receive comprehensive and consolidated analyses on which to make decisions as to our course of action.

In the fall of 1944, Donovan presented to the President a paper proposing a U.S. intelligence organization on a worldwide scale. This organization would be directly responsible to the President, and while it would not interfere with the responsibilities of the departmental intelligence services, particularly those of the Armed Forces, it would act as a coordinating mechanism. Donovan's paper stressed that his proposed organization would have no police or subpena powers and would not operate in the United States.

President Roosevelt expressed considerable interest in General Donovan's proposal. In fact, just a week before his death in April 1945, the President asked Donovan to poll the Cabinet and the heads of the appro-

priate agencies for comment on his proposals. The replies make interesting reading today and range all the way from those who felt that such a peacetime organization was vital to national security to those who saw no need for it.

While Donovan received an Oak Leaf Cluster to his Distinguished Service Medal for his wartime work, he was not to realize his ambition to see the OSS evolve into a peacetime intelligence organization immediately upon the cessation of hostilities.

His plan was beset with conflicting views: Some in our Government would have the new organization report to the Joint Chiefs of Staff—as did OSS during the war—while others preferred it to be under the Department of State. And there was controversy as to whether one individual could or should be responsible for presenting a consolidated view of the intelligence picture to the policymakers, or whether this should be the collective responsibility of the chiefs of all the intelligence services.

In any event sometime after the war ended in August 1945, the OSS was ordered disbanded.

A proposal for a central intelligence organization, such as Donovan had conceived, was contained in the first draft of the so-called unification act submitted by Ferdinand Eberstadt to Secretary Forrestal in October 1945. And in January 1946 to preserve assets while the issue was determined, President Truman issued the order creating the Central Intelligence Group which later picked up some of the activities and personnel still remaining from OSS.

Bill Donovan's dream was yet not completely realized. Congress still had to act. After extensive hearings to which General Donovan contributed important testimony, the provisions for a Central Intelligence Agency were incorporated into the National Security Act of 1947, which created a Department of Defense and set up the National Security Council which is advisory to the President and to which the new Intelligence Agency was made responsible. In July 1947, final executive and legislative endorsement was given to the views which Donovan had been striving to have accepted. I have always felt that the decision to place the CIA under the President as recommended by Donovan, was wise and necessary.

While Bill Donovan's restless energy had turned elsewhere with the disbanding of OSS, he never gave up his interest in the organization or stopped hammering home to the public the necessity for providing adequate and accurate information to the policymakers of the Government in order to protect the national security.

Donovan's varied talents were being called on for other important services. His legal ability and vast knowledge of German wartime activities were used in helping to prepare the Nuremberg trials for the Nazi war criminals.

He went to Greece to investigate the murder of newsman George Polk, a clear effort of the Communists to prevent the truth about the extent of their activities in the Greek civil war from seeping out.

The more General Donovan saw of the Soviets in action the more concerned he was with alerting the American people to the dangers. In the Yale Law Journal for July 1949 he was coauthor of an article presenting a "Program for a Democratic Counterattack to Communist Penetration of Government Service." The article said:

"The Communist fifth column * * * seeks to identify itself with every social grievance. Russian espionage and subversive operations are made up of trained and skilled spy technicians and intelligence officers, propaganda specialists, experts in spreading rumors. Instruction is planned so that the agent will find it as easy for a minority to operate a labor union, or a pacifist league, or any other such movement, as it is for a minority group to control a large corporation when most of the stockholders take no active interest in the management."

In 1950, President Eisenhower, then president of Columbia University, presided on the occasion of the award to Bill Donovan of the Alexander Hamilton Medal, which is awarded by the Columbia Alumni Association for distinguished service and accomplishment in any of the great fields of human endeavor.

Donovan was soon to enter the fight against communism in a new arena. In 1953 the President named this remarkable man of 70 to be U.S. Ambassador to Thailand. At the time this ancient kingdom of Siam was a main target for Communist subversion. With a vigor that belied his years, Bill Donovan threw himself into assisting the Thais in bolstering their defenses against the Communists so that this keystone of anticommunism in southeast Asia could continue free.

Upon his return to the United States one might have expected him to seek retirement, but nothing could have been further from his mind. He became National Chairman of the International Refugee Committee and the Director of that group's fight against the Soviet program to induce Russians who escaped from communism to return home. At the time of the Hungarian revolution he threw his energies into aiding the refugees who were forced to flee after their unsuccessful effort to win freedom from Soviet tyranny.

From its inception in 1949, General Donovan had been Chairman of the American Committee on United Europe and through this organization he continued to further the efforts of our major allies in Western Europe to achieve a greater unity in face of the Communist danger.

Even after ill health forced General Donovan to retire to Walter Reed Hospital in Washington, he continued his interest in the fight against communism and the development of our intelligence work. In recognition of Donovan's role in the intelligence field, President Eisenhower in 1957 awarded him the National Security Medal. The citation reads:

"Through his foresight, wisdom, and experience, he foresaw, during the course of World War II, the problems which would face the postwar world and the urgent need for a permanent, centralized intelligence function. Thus his wartime work contributed to the establishment of the Central Intelligence Agency and a coordinated national intelligence structure."

His dream of years had been achieved.

In February 1959 General Donovan passed away at Walter Reed Hospital among the men he had led. As soldier, public prosecutor, leader of the bar, director of the strategic services in wartime, public servant in time of peace, he had left his record with the Nation he served so well. He was a rare combination of physical courage, intellectual ability, and political acumen. He was a mild-mannered man, with an insatiable curiosity, an unflagging imagination, and the energy to turn his ideas into action.

The heritage of Bill Donovan is written in the national security. He awoke the American people to the need of a permanent peacetime intelligence service.

He bestirred Washington into creating a mechanism whereby all of the components of the Government which receive information on what is going on anywhere in the world pool their knowledge, share their interpretations, and work together to make one unified estimate of what it means.

He helped place intelligence in its proper perspective and stimulated the policymakers to recognize its role in determining American policy abroad. He was one of the architects of an organization that should keep our Government the best informed of any in the world.

History's epitaph for William J. Donovan, of Buffalo, N.Y., will be: He made this Nation more secure.

SECTION 315 OF THE COMMUNICATIONS ACT WORTHY OF CONGRESSIONAL STUDY

Mr. KEATING. Mr. President, the recent ruling by the Federal Communications Commission on section 315 of the Communications Act, in the so-called Lar Daly case, has raised a furor all over the country. And rightly so, for this ruling threatens to cripple seriously the activities of broadcast journalism.

Our radio and television industry has made giant strides in recent years in contributing to public understanding and appreciation of events of the day. The industry particularly can help inform the public during election campaigns by conveying the faces, words, and ideas of candidates into every home in the land. However, these mass media cannot effectively fulfill their vital mission of informing the electorate if every fringe candidate for President of the United States must be granted equal time on broadcasts.

I therefore applaud the vigorous efforts of the industry itself, of the Attorney General of the United States, and various Members of Congress, to insure that section 315 is not warped out of all proportion to its original intent. It may be that legislative action is needed in this area, or it may be that the FCC itself can set things straight.

In any case, I hope Congress will take a long hard look at all the ramifications of section 315, not only the provisions dealing with equal time for candidates, but those provisions relating to suits for defamation or libel against broadcasters whose facilities are used by a candidate. Such a study, and possible legislative revisions by Congress, can go a long way toward enabling broadcast journalists to participate fully and effectively in our democratic processes.

Mr. President, a recent editorial in the Buffalo Evening News underscores some of the problems which have been raised in this field. I ask unanimous consent to have it printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Buffalo Evening News, Mar. 21, 1959]

A RIDICULOUS RULING

A recent ruling of the Federal Communications Commission in reference to political broadcasts requires amendment, clarification or, better still, outright repeal.

As the matter now stands, no matter how fair or honest a radio or television station may be, or tries to be, in respect to political broadcasts or news reports of political events, the February 19 ruling of the Commission practically makes it impossible to conform without opening the door to all sorts of weird and wild requests for equal time to reply.

The ruling appears to be a new concept of section 315 of the Communications Act. Whether this is valid, or straining to stretch a point, isn't clear. It is clear, however, that it will require prompt action either by Congress or the Commission itself if freedom is to be restored to the airways.

On the one hand the Commission urges radio stations to editorialize on the air, and on the other it puts into effect this new requirement which would suggest that any responsible broadcaster would be out of his mind if he did so.

The ruling is so far-fetched that President Eisenhower has taken the almost unprecedented action of asking the Attorney General of the United States to see what can be done about it, whether the remedy lies in legislative action by Congress or otherwise.

Speaking for the President, and with his authority, White House Press Secretary James C. Hagerty said:

"The emphasis here is that it is ridiculous to have the law tell radio stations they have to give equal time in the coverage of news."

Dr. Frank Stanton, president of CBS, has pointed out in connection with the ruling that had the FCC ruling been in effect in 1956, that network would have been required to give equal time on regular newscasts to 24 presidential and vice presidential candidates of 12 parties, most of which wouldn't be recognized by the general public. The same requirement would have been imposed upon the news stations, which always have prided themselves in giving fair political coverage, or to any other station which carried these network programs. It imposes an impossible condition.

Chairman John C. Doerfer of the FCC, speaking in Chicago this week, said that "strict interpretation" of section 315 would "emasculate" radio and television news coverage during campaign periods, and, he might well have added, at other times. He said if the section is not repealed or amended by Congress before the 1960 presidential campaign the public inevitably will be denied the opportunity to see and hear candidates. We don't know why he limited his remarks to 1960; a local election campaign is coming, and the ruling of the Commission could have the same effect on local campaign coverage here and elsewhere.

The courts, of course, might take a hand in the matter, but that would entail much delay, without certainty of relief. Wouldn't it, perhaps, be better for the FCC to take another look at the law, the many and long-standing previous rulings based upon it and determine whether this new and strained interpretation is in fact what Congress intended? If it had, we are inclined to think that fact would have been discovered long ere now.

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

LEGISLATIVE PROGRAM—ORDER FOR CALL OF THE CALENDER TUESDAY NEXT

Mr. DIRKSEN. Mr. President, I should like to inquire of the acting majority leader whether it is proposed that the Senate adjourn or recess from tonight until Monday, or whether some other plans are in contemplation.

Mr. MANSFIELD. If it meets with the approval of the minority leader, it is the intention to try to complete action today upon the banking bill, which will be laid before the Senate in a moment, and the Navajo Indian irrigation project bill, which will follow, and meet tomorrow for speeches and insertions in the RECORD, following which it is planned to adjourn until Tuesday. It is anticipated that on Tuesday there will be a call of the calendar for the consideration of measures to which there is no objection, and perhaps the Senate can make a start on the insurance bill.

Mr. DIRKSEN. That will mean that the session tomorrow will be routine, with no record votes on major questions.

Mr. MANSFIELD. Absolutely.

Mr. President, I ask unanimous consent for the consideration, on Tuesday next, of measures on the calendar to which there is no objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF FEDERAL DEPOSIT INSURANCE ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate for its consideration.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none; and the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1062) to amend the Federal Deposit Insurance Act to provide safeguards against mergers and consolidations of banks which might lessen competition unduly or tend unduly to create a monopoly in the field of banking.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Wyoming [Mr. O'MAHONEY] as a substitute for certain language in the bill, and, under the order of yesterday, he is entitled to the floor.

Mr. ENGLE. Mr. President, will the Senator from Wyoming yield to me for the purpose of introducing a bill?

Mr. O'MAHONEY. I yield to the Senator from California.

PROPOSED PROCEDURE FOR ORDERLY REDUCTION OF THE FEDERAL DEBT

Mr. ENGLE. Mr. President, I introduce a bill to establish a procedure for orderly reduction of the Federal debt, and ask for its appropriate reference.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1932) to provide for the retirement of the public debt in amounts which reflect annual increases in the gross national product, introduced by Mr. ENGLE, was received, read twice by its title, and referred to the Committee on Finance.

Mr. ENGLE. The procedure required by the bill is simple, practical, and recognizes fully the aims and needs of the economic system which the American people have built for themselves.

The bill requires that the President's budget, which now includes estimates of Federal revenue based on a forecast of the gross national product, shall state the forecast of gross national product, and shall set aside and apply to debt retirement an amount of Federal receipts equal to 10 percent of the increase in the gross product. In prosperous years, the Federal debt would be reduced by approximately half of the increase in the Federal tax liabilities of individuals and corporations. The more rapidly the economic system grows, the more rapidly the Federal debt will be reduced. And, if the Nation in the future experiences another recession during which the growth of the gross national product is halted for a year, no debt retirement will be programed for that year.

The procedure is practical because, unlike the existing sinking fund for debt retirement and unlike proposals for retirement of an annual percentage of the debt, it provides a binding commitment to reduce the debt when the resources are available to do so and when the economic system will benefit from debt retirement.

The procedure recognizes the economic aims and needs of the people whom we represent. Recognition of these aims and needs is the most basic principle of democratic legislation, but a principle that is not achieved either in Federal finances in recent years or in other current proposals for debt retirement.

My bill does not make debt retirement the first goal of Federal financial policy, but instead gives it the position which experience has shown that it occupies among the aims and needs of the people we represent. First rank among the goals of financial policy will continue to be held by the satisfaction—to the extent the public is willing to pay for them—of needs for defense, for development of the Nation's resources, and for provision of the services and benefits that can be provided more adequately, equitably, and with more certainty through Federal expenditures than through any other means.

In prosperous years, about half of the annual increase in tax collections would be available for meeting more adequately these needs of a growing population, and the other half of the increase in revenues would be devoted to the reduction of the Federal debt.

From time to time proposals have been made—in the other body—to adopt a firm program for the eventual retirement of the national debt by taking a small step at a time. Yet in no instance has anyone suggested by what practical means that could be done. My suggestion is that as our national product moves up from $460 billion toward $500 billion, a certain part of the income from the increase be applied to the reduction of the debt, on a regular basis.

In prosperous years, investors do not want to add to their holdings of the Federal debt. Commercial banks, for example, reduced their investment in U.S. Government securities in 1946, 1947, 1948, again in 1950 and 1951, again in 1955, 1956, and 1957. Investors prefer to invest during prosperous years in industry and in homes and in the other products of industry which save their time and labor and add comfort and variety to existence. If the Nation is to achieve the 5-percent annual growth in gross national product which is required for full employment, the Government must not stand in the way of investment in industry and homes. My bill recognizes this need and provides that in prosperous times the Federal debt will be reduced according to the degree to which other investments and consumer purchases are expanded.

During recession, however, the debt would not be retired. In such years, the commercial banks always seek to increase their liquidity through purchase of Federal securities, and other investors find U.S. bonds and other securities more attractive. If deficit financing again became necessary, investors would be more receptive to long-term Federal securities because they would be assured by a debt retirement program of stable prices for their securities when prosperity returned. The maturity structure of the debt thus could be improved even in recession because the debt is being retired in prosperity.

Regular debt retirement, proceeding rapidly as the pace of private investment quickens and private debt expands, and proceeding slowly or ceasing temporarily when the pace of private investment slows and less private debt is incurred, would fit the supply of Federal securities to the market for them so that U.S. bonds would become the most stable rather than the most speculative of investments.

The sharp changes in the prices of Government securities in the last year and a half—the increases late in 1957 and the declines after mid-1958—have awakened interest in debt retirement. Support for a program of debt retirement probably is greater than at any time in the last dozen years. A program is feasible now. The accelerating development of technology promises opportunities for rapid economic expansion, and the continuation of high levels of unemployment demand rapid expansion of industry and service trades. Rapid economic expansion will generate an increasing volume of Federal tax revenues, making debt retirement possible.

We must not miss this opportunity. A decade ago, we faced a choice between debt reduction and tax reduction. The plan I now propose could have meant, a decade ago, some debt reduction and some tax reduction. But we chose tax reduction even though it meant overriding Presidential veto. Two years after that choice we had to raise taxes to meet the Korean emergency. In 1954 we allowed the increases to terminate, and added some further reductions. While these reductions brought benefits they contributed to an unbalanced boom beginning in 1955 and brought increases in the Federal debt.

If the plan proposed in my bill had been in effect during the years 1948–58, as much as $25 billion would have been cut from the Federal debt. However, if the plan had been suspended during the Korean conflict, say in calendar years 1951 to 1953, the net effect over the period would have been to cut $5.5 billion from the present debt. If it had been suspended only in 1951 and 1952 calendar years, the reduction would have been $15.1 billion.

The debt reductions would have been made in very important years, resulting in substantially better control over inflation, and in more economic stability. Less debt retirement in 1948 could have moderated the downturn in 1949. More debt retirement in 1950 and debt retirement instead of increase in 1955 would have moderated periods of inflation at their beginning. The moderating influence of debt retirement could have made the task of monetary policy much easier. At the same time, it would have protected the value of U.S. Government securities. More stable interest rates would have allowed a continued favorable spread between the yields on Government securities and fixed interest VA and FHA mortgages, with beneficial stabilizing effects on the housing industry.

If my bill is enacted and becomes operative in 1960, it could reduce the debt by $17 to $30 billion over the next decade. If the gross national product expands at only a 3-percent rate each year, the reduction of Federal indebtedness would amount to about $17 billion. If the desirable and feasible rate of growth at 5 percent is reached, debt would be reduced by $30 billion or to the 1949 level. Debt retirement will help to insure that growth proceeds without inflation and without unduly restrictive monetary policy.

Mr. President, I have a set of tables which I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks. Table I shows what the debt retirement would have been during the years 1948 to 1958 if such a bill as I proposed had been passed. Table II shows what the debt retirement would be from 1960 to 1969 predicated upon a 3-percent increase in the gross national product, and upon a 5-percent increase in the gross national product.

Table III indicates what the per capita Federal debt under the debt retirement proposal would be during the years 1959 to 1969, assuming a normal population growth and the application of the provisions of the bill.

I ask unanimous consent that the tables be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. HART in the chair). Without objection, it is so ordered.

(See exhibit 1.)

Mr. ENGLE. We all know that eventually we shall have to face the necessity of retiring our national debt. I have proposed a system for doing it based upon taking a small amount of money, an amount equal to 10 percent of the increase in the gross national product and applying that amount annually to the debt. I hope the appropriate committees of Congress will give the bill very careful and favorable consideration.

EXHIBIT 1

TABLE I

[In billions]

Calendar year	Debt retirement under bill	Actual debt retirement (−) or increase (+)	Additional debt retirement under bill
1948	$2.5	−$4.1	−$1.6
1949		+4.3	
1950	2.7	−.5	+2.2
1951	4.4	+2.8	+7.2
1952	1.8	+7.9	+9.7
1953	1.8	+7.8	+9.6
1954		+3.6	
1955	3.4	+2.0	+5.4
1956	2.2	−4.1	−1.9
1957	2.1	−1.7	+.4
1958		+8.0	

TABLE II

[In billions]

	Gross national product [1]		Change from previous year		Debt reduction—10 percent of growth gross national product	
	3-percent growth	5-percent growth	3-percent growth	5-percent growth	3-percent growth	5-percent growth
1960	$484	$494	$14	$24	$1.4	$2.4
1961	499	518	15	25	1.5	2.5
1962	514	544	15	26	1.5	2.6
1963	529	571	15	27	1.5	2.7
1964	545	600	16	29	1.6	2.9
1965	561	630	16	30	1.6	3.0
1966	578	661	17	32	1.7	3.2
1967	595	694	17	33	1.7	3.3
1968	613	729	18	35	1.8	3.5
1969	632	766	19	37	1.9	3.7

[1] Based on 1959 gross national product of $470 billion.

TABLE III.—*Per capita Federal debt under debt retirement proposal*

Year	Population at growth rate of 1⅓ percent	Public debt if reduced by 10 percent of increase in GNP (GNP assumed to grow 5 percent annually)	Per capita public debt
	Million	*Billion*	
1959	177.0	$285.0	$1,610
1960	179.9	282.6	1,571
1961	182.8	280.1	1,532
1962	185.8	277.5	1,494
1963	188.8	274.8	1,456
1964	191.9	271.9	1,417
1965	195.0	268.9	1,379
1966	198.1	265.7	1,341
1967	201.4	262.4	1,303
1968	204.6	260.6	1,274
1969	208.0	256.9	1,235

AMENDMENT OF THE FEDERAL DEPOSIT INSURANCE ACT

The Senate resumed the consideration of the bill (S. 1062) to amend the Federal Deposit Insurance Act to provide safeguards against mergers and consolidations of banks which might lessen competition unduly or tend unduly to create a monopoly in the field of banking.

The PRESIDING OFFICER. Under the order entered yesterday, the Senator from Wyoming [Mr. O'MAHONEY] has the floor at the conclusion of the morning hour.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. The Senator from Wyoming is recognized. Does the Senator from Wyoming yield to the Senator from Louisiana?

Mr. O'MAHONEY. I yield to the Senator from Louisiana.

MR. DILLON'S SUGGESTED USE OF THE COUNTERPART FUNDS IN GREECE

Mr. LONG. Mr. President, Mr. Douglas Dillon, Under Secretary of State, on testifying before the Committee on Foreign Relations, informed the committee that it was necessary to apply the $100 million counterpart money, which was available because of U.S. foreign aid to the nation of Greece, against the debt of that country. His testimony was that to use that money in other ways would be inflationary. According to our agreement with Greece, that $100 million, held by Greece, was to be used on matters

jointly acceptable to the two nations. To refute the Secretary's statement that the money could not possibly be used in Greece without creating inflation, I submit certain information for the consideration of every economist in America, or in the world, for that matter.

The total population of Greece is slightly more than eight million people. There is chronic unemployment of about five hundred thousand people.

Another 1,500,000 are partly idle. Thus, almost one-quarter of the population are at least partly unemployed.

However, the drachma is now fairly stable at the rate of 30 drachmas to 1 U.S. dollar. According to an ICA spokesman conditions in Greece are improving. This information comes from the New York Times of January 13, 1959.

Mr. President, measure that against the testimony of C. Douglas Dillon to the effect that there is nothing in the world for which this money could be used to help the Greek people. He says we should simply cancel out the $100 million.

According to him we should apply that money against the national debt of Greece. It seems that the Greek Government owes the money to the Greek central bank; the Greek bank owes the money to a counterpart fund resulting from our $100 million of foreign aid. Mr. Dillon's proposal is to cancel one item against the other. That would be the end of $100 million.

Cannot Senators see that with a man like that running the foreign-aid program, all that we will buy will be hatred and misunderstanding among the peoples of the world? Cannot Senators see why the Greek who bought American grain under the foreign-aid program and paid his hard earned money to a Greek businessman who in turn had bought it from the Greek Government, does not feel that we gave him anything? He paid his money for the goods he received. Then what happened to his money? It became part of the counterpart funds which our Government is now suggesting be quietly used to cancel the national debt. It will end as simply a bookkeeping entry.

Cannot Senators understand that the purpose of the program was an idealistic one, to aid humanity throughout the world? Cannot Senators see any of the fine things which could be done with that money?

I have one such idea in mind. I should like to see a large hospital built somewhere in Greece for the treatment, free of charge, of sick and indigent persons. I should like to see placed in front of that hospital a large tablet containing a statement which everyone who was admitted to the hospital would have the opportunity to read. I should like to have the statement read something like this message from an address to Congress on January 6, 1941, by President Franklin Delano Roosevelt:

> In the future days, which we seek to make secure, we look forward for a world founded upon four essential human freedoms.
>
> The first is freedom of speech and expression—everywhere in the world.
>
> The second is freedom of every person to worship God in his own way—everywhere in the world.
>
> The third is freedom from want—which, translated into world terms, means economic understandings which will secure to every nation a healthy, peaceful life for its inhabitants—everywhere in the world
>
> The fourth is freedom from fear—which, translated into world terms, means a worldwide reduction of armaments to such a point and in such a thorough fashion that no nation will be in a position to commit an act of aggression against any neighbor, anywhere in the world.

I think it would help us in the fight against communism if we were to build a great hospital in Greece and to place on it a large plaque. The $100 million could be used to pay the doctors and to help the poor, unemployed people of Greece, who number almost one-quarter of the whole population.

I suggest such use of the funds as a substitute for Mr. Dillon's proposal, which he himself admits would bring us little if any good will among the people of Greece, although it might benefit the Greek politicians.

Mr. President, I now wish to speak briefly concerning the action taken by the Committee on Foreign Relations with respect to the nomination of Mr. C. Douglas Dillon.

Mr. President, yesterday, the Committee on Foreign Relations reported to the Senate the name of C. Douglas Dillon to be confirmed as Under Secretary of State.

This was done over the protest of a member of the committee who demanded more time to look into matters which he felt required to explore. This was done after hearings which lasted approximately 5 hours.

This was done in spite of a Senator holding questionable evidence which, if true, might demonstrate the unfitness of the nominee for the high position to which he had been named.

The protesting member was a Democrat, a member of the committee for 3 years—since May 18, 1956—who found himself treated with less courtesy by his chairman than he had experienced in 11 years of service under both Democratic and Republican chairmen.

For my part, Mr. President, I demand that the Senate discharge its functions in an orderly and responsible manner. Otherwise, I shall feel compelled to engage in deliberate, dilatory tactics to slow down this steamroller until I have had the time and the opportunity to satisfy myself of the fitness or the lack of fitness possessed by the nominee of the President.

Under the Constitution of the United States, the Senate is empowered to advise and consent to the confirmation of the nominations of the President. We were never intended to be a set of rubber stamps. To be such would be a subtle breach of our oath of office to uphold the Constitution. Nor should Senators deny another Senator his right to do his duty as he sees it. That, too, would be a breach of the oath taken by Senators.

The first speech which I made on the floor of this body in 1949 was devoted to my view that the rules and procedures of this body are little less than sacred.

There is one rule which does not appear in the book. It is the rule of fair play. In this connection, I particularly have in mind those slick and devious tactics whereby Members are denied their right to fight for their principles. I have in mind the type of thing which occurs when a measure slips through without opposition at a time when a Senator is not on the floor.

As a Member of this body, I have always defended the right of every other Senator to the benefit of every rule in the Senate Manual and to the benefit of that great unwritten rule, the right of fair play.

I ask Senators to accord me the same rights which I have diligently fought for 10 years to preserve for them.

Mr. President, I have noticed that I am being chastised severely in certain newspapers and powerful magazines for expressing opposition to C. Douglas Dillon. These magazines are just as unfair and as ruthless as usual. They will not deter me from doing my duty under the oath which I have three times taken before this body. When I swore to uphold the Constitution and the laws of the United States to the best of my ability, there was no clause in the oath which said "unless it proves to be unpopular."

I wish the RECORD to show that these newspapers are not telling the truth when they say that there is some Democratic scheme to thwart the nominees of the President. To my personal knowledge they are exaggerating if they suggest that there is one other Senator fighting Douglas Dillon except the junior Senator from Louisiana. I have discussed my views with other Senators and I have not been pledged the vote of a single person. Quite the contrary. Some of them have urged me not to even try.

I can only reply to them and to the daily press that I will do my duty as God gives me the light to see it.

Mr. President, if the junior Senator from Louisiana lacks the courage to fight for his convictions, it is not because he inherits such a deficiency from his father or his mother. Perhaps one of the reasons why I revere the U.S. Senate more than any institution on earth is that I had the privilege, as a boy, of sitting in the gallery and watching my father fight a one-man battle against hopeless odds.

There comes to my mind at this point an ancient naval term: "Fire when you are ready."

During my days as an ensign on a small landing craft, I could not understand why I had heard the words used in the movies. It always seemed to me that if the officer wanted his man to shoot, he would simply say: "Shoot the fool gun" or "Pull the trigger." Over a number of years, the meaning of the term, "Fire when ready," came to me.

While I am not sure I have the proper understanding of it, the logic seems inescapable.

In the early days of naval warfare, shortly after the invention of black powder, a cannon could not be elevated or lowered with ease. It took both effort and time to move it up and down. Furthermore, when the shot was fired, it was necessary for everyone to stand clear. If a ship planned to engage

another, an officer could not tell the precise moment to give the command to fire. If the ship was rolling, he might mire his shot into the water or into the sky, unless the gun could be fired at the precise moment when the ship had rolled into such a position that the gun was on target. The officer's chance of hitting the target was best if he left it to the gunner's discretion to predict that moment when the gun would be in position. I should imagine that the gunner would want to fire when his gun was coming down from the sky toward the sea, although it could be done the other way.

In any event, the order meant that the gunner on the attacking ship was free to fire at the desirable moment.

That is what I am here to tell those who wish to run roughshod over the junior Senator from Louisiana. I think I can handle myself on the floor of this body—whether I am ready or not.

It is up to Mr. Dillon's supporters: "Fire when you are ready."

Mr. MANSFIELD. Mr. President, will the Senator from Wyoming yield to me?

Mr. O'MAHONEY. Mr. President, I am glad to yield to the Senator from Montana; but, first, I should like to commend the Senator from Louisiana for the statement he has just made. I know there is no conspiracy on the part of the Democratic Senators to oppose confirmation of nominations which the President may send to the Senate.

I have made up my mind about how I shall vote on the question of confirmation of the nomination of Admiral Strauss. I am not going to vote to confirm his nomination; I am going to vote against its confirmation. But that is not because of any conspiracy or agreement to which I am in any way a part. I shall vote against confirmation of that nomination because I believe that on purely constitutional and public policy grounds he should not be allowed to become the head of the great Department of Commerce, which was created by a law of Congress.

The arguments which the Senator from Louisiana apparently has made in the Foreign Relations Committee against confirmation of the nomination of Mr. Dillon, of the famous financial firm of Dillon and Reed, to be Under Secretary of State, have been made on precisely similar grounds—namely, that the policy conduct of Mr. Dillon has not been such as to be in the interest of protecting the free Government of the United States or in the interest of balancing the budget.

The President and his aids talk a great deal about balancing the budget; but the program which is being carried out under the direction of Mr. Dillon does more, in my studied opinion, to unbalance the budget than anything that is being done by either the Congress or any of the governmental departments.

So I am very happy the Senator from Louisiana has made known in advance that his objection to confirmation of the nomination of Mr. Dillon will be made solely on the grounds of public policy.

Mr. LONG. Mr. President, I appreciate the very kind remarks of the Senator from Wyoming.

I should like to state that the Democratic Party cannot be blamed for the activities of the junior Senator from Louisiana. I have not always voted Democratic. My first vote was cast for Wendell Willkie. Later, I voted for STROM THURMOND to be President.

Frankly, if I thought that Republicans would make decidedly the better officials, my conscience would require me to vote for confirmation of their nominations.

So my position in this case is not the fault of the Democratic Party. My record in the Senate shows that on more than one issue my stand could have been with those on either side of the aisle.

Furthermore, Mr. President, the Democratic Party is not to be blamed for my opposition to confirmation of the nomination of C. Douglas Dillon. On the committee there are 11 Democratic Senators; and only 1, the junior Senator from Louisiana, voted in the committee against a favorable report on that nomination. So it is not fair to blame the Democratic Senators.

Mr. O'MAHONEY. Mr. President, I do not think the Senator from Louisiana needs to defend himself. I think the Democratic Party would be honored to take a position such as the one the Senator from Louisiana has taken. We need no defense.

Mr. LONG. Mr. President, if the Democratic Senators on this floor should see fit to vote as the junior Senator from Louisiana advises them, I would hope that somehow we might be able to exonerate the Democratic Party from any charge of following the junior Senator from Louisiana.

All I know is that I am convinced that if the foreign-aid program is to be operated in the future in the way Mr. Dillon has advocated and in the way it has been conducted in the past, that will be the end of the program; and all it will amount to then will be a contribution of approximately $100 billion to the Communist Party in the world, because that $100 billion, which otherwise we could have used in defending ourselves, would then have been simply frittered away and wasted on things similar to the Greek national debt deal.

Mr. O'MAHONEY. Mr. President, waste of that kind is the sort of thing that will accomplish the purpose of the Soviet Government, which is to destroy the financial solvency of our Government because it is the only leader of the free world capable of standing up against Soviet Russia.

Mr. LONG. I thank the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, I yield now to the Senator from Montana [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. President, I had not intended to become involved in this debate. But I wish to state that the Senator from Louisiana [Mr. LONG] always has acted independently and with initiative, and always has acted in what he believes to be the best interests of the Nation.

Mr. President——

The PRESIDING OFFICER. The Senator from Montana.

ORDER FOR ADJOURNMENT UNTIL TOMORROW AT NOON

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it adjourn until tomorrow, Friday, May 15, at 12 o'clock noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT FROM FRIDAY UNTIL TUESDAY, MAY 19, AT 10 A.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at the conclusion of the session on tomorrow, Friday, the Senate stand in adjournment until Tuesday, May 19, at 10 o'clock a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM—ORDER FOR CALL OF THE CALENDAR ON WEDNESDAY, MAY 20

Mr. MANSFIELD. Mr. President, it is the purpose to bring up, on Tuesday, House bill 4245, the life insurance tax bill.

I have previously stated that on Tuesday, the calendar will be called, for the consideration of the measures to which there is no objection. I now ask to have that order changed, and that the call of the calendar be had on Wednesday, rather than on Tuesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, it is anticipated that, beginning next week, the Senate will, if need be, remain in session until late in the day, in order to dispose of some of the proposed legislation.

Mr. HOLLAND. Mr. President, will the Senator from Montana yield to me?

Mr. MANSFIELD. I yield.

Mr. HOLLAND. I did not understand the program for tomorrow, Friday.

Mr. MANSFIELD. For tomorrow, there is no program of particular pieces of proposed legislation. There will be speeches and requests to have various matters printed in the RECORD. We shall meet on tomorrow, so that from tomorrow an adjournment can be taken until Tuesday. The Senate will convene early on Tuesday—at 10 a.m.

Mr. HOLLAND. In other words, it is my understanding that Senators who have business elsewhere can count on having no business of importance come up in the Chamber until Tuesday. Is that correct?

Mr. MANSFIELD. Yes, after today, if the two bills we have been considering are passed.

Mr. HOLLAND. I thank the Senator from Montana.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

Mr. O'MAHONEY. I yield for that purpose.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. O'MAHONEY. Mr. Chairman, before the Presiding Officer takes action on the request, I wish to say that if the order for the quorum call is rescinded—I shall not object to that, although I reserve the right to make an objection—it will only have the effect of casting an extra burden upon one Member of the Senate, namely, the author of the amendment which is really the pending question, because the amendment deals with a very important aspect of our present economic situation and is one which I feel should be made thoroughly familiar to all Members of the Senate. Before the afternoon is over I shall do my best to make certain that this objective is accomplished.

I make no objection to the rescinding of the order for the quorum call.

The PRESIDING OFFICER. Without objection, the order for the quorum call is rescinded.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. ROBERTSON. The chairman of the committee, who is in charge of the bill, will be glad at a later period to cooperate with his colleague in getting a full attendance of the Senate for a vote on the amendment. If the Senator will yield I will now ask for the yeas and nays on the amendment. Then the Members of the Senate will have to come to the Chamber to vote.

The PRESIDING OFFICER. Senators in a sufficient number to order the yeas and nays are not present.

Mr. O'MAHONEY. We can do that later. I thank the Senator from Virginia.

Mr. FULBRIGHT. Mr. President——

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that I may yield to the Senator from Arkansas [Mr. FULBRIGHT], for the purpose of making a statement, without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming? The Chair hears none, and it is so ordered.

NOMINATION OF C. DOUGLAS DILLON TO BE UNDER SECRETARY OF STATE

Mr. FULBRIGHT. Mr. President, the New York Times yesterday morning carried an editorial entitled "Delay on Mr. Dillon." The theme of this editorial was that the Senate Committee on Foreign Relations was failing responsibly to discharge its constitutional duty in connection with the confirmation of Mr. Dillon because of delays in voting on Mr. Dillon's nomination.

The editorial stated that the committee "voted to postpone consideration of Douglas Dillon's appointment until next week, a delay which startled many Senators." The New York Times report startled me because of its inaccuracy.

Everything that was done was done in public. No less than two New York Times reporters were in the room on Tuesday when the committee adjourned in order to attend a joint session of the Congress to hear King Baudouin speak. I announced at that time that consideration of the Dillon nomination would go over until Wednesday. There was no motion or vote on Tuesday to put the nomination over until next week.

Some members still had questions to direct to Mr. Dillon in executive session. That session was held on Wednesday. On Wednesday there was a motion to postpone reporting the Dillon nomination, but the motion failed by a vote of 10 to 4. Mr. Dillon's nomination was then favorably reported by a vote of 16 to 1.

The Dillon nomination was sent to the Senate by the President on April 30. It was before the committee for a total of 14 days. Under our 6-day rule, the nomination did not even become eligible for consideration until 1 week ago. During the past week the committee has been meeting morning and afternoon on the Mutual Security Act, a subject of interest to the Times. Tuesday was the first regular committee meeting day after the Dillon nomination became eligible for consideration and that was the day we heard Mr. Dillon.

I do not like to engage in controversy with the New York Times. It is a fine newspaper. But just one editorial of this kind—based on an error of a fact—has a tremendous impact on the country and, to my way of thinking, has damaging effects on the reputation of the newspaper itself.

I hope the chief editorial writer will check with the Times' Washington correspondents, ascertain the error upon which the editorial was based, and put this nomination picture back into perspective.

In order to help the Times with respect to my attitude, at least, I ask unanimous consent to have printed at this point in the RECORD remarks which I made Tuesday during the hearings, as well as the editorial from the Wednesday New York Times.

There being no objection, the statement and editorial were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR FULBRIGHT DURING COMMITTEE HEARINGS ON MAY 12, 1959

The Committee on Foreign Relations in recent months has been giving careful consideration to the quality of United States representation abroad.

The chairman emeritus of the committee, Senator GREEN, on several occasions asked the Department of State to exercise greater care in the selection of ambassadorial appointments. He inaugurated a system of examining selected candidates for admission to the foreign service at its lowest levels, thereby enabling the committtee to form a judgment as to the quality of young men and women coming into the service.

The chairman of the Subcommittee on State Department Organization, Mr. MANSFIELD, has taken the initiative in recent years in checking up on some of our Ambassadors who have been absent from their posts for excessive periods of time. He has also, with the senior Senator from Massachusetts [Mr. SALTONSTALL], been active in seeking legislative support for expanded language training in the Foreign Service Institute.

I beleve it would be of interest if the RECORD were to include at this point a number of documents relevant to the subject of nominations. I will, therefore, insert the following:

APRIL 3, 1957.

THE SECRETARY OF STATE,
Washington, D.C.

DEAR SECRETARY DULLES: I desire to express to you in a completely nonpartisan spirit my deep concern about ambassadorial appointments.

In view of the heavy responsibilities of the United States throughout the world and the importance to us of relations with other countries, we should have first-rate Ambassadors in every post. We choose Ambassadors both from the ranks of the career service and from outside the Government service, and the benefits of this practice can be readily demonstrated. We should not, however, accept the conclusion that some years of satisfactory service, either in the Foreign Service, or in some nongovernmental activity, automatically qualify a man to be a good ambassador. The test in every case should be whether a nominee for a particular post is the American who can best serve the interests of this country there.

There are special problems arising from the fact that certain posts are very expensive. I am glad to have the Department's letter of March 6, 1957, stating that a study of the matter is under way. The Committee on Foreign Relations will no doubt give sympathetic consideration to such recommendations as you may make.

It is generally known that Presidents and Secretaries of State of both political parties have been under pressure from those who feel that an ambassadorship is a reward for past service or help. In my opinion, we can no longer afford to give way to such pressure in appointment making.

The Committee on Foreign Relations has always recognized the primary responsibility of the Executive in making such appointments and has been reluctant to refuse consent to a nomination unless there is an obvious reason to do so. The committee has on occasions given the benefit of the doubt to nominees. It seems to me, however, an insufficient reason that there is no real objection to the nomination, there should also be an affirmative reason for it—namely, that the nominee has outstanding qualifications for the position. It should be obvious in each case, whether the nominee is a career man or not, that his record, his intelligence, his background and his attitude are such that he will ably serve our country in his assignment.

I have made this letter the subject of discussion in executive session by the Committee on Foreign Relations and it represents the consensus of the views of all the members of the committee.

Sincerely yours,

THEODORE FRANCIS GREEN,
Chairman.

APRIL 17, 1957.

The Honorable THEODORE FRANCIS GREEN,
U.S. Senate.

DEAR SENATOR: I have read your letter of April 3, relating to ambassadorial appointments. I agree that the responsibilities of the United States throughout the world have become so heavy and our relations with other countries so important that we must have "first rate" Chiefs of Mission in our diplomatic posts abroad. This requirement has been consistently borne in mind in selecting from Government service or from private life persons to serve as chiefs of our diplomatic missions.

We have exercised great care in order to assure ourselves that such persons possess qualities of a high order and are competent to represent our country abroad. Appointments are made only after qualifications of the nominee have been fully established.

In selecting a chief of any particular diplomatic mission, consideration is given both to career Foreign Service officers who may

be available and to persons who might be available from private life or from other governmental agencies. It is my understanding that at the present time approximately 68 percent of our ambassadors and ministers are career Foreign Service officers. This proportion is higher than at any time in the past.

As you indicate in your letter, there is a special problem arising from the fact that certain posts are very expensive. In some foreign countries the costs of discharging the duties of a diplomatic chief of mission are so much greater than the salary and allowances available that it is feasible to appoint as ambassadors to such countries only those persons who possess private means upon which they would be prepared to draw in order to supplement their salaries and allowances.

This latter problem, which is as old as the Republic itself, but which has taken on new significance as the result of our increased international responsibilities, is under study and I propose further to discuss it with you in a subsequent communication.

Sincerely yours,

JOHN FOSTER DULLES.

MARCH 25, 1958.

The Honorable JOHN FOSTER DULLES,
Secretary of State, Washington, D.C.

DEAR MR. SECRETARY: As you know, the Committee on Foreign Relations during the incumbency of Senator WILEY as chairman adopted a rule requiring that all nominations referred to the committee should lie over for 6 days prior to consideration. That rule was continued in effect by my predecessor, Senator GEORGE, and is still in effect.

The rule was adopted in order to give due notice to Members of the Senate and to the American public that an appointment requiring Senate confirmation was about to be considered. The 6-day period was fixed in order to provide sufficient time for persons who might have information about the nominee to send that information to the committee.

Increasingly in recent months the committee has received informal requests to waive the 6-day rule. The most recent instance is that of Henry J. Heinz II, who has been nominated to be Representative of the United States to the 13th session of the Economic Commission for Europe of the Economic and Social Council. That nomination was received on Friday, March 21, and the committee was asked to take it up on Tuesday, March 25, on the ground that unless the rule was waived Mr. Heinz would be unable to proceed to Geneva in time for the convening of the Commission.

The committee has been glad to accommodate the Department from time to time in instances of this kind. Inasmuch as the usual reason for waiving the committee rule is a result of last-minute appointments, however, I am not inclined again to ask the committee to waive its rule.

I am sure you will appreciate the fact that the committee takes most seriously its responsibility in connection with the confirmation of nominations, and that it has a duty to be sure that there is adequate public notice prior to committee consideration of such nominations.

Sincerely yours,

THEODORE FRANCIS GREEN,
Chairman.

Hon. THEODORE FRANCIS GREEN,
Chairman, Committee on Foreign Relations, U.S. Senate.

DEAR SENATOR GREEN: Secretary Dulles has asked me to thank you for your letter of March 25, 1958, expressing concern over the requests received by the Foreign Relations Committee to waive the rule requiring that nominations referred to the committee should lie over for 6 days prior to consideration.

The Department is aware of and deeply appreciative of the fact that on a number of occasions your committee has been willing to waive the 6-day rule in the light of special circumstances.

We fully understand the concern expressed in your letter. I, therefore, take this occasion to assure you that the Department will refrain from asking in the future that your committee waive this rule, except under the most exceptional and urgent circumstances.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

FEBRUARY 5, 1959.

Hon. JOHN FOSTER DULLES,
Secretary of State, Washington, D.C.

DEAR MR. SECRETARY: As you know, members of the Committee on Foreign Relations have been concerned for several years that some of our ambassadorial appointments have not been up to the standard that should be maintained if our interests abroad are to be fully promoted. Indeed, on April 3, 1957, Chairman GREEN wrote to you stating:

"In view of the heavy responsibilities of the United States throughout the world and the importance to us of relations with other countries, we should have first-rate Ambassadors in every post. The test in every case should be whether a nominee for a particular post is the American who can best serve the interest of this country there.

"It is generally known that Presidents and Secretaries of State of both political parties have been under pressure from those who feel that an ambassadorship is a reward for past service or help. In my opinion, we can no longer afford to give way to such pressure in appointment-making.

"It should be obvious in each case, whether the nominee is a career man or not, that his record, his intelligence, his background, and his attitude are such that he will ably serve our country in his assignment."

It has seemed to me that if the committee is properly to exercise its advice and consent function in connection with ambassadorial appointments, it is important that it have not only the usual biographic data and statement regarding security clearances, but that it also receive for its confidential use certain other information which the President must consider prior to filling one of these important posts. Frankly, I do not know precisely what form this information may take. I would assume, however, that prior to submitting such appointments, the Department and the President must have information before them of the kind which would normally be utilized by a corporation—or perhaps a college president—prior to filling important positions. With respect to ambassadorial appointments, for example, I would think the authorities concerned with the appointment would want to know of the candidate's language ability, his ability as an administrator, his ability to make friends, the nature and depth of his interest in foreign affairs generally, as well as specifically in the country to which he is being sent, the interests which may be brought to bear on him in his post, and similar matters.

Because the President and the Senate share the power to appoint Ambassadors, it seems to me that when the Senate confirms a nomination, it should have before it the same kind of information which the Executive had in making the nomination. I hope, therefore, that you will be able to supply me with background information on candidates of a more nearly complete nature than has been available to us in the past.

I suggest that such information might be supplied beginning with the nomination of Mr. Reid to be Ambassador to Israel.

Sincerely yours,

J. W. FULBRIGHT.

FEBRUARY 20, 1959.

The Honorable J. WILLIAM FULBRIGHT,
U.S. Senate

DEAR SENATOR FULBRIGHT: On behalf of the Secretary who, as you are aware, is at present in the hospital, I am undertaking to reply to your letter addressed to him under date of February 5.

As the Secretary wrote Senator GREEN on April 17, 1957, we fully agree that the responsibilities of the United States throughout the world are so heavy and our relations with other countries are so important that we cannot afford to have other than first rate chiefs of mission in our diplomatic posts abroad. In view of this situation, the President exercises great care in determining who is to represent him abroad in the capacity of Ambassador and the Secretary takes similar care in making recommendations to the President with regard to ambassadorial appointments.

The President does not make nor does the Secretary recommend any diplomatic appointment until they have satisfied themselves from an examination of the needs of the post and of the qualifications of the person under consideration that he is well suited for the position.

The backgrounds of those who are at present serving as chiefs of diplomatic mission should be convincing evidence of the care with which they are chosen. Approximately two-thirds of them are professional diplomats who on the average have had more than 25 years in the Foreign Service or the Department of State.

Of the remainder, some have had extensive experience in the executive or legislative branches of the Government of a character which has prepared them for the duties they are now performing. Others have shown by their achievements in business or in the professions that they have the qualities of leadership, of sensitivity, and of the ability to judge men and understand complicated situations which are essential to success in modern diplomacy.

In view, however, of the hope expressed in your letter that you may have information for your background use regarding the qualifications of persons whom the President nominates as chiefs of diplomatic mission, with the President's consent the Department of State is quite prepared to institute a practice of sending you a confidential letter, subsequent to the submission of a diplomatic nomination to the Senate, setting forth the qualifications of the prospective appointee, which the Department took in account when it made its recommendation to the President.

Sincerely yours,

———,
Acting Secretary.

Now, Mr. Reid, the relevance of this statement in connection with consideration of your nomination is this:

There is a presumption that career Foreign Service officers nominated for ambassadorial posts are qualified. There is, however, I believe, no such presumption, especially in diplomatic circles, that noncareer nominees are qualified to serve the Nation in ambassadorial posts.

Let me add that both viewpoints are certainly rebuttable. However, the burden on noncareer people is to prove to the committee that they are qualified. This can be done. It has been done. We have had some extremely able noncareer Ambassadors from both political parties, including such individuals as Ellsworth Bunker, David Bruce, Douglas Dillon, Senator Cooper, and Chester Bowles. We have had some other individuals who have not always served the best interests of our country.

I hasten to add that we have had some career Ambassadors who have attained that position simply because they have served for a long, but not necessarily distinguished, period of years.

Still, I would be less than frank if I failed to state my conviction that our interests in the Middle East would best be served by Ambassadors who have been carefully chosen from the career service, as they have been in Southeast Asia. This is in no sense a partisan political position. It has been my position since I came to Congress, and I have stated it before. In December 1945, for example, I opposed the confirmation of a gentleman whom President Truman had nominated to be an alternate delegate to the General Assembly of the United Nations. Without objection, I will read a fragment of my remarks on that occasion:

"I wish to point out that * * * our policy (of making political appointments to high State Department posts) during the past 25 years did not turn out to be in the interests of the United States.

"That experience, coupled with the fact that we have seen fit to follow a policy of appointing to positions in our international service persons who have had no qualifications for such assignments, seems to be sufficient justification for calling for a new policy in the hope that in the next 25 years we shall not stumble into another war, because I certainly believe that if we find ourselves in another war, with atomic energy on the loose, it will be the end of our civilization and the end of the civilization of all the world.

"That is the only reason why I have had any disposition to question the method which heretofore we have followed, namely, the appointment of good, honest persons with no experience to positions of the greatest importance in the international field."

More recently, I questioned the wisdom of the confirmation of a businessman named Mr. Gluck, whom the President appointed Ambassador to Ceylon. I think he was a decent, upright citizen, but utterly unfitted for the assignment. Mr. Gluck went to Ceylon, then retired after 1 year's service. Which suggests another distressing aspect of this question of amateur diplomats. Too many of them are persons who have no intention of remaining in diplomatic service long enough to acquire competence. My own objections to the practice would be substantially reduced if such appointments were reserved for people of demonstrated fluency in foreign affairs, who intended to make a career of diplomacy.

In my judgment, the United States is facing not only the gravest but perhaps the most difficult problems in its history. In every part of the world we are struggling in one way or another against the evergrowing strength of Sino-Soviet expansionism. This struggle must be directed by people who, whether career or noncareer, are qualified by experience and competence. The Middle East, as we have seen, is an especially troublesome area, more given to shifting political passions and outright violence than any other.

Iraq is a current example. Less than 1 year ago, this country was considered our greatest, if not our only, ally, in the Middle East. Iraq was torn from this position in a rebellion led by army officers, who presumably drew their popular support from pro-Nasser Arab nationalists. Now Iraq, besides developing an anti-Nasser bias, has taken a still sharper turn away from the West and appears to be moving into the Soviet orbit. All this in less than a year. And what are we doing to cope with the situation? As far as I can see, we are doing nothing, because we have failed to develop a coherent, farsighted policy.

Two and a half years ago, Israel, France and England attacked Egypt. These are perilous times, and the possible consequences of even small miscalculations are frightening in the extreme. It seems to me that our diplomats must and should be our first line of defense against the miscalculations and caprices of others.

The Suez episode dramatized our need for a Middle East policy. We responded with a doctrine, but we misread the threat. Our Ambassadors played no part in the conception of the Eisenhower doctrine, and the doctrine's futility as a device to forestall events in Iraq has been amply demonstrated.

I am convinced that our diplomats in the field must have a greater voice in the formation of Middle East policy. But they must obviously be men whose qualifications are adequate to the responsibility.

The purpose of this hearing, Mr. Reid, is to determine whether you possess such qualifications.

[From the New York Times, May 13, 1959]

DELAY ON MR. DILLON

The U.S. Senate has the constitutional right and duty to scrutinize Presidential appointments to high Federal office before voting on their confirmation. But any right or duty may be abused if it is not exercised responsibly. That the Senate is coming dangerously close to the boundary separating the reasonable from the unreasonable was indicated yesterday when the Senate Foreign Relations Committee voted to postpone consideration of Douglas Dillon's appointment as second in command of the State Department until next week, a delay which startled many Senators.

Mr. Dillon's previous Government service, particularly his leadership of the State Department's economic divisions under Mr. Dulles, has won wide acclaim from both Democrats and Republicans. At present, with Secretary of State Herter negotiating in Geneva, Mr. Dillon is in charge of the Department's work in Washington. In that difficult work he is not helped, to say the least, by even the slight shadow cast over his possible confirmation by yesterday's decision to delay.

The basic issue involved, of course, is wider than the case of Mr. Dillon. If even a man of his proved integrity and competence cannot be confirmed without difficulty, why should any other outstanding citizen subject himself to possible humiliation and pillorying by accepting a Presidential appointment to a responsible post? The present mood of the Senate on confirmation does not help President Eisenhower to obtain the men he needs for key posts.

AMENDMENT OF FEDERAL DEPOSIT INSURANCE ACT

The Senate resumed the consideration of the bill (S. 1062) to amend the Federal Deposit Insurance Act to provide safeguards against mergers and consolidations of banks which might lessen competition unduly or tend unduly to create a monopoly in the field of banking.

Mr. O'MAHONEY. Mr. President, there is still not a quorum present, but I intend to take advantage of this opportunity to read a letter which I am having duplicated, because I desire to have it distributed to members of the press in the Senate press gallery.

This letter comes from Lawrence E. Walsh, Deputy Attorney General of the United States. The Department of Justice favors the amendment which I am offering, and I want it clearly known as widely as possible, that such is the case. This is not in any sense a partisan amendment, but is an amendment which goes to the heart of one of the most serious economic problems now afflicting the people of the United States.

This is the letter from Deputy Attorney General Lawrence E. Walsh, who resigned from a judgeship in order to accept the appointment as Deputy Attorney General to Mr. Rogers. The letter is addressed to me, and reads as follows:

Hon. JOSEPH C. O'MAHONEY,
U.S. Senate, Washington, D.C.

DEAR SENATOR: This is in response to your request for the views of the Department of Justice on the proposed amendment to S. 1062 dealing with bank mergers and consolidations which I understand you intend to present. The proposed amendment has been inserted in the CONGRESSIONAL RECORD of May 7, 1959, at page 7692 by Senator ROBERTSON.

Your proposal would not alter the Senate Banking and Currency Committee's decision that bank mergers should be passed upon initially—not by the courts—but by appropriate banking agencies. However, your amendment resolves the two serious problems presented by S. 1062. First, the amendment substitutes the court-tested language of section 7 of the Clayton Act for the novel and uncertain standards of S. 1062. Second, your amendment would provide that if any banking agency or the Attorney General recommends against the merger, the appropriate banking agency must hold a hearing and interested parties may appeal to the courts from the banking agency's decision.

I believe your amendment contains adequate competitive safeguards while assuring at the same time certain flexibility for the asserted needs of the banking field. I believe its enactment would promote competition in banking which is so vital to growth of new and small business.

The Bureau of the Budget has advised that there is no objection to the submission of this report.

Sincerely yours,

LAWRENCE E. WALSH,
Deputy Attorney General.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. O'MAHONEY. Mr. President, it is now 8 minutes to 2 o'clock. Senators who have already had their luncheon have had an opportunity to return to the Chamber. It may be that there are present all the Senators who will come to the Chamber this afternoon; but certainly a sufficient number are now present to grant the yeas and nays. Therefore, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. O'MAHONEY. Mr. President, I offer the amendment which is the pending question and ask that it be read for the information of the Senate.

Mr. ROBERTSON. Mr. President, will the Senator from Wyoming first yield to me so that I may ask for the yeas and nays on the amendment?

Mr. O'MAHONEY. Certainly; I yield.

Mr. ROBERTSON. Mr. President, on this amendment I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The amendment offered by the Senator from Wyoming will be stated.

The LEGISLATIVE CLERK. On page 2 it is proposed to strike out lines 11–25 beginning with the words "In the case of a merger" at line 11.

On page 3 it is proposed to strike out lines 1–9 and insert in lieu thereof the following:

The Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, shall not grant consent under this section to any merger, consolidation, acquisition of assets, or assumption of liabilities, where in any section of the country the effect thereof may be substantially to lessen competition, or to tend to create a monopoly. This provision shall not, however, be deemed to prohibit a merger, consolidation, acquisition of assets or assumption of liabilities where the Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, finds that there is a reasonable probability of the ultimate failure of the bank to be acquired; that because of inadequate or incompetent management the acquired bank's future prospects are unfavorable and can be corrected only by a merger or consolidation with the acquiring bank; that the acquired bank is a problem bank with inadequate capital or unsound assets and its acquisition by another bank would be the only practical means of dealing with the problem; or that several banks in a small town are compelled by an overbanked situation to resort to unsound competitive practices which may eventually have an adverse effect upon the condition of such banks and the merger of the two or more banks would, therefore, be in the public interest. In the interests of uniform standards, the appropriate agency shall not take action as to any such transaction without first seeking the views of each of the other two banking agencies referred to herein with respect to such question. In the case of a merger, consolidation, acquisition of assets, or assumption of liabilities, the appropriate agency shall request a report from the Attorney General on the competitive factors involved in the merger. The Attorney General shall furnish such report to such agency within thirty calendar days of the request: *Provided, however,* That in case the agency finds an emergency exists the agency may advise the Attorney General thereof and may thereupon shorten the period for the Attorney General to report to ten calendar days: *And provided further,* That where the agency finds that an emergency makes necessary immediate action in order to prevent the probable failure of one of the merging banks, the appropriate agency may act without obtaining such report from the Attorney General.

If either or both of the other banking agencies or the Attorney General disapproves the application in writing within thirty days, the Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, shall notify in writing the applicant and the disapproving agency or agencies, or authority or Attorney General of the date for commencement of a hearing by it on such application. Any such hearing shall be commenced not less than ten nor more than thirty days after the Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, has given written notice to the applicant of the action of the disapproving agency or agencies, authority, or Attorney General. The length of any such hearing shall be determined by the Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, but it shall afford all interested parties a reasonable opportunity to testify at such hearing. At the conclusion thereof, the Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, shall by order grant or deny the application on the basis of the record made at such hearing. Such order may be appealed to the Court of Appeals for the District of Columbia by any party adversely affected or by the Attorney General, within thirty days after entry of such order.

The Comptroller, the Board, and the Corporation shall submit to the Congress a report each six months after approval of this Act setting forth the following information with respect to each merger, consolidation, acquisition of assets, or assumption of liabilities approved by the Comptroller, the Board, or the Corporation, as the case may be, the name of the receiving bank; the name of the absorbed bank; the total resources of the receiving bank; the total resources of the absorbed bank; a copy of the report of the other two banking agencies and of the Attorney General on the competitive factors involved in the merger, consolidation, acquisition of assets, or assumption of liabilities.

Mr. O'MAHONEY. Mr. President, we are dealing today with the problem of the concentration of economic power from the point of view of banks. We are dealing with the question of the absentee ownership of banks. We are dealing with the concentration of banks by way of mergers, which brings about a sad situation; namely, a situation in which small business is unable to secure loans which it needs to maintain free enterprise.

This is no idle statement upon the part of the sponsor of the amendment. It is a fact which is corroborated by the Small Business Administration. Yesterday, when this matter was about to come before the Senate, I sent to the Small Business Administration and asked for a copy of its report. The report having been received, I can boil it down to one simple sentence.

The Small Business Administration, from its creation in September 1953, through April 1959, has loaned a total of $731,432,000 in 15,631 loans. In other words, because of the absentee ownership of banks and because of the reaching out through mergers of large banks, competition has been undermined. In addition, localities throughout the United States are being deprived of the services of local bankers who understand the needs of the communities in which they serve.

Because of the mergers, the control of the merged banks is removed from the communities in which the banks function; and even the principal administrator of a merged bank must consult with the controllers in different parts of the State or in a different part of the Nation, in order to know what to do about a requested loan.

I have known of instances in Wyoming, where the development of natural resources was concerned, when existing enterprises, being unable to obtain loans from local banks, have been forced to go to New York or to some other great central banking city, where they found themselves obliged to yield to the demands of the managers of the big banks for a share in the equity before a loan was made.

When I was the chairman of the Temporary National Economic Committee several years ago—that committee was established in 1939 and conducted its study of the concentration of economic power until early in 1941—we consulted with some of the great financial institutions throughout the country. Particularly in New York, I remember consulting with officials of the Metropolitan Life Insurance Co. I myself went to New York and conferred with the officers of the Metropolitan, pointing out to them the importance of the ability of small business and local business to obtain loans to develop the resources in their own communities based upon understanding of local conditions. The result was that Mr. Leroy Lincoln, then the president of the Metropolitan Life Insurance Co., was good enough to indicate that it would be his effort to make certain that the Metropolitan Life Insurance Co. would carry out a program of small loans to small business. Metropolitan did make the effort. But the burden of servicing small loans was too great for a large institution, when it could make a more profitable return on large loans to big business.

The paradoxical anomaly of the present situation arises from the fact that because we are permitting combinations and mergers to reduce the number of local banks and to close the door of opportunity to independent free enterprise, this administration in 1953 was compelled by the demand from the country to reestablish the Small Business Administration, which previously had been established, but later had been closed. The administration was compelled to reestablish it because the small business people of the country, unable to obtain from the small banks the money they needed, were compelled to rap on the door of the Treasury of the United States in order to get the money they needed.

Mr. President, let me point out that, with 13,500 commercial banks now doing business in the United States, the 100 largest banks control 46 percent of all bank assets and 48 percent of all bank deposits. I doubt very much whether that fact is very well known to Members of the House of Representatives, Members of the Senate, or the people of the United States. But it is a fact. If we, as a Senate, desire to maintain local free enterprise and to relieve the Government of the United States of the necessity of going into the banking business to supplant the private bankers who have been driven out of that business by bank mergers, then we must do something such as what is proposed in the amendment which I have offered to the pending bill.

Mr. President, let us bear in mind that the amendment has the endorsement of the Department of Justice. I think it essential that I read again that endorsement by the Department of Justice. I read it earlier in the day, when less than six Senators were on the floor. I read it at that time primarily for the benefit of the occupants of the press gallery. Now I shall read the endorsement for the benefit of those who are listening.

The letter reads as follows:

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF THE DEPUTY ATTORNEY GENERAL,
Washington, D.C.

Hon. JOSEPH C. O'MAHONEY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: This is in response to your request for the views of the Department of

Justice on the proposed amendment to S. 1062 dealing with bank mergers and consolidations which I understand you intend to present. The proposed amendment has been inserted in the CONGRESSIONAL RECORD of May 7, 1959, at page 7692 by Senator ROBERTSON.

Your proposal would not alter the Senate Banking and Currency Committee's decision that bank mergers should be passed upon initially—not by the courts—but by appropriate banking agencies. However, your amendment resolves the two serious problems presented by S. 1062. First, the amendment substitutes the court tested language of section 7 of the Clayton Act for the novel and uncertain standards of S. 1062. Second, your amendment would provide that if any banking agency or the Attorney General recommends against the merger, the appropriate banking agency must hold a hearing and interested parties may appeal to the courts from the banking agency's decision.

Mr. President, at this point let me digress long enough to point out how important it is to free government that the right of judicial review be preserved. When governmental agencies are established to pass upon the business of the people, if the people are denied the right to have judicial review, one of the most fundamental and basic principles of freedom is destroyed. I have no hesitation at this time in saying that the Government established by the Constitution of the United States is in grave danger because we are permitting monopolistic mergers—in business, in industry, in insurance, in banking—to take over the management of our economic affairs.

Mr. President, let no one forget that there cannot be permanent political freedom without economic liberty. If the economy of any people is permitted to fall into the control of one group, political liberty cannot be expected to survive.

If the time ever comes when the bankers of the United States, by means of concentration of control, can determine what banking facilities the people may have, then—if we permit that to be done—we shall be surrendering a substantial part of the Government of the people, by the people, and for the people, of which Lincoln spoke at Gettysburg, in his famous address. He uttered there only a repetition of the sound belief of the framers of the Constitution that they were establishing in the United States a Government by the people.

Mr. President, I recall the fact that no President of the United States until John Quincy Adams took office—and he was the sixth President—was bold enough to assert in his inaugural message that the experiment in popular Government established in this Nation by those who drew up the Declaration of Independence and framed the Constitution had proven to be a success. All five of his predecessors simply had been striving to make it a success. John Quincy Adams, the sixth President, asserted in his inaugural message that it was a success. But we are neglecting to give proper consideration to basic economic issues; and that neglect is witnessed by the fact that here, at 10 minutes after 2 in the afternoon, after an endeavor of over an hour and one-half, we have been unable to rally a quorum of the Senate to pass upon this measure—which has been reported by the Banking and Currency Committee—the intent and purpose of which is to put exclusive control of bank mergers into the hands of the banking agencies, and to exclude the Department of Justice, which is the principal Government agency to enforce the antitrust laws, from having the power to disapprove.

It is true that the bill, as reported, requires that the opinion of the Attorney General be obtained. But the bill does not provide for any court review. My amendment would grant such court review.

As I have said, and as the Deputy Attorney General, Judge Walsh, says, this amendment does not alter the Senate Banking and Currency Committee's decision that bank mergers shall be passed upon initially not by the courts, but by the appropriate bank agencies; but it does, as he says, deal with two serious problems presented by the bill before the Senate.

The first of these problems arises from the fact that the committee bill uses vague and uncertain language about the lessening of competition, instead of what Judge Walsh calls the court-tested language of section 7 of the Clayton Act.

The second problem, and it is a serious problem, is that under the bill as it now stands, if any banking agency or the Attorney General recommends against the merger, there is no judicial review.

My amendment provides only that the appropriate banking agency—not the Department of Justice, but the appropriate banking agency—must hold a public hearing, and interested parties may appeal to the courts from the banking agency's decision.

There is nothing wild about my amendment, Mr. President. It is a simple measure to protect the rights of the people.

I have in my hand a list of 16 of the largest financial centers in the United States. If I were to read them in the order of their total assets, or the percentage of the total assets owned by the largest banks in the principal financial centers, the list would read as follows:

In Providence, the four largest banks have 98 percent of all the banking assets.
In Cleveland, the four largest banks have 97 percent.
In Atlanta, 92 percent.
In Detroit, 90 percent.
In Minneapolis, 87 percent.
In Pittsburgh, 87 percent.
In Chicago, 84 percent.
In Dallas, 84 percent.
In Richmond, 84 percent.
In Boston, 83 percent.
In Baltimore, 77 percent.
In Kansas City, 75 percent.
In Philadelphia, 69 percent.
In St. Louis, 68 percent.
In Washington, 60 percent.
In New York, 60 percent.

In other words, Mr. President, the four largest banks in those 16 centers own more than 60 percent of all the banking assets in those centers.

In 10 of those, beginning with Providence and going through the list I have read until we come to Boston, the four largest banks control more than 83 percent of all the banking assets in those respective cities.

This, Mr. President, teaches us the degree to which the concentration of banking assets has been permitted to proceed in this country. Unless we stop it, and unless we make certain that the banking agencies, the members and officers of which are recruited from among the banking profession, are given the assistance of the Department of Justice, we are helping the Nation to go down the road to chaos in the concentration of economic power.

I understand, Mr. President, that the Senator from Arizona [Mr. HAYDEN], chairman of the Committee on Appropriations, would like to have me yield for a privileged matter. I do so with the understanding that I do not lose the floor.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the concurrent resolution (S. Con. Res. 22) to print additional copies of certain hearings on transportation problems in Maryland, Virginia, and the Washington metropolitan area.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5916) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 6, 42, 50, 56, 57, 63, 66, 69, 75, 76, and 172 to the bill, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 1, 7, 38, 71, and 88, and concurred therein severally, with an amendment, in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled joint resolution (S.J. Res. 94) to defer the proclamation of marketing quotas and acreage allotments for the 1960 crop of wheat until June 1, 1959, and it was signed by the Acting President pro tempore.

SECOND SUPPLEMENTAL APPROPRIATION BILL, 1959—CONFERENCE REPORT

Mr. HAYDEN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5916) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HAYDEN. Mr. President, I move that the conference report be agreed to.

Mr. O'MAHONEY. Mr. President, may I inquire of the Senator from Arizona what the result of the conference was in total figures? The Senate increased the amount provided in the appropriation bill by how much over what the House had allowed, and what did the conferees agree to?

Mr. HAYDEN. The amount of the bill as passed by the House was $2,657,402,994. The amount of increase by the Senate was $186,499,811. The amount of the bill as passed by the Senate was $2,843,902,805. The amount as agreed upon in the conference was $2,764,500,380.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield to the Senator from Montana.

Mr. MANSFIELD. May I ask the distinguished chairman of the Appropriations Committee what happened to the Long amendment establishing the Army at the end strength of 900,000, and the amendment establishing the Marine Corps at a strength of 200,000, in accord with congressional intent?

Mr. HAYDEN. The best way to answer that question, I think, is to read from the conference report:

> The Senate receded on amendments 19 and 22 with the greatest of reluctance and only because the lateness in the year precludes the possibility of the Army and Marine Corps being brought up to the strengths of 900,000 and 200,000 respectively, before June 30, 1959. The committee of conference wishes to point out that the Defense Department Appropriation Act for 1959, Public Law 85-724, provided the funds necessary to maintain an Army of 900,000 and a Marine Corps of 200,000. The Conferees are agreed that the entire matter of strength of the Army and Marine Corps will be a matter of thorough study during the consideration of the 1960 Defense Department appropriation bill.

We could not prevail upon the House to agree at all.

Mr. MANSFIELD. May I say to the distinguished chairman of the committee that what the Senate is being asked to agree to is in contradistinction to what Congress as a whole said should happen this year. The administration has seen fit to honor congressional intent so far as the Army Reserve and the Air National Guard are concerned, but so far as the Marine Corps and the Army are concerned, they are diverting some of the funds, at least the Army funds, to other uses, and are not keeping up the personnel strength which the Congress said should be maintained.

After all, under the Constitution, Congress has an equal responsibility with the administration, and perhaps a little more responsibility, as to what should constitute the armed strength of the United States.

It appears to me that we are making a mistake in backing down in this instance, after stating twice in this fiscal year what we thought should be done in the way of providing personnel for our Army and Marine Corps.

Mr. HAYDEN. The House agreed on this matter the previous time, but this time it was stated to be too late to put the language in the bill. The House will consider the matter again.

The Senate must remember that there is no way of making the President or any department head spend any money which Congress appropriates. We can appropriate all the money we please, but the administration does not have to use it.

That is exactly what has happened in this instance. We provided the funds, but the administration has not taken into the service as many men as were provided for. Therefore, it is not necessary to pay as many men. Since it was not all used to pay the men, some of the money may have been diverted to other uses.

I think we can tie that matter down very carefully in the Department of Defense appropriation bill for 1960 which will be before the Senate. We could provide that if the money is not spent for the specific purpose designated, it could not be spent for any other purpose.

Mr. MANSFIELD. I should like to point out that the amendment did not call for any new appropriation for the present fiscal year. The money was already provided.

Mr. HAYDEN. The Senator is correct.

Mr. MANSFIELD. It is my understanding that the Army strength is now down to about 869,000 men, instead of the minimum of 870,000 which was set.

I wish to point out that the only service which, under the law, has a floor strength is the Marine Corps, which is supposed to maintain three combat-sized divisions and three air wings. The Marine Corps cannot provide those divisions and wings with a personnel level of 175,000.

In spite of my disappointment, and in spite of what I am sure is the disappointment of the chairman of the Congress as a whole, I hope that the language we inserted in the supplemental appropriation bill when it was being considered in the Senate this year will be reinserted in the regular Department of Defense appropriation bill for the next fiscal year, because that language could not be ignored. It is my understanding that if the language is put in the regular appropriation bill, and agreed to, the administration will have to carry out the intent of Congress at that time and in that respect.

Mr. HAYDEN. The Senator is mistaken about only one thing. The administration does not have to do anything about the matter if it does not want to.

When I was first elected to Congress, I had a bill passed to build a bridge across the Gila River. In order to get the bill passed through the House, I accepted an amendment which was offered by the minority leader in the House, providing that the funds should be reimbursable if, as, and when the Indians had any money. He hoped there might be the discovery of oil or something like that on the land belonging to the Indians. I thought that was such a far-fetched possibility it would be entirely reasonable to agree to it, and I accepted the amendment, but the Indian Bureau refused to build the bridge so long as that amendment was in the act, and that is all there was to the matter. The Bureau had the money and the Bureau had the authority of law, but would not build the bridge.

I have learned that one cannot make any executive department spend money unless the department wants to.

Mr. MANSFIELD. I appreciate what the Senator has said, but I wish to point out that the language used with regard to previous reductions in the Army National Guard and in the Army Reserves was considered mandatory by those in the Pentagon, and therefore they followed the intent of the Congress.

Mr. HAYDEN. In those two instances, the intent of the law was complied with. In these other two instances, there has not been a carrying out of the clear intent of Congress.

Mr. MANSFIELD. When the appropriation bill comes before the Senate, I shall do my best to see if we can have provided an Army strength of at least 900,000, and a Marine Corps strength of 200,000, so that we, on our part, can perform our constitutional function, which I think is as important in regard to the defense of this country as is the function of the executive.

Mr. HAYDEN. I assure the Senator that there was great reluctance to yield on this point. It was the last matter considered, and led to the longest argument.

Mr. MANSFIELD. I thank the Senator.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. DIRKSEN. I understood that one of the real difficulties involved in respect to the amendment under discussion was the administrative aspect of the matter. There was no comparable provision in the regular Defense Department military supply bill for the fiscal year 1959. There might or might not be a level of forces provision carried in the bill for fiscal year 1960. Therefore, if this provision were placed in a supplemental appropriation bill we would be in the unhappy position of marching from present strength levels to the levels set in the proposal until the 30th of June; and, thereafter, if no comparable provision were placed in the regular military supply bill, it would be necessary to march back down again to the strength levels which obtain at the present time.

Mr. HAYDEN. What the Senator has stated was pointed out. Nevertheless, we insisted, so far as the Senate was concerned, that the regular appropriation bill would carry the money for the personnel.

Mr. DIRKSEN. I am not arguing the military merits of the proposal for the moment. The administrative difficulty is quite obvious, because it is now the middle of May. There are only 6 weeks before the end of the fiscal year. If

for any reason the Congress did not provide an identical provision in the regular appropriation bill, this situation would obtain for a period of only 6 weeks, and before one could set the administrative forces in motion one would be marching back downhill again.

Mr. HAYDEN. That was one part of the argument of the House conferees; that the limitation would apply for only a short time. This matter can be again discussed and taken up on a more permanent basis when we consider the appropriation bill for the Department of Defense.

Mr. DIRKSEN. That is quite correct.

Mr. MANSFIELD. Mr. President, will the Senator yield further?

Mr. HAYDEN. I yield.

Mr. MANSFIELD. I observe that the distinguished Senator from Louisiana [Mr. ELLENDER] is present on the floor. The senior Senator from Louisiana, with his junior colleague [Mr. LONG] was responsible for the adoption of the amendment to raise the Army strength this fiscal year to a 900,000 level.

Mr. HAYDEN. I am sure the Senator will concur that we did everything we could in the conference to try to get that done.

Mr. MANSFIELD. I am certain of that. I express the hope that we will use the language of the junior Senator from Louisiana [Mr. LONG] and the Senator from Montana with regard to the strength of the Army and of the Marine Corps in the regular appropriation bill, so that once again we can express our opinion and, if possible, nail down the responsibility, since it is our wish that the Army and the Marine Corps be maintained at those respective levels.

Mr. O'MAHONEY. Mr. President, will the Senator yield for a question?

Mr. HAYDEN. I yield.

Mr. O'MAHONEY. I recall that when the item for the Development Loan Fund was before the House Committee on Appropriations, the request of the administration for an appropriation of $250 million was practically rejected by the committee, but when the bill went to the floor, the House allowed an appropriation of $100 million. When that matter came before the Senate, the Senate increased the amount to $200 million. Some of us disagreed with that action. What was the decision of the conferees?

Mr. HAYDEN. The authorization was for $225 million. The House provided an appropriation, as the Senator says, of $100 million. The Senate provided $200 million.

In the conference, we split the difference and made the amount $150 million.

Mr. O'MAHONEY. Therefore, the appropriation provided in the conference report is $150 million?

Mr. HAYDEN. Yes; $150 million.

Mr. O'MAHONEY. I thank the Senator.

Mr. JAVITS. Mr. President, will the Senator yield on that point?

Mr. HAYDEN. I yield.

Mr. JAVITS. I was going to ask about the same matter. In the conference report, is any restriction placed upon the use of the money, or any other additions to the Development Loan Fund, or with regard to any action which will be taken in the future?

Mr. HAYDEN. The only change which was made was in the number of dollars to be provided.

Mr. JAVITS. There was no other understanding at all; it is a straight $150 million appropriation?

Mr. HAYDEN. That is correct.

Mr. JAVITS. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 5916, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U.S.,
May 14, 1959.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 6, 42, 50, 56, 57, 63, 66, 69, 75, 76, and 172 to the bill (H.R. 5916) entitled "An act making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes," and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 1, and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert "$3,870,400."

That the House recede from its disagreement to the amendment of the Senate numbered 7, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$2,000,000."

That the House recede from its disagreement to the amendment of the Senate numbered 38, and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment, insert "$335,000."

That the House recede from its disagreement to the amendment of the Senate numbered 71, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert:

STATIONERY (REVOLVING FUND)

For an additional amount for "Stationery (revolving fund)", $1,780, to remain available until expended.

HOUSE OF REPRESENTATIVES

For payment to Mary S. Polk, widow of James G. Polk, late a Representative from the State of Ohio, $22,500.

That the House recede from its disagreement to the amendment of the Senate numbered 88, and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment, insert "$416,500."

Mr. HAYDEN. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 1, 7, 38, 71, and 88.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to.

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table on the second supplemental appropriation bill which reflects by each appropriation item the amount approved by the House, the amount approved by the Senate, and the amount agreed to in conference.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The 2d supplemental appropriation bill, 1959 (H.R. 5916)

	Budget estimate	House bill	Senate bill	Conference action
DEPARTMENT OF AGRICULTURE				
TITLE I				
Agricultural Research Service:				
Salaries and expenses	$100,000		$100,000	
By transfer	(8,396,110)	($7,556,500)	(8,206,210)	($7,881,500)
Extension Service: Cooperative extension work, payments and expenses (by transfer)	(785,082)	(768,827)	(785,082)	(776,927)
Agriculture Conservation Program Service: Limitation on administrative expenses	(594,950)	(554,000)	(554,000)	(554,000)
Agricultural Marketing Service:				
Marketing research and service (poultry inspection and leased wire service)	626,000	(3,062,700)		
By transfer	(3,327,278)		(3,162,700)	(3,112,700)
Foreign Agricultural Service: Salaries and expenses (S. Doc. 20) language	(1,275,000)		(1,275,000)	(1,275,000)
Soil bank programs: Conservation reserve program: Limitation on administrative expenses	(308,750)	(286,200)	(286,200)	(286,200)
Commodity Stabilization Service: Acreage allotments and marketing quotas: Limitation on administration expenses	(506,200)	(456,900)	(506,200)	(481,600)
Acreage allotments and marketing quotas (S. Doc. 20)	(2,375,000)		(2,375,000)	(2,000,000)
Special activities: Reimbursement to Commodity Credit Corporation for special activities	1,336,754,811	1,336,754,811	1,336,754,811	1,336,754,811
Commodity Credit Corporation: Limitation on administrative expenses	(4,669,000)	(4,202,000)	(4,202,000)	(4,202,000)
Office of Information: Salaries and expenses (by transfer)	(77,000)	(71,100)	(77,000)	(74,000)
Forest Service:				
Forest protection and utilization	8,500,000	7,956,800	11,000,000	8,228,400
By transfer	(5,432,200)	(5,432,200)	(5,432,200)	(5,432,200)
Forest protection and utilization: Forest roads and trails			500,000	
Total, title I, Department of Agriculture	1,345,980,811	1,344,711,611	1,348,354,811	1,344,983,211
TITLE II—INCREASED PAY COSTS				
Farmer Cooperative Service: Salaries and expenses (by transfer)	(42,000)	(37,800)	(42,000)	(39,900)
Soil Conservation Service: Conservation operations (by transfer)	(6,424,000)	(5,781,600)	(6,424,000)	(6,102,800)
Foreign Agricultural Service: Salaries and expenses (by transfer)	(257,800)	(232,020)	(232,020)	(232,020)
Commodity Exchange Authority: Salaries and expenses (by transfer)	(68,000)	(61,200)	(65,800)	(63,500)
Federal Crop Insurance Corporation: Federal Crop Insurance Corporation fund: Limitation upon amount paid from premium income for administrative and operating expenses	(330,000)	(297,000)	(297,000)	(297,000)

The 2d supplemental appropriation bill, 1959 (H.R. 5916)—Continued

	Budget estimate	House bill	Senate bill	Conference action
TITLE II—INCREASED PAY COSTS—Continued				
Rural Electrification Administration: Salaries and expenses (by transfer)	$(613,000)	$(551,700)	$(613,000)	$(582,300)
Farmers Home Administration: Salaries and expenses (by transfer)	(2,210,500)	(1,989,450)	(2,210,500)	(2,100,000)
Office of the General Counsel: Salaries and expenses (by transfer)	(267,500)	(240,750)	(240,750)	(240,750)
Office of the Secretary: Salaries and expenses (by transfer)	(207,505)	(186,755)	(186,755)	(186,755)
Library: Salaries and expenses (by transfer)	(62,600)	(56,340)	(62,600)	(59,500)
Tota. title II (by transfer)	(10,482,905)	(9,434,615)	(10,374,425)	(9,904,525)
Total, Department of Agriculture	1,345,980,811	1,344,711,611	1,348,354,811	1,344,983,211
FUNDS APPROPRIATED TO THE PRESIDENT				
TITLE I				
Mutual security: Development Loan Fund	225,000,000	100,000,000	200,000,000	150,000,000
DEPARTMENT OF COMMERCE				
TITLE I				
Maritime activities:				
Ship construction: Increased limitation	(700,000)	(650,000)	(700,000)	(675,000)
Operating-differential subsidies	10,000,000	5,000,000	10,000,000	7,500,000
State marine schools	35,000	35,000	35,000	35,000
Salaries and expenses	805,500	723,450	723,450	723,450
Patent Office: Salaries and expenses	1,835,000	1,651,500	1,683,000	1,667,300
National Bureau of Standards: Construction of laboratories	19,793		19,793	19,793
Total, title I, Commerce	12,695,293	7,409,950	12,461,243	9,945,543
TITLE II—INCREASED PAY COSTS				
General administration: Salaries and expenses	226,000	203,400	203,400	203,400
Bureau of the Census:				
Salaries and expenses	667,000	600,300	600,300	600,300
1958 censuses of business, manufactures, and mineral industries	451,000	405,900	405,900	405,900
18th Decennial Census	390,000	351,000	351,000	351,000
Census of governments	32,000	28,800	28,800	28,800
Coast and Geodetic Survey: Salaries and expenses	739,000	665,100	665,100	665,000
Business and Defense Services Administration: Salaries and expenses	603,800	543,420	543,420	543,420
Bureau of Foreign Commerce:				
Salaries and expenses	214,750	193,275	193,275	193,275
Export control	126,000	113,400	113,400	113,400
Office of Business Economics: Salaries and expenses	102,000	91,800	91,800	91,800
Maritime activities: Maritime training	130,500	117,450	117,450	117,450
Bureau of Public Roads: Limitation on general administrative expenses	(1,535,000)	1,381,500)	(1,381,500)	(1,381,500)
National Bureau of Standards:				
Expenses	1,061,000	954,900	954,900	954,900
Plant and equipment	35,500	31,950	31,950	31,950
Weather Bureau: Salaries and expenses	2,794,000	2,514,600	2,514,600	2,514,600
General provision		(900,000)	(833,075)	(416,500)
Total. title II, Commerce	7,572,550	6,815,295	6,815,295	6,815,295
Total, Department of Commerce	20,267,843	14,225,245	19,276,538	16,760,838
DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS				
TITLE I				
Department of the Army:				
Cemeterial expenses: Salaries and expenses	535,000	521,500	535,000	535,000
Rivers and harbors and flood control: Construction, general	5,000,000	5,000,000	5,000,000	5,000,000
Administration, Ryukyu Islands: Construction of power systems	10,000,000			
Total, title I, civil functions	15,535,000	5,521,500	5,535,000	5,535,000
TITLE II—INCREASED PAY COSTS				
Department of the Army:				
Rivers and harbors and flood control:				
Operation and maintenance, general	1,138,000	1,024,200	1,138,000	1,081,100
General expenses:				
Appropriation	1,046,000	941,400	1,046,000	1,018,700
Transfer			(50,000)	
U.S. Soldiers' Home: Limitation on operation and maintenance and capital outlay	(239,000)	(215,100)	(239,000)	(230,000)
Administration, Ryukyu Islands: Salaries and expenses	32,000	28,800	32,000	30,400
The Panama Canal: Canal Zone Government, operating expenses	1,126,400	1,013,760	1,126,400	1,070,100
Panama Canal Company fund: Limitation on general and administrative expenses	(346,400)	(311,760)	(346,400)	(329,100)
Total, title II, civil functions	3,342,400	3,008,160	3,342,400	3,200,300
Total, Department of Defense, civil functions	18,877,400	8,529,660	8,877,400	8,735,300
DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS				
TITLE I				
Interservice activities: Retired pay	5,000,000			
Department of the Army:				
Military personnel (1956)	7,100,000			
Military personnel (1957)	7,900,000			
Operation and maintenance	42,400,000	38,160,000	39,900,000	39,030,000
Army National Guard (1958)	3,065,000	3,065,000	3,065,000	3,065,000
Army National Guard		10,300,000	13,200,000	11,000,000
Department of the Navy:				
Military personnel, Navy	36,735,000	33,061,500	36,735,000	34,898,200
Aircraft and facilities	20,000,000	18,000,000	18,624,900	18,312,500
Ships and facilities	20,000,000	18,000,000	20,000,000	19,000,000
Ordnance and facilities	4,246,000	3,822,000	4,246,000	4,098,700
Medical care (1958)	9,050,000			
Medical care	8,100,000	8,100,000	8,100,000	8,100,000
Civil engineering	3,732,000	3,330,000	3,732,000	3,564,400
Servicewide supply and finance	16,313,000	14,682,000	16,313,000	15,497,500
Servicewide operations	5,726,000	5,153,000	5,685,600	5,419,300
Department of the Air Force: Military personnel	27,828,000	18,728,000	18,728,000	18,728,000
General provisions	Language	Language	Language	Language
Total, title I, Department of Defense, military functions	217,195,000	174,401,500	188,329,500	180,713,600

The 2d supplemental appropriation bill, 1959 (H.R. 5916)—Continued

	Budget estimate	House bill	Senate bill	Conference action
DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS—Continued				
TITLE II—INCREASED PAY COSTS				
Office of the Secretary of Defense:				
Salaries and expenses	$1,050,000	$945,000	$945,000	$945,000
Office of Public Affairs, salaries and expenses	35,000	31,500	31,500	31,500
Interservice activities: Court of Military Appeals	28,000	25,200	25,200	25,200
Department of the Army:				
Research and development	9,100,000	8,190,000	9,100,000	8,645,000
Alaska Communications System, operation and maintenance	176,000	158,400	176,000	167,200
Department of the Navy:				
Navy personnel, general expenses	2,630,000	2,367,000	2,630,000	2,498,500
Research and development	9,994,000	8,994,600	9,994,000	9,494,300
Department of the Air Force:				
Research and development	9,810,000	8,829,000	8,829,000	8,829,000
Operation and maintenance	69,000,000	62,100,000	69,000,000	65,550,000
Air National Guard	2,162,000	1,945,800	1,945,800	1,945,800
Total, title II, Department of Defense, military functions	103,985,000	93,586,500	102,676,500	98,131,500
Total, Department of Defense, military functions	321,180,000	267,988,000	291,006,000	278,845,100
DISTRICT OF COLUMBIA				
TITLE I				
Federal funds: Federal payment to District of Columbia	9,000,000	5,000,000	8,100,000	5,000,000
District of Columbia funds:				
Operating expenses:				
Department of General Administration	(550,000)	(456,750)	(456,750)	(456,750)
Department of Occupations and Professions	(26,200)	(20,450)	(26,200)	(23,300)
Public schools	(4,295,668)	(4,295,668)	(4,095,668)	(4,095,668)
Public Library	(190,300)	(152,050)	(152,050)	(152,050)
Metropolitan Police	(2,616,800)	(2,616,800)	(2,616,800)	(2,616,800)
Fire Department	(1,200,300)	(1,200,300)	(1,200,300)	(1,200,300)
Department of Corrections	(326,100)	(264,600)	(264,600)	(264,600)
Department of Public Welfare	(1,012,200)	(750,700)	(1,012,200)	(1,000,000)
Miscellaneous:				
Settlements of claims and suits	(24,131)	(20,197)	(24,131)	(24,131)
Judgments	(118,285)	(30,219)	(118,285)	(118,285)
Audited claims	(147,484)	(147,484)	(147,484)	(147,484)
Total, District of Columbia funds	(10,507,468)	(9,955,218)	(10,114,468)	(10,099,368)
TITLE II—INCREASED PAY COSTS				
(Out of District of Columbia funds)				
Operating expenses:				
Executive office	(36,300)	(27,225)	(27,225)	(27,225)
Office of Corporation Counsel	(52,520)	(39,390)	(39,390)	(39,390)
Regulatory agencies	(96,812)	(72,609)	(72,609)	(72,109)
Recreation Department	(173,200)	(129,900)	(173,200)	(151,500)
Department of Veterans' Affairs	(9,000)	(6,750)	(6,750)	(6,750)
Office of Civil Defense	(6,200)	(4,650)	(4,650)	(4,650)
Department of Vocational Rehabilitation	(15,200)	(11,400)	(11,400)	(11,400)
Courts	(327,000)	(245,250)	(245,250)	(245,250)
Department of Public Health	(1,937,000)	(1,409,775)	(1,937,000)	(1,809,775)
Department of Buildings and Grounds	(140,100)	(105,075)	(105,075)	(105,075)
Office of Surveyor	(11,000)	(8,250)	(8,250)	(8,250)
Department of Licenses and Inspections	(160,700)	(120,525)	(120,525)	(120,525)
Department of Highways	(346,000)	(259,500)	(279,500)	(269,500)
Department of Vehicles and Traffic	(83,200)	(62,400)	(76,400)	(69,400)
Department of Sanitary Engineering	(1,213,000)	(1,213,000)	(1,213,000)	(1,213,000)
Washington aqueduct	(128,000)	(96,000)	(96,000)	(96,000)
National Guard	(11,000)	(8,250)	(8,250)	(8,250)
National Capital parks	(247,900)	(185,925)	(247,900)	(216,900)
National Zoological Park	(67,700)	(50,775)	(60,775)	(55,800)
Total, title II, District of Columbia	(5,061,832)	(4,056,649)	(4,733,149)	(4,531,249)
Total, District of Columbia	(15,569,300)	(14,011,867)	(14,847,617)	(14,630,617)
EXECUTIVE OFFICE OF THE PRESIDENT				
TITLE I				
Office of Civil and Defense Mobilization: Federal contributions (by transfer)	(3,000,000)			
TITLE II—INCREASED PAY COSTS				
The White House Office: Salaries and expenses (by transfer)	(170,030)	(170,030)	(170,030)	(170,030)
Executive Mansion and Grounds: Executive mansion and grounds	34,000	34,000	34,000	34,000
Bureau of the Budget: Salaries and expenses	384,000	345,600	345,600	345,600
Council of Economic Advisers: Salaries and expenses	20,000	18,000	18,000	18,000
National Security Council: Salaries and expenses	66,000	59,400	59,400	59,400
Total, title II, Executive Office of the President	504,000	457,000	457,000	457,000
Total, Executive Office of the President	504,000	457,000	457,000	457,000
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE				
TITLE I				
Food and Drug Administration: Salaries and expenses	1,150,000	1,072,000	1,150,000	1,117,000
Office of Education:				
Defense educational activities	75,300,000	75,300,000	75,300,000	75,300,000
Payments to school districts		20,000,000	20,000,000	20,000,000
Assistance for school construction		24,600,000	24,600,000	24,600,000
Salaries and expenses	1,067,000	841,000	841,000	841,000
Public Health Service:				
Assistance to States, general	800,000	750,000	750,000	750,000
Hospitals and medical care (S. Doc. 20)	384,000			
Construction of Indian health facilities	1,886,000	1,700,000	1,886,000	1,886,000
Construction of surgical facilities (S. Doc. 20)	370,000		370,000	335,000
Social Security Administration:				
Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance	(34,401,000)	(32,090,000)	(32,090,000)	(32,090,000)
Limitation on construction, Bureau of Old-Age and Survivors Insurance	(1,210,000)	(1,210,000)	(1,210,000)	(1,210,000)
Grants to States for public assistance	168,400,000	151,560,000	151,560,000	151,560,000
Grants to States for maternal and child welfare	1,500,000	1,500,000	1,500,000	1,500,000

The 2d supplemental appropriation bill, 1959 (H.R. 5916)—Continued

	Budget estimate	House bill	Senate bill	Conference action
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued				
TITLE I—Continued				
Office of the Secretary:				
Salaries and expenses, Office of Field Administration	$199,000	$199,000	$199,000	$199,000
By transfer	(161,000)	(151,200)	(151,200)	(151,200)
Salaries and expenses, Office of the General Counsel	57,000	55,400	55,400	55,400
By transfer	(55,000)	(53,400)	(53,400)	(53,400)
White House Council on Aging	846,000	790,000	844,000	844,000
St. Elizabeths Hospital: Salaries and expenses (S. Doc. 20)	43,000		43,000	35,000
Total, title I, Department of Health, Education, and Welfare	252,002,000	278,367,400	279,098,400	279,022,400
TITLE II—INCREASED PAY COSTS				
Freedmen's Hospital: Salaries and expenses	136,500	116,000	136,500	130,000
Office of Vocational Rehabilitation: Salaries and expenses	115,000	115,000	115,000	115,000
Public Health Service:				
Control of tuberculosis (by transfer)	(115,000)	(115,000)	(115,000)	(115,000)
Communicable disease activities	290,000	290,000	290,000	290,000
Sanitary engineering activities (by transfer)	(441,000)	(441,000)	(441,000)	(441,000)
Salaries and expenses, hospital construction (by transfer)	(35,000)	(35,000)	(35,000)	(35,000)
Hospital and medical care	2,170,000	2,170,000	2,170,000	2,170,000
Foreign quarantine activites	240,000	240,000	240,000	240,000
Indian health activities	1,854,000	1,854,000	1,854,000	1,854,000
Operations, National Library of Medicine (by transfer)	(111,000)	(111,000)	(111,000)	(111,000)
Salaries and expenses (by transfer)	(406,000)	(406,000)	(406,000)	(406,000)
Grants and special studies, Territory of Alaska (by transfer)	(23,500)	(23,500)	(23,500)	(23,500)
St. Elizabeths Hospital: Salaries and expenses	221,000	221,000	221,000	221,000
Social Security Administration:				
Salaries and expenses, Bureau of Public Assistance	186,500	186,500	186,500	186,500
Salaries and expenses, Children's Bureau	172,000	172,000	172,000	172,000
Salaries and expenses, Office of the Commissioner	28,000	28,000	28,000	28,000
By transfer	(22,500)	(22,500)	(22,500)	(22,500)
Office of the Secretary:				
Salaries and expenses	162,000	162,000	162,000	162,000
By transfer	(24,000)	(24,000)	(24,000)	(24,000)
Federal old-age and survivors insurance trust fund; surplus property utilization	55,000	55,000	55,000	55,000
Total, title II, Department of Health, Education, and Welfare	5,630,000	5,609,500	5,630,000	5,623,500
Total, Department of Health, Education, and Welfare	257,632,000	283,976,900	284,728,400	284,645,900
INDEPENDENT OFFICES				
TITLE I				
Alaska International Rail and Highway Commission: Salaries and expenses	200,000		200,000	200,000
Civil Aeronautics Board: Payments to air carriers	18,085,000	12,000,000	16,189,000	14,094,500
Civil Service Commission:				
Salaries and expenses	1,800,000	1,491,500	1,730,000	1,587,200
Investigations of U.S. citizens for employment by international organizations	143,000	100,000	100,000	100,000
Annuities, Panama Canal construction employees and Lighthouse Service widows	270,000	270,000	270,000	270,000
Commission on International Rules of Judicial Procedure: Salaries and expenses	75,000	25,000	50,000	25,000
Federal Aviation Agency: Grants-in-aid for airports (liquidation of contract authorization) (S. Doc. 20)	20,000,000		20,000,000	18,000,000
General Services Administration:				
Refunds under Renegotiation Act (S. Doc. 20)	1,400,000		1,400,000	1,400,000
Expenses, supply distribution	1,877,000	1,582,000	1,582,000	1,582,000
General supply fund	15,000,000	10,000,000	15,000,000	15,000,000
Salaries and expenses, Office of Administrator	73,600	72,240	72,240	72,240
Historical and memorial commissions:				
Civil War Centennial Commission	23,492		23,492	23,492
Corregidor-Bataan Memorial Commission	46,000			
National Mediation Board: Arbitration and emergency boards (S. Doc. 20)	100,000		100,000	90,000
Outdoor Recreation Resources Review Commission	350,000	100,000	100,000	100,000
Railroad Retirement Board: Limitation on salaries and expenses	(1,027,000)	(924,300)	(924,300)	(924,300)
River Basin Study Commission for South Carolina, Georgia, Alabama, and Florida	100,000	80,000	100,000	100,000
River Basin Study Commission for Texas	150,000	120,000	120,000	120,000
Veterans' Administration:				
General operating expenses	13,438,000	12,180,000	12,180,000	12,180,000
Inpatient care	48,651,000	47,455,000	48,651,000	48,651,000
Inpatient care (S. Doc. 20)				
Outpatient care	6,934,000	6,934,000	6,934,000	6,934,000
Compensation and pensions	52,500,000	52,500,000	52,500,000	52,500,000
Total, title I, Independent Offices	181,216,092	144,909,740	177,301,732	173,029,432
TITLE II—INCREASED PAY COSTS				
American Battle Monuments Commission: Salaries and expenses	20,000	18,000	18,000	18,000
Civil Aeronautics Board: Salaries and expenses	516,000	464,400	516,000	490,200
Commission on Civil Rights: Salaries and expenses	30,000	27,000	27,000	27,000
Export-Import Bank of Washington: Limitation on administrative expenses	(160,000)	(144,000)	(160,000)	(152,000)
Federal Aviation Agency:				
Expenses	17,128,000	15,424,200	17,138,000	16,281,100
Research and development	330,000	297,000	297,000	297,000
Operation and maintenance, Washington National Airport	100,000	90,000	90,000	90,000
Operation and maintenance of public airports, Territory of Alaska	28,500	25,650	25,650	25,650
Federal Communications Commission: Salaries and expenses	778,000	700,200	778,000	739,100
Federal Home Loan Bank Board:				
Limitation on administrative expenses	(110,000)	(99,000)	(99,000)	(99,000)
Limitation on nonadministrative expenses for the examination of Federal and State chartered institutions	(445,000)	(400,500)	(400,500)	(400,500)
Limitation on administrative expenses, Federal Savings and Loan Insurance Corporation	(34,000)	(30,600)	(30,600)	(30,600)
Federal Mediation and Conciliation Service: Salaries and expenses	254,000	228,600	228,600	228,600
Federal Power Commission: Salaries and expenses	475,000	427,500	427,500	427,500
Federal Trade Commission: Salaries and expenses	540,000	486,000	540,000	513,000
Foreign Claims Settlement Commission: Salaries and expenses	47,800	43,020	47,800	45,500
By transfer	(7,200)	(6,480)	(7,200)	(6,800)
General Accounting Office: Salaries and expenses	2,245,000	2,020,500	2,020,500	2,020,500
General Services Administration:				
Operating expenses, Public Buildings Service	4,434,400	3,189,960	4,079,960	4,079,960
Operating expenses, Federal Supply Service	284,100	255,690	255,690	255,690
Increase in amount which may be deposited to credit of this appropriation	(148,900)	(134,010)	(134,010)	(134,010)
Operating expenses, National Archives and Records Service	639,000	575,100	639,000	607,000
Operating expenses, Transportation and Public Utilities Service	162,000	145,800	145,800	145,800
Abaca fiber program: Limitation on administrative expenses	(5,500)	(4,950)	(4,950)	(4,950)
Federal Facilities Corporation: Limitation on administrative expenses	(1,800)	(1,620)	(1,620)	(1,620)
Reconstruction Finance Corporation liquidation fund: Limitation on administrative expenses	(4,400)	(3,960)	(3,960)	(3,960)

The 2d supplemental appropriation bill, 1959 (H.R. 5916)—Continued

	Budget estimate	House bill	Senate bill	Conference action
INDEPENDENT OFFICES				
TITLE II—INCREASED PAY COSTS—Continued				
Housing and Home Finance Agency:				
Office of the Administrator:				
Salaries and expenses	$720,000	$648,000	$720,000	$684,000
Limitation on administrative expenses, Office of the Administrator, college housing loans	(48,000)	(43,200)	(43,200)	(43,200)
Limitation on administrative expenses, Office of the Administrator, public facility loans	(36,000)	(32,400)	(36,000)	(34,200)
Limitation on administrative expenses, Office of the Administrator, revolving fund	(53,000)	(47,700)	(53,000)	(50,900)
Federal National Mortgage Association: Limitation on administrative expenses	(150,000)	(135,000)	(135,000)	(135,000)
Federal Housing Administration:				
Limitation on administrative expenses	(570,000)	(513,000)	(570,000)	(541,500)
Limitation on nonadministrative expenses	(3,035,000)	(2,731,500)	(3,035,000)	(3,035,000)
Public Housing Administration:				
Administrative expenses	860,000	774,000	774,000	774,000
Limitation on administrative expenses	(860,000)	(774,000)	(774,000)	(774,000)
Interstate Commerce Commission: Salaries and expenses	1,524,000	1,371,600	1,524,000	1,447,800
National Aeronautics and Space Administration: Salaries and expenses	3,354,000	3,018,600	3,354,000	3,186,300
National Capitol Planning Commission: Salaries and expenses	20,000	18,000	18,000	18,000
National Labor Relations Board: Salaries and expenses	174,000	156,600	156,600	156,600
National Mediation Board: Salaries and expenses	24,500	22,050	22,050	22,050
National Railroad Adjustment Board: Salaries and expenses	27,500	24,750	24,750	24,750
Renegotiation Board: Salaries and expenses	195,000	175,500	175,500	175,500
St. Lawrence Seaway Development Corporation: Limitation on administrative expenses	(15,000)	(13,500)	(15,000)	(14,200)
Securities and Exchange Commission: Salaries and expenses	637,000	573,300	637,000	605,000
Selective Service System: Salaries and expenses	2,165,000	1,948,500	2,165,000	2,056,800
Small Business Administration: Salaries and expenses	250,000	225,000	225,000	225,000
By transfer	(772,000)	(694,800)	(694,800)	(694,800)
Smithsonian Institution:				
Salaries and expenses	200,000	180,000	180,000	180,000
National Gallery of Art, salaries and expenses	129,000	116,000	116,100	116,100
Tariff Commission: Salaries and expenses	157,000	141,300	157,000	149,100
Tax Court of the United States: Salaries and expenses	45,000	40,500	40,500	40,500
U.S. Information Agency: Salaries and expenses	3,397,000	3,057,300	3,290,225	3,173,800
Veterans' Administration:				
Medical administration and miscellaneous operating expenses	807,000	726,300	726,300	726,300
Maintenance and operation of supply depots	163,000	146,700	146,700	146,700
Total, title II, independent offices	42,870,800	37,782,720	41,727,225	40,199,900
Total, independent offices	224,086,892	182,692,460	219,028,957	213,229,332
DEPARTMENT OF THE INTERIOR				
TITLE I				
Bureau of Land Management: Management of lands and resources	3,814,000	3,682,600	3,787,600	3,735,100
Management of lands and resources (S. Doc. 20)	(100,000)		(100,000)	(100,000)
Construction (S. Doc. 20)	1,000,000		1,000,000	1,000,000
Bureau of Indian Affairs:				
Road construction and maintenance (liquidation of contract authorization)	1,000,000		1,000,000	
Payment to Standing Rock Sioux Tribe of Indians	6,960,000	6,960,000	6,960,000	6,960,000
Bureau of Reclamation: Loan program	4,860,000	4,860,000	4,860,000	4,860,000
National Park Service: Management and protection	1,388,500	1,270,000	1,388,500	1,329,200
(Construction (S. Doc. 20))	537,768			
Virgin Islands Corporation:				
Revolving fund	650,000			
Loans to operating fund	850,000	125,000	125,000	125,000
Total, title I, Department of the Interior	21,060,268	16,897,600	19,121,100	18,009,300
TITLE II—INCREASED PAY COSTS				
Department offices:				
Office of Saline Water: Salaries and expenses	14,400	12,960	12,960	12,960
Office of Oil and Gas: Salaries and expenses	36,000	32,400	36,000	34,200
Office of the Solicitor: Salaries and expenses	254,000	228,600	254,000	241,300
Office of Minerals Mobilization: Salaries and expenses	14,000	12,600	12,600	12,600
Commission of Fine Arts: Salaries and expenses	2,800	2,520	2,800	2,700
Bonneville Power Administration: Operations and maintenance	418,000	376,200	376,200	376,200
Southwestern Power Administration: Operation and maintenance	62,500	56,250	56,250	56,250
Bureau of Indian Affairs:				
Resources management	525,000	472,500	525,000	498,700
By transfer	(400,000)	(360,000)	(400,000)	(380,000)
General administrative expenses	265,000	238,500	265,000	251,800
Bureau of Reclamation:				
Operation and maintenance	924,000	831,600	831,600	831,600
General administrative expenses	360,600	324,540	360,600	342,600
Geological Survey: Surveys, investigations, and research	3,235,000	2,911,500	3,235,000	3,073,200
Bureau of Mines:				
Conservation and development of mineral resources	350,000	315,000	350,000	332,500
By transfer	(1,306,000)	(1,175,400)	(1,306,000)	(1,240,700)
Health and safety	487,000	438,300	487,000	462,700
General administrative expenses	102,000	91,800	102,000	96,900
National Park Service:				
Maintenance and rehabilitation of physical facilities	318,100	286,290	318,100	302,100
General administrative expenses	104,500	94,050	104,500	99,300
Fish and Wildlife Service:				
Office of the Commissioner, Fish and Wildlife, salaries and expenses	27,000	24,300	24,300	24,300
Bureau of Sport Fisheries:				
Management and investigations of resources	790,000	711,000	790,000	750,050
General administrative expenses	60,500	54,450	60,500	57,500
Bureau of Commercial Fisheries:				
Management and investigations of resources	355,000	319,500	319,500	319,500
General administrative expenses	15,000	13,500	13,500	13,500
Office of Territories: Trust Territory of the Pacific Islands	154,800	139,320	154,800	147,100
Virgin Islands Corporation: Limitation on administrative expenses	(12,000)	(10,800)	(10,800)	(10,800)
Office of the Secretary: Salaries and expenses	206,600	185,940	200,940	200,940
Total, title II, Department of the Interior	9,081,800	8,173,620	8,893,150	8,540,950
Total, Department of the Interior	30,142,068	25,071,220	28,014,250	26,550,250

The 2d supplemental appropriation bill. 1959 (H.R. 5916)—Continued

	Budget estimate	House bill	Senate bill	Conference action
THE JUDICIARY				
TITLE I				
Courts of appeals, district courts, and other judicial services:				
Fees of jurors and commissioners	$180,000	$180,000	$180,000	$180,000
Travel and miscellaneous expenses	178,000	100,000	100,000	100,000
Administrative Office of the U.S. Courts	56,250	8,900	8,900	8,900
By transfer	(82,100)	(82,100)	(82,100)	(82,100)
Expenses of referees (special fund)	(351,600)	(247,660)	(247,660)	(247,660)
Total, title I, the Judiciary	414,250	288,900	288,900	288,900
TITLE II—INCREASED PAY COSTS				
Supreme Court of the United States:				
Salaries	70,000	70,000	70,000	70,000
Care of the building and grounds	1,200	7,200	7,200	7,200
Automobile for the Chief Justice	465	465	465	465
Customs Court: Salaries and expenses	38,680	38,680	38,680	38,680
Court of Claims: Salaries and expenses	28,900	28,900	28,900	28,900
Courts of appeals, district courts, and other judicial services: Salaries of supporting personnel	1,871,400	1,871.400	1,871,400	1,871,400
By transfer	(67,900)	(67,900)	(67,900)	(67,900)
Total, title II, the Judiciary	2,010,645	2,016,645	2,016,645	2,016,645
Total, the Judiciary	2,424,895	2,305,545	2,305,545	2,305,545
DEPARTMENT OF JUSTICE				
TITLE I				
Legal activities and general administration:				
Salaries and expenses, general legal activities	988,000	973,000	973,000	973,000
Salaries and expenses, U.S. attorneys and marshals	2,542,000	2,032,000	2,032,000	2,032,000
Fees and expenses of witnesses	100,000	50,000	50,000	50,000
Federal Bureau of Investigation: Salaries and expenses	9,611,000	9,611,000	9,611,000	9,611,000
Federal prison system:				
Salaries and expenses, Bureau of Prisons	2,999,000	2,671,000	2,671,000	2,671,000
Support of U.S. prisoners	500,000	500,000	500,000	500,000
Total, title I, Department of Justice	16,740,000	15,837,000	15,837,000	15,837,000
TITLE II—INCREASED PAY COSTS				
Legal activities and general administration:				
Salaries and expenses, general administration	304,000	304,000	304,000	304,000
Salaries and expenses, Antitrust Division	338,000	338,000	338,000	338,000
Immigration and Naturalization Service: Salaries and expenses	4,208,000	4,208,000	4,208,000	4,208,000
Federal prison system: Federal Prison Industries, Inc.:				
Limitation on administrative expenses	(32,000)	(32,000)	(32,000)	(32,000)
Limitation on vocational training expenses	(50,000)	(50,000)	(50,000)	(50,000)
Office of Alien Property: Limitation on general administrative expenses	(200,000)	(200,000)	(200,000)	(200,000)
Total, title II, Department of Justice	4,850,000	4,850,000	4,850,000	4,850,000
Total, Department of Justice	21,590,000	20,687,000	20,687,000	20,687,000
DEPARTMENT OF LABOR				
TITLE I				
Bureau of Labor Standards: Salaries and expenses	774,000	720,600	729,000	724,800
Bureau of Employment Security:				
Salaries and expenses	630,500	572,800	630,500	601,700
Unemployment compensation for veterans and Federal employees	41,200,000	40,000,000	40,000,000	40,000,000
Temporary unemployment compensation (S. Doc. 20)	Language		Language	Language
Total, title I, Department of Labor	42,604,500	41,293,400	41,359,500	41,326,500
TITLE II—INCREASED PAY COSTS				
Office of the Secretary: Salaries and expenses	125,000	112,500	125,000	118,800
Office of the Solicitor: Salaries and expenses	212,000	190,800	212,000	201,400
Bureau of Veterans' Reemployment Benefits: Salaries and expenses	46,000	41,400	46,000	43,700
Bureau of Apprenticeship and Training: Salaries and expenses	325,000	292,500	325,000	308,700
Bureau of Employment Security:				
Compliance activities, Mexican farm labor program	39,000	35,100	39,000	37,100
Salaries and expenses, Mexican farm labor program (by transfer)	(130,000)	(117,000)	(130,000)	(123,500)
Bureau of Employees' Compensation: Salaries and expenses	257,000	231,300	257,000	244,100
By transfer	(4,100)	(3,690)	(3,690)	(3,690)
Bureau of Labor Statistics: Salaries and expenses	595,000	535,500	595,000	565,300
Women's Bureau: Salaries and expenses	44,000	39,600	44,000	41,800
Wage and Hour Division: Salaries and expenses	917,000	825,300	917,000	871,100
Total, title II, Department of Labor	2,560,000	2,304,000	2,560,000	2,432,000
Total, Department of Labor	45,164,500	43,597,400	43,919,500	43,758,500
LEGISLATIVE BRANCH				
SENATE				
TITLE I				
Compensation of Senators	23,980		23,980	23,980
Salaries, officers and employees: Office of Sergeant at Arms and Doorkeeper			1,055	1,055
Contingent expenses of the Senate:				
Furniture	34,385		34,385	34,385
Mail transportation	5,000			
Miscellaneous items	80,420		81,290	81,290
Postage stamps			2,000	2,000
Stationery (revolving fund)	1,780		1,780	1,780
Total, title I, Senate	145,565		144,490	144,490

The 2d supplemental appropriation bill, 1959 (H.R. 5916)—Continued

	Budget estimate	House bill	Senate bill	Conference action
LEGISLATIVE BRANCH—Continued				
SENATE—Continued				
TITLE II—INCREASED PAY COSTS				
Salaries, officers and employees	$1,488,605		$1,488,605	$1,488,605
Office of the Legislative Counsel of the Senate	18,740		18,470	18,740
Contingent expenses of the Senate:				
Legislative reorganization	10,650		10,650	10,650
Senate policy committees	24,010		24,010	24,010
Joint Economic Committee	13,590		13,590	13,590
Joint Committee on Atomic Energy	16,625		16,625	16,625
Joint Committee on Printing	7,605		7,605	7,605
Vice President's automobile	560		560	560
Automobile for the President pro tempore	560		560	560
Automobiles for the majority and minority leaders	1,120		1,120	1,120
Reporting Senate proceedings	18,825		18,825	18,825
Inquiries and investigations	209,900		209,900	209,900
Folding documents	2,900		2,900	2,900
Joint Committee on Reduction of Nonessential Federal Expenditures	2,295		2,295	2,295
Total, Senate, title II	1,815,985		1,815,985	1,815,985
Total, Senate	1,961,550		1,960,475	1,960,475
HOUSE OF REPRESENTATIVES				
TITLE I				
Payments to beneficiaries of deceased members		112,500	112,500	135,000
Contingent expenses of the House:				
Reporting hearings, 1958	10,000	10,000	10,000	10,000
Postage stamps	183,640	183,640	183,640	183,640
Total, title I, House of Representatives	193,640	306,140	306,140	328,640
TITLE II—INCREASED PAY COSTS				
Salaries, officers and employees	576,205	547,395	547,395	547,395
Members' clerk hire	1,500,000	1,425,000	1,425,000	1,425,000
Contingent expenses of the House:				
Furniture	13,330	12,663	12,663	12,663
Miscellaneous items	130,000	123,500	123,500	123,500
Special and select committees	200,000	200,000	200,000	200,000
Joint Committee on Internal Revenue Taxation	24,000	24,000	24,000	24,000
Office of the Coordinator of Information	9,175	9,175	9,175	9,175
Folding documents	20,000	20,000	20,000	20,000
Revision of laws	1,650	1,650	1,650	1,650
Speaker's automobile	625	625	625	625
Majority leader's automobile	625	625	625	625
Minority leader's automobile	525	525	525	525
Total, title II, House of Representatives	2,476,135	2,365,158	2,365,158	2,365,158
Total, House of Representatives	2,669,775	2,671,298	2,671,298	2,693,798
ARCHITECT OF THE CAPITOL				
TITLE I				
Extension of the Capitol (S. Doc. 20)	4,000,000		4,000,000	4,000,000
Additional office building for the U.S. Senate:				
Furniture and furnishings, additional Senate Office Building (S. Doc. 20)	293,200		283,550	283,550
Construction and equipment of additional Senate Office Building (S. Doc. 20)	750,000		750,000	750,000
Total, title I, Architect of the Capitol	5,043,200		5,033,550	5,033,550
OTHER LEGISLATIVE BRANCH ITEMS				
TITLE II—INCREASED PAY COSTS				
Capitol Police: Capitol Police Board	17,200	16,340	16,340	16,340
Education of Senate and House pages	8,415	8,415	8,415	8,415
Architect of the Capitol: Office of the Architect of the Capitol: salaries	17,000	16,150	16,150	16,150
Capitol buildings and grounds:				
Capitol buildings	20,500	39,900	39,900	39,900
Capitol grounds	4,500	11,875	11,875	11,875
Legislative garage		2,280	2,280	2,280
House office buildings	36,000	52,250	52,250	52,250
Library buildings and grounds: Structural and mechanical care	900	15,200	15,200	15,200
Botanic Garden: Salaries and expenses	15,000	14,250	14,250	14,250
Library of Congress:				
Salaries and expenses	548,300	548,300	548,300	548,300
Copyright Office: Salaries and expenses	123,200	123,200	123,200	123,200
Legislative Reference Service: Salaries and expenses	125,300	125,300	125,300	125,300
Distribution of catalog cards: Salaries and expenses	101,100	101,100	101,100	101,100
Books for the blind: Salaries and expenses	12,900	12,900	12,900	12,900
Organizing and microfilming the papers of the Presidents: Salaries and expenses	6,800	6,800	6,800	6,800
Government Printing Office: Office of Superintendent of Documents: Salaries and expenses	177,000	168,150	168,150	168,150
Total, title II, other legislative branch	1,214,115	1,262,410	1,262,410	1,262,410
Total, legislative branch	10,888,640	3,933,708	10,927,733	10,950,233
POST OFFICE DEPARTMENT				
TITLE I				
Payment for public services	(171,259,000)			
Transportation (out of postal fund)	41,000,000	37,500,000	37,500,000	37,500,000
Total, title I, Post Office Department	41,000,000	37,500,000	37,500,000	37,500,000

The 2d supplemental appropriation bill, 1959 (H.R. 5916)—Continued

	Budget estimate	House bill	Senate bill	Conference action
POST OFFICE DEPARTMENT—Continued				
TITLE II—INCREASED PAY COSTS				
(Out of postal fund)				
Administration, regional operation, and research	$5,359,000	$4,823,100	$4,823,100	$4,823,100
Operations	225,800,000	221,220,000	221,220,000	221,220,000
Facilities	667,000	600,300	600,300	600,300
Total, title II, Post Office Department	231,826,000	226,643,400	226,643,400	226,643,400
Total, Post Office Department	272,826,000	264,143,400	264,143,400	264,143,400
DEPARTMENT OF STATE				
TITLE I				
Administration of foreign affairs:				
Salaries and expenses	6,875,000	6,664,900	6,664,900	6,664,900
Emergencies in the diplomatic and consular service	995,000	495,000	495,000	495,000
International organizations and conferences:				
Contributions to international organizations	4,943,146	4,943,146	4,943,146	4,943,146
International contingencies	1,200,000	1,100,000	1,100,000	1,100,000
International commissions: International Boundary and Water Commission, United States and Mexico: Operation and maintenance	901,500	931,500	931,500	931,500
Other: Payment to the Philippine Government	23,862,751	23,862,751	23,862,751	23,862,751
Pan-American Games (S. Doc. —)	500,000		500,000	500,000
Total, title I, Department of State	39,367,397	37,997,297	38,497,297	38,497,297
TITLE II—INCREASED PAY COSTS				
International Organizations and Conferences: Missions to international organizations	98,200	98,200	98,200	98,200
International commissions:				
International Boundary and Water Commission, United States and Mexico: Salaries and expenses	49,000	49,000	49,000	49,000
American sections, international commissions	16,800	16,800	16,800	16,800
International fisheries commissions	18,800	18,800	18,800	18,800
Passamaquoddy tidal power survey	6,600	6,600	6,600	6,600
Educational exchange: International educational exchange activities	300,000	300,000	300,000	300,000
Total, title II, Department of State	489,400	489,400	489,400	489,400
Total, Department of State	39,856,797	38,486,697	38,986,697	38,986,697
TREASURY DEPARTMENT				
TITLE I				
Bureau of Accounts:				
Salaries and expenses	337,000	303,300	337,000	337,000
Salaries and expenses, Division of Disbursement	3,975,000	3,903,600	3,903,600	3,903,600
Bureau of Customs: Salaries and expenses	4,519,000	4,481,000	4,519,000	4,519,000
Internal Revenue Service: Salaries and expenses	30,600,000	29,595,000	30,600,000	30,000,000
U.S. Secret Service: Salaries and expenses, White House Police	130,000	114,000	114,000	114,000
Bureau of the Mint: Salaries and expenses	Language	Language	Language	Language
Coast Guard: Operating expenses	7,831,000	7,800,000	7,800,000	7,800,000
Total, title I, Treasury Department	47,402,000	46,196,900	47,273,600	46,673,600
TITLE II—INCREASED PAY COSTS				
Office of the Secretary: Salaries and expenses	247,500	222,750	247,500	235,100
Bureau of the Public Dept: Administering the public debt	1,481,000	1,332,900	1,332,900	1,332,900
Bureau of Narcotics: Salaries and expenses	289,500	280,550	280,550	280,550
U.S. Secret Service:				
Salaries and expenses	301,500	271,350	301,500	286,400
Salaries and expenses, guard force	25,000	22,500	22,500	22,500
Coast Guard: Retired pay	700,000	700,000	700,000	700,000
Total, title II, Treasury Department	3,044,500	2,830,050	2,884,950	2,857,450
Total, Treasury Department	50,446,500	49,026,950	50,158,550	49,531,050
Claims for damages and judgments, title I	4,931,024	2,570,198	4,931,024	4,931,024
Total, title I	2,477,526,040	2,259,209,136	2,429,473,287	2,356,799,487
Total, title II	423,273,330	398,193,858	414,529,518	407,700,893
Grand total	2,900,799,370	2,657,402,994	2,843,902,805	2,764,500,380

Mr. HAYDEN. I thank the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming [Mr. O'MAHONEY] is recognized.

Mr. ELLENDER. Mr. President, will the Senator yield so that I may ask the Senator from Arizona a question?

Mr. O'MAHONEY. I yield to the Senator from Louisiana.

Mr. ELLENDER. What happened with regard to the $37,500 which we provided for the Humane Slaughter Act?

Mr. HAYDEN. That was taken back to the House, and the House voted to remove it. It was taken to the floor of the House.

Mr. ELLENDER. Mr. President, I am sorry to learn that has occurred. Although I voted against the humane slaughter bill, it is the law, and I think a grave error was made in not providing money to implement that law.

Mr. HUMPHREY. Mr. President, will the Senator yield so that I may ask a question?

Mr. O'MAHONEY. I yield to the Senator from Minnesota to permit the Senator to ask a question.

Mr. HUMPHREY. I should like to ask a question to get information. I heard the reference of the Senator from Louisiana with regard to the appropriation for the enforcement of the Humane Slaughter Act.

Mr. HAYDEN. Yes.

Mr. HUMPHREY. May I inquire just what happened?

Mr. HAYDEN. We insisted; the House conferees took the item back to the House for a vote on the floor of the House, and the House further insisted. So the Senate has just agreed to eliminate it.

Mr. HUMPHREY. To eliminate all funds for the enforcement?

Mr. HAYDEN. For research.

Mr. HUMPHREY. It seems to me that if the Congress is to enact laws to accomplish a public purpose, the least we can do is to provide funds for the application and administration of such laws.

Mr. HAYDEN. There was no money in the bill for enforcement. This item was for research, to see how the law could be enforced.

Mr. HUMPHREY. I understand. But that is a part of the act which was passed.

Mr. HAYDEN. The House conferees refused to accept the item which we placed in the bill in the Senate, and took it back to the House for a vote. The House refused to appropriate the money.

Mr. HUMPHREY. The bill as it comes to us now, has no money for the research activities which were provided for by law in the so-called Humane Slaughter Act for 1938.

Mr. HAYDEN. My understanding is that in the regular appropriation bill there is supposed to be $250,000 for that purpose.

Mr. HUMPHREY. But there is nothing for the remainder of this fiscal year, between now and June 30.

Mr. HAYDEN. Nothing until June 30.

Mr. HUMPHREY. Mr. President, if the Senator will indulge me a moment further, are there any supplemental or deficiency bills to come before the Congress between now and the time when the regular appropriation bills come before us?

Mr. HAYDEN. Not that I know of at this time.

This was a catchall bill, that picked up everything that was loose and had to be cared for. Other items needing attention were to be included in the regular bill.

Mr. HUMPHREY. Does the Department of Agriculture have administrative flexibility to such a point that it could divert some funds for at least a beginning on the research activities of the Commission established under the Humane Slaughter Act?

Mr. HAYDEN. I have no doubt it has some funds which it could use.

Mr. HUMPHREY. I hope that when the regular appropriation bill comes before us there will be funds recommended by the Bureau of the Budget; and second, that the committee will recommend such funds. We spent a great deal of time getting the bill passed. The bill was a compromise. So far as this particular section is concerned, relating to the Research Council, it was something that everyone agreed to. This item provided for the Council or Commission to be established to determine further humane methods of slaughter.

Mr. HAYDEN. That is correct.

Mr. HUMPHREY. Which is all to the advantage of the producer, the processor, and the consumer.

I sharply disagree with the action which has been taken. It seems to me that there is a determination to stymie the public will. We passed this bill, and the law should be administered. I do not mean that the punitive aspects are being denied. If there is a violation of the law, it can be taken care of through the Department of Justice. This is the part of the law which relates to constructive accomplishment.

The Senator from Arizona helped us get some money in the Senate; but I want this RECORD to show my very definite disappointment in the action of the other body.

When the regular appropriation bill comes before us, we shall have a further obligation to see that funds are provided; and if they are not provided, I shall try to have a full head of steam up, so as to make plenty of fuss, until the money is made available.

Mr. HAYDEN. The Senate conferees pointed out that they could not understand why the House should object to research to determine what should be done.

Mr. HUMPHREY. Neither can I.

Mr. HAYDEN. But they would not agree, and that was all there was to it.

Mr. LONG. Mr. President, has the conference report been agreed to?

The PRESIDING OFFICER. The report has been agreed to.

Mr. LONG. Earlier in the day I made a speech about the rules of the Senate, and in that speech I referred to one rule that was not in the rule book, but which should be observed on the floor of the Senate. I refer to the rule of fairplay.

The distinguished Senator from Wyoming heard me say that it is not right to push through a controversial measure to which a Senator may be opposed, when he is not notified, and has no opportunity to be present and present his point of view.

Mr. President, I ask unanimous consent that the vote by which the conference report was agreed to be reconsidered, so that at least I may make a motion.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana?

Mr. DIRKSEN. Mr. President, I must object.

Mr. LONG. Mr. President, I move that the vote by which the Senate agreed to the conference report be reconsidered.

Mr. DIRKSEN. I move to lay that motion on the table.

Mr. LONG. Mr. President, I ask for the yeas and nays on that motion.

Mr. DIRKSEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, if there is no objection, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DODD in the chair). Without objection, it is so ordered.

Mr. O'MAHONEY. Mr. President, I wish to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. O'MAHONEY. I yielded the floor temporarily to the Senator from Arizona, the chairman of the Committee on Appropriations [Mr. HAYDEN], for the presentation of a conference report, which is a privileged matter, upon the consideration that I would not lose the floor. That consideration was acknowledged. So I think I have the floor.

The PRESIDING OFFICER. The Senator is correct.

Mr. O'MAHONEY. The Senator from Louisiana [Mr. LONG] now has made a motion to reconsider the vote by which the conference report was agreed to. I wish to know, as a parliamentary ruling, if that motion is within the right granted by my yielding for the consideration of the conference report, so that the Senator may make that motion without my losing the floor. Do I have to yield again to the Senator from Louisiana?

The PRESIDING OFFICER. When the conference report was agreed to, the pending bill came back before the Senate. The Senator from Wyoming has the floor.

Mr. O'MAHONEY. Then I yield to the Senator from Louisiana, without losing the floor.

The PRESIDING OFFICER. The Senator from Wyoming may do so under those conditions, if he desires.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that I may yield to the Senator from Louisiana, without losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I enter a motion to reconsider the vote by which the conference report was agreed to.

The PRESIDING OFFICER. The motion will be entered.

Mr. DIRKSEN. Mr. President, I should like to ask the Senator from Louisiana whether he has a time in mind with respect to his intention of calling this matter up.

Mr. LONG. I have no specific plan at this moment. I imagine that I will have to consult with the majority leadership, and that the majority leadership would consult with the leadership on the other side, and reach agreement that the matter would be called up at a time which would be agreeable to those concerned.

So far as I am personally concerned, I wish to say that I feel I have been somewhat victimized because I was not notified that the vote was coming up. I should say that I was notified, and rushed to the floor of the Senate, but by the time I got here it was too late.

Under those circumstances, I believe that the rule of fairplay demands the right of a Senator present in the Chamber to present his arguments. The junior Senator from Louisiana just got through making a speech this morning in which he said that there is one rule which is not contained in the rule book, and that is the rule of fairplay.

Mr. O'MAHONEY. Mr. President, I should like to resume the floor.

Mr. MANSFIELD. I merely wish to say to the distinguished Senator from Louisiana that as soon as the conference report came to the floor, the attachés of the Senate were told to contact the Senator from Louisiana, so that he would be here, if possible, during the time while the conference report was being considered.

Mr. LONG. They did their best, and I did my best.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. The entering of the motion by the distinguished Senator from Louisiana must be pursued with a further motion to proceed to the consideration of the motion to reconsider, at which time a motion to table will be in order. Is that correct?

The PRESIDING OFFICER. A motion to table would not be in order at this time, but it will be when the motion to reconsider is before the Senate.

AMENDMENT OF FEDERAL DEPOSIT INSURANCE ACT

The Senate resumed the consideration of the bill (S. 1062) to amend the Federal Deposit Insurance Act to provide safeguards against mergers and consolidations of banks which might lessen competition unduly or tend unduly to create a monopoly in the field of banking.

Mr. O'MAHONEY. Mr. President, the pending bill, with the amendment which I have offered, is before the Senate. I was discussing the concentration of economic power. I presented data showing the tremendous concentration of banking power.

I pointed out the tremendous concentration of bank assets which has resulted in a condition that is depriving thousands of small enterprises in the United States of the opportunity to obtain loans from private banking institutions. It has also resulted in the creation by the Federal Government of the Small Business Administration, to which, from September 1953, when that organization was reinstituted, until the last of April of this year, the Federal Treasury has loaned more than $751 million for some 15,000 small businesses.

Not only is the concentration taking place in banking, but it is going on in industry.

Mr. President, I hope Senators who wish to engage in conferences will do so off the floor.

The PRESIDING OFFICER. Let the Senate be in order. It is difficult for the Chair to hear the Senator from Wyoming.

Mr. O'MAHONEY. I would say to the departing Senators that I think they will profit more if they remain in the Chamber than if they go to their conferences off the floor.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. HOLLAND. We certainly have been remiss or guilty in not listening to the remarks of the distinguished Senator from Wyoming. We want him to know that what we are trying to do is to work out a unanimous-consent agreement under which, if he will yield, we can give Senators who want to speak on the bill a little while in which to do so, and then to vote, say, within an hour, on the conference report. I wondered what the Senator's reaction would be to that kind of arrangement.

Mr. O'MAHONEY. I am a very mild-mannered man, but I cannot discuss such a proposal until we have had a conference about it off the floor.

Mr. HOLLAND. Cannot the Senator give us any prior consent or prior opinion?

Mr. O'MAHONEY. I can give the Senator no hope at present. I am a mild-mannered man, but I cannot discuss the proposal now.

Mr. HOLLAND. The Senator from Wyoming is always a delightful Irishman. We appreciate his courtesy.

Mr. O'MAHONEY. I thank the Senator from Florida.

Mr. President, the Bureau of the Census has made a census of manufacturers in the United States. It has reported, according to the analysis which was made by competent economists that in 1954, of the almost 300 industries which manufacture basic commodities the eight largest corporations sold more than 50 percent of the entire value of the commodities sold throughout the United States. This is concentration in industry. It is concentration which has destroyed the free enterprise system and has caused Congress to pass legislation to create the Small Business Administration, whose function it is to lend to private enterprises money paid by taxpayers to the Treasury. This is a destruction of the system of private enterprise, brought about by concentration.

Only this week, the Assistant Attorney General of the United States who is the acting head of the Antitrust Division placed figures in our hearings concerning the insurance business, showing the concentration of admitted assets in the largest insurance companies. These figures were taken from Whitney II, Antitrust Policies, page 379; the Twentieth Century Fund Report for 1958; and Moody's Banks and Finance Manual, volume 34, 1958. The admitted assets of the 10 largest life insurance companies, according to this table, in 1957 amounted to 63.7 percent of all the admitted assets of life insurance companies in the United States. Here, again, we have evidence of concentration—concentration in the banks and concentration in the insurance companies. The small businesses of the United States are hammering upon the doors of the U.S. Treasury for loans, and we are making the loans, thus putting the Federal Government into the banking business because we dare not start the concentration of economic power in the banks.

What is the result? I have in my hand the Survey of Current Business, published by the U.S. Department of Commerce, for April 1959. On page 10 of this document is a table showing the distribution of family income in the United States for 1958. The table shows that 7,500,000 families had family incomes under $2,000 a year. Twelve and one-half million families in the United States had annual incomes of between $2,000 and $4,000. That means, of course, that in 1958, 20 million families in the United States had annual incomes of less than $4,000.

This is one of the reasons, I believe, why so many husbands, the heads of families, find themselves compelled to hold two jobs. This is one of the reasons why so many wives, to meet the cost of living, must seek employment, and do seek employment. This is one of the reasons why families are broken up. This is one of the reasons why their children wander the streets without care or supervision. This is one of the reasons for the increase in juvenile delinquency.

Mr. President, we are doing nothing about it. We allow the economy of the Nation to be handled by the few who are at the head of the great economic organizations—big business, big life insurance, big insurance of all kinds, big banking. We allow numerous bank mergers to take place.

The amendment which I have offered is a simple one, designed to do only one thing, namely, to make certain that the banking agency which passes upon mergers shall be obliged to hold a hearing in the event the Attorney General objects to the merger on antitrust grounds.

Now I wish to say a few things about the bill as reported by the committee. The banking agencies testified at the hearing of the Committee on Banking and Currency. They were opposed to the "substantially" test because it would prevent mergers in certain types of specified situations where a merger might be in the public interest because of certain banking features. To meet that objection, my amendment specifically permits those particular types of mergers.

However, the Senator from Virginia [Mr. ROBERTSON] says that they are not "the only ones which would occur and in which a merger might be desirable." That statement appears on page 7692 of the CONGRESSIONAL RECORD of Thursday, May 7, 1959. This statement can only mean that what the proponents of S. 1062 in its present form are really interested in is to give the banking agencies unfettered discretion to adopt any standards they desire. In short, it would permit them to follow a subjective test. To follow such a course, Congress would abdicate its responsibility to enact objective criteria.

In the same speech, the Senator from Virginia [Mr. ROBERTSON] said that the "standards of section 7 of the Clayton Act were so unsatisfactory that they had to be substantially rewritten in 1950."

Mr. President, the fact is that from 1914 to date, section 7 of the Clayton Act bars a merger when the effect may be "substantially to lessen competition or tend to create a monopoly." The test in regard to lessening competition was not changed by the 1950 amendments to section 7; but, on the contrary, it was retained.

The import of the 1950 amendments was, in essence, to plug a loophole, so as to cover mergers accomplished by asset acquisitions, and to broaden the section so as to include all mergers, whether horizontal, vertical, or conglomerate.

Mr. President, I, myself, took part in making the amendments of 1950. They were not intended in any way to weaken

the antimonopoly clauses of the Clayton Act; and they did not in any way weaken those clauses. Their sole effect was to make sure that the loophole to which I have referred—which made it possible for those who were promoting mergers to accomplish their purpose by purchasing the assets, instead of the corporate stock, of the merging companies—would be closed.

In the same speech—which appears on pages 7691–7694 of the CONGRESSIONAL RECORD—the Senator from Virginia [Mr. ROBERTSON] made reference to the fact that under the Interstate Commerce Commission Act, the standard set forth is "will not unduly restrain competition."

In the first place, Mr. President, from the context of the phrase "will not unduly restrain," it is obvious that the Sherman Act test of "will not unreasonably restrain" is being used, whereas in the bill which has been reported by the Senate Banking and Currency Committee, the test is "may—unduly."

The latter test is entirely novel, nor is there any precedent whatsoever for the second phase of the test proposed by the bill reported by the Banking and Currency Committee—namely, "tend unduly to create a monopoly."

Mr. President, what is meant by the phrase "tend unduly to create a monopoly"? That is not the way to prevent monopoly. This is one of the reasons why the Department of Justice has sent me, for inclusion in the RECORD, the very explicit and simple letter which I have already read, in which it has pointed out that the second serious problem raised by the bill as reported by the Banking and Currency Committee is that if the Attorney General recommends against a merger, then, under the bill as it now stands, there will not be a judicial review.

My amendment provides that the appropriate banking agency must hold a hearing at which the interested parties may testify; that at the conclusion of the hearing, the application may be granted or denied on the basis of the record made at such hearing; and that such order may be appealed to the Court of Appeals for the District of Columbia by any party adversely affected or by the Attorney General, within 30 days after the entry of such order.

As I have stated, my amendment merely will restore the provision for judicial review. More important, the merger provision in the Interstate Commerce Commission Act scarcely presents an apt analogy. Under applicable public policy, railroad competition is a very subordinate factor. Indeed, railroads under the act may enjoy quasi-monopolistic status. In contrast, as the banking agencies have made clear, competition is the primary safeguard for a sound banking system. Consequently, to provide that a railroad test shall be used in the case of banks would be to infer that the banks are to enjoy a similar monopolistic status.

Beyond that, Mr. President, it is significant that under the merger provisions of the Interstate Commerce Commission Act, elaborate provision is made for hearings, together with the right of the Department of Justice to intervene and to obtain a court review of an Interstate Commerce Commission final merger order.

In the case of the pending bill, as reported by the Banking and Currency Committee, the proponents of Senate bill 1062 desire, on the contrary, an Interstate Commerce Commission type of test, but without the corresponding safeguard of a hearing and the right to judicial review.

Mr. President, in making my appeal to the empty chairs in this Chamber I appeal that the free economy the Founding Fathers had in mind not be forgotten.

There was a time when concentrated banking sought to take over the banking power of the United States. But a great President by the name of Andrew Jackson had sworn eternal war against that single monopolistic bank; and he destroyed it.

In the present situation, we are allowing the country to drift gradually into the chaos of monopolistic control in business, in industry, in insurance, in banking—in all of the affairs upon which employment depends, and out of which the people of the Nation must make their living.

The simple amendment which I have submitted will do nothing to which any of the banking agencies should object. In this case, Mr. President, we are faced with the simple question of whether we shall take a simple step which will prevent the continued monopolistic merger of our banking system, and will prevent the continued subjection of the people to more absentee ownership in the banking field. As I have already stated, my amendment provides for judicial review, so that the banking industry may not, through the special banking agencies—the members of which are recruited from the banking industry itself—have complete, exclusive control of mergers which have monopolistic effects and are against the public interest.

Mr. President, it is now 10 minutes after 3. I have been receiving appeals from Members of the Senate who desire to leave for important meetings elsewhere. Some of them wish to go to weekend entertainments of one kind or another. Others wish to make weekend visits to their homes. One can scarcely blame them for that. I know that under the unanimous-consent agreement which is in effect, no action on this measure can be taken in this Chamber tomorrow, because announcement as to the program for tomorrow has already been made—namely, that there will be opportunity for Senators to make speeches and to submit routine matters, but that no votes will be taken. Therefore, I cannot ask that the vote on the pending question go over until tomorrow.

But, Mr. President, in case some other Member or Members of this body would like to make comments on the amendment which is now before the Senate, I shall be glad to yield the floor, for that purpose.

Mr. DOUGLAS. Mr. President, I rise to support the amendment of the Senator from Wyoming, which, as I understand it, aims to do two things, primarily.

In the first place, the amendment would substitute the test that such a merger shall not be approved if the effect is "substantially to lessen competition," for the phrase in the bill, as reported by the committee, "whether the effect thereof may be to lessen competition unduly or to tend unduly to create a monopoly."

The wording in the committee bill on this point is very indefinite and qualitative, rather than definite and quantitative, in its form. Some people who do not believe in competition would never admit that competition was being lessened unduly. The more competition was lessened, the better it would be, so far as they are concerned, and hence there would be no "undue" lessening. In effect, therefore, the committee bill does not give to the so-called regulatory agencies any clear definition as to what the intent of Congress is.

The term "substantially," which the Senator from Wyoming is seeking to insert in the bill, has a much more precise meaning. It directs itself quantitatively to the degree to which competition is being restricted, and the degree to which banking assets in a given area are being controlled by one or a few banks. Therefore, if our purpose is to give to the regulatory agencies a clear mandate, I think there is little doubt that the wording of the Senator from Wyoming is superior to that of the committee.

I think it is not betraying any secret when I say that the committee decided in favor of the present wording by only a very narrow margin. The amendment to use the term "substantially" was submitted within the committee, and that proposal received a vote of 7 of the 15 members of the committee. The vote, in other words, was only 8 to 7 in favor of the present language and against the language which is in part proposed by the Senator from Wyoming.

The second proposal of the Senator from Wyoming is to give to the Attorney General a larger voice in the determination as to whether or not a merger is in the public interest. True, the so-called regulatory agency is given the initial determination; but if the opinion of the Attorney General is not complied with, then a public hearing is to be held, the reasons for the decision of the regulatory agency are to be given, and the whole subject is to be subject to judicial proceeding, and therefore to court review.

I think, therefore, that the amendment is a very admirable proposal if we are concerned with the question of bank mergers and the concentration of financial power. I certainly think we should be. In the last 9 years the Comptroller of the Currency has approved 731 mergers, involving total resources of $11.3 billion. In addition, the various State banking departments have approved 601 mergers, involving $15.1 billion.

So the merger movement in banking has been proceeding apace; and it is in-

teresting to note that the Comptroller of the Currency, who approved 731 mergers, disapproved of only 22 in this period on the basis of competitive considerations. In effect, almost anything goes, so far as the Comptroller of the Currency is concerned.

I think there is a general tendency for regulatory agencies to be gradually taken over and controlled by the groups which they were ostensibly created to regulate. This has been our general experience with the private utilities in the country. The public service commissions, as they are called, generally wind up being controlled by the electrical and gas companies. I think much of the same process has been going on in the field of banking.

On several occasions I have cross-examined representatives of the Comptroller of the Currency. I can truthfully report that I have not found them very much concerned, in reality, about this question of mergers. For example, during the consideration of a previous bill dealing with the regulation of bank mergers in 1956. I questioned the Assistant Comptroller, who was speaking for the Comptroller, as follows:

Question. Then, in other words, the Office of the Comptroller of the Currency is not taking a dim view of this recent movement of bank mergers.

Answer. We have felt that there were adequate and good reasons in every case, Senator, for our approval.

Question. You have not felt that this merger movement in banking has had bad social consequences?

Answer. We believe to this point that it has not.

I think it is pretty clear, therefore, that that the Comptroller of the Currency does not regard the preservation of competition and the prevention of tightly concentrated banking control as a very important condition.

Now, so far as the Federal Reserve Board is concerned, its record is not as clear; but I have examined representatives of that Board rather carefully, and I have not found them overly concerned about the problem of the concentration of bank assets—which has gone very far, not only in the cities to which the Senator from Wyoming has referred, but in other cities as well.

What I have said about the Comptroller of the Currency applies, perhaps in equal measure, to the Federal Deposit Insurance Corporation, which is perhaps even less concerned about the concentration than is the Comptroller of the Currency, if that is possible. The Attorney General is not perfect in these matters but he is less under the control of the banking interests, or less influenced by the banking interests, perhaps I should say, than are the Federal Reserve Board, the Comptroller of the Currency, and the members of the Board of the Federal Deposit Insurance Corporation. Therefore, I think we shall have a greater degree of protection under the amendment of the Senator from Wyoming than the bill in its present form permits.

That is about all I care to say, Mr. President.

I ask unanimous consent that there may be inserted in the RECORD at this point in my remarks the supplemental opinion which four of us, namely, Senators PROXMIRE, CLARK, MUSKIE, and myself, submitted in connection with this bill, and which I think support the general outlines of the main contention of the Senator from Wyoming.

There being no objection, the supplemental views were ordered to be printed in the RECORD, as follows:

SUPPLEMENTAL VIEWS OF MR. DOUGLAS, MR. CLARK, MR. PROXMIRE, AND MR. MUSKIE

The committee has reported and the Senate has passed legislation dealing with bank mergers in both the 84th and 85th Congresses. Those measures were, however, markedly deficient because antitrust factors were not given sufficient weight and the Department of Justice was not given a voice in dealing with mergers. Before reporting this year's bank merger bill, however, the committee amended it to give the Attorney General the chance to be heard in all bank merger cases. Thus, S. 1062, as amended and reported by the committee, makes a real step forward.

We would have preferred to have given the Attorney General even more influence to stop bank mergers when, in his judgment, competition might be substantially reduced. Under the committee bill, however, he can at least spotlight the issue and force the Federal banking agencies to take his position into account.

It is proper for the bill to require the three Federal banking agencies to pass on bank mergers within their respective spheres of operation. Thus, prior consent would be necessary from the Comptroller of the Currency if the continuing bank is a national bank; the Federal Reserve Board if the continuing bank is a State bank and a member of the Reserve System; and the Federal Deposit Insurance Corporation if the continuing bank is a nonmember insured State bank. Similarly, we favor the provision of the bill requiring the three banking agencies to consider the banking factors of each merger as set forth in section 6 of the Federal Deposit Insurance Act. These agencies should initially process the proposed mergers of banks, which are already within their respective examining jurisdictions, and examine the banking aspects of each transaction.

But granting authority to the three Federal banking agencies to approve or disapprove mergers, without at least giving a voice to the Department of Justice, is not enough to assure that competitive factors will be given sufficient weight. The main purpose of the examining functions of the banking agencies is to assure the financial health of the banks for the protection of depositors. Obviously, if a bank has less competition, it can more easily keep itself financially healthy, but this may be done at the expense of the public, which depends on competition to keep charges low and to provide for an adequate development of new businesses.

The Federal banking agencies have apparently worried very little about the increasing number of bank mergers. Only after the House passed the Celler bill covering bank mergers by asset acquisition under the Clayton Antitrust Act did they finally propose a bill themselves. The provisions of their bill are included in the bill reported by the committee, but the committee has also given a voice to the Department of Justice.

Aside from a lack of leadership toward stemming the recent tide of bank acquisitions, these agencies have a poor record of disapproving mergers under the present laws.

From 1950 through 1958, for example, the Office of the Comptroller of the Currency approved 731 bank mergers and consolidations involving in respect to banks absorbed total resources of approximately $11 billion. During the period from 1950 to May 1955, that Office did not disapprove a single merger application on the basis of the need for competition. During the entire 9-year period, the Comptroller disapproved only 22 mergers because of such reasons. This is indicated in the following table:

Year	Mergers approved by the Comptroller of the Currency [1]		Mergers disapproved by Comptroller of the Currency on basis of competitive considerations	
	Number absorbed banks	Total resources absorbed banks	Number of cases	Total resources of banks which would have been absorbed
1950	52	$576,464,143	0	0
1951	30	384,389,647	0	0
1952	59	517,662,108	0	0
1953	67	523,680,925	0	0
1954	126	2,058,262,234	0	0
1955	126	2,015,225,452	12	$182,712,000
1956	105	2,380,816,965	8	355,018,675
1957	83	1,142,000,000	0	0
1958	83	1,704,645,259	2	198,985,000
Total	731	11,303,146,733	22	736,715,675

[1] See hearings before Antitrust Subcommittee, House Committee on the Judiciary, on H.R. 264 and H.R. 2143 (premerger notification), pp. 146–171, (85th Cong., 1st sess.). Data for 1958 was supplied to the Antitrust Subcommittee by letter from the Comptroller of the Currency, dated Mar. 16, 1959.

Source: Comptroller of the Currency.

The Federal banking agencies plead that they had insufficient legislative criteria upon which to base disapproval of mergers. But their bill, and their testimony in favor of it, shows only too clearly that they have very little feeling for the need for competition. That is why giving the Attorney General a voice in the matter is an absolute necessity.

The Department of Justice does not have a perfect record in these matters by any means. But it is less influenced by the banks than the three examining bodies. There is a pronounced tendency in American life for the regulatory bodies which are set up to protect the public to become influenced and largely controlled by the very groups which they were created to regulate. In this respect there is nothing sacrosanct about the bank regulatory agencies. We are not certain how much attention they will pay to the opinions of the Department of Justice or how vigorously the Department itself will act. But there will be at least a greater chance that the need for competition will be stressed than was provided in the bill originally sponsored by the examining agencies.

The control of bank mergers is in part a problem of preserving competition. There are now approximately 13,500 commercial banks in this country. The 100 largest of these banks control approximately 46 percent of the Nation's total bank assets, and more than 48 percent of the total bank deposits. In 10 of the Nation's leading financial centers, 4 banks own more than 80 percent of all commercial assets. Furthermore, in nine of these financial centers, two banks own more than 60 percent of all commercial bank assets. Again in each and every one of the 16 leading financial centers, as indicated by the following table, the first two banks own more than 40 percent of all the commercial assets, the first four banks 60 percent.

Percentage of total assets owned by largest banks in principal financial centers

	4 largest	2 largest	Largest
New York	60	41.6	22.0
Providence	98	93.3	57.7
Pittsburgh	87	79.2	61.0
Minneapolis	87	76.0	39.7
Cleveland	97	72.3	74.7
Boston	83	71.6	52.2
Chicago	84	66.9	34.1
Detroit	90	65.9	46.5
Dallas	84	64.9	32.8
Atlanta	92	63.9	33.2
Richmond	84	55.9	33.2
Kansas City	75	53.7	34.3
St. Louis	68	53.5	28.0
Baltimore	77	44.9	24.0
Philadelphia	69	44.6	24.7
Washington	60	43.0	[1] 26.3

[1] See interim report of the Antitrust Subcommittee, House Committee on the Judiciary on Corporate and Bank Mergers, p. 30 (84th Cong., 1st sess.). See also House Judiciary Report No. 1417 on H.R. 5948 (Bank Mergers), p. 8 (84th Cong., 1st sess.).

Source: Superintendent of Banks, New York State.

Further indications of the degree of concentration in banking is shown in the following table (CONGRESSIONAL RECORD, vol. 103, pt. 3, p. 3705) showing as of June 30, 1956, the proportion of assets for each of 54 cities which are classified as central reserve and reserve cities by first, the largest commercial and second, the 5 largest commercial banks.

Assets of (1) the largest commercial bank, and (2) the 5 largest commercial banks as percentages of the total assets of all commercial banks in central Reserve and Reserve cities, 1956

City	Percentages as of June 30, 1956	
	Largest bank	5 largest banks
Birmingham, Ala	63.35	99.33
Little Rock, Ark	33.92	99.38
San Francisco, Calif	58.71	92.95
Los Angeles, Calif	39.19	93.44
Denver, Colo	22.48	75.80
Pueblo, Colo	50.42	100.00
Washington, D.C	30.51	74.41
Jacksonville, Fla	34.76	94.90
Atlanta, Ga	35.19	93.71
Savannah, Ga	69.15	97.33
Chicago, Ill	25.78	66.61
Indianapolis, Ind	41.09	96.54
Des Moines, Iowa	31.17	91.09
Cedar Rapids, Iowa	66.04	100.00
Sioux City, Iowa	25.63	94.05
Kansas City, Kans	24.15	69.37
Topeka, Kans	28.73	92.37
Wichita, Kans	47.60	94.37
Louisville, Ky	30.70	88.93
New Orleans, La	39.93	100.00
Baltimore, Md	23.14	86.53
Boston, Mass	54.03	90.20
Detroit, Mich	46.23	96.68
Minneapolis, Minn	38.31	87.95
St. Paul, Minn	55.65	83.95
Kansas City, Mo	34.79	78.80
St. Louis, Mo	27.79	73.21
Helena, Mont	55.85	100.00
Omaha, Nebr	47.93	93.92
New York, N.Y	20.99	65.84
Buffalo, N.Y	52.72	100.00
Charlotte, N.C	56.21	97.30
Cincinnati, Ohio	33.77	97.50
Cleveland, Ohio	46.91	97.74
Columbus, Ohio	53.46	97.26
Toledo, Ohio	59.42	97.61
Oklahoma City, Okla	48.31	88.19
Tulsa, Okla	42.27	92.20
Portland, Oreg	47.83	99.78
Philadelphia, Pa	25.23	79.66
Pittsburgh, Pa	60.04	93.19
Memphis, Tenn	45.73	98.97
Nashville, Tenn	38.58	99.62
Dallas, Tex	35.84	90.75
El Paso, Tex	47.10	100.00
Fort Worth, Tex	37.39	88.33
Houston, Tex	32.90	83.07
San Antonio, Tex	27.72	81.91
Ogden, Utah	67.54	100.00
Salt Lake City, Utah	24.47	92.64
Richmond, Va	29.60	92.64
Seattle, Wash	49.14	99.67
Milwaukee, Wis	48.19	83.10

Source: Office of the Comptroller of the Currency.

The rapidly accelerating trend toward bank mergers has been a major development in banking over the past 8 years and is partly responsible for the concentration which now exists. As shown by the following table, in the period 1950 through 1958, some 1,330 of the Nation's commercial banks have disappeared by way of mergers and consolidations:

Summary of consolidations, mergers, and purchase and sale transactions, by years

Year	Approved by Comptroller of the Currency		Approved by State banking departments	
	Number of banks	Total resources of absorbed banks	Number of banks	Total resources of absorbed banks
1950	52	$576,464,143	39	$552,435,446
1951	30	384,389,647	54	1,392,302,452
1952	59	517,662,108	40	302,468,222
1953	67	523,680,925	48	676,103,752
1954	126	2,058,262,234	90	2,006,310,444
1955	126	2,015,225,452	99	7,600,107,754
1956	105	2,380,816,965	81	582,992,639
1957	83	1,142,448,371	82	1,159,307,694
1958	83	1,704,645,259	68	854,336,649
Total	731	11,303,595,104	601	15,127,365,052

Of these 1,330 mergers and consolidations, 731 or over one-half involved national bank transactions approved by the Comptroller of the Currency. Total resources of the banks absorbed in these national bank mergers amounted to $11,303,146,733. Another 601 mergers involving absorbed assets of $15,127,365,052 were approved by State banking departments.

As the banking resources of the various cities become more and more concentrated with these banks closely affiliated by directorates or otherwise with local business companies, the more difficult it will be for competing concerns to get the credit which they need to compete. Financial concentration, therefore, also promotes a greater degree of industrial concentration. Since we believe that competition has great positive virtues, both economically and socially, and that the increasing concentration in finance and industry is dangerous to our society, we naturally favor a stronger bill than the examining and regulatory agencies originally proposed.

Previous bank merger legislation approved by this committee and passed by the Senate would have given the banking agencies discretionary authority to consult with the Attorney General. We agree with the testimony of the Department of Justice that the agencies should consult the Attorney General in every instance so that the enforcement of the statute shall be uniform and in line with the enforcement of the other antitrust laws. While we would have preferred to have given the Attorney General even more influence to stop mergers when he thought competition might be substantially lessened, the bill amended by the committee is a vast improvement over previous legislation which only permitted participation of the Department of Justice when desired by the banking agencies.

But we wish to add a word of caution to the Federal Reserve Board, the Comptroller of the Currency, and the FDIC. Their acts will be closely scrutinized by Congress and the country, and, if it should appear that they continue to disregard the need for competition in banking, then at least some Members of Congress will urge that stronger powers be provided to the Department of Justice.

Mr. CLARK. Mr. President, I rise in opposition to the O'Mahoney amendment. The bill as it now stands is a vast improvement over the present situation. At present there is no effective regulation in the public interest of bank mergers. Because of the loophole in the Clayton Act, the acquisition of the assets of one bank by another bank goes practically unchecked.

It is definitely in the public interest that bank mergers should be regulated. The bill presently under consideration proposes to do so. The bill also would require that the Attorney General be notified of the imminence of a bank merger and be required to make a report as to whether in his judgment the effect of the merger would be to unduly lessen competition or to create a monopoly.

I was one of the seven members of the Committee on Banking and Currency who voted to substitute the word "substantially" for the word "unduly" in the language dealing with restriction of competition. I would have preferred to see that word used. In fact, if an amendment should be submitted later to change "unduly" to "substantially" I would support it, but I cannot support the O'Mahoney amendment, because in my judgment its administrative provisions, which call for an open hearing and for an appeal to the courts—for all that type of quasi-judicial redtape—would probably prevent many a desirable merger from ever coming into effect.

Let us remember, as the committee report point out, the Sherman Antitrust Act is still in operation. The Sherman Antitrust Act provides that any contract, combination, or conspiracy in restraint of interstate or foreign trade or commerce is prohibited. The act makes it illegal to monopolize, or to combine, conspire, or attempt to monopolize any part of interstate or foreign trade or commerce. It is now generally accepted, as the committee report points out, that these sections of the Sherman Antitrust Act apply to bank mergers and consolidations by either stock or asset acquisition.

This act, in my judgment, gives adequate protection for the public interest against improper bank mergers which are not in the public interest.

Let us also remember that banking is vested with a public interest and is subject to regulation much the same way the public utilities are regulated, by either Federal or State agencies. We are not, therefore, dealing with an industry which is entirely free from regulation. Every act which a bank takes is subject not only to the surveillance of the bank examiners but also to careful consideration with respect to policy by Federal regulatory agencies, in the event it is a national bank or a member of the Federal Reserve System.

If the pending amendment should be agreed to I fear we would find opposition to the bill would arise from both the Federal regulatory agencies other than the Attorney General, and from the banking profession itself. Such opposition might easily result in having no bill whatever become law this year. We would thus be faced with continuing the present highly unsatisfactory situation. A broad loophole in our present Federal banking laws would remain unclosed.

For those reasons, Mr. President, I hope the pending amendment will be defeated.

Mr. BUSH. Mr. President, I associate myself with the remarks which the distinguished Senator from Pennsylvania has made in opposition to the amendment offered by the Senator from Wyoming. I am bound to say that I have noticed no substantial opposition to the committee bill. Certainly from the area in which I live and from the State which I represent there has been no support for the amendment whatever. There is no public interest in an amendment of this kind. I see no evidence of consumer interest in the amendment at all, and there is not very much interest in the bill, so far as that is concerned.

I must disagree, Mr. President, with the statements of the distinguished sponsor of the amendment, inasmuch as he bases his position greatly on purely a matter of size and what he calls monopolistic control. I do not think it follows at all, Mr. President, that because some of these banks have gotten to be pretty big—and they have—that they are not attentive to and responsive to the needs of small business people, of small investors, of small depositors, and of small families. On the contrary, I think any examination of the deposits or any measurement of the deposits of any of the larger banks would show that the average balance carried is surprisingly small.

The last time I had the opportunity to inquire into the matter, which I admit was a few years ago, I learned that the average balance in one of the largest banks in the country was $900, and the balance was that high because there were some tremendous balances of six and seven figures by a great many of the great corporations of the country, which brought the average way up.

I do not believe the consumers, the people we might call the small depositors, in this country feel they are neglected, are overlooked, are not given proper facilities or are badly treated by the banks. Condemnation because of size alone is much like saying the Great Atlantic & Pacific Tea Co. or the Grand Union or Safeway are against the public interest simply because they are so big. It would be pretty hard to tell the average housewife, who does all of her shopping at one of those stores, that these institutions do not operate in the public interest. As a matter of fact, I think it is very evident that these stores enjoy widespread approval from those who do their shopping in them, and they should, because they offer advantages which 10 or 20 years ago were never dreamed of.

I think the argument as to size really makes no sense at all, Mr. President, and I must reject the argument made in favor of the amendment for that reason.

Frankly, I am amazed that the Department of Justice has injected itself into this situation. I observe that there are other places where the Department of Justice, if it is anxious to expand its activities, could do so to better advantage. I noticed that recently the distinguished Senator from Arkansas [Mr. McCLELLAN] suggested we should have a new body of law for the purpose of curbing monopolistic powers of some of the transport unions. I would say that is a field in which monopolistic power has come to be a matter of very serious national importance, and I would rather see the Department of Justice tackle something like that, which is crying for attention, than inject itself into a situation which is not crying for attention at all.

Mr. President, I hope the Senate will reject the O'Mahoney amendment and support the committee bill.

Mr. JAVITS. Mr. President, it is my intention to speak to the amendment as a member of the committee. I noticed that the junior Senator from Wisconsin rose. Did the Senator wish to speak before I did?

Mr. PROXMIRE. I shall be happy to speak after the Senator concludes.

Mr. JAVITS. I thank my colleague.

Mr. President, the reason for my opposition to the amendment, which came under very considerable discussion in our committee, is as follows:

I believe that it is based upon the concept of the Attorney General, who is not now in the picture in respect to bank mergers. If he were not in the picture, then we should find a way in which to be sure that the antitrust aspects of a bank merger were considered. But if he is, then we must find out whether there is a reason for a procedure which would materially enlarge his role in bank merger cases, as compared with his role in other cases. That is the real question about my colleague's amendment.

I believe it is clear that the Attorney General is now in bank merger cases. If we need any proof of it—and this has not been mentioned in the discussion thus far—it is a fact that the Attorney General is now suing, under both the Clayton Act and the Sherman Act, to stop a bank merger in California. The action is entitled "United States against First America Corp.," and it deals with the merger of a number of small banks into the Bank of California. The result would be that all those banks would become First America Corp.'s subsidiaries. This particular suit is based both on the Clayton Act, because it involves a stock ownership situation, and also on the Sherman Act, because it involves a restraint of trade situation, as the Attorney General sees it.

The point is that if we were to do nothing about the law the Attorney General would be perfectly free to institute any litigation he wished to institute to stop any bank merger.

The second point, which I think is very important, is this: Shall we give the Attorney General more authority with respect to bank mergers than with respect to other mergers? I feel that there is reason for even less authority, because there are other regulatory agencies, such as the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Federal Reserve Board. There is not the same situation in respect of ordinary corporate merger cases. Here we have a regulated situation.

The compromise adopted by the committee was to require the agencies to repair to the Attorney General to ascertain his position before they acted. I think that compromise represents the introduction of the Attorney General at this early stage of the proceedings in a perfectly fair and proper way.

This is a situation with which I have had personal experience. I was attorney general of the State of New York; and, as attorney general of the State of New York, I actually dealt with a bank merger, namely, the Chase National Bank with the Bank of Manhattan Company, one of the largest bank mergers in the United States.

In that case, the agency which had to approve obtained the approval of my own office—the office of the State law enforcement officer—and also cleared through the office of the Attorney General. I use those words because I am not acquainted at the moment with the particular legal technique which indicates that it is all right to go ahead.

I saw how the rather informal process of clearance worked. It is fair to say that in connection with that merger not only were the agencies of the State and Federal Government concerned with antitrust administration consulted, but their views on antitrust legislation were given prime weight, to which they are entitled.

The governmental banking agencies confine themselves to other criteria than the antitrust criteria. It was a fact, however—and it is even recognized by the amendment of the Senator from Wyoming [Mr. O'MAHONEY]—that there are cases in which the antitrust aspects must be overruled. Although the Senator from Wyoming tries to cover every contingency, we know, as practical men, that that is a pretty tough assignment.

If my colleagues will look at page 2 of the O'Mahoney amendment, from line 7 down to line 19, it will be seen that there are cases, even contemplated by that amendment, in which the proper banking agency should overrule the antitrust authority.

I believe that an honest, good faith effort has been made to cover all the situations in which that should be done, but I repeat that, as a practical matter, it is almost impossible to envisage every situation in which that kind of judgment should be exercised.

Therefore I believe that, as the committee bill stands, we now have a scheme of regulation in respect to bank mergers which is very adequate for the purpose, and that in the interest of the national security, and in respect to matters of this character, we do not need to add new procedures which, in effect, if one follows the O'Mahoney amendment, would make litigation ensue in almost every case of a bank merger with respect to which the Attorney General disapproved. Not only is a hearing called for under this amendment, but the Attorney General could actually go into court and contest a decision even before it was made.

I feel that if there is on the floor, as there was in the committee, some sentiment for strengthening what the bill already contains, I can see the logic for strengthening it far more surely by substituting for the word "unduly," which I do not like, because it is a new word in respect to restraint of competition, the word "substantially," which is

a word of art, and which has been construed by the courts.

Second, I would favor establishing in the bill not only what it now provides, namely, a requirement that the Attorney General must be consulted, but the additional requirement that there must be a report, including disclosure to the public of the fact of an adverse report by the Attorney General, if one has been made, thus placing upon the banking authority the burden of overriding, in the public gaze, as it were, the adverse opinion of the Attorney General.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. JAVITS. I shall be glad to yield in just a moment.

Let me state, for the information of the Senate, that if it should develop in the course of the debate that there is such sentiment, and if the O'Mahoney amendment should be offered, I would be prepared to offer both amendments; namely, the substitution of the word "substantially" for "unduly" and the requirement of a report. Perhaps that would represent a fair middle ground between the different points of view.

However, I am not offering my proposal as a substitute for the O'Mahoney amendment, because in the committee we felt that it was better to allow the proponents of this proposal a fair opportunity without the complication of a substitute.

I now yield to the Senator from Alabama.

Mr. SPARKMAN. Mr. President, did I correctly understand the Senator from New York to say a few moments ago that the provision we wrote into the bill in the Senate committee was adequate to do what we are seeking to do?

Mr. JAVITS. I did say that, and I stand by the statement.

Mr. SPARKMAN. The Senator knows that I was very much in sympathy with several amendments which he had proposed to offer to the bill but, as I recall, in the committee after the Senator from Delaware [Mr. FREAR] offered the language which is now in the bill, the Senator from New York accepted it, and, as a matter of fact, actually became a cosponsor of the amendment, as I recall.

Mr. JAVITS. I did. I feel that in proposing the two amendments to which I have just referred, which could properly follow whatever action the Senate might take on the O'Mahoney amendment, I am trying to find a way in which to satify a body of opinion which I think is entitled to consideration.

This is the opinion of a great many small independent bankers, who feel that we should change the word "unduly" to "substantially," and who feel that we should even further buttress the Frear amendment.

I was glad to concur with the Senator, because I think we went a long way toward meeting that point of view. But if an appreciable sentiment should develop for the O'Mahoney amendment, I think it would be fair, as I did in the committee, to offer these two amendments, which I think are very reasonable, by way of adding to the minimal criteria in the bill. The criteria in the bill are minimal, but I think they can be and should be improved in the way I have suggested.

Mr. SPARKMAN. The Senator knows that I was in agreement with him with reference to the word "substantially," although I think every member of the committee recognizes that there might be instances in which there would be exceptions. As a matter of fact, the Senator from New York offered to write in certain exceptions. I felt, after reading the Frear amendment, that we took care of the situation almost exactly as the Senator from New York has proposed. However, the provision was written in different language.

I believe the Senator from New York knows that I introduced in the last Congress, and also in this Congress, a bill relating to this same subject matter, in which I proposed that mergers may be made subject to the Clayton Act. I feel rather strongly along that line.

However, I saw last year that we lost out in our fight on the Senate floor. Furthermore, I was rather impressed by the testimony given to us by the Comptroller of the Currency and by others connected with banking agencies regarding the procedures involved. I did feel—and I made my point known very definitely in committee—that there ought to be a tie-in with the Justice Department. As a matter of fact, in the Frear amendment that was provided. Therefore there would be a mandatory consultation of the Justice Department, except in emergency cases. I believe that is the wording. I should like to say to the distinguished Senator from New York that I have discussed with the chairman of the committee an amendment which I should like to add to the bill. I feel that it would have been agreed to in committee had I brought it up. The chairman has looked it over. The amendment would require these agencies to report to the Banking and Currency Committee of each House of Congress all information regarding mergers which they have before them, and that such a report be made each 6 months.

I believe that the Senator from New York will go along with that. To my way of thinking, with the Frear amendment, coupled with my amendment, and taking into consideration the practical situation, I believe we would be more likely to get a law on this point by enacting the committee bill with the amendment which I hope to have adopted. Therefore it is my purpose to support the committee bill with the amendment we wrote into the bill, plus the amendment which I hope will be accepted. If we do that, I believe the House will accept the bill and it will become law, even though it may not be a law which will be as effective as some would desire.

Mr. JAVITS. I have a question I should like to propound to the Senator. The amendment the Senator has in mind is much the same kind of amendment I have in mind. Perhaps we could also include the requirement that an adverse report from the Department of Justice would be made available as a part of the body of material which is reported on.

Mr. SPARKMAN. Of course, I do not include that in my amendment. I do not believe that is a material part, because under the bill, as amended, the agencies considering a merger must get the report from the Attorney General. Therefore, the report would come up with the file, and I would think the amendment would be included in the report, although not necessarily in verbatim form, but certainly in substance. So I believe that would be submitted in the report.

Mr. JAVITS. When we come to consider the Senator's amendment or my amendment, whichever happens to have priority, I hope we will be very careful to make a legislative history that will be clear on that point.

Mr. SPARKMAN. Yes. I send forward my amendment.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. KEFAUVER. I wish to address two or three questions to him, but first I should like to make a brief statement. The Senator referred to a suit which has been brought in California by the Attorney General to prevent the merger of two banking organizations. I am familiar with that situation. The suit was brought by the Attorney General primarily because of an alleged violation of section 7 of the Clayton Act, because the banks are trading stock, and the situation does not involve the acquisition of assets. If the banks had tried to merge by the acquisition of assets, the Attorney General would not have been able to do anything about the situation under the present language of the Clayton Act. Is that not correct?

Mr. JAVITS. He would not have been able to proceed under the Clayton Act, but he would have been able to proceed under the Sherman Act. As a matter of fact, there is a count in the complaint under the Sherman Act for violation of section 1 of the Sherman Act. Furthermore, when I faced the question of approving the merger in New York to which I referred a few moments ago in the course of my main talk, the Attorney General found as a fact that he had jurisdiction under the Sherman Act.

So I agree with the Senator that had it involved a stock acquisition, the Attorney General could not have proceeded under the Clayton Act. However, I repeat the point I made that he can proceed under the Sherman Act; and, in fact, he has. Therefore, it bears out my position that the Attorney General is in this picture in terms of the antitrust laws when bank mergers are involved.

Mr. KEFAUVER. We know that the requirements of proof in stopping a merger under the Sherman Act are much more difficult under section 7 of the Clayton Act.

Mr. JAVITS. That is true.

Mr. KEFAUVER. Section 7 of the Clayton Act uses the words of art, "If the results may be substantially to lessen competition or create a monopoly." What I am concerned about is that under the Robertson bill, even if it is amended in line with the suggestion of the Senator from New York, even if the words of art of section 3 and section 7

of the Clayton Act are used, where there is historic interpretation, and even if those words are substituted in the Robertson bill, and the Attorney General is notified, he will lose the right he has now to bring a suit to stop a merger where there is a sale of stock under section 7. Therefore we would be weakening his right, as I see it.

Mr. JAVITS. I do not see how he would lose any right he has now. I do not see how the bill takes anything away from him.

Mr. KEFAUVER. The Robertson bill places the decision, as to whether a merger will be allowed, in the banking organizations, the Federal Reserve Board, and the Comptroller, to the exclusion of the Attorney General. Under the Robertson bill the only time when the Attorney General would have any power to do anything about a merger would be in a case where he has been notified. He would have to be notified. He could fuss about it, but if the Comptroller or the Federal Reserve Board allowed the merger, the Robertson bill would take away the right of the Attorney General to bring a suit to stop it. He has that right now, and he is trying to exercise it in the California case.

Mr. JAVITS. I do not see that the bill which the Senator from Virginia reported from the committee takes away anything which exists today. I believe it would be extremely useful to us if the Senator from Virginia would answer that question himself, because he is handling the bill on the floor. However, it seems to me—and I think this is the way in which the committee looked at the situation also in reporting the bill—that all the bill does is specify a procedure which has not been heretofore specified, as to how the action of the Attorney General in these cases may be manifested. It does not in my view deprive the Attorney General of any right he has under existing law, whether it be the Clayton Act or the Sherman Act, to start any litigation he chooses. That is not my understanding of the bill.

Mr. KEFAUVER. I should like to ask the distinguished Senator, who is an outstanding lawyer, to read the first part of the bill. It provides that no bank shall merge or consolidate without the prior written consent of the Board of Governors of the Federal Reserve System, and so forth.

In that connection, the Attorney General is notified. Saying that they cannot consolidate except by consent of these organizations means that if they do consolidate with the consent of them, it will be legal. Otherwise, I do not understand the meaning of words.

Mr. JAVITS. I think it is a fundamental rule of statutory construction that a right which is established by existing law is not taken away unless it is done specifically; it cannot be done by implication. The Senator's argument that the right of the Attorney General to sue will be taken away by implication because authority to approve is given to another agency is, as a matter of fact, the law today. The law today is that to merge it is necessary to get the approval of the Comptroller of the Currency. What we are here proposing is to add something to the existing law, a requirement to get the opinion of the Attorney General. I do not conceive of that as depriving the Attorney General, by implication, of the right which he has under the Clayton Act or the Sherman law. I do not think that can be done as a matter of statutory construction. That would be my interpretation of the statute.

Mr. ROBERTSON. Mr. President, will the Senator yield to me to clarify that point?

Mr. JAVITS. I yield.

Mr. ROBERTSON. I ask Senators to look at page 3 of the report. As I said yesterday, we have made it voluminous. The bill contains only 2 pages; the report has 26 pages. We have tried to cover all the questions which we thought would arise.

On page 3 the report states:

> S. 1062 would not affect in any way the applicability of the Sherman Act to bank mergers or consolidations.

It will not affect that act in the least. If banks have actually violated the antitrust laws, they can still be prosecuted under the Sherman Act.

Mr. KEFAUVER. That may be the statement in the report; but it is the language of the bill which controls. I seriously disagree with the statement by the Senator from New York that it must be expressly stated that section 7 of the Clayton Act is repealed or amended in order to be able to amend or repeal it. If the language of a subsequent bill is different, or if it establishes rights which are in conflict with section 7 of the Clayton Act, then the last act which is passed will, of course, by judicial interpretation, supersede the previous one. So I think this is a very serious point.

The Attorney General does have some right at present under section 7 to bring a suit to stop a merger, when the merger is to be by an exchange or a sale of stock. That is apparently a valuable right, because he has brought a suit in California, in which he thinks the public interest will be protected by the bringing of the suit.

If we adopt this language and bring the Attorney General into the picture only for the purpose of giving him notice, then it seems to me we may very well be raising a serious legal question as to whether we are not repealing the right which the Attorney General has under section 7 at present.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. ROBERTSON. It disturbs me when Senators who have not had the time to be here to hear the debate on the bill, and who have not had the time to read the report on the bill, do not understand the meaning of the bill. The bill seeks to make mergers of banks more difficult. As I have previously said, the bill does not affect in any way the present antitrust laws. Section 7 of the Clayton Act does not apply now to the acquisition of bank assets.

The bill seeks to go further than the present law and to make it more difficult for banks to merge. It includes a provision that the opinion of the Attorney General must be sought with respect to a proposed merger. But since banks are regulated corporations, like railroads, utilities, and other organizations whose mergers are controlled by quasi-judicial agencies which supervise them, bank mergers will be controlled under the bill by the Federal agency which has supervision of the particular kind of bank concerned—national bank, member bank, or State-insured bank.

But when the opinion of the Attorney General is sought on the merger, his opinion should not be based on whether competition is lessened "substantially," as in the Clayton Act. The U.S. District Court has ruled under the 1950 amendment to the Clayton Act that no matter how beneficial or how much in the public interest the merger would be, if it will "substantially" lessen competition, the merger cannot take place.

The O'Mahoney amendment recognizes that there are times when the "substantial" rule should be ignored, but the examples in his amendment do not include all the situations where a merger may be desirable. The Senator from Wyoming does not cover all such instances. I think that if the O'Mahoney amendment is adopted we will have placed a roadblock in front of the Attorney General with respect to all mergers.

Mr. KEFAUVER. Suppose the merger is in the nature of a stock acquisition, as was the case with two banking institutions in California. Under the bill, the Comptroller or the Board of Governors would give the Attorney General notice of it and would ask his opinion. Suppose the Attorney General does not think the merger is proper, and reports whatever he might think. Suppose the Board of Governors proceeds to authorize the merger, as was done in the California case. Will the right of the Attorney General to bring suit under section 7 of the Clayton Act, in a stock acquisition case, not in an asset case, be taken away from the Attorney General?

Mr. ROBERTSON. It will not. In the instance cited, it was a bank holding company merger. The holding company bought up banks. As I remember, the Federal Reserve Board objected to it and prosecuted the case under the antitrust laws.

The circuit court of appeals finally ruled in favor of the bank holding company, saying that the action was not a violation of the antitrust laws. The Federal Reserve Board spent hundreds of thousands of dollars in that case and yet lost it.

Mr. KEFAUVER. If the bill shall be enacted, will section 7 of the Clayton Act still apply to bank stock acquisitions?

Mr. ROBERTSON. It will.

Mr. KEFAUVER. Then a different test has been placed in the bill than is in section 7 of the Clayton Act.

Mr. ROBERTSON. The test here is whether the merger "unduly" lessens competition. It should not be, Is there any lessening of competition at all?

Suppose there are two banks in a community. One is poorly managed, and may eventually fail, though this not

imminent. It is in the interest of the banks, of the public, and of everybody that the banks merge. When they do merge, there is a lessening of competition, because one of the banks has gone out of business. But it might well have failed anyway in the long run, and in the meantime there might be years of poor banking service to the community. But if that merger were referred to the Attorney General for a test as to whether the Clayton Act would apply, the question would be, Is there substantial competition to justify the merger of those two banks? Nothing else could be considered.

Mr. KEFAUVER. I think this is an important point. I hope the Senator from New York will let me develop it further. The Senator from Virginia says that the Attorney General is still in the picture, under section 7 of the Clayton Act. That was his statement. He said the Attorney General could still bring suit, just as he brought suit in California.

Mr. ROBERTSON. The Senator from Virginia says that he does not take the Attorney General out of the picture. Any rights which the Attorney General has with respect to the antitrust laws he would continue to have under the bill.

Mr. KEFAUVER. The Senator from Virginia says that the Attorney General will still be in the picture, so far as section 7 of the Clayton Act is concerned. Assuming the bill passes, we shall then be in this remarkable and untenable situation: The banks, the Attorney General, the Comptroller of the Currency, and the Federal Reserve Board are confronted with two tests. They are confronted with one test under section 7, if the Attorney General is still in the picture, namely, that if the result of the merger may be substantially to lessen competition or tend to create a monopoly, the merger is unlawful.

Then the other test, as written in Senate bill 1062, as reported by the Banking and Currency Committee, is:

> Shall also take into consideration whether the effect thereof may be to lessen competition unduly or to tend unduly to create a monopoly.

I do not know how we could expect the Attorney General, the Comptroller of the Currency, and everyone else concerned to use one test for one purpose and to use another test for another purpose; and I do not know how any banks ever would feel safe in what they were doing if they had to comply with two tests which were different.

Mr. ROBERTSON. Mr. President, I am sorry that the Senator from Tennessee does not recognize the fact that under the antitrust laws the Clayton Act does not apply when one bank buys the assets of another bank, but applies only when one bank buys the stock of another bank.

Mr. KEFAUVER. I realize that.

Mr. ROBERTSON. That is the present law under the Clayton Act. We are trying to strengthen the antimerger laws and apply them to bank mergers.

The very language of the bill was endorsed by the American Bar Association in 1957. It has been endorsed by the American Bankers Association. It has been endorsed by every agency which deals with banks. Yet the Senator from Tennessee tells us that he cannot understand how all those experts on banking could reach the conclusion that this is the proper way to handle the matter, and that he does not understand how the banks could possibly function under such legislation.

I can tell the Senator from Tennessee that the officials of every bank with which I have had contact have said, "If you are going to apply the O'Mahoney amendment test to us or if you are going to apply the test of the term 'substantially lessen competition' to us, we do not want any legislation at all enacted."

Furthermore, I think the distinguished Senator from Pennsylvania certainly was correct when he predicted that if we were to include the O'Mahoney amendment, the bill, as thus amended, would be killed.

Mr. KEFAUVER. But the Senator from Virginia has just now stated that in the case of stock acquisition mergers, such as in the California case, the more rigid rule of section 7 of the Clayton Act applies. Is it right and is it good legislation to have one rule apply in one set of circumstances—as the Attorney General first asserted in the California bank case; and the Senator from Virginia says the Attorney General will still be in the picture—but to have an entirely different rule or criterion apply in another situation? If that is done, how will the banks ever know where they stand?

Mr. ROBERTSON. Mr. President, if the Congress wishes to put banks on the same basis as steel corporations, automobile corporations, and other corporations, Congress should repeal all present laws on the subject of banks, and could put them lock, stock, and barrel under the Clayton Act, not only in the case of mergers by stock acquisition, but also in the case of mergers by asset acquisition. But if the Senator from Tennessee were to introduce a bill to that effect, it would not receive 10 favorable votes; and he would find that such a bill would be bitterly criticized by his banking friends in his home State.

Mr. KEFAUVER. But if two banks obtain the approval of the Comptroller of the Currency and of the Federal Reserve Board under the second test; and if, a month later, they find that they have been sued by the Attorney General under the more rigid requirements of section 7, as it applies to stock acquisitions, they will wonder what sort of legislation the Congress has passed.

Mr. ROBERTSON. But my friend has overlooked the fact that virtually all, if not all, bank mergers are by asset acquisitions, and the Attorney General cannot reach such mergers under section 7 of the Clayton Act.

Mr. KEFAUVER. But in California there was a very large one by means of stock acquisition.

Mr. ROBERTSON. But in that case the Federal Reserve Board had jurisdiction, and prosecuted the case, and failed.

Mr. KEFAUVER. I beg my colleague's pardon; that suit has just been brought, and no decision has been reached.

Mr. ROBERTSON. I thought the Senator from Tennessee was referring to the Transamerica case of some years ago.

Mr. KEFAUVER. No; I was referring to the California Bank of Los Angeles.

So, Mr. President, it seems to me that in the interest of clarity the same test should apply to both the Attorney General and the Comptroller of the Currency and the Federal Reserve Board. However, the committee bill does not do so; instead, it applies a different test.

The amendment submitted by the Senator from Wyoming carries out the test which has been given judicial construction, and has been in section 3 of the Clayton Act and in section 7 for a long, long time.

So I think the banks would prefer to have a clear-cut test, rather than to have two tests, with the result that they might get into trouble because they would not know which one to follow.

Mr. ROBERTSON. Mr. President, I recognize that my distinguished colleague, the Senator from Tennessee, is an outstanding lawyer and, as I have stated earlier today, he is a member of the great Committee on the Judiciary. But when he says my bill will not do the job, I wish to point out, in the first place, that the bill was prepared by the best lawyers the Federal Reserve Board has; and they have been at this business for years. They prepared the bill.

In the second place, the bill was endorsed by the best lawyers the American Bankers Association has; and it was endorsed by the Treasury Department, through the Comptroller of the Currency; and it was endorsed by the legal staff of the Federal Deposit Insurance Corporation; and it was endorsed by the American Bankers Association, through its house of delgates.

I cite those facts, with all due deference, in opposition to the opinion of the distinguished Senator from Tennessee, who just a few minutes ago came to the floor to take a look at the O'Mahoney amendment, and decided that the bill is not what it should be.

Mr. KEFAUVER. I have been on the floor considerably; and it so happens that for some time I have had some familiarity with this problem, because a similar bill was introduced during the last session of Congress.

The fact remains—and we cannot get away from it—that this bill provides one test, and the Clayton Act provides a different test. I do not think it is good legislation to allow such matters to hang fire, so that the Comptroller of the Currency or the Board of Governors of the Federal Reserve System could approve a bank merger under their less severe test; but then, a little later, the Attorney General could bring suit under section 7 of the Clayton Act. The same rule should apply in each case.

If Congress wishes to have this language apply to banks, then section 7 of the Clayton Act should be amended so as to have the same language apply to the

banks which are dealt with by the Clayton Act, although I am not advocating that.

But in the interest of clarity and in the interest of letting such corporations know where they stand, certainly they are entitled to something better than the situation this bill would leave them in.

Mr. JAVITS. Mr. President——

Mr. O'MAHONEY. Mr. President——

Mr. JAVITS. Mr. President, I have the floor; but I am glad to yield to the Senator from Wyoming.

Mr. O'MAHONEY. I thank the Senator from New York.

Mr. President, I shall be very brief.

I think much of the debate in favor of passage of the bill without my amendment has occurred without recognition of the plain language of the bill as reported by the Banking and Currency Committee.

Beginning on page 1, the pending bill provides that:

No insured bank shall merge or consolidate with any other insured bank or, either directly or indirectly—

And so forth—

without the prior written consent (i) of the Comptroller of the Currency * * * or (ii) of the Board of Governors of the Federal Reserve System * * * or (iii) of the Corporation.

Then the bill provides:

In granting or withholding consent under this subsection, the Comptroller, the Board, or the Corporation, as the case may be, shall consider the factors enumerated in section 6 of this act.

Of course that refers to the Federal Deposit Insurance Act.

Then the bill provides:

In the case of a merger, consolidation, acquisition of assets, or assumption of liabilities, the appropriate agency shall also take into consideration whether the effect thereof may be to lessen competition unduly or to tend unduly to create a monopoly.

A very large minority of the Banking and Currency Committee objected to that language, apparently for the same reason that the Department of Justice objects to it—namely, because it changes court-tested language.

Then the bill, as reported, provides:

and, in the interests of uniform standards, it shall not take action as to any such transaction without first seeking the views of each of the other two banking agencies referred to herein with respect to such question.

So this provision requires that all three of the banking agencies cooperate, to advise one another.

Then the bill, as reported by the committee, adds new language. I think the new language is marvelous and wonderful to read; it is the amendment which was added by a small majority of the Banking and Currency Committee:

In the case of a merger, consolidation, acquisition of assets, or assumption of liabilities, the appropriate agency shall request a report from the Attorney General on the competitive factors involved in the merger.

Does it provide that that report shall have any effect? Not at all.

The bill provides further:

The Attorney General shall furnish such report to such agency within 30 calendar days of the request.

Then here is the proviso:

Provided, however, That in case the agency finds an emergency exists the agency may advise the Attorney General thereof and may thereupon shorten the period for the Attorney General to report to 10 calendar days.

The Banking and Currency Committee provided that the Attorney General may report within 30 days. The committee amendment provided the banking agency concerned can shorten the period to 10 days, thereby cutting down the opportunity of the Department of Justice to investigate.

The bill then proceeds:

And provided further, That where the agency finds that an emergency makes necessary immediate action in order to prevent the probable failure of one of the merging banks, the appropriate agency may act without obtaining such report from the Attorney General.

Authority for the request is made by the proposed law, and then the banking agencies are granted the power to refuse to receive the report and to act without getting the report; and that is called legislation. A request for the opinion of the Attorney General is called legislation.

Mr. JAVITS. Mr. President, I should like now to sum up the situation. The legislative history is now very clear that the bill which is before the Senate does not deprive the Attorney General of jurisdiction either under the Clayton Act or under the Sherman Act.

Indeed, I may say, as a matter of legislative construction, the fact that the word "unduly" is in this section, and the word "substantially" is in the Clayton Act, would, if anything, buttress the bill we would pass, because the standard established would enable the courts to hold the banking agency deciding the case to the same standard adopted by the Attorney General. But the legislative history is clear that nothing is taken away from the Attorney General.

My friend, the Senator from Tennessee, argues that a different standard is established for the Attorney General in stock acquisition cases than is established for the regulatory agency. I see nothing wrong in that. The Attorney General is not obliged to bring every case. He brings a case when he determines that the public interest requires it. This bill will not inhibit him from bringing a case, and so, it seems to me, the antitrust provision, insofar as the Attorney General is concerned, is fully safeguarded.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. JAVITS. I am not quite through. What this bill does is add something which is not in the law today. It adds an antitrust criterion—not the same one, but an antitrust criterion—to all the other criteria of the regulatory agency. That is a good thing. That is what I am for. That is a step forward. I do not believe that adding the right of the Attorney General to litigate in these particular proceedings is a desirable thing insofar as the public interest is concerned.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. JAVITS. I yield first to the chairman, and then I shall yield to the Senator from Tennessee.

Mr. ROBERTSON. The Senator from New York will remember we discussed a quotation of 10 years ago by Hon. A. A. Berle, who, as the Senator knows, is a distinguished lawyer, and was a teacher at Columbia University and an Assistant Secretary of State. He wrote an article in the Columbia Law Review, a quotation from which appears on pages 18 and 19 of the report. That quotation concludes by stating:

The economic and social premises of the Sherman Act in respect of other businesses are not fully accepted by the Congress, the States, or the public as the only considerations applicable to deposit banking.

He recommended 10 years ago that they be brought under control, but under different tests, tests more like these which apply in the case of railroads, utilities, power companies, communications, and so forth; and that is what we did.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to the Senator from Tennessee.

Mr. KEFAUVER. The Senator from New York summed up his position clearly and, I think, in terms we all can understand. He said it is clear the Attorney General is not taken out of the picture in stopping mergers of banks, and that different tests apply, and that is all right, because the Attorney General might not decide to bring a case. But, from the banker's viewpoint, it leaves him in a difficult situation, if, 20, 25, or 30 years later, another Attorney General may decide that the acquisition or merger which took place a long time ago was illegal, and he decided to sue the bank at a later date. So the banker would never know exactly where he stood, if two tests could be applied. In the Du Pont-General Motors case, a suit was brought, under section 7 of the Clayton Act, because of a transaction which had taken place many years ago.

I am merely arguing that, in the interest of clarity and of letting the bankers and the public know exactly where they stand, the test ought to be the same. I think it is indefensible to have agencies acting under one criterion, when the Attorney General may come along many years afterwards and bring a suit under an entirely different criterion.

Mr. JAVITS. My friend from Tennessee is talking about the Sherman Act when he talks about 20 or 30 years later. That is still a third criterion, which is not covered by the word "substantially." So we cannot avoid that possibility unless we make the definition even more inclusive than we now do.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. KEATING. I should like to address a couple of questions to my distinguished colleague from New York, or perhaps to the distinguished author of the amendment. In the first place, did I correctly understand my colleague to say the amendment as offered in the form proposed by the Senator from Wyoming was considered by the committee?

Mr. JAVITS. Yes, substantially, as proposed by the Senator from Illinois.

Mr. KEATING. And it was defeated in committee?

Mr. JAVITS. That is the situation.

Mr. KEATING. On pages 19 and 20 of the report it is stated that the representative of the American Bankers Association testified about certain conditions in which a bank merger might substantially lessen competition, and yet be desirable in the interest of the public and in the interest of sound banking, and it is stated that theory is recognized in the so-called O'Mahoney amendment.

There are six criteria listed on the pages of that report, in all of which cases I think most persons would agree that the interest to be served was perhaps of overriding consequence as compared with the lessening of competition.

There are only four criteria, as I see it, covered by the O'Mahoney amendment. Can the Senator from New York inform us, or can the author of the amendment tell us, which circumstances set forth by the representative of the American Bankers Association are not included in the terms of the O'Mahoney amendment?

Mr. JAVITS. I will yield to my colleague from Wyoming, if he wishes to answer the question. I have not been able to make the comparison this quickly.

Mr. O'MAHONEY. It is my impression that the exemptions contained in my amendment will cover all those mentioned in the language to which the Senator has referred.

Mr. KEATING. In other words, it is the view of the Senator from Wyoming that the six instances cited in this testimony are all cases which should fall within the terms of the exceptions which the Senator is endeavoring to incorporate in his amendment?

Mr. O'MAHONEY. Yes, I think so.

Mr. JAVITS. Mr. President, may I invite the attention of all my colleagues to a rather hasty comparison I have made with reference to item 5 on page 20 of the report, which says:

> Where the acquired bank is an uneconomic unit or is too small to meet the needs of its community by providing loans of sufficient size or by providing needed banking facilities.

A hasty comparison of that particular paragraph with the exceptions does not indicate it is included. Is that correct?

Mr. KEATING. I could not see that it was. I think such circumstances do exist, and such might happen.

Mr. JAVITS. I also think item 4 is not included. That item is:

> Where the acquired bank has no adequate provision for management succession or its management is incompetent.

I think those would represent the diminutions from six to four. This is a conclusion from a hasty comparison.

Mr. KEATING. I had the feeling that perhaps those items were not covered, as does the senior Senator from New York. I wondered if there were some particular reason why the Senator from Wyoming omitted those from his amendment, or whether they should also be included in that part of the amendment where the Senator seeks to set forth the situations in which it would be necessary to override the question of competition in determining whether mergers should go through?

Mr. O'MAHONEY. Mr. President, in answering the query of the Senator from New York I should like to read beginning on line 3, page 2, where we have sought to cover these various emergency situations. The amendment provides:

> This provision shall not, however, be deemed to prohibit a merger, consolidation, acquisition of assets or assumption of liabilities where the Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, finds that there is a reasonable probability of the ultimate failure of the bank to be acquired; that because of inadequate or incompetent management the acquired bank's future prospects are unfavorable and can be corrected only by a merger or consolidation with the acquiring bank; that the acquired bank is a problem bank with inadequate capital or unsound assets and its acquisition by another bank would be the only practical means of dealing with the problem; or that several banks in a small town are compelled by an overbanked situation to resort to unsound competitive practices which may eventually have an adverse effect upon the condition of such banks and the merger of the two or more banks would, therefore, be in the public interest.

It was the design to cover these various instances.

Mr. KEATING. In other words, it is the view of the distinguished Senator from Wyoming that in the language he has endeavored to cover all the six situations referred to in the testimony of the representative of the American Bankers Association?

Mr. O'MAHONEY. Yes, indeed. We had in mind, for example, particularly the case of a bank in which the banker died, leaving no person in the family competent to run the bank. If the widow were unable to run the bank, a merger would be the only way of saving the ownership assets. I think these exceptions are drawn in such language that they would cover the exceptions which the Banking Association witness pointed out.

Mr. KEATING. I thank the Senator. It is very difficult for those of us who do not sit on a committee such as this, with regard to a complicated question, to inform ourselves fully. I should appreciate it if my colleague from New York or the author of the amendment would respond to another inquiry. On page 22 of the report, with respect to the bill reported by the committee, it is stated that the bill would require the three Federal agencies to consider the banking factors enumerated in section 6 of the Federal Deposit Insurance Act, and the report goes on to outline in general what are those factors.

I should be interested in knowing how those factors differ from the factors set forth in the amendment of the Senator from Wyoming.

Mr. O'MAHONEY. Those factors would not be touched by the pending amendment at all. I assure the Senator from New York that is a fact.

Mr. KEATING. In other words, these factors would still apply, and in addition the factors specifically enumerated by the Senator from Wyoming would apply?

Mr. O'MAHONEY. That is exactly the case. I point out to the Senator that the purpose of the amendment is explicitly set forth in the letter from the Attorney General which I have read in the RECORD today. I think this may not have been brought to the attention of the junior Senator from New York, but it is what Judge Lawrence E. Walsh wrote to me under date of May 14:

> Your proposal would not alter the Senate Banking and Currency Committee's decision that bank mergers should be passed upon initially—not by the courts—but by appropriate banking agencies. However, your amendment resolves the two serious problems presented by S. 1062. First, the amendment substitutes the court tested language of section 7 of the Clayton Act for the novel and uncertain standards of S. 1062. Second, your amendment would provide that if any banking agency or the Attorney General recommends against the merger, the appropriate banking agency must hold a hearing and interested parties may appeal to the courts from the banking agency's decision.

The preservation of the right of judicial review guarantees that the banking agency may not have exclusive power to OK mergers which may be against the public interest, and that is the primary purpose of the amendment which I have offered. In all other respects I have tried to include the points reported by the committee.

Mr. KEATING. Pursuing that latter point for a moment, and addressing myself to the author of the amendment, with the consent of my colleagues, what would be the scope of the review which is contemplated by the amendment?

Mr. O'MAHONEY. It would cover the grounds upon which the agency acted.

Mr. KEATING. Would it substitute the decision of a court for the decision of an agency, or would it be a review of an administrative decision?

Mr. O'MAHONEY. Well, the court would review the decision as an administrative agency action, I suppose, but it would have the power to overrule the agency.

Mr. KEATING. Then what would be the effect?

Mr. O'MAHONEY. The important thing is to have a right of hearing, instead of having these mergers consummated by decisions behind closed doors

Mr. KEATING. What would then be the effect of that decision upon a later action which might be brought by the Attorney General? Would it have any effect?

Mr. O'MAHONEY. I cannot see that it would have any effect.

Mr. KEATING. Suppose that the decision in the administrative proceeding reviewed by the court was to the effect that the merger should be allowed to go through. Would that bar the Attorney General from later bringing a proceeding under the Sherman Act?

Mr. O'MAHONEY. The chairman of the committee just answered that question in the negative. I agree with him on that point.

Mr. KEATING. He answered, as I understand, based upon the original bill.

Mr. O'MAHONEY. The answer would be the same under the terms of my amendment.

Mr. KEATING. The answer would be the same, in the Senator's opinion, under his amendment as under the original bill?

Mr. O'MAHONEY. The Senator is correct.

Mr. KEATING. I appreciate that enlightenment.

Is the word "unduly" found in any other statute, or has it been the subject of judicial interpretation? Has it ever been construed by the courts? I know that the word "substantially" has been, but I should like to know about the other word.

Mr. JAVITS. The word "unduly" is a fairly new word of art. I asked the same question in the committee, and I was referred to another statute which contained it, although it had not been subjected to the same kind of intensive judicial construction as the word "substantial."

Will the chairman inform us as to where the word occurs in some other statute?

Mr. ROBERTSON. I read from the committee report, near the bottom of page 3:

CLAYTON ACT

Section 7 of the Clayton Act (15 U.S.C. 18, October 15, 1914), as originally enacted, prohibited the acquisition by one corporation of stock in another corporation if the effect of the acquisition might be substantially to lessen competition between the two corporations in any community.

Specific exceptions were made for transactions consummated pursuant to authority given by certain regulatory bodies, including the Civil Aeronautics Board, the Federal Communications Commission, the Federal Power Commission, the Interstate Commerce Commission, and the Securities and Exchange Commission. An example of these specific exceptions for regulated public utilities or quasi-public utilities may be found in section 5 of the Interstate Commerce Act (49 U.S.C. 5).

At the bottom of page 3 there is a citation to section 5 of the Interstate Commerce Act relating to consolidations of carriers. It reads as follows:

EXCERPTS FROM INTERSTATE COMMERCE ACT (49 U.S.C. 5)

SEC. 5. Combinations and consolidations of carriers:

(1) Pooling; division of traffic, service, or earnings:

Except upon specific approval by order of the Commission * * * it shall be unlawful for any common carrier * * * to enter into any contract * * * for the pooling or division of traffic * * * *Provided*, That whenever the Commission is of opinion * * * that the pooling or division * * * will be in the interest of better service to the public or of economy in operation, and will not unduly restrain competition, the Commission shall by order approve and authorize—

Several instances have been mentioned which are exempted under the O'Mahoney amendment—but not nearly all of them. Let us assume a case in which there are two banks in the same community. One is doing well and the other is not. One has good management and the other has not. To merge them would be definitely in the public interest, and it should be done. The merger would "substantially" lessen competition, but under our construction of the bill, it would not "unduly" lessen competition. We do not know, frankly, just how much difference there is between "substantially" and "unduly." However, in our opinion, the word "substantially" has always been considered as a much closer and more restrictive term than "unduly," not allowing other considerations of public interest. In the court's decisions under the Clayton Act there can be no offsetting of any substantial lessening of competition against public benefits on the other hand, whereas we believe that, as in the case of railroads, and in certain other cases, there should be a different test. Therefore, we say that even though in some cases competition may be lessened somewhat, although not unduly, the benefits to the public may outweigh the lessening of competition, and the merger should be approved.

Mr. KEATING. I appreciate the explanation of the distinguished chairman of the committee.

I ask him whether there has been any court construction of the use of the word under section 5 of the Interstate Commerce Act.

Mr. ROBERTSON. It will be found in the case of *McLean Trucking Company* v. *U.S.* (321 U.S. 67 (1944)). In that case the Supreme Court compared the two standards set forth in section 5(2)(b), and pointed out that the standards set forth in the proviso—"consistent with the public interest" and "will not unduly restrain competition"—are more rigorous than the general standard of the section—"consistent with the public interest."

In that case the court approved the word "unduly."

Mr. KEATING. That statement is almost self-evident. But did the court, in that decision, try to tell us what "unduly" meant? I have a little trouble with the word "unduly," as to just what it does mean.

Mr. ROBERTSON. The chairman of the committee says that no one can give a categorical answer as to what either "unduly" or "substantially" mean.

All we say is that "unduly" is not as rigid as "substantially." Therefore, in the case of a regulated corporation, which a bank is, we feel that the more flexible term should be used. When we are dealing with the comparative benefits to the public on the one hand, and the lessening of competition on the other, we should use the word "unduly." The word "unduly," in my judgment, correctly reflects this comparative consideration, this weighing of the merits of merger against the disadvantages which it may involve.

That is the kind of consideration which a distinguished lawyer from New York, Mr. Berle, recommended 10 years ago.

We have been dealing with this subject for many years, and never have been able to get any legislation. The Senate passed a bill in 1956 substantially like this, but less restrictive, but it died in the House. We passed another in 1957, as a part of the Financial Institutions Act. It died in the House. We feel now that if we do not go to extremes, we have an opportunity to tighten up on merger laws so as to protect the public interest fully, and get something written into the statutes.

Mr. KEATING. I agree with the Senator, but I do not wish to see undue haste.

Mr. ROBERTSON. We believe that we have spent enough years on this to consider the question.

Mr. KEATING. Mr. President, I should like to address a question to the distinguished author of the amendment [Mr. O'MAHONEY]. I differ slightly with his legal opinion. I believe, to the effect that merely because the chairman of the committee has said, and we all agree, that the Attorney General could proceed if the committee bill should become law, no matter what his views might be, that is necessarily so. I am not sure that I agree with the Senator from Wyoming that when there is a judicial review, which is not provided for in the committee bill, the Attorney General would not later be estopped, or might not later be estopped, from proceeding under the antitrust law.

I am sure the Senator will agree that there is a distinction between his amendment, in that regard, calling for judicial review, and the committee bill, which does not provide for judicial review.

Mr. O'MAHONEY. Mr. President, before answering the Senator's question let me refer to the question which he previously propounded to the chairman of the Committee on Banking and Currency. I invite attention to line 15 on page 2 of the bill as reported by the committee. I begin in line 14, "Whether the effect thereof may be to lessen competition unduly or to tend unduly to create a monopoly," and so forth.

In the committee the senior Senator from New York wished to substitute the word "substantially" for the word "unduly," and I believe a large minority of the committee agreed with him. He has explained his reasons here today.

The defense of the word "unduly" by the chairman of the committee is based upon the Interstate Commerce Act. But banks are not to be compared with railroads. The word "unduly" as used in the Interstate Commerce Act, dealing with railroads, means one thing. Some railroads are monopolistic, because they are the only transportation between particular points. The railroad transportation business does have monopolistic aspects, but the banking business does not. So we object, in offering this amendment,

to the word "unduly," just as the Department of Justice does.

I should now like to call the attention of the Senator from New York to the next phrase: "to tend unduly to create monopoly." I say to the Senator without reservation that that phrase has never appeared in any law which has been called to my attention. It is new language. This is the novel language to which Judge Walsh referred to in his letter to me this morning.

With respect to the Senator's first question, the judicial review in a particular case could not, in my judgment, affect the power or authority of the Department of Justice. We must remember that these matters arise in different cases. Therefore if there should be a judicial review in a particular case, in all probability that would be the final action in that case. The mere fact that there was judicial review, would not act to deprive the Attorney General of any of his independent powers to proceed under the Sherman Act or under the Clayton Act.

Mr. KEATING. Of course.

Mr. ROBERTSON. May I just clarify that point with respect to the question the Senator from New York has asked?

Mr. JAVITS. I yield the floor to my chairman, so that he may control the time.

Mr. ROBERTSON. I thank the Senator from New York. I have the letter of the Assistant Attorney General in which he describes "unduly." I should like to ask my distinguished friend from Wyoming this question. He has presented a letter from the Deputy Attorney General in which it is stated:

First, the amendment—

That is the O'Mahoney amendment—

substitutes the court-tested language of section 7 of the Clayton Act for the novel and uncertain standards of S. 1062.

My distinguished friend from Wyoming is a great constitutional lawyer, and a fine lawyer in all respects. I should like him to cite, not a whole series of cases, but one case which gives this clear and unequivocal description of the meaning of "substantial"—just one case. "Unduly" is an unclear term, he says; "substantially" is a clear term.

Mr. O'MAHONEY. I can supply for the RECORD a long list of cases. As the Assistant Attorney General has said, this is a court-tested phrase. The most recent case that I recall is the General Motors case, in which the court gave its approval.

Mr. ROBERTSON. If the distinguished Senator from Wyoming can supply a long list of cases defining "substantially," he will do what the counsel and the committee have been unable to do.

Mr. KEATING. I should like to ask one more question of the distinguished Senator from Wyoming, if the Senator from Virginia will yield.

Mr. ROBERTSON. I yield.

Mr. KEATING. To pursue further the point with respect to the estoppel which might be placed upon the Attorney General under the O'Mahoney amendment—a situation which would not be present under the committee bill—I should like to call to the attention of the Senator from Wyoming this fact. I concede that it is a different type of proceeding, but I call the Senator's attention to the fact that the Attorney General, as I read the Senator's amendment, would be a party to the proceeding. If the outcome of that proceeding was to approve the merger, I am not at all sure that that would not result in an estoppel against the Attorney General from ever questioning it.

To that extent I fear the amendment of the Senator from Wyoming may go farther—undoubtedly unwittingly, although I may be wrong—than does the committee bill, in preventing the Attorney General from bringing action later.

Mr. O'MAHONEY. I feel that the Senator from New York will agree with me when I say that we are considering two different statutes. Assuming that the committee bill with my amendment were enacted, the judicial review would be under this statute. That cannot possibly affect the powers of the Attorney General under the Sherman Act, which is an utterly different statute.

Mr. KEATING. That may be true, but it could be doubly true if the committee bill were enacted without the amendment of the Senator from Wyoming. Let me just ask one final question, if I may. I am sorry to take so much of the Senator's time.

Mr. ROBERTSON. I am sure the Senator will agree with me that once the Attorney General, under the O'Mahoney bill, had decided that a merger was no violation of the antitrust law, he would be in no position to institute further proceedings.

Mr. KEATING. At least, if I were the judge, I would not be sympathetic to his view in that regard. Suppose under the amendment calling for judicial review there is an order approving the merger. Is it intended by the amendment that the merger shall be stayed during the pendency of the review?

Mr. O'MAHONEY. Oh yes; of course.

Mr. ROBERTSON. Before yielding the floor I should like to say that I have prepared a detailed statement of my opposition to the O'Mahoney amendment. However, in order to facilitate a vote on the amendment and to end the discussion and to pass the bill, I ask unanimous consent that the statement may be printed in the body of the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ROBERTSON ON O'MAHONEY AMENDMENT

I oppose the O'Mahoney amendment. I oppose it because I think it will be disastrous—so disastrous that it will wreck the bill.

For all practical purposes, the O'Mahoney amendment would give the Justice Department a complete veto over every bank merger. The authority, subject to no standards or criteria, to require public hearings and to appeal to court, involving delays of weeks and months, would enable the Justice Department, for all practical purposes, to kill any merger.

This is far greater authority than the Department of Justice has under section 7 of the Clayton Act, where it has no authority to stop a merger before it has occurred and where it can only go into court and attempt to convince the court that the merger may substantially lessen competition in any line of commerce in any section of the country. The O'Mahoney amendment would give the Justice Department far more authority to prevent mergers in the banking field than in the case of railroads and other carriers which are exempted from the antitrust laws, and which the ICC can approve if they will not unduly restrain competition.

A fundamental change in the banking industry such as is propoesd in the O'Mahoney amendment should not be adopted lightly or casually.

Before discussing the O'Mahoney amendment in detail, I should like to repeat again that the committee bill represents a real and genuine compromise between widely different points of view.

On the one hand, there are those who strongly oppose any legislation whatever in this field. Mr. Myers, the Pennsylvania secretary of banking, testifying for the National Association of Supervisors of State Banks, conceded that many of his members would prefer to have regulation of State banks left in the hands of State authorities, though he recognized that some Federal regulation might well be inevitable.

Mr. R. E. McDaniel, the superintendent of banks of Ohio, made the following statement in his telegram to the committee:

"I am unalterably opposed to the bill in its present form giving any additional powers to the Federal supervising agencies relative to bank mergers or any other matters that would give them additional authority over State banks. These agencies' past and present policies and actions have demonstrated that any additional powers would be a direct threat to independent and dual system of banking."

On the other hand, there are those who would prohibit all bank mergers, and those who would place bank mergers under section 7 of the Clayton Act just like any industrial or commercial concern.

S. 1062 represents a reasonable compromise between these two extreme positions. It closes the gap in the antitrust laws. It closes this gap by requiring approval of bank mergers by the Federal bank supervisory authorities who are responsible for the maintenance of a sound and effective banking system in the interest of the monetary and fiscal policies of the United States. This follows the precedents established in the case of carriers by section 5 of the Interstate Commerce Act, as amended by the Transportation Act of 1920.

S. 1062 goes beyond the previous bills passed by the Senate in 1956 and 1957. It goes beyond by virtue of the Frear amendment, which makes it mandatory to get a report from the Department of Justice on the competitive factors involved in a merger, in all but exceptional emergency cases involving the probable failure of one of the merging banks. Senator DOUGLAS in his supplemental views said that this change was a vast improvement over the previous bills. From his point of view, and from the point of view of the Department of Justice, I think he was correct.

I should like to comment on a few provisions of the O'Mahoney amendment in order to show my reasons for opposing it. Some of my comments will have to be made in the form of questions, because the amendment contains many ambiguous and uncertain terms and provisions.

I

In the first place, the amendment appears to be intended to follow the standard of section 7 of the Clayton Act—but it does not do so precisely, and I do not know what

the effect of the difference is meant to be. Section 7 of the Clayton Act, as amended in 1950, prohibits a merger "where in any line of commerce in any section of the country, the effect * * * may be substantially to lessen competition, or to tend to create a monopoly."

The O'Mahoney amendment would prohibit approving a merger "where in any section of the country the effect thereof may be substantially to lessen competition, or to tend to create a monopoly."

What is the significance of the omission of the phrase "in any line of business?"

Does it mean that all banking is a single line of business—whether it is consumer credit accounts, automobile financing, home or industrial mortgages, million dollar loans to giant corporations, Christmas Club accounts or interbank deposits, etc.?

I am not sure of the effect of the omission of the clause "in any line of business."

One thing that seems clear, however—that the O'Mahoney amendment uses a different provision from that used in the 1950 Clayton Act amendment. In view of this difference, it seems difficult to argue that the amendment goes back to an old tried and true definition of "substantially" which has been interpreted again and again.

II

The O'Mahoney amendment, after this apparent reference to the Clayton Act language, goes on to set forth a number of cases where the Clayton Act language "shall not, however, be deemed to prohibit a merger." I am not sure what the effect of this language is. In the Bethlehem-Youngstown case, Judge Weinfeld said that if the effect of a merger might be to lessen competition substantially in any line of business in any section of the country, than any other considerations were irrelevant. The O'Mahoney amendment would provide for a number of specific cases where the Clayton Act should not be deemed to prohibit a merger. The O'Mahoney amendment does not provide a direct exception by way of proviso but purports to be an interpretation or explanation of the prohibitory language. Does this mean that a similar interpretation should be given to section 7 of the Clayton Act? Does this mean that Judge Weinfeld's statements were wrong?

III

The specific circumstances described by the amendment as cases where the provision should not be deemed to prohibit a merger include several of the examples listed by the American Bankers Association and Judge CELLER at the hearing as cases where it was in the public interest to have a merger, even though competition might be substantially lessened. But the cases specified in the amendment do not include all of those listed. Presumably, this means that in the cases listed in the hearings but not listed in the bill a merger cannot be approved.

One of these cases is where no adequate provision has been made for management succession. It would seem to be in the interest of the community where the bank is located to provide for continuity of banking services. Of course, if incompetent management has already taken over the bank, and even more if the incompetent management has run down the bank so badly that there is reasonable probability of ultimate failure of the bank, then the O'Mahoney amendment would permit the merger. But is it wise to require a demonstration of incompetency of management or to require that the bank be run down so far that there is a reasonable probability of ultimate failure before the merger is permitted?

Another case where a merger apparently would not be permitted is where the acquired bank is too small to meet the needs of its community by providing loans of sufficient size or by providing needed banking facilities. If, for instance, there is only one bank in a town, and its capital structure is so limited that it cannot supply the size of loan needed by business in the area, it might merge with a larger outside bank. Or if there are two or three small banks in the town, none big enough to supply the loans needed by the town's growing industries, two or more of them might merge. This is not an academic situation. At page 417 of the report on "Financing Small Business" prepared by the Federal Reserve System for this committee, the statement is made that one-third of the smallest banks cited the legal loan limit to a borrower as a frequently occurring reason for rejection of small business loans.

It should be unnecessary to remind the Senate that the making of loans is one of the prime functions of a bank, one of the ways in which banks can contribute and should contribute to the growth and development of the country and the growth and development of business, big and small. It is true that when a bank makes a loan, it receives interest and thereby makes a profit. This is good for the bank. But a business firm which borrows from a bank ordinarily makes a profit even larger than the amount of interest it pays to the bank. Otherwise, it would not wish to borrow. And this profit, made by a business borrowing from a bank, is one of the ways that business and similar businesses and the entire country grows and prospers.

IV

Even if all of the situations specified at the hearings as justifying mergers even though competition might be substantially lessened had been spelled out in the O'Mahoney amendment, it would still be a misconstruction of the testimony. In every case where these situations have been listed, they have been listed as examples and not as all inclusive lists. In House Report No. 1417, 84th Congress, to accompany H.R. 5948, a report from the Judiciary Committee on an amendment to the Clayton Act, Congressman RODINO said at page 5:

"In addition to the acquisition of a bank which otherwise would be faced with the possibility of failure, there are other circumstances in which, from a banking standpoint, the acquisition of a bank by another bank may be desirable; as, for example * * *."

Congressman CELLER at the hearings on S. 1062, at page 98, said:

"In addition to the acquisition of a bank which otherwise would be faced with a possibility of failure, there are other circumstances in which, from a banking standpoint, the acquisition of a bank by another bank may be in the public interest. For example * * * these various situations are illustrative of the circumstances where the consummation of the transaction would not be contrary to the public interest and not be banned under the 'substantially' test. However, should there be any doubt in this respect, I would recommend that the report of this committee on the proposed legislation make this crystal clear."

The American Bankers Association in giving their examples stated:

"Moreover, there are certain circumstances in which bank mergers may substantially lessen competition and yet be desirable in the interest of the public and sound banking, such as the following practical examples."

V

Since these examples were given as examples where administrative discretion should be applied, either through use of the "unduly" test of S. 1062 or by interpretation as Congressman RODINO and Judge CELLER recommended, these situations were not expressed in what might be considered legislative terms. For example, what is a "small town"? An exception for banks "in a small town" would not be easy to apply. In addition to the question of size of a town, would it make any difference if the small town were a suburb of a large city or near a large city? I can imagine years of acrimonious debate before judicial interpretation of the expression "in a small town" was finally worked out.

VI

The O'Mahoney amendment provides that if either or both of the other banking agencies or the Attorney General disapproves the application within 30 days, there must be a hearing, to be held not less than 10 nor more than 30 days after the notice. At this hearing, all interested parties must have a reasonable opportunity to testify. The decision must be made on the basis of the record made at such hearing. This order may be appealed to the Court of Appeals for the District of Columbia by any party adversely affected or by the Attorney General within another 30 days.

It is not clear what this hearing is meant to cover. The views of the other banking agencies are intended to relate to such question. Apparently this means the competitive aspects of the merger, though this is not clear. The Attorney General's report is limited to the competitive factors involved in the merger. This is true whether the merger in question comes within or outside of the specific exceptions provided. In other words, the Attorney General, who reports only on the competitive factors involved in the merger, may apparently disapprove the application on the basis of banking factors relating to the adequacy or competency of management or the adequacy or soundness of a bank's assets. This may not be intended. It may be that the disapproval can only be on the basis of competitive factors.

Any hearing held under these circumstances might well lead to the destruction of one or more of the banks. Any interested party must have a reasonable opportunity to testify. No doubt this would include competing banks who might be glad to testify on the management, the capital, the assets, and the competitive practices of its rival. No doubt, also, all interested parties would include present or prospective depositors and borrowers, for example, borrowers who were being foreclosed, or would-be borrowers who had been turned down. Presumably, any of these people might be parties adversely affected and could, therefore, appeal to the court of appeals.

Since the application must be granted or denied on the basis of the record made at the hearing, the hearing must be full and complete. The examiners' reports on the subject of the soundness of the bank's assets or the adequacy and competence of the bank's management would have to be included in the public record. Examiners' reports consist of much of the same kind of material as FBI field reports—the same confidential opinion evidence concerning individuals, their character, ability, financial position, and the like. Most of the objections to making public FBI reports would apply to making public bank examiners' reports. In addition, there is the danger that the release of examiners' reports concerning the soundness of a bank's assets or its future earnings prospects, or the giving of testimony on these subjects by a competitor or a disgruntled would-be borrower might have very unfavorable effects upon its standing and financial soundness.

Industry witnesses at the committee hearings on S. 1062 did not testify in favor of hearings on applications for bank mergers. The American Bankers Association testified and made no such suggestion. The American Bar Association testified and made no such suggestion. Mr. Ben DuBois, of the Independent Bankers Association, testified and made no such suggestion. Mr. Harry

J. Harding, honorary president of the Independent Bankers Association of the 12th Federal Reserve District, sent in a written statement for the record and no suggestion of hearings was made in that statement. The supervisory authorities—the Comptroller of the Currency, the Federal Reserve Board, the Federal Deposit Insurance Corporation, and a representative of the National Association of Supervisors of State Banks all testified and none of them suggested hearings. The only witness before the committee who suggested hearings was Judge CELLER. The statement submitted by the Justice Department suggested hearings, by cross-reference to the Bank Holding Company Act.

On the basis of this complete lack of evidence from the industry showing any need for hearings or any desire for hearings, the committee did not recommend them, and the supplemental views filed with the report did not suggest hearings.

I urge the Senate to reject the O'Mahoney amendment. Instead, I recommend strongly that the Senate pass the sound, workable compromise bill which was reported out by the Banking and Currency Committee. This will enable us to have effective regulation of all bank mergers under uniform standards including both banking and competitive factors.

Mr. PROXMIRE. Mr. President, I too hope that we may vote as soon as possible. However, I have waited since 3 o'clock to speak, and I have a relatively brief statement which I feel very strongly I should make.

I rise in support of the amendment offered by the distinguished Senator from Wyoming. It is an excellent amendment.

I differ with some of the opinions which have been offered today. The bill takes a long step and a good step in the right direction. However I believe it could be improved. I agree with the suggestion of the Senator from New York [Mr. JAVITS], that if the present amendment does not succeed, he will try to improve the bill. His is a good amendment, and I shall support the Senator from New York, if necessary. But the O'Mahoney amendment is the strongest antimonopoly amendment available to us today.

I wish to stress how important a good, strong antimerger and antimonopoly bill is. I feel that the case which has been made by the Senator from Wyoming is an excellent case. Senators who really believe in stopping the monopolistic control of banking by a smaller and smaller group of banks should vote for the amendment offered by the Senator from Wyoming.

I should like to relate what has happened in the past few years with respect to banking in this country. On page 90 of the committee hearings, it is stated that "the banking population of our country is at a 35-year low, despite the postwar boom, despite the 286 percent growth in bank assets, despite the new high level of loans and deposits, despite the greatly increased use made of banking services, and despite the enormous growth in the number of depositors."

At page 91, it is shown that New York City now has only 56 commercial banks, whereas at the opening of the century it had 127. It states further:

Further, the city's four largest banks control 61 percent of all deposits, whereas in 1900 the four largest had only 21 percent of the total deposits.

Although New York is the leading financial center in this country, concentration of financial power is prevalent throughout America according to a mountain of incontrovertible evidence brought forth in the hearing.

There is overwhelming evidence in the hearings to support my reason for favoring the amendment offered by the Senator from Wyoming. It shows why it is so important to arrest the concentration of financial power.

Thus, as banks have grown larger, they have tended to have fewer dealings with smaller businesses. This is not simply an assertion; it is a fact. A study conducted by the Federal Reserve Board several years ago showed that the very large banks having deposits of $500 million or more had the smallest number of loans with small businesses of all classes of banks, the next to the lowest dollar volume of loans with small business, and the smallest percentage of dollar volume of all loans with small business.

Also, the fact is that the reduction in the number of banks will not result in a combination of the smaller, weaker banks. I think the experience to date proves this. The overwhelming experience has been that the banks which have been absorbed in merger activities during the past few years, have not been, for the most part, financially weak; they have been the stronger banks, the larger banks. The remarks made in the Senate today have emphasized that point over and over again.

The senior Senator from New York [Mr. JAVITS] said that the Attorney General has acted in these cases in the past. I think that is an interesting statement. He cited one example. I think there may be two or three others over the past 20 or 30 years. To be sure, they are very few. In the period 1950 through 1958, there have been approximately 1,330 bank mergers. How often has the Attorney General acted? Twice, maybe three times.

Unless we have a strong, effective bill of the kind which the amendment offered by the Senator from Wyoming would provide, there will be a continuation of the merger process.

The Senator from Virginia in his excellent speech last night gave as the principal reason for opposing the amendment, as I read the speech—and I read it very carefully—that "unlimited and unrestricted competition in banking is just not possible." He said:

We have had too many panics and banking crises and bank failures, largely as the result of excessive competition in banking, to consider for a moment going back to the days of free banking or unregulated banking.

Then the Senator from Virginia quoted Mr. Berle along the same line:

A bank failure is a community disaster, however, wherever, and whenever it occurs. * * * The economic and social premises of the Sherman Act in respect of other businesses are not fully accepted by the Congress, the States, or the public as the only considerations applicable to deposit banking.

Mr. President, there has not been a bank failure for a long time. There have been some bank liquidations, but they have been caused by embezzlement.

Mergers could not do anything to prevent them. There is no longer a real problem concerning bank failures. The distinguished Senator from Wyoming foresaw that possibility by providing in the amendment that if it is necessary for banks to combine in order to prevent failures, such combinations may be made.

The other point which the Senator from Virginia raised, and raised with great effect, is that banking is different from industrial business. Banking is different from the automobile industry. It is a regulated industry; therefore, it takes on some of the cast of a utility.

It seems to me that that argument does not have substantial merit, because the distinctive feature of regulated utilities, and the reason why they can be permitted to operate as monopolies, is that the rates which they charge the public are regulated, fixed, established, and limited by law. Of course, there is no provision of law to limit the charges which a bank makes to the public. There is no provision of law which limits its interest rates. Banks are free to compete among themselves. Their interest rates vary from bank to bank. Because they have that freedom, it seems to me the analogy of saying that a bank is a utility, and that therefore it can and should combine and should be permitted some degree of concentration, falls to the floor.

I wish to emphasize what has already been emphasized two or three times. I think it is hard to resist this point. That is, the agency of the Government which is most responsible for the enforcement of the antitrust laws, the Department of Justice, through the Attorney General, supports the amendment of the Senator from Wyoming, and does so emphatically in this language. I shall read one short paragraph from the letter of Deputy Attorney General Lawrence E. Walsh in support of the amendment:

I believe your amendment contains adequate competitive safeguards while assuring at the same time certain flexibility for the asserted needs of the banking field. I believe its enactment would promote competition in banking which is so vital to growth of new and small business.

Finally, Mr. President, on page 96 of the hearings, the Comptroller of the Currency, who has had great experience with this matter, supports at least an important part of the position taken by the Senator from Wyoming, when he says:

We have no objection to the principle that the acquisition by one bank by another through purchase, merger, or consolidation should not be permitted if the effect of the acquisition—

Listen to this—

may be substantially to lessen competition. It is no less important to have competition in banking, when this can be done soundly, than it is in other fields of commerce and industry.

Mr. President, I earnestly hope the amendment offered by the Senator from Wyoming will be adopted.

Mr. ROBERTSON. Mr. President, before I suggest the absence of a quorum, I ask unanimous consent that after the call of the Senate has been concluded, we vote immediately on the O'Mahoney amendment.

Mr. O'MAHONEY. I agree to that request. I hope it will be granted.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERTSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. RANDOLPH in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. O'MAHONEY. Mr. President, now that unanimous consent for a yea-and-nay vote on the O'Mahoney amendment has been obtained let me inquire whether the Senate is now to proceed to vote without having a quorum present.

Mr. MANSFIELD. Some Senators are on their way to the Chamber from the New Senate Office Building. Furthermore, other amendments to the bill remain to be considered; and there is also a possibility that the vote by which the Senate agreed to the conference report on the supplemental appropriation will be reconsidered. I believe all that is understood. Furthermore, if consent is given to rescind the order for the quorum call, the taking of the yea-and-nay vote on the question of agreeing to the O'Mahoney amendment will require some time; and during that period of time, Senators who are not now in the Chamber will have an opportunity to arrive in the Chamber before the vote is concluded.

Mr. ROBERTSON. Mr. President, I understand that the agreement was that, regardless of the presence of a quorum, the Senate would proceed at once to take a yea-and-nay vote on the question of agreeing to the amendment of the Senator from Wyoming.

Of course, if some Senators are not now in the Chamber, but are on their way here via the tramway, if they have not arrived after the roll has been called and after the vote has been recapitulated, Senators who then are present can—by inquiring how their votes have been recorded—afford Senators who then are absent time to reach the Chamber and vote before the result is announced.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The Chair is advised by the Parliamentarian that the quorum call was in progress, and the Chair is also advised that agreement was reached to have the Senate vote at this time on the amendment of the Senator from Wyoming.

Without objection, the order for the quorum call is rescinded.

The question is on agreeing to the amendment submitted by the Senator from Wyoming [Mr. O'MAHONEY]. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLARK (when his name was called). On this vote, I have a pair with the junior Senator from Idaho [Mr. CHURCH]. If the Senator from Idaho were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Accordingly, I withhold my vote.

The legislative clerk resumed and concluded the call of the roll.

Mr. MANSFIELD. I announce that the Senator from Idaho [Mr. CHURCH], the Senator from Tennessee [Mr. GORE], the Senator from Texas [Mr. JOHNSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Utah [Mr. Moss], and the Senator from Mississippi [Mr. STENNIS] are absent on official business.

I further announce that, if present and voting, the Senator from Mississippi [Mr. STENNIS] would vote "nay."

Mr. KUCHEL. I announce that the Senator from Idaho [Mr. DWORSHAK] and the Senator from Massachusetts [Mr. SALTONSTALL] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Arizona [Mr. GOLDWATER], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is detained on official business.

On this vote, the Senator from Wisconsin [Mr. WILEY] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from Wisconsin would vote "yea," and the Senator from Arizona would vote "nay."

If present and voting the Senator from Kentucky [Mr. MORTON] would vote "nay."

The result was announced—yeas 29, nays 55, as follows:

YEAS—29

Bartlett	Jackson	Morse
Carroll	Kefauver	Murray
Case, S. Dak.	Langer	Neuberger
Chavez	Long	O'Mahoney
Dodd	McCarthy	Pastore
Douglas	McGee	Proxmire
Green	McNamara	Smathers
Gruening	Magnuson	Yarborough
Hart	Mansfield	Young, Ohio
Humphrey	Monroney	

NAYS—55

Aiken	Ellender	Martin
Allott	Engle	Mundt
Anderson	Ervin	Muskie
Beall	Frear	Prouty
Bennett	Fulbright	Randolph
Bible	Hartke	Robertson
Bush	Hayden	Russell
Butler	Hennings	Schoeppel
Byrd, Va.	Hill	Scott
Byrd, W. Va.	Holland	Smith
Cannon	Hruska	Sparkman
Capehart	Javits	Symington
Carlson	Johnston, S.C.	Talmadge
Case, N.J.	Jordan	Thurmond
Cooper	Keating	Williams, N.J.
Cotton	Kerr	Williams, Del.
Curtis	Kuchel	Young, N. Dak.
Dirksen	Lausche	
Eastland	McClellan	

NOT VOTING—14

Bridges	Dworshak	Hickenlooper
Church	Goldwater	Johnson, Tex.
Clark	Gore	Kennedy
Morton	Saltonstall	Wiley
Moss	Stennis	

So Mr. O'MAHONEY'S amendment was rejected.

Mr. ROBERTSON. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. BUSH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERTSON. Mr. President, I ask Members of the Senate if they will be kind enough to remain for about 10 minutes, so that an amendment can be disposed of by a voice vote. We will not ask for a yea-and-nay vote on the bill.

Mr. LONG. Mr. President, lest there be a misunderstanding, there will be a vote tonight on the issue of whether the Army is to be maintained at a strength of 900,000 and the Marine Corps at a strength of 200,000. That issue will come upon a motion to ask for a further conference with the House by reconsidering the vote by which the conference report on the second supplemental appropriation bill was agreed to.

It is my intention to have the Senate go on record as to how it feels about these cutbacks, and about the administration's taking the money which was provided for the Marine Corps and the Army and using it for other purposes, thereby slashing our defensive strength.

Senators can vote as they desire, but I think they should be on notice that they will go on record.

Mr. MANSFIELD. Mr. President, it is my desire to cooperate with the Senator from Louisiana and to state that at the conclusion of action on the pending bill, the Senate will take up the motion of the Senator from Louisiana, and have a yea-and-nay vote. I am glad that the Senate has been so notified.

Mr. DIRKSEN. Mr. President, for the information of the Senate, when we considered the conference report on the second supplemental appropriation bill this afternoon, there was considerable discussion, but the conference report was agreed to, and, likewise, everything in cennection with it. It was at that point, after some discussion, that the distinguished Senator from Louisiana submitted his intention to offer a motion to reconsider.

At that time I offered a motion to table the motion to reconsider, but actually the motion to reconsider was not yet before the Senate because the Senator from Wyoming had not yielded for that purpose. So, by general agreement, there will be an hour of discussion after we finish action on the pending bill, to be equally divided.

As for myself, I see no reason why we should take time particularly, because we have discussed the level of the Armed Forces, the question of the research on humane slaughter, and other items, some of which were taken back and on which the House gave a separate vote, and others on which the Senate conferees took a position whereby they let the House assert its will. That is the matter which the distinguished Senator from Louisiana wants to discuss.

I hope we can conclude the discussion within 30 minutes, if the time is going to be used on the side of the proponents. We on this side do not have much to say, and I am ready to see the matter go to a vote. My best guess is that we should be able to vote about 6 o'clock.

The PRESIDING OFFICER. The Chair would like to inquire whether there has been a unanimous-consent agreement to limit debate to 1 hour with respect to the matter to which the Senator has referred.

Mr. DIRKSEN. Mr. President, that was done by private agreement of the parties concerned, I believe.

Mr. MANSFIELD. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that with respect to the motion of the Senator from Louisiana [Mr. LONG] 1 hour of time for debate be allotted, to be equally divided, at the conclusion of which there will be a yea-and-nay vote on the Senator's motion.

Mr. LONG. Mr. President, reserving the right to object—and I shall not object—I should like to make it clear that the junior Senator from Louisiana wanted to know about the conference report. He was in the Committee on Foreign Relations, and meanwhile people were trying to find him. He rushed up to the Chamber in a foot race, as fast as he could, to find that the conference report had been agreed to.

There is one rule I spoke of this morning, in connection with another matter, which is the rule of fair play. That is a rule which is not in the Senate book of rules. If something slips through when a Senator who is interested in it has no chance to be present to express himself, there at least ought to be provided a chance to have a vote, so that he can express his viewpoint.

I am frank to say the parliamentary situation is such that when this is all over a motion to table would not be in order. I would not have to make my motion to reconsider until I finished all the oratory I had in mind for my side.

I am willing to enter into an agreement that we have an hour for discussion, to be divided a half hour to each side. We will be short of time, I know, but with the Senators here to listen to the debate, we should be much better off than we would be if we spent 5 or 6 hours discussing the issue in an empty Chamber.

The PRESIDING OFFICER. The Chair would like to have a clarification of the unanimous-consent request. Is the request that the motion to reconsider, after being taken up, will be debated for 1 hour before the motion to table is made?

Mr. LONG. Mr. President, will the Senator designate who will control the time?

Mr. MANSFIELD. The time would be divided between the chairman of the committee and the junior Senator from Louisiana.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and the unanimous-consent request is agreed to.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from New York. As I understand, the Senator desires to speak about the amendment.

Mr. JAVITS. I should like to refer to the comments made by the chairman of the committee. I should like to have the attention of the Senator from Virginia.

Mr. ROBERTSON. Yes.

Mr. JAVITS. Do I correctly understand that the amendment to which the Senator referred, which will call for a division vote, is an amendment I will offer to change the word "unduly" to "substantially," rather than the amendment which will soon be offered by the Senator from Alabama?

Mr. ROBERTSON. The Senator is correct.

Mr. JAVITS. I thank the Senator.

Mr. SPARKMAN. Mr. President, for myself, the Senator from Pennsylvania [Mr. CLARK], the Senator from Illinois [Mr. DOUGLAS], the Senator from New York [Mr. JAVITS], the Senator from Maine [Mr. MUSKIE], and the Senator from Wisconsin [Mr. PROXMIRE], I send to the desk an amendment to the pending bill and ask that it be stated. The amendment represents a working out of language which I had given notice I was going to propose and language which other Senators whom I have named had proposed to offer.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 3, line 9, after the period it is proposed to insert the following:

The Comptroller, the Board, and the Corporation shall each submit to the Congress a semiannual report with respect to each merger, consolidation, acquisition of assets, or assumption of liabilities approved by the Comptroller, the Board, or the Corporation, as the case may be, which shall include the following information: The name of the receiving bank; the name of the absorbed bank; the total resources of the receiving bank; the total resources of the absorbed bank; whether a report has been submitted by the Attorney General hereunder; and if approval has been given, a summary of the substance of the report made by the Attorney General, and a statement by the Comptroller, the Board, or the Corporation, as the case may be, in justification of its findings.

Mr. SPARKMAN. Mr. President, I yield to the distinguished chairman of the committee, the Senator from Virginia.

Mr. ROBERTSON. Mr. President, this amendment was not proposed in the committee and was not discussed in the committee. Therefore, the chairman is unable to act on behalf of the committee with respect to the amendment.

As the chairman understands the amendment, it provides that the bare, essential facts with respect to the mergers are to be reported semiannually to the Committees on Banking and Currency of the House and Senate. It will be necessary to give the names of the banks and the assets.

So far as the report of the Attorney General is concerned, with respect to the competitive situation, the report would not go into any great details which could substantially hurt the merged bank after it has been merged. The report would provide whatever the agency handling the merger thought was a summary of the essential part of the Attorney General's report, if there were a question of to some extent lessening competition.

As the chairman understands the amendment, it would make a record which people would need to have and should have about the mergers, since there have been a lot of them, but without including detailed information which might be very damaging to the merged banks, which some have wanted to put in. Under those circumstances, the chairman would not voice any personal objection to the amendment.

Mr. SPARKMAN. I believe the language of the amendment is clear. It provides for a summary of the substance of the Attorney General's report. Certainly we would not want anything in the bill that would be harmful to the merged bank.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CLARK. I believe that those of us who sponsor this amendment are desirous of seeing to it that the finding or opinions of the Attorney General which deal with the detailed aspects of proposed mergers should be available to the Congress in the form of semiannual reports. We have no interest in making public all kinds of information about the bank's condition, its officers, assets, or anything which might be detrimental to the bank. We do feel that, as a matter of policy, the determination of the Attorney General with respect to the detailed aspects of the proposed merger is something with which the Congress should be familiar.

Mr. SPARKMAN. I believe the statement of the distinguished Senator from Pennsylvania is a fair statement.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CARROLL. As I understand, the Attorney General's report would be submitted as a sort of post mortem, or post-audit of the merger. Is that true?

Mr. SPARKMAN. No. The bill directs the banking agencies, before the merger is effected—except in emergency cases—to obtain a report from the Attorney General. So I would not call such a report a postaudit or post mortem. This amendment directs that summaries of these reports must be sent to the banking and currency committee.

Mr. CARROLL. What is the purpose of the report of the Attorney General?

Mr. SPARKMAN. In order to advise the banking agencies and the Congress as to what the Attorney General thinks about the competitive factors involved in the merger. We feel that the effect on the banking agencies would be help-

ful. If the Attorney General stated that the proposed merger would be clearly violative of law, aside from the factor of competition, that information should be available. We realize that any merger has some effect on competition; but the question would arise as to whether it would have a harmful effect, to the extent that it should be denied. The Attorney General's report would certainly indicate those factors to the banking agencies. Then it certainly could not be said afterward that they did not know the facts.

Mr. CARROLL. I know the Senator's amendment is designed to strengthen the bill. The thought occurred to me that if the Attorney General's report is subsequent to a merger, its value may be questionable.

Mr. SPARKMAN. It would not be subsequent to a merger, except in an emergency case. I am sure the Senator from Colorado realizes that there may be emergency cases, in which action must be taken quickly in order to prevent failure of the bank. We would call such a case an emergency case. However, in other cases the Attorney General's advice must be sought before the merger is effected.

Mr. CARROLL. This report is made to whom?

Mr. SPARKMAN. To the three banking agencies, the Comptroller General, the Federal Reserve Board, and the Federal Deposit Insurance Corporation.

Mr. CARROLL. I believe this discussion is helpful to the Senator from Colorado, and to other Members of the Senate.

Would the advisory opinion be binding in any way?

Mr. SPARKMAN. It would not be binding; but certainly the banking agencies could not say, if they approved a bad deal, "We did not know the facts."

Mr. CARROLL. Would the amendment prevent the Attorney General from proceeding if he desired to proceed?

Mr. SPARKMAN. The Senator from Virginia [Mr. ROBERTSON] well explained the situation this afternoon. If I may summarize what he said, this provision would take away from the Attorney General no power which he has at the present time.

Mr. CARROLL. The requirement of reports would constitute a warning system.

Mr. SPARKMAN. Exactly.

Mr. CARROLL. It would raise a red flag for the banking agencies.

Mr. SPARKMAN. The Senator is correct. And the amendment requires the agencies to report to the Congress twice a year.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. ROBERTSON. Elaborating on the suggestion that the provision would take from the Attorney General no power which he now has, if in his official capacity he submits a report to anyone, he has the right to make the report public. We are assuming that if such action would harm the merged banks, he would not do so.

Mr. SPARKMAN. That is true. A report would be made by the banking agencies to the Congress twice a year.

Mr. CARROLL. Mr. President, will the Senator further yield?

Mr. SPARKMAN. I yield.

Mr. CARROLL. If the Attorney General makes such a report, is it to be made available to the public? If there is a report adverse to the merger, will the public be given that information?

Mr. ROBERTSON. Mr. President, may I answer that?

Mr. SPARKMAN. I yield.

Mr. ROBERTSON. The Attorney General has many confidential files, including those of the FBI and others. There is confidential information in the hands of bank examiners about the condition of banks and the management of banks. Such information would enter into the question of whether a merger would be in the public interest. Under this bill we are not proposing to make such confidential information available to the public.

Neither do we expect to require the Attorney General to make available to the public any report he makes, although he has the privilege, if he makes a report under the terms of the bill, to give all the details to the public. Thus far we are proposing only that he make available to us, through the banking agencies, a summary of the substance of his opinion, which we can release to the public.

Mr. SPARKMAN. Such reports by the agencies to Congress would be made semi-annually.

Mr. ROBERTSON. In committee we discussed the possibility of the merger of two banks in the same community, one of which was well managed, and the other not well managed, and weak in capital. It would be in the public interest that they be merged. Otherwise the weak bank might eventually go under.

When they merge, technically, competition is lessened; but under the terms of the bill as written, it would not be construed to be unduly lessened, if the supervising agency controlling the merger decided that the benefits to the public would outweigh the question of competition. In such a case we would not want to publish information to the effect that a certain bank was in bad financial condition, that the management was poor, and so forth.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CARROLL. I believe the Senator from Virginia misconceives the purpose of my question. The Attorney General is now entitled to make available the substance of the report. Let us assume that the substance of the report is against the proposed merger. In such a case as that described by the Senator from Virginia, commonsense dictates that the information be kept secret. But suppose the Attorney General is opposed to a merger which is against the public interest. Should that information be kept secret? Are we not now going through a period when we are confronted with questions of legislative and executive privilege? Are we now about to legislate another type of secrecy?

Mr. SPARKMAN. We are not saying that the Attorney General shall not make such information public. What we are saying is that twice a year the two banking committees of Congress must be given the facts relating to mergers by all the agencies. The Attorney General does not give the information to us directly, but the three banking agencies concerned must include in their reports a summary of the substance of the findings of the Attorney General.

Mr. CARROLL. I was under the impression that, except in the emergency cases which the Senator from Virginia has described, such information would be made public. I understand the situation which would exist in an emergency case such as that described. It is only common sense to keep such information secret. I was thinking of a case in which, prior to the merger, the Attorney General might report to the agencies involved, setting up a red flag of warning. Is there any reason why that report should not be made public?

Mr. SPARKMAN. There is nothing to prohibit it.

Mr. CARROLL. That is what I want in the RECORD. The Attorney General would use some discretion. We are not trying to hide or cloak anything.

Mr. SPARKMAN. There is not a single word to prohibit making public anything that should be made public. We require only semiannual reports. I believe the Senator will agree that that is a reasonable requirement. Such reports would set up a red flag in some instances.

Mr. CARROLL. Let us not surround these operations with secrecy.

Mr. SPARKMAN. There is not a word in the bill which would require secrecy, or condone it in any way.

We simply say nothing about it.

Mr. CARROLL. Does the distinguished Senator from Virginia agree with that concept?

Mr. ROBERTSON. He does.

Mr. CARROLL. I believe we have made a good record on the issue. I appreciate very much the comments of the distinguished Senator from Alabama.

Mr. SPARKMAN. I thank the Senator. I believe that the series of amendments which have been written into the bill have helped us frame a good measure, and I believe we are now writing a bill which we can hope to have enacted. I ask for a vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, line 15, it is proposed to strike out "unduly" in both places where it appears and insert in lieu thereof "substantially."

Mr. JAVITS. Mr. President, the purpose of the amendment is to conform the bill to the Clayton Act. That is one of the purposes which was sought to be attained by the O'Mahoney amendment. However, the O'Mahoney amendment had so much else in it that many of us voted against it. There are two things that I believe—and have argued for in the discussion—should be incorporated in the bill. I proposed my amendment in committee, where, if my memory serves me, the amendment failed by a very narrow margin—I believe by only one vote.

The two things that should be contained in the bill are, first, notice. We have added that in the amendment offered by the Senator from Alabama, which was adopted. The other is definition.

The word "unduly," even though it does occur in the definition of competition in the Interstate Commerce Act, is not a word of art which has been very widely construed in terms of the kind of commercial activity which is represented by banking.

If we do what I suggest, and substitute for the word "unduly" the word "substantially," we shall have a uniform definition both in the Clayton Act and in the pending bill.

I now state the clinching point, as I see it. If this bill were mandatory upon that score, and provided that where there is substantially a lessening of competition, the merger must be rejected, then there might be made the argument that, because of the peculiar institutions which constitute banks, in peculiar situations in different communities, and the possibility of the absolute need for a merger or consolidation, even if competition is substantially lessened, we should not have the same definition.

However, I point out that the words in the bill are very clear that the controlling agency over bank mergers is not bound to apply this standard so as to reject a merger; it is only bound to consider the standard.

I call attention to the fact that on page 2, line 10, the bill expressly states "shall consider the factors enumerated in section 6 of this Act."

Therefore it seems to me that when we write in this provision, which will make this bill analogous to the Clayton Act, and we do not make it mandatory upon the regulatory agencies, we are at one and the same time carrying through a standard which gives the Attorney General freedom to proceed, if he is so advised, under a Clayton Act action; and it also provides a guidepost to the regulating agency which is very well understood and very well defined, instead of a guidepost which is relatively undefined and relatively new within the context of commercial transactions.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to the Senator from Pennsylvania.

Mr. CLARK. I should like the RECORD to show that, as one of the four members of the committee who favored the insertion of the word "substantially" in place of "unduly," I shall support the amendment offered by the Senator from New York.

Mr. JAVITS. I thank my colleague from Pennsylvania.

I call attention to the bottom of page 22 of the report which, in explaining the word "unduly," reads as follows:

> The word "unduly" is used in the bill to make clear the intention that the effect of any lessening of competition or tendency to monopoly which may be found by the agency should not be used as a controlling or determinative factor in and of itself.

Mr. President, I point out that neither would the word "substantially" be used as a controlling guide or determinative factor in and of itself. However, it will be a guide which is well defined and well understood within the context of the Clayton Act; and will also implement our assertion that we shall leave the Attorney General completely free and in no way inhibit him by the bill.

Therefore, if we have the same standard applied by the controlling agency which the Attorney General must also apply, we leave the Attorney General in the freest possible position to proceed in a situation in the way which he believes is necessitated.

We also go a long way in answering the fears of at least a respectable proportion of our colleagues who decided to vote in favor of the O'Mahoney amendment despite its complications, because they wanted to give the Attorney General a strong position with respect to blocking any one of these mergers.

We are proceeding in the public interest, as we should, especially as this is not absolutely binding on the regulatory agency, but only gives it a standard which it must consider.

Therefore, I hope very much, that in order to complete a reasonable tightening of the bill, already initiated by the acceptance of the Sparkman amendment, we may adopt this amendment as well.

Mr. ROBERTSON. Mr. President, with all due deference to the view of the distinguished Senator from New York, an able lawyer and former distinguished Attorney General of his State, that the word "substantially" is well known and well defined, and has been frequently interpreted by the courts, I agree that the courts always say, whenever they find a company guilty of violating the Clayton Act, that it was substantially lessening competition, or words to that effect, but I think the courts seldom if ever say just how big or how long or how broad "substantially" is. There is a general impression, however, that the word "substantially" is a term of closer and more restrictive meaning than "unduly." And "substantially" does give the meaning of a weight of good and bad factors, as does "unduly." Hence the attorneys for the Federal Reserve Board, who helped draft the bill, chose the word that we have in the bill, namely, "unduly."

Then before our committee the word was discussed and endorsed by all the banking agencies of the Government—the Treasury Department, the Comptroller of the Currency, FDIC—and also by representatives of the American Banking Association. All of them agreed that this should be the language that we should use. It was decided that we should use "unduly" and not substantially."

I call the attention of the Senator from New York to the fact that he has picked up just one word out of the O'Mahoney amendment. It was stated that the word "substantially" would not apply to four cases, and they were enumerated. The American Banking Association cited some more cases, which were not included in the Senator's exemption. There are four or five other cases where the word should not be used.

The distinguished Senator from New York voted against the O'Mahoney amendment because, he said, it was too strong and it practically put complete control over mergers in the hands of the Attorney General, excepting in these instances.

It is proposed now, after all the witnesses have testified before our committee—including the experts of the Federal Reserve, who drafted the bill—to go back and insert the word which the Attorney General has been trying to get into the bill, because it conforms to the language of the antitrust law. I read from the testimony of Mr. CELLER. I was examining him, and I said:

> Let me get a little later citation of "unduly." On January 12, 1959, you introduced H.R. 257 implementing the criminal laws relating to bribery, graft, and conflict of interests in Government employees and to protect ethics in Government. I notice there on page 2 one of the things that you prohibited was to "become unduly involved, through frequent or expensive social engagements, with any person outside of the Government," and so forth and so on.
>
> Is there any difference between your "unduly" and my "unduly"? That is a sort of a recent "unduly," is it not?
>
> Mr. CELLER. I think there is a vast difference between that "unduly" and what you use.
>
> The CHAIRMAN. Everybody knows what you mean; when I use it nobody knows what it means.

That was the way we ended the discussion on "unduly." He had used it in one bill, and everybody knew what he meant; but when I used it in my bill, nobody knew what I meant. [Laughter.]

I call attention to the fact that this is not my language; this is the language of the banking agencies of our Government, not the Attorney General. When I wired him that I was surprised that he had injected his view as he did, although when I had given him the opportunity to testify he only sent me a copy of what Mr. Brownell had said 2 years ago, he said he would be glad to cooperate, but that he would not submit an amendment.

Then he wrote a letter to the distinguished Senator from Wyoming, stating how clearly and well understood the word "substantially" is, and what a mess we would make if we used the word "unduly."

With all deference to the Senator from New York, who wants us to reject the views of everyone who has been connected with the bill, including his own committee, and to take the advice of the Attorney General and to change the lan-

guage by substituting "substantially" for "unduly," I challenge him to give a satisfactory definition of "substantially" and a single case in which any court has specifically defined the term. I do not mean a case in which a court has used the word, but a case in which a court has defined exactly what "substantially" means.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. JAVITS. I think the Senator from Virginia is not taking into consideration the fact that there is an enormous body of case law on "substantially" which implements the law and helps any regulatory agency to determine what it is supposed to do and what criteria to follow in its judgment.

When the Senator asks if I can cite him a case which precisely defines "substantially," I can give him a hundred cases which have defined it, but the Senator may not be satisfied that they are precise enough. The O'Mahoney amendment was mandatory. The O'Mahoney amendment provides that the regulatory agency "shall." That was the wording of the amendment. I call the attention of the Senator to page 6, line 1:

> The regulatory agency shall not grant consent where it finds competition has been substantially lessened.

On the other hand, the bill which we are now considering provides—and again the words of the bill are before us, on page 2, line 13—"the appropriate agency shall also take into consideration."

I agree that we should not make the language mandatory. We cannot think of all the exceptions which ought to be made if the language is mandatory. With all respect for the Senator from Wyoming, I do not think he thought of all the exceptions. I voted against his amendment.

When we establish the criteria of judgment, we should use the word of art which is most used and is well established in the antitrust laws, and which is the word which will be used, in turn, by the Attorney General of the United States if he decides to sue.

Mr. ROBERTSON. Mr. President, we are unduly delaying the Senate. I want to justify the use of the word "unduly." I feel that I have not cited sufficient authority. So I go to the best lawyers in the Nation, who are members of the house of delegates of the American Bar Association. I am certain the Senator from Wyoming [Mr. O'MAHONEY] is a member of the American Bar Association, as is, also, the Senator from New York [Mr. JAVITS]. The house of delegates of the American Bar Association adopted a resolution, which provided:

> *Resolved,* That the American Bar Association recommends to the Congress that, instead of legislation amending section 7 of the Clayton Act by extending the asset provisions to banks, banking associations, and trust companies, legislation be enacted amending the Federal Deposit Insurance Act by prohibiting the merger or consolidation of any insured bank with any other insured bank, or the acquisition of the assets of or assumption of the deposit liabilities of any other insured bank without the prior written consent of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, or the Federal Deposit Insurance Corporation, depending upon the status of the resulting, acquiring, or assuming bank as a national bank, a State member bank, or a nonmember insured bank.

That is exactly what the bill does, and is what the American Bar Association asked us to do. The paragraph ends as follows:

> And providing that the appropriate agency shall take into consideration whether the effect of the merger, consolidation, acquisition, or assumption may be to lessen competition unduly or to tend unduly to create a monopoly.

Mr. President, I rest my case on the resolution of the American Bar Association.

Mr. JAVITS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CANNON in the chair). Without objection, it is so ordered.

Mr. ROBERTSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Virginia will state it.

Mr. ROBERTSON. Is the pending question on agreeing to the amendment of the Senator from New York [Mr. JAVITS] to strike from the bill, in two places, the word "unduly", and to substitute in lieu thereof the word "substantially"?

The PRESIDING OFFICER. That is the sense of the amendment which has been submitted by the Senator from New York.

Mr. JAVITS. Mr. President, on that question, I ask for a division.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York. A division has been requested. The Senate will now proceed to divide.

On a division, the amendment was rejected.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have printed in the RECORD, prior to the vote, a statement which I prepared relative to Senate bill 1062. I have been in my committee room, and was not able to present the statement; so I should like to have it printed in the RECORD, to explain my views.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR FULBRIGHT

S. 1062 is a compromise between two widely separated extremes.

There are some who would have no further Federal legislation on this subject, who are satisfied with the present situation and oppose any change. Mr. R. E. McDaniel, the superintendent of banks of Ohio, telegraphed the chairman during the hearings as follows:

"I am unalterably opposed to the bill in its present form giving any additional powers to the Federal supervising agencies relative to bank mergers or any other matters that would give them additional authority over State banks."

There are some, on the other hand, who would put bank mergers under section 7 of the Clayton Act with no escape clause, no room for discretion, and no rule of reason. S. 1004, introduced by Senator WILEY, I understand at the request of the Justice Department, would make the Clayton Act directly applicable to banks just as it is now applicable to steel companies. Presumably, S. 1004 is intended to incorporate the latest interpretation of section 7 of the Clayton Act, as set forth in the Bethlehem-Youngstown case:

"The consideration to be accorded to benefits of one kind or another in one section or another of the country which may flow from a merger involving a substantial lessening of competition is a matter properly to be urged upon Congress. It is outside the province of the Court. The simple test under section 7 is whether or not the merger may substantially lessen competition 'in any line of commerce in any section of the country.'"

The committee did not adopt either of these divergent points of view. Instead, taking into consideration the fact that banking is a highly regulated industry with many of the characteristics of a quasi public utility, the committee adopted a compromise position which would give effect both to the banking factors involved in the merger and to the competitive factors involved in the merger. It did so on the basis of precedents in other regulated industries, for example, railroads and other carriers, though the committee did not go as far as to provide the same exemption from the Sherman Act that is given to mergers by carriers.

The committee even went beyond the compromise reached in 1956 and 1957, when similar bills were passed by the Senate. In those bills, as in the case of S. 1062 as it was introduced, the banking agencies' consultation with the Justice Department was optional. Instead, the committee adopted the Frear amendment which makes consultation with Justice mandatory. Senator DOUGLAS said in his supplementary views:

"The bill amended by the committee is a vast improvement over previous legislation which only permitted participation of the Department of Justice when desired by the banking agencies."

The fundamental idea of S. 1062 first appeared in 1952, when it was drafted by the Federal Reserve Board. Since that time, many years have gone by and about a thousand bank mergers have taken place. The Senate has twice passed bills comparable to S. 1062. The House had passed a bill which would have put bank mergers directly under section 7 of the Clayton Act.

Now the Senator from Wyoming [Mr. O'MAHONEY], at this late date, comes forward with a new approach to the bank merger problem. Although some of the provisions of his amendment have been considered in the past by the Senate Committee on Banking and Currency, some of them are entirely novel and to my knowledge have never been considered by any committee.

If the purpose of the Senator from Wyoming is to stop all mergers, good and bad, I think his amendment is a proper one, although this could be done more directly. However, it ought to be remembered that some mergers can result in increased competition, in stronger institutions which are better able to provide banking services to their customers and to the public. This type of merger would also be stopped by the O'Mahoney amendment, if there is any resistance at all to the proposed merger, because the procedures are so elaborate and so potentially damaging to a bank that I doubt any bank would go through them.

The net result might well be a lessening of competition, rather than an increase.

In this connection it ought to be remembered that some banks and bankers fear and oppose mergers, not because of their anxiety to maintain competition, but because of their fear of effective competition which might endanger the monopolies which some of them enjoy. The O'Mahoney amendment, by discouraging all mergers, would tend to protect these monopolies. In dealing with this problem, it is time that we acknowledge the fact that the problems of mergers and competition are not black and white and that there are many factors which make up the answer to whether a particular merger is good or bad for the economy.

The committee bill recognizes this fact. The O'Mahoney amendment does not. The O'Mahoney amendment would prohibit any bank merger if its effect might be substantially to lessen competition, except in certain limited circumstances. The word "substantially" has been construed by the courts in absolute terms, as I have said, in quoting from the Bethlehem-Youngstown decision, and this construction does not allow the consideration of other circumstances which might make the merger desirable in the public interest. The O'Mahoney amendment attempts to spell out the circumstances under which the merger might be approved under certain limited conditions. However, no one can say that the conditions described in the amendment are the only ones in which mergers might be desirable. In fact, the committee report describes other such situations and even these are only illustrative and not exclusive. Furthermore, their evaluation cannot be a legalistic one.

The amendment would require the appropriate bank supervisory agency to hold a hearing in any case in which either of the two other banking agencies or the Attorney General disapproves of a proposed merger and it also provides for an appeal to the courts on the basis of the record made at such a hearing.

These provisions, in effect, give the Attorney General a veto over any merger. Furthermore, the amendment is deficient in that, although the Attorney General would consider only the competitive factors in a merger, on the basis of this consideration alone, he could throw the merger into public hearings and court review. This is so because the amendment on the one hand provides that the Attorney General shall report to the banking agencies on the competitive factors; and on the other hand, he may disapprove the application. The Attorney General does not know and cannot know the proper weight to be given to other factors which have to be considered in approving or disapproving a merger. These are financial condition, character of management, convenience and needs of the community, among others.

These factors are known and can be appropriately weighed by the banking agencies. The knowledge that the banking agencies possess concerning these factors is derived from constant examination and supervision of banks generally and of the particular banks to be involved in a proposed merger. They are derived to a great extent from the reports of examination of the banks in which the examiner goes into all the intimate details of the bank's relations with its customers. Disclosure of these reports through public hearings and court review might well damage the businesses of the bank's customers, as well as the bank itself. Disclosure could also result in injury to depositors. Bank examination is an essential part of the protection of depositors and the public interest in banking generally.

The Federal banking agencies cannot maintain the integrity of bank examination if bank examiners and the persons whom they interview in the process of examination know that the reports are liable to be disclosed to the public. Bank examiners will be reluctant to express opinions which are essential to the proper evaluation of a bank's business.

With respect to court review, I submit that the evaluation of such factors as the banking agencies must consider, such as character of the management, adequacy of the capital structure, and convenience and needs of the community, are not factors capable of court determination. They necessarily involve evaluation based upon specialized experience and knowledge which neither the Attorney General nor the courts possess.

The committee bill, as amended, gives the Attorney General a voice in the only question in which he has a legitimate interest—competition. The O'Mahoney amendment gives him a veto, because he could throw the whole question into public hearings and court review, which no bank would risk.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ROBERTSON. Mr. President, I ask for the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 1062) was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 18 of the Federal Deposit Insurance Act is amended by striking out the third sentence thereof and substituting in lieu thereof the following: "No insured bank shall merge or consolidate with any other insured bank or, either directly or indirectly, acquire the assets of, or assume liability to pay any deposits made in, any other insured bank without the prior written consent (i) of the Comptroller of the Currency if the acquiring, assuming, or resulting bank is to be a national bank or a district bank, or (ii) of the Board of Governors of the Federal Reserve System if the acquiring, assuming, or resulting bank is to be a State member bank (except a district bank), or (iii) of the Corporation if the acquiring, assuming, or resulting bank is to be a nonmember insured bank (except a district bank). In granting or withholding consent under this subsection, the Comptroller, the Board, or the Corporation, as the case may be, shall consider the factors enumerated in section 6 of this Act. In the case of a merger, consolidation, acquisition of assets or assumption of liabilities, the appropriate agency shall also take into consideration whether the effect thereof may be to lessen competition unduly or to tend unduly to create a monopoly, and, in the interests of uniform standards, it shall not take action as to any such transaction without first seeking the views of each of the other two banking agencies referred to herein with respect to such question. In the case of a merger, consolidation, acquisition of assets, or assumption of liabilities, the appropriate agency shall request a report from the Attorney General on the competitive factors involved in the merger. The Attorney General shall furnish such report to such agency within thirty calendar days of the request: *Provided, however,* That in case the agency finds an emergency exists the agency may advise the Attorney General thereof and may thereupon shorten the period for the Attorney General to report to ten calendar days: *Provided further,* That where the agency finds that an emergency makes necessary immediate action in order to prevent the probable failure of one of the merging banks, the appropriate agency may act without obtaining such report from the Attorney General: *And provided further,* That the Comptroller, the Board, and the Corporation shall each submit to the Congress a semiannual report with respect to each merger, consolidation, acquisition of assets, or assumption of liabilities approved by the Comptroller, the Board, or the Corporation, as the case may be, which shall include the following information: the name of the receiving bank; the name of the absorbed bank; the total resources of the receiving bank; the total resources of the absorbed bank; whether a report has been submitted by the Attorney General hereunder; and if approval has been given, a summary of the substance of the report made by the Attorney General, and a statement by the Comptroller, the Board, or the Corporation, as the case may be, in justification of its findings."

Mr. ROBERTSON. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. SPARKMAN. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

SECOND SUPPLEMENTAL APPROPRIATION BILL, 1959—CONFERENCE REPORT

The PRESIDING OFFICER. Under the agreement which has been entered, the motion of the Senator from Louisiana [Mr. LONG] for reconsideration of the vote by which the Senate agreed to the conference report on House bill 5916, the second supplemental appropriation bill, now comes before the Senate.

Under the agreement, 1 hour is available for debate on the motion, with that time to be equally divided and controlled.

Mr. LONG. Mr. President, it seems to me that there should at least be a partial quorum call.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Louisiana yield for that purpose?

Mr. LONG. Yes.

The PRESIDING OFFICER. The absence of a quorum has been suggested; and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, will the Senator from Louisiana yield to me?

Mr. LONG. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time required by the quorum call not be charged to the time under the control of the Senator from Louisiana.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, the Senate attached to the supplemental appropriation bill two amendments which, al-

though one was in the language of a limitation, had the effect of telling the President that Army manpower was not to be cut below 900,000, and the Marine Corps was not to be cut below a strength of 200,000.

Mr. President, the facts about the Army are that the Chief of Staff of the Army testified that the bare minimum he would recommend for the Army was 925,000. The Secretary of the Army, after consulting with those whose advice he thought he should seek, and after considering the budgetary situation of the Nation and all other circumstances, testified that he would be willing to accept the 900,000 figure, although that was a lesser number than the Army's Chief of Staff thought necessary.

Congress appropriated funds last year sufficient to maintain the Army at a strength of 900,000. When the Defense Appropriation bill for 1959 was considered, Congress spelled out in the Senate-House conference committee report that there should be a 900,000 man Army, which is substantially less than the strength recommended by the Chief of Staff and also is the minimum figure which the Secretary of the Army felt was necessary.

I ask unanimous consent that that statement in the conference report be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

It is the belief of the committee of conference that the national defense requires the maintenance of a Regular Army of not less than 900,000 and it is the intent that the planned strength for fiscal year 1959 be maintained at that level in accordance with the funds provided. (P. 5, House Rept. 2503, 85th Cong., 2d sess., dated Aug. 6, 1958.)

It was also testified that the Marine Corps should be maintained at a strength of at least 200,000; that testimony was given by the Secretary of the Navy and by the others who had responsibility in connection with that matter.

But, again, the Bureau of the Budget—using its great power in Government—refused to accept the will of Congress, after Congress had voted, in passing this measure, to maintain the Marine Corps at a strength of 200,000; and the Bureau of the Budget proceeded to put into effect a plan which, if carried out, would have resulted in slashing the Marine Corps to a strength of 170,000 in this fiscal year.

Mr. President, the money is available; Congress appropriated it. But the money is not being spent for the purposes for which the Congress told the President to spend it. Congress included in the reports instructions as to how the money was to be spent, and stated why it appropriated that much money. But the money is being spent for other purposes. I do not know whether the money is being spent to buy the President the $5 million airplane; I do not know precisely what the money is being used for; but I know that the will of Congress is being violated.

Congress intended to follow the counsel given by the military advisors of our great Nation about how to preserve the strength of our Nation; but our strength is being pared below the level the Congress believed to be necessary after it heard the advice of the best experts in the Nation.

Mr. President, I suppose the situation was accurately pictured by Mr. Herb Block in his cartoon in which he showed that the hour of decision had come. His cartoon showed Khrushchev pointing out how the world could be captured by proceeding in the way the Russians intend. The cartoon also showed in the United States two little men busily engaged in determining which stack of pennies was the higher. That cartoon seems to indicate how some officials of our Nation feel about this situation.

The Bureau of the Budget is in the process of shifting funds, diverting them from being used in the ways Congress intended for them to be used. The Bureau of the Budget is in the process of shifting the use of the funds to such an extent that the money will be used in such ways that the congressional intent will not be carried out. The money will be used in ways contrary to the advice given by the best military minds of the Nation.

This amendment to maintain the strength of the Army and the strength of the Marine Corps was taken from the supplemental appropriation bill because the House refused to go along with it after the Senate agreed to the amendment; with practically no opposition. It is for that reason that I am moving that the Senate reconsider the vote by which the conference report was agreed to, in order to provide an opportunity for the Senate to go on record as being in favor of maintaining a strong Army and as being in favor of maintaining a strong Marine Corps.

I hope the conferees on the part of the House will be willing to permit the Members of the House to show them how the House feels about this matter. So far the House conferees have not been willing to permit the House to vote in the way that I propose the Senate vote on the principle of maintaining a strong Army and a strong Marine Corps.

I believe that if the House has the opportunity to vote on the question the House will be strongly in favor of maintaining adequate military strength and following the advice of our best military minds.

Mr. President, I noted that one of the most powerful opponents of maintaining a strong Army was a Member of Congress from Texas. Oddly enough, as it works out, in making cutbacks in Army strength other units will be shifted from their bases to his district in Texas, which will result in prosperity to the district of that Member of Congress, as a result of the strength of the Army being cut.

Many of us feel the effects of a cut in the strength of the Army, but I believe the issue should be settled on the basis of whether or not it is good for this Nation to reduce the strength of the Army below the point which our best military minds advise.

After Congress has appropriated the money and has told the Executive it wants to maintain the Army and the Marine Corps at a certain specified strength, are we willing to see the Bureau of the Budget slash those appropriations with a paring knife, after Congress has stated its mind?

For that reason, I hope the Senate will ask for a further conference.

It is first necessary to reconsider the vote by which the conference report was agreed to. I have made my motion in order that the Senate may have an opportunity to pass on the issue of whether we want to fight for a strong Army and a strong Marine Corps.

I hear a great number of fainthearted say, "Yes; I will fight for a strong Army, but this is not the time. Let us do it later on." Or they may say, "Please do not raise that question now, because you may get defeated, and if you are beaten you will have less of a chance later on."

Mr. President, I do not believe the people want that kind of representation in the Congress. I believe the people want representation that fights for a strong Army and a strong Marine Corps and for a better military posture. That is the reason why I believe we should have record votes on these issues.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from New Mexico.

Mr. CHAVEZ. I believe I understand why the Senator submitted his amendment. The Senator knows, of course, that in the 1958 and in the 1959 appropriation bills Congress appropriated money for an Army of 900,000 and for a Marine Corps of 200,000. We also know that while Congress appropriated money for the authorized number of Army men and Marine Corps men, the administration did not use that money to keep the strength of the Marine Corps at 200,000 and the strength of the Army at 900,000.

Inasmuch as Senators were aware of that fact, the Senator from Louisiana submitted the amendment he is now discussing, in order to let the administration know, once and forever, that it was the intention of the Congress that there should be a strength of 900,000 in the Army and a strength of 200,000 in the Marine Corps.

Is that correct?

Mr. LONG. That is correct.

Mr. CHAVEZ. Senators also know that the proposal contained in the amendment of the Senator from Louisiana was not a committee recommendation. Is that not correct?

Mr. LONG. That is correct.

Mr. CHAVEZ. Is it not also correct that the amendment offered with respect to the Marine Corps was not a committee recommendation?

Mr. LONG. That is correct.

Mr. CHAVEZ. The amendment offered by the Senator from Louisiana pertained to the Army strength. The other amendment, which was offered by the Senator from Montana [Mr. MANSFIELD] pertained to the strength of the Marine Corps. So those proposals were not committee recommendations, but

the adoption of those amendments represented action of the Senate itself.

Mr. LONG. The Senator from New Mexico could not be more correct.

Mr. CHAVEZ. That was the reason why the Senate conferees fought and fought and fought for those amendments, but the House conferees were adamant, and I have been around here long enough to know that once in a while one has to give in. However, I feel the motion of the Senator from Louisiana has some merit. The Armed Forces are not going to suffer if action on this bill is delayed for 1 week. They still have until the 1st of July. I believe the Senate of the United States is entitled at least to another try.

Mr. LONG. I thank the Senator so much.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. I desire to join in the views expressed by both the Senator from Louisiana and the Senator from New Mexico. I have discussed this matter with the Department and I know others from my State have done so. It strikes me that there could not be a worse time to cut the strength of our Army and Marine Corps than just when we are entering into what could be, and it seems to me may be, serious negotiations with Russia. It seems to me that, for psychological reasons if for no other, it is very bad practice to cut our Armed Forces at such a time. I think it would weaken the position of our representatives at Geneva, and possibly later at the summit conference, to let it be known that we are weakening our military strength by 30,000 men——

Mr. LONG. If the Senator will permit an interruption, that number is up to 60,000. Members of the Marine Corps are known as pretty good fighters.

Mr. FULBRIGHT. I was referring to the Army. It might indicate to the Russians that we were not very serious about staying strong enough to contain them either in the Berlin area or any other area. It seems to me we are permitting the demands of our domestic economy and the demands of the budget to override military considerations, and this fact could easily be very significant in our negotiations with the Russians.

I think the Senator from Louisiana is quite right in urging reconsideration. I shall support the Senator.

Mr. LONG. I thank the Senator from Arkansas.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. LONG. I yield to my distinguished senior colleague from Louisiana.

Mr. ELLENDER. Mr. President, as my junior colleague has stated several weeks ago, he offered an amendment to the supplemental appropriations bill, an amendment I cosponsored, which would have had the effect of prohibiting the use of any funds in that bill to reduce Army strength below 900,000. We determined upon this course of action for two reasons:

First, it was, and still is, our fervent belief that the administration made a grievous error in insisting upon cutting the strength of the Army by some 30,000. The cold war continues unabated. Even now, as the Foreign Ministers of the Four Great Powers meet in Geneva to seek ways and means of easing tensions and perhaps achieving disarmament, there are ominous rumblings in Berlin, the Middle East, and other areas of the world. Experience has amply demonstrated that should armed conflict threaten in any or all of these areas, and should it be necessary to counter such threatened conflict with a show of armed strength, the United States will be called upon to do the job. Such was the case in Lebanon, the Formosa Strait, and, of course, during the Korean war.

For this reason alone, Mr. President, there is every reason that, if anything, Army strength should be increased instead of reduced.

As Senators will recall, language was placed in the conference report on the fiscal 1959 Defense Department appropriation bill, specifying that the overbudget funds provided for the Army therein were to be used to maintain Army strength at 900,000 during the 1959 fiscal year.

The President promptly disregarded this statement of intent and proceeded to use the funds as he saw fit, for other purposes.

As I indicated earlier, mandatory language was inserted by the Senate in the supplemental appropriations bill to compel the Army to abide by congressional intent, and fix Army strength at 900,000 for the current fiscal year.

This amendment, along with a similar amendment dealing with the Marine Corps, was lost in conference when the House conferees refused absolutely and adamantly to even consider concurring in these amendments. They raised the issue of a constitutional question which, to be perfectly frank, may or may not be present. It is my personal judgment that there is no constitutional issue involved, since the Constitution, by its own terms, specifies that the Congress has the duty to raise and maintain an army.

The second reason why my junior colleague and I have endeavored to maintain Army strength at not less than 900,000, was to preserve the active status of Fort Polk, La.

There are those who would no doubt like to claim that we act under the influence of more or less selfish motives. This is not true, Mr. President.

Back in 1955, when the Army was searching for an area large enough to stage atomic age maneuvers, it approached practically every part of the country and was unable to obtain the requisite acreage, except in Louisiana.

There the State of Louisiana and public-spirited local residents went to work and provided to the Government, free of charge, maneuver rights over 7 million acres of land. This area, which was made available to the Army on a 15-year basis, was sufficiently large for the Army to conduct Operation Sagebrush, under which atomic battle conditions were simulated. That area, Mr. President, the only suitable area for atomic-age maneuvers in the entire continental United States, will be lost to the Military Establishment the moment the doors of Fort Polk are closed. The maneuver agreement specifies that should Fort Polk be deactivated, all obligations under the maneuver agreements will terminate.

This raises a very basic issue, namely, Is the action of the executive branch, in closing Fort Polk, in the best interests of the Government?

To properly evaluate this issue, the reason for the closing of the fort must be examined. That reason is economy, the military would have us believe. It is said that the military budget must be cut, and that the Army is a handy place for this reduction to fall.

Thus, since it has been determined by the executive branch that Army strength should be reduced, the Department of Defense has made the apparently irrevocable decision that, of the numerous Army installations presently on active status, Fort Polk must be deactivated.

It strikes me, Mr. President, and I hope that the Senate will agree, that the executive branch has embarked upon a course of action that is absolutely senseless.

If economy, if reduced expenditures, is indeed the motivating factor behind the reduction in Army strength and the resulting closing of Fort Polk, the executive branch is guilty of the most reckless demagoguery and, I say, the most diligent campaign of misrepresentation that it has ever sought to perpetrate upon the Congress and the people of our country.

Closing Fort Polk will save our Government about $5 million a year, it has been estimated. The maneuver rights alone, which the Army would retain by continuing Fort Polk on an active basis, are valued at infinitely more than $5 million a year.

Furthermore, there is absolutely no need whatever, should reduced military expenditures be required, to impose these reductions on Army personnel funds.

There are ample areas in the defense budget where expenditures can be reduced, without cutting a basic component of our national strength.

For instance, I have in my hand a clipping announcing the delivery to the military services of three jet airliners, at a cost of nearly $5 million each. These airliners, I want Senators to know, were purchased with Defense Department funds—funds which the Congress originally appropriated for the procurement of military aircraft. When this particular procurement program was ended, a little money was left over and so the eager-beaver bureaucrats immediately began to find ways and means of spending it.

Of course, they initially had a little trouble, since defense policy specifies that in cases such as this, extra funds must be used for items of the next highest priority.

However, they managed to bypass this requirement, and found ways and means of using the money for jet transports. It is inconceivable to me that three special, executive-type, fancy, plush, airplanes is the No. 2 priority in our military procurement program, but evidently it is. At any rate, the Commander in Chief must think so, since he will be the principal beneficiary of this jet-age bonanza.

The newspaper article to which I have referred, points out a few other interesting things about these airplanes.

First, their maintenance will cost nearly $73 per hour more than the maintenance of the existing aircraft assigned to the Chief Executive and his associates. To be specific, the taxpayers will be compelled to cough up nearly $271 for each hour that one of these planes is in the air, over and above the initial procurement cost of nearly $5 million apiece.

Mr. President, no Member of this body would want the President or his associates to fly around in unsafe or antiquated aircraft, but the fact is that the *Columbine*—the aircraft presently assigned to the President, and which he will keep, in addition to the new jets—is a magnificent plane. It is as good as most of the aircraft used by the public, if not better. It is specially equipped with the most modern radio, radar, and similar equipment. Its accoutrements are sufficiently glamorous for our Chief of State or, for that matter, almost any other human being alive.

It strikes me that if economy in military operations is the reason offered for a reduction in Army strength, then the economy ax should fall on these airplanes I have discussed, instead of on the actual fighting forces of our Republic.

I wish it were possible for me to report to the Senate that our military planners agree with this reasoning. Evidently they do not. Apparently, they prefer to spend the taxpayers money on jet aircraft at $5 million apiece, with an hourly upkeep of $271, and upon such other things as 12-seat helicopters used occasionally by the President at an hourly cost of $350; salaries for enlisted men to wait upon military "brass," including the Chief Executive; guns, tanks, and airplanes to be sent to foreign "paper" armies, which armies, in my opinion, the record demonstrates to be more in the way of liabilities than assets.

I regretfully must inform the Senate today that the stock of the Federal Government has fallen so low among the people of my State, that a suit calling upon the Army to show cause why it should breach its contract with the State of Louisiana concerning Fort Polk has been filed in the Federal District Court for the Western District of Louisiana. An order has been issued by the judge of that court, ordering the Government to appear on June 3 and show cause why Fort Polk should not remain open.

Mr. President, I ask unanimous consent that a copy of the petition in the case of *Irving Ward-Steinman* v. *United States of America*, Civil Action No. 7416, in the U.S. District Court, Western District of Louisiana, be printed in the RECORD at this point.

There being no objection, the petition was ordered to be printed in the RECORD, as follows:

U.S. DISTRICT COURT, WESTERN DISTRICT, STATE OF LOUISIANA—IRVING WARD-STEINMAN, *v.* UNITED STATES OF AMERICA, CIVIL ACTION No. 7416

ORDER OF THE COURT

Petition, jurat, and annexed exhibits considered, it is therefore ordered and directed, that the preliminary hearing on petitioner's motion be set for the 3d day of June A.D., 1959, at 10 a.m. o'clock, and that petitioner and defendant present their authorities as to whether petitioner's motion to show cause should be granted or denied.

Matter will be heard at Alexandria, La.

Done this 4th day of May, A.D., 1959, at Alexandria, La.

EDWIN F. HUNTER, JR.,
U.S. District Judge.

Filed May 4, 1959.

ALTON L. CURTIS,
Clerk.
By RODNEY E. REDDOCK,
Deputy.

WESTERN DISTRICT, U.S. DISTRICT COURT, STATE OF LOUISIANA—IRVING WARD-STEINMAN *v.* UNITED STATES OF AMERICA, CIVIL ACTION No. 7416

To the HONORABLES THE JUDGES OF THE AFORESAID COURT, HONS. BEN C. DAWKINS, JR., AND EDWIN FORD HUNTER, JR.:

The petition of Irving Ward-Steinman, a resident of and domiciled in the Western District of the U.S. District Court for Louisiana, of age, with respect shows the basis for the herein:

MOTION TO SHOW CAUSE

1. Petitioner is a property owner and taxpayer in Vernon Parish, within the herein Federal district and the defendant is the United States of America; that the Federal jurisdiction is involved pursuant to the Constitution of the United States; further, that the jurisdictional sum of $10,000 or more is at issue.

2. Petitioner is aggrieved and is suffering and will continue to suffer irreparable injury and harm and loss if the defendant is not required to show cause on a day, date, and time to be set by this honorable court, requiring the defendant to show cause, if any he has or can, why the grievous and irreparable injury and harm, presently suffered by your petitioner and to be shortly augmented and made permanent, should not be repaired and the proper relief granted.

3. Petitioner's motion to show cause is for the purpose of having the defendant show why said defendant should not be restrained or enjoined from closing or proceeding with the closing of Fort Polk, La., within the jurisdiction of this honorable court.

4. That the closing of Fort Polk will work such harm and injury and irreparable damage to your petitioner that public policy and judicial evaluation are sought in said motion to show cause.

5. That the basis for the motion to show cause, inter alia, are referred to by a series of exhibits annexed thereto and identified; that said exhibits and/or annexations are to be construed as though copied in extenso herein, and are made part hereof on information and belief as to their accuracy and petitioner so alleges.

6. Exhibit No. 1 is a verbatim copy of a contract entered into by and between the defendant and various parties; said exhibit No. 1 affecting in excess of what is estimated as being 7 million acres of land situated in the Fort Polk area, all within the jurisdiction of this honorable court; that said exhibit No. 1 establishes without ambiguity the contractual relations underlying the establishment of Fort Polk; that said exhibit is a maneuver agreement, which has a period of 15 years from date thereof (i.e., 1955), and is the agreement originally signed by many landowners in good faith, and upon which the defendant, upon reaching the minimum of 7 million or more acres, proceeded to make and did make Fort Polk a permanent installation whereas formerly it had been Camp Polk.

7. Exhibit No. 1 is alleged to be the product of the defendant.

8. That by letter, office, Chief of Engineers, August 18, 1955, the maneuver agreement, was unilaterally amended, with the result that the mutuality of exhibit No. 1 ceased being what it originally was intended to be, a contract for a period of 15 years, and on paragraph 6 of said exhibit No. 1, was added, after the word "Army" the following terminology, to wit: "or in the event it is deactivated."

9. That it was the original intent of the defendant, and the original intent of all parties to the process, to make Fort Polk a permanent installation, and not a child of whim.

10. That exhibit No. 2, is a facsimile of General Orders No. 63, Department of the Army, Washington 25, D.C., October 27, 1955, in which the pertinent item reads:

"V. Camp Polk, La.: 1. Effective November 1, 1955; Camp Polk, La., is redesignated Fort Polk and announced as a permanent Department of the Army installation.

"2. Effective November 1, 1955, Fort Polk, La., a class I installation under the jurisdiction of the Commanding General, 4th Army, is placed in active status.

"[AG 323.3 [28 Oct 55]]

"By Order of the Secretary of the Army
"MAXWELL D. TAYLOR,
"General, U.S. Army, Chief of Staff.

"Official:
"JOHN A. KLEIN,
"Major General, U.S. Army, The Adjutant General."

11. That the foregoing exhibit No. 2, confirms the intent of exhibit No. 1, and thus far the defendant kept faith with its covenants and lends weight to the allegation of the nullity of the unilateral amendment referred to in paragraph 8, above.

12. That exhibit No. 3 is a six-page brilliant and logical analysis of the facts prepared as a memorandum by Senator ALLEN J. ELLENDER and filed with the Secretary of Defense McElroy and Secretary of the Army Brucker at a conference held in Washington, D.C., January 28, 1959. This report covers succinctly, concisely, and specifically the issues covered by the herein motion to show cause as a justifying and provocative factor and force.

13. That exhibit No. 4 is a letter from the President of the United States to the Honorable Earl K. Long, Governor of Louisiana, and is dated January 22, 1959.

14. That the pertinency of this exhibit No. 4 is made manifest by the incomplete information supplied to the President where he is subscribing to the doctrine of unilateral abrogation of a contract, to wit (fifth paragraph):

"Such designations can be made only in regard to the then foreseeable future.

"This was recognized as the time the agreement was made by the incorporation of a provision in each agreement with the individual landowners for automatic termination in the event Fort Polk was inactivated."

15. That the pith of the matter is: the amendment was not agreed to ab initio; that agreements were signed without this amendatory provision (to par. 6 of exhibit No. 1); that the amendatory provision was a unilateral one; that its origin and validity is seriously questioned and its legality denied.

16. That exhibit No. 5, is a brief summary of economic factors regarding effect of Fort Polk on the surrounding area. It shows property assessments, effective buying, retail sales, yardstick of operations at Fort Polk, population trends in the Fort Polk area and the State of Louisiana, and property assessment trends in Vernon Parish. In brief, this exhibit No. 5 details, in figures, what Fort Polk meant to the economy of the area; how the integration of Fort Polk with the surrounding area made it a homogeneous community, and a life-giving artery to the circulatory system known as the Fort Polk area.

17. That, further, exhibit No. 5 establishes the interdependency of the community upon the express and implied covenants entered into by the defendant and the people, as represented by the municipalities, parishes, and State, including the agencies thereof. The people kept their part of the bargain or covenant. The motion to show cause is to ascertain why the defendant should not be required to maintain its obligations, both express and implied.

18. That exhibit No. 6, consists of parts (A), (B), (C), (D), (E), and (F).

19. Part (A) of exhibit No. 6 shows that, contrary to the cry of economy, it would cost the defendant an estimated sum of $2,300,000 to deactivate Fort Polk, in one aspect alone.

20. Part (B) of exhibit No. 6 shows that it cost the defendant during a 3-year period, almost $5 million to maintain and modify contracts affecting the establishment of Fort Polk.

21. Part (C) of exhibit No. 6 shows that approximately $19½ million was invested by private, State, and municipal sources in the Fort Polk area on the faith in defendant maintaining Fort Polk as a permanent installation.

22. Part (D) of exhibit No. 6 shows that the defendant has insured FHA, VA, or a combination of both, in loans, toward the residential development of the Fort Polk area; that the defendant itself insured itself, through its agencies, that Fort Polk would be permanent.

23. Part (E) of exhibit No. 6 shows the aspect of utility development, totaling an estimated $4 million; an investment for development on the basis of permanency of Fort Polk; an investment that will hit stockholders and shareholders in that the amortization of these long-term investment developments now face financial ruin.

24. Part (F) of exhibit No. 6 shows one type of development—trailer parks, to accommodate the many military in their mobile homes; these investments, with an estimation of in excess of half-a-million, can become the most costly gopher flats in the history of our economics, all as a result of the action of the defendant in breaking a promise to keep and maintain Fort Polk as a permanent installation.

25. That exhibit No. 7, in three parts, (A), (B), and (C), show respectively that (A) the Capehart project contracted for at an estimate of 33 million was canceled, without a single unit of the 2,000 homes being built, at a cost of an estimated $15 million.

26. That (B) of exhibit No. 7 shows the official recognition given to the establishment of Fort Polk on a permanent basis in that the Secretary of the Army Wilber M. Brucker, dedicated same. The result of same was the location of approximately 18,000 military and some 1,750 civilian employees.

27. That (C) of exhibit No. 7 is a quintessential résumé of the impact of the closing of Fort Polk upon "Parish assessments," "school construction," "community development," "commercial activity," "national integrity," "international sequence," "State of Louisiana," and "Vernon and Beauregard Parishes."

28. That petitioner, relying on the implied and express permanency of Fort Polk, made an investment in said Fort Polk area, specifically, in Leesville, Vernon Parish, La., to the extent of a sum in excess of $10,000 for his part, comprising some 16 acres of land, a building, and the appurtenances of an established and licensed radio station, to-wit, KLLA, with a frequency of 1570 and a power of 250 watts, said operation being licensed as a radio station by the Federal Communications Commission, petitioner being the managing partner and general manager of same having an undivided one-half ownership interest therein.

29. That petitioner, as a result of the impending closing of Fort Polk, is suffering and will continue to suffer irreparable injury, damage and harm, should the defendant be permitted to carry out the announced intentions of closing Fort Polk, an official permanent military establishment.

Wherefore, petitioner, prays that this honorable court, set a date and time, for preliminary arguments as to whether or not the defendant should be cited to show cause if any he has or can, why said defendant should not be restrained from the closing of Fort Polk, and for all relief in the premises.

IRVING WARD-STEINMAN,
Petitioner.

STATE OF LOUISIANA,
Parish of Rapides:

Irving Ward-Steinman, being first duly sworn, deposes and states that he is the petitioner in the foregoing action; that he prepared the allegations from information which he believes to be true and correct and upon information and belief so avers, and that all other allegations he believes to be true and correct, to the best of his understanding, information and belief.

IRVING WARD-STEINMAN.

Sworn to and subscribed this 4th day of May, A.D., 1959.

[SEAL] JACK CRENSHAW,
Notary Public.

Mr. ELLENDER. Mr. President, Senators—if they will read this petition—will find a detailed outline of the way our Government has breached faith with the people of my State.

I also ask unanimous consent that there be printed in the RECORD at this point a copy of a letter from the President of the United States to the Governor of Louisiana, dated January 22, 1959, dealing with the closing of Fort Polk.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D.C., January 22, 1959.

The Hon. EARL K. LONG,
Governor of Louisiana,
Baton Rouge, La.

DEAR GOVERNOR LONG: This is in reply to your letter concerning the closing of Fort Polk.

As you know, the Defense Department is emphasizing the introduction of more advanced, more powerful weapons throughout the Armed Forces, with consequent savings in manpower and consequent consolidation of many units. These weapons, although tremendously powerful, are also extremely costly, and their costs are increasing. It has therefore become necessary to close some of the Army's installations, where this action is made possible by these savings and consolidations.

The closing of installations has serious effect on the surrounding communities wherever they are located. This was particularly recognized in the case of Fort Polk. Nevertheless, the interest of the Nation as a whole dictated that the Army consolidate at other stations. The decision to close Fort Polk was not an easy one and was made only after a thorough study of what action would be best in the interest of our national security.

As to the obligation on the part of the Army to maintain Fort Polk as a permanent installation, as you know, the Army agreed to designate it a permanent installation contingent upon securing the necessary maneuver rights and did so designate it on October 27, 1955. Such designations can be made only in regard to the then foreseeable future. This was recognized at the time the agreement was made by the incorporation of a provision in each agreement with the individual landowners for automatic termination in the event Fort Polk was inactivated.

The Army has acknowledged and is most appreciative of the fine community support in the areas surrounding Fort Polk. I sincerely regret that it has become necessary to close Fort Polk in the interest of applying available resources to the ever-increasing costs of missiles and other adjuncts of modern military preparedness.

Sincerely,

DWIGHT D. EISENHOWER.

Mr. ELLENDER. Mr. President, I ask, also, unanimous consent that the following materials be printed in the RECORD at this point: A brief summary on economic factors regarding effect of Fort Polk on the surrounding area; an exhibit indicating the losses which the Government and others will suffer in closing Fort Polk; and, finally, a brief memorandum which I have prepared and which has already been made available to the Department of Defense, further outlining the factors constituting a breach of faith by the executive branch of our Government with the people of my State.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

BRIEF SUMMARY ON ECONOMIC FACTORS REGARDING EFFECT OF FORT POLK ON THE SURROUNDING AREA

Property assessments: In the initial 4 years of the camp's operation, assessments rose 32.3 percent while on a comparable 4-year period of inactivity, the increase was only 10.5 percent. The largest gain in assessment valuation was made during the second 4-year period of the camp's activity when the increase was 46.6 percent. The following 1-year inactivity resulted in an increase of less than 1 percent. The increase after the last mobilization of the camp was 13.4 percent over a 3-year period. Within the last 17 years, property assessments have increased one and one-half times.

Effective buying: Noticeably affected by the status of the camp. During the first 4-year period of activity, effective buying income almost tripled. The following 4 years of inactivity resulted in a decrease of 20 percent or $2 million. During the next 4-year period of activity, it almost doubled, then remained relatively the same during the 1-year inactivity, and has increased a little over $3 million during the last 3 years of activity.

Retail sales: Following income trends, since 1941, effective buying income has increased from $3,500,000 to $20 million, or almost six times. Retail sales since 1941 have increased from $2,700,000 to almost $20 million or more than seven times.

YARDSTICK OF OPERATIONS AT FORT POLK

Construction began May 1941, first maneuvers held September 1941.

Active: June 1941 through December 1946.

Inactive: January 1947 through August 1950.

Active: September 1950 through June 1954.

Inactive: July 1954 through October 1955. Active: November 1955 through (as announced) June 1959.

Population trends in the Fort Polk area and the State of Louisiana

	Population	Percent change 1940–50	Percent change 1950–58	Percent change 1940–58
Vernon Parish:				
1940	19,142			
1950	18,974	−1.00		
1958	27,500		44.9	43.7
Beauregard Parish:				
1940	14,847			
1950	17,766	19.9		
1958	21,300		19.9	43.5
Louisiana (State):				
1940	2,363,880			
1950	2,683,516	13.5		
1958	3,087,600		15.1	30.6

Source: 1940–50, U.S. Census; 1958, Louisiana Department of Hospitals.

Property assessments trends in Vernon Parish

Year	Fort Polk status	Assessment		Percent change
1941–46	Active	$5,755,956	$7,615,457	32.3
1947–50	Inactive	7,615,457	8,419,054	10.5
1950–54	Active	8,419,054	12,342,420	46.6
1954–55	Inactive	12,342,420	12,379,080	.3
1955–58	Active	12,379,080	14,035,700	13.4

Consolidated source: Louisiana State Department of Commerce and Industry, Hon. Curt Sieglin, Director.

LOSSES TO BE SUFFERED BY FEDERAL GOVERNMENT AND OTHERS AS RESULT OF CLOSING OF FORT POLK, LA.

(A) Estimate to move Fort Polk families:	
Approximate personnel Jan. 1, 1959	8,000
Approximate families (based on school survey, August 1958, when approximate personnel numbered 6,000; number of families, 2,749) (percent)	46
Approximate number of families	3,680
Average mileage to post in the United States of America (miles)	1,000
Average freight per family (miles)	5,000
Average cost, 100 pounds per 1,000 miles	$7.70
Average approximate cost, freight, moving family	$385.00
Average travel pay (18 cents maximum) per mile	$0.15
Average cost for travel pay, per 1,000 miles	$150.00
Average dislocation pay	$90.00
Total per family cost	$650.00
Multiplied by 3,680 families	$2,300,000.00
Estimate of total cost to move families from Fort Polk	$2,300,000.00
(B) Estimated maintenance and modification contracts, Fort Polk, 1956, 1957, 1958:	
Brucker program: BOQ's, mess halls, barracks	$2,225,000.00
Painting North Fort Polk	250,000.00
Painting South Fort Polk	350,000.00
Roads, roofing, air conditioning, etc	2,000,000.00
Total	4,825,000.00
(C) Estimate, total private, State and municipal investment (construction), Fort Polk area:	
Private owned public utilities	4,108,749.00
Public construction	3,601,744.49
Private commercial construction—Leesville, La	1,795,000.00
Private commercial construction—DeRidder, La	1,088,000.00
Residential houses and lots: Leesville, La	5,027,600.00
Residential houses and lots: DeRidder, La	3,164,000.00
Total	19,405,093.49
(D) Government loans (FHA or VA or both) insured, from (C) above:	
Residences located in Leesville, La.	3,718,000.00
Residences located in DeRidder, La	2,821,000.00
Trailer Park, Leesville, La	200,000.00
Total, Government insured construction	6,739,000.00

LOSSES TO BE SUFFERED BY FEDERAL GOVERNMENT AND OTHERS AS RESULT OF CLOSING OF FORT POLK, LA.—Continued

(E) Utilities (from (C) above):	
Central Louisiana Electric (for water development)	$244,621.00
Central Louisiana Electric (for electric development)	1,994,128.00
Southern Bell Telephone (for telephone improvement)	1,500,000.00
United Gas Corporation (for gas lines)	300,000.00
Beauregeard Electric Cooperative (development costs)	70,000.00
Total	4,108,749.00
(F) Estimate of trailer park costs; Leesville and DeRidder, La.:	
Tower Mobile Homes Court	300,000.00
Pine Hill Trailer Court	70,000.00
All others	150,000.00
Total	520,000.00

MEMORANDUM PREPARED BY SENATOR ALLEN J. ELLENDER AND FILED WITH SECRETARY OF DEFENSE MCELROY AND SECRETARY OF THE ARMY BRUCKER AT CONFERENCE HELD IN WASHINGTON, D.C., JANUARY 28, 1959

FORT POLK: THE OBLIGATIONS OF THE MILITARY ESTABLISHMENT TO THE PEOPLE OF LOUISIANA AND TO THE CONGRESS

I. The Defense Establishment has a moral obligation, if not a binding legal commitment, to continue Fort Polk, La., as an operating military post, on a permanent basis

A. In June 1955, Department of the Army and State of Louisiana officials met at Camp Beauregard, La., to discuss the possibility of the Army obtaining maneuver rights in and around the Fort Polk area in order to stage Operation Sagebrush. The transcripts of these conferences, in summarized form, are available in Army files.

As a result of these conferences, the Defense Establishment, by and through authorized Department of the Army officials, assumed a binding obligation to maintain Fort Polk as a permanent post, so long as the maneuver rights in and around the Fort Polk area remained available to the Military Establishment. This obligation is reflected, in part, in the memoranda of the conference itself, and in subsequent written transactions which resulted from that conference, to wit:

From summary of conference held at Camp Beauregard on June 11, 1955, the following record of discussion:

"48. Mr. Milton said that he believed General Fleming and himself should sign an agreement with the necessary and pertinent facts stated therein which he could take back to Washington and use in an effort to get an authorization to reopen Camp Polk, after which the Department of the Army and the Governor would make a simultaneous announcement.

"49. General Fleming stated that Mr. Davis had cleared with the Secretary of the Army and the Chief of Staff, and that hand in hand with obtaining permits, a considerable buildup of troops in the area would take place, and that not later than fiscal year 1957 funds would be obtained to make Camp Polk permanent.

"50. General Fleming stated the public should be told that Polk is a permanent post and this is a permanent maneuver area. This firm statement should come from Department of the Army indicating their intention is to make Polk permanent and they will make every effort to do so. Especially should this be true in their efforts to obtain the necessary funds.

"51. Colonel Bilbo, with Mr. John E. Vacek, Department of the Army, and Lt. Col. Marvin G. Krieger, OTJAG, Department of the Army, retired to another room to draw up this memorandum of understanding. In the meantime, a rather general and informal discussion ensued."

The "Memorandum of Understanding" referred to above reads, in part, as follows:

"Now, therefore it is mutually agreed: (1) the State of Louisiana will help in securing permits for a 7 million acreage area; (2) a joint announcement by the Secretary of the Army and the Governor of Louisiana that Camp Polk will be reactivated will be of material assistance in the acquisition of the necessary maneuver permits."

B. While this "Memorandum of Understanding" does not, by its terms, specify that the post is to be reopened on a permanent basis, it will be noted that the Army pledged itself to "reactivate" Camp Polk, with the agreed purpose in mind of publicizing this "reactivation" in such a manner as to "be of material assistance in the acquisition of the necessary maneuver permits." Obviously, then, the language of the "Memorandum of Understanding" must be read against, and in conjunction with, the public announcement, since the purpose of both was, by the terms of the memorandum, to assist in the acquisition of the necessary maneuver permits.

The following, therefore, are pertinent:

1. On June 13, 1955, Col. Frank G. Spiess, Assistant Adjutant General for Louisiana, signed a supplemental memorandum dealing further with the conference held at Camp Beauregard. Paragraphs 3 and 4 thereof are as follows:

"3. At 1000 hours today Mr. Milton telephoned General Fleming and told him that he had been able to obtain approval from 'top side' and he gave General Fleming, over the phone, the planned news release.

"4. This news release was arranged so as to be satisfactory to both Mr. Milton and General Fleming, after which Mr. Milton said he would give it to the press and radio with a dateline release of noon today."

2. It will be noted that Assistant Secretary of the Army Milton is quoted as stating that the news release referred to had been approved by "top side," presumably, Department of the Army and/or Department of Defense, and, in addition, that the release, which was originally dictated over the telephone by Assistant Secretary of the Army Milton, was "arranged" so as to be satisfactory to both Mr. Milton and General Fleming.

The press release read, in part, as follows:

"The Department of the Army and State of Louisiana today announced an agreement under which Camp Polk, La., will be reopened on a permanent basis, providing the State and property owners will insure the use of the 7 million-acre large-scale maneuver area on a continuing basis. The maneuver area which includes approximately 600,000 acres of Government-owned land will entail no cost to the Army except for that involved in restoration and claims payment to property owners in the area for actual damage done to property during maneuvers. The Army pointed out since the maneuver land will be available to it under a continuing basis, the reopening of Camp Polk as a permanent installation is essential in the view of a need for an active Army installation to serve as a base to support maneuver operations."

C. Subsequently, the Department of the Army provided additional evidence that it had assumed a firm obligation to make Camp Polk a permanent installation. On October 17, 1955, Secretary of the Army Wilber M. Brucker wrote Governor Kennon, outlining fully the obligations assumed by the Department of the Army (and, therefore, the Military Establishment) upon being notified that the State of Louisiana had fulfilled its requirements under the "memorandum of understanding" by obtaining the necessary maneuver rights. The pertinent portion of that letter is quoted below:

"I am sure that you have been advised by the Adjutant General of his understanding

with Assistant Secretary Davis that the acquisition of such maneuver rights over the area of approximately 7 million acres, without cost to the Army, not only for the present but for future years, was a condition precedent to declaring Camp Polk a permanent post."

II. There is ample evidence that the obligation assumed by the Military Establishment was not regarded by either the Department of the Army or the State of Louisiana as being terminable at the will of either party, but was, indeed, a binding obligation to retain Fort Polk as an active installation for an indefinite period, but at least 15 years

A. The background of the discussion out of which grew the commitment assumed by the Defense Establishment, is convincing on this point. As memorandums of discussions held in 1955 demonstrate, the Army officials present at the June 11 conference held at Camp Beauregard initially enedeavored to confine their commitment regarding the reactivation of Fort Polk to a 15-year period. The following excerpt is illuminating:

"46. Colonel Bilbo stated that the Army would then agree to phase troops into the area with the engineers arriving in 10 days and the maneuver troops in September, and make Camp Polk permanent for 15 years if maneuver area is available.

"47. General Fleming objected to the last statement of Colonel Bilbo and said definitely not; that Camp Polk should be made permanent and no restrictions should be attached."

Thus, the State of Louisiana rejected an attempt to confine the term of the proffered reactivation to 15 years and, instead, insisted upon an indefinite term. It would be contrary to the terms of the above-cited discussion, as well as to commonsense, to attempt to argue that by rejecting a 15-year reactivation period, and insisting upon an indefinite reactivation period, the State of Louisiana accepted, by inference or otherwise, the authority of the Defense Establishment to inactivate Fort Polk at any time it might desire, subsequent to any activation thereof.

In addition, circumstances under which the agreement was reached serve ample notice that if, indeed, the Defense Establishment retained any right to deactivate Fort Polk, that right could not be exercised until at least 15 years had expired.

B. This view is bolstered by the fact that the maneuver rights, upon which the reactivation of the installation were contingent, run for a 15-year period. (Said agreements are available in Army files.) It is inconceivable that the Department of the Army would have insisted upon a minimum term for maneuver rights of 15 years wtihout assuming a commitment to retain Fort Polk as a permanent installation for at least that long.

III. The refusal by the Military Establishment to use in the manner specified overbudget funds appropriated by the Congress in the fiscal 1959 Department of Defense Appropriation Act amounts to a violation of congressional intent—a violation which is further aggravated by the fact that this violation reiterated the Defense Establishment's refusal to honor its obligation to the people and the State of Louisiana

During two conferences held in Senator ELLENDER's office during early 1958, both the Secretary of Defense and the Secretary of the Army admitted, in substance, that if, indeed, the Army were contemplating the deactivation of Fort Polk, such action was based upon the proposed reduction in Army strength outlined in the President's fiscal 1959 budget message.

Acting upon this information, and with the belief that the proposed reduction in Army strength to 870,000 (as outlined in the 1959 budget message) would gravely imperil U.S. security, both Houses of the Congress voted over-budget increases for the Army, totaling $99 million to (1) assure a minimum Army strength during fiscal 1959 of at least 900,000 men, and, (2) to provide sufficient operating and maintenance funds to continue, on an active basis, all military installations then in operation.

The purposes for which these funds were to be used, and the intent of the Congress in providing them, were, at the insistence of Senator ELLENDER, spelled out in the report of the Committee on Conference of the fiscal 1959 Department of Defense appropriation bill, as follows:

"It is the belief of the committee on conference that the national defense requires the maintenance of a Regular Army of not less than 900,000 and it is the intent that the planned strength for fiscal year 1959 be maintained at that level in accordance with the funds provided."

Thus, the decision of the executive branch not to use these funds as originally contemplated and directed by the Congress, but, instead, to use them for purposes entirely foreign to those for which said funds were provided, amounts to a clear and intentional violation of congressional directions plus an unequivocal and inexcusable breach of the Military Establishment's obligation to retain Fort Polk as a permanent installation. The full impact of this determination can be appreciated only when it is understood that the action of the Congress in providing sufficient funds to forestall a reduction in Army strength did, of itself, offer the Military Establishment a means by which it would honor its obligations to the people and State of Louisiana. Yet, the Military Establishment refused to utilize these means, and, instead, embarked upon a course of action involving breaches of faith not only with the people and the State of Louisiana, but with the Congress, as well.

IV. Having required, by terms of the agreement discussed in points I and II (above), that the State of Louisiana, the people of the Fort Polk area, and the appropriate governing bodies of that area provide suitable recreational, housing and similar facilities for the use of troops stationed at Fort Polk, the Military Establishment cannot now be permitted to deny any responsibility for indebtedness undertaken in order to further those purposes on the grounds that, in effect, such persons and governing bodies acted as volunteers

A. The memorandum of conversations held at Camp Beauregard on June 11, demonstrate that the Army was concerned over possible adverse morale factors which could be present at Fort Polk, and required, as a condition precedent to reactivating the fort, that these conditions be eliminated, or, at least, reduced to a bare minimum. The following excerpt from that memorandum involving duties to be borne by the State of Louisiana upon the reactivation of Fort Polk, is pertinent: "(d) Keep the area cleaned up, i.e., free from vice, etc.; (e) assistance in promotional activities; (f) on a cost-reimbursable-contract-basis, assist in the repair, maintenance, and restoration of bridges; (g) encourage communities to provide low-cost housing."

B. The "Memorandum of Understanding" required the State of Louisiana, "within the limitations of law and the exercise of its legal prerogatives" to "assist the Department of the Army in maintaining wholesome recreational, educational, and religious environments."

This further serves to prove the existence of an obligation on the part of the Military Establishment to retain Fort Polk as a permanent installation, particularly since private persons, bodies corporate, and duly authorized local governing bodies, among others, acting in reliance upon the promise of the Defense Establishment to reopen Fort Polk on a permanent basis, and in furtherance of the obligations assumed by the State of Louisiana, did obligate themselves to the extent of many millions of dollars. This indebtedness is falling, or will in the future fall due, and the deactivation of Fort Polk by the Military Establishment, in violation of its obligation, with the accompanying adverse economic impact, has left, or will leave, those indebted without sufficient resources to defray such indebtedness.

V. The proposition advanced by the Defense Establishment that the deactivation of Fort Polk is required in order for the Defense Establishment to "achieve utmost economy in the utilization of available manpower and fund resources" is without merit

A. Under date of December 17, 1958, the Secretary of the Army notified Senator ELLENDER and other Members of the Louisiana congressional delegation, by letter, that "the necessity for utmost economy in the utilization of available manpower and fund resources requires that some Army installations be closed. Fort Polk, La., is one of the three installations selected for inactivation at this time."

The position assumed by the Secretary of the Army is untenable, for the following reasons:

1. There are, in fact, sufficient financial resources available to the Army during fiscal 1959 to maintain Army strength at 900,000 men, and to operate each and every Army installation which was on active status as of July 1, 1958. (See data in point III, supra.)

2. The closing of Fort Polk will automatically terminate all outstanding maneuver agreements. Once these have been terminated, it will be impossible for the Military Establishment to again revalidate them except at great cost and further loss of good will among the people of Louisiana. In addition, permitting these agreements to lapse in order to accomplish an estimated saving of $5 million per year, is a short-sighted means to achieve an inconceivable end.

(a) The record is replete with evidence that the 1955 conferences referred to above resulted because the Defense Establishment was unable to obtain maneuver rights in any other area of the country.

(1) While there are indications that these rights could have been obtained—although over a more limited area—in and around Fort Hood, Tex., the Defense Establishment would have been compelled to pay exorbitant rents. There is no written evidence as to the amount involved, but the figure of $7 per acre has, on occasion, been mentioned.

(b) As a practical matter, the record is replete with evidence that (1) a maneuver area of the size required could not be obtained in Texas when needed in 1955, and, it is logical to assume, could not be obtained today; (2) a limited maneuver area of the size which the record indicates could have been obtained in Texas would not have satisfied Military Establishment requirements in 1955, and it cannot be assumed that a similar area would satisfy those requirements today.

(c) Assuming a rental approximating, on an average, even $5 per year, per acre, annual rental costs for the 7-million-acre maneuver area now available would aggregate $35 million per year, or some seven times the projected "saving" which the deactivation of Fort Polk would accomplish.

(d) Assuming, in the alternative, a rental aggregating $5 per acre over the term of the maneuver agreement (15 years) for a total of 7 million acres, the projected annual "saving" would still amount to only one-seventh of the total rental cost which would otherwise have to be paid.

VI. The Defense Establishment cannot avoid its responsibilities under the 1955 agreement with the State of Louisiana by invoking language in maneuver right agreements, which agreements were subsequently consummated with individual landowners.

A. On January 16, 1959, the Secretary of the Army responded to a vigorous protest, lodged by members of the Louisiana congressional delegation, on December 18, 1958, upon their being advised that the Defense Establishment had determined to deactivate Fort Polk. In a letter to Senator ELLENDER under date of January 16, 1959, the Secretary of the Army stated, in part:

"Although the availability of the Fort Polk maneuver area was important in evaluating the installation for retention, the assumption that there was a commitment which would make such a consideration the sole factor upon which the ultimate retention of the installation should rest is contrary to fact. In arriving at the arrangement for the maneuver area in 1955 the Army did so in good faith. In order that the maneuver agreements would be entirely bilateral it was accepted by the Army and the individual landowners, that on the future possibility of the inactivation of Fort Polk, the agreements would terminate automatically."

It is submitted that the Army's position in this regard begs the question.

Evidence referred to in previous points established beyond any doubt the existence of an agreement between the Defense Establishment and the State of Louisiana. The letter of the Secretary of Defense, quoted in part above, deals with agreements between the Government of the United States and a number of individual landowners. The State of Louisiana was, in no way, a party to these agreements.

Hence, it is completely unrealistic for the Department of the Army to attempt to argue that because the Government entered into subsequent agreements with private individuals, the terms of such subsequent agreements relieved the Government of all, or for that matter, any obligations previously established under an earlier agreement between the Defense Establishment and the State of Louisiana.

In essence, the attitude of the Department of the Army seems to be that a valid, good-faith agreement between the Department of the Army and the State of Louisiana can be modified; yes, even nullified, by the terms of agreements subsequently entered into by the Department of the Army and third-party, private individuals.

Merely stating the proposition advanced by the Department of the Army demonstrates its complete lack of merit.

Mr. ELLENDER. These exhibits demonstrate three points conclusively.

First, the closing of Fort Polk despite a written agreement executed by the Department of the Army that the post was to be reopened "on a permanent basis," amounts to a total and unexcusable breach of an executive branch agreement with the people of Louisiana. I can state without any qualms at all that if the agreement referred to had been made with some minor foreign power, instead of with the citizens of one of our United States, it would have been honored, and honored without regard to cost.

Second, the closing of Fort Polk, if accomplished, will cost the Government much more money that if the installation remained on an active status. In this connection, I have already referred to the maneuver rights which will automatically expire as soon as the doors of the fort close. These rights are worth, on the basis of indicated costs for similar rights near Fort Hood, Tex., approximately $45 to $50 million according to the exhibits already in the record. Further, the following additional costs will be borne by our Government should the fort be closed.

To move 3,860 families: $2,300,000.

To modify or otherwise discharge contracts now in effect covering work on the post: $4,825,000.

To cover possible Government liabilities on housing loans, both Veterans' Administration and Federal Housing Administration, covering dwellings which will be vacated as a result of the fort's closing: $6,739,000.

To terminate and discharge Government liability under a contract for Capehart housing for post personnel: $11 to $13 million. This liability, Mr. President, has already accrued, I am informed.

For these items alone, Mr. President, the taxpayers of our country may well be required to pay nearly $70 million to close an Army installation whose continuation would assure the availability of maneuver rights over 7 million acres of land for a period of 15 years. Based on an estimated annual saving of $5 million, which the military proposes to achieve by closing the fort, it will require 14 years for the initial closing costs to be amortized.

I remind Senators that 4 years of the 15-year term for which the maneuver agreements are valid have already passed. The agreements as they now stand are valid for 11 more years. Thus, it is only a matter of basic arithmetic to see that the Government is actually losing money—some $15 million, to be specific—by closing the fort instead of keeping it on active status in order to preserve the maneuver rights I have referred to and which are valued at some $45 to $50 million.

Finally, in addition to the false economy being practiced by our Government in this regard, I want to state specifically at this time that much more is involved in the proposed closing of Fort Polk than dollars and cents.

The honor of our Government is at stake.

Is the solemn word of the U.S. Government now reduced to nothing more than merely another scrap of paper?

And what about the local people themselves? They have invested heavily in public improvements, in expanded water, police, sewerage, recreational and related services. They have incurred debt upon debt in order to provide larger places of worship, better, more wholesome places for troops and their dependents to spend their off-duty hours. These things were done at the request of the Army when the fort was reopened—a request made by Army officials to the local civic and community leaders that a suitable moral atmosphere be provided for personnel stationed at Fort Polk.

Mr. President, I am sorry that I have spoken at such length, but I feel very deeply about this problem. It may well be that I have placed too much emphasis upon the effect the proposed reduction in army strength will have on the people of one area of my State. I assure Senators that I have not done so out of a spirit of selfishness, but because I am convinced that the factors about which I complain are symptoms of a disease which is infecting the entire executive branch.

It appears that the Military Establishment, from the Commander in Chief on down, has become almost incapable of keeping its word.

The military has broken faith with the people of my State, in closing an Army post in violation of a solemn promise.

The Defense Establishment has broken faith with the Congress, by refusing to abide by congressional intent in providing funds and authority to maintain Army strength at not less than 900,000.

The President and his military chiefs have breached their solemn trust imposed upon them by the Congress and the people to wisely and efficiently handle public funds. They have, under the guise of economy, embarked upon a course which, insofar as Fort Polk, La., may be concerned, will cost the Treasury considerably more money than if the fort remained on an active status, and the 7 million acres in maneuver rights remained available for military use during the next 11 years.

Finally, the military brass hats have legal loopholed their way around a requirement that unexpended defense money appropriated for one purpose be used for the next highest priority items. They have taken money originally provided for military aircraft procurement and used it to purchase sumptuous aircraft for the use of themselves and other Government officials, without specific congressional authority—or even so much as a by-your-leave to the Congress.

Mr. President, I lay these facts before the Senate for the consideration of my colleagues without rancor, but only to give them a glimpse of what the Appropriations Committees of the Congress are up against when we attempt to get a dollar's worth of defense for every dollar we appropriate.

I urge Senators to join with me in voting for the motion offered by my junior colleague [Mr. LONG].

Mr. LONG. Mr. President, how much time remains for the proponents?

The PRESIDING OFFICER. The proponents have 15 minutes remaining.

Mr. LONG. Mr. President, as stated in the remarks of my distinguished colleague, this great maneuver area, larger than the whole State of Maryland, was made available to the Army at no cost whatever by the people of Louisiana. It was estimated it would have cost more than $50 million in a neighboring State to obtain the only other possible maneuver area available in this country. When this particular cutback was made the Army lost the whole maneuver area, and will not be able to get it back at any price. The overall saving to which reference is made is supposed to be $1½ million this year. That does not include, however, the added costs which

may run into many millions of dollars for breaking existing contracts. That is the kind of economy we see exercised today. It is a part of the overall program.

Mr. President, at this time, I yield 5 minutes to the distinguished Senator from Montana [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. President, in acting upon the Second Supplemental Appropriations Act of 1959, the Senate inserted an amendment to the Department of Defense Appropriation Act of 1959, which provides that the Marine Corps will be maintained at an end strength of 200,000 for fiscal year 1959—this fiscal year.

This action by the Senate is not an appropriation of funds. Funds to establish and maintain the Marine Corps at a strength of 200,000 were appropriated by Congress in the Department of Defense Appropriation Act of 1959. The money has been appropriated—but it has not been allocated to the Marine Corps by the Pentagon, as Congress intended.

The Senate amendment providing for a Marine Corps of 200,000 will have no affect on the funds of the Navy or any other service or agency of government. It will not restrict the availability of any funds appropriated in the Supplemental Appropriation Act or in the Department of Defense Appropriation Act of 1959.

The Senate proviso on Marine Corps strength is entirely consistent with congressional intent on Marine Corps strength expressed when the Department of Defense Appropriation Act for 1959 was enacted last summer. The Senate Appropriations Committee Report on that act stated:

> This decision to appropriate the funds necessary for a 200,000-man Marine Corps was made with full consideration of the fiscal and military limitations. The committee desires that it be clearly understood by appropriate agencies in the executive branch of the Government that it is the clear-cut intent of the committee, and of the proposed appropriating legislation, that the Marine Corps be maintained at the strength of 200,000. (S. Rept. No. 1937, 85th Cong., 2d sess., p. 8.)

The Marine Corps proviso is stated in form identical with that Congress adopted in the Department of Defense Appropriation Act of 1959 for Army Reserve strength, and almost identical with the Army National Guard strength proviso in the same law. Pentagon has treated Army Reserve and National Guard provisos as mandatory. This Marine Corps amendment simply places the Marine Corps under the same type of strength provision in the 1959 Defense Appropriation Act as is now accorded the National Guard and Army Reserve in that same act.

The present Commandant of the Marine Corps and his predecessor have repeatedly testified that 200,000 personnel is the minimum required to maintain the Marine Corps at its statutory organizational strength of 3 combat divisions and 3 aircraft wings. This statutory organizational requirement was established by Congress and is the basis of the requirement for 200,000 Marines. Reduction to the 175,000 directed by the Pentagon requires the disbandment of 6 of the 27 battalion landing teams comprising the primary combat elements of the marine divisions. For the Marine Corps 200,000 is the minimum number required to comply with the law. This amendment will bring the personnel means in line with the statutory organizational requirement established by Congress.

Mr. President, in the Washington Evening Star for April 9, 1959, I noted an article entitled "Civilian Raises From Army Pay Draws Criticism."

The article reads:

> The Defense Department used for civilian pay boosts a big chunk of the money Congress voted last year to maintain the Army's strength.
>
> This came out yesterday at a Senate Appropriations Committee hearing. It brought from Senator ELLENDER, Democrat of Louisiana, a rumble that "somebody ought to go to jail."

The PRESIDING OFFICER. The time of the Senator from Montana has expired.

Mr. MANSFIELD. Mr. President, will the Senator from Louisiana yield me 1 additional minute?

Mr. LONG. I yield 1 additional minute to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized for 1 additional minute.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the balance of the article from the Washington Evening Star be printed in the RECORD, to show how the Army is using funds provided for the maintenance of Army strength for civilian pay raises.

There being no objection, the balance of the article was ordered to be printed in the RECORD, as follows:

> Maj. Gen. D. W. Traub, Army budget director, said the transfer of funds was made under the language of the civilian pay raise bill enacted by Congress. Fifty-eight million dollars was shifted to civilian pay raises from $76 million which had been appropriated to maintain the size of the Army.
>
> The hearing was on the Army's request for $42.4 million in additional appropriations for the current fiscal year ending June 30. The House cut this by $4,240,000.
>
> Hugh M. Milton II, Army Undersecretary, told the Senate committee that the entire amount is needed to make up for unexpected expenses incurred in the landing of troops in Lebanon last year.

Mr. MANSFIELD. Mr. President, I express the hope that the Senate in its wisdom will once again reaffirm its position. Instead of deleting the Senate language on amendment 19, affecting the strength of the Army, and amendment 22, affecting the strength of the Marine Corps, the Senate should vote to retain the language relating to the strength of these two branches of our armed services.

Mr. SYMINGTON. Mr. President——

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. LONG. I should be delighted to yield to the Senator, but I must inquire whether the opponents desire to use any time, because I have used up much of the time in favor of the motion.

Mr. HAYDEN. I should be glad to make a brief statement.

Mr. LONG. The only point I had in mind was that I dislike to use up all the time for the proposal. If the Senator would proceed, then we can use the additional time later.

Mr. HAYDEN. I think the best way to begin my remarks is to repeat the statement made in the conference report:

> The Senate receded on amendments 19 and 22 with the greatest of reluctance and only because the lateness in the year precludes the possibility of the Army and Marine Corps being brought up to the strengths of 900,000 and 200,000, respectively, before June 30, 1959.

At the present time the Army has an enlisted strength of 872,200. It would require that 27,800 men be enlisted between now and the first of July, if the strength limitation were applied. The Marine Corps has a strength of 174,780, so the Marine Corps would have to enlist 25,220 men in the next 6 weeks. They would have to go out on the streets and draft men to get that many, in my judgment. That is the situation.

I was in sympathy with what was done by the committee, because I voted 2 years ago to maintain the Marine Corps at a proper strength, and a year ago I voted to maintain both the Marine Corps and the Army at a proper strength. I still feel the same way about the matter.

As I have stated many times, one cannot make the administration spend money if it does not want to. That is all there is to it. We provided the money. We provided the money last year, and we provided the money the year before for the Marine Corps. The administration refused to build the forces up to the strength to which they should have been built.

Mr. CHAVEZ. Mr. President, will the Senator yield to me?

Mr. HAYDEN. I yield.

Mr. CHAVEZ. What the Senator has stated is correct.

Would the Senator be willing to go along with some of us with regard to the appropriation bill for next year, to provide that if the money is not used for the purpose for which appropriated it cannot be used for any other purpose?

Mr. HAYDEN. This is what we said in the report:

> The conferees are agreed that the entire matter of strength of the Army and Marine Corps will be a matter of thorough study during the consideration of the 1960 Defense Department appropriation bill.

It was pointed out to us that the authorizing legislation comes under the jurisdiction of the House Committee on Armed Services, of which Mr. VINSON is chairman. He objects—and properly so—to legislation on an appropriation bill.

I wish to point out in that connection that while the amendment offered by the Senator from Louisiana was a limitation, the amendment offered by the Senator from Montana involved a change in the statute. I could have made a point of order against it, but

everything was in one package, and I thought we should vote on the question at that time.

In conference the House conferees stated that there was no hope of changing the situation in any way, and that we might as well yield then. They stated that if we did anything it would not accomplish the desired results within the next 6 weeks.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. McCLELLAN. Is this the last hope we have here tonight of trying to impose the will of Congress with respect to maintaining the Army and the Marine Corps strength at the level which Congress thinks proper?

Mr. HAYDEN. No; it is not the last hope. The subject can be taken up again when the regular appropriation bills are under consideration, between now and June 30.

Mr. RUSSELL. Mr. President, I was not able to remain throughout the entire conference, but I was present when these items were first discussed. We discussed them for about 35 or 40 minutes, and then passed on to something with respect to which there was greater hope of agreement.

The House conferees did not challenge the merits of this issue. They did very strongly insist that a supplemental appropriation bill was not the place to write policy.

They further insisted that they were not members of the committee of the House which handles appropriations for the armed services, and that for that reason they could not accept amendments which, in one instance constituted legislation, and in both instances defined military policy.

While I was not able to remain until the end of the conference, there is no doubt in my mind that the conferees with whom we dealt would never accept the amendment referred to, for the reason that it did not belong in a supplemental appropriation bill.

I am in favor of an Army of 900,000 and a Marine Corps of 200,000, but I must admit that there is considerable cogency to the argument that a supplemental appropriation bill is not the proper piece of legislation to utilize for providing for those numbers.

There are involved in the bill a large number of appropriations for various agencies and departments of the Government. In the instant bill, the military did not have anything like its proportionate share of the appropriations. Compared with the total budget, it had a very small portion of the whole.

Mr. HAYDEN. Mr. President, I should like to have the Senator from Florida [Mr. HOLLAND] recite to the Senate the items representing the immediate emergency we must meet, which was another factor which caused us to take the action we took.

Mr. RUSSELL. I was present when the subject was first discussed. I did not remain until the conclusion of the conference, because of some previous engagements. We could not persuade the representatives of the other body even to discuss the merits of the proposal, for the reason that they said it did not belong in this bill. I had no answer to that argument.

Mr. McCLELLAN. Mr. President, there may be some merit in the position of the House conferees. Perhaps there is a better way to get at the problem.

Mr. HAYDEN. That was the contention of the House conferees.

Mr. McCLELLAN. In other words, they believe that this procedure is out of line, and that the problem should be handled in connection with the regular appropriation bill. Is that correct?

Mr. RUSSELL. That is correct.

Mr. McCLELLAN. I am trying to bring the picture into focus. If a vote to send the report back will give emphasis to the position of Congress, or what I believe to be the will of Congress as it has been expressed in the past—and I believe it is still the will of Congress—I shall vote to send the report back. If voting to send it back, and urging the House conferees to return to the House and obtain a vote will place emphasis on the position of Congress, so that the administration may know that we are not fooling, and that we honestly believe that our military strength should be brought up to the level indicated, I wish to vote to send the report back.

Mr. LONG. Mr. President, I am most disappointed to hear the argument made by my great and distinguished friend, the Senator from Georgia [Mr. RUSSELL]. It was the Senator from Georgia who advised me that this was the way to go about accomplishing our object. I wanted to offer the amendment as an amendment to the draft bill, which was in the Senator's committee. The Senator said it should be offered to an appropriation bill.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. RUSSELL. The Senator must not misquote me. I did not advise him to offer this amendment in connection with a supplemental appropriation bill. I advised him to offer it in connection with the regular appropriation bill. I say that the proper place to have this issue considered is in connection with the regular military appropriation bill, which should be before the Senate in the next few weeks. The fiscal year ends on June 30. The bill which provides funds for the Army, Navy, Air Force, and Marine Corps, will be before the Senate within the next 3 or 4 weeks. It will have to be taken up before the 1st of July, because the fiscal year ends on June 30.

I still say that the proper place to fight out the issue is in connection with the Department of Defense appropriation bill for 1960.

Mr. LONG. My understanding was that the Senator did suggest that the amendment be offered to a supplemental bill. That was several months ago, and my memory may have faded, just as the Senator's memory may have faded. I am stating my impression. I discussed my amendment with the Parliamentarian, and obtained his advice, in order to make sure that my amendment would be a strict limitation. That is how I offered it.

Mr. RUSSELL. The Senator's amendment was entirely in order. The objection that it was legislation would not lie against the Senator's amendment. The Senator was gracious enough to telephone me, and I told him that I did not oppose his amendment. I did not oppose it. I am for it today. I am in favor of an Army of 900,000, and I favor a Marine Corps of 200,000. But when the House conferees said, "We could not undertake to write policy because we are not the ones who appropriate, and we are not on the Armed Services Committee; we cannot accept the amendment. We cannot even discuss the merits," I had no proper rejoinder. I stated that the Senate favored an Army of 900,000, and a Marine Corps of 200,000. That was all I could say. We passed over the consideration of the amendment. I do not know what finally moved the conferees on the part of the Senate, but if the House conferees were in the same position in which they were when I left the conference, the result was inevitable.

Mr. HOLLAND. Mr. President, the Senator from Arizona requested me to state the specific emergency items which are in the bill, and which would be postponed in the event the conference report were not promptly acted upon. I am very happy to comply.

The first item is for the Civil Aeronautics Board, to make payments to air carriers. Incidentally, there are no trunk carriers on the list to receive subsidies. They are local service carriers. Since April 30 we have been in default. As a matter of fact, because of the shortage of funds, payments for April were made only to the extent of 40 percent of the amount approved. So 60 percent of the April payments are past due, and all the May payments are now due, to the total amount of $14 million.

I invite the attention of the Senate to the fact that interest is running on those items, and that the United States pays the interest. I also invite attention to the fact that Mr. Durfee, chairman of the board, appeared before the committee. The full committee conducted the hearing. He made it perfectly clear that most local carriers had no credit, had no balance of funds, and were operating on a month-to-month basis, and that it was vitally necessary that they be paid on time. They are already suffering.

The second item is grants in aid for airports of the Federal Aviation Agency. There is a past due item of $18 million, since May 1st, due to States and local authorities which, in good faith, have spent their own money and have filed statements with the Federal Aviation Agency and have shown themselves to be entitled to such payment. Every additional day the payments are held up, we are, in effect, withholding payments which we now owe to the States and cities.

Third—and by far the largest item—is grants to States for public assistance, which must be made in cash on May 19th, in the amount of $152 million. The occasion for that supplement is the increase in public assistance payments

which we made last year in the Congress, and which was made after the bill had been approved last year.

The States have every right to expect from us the cash payments on May 19.

I call attention to the fact that a bill has already been set for May 19—the insurance tax bill—and I call attention, further, to the fact that there is no chance to get this report back into conference until some time next week, if it is rejected.

Mr. HAYDEN. Mr. President——

Mr. HOLLAND. I ask the Chairman to indulge me for just another minute. It is peculiarly distasteful to the chairman and myself to make any appeal on this matter, when we are so thoroughly in sympathy with the objective sought by the Senator from Louisiana and those who sustained him, and with the objective of the Senator from Montana and those who supported him. But we think we know that the objective which they want to subserve cannot possibly be attained in the balance of this fiscal year, within the 6 weeks which are covered by the supplemental bill. We feel, besides, that the wording of the amendments, which we know had to be quickly drawn, would not bring about the objectives sought even if they could be attained in the 6-week period.

I read the principal one, with reference to the Army. It reads:

> That no part of the funds herein appropriated shall be used for the purpose of reducing the strength of the active Army below 900,000, nor be expended directly or indirectly for the purpose of transporting any person or persons pursuant to any plan or program for reducing the strength of the Army below 900,000.

The bitter truth is that the Army has already been reduced by 28,000 below 900,000. The wording of the amendment, which we all approved, not knowing what was in it, but understanding the worthy objectives which animated those who offered it, just could not be carried out in those 6 weeks.

So, Mr. President, without further discussion of the matter, it seems to me that the Senate should accept in good faith the assurance of the chairman of the committee—and I join him in that assurance, and I am certain that every member of the Committee on Appropriations also joins him—that we will support the objectives in the consideration of the annual bill.

I see on the floor the chairman of the subcommittee who will handle that bill. I know he was thoroughly in sympathy with this objective.

However, after all, when we supplied the money last year and supplied the selective service bill, and the administration does not use either the money or the selective service bill, and we are giving it 6 weeks to complete the strength that we voted a year ago, there is no use to hold up any important items for an objective which cannot be attained in the bill. For that reason, Mr. President, I hope that the distinguished Senator from Louisiana will not insist on his motion.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. SYMINGTON. Mr. President, the Senator from Arizona knows that there is no man for whom I have greater respect than the distinguished Senator from Georgia [Mr. RUSSELL], the chairman of the Committee on Armed Services. Many times since I have been a Member of the Senate, because of parliamentary rules and various reasons we end up by being told, "We would like to do something to relieve this problem, but under present conditions we cannot do anything at this time."

I would merely like to say to my colleagues that I was in Berlin last month. I had dinner with Mayor Willy Brandt. The gentleman on my right said, "We very much appreciate the statement made by your great President that he will not give an inch in the Berlin situation, but it is very difficult for us to coordinate that with the fact that you intend to cut further your combat divisions, which have already been cut from 24 to 15, and now we understand they are going to be cut by 4 more under recent plans." He apparently knew as much about the subject as many of us know of it.

I believe the time has come when we must face up to the fact that we are not going to have a satisfactory foreign policy with words. We must back up that policy with action. It was for that reason that I was sympathetic to the position taken by the distinguished Senator from Louisiana [Mr. LONG]. Whether or not we are supporting six air forces is an administrative problem, not a legislative problem. I am not an expert in the matter. It would seem to me that we are, and that the American taxpayers are being forced to support six air forces, and that those air forces are not coordinated.

I read the report of the press conference the President held yesterday, with reference to whether we are spending $250 million on waiters and servants and chauffeurs in the armed services. That is an executive problem. It is a problem of administration, and a problem of good business management.

But this I do know, Mr. President. If we continue to reduce our Armed Forces, at the same time that we say we do not intend to further appease the Communists, we are simply talking, as against acting.

There was once a great President of the United States who said, "Speak softly and carry a big stick." Apparently all we are doing is indulging in a great deal of talking and at the same time continuing to whittle on the stick.

Mr. LONG. Mr. President, how much time remains to the proponents?

The PRESIDING OFFICER. Eight minutes.

Mr. LONG. I wish to answer one or two arguments which have been made. It has been said that, as a technical matter, my amendment is not in order. I discussed that subject with the Parliamentarian. I rely on him. I accepted his interpretation of the question as to whether the amendment would be in order. Since the Army is already below 900,000 in strength, I interpret the amendment to mean that no funds in the bill could be used to effect any further cutback, no matter what the strength at the moment might be.

So far as the question of legislating on an appropriation bill is concerned, with reference to the Marine Corps, that could be worked out in conference, if any modification were necessary.

Let me tell Senators that we are never going to win our battle against the Bureau of the Budget, and we will be hamstrung and tied down by the Bureau of the Budget, so long as we do not have the desire to win.

Mr. President, last year the football team of the year was the Louisiana State University Tigers and the player of the year was a member of that team named Billy Cannon. He appeared on a TV program, and he was asked the question, "What do you think is the most important thing for a football team to have?"

He said, "The desire to win."

Mr. President, the conferees came back to us and told us, "We tried very hard, but the House would not consider it."

I say that if we can win this vote over the opposition of a great man like the distinguished Senator from Georgia [Mr. RUSSELL], the chairman of the Committee on Armed Services, who has said we cannot win, then I say we can win. I say we can win, and the House will understand that. That is something they can understand, if we can carry the vote against DICK RUSSELL. If we can do that, we can win.

All we have to do is fight.

If Senators really want to win, they must vote for this motion. The House will consider it. If we lose, at least we will be able to say, "We tried, we tried very hard."

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CLARK. I am happy to support the Senator from Louisiana in his pending motion in spite of the parliamentary difficulties which have been raised by the distinguished Senator from Arizona and the distinguished Senator from Georgia.

We need a sound, secure national defense, and we do not have it now in perhaps the most important field of all, and that is in being able to fight brush fires, which we feel we will be confronted with in the future, as we have been in the past. To fight a brush fire war we must have a strong Marine Corps and we must have a strong Army. I believe that the Senate of the United States would render a public service tonight of the highest order by supporting the determination that this body is not going to sit idly by and see the strength of our Armed Forces decreased by an administration which to all outward appearances is callous to the major challenge of our time.

Mr. CHAVEZ. Mr. President, will the Senator yield me some time?

Mr. LONG. I yield 30 seconds to the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, I should like to read an editorial published in the Journal American of May 3, 1959:

U.S. RIGHT ARM

If a brush fire war erupts anywhere on the globe, the first line of U.S. defense is still—

as it has been for over 180 years—the Marine Corps.

For any Pentagon civilian planners who fail to get that point, the Senate spelled it out and underlined it by unanimous vote to halt ill-advised reductions in manpower of the Corps.

The Nation's security demands that the Marines be maintained at full strength of 200,000. Congress insisted last year in adding budget funds to that effect. Defense Department reductions in the Marines were in defiance of Congress' order.

The Senate has now reasserted the importance of the Marines, for which a grateful Nation must give thanks.

Mr. LONG. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Louisiana has 3 minutes remaining.

Mr. LONG. If there are no further requests for time, I yield my remaining 3 minutes to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, the cost of restoring the Army's strength to 900,000 on a yearly basis would be approximately $100 million. The cost of restoring the Marine Corps to a strength of 200,000 would be $45 million. I think this is the best investment the country could make, to get 55,000 fighting men for only $145 million.

When we think of all the waste in the Army which the Department of Defense and the administration are tolerating, the idea that we cannot afford $145 million to get an Army division and to get 6 Marine battalion landing teams seems to me utterly ridiculous.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. MANSFIELD. I was interested in noting what the distinguished chairman of the Committee on Appropriations said. He cited figures which indicated that the strength of the Marine Corps is now below 175,000, which is the minimum set by the administration, not by Congress. According to press reports, if it is not the case now, before the end of the month the Army will be below the floor of 870,000, and down to around 869,000. So is the administration going to use this as a temporary stop and then continue to go down, down, and down? Where will the administration stop? And when they do, how much will it really cost us then?

Mr. HAYDEN. Mr. President, I yield to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I say to the distinguished and genial Senator from Louisiana that if this matter went back to conference, it would be a pyrrhic victory, to say the least. Will the Senator tell me how in the 6 weeks between now and June 30 it will be possible to find, train, and equip 26,000 men for the Marine Corps, because this authority dies on June 30?

Mr. LONG. I suggest that we vote now and then let us challenge our friends in the House to see how they feel about it. Let the entire House vote. I do not think we have here an expression of the view of the House. Let us ask the House conferees to let the entire House vote on the question. Perhaps we can persuade them to have the House vote on the question. Let us see what we can get. We got nothing on the last round.

Mr. DIRKSEN. There is no power under the canopy of heaven that will find 26,000 men who can be trained for service in the Marine Corps by June 30. There is no power under the canopy of God's heaven which will find 30,000 doughboys to be placed in the Army and trained by June 30.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DIRKSEN. Let me make my case, please.

Suppose the House does not yield on the regular bill when it comes up, and says it will not set a new level of forces. Then we will have marched up the hill and marched down again, all in a period of 6 weeks. We will then have won a straw victory, and nothing more. But what we will have done will be to advertise to the whole wide world, including Berlin, that there is a difference between the House and the Senate when it comes to the defense, security, and preparedness of this country. I prefer not to do it in the headlines. I prefer not to see the statement: "House and Senate cannot agree. House is adamant. Senate has to go back to conference."

Is that the kind of disunity Senators want to have ventilated? I would rather wait 6 weeks and see what can be done in the regular supply bill, as the Senator from Florida [Mr. HOLLAND] has so well pointed out, when he says we should wait a little while. The old age assistance fund is in this bill. That fund has run out of money, or will run out of money on the coming Sunday. At least 8 or 10 other functions will be out of money.

The Senate can send the bill back if it likes; but I will not agree to our penalizing the people who are depending on those funds. I will not advertise to the whole wide world that I am at variance with the House or that there is a difficulty between this body and the other body as to the whole question of the level of forces, when it takes so little time to get the question worked out, but it could not be achieved if we had all the power in the universe to do it, because it cannot be done between now and June 30.

I ask the chairman of the committee: Am I correct?

Mr. HAYDEN. The Senator is correct.

Mr. DIRKSEN. That was the testimony, was it not?

Mr. HAYDEN. It was.

Mr. DIRKSEN. Indeed it was. Senators can cherish their own feelings about this, as everybody else can, but that is no reason for a spectacle now, when we can deal with the question in the regular supply bill, which, as the Senator from Georgia [Mr. RUSSELL] has so well said, will be on the floor of the Senate in 3 or 4 weeks. At that time ample opportunity will be afforded to deal with this policy problem.

Mr. LONG. Mr. President, will the chairman yield me 5 minutes?

Mr. HAYDEN. I yield 5 minutes to the Senator from Louisiana.

Mr. LONG. I dislike to let an argument made by so powerful and able a Senator as the distinguished minority leader go unanswered before the Senate votes on this matter. One of his arguments was that he would dislike to have the world think that the House and Senate could not agree. The world knows now that we cannot agree. The Senate voted for a strong Army. The House itself did not turn us down; it was simply five or six Members of the House who turned us down. The word which went around the world was not that the House and Senate could not agree; the word was that the Senate surrendered. That was the word that went around the world; it was just that simple.

All I am saying is that although the conferees surrendered, the Senate itself, if it wants to, can give battle. We have not given up yet.

It was said by the Senator from Illinois that the old-age pension funds might run short temporarily. I have been a sponsor, year by year, of an amendment to increase those funds. No one here could have any more interest in old folks than I have. I offered an amendment last year which would have provided increased pensions for every old person in America, but I could not persuade Republican Senators to vote for it. The amendment lost on a tie vote.

The amendment would have provided substantially increased funds for Illinois, but I could not get the distinguished junior Senator from Illinois [Mr. DIRKSEN] to vote for it. That amendment lost on a tie vote.

Do Senators think the junior Senator from Illinois [Mr. DIRKSEN] is more interested in grandma than I am? After making this fight for the old folks, do not Senators know that I am interested in aged citizens? If there were any real danger of injuring them, I would not be offering this motion.

I am willing to take a chance and go back to conference. I want to save America by trying to maintain an adequate Army and Marine Corps. The junior Senator from Illinois made the argument that it would be difficult to get the number of men required by June 30. I ask him and I ask the Senate the same question: Have we really tried? How do we know we cannot get the men, if we do not try? I say to the conferees: "Go back again and try." Is that asking too much?

The conferees did well in conference. It took them 14 days to bring the bill back. I adjure them: Please try again. If they cannot win, will they not let us send as conferees some who will try and continue to try to win?

If the House itself will tell us "No," I am perfectly willing to quit. But until the House tells us "No," I am not willing to accept the word of the House members of the conference, at least one of whom may be benefiting his district by having remants of discontinued bases moved into his district.

They stand adamant. They will not even consider our proposal, even when we say the defense of America is being destroyed. Oh, yes; if there is any benefit to their districts, they are willing to

go along with the Bureau of the Budget and will not even listen to us for a minute. But I ask them to let the House vote.

If the House turns us down, I will be satisfied. I can then go home and tell the people of my State: "I have tried as best I could." That is all I ask.

Mr. CHAVEZ. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield 2 minutes to the Senator from New Mexico.

Mr. CHAVEZ. I do not want the Senator from Illinois to get away with what he has said. He is badly worried that Russia and the rest of the world will know that there are differences of opinion between the House and Senate. But Russia knows now that the recommendation, in this instance, to reduce the strength of the Army below 900,000 and the strength of the Marines below 200,000, was not a recommendation of either the Senate or the House, but was a recommendation of the administration, which the Senator from Illinois [Mr. DIRKSEN] so well represents.

Russia was first notified by the administration that it did not want the Marines maintained at a strength of 200,000, and did not want the Army maintained at a strength of 900,000.

Mr. DIRKSEN. Mr. President, I wish to say that not a scintilla of the bill will carry the levels below where they are now. Yet some Senators propose the impossible task of finding the additional personnel between now and the 30th of June.

My friend likes to poke fun about voting against an amendment to make such an increase. What he is saying today is that they will be out of funds on Sunday, and that we should give them no additional funds, to be paid to those who are on the old age assistance rolls, until we settle a policy matter in a supplemental appropriation bill where such an item has no business being, in the first place.

There has been a great deal of begging of the question, here; but it will be a rather sorry business, Mr. President, if we adopt the motion to reconsider the vote by which the conference report was agreed to earlier this afternoon by the Senate.

I may say that they do not have to put me on notice; I learned long ago that a conference report is a privileged matter, and every Senator is supposed to be alerted to it. It came here in the usual course, notwithstanding all the noise which was made, and was considered in the usual course by a very gracious chairman who always is willing to give everyone his day in court.

Then, of course, we fussed about it.

But I am willing to have the Senate vote now.

Mr. HAYDEN. Mr. President, I yield back the remainder of the time under my control.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Cannon in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. As I understand, the pending question is on agreeing to the motion to reconsider the vote by which the conference report was adopted by the Senate earlier this afternoon.

The PRESIDING OFFICER. Under the unanimous-consent agreement, the question is on agreeing to the motion to reconsider the vote by which the conference report was agreed to.

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from Delaware [Mr. FREAR], the Senator from Tennessee [Mr. GORE], the Senator from Texas [Mr. JOHNSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from Utah [Mr. Moss], the Senator from Montana [Mr. MURRAY], and the Senator from Mississippi [Mr. STENNIS] are absent on official business.

I further announce that, if present and voting, the Senator from Montana [Mr. MURRAY] would vote "yea."

Mr. KUCHEL. I announce that the Senator from Idaho [Mr. DWORSHAK] and the Senator from Massachusetts [Mr. SALTONSTALL] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Arizona [Mr. GOLDWATER], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Delaware [Mr. WILLIAMS], and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

If present and voting, the Senator from Arizona [Mr. GOLDWATER], the Senator from Kentucky [Mr. MORTON], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Wisconsin [Mr. WILEY], and the Senator from Delaware [Mr. WILLIAMS] would each vote "nay."

The result was announced—yeas 33, nays 45, as follows:

YEAS—33

Cannon	Hartke	Muskie
Chavez	Humphrey	Proxmire
Clark	Jackson	Randolph
Douglas	Johnston, S.C.	Smathers
Eastland	Jordan	Sparkman
Ellender	Langer	Symington
Engle	Long	Talmadge
Ervin	McClellan	Thurmond
Fulbright	McNamara	Williams, N.J.
Gruening	Mansfield	Yarborough
Hart	Morse	Young, Ohio

NAYS—45

Aiken	Beall	Butler
Allott	Bennett	Byrd, W. Va.
Anderson	Bible	Capehart
Bartlett	Bush	Carlson
Carroll	Hill	Martin
Case, N.J.	Holland	Monroney
Case, S. Dak.	Hruska	Mundt
Cooper	Javits	Neuberger
Cotton	Keating	O'Mahoney
Curtis	Kefauver	Pastore
Dirksen	Kuchel	Prouty
Dodd	Lausche	Robertson
Green	McCarthy	Russell
Hayden	McGee	Scott
Hennings	Magnuson	Smith

NOT VOTING—20

Bridges	Hickenlooper	Saltonstall
Byrd, Va.	Johnson, Tex.	Schoeppel
Church	Kennedy	Stennis
Dworshak	Kerr	Wiley
Frear	Morton	Williams, Del.
Goldwater	Moss	Young, N. Dak.
Gore	Murray	

So the motion to reconsider was rejected.

REPRINTING OF HOUSE DOCUMENT NO. 451, 84TH CONGRESS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Order No. 221, House Concurrent Resolution 95, and ask that it be made the unfinished business.

The PRESIDING OFFICER. The concurrent resolution will be stated by title.

The LEGISLATIVE CLERK. A concurrent resolution (H. Con. Res. 95) authorizing the reprinting of House Document 451 of the 84th Congress.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the concurrent resolution.

A CHRISTIAN POSITION ON U.S. FOREIGN AID

Mr. HUMPHREY. Mr. President, in view of the attention that is being focused on evaluation of our foreign-aid program, I invite the attention of the Senate to an excellent statement recently presented to the Draper committee by the Committee on Economic Life of the Catholic Association for International Peace, entitled "A Christian Position on U.S. Foreign Aid."

This statement deserves the attention of all Americans who desire to improve our foreign-aid program. Permit me to quote briefly from it:

> Foreign economic assistance should clearly manifest our positive national purpose as being motivated by our sense of moral obligation in the name of social justice, a factor unfortunately obscured by the present structure of MSP. As a country blessed with an abundance of resources, we must recognize economic aid as simply our particular contribution toward the enhancement of the common good or general welfare of the community of nations. Economic assistance should therefore be channeled to underdeveloped countries, whether allied with us or not, for the primary purpose of promoting their social and economic development.

This statement states what our foreign-aid program's prime purpose should be, namely, one of helping our fellowmen to a better life. The Catholic Association for International Peace is to be commended for this fine and thoughtful statement.

I ask unanimous consent that it be inserted in full at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

A CHRISTIAN POSITION ON U.S. FOREIGN AID

(Policy statement submitted to Draper Committee by committee on economic life, the Catholic Association for International Peace)

A major problem of our time is the growing competition between contending routes to the good society for the minds and hearts of the people of the less developed countries of the world. The problem is made compellingly urgent by the widening gulf between the well-being of some and the vital insufficiencies of others. For the less developed countries the problem emerges as a matter of judging the relative compatibility of their own national aspirations with the pluralist course of development offered by free societies and, alternatively, with the totalitarian pattern presented by communism.

For the United States, the problem is fundamentally that of an effective identification of its national interest with the revolutionary new national aspirations and expectations which serve the purpose of promoting world peace based on justice and the rule of law. There are two aspects to this primary objective of the United States, one negative and hopefully short term in its current scope and magnitude, the other positive and long term. The negative or static aspect involves measures designed to assure our national survival by maintaining a balance of military power through adequate defense and military alliances. The positive or dynamic aspect embraces those measures and policies whose motivation is to promote social justice proportionately to our moral responsibility and capacity to do so, through various forms of economic assistance. While it is in the underdeveloped countries that the future alinement of political power may ultimately be decided, this objective should be ours even without considerations of power.

The need for military assistance to our allies is more self-evident to the American people than is the need for economic assistance to the less developed countries, whether or not allies. Accordingly, the economic life committee of the CAIP respectfully submits the following recommendations for the consideration of the Draper committee in formulating its final report.

1. That there be an adequate military assistance program designed to promote the mutual defense of the United States and its allies.

A strong defense posture is indispensable in providing the shield without which other measures would be futile. Security for ourselves and our allies is of fundamental importance to our leadership role and to the success of our aims of social justice. Mutual security is, therefore, a valid concept. So long as there exists a major threat to the peace of the world by military aggression and armed subversion, the United States must continue to furnish military assistance, including defense support, to its allies where such assistance and support is provided on the basis of need and military effectiveness and clearly serves military, strategic purposes.

It is understood that military assistance in some countries is given for political rather than military purposes, but on several grounds it would seem undesirable to give military assistance to an underdeveloped country if it does not serve a military end.

Where military assistance has the effect of keeping an unpopular or oppresive regime in power, the United States seemingly alines itself with reactionary elements and acts contrary to the demands of social justice. In such cases it would appear impossible, through such aid, to have any substantial effect on the governments in the direction of social reform and economic development; their policies may even run counter to these vital objectives.

Substantial military assistance frequently disrupts the local economy by distorting the production pattern and by generating inflationary pressures, producing further social injustice. To the extent inflation and misdirection of production result, the economy will be weakened and the country will become increasingly dependent on external assistance. Such a result is contrary to our objective, which is to foster national independence based on economic strength. Economic growth which results only from external assistance is not self-sustaining. Economic strength reflects a condition which may result from external assistance in part, but which becomes manifest in a country's ability to sustain balanced growth primarily through the intelligent use of its own resources. The United States may not lose the world contest with totalitarianism because some underdeveloped countries have a few divisions less; it may eventually lose this struggle if such countries are unable to achieve sustained growth through effective participation in the free world economy.

2. That the mutual security program (MSP) should be restricted to military assistance, including limited defense support; and economic assistance should be enacted in separate legislation on a long-term, continuing basis.

The differing objectives of the two programs require this separation. By lumping programs having such different objectives into one piece of legislation, the statements made in support, and the thinking, too, of our national leaders, become confused and misunderstood both by the American public and by the countries which are the object of our efforts. On the one hand, statements have been made stressing that the program as a whole is the most economical way to assure our national security; this kind of thinking is larded through the handbooks and pamphlets put out by the Executive Branch to win public support for the total program. On the other hand, U.S. Government officials have asserted that we have placed too much emphasis on the cold war aspects of our aid program and too little on our moral responsibilities to the underdeveloped countries.

Security is one of those all-encompassing terms which is subject to various interpretations. The American people are only too apt to understand security in the limited sense of our military security, and fail to understand that economic aid to a given country has any relevance to our security in any other sense. It is for this reason that it is important to distinguish between military aid programs and the economic aid programs designed to promote sustained economic growth and stable, viable economies. Both promote U.S. security, but in rather different ways. Whether India, for example, is lost to the free world by revolution resulting from economic collapse or from external conquest, the results are equally damaging to our ultimte security.

Economic aid no longer rides on the coattails of military assistance, because Congress over the years has shown a greater capacity to distinguish the one from the other. Indeed, it appears that it will be increasingly difficult to justify the necessary magnitude of economic assistance, whether lumped together with military spending or not, unless a better case is made for it on its own distinctive merits to gain the widespread support of the American people.

3. That the objectives of economic assistance to low-income countries should emphasize the national purpose of the United States to further the ends of social justice in the world community.

Foreign economic assistance should clearly manifest our positive national purpose as being motivated by our sense of moral obligation in the name of social justice, a factor unfortunately obscured by the present structure of MSP. As a country blessed with an abundance of resources, we must recognize economic aid as simply our particular contribution toward the enhancement of the common good or general welfare of the community of nations. Economic assistance should therefore be channeled to underdeveloped countries, whether allied with us or not, for the primary purpose of promoting their social and economic development.

Success in promoting economic development and social justice in a given country might well lead to a broader measure of social and political stability. Otherwise, revolution and other political change may render our total foreign policy objectives ineffective—an economic, social, political outflanking of our strategic positions, e.g., Iraq.

Our national purpose should recognize the logical implications of this concept which comprehends the vital aspirations of the people in the less-developed areas. The people in these areas would, as a consequence, be much less inclined to see the United States effort as a cloak for a new colonialism. As things now stand, it looks to many of these people (with the aid of Communist propaganda) that we are motivated in all our aid programs solely by concern for our national security, and not for the social progress of the people of the poorer nations. Thus we appear to be defenders of the status quo, as running against the grain of history in a revolutionary epoch. Henry A. Kissinger stated this point aptly in the New York Times magazine of March 22, 1959: "Ultimately the unity of the West depends on what we affirm rather than on what we reject. It must flow from our convictions and hopes, not our fears."

Economic assistance is expected to contribute to economic growth. It is a fact that as countries grow economically, they raise the volume of their imports. Thus American exporters, as well as the exporters of other countries, will in time benefit as aid leads to higher income in underdeveloped countries and consequently to a higher level of world trade.

4. That social and fiscal reforms necessary to further the ends of social justice and sound development should be pursued vigorously.

If the United States were to demand certain basic reforms as a condition of its aid, as has been suggested, it would be considered an infringement of the aid-receiving country's sovereignty. Yet without these reforms economic aid is apt to be futile. If, as suggested in this paper, the United States has no political objective in its economic assistance program other than the furtherance of social justice and helping the underdeveloped countries maintain their freedom and independence, it may be more feasible for a multilateral organization to exert influence for the necessary reforms. A precedent for this sort of arrangement exists in the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD), which have made recommendations for fiscal reforms to member countries which would be extremely difficult for a single government to make.

In short, while the aid programs would continue to be programed and administered bilaterally, the agency charged with setting the preconditions to aid—land reforms, equible tax structures, regulation of private business and finance, controls over the banking system, and the like—would be a multilateral agency with a degree of autonomy comparable to that of the IMF or the IBRD.

In a few cases, the country's leadership will want the reforms and will accept United States technical aid in carrying them out or may reluctantly accept the United States recommendations for steps which they would find politically difficult to take on their own. Since our aid has significant effect on the distribution of wealth and power within an aided country, we must take responsibility for encouraging reform wherever required.

The possibility of making assistance available to, or with the participation of, regional organizations for economic cooperation and integration should also be explored. The success of the European recovery program resulted largely from the fact that the Organization for European Economic Cooperation was established for the express purpose of coordinating United States economic aid and the trade, monetary and investment policies of the member countries, with a view to achieving the most effective results from the use of aid. The OEEC example has not yet been followed in programing aid to other parts of the world. Its usefulness as an instrument for promoting sound economic policies which cannot be dealt with bilaterally by the United States should be given serious consideration.

5. That an inseparable part of our foreign program should be a more effective communication of United States objectives in the economic assistance program, both here and in the overseas information program.

The words "democracy" and "freedom" mean quite different things to various people. In our usage, their meaning is ultimately linked with our own Western cultural traditions and national prosperity. Social justice is a more universal concept. It is clearly the implied goal in the basic writings of our national philosophy, and can easily be given a concrete meaning in underdeveloped areas, where it takes the form of educational opportunities, land reforms, wider distribution of income, and the putting of property to socially desirable uses. Extravagant consumption in the midst of abject poverty, for example, is at once a grave social injustice and an impediment to economic growth.

We should be able to demonstrate to the people in the less-developed countries that Christian moral philosophy on the social use of property underlies much of our legislation. Such things which we take for granted as our progressive income and inheritance taxes, public housing programs, and public education are all illustrative of this social philosophy which we are either too timid or inarticulate to tell the people in these countries.

Americans are a pragmatic people, averse to thinking in abstract terms. Our message to the underdeveloped nations must be related to their culture, experience, and problems. We must find a way to convey to them the true idealism inherent in our way of life, an idealism that motivates many Americans to support the continuation of foreign aid. In explaining our objectives and national purpose, we should point out that these are the things we advocate and practice in the United States and that we are ready and willing to help local leaders achieve the same things. By stressing the extension of economic aid as a moral responsibility, the United States will best assure the attainment of our basic political objectives, namely to promote world peace based on justice and the rule of law.

PERSONAL STATEMENT OF SENATOR MORSE

Mr. MORSE. Mr. President, I rise to a point of personal privilege. My attention was called today to an article appearing in the April 25, 1959, Christian Science Monitor, by Mr. Neal Stanford, entitled "First Victory for New Secretary."

It purports to be an analysis of my examination of Mr. Herter in an open public hearing at the time of his nomination, which I heartily supported, and I will read this paragraph to the Senate, preparatory to its being considered by the Foreign Relations Committee of the Senate. In the course of his article, Mr. Stanford states:

> For some unexplained reason Senator MORSE had hooked up his own wire recording device to take down his fairly frank and forthright exchange with Mr. Herter. But if he hoped to have on tape something that could embarrass the prospective Secretary, he failed totally.

Mr. President, this is typical of the irresponsible segment of the American press. I want to say, quite frankly and sadly from the standpoint of Mr. Stanford, that the statement just quoted from his article is an absolute and unadulterated lie. There is not a scintilla of fact that supports this falsehood on the part of this correspondent.

Today I notified the Christian Science Monitor that the statement is libelous and that I intend to hold the paper legally responsible for its libel.

Mr. President, I have also notified the Pendleton East Oregonian of Pendleton, Oreg., which has published an editorial based in part upon this lying statement by Mr. Stanford, that I intend to hold it legally responsible for its libel.

We all agree in the Senate, I am sure, that it is not pleasant ever to have to take such a position against any segment of the press, but there comes a time also when the Senate must protect itself from that segment of the journalistic profession that apparently is without ethics and truthfulness.

Mr. President, the members of the Foreign Relations Committee with whom I have talked about this matter are incensed over this false charge against the senior Senator from Oregon—the charge that I would be guilty of such an unethical practice—in view of my 15 years' record here in the Senate, of opposing any legislative proposal that seeks to interfere with the privacy of any American.

Time and time again I have spoken against so-called secret recordings, wiretapping, or interference with the rights of privacy of Americans; and I am aghast that there would be such a lying reporter, reporting for any reputable newspaper in this country, such as the Christian Science Monitor, that out of the figment of his own imagination, and without the slightest basis in truth, would seek to damage a U.S. Senator, whom he obviously does not like, by this lying statement that:

> For some unexplained reason Senator MORSE had hooked up his own wire recording device to take down his fairly frank and forthright exchange with Mr. Herter.

Mr. President, let the RECORD also show that Mr. Herter testified in a public hearing.

Let the RECORD show that the questions which the Senator from Oregon asked Mr. Herter were taken down officially by the official reporters, by the stenotypists who report our Senate public hearings.

Let the RECORD show, Mr. President, that it was a hearing well attended by the press, by the television network representatives, and by the radio network representatives.

I have not the slightest idea as to what film or what recordings were taken by those television and radio networks, but the Senator from Oregon had no connection with them, and I know that it is an absolute lie on the part of Mr. Stanford that I cross-examined Mr. Herter while having my own recording device in that hearing room.

The Senator from Minnesota, who is a member of the committee, sits before me on the floor of the Senate. I am sure he, like other members of the Committee on Foreign Relations, recognizes how absurd and ridiculously false this lying charge of Mr. Stanford's is.

If Mr. Stanford had really performed the service for his newspapers they are entitled to receive from a competent correspondent, he would know that my line of questioning was designed to help Mr. Herter, because I am a supporter of Mr. Herter. It so happens that Mr. Herter had left a very confused and most unfortunate record behind him some days previously in the Senate Foreign Relations Committee in executive session. The transcript of that record left, in the judgment of some of us, a record which did Mr. Herter a great injustice, because that record in the executive session left serious doubt as to whether Mr. Herter's position was that the United States should start a nuclear war over Berlin if the Communists should happen to shoot down an airplane over the Berlin crisis.

Because I thought it so unfortunate that Mr. Herter had left a record in executive session which was subject to that interpretation, I very carefully framed my questions to Mr. Herter in public hearing by way of a series of hypotheticals by which he could correct what I and others of my colleagues on the committee thought was a very unfortunate impression that he left in the executive session. In short, I wanted to give him a public platform from which to clarify his stand on the Berlin issue and the very important issue of nuclear war.

Instead of trying to do Mr. Herter an injustice in a public hearing, the senior Senator from Oregon had framed a group of questions which sought to strengthen Mr. Herter, by getting him on the record with regard to the position he took concerning the hypotheticals raised in public hearings, some of which had previously been discussed in executive session.

Let that public record speak for itself as to the position the Senator from Oregon took in support of Mr. Herter on the floor of the Senate.

The whip of the Democratic Party, a member of the Senate Committee on Foreign Relations, sat in the same public hearings with the senior Senator from Oregon. I am perfectly willing to call upon the Senator from Montana and upon every other member of the Senate Committee on Foreign Relations who

attended those hearings on the issue as to whether Mr. Stanford published a truth or a falsehood about the senior Senator from Oregon when he stated in his lying column, "For some unexplained reason Senator MORSE had hooked up his own wire-recording device to take down his fairly frank and forthright exchange with Mr. Herter."

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. MANSFIELD. I happened to sit next to the Senator from Oregon in the Committee on Foreign Relations. I recall the Senator's questioning of Mr. Herter. I knew nothing about this matter until just now, but I can state to the best of my knowledge that the Senator from Oregon was conducting himself in the same way the rest of us were conducting ourselves. The Senator was using the same loud-speakers the rest of us were using. The Senator had no device of any kind recording any conversation, that I know of, and certainly everything he has done has been in the open, aboveboard, and on the table.

Mr. MORSE. I thank the Senator from Montana very much for this testimony, because I know it would have to be the testimony of every one of my colleagues who sat anywhere near me during those hearings, or who attend them at all.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I wish to say to the Senator it was not possible for the senior Senator from Minnesota to be present at the public hearing, but I recall the executive session to which the Senator refers, in which the then Acting Secretary of State, Mr. Herter, testified.

It is my recollection, after having reviewed the public record—and I want to underscore the word "public," because the record of the hearings relating to Mr. Herter was public—that the senior Senator from Oregon sought only to be of help, to clarify the record. As I recall, some of the press of this country reported that the Senator from Oregon had been most helpful in the statement of hypotheticals which he placed before Mr. Herter, who was the nominee to be Secretary of State.

This is an incredible news story. It is an unbelievable, incredible story.

I think it is very good that the Senator from Oregon has risen and has spoken on a matter of personal privilege, to put the record straight and to state exactly what happened. Many of us at times have disagreements with the Senator from Oregon, but no one has ever accused the Senator of being devious. If there was ever anybody who was blunt, frank, and open and aboveboard, even sometimes to a point where some of us wonder whether it will do him any good, it is the senior Senator from Oregon.

Mr. MORSE. I thank the Senator from Minnesota very much.

Mr. President, there is just one more word I wish to say about this matter. Of course, this charge reflects on the entire membership of the Committee on Foreign Relations, because if any member of the Committee on Foreign Relations were ever guilty of the action Mr. Stanford accuses me of taking in the Herter hearings, he would be subject to the discipline of the Committee on Foreign Relations and subject to the censure of the Senate of the United States, because this is a charge of unethical practice which we in the Senate could not possibly tolerate being committed on the part of any of our colleagues.

Therefore, as a member of the Committee on Foreign Relations, I resent the charge in behalf of the committee, as well as myself, because the charge is a reflection on the committee itself.

Mr. President, if the Senator from Minnesota will permit me to do so, I should like to make an insertion in the RECORD.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

Mr. MORSE. Mr. President, I ask unanimous consent to have appear at this point the story which appeared in the April 25, 1959, issue of the Christian Science Monitor, entitled: "First Victory for New Secretary."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FIRST VICTORY FOR NEW SECRETARY—AN INTIMATE MESSAGE FROM WASHINGTON

(By Neal Stanford)

Events of the past fortnight have immeasurably increased the stature of Christian A. Herter, newly named Secretary of State.

The unanimity and speed with which the Senate confirmed his nomination was not only impressive but quite likely unprecedented.

His poise and equanimity during the series of White House guacheries that led up to his nomination reflect mightily to his credit.

And his even brief hour's appearance before the Senate Foreign Relations Committee was a model of tact, wisdom, and charity.

For 2½ years Christian Herter has let his light shine under the proverbial bushel, while serving in the State Department. This week he set it on Capitol Hill.

His performance before the Senate committee was brilliant, for the confidence, composure, understanding, and good nature displayed.

Senator WAYNE MORSE, Capitol gadfly, tried half a dozen ways to trap the prospective Secretary into exhibiting an inadequacy for the top State Department post.

Mr. Herter nimbly and skillfully avoided them all. He in fact wound up by trapping the Senator with his own bait—a situation that so caught Mr. MORSE by surprise that he startled everyone (possibly including himself) by congratulating the Under Secretary on his perspicacity.

For some unexplained reason Senator MORSE had hooked up his own wire recording device to take down his fairly frank and forthright exchange with Mr. Herter. But if he hoped to have on tape something that could embarrass the prospective Secretary, he failed totally. Mr. Herter's replies to various hypothetical questions on the danger of all-out war due to some incident or accident in the Berlin air flights were unprovocative and statesmanlike.

One reason the Senate acted on the nomination with such speed was to assure the Secretary going to the Paris and Geneva foreign ministers' meetings as full Secretary in his own right. Another, which many Senators were not hesitant to state, was to contrast the Senate's action with the fumbling that characterized the White House handling of the appointment.

This is the chronology of this curious White House failure in public relations:

On Monday, April 13, Mr. Herter was advised he was in line to be Secretary but must take a physical examination because of his arthritic condition.

On Wednesday, April 15, the President announced Mr. Dulles' resignation and then in his brief press conference startled the press by observing there were "a number of people" who might be considered as Dulles' successor; on this same day Mr. Herter took his physical examination.

On Friday, April 17, Senator EVERETT DIRKSEN, Republican of Illinois, minority leader, let it be known he had been advised by the White House that Mr. Herter was the President's choice. The two ranking Senators on the Senate Foreign Relations Committee, Senator J. WILLIAM FULBRIGHT, Democrat, of Arkansas, and Senator ALEXANDER WILEY, Republican, of Wisconsin, had also so been advised and had prepared statements ready to release when the Augusta White House gave the signal. This same day the President's press secretary in Augusta, James Hagerty, insisted under questioning by the press that there was no assurance it would be Herter and no Senator had been so advised.

On Saturday, April 18, President Eisenhower called his brief press conference at Augusta, with Mr. Herter present, and after saying, "I just want to announce to you my intention to send Mr. Herter's name to the Senate for Secretary of State," left the room. No word of commendation or backing for a man taking on a most difficult job.

Then during the ensuing Herter-Hagerty press conference Mr. Hagerty several times interrupted Mr. Herter or volunteered answers to questions put to the nominee—an astonishing display.

This, of course, is now all history, and Mr. Herter has been sworn in with the President's blessing, backing, and Godspeed. But the Herter affair has proved that wise public relations on White House appointments is as important as wise public relations on White House policies. As for Mr. Herter he has, throughout, proved a model of poise, charity, reason, and serenity.

ACTIVITIES OF MERTON BERNSTEIN

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD a press release I issued today.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

It has been called to my attention that my former legislative assistant, Merton Bernstein, who is now associated with the law school at the University of Nebraska, has come under attack by certain members of the Nebraska State Legislature for his activities in the Americans for Democratic Action.

To set the record straight, it should be known that Mr. Bernstein, although not an ADA member when he acted in the capacity as my assistant, served as my alternate on the national board for Americans for Democratic Action, and on many other committees of ADA whenever I was unable to attend meetings.

I have been a vice chairman of the Americans for Democratic Action since 1953. I am still a vice chairman and proud to be.

Mr. Bernstein's activities in ADA were on my behalf and as my representative. Such representation by a staff person is, I understand, not uncommon and is, in fact, necessary in the case of many distinguished members of the national board of ADA whose

duties in the public service make it impossible for them to personally attend all meetings.

I am not familiar with the motives underlying the attack on Mr. Bernstein, but obviously they are much ado about nothing. It is unthinkable to me that the same State that produced George Norris can credit such shabby attempts to vilify a person for honorably discharging his duties as an assistant to a Member of the U.S. Senate.

OMINOUS POLITICAL DEVELOPMENTS IN KOREA

Mr. HUMPHREY. Mr. President, it has been my hope all day to be able to make a speech relating to the ominous political developments in Korea, and I rise to express my growing concern over some less than hopeful political developments in that Republic. I refer to recent news reports about the official suppression of the opposition press. On April 30 the South Korean Government shut down the Catholic-sponsored newspaper, Kyung Hyang Shinmoon, which has been critical of President Syngman Rhee's regime.

Commenting on this incident the Washington Post said:

> News of the suppression of a large and strong opposition newspaper in the Republic of Korea has some disconcerting aspects. It raises at once the question as to whether the danger to the state through possible subversion in the opposition press—if that is even involved in this case—is great enough to warrant what the Korean Newspaper Editors Association calls an unjustified infringement of freedom of the press. (Editorial of May 4, 1959.)

This recent incident seems to illustrate the way in which the Government has all too often dealt with the political opposition in Korea. I would like to trace briefly the unhappy course of recent political developments in Korea which I believe will be of more than passing interest to this body. I ask unanimous consent that three recent editorials be printed in the RECORD at the conclusion of my remarks: "Seoul Veils Political Unrest," by Gordon Walker, Christian Science Monitor, February 20, 1959; "Rhee Tightens Hold on Electorate," by Warwick Armstrong, Christian Science Monitor, March 27, 1959; and "Democracy in Korea," the Commonweal, January 30, 1959.

The PRESIDING OFFICER. Without objection, the editorials may be printed in the RECORD, as requested.

(See exhibit 1.)

Mr. HUMPHREY. Of all the new democratic governments to emerge since World War II, we Americans have had especially high hopes for the Republic of Korea. We have admired the tenacity of President Syngman Rhee in his past determination to build a free and democratic state. When that state was threatened by Communist invasion, the United States assumed the leadership, working through the United Nations, in bringing that aggression to a halt.

If the United States has granted more military aid; more economic assistance; more moral support, to the Republic of Korea than to any other single country, it has been because of our great faith in the Korean people and because of our conviction that Korea would emerge as a model of democracy in the Far East.

I think it is fair to say, Mr. President, that in our relationship with President Rhee we have bent over backwards to avoid any possible semblance of interference or intervention in the internal affairs of the Republic of Korea. We have avoided the exertion of pressures which might be falsely interpreted as dictation to a smaller ally, the Republic of Korea. This is proper. This is the relationship which we must maintain. We must allow the people of Korea to achieve their destiny in their own way. Yet we cannot completely ignore the trends of recent political developments.

During the past year, it has become evident in many parts of Asia that democratic institutions cannot be assimilated by peoples in a short time. Such institutions must evolve. They must be built step by step. They must be integrated with the traditions and customs of the peoples. Democratic principles and procedures cannot be bought like jeeps or hula hoops. These principles must grow within the hearts and minds of the people. This was true of our own experience, the experience of Britain, Switzerland, the Scandinavian states, and other countries, all developing different forms of democratic institutions.

The trial and error of evolving democracy may well be even more complex in the countries of Asia. The distinguished chairman of the Committee on Foreign Relations on many occasions has spoken of this need to respect different forms of democracy in Asia. This was doubtless confirmed during Senator FULBRIGHT'S extensive tour of South Asia and the Far East last summer. I have also found it to be true from my own observation.

During the past year we have seen many nations moving rapidly in their eagerness to change their institutions. In Pakistan, Thailand, Indonesia, and other countries, there has been a return to the strong executive, bolstered by the military forces of the state. In all instances, however, this has been to avert a collapse of government. In all instances this strong measure has been taken to avert a possible takeover of the government by the Communists. In all instances solemn promises have been given to the people for the eventual return of power to the people.

Only in Korea have measures restricting the voice of the people in government been taken with a view to perpetuate the government in power—measures patently an unwarranted retrogression in their democratic institutions. In the case of Korea, this retrogression can hardly be attributed to any grave internal threat of Communist takeover, although the government may allege such a threat.

I do not propose to give a detailed account of what has happened in Korea. In brief, the facts are that the party in power, the Liberal Party, has taken measures to prevent further influence and representation of the opposition party, the Democratic Party. During recent years the voting strength of the Democratic Party has increased. Presumably in order to prevent the opposition from gaining control of the National Government and in the localities in the 1960 elections, the Government has passed three major laws limiting the democratic process:

First. The local autonomy law provides that the heads of local governments no longer are to be locally elected, but will be appointed by President Rhee. This will apply to 901 heads of local government including the mayors of 14 cities, the chiefs of 47 towns, and 840 heads of townships.

Second. In 1952 the National Assembly passed a bill to establish an upper house, the House of Councillors, or the rough equivalent of the U.S. Senate. The presiding officer of this body would be the Vice President of the Republic, Chang Myung, who is a member of the opposition party. Since 1952 the Government has successfully blocked the establishment of the upper house. In January 1958, however, an election law was passed providing for the election of members to the upper house on the basis of 76 seats from 38 electoral districts. This might have permitted the so-called Democratic Party to gain control of the upper house. In September 1958 the law was amended to provide for indefinite postponement.

Third. Among its other provisions, the new national security law provides 10-year imprisonment for defamation of the President, the Speaker of the National Assembly, and the chief justice of the supreme court. While the Government insists that this bill is for the sole purpose of combatting Communist infiltration, the minority parties charge that the bill empowers the Government to suppress free speech and a free press, and to eliminate political opposition through the imprisonment of opposition leaders on security charges.

The Democratic Party and other groups maintain that these 3 bills were passed on Christmas Eve, 1958, together with 19 other bills after 300 plainclothes policemen, hired by the Government, had forcibly prevented all members of the Democratic Party from entering the National Assembly. It is only because of this charge that I recite the laws which have been passed. This fact has been reported by many objective observers.

On December 26, 1958, Vice President Chang Myong said:

> No matter what excuse be made and no matter who begs excuse for it, the Liberals' deeds cannot be forgiven. If the Liberals perform similar deeds in the future * * * the dignity of the Constitution and peoples reliance on the Government will drop. For the sake of the nation and the people, corrections must be made at once.

Former Chief Justice Kim Byong Ro has said:

> The enactment is not effective if it was passed with force after the opposition members were detained and kept from entering the hall * * *. Any political action, even if it is legal, must be based on principles of moral justice.

It is reported that these measures have been strongly opposed by the press and by the bar association in Korea. Public demonstrations in opposition to the

measures were curbed by a Government order preventing free assembly.

In the United States, Dr. Robert T. Oliver, who long has been a strong supporter of President Rhee, stated in the Washington Post on January 29:

The provision that mayors are to be appointed rather than elected in the future is truly a step backward in the democratic process.

When these measures were culminated, I understand that President Eisenhower sent a note to President Rhee expressing the concern of the United States. On January 16, Ambassador Walter Dowling was recalled to Washington for consultations. Since then, if I am correct, the administration has not made clear what position the United States intends to take.

I would not suggest that the United States make these most unfortunate developments grounds for any form of sanction against the Republic of Korea.

I wish to make it quite clear that my only purpose in this statement is to indicate to the people of Korea and the Government that some of us in the U.S. Senate are deeply concerned about the developments, and that our hearts go out to the people of Korea. We are their friends, but we would like to see a determined effort made in this grand country of Korea toward a truly democratic government. Asia needs the example of good democratic government in Korea; and it surely needs that example in the light of the close cooperation between the United States and the people of the United States with the Republic of Korea. So rather than encourage any form of sanction, to the contrary, we must continue our close relationship with the people of Korea in their quest for political democracy and economic development. It is with honest grief, however, that I am forced to deplore these developments.

It is my intention to ask the Secretary of State to prepare a memorandum describing these developments and setting forth the feeling of the executive branch. I shall request permission to insert that memorandum in the RECORD when and if it is received from the Secretary.

EXHIBIT 1

[From the Christian Science Monitor, Feb. 20, 1959]

SEOUL VEILS POLITICAL UNREST—RHEE FUSS

(By Gordon Walker)

HONG KONG.—A major part of the steam which South Korea generated in its latest series of diplomatic assaults upon Japan appears designed to divert attention from acute domestic political unrest.

Undoubtedly President Rhee is sincere in his opposition to Japan's plan to encourage the voluntary repatriation of some 100,000 Korean aliens to Communist North Korea. For this would tend to offset—at least from the point of view of propaganda—his earlier victory in convincing some 14,000 North Korean war prisoners not to return home.

But Mr. Rhee is still in hot water with Washington over his latest political moves, which have the net effect of tightening his own personal rule to the detriment of representative government. And the fracas with Japan comes at a time which to Mr. Rhee must seem highly opportune.

NEW FUROR LOOMS

The domestic political crisis has remained fairly dormant for the past month. It is likely to come out in the open again, however, when U.S. Ambassador Walter Dowling, just back from Washington, sets before Mr. Rhee Washington's full opinion on the matter.

The situation in a nutshell is that Mr. Rhee on Christmas Eve engineered the jamming through the national assembly of a highly dictatorial type of national security law. Strong opposition within the assembly was skillfully sidestepped by the device of locking opposition members outside the assembly building.

Heated outcries from opposition members resulted in their being arrested or otherwise pushed about by police.

President Eisenhower apparently messaged Mr. Rhee expressing regret that the new security law seemed to cut out what was left of civil rights in Korea. And the South Korean cabinet received a warning that the U.S. Congress might consider paring aid to the tiny republic.

Mr. Rhee disregarded these warnings. As a result Mr. Dowling was recalled to Washington January 16 to receive further instructions.

Mr. Rhee's argument in favor of the new security law hinges on his contention that his intelligence service has discovered a North Korean plot to invade South Korea sometime this year.

Added to this argument—considered by many a familiar wolf cry—is the contention that Communist infiltration in South Korea has been intensified and that North Korean forces are now larger than those of South Korea.

The U.S. Embassy in Seoul, on the other hand, feels the real reason behind the new law is to further tighten Mr. Rhee's monolithic political leadership and to pull the rug from under the opposition forces which have been steadily building up their strength over the past few years.

It is pointed out, for instance, that the new security law already has resulted in a stifling of the opposition Democratic Party as well as press criticism of the Government.

And whatever doubts may have lingered in the U.S. Embassy vanished when plainclothes Korean police recently invaded the Embassy to seize a Korean employee.

SCRAMBLE INDICATED

Still another clue to Mr. Rhee's purpose is seen in the fact he is attempting now to change the system so that local government officers shall be appointed rather than elected according to law.

The problem which confronts Washington in all this is simple to understand.

Mr. Rhee is 83 years old, and even though he evinces the activity of a man much younger, the question of succession is a natural one.

The United States has hoped to encourage a moderate opposition group and has opposed consistently Mr. Rhee's authoritarianism on the grounds that if he suddenly were removed from office the situation would lead to a bitter and inflammatory scramble on all sides.

It generally is conceded that the presence of U.S. troops in South Korea has tended to keep the South Korean Army out of politics, while the known U.S. backing for Vice President John Chang—member of the opposition Democratic Party—probably has prevented his ouster by Mr. Rhee who dislikes him intensely.

The other side of the problem for Washington is the fact that while it disdains authoritarianism in South Korea, it has done little to block similar digressions from representative government in countries like Thailand and the Kingdom of Laos.

LIKELY SUCCESSORS

Mr. Rhee even went so far as to point out to Washington that it did nothing to try to prevent President de Gaulle from passing restrictive antisubversion measures in France a month ago.

The two most likely successors to Mr. Rhee, barring a possible army coup meanwhile, are strongly pro-American.

Mr. Chang, who was formerly Ambassador to Washington, is capable, popular, and moderate. He might have defeated Mr. Rhee in the presidential race if Mr. Rhee has not engineered a change in the Constitution before the elections.

Chough Pyong Ok is leader of the Democrats and is noted for the fact that he favors closer cooperation with the United States and the United Nations, especially on the question of reunification.

Mr. Chough himself is no particular believer in representative government, as he proved during his term as head of the national police, but he is dedicated to that course because of political considerations.

The dilemma, therefore, is that Washington so far has been unable to create the type of political atmosphere which in a suitable person eventually would take over the reins of power in South Korea.

Negatively, Washington is using all its resources to restrain Mr. Rhee, who in his present mood might order the resumption of fighting if he thought he could get away with it.

[From the Christian Science Monitor, Mar. 27, 1959]

RHEE TIGHTENS HOLD ON ELECTORATE

(By Warwick Armstrong)

SEOUL, KOREA.—Amid growing political unrest and tightening police restrictions, President Rhee and his Liberal Party are already preparing vigorously for the 1960 elections in South Korea.

It is being openly asserted that emergency legislation, which appears to threaten and even deny civil rights, and which was forced through the National Assembly while the police detained Democratic (opposition) members in the parliamentary basement, is designed primarily to insure political success for the Liberals.

The security measures, the Liberals reply, are intended only to meet the menace of Communist infiltration from the north, which, they say, is being systematically promoted.

The Democrats are convinced, however, that the provisions against subversion will be used to muzzle the press, suppress public meetings and public opinion, and thereby weaken and destroy all political opposition.

OPPONENT IN PRISON

They point to the fate of the former Progressive Party, which was deemed to have gone too far to the left and which was banned, even before these tighter repression laws were enforced.

The Progressives' leader, Cho Bong-am, is now in prison under capital sentence for alleged espionage and subversion. He was originally sentenced to 5 years' imprisonment, but the penalty was subsequently raised to the limit. The Democrats believe that this is intended to be a warning to them.

President Rhee has also tightened his political grip on South Korea by a new local autonomy law which will empower him to appoint, directly or indirectly, local administrative chiefs in cities and provinces. Previously these mayors and governors were elected.

"Korea is a unitary state, but it has had only 10 years of democratic experience," was the recent official reply to this criticism. "At first it seemed a good idea to elect almost everybody. But we found that many

local officials told the national government to carry out its own orders and that the business of the country was no concern of theirs.

"Korea went a little too far with local autonomy and the pendulum has now swung the other way. Experimentation will continue in the interest of finding the best possible balance. * * * If and when the people are persuaded that they wish to elect more local officials again, they can bring that about through the choice of representatives who stand for such a policy."

PLATFORMS SIMILAR

It is an interesting fact that there is little real difference between the party platforms of South Korea's governing Liberals and opposition Democrats. Both are equally nationalistic and anti-Communist, and neither is distinguished for the exercise of the sweet if rare political virtue of compromise and tolerance.

The Democrats are doing their best to capitalize on the excesses of the Liberals, but observers in Seoul believe that the Democrats would pursue much the same course if they were in office and felt, as the Liberals do, that their power was threatened by a rising opposition.

The Western Liberal may rightly deplore these transgressions against, and retreats from, true democratic principles. But many declare that it is, unhappily, too early, in the most optimistic mood, to evaluate South Korean democratic standards and practice in Western terms.

Nonetheless, the North Koreans are naturally exulting in the propaganda opportunity to deride U.S. claims that South Korea is a showcase of democracy. Further, some Americans have been speculating whether a democratic government would make a more helpful and useful administration.

EISENHOWER RAPPED

President Rhee himself is undeterred alike by hostile Communist propaganda and friendly U.S. protestations. He has been angered by U.S. press criticism and, it is understood, tartly reminded President Eisenhower (who regretted the implication of the recent security legislation) that the United States had not offered any criticism of General de Gaulle when he decreed stern measures against subversion in France.

Quite simply, President Rhee is resolved that no political opponent shall succeed him, even in the event of his passing. He will run for a fourth term, and will probably be opposed by his Democratic Vice President, John M. Chang, who, to Rhee's chagrin, beat the Liberal nominee at the last election.

Western diplomats say, moreover, that there are grounds for the suspicion that the Government secured the passage of another emergency bill, giving the President power to delay the formation of an approved Upper House, solely because the Vice President, who would automatically preside over that body, might again be a member of the opposition forces.

Mr. Chang is a moderate and pro-American—he was first South Korean Ambassador to Washington—and does not share President Rhee's implacable anti-Japanese sentiments. Yet, it is thought likely that he would need to be provided with personal protection by the United States if a sudden crisis brought him into the presidency before the 1960 elections.

The alternative of a military government tends to be discounted because it is said that President Rhee has been careful to move any ambitious general who seemed to be gaining prestige and popularity.

[From the Commonweal, Jan. 30, 1959]

DEMOCRACY IN KOREA

The recent troubles in Korea—where President Syngman Rhee's majority party in the National Assembly has rammed through a harsh security law and a bill to abolish all elected local governments—point up a continuing paradox and danger in U.S. foreign policy. All too often, in almost every part of the world, the urgency of the Communist threat has prompted U.S. policymakers to support whatever government promised to be most firmly anti-Communist, whatever else it was, and most dependable, whatever the internal situation.

Using such criteria, our State Department has found it advisable, in recent years, to support a great many political strong men, thereby incurring bitter criticism and complaint from harried dissenters to such authoritarian regimes and, throughout the world but especially in the lands struggling to achieve free self-government, the damning charge of cynicism and hypocrisy. Our policymakers are, of course, not unaware of these reactions. But they judge our moral vulnerability and propaganda defeats as necessary evils in the attainment of a more crucial objective—immediate security against the Communist threat. And it is the stable, tightly organized government which seems to offer the best chance for this security.

It would be foolish to pretend that this dilemma is easily solved, that the wisest course in our relations with undemocratic or not-so-democratic states can be determined by the application of any simple moralistic formula. But it does seem that we have too often given our support to the governments of various turbulent states on the basis of extremely shortsighted judgments. Time after time we have paid a high price—in moral prestige and propaganda position—for stability and anticommunism which turned out to be nonexistent.

Now it is the Republic of Korea which is in the spotlight and our ally Syngman Rhee who is embarrassing us, throughout Asia and throughout the world, by his attempt to suspend almost all democratic rights and to bring all government, down to the village level, under central control. It may be that some such steps are necessary to combat the danger of Communist infiltration. It may be that the effects of the controversial laws are being exaggerated by groups hostile to Dr. Rhee's party. But in any case, the phrasing of the new legislation and the extraordinary manner in which it was passed into law are profoundly disquieting. The neutralist nations of Asia and Africa are openly skeptical of President Rhee's good faith, and once again they are casting the United States as the friend of dictators, as the enemy of democracy and freedom.

The situation in Korea demands a hard reexamination, and if Syngman Rhee is amenable to our persuasion (not interference), as he very likely is, we should make known to him the depth of our convictions about democracy. There is little stability or security or protection against the Communist tide in a government which has not the full consent of the people.

[From the Washington Post and Times Herald, May 7, 1959]

U.S. ENVOY TELLS KOREA OF THREAT TO LIBERTIES

(By Gene Kramer)

SEOUL, KOREA, May 6.—An American diplomat today told Koreans the late Senator Joseph McCarthy "advocated a campaign against Communist subversion which resulted in a threat to individual rights and liberties."

Minister Sam P. Gilstrap, deputy chief of the U.S. Embassy here, did not mention Korean issues in his speech to a Rotary dinner. But listeners considered his timing and wording a show of American disapproval of South Korea's new security law and the recent Government shutdown of the opposition newspaper, Kyung Hyang Shinmoon.

"After a country has discarded its liberties to face its totalitarian enemy," Gilstrap said, "it finds that it has given away what the enemy would have taken away."

"How much better off is a country as a Fascist dictatorship than a Communist dictatorship?" he asked.

The diplomat mentioned McCarthy in discussing what he called "America's crisis decision * * * in favor of continuing internal liberties" at a time when "the Communist challenge appeared in all its dimensions."

"The question was raised in many minds whether the United States could cope with a Communist threat without creating a stronger front at the sacrifice of liberties or individual rights," he said. "At this psychological moment a man came to the fore whom you all remember, Senator McCarthy.

"He advocated a campaign against Communist subversion which resulted in a threat to individual rights and liberties. He received considerable support from people who believed that the danger of subversion by Communists was so great that individual rights should be sacrificed when necessary.

"Senator McCarthy's crusade lasted more than 2 years and it was seen by vast segments of the American population as perhaps the greatest threat to individual rights in the country in a century.

"But the opposition to the McCarthy idea gained. His support weakened. And before his death his cause was lost. This was America's crisis decision."

Meantime, the publisher of Kyung Hyang Shinmoon today applied for a court injunction to suspend the Rhee government order shutting down his antigovernment newspaper. He said in a petition that his newspaper would go bankrupt if kept closed until the Seoul appellate court rules on the constitutionality of the Government order.

The Catholic-backed newspaper was shut down April 30 by Information Director Chun Sung Chun, who charged the paper with erroneous and inflammatory writings. The paper contends the closure is unconstitutional because it was ordered under an ordinance of the U.S. military occupation government.

[From the Washington Post and Times Herald]

CRACKDOWN IN KOREA

The South Korean Government's arbitrary suspension of the opposition newspaper Kyunghyang Shinmun on May 1—which American Ambassador Walter C. Dowling branded "suppression of the press"—should dispel any doubts on the existence of press freedom in the Republic of Korea.

Pyo Wook Han's April 24 letter on your March 30 editorial, "Korea Prosecutes Critics," completely bypasses this key question.

The Korean Newspaper Editors' Association has charged that the ROK government's unwarranted action gave a serious blow to Korean editors at a time when they were campaigning to be admitted to the International Press Institute—which organization, with reason, has consistently banned South Korea from membership.

While the record of press censorship in South Korea parallels that nation's 11-year history, a glance at the last few months should suffice.

The national assemblymen election law, as amended January 1, 1958, threatened fines and imprisonment for reporting false facts in order to have certain candidates elected or not elected." The ROK government was sole arbiter of what was false.

The amended national security law, forced through the National Assembly De-

cember 24, 1958, while all opposition legislators were locked out of the assembly hall, bars criticism of top Government officials and suppresses honest investigation even of cultural and economic data.

In August 1958, over 3 months before the national security law was amended, three newsmen were jailed for possible violation of it. On August 1, the Korea Times columnist "Hensyc" was arrested for describing the Lebanese revolt and the Iraqi coup d'etat as "manifestations of the people's will, like the Democratic landslide in our city [Seoul] election last May, the will of populaces fed up with the status quo."

On August 8, Sasangye writer Ham Sok Hon was arrested for calling the Koreans "people without a country". On August 11, Dong A Ilbo military reporter Choi Won Kak was jailed for discussing the reported plan to reduce ROK armed forces, although he had been briefed freely by a high defense ministry source.

The notorious indictment on February 28 of Kyunghyang Shinmun writer (and opposition legislator) Chu Yo Han and publisher Han Chang U over Chu's comments on "Tyranny of the Majority"—an article by Notre Dame University Prof. Ferdinand A. Hermens in the spring 1958 issue of Social Research—was obviously just the first step toward the shutdown of that newspaper.

Another step was the April 4 arrest of Kyunghyang Shinmun reporters Eo Im Yung and Chung Tal Sun on charges of violating the national security law by reporting the arrest of a spy. Chung was released after 21 days of detention but Eo is still in jail.

While all opposition is being suppressed to secure a fourth term for President Rhee in the 1960 election, the choice of Kyunghyang Shinmun for this vendetta was occasioned by its strong support of opposition Vice President Chang Myun (Dr. John M. Chang).

The orderly processes of law which Mr. Han extols nevertheless enabled policemen to ransack Kyunghyang Shinmun offices and confiscate manuscripts and galleys. When 50 judges' 10-year terms expired in 1958, President Rhee conspicuously failed to reappoint a number with whose past decisions he had disagreed. Democratic gages cannot be applied when the law is manipulated by a dictatorial executive.

Democracy has a long way to go in the Republic of Korea.

DOROTHY W. ALLAN,
Research Associate,
Korean Affairs Institute.

WASHINGTON.

ISRAEL'S BIRTHDAY

Mr. HUMPHREY. Mr. President, I rise today to note the fact that it was 11 years ago this month that in accordance with a recommendation of the United Nations Special Committee on Palestine the independent State of Israel was established.

Although it cannot be denied that Israel has, in the past 11 years, had her share of heartaches and handicaps, I know firsthand the determination, faith, courage and industry that has made possible the historic achievements of these years. The philosophy and policy of the State of Israel was declared by Prime Minister Ben Gurion when he said:

First, define your objective; declare your need, say what you want. Then, and only then consider the obstacles. But even then the obstacles must be subordinated to the objective. Never must the objective be renounced in favor of the obstacles.

In the crowded years since 1948, the sacrifices and achievements of Israel have been etched deeply and unforgettably in the story of civilization. We shall, as other free nations, stand ready to assist and encourage Israel as we commemorate this anniversary of her independence.

ROY PRICE PERFORMS PRAISEWORTHY PUBLIC SERVICE

Mr. RANDOLPH. Mr. President, because I represent one of the leading coal States of the Nation, my sympathies usually are with those Senators who are concerned with the economic well-being of miners and the mining industry.

For that reason it was gratifying to me recently to see the Senators representing the important copper-mining States cooperate when they believed that an action under consideration by the executive branch might adversely affect the copper industry.

They had heard rumors that the Office of Civil and Defense Mobilization was proposing the sale of 128,000 tons of copper held in inventories purchased under the authority of the Defense Production Act. They quickly brought to the attention of the Honorable Leo A. Hoegh, Director of the OCDM, the possible impact such release would have on an industry struggling out of the recession period of 1957.

It was even more gratifyying to learn of the cooperation extended by Mr. Hoegh and the responsible executives who serve under him. Although press reports indicated that the agency had planned to release not more than 5,000 tons of copper a month—a rate which is equivalent to 1 day's domestic consumption a month, the press later reported that OCDM had postponed indefinitely consideration of the sale of any copper from its inventory.

The success of the efforts of my colleagues indicates that the executive branch is often responsive to the valid wishes of the people whom they represent.

This decision to postpone release of the metal, I believe, was recommended to Mr. Hoegh by Mr. J. Roy Price, Assistant Director of OCDM in charge of Resources and Production.

Mr. Price was recently described in Senate debate as being "a gentleman living on Long Island and visiting Washington once a week as a defense mobilization consultant." This was later corrected on the floor when it was learned that Mr. Price is a Senate-approved Presidential appointee to the office he now holds.

Mr. MANSFIELD. Mr. President, will the Senator from West Virginia yield?

Mr. RANDOLPH. I yield to the Senator from Montana.

Mr. MANSFIELD. I wish to state for the record that the remark just referred to by the distinguished Senator from West Virginia was made by me at the beginning of a period when many of us were disturbed over a possible infiltration into the domestic market of copper from the Government owned stockpile.

Later I had an opportunity to learn more about Mr. Price. I had a chance to meet with him and talk with him personally. I have come to admire him for the man he is and for the devoted public servant he is, and for the great service he is rendering the Government of the United States. I know he is an able administrator and a trusted confidant of Governor Hoegh, the Administrator of the Office of Civil Denfense Mobilization.

I am sure he is a friend of the copper industry and of the copper miners, and that he is well aware of the difficulties under which we have labored for several years. I know that both he and Governor Hoegh are determined, on the basis of a letter which I recently received from the Governor, that there will be no copper released from the stockpile, and that thereby the copper economy of our country and indeed, the copper economy of the Western Hemisphere, have been given added stability.

I wish at this time to acknowledge my debt to both Mr. Price and Governor Hoegh for the fine, outstanding service they have rendered and the consideration they have given to us who come from the hard rock mining areas.

Mr. RANDOLPH. Mr. President, once again my distinguished colleague the able Senator from Montana has been eminently fair and most generous.

Mr. President, Roy Price is a dedicated public servant who gives full time to a difficult and important job. It is a matter of significant pride to me that he is a native of our State of West Virginia. As a Presidential appointee, he came to Government at personal and financial sacrifice after 30 years with the Union Carbide Corp. where he distinguished himself in the fields of research and development, production, sales, and management. He is one of the men who conducted the original research in this country on vinyl plastics for Union Carbide.

Among some of his major achievements in industry, Mr. Price helped to develop plastic insulated electrical wiring in cooperation with the cable industry and the U.S. Navy as an entirely satisfactory product to meet the Navy requirements for the use of low voltage insulated wire aboard ship. While the development work required several years, it is interesting to note that technical approval of it was given by the Navy at almost the same time Hitler invaded Poland. Thus, the importance of Mr. Price's work in this development can be emphasized by the fact that these materials were used in place of rubber during World War II in the construction of all Navy ships, tanks, jeeps, airplanes, trucks, completely filling the gap created by the denial of rubber.

Mr. Price received his bachelor of science degree from West Virginia Wesleyan College. In addition to graduate work done at two other universities, he has received citations for his contributions to science and industry and for his contributions to the field of education.

In his earlier corporate experience and following his research work, Mr. Price served 2 years on the Union Carbide Fellowship at the Mellon Institute

of Industrial Research at the University of Pittsburgh.

During World War II, he was in virtually constant attendance at meetings with the various defense agencies assisting in the war program to provide technical skill in the development of new and improved products to help win the war.

My investigation of Mr. Price's responsibilities in Government reveals that the successful defense of the United States against enemy attack is dependent to a very considerable extent upon the degree of effective mobilization of resources and the planning and programing established for use of these resources. Mr. Price, as Assistant Director in charge of Resources and Production in the Office of Civil and Defense Mobilization, is a key and primary link in providing the leadership and recommendations for establishing the programs and plans on which the overall capacities and capabilities of the Nation's resources can be measured. These plans and programs, Mr. President, make a major contribution to the comprehensive defense preparedness of this Nation.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, May 14, 1959, he presented to the President of the United States the enrolled joint resolution (S.J. Res. 94) to defer the proclamation of marketing quotas and acreage allotments for the 1960 crop of wheat until June 1, 1959.

ADJOURNMENT

Mr. RANDOLPH. Mr. President, in accordance with the order previously entered, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 45 minutes p.m.) the Senate adjourned, in accordance with the order previously entered, until tomorrow, Friday, May 15, 1959, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 14, 1959:

UNITED NATIONS

Harold M. Randall, of Iowa, to be representative of the United States of America to the Eighth Session of the Economic Commission for Latin America of the Economic and Social Council of the United Nations.

ADVISORY COMMISSION ON INFORMATION

The following-named persons to be members of the U.S. Advisory Commission on Information for terms expiring January 27, 1962, and until their successors have been appointed and qualified:

Lewis W. Douglas, of Arizona.

Mark A. May, of Connecticut.

NATIONAL LABOR RELATIONS BOARD

Stuart Rothman, of Minnesota, to be General Counsel of the National Labor Relations Board for a term of 4 years.

FEDERAL COAL MINE SAFETY BOARD OF REVIEW

Edwin R. Price, of Maryland, to be a member of the Federal Coal Mine Safety Board of Review for a term expiring July 15, 1962.

NATIONAL SCIENCE FOUNDATION

Dr. Logan Wilson, of Texas, to be a member of the National Science Board, National Science Foundation, for the remainder of the term expiring May 10, 1964.

PUBLIC HEALTH SERVICE

Thomas Edward Keys, of Minnesota, to be a member of the Board of Regents of the National Library of Medicine, Public Health Service, for the remainder of a term expiring August 3, 1962.

COAST AND GEODETIC SURVEY

The following-named persons for permanent appointment to the grades indicated in the Coast and Geodetic Survey, subject to qualifications provided by law:

TO BE CAPTAINS

Clarence R. Reed.
William C. Russell.

TO BE ENSIGNS

Claude B. Carter, Jr.
John M. Doherty
Richard I. Greene
Melvin E. Jones
Billy M. Kelter
Clifford H. Lantz
James S. Midgley
Charles H. Nixon
Jim L. Piter
Jerome M. Slackman
Robert D. Weese

IN THE ARMY

The following-named officer to be placed on the retired list in the grade of lieutenant general:

TO BE LIEUTENANT GENERAL

Lt. Gen. Clovis Ethelbert Byers, Army of the United States (major general, U.S. Army).

The following-named officers to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 3962:

TO BE GENERALS

Gen. Williston Birkhimer Palmer, O12246, Army of the United States (major general, U.S. Army).

Gen. Cortlandt Van Rensselaer Schuyler, O14905, Army of the United States (major general, U.S. Army).

The following-named officers under the provisions of title 10, United States Code, section 3066, to be assigned to positions of importance and responsibility designated by the President under subsection (a) of section 3066, in rank as follows:

Lt. Gen. Carter Bowie Magruder, O15155, Army of the United States (major general, U.S. Army), in the rank of general.

Lt. Gen. Charles Day Palmer, O15519, Army of the United States (major general, U.S. Army), in the rank of general.

The nominations of Maj. Gen. Carl Henry Jark, and 62 other officers for permanent or temporary appointment in the Army, and the nominations of other officers for promotion or appointment as Reserve commissioned officers, which were confirmed today, were received by the Senate on April 15, 1959, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD of that date under the caption "Nominations," beginning with the name of Maj. Gen. Carl Henry Jark, which appears on page 5994 and ending with the name of Col. John Clyde Wilson, which appears on page 5995.

IN THE AIR FORCE

The nomination of Lt. Gen. Clarence S. Irvine, 296A (major general, Regular Air Force) U.S. Air Force to be placed on the retired list in the grade of lieutenant general.

The nominations of John F. Graf, and 130 other officers for appointment in the Air Force, which were confirmed today, May 14, 1959, were received by the Senate on April 30, 1959, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date under the caption "Nominations," beginning with the name of John F. Graf which is shown on page 7198, and ending with the name of Charles Anthony Vickery, which is shown on page 7199.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 14, 1959

The House met at 12 o'clock noon.

Rev. Charles P. Davignon of the diocese of Burlington, Vt., and the Catholic University, offered the following prayer:

Holy Trinity, One God, Father, Son and Holy Spirit, we beg You to look down today, with mercy and loving-kindness upon our Government, its authorities, officials, and members, here to honor You in unity of purpose. Help them and our Nation, to understand that they share in Your authority; to appreciate that they are living instruments of human justice; to prize a vocation to worldwide charity. Make and mold the lawmakers of our United States into valiant seekers of order, security and lasting peace, so that each of them may make the prayer of St. Francis his own:

Lord, make me an instrument of Thy peace,
Where there is hatred, let me sow love;
Where there is injury, pardon;
Where there is doubt, faith;
Where there is despair, hope;
Where there is darkness, light;
Where there is sadness, joy.
O Divine Master, grant that I may seek,
Not so much to be consoled, as to console;
To be understood, as to understand;
To be loved, as to love.
For it is in giving that we receive;
It is in pardoning that we are pardoned,
And it is in dying that we are born to eternal life.

In the name of the Father, and of the Son, and of the Holy Ghost. Amen.

The Journal of the proceedings of Tuesday, May 12, 1959, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following title:

H.R. 7. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Boy Scouts of America for use at the Fifth National Jamboree of the Boy Scouts of America, and for other purposes;

H.R. 296. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and to provide transportation and other services to the Boy Scouts of America in connection with the World Jamboree of Boy Scouts to be held in the Philippines in 1959, and for other purposes;

H.R. 1411. An act for the relief of T. V. Cashen;

H.R. 1453. An act for the relief of Mrs. Mathilde Ringol;

H.R. 1462. An act for the relief of Logan Duff;

H.R. 1535. An act for the relief of Sister Mary Damion (Maria Saveria D'Amelio), Sister Maria Tarcisia (Maria Giovanna Fenuta), and Sister Mary Regina (Maria Lizzi);

H.R. 1691. An act for the relief of Oliver O. Newsome;

H.R. 1727. An act for the relief of Dimitrios Kondoleon (also known as James Kondolous);

H.R. 2063. An act for the relief of Otis Parks, W. B. Dunbar, and J. C. Dickey;

H.R. 2099. An act to provide for a posthumous cash award in recognition of the scientific contributions in the field of electronic ordnance made by the late Paul M. Tedder;

H.R. 2237. An act to amend chapter 13—Wage Earners' Plans—of the Bankruptcy Act;

H.R. 2281. An act to provide for the payment of relocation expenses to Milo G. and Patricia Wingard;

H.R. 2295. An act for the relief of the Sterilon Corp.

H.R. 2603. An act for the relief of the American Hydrotherm Corp.;

H.R. 2949. An act for the relief of Lois K. Alexander;

H.R. 2975. An act to validate payments of certain quarters allowances made in good faith, and pursuant to agreements by authorized officials, to employees of the Department of the Navy, but which were subsequently determined to be inconsistent with applicable regulations;

H.R. 3095. An act for the relief of Hilary W. Jenkins, Jr.;

H.R. 3293. An act to authorize the construction of modern naval vessels;

H.R. 3939. An act for the relief of Virginia E. Speer;

H.R. 4121. An act for the relief of certain members of the Armed Forces of the United States, or their survivors, who were captured and held as prisoners of war in the Korean hostilities;

H.R. 4314. An act for the relief of Samuel Abraham, John A. Carroll, Forrest E. Robinson, Thomas J. Sawyers, Jack Silmon, and David N. Wilson;

H.R. 4615. An act to relieve certain members and former members of the naval service of liability to reimburse the United States for the value of transportation requests erroneously furnish to them by the United States and for other purposes; and

H.R. 4913. An act to amend the National Aeronautics and Space Act of 1958 to authorize the National Aeronautics and Space Administration to lease buildings in the District of Columbia for its use.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 103. Concurrent resolution to commemorate the quadricentennial anniversary of Florida and to recognize the quadricentennial anniversary commission of that State.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 44. An act to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, Calif., to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes;

S. 1120. An act to amend the National Bank Act and the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits and to eliminate the classification "central reserve city"; and

S. 1434. An act to amend title XI of the Merchant Marine Act, 1936, as amended, with respect to insurance of ship mortgages, and for other purposes.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1960, AND GENERAL GOVERNMENT MATTERS APPROPRIATION BILL, 1960

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow, May 15, to file reports on the Department of Agriculture appropriation bill for the fiscal year 1960, and the general Government matters appropriation bill, fiscal year 1960.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TABER reserved all points of order on both bills.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a privileged report on the bill, S. 57.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

THE LATE HONORABLE DONALD A. QUARLES

Mr. MAHON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, I wish to pay tribute to the memory of the late Donald Aubrey Quarles, Deputy Secretary of Defense, who was carried to his final resting place in Arlington National Cemetery on Tuesday of this week.

I have seen many Department of Defense officials come and go in Washington, but I have never encountered among them a man for whom I had greater respect than Don Quarles. He inspired confidence. His sense of honor was of the highest. Relatively small in physical stature, he was big in heart and capacity for service.

He was not a captive of high ranking military officers. He did his own thinking. His broad experience in industry and science gave him an exceptionally fine background for his important work in the Pentagon.

Don Quarles is going to be missed. A newcomer to the Pentagon could not possibly bring to bear such experience and understanding of the multi-billion-dollar programs of defense. Indeed, Don Quarles had a special understanding of the technical aspects of defense weapons and problems which few, if any, civilian officials or military officers have had the capacity and opportunity to acquire.

Don Quarles was a quiet and gentle man, but he was also a man of iron. He had ideas and convictions and he stayed by them. With respect to some matters he was a controversial figure in the Pentagon. No doubt, the history of this period will record that at times he was wrong. But he will be remembered as a man of good will, fine character, remarkable ability, and a man of great industry who literally gave his life for his country.

LEAVE OF ABSENCE

Mr. O'BRIEN of New York. Mr. Speaker, I ask unanimous consent that I may be excused from attendance at sessions of the House on Monday and Tuesday next on account of official business.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ISRAEL'S INDEPENDENCE DAY

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, on the occasion of Israel's 11th anniversary, I would like to offer my congratulations to that sturdy little state and to her people. These 11 years have been momentous not only for the tremendous effort that the people of Israel have made to insure the stability and viability of the state, but also for the extension into that area of the principles of free government.

The Western powers must surely realize how great is their gain by the establishment of a democracy in that heretofore barren area; a democracy enhanced by technological know-how; by a people literate and energetic.

There were those who, like false prophets, predicted that the little state would not survive the heavy burdens of immigration, defense, the lack of raw materials, the sea of hostility that surrounded her in that area. This 11th anniversary of Israel marks how wrong they were.

It should gladden the hearts of all Americans that this little state has proved its worth, for there are parallels in the histories of these two countries which tighten the bonds of sympathy and understanding. Both were born out of an unalterable wish for freedom. Both, through determination and vitality, made their countries grow and prosper. Both, each in its own way, have been called the melting pot of the world, and both have taken the diverse elements within their populations and achieved an enviable unity.

COMMUNIST DIPLOMATIC PERFIDY

Mr. HOSMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOSMER. Mr. Speaker, I have asked for this minute to call attention to the remarks I shall make later in today's proceedings regarding Communist diplomatic perfidy.

At this time of the Geneva Conference which looks forward to a so-called summit conference, it is well for Americans to recall that breaching international agreements is a 40-year-old device employed by the Communists to forward the aggressions of the international Communist conspiracy. My later remarks will list a number of the major Soviet breaches of agreements that have occurred and discuss the Communist dogma by which they justify their contempt of Western concepts of international law.

USE OF THE MAILS

Mrs. ST. GEORGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. ST. GEORGE. Mr. Speaker, I am including in today's RECORD a speech by the Postmaster General which was delivered on Tuesday, May 12, before a group of Congressmen and women leaders, who have been greatly concerned over the sending, and selling, of pornography, otherwise known as plain unmitigated filth, through the mail.

It is startling to find that some people, through cartoons and editorials, are trying to pretend that these efforts to protect the morals of our children and minors is an attack on freedom of the press. If it is freedom of the press to impair the morals of our children; if it is freedom of the press to try to turn our youths into perverts and delinquents to make a quick buck; if the free press of our country wishes to be associated with peddlers of filth; then the so-called free press had better go.

In the words of a great French woman: "Oh Liberty, what crimes are committed in thy name."

FORTY-SIXTH ANNUAL CONVENTION, NATIONAL RIVERS AND HARBORS CONGRESS

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS of Louisiana. Mr. Speaker, I take this time to announce that the 46th annual convention of the National Rivers and Harbors Congress is now in session at the Mayflower Hotel, Washington, D.C.

I take this opportunity to invite all of the Members of the House and the Senate to visit these sessions. Perhaps the high point of the meeting will be tomorrow at noon when the annual luncheon will be held. Every Member of the Congress is invited to be there. Of course, you are all ex officio members of the organization under the terms of the bylaws of the National Rivers and Harbors Congress. You will find a very interesting program there in connection with developing national resources use. You are all invited, and I hope many of you will attend.

THE LATE ROBERT A. UIHLEIN, SR.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I am very sorry to announce to the House that a close friend of many Members of both branches of Congress, as well as officials of the executive branch, a dear and valued friend of Mrs. McCormack and myself, Mr. Robert A. Uihlein, Sr., of Milwaukee, who was also a close friend of three Presidents, the late President Franklin Delano Roosevelt, former President Harry S. Truman, and President Dwight D. Eisenhower, passed away yesterday.

The Uihlein family of Milwaukee is one of America's foremost and finest families. "Bob" Uihlein carried on with graciousness and goodness the fine qualities of his family tradition, which went back several generations.

For over 25 years he was one of the most valued and closest friends of Mrs. McCormack and myself.

"Bob" Uihlein endeared himself to us and to his wide circle of friends because of his fine outlook on life, his innumerable acts of charity, his active interest in civic matters of a local and national nature, his love of his fellowman, particularly the sick, the afflicted, the unfortunate, in his deep interest through his many gifts of the advancement of education, of his nobility of character.

"Bob" Uihlein was a great American.

One of the leaders in the business and financial life of America, "Bob" Uihlein symbolized the finest thoughts and actions humanly possible. He believed that power and position was a trust for the exercise of the benefit of others no matter how a person obtained a position of power, whether in the field of politics, or through the possession of wealth in the field of finance, industry, and business.

He clearly evidenced it throughout his life through the many large gifts that he gave, and was instrumental in having given, for religious, charitable and educational purposes, without regard to race, color or creed.

Wisconsin has lost one of her foremost sons.

Our country has lost one of her finest citizens.

Mrs. McCormack and I have lost a near and dear friend whose memory we shall always treasure.

Mrs. McCormack and I extend to Mrs. Uihlein and her loved ones our profound sympathy in their great loss and sorrow.

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Wisconsin.

Mr. REUSS. Mr. Speaker, like the distinguished gentleman from Massachusetts [Mr. McCORMACK] I have lost a great and dear friend in Robert Uihlein. The warm friendship that has existed over the years between Robert Uihlein and the gentleman from Massachusetts is not surprising to those who know them both. Both have been distinguished above all by a love for people, whether rich or poor, whether powerful or standing in the need of friendship.

Robert Uihlein was close to my grandfather and to my father, and for the many years I have known him, nothing but kindness and good will has come from him to me.

Bob Uihlein's interests were as broad as life itself. He was an able and alert businessman, a leader in the brewery and banking industries. He was a world traveler, from the days of the Boxer rebellion in China, which he reported as a war correspondent, until the night came, and he could work no more. He was an outdoorsman, a hunter, fisherman, and lover of nature. Just a couple of years ago, when he was on an exploratory trip in Alaska, I brought him together with the then delegate, now Senator, from Alaska, BOB BARTLETT; and Bob Uihlein became an enthusiastic backer of statehood for Alaska. He was a philanthropist, supporter of a hundred worthy major causes; but there were also thousands of little acts of kindness that nobody ever heard about but, I venture to say, will shine brightest of all on the final balance sheet of Robert Uihlein.

To his lovely wife, Mary Ilsley Uihlein, his fine children, Mrs. Polly Uihlein Trainer and Robert Uihlein, Jr., to his brothers, Erwin and Joseph Uihlein, and to his sisters, Mrs. Ida Uihlein Pabst and Miss Paula Uihlein, go my deepest sympathies and those of my family.

Mr. HOLT. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from California.

Mr. HOLT. Mr. Speaker, I would like to associate myself with the gentleman from Massachusetts and the gentleman from Wisconsin, because we had the opportunity to meet Mr. Uihlein out in California. We found him to be a very fine gentleman, and we appreciate the contribution he and his firm have made to our community.

Mr. McCORMACK. Mr. Speaker, I appreciate very much the remarks made by my two friends. Bob Uihlein was truly one of God's noblemen, and all of us who knew him through life are better persons because we knew him and because of the friendship we had with him.

SECOND SUPPLEMENTAL APPROPRIATION BILL, 1959

Mr. THOMAS. Mr. Speaker, I call up the conference report on the bill (H.R. 5916) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 355)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5916) "making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 11, 19, 22, 29, 47, 59 and 91.

That the House recede from its disagreement to the amendments of the Senate numbered 17, 31, 33, 34, 35, 37, 40, 41, 49, 51, 53, 54, 58, 64, 65, 67, 68, 70, 72, 73, 74, 77, 78, 80, 81, 115, 121, 146, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170 and 171, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,302,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$154,100"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert: "$1,176,100"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,936,600"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,861,700"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$74,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$12,554,400"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$150,000,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$18,675,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,500,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,667,300"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"NATIONAL BUREAU OF STANDARDS

"Construction of laboratories

"For an additional amount for 'Construction of laboratories', $19,793."

And the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$39,030,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$11,000,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$34,898,200"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$18,312,500"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$19,000,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,098,700"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,564,400"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$15,497,500"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,419,300"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$23,300"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,000,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,117,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$35,000"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$14,094,500"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$1,587,200"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$76,700"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$493,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$18,000,000"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$90,000"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,735,100"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,329,200"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$724,800"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$601,700"; and the Senate agree to the same.

Amendment numbered 79: That the House recede from its disagreement to the amendment of the Senate numbered 79, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$30,000,000"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$39,900"; and the Senate agree to the same.

Amendment numbered 83: That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,102,800"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$63,500"; and the Senate agree to the same.

Amendment numbered 85: That the House recede from its disagreement to the amendment of the Senate numbered 85, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$582,300"; and the Senate agree to the same.

Amendment numbered 86: That the House recede from its disagreement to the amendment of the Senate numbered 86, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,100,000"; and the Senate agree to the same.

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$59,500"; and the Senate agree to the same.

Amendment numbered 89: That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,081,100"; and the Senate agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 90, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,018,700"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$230,000"; and the Senate agree to the same.

Amendment numbered 93: That the House recede from its disagreement to the amendment of the Senate numbered 93, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$30,400"; and the Senate agree to the same.

Amendment numbered 94: That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,070,100"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$329,100"; and the Senate agree to the same.

Amendment numbered 96: That the House recede from its disagreement to the amendment of the Senate numbered 96, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$8,645,000"; and the Senate agree to the same.

Amendment numbered 97: That the House recede from its disagreement to the amendment of the Senate numbered 97, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$167,200"; and the Senate agree to the same.

Amendment numbered 98: That the House recede from its disagreement to the amendment of the Senate numbered 98, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,498,500"; and the Senate agree to the same.

Amendment numbered 99: That the House recede from its disagreement to the amendment of the Senate numbered 99, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$9,494,300"; and the Senate agree to the same.

Amendment numbered 100: That the House recede from its disagreement to the amendment of the Senate numbered 100, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$65,550,000"; and the Senate agree to the same.

Amendment numbered 101: That the House recede from its disagreement to the amendment of the Senate numbered 101, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$151,500"; and the Senate agree to the same.

Amendment numbered 102: That the House recede from its disagreement to the amendment of the Senate numbered 102, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,809,775"; and the Senate agree to the same.

Amendment numbered 103: That the House recede from its disagreement to the amendment of the Senate numbered 103, and agree to the same with an amendment, as follows: In lieu of the matter stricken and proposed by said amendment insert "$269,500 of which $259,500 shall be payable from the highway fund"; and the Senate agree to the same.

Amendment numbered 104: That the House recede from its disagreement to the amendment of the Senate numbered 104, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$69,400"; and the Senate agree to the same.

Amendment numbered 105: That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$216,900"; and the Senate agree to the same.

Amendment numbered 106: That the House recede from its disagreement to the amendment of the Senate numbered 106, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$55,800"; and the Senate agree to the same.

Amendment numbered 107: That the House recede from its disagreement to the amendment of the Senate numbered 107, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$130,000"; and the Senate agree to the same.

Amendment numbered 108: That the House recede from its disagreement to the amendment of the Senate numbered 108, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$490,200"; and the Senate agree to the same.

Amendment numbered 109: That the House recede from its disagreement to the amendment of the Senate numbered 109, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$152,000"; and the Senate agree to the same.

Amendment numbered 110: That the House recede from its disagreement to the amendment of the Senate numbered 110, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$16,281,100"; and the Senate agree to the same.

Amendment numbered 111: That the House recede from its disagreement to the amendment of the Senate numbered 111, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$739,100"; and the Senate agree to the same.

Amendment numbered 112: That the House recede from its disagreement to the amendment of the Senate numbered 112, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$513,000"; and the Senate agree to the same.

Amendment numbered 113: That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$52,300"; and the Senate agree to the same.

Amendment numbered 114: That the House recede from its disagreement to the amendment of the Senate numbered 114, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,800"; and the Senate agree to the same.

Amendment numbered 116: That the House recede from its disagreement to the amendment of the Senate numbered 116, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$607,000"; and the Senate agree to the same.

Amendment numbered 117: That the House recede from its disagreement to the amendment of the Senate numbered 117, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$684,000"; and the Senate agree to the same.

Amendment numbered 118: That the House recede from its disagreement to the amendment of the Senate numbered 118, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$34,200"; and the Senate agree to the same.

Amendment numbered 119: That the House recede from its disagreement to the amendment of the Senate numbered 119, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$50,900"; and the Senate agree to the same.

Amendment numbered 120: That the House recede from its disagreement to the amendment of the Senate numbered 120, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$541,500"; and the Senate agree to the same.

Amendment numbered 122: That the House recede from its disagreement to the amendment of the Senate numbered 122, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,447,800"; and the Senate agree to the same.

Amendment numbered 123: That the House recede from its disagreement to the amendment of the Senate numbered 123, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,186,300"; and the Senate agree to the same.

Amendment numbered 124: That the House recede from its disagreement to the amendment of the Senate numbered 124, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$14,200"; and the Senate agree to the same.

Amendment numbered 125: That the House recede from its disagreement to the amendment of the Senate numbered 125, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$605,000"; and the Senate agree to the same.

Amendment numbered 126: That the House recede from its disagreement to the amendment of the Senate numbered 126, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,056,800"; and the Senate agree to the same.

Amendment numbered 127: That the House recede from its disagreement to the amendment of the Senate numbered 127, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$149,100"; and the Senate agree to the same.

Amendment numbered 128: That the House recede from its disagreement to the amendment of the Senate numbered 128, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,173,800"; and the Senate agree to the same.

Amendment numbered 129: That the House recede from its disagreement to the amendment of the Senate numbered 129, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$34,200"; and the Senate agree to the same.

Amendment numbered 130: That the House recede from its disagreement to the amendment of the Senate numbered 130, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$241,300"; and the Senate agree to the same.

Amendment numbered 131: That the House recede from its disagreement to the amendment of the Senate numbered 131, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,700"; and the Senate agree to the same.

Amendment numbered 132: That the House recede from its disagreement to the amendment of the Senate numbered 132, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$878,700"; and the Senate agree to the same.

Amendment numbered 133: That the House recede from its disagreement to the amendment of the Senate numbered 133, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$380,000"; and the Senate agree to the same.

Amendment numbered 134: That the House recede from its disagreement to the amendment of the Senate numbered 134, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$251,800"; and the Senate agree to the same.

Amendment numbered 135: That the House recede from its disagreement to the amendment of the Senate numbered 135, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$342,600"; and the Senate agree to the same.

Amendment numbered 136: That the House recede from its disagreement to the amendment of the Senate numbered 136, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,073,200"; and the Senate agree to the same.

Amendment numbered 137: That the House recede from its disagreement to the amendment of the Senate numbered 137, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,573,200"; and the Senate agree to the same.

Amendment numbered 138: That the House recede from its disagreement to the amendment of the Senate numbered 138, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,240,700"; and the Senate agree to the same.

Amendment numbered 139: That the House recede from its disagreement to the amendment of the Senate numbered 139, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$462,700"; and the Senate agree to the same.

Amendment numbered 140: That the House recede from its disagreement to the amendment of the Senate numbered 140, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$96,900"; and the Senate agree to the same.

Amendment numbered 141: That the House recede from its disagreement to the amendment of the Senate numbered 141, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$302,100"; and the Senate agree to the same.

Amendment numbered 142: That the House recede from its disagreement to the amendment of the Senate numbered 142, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$99,300"; and the Senate agree to the same.

Amendment numbered 143: That the House recede from its disagreement to the amendment of the Senate numbered 143, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$750,500"; and the Senate agree to the same.

Amendment numbered 144: That the House recede from its disagreement to the amendment of the Senate numbered 144, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$57,500"; and the Senate agree to the same.

Amendment numbered 145: That the House recede from its disagreement to the amendment of the Senate numbered 145, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$147,100"; and the Senate agree to the same.

Amendment numbered 147: That the House recede from its disagreement to the amendment of the Senate numbered 147, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$118,800"; and the Senate agree to the same.

Amendment numbered 148: That the House recede from its disagreement to the amendment of the Senate numbered 148, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$201,400"; and the Senate agree to the same.

Amendment numbered 149: That the House recede from its disagreement to the amendment of the Senate numbered 149, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$43,700"; and the Senate agree to the same.

Amendment numbered 150: That the House recede from its disagreement to the amendment of the Senate numbered 150, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$308,700"; and the Senate agree to the same.

Amendment numbered 151: That the House recede from its disagreement to the amendment of the Senate numbered 151, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$37,100"; and the Senate agree to the same.

Amendment numbered 152: That the House recede from its disagreement to the amendment of the Senate numbered 152, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$123,500"; and the Senate agree to the same.

Amendment numbered 153: That the House recede from its disagreement to the amendment of the Senate numbered 153, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$244,100"; and the Senate agree to the same.

Amendment numbered 154: That the House recede from its disagreement to the amendment of the Senate numbered 154, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$565,300"; and the Senate agree to the same.

Amendment numbered 155: That the House recede from its disagreement to the amendment of the Senate numbered 155, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$41,800"; and the Senate agree to the same.

Amendment numbered 156: That the House recede from its disagreement to the amendment of the Senate numbered 156, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$871,100"; and the Senate agree to the same.

Amendment numbered 173: That the House recede from its disagreement to the amendment of the Senate numbered 173, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$235,100"; and the Senate agree to the same.

Amendment numbered 174: That the House recede from its disagreement to the amendment of the Senate numbered 174, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$286,400"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 6, 7, 38, 42, 50, 56, 57, 63, 66, 69, 71, 75, 76, 88 and 172.

ALBERT THOMAS,
MICHAEL J. KIRWAN,
JOHN J. ROONEY,
EDWARD P. BOLAND,
CLARENCE CANNON,
BEN F. JENSEN,
FRANK T. BOW,
CHARLES R. JONAS,
JOHN TABER,
Managers on the Part of the House.

CARL HAYDEN,
RICHARD B. RUSSELL,
DENNIS CHAVEZ,
ALLEN J. ELLENDER,
LISTER HILL,
WARREN G. MAGNUSON,
JOHN O. PASTORE,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
MILTON R. YOUNG,
KARL E. MUNDT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5916) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I

Department of Agriculture

Agricultural Research Service

Amendment No. 1: Reported in disagreement.

Amendment No. 2: Permits transfer of $2,302,000 for "Plant and animal disease and pest control" instead of $2,180,700 as proposed by the House and $2,423,000 as proposed by the Senate.

Extension Service

Amendment No. 3: Permits transfer of $154,100 for "Penalty mail" instead of $146,000 as proposed by the House and $162,255 as proposed by the Senate.

Agricultural Marketing Service

Amendment No. 4: Permits transfer of $1,176,100 for "Marketing research and agricultural estimates" instead of $1,144,100 as proposed by the House and $1,208,100 as proposed by the Senate.

Amendment No. 5: Permits transfer of $1,936,600 for "Marketing Services" instead of $1,918,600 as proposed by the House and $1,954,600 as proposed by the Senate.

Foreign Agricultural Service

Amendment No. 6: Reported in disagreement.

Commodity Stabilization Service

Amendment No. 7: Reported in disagreement.

Amendment No. 8: Sets the amount for "Administrative expenses" at $6,861,700 instead of $6,837,000 as proposed by the House and $6,886,300 as proposed by the Senate.

Office of Information

Amendment No. 9: Permits transfer of $74,000 for "Salaries and expenses" instead of $71,000 as proposed by the House and $77,000 as proposed by the Senate.

Forest Service

Amendment No. 10: Appropriates $12,554,400 for "Forest land management" instead of $12,282,800 as proposed by the House and $15,326,000 as proposed by the Senate.

Amendment No. 11: Deletes Senate proposal to appropriate $500,000 for "Forest Roads and Trails".

Funds appropriated to the President

Mutual Security

Amendment No. 12: Appropriates $150,000,000 for the Development Loan Fund instead of $100,000,000 as proposed by the House and $200,000,000 as proposed by the Senate.

Department of Commerce

Maritime Activities

Amendment No. 13: Permits not to exceed $18,675,000 to be used for design, etc., ship construction, instead of $18,650,000 as proposed by the House and $18,700,000 as proposed by the Senate.

Amendment No. 14: Appropriates $7,500,000 for "Operating-differential subsidies" instead of $5,000,000 as proposed by the House and $10,000,000 as proposed by the Senate.

Patent Office

Amendment No. 15: Appropriates $1,667,300 for "Salaries and expenses" instead of $1,651,500 as proposed by the House and $1,683,000 as proposed by the Senate.

National Bureau of Standards

Amendment No. 16: Appropriates $19,793 for "Construction of laboratories" as proposed by the Senate, but deletes language proposing that it remain available until expended.

Department of Defense—Civil functions

Department of the Army—Cemeterial Expenses

Amendment No. 17: Appropriates $535,000 for "Salaries and expenses" as proposed by the Senate instead of $521,500 as proposed by the House.

Department of Defense—Military functions

Department of the Army

Amendment No. 18: Appropriates $39,030,000 for "Operation and maintenance" instead of $38,160,000 as proposed by the House and $39,900,000 as proposed by the Senate.

Amendment No. 19: Deletes Senate language relating to strength of the Army. (See statement in connection with amendment No. 22.)

Amendment No. 20: Appropriates $11,000,000 for "Army National Guard" instead of $10,300,000 as proposed by the House and $13,200,000 as proposed by the Senate.

Department of the Navy

Amendment No. 21: Appropriates $34,898,200 for "Military personnel" instead of $33,061,500 as proposed by the House and $36,735,000 as proposed by the Senate. In providing the amount of $34,898,200 for this purpose, the committee of conference agrees that the minor reduction in funds below the request shall be absorbed without reducing the planned strength or recruitment program.

Amendment No. 22: Deletes Senate language relating to the strength of the Marine Corps.

The Senate receded on amendments 19 and 22 with the greatest of reluctance and only because the lateness in the year precludes the possibility of the Army and Marine Corps being brought up to the strengths of 900,000 and 200,000, respectively, before June 30, 1959. The committee of conference wishes to point out that the Defense Department Appropriation Act for 1959, Public Law 85-724, provided the funds necessary to maintain an Army of 900,000 and a Marine Corps of 200,000. The conferees are agreed that the entire matter of strength of the Army and Marine Corps will be a matter of thorough study during the consideration of the 1960 Defense Department Appropriation Bill.

Amendment No. 23: Appropriates $18,312,500 for "Aircraft and facilities" instead of $18,000,000 as proposed by the House and $18,624,900 as proposed by the Senate.

Amendment No. 24: Appropriates $19,000,000 for "Ships and facilities" instead of $18,000,000 as proposed by the House and $20,000,000 as proposed by the Senate.

Amendment No. 25: Appropriates $4,098,700 for "Ordnance and facilities" instead of $3,822,000 as proposed by the House and $4,246,000 as proposed by the Senate.

Amendment No. 26: Appropriates $3,564,400 for "Civil engineering" instead of $3,330,000 as proposed by the House and $3,732,000 as proposed by the Senate.

Amendment No. 27: Appropriates $15,497,500 for "Servicewide supply and finance" instead of $14,682,000 as proposed by the House and $16,313,000 as proposed by the Senate.

Amendment No. 28: Appropriates $5,419,300 for "Servicewide operations" instead of $5,153,000 as proposed by the House and $5,685,600 as proposed by the Senate.

District of Columbia

Amendment No. 29: Appropriates $5,000,000 for "Federal payment to the District of Columbia" as proposed by the House instead of $8,100,000 as proposed by the Senate.

Amendment No. 30: Appropriates $23,300 for "Department of Occupations and Professions" instead of $20,450 as proposed by the House and $26,200 as proposed by the Senate.

Amendment No. 31: Appropriates $4,095,668 for "Public schools" as proposed by the Senate instead of $4,295,668 as proposed by the House.

Amendment No. 32: Appropriates $1,000,000 for "Department of Public Welfare" instead of $750,700 as proposed by the House and $1,012,200 as proposed by the Senate.

Amendment No. 33: Appropriates $24,131 for payment of claims as proposed by the Senate instead of $20,197 as proposed by the House.

Amendments Nos. 34 and 35: Incorporate judgments contained in Senate Document Numbered 20 and appropriate $118,285 as proposed by the Senate instead of $30,219 as proposed by the House.

Department of Health, Education, and Welfare

Amendment No. 36: Appropriates $1,117,000 for "Salaries and expenses" of the Food and Drug Administration instead of $1,072,000 as proposed by the House and $1,150,000 as proposed by the Senate.

Amendment No. 37: Appropriates $1,886,000 for "Construction of Indian health facilities" as proposed by the Senate instead of $1,700,000 as proposed by the House.

Amendment No. 38: Reported in disagreement.

Amendment No. 39: Appropriates $35,000 for "Salaries and expenses," Saint Elizabeths Hospital instead of $43,000 as proposed by the Senate. There was nothing for this item in the House bill.

Amendments Nos. 40 and 41: Appropriate $844,000 for the "White House Council on Aging" as proposed by the Senate instead of $790,000 as proposed by the House; and make the sum of $810,000 available for grants to States as proposed by the Senate instead of $756,000 as proposed by the House.

Independent offices

Alaska International Rail and Highway Commission

Amendment No. 42: Reported in disagreement.

Civil Aeronautics Board

Amendment No. 43: Appropriates $14,094,500 for "Payments to air carriers" instead of $12,000,000 as proposed by the House and $16,189,000 as proposed by the Senate.

Civil Service Commission

Amendments Nos. 44, 45 and 46: Appropriate $1,587,200 for "Salaries and expenses" in-

stead of $1,491,500 as proposed by the House and $1,730,000 as proposed by the Senate; raise limitation on performing duties, etc., to $76,700 instead of $76,300 as proposed by the House and $77,000 as proposed by the Senate; and increase travel limitation to $493,000 instead of $486,000 as proposed by the House and $500,000 as proposed by the Senate. Funds for furniture are denied.

Commission on International Rules of Judicial Procedure

Amendment No. 47: Appropriates $25,000 as proposed by the House instead of $50,000 as proposed by the Senate.

Federal Aviation Agency

Amendment No. 48: Appropriates $18,000,000 for "Grants in aid for airports, etc.," instead of $20,000,000 as proposed by the Senate. There was nothing for this item in the House bill.

General Services Administration

Amendment No. 49: Appropriates $15,000,000 for the general supply fund as proposed by the Senate instead of $10,000,000 as proposed by the House.

Amendment No. 50: Reported in disagreement.

Civil War Centennial Commission

Amendment No. 51: Appropriates $23,492 as proposed by the Senate. There was nothing for this item in the House bill.

National Mediation Board

Amendment No. 52: Appropriates $90,000 for "Arbitration and emergency boards" instead of $100,000 as proposed by the Senate. There was nothing for this item in the House bill.

River Basin Study Commissions

Amendment No. 53: Appropriates $100,000 for the South Carolina-Georgia-Alabama-Florida Commission as proposed by the Senate instead of $80,000 as proposed by the House.

Veterans Administration

Amendment No. 54: Appropriates $48,651,000 for "Inpatient care" as proposed by the Senate instead of $47,455,000 as proposed by the House.

Department of the Interior

Amendment No. 55: Appropriates $3,735,100 for "Management of lands and resources" instead of $3,682,600 as proposed by the House and $3,787,600 as proposed by the Senate.

Amendment No. 56: Reported in disagreement.

Amendment No. 57: Reported in disagreement.

Amendment No. 58: Appropriates $1,000,000 for "construction" as proposed by the Senate. There was nothing for this item in the House bill.

Bureau of Indian Affairs

Amendment No. 59: Deletes the Senate proposal to appropriate $1,000,000 for road construction and maintenance. It is the intent of the conferees that the Bureau of Indian Affairs shall proceed with its planned contracts for the items contemplated by this amendment.

National Park Service

Amendment No. 60: Appropriates $1,329,200 for "Management and protection" instead of $1,270,000 as proposed by the House and $1,388,500 as proposed by the Senate.

Department of Labor

Amendment No. 61: Appropriates $724,800 for "Salaries and expenses" Bureau of Labor Standards instead of $720,600 as proposed by the House and $729,000 as proposed by the Senate.

Amendment No. 62: Appropriates $601,700 for "Salaries and expenses" Bureau of Employment Security instead of $572,800 as proposed by the House and $630,500 as proposed by the Senate.

Amendment No. 63: Reported in disagreement.

Legislative branch

Senate

Amendments Nos. 64 and 65: Insert title; and appropriate $23,980 for "Compensation of Senators" as proposed by the Senate.

Amendment No. 66: Reported in disagreement.

Amendments Nos. 67 and 68: Insert title; and appropriate $34,385 for "Furniture" as proposed by the Senate.

Amendment No. 69: Reported in disagreement.

Amendment No. 70: Appropriates $2,000 for postage stamps as proposed by the Senate.

Amendment No. 71: Reported in disagreement.

Architect of the Capitol

Amendments Nos. 72, 73, and 74: Insert title; appropriate $4,000,000 for extension of the Capitol; and appropriate $283,550 for furniture and furnishings, additional Senate Office Building; all as proposed by the Senate.

Amendment No. 75: Reported in disagreement.

Department of State

Amendment No. 76: Reported in disagreement.

Treasury Department

Amendment No. 77: Appropriates $337,000 for "Salaries and expenses" Bureau of Accounts as proposed by the Senate instead of $303,300 as proposed by the House.

Amendment No. 78: Appropriates $4,519,000 for "Salaries and expenses" Bureau of Customs as proposed by the Senate instead of $4,481,000 as proposed by the House.

Amendment No. 79: Appropriates $30,000,000 for "Salaries and expenses" Internal Revenue Service instead of $29,595,000 as proposed by the House and $30,600,000 as proposed by the Senate.

Claims for damages and judgments

Amendments Nos. 80 and 81: Include claims, etc., as set forth in Senate Document Numbered 20 as proposed by the Senate; and appropriate $4,931,024 as proposed by the Senate instead of $2,570,198 as proposed by the House.

TITLE II

Increased pay costs

Department of Agriculture

Amendment No. 82: Permits transfer of $39,900 for Farmer Cooperative Service instead of $37,800 as proposed by the House and $42,000 as proposed by the Senate.

Amendment No. 83: Permits transfer of $6,102,800 for Soil Conservation Service instead of $5,781,600 as proposed by the House and $6,424,000 as proposed by the Senate.

Amendment No. 84: Permits transfer of $63,500 for Commodity Exchange Authority instead of $61,200 as proposed by the House and $65,800 as proposed by the Senate.

Amendment No. 85: Permits transfer of $582,300 for Rural Electrification Administration instead of $551,700 as proposed by the House and $613,000 as proposed by the Senate.

Amendment No. 86: Permits transfer of $2,100,000 for Farmers Home Administration instead of $1,989,450 as proposed by the House and $2,210,500 as proposed by the Senate.

Amendment No. 87: Permits transfer of $59,500 for the Department of Agriculture Library instead of $56,340 as proposed by the House and $62,600 as proposed by the Senate.

Department of Commerce

Amendment No. 88: Reported in disagreement.

Department of Defense—Civil functions

Amendment No. 89: Appropriates $1,081,100 for Operation and Maintenance, General, rivers and harbors and flood control, instead of $1,024,200 as proposed by the House and $1,138,000 as proposed by the Senate.

Amendments Nos. 90 and 91: Appropriate $1,018,700 for general expenses, instead of $941,400 as proposed by the House and $1,096,000 as proposed by the Senate; and strike out language proposed by the Senate relating to transfer of funds.

Amendment No. 92: Authorizes $230,000 for the United States Soldiers' Home instead of $215,100 as proposed by the House and $239,000 as proposed by the Senate.

Amendment No. 93: Appropriates $30,400 for administration, Ryukyu Islands instead of $28,800 as proposed by the House and $32,000 as proposed by the Senate.

Amendment No. 94: Appropriates $1,070,100 for Canal Zone Government instead of $1,013,760 as proposed by the House and $1,126,400 as proposed by the Senate.

Amendment No. 95: Authorizes $329,100 for the Panama Canal Company instead of $311,760 as proposed by the House and $346,400 as proposed by the Senate.

Department of Defense—Military Functions

Amendment No. 96: Appropriates $8,645,000 for research and development, Department of the Army, instead of $8,190,000 as proposed by the House and $9,100,000 as proposed by the Senate.

Amendment No. 97: Appropriates $167,200 for Alaska Communication System instead of $158,400 as proposed by the House and $176,000 as proposed by the Senate.

Amendment No. 98: Appropriates $2,498,500 for Navy personnel, general expenses, instead of $2,367,000 as proposed by the House and $2,630,000 as proposed by the Senate.

Amendment No. 99: Appropriates $9,494,300 for research and development, Department of the Navy, instead of $8,994,600 as proposed by the House and $9,994,000 as proposed by the Senate.

Amendment No. 100: Appropriates $65,550,000 for operation and maintenance, Department of the Air Force, instead of $62,100,000 as proposed by the House and $69,000,000 as proposed by the Senate.

District of Columbia

Amendment No. 101: Appropriates $151,500 for the Recreation Department instead of $129,900 as proposed by the House and $173,200 as proposed by the Senate.

Amendment No. 102: Appropriates $1,809,775 for the Department of Public Health instead of $1,409,775 as proposed by the House and $1,937,000 as proposed by the Senate.

Amendment No. 103: Appropriates $269,500 for the Department of Highways instead of $259,500 as proposed by the House and $279,500 as proposed by the Senate.

Amendment No. 104: Appropriates $69,400 for the Department of Vehicles and Traffic instead of $62,400 as proposed by the House and $76,400 as proposed by the Senate.

Amendment No. 105: Appropriates $216,900 for National Capital Parks instead of $185,925 as proposed by the House and $247,900 as proposed by the Senate.

Amendment No. 106: Appropriates $55,800 for National Zoological Park instead of $50,775 as proposed by the House and $60,775 as proposed by the Senate.

Department of Health, Education, and Welfare

Amendment No. 107: Appropriates $130,000 for Freedmen's Hospital instead of $116,000 as proposed by the House and $136,500 as proposed by the Senate.

Independent Offices

Amendment No. 108: Appropriates $490,200 for the Civil Aeronautics Board instead of $464,400 as proposed by the House and $516,000 as proposed by the Senate.

Amendment No. 109: Authorizes $152,000 for administrative expenses of the Export-Import Bank of Washington instead of $144,000 as proposed by the House and $160,000 as proposed by the Senate.

Amendment No. 110: Appropriates $16,281,100 for the Federal Aviation Agency instead of $15,424,200 as proposed by the House and $17,138,000 as proposed by the Senate.

Amendment No. 111: Appropriates $739,100 for the Federal Communications Commission instead of $700,200 as proposed by the House and $778,000 as proposed by the Senate.

Amendment No. 112: Appropriates $513,000 for the Federal Trade Commission instead of $486,000 as proposed by the House and $540,000 as proposed by the Senate.

Amendments Nos. 113 and 114: Appropriate $52,300 for the Foreign Claims Settlement Commission instead of $49,500 as proposed by the House and $55,000 as proposed by the Senate; and permit transfer of $6,800 from the war claims fund instead of $6,480 as proposed by the House and $7,200 as proposed by the Senate.

Amendment No. 115: Appropriates $4,079,960 for operating expenses, Public Buildings Service as proposed by the Senate instead of $3,189,960 as proposed by the House.

Amendment No. 116: Appropriates $607,000 for the National Archives and Records Service instead of $575,100 as proposed by the House and $639,000 as proposed by the Senate.

Amendment No. 117: Appropriates $684,000 for the Office of the Administrator, Housing and Home Finance Agency instead of $648,000 as proposed by the House and $720,000 as proposed by the Senate.

Amendment No. 118: Authorizes $34,200 for administrative expenses for public facility loans instead of $32,400 as proposed by the House and $36,000 as proposed by the Senate.

Amendment No. 119: Authorizes $50,900 for administrative expenses of the revolving fund (liquidating programs) instead of $47,700 as proposed by the House and $53,000 as proposed by the Senate.

Amendments Nos. 120 and 121: Authorize $541,500 for administrative expenses of the Federal Housing Administration instead of $513,000 as proposed by the House and $570,000 as proposed by the Senate; and authorize $3,035,000 for non-administrative expenses as proposed by the Senate instead of $2,731,500 as proposed by the House.

Amendment No. 122: Appropriate $1,447,800 for the Interstate Commerce Commission instead of $1,371,600 as proposed by the House and $1,524,000 as proposed by the Senate.

Amendment No. 123: Appropriates $3,186,300 for the National Aeronautics and Space Administration instead of $3,018,600 as proposed by the House and $3,354,000 as proposed by the Senate.

Amendment No. 124: Authorizes $14,200 for administrative expenses of the St. Lawrence Seaway Development Corporation instead of $13,500 as proposed by the House and $15,000 as proposed by the Senate.

Amendment No. 125: Appropriates $605,000 for the Securities and Exchange Commission instead of $573,000 as proposed by the House and $637,000 as proposed by the Senate.

Amendment No. 126: Appropriates $2,056,800 for the Selective Service System instead of $1,948,500 as proposed by the House and $2,165,000 as proposed by the Senate.

Amendment No. 127: Appropriates $149,100 for the Tariff Commission instead of $141,300 as proposed by the House and $157,000 as proposed by the Senate.

Amendment No. 128: Appropriates $3,173,800 for the United States Information Agency instead of $3,057,300 as proposed by the House and $3,290,225 as proposed by the Senate.

Department of the Interior

Amendment No. 129: Appropriates $34,200 for the Office of Oil and Gas instead of $32,400 as proposed by the House and $36,000 as proposed by the Senate.

Amendment No. 130: Appropriates $241,300 for the Office of the Solicitor instead of $228,600 as proposed by the House and $254,000 as proposed by the Senate.

Amendment No. 131: Appropriates $2,700 for the Commission of Fine Arts instead of $2,520 as proposed by the House and $2,800 as proposed by the Senate.

Amendments Nos. 132 and 133: Appropriate $878,700 for resources management of the Bureau of Indian Affairs instead of $832,500 as proposed by the House and $925,000 as proposed by the Senate; and authorize the transfer of $380,000 instead of $360,000 as proposed by the House and $400,000 as proposed by the Senate.

Amendment No. 134: Appropriates $251,800 for general administrative expenses of the Bureau of Indian Affairs instead of $238,500 as proposed by the House and $265,000 as proposed by the Senate.

Amendment No. 135: Appropriates $342,600 from the reclamation fund for general administrative expenses of the Bureau of Reclamation instead of $324,540 as proposed by the House and $360,600 as proposed by the Senate.

Amendment No. 136: Appropriates $3,073,200 for the Geological Survey instead of $2,911,500 as proposed by the House and $3,235,000 as proposed by the Senate.

Amendments Nos. 137 and 138: Appropriate $1,573,200 for the conservation and development of mineral resources, Bureau of Mines, instead of $1,490,400 as proposed by the House and $1,656,000 as proposed by the Senate; and authorize $1,240,700 by transfer instead of $1,175,400 as proposed by the House and $1,306,000 as proposed by the Senate.

Amendment No. 139: Appropriates $462,700 for health and safety of the Bureau of Mines instead of $438,300 as proposed by the House and $487,000 as proposed by the Senate.

Amendment No. 140: Appropriates $96,900 for general administrative expenses of the Bureau of Mines instead of $91,800 as proposed by the House and $102,000 as proposed by the Senate.

Amendment No. 141: Appropriates $302,100 for maintenance and rehabilitation of physical facilities of the National Park Service instead of $286,290 as proposed by the House and $318,100 as proposed by the Senate.

Amendment No. 142: Appropriates $99,300 for general administrative expenses of the National Park Service instead of $94,050 as proposed by the House and $104,500 as proposed by the Senate.

Amendment No. 143: Appropriates $750,500 for management and investigations of resources of the Bureau of Sport Fisheries instead of $711,000 as proposed by the House and $790,000 as proposed by the Senate.

Amendment No. 144: Appropriates $57,500 for the Bureau of Commercial Fisheries instead of $54,450 as proposed by the House and $60,500 as proposed by the Senate.

Amendment No. 145: Appropriates $147,100 for the Office of Territories instead of $139,320 as proposed by the House and $154,800 as proposed by the Senate.

Amendment No. 146: Appropriates $200,940 for the Office of the Secretary as proposed by the Senate instead of $185,940 as proposed by the House.

Department of Labor

Amendment No. 147: Appropriates $118,800 for the Office of the Secretary instead of $112,500 as proposed by the House and $125,000 as proposed by the Senate.

Amendment No. 148: Appropriates $201,400 for the Office of the Solicitor instead of $190,800 as proposed by the House and $212,000 as proposed by the Senate.

Amendment No. 149: Appropriates $43,700 for the Bureau of Veterans' Reemployment Rights instead of $41,400 as proposed by the House and $46,000 as proposed by the Senate.

Amendment No. 150: Appropriates $308,700 for the Bureau of Apprenticeship and Training instead of $292,500 as proposed by the House and $325,000 as proposed by the Senate.

Amendment No. 151: Appropriates $37,100 for compliance activities of the Mexican farm labor program instead of $35,100 as proposed by the House and $39,000 as proposed by the Senate.

Amendment No. 152: Permits transfer of $123,500 for salaries and expenses of the Mexican farm labor program instead of $117,000 as proposed by the House and $130,000 as proposed by the Senate.

Amendment No. 153: Appropriates $244,100 for the Bureau of Employees' Compensation instead of $231,300 as proposed by the House and $257,000 as proposed by the Senate.

Amendment No. 154: Appropriates $565,300 for the Bureau of Labor Statistics instead of $535,500 as proposed by the House and $595,000 as proposed by the Senate.

Amendment No. 155: Appropriates $41,800 for the Women's Bureau instead of $39,600 as proposed by the House and $44,000 as proposed by the Senate.

Amendment No. 156: Appropriates $871,100 for the Wage and Hour Division instead of $825,300 as proposed by the House and $917,000 as proposed by the Senate.

Legislative Branch

Amendments Nos. 157 through 171: Appropriate $1,813,690 for various Senate items as proposed by the Senate.

Amendment No. 172: Reported in disagreement.

Treasury Department

Amendment No. 173: Appropriates $235,100 for the Office of the Secretary instead of $222,750 as proposed by the House and $247,500 as proposed by the Senate.

Amendment No. 174: Appropriates $286,400 for salaries and expenses of the United States Secret Service instead of $271,350 as proposed by the House and $301,500 as proposed by the Senate.

ALBERT THOMAS,
MICHAEL J. KIRWAN,
JOHN J. ROONEY,
EDWARD P. BOLAND,
BEN F. JENSEN,
FRANK T. BOW,
CHARLES R. JONAS,
JOHN TABER,
Managers on the Part of the House.

Mr. THOMAS (interrupting the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Speaker, reserving the right to object, the gentleman proposes to take some time to explain this bill, does he not?

Mr. THOMAS. Yes.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMAS. Mr. Speaker, let me take 2 or 3 minutes in an attempt to explain the report. We went to conference, I will say to my distinguished friend from Iowa, with 174 amendments in disagreement. As you will recall, 90 or 95 represented Pay Act increases. After spending many hours with the other body, we worked out a formula under

which in most instances, where the Senate had restored most of the House cuts, we split the difference on those Pay Act increases. It all adds up to this, that even though we bring back some 15 or 16 items in technical disagreement, in truth and in fact there is only one item in disagreement.

When the bill left the House, it carried—I am just using round figures—$2,657,402,994 in appropriations. The other body upped that amount $186,499,811 to $2,843,902,805. In those 174 items in disagreement, they added a half a dozen new items. When we compromised those increases, we shaved them down to about $100 million in round figures, and the conference figure is $2,764,500,380.

I doubt that there is anything that will give anybody any trouble, and if I can answer any question, I will be delighted to, and if not, my colleagues I am sure will help me out.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I have looked through this bill hastily, and I do not seem to find any cuts. Everywhere everything has been increased, is that not true? For instance, the Development Loan Fund is up $100 million over the figure that left the House and 200 percent over the figure, which was exactly zero, with which the committee came to the House floor; is that not true?

Mr. THOMAS. May I say to my distinguished friend that when the bill left the House it carried $100 million for the Development Loan Fund. The other body raised the amount to $200 million, and after some give and take on both sides it was agreed by the members of the other body and your own conferees to split the difference, and we brought back a figure of $150 million.

Mr. GROSS. It is now $200 million, is it not?

Mr. THOMAS. The other body raised the amount to $200 million and we compromised at $150 million.

Mr. PASSMAN. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the distinguished gentleman from Louisiana.

Mr. PASSMAN. There has been considerable justified concern that the development loan program would lead us into unsound practices. The civil works division of the Department of the Army for Okinawa came before the Foreign Operations Subcommittee on Appropriations for 3 consecutive years seeking an appropriation for an electric powerplant on Okinawa. The subcommittee, after careful consideration in each instance, declined to recommend the funds, asking for further comprehensive study. At a subsequent date, the request was referred to the subcommittee handling the deficiency appropriations, which, in turn, passed the item along to the subcommittee which would normally handle the matter.

It is my understanding the other body has recommended that a loan be made to Okinawa, to finance this electric plant. The entire matter is very complicated. The promoters of this venture have decided to try to bypass the Foreign Operations Appropriations Subcommittee and, instead, make the Okinawans a loan out of the development loan or some other fund. The Okinawans then would authorize our military installation to construct the electric powerplant. The plant would, under this scheme, lease to the military, which would release to the Okinawans, who, in turn, would sell electricity to the consumers. If that does not constitute an attempt at bypassing the Appropriations Committee through this development loan program, I do not know what else it could be termed. Is the gentleman familiar with the details of the transaction that is being proposed?

Mr. THOMAS. I am familiar with one part of it, and that is that the committee turned down the $10 million military appropriation for construction of a powerplant in Okinawa. We did not put a penny in there and it is not in this conference report, either. What the revolving fund does, I do not know. I do not need to defend my position. I did not vote for it in committee, I did not vote for it on the floor, and, if I may say so, I did not vote for it in conference. But I am only one, and the majority rules.

Mr. PASSMAN. The full Committee on Appropriations turned down the DLF deficiency appropriation request, but the House saw fit to put in $100 million. The bill went to the other body, where this item was raised to $200 million. Then in conference it was reduced to $150 million. I merely wanted to point out to the membership that this Development Loan Fund is being used to do many things that the Congress itself said should not be done. One of the instances is the item I have discussed. The Congress is obviously being given the runaround through the manipulation of this Development Loan program.

Mr. THOMAS. I have no doubt our able and distinguished friend from Louisiana when he considers all the items for appropriation will go into them thoroughly.

Mr. PASSMAN. We might not have an opportunity to consider the item then. They are now attempting to bypass our committee, and they say, in effect, "You may not have the opportunity to make this decision because we will possibly already have the money."

I should like for the record to show, with respect to this particular matter, that I spent 2 days on Okinawa last year. I departed convinced that Congress should provide the funds necessary for the powerplant. My remarks today should not be interpreted as critical of the needs for this project, but, rather, of the means being used in the attempt to obtain funds.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Iowa.

Mr. GROSS. I notice on page 32 a substantial amount of money for the other body for office equipment. Does the gentleman think this is going to take care of the rugs and the sawing off of the doors and all the other mistakes that were made?

Mr. THOMAS. May I say to my distinguished friend that his judgment is just as good as mine on that. I hope it does.

Mr. GROSS. Maybe we ought to organize a volunteer force and help them cut off the doors and lay the rugs.

Mr. THOMAS. Maybe the gentleman has a good point there.

Mr. GROSS. I notice there is $500,000 in this bill for the Pan American Olympic Games. Is that correct?

Mr. THOMAS. Half a million dollars, yes.

Mr. GROSS. I thank the gentleman.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. RHODES of Arizona. My question is with regard to amendment No. 59 of the Senate. I previously discussed this matter with the able gentleman from Ohio [Mr. KIRWAN]. I should like the RECORD to show that this amendment, which was for $1 million for road construction and maintenance in the Navajo-Hopi Reservation, was not kept in the bill after conference because of a statement from the Department of the Interior stating that the money was not needed for the program to proceed in this fiscal year. May I ask the gentleman if it is not a fact that the conference did not intend nor does the House intend that this program for building roads across the Navajo-Hopi Reservation will be held up in the slightest?

Mr. THOMAS. The gentleman usually gets what he wants. He takes care of his people, and I am sure he will in this instance. We will cooperate with him, too.

Mr. KIRWAN. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Ohio.

Mr. KIRWAN. We have clearly stated in the conference report that it is intended that the Department will proceed with letting the planned contracts for the road work. The Department of the Interior has advised us that no cash payments will be required on their contracts until after July 1, 1959, at which time the funds in the regular 1960 appropriation bill will be available. So this action will in no way hold up the scheduled construction program.

Mr. RHODES of Arizona. So the net result will be that there will be no delay in this program.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Virginia.

Mr. JENNINGS. In the bill as it went to conference there was $3 million to be used by the Forest Service in areas of unemployment. I notice that is not in the bill as it came from conference.

Mr. THOMAS. That is correct. Let me ask the gentleman from Ohio to give the gentleman an answer to it.

Mr. KIRWAN. I was originally in favor of this item, for I understood it was intended to help out the distressed area in just one State. But when finally approved by the other body the $3 million was spread all over 32 other areas, so the

effect in any one area would be meaningless. Scattering this small amount of funds across the country as was proposed would put only a very small number to work in any one area, and then only for a few weeks. This would not help and that is why it was taken out of the bill.

Mr. THOMAS. Mr. Speaker, if the gentleman will permit me to point this out—as a matter of fact, did you not put about $10 million in your regular bill to get this job done? Is it not also true that this small amount of money would not be a drop in the bucket, and, furthermore, the appropriation would expire long before you could allocate it because this bill is only good to the end of June? I think the gentleman from Ohio is going to try to do something worth while for you about this.

Mr. KIRWAN. I want to point out that we put $9,650,000 in the appropriation bill for this year over the budget request for the Forest Service. I would be satisfied to support $3 million if it is put in the 1960 regular appropriation bill for this particular area and not scattered around all over the country. How are you going to really help people all over the country with such a small amount?

I understand it was planned to allocate this amount to many, many areas and only a portion would go to provide employment. I again tell you that I would vote for $3 million if it was restricted to this one area where it could be of some aid but what can be accomplished with only $3 million scattered over 32 different areas?

Mr. JENNINGS. I must remind the gentleman that even if the money were scattered over 32 areas, it is still restricted to areas of unemployment while on the other hand, as it was originally set up, the $3 million went to only one area and all the other areas would have been completely left out.

Mr. KIRWAN. I am trying to tell the gentleman that when I told them to put it in in the other body, I asked them to put it in the regular appropriation bill. We have only six weeks left in this fiscal year.

Mr. JENNINGS. But that was restricted to one area and that would not have helped those of us who are outside of that particular area.

Mr. KIRWAN. I again tell the gentleman that to provide any effective relief for unemployment in the 32 other surplus labor areas would require many, many millions of dollars. The $3 million would at best help only a relatively small number for a few weeks. On July 1 the 1960 appropriation for the Forest Service will be available and this will total over $100 million for land management and roads.

Mr. JENNINGS. Let me say to the gentleman that one job is better than no job, and I would be glad to have any part of it. But, I am pleased to hear that you have $100 million in the bill for 1960.

Mr. THOMAS. Mr. Speaker, apparently there is no disagreement between the gentlemen. Both of them are going to get around to doing a tremendous job for next year.

COMMITTEE ON AGRICULTURE—H.R. 7118

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tomorrow night to file a report on the bill, H.R. 7118.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEGISLATIVE PROGRAM

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield.

Mr. HALLECK. Mr. Speaker, I have asked for this time in order to inquire of the majority leader as to the legislative program for next week.

Mr. McCORMACK. Mr. Speaker, the program for next week is as follows:

Monday, the Consent Calendar will be called. There will be one bill taken up under suspension of the rules, the bill, H.R. 7007, authorizing appropriations for the National Aeronautics and Space Administration for 1960. That bill has been unanimously reported out of committee.

Then, the appropriation bill for the Department of Agriculture for 1960 will be taken up.

The Private Calendar will be called on Tuesday.

Following the disposition of the agricultural appropriation bill, if it should go over to Tuesday, the housing bill, S. 57, will be brought up. If the agricultural appropriation bill should be disposed of on Monday, in no event will the housing bill be brought up before Tuesday. In other words, for example, if the agricultural bill should be disposed of on Monday in time to start on the housing bill, we will not start on it on Monday so the Members will be advised of that.

The general Government matters appropriation bill for 1960 will follow the housing bill.

Agreement has been made by the leadership that any record vote on Monday or Tuesday, with the exception of a vote on a rule, will go over until Wednesday, due to the fact that there are primaries in Pennsylvania on Tuesday next.

Mr. HALLECK. May I inquire of the gentleman if that likewise holds for any record vote on Monday?

Mr. McCORMACK. Exactly; any record vote on Monday or Tuesday, with the exception, as I said, of a vote on any rule—and of course in the case of the appropriation bill there would be no vote on the rule because such a bill is preferential—but in the event there should be a vote on a rule I would have to have that, otherwise we could not proceed.

Mr. HALLECK. If the gentleman will yield further, there is the possibility that a veto message might be coming in here on Monday or Tuesday; I take it that should that happen a vote on that message would go over until Wednesday.

Mr. McCORMACK. Absolutely; absolutely, if not later.

SECOND SUPPLEMENTAL APPROPRIATION BILL, 1959

Mr. GROSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, if there is not to be a rollcall vote on this conference report I want the RECORD to show that I am opposed and would have voted against approval.

This conference report calls for the spending of $2,764 million. That is approximately $107 million more than the bill contained when it left the House.

Included in this bill is $150 million for the so-called Redevelopment Loan Fund. These are loans made to foreign governments that are so soft they will never be collected. The House approved $100 million for this purpose. That was too much. Then the Senate added $50 million and the total amount of $150 million is unconscionable in view of the fact that this is a supplemental appropriation which means this money is in addition to the hundreds of millions appropriated for the same purpose earlier in this fiscal year.

There are other items in this bill that should never have been increased. Again, I am opposed to the substantial appropriations contained in this bill to rectify the mistakes that were made in constructing and equipping the new Senate Office Building.

Mr. Speaker, I am opposed to this bill and let the RECORD clearly show my position.

Mr. THOMAS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 1: Page 2, line 7, insert ", $3,666,700, to including not to exceed $35,000 for the alterations to the meat laboratory at Beltsville, Maryland, $4,174,110, of which $4,074,110 shall".

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 1, and concur therein with an amendment, as follows: In lieu of

the matter stricken and inserted by said amendment, insert "$3,870,400".

The motion was agreed to.

Mr. BOW. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BOW. Mr. Speaker, I think it might be well at this point to be sure that the RECORD indicates the intent of the action of the House conferees on this amendment. In agreeing to the amount of $3,870,400 for this appropriation, the conferees are deleting the language and money that was proposed in the Senate amendment for conducting additional research at Beltsville.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 6: Page 4, line 4, insert:

"FOREIGN AGRICULTURE SERVICE

"Salaries and expenses

"Subject to allocation in such manner as may now or hereafter be prescribed by the President, foreign currencies which have accrued under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), may be used without fiscal year limitation for the purposes of section 104(m) of that Act, including administrative expenses directly related thereto, in an amount not to exceed the equivalent of $1,275,000."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 7: Page 4, line 22, strike out the word "The" and insert "For an additional amount for 'Acreage allotments and marketing quotas,' $2,375,000, to be derived by transfer from the appropriation for 'Conservation reserve program', fiscal 1959 and the".

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 7, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$2,000,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 38: Page 17, line 1, insert:

"CONSTRUCTION OF SURGICAL FACILITIES

"For an additional amount for 'Construction of surgical facilities', $370,000, which together with funds heretofore appropriated under this head shall remain available until expended."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 38, and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment, insert "$335,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 42: Page 20, line 2, insert:

"ALASKA INTERNATIONAL RAIL AND HIGHWAY COMMISSION

"Salaries and expenses

"For an additional amount for 'Salaries and expenses', $200,000 and said appropriation shall remain available until March 1, 1960."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 50: Page 22, line 18, insert:

"REFUNDS UNDER RENEGOTIATION ACT

"For refunds under section 201(f) of the Renegotiation Act of 1951 (50 U.S.C. App. 1231(f)), $1,400,000, to remain available until expended."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 56: Page 24, line 24, insert "and in addition $100,000 to be derived by transfer from the appropriation 'Salaries and expenses, Office of Minerals Exploration' ".

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 57: Page 25, line 2, insert ": *Provided*, That not to exceed $3,500 shall be available for reimbursing the American Falls Irrigation District Numbered 2, Shoshone, Idaho, for reconstruction of a bridge damaged by the Bureau of Land Management during fire-suppression activities."

Mr. THOMAS. Mr. Chairman, I move that the House recede and concur in the Senate amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 57, and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 63: Page 29, line 9, insert:

"TEMPORARY UNEMPLOYMENT COMPENSATION

"The appropriation granted under this head in chapter II of the Act of June 13, 1958 (Public Law 85-457), shall remain available until September 30, 1959, for carrying into effect the provisions of the Temporary Unemployment Compensation Act of 1958, as amended."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 63, and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 66: Page 30, line 1, insert:

"SALARIES, OFFICERS AND EMPLOYEES

"Office of the Sergeant at Arms and Doorkeeper

"For an additional amount for Office of Sergeant at Arms and Doorkeeper, $1,055 for the employment from May 1, 1959, of an Assistant Superintendent, Periodical Press Gallery, at $3,000 basic per annum."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 66, and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 69: Page 30, line 10, insert:

"MISCELLANEOUS ITEMS

"For an additional amount for 'Miscellaneous items,' $81,290: *Provided*, That effective May 1, 1959, the basic salaries of the research assistants to the majority and minority leaders, as authorized by Senate Resolution 158, agreed to December 9, 1941, may be fixed by the respective leaders at not to exceed $8,820 basic per annum each."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 69, and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 71: Page 30, line 20, insert:

"STATIONERY (REVOLVING FUND)

"For an additional amount for 'Stationery (revolving fund)' $1,780, to remain available until expended."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 71, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"STATIONERY (REVOLVING FUND)

"For an additional amount for 'Stationery (revolving fund)," $1,780, to remain available until expended.

"HOUSE OF REPRESENTATIVES

"For payment to Mary S. Polk, widow of James G. Polk, late a Representative from the State of Ohio, $22,500."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 75: Page 32, line 13, insert:

"ADDITIONAL OFFICE BUILDING FOR THE UNITED STATES SENATE

"Construction and equipment of additional Senate Office Building

"To enable the Architect of the Capitol, under the direction of the Senate Office Building Commission, to continue to provide for the construction and equipment of a fireproof office building for the use of the United States Senate, in accordance with the provisions of the Second Deficiency Appropriation Act, 1948 (62 Stat. 1029), as amended by the Legislative Branch Appropriation Act 1958 (71 Stat. 252, 253), $750,000: *Provided*, That no part of the funds herein appropriated shall be obligated or expended for construction of the rear center wing of said building, from the ground floor up, provided for under the building plans heretofore approved by such Commission: *Provided further*, That the amount of $23,446,000 fixed by the Second Deficiency Appropriation Act, 1948 (62 Stat. 1029), as amended by the Legislative Branch Appropriation Act, 1958 (71 Stat. 252, 253), as the limit of cost for construction and equipment of an additional office building for the United States Senate is hereby increased by $750,000."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 75, and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 76: Page 35, line 1, insert:

"THIRD PAN AMERICAN GAMES

"For necessary expenses of the Third Pan American Games, 1959, $500,000, to remain available until June 30, 1960."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 76, and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 88: Page 40, line 4, strike out "General provisions: The Secretary of Commerce is authorized to transfer not to exceed $900,000 between appropriations of the Department of Commerce available for Salaries and expenses for the purpose of providing for increased pay costs in the fiscal year 1959" and insert "General provisions: The Secretary of Commerce is authorized to transfer not to exceed $833,075 from the appropriation 'Ship construction (liquidation of contract authorization) maritime activities', to other appropriations of the Department of Commerce for the purpose of providing for increased pay costs in the fiscal year 1959."

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 88, and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment, insert "$416,500".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 172: Page 58, line 16, insert "'Joint Committee on Reduction of Nonessential Federal Expenditures', $2,295, to remain available during the existence of the committee and to be disbursed by the Secretary of the Senate;".

Mr. THOMAS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 172, and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

ADDITIONAL COPIES OF REPORT ENTITLED "INTERIM REPORT OF THE BOSTON NATIONAL HISTORIC SITES COMMISSION PERTAINING TO THE LEXINGTON-CONCORD BATTLE ROAD"

Mr. JONES of Missouri. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 247 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That there shall be printed three thousand additional copies of House Document 57 (Eighty-sixth Congress), entitled "Interim Report of the Boston National Historic Sites Commission Pertaining to the Lexington-Concord Battle Road" for distribution by the House Superintendent of Documents.

Mr. SCHENCK. Mr. Speaker, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Iowa.

Mr. SCHENCK. Would the gentleman inform the House as to the cost of each of these resolutions he is about to introduce?

Mr. JONES of Missouri. I will be glad to. The cost of the resolution before the House at this time is $923. That is a back-press cost for the 3,000 additional copies of that document.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

JOINT COMMITTEE ON WASHINGTON METROPOLITAN PROBLEMS

Mr. JONES of Missouri. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Concurrent Resolution 22 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Joint Committee on Washington Metropolitan Problems, one thousand additional copies of the hearings held during the Eighty-fifth Congress entitled, "Transportation Problems in Maryland, Virginia, and the Washington Metropolitan Area."

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Iowa.

Mr. GROSS. What is the cost of this resolution?

Mr. JONES of Missouri. The cost of this resolution is $1,659.

Mr. GROSS. Mr. Speaker, if the gentleman will yield further, is this designed as a propaganda piece for the benefit of these States and the District of Columbia to promote some more free bridges across the Potomac?

Mr. JONES of Missouri. I will answer the gentleman and tell him that I do not think that is the purpose of it. However, this is a Senate resolution, and I would say that as a matter of precedent and comity between the two Houses, we usually approve Senate resolutions that come over here.

Mr. GROSS. I would not think of suggesting that the gentleman do anything that would disturb the so-called comity between the House and the Senate; I am not suggesting that at all, but I would like to know whether this is a propaganda piece designed to help build some more bridges or do something of that kind in this area, using the taxpayers' money of Missouri and Iowa as well as all the States.

Mr. JONES of Missouri. I am not in favor of propaganda, as the gentleman knows.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

MAY 14, 1959.

Hon. SAM RAYBURN,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I herewith offer my resignation from the House Select Committee on Small Business.

It has been a privilege and pleasure to work with the members of the Small Business Committee and I regret that I must discontinue this association.

Sincerely yours,

ALBERT H. QUIE,
Member of Congress.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

MAY 14, 1959.

Hon. SAM RAYBURN,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: It has been a privilege and pleasure to serve on the Committee on House Administration for the past several years. However, I now find it necessary to discontinue my service on the committee in order to devote full time to my duties and responsibilities as minority leader.

Sincerely yours,

CHARLES A. HALLECK,
Minority Leader.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

ELECTION TO COMMITTEE

Mr. LAFORE. Mr. Speaker, I offer a resolution (H. Res. 263) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That ALBERT H. QUIE, Minnesota, be, and he is hereby, elected a member of the standing committee of the House of Representatives on Education and Labor.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LEGISLATIVE RECOMMENDATIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (S. DOC. NO. 27)

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee of the Whole House on the State of the Union and ordered to be printed:

To the Congress of the United States:

In making my legislative recommendations in January of this year I called to the particular attention of the Congress three matters requiring urgent consideration and action. It is now some 4 months since I made these recommendations and to date the Congress has dealt finally with none of them. On one, it has taken no action at all.

These recommendations were as follows:

1. To avert a serious disruption of the interstate highway program due to an impending deficit in the highway trust fund, I recommended a temporary increase in the Federal tax on motor fuels;

2. To avoid the possibility of a serious interruption in homebuilding, I recommended an increased authorization for the insuring of home mortgages by the Federal Housing Administration;

3. To halt the accelerated buildup of surplus agricultural commodities and to reduce those stocks and their ever-mounting cost to the taxpayer, I recommended corrective legislation.

Since these recommendations were made, time has grown steadily shorter and the problems occasioned by the lack of action in the Congress increasingly critical.

HIGHWAY TRUST FUND

In setting up the interstate highway program in 1956, the Congress provided that it be conducted on a pay-as-you-go basis and, to accomplish this purpose, established the highway trust fund. Motor fuels and other highway user taxes are paid into this fund, and Federal grants, amounting to 90 percent of the cost of building the Interstate Highway System, are paid to the States out of the fund.

Legislation enacted last year, however, has increased the rate at which money is being spent from the fund and nothing has been done to put more money into the fund. Because the law wisely requires that the fund's expenditures not exceed its receipts, it will be impossible this year, without congressional action, to apportion funds so that the States may make commitments for future highway construction. Apportionments in the following year would also be far below those needed to carry forward the roadbuilding schedule now contemplated by law.

To keep the highway trust fund on a pay-as-you-go basis and to maintain the planned construction schedule, I recommended a temporary increase of 1½ cents a gallon in the Federal tax on motor fuels, effective July 1 of this year.

The recent suggestion that receipts from the manufacturers' excise tax on automobiles be earmarked for the trust fund is an unsatisfactory alternative. The transfer of those receipts, running about a billion dollars a year, from the general fund to the highway trust fund would mean only that the problem would then be to raise new taxes to replenish the loss to the general fund.

An even more unsatisfactory alternative, proposed by some, would be legislation to waive the pay-as-you-go requirement. This would only be a refusal to face reality—one that the Congress would be hard put to explain. Less than 3 years ago, as a matter of legislative policy, the Congress declared in the Highway Revenue Act of 1956 that if it ever appears that the trust fund's total receipts will be less than its total expenditures "the Congress shall enact legislation in order to bring about a balance of total receipts and total expenditures."

Less than 2 months remain for timely, responsible action by the Congress on my recommendation.

HOUSING

In January I urged the enactment of emergency legislation to increase by $6 billion the Federal Housing Administration's authority to insure privately extended home mortgages.

This recommendation has not been enacted. The height of the homebuilding season is upon us, builders must plan ahead and the agency's insurance authority is in danger of being exhausted.

The $6 billion increase in authority involves no Federal spending and FHA's operations are self-supporting.

Because it could see that its authority was running out, the agency late last year, where it could, began issuing agreements to insure in the future provided it then actually had authority remaining. By thus substituting provisional agreements for actual commitments, the agency has been able to avoid an abrupt halt in its operations due to a lack of insurance authority.

Although the agency may be able to continue on this temporary basis until June 30, the end of the fiscal year, the situation grows more precarious every day. The agency's outstanding agreements to insure in the future now exceed $3 billion, more than twice the amount of the agency's remaining authority to make actual insurance commitments.

To avoid the possibility of a serious interruption in homebuilding all across America, sound congressional action in this area is urgently needed.

WHEAT

I have frequently requested legislation to deliver our farmers and taxpayers everywhere from the mounting failures and staggering excesses of the mandatory farm price support and production control program. Unless this pressing issue is squarely met and resolutely dealt with, the next few years will see the surplus problem, because of its staggering cost to increasingly frustrated and impatient taxpayers, crash of its own weight, carrying with it all that is sound and good in the support of agriculture by the Federal Government.

The most dramatic failure of all—and the problem requiring the most urgent attention—is the wheat program. Surplus wheat stocks are already 2½ times our annual domestic consumption for food. By July 1 of next year these stocks are expected to reach 1.5 billion bushels and to involve an investment of $3.5 billion by the Federal Government. Wheat storage, handling and interest charges alone will cost the American taxpayer close to half a billion dollars in the next fiscal year. Final proof of the present program's utter failure to control production lies in the fact that the last wheat crop was the largest in history.

Because the Secretary of Agriculture is required by law to announce a continuation of this thoroughly discredited program by the 15th of May, in January I urgently recommended corrective legislation. The deadline set by law is now only 2 days away. No such legislation has been passed.

I understand that at this late hour the Congress has elected further to postpone its decision by briefly extending the deadline for announcing next year's wheat program. Having chosen this course, the Congress should use this added time to enact realistic and constructive legislation that will effectively avert the impending disaster in wheat.

I am compelled once again to call these particular matters to the special attention of the Congress because the orderly and efficient conduct of the people's business so requires. I urge the Congress to act expeditiously in these critical areas.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *May 13, 1959.*

MICHIGAN, MY MICHIGAN

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to address the House

for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RABAUT. Mr. Speaker, May 17–23 is Michigan Week. We Michiganders are proud of our State 52 weeks in the year. However, because of the many natural resources, commercial opportunities, and other advantages offered by our State, Michigan has set aside one special week each year to talk Michigan. I am glad to do my part in making the assets of our State more widely known and recognized.

Michigan is the largest State east of the Mississippi. The Upper Peninsula alone is equal in size to Connecticut, Delaware, Rhode Island and Massachusetts combined. Both the Upper and Lower Peninsula have been richly endowed by nature, thus well justifying the State motto, "If you seek a pleasant peninsula, look about you."

Industry, agriculture and the tourist trade form the three pillars upon which rests the economy of Michigan. During World War II, the magnificent performance of Michigan's automotive industry earned for our State the title "Arsenal of Democracy."

Our State continues today to be one of the foremost producers of military vehicular equipment and also is in the forefront of the vast new developments and rapid expansion in the manufacture of ballistic missiles—awesome and terrible weapons of the new space age.

The automotive industry, however, is only one among many in which Michigan is a leader. On the basis of value added by manufacture, Michigan also ranks first in boatbuilding, output of internal combustion engines, mobile homes, steel springs, hardware, industrial patterns, special dies and tools and conveyors. Michigan is also known far and wide as an outstanding producer of furniture, breakfast foods, drugs and chemicals, sporting and athletic goods, steel, chemicals, salt, and paper products.

Diversification of industry has proceeded at such a pace that of 453 industries classified by the U.S. Bureau of the Census, Michigan has 369 or 81 percent of the total.

Michigan boasts of many new and up-and-coming fields. One of these is the production of chemicals. The value added by manufacture in the chemical industry is even now in the order of $600 million. More than 100 chemical products and medicines are manufactured in the State. The wealth of raw materials available within the State should boost Michigan to one of the Nation's top producers of chemicals.

It is said that "whatever a manufacturer may need in the way of materials, it is probable that he will find them in Michigan." A study of a resources map of the State shows an abundance of nature's bounty.

Starting with the Upper Peninsula, which is part of the greatest iron ore-producing region in the world, the Lake Superior District, we find a wealth of iron ore deposits, Michigan's most valuable mineral product. These deposits place Michigan second among all iron ore-producing States. Since 1854, the Michigan mines have shipped a tonnage of ore equal to the total excavation of the Panama Canal.

Between 1860 and 1890, Michigan led the Nation in production of lumber. Michigan timber helped to build America in the 19th century. Although the forests have been largely cut over, Michigan is still a major lumbering State. About 75 percent of the State's commercial lumber production is located in the Upper Peninsula. In all, the State of Michigan boasts of 19 million acres of forests, yielding about a million cords annually. It is expected that Michigan's harvest of woods will be increased as the second growth of timber develops, for Michigan's lumbermen are applying their knowledge of modern conservation methods to their operations to insure maintenance of a continuing supply of wood.

Michigan's hardwoods are basic to our furniture industry. Softwoods underwrite the State's well-known paper and pulp industry.

Michigan is also noted for its limestone. The most important deposits are found at Alpena and Presque Isle. These deposits are near the shoreline and the limestone can be quarried cheaply and shipped by lake freighters engaged in the transport of iron ore. Limestone is used as blast furnace flux in the iron and steel industry. Michigan supplies at least one-third of all the American steel industry's demand for fluxstones. Limestone is also used for chemical purposes.

The State of Michigan is first in production of salt, gypsum, and marl. Almost endless supplies of salt are found in Michigan, chiefly in the Lower Peninsula. Some saltbeds measure 400 feet in thickness. The salt on tables throughout the country probably comes from Michigan. At the same time, carloads upon carloads of salt are consumed by Michigan's chemical industry.

The Lower Peninsula, particularly has extensive quantities of sand and gravel production in the United States. Michigan's splendid highways are built of her own native materials.

In addition to industry, Michigan is a top-notch agricultural State. Michigan's agriculture brings in more than $730 million each year. Both the Upper and Lower Peninsulas have lands well suited to diversified agriculture. Dairying ranks first as an income producer, among all agricultural pursuits. Dairy farms are operated in both peninsulas. Potato acreages are also important in both northern and southern Michigan.

Michigan's Lower Peninsula raises 97 percent of the Nation's crop of Navy beans. Beans may be baked in Boston, but they are grown in Michigan.

One of the finest fruit belts in the United States is located in the western part of the State, along Lake Michigan. Many fruits are grown throughout the entire southern part of the State. The State's commercial crop of apples, nearly 12 million bushels of them, last year put Michigan in third place in apple growing. Peaches, pears, and cultivated blueberries from Michigan are relished throughout the entire country.

Michigan is first in production of tomatoes and cucumbers. Many other vegetables—onions, snap beans, carrots, and celery—are cultivated in Michigan.

In all, 44 different fruit and vegetable crops are raised commercially in Michigan.

The lakes, streams, and woodlands of Michigan combine to form the perfect setting for vacationers. Recreation is an important "product" for Michigan. The tourist and resort industry which caters to almost 10 million tourists a year, brings in a total annual revenue of more than $650 millions. Michigan is now the Nation's fourth most popular vacation State.

Many of Michigan's cities are nationally and internationally known for the products they make: Detroit, Pontiac, Flint, and Lansing, autos and parts; Battle Creek, cereals; Holland, furnaces; Grand Rapids, furniture; Kalamazoo, paper and drugs; Midland and Wyandotte, chemicals;

Alpena, the world's largest single Portland cement plant; Fremont, the Nation's top producer of canned baby foods; Muskegon, the world's largest independent grey iron casting foundry, billiard table, and bowling alley factory and independent internal combustion engine manufacturer; Grayling, the world's largest producer of quality archery equipment; Imlay City, the world's largest powdered milk plant; Benton Harbor, largest cash-to-grower regional fruit market in the world. With such an abundance of resources and diversity of commercial activity we are proud to say that Michigan's economy is gaining year by year. Michigan approaches the seventh decade of the 20th century with confidence and optimism.

MOVEMENT OF DAIRY PRODUCTS

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MARSHALL. Mr. Speaker, I am introducing a bill today to correct a dangerous practice which has arisen in the movement of dairy products under the Agricultural Trade Development and Assistance Act—Public Law 480.

Since 1957 the Department of Agriculture has been subsidizing the export of nonfat dry milk to the Philippine Islands where it is used by subsidiaries of American dairy firms to manufacture a filled evaporated milk which is sold in direct competition with regular evaporated milk from the United States. Since coconut oil in local production is used in manufacturing the filled evaporated milk, it has a price advantage in competition with our regular exports.

It was not the purpose of Public Law 480 to use subsidized exports of one U.S. commodity to destroy the market for

commercial exports of another U.S. commodity.

On the contrary, the avowed purpose of the act was to help create new markets for our agricultural commodities by development and expansion of private channels of trade and commerce wherever possible. In my opinion, the current activities of the Department of Agriculture in the export of dairy products are in violation of this purpose.

The act specifically states that precautions be taken to "safeguard usual marketings of the United States and to assure that sales under this act will not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries."

The importance of this language is readily apparent. It would be foolhardy to use surplus production of one commodity to destroy the existing commercial market for another. Eventually such action can only be detrimental to all commodities and the very purpose of the Agricultural Trade Development and Assistance Act is defeated.

For many years, the Philippines have represented an important segment of the regular export market for American dairy products. Commercial exports of United States produced evaporated milk have not been subsidized. Now, however, we find the Department subsidizing the movement of one ingredient of filled milk which is to be sold in direct competition with our regular commercial exports.

The result should readily have been foreseen. There is a marked drop in our normal export of evaporated milk to the Philippines. The experience of this brief 2-year period points to a steady decline in evaporated milk exports unless the discriminatory practices of the Department are stopped.

The Department of Agriculture is well aware of the situation. A study was made in 1958 to determine the impact of filled milk manufacturing in the Philippines upon commercial export marketings of evaporated milk from the United States.

Following is a summary from the Foreign Agricultural Trade Digest, published by the Foreign Agricultural Service of the Department in November 1958:

DAIRY PRODUCTS—FILLED EVAPORATED MILK COMPETING WITH U.S. EVAPORATED MILK IN PHILIPPINES

Exports of evaporated milk amounted to 3 million pounds in August 1958 contrasted with 20 million in August 1957. Increased shipments in the latter part of 1957 may have reflected heavy forward buying by the Philippines, by far this country's most important market for evaporated milk, in anticipation of possible exchange stringency. Exports totaled 62 million pounds in January–August 1958 compared with 109 million in the corresponding 1957 period. Smaller shipments this year have reflected primarily the competition in the Philippines from filled evaporated milk (made with coconut oil and nonfat dry milk) and also the large inventory carried over from 1957. The Philippines Government discontinued automatic issuance of dollar allocations for evaporated milk from the latter part of June to October. Both United States and Dutch sales have been reduced.

Thus, the Department of Agriculture itself points out that our country's most important market for evaporated milk is being destroyed by competition from filled milk manufactured from subsidized exports of nonfat dry milk.

As many Members of the House undoubtedly know, the Filled Milk Act of 1923 makes the shipment of filled milk products illegal in interstate commerce. Thus we find the Department of Agriculture aggressively encouraging the development of products which would be illegal to ship in our own country.

Expansion of the production of filled milk products in foreign areas will, over a period of time, contribute to practically complete elimination of export trade in natural dairy products for the United States and other dairy producing countries.

Surely, we ought not to use a program specifically designed to build commercial markets to destroy the regular markets we already have. For this reason, I hope we can give early consideration to my bill to end this practice. Mr. Speaker, I ask unanimous consent that the text of this bill follow:

A BILL TO AMEND THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954, AS AMENDED

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end of title III thereof the following:

"SEC. 306(a) No dairy commodity produced in the United States shall be sold or disposed of pursuant to this Act, or with the assistance of the Secretary of Agriculture under any other Act, for use outside the United States for the manufacturing, blending, or compounding of filled milk or filled cheese.

"(b) The sale or disposition outside the United States of any dairy commodity under this Act, or with the assistance of the Secretary of Agriculture under any other Act, irrespective of whether the commodity is acquired by the Commodity Credit Corporation pursuant to a price support or surplus removal program, shall be accomplished by sale from stocks of the Commodity Credit Corporation, or by payment to exporters at the export rate determined by the Secretary, or in lieu of payment in cash the Secretary of Agriculture may transfer to the exporter of any dairy commodity, at the option of the exporter, any dairy commodity from CCC stocks.

"(c) Except as limited by paragraphs (a) and (d) hereof, the Secretary may establish different export rates applicable to dairy commodities produced in the United States and sold or disposed of in different countries, if he finds such different rates necessary to maintain or expand markets for dairy commodities in competition with filled milk or filled cheese.

"(d) No dairy commodity produced in the United States shall be sold or disposed of pursuant to this Act, or with the assistance of the Secretary of Agriculture under any other Act, if the Secretary finds that such sale or disposition will have the effect of disrupting or displacing any usual marketings of, or any normal patterns of commercial trade in, any dairy commodity produced in the United States.

"(e) As used in this section—

"(1) The term 'dairy commodity' includes any dairy commodity or product thereof, class, kind, type, or other specification thereof;

"(2) The term 'United States' includes the District of Columbia, and any Territory, Commonwealth, and possession of the United States;

"(3) The term 'filled milk' means filled milk as defined in the Filled Milk Act of March 4, 1923 (21 U.S.C., sec. 61–64);

"(5) The term 'export rate' means the rate or rates of payment determined by the Secretary of Agricultural to be applicable to any dairy commodity, and to be necessary to maintain, or to encourage and assist in the development of, foreign markets for any dairy commodity produced in the United States."

PROGRAM FOR THE NATIONAL FORESTS

Mr. OSTERTAG. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. OSTERTAG. Mr. Speaker, there has been submitted to the Congress by the administration a program for the national forests. The document containing this program was placed in the CONGRESSIONAL RECORD of March 24. This program can have a great impact upon the future of the Nation's natural resources.

Over 50 years ago, Teddy Roosevelt warned the Congress that:

To waste, to destroy our natural resources, to skin and exhaust the land, will result in undermining in the days of our children the very prosperity which we ought, by right, to hand down to them amplified and developed.

The long-range objectives and the short-term conservation program proposed for our national forests in this recent report are a realistic and workable plan for the intensive amplification and comprehensive development of these forests.

Forests comprise over 40 percent of the land area of my State of New York. Wages of almost one-half billion dollars annually are paid to the workers in New York's forest and wood manufacturing industries. The benefits of forest cover in soil conservation, water yields, fish and wildlife, and recreation are beyond estimate.

The interests of the people of my State are not confined to the forests within our boundaries. We travel extensively throughout America. We visit the many national forests stretching from Pennsylvania to the west coast and to the southernmost forests in Florida. I have been told by my constituents that it is often as hard to get a picnic table in a national forest as to get tickets to a Broadway hit. The picnic tables are free; however, over 68 million Americans were vying for these facilities in 1958 and this report indicates an expected 130 million recreation visits to the national forests by 1969. The money expended on gasoline, camping equipment, food, and other outdoor gear to facilitate these outdoor trips to the Nation's forests runs into millions annually. We

in New York are interested, therefore, in the full development of the outdoor recreational facilities on the Nation's national forests not only for camping and picnicking but also for hunting and fishing.

I was impressed with the broad scale on which forest research can be accelerated through the projects covered in this national forest plan for the future. Insects and disease take a huge toll of valuable trees in my State. We have the blister rust that attacks our white pine. The white pine weevil kills both white and red pine. The red pine scale and the European pine shoot moth damage red pine strands. Better protection can result from expanded research in this field. New uses for low-quality timber, particularly hardwoods, should be developed in many States. The need is great in the Northeast. Improved wildlife habitat and better use of research section of this national forest program should be of utmost concern to every Member of Congress.

The public will benefit both dollarwise and in terms of intangible benefits, if the Congress vigorously presses for the full development of the vast store of renewable resources on our national forests. Our country owes much to the Forest Service for the fine manner in which it has protected and conserved our heritage in these forests. With this plan for the future now available, we in the Congress can make the decades ahead truly significant in the amplification and full development of our public forests.

I know the Agriculture Committee, to which this program for the national forests was referred, will begin hearings within the next few days on the program, and I hope the committee will find that the program merits our support.

COMPROMISE HOUSING BILL

Mr. HERLONG. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HERLONG. Mr. Speaker, today I have introduced a compromise housing bill, H.R. 7117, which I hope will have widespread support on both sides of the aisle, and which I believe can become law. I have taken the committee bill and removed or modified the provisions to which most objection has been raised, brought the dollar authorizations within the budget figures, and placed the new loan and grant authorizations under workable, but effective, Appropriations Committee control. The cost of my compromise bill is $1.3 billion, and that is a good solid figure because there are no hidden budget impacts.

Title I of my bill is the same as title I of the committee bill which, as we all know, contains a number of provisions liberalizing FHA insurance programs, as well as increasing the amount of insurance authorization available to FHA.

In title II, relating to elderly housing, I have taken the Senate approach, namely, to use a liberalized FHA mortgage insurance approach rather than the new direct lending program that would be established by the committee bill. The $100 million provided in the committee bill, in addition to being outside of the budget request, would be only a drop in the bucket for such a program, because at an average cost of $10,000 a unit, the funds would only permit the construction of 10,000 dwelling units.

In title III, I have left intact the provisions of the committee bill relating to the Federal National Mortgage Association, with one exception. I have removed the section of the committee bill for a mandatory par purchase of special assistance mortgages, as well as the provisions reducing fees and charges below the going market rate. The effect of this provision, if left in the legislation, would be to unnecessarily shift to the Government much of this financing which otherwise can be handled by private lenders. As indicated above, where new dollar loans, purchases, or grants are involved, I have made provision for placing the new authorizations under control of the Appropriations Committee. That is true of the new $75 million authorization provided in this title.

I have limited the urban renewal provisions contained in title IV to the two most basic factors affecting this program, namely dollar amounts. Additional urban renewal grant authorization is provided in an amount of $100 million available in fiscal 1959, $250 million additional authorization available in fiscal 1960, and a further $250 million of additional authorizations available in fiscal 1961. In connection with these increased authorizations, I have provided that the Appropriations Committee must approve the appropriations before they are available for contract use by the agency. Once authorized by the Appropriations Committee, the funds made available may be contracted for until the authorization is exhausted. I have provided a specific $400 million increase in the amount of the loan funds for the urban renewal program. The urban renewal loan funds are utilized by local communities in the nature of temporary construction funds. That is, they are used to acquire a slum property, demolish it, and get it ready for reuse, and then when it is sold and the community receives its grants, the loans are repaid. The committee bill would take the existing $1 billion of loan authority and convert it from a limitation on gross use to a limitation on net use. What that means is simply this. Actually, in practice, although the local community enters into a contract with the Federal Government for loan funds, in most instances the funds are not borrowed from the Federal Government because the local community can pledge the loan contract, which it has with the Federal Government, as security for loans sold in the private market at a more favorable rate of interest. I prefer to keep the loan authorization on a stated dollar amount so that everyone will know actually what the loan limitation is. This increase of $400 million in the loan authorizations is placed on an appropriated fund basis. As I have said, these two dollar authorizations are the most important parts of this title. With them the program can go forward just as we have already had almost $1.5 billion of grant commitments under the language of existing law. Many of the other changes in the urban renewal section would further liberalize and increase the cost of the program to the Federal Government, and I think the Housing Subcommittees of the Congress ought to make a very careful reexamination of this whole program before the Congress makes changes in the law which would further increase the costs of the program to the Federal Government.

For the college housing program, contained in title V, my bill provides a $200 million increase in the authorized loan funds. The increased loan funds will only be available after the Appropriations Committee has acted to approve them.

I have omitted completely from my bill title VI of the committee bill, which deals with public housing. As you know, there are approximately 110,000 public housing units now in the pipeline which have not even yet been put under construction. In addition to these, approximately 30,000 units are now in the process of construction. While the most ardent advocates of public housing, I feel sure, would like to have the additional units in the pipeline, it seems to me that the 110,000 units now authorized and yet to be constructed, are adequate at least for the time being.

Title VII of the committee bill relates to military housing. It is my understanding there is a difference of opinion as to committee jurisdiction on at least certain phases of the program, and that there has been an agreement to take title VII from the committee bill. If this disagreement is harmonized, and it is possible to put back in the bill extension of the so-called Capehart military housing program, I would be most happy to see this added as an amendment to the bill when it is before the House.

Title VIII of the committee bill relates to avoidance of foreclosure of FHA insured mortgages. The first section of that title does offer benefits to the homeowner, and I have included it in my bill. The second section of that title, however, would shift from the lender to the FHA all the problems of a mortgage which was getting into difficulty. It is purely for the lender's benefit so I don't think it ought to be in the bill, and I have not included it in my compromise version.

Title IX of the committee bill contains a number of miscellaneous provisions which I have carried over intact into my bill.

I believe that the overwhelming majority of the people in this country want a housing act. I believe, equally as strongly, that they want one which makes sense, and one which does not exceed the budget or subject our grandchildren to burdens which it will be impossible for them to avoid. I believe that the compromise that I am suggest-

ing meets these ends. We can adopt this bill at least with reasonable expectation that it will become law, and we can be proud of the fact that we have maintained our fiscal responsibility. People throughout the country are watching this Congress very closely because they are concerned about this very thing. The Congress has always measured up to its responsibility to the people of this country, and I believe that by passing this bill we will have again accomplished that objective.

COMMISSION ON UNEMPLOYMENT PROBLEMS

Mr. RHODES of Arizona. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. RHODES of Arizona. Mr. Speaker, we all know how S. 1631, a bill to create a Commission on Unemployment Problems introduced by the Senate majority leader, was whipped through the Senate in a matter of hours and landed on the Speaker's desk. We assumed it would be brought up immediately and passed by the overwhelming Democrat majority.

Whether or not the bill will ever be moved off the Speaker's desk until it quietly dies there seems to be the best kept secret around the Capitol.

The history of this unemployment commission bill is quite amazing because a fast start ended in such a quick stop.

Walter Reuther apparently forced the hand of AFL–CIO President George Meany into supporting a staged unemployment march on the Capitol. The majority leader of the other body was called upon to speak at the mass meeting where he announced that he would propose a commission to study the unemployment problem.

With much fanfare and the speed of split lightning the bill passed the Senate on April 10. It was rushed to the desk of the Speaker of the House. And there it has rested up from its fast start ever since.

If this is to be the only result of the so-called march of the unemployed on Washington it will have been an even greater fizzle than it appeared to be at first. It is estimated that this march cost the treasury of labor unions some one-half million dollars. I would imagine that the voting members of the unions involved would be less than happy with the cavalier way in which their funds were squandered, with no results except a gnat which apparently has died aborning.

I hope I will be pardoned for my curiosity, but I am intrigued by the fact that this resolution has dropped so precipitately from the limelight into the deep abyss of neglect. Did anyone ever intend that the resolution would pass both Houses? Was it only suggested by the majority leader of the other body as a sop to get the unemployed marchers out of town? Or is the Democratic Party reluctant to enact this bill for fear that findings of their own commission might demonstrate the effectiveness of the sound fiscal and economic policies of the administration, which ended the recession almost before it got started?

I detect a great feeling of embarrassment among the members of the majority party over this start-and-stop method of legislating. As for me, since I do not think the resolution means a thing to the unemployed or to the country, I am just plain curious.

IRRIGATION IN SOUTH DAKOTA

Mr. McGOVERN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.)

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. McGOVERN. Mr. Speaker, irrigation holds forth the promise of valuable growth and development for the economy of South Dakota. It is a matter of historical record that the shortage of rainfall has hampered the full development of our economy.

Fortunately, the development of the great multipurpose dams on the Missouri River includes the possibility for irrigation projects. One of the most important of these projects is the Oahe irrigation unit stemming from the construction of a large dam in the vicinity of Pierre, S. Dak.

This is a project in which I have an especially strong interest. Knowing the semiarid condition of much of South Dakota, I am most anxious that we proceed with all possible speed to determine the irrigation feasibility of these areas.

OAHE IRRIGATION PLAN

The tentative plan is to irrigate approximately 554,000 acres of land with water diverted from the Oahe Reservoir. The diversion works and water supply system will consist of a pumping plant of about 3,700 cubic feet per second capacity lifting the water about 130 feet at Oahe Reservoir, the Pierre Canal about 39 miles long leading to Blunt Reservoir, and several main canals totaling 292 miles leading from Blunt Reservoir to the various main areas of the unit. Several other reservoirs are included in the system for additional regulation of flows to meet peak irrigation demands.

The area in which this unit is located is characterized by low and variable rainfall with resulting unstable yields. At various times in the past, severe droughts have occurred which seriously injured the economy of the area. Irrigation of this unit will change the agricultural pattern from a predominantly cash-crop, small grain, and feeder livestock farming to a more diversified farming of feeder and fattening livestock, dairying and a wider variety of cash-crops which in itself will contribute toward economic stability. The increased production of livestock feeds will permit livestock herds to be maintained through drought periods. The benefits resulting from the increased irrigation production will in turn result in increased retail, wholesale, and industrial activities of the towns and cities extending well beyond the boundaries of the Oahe unit as well as on the farms within the unit.

In July 1956 an interim information report was completed and submitted to the local interests for review and an expression of their desires. On the basis of the interest shown by the local interests, more detailed studies were initiated toward a feasibility report. One important indication of the extent of the local interest in this development is the fact that the South Dakota Legislature recently enacted legislation providing for the establishment of the South Dakota Water Conservancy District.

For fiscal year 1959, $337,444 is available for continuation of these studies and by the end of the year, all of the land classification engineering surveys, drainage surveys, and geological exploration at major structure sites will have been completed. Layouts, designs, cost estimates, and stage construction studies will be nearing completion and will be ready for final review. Hydrologic studies will be nearly completed including cooperative studies with the Corps of Engineers on the James River. Basic agricultural economic studies will have been completed and the final economic analysis will be underway.

The fiscal year 1960 appropriation request of $2 million for the Missouri River Basin investigation program includes $130,000 for the Oahe unit investigations. This will permit completion of all field studies and the preparation of a feasibility report.

Mr. Speaker, I have urged the Appropriations Committees of both the House and the Senate to provide sufficient funds to complete this study with all possible speed.

NEWSPAPER SUPPORT FOR IRRIGATION

A United Press report from Huron, S. Dak., printed in the Sioux Falls Argus-Leader of May 6, 1959, indicates the growing interest on the part of local farmers in the feasibility of irrigation. Under unanimous consent I ask that this article be reproduced at this point in the RECORD:

FARMERS IN HURON AREA SHOW MORE INTEREST IN IRRIGATION

(By Larry Bockwoldt)

HURON—Weather forecasters in most parts of the State have been predicting rain and moisture has been received in many parts of the State. But farmers in the Huron area are doing more than just cloud gazing.

Gale Peppers, Beadle County agent, said there is considerably more interest in irrigation in this area than there has been in the past. He is backed up on this statement by a Huron well drilling company.

Company officials reported they have drilled a number of wells for irrigation purposes in and around Beadle County during the past 2 months.

Much consideration is also being given to the planting of sorghum and other drought-resistant crops, should the small grain crop fail. Most farmers in central South Dakota are marking time, waiting for a rain before planting corn and not much plowing is being done, Peppers said.

Many farmers in this area are becoming concerned about the shortage of good pasture land. Hay is becoming short and farmers fear the feed situation could become critical in this area if rain is not received soon.

Business in Huron has been only slightly affected by the dry conditions. One Huron banker said business in his bank had been as good, if not better, this spring than it has been in the past. He felt the farmers have had more time on their hands this year and have therefore been coming into town more often.

A Huron department store manager said business had slowed down some since March. He attributed much of this drop off to the fact that Easter was early this year. It has been a little slower than usual this year, he said, but "it's nothing a good rain wouldn't cure pretty fast."

The State Employment Service Office in Huron, which serves a six-county area in central South Dakota, reported that present dry conditions have contributed to a slight decrease in demand for workers in both agricultural and nonagricultural establishments.

At the end of April, there were 52 unfilled orders on file for workers, only 4 were for farm hands. Many farmers canceled their orders for workers as the dry spell continued.

While the situation in central South Dakota is nearing a critical point, recent rains have helped considerably and another good rain within a week or so would be sufficient to give grain a good start.

For many years, editor Robert Lusk of the Huron Plainsman and Robert Hipple, editor of the Pierre Capitol Journal, have been urging that irrigation feasibility studies be completed as soon as possible. These men are both recognized authorities on the subject of river and water development, and their intelligent editorials of recent years have done much to develop local interest in these essential projects.

FORT RANDALL PUMPING UNITS

A second irrigation proposal that is of special interest to me consists of pumping stations at the Ft. Randall reservoir. In the areas around Geddes, Wagner, and Tyndall, S. Dak., it seems probable from surveys initiated that irrigation will prove feasible based on water pumped from the reservoir above Ft. Randall dam. It also seems probable that water from this irrigation project may be diverted to the restoration of Lake Andes. I have urged the congressional appropriations committees to provide funds for carrying out the surveys of this promising irrigation project.

Mr. Harold Williams, editor of the Geddes News, has conducted a remarkable educational effort in support of irrigation in the area served by his fine newspaper.

ISRAEL

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ANFUSO] may extend his remarks following mine on the anniversary of the independence of Israel; and further, that any Members desiring to do so may extend their remarks in the body of the RECORD on this subject.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ARMED FORCES DAY: "POWER FOR PEACE"

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, on this Armed Forces Day 1959, our minds and hearts go out to those fine American men and women whose magnificent courage and devotion makes possible the maintenance of "Power for Peace."

Today our Armed Forces are exhibiting the new concepts and weapons which have so radically altered military operations in our time. Without the service and sacrifice of these patriotic Americans in our Active and Reserve Forces, the dikes of liberty would be overrun by the surge of international communism.

Today, while millions of Americans are visiting our military installations and attending the parades of our fighting men and weapons, our hearts swell with pride in the glorious traditions of our country's Armed Forces and their vital contributions to protecting liberty and justice throughout the free world.

THE HONORABLE DONALD AUBREY QUARLES

Mr. LAFORE. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. ARENDS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ARENDS. Mr. Speaker, the passing of Donald Aubrey Quarles, Deputy Secretary of Defense, has brought sorrow to all of us.

I do not intend to try to memorialize Donald Quarles. His greatest memorial he carved himself, with every action of his professional and official life. His was a life of one achievement after another, and all of them in some way contributed to the welfare and progress of our Nation.

He spoke of himself as an engineer, which he undoubtedly was. Yet his quest for knowledge never ended. His competence in mathematics and physics inevitably brought to him posts of increasing responsibility during his 34 years with the Western Electric Company. In the latter years of this portion of his career, he began to make his significant contributions to the national defense. It was 13 years ago that he became a member of the Committee on Electronics of the Joint Research and Development Board.

Then, in 1952, as a vice president of his firm and president of the Sandia Corporation, Mr. Quarles turned his attention to the operation of the Sandia Laboratories for the Atomic Energy Commission. His task was the development of nuclear weapons for the national defense.

It was here that the man and his times met their mutual destiny. Science and technology were racing forward as never before, opening whole new vistas of opportunity and challenge. The man responded to the challenge when he was summoned from his work at Sandia to become the Assistant Secretary of Defense for Research and Development.

His utter dedication to work at a time when guided and ballistic missiles and earth satellites were yet to be created gave impetus and directions to programs of research and development which have already yielded their products to the national strength.

When, in 1955, he took up his duties as Secretary of the Air Force, he continued to give his full support to the research and development efforts. Never content with the military capabilities of today, he looked steadily ahead to the forces of the future. He understood clearly, as few men do, that science and engineering and military thinking must advance together, and that the pace of their advance must be the most rapid possible to achieve.

He could look into the space age with full awareness not only of its scientific and technical meaning, but with an unclouded view of its meaning in terms of our national security and even survival. He knew that the race for space must be won by our country, whose purpose is peace on this planet.

It was just 2 years ago that Mr. Quarles was sworn in as the Deputy Secretary of Defense. To this broader field of work he brought the unflagging energy and clarity of purpose which were his dominant personal traits.

Death has taken from us a patriot, a distinguished and able leader. Our heartfelt sympathy goes to his bereaved wife and other loved ones who mourn him.

ISRAELI INDEPENDENCE AND RESPONSIBLE NATIONALISM

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. BOYLE] is recognized for 60 minutes.

Mr. BOYLE. Mr. Speaker, consistent with the unanimous consent previously secured in the House on May 12, 1959, the haec verba language appearing in the CONGRESSIONAL RECORD on page 8006, my special order was transferred to this date. It is with considerable pride that I have the honor of saluting the State of Israel on the occasion of her 11th anniversary. It was with considerable reluctance that I agree to the transfer, but I was happy to accommodate the Republican leadership, who had scheduled a caucus at the same hour on the same date.

May 13, 1959, is the 11th anniversary of Israel's independence. While I wish to pay full honor to the State of Israel, I would not presume to express what this anniversary means to Israeli citizens and to Jewish people the world over. The frustrations and trials of a people homeless and dispersed for 2,000 years cannot be put into words. I do believe, however, that all men can and must understand the ideological and political significance of Israeli independence.

Israel is one of several nations which have gained independence since the end of World War II. The recent and dramatic increase in the membership of the family of nations has resulted in basic changes in the character and composition of world politics. In the long run, this development will be as important—if not more important—than other major international issues of our time—issues such as the control of communism and the control of weapons of mass destruction. In this revolutionary era it appears the high-water mark of national self-determination has not yet been reached.

Seemingly in the short run, nationalism and national self-determination create as many problems as they solve. Problems created by nationalism and the nation-state played prominent roles in the outbreak of both World Wars. During the inter-war period, in particular, the nation-state system in Eastern Europe was a major cause of political and economic instability in the Western world.

When a nation strives for independence it almost always upsets the status quo in a given political area. The changes brought about by a nation which achieves statehood may be good or bad, but accommodation to them is not easily achieved.

Moreover, when a nation strives for independence, it often places so much emphasis and importance on its freedom that it overlooks or ignores the political and economic realities which can prevent or jeopardize its continued existence as a viable state. Nations, through history, have often overlooked the fact that their new found liberty and freedom impose correlative duties.

But if some programs for national independence seem unrealistic, it is equally unrealistic to stand against the principle of national self-determination. This principle cannot be contradicted by supporters of democracy, although perversions of this principle must be challenged by Democrats. By perversions, I mean nationalism which would deny to other national groups the right and the opportunity to determine their own future.

As a world leader, the United States must face squarely the claims for national self-determination which are being made and which will be made throughout the world. A crude rule of thumb tells us that some national groups cannot now and may never be able to achieve political independence. Political ideals must be reconciled with political realities.

Common sense also tells us that other national groups must be given or must be able to look forward to independence, lest the denial of national self-determination be both a denial of democratic principles and a source of international instability. Between the poles of irresponsible and irrepressible nationalism the United States must tread cautiously but firmly.

Israeli Independence Day is a tribute to a democratic and a responsible nationalism as well as a vindication of the principle of national self-determination. Israeli Independence Day is a living lesson to the people and the political leaders of the United States.

Let me elaborate upon each of these two points.

The creation of the State of Israel should give hope to all oppressed, divided, and homeless peoples. The obstacles which had to be met before the State of Israel could come into existence almost defy the imagination. The fact that the citizens of Israel constructed a viable state by democratic means and for democratic ends is as remarkable as it is inspiring.

Today, men's faith in democratic principles is often shaken because of the immense tasks involved in bringing material and social progress and social justice to the rising nations of the world. Dictatorial and totalitarian measures seem to offer the only possible road to human hopes and human betterment.

Another pitfall of rising nations is to allow frustration and bitterness of the years before independence to counsel policies of revenge and retribution. True, the agony of the birth of a nation should never be forgotten. But it should be a sacred memory, not a permanent score to settle over and over again.

Nor is it uncommon for the rising nation to succumb to unbridled nationalism, a disease of statesmen as well of the people they govern. How easy it is to blame all or most of the grave problems of a rising nation upon foreign devils or Wall Street imperialists. How easy it is to divert the power of nationalism from good to evil purposes. How easy it is for unscrupulous leaders to hide their corruption and irresoluteness behind the banners of nationalism.

The 11th anniversary of Israeli independence commemorates the success of a responsible, constructive nationalism. If ever a new state had a right to give itself up to despair, to frustration, to revenge, and to antidemocratic principles and practices, that state was Israel.

Fresh from over 2,000 years of dispersion, homelessness, discrimination, expropriation, and torture; fresh from over 2,000 years of agony, 650,000 Jews declared the independence of the State of Israel, a small country approximately 8,000 square miles in area. To transform Israel from an idea into a state was a Herculean and apparently hopeless task.

In addition to the violent opposition of the Arab powers and the immense problems of creating a national economy where none existed before, during the first 4 years of her existence, Israel nearly doubled her population, accepting some 700,000 immigrants, many of them aged and infirm at a time when Arab armies hovered on her frontiers and the very institution of a modern state had to be created.

But Israel did not give herself up to despair and bitterness. Nor did she waver in her determination to create a modern, democratic, national state. Thus, Israel stands today as a shining example for all rising peoples and all rising nations everywhere.

Israel knows, and all rising nations can learn from her, that independence is a precious thing which must be guarded every minute of every day. The Arab powers are so little reconciled to Israel's existence that even today the Egyptian press refers bitterly to the catastrophe of Israel's emergence.

When Prime Minister Nehru declared on August 8, 1958, that the Arab States must accept the existence of Israel if peace is to be preserved in the Middle East, he gave voice to an opinion with which responsible statesmen everywhere must agree. Yet, the Arab countries have tried time and time again—and they are still trying—to seal off Israel behind their own camel-hair curtain.

For example, on November 17, 1958, Israel announced that without waiting for a general Israeli-Arab peace settlement, she was willing to give compensation to the Arab refugees from Palestine, provided that international help be extended to Israel in settling the refugee claims. This was a concrete and constructive proposal, the kind of diplomatic step needed to ease Middle East tensions. Saudi Arabia responded by recommending that the United Nations appoint a trustee to safeguard refugee holdings in Israel and to collect revenues and rent. Apparently, Saudi Arabia was determined not to take any action that might in some way modify her policy of stanch and—I might add—blind opposition to Israel's existence.

The road ahead for Israel will not be an easy one. But neither has the road already traveled by Israel been an easy one. People all over the world are convinced that she will not fall by the wayside.

Israel must not falter. Her future is of vital concern to the United States. Allow me to turn for a few moments to the subject of the United States and Israel.

As a world leader, the United States is vitally interested in the peace of the Middle East. As a democratic power, the United States is vitally interested in the growth of democracy and of constructive, responsible nationalisms. In its support of these causes, as well as in the support of its more narrowly conceived defense interests, the United States cannot stand by while the Soviet Union, atheistic communism, or unbridled Arab nationalism swallows the Middle East.

In the past, American support of Israel has only with great difficulty been combined with support of the Arab states. No matter the wisdom of this policy in the past, the United States cannot and should not follow it today.

I am not saying that the United States should end its support of the Arab states and eliminate its program to work with them in the defense of the non-Communist world. I am arguing that the anchor of United States policy in the Middle East—and to a considerable extent in Africa as well—must be the existence, the progress, and the prosperity of Israel—that bastion of freedom in the Middle East.

Israel is truly a democratic state. No matter what our other interests in the Middle East may be, the United States cannot allow this hope of democracy in

the Middle East to fall. Our own national existence is dedicated and irrevocably committed to the proposition that under democratic government men have the best opportunity to fulfill their hopes completely. We cannot believe this ourselves and we cannot expect other peoples and nations to believe it, if we do not support other democratic states to the best of our ability—and even at great cost to ourselves.

But American support of Israeli democracy must be viewed as much more than a policy based on ideological values and goals. The existence of Israel as a free and democratic state is the key to peace and progress in the Middle East.

Too often in the past have the American Government and the American people been wont to look upon Arab-Israeli tensions as a cause of war in the Middle East. While I do not want for one second to minimize the importance and dangers of these tensions, I do think that it is time we regarded Arab-Israeli relations more positively than we have in the past. Instead of fearing Arab-Israeli tensions and basing our national policy on this fear, we must see them in relation to peace and human betterment in the Middle East.

From the American viewpoint, peace and prosperity will not come to the Middle East unless and until the powerful forces of Arab nationalism become responsible forces. They cannot become responsible forces until the Arab people and the Arab leaders devote all their energies and resources to constructive rather than destructive ambitions and goals.

In the Arab mind, powerplants must replace pernicious propaganda, irrigation projects must replace irritability toward the Western Powers, and statesmanship must replace slanderous attacks on Israel. Moreover—and perhaps most important of all—stable foreign policy must replace opportunistic flirtations with the Soviet Union.

In a word, Arab nationalism must become responsible nationalism. The extent to which Arab nationalism becomes responsible is the extent to which it accepts the State of Israel and decides to work with all the nations of the Middle East for the well-being of the whole Middle East.

The United States must embark on a bold and new Middle Eastern policy. The United States must tell the Arab States in unmistakably clear terms that American support will be given to Israel, as long as she labors for and under a responsible nationalism; and that the Arab States will receive the same American support that Israel receives, whenever Arab nationalism becomes as responsible as Israeli nationalism.

By no means am I advocating that the United States eliminate or cut back American assistance programs which are designed to protect the Arab States from external dangers and internal chaos. I would not oppose such increases in American assistance as may become necessary to carry out these objectives.

At the same time, I would have the Arab powers understand that the way for them to obtain really positive and long-range support from the United States is to emulate the responsible nationalism of Israel.

What I am saying may seem harsh. Perhaps it is. Yet, I am fully convinced that American policy in the Middle East will never be a dynamic and a successful policy as long as we fail to come to grips with an elementary and basic fact of Middle Eastern problems. I am referring to the fact that in the long run the Arabs need us at least as much as we need them.

The Arab States are caught in a bind between the jaws of two vises, as it were, one economic and one political. While the Arab States generally fear Soviet domination and Communist penetration, they hesitate to aline themselves with the West or to create strong ties between themselves and the West. Iraq was the only Arab member of the Baghdad Pact, and Lebanon was the only Arab state to endorse officially the Eisenhower doctrine. Arab reluctance to associate with the West stems in large measure from hatred and fear of the Western imperialism of bygone days. This fear and hatred are based on past resentments rather than on present-day realities, but they do exist nonetheless.

The economic vise which squeezes the Arab States operates in a similar manner. The Arab people have striven to free themselves from what they regard as Western economic imperialism. At the same time, the Arab States, especially the oil-producing ones, are in fact economically dependent on the West. Without economic ties to the West, the Arab States would face either greater poverty than they now have, or the humiliation of Soviet imperialism.

It is tempting for the Arab States to embark upon a policy of playing the East and the West off against each other and thereby loosening the political and economic jaws of the vises which clamp them. Such a policy is an unsure one, for its success depends on fluctuations and developments in the East-West struggle, not on the permanent interests and long-range needs of the Arab peoples.

These things we must make clear to the Arab powers. These things we must help them understand. We must be firm with the Arab powers so that, in effect, we save them from themselves. They must be told that from our point of view irresponsible Arab nationalism is as likely—and perhaps more likely—than Soviet activities to lead to chaos and Communist encroachment in the Middle East. They must be told that the United States can work only with the forces of a harnessed and responsible Arab nationalism.

An integral part of my proposal is, of course, an expanded program of U.S. support for Israel. This will give to the Arab States a dramatic example of the treatment that responsible nation-states can expect from the United States. It will also be a just reward to the deserving State of Israel.

An expanded program of U.S. assistance to Israel should be imaginative and broad. First of all, we must make sure that Israel can successfully defend hersef against aggression. In September 1958 the State Department announced that the United States had recently sold an undisclosed quantity of arms to Israel. At the same time, press reports indicated that Israel was beginning to receive a small but steady flow of arms from Britain and France as well.

I rejoice over these developments. But I am uncertain whether these steps in the right direction are the biggest and the firmest ones we and our allies can and should take.

The United States must do all that it can to support Israel diplomatically—to demonstrate to the Arab powers and to the whole world that the United States stands behind its friends and its allies in democracy. In that connection note is made of the departure from our shores of Abba Eban and his lovely wife. The Ambassador and delegate to the United Nations has made a brillant record on behalf of his Government. May his new efforts be equally productive of fruitful effort.

The ultimate American policy goal in the Middle East is peace and prosperity for all Middle East peoples and states. The acceptable means to this end are many and varied—as long as they are in harmony with and support democratic principles. Unlike the Soviet Union, the United States can envisage with equanimity a large if not major role for the United Nations in Middle East development. And the United States can also—or at least it should be able to—envisage with equanimity a responsible, constructive Arab nationalism that is not necessarily allied to either the East or the West.

If the United States has but the wisdom and the determination, its friendship with Israel can be the keystone of a new and dynamic American policy toward the Middle East and the entire world.

Mr. SANTANGELO. Mr. Speaker, will the gentleman yield?

Mr. BOYLE. I yield, to the gentleman from New York.

Mr. SANTANGELO. Mr. Speaker, I join with my colleague in paying tribute to a people of indomitable courage and moral strength.

Eleven years ago today, in the midst of strife and turmoil, a new nation was born. During the past 11 years of growth, this new nation, "Israel", has been a beacon of liberty and a beachhead of democracy in an area of the world where democracy is little understood and even less practiced.

The last 11 years have been years of growth, of struggle, of trial and tribulation. Pressure followed upon pressure and continued tension electrified the borders. Economic boycotts and blockades by Arab neighbors have made full development and growth a difficult one. The Israelites have perservered and they have grown. Today, Israel is a source of strength and a haven of refuge.

The world can hardly believe the extent of its growth in population, which has increased from 650,000 to 2 million, and still the doors are open for 1 million refugees. Her industry, commerce, and agriculture have grown vitally. This has been brought about by indi-

vidual sacrifices and the limitless enterprise of groups of men.

While developing internally, Israel has not neglected her external relations with the free peoples of the world. She has been friendly and cordial. Her security as a nation and her future existence have been strengthened by a will to work and a will to cooperate. One of the most amazing facets in the growth of Israel is that while she has struggled to live, her people have not neglected their culture and education which have broadened and deepened.

After 11 years, our Nation, the United States, through its State Department, recognizes that Israel is almost self-sufficient. Our mutual security program for the 1960 fiscal year omits to include Israel as one of the countries who are scheduled to receive grants-in-aid. This proposed action is a grievous error of judgment. The aid which we can give to Israel can be utilized to take care of the large number of immigrants from Eastern Europe who are marching to this little country to seek refuge and haven from persecution. The door is open, and we can aid Israel in this great work by revising our mutual security program to include this great little nation to carry on the humanitarian work it is doing and to maintain in an island of insecurity an oasis of democracy.

I trust that our responsible public officials will reconsider their stand in the matter of mutual aid and will continue to render economic aid to Israel as in previous years. An announcement to that effect today by our State Department will be the greatest birthday greeting which this democratic state can receive on its 11th anniversary.

I extend my greetings to this valiant band of people and also to the Jews of America, who have, through this fateful decade, aided and encouraged their kinsmen. May the second decade of life of the State of Israel be more prosperous and happier than the first decade.

Mr. BOYLE. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ROONEY] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROONEY. Mr. Speaker, once again I am pleased to join my distinguished colleagues in paying tribute to the State of Israel on the occasion of the 11th anniversary of her independence.

It is altogether fitting that we in the United States extend congratulations to the people of Israel on this historic occasion. The United States can feel proud of the fact that it played so humanitarian a part, and so actively supported the concept of international morality when it sponsored the resolution in the United Nations which fathered Israel and her independence. It is a fact of major significance that our country was first to recognize the State of Israel.

It is no exaggeration to say that during these short years Israel has improved her status and has enhanced her prestige by many times. Since her birth she has become the most industrialized and most advanced country in the entire Middle East. She has also become one of the strongest nations in that region. Today her basic industrial and agricultural economy is productive and her finances are in good order. Israeli leaders have had to spend a large part of their country's revenues on defense, and they have built the finest fighting force in the modern Middle East.

In the history of nations a period of 11 years is relatively short, and usually too short a time in which to assess and evaluate a nation's progress. But during this brief period one might well say that the State of Israel has come of age in a remarkable way, and in many respects it is ahead, not only of its neighbors, but of many more populous and larger states of the world. In the attainment of these successes and in preserving their hard-won independence, Israeli citizens deserve the highest praise. On this 11th anniversary of Israel's Independence Day, I wish Israeli citizens peace, prosperity, and continued progress in their historic homeland.

In closing, I would also like to pay my respects to our distinguished friend, Ambassador Abba Eban, who will soon be leaving the United States to return home to assume new responsibilities in the public life of his country. During his tenure of service as Ambassador of Israel in Washington and more than 10 years as its permanent representative to the United Nations, Ambassador Eban's contributions to American-Israeli relations and to a better international understanding in the United Nations have been of paramount importance. He is one of the finest orators of our time and has been an inspired spokesman for the people of his country and the cause of world freedom.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. BOYLE. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, I would like to congratulate the gentleman from Illinois [Mr. BOYLE] on his learned dissertation on the occasion of the 11th anniversary of Israel, and associate myself with his remarks.

All Americans of good will join in extending the most heartfelt congratulations to that brave little nation which has been created by the deep faith and unswerving determination of the Jewish people, the State of Israel, on the occasion of her 11th anniversary.

Within twenty-four hours after Israel declared her independence in 1948, she had been attacked by seven Arab States from three sides. To the amazement of the entire world, Israel has been able to hold off the many attacks which have been made on her by a hostile Arab world. She still exists in the shadow of an uneasy truce, her citizens never sure of what the next day may bring.

The continuing tensions in the Middle East between Israel and her Arab neighbors are a cause of deep concern to all of us. We all hope for the day when an accommodation may be found between Israeli and Arab interests, so that Israel's people may finally enjoy the full fruits of their years of back-breaking labor in the building of a new Nation.

The Jewish people in America may take just pride in the fact that they have aided greatly in making possible the stirring achievements of Israel in her first 11 years.

We all salute Israel on the occasion of her 11th anniversary and pray that the Almighty may grant her a future of peace and prosperity.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, long before the beginning of our Christian era there was the independent Kingdom of Judea in which the Jews lived happily in their chosen patriarchal ways, developed their mode of life, built their own political, religious, and social institutions, and created their own civilization, one of the oldest in all history. Then, about 2,000 years ago, the Kingdom of Judea was overrun; the Jews lost their national political independence; they were evicted from their ancestral homeland and eventually dispersed to all parts of the world.

Since those distant days nearly all Jews lived in dispersion. During that long period they suffered much; they endured proscriptions, discriminations, and multitudes of inequalities and inequities in many lands. But they faced their almost endless vicissitudes with exemplary fortitude. Their spiritual and cultural heritage sustained their spirit of freedom and independence, and kept them spiritually bound together. Through centuries that unique heritage was carefully nurtured, jealously guarded, and kept alive. Finally, after long awaiting and suspense, many of them were afforded the opportunity of returning to their ancient homeland at the end of the First World War. And in May of 1948, with the proclamation of Israel's independence, they launched once more upon an independent political existence.

That was 11 years ago, and the short period that separates 1959 from 1948 has been a period of miraculous progress in the new nation of Israel. Today Israel stands as a dynamic and powerful state as the embodiment of the centuries-old faith. It is the living and shining testimony for the persistent and tenacious efforts put forth by self-sacrificing Jews for the common welfare and safety for all their needy and suffering kinsmen. Besides providing a haven for more than 1 million immigrant Jews since its creation, Israeli leaders who have brought social justice to their people, have provided opportunities for these refugees to become happy, industrious, and patriotic citizens of Israel. These new citizens, united with their kinsfolk there, and with the generous financial aid from abroad, have re-created their ancient land. They have

proved their industry, resourcefulness, and ingenuity in the building and in the improvement of their country. With enthusiasm and energy they have turned much of the desert of the Negev into fertile and cultivable land, and the hills of Galilee into blossoming orchards. By the skillful use of science and the technical abilities of their people, by the erection of hydroelectric power stations, by building canals, by installing petrol refineries, and by laying oil and water pipelines, Israeli leaders have successfully transformed arid and inhospitable hills and desert plains into industrial centers and productive farmlands. In numerous spheres of activity Israeli citizens have worked near-miracles in a relatively short time. And what is more important in these perilous and anxious days, all Israeli citizens are prepared to guard their newly won freedom and recreated and reclaimed homeland with extraordinary vigilance and uncommon bravery against all eventualities.

Today on the celebration of the 11th anniversary of its independence day the State of Israel is a new and encouraging political phenomenon in the Middle East. It is fast becoming the most industrialized urban community in the underdeveloped rural communities in that region. After 11 years of uneasy but busy and hopeful existence, today the State of Israel can proudly claim the right to be recognized as an upstanding member of the family of nations. Under most hazardous circumstances and trying conditions, despite the multiplicity of difficulties and dilemmas, economic and fiscal hardships, and baffling political uncertainties, the people of Israel face the future with justified pride and confidence. They continue their task of making Israel a viable state in the heart of the Middle East. On this 11th anniversary of their independence day, I wish them peace, prosperity and happiness, and express my ardent wish that success will reward their efforts in creating a strong and stable state, one that will endure as a force for peace in the disturbed Middle East.

Mr. ANFUSO. Mr. Speaker, the restoration of Israel to statehood 11 years ago today, in May 1948, was widely supported by the people of America and the people of other countries throughout the free world. Fairminded men and women everywhere had realized the need to deal justly with the Jewish people and to make amends for the many wrongs committed against them by the Nazis during World War II.

During the 11 years of Israel's existence as an independent nation, several important factors have been established.

First, Israel has emerged as a strong and dynamic little state, despite the fact that these years have been a period of continuous hardship and anxiety, and despite the fact it has experienced two wars in its brief period of independence. To the credit of the Israeli people it must be said that these difficulties have only hardened and strengthened them.

Second, during this period of 11 years Israel has provided a sanctuary for nearly a million Jewish immigrants from Europe, north Africa, the Arab countries, and other areas of the world where Jews were in need of a haven of refuge. The admission of so many people, most of whom were penniless and homeless, is in itself a praiseworthy deed. Providing them with citizenship, employment, homes, education, and the opportunity to live a life of dignity, is a sacrifice which finds few equals in the annals of human history.

Third, Israel is making great progress in developing its economy and establishing democratic institutions on a solid foundation. The prophecies of Israel's friends a decade or so ago that she would become a beachhead of democracy have come true. Israel is living up to that prediction, and today she is regarded by the United States and our allies as playing a tangible role in the defense of the free world in the strategic Middle East area.

Fourth, in the last few years Israel is assuming a vital role in helping to create better understanding and more cordial relations with some of the newly-independent nations of Asia and Africa. To these new nations, Israel is serving as an example of what a small people with limited means can accomplish within the framework of a free and democratic society. Israel has established links of economic and technical cooperation with some of these countries, and is also setting up cultural interchange with them—all of which should prove beneficial to the free world.

I think the people of Israel must surely feel a great sense of pride as they look back upon these past 11 years and the achievements made in such a short time. We, in America, share in that sense of pride because the American people have stood by Israel from its very day of inception as an independent State until this day. We are proud to extend our warmest greetings to the people of Israel on this anniversary and to share in their celebration.

Our joy is somewhat tempered by the fact that the Administration has seen fit to eliminate Israel from the list of countries to receive grants-in-aid under our mutual security program for the coming fiscal year. Under the Truman administration Israel used to receive as much as $70 million annually for economic assistance, to help integrate the newly-arrived immigrants, to aid in their resettlement and to aid in the agricultural and industrial development. Under the present administration this aid has been gradually reduced over the past few years, so that in the current fiscal year Israel is receiving only $7.5 million under the grant-in-aid program, and for the coming year this small measure of assistance is being completely eliminated.

In my estimation, this is a serious mistake which should be corrected. Here is a country in a very important area of the world which is utilizing our aid in a manner that is helpful to its people. This is one pilot plant for American aid which is proving successful, so why not complete the job? I hope that the House Committee on Foreign Affairs will write into the mutual security bill this year a specific provision of aid to Israel, and I know that this provision will receive the overwhelming support of the Congress.

I extend my heartiest congratulations to the people of Israel and to the Government of Israel on the occasion of the 11th anniversary of their independence.

Mr. ROOSEVELT. Mr. Speaker, on May 13, Israel marked its 11th year of national existence with justifiable pride.

The record of achievement of this small democracy is nothing short of amazing and I think that as citizens and officials we can take pride in the fact that our nation has contributed to Israel's development through our policy of grants, loans, and other means of economic aid and assistance.

As we congratulate Israel on her 11th anniversary, I think we should not lose sight of the fact that many problems still lie ahead for this young nation.

Israel must further stimulate her development—industrial and agricultural—in order to reduce her dependence on the external world. The gap between imports and exports is still about $340 million a year; this gap is presently being met by the restitution and reparation payments from West Germany, American Government aid, sale of Israel bonds, and private philanthropy.

Payments from West Germany will terminate by 1965 and Israel will also have to redeem bonds she started to sell in 1951. Thus, continued development is essential to increase exports to close the trade gap as quickly as possible, thus helping to alleviate the situation when West German payments end and bonds mature.

Israel is one area of the world where the facts show that American economic aid has not been invested wastefully or without positive healthy results. It is my firm conviction that it would be wasteful and reflect misjudgment on our part to dilute or discontinue our efforts to help Israel consolidate the progress already achieved.

The democratic West has in Israel a reliable outpost in the explosive, the unpredictable and the crisis-bent Middle East. Israel's antagonists in the surrounding areas are watching for signs of a lessening of American interest in, and aid to, Israel which would, no doubt, add to their Irredentist refusal to make peace.

Mr. Speaker, may I conclude by addressing myself to the matter of "The Example of Israel."

Life magazine described both India and Israel as the "most viable examples of democratic self-government in the Afro-Asian world."

Therefore, what happens to the economies of these two nations is of great significance to the West, and surely the occurrences in Tibet and Iraq make this even more self-evident.

Missions from 17 countries have come to Israel, studying her effort to unite and fully employ three major resources: land, water, and people. Israel's technicians and experts are exporting democratic know-how to Ghana, Burma, and Liberia, to cite examples.

Newsweek, likewise, has given a vivid account of the example of Israel in the following manner:

> Frightened by the ruthless planning of a Soviet society, bewildered by the prodigal improvisation of many Western countries, a growing number of Afro-Asians are quietly exploring a middle way to a planned democratic life—the way of Israel.

And the magazine quotes an official from South Vietnam:

> Israel is closer to the problems we're up against.

And from Senegal:

> In Israel, we see a whole nation working hard for the same goals under a democratic system of government.

Israel's socio-economic development to date is an outstanding example of the viability of a free society, an example which has impact far beyond her frontiers.

I am proud of the fact that my country was among those nations which brought about the existence of Israel and I voice with pleasure my congratulations to the people of Israel.

Mr. DADDARIO. Mr. Speaker, Israel, on her 11th birthday, deserves the congratulations and respect of all the world. In a Middle East beset by troubles, turbulence, and the instability of governments, the determined growth and improvement of Israel's position is a heartening sign. This Nation has fought and won battles against those who would challenge her very existence. And she has fought and is winning against the elements, the land and the terrain that threaten her ability to live.

This tiny state of 2 million people—less in numbers than my own State of Connecticut—is a stronghold of enterprise in the Middle East. With a recent development loan from this country, it has established a system to encourage the establishment of private industry. The State is ready also to take more immigrants from areas where they have been persecuted and to give them a chance to build a new life. It is a beacon of hope across the world.

In recent months, the world has kept anxious eyes on Berlin. At the same time, events have not stilled in the Middle East. We note with concern the Soviet pressures on Iraq. These events emphasize the importance of Israel, as a democratic State, existing and thriving due to her own courage. This Nation had been generous, privately and publicly in welcoming Israel to statehood. All of us can join today in saluting what Israel has done and in pledging permanent friendship to a small, but sturdy colleague.

Mr. POWELL. Mr. Speaker, I am happy to join with my colleagues this 10th anniversary of Israel's existence to wish this young nation well for the future. I am sure most Americans, in light of the important role played by the United States in its 1948 establishment and as reflected in subsequent years by the almost $2 billion contributed to its advancement, join with me in expressing sympathy for the struggle it has waged for survival, and pray that it may increasingly lend its support to a peaceful world.

The broad support of Israel by our country is indicative of the American people's appreciation of the facts that Israel's outlook on the world scene, its ability to cope with complicated, economic, and social problems, its approach and contribution to world peace and its concern for the betterment of its own citizens resembles so closely that of the United States that we have felt part and parcel of that country. The history of struggle for the planting of a democracy on a frontier against almost insurmountable odds so parallels the early founding of the United States that at this time each year we are reminded of our common destinies. And the United States is proud that it has helped this young nation which represents a crystallization of all the values of Western society. For it is from Judaic law that we draw our codes and ethical principles. Thus, our concern for Israel's material well-being is but an expression of our indebtedness for that which we hold dearest here in America—our way of life. In the words of Attorney General Herbert Brownell, Jr., in July 1955: "The geographic distance between the Potomac and the Jordan Rivers may be great, but there is certainly little difference in spirit between the two countries."

If Israel fails; we fail. Similarly, her success advances our cause and our ideals in Africa and elsewhere.

However, this approach is fraught with difficulties when foreign policies are formulated, many times motivated by the best intentions, in our relations with Israel we face dilemmas. But the task of policymaking in the Middle East is not an easy one for this country. A major power such as the United States in this nuclear age must think and act in global terms. Thus, while we meet Israel's interest as best we can, we cannot forget that there are others in this world for whom our way, our aspirations, may not adequately meet their demands.

Transportation and communication and space exploration and nuclear destructive potential have made us infinitely one to the extent that the highest development in technology and material might not be sufficient to cope with the new world aborning. To survive the weapons of destruction fashioned by the highest civilization mankind has ever known, there is need to pull together and cooperate as one family for the common good. The "brotherhood of man" has never been in greater demand, nor have we ever been in greater need for the fulfilement of Jesus' desire for "peace on earth good-will toward men."

Thus I envision Israel's playing a major role in the new era of peace everlasting for she has served during the past 10 years as a pilot project of the material achievements which are possible when sufficient funds and adequate technology is provided. This achievement is becoming a stimulus to countries in Asia, Africa and indicates what can be done in their barren lands for advancing their peoples if material assistance is extended. For all of which the young country is to be congratulated in this 11th year of its existence.

But all of us, Israel, and the United States as well, must be equally as receptive to the positive virtues of other peoples and their cultural heritage. For if we are ever to know civilization on its highest humanitarian level, we must admit of change within ourselves as well as within others. As the chairman of our Foreign Relations Committee, Senator FULBRIGHT, stated it recently, some of our troubles with foreign policy is within ourselves.

There must come to be a recognition of a one world existence, and the United Nations is but one expression of it, where there can be no segregation and no exclusivism at any level but where cities, and countries, and nations are open to the free exchange of peoples and their ideals on a basis of full equality. There is no alternative to the projection in global terms of the "melting pot" of peoples, their cultures, their aspirations and their ideals, a cherished heritage of prenuclear America, but to reconcile ourselves to live in peace and equality with all men throughout the world, to dedicate ourselves to live in one world or none.

Israel, a model country in technology, an example of a dynamic approach to democracy, a bulwark against spreading communism in Asia and Africa—can bolster the West in its aspiration and we trust, bring peace and equality and happiness evermore.

Mr. O'HARA of Illinois. Mr. Speaker, I wish to commend my distinguished colleague from Illinois, Mr. BOYLE, for affording us this opportunity of reaffirming our loyalty to the cause of Israel on the occasion of the 11th birthday of that valiant cathedral of freedom in the Near East. Yesterday, in fact, was the anniversary day, but the House then not being in session, we today are joining with Congressman BOYLE in expression of congratulations, of admiration, and of support.

Mr. Speaker, last night I was thrilled as seldom I have been in my life as I listened to the address of Ambassador Abba Eban in acknowledging the tributes paid him, most eloquently and sincerely paid him by our own matchless majority leader, Mr. MCCORMACK, and others. No greater apostle of democracy has ever visited our Capital and worked with us than Ambassador Eban. His stature as a diplomat is universally recognized in the Halls of Congress and in the embassies. Last night he was at his very best as he made his last talk to his friends before leaving for his new mission of service in the Israel of his heart and of his dedication.

The words of Ambassador Abba Eban took me back to my visit to Israel in 1957 and recalled the earnest dedicated people whom I had seen there, working with the pioneering spirit of our American forefathers to carve out a new destiny for themselves and future generations. In less than a decade they had rescued their land from apathy and neglect. They had made it a land of green pastures, of orange groves, new farms and villages, factories, and schools.

From the ruins of Jewish martyrdom in Europe, from Asia, America, and Africa they had come to build new hope and the pride and opportunity of citizenship in their ancient homeland.

Eleven years ago the State of Israel was born. The United Nation's Special Committee on Palestine—consisting of representatives of Australia, Canada, Guatemala, India, Yugoslavia, Peru, the Netherlands, Czechoslovakia, Iran, Sweden, and Uruguay—conducted an exhaustive examination of the problem, and on September 1, 1947, recommended by a majority vote the partitioning of Palestine into Jewish and Arab States, joined by an economic union with the Jerusalem area an international zone. The U.N. Assembly approved the report on November 29, 1947, by a vote of 33 to 13 with 10 abstentions.

The Jews immediately announced their readiness to accept the General Assembly's resolution, although it did not represent the full measure of their claims. The proclamation of independence was issued in Tel Aviv, May 14, 1948 by the Provisional State Council.

The 11 years which have elapsed since Israel's birth have been years of high opportunity and deadly peril. Her population has grown from 650,000 when independence was achieved to upward to 2 million. Nine hundred thousand have fled from the shattered remnants of communities in Europe to the hope and challenge of that bastion of democracy, Israel.

During 11 years they have made the desert bloom. They have built new industries. They have established diplomatic and commercial relations in all five continents. They have achieved a respected membership in the international family. They have instituted maritime access to half the world. All of this the fruit of personal dedication to achievement in face of heavy contest.

America's interest in Israel stems from a common tradition. In the words of Ambassador Abba Eban:

> What happened in each case was that men thirsty for freedom, driven by insecurity and persecution but also drawn by the attractions of building a new civilization, emigrated from all parts of the world to a new land across the seas. They reclaimed that land from primeval devestation. They liberated themselves by arduous struggle from colonial shackles. They established a free republic which they then defended against every adversary and peril until it secured its recognized place in the international family. In the sphere of their cultural effort they merged their diverse immigrant cultures into the unit of the new civilization. They maintained throughout every ordeal the original moral heritage which had inspired their underlying unity of purpose.

Mr. Speaker, friendship for and support of the State of Israel must continue to be a cardinal point in the foreign policy of the United States. If ever we should permit the State of Israel to perish from the community of sovereign nations we would be responsible for a movement in retreat that could not be halted until democratic government in our own land, as in all other lands, had been crushed.

I hope that when the mutual security bill reaches the floor of the House there will be an understanding on the part of all Members that any cut of aid to Israel, even to the extent of one red cent, would be interpreted by the entire world, both our friends and our foes, as a sign that the United States was about to abandon the valiant little State of Israel, built in our image, our true friend, our codefender of a democracy in which man can pass the years of his life in contentment and with dignity.

Mr. REUSS. Mr. Speaker, the new State of Israel was proclaimed 11 years ago. In the years that have followed, this new democracy has developed and progressed at a rate unmatched in modern times. It has taken great effort to make once barren lands productive, to develop industry where there was virtually none, while facing hostile neighbors on almost all sides.

Israel has the invaluable asset of a dedicated populace determined to create a strong, free, enduring nation where all can live a purposeful life.

With much of the hardest labor accomplished but with more ahead, we in the United States know that the people of Israel who have had the skill and courage to establish their state and place it in the front ranks of the free nations of the world will be able to meet and surmount the problems of the future.

As an outpost of democracy in the troubled Middle East, where the conflict between communism and freedom is building daily, Israel deserves and will continue to receive the full support of the United States.

Mr. PUCINSKI. Mr. Speaker, the 11-year old State of Israel is the newest country in the old Middle East. It is also the most advanced, and certainly the most progressive of all countries in the region. As such Israel has become a factor in Middle Eastern affairs, a force for peace and progress.

The startling and almost miraculous growth of Israel since its birth inspires us with some hope of stability in the explosive and troublesome Middle East. Many great events have shaken the region since the end of the last war. Internal and international events have contributed greatly in bringing about revolutionary changes, but perhaps none of them are of such significance as the rise of dynamic and democratic, prosperous and progressive, strong and firmly established Republic of Israel.

For the attainment of their independence, for the strengthening of its foundation, for making the State of Israel a viable and living entity, the new and old citizens of Israel deserve unqualified praise. To them goes the credit for turning barren, arid lands into cultivable and productive farm lands. Through their own efforts they succeeded in making Israel a haven for more than 1 million homeless wanderers, and in turning them into productive and patriotic citizens. For all these remarkable accomplishments, the citizens of Israel earned our admiration. On the 11th anniversary of their Independence Day, I wish them peace and prosperity in their recreated Israel.

Mr. GIAIMO. Mr. Speaker, it is with a warm heart that I speak these few words on this occasion of the 11th anniversary of the founding of the State of Israel. It is an occasion for rejoicing not only for Israel but for freedom loving people everywhere. The establishment of the State of Israel is the fulfillment of an ancient dream, a tribute to man's indomitable spirit. When one considers the seemingly hopeles and overwhelming obstacles which have confronted the Jewish people in establishing the State of Israel, one cannot but be greatly impressed with their magnificent accomplishment.

The State of Israel stands as a living tribute to the fortitude, courage, patience, and love of freedom of the Jewish people.

We in America rejoice in the existence of this free state and its people with whom we have such close bonds of friendship, mutual respect, and understanding. Truly, Israel is our friend. We comprehend each other; we respect each other; we trust each other. This is the country that we in America can rely on to carry the banner of Western civilization in the Middle East. We must resolve on this great occasion to do everything possible to make Israel the strong bastion of freedom in the Middle East. We must help and encourage her wonderful people in the difficulties, political and economic, which continue to beset and harass them.

Above all we must assure them of our concern for their freedom, well-being, and economic health.

May Israel and its people prosper and flourish in freedom and in health forever.

Mr. MOORHEAD. Mr. Speaker, it is with great sincerity that I add my voice to that of my colleagues in extending greetings and best wishes to the State of Israel on the occasion of her 11th birthday.

For hundreds of years the Jewish people were people without a country. Everyone recognizes the tremendous power which the owning of land and a feeling of belonging exerts on the human spirit. Nothing else provides the same feeling of comfort, self-confidence, and stability. For centuries, these brave people were homeless, held together only by loyalty and religious belief, exiled from their ancient and traditional homeland, and persecuted by unfeeling governments.

When, at last, they gained their independence they felt, I know, a surge of gratitude, a tremendous feeling of coming home, which was enhanced by the fact that they had waited so long. Although Israel has been an independent nation only a few short years, she has had to face what might have been insurmountable odds to a less courageous people in her struggle to keep her independence. Her record over the past 11 years is truly an inspiration to freedom-loving countries all over the world.

We in America are especially sympathetic with Israel's struggle. Our own country was founded because of our deep belief in the ideals of liberty, justice, and democracy. The pioneering spirit of the people of Israel can arouse only a feeling of admiration in the hearts of the American people. They have overcome ter-

rific hurdles in setting up their government. They have performed a magnificent task in caring for hundreds of thousands of refugees, most of them with very little financial security. They have valiantly endeavored to improve their internal economic conditions, while being dangerously threatened by outside forces seeking to overthrow their government.

May this young country's brilliant past be the harbinger of a long and glorious future.

Mr. DOLLINGER. Mr. Speaker, I am happy to have the opportunity to join with my colleagues on this occasion when we commemorate Israel's statehood. The celebration of the 11th anniversary of the proclamation of the State of Israel and the presence of an independent Israel in the world's family of nations, bring happiness to the hearts of all freedom-loving peoples.

The tiny State of Israel—the only stronghold of democracy in the Middle East—has, through the prodigious fortitude of her people, survived tremendous war threats, economic crises, and a multitude of other grave problems, which would have defeated and crushed a people of less strength of purpose and courage. The Israelis have earned the respect and admiration of all of us, and they have our hearty congratulations on their great achievements.

Despite all her efforts to establish and maintain peace, Israel is constantly threatened by her enemies; the surrounding Arab countries, and all members of the Arab League, refuse to recognize Israel or to accept the fact of her existence. Because she has been thwarted in her efforts to come to terms with her neighbors, valuable manpower and financial resources have had to be diverted to defense purposes which otherwise would have made possible even greater development in the fields of the nation's agriculture, industries, reclamation, and transportation. Nevertheless, Israel's progress and growth have been remarkable and she is unfaltering in her efforts to realize her aim—to become a strong and secure nation, where true democracy is enjoyed by all, and where peace prevails.

An almost devastating effect on Israel's economy is the continuing absorption of up to 100,000 European immigrants per year. The needs created by sudden mass immigration have to be met by increased taxation on income and the raising of import duties which in turn mean greater sacrifices by the people and the nation. It is to be hoped that the United States will take cognizance of the humanitarian needs involved and offer refuge to displaced Jews from behind the Iron Curtain so that Israel's burden may be lightened and she can hope for economic survival.

The United States must, in these crucial days, give generously to Israel in every way possible—she must have our moral support and economic aid.

We must be alert, in the national interest, to problems in the Middle East and work toward their solution. It is from here that we can wage our offensive, through peaceable means, against the imperialist Russian threat to independent nations. It is imperative that we evolve and put into effect a strong and active policy so that we can cope successfully with any new eruption precipitated there by Moscow in the incessant cold war. We must at all costs prevent gains of colonial Russian power in any part of the Middle East. We must take a forthright and courageous stand when freedom is threatened; we must not substitute futile mouthings for diligent work in the long, up-hill struggle necessary to achieve peace in the Middle East.

Mr. GALLAGHER. Mr. Speaker, the founding of Israel as a free and independent nation was one of the most hopeful and happy events in the postwar years. After a lapse of almost 2,000 years, the Jewish people had come into a land of their own. This was truly a reward for their patience, perseverance, sacrifice, and hard work.

In the 11 years of its existence, Israel has become a strong and vigorous nation, a driving force in the free world, and a shining example of democracy. And yet, and to its great credit, it has preserved the fine traditions and beliefs of the centuries old Jewish faith.

Israeli leaders and citizens, with the material aid and spiritual and moral encouragement of world Jewry have made of their new nation a model state in the Middle East. With boundless enthusiasm, energy and optimism they have made the desert acres fertile and the hills of Galilee blossom.

Young Israeli engineers have built hydroelectric power stations, canals and industrial plants. As a people united, they have instilled life into a barren desert.

With the courage that built a new nation, the Israeli citizens have shown a determination to defend their homeland. As an outward sign of this determination, Israel has forged a brave and capable defense force. She has shown, too, a talent for diplomacy and today plays an important role in world affairs.

On the 11th anniversary of the founding of Israel, it is a pleasure to extend to the people of that nation our best wishes for continued success, growth, prosperity, and much happiness.

Mr. ADDONZIO. Mr. Speaker, many startling and revolutionary events have occurred in the explosive Middle East since the end of the last war. Among these the emergence of the State of Israel is perhaps the most noteworthy and most significant. The story of its birth, its anxious days during its formative years, its growth, its almost miraculous recovery from the ravages of war, its almost unbelievable ability to absorb and settle more than 1 million Jewish refugees, its success in making these refugees useful, productive, and patriotic citizens—such amazing achievements accomplished under constantly impending threats to the country's very existence are rare in the annals of modern nations. But in the course of 11 years of its existence as an independent, sovereign entity, the State of Israel has done all of these things. It has held off a host of enemy nations and has come out of this terrible struggle morally unscathed, with honor, and physically stronger.

On May 15, 1948, when Israeli leaders proclaimed the birth of Israel and became masters of their own destiny, the new nation suffered from heavy handicaps that would have been insurmountable except for the courage and self-sacrifice of its people. The tremendous achievements of this young and vigorous democracy have won her the admiration and esteem of the free world. With heavy investments, intensive and scientific development of the country, Israel has been able to absorb over 1 million immigrants. This part of Israel's work, the rescuing, shipping and settling, employing and making all these refugees productive and patriotic citizens, surpassed all expectation, and today these refugees have become its most valuable asset. They have provided the necessary labor, the leadership in peaceful and wartime industries, and also the sinews of a fighting force that is considered the best in the Middle East. They have helped to make Israel an advanced industrial state; they have also been a real factor in turning many desert regions into cultivable and productive lands. In building of a fine network of roads, in the construction of canals and pipelines, both for irrigation purposes and for transporting oil, they have labored hard and have found their reward in making Israel a modern state in a real sense.

Israel has also become a dynamic, democratic, and progressive force in the Middle East. In social, economic, educational, scientific, and cultural fields her progress has been notable and in some cases tremendous. With her democratic type of government, efficiently and honestly administered by highly trained and public-spirited men, Israel's governmental institutions may yet become models for other countries in the area. In matters of health and sanitation, in social welfare and labor conditions, in child care and medical services, Israel is definitely a true pioneer in the entire Middle East. Because of the necesarily large sums earmarked and spent for defense purposes, often people seem to overlook Israel's outstanding achievements in other spheres of activity. It is true that, because of her fears from her numerous foes, who have refused even to recognize her very existence, Israel has become an armed camp, and remains as such in order to safeguard her existence. But even under such conditions, under constant threats from one or more of her foes, Israelis ceaselessly labor and struggle hard in their rebuilding and creative work. Even though Israel is often faced with acute fiscal problems, yet her finances are in good order, and the living standards of her citizens have been rising constantly. Today their average income and their standard of living is much higher than those of the citizens of surrounding countries. By careful husbanding of their resources, and by building credits abroad, they have managed to balance their national budget and have remained solvent. By dint of sacrifices and hard labor they have made rural Palestine a busy and large, buzzing urban community. Over and above these really remarkable attainments and

achievements, Israeli leaders have built up a fighting force which is second to none there, and is fully capable, judged by any standards, of warding off attacks against her safety from any and all quarters.

On the 11th anniversary celebration of Israel's Independence Day, she has become a real force, a dynamic and democratic force in the Middle East. Let us all hope that she will continue to grow and prosper, her citizens lead a peaceful and happy life, and Israel endure as an independent force for peace in the troubled Middle East.

Mr. RODINO. Mr. Speaker, 11 years ago today the State of Israel was proclaimed. In the brief period of time that has elapsed since 1948 Israel has faced many grave problems. It has been at war with seven Arab States and has been subjected to constant harassment. Its destruction has been attempted by military action, economic boycott, and even by a barrage of propaganda. Nevertheless, Israel has survived and grown. It has absorbed and integrated an average of about 100,000 immigrants every year—a task comparable to the absorption by the United States of 10 million new citizens a year. In addition Israel has raised its agricultural production, increased the amount of cultivable land, extended the social services available to its citizens, and further expanded its industry. In the face of almost insurmountable obstacles the people of Israel have strengthened their democracy and made their country a viable state. Furthermore, not content with just improving its own lot, Israel has given technical assistance to the new Afro-Asian nations and has provided them with a successful alternative to Communist economics.

For all of these achievements Israel deserves our admiration and praise. We can be proud that this young republic is our friend. I can only hope that other nations will follow the example of Israel and that peace will soon reign once more in the Holy Land.

Mr. FRIEDEL. Mr. Speaker, I would like to take this opportunity to call the attention of my colleagues in the Congress to the achievements of the State of Israel on the occasion of its 11th anniversary. I do so because of our ties with that brave little nation mean so very much to the free world today. There, across the ocean stands the Holy Land, from whence came our Bible which is the rule and guide of our faith. There, democracy and freedom were reborn 11 years ago, and Israel stands as an outpost of our free world and as a beacon light against the dark and evil forces of international communism.

As Americans we salute this reborn nation and encourage her in her very brave stand. We recognize full well the strategic position of Israel in the vital and important Middle East and the essential part she plays in helping to keep the democratic processes alive. We must also acknowledge Israel's truly phenomenal development during the past 11 years and the valuable aid she is rendering to the other new and developing nations in Africa and Asia, thereby making more needed friends for America and the entire free world. Scientific and technological progress has been brought to a portion of the world that was most in need of it and as a result, natural resources are being developed, public health vastly improved, and the bright light of human rights shown to backward peoples.

After 11 years this young and vigorous sister democracy of ours has become a stable and important nation of the world despite almost insurmountable handicaps imposed by geography, prejudice, and international politics. Enlightened self-interest alone requires us to lend every possible assistance to the State of Israel since her achievements in this very brief time are impressive indeed. As Israel enters the second decade, we in the Congress of the United States most sincerely extend our felicitations and wish her well in her valiant fight for the right.

Mrs. GRIFFITHS. Mr. Speaker, Israel, now in its second 10 years of development deserves our sincere congratulations. Just 11 years ago a half million Jews in Palestine proclaimed their independence and established the State of Israel. At that time Israelis constituted only one-third of Palestine's population, and the country was surrounded by many foes. But the new state, faced with what appeared to be insurmountable obstacles, fought a life and death struggle and was victorious.

To simply relate the remarkable progress this little country has made in a decade is impossible. She has trebled her Jewish population, still wanting to bring in another million Jewish immigrants; her trade has expanded; her natural resources have been developed; and her public health vastly improved.

But most important of all is the strategic position of Israel in the vital and important Middle East. She has done a tremendous job in helping to keep the democratic processes alive.

In a short period of time this young democracy has become an important nation of the world. May our best wishes go to Israeli citizens for a peaceful and prosperous future.

Mr. WALLHAUSER. Mr. Speaker, I am most happy to join in the celebration of the 11th anniversary of the founding of Israel, the gallant little nation that stands as a bastion of democracy in the Middle East.

In the 11 years of its history, Israel repeatedly has proved the wisdom of the United States of America in supporting its independence and integrity. Those who aided in the establishment of Israel can well be proud of their efforts.

Israel is founded on the same solid bedrock upon which our own United States of America was founded. It is a homeland and haven for those who love liberty; for those who want to be free.

There is no question that the existence of Israel and the dedication and determination of its people have proved a major stumbling block to the Communist penetration that has threatened the position of the free world. For this, the free world owes a deep debt of gratitude to the people of Israel.

Israel's first 11 years have not been easy ones, but the accomplishments of its leaders and its people have been many. Israel is an example of what a virile, valiant people can build in a backward area. A less brave people might have retreated or succumbed in the face of overwhelming odds that faced them, yet Israel has moved steadily forward. It will continue to move steadily forward, for the Jewish people always have been freedom loving.

For its remarkable accomplishments and its dedication, we salute Israel on its 11th anniversary. We are confident that its centuries-old destiny of peaceful leadership will be attained. We pledge Israel and its people our support and friendship.

Mr. DULSKI. Mr. Speaker, the most significant event in the postwar history of the Middle East was the birth of the State of Israel 11 years ago. That historic event marked the realization of the 2,000-year-old aspiration of the Jewish people. Today, on the 11th anniversary of its independence, we and the whole free world watch it grow, prosper, and become the home of refugee Jews, and the hope of world Jewry. There it stands, in place of the old Kingdom of Israel, as a living monument, an inspiring symbol, erected by wise Jewish leaders with vision and foresight. Let us hope that more than 1 million homeless Jews who have found refuge in Israel, and have become its hard-working patriotic citizens, will live and enjoy their life in peace and prosperity.

EXCHANGE OF MOTHERS FOR PEACE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Utah [Mr. KING] is recognized for 15 minutes.

Mr. KING of Utah. Mr. Speaker, as the attention of the world focused hopefully on the possibility that East and West may find accord at the summit, I urge that we also bolster our grassroots approach to peace.

I propose that we enlist a hundred American mothers to lead a new peace offensive, and that we call upon the Communist world to open their homes to these mothers and, in return, send a hundred of their mothers into American homes. I have introduced a House resolution which requests that the State Department carry out such an exchange.

At a time when global tension stands at an explosive pitch, as it does today over Berlin, we must consider every possibility which might alleviate or reduce this tension. We spend millions today for a single weapon of war—on a B52 or on an aircraft carrier. Why not devote a tiny fraction of this amount to live instruments of peace?

In the years since World War II, this Nation has conceived and, through the State Department, carried out personal exchanges of many kinds with both free world and Communist countries. We have sent students to many lands. We have sent delegations of farmers, industrial leaders, and educators to Communist countries, particularly Russia.

Nearly everyone, except the mothers, has had a try at winning the peace. I

urge that we now give the mothers a chance.

Let me say the idea of a mothers' exchange is not original with me. As some of you may remember, it was proposed to this body 9 years ago by a distinguished citizen of my State and a former Member of this body, the Honorable Reva Beck Bosone.

This very able woman, herself a mother whose life has been largely devoted to two great causes—motherhood and public service—had long dreamed of the day when mothers of different nations might talk peace and understanding with each other at the community and home level. When she put her dreams into words in a speech to this body, it was widely applauded by both the Congress and the American public, but the unexpected outbreak of the Korean war made its fulfillment then impossible.

I think it very likely the Soviet Union would agree to an exchange of mothers. Certainly their failure to agree to it would risk a storm of unfavorable opinion. What possible reasons could they give for denying admission to a delegation of mothers, whose sole mission was to encourage understanding and peace?

The State Department has the machinery to carry out the exchange. I see no reason why a special appropriation would be necessary. It could be incorporated in the exchange program for which funds are annually appropriated.

Possibly private sponsors—persons or organizations outside the Government—can be found, provided the exchange is mutually acceptable to the Communist countries and this country. It is quite possible sponsors which recognize the worth of women and mothers as peacemakers will profer their support, without such support being asked.

But without private support, I feel certain the program can be incorporated into the State Department's broad exchange effort and carried out without additional appropriation—if the Congress will but give the Department a strong expression of its will, through passage of this resolution.

Exchanges serve a valuable purpose. On this, Americans generally agree.

The Nation and the world have only begun to reap the benefits. The exchanges have, on the whole, given the participants a broader outlook on human affairs and a deeper understanding of the peoples who share the lands, the resources and the troubles of the world. The participants, their families and their communities, who vicariously share the exchange experience, stand better prepared for the roles of citizenship and leadership. As long as people whose lives are touched by the experience shall live, the world will continue to reap benefits.

In this hour of strain and tension in world affairs, I can imagine no exchange which would be better received on both sides than an exchange of mothers.

Women are fit, by nature and by history, for the peacemaker's role. Compassion and understanding are their inherent virtues. They, better than anyone else, could show the Communist peoples that Americans, as a people, are honestly and earnestly striving for peace.

The American delegation in the exchange would, as I see it, be a true cross section of the Nation's women. This would be no mission for the Nation's executive women. Participants all would be mothers, from typical American homes, representing rural American society equally as much as urban society.

Perhaps the Russians would object to American mothers taking mothers' roles in Soviet homes, and to Russian mothers staying in American homes. Even so, the mothers would break bread with the families and the townspeople designated to serve as their official hosts, and could trade views on local customs and politics, as well as on international affairs.

I see the language barrier as no insurmountable obstacle. Mothers talk a language common to all peoples—the language of the heart.

I think the mothers chosen to participate in such an exchange should be young mothers, under 40, who can use the experience to promote understanding through many years of service to their families and communities. Too, I think the selections should pass over the publicly prominent and distinguished women, in favor of the typical mothers who represent a variety of homes and many walks of American life.

To insure the nonpartisan, objective selection of the participants in such an exchange, I suggest that nominees from each State be screened initially by a panel comprising the Governor, the dean of women of a State university, and the State president of the League of Women Voters.

The desired cross section of American motherhood will be achieved in the delegation, if the final choice of two delegates from each State is left to a four-member national committee which will coordinate the program. The committee ought to include two Democrats and two Republicans, and I propose that it include Eleanor Roosevelt, widow of Franklin D. Roosevelt, Frances Bolton, our colleague from Ohio; Mary Norton, for 26 years a Member of this body, and Dorothy Houghton, former national president of the Federated Women's Clubs.

If the exchange proves as successful as I imagine it would, it should be repeated. Mothers deserve this opportunity, a chance to make their hopes for peace felt on both sides of the globe.

The Congress and the State Department, I trust, will not deny them this opportunity.

DAIRY MARKETING ACT OF 1959

The SPEAKER pro tempore. Under previous order of the House, the Chair recognizes the gentleman from Wisconsin [Mr. JOHNSON] for 30 minutes.

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include a table.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, on April 28 I introduced in the House the proposed Dairy Marketing Act of 1959—H.R. 6750. Senator HUBERT HUMPHREY, of my neighboring State of Minnesota, introduced the same measure in the Senate that day.

This bill provides for a comprehensive, long-range income stabilization and improvement program for dairy producers. It would enable dairy farmers to assume responsibility for maintaining a sound and productive dairy industry which would, in turn, assure the consumers of the country an abundant supply of wholesome, nourishing dairy products.

A self-regulating and largely self-financing program, it is designed to protect the public interest and at the same time to avoid the present unfair situation whereby dairy farmers are penalized for their efficiency and productivity. The bill also outlines the mechanism by which a more adequate dairy program can be operated at lower cost to the Federal Treasury than the existing inadequate yet costly program.

At the time I introduced the bill, I addressed the House on the general purpose and intent of the legislation, and I gave a very brief summary of the six major provisions of the bill. Because of widespread interest in the proposed Dairy Marketing Act, I would now like to present a detailed analysis of the bill, along with a comprehensive explanation of how the program would work. I want to call particular attention to the chart which gives estimated Government costs, market prices, market supply reductions, and returns to farmers for manufacturing milk that would result from operation of the proposed program under different economic situations. I hope my colleagues will have the time and opportunity to study the chart and the analysis.

HERE'S HOW THE PROGRAM WOULD WORK

Mr. Speaker, the purpose of the new dairy program provided by this bill is to improve dairy farmers' net family income in ways that are fair to consumers and that will require a minimum of cost to the U.S. Treasury. These aims are met through a combination of deficiency payments, product purchases, marketing quotas and compliance deposits. The program would operate under the control of a Federal Dairy Board, composed of actual operating dairy farmers, working with the Secretary of Agriculture.

Here is how the program would operate each year the plan was in effect.

Not later than March 1, the Federal Dairy Board would make a study of the prospective supply, demand and price situation in the milk and dairy products market for the coming marketing year.

On the basis of this study, the Board would determine the average price which would be received by producers throughout the United States for manufacturing milk and butterfat in the absence of Federal price-support operations during the coming marketing year. The Board's calculations would be based on the assumption that the number of unemployed would not exceed 3 percent of the civilian labor force.

DAIRY BOARD IS KEYSTONE OF PROGRAM

This is the keystone of the program—and the first step in its operation. The Board could utilize the services of all the dairy-price analysts of the Department of Agriculture, and of other economic statisticians, in order to have at its fingertips the latest and most accurate statistical and economic information available. This would insure an accurate forecast of the probable supply of dairy products and the resulting price received by farmers without a price-support program. The Board's price determination would serve as a trigger for application of marketing quotas and to measure the extent to which market supply should be reduced through quotas.

The 3 percent unemployment assumption is provided in the bill to insure that reduced consumer demand for milk and its products resulting from excessive unemployment would not act to establish marketing quotas that would reduce the national market supply of milk below the full volume demanded in a relatively full-employment economy. In effect, this provision insures that at all times marketing quotas are in effect under the program, the nation will have an adequate supply of milk.

After the Board determines the expected market price—based upon the full-employment assumption—the bill provides the Board shall place marketing quotas into operation for the subsequent marketing year if the expected market price is lower than 90 percent of the parity price for manufacturing milk or for butterfat sold in cream.

The result of this determination of the Board is shown in line 2 of table A, which I include in the RECORD at this point in my remarks.

TABLE A.—*Dairy Marketing Act—Manufacturing milk—Estimated Government costs, market prices, market supply reductions, and returns to farmers that would result from operation of proposed program under different economic situations—Typical year's operation*

A	B	C	D	E	F
1. 100 percent of parity price of manufacturing milk per hundredweight as reported by USDA monthly	$4.46	$4.46	$4.46	$4.46	$4.46
2. Expected market price received by farmers, per hundredweight assuming 3 percent or less unemployed. (Sec. 631 requires the Federal Dairy Board to "publish its determination of the average price per unit received by farmers for manufacturing milk and for butterfat in the absence of any Federal price support operations during the next marketing year, based on the assumption that the number of unemployed will not exceed 3 per centum of the civilian labor force." The figures shown on this line are the prices that would reflect different dairy market situations where milk prices would be at the level shown in relatively full employment economy.)	$1.64	$2.05	$2.46	$3.36	$4.01
3. 90 percent of parity price	$4.01	$4.01	$4.01	$4.01	$4.01
4. Extent to which market price is below 90 percent of parity price (line 3 minus line 2)	$2.37	$1.96	$1.55	$0.65	0
5. Percent of such difference is of expected average price (line 4 divided by line 2)	137	95	62	19	0
6. Percent of price drop requiring 1 percent cut in quotas from base. (Sec. 633 states: "If marketing quotas under this title are in effect for a marketing year, the Board shall establish a marketing quota for each producer which shall be his market base reduced by not more than 1 per centum of base for each 5 per centum that the estimated average price per unit for manufacturing milk is less than 90 per centum of its parity price." For each 5 percent by which the expected market price must be raised to reach 90 percent of parity goal, a cut of 1 percent below base is required.)	5	5	5	5	5
7. Percentage cut from marketing base (line 5 divided by line 6)	27	19	12	4	0
8. National marketing base (billion pounds milk equivalent). (Estimated base for all milk marketed—average annual marketings of all milk, during first 3 of the next previous 4 years. It is forecast that in the immediate future the sales of milk for fluid use and for manufacturing, including butterfat, will be just about equal.)	116	116	116	116	116
9. For fluid use (billion pounds milk equivalent)	58	58	58	58	58
10. For manufacturing use (billion pounds milk equivalent). (This figure is milk equivalent of all milk and butterfat sold for manufacturing ice cream, dry milk, industrial products, butter, cheese, and other processed products.)	58	58	58	58	58
11. Percentage of unemployed (1958 figure used for illustration)	7	7	7	7	7
12. Probable market price without quotas and 7 percent unemployed. (The bill is written so that marketing quotas will not be used to reduce supply to adjust to reduced demand from unemployment above the level of 3 percent of the labor force. The bill requires that the full volume of milk from quotas reflecting full employment be allowed to flow into the market. Each additional percentage point of unemployment might depress the farm price by 2½ percent below the price of a full employment market.)	$1.48	$1.85	$2.21	$3.02	$3.61
If all producers comply—					
12a. Reduction by marketing quotas (billions of pounds milk equivalent) (line 8 times line 7)	31	22	14	5	0
13a. Percent reduction in market supply of manufacturing milk (line 12a divided by line 10)	53	37	24	9	0
14a. Expected price increasing effect of quotas, as percentage of expected market price. (For each 1 percent cut in market supply of manufacturing milk it is expected that price received by farmers will increase by 3 percent. Estimate based on retail price elasticity figure used by Secretary of Agriculture in H. Doc. 57 of the 84th Cong., 1st sess., p. 9, of 0.7 for manufactured dairy products. If correct, this means that a 7-percent cut in supply will raise retail price by 10 percent, with marketing margins on manufactured milk products, now equaling about 120 percent of price received by farmers, this means a farm price elasticity of approximately 0.33 or a ratio of price change to supply change of approximately 3 to 1)	159	111	72	27	0
15a. Increase in market price owing to operation of quotas (line 12 times line 14a)	$2.35	$2.05	$1.59	$0.82	0
16a. Market price with quotas in effect (line 15a plus line 12)	$3.83	$3.90	$3.80	$3.83	-------
17a. Required payments, per hundredweight (line 3 minus line 16a)	$0.18	$0.11	$0.21	$0.18	-------
18a. Compliers' marketings of manufacturing milk (billion pounds milk equivalent) (line 10 minus line 12a)	27	36	44	53	-------
19a. Net return received by compliers, per hundredweight (line 16a plus line 17a)	$4.01	$4.01	$4.01	$4.01	-------
20a. Net return received by noncompliers (if any), per hundredweight:					
X With 25-cent deposit (line 16a minus 25 cents)	$3.58	$3.65	$3.55	$3.58	-------
Y With 50-cent deposit (line 16a minus 50 cents)	$3.33	$3.40	$3.30	$3.33	-------
21a. Total payments (millions of dollars) (line 17a times 18a divided by 100)	$49	$40	$92	$95	-------
12b. Reduction by marketing quotas (billion pounds milk equivalent) (line 8 times line 7 times ⅔)	21	15	9	3	-------
13b. Percent reduction in market supply of manufacturing milk (line 12b divided by line 10)	36	26	16	5	-------
14b. Expected price increasing effect of quotas, as percent of expected market price. (For each 1-percent cut in market supply of manufacturing milk it is expected that price received by farmers will increase by 3 percent. Estimate based on retail price elasticity figure used by Secretary of Agriculture in H. Doc. 57, 84th Cong., 1st sess., p. 9, of 0.7 for manufactured dairy products. If correct, this means that a 7-percent cut in supply will raise retail price by 10 percent, with marketing margins on manufactured milk products, now equaling about 120 percent of price received by farmers, this means a farm price elasticity of approximately 0.33 or a ratio of price change to supply change of approximately 3 to 1.)	108	78	48	15	-------
15b. Increase in market price owing to operation of quotas (line 12 times line 14b)	$1.60	$1.44	$1.06	$0.45	-------
16b. Market price with quotas in effect (line 15b plus line 12)	$3.08	$3.29	$3.27	$3.47	-------
17b. Required payments, per hundredweight (line 3 minus line 16b)	$0.93	$0.72	$0.74	$0.54	-------
18b. Compliers' marketings of manufacturing milk (billions of pounds milk equivalent) (line 10 times ⅔ minus line 12b)	18	24	30	36	-------
19b. Net returns received by compliers, per hundredweight	$4.01	$4.01	$4.01	$4.01	$4.01
20b. Net returns received by noncompliers, per hundredweight:					
X With 25-cent deposit (line 16b minus 25 cents)	$2.83	$3.04	$3.02	$3.22	-------
Y With 50-cent deposit (line 16b minus 50 cents)	$2.58	$2.79	$2.77	$2.97	-------
21b. Total payments (millions of dollars) (line 17b times 18b divided by 100)	$167	$173	$222	$194	-------
22b. Marketings on which deposits would be forfeited (billions of pounds) (line 8 times 1/3)	39	39	39	39	39
23b. Total of deposits that would be forfeited (millions of dollars):					
X With 25-cent deposit (line 22b times 25 cents divided by 100)	$99	$99	$99	$99	-------
Y With 50-cent deposit (line 20b times 50 cents divided by 100)	$198	$198	$198	$198	-------
24b. Net cost of programs to Government (millions of dollars):					
X With 25-cent deposit (line 23b X minus line 21b)	$68	$74	$123	$105	-------
Y With 50-cent deposit (line 23b Y minus line 21b)	[1] $31	[1] $25	$14	[1] $4	-------
If only ⅓ of producers comply—					
12c. Reduction by marketing quotas (billions of pounds milk equivalent) (line 8 times line 7 times 1/3)	11	7	5	2	0
13c. Percent reduction in market supply of manufacturing milk (line 12a divided by line 3)	19	12	9	3	-------
14c. Expected price increasing effect of quotas, as percent of expected market price. (For each 1-percent cut in market supply of manufacturing milk it is expected that price received by farmers will increase by 3 percent. Estimate based on retail price elasticity figure used by Secretary of Agriculture in H. Doc. 57, 84th Cong., 1st sess., p. 9, of 0.7 for manufactured dairy products. If correct, this means that a 7-percent cut in supply will raise retail price by 10 percent, with marketing margins on manufactured milk products, now equaling about 120 percent of price received by farmers, this means a farm price elasticity of approximately 0.33 or a ratio of price change to supply change of approximately 3 to 1)	57	36	27	9	-------
15c. Increase in market price owing to operation of quotas (line 12 times line 14c)	$0.85	$0.67	$0.60	$0.27	XXX
16c. Market price with quotas in effect	$2.33	$2.52	$2.81	$3.29	XXX
17c. Required payments, per hundredweight (line 5 minus line 16c)	$1.68	$1.49	$1.20	$0.72	XXX
18c. Compliers' marketings of manufacturing milk (billions of pounds) (line 10 times 1/3 minus line 12c)	8	12	14	17	XXX

See footnote at end of table.

TABLE A.—*Dairy Marketing Act—Manufacturing milk—Estimated Government costs, market prices, market supply reductions, and returns to farmers that would result from operation of proposed program under different economic situations—Typical year's operation*—Con.

A	B	C	D	E	F
If only ¼ of producers comply—					
19c. Net returns received by compliers, per hundredweight	$4.01	$4.01	$4.01	$4.01	$4.01
20c. Net returns received by noncompliers, per hundredweight:					
X With 25-cent deposit (line 16c minus 25 cents)	$2.08	$2.27	$2.56	$3.04	XXX
Y With 50-cent deposit (line 16c minus 50 cents)	$1.83	$2.02	$2.31	$2.79	XXX
21c. Total payments (millions of dollars) (line 17c times 18c divided by 100)	$134	$179	$168	$122	XXX
22c. Marketings on which deposits will be forfeited (billions of pounds) (line 8 times 2/3)	77	77	77	77	XXX
23c. Total of deposits that would be forfeited (millions of dollars):					
X With 25-cent deposit (line 22c times 25 cents divided by 100)	$193	$193	$193	$193	XXX
Y With 50-cent deposit (line 22c times 50 cents divided by 100)	$386	$386	$386	$386	XXX
24c. Net cost of programs to Government (millions of dollars):					
X With 25-cent deposit (line 21c minus line 23c X)	[1] $59	[1] $14	[1] $25	[1] $71	XXX
Y With 50-cent deposit (line 21c minus line 23c Y)	[1] $252	[1] $207	[1] $218	[1] $264	XXX

[1] Forfeited deposits exceed payments during year by amount shown.

In line 2 of the table, the Board's probable determination of expected market price is shown under the different columns B through F for different possible supply situations. Column B in the table indicates how the program would work out if the economic situation were such that, in the absence of Federal price-support operations, the expected price received by farmers for manufacturing milk would be only $1.64 per hundredweight. Column C shows how the program would operate if the expected price were $2.05 per hundredweight; column D, $2.46; column E, $3.36; and column F, $4.01.

These prices in line 2 of each column are the determination of the Board under each of several different possible dairy market situations relating to supply conditions. Each is made with the assumption—which might or might not be true in that particular year—that the number of unemployed would be less than 3 percent of the civilian labor force.

Mr. Speaker, this price determination of the Dairy Board sets the program into motion.

For purposes of illustration, let us see what would happen under the program in the kind of economic situation where the Board would determine that, based on 3 percent or less unemployment, the market price received by farmers for manufacturing milk would be $2.46, as indicated under column C, line 2.

As $2.46 per hundredweight is less than 90 percent of the parity price ($4.01), this would be a year when marketing quotas would be placed into effect, as required in section 631 of the bill.

EXPECTED MARKET PRICE WILL DETERMINE QUOTAS

Following the determination of the expected market price, the Board would put into effect the provisions of section 633, which directs the Board to "establish a marketing quota for each producer which shall be his marketing base, reduced by not more than 1 per centum thereof for each 5 per centum that the estimated average price per unit for manufacturing milk is less than 90 per centum of its parity price." Under column D, the expected market price determined by the Board is $1.55 per hundredweight less than 90 percent of the parity price. This difference—line 4—is 62 percent of the expected market price—line 5.

Under the provisions of the bill, the Board would be required to reduce the marketing quota below the marketing base by each 5 percentage points of the 62 percent difference shown in line 5. Thus the marketing quota would be set at 12 percent less than the marketing base—line 7, column D.

With a national marketing base of 116 billion pounds of milk equivalent—line 8—the 12 percent reduction through quotas—line 7, column D—would be a total reduction in marketing of milk, if all producers comply, of 14 billion pounds—line 12a, column D—or a 24 percent reduction in the market supply of manufacturing milk—line 13a, column D.

Mr. Speaker, according to the report sent to Congress by the Secretary of Agriculture in response to the request for information concerning alternative proposals for dairy price supports—printed as House Document No. 57 of the 84th Congress, 1st session—the retail price elasticity of manufacturing milk products is minus 0.7—see page 9 of report. With marketing margins equaling about 120 percent of the price received by farmers for manufacturing milk, this means that the farm price elasticity of manufacturing milk is about minus 0.33. This would indicate a ratio of farm price change to change in market supply of approximately 3 to 1.

COMPLIANCE WITH QUOTAS WILL LIFT PRICE

Thus, if all producers comply, a 24 percent reduction in the supply of manufacturing milk—line 13a, column D—would have a lifting effect on the price received by farmers of three times as much or 72 percent—line 14a, column D. With 7 percent unemployed and without quotas, the market price would be $2.21—line 12, column D. Application of marketing quotas would raise this market farm price by 72 percent or $1.59—line 15a, column D—that is, to $3.80—line 16a, column D.

With the support level at $4.01, this would require a payment of 21 cents per hundredweight—line 17a, column D.

Compliers' marketings of manufacturing milk would be 44 billion pounds—line 18a, column D—requiring a total payment of $92 million—line 21a, column D. This represents the extent to which the excess of unemployment had reduced the price obtainable for the full employment supply of milk products below the 90 percent of parity support level.

Mr. Speaker, the bill does not require that all dairy farmers comply with their marketing quotas. If the farmers are willing to forfeit their compliance deposits, they can exceed their marketing quotas without further penalty or control.

However, with participation in the program near the 100 percent bracket, a noncomplier would be receiving from 55 to 70 cents less per hundredweight for his milk than a complier who cooperated with his marketing quotas. Under these circumstances, I doubt that many dairy farmers would choose to exceed their quotas.

However, let us assume that as many as one-third of all producers did become noncompliers. This would not increase the cost to the Federal Government, nor would it injure the value of the program for those who did comply.

All compliers would still receive returns at the support level of $4.01. Net returns of noncompliers would be from $1 to $1.50—lines 20b X and Y, column D.

The amount of the forfeited compliance, if the rate was set at 50 cents per hundredweight, would just about pay the full cost of the payments made to those producers who stayed within their marketing quotas—lines 23b, Y compared with 21b. With compliance deposits set at 25 cents per hundredweight, the amount of the forfeited deposits would come within $123 million annually of covering the cost of the payments to cooperating producers—line 24b X.

NINETY PERCENT OF PARITY AT LESS COST THAN PRESENT 75 PERCENT PROGRAM

Mr. Speaker, and by this means, dairy farmers could receive 90 percent of parity for their manufacturing milk and butterfat at considerably less cost to the Federal Government than the existing 75 percent of parity program is costing. If only one-third of the dairy farmers should elect to comply with their marketing quotas, the program would operate at a net profit to the Federal Government—lines 24c X and Y.

This is the manner in which the program would work and the results it would have if marketing quotas were set by the Federal Dairy Board at the level specified in the bill. At little or no cost to the Government, dairy farmers would be protected at 90 percent of the parity price and consumers would be protected from shortages of dairy products.

The Federal Treasury is fully protected by provisions of the bill. The

Secretary is not required to establish the support level at 90 percent of parity if the Board does not set marketing quotas at the minimum level specified. For each 1 percent by which the Board fails to set quotas at the minimum level, the Secretary is authorized and directed to lower the level of support by 2 percent of the parity price. To protect dairy farmers prices at least at the level provided by the existing law, the Secretary is not authorized to reduce supports below 75 percent of parity.

Mr. Speaker, to protect the Treasury in the unlikely event the Board does not set marketing quotas at a level consistent with 75 percent of parity, the bill provides that the Secretary may lower the quotas set by the Board by 1 percent for each 5 percent of the expected free market price by which it is expected to be lower than 75 percent of parity.

By this device, the Board is empowered to cause the Secretary to set the support level at 90 percent of parity by reducing quotas as provided in the law. However, if the Board does not act in full compliance with their authority, the Secretary has full authority to reduce the price support level or the quotas or both to protect the Treasury.

PROGRAM IS ALMOST COMPLETELY SELF-FINANCING

Except in the event of more than 10 percent unemployment, which we hope never occurs, the program provided in this bill is almost completely self-financing under all possible circumstances. But it also contains a safeguard for consumers by using deficiency payments rather than supply restriction to make up for loss of dairy farmers' income resulting from excessive unemployment.

Any time that unemployment should increase above the 3 percent level, the full-employment volume of milk would continue to flow to the market. Market prices would be allowed to find their own level, and the difference by which market prices were lower than support prices would be made up to the farmer in the form of a deficiency payment.

However, through the self-discipline of the compliance deposit, dairy farmers would be encouraged to cooperate fully with the program. But even if many of them did not, this would not add to the Government cost of the program.

Mr. Speaker, the existing dairy support program, which provides supports at little more than $3 per hundredweight, costs the Government $404 million in 1956, $230 million in 1957, and $245 million in 1958. The program provided by this bill would support dairy producers' returns at $4 per hundredweight at less than half the cost to the Federal Government.

A producer whose base was 2,000 hundredweight would come out as follows if there were 7 percent unemployed in a situation where manufacturing milk would average $2.21 on a completely free market with two-thirds of the producers participating.

If he complies, his quota would be arrived at by subtracting 12 percent from his base—line 7, column D. Thus, his quota would be 2,000 base, less 240, or 1,760 hundredweight. This quota would be sold at the market price of $3.27 per hundredweight, plus 74 cents per hundredweight deficiency payment—line 17b, column D. Of course, 50 cents is sent to the Government as compliance payment, but at the end of the year he would get back the 50 cents compliance deposit. His total price for his milk would be $4.01 per hundredweight—$3.27 plus 74 cents deficiency payment—or a total return of $7,057.60 for 1,760 hundredweight—multiply 1,760 by $4.01.

If he does not comply, he sells 2,000 hundredweight at market price of $3.27 per hundredweight, minus 50 cents deposit, or $2.77 per hundredweight. Since he does not comply and reduce his base, he does not get the deposit back or receive any payments. Therefore, his total return would be $5,540—2,000 multiplied by $2.77. The noncomplier would receive $5,540 instead of the $7,057.60 he would receive if he did comply with the quotas. He would lose $1,517.60 by his noncompliance.

It would seem reasonable to assume that the compliance percentage would be closer to 100 percent than to 67 percent or 33 percent.

Under the program provided by existing law the same producer selling 2,000 hundredweight receives $6,480 or $577.60 a year less than under the program provided by this bill.

SUMMARY OF DAIRY MARKETING BILL'S MAJOR PROVISIONS

Mr. Speaker, in closing I would like to summarize the major provisions of my dairy marketing bill:

First. It would make possible the establishment of the support level of 90 percent of parity price for butterfat and manufacturing milk at less cost to the Government than the existing 75 percent of parity program.

Second. It would establish a system of marketing quotas geared to the extent to which market price without a program would be below the support level under conditions of full employment;

Three. It would provide price support deficiency payments directly to producers to make up the extent to which market prices were allowed to drop below support level, and it would set quotas to allow full employment market supply to flow into the market even if the price was depressed by unemployment above the level of 3 percent of the labor force;

Four. It would require Government purchases to keep the market prices of the several products of milk in a reasonable balance with each other; and

Five. It would set up a system of marketing quota compliance deposits of between 25 and 50 cents per hundredweight, collected on all sales of milk but returned in full at the end of each year to all compliers.

Mr. Speaker, table A works through the application of the provisions of the bill under five different dairy market situations with an unemployment level of 3 to 7 percent.

These calculations of the operations of the bill indicate that—

A. Only if unemployment should rise well above 7 percent of the civilian labor force—in July 1958 seasonally adjusted unemployment percentage was 7.4 percent—could the program be a net cost to the Federal Government under most circumstances. Forfeited compliance deposits by producers who chose not to abide by their quotas would equal or exceed the total of payments that would have to be made except in years of heavy unemployment.

B. The forfeiture—and therefore nonreturn—of compliance deposits already made and loss of eligibility to receive price-deficiency payments so reduces the net return to those who do not cooperate with the program that noncompliance would be very low.

C. Even a large percentage of noncompliance cannot reduce the value of the program to compliers nor increase its cost to the Government.

D. Marketing quotas are set at a level to maintain 90 percent of parity prices in a full-employment economy. If unemployment above the 3 percent level prevails or develops, the bill provides for allowing the market price to drop to the level that will clear the market of the full-employment level of milk supply. If the market price falls below the support level, the difference is made up to the farmer by means of price-support deficiency payments.

E. Marketing quotas are set not by a supply and carryover equation but are geared to the degree by which price is depressed by oversupply. If market price in the year ahead averages above 90 percent of parity no quotas would go into effect.

F. The program provided in the bill is self-financing except when payments are required to make up for excessive unemployment in the general economy.

G. The bill provides a program that will enable farmers to obtain at least 90 percent of parity for their milk by means of a workable, airtight, self-financing program of adjusting market supply to demand with built-in consumer safeguards.

H. The mechanics of the proposed program are such that Congress or the Secretary of Agriculture can make adjustments at any time to lower prices and increase payments or decrease payments because of higher market prices.

BILL MEETS FOUR ESSENTIALS OF A GOOD FARM PROGRAM

Mr. Speaker, when the House Agriculture Committee was holding hearings on the cotton bill, Congressman BOB POAGE, of Texas, outlined the essentials for a good farm bill. These requisites are:

1. reduce cost to taxpayers;
2. give substantial help to the farmers;
3. minimize controls; and
4. reduce surpluses and prevent their recurrence.

Mr. Speaker, I firmly believe that my dairy marketing bill will achieve the above objectives. Any workable self-help program means some type of Government controls. Dairy farmers have never had a chance to vote on the type of price support program they prefer, but they will have this opportunity if the proposed Dairy Market Act becomes a law.

We are not foisting more Government controls on the dairy farmer against his

wishes. It is up to him to decide if he wants the program. I am confident the farmers and taxpayers will support the program because of the savings involved to the taxpayer and the assistance given the farmer for a fair and decent living standard.

I now wish to present a section-by-section analysis of the proposed Dairy Marketing Act, H.R. 6750.

ANALYSIS OF THE PROPOSED DAIRY MARKETING ACT SECTION BY SECTION

This bill, if enacted, would amend the Agricultural Act of 1949 by adding a new title VI.

Part I includes the short title of the bill, the declaration of findings and policy, and the definitions.

Part II provides a new program of price supports for manufacturing milk and butterfat for the marketing years ending in 1962, 1963, and 1964.

Section 621 provides that the Secretary of Agriculture shall support the price of manufacturing milk and butterfat to qualifying producers at 90 percent of the parity price if the Dairy Board has established marketing quotas at the minimum level established by later provisions of the act. For each 1 percent of the marketing base by which the Board does not reduce marketing quotas to the extent provided, the Secretary may lower the level of price support by 2 percent of the parity price. In no event may the Secretary establish the support level for milk and butterfat at less than 75 percent of the parity price.

Section 622 provides that the price supports for manufacturing milk and butterfat shall be carried out through a combination of deficiency payments to qualifying producers and purchases—or, in certain circumstances by purchases alone.

During each marketing year to which the new program applies, the Secretary is directed to make price supports available from Commodity Credit Corporation funds to each qualifying producer, who during the marketing year sold 10,000 pounds or more of milk or milk equivalent, by means of a deficiency payment with respect to all manufacturing milk and butterfat sold by him during the year. The deficiency payment for any producer for any marketing year is calculated as the amount equal to the difference between the price-support level and the domestic market price per unit of such commodity for that year multiplied by the number of units of the commodity marketed by the producer during that marketing year.

Mr. Speaker, deficiency payments must be made to qualifying producers before July 1 of the year immediately following the marketing year in question. The domestic market price per unit used in calculating the amount of the deficiency payment shall be an average of the national average net prices received by producers on sales of such commodity. A qualifying producer who sells milk under terms of a Federal milk order shall be eligible for a deficiency payment on as much of his milk as is used for manufacturing milk or butter.

The forfeited compliance deposits of producers and such other funds as may be required by the Secretary to reimburse the Commodity Credit Corporation for such of its funds as may be expended in the new program are authorized to be appropriated to the Secretary of Agriculture.

In conjunction with the deficiency payments, the Secretary shall make price support available through purchase of products of milk to the extent necessary to, first, fulfill Government dairy product distribution program requirements; and, second, correlate the relative prices of the various products of manufacturing milk and butterfat in such a manner that prices to producers for manufacturing milk and butterfat used in the different manufactured dairy products will be maintained in the average relationship they had to each other during the immediately preceding 5 years. Such purchases, as far as is practical, must be made in the States or areas where prices received by producers are most depressed.

Mr. Speaker, price support may be made available through purchases alone—unaccompanied by deficiency payments—where the Dairy Board and the Secretary determine that a price-support level of 90 percent of the parity price can be obtained by the purchase of dairy products representing the milk equivalent of not more than 2 percent of the total expected farm marketings of manufacturing milk and butterfat during the marketing year.

Part III provides for establishment and operation of a system of marketing quotas for milk and butterfat sold in cream.

Section 631 of part III provides that not later than March 1 of each calendar year, the Dairy Board shall determine the average price per unit the Board estimates would be received by producers throughout the United States for manufacturing milk and butterfat, in the absence of Federal price-support operations, during the next marketing year, based on the assumption that the number of unemployed will not exceed 3 percent of the civilian labor force.

If the estimated price is less than 90 percent of the parity price, the Board shall impose marketing quotas for the next marketing year, unless the Board and the Secretary determine to provide the support operations solely through product purchases. The Board may suspend marketing quotas at any time within a marketing year when, in its judgment, the market price will be above 90 percent of the parity price if no quotas are in effect.

Section 632 provides for determination of the national and farm marketing bases for milk and butterfat sold in cream. The national marketing base for milk and milk equivalent for a marketing year shall be the average annual marketings of milk and milk equivalent in the United States during the first 3 of the immediately preceding 4 marketing years.

Mr. Speaker, the national marketing base shall be distributed by the Secretary, in accordance with regulations established by the Board, to States, counties and producers. Marketing bases must be established for each marketing year for all producers who desire to market milk or butterfat. Marketing bases shall be assigned to single producers—including partnerships, corporations and other business entities—rather than to herds or farms. In establishing and adjusting marketing bases of producers, the Secretary is required to take into consideration historical production, trends in production, abnormal production during historical period, and such other factors as may be appropriate to establish such bases in an equitable and practical manner. In establishing and adjusting marketing bases, the Secretary is required to use the services of the State, county and local farmer committees.

The Secretary will provide—by regulations approved by the Board—for (A) the transfer of marketing bases, in whole or in part, from one producer to another during the course of the marketing year; (B) assignment of bases to new producers; (C) adjustment of bases to avoid hardship; (D) such other adjustments—including adjustments for deficit areas—as he deems necessary; and (E) such other matters as may be necessary or appropriate to set up and operate the new program effectively, fairly, and efficiently.

When a producer releases his marketing base, it may not be reassigned outside the county during a period of 3 months after release by the original holder. During such a period, marketing bases so released shall be utilized to fill applications for additional bases within the county. After expiration of the 3-month period, any released bases not assigned to producers within the same county of the original holder may be reassigned to other counties within the State. For a period of 3 additional months, bases may not be reassigned outside the State, and during such period, released bases may be used to fulfill applications for additional bases within the State. After expiration of such a 6-month period, any released bases not reassigned to producer within the State may be reassigned anywhere in the United States.

Yearly adjustments in an area of deficit production shall be made only if the Secretary finds that the area does not produce sufficient milk to meet the market requirements for fluid milk for consumers in the area and has no reasonably satisfactory alternative source of supply available to it. An area which limits or restricts the entry of milk of suitable quality, as determined by the Surgeon General of the Public Health Service, from other areas shall not be eligible for adjustment of bases by reason of deficit production.

Mr. Speaker, section 633 provides that each year when marketing quotas are required, the marketing quota for each producer shall be his marketing base, reduced by not more than 1 percent for each 5 percent of the estimated average price per unit received by producers that such price is expected to be below 90 percent of the parity price. The original marketing quota for each year will be established by the Board.

For example, the program would follow these steps. Pursuant to section 631,

the Board, based upon all the statistical and economic information available to it, makes a determination of what the market price would be in the year ahead, if there were no program in operation and if 3 percent or less of the labor force were unemployed. Let us assume that this price was $3.36 per hundredweight. Since this price is less than 90 percent of parity, marketing quotas would be placed into effect.

The expected price—$3.36—is 65 cents lower than 90 percent of the parity price—$4.01. This is lower by 19 percent of the expected price. To put this another way, the expected market price would have to be raised by 19 percent to reach 90 percent of parity.

For each 5 percentage points of this difference the marketing quota would be established 1 percent lower than the marketing base. As in the example used here, 19 percent divided by 5 percent equals 4 percent, the cut from base required by the bill.

However, in the event the Board has not reduced the quota by enough to justify the required 75 percent of parity support level, the Secretary is empowered to reduce the marketing quota of each producer by not more than 1 percent of his marketing base for each 5 percent of the estimated market price that such price is expected to be less than 75 percent of the parity price.

This provision is put into the bill in order to enable the Secretary to safeguard the U.S. Treasury in case the Board does not set the quotas low enough to operate a 75 percent of parity program without net cost in a year of full employment. For example, in a year when the market price in the absence of a program would be only $2.46, this would require a payment of at least 79 cents per hundredweight to bring the expected market price up to 75 percent of parity if quotas are not in effect.

However, operation of this provision would enable the Secretary to impose quotas requiring a cut calculated as follows:

Expected full employment market price, $2.46, subtracted from $3.34—75 percent of parity—equals $0.88, which is 26 percent. Divide this by 5 percentage points gives approximately 5 percent, by which the Secretary would be authorized to reduce the base in imposing quotas.

Section 634 provides for the publication and review of the marketing quotas in accordance with applicable provisions of the Agricultural Adjustment Act of 1938, as amended.

Part IV establishes a system of dairy marketing compliance deposits to encourage the maximum compliance with marketing quotas.

Section 641 provides that during each marketing year in which marketing quotas are in effect, compliance deposits shall be withheld and collected from each producer who sells milk, butterfat or dairy products. The amount of the compliance deposits shall be determined by the Board at not less than 25 cents nor more than 50 cents per hundredweight of milk or milk equivalent—whatever figure within those limits that the Board determines to be necessary to encourage maximum compliance with marketing quotas.

Section 642 provides for the collection of compliance deposits by the Secretary of Treasury from every person buying milk, butterfat or dairy products from a producer—except consumers for other than commercial use. This purchaser shall, in turn, withhold the amount of the compliance deposit from the purchase price. In the case of milk, butterfat or dairy products delivered to a cooperative association of producers, the compliance deposit shall be withheld at the time of delivery and remitted to the Secretary of Treasury.

Mr. Speaker, the compliance deposits shall be credited to a special account in the Treasury, from which refunds may be made on drafts issued by the Secretary of Agriculture.

Section 643 provides for the refund of the entire compliance deposit to each producer who complied with his marketing quota and to each producer who sold less than 10,000 pounds of milk or milk equivalent during the marketing year. This section provides for a safeguard against the division of herds in order to qualify for the 10,000-pound exemption. The 10,000-pound exemption of a producer who joins in a milking pool is protected.

The forfeited refunds will be deposited in the general fund of the Treasury.

Part V sets up a Federal Dairy Board to carry out certain functions detailed in the new dairy program. Section 651 provides for establishment of the Board in the Department of Agriculture as an independent agency. Members of the Board shall be elected by producers. Only milk producers who obtain the major share of their income from farming are eligible to be elected as members of the Board. Appropriation is authorized to the Board of such sums as it may require to carry out its functions and duties.

Mr. Speaker, to assure appropriate regional representation on the Board, the United States is divided into 15 Federal dairy districts to be designated by the Secretary. The Secretary is required to designate districts in such a manner that districts will be areas having equal annual sales of milk, butterfat, or dairy products—as nearly as possible without dividing any county into two or more districts.

Each Federal dairy district is assigned one place on the Board. The milk producers in each district shall elect one Board member and one alternate Board member by ballot. Such election shall be conducted not later than February, 1961, in accordance with rules and regulations prescribed by the Secretary. The Secretary or an official of the Department designated by him, shall be an ex-officio member of the Board without compensation or vote.

Section 652 provides that the terms of the members of the Board shall expire on the termination date of the program: March 31, 1964. If a vacancy on the Board occurs, the alternate member elected for such place shall serve the unexpired term.

Provision is made for traveling expenses, subsistence and per diem compensation of the Board members for each day's attendance at meetings of the Board. Meetings of the Board shall begin as soon as practicable following the election of the members. Thereafter, meetings shall be held annually on the second Monday in December, and at least once in each calendar quarter, and at any other time upon call of the Chairman, a majority of the members, or by the Secretary.

The Chairman of the Board shall be elected by the Board from among its own members. The Board is empowered to employ such personnel as it deems necessary to carry out its functions, subject to the civil service laws and the 1949 Classification Act.

Section 653 provides that, in addition to its other functions, the Federal Dairy Board shall cause to be made a comprehensive study of the production and marketing of manufacturing milk, butterfat and dairy products. This study will cover producers' costs of production, prices received by producers, areas of production, the relationship between changes in national income and changes in volume of consumption of manufacturing milk and butterfat and their products, marketing and processing spreads, relationships between prices received by farmers for milk used for fluid purposes and that used for manufacturing, returns to milk producers on capital investment and labor relative to those of other farmers and of other segments of the national economy, and trends in these factors.

Mr. Speaker, the costs of production shall be determined through an audited cost-accounting survey of typical dairy farms in each region. The survey will take into account all costs of production on the farm attributable to milk production, with hired and family labor assigned a cost computed on the basis of wage rates for comparable work in milk manufacturing and processing plants in the area, and return on invested capital equal to the average return on net worth earned by milk handlers and manufacturers during the preceding 5-year period. The Board is directed to submit to Congress not later than January 3, 1963, a detailed report covering the results of the study and making recommendations for improving the dairy marketing program.

Section 661 provides for a review and amendment of Federal milk orders for the purpose of computing fluid class prices to take into account the payments made under the new program in accordance with the criteria established in the Agricultural Marketing Agreements Act of 1937. The purpose of this section is to protect the pricing structure of Federal milk orders where fluid prices are based upon the market price of manufacturing milk.

Section 662 provides that the new program shall not go into effect until approved by majority vote of milk producers in a referendum called for that purpose. The section also specifies the form of ballot to be used.

REVOLUTION IN ASTRONAUTICS DEDICATION OF AVCO CORP.'S NEW RESEARCH CENTER

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. McCORMACK] is recognized for 30 minutes.

Mr. McCORMACK. Mr. Speaker, the revolution in astronautics is the most explosive force moving in the world today. It contains the greatest struggle in our world. And it is the only decisive struggle. We are painfully aware of the critical nature of the free world's efforts in missiles and space exploration, which are part and parcel of this revolution. On these efforts we live or die. It takes only slightly longer reflection to realize the breath-taking advances in the physical sciences, in engineering and nucleonics which are the byproducts of our new astronautical frontier. They have already sown the seeds for such changes in the human environment that no man of an earlier day, including the scientist, would have thought possible.

In Wilmington, Mass., today, a significant part of this revolution in astronautics is being unveiled to the public, with the dedication of the Avco Corp.'s new research center. This center, just 13 miles north of Boston, is the working headquarters of one of the finest teams of scientists and engineers in the country. It began 5 years ago with a few dozen scientists and technical personnel working in makeshift quarters. It has evolved into the most modern powerhouse of scientific research yet to be assembled by American private industry. What this new achievement of business science, and others like it, mean to this country is immense. I cannot overstress the hope it holds for our country's future. The country owes its thanks to men like Victor Emanuel, the chairman of Avco, who are busy realizing this hope. Victor Emanuel is a dedicated American.

Let us first take the obvious concrete meaning. The Avco research staff has already proved its worth to the country in the achievements that have come from it. Avco scientists and engineers, working with the U.S. Air Force have cracked the frontier of space exploration with their work on the ICBM nose cones—first for the Titan missile and now also for the newer Minuteman. Their shock tube studies have tremendously shortened the time for and the costs of solving the critical reentry problem—and I need not add the importance of any such breakthrough to our national security. Going further in their theoretical studies, these scientists and technical experts are now pioneering in the study of that new jaw-breaking science: magnetohydrodynamics. It is a word we ought to remember—how could we forget it—for magnetohydrodynamics may ultimately give us the clue to a workable thermonuclear powerplant. It is hard for one man's mind to imagine the revolution in technology that will follow, if we can thus discipline the terrifying power of the H-bomb.

I am naturally proud that all this activity has been taking place in my home State of Massachusetts. It is no accident that nearly 300 separate laboratories, research centers, or production facilities, have nestled in the vicinity of Boston. Not only the physical advantages of communications drew them, I might venture to say, nor even the impressive scientific facilities available at the colleges and universities in the Boston area. But there is a certain atmosphere in our city which makes true science and learning feel at home there. It goes back deep into the State's history. With all the later unfavorable publicity the old Puritans received on the subject of witchburning—much of it justified, we sometimes forget that they were consistently and often amazingly friendly to the free scientific spirit. As early as 1683, no less than the famous Increase Mather was praising "the learned men, of these later times, wherein light in things natural as well as divine hath been admirably discovered." Wouldn't he be surprised at the extent and penetration of this scientific light today?

We are proud of our scientists and engineers in the Boston area, even if we poor laymen have trouble understanding the complexities of their discoveries. But the wider meaning of the Avco Research Center and installations like it goes beyond local pride in having them, or even the services they have already rendered the Nation. That wider meaning inheres in the example, given us by Avco and other companies, of the place science can and must have in modern American business—and the dramatic way in which business can help and foster science, without interfering with the cherished and rightful freedom of scientists to pursue their researches in many directions and to follow them wherever they might lead.

The example of an installation like the Avco Research Center has direct bearing on what we call the race for space, or the missile gap. This concerns, of course, the progress of the free world's race to gain a mastery of scientific and engineering knowledge and techniques so great that no perversion of science by the slave world of communism can ever endanger this. But in making this race, the United States has been harboring some faulty premises. Because we are in a race with the Russians, we tend to think of winning by doing what they do, only better. This goes for every field of endeavor. In the recent furor over American education, the country was justly aroused by the abuses, the flagrant abuses of the progressive educationists who seemed to believe that driver training was a substitute for learning mathematics. But many of us, noting that huge figures of engineers, for instance, produced by the Soviet Union, went overboard by demanding that we copy the Soviet system. Nothing could have been more wrong. For a good laboratory in a slave system does not make for an adequate education. It can produce discoveries, but not the men who can shape discoveries for the common good.

What we can say about education is true in a far wider sense for the whole spectrum of scientific endeavor. We are not engaged in a sort of baseball game with the Russians, in which we can make runs using their batting techniques. On the contrary, there is as much difference between the Soviet techniques and ours as there is between our two political systems. It is no answer to the missile gap, therefore, to say that we can bridge it by increased Government expenditure alone and more Government installations. While we need that, it is not the only way. It will become our way only if American private enterprise disregards the opportunities which the space age offers to it. And the evidence is abundant that American private enterprise is actively interested.

This is the real meaning behind the opening of the Avco Research Center and the others that I hope will follow it. For this is American business adjusting itself, in the finest traditions of the free enterprise system, to new goals and new opportunities. The economic pay-off in our scientific efforts at space exploration is tremendous. It has already manifested itself in the strides made in communications equipment, computers, miniaturization techniques in all forms of engineering. But it can only be realized if American business takes the scientist into its full confidence.

We still talk of the age of industry which has been with us, and an age of science which is about to come. We still trade in terms of the hard-headed businessman, anxious about profits and payrolls, and the visionary scientist, enmeshed in his hypothetical test tubes and mathematical tables. Neither of these ages is a fact. Neither of these stereotypes is a fact. The ages have fused long ago. The stereotypes are refuted by the thousands in the persons of alert American businessmen who know the human worth and the dollars-and-cents value of scientific research, and alert scientists who are keenly conscious of the role which they and their research must play in the economy and the life of the United States.

The partnership of business and science is not an easy one. For one thing, the businessman has to adjust himself to a new rhythm of discovery. There are areas of scientific research in which no amount of expenditures can produce a break-through on order—only hard, patient work or, occasionally, the brilliant synthesis of one man thinking by himself. Backing a scientific research program cannot be simply a quick prospect of "put your money in the slot and out comes the result." Financial support must be firm, continuing, and patient.

The scientist in turn must realize that he is not a pure being dedicated to random research, but a free man working in the context of a free society, with all the responsibilities for direction and effort that these terms premise. He is not a maverick "egghead," operating outside of his society and in a state of semiwar with it. He is leading it, and he must shoulder all the responsibilities which this idea of leadership entails.

The working agreement of science and business at the Avco Research Center is to me the most heartening sign of the

new times. It augurs a great future. It is an open secret, whatever the official economist may say, that the productive capacity of this Nation is literally straining at the leash, waiting for a new goal.

This is why I picked on the dedication of the Avco Research Center as a focus. Here is a great American corporation which is leading the way in putting more and more of its resources into the new frontiers of astronautics and general science. A statement of its new interests—"electronics, radar, space vehicle propulsion" is like reading a signpost to the frontier of the immediate future.

In the course of the last year and a half I have made an intensive study of the American program in space and astronautics. I have seen many impressive efforts conducted solely by the agencies of the U.S. Government—the Army Ballistic Missile Agency at Huntsville and some aspects of the naval research laboratories are among the outstanding examples. But I am convinced that we will never solve the problem of leadership in this field by Government agency alone—that is the Soviet way, and I see no reason why free men should imitate it.

In this trying period of the world's history, our Government should cooperate as fully as possible with private industry, utilizing its brains and facilities in the national interest of our country. This is the way in which we can bring the full resources of our Nation to play in the race to make the world and the upper reaches of space safe from the domination of communism.

To do this we must not only encourage a free enterprise cooperation of business and science. The Congress must ensure that on the highest levels the national free enterprise effort will receive proper guidance and direction.

Let us not mistake the situation. We are for practical purposes in sharp conflict with a Soviet dictatorship which is showing itself as cruel and ruthless as the dictatorship under Stalin, despite all the window dressing to the contrary. The Russians under this dictatorship are working to full capacity.

There is no mistake, either, in the fact that the United States is uncomfortably behind the Russians in military astronautics and missilery—and we can expect the Russians to take advantage of this lead. But the principal reason that we are behind is our failure to utilize the advantages of our own free enterprise system in forging the world's future, and in coordinating our brains and facilities.

It is time we realized that the space effort is not something which can be solved by just the Air Force or the Army, or a new exclusive national space authority operating on its own. It must be a national effort, because it is a new frontier. Like all our national efforts, it needs a firm purpose at the top, and hard, healthy cooperation and coordination at the working level. It is this combination of direction and cooperation and coordination which is our peculiar American genius. If we choose to follow it, we need have no fear of the future.

I congratulate Avco Corp., and Victor Emanuel and his associates in constructing these research laboratories, and in this splendid contribution to the preservation and progress of America.

SHOULD WIDOWS OF WAR VETERANS SELL THEIR GOVERNMENT BONDS?

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, I have a question which I hope some Member or Members of the House can answer. The question is, Should a widow of a war veteran who put her husband's life insurance into U.S. Treasury Government bonds sell or not sell these bonds?

To give you the whole question, let me read a letter dated May 9 which I received from a war widow in California. It reads:

> MY DEAR MR. PATMAN: The enclosed list of Treasury bond prices will show you the low level to which they have deteriorated. Like many other war widows in this area I put the entire proceeds of my veteran (two wars and three campaigns) husband's Government life insurance into Treasury bonds. Our banker advised us that while there would be only a pittance return on the bonds they were considered a gilt-edge investment. Now they have slumped alarmingly, and the end seems not in sight.
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> * * * * *
>
> Should the widows of men who gave their all for our precious freedom sell their Treasury bonds and again be nearly pauperized?
>
> Thank you in advance for your early reply.
>
> Sincerely.

I wish I could answer that question, and I should be able to answer it, but I cannot. The Congress should know, and perhaps other Members do know, but I for one have not been informed. The price of Government securities tomorrow, just as the price today, is a decision of our Government, but I do not know what that decision will be. I have no hint whether the people within our Government who determine these prices, whoever these people may be, intend or do not intend to bring about a bond price even lower than the present price.

Certainly the prices of our Government's securities have already been lowered to a point which we would not have believed possible a few years ago. Yet almost every day these prices are driven to a new low. And conversely, interest rates throughout the economic system are driven to a new high.

TWO AND FIVE-EIGHTHS PERCENT U.S. GOVERNMENT SECURITIES SELLING AT YIELD RATE OF 4.41 PERCENT

Nor can I tell what the factors are that enter into these decisions to bring about higher and higher interest rates. Certainly these decisions are not related to the amount of debt which the Government must carry. And they are not related to the total demand for savings, including the demand from all public and private sources. On a per capita basis the Federal debt is now much lower than it was in the 12-year period of 1945 through 1956. And the total demand for savings from both public and private sources is now a smaller percentage of the national income than it was in the years before this administration took office, and even during its first four years in office. Even so, the crisis in the management of the Federal debt continually grows worse. Prices of U.S. securities have now been depressed to the point where long-term bonds are being traded in the market at yields above the rate at which the Treasury can legally issue new bonds. Since World War I—or for two generations—the law of the land has fixed a ceiling rate of 4.4 percent at which the Treasury can issue marketable bonds. But yesterday, according to the Associated Press report, the 2⅝ percent Treasury bonds due in February 1965 dropped to a price which yields 4.41 percent.

HOW MUCH REPUDIATION ALREADY?

Yesterday, this bond was selling at $90.28 on the $100. Just consider these prices. The Treasury's 2½'s, callable in 1970–1965, were selling at $84.88 on the $100. The Treasury's 2½'s, callable in 1972–1967, were selling for $83.20 on the $100. The Treasury's 2½'s, due in 1961—just 2 years from now, were selling for $95.25 on the $100, which gives an interest yield of 4.25 percent.

What is the answer? Should this widow sell her bonds now as quickly as possible? How much lower are they likely to go? Will she be paid back 90 cents on the $1 of her husband's insurance? Eighty-five cents? Eighty cents? Seventy cents? Fifty cents? Who knows? Only the people running the Federal Reserve System know, but I believe Congress should also know, for these reasons.

FEDERAL RESERVE DETERMINES INTEREST RATE

The Federal Reserve determines the prices of all Government securities, and determines the level of all interest rates, in part by the amount of money it creates or extinguishes. And it determines these things in part by the price, or interest rate, it places on money.

FEDERAL RESERVE ACTS FOR CONGRESS

The determination of these things is a power and a duty reserved to Congress by the Constitution. The Constitution fixes on Congress responsibility for issuing money and regulating the value of money. And while Congress does not actually do these things itself, these things are done for and in the name of Congress. Congress has delegated its power and its responsibility in this field. To whom has Congress delegated the responsibility, and who actually carries it out?

The truth is we do not really know. We know only that monetary policies are made somewhere in the hidden recesses of the Federal Reserve System, but by whom in the Federal Reserve System we do not know. The Board of Governors of the Federal Reserve System tells us repeatedly that the System is an "arm" of Congress. In fact the Board has formerly objected to a bill which would require that its policies and programs be coordinated with the executive branch on the ground that the Federal

Reserve System is constitutionally not a part of the executive branch, but a part of the Congress.

WHO DECIDES BOND PRICES?

What then does Congress know about its monetary policies?

No Member of Congress can say with certainty, I think, whether the money and credit policies of the United States are determined by the Board of Governors, which is a publicly appointed Board, or whether it is determined by the Federal Reserve's Open Market Committee, which is part publicly appointed and part appointed by representatives of the private banks. It is my belief, based on a number of years of intensive research into the matter, that top policy is made by the Federal Open Market Committee. Yet, even so, there may be considerable difference between policy as intended and policy as actually carried out.

It is the Open Market Committee, if I am right, who decides in a general way what the price of Government securities shall be, and consequently what the level of all interest rates shall be. But the execution of this policy is delegated to the Federal Reserve Bank of New York, which means that the actual making of the money supply, the actual making of the prices of Government securities, and the actual making of interest rates is delegated to a group of officials who are chosen exclusively by representatives of private banks. In other words, the officers of the New York bank are chosen by the directors of that bank, and two-thirds of the directors of that bank are elected by the private banks.

Even so, this is not the end of the delegation of the function of determining the actual money supply, the actual prices of Government securities, and the actual interest rates in the economic system. This function is further delegated to a group of 16 private securities dealers with whom the New York bank trades in Government securities. These securities dealers are what Federal Reserve officials like to call a buffer between the Federal Reserve and the money market. In the last analysis, these dealers have the function of transmitting the Federal Reserve's hoped-for policies to the banking system and to the securities markets.

WHO KNOWS WHAT THE GOVERNMENT'S MONEY POLICY IS?

So much, then, for the question of who exercises Congress' power to regulate the value of money. The next question is more difficult. The next question is, What is being done with this power? The answer to this, I can tell you, is a secret, at least insofar as the Congress and the general public are concerned. As you know, the Employment Act of 1946 declares that the Federal Government shall coordinate all of its agencies, its plans, and its policies to achieve maximum employment, production, and purchasing power. And at least once a year the President's Economic Report reviews the trends in employment and business activity in the private economy and sets out all of the Government's plans and policies for the year ahead in light of their expected effects on these trends. That is, the President's Economic Report sets out all of the plans and policies with one exception—the Government's monetary policy. And, of course, this is the one policy which can change or reverse all the others.

The Government Operations Committee of the House has been considering a bill to amend the Employment Act of 1946, to require the President to include in his Economic Report a statement of what the monetary policy is to be for the year ahead; or, if not a statement of policy, at least the President's recommendation as to what the policy should be. But the Federal Reserve Board has objected to any such requirement, on the ground—of all things—that a public statement of what monetary policy is going to be would encourage speculation in the securities market. Now, is that not a remarkable piece of reasoning? Where can we find an example of people speculating on what is going to happen when everybody knows what is going to happen? Actually, of course, there is no ground for speculation unless there is considerable uncertainty as to what is going to happen. There is speculation when there is an uncertainty, and some people have inside information or think they can make better guesses as to what is going to happen than other people.

Is everybody equally in the dark about what the Federal Reserve's policy is? Well, there is an extremely competent and authoritative book written by a vice president of the Federal Reserve Bank of New York, Robert V. Roosa, entitled "Federal Reserve Operations in the Money and Government Securities Markets." Mr. Roosa, I might add, knows intimately and from the inside the Federal Reserve's operations in the money and Government securities markets, the System's methods, its purpose and all about it. After explaining all of these things, he has this to say:

> The student interested in knowing "what policy is" and prepared to analyze the complex of all daily and weekly published data can generally come fairly close to knowing in a short time. * * *
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> * * * * *
>
> The characteristically detailed annual reviews of the record, published by the Board of Governors and most Federal Reserve banks, the monthly Federal Reserve Bulletin, and the New York Reserve Bank's Monthly Review, provide enough analysis of what was done, and why, soon enough after the events, to permit the specialist to acquire the body of knowledge which can equip him to make informed judgments of later data and developments. This does mean, however, that the interpretation of central bank action, and the evaluation of its influence, has become, like many other things in this modern day, a zone reserved largely for the specialists.

WHY DOESN'T CONGRESS KNOW, OR DOES IT?

In other words, if we were specialists, as the Wall Street securities dealers are specialists, we would know what our Government's monetary policy is at all times, and we would have a pretty good idea what the policy is going to be in the period ahead. We could tell the way the Federal Reserve is going just as an Indian scout can, by looking at the horse's tracks, tell which way the horse is going. But lacking this specialization and lacking the time to locate and analyze the daily statistical tracks and guideposts, we do not know. At least I do not know, and I cannot give the woman who wrote me any hint as to what our Government's policy is going to be, nor what prices it expects to bring about for the bonds she holds.

We all know the old saw, of course, that the money managers are trying to protect our dollar. Well, who can say that raising interest rates higher and higher actually protects the value of the dollar? Who can say with confidence that a policy which increases the cost of everything—increases the cost of raw materials, the cost of manufacturing, the cost of wholesaling, the cost of retailing, the cost of buying houses, automobiles, and so on, increases the cost of school buildings, increases the cost of taxes, increases the cost of carrying the Federal debt—can anyone say that such a policy protects the value of the dollar? No, obviously not. But this we can say with certainty: When our Government follows a policy of reducing the market value of Government bonds, it takes a bite out of every dollar of savings which has been put into these bonds.

Can any Member of the House then conscientiously advise the widows of war veterans to hold on to their Government bonds? Can any Member offer these people assurance that our Government will not within the next few weeks or few months repudiate another portion of its bonded debt? Can any Member deny that next month the policy of our Government may be to reduce the price of its bonds to the point that they will repay only 80 cents on the dollar put into them, instead of 85 cents as today?

Is there any Member who feels that he cannot, like Pontius Pilate, wash his hands and cry that he is innocent of all responsibility in this matter?

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. RHODES of Arizona. I just want to ask the gentleman a question concerning one statement he made, that the Government has reduced the price of bonds. I do not think the gentleman meant that exactly.

Mr. PATMAN. Yes; I made that statement deliberately. The Government has reduced the price of bonds, because the Federal Reserve System is a Government-owned organization. It is owned 100 percent, lock, stock, and barrel, by the U.S. Government. Its operations are operations of the Government. When the Federal Reserve System fixes interest rates and forces bond prices down or up, the Federal Reserve System thereby fixes bond prices. I say deliberately that the Government fixes bond prices.

Mr. RHODES of Arizona. The Government ceased supporting the price of bonds back in 1951, I think it was.

Mr. PATMAN. Yes.

Mr. RHODES of Arizona. So the gentleman is not saying, then, that the situation which he describes is a new one? If it exists, it has existed for quite some time. Is that not correct?

Mr. PATMAN. Since the gentleman mentioned the so-called accord, I believe a brief explanation will be in order. The gentleman refers to the March 4, 1951, decision of the Federal Reserve System to secede from the Government, to declare its independence from the Government, from the executive branch in particular, and from the Congress in some respects. In doing that the System was taking the position that it would not maintain any certain price for the bonds, but would change the price as it pleased.

Let us see what led up to that. On January 30, 1951, President Truman for the first time in history as a President, asked all of the Federal Reserve's Open Market Committee to visit him at the White House. That was the first time in history that that was done. The Open Market Committee, you know, is composed of 12 members, the 7 members of the Board of Governors and 5 Federal Reserve bank presidents, in other words 5 men selected by representatives of the private banks. They had a conference. At no other time has any President asked the Federal Reserve Board or representatives to meet with him. He let them know how important it was for them to hold the line on the 2.5 percent bonds. That line had been held for more than 10 years, and satisfactorily. It was no time to let it go. They promised that they would.

At that time the Secretary of the Treasury, Mr. Snyder, was in Walter Reed Hospital, and the present Chairman of the Federal Reserve Board was Assistant Secretary of the Treasury for International Finance. Mr. Truman wanted someone appointed to succeed Mr. McCabe, then Chairman of the Federal Reserve Board, who was resigning because he did not want to carry out the agreement that the Open Market Committee had with the President of the United States to keep the long-term Government bond rate at 2.5 percent. Mr. Truman wanted somebody appointed who would carry out that agreement made in the public interest, so he appointed Mr. William McChesney Martin Assistant Secretary of the Treasury, Chairman of the Federal Reserve Board to succeed Mr. McCabe. I say this and it has never before been said in public, that Mr. Martin's appointment was made by President Truman with the understanding that Mr. Martin would see to it that the line was held and that those bonds would never be pushed below par at 2.5 percent interest. But notwithstanding that, later on, Mr. Martin did violate his understanding with the President of the United States and pushed those bonds down. What I am saying will not, I think, be disputed by former President Truman.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield further?

Mr. PATMAN. I yield.

Mr. RHODES of Arizona. Actually, the gentleman spoke of an accord. Can the gentleman tell me who the parties to that accord were?

Mr. PATMAN. That was some sort of a fictional title that the Federal Reserve took unto themselves as representing their decision to not further support the price of the U.S. Government bonds.

Mr. RHODES of Arizona. The gentleman knows full well that this accord was between the Treasury Department and the Federal Reserve System; does he not?

Mr. PATMAN. No; it was not any meeting of the minds.

Mr. RHODES of Arizona. An accord is a meeting of the minds. It cannot be an accord without a meeting of the minds.

Mr. PATMAN. Well, there was not a meeting of the minds and that is what happened. That is the reason, I say, there was not a true, genuine accord because Mr. Snyder, Secretary of the Treasury, who was in Walter Reed Hospital at the time and who would have been a necessary party to any such accord did not participate in it and further the President, whose duty it is under the Constitution to "take care that the laws be faithfully executed," had opposed it.

Mr. RHODES of Arizona. The gentleman means then that the former President of the United States, Harry Truman, was impotent and unable to stop a situation of which he did not approve? I suggest that the gentleman from Texas is saying something about Harry Truman that I would never say. I think if there was something that Harry Truman wanted to stop, if anyone would have stopped it or could have stopped it, Harry Truman would have done so.

Mr. PATMAN. Why has not President Eisenhower stopped it? He has the same power that President Truman had.

Mr. RHODES of Arizona. Because President Eisenhower agrees with President Truman in that at the time that this particular accord went into effect that the support system for Government bonds was the most inflationary factor that we had in the country, and that it was bad for the country and should have been done away with. That is what President Truman thought and that is what President Eisenhower thinks, and I think the situation is as true now as it was then.

Mr. PATMAN. The gentleman is mistaken as to President Truman on that because all during the war, when inflation is at its worst, and when it is the most difficult time to prevent or restrain inflation, when we had 2½ percent bonds all during the war without any trouble or difficulty. To say that, after holding the rate down to 2½ percent all during the war, that the rate could not be held down in time of peace, seems to me a ridiculous argument.

Mr. RHODES of Arizona. The value of a dollar went down approximately 35 cents during the war?

Mr. PATMAN. No; it did not go down that much. But, let me tell you how the value of the dollar has gone down for interest paying purposes under this Republican administration. Under the Democratic administration a dollar would buy a certain amount of interest on short-term Government securities—in 1946, we will say. In 1959, do you know how much that dollar will buy of the same type of interest? It will buy 10 cents. In other words, the dollar of 1946 in the purchase of interest on short-term U.S. Government obligations is worth 10 cents today. You never say anything about that—and our Republican friends who are always talking about how the value of the dollar is going down, do not say that they have made the greatest contribution to it of any group in the world through their hard money, high interest policy.

Mr. RHODES of Arizona. Well, the gentleman will certainly recall, and certainly he would have to admit, that the value of a dollar is approximately the same now as it was when Mr. Eisenhower became President.

Mr. PATMAN. No, and least of all has the value of the dollar been preserved in what it will buy in interest.

Mr. RHODES of Arizona. In the amount of goods that can be bought and that is what the housewife and the working man are interested in.

Mr. PATMAN. Well, you see, Mr. Eisenhower is very clever and so are his advisers and so is the gentleman from Arizona and the other Members of his party. They do not talk about these interest rates. I do not blame them because they cannot defend it. They never say what the dollar is worth in interest rates and how much the cost of carrying debt has been increased.

Mr. RHODES of Arizona. Will the gentleman yield further so that I can talk about interest?

Mr. PATMAN. First, allow me to yield to our friend, the gentleman from New York, who has been asking me to yield for some time and then I will yield further to the gentleman from Arizona.

Mr. SANTANGELO. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from New York.

Mr. SANTANGELO. Mr. Speaker, I want to commend the gentleman from Texas on his analysis of the monetary situation and program. I have listened to him not only today but on other occasions, and I know of no one who has a better appreciation of the bond and interest situation than the gentleman from Texas. The gentleman posed a question at the beginning of his remarks in reply to a widow of a veteran who wanted to know whether she should sell her Government bonds. I do not know whether I could possibly answer it, but in an effort to get information to base an answer I ask the gentleman this question: Do you know of any Government security within the past 5 years which has sold in the marketplace for less than par upon its maturity date?

Mr. PATMAN. All Government bonds are paid at par upon maturity. It does not depend upon the administration in power, it depends upon the obligation itself.

Mr. SANTANGELO. Then the poor widow who purchased Government bonds at less than par will only have to wait until the maturity date to have them paid at par rather than at some figure less than par.

Mr. PATMAN. Yes; but now she is at the disadvantage of possibly needing

her money before the bonds mature and being unable to wait 20 years.

To show you how a commercial bank can handle bonds under a similar situation, the commercial bank purchases bonds in the market as issued at par 100 percent, and they go down in price on the market, to say 83, yet the bonds are permitted to be carried on the books of the bank by Government auditors and examiners at 100 cents on the dollar as an asset of the bank. They do not lose money; they just keep carrying them that way. They finally get their money, of course. Now, the commercial banks can handle it as the gentleman suggests, but the widow oftentimes in need of immediate funds is not in a position to do that.

Mr. SANTANGELO. But eventually if she held them she would get 100 percent of their face value as does the bank which purchases them at less than par.

Mr. PATMAN. The banks bought last year $10,400 million worth of U.S. Government bonds as a result of the Federal Reserve Board giving them the reserves with which to buy these bonds, and for which the banks paid not one penny. The banks were permitted to create the money upon their books, manufacture the money, to buy these bonds which will cost the taxpayers $300 or $400 millions a year in interest. A gift which no Member of Congress will deny.

Mr. SANTANGELO. Do I understand you, sir, to say that the Government is giving the banks the power to create credit and with this credit they are purchasing Government bonds?

Mr. PATMAN. That is right. They have over $65 billion worth of Government bonds, but they have only $5 billion in capital stock. Of course, that does not include the surplus and undivided profits.

But the interest rate—I wish my friend would talk about that, my Republican friends never mention that—yet there is where inflation is. The inflation going on in the country today is in the high interest rates, the increased interest rates. By increasing the interest rate you not only unbalance the Federal budget, but you also unbalance every budget of every State, every city, every county, every road district, every school district, every levee district, every political subdivision, and every local county or community in the United States of America, the budget of corporations and individuals; you unbalance everybody's budget by an increase in interest rates; you cause increased taxes and increased prices of everything. We are paying annually about $10 billion more in interest than we would be paying—and I am talking about on all debts, both public and private—if interest rates had been left where they were on January 30, 1953.

And do you know how much $10 billion a year is? That is $60 for every man, woman, and child; it is $300 for every family of five. That means that $300 for every family of five must be used to pay interest instead of being used for the comforts and necessities of life. It is a diversion of purchasing power.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Speaker, are there other special orders?

The SPEAKER pro tempore. Yes; there are other special orders.

REPUBLIC OF PANAMA: SYMBOL OF FREEDOM

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 30 minutes.

Mr. FLOOD. Mr. Speaker, in recent weeks the Republic of Panama has been confronted with the gravest of crises, precipitated by invaders and collaborators in an effort to overturn its constitutionally elected government. That the people of that country are alert to their dangers is indicated by an editorial in the Star and Herald of Panama, Republic of Panama, in its April 18, 1959, issue, appealing to all loyal Panamanians to support their national freedom.

With this appeal, I am sure that all thoughtful citizens of all the Americas will agree that its integrity must be preserved as a symbol of freedom.

The indicated editorial follows:

IT CAN'T HAPPEN HERE

There are times in the life of every nation when the rather vulgar maxim "Keep your shirt on" appears to apply to the current situation.

When this venerable newspaper, started in 1849, headlines its lead story "Supreme Court Sees 'Grave Threat' to RP" we residents of this Isthmus are forced to stop, look and listen in our efforts to evaluate the gravity of the situation.

And as we pause to review the march of current local events we find ourselves saying "It can't happen here."

Nevertheless "it" is happening here.

There are many angles to the situation and not all of these angles directly concern Panama itself.

Rather we would say that it is triggered by a combination of interests some of whose representatives are disloyal to the spirit of free Americanism, persons who seek political power to further their own selfish interests at the cost of national patriotism. Even at the cost of the national welfare.

How much can this nation depend on such wavering loyalties?

What is national patriotism? Firstly it is love for and loyalty to the homeland, the land of one's birth, the land of one's forefathers, the land for whose freedom those forefathers have fought. Many have died.

Panama is a free country, its freedom guaranteed from the outset by treaty agreements, its defense assured by the defenders of the Panama Canal. It, Panama, is an honest and virile young nation. It has produced many wise and loyal men and women.

Latterly, we must admit, it has been torn by various factions assuredly seeking their own advantage rather than the national welfare. The leaders of these factions are disloyal not alone to the nation's top officials, men legally elected by popular vote, but to the various principles of freedom for which all of our Americas have fought.

Let us loyal Panamanians support the freedom this nation now enjoys. Let its duly elected leaders stand strong, assured that their sister American nations will stand by them.

PANAMA INVASION OBSCURES REAL HAZARDS TO CANAL

Mr. FLOOD. Mr. Speaker, the recent invasion of Panama by Cuban revolutionaries, though abortive, is not a new phenomenon in Caribbean history. In some ways, it is suggestive of the filibuster expeditions of the notorious William Walker to Nicaragua over a century ago, which ended with his execution.

Lest the deluge of sensational publicity evoked by current isthmian violence obscure mounting pressures now facing the Panama Canal enterprises, I would stress again what I have repeatedly emphasized to the Congress: a prime long-range objective of the Communist international conspiracy is to wrest control of the Panama Canal and Canal Zone from the United States.

In advancing this policy there have been two approaches:

First. Internationalization under the United Nations or other international authority; and

Second. Increased participation by Panama in toll revenues, canal sovereignty, and management, aimed at nationalization.

As predicted by me in an address to the House on February 25, 1959, repeated radical and impossible demands in Panama have aided and abetted proposals for internationalization. This idea has been further advanced in an article in the April 1959 issue of Foreign Affairs by two professors of political science of Stanford University, and in an editorial in the Washington Post of April 26, 1959, supporting their views. Highly theoretical and unrealistic, the proposal to divest the United States of its control and jurisdiction of the Panama Canal enterprise ignores inherent political instability of the isthmian area, which was set forth in detail by me in another address to the House on April 2, 1958.

To protect the canal enterprise against such instability was a major purpose of the framers of the 1903 Hay-Bunau-Varillo Treaty. History has fully justified their vision. Moreover, the dangers are not over but are, in fact, increased by our failure to make timely and emphatic reiteration of the historic policies governing the construction, maintenance, operation and protection of the Panama Canal.

The security of our future isthmian policy, Mr. Speaker, will not be solved by ignoring attacks upon it because of a reluctance on our part to offend someone, or an assumed fear of a so-called counter-action in Panama. Instead, the record of the last 25 years is conclusive that successive diplomatic surrenders with respect to the Panama Canal have merely brought forth increased demands for further surrenders. Where will all this lead if the Congress does not stop it?

This, Mr. Speaker, the Congress must do if our vital interests are to be protected. It can be accomplished by prompt passage of House Concurrent Resolution 33, 86th Congress, reasserting our historic isthmian policies and serving notice of our intention to meet our treaty obligations.

Two significant news stories dealing with the Panama Canal situation in the Wall Street Journal of May 1 and the Washington Post of May 4, 1959, also the indicated editorial follow:

[From the Wall Street Journal, May 1, 1959]

INVASION FUROR MASKS THREAT OF ANOTHER PANAMA CANAL RAID—POLITICAL PRESSURES ARE MOUNTING FOR UNITED STATES TO SPLIT CANAL REVENUES WITH PANAMA

(By Henry Gemmill)

PANAMA CITY.—"Traffic is running out of our ears," says Maj. Gen. William Potter, President of the U.S. Government-owned Panama Canal Company. "Right now we are handling the business that 2 years ago our charts showed would not be reached until 1968. March was the first month in history that we handled over 1,000 ships and tolls passed $4 million; the April figures will be even bigger."

This economic data suggests the most important men to watch in Panama today are perhaps not the 89 invaders from Cuba who are holed up in the village of Nombre de Dios (Name of God), nor their asserted chieftain Roberto Arias, who is holed up in the Brazilian Embassy here, but another young man, named Aquilino Boyd, and his zealous associates.

WAS FOREIGN MINISTER

Handsome Aquilino, still in his thirties, has already been foreign minister, is now among the most vocal members of the National Assembly, and has formed a new party which proclaims as its objective getting for Panama 50 percent of all the canal's gross revenues. Last year that half share would have come to more than $21 million from tolls alone, or $41 million if revenues from the Canal Company's sales of goods and services were counted in. And the figures are headed sharply higher. This would be a hefty increase indeed over the $1.9 million which the United States now pays yearly for its leasehold on the isthmus right-of-way.

General Potter is one of the few men on the isthmus who never, never talks politics. But everyone else is willing to grant that Senor Boyd is already running hard to win the Presidency in elections just a year away. He is supported by some brilliant men. One is Ernesto Castillero, who is both a widely read newspaper polemicist and professor at the state university, from which students frequently storm the streets. Another is the brother of Roberto Arias, Gilberto, who is known as the smart boy of the family.

Making a grab for canal property or money is the traditional road to political success in Panama. Whether or not Aquilino Boyd hits the jackpot, his ambitious drive is likely to force competitive claims by the older parties, the Coalition Party to which present President Ernesto de la Guardia belongs, and the Liberals. This is increasingly true, veteran observers here agree, as political ferment in Panama rises.

The invasion from Cuba is just the latest evidence of this instability. Earlier symptoms were sporadic outbreaks in the Provinces and rioting in the capital. The de la Guardia administration has no tight hold on the loyalty of the populace even in this moment of a threat from abroad. Talk to a taxi driver or to a white-collar worker in Panama City and you are likely to hear, "It doesn't matter who wins—one crowd is as bad as another."

GENERAL REVOLT UNLIKELY

Unless more boatloads of invaders arrive from Cuba—and there are reports they are headed this way—it seems unlikely that any general revolt could take place here now. But the pressure for political upheaval is always present. To understand the instability of Panama politics one must begin with economics.

The million people in this stringbean nation have ever since independence relied primarily upon canal revenues and jobs as the mainspring of their economy. Apart from a few plants such as a cement factory, plywood mill, and a small new steel mill, there is little industry. About 20 percent of the working force gets its money directly from the U.S. operation of the canal and defense forces based in the Canal Zone and from one private American firm, Chiriqui Land Co., banana growing subsidiary of United Fruit. All these are paid far more than the rest of the labor force. A large proportion of the nation is made up of subsistence farmers who squat on land, burn it, poke the ground with the machetes to plant a little rice, and then move on in 3 or 4 years when the land is exhausted. Some 12,000 squatters live on the outskirts of this city, too, some of them among the ruins of the old Panama which was sacked by pirate Henry Morgan. There is even a squatters' union with headquarters here. About 12 percent of the labor force is jobless and the per capita income runs about $237 yearly.

Most of these people consider themselves politically disenfranchised. So do many educated youngsters who go through the university and then find jobs scarce. Lawyers and other middle-class folk share their dissatisfaction. The complaint is that a very few families—proud of their wealth and the purity of their "white blood"—have a monopoly of political power, though they may feud bitterly among themselves. Elections are held which are rated rather honest, as those in Latin America go.

The political aristocracy obviously sits on dynamite. The coalition party's strong man, Jose Antonio Remon, who had been boss of the national guard before his election in 1952, was machinegunned to death 2 years later. Mr. de la Guardia, elected 3 years ago after an interim regime, is rated an earnest fellow who has tried to improve health, nutrition and education. He has just launched a public housing program to get some of the populace out of the shacks. But he is not a forceful character, as may perhaps be indicated by his reluctance to send his thousands of national guardsmen in to clean up the pocket of Cuban invaders.

SPENDING SPREE

Having made plenty of money in the brewing business, he is not considered to be hungry for political graft. But even his reputation of high honesty has been besmirched by subordinates. Members of the Panama City Council, appointed by the President, were accused of peculations, such as spending $200 for a broom, and after a crusading radio station stirred up a riot, he had to send them on a 90-day leave of absence.

This is about up, incidentally, and the old councilmen say they will resume their seats even if force is required. His greatest misfortune was to fall out with the Arias family. Young Roberto and Gilberto are the members most in the public eye, but chief of the clan is their father, Harmodio. He is a lawyer of note, representing "flag of convenience" shipping firms.

Son Gilberto stuck to the political road but son Roberto took to plotting the invasion from Cuba, according to official accounts which seem backed by the evidence and, although Panama officially accepts Fidel Castro's disapproval of the Cuban maneuvers, it is privately and generally believed that he knew and approved of them.

CASTRO'S MOTIVE QUESTIONED

Certainly Casto knew Roberto Arias; he had entertained him in Havana and decorated his wife, British ballerina Dame Margot Fonteyn. Certainly the Panama Government had issued public warning in advance that an invasion was being mounted in Cuba. The question Panamanians are asking is why Fidel, a man who vows his sympathy for the masses, would lend support to an attempted coup by an aristocrat.

One school of thought holds that the Cuban is irrational and there is no use trying to make sense of what he does. The other holds that he calculated quite coldly that he figured the invasion would be accompanied by a popular uprising in Panama and that Roberto Arias would be brushed aside by some more radical figure during the course of the bloodletting. At any rate, all agree that coordination of the invasion forces was completely bungled and the forces that landed are no threat but merely an embarrassment.

They embarrass Casto. They embarrass de la Guardia. They embarrass the United States. American forces in this area could doubtless wipe out the invaders in a half hour but this probably would result in civilian casualties in Nombre de Dios. The whole incident could become another example of U.S. imperialism and colonialism for the leftists of Latin America to talk about endlessly.

Even events as they stand now are being turned against the United States. The afternoon newspaper Pan American yesterday afternoon gave prominent display in the space where editorials would normally appear to an anonymous letter attacking the United States.

[From the Washington Post and Times Herald, May 4, 1959]

REBEL BANDS STILL THREATEN PANAMA RULE

(By Jules Dubois)

PANAMA CITY, May 3.—The invasion attempt to overthrow President Ernesto de la Guardia, Jr., failed by quick action of the Organization of American States and the Cuban Government, but he still faces a precarious 16 months before his 4-year term ends.

The revolutionary plans suffered a major setback but they have not collapsed. Rebel students are prowling the jungles of the Province of Colon, not far from Nombre de Dios, where the Cuban invaders surrendered Friday, and a clash has been reported with troops of Panama's Guardia Nacional.

Extremely divergent political forces are involved in the conflict here.

Roberto E. Arias and his cousin, Ruben O. Miro, may have been motivated by desires of revenge, power, and financial gain, but others, notably the Panama Students Federation, want to produce a leftist social revolution with heavy overtones of anti-Americanism.

Leaders of the Students Federation expect other groups of rebel Panamanians to appear soon in the hills of the interior in action against the Guardia Nacional, which has a total force of 2,800 men throughout the country.

Humberto Brugiatti, provisional president of the Students Federation and one of the leaders of the Union of University Students, denies that the body is dominated by Communists. But in the next breath he emphasizes that the Students Federation is not anti-Communist.

The students have a list of immediate demands. The first is that de la Guardia and Col. Bolivar Vallarino, commander of the Guardia Nacional, must go.

Two major demands that directly affect the United States are supported even in Government quarters. They are the recognition of Panama's titular sovereignty in the Canal Zone and a share for Panama of

50 percent of the gross revenue of the Panama Canal.

[From the Washington Post, Apr. 26, 1959]

NEW LOOK AT PANAMA

The real importance of the cloak-and-dagger melodrama involving Margot Fonteyn and the ballerina's Panamanian husband is that it draws attention to a tide of unrest evident for some months in Panama. So far, the recurrent disturbances have seemed mainly to be a dispute between President de la Guardia and his opponents among the small clique of families that dominate the Republic's politics. But it may not remain so for long. There is an awakening nationalism in the Caribbean and it would be unrealistic to assume that Panama can seal itself off from the forces that have found a symbol in Fidel Castro's Cuba. Significantly, the Panamanians have accused Cuba of permitting the training of an army of revolutionary exiles.

Whatever the truth in this assertion—and it is worth stressing that Panama is far from a dictatorship—sooner or later another sleeping issue will become alive again. The issue, of course, is the status of the Panama Canal. An especially pertinent article in the current Foreign Affairs makes this warning: "In the long run the United States will confront a situation not unlike the British in Suez." The authors, Martin Travis and James Watkins, propose the internationalization of the canal under the United Nations.

There are good and cogent reasons for considering a change in the status of the canal. In years past, strategic interests made it imperative that the United States safeguard the canal through American ownership. But the development of missiles—and of aircraft carriers with canted decks too great for the Gaillard Narrows—has markedly changed the canal's priority claim. Nonetheless U.S. policy has remained geared to an outdated military requirement.

Under the 1903 Treaty with the fledgling Republic of Panama, the United States was granted in perpetuity the right of using and controlling the Canal Zone. Panamanians have long contended that this treaty is an affront to their sovereignty, and it is no secret that Panama ultimately hopes to inherit the canal. The Republic undoubtedly has a strong claim, but there is an alternative which this newspaper has suggested before. That is to consider ways of placing the canal under the Organization of American States, so that 21 flags would fly in the zone rather than 1.

As with any other proposed change, this plan would involve difficulties; for one thing, a new arrangement must take full account of Panama's interests. Yet the proposal could give new meaning to Pan Americanism and to the principle of international control of great waterways. And in any event, the important thing is to understand the need to take a new look before a distant storm becomes a hurricane.

THE AREA REDEVELOPMENT BILL

Mr. FLOOD. Mr. Speaker, in order to keep all those interested in the progress of the Area Redevelopment Bill informed and up-to-date, I am herewith submitting a list of the amendments made by the House Banking and Currency Subcommittee, headed by Congressman WRIGHT PATMAN, to this bill, and which has been reported out by the full committee on Banking and Currency and has been sent to the House Rules Committee for its consideration and action.

In order to further inform all those interested in this vital legislation, I am also submitting a list of the congressional districts with labor markets suffering from substantial labor surplus, as well as rural redevelopment areas, such list indicates current and prospective date of eligibility for benefits under the area redevelopment bill, H.R. 3505.

I am sure, Mr. Speaker, this material will serve as an excellent reference for all who wish to make use of it. This data and information has been compiled by the Area Employment Expansion Committee, 99 University Place, New York, N.Y., under the supervision and direction of Mr. Solomon Barkin, secretary treasurer of the committee.

AMENDMENTS TO AREA REDEVELOPMENT BILL H.R. 3505 IN COMMITTEE

1. Eligibility criteria for rural areas: Administrator must designate any rural county on either of two 1954 lists of counties with lowest farm incomes and levels of living; may designate other counties under criteria of original bill.

2. Financing: Loan funds must be appropriated (bill now allows borrowing such funds from Treasury).

3. Dollar amounts:

[In millions]

	Now	Proposed
Plant loans:		
Industrial areas	$100.0	$75.0
Rural areas	100.0	75.0
Public facility loans	100.0	50.0
Public facility grants	75.0	35.0
Retraining subsistence payments	10.0	10.0
Vocational training grants	(1)	[2] 1.5
Technical assistance	[2] 4.5	[2] 4.5
Total	389.5	251.0

[1] No amount specified.
[2] Per year.

4. Public facility loans and grants:

(a) No loans or grants to private organizations.

(b) Interest rate lowered on loans (from 4 percent to 2⅞ percent under present conditions.

(c) Loan may cover entire cost (bill now limits to 65 percent).

(d) Requirement that public works project itself provide permanent jobs is eliminated.

(e) Loans may be made where not otherwise available on "equally favorable terms". (Bill now says "reasonable terms".)

(f) Both loans and grants must be consistent with approved overall redevelopment program.

(g) Loan or grant is prohibited for facility that would compete with existing privately-owned public utility unless State agency finds need.

5. Urban renewal grants: Not more than 10 percent of new funds authorized for total urban renewal program may be used under area redevelopment program.

6. Vocational training:

(a) Dollar limit on financial assistance ($1.5 million a year).

(b) Financial assistance must be channeled through State board for vocational education.

(c) Authority for Secretary of Labor to issue vocational training regulations jointly with Administrator is eliminated.

7. Records and audit: Recipients of plant loans or public facility loans or grants must keep records, submit to GAO audit.

Congressional districts with labor markets suffering from substantial labor surplus, indicating current and prospective date of eligibility for benefits under area redevelopment bill, April 1959

(NOTE.—The following is a list of labor markets with a substantial labor surplus. Those currently eligible for benefits under proposed area redevelopment legislation are marked with (*). See note at end of table. The earliest likely date of eligibility for other labor markets is noted where information is available, on the assumption that the current level of unemployment will continue. A list of rural counties eligible for benefits is available separately.)

Congressman	Labor market area	Earliest prospective date of eligibility
Alabama:		
Boykin	Mobile	September 1959.
Elliott	*Jasper (Walker)	
	*Florence-Sheffield (Franklin)	
Grant	Escambia (Escambia)	March 1960.
Huddleston	Birmingham (Jefferson)	July 1959.
Jones	*Florence-Sheffield (Franklin)	
	Decatur (Morgan)	Do.
Rains	*Gadsden (Etowah)	
	*Alexander City (Tallapoosa)	
Roberts	*Anniston (Calhoun)	
	*Talladega	
	*Alexander City (Coosa)	
	Selma (Dallas)	March 1960.
Arkansas:		
Harris	*Texarkana (Miller)	
	Magnolia (Columbia)	
Gathings	Helena-West Helena (Phillips)	
Trimble	Fort Smith (Sebastian)	July 1959.
California: C. W. Miller	Eureka	Seasonally high unemployment in area.
	Ukiah	Do.
	Crescent City (Del Norte)	
Colorado: Johnson	Longmont (part of Boulder and Weld)	

Congressman	Labor market area	Earliest prospective date of eligibility
Connecticut:		
Bowles	Middletown (part)	May 1959.
	*Norwich	
	Thompsonville (part)	April 1959.
	Willimantic	May 1959.
	Danielson	
Daddario	Bristol	
	New Britain	Do.
	*Meriden (part)	
	Middletown (part)	Do.
	Thompsonville (part)	April 1959.
	*Torrington	
Giaimo	*Ansonia (part)	
	Bridgeport (part)	Do.
	*Meriden (part)	
	New Haven	August 1959.
	Waterbury (part)	June 1959.
Irwin	Bridgeport (part)	April 1959.
	*Ansonia (part)	
	Danbury (part)	June 1959.
Kowalski (at large)		
Monagan	*Bristol (part)	
	Danbury (part)	Do.
	Waterbury (part)	Do.
	*Torrington (part)	

Congressional districts with labor markets suffering from substantial labor surplus, indicating current and prospective date of eligibility for benefits under area redevelopment bill, April 1959—Continued

(NOTE.—The following is a list of labor markets with a substantial labor surplus. Those currently eligible for benefits under proposed area redevelopment legislation are marked with (*). See note at end of table. The earliest likely date of eligibility for other labor markets is noted where information is available, on the assumption that the current level of unemployment will continue. A list of rural counties eligible for benefits is available separately.)

Congressman	Labor market area	Earliest prospective date of eligibility
Florida:		
Herlong, Jr.	St. Augustine (St. Johns)	
Sikes	Apalachicola (Franklin)	
Georgia:		
Blitch	Waycross (Ware)	
Brown	*Toccoa (Franklin)	
	Warrenton (Warren)	
Flynt, Jr.	Carrollton (city of Carrollton and Carroll).	
Forrester	Dawson (Terrell)	
Landrum	*Toccoa (Habersham, Stephens)	
	Jefferson-Commerce (Jackson)	
	Ellijay (Fannin, Gilmer, Murray and Pickens).	
Mitchell	Cedartown-Rockmart (Paulding and Polk).	
	Ellijay (Fannin, Gilmer, Murray and Pickens).	
Preston	Swainsboro (Emanuel)	
Illinois:		
Allen	Rockford (Winnebago)	September 1959.
Arends	Danville (Vermillion)	January 1960.
Boyle	Chicago (Du Page)	September 1959.
Chiperfield	Canton (Fulton)	May 1959.
Church, Collier, Dawson, Derwinski	Chicago (Du Page)	September 1959.
Gray	Chester (Randolph)	
	*Harrisburg (Gallatin, Hardin, Pope, Saline).	
	*Herrin-Murphysboro-West Frankfort (Franklin, Jackson, Johnson, Perry, Union, Williamson).	
	Cairo (Alexander and Pulaski)	
Hoffman, Kluczynski, Libonati	Chicago (Du Page)	Do.
Mack, Jr.	*Litchfield (Macoupin)	
Mason	*La Salle (Bureau and western part of La Salle).	
	Joliet (Will)	July 1959.
Michel	Peoria (Peoria and Tazewell)	Do.
	*La Salle (Bureau and western part of La Salle).	
Murphy, O'Brien, O'Hara	Chicago (Du Page)	September 1959.
Price	St. Louis, Mo.-Ill. (Madison and St. Clair).	July 1959.
Pucinski, Rostenkowski	Chicago (Du Page)	September 1959.
Shipley	*Harrisburg (White)	
	*Litchfield (Montgomery)	
	*Mount Carmel-Olney (Edwards, Lawrence, Richland, Wabash).	
	*Mount Vernon (Hamilton, Jefferson, Wayne).	
	*Centralia (Clinton, Marion)	
Simpson	Macomb (McDonough)	
	Quincy (Adams)	January 1960.
	Taylorville (Christian)	
Springer	Decatur (Macon)	July 1959.
Yates	Chicago (Du Page)	September 1959.
Indiana:		
Adair	Fort Wayne (Allen)	July 1959.
Barr	Indianapolis (Marion)	July 1960.
Brademas	*Michigan City-La Porte (La Porte)	
	South Bend (St. Joseph)	Do.
	Bourbon (Marshall)	
Bray	*Vincennes (Knox)	
	Edinburg (Johnson)	
Denton	*Evansville (Vanderburgh)	
	Petersburg (Pike)	
	Louisville, Ky.-Ill. (Clark and Floyd)	May 1959.
Halleck	Logansport (Cass)	
	Morocco (Newton)	
	Warsaw (Kosciusko)	
Harmon	*Muncie (Delaware)	
	*Richmond (Wayne)	
	*Connersville (Fayette, Rush, Union)	
	*New Castle (Henry)	
	Shelbyville (Shelby)	
	Union City (Randolph)	
Hogan	*Connersville (Franklin)	
	Columbus (Bartholomew)	July 1959.
Madden	Chicago (Lake)	September 1959.
Roush	Anderson (Madison)	July 1959.
	Hartford City and Montpelier (Blackford).	
	Huntington (Huntington)	
Wampler	*Terre Haute (Vigo)	
	Noblesville (Hamilton)	
Iowa:		
Carter	Ottumwa (Wapello)	Do.
Schwengel	Keokuk (southern half of Lee)	
Kansas:		
Avery	Atchison (Atchison)	
Hargis	*Coffeyville-Independence-Parsons (Labette, Montgomery).	
	*Pittsburg (Cherokee, Crawford)	
Kentucky:		
Burke	Louisville	May 1959.
Natcher	*Madisonville (Hopkins, Webster)	
	*Owensboro (Daviess)	
Perkins	*Hazard (Breathitt, Letcher, Perry)	
	*Morehead-Grayson (Carter, Elliott, Greenup, Rowan).	
	*Paintsville-Prestonsburg (Floyd, Johnson, Knott, Magoffin, Martin).	
	*Pikeville-Williamson (Pike)	
Siler	*Corbin (Clay, Knox, Laurel, Whitley).	
	*Middlesboro-Harlan (Bell, Harlan, Leslie).	
Stubblefield	*Paducah	
	*Madisonville (Muhlenberg)	
	*Hopkinsville (Christian, Todd, Trigg)	
Louisiana:		
McSween	Alexandria (Rapides Parish)	September 1960.
Passman	Oak Grove (West Carroll Parish)	
Thompson	Ville Platte (Evangeline Parish)	
	Opelousas (St. Landry Parish)	March 1960.
Maine:		
Coffin	*Lewiston-Auburn	
	Rockland (part of Knox)	
	Augusta (parts of Kennebec, Sagadahoc, and Lincoln).	
McIntire	Calais-Eastport (eastern part of Washington).	
Oliver	*Biddeford-Sanford	
	Portland	July 1959.
	Rumford (part of Oxford County)	
	Norway-Paris (part of Cumberland and Oxford).	
	Augusta (parts of Kennebec, Sagadahoc, and Lincoln).	
Maryland:		
Brewster	Baltimore (part)	Do.
	*Westminster (Carroll)	
Fallon	Baltimore	Do.
Foley	*Cumberland (Allegany)	
	Frederick (Frederick)	August 1959.
Friedel, Garmatz, Johnson	Baltimore	July 1959.
	Crisfield (Somerset and part of Worcester).	
	Elkton (Cecil)	
Lankford	Baltimore	Do.
Massachusetts:		
Bates	*Lawrence (part)	
	Newburyport	May 1959.
	Haverhill	June 1959.
	Gloucester	July 1959.
Boland	Springfield-Holyoke (part)	June 1959.
	*Ware (part)	
Burke	Brockton (part)	Do.
Conte	*North Adams	
	*Pittsfield	
	Greenfield	July 1959.
	Springfield-Holyoke (part)	June 1959.
	*Great Barrington	
Donohue	Worcester	July 1959.
Keith	Brockton (part)	June 1959.
	*Taunton (part)	
	*New Bedford	
	Springfield-Holyoke (part)	Do.
	Hyannis	Seasonally high unemployment in area.
	Nantucket-Martha's Vineyard	Do.
	Plymouth	May 1959.
Lane	*Lawrence (part)	
Martin	*Fall River	
	Brockton (part)	June 1959.
	*Milford (part)	
	*Taunton (part)	
Philbin	Fitchburg (part)	
	*Marlboro (part)	
	*Milford (part)	
	*Southbridge-Webster	
	*Ware (part)	
	Athol	July 1959.
	Gardner	April 1959.
	Clinton	July 1959.
Rogers	Fitchburg (part)	Do.
	*Marlboro (part)	
	*Lowell	
Michigan:		
Bennett	*Iron Mountain (Dickinson, Iron)	
	*Marquette	
	Gogebic (Gogebic)	
Broomfield	*Detroit (Oakland)	
Bentley	Saginaw	September 1959.
	*Ionia-Belding-Greenville	
	*Owosso	
Cederberg	*Bay City	
Chamberlain	*Flint	
	*Lansing	
Diggs, Dingell	*Detroit (Wayne)	

See footnotes at end of table.

Congressional districts with labor markets suffering from substantial labor surplus, indicating current and prospective date of eligibility for benefits under area redevelopment bill, April 1959—Continued

(NOTE.—The following is a list of labor markets with a substantial labor surplus. Those currently eligible for benefits under proposed area redevelopment legislation are marked with (*). See note at end of table. The earliest likely date of eligibility for other labor markets is noted where information is available, on the assumption that the current level of unemployment will continue. A list of rural counties eligible for benefits is available separately.)

Congressman	Labor market area	Earliest prospective date of eligibility
Michigan—Continued		
Ford	*Grand Rapids	
	Holland-Grand Haven	October 1959.
Griffin	*Muskegon (Muskegon)	
	Manistee (Manistee)	
	Northport (Leelanau)	
	Traverse (Grand Traverse)	
Griffiths	*Detroit (Wayne)	
Hoffman	South Haven (Van Buren)	
	*Benton Harbor	
	Allegan	Do.
	*Sturgis	
Johansen	Battle Creek	May 1959.
	Hillsdale (Hillsdale)	
Knox	Menominee (Menominee)	
	*Escanaba	
Lesinski, Machrowicz	*Detroit (Wayne)	
Meader	*Monroe (Monroe)	
	*Adrian	
	Ann Arbor-Ypsilanti	June 1959.
	*Jackson	
O'Hara	*Detroit (Macomb)	
	*Port Huron (St. Clair)	
	Caro (Tuscola)	
Rabaut	*Detroit (Wayne)	
Minnesota:		
Blatnik	Duluth-Superior (St. Louis)	July 1959.
Langen	Bemidji (Beltrami)	
Quie	Winona (Winona)	
Mississippi:		
Abernethy	West Point (Clay, Chicksaw and Oktibbeha).	
Colmer	Biloxi-Gulfport (Harrison)	September 1960.
	Columbia (Marion)	
Smith	Greenville	May 1959.
	Clarksdale (Coahoma)	
	Cleveland (Bolivar)	
Williams	McComb (Pike)	
Winstead	Canton (Madison)	
Missouri:		
Bolling	Kansas City (Kansas City)	September 1959.
Brown	*Joplin (Jasper)	
Cannon	St. Louis (St. Charles)	July 1959.
	Hannibal (Marion and Ralls)	
Carnahan	*Flat River	
	Cabool (Texas)	
Christopher	Kansas City (Jackson)	September 1959.
Curtis	St. Louis (St. Louis)	July 1959.
	Washington (Franklin)	September 1960.
Hull	Kansas City (Clay)	September 1959.
Jones	Caruthersville (Pemiscot)	
	Cape Girardeau	August 1959.
Karsten	St. Louis (St. Louis)	July 1959.
	Washington (Franklin)	September 1960.
Moulder	Marshall (Saline)	
	Sedalia (Pettis)	
	Versailles (Morgan)	
Sullivan	St. Louis (St. Louis)	July 1959.
	Washington (Franklin)	September 1960.
Montana: Anderson	*Butte	
	*Kalispell	
	*Great Falls	
	Meagher (Meagher)	
	Roundup (Musselshell)	
	Scobey-Flaxville-Whitetail (part of Daniels).	
Nebraska: Cunningham.	Beatrice (Gage)	
	Blair (Washington)	
New Jersey:		
Addonizio	Newark	July 1959.
Auchincloss	*Long Branch	
	Perth Amboy	Do.
	Trenton	Do.
Cahill	*Philadelphia (Camden, Gloucester)	
Canfield	Paterson	Do.
Daniels	Newark	Do.
	Paterson	Do.
Dwyer	Newark	Do.
	Plainfield-Somerville	September 1959.
Frelinghuysen	Morristown-Dover	July 1959.
	Plainfield-Somerville	September 1959.
	Perth Amboy	July 1959.
	Paterson	Do.
Gallagher	Newark	Do.
	Paterson	Do.
Glenn	*Atlantic City	
	*Bridgeton	
Osmers	Newark	Do.
	Paterson	Do.
Rodino	Newark	Do.
Thompson	Perth Amboy	Do.
	*Philadelphia (Burlington)	
	Trenton	Do.
Wallhauser	Newark	Do.
Widnall	Morristown- Dover	Do.
	Trenton	Do.
	Paterson	Do.
	Allentown-Bethlehem (Warren)	Do.
	Plainfield-Somerville	September 1959.
	Flemington (half of Hunterdon)	July 1959.
New Mexico:		
Montoya	Deming (Luna)	
Morris	Las Vegas (San Miguel)	
	Raton (Colfax)	
New York:		
Barry	*Newburgh-Middletown-Beacon (Putnam).	
Dulski	Buffalo (part of Buffalo)	July 1959.
Kilburn	Watertown	October 1959.
Miller	Buffalo (Niagara, part of Erie)	July 1959.
O'Brien	Albany-Schenectady-Troy (Albany)	Do.
Ostertag	*Batavia	
	Orleans (Orleans)	
Pillion	Buffalo (part of Erie)	Do.
Pirnie	Oneida (Madison)	November 1959.
	*Utica-Rome (Herkimer and Oneida)	
Reed	Jamestown-Dunkirk	July 1959.
	Wellsville (Allegany)	January 1960.
	Olean-Salamanca (Cattargus)	June 1959.
Riehlman	Syracuse	July 1959.
Robison	*Elmira	
	Binghamton	November 1959.
	Corning-Hornell	June 1959.
St. George	*Newburgh-Middletown-Beacon (Orange).	
Stratton	Albany-Schenectady-Troy (Schenectady).	July 1959.
	*Amsterdam	
	*Gloversville	
Taber	*Auburn	
Taylor	Albany-Schenectady-Troy (Rensselaer).	Do.
	Glens Falls-Hudson Falls (Warren, Washington).	June 1959.
	Plattsburgh (Clinton)	September 1960.
	Waterford-Mechanicsville-Stillwater (part of Saratoga).	
Wharton	*Newburgh-Middletown-Beacon (part of Dutchess).	
	Kingston (Ulster)	August 1959.
	Catskill (Greene)	
	New York	July 1959.
Anfuso	Kings	
Barry	Westchester	
Becker	Nassau	
Bosch	Queens	
Buckley	Bronx	
Celler	Kings, Queens	
Delaney	Queens	
Derounian	Nassau	
Dollinger	Bronx	
Dooley	Westchester	
Dorn	Kings	
Farbstein	New York	
Fino	Bronx	
Halpern	Queens	
Healey	Bronx	
Holtzman	Queens	
Kelly	Kings	
Keogh	Kings	
Lindsay	New York	
Multer	Kings	
Powell	New York	
Ray	Richmond (part of Kings)	
Rooney	Kings	
St. George	Rockland	
Santangelo	New York	
Teller	New York	
Wainwright	Nassau, Suffolk	
Zelenko	New York	
North Carolina:		
Cooley	*Rocky Mount (Nash)	
	Raleigh (Wake)	July 1960.
Durham	*Durham (Durham)	
Fountain	*Kinston (Lenoir)	
	*Rocky Mount (Edgecombe)	
Hall	*Asheville (Buncombe)	
	*Waynesville (Haywood, part of Jackson).	
	Bryson City (Swain)	
	Hendersonville	Do.
	Murphy (Cherokee)	
Jonas	Lincolnton (Lincoln)	
Kitchin	*Rockingham-Hamlet	
Lennon	*Fayetteville (Cumberland)	
	Lumberton (Robeson)	Do.
Scott	Roxboro (Person)	
	*Mount Airy (Surry)	
Whitener	Marion (McDowell)	
	*Shelby-Kings Mountain (Cleveland)	
	*Rutherfordton-Forest City	
Ohio:		
Ashley	Toledo (Lucas)	July 1959.
Baumhart, Jr.	Lorain-Elyria (Lorain)	May 1959.
Betts	Kenton	July 1959.
	Findlay - Tiffin - Fostoria (Hancock, Seneca).	August 1959.
Bow	*New Philadelphia-Dover (Tuscarawas).	
Brown	*Springfield	

See footnotes at end of table.

Congressional districts with labor markets suffering from substantial labor surplus, indicating current and prospective date of eligibility for benefits under area redevelopment bill, April 1959—Continued

(NOTE.—The following is a list of labor markets with a substantial labor surplus. Those currently eligible for benefits under proposed area redevelopment legislation are marked with (*). See note at end of table. The earliest likely date of eligibility for other labor markets is noted where information is available, on the assumption that the current level of unemployment will continue. A list of rural counties eligible for benefits is available separately.)

Congressman	Labor market area	Earliest prospective date of eligibility
Ohio—Continued		
Cook	Youngstown (part of Trumbull)	July 1959.
	Ashtabula-Conneaut	August 1959.
	Kent-Ravenna (Portage)	July 1959.
Hays	*New Philadelphia-Dover (Carroll, Harrison).	
	Steubenville-Wheeling (W.Va.)	May 1959.
	*East Liverpool-Salem	
Henderson	Cambridge	Do.
	Marietta	June 1959.
	Zanesville	August 1959.
	Woodsfield (Monroe)	
Kirwan	Youngstown (Mahoning, Trumbull)	July 1959.
Latta	Toledo (part of Wood)	Do.
Moeller	*Athens-Logan-Nelsonville	
	*Portsmouth-Chillicothe (Jackson)	
Polk	*Portsmouth-Chillicothe (Pike, Ross, Sciota).	
	Batavia - Georgetown - West Union (Adams, Brown, Clermont).	June 1959.
Oklahoma:		
Albert	Poteau (LeFlore)	
	Ardmore (Carter)	May 1959.
	*McAlester (Pittsburg)	
Edmonson	*Okmulgee-Henryetta (Okmulgee)	
Steed	Shawnee (Pottawatomie)	
Oregon:		
Green	Portland (Multnomah)	July 1959.
Norblad	Portland (Clackamas, Washington)	Do.
	McMinnville (Yamhill)	
	St. Helens (Columbia)	
	Tillamook (Tillamook)	
	Toledo (Lincoln)	
	Astoria (Clatsop)	
Porter	Gold Beach (Curry)	
	Grants Pass (Josephine)	
	Albany	Seasonally high unemployment in area.
	Coos Bay	May 1959.
	Eugene	Seasonally high unemployment in area.
	Roseburg	Do.
Ullman	*Pendleton (Umatilla)	
	Hood River (Hood River)	
Pennsylvania:		
Barrett	Philadelphia	July 1959.
Bush	*Berwick-Bloomsburg (part of Columbia).	
	*Lock Haven (Clinton)	
	*Sunbury-Shamokin-Mount Carmel (Montour, part of Columbia).	
	*Williamsport (Lycoming)	
	*Sayre-Athens-Towanda (Bradford)	
Byrne	Philadelphia	Do.
Clark	Pittsburgh (Beaver)	April 1959.
	*Butler	
	*New Castle	
Corbett	Pittsburgh	Do.
Curtin	Allentown-Bethlehem (Lehigh)	July 1959.
	Philadelphia (Bucks)	Do.
Dague	Philadelphia (Chester)	Do.
Dent	Pittsburgh	April 1959.
Fenton	*Pottsville (Schuylkill)	
	*Sunbury-Shamokin-Mount Carmel (Northumberland).	
	St. Marys (Cameron)	September 1959.
Flood	*Wilkes-Barre-Hazleton (Luzerne)	
Fulton	Pittsburgh	April 1959.
Gavin	*Clearfield-DuBois (part of Jefferson)	
	Oil City-Franklin-Titusville (Forest, Venango).	Do.
	St. Marys (Elk)	September 1959.
	Clarion (Clarion)	
Granahan	Philadelphia	July 1959.
Green		
Holland	Pittsburgh	April 1959.
Kearns	Youngstown, Ohio-Pa. (Mercer)	July 1959.
	*Erie	
	Oil City-Franklin-Titusville (part of Crawford).	April 1959.
Lafore	Philadelphia (Montgomery)	July 1959.
Milliken	Philadelphia	Do.
Moorehead	Pittsburgh	April 1959.
Morgan	*Uniontown-Connellsville (Fayette)	
	Pittsburgh (Washington)	Do.
Mumma	*Lewistown (Juniata)	
	Harrisburg (Cumberland and Dauphin).	July 1960.
Nix	Philadelphia	July 1959.
Prokop	Forest City-Montrose (Susquehanna)	
	*Scranton (Lackawanna)	
Pennsylvania—Con.		
Quigley	*York	
	Harrisburg (Cumberland and Dauphin).	July 1960.
	Gettysburg (Adams)	
Rhodes	Reading	July 1959.
Saylor	*Johnstown (Cambria)	
	Indiana (Indiana)	September 1960.
	Kittanning-Ford City (Armstrong)	Do.
Simpson	*Johnstown (Somerset)	
	*Lewistown (Mifflin)	
	*Sunbury-Shamokin-Mount Carmel (Snyder, Union).	
	Chambersburg-Waynesboro (Franklin, Fulton).	Do.
Toll	Philadelphia	July 1959.
Van Zandt	*Altoona (Blair)	
	*Clearfield-DuBois (part of Centre, Clearfield).	
Walter	*Pottsville (part of Carbon)	
	Allentown-Bethlehem (Northampton)	Do.
	Lehighton-Palmerton (Carbon, except Pottsville area).	
Rhode Island:		
Fogarty	*Providence	
Forand	*Newport	
	*Providence	
South Carolina: Rivers	Hampton (Hampton)	
Tennessee:		
Baker	*Knoxville (Anderson, Blount, Knox)	
	*La Follette-Jellico-Tazewell (Campbell).	
Bass	Columbia (Maury)	September 1960.
Davis	Memphis	July 1959.
Frazier, Jr	*Chattanooga	
	Tracey City (Grundy)	
Evins	Lewisburg (Marshall)	
	Murfreesboro (Rutherford)	
	Shelbyville (Bedford)	
Reece	*Bristol-Johnson City-Kingsport	
Texas:		
Brooks	Beaumont-Port Arthur	Do.
Burleson	Dublin (Comanche and Erath)	
Kilgore	Laredo	May 1959.
Patman	*Texarkana (Bowie)	
Rogers	Pampa (Gray)	
Young	Corpus Christi	July 1959.
	Karnes City (Karnes)	
Utah: Dixon	Price (Carbon and Emery)	
Vermont: Meyer	*Springfield	
	Burlington	July 1960.
	Brattleboro (part of Windham)	
	St. Johnsbury (part of Caledonia, Essex, Orleans, and Washington).	
Virginia:		
Jennings	*Big Stone Gap-Appalachia (Lee, Wise).	
	Richlands-Bluefield	August 1959.
	*Bristol-Johnson City-Kingsport, Tenn. (Washington County, Va.).	
Poff	*Radford-Pulaski (Floyd, Montgomery)	
	Roanoke	September 1959.
Tuck	*Radford-Pulaski (Wythe)	
Washington:		
Horan	Spokane	July 1959.
Mack	*Aberdeen	
	*Olympia	
May	Ellensburg (Kittitas)	
Pelly	Bremerton	June 1959.
Tollefson	Tacoma	July 1959.
Westland	*Anacortes	
	Bellingham	May 1959.
	Everett	Do.
	*Port Angeles	
	Friday Harbor (San Juan)	
West Virginia:		
Bailey	*Charleston (Fayette)	
	*Clarksburg (Harrison)	
	Parkersburg (Calhoun, Ritchie, Wirt)	July 1959.
Hechler	*Logan (Lincoln)	
	*Point Pleasant-Gallipolis (Jackson, Mason, Putnam).	
	*Huntington-Ashland (Cabell, Wayne)	
	Parkersburg (Pleasants, Wood)	Do.
Kee	*Ronceverte-White Sulphur Springs (Greenbrier, Monroe).	
	*Welch (McDowell)	
	*Bluefield (Mercer)	
	*Pikeville-Williamson (Mingo)	
Moore	*Fairmont (Marion)	
	*Wheeling (W. Va.)-Steubenville, Ohio.	

See footnotes at end of table.

Congressional districts with labor markets suffering from substantial labor surplus, indicating current and prospective date of eligibility for benefits under area redevelopment bill, April 1959—Continued

(NOTE.—The following is a list of labor markets with a substantial labor surplus. Those currently eligible for benefits under proposed area redevelopment legislation are marked with (*). See note at end of table. The earliest likely date of eligibility for other labor markets is noted where information is available, on the assumption that the current level of unemployment will continue. A list of rural counties eligible for benefits is available separately.)

Congressman	Labor market area	Earliest prospective date of eligibility
West Virginia—Con.		
Slack	*Beckley (Raleigh)	
	*Logan (Logan, part of Boone)	
Staggers	Martinsburg	July 1959.
	*Morgantown	
	Marlinton (Pocahontas)	
	*Cumberland (Mineral)	
Wisconsin:		
Byrnes	Sturgeon Bay (Door)	
Flynn	Beloit	May 1959.
Johnson	Eau Claire-Chippewa Falls (Chippewa and Eau Claire Counties).	March 1960.
Kastenmeier	Watertown	August 1959.
Laird	Antigo (Langlade)	
	Stevens Point (Portage)	
O'Konski	Duluth-Superior (Douglas)	July 1959.
	Rhinelander (Oneida)	
Van Pelt	Oshkosh	October 1959.
	Chilton (Calumet)	
Withrow	*La Crosse	
	Mauston (Juneau)	
Wyoming: Thomson	Kemmerer (part of Lincoln)	
	Sheridan (Sheridan)	

NOTES

Eligible for assistance under the Spence bill, i.e., unemployment of 6 percent or more in at least 18 of the previous 24 months, 9 percent during at least 15 of the previous 18 months, 12 percent during the previous 12 months, or 15 percent during the previous 6-month period.

Eligibility date for most very small areas of substantial labor surplus not ascertainable due to lack of data.

RURAL REDEVELOPMENT AREAS PRESCRIBED BY THE HOUSE BANKING COMMITTEE IN PROPOSED AREA REDEVELOPMENT ACT

NOTE.—The bill recommended by the House Banking Committee declares that among the rural redevelopment areas "shall be included * * * any county (1) which is among the 500 counties in the United States ranked lowest in level of living of farm-operator families; or (2) which is among the 500 counties in the United States having the highest percentage of commercial farms producing less than $2,500 worth of products for sale annually."

The counties listed below conform to these categories:

(Congressman and rural county)

ALABAMA

ANDREWS: Barbour, Bullock, Coffee, Geneva, Henry, Houston, Lee, Macon, Russell.

BOYKIN: Choctaw, Clarke, Marengo, Monroe, Washington, Wilcox.

ELLIOTT: Blount, Cullman, Fayette, Franklin, Lamar, Marion, Pickens, Walker, Winston.

GRANT: Butler, Conecuh, Covington, Crenshaw, Escambia, Lowndes, Montgomery, Pike.

JONES: Jackson, Lawrence, Limestone, Morgan.

RAINS: Chambers, DeKalb, Etowah, Marshall, Randolph, Tallapoosa.

ROBERTS: Autauga, Clay, Coosa, Dallas, Elmore, St. Clair.

SELDEN: Bibb, Chilton, Greene, Hale, Perry, Sumter, Tuscaloosa.

ARKANSAS

ALFORD: Conway, Faulkner, Perry, Pope, Yell.

GATHINGS: Clay, Crittenden, Greene, Lee, Phillips, St. Francis.

HARRIS: Ashley, Bradley, Calhoun, Clark, Columbia, Hempstead, Howard, Lafayette, Little River, Miller, Montgomery, Nevada, Ouachita, Pike, Polk, Sevier, Union.

MILLS: Cleburne, Fulton, Independence, Izard, Lawrence, Monroe, Randolph, Sharp, Stone, White, Woodruff.

NORRELL: Chicot, Cleveland, Dallas, Desha, Drew, Grant, Jefferson, Lincoln, Lonoke.

TRIMBLE: Baxter, Boone, Johnson, Logan, Madison, Marion, Newton, Scott, Searcy, Sebastian, Van Buren.

FLORIDA

MATTHEWS: Baker, Gilchrist, Hamilton, Lafayette, Madison, Suwannee, Union.

SIKES: Calhoun, Holmes, Jackson, Jefferson, Leon, Okaloosa, Walton, Washington.

GEORGIA

BLITCH: Appling, Atkinson, Bacon, Brantley, Charlton, Clinch, Coffee, Echols, Jeff Davis, Lanier, Pierce, Telfair, Wayne.

BROWN: Elbert, Greene, Hart, Lincoln, Oglethorpe, Taliaferro, Warren, Wilkes.

DAVIS: Rockdale.

FLYNT: Butts, Carroll, Clayton, Coweta, Fayette, Heard, Henry, Lamar, Meriwether, Newton.

FORRESTER: Clay, Dodge, Harris, Marion, Quitman, Randolph, Stewart, Taylor, Wilcox.

LANDRUM: Fannin, Gilmer, Rabun, Towns, Union, White.

MITCHELL: Chatooga, Dade, Douglas, Haralson, Murray, Walker.

PILCHER: Baker, Brooks, Decatur, Early.

PRESTON: Bryan, Burke, Evans, Liberty, Long, Montgomery, Screven, Trattnall, Treutlen, Wheeler.

VINSON: Baldwin, Crawford, Glascock, Hancock, Jasper, Johnson, Twiggs, Washington, Wilkinson.

ILLINOIS

GRAY: Hardin, Johnson, Pope.

KENTUCKY

CHELF: Adair, Green, Metcalfe.

NATCHER: Allen, Breckinridge, Butler, Edmonson, Grayson, Hopkins, Ohio.

PERKINS: Breathitt, Carter, Elliott, Floyd, Greenup, Johnson, Lawrence, Lee, Magoffin, Menifee, Morgan, Pike, Rowan, Wolfe.

SILER: Clay, Clinton, Cumberland, Jackson, Knox, Laurel, Monroe, Owsley, Pulaski, Rockcastle, Russell, Wayne, Whitley.

SPENCE: Lewis.

STUBBLEFIELD: Crittenden, Graves, McCracken, Marshall.

WATTS: Casey, Estil, Powell.

LOUISIANA

BROOKS: Bienville, Claiborne, De Soto, Red River, Webster.

McSWEEN: Avoyelles, Grant, La Salle, Natchitoches, Sabine, Vernon, Winn.

MORRISON: East Feliciana, Livingston, St. Helena, West Feliciana.

PASSMAN: Caldwell, Catahoula, Concordia, Franklin, Lincoln, Morehouse, Richland, Union, West Carroll.

THOMPSON: Beauregard, Evangeline, St. Landry.

MICHIGAN

BENNETT: Iron.

CEDERBERG: Alcona, Clare, Iosco.

GRIFFIN: Wexford.

MINNESOTA

BLATNIK: Itasca.

MARSHALL: Aitkin.

MISSISSIPPI

ABERNETHY: Alcorn, Attala, Calhoun, Chickasaw, Choctaw, Clay, Itawamba, Lee, Lowndes, Monroe, Noxubee, Oktibbeha, Pontotoc, Prentiss, Tishomingo, Webster, Winston.

COLMER: Covington, George, Greene, Jefferson Davis, Jones, Lamar, Lawrence, Marion, Perry, Wayne.

SMITH: Bolivar, Coahoma, Holmes, Humphreys, Issaquena, Leflore, Quitman, Sharkey, Sunflower, Tunica, Washington.

WHITTEN: Benton, Carroll, De Soto, Grenada, Lafayette, Marshall, Montgomery, Panola, Tallahatchie, Tate, Tippah, Union, Yalobusha.

WILLIAMS: Adams, Amite, Claiborne, Copiah, Franklin, Hinds, Jefferson, Lincoln, Pike, Walthall, Warren, Wilkinson, Yazoo.

WINSTEAD: Clarke, Jasper, Kemper, Lauderdale, Leake, Madison, Neshoba, Newton, Rankin, Scott, Simpson, Smith.

MISSOURI

RANDALL: Vernon.

BROWN: Douglas, Ozark, Stone, Taney, Wright.

CARNAHAN: Carter, Dent, Howell, Iron, Madison, Oregon, Reynolds, Shannon, Washington, Wayne.

JONES: Bollinger, Butler, Ripley.

NEW MEXICO

MONTOYA, MORRIS: Mora, Rio Arriba, San Miguel, Sierra, Socorro.

NORTH CAROLINA

ALEXANDER: Alexander, Alleghany, Ashe, Stanly, Watauga.

BARDEN: Duplin, Onslow, Pender.

BONNER: Hyde, Tyrrell, Washington.

FOUNTAIN: Halifax, Warren.

HALL: Buncombe, Cherokee, Clay, Graham, Haywood, Jackson, Macon, Swain, Transylvania.

JONAS: Avery, Burke, Catawba, Lincoln, Mitchell.

KITCHIN: Anson, Davidson, Montgomery, Scotland, Wilkes.

LENNON: Bladen, Brunswick, Columbus, New Hanover.

SCOTT: Caswell, Person.

WHITENER: Cleveland, Madison, McDowell, Polk, Rutherford, Yancey.

OHIO

HENDERSON: Guernsey, Noble.

MOELLER: Gallia.

OKLAHOMA

ALBERT: Atoka, Choctaw, Latimer, Le Flore, McCurtain, Pittsburg, Pushmataha.

EDMONDSON: Adair, Cherokee, Delaware, Haskell, McIntosh, Okmulgee, Sequoyah.

STEED: Coal, Creek, Hughes, Lincoln, Okfuskee, Seminole.

SOUTH CAROLINA

ASHMORE: Greenville, Laurens, Spartanburg, Union.
DORN: Abbeville, Anderson, Edgefield, Greenwood, McCormick, Newberry, Oconee, Pickens, Saluda.
HEMPHILL: Cherokee, Chester, Chesterfield, Fairfield, Kershaw, Lancaster, York.
McMILLAN: Georgetown, Horry, Lee, Williamsburg.
RILEY: Barnwell, Lexington, Orangeburg.
RIVERS: Allendale, Beaufort, Berkeley, Charleston, Clarendon, Colleton, Dorchester, Hampton, Jasper.

TENNESSEE

BAKER: Anderson, Blount, Campbell, Loudon, Morgan, Roane, Scott, Union.
BASS: Dickson, Giles, Hickman, Houston, Humphreys, Lawrence, Lewis, Perry, Stewart, Sumner, Wayne.
EVERETT: Haywood, Lauderdale.
EVINS: Cannon, Clay, Cumberland, De Kalb, Fentress, Jackson, Lincoln, Macon, Moore, Overton, Pickett, Putnam, Rutherford, Smith, Van Buren, Warren, White, Wilson.
FRAZIER: Bledsoe, Grundy, McMinn, Marion, Meigs, Monroe, Polk, Rhea, Sequatchie.
MURRAY: Benton, Carroll, Decatur, Fayette, Hardeman, Hardin, McNairy, Madison.
REECE: Carter, Claiborne, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Sevier, Sullivan, Unicoi, Washington.

TEXAS

BECKWORTH: Camp, Panola, Rusk, Upshur, Wood.
BROOKS: Newton, Sabine, San Augustine.
DOWDY: Anderson, Angelina, Cherokee, Henderson, Houston, Madison, Polk, San Jacinto, Trinity, Walker.
PATMAN: Bowie, Cass, Franklin, Harrison, Marion, Morris, Red River, Titus.
RAYBURN: Rains.
TEAGUE: Freestone, Leon, Robertson, Somervell.
THOMPSON: Lavaca.
THORNBERRY: Bastrop, Burleson.
YOUNG: Duval, McMullen.

VIRGINIA

ABBITT: Appomattox, Buckingham, Greensville, Lunenburg, Mecklenburg, Prince Edward.
DOWNING: York.
HARRISON: Bath, Highland.
JENNINGS: Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, Washington, Wise.
POFF: Alleghany, Bedford, Craig, Floyd.
SMITH: Fluvanna, Greene.
TUCK: Carroll, Charlotte, Grayson, Halifax, Henry, Patrick.

WEST VIRGINIA

BAILEY: Braxton, Calhoun, Clay, Doddridge, Fayette, Gilmer, Harrison, Lewis, Nicholas, Ritchie, Upshur, Wirt.
HECHLER: Cabell, Jackson, Lincoln, Mason, Pleasants, Putnam, Roane, Tyler, Wayne, Wood.
KEE: Mercer, Monroe, Summers.
MOORE: Brooke, Marion, Taylor, Wetzel.
SLACK: Kanawha, Raleigh.
STAGGERS: Barbour, Monongalia, Randolph, Tucker, Pocahontas, Preston.

INTEREST RATES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Arizona [Mr. RHODES] is recognized for 15 minutes.

Mr. RHODES of Arizona. Mr. Speaker, I guess I will talk about interest rates on my own time, now, if the gentleman from Texas [Mr. PATMAN] would care to listen.

The gentleman from Texas is a very able and distinguished Member of the House. He has ever since I have been a Member of the House, and long before, made the study of the monetary system of our country one of his main objects as a Member of the House. However, there is a fundamental of the money market which I have never heard the gentleman from Texas mention, and that is the fact that money is a commodity. Money obeys the law of supply and demand just like any other commodity if left in a free market.

The gentleman decries the raise in interest rates. But he says very little about the fact that the dollar has practically remained stationary during the Eisenhower administration. I would point out to him that during the period he mentioned in which the interest rate remained stationary by Government action, the value of the dollar went down drastically. The interest rate could be kept low only by tampering with the quantity or velocity of money. This tampering produced low interest rates, but caused the value of the dollar to drop. There is a very definite correlation between the value of the dollar and the interest rate, as shown very graphically by our experience of the last few years.

I would also remind my friend from Texas that the days of low interest rates to which he refers with a certain amount of nostalgia came during the depression of the 1930's and during World War II, at a time when it was impossible for the industrial element of the country to expand as it should have expanded if the war had not come along. Only after the broadening economy and the dynamic growth of our economy which occurred after January 1953, caused such a demand for money did the interest rate go up.

The gentleman knows, I am sure, that when there is no demand for money the interest rate is low. In this, money obeys the economic rules of any commodity. When there is a demand, when the business communities feel good, when there is money in the pocket of the workingman and he is spending that money, when we have prosperity as we have had and do have in this particular administration, then perforce the interest rate will go up unless the Government itself takes artificial action to keep the interest rate down. If the Government wants to go into this business of supporting bonds, if the Government wants to let the Federal Reserve System buy these bonds, actually taking part in a transaction that is a book transaction only, then letting the Federal Reserve System do as it can do under the law, inflate the currency because of these bonds which it owns, then, of course, we can have low interest rates. But I submit to the gentleman from Texas and I submit to the House that the only way this can be done is by inflation which lowers the value of the dollar at the expense of the person who draws a pension, at the expense of the workingman, at the expense of the people whom the gentleman and those on his side of the aisle always profess so much love for, the little man, they call him. These are the people who suffer through inflation, and devaluation of the dollar.

This particular administration has tried and has succeeded in holding down inflation. If one of the results has been an increase in interest rates, then I say I would do the same thing again in order to keep the American workingman, the American farmer, and all of the people whom we must protect in this Congress, protected against ruinous inflation as they have been under this administration.

A MISLEADING ARTICLE APPEARS IN THE WASHINGTON POST AND TIMES HERALD

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Missouri [Mr. MOULDER] is recognized for 15 minutes.

Mr. MOULDER. Mr. Speaker, this morning in the Washington Post and Times Herald there appeared an article, the theme of which is suggested by the headline: "MOULDER Wonders, 'Was House Group's Red Probe "Used" by Corrupt Unionists'?"

In the body of the article I am quoted as follows:

> I think the committee should investigate the extent to which it may have been unknowingly used by corrupt union leaders.

Mr. Speaker, I say flatly and unequivocally that this is a misquotation of myself and, together with the body of the article, conveys a false impression. I say further, Mr. Speaker, that it would appear that the article is an attempt to do a whitewash job for the Communists.

Yesterday, a staff reporter from the Washington Post and Times Herald called at my office and stated that he wanted to talk to me about the recent hearings in Chicago on Communist penetration of the United Packinghouse Workers, which were conducted by a subcommittee of which I was chairman. This staff reporter asked me if I knew of certain activities of some of the people in another union, the Amalgamated Meat Cutters, who he said had been involved in some questionable conduct. I told him that I knew nothing about this. The staff reporter then suggested to me that the effect of the hearings in Chicago on Communist penetration of the United Packinghouse Workers was to benefit the Amalgamated Meat Cutters Union, which operates in an allied field to that of the United Packinghouse Workers. I told the reporter at this point that the Committee on Un-American Activities is not concerned at all with any conflict between labor organizations as such; that our sole and exclusive concern was to pursue Communists wherever they may be; that, in my judgment, the recent hearings in Chicago were effective, efficiently handled, and were based on sound, reliable sources of information including the testimony of three reliable witnesses, one of whom until recently has been an undercover agent for the Federal Bureau of Investigation.

The reporter then asked me if I knew that United Packinghouse Workers was competing in Puerto Rico with Hoffa's Teamsters' Union in an organizing drive of the island, and that the effect of our hearings in Chicago on the penetration of the United Packinghouse Workers would be to benefit Hoffa.

Here again, I told the reporter that I know nothing about this, and that it was not of concern to the House Committee on Un-American Activities because we were interested in developing factual material on Communists wherever they may be.

At this point in our conversation, I recounted to the reporter some of the factual information which was developed in the Chicago hearings respecting the current techniques and strategies of hard-core Communists who dissociate themselves from the formal entity known as the Communist Party in order that they may sign non-Communist affidavits and the like, but who continue in the Communist operation. I pointed out that this information on present Communist strategy and technique is vital to the committee in its appraisal of proposed legislation attempting to cope with the Communist conspiracy. I further developed the theme that this technique has been pursued by the Communists over the course of the last 10 years since the institution of prosecutions under the Smith Act and the enactment of the Internal Security Act.

I further pointed out that not only did the reliable, competent witnesses testify that the United Packinghouse Workers was saturated with Communists, but that those persons who had been identified as Communists invoked constitutional privileges in response to questions as to whether their technical resignation from the Communist Party was a ruse.

Mr. Speaker, in 1952 the Committee on Un-American Activities held hearings in Chicago, at which time a number of Communists were then found to be in key positions in the United Packinghouse Workers of America. Immediately, the United Packinghouse Workers let loose a barrage against the Committee on Un-American Activities, but did not rid its ranks of Communists. The same leadership would now obliquely attack the Committee on Un-American Activities by suggesting that our current hearings on Communist penetration in this vital industrial area give aid and comfort to gangsters and racketeers.

Mr. Speaker, as a member of the Committee on Un-American Activities, conscious of the integrity and objectivity under which this committee functions, I resent and emphatically deny any suggestion that the recent hearings of the committee were inspired by any corrupt unionists or for any purpose other than to discharge the duty imposed upon the committee by the House of Representatives. I suggest the question is not whether the Committee on Un-American Activities was "used" by corrupt unionists but, rather, whether a Washington newspaper was "used" by the Communists.

Our Committee on Un-American Activities, under the able leadership of FRANCIS E. WALTER, will not be dissuaded from its task by attacks direct or indirect from whatever source inspired.

ISRAEL'S INDEPENDENCE DAY—MAY 13

The SPEAKER pro tempore. Under previous order of the House, the Chair recognizes the gentleman from New York [Mr. HALPERN] for 5 minutes.

Mr. HALPERN. Mr. Speaker, 11 years ago on May 13, 1948, a mere half million Jews in Palestine took their fate and destiny in their hands by proclaiming their independence and by establishing the State of Israel. At that time Israelis constituted only one-third of Palestine's population, and the country itself was surrounded by implacable foes, who vowed to annihilate the young nation. But the new state, under its gallant and fearless leaders, faced all its foes on all fronts, and though far outnumbered, she was victorious. Israel came out of that life-and-death struggle, more powerful, and infinitely more confident of her future.

Today the State of Israel, in the course of its very brief existence, has gained maturity and has already become a member of the international community of nations. It is simply impossible to enumerate the large number of remarkable accomplishments, deeds of valor, hard, conscientious labor, and difficult and delicate tasks performed in that short time. Among these may be mentioned the enlargement of Israel's land area by more than 50 percent, and the trebling of her Jewish population. By these and other successes Israel has become a living, progressive democracy. We are happy to join with its well-wishers from all over the world in extending to it felicitations and congratulations on this its anniversary day.

Its friends can take pride in its great strides forward, but it still is far from being self-supporting and it must rely on assistance from the outside world. Some of this is provided through German reparations and some through private aid and loans, but a balance of payments gap still confronts this courageous people. Public assistance from overseas still plays a vital role in the economic health of Israel. Assurance that such assistance will be continued is earnestly desired by its people. It is my profound hope that this assurance will be provided by the Government and people of America.

With this hope, on the 11th anniversary of her independence day, our best wishes go to Israeli citizens for a peaceful and properous future in their newly recreated homeland—this bastion of the free world in the turbulent Near East.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. HALPERN. I yield.

Mr. RHODES of Arizona. I join with the gentleman from New York in felicitations to the State of Israel on the 11th anniversary of her birthday. I thank the gentleman for his very clear, concise, and well-considered statement. The gentleman from New York is, in my opinion, one of the very valuable Members of this body. It certainly is with a great deal of pleasure that I join with him in his felicitations to the State of Israel.

Mr. HALPERN. I deeply appreciate those comments.

ISRAEL'S 11TH ANNIVERSARY

Mr. PRICE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, by the calendar of the State of Israel, yesterday was the 11th anniversary of the establishment of Israeli freedom and sovereignty, the 11th anniversary of the proclamation of the State, the 11th anniversary of the day on which President Truman in behalf of the United States extended de facto recognition to the new nation.

This year we are compelled to recognize the presence of new factors in Near East and the Middle East, those strategic areas that were the birthplace of our major religions, the cradle of our culture and civilization.

There will be no peace or security for either the Arab peoples or the people of Israel unless the massive fact of Soviet penetration into the Middle East is recognized.

There are many unresolved problems between the Arab world and the State of Israel. But of one thing we may be very sure—there is no peace for the rising Arab nations, anxious to secure their own position, by the prosecution of a policy of hostility toward their Israeli neighbors.

I mention these things as a background for a consideration of our own problems in the Near East and Middle East. Our people have finally learned much about interdependence, and it is accepted as an axiom that a threat to free nations elsewhere is a threat to us. We would suffer a shock by disaster to the countries in the area that joins the continents of Asia and Africa, the crossroads of commerce, communication and power whether by highway, sea or air. We are involved in the safety of Israel's democracy, which is an example to all the peoples of the ancient Mediterranean world.

We have our own contribution to make to Israel.

Israel is still surrounded by potential or actual enemies and she cannot neglect the threat in the penetration of the Middle East by the men of the Kremlin. Her population is small, her land not yet fully developed, her resources not yet sufficient to keep her secure alone. Israel is still a refuge, a land of promise, for hundreds of thousands of potential migrants from eastern European satellites of the Soviet Union. These people have not as yet been allowed to depart in peace.

We must recognize, I think, that diplomatic support and economic assistance to Israel, in her difficulties, are as vital to American policy today as they

were 11 years ago when President Truman granted recognition.

It is harmonious with our traditions of freedom to state to the world that in the opinion of the United States the refugees from Rumania should be allowed to seek more new homes in Israel.

It is in line with our best interests to point out, with full respect for the difficulties some may feel, that all countries of the Near East now face a common danger from Communist penetration that overrides the imagined fears against each other they cherished in the recent past.

I hope that we shall continue a policy of economic assistance to Israel, and that we shall champion genuine free trade policies, without any unilateral barriers, that will contribute to the economic and political stability in the Middle East. That must necessarily include the economic and political stability of Israel as well as other nations. It should mean peace—genuine peace—for Israel and her neighbors.

I hope that in this time of grave external danger to the whole Mediterranean world, the national leaders of the countries involved will find the statesmanship to work together for their common salvation.

THE LEITCHFIELD GAZETTE—78 YEARS OF SERVICE

Mr. NATCHER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. NATCHER. Mr. Speaker, on April 29 the Leitchfield Gazette, of Leitchfield, Ky., entered its 79th year of continuous publication. This long period of service to the citizens of Grayson County represents a great deal more than a mere factual reporting of local and national news, impoxtant as that may be. From its establishment in 1881 by Mr. C. J. Yager, the Gazette has proved itself worthy of the highest traditions and ideals in the field of newspaper publication.

Mr. Fred Hughes and Mr. W. J. Hughes, the present owners and publishers, are ably carrying on the policies advocated by the original owner so many years ago. Not men to shirk an issue, their editorials are noted for their thought-provoking quality, lucidity, and when the occasion warrants it, their forcefulness. The Messrs. Hughes, fully cognizant of the important role played by a county newspaper in a rural community, have accepted this challenge with intelligence, integrity, and vigor. The place of the press in the formation of opinion and in the operation of modern government is clearly understood by these men as evidenced by their stimulating editorials.

The backbone of the American press is the weekly newspaper, and in the quality of such publications lies the greatness of the free press of the Western World. The citizens of Leitchfield and the surrounding area are indeed fortunate in being served by so capable and conscientious a group of people as that comprising the staff of the Leitchfield Gazette. Both the staffers and editors recognize the needs and interests of the farming community their paper serves and with this in mind all phases of agriculture are faithfully reported. Items of personal interest, local events, and outstanding achievements of local citizens are as carefully and correctly reported as national and world news. And when funds need to be raised for a community project or the bare facts of an ugly situation exposed, the Leitchfield Gazette has never hesitated to raise its voice editorially to bring the truth to its readers. In fact, the strength and courage of the Gazette's editorial policy is one of the distinguishing features of this weekly paper, bringing merit and acclaim to its editors. A flood control reservoir which is nearing completion in this area has had the complete and dynamic support of the Gazette from the very beginning.

In the industrial and agricultural growth of Grayson County, the Leitchfield Gazette has not just recorded accomplishments, but has performed magnificently the true function of a local newspaper—that is, to inform, encourage, stimulate, arouse, and stir to action all concerned with the development and expansion of the community. The progress achieved in recent years in the Leitchfield area is due in large measure to the timely reporting and penetrating editorials of the Leitchfield Gazette.

COMMUNIST DIPLOMATIC PERFIDY

Mr. HOSMER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOSMER. Mr. Speaker, in its 40-year history the Soviet Union has executed over 2,000 agreements with non-Communist governments. It is safe to say that those remaining unbroken by the Kremlin are only those which it has not yet appeared expedient to break. I am including with these remarks an "Illustrative Table," listing typical Soviet violations of international agreements. The order of magnitude of treaty violations as a device for Communist aggrandizement can be appreciated even by a hasty reference to it.

That appreciation, as the foreign ministers conference is meeting and the so-called summit conference looms is vital to the ultimate survival of the West. Communist diplomatic perfidy is a regrettable fact of international life that must not be misunderstood and cannot be ignored. It must be recognized as a dangerous pitfall by all leaders of the Western democracies who will conduct such negotiations. It must be accepted as a limitation on conference effectiveness by the democracies' citizens who regard the talks as a means toward achieving a stable world order, based on respect for, and conformity with, international law.

This is because the process of negotiation and agreement inherently involves concessions. Western concessions in this instance, or any other, represent a whittling away of an already weakened Western position. Unless matched by equivalent Communist bloc concessions, they can represent only steps away from, not toward, the goal of peace.

But equivalency is not measured by the paper magnitude of mutual concessions. Concessions by the Soviet bloc must be self-enforcing upon them, otherwise there is no equivalency. This is so, because Communists will never honor their concessions to the impediment of the advancement of international communism. The quid pro quo of the agreement's words is only an illusion without this inherent safeguard of self-enforcement. Without it, the agreement is not a first step toward peace as the West understands it, but peace as the Hungarian freedom fighters were savagely taught it.

The striving for peace—settlement of differences between nations without war—underlies international negotiation and agreement. The solemn observance of international obligations is the fundamental of international law as the West understands it.

The yearning for peace—to end the cold war, to avoid a nuclear holocaust is universal to nations and peoples of the free world. It is to be taken for granted in any discussion of the problem of achieving it. The magnitude of that problem is to be reckoned from mankind's inability throughout the ages to solve it.

The intensity of man's yearning for peace has led past generations time and again to an emotional rather than reasoned adoption of some attractive, yet defective, scheme of achieving it. Time and again failure of the hopeful panacea has had its consequence in untold human misery. This lesson of history prompted President Eisenhower's warning, "we cannot build peace through desire alone."

Notwithstanding the logic of the warning, notwithstanding the lessons of history that prompted it, and in the face of the totally consistent record of Communist aggression by treatybreaking, increasing numbers of well-intentioned people are again emotionally urging us to repeat the tragic mistakes of the past.

To them, agreement—any agreement—with the Soviet looms as a logical first step toward peace. On almost any terms the Soviets demand they discuss agreements on Berlin, beginning disengagement, banning atomic tests, disarmament, prevention of surprise attacks, East-West trade, extension of credits to the Soviet bloc, the so-called European security pact, and other areas of tension. Presumably terms would be fixed at the foreign ministers' conference and formalized at the summit conference.

It is indeed possible that these conferences could result in a first step toward peace. But not by the delusion that a problem postponed is a problem solved.

It can come only by dogged insistence of a united West that any agreement arrived at must be both mutually advan-

tageous and self-enforcing. For negotiation and agreement with Communist nations can never be employed by the West as an effective means toward achieving its goal of peace until such time as Soviet leaders become convinced that the West no longer will permit its use as an artful tool for advancement of Communist aggression.

"We are not deceived," Goethe said, "We deceive ourselves." Let us not deceive ourselves in this instance. The device of international agreements as a means toward peace simply is not available until a Communist country has, for the first time, executed a treaty with the West which enforces upon it, as equally as upon the West, a rule of peaceful conduct.

It cannot successfully be disputed that no such treaty has heretofore been executed. Neither can it be claimed that Communist diplomatic negotiators have ever been "sincere" in our meaning of the word.

They have, however, been both constant and consistent. They have never deviated from their basic dogma that the social and economic structure of capitalistic nations inevitably generates war—that consequently peace can be attained only by complete worldwide subjugation of capitalism and the creation of a universal federation of Soviet socialist republics.

This dogma is both the ideological foundation of the Communist approach to international law and its guide to action in dealings with the West. It is axiomatic therefrom that the breach of solemn international agreements or the commission of any other act of expediency which advances Communist conquest of capitalism is "peaceful and moral" by Communist doctrine.

It is the basis of Stalin's observation regarding relations with non-Communist countries that "sincere diplomacy is no more possible than dry water or wooden iron."

And from the standpoint of Western concepts of morality, it is the basis for the Senate Internal Security Subcommittee's evaluation:

> You must be a liar, a cheat, and probably a spy before you can represent a Communist nation in international diplomacy. You must have no more regard for honor when you sign an agreement on behalf of your country than a forger does when he puts a name on a check.

It was the theoretical and practical basis on which Red army commissars arrested the leaders of the Hungarian revolution while negotiating an armistice with them and executed them despite a promise of safe conduct.

Realistically citing the demonstrated disregard by the Communists of their pledges as "one of the greatest obstacles to success in substituting the rule of law for rule by force," President Eisenhower declared a basic rule for Western self-preservation in his 1959 state of the Union message by saying:

> We have learned the bitter lesson that international agreements, historically considered by us as sacred, are regarded in Communist doctrine and in practice to be mere scraps of paper. * * * As a consequence, we can have no confidence in any treaty to which the Communists are a party, except where such a treaty provides within itself for self-enforcing mechanisms.

Within the last few days the world has received another reaffirmation of Communist determination not to depart from its approach to international law and the wisdom of the Eisenhower declaration.

Throughout the Geneva nuclear test cessation talks the Kremlin has sought only an agreement which it could circumvent at discretion by conducting tests below ground or above the atmosphere, free from Western detection. Then President Eisenhower dramatically sought to bring forth an agreement which was as equally enforcible on the Soviets as upon the West—the banning of atmospheric tests, a violation of which can be detected with certainty. Premier Khrushchev's reply: a flat "nyet."

Let our representatives and those of our allies have these facts of international life firmly in mind as they seat themselves at the conference tables. Summed up masterfully by the distinguished international lawyer, Adm. Chester Ward, they are:

> Communist dogma insists that promises, like piecrust, are made to be broken. Whom the Communists would destroy, they first invite to coexist, and offer a nonaggression agreement.

ILLUSTRATIVE TABLE OF VIOLATIONS OF INTERNATIONAL AGREEMENTS BY THE SOVIET UNION COMPILED BY CONGRESSMAN CRAIG HOSMER OF CALIFORNIA

(NOTE.—This table is illustrative only and does not list all U.S.S.R. violations. It does not list violations by Communist China or other Communist governments. A complete listing would require several hundred entries.)

VIOLATIONS INVOLVING ABSORPTION OF INDEPENDENT STATES INTO COMMUNIST ORBIT

A. Annexations

1. Georgia, Transcaucasian Republic, and Ukraine: The Soviet Government recognized independence of the Republic of Georgia in 1920. In 1921 the Red Army attacked and took over the country. In March 1922 Georgia, Armenia, and Azerbaijam were combined into the Transcaucasian Republic and promised partial independence by the U.S.S.R. In December 1922, the area was incorporated into the Soviet Union. In 1920 a treaty of alliance was concluded between the Russian and Ukrainian governments. In 1922 that country was incorporated into the Soviet Union.

2. Estonia, Latvia and Lithuania: The Soviet Government signed treaties with Estonia, Latvia, and Lithuania recognizing their independence and later made nonaggression pacts with these three countries. In 1940 these states were invaded by the Red army and subsequently incorporated into the U.S.S.R. Populations were eliminated by wholesale massacre and deportation.

3. Poland: In 1921 the Soviet Government concluded a treaty with Poland defining the common boundaries of the two states. Afterward the two countries signed a nonaggression pact. In 1939, the Soviet Union, in collaboration with Nazi Germany, invaded Poland and incorporated the eastern portion of the state into the U.S.S.R.

4. Rumania: In 1934 the Soviet Union guaranteed the sovereignty of Rumania. In 1940, the U.S.S.R. occupied and absorbed Bessarabia and northern Bukovina. In 1944 the Red army invaded Rumania. At the time Molotov, the Soviet Foreign Minister, declared that this action was necessitated by the military requirements of World War II and that the Soviet Union did not desire to acquire additional territory or change the political character of any state. The country still remains Moscow controlled.

5. Czechoslovakia: In 1922 the Soviet Government concluded a friendship agreement with Czechoslovakia. In 1945 Czechoslovakia was forced to cede the Carpatho-Ukraine to the Soviet Union. In 1948 the country was satellized.

B. Establishment of satellite regimes in Poland, Rumania, Hungary, Bulgaria, East Germany, Czechoslovakia, China, and North Korea

1. World War II armistice agreements in Eastern Europe: Toward the end of World War II the United States, Great Britain, and the U.S.S.R. entered into armistice agreements with Rumania, Bulgaria, and Hungary. It was agreed that the terms of the armistices would be administered by a joint Allied Control Commission, composed of a Soviet Chairman with American and British representatives, in each of the three capitulating states. In the case of all three armistices, the Soviet Chairman issued orders in the name of the Allied Control Commission on matters of substantive policy without prior consultation with the other members. This unilateral action by the Soviet representative deprived the United States and Great Britain of effective participation in the work of the Commission. The Government of the Soviet Union disregarded appeals by the two Western Powers that it adhere to the terms of the armistices.

2. The Yalta Declaration regarding the reestablishment of independent states and government by consent in Poland, Hungary, Rumania, and Bulgaria: In the Yalta Declaration of 1945, the U.S.S.R. joined the United States and Great Britain in reaffirming "the right of all peoples to choose the form of government under which they will live" and the principle of "the restoration of sovereign rights and self-government to those peoples who have been forcibly deprived of them by the aggressor (Axis) nations." It was recognized that "the establishment of order in Europe and the restoration of national economic life must be achieved by processes which will enable the liberated peoples to * * * create democratic institutions of their own choice." The three governments agreed to assist jointly the people in any liberated European or former Axis satellite state to "form interim governmental authorities broadly representative of all democratic elements in the population" and promised "the earliest possible establishment through free elections of governments responsive to the will of the people" and to facilitate the holding of such elections.

The Soviet Union flagrantly violated this agreement by refusing to permit free elections and the establishment of governments based on the consent of the people in Poland, Bulgaria, Hungary, and Rumania. Instead the Communist Parties within these countries and the armed forces of the U.S.S.R. were used to deny these people their fundamental freedoms and to install stooge governments subservient to Moscow.

3. East Germany: The Potsdam Agreement concluded by the United States, Great Britain, and the U.S.S.R. stated that all democratic political parties should be allowed and encouraged throughout Germany, promised the rights of assembly and public discussion, and called for the holding of representative elections. However, in East Germany, the Soviet authorities have denied freedom of action to non-Communist Parties, interfered in their internal affairs, and coerced their leaders. Anti-Communist groups have not

been permitted to compete for popular support with the Socialist Unity (Communist) Party. Moreover, the Soviet Union has negated those provisions of the Potsdam Agreement avowing freedom of speech, press, and trade-union activity. During the period of occupation, Germany was to be treated as an economic unit. The U.S.S.R. has consistently obstructed attempts to implement this principle and, instead, followed a unilateral policy of establishing a Soviet-type economy in the eastern zone.

The Soviet Union agreed that the Allied Powers would settle the future boundary of Germany and that Germany would be disarmed and demilitarized to the point of maintaining only detachments of civil police armed with small weapons for the purpose of maintaining domestic law and order. Without the concurrence of the United States, Great Britain, or France, the Soviet-dominated governments of Poland and East Germany signed an agreement determining the frontier of East Germany and Poland. Furthermore, the Soviet Union created a "police force" in East Germany consisting of 100,000 men, trained and equipped like a military organization.

4. Czechoslovakia: The U.S.S.R. concluded a treaty of friendship, mutual assistance, and postwar cooperation with the Czechoslovakian Government-in-exile during World War II. In 1948 the Communist Party, under Moscow's direction seized power in Czechoslovakia and a satellite regime was established.

5. China: In 1924 the U.S.S.R. recognized the sovereignty of China over Outer Mongolia, renounced all privileges, concessions, and rights of extraterritoriality in China and promised to refrain from disseminating hostile propaganda against the Government of China. The two countries agreed to joint Sino-Soviet ownership of the Chinese Eastern Railway.

Three years later China broke diplomatic relations with the U.S.S.R. after documents uncovered in the Soviet Embassy revealed Communist designs on China. In 1935, the Soviet Union sold its share of the Chinese Eastern Railway to the Japanese puppet Government of Manchukuo, despite the objections raised by China with reference to the 1924 agreement. The next year the U.S.S.R. concluded a mutual-assistance agreement with Outer Mongolia which China rightly protested as violating the Sino-Soviet Treaty of 1924.

By 1937 China and the Soviet Union had concluded a joint defense agreement and promised not to assist any aggressor that might attack the other. Nevertheless, in 1941 the U.S.S.R. pledged to Japan its respect for the territorial integrity of the latter's puppet state of Manchukuo, which had been established as a result of the Japanese conquest of Manchuria.

The Soviet Union and the Republic of China entered into a treaty of friendship, alliance, and mutual assistance in 1945. About this time the Soviet Government also expressed its "agreement as to the need for a unified and democratic China under the National (Chiang Kai-shek) Government" and reaffirmed its adherence to the policy of noninterference in the internal affairs of China, and recognized Chinese sovereignty over Manchuria as absolute.

Despite these commitments, the Soviet Union supported the Communist enemies of the Nationalist-led Republic of China and materially contributed to its defeat by the Chinese Communists. Shortly after its entrance into the war against Japan in 1945, the Red Army entered Manchuria to accept the surrender of the Japanese armed forces. During the Soviet occupation, great quantities of industrial equipment were removed from Manchuria and taken to the U.S.S.R. When the Soviet troops were withdrawn from Manchuria, large quantities of arms surrendered by the Japanese were transferred to the Chinese Communist revolutionists, who were permitted to assume control of the area. At the same time, the Russian authorities obstructed the movement of troops of the legitimate Government of China so that it was unable to establish an administration at Darien for governing Manchuria. In 1949 the U.S.S.R. recognized the (Communist) Chinese People's Republic and severed diplomatic relations with the Nationalist Government.

6. North Korea: The Cairo Declaration, to which the U.S.S.R. subscribed stated that "Korea shall become free and independent." The Soviet Union violated this agreement by establishing a Communist regime in the northern half of Korea, which claims authority over the entire country. The Communist Government of North Korea was created and has been maintained in defiance of the United Nations.

VIOLATIONS AGAINST NON-COMMUNIST COUNTRIES

A. Free countries bordering Communist empire

1. Finland: In 1917 the Soviet Government officially recognized the independence of Finland. Later the two countries concluded a treaty defining their common boundaries and then signed a nonaggression pact. The Soviet Union attack Finland in 1939, concluded a treaty with the democratic Republic of Finland, headed by a Finnish Communist who had been in exile in Russia for 20 years, and then forced Finland to cede territory and port facilities. Subsequently there has been a minimum compliance with any commitments to the Finns.

For example, in 1958 the Soviet Union refused to make advanced payments as pledged to Finland for several nearly completed ships which had been ordered by the Soviet Government.

2. West Germany: In 1945 a representative of the U.S. Government made an agreement with Soviet officials for corridors of access to West Berlin. This agreement was clearly violated by the Berlin blockade from June 1948 to May 1949 and current interference with high altitude flights in the corridors.

In November 1958 the Soviet Union proposed that West Berlin be made a demilitarized "free city." The Soviet Government stated that unless this plan is accepted it will transfer its controls over communications between West Berlin and the outside world to the East German Government. The satellite Government of East Germany will then lay claim to exercise full sovereignty over the land and air approaches to West Berlin. These new Soviet demands suggest a possible renewal of the Berlin blockade and raise the threat of another attempt to force West Germany and its allies to abandon their legitimate position in Berlin.

3. Austria: At the Moscow Conference in 1943, the U.S.S.R. joined the United States and Great Britain in declaring their intent to reestablish a free and independent state of Austria after the end of World War II. The Soviet Union also agreed not to exact reparations from Austria. Yet after Austria's liberation, the Soviet authorities removed equipment and materials from the country under the guise of "German assets" and "war booty," engaged in other practices outside Austrian law which had a deleterious economic effect, and subjected Austrians in the Soviet Zone to arbitrary arrests and abductions. Until the Western Big Three and the U.S.S.R. finaly agreed in 1955 on a peace treaty for Austria, the Soviet Union insisted that this country be treated as a defeated member of the Axis and obstructed all efforts toward a just solution in accord with the Moscow agreement of 1943.

4. Turkey: During World War II the U.S.S.R. reaffirmed its adherence to the Montreux Convention, which confirmed Turkish sovereignty over the Straits, and promised to respect the integrity of Turkey. In 1945, however, the Soviet Union demanded bases in the Straits and the cessation of two provinces in northeastern Turkey.

5. Iran: In 1942 Iran permitted the U.S.S.R. to conduct certain military operations on its territory with the understanding that Soviet armed forces would be withdrawn no later than 6 months after the end of hostilities against Germany. The Soviet troops remained past this date and were withdrawn only after pressure from the United States and the United Nations.

The United States, Great Britain, and the U.S.S.R. in the Teheran Declaration expressed "their desire for the maintenance of the independence, sovereignty, and territorial integrity of Iran." Nevertheless, the Soviet Union interfered in the internal affairs of Iran by repeated incursions across the border and by promoting a separatist movement in Azerbaijan. Soviet broadcasts into Iran have incited the Iranian people and supported the illegal Tudeh (Communist) Party.

6. Afghanistan: In 1946 the Soviet Union forced Afghanistan to cede the border territory of Kushka, even though the two countries had concluded nonaggression treaties in 1926 and 1931.

7. Japan: After World War II the Soviet Union unilaterally seized and occupied the Habomai Islands, Shikotan, and adjacent areas as if they were under the sovereignty of the U.S.S.R. and removed from the rightful authority of Japan. This action violated the Cairo Declaration of 1943 by which the Soviet Union disclaimed any intent of territorial expansion and the terms of the Japanese surrender in which the U.S.S.R. promised that no territory would be taken from Japan except by a treaty of peace with the Allied Powers.

B. Other free countries

1. The United States: When the United States and the U.S.S.R established diplomatic relations in 1933, the Soviet Government promised to refrain from conducting revolutionary activity, from disseminating Communist propaganda, and from interfering in any other manner in the internal affairs of the United States. The Soviet Union, nevertheless, has continued to direct the Communist Party of the United States in efforts to plan and organize the forceful overthrow of the U.S. Government. The Soviet Union, nevertheless, has conducted wide-scale espionage operations within the United States. Examples:

On August 24, 1956, a Soviet employee of the United Nations, Viktor I. Petrov, was dismissed on charges of attempting to obtain secret information on U.S. aircraft.

On January 15, 1957, an assistant Soviet military attaché, Maj. Guri F. Krylov, was declared persona non grata by the Department of State, allegedly for attempting to buy classified military information.

On January 25, 1957, three persons (Jack Soble, Myra Soble, and Jacob Albam, two Lithuanian-born and one Russian-born) were arrested in the United States and later indicted on charges of spying for the Soviet Union.

On January 28–29, 1957, a Soviet Embassy clerk, M. Molev, was ordered to leave the United States for his alleged connnection with the three persons mentioned in the preceding paragraph.

On August 7, 1957, Rudolf I. Abel, allegedly a colonel in the Soviet counter intelligence corps, was indicted for espionage in this country. It was stated that Abel was the highest ranking Communist spy captured by the authorities in this country.

On December 9, 1958, Mark Zborowski, a Russian-born student of anthropology, was convicted and sentenced to 5 years' imprisonment "for lying to a Federal grand jury investigating espionage." He was found to have "devoted himself to the cause of Soviet Russia and international communism from the very beginning of his adult life."

In connection with the lend-lease program, the U.S.S.R agreed to return the undestroyed military articles to the United States at the end of the war. The United States asked the Soviet Government to pay the fair value as of V-J Day, September 2, 1945, for the civilian-type articles which remained in existence at the end of the war and were useful to the Russian economy in peacetime. The value of these articles on September 2, 1945, depreciated from their cost at the time of delivery, was estimated by the U.S. Government to be $2.6 billion. Generally, the United States has not asked payment for articles lost, destroyed, or consumed in the war effort prior to V-J Day.

In 1951 the United States proposed that the U.S.S.R. pay $800 million to settle its lend-lease account, but the Soviet Government offered only $300 million. Since that time, no progress has been made on this aspect of the lend-lease negotiations.

2. Great Britain: When Great Britain recognized the Soviet Government in 1921, the latter agreed not to disseminate Communist propaganda in Britain. By 1927, after repeated violations of this agreement by the U.S.S.R. Great Britain severed diplomatic relations with the Soviet government.

VIOLATIONS OF AGREEMENTS ESTABLISHING PRINCIPLES AND ORGANIZATIONS FOR MAINTENANCE OF INTERNATIONAL PEACE AND SECURITY.

A. Agreements concluded between World War I and World War II

During the interwar period the U.S.S.R. adhered to the Briand-Kellogg Pact for the Renunciation of War which provided that "War should be renounced as an instrument of national policy, and that settlement of disputes should never be sought except by peaceful means." As a member of the League of Nations, the Soviet Union convenanted to "undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all Members of the League" and not to resort to war without first submitting the disputes in question for settlement according to peaceful procedures. However, these principles did not restrain the Soviet Union from attacking Poland, Finland, Lithuania, Latvia, Estonia, and Rumania. The three Baltic States were annexed, Poland was dismembered, and Finland and Rumania were forced to cede territory. The Soviet Union was expelled from the League of Nations in 1939 for its aggression against Finland.

B. Agreements concluded during World War II

1. Atlantic Charter: During the Second World War, the U.S.S.R accepted the declaration of principles known as the Atlantic Charter. It provided that—

First (the subscribing) countries seek no aggrandizement, territorial or other.

Second, they desire to see no territorial changes that do not accord with the freely expressed wishes of the peoples concerned.

Third, they respect the right of all peoples to choose the form of government under which they will live; and they wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them.

The Soviet Union also adhered to the Cairo declaration by the United States, Great Britain, and China which stated that "The three great allies * * * covet no gain for themselves and have no thought of territorial expansion."

Since accepting the principles of the Atlantic Charter on September 24, 1941, the U.S.S.R. has annexed Estonia, Latvia, Lithuania, and Tanna Tuva and territories formerly belonging to Finland, Germany, Czechoslovakia, and Afghanistan. Satellite regimes have been established in East Germany, Albania, Bulgaria, Rumania, Hungary, Poland, Czechoslovakia, North Korea, Outer Mongolia, China, and North Vietnam.

2. Agreements regarding Berlin: Although there has never been a firmly binding written agreement between the Soviet Union and the Western Powers concerning the West's access to Berlin, there has never been any question as to their right to be there and administer the city jointly. The basic agreement was signed on September 12, 1944, in London, stipulating the division of Berlin into zones for joint administration. In June of 1945, Gen. Lucius D. Clay "concluded an oral arrangement with Soviet officials for access corridors to Berlin from the three western zones of occupation." The terms of these arrangements were admittedly general and imprecise. But their import was clearly violated by the Berlin blockade of 1948 and 1949. Soviet actions precipitating the 1959 Berlin crisis appear designed to force a revision of these arrangements.

C. Agreements concluded after World War II

1. United Nations Charter:

(a) Soviet policy and the purposes of the United Nations: The United Nations was founded to strengthen international peace and security, to promote friendly relations based on respect for the principle of equal rights and self-determination of peoples, and to expand international cooperation in solving economic, social, cultural, and humanitarian problems. By using the veto 87 times, by frustrating attempts to realize an effective system of disarmament, by suppressing the rights of subjugated peoples and nations, by supporting aggression of its satellites, and by attempting to enlarge the dominion of international communism through the subversion of freely elected and independent governments, the Soviet Union has demonstrated its basic hostility toward the principles of the United Nations Charter.

(b) Repression in Hungary: In October 1956 the Soviet Union's armed intervention in Hungary was a clear violation of the United Nations Charter. On December 12 of that year, the U.S.S.R. was condemned by resolution of the General Assembly of the United Nations for its action in "depriving Hungary of its liberty * * * (and) independence and the Hungarians of their fundamental rights."

2. Korean armistice: Since the signing of the Korean armistice agreement in 1953, the Communist armies and air forces in North Korea have been illegally augmented. The senior member of the United Nations command on the armistice commission reported that the Communists flagrantly violated every basic provision of the armistice agreement.

3. Geneva declaration on restoration of peace in Indochina: A declaration was signed at Geneva in 1954 by Great Britain, France, the U.S.S.R., and the Chinese People's Republic which prohibited the introduction of foreign troops and armaments into Vietnam. Since that time Communist forces in North Vietnam have been substantially increased. Furthermore, the Communists have obstructed the operations of the commission of neutral nations created to supervise the armistice and denied the right of the Indochinese people as recognized in the Geneva declaration to migrate from the Communist-controlled portion of the area.

4. 1955 summit understanding on unification of Germany: At the Geneva Summit Conference in 1955, the heads of the governments of the United States, Great Britain, France, and the Soviet Union issued a directive to their foreign ministers which stated that "the heads of governments recognizing their common responsibility for the settlement of the German question and the reunification of Germany, have agreed that settlement of the German question and the reunification of Germany by means of free elections shall be carried out in conformity with the national interests of the German people and the interests of European security." At a meeting of the Big Four foreign ministers in October of that year to implement the directive, the Soviet Government refused to agree to German unification in accordance with the summit conference directive. Subsequently, in 1958, President Eisenhower referred to the summit directive when he wrote Bulganin, then Premier. The President stated that "in spite of our urging, your government has, for 2½ years taken no steps to carry out that agreement, or to discharge that recognized responsibility."

5. Navigation on Danube River: In 1948, a convention concerning navigation on the Danube River was concluded by the U.S.S.R., Bulgaria, Hungary, Rumania, Ukraine, Czechoslovakia, and Yugoslavia. This arrangement undermines the principles of freedom of navigation embodied in the Balkan peace treaties and arbitrarily declares existing international agreements involving the rights of other states to be null and void.

AUTHORIZATION TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. SANTANGELO. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday next the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BROOMFIELD (at the request of Mr. GRIFFIN), indefinitely, on account of death of mother.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. FLOOD, for 30 minutes, today, and to revise and extend his remarks and include extraneous matter and tables.

Mr. RHODES of Arizona, for 15 minutes, today.

Mr. COLLIER, for 15 minutes, on Thursday, May 21, 1959.

Mr. MOULDER, for 15 minutes, today.

Mr. HALPERN, for 5 minutes, today, and to revise and extend his remarks.

Mr. PATMAN (at the request of Mr. SANTANGELO), for 30 minutes, on Monday and Tuesday next, and to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL

RECORD, or to revise and extend remarks, was granted to:

Mr. MONAGAN and to include extraneous matter.

Mr. WAMPLER and to include extraneous matter.

Mr. JOHNSON of Colorado and to include extraneous matter.

Mr. HOSMER and to include extraneous matter.

Mrs. ST. GEORGE and include a speech by the Postmaster General.

Mr. HENDERSON and to include extraneous matter.

(At the request of Mr. LAFORE, and to include extraneous matter, the following:)

Mr. KEARNS.

Mr. WALLHAUSER.

(At the request of Mr. RHODES of Arizona, and to include extraneous matter, the following:)

Mr. MOORE.

(At the request of Mr. SANTANGELO, and to include extraneous matter, the following:)

Mr. DINGELL.

Mr. KEOGH.

Mr. MULTER.

Mr. SHELLEY.

Mr. HÉBERT in two instances.

Mr. RODINO.

Mr. DULSKI.

Mr. ROOSEVELT.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 44. An act to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 1120. An act to amend the National Bank Act and the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits and to eliminate the classification "central reserve city"; to the Committee on Banking and Currency.

S. 1434. An act to amend title XI of the Merchant Marine Act, 1936, as amended, with respect to insurance of ship mortgages, and for other purposes; to the Committee on Merchant Marine and Fisheries.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 94. A joint resolution to defer the proclamation of marketing quotas and acreage allotments for the 1960 crop of wheat until June 1, 1959.

ADJOURNMENT

Mr. SANTANGELO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 28 minutes p.m.), under its previous order, the House adjourned until Monday, May 18, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

968. A letter from the Secretary of the Interior, transmitting a report on Gray Reef Dam and Reservoir, Glendo Unit, Wyoming, Missouri River Basin project, pursuant to Public Law 85-695 (H. Doc. No. 141); to the Committee on Interior and Insular Affairs and ordered to be printed with illustrations.

969. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated April 7, 1959, submitting a report, together with accompanying papers and an illustration, on a review of reports on Cotuit Harbor, Mass., requested by the Committee on Public Works, House of Representatives, adopted January 28, 1947 (H. Doc. No. 142); to the Committee on Public Works and ordered to be printed with one illustration.

970. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated April 2, 1959, submitting a report, together with accompanying papers and an illustration, on a review of reports on Apponaug Cove, R.I., requested by the Committee on Public Works, House of Representatives, adopted June 27, 1956 (H. Doc. No. 143); to the Committee on Public Works and ordered to be printed with one illustration.

971. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated March 5, 1959, submitting a report, together with accompanying papers and an illustration, on Great Lakes Harbors Study—Interim Report on Sandusky Harbor, Ohio, made pursuant to several congressional authorizations listed in the report (H. Doc. No. 144); to the Committee on Public Works and ordered to be printed with one illustration.

972. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated January 13, 1959, submitting a report, together with accompanying papers and illustrations, on Great Lakes Harbors study—interim report on Presque Isle Harbor, Mich., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956 and June 27, 1956 (H. Doc. No. 145); to the Committee on Public Works and ordered to be printed with illustrations.

973. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated February 17, 1959, submitting a report, together with accompanying papers and illustrations, on Great Lakes Harbors study—interim report on Two Harbors, Minn., requested by the resolutions of the committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956 and June 27, 1956 (H. Doc. No. 146); to the Committee on Public Works and ordered to be printed with illustrations.

974. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated April 2, 1959, submitting a report, together with accompanying papers and an illustration, on a survey of Everglades Harbor, Collier County, Fla., authorized by the River and Harbor Act, approved March 2, 1945 (H. Doc. No. 147); to the Committee on Public Works and ordered to be printed with one illustration.

975. A letter from the Secretary of Defense, transmitting 27 reports covering 31 violations of section 3679, Revised Statutes and Department of Defense Directive 7200.1, entitled "Administrative Control of Appropriations within the Department of Defense", pursuant to section 3679(i)(2), Revised Statutes; to the Committee on Appropriations.

976. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation, entitled "A bill to amend the Motor Vehicle Safety Responsibility Act of the District of Columbia approved May 25, 1954, as amended"; to the Committee on the District of Columbia.

977. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation, entitled "A bill to amend Public Laws 815 and 874, 81st Congress, relating to school assistance in federally affected areas, so as to limit payments under such laws to situations involving tax-exempt Federal property"; to the Committee on Education and Labor.

978. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation, entitled "A bill to amend the laws relating to St. Elizabeths Hospital so as to fix the salaries of the Superintendent, Assistant Superintendent, and first assistant physician of the hospital, and for other purposes"; to the Committee on Education and Labor.

979. A letter from the Acting Secretary of Labor, transmitting a draft of proposed legislation, entitled "A bill to amend the Fair Labor Standards Act of 1938, as amended"; to the Committee on Education and Labor.

980. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Bureau of Engraving and Printing, Treasury Department, for the fiscal year ended June 30, 1958; to the Committee on Government Operations.

981. A letter from the Comptroller General of the United States, transmitting a report on examination of prices negotiated for vertical stabilizer tips for Model F-100 aircraft by Rheem Manufacturing Co., Downey, Calif., a subcontractor under Department of the Air Force prime contractors with North American Aviation, Inc., Los Angeles, Calif.; to the Committee on Government Operations.

982. A letter from the Acting Chairman, Federal Communications Commission, transmitting a copy of the report on backlog of pending applications and hearing cases in the Federal Communications Commission as of March 31, 1959, pursuant to the Communications Act as amended July 16, 1952, by Public Law 554; to the Committee on Interstate and Foreign Commerce.

983. A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to save and preserve, for the public use and benefit, a portion of the remaining undeveloped shoreline area of the United States, and for other purposes"; to the Committee on Interior and Insular Affairs.

984. A letter from the Under Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to amend the act entitled 'An act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes,' approved July 5, 1946, with relation to the importation of trademarked articles and for other purposes"; to the Committee on the Judiciary.

985. A letter from the executive secretary, the American Society of International Law, transmitting the annual audit by a certified public accountant of the financial transactions of the society for the period January 1, 1958 to March 31, 1959, pursuant to section 9 of the act of September 20, 1950 (64 Stat. 869); to the Committee on the Judiciary.

986. A letter from the director, the American Legion, transmitting the final financial statement of the American Legion up to and

including the period ending December 31, 1958, pursuant to Public Law 47, 66th Congress; to the Committee on Veterans' Affairs.

987. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a letter dated May 13, 1959, with reference to letter of July 1, 1958, transmitting the case of Wick Chu, A-10198025, involving suspension of deportation under the provisions of section 244(a)(1) of the Immigration and Nationality Act of 1952, requesting that the case be withdrawn from those now before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

988. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in cases of certain aliens who have been found admissible into the United States under said law, pursuant to the provisions of section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of May 12, 1959, the following bill was reported on May 13, 1959:

Mr. THOMAS: Committee of conference. H.R. 5916. A bill making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes (Rept. No. 355). Ordered to be printed.

[*Submitted May 14, 1959*]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BLATNIK: Committee on Public Works. H.R. 904. A bill to rename the New Richmond Dam in the State of Ohio as the Capt. Anthony Meldahl Dam; with amendment (Rept. No. 356). Referred to the House Calendar.

Mr. MORRISON: Committee on Post Office and Civil Service. S. 96. An act to govern the salaries and personnel practices applicable to teachers, certain school officers, and other employees of the dependents schools of the Department of Defense in overseas areas, and for other purposes; without amendment (Rept. No. 357). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Missouri: Committee on House Administration. House Resolution 247. Resolution to authorize printing additional copies of House Document 57 (86th Cong.); without amendment (Rept. No. 358). Ordered to be printed.

Mr. JONES of Missouri: Committee on House Administration. Senate Concurrent Resolution 22. Concurrent resolution to print additional copies of certain hearings on transportation problems in Maryland, Virginia, and the Washington metropolitan area; without amendment (Rept. No. 359). Ordered to be printed.

Mr. SPENCE: Committee on Banking and Currency. S. 722. An act to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; with amendment (Rept. No. 360). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS of Louisiana: Committee on Science and Astronautics. H.R. 7007. A bill to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction and equipment, and for other purposes; without amendment (Rept. No. 361). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY: Committee on Post Office and Civil Service. H.R. 5752. A bill to provide for absence from duty by civilian officers and employees of the Government on certain days, and for other purposes; with amendment (Rept. No. 362). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELANEY: Committee on Rules. House Resolution 264. Resolution for consideration of S. 57, an act to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes; without amendment (Rept. No. 363). Referred to the House Calendar.

Mr. MILLS: Committee on Ways and Means. H.R. 7086. A bill to extend the Renegotiation Act of 1951, and for other purposes; without amendment (Rept. No. 364). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HERLONG:

H.R. 7117. A bill to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes; to the Committee on Banking and Currency.

By Mr. COOLEY:

H.R. 7118. A bill to amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended; to the Committee on Agriculture.

By Mr. ANDERSON of Montana:

H.R. 7119. A bill to authorize the transfer of three units of the Fort Belknap Indian irrigation project to the landowners within the project; to the Committee on Interior and Insular Affairs.

By Mr. ASPINALL:

H.R. 7120. A bill to amend certain laws of the United States in the light of the admission of the State of Alaska into the Union, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 7121. A bill relating to the sale of certain minerals and metals acquired by the United States; to the Committee on Banking and Currency.

By Mr. BARR:

H.R. 7122. A bill to revise, extend, and otherwise improve the Communications Act of 1934 (47 U.S.C. 315) to bring into focus and more proper perspective that section of the law governing political broadcasts; to the Committee on Interstate and Foreign Commerce.

By Mr. BOGGS:

H.R. 7123. A bill to amend the Internal Revenue Code of 1954 so as to provide that lawful expenditures for legislative purposes shall be allowed as deductions from gross income; to the Committee on Ways and Means.

By Mr. BROYHILL:

H.R. 7124. A bill to require the payment of tuition on account of certain persons who attend the public schools of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. BURKE of Massachusetts:

H.R. 7125. A bill to provide for a study of the feasibility of establishing the President Adams Parkway; to the Committee on Public Works.

By Mr. CELLER:

H.R. 7126. A bill relating to the authority of the Customs Court to appoint employees, and for other purposes; to the Committee on the Judiciary.

By Mr. CHAMBERLAIN:

H.R. 7127. A bill to grant constructive service to members of the Coast Guard Women's Reserve for the period from July 25, 1947, to November 1, 1949; to the Committee on Merchant Marine and Fisheries.

H.R. 7128. A bill to amend title 14, United States Code, in order to correct certain inequities in the computation of service in the Coast Guard Women's Reserve; to the Committee on Merchant Marine and Fisheries.

By Mr. CRAMER:

H.R. 7129. A bill to punish the use of interstate commerce in furtherance of conspiracies to commit terroristic crimes and activities, and for other purposes; to the Committee on the Judiciary.

By Mr. CUNNINGHAM:

H.R. 7130. A bill to amend section 1(14)(a) of the Interstate Commerce Act to insure the adequacy of the national railroad freight car supply, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GALLAGHER:

H.R. 7131. A bill to amend the U.S. Housing Act of 1937 to reduce from 65 to 62 the age at which a single person can qualify for admission to a low-rent housing project and the age at which a family can qualify for admission to a project designed specifically for elderly families; to the Committee on Banking and Currency.

By Mrs. GRANAHAN:

H.R. 7132. A bill to amend title I of the Housing Act of 1949 to permit loss of goodwill to be taken into account in computing the amount of the relocation payment which may be made to a business concern displaced by an urban renewal project, and to increase the maximum amount of such payment; to the Committee on Banking and Currency.

H.R. 7133. A bill to provide retirement eligibility for certain Federal employees whose rates of compensation are adversely affected due to any international commitment, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 7134. A bill to amend the Civil Service Retirement Act with respect to voluntary retirement of certain Federal employees assigned to duty in overseas areas, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HECHLER:

H.R. 7135. A bill to prohibit the serving of alcoholic beverages to passengers on aircraft in flight; to the Committee on Interstate and Foreign Commerce.

By Mr. HORAN:

H.R. 7136. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Oroville-Tonasket unit of the Okanogan-Similkameen division, Chief Joseph Dam project, Washington, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 7137. A bill to provide for the disposal of certain real property to the city of Spokane, Wash., and for other purposes; to the Committee on Government Operations.

By Mr. JOHNSON of California:

H.R. 7138. A bill to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, insure the protection of the public interest, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KEARNS:

H.R. 7139. A bill to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university, and for other purposes; to the Committee on Education and Labor.

H.R. 7140. A bill to amend Public Laws 815 and 874, 81st Congress, relating to school assistance in federally affected areas, so as to limit payments under such laws to situations

involving tax-exempt Federal property; to the Committee on Education and Labor.

By Mr. KNOX:

H.R. 7141. A bill to amend the Internal Revenue Code of 1954 to encourage private investment abroad and thereby promote American industry and reduce Government expenditures for foreign economic assistance; to the Committee on Ways and Means.

By Mr. KOWALSKI:

H.R. 7142. A bill to clarify certain provisions of the patent statutes relating to applications filed on behalf of absent or missing inventors; to the Committee on the Judiciary.

By Mr. McCORMACK:

H.R. 7143. A bill to provide for a study of the feasibility of establishing the President Adams Parkway; to the Committee on Public Works.

By Mr. McDOWELL:

H.R. 7144. A bill to amend the Federal Credit Union Act; to the Committee on Banking and Currency.

By Mr. McMILLAN:

H.R. 7145. A bill to amend section 35 of chapter III of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia", as amended; to the Committee on the District of Columbia.

By Mr. MARSHALL:

H.R. 7146. A bill to amend the Agricultural Trade Development and Assistance Act of 1954, as amended; to the Committee on Agriculture.

By Mr. MASON:

H.R. 7147. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. CLEMENT W. MILLER:

H.R. 7148. A bill to increase the basic compensation which may be paid civilian keepers of lighthouses from $3,750 per annum to $5,100 per annum; to the Committee on Merchant Marine and Fisheries.

H.R. 7149. A bill to provide for stabilizing the broiler and egg industries by instituting a program for marketing regulations; to the Committee on Agriculture.

By Mr. MORGAN:

H.R. 7150. A bill to amend the Small Business Act to provide that the affiliate or subsidiary status of a business concern in an economically depressed area shall not be taken into account in determining whether such concern is eligible for assistance under such act in securing Government procurement contracts; to the Committee on Banking and Currency.

By Mr. O'NEILL:

H.R. 7151. A bill to provide for a study of the feasibility of establishing the President Adams Parkway; to the Committee on Public Works.

By Mr. PIRNIE:

H.R. 7152. A bill to establish a Commission on Country Life, and for other purposes; to the Committee on Agriculture.

H.R. 7153. A bill to amend section 502 of the General Bridge Act of 1946, and for other purposes; to the Committeee on Public Works.

By Mr. SANTANGELO:

H.R. 7154. A bill to amend the Social Security Act and the Internal Revenue Code so as to provide insurance against the costs of hospital, nursing home, and surgical service for persons eligible for old-age and survivors insurance benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. SISK:

H.R. 7155. A bill to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. STEED:

H.R. 7156. A bill to authorize the use of funds arising from a judgment in favor of the Citizen Band of Potawatomi Indians of Oklahoma, and the Prairie Band of Potawatomi Indians of Kansas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ULLMAN:

H.R. 7157. A bill to make payments to Indians for destruction of fishing rights at Celilo Falls exempt from income tax; to the Committee on Interior and Insular Affairs.

By Mr. WAINWRIGHT:

H.R. 7158. A bill to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university, and for other purposes; to the Committee on Education and Labor.

H.R. 7159. A bill to amend the laws relating to St. Elizabeths Hospital so as to fix the salaries of the superintendent, assistant superintendent, and first assistant physician of the hospital, and for other purposes; to the Committee on Education and Labor.

By Mr. WIDNALL:

H.R. 7160. A bill to amend sections 1612 and 1613 of title 38, United States Code, to provide that where a veteran eligible for educational benefits on account of Korean conflict service has reentered military service, such service shall not be counted as part of the periods within which his education must be begun and completed; to the Committee on Veterans' Affairs.

By Mr. YOUNGER:

H.R. 7161. A bill to amend the Communist Control Act of 1954 to prohibit interference by certain persons with the free movement of defense materials in foreign commerce, and for other purposes; to the Committee on Un-American Activities.

By Mr. ZELENKO:

H.R. 7162. A bill to amend the Civil Service Retirement Act to provide minimum retirement annuities of $200 a month in cases of mandatory separations under section 5 of such act; to the Committee on Post Office and Civil Service.

By Mr. ELLIOTT:

H.J. Res. 392. Joint resolution to provide for the acceleration of the various reforestation programs of the Department of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. CLEMENT W. MILLER:

H.J. Res. 393. Joint resolution to provide for the acceleration of the various reforestation programs of the Department of Agriculture and the Department of the Interior, and for other purposes; to the Committee on Agriculture.

By Mr. KING of Utah:

H. Res. 265. Resolution expressing the sense of the House of Representatives with respect to the initiation of an international exchange program, consisting of exchange visits by delegations of mothers, between the United States and Russia; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. DADDARIO: Memorial of the General Assembly of the State of Connecticut memorializing Congress to allow an additional income exemption of $1,200 for an individual who is a student at an institution of higher education; to the Committee on Ways and Means.

By Mr. IRWIN: Memorial of the General Assembly of the State of Connecticut memorializing Congress to allow an additional income exemption of $1,200 for an individual who is a student at an institution of higher education; to the Committee on Ways and Means.

By Mr. MONAGAN: Memorial of the General Assembly of the State of Connecticut memorializing Congress to allow an additional income exemption of $1,200 for an individual who is a student at an institution of higher education; to the Committee on Ways and Means.

By Mr. McGINLEY: Memorial of the Legislature of the State of Nebraska concerning protest of sale or disposal of the Omaha alcohol plant or any such similar plant prior to possible usage development for such plant under legislation now pending or being considered by the Congress of the United States or which might be introduced, which legislation has for its purpose an expanded program of industrial usage for agricultural products; to the Committee on Agriculture.

By the SPEAKER: Memorial of the Legislature of the State of Rhode Island, memorializing the President and the Congress of the United States relative to requesting that the reduction in force of civilian employees of the U.S. Naval Construction Battalion Center at Davisville be rescinded; to the Committee on Armed Services.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States relative to requesting further amendment of the Internal Revenue Code of 1954, as amended, to include under the term "dependents" the residents of any country to which the transfer of United States funds is not prohibited; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYRES:

H.R. 7163. A bill for the relief of William James Harkins and Thomas Lloyd Harkins; to the Committee on the Judiciary.

By Mr BOYLE:

H.R. 7164. A bill for the relief of Vlado Parojcic; to the Committee on the Judiciary.

By Mrs. DWYER:

H.R. 7165. A bill for the relief of Filip Lewensztejn (Harry Lipa Levenstein); to the Committee on the Judiciary.

By Mr. FRIEDEL:

H.R. 7166. A bill for the relief of Georges Khoury; to the Committee on the Judiciary.

By Mr. IRWIN:

H.R. 7167. A bill for the relief of Irene Kovacs, Istvan Kovacs, Jr., and Jeri Kovacs; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H.R. 7168. A bill for the relief of Mrs. T. H. Huang; to the Committee on the Judiciary.

By Mr. MADDEN:

H.R. 7169. A bill for the relief of Pejo Sever; to the Committee on the Judiciary.

By Mr. MAILLIARD:

H.R. 7170. A bill for the relief of Eutychia Apostolopoulos; to the Committee on the Judiciary.

By Mr. O'NEILL:

H.R. 7171. A bill for the relief of Salim Arrab; to the Committee on the Judiciary.

By Mr. RIVERS of Alaska:

H.R. 7172. A bill for the relief of Francisco Ellazo; to the Committee on the Judiciary.

By Mr. VANIK:

H.R. 7173. A bill for the relief of Mr. and Mrs. Si-Hon Ma; to the Committee on the Judiciary.

By Mr. YATES:

H.R. 7174. A bill for the relief of Miss Madeline A. Bushbaum; to the Committee on the Judiciary.

By Mr. HARMON:

H. Res. 266. Resolution providing for sending the bill (H.R. 7081) with accompanying papers to the U.S. Court of Claims; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

184. By the SPEAKER: Petition of the President, Legion for the Renewal of the Christian Republic, McAllen, Tex., petitioning consideration of their resolution with reference to the establishment of free and secret elections in the Communist slave states as a condition prerequisite to any ratification by the United States of any agreements at the forthcoming summit meeting; to the Committee on Foreign Affairs.

185. Also, petition of Ernest E. Richardson and others, Melbourne, Fla., petitioning consideration of their resolution with reference to requesting enactment of legislation which will grant social security coverage in addition to, but separate from, the U.S. civil service retirement program; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

Jean Dalrymple: A Tribute

EXTENSION OF REMARKS
OF
HON. F. EDWARD HÉBERT
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 14, 1959

Mr. HÉBERT. Mr. Speaker, yesterday, when I sat in this Chamber and listened to the King of the Belgians, Baudouin, deliver to America the message from his country, my thought wandered back to the great Brussels World Fair in Belgium. And when I thought of the Brussels' Fair I could not help but think of Jean Dalrymple and the great effort she put into it as coordinator for the U.S. performing arts program.

Listening to King Baudouin and thinking of the Brussels' Fair and Jean Dalrymple, I suddenly realized that even at this late date there has never, to my knowledge, been paid a proper and fitting tribute to Jean Dalrymple for her great accomplishment when the eyes of the world were focused on America and its exhibitions.

Mr. Speaker, it is never too late to pay tribute to anyone who should have received tribute long before.

A public and just tribute to Jean Dalrymple, coordinator for the U.S. performing arts program for the Brussels' World Fair is long overdue.

I pay it now.

Although the fair has ended and the once heavily populated aisles of the great exhibits have been vacated the amazing job done by Jean Dalrymple continues to be reflected with the passing of each day.

Of course like thousands of other Americans I knew Jean Dalrymple before she went to Europe on this venture. Today Jean Dalrymple is internationally known and American theatrical art and culture is better known and better understood because of Jean Dalrymple's great contribution.

It is most significant that from an original requested, but not provided budget of $2,500,000 Jean Dalrymple staged this gigantic program on an appropriation of $500,000. In addition the Belgian Government has accepted the American Theater Building as a monument to the Americans who performed there and the programs which were presented there. This acceptance saved the American Government an estimated $10,000 which would have been required to demolish the building.

I should like to call to your attention that at the American Theater of the U.S. Pavilion at the Brussels World's Fair this past summer of 1958, over 40 live attractions were offered to the public at prices which everyone could afford: $3 top to $1, and for more than 75 percent of the attractions, $2 to 60 cents.

The following large attractions were given at the higher price of $3 top:

"Carousel," by Richard Rodgers and Oscar Hammerstein II.

"Wonderful Town," by Leonard Bernstein, based on the play "My Sister Eileen."

"Susannah," the American opera by Carlisle Floyd.

"Maria Golovin"—world premier—by Gian-Carlo Menotti.

Philadelphia Orchestra with Ormandy conducting, Isaac Stern, soloist, July 2, 3, 4.

Philadelphia Orchestra with Ormandy conducting, Van Cliburn, soloist, July 5.

Harry Belafonte.

Benny Goodman and his orchestra.

American Ballet Theater Co.

Jerome Robbins Ballet Co.

Juilliard Orchestra.

Newport Jazz Festival.

"Time of Your Life," by William Saroyan, with all-star cast, including Franchot Tone, Susan Strasberg, Dan Dailey, Myron McCormick, Ann Sheridan, Scott McKay, Arnold Moss, Paula Laurence, George Mathews, and Larry Blyden.

Andre Eglevsky's Petit Ballet with stars from the New York City Ballet Co., including Mellissa Hayden, Patricia Wilde, Edward Villella, George Tobias.

Also, a music program of recitals which gained the Gold Medal as the best program of music offered by all 50 countries at the world's fair, which included, at a $2 top: Yehudi Menuhin, violinist; Leontyne Price, soprano; George London, baritone; Blanche Thebom, mezzo-soprano; Byron Janis, pianist; Robert McFerrin, baritone; Rosalyn Tureck, pianist; José Iturbi, pianist; Ralph Kirkpatrick, harpsichordist; Leon Fleisher, pianist; William Warfield, baritone; Eleanor Steber, soprano; John Browning, pianist; Sylvia Marlowe, harpsichordist; Berl Senofsky, violinist.

Also "J. B.", the famous Archibald MacLeish drama, now a great hit on Broadway, and recently awarded the Pulitzer Prize, was given by the Yale University Theatre Company under the regional drama division; also "Waiting for Godot," was given with great success by the San Francisco Actors Workshop.

And the following music and choral groups appeared with great success: Massachusetts Institute of Technology Choral Society, Manhasset Pilgram Fellowship Choir, Concordia Seminary Chorus, Yale University Glee Club, Smith College Glee Club, Knox College Choir, Apollo Club of Minneapolis, University of Tulsa Radio Choir.

There was also an extraordinary program of films, including more than 60 documentaries, which covered every phase of American life, all given free in the American Theater, and a "Cavalcade of Great American Films," also shown free, which drew such great crowds, that very often the films had to be shown several times.

The American Theater was open to the public from 11 a.m. each morning until almost midnight, every day from May 1 to October 16. All morning and afternoon performances were free to the public. Only the evening performances were charged for and the theater was crowded from morning to night.

The selection of Jean Dalrymple as the coordinator for the U.S. performing arts program for the Brussels Worlds Fair was a natural one. She has devoted almost an entire lifetime to the performing arts, and in recent years has poured her energies into helping in the operation of the New York City Center of Music and Drama, a semicivic, nonprofit enterprise devoted to the fostering of popular-priced theater, ballet, and opera.

Miss Dalrymple has been with city center since its beginning in 1943, at one time acting as director of public relations, and as a member of the board of directors. As director of the City Center Theatre Company, she has produced revivals of 16 famous plays at city center with all star casts.

In the spring of 1957, as the new director of the Light Opera Company, she produced five popular musicals. "Carousel" was produced in September of 1957, and this spring, in addition to Marcel Marceau, Miss Dalrymple put three more musicals on the stage of city center:

Miss Dalrymple was responsible for bringing Charles Boyer to Broadway in his first stage appearance in America, in Jean-Paul Sartre's "Red Gloves" and she staged the record-breaking revival of "Burlesque," starring Bert Lahr. "Hope for the Best," starring Franchot Tone, was another of her Broadway productions.

Miss Dalrymple produced "Reunion in Vienna," for the coast-to-coast TV program "Producers' Showcase." Indeed, she has been in all branches of "show business" since she was 17 years old, when she was a star in her own comedy sketch on the famous Keith-Orpheum vaudeville circuit. She then went to

work with the late John Golden. Eventually, she opened her own publicity and management office, and represented such famous personalities as José Iturbi—she is still his personal manager—Lily Pons, Leopold Stokowski, Nathan Milstein, Bidu Sayao, Tallulah Bankhead, Nanette Fabray, Jan Kiepura, Marta Eggerth, and others.

She also has been associated with numerous Broadway hits, and also the Ballet Russe de Monte Carlo and the New York Philharmonic-Symphony concerts at New York's Lewisohn Stadium. In 1951, when she handled the Berlin Arts Festival for the U.S. State Dapartment she met and later married Col. Philip de Witt Ginder. He is now major general, Deputy Commander, U.S. Army, stationed on Governor's Island.

As the coordinator for the U.S. performing arts program she has assembled a wide variety of attractions in her effort to display the finest available examples of what is indigenous to American culture and achievement in the arts.

Included in the Americans for whose friendship King Baudouin yesterday in this chamber, expressed appreciation is Jean Dalrymple, who was so vital a part of the contribution to the American participation in the Brussels World Fair.

Jean Dalrymple, I salute you.

Mountain Laurel Proposed as a National Flower

EXTENSION OF REMARKS
OF
HON. JOHN S. MONAGAN
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 14, 1959

Mr. MONAGAN. Mr. Speaker, in the battle of the flowers during the current campaign to name a national flower, one important flower has been forgotten and that is the Mountain Laurel, State flower of Connecticut.

I have today introduced in the House a resolution designating this flower as the national flower of the United States of America.

As further explanation of my motive in filing this resolution, I include herewith a letter which I have written to the Honorable JESSICA WEIS, Congresswoman from New York, who is the sponsor of another entrant in this floral race:

Hon. JESSICA WEIS,
House of Representatives,
Washington, D.C.

DEAR JESSICA: I have watched with interest your campaign to have the rose made our national flower and I applaud your efforts, but I disagree wholly with your contentions.

I cannot agree that the rose, which is the national flower of England and the symbol of delicacy and fragility, should ever be designated as the floral symbol of the United States.

I believe that the flower which stands as the embodiment of the American character should have qualities of hardiness, of firmness, and of strength that are not present in the rose.

My candidate for our national flower is Connecticut's own Mountain Laurel (Kalmia Latifolia). This lovely plant strikingly contains the American qualities of those hardy settlers who first recorded its discovery in 1624. Like the early colonies, it flowers in the wilderness and spreads its charm in spite of rocky and inhospitable surroundings.

No one who has ever driven through the Connecticut woods late in June can ever forget the glory of the Mountain Laurel with its white and pink blossoms forming a magnificent contrast with the dark green of surrounding trees and bushes.

Sincerely yours,

JOHN S. MONAGAN,
Member of Congress.

Mr. Speaker, I hope that the Congress will favorably consider my resolution.

The Rural Redevelopment Program

EXTENSION OF REMARKS
OF
HON. JOHN E. HENDERSON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 14, 1959

Mr. HENDERSON. Mr. Speaker, Secretary Benson recently made a statement which shows exactly why the rural development program is needed by many farm people. I believe the remarks of the Secretary of Agriculture are of vital interest to my colleagues.

Mr. Benson said:

Underemployment—not surpluses and markets—is their big problem. More of our resources—personnel skills and available funds—must be directed toward meeting the special needs of small farmers, part-time farmers, aged and disabled farm people, and those with limited land and capital.

Mr. Speaker, I know and all of us know that this is the group of farmers which has been neglected and overlooked by the present farm program. We are allowing valuable human resources to go to waste. This program opens to these people an opportunity to share in our national prosperity and still remain in a rural environment, which the great majority prefers. This is not a resettlement program, not a Government-inspired drive to move families, bag and baggage, off the land and into the city.

That movement has been in existence for a great many years, forced upon farm people by modern machinery and improved production methods. Small operators, finding it increasingly difficult to compete, have had to find a new livelihood.

The rural development program gives this group of people a new chance to stay in communities where they were born and reared. It is giving rural trading centers where the program is in operation a new lease on life.

Secretary Benson said the program is functioning in about 200 rural communities. Two of the pilot counties are located in the 15th District of Ohio which I represent here. I have had an opportunity to observe the program's operation over the past 2 years. I am sure that as its potential becomes more widely realized it will spread to a great many more throughout the Nation where rural people are in need of this type of help.

A Tribute to Ambassador Abba Eban of Israel

EXTENSION OF REMARKS
OF
HON. EUGENE J. KEOGH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 14, 1959

Mr. KEOGH. Mr. Speaker, under leave to extend my remarks in the RECORD, I am honored to include the following address by our distinguished majority leader, Hon. JOHN W. MCCORMACK, delivered at a dinner held on Wednesday evening, May 13, 1959, at the Grand Ballroom of the Sheraton-Park Hotel, Washington, D.C. The dinner was given by the national testimonial committee for Ambassador Abba Eban of Israel and the America-Israel Society on the occasion of the 11th anniversary of Israel's independence and to bid farewell to Ambassador and Mrs. Eban prior to their return to Israel and was attended by many Members of Congress, officials of the executive agencies, and prominent citizens of the country:

When we talk about the distinguished guest of this evening, Ambassador Abba Eban, we talk about Israel—and of the faith, the prayers, the hopes and the sacrifices of generations of yesterday of Jewish blood, culminating through clear thinking and courageous action in the establishment 11 years ago tomorrow, of the new dynamic liberty-loving nation in the Middle East between whose leaders and people, and the leaders and people of the United States, there exists close and fundamental ties from a governmental angle, and equally close and undying ties from the angle of friendship.

For over 2,000 years, despite the trials and tribulations that history records, of multitudes of inequities, discriminations and persecutions in many lands, and even death in some, those of Jewish blood in dispersion, faced their almost endless vicissitudes with exemplary fortitude.

Their spiritual and cultural heritage sustained their undying spirit of freedom and independence, and kept them spiritually bound together. Through centuries that unique heritage was carefully nurtured, jealously guarded, and actively kept alive. Finally, after centuries of waiting in suspense, many of Jewish blood of today in different lands were afforded the opportunity of returning to their ancient homeland at the end of the First World War. And in May of 1948, with the proclamation of Israel's independence, they launched once more upon an independent political existence under a government of laws.

During the past 11 years, a short time in the history of man, there has been miraculous progress in the new nation of Israel. Today Israel stands as a dynamic and powerful state as the embodiment of the centuries-old faith. After the establishment of Israel in 1948 as a new nation, and one of the best friends that America has throughout the world, and the citadel of democracy in the Middle East, more than 1 million immigrant persons of Jewish blood, through the sound policies and able leadership of the Israeli Government, have been provided opportunities for these refugees to become happy, industrious, and patriotic citizens of Israel. The leaders of the Government of Israel have brought social justice to their people. We have seen the enthusiasm and energy that has turned much of the desert of the Negev into fertile and cultivable land, and the hills of Galilee into blossoming or-

chards. By the skillful use of science and the technical abilities of their people, by the erection of hydroelectric power stations, by building canals, by installing petrol refineries and by laying oil and water pipelines, Israeli leaders have successfully transformed arid and inhospitable hills and desert plains into industrial centers and productive farmlands. And what is more important in these perilous and anxious days, all of the citizens of Israel are prepared to guard their newly found freedom and recreated and reclaimed homeland with extraordinary vigilance and uncommon bravery against all eventualities.

Today on the eve of the celebration of the 11th anniversary of its independence day the State of Israel is a new and encouraging phenomenon in the Middle East. It is fast becoming the most industrialized urban community in the underdeveloped rural communities in that region. Today the State of Israel can proudly claim the right to be recognized as an outstanding member of the families of nations. Under most hazardous circumstances and trying conditions, despite the mutiplicity of difficulties and dilemmas, economic and fiscal hardships, and sometimes baffling political uncertainties, the people of Israel face the future with justifiable pride and confidence.

The leadership of Israel during the past 11 years has been superb. Under Prime Minister Ben-Gurion, and those associated with him, progress has been made of an amazing nature. And one of the outstanding leaders of brave Israel is the distinguished diplomat and scholar whom we honor tonight.

It is with a deep mixture of feelings that I speak tonight about our guest of honor, Ambassador Abba Eban. In our sadness and regret in the departure of this fine gentleman, an outstanding diplomat and scholar, as well as world citizen, whose very name is a stimulant to a world depressed by international ills, is mixed with a sense of happy confidence in the future of our distinguished friend who has already made, and will in the years ahead, continue to make marked contributions to his country and to the world at large. Our distinguished guest, who has so admirably served for more than 10 years as Ambassador to the United States, and as Ambassador to the United Nations from Israel, has won a place in our affections, as well as in our admiration. In his own country, in Washington diplomatic circles, and in the United Nations he has become a figure of outstanding proportions. He has reflected credit upon the people of his liberty-loving country. He is known to millions of Americans for his extraordinary ability, for his outstanding accomplishments in the field of diplomacy, negotiating—but always firm and never retreating—for his frequent discussion programs, and particularly becaues he has endeared himself to us as a friend. In the United Nations he has won the respect even of his opponents, as an eloquent speaker and persuasive debater, possessed of a profound, logical mind. His training and experience have equipped him to play the very important part that he has in the establishment of Israel, and in protecting her against her enemies.

One could talk for hours about this distinguished gentleman who has already had crowded into his life decades of wisdom and experience, and yet whose life is still ahead of him to serve his country and mankind. As one biographer has expressed it, "throughout the prolonged and complex series of crises that has harassed the Middle East since the birth of Israel as an independent republic in 1948, no representative in the United Nations has pleaded more eloquently for the rights of his government than has Israel's Abba Eban." And I might go further and say that no one has pleaded more eloquently for the advancement of world peace than he has.

As another writer, in referring to Ambassador Eban, very recently said, "With Abba Eban's initiative in the United Nations, the government has attempted to break through the wall of silence and hostility which the Arab neighbors have built around Israeli * * * Israel's readiness to take an active part in the solution of the problem * * * must be interpreted as the offer of an advance payment that one cannot simply ignore. If it should fail to impress the Arab neighbors, it will at least impress the nations interested in Israel's welfare."

As he leaves, for the time being at least, the diplomatic field, to enter into another important field of public activity in the service of his country, I remember well what this Ambassador par excellence said in 1953: "The voice of world opinion, together with the pressure of a situation fast becoming intolerable, would bring Israel and the Arab States together to confront the common destiny which awaits them in the region, which they have both illuminated by their radiant achievements in generations past."

And it is proper and fitting that we honor this distinguished gentleman on this occasion as he is about to leave us to enter into other fields of public activity in his country. And we know that with his extraordinary ability, his vast experience, his logical mind, and his eloquent voice, that he will continue to make his marked contributions to an Israel constantly growing stronger and stronger, and through his future services, a marked contribution toward the ultimate goals that we all seek—a world of peace.

And in saying "goodday" not "goodby" to Ambassador Eban, and speaking for those present at this wonderful banquet, and countless of thousands of friends throughout the United States, I extend to Mrs. Eban, the guide and the inspiration of the Ambassador, the real soldier in his life, our very best wishes for every future happiness and success.

Funds Restored to the 1960 VA Budget

EXTENSION OF REMARKS
OF
HON. THADDEUS J. DULSKI
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 14, 1959

Mr. DULSKI. Mr. Speaker, on Monday last I was happy to play a part, under the leadership of the chairman of the Committee on Veterans' Affairs in having restored to the VA 1960 budget, funds which had been reduced by the Appropriations Committee.

Three important items were restored to the full budget estimate by the action of the House in approving the amendments offered by the gentleman from Texas [Mr. TEAGUE], chairman of the committee.

Perhaps the most important item to be increased was the inpatient care program which was increased from $777,500,000 to $792,079,000. This item is $5.3 million more than the budget provided and represents the best thinking of the Committee on Veterans' Affairs which sought to increase this item because of the need for additional money for deferred maintenance.

The next item was for general operating expenses which is in the nonmedical field, and was an increase to the full budget allowance of $163,373,000 for the fiscal year which begins next July 1.

The last amendment involved funds for outpatient care. These moneys are used for service-connected cases only, and in this case, $866,000 was restored.

The Committee on Veterans' Affairs, in a questionnaire to all VA medical stations, learned that the overall system needed approximately $16 million to meet the backlog of deferred maintenance. The budget estimate only provided $3.1 million and the action of the House in approving the amendment of Mr. TEAGUE will make approximately 50 percent of the overall deficiency in this field available beginning July 1. This sum, apparently, is all the money which the VA could effectively spend during the period. I was particularly interested in this item because of its direct application to our VA hospital in Buffalo. In the fiscal year 1960 the manager had listed projects involving roads and parking facilities of $26,000 for which funds were not presently available. In 1961 the total of $90,000 had been recommended for tuck pointing, replacement of screens, and the installation of storm sashes. With this extra amount set aside for deferred maintenance, and if additional funds can be obtained in the fiscal year 1961, the VA hospital in Buffalo will be able to maintain its plant in a satisfactory manner and in accordance with sound maintenance procedures.

I was very interested to review the statistics of the committee provided the House in connection with the increased cost which all hospitals across the country are experiencing. In the case of our own hospital in Buffalo, the total cost has risen from $5,178,000 in 1955 to $6,445,000 in 1959. Obviously, by far the greater portion of these funds go for payment of salaries of the staff but there have been sizable increases in the expenditures for drugs and medicines, which in 1955 totaled $176,000 and in 1959 had risen to $208,000. These figures, which are similar to those found throughout the VA medical system, indicate very clearly the necessity of providing full and adequate funds for the operation of our VA hospitals.

I am very happy to have had an opportunity to support this important legislation which restored the budget for the VA hospital and medical program. I am firmly of the opinion that the veterans' hospital and medical benefit is the finest service we offer in our veterans' program. I believe that we should take steps to see that the hospital and medical program functions adequately and receives proper financial support before giving attention to the many proposals before us which would pay pensions to persons with little or no need.

I was particularly pleased that the House added additional funds to become available to remove the backlog of deferred maintenance in VA hospitals. We should not allow our fine VA hospital system to deteriorate. I am listing below a summary of deferred maintenance items which have accumulated in VA hospitals located in the State of New York. I hope that these additional funds which we have provided will permit the hospital managers of these hospitals to proceed to promptly place these hospitals in a current state of repair.

	Backlog of maintenance and repair						
NP STATIONS							
Canandaigua, N.Y.	0						
Montrose, N.Y.	0						
Northport, N.Y.	$70,400	Paint buildings 2 and 4, and water tower.	$11,800	Modernize toilets	$10,000	New doors, personnel garages	$3,000
		Replace deteriorated windows	10,000	Asphalt tile flooring	5,000	Construct deep freeze	7,500
		Condition tile floor, operating suite.	1,000	Replace doors, ward buildings	5,000	Install fluorescent lights	3,500
				New floor surface, gymnasium	4,000	Hoods over grilles and dishwashers	5,600
						Install intercommunication system	4,000
G.M. & S. STATIONS							
Albany, N.Y.	0						
Bath, N.Y.	14,000	Repair and resurface roads, cemetery.	14,000				
Bronx, N.Y.	128,600	Fume hood for clinical laboratory	2,000	Replace kitchen and dining room equipment.	3,400	Dressing sterlizers	3,700
		Sprinkler system, paint shop and storage.	2,000	Air condition units and wiring, ward 2C and dental laboratory.	8,250	Air condition units, dental clinic, medical illustration laboratory, radiation physics laboratory, gastroscopy and photo clinic.	3,450
		Sprinkler system, pharmacy	1,800	Replace laundry equipment	12,500	Metal partitions, serving kits	1,000
		Condenser, refrigeration system	6,500	Renew cold water lines	30,000	Replace floor covering	10,000
		Renew cold water lines	20,000	Relieve electric overload	6,000	Weatherstripping	8,000
		Replace floor covering	10,000				
Brooklyn, N.Y.	63,100	Air condition, rooms N-110 and N-111.	5,000	Air condition, bacterial section	8,000	Install stainless steel pipe, main kitchen.	5,000
		Replace drainage trough, 2d floor kitchen.	3,600	Replace window screens, ground to 3d floor, Building 1.	11,000	Alterations to service buildings	3,400
						Ventilation control system (central office letter, Sept. 10, 1956).	15,000
						Construction parking areas	6,800
						Alterations to recovery room area	5,300
Buffalo, N.Y.	116,000			Repairs to builtup roofs	6,000	Tuckpointing	30,000
				Resurfacing roads and parking	20,000	Replace screens	20,000
						Storm sash	40,000
New York, N.Y.	0						
Syracuse, N.Y.	24,700			Repair concrete roads	19,750		
				Repair sidewalks at main entrance	4,950		
TB STATIONS							
Batavia, N.Y.	11,287			Sidewalk replacement	1,900	Replace sidewalks and areaways	1,850
				Replace floor covering	3,800	Resurface roads	1,750
				Automatic sprinklers, Building 1	1,987		
Castle Point, N.Y.	85,570	Air conditioning unit, surgery	10,000	Tree topping	1,200	Mop sinks on all wards	3,250
		Hot water tank for laundry	3,500	Replace primary feeder cable	7,970	Resurface parking areas	3,000
		Waterline, building 17 to building 49.	4,000	Electrical work, housekeeping quarters.	19,900	Rehabilitate lighting service, building 18.	2,490
		Powerline repairs	3,000	Aluminum screens, building 7	2,110	Resurface concrete pavement	7,800
		Catwalks over boilers	2,000	Weatherstripping, building 7	3,000	Door screens, building 44	250
		Repair gutters and downspouts	1,200	Storm drains, buildings 2-5 inclusive.	3,500		
		Waterproof walls, various buildings.	3,400				
				Replace beveled siding, 7 buildings.	4,000		
Sunmount, N.Y.	105,600	Conductive flooring, surgical suite	7,850	Hardware for buildings 4, 6, 7, 8, 11.	2,000	Ceramic tile floors	15,000
		Replace laundry equipment	12,000	Rehabilitate showers and water sections.	5,000	Replace porches, housekeeping quarters.	8,000
		Hardware for buildings 4, 6, 7, 8, 11.	2,000	Replace cold waterlines, buildings 5, 10, 12.	2,500	Resurface roads and parking areas	15,250
		Rehabilitate showers and water sections.	5,000	Replace porches, housekeeping quarters.	16,000		
		Replace cold waterlines, buildings 5, 10, 12.	2,500	Aluminum edging, all buildings	10,000		
				Replace laundry equipment	12,000		

The 75th Birthday of the Honorable Harry S. Truman Recalls a High Moment in History, the Enunciation of the Truman Doctrine and the Reasons for Its Advancement

EXTENSION OF REMARKS
OF
HON. BYRON L. JOHNSON
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 14, 1959

Mr. JOHNSON of Colorado. Mr. Speaker, I do not want the occasion of the 75th birthday of the Honorable Harry S. Truman to pass into history without mention. In his message on aid to Greece and Turkey, given to the joint session of Congress on March 12, 1947, his closing paragraphs were these:

The United States contributed $341 billion toward winning World War II. This is an investment in world freedom and world peace. The assistance that I am recommending for Greece and Turkey amounts to little more than one-tenth of 1 percent of this investment. It is only common sense that we should safeguard this investment and make sure that it was not in vain.

The seeds of totalitarian regimes are nurtured by misery and want. They spread and grow in the evil soil of poverty and strife.

They reach their full growth when the hope of a people for a better life has died. We must keep that hope alive.

The free peoples of the world look to us for support in maintaining their freedoms. If we falter in our leadership, we may endanger the peace of the world—and we shall surely endanger the welfare of our own Nation.

Great responsibilities have been placed upon us by the swift movement of events. I am confident that the Congress will face these responsibilities squarely.

Mr. Speaker, it was my good fortune a few years later to have a bright young student from Turkey in one of my classes. In summarizing his report on the consequences of the Truman doctrine, he said:

I do not know what judgment the United States will render of President Harry S. Truman, but I can tell you this—he will go down in the history of my country as the greatest President the United States ever had.

Mr. Speaker, many Americans have been inclined to view harshly and to speak sharply about President Truman. Few men in history have had to face as many challenges as he faced in such swift succession after he became President. Few men have contributed more significantly to the institutions by which the human race may hope to build and achieve peace.

I should like to pay tribute to a great President, to a great American, to a great member of the human race—Harry S. Truman. Long may he live and enjoy the fruits of his handiwork. Generations yet to come will rise to bless his name.

Norwegian Independence Day

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 14, 1959

Mr. MULTER. Mr. Speaker, Sunday, May 17, is Norwegian Independence Day. On this historic anniversary, the United

States sends its congratulations to the stalwart and indefatigable people of the great nation of Norway.

From the time of Leif Ericson, who first discovered America around the year 1000, Norway has inscribed more names on world history than any other nation of its size. This country of only 3½ million souls has produced Trygve Lie, the first Secretary General of the United Nations, Fridtjof Nansen, the immortal explorer, scientist, and humanitarian; Roauld Amundsen, who discovered the South Pole; Edward Grieg, one of the world's greatest composers; Henrik Ibsen the prince of modern dramatists; Knut Hamsun and Sigrid Undset, novelists of international renown; and many others.

Ask a Norwegian to explain how such a small country can become so great and he is likely to reply: "Hardship is the strength of Norway."

Life certainly is hard in this mountainous, fjorded, but beautiful country. Although not blessed with natural wealth, Norway has the third largest merchant fleet in the world, and her fishing industries are prodigious.

Norway's valiant resistance to the German occupation during World War II was as dogged as that of any people in Europe. Jails and concentration camps were packed with courageous Norse patriots who refused to submit to the barbaric oppression of the Nazi tyrants.

But when liberation came, not one lawless act was committed against the few collaborationists. No traitor was condemned without trial and due process of law.

This fair treatment accorded to the quislings exemplifies the Norwegian trait of maturity in civil affairs. Norwegians seem to know how to live together in peace and harmony. They respect one another, and when disagreements arise they have a common sense and well-behaved way of settling their differences. There is no race or caste division among them. As early as 1913 they extended the franchise to women by a unanimous vote of Parliament. Norwegians have grasped the basic truth that it is easier to enjoy life if all are given a chance to enjoy it.

Americans always feel a close kinship to the Norwegians. We inherit the self-reliant, hard-fibered, free-and-easy individualism of pioneers, and so do they, for to live at all on that rocky tongue of land has required the heart of a pioneer.

Norway is today making an important contribution to the defense of the North Atlantic Treaty area. A chain of radars, financed by NATO and manned by Norwegians, has been constructed to warn of Soviet bomber attacks against the West. Although Norway, which has 120 miles of common border with the Soviet Union, would gain only 3 minutes of warning time, this alert could be very important to her allies in NATO, especially the United States.

King Olaf, when he opened this year's session of Parliament, enunciated the principles of Norway's foreign policy. The King said that Norway will continue its efforts to strengthen political, economic, and social cooperation among the nations of the North Atlantic Treaty Organization. He also promised that Norway would work to safeguard peace and reduce international tension by striving for a general reduction of armaments and an end to nuclear testing.

Norway has strong ties to the United States. One of the most important is the presence of so many of her sons and daughters in this country. Their enterprising and pioneering spirit has greatly enriched the life and culture of the United States.

It is a privilege to congratulate the brave and sturdy Norsemen on their Independence Day. Norwegians throughout the world richly deserve the honor and admiration which is bestowed upon them by the United States and the entire free world.

The Air We Breathe

EXTENSION OF REMARKS
OF

HON. JOHN F. SHELLEY

OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 14, 1959

Mr. SHELLEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by Hon. HUBERT HUMPHREY, U.S. Senator from Minnesota. This address was delivered to the Democratic Luncheon Club of San Francisco:

THE AIR WE BREATHE

(Remarks of Senator HUBERT H. HUMPHREY, Democratic luncheon meeting, San Francisco, April 23)

All of us nowadays are more conscious of the air we breathe than we used to be.

In Los Angeles they have smog. In San Francisco you often enjoy—so I hear—salubrious fog. All of which makes me wonder whether it was the smog or the fog or the grog that caused our Republican friends to manhandle their colleague Joe Smith out here in 1956. At any rate you must have had mighty clear skies on election day last November when all the Republicans got manhandled.

Today it isn't fog or smog that concerns people most, it's the radioactive dust that's in the air and settles on the water we drink and the food we eat—particularly strontium 90.

This strontium 90 is one of the radioactive products of atomic reaction. It has a natural affinity for calcium and builds up in our bones—where it can cause bone cancer as well as leukemia.

People have to be pretty upset about something to sit down and write their Senators and Congressmen. And they are thoroughly upset by the latest news about strontium-90. Every one of us in Washington has stacks of mail about it. I quote just one letter:

"We have asked ourselves time and time again, how could the Atomic Energy Commission keep saying that there is no danger."

Now the Atomic Energy Commission belongs to all of us, to the people of the United States. One of its prime duties is—within the limits of security—to inform the people about matters of grave concern to themselves, and to their children's children.

Of course, that was not Admiral Strauss' idea, when he was head of the AEC. To him the AEC was a ship, he was captain, and any difference of opinion was mutiny. Also, he kept the key to the radio room in his pocket, so that no one else could let people know where the ship was going, or even where it was.

At the AEC, the Strauss song has ended, but the malady lingers on. The AEC is still doing its best to keep the American people in darkness, and radioactive darkness at that.

In December, AEC Commissioner Libby was faced with new data from the Defense Department which indicated that half the strontium 90 released in an atomic explosion falls to the earth within 2 years, instead of taking 7 years to filter down from the atmosphere, as it was hitherto believed.

The same data indicated that, instead of the strontium 90 being evenly distributed throughout the world, as previously assumed, its fallout was heavier right here in the United States than anywhere else in the world.

The evidence against the AEC's old 7-year theory was so strong that AEC couldn't even begin to defend it. Instead, Dr. Libby sought to fall back to a new line at 4 years.

On February 20 the Joint Congressional Committee on Atomic Energy received the Defense Department data. It took Senator CLINTON ANDERSON, my good friend and fellow Democrat, a solid month of hard fighting to clear the way for putting this information before the public.

Meanwhile, Dr. Libby seems to have looked for a way to air his new 4-year theory, a way that would look almost casual, as if it were just a minor afterthought.

He was scheduled to speak at the University of Washington March 13, as one of the events in its annual lecture and concert series.

Everyone in that audience—except possibly the physics majors—must have come out pretty baffled and bewildered. It was more like a scientific monograph than a lecture. Believe it or not, there were 24—yes, 24—pages of tables and charts appended to the prepared text of the speech.

Everything was in it but the kitchen sink—and the Defense Department findings, which Dr. Libby coyly kept to himself. By so doing, he apparently sought to take the edge off their release by Senator ANDERSON 8 days later.

I'll say two things about this sorry record of evasiveness on a matter of the most urgent public concern:

First, if it took as long for strontium 90 to fall out of the stratosphere as it does for information to fall out of the AEC, we could all feel a lot safer.

Second, the AEC is still—after having been caught time and time again misleading the public—trying to play down the dangers of radioactive fallout.

Much of what we know about this subject we know in spite of—not because of—the AEC; and particularly from the hearings which Congressman CHET HOLIFIELD conducted in 1957, and which I'm pleased to say he will reopen next month.

What are the dangers of fallout?

As you know, I don't believe in States rights being used as an argument against the Federal Government doing something the States cannot or will not do. But I do believe a State has the right to protect the health of its citizens—particularly when our Federal Government defaults in its plain duty.

It's for this reason that Gov. Orville Freeman of my own State of Minnesota set up a special committee on atomic problems. At the request of that committee, the AEC tested samples of wheat from Minnesota and neighboring States.

In samples from 1956, 1957, and 1958, strontium-90 content in micromicrocuries per gram of calcium ran 107, 152, and 155—and the so-called permissible level is 100.

There was one sample which tested out at 606. This sample, the report notes, was excluded from the averages. I wish it were that easy to exclude this and like samples from people's stomachs.

In communicating these facts to me, Dr. Maurice B. Visscher, of the University of Minnesota Medical School wrote:

"The really shocking thing to me is that the AEC itself has no other significant number of analyses of wheat."

The point is that we just don't know enough about the degree to which strontium 90 gets into our food and drink. Some work has been done on milk and water, and a smattering on a variety of other foods, but not on a regular and continuous basis. Apparently nothing would have been done about wheat if our Minnesota people had not insisted.

We are equally in need of more knowledge about the so-called permissible levels of radioactivity. These figures were first worked out many years ago for radium workers and X-ray technicians—that is, for adults. Now it seems, however, that the greatest danger is to children under 10.

As our knowledge has grown, these figures have been revised downward again and again. Many scientists believe that there is no such thing as a permissible level, that each increase of radioactivity increases the risk of disease and of damage to future generations.

Not only are we walking in the dark; we don't even know where the precipice is.

There is another tragic aspect to the AEC's blackout on fallout data. It leaves us tongue-tied about the shocking extent to which the Russians have been polluting the stratosphere.

We talk of dirty bombs, and, although not so much lately, of clean bombs. The ones the Soviets exploded last October can only be described as filthy. Dr. Libby estimates that this series of massive Soviet explosions increased the pollution of the stratosphere by a full 50 percent.

Had we been on our toes—and not so guilt-ridden about our own fallout showing—we would have gone straight to the United Nations, and laid these terrifying facts on the line.

The Soviets, we should have charged, are poisoning the whole world, not with their wornout dogmas but with the deadliest dose of radioactivity that has ever been inflicted upon the world. But the AEC's dirty hands prevented us from exposing Russia's dirty bombs before the United Nations.

It was just over a year ago that the Soviets first announced their suspension of nuclear tests—as usual, catching us flatfooted. Their timing of the announcement was the rankest hypocrisy. They had just completed a series of extremely dirty tests. Those were the tests which caused radioactivity in the rainfall right here in San Francisco to increase by 200 percent.

I said in the Senate at that time:

"I feel we should have exposed this information rather than guarding it as though it were a top state secret. It is these facts relating to the Soviet tests that the world should know, back into the smallest village in the faraway corners of Asia and Africa."

I was trying, as best I could, to get our Government out of the corner into which the Russians had backed us. But all I got from the AEC and its friends was a barrage of criticism.

We aren't going to get anywhere in stopping excessive fallout if we leave it up to the AEC. They're in the business of conducting tests, and also of assessing how dangerous their tests really are. No man, or Government agency, should be the judge in his own case.

For a considerable time, a number of us in the Senate have demanded that the administration put primary responsibility for research on radioactivity where it belongs, with the Public Health Service. And I welcomed the introduction of a bill by my good friend, Senator LISTER HILL, to do just that. The Public Health Service will draw, of course, upon the expert knowledge of the AEC and of other agencies, State and Federal, public and private. It will be the responsibility of the Surgeon General, as the head of this Service, to present to Congress a comprehensive program for the control of radiation hazards. I heartily support Senator HILL's proposal; it's high time we get some honest figures on radioactivity.

But further measures are also worth considering. It might be well to require that one of the AEC Commissioners be a biological scientist—just as one is now a physical scientist. We should give to the U.N. Scientific Committee on the Effect of Atomic Radiation full information on the results of our recent studies. We should, at the next session of the World Health Organization, urge that it concern itself with the effects of radioactive fallout, as it already does with radiation from the peaceful uses of atomic energy. We should do all this and more.

For out of this great evil there may yet emerge some good. Fallout is no respecter of persons or doctrines. It settles upon the caviar the Soviets serve at their wingdings just as it does upon the food we are eating now.

Indeed, if Mr. Khrushchev succeeds in swearing off vodka—as he urges upon the Russian people constantly, and also on himself—it may simply put him in all the greater peril. On the basis of present tests, there seems to be much less strontium 90 in hard liquor than in tea or milk. The more the danger from strontium 90 becomes known on both sides of the Iron Curtain, the more pressure there will be for an end to atomic explosions.

My Democratic colleagues, Senators GORE and CHURCH, have suggested that tests be, at the very least, limited to underground caverns and outer space. This would greatly reduce radioactive fallout. Last week the administration caught up with the Gore-Church proposal.

But I hope that we can achieve the ending of all tests—with adequate safeguards for inspection and detection—not only because of the fallout danger, but because it would be a great step forward to wider measures of disarmament.

We are concerned, and rightly concerned, about present levels of radioactivity. But they are as nothing compared to the seething wilderness a third World War would make of our planet.

We must give fresh impetus to the Geneva negotiations looking toward the suspension of tests. To this end, I have introduced a resolution to put the Senate on record in support of the efforts of the United States to achieve an agreed suspension of tests, and endorsing the principle that an adequate inspection and control system must be part of any such agreement.

We are entirely willing to open our doors—to let the Russians send technicians to check on our compliance with a test ban—but we want to be able to do likewise. They say they will permit inspection, but only by the native citizens of each country, and not by an international team.

This is arrant nonsense. Still, our aim must be to continue to achieve agreement not merely to prove that failure to agree is their fault.

My friends, it is no accident that the Senators and Congressmen who have been foremost in the fight to disclose these atomic facts are Democrats. We in this party are steeped in the belief that, if you give the people the facts, they will make the right choices.

That can be—in the short run—politically dangerous. Do you recall what happened in 1956, when Adlai Stevenson called for the suspension of hydrogen bomb tests? The Secretary of State said Mr. Stevenson was "not fully conversant with the details of the problem."

Thomas E. Dewey called it "an invitation to suicide."

Vice President Nixon denounced him for "playing dangerous politics with American security."

Yes, it can be politically perilous to be too right too soon. But it can be national suicide to be right too late.

There may still be some of our fellow citizens who doubt that there is one world. But no one can deny that we have only one stratosphere, and that we must somehow stop using it as a rubbish dump for radioactive debris.

After all, unless we all decamp to another planet, it's the only stratosphere we have.

Federal Food Stamp Program

EXTENSION OF REMARKS

OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 14, 1959

Mr. DINGELL. Mr. Speaker, I recently introduced legislation to establish a Federal food stamp program for distribution of surplus foods to needy families through the State welfare programs.

The purpose of that legislation is to make food stamps available to State welfare programs for distribution to needy persons within the State certified as eligible for welfare under the program. These stamps are to be redeemed through the regular retail outlets within that State for surplus foods.

In contrast with the present system of dispersal of surplus foods, the needy would have an opportunity to secure regular brands, packaged and handled through the regular channels of distribution and trade.

The present system of Government processing of bulk surplus is unwieldy, and subject to enormous amounts of waste and pilferage. It is so extremely expensive for communities that many refuse to participate in it, despite great need. Indeed, stores participating in the program have urged enactment of food stamp legislation. Other stores refuse to handle some commodities.

Over and above this, under the present system the foods made available have been processed in unwieldy lots, and are often unavailable to many properly certified persons at the appointed time for distribution. Distribution points are unhandy to recipients, and times of distribution often are equally inconvenient to them.

It was interesting to me to note a recent release of the U.S. Department of Agriculture indicating how poorly the program has worked to date.

I insert below a table distributed by the Department of Agriculture for the

years 1953 through the first half—projected, I assume—of 1959:

Surplus foods distributed in the United States

Fiscal year	Quantity	Cost
	Pounds	
1953	161,100,000	$68,700,000
1954	417,800,000	155,200,000
1955	492,500,000	167,700,000
1956	789,100,000	234,600,000
1957	1,061,900,000	236,400,000
1958	871,600,000	185,400,000
1st half 1959	558,400,000	113,700,000
Total	4,352,400,000	1,161,700,000

The year 1958, which I assume was one of recession in other parts of the country as it was in my own city of Detroit, actually saw some 190 million pounds less of surplus foods distributed than were distributed in the year 1957, supposedly one of the most prosperous years in American history.

Equally interesting is the distribution of our surplus foods abroad, under Public Law 480, under which many commodities, like meat, fruits, and vegetables have been sent abroad, and sold for worthless, or blocked currencies, while our needy have been denied the benefits of our own surplus food.

Despite protests to the contrary our disposal of surplus foods abroad under Public Law 480, is nothing but a foreign giveaway where American surplus foods are dispersed to foreign countries for soft foreign currencies which by agreement are kept in the country of origin, mostly for domestic purposes, such as loans and grants within the country for development projects of various sorts. This is literally a foreign aid program. The people of the recipient country often never learn of our generosity, so it wins few friends, but it alienates to the brink of enmity other food exporting countries like Canada.

A certain amount of these funds are maintained for use by the United States for payment of support of American personnel and American projects within the country in question, but more are either forgiven or used as foreign aid.

From the table below it can be seen that dispersal abroad of American surplus foods has been running very close to double dispersal at home. In terms of dollar value the cost of foods distributed abroad has exceeded domestic distribution from 1955 through the end of 1958. And the total aggregate of the cost of distribution abroad, as well as the quantity for the years 1953 through 1959, has exceeded distribution at home by a substantial figure.

Surplus foods distributed in foreign countries

Fiscal year	Quantity	Cost
	Pounds	
1953	24,132,000	$4,260,000
1954	183,938,000	69,616,000
1955	531,985,000	197,195,000
1956	1,220,490,000	302,488,000
1957	1,728,800,000	253,719,000
1958	1,973,000,000	272,500,000
1st half 1959	904,500,000	109,600,000
Total	6,566,845,000	1,209,378,000

It is high time that we remembered that charity begins at home. Feed our own hungry, and any surplus after that should be used to help others abroad.

From the table below it can be seen that items denied our own hungry, such as meats, edible oils, condensed milk, at times butter, dried, fresh, and canned fruits and juices, vegetables, and potatoes have been going overseas while our own citizens are limited to cheese, dried milk, rice, occasionally butter, and cornmeal, and flour:

Title I, Public Law 480, shipments by calendar years, beginning of program through Dec. 31, 1958—Quantity and estimated market value [1]

Commodity	Unit	Calendar year 1955		Calendar year 1956		Calendar year 1957		Calendar year 1958		January 1955–December 1958	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
GRAINS		*1,000 units*	*1,000 dol.*	*1,000 units*	*1,000 dol.*	*1,000 units*	*1,000 dol.*	*1,000 units*	*1,000 dol.*	*1,000 units*	*1,000 dol.*
Wheat	Bushel	58,425	98,262	123,450	200,589	212,637	347,491	196,869	333,095	591,381	979,437
Wheat flour	Pound			160,082	5,630	35,174	1,514	65,831	2,674	261,087	9,818
Wheat bulgur	do							7,457	239	7,457	239
Corn	Bushel	5,259	7,472	13,849	20,525	11,441	15,278	31,132	40,160	61,681	83,435
Barley	do	10,189	11,597	14,041	16,541	8,877	9,137	27,601	27,856	60,708	65,131
Oats	do	4,746	3,960	815	588	140	101	693	387	6,394	5,036
Grain sorghums	do	2,707	2,739	2,284	2,145			15,471	15,954	20,462	20,838
Rye	do							4,738	5,887	4,738	5,887
FATS AND OIL											
Cottonseed oil	Pound	131,095	19,805	303,340	48,882	47,190	7,952	79,545	15,148	561,170	91,787
Soybean oil	do	46,659	7,390	338,019	56,600	412,193	67,749	745,518	103,951	1,542,389	235,690
Linseed oil	do	2,239	398	1,272	216	3,979	624			7,490	1,238
Lard	do			114,349	14,742	65,728	10,411			180,077	25,153
Tallow	do			44,129	3,986	132,739	12,158	8,111	760	184,979	16,904
DAIRY PRODUCTS											
Nonfat dry milk	do			12,284	1,127	17,503	1,642	61,944	5,755	91,731	8,524
Dry whole milk	do			359	164	2,218	1,264	472	200	3,049	1,628
Evaporated milk	do	3,340	430	7,340	968	6,550	886	6,648	844	23,878	3,128
Condensed milk	do			1,260	277	7,084	1,537			8,344	1,814
Anhydrous milk fat	do					37	20	743	439	780	459
Cheese	do			2,568	631	5,182	1,261	11,069	2,707	18,819	4,599
Butter	do	2,453	962	4,744	1,854	654	255	21,198	8,941	29,049	12,012
Butter oil	do			1,630	851					1,630	851
Ghee	do			1,942	1,063	2,411	1,320	4,087	2,196	8,440	4,579
Whey	do			2,001	130					2,001	130
MEAT AND POULTRY											
Beef	do			28,947	9,519	64,263	18,563			93,210	28,082
Canned pork products	do			661	350	19,330	9,593			19,991	9,943
Poultry	do			4,297	1,133	245	64	19	8	4,561	1,205
FRUITS AND VEGETABLES											
Canned fruit and juices	do			42	5	3,594	483	24,799	3,362	28,435	3,850
Fresh fruit	do			1,101	75	24,998	1,904	14,780	921	40,879	2,900
Dried fruit	do			8,767	1,288	704	143	32,798	5,131	42,269	6,562
Potatoes	do			50,882	1,392					50,882	1,392
OTHER											
Cotton	Bale	362	65,647	847	134,653	1,043	155,780	735	115,329	2,987	471,409
Cotton linters	do					7	299			7	299
Tobacco	Pound	43,801	30,849	71,206	48,446	36,300	25,718	38,622	28,601	189,929	133,614
Dry edible beans	Hundredweight			41	275	3	17	23	193	67	485
Seeds	do			9	349	1	45			10	394
Rice	do	2,148	13,794	10,605	64,319	10,312	70,324	4,809	31,610	27,874	180,047
Total value			263,305		639,313		763,533		752,348		2,418,499
Total quantity	Metric ton	2,371.61		5,300.20		7,396.86		8,178.31		23,246.98	

[1] Quantity is based on tonnage shown on ocean bills of lading. Value is estimated export market value, basis U.S. port of export. Estimates are revised to reflect actual amounts financed by CCC when this information is obtained for completed P.A.'s. These revisions account for most differences from amounts shown on previous reports.

That is why a food stamp bill is needed now.

Postal Increase

EXTENSION OF REMARKS
OF

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 14, 1959

Mr. HÉBERT. Mr. Speaker, a few days ago, the Postmaster General addressed you, requesting consideration, by the Congress, of legislation to increase, by 1 cent, the postal rates on first-class regular and airmail.

Accompanying this communication, was a draft bill designed to put into effect the higher rates which had previously also been recommended by the President in his budget message for 1960.

This proposal would mean an increase of 15 percent on airmail, and 25 percent on regular mail.

The Postmaster General estimates that such a proposed increase in rates would yield an additional $355 million per year in revenue, which, he says, will reduce substantially the current operating deficit of his Department.

Assuming efficiency of operation of the Post Office Department, any such deficiency can only result from losses sustained in performance, by the Department, of its "public services" as defined in the Postal Policy Act of 1958.

Less than a year ago, Mr. Speaker, we defined those public services in that statute, to include "the total loss resulting from the transmission of matter in the mails free of postage or at reduced rates," and from various other special and nonpostal services.

In the same legislation, it was "declared to be the policy of the Congress", that the cost "of such public service items" should be "paid directly out of the general fund of the Treasury"—72 Stat 134, sec. 103(c)(3)(A), 39 U.S.C. 270a(c)(3)(A).

Further, Mr. Speaker, in the same statute—the Postal Policy Act of 1958, enacted, I repeat, less than a year ago—we declared that "the Congress hereby finds that it would be an unfair burden upon any particular user or class of users of the mails to compel them to bear the expenses incurred by reason of special rate considerations granted, or facilities provided, to other users of the mails, or to underwrite those expenses incurred by the postal establishment for services of a nonpostal nature"—72 Stat. 134, sec. 102(5), 39 U.S.C. 270(5).

Indeed, Mr. Speaker, we called express attention to the policy of the Congress that "the postal establishment should be operated in an efficient manner," and that "it clearly is not a business enterprise conducted for profit or for raising general funds"—72 Stat. 134, sec. 102(5), 39 U.S.C. 270(5).

And now, I submit, Mr. Speaker, the Postmaster General, in his recent letter to you, suggests that we disregard that policy, so recently and so clearly expressed, to use our power of taxation, through an increase in first-class postal rates, to operate a part of the postal establishment at a profit to raise general funds to cover the cost of "public service items" which we declared, only last year, to be payable "out of the general fund of the Treasury".

As stated, Mr. Speaker, this suggestion on the part of the Postmaster General, follows the same request, in substance, made by the President in his budget message for 1960.

The President, in that message, does suggest amendment of the Postal Policy Act of 1958, by a revision of our declaration of policy, in order to "assure a more equitable sharing of postal operating costs between mail users and the general public."

But the President's budget message, I submit Mr. Speaker, simply recommends, as does the recent letter of the Postmaster General, an increased tax of 1 cent in first-class postal rates, to provide funds "to finance the postal deficit and the subsidized public service"—which we declared last year should be met "out of the general fund of the Treasury."

Lest there be any question in the mind of any Member of this House, as to the fact that the fixing of postal rates is an exercise of the power of taxation, let me remind them first, of the Supreme Court's pronouncement, over 100 years ago, that "the revenue of the Post Office Department, being raised by a tax on mailable matter conveyed in the mail, and which is disbursed in the public service, is as much a part of the income of the Government as moneys collected for duties or imports"—*United States* v. *Bromley*, 53 U.S. 88, 97.

In 1859, H.R. 872 of the 35th Congress, to make an appropriation "for the service of the Post Office Department"—Congressional Globe, 35th Congress, 2d session, page 914, 1859—was referred to the Committee on Ways and Means, reported favorably, and was passed by this House.

The Senate amended the bill to provide increased postal rates, but this House adopted a formal resolution refusing to consider the Senate amendment, because legislation increasing postal rates "is in the nature of a revenue bill," which, under the Constitution, "shall originate in the House of Representatives"—Id. at page 1666.

Mr. Speaker, I take the liberty of reminding the Members of this House that the postal increases of 1917—1917 act, 40 Stat. 300, October 3, 1917—and 1932—1932 act, 27 Stat. 285, June 6, 1932—were embodied in general revenue bills which originated in this House, and were referred to the Committee on Ways and Means.

Reference was made, in the debates on the floor of this House, to the increase in postal rates in the 1917 bill, as "a direct tax"—volume 55, CONGRESSIONAL RECORD, page 2773—and as the laying on of "the heavy hand of taxation"—volume 55, CONGRESSIONAL RECORD, page 2766.

In 1904, the Supreme Court again described the postal service as a "popular and efficient method of taxation"—*Public Clearing House* v. *Coyne*, 194 U.S. 497, 506.

In recent years, we have sought to raise revenue by increasing postal rates on the advertising content of newspapers and other publications passing through the mails as second-class matter, on the assumption that the advertiser should bear a greater portion of the burden of governmental operations.

Thus, Mr. Speaker, in the Postal Policy Act of 1958 itself, in which we declared, as stated, that each class of mail should bear its own, and no other's cost of handling in the postal service, we levied a tax on the transportation through the mails, of the advertising content in second-class mail matter, up to several times that on the so-called news content thereof.

Now, Mr. Speaker, it must be perfectly obvious that it cannot possibly cost any more to carry through the mails, the advertising content than the news content of the same newspaper.

As early as 1793, in his annual message to the Congress, President Washington urged "repeal of the tax on the transportation of public prints"—Volume 12, Writings of George Washington Sparks Editorial 1837, page 42.

Mr. Speaker, I repeat that only last year, in the Postal Policy Act of 1958, we declared the policy of the Congress to be that "the total loss resulting from the transmission of matter in the mails free of postage or at reduced rates", was a "public service", which should be "paid directly out of the general fund of the Treasury".

In the same enactment, we stated expressly that "the postal establishment should be operated in an efficient manner" and "clearly is not a business enterprise conducted for profit or for raising general funds."

I therefore submit to you, Mr. Speaker, and to the House, that when the Postmaster General now suggests, as did the President in his budget message for 1960, that the Congress, by exercise of its power of taxation, increase postal rates on first-class mail matter, he is suggesting that that part of the postal establishment be used—as are the postal rates on advertising content of newspapers in second-class matter—to raise general funds to cover the cost of "public services," instead of defraying them "out of the general fund of the Treasury" pursuant to the expressed policy of the Congress in the Postal Policy Act of 1958.

Significant and Substantial Drop in Unemployment

EXTENSION OF REMARKS
OF

HON. GEORGE M. WALLHAUSER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 14, 1959

Mr. WALLHAUSER. Mr. Speaker, the news contained in the Labor Department news conference last Monday regarding the significant and substantial drop in unemployment, is certainly welcome and stimulating.

One of the major concerns of every thinking person in these United States should be the basic problem of providing employment for all Americans who are able to work.

More jobs in construction, summer resorts, farming, along with the pickup in the manufacturing industries, hardest hit by the recession, are generally believed to have contributed to the April improvement.

At 3,627,000, unemployment in the United States is now 1½ million below April a year ago. Just during the last 2 months unemployment has fallen by more than a million workers.

Realizing that there will always be a certain number of individuals unemployed due to various reasons, including infirmity, refusal to work, and others, it must be the constant aim of all to do whatever is necessary to provide employment for those who are willing and able to work.

My sincere hope is that the figures to be released in the months to come will continue to show the desirable trend that we are now in.

Secretary Benson's Report on Rural Development Program Workshop Conference

EXTENSION OF REMARKS
OF
HON. ARCH A. MOORE, JR.
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 14, 1959

Mr. MOORE. Mr. Speaker, by now it is quite evident to all that the present outmoded farm program, in existence since the great depression with few modifications, does not help the small farmer. Its major benefits go to the big operators.

What has been needed all these years is a program that will help the small family agricultural units which produce so little that they cannot obtain commodity loans or other assistance. Such a program is now in operation. It is the rural development program.

Through it rural communities are enlisting the cooperation of Federal and State agencies, business and educational groups, churches and civic organizations in a concentrated drive to help those on the lower rung of the economic ladder.

What it is accomplishing, where it should go, were pointed out in a speech delivered on May 11 by Secretary of Agriculture Ezra Taft Benson at Jackson's Mill 4–H Camp, Weston, W. Va. Without objection I offer that speech to the RECORD, for I believe there is information here which will hearten every American who is interested in the welfare of rural communities:

ADDRESS BY SECRETARY OF AGRICULTURE EZRA TAFT BENSON, RURAL DEVELOPMENT PROGRAM WORKSHOP CONFERENCE

It is a genuine privilege and pleasure to meet with you this evening.

Let me say at the outset that I am attending this opening session of your extremely important and timely Rural Development Conference principally to meet as many of you as possible, and to learn your ideas regarding the rural development program.

You are a select group of people—you are in the true sense a pioneering group.

Several weeks ago the Nation paid deserved attention to seven young men of our Armed Forces selected as astronauts. One of these young men is expected to be the first American to rocket into orbit around the earth.

He and his colleagues are pioneers of the space age.

I say that, in a very significant sense, many of you in this room are pioneers also. You are pioneering new methods of solving farm problems. You are working to bring about long-needed adjustments in many of our rural areas. You are exploring better ways of helping rural people make the changes—the adjustments—they desire in their own best interests.

Problems of space travel are awesome. They stagger the imagination. They command the attention of the Nation and the world.

However, there's still a lot of pioneering to do right here on the ground. It isn't glamorous. It commands little attention. But it's tremendously important to the welfare of the United States. Some would question whether the problem of putting a manned satellite into orbit is so much more challenging than the social and economic problems facing the Nation.

Day-to-day leadership in rural area development programs is one of the hard, unpublicized jobs so vital to the Nation.

Those of you working with these programs are performing one of the most difficult assignments in the entire agricultural area.

We commend the initiative and imagination all of you have shown in carrying forward this work. We commend you on your many accomplishments.

And I am sure you would agree that the wisdom, experience, and dedication of Under Secretary Morse and Dean Harry J. Reed have provided the spark and spirit to keep the program growing and national in scope.

In recent weeks, we have heard some criticism that the rural development program has not moved fast enough.

As usual, the best reply to such criticism is to examine the record.

In April 1955, President Eisenhower submitted to the Congress a report on underemployed farm families—a large problem segment in agriculture. The President also recommended a coordinated attack on the problem. As you know, this report, entitled "Development of Agriculture's Human Resources," was more than a year in preparation. It was prepared by the best Government technicians in the field, with the advice and aid of private individuals and organizations working in the field of agriculture.

Late in 1956 the administration finally received a small appropriation to begin the program on a pilot or test basis. The amount received was roughly half of what we requested. As late as the first part of 1957, less than 25 rural counties were going forward with organized programs. In quite a few States Rural Development was just in the planning stage at that time.

Today, some 2 years later, 30 States are participating. Twelve of these have broad area programs under way or planned. Some 200 rural counties are presently involved in the operation or planning of this work.

In addition, I am gratified to report, interest in rural, resource, and area development programs has spread to many States other than the 30 officially listed as in the program.

National awareness of the rural development program has grown apace.

There has been greater interest in this session of the Congress than at any time since the program started. It now has extensive bipartisan support. In my judgment this support will increase with the passing of time.

The farm press and the great newspapers of the Midwest, the South, and Midsouth, especially, have reported extensively on the program.

Growing numbers of national research groups are studying our experiences—your experiences—with the program.

Do not underestimate the value and importance of this national attention and discussion. Nothing gets accomplished in a democracy unless the people and their representatives know about it, and are persuaded to support it.

Only a few weeks ago, Representative WILLIAM H. NATCHER, a Member of the Kentucky congressional delegation and of the House Subcommittee on Agricultural Appropriations, called the rural development program in his district the true American dream of self-help, progress, and independence.

Congressman NATCHER has well stated the real meaning of the rural development program. It is indeed democracy in action, out where it counts, at the grassroots.

Your efforts to make this idea work can influence profoundly the future course of our Nation. By bringing local leaders to the fore, this program can help reverse the trend toward centralization in government, in economic development, in dealing with the vast problems that confront local communities, both rural and urban.

In recommending the rural development program, we were determined that rural leaders would have an opportunity to take the lead in program development at the local level. This was not to be just another government program, with Washington calling the tune. The aim is to encourage local initiative and enterprise, not to put a bridle on them.

Without a doubt, the record of the program in just two short years is remarkable.

I use the term advisedly. The record is remarkable in relation to the many difficult problems involved in getting this work under way.

I know of no other program on the national scene which involves so many different groups and interests. No other program is attempting to cope with such a chronic domestic problem as rural resource adjustment.

Results in just a short time are gratifying. I am especially impressed by the many sound projects already carried to completion in program areas throughout the Nation. The list is a long one:

A new health clinic in one of the Kentucky program counties.

Milk processing plant in northern Mississippi.

Hardwood industries in eastern Maine, Wisconsin, and other States.

Conservation and land drainage in a South Carolina county.

Construction of new manufacturing plants in several States.

A vegetable packing plant and shed in North Carolina.

Added educational and training opportunities in Washington and Missouri.

Swine improvement and marketing in northern Minnesota.

Tourist industry promotion in Michigan.

Expansion of livestock production in Louisiana.

And hundreds of other projects I haven't time to mention, all the result of action by local people, utilizing rural development program personnel and services.

However, we are attending a workshop session, not a pep rally. I am going to speak frankly for a few minutes about the great responsibility all of you bear to farm people and the Nation as a whole, as you help carry forward these rural development programs.

A campaign to promote balanced farm, industry, and community development cannot be a halfhearted operation. All leadership in rural areas must become involved. This most certainly includes the able, skilled workers who staff the county agent's office, FHA, SCS, ASC, local health, welfare, and education offices, county governments, and industry boards.

These latter agencies, working outside the strictly agricultural field, bear an important responsibility in the program.

It is understandable that rural people would turn to farming improvement as the principal method of adding income. But I am concerned that this aspect of the Rural Development Program, important as it is, may receive too much emphasis to the neglect of other opportunities.

In many areas, true enough, the field is wide open to improve incomes through betterment of agricultural production and practices.

But I would be remiss in my responsibility to you this evening if I did not caution that local leaders who force agricultural improvement to bear the whole weight of the Rural Development Program may be doomed to disappointment.

Promotion of rural industries, off-farm jobs, and revised educational programs must also receive equal emphasis. Indeed, in some areas, these are the core of sucessful rural development programs.

Let's not put all our eggs in one basket.

In many rural areas, we still are not helping our young people prepare themselves for the wide range of opportunities they most certainly will encounter in a growing, fast-changing America.

Let me give you an example. One of the State universities cooperating with the Department of Agriculture recently completed an educational study in three rural development counties. Less than 20 percent of the boys interviewed in these areas intended to stay in farming. Yet, in the words of the study, "none of the boys and girls interviewed indicated they had ever taken a course in trade and industrial education in high school."

I cite this example because it illustrates very well a situation that is widespread. According to recent estimates, approximately 65 percent of boys and girls growing up in rural areas will not find opportunities on the farm—on any kind of farm.

We are not downgrading agriculture when we face up to this fact. A lot of young people in rural communities will be able to find jobs in industries related to agriculture. Handling, marketing, selling, processing, financing, and the like.

For example, about 15,000 new jobs for college graduates are created in agriculture each year. Our land-grant colleges graduate only 8,500 students to fill these openings.

Are the fine rural youngsters in your areas getting the counseling, advice, and education they need to meet the challenge of the future? Each of us here needs to face this question squarely.

As leaders in farming communities and rural towns, you have a duty and a mission.

Whether in the field of agriculture, or education, or industrial development, you have been trained to analyze facts, to develop sound plans based on conditions as they exist, not as you would like them to be. Facing facts is the mark of the leader, of the educated person, of the scientist.

I am concerned that in too many rural communities, local farm, business, civic, church, and other leaders are not getting the benefit of your analysis and insight.

It seems to me that what we need in rural development program areas, as well as throughout rural America, is more attention to broad national trends in agriculture affecting the local community, plus resource adjustment in the light of these trends.

We could not stop technological change in agriculture, even if we were foolish enough to try. But through neglect and through unrealistic programs we can hinder many of our rural communities and farm families in adjusting rapidly to these trends. Lack of information, misdirected assistance, a failure of imagination, all these can disarm our rural communities and leave them unprepared to meet future conditions.

There are many needs to be met: Encouragement of economic family farm units. Vigorous promotion of rural industries. Career counseling for young people. Sound programs of industrial training in schools. Zoning. Closer town-country cooperation.

Some of these activities may not be popular in rural communities. But those who see the need, and yet keep silent are simply not doing their duty.

All of you working in the Nation's rural areas know that the farm picture is far more complex than some politicians would like to have it appear.

Many farm families are doing well today. These are the families on the more productive, well-managed commercial farms and ranches. They help produce the 91 percent of farm products going to market.

Last year farm operators' realized net income rose to $13.1 billion, the highest in 5 years, and a gain of 20 percent over the previous year.

In the commercial sector of agriculture, we do have a rapidly changing, dynamic, and generally prosperous agriculture, which is undergoing an irreversible, technological revolution.

Our farm laws must be revised to cope with these current conditions.

In January, therefore, the President recommended to the Congress forthright changes in our farm price supports. He urged that price supports no longer be related to a standard 45 years old, but to a percentage of the average market price during the immediately preceding years.

If the Congress still prefers to keep existing parity standards, the President urged that the Secretary be given discretion to establish the support level for all commodities in accordance with guide lines fixed by law. This is now permitted for all of the 250 commercially produced commodities except the 16 for which supports are mandatory.

We definitely favor the first of these—price supports related to a percentage of the average recent market price.

Either of these changes would be constructive, however. Under either course, the surplus could be reduced, the cost cut, production controls relaxed and markets developed. Our farm people could make more of their own decisions. The Government could resume its proper function of promoting farm research, expanding and developing markets, protecting soil and water resources, improving farm credit, and promoting area economic growth. We would help stabilize markets, not price ourselves out of them.

Under the present, outmoded program we are trying to price abundant farm products as if they were scarce. This cannot be done without piling up surpluses.

The evidence of 25 years says that we cannot balance supply and demand by means of present acreage controls.

We cannot solve this farm problem by programs which destroy markets and which channel farm products into storage. A warehouse is not a market. A storage bin is not a customer.

The economics of the farm problem on our commercial, high-production farms is simple—we need less government in farming. We must quit trying to fix prices unrealistically. This is the source of the twin evils of production for Government warehouses and Government control over farmers. We must emphasize markets, increased efficiency, and competitive selling. We must eliminate Government's stranglehold on commercial agriculture.

Based on the mail we have received and on contracts from all over the country, I say bluntly that the overwhelming majority of agricultural economists and other students of this problem endorse what we are trying to do as sound and best for agriculture.

A recent survey of agricultural economists at our 49 land-grant colleges has just been published. Of the 37 economists replying, 4 out of 5 say that "any laws further hamstringing the free market will hurt the farmer, the consumer, and the Nation."

And farmers endorse it too.

One of the largest national farm magazines recently invited farmers to tell Congress what to do about price support programs.

This nationwide poll showed that 8 out of 10 of the farmers want greater freedom and less Government in farming.

In the referendum of December 1956, 61 percent of the corn farmers voted for lower support and increased acreage.

Last November corn farmers voted by almost 3 to 1 to eliminate corn acreage allotments and lower the level of price supports.

Even more recently, about 70,000 cotton growers chose the "B" program with 15 parity points less price support in exchange for a 40 percent increase in acreage.

Farmers want more freedom.

The early enactment of realistic, beneficial farm legislation would be of great value to commercial agriculture and the entire national economy.

It would give farmers the freedom they desire to produce for markets, instead of Government bins and warehouses.

However, I have been discussing programs that have their major impact in the commercial sector of American agriculture. As all of you know, at first hand, this is only half the picture.

The other half is made up of part-time farmers, residential farmers, those on poor soil often in isolated areas, those handicapped by age or illness, families with limited resources.

As President Eisenhower observed in 1954:

"The chief beneficiaries of our farm programs have been the 2 million larger, more productive farm units. Production on nearly 3 million other farms is so limited that the families thereon benefit only in small degree from the types of programs that heretofore have dominated our activities."

This broad segment of our farm and rural population have largely been neglected. These families cannot be served effectively by programs designed primarily for commercial agriculture. Most of them gain little, if any, benefits from price supports and Government commodity stabilization programs.

Underemployment—not surpluses and markets—is their big problem.

They need opportunity to obtain off-farm work to supplement farm income. They need adjustments which will permit able farmers to obtain land and other resources to do an adequate job of production. They need better and broader opportunities for their young people. They need educational programs to prepare them for a wide variety of jobs in an expanding economy.

It appears indefensible that this Nation should devote such a large increment of public programs and services in the field of agriculture to the benefit of less than half our farmers.

More of our resources—personnel skills and available funds—must be directed toward meeting the special needs of small farmers, part-time farmers, aged, and disabled farm people, and those with limited land and capital.

Why should publicly supported programs provide most of their benefits for the minority of farmers who need help the least?

More and more the public and the press are asking this fundamental question.

Recently, for example, the highly respected editor of the Atlanta Constitution, Ralph McGill, asked in his column, "Who are the farmers?" He discussed the two broad groups of farmers in the Nation, and termed the 56 percent producing little for market as the hard core of the farm problem. "But they are the human core, and as such, deserve a program," he wrote.

Let's concentrate our skills and services on helping the neglected majority of the Nation's farm people.

I am calling on all agency heads concerned in the Department of Agriculture to reappraise the role of their agencies in the rural development program, with a view to speeding and perfecting this work.

I also propose to explore with deans of agriculture their ideas on how to bring about closer State and National cooperation to move the program forward more rapidly.

Rural and resource development programs offer the best chance of preserving the rural environment and strengthening small-scale farming in this Nation.

As President Eisenhower has stated, "Such programs deserve the awareness and support of all Americans."

I urge you to utilize the opportunity of this conference to strengthen and improve the work now going forward, and just as important, to seek ways of expanding such programs and broadening their impact in rural America.

God speed your efforts.

Wabash Valley Association Deserves Praise for Efforts to Combat and Control Wabash River Floodwaters

EXTENSION OF REMARKS

OF

HON. FRED WAMPLER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 14, 1959

Mr. WAMPLER. Mr. Speaker, on May 1, 1959, I and a group of dedicated Hoosiers appeared before the Public Works Subcommittee of the House Committee on Appropriations to ask for Federal funds and assistance with which to combat the constantly flooding Wabash River.

Representing Indiana's Sixth District flood-control interests were Mrs. Chauncey B. Baldwin, chairman of the Parke County Chapter of the Wabash Valley Association; Mr. Don Montgomery, editor and publisher of the Attica Ledger-Tribune; Mr. Maurice Hegarty, president of the Vermillion County Chapter of the Wabash Valley Association; and, Mr. Walker Robertson, chairman of the Vigo County Chapter, Wabash Valley Association; and, Attica, Ind., farmer-businessmen Mr. Ray Fix and Mr. Elbert E. Smith.

Others appearing in support of flood control construction funds were the following officials of the Vigo County Chapter of the Wabash Valley Association: Mr. John R. Donnelly, Mr. Robert Dunlap, Mr. Joe S. Francis, Mr. Kermit Flesher, and Mr. Carl I. Hale. In addition, Vigo, Ind., county agricultural agent, Mr. A. D. Luers was heard.

Each of those testifying presented the flood control needs of his particular area of the Sixth District of Indiana, while I covered the overall district necessities, asking for $67,000 in preconstruction planning money to be spent at the West Terre Haute local protection project, the Sugar Creek Levee, the Clinton Levee, the Conover Levee at Terre Haute and for the Wabash River basin study to allow the Army Corps of Engineers to continue working on Sugar Creek, Wild Cat Creek, and the Big Pine Creek survey projects.

Mr. Speaker, I certainly believe the Wabash Valley Association, association President J. Roy Dee, Executive Vice President William Prather, and all officers and members, richly deserve the gratitude of the people of the States of Indiana and Illinois for unflagging efforts to combat and control the ravaging floodwaters of the Wabash River so that the Wabash Valley will become a more bountiful, tranquil, and productive region.

Ten Easy Ways To Bootleg Nuclear Tests

EXTENSION OF REMARKS

OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 14, 1959

Mr. HOSMER. Mr. Speaker, interest has been expressed in my list of 10 easy ways the Soviets might try to bootleg nuclear weapons tests in violation of a test ban agreement. The Soviet Union's immoral reputation for treaty breaking gives every reason to believe they would use any possible subterfuge to break any test ban agreement they signed. The list is as follows:

1. Hiding: Conceal tests in a location of many naturally occurring earthquake shocks, such as the Kamchatka-Kuriles area.

2. Coinciding: Trigger tests to coincide with naturally occurring earthquakes.

3. Confusing: Firing several tests simultaneously or in rapid succession to create a confused and unreadable seismograph signal.

4. Shaping: Design the nuclear explosion to produce a seismograph signal "shaped" the same as a natural earthquake signal.

5. Absorbing: Fire the illegal test in an icepack, volcanic tuff, or other absorbent formation which fails to transmit the shock.

6. Screening: Trigger a nearby nonnuclear explosion a few seconds prior to bootleg test, erecting a screening signal on seismographs.

7. Minimizing: Keep power of explosion so small it does not register significantly on seismographs.

8. Cushioning: Explode in large, underground cave, air in which cushions shock waves and fails to produce significant seismic signals.

9. Snuffing: Build into the bomb a self-snuffng feature which permits test data to be obtained, but snuffs out explosion before seismologically significant shock is created.

10. Jamming: Jam seismograph stations likely to detect the bootleg test by increasing local background noise. (Even passage of a heavy truck near seismograph may jiggle its recording needle enough to blackout other signals.)

This list is not in any way complete and it is not based on the still secret Berkner Report on test evasion possibilities. I reiterated my earlier demand the Berkner Report be declassified by the State Department so the American people can evaluate pitfalls inherent in the Geneva test ban negotiations.

The foregoing list is based on a ban agreement that would apply to underground as well as atmospheric tests. The only kind of ban offering decent prospects for enforcement is one against atmospheric tests which are the only tests creating fallout, and I have previously expressed my opinion there is a moral responsibility on the United States to seek an atmospheric testing ban and at the same time refuse to consider other type bans pending discussion of the moral, military, and political questions involved.

Nuclear explosion can be detected by acoustic waves, electromagnetic radiation, radioactive debris, and seismic waves. All but seismic waves can be suppressed by underground explosions and my list shows how these, also, could render valueless any detection-inspection system so far discussed at Geneva.

Some other ways the Soviets might consider to violate a test ban include these:

Simply shift testing from Soviet soil to the vast Red Chinese land mass not subject to the proposed agreement.

Test at very high altitudes, using rockets.

Set up secret tests at a remote, uninhabited South Atlantic or Pacific Island, using submarines. In this case a few coke bottles and empty American cigarette packages might be left in the test site vicinity to confuse an international inspection team.

At the height of a phony propaganda campaign falsely charging Western violations, or that the detection system is faulty, et cetera, set off a test, and let it get lost in the general hullabaloo.

I hope my remarks may serve the purpose of encouraging public interest in and discussion of this vital test ban question.

New Frontiers for America

EXTENSION OF REMARKS

OF

HON. JAMES ROOSEVELT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 14, 1959

Mr. ROOSEVELT. Mr. Speaker, on the evening of April 24 of this year in Los Angeles, Calif., I had the distinct pleasure to be among the many hundreds who heard a most lucid, inspiring, and seasoned address by Senator HUBERT H. HUMPHREY, of Minnesota.

On the occasion of the annual Franklin D. Roosevelt Dinner, sponsored by the Democratic Central Committee of Los Angeles County, Senator HUMPHREY, in addressing himself to the thesis on "New Frontiers for America," spoke with clarity of thought and conviction about the need and challenge to spark our national

thinking toward improved goals and objectives.

It is with pleasure, Mr. Speaker, that I insert in the RECORD the text of his address because I am confident that those having the opportunity to read it will find in it that valuable ingredient of good commonsense grounded in liberal and sound philosophical concepts and principles.

Senator HUMPHREY'S speech follows:

NEW FRONTIERS FOR AMERICA

(Remarks of Senator HUBERT H. HUMPHREY, Democratic Committee Roosevelt Dinner, Los Angeles, April 24, 1959)

We gather here tonight to draw inspiration from the life and works of Franklin Delano Roosevelt.

An ancient philosopher of freedom said that a man whose work is nearly done is sometimes gifted with prophetic vision. So it was with Franklin D. Roosevelt. The last words he ever penned, to the San Francisco Conference of the United Nations which he did not live to attend, said, "We must move forward with strong and active faith."

How well these words sum up his own life and works. How well they state our tasks for today and tomorrow.

No man ever had more justification than Franklin Roosevelt, in April 1945, to look backward with satisfaction.

The greatest of depressions had been routed.

The most far-reaching economic and social reforms had been built into the permanent structure of our Nation.

The most powerful oppressors in the history of mankind had been challenged, and their defeat and surrender were clearly in view.

A new concert of nations—the United Nations—was in the making.

Yet the last written words of Roosevelt were not words of contentment. They were a call to action. They summoned us—they summoned the world to which he spoke—to move forward.

To Franklin Roosevelt, moving forward did not mean reliance on the momentum of forces already in being. He said that we must be strong and active. He knew that there was no strength in waiting for events to take their course. He demonstrated that events must be shaped. He knew that neither domestic nor international problems could be solved by sporadic and desperate reactions to crisis. He demonstrated that leadership depends upon holding the initiative, that leadership means positive action.

And he knew that this action must be guided by faith. Not the unreasoning faith that all will turn out right, if we but close our eyes to all that is wrong. But a reasoned faith in the capacity of free peoples and free institutions to solve their problems by seeing the truth, by trusting themselves, and by limitless devotion to human progress through human endeavor.

Today, those looking backward rather than forward, those who are passive rather than active, and those who substitute unfounded fears for reasoned faith, may find much discouragement in the world around us. But for those of us who reject the doctrine of despair, who are propelled by the Roosevelt tradition, the challenge of our times is bright with hope.

In the years ahead, three great goals confront America: the winning of an honorable and lasting peace; the fulfillment of our economic potential; and the attainment of full dignity and liberty for every American.

The winning of the peace means this: it means unfailing pursuit of the goal of universal disarmament, so that men can devote their energies and resources to constructive purposes, to bettering the lot of their fellow men.

But until we attain that goal, the pursuit of peace means superiority in arms—a shield of defense—not only to deter those who would make war, but to negotiate disarmament from strength, and not from weakness.

And finally, the pursuit of truly lasting peace means a long, hard struggle to improve the lot of the oppressed, the poor, the hungry, the sick, and the illiterate.

For the Communists will never cease their appeals to these people; and unless we wish to yield the world to their domination, we cannot relax our efforts to help those who are less fortunate than we.

These totalitarian states, first Russia and now in increasing measure China, recognize no ideal but power. Yet they know where they are headed, and they have the blueprints for attaining their goals. Year by year, the masters of the enslaved people are driving them ruthlessly and relentlessly forward, in the most gigantic program of military and economic development the world has ever seen.

Within their master plan, though, they are flexible, agile. They blow hot and cold. They push forward and pull back. They belong to the United Nations, but they do not respect it. They seek to use it as a tool for their own designs, not as a means toward international harmony.

In ultimate purposes, we in the United States represent the opposite pole.

We regard the United Nations as a mechanism through which we and other peace-loving nations can build an international order of law, morality, and peace.

We seek to build no empires, but only to build freedom and plenty.

We seek to impose no will upon anyone, except the will to live and let live.

We have no satellites, no unwilling allies.

None need fear us, except those who fear resistance to wrongdoing.

Our shortcomings, unlike those of the totalitarians, are not in ultimate purposes. But we have not yet equalled them in the steadfastness of our purposes; nor in our willingness to dedicate our full resources to the attainment of our goals.

We properly believe in a military shield of unequaled strength; but this administration tells us that we cannot afford to maintain it.

Through the Marshall plan, the point 4 program, and in other ways, we have recognized that economic participation in the strength of the free world is the ultimate weapon of freedom; but we are not now matching the size of our purposes with the size of our deeds.

Too many of our actions are improvised and disconnected, instead of being purposeful and long-ranged. Too often we blunt the effect of fine words with meager deeds. And too often we blur the effect of fine deeds with foolish words.

In this quest for peace, we are too much on the defensive.

Where we should be actively branding the Soviets before the United Nations with contaminating the atmosphere with their nuclear explosions, we are silent, for our own hands are not clean.

Where we should have taken the initiative in calling for nuclear test suspensions, for too long we allowed the Soviets to hold the offensive.

Where we should be boasting of our efforts and desire to help other nations with economic and technical assistance, our Government seems to apologize for these efforts. We seem to be ashamed of being Christian in our behavior—of helping our fellow man because he is our brother and he needs our help.

The challenge of the Soviets is total. Their dedication is total. They have stolen from us our very own idea of helping other nations to help themselves, and they are pursuing it with a zeal and an energy which today we are not equaling.

We cannot answer this challenge of the totalitarians merely by unmasking its malevolent intent. We cannot answer it by false statements that they do not have the power to accomplish their asserted goals. We cannot answer it by soothing statements. We can answer it only by superior deeds.

We are the true originators of help to others, not because we need their help, but rather because they need our help. We are the true originators, not of the idea of helping others for political or even economic reasons, but rather of helping others for human and moral reasons.

The Indian peasant, the longshoreman in an Indonesian port, the miner in Ghana, do not care a whit about political contests between great powers. They do not care whether the American economy or the Russian economy grows faster. They do care about their own daily struggles to keep alive and to move forward. They do care which of the powerful economic and political systems will do the most in a practical way to help them along. And they are eternally right in their preoccupation with these matters.

Dollars are important, but they alone will not do the job. We need to tell the world better what we are trying to do. We need to distinguish more carefully between impressing our ideas upon others, and making others aware of our ideals. An expanded Voice of America cannot take the place of expanded actions by America. To have good things to say, we must have good deeds.

The second great goal before America is the fulfillment of our economic potential here at home.

In pursuing this goal, we must look upon our economic system as something bigger than the dollar sign, and something warmer than the stone walls of factories.

We seek not only to build machines, but also to improve men; not only to provide work opportunity, but also to provide leisure for self-development; not only to achieve security, but also to stimulate initiative and daring; not only to be efficient, but also to do justice.

With the resources, technology, and inventiveness that are ours, we can within a short space of years bring to pass in America the prophets' dream of abolishing any remnant of poverty in a land of limitless plenty. And by reducing to secondary importance the satisfaction of material wants, men and women can turn more effectively to those higher values which are the mark of men and women created in the image of God.

But in order to move forward with strong and active faith toward this goal, we must recognize and dispose of one primary obstacle. The obstacle is a Republican administration which is satisfied with stagnation.

Let me illustrate the difference between the Eisenhower Republican administration and the inheritors of the Roosevelt tradition:

Picture, if you will, a Republican and a Democrat examining the latest statistical report card on the progress of the American economy.

The Republican looks at the report card and exclaims: "Let's grade this A-plus in everything. This will make the parents happy and confident; in fact, it will make everybody happy and confident; and if everybody is happy and confident, there is nothing in the world to worry about."

The Democrat is more likely to say, "Let's face the facts. Let's tell the truth. The economy is not doing as well as it should."

The Republican is likely to make strange use of the law of averages. When he finds that the youngster's blood pressure is 25 percent too high and his respiration 25 percent too low, he may well say that the average is perfect.

But we Democrats do not derive an average of economic stability from the record-breaking profits of a few giant corporations and the recordbreaking failures of small business.

We do not derive an average of economic justice from more families with incomes above $400,000 a year and more families with incomes below $4,000 a year.

We do not derive an average of national well-being from more investment in cars and iceboxes and less in roads and schools.

The Republicans take great pride in telling us that the economy is bigger than ever—as if this solved everything.

But when the Republican press agents tells us that we are now higher than ever before, we want to know who is higher, and how much higher. The 4½ million unemployed are not better off than ever before. The farmer is hardly enjoying unique prosperity. The homeowner is hardly being helped by higher and higher interest rates. The small businessman has not reached his millenium.

The truth is, the economy has been dragging along in the last half decade.

From 1953 through the end of 1958, we have lost more than 10 million man-years of job opportunity. Unemployment has more than doubled.

The income of the average American family has been penalized to the tune of almost $3,000 in real buying power.

Net farm income has been about $31 billion less than it should have been, and wages and salary income almost $100 billion too low.

Private business investment opportunity has been almost $40 billion too low.

The excessive idleness of plant and manpower from 1953 through 1958 caused us to lose more than $150 billion in total national production.

As a result, even high tax rates have yielded to all levels of government about $25 to $30 billion less revenues than full prosperity would have yielded. These deficits in public revenues have meant deficits in national security and international economic cooperation. They have meant immense deficits in education and health services, housing and resource development, social security improvement and income protection to the unemployed.

None of these things has happened by accident. Every basic economic policy of the Republican administration—the tight money policy, the regressive tax policy, the penny wise and pound foolish economy programs, the giveaway of our resources—all of these have resulted in substituting economic stagnation for full economic growth.

These Republican policies have not meant boom and bust in the old-fashioned sense. The protective Democratic legislation of the New Deal and the Fair Deal has saved us from this. But they have meant recession half the time and stunted growth all the time.

Where do we go from here; and first of all, where can we go?

If we fully marshal our economic potential, we can in the next 5 years lift our $460 billion economy to much better than a $600 billion economy.

We can increase the average annual income of American families, measured in real buying power, by about $2,000.

We can liquidate most of the private poverty, which still bears down upon millions of our people.

We can have prosperous farmers as well as prosperous industry; small business can thrive alongside the corporate giants. In short, we can lift those at the bottom without penalizing those at the top.

We can combine the American system of different rewards for different abilities and efforts with the American system of equal opportunity for all and social justice.

And on the productive foundation of this private economic progress, we can check the impoverishment of our vital public services, and put an end to the neglect of our greatest national and worldwide priorities of need.

We can, in a word, fulfill our economic potential and realize our dream of abundance.

The third great goal before America is the attainment of full dignity and liberty for every man, woman, and child within our borders.

We have made a start toward equality of opportunity for employment; you in California crossed one more barrier when your legislature acted so forthrightly.

We have made a start toward integrating our public schools.

We have made a start toward integrating our public facilities of all kinds.

We have made a start toward preventing discrimination in housing.

We have made a start toward assuring the right of every citizen to vote.

Yes, we have made a start in each of these areas. But there is still much more to be done.

And we are determined that from these small beginnings we shall one day build a land of tolerance that knows no bigotry.

The road toward understanding and tolerance, toward equality and justice may be a rough one. But we must travel that road and travel it surely if we are to survive in a world two-thirds colored. And we must travel that road and travel it courageously—not only because it is necessary for our survival—but because it is right.

As we would protect every American against discrimination because of race, religion, or ancestry, so we must also protect him against all other arbitrary governmental action.

Away with test oaths that serve only to stigmatize.

Away with secret informants who too often speak from malice and ill will.

Away with public character assassination.

How proud every citizen of California must be of Chief Justice Earl Warren, who has done so much to make every American more secure in his heritage of freedom.

My friends, if we move forward to cross and conquer these three new frontiers, many of us may live to see the greatest era of accomplishment in the history of man.

During a large part of the 19th century, the Old World enjoyed a wide measure of peace and prosperity, scientific development, and practical reform. The outstanding characteristic of this period was faith in the future of man, expressed by a poet laureate of England who spoke of the gleam of the untraveled world ahead.

At this midpoint in the 20th century, mankind is again moving into an untraveled world. New problems, new danger, new uncertainties, confront us. But the new world into which we are moving is also gleaming with high promise. The free peoples of the world are infinitely stronger than they were in the 19th century. We have gained in knowledge of the physical world, in science and technology and communication. Above all, we have come to appreciate the links which bind all free peoples together. We have found the instruments of cooperation which may forge these loose links into an unbreakable chain of strength.

So let us lead from strength. Instead of thinking that every great task is beyond our means, let us measure the greatness of our capacity.

Instead of filling the air with fear, let us fill men's hearts with hope.

Instead of being overwhelmed by the dangers of the world, let us be inspired by the challenge to surmount these dangers.

Instead of worrying about the future, let us labor to create it.

Again in the words of the poet, as the great world spins forever through the ringing grooves of change, we can bring an increasing purpose into the lives of free men, if only we do not close our minds to new problems, if only the thoughts of men are widened with the processes of suns.

Why I Am Opposed to the Murray-Metcalf Bill

EXTENSION OF REMARKS

OF

HON. CARROLL D. KEARNS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 14, 1959

Mr. KEARNS. Mr. Speaker, in view of the great national interest in the Murray-Metcalf bill—the School Support Act of 1959—I ask leave to present to my colleagues the reasons why I cannot support this legislation. I hope each and every Member of the House will read this before casting his vote.

Enactment of the Murray-Metcalf bill would shift a major share of the cost of education, and thus of State and local responsibility for education, to the Federal Government. Such a shift of responsibility is clearly not in the national interest. Indeed the underlying philosophy of this bill is contrary to all Federal aid measures for education heretofore adopted by the Congress, including such programs as Federal aid for land grant colleges, assistance for vocational education, Federal aid in areas affected by Federal activities, and the recently enacted National Defense Education Act, all of which programs I have enthusiastically supported. These programs, and others in existence, have provided Federal funds for specific educational activities, the encouragement of which have had overriding national significance for the defense and welfare of our Nation. All the Murray-Metcalf bill would accomplish would be to shift a major and permanent responsibility to the Federal Government for the operation of our public elementary and secondary schools.

As originally introduced, the bill would authorize appropriations increasing from $1.1 billion in the first year of the program to $4.7 billion in the 4th year and for each year forever thereafter. This would entail a cost of $11.4 billion in the first 4 years alone. Even if these amounts were scaled down, I would feel compelled to resist the measure because of its basic philosophy and for the following reasons:

First. Under the United States Constitution education is, quite properly, I believe, a function of the States. In varying degrees the different States have delegated some of this responsibility to local school districts. No Federal program should ever be permitted to develop that would in any way lead to Federal domination of our educational system.

The fundamental principle of our Federal-State governmental organization is a division of authority and responsibility—not a sharing of every function by every type and level of government. In my judgment it would be completely naive to assume that Congress would appropriate the billions of dollars called for in the Murray-Metcalf bill without—sooner or later—attempting to assure through adequate controls that the sums are efficiently spent. Indeed, what justification can there be for vast Federal expenditures unless a definite product is purchased for the taxpayer's money? I think inevitably that H.R. 22, the Metcalf bill, drafted as loosely as it is, would furnish the very impetus that would provoke throughout the Nation a demand for controls over the use of the Federal moneys. As the bill is drafted there is not even a requirement that the Federal funds be matched by State or local funds, nor is there any requirement that there be any increase in State and local spending over and above present levels. In my judgment this inevitably means merely a shifting of responsibility from the States to the Federal Treasury, with no assurance that the Federal expenditures will produce any better educational programs than we now have. As a practical matter such a shift in responsibility would tend only to perpetuate existing inequalities and inadequacies in education.

Second. The greater the amount of Federal aid going into our schools, not for specific purposes, but for overall financing, the less local school administrators would be dependent on their local boards of education, State legislatures, and communities. It seems perfectly clear that such circumstances would gradually but surely lead to whittling away State and local control over education.

Third. The bill would allot funds among the States without any regard to a State's need for Federal assistance. This is contrary to practically all proposals which heretofore have been considered by the Congress.

Fourth. In shifting major responsibility for education to the Federal Government, enactment of the bill would force the Federal Government either to boost its already burdensome taxes or to expand the national debt, thus further adding to inflation, which in the end would tend to defeat the presumed purposes of the bill.

Fifth. Some proponents of vast Federal aid for education appear to feel that school needs can be met and local taxpayers spared a boost in State and local taxes by shifting responsibility to the Federal Government.

This is a snare and a delusion. If H.R. 22, as introduced, were to be enacted, it would, in the first 4 years of the program, cost the citizens of Pennsylvania $158,537,000 more in Federal taxes than Pennsylvania would receive through Federal grants under the program. This just simply does not make sense as far as financing education in Pennsylvania is concerned. Pennsylvania cannot even support its own educational program at the present time.

Montana, on the other hand, would ride the gravy boat, getting $13,675,000 more in Federal grants than it would pay in taxes. It is quite understandable, therefore, why Senator MURRAY, of Montana, and Congressman METCALF, of Montana, are such strong advocates of the legislation; however, I cannot understand the reasoning of my teachers in Pennsylvania.

Is Montana going to be able to sell the eleven revenue-producing States in the Union who pay 93 percent of the cost of running the Federal Government this bill of merchandise?

Finally, in my judgment, the Federal Government should concern itself with specific educational problems, the solution of which is clearly in the national interest. To this end I intend to give full support to essential existing programs and to any necessary modifications of these programs that may become necessary as conditions change in the future. As a practical matter, the National Defense Education Act, which I supported in its enactment last year, is only now getting under way. I intend to support measures appropriating the necessary funds to make this National Defense Education Act effective. Until we get results from this important measure, I think it most untimely and unnecessary to give consideration to proposals such as the Murray-Metcalf bill.

The Great Menace to American Children: What You Can Do About It

EXTENSION OF REMARKS
OF
HON. KATHARINE ST. GEORGE
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 14, 1959

Mrs. ST. GEORGE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by the Honorable Arthur E. Summerfield, Postmaster General of the United States, before the conference of women leaders of civic, educational, parent, and religious organizations and women Members of the Congress and Government agencies, Washington, D.C., May 12, 1959:

THE GREAT MENACE TO AMERICAN CHILDREN: WHAT YOU CAN DO ABOUT IT

I want to thank you for taking the time to join us today.

I know that your schedules are full and that you are very busy. But we have asked you to be with us because we want to discuss a very serious matter with you.

We know how intelligently, how tenaciously and yes, how successfully American women can organize to fight evil.

We know that, in your positions of leadership in important organizations, as parents, and as citizens, you can be of great help to us in meeting a problem of growing concern to all of us.

I want to discuss this problem with you frankly, tell you what we are doing about it, and ask for your personal support, and the assistance and cooperation of the organizations you represent.

There is flourishing in this country today a vile racket of huge proportions about which the public is not too well informed.

This racket involves the use of the U.S. mails for the wholesale promotion and conduct of mail-order business in obscene and pornographic materials.

I say it is huge advisedly. We can estimate at present that the sale of these materials through the mails is running at more than $500 million a year.

The especially vicious aspect of this racket is the fact that these purveyors of filth are aiming their attention more and more at the Nation's children—teenage boys and girls, and even younger.

With complete arrogance, they are violating the homes of the Nation in defiance of the Federal Government.

They are dumping pornographic sewage into the hands of hundreds of thousands of our children, through the family mail box—most of it material that has not been ordered—material intended to solicit the sale of utterly obscene pictures, slides, films, and related trash.

How do these merchants of filth obtain the names and addresses of children?

They have any number of ways. One of the most common is to offer, in a legitimate ad in a normal publication, the sale of a product of interest to a boy or girl. This would be stamps, or model airplanes, or doll clothes, and the like. These items are frequently offered at bargain prices.

The child, usually with the parent's assistance, sends for and receives the item. Now the smut dealer has the name on his list, and soon the child is receiving lewd solicitations through the mail.

These racketeers also buy prepared mailing lists of children's names, of which there are many. They even go to the extent of gathering up high school year books, from which they take names and match them up with addresses in city telephone books.

Recently, we conducted a raid in New York City in which we confiscated 17 tons of highly obscene printed and filmed materials. The producer of these materials had in his possession a mailing list of names and addresses of 100,000 persons, including many high school students.

If you were to read some of the solicitation material that these debauched persons send to the children, I believe you would be sickened.

You would also be deeply disturbed to read the letters our postmasters receive from parents. Such letters for example as one from a mother who wrote: "The enclosed material was received by my son, age 8 years, a few days ago. Is there anything that can be done to stop this?"

The material sent to the 8-year-old boy began with the statement: "I am writing to you as a person interested in collecting all types of art photography of nudes."

Or like the letter which read: "Is there anything that can be done about literature like the enclosed? This is a mother's plea to you to do all in your power to stop the flow of this filth from seeping into our homes. Thank you for anything you can do to protect my 10-year-old girl."

Or the letter which stated: "I am enclosing a folder sent to boys at our camp. Is there any way that this terrible literature and its source can be destroyed?"

It is apparent that many children, without parental attention, do fall into the trap of ordering such material, for the filth merchants regard their traffic with children as a major and growing part of their highly lucrative business.

Most parents who intercept these solicitations in the mail are, of course, shocked

and greatly concerned. Last year, our Postal Inspection Service investigated 14,000 complaints about obscenity in the mails. Nearly two-thirds of these complaints were from parents objecting to the receipt of lewd material by their adolescent children.

In the case of a single mailing by one purveyor of filth, over 5,000 complaints were received, and all but 3 were from parents protesting mailings to their children.

On the basis of all the facts we have, our inspection service estimates that probably 700,000 to 1 million children this year will receive such invitations to depravity through the mails.

This is big business. It thrives on the curiosity of adolescents. It has no boundaries based upon social position, religion, race or location. Your child, or the child next door, may be on a list. If not, he—or she—may get on one. For the lists are expanding. Nobody is immune. Obscene mail is addressed to both sides of the track. It finds its way into orphanages. It is addressed to children as young as 8 years.

Yes, their parents will be worried—and well they should be. For it is well known to law enforcement groups that juvenile delinquency stems in measurable part from the demoralizing influence of exposure to obscenity and pornography.

Consider this, if you will, in the light of a recent report on delinquency by a Senate subcommittee. The report states that one out of every five boys in this country, of ages 10 to 17, has a court record, charged with breaking the law.

Again and again, in the investigations of armed robbery, extortion, embezzlement, and forgery, authorities find that those guilty of these crimes were early collectors of obscene pictures and films.

And it is well known that almost all sex criminals and sex murderers prove to have a long record of addiction to pornographic and sadistic material. Your children may never be exposed to this material. But they could be victims of sex criminals who have been exposed to it.

Let us quote from the report of the Senate subcommittee that studied this problem:

"There is a peculiar resemblance to narcotics addiction in exposure of juveniles to pornography. There is the same pattern of progression. Once initiated into a knowledge of the unnatural, the impressionable young mind with the insatiable curiosity characteristic of those reaching for maturity inevitably hunts for something stronger, something with more 'jolt,' something imparting a greater thrill.

"The dealer in pornography is acutely aware of this progessive facet; his array of material to feed this growing hunger is carefully geared to the successive stages. Like the peddler of narcotics, his only interest is to insure that his customers are 'hooked', he knows that once they are 'hooked' they will continue to pay and pay."

It is clear the Congress is concerned with this problem. Much good should come from the hearings now being held by the House Post Office and Civil Service Subcommittee On Obscene Literature, headed by Congresswoman KATHRYN E. GRANAHAN.

I am sure you also will agree that this, indeed, is a problem that must be met. I personally am both revolted and incensed by this depraved, arrogant and poisonous attack on the minds of our children. These feelings are shared, I can assure you, by our postmasters around the country and by my associates in the Post Office Department.

We recognize that there is urgent need for positive action now. We are, therefore, in effect, declaring war on these purveyors of filth, big and little, high and low.

We are launching an intense and unrelenting effort to stop this monstrous assault on the Nation's children in every way possible.

And let me say we are confident that, with adequate public support, this job can be done.

I do not mean to imply at all, of course, that the Post Office Department is only now awakening to this problem.

The records show quite clearly that the Post Office, over the years, has diligently tried to keep the mails clear of indecent material. It has done so even while subjected to attack and ridicule by those who hope to benefit personally from obscene mailings, and by those who, confusing liberty with license, unwittingly give them assistance.

Investigations conducted by our postal inspectors, in fiscal 1958, caused the arrest of 293 persons. Our General Counsel issued 92 orders barring use of the mails.

The arrests last year were 45 percent above the previous year, and this year they will increase substantially again.

Congress, as far back as 1865, made it a Federal offense to mail obscene matter.

The Post Office has lent its fullest support to such legislation. But nevertheless, commercialized pornography has continued to grow.

It has expanded tremendously since World War II.

It has doubled in just the past 5 years alone.

Especially, as I have pointed out, the effort has been to expand the market through sales to children.

There appear to be two basic reasons for this rapidly growing volume:

First, the huge profits realized from a relatively small capital investment; and second, the very broad definition of obscenity handed down by certain courts, notably in Los Angeles and New York, where the great bulk of the mail order business in obscenity and pornography originates.

These liberal rulings have established, over a period of time, virtual sanctuaries in which dealers of obscenity have operated with impunity and in defiance of justice.

We in the Post Office for several years have strongly urged legislation which would permit prosecution not only at the points of mailing of obscene material, but in the communities where it is received—where the real damage is done—and where citizens have an opportunity to express their standards of morality and decency.

Such legislation was passed by the 85th Congress and signed into law by President Eisenhower last year. It is, we believe, among the most important legislation adopted in recent years.

We have pressed, and are determined to press, its use to the fullest possible extent. The first case following this legislation was at Boise, Idaho, and it had to do with mailings made from California and Oregon. The offenders, a man and his wife, each received a 10-year prison sentence and a fine.

Similar cases are now pending. And I would like to say that a goodly series of stiff sentences of that kind can go a long way toward discouraging other such people from further mailings of their degenerate trash to children.

To make full use of this new legal weapon, however, the Post Office must have the cooperation of parents and decent-minded citizens everywhere. Without such cooperation on a broad and resolute scale, we are under great handicap.

As you know, the absolute privacy of the mail is one of our basic American rights. The Post Office Department cannot, and will not, violate this right, even when it has strong evidence that the mail is being used for unlawful purpose. I, for one, believe fully in this right.

The Post Office, therefore, can legally identify and take action against violators of the mails only on the complaints of citizens who receive such material.

Let me repeat that point: We can act only after the recipient of obscene mail has opened that mail, and the material has been forwarded to the local postmaster as evidence.

To achieve this cooperation on the largest possible scale, our intensified program for action is fourfold:

1. To draw maximum public attention to the menace of this racket.

2. To urge parents to help us apprehend the mailers of filth to their children.

3. To help mobilize community support behind adequate law enforcement of local ordinances or State laws when these purveyors are apprehended and brought to court.

4. To rally public opinion behind new and stiffer legislation on obscenity.

Obviously there is going to be less likelihood of putting dealers in obscenity out of business if they are not given the book when they are caught.

Unfortunately, giving them the book is not easy. Most of these smut merchants make such profits that they are able to retain high-priced lawyers who know all the tricks.

And these gentlemen all too often have used the tricks of hamstringing, delaying, and confusing action until their clients have gone free or received only small prison terms or fines. Unperturbed, the peddlers have been back in their racket under a new name within days.

They are also experts at raising a hue and cry about "censorship," "freedom of the press," and "civil liberties." And all too often they are able to find willing pawns to take up their cry and carry on their slimy battle for them.

This, of course, is utter nonsense. I would only ask any such misguided person these questions:

Is it a violation of civil liberties to deny the sale of liquor to a 10-year-old boy?

Is it censorship to prosecute those who sell narcotics to junior high-school girls?

Are we abridging civil liberties when we do not permit children to drive a car?

I am sure the answers, and the point to be made, are quite clear.

Peddling pornographic poison to children is a heinous crime. And that community which does not punish the criminal to the full extent of the law is failing its duty—failing just as surely as if it were to allow sales to children of liquor or dope.

Now, what is likely to happen if we do not rid ourselves of this social cancer?

First, we may as well concede that the obscenity business, with its vast revenue, will be taken over by organized crime, to a far greater extent.

It will become a gigantic organized racket far beyond even its present scope, with millions more of our children its principal victims.

The undermining of the moral fiber of the Nation's children will spread; with the poisoning of increasing millions of minds.

Sex crimes will be a spreading blight on our society, and will become far more prevalent than they are today.

And overall, we could expect an ultimate breakdown of order and decency in this country.

My friends, I am not asking you simply to "view with alarm." I am asking you to view with deep conscience, deep concern, and determination.

Thorough action must be taken now. I am asking you to take part. You have both the opportunity and—I would dare to say—

the responsibility for joining with the Post Office in this drive.

Help us to alert parents across the country. Help us through your organizations, and your publications, and by your individual efforts. Let the parents of America know what to do on any day that obscene mail arrives in their home.

The process is very simple.

First, parents should save all materials received including the envelopes and all enclosures.

Second, parents should report the material immediately to their local postmaster and turn the materials over to him, either in person or by mail.

Finally, all citizens, whether or not their children have been touched with this filth, can help by backing up Members of Congress and local officials in their growing efforts to stamp out this evil.

I urge you to carry this message to the other officers of your organizations, and to your local chapters. Urge your local members to enlist the support of religious and educational leaders, newspaper editors, and citizen groups in their communities. The task calls for everyone who can, and will, contribute effort and dedication to it.

I pledge to you that the Post Office Department will lead the way. And if the American people are made properly aware of this challenge, I am confident—as I know you are—that the challenge will be firmly and successfully met.

SENATE

FRIDAY, MAY 15, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, who revealest Thyself in all that is true and pure and lovely, we beseech Thee so to cleanse our hearts of all that defiles that they may be fitting audience chambers for Thy presence, knowing that it is only the pure in heart who shall see God.

Amid relentless duties, we pause to acknowledge our human frailties and to lean our weakness against the pillars of Thy almightiness.

We pray for the leaders of the Nation in these tempestuous days, and especially for those who serve in this body. Give them kind hearts, clear thoughts, and quiet faith.

Among ourselves, and in our dealings with all the peoples of the world, in nations great and small, may we be so transparently just and fair that all which is false and every lurking evil which shuns the light may be banished by the truth which makes men free.

We ask it in the name of the One who is the truth and the way and the life. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, May 14, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following act and joint resolution:

On May 13, 1959:

S. 1271. An act to donate to the pueblo of Isleta certain Federal property in the State of New Mexico.

On May 15, 1959:

S.J. Res. 94. Joint resolution to defer the proclamation of marketing quotas and acreage allotments for the 1960 crop of wheat until June 1, 1959.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Joseph V. Charyk, of California, to be an Assistant Secretary of the Air Force, which was referred to the Committee on Armed Services.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Internal Security Subcommittee of the Committee on the Judiciary and the Judiciary Subcommittee of the Committee on the District of Columbia were authorized to meet during the session of the Senate today.

On request of Mr. KEATING, and by unanimous consent, the Juvenile Delinquency Subcommittee and the Constitutional Rights Subcommittee of the Committee on the Judiciary were authorized to meet during the session of the Senate today.

On request of Mr. MANSFIELD, and by unanimous consent, the Committee on Foreign Relations was authorized to meet during the session of the Senate on Tuesday next.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

STATUARY MEMORIAL ON CORREGIDOR—RESOLUTION

Mr. CHAVEZ. Mr. President, the Bataan Veterans Organization originated in New Mexico. It is composed of American soldiers who fought in the Philippines during the Japanese occupation. Very few of those who were from New Mexico came back. That organization held its annual convention on April 9, 10, and 11 of this year, at Carlsbad, N. Mex. They adopted a resolution with respect to their ideas on a statuary memorial on Corregidor. I ask unanimous consent that the resolution be printed in the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

MEMORIAL MEMORIALIZING THE PRESIDENT OF THE UNITED STATES, THE PRESIDENT OF THE U.S. SENATE AND RESPECTIVE SENATORS, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES OF THE U.S. CONGRESS, AND THE RESPECTIVE CONGRESSMEN

Be it resolved by the Bataan Veterans National Organization:

Whereas the members of the Bataan Veterans National Organization do go on record as being opposed to the legislative action by the Congress of the United States, thereby creating a statuary memorial on Corregidor, commemorating those who served in the defense of mankind during World War II; and

Whereas the members of the Bataan Veterans National Organization do hereby urge the President of the United States, the President of the Senate and respective Senators, the Speaker of the House of Representatives of the U.S. Congress and respective Congressmen to do everything possible in their legislative powers to divert the proposed appropriation for such a memorial statue; and

Whereas the Bataan Veterans National Organization do hereby urge the creation of a research hospital for the betterment of all mankind, such research hospital to advance the treatment and cures of tropical diseases, effects of radiation, and in all ways help to eliminate the sufferings of all people regardless of nationality, color, or creed; and

Whereas we, the Bataan Veterans National Organization, would welcome the creation of such a research hospital that we as an organization could foster through our efforts in the coming years, thereby keeping alive the memories of our fallen comrades who so gallantly served and died: Now, therefore, be it

Resolved by the Bataan Veterans National Organization annual convention April 9, 10, and 11, 1959, Carlsbad, N. Mex., That responsible officials of the United States and the Congress and the New Mexico delegates to Congress be respectfully urged to initiate such a change in memorial as we do recommend; be it further

Resolved, That copies of the memorial be delivered to the Honorable Dwight D. Eisenhower, President of the United States; the Honorable Richard M. Nixon, President of the Senate of the U.S. Congress; and the Honorable Sam Rayburn, Speaker of the House of Representatives of the U.S. Congress; and be it further

Resolved, That copies of this memorial be delivered to the Honorable DENNIS CHAVEZ and the Honorable CLINTON P. ANDERSON, U.S. Senators from New Mexico; and the Honorable JOE M. MONTOYA and the Honorable THOMAS G. MORRIS, Representatives at Large from the State of New Mexico; and be it further

Resolved, That copies of this memorial be delivered to the American Ex-Prisoners of War Organization, and the New Mexico Veterans Service Commission.

RESOLUTION OF BOARD OF SUPERVISORS, SHERMAN COUNTY, NEBR.

Mr. HRUSKA. Mr. President, in yesterday's mail I received a letter from Jerome J. Sekutera, a good friend of mine, who is serving as county clerk of Sherman County, Nebr., and is living in the town of Loup City. As county clerk, he forwarded to me a resolution of the county board of supervisors of Sherman County with reference to Senate bill 910, which relates to the Payments to Local Governments Act of 1959, and is so designated in its title. The resolution is directed to favorable consideration of that bill.

I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the Federal Bureau of Reclamation proposes to construct Sherman Dam and Reservoir within the boundaries of Sherman County, Nebr.; and

Whereas the tapeline of said project now encompasses 7,680 acres of farm land which had an assessed valuation in 1958 of $431,875 and the assessed value of personal property in the year 1958 on said real estate was $219,310 and the assessed value of vehicles for the year 1958 owned by persons residing on said real estate was $13,200 for a total tax valuation of $664,385; and

Whereas by reason of the condemnation of said real estate by the United States and the resulting disclocation of persons living thereon will result in a large loss of yearly tax revenue to the County of Sherman, State of Nebraska, and other political subdivisions of said county and said State; and

Whereas there is before the Senate of the United State of America, a bill to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property, and for other purposes which has been designated as S. 910, and such a bill is designed to alleviate hardship from the loss of such taxes on such projects as the Federal Government is about to carry out in Sherman County, State of Nebraska: Now, therefore, be it

Resolved by the County Board of Supervisors, Sherman County, State of Nebr., in regular session this 5th day of May 1959, That Senate bill 910, or Payments to Local Governments Act of 1959, be forthwith enacted as a law of the United States of America as proper and needed legislation in the best interests of the public and that copies of this resolution be forwarded to Senator ROMAN HRUSKA, Senator CARL T. CURTIS, and to the U.S. Senate Committee on Government Operations.

BOARD OF SUPERVISORS, COUNTY OF SHERMAN, STATE OF NEBRASKA.
DELL MINASHULL, *Chairman.*
C. C. MACIEJEWSKI.
FRANCES WEISS.
LAWRENCE OTTO.
T. H. BURNHAM.
JOHN SMEDRA.

Attest:
[SEAL] JEROME J. SEKUTERA.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without amendment:

S. 1877. A bill to amend the act of May 26, 1949, as amended, to strengthen and improve the organization of the Department of State, and for other purposes (Rept. No. 292).

By Mr. CHAVEZ, from the Committee on Public Works, without amendment:

S. 962. A bill authorizing the improvement of the channel to Port Mansfield, Tex., in the interest of navigation and other purposes (Rept. No. 293).

By Mr. CHAVEZ, from the Committee on Public Works, with amendments:

S. 1632. A bill authorizing the modification of the existing project for Kahuli Harbor, island of Maui, Hawaii (Rept. No. 294).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FULBRIGHT (for himself, Mr. SPARKMAN, Mr. BYRD of West Virginia, Mr. RANDOLPH, and Mr. KEFAUVER):

S. 1955. A bill to expand the public facility loan program of the Community Facilities Administration of the Housing and Home Finance Agency, and for other purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. FULBRIGHT when he introduced the above bill, which appear under a separate heading.)

By Mr. BARTLETT (for himself and Mr. GRUENING):

S. 1956. A bill to amend the Merchant Marine Act, 1936, for the purpose of providing with respect to the requirements for the operation of subsidy constructed vessels that certain vessels shall be considered as operating in foreign trade; to the Committee on Interstate and Foreign Commerce.

By Mr. BARTLETT (for himself, Mr. GRUENING, and Mr. MURRAY):

S. 1957. A bill to encourage the discovery, development, and production of domestic tin; to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON:

S. 1958. A bill to amend title 46, United States Code, section 601, to clarify types of arrestment prohibited with respect to wages of U.S. seamen; to the Committee on Interstate and Foreign Commerce.

S. 1959. A bill for the relief of Kazuo Ito and Satomi Ito; to the Committee on the Judiciary.

By Mr. PROXMIRE:

S. 1960. A bill to permit the transmission as third- or fourth-class mail of medical prescriptions with written or printed instructions for the use thereof; to the Committee on Post Office and Civil Service.

By Mr. MONRONEY:

S. 1961. A bill to amend the Bankruptcy Act with respect to the priority of debts owed by a bankrupt to workmen, servants, clerks, and certain salesmen; to the Committee on the Judiciary.

By Mr. HENNINGS:

S. 1962. A bill providing for the making of payments to the States and their political subdivisions in lieu of taxes and special assessments with respect to certain real property owned by the United States or its agencies; to the Committee on Government Operations.

S. 1963. A bill to authorize the Secretary of Health, Education, and Welfare to make grants from funds obtained under the Trading With the Enemy Act to assist the States and local communities to provide facilities for older persons including the surviving parents of veterans of World War II and the Korean conflict; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 1964. A bill to amend the act requiring certain common carriers by railroad to make reports to the Interstate Commerce Commission with respect to certain accidents in order to clarify the requirements of such act; and

S. 1965. A bill to establish certain provisions with respect to the removal and the terms of office of the members of certain regulatory agencies; to the Committee on Interstate and Foreign Commerce.

By Mr. BEALL:

S. 1966. A bill to provide for the licensing of public insurance adjusters in the District of Columbia; to the Committee on the District of Columbia.

By Mr. PROUTY:

S. 1967. A bill to amend the Fair Labor Standards Act of 1938, as amended; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. PROUTY when he introduced the above bill, which appear under a separate heading.)

EXPANSION OF PUBLIC FACILITY LOAN PROGRAM

Mr. FULBRIGHT. Mr. President, on behalf of myself, the Senator from Alabama [Mr. SPARKMAN], the Senators from West Virginia [Mr. BYRD and Mr. RANDOLPH], and the Senator from Tennessee [Mr. KEFAUVER], I introduce, for appropriate reference, a bill to expand the public facility loan program administered by the Housing and Home Finance Agency.

I ask unanimous consent that the bill and a statement, which I have prepared in explanation of the bill, be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill and statement will be printed in the RECORD.

The bill (S. 1955) to expand the public facility loan program of the Community Facilities Administration of the Housing and Home Finance Agency, and for other purposes, introduced by Mr. FULBRIGHT (for himself and other Senators), was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Community Facilities Act of 1959."

SEC. 2. Title II, Public Facility Loans, of the Housing Amendments of 1955, is amended to read as follows:

"TITLE II—PUBLIC FACILITY LOANS

"Declaration of policy

"SEC. 201. It has been the policy of the Congress to assist, wherever possible, the States and their political subdivisions to provide the services and facilities essential to the health and welfare of the people of the United States. The Congress finds that in many instances municipalities or other political subdivisions of States, which seek to provide essential public works or public facilities, are unable to raise the necessary funds.

"The Congress finds that the immediate construction of these essential public works and public facilities would enhance the health and welfare of the people of the United States and would reduce unemployment and stimulate business activity.

"It is the purpose of this title to authorize the extension of credit to assist in the provision of essential public works or facilities

by States, municipalities, or other political subdivisions of States, where such credit is not otherwise available on equally favorable terms or conditions.

"The foregoing declaration of policy and findings apply equally in the case of nonprofit hospitals, and it is likewise the purpose of this title to authorize the extension of credit to assist in the provision of those facilities.

"Federal loans

"SEC. 202. (a) The Housing and Home Finance Administrator, acting through the Community Facilities Administration, is authorized to purchase the securities and obligations of, or to make loans (including construction loans) to, States, municipalities, and other political subdivisions of States, public agencies, and instrumentalities of one or more States, municipalities and political subdivisions of States, and public corporations, boards, and commissions established under the laws of any State, to finance specific public projects under State or municipal law; and to purchase the securities and obligations of, or to make loans to, nonprofit hospitals to finance specific projects. No such purchase or loan shall be made for payment of ordinary governmental or nonproject operating expenses.

"(b) The powers granted in subsection (a) of this section shall be subject to the following restrictions and limitations:

"(1) No financial assistance shall be extended under this section unless the financial assistance applied for is not otherwise available on equally favorable terms and conditions, and all securities and obligations purchased and all loans made under this section shall be of such sound value or so secured as reasonably to assure retirement or repayment, and such loans may be made either directly or in cooperation with banks or other lending institutions through agreements to participate or by the purchase of participations or otherwise.

"(2) No securities or obligations shall be purchased, and no loans shall be made, including renewals or extensions thereof, which have maturity dates in excess of fifty years.

"(3) Interest shall be charged on loans made under this section at a rate determined by the Administrator which shall not be more than the total of one-quarter of 1 percentum added to the rate of interest paid by the Administrator on funds obtained from the Secretary of the Treasury as provided in section 203 of this title. In determining from time to time the rate of interest within the limits provided in this paragraph, the Administrator shall be guided by the then current urgency of the need to encourage and promote essential public works and public facilities and to provide the maximum stimulus to business activity and employment, and by the then current urgency of the need for construction, repair, or improvement of nonprofit hospitals.

"(4) At the request of a municipality or other political subdivision made at the time of its application for financial assistance under this title, the Administrator shall establish with respect to the securities, obligations, or loan involved an amortization schedule which, during an initial period not exceeding the first two years after the assistance is furnished, either (A) requires only the interest payments to be made or (B) provides that no payments of either principal or interest need be made, as the municipality or political subdivision may elect: *Provided, however,* That if the municipality or political subdivision elects to postpone the payment of the interest during an initial period of up to two years under clause (B), the interest so postponed shall be paid over the balance of the life of the loan, in addition to the interest regularly accruing during such subsequent period.

"(5) No financial assistance shall be extended under this section for the construction repair, or improvement of any public or nonprofit hospital involving an increase in the number of beds, or for the construction of any public health center, unless the Surgeon General of the Public Health Service finds, and certifies to the Administrator, that the project is in conformity with the applicable State plan approved under section 623 of the Public Health Service Act (42 U.S.C. 291f).

"(6) No financial assistance shall be extended under this section with respect to any public facility which would compete with an existing privately owned public utility rendering a service to the public at rates or charges subject to regulation by a State regulatory body, unless the State regulatory body determines that in the area to be served by the public facility for which the financial assistance is to be extended there is a need for an increase in such service (taking into consideration reasonably foreseeable future needs) which the existing public utility is not able to meet through its existing facilities or through an expansion which it is prepared to undertake.

"Financing

"SEC. 203. (a) In order to finance activities under this title, the Administrator is authorized and empowered to issue to the Secretary of the Treasury, from time to time and to have outstanding at any one time, in an amount not exceeding $1,000,000,000 notes and other obligations. Such obligations shall be in such forms and denominations, have such maturities and be subject to such terms and conditions, as may be prescribed by the Administrator, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury which shall not be more than the current average yields on all outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of such notes or other obligations adjusted to the nearest one-eighth of 1 per centum. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator issued hereunder and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

"(b) Funds borrowed under this section may be used by the Administrator in the exercise of his functions under this title. Of such funds not to exceed $400,000,000, together with the proceeds therefrom, shall constitute a revolving fund for the purposes of this title.

"General provisions

"SEC. 204. In the performance of, and with respect to, the functions, powers, and duties vested in him by this title the Administrator shall (in addition to any authority otherwise vested in him) have the functions, powers, and duties set forth in section 402, except subsection (c)(2), of the Housing Act of 1950. Funds obtained or held by the Administrator in connection with the performance of his functions under this title shall be available for the administrative expenses of the Administrator in connection with the performance of such functions.

"SEC. 205. (a) As used in this title the term 'States' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the Territories and possessions of the United States.

"(b) As used in this title the terms 'public works' and 'public facilities' include the construction, repair, and improvement of public streets, sidewalks, highways, parkways, bridges, parking lots, airports, and other public transportation facilities; public parks and other public recreational facilities; public hospitals, rehabilitation and health centers; public refuse and garbage disposal facilities, water, sewage, and sanitary facilities, and other public utility facilities; civil defense facilities; public police and fire protection facilities; public schools, libraries, offices, and other public buildings; and public land, water, and timber conservation facilities.

"(c) As used in this title the terms 'hospital', 'nonprofit hospital', and 'public health center' have the same meaning that they have in title VI of the Public Health Service Act (42 U.S.C., ch. 6A, subch. IV)."

The statement presented by Mr. FULBRIGHT is as follows:

STATEMENT BY SENATOR FULBRIGHT

Under existing law the HHFA is authorized to purchase the obligations of, or make loans to, municipalities and other local government units to finance essential public works where financial assistance is not otherwise available on reasonable terms. Loans may be made for periods up to 40 years at an interest rate set by the Administrator. Under this authority, the Administrator has adopted an interest rate of 4½ percent for 30-year general obligation bonds and 4⅞ percent for 30-year revenue bonds. Interest rates are adjusted downward or upward by one-eighth of 1 percent for each full 5 years' differential from the 30-year maturity—that is, a 25-year general obligation loan would currently bear a 4⅜-percent interest rate.

The program operates under a revolving fund of $100 million. Funds are borrowed from the Secretary of the Treasury at a rate of interest determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States of comparable maturities. As of March 31, 1959, $58 million of the authorized revolving loan fund have been committed, leaving an uncommitted balance of $42 million. Priority is given to applications from communities which had a population of less than 10,000 at the time of the 1950 Federal census for loans to provide basic public works such as water, sewage, and gas systems for which there is an urgent and vital public need.

A table showing activity under this program and certain other matters pertinent to the adequacy of the revolving fund, is as follows:

Status of fund

Statutory authority	$100,000,000
Loans approved through Mar. 31, 1959	58,000,000
Balance as of Mar. 31, 1959	42,000,000

ACTIVITY DURING FIRST 9 MONTHS OF FISCAL YEAR 1959

Gross amount applied for	$33,000,000
Amount approved	20,000,000
Unused by borrower	2,600,000
Loans made	17,400,000
Applications pending	27,000,000

(NOTE.—The agency has been limited to the use of $24 million during fiscal year 1959 by an apportionment process imposed by the Bureau of the Budget. According to the President's budget, $30 million is estimated for loans during fiscal year 1960. At the present rate of applications and approvals,

the estimated balance in the fund of $35 million on July 1, 1959, will not be enough to take care of requirements for fiscal year 1960 unless the proposed restriction is enforced.)

The bill which I have introduced will change existing law in five principal ways:

First, the bill would remove restrictions which have caused the rejection of loan applications filed by communities with a population in excess of 10,000.

Second, the bill would remove language from existing law which in practice has limited loans primarily to projects for water and sewer systems.

Third, the bill would increase the loan fund from $100 million to $1 billion and would permit $400 million to continue on a revolving basis.

Fourth, the bill contains an interest rate formula which will produce a rate, under current conditions, of approximately 3⅞ percent to the borrowers. This formula requires a charge of one-quarter percent added to the current average yields on all outstanding marketable obligations of the United States. This is not a subsidized interest rate and should cover all costs to the Government.

Fifth, the bill would raise the maximum loan term from 40 to 50 years with provision for a 2-year postponement of principal and interest payments where circumstances warrant such action.

Public works projects at the State and local levels must be encouraged. There is no domestic problem which has a prior claim for attention and assistance by the Federal Government. The public facility loan program, as I have said, has been in operation for a number of years. However, a system of priorities has been established which, in fact, has limited its usefulness. It has been useful recently only to the smallest communities with the worst credit ratings, and for only a few kinds of projects.

The interest presently charged is 4½ percent for 30-year general obligation bonds and 4⅞ percent for 30-year revenue bonds. These rates may be compared with the following average interest rates on municipal bonds sold in April 1959: AAA, 3.10 percent; AA, 3.32 percent; A, 3.62 percent; and Baa, 4 percent. Examples of cities which are in these various classifications are: AAA: Buffalo, N.Y., Milwaukee, Wis., and Richmond, Va.; AA: St. Louis, Mo., Los Angeles, Calif., and Memphis, Tenn.; A: Fort Worth, Tex., Fort Smith, Ark., and Chicago, Ill.; Baa: Huntsville, Ala., Fairfax County, Va., and Jackson, Miss.

The great majority of communities have ratings lower than this or no rating whatever. The high interest rates paid by some of these other communities is in no way a reflection upon their credit worthiness, but may occur merely because their names are unfamiliar in the bond market. I do not propose to channel all municipal bond financing to the Federal loan program. On the other hand, I want to encourage necessary local public works projects which may be in danger of postponement because interest rates are prohibitively high.

The interest rate formula in this bill will enable such borrowers to go ahead with planned projects, thereby providing essential public services and providing stimulation to employment in the areas involved. I believe this formula will be fair to the borrower and fair to the Federal Government. Personally, I would prefer a lower interest rate, but I fear that a lower rate would exhaust the loan fund too quickly and create a demand for Federal loans which we cannot supply.

At the time of the consideration of a similar bill last year, the Congress was concerned about the recession. However, at the time I introduced the bill last Spring I was careful to point out that it is not a "make work," WPA type of bill. It is rather a needed implementation and refinement of an existing program.

This bill was necessary when the country was undergoing a recession. It is no less necessary now that our economy is showing some encouraging signs of recovery.

The lack of necessary community facilities; water, sewers, schools, public buildings, and hospitals is the most critical domestic problem we face today. Not only are the present facilities woefully inadequate but local communities are unprepared for the explosive population growth that is just ahead of us. At the present rate of increase, our population will reach nearly 200 million in 1965, about 244 million in 1975, and near the end of this century population will rise to 300 million. The pattern of this population growth indicates an overwhelming increase in urban areas. It has been estimated that by 1975 at least 134 million people will live in areas with public sewerage compared to 100 million today. To provide them with adequate sewage disposal an estimated $24 billion will have to be spent. Since 1940 our population dependent upon public water supply has increased from 83 million to 117 million.

This rapid growth of urban population presents a challenge to our past and present thinking on the question of furnishing public services by local governments. In the past and now, every expenditure for public services has had to meet the most rigid test of absolute need. This hesitancy to spend for local community facilities is in sharp contrast to the tremendous spending for capital investment in the private sector of our economy. In 11 years, from 1946 to 1957, this country expanded its plant, equipment, and inventories by $413 billion. Estimates for the first quarter of this year indicate that we will spend $30.51 billion for plant and equipment this year.

We have tended to pay too much attention to the importance of capital investment in the private sector and too little to the needs of our people for public services. However, we are going to be forced by circumstances to change our attitudes regarding these great public needs. It is incredible to me that we should have such an abundance of luxury goods—automobiles with frivolous and costly gadgets, with engines that are so powerful that their potential is almost never realized—television antennas on every roof no matter how dilapidated the house—while at the same time communities all over the country are suffering from a lack of even the fundamental essential community services. The pollution of our streams and rivers caused by inadequate sewage treatment facilities is a national disgrace. I do not believe that we mean to let these needs go unheeded. It is just that up until recently they have not reached the state of crisis that exists today. This is not to say that this lack of adequate community facilities is a new problem—it is not, it has been building up for years. It is a problem that affects communities in varying degrees all over the country.

Our local communities are unprepared for this new demand for additional public services because, in most instances, they are unable financially to support them. Therefore, we must institute some program on a national level which will provide these communities with funds at reasonable interest rates with which to finance these projects.

Furthermore, the economy has still only partially recovered from the recession. Production of consumer goods still is far below the capacity of our industry. The latest figures furnished by the Federal Reserve show that the metals industry is operating at only 83 percent of capacity. Cement is operating at 64 percent of capacity, and our total industrial production of 17 major items is operating at only 82 percent of capacity. We have 3.6 million unemployed. So in a very real sense, and quite apart from the pressing need for these community facilities, our economy needs the stimulus that this program would provide.

We must set our economic sights high so that our economy can support our rapidly growing population. Over the past 50 years our productive capacity has had an annual rate of growth of 3 percent. During the immediate postwar period of 1947–53 the growth rate was almost 5 percent. During the past 6 years it has been only 2 percent. This country should be allowed to grow, to produce more, and to provide more and better services for our people.

In this expanding economy we need to have a balance between expansion for consumer goods and public services. There never has been such a real need for us to realize the importance of this balance. This undertaking, now, by the Federal Government, to lend money to local communities will in the long run be the most economical way to proceed. So many of these public works problems, if they are allowed to go unchecked, may well prove unsolvable, or at least their correction later will be vastly more expensive.

FAIR LABOR STANDARDS AMENDMENTS OF 1959

Mr. PROUTY. Mr. President, I introduce, for appropriate reference a bill which would extend the coverage of the Fair Labor Standards Act to millions of workers not presently covered.

This is the proposal of the Eisenhower administration and inasmuch as it came to me just this morning, I have only had an opportunity to give it brief study. It does, however, appear to have many points of merit. I hope very much that the bill will be given thorough consideration by the Labor Subcommittee and the full Committee on Labor and Public Welfare.

Naturally, because my study of the bill has been limited, I may wish to offer a number of amendments to it in committee and I reserve the right to do so.

The Secretary of Labor has prepared a statement which explains the bill in some detail, and I ask unanimous consent that this statement and the text of the bill be printed at this point in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill and statement will be printed in the RECORD.

The bill (S. 1967) to amend the Fair Labor Standards Act of 1938, as amended, introduced by Mr. PROUTY, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fair Labor Standards Amendments of 1959."

SEC. 2. Section 3(m) of the Fair Labor Standards Act of 1938, as amended, is amended to read as follows:

"(m) 'Wage' paid to any employee includes the value of tips and the reasonable cost, as determined by the Secretary, to the employer of furnishing such employee with board, lodging, or other facilities (if such board, lodging, or other facilities are customarily furnished by such employer to his employees): *Provided,* That the Secretary is authorized to determine the fair value of such

facilities and tips for defined classes of employees and in defined areas, based on average cost to the employer or to groups of employers similarly situated, or average value to groups of employees, or other appropriate measures of fair value. Such evaluations, where applicable and pertinent, shall be used in lieu of actual measure of cost in determining the wage paid to any employee."

SEC. 3. Section 3 of such Act is further amended by adding at the end thereof the following:

"(p) 'American vessel' includes any vessel which is defined as a 'vessel of the United States' in title 18, United States Code, section 9, or which is documented or numbered under the laws of the United States.

"(q) 'Secretary' means the Secretary of Labor, United States Department of Labor.

"(r) The terms in section 6, 7(a) and 12(c) describing the employees to whom these sections apply shall, without limiting their present application, include any employee engaged or employed in the activities of any enterprise doing business in commerce to a substantial extent, in which his employer employs one hundred or more employees. For the purpose of this Act—

"(1) 'Enterprise doing business in commerce to a substantial extent' shall mean any enterprise that purchases merchandise or receives for use in its current operations materials or supplies that move directly across State lines to its place or places of business which amount in total annual dollar value to one million dollars or more as measured by the preceding calendar or fiscal year, under regulations of the Secretary.

"(2) 'Enterprise' shall mean the related activities performed (either directly or indirectly through unified operations or common control or otherwise) by any person for a common business purpose of providing goods or services, or the products thereof, or a combination of them, to others, and shall include all such activities whether performed in one or more establishments or by one or more corporate or other organizational units.

"(3) An enterprise in which an employer 'employs one hundred or more employees' shall mean an enterprise in which the employer has an average weekly employment of one hundred or more employees as measured by the last preceding calendar or fiscal year under regulations of the Secretary."

SEC. 4. Section 6(a) of such Act, as amended, is amended by striking out the period at the end of paragraph (3) therein, inserting a semicolon in lieu thereof, and adding the following new paragraph (4):

"(4) if such employee is employed as a seaman on an American vessel to whom this section applies, not less than the rate which will provide to the employee, for the period covered by the wage payment, wages equal to compensation at the minimum hourly rate prescribed by paragraph (1) of this subsection for all hours during such period when he was actually on duty (not including off-duty periods within such period which are provided pursuant to the employment agreement or periods aboard ship when the employee was not on watch and was not, at the direction of a superior officer, either performing other work or standing by)."

SEC. 5. The portion of subsection (a) of section 13 of such Act which precedes the paragraph numbered (1) is amended to read as follows:

"(a) The provisions of sections 6 and 7 shall not apply (except to the extent provided by section 13(g)) with respect to".

SEC. 6. Section 13 of such Act, as amended, is further amended by adding at the end thereof the following new subsection (g):

"(g) Subsection (a) shall provide no exemption from the provisions of section 6 with respect to any employee described in such subsection who is engaged in the activities of any enterprise in which an employer employs one hundred or more employees, except that section 6 shall not apply to any such employee who is (A) described in clause (6), (7), or (10) of such subsection or in that portion of clause (5) of such subsection which refers to employees employed in the catching, taking, harvesting, cultivating, or farming of aquatic forms of animal or vegetable life; or is (B) an employee employed in a bona fide executive, administrative, professional, or outside sales capacity within the meaning of clause (1) of such subsection; or is (C) an employee employed as a seaman, within the meaning of clause (14) of such subsection, on a vessel other than an American vessel.

SEC. 7. The amendments made by this Act shall take effect upon the expiration of one hundred and twenty days after the date of its enactment, except that the authority to promulgate necessary rules, regulations, or orders with regard to amendments made by this Act, under the Fair Labor Standards Act of 1938 and amendments thereto, including amendments made by this Act, may be exercised by the Secretary on and after the date of enactment of this Act.

The statement presented by Mr. PROUTY is as follows:

STATEMENT IN EXPLANATION OF A BILL TO EXTEND THE COVERAGE OF THE FAIR LABOR STANDARDS ACT

There is an urgent need to extend the protection of the Federal wage and hour law to many workers who are not now covered by the act. This bill meets the need by (1) including in the interstate commerce coverage of the law employees who are engaged in the activities of any business enterprise in which the total annual value of incoming merchandise, materials, or supplies moving directly across State lines to its place or places of business is $1 million or more and 100 or more employees are employed by the employer; and (2) excluding from certain minimum-wage exemptions in the present act, employees of employers of 100 or more workers.

The proposal embodied in the bill is part of the legislative program of the Department of Labor. It is designed to carry out the recommendation made by the President in his recent Economic Report and budget message.

NEED FOR EXTENDING THE PROTECTION OF THE ACT TO ADDITIONAL WORKERS

The declared policy of the Fair Labor Standards Act is to eliminate as rapidly as practicable, without substantially curtailing employment or earning power, substandard labor conditions in industries engaged in commerce or in the production of goods for commerce. It is also designed to eliminate unfair competition in these industries resulting from substandard labor conditions.

The present provisions of the act, however, omit or exclude from their application many of the employees in the varied industries included in this statement of policy. As a result, the approximately 24 million employees who have minimum wage protection under the present act represent only slightly more than 50 percent of the privately employed wage and salary workers, exclusive of administrative, executive, and professional employees, in this country.

It is clear that the objectives of this act cannot well be attained without the removal of some of these existing restrictions. In keeping with the purpose of the act and with its character as remedial legislation, the courts have given the language of the act a liberal interpretation. But this has not resulted in applying the act in other areas which Congress could, but did not, regulate even though these areas also come within the broad purposes of the act.

PAST AMENDMENTS TO THE ACT

The last comprehensive amendments to the Fair Labor Standards Act were enacted in 1949. They were not entirely consonant with the overall purposes of accomplishing the stated objectives, because a contraction in coverage and increase in exemptions was coupled with the increase of the minimum wage to 75 cents an hour. The exact extent of retraction in numbers of workers has never been clearly established. There is no question, however, that a substantial number of low-paid workers who most needed the help of the wage floor provided them by the act were not only denied the increase, but were deprived by the amendments of the minimum floor under their wages which they previously had. This produced the inequitable result of providing, at the expense of these workers, a minimum wage increase for those less in need of it—many of whom already had protection through collective bargaining.

Again, in 1955, when the minimum wage was increased to $1 an hour nothing was done to bring the act's protection to many additional workers in need of a minimum wage. While the raising of the minimum without considering the expansion of coverage complicates the unfinished task, it is important that the coverage of the act be broadened as soon as possible. Otherwise, the wages of the covered workers will be so much higher than those without protection that the problem of providing reasonable and practical wage protection in new areas will be increasingly difficult.

PROPOSED AMENDMENTS TO THE ACT

The proposed legislation would extend the protection of the Fair Labor Standards Act to employees in enterprises doing business in commerce to a substantial extent employed by an employer of 100 or more employees. "Enterprise doing business in commerce to a substantial extent" would be defined as any business enterprise in which the total annual value of incoming goods moving directly across State lines to its place or places of business is $1 million or more. "Enterprise" would mean the related activities performed by any person for a common business purpose of providing goods or services, or a combination of them, to others. It would include all such activities, whether they were performed in one or more establishments or by one or more corporate or other organizational units.

The bill would also exclude from certain minimum wage exemptions contained in the present act employers of 100 or more workers so as to insure the protection of a minimum wage to employees of these large employers who come within the interstate commerce coverage of the act either under the present language of the law or under the proposed amendments.

The proposed amendments would not change the present status of employees employed in executive, administrative, professional, or outside sales capacities because the exemption for these employees in section 13(a)(1) would not be changed. The present exemptions in section 13(a)(5) for fishermen; section 13(a)(6) for agriculture and irrigation workers; section 13(a)(7) for learners, apprentices, messengers, and handicapped workers; section 13(a)(10) for work on agricultural commodities in the area of production; section 13(a)(14) for seamen on foreign vessels; and section 13(d) for newsboys would likewise remain unchanged.

The draft bill, subject to the exceptions noted above with respect to the exemptions in sections 13(a) and 13(d) which would remain unchanged, would provide minimum wage protection for (1) employees working for an employer of 100 or more who do not come within the basic coverage language of the present law, but would be brought within it by the proposal to cover employees

of such an employer engaged in the activities of an enterprise which meets the proposed test of substantial engagement in interstate commerce; and (2) employees working for an employer of 100 or more who come within the basic coverage language of the present law and would have minimum wage protection now if they were not excluded under a specific exemption.

These large business enterprises are now within the meaning of interstate commerce as this term is applied to employees under the act. Their operation depends on substantial and continuous engagement in interstate commerce and is an integral part of the interstate commerce of the Nation. It is in such enterprise that protection under the Federal law is most needed.

Although no change is proposed in the exemptions which are provided from the overtime pay and child labor provisions of the act, the bill would provide protection under these provisions to employees working for an employer of 100 or more (1) who do not come within the basic coverage language of the present law but are engaged in the activities of an enterprise meeting the proposed tests of substantial engagement in interstate commerce, and who (2) do not come under any present exemption from the overtime and child labor provisions.

The proposal would also amend the definition of "wage" in section 3(m) to authorize the Secretary of Labor to determine the fair value of tips, as well as of board, lodging, or other facilities furnished by an employer to his employees (if they are customarily furnished by such employer to his employees), in ascertaining the wages paid to any employee.

Finally, the proposal would add a new paragraph to section 6(a) of the act requiring that seamen on American vessels to whom the minimum wage would apply must be paid not less than the rate which will provide them wages equal to compensation at the minimum hourly rate prescribed in section 6(a)(1) of the act for all hours that the seamen were actually on duty or standing by.

LIFE INSURANCE COMPANY INCOME TAX ACT OF 1959—AMENDMENTS OMITTED FROM THE RECORD OF MAY 14, 1959

The following amendments were omitted from the RECORD of May 14, 1959:

Mr. DIRKSEN submitted amendments, intended to be proposed by him, to the bill (H.R. 4245) relating to the taxation of the income of life-insurance companies, which were ordered to lie on the table and to be printed.

COMMISSION ON FEDERAL TAXATION—ADDITIONAL COSPONSOR OF THE BILL

Mr. WILEY. Mr. President, my views on the urgent need for a special group of individuals to make an overall, comprehensive study of our Federal tax structure are well known by my colleagues. On May 7 I introduced Senate bill 1885, to establish a Commission on Federal Taxation.

The response to this measure has been gratifying. Six tax-conscious Senators have already joined in cosponsoring this bill.

I ask unanimous consent that the name of the distinguished senior Senator from New Hampshire [Mr. BRIDGES] be added as an additional cosponsor of S. 1885.

The VICE PRESIDENT. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Excerpts from address prepared for broadcast by him over Wisconsin radio stations.

By Mr. SCOTT:

Statement prepared by him entitled "La Salle College Centenary Fund."

ALLEGATION OF USE OF RECORDING DEVICE AT FOREIGN RELATIONS COMMITTEE HEARING

Mr. FULBRIGHT. Mr. President, I wish to comment briefly on a statement made yesterday on the floor by the senior Senator from Oregon [Mr. MORSE] with regard to a charge made by a reporter of the Christian Science Monitor to the effect that the Senator from Oregon had "hooked up his own wire recording device to take down his fairly frank and forthright exchange with Mr. Herter."

I was present throughout the hearing on the nomination of Mr. Herter to be Secretary of State. I heard, I believe, every question the Senator from Oregon asked, and the responses made; and I observed the Senator from Oregon. I did not see there, and I do not believe there was in use there, any kind of recording device which the Senator from Oregon had with him or in or about him at the hearing.

I have also consulted with staff members, Mr. Marcy and Mr. Holt, and I inquired of them whether they had observed any such recording device. They have confirmed my view and my opinion that there was no such device.

Therefore, the statement by the reporter was wholly inaccurate.

The Christian Science Monitor has a good reputation. Its reporters should know that all public hearings of the committee are covered by verbatim reporters as well as by representatives of the press, radio, and television. I do not know the techniques which the Radio Gallery uses in recording public sessions of the committee. Possibly they use tape recorders. But these recorders are simply part and parcel of press and radio coverage. Let me repeat as unequivocally and forcibly as I can that there is no evidence whatsoever that the Senator from Oregon used a tape recorder. The report appearing in the Christian Science Monitor can only be attributable to gross negligence on the part of the reporter or to a malicious attempt to attack the senior Senator from Oregon.

THE PRESIDENT'S INCONSISTENCY IN HIS APPROACH TO THE NATION'S FISCAL AFFAIRS

Mr. MCNAMARA. Mr. President, an editorial in this morning's Washington Post points up the inconsistency of the President in his approach to the Nation's fiscal affairs. It notes that he urges against spending, but in the next breath talks about the great necessity of continuing the high level of expenditures for the national highway program.

It happens that I agree with the President on this great necessity, although I vigorously disagree with his proposal to raise gasoline taxes as a means of paying for the program.

I ask unanimous consent that the editorial be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE BOOKKEEPER

President Eisenhower's comments on fiscal affairs the other day displayed a strange inconsistency. When he was speaking of general Federal finances, he saw nothing to be gained by "spending more money," yet when he was questioned on the need for a continuing high level of expenditures on the Federal-aid highway program he conceded its great necessity. In his general comment he spoke sharply against any deficit financing and uttered not a word about tax increases, adopting a rigid hold-the-line attitude. But in speaking of highways, the President pleaded for a gasoline tax increase or, if that were denied him, some other means of paying for the program, the anticipated cost of which has been mounting steadily.

Why is it that Mr. Eisenhower seemed willing, in these comments, to consider on its merits only one of the Government's many vital operations? Why is it that the President can face up forthrightly to the need for higher gasoline taxes to finance needed highways but cannot bring himself to recommend higher income taxes to finance needed defense, foreign aid, housing, education, and other programs which have been so seriously shorted in his 1960 budget requests?

The President is quite right to note that with employment picking up, a balanced budget becomes more important (although with recovery still far from complete a modest deficit in the next 12 months ought not to be a serious source of concern, in our opinion). But whenever he speaks of a balanced budget, Mr. Eisenhower seems to think solely in terms of cutting expenditures—however grave the human and social deficits which may result.

His bookkeeping approach thus is curiously one sided. Although he speaks often of the early prospect of a half-trillion-dollar economy, it never seems to occur to him that such an economy can—and should—support a bigger Federal budget. His appeal for new highway revenues has been a welcome lapse, but ironically Congress is not likely to heed this plea, mainly for the reason that this administration has poisoned the political air against any and all expansions of Federal activity.

The American people look to their Government for action on their most pressing and immediate problems, among them security, decent homes and cities, better education, and progress against poverty, disease, and crime. The American people are again demonstrating the productive capacity to provide all-out attacks on these problems, while still sustaining a high level of consumer purchasing. But the administration seems content to boast about the country's capacities and to minimize its problems. Blindly it refuses to tap the growing reservoir of national power to meet the mounting requirements for national action. And, sadly, a Democratic Congress has so far largely acquiesced.

Mr. McNAMARA. Mr. President, the editorial makes a point of the fact that the President concentrates on worrying about monetary deficits, but has little concern for human and social deficits that may result.

It is true that in recent years the Federal Government has been running a financial deficit.

But in my estimation, the main reason why we have this deficit is, not because of too many spending programs, but because billions of dollars in tax revenues have been given away by the Republican tax cut of 1954.

Conservative estimates indicate that under the law more than $14 billion in tax relief has gone to corporations and stockowners in the past 5 years.

Had this money gone to the Treasury in tax receipts, there would be practically no deficit to show for the past 5 years.

Mr. President, I discussed this matter at some length in my recent newsletter sent to my constituents in Michigan. I ask unanimous consent that my full statement in the newsletter be printed in the RECORD at this point in my remarks.

There being no objection, the newsletter was ordered to be printed in the RECORD, as follows:

WHY WE HAVE A DEFICIT

A major portion of my mail deals with the vital subject of the economy. Much of it expresses alarm over the continuing high unemployment, business failures and the inaction of the Government in ending the recession. Other letters follow the President's line that a balanced budget must be maintained at all costs, and they urge the Congress to hold the line against the spenders.

Apparently anyone who feels the Government has the responsibility to take action in building a prosperous economy is automatically placed in the category of the spenders. Personally, I see nothing wrong in that tag as long as one seeks to spend wisely and with the goal of advancing the standard of living of everyone.

Nevertheless, it has become popular in certain circles to voice pious opposition to any program to help build our country on the grounds that this will increase the Federal deficit and thus the national debt. It is high time, I think, to see just why we have run a deficit in recent years.

The answer to this goes back to 1954 and the tax cut recommended by the Eisenhower administration and adopted by his Congress. It is primarily because of that tax cut that the United States will wind up the current fiscal year with a $16.7 billion deficit over the past 5 years.

Now, everyone likes a tax cut, but only when it means a tax cut for everyone. The 1954 tax law did not mean a tax decrease for everyone but mainly for a favored few. That law provided an estimated annual tax relief of $3.35 billion. But, of that amount $2.8 billion went as tax relief to corporations and owners of corporate stocks. The average citizen got little or no direct tax relief from that law.

The bulk of the tax relief went to those who needed it least. And today, corporation profits and the stock market are hovering at record highs while the country suffers more than 4 million unemployed.

Thus, over the 5-year period since the tax cut went into effect, corporations and stockowners have benefited by more than $14 billion in tax relief. Had that money gone to the Treasury in tax revenue, there would be practically no deficit to show for the past 5 years, and we probably would have no difficulty in achieving a balanced budget.

Or, had it been a real tax cut for our low and middle income groups, the tax savings would have immediately turned up in the economy, helping to raise the overall prosperity.

Another major reason for the fiscal problem is the high interest rate policy of the administration. Over the past 6 years, the cost of borrowing money, both by individuals and the Government, has gone up at a staggering rate. During World War II, the cost of our survival sent the national debt up to about $280 billion. At that time, the interest charged on the debt was about $4.7 billion.

Today, with the national debt about the same level, the interest charges have reached a scandalous $8 billion a year. If this money found its way directly into the economy in terms of increased individual purchasing power, it might be worth it. Unfortunately, little of it gets into these channels.

It is such factors as these that the American people should check into before they join the attack on those who want the Government to exercise its responsibility in creating a genuinely prosperous America. You should draw a line between those who want to spend for the legitimate purpose of improving the economy and those who just give it away to their friends.

NOMINATION OF C. DOUGLAS DILLON TO BE UNDER SECRETARY OF STATE

Mr. LONG. Mr. President, the more the junior Senator from Louisiana is able to learn about the Dillon nomination, the worse it looks.

The worst evidence against Mr. Dillon so far is that which appears in his own testimony and over his own signature.

For example, in my hand I hold a letter signed by Mr. Dillon. It took me 11 days to obtain this letter. It is in reply to a request I made on May 4 in a Senate Foreign Relations Committee hearing. In the letter, Mr. Dillon tries to justify his attempt to pay off the Greek national debt with counterpart funds generated by American foreign aid.

Mr. President, this letter dodges the issue. It was obviously written by a man of Mr. Dillon's background; namely, an international banker, a man who became a member of the New York Stock Exchange, at the time when he graduated from college, a man who inherited his father's ability in financial wheeling and dealing in Wall Street.

Let me discuss briefly the background of this matter. One hundred million dollars worth of counterpart funds are in the Central Bank of Greece. That money was there to be used for purposes agreeable to the United States and to the Government of Greece. It just happened that the agreement contained a clause to the effect that, among various permissible uses—in fact, it could be used for almost any purpose under the sun—it was possible for it to be used to retire the national debt of a country. A distinguished U.S. Senator went overseas a few years ago, and found that that sort of thing was being done. He was horrified to learn that counterpart funds had been used to retire the national debt of Norway. So, upon his return to this country, he sponsored a bill in Congress to stop such a thing from happening. So Congress passed the law which provided that it could not be done. After all, with our own national debt larger than that of all the other countries in the world put together, we could put that money to good use ourselves.

But, Mr. President, with great leadership and great statesmanship, the administration succeeded in slipping through measures to permit use of counterpart funds against the national debt of Greece. I say this advisedly because had Congress been fully aware of the facts involved in the transaction discussed in this letter concerning a 1957 Greek deal, some of us would have opposed it. The administration has succeeded in slipping through an agreement to cancel approximately $115 million of the Greek national debt by the use of these counterpart funds. Now Mr. Dillon is trying to get the Congress to pass a joint resolution which will cover the rest of it.

Mr. President, I submit to my colleagues that they were not fully aware of what they voted for when, in connection with the 1957 act, they voted to let the first $115 million get away; and they will not vote to let the next $100 million get away, now that they know what happened the first time.

This international banker is a man for whom I hold no ill will. He is a man with whom I would like to be in business as a private citizen, a man with whom I would enjoy having dinner, a man who would do a wonderful job entertaining any friend on earth. But when he talks about the pressures on the Greek Government and the Greek economy, and nowhere mentions the need to use these funds to relieve hardship, suffering, and unemployment among the poor people of Greece I must violently disagree with him.

Nowhere does he talk about the need to have the U.S. Government use these funds to put such poor, unemployed people in Greece at work on desirable projects.

In fact, nowhere in his letter does he mention unemployed people. By not mentioning them, he is saying, in effect, that great numbers of unemployed Greek people, who have ability, and who desperately need employment, cannot be helped with this money. Mr. President, I cannot believe this.

I asked this man to supply me the list or the evidence of how many people there are unemployed in Greece, because, after all, it cannot be inflationary to put unemployed people to work, producing food, or building homes to provide shelter, or making clothes to put on their backs. That is not inflationary. That is anti-inflationary. Thus far I have received no information from Mr. Dillon other than generalities about the rate of growth, which relate to unemployment and the use of such resources.

However, I did some checking on my own and discovered that there is chronic unemployment in Greece of about 7 percent of the whole population and that another 18 percent are partially unemployed.

Here is this great New York banker, with $100 million worth of counterpart

funds available which must be spent in Greece, with one-quarter of the population of Greece either totally or partially unemployed, who wants to help the Greek Government which has acted courageously in resisting pressures to spend the money. He wants to help the Greek Government to avoid using this money to put people to work doing constructive jobs. That is the great statesmanship we are offered in the running of our foreign aid program.

I must say when Congress confirms these kinds of people to run our foreign aid programs and spend billions of dollars, it will be understood why one could roam the whole wide world and could not find anyone other than a big-shot government leader or a counterpart—what kind of a counterpart? A counterpart of a New York banker—who expresses the least appreciation for the foreign aid program. This is the reason why the Communists can convince people that the whole thing is a big steal, that it is all crooked; because the poor man does not get a dime of it.

I talked on yesterday to a very fine press man, who is highly regarded and who can be called nonpartisan, being a good friend of both Republicans and Democrats. He told me that last year he went through Italy from top to bottom, and he could not find a soul who admitted receiving one dollar's worth of help out of our foreign aid; and yet we must have given Italy almost $3 billion in foreign aid over the years. But this newspaperman did not see the folks Mr. Dillon would see. He did not get to see the princes. He did not get to see the premiers. He did not get to see the politicians. He did not get to see the principal political favorites. He just happened to run into the ordinary everyday people. He could not find a soul who admitted getting one dollar's worth of benefit from the $3 billion we spent there in foreign aid.

A book has been written entitled "The Ugly American." Oddly enough, the ugly American in the book is the hero. He is an unattractive person physically, but he has a heart, a heart that is for the people, and a heart that understands the people. That man did a good job in a certain country.

In that book is portrayed a young American ambassador, who fought against corruption, misunderstanding, and mishandling of funds. There was another character in the book named Joe Bing, a public relations man in the State Department who was likable, jolly, went to parties, and got along with other Americans.

The book closes by telling of the tragic failure of American foreign aid in the fictitious county of Sarkhan. The very courageous American ambassador trying to do a good job gets fired, and the party guy gets the job.

That is about the kind of activity we are seeing today. When the nomination of Douglas Dillon comes before the Senate, I plan to tell the Senate a new story of the Ugly American, how the guy who does the good job gets fired, and how the guy who recommends the Douglas Dillon deals gets the job.

So far I am the only Senator who is opposing the confirmation of this nomination. If I am beaten on this issue, I would not be in the least dismayed at being the only one against him. It is an outrage. When the American people find out the truth, they will think unkindly of those who seek to force this nomination through.

Mr. President, I ask unanimous consent to have the letter to which I have referred printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, May 14, 1959.

The Honorable J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations, U.S. Senate.

DEAR MR. CHAIRMAN: During the hearings before the Foreign Relations Committee on May 4, Senator LONG requested additional information explaining the situation in Greece which has led the executive branch to propose that section 516 of the Mutual Security Act be amended to permit the use of counterpart for debt retirement when any other use would adversely affect economic and financial stabilization. The purpose of this letter is to supply the additional background information requested.

When the United States provides commodities to a foreign country as grant aid that country is required to deposit into a special account an amount of its own currency equivalent in value to the commodities furnished. As the committee is aware, these local currency deposits are called counterpart funds.

Counterpart funds, with the exception of a small amount set aside for U.S. uses, are the property of the foreign government concerned. Nevertheless, by agreement between the United States and the other government, they may be used only to further the purposes of the mutual security program, and their use for specific expenditures must be agreed upon by both governments.

A counterpart account was established in Greece at the beginning of the Marshall plan and has continued to exist until the present time. The use of the counterpart account has been the subject of continuous discussion between the two governments as contemplated by the legislation.

To put the matter into perspective, it is useful to recall the policy covering the use of counterpart funds in the days of the Marshall plan when aid to Greece was very substantial. The question of counterpart uses was considered at some length by the Congress, and in particular by the Senate Foreign Relations Committee, during that period. In its report No. 935 (80th Cong., 2d sess.) the committee recorded its view that appropriate uses of these funds would include:

"(a) Immobilization of the local currency, in whole or in part, to assist in measures of financial reform and currency stabilization;

"(b) Use for retiring the national debt so as to promote the most rapid achievement of financial stability."

The Greek Government was at that time confronted with the extremely difficult problem of reconstructing and restoring a country and an economy ravaged by invasion and civil strife. It was compelled to make very heavy expenditures of Greek currency, which in turn led to serious inflation. The effort of the United States throughout this period was directed toward support of Greek efforts to restore sound economic and financial conditions. In this connection, the ability of the United States Government representatives to control the expenditure of counterpart funds, thereby immobilizing or sterilizing large amounts, was one of the most useful devices to preclude more serious inflationary pressure. Thus, sterilization of a considerable portion of the counterpart funds was an important factor in restoring economic stability.

It had been originally contemplated that these sterilized counterpart funds might ultimately be used to retire some of the very substantial debt incurred by the Greek Government to its Central Bank. Action to this effect was deliberately postponed pending further improvement in the Greek fiscal situation.

However, in 1953 Congress enacted legislation which prohibited the use of counterpart funds for debt retirement. This prohibition (now section 516 of the Mutual Security Act) of course did not mean, nor was it intended to mean, that counterpart funds should be spent for uses which would be contrary to the objectives for which aid had been provided. In other words, there remained a responsibility to see to it that counterpart funds would be used to promote economic and fiscal stability.

In recognition of the fact that release into the Greek economy of a large amount of counterpart funds would be unwise, the executive branch proposed and Congress enacted a proviso to section 516 which enabled us to reach an agreement in 1957 with the Government of Greece to cancel about $115 million of Greek Government debts to the Bank of Greece. This authority was limited, however, to very special circumstances, and is not applicable to the remaining counterpart funds now under discussion. We are now talking about 3.6 billion drachma, equivalent to $120 million, which still remain on the books unreleased. This represents about 18 percent of the total of more than 20 billion drachma generated during the history of the program.

To inject this additional amount of local currency into the money supply of the Greek economy would, in the opinion of both governments, have serious inflationary consequences. It would simply increase the amount of money available without increasing in any way the amount of goods or services available for purchase. The obvious effect would, of course, be to increase prices and costs for all concerned. Rather than benefiting the individual Greek citizen it would have directly opposite results since inflation hits first and hardest at the low income groups.

The Greek Government itself has been faced with considerable internal pressure to spend these funds but in view of the obvious inflationary consequences, the Government has courageously withstood these pressures and made plain its intent to maintain this account as a sterilized one.

This is the situation in which we are asking for the amendment. If the amendment is not adopted we anticipate that, since both governments are agreed that expenditure of the counterpart funds would be inflationary, the counterpart funds would continue to be sterilized. Such sterilization could continue for several years to come. However, if the amendment is adopted, we expect that the major portion of the funds will be used to cancel an equivalent amount of the debt which is carried on the books of the Greek Central Bank. This is not debt which is owed to individuals, nor does it constitute a burden on the Greek Government which must be retired at some future date from current revenue. The proposed use is, of course, neither inflationary nor deflationary since it merely amounts to a cancellation of a nominal Government asset and an equivalent nominal Government liability.

It may be added that our economic programs in Greece have been directed toward promoting economic development within the

framework of a sound economic and financial policy. These efforts have been eminently successful, as may be seen by reference to the presentation materials submitted to the Congress. For example, between 1952 and 1958, real gross national product increased by nearly 50 percent, consumption rose by 40 percent, and private investment increased by 50 percent. These results, we believe, fully justify our adherence to sound economic and fiscal policy as the basis for economic development which has been truly beneficial to all the citizens of Greece.

As you know, the new Director of the International Cooperation Administration is Mr. James W. Riddleberger, who, as a result of his assignment as American Ambassador in Greece, is thoroughly familiar with this situation. As soon as he assumes his new duties, I will ask him as a matter of first priority to review carefully this matter. In any event, no action will be taken prior to the completion of this future review.

Sincerely yours,

DOUGLAS DILLON,
Acting Secretary.

REPRINTING OF HOUSE DOCUMENT NO. 451, 84TH CONGRESS

Mr. MANSFIELD. Mr. President, has morning business been concluded?

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). Is there further morning business? If not, morning business is concluded.

Mr. MANSFIELD. Mr. President, I ask that the unfinished business be laid before the Senate for consideration.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. The concurrent resolution (H. Con. Res. 95) authorizing the reprinting of House Document No. 451 of the 84th Congress.

A NEW APPROACH TO FOREIGN AID

Mr. MANSFIELD. Mr. President, it is the time of another foreign-aid bill. Those of us who have been in Congress long enough have seen more than a decade of continuous organized programs of assistance. We have lived with four principal postwar aid agencies in succession—the ECA, the MSA, the FOA, and now the ICA. We have witnessed the annual level of appropriations go up, and we have witnessed it come down. We have watched the emphasis in these programs shift from economic aid during the days of the Marshall plan, to military aid in subsequent years. If my perceptions are accurate, we are now at the beginning of a shift back to an era of economic emphasis.

We have also observed a change in the principal focus of these programs, from Western Europe to the Far East and then the Middle East. Again, if my perceptions are accurate, the focus may now be shifting toward Africa and Latin America.

It is common practice to say that we have put $60 or $70 billion into foreign aid since the close of World War II. I, myself, have used a round figure of that kind at times. In all honesty, however, I have used it as have others, as the roughest of measures. The fact is that the figure tells us very little, because it is a composite figure. Unless it is recognized as such, it is misleading.

The $70 billion includes appropriations for many disparate undertakings. It includes outright grants and gifts, as well as loans on which we fully expect repayment with a good rate of interest. The latter is aid in about the same sense that a banker aids a farmer when he takes a mortgage on his farm. Some might call it, not so much aid, as just plain business. Whatever it is called, it is obvious that bona fide repayable loans to other nations have nothing in common with setting up a temporary soup kitchen for flood victims, or maintaining hundreds of thousands of Middle Eastern refugees for years. Yet, expenditures for all of these purposes are included in the figure of $60 or $70 billion for aid.

Similarly, we list indiscriminately as foreign aid, the cost of a squadron of fighter planes given to an unsteady government somewhere, and the cost of assigning a public health expert to a nation with a malaria problem. The effect of these actions on us and on others may be as different as night and day. The only thing they may really have in common is that both cost us something.

Having lumped these and a dozen other dissimilar undertakings together as the foreign-aid program, we try to measure total effect in terms of success or failure. It cannot be done. It is like counting eggs and weighing sugar, adding them together, and stating the results in quarts.

The simple fact is that some parts of foreign aid in certain circumstances have been beneficial to this Nation and helpful to other nations. The same parts in different circumstances, or other parts in the same circumstances, have not been helpful to others and have not been beneficial to us. But we shall never really know which is which, and what is what, so long as all the parts are hopelessly intermingled, as is now the case.

For the total national effort which we label "the foreign-aid program," or, more euphemistically, the mutual security program, all that we can say is that we go on, year after year, doing a number of things abroad which we think have some connection, at least, with maintaining a decent image of the United States in the world, with safeguarding the Nation's security, and with advancing its interests. I use the phrase "we think" because the only certainty in this entire business is that what we are doing requires money—billions of dollars. Specifically, for the next fiscal year, the administration asks $3.9 billion.

Barring the unusual, I suspect that we shall act in this matter as we have acted in the past. We shall assume that the administration has asked for too much money, as experience indicates that it invariably does; and this applies to both kinds of administration, Republican and Democratic. Therefore, we shall cut the amount requested, perhaps more deeply this year than in past years. The administration will protest the size of the cut, however large or small it may be. One or the other House may be persuaded by the protest, and we shall restore a part of it. That is the pattern. That is what has been done year after year.

Will the Senate really know whether the final amount appropriated is too much or too little or just right? Will the House? Indeed, will the administration know? The fact is that no one will know because we do not have specific objectives, specific yardsticks against which to measure cost in any rational fashion. We have only generalizations. The program is supposed to stop communism. Where? How? When? The program is supposed to prime underdeveloped nations to the point of economic self-propulsion. Which nations? What point? The program is to promote good will and cooperation. Is it the kind manifested in the Formosan riots? Or is it the kind demonstrated in the attacks on the Vice President of the United States in Latin America?

Perhaps I have overdrawn the picture, but the childish exaggeration of the capabilities of aid programs by the executive branch invites this overdrawing, this caricature. As I have already said, I have no doubt that foreign aid has done some good. Similarly, I have no doubt that it has done some harm. Whatever its impact, the fact is that there is hardly a Member of this body who is satisfied with this program as it now operates. Contrast the present general doubt and dissatisfaction with the broad acceptance and approval of the Marshall plan a few years ago and the point 4 program of technical aid.

Despite the doubt and dissatisfaction, we shall probably go along with foreign aid for another year. We shall do so because we are not prepared to dispute as nonessential what the President has labeled as essential to the Nation.

But in all seriousness, Mr. President, I must ask, how much longer can we go on this way? The uneasiness with the foreign aid program which is evident in Congress is not a whim out of the blue. It is not political. It is not inexplicable. It is a reflection of a current of sentiment which is beginning to run very strongly through the Nation. The uneasiness is not over the concept of helping others. Nor do I believe that it represents a retreat from international realities and responsibilities. The uneasiness is over the way the concept of helping others and fulfilling our international responsibilities is being translated into action. It is an uneasiness over the administrative decadence with which foreign aid is now surrounded.

I may be wrong, Mr. President, but I am persuaded that time is running out on foreign aid. We shall either begin to come to grips with the problems of this program during this session, or the next session may well see a tide of public reaction so strong that it will swamp the entire undertaking. It may well inundate both the good and the bad in foreign aid, the essential and the nonessential.

Mr. President, in recent years the Congress has tried to do what the administration has been superficial and/or negligent in doing. It has studied for-

eign aid in detail in committees. It has paid heed to the helpful observations of the Comptroller General on waste and inefficiency in administration. It has uncovered some evidences of corruption and signs of mismanagement which border on the scandalous.

A couple of years ago, a special subcommittee of the Committee on Foreign Relations made a painstaking study of almost every aspect of foreign aid. The committee tried to set the program on the right track with a series of integrated, far-reaching recommendations for its reorganization. What happened? With much praise for the work of the committee, the administration proceeded to pick and choose from among the recommendations. The net result was to leave the program little improved.

As another example of the superficiality of the administration in dealing with the problems of the aid program, I point to the fact that for years I have been trying to bring about the abolition of a separate agency for the administration of the aid program. I have been trying to integrate the functions of the aid agency into the Department of State and the Department of Defense. Twice Congress has voted to bring about this change, and twice the administration has circumvented the congressional intent. We voted to abolish MSA in 1953 and to put its functions and personnel into the State Department. The administration countered by replacing MSA with the Foreign Operations Administration. We voted to abolish FOA and put its functions into the State Department. The administration countered by replacing FOA in 1954 with the International Cooperation Administration. And there we are today, Mr. President, with an ICA having one foot in the Department of State and one foot out, in what is called a semiautonomous status. It is independent but it is not independent, and the employees of this agency are left hanging in between.

These examples make it clear, Mr. President, that by the very nature of our system, Congress alone is not able to bring about necessary reforms in the aid program and its administration. Congress alone is not able to perform the careful surgery on the aid program which will excise the nonessential and leave the essential. The job is not going to be done without an energetic administration, willing to cooperate with Congress in doing it.

Because the job that needs doing has not been done, the pressure is rising in this body to reach for a meat ax instead of a scalpel in dealing with foreign aid appropriations. I can understand and sympathize with the temptation. Unfortunately, the damage which can be done by the cleaver of legislative correction, can be as great as the failure of the administration to act to eliminate the shortcomings in the program.

Before the step is irrevocably taken, before the ax is unsheathed, it may be well to try once again to move the administration to act, as it long ago should have acted on its own initiative. It may be well to try once again to make changes which will enable us to begin to discard the undesirable while retaining the desirable in this program, to try once again to end the administrative rot.

I propose, Mr. President, to propose, once again, amendments in committee and, if necessary, on the floor of the Senate which will abolish the ICA as a semiautonomous agency. These amendments will place aid program personnel and funds fully and completely within the Department of State, in order that duplicative, unnecessary services may be terminated, in order that essential ICA personnel will have an adequate status and reasonable security in their work. At the same time, these amendments will put the military aspects of foreign aid in the Department of Defense, except that firm control over all aid policy, by control over funds, shall be vested in the Secretary of State. This reform, which Congress has been trying to bring about for years, is a prerequisite to a sane and adequate aid program. It is a prerequisite to an end of the present tendencies to extend aid by force of habit. It is a prerequisite to an end of the costly bureaucratic obsession to expand the aid program into whatever nation will have it, whether it is needed or not, whether it is desirable or not. That, Mr. President, is the first step to a better aid program.

It is not the only one we need to take if we would preserve what is worthwhile in this program. We shall have to go further. I intend to offer other amendments which will take us further. What I have in mind is quite complex. I ask, therefore, for the indulgence of the Senate while I lay the background for these other proposed amendments.

As Senators know, part of the present aid program takes the form of the point 4 program which operates in many nations. Point 4, as the Senate knows, is the advisory assistance that we give others to improve their technologies, their educational systems, their public health methods, and so forth. It is similar to the work that missionaries and private foundations have done for generations. The money expended in any single country under point 4 is relatively small as amounts go in the total aid program. The whole amount that is asked for point 4 is $211 million out of the $3.9 billion. I can assure the Senate that, generally speaking, the results obtained relative to cost, in terms of general good will and other more tangible benefits, are very great. I have no doubt that improvements can be made in the point 4 program, but compared with the reforms that are desperately needed elsewhere in the aid program, these improvements are relatively minor and can be left to a later time. Let me stress, then, that the amendments which I propose to offer will in no way affect the point 4 technical assistance aspects of foreign aid. That essentially good will undertaking will continue to operate as it is operating so far as these amendments are concerned.

Nor would the amendments which I propose to offer affect the Development Loan Fund. I supported the creation of that Fund and I shall continue to support it so long as its operations are kept, as they are now, on a loan basis with reasonable expectation of reciprocal benefit. The amendments which I shall introduce will not have an adverse effect on the Fund. If anything they will act, indirectly, to strengthen it.

If the grave shortcomings in the aid program do not originate in Development Loan Fund any more than they do in point 4 technical assistance activities, neither do they lie, in significant measure, in the so-called contingency and miscellaneous aspects of the aid program. Under these sections much discretion is given to the President and certain United Nations and other relatively minor programs are carried on. Although there is undoubtedly room for improvement in these aspects of the aid program, I am prepared to let them go for another time in order to get at the more serious difficulties. Those parts of the aid program, therefore, are also left untouched by the amendments I intend to offer.

What will be affected, Mr. President, is the area which I believe contains the principal shortcomings, the costly shortcomings of this program. That is the area of heavy and continuing gifts and grants of military aid, which this year total $1.6 billion out of the total of $3.9 billion requested. It is the area of continuing grants of so-called defense support which totals $835 million out of the $3.9 billion sought. It is the area of special assistance grants—and I emphasize the word "grants," not loans—of economic aid which total $272 million out of the $3.9 billion asked.

These are the areas of decay in foreign aid. These are the areas in which, over the years, a one-sided dependency has developed for which an end is not yet in sight. These are the areas in which the fissures of corruption have begun to appear. These are the areas of great waste and inefficiency. These are the areas of burgeoning hostility between the American people who must foot the bill and the peoples of the recipient nations who, sometimes, as distinct from their governments, see very little benefit from the hundreds of millions, the billions that have been poured into their lands.

This area—this area of grants and gifts—is responsible for 75 percent of the total amount we are asked to appropriate. It is by far the most important, and the most expensive segment of the program. But can we now weigh the value of these particular programs as they may operate in a particular country? Can the people of the United States appraise these vast expenditures of their public funds? No, Mr. President; the bulk of the information that is needed for that purpose is classified. To be sure, Members of the Foreign Relations Committee will be told how much money is spent on military aid and defense support for a given country. But can they, in turn, tell the people of the United States how much will be spent in Pakistan, in Turkey, in Formosa, in Korea? No, Mr. President; they cannot tell them because the figures are classified.

The security classification of these figures is preposterous. It has little, if anything, to do with security. Many foreigners know what the figures are, at

least in part, and many of the figures can be found if an effort is made to find them by a foreigner intent upon finding them because, not infrequently, they are published in newspapers.

If I may digress for a moment, I should like to point out to the Senate that I have in my hand several clippings from the press and other publicly available publications. The Senate can find in these clippings figures on military aid and defense support which have come to the Senate bearing the label of "secret" under the foreign-aid program. Yet, here they are, available to anyone who has the time and inclination to search for them. The classified aid figures for several countries are represented in these clippings which were found by the most brief and casual kind of newspaper search. With additional time and effort I have no doubt that the number of clippings could be multiplied many times. I ask unanimous consent that they may be inserted at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, the clippings may be printed in the RECORD, as requested.

(See exhibit 1.)

Mr. MANSFIELD. Is it any wonder, Mr. President, that I say the security classification of these figures has little, if anything to do with security? Furthermore, I am completely unpersuaded by the arguments of the executive branch in justification of the secrecy classification which it places on the figures for military aid and defense support. That branch claims, in effect, that it makes their job easier if the figures are kept secret. If they were public, the executive branch says that it would be pressured by competitive demands for increases in aid from various countries. I can only say that if that is the case, the proper remedy for the problem of the executive branch is not to put a secret label on these figures, but to learn to say "No" to the competitive demands. The very argument the branch uses throws considerable doubt on the validity of the relationship of the amounts expended for gifts or grants of military aid and defense support, and the genuine purposes and needs of this type of aid.

I propose, therefore, Mr. President, to offer in committee and on the floor, if necessary, an amendment which will make the figures on military aid and defense support as public as those on economic aid or technical assistance. The amendment will prohibit expenditures for such purposes in any country for which the figures are not made public.

I intend, Mr. President, to offer still one other amendment affecting directly grants for defense support, and grants for economic assistance and, indirectly, grants for military aid, in short, an amendment affecting the area of preponderant cost in the total foreign-aid program.

This amendment will require, in the case of nations receiving grants of defense support or economic assistance that the executive branch work out in detail with the recipient nation, and submit in connection with next year's aid bill, a detailed plan for the progressive reduction of these grants or gifts to zero for each such nation over a maximum 3-year period. This reduction can be brought about by cutting excess military forces, and hence, the need for defense support, by a stepped-up effort to increase the productivity of the recipient nations, by shifting from grants to loans, by working out a coordinated aid program with other nations able to help, or by other means. What will be required, however, is that at the end of 3 years, this type of giveaway aid, perhaps this is not the right designation, shall cease.

By next year, Mr. President, if this amendment is adopted, the people of the United States will know how much in grants is going to each country in which the aid program operates. We shall know, moreover, the plan by which these grants are to be progressively reduced until at the end of 3 years, they will cease to be made.

I am confident that the people of the United States will accept the responsibilities which 3-year plans of this kind entail since we can reasonably expect to see an end to the continuing dependency in a specific period of time. By the same token, I have little doubt that responsible leaders and the people of recipient countries will welcome this approach. They, no less than we, are anxious to end the state of one-sided dependency upon us in which they now find themselves. With a clearcut goal, they will redouble their own efforts. With an end of the dependency in sight, moreover, there will be a decline in the hostility which frequently festers beneath the surface in countries where huge U.S. missions operate. With a deadline, those governments who have coasted along on the assumption of permanent U.S. subsidy may be spurred to act decisively on their internal inadequacies.

Mr. President, I believe the adoption of these amendments will point the way to an elimination of the shortcomings in foreign aid. I believe they will go far to end the frustrating aimlessness which now afflicts the program. I believe they will do much to redirect the aid program in a sound and progressive direction. I believe they will meet the demand of the people of the United States for a thoroughgoing reform. I believe they will do about as much as Congress can do to preserve the usefulness in foreign aid while excising the useless, the wasteful, and the damaging. The rest will be up to the administration.

Mr. ELLENDER. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield to the Senator from Louisiana.

Mr. ELLENDER. I did not hear all the speech my good friend from Montana has made, but I wish to compliment him on the part which I heard. There is no doubt that some amendments should be adopted by Congress dealing with the foreign-aid program.

Mr. WILEY. Mr. President, I should like to compliment the acting majority leader on his very challenging remarks this morning. My only objection is to the use of the word "giveaway." In my voting for mutual security I never considered the program a giveaway program. I considered it of mutual benefit to those who received and those who gave. It is a question of sustaining the defense of this country in this foreshortened world, where defense takes on a different meaning than before.

EXHIBIT 1

[From the Washington Post, Mar. 5, 1958]

JORDAN GETS $5 MILLION BUDGET AID

AMMAN, March 4.—The United States agreed today to plug a $5 million gap in Jordan's budget.

Under an agreement signed here, half of a $10 million aid grant made last December will be used to cover the budget deficit.

Harold Nelson, director of the American point 4 aid program here, said that since 1956, U.S. aid to Jordan totaled $43,750,000.

Today's agreement marks the third time in that period that American funds have been used to prop King Hussein's government budget. Last April, the United States poured $10 million into the Jordanian budget. Two months later, another $10 million was granted to meet a budget deficit.

Hussein's pro-Western government, threatened by a leftist revolt last April, lost an annual British grant worth more than $30 million upon termination of the 1948 Anglo-Jordanian friendship treaty a year ago.

Saudi Arabia, Egypt, and Syria promised to make good the lost British subsidy. Only Saudi Arabia has paid up so far.

Nelson gave the following breakdown of aid to Jordan in the past 2 years:

June 1956: $2 million for technical aid.

April 1957: $10 million for a budget deficit.

June 1957: $10 million again for a budget deficit.

June 1957: $10 million for military equipment.

December 1957: $10 million for development projects.

December 1957: $1,750,000 for technical aid.

[From the New York Times, Jan. 3, 1959]

SPAIN SUPPRESSES NEWS OF U.S. AID—PRESS PLAYS DOWN MENTION THOUGH REQUESTS GO ON

(By Benjamin Welles)

MADRID, January 2.—The Spanish regime appears to be suppressing mention of U.S. friendship and assistance to Spain.

There are no signs of any slackening in the Spanish Government's requests for continuing U.S. aid. This has passed the $1 billion mark since 1954. This fiscal year it may exceed $200 million more.

For Spain, whose foreign currency reserves were recently exhausted and whose trading balance is overspent by about $300 million yearly, U.S. aid is not a negligible factor.

However, the attention of U.S. officials and other foreign observers has been directed increasingly in recent months to a steady playing down of all references to American assistance in the Spanish-censored press.

This situation and the announcement that Fernando Maria Castiella, the Foreign Minister, will pay an official visit to President Gamal Abdel Nasser in Cairo in a fortnight have led to speculation that Generalissimo Francisco Franco is beginning to move slowly toward a line of "positive neutrality" like that of India and the United Arab Republic.

Such a policy would not mean a sudden diminishing of his anti-Communist line. It would, however, appear to give Spain more room for diplomatic maneuvering while not endangering continuing sources of U.S. assistance.

The situation has come still further to the fore following close analysis of General Franco's annual year-end speech to the nation 3 nights ago and the traditional New Year press statements by his Cabinet Ministers.

The dictator carefully avoided in an hour-long broadcast of more than 8,000 words any reference to the United States, although he referred 33 times directly to the Soviet Union, Moscow, or communism and its dangers to Spain. His Cabinet aids copied his technique.

Except for Gen. Antonio Barroso, the War Minister, who recently visited Washington to seek help in modernizing five Spanish divisions at an estimated cost of $400 million, Spain's leaders were silent about the United States.

This was so although it is their country's chief source of cotton to keep the textile mills running, the edible oils that all Spaniards cook with, foodstuffs to hold prices down and dollars to shore up the weak peseta.

Praising his own regime, General Franco stated:

"Over the course of 22 years * * * nothing has been freely vouchsafed us excepting the aid and assistance of the Almighty."

U.S. officials here have found this passage hard to reconcile with statistics showing that General Franco's government has received since 1953 from U.S. public funds $350 million in modern arms for the Spanish armed forces and $894 million in varying types of economic aid, including $351 million in commodities and $100 million in foodstuffs distributed through American Roman Catholic charities.

In addition, 1,000 Spaniards have been taken to the United States in the last few years to learn modern techniques and $400 million have been spent on a chain of major military bases for defense against Communist attack. These bases eventually will revert to the Spanish Government.

Observers who see General Franco leaning to the idea of positive neutrality have noted that in the last 18 months he has approved trade pacts with five Iron Curtain nations and that Spain today is trading quietly with the Soviet Union.

[From the New York Times, Sept. 7, 1958]

U.S. AID TO TAIWAN TOTALS A BILLION—NATIONALIST CHINA COULD NOT HAVE MAINTAINED ECONOMY AND ARMY OTHERWISE

TAIPEI, TAIWAN, September 6.—The United States has poured more than a billion dollars into economic aid to Nationalist China since its Government moved to Taiwan from the mainland in 1949.

Without this help, Nationalist China would have been unable to sustain its economy or maintain its 600,000-man armed forces.

American bombings during World War II, when the island was held by Japan, inflicted severe damage on Taiwan and the nearby islands, shattering their industry. After the Chinese took over from Japan in 1945, a new Chinese provincial government did little to improve the situation.

With U.S. help, the Nationalists who fled to the island from the Red revolution in China were able to reorganize their army and build up their economy to a point where the standard of living on Taiwan is recognized as second only to Japan's in the Far East.

RICE SURPLUS EXPORTED

Taiwan's main crop is rice. Through intensive use of fertilizer, the island grows enough to feed a population of 10 million and even provide a surplus for export.

Sugar exports, however, provide the biggest individual source of much needed foreign exchange.

The bulk of U.S. economic aid money since 1951 has gone into development of the textile industry. Taiwan, which once imported most of its textiles, now produces an exportable surplus. The same is true of cement and other products.

American money also helped develop the island's power resources, communications, transport, mining, fishing, public health and sanitation.

Since 1951, when economic help first was extended on a relatively big scale, a total of $765,265,000 has been spent on project and nonproject assistance.

Project assistance is financial aid to initiate and carry out specific projects or courses of action within a specified time. An example is a new electric powerplant. Nonproject assistance is financial aid to obtain supplies and equipment for general sale or use within Taiwan, such as wheat, soy beans and raw cotton.

CATEGORIES OF SUPPORT

Most assistance, however, was military.

Project assistance since 1951 included defense support, totaling $202,992,000; technical cooperation, $13,312,000, and direct forces' support, $17,325,000. Nonproject assistance included defense support, $420,917,000; direct forces' support, $111,864,000.

Direct forces' support includes money to build airfields, army and navy bases and communications facilities.

Other aid, including that before 1951, brings the total beyond a billion dollars.

Almost all of Taiwan's arable area—about 30 percent of its total of 14,000 square miles—is under cultivation. Besides the two main crops, rice and sugar, the island grows pineapples, bananas and other fruits in abundance, a wide variety of vegetables and tea.

The Japanese are given much credit for developing Taiwan during their half century of occupation ending in 1945. They started the great sugar cane plantations, built roads, railways, water plants and ports.

The island's industry was ravaged by the war, but it has been rebuilt and expanded with U.S. financial and technical help. One of the biggest problems now, apart from the Communist threat from the mainland, is the birth rate, one of the world's highest.

This, with a lower death rate owing to improved public health and sanitation, might make Taiwan a food-deficit area instead of a surplus area within the next 15 years. Food output now is near the maximum possible.

[From the New York Times, Aug. 5, 1958]

LOANS TO TURKEY COMBINED EFFORT—EUROPE AND UNITED STATES ACT AGAIN IN FINANCIAL RESCUE LIKE THAT EXTENDED FRANCE

(By Harold Callender)

PARIS, August 4.—The composite loan to Turkey announced yesterday was the second largest financial rescue operation this year. The first was the joint loan in January to save France from bankruptcy.

The $655 million advanced to France in loans and credits, and the $225 million of new money made available to Turkey, came from the same sources. These were the United States, Western Europe, and the International Monetary Fund.

In each case the assisted nation was in trouble from having spent more than it could afford on production or on equipment for production. The result was that it imported far more than it could pay for by exports or other resources.

In each case, in order to get financial aid, the ailing nation agreed to pursue policies that would restore the lost balance in its accounts with the rest of the world.

EUROPE HELPING HERSELF

Thus an underdeveloped country pushing its infant industries, and an old and highly industrialized nation bent upon maintaining full employment, found themselves in the same boat in the sense that both were obliged to appeal for foreign aid.

They received it by virtue of a now well-developed system of financial cooperation between the United States and Western Europe, acting both nationally and through international institutions, the International Monetary Fund and the European Payments Union. Both are designed to maintain international trade by moving toward freer transfer of one currency into another.

Both France and Turkey—France last year, Turkey now—had to devalue their currencies in an effort to increase their exports by lowering their prices in terms of foreign currencies. They hoped that this, along with controls of imports, might bring their foreign payments and their foreign earnings into balance eventually.

Special missions of the Monetary Fund and the Payments Union visited Turkey in June and the loans were based upon their reports. The same examination of France's situation preceded the loan to her.

This meant that the Western nations acting together drew upon monetary surpluses of some countries and of Europe as a whole to help nations urgently requiring credits to help them out of payments troubles.

WEST GERMANY BIGGEST DONOR

West Germany, the richest European nation in terms of its reserve of gold and foreign currencies, chipped in far more than her neighbors, advancing $100 million to France and $50 million to Turkey. Other European states advanced lesser amounts to France and are expected to do the same for Turkey.

The European contribution in new money or credits to Turkey equaled the United States contribution, each being $100 million. A similar division of the burden took place as regards credits to France, Europe putting up $250 million, while the United States, in effect, lent France $255 million, mainly by deferring payments on debts she owes to the United States.

This ability of Europe to help itself to a great extent must be counted to the credit of the Marshall plan of United States aid. This plan led to the European Payments Union, a clearing system for current debts among European nations that now serves also for rescue operations like that by which France and Turkey benefit. It has thus become a major instrument for European financial solidarity and mutual aid.

The new money in the loan to Turkey will consist of a $25 million grant by the United States, $75 million in loans by U.S. lending agencies for new developments, $25 million in credit from the European Payments Union, $75 million from European states advanced outside the Union (West Germany contributing $50 million of this sum, Britain $10 million, other states lesser amounts), and $25 million from the International Monetary Fund.

In addition, the United States agreed to continue for 1959 its contribution of $75 million a year to Turkey as "defense support." And to sell $15 million worth of U.S. agricultural surplus supplies for Turkish currency. It will also postpone installments on Marshall plan loans, thus deferring payments of $44 million.

[From the Christian Science Monitor, June 21, 1958]

SPANIARDS GIVEN FACTS ON U.S. AID

(By Richard Mowrer)

Spain is the only country in Western Europe receiving direct dollar aid from the United States.

Some $709 million in economic assistance have been channeled to Spain since 1953, when the bases-for-aid accords were signed.

The $95 million worth of foodstuffs distributed to date to Spain's needy through the Spanish Roman Catholic welfare agency Caritas are a gift of American people of all religious faiths, not just one.

The above facts, which may not be news to the American taxpayer, are something of

a revelation to most Spaniards. Until recently no coherent, compact, easy-to-understand explanation of the American aid program had been offered to the general public by the press or radio. To some extent the American information services had publicized, in a modest, fanfareless way, the U.S. aid endeavor with regard to Spain, but their scope was necessarily limited.

COMPLAINT AIRED

Spaniards, it seemed, were more aware of the periodic assertions made in the papers or at semiofficial gatherings that American aid was insufficient and that construction of military bases was responsible for inflation. The most notable complaint along these lines was made by former Minister of Foreign Affairs Alberto Martin Artajo in a speech last February.

He made these points:

"In the last 5 years it has become evident that the American contribution to our national resurgence is today insufficient, for two reasons.

"First, because the aid-for-bases accords were signed after the Marshall plan had ended in Europe, a plan whose benefits had been denied in Spain. This grave oversight has not been compensated by the treaties of 1953.

"Second, because a new situation has arisen. Militarily the development of the hydrogen bomb and long-range guided missiles has increased the vulnerability of our territory; economically, the increased pace of our industrial development needs a larger amount of foreign aid because our capacity to invest has been exceeded.

MARSHALL PLAN CITED

"Through no fault of hers, Spain was excluded from the magnanimous Marshall plan which dispensed more than $50 billion to postwar Europe. Our people do not understand why, since the Marshall plan was not extended to Spain, American aid amounts to nothing like what the Marshall plan would have meant to us had we been a party to it."

Now the American Ambassador to Spain, who was present when Senor Artajo spoke, has come through with much needed clarification about the scope and purpose of the U.S. aid program. Speaking in Barcelona, John Davis Lodge, made these points:

1. The 1953 agreements provided for the establishment of military bases in Spain for our mutual protection.

2. "According to official Spanish statistics, the rate of growth in total national production and in industrial production which Spain is now experiencing and has achieved in recent years, is roughly comparable to the rate of growth achieved by Marshall plan countries."

AID TALLIED

3. "The United States is continuing to help Spain with direct dollar aid although such aid was stopped some years ago for the rest of Western Europe."

4. "The economic aid program alone has provided, since 1953, $356 million in defense support, $258 million of agricultural surpluses, and $95 million under the Caritas program, or a total of approximately $709 million."

[The U.S. Export-Import Bank announced June 18 that two loans totaling $24,500,000 had been granted to Spain for power development.

[American military aid made available to Spain's armed forces, to which the Ambassador did not refer, amounts to $350 million, according to American sources here.]

"With respect to the defense support program alone, the United States has more than trebled the aid level to which it agreed in 1953," Mr. Lodge added.

Referring to assertions that the American aid program is inflationary, Mr. Lodge said: "It is true that through the construction of military bases some additional pesetas have been placed in circulation. But about two-thirds of the base construction costs are paid for in dollars made available by the United States in the form of equipment, supplies, and services. The peseta costs, which are met not from the Spanish budget but from counterpart funds generated by American aid, have been more than matched by imports to absorb the additional purchasing power created."

COUNTERPARTS TO INCREASE

Mr. Lodge announced a new twist to the aid program: Soon 90 percent, instead of 30 percent, of the counterpart pesetas generated from new aid appropriations will be granted to the Spanish Government to help economic development. The virtual completion of the airbases makes this new policy possible, although much work still remains to be done at the Rota Naval Base.

In addition, a loan agreement will be signed which will make available some 5 billion pesetas, 1 million pesetas of this to be loaned by the Spanish Government to private enterprise of either Spanish or foreign ownership.

The American Ambassador's speech has been given unaccustomed space and attention.

AMERICAN AID TO BRITAIN

(1) The 1946 credits: By the amending agreement of March 6, 1957, Britain gave up the right to apply for a waiver. Instead, Britain can choose, in any year after 1956, to postpone both interest and principal due in that year. Not more than seven annual installments may be so deferred. The first of any such deferred installments will be paid on December 31, 2001, and the others annually thereafter in the order of their deferment. The 1956 installment of interest is also deferred, and will be paid after all other installments and deferments have been paid. Britain claimed one of these seven annual deferments in December 1957. (See our ID 1271—Loans from the U.S. and Canada—for details.)

(2) Mutual defense: For several years now, Britain has received from the United States only defense aid. This too has now more or less ended. The net defense aid received by Britain from the United States in recent years is as follows:

	Millions
Calendar year 1956	$73
January–June 1957	51
July–December 1957	8
January–June 1958	6

AUTHORIZATION FOR COMMITTEE ON AGRICULTURE AND FORESTRY TO FILE A REPORT DURING ADJOURNMENT OF THE SENATE

Mr. ELLENDER. I should like to inquire from the acting majority leader whether the Senate will recess until Monday or Tuesday.

Mr. MANSFIELD. It has been announced that the Senate will adjourn today until 10 o'clock on Tuesday morning, at which time the Senate will take up the life insurance tax bill, and on which day, perhaps, the Senate will be in session until a late hour.

Mr. ELLENDER. Mr. President, this morning at an executive session of the Committee on Agriculture and Forestry the committee acted on two bills, a wheat bill and a tobacco bill. Since the Senate will not meet on Monday, I ask unanimous consent that the Committee on Agriculture and Forestry be permitted to file its report on those two bills not later than 6 p.m. next Monday. I have consulted with the minority leader about the matter.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. DOUGLAS. Mr. President, last week I addressed a letter to the Illinois members of the American Physical Society, asking them for advice concerning the nomination of Mr. Lewis L. Strauss as Secretary of Commerce.

I had studied the record of Mr. Strauss in connection with the Dixon-Yates case, and I believe I am informed about that subject. However, I did not feel informed about the record of Admiral Strauss in connection with atomic energy matters, and I therefore wished to get the advice of citizens of my State who were competent physicists and who were acquainted with Admiral Strauss' record.

I sent my letter to all members of the American Physical Society in the State of Illinois, to the number of 720. I pledged that their votes would be held confidential. And I stated that if they had any comments to make I would be very happy to have them, but that that was not required, of course, and they could merely vote without making any comments.

I ask unanimous consent that a copy of my letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON FINANCE.

DEAR FRIEND: The name of Admiral Lewis L. Strauss will in all probability soon be submitted to the Senate for confirmation as Secretary of Commerce. I naturally want to vote intelligently and wisely upon this matter.

I think I am acquainted with some of Admiral Strauss' activities, including his record in connection with the Dixon-Yates contract. But I certainly am not competent to judge his record as head of the Atomic Energy Commission in connection with atomic fallout, the proper development of nuclear power, atomic testing, etc.

I am, therefore, asking a competent group of physicists to advise me on these matters. I would appreciate it if you would give me your opinion on the enclosed form which, in order to protect your privacy, you need not sign. If you have any comments to add, I would be particularly happy to have them.

Since we may have to face this issue in the near future, I would naturally appreciate it if you would return your advice to me as soon as convenient in the enclosed self-addressed and franked envelope. I shall be grateful for any help which you may feel it proper to give.

With best wishes.

Faithfully yours,

PAUL H. DOUGLAS.

Mr. DOUGLAS. Mr. President, as of this noon I have received replies from 252 of those 720 physicists. I believe the Senate and the country would be inter-

ested in the replies which have been made to the question "Should Adm. Lewis L. Strauss be confirmed as Secretary of Commerce?"

The returns which I have are as follows: 159 no; 70 yes; 23 noncommittal. In percentage terms, 63 percent voted no, 27.7 percent voted yes, and 9.1 percent did not think that their knowledge was sufficient for them definitely to vote.

The poll is continuing, and at a later date I shall submit the final figures.

I promised the members whose advice I requested that their replies would be held confidential. I was greatly pleased that a number of them signed their names. I received some very frank comments. At a later date, I plan to include in the RECORD excerpts from those replies, both negative and affirmative, but I think this is enough for the moment.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. NEUBERGER. The distinguished Senator from Illinois, as well as others of our colleagues, may be interested to know that I have not yet made up my mind on the Strauss nomination.

I have not served on any of the committees which are active in this matter; therefore, I do not have the benefit of the information which other Senators might possess.

Following a procedure similar to that used by the Senator from Illinois, I have written to all the major industrial firms in Oregon which were suppliers of the Atomic Energy Commission while Adm. Lewis L. Strauss was the Chairman, and also to the colleges and individual scientists who had contact with the Atomic Energy Commission while Admiral Strauss was its Chairman, and have asked them for their advice.

Because mail sometimes takes longer to reach Oregon and to return from there than it does to Illinois, I have not yet received any considerable number of replies. I intend to follow the same procedure as that used by the Senator from Illinois. When I receive the replies, I shall not divulge the sources, but I intend to state to the Senate the result in percentage terms.

I think the Senator from Illinois has had an excellent thought. I have plagiarized his ingenuity in writing to the people of my own State.

Mr. DOUGLAS. The Senator from Oregon moves on his own initiative, without plagiarizing.

Mr. NEUBERGER. Was it not the late eminent Bernard De Voto who said that when one borrows from a lone person, that is plagiarism, but when he borrows from many persons, it is research?

Mr. DOUGLAS. Mr. President, I am very proud of the physicists of Illinois. It so happens that the basic secret of splitting the atom was first developed in my university, the University of Chicago. The university took a great chance in having this done, because it might have blown the university completely to pieces. The experiment was successful. I may say that we at the university are very proud of the great physicists who have been and are attached to it.

Among our Nobel prize winners and worldwide physicists have been Albert Michelson, the great measurer of the velocity of light, whose initial experiment furnished the basis for Albert Einstein's famous equation; Robert Millikan; Arthur Compton; Enrico Fermi; James Franck; Harold Urey; and a multitude of others.

I do not think there is any university in the world, with the possible exception of Cambridge, with its Cavendish laboratory, which has produced as many great physicists recognized by the world, as the physics department of my own university. But I included in my poll all members of the American Physical Association who live in Illinois, and therefore took in the great sister universities of Northwestern, Illinois Institute of Technology, University of Illinois, DePaul, Loyola, and others, and the physicists employed in industry.

Illinois also is the seat of the famous Argonne Laboratory, which is conducted under the general auspices of the Atomic Energy Commission. The physicists there were polled, although I do not know their names, and the returns are not segregated in any way.

I thank these men for the advice which they have given. I thank them for the frankness with which they have spoken. I intend to guard their confidence with strict scrupulousness. But I believe the Senate and the country are entitled to this preliminary report.

TELEVISION PROGRAMING

Mr. MONRONEY. Mr. President, a few rays of light are shining through the gloom of television programing. In the past few weeks I have spoken more than once upon some of the discouraging things about network television prospects. I have deplored the loss after 31 years of the "Voice of Firestone" musical program and have outlined some of the horrors confronting us next season in the increase of gunplay on the Nation's TV screens in prime hours when the entire family may be watching after 7:30 in the evening. We are continuing in the Interstate and Foreign Commerce Committee a study of ratings.

Among the piles of letters sent to me from all over the United States echoing and applauding my criticisms have come a few encouraging bits of information from the television industry.

Two CBS friends, for instance, have sent me a speech by Frank Stanton, CBS president, delivered at Ohio State University May 6. I was delighted to read the following paragraph and I applaud the contemplated broadcasts in prime time which it announces:

> Next year the CBS Television Network is scheduling regular hour-long informational broadcasts once a month in prime evening time. We will report in depth on significant issues, events, and personalities in the news. In the year following, we propose to make this a biweekly, and after that a weekly, program—if networks are permitted to maintain their present structure. We are determined to press the medium to its fullest development as an informational force as effectively and as fast as we can. We will, of course, continue to do specially scheduled news and informational programs as events warrant—in the past year, we broadcast them in prime evening time on an average of at least once a month.

Another CBS employee, who did not sign his name, enclosed a copy of a CBS advertisement, "How Television Serves Its Public." The advertisement, highlighting the award given CBS for "Public Service" by the George Foster Peabody Committee for a news series, the committee's similar recognition citing CBS musical entertainment, specifying Leonard Bernstein and the New York Philharmonic, and the committee's "Television Dramatic Entertainment" selection, "Playhouse 90" on CBS, is very effective in content and photography. All the programs mentioned were a credit to television.

Unfortunately, some days later, we read the announcement that "Playhouse 90," which has just been cited and has been boasted about in the record of achievement of CBS, which has had a weekly 90-minute spot, and has been considered by some critics as the high point in each week's television schedule, will be continued next season as an every other week presentation; it will be presented only half as often as it has been. I suppose if it had won two awards instead of one, it might have disappeared completely, just as the "Voice of Firestone" has disappeared.

From Robert W. Sarnoff, chairman of the board of the National Broadcasting Co., I received a highly impressive advertisement, full page, from the New York Times, entitled "You Are in This Picture."

Among the nine advertised upcoming news programs for May on NBC described were two in prime evening time, both outstanding presentations now history, "Primer on Geneva," and "Why Berlin?" Other news shows advertised, mostly in late afternoon or at dinner time, were full of exciting promise on the information front. The advertisement pointed out that NBC had this year won 16 major awards for excellence of coverage and commentary.

All of us can take off our hats to NBC and CBS for such creative programing as the informational shows mentioned.

From Mr. R. B. Cochrane, program director of WMAR–TV, the Baltimore Sunpapers television station, I received an advertisement outlining a single week's diet of public service programs, entitled "These Are Your Affairs," which sounded enticing, varied, and meritorious. I did have to point out to Mr. Cochrane, when I thanked him, that none of his 13 fine programs were scheduled during the prime evening hours. I especially wondered if Baltimore men all were home by 5:30 p.m. to listen to a show entitled, "Power Mower Safety."

I want to give credit where credit is due. I find much that is admirable and challenging in the programs called to my attention by these TV network and station executives. I am delighted that we may move from the one-a-month prime time informational program eventually to the one-a-week schedule outlined by Mr. Stanton.

Without detracting in any way from the compliments which I feel are due in this field, I cannot help wondering whether the networks have used their own judgment in scheduling these shows, rather than relying on the ratings they merit. If this is possible for such news and informational shows, could the practice be contagious?

Mr. President, on the local station front, there is another bright sign. WGN, Chicago, has scheduled a series of 26 concerts with the Chicago Symphony in class A evening time, beginning Sunday evening, October 18. I may say that station WGN is one television station which can get along without network programing, and seems to be doing fairly well. The series will include not only symphony presentations, but several jazz and pop concerts and folk music presentations. WGN, I understand, was the only local television station in the United States to win a Peabody Award in 1958. I ask unanimous consent to have printed in the RECORD a Time magazine report of the "Blue Fairy" award show on April 20, 1959.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Time magazine, Apr. 20, 1957]

TELEVISION—LITTLE GIRL BLUE

The television industry seems to have the notion on occasion that it is a tribe of electronic Watusi, too tall to recognize anyone but giants. At award time each spring, the critics bow before Hope, proclaim faith in Dinah, show charity toward Sullivan. Last week the Peabody Awards committee changed TV scripture by singling out a cheery and engaging local show for one of its top awards. Shown only over Chicago's independent WGN-TV (Monday, 7:30 to 8 p.m.). The Blue Fairy in little more than a year captured Chicago youngsters without a struggle; now it has recognition as one of the top children's programs of 1958 and the further distinction of being the only program on an independent station on the list.

The weekly fascination begins when one of the daintiest—5 feet, 3½ inches; 87 pounds—of fairies, 14-year-old Brigid Mary Bazlen floats into view on elfin wings. Waiting for her, seated on imitation mushrooms in the Blue Forest, are half a dozen moppets. Brigid sings her charges a song, offers a quiet moral (letter writing is a good thing), and manages to keep her wings on even when things go a little wrong as they did when one recent guest announced plainly, "I hate you, Blue Fairy."

It is not a widely held opinion. Nor is the show merely a catchall collection of kids exercising their ids. The lords of the Blue Forest are really a remarkable group of puppets created by ex-Actor George Nellé, 34, and Writer-Director Don Kane, 30. As hostess Brigid and her small guests sit by and offer advice, creatures named Tugnacious R. Jones and Myrtle Flower (she's an Eloise type) join an old nasal-voiced wizard in such projects as constructing a popcorn machine that will not stop popping, and making a sewing machine that turns out marbles.

If the show must admit kinship to Kukla, Fran, and Ollie, and Walt Disney, it is still the healthiest baby in the TV nursery. Brigid Bazlen claims no professional antecedents at all. Daughter of Chicago Fashion Commentator Maggie Daly Bazlen (Brigid's father is dead), she began at the age of 10 with a part in an ABC network soaper called Hawkins Falls, lasted 2½ years before she was tapped for Puppeteer Nellé's show. A miracle of poise on camera, the Blue Fairy is still a refreshing down-to-earth teenager offstage. Celebrating the Peabody with her mother at Chicago's glossy Pump Room, Brigid downed two full dinners, including two bowls of whipped cream for dessert. The professional goodies are just starting. After the Peabody Award last week the Blue Fairy is almost a sure bet for a network time slot soon.

Mr. MONRONEY. Mr. President, I mention these developments to show that there is a slight movement in the right direction. Credit should be given where it is due.

But the networks and the stations must free themselves from the dictatorial TV ratings and get away from their monotonous programing, with a high emphasis on the juvenile taste.

TV is too important a medium to cater only to the lowest common denominator of taste, although the ratings may give indication that men, women, and children—mostly children, I fear—have their sets turned on to blood and thunder.

Mr. Robert Lewis Shayon, in a TV and radio editorial for the Saturday Review has seen fit to discuss the network's arguments for their policies on the basis of their rhetoric. The editorial deals with, and comments on, the present state of network programing, largely as a result of the ratings. Since I do not feel capable in this field, I ask unanimous consent to have the editorial printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Saturday Review, May 2, 1959]

TV AND RADIO—A THINKING MAN'S FILTER

(By Robert Lewis Shayon)

One small thing that bothers even moderately literate students of the behavior of commercial broadcasters in this country is the sophisticated and meretricious argument with which they defend themselves in their off-the-air debates with public detractors. It might be damaging—but how refreshingly candid—for them to say to their critics: "Look here, by hard work, ability and capital investment, we have researched and established a market, monopolized access to it, and we mean to keep it that way, as long as we can." Instead, they are repeatedly caught in their official documents and pronouncements making errors in rhetoric that offend sensitive souls who have a passion—if not for the public interest—at least for the purity and cogency of verbal communications. Recent offenders are two of the most highly placed executives in the industry.

Robert E. Kintner, president of the National Broadcasting Co., replied to a letter on behalf of General Sarnoff of RCA, the parent corporation. The letter had been written to the general by Dr. Edward B. Benedict, of the Harvard Medical School, who is a member of NAFBRAT (National Association for Better Radio and TV). Dr. Benedict complained about Terror Town, an installment in the filmed (MCA) Cimmaron City series. Quoting New York Times Critic Jack Gould, Dr. Benedict alleged that the program was "a sick and unhealthy excursion into torture, cruelty and avarice. Murdering people, throwing molten lead into a man's eyes, and operating a slave labor mine under medieval conditions were among the features of the presentation." RCA was the sponsor; and the NAFBRAT member hoped it would no longer sponsor such programs, and that crime pictures and their bad influence on children would be eliminated entirely from TV. Mr. Kintner politely reassured the writer of RCA's high standards of good taste, and reduced the issue to a difference of personal opinion. Included in his reply, however, was this example of euphemism and question begging: "I think you must agree that this was not a "crime picture" as you described it but rather a period western with a historical background. As a western series it relies on physical action equally as much as does any other western program on any of the networks."

Louis G. Cowan, president of CBS, in the last annual report to CBS stockholders, commented on critical attention directed to TV programing. He argued that "in order to survive economically, and continue to be an expression and instrument of a democratic society, network TV * * * must try to serve the interest of most of the people most of the time." No one can quarrel with the logic of economic survival. But to equate the hoary what-the-people-want gambit with being an expression and instrument of democratic society is, as the script writers say, "Opening up a can of peas." You may argue (perhaps as Congress intended in writing the Communications Act) from here to philosophic doomsday about "interest"—but the precise meaning of "expression and instrument of democratic society" is indeed a modern how-many-angels-on-the-head-of-a-pin exercise. "It is a responsibility * * * an economic necessity to satisfy the public taste and to be progressively ahead of that taste with new experiments in programing so that the public, if it chooses, may develop new and different tastes."

"The public" is at every occasion pictured by the intellectuals among the broadcasters as having the ultimate, real choice in programing. This assumption is being more persuasively challenged each literary season by analysts of our society who argue that our culture commits us all to our choices from very infancy; and there are those who maintain that the mass media are the foremost molders and restricters of public taste among audiences which are essentially regarded as merely units of conspicuous consumption. To make the debate lively the broadcasters need more rigor in their case. They could lead from the assumption that the type of programing we have is the price we must pay to maintain our high standard of material living. They could assert that the so-called common sense of the average man is actually wiser in the long run than the fickle insights of the intellectual.

The kind of reasoning exemplified in these exhibits may go well in the trade and among stockholders. It doesn't smoke well in a thinking man's filter.

Mr. MONRONEY. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Maturing TV," which was published in the Chicago Daily News of May 11, 1959, and deals with the WGN television scheduling of classical programs.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MATURING TV

In a recent editorial praising Bell & Howell's television program, "Why Berlin?" we deplored the reluctance of the networks to assign prime nighttime spots to public service programs.

Since then we have been pleased to note two new developments which indicate that at least two men well known in TV are conscious of this deficiency and propose to do something about it.

Ward L. Quaal, vice president and general manager of WGN, channel 9, has written to applaud our very cogent observation on the existing situation in our industry. In an effort to obtain good programing balance at all times, his station will inaugurate on October 18 a 26-week Sunday evening series, 7 to 8 p.m., featuring the Chicago Symphony.

Almost coincidentally, Frank Stanton, president of the Columbia Broadcasting System, has announced that starting this fall CBS will present regular hour-long informational broadcasts once a month in prime evening time. In the year following, he added, "we propose to make this a biweekly, and after that a weekly, program."

We commend these evidences of an awareness of public responsibility. We trust they will inspire others to join in leading the entire TV industry toward more mature programing.

CURBING THE BARONS OF OBSCENITY

Mr. KEATING. Mr. President, the traffic in obscene material is one of the most serious moral and social problems this Nation faces today. It has contributed substantially to the rise in juvenile delinquency, in spite of the ceaseless war authorities on all levels are pursuing.

I doubt that the general public has any idea as to how serious this problem has become. I doubt that most people realize how extensive this traffic is today.

Yet, the pornography and obscenity business in this country has become a half-a-billion-dollars-a-year enterprise. It is Big Business with capital "B's," and it is high time we called a halt to its filthy operations.

One of the problems involved in curbing these barons of obscenity is simply the definition of pornography. What may represent pornography by the standards of most decent people may not be so classed by legal standards, under some recent court decisions.

An aspect of this business which disturbs me very much is the manner in which these companies circularize young people who innocently answer ads for model airplanes or autos for a dime or a quarter. Certainly, when children sending in small change for a model airplane get advertisements for pornography in return, some rottenness in our civilization needs removal.

We, in Congress, must grasp this nettle. We can at least tighten up the Post Office Department's authority to shut off mail deliveries—and therefore income—to purveyors of filth-by-mail.

Lately, for example, such purveyors have been obtaining temporary restraining orders from the courts against the enforcement of mail-impounding orders. This has enabled the "dirt" peddlers to go right on using the mails for their vicious business while the Post Office has been tied up in complicated administrative procedures, thus nullifying the action against the smut dealers, since they can grab their profits and run.

Mr. President, I think it is high time for Congress to get cracking on this whole subject. It is true that investigations are already underway by a subcommittee of the House, but widespread public demand and public support is needed. Federal action should and can be taken.

At the local and individual level, it is a matter of demanding strict enforcement of existing laws, or reporting all violations that come to light, and of supporting authorities who are trying to do something about keeping this filth out of the hands of our children.

Concerted public cooperation and further action by Congress hold the key to stemming this Niagara of filth which threatents to flood our mails and infect the minds of our young people.

A recent editorial in the Catholic News noted the efforts being led by Postmaster General Summerfield against the traffic in obscenity, and also delineated the roles which must be played by Congress and the public if we are to eliminate this blight on the American scene. I ask unanimous consent to have this fine editorial printed in the RECORD, following my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Catholic News, May 9, 1959]

BARONS OF OBSCENITY

Postmaster General Arthur E. Summerfield rendered a major service to morality and to strengthening the moral fiber of the Nation in his testimony before a House of Representatives Postal Subcommittee investigating the problem of printed obscenity when he warned that the half-billion dollar annual traffic in such material is one of the most serious moral and social problems in the United States today. His Eminence Cardinal Spellman wrote to Mr. Summerfield commending him for his testimony and for his efforts to prevent what the Postmaster General called barons of obscenity from further contributing to the alarming increase in juvenile delinquency.

"Since World War II commercialized pornography has reached an alarming intensity," Mr. Summerfield said. Some 50,000 complaints about delivery of unsolicited obscene material are received annually by his Department, he reported to the committee. "Ruthless mail order merchants in filth are violating the homes of the Nation in defiance of the National Government. They are callously dumping into the hands of our children, through our mailboxes at home, unordered lewd material, as well as samples soliciting the sale of even more objectionable pictures, slides, films, and related filth." Two reasons for the increase, he said, are "the tremendous profits realized from a relatively small capital investment, and the very broad definition of obscenity handed down by certain courts, notably those of New York and Los Angeles."

A law enacted last year making it possible to prosecute obscenity distributors in the locality where the material is received and through which it passes as well as where it was mailed has helped the efforts of the Post Office Department, the Postmaster General said. But more such legislation is needed. The hands of the Postmaster General and of other officials striving to remedy this appalling situation will be upheld if citizens and organizations communicate with their representatives in Congress demanding the necessary legislation. We should also forward to the Post Office Department any such material coming to us through the mail. The most effective contribution we can make to the campaign for decency in print is to withhold all our patronage from any place of business dealing in such objectionable literature, and letting the management of such businesses know the reason for our action.

NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. THURMOND. Mr. President, yesterday the Committee on Interstate and Foreign Commerce concluded confirmation hearings on the nomination of Adm. Lewis L. Strauss to be Secretary of Commerce. All during these hearings I reserved judgment and comment. Upon the conclusion of the hearings, it was my intention to make a statement as to my impressions of the testimony and the conclusions left in my mind by the testimony on this extremely important nomination. Due to the fact that the hearings were terminated rather abruptly in order that the Senators on the committee might come to the Senate floor for a yea-and-nay vote, I was unable to make any statement, although I did place one in the record of the committee hearings. So that the Senate may be aware of my conclusions from the testimony, I ask unanimous consent that a copy of the statement which I introduced into the record of the hearings be printed in the RECORD at this point in my remarks.

I also ask unanimous consent that there be printed in the RECORD at this point the comments the senior Senator from Virginia [Mr. BYRD] and the nominee, made on April 30, 1959, upon the occasion of the presentation of the Good Government Award to the nominee.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR THURMOND ON THE NOMINATION OF ADM. LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE, SENATE INTERSTATE AND FOREIGN COMMERCE COMMITTEE, MAY 14, 1959

I never knew the nominee, Adm. Lewis L. Strauss, prior to his nomination to be Secretary of Commerce. I was cognizant of his activities only from press reports and I had formed no firm conclusion as to his qualifications or ability. I should state that I believe that an appointment by the President to a cabinet post raises a presumption of the nominee's integrity, qualifications and ability, which presumption may of course be rebutted by evidence presented during the course of the consideration of the nomination by the Senate.

With judgment reserved, I have listened to the testimony at as many of these hearings as I have been able to attend, and have read the transcript of those hearings which I was not able to attend.

I have high regard for some of the witnesses who testified in opposition to confirmation of the nominee, and I do not question that they follow their best judgment in opposing the confirmation.

From a consideration of the testimony before this committee, I have concluded that the nominee has refuted the charges which have been made against him. It seems to me that whatever differences exist are concerned primarily with matters of judgment, or even differences in basic philosophy. If the nominee has erred—and I am not convinced that he has although I realize that no human is perfect—it has been on the side of security for our Nation, for which, in my opinion, he should be commended, rather than condemned.

Furthermore, the nominee has had a long and distinguished record of service to his country. He has served ably in the administrations of Presidents Wilson, Roosevelt, Truman, and Eisenhower. In addition, he

was Secretary to President Hoover before Mr. Hoover's election as President. For his service he has received many awards and honors in recognition of his outstanding contributions to our Government. The reputation for ability and integrity which he has gained for this distinguished service is another factor which is persuasive in favor of his confirmation.

After an objective consideration of the testimony, my conscience dictates that I should support the confirmation of Admiral Strauss to be Secretary of Commerce.

REMARKS OF SENATOR HARRY F. BYRD, DEMOCRAT, VIRGINIA, AND ADM. LEWIS L. STRAUSS AT THE GEORGE WASHINGTON DINNER OF THE AMERICAN GOOD GOVERNMENT SOCIETY, MAY 30, 1959

Senator BYRD. Mr. Chairman, my friends, I feel very much honored by the privilege tonight of presenting my very dear friend, Lewis L. Strauss, the George Washington award tendered to him by the American Good Government Society.

I know of few men in our history who have given a more dedicated and useful public service. He deserves in the highest measure the tribute we pay him tonight.

Among his many public assignments, Lewis Strauss was Secretary to Herbert Hoover in 1917–19 as U.S. Food Administrator. He then served as chairman of the Commission for the Relief to Belgium. Mr. Hoover himself recently described Lewis Strauss to me as one of the ablest, most reliable and thoroughly honest public officials with whom he had ever come in contact. Lewis Strauss entered the Naval Reserve in 1926. He was on continuous active duty during World War II and was the first Rear Admiral in the Naval Reserve to be appointed by President Roosevelt.

President Truman appointed him to the first Atomic Energy Commission in 1946 and there he served with great distinction until 1950. Then President Eisenhower appointed him Chairman of the Atomic Energy Commission, and he served from 1953 to 1958. His service on the Atomic Energy Commission was of enormous importance as it was during that period that policies relating to the use of atomic energy were formulated.

President Eisenhower appointed him Secretary of Commerce on October 24, 1958. For the sake of brevity, I have omitted many other public assignments in which he has served since he began his public career in 1917. So, the man we honor tonight has served under and had the confidence of four Presidents—two Democrats and two Republicans—in positions of immense importance. I daresay that no man living has such a record.

Knowing Lewis Strauss as I have for many years, I can describe him as a man of intense patriotism, able and conscientious, and whose aim in life is to serve his country well, and this he has done.

Lewis, if you will, please rise. Let me read to you, sir, this resolution of tribute and honor.

"LEWIS L. STRAUSS

"Patriot and benefactor of mankind, banker and practical visionary, has devoted more than 20 years to the service of the people of the United States—as private citizen, in the Navy Department, and with the Atomic Energy Commission.

"From his gifted imagination and brilliant versatility came a better Navy inspection service, the morale-building civilian "E" awards, advanced weapons and coordinated defense procurement—all of inestimable value in winning the war. His early interest in atomic science prepared him for his preeminent part in developing the hydrogen bomb, initiating the detection system for atomic explosions, and in making peaceful uses of the atom come true.

"Steeped in the traditions of Virginia and the American heritage, Admiral Strauss guards them vigilantly through his wisdom, foresight, and energy he has made his career a living symbol of love of country, and the blessings of liberty—God-given rights and earned privileges."

I congratulate you.

Admiral STRAUSS. Thank you, Senator BYRD, I have been a probationary bureaucrat for so long the capacity to blush has forsaken me.

Mr. Chairman, distinguished guests, and friends, it must need be a man of granite to feel other than deeply moved by this award, to fail to respond with a whole heart to the graciousness of the distinguished and well-loved Senator from Virginia. Indeed, Senator BYRD has displayed that myopia of friendship which has caused him to see only the virtues and to overlook the obvious faults. I am grateful to you, the members of this organization, for the award. I thank him and I thank you.

It never occurred to me on the occasions that I have attended these convocations in past years that ever I would be so honored by you as were my old chief, Herbert Hoover; the friend of my youth, Robert Taft; and the great Senator who presented this award to me.

I have noticed on each such evening how the two men singled out for your accolade were happy to be mentioned together, and it is with particular happiness and also with great pride that I find myself sharing this evening with so outstanding an exponent of good government, of honor, of devotion to public service as the great Senator from Arkansas, JOHN MCCLELLAN.

There, ladies and gentlemen, is a statesman cast in the mold of the Founding Fathers, sworn to the task of liberating the American working man from the rule of racketeers and gangsters. He is an example of good government in action.

I would also pay tribute to Senator GOLDWATER for one of the most eloquent and inspiring and moving addresses I have ever heard. I would pay tribute to the purposes of this distinguished society and its good name.

To the pessimist or the cynic, the simple words, good government, may connote a pale and negative virtue. The truth is otherwise, good government is a positive and incandescent force, the active righteousness and justice of a people animated by moral law and illuminating the brightest figures in our history.

George Washington, in that address of prophetic and fatherly concern for our future, with which he closed his great career, warned us that the propitious smiles of Heaven can never be expected on a nation that disregards the eternal rules of order and right, which Heaven itself has ordained. They, my friends, are the essence of good government. Long may it light and guide the people of the United States. Thank you again.

LEGISLATION NEEDED TO EXTEND ORPHAN IMMIGRATION LAW WHICH EXPIRES JUNE 30, 1959

Mr. NEUBERGER. Mr. President, I was indeed pleased that the distinguished chairman of the Senate Judiciary Committee [Mr. EASTLAND] recently announced that hearings would start on May 20 on general immigration legislation.

One of the urgent matters before the committee is the extension of the orphan section of Public Law 85–316, which will expire on June 30. Under the terms of this law, eligible orphans under the age of 14 who have been or will be adopted by American families are admitted into the United States quota free. This program is particularly important for neglected children from the Far East where immigration quotas are small and the child would never be able to enter the United States, even though adopted by an American family, except by private law or through general orphan immigration legislation.

It is my earnest hope that legislation to allow the admission of orphan children into the United States will be promptly enacted so that children will not be kept separated from their adoptive parents.

Legislation to provide for the quota-free admission of eligible orphans was first passed by Congress in 1948 in the Displaced Persons Act. Some 4,000 orphans were admitted under the terms of the Refugee Relief Act of 1953 which expired December 31, 1956, and in 1957 Congress provided Public Law 85–316 containing the orphan section which will expire on June 30. All of these laws provided for the admission of eligible orphans lawfully adopted abroad or orphans admitted to the United States to be adopted.

MANY ORPHANS BROUGHT TO AMERICA

Under the terms of the orphan section of Public Law 85–316, 3,425 orphan visas have been issued through March 1959. Of this number 2,729 have been issued to orphans lawfully adopted abroad and 696 have been issued to children admitted to the United States to be adopted.

It is essential, if a meaningful orphan program is to be continued, that provision be made for orphan children lawfully adopted abroad under the laws of a foreign country. If such is not done, Congress will be flooded with private orphan bills and be forced to deal on an individual basis with a problem that can be adequately dealt with through general legislation.

One of the controversial issues involved is proxy adoptions, which are permitted under the laws of foreign countries. Under the laws of certain countries, adoptions are permitted by proxy, whereby a third party, having a power of attorney, can make a legal adoption for a family in the United States. Some abuses have undoubtedly taken place with respect to proxy adoptions and corrective action is clearly needed. American families have adopted children who were certainly not qualified to care for the children. Within the last few weeks a former New York City magistrate was indicted for allegedly selling Greek orphan children.

The fault with that part of the program involving orphan children lawfully adopted abroad is that no Federal agency at the present time has direct supervision of the program, and proper home studies may not have been made to insure that only qualified families receive children. Adequate safeguards must be written into the law to prevent abuses. Proxy adoptions, with safeguards, can be both a useful and humanitarian technique.

PROXY ADOPTIONS CAN BE USEFUL AND HELPFUL

As the figures quoted earlier indicate, 80 percent of the visas issued to eligible orphans have been issued to children lawfully adopted abroad. While all of these are not proxy adoptions, the great bulk of them are by proxy. From the Republic of Korea 1,371 visas have been issued, and all have been issued to children legally adopted abroad, while none were issued to children to be adopted in the United States. Visas to Korean orphan children constitute 40 percent of the visas issued under the entire orphan program. Orphan visas issued to children in 10 selected countries, as indicated in the following table, show that 2,413 visas were issued to children lawfully adopted abroad, while only 66 were issued to children to be adopted in the United States.

I ask unanimous consent to have the table printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Visas issued to eligible orphans under terms of sec. 4, Public Law 85–316, Sept. 11, 1957, through Mar. 31, 1959

Country where visa issued	Orphans lawfully adopted abroad	Orphans admitted to be adopted in the United States
Korea	1,371	None
Republic of China (Formosa)	13	2
Japan	464	22
Philippine Republic	38	2
Thailand	2	None
Lebanon	10	1
Pakistan	4	None
Turkey	25	None
Greece	500	58
Iran	6	2

Source: Figures supplied by Visa Office, Department of State.

Mr. NEUBERGER. Under the existing law, the Attorney General, acting through the Immigration and Naturalization Service, is required to make a determination as to the ability of an American family to properly care for a foreign orphan child only if the child is to be adopted in the United States. No such requirement exists for such an investigation for children lawfully adopted abroad. This is the loophole that has led to abuses.

OFTEN THE CHOICE IS BETWEEN ADOPTION AND NEGLECT

For children to be adopted in the United States, the American family files assurances with the Attorney General—Immigration Service—that if the orphan child is admitted, they will adopt him and care for him properly. The prospective adopting parents have agreed to adopt a specific child that they have not seen. The same situation exists with respect to proxy adoptions. Second family placements of children under the orphan program have been made both for children legally adopted abroad and for children admitted and adopted in the United States, and such is inevitable.

We cannot lose sight of the fact that, despite the abuses that have been shown to exist in the orphan program, thousands of children, who faced an uncertain and even perilous future in their homelands, have found good homes with adoptive parents in the United States. Well over 90 percent of the children admitted under the orphan program are leading happy, fruitful lives in our country. The future of these children in their native lands, particularly in the Orient, was bleak indeed. These orphan children often lacked the basic necessities of life—food, shelter, and adequate medical care. Even more tragic has been the lot of mixed-blood orphan children, fathered by U.S. military personnel. The existing orphan legislation has given these children a new hope and future in our country. It is worth emphasizing again that all Korean orphan children admitted to the United States have been admitted as orphans lawfully adopted abroad, and Korean orphans constitute 40 percent of the entire number of orphans admitted.

Mr. President, the issue before the Congress on the extension of the orphan law is whether legislation can be written to close existing loopholes and at the same time continue the program on a meaningful basis. Some of the issues involved are highly controversial and emotional; they are not black and white, and no group has a monopoly on the right.

Mr. President, I ask unanimous consent to place in the RECORD a careful and thoughtful article by A. Robert Smith, which appeared in a number of newspapers in my State, including the Oregonian—Portland, East Oregonian—Pendleton, Medford Mail Tribune—Medford, and the Oregon Statesman—Salem. I also ask to place in the RECORD a few of the many letters I have received on this issue. I regret that the many appealing pictures cannot be placed in the RECORD.

There being no objection, the article and letters were ordered to be printed in the RECORD, as follows:

HOLT'S ORPHAN ADOPTION PLAN IN JEOPARDY UNDER BILL SPONSORED BY KENNEDY

(By A. Robert Smith)

WASHINGTON.—An orphan immigration bill pending in Congress would have the effect of substantially altering, if not discontinuing Harry Holt's now famous program for bringing Korean orphans to waiting families in the United States.

The bill (S. 1468) is sponsored by Senator JOHN F. KENNEDY, Democrat, of Massachusetts. Cosponsors are Senators RICHARD L. NEUBERGER and WAYNE MORSE.

But both Oregon Senators, not realizing immediately upon its introduction what the practical effect of the Kennedy bill would be on the Holt adoption program, subsequently disavowed any intent to stop the Cresswell farmer's Korean babylift.

PRESENT ACT NEARS END

Some legislation is needed soon if the special orphan immigration program is to continue past the June 30 expiration date of the present act. There is no opposition in Congress apparently to continuing some type of orphan program, because the continuing presence of U.S. military forces overseas results in more youngsters of servicemen and unmarried foreign women.

But efforts are being made by some social agencies to persuade Congress to disallow the practice of proxy adoptions which are possible under the present act. Proxy adoptions are what Holt has used to adopt children in Korea for someone in the United States. Through his personally financed orphanages in Korea, Holt has cared for children prior to airlifting them to Portland, where waiting parents have taken them home for a new family life.

Holt's program has been acclaimed by Oregon lawmakers and others as a selfless, creative Christian endeavor.

FIRM CHARGES $2,800

But some others using the proxy adoption procedure have not been so selfless. In January, for example, the New York Legislature heard testimony that a New York City official with contacts in Greece was helping place children through a law firm that charged $2,800 per child, more than twice the expenses involved.

Other abuses of the proxy adoption procedure have cropped up here and there, mostly where someone has simply supplied alien babies to whoever wanted them without checking the qualifications of the parents, some of whom it turned out were unable to care properly even for their natural children.

All these proxy adoptions would be discontinued by KENNEDY's bill. It would require one or both of the parents to go abroad to Korea or wherever the orphan is living, and handle the adoption personally. The only alternative would be the customary immigration procedure in which Government officials handle the adoption overseas for the couple—a procedure involving much red tape which Harry Holt successfully cut by his program.

Holt, in other words, could no longer act as the agent for couples of modest means who could not afford travel expenses to Asia and back.

NEUBERGER OFFERS BILL

This provision of the Kennedy bill was unknown to NEUBERGER and MORSE, they explained, although their staffs had been in on drafting the bill. NEUBERGER subsequently introduced his own bill (S. 1532) which would clearly allow proxy adoptions to continue. MORSE said, in an interview, he is not wedded to the language of KENNEDY's bill and would be open to amendments when hearings develop all the facts involved.

LEGAL MEANING CHANGED

The misunderstanding over the bill appears to have arisen over the transposition of one word. The present act, defining those orphans who are eligible for special nonquota immigration visas, refers to those who have been lawfully "adopted abroad" by a U.S. citizen and spouse. The legal interpretation of this language is that it doesn't require the citizen and his spouse to be abroad when the adoption is made; hence someone can exercise their proxy.

KENNEDY's bill changed the legal meaning by covering the orphan who has been lawfully adopted by a U.S. citizen and spouse while abroad. By changing the position in the sentence of the word "abroad" it limits the visas to children adopted by citizens while they are abroad.

KENNEDY's staff made this change deliberately in response to criticism of proxy adoptions, his office explained. The Senator's assistant said they had nothing against the Harry Holt program. He said the program could continue, except that one parent would have to go to Korea. He said this requirement is designed to allow parents to determine if they like their new child before going through with the adoption.

OTHERS DRAFT MEASURE

One other significant change in the orphan law, over which there is no disagreement among the Senators, would require an authorized social agency to check the homelife of the couple that proposes to adopt the child to ascertain whether the child is likely to receive proper care. No

home check is now required. Holt makes an effort to check the character and credit of the parents.

This provision of the Kennedy-Morse-Neuberger bill and the Neuberger measure would eliminate a high percentage of the abuses mentioned by social agencies who have been critical of proxy adoptions.

One other bill, introduced more recently, would extend the present act 2 more years. It is S. 1610, sponsored by Senators JACOB JAVITS and KENNETH KEATING, Republicans, of New York. It would not compel any changes in the Holt program. Neither would it provide new safeguards against others who abuse proxy procedures.

When he joined KENNEDY in introducing his bill, MORSE quoted from a letter from Miss Jeanne Jewett, administrator of the Oregon State Public Welfare Commission, who said in part:

"As we have worked on this program, we have become convinced that foreign children need even greater protections in adoption than children placed by the authorized agencies of this State. Before a child is sent to this country for adoption, an investigation of the prospective adoptive parents' home should be required by experienced and qualified staff of an authorized agency in order to assure that the adoptive home will give the child care that will enable him to develop into useful and normal adulthood. Our experience has strengthened our conviction that a child should live in the home of his adoptive parents for a period of time before the adoption is granted in order to assure that the home selected for him will meet his needs."

Oregon, like most States, requires social study of the home before adoptions under State law can take place. But Oregon law does not require trial residence before the adoption is completed nor supervision of the home during a trial period, as some States require.

NEUBERGER pointed out that most of these fatherless waifs are unwanted in their native lands, often victims of racial discrimination because they are half-bloods, not to mention poverty, hunger and disease. He feels that to stop proxy adoptions entirely as employed by Holt would be to consign many orphans who might be adopted to a miserable fate in their native lands.

The attitude of the Eisenhower administration has not yet been voiced on what sort of legislation would meet the favor of the Department of Health, Education, and Welfare.

WESTERN THEOLOGICAL SEMINARY,
DEPARTMENT OF ECCLESIASTICAL
HISTORY AND HISTORY OF DOCTRINE,
Pittsburgh, Pa., March 24, 1959.

Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D.C.

DEAR SENATOR NEUBERGER: My wife and I wish to urge the passage of legislation which will permit the admission of children from other countries for adoption by American parents. We feel that the extension of the present law which expires at the end of June or its replacement by a better law is essential as much for reasons of America's oversea reputation as for the obvious humanitarian character of the law. I would like to add that we think it would be a great mistake to incorporate into the law many restrictions which are now being urged by professional social agencies. Already a vast number of obstacles exist to the implementing of the present law and its predecessor, the Refugee Relief Act. This is indicated by the fact that quotas have not been exhausted. If anything, the law should be redesigned so as to simplify a procedure which at best is difficult.

Very sincerely,

ELWYN A. SMITH.

EUGENE, OREG., *May 6, 1959.*

DEAR SENATOR NEUBERGER: We are sending you this snapshot of our little girl whom you helped so much with your efforts to pass the orphan bill. We are very grateful to you, for we feel that you were the one person in Washington who was really fighting for the welfare of these little Korean children. Without your help, she might still be in an orphanage in Korea.

We understand the bill must be extended soon, so that others may come home to their new parents; for their sake, please help as you did for us. Our little girl has brought so very much joy and happiness into our home, that I know there must be many people that will be made happier and many little children too, if this bill is extended.

Gratefully yours,

JAY and BEULAH BROWNFIELD.

PORTLAND, OREG., *May 7, 1959.*

RICHARD L. NEUBERGER.

DEAR SENATOR: In June the orphan bill runs out. We are hoping you will do something to extend it longer. We have in our home one of the Korean-American orphans, and are hoping for another. Our little 4-year-old boy has been a blessing in so many ways to us. He has taught us tolerance to all people, that all need and want love. He did not have any trouble adjusting or fitting into our family life.

We shall be praying for guidance from on high for you in all your many duties.

Yours sincerely,

Mr. and Mrs. FLOYD E. MIX.

CONCORDIA HIGH SCHOOL AND COLLEGE,
Portland, Oreg., 27, 1959.

Hon. RICHARD NEUBERGER,
U.S. Senate, Washington, D.C.

MY DEAR SIR: I am writing you to request your efforts in extending the law which will permit the adoption of Korean half-caste children. The fact that you have taken a previous interest in this matter indicates your understanding of the services which Mr. Harry Holt has been able to render and the help and hope which has been provided for many of the Korean orphans, who otherwise would be without it.

You have undoubtedly received communications which would endeavor to prevent this humanitarian endeavor from continuing. It appears to me that if we are to be consistent in our recognition of simple principals inherent in the very nature of our own society, we can do no less than to permit at least the hope for this work to continue.

I shall be happy to lend my support in any way possible to your efforts to assure the extension of this legislation.

Sincerely yours,

KARL W. KELLER,
Dean of Students.

SWEET HOME, OREG., *February 22, 1959.*

The Honorable RICHARD NEUBERGER,
Washington, D.C.

DEAR MR. NEUBERGER: I understand the orphan bill is about to expire. I know you have supported it in the past, also Mr. Holt's wonderful work, so I am sure you will continue to do so.

Just wanted you to know we have two of Mr. Holt's babies and they are healthy and happy. Also, we are very proud and happy parents. We are very grateful to Mr. Holt and will be grateful to you, also, for your continued support, as we want other people to find the happiness we have found in our lovely children.

Very truly yours,

Mrs. CLIFFORD ALFORD.

ASTORIA, OREG., *April 22, 1959.*

Hon. RICHARD L. NEUBERGER,
U.S. Senator, Senate Office Building, Washington, D.C.

DEAR SENATOR NEUBERGER: We are prayerfully writing you, requesting that you support the extension of the orphan bill, in order that the Harry Holts, of Creswell, Oreg., might be allowed to continue their adoption program. Under present law, this bill expires June 30, 1959, and they cannot carry on their humanitarian efforts unless the bill is extended.

We are aware that the Holt adoption program has been the target of undue criticism from various groups, but we would like to inform you of our actual experience with this adoption program, since we have adopted a Korean child through their efforts. It would be difficult to describe the happy moments we have had since this little one came into our home. We can perhaps best express our feelings by sending you these news clippings and snapshots of our little Korean girl, taken with our own two children, so that you may see for yourself the wonderful way in which she has fit into our family. Though this was an "adoption by proxy" (which some groups are vigorously opposing). I'm certain we, ourselves, could not have made a better choice had we been able to go to Korea, and make the selection. She is so lively, sturdy, and a happy child, happy with her new family, adjustments have been very minor, and we love her as our own. There are several families in our area who have adopted children through the Holt program. We all rejoice in the fact that we have the privilege of bringing up these little unwanted tots, and giving them a chance in life and a future which they would not have in Korea. These children are unusually alert and keen of mind, and we are constantly amazed at how quickly they learn.

Of the Holt adoption program we can only say: It is certainly a most trustworthy organization; the Holts are just as honest and sincere as anyone could be, and all of our financial dealings have been carried out, just as agreed. We are but one family, but there are hundreds of others, who feel just as we do about the Holt adoption program. It is our hope that many other little tots, just like our own, might be allowed the privilege of having a real home, with loving families and the loving care which is the God-intended birthright of every precious child born into this world. We are thankful for a government, such as ours, that is made up of individuals who have a love for humanity, and it is our prayer that justice may prevail in regards to the extension of this orphan bill. Whatever you can do will be gratefully appreciated.

Respectfully yours,

ROBERT L. BERSAGEL.
DORA BERSAGEL.

PORTLAND, OREG., *April 20, 1959.*

Senator NEUBERGER.

DEAR SIR: We as parents of two beautiful Korean children are writing to ask you to please do your part in getting the new bill through so Mr. Holt can continue to bring these very sweet children home to their waiting parents.

We have two children by birth also, they are 16½ and 14 years. They dearly love their little brother and sister. They think there is nothing like the Korean children and are so proud of them.

We got our little girl first, Cynthia is almost a year old now but wasn't quite 3 months when we got her. She only weighed 7 pounds and was so weak as she was starving for love. Now at 11 months she is 21 pounds and walks and talks. Her main words are "Daddy's Doll" (that's herself). She is a very bright child if I her mother might say so. Danny is all boy. He is 10 months old now and we got him when he was 5½ months old. He is the most lovable little boy I've ever seen. He has deep dimples and we think he is just a doll. We know these are the Lord's children and he has surely picked them for us as they fit into our family just perfect.

I am sure these children will make real good citizens as the people who are getting them are Christian families who will raise their children to love the Lord.

We are praying that we might be able to get one more at least. Of course we would have to wait awhile until these get a little older.

Please do all you can to help us with this prayer and make it possible to bring them home.

This is the first time I've ever written to a Senator so if it isn't worded just right please excuse me. It is coming straight from the heart and our prayers are with you.

Sincerely yours,
Mr. and Mrs. EVERETT CLARK,
Bonnie and Scotty,
A Rockwood Christian Church Family.

P.S.—Enclosed are pictures of our two. Don't you think they look precious and worth fighting for more like them?

LOSTINE, OREG., *April 22, 1959.*

RICHARD LEWIS NEUBERGER,
Senate Office Building,
Washington, D.C.

DEAR MR. NEUBERGER: We are writing to you in regards to the wonderful work Harry Holt is doing. We wish the orphan bill to be extended.

Know that you are familiar with Harry Holt's work.

We have adopted a darling Korean baby girl so know that Mr. Holt is very particular about the homes he places these children in.

We are so happy with our baby that we just hope that other people like ourselves with a home and love will be able to adopt these children if they wish.

May the extension of this orphan bill be made is our prayer.

Yours truly,
Mr. and Mrs. WM. F. HESKETT.

EAGLE CREEK, OREG., *April 22, 1959.*

The Honorable RICHARD NEUBERGER,
U.S. Senate, Washington, D.C.

DEAR SIR: We are writing this letter to ask you to do all in your power to get the present orphan bill extended.

A little over 2 years ago our little girl came to us from Korea.

She is a cheerful, loving child and has never been a problem.

We have attended one of the Holt picnics and also a small one in Portland. We have never seen better behaved groups of children.

There are so many homes and so much love here waiting for these children. We can't understand why anyone would want to say "No" to their coming to this land of plenty.

Yours sincerely,
Mr. and Mrs. JOSEPH WILSON.

NORWEGIAN INDEPENDENCE DAY

Mr. PROXMIRE. Mr. President, next Sunday, the 17th of May, is Norway's Independence Day. In Wisconsin, this day is truly a red-letter day for our many citizens of Norwegian descent. Norwegian pioneers played a vast part in developing our State.

These pioneers brought with them characteristics of hard work, independent spirit, strict morality, and community dedication which today are pillars of strength in our State's political, economic, and social institutions.

These Norwegian characteristics were established long before the time of May 17, 1814, when Norway broke away from a union with Denmark and established her own government and constitution. This spirit that led Norway to establish its own democratic government and constitution in 1814 is the same spirit that makes Norway a stanch foe of communism and a loyal ally of the United States and the free world in 1959.

For these reasons, the greetings of the American people will go to our friends in Norway as they celebrate this Independence Day. Likewise, to Norway should go the assurances of our Government that we greatly cherish our Norwegian-American alliance and friendship, that we are grateful for Norway's important and courageous contribution to the free world's defense effort, and that we will work, as does Norway, for increased trade among free nations and mutually favorable commercial agreements between our two countries.

THE PRICE OF STEEL AND INFLATION

Mr. KEFAUVER. Mr. President, I wish to commend Life magazine for its recognition of the need for the Big Steel industry to hold the line on prices in the battle against inflation.

Life magazine has published in its May 18 issue, now on the stands, an editorial setting forth the same arguments for this position that we have developed on the Antitrust and Monopoly Subcommittee through several years of difficult hearings, the most recent of which were held only last month in connection with the current negotiations between the steelworkers and United States Steel.

I welcome this support of the subcommittee's findings by Life magazine, and believe the editors show an acute awareness of the importance of this matter to the pocketbook of every consumer in our country.

I ask unanimous consent that this editorial be printed in the RECORD at this point with my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LET'S CUT THE PRICE OF STEEL

The wage negotiations in steel, which will affect the course of U.S. inflation, focus a lot of attention on the companies' first-quarter profits, which are, indeed, handsome; United States Steel's up 70 percent over the first quarter of 1958, Bethlehem's up 100 percent, etc. All concerned should rejoice in these profits. They represent rising productivity in a basic U.S. industry.

What should be done with these handsome profits? Of United States Steel's first-quarter $106 million, $60 million went for new plant, $46 million for dividends. They plan a similar future allocation. But this is precisely what the negotiations are about. The unions want a wage raise to be paid for out of profits. Everybody says he wants no rise in steel prices. The public interest in a noninflationary settlement is urgent.

Why don't steel companies reallocate their expected profits to make room, not for a wage boost, and not just for no increase in prices, but for an actual price cut? This would do more to halt inflation than any other course. It would remove both the profits and the inflation issues from the rhetoric-flooded center of the steel bargaining table. It would stimulate markets and reduce the unemployment throughout the industry. It would improve the position of our own steel industry in foreign trade, which is an increasingly crucial consideration. And as for the rest of us—whatever has happened to that good American capitalist doctrine, first popularized by Henry Ford, that increased productivity benefits the consumer through more product for less money? Steel productivity is way up. It's an extremely appropriate moment for steel prices to reflect this by coming down.

PORTLAND, OREG., MAKES RECORD AS LAW-ABIDING COMMUNITY WITH CAPABLE LAW-ENFORCEMENT AGENCIES

Mr. NEUBERGER. Mr. President, some 2 years ago my home city of Portland, Oreg., received a great deal of unfavorable publicity as a citadel of alleged racketeering and corruption. Undoubtedly there were conditions in Portland which needed correction, and it is desirable that they were exposed.

However, the overall and complete picture of Portland should be that of a law-abiding and orderly community, for that would be the real truth.

The latest national crime statistics show that there was a 4.3 percent increase in major crimes in Portland during the past year, as compared with an increase of 8 percent in cities throughout the Nation of the same size.

All increase in any crime is distressing, but I am pleased to report to the Senate that the increase in Portland, Oreg., was barely more than half of the rate of that for similar metropolitan areas of the same size. This is a tribute not only to the caliber of Portland's citizens, but to the ability and outstanding work of the Federal law enforcement officials stationed in Portland and of the members of the local Portland police force under Mayor Terry D. Schrunk and Chief of Police W. J. Hilbruner.

I ask unanimous consent, Mr. President, that an article from the Oregonian of Portland of May 10, 1959, by Mr. Jack Rosenthal, staff writer of the Oregonian, be included in the body of the RECORD. The title of the article is "Increase in National Crime Rate Surpasses Portland Gain." Mr. Rosenthal's report indicates that Portland is a far more law-abiding community than many other comparable cities in the United States.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INCREASE IN NATIONAL CRIME RATE SURPASSES PORTLAND GAIN

(By Jack Rosenthal)

Crime in Portland is on the rise, but not as fast as in the Nation as a whole.

That is one of the most significant conclusions that can be drawn from a draft of the Portland police bureau's annual report.

Portland saw a 4.3 percent rise for class I crimes—murder, robbery, burglary, auto theft, forcible rape, aggravated assault, and larceny over $50.

"This increase is about half that of other cities our size," said Police Chief William J. Hilbruner, referring to an FBI table of city crime index trends comparing 1957 with 1958.

LARCENY INCREASES

The table shows the average increase for cities of 250,000 to 500,000 is 8 percent.

In five class I crimes categories, Portland exceeded the FBI average only in larceny. Rape and aggravated assault totals for 1957 and 1958 could not be compared because of an intervening change in the way these crimes are defined.

Sharp rises in thefts from automobiles and in bicycle thefts boosted the larceny rate 13.2 percent over 1957 while the national rise was 9 percent.

Robbery rose 4.6 percent in Portland compared with 14 percent nationally, and burglary increased 10.6 percent compared with the national rise of 12 percent.

Only one category of crime decreased nationally last year—auto theft—by about 1 percent, a figure outdistanced in Portland, where auto theft dropped 11 percent.

Portland also decreased from 20 to 10 in number of murders, but in 1957 all 10 were solved and only 6 of the 10 last year were cleared by year's end.

A seventh clearup came early this year, but according to practice, this will not be included until the 1959 report.

Such statistical drawbacks make it difficult to assess fairly the job done by the police bureau last year, but in general, more crimes were solved and more property recovered than in previous years.

The annual report shows that some 1,844 class I crimes were cleared by arrest, as opposed to 1,827 in 1957. Five years ago the figure was 1,368.

The net loss to the public through robbery, burglary, larceny and auto theft was cut $180,000, first through a decrease in the total value of property stolen, and the second, through an increase in recovery.

Stolen property was valued at $1,368,937 in 1958 and $1,542,251 in 1957. Like recovery totals were $797,736 and $752,403.

Over half of the gross loss for each year was in stolen automobiles, a category which illustrates how much crime juveniles were responsible for.

TEENERS IN MAJORITY

Of 1,868 persons charged with class I crimes last year, 1,011 or 54.1 percent were under 18, and even this figure is slightly lower than 1957.

The same pattern is evident among lesser, class II crimes, although drunkenness boosted the total arrest figures in older age groups.

Women comprised some 10 percent of the total number of persons charged, 212 for class I crimes. Of these, 193 were for larceny.

A racial breakdown indicates that Negroes composed 16.6 percent of the total arrested for all crimes. Negroes represent about 2.8 percent of the city's population. Indians, who compose some 0.05 percent of the population, accounted for 7.4 percent of the arrests.

The statistics disclose an increasingly alert job by uniformed officers. A breakdown by divisions, for example, shows that of 72 robberies cleared by the police in 1958, 37 were cleared by uniform divisions and 35 by detectives.

For aggravated assault, the score is 48 to 16 for uniform. Detectives cleared 232 burglaries to 165 for the precincts and solved 5 of the 6 murders.

BUREAU POSTS MARK

The traffic bureau recorded substantial gains in almost every category, from safety to money.

There were four fewer traffic fatalities in 1958, with 43, than in 1957, and the total number of accidents reported also decreased, from 25,983 to 24,926.

The number of accidents resulting in injury, however, rose from 3,858 in 1957 to 4,152.

Stricter enforcement, in the shape of tickets for moving violations, seemed to have a direct bearing on the number of accidents.

Stricter parking meter enforcement also resulted in a substantial revenue gain. With the addition of meter maids, parking tags increased 132,827 to a total of 333,432 and collections from them rose $125,402 to $262,825.

Total receipts for bail, court fines, tags and tag warrants brought in $1,713,222, a gain of $168,313 over 1957.

A variety of other interesting facts can be uncovered in the welter of tables which include such determinations as the harbor patrol cleared 68 more snags this year than last.

For example, criminals eat breakfast, lunch and dinner at the same time as everyone else but they don't take coffee breaks. At least a graph indicating the time of day crimes are committed doesn't show any.

There's a big dip from 6 to 7 a.m., a smaller one from noon to 1 and another from 6 to 7 p.m. Crime is on the upswing at the coffee break hours of 10 a.m. and 3 p.m.

The peak hours for serious crime appear to be 4, 6, and 9 p.m. Class II crimes occur most frequently at 6, 8, and 10 p.m. and both categories dive rapidly after midnight.

THE CASE OF INTERNATIONAL ASSOCIATION OF MACHINISTS ET AL. v. STREET, LOOPER, ET AL.

Mr. GOLDWATER. Mr. President, on May 8 of this year the Supreme Court of Georgia handed down what is one of the most important decisions ever to go to the supreme court. The case is known as the Looper case. It involved a suit in the lower courts by S. B. Street, Nancy Looper, and others, against the International Association of Machinists, and others, for taking compulsory dues money and spending it for political purposes.

The lower court held such action was in violation of the Constitution, and the Supreme Court of Georgia has now upheld that finding.

I should like to read the seventh paragraph of the findings of the Supreme Court of Georgia. I quote now from the decision:

> The finding by the court that the exaction of money, in the form of dues, fees and assessments, by the defendant unions, was by virtue of the union shop agreements between the defendant railroads and the defendant unions permitted under section 2 (eleventh) of the Railway Labor Act; and that the use of such union funds for the purposes set out in the preceding headnote, was violative of the plaintiffs' rights under the first and fifth amendments to the Constitution of the United States, was authorized by the law and evidence.

Because of the extreme importance of this decision and because of the interest I know my colleagues have in this matter, I ask unanimous consent that the findings of the Supreme Court of Georgia be printed at this point in my remarks.

There being no objection, the decision was ordered to be printed in the RECORD, as follows:

SUPREME COURT OF GEORGIA, APRIL TERM, 1959—20,428—INTERNATIONAL ASSOCIATION OF MACHINISTS ET AL. v. S. B. STREET, NANCY M. LOOPER, ET AL.—DECIDED MAY 8, 1959—FROM THE SUPERIOR COURT OF BIBB COUNTY, GA., HON. OSCAR L. LONG, JUDGE

By the court:

1. The plaintiffs in error not having excepted by cross-bill of exceptions to the order allowing the amendment of January 29, 1957, when this case was here before (*Looper* v. *Georgia Southern & Florida Ry. Co.*, 213 Ga. 279, 99 S.E. 2d 101), it is now too late to except to such order.

2. The amendment of September 23, 1958, to the petition was not subject to the objections interposed.

3. Unless the legal rights of the parties are prejudiced or denied, this court will not interfere with the discretion of the trial court in matters of practice in the hearing and disposition of causes before it unless this discretion has been exercised in an illegal, unjust, or arbitrary manner.

4. The findings of fact and conclusions of law contained in the final decree are fully supported by the pleadings and evidence.

5. The plaintiffs and the class they represent have a common interest in the subject matter of the suit and the ultimate issues to be decided. The objections to the findings by the court that this was properly a class action authorized under Code section 37–1002 are without merit.

6. The finding by the court in its decree that the defendant unions were using the funds derived from the collection of dues, fees, and assessments from their members to propagate and promote political and economic doctrines, concepts and ideologies opposed by the plaintiffs and the class they represent, was demanded by the evidence.

7. The finding by the court that the exaction of money, in the form of dues, fees and assessments, by the defendant unions, was by virtue of the union shop agreements between the defendant railroads and the defendant unions permitted under section 2 (eleventh) of the Railway Labor Act (45 U.S.C., sec. 151 et seq.); and that the use of such union funds for the purposes set out in the preceding headnote, was violative of the plaintiffs' rights under the first and fifth amendments to the Constitution of the United States, was authorized by the law and evidence.

Attorneys for plaintiffs-in-error: Schoene and Kramer, Milton Kramer, 1625 K Street NW., Washington, D.C.; Arnall, Golden & Gregory, Cleburne E. Gregory, Jr., Fulton Federal Building, Atlanta, Ga.; David L. Mincey, 321 Cotton Avenue, Macon, Ga.

Attorneys for individual defendants-in-error: Gambrell, Harlan, Russell, Moye & Richardson, E. Smythe Gambrell, W. Glen Harlan, Charles A. Moye, Jr., and Terry P. McKenna, 825 Citizens & Southern Bank Building, Atlanta, Ga.

Attorneys for railroad company, defendants in error: Bloch, Hall, Groover & Hawkins; Charles J. Bloch, First National Bank Building, Macon, Ga.; Harris, Russell, Weaver & Watkins; John B. Harris, Jr., Persons Building, Macon, Ga.

Justice ALMAND. When this case was before this court on a bill of exceptions assigning error on the dismissal of the plaintiffs' petition, we reversed the order of dismissal because, by reason of the allegations of paragraph 59(b) of the amended petition that—"The initiation fees, periodic dues, and assessments which plaintiffs would be required to pay under the terms of the union shop agreement heretofore referred to will be used in substantial part for purposes not germane to collective bargaining but to support ideological and political doctrines and candidates which plaintiffs are not willing to support and cannot lawfully be forced to support, thus violating plaintiffs' constitutionally guaranteed rights of freedom of association, thought, liberty, and property," and of paragraph 51 of the amended petition that "Petitioners allege that section 2 (eleventh) of the Railway Labor Act (45 U.S.C.A., sec. 152 (eleventh)) to the extent that it authorizes the union shop agreement heretofore referred to, and said agreement, are violative of the first, fifth, and ninth amendments to the Constitution of the United States of America, and are therefore invalid." The petition as against a general demurrer was sufficient to state a cause of action for equitable relief. (*Looper* v. *Georgia Southern & Florida Ry. Co.* (213 Ga. 279, 99 S.E. 2d 101).) We there said, that though the ruling of the Supreme Court of the United States upheld the validity of a union shop agreement ex-

ecuted under section 2 (eleventh) of the Railway Labor Act (45 U.S.C.A., sec. 152), in view of the statement made in the opinion that "Judgment is reserved as to the validity or enforceability of a union or closed shop agreement if other conditions of union membership are imposed or if the exaction of dues, initiation fees, or assessments is used as a cover for forcing ideological conformity or other action in contravention of the first or the fifth amendment." The question of whether the union shop agreement violated the plaintiffs' rights under the first and fifth amendments to the Federal Constitution, under the alleged facts in this case, was left open for future determination.

When the case was returned to the trial court the defendant unions filed their answer. At a pretrial hearing the trial judge entered an order requiring the union defendants to produce certain books, documents, and records and the appearance of officers and agents to testify with respect to them. The motion of the union defendants to suspend this order until their plea of res adjudicata could be inquired into, was denied. On September 23, 1958, the plaintiffs filed an amendment to their petition. The objections of the union defendants to this amendment were overruled. At a later pretrial hearing the plea of res adjudicata was withdrawn. A stipulation of facts, executed by all the parties on August 14, 1958, was approved by the court and filed. This stipulation consists of 85 stipulations covering 45 pages. We set out here only those stipulations we deem most pertinent to the issues.

"2. Each of the plaintiffs and each of the intervening plaintiffs was an employee of one of the railroad defendants herein (collectively constituting the Southern Railway System) in a craft or trade covered by the union shop agreement at the commencement of this litigation.

"3. Some of the plaintiffs and intervening plaintiffs are not now, and never have been, members of any of the defendant labor union organizations (their status being protected by supersedeas bond).

"8. Each of the plaintiffs, and intervening plaintiffs, and the class they represent received notice, both from the railroad defendant employer and the labor union defendant applicable to his or her craft or trade, that unless he or she became a member of the appropriate labor union defendant within 60 days of the date he or she first performed compensated service for the railroad defendant, or within 60 days of the effective date of the union shop agreement, whichever is the later, such employment would be terminated and such employee dismissed pursuant to the union shop agreement.

"12. The union shop agreement referred to in paragraph 1 above was negotiated by the labor union defendants with the railroad defendants without any authorization from the employees of such railroad defendants embraced within the craft or trade applicable to each labor union defendant, other than such authority as might be implied from each labor union defendant's being the collective bargaining representative of employees of such railroad within such craft or trade for the purposes of the Railway Labor Act from the dates and as set forth in paragraph 13. The usual processes of the defendant unions in determining collective bargaining policy were followed. Such processes do not, and in the instance of the negotiation and execution of the union shop agreement did not, involve any notice to the employees of the railroad defendants that the negotiation and execution of such an agreement was contemplated, or any opportunity to express their wishes pro or con with respect to such negotiation and execution of the union shop agreement, or any opportunity to ratify or reject such action.

"14. Each of the plaintiffs and intervening plaintiffs was employed for many years by one of the railroad defendants prior to the execution of the union shop agreement hereinabove referred to, and that also is true of many others of the class represented by the plaintiffs and intervening plaintiffs, and none of such persons had notice prior to entering into an employment relationship with such railroad defendant that union membership would at any time be required as a condition of employment or continued employment.

"19. The periodic dues, fees and assessments which plaintiffs, intervening plaintiffs and the class they represent, have been, are, and will be required to pay under the terms of the union shop agreement hereinabove referred to, have been, are being, and will be used in substantial part for purposes other than the negotiation, maintenance, and administration of agreements concerning rates of pay, rules and working conditions, or wages, hours, terms, and other conditions of employment, or the handling of disputes relating to the above, but to support ideological and political doctrines and candidates which plaintiffs, intervening plaintiffs, and the class represented by them, were, are, and will be opposed to and not willing to support voluntarily.

"20. The mechanism by which the periodic dues, fees, and assessments required to be paid under the terms of the union shop agreement were, are, and will be used in substantial part to support ideological and political doctrines and candidates for public office which plaintiffs, intervening plaintiffs, and the class represented by them, are not willing to support, is as set forth in this stipulation.

"A substantial portion of the periodic dues, fees, and assessments required of plaintiffs, intervening plaintiffs, and the class they represent, or which will be so required, has been, is being, and will be retained by, or remitted to, the individual local lodge of the labor union defendant to which each such person paid and will be required to pay his dues, and has been, is being, and will be, used to support legislative activity in the legislatures of the State or States covered by the membership of such local lodge, including miscellaneous general legislation not confined to legislation involving the negotiation, maintenance, and administration of agreements concerning rates of pay, rules and working conditions, or wages, hours, terms, and other conditions of employment, or the handling of disputes relating to the above and, except in Wisconsin, New Hampshire, Pennsylvania, Indiana, Texas, and Iowa, to extend substantial financial support to candidates for public office in the executive, legislative, and judicial branches of the State and local governments, in the locality of the local union.

"21. Some of the legislative and political activities referred to in the preceding paragraph are carried out by some of the individual local lodges of the labor union defendants, and, in some situations, such activities were, are, and will be carried out on a cooperative basis, the local lodges of several of the defendant unions cooperating—not only between themselves, but also with local lodges of labor unions not defendants in this litigation, through State, district, and local AFL–CIO central bodies and their committees on political education, as well as ad hoc committees—and in some instances the financial support for such local legislative and political activities is derived not only from the local lodge organizations but also from direct grants from the general dues funds of the national or grand lodge organization of a particular labor union defendant.

"In each instance where 'general fund' or 'general dues fund' or like phrase is employed in this stipulation of facts—except where used in reference to the Machinists Nonpartisan Political League, where the phrase is used to denote the 'political' fund which is derived from individual contributions—it refers to the fund or account, or that part thereof, derived and maintained from periodic dues, fees, and assessments of the members of such organization.

"22. A substantial proportion of the periodic dues, fees, and assessments collected by the labor union defendants from their members was, is, and will be transmitted to, or retained by, their respective national or grand lodge organizations.

"29. Railway Labor's Political League was formed for the specific purpose of engaging in political activities dealing with the election of candidates to public office. The organization maintains two funds—one the so-called 'educational' fund and the other the so-called free fund. Railway Labor's Political League received, receives, and will receive direct grants into its 'educational' fund from the general funds of the union defendants and from the Railway Labor Executives' Association. The moneys in the 'educational' fund are used, except in Wisconsin, New Hampshire, Pennsylvania, Indiana, Texas, and Iowa, to support candidates for public office at the State and local level; for publicity to support candidates on the national as well as the State and local level; for administrative expenses to operate Railway Labor's Political League generally—including the salaries of the paid employees of that organization, office expense, supplies, etc.); and for miscellaneous activities in supporting candidates—whom plaintiffs, intervening plaintiffs, and the class they represent oppose—at the National, State, or local level, such as transportation of voters to and from the polls, preparation and distribution of voting records, preparation and distribution of sample ballots, and the preparation and distribution of various types of political literature soliciting or influencing support for candidates for public office on the National, State, and local levels.

"The administration, operation, and maintenance of the free fund activities of Railway Labor's Political League has been, is and will be financed and supported by direct expenditures from the educational fund of Railway Labor's Political League derived from the general dues funds of the labor union defendants.

"43. The funds expended by the labor union defendants for political activities as set forth in this stipulation of facts are substantial, and the proportionate amounts of the periodic dues, fees, and assessments which are being paid, or which will be required to be paid, by the plaintiffs and intervening plaintiffs and the class they represent are also substantial, and the amounts of such dues which are and will be used ultimately for political purposes are also substantial.

"44. The plaintiffs, intervening plaintiffs, and the class they represent have been and are opposed to the use of their money by the labor union defendants, Railway Labor Executives Association, Railway Labor's Political League, Machinists Nonpartisan Political League, the American Federation of Labor and Congress of Industrial Organizations, and the Committee on Political Education of the AFL–CIO which they have been, are and will be required to pay in dues, fees, and assessments for the endorsement and support of the legislation, ideologies, and political doctrines and candidates for public office which have been, are and will be supported and endorsed by the labor union defendants, Railway Labor Executives Association, Railway Labor's Political League, Machinists Nonpartisan Political League, the American Federation of Labor and Congress of Industrial Organizations, or the Committee on Political Education of the AFL–CIO as set out in this stipulation of facts, or for other purposes other than the negotiation,

maintenance and administration of agreements concerning rates of pay, rules and working conditions, or wages, hours, terms and other conditions of employment, or the handling of disputes relating to the above.

"53. The political activities mentioned in this stipulation of facts do not involve and are unnecessary to the negotiation, maintenance, and administration of agreements concerning rates of pay, rules, and working conditions, or wages, hours, terms, and other conditions of employment, or the handling of disputes relating to the above.

"56. The labor union defendants and, in many instances, subsidiary lodges and organizations, subject to the provisions of their governing constitutions and bylaws, have power to make assessments and to increase the amount and level of the dues and fees required for membership in said organizations, and plaintiffs and intervening plaintiffs and the class they represent are and will be required to pay any such increased amounts in order to retain their employment under the terms of the union shop agreement.

"75. In each instance where support of candidates, ideologies, or legislation is referred to in this stipulation of facts, such reference is intended to cover not only the affirmative support of particular candidates, ideologies or legislative issues, but also opposition to other candidates, ideologies, or legislative issues.

"76. The determination of the legislative, political, and ideological programs and activities of the labor union defendants, Railway Labor Executives Association, Railway Labor's Political League, the Machinists Non-Partisan Political League, the AFL–CIO or the latter's Committee on Political Education, as set out in this stipulation of facts and the depositions referred to in the stipulation attached hereto, does not involve participation by the plaintiffs, intervening plaintiffs, and the class they represent; the views of plaintiffs, intervening plaintiffs, and the class they represent have not been sought; and they have not ratified such activities or programs, nor have they acquiesced therein."

The stipulation also details the amounts of dues or fees paid by named plaintiffs to specific defendant unions under the terms of the bargaining agreement.

The cause, by agreements of the parties, was heard by the court without the intervention of a jury on plaintiffs' prayers for a permanent injunction. After a hearing and argument of counsel, the court entered an order, consisting of findings of fact, conclusions of law and a final decree granting the relief sought by the plaintiffs. The court found and decreed that:

"(1) The court has jurisdiction of all parties and of the causes of action asserted by the plaintiffs. This is a class action in which the plaintiffs represent herein all nonoperating employees of the railroad defendants, affected by, and opposed to, the hereinafter referred to union shop agreements, who also are opposed to the collection and use of periodic dues, fees and assessments for support of ideological and political doctrines and candidates and legislative programs or for other purposes other than the negotiation, maintenance, and administration of agreements concerning rates of pay, rules, and working conditions, or wages, hours, terms or other conditions of employment or the handling of disputes relating to the above. The individual defendants and labor organization defendants represent all the members of said labor organization defendants.

"(2) Effective April 15, 1953, the labor organization defendants, without authority from the employees represented by them but relying upon such authority as might be implied from the Railway Labor Act, and without affording said employees any opportunity to express themselves with respect thereto, entered into union shop agreements with the railroad defendants. The union shop agreements provide, in part, that all nonoperating employees of the railroad defendants, including plaintiffs and those represented by plaintiffs, must 'as a condition of their continued employment subject to such agreements, become members of the organization party to this agreement representing their craft or class (the labor organization defendants herein) within 60 calendar days of the date they first performed compensated service as such employees after the effective date of this agreement, and thereafter shall maintain membership in such organizations' and that 'nothing in this agreement shall require an employee to become or to remain a member of the organization if such membership is not available to such employee upon the same terms and conditions as are generally applicable to any other member, or if the membership of such employee is denied or terminated for any reason other than the failure of the employee to tender the periodic dues, initiation fees, and assessments, not including fines and penalties) uniformly required as a condition of acquiring or retaining membership; * * *'

"(4) Pursuant to the said union shop agreements, and, except as indicated in paragraph (3) above, each of the plaintiffs and each member of the class they represent has been, is being, and, unless the injunction requested by them is granted, will be compelled to pay initiation fees, reinstatement fees and periodic dues in substantial amounts to the labor organization defendant representing his or her craft or trade as a condition of employment or continued employment, and to become or remain a member of said labor organization defendant.

"(5) The funds so exacted from plaintiffs and the class they represent by the labor union defendants have been, and are being, used in substantial amounts by the latter to support the political campaigns of candidates for the offices of President and Vice President of the United States, and for the Senate and House of Representatives of the United States, opposed by plaintiffs and the class they represent, and also to support by direct and indirect financial contributions and expenditures the political campaigns of candidates for State and local public offices, opposed by plaintiffs and the class they represent. The said funds are so used both by each of the labor union defendants separately and by all of the labor union defendants collectively and in concert among themselves and with other organizations not parties to this action through associations, leagues, or committees formed for that purpose.

"(6) Those funds have been and are being used in substantial amounts to propagate political and economic doctrines, concepts and ideologies and to promote legislative programs opposed by plaintiffs and the class they represent. Those funds have also been and are being used in substantial amounts to impose upon plaintiffs and the class they represent, as well as upon the general public, conformity to those doctrines, concepts, ideologies and programs.

"(7) The exaction of moneys from plaintiffs and the class they represent for the purposes and activities described above is not reasonably necessary to collective bargaining or to maintaining the existence and position of said union defendants as effective bargaining agents or to inform the employees whom said defendants represent of developments of mutual interest.

"(8) The exaction of said money from plaintiffs and the class they represent, in the fashion set forth above by the labor union defendants, is pursuant to the union shop agreements and in accordance with the terms and conditions of those agreements. Said union shop agreements were negotiated and entered into and are maintained, administered, and enforced by the labor union defendants pursuant to the provisions of the Railway Labor Act (45 U.S.C., sec. 151 et seq.) and particularly section 2 (first), (second), (third), (fourth), (seventh), and (eleventh), 5, 6, and 10 thereof. Said union shop agreements are permitted by section 2 (eleventh) of the Railway Labor Act (45 U.S.C. 152) 'notwithstanding any other provision of this Act, or of any other statute of law of the United States, or Territory thereof, or of any State.' Said exaction and use of money and said union shop agreements and their enforcement are contrary to the Constitution, the law, and public policy of this State, and are are contrary to the statutes or laws of other States in which the defendant railroads operate. Said exaction and use of money, said union shop agreements, and section 2 (eleventh) of the Railway Labor Act and their enforcement violate the United States Constitution which in the first, fifth, ninth, and tenth amendments thereto guarantees to individuals protection from such unwarranted invasion of their personal and property rights (including freedom of association, freedom of thought, freedom of speech, freedom of press, freedom to work, and their political freedom and rights) under the cloak of Federal authority."

On the basis of these findings the trial court perpetually enjoined the defendants "from enforcing the said union shop agreements (copies of which are attached as exhibits to the petition herein) and from discharging petitioners, or any member of the class they represent, for refusing to become or remain members of, or pay periodic dues, fees, or assessments to, any of the labor union defendants, provided, however, that said defendants, may at any time petition the court to dissolve said injunction upon a showing that they no longer are engaging in the improper and unlawful activities described above," and granted money judgments in favor of three plaintiffs.

The union defendants filed their bill of exceptions in this court in which they assigned error on interlocutory rulings and the final decree, generally and specially, of the trial court.

1. Error is assigned on the order allowing the amendment of January 29, 1957 over the objection that it was too late to change the cause of action (that the closed or union shop agreement violated the 1st, 5th, 9th, and 10th amendments to the Federal Constitution). This exception cannot be entertained because the order excepted to was entered prior to the order dismissing the petition, which order was reviewed and reversed by this court in *Looper* v. *Georgia Southern & Florida Ry. Co., supra,* and the union defendants not having sought a review of the order of January 29, 1957 by cross-bill of exceptions, it is too late now to except. *Gaulding* v. *Gaulding,* 210 Ga. 638 (81 S.E. 2d 830); *Carmichael Tile Co.* v. *McClelland,* 213 Ga. 656 (100 S.E. 2d 902).

2. Error is assigned on the order allowing the amendment to plaintiffs' petition of September 23, 1958. In this amendment certain paragraphs of the petition were deleted and new paragraphs inserted. This amendment set out specific facts as to the employment of the several plaintiffs with the railroad defendants and alleged that the dues, fees, and assessments required by the union defendants are being and will be used to espouse and support political and economic ideologies repugnant to the plaintiffs and the class they represent. It further alleged that the sole authority under which the union defendants purported and purport to bargain and contract with the railroad defendants is by virtue of the Railway Labor Act (45 U.S.C.A., secs. 152, 156) and that the union shop contract executed by the defendants is contrary to the laws and public policy of the State of Georgia; and, insofar as the Railway Labor Act permits or author-

izes the union defendants to use the dues, fees, and assessments paid by union members for ideological and economic doctrines and to support political candidates, which and whom the plaintiffs oppose, the same violates the provisions of the 1st, 5th, 9th, and 10th amendments to the Federal Constitution. The objections to this amendment were on the grounds that (a) it changed the cause of action, (b) sought to change the theory of the case, (c) sought further relief not theretofore sought, and (d) the assertion of Federal rights was precluded because of the plaintiffs' motion to remand the case from the Federal district court.

There is no merit to any of these objections. When the case was reviewed by this court (*Looper* v. *Georgia Southern & Florida Ry. Co., supra*) the plaintiff's right to proceed was sustained by the reason of the allegations that the agreement violated Federal rights. The amendment merely elaborated the allegations originally asserted.

3. On May 8, 1958, at a pretrial hearing the court granted plaintiff's oral motion requiring the defendant unions to produce books, records and documents over the objection that the defendant unions had no notice that such motion would be presented. Subsequently, the union defendants filed a motion, which was denied, to suspend this order until their plea of res adjudicata was passed upon. (The record discloses that this plea was subsequently withdrawn.) It is asserted that these orders deprived the defendant unions of due process of law and the equal protection of the law as guaranteed by the 14th amendment, in that these rulings deprived them of an adequate opportunity to defend the case. (The bill of exceptions recites that no constitutional questions were made or argued to the court and no objection was made to the introduction of the stipulation of facts.) It is further asserted that after all the evidence had been introduced the court denied the oral request of counsel for the defendant unions to postpone oral argument until a transcript of the proceedings had been completed and briefs prepared; and that after the court had orally announced its conclusions, and counsel had presented to the court a suggested order, the court allowed counsel for the defendant unions insufficient time, before signing the same, to consider and offer objections as to the terms of the order. They contend that this hasty procedure deprived them of their right to make a proper and adequate defense.

Unless the legal rights of the parties are prejudiced or denied, this court will not interfere with the discretion of the trial court in matters of practice in the hearing and disposition of causes before it unless this discretionary power has been exercised in an illegal, unjust or arbitrary manner. *Johnson* v. *Holt*, 3 Ga. 117(1); *Cooper* v. *Jones*, 24 Ga. 473(3); *Mayor &c. of the City of Cuthbert* v. *Brooks*, 49 Ga. 179(2); *Branch* v. *The Planters' Loan and Savings Bank*, 75 Ga. 343(1). We have carefully considered the error assigned on the manner in which the trial court heard and disposed of the motions and requests in the trial of this case and cannot say that his disposition of them was illegal, arbitrary or an abuse of his discretion.

4. We next consider the assignments of error on the specific findings of fact and conclusions of law contained in the final decree. These objections are set out in divisions 5–11 inclusive, 13–18 inclusive, and 22 of the bill of exceptions. It would serve no useful purpose to enumerate the several objections here. The findings and conclusions of the court are fully supported by the pleadings and the evidence and we find no error in these assignments of error.

5. To the provision of the final decree that it operated "as an adjudication of the basic common rights asserted by the plaintiffs in their own behalf and in behalf of other employees of the defendant railroads similarly situated," the union defendants assign error on the ground "that the case cannot properly or lawfully adjudicate rights of persons other than the named plaintiffs and intervening plaintiffs because the persons described as constituting the class cannot properly constitute a class for the purpose of a class action," and "that a class action cannot be brought or maintained on behalf of a group, the components of which are determined by ascertaining the mental attitude of persons concerning certain matters." The case as finally amended was on behalf of plaintiffs and all others similarly situated, who had a common interest in the relief sought. There were no demurrers interposed that the complaint was not a proper class action as permitted under code, section 37–1002. The agreed stipulation of facts contains the following:

"5. There are a substantial number of other employees of the railroad defendants who similarly have been compelled by the union shop agreement, against their wishes, to become members of the defendant labor union organizations in order to maintain their employment.

"6. There was a substantial number of employees of the railroad defendants whose employment was terminated against their wishes, although their services were satisfactory, by reason of the enforcement of the union shop agreement and the refusal of such persons to become members of the labor union defendants.

"7. The plaintiffs and intervening plaintiffs fairly and adequately represent for the purposes of this litigation the interests of the employees and former employees of the railroad defendants specified in the two preceding paragraphs, as well as those whose status as members of one of those two groups has not as yet been finally determined, these being all those employees or former employees of the railroad defendants affected by and opposed to the union shop agreement who also are opposed to the use of periodic dues, fees and assessments which they have been, are and will be required to pay to support ideological and political doctrines and candidates and legislative programs set forth in this stipulation of facts and the depositions referred to in the stipulation attached hereto, or for other purposes other than the negotiation, maintenance and administration of agreements concerning rates of pay, rules and working conditions, or wages, hours, terms or other conditions of employment or the handling of disputes relating to the above."

The plaintiffs and the class they represent have a common interest in the subject matter of the suit and the ultimate issues decided. The objection interposed to this phase of the decree is without merit. See *O'Jay Spread Co.* v. *Hicks*, 185 Ga. 507 (195 S.E. 564); *Evans* v. *Louisville & Nashville Ry. Co.*, 191 Ga. 395 (12 S.E. 2d 611); *Liner* v. *City of Rosville*, 212 Ga. 664 (94 S.E. 2d 862).

6. The court found as a matter of fact that: "(6) Those funds have been and are being used in substantial amounts to propagate political and economic doctrines, concepts and ideologies and to promote legislative programs opposed by plaintiffs and the class they represent. Those funds have also been and are being used in substantial amounts to impose upon plaintiffs and the class they represent, as well as upon the general public, conformity to those doctrines, concepts, ideologies and programs; (7) The exaction of moneys from plaintiffs and the class they represent for the purposes and activities described above is not reasonably necesary to collective bargaining or to maintaining the existence and position of said union defendants as effective bargaining agents or to inform the employees whom said defendants represent of developments of mutual interest." Under our previous ruling (*Looper* v. *Georgia Southern & Florida Ry. Co. supra*) that the allegations of the petition were sufficient to state a cause of action for equitable relief, which ruling became the law of the case, the evidence before the trial court not only authorized, but demanded a finding by the court that the plaintiffs had proven the case as laid in the amended petition. In the statement of the case we have set out the pertinent portions of the stipulation of facts. The record in this case contains 1,075 pages which in the main consists of documentary exhibits. To brief the evidence or to state a capsule summary of the same would serve no useful purpose. We have reviewed this evidence. It fully supports the conclusions of the trial court.

7. The court found as a matter of law that: "(8) The exaction of said money from plaintiffs and the class they represent, in the fashion set forth above by the labor union defendants, is pursuant to the union shop agreements and in accordance with the terms and conditions of those agreements.

"Said union shop agreements were negotiated and entered into and are maintained, administered, and enforced by the labor union defendants and the railroad defendants pursuant to the provisions of the Railway Labor Act (45 U.S.C., sec. 151 et seq.) and particularly section 2 (first), (second), (third), (fourth), (seventh), and (eleventh), 5, 6, and 10 thereof.

"Said union shop agreements are permitted by section 2 (eleventh) of the Railway Labor Act (45 U.S.C.A. 152) 'notwithstanding any other provision of this act, or of any other statute or law of the United States, or Territory thereof, or of any State.'

"Said exaction and use of money and said union shop agreements and their enforcement are contrary to the constitution, the law and public policy of this State, and are contrary to the statutes or laws of other States in which the defendant railroads operate. Said exaction and use of money, said union shop agreements and section 2 (eleventh) of the Railway Labor Act and their enforcement violate the U.S. Constitution which in the 1st, 5th, 9th, and 10th amendments thereto guarantees to individuals protection from such unwarranted invasion of their personal and property rights (including freedom of association, freedom of thought, freedom of speech, freedom of press, freedom to work, and their political freedom and rights), under the cloak of Federal authority." Division 11 of the bill of exceptions assigns error on this conclusion.

In our opinion it cannot be disputed that the union shop agreement between the railroad and union defendants was executed only by virtue of section 2 (eleventh) of the Railway Labor Act (45 U.S.C.A., sec. 152). If that section of the Federal act permits or allows the defendants to make contracts in violation of the constitutional rights of the plaintiffs, they have the right to challenge the validity of the contract insofar as it may infringe their rights under the Federal Constitution. *Railway Emp. Dept.* v. *Hanson* (351 U.S. 225) (76 S. Ct. 714, 100 L. Ed. 1112); *American Communications Association* v. *Douds* (339 U.S. 382) (70 S. Ct. 674, 94 L. ed. 925); *Steele* v. *L & N Ry. Co.* (323 U.S. 192) (65 S. Ct. 226, 89 L. ed. 173).

The fundamental constitutional question is: Does the contract between the employers of the plaintiffs and the union defendants, which compels these plaintiffs, if they continue to work for the employers, to join the unions of their respective crafts, and pay dues, fees and assessments to the unions, where a part of the same will be used to support political and economic programs and candidates for public office, which the plaintiffs not only do not approve but oppose,

violate their rights of freedom of speech and deprive them of their property without due process of law under the 1st and 5th amendments to the Federal Constitution?

The Bill of Rights does not confer rights. They are the "shall nots" of what the Government, its agents or those acting under the aegis of its authority cannot do respecting the enumerated rights of the individual. The Declaration of Independence contained 27 specifications of the wrongs that the English King and Parliament had inflicted upon individuals living in the American Colonies. Magna Carta was a declaration of protest against trespass by government on the rights of individuals and an affirmation of the natural rights of man so forthrightly set forth more than 500 years later in the Bill of Rights. Chapter 39 of Magna Carta decleared: "No freeman shall be taken or imprisoned or disseized of his freehold or liberties of free customs or outlawed or exiled or in any way destroyed; nor shall one go upon him, nor send upon him but by the lawful judgment of his peers or by law of the land."

During Georgia's colonial period its citizens were taxed to pay for the support of one religious denomination to the exclusion of others. To guarantee the people of the State that no one should ever be compelled to attend or support any church, contrary to his own faith and judgment, and to restrain the arm of government from ever attempting, directly or indirectly, to mold the religious beliefs of the people, the Constitution of Georgia of 1798 contained this provision: "No person within this State shall, upon any pretence, be deprived of the inestimable privilege of worshipping God in a manner agreeable to his own conscience, nor be compelled to attend any place of worship contrary to his own faith and judgment; nor shall he ever be obligated to pay tithes, taxes, or any other rate, for the building or repairing any place of worship, or for the maintenance of any minister or ministry, contrary to what he believes to be right, or hath voluntarily engaged to do. No one religious society shall ever be established in this State, in preference to another; nor shall any person be denied the enjoyment of any civil right merely on account of his religious principles" (art. 4, sec. 10).

The Bill of Rights preserves the untouchable rights of the individual where, in the exercise of them, no harm or injury results to others or to the public. Coercion or compulsion is the antithesis of freedom or liberty. In the area of choice, support or association, of or with the political or economic views of others, the individual has the natural right not only to disagree but to rebel against either regimentation or restraint in the exercise of his own judgment. Mr. Justice Douglas in his dissenting opinion in *Public Utilities Commission of the District of Columbia* v. *Pollak*, 343 U.S. 351 (72 Sup. Ct. 813, 96 L. Ed. 1068), in discussing the meaning of liberty as used in the fifth amendment said: "The right to be let alone is indeed the beginning of all freedom. * * * Compulsion which comes from circumstances can be as real as compulsion which comes from a command."

Certain observations of the late Mr. Justice Jackson in writing the majority opinion for the Court in *West Virginia Board of Education* v. *Barnette*, 319 U.S. 624 (63 Sup. Ct. 1178, 87 L. Ed. 1628), a case involving the constitutionality of rules adopted by a local board of education under authority of a State statute, requiring students in public schools to salute the flag and pledge allegiance to the United States, upon penalty of expulsion for refusal to comply, are worthy of repetition here. In holding that such compulsory action violated the 1st and 14th amendments, Mr. Justice Jackson said: "The very purpose of a Bill of Rights was to withdraw certain subjects from the vicissitudes of political controversy, to place them beyond the reach of majorities and officials and to establish them as legal principles to be applied by the courts. One's right to life, liberty, and property, to free speech, a free press, freedom of worship and assembly, and other fundamental rights may not be submitted to vote; they depend on the outcome of no election [at p. 638]. * * * Those who begin coercive elimination of dissent soon find themselves exterminating dissenters. Compulsory unification of opinion achieves only the unanimity of the graveyard [at p. 641]. * * * We set up government by consent of the governed, and the Bill of Rights denies those in power any legal opportunity to coerce that consent [at p. 641]. * * * If there is any fixed star in the constitutional constellation, it is that no official, high or petty, can prescribe what shall be orthodox in politics, nationalism, religion, or other matters of opinion or force citizens to confess by word or act their faith therein. If there are any circumstances which permit an exception, they do not now occur to us [at p. 642]."

One who is compelled to contribute the fruits of his labor to support or promote political or economic programs or support candidates for public office is just as much deprived of his freedom of speech as if he were compelled to give his vocal support to doctrines he opposes. Abraham Lincoln asserted a similar view when he said: "I believe each individual is naturally entitled to the fruits of his labor, so far as it in no wise interferes with any other man's right." There is a common saying that, "Money talks—sometimes louder than the spoken word." In the case at bar the personal convictions of the plaintiffs on political and economic issues are being combatted by the use of their financial contributions to foster programs and ideologies which they oppose.

This is not a case where the plaintiffs are seeking employment with the railroads which have union shop agreements providing that to be employed they would be required to join a union, but one where they were in the employ of the railroads at the time the union shop agreements were entered into between the defendants. They are now confronted with the choice of either joining the union or surrendering their jobs and benefits that come from tenure of service, and seeking work elsewhere. If the requirement by the employer of his employee, as a condition of his employment, that he agree not to join a union, subjecting himself to be discharged if he did (now forbidden by the Railway Labor Act, 45 U.S.C.A., sec. 152, and the National Labor Relations Act, 29 U.S.C.A., sec. 157) is obnoxious to the employee's economic freedom to contract, then the requirement by the employer, based upon an act of the Federal Congress, that one in his employ as a condition of continued employment, would be compelled to join a union and pay dues, fees, and assessments which will be used in part for the support of ideologies he opposes, is likewise violative of his freedom to contract under the fifth amendment.

While these observations on the Bill of Rights may appear as being old fashioned and representative of the views of statesmen and judges long since dead, and not in harmony with some schools of thought that maintain that the Constitution must be construed or applied to meet new conditions in the light of present day thought, and that the Constitution must be expanded or contracted—as if it were an elastic girdle—to accommodate the public diet, we will continue to adhere to the view that the Constitution can only be changed by the method provided therein.

In light of our prior decision in this case, and what has been said above and the evidence in this case, the final decree was not erroneous for any reason assigned.

Judgment affirmed. All the Justices concur.

OPPOSITION TO RADIOACTIVE WASTE DISPOSAL IN THE GULF OF MEXICO

Mr. YARBOROUGH. Mr. President, not a great deal is known about the extent of pollution of the earth and its atmosphere from radioactive materials. Our scientists differ among themselves as to the amounts which the human body may safely absorb. Experiments are still being conducted in this relatively new field.

That is why I feel it is well to pause a moment and consider what this Nation and other nations of the world are doing with radioactive materials. We have made some study of it in this country, but, in my opinion, not enough care is being exercised.

The particular case in point is the application of the Industrial Waste Disposal Corp. of Houston, Tex., to the Atomic Energy Commission for permission to dispose of radioactive waste in the Gulf of Mexico.

Because there was a difference of opinion on this matter, the Atomic Energy Commission conducted a hearing in Houston, Tex., in January. Pleadings in the case were still coming in as late as April, and the AEC examiner has not yet submitted his report.

The Industrial Waste Disposal Corp. proposes to pick up radioactive waste materials, packaged in steel drums—small steel containers—and then add another layer of concrete, put that in a big steel drum, about the size of a 55-gallon barrel, and dump these drums into 6,000 feet of water in the Gulf of Mexico about 150 miles east of Port Isabel, Tex., and 180 miles south of Galveston, Tex. The application is for a 2-year license.

Mr. President, the Continental Shelf off the coast of Texas extends from about 90 to 100 miles into the gulf. The proposal is to take these drums out just beyond the Continental Shelf and dump them there. There have been reports that radioactive material dumped in the ocean has come up to the surface and floated, and the Coast Guard has shot that material to pieces as a hazard to navigation, presumably turning the material loose.

Mr. President, this proposal vitally affects my State now, and will also affect it in the future, since scientists estimate the packaging will deteriorate in about 10 years.

A great many Americans derive their livelihood from the gulf. And many, many more from throughout the Nation enjoy boating and fishing and other recreational activities in this area along the gulf coast of Texas, and also the gulf coasts of Louisiana, Mississippi, and Florida.

In the future, the gulf will probably produce more of the Nation's food supply in the form of cultivated plants in the sea, and will also become more popular as a recreation center. The Gulf of Mexico and the Caribbean Sea and the shores around Australia will probably, according to studies made, be the most fertile places to grow such food, because of their shallow, warm waters. Studies

conducted at Columbia University indicate that in less than 100 years people will grow a great deal of their food supply in the sea, and that they will obtain their proteins from seafood much as they now obtain it from steaks. A great deal of work has been done in this regard. These waters are the future gardens of the world. They are the shallow, warm waters and the shallow seas of the semitropical area.

I should also like to point out that the water does not remain stationary, but is continually moving with the tides and reaches shores far distant from the gulf. The Gulf Stream originates in the Gulf of Mexico and flows out between Florida and Cuba, to wash the great fishing banks off Newfoundland. It warms the British Isles and western Europe.

If these radioactive wastes are to be dumped into the ocean, they should be dumped into a deep part of a still water section of the ocean, and not close by, off the coast of Texas, in the gulf, where originates the Gulf Stream which carries the warm current food supplies to the fish which grow in the cold waters of the North Atlantic and which find their way to American and European tables. These are not still sections of the ocean, where no currents flow.

This is why I feel, in view of the current controversy over the allowable safety limits of radioactivity, that proposals such as this should be carefully examined.

Some persons contend that the material which is to be dumped has a low level of radioactivity, and, in the packaging, is safe. Some say that the packaging might last a century. However, this is material which is dangerous enough to require packaging, and we know that some of it has escaped from the packaging. It requires more than the normal procedures of waste disposal, such as a city dump, where people and animals might be exposed to it without harm.

Everybody recognizes the danger, and it is now said, "Let us dump this material off the edge of the Continental Shelf."

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield to the distinguished Senator from Oregon.

Mr. NEUBERGER. I wish to express my appreciation to the able Senator from Texas for raising this issue. We in the Pacific Northwest likewise have been concerned about this matter.

I do not know whether the Senator from Texas recalls this particular aspect of the matter, but several years ago the great Dr. Albert Schweitzer, who did such wonderful medical work for the primitive peoples of the African jungle, raised this question in a most eloquent plea to the conscience of the people of the world. In that plea Dr. Schweitzer mentioned the possible impact of radioactive waste on the fish and life of the Columbia River, which is in my native State and in the State of Washington. Dr. Schweitzer emphasized the fact that the Hanford atomic energy works might possibly contaminate the fish life of the Columbia River, which river contains more valuable salmon runs than any other river in the United States, and he mentioned that it could be a threat to the health of the people who eat fish all over the world.

Of course, fishing is one of our great industries in the Pacific Northwest. We have a very direct stake in the matter which the Senator from Texas has so pertinently brought to the attention of the Senate today.

I wanted the Senator to know that the question which he raises, as important to the gulf coast, is also vitally important to the Pacific coast. We are indebted to the Senator for bringing this matter to the attention of the Senate.

Mr. YARBOROUGH. I thank the distinguished Senator from Oregon. It might be of interest to him to know that less than 2 hours ago I questioned a witness before the Public Health Subcommittee of the Senate with regard to this very question. The witness appeared on behalf of the Bureau of Standards. I asked him whether he had information as to the extent of pollution of the Columbia River from the Hanford plant.

I think it is high time we start asking a few questions, to obtain the necessary information, and that we talk loud enough to be heard. We should find out what the facts are before the earth is contaminated. We should learn how much contamination is taking place. Sterility and leukemia in the human race are more important than whether somebody gets the waste from a plant disposed of cheaply.

Mr. NEUBERGER. We are grateful that the Senator from Texas takes an interest not only in his own vast area, but also in our region. I think the last place there ought to be governmental economy or private-industry economy is with regard to the manner in which these perilous radioactive materials are safeguarded when disposed of, whether it be in the ground or in the vast reaches of the seven seas.

It seems to me if we are going to dump this material at sea, we have all kinds of hazards to guard against.

Perhaps the Senator from Texas remembers that last year there was great anxiety in the ocean area off New York when a barge loaded with radioactive materials in containers broke loose from its tow. A vast array of Coast Guard vessels, police vessels, and fire vessels were scouring the entire area, because the material could have been a menace to fish life, to swimmers, to other vessels, and indeed to all the human and animal life in the area.

This is no trifling matter which the Senator from Texas is discussing today.

Mr. YARBOROUGH. Mr. President, I thank the distinguished Senator from Oregon for again adding the weight of his knowledge to the discussion. The Senator has given a great deal of study to this subject. I know from talking to him in the past and from his statements on the floor of the Senate that he is well informed about the matter.

I agree with the Senator that this is a matter of utmost importance; that it is not a regional or local matter affecting simply the shores of Texas.

As I pointed out, the waters in the gulf churn up and enter the Gulf Stream, which flows into the Atlantic between Florida and Cuba and goes even so far as the Arctic Ocean. The Gulf Stream travels across the Atlantic Ocean, and we can observe the different colors in the water as it flows northward to its destination. We can observe distinct changes in colors over a space of a mile as the Gulf Stream flows through the ocean.

The Gulf Stream carries an abundance of organisms and small life which go up to the great fish runs of the North Atlantic, where the fish feed off the food carried northward by the Gulf Stream. That is the way the radioactive material will be carried.

The Gulf Stream goes to the fishing banks off Newfoundland, and that is the main area where the fish are caught. The fish find their way to the dinner tables of Europe and America.

Mr. NEUBERGER. This problem concerns the whole world.

Mr. YARBOROUGH. This problem does concern the whole world, and particularly the Atlantic community.

Mr. President, we must consider the future. The estimate is that the drums being used in which to store and sink this material will last approximately 10 years.

I feel that the contamination of the gulf in this manner could well be detrimental not only to marine life but also to human life, especially when it is considered in relation to the other sources of radioactivity which are already present in our environment.

Mr. President, although I do not wish to take the time of the Senate to read the resolution in its entirety, I ask unanimous consent to have printed in the RECORD at this point a resolution opposing the contamination which was adopted by the Sportsmen's Clubs of Texas, Inc., on April 23, 1959. It is a two-page resolution which recounts some of the dangers incident to the disposal of this material, and recounts the fact that there has been intervention with the Atomic Energy Commission in Docket No. 27–9, to oppose the disposal of this radioactive waste material in the Gulf of Mexico. This resolution was adopted by the unanimous vote of the board of directors of all the sportsmen's clubs in the State of Texas.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Is there objection to the request of the Senator from Texas?

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF SPORTSMEN'S CLUBS OF TEXAS, INC., OPPOSING RADIOACTIVE WASTE DISPOSAL IN THE GULF OF MEXICO

Whereas Sportsmen's Clubs of Texas, Inc., being an organization founded upon the firm belief that the marine and wildlife resources of Texas has an economic, recreational, and social value which should be protected, conserved, and perpetuated for ourselves and for our posterity; and

Whereas this organization believes that the Gulf of Mexico, and all of the bays and tidal waters connected therewith, constitute

a very important part of the marine and wildlife resources of this State and that the Gulf of Mexico and the bays and tidal waters connected therewith have great economic, recreational, and social value not only to the people of the State of Texas but to the people of all of the United States; and

Whereas this organization is accordingly dedicated to the conservation and protection of said waters and the marine life contained therein; and

Whereas the Industrial Waste Disposal Corp. has made application to the U.S. Atomic Energy Commission under Docket No. 27–9 for permission to dispose of radioactive waste material into the Gulf of Mexico; and

Whereas Sportsmen's Clubs of Texas, Inc., has intervened in said matter now pending before the Atomic Energy Commission: Now, therefore, be it

Resolved by the board of directors of Sportsmen's Clubs of Texas, Inc., at its directors meeting in Austin, Tex., on April 23, 1959, by unanimous decision of its board, That the board of directors of Sportsmen's Clubs of Texas, Inc., find and conclude that the proposed plan of Industrial Waste Disposal Corp. and the U.S. Atomic Energy Commission for sea disposal in the Gulf of Mexico of radioactive waste material, constitutes a serious threat to and will adversely affect the marine life of the Gulf of Mexico and all bays and tidal waters connected therewith, and that said proposed plan if allowed to go into effect will seriously affect if not destroy the economic and recreational value of said waters; that in view of the fact that the sea is one of the few remaining natural resources that we have that still remains virtually unspoiled and uncontaminated, and from which is produced a great part of our food supply and will in all probability produce an even greater amount of our food in the future, together with the unlimited recreational facilities of the waters and reaches thereof, Sportsmen's Clubs of Texas, Inc., feels that in the interest of conservation and in the health, welfare, and benefit of the people of the State of Texas and of the United States, that it accordingly be made known to each U.S. Senator and each Member of the U.S. House of Representatives from Texas, that Sportsmen's Clubs of Texas, Inc., opposes the proposed plan of the Industrial Waste Disposal Corp., the U.S. Atomic Energy Commission, and all others who may now or later entertain desires of sea disposal of radioactive waste material in the Gulf of Mexico; and be it further

Resolved, That the executive secretary of the Sportsmen's Clubs of Texas, Inc., be instructed to furnish a copy of this resolution to each U.S. Senator and each Member of the U.S. House of Representatives from the State of Texas.

Mr. YARBOROUGH. Mr. President, I paraphrase the resolution to say that, in effect, the plea is, "Don't dump atomic waste on our red snapper packs and pollute them."

Mr. MORSE obtained the floor.

Mr. CASE of South Dakota. Mr. President, will the Senator yield to me so that I may make a very brief statement?

Mr. MORSE. I am delighted to yield to the Senator from South Dakota.

VISITS TO MILITARY CEMETERIES ABROAD BY WIDOWS, MOTHERS, AND NEXT OF KIN OF DECEASED MILITARY PERSONNEL

Mr. CASE of South Dakota. Mr. President, last evening I introduced for appropriate reference a bill which would allow mothers and widows of deceased members of the Armed Forces to make pilgrimages abroad to visit military cemeteries. The widows and mothers authorized to go would be the next of kin of military personnel interred in such cemeteries.

The bill provides that the Government shall pay the expenses for such visits, and the privilege would be restricted to next of kin who have not previously been accorded the privilege.

The Government previously sponsored such pilgrimages under Public Law 952 of the 70th Congress. I understand that authority has expired, and many mothers, widows, and other next of kin have not been able to make the trip. They should have the opportunity to do so.

I was moved to introduce this bill by having seen the National Memorial Cemetery of the Pacific, in the Punchbowl Crater in Honolulu. I had something to do with the establishment of that cemetery when I was in the House of Representatives. I urged that it be located there, rather than divided with a cemetery on the more distant island of Guam.

The reason I selected Hawaii for the site was that it was nearer, and it would be easier for Gold Star Mothers, widows, and next of kin to visit the graves. That cemetery is now being completed, and is one of the most beautiful we have abroad. It is a beautiful resting place for the remains of deceased members of our Armed Forces.

I have introduced the bill at this time in the belief that, with the approach of Memorial Day, this would be an appropriate time for its consideration. I hope hearings will be held in the near future, and that the bill would receive general support from Senators.

Mr. President, I ask unanimous consent that the text of the bill which I introduced be printed in the RECORD following these remarks.

There being no objection, the bill (S. 1952) to enable the mothers and widows of deceased members of the Armed Forces now interred in cemeteries outside the continental limits of the United States to make a pilgrimage to such cemeteries was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Defense is hereby authorized to arrange for pilgrimages to cemeteries located outside the continental limits of the United States by mothers and widows of members of the military or naval forces of the United States who died in the military or naval service at any time between December 7, 1941, and December 31, 1946, and whose remains are now interred in such cemeteries. Such pilgrimages shall be made at the expense of the United States under the conditions set forth in section 2.

SEC. 2. The conditions under which the pilgrimages may be made are as follows:

(a) Invitations to make the pilgrimages shall be extended in the name of the United States to the mothers and widows for whom the pilgrimages are authorized to be arranged under section 1.

(b) Upon acceptance of the invitation the mother or widow shall be entitled to make one such pilgrimage; but no mother or widow who has previous to the pilgrimage visited cemeteries described in section 1 shall be entitled to make any such pilgrimage, and no mother or widow shall be entitled to make more than one such pilgrimage.

(c) The pilgrimages shall be made at such times during the five-year period beginning one day after the date of enactment of this Act, as may be designated by the Secretary of Defense.

(d) For the purpose of the pilgrimages the Secretary of State shall (1) issue special passports, limited to the duration of the pilgrimage, to mothers and widows making the pilgrimages and to such personnel as may be selected to accompany and/or arrange for the pilgrimages, if such mothers, widows, and personnel are citizens of the United States, and (2) issue suitable travel documents, if aliens. No fee for either of such documents or for any application therefor shall be charged. Such alien mothers, widows, and personnel shall be permitted to return and be granted admission to the United States without regard to any law, convention, or treaty relating to the immigration or exclusion of aliens, if the return is made within the period covered by the pilgrimage of the particular group or, in the case of personnel, within such times as the Secretary of Defense shall by regulation prescribe; except that in any case of unavoidable detention the Secretary of Defense may extend in such case the time during which return may be made without regard to such laws, conventions, or treaties.

(e) The pilgrimages shall be by the shortest practicable route and for the shortest practicable time, to be designated by the Secretary of Defense. In the event of the death of a mother or widow while engaged upon the pilgrimage herein provided for, the United States shall pay the cost of preparation of the body for burial (including the cost of a suitable casket) and transportation of the same with escort to the home of the deceased. In the case of any mother or widow willfully failing to continue the pilgrimage of her particular group, the United States shall not incur or be subject to any expense with regard to her pilgrimage after such failure.

(f) Vessels owned or operated by the United States Government or any agency thereof shall be used for transportation at sea wherever practicable.

(g) Suitable transportation, accommodations, meals, and other necessities pertaining thereto, as prescribed by the Secretary of Defense, shall be furnished each mother or widow included in any pilgrimage for the entire distance at sea and on land and while sojourning at the place where such cemetery is located and while en route in the United States from home to port and from port to home. Cabin-class accommodations shall be furnished for all transportation at sea. No mother or widow shall be entitled by reason of any payment made by or for her, to be furnished by the Government with transportation, accommodations, meals, and other necessities pertaining thereto different in kind from those prescribed by the Secretary of Defense for the pilgrimage of the particular group.

(h) All pilgrimages shall be made in accordance with such regulations as the Secretary of Defense may from time to time prescribe as to the time, route, itineraries, composition of groups, accommodations, transportation, program, arrangements, management, and other matters pertaining to such pilgrimages.

SEC. 3. (a) In carrying into effect the provisions of this Act the Secretary of Defense is authorized to do all things necessary to accomplish the purpose prescribed, by contract or otherwise, with or without advertising, including the engagement by contract or otherwise of such personal services as may be necessary without regard to civil-service requirements and restrictions of laws governing the employment and compensation of

employees of the United States, and to detail for duty in connection with the pilgrimage such officers of the Army, Navy, or Air Force for such time as may be necessary without regard to existing laws and regulations governing the detail of officers. Any appropriations for carrying this Act into effect shall be available for the payment in advance of such per diem allowance in lieu of subsistence and other traveling expenses as may be prescribed by the Secretary of Defense for the travel of pilgrims and for the payment of mileage, reimbursement of actual traveling expenses or per diem in lieu thereof, as authorized by law, to officers of the Army, Navy, or Air Force, and pay and traveling expenses of civilian employees, including civilian employees of the National Military Establishment who may be temporarily detailed for this service.

(b) There are authorized to be appropriated such sums as may be necessary to carry into effect the provisions of this Act.

SEC. 4. As used in this Act—

(a) The term "mother" means mother, stepmother, mother through adoption, or any woman who stood in loco parentis to the deceased member of the military or naval forces for a period of not less than five years at any time prior to the eighteenth anniversary of the date of birth of such member of the Armed Forces.

(b) The term "widow" means a widow who has not remarried since the death of the member of the military or naval forces.

HOME RULE FOR THE DISTRICT OF COLUMBIA

Mr. MORSE. Mr. President, before commenting briefly on several items I wish to discuss, let me say that this morning I testified before a subcommittee of the Committee on the District of Columbia in opposition to the administration's so-called home rule bill for the District of Columbia. In my opinion S. 659 is a shocking proposal for a compromise of the rights of first class citizenship in the District of Columbia.

The present occupant of the chair is the distinguished Senator from Alaska [Mr. BARTLETT]. I made use of him as my chief authority in the hearing this morning before the District of Columbia Subcommittee on the Judiciary. Upon that occasion, in his absence, I expressed to the subcommittee the views which I now wish to express to him in person. I wish to express my deep appreciation for the authoritative testimony he had previously given before the same subcommittee. I know of no Member of Congress and no one else in the Nation who is better qualified as an authority and an expert to testify on territorial rule.

The Senator from Alaska, now presiding over the Senate, was for many years the nonvoting Delegate in the House of Representatives from the Territory of Alaska. He made a great record, as he is making a great record as a Senator.

The Senator from Alaska knows the pitfalls of territorial rule. The Senator from Alaska knows what a march backward it would be for the Congress to make the District of Columbia a Territory in 1959. It is almost impossible to believe that any administration would make such an absurd proposal of backwardness in 1959.

I quoted at length this morning from the brilliant testimony which the Senator from Alaska gave on a previous occasion before the same subcommittee. I incorporated it in my testimony, and associated myself with the observations of the Senator from Alaska.

I invited attention to the fact that the Senator from Alaska pointed out in his own testimony that this so-called home rule bill did not provide any democratic government for the people of the District of Columbia. It provided for an appointed executive—responsible to whom? To the appointing authority, not to the people of the District of Columbia.

As the Senator from Alaska pointed out in his testimony before the subcommittee, under the terms of the bill, S. 659, the appointed executive would keep his eye open to see whether or not the appointing authority smiled on his course of action as Governor.

I did not wish to forego this opportunity to thank the Senator from Alaska for his statesmanship and for the great help he was to us in his testimony. As one of those who have been fighting for many years in the Senate for true home rule for the District of Columbia, I was glad that the Senator from Alaska pointed out the shortcomings of a so-called territorial home rule, based upon his own experience as a Delegate for many years from the Territory of Alaska.

In my testimony this morning I discussed again the administration proposal which is based upon expediency. It is said that we should pass this bill in the Senate, because if we do so, perhaps the House will pass some home rule bill. I said then, and I repeat on the floor of the Senate this afternoon, that we, as Senators, have the obligation and the trust to protect the legislative processes of the Senate, and not compromise them, not pollute them, not turn the floor of the Senate into a sort of pretrial conference hearing before meeting in conference with the House.

The argument that we should vote for the bill because we might get it through the House completely ignores the conference procedures of the Senate and of the House. Our duty and our trust is to pass the kind of home rule bill that we, the Senate, think the people of the District of Columbia should have. If the House will not go along, and passes an inferior bill, we have the conference procedure to iron out our differences, if possible, on the basis of conscionable compromise.

I am keenly disappointed that there are those who think we would be acting within the proprieties if we were to pass a territorial bill, on the basis of the argument that we should pass less than what we think the people of the District of Columbia ought to have because then we would have a chance of getting the bill through the House. Such a course would pollute the legislative stream. It would compromise principle. We cannot compromise principle even so little and have any left, because the moment we compromise it we destroy it.

The argument is made that we should pass the bill because once there was a territorial form of government in the District of Columbia; but the proponents of the argument forget to tell us, or never did their homework so that they never learned it in the first place, that the period of Territorial government in the District of Columbia was a colossal failure. It lead to great corruption. It was such an irresponsible government of the District of Columbia that a joint committee of the Congress was appointed to investigate it. On July 20, 1874, there was presented to the Senate the result of the investigation, together with the recommendation that the Territorial government be abolished because it was such a colossal failure.

I have discussed at length this morning the territorial history of the District for the benefit of the nonreading editors of the Washington Post. The Washington Post, in April 1959, wrote an editorial in support of the administration's alleged home-rule bill. They had something to say in support of the territorial bill, and made the point that we once had a territorial form of government in the District of Columbia. Of course, the trouble with the editorial writers of the Washington Post in 1959 is that they did not read the editorials of the previous editorial writers of the Washington Post for many years in the past. I put into the committee record this morning editorial after editorial from the Washington Post in support of the basic provisions of the Neely-Morse bill, which three times passed the Senate, in principle. It is a bill which calls for the election of a mayor, and which provides for the right of franchise of the citizens of the District of Columbia in running their local government.

When the present editorial writers of the Washington Post wrote the editorial in April 1959 they apparently had not even read what was previously published by the Washington Post on the matter of home rule. They obviously had not read the history of the territorial form of government just a few years back, in the 1870's. So bad was that experience that the Congress abolished the territorial form.

I do not know what we are going to do to get people in Congress and people in responsible positions of public opinion formation to do their bookwork. I wish to say that I think the reiteration and reemphasis of the testimony of the present occupant of the chair, the Senator from Alaska [Mr. BARTLETT], in opposition to a territorial home-rule bill in the District of Columbia had a telling effect this morning, as far as the record of the District of Columbia Committee is concerned. I, fresh from the hearing, after about 3 hours of testimony, wish to take advantage of this first opportunity to thank the Senator from Alaska for the great support he is giving us on this issue. I also wish to thank the Senator from Maryland [Mr. BEALL], who has also stood shoulder to shoulder with us. He also testified before the committee at an earlier session and made very clear his position in support of a true home-rule bill, such as the Neely-Morse bill of years past, which has now become the Morse bill, but which is almost identical with the bill the Senator from West Virginia, Mr. Neely, now deceased, and I worked out years ago.

I close these comments on home rule by saying, as I did in the committee this morning, that I never purport to speak for the dead. I am always surprised and somewhat shocked at the presumption of some Members of Congress and others, sometimes, to purport to speak for the dead, when they try to tell us what the position of some great leader who has gone beyond would be if he were alive today. I do not purport to speak for the great Matt Neely. I put into the RECORD the last statement he made from his hospital bed at Bethesda Naval Hospital in opposition to a territorial home rule bill and in support of a home rule bill which rests on the major principle of the election of a mayor.

Mr. President——

The PRESIDING OFFICER. The Senator from Oregon.

PERSONAL STATEMENT OF SENATOR MORSE

Mr. MORSE. Mr. President, while I was in committee this morning, testifying, the chairman of the Committee on Foreign Relations, the Senator from Arkansas [Mr. FULBRIGHT] made a statement on the floor of the Senate in support of the statement I made yesterday in answer to the libelous charge contained in the Christian Science Monitor and the Pendleton East-Oregonian in the form of an article written by Mr. Neal Stanford, in which he lyingly and falsely charged that at the Herter nomination hearings I brought into the hearing my own tape recorder and proceeded to tape the testimony of Mr. Herter in answer to a series of questions that I put to him.

I wish publicly to express my appreciation to the chairman of the Committee on Foreign Relations for his statement on the floor of the Senate today, as I have in a written note to the Democratic whip, the Senator from Montana [Mr. MANSFIELD], who presently is on the floor of the Senate, and who yesterday afternoon, when I first raised this matter of personal privilege, rose in his place and also added his testimony to the fact that this libelous charge distributed by these two papers was a pure fabrication on the part of Mr. Stanford.

Mr. President, yesterday I sent a telegram to the editor of the East Oregonian and to the editor of the Christian Science Monitor, calling their attention to the libelous nature of this story, and today I have supplemented those two wires with letters to each one of those editors. They speak for themselves. I ask unanimous consent that the telegrams and the letters be published in the RECORD, at this point.

There being no objection, the telegrams and letters were ordered to be printed in the RECORD, as follows:

MAY 14, 1959.

Mr. ERWIN CANHAM,
Editor, Christian Science Monitor,
Boston, Mass.

I have just been informed that the Christian Science Monitor recently published a libelous story about me written by Neal Stanford. The Oregon press reports that Stanford published in your paper a story that I had hooked up a wire recording device to take down Secretary Herter's testimony in the Foreign Relations Committee on confirmation of his appointment to be Secretary of State.

If such a story appeared in your paper, it not only is an absolute lie but is libelous and I wish to advise you that I shall hold your paper responsible for any such libel.

WAYNE MORSE,
U.S. Senator.

MAY 14, 1959.

Mr. BUD FORRESTER,
Editor, Pendleton East Oregonian,
Pendleton, Oreg.

DEAR MR. FORRESTER: Your editorial of May 4 entitled "In Another Perspective" has just come to my attention. In it you purport to quote an article from the Christian Science Monitor by Neal Stanford as follows:

"For some unexplained reason Senator MORSE had hooked up his own wire recording device to take down his fairly frank and forthright exchange with Mr. Herter, but if he hoped to have on tape something that could embarrass the prospective Secretary, he failed totally."

I wish to advise you that any statement by anyone that I had hooked up a wire recording device to take down Secretary Herter's testimony is an absolute lie. I respectfully request an immediate retraction of this libelous statement printed by you in your editorial.

I never expect objective reporting of my work in the Senate in your paper, but I had always thought that you would have the decency to avoid libel.

WAYNE MORSE,
U.S. Senate.

MAY 15, 1959.

Mr. ERWIN CANHAM,
Editor, Christian Science Monitor,
Boston, Mass.

DEAR MR. CANHAM: This letter is in further reference to the telegram I sent you yesterday concerning an article in the April 25 issue of the Monitor by Neal Stanford, in which it was stated:

"Senator MORSE, Capitol gadfly, tried half a dozen ways to trap the prospective Secretary into exhibiting an inadequacy for the top State Department post. * * * For some unexplained reason Senator MORSE had hooked up his own wire recording device to take down his fairly frank and forthright exchange with Mr. Herter. But if he hoped to have on tape something that could embarrass the prospective Secretary, he failed totally."

As the enclosed pages of the CONGRESSIONAL RECORD carrying my brief statement on this matter show, there is no basis in fact whatsoever for the libelous statement that I used a recording device to take down the Herter testimony.

This excerpt from your paper is being used by the press in my State to discredit me by informing the people of Oregon that I am guilty of unethical practices in the Senate. I have informed those papers, as well as you, that I hold them responsible for this libelous statement.

The hearing at which Mr. Herter testified before the Foreign Relations Committee was a public hearing. An official transcript of record was taken by the official reporters of the Senate, as is the case with all public hearings of Senate committees. Various television and radio networks made films and tapes during Mr. Herter's testimony.

However, I had nothing whatsoever to do with any of the newspaper, television, or radio reporting of the hearing. I had no tape or wire recorder of any kind, nor have I ever used such a device at a Foreign Relations Committee hearing or any other hearing. The statement that I did is a complete and absolute fabrication.

Furthermore, if you will read my examination of Mr. Herter, you will find that there is no basis for Mr. Stanford's false representation of my motives in questioning Mr. Herter, either. I was strongly supporting his nomination; my questions were framed for the purpose of strengthening his position in respect to Berlin, not weakening it. My questions were intended to help him clarify some previous testimony which he had given at an executive meeting of the committee which had resulted in considerable confusion and misunderstanding as to his position on the Berlin issue. Members of the press, including Mr. Stanford, obviously were not aware of that fact and, therefore, did not understand that my questions were framed to help Secretary Herter clarify his previous statements.

It was my purpose to give Mr. Herter a public platform from which to state his views on Berlin, so his position might be strengthened relative to the many military spokesmen who have come before our committee to say that they were prepared to use military force, including nuclear war, as our primary answer to Soviet ambitions in Berlin.

Your newspaper is widely respected and enjoys high repute; in keeping with your tradition, I believe a correction of your false and damaging story is in order.

Sincerely,

WAYNE MORSE.

MAY 15, 1959.

Mr. BUD FORRESTER,
Editor, Pendleton East Oregonian,
Pendleton, Oreg.

DEAR MR. FORRESTER: This letter is in further reference to your editorial of May 4 about which I wired you yesterday.

In your editorial entitled "In Another Perspective" you quoted a story written by Neal Stanford in the Christian Science Monitor, in which he wrote of the hearing in the Senate Foreign Relations Committee of the nomination of Christian Herter to be Secretary of State:

"Senator MORSE, Capitol gadfly, tried half a dozen ways to trap the prospective Secretary into exhibiting an inadequacy for the top State Department post. For some unexplained reason Senator MORSE had hooked up his own wire recording device to take down his fairly frank and forthright exchange with Mr. Herter. But if he hoped to have on tape something that could embarrass the prospective Secretary, he failed totally."

Your use of this excerpt in your editorial is obviously intended to leave the impression with your readers that their senior Senator indulged in an unethical practice.

As I notified you by telegram, and as I also notified the editor of the Christian Science Monitor, the statement that I used a wire recording device in those hearings, or in any hearings, is a complete fabrication, and I hold both your paper and the Christian Science Monitor responsible for this libel.

The enclosed discussion of the incident on the floor of the Senate makes perfectly clear that no such device was used by me.

The hearing at which Mr. Herter testified was a public hearing. An official transcript of record was taken by the official reporters of the Senate, as is the case with all public hearings of Senate committees. Various television and radio networks made films and tapes during the Herter testimony. However, I had nothing whatsoever to do with any of the newspaper, radio, or television reporting of the hearing.

I had no tape or wire recorder of any description, nor did any other Senator.

Therefore, it is an outrageous misrepresentation of fact to print a story designed to give the impression that I engaged in some unethical or improper activity in my examination of Mr. Herter by stating to your

readers that "For some unexplained reason Senator MORSE had hooked up his own recording device."

Further, if you will read my examination of Mr. Herter, you will find that there is no basis whatever for your false representation as to my motive in questioning him as I did. I strongly supported his nomination; my questions were framed with the purpose of strengthening Mr. Herter's position in respect to the Berlin crisis—not to weaken it. My questions were intended to help him clarify some previous testimony which he had given at an executive meeting of the committee which had resulted in a considerable amount of confusion and misunderstanding as to his position on Berlin. Members of the press, including Mr. Stanford, obviously were not aware of that fact and did not understand that my questioning was intended to help Secretary Herter clarify his previous statements.

By giving Mr. Herter a public platform from which to declare his views on Berlin, I hoped to strengthen his hand with reference to the views that have been expressed to our committee by military leaders who are ready to start a war over Berlin as the first step, rather than the last step, in thwarting Soviet ambitions.

It is unfortunate indeed for the people of my State, who are 3,000 miles away from the scene, that you are so anxious to discredit my work in the Senate that you printed not only a false conclusion about my motives, but a complete fabrication about my actions in an important Foreign Relations Committee hearing.

Sincerely,

WAYNE MORSE.

Mr. MORSE. Mr. President, let me restate again—and it needs to be restated to clarify the background and history of my examination of Mr. Herter at the time of the hearing on his nomination—that this was a public hearing, not an executive session, conducted in the full view of the public and the press and radio and television. Anyone who was there knows that during the course of the hearing there were television networks represented and radio networks represented. I judged, from the flashing bulbs and from the lights and the microphones that I saw in front of the witness, that a part of the public record was being filmed and recorded by the networks.

As every member of the Foreign Relations Committee knows, the senior Senator from Oregon had nothing to do with that process whatever.

The point I wish to pinpoint once again is that this reporter, Mr. Stanford, who is either a liar or an incredibly poor reporter, wrote a story that left the impression with the reader that the senior Senator from Oregon was guilty of what would have been a highly unethical practice, one of bringing into that hearing room a recorder of his own and seeking on his own to make a recording of Mr. Herter's testimony for the inexcusable purposes of motivation which this quack reporter attributed to me in his article.

It is never pleasant to criticize the press. But when the press fails in its journalistic ethical responsibilities to the American people, officeholders should have the courage to take it to task. I always have, and I always will.

The kind of yellow journalism which is represented by the false story written by Mr. Stanford, and published in the Christian Science Monitor and in the East Oregonian in my own State, represents the kind of disreputable journalism in America which people ought to be willing to stand up and protest against, in the hope that the good journalists of the country will make known their disapproval.

If I am not mistaken the editor of the Christian Science Monitor was just elected national president of the U.S. Chamber of Commerce. I feel certain, as I said in my letter to him, that he, being the editor of one of the great newspapers of America, will surely want to take the steps necessary to correct this libelous wrong which his newspaper has done. Surely in the new position he now occupies as leader of a great business organization, he has the additional obligation of doing what he can to clean up bad journalism by speaking out for honest journalism.

COST OF FARM PRICE SUPPORT PAYMENTS

Mr. MORSE. Mr. President, there has been much loose talk—I might say irresponsible talk—about the cost of farm price support payments. An editorial published in a pictorial magazine of national circulation, a magazine which, incidentally, enjoys what is in effect a postal subsidy of about $9 million a year, strongly suggests through the use of scare statistics that support payments ought to be curtailed, if not abolished.

The editorialist would have the public believe that the farm support program has cost the taxpayer $18 billion in the past 25 years. This is simply not so. In support of my contention, I ask unanimous consent that an article entitled "Uncle Sam Has Recovered 84 Cents on Each Dollar Spent on Farm Supports," which was published in the Farmer Union Herald of May 4, 1959, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNCLE SAM HAS RECOVERED 84 CENTS ON EACH DOLLAR SPENT ON FARM SUPPORTS

The Government will get back at least 70 cents of each of the approximately $9 billion it currently has invested in farm commodities, according to recently released USDA statistics.

Seventy cents on the dollar has been the recovery rate in recent years, and prior to time flexible supports entered the White House in 1953, the recovery rate was even greater, so that the overall average for the entire 25 years that the price support program has been in effect is 84 cents on each dollar.

These facts explode completely the impression administration spokesmen are attempting to create with city people that the money the Government has tied up in farm commodities is money tossed down the drain.

Arthur W. Stockdale, editor of Agribusiness Outlook, emphasizes in a recent issue of that publication that the $9 billion the Government has invested in farm commodities is a good investment.

"The $9 billion has been pumped directly into the economy," Stockdale writes. "Most of it went to farmers who, in turn, spent it in their local communities, thus, helping to stimulate business. Hundreds of millions were paid to processors, rail and truck companies, the storage industry, etc. These expenditures fanned out through the entire economy and affect such things as industrial production, city employment, and consumer incomes."

Mr. MORSE. Mr. President, I have always believed that the best remedy for propaganda is a short dose of the truth. What are the facts? In this instance, if we are to believe the statistics issued by the U.S. Department of Agriculture, even under the Benson program 70 cents on the dollar expended upon price supports is recovered. I will willingly grant that the recovery since 1953 is far less than in earlier years of the program. But the overall recovery figure of 84 cents on the dollar is a far cry indeed from the editorialist's contention that the money is all down the drain.

I note that the article points out that we have at present an investment of about $9 billion in commodities. For the reasons cited in the article, in my judgment, this is an investment which has done and will do good.

Certainly we could be doing more with our farm programs than we are.

We could, for example, adopt a form of the food-stamp plan to get the surplus commodities out of storage and onto the tables of the far too many men, women, and children in our own and other countries who do not have enough to eat.

We could dump these farm surpluses into empty stomachs. By so doing, in my opinion, we would use one of the most effective weapons we have available to us in the whole world against communism. We could put into practice our moral preachings, which are being questioned in many parts of the world as tinged with much hypocrisy. We could take the very sensible and farsighted action of buying up from the market some of the excess 15 million hens glutting our markets. These could be prepared as nourishing food for the school lunch program.

I am informed that egg prices are now at their lowest since 1944. In fact, on this point I wish to state for the record my understanding egg prices are the lowest since 1944; broiler prices are the lowest since 1940, except for the last 4 months of 1958. I would suggest that this type of surplus could very well be purchased in connection with the school lunch program.

Mr. President, chicken and eggs added to the school lunch program and to surplus food for welfare uses might seem too simple a solution for some, but the suggestion has this positive merit: It would, without disturbing the normal channels of trade, make sure that the food provided us by the Almighty goes for the satisfaction of human needs.

Last year, on April 15, Oregon farmers were receiving 40 cents a dozen for eggs. On April 15, 1959, according to U.S. Department of Agriculture figures, the average price was 35 cents a dozen. That is a fairly substantial drop. Under parity prices the dozen eggs ought to bring the farmer 47.5 cents.

Last year, on April 15, Oregon farmers received 19.4 cents a pound for live chickens; this year on April 15 they received 16.4 cents a pound.

These statistics serve to underline the fact that our farmers again are being used to hold the cost of living constant. Mr. President, I ask unanimous consent that an article entitled "Falling Farm Prices Stabilize Cost of Living," published in the Farmer Union Herald of May 4, 1959, be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FALLING FARM PRICES STABILIZE COST OF LIVING

The cost of living held steady again during the past month, and the administration is proudly hailing this stabilization of living costs as one of its most significant accomplishments.

Administration spokesmen, however, are not so proud about the method they have used to achieve this accomplishment and have said nothing about the fact that they have used falling farm prices to gain their goal—that farmers have been made to pay for virtually the entire stabilization process.

No less an authority than Ewan Clague, head of the Bureau of Labor Statistics, admitted this fact when he recently declared: "The only reason the cost of living is holding steady is because farm prices keep going lower."

The Wall Street Journal recently summed up the situation thusly: "For the last 9 months, the Consumer Price Index has remained within a narrow range. Most items in the index rose during the past month, but these increases were offset by a drop in food prices."

In other words, farm and food prices are going down while prices of other goods and services are going up. That means farmers are paying the bill as the administration holds the cost of living steady.

LABOR DISPUTE IN NEWFOUNDLAND

Mr. MORSE. Mr. President, 1959 is a banner year in the history of Newfoundland. Ten years ago it became a member of the Canadian Union of Provinces. It is a pity that this year of celebration must be marked by a labor dispute which finds the government of Newfoundland in a shameful posture.

In the New York Times of March 26 there appeared a personal vignette describing a "stormy Newfoundlander," one Joseph Roberts Smallwood, Premier of that Province. Smallwood was the moving figure in 1949 when Newfoundland became a part of the Canadian Confederation. He has now taken sides against a labor organization under circumstances which hearken back to our own black days of violence and discriminatory laws, and the like, used against citizens joining together attempting to better their working conditions.

The dispute is now marked by a 4-month-old strike involving approximately 10,000 logging employees of the Anglo-Newfoundland Development Co. and the Bowater Paper Co. The organizing period of this dispute has been going on for several years. The technicalities of abiding by the election machinery required many months of patience in complying with the peaceful procedures of obtaining certification. The principal labor organization involved is the International Woodworkers of America, many of whose members are respected citizens in the State of Oregon and in the States of many Members of this Senate. This union has not been cited before the McClellan committee. No one can honestly assert that it is in any way Communist dominated. Indeed, it is now one of the affiliates of the AFL–CIO.

Its international president is Mr. Al Hartung, of my State. I know him to be a thoroughgoing anti-Communist. I know him to be one who has taken one of the leads in the American labor movement against any Communist infiltration of the ranks of labor. I know him to be a great humanitarian. I know him to be one who believes in democratic procedures within the American labor movement, with the result that his union is one of the most democratic unions in the Nation. And, Mr. President, I know of no democratic procedure essential to protecting the democratic rights of the rank-and-file members of a union that is not made available to the members of the International Woodworkers of America.

Mr. President, those who wish to see a true democratic union—the type that we urged should be guaranteed to the rank and file of American workers when we fought, this year, for the reporting by the Senate Committee on Labor and Public Welfare and the passage by the Senate of the Kennedy-Ervin reform bill—should look at the International Woodworkers of America, as a good example of such a democratic union.

When the union, by secret ballot, polled a majority vote of approximately 6 to 1, it was certified; and bargaining negotiations were started.

In Newfoundland, when an impasse is reached, a panel is appointed by the Newfoundland Labor Relations Board. The board supplies the chairman of the panel, of which the other two members are representatives of the parties of dispute. The panel so appointed reached a unanimous recommendation that the workweek be reduced from 60 hours to 54 hours without loss of take-home pay. The panel also recommended a 2-year contract which at its termination date would have increased the basic wage 5 cents over the existing $1.05 rate. The Anglo-Newfoundland Development Co., which was the principal employer involved, rejected this rather modest settlement, as recommended by the panel. After an overwhelming vote in favor of a strike to support the panel's recommendations, a strike was called, and it started on New Year's Eve, last.

What has happened since that date I should like to take the time to describe in detail. However, because the facts speak for themselves, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks the New York Times clippings of March 17, March 19, and March 26, an article in the Christian Science Monitor of March 25, an article in the Wall Street Journal dated March 20, 1959, and a news item of March 21 in the AFL–CIO News.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Without objection, it is so ordered.

(See exhibit 1.)

Mr. MORSE. Mr. President, these clippings show a shameless attack by Mr. Smallwood upon the rights of the citizens of the Province of Newfoundland.

The culmination of Smallwood's intervention occurred in March, when the Newfoundland Legislature passed legislation specifically removing bargaining rights from the International Woodworkers of America, and imposing heavy fines for any picketing by the union so outrageously decertified. Smallwood then headed an effort to organize a union to supplant the Woodworkers. That was the old company-union tactic, Mr. President. It is noteworthy that the Prime Minister of Canada, John Diefenbaker, has directly charged Smallwood with aggravation of this serious situation.

It is, of course, unfortunate to have to criticize our friends—indeed, our close friends—among the community of nations. Mr. President, if it were not for the very serious situation which has developed in Newfoundland in respect to the denial of precious economic rights of freedom to the woodworkers in Newfoundland, I would not make these observations on the floor of the Senate today. But after giving most thorough study to the record of this labor dispute in Newfoundland, and inasmuch as I am a member of a subcommittee of the Senate Foreign Relations Committee which deals with United States-Canadian affairs, I would consider myself derelict in the performance of my duty as a Senator if I did not, in speaking today on the floor of the Senate, call the attention of the people of Canada to what I consider to be the great injustice to free workers that is being practiced upon them today in the Province of Newfoundland.

Many countries throughout the world would never have permitted the beginnings of union organization. We therefore have no opportunity for criticizing them for disregarding rights which in this country we deem essential. Nevertheless. I shall not let pass unnoticed the black events which have marred the year 1959 in Newfoundland history.

Mr. President, I yield the floor.

EXHIBIT 1

[From the New York Times, Mar. 17, 1959]

MOUNTIES' CHIEF QUITS IN DISPUTE—DIEFENBAKER ATTACKS HEAD OF PROVINCE ON LOG STRIKE

(By Tania Long)

OTTAWA, March 16.—The Newfoundland labor dispute brought about the resignation of the head of the Royal Canadian Mounted Police today and an attack by the Prime Minister on the head of the Newfoundland Government.

The resignation of the Mounted Police head, Commissioner L. H. Nicholson, a veteran of 36 years' service, was announced in a hushed House of Commons. The house had just heard Prime Minister John Diefenbaker assail Joseph Smallwood, Premier of Newfoundland.

Mr. Diefenbaker charged that Mr. Smallwood had greatly aggravated the labor situation in his province by intervening in the bitter 75-day strike of about 11,000 loggers. Premier Smallwood has outlawed the International Woodworkers of America, which is striking against two large lumber companies, and organized a new union, whose members

are gradually taking over the jobs vacated because of the strike.

This, the Prime Minister said, was going beyond the usual role of government.

Commissioner Nicholson resigned because he felt the Federal Government, under terms of the contract by which the Canadian Mounted Police acts as the provincial police force in Newfoundland, should have sent additional reinforcements to deal with violence in the loggers' strike last week.

The situation that developed today is felt to have broad national implications. For the Mounted Police, a nonpolitical organization, to be involved in a quarrel between the Federal Government and a Provincial regime as well as in a labor-management dispute, is disturbing to many Canadians.

Prime Minister Diefenbaker rejected Mr. Smallwood's request for a judicial inquiry into the labor situation in Newfoundland and asked for a cooling-off period of 2 weeks. He did not give any hint whether he would seek to disallow the Newfoundland legislation aimed at ousting the International Woodworkers Union from the Province, as is the Federal Government's right under certain conditions.

ATTORNEY GENERAL EXPLAINS

Other charges against Premier Smallwood were made by E. Davie Fulton, Canada's Minister of Justice and Attorney General. Outlining the Government's reasons for not meeting Newfoundland's request for police reinforcements last week, Mr. Fulton in effect said that Premier Smallwood was taking sides in the labor dispute.

The reasons for Commissioner Nicholson's resignation were made public in an exchange of letters read by Mr. Fulton. The Commissioner said he felt that the Government, having the men available, was dutybound to send an additional police force to Newfoundland.

Since Premier Smallwood's request appeared to be for aid in supporting a union and not merely for maintaining order, Mr. Fulton explained, the Government decided not to provide that assistance.

NEWFOUNDLAND PLANS LEGAL SUIT

ST. JOHN'S, NEWFOUNDLAND, March 16.—Premier Smallwood declared in the Newfoundland Legislature today that the Province would file suit in the Exchequer Court of Canada against the Federal Government for breach of contract in refusing to send police reinforcements as requested.

[From the New York Times, Mar. 19, 1959]

VIOLENCE RECURS IN NEWFOUNDLAND—BAND OF MEN WRECKS OFFICE OF STRIKING LOGGING UNION DESPITE TRUCE APPEAL

(By Raymond Daniell)

ST. JOHN'S, NEWFOUNDLAND, March 18.—Prime Minister John Diefenbaker's plea for a 2-week cooling-off period in the Newfoundland loggers' strike was answered early today by a new outbreak of violence.

A band of men wrecked the office of the International Woodworkers of America at Bishop's Falls. The union has been on strike against the Anglo-Newfoundland Development Co. since December 31.

Five union members who had been assigned to protect the office escaped without injury through the back door. The incident, one more in a long list of outbreaks of violence, occurred in a community of about 2,500 about 10 miles from Grand Falls.

About half the population of Bishop's Falls are loggers. The rest are railway employees who sympathize with the striking loggers, whose union has been outlawed by the Newfoundland Government.

Premier Joseph Smallwood has not only outlawed the striking union but has organized another to take its place. The new union, the Brotherhood of Newfoundland Woodsworkers, has signed a contract with the paper company on terms more moderate than those of the strikers, who are affiliated with the AFL–CIO in the United States.

WEATHER IS A FACTOR

The strike has now become a contest with the weather. C. R. Tittemore, mill manager for the paper company, said today that if the cold weather held for 2 more weeks, the winter log drive would be completed.

Logs cut earlier in the year can be moved only over ice roads through the forests. When the thaw comes it will be impossible to move the raw material of paper from the woods to the mill.

Logging and fishing are linked in this island province. Summertime fishermen become winter woodsmen. Hank Skinner, an organizer for the outlawed IWA, said today that the company would be faced with a manpower shortage when the fishing season reopened.

However, right now the company claims to have 1,200 men in the woods in about 45 of Anglo-Newfoundland's 60 camps. That is about the number of IWA members who are on strike.

The union says it is distributing relief checks of $30 a month to about 1,100 strikers. In addition to the relief checks the union is issuing grocery vouchers worth $5 for each logger and his wife and $2 for each child.

HOW THE STRIKE BEGAN

GRAND FALLS, NEWFOUNDLAND, March 18.—The loggers' strike began when the Anglo-Newfoundland Development Co. turned down a conciliation board report recommending a 5-cent hourly wage increase over 2 years in the basic rate of $1.05, plus a 6-hour cut in the 60-hour workweek with no loss in pay. The package would have raised the basic hourly pay to $1.22.

The Brotherhood of Newfoundland Woodsworkers, which claims 5,000 members, signed a 1-year agreement last week providing a 5-cent hourly pay rise with no change in hours, plus a 9-cent increase in the piecework rate of $7.13 a cord.

[From the New York Times, Mar. 26, 1959]

STORMY NEWFOUNDLANDER

(Joseph Roberts Smallwood)

Premier Joseph Roberts Smallwood, who has vowed to drive international unions out of Newfoundland, is a former labor organizer himself. This has not prevented him from becoming the stormiest figure in Newfoundland's strike of loggers, which has hindered production for months. Back in the 1920's he walked 700 miles across his island province and successfully organized the railroad sectionmen against a proposed cut of 2½ cents in their wage of 25 cents an hour.

He says the walk took 3 months, 3 pairs of shoes and 20 pounds of flesh.

From 1932 to 1936 he cruised the northeast coast of Newfoundland as owner and cook of a 40-foot yacht, organizing fishermen into an independent union.

He has just organized the Brotherhood of Woodsworkers to supplant the International Woodworkers of America, a Canadian branch of a U.S. union he has described as the loggers' bargaining agent.

NEWSPAPER MAN AND FARMER

His activities as a labor organizer were only one part of his career. He has been a newspaperman, an author, a radio performer, and a farmer.

He even campaigned in New York State for Robert M. La Follette, progressive candidate for President in 1924. He once tangled on the platform with the wife of a rising young politician who, he learned later, was Franklin D. Roosevelt.

During the last war he kept 700 pigs on a farm at Gander and sold meat to the Armed Forces.

Mr. Smallwood, a Liberal, has been Premier of Newfoundland since 52 percent of its voters chose union with Canada in 1949. He led the campaign for confederation. He has declared, however, that he will lead Newfoundland out of confederation before we'll accept the status of second-class citizens.

The Premier, whose province was one of the few in Canada to withstand the landslide for Prime Minister John Diefenbaker's Conservatives in the last election, insists that he is not a professional politician.

He plans to retire to his 400-acre farm, the largest cleared area in Newfoundland, about 60 miles from St. John's, the capital, upon completion of his mission. This, as he has said repeatedly, is to bring Newfoundland's standard of living up to the level of the rest of Canada.

He plans to do this by exploiting the vast mineral resources of Labrador, developing secondary industries and bringing a third papermill to the province, along with welfare legislation.

His friends say that for all his travels and experience he is naive in his judgment of people. He is fanatically loyal to his friends and often blind to their shortcomings.

As an example, Newfoundlanders cite the incident of his trusted right-hand man, Alfred Valdmanis, who was sentenced to 4 years in prison for frauds committed while director general of economic development.

Mr. Smallwood was born on Christmas Eve, 1900, at Gambo on the northeast coast of Newfoundland. His father, a surveyor wanted his son to become a minister of the United Church. But while Mr. Smallwood still says he thinks John Wesley was the greatest man who ever lived, he went instead to St. John's to work on the Daily News there.

Later he worked for the Boston Herald and freelanced in New York. He has written six books, including one called "The Book of Newfoundland," in two volumes.

[From the Christian Science Monitor, Mar. 25, 1959]

LABOR RIFT CHALLENGES NEWFOUNDLAND'S STATUS

(By Norman DePoe)

ST. JOHN'S, NEWFOUNDLAND.—As this island province nears the 10th anniversary of its admission to the Canadian Confederation, it finds itself torn by internal strife, and at loggerheads with the central government in Ottawa. There are even some voices raised in favor of secession, to be followed either by independence or economic union with the United States.

At the bottom of the situation is a bitterly contested strike by the International Woodworkers of America against the Anglo-Newfoundland Development Co., whose vast pulpwood holdings dominate the economy of central Newfoundland. Premier Joseph Smallwood, the dynamic Liberal leader whose eloquence was largely responsible for the island joining Canada in the first place, has taken an uncompromising stand against the IWA.

The Newfoundland House of Assembly has given unanimous passage to a bill decertifying the IWA as bargaining agent for the woods workers, and a Liberal member of the house, C. Max Lane, has organized a new union which has already signed a contract with the company. Its wage gains were considerably smaller than those demanded by the now-outlawed IWA, and the new body has been widely characterized by Canadian labor leaders as a company union.

VIOLENCE BREAKS OUT

The Canadian Labor Congress, which has denounced the Smallwood legislation, is

faced with revolt from member locals which work in the Anglo-Newfoundland Development Co. papermills at Grand Falls, 60 miles inland from the international airfield at Gander. The dispute has been marked by violence both on the part of the IWA and from those who oppose it.

IWA pickets have battled with strong forces of the Royal Canadian Mounted Police sent in to preserve law and order. Mobs have smashed union offices, and unofficial vigilante groups have threatened both IWA officials and newsmen from other parts of Canada sent in to report developments.

To date, Premier Smallwood appears to have been successful in breaking the strike. Most of the AND woods camps now are operating normally.

However, the legacy of bitterness left in the wake of the struggle will—in the view of many—affect both the internal life of the province and the relations between St. John's and Ottawa for months, if not years.

Typical of the internal situation is the small community of Badger, 20 miles west of Grand Falls. Here the dispute has set brother against brother, father against son, and caused deep rifts within church congregations. Most clergymen have urged their flocks to abstain from any further violence, but sporadic outbreaks of fighting continue.

CRITICISM PARRIED

In its relations with Ottawa, the Newfoundland Government is bitterly resentful of criticism of Premier Smallwood's plan to oust the union via special legislation, and of Ottawa's decision not to send further Royal Canadian Mounted Police reinforcements because of the political implications of the situation.

The resignation of Royal Canadian Mounted Police Commissioner L. H. Nicholson in protest against the federal government decision has added weight to Newfoundland's sense of grievance.

Premier Smallwood and his supporters are moved, in part, by a conviction that the IWA is infiltrated by Communists. Their view is supported to some extent by the past history of the union on Canada's west coast. But their greatest concern—and it is hard for an outsider to determine whether this is justified—is lest the two big pulp and paper companies operating in the province might close down operations altogether if faced by a militant union whose wage demands would cut profits to a marginal figure.

BANKRUPTCY LURKS

Despite 15 years of booming postwar development, the Newfoundland economy is still in a precarious state. Its main props are the ancient fisheries, iron ore, and some coal, logging—and the spending power of the thousands of U.S. Air Force personnel stationed here.

Loss of any one of these would plunge the island back into the depression and bankruptcy which kept it for 15 years under British commissionership—in effect, a ward of the United Kingdom, from 1934 to 1949. Population has increased by more than 100,000 since confederation, but the economy has proved unable to absorb the growing labor force. Unemployment, generally high across Canada this winter, has been especially acute in Newfoundland.

Members of the island assembly, while they recognize the shoring up of the province by such federal welfare payments as family allowances and old-age pensions, now are pressing for revision of the terms of confederation. The statutory federal grants to the provincial treasury, they claim, should be increased. They also feel that their status since confederation ("inside the Canadian tariff wall," as one legislator put it recently) has increased the cost of living on the island unduly, and that Ottawa subsidies should be scaled to compensate for this.

COMPANIES DOMINATE

Perhaps a deeper complaint is the general feeling in Newfoundland that mainland Canadians do not understand the special problems of the province. Local newspapers have for weeks been railing at the "slanted mainland press."

In fact, for a mainlander, it is difficult to equate the Newfoundland way of life with the general Canadian concept of the mid-20th century. Company domination of an entire town—to the extent that the company even orders residents when, and how, to paint their houses—seems an anachronism to the rest of the nation.

To Newfoundlanders, however, it is a symptom of their vulnerable economy, something that must be accepted, and perhaps not to irksome. The generally low standard of living (many communities still do not even have waterworks or modern fire protection) is something that Newfoundlanders admit, and are working to improve. But it may yet be many years before this special combination of economic conditions and ingrained tradition can be modified.

Meanwhile, the April 1 anniversary date of confederation is the subject of bitter jokes among many Newfoundlanders. Those who raise the cry of secession are actually few. But they get not unsympathetic hearing from many others. This year the anniversary is likely to have undertones of bitterness.

[From the Wall Street Journal, Mar. 20, 1959]

OUTLAWING OF NEWFOUNDLAND LOGGERS UNION STIRS POLITICAL, LEGAL BATTLES IN CANADA

(By A. J. McKenna)

OTTAWA.—Outlawing of a pugnacious loggers union in the island Province of Newfoundland has provoked awkward political and legal problems for Canada's Federal Government.

The political problem is whether the conservative government of Prime Minister John Diefenbaker can profitably take sides in the struggle between an established union and the liberal government of Newfoundland.

And the associated legal problem is whether the Federal cabinet should use its constitutional power to veto provincial antilabor legislation.

Here is the sequence of events:

Last New Year's Eve, the International Woodworkers of America, affiliate of the million-member Canadian Labor Congress, which in turn is affiliated with the AFL–CIO, called a strike of 1,200 men cutting timber for the papermills of the British-financed Anglo-Newfoundland Development Co. The company said it might have to suspend operations rather than bear the additional $1,200,000 a year wage bill resulting from a conciliation board recommendation of a 17-cent an hour wage increase over the current $1.05.

Picket lines were set up along 200 miles of snow-clad trails in the timber bush. Half dressed nonstrikers were roused from their beds in the middle of the night and forcibly marched 10 miles away from the camps.

In February, peppery Newfoundland Premier Joseph Smallwood, who 10 years ago led the former British colony into the Canadian Confederation as the 10th Province, got up in the legislature and denounced the union as an organization of outsiders. He urged the loggers to desert the IWA and said he would organize a purely Newfoundland union.

STRONG LEGISLATION PASSED

In March, the legislature, composed of 32 followers of the premier and 4 conservatives in opposition, unanimously adopted what has been described as the strongest antilabor legislation ever proposed in Canada. One law specifically removed bargaining rights from the IWA and imposed heavy fines for picketing by such a decertified union.

The second law was stated by the premier to be aimed directly at the International Teamsters Union, not involved in the current strike. He said, "No Teamsters Union will get a toehold in this decent province." This law provides for outlawing any union whose leaders have been convicted of heinous offenses. The bill spelled out dope peddling, manslaughter, white slavery, and embezzlement as crimes in this category.

The premier then set out himself to organize a union to supplant the IWA. It was named the Brotherhood of Newfoundland Woodsworkers and the provisional president is Max Lane, general secretary of the Newfoundland Federation of Fishermen and one of Premier Smallwood's liberal majority in the legislature. The new union says it has a membership of something like 5,000 members.

When the bills passed the legislature, Harvey Ladd, an IWA official, said, "Today will go down in the history of this island as a day on which freedom was stabbed in the back."

Claude Jodoin, president of the Canadian Labor Congress, asked the government to block the Provincial legislation as infringing normal rights and the bargaining powers of labor. The federal government has power to disallow provincial legislation under the Canadian Constitution, but the power is rarely used. A Province of Alberta bill to compel newspapers to publish government statements verbatim was disallowed in 1937 as were measures of the social credit government to print scrip money. In any event, Justice Minister Davie Fulton promised to take Mr. Jodoin's request before the full cabinet. So far no decision has appeared.

Premier Smallwood announced that plans of Crown Zellerbach Corp. to build a papermill in Newfoundland had been abandoned because sales of the Province's newsprint were low and costs were too high.

After the bills were passed, Hazen Argue, head of an eight-man Socialist group in the federal house, denounced both conservatives and liberals for failing to repudiate Mr. Smallwood's acts. After wrestling with this demand for a week, federal liberal leader Lester Pearson came out with a statement saying federal liberals stood by the tradition that workers were right to join a union of their own choice.

VIOLENCE IN NEWFOUNDLAND

Turmoil increased in the Newfoundland woods. On March 10, William Moss, 24, a member of the Newfoundland constabulary, was clubbed across the eyes and died 2 days later. Nine men were arrested in a clash that began when a striking logger assertedly swung an axe at a policeman. As the police attempted to arrest him, 250 men moved against them and there was a 15-minute battle.

What complicates the situation from a federal standpoint is that the Province has a contract for the Royal Canadian Mounted Police to help police the island.

On March 12, Premier Smallwood criticized the Federal Government for failing to send Mountie reinforcements. In the House of Commons, Justice Minister Fulton was being badgered by questions from the opposition benches suggesting the Mounties were being used as strikebreakers. He denied this. He said they had been acting "admirably" under difficult circumstances and had been preserving law and order when they dispersed pickets obstructing traffic on roads.

HEAD OF MOUNTIES RESIGNS

But he found himself in a dilemma on March 16 when he had to announce in the Commons the resignation of Commissioner Leonard Nicholson, head of the Mounties. Commissioner Nicholson did so because he believed Mr. Fulton had broken the contract with Newfoundland by refusing reinforce-

ments and the Commissioner's own deputy on the island had asked for more men to ensure the safety of the small force threatened by strikers.

In his explanation, Mr. Fulton said the Ottawa government believed additional Mounties might not be used strictly for police purposes.

[From the AFL–CIO News, Mar. 21, 1959]

NATIONAL ISSUE IN CANADA: MOUNTIES USE CLUBS TO BEAT STRIKING LOGGERS

(By Gervase N. Love)

A skull-cracking sneak attack by club-wielding police on a group of loggers in the remote town of Badger, Newfoundland, has catapulted a woodworkers' strike and a vicious provincial legislative program aimed at destroying the union into a national issue in Canada.

It led to a denunciation of Premier Joseph Smallwood, of Newfoundland, on the floor of Parliament by Prime Minister John Diefenbaker.

The Prime Minister charged Smallwood had greatly aggravated the situation growing out of the strike of more than 10,000 woodsmen against two major employers, the Anglo-Newfoundland Development Corp. and the Bowater Co., for something more than their $1.05-an-hour wage and something less than their 60-hour workweek.

The attack on the Badger strikers, who for the most part were defenseless, came when a force of more than 60 members of the Royal Canadian Mounted Police and the Provincial constabulary, armed with billies, marched four abreast down the town's main street.

Strikers, preparing to form their picket lines, had just turned back a car of scabs. They stepped back to let the police pass. The uniformed men marched in cadence up to a point where one of them spotted a striker with a piece of birchwood 2 or 3 feet long.

"What's he got there?" cried the mountie. "Get that man."

The police turned and wheeled into the strikers, and the attack was on.

"It was a dark hour for Canada's finest," wrote Ray Timson, Toronto Star reporter, in an eyewitness account.

"The police sticks were 18 inches long. I heard three sickening skull cracks."

The attack lasted about an hour, with police telling the strikers to disperse and in some cases pursuing and clubbing them when they ran. Over the tumult rose the screams of strikers' wives, mothers, and children.

In the Toronto Star account, Timson reported seeing Alfred Forward, 26, "clubbed over the head and beaten about the arms and chest and left unconscious between two parked cars." Timson wrote that when Forward's friend, Chris Lang, was arrested, "four or five policemen converged on him with billies raised and then dragged him away to a patrol car." Another man, he said, "was beaten to the ground and arrested."

When the melee finally died down more than a score of strikers were injured. William Moss, a member of the Provincial constabulary, was taken to a hospital unconscious and later died. Nine union members were arrested and held without charges.

The Provincial constables' primary duty is to police the city of St. John's the capital, although their legal jurisdiction extends to all parts of the Province. Police duties outside St. John's normally are carried on by the RCMP under a contract between the Province and the Federal Ministry of Justice.

In the wake of the battle of Badger, there were these developments:

Federal authorities have delayed action on the request of the Canadian Labor Congress, which is solidly backing the strikers, that Smallwood's legislative program, which outlaws the IWA and sets aside the union's legal certification as bargaining representative of the strikers, be reserved under the articles of confederation by which Canada's provinces bind themselves together. This would have the effect of canceling enactment of the program.

Minister of Justice Davie Fulton, joining in Diefenbaker's attack on Smallwood, refused a request for reinforcements for the RCMP force in Newfoundland on the ground that the police would be used only to break the strike.

Commissioner L. H. Nicholson, head of the RCMP and a veteran of 30 years' experience and due for retirement in a year, resigned in protest against Fulton's action.

Widespread concern appeared to be growing over the fact that the RCMP, traditionally a nonpolitical body, was involved in a dispute between the Federal Government and a Province.

The CLC executive council, at a special meeting in Ottawa called by President Claude Jodoin, laid the basis for tighter coordination of labor's backing of the strike, especially financial support. The CLC also asked for a formal investigation of the Badger attack.

Newfoundland Provincial authorities, in demagogic radio speeches, talked about a citizens' committee of businessmen, veterans, etc., in Grand Forks, center of the strike. The next night the IWA branch office in Windsor, a mile from Grand Forks, was wrecked. The following night another IWA office in Bishop Falls, 10 miles away, was destroyed. Several IWA members reported identifying residents of Grand Falls. There were no arrests.

Smallwood's legislative program is avowedly intended to drive not only the IWA but also the Teamsters out of the Province.

The strike of the loggers, who are attempting to end wage and working conditions outlawed for a generation in organized sectors of the lumber industry, has received the strong support of the AFL–CIO executive council.

PROBLEMS OF VESTED ASSETS AND PAYMENT OF PROPER AMERICAN WAR DAMAGE CLAIMS

Mr. HRUSKA. Mr. President, heretofore on several occasions I have had opportunity to speak about the perplexing questions involved in the vested assets problems and those relating to the payment of all proper American war damage claims. Today, I want to add to my remarks and again express my hope for an early settlement of the issues involved.

I find myself in thorough accord with the views of the able senior Senator from South Carolina [Mr. JOHNSTON], as expressed by him in his statement to the Senate on April 28, 1959. Senator JOHNSTON has been chairman of the Subcommittee on Trading With the Enemy Act, of the Committee on the Judiciary, since the 84th Congress. In that office, he has been able to make a thorough study of the entire subject matter, and has treated it for us from the standpoint of American historical tradition, as well as from the standpoint of our own present-day selfish reasons. The Senator from South Carolina rightly maintains that the vested assets, once privately owned, and seized as a proper wartime measure, should now be returned. He also asserts with equal force that the claims of American citizens for their wartime losses should be paid. The approach made for a solution of these problems is the correct one. There are several reasons which account for this.

In the first place, almost $300 million of the proceeds of vested assets has been used to pay certain limited categories of war claims. Vested German assets have been used to pay war damage claims caused by the Japanese. In the second place, the President, when conferences began in 1954 and 1955, has inseparably linked any return of the proceeds of vested assets with the establishment of a program for the payment of war damages. In fact, the administration's approach in submitting its draft bill in 1955 combined the two programs though limiting the amount of a return of assets to a maximum of $10,000. Such a limited return immediately prompts the question that if it is proper to return $10,000, is it not more fitting and appropriate that a full return be effected? Full payment of all proper damage claims and a full return of all privately owned vested assets can be justified from every point of view.

Let me summarize at the outset certain statistics which are important for a proper consideration of the questions involved in the payment of American war damage claims and the return of vested assets. At the outset of the war, property owned by enemy aliens and found in the United States was seized by our Government. This is standard procedure, and has been for centuries. It is done with the idea in mind of depriving such alien owners of using such property in a harmful way to our own country during hostilities. Such seizures continued until April 17, 1953, long after V–E Day, upon entry of an order by President Eisenhower that they cease.

Almost every conceivable type and specie of property were vested, such as real estate, bank accounts, stocks, bonds, jewelry, works of art, going business concerns, patents, trademarks, copyrights, and so forth. The value of the properties was estimated, as of the dates of their vestings, to be $390,808,000. We have received rents, dividends, and other accumulations which have caused the values to increase to approximately $612 million.

At this point I should like to interpolate to this effect: Considering the increased value to which I have just referred, we should take into consideration not only the accumulation by way of dividends and income from the property, but, likewise, the difference in the value of the dollar.

We have spent in the cost of the administration of the Office of Alien Property considerably more than $50 million. Under the provisions of the War Claims Act of 1948, as amended, and section 39 of the Trading With the Enemy Act, as amended, $228 million has been spent in payment of prisoner-of-war claims, and war damage claims of a limited group of religious organizations. So that a little more than $300 million remains of the present values of vested properties. A corollary question immediatedly arises as to what shall be done to restore the fund to its full amount. How this shall

be done presents another question. This can be done by applying the German repayments to us for our foreign aid, thereby preventing any additional tax burden upon the American people.

Mr. President, the seizure during wartime of such property owned by enemy aliens, is a usual, time honored, and necessary practice. But equally usual, time honored, and necessary is the return of such property to its owners after the war has ceased. Until World War II was over, the United States made such return. Ever since the founding of our Republic, even after World War II, such return to enemy alien owners was made as to all except such assets as were owned by Japanese in part, and by German aliens in entirety.

Before entering into a more detailed discussion of the reasons which occur as compelling to me for the return of vested assets, let me quote a statement made by the senior Senator from Indiana [Mr. CAPEHART] which I find in the hearings of April 4, 1957, at page 279:

Mr. Chairman and members of the committee, I wish to incorporate the statement which I submitted and my testimony before your subcommittee which I made on November 30, 1955, when hearings were then held on bills having to do with the disposition of the vested assets of our former enemies of Germany and Japan seized under the provisions of the Trading With the Enemy Act. Current events throughout the world reemphasize the statement I then made and the necessity for action pursuant to it.

The principles set forth in S. 600 seem to have evolved out of those hearings and the long and arduous studies made by the several subcommittees of the Committee on the Judiciary charged by the Senate with the specific responsibility of arriving at some solution of this troublesome question.

The provisions of S. 600 seem to me also to be in accord with and pursuant to the requirements laid down by the President in his communication of August 7, 1954, which is in the record of those hearings.

The troublesome questions now affecting the peace of the world growing out of improper nationalizations and the more important probabilities of expropriation and confiscation are much too vital and important to all Americans—our youth, our private and governmental investments abroad, aggregating billions upon billions of dollars, the enduring traditions of our Founding Fathers and embraced within our own constitutional provisions, the heavy national indebtedness we all have assumed in our generous bounties scattered throughout the world—for us now to consider a departure from principle for any patent diversionary disposition of privately owned property vested in wartime, however glossy and appealing such diversions may be dressed up for popular appeal.

I therefore favor the principles set forth in S. 600 and oppose the diversions contemplated by S. 727.

The unpaid American war-damage claims should be paid. Private property or its reasonable value should be returned. Now, of all times, we, who set the moral standards for the peoples and governments of the world, must of all things adhere to them or be willing to pay in lives and our material fortunes the unthinkable price involved in the savage doctrine of confiscation.

Confiscation is the attribute of communism. Private ownership, the integrity of property rights, and contractual obligations, on the other hand, are the distinguishing characteristics and handmaidens of the free world. The issues involved are just that simple. Our choice should also be just that simple.

Simply stated, the entire philosophy of the free world is contained in the foregoing statement. All of our present governmental actions are directed to the consummation of the goals and ideals so clearly stated by the Senator from Indiana. Let me reiterate the closing thoughts in the quotation:

Now, of all times, we, who set the moral standards for the peoples and governments of the world, must of all things adhere to them or be willing to pay in lives and our material fortunes the unthinkable price involved in the savage doctrine of confiscation.

Confiscation is the attribute of communism. Private ownership, the integrity of property rights, and contractual obligations, on the other hand, are the distinguishing characteristics and handmaidens of the free world. The issues involved are just that simple. Our choice should also be just that simple.

It is in our individual and national interest to return all the privately owned assets of our former enemies—the Germans and Japanese—which have been vested by the Office of Alien Property. This is true beyond any doubt because to do otherwise would imperil all American investments in foreign countries. Moreover, our annual expenditures for national defense are a total waste should we adopt the Communist practice of violating the sanctity of private property. We are making these defense expenditures to safeguard, preserve, and protect our free way. We foresake our free way of life when we depart from the most elementary characteristic of it, namely, the right to own property, and the consideration of such a right as a sacred inheritance won by centuries of effort and sacrifice, and based, in its final analysis, upon Holy Writ.

We have poured out more than $70 billion in foreign-aid grants since the commencement of that program with the Marshall aid plan. We have made these grants at great personal sacrifice of money and talent. We have done these things to hinder and prevent the Communists from converting many countries of the world to statism and against the concepts of the free world. We have mortgaged ourselves and our posterity in our effort to preserve our free capitalistic enterprise system.

Let me illustrate what we have done to keep West Germany free and in the orbit of our free society of nations. Since the surrender of Hitler we have made loans and grants to West Germany aggregating $3½ billion dollars. These benefits have gone to the aid of the 60 or more millions of people in West Germany. They have, as a result of our benefactions, progressed well beyond our fondest expectations. West Germany, through its representative government—freely chosen—has taken a firm and unshakeable position by the side of the free nations of the world. We count upon West Germany's newly gained posture of strength and stability to aid us in our continued fight against the encroachment of communism.

Let me illustrate further another effort we have made. When our access to Berlin was threatened in 1948, this country established the Berlin Airlift to aid the 2½ million Germans residing in West Berlin, over which we, the English, and French retained jurisdiction as a result of our successful war effort in conquering Hitler and his nazism. This airlift cost us many planes and 58 American lives. The cost of gasoline alone aggregated $228 million. The tremendous costs of the supplies of food, coal, medicines, and other essentials of life may never be known, because the action was swift and so necessarily immediate that little thought or time was consumed in inventoring these items. Our airlift broke the Russian blockade. We succeeded in maintaining our American rights to free ingress to and egress from Berlin. We did not engage in this costly enterprise as a show of military might. West Berlin was and is today the symbol and bastion in Europe of our free enterprise system. It was the Capital of Germany, and all of us fervently pray that it will again be the capital of a free and united Germany.

It is true that Germany has agreed to a repayment of $1 billion, over a period of years, in settlement of the grants made to her. She is meeting the installments of payments agreed upon, and, in fact, has made a prepayment of some installments. The fact remains that $2½ billion of these grants have been forgiven the people of West Germany. We have not insisted upon any payment for the costs of the airlift and supplies we freely sent into West Berlin in 1948 and 1949. Their value greatly exceeds the small amount by comparison of the assets of several thousand West Germans we have vested under the provisions of our Trading With the Enemy Act.

This national conduct on our part presents an anomalous situation, as I view it. Another factor enters the picture here which adds to the enormity of the anomaly. The vested assets were valued originally at about $300 million, $87 million of which was American earned and owned properties. The latter consisted principally of insurance and annuity policies with American companies, estates of deceased Americans, guardianship estates, and deed of trust agreements. This latter portion of $87 million helped America pay its war costs. Its source is entirely American. It has never been alien so far as its origin or location is concerned. It has been vested solely because the beneficiaries of it are Germans and Japanese. Our retention of it destroys the intentions of its owners, and we thwart their wills, their contracts, and upset the terms of their trust agreements and disabuse our own laws of inheritance.

The point I wish to make is, how inconsistent can we as a nation be, to give all the Germans of West Germany the $2½ billions in loans and grants, and conduct an airlift expending in that venture a great deal more in dollars than the amount we have of a few Germans vested as assets here under the harsh and unrelenting provisions of a wartime measure and yet persist in our refusal to return those assets to their rightful owners. I contend our national conduct is

highly inconsistent and is in dire need of immediate remedial action either by the Congress or the Executive.

The President of the United States by informal order on April 17, 1953, directed that further vestings of properties cease. Much of the estate properties were vested after the close of hostilities and prior to April 17, 1953. Thus, years after the end of the war and at a time when we were feverishly rehabilitating West Germany and our State Department was encouraging our friendly relations, the Department of Justice was standing adamant in its position that the private properties of a few thousand West Germans be confiscated and in addition, property of American citizens which was bequeathed to or designed for the benefit of German citizens. Such conduct is unbecoming of a nation so dedicated to the free principles of life as ours. Such conduct calls for an early reconsideration of its validity and purpose. Such a course of conduct needs to be changed. I see no reason why the President, if he could order vestings to cease on April 17, 1953, cannot make that order retroactive to May 8, 1945, and direct a return of the properties we have seized since then. I intend to present my views to him and to the Departments on this subject, for it will require a circuituous course of logic and reasoning to defend the President's action on April 17, 1953, and to deny him such power as of May 8, 1945.

Our stricture of one of the principal tenets of the free world—the right to earn, possess, and dispose of property—becomes more painful when we consider the burden that other Senators and I and every American have borne and will bear for years to come in our national defense and continued foreign aid programs. We spend half or more of our annual budget in defense of freedom and we deny to a few citizens of a worthy ally one of the essential elements of freedom, their vested estates. Bitterness to gall in this situation is added when we reflect upon the fact that we have by treaty or executive agreement or action of the Congress returned substantial properties to our former enemies; the Italians, Bulgarians, Rumanians and Hungarians. In fact, a treaty to return $6 million of vested German assets to the Austrians has been signed and may soon be submitted to the Senate for ratification. I do not complain about these returns. I merely assert that our former enemies—the Germans and Japanese—have as much claim to be treated rightly as did others who were equally at war with us. It is trite to say that some of the returns already effected are to those now under Russian domination. It is equally clear to us all that Japan in the Far East and West Germany in Europe constitute the bulwark of our strength as a free nation in those areas.

Having thus far dwelt mainly upon the inconsistencies and injustices of our handling of the vested assets problems, may I briefly now state why I think it is in our individual and national self-interest to rectify our mistreatment of our former allies—the Germans in West Germany and the friendly Japanese?

Ours is the largest creditor nation in the world. We have more private capital and business enterprises in foreign countries than all the other nations of the free world combined. We have more defense installations throughout the world than do all other nations of the free world. We urge private capital to invest abroad. We urge them to invest in the less or underdeveloped nations of the world. Our boards of trade, our local and national chambers of commerce, and our International Chamber of Commerce meet, and discuss the value and necessity of foreign trade. They consider the risks involved. They decry and deplore the evils of nationalization of private business, expropriation and confiscation. They recognize that these evils retard the growth and expansion of our foreign trade and investments.

When Nasser of Egypt became dissatisfied with the English and French treatment of him in the Suez Canal crisis, he blocked their assets and seized their properties. He modeled his decrees on the provisions of our Trading With the Enemy Act. He stated publicly, that if it were just for the United States to retain the properties of the Japanese and Germans, it was equally just for him to vest the English and French properties. Nasser had logical legal reasons. Soon, however, he found that justice and equity as well as the conscience of the free world would turn upon him. He soon changed his tactics. He has joined now in a commission established to free the private assets of non-Egyptians. If Nasser has the wisdom to see the error of his way, we, too, should summon such wisdom. The harsh provisions of our Trading With the Enemy Act need to be relented in such ways as will promote the security and integrity of our foreign investments and enhance them.

The actions of Castro so nearby to us, and the possibility of similar conduct in other Latin American countries, are warning signals. The best thinking of our collective minds in our executive departments and in our congressional thinking are required now—not tomorrow or in years to come. Action, constructive action, thinking and better conclusions are needed. The time to change our course of national conduct is upon us. Let us act wisely, justly, fairly, and in our own best selfish interest, if that be needed to rectify the wrongs we have persisted in perpetrating.

Mr. President, I trust the Congress, the President and our executive officers will reappraise our treatment of our former enemies—now our warmest allies—so far as the rights of a few of their nationals are concerned. We owe this to the individuals affected. We owe it to their governments. No law yet devised by man is capable of satisfying all the demands made upon us. In the main, however, we can by compromise, by amendment here and there, by adjustment, by conciliation, and by a proper recognition of our traditional treatment of like conditions, arrive at a solution of the vested assets problems, inherent and acquired. We will not be able satisfactorily to meet the demands of all of our citizens because claims are involved, some of which run counter to certain rules and practices of international law.

In the payment of American war damage claims naturally some confusion will result from the determination of what claims are appropriate for congressional or executive consideration. There are many unorganized citizens and some in newly organized groups who feel that their claims should be paid notwithstanding the fact that at the time of their loss these citizens owed their allegiance to a foreign government. The United States has been generous to welcome many citizens from foreign countries since the close of World War II. Quite a number of these citizens have come to us from the war-stricken areas of Europe. Many of these citizens suffered war losses and casualties. They wish to be included in the provisions for the payment of war damage claims. Strong arguments for such inclusion can and are being made. However, the rule and practice generally has been to exclude such claimants. The reasoning to support such a practice has substantial basis in international law. Our Government has accumulated a long line of decisions and precedents for the rule of law under discussion. Secretary of State Fish on May 16, 1871, stated the rule to be:

> By adopting a foreigner, under any form of naturalization, as a citizen, this Government does not undertake the patronage of a claim which he may have upon the country of his original allegiance or upon any other government. To admit that he can charge it with this burden would allow him to call upon a dozen governments in succession, to each of which he might transfer his allegiance, to urge his claim. Under such a rule the government supposed to be indebted could never know when the discussion of a claim would cease. All governments are, therefore, interested in resisting such pretensions.

Again, Secretary Fish, on April 8, 1874, stated:

> When your alleged injuries took place you were not a citizen of the United States, and therefore, under well-established canons of international law, it is not within the province of this Government to inquire whether your property was wrongfully or rightfully taken. * * * It would be a monstrous doctrine, which this Government would not tolerate for a moment that a citizen of the United States who might deem himself injured by the authorities of the United States or of any State, could, by transferring his allegiance to another power, confer upon these powers the right to inquire into the legality of the proceedings by which he may have been injured while a citizen.

Dr. Oppenheim, an eminent authority on international law, states the rule thus:

> A State which puts forward a claim before a claims commission or other international tribunal must be in a position to show that it has the locus standi for that purpose. The principal, and almost the exclusive, factor creating that locus standi is the nationality of the claimant, and it may be stated as a general principle that from the time of the occurrence of the injury until the making of the award the claim must continuously and without interruption have belonged to a person or to a series of persons who (a) have the nationality of the State by whom it is put forward, and (b) do not have the nationality of the State against whom it is put forward.

Mr. Moore, in quoting from International Arbitrations under the United

States-Mexican Claims Commission, had this to say:

> While in some of the earlier cases the decisions as to what constituted citizenship within the meaning of the convention were exceptional, it was uniformly held that such citizenship was necessary when the claim was presented as well as when it arose. Numerous claims were dismissed on the ground that the claimant was not a citizen when the claim arose.

The Foreign Claims Settlement Commission of the United States states the doctrine succinctly as follows:

> The principle of international law that eligibility for compensation requires American nationality at the time of loss is so widely understood and universally accepted that citation of authority is scarcely necessary.

The rulings, practice and procedures of our Claims Commissions and our Department of State uniformly hold that generally accepted principles of international law require that a claim be continuously owned from the date the claim arose and at least to the date of its presentation by nationals of the State asserting the claims. Confusion and doubt as to lawful rights would follow any departure from the sound rule adhered to for such a long period of time by the United States. The argument that American citizens are discriminated against by the pursuit of this rule is not valid because it applies equally to all whose losses occurred when they were foreigners. Such a rule creates no division or classification among American citizens.

In conclusion, I see no ingredient in the common garden variety of justice for our continued withholding of vested private assets seized under wartime necessities. I see logic, justice and consistent treatment of all our former enemies demanding a return of these properties. I feel that our own selfish private interests in foreign trade and our governmental expenditures would be protected and justified by a return of these properties. I see, in sum, that we strengthen our free way of life and give international consideration to our own constitutional protections by such returns. I see in such return a crowning acknowledgment of our Christian faith and the exemplification in deed of lessons taught us in the faith of our fathers.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. HRUSKA. I yield.

Mr. JOHNSTON of South Carolina. I wish to commend the Senator from Nebraska for the statement he has made. As I look at the entire picture, if we were receiving indemnities from Germany, a different question would be involved. That is not the question before us.

The money represented in this instance is money which belonged to individual citizens of Germany. In some cases, it came through Americans to Germans. In other instances, it came through Germans to Americans. All that money is tied up. In my opinion, it is wrong to hold the money of these individual citizens at this time. We are setting a precedent before the world as to the proper way to handle such a problem. Individual American citizens have invested money in foreign countries to the tune of more than $55 billion. Financiers tell us today that we should act in good conscience and give back to individuals the vested assets or their proceeds which rightfully belong to them. We used it during the war, to help win the war. That was all right. But after the war is over, I think these properties should be returned to their rightful owners.

I commend the Senator for his remarks today.

Mr. HRUSKA. I thank the Senator from South Carolina.

With regard to those who contend that this money should be held for the payment of war damage claims, is it not a fact that, after all, the money does not belong to the country from which the individual owners come? It belongs to individual persons. There is no reason of logic, precedent, or tradition which would impose upon certain individuals of an enemy country the obligation and burden of paying for any individual war claims we have as Americans. Has the Senator not found that to be true?

Mr. JOHNSTON of South Carolina. That is exactly true. It seems to me that any contrary proposal has no merit. There are a number of bills pending before our subcommittee. If the bills have any merit, they should pass upon their merits.

Either this money is money of the United States at the present time, or it is money which belongs to German nationals. I contend that it belongs to the German people—not to the German Government at all. A great many of those affected came to the United States and invested their money here because they did not believe in Hitler, and they wanted to invest their money in this country, where they thought it would be safe and sound, and where they could get it when they needed it. Now they find it vested and are denied its return.

Mr. HRUSKA. I thank the Senator from South Carolina.

AUTHORIZATION TO SIGN ENROLLED BILLS, ETC.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that during the adjournment following today's session the Vice President or the President pro tempore be authorized to sign enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CHALLENGE OF EXECUTIVE LEADERSHIP IN GOVERNMENT

Mr. CARLSON. Mr. President, every citizen interested in the future welfare of our Nation realizes the importance of obtaining the services of prominent and outstanding civil servants in the executive branch of the Government. On several occasions, President Truman mentioned the difficulty he had in obtaining the type of people he wanted in the executive branch of the Government during his service as President.

President Eisenhower has mentioned the same situation on several occasions.

Mr. Rocco C. Siciliano, Special Assistant to the President for Personnel Management, delivered a very outstanding address entitled "The Challenge of Executive Leadership in Government," before the Personnel and Industrial Relations Association, at Los Angeles, Calif., on May 7, 1959. I read one or two quotations from that speech:

> Circumstances have made the United States the leader of the free world. The Government's responsibilities at home and abroad are such that we dare not gamble their efficient and effective administration on second-rate leadership. There is strong evidence that the Federal Government does not compete on equal terms with private industry in attracting and retaining a fair share of the ablest leaders that this Nation produces. In view of the stakes, the Government must have the very best talent—in political executive positions, in its career executives, in its scientists and engineers, and throughout its career service.

Mr. President, I thoroughly agree with that statement. I ask unanimous consent that this speech be printed in the RECORD as a part of my remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE CHALLENGE OF EXECUTIVE LEADERSHIP IN GOVERNMENT

(Address by Rocco C. Siciliano, special assistant to the President for personnel management, before the Personnel and Industrial Relations Association, Los Angeles, Calif., May 7, 1959)

One of the finest and greatest civilizations the world has known was that of Greece which flourished more than 2,000 years ago. A small but highly civilized nation, it, too, lived in a hazardous period of history. Persia, the most powerful nation in Asia, continuously threatened it.

"We are a free democracy," wrote Pericles, "we do not allow absorption in our own affairs to interfere with participation in the nation's. We yield to none in independence of spirit and complete self-reliance, but we regard him who holds aloof from public affairs as useless." Incidentally, the Greeks referred to the useless man as idiotes from which our English word "idiot" is derived.

For centuries this small state was able to fight off its most powerful enemies and at the same time develop a culture which the world respects even today. Architecture, mathematics, drama, science, logic, government—in all these arts the Greeks excelled.

And why did the Greeks finally fall? Not because their external enemies were so strong, but rather because their spiritual strength gave way. When they came to value security and comfort more than freedom they declined. When they sought freedom from responsibility, when they looked to the state to give to them rather than their giving to the state, they ceased to be free.

Today the survival of the democratic idea, developed by the Greeks so long ago, rests in a very real sense upon the Government of the United States. History has raised this Nation to a position of leadership of the free world—a world that is free because it places its faith in the worth and capacity of the individual.

Today we, too, are threatened by a powerful Asiatic nation. The Soviet Union poses,

not only a military threat, but an ideological one as well. Russia is determined to demonstrate that its form of government—which holds that the state is all important and the individual of no significance—can best the free world militarily, scientifically, and economically.

Are we prepared to meet this challenge? Our success, in no small measure, will depend on the capacity of the Federal Government to provide leadership—not only to the American people, but to all the democratic peoples of the free world.

Since the earliest days of our Republic we have been fortunate in being able to attract to the public service capable men who rose to the occasion, whatever crises confronted us. But the Federal Government today is a far more complex organization than was Government in the past. George Washington was literally able to handpick the 350 individuals which comprised his first administration. The Federal Government today employs 2.3 million people in every kind of work, every type of skill, every level of technical specialization, and every profession.

The Federal Government is, in effect, a corporation with 176 million stockholders. Its receipts and expenditures total $77 billion a year. It owns 472 million acres of land, and 2.5 billion square feet of building space. Its real estate holdings are valued at $45 billion—a gross undervaluation, by the way—the Presidio of San Francisco is carried on the books at $99,000). It has 10 major subsidiaries (departments) and some 65 minor ones (agencies). It has installations in every community, State, Territory, and representatives in every recognized nation in the world.

To staff an organization of this size and complexity with a sufficient supply of capable executives is a far different proposition than that which confronted administrations during the first 150 years of the Republic. How successful are we in attracting and holding an adequate number of highly skilled executives and administrators who can effectively deal with today's and tomorrow's problems?

I would like to discuss the situation in terms of three groups or types of executives needed by the Federal Government to effectively carry out its responsibilities: First, the political executives, those who serve at the pleasure of the President and his immediate department and agency heads; then the career executives, those in the top grades (GS–16, 17, and 18) of the civil service system; and third, engineers and scientists.

The problem of obtaining, developing, and retaining qualified executives is not peculiar to the Federal Government. Indeed, for nearly two decades an acute shortage of qualified manpower has plagued most of the economy. But in recent years the Federal Government has experienced increasing difficulty in obtaining and holding a proportionate share of the available manpower.

The number of top political executive positions in the Federal Government is approximately 1,000, about half of which are at the Cabinet and sub-Cabinet levels, heads, deputy heads, and assistants heads of executive departments and agencies, including members of boards and commissions. Despite the fact that the Eisenhower administration has been widely thought of as a businessmen's government, it has experienced the same difficulties as have prior administrations in attracting and holding capable administrators for these top-level positions. A recent survey by the Harvard Business School Club of Washington, D.C., shows that 70 percent of the businessmen who held Federal Government positions between 1953 and 1956 served 1 year or less. Even when the longer period, 1941–56, including World War II and the Korean conflict, was considered, those serving less than 1 year amounted to 44 percent. In view of the fact that it takes from 6 months to a year for anyone entering a new position to become reasonably familiar with the job, these short tours offered little opportunity to exercise the type of leadership that the Nation requires.

The same survey indicated that "there exists a frightening lack of interest in the business community for participation in the Government service. For example, of businessmen who had not served in the Government, 50 percent stated that they did not know the attitude of their companies toward Government service."

Why should the Federal Government experience so much difficulty in filling its political executive positions and keeping them filled on a satisfactory basis? The second Hoover Commission investigated this problem and identified four main causes of difficulty:

1. The scarcity of persons possessing the requisite combination of abilities.

2. The absence of any place in American life where capacities required of political executives are systematically developed.

3. The disadvantages in private careers that are suffered by those who shuttle back and forth between public office and private life.

4. The psychological and financial barriers that must be surmounted by those who leave private life for the insecurity and limited salaries of public appointive office.

The Harvard Business School survey came up with similar conclusions and suggested some solutions.

The Harvard group felt that educational institutions, particularly colleges and universities, should place far more emphasis on instruction in the processes of modern government. Courses, regardless of major academic field, should be concerned not only with political and economic theory, but should be strongly oriented toward actual problems of public administration, and the responsibility of American citizens to serve in their Government.

It also urged that businessmen take an active part in national politics and keep themselves informed regarding the national and international issues. Businesses should formulate policy relating to Government service on the part of their executives—policies designed to encourage Government service as experience beneficial both for the individual and the firm.

Of particular pertinence was the recommendation that Government agencies inform the party in power of the types of individuals required to fill specific administrative positions and that candidates be placed primarily on the basis of ability as well as because of political or personal recommendation.

Also suggested was the establishment, by a professional institution, of short off-the-job training programs for new administration executives.

Finally, conflict of interest laws should be interpreted and applied under rules of reason so that potential executives would not have to make substantial financial sacrifices in order to serve their Government.

There are many other aspects of this problem of staffing the top echelons of the Federal Government which time does not permit my going into today. But it is a problem which demands the attention of all thinking citizens. Unless we can develop an adequate supply of really competent executives who are willing to devote some part of their working lives to serving their Government, our chances of winning out in the competition with Soviet Russia are materially lessened.

Next, I'd like to turn your attention to a second vitally important group of Federal officials—the nonpartisan career executives who provide continuity in the administration of the Government's activities. These are the individuals who occupy the top three grades of the Classification Act pay schedule (GS 16–18) with salaries ranging from $14,190 to $17,500—approximately 750 in number. Most of the incumbents have spent the greater part of their working lives in the Federal Government, entering at some relatively low status and progressively moving upward through the grades. Some have entered the service at relatively high positions. Many of them entered the service during the depression years when the Federal Government was in an advantageous position to attract an unusually high quality of younger people. This group represents our highest form of capital investment. We must insure that this fund of talent does not shrink as the natural forces of attrition occur. It is upon this group that the political executives of each administration depend for indoctrination in the workings of Government, for sound advice on how to get things done and for administering the operations of their respective departments and agencies.

Why should there be special concern about this particular group of executives? Hasn't the Government been able to develop and hold a sufficient number of career people to meet current requirements? The answer is "Yes." During the course of my own Government service I have come to have the highest regard for the career people in these important positions. The concern is about the future.

A recent survey of the career executive group indicates that approximately 25 percent are now eligible for retirement; a third could retire in the next 5 years; and by 1968 two-thirds will be eligible to retire. This does not take into consideration those who die or leave voluntarily. Will qualified replacements be available?

It should be pointed out that this group of top career executives did not rise to their present position through a formal governmentwide career system—no such comprehensive career ladder exists under the Civil Service System. Some departments and agencies, or more specifically bureaus within departments, have career systems, such as the Foreign Service, but formal systems are the exception rather than the rule. In a sampling of 800 persons in grades GS–15 ($12,770) and higher, the Civil Service Commission found that over half had worked in only one agency. An additional 22 percent had worked in only two agencies.

In recognition of this situation, the second Hoover Commission, in 1955, recommended the creation of what they called a senior civil service. It was contemplated that the service would be composed initially of about 1,500 career administrators and might eventually grow to 3,000. The essential features of the proposal called for differentials in rank and basic salary, transferability and personal status.

Despite the general agreement on the objectives, the specifics of this proposal met with a storm of objections—from the Congress, from some personnel organizations, from students of government and from the incumbents of the positions themselves. Some found the concept of an elite corps repugnant; some administrators feared the possibility of being moved to other positions against their wishes; some Members of Congress apparently feared a loss of control unless Senate confirmation was provided.

The pros and cons were vigorously debated for more than 3 years. Finally in March 1958, the President issued an Executive order establishing a career executive program which is a sharp modification of the original Hoover Committee proposal. But even this modified plan has failed to get congressional support which we feel is essential to any effective program.

The problem of assuring a continuing supply of able, well-trained, experienced career executives is still in front of us. In order to attract high quality individuals, both at beginning levels and at higher grades, the prestige of these top administrative positions must be enhanced. We must somehow convince a larger proportion of the top talent produced annually by the Nation's colleges and universities that Government service offers a challenging, satisfying and honorable career, and having recruited them we must provide a program of career development and a promotional ladder which will bring the cream to the top.

Of all the areas in which outstanding leadership is imperative, science and technology certainly rank near the top. The Soviets have clearly demonstrated that their system is capable of producing scientists of brilliance and ingenuity. Their efforts have resulted in scientific breakthroughs which have surprised and alarmed the entire world. The framers of the Constitution never contemplated that the Federal Government would ever include among its responsibilities the role of stimulating and coordinating the country's scientific progress. Yet the forces that are shaping the world today clearly make this necessary.

This year the Federal Government will spend over $5 billion on research, engineering, and development. This vast sum will pay for about half of all the scientific research and development carried out in the United States. Another $5 billion will be spent by industry, universities and private research foundations. Because of the complexity of the problem of research and development for defense, the effectiveness of the Government's program depends very heavily on the quality of the planning that goes into it. Quality, in turn, depends upon the ingenuity and creativeness of the scientists who participate in it. The shortage of creative scientists and of senior scientific administrators has made it difficult to plan and supervise effectively the large-scale programs now under way. It is not generally known that the Federal Government is the largest employer of scientists and engineers; that today it employs about 50,000 professional engineers and 26,000 physical and related scientists. These numbers constitute some 6 percent and 8 percent respectively of the Nation's total supply of trained personnel in these occupations.

As in the case of political and career executives, the Government has been less than completely successful in attracting and holding an adequate number of engineers and scientists. Basically, of course, this has been due to the nationwide shortage of trained people in these categories. Imbalance in the demand-supply situation of any commodity tends to bid up the price and this has certainly been true with regard to engineers and scientists. In the private sector of the economy there are no limitations that prevent a business from quickly adjusting its salary rates to the prevailing market price. Salaries in the Federal Government, however, can be adjusted only by legislative action—a process which does not lend itself to rapid or frequent adjustment. It is true that special legislation has provided special pay categories for a limited number of higher grade scientists and has authorized the Civil Service Commission to recruit for certain critical occupations at above the normal minimum rates prescribed by the Classification Act. These stopgap measures have afforded some relief, but the inherent lack of flexibility in the Government pay systems puts Federal agencies at a clear disadvantage in competing with private industry for scarce manpower.

Because it recognizes that the problem in the area of science and technology is basically one of adequately trained manpower, the Government is playing a major role in alerting the Nation to the need for increasing our facilities to produce a continuing supply, and in stimulating both public and private efforts to help meet that need. I have only to mention the work of the President's Committee on Scientists and Engineers, the National Science Foundation, the Department of Labor, the Department of Defense and the President's Science Advisory Council as being illustrative of the thought and effort being brought to bear on this aspect of the problem.

More than half of the Government's $5 billion research budget is spent on laboratories owned and operated by industry, universities and other private groups. The Government effort, therefore, exerts a powerful shaping influence on scientific and technological programs of the entire Nation. Not only its military security, but the Nation's health, economic welfare, and the quality of its higher education depend in no small measure upon the quality of leadership that the Federal Government is able to provide. By Executive order the President has recently established a Federal Council for Science and Technology, chaired by Dr. James R. Killian, Jr. The Council will attempt projections of program costs, including capital requirements and manpower, taking into consideration the level and types of research financed by both the Federal and private sectors of the economy.

The staffing of Government scientific positions must not be adversely affected by erroneous concepts of the nature of public service. The esteem, or lack of it, in which public employment is held by the American people directly affects morale and efficiency of Federal personnel and encourages or dissuades men and women of character and ability from undertaking public careers. The unfair but persistent caricature of Government employment as a boondoggle appealing only to those primarily interested in job security must be eradicated.

The fact of the matter is that Federal programs in the area of science and engineering offer unique and challenging opportunities which exist nowhere else. The opportunity for performing fundamental research without the necessity of compromising the work for the sake of speed or profit; the freedom in finding the truth and publishing it without pressure to protect the employer's competitive position; the dramatic and breathtaking activities in space flight development; the opportunity for life-scientists to pioneer and carry on wherever there are problems of coping with man's environment so that human life may be sustained and enriched. These are some of the challenges and opportunities which the Federal service has to offer. We must convince both college people and mature scientists that this is so.

There is one final aspect of the Federal service that I would like to discuss—one which should be of particular interest to you as personnel and industrial relations people. Improved personnel management is one of the major keys to economy, efficiency and a higher quality of Government service. Some of the problems my office has dealt with during the past 18 months include compensation policy, employee-management relations, fringe benefits, the building of greater prestige and the fixing of responsibility for personnel management. It is the last of these that I would like to consider now.

Modern industry has accepted, almost universally, the principle that personnel management is an integral part of general management responsibility and accountability and must be lodged with the head of an organization. The Federal Government, however, has lagged behind industry in the acceptance and practical application of this principle. Nearly every President during the 20th century has complained about the lack of administrative tools to handle the rapidly expanding responsibilities of his Office. For most of the history of the Republic the President has had no staff services to assist him. It was not until the passage of the Budget and Accounting Act of 1921 that suitable arrangements were established for properly discharging the Chief Executive's responsibilities with regard to the expenditures and fiscal affairs of the Government as a whole.

On behalf of the President, the Civil Service Commission is primarily responsible for providing leadership in personnel matters, although such functions were not anticipated for the Commission by the Pendleton Act in 1883. The original purpose of the Civil Service Commission was to serve as a watchdog to protect the Government and its employees against the evils of the spoils system. Over the years it has gradually assumed additional personnel management functions, such as career development and training, incentive awards, employee-management relations, retirement, life insurance and the like.

Though the three Commissioners are appointed by the President, with the approval of the Senate, the Commission has come to be widely viewed as an independent or at least a semi-independent body. For example, Congress has given directly to the Commission the authority to administer the Hatch (no politics) Act and the Veterans' Preference Act. This, then, is the dual nature of the role the Commission must perform. One set of responsibilities requires that it police the merit system; the other, that it exercise positive leadership to the departments and agencies in those personnel management activities which today are considered so important to good personnel relations.

Does some of the difficulty in attracting and retaining top-flight people stem from certain inadequacies of the Government's organization for personnel administration? Might the Government be more successful if an office of personnel management were established within the Executive Office of the President with a wide range of activities? These, then, are some of the questions that must be faced squarely and objectively.

Circumstances have made the United States the leader of the free world. The Government's responsibilities at home and abroad are such that we dare not gamble their efficient and effective administration on second-rate leadership. There is strong evidence that the Federal Government does not compete on equal terms with private industry in attracting and retaining a fair share of the ablest leaders that this Nation produces. In view of the stakes the Government must have the very best talent—in political executive positions, in its career executives, in its scientists and engineers, and throughout its career service.

Throughout all of this and of primary significance is the attitude of our ablest citizens toward Government service. There is considerable evidence that men and women of outstanding ability tend to shy away from public service—and this is equally true, be it Federal, State, or local government. The reasons for the development of this attitude are difficult to explain. Many excuses have been advanced—some fancied—some real. But whatever the reasons—abstinence from public service on the part of men and women with capacity for leadership is a luxury which the Nation can ill afford in the dangerous times in which we live. We have a great civilization to save or to lose. Whether we win out in the end depends, in no small measure, upon the willingness of our finest administrative talent to put public service above personal interests and convenience. Like the Greeks of old, we must cultivate and perpetuate the notion that public service is a fundamental obligation and privilege of citizenship—that he who serves the commonwealth deserves the highest respect and admiration of his fellow men.

MUTUAL AID

Mr. NEUBERGER. Mr. President, I was on the floor earlier today when the able Senator from Montana [Mr. MANSFIELD] delivered his address on foreign aid. I have been generally, through my career in the Senate since 1955, a supporter of foreign aid. While I realize that this program is not highly popular in the United States, it is my feeling that this country will have to make sacrifices if we are to survive and if the free world is to survive.

However, I wish to say for the RECORD that I was very much impressed with the logical and cogent arguments set forth by the Senator from Montana for his proposal that foreign aid be taken from ICA and lodged in the State Department, which has the basic responsibility to the American people for our foreign policy and for trying to make that policy successful.

It is my opinion that the Senator's suggestion that the State Department have the fundamental responsibility for foreign aid has a great deal of merit. I do wish to say at this time, however, that I expect there will be a continuation of the many demagogic and irresponsible arguments being voiced against foreign aid. These arguments do not fall into the category of reasoned and factual and scholarly statements such as those made by the able Senator from Montana. Rather, they fall into the category of demagogic appeals by narrow and provincial and selfish interests.

For example, there are politicians who tell the people in all sections of the country that, were it not for foreign aid, they could have a new school or a new hospital or a four-lane highway, and many other community improvements.

While that might be true, it is also true that if we abandoned completely our allies throughout the world, those new hospitals or schools or four-lane highways might be the subject of aerial bombardment, and even nuclear bombardment.

While I know that there is a great deal of waste in foreign aid, as there must be in any other type of military program, it seems to me that any program which was begun by people like Harry S Truman and George C. Marshall and continued by their political opposites like Dwight D. Eisenhower and John Foster Dulles, cannot be as wrong as some opponents of foreign aid may claim.

I agree with the Senator from Montana that foreign aid must be improved, and that waste and inefficiency and extravagance must be eliminated. However, I would caution against any emotional return to narrow or rabid isolationism on the part of this country.

We have approximately 253 military bases overseas on foreign soil. I have heard military leaders say that were it not for many of these bases they could not assume effective and successful responsibility for the defense of this Nation and the free world.

With Russia marching from peasantry into the industrial age, and with teeming Red China threatening to do so in the decades ahead, I doubt if we Americans can look forward to fewer sacrifices.

It seems to me that, if anything, the path ahead is very much like that pointed out only two decades ago by a recent illustrious visitor to our shores. When England stood alone and the Nazis were only 18 miles from England across the English Channel, Winston Churchill told the English people that he could promise them only blood, toil, tears, and sweat.

While we today happily do not confront any such dire emergency, I do believe that Americans must gear themselves to a very great degree of real sacrifices.

So I would say to the Senator from Montana, who is such a thoughtful student of foreign affairs generally, that I have welcomed the opportunity to hear his address today, and I certainly believe that his recommendation of placing foreign aid under the Secretary of State and the associates of the Secretary of State contains a great deal of merit and logic.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. MANSFIELD. I wish to thank the Senator from Oregon for his kind words, and to assure him that I would be most happy to have his support in the proposed amendments that I shall offer at the proper time.

Mr. NEUBERGER. Many of us in the Senate who do not have the benefit of service on the Committee on Foreign Relations look to the Senator from Montana for wisdom and counsel and advice in these grave matters which concern the future and safety of our country.

Mr. MANSFIELD. The Senator is, as always, too kind.

NOMINATION OF LEWIS STRAUSS TO BE SECRETARY OF COMMERCE

Mr. HRUSKA. Mr. President, in an article printed opposite the editorial page of today's Evening Star there appears an article entitled "Key to Appointments Problem." It comments in some degree and fashion on the pending nomination of Admiral Strauss to be Secretary of Commerce, and in support of the suggestion that "the Republicans have sought to make a political issue of the confirmation troubles of Adm. Lewis Strauss, who is struggling to be confirmed as Secretary of Commerce."

The article states:

Senator THRUSTON MORTON, who is not a member of the Commerce Committee considering the appointment, appeared quite obviously at one session to lend the support of his high political office. It was hardly a coincidence that while he was there Republican Senator ANDREW SCHOEPPEL of Kansas read a prepared statement attacking the Strauss opposition as politically motivated.

I am sure that the author of the article wishes to be fair and factual. Reference to the assignments to committees made last January by the Senate will show that the list contains the name of THRUSTON MORTON, the Senator from Kentucky, as a member of the Committee on Interstate and Foreign Commerce, since January 1959.

Therefore, certainly to the extent of the observation that he is not a member of the committee and that he appeared in his capacity as chairman of one of the major political parties in this country certainly is not factual and not accurate.

ADJOURNMENT TO 10 A.M. ON TUESDAY NEXT

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. HRUSKA. Mr. President, pursuant to the order previously entered, I move that the Senate stand adjourned until 10 a.m. on Tuesday next.

The motion was agreed to; and (at 2 o'clock and 47 minutes p.m.) the Senate adjourned, in accordance with the ordered previously entered, until Tuesday, May 19, 1959, at 10 a.m.

NOMINATION

Executive nomination received by the Senate May 15, 1959:

ASSISTANT SECRETARY OF THE AIR FORCE

Joseph V. Charyk, of California, to be an Assistant Secretary of the Air Force, vice Richard C. Horner, resigned.

EXTENSIONS OF REMARKS

La Salle College Centenary Fund

EXTENSION OF REMARKS
OF
HON. HUGH SCOTT
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES
Friday, May 15, 1959

Mr. SCOTT. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement I have prepared regarding La Salle College, located in Philadelphia.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

LA SALLE COLLEGE CENTENARY FUND

As the crisis of higher education approaches its climax, it is heartening to see that our independent colleges are exerting themselves to the fullest so they may be ready for the matriculation of the wave of youngsters born during World War II. Though our independent colleges are and have been operating under a severe financial and teacher shortage over the past decade, they have not been deterred in attempting to do all in their means to provide the opportunity for students who are ready for college.

An outstanding example of the never-ending struggle to meet the educational problems of today may be found at La Salle College, Philadelphia. This independent college is administered by the Brothers of Christian Schools.

The Christian Brothers brought their educational heritage to the United States in 1845. Their outstanding record of administration in the field of education may be observed in the growth and expansion of La Salle College under their tutelage.

From its original site, the college moved three times, due to the vigor of the Christian Brothers movement in meeting expansion needs.

When World War II finally ended, the veterans of our country turned to the colleges to finish or begin their college training. The brothers, in keeping with their philosophy of meeting the need, met the challenge though operating with virtually unchanged facilities. Veterans were admitted, with the result that the Day Division alone swelled to 400 percent above its prewar enrollment.

Since 1946, the Christian Brothers have increased the student body three times; the present enrollment is over 4,000.

Aware that college entrance demands will reach a new peak by the mid-1960's, the brothers have initiated a centenary fund raising drive to begin this fall and run to La Salle's Centenary in May 1963. The brothers plan to use centenary fund contributions to support the college's present and future expansion.

Excerpts From Address by Hon. Alexander Wiley, of Wisconsin, To Be Broadcast Over Wisconsin Radio Stations

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Friday, May 15, 1959

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD excerpts from an address I have prepared for broadcasting from Wisconsin radio stations.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

EXCERPTS OF ADDRESS PREPARED FOR DELIVERY BY SENATOR ALEXANDER WILEY, REPUBLICAN, CHIPPEWA FALLS, OVER WISCONSIN RADIO STATIONS

I welcome the opportunity once again to be with you. I want to discuss a subject that is of deep interest to Americans in every walk of life. The subject is taxes.

Briefly, now, I would like to take a look at the (1) scope; (2) the interrelationship of Federal, State and local taxes; and (3) possible steps which offer the best hope for meeting our financial responsibilities and easing the burden on the American taxpayer at the earliest time.

Although taxes affect all of us Americans differently, basically they mean a "take" out of our incomes.

EFFECT OF TAXES ON THE ECONOMY

Today, the taxpayers of the Nation—you and I—pay a great many direct and hidden taxes. These include income, partnership, corporation, gift, inheritance, capital gains, and numerous others. The tax percentage ranges from 1 percent to 91 percent—think of it folks; 1 percent to 91 percent.

What effect does this have on the economy? A terrific impact.

We recognize, of course, that it is important to allow the American worker the opportunity to retain as much of the fruits of his labor as possible.

At the same time the economic life of business and industry depends upon their being able to have enough money to carry on their operations; to have venture capital to plow back into the business for improvements and expansion; to support research for new and better products for the consumer; and to remain economically healthy to provide jobs for the American worker, of whom more than 65 million—an all-time high—are now working toward building an ever-better life for themselves, their families, and a better country for the future.

We recognize, too, that in this complex, intertwined system of taxes, Federal taxes often overlap or duplicate taxes imposed by the State and local governments.

EFFECT OF TAXES ON ECONOMY

Now, the big question is: How can we create greater justice and equity out of this complex, intermingled, overlapping system of tax laws?

In addition, we must also ask:

1. What is the impact of this complex, many-faceted tax structure on individuals, on business and industry, and on the general economy?

2. How is this affecting our economic development, growth, and progress?

3. Are individuals, partnerships, corporations, and others being treated equitably under the tax system?

4. What proper steps should be taken to assure that the taxload is distributed fairly in the economy and that our tax policies are not unduly restrictive to growth and progress?

ESTABLISHMENT OF A TOP-LEVEL TAX COMMISSION

To help provide the answers to these and other questions, I have recommended the establishment of a top-level Tax Commission.

The objectives of the Commission would be to plug loopholes; iron out inequities; eliminate unintended hardships or benefits; capture revenue that may now be escaping taxation; make adjustments in the tax structure to reflect the changing needs of the economy, the technological revolution, shifts in the pattern of consumer needs, and other national requirements.

The overall purpose would be to provide a more efficient, equitable, and just tax system to better enable our free-enterprise economy to meet its present obligations, as well as to promote expansion and progress for the future.

The Commission—composed of 12 members from public and private life—would be required to make its studies, accompanied by recommendations for tax changes, and report to Congress.

The tax structure, over the years, has developed through a complex process of enactment of new laws, repeal of old ones, and extensions or revisions of statutes on the books. The long tentacles of the tax system reach into every organ of society.

During this period, there have been tremendous economic, technological, industrial, and other changes in the country. The tax structure, I believe, should reflect these changes.

PRINCIPLES OF TAX REFORM

The principles which, I believe, should govern tax reform include:

1. Taxes should be based on ability to pay.

2. Taxes should allow reasonable incentive to earn, to grow, to expand, to enjoy the fruits of labor.

3. Insofar as possible, taxes should be nondiscriminatory.

NEEDED: LONG-RANGE TAX POLICY

In view of the revolutionary changes in the economy in the past—and we can expect more in the future—the Tax Commission, too, should also attempt to lay the foundation for a long-range tax policy that would make proper adjustments for changes; provide for an orderly revision of tax statutes as needed, instead of amassing tax laws in a hodge-podge manner; and establishing a tax policy that would encourage—not hamper—orderly growth and progress.

The objective, of course, is to promote efficiency, equity, and justice in the tax system.

The establishment of a Hoover-type commission, I believe, would help achieve these objectives.

I am, therefore, urging early and favorable consideration of the proposed legislation for establishing the much-needed tax reform Commission.

COMMISSION WOULD NOT DELAY IMMEDIATELY NEEDED TAX REVISION

Now, friends, you may ask: If we establish a Tax Commission—scheduled to make its findings and report its recommendations to Congress by January 1961—would this obstruct, or hold off, any justified tax revisions in the meantime?

The answer is: Definitely not.

Realistically speaking, the outlook is dim for any broadscale tax cuts at this time. However, as Congress has the opportunity to correct glaring inequities in the tax structure—while the Commission, if established, completes its investigation, this should certainly be accomplished.

Almost daily, a vast volume of letters, telegrams, and cards pour into my office urging reductions of one kind of taxes or another.

Let me say, frankly, that I deeply sympathize with such messages—from many of you listening—as you outline the burdens posed by high taxes. If it were fiscally responsible, I would be happy to urge my colleagues in Congress to cut all taxes now.

BUDGET CRISIS DIMS OUTLOOK FOR TAX CUTS

But can we do this?

Currently, Uncle Sam is about $286 billion in the red.

In addition, the 1960 budget now before Congress may further contribute to that indebtedness unless we can get responsible action in Congress—supported by folks at home—to assure the adoption of a realistic fiscal policy.

Today the Nation, despite its recent economic setback, is establishing new economic records. The gross national product is at an all-time high of $465 billion. The national personal income has hit a record of $365 billion. Retail sales have reached $212 billion, topping all previous volumes of retailing.

Yet, the United States and State Governments are having difficulty paying their bills.

We recognize, of course, that some communities are still suffering business lags and too much unemployment. This poses particularly difficult problems for the jobless and their families, as well as economically depresses the involved community.

Recognizing the seriousness of this situation, the Federal Government, as well as States and local communities, must step up their efforts to wipe out these economic dark spots in the economy.

The adoption of an improved tax program, as well as establishment of a long-range policy, I believe, would help to promote economic stability and better enable us to deal with these local, as well as national, problems in the future.

STRONG ECONOMY—A "MUST" FOR PRESERVING FREEDOM

We recognize, too, that the maintaining of a strong economy is definitely in the interests of national security.

Time after time, the Communists have predicted that our free enterprise system will fail to meet the economic challenges; that we will not succeed in coping with the ups and downs in the economic cycles; and that eventually our economic system will fold

up, so that dictatorial communism—under the guise of socialism—can take over the country.

This must not happen. It will not happen if we have the courage, foresight, and willingness to meet the economic as well as military challenges to our security; in fact, to our survival.

"NEW LOOK" AT SPECIFIC TAXES

Now, what are the areas of taxation that merit a "new look" in terms of the long-range needs of the economy. A few of these include taxes on job-creating businesses and industry, particularly those included in the small business category; treatment of retirement benefits; possible tax adjustments to help meet the increasingly high costs of education, and thus help to fill a national need; depletion allowances for oil, gas, and other similar resources; treatment of working mothers under the tax laws; deductions for business expense accounts; excise taxes continued long beyond their wartime purposes; capital gains taxes.

In addition, there are a great many other areas of taxation which deserve careful reconsideration.

CONCLUSION

In proposing such a top-level Tax Commission, I am well aware that such a body cannot provide a cure-all for our economic ills, nor can it solve all problems.

However, I believe that tax reform action along these lines would provide our best hope for helping local, State, and Federal Governments to better meet their financial obligations; early easing the burden on the American taxpayer; and assuring an equitable sharing of the tax load.

Overall, I believe that achieving these objectives would serve the interest of Wisconsin, as well as of the Nation.

Whether you are a businessman, farmer, teacher, doctor, lawyer, parent of students, or one who toils in some other vineyard—you well know the big bite which taxes take out of our income.

Now, friends, as you have the opportunity, I would be glad to have your ideas on this approach to establish a more efficient, just, and equitable tax policy.

Now, once again, this is your senior Senator, ALEX WILEY, saying: "Thanks for listening."

HOUSE OF REPRESENTATIVES

MONDAY, MAY 18, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

I Samuel 7: 12: *Hitherto hath the Lord blessed us.*

Almighty God, our refuge and strength, we adore Thee as our gracious Benefactor whose divine providence is ever round about us.

We acknowledge gratefully that in our physical and spiritual needs Thou hast been mindful and merciful unto us.

May we manifest our gratitude by following more eagerly and earnestly the way which our blessed Lord has marked out for us by His example and precepts.

Grant that we may always perceive clearly what He would have us know and perform faithfully that which He would have us do.

Hear us in His name. Amen.

The Journal of the proceedings of Thursday, May 14, 1959, was read and approved.

SUPPLEMENTAL APPROPRIATIONS, 1959, AND S. 1062 AMENDING FEDERAL DEFOSIT INSURANCE ACT

The SPEAKER. The Chair lays before the House the following communication from the Clerk of the House:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 18, 1959.

The Honorable the SPEAKER,
House of Representatives.

SIR: Pursuant to authority previously granted, the Clerk received from the Secretary of the Senate on Thursday, May 14, 1959, the following messages:

"That the Senate agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5916) entitled 'An act making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes'; and

"That the Senate agree to the amendments of the House of Representatives to the amendments of the Senate numbered 1, 7, 38, 71, and 88 of the said bill; and

"That the Senate passed the bill (S. 1062) entitled 'An act to amend the Federal Deposit Insurance Act to provide safeguards against mergers and consolidations of banks which might lessen competition unduly or tend unduly to create a monopoly in the field of banking.' "

Respectfully yours,
RALPH R. ROBERTS,
Clerk, U.S. House of Representatives.

HOUSE BILL ENROLLED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had on May 16, 1959, examined and found truly enrolled a bill of the House of the following title:

H.R. 5916. An act making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes.

SUPPLEMENTAL APPROPRIATIONS FOR THE FISCAL YEAR ENDING JUNE 30, 1959

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on Thursday, May 14, 1959, he did on May 16, 1959, sign the following enrolled bill of the House:

H.R. 5916. An act making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes.

REV. BERNARD BRASKAMP, D.D.

The SPEAKER. The Chair recognizes the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. McCORMACK. Mr. Speaker, our beloved Chaplain this morning opened his beautiful prayer for the Members of the House, and all of his prayers are beautiful, touching, and effective, with the following words: "Hitherto hath the Lord blessed us."

I know I speak the sentiments of all the Members of the House in saying that the Lord has certainly blessed the House of Representatives and its Members today and during the past weeks with His kindness and generosity in relation to our beloved Chaplain and giving him improved health so that he can be with us again. We, too, are happy to welcome our Chaplain back and, indeed, Chaplain Braskamp, as you started out in your prayer, each one of us feels "hitherto hath the Lord blessed us."

REV. BERNARD BRASKAMP, D.D.

Mr. HOEVEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this time in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HOEVEN. Mr. Speaker, as chairman of the Republican Conference of the House of Representatives I am sure I express the sentiments of all Republicans, and Members of the House, when I say how delighted we are to have our Chaplain, Dr. Braskamp, with us again after an illness of several weeks.

Dr. Braskamp is a native of my home town of Alton, Iowa. Hence we have had much in common throughout the years. He is one of our most distinguished Iowans.

We hope and pray that our beloved Chaplain and friend may gain in strength each day, and that he may be richly blessed in the days that lie ahead.

RE-REFERENCE OF H.R. 1129 TO COMMITTEE ON VETERANS' AFFAIRS

Mr. VINSON. Mr. Speaker, I ask unanimous consent that H.R. 1129, a bill to amend the Servicemen's and Veterans' Survivor Benefits Act, which was referred to the House Committee on Armed Services on January 7, 1959, be re-referred to the House Committee on Veterans' Affairs.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

THE BERLIN AIRLIFT: 10 YEARS LATER

Mr. PRICE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, there were several important milestones in the series of historic decisions made by former President Harry S. Truman which halted the advance of communism in Europe but none was more important than the quick and courageous decision to resist the Russian blockade of Berlin which began in June of 1948.

Ten years later West Berlin is the symbol of the free world at the doorstep of the enslaved Communist satellites—a

shining contrast between the people of Western Europe living in freedom and the people of Eastern Europe living under Communist suppression.

No West Berliner or West German has ever forgotten the airlift or what it meant. In a special observance of the ending of the airlift on May 12, West Berlin let the world know it had not forgotten.

The next of kin of American Air Force personnel who lost their lives in the airlift were invited to Berlin for the occasion by the Berlin Senate. Among the 37 relatives of 19 of the 31 American flyers who attended were Mrs. Margaret Erickson, 1205 State Street, Collinsville, Ill., and her daughter, Dianne, whose husband and father, sacrificed his life. Eugene Erickson, a C–54 transport pilot with the U.S. Air Force, was killed on October 18, 1948.

In West Berlin, Lieutenant Erickson's widow and daughter will walk down a street named in the flyer's honor and in Frankfort they will visit a church where a window was installed in tribute to his memory.

Today, West Berlin remains the outpost of the free world because of the sacrifice of men like Lt. Eugene Erickson of Collinsville, Ill.

In all 70 airmen died to keep the airlift going—the 31 American and 39 British airmen. These dead and their colleagues who survived administered a decisive defeat to the Russian Communists.

PERMISSION TO SIT DURING GENERAL DEBATE

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent that the Subcommittee on the Library of the Committee on House Administration be permitted to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar Day. The Clerk will call the first bill on the calendar.

DISCLAIMING INTEREST IN CERTAIN LANDS IN COLORADO

The Clerk called the bill (H.R. 3454) to disclaim any interest on the part of the United States in certain lands in the State of Colorado, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States hereby disclaims any right, title, or interest in and to the lands within the extended boundaries of the west half and the southeast quarter of section 12, township 18 south, range 43 west, sixth principal meridian, which are shown on the map of the surveyor general's office dated August 18, 1881, and signed by Albert Johnson, then surveyor general of Colorado, as covered by a body of water designated Lake Albert. If, notwithstanding this disclaimer, it be held that the United States has any right, title, or interest in and to said lands, the United States hereby quitclaims the same to the successors in interest of the person or persons to whom patent was issued for the remainder of the lands within said west half and southeast quarter.

With the following committee amendment:

Page 1, line 4, strike out the words "the extended boundaries" and all of lines 5 through 9, and insert in lieu thereof "those portions of the west half and the southeast quarter of section 12, township 18 south, range 43 west, sixth principal meridian, Colorado, which are shown on the official plat of survey approved August 18, 1881, by Albert Johnson, then United States Surveyor General of Colorado, as covered by a body of water."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING FOR RECEIPT AND DISBURSEMENT OF FUNDS—GPO

The Clerk called the bill (S. 902) to provide for the receipt and disbursement of funds, and for continuation of accounts when there is a vacancy in the office of the disbursing officer for the Government Printing Office, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the disbursing clerk of the Government Printing Office is hereby designated as the disbursing officer for the Government Printing Office.

(b) In the case of the death, resignation, or separation from office of such disbursing officer, his accounts may be continued, and payments and collections may be made in his name, by the deputy disbursing officer or officers designated by the Public Printer, for a period of time not to extend beyond the last day of the second month following the month in which such death, resignation, or separation occurred. Such accounts and payments shall be allowed, audited, and settled, and checks signed in the name of the former disbursing officer for the Government Printing Office by any such deputy disbursing officer shall be honored, in the manner as if the former disbursing officer for the Government Printing Office had continued in office.

(c) No former disbursing officer for the Government Printing Office, his estate, or the surety of his official bond, shall be subject to any legal liability or penalty for the official accounts or defaults of any deputy disbursing officer acting in the name or in the place of such former disbursing officer. Each such deputy disbursing officer shall be responsible for accounts entrusted to him pursuant to subsection (b), and such deputy officer and the sureties upon his bond shall be liable for any default occurring during his service as such pursuant to such subsection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF TITLE 28 OF UNITED STATES CODE

The Clerk called the bill (H.R. 6000) to amend title 28 of the United States Code to increase the limit for administrative settlement of claims against the United States under the tort claims procedure to $3,000.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first paragraph of section 2672 of title 28, United States Code, is amended by striking out "$1,000", and by inserting in lieu thereof "$3,000".

With the following committee amendments:

Strike all after the enacting clause and insert:

"That title 28 of the United States Code is amended as follows:

" "(1) Section 2672 is amended as follows:

" "(A) The catchline is amended to read as follows:

" '"§2672. Administrative adjustment of claims of $2,000 or less."

" "(B) The first paragraph of section 2672 is amended by striking out "$2,000", and by inserting in lieu thereof '$2,000'.

" "(2) The analysis of chapter 171 is amended by striking out the following item:

" '"2672. Administrative adjustment of claims of $1,000 or less.'

"and by inserting the following item in place thereof:

" '"2672. Administrative adjustment of claims of $2,000 or less."

" "(3) Subsection (b) of section 2401 of title 28, United States Code, is amended by striking out "$1,000" wherever it appears in such subsection, and by inserting in lieu thereof "$2,000".' "

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MONMOUTH COUNTY, N.J.

The Clerk called the bill (H.R. 322) for the relief of Monmouth County, N.J.

There being no objection the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $11,806.73 to the County of Monmouth, New Jersey, in full settlement of all claims against the United States for damages sustained to a bridge on the Newman Springs Road, Monmouth County, New Jersey, as a result of the movement of a United States Army ninety-ton tank over such bridge during the month of July 1947: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 9, after the name "Jersey," strike out "as a result of the movement of a United States Army ninety-ton tank over such bridge during the month of July 1947" and insert in lieu thereof "designated as Monmouth County Bridge S–16, which re-

sulted, in part, from movement of heavy United States Army vehicles over said bridge during the period from 1945 to mid-1947, inclusive."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMEND SECTION 2734, UNITED STATES CODE

The Clerk called the bill (H.R. 2740) to amend section 2734 of title 10, United States Code, to extend the statute of limitations in the case of certain foreign claims.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2734(b)(1) of title 10, United States Code, is amended by striking out the words "one year" and inserting the words "two years" in place thereof.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MINIMUM CHARGE ON MAILINGS OF ODD SIZES AND SHAPES

The Clerk called the bill (H.R. 5212) to revise the minimum charge on pieces of mail of odd sizes and shapes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the third proviso contained in section 3 of the Act of October 30, 1951, as amended (39 U.S.C. 290a–1), is amended by striking out "3 cents" and inserting in lieu thereof "3½ cents".

SEC. 2. Section 205(5) of the Postal Rate Increase Act, 1958 (72 Stat. 140; Public Law 85–426), and section 215(g) of such Act as added by section 2 of the Act of September 2, 1958 (72 Stat. 1713; Public Law 85–893), are hereby repealed.

With the following committee amendments:

Page 1, line 5, strike "3" and insert "6" in lieu thereof.

Page 1, strike out lines 7 to 11, inclusive.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE ACADEMIC DEAN OF THE NAVAL POSTGRADUATE SCHOOL

The Clerk called the bill (H.R. 6268) to amend title 10, United States Code, to provide that the Secretary of the Navy shall prescribe the compensation of the Academic Dean of the Naval Postgraduate School.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7043(b) of title 10, United States Code, is amended to read as follows:

"(b) The Secretary shall prescribe the compensation of the Academic Dean. However, the compensation may not be more than the maximum rate prescribed for positions covered by section 1113 of title 5."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

APPOINTMENT OF LAW CLERKS AND SECRETARIES

The Clerk called the bill (H.R. 2979) to amend section 752 of title 28, United States Code.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 752 of title 28, United States Code, is hereby amended to read as follows: "District judges may appoint necessary law clerks and secretaries subject to any limitation on the aggregate salaries of such employees which may be imposed by law."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONCEALMENT OF ASSETS IN BANKRUPTCY

The Clerk called the bill (H.R. 5747) to amend section 152, title 18, United States Code, with respect to the concealment of assets in contemplation of bankruptcy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph 6 of section 152, title 18, United States Code, is amended to read as follows:

"Whoever, either individually or as an agent or officer of any person or corporation, in contemplation of a bankruptcy proceeding by or against him or any other person or corporation, or with intent to defeat the bankruptcy law, knowingly and fraudulently transfers or conceals any of his property or the property of such other person or corporation; or".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DESIGNATING A PERMANENT LITTLE LEAGUE BASEBALL WEEK

The Clerk called the resolution (H. Con. Res. 17) authorizing and requesting the President to designate the period beginning June 14, 1959, and ending June 20, 1959, as National Little League Baseball Week.

There being no objection, the Clerk read the resolution, as follows:

Resolution by the House of Representatives (the Senate concurring), That the President is authorized and requested to issue a proclamation designating the period beginning June 14, 1959, and ending June 20, 1959, both dates inclusive, as National Little League Baseball Week in recognition of the national and community benefits resulting from Little League activity, and inviting the people of the United States to observe such week in schools, parks, athletic fields, and other suitable places with appropriate ceremonies and activities.

With the following committee amendment:

Strike out the language after "the" on line 3, through "as" on line 5 and insert in lieu thereof "week beginning the second Monday in June of each year, as".

The amendment was agreed to.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELATING TO SUITS AGAINST MILLER ACT BONDS

The Clerk called the bill (H.R. 4060) to eliminate all responsibility of the Government for fixing dates on which the period of limitation for filing suits against Miller Act payment bonds commences to run.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 2(b) of the Act of August 24, 1935 (49 Stat. 793, 794; 40 U.S.C. 270b(b)), is amended by striking out "date of final settlement of such contract" and inserting in lieu thereof "day on which the last of the labor was performed or material was supplied by him."

SEC. 2. Section 3 of the Act is amended (a) by striking out the comma and all words following the word "original" in the first sentence and (b) by striking out the words "and certified statements" in the last sentence.

SEC. 3. The rights of laborers and material men under contracts entered into before the effective date of this amendment shall not be affected.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. That completes call of the bills on the Consent Calendar.

CALL OF THE HOUSE

Mr. MASON. Mr. Speaker, I suggest the absence of a quorum and make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

The call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 42]

Alford	Daniels	Giaimo
Ashmore	Davis, Ga.	Glenn
Barden	Dawson	Harris
Barrett	Dent	Healey
Bass, N.H.	Denton	Holifield
Baumhart	Derounian	Holland
Bennett, Mich.	Diggs	Horan
Betts	Dollinger	Hosmer
Boggs	Dooley	Ikard
Bowles	Dorn, N.Y.	Johnson, Md.
Boyle	Downing	Jones, Ala.
Brewster	Dulski	Karth
Buckley	Durham	Kearns
Bush	Elliott	Kee
Byrne, Pa.	Fallon	Keith
Cahill	Farbstein	Kilburn
Carnahan	Fenton	Knox
Celler	Flood	Lafore
Clark	Flynt	Laird
Coad	Fogarty	Lennon
Coffin	Fountain	Lesinski
Collier	Gallagher	Lindsay
Corbett	Garmatz	McDowell
Dague	Gavin	Matthews

Meader	Perkins	Staggers
Merrow	Philbin	Steed
Meyer	Poage	Taylor
Milliken	Powell	Teller
Monagan	Preston	Thompson, N.J.
Moorhead	Prokop	Toll
Morgan	Pucinski	Tollefson
Moulder	Rabaut	Wharton
Multer	Rhodes, Pa.	Wilson
Mumma	Rostenkowski	Winstead
Nix	Saylor	Withrow
Osmers	Smith, Iowa	Yates

The SPEAKER. On this rollcall, 320 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

APPROPRIATIONS FOR NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Mr. BROOKS of Louisiana. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7007) to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction and equipment, and for other purposes.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there are hereby authorized to be appropriated to the National Aeronautics and Space Administration for the fiscal year 1960 the sum of $480,550,000, as follows:

(1) For "Salaries and expenses," $94-430,000.

(2) For "Research and development," $333,070,000.

(3) For "Construction and equipment," $53,050,000, as follows:

(A) Langley Research Center, Hampton, Virginia: Alterations to thermal structures tunnel; analytical computing equipment; conversion of gust tunnel to noise research laboratory; conversion of test cells to noise test facility; and heater and vacuum system for gas dynamics laboratory, $4,580,000.

(B) Ames Research Center, Moffett Field, California: Data reduction center and mass transfer cooling and aerodynamics facility, $6,555,000.

(C) Lewis Research Center, Cleveland, Ohio: Ion and plasma jet facility; zero-power reactor; in-pile loop; and approximately twenty-five acres of land, $6,860,000.

(D) High-speed flight station, Edwards, California: Building additions; analog computing equipment; and terminal guidance facility, $2,805,000.

(E) Beltsville Space Center, Beltsville, Maryland: Central flight control and range operations building; space sciences laboratory; instrument construction and installation laboratory; and utility installations, $14,000,000.

(F) Pacific Missile Range, Point Arguello, California: Launching facilities, including flight vehicle assembly and check-out facility with equipment for special experiments, $3,-000,000.

(G) Various locations: Global range tracking and communication facilities and equipment; facilities for Rover program; and propulsion development facilities, $15,250,000: *Provided,* That the Administrator shall notify the House Committee on Science and Astronautics and the Senate Committee on Aeronautical and Space Sciences of the site selections before any such facilities are hereafter established.

(b) Appropriations for "Research and development" may be used for any items of a capital nature (other than acquisition of land) which may be required for the performance of research and developments contracts.

(c) When so specified in an Appropriation Act, any amount appropriated for "Research and development" and for "Construction and equipment" may remain available without fiscal year limitation.

SEC. 2. Authorization is hereby granted whereby any of the amounts prescribed in subparagraphs (A), (B), (C), (D), (E), (F), and (G) of subsection (a) (3) may, in the discretion of the Administrator of the National Aeronautics and Space Administration, be varied upward 5 per centum to meet unusual cost variations, but the total cost of all work authorized under such subparagraphs shall not exceed a total of $53,050,000.

SEC. 3. Any amount, not to exceed $5,000,-000, of the funds appropriated for "Construction and equipment" pursuant to this Act, may be used to construct, expand, or modify laboratories and other installations, if found by the Administrator to be necessary because of changes in the national program of aeronautical and space activities or new scientific or engineering developments and if the Administrator determines that deferral until the next authorization Act would be inconsistent with the interests of the Nation in aeronautical and space activities, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment: *Provided,* That upon reaching a final decision to implement, the Administrator or his designee shall notify the Committee on Science and Astronautics of the House of Representatives and the Committee on Aeronautical and Space Sciences of the Senate of the cost of such construction, expansion, or modification including those real estate actions pertaining thereto: *Provided further,* That no such funds shall be used for such construction, expansion, or modification if authorization for such construction, expansion, or modification has been previously denied by the Congress; and additional appropriations are hereby authorized for purposes of this section in the amount of $5,000,000.

SEC. 4. Notwithstanding the provisions of any other law, no appropriation may be made to the National Aeronautics and Space Administration for any period prior to July 30, 1965, unless previously authorized by legislation hereafter enacted by the Congress.

The SPEAKER. Is a second demanded?

Mr. McDONOUGH. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, the bill before the House is H.R. 7007 and its purpose is to authorize apropriations to the National Aeronautics and Space Administration for fiscal year 1960. The total amount authorized by the committee bill is $480,-550,000.

This can be broken down as follows:

Salaries and expenses, $94,430,000.

Research and development, $333,070,-000.

Construction and equipment, $53,050,-000.

Before beginning an explanation of the bill, I would like to say a few words about the need for the exploration of space. For as long as he has had the intelligence to think about it, man has dreamed of penetrating the rind of atmosphere which surrounds his planet and of exploring the vastness of the universe which lies beyond. It is a magnificent dream, compounded of his inherent spirit of adventure and his insatiable thirst for knowledge.

Full realization of the dream remains for future generations, but those now living in this era of explosive technology are privileged to witness the early steps toward the goal. Man-made objects are at this moment orbiting about the Earth, companions to the natural Moon which has been circling the planet for millions of years. Others have been thrust away from the Earth to roam the solar system forever, mute testimony to human capabilities for fulfillment of the great dream.

And even as these objects rush silently through space, their creators are preparing to send man himself outside of the Earth to which he has been bound since the beginning of life.

These fantastic accomplishments of contemporary science challenge the imagination, but they pale to feeble ventures in contemplation of the enormous task which lies ahead.

Now, there is more involved in space exploration than the satisfaction of man's dreams or natural curiosity. There is a need to assure that full advantage is taken of the military potential of space. In addition, the effect on national prestige of accomplishment in space science and exploration cannot be underestimated. Finally, the opportunities for scientific observation and experimentation which will add to our knowledge of earth, the solar system and the universe is unlimited.

The scientific data to be gained can be translated into benefits to man's peaceful existence on his own planet. There are specific applications which already are obvious: expanded world communications through the use of satellite relay; intercontinental television; satellites to assist in forecasting and perhaps in the future, controlling weather; advances in navigation, reconnaissance, and mapping.

In view of what I have said, permit me to explain the provisions of H.R. 7007.

By far, the largest item in the bill is that for research and development which totals $333,070,000. This program can be divided into eight major divisions. They are are follows: Aircraft, missile, and spacecraft research; scientific investigations in space; satellite applications investigations; space operations technology; space propulsion technology; space systems technology; supporting activities: tracking and data acquisition; and vehicle development.

Under the first major division, "Aircraft missile, and spacecraft research," we have three subdivisions: "Support of NASA plant"; "Support of jet propulsion plant, Pasadena, Calif.; and "Research contracts."

I believe all of these items are self-explanatory.

Under the next division, "Scientific investigations in space," we have four subdivisions. There is an authorization of $10 million for sounding rockets. These rockets will be used to carry a usable

scientific payload to a comparatively short distance from the surface of the earth. Such vehicles afford a means of studying the earth's atmosphere in vertical cross section out to a distance at which it merges with the medium of interplanetary space. During fiscal year 1959, funds allowed procurement of about 50 high altitude sounding rockets. We intend to double this important work, and thus provide funds in 1960 for some 100 rocket boosters and payloads.

The next subdivision is "Scientific satellites," for which we are recommending authorization of $22,800,000. This will permit the launching of lightweight, sophisticated packages to study energetic particles, atmospheric properties, ionospheric characteristics and geodesy. Heavy payloads, such a stabilized telescope and atomic clocks, will be developed and launched when ready.

Next, we turn to "lunar probes." At the present time studies and preliminary development projects are being undertaken and will be extended in fiscal year 1960 to acquire technology for a more advanced lunar vehicle with a capability for executing a controlled lunar landing. Such a vehicle would provide important potentialities for detailed scientific exploration of physical, chemical, and biological characteristics of the Moon.

In addition, the committee recommends authorization for $6,803,500 for deep-space probes. We are interested in sending a vehicle to the vicinity of Venus, so that the pertinent physical and chemical characteristics of space can be explored. Investigations of the major bodies of the solar system should provide further insight into the relative characteristics of various components of the system.

Two of the most important authorizations, insofar as satellites are concerned, are for meteorology and communications. We are interested in launching satellites to obtain information concerning weather forecasting and the possibility, in the future, of controlling weather. Likewise, we wish to launch satellites to explore the possibility of worldwide communications through the use of satellites.

Probably the most important provision of the bill is the authorization for $70 million for a continuation of the manned space flight program. It is becoming increasingly evident that full exploitation of the potentialities of space flight for benefiting mankind will be dependent on the development of practical capabilities for operating manned space vehicles. This program is well along its way, and during the fiscal year 1960 12 capsules will be delivered, preliminary flights will be undertaken, an intensive pilot training program will be undertaken, and the necessary boosters for the manned orbital flight will be purchased.

Something less than $50 million is included in the bill for space propulsion technology. This covers research and development in solid propellent rockets, high-energy propellent rockets, the 1-million-pound thrust single chamber engine, nuclear rocket engines, space engines and auxiliary power units. The bill also authorizes approximately $5 million for space systems technology. This includes advanced vehicle systems, booster recovery systems and investigations to establish the design requirements for an orbiting space laboratory, large enough to accommodate two men with the appropriate scientific laboratory equipment.

Obviously, it would do little good to put satellites or manned vehicles into space if they could not be tracked and data acquired from these experiments. To this end, there is $11,500,000 authorized in the bill for tracking and data acquisition.

I turn next to the provisions of the bill concerning construction and equipment. This totals $53,050,000 in the bill and will provide the necessary authorization for the continued operation of Langley, Ames, and Lewis research centers, the high-speed flight station at Edwards, Calif., the space projects center at Beltsville, Md.; the Pacific missile range at Point Arguello, Calif., and various other locations.

In this connection, I should say that the committee deleted the sum of $4,750,000 from NASA's budgetary request for propulsion development facilities. NASA wishes to construct a new central facility to permit an accelerated research and exploratory development in the uses of high energy liquid propellants. It will be necessary to construct this facility some distance from urban areas because of the contemplated use of extremely toxic and corrosive fuels, such as fluorine. However, in attempting to justify this project to the committee, it was learned that NASA has not selected the site for the proposed facility. As a result the committee was at a loss to reconcile budgetary figures for such items as roads, fencing, and site preparations when representatives of NASA could not say where the site was to be located.

The committee recognizes the need for this type of facility, and once the site has been selected, and the committee informed, we have advised NASA that we will entertain legislation for the authorization of funds for the construction of the site. Meanwhile, the committee does not approve of including the money in the bill, and as a consequence, struck it out.

Aside from that item, the committee approves the amount of funds requested by the NASA.

Mr. Speaker, in April 1958 the President sent a special message to the Congress relative to space science and exploration. Therein he outlined his views concerning this matter and pointed out that these factors have such a direct bearing on the future progress, as well as on the security, of our Nation that an imaginative and well-conceived space program must be given high priority.

This is a departmental bill, approved by the Bureau of the Budget, and therefore follows the views of the President. I agree that this program must be given the highest priority, in order to contribute to the expansion of human knowledge of outer space, to preserve the role of the United States as a leader in space science and technology, and to make available discoveries of military value to agencies directly concerned with the national security.

The SPEAKER. The time of the gentleman from Louisiana has expired.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. THOMAS] for a question.

Mr. THOMAS. Mr. Speaker, I deeply appreciate the gentleman's yielding me this time and I would like to have him turn to the last page of the bill, section 4. I am sure that my able, congenial, and distinguished friend realizes that he is departing from the normal procedure of the House. He says, for example, that the program must have high priority. I agree with the gentleman. But if you are going to keep every detail in the palm of the hands of the committee we will not get out of here until October this year. We have not yet provided any money.

Mr. BROOKS of Louisiana. May I say to the gentleman that we gave the Department every single cent the Department requested, save in one instance, and that was for a new installation which has not yet been located. We provide in the bill for an emergency where they can spend above the amount authorized for certain projects by 5 percent in the event of an emergency. We provide a $5 million emergency fund also. We think that they are adequately provided for in this bill, and we do not see reason why they should have to come back in the near future.

Mr. Speaker, I now yield 2 minutes to the gentleman from New York [Mr. ANFUSO].

Mr. ANFUSO. Mr. Speaker, this is the first full-year authorization request made by the National Aeronautics and Space Administration since its creation by Public Law No. 85–568. In the consideration of the bill we feel it necessary to keep in mind several salient points. We feel first you should ask, how fast does the Congress want our space program to proceed? You should ask, how soon does the Congress want our country to be ahead, on the top, at the peak of space accomplishments? Accomplishments in the order of these advances in space can be measured in terms of technological achievements, and technological achievements can be measured only in terms of money available for the developments.

This bill has a request of $94,430,000 under the salary and expense title. This is divided into $69,976,000 for salaries and $24,454,000 for expenses. In the first place it should be pointed out, that in this salaries request there is not a single additional employee to be added to the staff of any of the four research centers of the agency. The authorization has, however, a request of 1,027 additional personnel, but carefully note that this request is the result of the stepped-up effort in space flight activities of the agency for which the 1960 fiscal year will see the establishment of the space flight projects center at Beltsville, Md., where 70 percent of this personnel request is called for.

There are an additional 153 employees to be added to the staff of the Pilotless Aircraft Station at Wallops Island, Va.,

which requirement is necessary to establish this installation as a complete, self-sustaining, independent center, and there is also a requirement for 150 employees to be added to the NASA headquarters staff, which increased personnel is necessitated by the requirements of the act itself in the operation of the Inventions and Contributions Board, and also to fulfill the ever-increasing demand for public information services.

I think that the entire title of salaries and expense appropriation may be summed up by a simple statement, namely: Expansion of the space flight activities. It would be a useless and vain gesture to launch satellites without the means of ascertaining their success and it would be a tremendous loss of funds and useless expenditure to launch satellites without the means of obtaining the knowledge and information for which they were set in motion. Therefore, as the space flight program speeds up, so do the requirements that make complete the return on the satellite investment.

The major items of expense are for utilities, travel, and communication services, all of which have a primary mission in that they further the space flight program.

We of the committee believe that this authorization is a reasonable request, and we believe that it will allow the agency to determine its own spending experience, commensurate, however, with the urgency with which the Congress has indicated that it should act.

Mr. FULTON. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I want to urge the favorable consideration by the House of H.R. 7007 which will provide the fiscal year 1960 funds to support adequately the basic and applied research programs of the National Aeronautics and Space Administration presently under way or will be put into effect in the near future in the fields of aeronautics and space.

At this time I think you should know some of the objectives of NASA and the great economic and scientific benefits that can be obtained for the American people by NASA research and development. First there is the program for communication satellites and worldwide tracking and telemetry facilities. With such devices, a worldwide, all-weather communication network, including global radio and television, will be realized. Four such satellites could double all the international communication traffic now being carried by cable and radio. The benefit of this system not only to our education and commerce but also to our Government and defense becomes immediately apparent, as a recommended economical and progressive step forward

Then there are the weather satellites. Our knowledge of weather patterns in this country and throughout the world is still relatively scanty and primitive. Weather satellites can provide information that can increase by a significant order of magnitude our capability for long-range weather prediction that will have a direct effect upon our national economy as well as the whole world, saving billions of dollars by preventing or drastically reducing serious losses and damage caused by tornadoes, typhoons, hurricanes, heavy frosts, floods, and droughts.

There are also navigation satellites. When they are placed in precise and predictable orbits they can make possible pinpoint navigation for our air and sea traffic for private, commercial, and military purposes, and will increase the safety factors for such travel by many times.

These satellite programs are still in their preliminary stages, and in order for them to be fully useful they must have vigorous and unstinted support.

So far I have been talking about the astronautics aspects of the NASA budget. Aeronautical research is a continuing vital and needed part of the NASA research. The importance of safety in the air and aircraft operating efficiency cannot be underestimated. It is research being done by NASA that can help to prevent such tragic crashes as those which have shocked us all.

Another factor that I want to bring to the attention of the House is the importance of scientific achievement in international affairs. The Soviet Union by its accomplishments in space technology and sending into orbit earth satellites that have, in size, exceeded those we have been able to send up, has made space exploration a major part of a worldwide propaganda campaign to capture the attention and imagination of many people of less-favored nations throughout the world. This country, aside from the tangible benefits of space exploration that we can gain for ourselves, cannot afford to lose by default to the Soviet Union our position and prestige as a world leader in science, engineering, and industrial capability, and thereby reducing our influence in areas of the world threatened with being overcome by communism. We must continue to demonstrate that our scientific capabilities are equal or superior to any other nation's.

In conclusion, I want to point out that men have always depended upon their knowledge of the physical world to enable them to cope with their environment and whatever hazards that might affect their lives. Forces existing in space can actually affect our physical world just as significantly as can those everyday physical phenomena such as heat, cold, and wind. Hence, it is in the interest of our survival and progress that we learn as much as we can as soon as we can about the forces in space in order to ensure a safer and more secure life for everyone in the world.

Mr. Speaker, this is an important bill. Do not think that space is the least strategic area but one of the most important to our United States security. Do not think that it is not also important to all of you economically, to you people from farm areas, to any of you who live along rivers and watersheds it is likewise important.

If we can produce these proposed weather satellites, they will tell us ahead of time in reference to floods, hurricanes, tornadoes, storms and yes, drought. We will add a billion dollars annually to our U.S. economy as well as additional gains to the world economy. Secondly, if we produce these proposed communication satellites, we can have worldwide radio and television and practically double, at a comparatively small cost, the total facilities of radio and cable networks around the world. Third, we can have greater safety at sea, in the air, as well as in space, if we produce these proposed navigation satellites.

These proposed programs for fiscal year 1960, will help us on defense, they will help us economically, they will help us on research and development in science. This legislation is what might be called the civilian science and research program for the country for peacetime uses for the year 1960.

The total amount sought by the National Aeronautics and Space Administration and recommended by the Bureau of the Budget and the executive department to this committee is $185,300,000. This committee has cut that recommendation of the Bureau of the Budget and the NASA by $4,750,000. Our sciences and astronautics have been careful. We have gone over each of these programs, and while we cannot speak of all of these projects on the floor, because many of them are of a security nature, they are tremendously worthwhile to the security and the economic development of this country.

I would therefore strongly urge the passage of the bill, because it is the unanimous report of the members of the Science and Astronautics Committee. We have agreed unanimously that these projects and programs are vitally necessary for U.S. progress both in aeronautics as well as in space.

To those people who have been shocked by air crashes that could be eliminated by adequate research and development programs we want to say that a large part of this bill is for aeronautical research purposes; that is, to get better and safer planes, better signal systems, better communications, and better facilities of all kinds, both for civilian and military aviation.

The National Aeronautics and Space Administration has taken over the functions, and laboratories, and facilities of the old U.S. National Advisory Committee for Aeronautics that was established in 1915. Because of the fact that this is such an important and strategic field as well as such an important economic field, I hope the Members will believe us when we say that this is an absolutely necessary amount which we have approved for the coming fiscal year 1960 by the unanimous action of the Science and Astronautics Committee.

Mr. Speaker, may I close by saying this further. If you look in the bill, at section 4, you will find that our committee, by this provision, has said that we want appropriations authorized every year for the next 5 years by the Science and Astronautics Committee so that we on the committee may look at them specifically and closely and see that these tremendously complicated and important scientific projects are aimed well and efficiently. In other words, such items must be cleared first by approval

of the Science and Astronautics Committee before they go to the Committee on Appropriations.

That means that until 1965 this committee that has the authorizing power will be studying each of these programs and asking the House to give us the authorizing power each year, so that we may watch this new agency closely to see that it does not go off the deep end and that does not get into the troubles that many of these other programs have found at the start of progress in a tremendous scientific and exploratory field such as aeronautics and space.

I recommend that the bill pass.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield 2 minutes to my colleague from California [Mr. GEORGE P. MILLER]

Mr. GEORGE P. MILLER. Mr. Speaker, I want to join in what the previous speaker has said, and particularly point out that NASA is the successor to the old NACA, the National Advisory Committee for Aeronautics which, through the years, did such a wonderful job in the development of aviation.

The work that is carried on by this agency is primarily in the civilian field although the data that it gathers and the information that it collects will be available to the military. But it is not a military operation.

We did delete $4,750,000 from the amount suggested by the Bureau of the Budget, because the agency could not give us a firm assurance that they had selected a site for a proposed installation. Inasmuch as this is the first authorization bill for this agency we decided that we were not going to appropriate money for a pig in a poke, that they would have to come back and justify, and have a firm recommendation before the committee would accept it. This is the precedent that the committee was establishing, and I am certain that it is one of fiscal responsibility and one to which the House will subscribe.

I may say that I had the honor and the privilege of heading one of the subcommittees, that which made this cut. The subcommittees and the full committee very thoroughly went over every item in the bill. I feel that all of the money contained in the bill is necessary and I commend it to the House.

Mr. FULTON. Mr. Speaker, I yield such time as he may desire to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN. Mr. Speaker, I urge the adoption of the legislation. It is the administration's proposal to keep pace with the struggle for space supremacy. The Budget Bureau has approved and so has the Space Committee after extended hearings. The Space Committee eliminated $4 million that could be safely deferred until the site has been determined. Time is of importance, and it is essential if we are to lead in the struggle for supremacy in space that we put up adequate funds for the purpose. Do not let false economy put us behind. Pass the bill I urge as the administration suggests, as the Budget Bureau has approved, and as the Space Committee recommends. Keep the United States out front.

Mr. FULTON. Mr. Speaker, I yield 3½ minutes to the gentleman from California [Mr. MCDONOUGH].

Mr. MCDONOUGH. Mr. Speaker, the full Committee on Science and Astronautics was split up into subcommittees. Each one of us was assigned certain parts of this budget, to hold hearings and give consideration to it. The section to which I was assigned as a subcommittee member was on solid propellent rockets, 1-million-pound thrust single-chamber engine, high energy propellent rockets, nuclear rocket engines, and space engines.

We called in the heads of the departments in the Space Agency to give us a rundown on just how they were going to use every nickel of the money that was suggested in their request. To my mind they justified the proposed expenditures.

May I say as a layman, and most of us are laymen in this field, that we must put a great deal of confidence in the scientists who are to expend this money. Further, with reference to the character of the individuals who are operating this Space Agency, it is my belief that they are honest, that they have the intention of doing the proper thing as far as the expenditure of these funds is concerned.

They have no intention to permit extravagance or waste.

One item that the previous speaker, the gentleman from California [Mr. GEORGE P. MILLER] referred to which we cut from the request, some $5 million or more, was an anticipated expenditure in which they estimated they may need, and when it came to the practical side of that and cutting it, they agreed with us.

One of the most important items, in my opinion, that my subcommittee considered was the million-pound thrust single chamber rocket. That is the basis on which most of our military and civilian scientific investigation in the future will be based upon, and we cannot lose any time in using every bit of our scientific manpower and our mechanical know-how in industry in the United States in establishing a single chamber million-pound thrust rocket.

On some of the other items on the rockets for experimental purposes for weather, reconnaissance, and in communications and in many other things that are known to be practical and known to be operative at the present time, we provided funds for further experimentation along those lines.

I think the House can with confidence accept the recommendation of this committee and accept the proposals and requests made by the Space Agency and approve the bill that is before us.

Mr. FULTON. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Speaker, this is a vitally important subject matter. By-and-large the committee has done a real good job.

It was my privilege in the last Congress to serve as a member of the Select Committee on Space under the able leadership of the chairman, the gentleman from Massachusetts [Mr. MCCORMACK], and the ranking minority Member, the gentleman from Massachusetts [Mr. MARTIN]. I shared with them in the drafting of the basic legislation for a civilian space program under the National Aeronautics and Space Administration. I thought we put together with the other Members of the Congress a very sound, basic space law including a provision, section 307(a), which applied to appropriations. This particular provision reads as follows in the basic law. I quote:

SEC. 307(a). There are hereby authorized to be appropriated such sums as may be necessary to carry out this act, except that nothing in this act shall authorize the appropriation of any amount for (1) the acquisition of condemnation of any real property, or (2) any other item of a capital nature (such as plant or facility acquisition, construction, or expansion) which exceeds $250,000. Sums appropriated pursuant to this subsection for the construction of facilities, or for research and development activities, shall remain available until expended.

The law was passed by the Congress and became effective on July 29, 1958. The Space Act and this particular provision were sound legislation. Unfortunately, within a month after July 29, 1958, there was a provision added to two appropriation bills in the other body which amended section 307(a) with reference to authorizations and appropriations for NASA. In one of those appropriation bills, we finally ended up with a provision that amended the basic Space Act concerning authorizations and appropriations. In this supplemental appropriation bill for fiscal 1959 which became law August 27, 1958, there was this provision added and I quote:

No appropriation may be made to the National Aeronautics and Space Administration for any period prior to June 30, 1960, unless previously authorized by legislation hereafter enacted by Congress.

This provision in that supplemental appropriation act nullified in effect section 307(a) of the basic law. That nullification of an important provision in well-thought legislation was wrong for the reasons set forth by the gentleman from Texas [Mr. THOMAS], chairman of the Independent Offices Subcommittee on Appropriations. That nullification of the basic law has held up the consideration of space appropriations for a period of time during this session of the Congress and time is of the essence if the United States is to move forward in space competition with the Soviet Union.

I seriously fear that section 4 of the bill before us today which extends this nullification procedure for 5 years will hold up annual future appropriations for NASA and consequently slow down the agency's program. Speed is essential in the consideration of appropriations for this important agency, and I doubt if it is necessary to have a complete and total authorization each year plus a review by the House and Senate Committees on Appropriation.

The Committee on Science and Astronautics has a very important function to perform which it will do well. It has first-class members on both sides of the aisle and a fine staff. However, I do not believe it is necessary to have this broad authorization bill each year. It will slow

down NASA's important programs and place a duplicating burden on NASA's staff by requiring extensive hearings before the House and Senate legislative and appropriation committees. I wish it were possible to strike section 4 from H.R. 7007.

Mr. FULTON. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Speaker, I have taken this time to register my protest to this method of bringing out an important authorization bill on the floor of the House. I shall ask, if I may, unanimous consent to revise and extend my remarks and explain why I think this is very bad practice.

This is the first authorization bill this committee has brought out, and for that very reason it needs further explanation and understanding on the part of the House. The committee report is 42 pages long. It is impossible to go through that and get a meaningful understanding of it in 40 minutes. There are no printed hearings available, apparently. We have already listened to some of the serious matters of controversy involved in this legislation.

I believe that the committees of the House should realize that they are committees of the House and that it is their job to report matters to the House so that we who are not on the committees can gain an understanding of those things. Certainly a suspension of the rules with 20 minutes to a side is not sufficient consideration.

Under privilege of extending my remarks, I want to add these comments. The fact that the committee unanimously reported a piece of legislation does not mean, as some of the statements of the members on this committee imply, that the House is just going to adopt the legislation without knowing what is in it. Nor does this mean that the House does not trust the committee. It means that the committee's function is not to make the decision for the House, but rather help the House in reaching its decision.

I am afraid there is a great tendency upon the part of committees to misconstrue their function and forget that they are creatures of the House brought into being so that a more thorough job of gathering facts and considering pro and con arguments on the subject under consideration can be done than by the House working as a whole.

How can the House possibly know what is involved in this authorization bill H.R. 7007, the first one ever presented by this new committee upon a subject which is new to mankind, if the committee does not take time to discuss it and answer questions of the House membership not on the committee? This first authorized bill ought to be presented with more detail and formality probably than any future authorization bills. This bill has been presented without printed hearings being made available to the House membership and without debate or possibility of amendment.

I trust that the House will vote against suspending the rules under these circumstances and insist that its new Committee on Science and Astronautics follow ordinary and proper procedure in presenting its proposals to the House. Surely the House has ample time on its hands to discuss and debate a $480,550,000 authorization bill. The people of our country, I am certain, expect the House to do this. I for one do not abdicate my responsibilities as a Congressman to any committee, no matter how high I hold the Congressmen on it in respect.

Mr. FULTON. Mr. Speaker, I yield such time as she may desire to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, it is very appropriate at this time to bring to the attention of the Congress of our country, and of the world, the fact that on last Thursday, May 14, 1959, there was dedicated in Wilmington, Mass., in my Fifth Massachusetts Congressional District, the Avco Research Center incorporating the largest research laboratories of this kind in the entire world.

These research and development laboratories are a part of the Avco Corp. They were conceived, designed, and placed into operation by some very able and forward-looking American gentlemen. I refer to Mr. Victor Emanuel, the distinguished chairman of the board of the Avco Corp.; Mr. Kendrick R. Wilson, Jr., president of the Avco Corp.; and Mr. James R. Kerr, president of the Research and Advanced Development Division of the Avco Corp. Because of their foresight, their courage to go ahead, the soundness of their thinking, and their management ability, our Nation now has in operation the greatest scientific research laboratories in the world.

Great accomplishments will take place in these laboratories. Developments may take place that will mean more to the security of the free world and the liberty of the American people than is now known and possessed. In fact, the very future of mankind can very well depend upon the scientific breakthroughs that take place in these phenomenal research laboratories. It is inspiring, it is thrilling, it is reassuring, to know that here in our country such phenomenal developments can take place. As Americans we owe our thanks and gratitude to these gentlemen for their foresight in creating and constructing these laboratories where great scientists can bring forth a larger and greater understanding of the forces of our universe.

Mr. Speaker, under unanimous consent I include as part of my remarks at this point, a description of the new Avco Research Center and to include the dedication program of addresses and panel discussions as they were given at the dedication exercises, Thursday, May 14, 1959.

DESCRIPTION OF AVCO RESEARCH CENTER
WILMINGTON, MASS.

Completion of the new Avco Research Center at Wilmington, Mass., marks a milestone in the growth of the company's research and development organization.

The research center, devoted to basic and applied research and development in the major scientific disciplines, includes unique laboratories, support facilities, and equipment, and is second to none in the country. It is now the permanent home of the research and advanced development division and later also will house the Avco Research Laboratory.

The center represents a principal portion of more than $16 million Avco has invested in its facilities in the Boston area, exclusive of special equipment provided by the Air Force.

Avco began laying plans in 1955 for a complete facility in support of the company's important pioneering research and development programs. During the previous year the company had organized a small group of leading scientists to carry out projects connected with finding a solution to the critical ICBM reentry problem.

Today this nucleus has grown into an organization staffed by more than 2,500 scientists, engineers and supporting personnel.

The new home of Avco's research organization, which was occupied by the research and advanced development division during the summer of 1958, is located on an 80-acre tract 13 miles north of Boston. Four main buildings—for research, administration, development, and experimental manufacturing—and two smaller structures, housing test facilities provide more than 500,000 square feet of productive floor space.

The design of the Avco Research Center was conceived to provide an atmosphere attractive to the finest scientists and engineers, combining the creative thinking found on a university campus with the definitive goals of leading industrial enterprises.

Through its pioneering work in support of the Air Force ICBM program and its continuing studies of earth satellite design and recovery techniques, Avco has become a leader in the field of atmospheric reentry and has made significant contributions in high temperature gas dynamics, magnetohydrodynamics, metallurgy, materials research and environmental test methods.

DEDICATION PROGRAM, AVCO RESEARCH CENTER, WILMINGTON, MASS., MAY 14, 1959

10 A.M.

Remarks

Hon. B. F. SISK, Congressman, 12th Congressional District, California, chairman, Subcommittee on Space Problems and Life Sciences, Science and Astronautics Committee.

Hon. EDITH NOURSE ROGERS, Congresswoman, Fifth Congressional District, Massachusetts.

10:20 A.M.

Panel discussion

Mankind in the Space Age.

Co-moderators: Mr. John Daly, Mr. Robert Considine.

12 NOON

Reception.

12:15 P.M.

Blessing of the center: His Eminence Richard Cardinal Cushing.

12:30 P.M.

Luncheon

Speakers

Hon. Foster Furcolo, Governor, Commonwealth of Massachusetts.

Dr. T. Keith Glennan, Administrator, National Aeronautics and Space Administration.

Hon. LEVERETT SALTONSTALL, U.S. Senator, Massachusetts.

Gen. Samuel E. Anderson, USAF, commander, Air Materiel Command.

Hon. OLIN E. TEAGUE, Congressman, Sixth Congressional District, Texas, chairman, Subcommittee on Research and Development, Science, and Astronautics Committee.

Lt. Gen. Bernard A. Schriever, USAF, commander, Air Research and Development Command.

Robert Considine, toastmaster.

2:30 P.M.

Tours of the facility.

DAIS

George E. Allen.
Gen. Samuel E. Anderson.
Earl H. Blaik.
Hon. STYLES BRIDGES.
Bob Considine.
John Daly.
Victor Emanuel.
Hon. Foster Furcolo.
Dr. T. Keith Glennan.
Dr. Arthur A. Kantrowitz.
James R. Kerr.
Hon. Malcolm A. MacIntyre.
Hon. JOSEPH W. MARTIN, JR.
Hon. EDITH NOURSE ROGERS.
Hon. LEVERETT SALTONSTALL.
Lt. Gen. Bernard A. Schriever.
Hon. B. F. SISK.
Hon. OLIN E. TEAGUE.
Kendrick R. Wilson, Jr.

REMARKS OF HON. B. F. SISK, OF CALIFORNIA, AT AVCO LABORATORY CEREMONY

As a Representative from California, on the other shore of our Nation, and as a spokesman for the Committee on Science and Astronautics of the House of Representatives, it is a pleasure and privilege to join with my colleagues from Massachusetts in helping to dedicate this fine new laboratory facility.

We live in an age of swift-moving change. As never before, the pattern of our daily living, the strategic defense of our Nation, and even fundamentals of social organization, are rapidly changing. Our most pressing need is to keep our thinking elastic, our minds open, our imaginations responsive to these developments. Our greatest hope lies in the fact that the changing picture of our world can be scientifically analyzed and experimentally tested. To accomplish this we urgently need scientists and more scientists—laboratories and more laboratories.

This new age of rapid change is not one we can ignore or one from which we can turn away to more tranquil and predictable times. For the revolution in ideas and science and technology are virtually worldwide. Failure to meet this challenge with our best efforts would be tantamount to surrender to forces we could control with the abilities and wisdom God has given us. The United States is not a country that quits, but rather one that has ever risen to the great challenges which confront us. This has been our history, and must continue to be so if we are to have a history in the future.

The Congress of the United States is not made up of any great number of technical men. Our numbers are drawn from many walks of life, representative of the variety of interests of the American people. But I think it is fair to say this: In our own way, a very large part of our membership in the Congress has sensed the revolutionary character of our times and the great role which scientific research and development are to play in determining our fates. It was in recognition of these changes that the House of Representatives last year voted to establish a permanent standing Committee on Science and Astronautics, the committee which I represent today.

If there is one thing above all others I have learned in more than a year of intensive study of the space, science and missile problems of the United States, it is that we must have the wholehearted support and backing of all the people of America. It is not enough that the scientists, the engineers, and the people of government are concerned about our future in the age of space. The people, from whom our strength flows, must also be concerned. They must be informed, fully, within the bounds of national security, and they must be asked for discussion and opinions and conclusions in formation of a national space policy.

Only through the overwhelming force of public opinion can the United States enter the space age, confident in strength and with determination to explore other worlds in peace and for the welfare of all mankind.

This great effort in technology and science must marshal the best talents and resources of all segments of the economy—the universities, Government laboratories, and certainly, private industry. A common effort, an interchange of personnel, and a sharing of results are all essential to success.

Our committee has had on several occasions the benefit of the wisdom and the experience of competent men associated with the Avco Research Laboratory in Everett, Mass. These contacts give me every confidence that this new facility will be a national asset of the greatest importance. The Avco Corp. is to be congratulated on its foresight and wise planning of investment to have made this new facility a reality.

Although this is a center of technology owned and controlled by a private industry, it is linked intimately with the defense and the welfare of the United States. Our committee, and others like us in the Congress, will feel a continuing interest and a sense of national pride in what goes on at this site. On behalf of the Committee on Science and Astronautics, therefore, I express our thanks for being here to take part in this symbolic dedication.

ADDRESS OF WELCOME BY HON. EDITH NOURSE ROGERS, MEMBER OF CONGRESS FROM MASSACHUSETTS, AT DEDICATION OF AVCO RESEARCH CENTER, WILMINGTON, MASS., MAY 14, 1959

Mr. Chairman, Mr. Victor Emanuel, distinguished officials, Avco research and advanced development, eminent scientists, my colleagues in government, honored guests, ladies, and gentlemen, here in this community in my Fifth Congressional District; here in the Commonwealth of Massachusetts; yes, here in America, this is an historic event. With a feeling of deep personal pleasure, of hopes and dreams, as your Member of Congress, I am honored to participate with all of you in this dedication of the Avco Research Center this morning.

In the midst of this magnificent group of the Nation's greatest scientific laboratories, my humble thoughts seem to return to early teachings and fundamentals.

Creation, science, space—long have these inspired thought. They have no limitations. They are vitally the concern of this unusual institution. What do they mean to you, the men and women of America? What do they mean to the people of the world? Can you conceive of the universe? Can man comprehend total science? Can the mind of man embrace endless space? Long have these questions inspired man's thinking. In the Bible we read, and I quote:

"In the beginning God created the heaven and the earth.

"And the earth was without form, and void; and darkness was upon the face of the deep. And the Spirit of God moved upon the face of the waters.

"And God said, Let there be light: and there was light."

These, as you well know, are the first three verses of the Book of Genesis. They tell us creation belongs only to God. It remains for man to search out, to discover, to penetrate deeply the facts of the earth, for when God created it, the facts and factors of all things were created too. It is the searching for these facts, fashioning them into different forms and combinations, developing them, interpreting them, that represent constant effort of man and the noble objectives of this great institution of science. Here in these laboratories man is penetrating more and more into the endless vastness of God's creation.

It is to be noted the first verse of Genesis stated God created the earth. The eminent scientists of this institution, however, and elsewhere, are reaching out beyond the earth into limitless space, and on and on over millions of light years to other worlds, to other planetary systems. Indeed, scientists in these eventful times have discovered facts far beyond the earth and having no bearing upon the earth.

Because of their discoveries, it would seem that now the first verse of Genesis of the Holy Bible can be revised to read, "In the beginning God created the heaven and the earth and the universe."

Certainly, it is appropriate in this modern age of technology for this giant scientific facility, the Avco Research Center, to be founded in this general area. Here industrial technology had its early beginning in America. Over 135 years ago, Francis Cabot Lowell fashioned his power loom and brought under one roof all of the processes for converting cotton into cloth. As Lowell became the "Spindle City," this Middlesex Valley became one of the early industrial centers of our young Nation.

This is a natural area for the establishment of the Avco Research Center. Here you will find great colleges and universities. Here you will find culture. Here you will find good and fine people. Here you will find faithful, honorable employees. Here you will find pleasant, wonderful neighbors. Here you will find cooperation. Here you will find the joy and pleasure of the green of spring, the coolness of the sea, and the gold of autumn.

We, the people of this area, are happy and honored you selected our community. We extend our hand to you in friendship. We welcome you. We ask you, and I quote from the Book of Psalms, "Search me, Oh God, and know my heart; try me and know my thoughts." You will find the heart of this community warm and friendly, our thoughts tried and true.

This area where Avco has established these new research laboratories is hallowed ground. It represents the cradle of American freedom. One hundred and seventy-nine years ago on Lexington Green and at Concord Bridge, the patriots of this greater area assembled and with no weapons except crude muskets made the first stand for American freedom and the free way of life. It is entirely fitting and proper for these laboratories to be here in the shadow of this glorious heritage, for within these magnificent buildings will be developed not muskets, but new techniques for the defense of freedom in this modern, scientific age. So we welcome you to the cradle of freedom.

All search, and all research, all that is done in the name of science, is for the benefit of mankind. The money, time, and labor expended by our Federal Government in scientific development is wisely and largely invested for the preservation of our free way of life.

In my opening words, I mentioned my hopes and dreams in relation to these new Avco research laboratories, the greatest and the most modern in the world. These hopes and dreams are similar to those held by all of you. They envision discoveries and refashioning of facts, breakthroughs in science and technology of such tremendous significance that mankind will enjoy a wider, a greater, a fuller life on this earth and in this universe of God's creation.

May the work accomplished here bring new meaning and new appreciation to this sceptered land, to this other Eden, to this blessed Nation, to this precious freedom, to this glorious America.

PANEL DISCUSSION: "MANKIND IN THE SPACE AGE"

A forum of some of the Nation's leading scientists agreed today useful manned exploration of space will have far-reaching effects toward the advancement of the human race.

The collective observation was made during a panel discussion titled "Mankind in the Space Age" at the dedication of the $23 million Avco Research Center at Wilmington, Mass.

The panel included nuclear physicist Dr. Hans Bethe—a key figure in developing the atomic bomb; Nobel prize winner Dr. Peter J. W. Debye—a pioneer of polymer chemistry; Dr. Clifford C. Furnas, chancellor of the University of Buffalo and former Assistant Secretary of Defense for Research and Development; Prof. Thomas Gold, Harvard astronomer and cosmologist; Dr. Arthur R. Kantrowitz, director of the Avco-Everett Research Laboratory and authority on high temperature gas dynamics; Dr. E. R. Piore, director of research for International Business Machines Corp.; Dr. Isidor I. Rabi, Nobel prize winning nuclear physicist; Dr. Dorothy M. Simon, chemist and a senior scientist for Avco's Research and Advanced Development Division, and Dr. Harold C. Weber, professor of chemistry at M.I.T. and chief scientific adviser to the Army.

Co-moderators for the panel were Bob Considine, internationally known newsman and John Daly, vice president in charge of news for the American Broadcasting Co., and television personality.

The scientists stressed repeatedly, however, that it will be up to mankind to decide whether scientific and technological advancement in the space age will produce beneficial results or lead to the destruction of our civilization.

The group also pointed out that a prime force behind the present surge in space-age thinking and the development of rockets and satellites is the necessity of military preparedness.

Dr. Furnas cited several technological advances arising from military needs which have resulted in profound civilian applications. Among them are the use of nuclear energy for power production, development of mass production methods for antibiotic drugs, synthetic rubbers, radar, and the high state of development of commercial and private aviation.

"Current military projects with satellite vehicles may possibly lead the way," Dr. Furnas said, "to civilian applications in worldwide communications, global weather forecasting with some degree of weather control as an ultimate goal and providing new sources for acquiring information on fusion reactions in the stars thus speeding the day man can harness that energy source on earth." He said also that space explorers will someday find the answer to whether life forms exist on other planets.

Among other possible benefits proposed by Dr. Weber is the more accurate mapping of the earth's surface from a space vehicle. In addition, Dr. Weber said space exploration will produce greatly increased knowledge concerning the composition and possibly the life history of the universe. "Such exploration," he stated, "will give us the ability to perform on a grand scale in outer space quantitative experiments which will contribute to our better understanding of time, matter, and energy—concepts so fundamental in interpreting what goes on around us on our own planet."

While unmanned devices sent into space can provide a great deal of the information we seek, the impact on world opinion of sending a man to the vicinity of the moon during the next 10 years will be great, Dr. Weber said.

The study of the planetary system and particularly the moon will give us much information about the remote past, suggested Professor Gold. "Information obtained from landings on the moon," he said, "may well allow us to reconstruct the main outline of the formation of the solar system and with it of the earth. The ability to look from above the earth's atmosphere will permit astronomical observations utilizing wider bands of radiation than now possible. Gamma rays, X-rays, and ultraviolet light as well as infrared light will reveal a new variety of happenings in the universe as that discovered in the visible range of light or in the range of present day radio astronomy. It would be surprising indeed if all this new knowledge did not lead to a better understanding of the workings of the universe. This in turn may lead to the discovery of new laws, better and more comprehensive than the ones we now have, for the description of the processes of nature. With this greater understanding will go a greater mastery of nature."

Astronomical observations could be greatly improved by placing telescopes in outer space, according to Dr. Bethe. "While I believe we will travel to other planets within the next few decades, I think it will take many centuries before mankind will be able to leave the solar system. Therefore, for centuries to come our knowledge of other stars will continue to depend on astronomical observations, by telescopes of various types."

Dr. Kantrowitz expressed the view that technological advancements have always created expansive pressures making it necessary for men to live in a larger world. He posed the question of whether our technology will be powerful enough to create attractive places for man to live in space. "It is fundamentally the thermonuclear bomb which will provide the motivation for a substantial move into space," he said, "and finally, it is the energy of the controlled thermonuclear reaction which will provide us with the power resources to make possible a large-scale migration into space."

Dr. Simon termed space exploration a great evolutionary step for man. "It is a deliberate and conscious effort of an organism to adapt itself to a new environment," she said. "In our time, we are attempting to perpetrate a discontinuity in man's evolution—to cause a change for man which is as great as that which nature accomplished when she caused a land animal to go into the sea and become a whale. We, however, will accomplish this act by carrying the earth's environment with us, not by changing the physiology of man."

The prospect of space exploration is tremendously exciting to the scientific and layman alike, Dr. Rabi stated. "Instruments and possibly man will be sent where they have never been before and see things that have never been seen before and come back with new knowledge," he said. "While Americans generally justify the tremendous expenditures for resesarch on the basis of needs for defenses and profit which would result to industry and to the general health and welfare," Dr. Rabi said, "we must begin to learn to justify research on the same basis as we justify any great human activity."

Space exploration means we are entering a new era, Dr. Piore stated. "In the past whenever there has been a unity of understanding and interest among our scientific interests, military needs, and engineering activities, there has been no stopping the United States in world leadership, whether it be weapons, industrial application, or scientific understanding.

"It was possible for us to react quickly to the needs of the space age for only one basic reason which characterized both American industry and American science—the breadth of skills and know-how of American industry, and the breadth of interest and programs in American research laboratories. Our people have broad training in depth as well as great intellectual curiosity."

MANKIND IN THE SPACE AGE

(Remarks by Dr. Isidor I. Rabi, department of physics, Columbia University, panel appearance, Avco Research Center dedication, Wilmington, Mass., Thursday, May 14, 1959)

The theme of our panel discussion "Mankind in the Space Age" is both timely and compelling. We have been projected into the space age by political forces almost beyond our control. A dream of the ages has become a necessity of our time. The science center which we dedicate today is a contribution and we hope and expect an important contribution to the solution of the scientific and technical problems which challenge us on every side as we advance further into this fascinating new branch of science and technology which we call space research.

As a purely scientific tool satellites and space vehicles have already taught us new facts of the utmost interest and have provided new confirmation in novel settings of old principles. We may fully expect important advances in astronomy, in the understanding of phenomena of the upper terrestrial atmosphere and of the sun from new observations for which a satellite or rocket platform is exactly suited. We will have new ways of testing the theory of relativity and perhaps other fundamental principles in cosmology and cosmogony. Indeed, there is such a host of scientific problems which can be illuminated by experiments in space in freely falling platforms beyond the earth's atmosphere that I could spend most of my allotted time in making just a partial catalog even without an attempt of explanation or justification. These experiments will be expensive but I don't see any reason why we should expect new knowledge to come cheaply. The size of our national research budget shows that new knowledge is not cheap.

Most Americans, although idealists at heart, are somewhat ashamed to admit to being swayed by ideals. They prefer to be regarded as hard, tough-minded businessmen. As such they justify our tremendous expenditure for research on the basis firstly of the necds for defense and secondly on the basis of the profit which would result to industry and to the general health and welfare. Without any disparagement to this point of view we must, nevertheless, begin to learn to justify research on the same basis as we justify any great human activity.

The mountain climber and the explorer justify their heroic efforts by pointing out there is a mountain to be climbed, and unknown territory to be explored. That explanation is sufficient even though it is not everybody's dish to climb Everest or to discover the North Pole or the lost cities of the tropical jungles. Although it is given to very few to have both the desire, ability, and stamina to perform these feats of exploration we all have occasion to rejoice in, and be proud of, the successful achievement.

Space research has both the romantic qualities of exploration and the more austere aspect of scientific investigation. Instruments and possibly man will be sent where they have never been before and see things that have never been seen before and come back with new knowledge. The prospect is tremendously exciting to the scientist and layman alike. The effort is so worthy of our great country that it should need no other justification.

I have purposely stressed the scientific and exploratory aspect of space research although I am fully aware, as I suggested at the beginning of my talk, that the driving force,

which led the Avco Corp. to build with its own funds this great laboratory we are now dedicating, was largely military in nature. To this audience there is no need to stress the decisive role which we expect this laboratory to play in the defense of our country and of our allies.

Nevertheless, we all hope that the time will come that through the peaceful evolution of political forces that the problems of defense will abate in their urgency. We all hope that a fearful humanity will have a breathing spell in which the clouds of war become less threatening.

I hope and urge that when that time comes that either through cooperation among nations or through peaceful competition we maintain our great interest in the challenge and in the opportunities offered by scientific research. This laboratory, established during a time of stress, will then live on with undiminished vigor to add to the store of human knowledge and human welfare.

MANKIND IN THE SPACE AGE

(Remarks by Dr. Hans A. Bethe, John Wendell Anderson, professor of physics, Cornell University, panel appearance, Avco Research Center dedication, Wilmington, Mass., Thursday, May 14, 1959)

When my father was young the clouds seemed to be forever out of the reach of man. Birds flew up to the clouds, but man had never done so in his long history. Nowadays we hop an airplane to go places as a perfectly routine matter. But when I look at the moon in the night sky it still seems to me awfully far away, and it still seems an impossible dream that man should go to the moon. Yet we know that already a Russian satellite has come close to the moon and gone past it, and we expect that before long many satellites will reach that heavenly object. Perhaps in 10 years man himself will travel to the moon, and not too much later he may travel to other planets.

The space age must be taken as an age of exploration and of adventure. Exploring the moon is much like exploring the interior of Africa was, less than a hundred years ago. Man always wants to explore and to travel to parts unknown. This exploration is not in itself science, its primary objective is adventure. It is true that science and technology provide the basis for space exploration, the tools for the travel of instruments and man in space. While the explorer in Africa needed mainly personal resourcefulness and ability to handle men, the explorer in space will for the most part depend on the vehicles and instruments which science and technology have made for him, and will have very little opportunity to exercise his own judgment. But while the tools all come from science and technology, the aim of space travel is largely adventure and only to a small extent scientific knowledge.

Of course there will be some scientific results, and there have already been some. There are interesting radiations in space about which one of my colleagues on the panel will talk. There is the intriguing question of whether there is life on other planets, and what kind of life. I want to talk about a different field, astronomical observations. While I believe that we will travel to other planets within the next few decades, I think it will take many centuries before mankind will be able to leave the solar system. The distance to the nearest fixed star is 50 million times the distance from the earth to the moon. At the speeds now foreseen for space vehicles, it would take tens of thousands of years to travel this distance. Therefore, for centuries to come our knowledge of other stars will continue to depend on astronomical observations, by telescopes of various types.

Such observations could be greatly improved by placing telescopes in outer space. The reason is that here on the earth we get only a very narrow band of the radiations which come from the stars. Most of the radiation is absorbed by the atmosphere. If we go outside the atmosphere we can see the ultraviolet radiation from stars. Astronomers know that all stars, and especially the most brilliant ones, send out a lot of their light in the ultraviolet. If we can observe their ultraviolet radiation directly we shall know much more about the structure of these stars. In particular, there is a controversy between the Russian and the American schools of astronomy as to the life history of brilliant stars in the so-called main sequence such as the star Sirius. The American astronomers claim that these stars develop quite naturally, simply using up the fuel in their interior, but otherwise remaining as they are. The Russian astronomers say that these big main sequence stars all the time lose mass from their surface ejecting it into space. The basis of this controversy is that the Americans believe that these stars emit a lot more energy in the ultraviolet than they do in the visible whereas the Russian astronomers deny this. Direct observation would decide this question.

To observe the radiation from a star it will be necessary to have a rather large telescope in space, and to have it on a stable platform. Probably this kind of observation will have to wait until we can build a telescope on the moon. In the meantime, from the satellites we already have in orbit, scientists are already discovering ultraviolet radiation from the sun which gives us a lot more information about this most important heavenly body. There is also some vague indication that there may be sources of ultraviolet radiation from places where there are no strong visible stars. If this is true it would mean there are some very hot bodies in those areas of the sky and we would wonder how all that energy is produced.

We shall certainly learn a lot about astronomy from observations made in space. Usually in scientific research one cannot predict many of the results; the most interesting discoveries will probably come in areas where we do not expect them.

MANKIND IN THE SPACE AGE

(Remarks by Mr. Thomas Gold, Robert Wheeler Wilson professor applied astronomy, Harvard University, panel appearance, Avco Research Center dedication, Wilmington, Mass., Thursday, May 14, 1959)

Scientists have to admit that they do not know how to bring about the major advances of science. There are no rules or methods that allow one to specify what needs to be done now to make possible a great step forward in a few years time. The best we can do at any stage is to observe and interpret all that can be observed and interpreted. Out of that, on some occasion, in an unpredictable way, may come a major new step in the understanding of nature.

Astronomy has been a most important subject in this respect. Newton's discoveries of the laws of motion and of gravitation, the understanding of quantum theory and of the processes of emission of light by matter, and in more recent times the development of nuclear physics and nuclear power engineering, all these and many other important steps were very much dependent on astronomical studies.

It is after all not surprising that in order to understand nature we have to look around us. We have to look further than the surface of the earth to become acquainted with a lot of happenings that have no direct counterpart on the earth.

From my point of view the most exciting thing about the space age is that it will allow us to discover a lot of new things in the universe. The ability to look from above the earth's atmosphere will free us from a most important restriction, for until recently we have only looked in particular narrow wave bands that are not blocked by the atmosphere. I am confident that we will see a great variety of quite unsuspected things. Gamma rays, X-rays and ultraviolet light as well as infra-red light will reveal a new variety of happenings in the universe as diverse as that discovered in the visible range of light or in the range of present day radio astronomy.

It would be surprising indeed if all this new knowledge did not lead to a much better understanding of the workings of the universe. This in turn may lead to the discovery of new laws, better and more comprehensive than the ones we now have, for the description of the processes of nature.

At present we know no physical laws that give us any hint of how the basic particles of matter came into existence. Yet this is a perfectly reasonable question to ask within the framework of physics and astronomy. We see the processes that convert hydrogen into helium in stars and we never see the reverse occurring. Yet there is still a lot of hydrogen left. The supply of fuel is not indefinitely old or else it would have run out. Perhaps the question of how this material all came into existence in the first place is not something that is shielded from our inquiry, but it just so happens that no good clue came into the range of information transmitted in the wavelengths that go through our atmosphere. It is perfectly possible that in another wavelength range that will now be made accessible such as, for example, in the field of the gamma rays, such information will be found and understood. We may see processes that have their origin at a great distance, and at a remote time in the past, and that may show us what age and what horizon there is to it all. We may discover events directly related to the creation process of matter. We may find out whether all comes from a sudden creation of matter in a concentrated form some time ago, with the observed expansion taking the system apart, or whether it is an eternal system, constantly rejuvenating itself with fresh material, constantly moving, yet, like a river, constantly remaining the same. Or, indeed, whether the situation is different still, not yet formulated into any theory of cosmology.

The study of the planetary system and particularly of the moon will give us much information about the remote past. On the earth the vigorous processes of geology have completely obscured the early stages, whilst on the moon there is undoubtedly a record that goes back a great deal further. Information obtained from landings on the moon may well allow us to reconstruct the main outline of the formation of the solar system and with it of the earth.

How important is it to know these things? To know the extent in space and time of our universe and to know the mode of its formation or the means by which it keeps going. To me that is as meaningless as to ask how important is it to live. What could be a more exciting thing, a greater adventure to devote oneself to, than to find these answers? With the greater understanding will go a greater mastery of nature. I have no doubt that the new technology that will result will alone do much more than justify all the present effort.

MANKIND IN THE SPACE AGE

(Remarks by Dr. Dorothy M. Simon, Avco Research and Advanced Development Division, panel appearance, Avco Research Center dedication, Wilmington, Mass., Thursday, May 14, 1959)

The entire history of mankind has occurred in a spherical shell so thin that no pictorial cross-section of the earth can show

it as other than a circular line. Until recently the upper limit of this layer was the height to which men could climb up the highest mountains of the earth. In our time, with great technical effort, we have perfected airplanes to fly 10 to 12 miles above the earth. This is only an imperceptible thickening of the line. The human world has been, in effect, a two-dimensional surface confined to the thin layer of air which clings to the earth.

Now, we propose to increase the thickness of this layer to hundreds of miles and eventually to millions of miles. We propose to make the world three dimensional. What the extra dimension can add to our lives is difficult to imagine. An ameba swimming in a stagnant pool would find it difficult to conceive of an existence in which he were free to leave the surface and explore at will.

This great evolutionary step for man is unique in another way—it is a deliberate and conscious effort of an organism to adapt itself to a new environment. In our time, we are attempting to perpetrate a discontinuity in man's evolution—to cause a change for man which is as great as that which nature accomplished when she caused a land animal to go into the sea and become a whale. We, however, will accomplish this act by carrying the earth's environment with us, not by changing the physiology of man.

Although we are confident that we can soon travel in space, there are serious problems which must be solved first. For example, the problems of maintaining an oxygen environment and feeding a man for years away from the earth are of interest to the chemist. Serious radiation hazards for the man exist, and the chemist may be called upon to help solve these shielding problems. We do not yet know how essential the gravitational force and the psychological variety to which we are accustomed on earth are to our well-being.

Vehicles have already been shot into space, but not only have they not been manned, more important, they cannot be said to have initiated space travel, since to man travel implies a journey from one chosen point to another and return. The guidance or navigational accuracies required to get into a predetermined orbit around the earth, to depart from this orbit correctly, to guide the vehicle into an orbit around the terminal planet and to land on the planet at the appointed spot will not be easy to achieve.

Also, for man to make a real journey into space required that all the gear needed to keep him supplied with the essentials of life and all the fuel required to carry him there and back must be taken with him from earth. This brings us to the propulsion system. Chemical rockets which are now being used and which we are so intensively developing to larger thrust values will not be adequate for true travel. Today we talk of ion propulsion and nuclear fusion propulsion but much remains to be done before these are realities. For some years to come, I believe that the chemist will play an important role in propulsion. Even if ionic propulsion devices were at present well developed, the electrical power required for operation could not be supplied within the weight limits required for flight. The chemist must face the fact that chemical batteries are outmoded and look for new methods of supplying the power for space flight, such as more effective use of solar energy.

There are indeed many serious problems which must be solved before man can begin to inhabit the third dimension. But one of the most important results for mankind of the effort to do so could be that people everywhere, whether scientists or not, will share the excitement of the new discoveries and work toward a common goal—space exploration.

Military and Civilian Applications of Scientific Discoveries

(Remarks by Dr. C. C. Furnas, chancellor, University of Buffalo, panel appearance, Avco Research Center dedication, Wilmington, Mass., Thursday, May 14, 1959)

It took mankind several thousand years to move from the stone age, through the bronze age to the iron age. In those days sociological ages were practically synonymous with eons. Not so any more. In the first half of the 20th century we have moved from the horse-and-buggy age to the automobile age, to the air age, to the atomic age, to the space age. Our present schedule seems to be an age per decade.

This rapid rate of change may be distressing to some but it is very gratifying to others because it opens new vistas, not only to exciting discoveries, but also to profound benefits for the human race. Whether the ultimate summation of results is positive or negative in the eyes of humanity depends upon how wisely we pursue the possibilities of application.

There are two reasons for this phenomenal speeding up of technology during this generation. First, is the fact that the results of science are cumulative—like the sustained thrust of a rocket motor. Each increment builds on what happened before, so the farther it goes the faster it goes. The second important factor has been military necessity. Modern war has become highly scientific. This has led to an interest in and support of science and technology without parallel in history. During the past 15 years our country has increased research and development expenditures by tenfold, stimulated primarily by the military program. Social idealists may decry the fact that the motivation for this scientific progress is based primarily on fear but such a reaction misses the point. Nearly all technological advances can be of great human benefit, no matter what the origin. Let us keep our eyes on the possibilities.

I would cite a few of the beneficial results of the science and technology that are arising from military necessity. If world war III can be prevented—and I fervently hope and firmly believe it can be—the benefits of the application of nuclear energy to power production, and many other uses, will outweigh any destruction caused by the atomic bomb, by a thousandfold. Had it not been for military necessity, the development of methods of mass production of the penicillin family of antibiotics would have been delayed for many years, perhaps decades. Hundreds of thousands of Americans are alive today only because these materials have been readily available for the past 10 years. Military necessity forced the development of practical synthetic rubbers and we now all ride farther, better, more safely, and more cheaply because of it.

Commercial and private aviation, which is now such a dominant part of the lifeblood of our existence, would not have been with us until some distant future had it not been for the military support of aeronautical developments during the past 50 years. The same goes for radar, and many other items which fall into the category of "too numerous to mention."

And now we come to the space age, with its strange-looking vehicles and sophisticated instrumentation. What will it mean to us and our children? I, for one, am almost breathlessly waiting to find out. We have already determined many things about the upper reaches of the atmosphere and the closer fringes of airless space. This partially satisfies some phases of our curiosity but tweaks our imagination even more. We may be sure that for the military aspects there will soon be reconnaissance satellites that will give us substantial information of what's going on all over the world all the time. There will be satellite relay stations that will guarantee worldwide communications at all times. Weather satellites will greatly sharpen our long- and short-range predictions. Will we be able to control the weather? It's too early to tell. Will there be men in orbit on continuous patrol for our military protection until that distant day when the nations all learn to live peacefully together? There may be. As our space instruments bring back more information on the nuclear fusion (hydrogen bomb) reactions going on in the stars, will that speed up the day when we can harness that energy source here on earth and thus assure mankind a universal power supply for all time to come? That definitely is a possibility. Is it true, as the latest astronomical evidence indicates, that on the planet Mars there are only very low forms of life and that the Martian slogan is "There's nobody here but us lichens"? Someday our space explorers will find out. Will they bring back specimens of rudimentary living matter which will enable us to understand more about the fundamental life processes and thus indirectly lead to still greater human well-being? It very well could be.

These and many other unanswered questions are of profound importance to our military and civilian future. This great new laboratory which we are dedicating here today can very well be the key to many aspects of the quest. May the buildings long stand and may the men and women who work here always have that warm glow of satisfaction which comes from knowing that they are contributing much to man's greatest—and perhaps most beneficial—venture: The exploration of space.

Space Science Comes of Age

(Remarks by Dr. E. R. Piore, director of research for International Business Machines Corp., panel appearance, Avco Research Center dedication, Wilmington, Mass., Thursday, May 14, 1959)

Two weeks ago in Washington, a most significant event occurred. The National Academy of Sciences, our most illustrious scientific body in this country, and the American Physical Society held their annual Washington meeting. For the first time in the history of these two scientific societies, there were special sessions of invited papers on the space sciences. Three afternoons were devoted to this new group of scientific disciplines. Thus space sciences have finally come of age.

Space has become important not only to our military and civilian agencies but, also, to our scientific community. In the past, whenever there has been a unity of understanding and interest among our scientific interests, military needs, and engineering activities, there has been no stopping the United States in world leadership, whether it be weapons, industrial application, or scientific understanding. We are entering a new era, and those meetings in Washington 2 weeks ago are a symbol of this new era. It took a lot of doing for us to wake up, but we reacted quickly, creating new military commands, getting industry involved, and establishing ARPA and NASA.

It was possible for us to react quickly for only one basic reason which characterized both American industry and American science—the breadth of skills and know-how of American industry, and the breadth of interest and programs in American research laboratories. Our people have broad training in depth as well as great intellectual curiosity.

To document these observations, it is necessary only to take some facet of American science and review the varied work going on stimulated by the curiosity to obtain greater insight into the world about us and how

various aspects of our external world are interrelated.

As an example, let me take computers and electrons. We went into this space age with an understanding of how to compute the lunar orbit, what we can learn from these computations, we had the background necessary to design and manufacture computers of various speeds and capacities to get the computation done. Our interest in the moon and the fact that our astronomers were working on the moon permit us to apply this information to our satellites and use our satellites to get a better understanding of the moon's trajectory through space around the earth.

Other examples are the electronic instruments, photocells, photomultiple counters of various form that were designed for astrophysical measurements of events in space, such as nuclear collisions, of the spectra and brightness of the sun and stars. This whole scientific field with its specialized instruments became available and became part of the space sciences, interacting with the more traditional field of astrophysics.

Finally, let me mention communications and geophysics. Our ability to put a satellite around the Earth, the Moon, or Venus permits us to make new types of measurements regarding magnetic fields, electrical fields, and even gravitational fields around these celestial bodies. These measurements give us more precise data on the shape of the celestial bodies as well as the properties of the magnetic and electrical fields, and may give us greater insight in predicting or trying to identify the sources of these fields. With the knowledge of these various fields and the density of electrons, protons, and other matter, we obtain the necessary information to permit us to use a satellite as a relay station for communications. This may become very important in extending television and radio coverage throughout the world, and can possibly be a helpful instrumentality in achieving greater understanding among peoples through communications.

THE ARMY AND SPACE

(Remarks by Dr. Harold C. Weber, Chief Scientific Adviser, U.S. Army, panel appearance, AVCO Research Center dedication, Wilmington, Mass., Thursday, May 14, 1959)

Whoever attempts to forecast the probable progress to be made in space technology during the next 10 years runs the risk that he will be accused of being too conservative, on the one hand; or of being too optimistic, or even radical, on the other hand. Such is the spread of opinion even among those with validated competence in this field.

Today it is interesting to look back to 1945—just 14 years ago. At that time, Dr. Robert H. Goddard, the father of modern rocketry, reissued his two pioneering works on rocketry: "A Method of Reaching Extreme Altitudes" (1919) and "Liquid-Propellant Rocket Development" (1936).

In his foreword to this 1945 reissue, Dr. Goddard dryly remarked: "The subject of projection from the earth, and especially a mention of the moon, must still be avoided in dignified scientific and engineering circles."

Commenting that "25 years is not so very long," he then pointedly referred to calculations he had completed, 25 years earlier, on rocketing to the moon or even to infinity, including a calculation that the probability of collision with meteorites was negligible.

Today, only 14 years after Goddard reissued his two papers, both the United States and the U.S.S.R. have successfully launched translunar probes stemming in part from Dr. Goddards' pioneering work.

Both the Russian Mechta and the American Pioneer IV have become manmade, though minor, planets of our day-star, the sun; and both may endure as long as the solar system itself endures.

In that special Valhalla reserved for those intrepid pioneer scientists who gladly suffer ridicule or ostracism in the interest of science, there must be some comfort for Dr. Goddard and his fellows in the thought that, since Pioneer IV and Mechta, no longer is it true that the subject of lunar probes and space flight must still be avoided in dignified scientific and engineering circles.

Disagreement today is no longer over whether space travel will be, but rather over how much space travel, and how soon. Possibly at present the greatest speculation arises concerning the probability of putting man on the moon or the planets, the moon usually receiving first consideration because of its proximity to the earth. Although the placing of man on the moon or the planets would be an outstanding scientific accomplishment from which much could be learned, such a feat is not necessary to determine most of the facts we wish to know about the planets and space in general. Using existing knowledge, devices can be built to send back to earth, either continuously or intermittently, almost any information desired—even a television picture if this is deemed worthwhile.

It seems to me quite certain, however, that a human passanger will reach at least the vicinity of the moon during the next 10 years. The impact of such an achievement on world opinion will indeed be great. There is current a cynical prediction that the first man on the moon will be a dead Russian, sacrificed in a premature attempt to gain a decisive propaganda victory. Let us see to it that the first man on the moon is a live American—and then bring him back alive.

I am certain that a lunar probe to encircle the moon and return to earth will be accomplished in a very few years. Probes to the planets will follow, either one-way or round-trip.

It is difficult to evaluate completely the magnitude of the knowledge we will gain from the study and exploration of outer space. Immediate results from space exploration will include:

1. More accurate maps of the earth. Even our best maps of the earth today are surprisingly inaccurate.

2. Reliable, worldwide communication through properly placed communication satellites.

3. Greatly increased information concerning weather and the formation of weather patterns, with the hope of accomplishing accurate, long-range forecasting and perhaps of exercising some slight control over weather patterns.

4. Greatly increased knowledge concerning the composition and possibly the life history of the universe.

5. Ability to perform on a grand scale in outer space quantitative experiments which will contribute to our better understanding of time, matter and energy—concepts so fundamental in interpreting what goes on around us on our own planet.

Although results of space exploration will generally be useful, they will particularly benefit the U.S. Army. The Army needs space data for use in connection with its responsibilities in the fields of mapping and geodesy, communications, meteorology, electronic intelligence, combat surveillance, target acquisition, target damage assessment, terrain, appreciation, force evaluation, navigation, ballistic missile warning, and satellite tracking and identification—all of these, of course, as they relate to those land areas in which the Army has an operational interest.

For many of these purposes better rocket power sources must be developed. Scientists are already engrossed in discussions and experiments on nuclear power, plasma jets, ion propulsion, and magnetic and gravitational effects, with a view to extending our capabilities in space.

Thus it is seen the interests and needs of the Army are in large measure quite similar to those of nonmilitary groups. Such similarity is to be expected although those not familiar with Army activity are prone to believe otherwise.

Truly, space experiments offer the prospect of a treasure trove of information to scientists. What is uncovered will certainly be put to practical use by mankind. This poses the problem of whether the use is to be for practical good or practical evil.

We—all of us—share the responsibility to make certain that the use is for the practical good of mankind.

We can do this by making sure that it is we of the United States and the rest of the fee world who lead in the development of space technology.

ADDRESS BY RICHARD CARDINAL CUSHING, ARCHBISHOP OF BOSTON, DURING DEDICATION CEREMONIES AVCO RESEARCH CENTER, WILMINGTON, MASS., MAY 14, 1959

I am happy to have the privilege of blessing this magnificent project devoted to science, research, and development. It adds prestige to this particular sector of the country. I am sure that the work done here, under the direction of Mr. Victor Emanuel, chairman of Avco Corp., will be an asset to the welfare of this country, the world, and all mankind.

Spiritual philosophy recognizes the scientific progress of this present age, but it sees God directing this progress for his own divine will. The reaction to the atomic bomb and nuclear weapons has been fear. Scientists themselves are fearful of the results.

It could be that scientific progress may constitute in reality an age of peace. If scientific research had not produced all of these things, it could be that we would have been in a third world war a long time ago.

There is a theoretical and practical stalemate in the world today. And it is hard to see intelligent men advocating or forcing a third world war. It could be that the hand of God is in this picture, using the extraordinary knowledge of men like those here to produce what we hope may eventually be permanent peace.

There are two possible approaches to our secularist and scientific world. The one is dominantly, if not exclusively materialist, the other is essentially spiritual. The materialist pyramid reached its last words, "total destruction." It has produced its ultimate reaction, fear.

The time has come for the prophets of the other theory to clarion their call for the things of the spirit, for wisdom and love, for truth and charity, for reason and revelation.

We must choose between two standards, neither of them exclusive of the other, if they be properly understood, but each of them admitting of subordination to the other. We must choose between the predominance of material power or that of spiritual values. If there is nothing but matter in the world, nothing but the things we can measure and weigh and divide, then, to put it popularly, the more mouths to feed, the smaller the bits of pie. Hence, more envy, hatred, aggression, more scientific emphasis in terms of annihilation with fear, confusion, conflict, misery, and eventually war in a communistic world.

If, on the other hand, there exists a realm of the spirit, a supernatural order, then there are spiritual values which can bring men together as surely as matter divides them. Hence a chance for worldwide social progress in an atomic age, for freedom from fear, for the purging and the baptizing of communism.

Spiritual men know one, but only one power capable of expelling fear, creating confidence, and winning the victory that overcometh the world. St. John spoke of that power: "There is no fear in love, perfect love casts out fear. * * * Let us therefore love God because God first loved us. Now if any one says, 'I love God,' and hates his brother, he is a liar. For how can he, who does not love his brother, whom he sees, love God, whom he does not see * * * and this commandment we have from him that he who loves God should love his brother also."

United men as brothers is no mere sentimentality, it is the flaming love of the charity of which Christ is the instrument and the fountainhead. It is the charity of saints, the greatest spiritual giants of every age, the true citizens of the world.

The two conflicting philosophies which I mentioned can be amplified by restating them in terms of the two types of power around which these rival philosophies gravitate.

Apart from the providence of God, two principal powers have molded the destinies of mankind as those destinies are revealed in recorded history. One is the power of matter, a very compelling power, indeed, one so great that countless persons have been seduced by communism which sees in matter alone the sole determinant of human activity and aspiration. The other is the power of the spirit, a power which once dominated whole ages of civilization, which still operates mightily among millions, and which, with renewed strength bids fair to make its directive energies function once again.

These two powers have often been in conflict. They are in conflict today. For the basic cold war of our time is the war between philosophies. The objective is the conquest of human minds. Sometimes in the history of man the power of the spirit has so dominated the minds and imaginations of men that material interests and even material necessities suffered neglect. This may have been the case in some periods in our own western history, it is certainly the explanation of the long, dull chapters of the history of the orient. On the other hand, physical violence, the extreme expression of the power of matter, has often produced a night of fear in which men wandered far from the roads of reason, and purely material pursuits wrote for men and nations the most discouraging pages in the history of our race. So it was that the ancient Egyptians were dumb under the whips of their masters, so it was that the degenerates of imperial Rome fell before the onslaughts of the Barbarians. In those ancient times material power held sway. As of old so in our own times materialism predominates, religion and morality are eliminated from true patriotism, and nations with 900 million people have been swept within the orbit of the Kremlin and forced to survive on the power of matter or physical force.

If I read history aright, that nation is preparing its own disintegration and promoting its own destruction which forgets the power of the spirit and survives only on material force. It is headed for grief when it fails to appreciate the close connection between its national stability, religion, and morality. Religion representing spiritual power does not say to the modern state: "I have a right to your homage and you have a duty to hear me," though religion might speak in just such terms if these were properly understood. What religion does say to the modern state is this "you have a need of me and I have an essential contribution to make to your stability." That proposition is almost self-evident, but even if it were not, history confirms it.

It was religion which provided the moral restraints and also the sublime inspirations which tamed barbarism and brought the ancient nations to a grandeur that still fascinates students of history. When the valiant Cardinal Faulhaber wanted to make his most conclusive defense of religion and his most devastating criticism of Nazi materialism, he had only to recall what the German nations were before religion ennobled them, to point out the place of religion in their rise from barbarism and in the stability the people acquired in their highest points of civilization. Twenty-five tragic years for a once great Germany have passed since the Nazi secularists turned deaf ears to that great prelate and loyal citizen who stood in his cathedral at Munich and uttered these prophetic, universally valid words: "It is my conviction that the defense of religion is also the defense of my nation, that our people will either be religious or else they will cease to be. A relapse into paganism, including a pagan concept of the state, will be the beginning of the end of this nation." So spoke Cardinal Faulhaber many years ago. So will speak every true Christian prelate to his own nation when the secularists, the atheists, the materialists, and the muddled fellow travelers of communism seek to divorce religion from patriotism, spiritual strength from national stability.

The history of France bears a like testimony. Religion made France the queen of Christendom for almost a thousand years. Religion provided the energies which sent French explorers and carried French culture to the ends of the earth. So long as religion as well as patriotism enjoyed the favor of French institutions and its proper place in French life, France was a mighty nation. But once the deadly hand of materialistic philosophy attempted to strangle the religious traditions of France, French national stability declined almost to the point of disintegration.

The same point is dramatically demonstrated by the story of Poland. How would the Polish people survive without their normal values when once again they are politically dismembered under a hostile regime? They remain united as a nation, even without a government of their own, only because of their religion.

It is also the story of Hungary, whose great national hero Jean Hunyadi declared: "I frankly confess that had our fatherland not possessed the energy of its religious faith, her natural resources would not have enabled her to survive." It is the story of the small but valiant nations of the Christian East, each one of which flourished under the inspiration of religion, and endured only so long as it remained faithful to its spiritual heritage. It is the story of Ireland, in short, of every Western people. Religion and patriotism are distinct, but there is a strict dependence between them. Patriotism is nourished by piety or it dies. A nation survives in great part in the vitality it derives from its religious faith, or it does not survive at all.

Dark and dismal as the picture is today, forget not that the lights of the spirit are never wholly distinguished. A spark of conscience suddenly breaks into the flame of a moral revolution, and the whole face of society is cleansed and renewed by the action of the spirit. "Send forth the holy spirit, and they shall be created, and Thou shalt renew the face of the earth." This is the constant prayer of the Christian liturgy, and it is constantly answered in Western history. The dawn of a new idea breaks over the hills after the darkest nights, and the wandering masses in the woods march out with a single spiritual purpose toward some new social goal. The idea invariably has its roots in the spiritual, in the religious powers at work among men, the idea which, please God, will ere long lay hold of our generation and all things will be restored in Christ and His Gospel of love.

Physical force, the power of matter, can break and scatter and divide. Material interests can be the basis of limited and temporary unions, whether among friends or nations, but matter is by its nature divisible and divisive, and unions of material interest are by their nature unstable and shifting. Material civilizations are divided civilizations, material power asserts itself in division. Of this the atom bomb and the nuclear missile are the newest and quite the most ghastly illustration, they represent the crown and the apex to date of the nature and the effects of material power, of research into material energies without reference to religion, to ethical or other spiritual values, of the use of material means without thought of the proportionate value of the ends pursued and the effects achieved.

Only something in men's minds, some spiritual purpose, some light and warmth as of a flame in the soul, can bring men together. Mere commerce in material goods, mere speed in material or physical communications, mere coincidence of material interests can never bring together men or nations whose minds and wills are pursuing opposite spiritual values, purposes, or philosophies.

Hence it should not surprise us that the great prophets of human freedom and unity have been spiritual leaders, and that the dream of an eventual unified human community was originally conceived within the ranks of religion. From the days of the ancient Jews, all dreams of world order, world peace, world fraternity, have been religious dreams—not political, scientific, or military dreams.

The world then must look to a philosophy that accepts the supernatural order for the dream of a new life, for the control of the deadly weapons of war, for channeling atomic power into constructive works, and for the ultimate conversion of the international conspiracy of communism. The dream of world peace under law is impossible of realization by purely secular and scientific means.

If peace consists in the tranquillity of order, then it follows that peace cannot be restored either to individuals or to society save when order, once it has been troubled, has been restored. But this cannot be restored unless individuals and society know what are the relationships, the harmony of which constitutes the order desired by God in the world. If disorder reigns in the world, it is because the rights of God in human society have been denied, the supremacy of the soul over the body has been denied, and the duty of practical love toward one's neighbor has been neglected. Therefore, to restore order to a world that is torn by atheistic nationalism and an international conspiracy, which accentuates physical differences over spiritual likeness, there is required a complete reeducation in the following basic religious truths:

First, the necessity for the practical acceptance of the sovereign dominion of the Creator over all his works.

Second, the affirmation of the primacy of the spiritual over the physical.

Third, the sincere and practical love of all men. Without this threefold harmony, no tranquillity of order is possible.

The personalities who best represent all this are the saints, men who follow the will of God as a shadow follows its substance.

The church is continually placing before us the saint as the highest ideal of self-perfection and of social responsibility. If you were to ask the church in the ages of faith, "show me your works. Tell me why you exist." It could not have said, "We have put sewers down the main streets, or we have a bathroom in every workman's home." It certainly could not have said, "We have produced scientists or strategists

or efficiency experts who can destroy the world. But it could have said. "Look at our saints." One saint in an age can make the whole life of that age qualitatively different. One saint can frequently save a whole era of men.

I do not mean that the saint could not be a scholar or a scientist. Indeed, the whole hope of society lies in the answer to the prayer. God gives us saints who are intellectuals, and intellectuals who are saints. We need saints who are scientists, like Albertus Magnus, saints who are ministers of state, like Thomas More, saints who will bring the energies of Grace into our mechanical age as did St. Francis to an agrarian age, and St. Louis to an age of monarchy.

The production of saints is the sole reason for the church's existence; this is the will of God, your sanctification. The production of saints is the principal contribution the church can make to the redemption of society. No age has ever needed saints in every walk of life as does our age. Only saints can be trusted with a great movement that will bring men and nations back to God and thereby guarantee final victory in the great war of the future, the war for the domination of the minds and souls of men.

The saint is a friend of man, but it is not in this that his sanctity consists. His friendship for man flows from his sanctity, it does not constitute it. The saint is a friend of God and he treats men, the creatures of God, with that respect we always show to the property and the works of a friend. The heroes of secularism are pale and anemic personalities in comparison with the flaming holocausts of love from men and God who are the saints of supernatural religion. It is not sufficient "to live in a house by the side of the road and be a friend to man," those who would bring to pass the kingdom of God and His justice in our day must take to the road in the evangelical spirit of crusaders. They must also be the friends of God.

We have lived to see the day in which science has achieved triumphs far more stupendous than its most enthusiastic devotees had ever hoped for. It would be idle to belittle the progress which has resulted from the detailed and positive understanding of nature's mysteries which technological research and experimentation have made possible. It would be idle moreover, to reflect that all our weapons can save us from a war that could obliterate mankind.

Have we any justification for the assumption that the purpose of human existence has been changed by the progress of science, constructive as well as destructive? Is it any less true today than it was centuries ago that the world is dependent on God and that God has placed the resources of the world at our disposal as means of leading us to the happiness of heaven? Because we have found out so much about the world, and have been able to transform its fabulous treasures into so many modern conveniences that minister to our bodily comfort, must we now maintain that heaven is a pious fiction, and that our human destiny has been fulfilled when the grave received the bodies to which science has brought carnal delight?

It is against this pagan materialism, preached by a scientific intelligentsia which aims to substitute science for philosophy and theology, that I call for a crusade of prayer and a "come back to God movement." Scientists themselves are terrified by the destructive possibilities which they have created in modern times.

A pagan philosophy has stolen their discoveries and presented them as proof that God is a superstitious myth and that religion is the opiate of the people. Fearfully and feverishly we are now looking for the road to happiness, for science without God is destined to find only misery and disillusionment.

Something besides communism is wrong. We cannot blame all our troubles on this evil. We cannot find the remedy in the creation of an earthly paradise, in which the satisfaction of bodily needs will quench the fires of passion and make brotherly love powerful enough to remove the effects of hatred and selfishness. In country after country the phony promises of Soviet leaders have led countless thousands into selling themselves into slavery.

While we are waging our war against the masters of deceit, we are in danger of seeking victory through the weapons which the Communist leaders have used to conquer section after section of the free world. We are utilizing the resources of modern technocracy without regard for the divine power which makes them fruitful. We are encouraging the persuasion that scientific know-how can substitute for the grace of God in satisfying the yearnings of the human heart. This is the Communist philosophy. If we continue to follow it, our anti-Communist program can never achieve its goal and we shall find ourselves at length betrayed into the hands of the enemy.

We must not fight the enemy with a blood theory of our own, no matter what name we call it. We will not defeat war lords with a militarism of our own, however valiant, however free. We cannot undo the work of the Kremlin with a comintern of our own. True it may be, we can defeat the enemy by his own methods, by surpassing him in the making of bombs and the building of armed forces superior to his, and so far as he personally is concerned, we can be rid of him. But 10 years hence, certainly a century hence, whatever happened to him personally will not make much difference if the values and the ideas for which he stood are still abroad in the minds and hearts of men. We can never win the masses of the people by overthrowing one set of propagandists, tyrants, militarists and materialists, only to set up another group with less alien accents and more familiar names. To win people and redeem the age, we need saints—saints in Government, saints in science, saints in commerce, and saints in every walk of life. I would not bother to speak here tonight unless I intended to say just that, and to beg you to seek sanctity first and security as a consequence of it.

Probably not all of you share my religious convictions, but I take it that all of you share my belief in the sovereignty of God and the intimate connection between the sanctity which is God's will for all of us, and the sanity which is our will for our countries. Most of you are parents with children whom you received from God, and whom you must one day return to God. All of you will depend on the integrity of your institutions, the spiritual as well as material prosperity of your native land for your personal security and success in your professions, trades, or vocations. We have a stake in our countries. We will do well to weigh what kind of a world this will be if material power gains the day and the effort to relegate religion into vestries, sanctuaries, sodalities, and cloisters proves successful. You will do well to demand certain things of those who write the laws under which you will live, and those who make the decisions which will determine the conditions of your life and the lives of your children.

Among those demands you may well include the age-old challenge of St. Augustine to those who tried to isolate the spiritual from the material: "Let those who declare the teaching of Christ to be opposed to the welfare of the commonwealth, furnish us with an army of soldiers such as Christ says soldiers ought to be, let them give us subjects, husbands, wives, parents, children, masters, servants, kings, judges, taxpayers, and taxgatherers who live up to the teachings of Christ, and then let them dare assert that Christian doctrine is harmful to the commonwealth. Rather let them not hesitate one moment to acclaim that doctrine, rightly observed, the greatest safeguard of the commonwealth."

Avco Research Center Dedication

(Remarks by Gen. Samuel E. Anderson, commander, USAF Air Materiel Command, Wilmington, Mass., Thursday, May 14, 1959)

It was a great pleasure and privilege to participate in the dedication of this Avco Research Center which stands now as a pledge to the future, an impressive proof of the thrust and scope of man's exploring mind. New as this complex of buildings is, it seems already a natural part of this countryside which has been so rich in beginnings for our country. Something about the air of Massachusetts breeds boldness of thought—whether it be the explosive spark that creates a new republic, or the steady flame of self-searching that immortalizes Walden Pond in our American heritage. Surely there could be no more fitting climate of the mind in which to establish this research center.

The completion of the center—of its physical facilities, that is— has major significance to our national defense effort, and particularly to our airpower. Viewed in even the shortest perspective of our immediate defense needs, this facility is already deeply engaged in work of the first importance. A very brief summary of the present evolutionary status of our air weapons will make this abundantly clear.

As you undoubtedly know, the Air Force is at present undergoing a major transition to new combinations of air weapons and new operational concepts dictated by the extremely rapid pace of technological development since World War II. The new weapons, most notably the long-range ballistic missiles, combined with developments in thermonuclear warheads, promise us a deterrent striking force of unprecedented power, speed and range. We do not yet foresee a time when such unmanned weapon systems will completely replace the manned bombers and fighters which now constitute the preponderance of our strategic, tactical, and defense forces in being. Rather it appears that the most effective total force for some time to come will be a combination of manned and unmanned aircraft, missiles and space vehicles. Each type will be responsible for those elements of the whole mission which it can best accomplish, the percentage mixture will be determined by considerations of optimum, overall effectiveness of the total, integrated force.

There can be no doubt, however, that missiles will play an increasingly important role in our deterrent airpower. The ratio of manned to unmanned weapon systems is already beginning to shift as we achieve reliable, operational models of both guided and ballistic missiles and phase them into our active inventories.

One critical problem with respect to the long-range ballistic missiles has been development of a nose cone which could survive the tremendous friction and temperatures of reentry into the earth's atmosphere in the final stage of its journey to a target. Our initial success in achieving this was so important a forward step in our missile program that the President gave it particular attention in his historic missile speech of November 1957. Since that time progress on nose cone technology has been good. Much of the gain made can be attributed to Avco and its research in shock tube simulation of extremely high speed and temperature missile flight conditions.

At the present time Avco, under a $111 million contract, has responsibility for the nose cone of the Titan, an intercontinental ballistic missile considerably more sophisticated than the Atlas now being flight tested at Cape Canaveral. The Titan, larger but lighter than Atlas, is a two-stage, 90-foot rocket with a range of over 5,500 miles at speeds in excess of 15,000 miles per hour. It will operate from hardened bases underground for invulnerability to enemy attack, and can be used primarily against hard or exceptionally well protected enemy targets. The first Titan launches have been completely successful.

As a result of its proved performance in pioneer nose cone work, Avco has also been entrusted with development and production of the nose cone for the second-generation ICBM Minuteman. The first of the solid-fueled "big birds," the Minuteman is generally considered a major breakthrough in missile technology. It is smaller, simpler, and less expensive to operate than the first-generation missiles. Numbers of these weapon systems can be placed in underground, bombproof shelters, left unattended for long periods of time, and be ready for firing from remote control centers on a few second's notice. The comparatively low cost and strategic flexibility of the Minuteman—deriving in part from the solid fuel feature—make it a promising candidate for the closest thing to a long-range missile workhorse yet projected. Very aptly named, it will be particularly effective for massed strikes against relatively exposed targets.

It would be hard to overestimate the importance of this Avco plant even if nose-cone development for such powerful weapons of survival were the sole reason for its being. Such weapons will be, in large part, the true measure of our deterrent capability—our power for peace—within the next critical decade and beyond.

However, there is an even greater depth of significance than this in the research now being undertaken at this center. The nose-cone problem foreshadows the great venture of our age, the projection of man into space and the exploration of new worlds. As we perfect the materials and techniques for bringing a warhead back through the atmosphere intact after its long arc through space, we are also serving our apprenticeship in the successful return to earth of human cargoes of the future. We are probing toward the vehicles that will open the new frontier. Generations to whom the weapons which immediately concern us will seem as obsolete as the bow and arrow and—we hope—as unnecessary as plague, will inherit the fruits of such research. From it will also come—indeed have already come—new sciences, new tools of research, whole new areas of investigation with infinite possibilities for both military and civilian application. This realization, as well as the knowledge of vital contribution to our Nation's security, must surely give all who share in the work of the center a special sense of pride and dedication.

In this respect the facilities and the personnel comprising the Avco Research Center exemplify a most hopeful phenomenon of our time. Ours is an era of corroding fears and tensions, of grim pressures generated by the massive struggle between free and slave ideologies. Yet it bids fair to give us Americans, as a people, a new respect for the powers of the human mind. We have long been accustomed to rely heavily upon the rich material resources of our country as the key to survival and progress. Now, in the exploding technology of the space age, we have come to a sharp, new recognition of the importance of cultivating and using our mental resources. To sustain effective deterrent power for our own safety and world peace we must have superior quality rather than sheer mass of weapons. To win the quickening sprint for space we must think our way over the scientific and technological hurdles.

The result is that a new premium has been placed upon the creative scientific mind. Within the missile industry, for example, the high incidence of recent mergers reveals an interesting fact. The primary incentive for many of these was not the pooling of facilities or material resources, but rather the gathering of scientific and technological brains and skills. The same drive to concentrate and focus the best available mental resources upon urgent missile and space problems is apparent in the growing trend toward industry teams. A number of companies possessing complimentary capabilities may bid as a unit for research and development responsibility for a projected weapon system or space vehicle.

The Avco Research Center is an impressive example of this marshaling of creative scientific talent to meet the challenge of an era of great danger and discovery. The physical facilities for research provided here testify to the experience, zeal, and inspired vision of the men who planned this laboratory of tomorrow. The roster of distinguished and gifted personnel insures for the center's future the rich ferment of bold and exploratory thinking which is our Nation's best guarantee of survival through every test of tyranny and time.

I congratulate all of you whose work has made the research center possible and who will have a part in realizing its boundless potential. To the Air Force and the Defense Department this dedication has profound significance and promise. The work already in progress here gives me full confidence that our great expectations will be amply justified by your future success.

Dedication of the New Avco Research Center

(Remarks by Lt. Gen. Bernard A. Schriever, commander, Air Research and Development Command, May 14, 1959)

Today's occasion is certainly one that calls for congratulations all the way around. As the commander of the Air Research and Development Command I consider it both a pleasure and a privilege to participate in the dedication of this research facility. Avco research has contributed a great deal to the success of our Air Force ballistic missile program. Personally, I can recall much of the unremitting work that the scientists, engineers, management, and production personnel of Avco have done over the past 4 years in surmounting the crises and obstacles associated with solving the reentry problem.

I think, however, that the significance of today's ceremony is greater than either the specific project with which Avco is identified in the ballistic missile program, or tributes to individual effort, however deserved.

The greater significance of today's observance is to be found in these three areas:

First, it is testimony to the ability of free-men, from all walks of life, striving to meet the needs of our national security.

Second, it points up the fact that a byproduct of our striving for national security has been the mapping out of new frontiers for the economic growth of our society by making available to commerce and industry the scientific findings originally undertaken under the urgency of military necessity.

Third, this new plant itself is evidence of the kind of foundation that has been built under the aegis of the Air Force ballistic missile program for further advances in the conquest of space.

When our Air Force ballistic missile program was put on a crash basis some 4½ years ago, one of the toughest, most stubborn challenges we faced was how to fashion a nose cone that would not burn up when it reentered the atmosphere from outer space. We must remember that in those days we had only recently broken the sound barrier—a speed of mach 1. Experimental aircraft at that time were operating for only brief seconds at velocities of mach 2. Our calculations showed that an ICBM reentry vehicle would be operating in the region of mach 23. There was even some doubt among scientists—not those intimately connected with our program—that the reentry problem could ever be solved. After all, it was pointed out, large, solid meteorites burn up when they reenter the atmosphere.

I will not go into details on how these and related problems were resolved. I want to emphasize, however, that the benefits of the laboratory research done here and at other facilities, were not limited to developing a workable nose cone for an ICBM, vital as that achievement is to our national defense.

Although in this case the research was carried out as part of a military program, we would all agree, I think, that research of this kind is not by nature either military or civilian. Today, as we continue to move forward into the space age, knowledge has become more interchangeable than ever before—and the application of that knowledge to both military and civilian purposes has become more widespread than ever before.

The ballistic missile program depends for its success upon advances in many fields of basic research as well as on applied technology. We all know how the wartime development of radar hastened the day of television in our homes. Similarly, 10 years ago, transistors were exotic and expensive laboratory devices. Today, due largely to their extensive use by the military, they comprise a multi-million-dollar industry. In the same manner, today's space experiments—whether military or civilian—will become tomorrow's casual miracles and commercial markets.

As many of you know, our success to date with ballistic missiles forms the springboard for the next steps in our space age adventure—namely, manned space flight. In fact, we can say that our country's potential for further ventures in space rests directly upon the human and material resources marshaled for our missile programs. These programs have built the broad industrial base—the plants, the equipment, the trained manpower which today are among our most valuable national assets. Scientific and technical talents from the university, laboratory and elsewhere have been assembled and organized to function side by side with industrial and military talents as an effective working team. Unless these things had been done, the United States would now be at least 10 years behind the Soviet Union in space capabilities.

Today, we also have the space vehicles themselves. The IRBM Thor has already become a workhorse of our space research projects thus far. The ICBM Atlas has been placed in orbit, and will shortly be used in some highly sophisticated satellite experiments, as well as for interplanetary space probes. These achievements foreshadow not only a number of more ambitious and far-reaching space probes but also the project of sending a man into space and returning him safely to earth. We will presently see, here on this platform, some tangible evidence of progress toward manned space flight. I am referring to the nose cone I am about to unveil. Before I do that, however, I would like to tell you a little bit about the story of this particular vehicle.

It is the first reentry vehicle ever to be recovered after a full intercontinental-range flight. This particular nose cone traveled about 5,000 statute miles. It was launched on April 8 by a Thor-Able missile consisting of a Thor IRBM as the booster stage and a 21-foot second stage, which was topped by the nose cone. The nose cone itself is a materials research vehicle of an advanced

kind. It flew as part of a continuing series of tests to further prove out ICBM re-entry vehicles. Nose cones of this type will be used on both the Atlas and Titan ICBMs.

This materials research vehicle, and others of its type, are providing us with some of the data that we will need to design a space vehicle for a human passenger. Most of this information comes to us by means of telemetry. Additional information is recorded in data capsules while the vehicle is in flight. In some instances we have recovered these capsules, which have furnished us with a bonus of added information. The recovery of this nose cone is also a bonus to this particular research project. We were highly gratified to be able to recover it. Findings of high value to manned space flight have been gathered from examination and analysis of this nose cone which is now my pleasure to unveil.

The accomplishments which we applaud today are not the work of the military alone, or science alone or industry alone, or of any one company alone. They reflect a spirit of teamwork which must pervade our whole society as we strive to achieve and maintain national security in this time of troubles and tensions.

This spirit of teamwork made it possible to overcome the difficulties we faced 4 years ago with nose cone re-entry and with other facets of our ballistic missile program. I have the utmost confidence that this same spirit of teamwork will enable our country to continue to meet all the challenges of the space age—today, tomorrow, and the day after tomorrow.

Mrs. ROGERS of Massachusetts. Mr. Speaker, America itself might be considered a gigantic laboratory for here in our beloved country the American people have overcome impossible obstacles and solved highly complex problems improving the welfare and advancement of human life and living on this earth. Here, many things have been fashioned. Here, many developments have been accomplished. Here, the frontier of man's knowledge of the universe is constantly being pushed on and on forward. These are the breakthroughs we hear about so frequently.

The American people are proud of American genius and its phenomenal accomplishments. We are proud of our great industries; our ability to produce; our mental stamina to fashion thought into a specific, tangible necessity for man's requirements.

These great new laboratories of the Avco Research Center fit into this American way of doing things. Here in these laboratories there will be more breakthroughs. Here phenomenal things will be developed. Here the impossible will be made possible.

The people of America will be proud of the thinking, the labor, the spirit and fact of accomplishment in these great laboratories of the Avco Research Center. Here mankind is beginning the march into the mysteries of the universe.

I am proud, deeply proud this great Avco Research Center is located in my Fifth Congressional District of Massachusetts.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mr. FULTON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. RIEHLMAN] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, the Subcommittee on Space Problems and Life Sciences has taken into consideration four major areas of the 1960 appropriation bill for the National Aeronautics and Space Administration. They include space propulsion technology, space systems technology, tracking and data activities, and vehicle development. The cost in these areas is $167.8 million—the lion's share of the total appropriation.

Every American has a stake in the success of our venture into outer space. It is a venture of far-reaching importance. I feel it is our duty to see that this program goes forward as rapidly as possible within the confines of public desire and the personnel and financial resources of the Federal Government.

We, as Members, must approach this situation with a practical mind. The National Aeronautics and Space Administration has only been operating a short period of time. The subjects into which we delve represent, for the most part, new and uncharted challenges to the scientific mind. Their unlocked secrets are even more difficult for the mind of the layman to comprehend. We must base our support on the faith and confidence in the men who presented this program. I refer specifically to Drs. Glennan, Dryden, and Silverstein and generally to the very able staff of scientists and administrators at NASA. As a practical matter, we must have faith in the leadership abilities of these people and in their abilities to successfully complete the outlined programs.

I have been vitally interested in research and development for many years and have supported all such efforts, particularly in the Department of Defense. I am presently supporting this bill in toto but I feel it my duty to voice a small warning regarding future NASA requests that will be required to carry on the programs that first see the light of day this year and next. As a practical matter, we must look ahead whenever possible and attempt to ascertain the ultimate cost of these projects that are in their inception today. Our committee will have to be diligent in the year ahead to follow the advancement being made with the funds allocated and to pass on the feasibility of moving many of these programs from the levels of study and basic research to those of development and production. We must constantly observe for duplication and overlapping of activity in this research and development program. Although NASA functions primarily for civilian purposes, it naturally has ties with the military and there is the resulting possibility of overlap with programs under the Advanced Research Projects Agency. There should be the closest coordination and free flow of information between ARPA and NASA.

As an indicatior of the growth potential of our space programs, the amount requested for the four categories I previously enumerated has jumped from nearly $70 million in 1959 to almost $168 million in 1960.

I have tried to categorize the specific programs under our subcommittee's jurisdiction into, first, those that are either contracted for or to which we are substantially committed; second, those which are still somewhat experimental but which we believe feasible programs and ones which we will, in all probability, continue to develop; and third, those programs still in the thinking stage where we are trying to determine the operational and economic feasibility of continuing.

The majority of these programs are already committed. The space vehicles—Vega and Centaur—will require $42.8 and $41 million, respectively, in 1960. Vega, which will bring our booster capability up to that of Soviet Russia, is scheduled for eight vehicles and the 1960 funds are part of a 4-year total of $91.6 million required to complete this program. In the same vein, the Centaur, which will be an advanced man-carrying vehicle, will see six vehicles produced at a 4-year cost of $95.5 million. The 4-year time span in these two projects includes the present and next 3 fiscal years.

We have already let a $102 million contract for the development of a single chamber, million-pound thrust engine. This bill includes the appropriation of $30.2 million toward the completion of that contract. This completion is at least 4 years away. This is a development, as opposed to a production, contract. When we eventually go into production, the cost of each engine is estimated at $2 million.

A contract has been let to Douglas for the development of the Delta space vehicle. This bill will provide $13.3 million for that program. This is an intermediate payload vehicle, as opposed to the heavier Vega and Centaur and the lighter Scout, and will be the mainspring of our space program for the next several years. With the total of $27 million provided for Delta in 1959 and 1960, 12 vehicles will be produced—the first of these being scheduled for firing in the fall of this year.

Another major expenditure, which will be applied to an existing contract, is that for tracking and data acquisition. The $11.5 million for this program is firm and mostly contracted for. It will include the construction of four more minitrack stations and the support of our minitrack and optical nets.

The final item to which we are committed is the space vehicle Scout. Scout will be a solid-fuel vehicle, built for simplicity of launching and subsequent operation. We are asked to contribute $2 million to its development in 1960 and it is estimated that the first Scout will be launched in that year. Each Scout will cost $500,000 whereas current vehicles for putting small payloads into orbit cost $2.5 million.

Two programs presently in the experimental stage are those for solid fuel and high energy liquid fuel rockets. There is little argument that both these fuel programs are necessary and worthwhile. Three million dollars are being asked for the solid propellant and $5 million for the high energy propellant rockets.

And now, I would like to discuss the final category—that which represents the least present expense but which has the greatest potential. For development of a nuclear rocket engine—$8 million. This is a long-range program designed for fruition in 8 to 10 years. Most of the present work is strictly study. Its feasibility has not yet been determined.

Three million has been asked for development of a space engine for journeys originating from orbit around the earth. This is presently confined to basic research. No commitments have been made. Let me emphasize that these programs will come back to the committee for review before any production contracts or further commitments are made.

For auxiliary power units, an absolute necessity to the maintenance of a manned space flight, we are asked to appropriate $3 million.

Congress has been asked for $1.5 million, none of which has been committed or contracted, for a predevelopment study of advanced vehicle systems in connection with the million-pound thrust engine.

A million and a half dollars have been asked for study of the possibilities of developing a technique for the recovery of our boosters—primarily the first-stage Atlas, which costs several million dollars. Success of such a program will result in substantial savings. The cost of recovery, however, may well offset any possible savings. We do not know at present whether a feasible technique can be developed.

Two million dollars have been asked to study the possibilities of constructing orbiting space laboratories. Once again, this is not a committing type program. It is not a development program. It is a study program. We are committed no further than these $2 million. More definite figures as to possible total cost of such a program will be available in a year.

This will give you a partial idea of the programs we are fairly well committed to and those in which we are merely conducting preliminary studies. I feel it is necessary that we undertake these study programs, although I will reserve my opinion as to a move into actual development and operation. We will never be absolutely sure about the pros and cons of initiating a program until we have actually taken a look at its desirability and feasibility. If we decide to go ahead, we will do so because we have made preliminary studies, believe the program feasible, and feel ourselves on firm ground from the outset. If we abandon a program, we will know it is because the program has been proved a poor risk. These initial studies will serve to dispel any doubt from our minds.

As a closing thought I would like to express my hope that all the advances we are making do not discourage industry from initiating and carrying on research and development programs. We now know that industry is making substantial contributions in this area. It is important that they do so. It has become a necessity that we in Congress pay particular attention to the prevention of a cornering of initiative in the Government. We must guard against the time when industry shies away from any basic research that the Federal Government will not underwrite. We must guard against the possibility of a situation whereby the Federal Government becomes the sole initiator of new research projects. It is important to industrial, economic, and scientific growth that industry continue to be a leader in basic scientific research and development. A balance must be maintained. In this respect, I commend the chairman for attempting to find out industry's private contribution to research and development so that we may have an overall picture of this balance.

The whole committee and the subcommittee alike have given diligent and careful study to this bill and the subcommittee charged with these areas which I have enumerated took exceptional pains to get additional information for presentation to the House. I commend my colleagues on the committee for their hard and effective labors. You have a good bill. It does not write a blank check. I urge your support.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California [Mr. SISK].

Mr. SISK. Mr. Speaker, the subcommittee which I had the honor to head considered requests for research and development funds totaling $167,800,000 of the $333,070,000 sought by the NASA for that purpose for the 1960 fiscal year.

The subcommittee held four meetings, at which it heard NASA officials testify on requests for funds for space propulsion technology, space systems technology, supporting activities and vehicle development.

The subcommittee unanimously recommended to the committee approval of the entire $167,800,000 requested by the NASA in these research and development funds. The subcommittee's recommendation was approved by the committee.

In taking its action, the committee was cognizant of the fact that some of the programs carry commitments that will necessitate the authorization in the future of still additional funds in order to complete the programs.

There was considerable discussion, and questions were raised, concerning the $8 million authorization for the development of nuclear powered engines, the so-called Rover project, a program into which the Atomic Energy Commission is also putting $46,300,000 in the 1959 and 1960 fiscal years.

The same held true for the Centaur program, involving the development of a general purpose space flight vehicle which will be used for a communications satellite and for a soft landing on the moon. The NASA is requesting $41 million for this program for the 1960 fiscal year. The program will require the funding of another $32½ million in fiscal years 1961 and 1962 and will cost in all an estimated $95½ million, including $22 million committed by the Defense Department, which is transferring the program to NASA next July 1.

The NASA witnesses, headed by Dr. Abe Silverstein, Director of Space Flight Development, assured the subcommittee that the funds were not being programed prematurely. They stressed the long leadtime involved in the development of these and other space programs. Thus, the first Centaur vehicle will not be launched until 1961, while the one-million pound thrust single chamber engine, which will cost an estimated $102 million to develop, will probably not be completed for 4 years.

The committee realizes the importance of exercising economy, especially in programs which will apparently prove very costly, but it realizes also the necessity for forging ahead in this very important field of space development and space exploration.

We must must not lose sight of the fact that the United States is not yet foremost in all aspects in this field and that great effort and money will have to be expended if we are not to fall behind, much less catch up with and surpass other countries. The security of the United States, and the free world, may well rest upon the effort expended—and the money authorized—for space development and exploration.

As laymen in this field, we must rely to a great extent upon American scientists and technologists to chart for us the fields that we must explore. In reliance upon their judgment and convinced of the need for pushing ahead in astronautics with the fullest possible speed and the greatest effort possible, the subcommittee gave its assent to the authorizations requested by the NASA for research and development.

They include $52,200,000 for space propulsion technology, $5 million for space systems technology, $11,500,000 for supporting activities, and $99,100,000 for space vehicle development, or a total of $167,800,000 of the $333,070,000 being requested by the NASA for research and development.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. SISK. My time has about expired.

Mr. FULTON. Mr. Speaker, I yield the gentleman 2 additional minutes.

The SPEAKER. The gentleman from California is recognized for 2 additional minutes.

Mr. FULTON. In section 4 of this bill we state:

> Notwithstanding the provisions of any other law, no appropriation may be made to the National Aeronautics and Space Administration for any period prior to July 30, 1965, unless previously authorized by legislation hereafter enacted by the Congress.

By that provision we require that they come specifically before the authorizing committee so that those who have been following these scientific advances can add the benefit of their knowledge as

well as that of the Appropriations Committee who will look after the housekeeping and see that the proper contracts are let. I believe, therefore, that it is necessary to have a second look as long as this is a new agency in a new field.

Mr. SISK. I will say to my colleague from Pennsylvania that I agree with him, and I hope the results of this will be the thing that we seek, that is, taking a double look at this situation as it goes along, will tend to save money in the long run. I will simply make one further comment with reference to the statements of my colleague from Michigan a few moments ago.

Last year I joined with the gentleman from Michigan in opposing an amendment offered in the other body because I did not want to hold up any of these funds. I wanted to see that this money got to this agency as quickly and as rapidly as possible. I still have the feeling that we must not do anything to hamstring or delay the appropriations and I hope this language will not do that.

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Texas.

Mr. THOMAS. I will ask my distinguished friend from California if it is not a fact that the only purpose this language can have—it is brand new language—we do not have it in any other bill outside of this space bill and we have been spending $40 billion a year for national defense without it—is to hamstring the Administrator? It is bound to slow him up, and if time is of the essence that is the way to slow him up 3 to 4 months out of each year.

The SPEAKER. The time of the gentleman from California has expired.

Mr. FULTON. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, it should be pointed out that in this legislation section (c) on page 3 reads :

> When so specified in an appropriation act, any amount appropriated for "Research and development and for "Construction and equipment" may remain available without fiscal year limitation.

So that actually when the Appropriations Committee wants to it can have that amount remain available from fiscal year to fiscal year.

Likewise, subsection (b) on page 3 reads:

> Appropriations for "Research and development" may be used for any items of a capital nature (other than acquisition of land) which may be acquired for the performance of research and development contracts.

There is adequate leeway there in that language.

Then there is section 3, page 3, which reads:

> Any amount, not to exceed $5 million, of the funds appropriated for "Construction and equipment" pursuant to this act, may be used to construct, expand, or modify laboratories and other installations, if found by the Administrator to be necessary because of changes in the national program of aeronautical and space activities or new scientific or engineering developments and if the Administrator determines that deferral until the next authorization act would be inconsistent with the interests of the Nation in aeronautical and space activities, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment:

If any happening does result in a hold-up of the program, the Administrator has the power where the deferral may interfere and be inconsistent with the interests of the Nation in aeronautical and space activities, to have the leeway to avoid what the gentleman from Texas rightfully brings up, and move ahead with the programs.

I would recommend that this bill be passed, because the committee has given careful attention to it, and I am sure the Committee on Appropriations of the House wants the authorizing committee to be careful and to watch these scientific research and development and exploration programs that are so hard to watch.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. FULTON. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Speaker, I take this time to express agreement with the remarks made by the gentleman from Missouri [Mr. CURTIS].

We are getting read to authorize the spending of some $480 million and are taking only 40 minutes to consider the bill.

There are some provisions in this bill that many of us would like explained. The gentleman from Texas and the gentleman from Michigan raised important questions pertaining to section 4; and I do not believe they have been answered satisfactorily; yet, with only 20 minutes of discussion on the side, we are preparing to pass legislation that will authorize the spending of $480 million. I thing we have more time than that and should take whatever time is necessary to give thorough consideration to such an important bill with such a steep price tag. Surely a $480 million bill deserves more consideration than is possible in 40 minutes.

Mr. BROOKS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. I want to call the gentleman's attention again to the fact that this bill was considered by the full committee, then it was referred to four different subcommittees. All the subcommittees were unanimous and the full committee was unanimous.

Mr. JONAS. I am sure the bill received careful consideration in committee. I am not questioning that. But many Members did not have an opportunity to hear the testimony or discussion in the committee. We have a responsibility here to give adequate consideration to a bill of such importance and I do not believe that is possible in 40 minutes.

Mr. BROOKS of Louisiana. This is a bill that has the unanimous approval of the committee.

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. TEAGUE].

Mr. TEAGUE of Texas. Mr. Speaker, I have the privilege of serving as the chairman of the Research and Development Subcommittee of the House Committee on Science and Astronautics. Our subcommittee carefully considered a major portion of the 1960 authorization request by the National Aeronautics and Space Administration on programs which total in cost $165,270,000.

The members of our subcommittee, including Mr. WOLF of Iowa, Mr. KARTH of Minnesota, Mr. MOELLER of Ohio, Mr. BAUMHART of Ohio, and Mr. Bass of New Hampshire, heard the following witnesses in support of these programs:

Dr. Hugh L. Dryden, Deputy Administrator, NASA.

D. D. Wyatt, Assistant to the Director, Space Flight Development.

Dr. Homer Newell, Assistant Director for Space Sciences.

E. M. Cortright, Chief of Advanced Technology, Office of Space Flight Development.

M. B. Ames, Chief, Flight Mechanics Research Division.

A. F. Siepert, Director, Office of Business Administration.

At our request the National Aeronautics and Space Administration drew up a summary explanation for each of the authorized items falling within our jurisdiction. These summaries have been devised in layman's language and are designed to acquaint Members of the House with the programs involved in nontechnical terms.

These explanations are as follows:

SUPPORT OF NASA PLANT

The "Research and development" appropriation title includes funds required on a no-year basis to provide contractual services, repairs and alterations, minor construction, and supplies and equipment for all NASA operated facilities. A separate "Salaries and expenses" appropriation title contains all items requiring obligation on an annual or fiscal year basis; these include salaries, life insurance and retirement contributions, travel and transportation, rents, and all utilities including the large item of electric power for NASA wind tunnel operations.

The amount being requested for operation of the NASA plant in 1960 is $16,670,000. This compares with $11,726,102 for the equivalent items during fiscal year 1959 or an increase of $4,843,898. The increase reflects the expanding requirements for new space research and also the urgent need to overcome some of the accumulating deficiencies in the amount of materiel and facilities support for NASA's extensive in-house research and development effort. This research work is carried on principally at NASA laboratories in Langley (Virginia, Lewis (Cleveland, Ohio), Ames (Palo Alto, Calif.), Edwards (California), Wallops Island (Virginia), and the Beltsville Space Flight Center groups now occupying temporary quarters at NRL in Washington, at Langley, and at Lewis. Like other modern research, the effective conduct of both aeronautical and space research now requires increasingly specialized facilities, more complicated equipment and instrumentation, and more extensive shop services. However, in recent years, the NASA laboratories, through lack of funds, have had to curtail the modernization and

equipping of their facilities. One good criterion is the ratio of support funds available for contractual services, supplies, and equipment in relation to the funds spent for personal services. In 1950, these laboratories, then under NACA, had support funds equal to 40 percent of the personal services item; since 1953, this has been reduced to an average of 23 percent, except for the fiscal year 1958 when 25 percent was available. The current budget request proposes to improve this ratio slightly, bringing the ratio to 26½ percent.

There are four main areas of increase:

(a) "Contractual services" from non-Government sources involves $935,000, an increase of $336,000 over 1959. Practically all this increase is for additional machine shop and metal fabrication work of a specialized kind which is uneconomical to provide on a full-time basis using Government shop facilities.

(b) "Facility repairs and alterations" (for projects costing less than $200,000) require some $562,000 additional, or a total of $1,728,000. Rapid changes in research requirements dictate that continuous attention be given to adapting existing facilities for new studies. This item proposes to make a substantial reduction in the backlog of necessary improvements. Major new facilities or capital projects costing more than $250,000 are requested separately under the "Construction and equipment" appropriation title.

(c) The "Supplies and materials" request for $8,283,000 is an increase of $2,075,000 over 1959. Three-fourths of this ($1,612,000) is primarily attributable to the greatly increased number of rocket launchings in 1960. In this area, an additional $1,049,000 will be needed for liquid rocket propellants, $358,000 more for rocket engines and models, and $205,000 more for electronic instrumentation.

(d) Lastly, the "Equipment" requirements are $5,610,000 or some $2,251,000 over last year's purchases. NASA has furnished the committee with detailed analyses of these equipment needs by category and location in which the items will be used. Of the $2,251,000 increase recommended for both replacement and new equipment, 70 percent (or $1,602,000) is for the purchase of new types of scientific and research apparatus. All new equipment needs, totaling $2,776,700, have been detailed by individual items required, and by location. Under plans presented to the committee, $105,000 would be required for new Langley equipment; $899,000 for Ames; $1,433,700 at Lewis which is undergoing major changes to equipment for rocket propulsion research; and $339,000 at the Edwards High Speed Station.

SUPPORT OF JET PROPULSION LABORATORY PLANT

The Jet Propulsion Laboratory is a Government-owned research and development laboratory, located at Pasadena, Calif., operated by the California Institute of Technology. Jet Propulsion Laboratory has been a pioneer and leader in many aspects of ballistic missile and space flight.

Research and development functions of Jet Propulsion Laboratory were transferred to the NASA by a Presidential order dated December 3, 1958, except for such functions as relate primarily to military operations and weapons systems development programs. Under the previous contract with the Department of the Army, a certain fraction of Jet Propulsion Laboratory total effort was underwritten for supporting research and development in the general field of technology for which Jet Propulsion Laboratory has competence. The Department of Army funded this research and development on a calendar year basis. For the calendar year 1959, this supporting research funding was estimated at $8,156,500; half of this sum was transferred to the NASA from the Department of Defense to cover the first half of calendar year 1959.

The NASA plans to continue the supporting research at Jet Propulsion Laboratory in the general fields of guidance and control, propellants and propulsion systems, materials, instrument development, and related areas. This supporting research and development will be carried on in calendar year 1960 at the same total level as that during calendar year 1959. The NASA is therefore requesting a sum of $8,156,500 to fund this portion of the Jet Propulsion Laboratory effort from the fiscal year 1960 budget.

RESEARCH GRANTS AND CONTRACTS

The objectives of the NASA program of research grants and contracts are first, to augment NASA research capabilities by utilizing the scientific potentials of universities and other organizations and, secondly, to encourage additional scientists to work in fields fundamental to aeronautical and space technology, thereby broadening our foundation in these fields. The scientific and technological areas being supported encompass physics, chemistry, mathematics, planetary sciences, astronomy, astrophysics, fluid mechanics, propulsion and power, navigation and guidance, communication, materials, structures, and the so-called life sciences which include biological physics, biochemistry, physiology, and psychology.

The NASA program supported by grants and research contracts is a basic research program, the objective of which is to secure new fundamental knowledge. From research in physics we will expect to learn more about the fundamental nature of matter and energy. This is a prerequisite for major breakthroughs in space technology. Of particular importance are areas dealing with the physics of hot ionized gases or plasmas, cosmic rays and high energy particle physics, physics of solids, and physics of high temperature matter. From research in chemistry we will expect major contributions toward materials of construction and means of propulsion of future space vehicles. Some of the problems include the nature of energetic and fast chemical reactions, photochemical processes (relevant to use of solar energy), and chemical processes in materials in the solid state.

Research in astronomy and the planetary sciences comprises a variety of studies dealing with calculation and acquisition of accurate orbit and position data for planets, surface features of planets and the moon, atmospheres of the earth and planets, geophysics, and other topics. Astrophysics deals with the nature and distribution of matter and energy in space, the processes occurring in the stars, the formation and evolution of galaxies and the cosmos. Major questions such as the possible utilization of the matter and energy in space and the hazards to space flight of particles and radiation can only be answered by further basic understanding through astrophysical and other research.

Research in the engineering sciences of fluid mechanics, propulsion and power, etc., is necessary for major advances in the technology of space flight. The areas include research in hypervelocity fluid dynamics for application to high-speed entry into the atmospheres of the earth and other planets, the production of energy and conversion of energy among various forms for use in propulsion and auxiliary powerplants, space flight navigation and flight path control, long distance communication, and materials and structures for space vehicles.

Finally, to insure that man may travel in reasonable safety and function efficiently under the extreme conditions associated with space flight, basic research in the life sciences is required. These sciences include biological physics and chemistry which are concerned with the response of living organisms to radiation, weightlessness, and perhaps other physical conditions not now known and with maintaining proper chemical environment necessary to support life. Research in physiology and psychology are required to study man's functioning and behavior under the new and arduous conditions.

Currently, contracts and grants have been placed with the following institutions:

1. Yale University, Connecticut.
2. University of Maryland.
3. National Academy of Sciences.
4. The Rice Institute, Texas.
5. Rensselaer Polytechnic Institute, New York.
6. University of Michigan.
7. University of California.

An even wider range of institutions will be incorporated in the program as it develops.

SOUNDING ROCKETS

The principal aim of the sounding rocket program is to explore the earth's upper atmosphere and to investigate its relations to the sun.

The earth's upper atmosphere has a weather of its own, controlled largely by energy from the sun brought in by solar X-rays and ultraviolet light. The upper atmosphere weather is just as dynamic as the weather of the lower atmosphere, involving large-scale circulations, winds, and seasonal changes. In the upper atmosphere, however, electricity and chemical changes play the predominant role, whereas in the lower atmosphere water vapor plays the major role.

The high atmosphere cannot be adequately observed and investigated from the ground or in balloons. Hence the sounding rocket is used. The $10 million in funds requested for fiscal year 1960 include moneys to purchase about 100 sounding rockets plus their research payloads. Since both the rockets and their payloads are long-lead-time items, it should be noted that many of the 100 rockets to be fired during fiscal year 1960 were bought in fiscal year 1959, while many of those bought from fiscal year 1960 funds will be used for firings in following years.

The fiscal year 1960 request also includes moneys to develop a very high altitude sounding rocket capable of carrying scientific payloads to several thousands of miles altitude. One aim of this development is to produce a sounding rocket that will be much cheaper than the Scout satellite vehicle, which, while inexpensive as a satellite launching vehicle, would be too costly to use for atmospheric soundings.

The fiscal year 1960 request also includes moneys required for the design of sounding rocket experiments, the design and development of special measuring instruments, the preparation of mobile rocket launching units and radio ground stations, the launching and reception of data from about 100 sounding rockets, and the reduction and analysis of the data.

Whereas the sounding rocket program is fundamental research, and has as its primary aim the extension of the frontiers of knowledge, nevertheless the results will be of practical value. The meteorological and communications fields, for example, may both be expected to benefit. In this last connection, previous rocket investigations of the earth's ionosphere have already led to an improvement by a factor of three in forecasts of what shortwave frequencies will be usable for radio communications.

SCIENTIFIC SATELLITES

Scientific satellites are to be launched into orbits which lie between 150 and 100,000 miles above the earth's surface. They have two major purposes: (a) to measure the characteristics of the outer reaches of the earth's atmosphere; and (b) to measure the particles and radiations which originate in outer space and which cannot penetrate to the earth's surface through the atmosphere. A single satellite is able to make such meas-

urements over many months, years, or even decades; and with the proper choice of an orbit over the north and south poles it can sample the whole outer atmosphere as the earth rotates below. Such satellites have already carried scientific instruments weighing as little as 21.5 pounds, and will carry weights of several tons in the future.

Satellites yet to be launched in 1959 will carry lightweight exploratory payloads to survey quantities such as the earth's magnetic field and radiation from the sun, in regions of space never examined before. During 1960 these payloads will become more sophisticated, as data from earlier satellites provides a better picture of the conditions to be encountered. Meanwhile, exploratory biological experiments and heavier payloads such as astronomical telescopes which can be pointed from the ground, will be developed and launched when ready.

A number of important discoveries have already been made by the first few scientific satellites. The air above 200 miles now known to be many times thicker than had been believed; consequently more thrust will be required to maneuver spacecraft in this region. Van Allen discovered the Great Radiation Belt using the first American satellite. The hazards to both instruments and man must be completely understood before this belt can be penetrated with safety. These results, important though they may be, are minor compared to the flood of new knowledge which will come from scientific satellites over the next decade.

The $22,800,000 in fiscal year 1960 funds are intended for laboratory research; payload design, development, and test; and reduction and analysis of the resultant scientific data. The funds will provide for the purchase of two additional Juno boosters and of payload systems for Juno II and Delta vehicles.

Lunar Probes

Lunar probes are instrumented rocket vehicles which measure and investigate physical phenomena in the space between the earth and the moon. Advanced vehicle systems can also investigate space in the close vicinity of the moon, the lunar surface with its mountains and valleys, and the moon's interior. Studies with lunar probes will provide the basic scientific data and lay the foundation for lunar explorations which will eventually include the exploration of the moon by man himself.

Three lunar probes are scheduled to be launched during the next year. Equipment and instrumentation are designed to provide preliminary information on some of the physical characteristics of the moon itself as well as the space to be crossed. Apart from data to be radioed back to earth by all lunar probes during flight, two of the probes are expected to impact on the moon. While the instrumentation will be completely destroyed, information will be obtained during the last few seconds prior to the impact about the presence or absence of a lunar atmosphere, the nature of the moon's surface, and any evidences of radioactive materials on the moon.

The third probe will be a lunar orbiter, designed to become a satellite of the moon itself and to transmit back while orbiting a few hundred miles above the moon's surface.

The funds totaling $7,140,000 requested for fiscal year 1960 need to be committed during this fiscal year to continue development of scientific instruments and technical equipment for the complex requirements of more advanced methods of exploration. The next step, planned for 1961, has as its objective the landing of instruments designed to withstand the final descent, slowed down by retrorockets. This will constitute the establishment of a fixed, if small, extra, terrestrial observatory which can transmit data between the earth and a celestial body.

A successful landing will signal the start for the factual exploration of the moon. As with the earlier lunar probes, Pioneers I, III, and IV, the scientific data obtained will provide the information for the next objective: The design and specifications for the characteristics of vehicles which can safely transport man across some 200,000 miles of space and land on our natural satellite.

While the lunar probes to be launched will give us a better understanding of many of the basic physical and biological phenomena predominant in our solar system, not all of the questions puzzling to us can be answered by even the most sophisticated instrumentation conceivable. They will have to wait until man himself has reached the moon and can conduct detailed surveys on the spot.

Deep Space Probes

The principal aim of the deep space probe program is to determine what exists and what is happening in outer space beyond the earth's atmosphere.

In outer space lie the planets, the sun, and the stars. Through it move meteors, asteroids, comets, various radiations from the sun and stars, clouds of electrons and other charged particles, magnetic fields, and perhaps many other unknown quantities. Observations and measurements on these quantities from the surface of the earth are limited by the obscuring and distorting effects of the earth's atmosphere, and the great distances between the observer and the object of study. With deep space probes, it becomes possible to measure these quantities with instruments sent to the very region of study.

From a practical point of view it is essential to make such measurements and observations before undertaking manned flight into interplanetary space.

Some of the $6,803,500 in funds requested during fiscal year 1960 will be devoted to the scientific and technical studies of the guidance, control, tracking, and radio systems required for deep space probe missions. Funds are also required for the design of measuring instruments needed to investigate the properties of interplanetary space and the planets. Funds are included for the assembly and launch of experimental vehicles, for the reception of radio data from the probes, and for the reduction and analysis of the information obtained.

Two space probes are scheduled for firing either late in fiscal year 1959 or early in fiscal year 1960. Two others will be under preparation during fiscal year 1960 for launching during the following year.

Meteorology

WHAT IS BEING DONE

Two meteorological or weather satellite experiments were carried over from the IGY program. One was designed to take pictures of the cloud distribution over large areas of the earth. Another was designed to measure the unequal heating of the atmosphere by the sun. The first experiment has already been launched by a Vanguard rocket while the second will have two launching attempts by midsummer.

An effort is under way to prepare a more advanced weather satellite. This satellite project, called Tiros, originated with ARPA and has been recently transferred to NASA. The satellite itself will make use of television cameras and a variety of radiation detectors to observe clouds and detect storms, and to measure in detail the heating of the atmosphere. One such satellite is scheduled for launching by the end of this year and a second in the spring of next year.

The next step beyond project Tiros will be to develop a prototype of an operational weather satellite designed for a 700-mile altitude polar orbit. This satellite will have attitude control so that its instruments always point towards the earth. It will again have television or equivalent picture taking equipment for daylight observation of clouds. In addition, its advanced infrared radiation detectors will permit cloud observation at night as well as measurement of properties of the atmosphere. Development of this satellite is a major undertaking and will consume over two-thirds of the fiscal year 1960 meteorological satellite funds. Two launchings with a Vega booster are scheduled for 1961.

For the more distant future, research and development on satellite-borne radar will be initiated. Research and development on 24-hour meteorological satellites to remain "stationary overhead" at 22,300 miles above the equator will also be started. An ultimate operating system will probably use up to 6 satellites of the 700-mile high polar orbit variety and 4 of the 22,300 mile satellites. It will probably take a decade to achieve this goal.

WHERE IT IS BEING DONE

The efforts of many government, industrial, and university organizations throughout the country are being applied to the meteorological satellite program. On project Tiros, for example, the following groups are involved:

1. U.S. Army Signal Research and Development Laboratory, Fort Monmouth, N.J.
2. U.S. Air Force Ballistic Missile Division, California.
3. U.S. Weather Bureau, Maryland.
4. U.S. Air Force Cambridge Research Center, Massachusetts.
5. Navy Photographic Interpretation Center, Maryland.
6. Atlantic Missile Range, Florida.
7. Douglas Aircraft Corp., California and Oklahoma.
8. Space Technology Laboratories, California.
9. University of Wisconsin.
10. Advanced Research Projects Agency.
11. National Aeronautics and Space Administration.

WHAT THESE DEVELOPMENTS MIGHT MEAN TO US

The benefits to be derived from improved capacity in meteorology include convenience in planning personal activities, protection of life and property from weather disasters; safeguarding transportation; crop planning, control and protection; industrial planning of weather-dependent products, outdoor enterprises, and heating and cooling loads; eventual limited weather control; and good will in return for providing these services to less fortunate people. In addition, the same meteorological data required for worldwide civilian needs can, by proper handling, be made to meet special military needs as well.

Just how much improvement in the science and practice of meteorology will result from the satellite use is not certain. We are confident of its storm and cloud detecting ability and have great hopes that its other measurements will make possible significant improvements in long-range forecasting.

Communications

WHAT IS BEING DONE

The NASA has undertaken a program to develop the capability of using satellites for long-range communication. Of the several possible approaches to the problem, NASA has chosen to concentrate on what is known as a passive reflector satellite. With this type of satellite, a strong radio signal is beamed at the satellite and its weak reflections are picked up by powerful receiving stations which may be thousands of miles distant.

The first such satellite will be a 100-foot diameter inflatable sphere which will be

placed into a 1,000 mile high orbit by the end of 1959. Experiments in bouncing radio signals from the satellite will be conducted between the east and west coasts of the United States. During 1960 and 1961 three additional launches of passive reflector satellites will be made, one of which is planned to carry a number of such satellites to an altitude of 2,500 miles.

In an ultimate operating system using this type of communication satellite, it is envisioned that as many as 25 satellites at this altitude will be required to insure virtually uninterrupted communications. This is not an unreasonable requirement, since as many as 10 can be launched with a single Vega booster.

The passive satellites will be available for all to use. Because they carry no equipment to restrict the number of channels, many users can make simultaneous use of them, subject only to the well-known problem of frequency allocation.

Another attractive type of communication satellite is the active repeater. This satellite receives signals from the ground and rebroadcasts them to a station over the horizon. It must carry a receiver, transmitter, and antenna and must ultimately be attitude controlled for antenna pointing. The satellite will require internal power. The most likely ultimate system would make use of three such satellites equally spaced in the 22,300-mile equatorial orbit.

The active repeater program is being primarily carried by the Department of Defense. The NASA is programing some funds to develop special electronics equipment tailored to civilian requirements for this type of satellite, one of which is the relay of meteorological data.

WHERE IT IS BEING DONE

The first NASA experiments in the passive reflector field will involve the following organizations:

1. Jet Propulsion Laboratory, California.
2. Naval Research Laboratory, Maryland.
3. NASA Langley Research Center, Virginia.
4. U.S. Army Research and Development Laboratory, New Jersey.

In addition, all interested parties have been invited to prepare to make experiments in reflecting signals from the satellite and will be aided in every way possible by the NASA. Orbit information supplied by the NASA will help such participants lock on to the faint signals.

A number of major communications companies have expressed great interest in the data and at least one is making major investments in equipment to participate in the experiment.

WHAT THESE DEVELOPMENTS MIGHT MEAN TO US

By 1962 the present transatlantic telephone cable will be saturated with messages. By 1970 there is predicted a sevenfold increase in message units to a total of 21 million. At the present minimum toll of $12 from New York to London, there is a potential gross income of over $200 million per year. However, best estimates of the investment required to operate a satellite system lead one to predict greatly reduced rates for transatlantic telephone calls.

Telephone communications to more remote parts of the world are even less satisfactory. We have no transoceanic television at all. There is every reason to believe that communications satellites will eventually prove to be a solution to all of these deficiencies.

MANNED SPACE FLIGHT

The manned satellite program is but one in a series of systematic steps leading toward interplanetary flight. But, for many reasons, it is a most important step. The type of vehicle needed for successful reentry into the earth's atmosphere from a satellite orbit will, in the future, be used to return man from satellite stations or from more distant places. But even more important, it is the first vehicle that can put man into a zero gravity environment for a prolonged period of time; thus it will permit a detailed study of the many physiological problems associated with weightlessness.

The problems associated with flight of a manned satellite may be briefly stated as follows. It is first necessary to provide booster rockets with sufficient impulse to place into orbit a satellite weighing in excess of 2,000 pounds. These booster rockets must be highly reliable, and safety procedures must be developed to cope with as many eventualities as possible. Guidance systems must be capable of establishing sufficiently accurate orbits to permit completion of the mission. Once in orbit, the satellite must be habitable for the duration of the flight, and must be instrumented to record useful data. The orbit must be precisely determined from the ground prior to the application of retrothrust for reentry into the earth's atmosphere.

Reentry is one of the most hazardous aspects of manned space flight. During this phase of flight the vehicle and its occupant are threatened by large deceleration loads and high temperatures. Surviving these, the vehicle must land safely at some preselected point.

Project Mercury, the first manned satellite project, which is now well underway, has the objectives of achieving orbital flight and successful recovery of a manned satellite at the earliest practicable date, and to investigate the capabilities of man in a space environment. In order to accomplish these objectives with a reasonable assurance of success, a reentry vehicle of the ballistic (nonlifting) type was selected for this project. This vehicle not only represents the simplest and most reliable configuration, but has the additional advantage of being sufficiently light that it can be fitted on an unmodified IDBM booster.

The Project Mercury satellite, therefore, will consist of a capsule which is launched into orbit by the Atlas booster. Within this capsule, the man is supported in a form-fitting couch, so that he can withstand the high acceleration loads during launch and reentry. The capsule also contains a life support system and sufficient food and water for a 1-day period in space. During this period, the pilot's reaction to space flight will be measured, and data will be transmitted to the ground.

Descent from orbit will be initiated by firing small rockets in a direction opposite to the flight path. After the satellite enters the atmosphere, it will be slowed down by aerodynamic drag. The frictional heat, accompanying this drag, will be dissipated in a heat shield. Once the capsule has slowed to less than the speed of sound, a parachute will be deployed; a water landing is planned, although recovery on land or water will be feasible.

The ballistic orbiting vehicle will answer many questions concerning the effects of weightlessness of man's capabilities and behavior in a space environment. Such questions must be answered before longer space flights can be realized, and before more complicated tasks can be assigned to the pilot or occupant.

However, the ballistic capsule is not the only vehicle suited for manned space flight. Because this vehicle cannot maneuver during reentry, recovery at a small preselected site is improbable. This fact places an added burden on the recovery system. In addition, the decelerations encountered during a ballistic reentry, although well within the limits of human tolerance, are quite large. Both of these drawbacks of the ballistic vehicle can be circumvented by following a reentry trajectory wherein some aerodynamic lift is provided. Because a lifting vehicle can be controlled, recovery at a definite site is feasible. The maximum deceleration encountered during a lifting reentry can be less than 2 g, as compared with 8 g for the ballistic reentry.

It is clear, therefore, that a lifting reentry vehicle will be of considerable importance in the study of man's capabilities in a space environment; and it may be of even greater importance as a "shuttle" vehicle between earth and an orbiting space science laboratory, or as a vehicle to be used in the return from moon or interplanetary explorations.

Project Mercury is the NASA's most urgent program, and is being pursued at a rate that will give this Nation a highly reliable space vehicle at the earliest practicable date. In order to continue our efforts at the present accelerated rate, we are requesting $70 million for manned space flight in fiscal year 1960. Approximately 70 percent of these funds are required to complete the funding of 12 satellite capsules and of the Little Joe, Redstone, Jupiter, and Atlas boosters. Most of the remaining funds are needed for flight-, range-, and recovery-operations, for flight test models, and other related equipment. Only a small percentage of the requested funds has been reserved for studies of advanced manned satellite vehicles.

Contracts in support of the Mercury program have been place with:

1. North American Aviation, California.
2. Minneapolis-Honeywell Regulator Co., Minnesota.
3. Electro Mechanical Research, Inc., Florida.
4. Cook Electric Co., Illinois.
5. Ballistic Missile Division (Air Force).
6. Army Ballistic Missile Agency (Chief of Ordnance, Army).
7. Aerolab Development Co., California.
8. Thiokol Chemical Corp., New Jersey.
9. Army Ordnance Missile Command.
10. McDonnell Aircraft Corp., Missouri.
11. Radioplane, a division of Northrop Corp., California.

SPACE RENDEZVOUS TECHNIQUES

As the art of space flight advances, particularly in the areas involving manned flight, it will be desirable to be able to execute rendezvous contacts between vehicles. In particular, it is visualized that permanent orbiting manned laboratories will be essential as a forerunner to manned space flight to other planets. These vehicles have not yet been designed, but it is expected that they would include technological laboratory features for the investigation of the reliability of components and equipment intended for long-duration space flights. Such permanent laboratories will have to be resupplied and remanned from time to time, and hence systems must be devised that will permit accurate and certain contact between the permanent laboratory and the rendezvousing supply craft.

It is already known that a number of major technological problems must be solved before assured rendezvous flights can be accomplished. Among these problems are the establishment of referencing methods for fixing the relative positions of both vehicles; the development of accurate, lightweight target acquisition equipment that can be used for locating the space station or laboratory from the supply craft; the development of very accurate guidance and control systems to permit the establishment of very precise flight paths; and the development of sources of control power. It is anticipated that other equally complex problems will be uncovered as soon as active research and development of rendezvousing vehicles is entered into.

A sum of $3 million is being requested in fiscal year 1960 to initiate studies on various

aspects of the rendezvous problem and to begin early research and development of components that appear promising as a solution to the problems. This money will be expended through contracts with industrial firms and other Government agencies having competence in the field.

Mr. Speaker, after considering all these items carefully the subcommittee unanimously approved each, as did the full committee.

Mr. FULTON. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, the authorizing committee desires every year to go over carefully and authorize specifically whatever scientific programs are to be performed by the National Aeronautics and Space Administration. We want to follow the programs closely and, particularly, we want the opportunity to judge whether they are necessary and productive in research, development, and exploration. We want to be careful that this money is not spent to create an empire encumbered with procedures, and redtape, and short on results. This House should say to the Science and Astronautics Committee that it wants the committee to watch these programs closely, especially when we have started by cutting the administration figures.

GENERAL LEAVE TO EXTEND

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have permission to extend their remarks at this point in the RECORD on the bill now under consideration, and that all Members who so desire may have 5 legislative days in which to extend their remarks in the RECORD on this important measure.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. KING of Utah. Mr. Speaker, while the 86th Congress in this session will make many appropriations which are larger, it will, I am convinced, make none more vital to the future of this Nation than the $480,550,000 which H.R. 7007 earmarks for the National Aeronautics and Space Administration.

These funds and the agency which they support will shape the course and the rate of progress of this Nation in the exploration of outer space. I regard the total trimmed in committee by approximately $4 million, as a rockbottom figure; I think we could not appropriate less and expect to achieve the objectives which are widely recognized as vital to national security. These objectives include:

First. International prestige.

Overnight, space developments have become the paramount symbol of technological progress and national preparedness. Other nations will continue to look at us as the strongest Nation, or as a Nation equal in strength to any other, only as long as our progress in space equals or surpasses that of any other nation.

A third of the world's people, whose nations stretch across the underbelly of the Eastern Hemisphere, from western Africa to the eastern Orient, have shaken the bonds of colonialism recently and won their emancipation. Now largely neutral in the East-West power struggle, this great bloc of nations will be watching the progress on both sides in space exploration very closely. They quite probably will be swayed to the side which demonstrates a clearcut superiority. Certainly they will be very impressed by the outcome of the race to the moon.

The course of foreign affairs has been clearly affected already, and will be more strongly affected in the future, by the progress of the space race.

Second. Economic benefits.

It has become very apparent our space effort will produce economic benefits. Many experts believe the benefits will repay the costs by many times. The same experts believe the investment will be covered easily by the benefits in a single area—weather observation and control. We also will reap benefits in communications, transportation, mapping, and other fields too innumerable to list here.

Some experts have forecast that the space effort will in 15 years engage more men and resources than any other field of endeavor. The space industries already are making an enormous contribution to our economy.

In the light of these objectives, the appropriation has strong bipartisan support. It has been approved by the Bureau of the Budget and strongly endorsed by the Committee on Science and Astronautics.

Mr. MAHON. Mr. Speaker, in view of time limitations, there is not adequate opportunity to discuss the pending bill. However, I want to make a brief statement for the RECORD.

I am in favor of the space program, and I am in favor of this bill, with the exception of that paragraph against which complaint has been made by the gentleman from Texas [Mr. THOMAS] and the gentleman from Michigan [Mr. FORD]. I refer to section 4, which is as follows:

> Notwithstanding the provisions of any other law, no appropriation may be made to the National Aeronautics and Space Administration for any period prior to July 30, 1965, unless previously authorized by legislation hereafter enacted by the Congress.

This objectionable paragraph will have a tendency to slow down the space program and cause unnecessary complications and difficulties. It seems to me that this Agency should be appropriated for in the same manner as other agencies in the executive branch of the Government.

I want to commend the committee for bringing out a program which seems to be sound and in the public interest. I regret very much that the objectionable section was added and I hope some way may be found to eliminate it prior to the time the bill goes to the President for his signature.

Mr. HECHLER. I desire to commend the chairman of the committee on Science and Astronautics, the gentleman from Louisiana [Mr. BROOKS], for the able presentation he has made to support the bill to authorize appropriations for the National Aeronautics and Space Administration. As chairman of this, the first permanent standing committee to be created by the House of Representatives since 1892, he has done outstanding work in a field which challenges the future of us all.

In fact, I believe that the very survival of civilization itself depends in large part on the success or failure of the work of the committee and those agencies under its jurisdiction.

This morning, our committee heard testimony by Vice Adm. Hyman Rickover concerning our educational system. It was disturbing testimony. Admiral Rickover stressed that we must bear down and train our high school students more rigorously if we ever hope to protect our national security in the future.

At one point, I stated that as a freshman Congressman I was deeply disturbed at the ease with which Congress appropriates billions of dollars for missiles and national defense, yet how extremely difficult it is to put any more emphasis on strengthening our educational system. Admiral Rickover replied that the cheapest dollars that we can spend today are our investments in education. In response to another question, he said that waste in our missile program could be attributable to faults in our educational system.

When the NASA authorization bill was considered by the Committee on Science and Astronautics, I had some reservations about one section of the bill authorizing $4,750,000 for propulsion development facilities. No site for this facility had been selected, and it was difficult to justify authorization of such items as roads, fencing, site preparations, and a water system when the site had not been picked. The committee voted unanimously to strike out the authorization of $4,750,000 in the bill.

I believe that our tendency in Congress today is to accept too eagerly the estimates of the executive agencies in the field of missile development and national defense, and to overlook that we might be making a better investment by spending some of these funds for education. This has always been the history of military appropriations which suffer in time of calm, and are overappropriated in time of crisis. We are now in a time of crisis. We must exercise great care as we move forward in this all-important field.

During World War II, we had the example of the Truman committee which saved the country untold billions of dollars in time of crisis. I trust that we in Congress will follow this example in scrutinizing these authorizations and appropriations with the greatest of care.

In the case of the NASA authorization, I want to assure my colleagues in the Congress that the bill received careful consideration by the committee. The bill, after we had stricken out the $4,750,000 authorization, was reported out unanimously.

Mr. GROSS. Mr. Speaker, I protest as emphatically as I know how the consideration of this bill, H.R. 7007, under suspension of the rules which limits debate to 40 minutes and prohibits the offering of amendments.

The National Aeronuatics and Space Administration is a new agency and it is of the utmost importance that Members of the House know the full story of what is here contemplated.

This bill deals with the spending of more than $480 million and the very terms of the bill give the House Appriations Committee but little more authority than to rubberstamp this huge amount.

I cannot support this kind of procedure and will vote against the bill. Let this measure come back to the House with the opportunity for adequate debate and the opportunity for Members to work their will through the process of amendment.

Mr. DADDARIO. Mr Speaker, I urge favorable consideration of H.R. 7007, submitted by the distinguished chairman of the Committee on Science and Astronautics, the gentleman from Louisiana [Mr. BROOKS]. No one who has attended the hearings this year or who has read the transcript of the hearings conducted last year under the chairmanship of the distinguished gentleman from Massachusetts [Mr. MCCORMACK] can fail to be impressed with the tremendous potential that the world possesses in its relationship to space.

Man needs to know more about his environment so that he can reasonably predict. understand, use and possibly control factors that dominate his very existence. We are entering a new field, possibly inaugurating an age of exploration that will dim the memory of other centuries.

When Columbus began his voyage across the Atlantic, he had no idea of the real size or shape of the world in which he lived or of the lands toward which he was sailing. He and the brave men who followed him opened up new fields of knowledge for mankind. Today, man faces an even greater challenge. Not only is the Moon, Venus, or Mars within our reach, but also those wide unlimited areas beyond our solar system. Although this challenges our imagination, we must also realize the practical advantages which will result when we conquer outer space.

In one phase alone, if we can learn more about weather through the use of artificial satellites, it could mean much in protection of life and property from hurricanes, typhoons, and other storms.

In another phase involving communications, we could make available to all the nations of the world unlimited radio, television and communications facilities. This will supplement cables which will soon fail to meet demand by a large margin. Between 1960 and 1970, the number of transoceanic message units is expected to go up sevenfold. A single television channel is the equivalent of 1,000 voice units. To try to meet this need by cables would be impossibly expensive. Satellites offer an efficient and economical solution.

Some may scoff at the talk of space and the cosmic world. They regard it as blue sky stuff. Admittedly, when you venture into new fields you cannot be sure that your compass is always reliable and you cannot know if the guideposts are planted squarely.

But let me assure you that this committee has not provided a blank check as the flying carpet for the conquest of outer space. The requests for funds were given thorough scrutiny. The entire committee was broken down into subcommittees and each of these subcommittees held hearings on every phase of the items requested within the administration budget. When these hearings were completed, the committee had eliminated over $5 million of the amounts requested.

Although we must have faith in the programs which our scientists have set before us—and I can assure you that these men are dedicated and conscientious Americans—the taxpayer can feel confident that this most necessary program has been set up as economically as is feasible under the circumstances.

Mr. ROUSH. Mr. Speaker, man's venture into space represents the dawning of a new era for man will soon no longer be confined to the earth and its atmosphere. Our country has accepted the challenge of this age and the bill which is before this Congress represents evidence of our efforts to translate the acceptance of that challenge into a national effort. This bill which is before us asks for the appropriation of $480,550,000, money which represents an investment upon which we can rightly expect great returns. The return of which we speak and think is not necessarily measured in dollars, but rather in terms of national security, prestige, and advancement for these United States.

We are forced to think in terms of security not just because of the rapid rate with which Russia is advancing but because of the avowed interest of this Nation to impose upon the world the yoke of communism. We are aware of the fact that within minutes that nation could destroy us just as we could destroy them. To advance in the field of science and astronautics will be the greatest deterrent for such a happening we can have. We know that if we are to be secure and feel secure—the latter is of great importance—we must stand on the principle of scientific achievement This authorization of appropriations in the sum of $480,550,000 is a means of providing the material resources through which we might attain that security.

We think also in terms of prestige for it is important that the United States demonstrate to the free world that a free enterprise nation can out perform, out produce, and advance quicker and further in these technical fields than can any enslaved and regimented nation. We are interested in maintaining our prestige because we thus strengthen our relationship with the free world. We realize that this prestige cannot be purchased with these dollars but we believe that prestige will result when our great minds are given the tools and material with which to work and achieve.

We think in terms of advancement because America's curiosity and imagination do not want to feel the restraint of minds which think only in terms of the status quo. The new discoveries which have already revealed themselves as a result of a mere sampling of space indicate that we have great things in store for us. This advancement tells us that the satellite will aid man in his fight against the elements, and open new roads in the field of world communications. The scientists tell us that these are but a small part of the advancements we are about to make as the universe becomes our testing ground.

Mr. Speaker, I am proud of America's role in meeting the challenge of the new area for that role is that of leadership, leadership which will carry the free world to new heights of achievement and accomplishment.

Mr. ALGER. Mr. Speaker, I strongly disapprove this suspension of rules procedure where we take 20 minutes for and against to authorize a $480 million appropriation. The Committee on Space and Astronautics has a responsibility to this House to explain this bill and to answer questions. The committee under suspension of rules is failing to do this and in so doing is denying needed information to all the Members. It does no good as the gentleman from Pennsylvania [Mr. FULTON] said, to put the explanation in full in the RECORD as if it has been said, because it comes too late to affect the debate and the vote.

I want to thank the gentleman from Arizona [Mr. RHODES] for asking for a rollcall vote, so that we can at least read the RECORD to learn the information we should have been given during debate. Why, Mr. Speaker, are not proper parliamentary rules followed, particularly on so new and complicated a matter as space and astronautics? Finally, where are the liberals who are always so quick on other occasions to decry any denial of rights to people? Why are they not concerned over the lack of free and open discussion in this new and technical field? Surely, the people and we, their representatives, ought to have a full debate on this bill.

The SPEAKER. The question is on suspending the rules and passing the bill.

Mr. RHODES of Arizona. Mr. Speaker, on this I demand the yeas and nays.

Mr. MCCORMACK. Mr. Speaker, if the gentleman insists, I ask unanimous consent that the further consideration of the bill, which the administration is very anxious to have passed, be postponed until Wednesday.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1960

Mr. WHITTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, the time to be equally divided

and controlled by the gentleman from Minnesota [Mr. ANDERSEN] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7175, with Mr .KILDAY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WHITTEN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, we bring you the agricultural appropriation bill for the coming fiscal year. It has been my privilege to present a number of these bills during the years. I think this time our subcommittee has faced one of the most trying times in which to bring about a balance between the various activities and provide the proper funds for this large and great Department. I have had numerous Members come to me and ask me what the total funds for the Department are and what the total cut for the various activities is. Mr. Chairman, I advised them that this committee has worked as hard as it knew how to point out that all the activities of the Department of Agriculture do not lend themselves to being placed into one common fund.

The Department of Agriculture has a large number of activities which are not readily chargeable to American agriculture as such. The Department of Agriculture has control of various programs that are for the protection of the people of this country. It is chargeable with funds for such activities as meat inspection and disease and pest control. In this bill are funds for the general programs of the Department, which, in turn, cover all the various activities that are required by a nation as big as ours, to see to it that not only this year but in the years to come there is adequate food and fiber for a growing population. Not only does the Department have the responsibility to carry out those activities, but there are other agencies of the Department that handle lending programs. For example, the Department of Agriculture is the agency through which loans are made for REA and for various rural housing and production programs.

Those are programs in which criteria must be met by the applicant and where there must be repayment with interest. Those are to be found in this bill.

Not only that, Mr. Chairman, but in the Department of Agriculture we have the Commodity Credit Corporation. This huge Corporation was set up because of the necessity of buying and selling and various other activities. The Congress felt that we needed a corporate entity so that it could act under the general supervision of the Congress. And yet because it is a corporation, with a board of directors which can make decisions and buy and sell and do those various things, it has been used repeatedly by the Government, both under this administration and preceding administrations, as the vehicle for doing a myriad of activities which could be done better through a corporate setup than in any other way.

Thus we find, Mr. Chairman, that a big part of the foreign-aid program—the Public Law 480 program—has been handled through the Commodity Credit Corporation because that was the best way in which to do it. And yet when we bring this appropriation bill here for the Department of Agriculture, we include funds for reimbursement of CCC for this aid to our foreign policy. And we find, and properly so, in this program, the restoration of capital to the Commodity Credit Corporation for price support programs.

If you will check those activities, as we have tried to do in our report, Mr. Chairman, you will see that at least 56 percent of the appropriated funds in this bill are for activities that are not properly chargeable to American agriculture, except perhaps on the ground that some of these Federal programs have benefits to agriculture as well as to the general public.

Our committee has tried to recognize that this is a growing country. We have tried to recognize that, in the short period of years that the United States has been in existence, we have wasted more natural resources in a shorter period of time than any nation in history.

When you sit on our committee and learn of the acres and acres of land that will no longer serve to produce many types of agricultural products because the soil is diseased; when you learn that we have given up the chestnut tree and are in the process of losing our oak trees; yes, when you learn of the inroads that disease and pests are making in this great country of ours, you realize that the fight of the folks in the Department of Agriculture, joined in by others, to keep these inroads from becoming greater and greater, is a continuing problem and not a short-range problem.

Yes, Mr. Chairman; we have tried in this bill to give a degree of balance to the needs of the American public, to the absolute necessity that we keep the people of the future supplied with food and fiber. And in that we have tried to listen to our colleagues and others who are interested, and who recognize that specific and special attention must be given to local problems that need extra attention.

Mr. Chairman, I think we have a wonderful subcommittee. They are all fine gentlemen, interested in the American taxpayer, the American people, and in the welfare of agriculture because it is a major part of the three broad divisions of our American people. We have tried to bring together our concerted views to see to it, within the limits of what we could make available under present conditions, that attention be given to these various and increasing problems.

Mr. Chairman, we bring you a bill that in sum total has been reduced about $142 million from the funds requested. A major part of that culminates from discussions that we have had here in the Congress concerning the farm program and specifically the handling of basic commodities. And remember this, that that there is a real difference between the treatment of the so-called basic commodities and other commodities which should be described as the difference between storables and nonstorables. If you have a huge carryover of cotton in one year, that will last 50 years and be in the way of 49 new crops. On the other hand, if you have an oversupply of potatoes, citrus, or strawberries, however big it is one year, the chances are that they would not be in your way the next year.

But be that as it may, for storable commodities, price supports were based upon holding production in line with domestic and foreign markets. I have made speech after speech, year after year on this floor pointing out that, while the basic law created the Commodity Credit Corporation for the purpose of supporting commodities by loans and purchases, it also contemplated that they would sell so as to retain to the American farmer world markets. Year after year I pointed out that law. In the hearing this year the Secretary agreed, and you will find I make reference to it in my report, that they have always had this authority to sell in world markets without regard to domestic price support levels. You will find it in his own words.

In this bill we have tried to require the Commodity Credit Corporation to do what it was intended to do to start with. It was intended that this huge Corporation get its money to operate its activities to the fullest extent possible from the receipts from commodities which it sold. In 1953, 1954, and 1955 the Department did not follow that policy. In that period the holdings of this Corporation, its payments for storage and all the rest greatly increased. In 1956 our Government changed this policy and started selling those commodities and we have been very proud of it since. But, in 1958 and 1959 once more this Corporation reverted to holding our cotton about 4½ cents above the world markets. Thus, instead of selling a million or 2 million bales of cotton and having the receipts on which to operate, the Corporation has come to the Congress for cash with which to operate and in this bill we have failed to restore $100 million requested for restoration of capital impairment of the Commodity Credit Corporation. In other words, if they will sell these commodities in line with what the law directs, and I cite the Comptroller General on that point and, may I say, the Secretary has assured us he will do that, through the means of getting cash for this cotton, they should be able to make up this $100 million.

We have tried to bring the conservation reserve program into line. Many of you have read reports as to how this program has been handled in a good many areas. But, this program is offered to you as a means of bringing this production into line. Yet, all of our investigations show that frequently the payments have been made for the wrong purpose.

We have tried to write into law a provision that will protect us against that.

May I say one thing further that perhaps you will be interested in. This situation has deteriorated to the point where many of us have held the Secretary responsible for aggravating the problem. The Secretary, in turn, I am afraid, has felt it was due to the failure of the Congress to pass an appropriate law. It has been difficult in the heated arguments on both sides to determine exactly where we stand. So we asked the Secretary if he would, with the aid of the lawyers, write out for the committee, so there would not be any misunderstanding, what changes he wanted in existing law. He acceded to our request and you will find in the hearings his recommendations for wheat, tobacco, peanuts, Public Law 480, and the conservation reserve. That is in the hearings.

Needless to say, I do not agree with him, but I want to express here my appreciation to him for his willingness to spell out in print exactly where he stands. It does clear the air to that extent. Perhaps, with that start, we can bring these things together and make a determination as to just where we can go.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. COOLEY. Is it not a fact that the recommendation the Secretary made was to the effect that he should be given more discretionary power over fixing the price support levels for the several commodities?

Mr. WHITTEN. May I say to the gentleman that that certainly is true. We recognize the worthy end that the Secretary frequently mentions, and I subscribe to it, and I am sure the gentleman from North Carolina does. But I never could personally determine how he would reach his determinations and recommendations. The bill which he submitted spells out our request and we put it in the hearing; after all, it is up to the legislative committee so far as doing anything about it, which I made quite clear at the time. For wheat, peanuts, and tobacco he wants authority to reduce price supports at his discretion to as low as 75 percent of average prices for the previous 3 years. He asked for an increase in Public Law 480, which after all is an adjunct of foreign aid, and he wants an increase for conservation reserves, which I do not think touches production top side or bottom.

Mr. COOLEY. The point I want to make is that if you accept the Secretary's recommendations, you would not reduce overall production because the record, as indicated in your report, shows that increased production has always resulted in the lowering of prices.

Mr. WHITTEN. I thoroughly agree with the gentleman. I want to express again my appreciation to the Secretary for submitting his views, because now we can see where we are and start from there. I cannot see how it would help to solve the situation if it was adopted tomorrow, however.

Mr. COOLEY. I want to congratulate the gentleman and the members of his subcommittee for making it very emphatic at the outset of this report that agriculture today is being charged with hundreds of millions of dollars which should not be charged against the farmers of America.

Mr. WHITTEN. I thank the gentleman.

Mr. STEED. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. STEED. I note in your bill and in the report you have restored funds that we think are needed in the watershed program and in the soil conservation program. I see in the report that you expect to restore the program to the full extent. If the gentleman remembers, last year after the bill was finished it carried additional funds which would have permitted a $5 million program of planning, but for some reason the Department saw fit to cut that to $4,700,000, and this year recommended that it be cut further to $4,300,000. The committee, I understand, has restored the full amount of funds and the report instructs the Department that the planning program go ahead on the $5 million basis.

Mr. WHITTEN. We do not say it quite as strongly as the gentleman has. It is our opinion that the Department has slowed down on its planning work, because they have slowed down on the construction work to the point where they have construction work ahead. It is our opinion that planning should proceed faster than construction.

We have tried in this bill to provide planning money and construction money, and we strongly urge them to proceed at a rate that will take them along faster in both fields.

Mr. STEED. Last year in your report on the item of research I believe you instructed them to make certain studies and come back this year with recommendations as to what the study showed was practical.

Mr. WHITTEN. I know of the gentleman's strong interest in that field. The committee waited until the last day of the hearings, hoping to get recommendations from the Department. Instead all that was ever done was to have an additional committee which brought together a compilation, you might say, of what would be needed and what would be desired throughout the United States. It covers some hundred-odd facilities. We have yet to receive any concrete recommendation, but we have asked the Department to submit it as soon as they can. We have not had anything so far.

Mr. STEED. I hope you will have something from them very soon.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Kansas.

Mr. AVERY. I want to express my appreciation to the gentleman for yielding to me, and I want, also, to congratulate the committee on the bill they have brought before the House. I have not had time to consider it in its entirety, but, certainly, some features of it are very well thought out and very properly put in the bill.

I would like to ask the gentleman a question in regard to the ACP program. As I read the committee report I find nothing in the report on what we usually define as an annual practice within the ACP program. Am I correct in my interpretation?

Mr. WHITTEN. It is very difficult for me to say what is considered annual and what is not. There are many categories involved in this program. I say again, you have a national catalog of practices that are available within the State. A similar catalog of practices is available within the county. From that the farmer, who in the end is the one mostly involved, selects that program which he thinks would be best fitted to his land. There are plenty of chances for things to be included that should not be, but it seems adequate on the local level, where the farmer, in the final analysis, selects the practice he thinks most important for his land. The farmer, after all, has to put up his own labor and usually about the same amount of money. Actually, we have left the program as it has been for the last 2 years.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Iowa.

Mr. JENSEN. Mr. Chairman, I simply want to commend the chairman and the members of the committee for a job well done. This agriculture program is a most difficult program to cope with and the committee, in my opinion, has done a good job. I especially want to thank the committee for what they did for the Soil Conservation Service in this bill.

Mr. WHITTEN. I thank my friend from Iowa.

Now to continue, I would like to discuss some of the other programs included in this bill.

AGRICULTURAL RESEARCH SERVICE

The Agricultural Research Service conducts the production and utilization research of the Department—except forestry research—and the inspection, disease and pest control, and eradication work associated with this research.

The committee recommends $63,961,590 for the coming year for the research activities of this agency, which is $278,410 less than the budget estimate. This provides an increase of $1,250,000 over funds provided for fiscal year 1959, as follows: $200,000 for construction and improvement of facilities at the National Arboretum; $600,000 to construct facilities for crops research at Logan, Utah; $200,000 for research on cotton mechanization and ginning at the Delta Experiment Station, and $50,000 for quality evaluation at Clemson, S.C.; $100,000 for various special needs, including research to meet the problems of mushrooms, research on grapevine virus diseases, research on diseases of hogs, and expanded research on soil and water conservation; and $100,000 for additional research on the utilization of corn and grain sorghums.

The funds provided for the National Arboretum will complete a long-range program of improvements to make the facilities of the arboretum fully available to the general public. These improvements include the completion of greenhouses, entranceways, grading, foot

paths, trails, the construction of two residences, and a floodwall along Hickey Creek. Construction of the headquarters office and laboratory building will be proposed at a later time.

The $600,000 recommended for a new laboratory at Logan, Utah, covers plans, specifications, and the cost of construction of facilities needed to serve as headquarters for research on sugar beets, nematodes, forage and range plants, and new crops in the Intermountain Area. The property used for many years to provide facilities for sugar beet research at Salt Lake City, Utah, is to be sold on June 30, 1960. The new facilities provided herein are needed to replace the Salt Lake City Laboratory for the continuation of these research programs.

The demand for increased efficiency in the cotton industry has led to many technical improvements in cotton production, harvesting, ginning, and spinning. These new developments, however, have brought with them some serious problems. For example, mechanical harvesters gather substantial amounts of trash and foreign matter with the picking of cotton. Also, the use of heat at the gin to dry cotton, coupled with cleaning machines, frequently breaks and damages the fibers. The committee has included $250,000 to initiate a program of research designed to improve the handling of cotton and to prevent further deterioration in the quality of cotton products.

For plant and animal disease and pest control, a total of $48,340,600 is proposed for fiscal year 1960, a decrease of $769,400 in the budget estimate and a decrease of $4,472,100 below the 1959 appropriation. The amount recommended includes increases of $152,900 for control of the soybean cyst nematode and $400,000 for eradication of vesicular exanthema of swine. The amount approved also provides for a reduction of $5 million in the brucellosis program and a transfer of leasing costs of $25,000 to the General Services Administration.

The soybean cyst nematode was first discovered in North Carolina in 1954. Infestations have now spread to 22 counties in Arkansas, Kentucky, Mississippi, Missouri, North Carolina, Tennessee, and Virginia. Soybeans are being grown on 24 million acres this year in the United States and the annual value of the crop is approximately $1 billion. In view of the spread of this infestation and in view of the value of the crop involved, the committee has provided the increase listed above. This will enable the Department, in cooperation with the affected States, to conduct surveys as to the extent of infestation, to enforce Federal quarantines to prevent further spread, and to encourage adoption of farm practices to hold the infestation to a minimum.

Vesicular exanthema is a highly infectious disease of swine which is most often spread by contact with infected swine, contaminated shipping and handling facilities, or the feeding of raw garbage. This disease reached emergency proportions in 1953 and the Department has been in the process of eradicating it since that time. While it has been almost entirely eradicated, some funds are needed next year to maintain a small force to discover new cases promptly and to stamp out infection before it spreads. In the past, the program has been financed on a reimbursable basis through the Commodity Credit Corporation. It is believed preferable to finance it in the future by direct appropriation, since the program has no connection with activities of that organization.

For meat inspection, the committee recommends the sum of $21,135,100 for 1960. This is an increase of $350,000 over funds available for 1959. It is a reduction of $339,900 in the budget estimate.

The Supplemental Appropriation Act of 1959, approved August 27, 1958, provided an additional $1,750,000 to meet the increasing workload of this activity. That appropriation covered operations for only 10 months of the fiscal year 1959. The increase set forth above is provided to cover a full 12 months' cost in fiscal year 1960.

An appropriation of $31,803,708 is recommended for grants to State experiment stations for fiscal year 1960. This amount, which is the full budget estimate, includes $31,553,708 for payments to States and $250,000 for the penalty mail costs of this program.

EXTENSION SERVICE

The cooperative agricultural extension work of the Department aids in making available to the people of the United States useful and practical information on subjects relating to agriculture and home economics and encourages the use of such information. The work is carried on by incorporating research results, technological advancements, and other facts of the Department, the agricultural colleges, and the experiment stations into a national educational program to provide the means by which people can solve their farm, home, marketing and related problems. The Extension Service is financed from Federal, State, county and local sources, and the use of funds provided is under the control of the States. The funds are used within the States for employment of State specialists, county agents, home demonstration agents, 4–H Club agents, and others who conduct among rural people joint educational programs adapted to local problems and conditions.

The full budget estimate of $53,715,000 is provided for fiscal year 1960. This is the same amount as was appropriated for fiscal year 1959, prior to transfers to various other programs of the Department to cover increased pay costs, as authorized by the Second Supplemental Appropriation Act, 1959.

The budget estimate of $5,674,375 is included in the bill for 1960 for retirement. The increase of $195,000 over the 1959 appropriation is provided to cover the Federal contribution to the retirement fund.

It is estimated that State and county funds will increase by $4 million in 1960 and that 75 percent of this will be used for salaries of additional extension agents. Since all extension agents are joint employees of both the Federal Government and the cooperating land-grant institutions, and are covered by the provisions of the civil service retirement fund, additional Federal retirement contributions will be required for the additional agents expected to be employed with State and local funds.

The committee recommends the full budget estimate of $2,491,307 for penalty mail costs of State extension directors and county extension agents during the coming year, as authorized by law. This is a continuation of the amount available for the current fiscal year.

The Federal Extension Service provides the leadership, counsel and assistance to the extension services in the 49 States, Hawaii, and Puerto Rico. An appropriation of $2,242,540 is approved for the fiscal year 1960. This is the same amount as is available for 1959, and is $16,255 less than the budget estimate.

FARMER COOPERATIVE SERVICE

This Service conducts research, advisory and educational work with cooperatives on problems of organizations, financing, management policies, merchandising, costs, efficiency, and membership, to help farmers who are members of such organizations improve the operations of their businesses. It cooperates with the Extension Service, land-grant colleges, banks for cooperatives, State departments of agriculture, and other agencies to bring about better understanding and application of sound cooperative principles and practices. The Service also advises other Federal agencies on problems relating to agricultural cooperatives.

The sum of $615,800 is recommended for the coming fiscal year. This is the same amount as was appropriated for fiscal year 1959, and is a reduction of $4,200 in the budget estimate.

SOIL CONSERVATION SERVICE

The Soil Conservation Service assists soil conservation districts and other cooperators in bringing about physical adjustments in land use that will conserve soil and water resources, provide for agricultural production on a sustained basis, and reduce damage by floods and sedimentation. The Service also develops and carries out special drainage, irrigation, flood prevention, and watershed protection activities in cooperation with soil conservation districts, watershed groups, and other Federal and State agencies having related responsibilities.

The committee has provided $82,322,000 for the coming year, an increase of $1,250,000 in the budget estimate and an increase of $1,760,400 over the appropriation for fiscal year 1959, for conservation operations.

It is estimated that 30 new districts will be organized during the present fiscal year and that an additional 25 districts will be formed during fiscal year 1960. As has been the case each year in recent years, no additional funds were included in the 1960 budget to cover the staffing of new districts during the coming fiscal year. Without such additional funds, the needs of the new districts would have to be met by the transfer of technicians from existing districts, which would spread existing personnel thinner.

The basic law guarantees the services of soil conservation experts to all districts, both new and existing ones.

Therefore, the committee has provided additional funds for next year to assure adequate assistance to all of the 2,861 districts expected to be in existence by June 30, 1960, and to meet the needs in watershed and flood prevention work.

The bill carries $25,500,000 for watershed protection and $18 million for flood prevention, the amounts appropriated for fiscal year 1959. This represents an increase in the budget estimates of $5½ million for watershed protection and $3 million for flood prevention.

Testimony before the committee indicates that local interest continues to grow in the watershed program. During 1958 fiscal year 175 new applications for watershed project assistance were received from local sponsors, bringing to 887 the total received as of June 30, 1958. These applications cover over 69 million acres of watershed lands in 47 States and Territories. As of December 12, 1958, an additional 121 new applications have been received in the fiscal year 1959. It is estimated that a total of 1,337 project applications will be under consideration by June 30, 1960.

Watershed needs, judged by this willingness of local organizations to participate, far exceeds that of the Great Plains program, for which a budget increase was requested. Therefore, funds for watershed projects have been restored by the committee to the 1959 level. It is the intention of the committee that planning funds be restored in full also.

For the Great Plains conservation program, the accompanying bill includes $7½ million for the coming fiscal year. This is a decrease of $5 million in the budget estimate and is a decrease of $2½ million below the appropriation for fiscal year 1959.

The participation in this program has not been as large as originally projected by the Department. In fiscal year 1958, only $5,636,148 was obligated for this purpose, leaving an unused balance of over $4 million available for fiscal year 1959, in addition to the 1959 appropriation of $10 million. As of March 31, 1959, only $7,095,531 of the $14,373,853 available for 1959 had been committed. At this rate of obligation, a large carryover balance of funds will be available in fiscal year 1960 in addition to the new appropriation of $7,500,000 included in the bill. Thus, between $10 million and $12,500,000 will probably be available in 1960 for this program.

AGRICULTURAL CONSERVATION PROGRAM

The purposes of this program include restoring and improving soil fertility, reducing erosion caused by water and wind, and conserving water on the land. To effectuate these purposes, the agricultural conservation program offers cost-sharing assistance to individual farmers and ranchers for carrying out approved soil building and soil and water conserving practices on their farms. The Federal assistance represents only a part of the cost of performing the practice. The farmer bears the balance of the cost—50 percent on the average—and in addition supplies the labor necessary to carry out the practice.

An appropriation of $241,500,000, the full budget estimate, is recommended for fiscal year 1960 to meet the commitments for cost-sharing practices applied throughout the country under the 1959 program authorization of $250 million. The amount recommended is estimated to be the full amount needed to meet the commitments due under the 1959 program.

In addition, the committee recommends an advance program authorization of $250 million for 1960. The budget proposed to reduce this authorization to $100 million for 1960, a reduction of $150 million in the amount which has been carried in the bill each year for a number of years. This is the fourth time since 1953 that a substantial cut of this nature has been proposed by the budget.

The committee received a large amount of testimony again this year from "dirt farmers," Members of Congress, representatives of farm organizations, and others, in support of this program. This testimony, which appears in part 4 of this year's hearings, contains convincing evidence as to the real value of this program to the farmer and to the entire Nation.

Approximately 1¼ million farmers participate in this program each year. This is about 25 percent of all farming units in the Nation. In comparison, there are less than 125,000 participants in the conservation reserve program—soil bank—for which the budget proposes an advance program authorization of $375 million for 1960.

AGRICULTURAL MARKETING SERVICE

The Agricultural Marketing Service aids in advancing the orderly and efficient marketing and the effective distribution of products from the Nation's farms. The domestic marketing and distribution functions of the Department are centered in this Service. The Administrator is also responsible for the coordination of all statistical work of the Department. The functions of the Service include the following: Marketing research; analyses of economic data; crop and livestock estimates; market news services; inspection, grading, classing, and standardization of farm products; freight rate services; regulatory activities; cooperative programs in marketing; the school lunch program; removal of surplus agricultural commodities; and marketing agreements and orders.

An appropriation of $39,907,100 is proposed for 1960, including $15,044,500 for marketing research and agricultural estimates and $24,862,600 for marketing services. The amounts recommended are $1,990,400 over the 1959 appropriation and are a reduction of $2,152,900 in the budget estimates.

A reduction of $294,600 has been made in the marketing research activities of this organization. While the consumer preference studies have been of value in the past, the committee feels that this work should be suspended for the coming year to provide funds for what appear to be more urgent needs elsewhere.

The increase provided for marketing services includes $45,000 to cover higher rates approved by the Federal Communications Commission for leased teletype facilities for market news services, $2 million to provide service under the Poultry Products Inspection Act on a full year basis, $250,000 for administration of the Packers and Stockyards Act, less a deduction of $33,967 for leasing costs transferred to the General Services Administration. The amount approved also includes $24,000 for various special needs which were brought to the committee's attention during the hearings.

Mandatory poultry inspection was initiated on May 1, 1958. As of March 19, 1959, a total of 472 plants were receiving inspection service under the act. It is estimated that a total of about 650 eviscerating and slaughtering plants will be qualified for such service by June 30, 1959. An appropriation of $6,500,000 was made for 1959 for this activity. The increase provided for fiscal year 1960 will provide funds for placing inspection on a full-year basis in all eviscerating plants and should enable the Department to carry on this work at a satisfactory level during the coming year.

Changes in the Packers and Stockyards Act adopted in the last session of Congress brought all livestock transactions in interstate commerce, regardless of the size of the market, under the supervision of the Department. This has increased the number of yards subject to the act from about 1,000 to an estimated 2,100. In order to enable the Department to meet this added responsibility, the increase of $250,000 is provided for next year.

For payments to States, Territories, and possessions, the full budget estimate of $1,160,000 is included in the bill for 1960. This is the same amount as was provided for fiscal year 1959. Payments under this appropriation are made on a matched-fund basis to State and Territorial marketing agencies for programs designed to get into practical use improved methods and practices in the marketing of farm products.

The school lunch program provided noonday meals to about 30 percent of the Nation's 39 million schoolchildren in the fiscal year 1958. Peak participation was 11.5 million children in 1958, an increase of 8 percent over 1957.

This program utilized 3.5 billion pounds of food, of which 3.2 billion pounds were purchased in local markets and 0.3 billion pounds were donated by the Department. A total of over $853 million was spent through this program in 1958, $240 million from Federal sources and the balance from State and local sources.

For the fiscal year 1959, the Congress appropriated $110 million for this program. In addition, it provided for the transfer of $35 million from section 32 funds to section 6 of the school lunch program to be used to purchase foods needed for school lunches.

The committee was not all satisfied with the Department's handling of purchases under the transfer arrangement. It was intended that these funds would be used to provide high protein foods, principally red meats, to supplement the foods otherwise used in the program. While a considerable quantity of turkeys was provided to the schools from this money, it was not until late in the year

that a pork purchase program was undertaken. And no beef was ever provided from this source.

The most unfortunate aspect of this failure to provide the red meats as expected was that most of the schools had arranged their annual operating budgets and set their meal prices last fall with full expectations of receiving this additional food assistance. Many of the schools have been faced with deficits during the year as a result.

In order to prevent this situation from developing in the coming year, the committee has provided for the direct distribution to the schools of the entire amount of the transfer from section 32, to be used for the purchase of necessary food items.

The committee has provided an appropriation of $110 million in the 1960 bill, the same amount as was appropriated for fiscal year 1959. In addition, it has included language which will transfer to the program the estimated unused balance of section 32 funds for 1959 of $43,657,248. This will provide a total of $153,657,248 for school lunches in the coming fiscal year.

FOREIGN AGRICULTURAL SERVICE

The Foreign Agricultural Service develops plans and policies related to the administration of the foreign affairs and interests of U.S. agriculture. It gathers, analyzes, and disseminates to American agriculture basic information on foreign marketing of U.S. agricultural products. It coordinates and directs a worldwide agricultural attaché service with particular emphasis on the development of markets for American products and on trade reporting from foreign areas designed to aid the American farmers and exporters.

The budget estimate provides a total of $7,421,300 for the operation of this activity during the coming year. Of this amount, $4,268,300 is requested as a direct appropriation and $2,593,000 is requested as a transfer from section 32 funds. In addition, the use of $560,000 in foreign currencies derived from sales under Public Law 480 is proposed.

The committee recommends total funds for fiscal year 1960 of $7,321,300. Of this amount, $3,518,300 is provided by direct appropriation, $2,493,000 is provided by transfer from section 32, and $1,310,000 is provided from Public Law 480 local currencies. Since local currencies are now available in large amounts, the committee feels that they should be used for a greater part of the expenses of the Foreign Agricultural Service operations than heretofore.

COMMODITY EXCHANGE AUTHORITY

The objectives of this agency are to prevent commodity price manipulations and market corners; prevent dissemination of false and misleading crop and market information; protect hedgers and other users of the commodity futures markets; insure the benefits of membership privileges on contract markets to cooperative associations; insure trust-fund treatment of margin moneys and equities of hedgers and other traders; and provide information to the public regarding trading operations and contract markets.

The bill carriers an appropriation of $909,500 for fiscal year 1960. This is an increase of $16,300 over 1959 funds and is $9,500 more than was requested in the budget. The amount recommended is based on the regular 1959 appropriation of $832,000, plus $77,500 to cover the full cost of the Pay Act increases approved last year.

The committee does not feel that this organization should be required to absorb the cost of its salary increases, due to the small number of personnel and the essential nature of its work. Also, this agency has been very economically operated throughout the years, with a steadily decreasing number of employees, despite constantly increasing demands on its personnel.

SOIL BANK PROGRAMS

The Soil Bank Act authorized an acreage reserve program and a conservation reserve program to assist farmers to divert cropland from the production of excessive supplies of agricultural commodities, and to carry out a program of soil, water, forest, and wildlife conservation. In 1956 and 1957, the programs were financed from funds of the Commodity Credit Corporation pursuant to section 120 of the Soil Bank Act, which authorized the Secretary to utilize the facilities, services, authorities, and funds of the Corporation in carrying out the act from its enactment through June 30, 1957. Since fiscal year 1958, the programs have been financed by direct appropriations.

The acreage reserve program was discontinued after the 1958 crop year. Final liquidation of the program will be carried out in the fiscal year 1960. This will involve handling of violations of agreements, adjustment of payments, claims, preparation of records of individual payments, and other liquidation activities.

An appropriation of $310 million is provided to pay off obligations under the 1959 conservation reserve and to meet operating expenses of that program. For the 1960 crop year, the committee recommends an advance authorization of $325 million. Both amounts recommended are $50 million less than proposed in the budget.

The record of the soil bank programs raises many serious questions as to the advisability of continuation of the conservation reserve program. Hearings of this committee have been filled with examples of the weaknesses of this program and the abuses to which it is subject by its very nature. The hearings this year include further examples of the waste and inefficiencies which are inherent in the program.

The testimony presented this year also raises a fundamental question as to the real purpose of the conservation reserve program. The Assistant Secretary in charge stated during the hearings that the "primary purpose of the program is to divert cropland from production of excessive supplies of agricultural commodities." In view of the fact that the acreage reserve program did not prove effective in reducing production and was discontinued upon recommendations of the President and the Secretary, it is difficult to understand how the conservation reserve in its present form can be expected to accomplish this purpose.

Since the primary justification for continuation of the conservation reserve is to reduce production, the committee has included language in the bill which will require that payments for land retirement be based on the value of actual production reduced.

The conservation reserve may have some value as a conservation program, since one of its objectives is to put cover crops on land retired from production and place it in a standby reserve. In the opinion of a majority of the members of the subcommittee, however, this conservation objective can be handled in a much more effective way through the other soil conservation programs of the Department, particularly the agricultural conservation program, commonly referred to as ACP.

During the hearings, it was estimated that the conservation reserve program will cost between $2.5 and $3 billion during the 15-year period provided by the present Soil Bank Act. If extended another 3 years, as recommended by the President, it will cost another $1.5 to $2 billion. This is a total possible cost to the taxpayer of between $4 and $5 billion. In view of the potential size of the commitments which can be made under this long-range program, the committee has included language in the bill to limit contracts to a period of 5 years. It is hoped that such a provision may help to hold down this tremendous expenditure in future years.

COMMODITY STABILIZATION SERVICE

The Commodity Stabilization Service has responsibility for the operation of the Commodity Credit Corporation, the acreage allotment and marketing quota program, the Sugar Act, the International Wheat Agreement, the ASC State and county offices, and various related activities.

For acreage allotments and marketing quotas, the full budget estimate of $39,135,000 is included in the bill for the fiscal year 1960. This is a reduction of $580,000 below funds provided for 1959.

The amount recommended includes a decrease of $3,315,000, due to termination of corn acreage allotments under legislation adopted last year. It also includes an additional $2,735,000 to provide a 10 percent salary increase for Agricultural Stabilization and Conservation County Committee employees, effective July 1, 1959. Under existing law, these employees are not under the classified civil service, and therefore were not covered by the salary increase provided other Federal employees last year. It would require legislation to include them, which is not within the jurisdiction of this committee.

The committee recommends the full budget estimate of $71,500,000, a decrease of $4,500,000 below the 1959 appropriation, for the Sugar Act program.

Payments are made to domestic producers of sugar beets and sugarcane who comply with certain special requirements. To finance these payments, a tax of 50 cents per hundred pounds is

imposed on all beet and cane sugar processed in or imported into the continental United States for direct consumption.

During the period 1938–58, collections have exceeded program payments by $388,095,480.

FEDERAL CROP INSURANCE CORPORATION

Crop insurance offered to agricultural producers provides protection from losses caused by unavoidable natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

The bill carries the full budget estimate of $6,376,700 for operating and administrative costs of this program for fiscal year 1960. This is the same amount as was provided for fiscal year 1959. In addition, authority is provided for the Corporation to spend $2,330,000 from its premium income for such costs.

The program is operating in 830 counties in 1959 and is expected to expand to 857 during fiscal year 1960. The budgeted program for 1960 contemplates 400,000 crops insured, compared to 380,000 for 1959.

The committee is glad to note that this program, which is still on an experimental basis, is operating satisfactorily. Due to good weather and good crop experience in 1958, premium income exceeded indemnities by nearly $13.5 million. As a result, for the 10-year period 1948 to 1958 the accumulated surplus is $2 million.

RURAL ELECTRIFICATION ADMINISTRATION

The Rural Electrification Administration was established by Executive order in 1935 to make loans for the extension of central station electric service to unserved rural people. The agency was continued by the Rural Electrification Act of 1936 and became a part of the Department of Agriculture in 1939. In 1949, the act was amended to authorize REA to make loans for the purpose of furnishing and improving telephone service to rural areas. Loans for construction of electric and telephone facilities are self-liquidating within a period of not to exceed 35 years, including interest.

The 1960 budget proposed $136 million for rural electrification loans and $79 million for rural telephone loans. In addition, the budget provided a contingency fund of $25 million for each program.

The committee recommends the full budget request for both programs. As compared with loan authorizations for 1959, this is a decrease of $181 million for electrification loans and an increase of $11,500,000 for rural telephone loans. The decrease for the electrification program is made possible by an estimated carryover of $107,350,637 of unused funds from fiscal year 1959, plus about $2 million in rescissions of prior loans during fiscal year 1960. The amount included in the bill, plus the carryover balance and rescissions will cover a $245 million program in fiscal year 1960. This is the same size program as carried out in 1958 and is only slightly smaller than the 1959 loan program.

The committee was requested by representatives of the telephone cooperatives to earmark $35 million of the telephone loan funds for the use of the cooperatives. A separate amount has not been set aside for this purpose in the 1960 bill, due to assurances received that no action will be taken by the Department which would disapprove any loans to cooperatives which have the approval of the Administrator.

While the REA program has extended electric service to about 95 percent of all rural America, the need for loans to enlarge the carrying capacity of existing facilities and to meet a more widely dispersed rural population requires continuation of available loan funds. The REA has an enviable repayment record, in that repayments to date, including interest, exceed 100 percent of amounts due.

In 1959 collections on all loans will total about $154.1 million. It is estimated that collections in 1960 will be nearly $168.7 million. In a few years collections should equal the amount of new loans authorized each year.

For administrative expenses of the REA program, the committee recommends the full budget estimate of $9,632,000 for fiscal year 1960. This is an increase of $61,300 over 1959, which amount is provided to cover the full amount requested to cover salary increases authorized in the last session.

FARMERS HOME ADMINISTRATION

The Farmers Home Administration performs the following six major activities: First, makes direct and insured farm ownership loans to farm tenants, farm laborers, sharecroppers and other individuals for the purchase, enlargement or development of family type farms; second, makes production and subsistence loans to farmers and stockmen for farm operating expenses and other farm needs, including the financing of indebtedness and family subsistence; third, makes direct and insured soil and water conservation loans for the development and utilization of water supplies and for the improvement of farmlands by soil and water conserving facilities and practices; fourth, makes emergency loans to farmers and stockmen in designated areas where disaster has caused need for agricultural credit not readily available from other sources; fifth, makes farm housing loans for construction, improvement, alteration, repair or replacement of dwellings and other farm buildings; and sixth, makes watershed loans to local organizations for installing, repairing or improving works of improvement and water storage facilities, purchasing sites or rights-of-way and for related costs of watershed projects. Technical guidance in planning and carrying out sound farm operations is provided farmers on the basis of their individual problems and needs. No loans are made to applicants who can secure adequate credit from other sources at reasonable rates.

For the lending programs of the Farmers Home Administration for fiscal year 1960, the bill includes a total loan authorization of $206 million. This authorization includes $24 million for farm ownership loans, $180 million for farm operation (production and subsistence) loans, and $2 million for soil and water conservation loans. In addition, the bill provides a $20 million contingency authorization for the two major programs.

The budget decrease for farm ownership loans was based on the expected increased use of the insured loan program in 1960. In the past, however, the insured loan program has not provided sufficient funds to meet the need. The committee has restored the 1959 level of funds for this purpose to make certain that sufficient funds are available in the event private funds are not provided.

The committee has not gone along with the proposed decrease in funds for production and subsistence loans. The total loans for this purpose in 1958 were $176 million, and it is estimated that $180 million will be used in 1959. In view of the difficult problem facing most farmers during this period of declining net income, the committee does not feel that a cut in these loan funds is advisable at this time.

There has been a substantially reduced demand for soil and water conservation loans, apparently due to the more adequate rainfall in many areas of the country in recent years. Accordingly, the committee has agreed to most of the reduction for this type of loan recommended in the 1960 budget.

It is pointed out again that these funds are not appropriations but are authorizations to borrow from the Treasury, with repayment of principal and interest due from the borrower. Total collections in 1959 are estimated to be over $216 million. For 1960, the estimate is $231 million, which will exceed the loan authorizations recommended in the 1960 bill by $25 million.

The committee has approved $30,300,000 for the administrative costs of this agency for fiscal year 1960. This is $778,950 less than appropriated for fiscal year 1959 and is a reduction of $1 million in the budget estimate.

Due to improved crop conditions in the past several years, the disaster loan work of this organization has decreased, particularly in the Southwest and middle Great Plains States. Disaster loans have decreased from $63.5 million in 1958 to an estimated $58.5 million in 1959 and an estimated $49 million in 1960. Accordingly, the committee has made a small reduction in administrative expenses.

OFFICE OF THE GENERAL COUNSEL

This Office performs all legal work arising from the activities of the Department. The General Counsel represents the Department in many administrative proceedings for the promulgation of rules having the force and effect of law; in quasi-judicial hearings held in connection with the administration of various programs and acts; and in proceedings before the Interstate Commerce Commission involving freight rates and practices relating to farm commodities. He serves as general counsel for the Commodity Credit Corporation and the Federal Crop Insurance Corporation. In addition, he reviews criminal cases arising under the programs of the De-

partment for referral to the Department of Justice.

An appropriation of $3,115,300 is recommended for the coming year for this Office. This is a reduction of $93,450 below the 1959 appropriation, and is $195,200 less than the budget estimate.

The justifications presented to the committee indicate that this Office expects to receive transfers from other agencies of the Department during fiscal year 1960 of $195,200. A budget reduction in this amount is recommended, therefore.

OFFICE OF THE SECRETARY

The Office of the Secretary includes such staff offices of the Department as the immediate Office of the Secretary, the Office of Personnel, the Office of Budget and Finance, the Office of Plant and Operations, the Office of Hearing Examiners, the Office of Administrative Management, and the National Agricultural Advisory Commission.

The committee has included the full budget estimate of $2,881,000 in the bill for fiscal year 1960. This is an increase of $20,750 over 1959. The increase is provided to cover the full amount requested in the budget to cover Pay Act increases.

OFFICE OF INFORMATION

The Office of Information has general direction and supervision over all publications and other information activities of the Department. The Office publishes the Yearbook of Agriculture, the annual report of the Secretary of Agriculture, the Department Directory, and the Department List of Publications. It handles the distribution of farm bulletins and requests for information received in the Department. It also produces motion pictures, chart and graphic materials and photographic work for the Department and other Government agencies through reimbursement.

For fiscal year 1960, the committee recommends the full budget estimate of $1,431,665 for this program. This is an increase of $5,900 over 1959, due to the inclusion of the full budget estimate for salary increases.

LIBRARY

The library procures and preserves all information concerning agriculture. Under the act establishing the Department of Agriculture, it serves as the National Agricultural Library.

An appropriation of $900,000 is provided for this activity for fiscal year 1960. This is an increase of $71,660 over the 1959 funds, and is $32,600 less than the 1960 estimate.

The increase is recommended to enable the Department to conduct an intensive review of the library collection to eliminate unnecessary material and to provide for preservation of valuable agricultural publications. This work is essential if the library is to meet the demands made upon it by research and other scientific personnel of the Department.

FARM CREDIT ADMINISTRATION

The Farm Credit Administration provides supervision, examination, facilities and services to the coordinated system of farm credit banks and corporations which make loans to farmers and their cooperatives. It was originally created in 1933 and was transferred to the Department of Agriculture in 1939. It was reestablished as an independent agency by the Farm Credit Act of 1953.

The bill includes an administrative expense limitation of $2,125,000 for the Farm Credit Administration. This is the same amount as was authorized for fiscal year 1959 and as was included in the 1960 budget.

The bill also includes language which authorizes expenditures necessary in the liquidation of the Federal Farm Mortgage Corporation and the sale of its mineral reservations. All Government capital has been repaid.

The administrative expenses of the intermediate credit banks are no longer subject to congressional limitation, as provided by the Farm Credit Act of 1956. Therefore, nothing is included in this bill for these institutions.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, in our preliminary discussion of this measure to appropriate funds for agriculture, I hope everyone will keep in mind two very important considerations.

The first is the obvious fact that our subcommittee has spent many, many days in hearings to develop all of the information necessary for fair judgment. We have had scores of witnesses before us and, believe me, we have made a searching inquiry into each and every one of the items before you in this bill. Because we do have complete confidence in the balances we have struck, we come before you as advocates of these items as being, in our judgment, the appropriate amounts to spend for the various activities.

In arriving at our combined decisions, some of us felt that additional adjustments should have been made in a few items. However, the will of the majority has prevailed and I am personally giving my support to the bill as reported even though it must be clear to all that I, like other members of the subcommittee, have not in every instance had my way.

This bill, like all legislation, represents a compromise. It represents the group judgment of seven men who have literally lived with the agriculture budget in recent months. They are all able men and they represent a complete range of interests from consumers to producers of various commodities.

Our colleagues know and respect the older members of our subcommittee in years of service so I shall not take the time to toll their virtues. But perhaps it needs to be said that the two relatively new members—the gentleman from New York [Mr. SANTANGELO], who joined us in the last Congress, and the gentleman from Illinois [Mr. MICHEL], who joined us just this year—bring to our subcommittee not only great individual capacities but some new perspectives. They represent large consumer districts and one of the most rewarding experiences has been to see how eagerly they searched for knowledge of our great agricultural enterprise and how ready they were to see the producer's side of the question. I am sure they know now, as never before, the tremendous value to the consuming public of our national programs to be financed by this appropriation.

The other point to keep in mind is the fact that agricultural legislation is virtually deadlocked. We, in the farming communities of America, are on the horns of a dilemma from which we seem unable to remove ourselves. On the one hand we have as Secretary of Agriculture a man of otherwise great ability who is simply not in sympathy with our price support programs. On the other hand, when farmers look to Congress for help they find a house divided between political, commodity, and regional interests.

What the future will bring in the way of new legislation and new programs, nobody knows. It is, therefore, of vital importance to American agriculture, to farm people, to the food and fiber processing industries, and to the public as a whole that we properly and adequately finance the farm programs now in being. Things are bad enough in some sections of rural America without confounding the felony by failure to provide at least the minimum appropriations needed to effectuate our present laws and programs.

I personally commend this bill to you even though it is not entirely to my own liking. Every member of the subcommittee—and especially our very able chairman, the gentleman from Mississippi [Mr. WHITTEN] has given a full measure of time and attention to the job at hand even though this called for considerable personal sacrifice.

REVIEW OF MAJOR ITEMS

In previous years, Mr. Chairman, I have undertaken a general review of the contents of this bill. Since the provisions of the measure before us have been very ably discussed by some of our colleagues on the subcommittee, I will at this time confine my remarks to a few major items which bear emphasis.

SOIL BANK PROGRAMS

As our colleagues know, the soil bank authorization provided for two basic programs—the acreage reserve and the conservation reserve. By action of this subcommittee with the approval of Congress, we last year called for a termination of the acreage reserve and this year we have only one item and one program—the conservation reserve.

Although the entire soil bank program has failed to live up to my expectations—both from the standpoint of the provisions of law and the methods of administration—I still have confidence in the basic principles of such a program as first proposed to the Congress by the gentleman from Minnesota [Mr. MARSHALL] and myself. I also maintain that the type of program we initially suggested would be far more successful than the one we have, but I am realist enough to know that legislation is the result of compromise and the majority is as prone to make mistakes as the minority or even an individual. We must, therefore, take what we have and do the best we can with it.

There are some deficiencies in the present program. Some of these arise

out of the basic law itself, and others have come about as the result of the manner in which the program has been administered. But from my experience here the last 21 years, I know of very few governmental programs one would call perfect and I see no good reason to castigate this fundamentally good program simply because it does not do all that we would like it to do.

It is the type of program, Mr. Chairman, that critics can shoot full of holes. Because it can be described as a program to pay farmers for not producing, critics of farm programs in general find ample opportunity to hold it up for public scorn. Because it is a program interpreted and administered by local committees all over the Nation, it is subject to varying methods of application and the occasional discrepancies can be dramatized in an effort to prove that the whole operation should be abandoned.

Because the law itself makes its benefits broadly available on a strictly voluntary basis, the small minority of property owners looking for opportunities to do so have been able to abuse its privileges. And the blessings of a good crop last year have given enemies of the soil bank production statistics with which they try to prove that the soil bank has not brought about any reduction in surplus production. In addition to all this, the Department's emphasis on taking whole farms out of production has had an adverse effect on local business economy and that has not been a good thing for rural America in my judgment.

With all of its faults and in spite of its rather apparent defects, the conservation reserve has still accomplished a tremendous amount of good for the money expended. Although the entire cost is charged to agriculture, this program is proving to be of great value to nonfarm interests.

Look, for example, at the contribution that is being made to wildlife. I do not have the latest figures on this, but through 1957 we had about 6½ million acres in the conservation reserve. Some kind of cover was provided on all this land and any sportsman knows what that means to birds and other game. To break it down still further, through 1957, 2,264 acres had been put under water and marsh management for wildlife; 2,487 dams, pits, and ponds had been constructed; and 451 dams and ponds had been built especially for fish.

Project those figures to the approximately 23 million acres now in the conservation reserve and you can see what a tremendous boost this program has given to fish and wildlife programs and the great benefits for sportsmen.

Now, let us look briefly at the economics of this program because, after all, if it does not prove its economic value it does not prove anything.

Reliable estimates have been made of the cropland taken out of production and the commodities that would ordinarily have been produced on that land. This, in addition to the collateral conservation benefits, is the real purpose of the soil bank and the statistics show that an impressive job has been done.

Look, for example, at the productive land placed in the conservation reserve which would otherwise have added to our surplus production last year. The estimates show that almost 16 million acres of this land would have produced corn, wheat, oats, barley, soybeans, sorghums, and flax. Corn is a current problem of major proportions, and the figures show that 3,697,000 acres of corn land went into the soil bank which would otherwise have produced 142,671,000 bushels of corn we do not need. The Department of Agriculture estimates that these 16 million acres taken out of production would have produced approximately 452,763,000 bushels of grain—all of which would have been surplus to our needs and would, therefore, have passed into CCC hands at public expense.

On corn alone, with a round figure of $1 a bushel support rate, would have cost the American taxpayers at least $142,671,000 in price supports. Oats would have cost at least another $75 million. In other words, we saved in price support costs alone somewhere in the neighborhood of half a billion dollars with a conservation reserve program which cost little more than half that amount.

And it must be kept in mind that the acquisition or price support cost is only the beginning of a far more complicated surplus problem. First, and foremost, is the price-depressing effect of surpluses. Secondly, and this is of prime importance when we are considering an appropriation for agriculture, we must take into account the ultimate costs to the taxpaying public.

According to the best estimate I can get, it costs at least 20 cents a bushel per year, on an average, to handle, move, and store grain acquired under price support operations. That being the case, in addition to acquisition costs we have saved under the present conservation reserve program an annual cost of at least $90 million to handle and store the surplus grain we did not produce.

In other words, Mr. Chairman, we spent about $310 million on the conservation reserve in fiscal year 1959 and in so doing we not only prevented the production of additional price-depressing surpluses but we also saved American taxpayers about $600 million in price support, handling, and storage costs.

With all its faults and defects, which must be expected in any new program, the conservation reserve still deserves a large measure of credit for its accomplishments. In spite of its shortcomings, we have saved two dollars for every one we spent, and I say it makes mighty good sense to carry this program forward and make improvements as we go instead of losing sight of its value to the Nation and concentrating as some do on its faults.

I am frankly disappointed in the amount of money made available in our bill for the conservation reserve next year. I believe a good case can be made for a further development of the program and hope the Congress ultimately sees the wisdom of that.

In our committee report we have made certain recommendations to the Department for improvements in the program next year, and in addition to that I am pleased to note that the Department itself has taken steps to close some of the gaps and loopholes.

SOIL AND WATER CONSERVATION

I want also to speak specifically about the appropriation items for soil and water conservation. Soil and water conservation is recognized today as a necessary part of efficient and profitable farming. In addition, the benefits from soil and water conservation are shared by the 88 percent of the Nation's population who live in the towns and cities.

When our soil is gone, the source of food supply for everybody is gone. Taking care of our soil resources is one job that must always have a top priority in the public interest.

This is work that must go on for the good of the people in the future. There are only two items in this entire appropriation bill that will have anything to do with the people living 40 or 50 years from now. Those items are basic research and soil conservation. The work provided for in the soil conservation items will actually affect the lives and the work of people 50 years from now.

The estimates of population 50 years from now indicate that our people will double in number by that time. The smallest estimate is 300 million population. The maximum estimate is about 440 million. The median estimate is about 370 million population for the United States in the year 2010.

These multitudes of people will depend on the same land for their food and shelter as we are using in agricultural production today. It is our responsibility today to help the farmers who are managing this land to do it in such a manner that it will still be capable of producing food for our grandchildren.

The first item I want to call to your attention is the budget item for the Soil Conservation Service for conservation operations. This item is the one under which the Soil Conservation Service provides technical help to farmers through soil conservation districts. There are 2,806 soil conservation districts in the United States. They have a combined acreage of more than 1.6 billion acres. There are 1,800,000 farmers cooperating with their local districts in doing soil and water conservation work.

The soil conservation districts are serving as the focal point of leadership for soil and water conservation. Assistance to the districts is not limited to governmental agencies as a large number of nongovernmental organizations are helping, too. Newspapers, radio stations, magazines, banks, merchants, farm equipment, seed and fertilizer industries, insurance companies, power, utility, and oil companies, railroads, airlines, drainage and irrigation companies, contractors, small business of all sorts, service clubs, sportsmen's clubs, wildlife organizations, youth groups, schools, churches, and many others are helping districts with their programs.

The soil conservation districts have emerged as one of the most effective governmental mechanisms ever devised for getting the soil and water conservation job done.

This appropriation bill provides $82,322,000 for technical help in soil conservation districts for the next fiscal year. That is only a slight increase of a little over $1 million more than we appropriated for this work last year.

These additional funds are essential to furnish technical staff to some 25 new districts which will be organized next year and to meet the increased cost of doing business in the 2,800 old districts. This is a very modest increase. And I know many of my colleagues on both sides of the aisle are aware that most of these districts need more technical help. The farmers are asking for it. They have a backlog of conservation work that needs to be done.

I personally would like to see this appropriation item substantially larger that the amount provided in the bill. The committee agreed that this is the absolute minimum essential for this work next year.

WATERSHED PROTECTION AND FLOOD PREVENTION

The other items I want to mention are watershed protection and flood prevention. Water problems throughout our Nation are becoming more and more pressing in many communities. We cannot afford to continue permitting water to run off of our farmlands into the rivers and on to the ocean. We need to capture more of the rainfall on the land where it falls and hold it there for use and to prevent floods.

The appropriation bill provides for $25,500,000 for watershed protection and $18 million for flood prevention. This is the same amount appropriated for this work last year. And here again, I think it is the absolute minimum amount with which this work can be carried on in 1960.

The funds for watershed work are for the purpose of helping people in local communities plan and carry out watershed protection projects. These are local projects that local communities want help on.

The committee is opposed to any limitation in watershed protection work that would prohibit local people from proceeding with their watershed projects in an orderly manner when they were ready.

We have added $5,500,000 more for watershed protection work than was provided in the budget. The purpose of this increase, which only brings this appropriation to last year's level, is to make it possible for more local communities to get help in starting work on their watershed problems during the next year. The point I want to make clear here is that the increase in this appropriation item would make it possible to start more new watershed projects in 1960.

It is the intent of the committee that local watershed project sponsoring organizations, with help from Federal and State Governments, should proceed in an orderly manner with their watershed projects to the extent of total available funds. Under this appropriation item it would be anticipated that the Department of Agriculture would spend at least $5 million of these funds on watershed planning. In view of the backlog of applications for watershed planning assistance and general interest of States and local communities in moving their programs forward, we believe that $5 million is the minimum that should be devoted to watershed planning during the next year.

Soil Conservation Service officials testified before our committee that they had received 1,054 applications for assistance in watershed planning. Some 410 of these applicants are receiving help. That makes over 600 communities still waiting for help. We believe this appropriation item is the minimum that can be considered for watershed protection work.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Oklahoma who has demonstrated such a commendable interest in all of our farm programs.

Mr. EDMONDSON. I appreciate very much the remarks of the gentleman and the courage he always has shown in fighting for the farmers of the country. I would like to question him particularly about a program in which I know he has a longstanding interest. The bill provides that additional funds are made available for watershed protection and for flood prevention under the soil conservation service appropriation.

Mr. ANDERSEN of Minnesota. That is right.

Mr. EDMONDSON. It states that it is the intention of the committee that planning funds be restored in full.

Mr. ANDERSEN of Minnesota. Yes. That is the decided opinion of the committee.

Mr. EDMONDSON. I want to thank the committee for that recommendation and to further seek from the committee an indication as to its feeling regarding those States that because of the great popularity of this program have appropriated from State treasuries to supplement the work of planning.

Is it the feeling of the committee that those States should be penalized in any way for their own initiative in making available State funds in helping to plan for these activities?

Mr. ANDERSEN of Minnesota. Certainly it is not the opinion of the subcommittee that any State should be penalized in any way for its desire to go ahead with its program. They, instead, should be commended and the Department should be prepared to accept such contributions as may be made available, as President Eisenhower has often said, this is a partnership program.

Mr. EDMONDSON. I thank the gentleman.

Mr. ANDERSEN of Minnesota. Certainly we on the committee will not sit idly by and see this program hamstrung in any way. Why the very idea of doing away with new planning funds for next year would simply stultify this entire program, and I hope that whoever in the budget had that bright idea will seriously commune with himself and look very seriously at what we on the subcommittee did this year.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Ohio.

Mr. VANIK. I would like to inquire of the gentleman: I find no statement in the report or anything that tells me about the need for increasing the appropriation in the sum of $46,749,000 for barter materials for the stockpile. Will the gentleman kindly tell me about that item in the appropriation bill?

Mr. ANDERSEN of Minnesota. I will yield to the gentleman from Minnesota [Mr. MARSHALL] who indicates that he would like to answer that.

Mr. MARSHALL. In this bill we reimburse the Commodity Credit Corporation for funds already spent. The item for future spending comes in another bill.

Mr. VANIK. It was my understanding that the stockpile was all loaded and that we had an adequate supply of material in the stockpile.

Mr. WHITTEN. Mr. Chairman, if the gentleman will yield, I tried to make it clear at the outset that the bill gets us into this situation very frequently. So, what is in this bill is restoration to the corporation for what they have already spent. And, we find that throughout this bill, unfortunately.

Mr. VANIK. What assurances have we that this will not come in next year's appropriation bill?

Mr. WHITTEN. And sometimes we get a little criticism about that, but that is beyond our control.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Utah.

Mr. DIXON. Mr. Chairman, on page 5 of the report there is the statement that the Public Law 480 program at best "is only an adjunct to our foreign aid program and does little to regain markets, increase use, or solve our basic problem in agriculture." It is true that this program has made an important contribution in furtherance of our foreign policy and foreign aid objectives. This fact, however, should not be permitted to obscure the very great contribution the program has made to our farm economy. The quantities of surplus commodities moved abroad under this program in addition to what could be moved commercially, has materially reduced the quantities which would otherwise have been taken over under the price support programs and stored at great cost to the taxpayer. These sales have been of direct assistance in maintaining prices to our farmers—and at considerably less cost than would have been incurred through price support acquisition.

All this is clearly illustrated in export statistics. Following the Korean conflict our agricultural exports dropped to a rate of about $2.9 billion a year for 1952–53 and 1953–54. With the passage of Public Law 480 and the transfer of the Agricultural Attaché Service to the Department of Agriculture in 1954, a concentrated effort was begun to expand both our commercial dollar exports of agricultural products to countries able to buy commercially and exports under special programs to those countries in a position to consume greater quantities than they could buy for dollars.

In the period 1954–55 to 1958–59 our total exports of agricultural products

have averaged more than $3.8 billion a year, almost $1 billion greater than the post Korea level. That only about one-third of this total has been under special Government programs such as Public Law 480, indicates that this concentrated effort to improve our export situation has not been merely an adjunct to the foreign aid program and that it is of direct benefit to the American farmer. The Public Law 480 sale program itself has served to maintain our commercial marketings through the program requirement that the receiving countries also take their normal amounts for dollars. The market development activities made possible by using a small amount of the foreign currencies received from Public Law 480 sales are beginning to show positive results. These activities are carried out in cooperation with private U.S. trade organizations which make substantial dollar contributions.

The committee destroys the enthusiasm for efforts to regain export markets when it states that this program does little to regain markets. The committee is wrong when it says that the program does little to increase use. The committee is misleading when it says that the program does little to solve our basic problem in agriculture because the program is not designed to solve the basic problem. The basic problem is created by the unfortunate price support legislation that is being continued by the Congress against the sensible recommendations of the administration.

The report states that the Department does not know the price at which commodities sold under Public Law 480 are resold in the respective foreign countries. It is my understanding that the Department has gathered this information and will supply it to the subcommittee shortly. In this connection I want to call attention to the fact that the Congress provided that these exports be made through private trade channels and in all respects in a way that will encourage the use of normal commercial methods. Obviously when commodities move by commercial methods the resale prices of every unit are not expected to be recorded for Government review through each stage of sale until ultimate consumption. To do so would be a great waste of valuable accounting resources and of public funds.

I should like to ask the gentleman, and possibly the chairman of the committee, one or two questions, if that is permissible. I compliment the gentleman upon his remarks; also the committee upon the figures in this report and the conservative nature of this report. It is mighty refreshing. Further, there seems to me to be increased emphasis upon research, which I think is a wonderful thing, because that is one way to market our surpluses. We need to do more of it. The committee has put in $100,000 for research for Peoria, Ill., for amylose corn. I was in great hopes to see amylose corn displace maybe 200 million bushels of regular corn.

Mr. ANDERSEN of Minnesota. I might say to the gentleman that we on the subcommittee are also very hopeful about the success of this particular research item. We visited personally the laboratory at Peoria, Ill., the home of our good Member, Mr. MICHEL. We saw there the beginning of what we think is very fine work and which might mean a lot to the corn producers in the future. Consequently, this year we are emphasizing that particular work and showing our appreciation of this type of research development.

Mr. DIXON. I compliment the gentleman. May I ask another question or two. I compliment the chairman on his fine outlook and also on the express intent to further our research labs for water and soil conservation. I think that it is wonderful for giving also $100 million more to our research labs. Now may I ask this question: Do we still get $10 million in the next budget for foreign currencies for foreign research on marketing and utilization?

Mr. WHITTEN. It is approximately that much. We have asked them that hereafter they give us a report in detail about the projects and feel, as I am sure the gentleman feels, that we will not prejudge results.

Mr. DIXON. The chairman will be interested to know that in India that has made a tremendous favorable impression, and the commissioner of agriculture was so appreciative abcut foreign research. It also will do much toward helping us sell more commodities over there. I certainly feel it is a wonderful step forward.

Mr. WHITTEN. I thank the gentleman for his reference to me. This is a field within which we should get results. They have many problems that we have here in our country, for which research is needed, so it gives us a chance to really study those problems in the places where it is required. I think it really has been very helpful.

Mr. DIXON. May I ask another question, and it is the only negative one that I have. We have taken out about $416,000 for the Foreign Agriculture Service. Those Foreign Agriculture attachés are really our sales people. I am wondering if we should have done that.

Mr. WHITTEN. Mr. Chairman, if the gentleman will yield to me to answer, we have not taken out any funds for the Foreign Agriculture Service. We have the generation of these tremendous amounts of foreign currencies which have to be used in those countries. In this bill we thought it sound to increase the amount of funds for the operations of our own people from that source so as to cut down the amount of cash dollars. In other words, it is a transfer from cash dollars to foreign currencies, which we could not bring back anyway. There is no effort to cut down the service at all.

Mr. DIXON. That is all the better. Mr. Chairman, I should like to thank the committee for the Sugar Research Laboratory, which is a wonderful contribution.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Iowa who has for more than 20 years championed the cause of farm people and farm programs in the Congress.

Mr. JENSEN. Mr. Chairman, over the years I have found it easy to follow the recommendations of the chairman of this committee, the gentleman from Mississippi [Mr. WHITTEN], and the ranking minority member, the gentleman from Minnesota [Mr. ANDERSEN], and the other members because, in my opinion, they have been right at least 99 percent of the times. They have, as I have said before, a most difficult job to do.

I have a question to ask the gentleman from Minnesota. Would he tell me if anyone came before the committee this year and asked for more funds, above the amount which is requested in the budget for the REA?

Mr. ANDERSEN of Minnesota. To my recollection there were no such requests.

Mr. JENSEN. I notice that the budget called for $181 million below the 1959 appropriations, but that the REA had a carryover of $107 million.

Mr. ANDERSEN of Minnesota. That is correct.

Mr. JENSEN. So, in effect, the REA would have for the fiscal year 1960 a total amount to spend of $79 million plus $107 million or $186 million for the fiscal year 1960.

Mr. ANDERSEN of Minnesota. I will answer the question by asking my fellow committee member, the gentleman from Minnesota, Mr. MARSHALL, is it not a fact that we feel that in this bill there is every dime that REA can possibly use in this coming fiscal year?

Mr. MARSHALL. The gentleman is entirely correct. The gentleman from Iowa [Mr. JENSEN] put his finger on it when he said that it was because of the carryover. Because of that carryover we feel that they are going to have ample funds to take care of their program for the coming year.

Mr. JENSEN. Mr. Chairman, I again want to commend the committee. We now understand that 95 percent of all the farms in America have electric power.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Chairman, there is another item in this agriculture bill which is of keen concern to the farmers of Oklahoma. That relates to the agricultural conservation program. It is my understanding that an effort will be made later in the day to reduce the advance authorizations for the agricultural conservation program. I wanted to advise the gentleman that when that recommendation of the Bureau of the Budget was made, I wrote to the 16 county committees in the district which I serve and asked them what the effect would be of the proposed 60 percent reduction. From every committee except two there came back the report that a reduction of the proposed amount would severely handicap or practically wreck the agricultural conservation program within their counties.

I certainly want to commend the committee for holding this figure at $250

million for 1960, and I thank the gentleman for yielding.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from California.

Mr. BALDWIN. Mr. Chairman, I should like to congratulate the committee on the increased funds for watershed protection and flood prevention. I should like to ask a question in that connection. Am I to understand that the committee has made an increase which the committee feels will probably be adequate for the new watershed protection and flood prevention projects that will reach the point of actual construction during the fiscal year 1960?

Mr. ANDERSEN of Minnesota. We have given to this program exactly the same amount that was available in this fiscal year. I think it will take care of it very nicely.

Mr. BALDWIN. Mr. Chairman, I want to thank the committee for this.

Mr. BALDWIN. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. GUBSER] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

SELLING SURPLUS AGRICULTURE COMMODITIES THROUGH PUBLIC LAW 480

Mr. GUBSER. Mr. Chairman, the Agricultural Trade Development and Assistance Act of 1954, commonly referred to as Public Law 480, was enacted in July 1954. It was, and still is, a bold and comprehensive approach to the constructive use of the agricultural surpluses of the United States. It provides four methods for moving farm products into world consumption.

The largest Public Law 480 program is under title I which provides for the sale of U.S. surpluses to friendly countries with payment to be received in local currency of the recipient country.

Title I promotes economic stability of U.S. agriculture while making the maximum efficient use of farm surpluses. It helps our foreign policy; it stimulates and expands foreign trade through private trade channels. Most importantly, however, it bridges the gap between U.S. agricultural abundance and the shortage of foreign exchange earnings in countries badly in need of food and fiber.

Since the beginning of the program through February 28, 1959, it has committed for export over $3.4 billion worth of commodities, in terms of world market prices, without unfavorable effects on commodity prices or trade relations among free countries. More than 80 percent of the value of these commodities has already been exported.

Under this authority, 145 agreements with 38 countries have provided for the shipment of about 30 million metric tons of agricultural commodities. Included are the following quantities of important products: Eight hundred million bushels of wheat and wheat flour, 200 million bushels of feed grains, 3.5 million bales of cotton, 240 million pounds of dairy products, 3 billion pounds of fats and oils, 230 million pounds of tobacco, and 29 million bags of rice.

In negotiating the agreements, steps are taken to, first, safeguard usual marketings and prevent undue disruption of world prices of agricultural products; second, assure the maximum use of private trade channels; and third, increase the foreign consumption of U.S. agricultural commodities.

The foreign currencies received for title I sales are being used constructively over much of the world. The currencies pay many U.S. Embassy and other expenses, finance important educational and information programs, provide housing for dependents of military personnel, promote U.S. agricultural market development, finance economic development loans in less developed countries, and other uses.

Three types of agricultural market development programs are being carried out by the Department of Agriculture: First, cooperative agreements with trade and agricultural groups to maintain and expand markets; second, exhibits at international trade fairs—31 exhibits have reached about 18 million persons in 15 countries; and third, projects of agricultural utilization research in foreign scientific institutions leading to new uses of U.S. farm products.

Public Law 480 is our best agricultural program and should receive the support of this Congress.

Mr. ANDERSEN of Minnesota. Mr. Chairman, one further point in conclusion. I should like to call to the attention of the members of the committee the language on page 2 of the report. They will see there an answer in some degree to this vilification of the entire price support program. I refer to the fourth paragraph.

The amount included in the bill for these four major categories of expense, which benefit every person in the Nation, is over $2.2 billion.

This is approximately 56 percent of the total amount of appropriations carried in the bill for the fiscal year 1960. In other words, this is not simply a bill for the farmers. It is a bill for the entire economy and the entire population of the United States of America. If you will look at the report and read my extended remarks, you will find in the conservation reserve, for example, we have through that program contributed greatly to the fish and wildlife conservation effort in America by putting aside thousands of acres of land for the propagation and protection of wildlife. I hope in the future when we see any of these critical articles relative to what the farmer gets that we will stop and think about the school lunch program which benefits the schoolchildren of America, think about the school milk program, think about the inspection services, and think also of this research which looks far into the future and will mean that 50 years from now when we have 300 million people in this great country of ours there will be enough food to feed them. Our soil and water resources must be taken care of and we are taking care of that in this particular bill.

The CHAIRMAN. The gentleman from Minnesota has consumed 19 minutes.

Mr. MARSHALL. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, it has been a distinct honor to serve on the Subcommittee on Agriculture of the Appropriations Committee, and especially so when we are honored and privileged to serve with our distinguished chairman, the able gentleman from Mississippi [Mr. WHITTEN]. On this committee, Mr. Chairman, we have members who are interested in the welfare of the farmer. We have the distinguished gentleman from Minnesota [Mr. MARSHALL] and the distinguished gentleman from New York [Mr. SANTANGELO]. At this point, Mr. Chairman, I would like to say that from the great city of New York we have a gentleman who serves on the subcommittee for agricultural appropriations. A gentleman who understands as much as any Member of this Congress the problems of the consumer. The people who go to the marketplace and purchase the products that are placed there as a result of the efforts of our farmers. The gentleman from New York [Mr. SANTANGELO] serves on our subcommittee and is an outstanding member. We have, as you know, my good friend, the gentleman from Minnesota [Mr. ANDERSEN], one of the best friends that the American farmer has in this House. The same applies to no less degree, Mr. Chairman, to my good friend, the gentleman from Washington [Mr. HORAN], a very able Member of the House of Representatives and always a friend of the American farmer. We have as a new member the gentleman from Illinois [Mr. MICHEL], an outstanding member of this committee. This is his first year and he is making a good member.

We are ably assisted by our executive secretary, Ross P. Pope, who has served with this subcommittee a number of years.

Agriculture is the largest single industry in the Nation. It is impossible to have a sound prosperity unless the farmer and agriculture generally receive an equitable share of the national income.

The difficulties confronting our farmer today pose grave problems which cannot be solved overnight. These problems can be made more difficult by neglect, indifference, or postponement.

The farmer is not receiving an equitable share of the benefits produced during this prosperity period through which we are passing. The farmer is 13 percent of the population and receives 6 percent of the income.

The bill before us today makes certain recommendations which are of great importance to all of the people in this country. Programs such as agricultural research and our control programs in plant, animal, and pest categories are provided for. In addition, we make recommendations for our Soil Conservation Service, Extension Service, and Agricultural Conservation Service. Provision

is made for our Marketing Service and the school-lunch program. Services such as Foreign Agriculture Service and Soil Bank Service and Commodity Stabilization Service are also a part of this appropriations bill. REA and the rural telephone program comprise an important section of this bill.

EXTENSION SERVICE

Extension Service is a cooperative undertaking by the Federal, State, and local governments and is provided for under the Smith-Lever Act of 1914. This program is conducted in over 3,000 counties in our country. The County and Home Demonstration Agents are responsible for carrying sound information directly to our farm people. These men and women are qualified, dedicated people who are performing a great service to agriculture.

Our research division and educational agencies of the Department of Agriculture are today faced with requests for factual information and new technical and essential economic analysis. This information is not only for the farm people but is useful and in demand by the people who reside in the cities of this country. Constant inquiries are made concerning changes taking place in agriculture and changes which are likely to occur in the future. The American farmer wants to know the programs best suited for his resources which will produce a more constant income and improve living conditions. Present day problems concerning home economics and management of the home and its facilities are constantly up for solution. The earned income and expenditures, clothing and shelter, are all present day problems in which our farm family is interested and are requests which are daily received by our Extension departments and agents throughout the country.

We have more need today in this country for our Future Homemaker Clubs, 4–H Clubs, and Future Farmers of America organizations than at any other time in the history of the United States. Here is where our extension agents can continue to produce results which will pay dividends in the future development of our rural economy.

For fiscal year 1959 we provided a $3 million increase in payments to the States with over 90 percent of this increase budgeted for salary adjustments. Increases in State and county funds were also used for the same purpose. The increases made possible an average increase of almost 6 percent in extension salaries.

We have succeeded in raising extension salaries in Kentucky 11.4 percent since 1957. In 1957 Kentucky was 46th in the country and today we are 38th. In order to keep our extension agents in Kentucky, their salaries must be commensurate with their ability, education requirements, and services rendered. Our agents in Kentucky continue to serve more than 1,000 families each. Demands have never been as great nor the accomplishments more substantial. We recommend that the sum of $64,123,222 be appropriated for extension service for fiscal year 1960. According to testimony presented to our committee the States and counties will increase their funds some $4 million during the fiscal year 1960 and these funds will be used primarily to make needed salary adjustments and to pay for increased operating costs.

SOIL CONSERVATION SERVICE

Our Soil Conservation Service is one of the great achievements of our present-day Government. This program means as much to my home State and to my section of the United States as to any other section in this country. Our soil conservation program together with our Corps of Engineers' flood-control and navigation projects are producing results in Kentucky. For the first time in a number of years farms are no longer abandoned and migration out of the State has ceased.

In Kentucky there are 122 soil conservation districts in 120 counties. We have over 86,000 farmers participating in this program. All of the counties in the Second Congressional District have soil conservation districts. Our Soil Conservation Service has produced results and the people connected with this Service are dedicated people.

Soil Conservation Service assists soil conservation districts and other cooperators in bringing about physical adjustments in land use that will conserve land resources and water uses. This Service further provides for agricultural production on a sustained basis and reduces damage by floods and sedimentation. The Soil Conservation Service also develops and carries out special watershed protection activities in cooperation with soil conservation districts and flood prevention. Drainage and irrigation are also problems of the Soil Conservation Service.

We have 2,806 soil conservation districts in the United States, its Territories and possessions at the present time. These districts have a combined acreage of 1.6 billion acres with about 1.2 billion acres of same being agricultural land. It is estimated that 30 new districts will be organized during the fiscal year of 1959 and approximately 25 districts will be organized during fiscal year 1960.

Soil and water conservation is recognized throughout this country as a necessary part of efficient and profitable farming. It is rapidly becoming a matter of public welfare and concern. Conservation problems become more complex as population growth and technology brings about more intensive uses and competition for our land and water.

Soil and water conservation starts with landowners and operators, and it involves cooperation and teamwork among all the participants, and with our local, State, and National Governments. In order to be successful soil and water conservation must be economically feasible as well as technically right and physically sound. Productive land is essential to the well-being of our Nation and its people. Many nations do not have enough good land to furnish a high standard of living and certainly with our increases in population we must protect and conserve our good land.

For Soil Conservation Service we recommend the sum of $133,397,000 for fiscal year 1960. $82,322,000 of this amount is for conservation operations and $25,500,000 is for watershed protection. We recommend $18 million of the total amount for flood prevention and $75,000 for water conservation and utilization projects. For our Great Plains conservation program which is a part of the total soil conservation recommendation we request $7,500,000.

This is an increase of $1,250,000 over the amount requested in the budget and an increase of $1,760,400 over the amount appropriated for fiscal year 1959.

RURAL DEVELOPMENT PROGRAM

The rural development program now under way in 63 counties and 8 trade areas in 30 States is a nationwide effort to expand economic progress in rural areas. This program has three major objectives.

First. To help families that have the desire and ability to continue farming and to gain the necessary tools, land, and skills.

Second. To widen the range of our farm job opportunities.

Third. To help rural people to enjoy more opportunities for adequate training and improved health.

One of the most valuable benefits derived from this program is the community spirit developed through the combined efforts of our farmers, business and civic leaders, and representatives of the different agencies and organizations working together as a team.

One of the main objectives of a rural development program is to improve the level of health in rural communities. In addition to improving health in our rural communities this program is tied in very closely with small business. We all realize that prosperous, efficient small business firms in rural communities are as vital to a successful development program as improved farming and farm marketing.

Several of our rural communities in the rural development program have found a cure for their economic ills in their own forests and woodlands. With our population increases we know that there will be an expanding demand for wood products and that the future market outlook for this product is bound to be excellent.

Kentucky has more counties participating in the rural development program than any other State, with 25 counties grouped into three trade area programs. First, we have Ashland in the northeast and the second trade area section is Bowling Green in the southwest. The third trade area section is Glasgow in the south-central part of the State. We also have three demonstration counties in Kentucky—Butler, Metcalf, and Elliott. Our rural development program in Kentucky began in the year 1956 following the organization of a State committee. A staff group including representatives of our extension service, soil conservation service, vocational education, and department of economic development coordinates direction of the State program.

The rural development program in the three pilot counties in Kentucky has given our people renewed hope. Especially does this apply in Butler County which is located in the Second Congressional District.

The rural development program in Butler County has been partly responsible for many improvements such as establishment of a new health unit, an increase in rural employment, erection of new buildings in the main business section of Morgantown, a new post office building which is to be erected in the near future, construction of new homes, improvement of roads and schools and the erection of a building used as a meeting place for the rural development group.

The citizens of Butler County, Ky., are convinced that the rural development program is one of the soundest methods devised to gain long-range economic development and growth in our rural towns and communities. We must continue our rural development program and provide technical assistance in carrying this program forward in every low-income county in this country.

SCHOOL LUNCH PROGRAM

From 1947 to 1958 the number of children participating in the school lunch program in the United States increased from 3.5 million to 11.5 million which is an increase of 225.7 percent. Our school lunch program has made a vital contribution to the regulation of nutritional deficiencies. Every dollar spent in the school lunch program helps not only the farmers but also the food processor, the vendor, and the child.

In 1958 there were 667,736 children enrolled in the elementary and secondary schools in Kentucky; 303,067 participated in the school lunch program. In other words, 45.4 percent of the schoolchildren were participants. The total number of elementary and secondary schools participating in Kentucky totaled 1,388.

One hundred million dollars was requested for fiscal year 1960. This is a $10 million reduction in the amount appropriated for fiscal year 1959 and we request that the $10 million be restored. In addition, we have included language in the bill which transfers to the school-lunch program an estimated unused balance of section 32 funds for fiscal year 1959 totaling $43,657,248. These two amounts will provide a total of $153,-657,248 for our school lunch program for fiscal year 1960.

AGRICULTURAL CONSERVATION PROGRAM

This program makes the necessary provisions for restoring and improving soil fertility, reducing erosion caused by water and wind, and conserving water on the land. The Federal assistance represents approximately one-half of the total amount consumed in this program. Here we have a cost sharing with individual farmers and ranchers carrying on approved soil building and soil and water conservation practices on their farms.

Our committee recommends an advance program authorization of $250 million for 1960 instead of the budget proposal of $100 million. Since I have been a member of this committee the budget for several years has called for a substantial reduction in the advance program authorization, and each year we have recommended the full authorization of $250 million.

This is one of the most important programs for the small farmer of America. One million two hundred and eight thousand farmers and 1,161,000 farms and ranches are served by our agriculture conservation program.

The full budget estimate of $241,500,-000 is recommended for fiscal year 1960 to meet the commitments for cost sharing practices applied throughout the country under the 1959 program authorization of $250 million.

RURAL ELECTRIFICATION ADMINISTRATION

Twenty-four years of REA has brought about a revolutionary change in American farm life, and unless you have actually watched this momentous change take place you do not have any deep realization of just what it has meant to millions of American farms. Today about 95 percent of all farms are using electricity for a multitude of chores as well as for light and entertainment.

We recommend $136 million for rural electrification loans and $79 million for rural telephone loans. In addition, we recommend a contingency fund of $25 million for each program. It is estimated that $107,350,637 of unused funds for fiscal year 1959 will be carried over into the new fiscal year of 1960 in the REA program, and this amount, together with the loan authorization of $136 million plus the $25 million contingency fund, provides for a program for fiscal year 1960 in the total amount of $245 million.

CONCLUSION

Mr. Chairman, we know that agriculture must prosper if the Nation is to prosper, and our American farmer has the right to demand a standard of living in keeping with the contribution he makes to the national economy.

Our committee recommends this bill to the Members of the House.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I am delighted to yield to my friend from Minnesota, Mr. ANDERSEN.

Mr. ANDERSEN of Minnesota. I would like the RECORD to show that the gentleman from Kentucky [Mr. NATCHER], now addressing the Committee, was responsible for making a real record relative to the need for an increase in salary of the home demonstration workers and county extension agents. I do not believe there is a Member of this Congress who is better informed on the subject than the gentleman from Kentucky or a better friend of extension.

Mr. NATCHER. I thank the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, some people seem to think that a farmer's main activity each day is to count his subsidy checks. Unfortunately, these misinformed or biased people do not observe the fact that farm hourly earnings for 1957 were only 69 cents per hour as compared to $2.07 per hour for industrial workers. Nor do they see that during 1958 per capita farm income was only $1,068 compared to nonfarm income of $2,034. These same people also do not recall that during 1956 farm families on this Nation's 2,213,000 commercial farms received an average income of only $5,415 while all nonfarm families received an income of $6,900. The USDA budget is one of the chief targets of these misinformed people who portray the American farmer as an unworthy recipient of Federal treasure. We all know that this budget for fiscal 1959 was around $7 billion, but we should keep in mind just what amount of that budget actually finds its way to our family-sized farmer.

The Department of Agriculture recently published the realized cost of its programs devoted primarily for stabilization of farm prices and income. It may be surprising for some people to know that in 1958 this cost was $2,665,700,000, almost $5 billion less than the fiscal 1959 USDA budget.

Let us take a look then at some of the activities of this great Government agency, which in utter fairness cannot be charged to farmers as subsidies. Here are some of the USDA activities which are of mutual benefit to all citizens:

First of all, the Department of Agriculture is the largest regulatory body in the Federal Government, administering over 50 such acts of Congress. These acts protect the consumer in many diverse ways such as insuring clean, healthy meat through Federal inspection to assuring a stable supply of sugar at reasonable prices.

Second. The farm commodity export program costs around $850 million a year or about one-sixth of the USDA appropriations. Every merchant seaman and shipping company should realize that a part of their income comes from USDA appropriations.

Third. About $500 million annually goes for REA and FHA loans. This money is eventually repaid with interest and cannot be charged as a farm handout.

Fourth. USDA conducts a market research program of some $28 million. This activity has already achieved new handling methods and is now saving the grain trade over $1 million per year and has provided techniques which reduced food handling costs in Philadelphia alone by $6 million per year. Every housewife should realize that many of the conveniences she enjoys in food handling today can be traced to research conducted through USDA.

Fifth. The brucellosis eradication program which costs around $22 million annually is primarily devoted to public health protection.

Sixth. The International Wheat Agreement which costs around $20 million per year aids farmers, but it also serves as a foreign policy tool and an aid to the grain trade.

Seventh. Under Public Law 480 we have disposed of over $7.6 billion worth of agricultural products. Under title I

alone we have sold over $4.7 billion to friendly foreign countries. The funds generated by these sales have not gone to the American farmer, Mr. Chairman, they have been used as an arm of our foreign policy, but they are charged to the Agriculture budget. These foreign currencies are used to develop new markets, to purchase strategic materials, to procure military equipment and facilities, to finance the purchase of goods and services for other friendly countries, to promote balanced economic development among friendly nations through loans, to U.S. businessmen, to pay our obligations abroad, to provide loans to friendly nations for their own development, to finance international education exchanges, to pay for the cost of translating and distributing various types of United States and foreign books and magazines between our country and friendly nations, to pay for the purchase or rental of buildings and grounds used by the United States abroad, and to pay for cultural exchanges, trade fairs, and horticultural exhibits.

Eighth. About $78 million a year is spent on providing milk for schoolchildren under the school milk program. Many city parents should also realize that the lunches their children receive at school are also charged in part to the farm program.

Ninth. The Armed Forces and veterans' hospitals consume substantial amounts of dairy products which are chargeable to the farm program.

Tenth. Soil and water conservation work is charged against farm costs. These programs are of long-range benefit to all our citizens.

Eleventh. Let us not forget also that there are 181 million acres of national forests, over an acre for every American. We are planting over 1 billion trees a year on eroded and tilled land. The cost of this program is charged to the farm program today, but very few of our farmers will ever live to harvest or enjoy a single tree. By the year 2000, however, it is estimated that there will be over 600 million recreational visits to these forests. Last year there were 68.5 million such visits.

While we are talking about subsidies, let us remember that subsidies are available to millions of Americans other than farmers and have been so since the beginning of our country.

Let us not forget that agricultural commodities are the consumers best buy. It takes only 1.2 hours of factory labor to buy 1 pound of beefsteak today as compared to 1929 when it took 2 hours of factory labor to purchase 1 pound. The same is true for other commodities.

Consumers—Quantities of foods purchased by 1 hour of factory labor

	In 1929	In 1958
Bread, loaves	6.4	11.0
Steak, pounds	1.2	2.0
Milk, pints delivered	7.8	16.8
Butter, pounds	1.0	2.9
Bacon, do	1.3	2.7
Eggs, dozen	1.1	3.5
Potatoes, pounds	17.7	33.8
Oranges, dozen	1.3	2.8

Source: Agricultural Marketing Service, U.S. Department of Agriculture.

There is no question, Mr. Chairman, that there are many problems in agriculture and that there are shortcomings and failures in various programs, but let us face these problems squarely and resolutely and not allow the American farmer to be submerged in politics, bias, and misinformation.

Before I conclude my remarks, I would like to make some reference to the overall conservation reserve program.

This conservation reserve of the soil bank is one of the programs being used throughout the country to reduce agricultural surpluses. While this is its primary purpose—that is, to divert land from the production of crops, the program also provides assistance to farmers in establishing and maintaining the required protective cover or other sound conservation practices on the land placed in the reserve.

The conservation reserve is a voluntary program, and the farmer may take part in it or not, just as he wishes. If he decides to participate, he signs a contract to retire a specific acreage of cropland from production into protective conservation use for a set period of up to 10 years; he also agrees to comply with any acreage allotments applicable to crops on his farm and to reduce the total crop acreage on his farm by the amount of land placed in the reserve.

As the other party to the contract, the Federal Government agrees to make an annual rental payment for the land held out of production and to assist with the cost of establishing the conservation use on the reserved tract.

During the 1959 crop season, it is estimated that about 280,000 conservation reserve contracts will be in effect, covering about 23.2 million acres of cropland in all States except Alaska. This is about 5 percent of all U.S. cropland, as shown in the 1954 Census of Agriculture. Of the more than 23 million acres in the conservation reserve, around 13 million acres will be under contract for the first time in 1959; the rest is acreage which was placed in the program in earlier years and remains under contract.

The 1959 signup campaign in the fall of 1958 indicated that changes made on the basis of earlier experiences, chiefly higher rental payments per acre for the more productive land and greater incentives for whole farm participation—are bringing more farmers and more good quality land into the program.

And, of course, the better the land, the greater its production potential. Land now in the conservation reserve would normally have been used to produce large quantities of farm commodities which would have swelled the existing piles of surplus crops. Of the acreage in the reserve this year, nearly 4 million acres were devoted to wheat; more than half a million acres were in cotton; and about 10 million acres were in other crops, and in hay. At normal yields, this acreage would have produced 143 million bushels of corn, 124 million bushels of wheat, more than 300,000 bales of cotton, nearly 6 million tons of hay, and many other crops on a large scale.

For many farmers, the Conservation Reserve has meant that they can bring about adjustments they have wanted to make for years, or it has meant that they can speed up adjustments that were already underway.

Some operators of large farms are using the program to reduce the size of their farming operations and the need for hired labor. Others are reducing the size of their farming operations or withdrawing from farming because of health, age, or other reasons.

About 20 percent of the farmers who took part in the program through 1958 have put all their cropland in the reserve, and indications are that about three-fourths of the land added in 1959 will be whole farms. A farmer who places all his cropland in the conservation reserve can continue to live on the farm, maintain a home garden, and use the permanent pasture and orchard land. At the same time, whole farm participation removes the entire crop potential of the farm, including the allotment-quota crops, since none of the cropland is left for more intensive farming.

As for the land itself, its future fertility is safeguarded through the establishment of protective conservation uses under the conservation reserve. Grass cover is the most popular protective use to which the conservation reserve land is devoted, especially in the Great Plains States. In this area, the program is stimulating the return to grass of vast areas of dryland devoted to the production of wheat under wartime needs. Before the program was available, many farmers in this area were unable to undertake the difficult and expensive operation to convert this land back to grass. But, once converted, much of this land will remain in grass after the expiration of the conservation reserve contracts.

In the Southeast, tree-planting ranks highest among the conservation uses of the program, and this is particularly true in South Carolina and Georgia. Tree-planting contracts are for the full 10-year period. When cropland goes out of production and is planted to trees, it is diverted permanently from crop production.

Practices designed especially for wildlife protection have also gained wide acceptance by participating farmers and have won the general approval of sportsmen and wildlife organizations.

Three years of experience with the conservation reserve program has shown that large numbers of farmers will participate in a voluntary program of this nature and that it can be highly effective in attacking many aspects of the farm problem.

Nearly twice as much cropland was offered for 1959 contracts as could be accepted within the funds available; owners of about 7 million acres who made applications to take part in the program were turned down because funds were inadequate. In fact, a bid-and-acceptance system had to be worked out to give priority to producers making the best offers.

Shall we disappoint large numbers of farmers again in 1960? Indications are that many new contracts can be signed in 1960 if the funds permit. I understand that the Department of Agricul-

ture this year has more mail inquiries from landowners about participation in the Conservation Reserve than at any time since 1956—the previous high-participation year, when the program was just starting.

It is my considered opinion that the soil bank's conservation reserve program should be continued, and in fact, expanded, so that its benefits may extend to all farmers who seek to take part.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. I would like to compliment the gentleman for this very fine effort on his part to tell the true story about appropriations for agriculture. The gentleman has always fought for the farmers of his and my area, and he is getting a little bit tired of hearing this propaganda as am I, which is far from the facts, relative to what the farmers of America are today getting. I thank the gentleman.

Mr. HOEVEN. I appreciate the gentleman's remarks. I think we have all been at fault in not getting the farmer's story across to the consuming public. All too many people have the idea that farmers are the cause of the high price of food. Therefore, I thought it might be helpful to point out just what part of our agricultural expenditures should rightly and fairly be directly chargeable to the farmers and what part should be charged to all the people of this country.

Mr. MARSHALL. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Chairman, at the outset I wish to commend the chairman of the subcommittee, the gentleman from Mississippi [Mr. WHITTEN] for his untiring work on this subcommittee and for the searching questions of the witnesses which have elicited information to educate a city member on this committee. I also want to commend the ranking minority member, the gentleman from Minnesota [Mr. ANDERSEN], who has taken a city boy in tow in the rural electrification program and tried to educate him among the hogs and the pigs and the cattle of this country. Likewise, I extend my thanks to the gentleman from Minnesota [Mr. MARSHALL] and the gentleman from Kentucky [Mr. NATCHER] for their assistance and help. I have gone from the streets of New York City into the farms and have a better understanding of the problem. I therefore come to you to talk about a farm bill and ask you to support it as I am supporting it. I support this bill because I believe it is to the interest of the farmer and to the consumer.

You know, there is a saying that you can take a boy away from the farm, but you cannot take the farm out of the boy. I would like to paraphrase that by saying, if you take a city boy and put him on a farm committee, you obtain an apologist for the farmer, who does not forget that he is interested in the consumer.

I would like to speak to the cityfolk who feel that there has been a giveaway to the farmers. Perhaps in the past there have been some programs which have been wasteful and did not accomplish the desired result. Perhaps there still are. But it is a minimum, as I see it.

This bill reduces the request of the budget to the tune of over $142 million and yet does not take away those programs which are of interest and benefit to the farmer and to the consumer. I would like to point out, as has one of the other speakers, that of over $4 billion which is in this bill directly benefits the farmer only to the extent of $1,435,000,000 plus. Of this amount 50 percent or over is paid for transportation, for handling, for storage, and for the administration of this program. These are the direct benefits. However, there are benefits which are mixed, which benefit not only the farmer, but benefit the friendly foreigner and benefit the people in the city.

For example, over $2.2 billion is spent under four classifications which are mixed benefits. One is the improvement and protection of the public health, such as the inspection of meat and poultry, which is of importance to the people who eat these foodstuffs in the cities; the school lunch program and the special milk program, which go to many people on public assistance, and donations to needy folk.

A second classification is the improvement of international relations and in defense, such as donations to needy people abroad, emergency famine relief, sales for foreign currency, and the bartered materials for stockpiles.

A third classification of mixed benefits is the improvement of marketing systems, such as market inspections and freight rate services.

A fourth is the improvement and conservation of our national resources, such as flood prevention, agricultural conservation and technical assistance in conserving land under the soil conservation program.

These are mixed benefits, not only to the farmer, but to the cityfolk and also the foreigners who are friendly to us. One conclusion that I can draw from my activity on this subcommittee is that the welfare of the farmer is tied in with the welfare of the cityfolk. Our interests are intertwined. If the farmer suffers he loses the purchasing power which is so necessary to buy the machinery, the Frigidaires, the television sets, the electrical appliances, and also the clothing which we in the big cities in the East and in the West manufacture and have to furnish to them. If they do not have the funds to purchase these articles, we in the cities cannot sell our garments, we cannot sell our appliances, we cannot sell our machinery, so we suffer, also. It is a reciprocal situation. If we suffer, they are going to suffer, too.

We have looked about to find out the reason for the high prices to the consumer. I say that the fault lies not in the amount of money that the farmers are getting, but in the distribution of our surpluses, and the costs which are saddled on the price that the farmer gets. The farmer receives only 40 cents of the consumer dollar. Where does the rest of the money go? It goes in the cost of distribution, it goes in the cost of transportation. I take issue with the statement that we in the cities are buying more with our dollar. We are not. When you compare what 1 hour of factory labor can purchase today with what 1 hour of factory labor could buy years ago, I want you to recall that the comparison does not take into consideration the taxes that we have to pay. You do not take into consideration the fact that many people are not factory workers. We have our service trades and nonfactory workers who are suffering with the high level of consumer prices.

Mr. VANIK. Mr. Chairman, will the gentleman from New York yield?

Mr. SANTANGELO. I am pleased to yield to the gentleman.

Mr. VANIK. I note that in the appropriation bill it is provided that not less than $350,000 shall be available to gather statistics and conduct a special study on the price spread between the farmer and the consumer. Does the gentleman feel that this is a proper amount or should it be increased?

Mr. SANTANGELO. I can only say to my knowledge there have been studies by the legislative committee. They have made certain studies which, in my opinion, have not achieved tangible results. I have been questioning some of the representatives of the Department of Agriculture to see if we can pinpoint the responsibility for these runaway distribution costs. I am not satisfied that everything is being done to reduce the spread between the producer and the consumer. I do not think $350,000 will accomplish it, but we will try to find out where the responsibility lies and how we can eliminate these big distribution costs between the producer and the consumer.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield to our distinguished majority leader.

Mr. McCORMACK. I think the record should show that throughout the years Members from nonagricultural districts, Members from the city districts, like the district I represent and the district like the gentleman from New York represents, have always appreciated the importance of farmers and agriculture to the life of our country, and we have supported farm legislation. On many occasions, the so-called city vote—and I do not mean to imply that there is a bloc system of voting in the Congress, but merely for the purpose of reference—but as I was saying, on many occasions the so-called city vote has not only supported farm legislation, but on a number of occasions has actually saved farm legislation. In the next few days when legislation comes up that is of concern to the cities, we know, at least we hope, our friends from the agricultural areas will reciprocate and look upon that legislation with an understanding mind.

Mr. SANTANGELO. I thank the distinguished gentleman from Massachusetts, the majority leader.

Mr. Chairman, I importune my colleagues, the Members from the farm areas to look upon these matters dealing with our economy with the realization that Government is not a one-way street.

We who represent the city districts have voted for appropriations for the farm groups because we have felt that it was necessary. We ask you to give us the same sympathetic understanding and consideration. Bills will be coming before you within the next week or two that are vital to the people in our communities. We ask you not to take a myopic or ostrichlike attitude and stick your head in the sand. Our people in the cities need better places in which to live. They do not have the sunlight and the green grass that your people on the farms have. The people I represent work in factories and walk on city streets. We urge you to cooperate with us to the same extent that we cooperate with you.

Mr. Chairman, I would like to say a word or two about the school lunch program. That is one phase of our life where we in the cities can appreciate the benefits that we get as a result of these farm programs. This administration proposed to reduce the school lunch program to the extent of $10 million. We, on the committee, restored this $10 million. We also provided that $43 million should be transferred from section 32 funds for the purpose of giving to the children of the schools in the cities and in the rural communities the foods which are in abundance in this country. We also urge with reference to the question of distribution that the legislative committee consider the bill such as the bill introduced by the gentlewoman from Missouri [Mrs. SULLIVAN] the so-called food stamp plan which can take care of 7 million needy people who are receiving public assistance in order to give them the nutrients and the food supplies so necessary to make them healthy and strong.

Our problem is a problem of distribution. Let us not forget the biblical lesson about the 7 years of plenty and the 7 years of want. If we do have plenty, let us distribute it. I went to Puerto Rico and saw the school lunch program for the children there. I compared the situation that exists now with the situation of 5 years ago. I went with the gentleman from Minnesota [Mr. H. CARL ANDERSEN], and we inspected the rural electrification program. I want to commend the subcommittee for continuing such a program because I have seen the benefits being derived from that program in the hill country of Puerto Rico, and I have seen the benefits from that program throughout the United States.

Mr. VANIK. Mr. Chairman, will the gentleman yield further?

Mr. SANTANGELO. I yield.

Mr. VANIK. In glancing through the appropriation bill I see there is a prohibition as to the expenditure of any funds of the school lunch program for nonfood items. There are many items that depend on the program and entirely depend on spending for nonfood items. Can the gentleman explain that prohibition?

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield.

Mr. MARSHALL. That is put in the bill in order to prevent the schools and so on from using these funds to buy equipment which is the responsibility of their school administration. So that this is tied down to food items. This is a provision which has been in the bill for a number of years in order to tie it down to the food requirements and furnishing food for the children.

Mr. VANIK. If that is the reasoning behind this, then it really is not a school lunch program bill, but a proposal to use up some of the surplus agricultural products of the country.

Mr. MARSHALL. When the school lunch program was first established, it was almost entirely with the thought of it being a program to help in disposing of the surplus commodities. However, since that time we have found that the surplus commodities do not always supply an adequate diet from the nutritional standpoint and, therefore, we think now of the program in terms of being a program to provide a nutritious diet for our school children.

It seems to me that the position is a proper one, inasmuch as the funds which we supply for the Federal contribution for food, as the gentleman knows, has been surpassed by local and State contributions.

Mr. VANIK. Mr. Chairman, will the gentleman yield further?

Mr. SANTANGELO. I yield.

Mr. VANIK. In this connection has the appropriation for red meat been increased?

Mr. SANTANGELO. We have done one thing; we found quite a disinclination on the part of the administration to enter into the purchase of red meats on the theory that purchases by the Federal Government raised prices. So we suggested that $43 million of the funds be allocated to localities so that they can purchase locally the red meats for their program, pork, beef, or whatever they desire and what is available in the community.

Mr. VANIK. I thank the gentleman from New York for the splendid work he has done in this matter.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield.

Mr. MARSHALL. I just want to clear up one point about which there may have been a little misunderstanding on the part of the gentleman. This prohibition does not put any limitation upon the locality or the State in the use of their own appropriated funds. And, Mr. Chairman, I would like to say to the gentleman from New York that he has given extremely valuable service on this committee. He has been a hard worker, he has been a diligent worker. He has made trips out into the country of this country to see how the programs operate. Our subcommittee has the greatest admiration for the integrity, the ability, and the industrious effort the gentleman from New York has shown.

Mr. SANTANGELO. I thank the gentleman from Minnesota.

This bill reduces the budget requests by $142,199,365. Despite the criticisms I hear frequently to the effect that some of these price support programs and conservation reserve programs are giveaways, this bill is a good bill.

If the farmer suffers, the normal corollary is that the other segment of our population, the urbanite, suffers also. When I hear that the farmer gets only 40 percent of the consumer dollar, and our consumers are paying higher prices in the marketplace, I say that there is something radically wrong with our distribution system. When I see tremendous storehouses of wheat, grain, corn, and other farm commodities, I say our national policies of distribution and use are wrong. Despite price supports, farm income in the past several years has fallen from $15 billion to $11 billion. The consumer of America can benefit from the food stamp program which Congressmen and particularly Congresswoman SULLIVAN has introduced. These food stamp programs can utilize much of our surpluses to give adequate and recent foods to our citizens receiving public assistance, whose most recent number exceeds 7 million. These surpluses can be used to feed our 39 million schoolchildren, 30 percent of whom are now receiving school lunches. These surpluses can be used as a weapon of our foreign policy to feed those in need in foreign countries.

Despite price supports on wheat, corn, and other basic commodities, the small farmer must rely in a large measure on his nonfarm income to obtain the necessities of life. Farm income is low, on a real basis or on a comparative basis. Farm income in the last 6 years has dropped from $15.3 billion to $11 billion. The consequences of low farm income manifest themselves in the exodus from farms, in the drop of small family farms, and the decline of farm employment to the extent of 1,374,000 workers. The number of farm unemployment is approximately 30 percent of the unemployment throughout the United States. These unemployed farmers swell not only the unemployment rolls in the rural areas, but the relief rolls in cities. We must therefore give aid to the farmers of our country. This bill is by no means perfect, but it is a step in the right direction, in a direction which will benefit the economy of the whole United States.

I want to discuss the school lunch program which is of vital importance to schoolchildren in the cities and in the rural areas. This bill provides for an appropriation of $110 million in cash payments and $43 million obtained from a transfer of section 32 funds, which, as many of you know, are the funds which are derived from receipts from taxes on imports. This composite figure of $153 million represents an increase of $8 million over last year's appropriation, which is necessary to provide and take care of the 8-percent increase in our school population. Over 11 million children are participating in the school lunch program. You may remember that initial Federal assistance for school lunch programs which began in 1933 was started for three major reasons. First, to supplement relief feeding programs of the States and localities; second, to provide relief employment for the unemployed; and third, to assist in removing surplus agricultural commodities from the market. By 1946, when the

school lunch program became permanent, the relief aspects had disappeared and the objectives were broadened. At that time, school lunch became an accepted program, which, even in times of prosperity, had two very important objectives. One objective was to extend the market for agricultural food commodities.

The second and perhaps more important objective is to improve the health and well being of the Nation's children by providing them with a well-balanced lunch at school to help fill their daily nutritional requirements, and by developing proper and nutritionally beneficial food habits which will continue in later life. It is a sad commentary that 36 percent of the men examined for military duty were turned down because of physical defects—largely the result of faulty nutrition.

In the past 25 years, there has been a tremendous expansion in school food services. In the immediate years ahead, there is likely to be further substantial expansion. By 1965, it is expected that 8 million more children will be attending elementary and secondary schools, pushing total enrollment to the almost unbelievable total of 47 million. As new schools are built and as old ones are modernized, more and more food facilities will be available to meet the growing demand for lunches at school.

We do not fully realize the influence the school lunch program has upon our economy and upon construction and expansion of schools. Only recently, I was told by the pastor of a church in my district that he was building a new school primarily to build lunchroom facilities in order to have his parochial school qualify for the school lunch program. The city of New York has on occasions decided to build a new school rather than modernizing an old one in order to provide lunchroom facilities for 1,250 schoolchildren. It was found on other occasions that where lunchroom facilities accommodated only 250 children in a 1,250 school population, the administration spent more time in feeding the children than in teaching. Consequently, to correct this defect, a larger lunchroom was built or a new wing constructed. How extensive this lunchroom influence has on construction throughout the country might prove informational. Since 52,000 schools are participating in this program and thousands of new schools are planning to participate, we can only conjecture as to the stimulus which the school lunch program has had on employment both in the construction and operation of these schools.

How does the school lunch program operate? Today, the national school lunch program furnishes cash payments and food items to schools by distributing commodities acquired under the National School Lunch Act through State distributing agencies. Under section 6, National School Lunch Act, commodities are purchased on the basis of their nutritional value and acceptability. Under section 32 of the Agricultural Adjustment Act, those commodities declared as surplus foods by the Department of Agriculture are purchased for donation to authorized outlets including all eligible school lunch programs. It seems to have been the administration's policy to decrease the amount of various surplus foods available for donation to the schools under section 32 and at the same time reduce the amount of money with which we supplement the surplus food in order to provide a well-balanced lunch. In 1958, the value of surplus food donations dropped to $76 million from a record level of $132 million in 1957. However, as you are aware, in the 1959 appropriation Congress transferred an additional $35 million of section 32 funds to the school lunch account to make commodity purchases for the program. This transfer of $35 million was in addition to any surplus commodities donated to the program from Commodity Credit Corporation price support inventories. In addition, you are aware that the 85th Congress appropriated an additional $10 million to the cash appropriation raising the total to $110 million. This year we are recommending an appropriation of $110 million cash, plus $43 million from a transfer of section 32 funds. When we contemplate that this school lunch program is a joint venture among the Federal Government, the State government, and local communities with children also paying a large share, the figures spent on this program assume greater importance and a staggering significance. We know that the National School Lunch Act requires that Federal cash assistance funds be matched from sources within the State at a rate of 3 to 1.

The act sets up requirements for qualification to participate and thereby receive food assistance and commodity donations to provide a well balanced and low-cost noonday lunch. There are three basic requirements:

First. The lunch program must be operated on a nonprofit basis.

Second. The meal served must meet specified nutritional standards.

Third. Those children unable to pay the full price of the lunch must be served free or at a reduced price.

The National School Lunch Act also brought State departments of education actively into the picture. It made them responsible for the supervision of the program in the individual schools—thereby encouraging the development of lunch programs as a part of the total educational program for children.

Twelve years of operation have demonstrated certain truths. It cannot be said or argued that Federal assistance in the program of school lunches resulted in Federal domination or control. Twelve years of experience has demonstrated that the Federal Government has been able to function cooperatively with State or local governments without control or conflict.

What about the quality of the lunch? When I attended high school in 1926, we had a lunchroom but no school lunch program. Many of you people shared the similar experiences. My lunch was obtained at home under the administration of a mother who had experience in raising 10 children. You can see from my 210 pounds that I became physically prosperous. I am no advertisement for the school lunch program. However, other children were not so fortunate. On occasions, when I was left to my own resources and 50 cents, my lunch consisted of a hot dog and orangeade at the corner Nedicks store or popular drugstore counter. No method, no planning, no thought or reference to nutrition or vitamins.

Contrast the lunch of the child who is fortunate to be a participant in a school lunch program. His lunch is patterned to provide nutritional foods with a balanced program. This is the very heart of the program.

Unless the daily lunch is based on sound nutritional guidelines, we cannot expect the child to develop sound food habits. We cannot expect the use of standard menus for local food habits, and local food supplies must be taken into consideration. We do not expect everyone to like spaghetti, mozarella, or pizza pie.

Recognizing that there is no accounting for tastes, and we should not dispute about one's tastes, the Department of Agriculture developed a type A lunch. The type A lunch requires as a minimum the service of 2 ounces of a protein-rich food—that is, of meat, poultry, eggs, fish, dried beans, and peanut butter. It requires three quarters of a cup of fruits and vegetables, bread and butter or margarine, and one-half pint of whole milk as a beverage. As a result of the type A pattern lunch, we guard the nutritional quality of school lunch and, at the same time, the individual school can take into account local food preferences and good food buys in the local market.

These foods, in type A plate lunch, provide a varied and appetizing lunch and all this at a low price of around 25 cents.

The use of well-planned school lunches at low prices has great implications and benefits to farmer and consumer. It introduces the school children to new and nutritious foods. They learn to choose well-balanced meals and why good food habits are important. The school lunch provides the farmer with a growing market for food. As the food habits are carried into adult life, it means bigger and better food markets in the future. Schools have had to accept responsibilities other than the teaching of the three R's. The school lunch program teaches the use of nutritious foods. Today the modern school must provide not only food for thought but also food for health.

I am no farmer. I have no farms in my district, except rock gardens in a backyard plot of 20 feet by 20 feet cared for by housewives, or wooden flower boxes on fire escapes or on window sills cultivated by urbanites. I do know, however, that in America there is an economic unity between farmer and laborer. The school lunch program is a valuable method to cement that unity; it is a road to health and a way for food distribution. It is for you to improve the road and ease the way.

I also am pleased to support the appropriation for the rural electrification

program. Those who have seen farms with electrification have seen the visible evidence of its benefits, not only upon the view point of the young, but the manner of life of the people on the farms and in isolated areas. Those in the city who have not studied the rural electrification program and who do not fully realize its manifold benefits to the farms can appreciate the indirect benefits which the people in the cities are deriving from this program. Recent figures indicate that 96 percent of farm lands in the United States have been electrified mainly as a result of the rural electrification program. More than 90 percent of the farms today have mechanical refrigeration as compared to 93 percent in the nonfarm areas, which indicates the tremendous boom to the manufacturing industry and to the steel industry. Life on the farm today is not so burdensome and the farmer is rapidly competing with the city dweller in the purchase of television. More than 53 percent of the farms have TV, as compared to 78 percent in the nonfarm areas. However, in the sanitary facilities, such as running water in the houses, bathtubs, showers, and flush toilets, the farmer and his family are way behind the city folks. Some people have said that the superiority of modern civilization over ancient civilizations is in the possession of plumbing and sanitary facilities. In view of the backwardness of the farm people in the enjoyment of these facilities, one can readily say that the farmers are not living in modern times.

I was privileged recently, as part of my committee work, to see the benefits of the rural electrification program in Puerto Rico. Rural electrification has brought a new way of life to people on the farms and in the hills. This program is one of the most valuable programs in our American economy and it is a pleasure to vote for appropriations to continue the important and beneficial work of this program.

I consequently heartily support this bill H.R. 7175.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I ask unanimous consent that the gentleman from Arizona [Mr. RHODES] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. RHODES of Arizona. Mr. Chairman, the committee report on the bill appropriating funds for the Department of Agriculture repeats some very strange charges about cotton exports. From reading it, one gets the impression that the Department has not been exporting cotton—that it has been dragging its feet and refusing to make our cotton competitive on world markets.

The facts to refute this charge are a matter of clear record. U.S. cotton has been moving onto world markets at record or near-record levels.

Since the 1956–57 marketing year, when this administration initiated a revised export program, a total of more than 15 million bales of our cotton has moved abroad. This is an average of more than 5 million bales for each of the 3 shipping years involved—above the 5 million annual goal generally regarded as our fair historic share of world markets.

In 1 year alone, 1956–57, our exports reached a total of more than 7½ million bales—clear evidence of very effective and very vigorous program operations.

It is true that during the current marketing year exports are running at a lower rate, and may not hit much more than about a 3-million-bale total. There are several reasons for this drop-off.

First. Foreign buyers anticipated lower prices after this coming August 1, as a result of new cotton legislation for this year's crop.

Second. Economic conditions in some countries caused a slowdown in cotton use.

Third. There was an increase in available stocks.

Fourth. Higher U.S. export payment rates were scheduled to take effect August 1.

This year's export situation is to a considerable extent a reflection of adjustments after 2 years of very high exports.

For the new marketing year, which begins August 1, it is expected that our cotton exports will be back to or above the 5 million bale mark.

The Department of Agriculture has already announced an increase to 8 cents a pound in the direct export subsidy rate. In addition, under the controlling legislation exporters will be able to buy cotton from the Commodity Credit Corporation at prices estimated to be about 3 cents a pound below the level at which CCC will buy the bulk of 1959-crop price-support cotton.

The total subsidy will, in effect, be more more than 10 cents a pound—about one-third of the price support level. This is certainly aggressive action to make our cotton competitive.

For the coming shipping year, emphasis for the cotton export subsidy program will be on stocks drawn from normal commercial channels—to put the buying power behind privately-owned cotton, to the direct advantage of the cotton farmer and whole cotton industry. But the Department has also announced that it would also make direct export sales from CCC inventory stocks, if necessary to assure that our cotton is in a fully competitive position.

It is pretty hard to see what the criticism is all about. Some programs have been admitted failures, but the Government's cotton export program does not fall in this category. It has been an outstanding success.

The committee report also emphasizes the fact that $100 million is being withheld from appropriated funds to restore CCC capital impairment, to encourage the Corporation to increase export sales. This again is a strange charge.

It is true that moving commodities out of inventory, through sales either at home or abroad, cuts down holdings. This lowers storage and handling costs, and requires less borrowings to finance current operations. But the fact remains that CCC's losses are realized when it disposes of commodities. That is when Congress appropriates funds, under the law, to restore capital impairment.

The $100 million item the committee suggests withholding would merely delay the eventual appropriation. These losses are already realized, and they will have to be made up sooner or later. The committee action to withhold the funds at this time is merely a gesture.

The cotton export program is in good shape, in spite of some falling off in shipments for the current season. It will be in even better shape when the programs the administration has announced for the coming marketing year are in effect.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, as the low man on the totem pole of this subcommitteee I now know more about agriculture after these few months of service on the committee than I acquired in all my previous 35 years of walking on this earth. I have learned more about cotton under the chairmanship of the distinguished gentleman from Mississippi [Mr. WHITTEN] than in all my previous life. Likewise, the genial gentleman from Kentucky [Mr. NATCHER] certainly has taught me more about tobacco than I ever learned in my previous 35 years. I would say to the gentleman from Washington [Mr. HORAN] that, because of him, I know more about what it takes to grow fruits and wheat out in the Pacific Northwest. The gentlemen from Minnesota [Mr. ANDERSEN] and [Mr. MARSHALL], and I have similar interests. We are from the Midwest and represent in large measure corn, soy bean, and feed grain producers.

The gentleman from New York [Mr. SANTANGELO], who preceded me, represented himself as spokesman for the city folks; others have spoken for the farmer. I would like to point to myself as bridging the gap between the producers and the consumers, because my district is roughly half urban and half rural.

I can say without contradiction that I probably support the Secretary of Agriculture and his policies more than any member of the subcommittee; and I make no bones about it, because I think his policies and programs are right, not only for my district but the Nation. My district is relatively a flat, level area of dark, black, rich land which sells for something like $500 or $600 an acre at auction. It has always been a farming community and always will be. So we are somewhat disturbed when we see great programs in the past that have tended to encourage submarginal and marginal producers by way of Government guarantees and Government subsidies, because we do not need those subsidies and we do not need those guarantees, and we will be in the farming business for as long as we are walking this globe in our particular area.

As the chairman pointed out earlier, we asked the Secretary of Agriculture to come up and present his program to the

committee. I am grateful that he has done so in such explicit terms.

The thing that disturbs me, of course, is the fact that there is so much criticism leveled at the Secretary for being in office for some 6 years and still we have a bigger surplus on hand and a greater overall production problem than ever. I will say, however, that had the Secretary's program been adopted in its entirety from the very first day he stepped into office there would be a different situation confronting us today.

The economics of the farm dilemma is simple—it is the politics of the problem that is baffling. What farmers want and need is less Government in the farming business—less politics in agriculture.

Four-fifths of agriculture is free of Government controls and doing fairly well. It is in the areas where Government has been most solicitous and has interfered most that there are real difficulties. Futile attempts by Government to control production and fix prices at artificial levels are the cause.

Despite repeated administration recommendations, the old rigid program is still in effect on a very few crops with only slight changes. It is not the Benson program, yet the Secretary of Agriculture must administer it. It was devised during the great depression and revised during the war. Today we have neither depression nor war. But we do have a rapidly changing agriculture which is undergoing an irreversible technological revolution.

The old basic crop legislation, still on the books, is outmoded and fails of its objective. It has placed ineffective bureaucratic controls on farmers, destroyed markets, piled up surpluses, and imposed heavy burdens on taxpayers. It does not fit the needs of the small farmer—56 percent of our farm population.

Yes, the economics of the farm problem is simple—less Government in farming. Quit trying to fix prices unrealistically from which flow the twin evils of production for Government warehouses and control of farmers. Emphasize markets, increased efficiency, and competitive selling. Eliminate Government's stranglehold on agriculture.

This is the solution.

Congress must not postpone longer the action needed. The existing, outmoded farm laws must be changed. Until Congress acts, agriculture will be burdened with too much Government, too much politics, and too little commonsense.

It is not popular to tell the farmer out in his community that we are going to cut down on his guarantee, that we are going to cut down on giving him ACP benefits, or all the other benefits that have been granted to agriculture by virtue of what we have done in this House and in the other body; but I take this position: When I speak in a rural county I speak for and defend the city dweller because I know their needs. The odds are against me, and I feel that it is my obligation to tell the farmers of the problems faced by the city folks. When I am speaking in the cities I support the farmer, because I know their problems and know they need someone to defend them. For the sake of a good discussion and thorough airing of the issues I like to take a minority position.

So sandwiched as I am between the farmer and city dweller puts me in a real good position to look at this whole problem objectively in order to determine where we should go after so many years of failure, probably for the last 20.

I am grateful, indeed, to the gentleman from Minnesota [Mr. MARSHALL] for earlier in the year making a study and inserting it in the CONGRESSIONAL RECORD; the charges that should be directly attributable to the farmer and those that are on the shady line and could very well benefit the consumer much more so than the farmer. It was a real service, and I am grateful to him for bringing this to the attention of this House and the American people.

The committee report goes a little bit overboard in treating that subject, and I will say that I have some reservation about there being more than 50 percent chargeable to the consumer.

Frankly, it seems to me that the only alternative to the Secretary's program is one of strict controls and regimentation. To me that smacks of Russian style, and I know that my farmers want no part of that and are much more inclined to be completely free to produce as they will and what they want.

For my contribution this afternoon, I would like briefly to discuss two aspects of this particular program.

First, I would like to say a few words on behalf of the conservation reserve program. The farmers did a magnificent job during the past war of gearing farm production to meeting the national emergency. The time is long past when we should have reduced our agricultural plant in line with current national needs.

The plan which shows promise of real production adjustment is the conservation reserve. Some 23 million acres of cropland will be in conservation reserve mothballs this year ready to again produce if needed in the future for another national emergency. Meanwhile it is protected from erosion by grass and trees. The cost of reducing production by this method is a fraction of costs of other now antiquated measures. I ask you, is that not a more sound, sensible, and economical aproach on which both farmers and consumers can unite?

The committee by cutting the administration request from $375 million for 1960 to $325 million will permit only 2 million acres to be added to those now idled, whereas this year alone 7 million acres were offered by farmers which under the bill cannot be accepted. You should note that the soil bank law provides an annual authorization of $450 million.

I would like to point out, too, that the bill limits total payments to $3,000 per year for each farmer compared to the $5,000 limit on annual payment, plus cost share payments now established by regulation. One would seem to assume that these payments are gravy and should be spread among as many people as possible.

I would like to point out that the purpose of this program of conservation reserve is not one of spreading a lot of gravy around among as many farmers as posisble, but as far as possible rather to take out of production as many productive acres as possible. There are some 23 million acres in the conservation reserve at this moment.

This limitation, in my opinion, will strike a blow at hopes of reducing wheat production because of the larger sized farmers in the wheat country, and everyone agrees that wheat is now our No. 1 surplus crop. We should not discourage reduction of this commodity at this critical hour.

May I make the observation that we in our district will not benefit by these $5,000 payments if they would be authorized. We do not have that size of spread. It seems to me that if we are going to actually take productive acres out of production we have got to move to the West and particularly to this wheat-producing area.

If I might make one more point, it would be in reference to the ACP program. Personally, I feel that the proposed reduction in the ACP program recommended by the Secretary is sound. The proposal for reduction comes within the requirements of keeping our expenditures in line with the Federal budget. The ACP allocation has been assembled in the attempt to remain within this position and at the same time it contains sufficient funds to allow conservation to do the things that must be done in a well-rounded conservation effort.

I can fully appreciate that in some areas, maybe in New England, where there are small farmers, you hear these remarks: "This is the only chance we get to participate in the farm program." But, this, to my mind, does not necessarily make it right. The fact that as long as it is there, you will hear it said, "I want to get in for some, too."

For my part, Federal expenditures for ACP practices which could be reduced without material effect upon the overall conservation accomplishments are about eight items, which add up to roughtly $100 million. These would include lime for farmers' land to the tune of $29.8 million. To supply phosphates to farm lands, $4.5 million. To establish rotation cover crops, $12 million. These cover crops are later plowed under to contribute to more surpluses in corn, soybeans, and other grains. To establish wells for livestock, $4 million. For farmers' ponds, $13 million. For open ditches, drainage, $3.8 million. For closed drainage ditches, $8 million. Expenditures for cover crops of a seasonal nature largely to supply winter grazing in the South and Southwest, $25.7 million. And, when we add them all up it comes to about $100 million, which, to my mind, could very well be cut away from these ACP payments. As I understand, in years gone by, before I was a Member of this body, there have been movements to cut it, and invariably it goes right up to the $250 million or a quarter of a billion dollar figure. Mr. Chairman, I scratch my head sometimes when I hear someone say, "I have been around here 20 years, and we tried to agree informally

that we would increase this or that $5 million." I say to myself, "I have not been around here for 20 years; this was no agreement on my part informally or formally." And, I say as a new Member maybe in time I too will fall by the wayside, but I am going to hold out for my point of view for a good long time to come. Granted, there are going to be arguments to the contrary further on in this debate, but I reiterate these are steps that the farmers would largely do without any assistance from ACP and would be compelled to do in order to farm. There is no reason for the public to defray part of the farmers' usual recurring costs.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I would like to say that the gentleman has been a very valuable member of this committee, and I hold him in the highest regard. The committee tried to do its best to educate him, although I find that we have not fully succeeded. But, he is a wonderful fellow. There is an answer to this, which in due time will come.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Iowa.

Mr. GROSS. This program is no worse than the foreign giveaway program, which was supposed to be liquidated in 1951, is it?

Mr. MICHEL. I understand the gentleman's feelings about the foreign aid program, but likewise that does not justify that we can make the same kind of extravagant expenditure here at home, although admittedly it does more good at home than abroad.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I have in my pocket the daily Treasury statement. It shows approximately $65 billion receipts so far this fiscal year, just about the same figure that we had about a year ago. The estimates for the rest of the fiscal year are a little better. But, on the other side of the fence, the expenditures have gone up from $71 billion to $80 billion, or $9 billion. The total deficit at this moment is practically $15 billion. I am only giving rough figures. I will not attempt to go into the details in this few minutes.

Now we are up against a situation where it does not make any difference what it is, we must begin to reduce our Federal expenditures, or we have to increase taxes, or else we are going to reach a point where we will blow up and have wild inflation. I do not want to see that sort of thing happen.

I am glad that this committee has not increased the bill any more than it has. But when you come to consider the whole thing, instead of a reduction there is an increase. The reduction is only $100 million in the amount available to the Commodity Credit Corporation and two other items in the run of the bill, one of them on the Soil Bank, of $50 million, and another $50 million on another item.

It does not make any difference whether a program is an elaborate program or a small program. We have to make savings of dimes and pennies. Frankly, I am satisfied that we could take a cut in this bill of $150 million from the amount that is authorized for contracts under the ACP program. That is the budget estimate. The ACP program covers all sorts of things. The gentleman from Illinois mentioned many of them. As I understand, there is about $35 million that goes to the limestone trust to spread lime around all over. I know lime is a very valuable asset to the farmer. At the same time a man in any other business has to supply his own things that make up his stock in trade. The farmer, I am sure—I know it is true in my country—is ready to supply anything that he needed along that line himself.

Then there is something like $35 to $40 million for personal services for 35,000 employees in this picture, scattered all over the country.

I hope that when the time comes this House will show a spirit of trying to cut down on things that can be cut down. In addition to that we have another big program that ought to be given considerable attention. It runs about $310 million even after the committee had cut the figure by $50 million. It involves the renting and the leasing of lands. They call it the conservation reserve.

They have thrown out the whole of the acreage reserve program that was left. There was only $1 million. But there is still $310 million in this conservation reserve. That means the renting of land.

The further we go the worse the surpluses pile up. If we were stopping them by the kind of programs that we have, that would be one thing. But we are not stopping them. They are getting worse and worse and worse all the time. I am sure the farmer does not want it that way. This idea of providing funds for all sorts of programs, some to build up production, such as the ACP, and others to cut down production, is a proposition of working both ends against the middle. And you can never do that sort of thing without getting into trouble. It is not that people are not anxious to help the farmer, but the farmer, himself, in my opinion, does not want to have this sort of thing go on any longer.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. Mr. Chairman, for some years the conservationists of this country—from the great national conservation organizations, the National Wildlife Federation, the Wildlife Management Institute and the Izaak Walton League down to the individual hunter and outdoors lover and bird watcher—have been disturbed about the application of the otherwise excellent agricultural conservation program to wetlands drainage, particularly in the so-called prairie pothole areas of the Dakotas and Minnesota. They have been disturbed because whereas 10 years ago there were 1,350,000 potholes, there are today less than a million of these areas, in which almost all the ducks bred in the continental United States first see the light of day. The farm drainage problem becomes more acute in the light of the law that was passed last summer by the Congress, Public Law 85–585, which sets up an accelerated program whereby the Department of the Interior is now happily engaged in buying and leasing large areas of wetlands in order to protect the waterfowl supply of the North American continent.

I brought this problem to the attention of the Committee on Appropriations and I want to express my gratitude right now to the subcommittee chairman, the gentleman from Mississippi [Mr. WHITTEN], and to the gentleman from Minnesota [Mr. MARSHALL] and to the gentleman from Illinois [Mr. BOYLE] and to certain Members who are not on the committee such as the gentleman from South Dakota [Mr. MCGOVERN] for their help in trying to work out this problem. While I have asked them to consider an absolute prohibition on further subsidized farm drainage in the prarie pothole area, and while in their report, they indicated that in their opinion this absolute prohibition was not sound, the report, on page 18, nevertheless contains an extremely significant sentence, that the committee requests the Department of Agriculture to cooperate fully in protecting these lands for wildlife refuges. I want to congratulate the committee for the fine way in which it has faced up to this problem and ask the chairman of the subcommittee, the gentleman from Mississippi [Mr. WHITTEN], whether my understanding is correct that the committee envisages this full cooperation between the Department of Agriculture and the Department of the Interior, which latter is directly charged with the acquisition and supervision of wildlife refuges, both at Washington and the local level, and that the committee would expect a report from the respective departments on the progress of such cooperation. Is my understanding about that correct?

Mr. WHITTEN. May I say to the gentleman, we do so expect. I would like to point out that the members of this subcommittee are very much interested in protecting the areas in which this wildlife originates for the good of the whole country. We have, in our dealings with the Department, urged in every way that we felt we could to cooperate fully in preserving these sites and we did that quite seriously. After advising with the gentleman, knowing of his interest as well as the interest of many others, we do expect to follow it and ask them to report to us as to their progress in this regard.

Mr. REUSS. I thank the gentleman. I might say it makes it easy for me, a city Congressman, to support this portion of the appropriation bill. I would ask one further question of the gentleman, calling his attention to page 12, line 20 through line 25, of H.R. 7175. That section relates to eligibility requirements for existing practices, and asks that they be not changed. Is my understanding correct that under this proviso the county ACP committees would not be expected to approve practices inconsistent with the ob-

servations on page 18 of the report which I just read, namely, that the Department of Agriculture shall cooperate fully in protecting these lands for wildlife refuges?

Mr. WHITTEN. I would have to answer the gentleman by saying that, by our statement here, we do not mean to repeal any provisions of the law nor do we mean to impose a restriction on any particular area. These provisions that the gentleman has mentioned were put in because 2 years ago efforts were made throughout the country to eliminate certain practices which had been approved. I would like to say on the point that the gentleman makes, we would again call on the Department to fully cooperate to the fullest possible extent with the Department of the Interior. Certainly there is no intention here to force the use of any practices that can be kept in the national catalog.

Mr. McGOVERN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. McGOVERN. Mr. Chairman, I rise in support of the bill now before us and particularly the section relating to funds for the agricultural conservation program.

I am especially pleased with the statement in the report of the committee indicating the committee's awareness of the need to protect our wildlife while carrying on a worthwhile drainage program.

I agree with the gentleman from Wisconsin [Mr. REUSS] that it is perfectly possible to carry on a good farm management program without jeopardizing wildlife resources. As the Department of Agriculture stated in its report to the committee:

> Good farming and improved wildlife resources can exist side by side.

I feel sure that the language of the committee report on pages 17 and 18 will provide the kind of intelligent direction that is needed to insure legitimate farm drainage programs without jeopardizing our prairie pothole waterfowl breeding areas.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, in relation to what the gentleman from Wisconsin [Mr. REUSS] has been speaking about, I might say there is certainly no commitment in the report whatsoever or any prohibition in the report whatsoever as to the county committees making whatever determination they might see fit to make relative to this matter. In other words, the word "cooperation" as used in the report, to my way of thinking, does not go so far as to tell the county committees anything at all. It does not tell anybody in the Department of Agriculture to take any definite action other than to continue to cooperate in this field of wildlife conservation in the future as they have in the past. I certainly stand on that opinion relative to what is in this report.

I would call to the attention of the gentleman that, as he knows, we discussed this amendment very fully in the full Committee on Appropriations. It was defeated 26 to 1, and I hope it will lie buried for a few years.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield.

Mr. REUSS. I do not think the gentleman from Minnesota has said anything inconsistent with the statement made on that provision appearing on page 12 of H.R. 7175 by the gentleman from Mississippi [Mr. WHITTEN]. Has he?

Mr. ANDERSEN of Minnesota. As far as I am concerned I may say to the gentleman from Wisconsin, the statement in the report is in no way to be construed as instructions to any county committee in my area that they can or cannot avail themselves of practices as set forth in the catalog issued by the various State committees. Certainly the language does ask the Department to cooperate in every way possible. The Department today is cooperating; it is cooperating through the watershed program. Before any watershed in my district—which the gentleman's amendment attacks very severely—is finally approved, it is discussed with the fish and wildlife people. The amendment offered by the gentleman from Wisconsin, by the way, would prohibit 15 of my 19 counties from taking advantage of this particular program. Certainly I cannot agree that the county committees in any way shall be bound by any language which is in the report. It has not gone down to that level, I may say to the gentleman from Wisconsin.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from New York.

Mr. TABER. Is it not a fact that the full committee went on record against this amendment as it was offered?

Mr. ANDERSEN of Minnesota. That is correct.

Mr. TABER. Because it would impose upon the people of one group and one territory obligations not applicable to all, and we do not believe in doing business that way.

Mr. ANDERSEN of Minnesota. The gentleman is absolutely correct. Only the sponsor of the amendment voted for the amendment in the full Committee on Appropriations.

I would like to say, Mr. Chairman, that I have never seen or heard of an amendment which so directly pointed at one area of the country. Why? It is class legislation. I think if it ever reached the floor of the House any parliamentarian would have to rule it out on the point of order that it is class legislation.

I may say to the gentleman from Wisconsin [Mr. REUSS], as I have said before, I am willing to get together with him and see if we cannot assure as much cooperation as possible between our watershed protection programs and the conservation programs. But I want to be sure today that we do not pick out one single little area of the country and make it conform to a program to which other areas do not have to conform.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. Certainly I yield.

Mr. REUSS. I do not understand that the gentleman from Minnesota [Mr. ANDERSEN] in any way withdraws himself or disassociates himself from the statement in the committee report that the committee requests the Department of Agriculture to cooperate fully in protecting these lands for wildlife refuges. I do not understand that there is any intent to disassociate himself from that statement; is there?

Mr. ANDERSEN of Minnesota. Except that instead of the world "fully" I would prefer the phrase "as far as possible," because I am very close to these programs and I believe the Department of Agriculture is going as far as necessary in its effort to be cooperative. I only wish the fish and wildlife people were equally cooperative.

Mr. REUSS. Did the gentleman attempt to change the language in the committee?

Mr. ANDERSEN of Minnesota. As the gentleman well knows, the wording of any report is largely the wording of the chairman; and that is as it should be; but I want to say that when I read the report I had reservations with regard to the word "fully." However, for the sake of not beclouding the issue and in an effort to avoid any serious disagreement I did not press the point.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I would like to say I do not think there is any real difficulty here. In the first place the gentleman from Wisconsin has agreed to withdraw his amendment on the assurance of myself and other members of this subcommittee that we agree with the objective of his conservation effort, which is the conservation of wildlife, and that we are as interested in it as he is. As was pointed out, however, his amendment would prohibit one part of the United States from participating in the program. The Department, however, insisted that they were protecting this wildlife. So language was included in the report calling on the Department to cooperate fully in line with existing law—it cannot go outside of existing law. We recognize the fact that the gentleman from Wisconsin is interested in an end result; we are interested in the same end result, that is protecting the source of this wildlife. Under the law we asked them to go ahead on it. Everybody says they are for it.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that the gentleman from Montana [Mr. METCALF] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. METCALF. Mr. Chairman, I wish to compliment the committee for taking

a close look at the fire ant control program in the Southern States. I am not surprised that the committee received a great volume of complaints about this program because it has been inflicting real damage to the wildlife resources of the area, and, in some instances, to domestic livestock as well. This damage has been carefully documented by qualified research scientists of the U.S. Fish and Wildlife Service, of Alabama Polytechnic Institute and of the official wildlife agencies in the affected States. There is ample reason for alarm concerning the residual and long-term effects of the poisonous chemicals being used to blanket the land in the so-called "eradication" program which even U.S. Department of Agriculture officials now admit cannot achieve complete eradication of the nuisance fire ant.

I was pleased to see the committee's request, in the final paragraph of page 11 of its report, that USDA officials "review this matter so as to eliminate as far as possible any harmful effects of this program." In its next sentence, the committee stated:

> In particular, further study should be given to the aerial application of insecticides to make certain that only granular poison is used.

Mr. Chairman, I wish to point out that granular forms of chlorinated hydrocarbons have been used to date in the fire ant program and these granular forms have resulted in serious destruction of wildlife resources. The use of granular poison is no safeguard. The record is clear on this. The only commonsense safeguard at this stage of the program, Mr. Chairman, would be to discontinue the widespread application of such poisons by aerial broadcast until research has been completed to show the effects on other forms of life and until alternate methods of control and other kinds of insecticides can be thoroughly investigated.

Mr. WHITTEN. Mr. Chairman, I yield 3 minutes to the gentlewoman from Missouri [Mrs. SULLIVAN].

AGRICULTURE ITEMS IMPORTANT TO CITIES

Mrs. SULLIVAN. Mr. Chairman, I appreciate the courtesy of the subcommittee chairman in making this time available to me.

Mr. Chairman, there are no farms within the city limits of St. Louis, but this bill is vitally important not only to my city but to every city and town in the country. The Committee on Appropriations has done a good job in pointing out in the report on this bill that only a small part of the appropriations for the Department of Agriculture are for programs of a strictly rural or agricultural nature.

NEED FOR FOOD STAMP PLAN

Every school child in the country has a stake in this bill, but I should perhaps make clear the word is not spelled s-t-e-a-k, in view of the controversy over failure of the Department of Agriculture to purchase beef for the school lunch program during the past year, even though it had funds available for this purpose.

Mr. Benson submitted a prepared statement to the subcommittee full of self-serving claims on the surplus disposal program, but all of us who come from areas where the surplus disposal program is in operation know full well it is not a good program but is a dumping program and a disgrace when we take into account the kind of program we could be operating under a food stamp plan.

Mr. Benson has all the authority he needs to institute a food stamp plan for the distribution of surplus foods to the needy through the regular stores. He is against any such program and has refused to put one into effect. It is therefore the duty of Congress to require that it be done. Last year, a majority of the Members of the House voted for my bill to require the institution of a food stamp plan. We are going to have to go all through that again in this Congress—and this time I hope we finally prevail. I am sure every municipal official charged with distributing the food on the local level would disagree with Mr. Benson's claim that the present method is the only practical way to distribute the food.

MEAT AND POULTRY INSPECTION

In connection with the statements in the committee report on meat and poultry inspection, I should like to say on behalf of the Nation's consumers that while these programs admittedly cost money, and will probably cost more in the years ahead as more plants come in under poultry inspection, the money we spend to assure the wholesomeness of meat and poultry is a necessary expenditure of Government.

I do not want to see this bill go through today without a voice being raised on behalf of the consumer on these two items of meat and poultry inspection. Otherwise, the Department is likely to take the criticisms in the committee report as reflecting the views of the House, and I do not think that would be a proper conclusion.

Let there be a review of the work of the meat inspection branch and the poultry inspection branch, as the committee report suggests. I am sure economies can be effected and policies and programs improved. But I do not at all agree that there is no need to inspect products containing meat or poultry just because the meat or poultry which went into those products was inspected at the time of slaughter. I have no objection to the Department making the report the committee requests, but I think the Department should know in connection with the meat and poultry inspection appropriations that the House is not demanding a weakening of meat and poultry inspection, and is not voting today for less emphasis on quality control in meat inspection, as the committee report implies.

In poultry inspection, I think procedures are less than adequate to begin with, so any weakening of this program would be a grave mistake.

SCHOOL LUNCH PROGRAM

So much for criticisms, if they can be called that, of the subcommittee handling this bill. I congratulate Chairman WHITTEN and others on the subcommittee, particularly Representative SANTANGELO, for digging into the school lunch issue and demonstrating the lack of good faith by the Department of Agriculture in the use of funds for the school lunch program in this current fiscal year, plus the amazing suggestion by the Department that the appropriation for this program be cut next year below current levels.

I am more than happy to go along with the Committee on Appropriations for the appropriation of the same amount of $110 million as was appropriated last year, rather than the $100 million included in the President's budget.

USE OF SECTION 32 FUNDS

The $110 million included in this bill, plus the transfer of an additional $43,657,248 of section 32 funds, should provide a much better program in the coming year than the one we have had this year. Even though the Congress last year permitted the transfer of $35 million of section 32 funds to augment school lunch funds, the record shows the Department did not use all of it, and used very little of it, in fact, for the purpose the Congress had in mind.

I have an excellent letter on that from the director of the school lunch section of the Missouri State Department of Education, Mr. Earl M. Langkop, which explains what happened in Missouri and throughout the country, and I want to include it at the conclusion of my remarks.

Mr. Langkop, incidentally, testified before the subcommittee in March as legislative chairman of the American School Food Service Association, representing all of the schools and school lunch programs. I urge the Members to read his testimony beginning at page 2825 of part IV of the hearings. His letter to me, which I am inserting below, was directed primarily to the situation in Missouri. It points up the peculiar developments in the program this year and the reason why Congress must very clearly earmark the use of section 32 funds if they are to be used for the purpose intended.

HIGH LEVEL OF UNEMPLOYMENT EXHAUSTS FUNDS

This year the situation has been most serious because of the high level of unemployment, and thus the increasing number of youngsters unable to pay their proportionate share of daily lunch costs. Missouri matched Federal payments 7-to-1 instead of the customary 3-to-1 ratio provided for in the National School Lunch Act, and even so, the funds have not been adequate. This is an excellent report, Mr. Chairman, and I know that anyone reading it cannot help but be impressed by the needs of the school lunch program and the apathy of the Federal officials administering it at the top level. How could they possibly have the heart to recommend that Congress cut the program below last year's level? I just cannot understand that.

SITUATION IN MISSOURI

Mr. Langkop's letter on the situation in Missouri is as follows:

STATE DEPARTMENT OF EDUCATION,
DIVISION OF PUBLIC SCHOOLS,
Jefferson City, Mo., March 17, 1959.

Hon. LEONOR K. SULLIVAN,
Member of Congress,
Third District of Missouri,
House of Representatives,
Washington, D.C.

DEAR MRS. SULLIVAN: As State director of the school lunch program, I feel that it is my duty and responsibility to the school children in Missouri to keep our National Representatives informed on matters dealing with Federal legislation, particularly with reference to the national school lunch program.

During each of the past several years it has been my unpleasant task to report to school administrators about this time of the year that Federal funds appropriated for the school lunch program are again inadequate to provide continuing reimbursement throughout the school year, even though our reimbursement rate has been reduced to 4 cents. At the time the National School Lunch Act was passed, sufficient funds were appropriated at the national level to permit reimbursement at the rate of 9 cents for all type A lunches served in Missouri. Program expansion, over the years, on a nationwide basis has increased by 225.7 percent. During this same period, however, Federal Appropriations have increased by only 23.5 percent. This accounts for the main reason we have had to reduce our reimbursement to 4 cents for type A lunches and discontinue completely reimbursement for type B and type C lunches. Even with our reimbursement decreased to 4 cents during this school year, we now find ourselves in a position where our available funds for type A lunches to be served this year will be less than 4 cents.

We are deeply grateful for your personal interest in connection with the appropriation last year and for the action taken by our National Representatives nationwide in authorizing an appropriation in excess of the amount recommended by the U.S. Department of Agriculture. We were also very much encouraged by the Congressional transfer of section 32 funds, which we felt would assist in narrowing the gap between increasing enrollments and participation and Federal appropriations for the national school lunch program. We were of the opinion at that time that this additional help would permit us to at least continue our limited reimbursement throughout the 1958–59 school year.

We now find that a further increase in participation has completely absorbed the additional funds appropriated, and we are in the same financial position as we were a years ago. Our schools in Missouri have been notified that, due to increased enrollments and a further participation gain, our allocation of Federal funds will become exhausted with the payment of April claims.

It is difficult for us to believe that the Congress, in passing the National School Lunch Act, intended that such a situation should develop. Section 2 of the act sets forth the very laudable purposes for which Federal aid was to be provided, and the wording in this section certainly implies that expansion of the program was desired. Section 3 of the act authorizes the Congress to appropriate such sums as may be necessary to carry out the provisions of the act. Section 7 establishes the basis upon which the States and local districts were to match the Federal funds as the program expanded. We feel that this section very definitely carries the implication that it was the intent of Congress that the necesasry Federal funds would be provided as the program expanded, so long as the State and local communities carried their full share in matching the Federal contribution. There can be no question that the States have met this responsibility. In fact, in our own State last year these contributions reached the point of matching the Federal dollar on the basis of 7 to 1, even though the National School Lunch Act required matching of only 3 to 1.

The U.S. Department of Agriculture has access to participation figures on a monthly basis from all States and is well acquainted with the tremendous expansion of this program. In view of this situation, it is very difficult for us to understand why this agency has on two occasions seen fit to recommend a reduction in the national school lunch appropriation. We have the third such example of Federal apathy this year. In each instance, in the past, departmental officials in appearing before the Appropriations Committees, have maintained that the reduction in funds would be offset through increased allocations of surplus commodities. We have always maintained, and I believe the records will bear us out, that surplus commodities and such promises represent a most undependable source of aid for the schools in planning their budgets. The commodity program, over the years, has been one of feast or famine. Those who maintain that surplus foods have offset the reduced cash assistance are either woefully misinformed as to the workings of the price support program, or they are deliberately trying to mislead the public and Congress with respect to school lunch assistance.

You will recall the drastic reduction in surplus commodities last year which created a tremendous additional financial burden for the schools. This reduction in surplus foods came at a time when unemployment rolls were at a peak and the demand for free lunches was heavy. Our schools have not recovered from the financial losses sustained last year, and unemployment in many sections of our State is still a problem, along with the accompanying increased requests for free lunches. Our welfare department now has a heavier caseload of unemployed persons receiving commodities than a year ago.

The Congress acted last year to assist program sponsors by transferring $35 million from section 32 funds to be used by the Secretary of Agriculture to purchase additional foods needed to replace the losses resulting from lack of action by the Federal agency on price support operations during the 1957–58 school year. During hearings on the appropriation the committees were very critical of USDA because of this lack of action for aiding both agriculture and the school lunch program.

We have had some help from this transfer of section 32 funds during the present school year, and certainly, without this transfer we would have been in serious financial trouble. Outside of the mandatory support items of dairy products and cereals, the only surplus foods offered by the Department during this school year have been a very meager offering of fresh cabbage and peanut butter. Neither of these items were offered in sufficient quantity to permit statewide distribution to our schools. This leads us to believe that the Department has, through discretionary authority, successfully circumvented the intent of Congress on the transfer of section 32 funds by merely using them to carry out normal section 32 operations. We say this because each of the items purchased with the transferred funds this year have, in the past, been offered under the regular section 32 program. We now have a further indication of such action through the current purchases of large quantities of dried eggs during the heavy production period and the fact that offerings of this product, coming so late in the school year, cannot possibly benefit the schools in this year's program.

As of March 1, approximately $6 million of the $35 million transferred remains unused. This situation exists at a time when school lunch programs nationwide are experiencing extreme financial difficulty. In Missouri, 60 percent of our programs are operating at a deficit. The deficits are even greater in some of our other States. For example: 95 percent of the programs in Montana are presently operating at a deficit. Other States are in a similar position—California, 85 percent; Washington, 75 percent; Oklahoma and Wisconsin, 70 percent; New Mexico, 50 percent; Wyoming, 48 percent; Michigan, 40 percent; and so forth. Requests for free lunches for needy children are increasing. In fact, Michigan reports that in the city of Detroit two lunch programs had to be closed due to financial difficulties when free lunch servings totaled 80 percent. Many of the States have reported that because of increased participation this year, Federal funds available for reimbursement to the schools will amount to less than 4 cents.

It is rather difficult for us to explain to local school administrators why our reimbursement rate under the national school lunch program for the serving of complete type A lunches, which must include a half-pint serving of milk, has reached a point where it is less than the reimbursement available under another Federal program administered by the USDA for the serving of a half pint of milk only.

All of our major agricultural groups in Missouri, the Missouri Farm Bureau Federation, Missouri Farmers Association, and the American Dairy Association, are fully acquainted with the contribution this program is making to our agricultural economy and are on record as favoring an expanded school lunch program, which at the present represents a $25 million industry in our State. We think this is evidence that the agricultural aspects of the program are being carried out in Missouri.

In order to restore the level of cash assistance alone that was available when the national act was passed would require a current appropriation of $171 million. This does not even take into consideration the greatly decreased purchasing power of the 1959 dollar.

Unless more interest is demonstrated by the USDA in budget recommendations for the national school lunch program, it is obvious to many of us that this program will begin to disintegrate, and many schools will revert back to the candy and coke lunches which we have tried diligently during the past 11 years to replace with nutritiously adequate lunches for all children. This situation is beginning to develop, and we are hopeful that you will lend your help in assisting us to head off this situation before it gets out of hand.

In behalf of the schoolchildren in Missouri and nationwide, we sincerely urge your support of an appropriation of $130 million for the national school lunch program for fiscal year 1960 and the transfer of $45 million of dormant section 32 funds to the national school lunch program. We are firmly convinced that this is the minimum amount that will be needed next year if the national school lunch program is to avoid disaster. In the transfer of the section 32 funds, we urge that legislation be developed to effect a cash transfer of $45 million from section 32 under the same plan that was used in the complete financing of the school lunch program during the 2 or 3 years immediately preceding passage of the National School Lunch Act. In this way the funds could be distributed to the States along with the national school lunch appropriation. We are

convinced that the schools of this Nation can and will do a better job in accomplishing the intent of section 32 than has been demonstrated by the Federal agency in the use of the $35 million transferred to the program during this school year.

In conclusion, let us say that the States and local communities are more than doubling the matching requirements set forth in section 7 of the National School Lunch Act. We are sincerely hopeful that our Federal Government will see fit to assume its fair share of the responsibility for financing this program as it continues to expand and in line with the very clear intention implied in the wording of the National School Lunch Act.

Your continued interest and cooperation in the sound financing in this program is deeply appreciated by all of us who are so closely associated with the administration and operation of the school lunch program in the States.

Yours sincerely,

EARL M. LANGKOP,
Director, School Lunch Section.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I ask unanimous consent that the gentleman from Iowa [Mr. SCHWENGEL] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. SCHWENGEL. Mr. Chairman, in our discussion of the Department of Agriculture and Farm Credit Administration appropriation bill for 1960, I join with several of my distinguished colleagues who ask that the costs of this program be considered in their proper perspective and that we be fair in the assessing of these benefits which accrue directly to the farmer and his family.

Farmers are not to be blamed for the high cost of surpluses and outmoded agricultural programs. Farmers are harassed by a cost-price squeeze resulting from the sharp costs which occurred in the 1939–52 period and which has hardened the economy.

The big majority of the farmers are not asking for tax handouts from the Government. They want more freedom, less Government interference, and more common sense in farm programs. Our farmers and ranchers are not wallowing in Government handouts. Only about 56 percent of the agriculture appropriations can be called direct aids to farmers. The other 44 percent benefits many people.

Programs that make up the 44 percent have multiple benefits and should not be charged exclusively to the farmer. In this category are such programs as long-range programs for the improvement of agricultural resources—including research, meat inspection, disease and pest control, education, market development and services, protection of soil and water resources, and forest and land management.

Our investment in REA and FHA loans is subject to repayment and should not be considered as part of the agriculture program cost.

In addition, there are those phases of the program which are related to foreign aid and which create good will abroad. In 1958 alone we donated $272,500,000 worth of food to needy persons overseas.

Then, there are our food distribution programs: surplus foods donated through Department of Agriculture auspices which have benefited more than 14 million schoolchildren through the school lunch program and other foods which have been distributed to about 1.4 million persons in charitable institutions. In March of this year alone, surplus foods were distributed to 5,741,298 needy persons in the United States.

It is unfair to blame farmers for the price of food at retail. The farmer's share of the food dollar today is 40 cents, a descent from a peak of 53 cents in 1945.

The other 60 percent of the food dollar goes to pay for increased labor and transportation costs; it goes to the food packer and processor and to pay for those attractive, sanitary food packages which look so good in the supermarket and store so well in the deep freezer, the refrigerator, and the cupboards.

Now, let us look at the conservation reserve program—the long term and only remaining part of the soil bank. This program has considerable merit as a tool for getting at overproduction and overcapacity—the roots of our present farm problem.

Maintaining fertility falls properly to the farmer himself. Conserving the physical integrity of the soil resource falls to the Nation as well as to the farmer and landowner in order to save the people's heritage and safeguard the national welfare. If the soil is destroyed, then our liberty of choice and action is gone, condemning this and future generations to needless privations and dangers. The farmer must be responsible for crop rotation and fertilization in order for his farm to get at least normal yield per acre.

Land, after all, is not an economical commodity. It is an integral part of the Nation, even as its people are, and requires protection by the individual owner and by the Nation as well. This is a natural resource which benefits all the people.

The conservation reserve plans for future generations as a reservoir for potential food production. It will be a reserve for more food and better food. For present generations, the improvement of water resources, increase in recreational and wildlife resources and improvement of forest resources for utilization within 15 years as pulp and paper products, bring immediate benefits.

The soil bank payments average $13.50 per acre with a limitation of $5,000 to each farm. These payments do not compensate the farmer for what he would have received for normal farming operations. Rather, he receives an annual payment in lieu of the rent he might otherwise receive from another farmer for the use of his land. Furthermore, the farmer has to do something to earn this payment. He must put the land into grass or trees or other permanent cover, and take care of it.

This program will conserve and build our vital land, water, and forest resources, and alleviate the problems of surplus production during peacetime periods of normal consumption requirements. Within a few years we can dispose of our surplus stocks and save storage and interest costs. Acreage allotments, marketing quotas, and support prices will not be necessary. American farmers will be able to get decent prices in the market place.

This type of program will, through Government action, seek to compensate for the disadvantages now applicable to farmers caused by tariffs, labor, and social legislation which increase their costs.

Our farmers and ranchers have been victimized during the past 10 years through the failure of the Congress to make needed changes in old, outmoded legislation, some of which was needed to meet the wartime emergency.

Many of our farm families and the taxpayers will continue to reap the sad economic consequences of obsolete rigid programs unless recommended changes governing our price support laws are made without delay.

Congress must move in the direction of greater freedom for our farmers and less Government in agriculture.

U.S. Department of Agriculture budget expenditures of fiscal year 1959 (midyear review estimates)

	Millions
Programs having multiple benefits and not directly chargeable to the farmer:	
Programs relating to foreign aid, including Public Law 480 (International Relations) and International Wheat Agreement	$1,383
Food distribution programs, including commodity purchases under the program for removal of surplus agricultural commodities, school lunch and milk	391
Investment in REA and FHA loans, which are subject to repayment	603
Long-range programs for the improvement of agricultural resources, including research, meat inspection, disease and pest control, education, market development and services, protection of soil and water resources, and forest and public land management	645
Total (44 percent)	3,022
Programs predominantly for benefit of the farmer:	
Agricultural conservation program	257
Soil bank programs	830
CCC price support, supply, and related programs, including National Wool Act and acreage allotments and marketing quotas	2,638
Sugar Act program	75
Total (56 percent)	3,850
Grand total	6,872

Mr. ANDERSON of Minnesota. Mr. Chairman, I ask unanimous consent that the gentleman from Maine [Mr. MCINTIRE] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MCINTIRE. Mr. Chairman, the Soil Bank Act was enacted in 1956 with bipartisan support. The conservation reserve, as administered in 1959, has demonstrated that a voluntary land retirement program will be used by farmers and that the program can succeed in bringing about an adjustment in produc-

tion. At the same time, the conservation reserve has been responsible for some exceedingly valuable conservation gains. However, the conservation reserve cannot fully succeed as a production adjustment program until approximately 30 million acres are placed in the reserve. There are also many millions of acres of land in America in need of the conservation treatment provided by the soil bank conservation reserve.

To date, the program has established a remarkable record of conservation accomplishment. A total of 23 million acres have been placed under contract. Of this, 6 million acres were placed in the reserve in 1957, 4 million acres in 1958, and 13 million acres in 1959. On the 10 million acres placed in the reserve in 1957 and 1958, the practice establishment has been essentially completed. A total of about 8½ million acres are established in grass cover, 1 million acres have been planted to trees, and the balance of one-half million acres is established in water conservation projects, wildlife cover, or remains to be established. In this connection, a major accomplishment of the conservation reserve has been the establishment of permanent grass cover on over 3 million acres in the Dust Bowl area of the Southwest, where wind erosion has been a serious problem since the days of World War I.

Of the 13 million acres placed in the reserve in 1959, about 3 million acres were already established in satisfactory cover. Complete figures are not yet available, but on the basis of a preliminary estimate projected at the same rate, it appears that farmers have designated about 8.5 million for planting to grass, 700,000 acres for planting to trees, 150,000 acres for establishment in wildlife cover and the balance in temporary cover, water impoundment, and so forth.

While the soil, water, and forest conservation aspects of the program are impressive, the Soil Bank Act provides also for wildlife conservation measures. Here the program accomplishments are equally impressive. Best of all, the benefits to wildlife are of a kind which accrue to the general public, urban as well as farm. Since one in every three family units in the United States has a member who hunts or fishes, it can be seen that this contribution has widespread benefit.

There has been a marked increase beginning in 1957 in wildlife populations throughout every region in the United States where participation in the soil bank has been substantial. Quail have increased in the Western States of Nebraska, Kansas, Arkansas, Texas, and Colorado; rabbits in the Eastern States where they are a popular sport species; quail in the Southeastern States of Georgia, Carolina, and Virginia. The States of North Dakota, South Dakota, Nebraska, Minnesota, and Iowa, and the Northwestern States of Washington and Oregon have boasted the most spectacular increase in pheasants. Improved pheasant hunting in Ohio and Michigan is also being credited to the soil bank by sportsmen in these States. To illustrate the magnitude of this increase, the total take of pheasants by hunters in South Dakota has risen from about 1,250,000 birds in 1957 to 2,500,000 birds in 1958.

This wildlife increase has come from the improved cover for wildlife that has been developed on the 10 million acres in the conservation reserve through 1958. Additional benefits can be expected to come from the 13 million acres added in 1959.

The State game and fish agencies and the sportsmen who support these State agencies are enthusiastic about the wildlife benefits of the program. The State agencies have become so impressed with the value to wildlife that they have been increasing their contribution of State license money to assist in carrying out the wildlife phase of the program. In 1957 State agencies put little money into the program, while by this year they have been contributing well over a quarter of a million dollars into technical assistance and additional cost-sharing payments. This has paid off handsomely in additional acres being developed specifically for fish and wildlife. The following table shows the acreage of wildlife practice development for the 3 years of the program:

	1957	1958	[1] 1959
Wildlife cover.....acres..	7,700	24,502	120,446
Marsh development.....do....	1,781	2,063	5,899
Fish pond construction number..	531	518	1,410

[1] Preliminary.

In the face of this record of conservation accomplishment, those interested in wise use of our natural resources cannot understand the justification for actions by the committee which all but wreck the conservation reserve. Before and during the time the original Soil Bank Act was being debated, estimates were made that it would be necessary to place as much as 60 million acres in the conservation reserve in order to bring about the needed adjustment in production. Conservation treatment of the land as is being carried out under the program is needed on well over twice this many acres. To stop short of this goal is not only unwise—from the conservation viewpoint—but it also probably means that the funds so far spent on the production adjustment phase of the program have been wasted. It is only when enough land has been brought into the reserve to actually achieve balance between production and consumption that any of the funds justified by the production adjustment phase of the program will have been worthwhile. To cut the program to $325 million at this stage—only enough to contract for about 2.3 million acres, and far below the ultimate goal—is to completely negate any possibility of the program's succeeding as a production control measure.

The committee has commendably recognized the conservation benefits of the conservation reserve, but suggests that these could be obtained through other programs—specifically through ACP. While there is no question that the ACP has a creditable record of conservation accomplishment, it is not possible under the existing legal framework for ACP to assist in programs which are of direct benefit to wildlife. The Soil Conservation and Domestic Allotment Act has always, in fact, been interpreted as expressly prohibiting expenditures of ACP funds for anything except soil and water conservation measures. It is doubtful that conservationists would agree with the committee that the conservation objectives of the conservation reserve can be achieved through the ACP program in view of their support of a measure which has as its purpose the saving of waterfowl habitat being systematically destroyed by the programs authorized by the Soil Conservation and Domestic Allotment Act.

In summary, then, it can be stated that the conservation reserve program has a successful administrative record, and that it has made headway in reducing acreage devoted to the production of surplus crops. It has made an impressive record in establishing measures to conserve water, soil, forests, and wildlife, and it unquestionably deserves the continued support of Congress with sufficient appropriations to achieve the objectives of the program.

Mr. Chairman, as with all issues, there are two sides; however, it is my considered belief that of all our production adjustment programs the conservation reserve program gets directly at the problem.

I sincerely believe that the request made by the President and the Department of Agriculture, as reflected in the budget, was a sound one. The cut made by the committee will virtually serve to terminate this program.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I yield the balance of the time on this side to the gentleman from Iowa [Mr. JENSEN], our concluding speaker.

Mr. JENSEN. Mr. Chairman, as the Members of this House know, I have felt it my duty all during my 21 years in Congress to support every appropriation bill brought to this floor by the House Subcommittee on Agriculture Appropriations, because I have complete confidence in the integrity, honesty, and ability of the members of that committee, who sit for months in hearings, and who have a most difficult problem at best with which to cope. I feel they have been right most of the time, possibly 99 percent of the time. Hence, as I have just said, I have supported their recommendations, because I felt their requests were justified. I have voted for every dime requested in those appropriation bills for agriculture during all those years—which includes funds for the Soil Conservation Service and for the Rural Electrification Administration.

I did that knowing full well that the sums of money therein requested were enormous, but also knowing that all wealth springs from Mother Earth and that our entire economy is dependent on the prosperity of our farmers. About 75 percent of our new wealth is grown out of the ground; about 15 percent is pumped or mined out of the bowels of the earth, and the other 10 percent is fished out of the sea and the waters of

this Nation. On those raw products everybody in America works, in some phase of growing, transporting, processing, manufacturing, and marketing raw materials. Now because of the fact that we have a bountiful supply of raw products on which everybody can be employed is the reason why today we have less than 6 percent of the American people unemployed, a smaller percentage than has been unemployed in the past 50 years. Some people used to feel it was healthy to our economy to have a lot of people unemployed. A few months before the Korean war Mr. Truman said, "We have 5 million people unemployed, and that is a healthy situation." But now Mr. Truman acts greatly concerned over the fact that we have less than 4 million people unemployed. Of course, all of us would like to see everybody employed, but if it were not for the fact that we have sufficient quantities of raw products available today many more people would be unemployed, as I have explained.

Mr. Chairman, the facts are, however, that we can appropriate, we can legislate until doomsday; we can amend, we can patch this present farm program until doomsday, and when we get all through we will be in about the same predicament we are today. We have a surplus piled up in the Commodity Credit Corporation of around $8 billion on which we are paying storage of about $1 billion a year. This is, naturally, depressing farm prices, which worries most of us, but we hear little said about the $50 billion or more worth of obsolete military equipment we have piled up, and paying storage, in this country and all over the world. But, that is no excuse for having $8 billion worth of farm commodities piled up in storage.

Now, in my studied opinion, there is only one good solution, as you have heard me say on the floor of this House many times during the last several years, and that is to do at this late date what we should have done 25 years ago when we converted from horse and mule power to motive power. Before the advent of the iron horse, trucks, tractors, and automobiles, and so forth, our horses used to eat the production of 43 million acres of our land. Is it any wonder we have a great surplus of feed piled up? We have now over 3 billion bushels of grain piled up in storage under the jurisdiction of the Commodity Credit Corporation. As you know, Senator MUNDT and I have introduced a bill every year during the last three sessions of Congress which provides that all motor fuels should contain 5 percent grain alcohol processed from surplus grains. If that bill were made law, over 800 million bushels of grain would be converted annually into power alcohol. The residue from that grain would be worth 40 percent in feed value. Forty percent of 800 million is 320 million, leaving about 500 million bushels net reduction in our great surplus of 3 billion bushels of grain now in storage.

We are told that a safe ever-normal granary requires that we should always have in storage around 500 million bushels of corn and 500 million bushels of wheat, as a safe supply in case of poor crops and in the event of war. It is plain to see that in a very few years after the law went into effect which Senator MUNDT and I propose our depressing costly grain surpluses would be brought down to the ever-normal granary needs.

Time will not permit me at this time to explain our bill in full, but I will be glad to send all interested parties a copy of my recent speech on the subject which does explain our bill in detail.

You may ask why does Congress not pass the bill. You will have the answer after reading that speech.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I would not want this opportunity to go by without recalling also, besides the bill to which the gentleman refers to utilize surplus grain to make grain alcohol, the gentleman from Iowa, along with the gentleman from Mississippi [Mr. WHITTEN] were forerunners in the House, and I believe in the Congress, in offering ideas relative to watersheds and conservation as a whole, as we see in this particular appropriation bill; and I want to compliment him for having that foresight 5 years before the rest of the Congress.

Mr. JENSEN. Mr. Chairman, I thank the gentleman for that statement and want to say that the gentleman from Minnesota [Mr. ANDERSEN] had a great deal to do with the law which established watersheds in America, and our wonderful soil conservation program.

Mr. WHITTEN. Mr. Chairman, I yield myself 2 minutes.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. O'HARA of Michigan. I notice in section 401 on page 29 of the bill, an appropriation provided for 425 passenger motor vehicles. I notice in other parts of the bill special provisions relating to cotton producers, producers of apples and other commodities. I wondered, in light of the unemployment situation in all of the producing centers if the chairman knows whether these automobiles would be American-produced automobiles?

Mr. WHITTEN. Mr. Chairman, may I say to the gentleman that I checked the matter, although I felt certain of the answer. These automobiles for the various departments are purchased under a common plan by the General Services Administration. In our own bill we require that these automobiles be 6 years old or have been run at least 65,000 miles. So there is that protection so far as the number of cars is concerned.

I would not oppose an amendment requiring that we use American cars, but I think it is not necessary under the present procedure. These cars are American cars. They are bought on bid. I would be opposed to inserting a provision in this bill alone for that purpose. In the first place, it is not necessary at the present time. Even if there were to be such a prohibition, it should apply to the entire Government and not just to this particular Department. However, at the present time, there appears to be no reason to require it by law since they are not doing it anyway.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. VANIK. On page 19, line 16, after the word "contract" there is language about the fair rental value to be based on the actual production diverted each year. This has to do with the conservation section. This is extraordinary to me, because ordinarily we pay reasonable market value for these things. Would it not be more equitable to say "based upon its reasonable market value as agricultural land?"

Mr. WHITTEN. Mr. Chairman, we tried that last year. This program was proposed in the hope of cutting down production. Our investigation showed that the payments were made on what the land might have grown, not on what it had grown. What we are trying to get here is actual production in the past that has been taken out of production.

Mr. VANIK. May I say to the gentleman that I concur in the efforts the committee is making to get to the bottom of this problem. I feel, if it is based on actual production diverted each year that the rental value can go upward as the expected production of the land can go upward. If we base it on the reasonable market value of the land we are basing it on something that is understood.

Mr. WHITTEN. May I say to the gentleman that last year I felt just as he does now. We tried it last year and it did not work. We had language last year that it could not exceed one-fifth of the value of the land. We find this year that estimated values of land have skyrocketed. Some people have rented land that was not even farm land and paid for it on the basis of what it might have made.

Now we say that it shall be on the production that it did make, in the past, not what it may have made. The land has got to be reasonably priced on the production that was taken out. I worked in this field for many years. It seems as though everything we have tried has not worked. This is our latest effort.

Mr. VANIK. I thank the gentleman.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. MARSHALL], a member of the subcommittee.

Mr. MARSHALL. Mr. Chairman, these are troubled days for American agriculture and no one knows it better than our Subcommittee on Appropriations for the Department of Agriculture. Hour after hour, day after day, during our hearings, we deal intimately with the great and small problems that in some way affect every farm family as well as the overall policies of the greatest food-producing Nation in the world.

The sheer complexity of the problem and the many-sided policies which bear upon it demand constant and diligent attention. There are always tensions when men work hard at seeking answers to hard questions. I say, however, that this is a rewarding experience when we are privileged to work with sincere and conscientious men. The task is made easier and the ordeal more tolerable because of the personal high regard and friendliness we share for each other.

HARD-WORKING SUBCOMMITTEE

Our able chairman, JAMIE WHITTEN, is always considerate and courteous. My colleague from Kentucky, WILLIAM NATCHER, is a gentleman in the finest sense of that word. I have learned to appreciate the efforts of our friend from New York, ALFRED SANTANGELO, who brings with him a genuine interest in the future of agriculture and a broad understanding of consumer problems.

On the Republican side of our subcommittee, my longtime friend, CARL ANDERSEN, has always been a capable and vocal spokesman for his constituents. WALT HORAN knows firsthand the agriculture of the Pacific Northwest and is interested in all phases of agriculture. This year, ROBERT MICHEL joined us and has shown himself a valuable member who understands and can discuss farm problems in knowledgeable terms.

All of these men, Mr. Chairman, are dedicated public servants who are interested not only in agriculture but in the welfare of the people of the United States.

We have worked long and hard on the bill before you. While we have had differences of opinion about some of the amounts included in the bill, we bring you the best bill possible in our judgment and ask your earnest consideration.

BILL HAS THREE GOALS

Every agricultural appropriation bill necessarily deals with three important phases, all of which are essential to our national growth. They are conservation of our resources, food and clothing for our people, and an adequate income for the families which produce it.

We are enjoying a remarkable degree of success in attaining the first two of these goals. Anyone who is familiar with the agricultural situation today must concede that we have failed at the third. In fairness, however, we must immediately say that one of the reasons for this failure has been the tragic disinterest in the financial well-being of farmers and the lack of information about farm programs on the part of some people. The absence of constructive leadership on the part of top officials is a principal contributing factor.

REMARKABLE SUCCESS IN CONSERVATION

In recent years, we made reasonable progress in maintaining conservation programs and conservation work which were given their starts nearly a quarter century ago. This has been accomplished with the ready cooperation of farm families who know that they are merely stewards of the rich resources upon which our whole future depends. I think we can safely say that in few other nations of the world have those who worked the soil shown such a genuine awareness of the great responsibility that is theirs in looking beyond today. This is a story that is not often told when the propagandists seek to portray the American farmer as a leech on the Public Treasury. Yet, it is probably one of the finest examples of Christian responsibility and humanitarian concern for the welfare of unborn generations.

Research programs which are essential to agricultural growth and which are part of agricultural growth are being carried forward. Farmers have been going through an explosive period of change. It is still going on. Some idea of the range of this change can be gained from the studies of the Agricultural Research Service of the Department of Agriculture.

MORE PRODUCTION, LESS ACREAGE

These studies indicate that in the period from the middle thirties to 1956, farm production has increased as much as if 141 million acres of cropland had been added to farms. The acreage actually harvested in 1956 was smaller than in the 1935 to 1939 period.

The same studies indicate that to meet the additional food requirements of our growing population, we will need the equivalent of another 170 to 180 million acres in the next 16 years. All of these extra acres will have to come through conservation, through better use of present knowledge or through additional knowledge gained from research because the prospect is for a contraction of cropland in the next decade rather than expansion of it.

WILL NEED DOUBLE PRODUCTION

Even more expressive of the demands to be made upon agriculture in the future is an excellent speech delivered by Dr. Byron T. Shaw, Administrator of the Agricultural Research Service, in Philadelphia recently. It is worthwhile to quote briefly from his remarks:

We're all aware of the present rapid increase in our population and the predictions that this trend will continue. The Census Bureau estimates that by the year 2010 we may have 370 million people, more than twice the population we have today.

This means that just to maintain our present diet levels, we will require twice as much food and other farm products as we're consuming today. New knowledge of nutritional requirements, especially for older and younger age groups, is emphasizing the need for more protective foods—those high in protein, vitamins, and minerals. Meat, milk and eggs, and fruits and vegetables provide these requirements, but they're also foods with high production and processing costs. To make our people 50 years from now as well fed as they should be, farmers will have to at least double their present crop output and more than double present production of livestock.

At the same time, the amount of farmland available is not likely to be increased much beyond the acreage farmers are using today. Some new land can be brought into production by various methods. But, as our population increases, considerable present farmland will go into urban and other nonfarm uses. Trends also indicate that our farms will continue to increase in size and decrease in numbers, and that additional farm workers will seek part—or full—time employment in towns and cities.

In other words, by the time a child born today becomes a grandparent, our needs will more than double. To the consumer, the importance of maintaining a healthy agriculture will become more and more evident as the years roll along. To the consumer there is safety in numbers. A few too many farmers may seem better than too few. A little too much production may seem better than not quite enough.

ASSEMBLY-LINE FARMING NO ANSWER

To the millions in our growing cities, it might seem that the worst that could happen would be for the family on the farm to be supplanted by the corporation with its assembly line production geared to provide the market with what it will take at a predetermined most profitable price. People who accept that philosophy will, in my estimation, be due for a rude awakening.

In none of the Department's studies, nor in Dr. Shaw's speech, is there the slightest suggestion that farmers will not be able to supply all consumer needs. In our immediate time, the chief question is how to deal with the problem of plenty rather than the catastrophe of scarcity.

The evidence of recent years shows that almost everyone but the farmer has gained from agriculture. This has occurred in spite of the fact that production last year climbed to a peak undreamed of even 10 years ago. Consumers have gained in two ways—directly through food distribution programs or indirectly through an abundance which has helped to keep living costs down.

FUNDS FOR CONSUMER DISTRIBUTION

In the fiscal year just closing, more than $400 million of the Department's budget went for consumer distribution programs of one kind or another, meat inspection, and other research work or service of most direct benefit to consumers.

Foods were distributed last year to nearly 20 million persons through school lunch, school milk, and other related programs. In the first half of this year, the number is exceeding 20 million. Here are the figures:

CHART 1

Consumer group	1958	1st half 1959
Children in schools	13,600,000	14,100,000
Needy in institutions	1,400,000	1,400,000
Needy in family units	4,665,000	5,230,000
Total	19,665,000	20,730,000

Source: Hearings, Department of Agriculture appropriations bill, 1960, pt. 4, p. 2573.

RETAIL COST UP; FARM VALUE DOWN

Last year, the retail cost of food in the market basket bulged upward, then came down. The farm value of the food declined. The spread between value to the farmer and cost to the consumer widened. The farmer's share of the food dollar dropped to 39 cents.

Here is the month by month story of what happened:

CHART 2

Year and month	Retail cost	Farm value	Spread	Farmer share
				Percent
1958—January	$1,042	$422	$620	40
February	1,049	430	619	41
March	1,075	456	619	42
April	1,085	452	633	42
May	1,085	447	638	41
June	1,084	434	650	40
July	1,080	425	655	39
August	1,065	416	649	39
September	1,060	419	641	40
October	1,053	410	643	39
November	1,049	407	642	39
December	1,042	400	642	38
1959—January	1,048	408	640	39
February	1,042	404	638	39

Source: Hearings, Department of Agriculture appropriations bill, 1960, pt. 3, p. 1329. Figure for January revised.

CONSUMER GOODS UP; FOOD DOWN

All groups of consumer prices have increased during the past 12 months except food. The chief reason for this is that farmers have had to take less. Because food has not increased in cost as fast as other consumer goods, the farmer has helped to keep processor profits up and consumer prices stable. In effect, by taking less himself, the farmer is helping to pay both the dividends and the grocery bill.

Following is a monthly comparison of the Consumer Price Index on food and on all other items:

CHART 3

Consumer prices—Low cost of food is keeping all prices down

[Index—1947–49=100]

Year and month	All items	Food
1958—January	122.3	118.2
February	122.5	118.7
March	123.3	120.8
April	123.5	121.6
May	123.6	121.6
June	123.7	121.6
July	123.9	121.7
August	123.7	120.7
September	123.7	120.3
October	123.7	119.7
November	123.9	119.4
December	123.7	118.7
1959—January	123.8	119.0
February	123.7	118.2

Source: Economic Indicators, April 1959, prepared by Council of Economic Advisers for the Joint Economic Committee.

STABILITY AT FARMERS' EXPENSE

Sylvia Porter, the distinguished New York business analyst, explains it in another way in her April 29 column in the Washington Star. She says:

In the past year the overall level of prices you and I, as consumers, pay for goods and services has risen less than one-half of 1 percent. Since last June the rise has been a tiny one-fourth of 1 percent.

This is remarkable stability in the general price level. In fact, during no previous period on record have consumer prices held so narrow a range as in the past 9 months.

But the explanation for this extraordinary steadiness in the overall price index is just this: The cost of a typical food basket of a supposedly average city family has dipped perceptibly since last spring.

Outside of food, the price of most other things we must or want to buy are still climbing—gradually but relentlessly.

Just a few figures pound home the point. Food prices are down a full 2¼ percent in the past 12 months, and clothing prices are down another three-fourths of 1 percent. But the cost of transportation has increased 4½ percent. The cost of medical care has jumped 5¾ percent. Housing, personal care, recreation, other goods and services—all are priced higher than a year ago.

In short, food alone has kept the Consumer Price Index from leaping from peak to peak during this phase. If food is lifted out of a city family's market basket, the stability in price disappears.

I do not believe that the consumer wants or expects the farmer to help pay his monthly bills. All he asks for is an ample supply of the right foods at a fair price. There is no reason that this cannot be done in a way that will not threaten the livelihood of the people on our 5 million farms.

AGRICULTURE IS BASIC INDUSTRY

In this bill, we are considering funds for an industry which provides approximately two-thirds of all the raw materials used in the United States. It makes jobs, directly or indirectly, for 22 million people—a third of the employed workers in the Nation. It spends $40 million a year with retail merchants and industry. It represents nearly one-twelfth of the population but yet receives one-thirtieth of the national income.

The base of this industry—the farmer—is caught in a time of trouble and a time of change. It is unfortunate that the policies adopted by this administration have tended to aggravate the trouble and to speed up the change.

Laws on the books when Secretary of Agriculture Benson came into office provided imperfect but still useful powers for stabilizing farm production and prices. No real effort has been made to make the most effective use of these until improved legislation could be enacted. Instead, the Secretary has gone about tearing down still useful, though imperfect, programs and laws and has done his best to substitute legislation which would have the opposite effect on stabilization.

BENSON: LOWER PRICES, MORE PRODUCTION

He has insisted upon lower and lower price supports. He has thrown production wide open where this was possible. Still he is asking for more authority for more of the same. He has not used his authority to export Commodity Credit stocks to the extent that the law says he should. It is a constant pattern of unused or misused auhority while asking always for other authority.

The result has been that farm production has risen faster than need. Farm prices have come down further than necessary. To verify this, all we need to do is use the Department's own figures on the production and price index:

CHART 4

Farm production and prices

Year	Production index 1947–49=100	Price index 1910–14=100
1952	107	288
1953	108	255
1954	108	246
1955	112	232
1956	113	230
1957	113	235
1958	123	250
1959 (1st 4 months)	----------	244

Source: U.S. Department of Agriculture.

COSTS RISING FASTER THAN INCOME

The farmer is caught in a situation in which his costs are rising faster than his gross income and net income is being squeezed. Only a little more than a decade ago, production expenses equaled about $1 out of every $3 of income. Now they represent $2 out of every $3 the farmer receives. You have to go back to the depression days of the early thirties to find a similar situation. The farmer cannot indefinitely accept higher costs and lower income at the same time.

Once again, Department of Agriculture figures give us a vivid picture of what is happening:

CHART 5

Farm income—Costs going up; net going down

[In billions of dollars]

Year	Gross income	Production expenses	Realized net income
1952	$37.0	$22.6	$14.4
1953	35.2	21.3	13.9
1954	33.8	21.6	12.2
1955	33.3	21.8	11.5
1956	34.6	22.5	12.1
1957	34.3	23.5	10.8
1958	37.9	24.9	13.0
1959 (1st quarter)	38.3	25.6	12.7

Source: U.S. Department of Agriculture.

While farmers are surviving on less and less income and higher and higher costs, the Secretary of Agriculture is spending more and more money with fewer and fewer results. Funds required to move stocks into consuming channels are at an alltime high and will necessarily continue so for some years as a result of the policies of recent years. Department of Agriculture spending has more than doubled since Mr. Benson took office and if current policies prevail, there is no end in sight.

COSTLY MALADMINISTRATION

In the Congress, we are faced with choosing the lesser of two evils. We can permit the immediate and wholesale destruction of agriculture or we can provide the funds for maladministered programs which at least give us time to buy bare survival for the American farmer.

No one can deny the Secretary's success in discrediting the farm program by administering it in the most costly way possible and then deploring the cost. A few simple figures bear witness to the tremendous increase in costs during the very time farmers have suffered most. We want to talk about these figures and what they mean in greater detail but we need to have them in mind in comparing the words and deeds of those responsible for the administration of one important department of our Government:

CHART 6

USDA spending (millions)

Fiscal year:	
1953–54	$2,917
1954–55	4,636
1955–56	5,177
1956–57	5,006
1957–58	4,875
1958–59	7,341

While deploring with monotonous repetition the cost of farm programs, the

Secretary and the administration neglect to mention that many of these huge expenditures are not directly chargeable to farmers.

TRUE STORY ON FARM EXPENDITURES

Normally we would expect the Secretary of Agriculture to speak for the American farmer in telling the true story of farm program costs and who benefits from them. Experience in recent years, however, convinces us that if this story is to be told and told accurately, it must be done by those of us who work each year with the agricultural appropriation bill.

Last year only 30 percent of the funds spent went for programs directly chargeable to farmers. The balance of expenditures were for the benefit of the general public or for someone other than the farmer.

The estimate of funds appropriately charged to agriculture alone came to $2.2 billion. This is less than the tax free income granted last year to corporations in the form of mineral depletion allowances for oil, gas, and other mining operations.

BREAKDOWN FOR FISCAL 1959

In justice to the American farmer, I have from time to time attempted to keep the record straight in my remarks in the House. Since the proportionate amounts will be similar for next year, it will be helpful to again look at the breakdown for 1959:

CHART 7

Estimated Department of Agriculture 1959 fiscal year budget expenditures

	Amount	Of the items listed left these are appropriately chargeable to farmers
	Millions	*Millions*
Charged to farm program for stabilization of farm prices and incomes:		
Price support, supply and purchase programs: This includes expenditures primarily to business totaling $1,116 million, but these funds do not go to farmers [1]	$3,118	$989
Public Law 480, title I—exchange of farm commodities for foreign currencies	[2] 1,049	
Public Law 480—transfer of bartered materials to supplemental stockpile	[2] 129	
Soil bank—acreage reserve	713	713
International Wheat Agreement	[2] 65	
Wool program	21	21
Food distrubition	[2] 150	
Sugar program	68	68
Marketing quotas and allotments	40	40
Other (military housing $38,300,000, waterfowl feed $35,000, and sale of stockpile cotton less $5,100,000 net income from crop insurance program)	[2] 33	
Charged to farm prices and incomes	5,386	
Properly chargeable		1,831
Programs mainly for benefit of the farmer:		
Agricultural conservation program (for every dollar of Federal funds spent on this program the farmer on the average spends another dollar, providing double benefits to conservation industries and to national conservation gains)	240	240
Conservation reserve program—payments made in exchange for removal of a specified number of acres from production for a stated number of years, and for carrying out conservation practices on the land while idled	141	141
Other programs, all with multiple benefits and not directly chargeable to farmers: [2]		
Disaster relief, title II, Public Law 480 program	[2] 106	
School lunch program (over 2,000,000,000 meals to 11,000,000 children in 56,000 schools during fiscal 1959; Federal contribution matched nearly 3 to 1 by State and local groups)	[2] 144	
School milk program	[2] 73	
Investment in REA and FHA loans subject to repayment	[2] 590	
Long-range programs for the improvement of agricultural resources, including research, meat inspection, disease and pest control, education, market development and services, protection of soil and water resources, and forest and public land management	[2] 651	
Total agricultural budget	7,341	
Properly chargeable to farmers		2,212

[1] The business expense items include $41,810,000 for purchase of strategic materials; $203,215,000 export cost; $36,841,000 purchase of storage facilities; $102,368,000 net interest expense; $48,802,000 administrative expenses, county office expense, Federal Reserve bank charges, etc.; $683,173,000 storage, handling, and transportation charges for a year.

[2] Funds are considered by the Department of Agriculture to have multiple benefits and should not be directly chargeable to farmers. These are shown in a USDA tabulation dated Jan. 27, 1959.

Mr. Chairman, during the hearings on this bill the Secretary of Agriculture appeared before our subcommittee three times. In the questioning and discussion which resulted, Mr. Benson's intention as to future farm legislation became clear. So much so that at the close of the hearings the Secretary agreed to include as a part of the record specific recommendations for wheat, peanuts, tobacco, the conservation reserve, and Public Law 480.

SECRETARY'S WHEAT PROPOSALS

The Secretary asked for wheat legislation that would, first, give him authority to increase the national acreage allotment by 50 percent for any crop beginning in 1960, and to remove acreage allotments and marketing quotas after 1962; and, second, give him authority to establish price supports at from 75 percent to 90 percent of the 3-year average market price for the 1960, 1961, and 1962 crops. After 1962 support would be at 90 percent of the 3-year average market price.

He asked for an increase in the conservation reserve up to 35 million acres to be used as a crop control mechanism. He asked for an extension of Public Law 480 for another year, with authority to increase spending to a total of $1.8 billion.

What Secretary Benson is asking for is wide open wheat production, a reduction in wheat supports, an increase in wheat acreage, an increase in wheat output despite the fact that we have more than a 2-year supply on hand.

BENSON PROPOSALS IN HEARINGS

Questioning of the Secretary and his associates brought out these facts:

First. Mr. Benson thinks there would not be too much wheat.

Second. When the price got down to about $1.50 a bushel the lower qualities would begin moving into feed because prices would become competitive with other grains.

Third. Mr. Benson thinks 200 to 300 million bushels of additional wheat would be used as feed if prices were lower. This much wheat would supply the grain requirements for a year for 11.3 million milk cows averaging 5,200 pounds of milk a year, or 16.8 million head of hogs fed to 225 pounds each.

Fourth. Mr. Benson thinks increased wheat production would provide a feed supply on the west coast not now available without paying freight.

Fifth. Mr. Benson believes there needs to be some adjustment out of wheat to grass in the Great Plains area. As wheat prices are lowered, the questioning brought out, some of the dry land in the Great Plains would be retired to grass in Mr. Benson's opinion.

Sixth. Mr. Benson is not concerned about the competition of additional wheat with corn.

Seventh. Mr. Benson has no fear of a further increase in corn with average weather, in spite of an indication that acreage would be up sharply this year. He thinks corn legislation is good now, except he would like to have the 65 percent of parity minimum price support removed and 60 percent substituted.

Eighth. Mr. Benson thinks legislation is adequate for grain sorghums. He and his assistants are not concerned about an over supply of sorghums.

Ninth. As far as feed grain legislation as a whole is concerned, Mr. Benson wants the law left alone.

Tenth. Mr. Benson has had no studies made as to the potential increase in production which might come about as the result of his recommendations.

Eleventh. Mr. Benson does not know what the budget needs of his Department are likely to be over a period of the next 5 years.

Mr. Chairman, this is all a matter of record in the hearings of our subcommittee. I think it is important. In making his recommendations, Mr. Benson has forgotten the axiom that is well known to all livestock producers. This is that cheap feed always eventually leads to cheap livestock.

FARM ECONOMY CONFIRMS AXIOM

This is what is happening to our farm economy right now. One part of the livestock industry—the poultry producer—is already in trouble. All of us are hoping that trouble can be avoided later this year and next year, and the next, in hogs, in dairy cattle, and eventually in beef cattle.

Early this year a feed-livestock workshop was held at the Center for Agricultural Adjustment at Iowa State College. Economists from all over the country

participated. The workshop was conducted to analyze "the cause and possible solutions to the problems posed by the huge stocks and unprecedented total supplies of feed and other grains."

IOWA WORKSHOP SURVEYS FUTURE

The conclusions of this workshop are the opposite of those arrived at by Mr. Benson. Permit me to quote briefly from a summary of the report:

The feed-livestock sector of agriculture is headed for serious trouble. Feed grain and wheat stocks have been building up for 7 years and now are double those needed to provide a generous margin of safety for a possible drought year. If present programs continue, stocks are likely to accumulate further even though feeding to livestock increases, and mounting carryovers of wheat will add to the supply of concentrates available for livestock feed. * * *

The large stocks of feed grains are now spilling over into increased livestock production, and hog prices in 1960 may be a third or more below the 1958 average. Prices of cattle, poultry, and eggs are also expected to go below 1958 levels, though not to the same extent. * * *

Present and potential feed grain production is so high that markets can be cleared through livestock and livestock products only if average prices are low. This is not a temporary situation; it may well last for a decade or longer. * * *

The economic difficulties faced by the feed-livestock sector and by agriculture at large are deep seated and persistent. We are not going to solve them by finding new uses for farm products, by otherwise expanding demand, or by exporting whatever surpluses we choose to produce at satisfactory prices. If farm income is not to be chronically low for a long time and if Treasury costs of farm programs are to be held within tolerable bounds, some means of restraining market supply must be found.

Unfortunately, the Secretary of Agriculture holds a directly opposite view. Instead of putting some restraint on production, he would throw it wide open. Instead of attempting to work off our large supplies of feed grains in ways that would avoid further injury to livestock producers, he would increase supplies of feed.

CABINET VETO UNFORTUNATE

It is also unfortunate that the Secretary of Agriculture, in effect, holds the power of veto over the Congress. The Secretary's views are shared and supported by the President and his advisers at the White House. If the Congress sends over a bill that the Secretary does not like, he can see that it is vetoed.

WHAT THEY SAID IN HEARINGS

There is so much at stake in Secretary Benson's position in regard to price supports and production of the grains which can affect all livestock that I feel the hearing record should be quoted directly at this point:

Mr. WHITTEN. You would not give me a figure on what levels you think you ought to have to straighten this matter out, say in 5 years or even in 10 years?

Secretary BENSON. I think the range we have asked for, 75 to 90 percent of the last 3 years, would give us all the leeway we need in order to bring about the adjustment which is necessary (hearings, pt. 4, p. 2333).

* * * * *

Mr. WHITTEN. How low do you think we should reduce support levels to bring this into balance for such period as you think is practicable?

Secretary BENSON. I think if we had the discretion, 75 to 90 for the 3-year period, that that would be ample time probably to make the adjustment which we need in the support level in order to start moving some of this wheat into feed and in order to permit the adjustment in some of the marginal areas back into permanent cover and into other crops other than wheat, areas that did not grow much wheat until we gave them this high incentive.

Mr. WHITTEN. In other words, you believe in 75 percent support? I am asking you what Congress should pass in the way of laws.

Secretary BENSON. I think, Mr. Chairman, that for the first year or two you would need to set it somewhere near 75 (hearings, pt. 4, p. 2334).

* * * * *

Mr. WHITTEN. Mr. Secretary, I have said many times you are quite a plausible talker and speaker, but I do not see in your speeches many figures or specific statements as to how. Can you provide figures as to how many bushels of wheat would go into feed?

Secretary BENSON. Yes; our statisticians can. But there was a time we fed between 200 million and 300 million bushels of wheat a year and that market has been lost (hearings, pt. 4, p. 2336).

* * * * *

Mr. WHITTEN. Your answer, if I understand it, is that they do not diversify and, if you had this change in support price for wheat, this 200 million or 300 million bushels of wheat would move into deficit feed areas and enable you to have more livestock than you now have. It still would appear that you would increase production.

What would be the effect upon present cattle and hog prices, if you had, say, 20 percent more cattle and 20 percent more hogs? Would that not work the hog and cattle people?

Mr. MORSE. You would not get such effects in cattle and sheep. You would get a better finished product and more of a premium price on the livestock along with some increase in pounds.

Other adjustments would take place. We have probably 8 million of 9 million acres in cultivation in the Great Plains that our soil scientists tell us should be in grass, and only in the event of war or some dire emergency should such land be farmed. As wheat prices are adjusted, some of that dry land will be retired to grass. Also, land that is subject to water erosion, and that is being farmed now would be put into hay or pasture (hearings, pt. 4, p. 2338).

* * * * *

Mr. WHITTEN. Could we have the number of farmers you hope to squeeze out of wheat production through this means, and the number of acres you feel must be squeezed out of production through this method?

Secretary BENSON. We do not want to squeeze anybody out necessarily.

Mr. WHITTEN. If you follow policies which stop them from producing wheat, have you not taken them out? How many farms are involved and how many acres are involved? Put that in the record.

When they have to quit growing wheat, what will they grow?

Mr. MORSE. Take the State of Kansas. Unless the agricultural authorities have changed, they are urging diversified farming. That is an area where the weather hazards are great; you can have wheat failures and near wheat failures. They have urged that farms should have at least two major sources of income.

Mr. WHITTEN. I can agree, Mr. Morse, that you are evading an answer. I will ask you again: When they have to quit growing wheat, what will they grow?

Mr. MORSE. Many of these people are farming thin soils, the very type of soils on which we are spending money for more conservation and on which we want more conservation practiced when we do not need farm products. Much of that land will go into grass (hearings, pt. 4, p. 2338).

* * * * *

Mr. WHITTEN. Mr. Sorkin, how many hogs would 200 million or 300 million bushels of wheat feed?

Mr. SORKIN. It would not all go to hogs. It would probably increase the total feed grain consumption in the neighborhood of 4 percent.

Mr. WHITTEN. You dodge almost as well as Mr. Morse. Ten pounds to a hog?

Mr. SORKIN. You will not feed it all to hogs.

Mr. WHITTEN. Let us say half of it goes to hogs and half to cows. I asked you how many hogs that would feed.

Mr. SORKIN. Let me do a little figuring here.

Mr. WHITTEN. Do not weigh your figures too much.

(The information requested follows:)

"Three hundred million bushels of wheat would supply the grain requirements for 1 year for approximately 11.3 million milk cows of average milk production (5,200 pounds of milk per year). Or, the 300 million bushels, of wheat would supply the grain requirements needed to feed approximately 16.8 million hogs to a weight of 225 pounds."

(Hearings, pt. 4, p. 2340.)

* * * * *

Mr. WHITTEN. You would give up controls?

Secretary BENSON. Yes.

Mr. WHITTEN. You would not want any control on acreage or otherwise?

Secretary BENSON. That is right.

After a period of adjustments you may have to use them temporarily.

Mr. WHITTEN. How long would you say?

Secretary BENSON. Eventually I think you would want to get away from them completely. In the case of wheat——

Mr. WHITTEN. You say you believe you would want to.

Secretary BENSON. No. I believe we should, Mr. Chairman. I am sorry I was not specific.

Mr. WHITTEN. What is your judgment as to how long that would be?

Secretary BENSON. It would vary with the individual commodities, I think, Mr. Chairman.

In the case of wheat, I think if we used the conservation reserve, the larger part of the conservation reserve in the wheat areas to help in this transition, that we could go to complete freedom rather rapidly.

It certainly would not take more than 2 or 3 years for complete freedom, providing we moved to the average market price as a basis for support and have the range of 75 to 90 in its use (hearings, pt. 4, p. 2360).

Mr. MARSHALL. Now, Mr. Secretary, assuming that these prices that I have enumerated here are appreciably correct, there is only one direction that wheat prices could go, and that would be down.

Secretary BENSON. I think that we must face the very hard problem that wheat prices must be adjusted downward if we are going to move more of it into consumption. I think that we are going to have to move some of this wheat back into feed as we used to do. I think when it gets down to around $1.50, in that area, in some parts of the country they will start feeding wheat again, and the market will expand (hearings, pt. 4, p. 3036).

* * * * *

Mr. MARSHALL. Your statement would indicate to this committee that in thinking of future costs, that we are going to need to make some recommendations for a continued expenditure of funds for the Department of Agriculture in meeting these problems; would that be correct?

Mr. PETERSON. It depends upon what direction legislation applicable to support prices may take, Mr. Marshall, as I see it.

The Secretary has called to your attention the problems in wheat. Wheat production in most of the dry land areas west of the 100th meridian is a high-hazard operation. The hazards will depend upon conditions but they will vary from locality to locality and from farm to farm. If the incentive in the form of assured price is high enough, then the farmer—as you and I would do, I think—would balance what he is assured of getting against the risks he knows he must take; and if in his judgment it looks like he can afford to take the risk at that assured price, he will take it.

As we increase the risk by some reduction in price, some of those people will stop producing wheat (hearings, pt. 4, p. 3039).

* * * * *

CORN

Mr. WHITTEN. What is your best judgment as to what part of that 1.7 billion bushels of corn is excess to the normal carryover?

Mr. MCLAIN. I would guess in the neighborhood of 1 billion bushels would be a safe carryover (hearings, pt. 4, p. 2341).

* * * * *

Mr. WHITTEN. What do you anticipate in the way of corn production? Do you consider $1.12 with absolutely no control will tend to have the farmer cut down?

Secretary BENSON. On this $1.12 that you referred to, Mr. Chairman, we carried out the new law on that. That represents 90 percent of the average market price for the last 3 years. And we do not believe it is going to result in much change in corn production (hearings, pt. 4, pp. 2341–2342).

* * * * *

Mr. WHITTEN. What reduction do you feel would be essential to bring corn in line with what the country needs to produce? What would be your objective in reducing corn production to bring it in line with what the country needs? I am asking for your best judgment.

Mr. MCLAIN. We can relate it to all feed grains. They are all interrelated. The total feed unit, I think, is what you are talking about.

Mr. WHITTEN. Taking corn by itself, if the same feeding pattern continues, what reduction would you anticipate that we should reach to bring corn production in line with demand?

Secretary BENSON. Mr. Chairman, I do not think——

Mr. WHITTEN. I am asking for a judgment figure.

Secretary BENSON. I do not think you will need any reduction in corn with our livestock population as it is if we have normal weather. The thing that shot up production last year was the most favorable weather we have had in my memory nationwide. So with increased production of livestock and increased production of meat I do not think we will need any reduction in corn (hearings, pt. 4, pp. 2343–2344).

* * * * *

Mr. WHITTEN. You know, if you start feeding 200 million or 300 million bushels of wheat, to that extent you will not use the amount of corn and other feed that you now do.

Secretary BENSON. There would be very little displacement (hearings, pt. 4, p. 2346).

* * * * *

Secretary BENSON. We would not recommend any legislation, Mr. Chairman, on the feed grains.

Mr. WHITTEN. You are using 60 percent of parity.

Secretary BENSON. We think the law we have now will pretty well take care of things. We did object to the minimum of 65 in the case of corn when new legislation was passed last year. As you may recall, we felt that there may be a need some time to go as low as 60 percent on corn.

This year 90 percent of the average market price is higher than 65 percent of parity, so we did not use it this year (hearings, pt. 4, p. 2348).

* * * * *

OTHER FEED GRAINS

Mr. WHITTEN. Now I would like to find out what you mean. In your judgment, what do we need to cut back feed grain production to, and in order to cut it back to what you think it should be, what price-support levels do you think we ought to have? We cannot do the things you talk about unless we know just exactly what you mean.

Secretary BENSON. We think the legislation we have on feed grains is adequate, Mr. Chairman. (hearings, pt. 4, p. 2345.)

* * * * *

Mr. WHITTEN. You had a 500 percent increase in grain sorghums. How much of that excess production do you think we ought to cut back? Answer that and then we will discuss how to do it.

Secretary BENSON. Of course we started from a very low base on these sorghum grains. This is a comparatively new crop. Hybrids are a recent development. You started with a very low base. This increase has come in very recent years and I do not think we need, with the livestock population we have, I do not think we need any great cutback in sorghum grains. I think with this 60 percent support on marginal lands maybe they will not plant sorghum grains next year. I do not think we need to do anything more (hearings, pt. 4, p. 2346).

* * * * *

Mr. WHITTEN. Mr. Morse, let us agree that the Ozarks area figures just as prominently as you have said, and that this Congress ought to do something about it. It should not be on a political basis, Democrat and Republican alike ought to do something about it. You tell me what you suggest that we do.

Mr. MORSE. All right—for the feed grains, leave the law alone (hearings, pt. 4, pp. 2352–2353).

* * * * *

STORAGE

Mr. MARSHALL. How much expansion is there in corn from your latest figures?

Secretary BENSON. I do not have the exact figure in mind, but the March intentions to plant report, as I recall, showed some increase in corn, I think in the neighborhood of 9 million acres. There is some decrease in sorghum, some decrease in soybeans, and some decrease in oats. There was an increase of approximately 9 million acres in corn, as I recall. Those are planting intentions as of March 1; they are not actual plantings.

Mr. MARSHALL. Are you going to be able to provide storage space for all this additional corn?

Secretary BENSON. We think, Mr. Marshall, that we will be able to * * *. (Hearings, pt. 4, p. 3032.)

* * * * *

LIVESTOCK

Mr. MARSHALL. What protection does the hog farmer, the cattle feeder, or the poultryman have against the dumping of a surplus amount of feed into the hands of people that feed corn and feed grains?

Secretary BENSON. So far as Government stocks are concerned, you know, of course, that the Congress has provided a provision that we are not permitted to sell any corn at less than 105 percent of the support level unless it is out of condition, or is threatening to go out of condition, so that there is not much chance there is going to be great quantities of Government corn dumped on the market. I think with the livestock population we have, current feeding is going to absorb current production pretty well. I hope they will still continue to move some corn into export and gradually reduce our stocks in the meantime (hearings, pt. 4, pp. 3033, 3034).

* * * * *

PRODUCTION

Mr. MARSHALL. Has the Department made any studies recently that would show what the potential production increase would be—not confined to any one commodity—in crops throughout the country? Have you made a study as to how much increased production we can expect in the next few years? * * * Let us take the program that you recommended.

Secretary BENSON. I do not know whether we have or not. Not specifically aimed at that. I think the general feeling is that we can expect our production per unit to continue the upward trend—maybe not as rapidly as it has been going in the last few years, but that the trend will continue to go up (hearings, pt. 4, pp. 3037–3038).

* * * * *

COSTS

Mr. MARSHALL. Considering the matter of price support operations and all of those items that might affect it by any stretch of the imagination, how much could we expect the needs of the Department to be for a period, we may say, over the next 5 years?

Would you care to make any sort of an estimate on that?

Secretary BENSON. I could not offhand, Mr. Marshall, but we will be glad to try and give some estimates, for what they are worth (hearings, pt. 4, p. 3041).

Mr. Chairman, the Congress has been generous with Secretary Benson. It has authorized him to spend more money than any other man who has ever held that office. It has increased the employees of his Department by more than 21,000 persons. It has yielded to his wishes on legislation far beyond the wishes of many Members, including myself, so that nothing would stand in his way to hinder his management of the farm program which is under his temporary jurisdiction.

CONGRESS RESPONDS ON LEGISLATION

Senator SYMINGTON, of Missouri, requested the Legislative Reference Service of the Library of Congress to draft a report on how the Congress has responded to requests for farm price and income legislation from the President and the Secretary of Agriculture. The report, quoted in the Senator's remarks on February 16, 1959, says:

In the past 6 sessions of the Congress some 53 recommendations have been made by the Secretary of Agriculture for price and income stabilization for commercial farmers.

Of this total, 21 legislative actions have substantially fulfilled the requirements stated by the Secretary, and 7 of his recommendations were only partially met, or the timing of the changes recommended were delayed.

DEPARTMENT OPPOSES CONGRESS

The record indicates that the recommendations of Congress, on the other hand, are acted upon with far less enthusiasm on the part of Secretary Benson. The Washington Farmletter of April 25, 1959, carried this story:

USDA dissents: Chairman COOLEY, of the House Agriculture Committee, said 3 weeks ago that House Members had introduced 238 farm bills this year, and that USDA had objected to every one of them on which it had taken a position. So we looked into the score since January 1953.

A total of 2,141 farm bills were referred to House Agriculture Committee in the 83d, 84th, and 85th sessions of Congress (1953–58). Of these, the committee asked USDA for reports on 529. USDA replied favorably on 127 bills, mostly minor measures. On some bills USDA took no stand or suggested changes. USDA rejected every major House proposal.

In the present session, USDA has objected to 26 out of 61 bills sent to it by the committee (out of 264 bills referred to it). To only two bills has USDA so far not objected. One was a bill to establish a country life commission (USDA said the purpose was okay but a commission unnecessary). The other is a bill tightening up regulations on excess wheat stored in order to avoid marketing penalty.

During this debate we have pointed out some of the many benefits still accruing from our present farm program, badly administered as some of us think it is. We also have acknowledged some of the faults which we know to exist.

CHANGES ARE NEEDED

Some of our programs are out of date. Some of our methods are no longer useful. We have to accept the fact that acreage controls in themselves have long since failed to do the job for which they were intended, and especially so as they have been administered by the Department of Agriculture in recent years.

We must accept the fact of surpluses in some crops for a number of years to come. We have to accept the fact of high costs of running the Department of Agriculture for some time to come. However, a great deal can be done in this field if there is a will to improve management and cut costs where the studies of our committee show they can be cut.

We must accept the fact also, Mr. Chairman, of Secretary of Agriculture Ezra Taft Benson, at least until the end of the President's term. The Congress cannot repeal Secretary Benson, though Benson can veto the Congress. This is a fact of life that all of us may as well recognize.

LOOK TO NEEDS OF TOMORROW

We will still have to provide funds for the Department of Agriculture. We will still have to provide legislation for farmers. Looking ahead, it is plain that for the immediate future agriculture is capable of producing far more than can be used.

While all of these facts exist as of today, we need to look to the needs of tomorrow. Generations yet unborn will be enriched or impoverished by the way in which we deal with the economic problems on the farm and the land and water conservation needs of today.

Mr. WHITTEN. Mr. Chairman, we have no further requests for time.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960; namely.

Mr. TABER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty-five Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 43]

Alford	Elliott	Meyer
Anfuso	Fallon	Milliken
Ashley	Farbstein	Monagan
Ashmore	Fenton	Moorhead
Bailey	Flood	Morgan
Barden	Flynt	Moss
Barrett	Fogarty	Multer
Bass	Fountain	Mumma
Baumhart	Gallagher	Nix
Bennett, Mich	Garmatz	Perkins
Betts	Gavin	Philbin
Boggs	Giaimo	Poage
Bowles	Glenn	Powell
Buckley	Harris	Preston
Bush	Healey	Prokop
Cahill	Holland	Pucinski
Carnahan	Hosmer	Rabaut
Celler	Ikard	Reece, Tenn.
Clark	Johnson, Md.	Rhodes, Pa.
Coad	Jones, Ala.	Rivers, S.C.
Coffin	Karth	Rostenkowski
Corbett	Kearns	Saylor
Dague	Kee	Smith, Iowa
Daniels	Keith	Springer
Davis, Ga.	Kilburn	Taylor
Dawson	Lafore	Teller
Dent	Laird	Thompson, N.J.
Denton	Lennon	Toll
Derounian	Lesinski	Tollefson
Diggs	Loser	Udall
Dooley	Magnuson	Wharton
Dorn, N.Y.	Matthews	Wilson
Dorn, S.C.	Meader	Winstead
Durham	Merrow	Yates

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KILDAY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 7175, and finding itself without a quorum, he had directed the roll to be called, when 330 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956 (16 U.S.C. 590p), $7,500,000, to remain available until expended.

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to 16, 16(a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U.S.C. 590g–590(o), 590p(a), and 590q), including not to exceed $6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, $241,500,000, to remain available until December 31 of the next succeeding fiscal year for compliance with the program of soil-building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1959, carried out during the period July 1, 1958, to December 31, 1959, inclusive: *Provided,* That not to exceed $26,832,950 of the total sum provided under this head shall be available during the current fiscal year for administrative expenses for carrying out such program, the cost of aerial photographs, however, not to be charged to such limitation; but not more than $5,424,200 shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938": *Provided further,* That none of the funds herein appropriated shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further,* That such amounts shall be available for administrative expenses in connection with the formulation and administration of the 1960 program of soil-building and soil- and water-conserving practices, under the Act of February 29, 1936, as amended (amounting to $250,000,000, including administration, and no participant shall receive more than $2,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community): *Provided further,* That no change shall be made in such 1960 program which will have the effect in any county, of restricting eligibility requirements or cost-sharing on practices included in either the 1957 or the 1958 programs, unless such change shall have been recommended by the county committee and approved by the State committee: *Provided further,* That the proportion of the State fund initially allocated to any county for the 1960 program shall not be reduced from the distribution of such fund for the 1958 program year: *Provided further,* That not to exceed 5 per centum of the allocation for the 1960 agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further,* That for the 1960 program $2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices and $1,000,000 shall be available for conservation practices related directly to flood prevention work in approved watersheds: *Provided further,* That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further,* That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any

person who has been convicted of violating the Act entiled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels.

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: On page 12, line 15, after the word "to" strike out "$250,000,000" and insert "$100,000,000."

Mr. MICHEL. Mr. Chairman, I believe it was the famed Chinese philosopher, Confucius, who once said something like this:

The thing that troubles or concerns me is * * * if I should fail to move forward when I see the right course or fail to correct myself when I see my mistake.

Some of us have not been around here long enough to make any really serious mistakes. I do not mean to imply that many of the good Members who have been around here for many, many years have made many mistakes or even a few mistakes. But it seems to me in an item like this, ACP payments, which have gone on for years and years and now for the last several years have been in the neighborhood of a quarter of a billion dollars, that we ought to take another look at this and see what we can do to put some rhyme and reason into this whole conservation program.

The purpose of my amendment is to cut back ACP payments from the amount authorized in the bill $250 million, to the amount of the budget request, $100 million. This would be, of course, for such items as limestone, phosphates, and so forth.

In other words, in this program we are paying farmers to establish rotation cover crops, to establish wells for livestock, farm ponds, for open ditches, and again for closed ditches, and for cover crops of a seasonal nature.

It seems to me that in this overall program we are paying on the one hand a quarter of a billion dollars to increase productivity of millions of acres of land and at the same time the big problem that confronts the country today in agriculture is the fact that we have so much surplus. So I say that on the one hand why continue to pay the farmer to increase the productivity of his land when the biggest problem we have is agricultural surpluses

Of course, you are going to get some objections from some people back home. Representing a rural and an urban district, about half and half, as I do, I will get some objections from some of my farmers. It is not an easy thing to tell some fellow, "You are going to get less from the Federal Government," or, "We are going to do a little bit less for you this year than we did last year." But to my mind, it is the right thing to do. There will be some areas of the country where they will say, "This is the only program in which we can participate in the farm program." Particularly up in New England they will say, "This is the only chance we have to get our fist into the Federal till. You fellows in the Midwest with your acreage reserve and conservation reserve are going to get bundles of it, but this is an opportunity for us to get a little bit of change for our small farmers."

I think also you are going to get some objections from what I like to call the limestone trust, and those who through the years have come to sell a great many bales of fertilizer, because the Federal Government is picking up half of the tab to do the job. But that does not necessarily mean it is the right thing to do. Frankly, it looks to me as though we are doing a round robin. On the one hand, we are paying out to increase the productivity of millions of acres and at the same time we are having to pay thousands of farmers a support price or a conservation reserve payment to take his land out of production. Frankly, I think it makes much more sense to put this money into the long-range conservation reserve program where we take land out of production for a period of years and put it back into a cover crop rather than simply paying a farmer for increasing his production this year or the next year. If it is a long-range program, then I can support part of it, but so much of these payments are in the form of short-term year-to-year payments, and I am certainly opposed to the continuation of that type of program. That is the purpose of this amendment to give you folks a chance to register your objections to these continual payments which now amount to a quarter of a billion dollars this year and to give you a chance to do something by way of economizing and saving the taxpayers a good chunk of do-ray-me.

I am glad to yield to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I think we have to get to a point where we are ready to save some money and to go along when the budget estimate is sent up here, as this one was, providing for $150 million less than last year. I think we have to go along and do it. We need to do it. It seems to me that adopting this amendment is a good deal more important than turning it down just for the benefit of the limestone sellers.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is a debate that we have had in this Congress many, many times. May I say at the outset there is no finer Member than the Member who just addressed you and who just offered this amendment. May I also say that he has worked hard and he has worked diligently. But in offering this amendment I do think it is quite apparent he has not had the time to give the attention to this and to other things in this bill.

In the first place, the gentleman points out in his earlier statement things that he thinks should be eliminated from these programs. They are carefully restricted to those that do not apply to his district. Now this is a big country. In my area I do not have many of the problems that the gentleman has, and if my land was worth $500 an acre and I was in as close proximity to the markets as my good friend, BOB MICHEL, I probably would not have them either.

But I want to say this here and now. In my opinion, there is no obligation by the Federal Government to pay anybody to do work on his land. But, while there is no obligation, history shows that we have wasted 40 percent of all our natural resources, that the topsoil from 50 acres of land flows by the city of Memphis every day, and some of this from the State of Illinois, and that in some areas more than half of our timber has been lost in less than 150 years. If by this Federal program you can lead farmers to do the things that are needed on their land, this is the best investment that you can make.

Whatever practices are provided for in this bill are selected by the farmers. They go through this process. First, the Secretary of Agriculture prepares a catalog, and if it is not in the catalog, they cannot do it. If it is in the catalog, my friends, it is not used until the State itself approves it. Then, it cannot be used in a single county in the United States, unless the county committee says that it was important to that county. Then, my friends, it will not be done on a single farm unless the farmer chooses it. And when he chooses it, he decides that it is of sufficient significance that he will put up an equal amount of money and do the work himself. I have never signed up under this program myself. I have farmed. I am not saying my land should not have been under it; it should have been under it. The lands I have dealt with have suffered because I was not cooperating with the county officials in the area. But I could not put myself in the position of letting anyone say my personal interests interfered with my duty here. Let me say to you again that my good friend will be here many, many years, and I am sincere when I say that; he is a very able person. But what he has done is to leave in the bill every dollar for personnel but not enough money to finance the program they are to administer. He said earlier that he was learning. He has learned well.

I am sorry to be so stirred up about this. My good friend JOHN TABER was interested in this amendment.

Mr. Chairman, there are a hundred things in this bill that should recommend it. I do think that if by this small amount of money you can lead the farmers of the country under their difficult circumstances to put money and effort into protecting the land for future generations, that is a good investment.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. TABER. You know it is the usual dodge of the fellow who does not have a good defense to start talking about something else.

Mr. WHITTEN. I take the statement of my friend JOHN TABER, and especially at this time, as being the last word to rely on. But I am sincere when I say that the whole future of this country is

involved in trying to see that we protect our soil. Let these practices that I am talking about continue. The farmer puts up his money and his labor. He selects from the catalog the program best suited to his lands. I do think it is unwise to take out most of the program funds as this amendment would. This is an old issue. We have resolved it many, many times in the past.

I trust you will vote the amendment down.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer a preferential motion.

Mr. CANNON. Mr. Chairman, I seek recognition.

The CHAIRMAN. The gentleman from Michigan offers a preferential motion which the Clerk will report.

The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. CANNON. Mr. Chairman, as chairman of the Committee on Appropriations I was seeking recognition.

The CHAIRMAN. The gentleman from Michigan has offered a preferential motion.

Mr. CANNON. But I was seeking recognition to offer a similar motion. But it is all right if I may have the last 5 minutes in opposition.

Mr. HOFFMAN of Michigan. I do not have control of the time. All you have to do is rise in opposition to the motion. You wrote the rules.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes.

Mr. HOFFMAN of Michigan. Mr. Chairman, no one has more admiration for the gentleman from Mississippi who just left the floor than does the Member from the Fourth District of Michigan, but it does not make any difference how loud you yell, the volume of sound does not change the facts.

The farmers who are getting relief under this agricultural legislation are being paid by all the people who contribute through taxation to the benefits which a comparatively few receive. Of course, we all know that; that is no new great discovery; it does not require one to be a sage or oracle to be aware of the situation.

What they are doing is what so many other groups do, especially the unions: They are asking Paul to pay Peter. What I am afraid of is that soon there will not be enough Pauls to go around. You all know the situation.

But may it be suggested that in Michigan in the Fourth Congressional District there are some who are willing to meet and successfully solve the problems which come to the farmers.

Permit me to read from a letter which came in the morning's mail from Andrew G. Lohman, manager of the Hamilton Farm Bureau Cooperative, Inc., located at Hamilton, in the township of Heath, Allegan County, Mich.

Mr. Lohman not only has managed this co-op for years, but, during the war, was called to Washington frequently as an expert on farm problems, on the production, purchase, and sale of poultry, of eggs—in fact, an expert on farm activities.

Under his management, the co-op has grown from a small enterprise into a co-op which does $6 million worth of business a year.

Permit me to read from his letter, dated May 15, 1959:

We read in the Poultryman issue of May 4 of poultry producer appeals for relief from low prices of eggs and poultry meat. According to the press release, the congressional hearing is giving serious consideration to quota production and support prices to relieve members of the industry that are hard hit by slumping prices.

All poultry producers whether they be in egg, broiler, or turkey production, are finding it very difficult to make a living because of low prices. Here at Hamilton our feed prices to our farmers is 3 cents a pound. With a 5-pound feed conversion per dozen of eggs and a monthly depreciation per layer of 11 to 13 cents, those two items alone bring our egg cost to between 22 and 23 cents per dozen.

Just compare that with the egg price in the market here.

Mr. Lohman is the expert the Democratic administration used to call down to tell them about poultry, eggs, and other farm needs. He goes on to say this:

A support program at the present time will only help out these large vertical integration programs now getting under way and this will prolong the agony. Quotas and subsidies will give only a temporary respite and are no real solution to the problem that faces us. If we tighten our belts the road ahead may be a bit rough but it will give the law of supply and demand a chance to function.

We feel that the Federal Government is not justified in becoming further involved in supporting prices of poultry products.

The Hamilton Farm Bureau of Cooperative, Inc., of which Andrew G. Lohman has been manager for so many years, was organized when about 140 people invested on an average of about $100 each, making a total investment of around $13,820, now has 984 stockholders.

During its existence, it has paid in cash approximately $1,500,000 in savings to its patrons, and the value of the organization at the present time is almost $1 million.

The indirect benefits which its patrons have received have probably exceeded direct savings through better prices.

All this without a dollar of Federal help and in spite of competition and other difficulties, they are ready to ride along until we get back to the law of supply and demand.

We can go ahead, as we undoubtedly will, and let all of us pay first, members of one group, then of another, for programs which today are pushing us further into debt with the present farm program, which, it is said on wheat alone, costs us more than a million dollars a day. Go ahead with it until ultimately we will have to go back to a sound, sensible, tested way of legislating.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Iowa.

Mr. GROSS. Can the gentleman tell us how much grain they have stored in that $6 million operation, in that cooperative elevator?

Mr. HOFFMAN of Michigan. None. I do know that our subcommittees are coming up day after day with disclosures that we have surplus commodities which the Government purchases, stores, then sells at a loss of millions. That I do know.

Of wheat, we have enough on hand to last us at least 2 years. Yet we pay growers to raise more.

Mr. CANNON. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I take this time because I want to talk to the very best friends I have in the House. I want to talk to my fellow labor Congressmen.

Now, you know I am the dean of the labor men in the House. I have voted for labor longer and more consistently than any other man on this floor. Why, I was supporting Sam Gompers and John L. Lewis and voting for every labor bill they advocated before most of you were learning to walk—and from there on down to Meany and Reuther. I have never voted against a labor bill in my life.

I am dean of the labor delegation in the House and in the Senate and I am inclined to think I had better call a session of the delegation right now.

I heard just a while ago that there were some of my stanch labor friends who were saying they were getting a little tired of voting for these farm bills and were not going to vote with the farmers this time.

Now let us sit down and talk this matter over and reason it out together.

The distinguished gentleman from Michigan who just left the floor was right when he was talking about the price of eggs. Eggs are selling today lower than they have sold since 1941. How would we like to go back to the wages we got in 1941? And how would the railroads like to go back to the freight rates they were charging the farmer in 1941?

Following the war I sold hogs for $30 a hundred. At that time labor was getting the highest wages ever paid and everybody else was getting the highest prices ever received.

What happened. Everybody kept going up. Freight rates have been increased eight times since that—and they get the farmer going and coming. He pays the freight on everything he buys and on everything he sells. The tractor that cost him $1,500 that year now costs $3,600. But everything he sells has gone down. I sold a load of hogs a couple of weeks ago and got $16.75 for them instead of the $30—and that was the top of the market for the day. Everybody else—the butcher, the baker and the candlestick maker are getting more than twice what they were getting then and the farmer is getting half—for his eggs he is getting a fourth.

You had a good breakfast this morning—a nice fresh egg and a couple of rashers of bacon. I raised the hen that laid that egg and the hog that produced that bacon and I and the other farmers made you a present of a large part of that breakfast. You do not subsidize the farmer; the farmer subsidizes you.

Suppose you had paid us union wages for union hours. And our farmers were on the job before daybreak and finished up by twilight—7 days a week and the wife and children helping.

And still some of my best friends are getting tired voting for farm bills. The Prophet Elijah had something to say to King David about that on one occasion. Here is labor and industry and commerce and transportation—with their great flocks and high wages and high rates and high dividends and high quotations on the stock market. And they take away from the farmer his one poor little lamb—this pitiful little farm bill.

I will tell you what I will do, brethren. I will make you a fair proposition. If you will repeal all the labor laws on the statute books—minimum wage, child labor, collective bargaining, labor relations, immigration, and all the rest of them—the farmer will give up his little farm bill you are getting so tired of. Either everybody come down or nobody come down. Either a law for the farmer or a law for nobody. The farmer does not object to the high prices you charge him. The farmer believes in high prices—to every man the assured fruitage of his toil. But the farmer believes in reciprocity. That is what I have been practicing every time I voted for a labor bill. And I am going to continue to vote for them. They are simple justice.

But let us go a little easy on that tired business.

Kiplinger says in his letter this week that food is the greatest bargain on the markets of the Nation today. And that is unquestionably true. It takes less hours of labor to buy food today than ever before. And the farmers get the smallest part of the dollar paid for food of anybody. The man who delivered that bottle of milk at your door this morning gets more out of what you paid for it than the man who owns the farm and the herd and pays the taxes and works 14 hours a day. If the farmer donated the wheat that goes in your loaf of bread the loaf would not cost you a cent less at the grocery store.

Surely the laborer is worthy of his hire. So do not grow weary of well-doing. Do not get tired of voting even the meager wage he gets. I don't like this bill. But this is all we can get. It is this or nothing.

Do not bite the hand that feeds you. The farmer is giving you more and better food than ever before—and at the lowest price in terms of labor—ever paid.

My friends, let me plead with you. Do not kick the underdog. Give us a square deal. Just enough to let us stay on the farm our fathers left us.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Michigan [Mr. HOFFMAN].

The motion was rejected.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois [Mr. MICHEL].

Mr. Chairman, the bill before us today carries a little better than $3.9 billion in new money. The ACP program in operation in this country today has 1,208,000 farmers participating and there are 1,161,000 farms and ranches in this program. The amount of money in this bill for the ACP program for the fiscal year 1960 in actual money totals $241,500,000.

Now, Mr. Chairman, let us compare that amount with the amount in this bill for conservation reserve. In this bill we have $310 million for conservation reserve. There are 125,000 people participating in the conservation reserve program. We further authorize for the next year $325 million for conservation reserve.

Now, compare the number of farmers in the conservation reserve program and those in the ACP program. If there is one part in this bill, Mr. Chairman, that benefits the small farmer, it is this particular portion of the bill, the ACP program. Here in this country, Mr. Chairman, agriculture represents 13 percent of the population and receives about 6 percent of the total income. I say to you if you want to hurt the little farmer, the man that needs more help today than anyone else, all you have to do is vote in favor of the amendment offered by my distinguished friend from Illinois. As pointed out by my chairman, the gentleman from Mississippi [Mr. WHITTEN], our new member, the gentleman from Illinois [Mr. MICHEL], the sponsor of this amendment, is making a fine member of this committee, but I would like to say to him that in his district, even though half of it is urban and half of it is rural, there are more little farmers receiving benefits from this program than from any other part of this bill.

Mr. Chairman, I hope the amendment is voted down.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield

Mr. NATCHER. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. Are we not here asking ourselves this question: Shall we or shall we not pay some attention to the condition of our soil 50 years from now?

Mr. NATCHER. I agree with the gentleman.

Mr. ANDERSEN of Minnesota. Now, through this program it is a well-established fact that for every dollar the farmer receives in assistance he contributes at least $2, if not $3, of his own time and money to see to it that those particular practices are applied to his land, in other words, for $250 million of ACP money the farmers of the United States are applying directly to the soils of the country at least $500 million in increased value of the soil, not just for themselves but for the Nation generally. They are mere temporary caretakers of that soil, that thin layer measured in inches that provides the food for the people of the United States. But, they are taking care of that soil for these 300 million people that I mentioned earlier today who will be in the United States of America just 50 short years from now.

I think it would be the height of foolishness to accept this amendment.

Mr. NATCHER. Mr. Chairman, I agree with the gentleman.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to my friend from Illinois.

Mr. MICHEL. The gentleman certainly has made a forthright statement in behalf of his own position. I want to make it very clear that I carry no brief for the large farmer, because I have no so-called corporate or large farmers in my district. They are small farmers, and as I indicated earlier in my remarks, since there are so many small farmers, it is going to take a couple of bucks out of their pocket, and that is not an easy thing for me to do, to go back to my farmers and say, "I am going to propose to cut you out of 10 or 15 or 50 bucks."

But I am looking at this in an objective way. Do we want to increase the productivity of millions of acres of land when at the same time our overall problem in the country is one of overproduction?

Mr. NATCHER. Mr. Chairman, I ask that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MICHEL].

The question was taken; and on a division (demanded by Mr. MICHEL) there were—ayes 53, noes 95.

So the amendment was rejected.

Mr. BYRNES of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BYRNES of Wisconsin: On page 14, line 18, strike out the period in line 18, insert a colon and add "*Provided further*, That no part of any funds appropriated herein for soil building and soil and water conserving practices, under the Act of February 29, 1936, as amended, shall be used to make small payment increases as provided in section 8 (e) of that Act."

Mr. WHITTEN. Mr. Chairman, I make a point of order against the amendment.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman reserve his point of order?

Mr. WHITTEN. Mr. Chairman, I reserve my point of order.

The CHAIRMAN. The gentleman from Mississippi [Mr. WHITTEN] reserves his point of order against the amendment.

Mr. BYRNES of Wisconsin. Mr. Chairman, I appreciate the action of the chairman of the committee in reserving his point of order rather than pressing it at this time. I am hopeful, after an explanation of my amendment, that the gentleman will recognize the merits of the amendment, for one; and the remarks I make will go to the question whether a point of order would lie against this amendment. So we may save time on that.

Mr. Chairman, the purpose of this amendment and the real effect of this amendment would be to increase the payments under the agricultural conservation program for actual conservation practices without any increase in the appropriation for that purpose.

I did not realize that this was the situation until I was advised by the chairman of our State ASC committee in Wisconsin of problems that they have encountered under section 8(e) in the

1938 act, which provides these so-called small payments. Under the law enacted in 1938 payments made to farmers under the ACP program are increased by specific percentage amounts if the payments are less than $200. This is known as the small payments increase provision. All of these increases are in small amounts. Under the formula provided by law they run from $8 to $14 a farm, depending upon the size of the payment which the farmer otherwise would earn as a result of his practices.

In the aggregate, however, they represent a sizeable portion of the funds paid by the Federal Government for conservation practices. In 1957, for example, the latest year for which I have data, small payment increases cost the Federal Government $10,743,000.

This large amount of money was not paid for soil conservation practices. It was purely a gratuitous gesture on the part of the Federal Government. It did not produce a dime's worth of soil conservation. On the contrary, and this is the tragic part, this $10 million was withheld from funds which otherwise would be available for payments to farmers for carrying out conservation practices.

This is conservation in reverse. From 1938 through 1957, over $600 million have been paid out in these so-called small payment increases. Not 1 cent of this has gone for soil conservation. Over $600 million has been spent which otherwise might have been used to build up our soil.

This has come about either through legislative inertia or oversight. ACP payments were originally of two types: first, conservation practice payment; and, secondly, payments for planting within reduced acreage allotments in the case of certain soil depleting crops. Legislative history shows that the major purpose of the small payment increase provision, added in 1938, was to encourage small farms to participate in the acreage reduction program.

Beginning in 1944, however, payments for acreage reduction ended and since that time, assistance under ACP has been limited solely to conservation practices. But, the basic law has never been changed and so, we still continue to make small payment increases which were meant for a purpose which has long since lost its validity. The administration recommended, in 1955, and has since urged, that the small payment increase—section 8(e) of the Soil Conservation and Domestic Allotment Act—be repealed, but Congress has never acted upon that recommendation.

Thus, we continue to pay out over $10 million a year, in driblets of $8 to $14, for no purpose whatsoever, withholding this large sum from funds which are supposed to be, and should be, used for actual conservation practices. If we ask what this means to the farmers and to the people who are interested in this program, just let me read a paragraph from a letter I received recently from the clerk of the Guthrie County ASC Committee of Guthrie Center, Iowa. He says:

> This payment is purely a gift and does no good whatsoever in encouraging soil conservation practices. In many cases in our county, refund of this gift is necessary be cause later in the same year an individual may do another practice bringing the total payment over $200.

I continue to quote from the letter:

> In cases where a purchase order is written for example on lime, the Government's share is made to the contractor and then several months later the farmer receives a check of $14 and he comes to the county office to inquire what this payment represents.

Mr. Chairman, it seems to me this $10 million or more that we are spending in this giveaway proposition could very well be used to implement what we can actually pay in a matching formula under actual soil conservation practices.

Mr. Chairman, I suggest that the amendment being not only what I consider meritorious to improve our soil conservation program and make available more money for actual soil conservation practices is in order as a limitation on an appropriation bill.

Mr. WHITTEN. Mr. Chairman, before speaking on the point of order, I would like to answer some of the statements made.

First, this provision, as was pointed out by the gentleman, was written into the law in 1938. It has been my experience and observation that the reason for many small farms in the country may be the lack of attention in the years past to preserving the soil and things of that sort. It is recognized that the larger operators are more apt to do the things that the soil needs more frequently than the small operators. In the basic law, this provision was written in here on the basis that by a small payment, which generally is tied up to a small farm, the Government will contribute a larger share of the cost of the practice. That is the basis on which it was written into the law. And, it is the basis on which it has been operated, so far as I know.

This usually is tied to the small farms. Your procedure in every county is that the county committee advises the rate at which the Federal Government will make contributions within the limit of the money available. That is the policy of small payments which has existed since 1938.

Now, Mr. Chairman, as to the point of order. The gentleman's amendment is tied to the money which this bill would appropriate to pay for contracts entered into last year. I would respectfully submit here that to tie strings to the money that is authorized under the basic act for this additional contribution under small payments on contracts which the Government owes, certainly should not lie here. That is a matter having to do with legislation. If the law needs to be changed, I am certain the gentleman could ably offer his recommendations to the legislative committee on agriculture where this matter should go.

Here in this bill, and we fought over this many times, Mr. Chairman, in the conservation program, the ACP program, you do two things. You announce next year's program and you provide funds for the payment of existing contracts which have been entered into under the previous year's announced program. This particular amendment would prohibit the payment of some funds under existing contracts. I respectfully submit it is improper to reach at it in this way, and I think the amendment is subject to a point of order.

The CHAIRMAN. Does the gentleman from Wisconsin desire to be heard on the point of order?

Mr. BYRNES of Wisconsin. Mr. Chairman, I wish only to repeat what I said during my principal remarks, that I present the amendment as a limitation on an appropriation and I believe on that basis the amendment is in order.

The CHAIRMAN (Mr. KILDAY). The Chair is prepared to rule.

The gentleman from Wisconsin has offered an amendment which has been reported by the Clerk. The gentleman from Mississippi has made a point of order against the amendment on the ground that it constitutes legislation on an appropriation bill. The Chair would point out that the amendment, as offered by the gentleman from Wisconsin, is a proviso to the language contained in the bill providing that no part of any funds appropriated herein—and then states the limitation of purpose for which the funds appropriated in this bill shall not be used. Therefore, the Chair is constrained to hold that this constitutes a limitation on the use of the funds and, therefore, would be in order. The Chair overrules the point of order.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment. I simply point out the fact that this law has been in existence since 1938. In addition, to that, announcement of the program was made last year. The money in this bill is for the purpose of paying existing contracts. I respectfully submit to my good friend from Wisconsin that the place to handle this problem is in the legislative committee. Let them consider it and report appropriate legislation. I think it is improper here at this time to attempt to eliminate a part of existing contracts; and I therefore hope the amendment is defeated.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. I do not intend to extend the debate; I would suggest to the gentleman that I have brought the matter to the attention of the legislative committee, and it is my hope that as far as future years are concerned the law will be changed so it will not be necessary to use this method, but as far as this particular $10 million is concerned, it could be made available for conservation practices. I suggest to the gentleman that the contract that is made is a contract to perform certain practices and then the Federal Government would assure a certain amount. This only goes into effect in this way so far as the $200 payment is concerned. If it comes out to $186 they then make his check out for $200. I am sure the gentleman recalls the case that was written about to me by the AFC clerk in Iowa.

Mr. WHITTEN. May I say in conclusion that the little operators should be

protected and that the bulk of the funds should not go to the big operators. The purpose the gentleman has in mind we may agree with, but it should be done by proper legislation.

This law has been carried out as it is since 1938, and I respectfully submit that when we make contracts we should honor our commitments and should not by the adoption of an amendment such as this to entirely change a policy that was announced last year under a law that has been in effect since 1938. Let us allow the appropriate committee straighten this out.

I hope the amendment will be defeated.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Wisconsin has correctly stated that this does involve around $10 million or $11 million, but this is not the way to reach it. If the gentleman has strong feelings on the subject an amendment with proper drafting by way of the legislative committee is the proper course. This amendment would, of course, apply mostly to small farms.

Just purely from an equitable standpoint and the fact that the gentleman did not offer an amendment coincidentally which would take off the $10 million from the amount in the bill means, I think, that this would just play into the hands of the large operators.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield.

Mr. BYRNES of Wisconsin. Nobody could lose much money. The gentleman will certainly concede that no individual farmer in any 1 year could lose more than $14. Under this program that is the maximum, $14 that is paid on the small farm to the individual farmer. So this is not a case of taking a million dollars or $100,000 from a farmer. The most that could be taken would be $14.

Mr. ANDERSEN of Minnesota. If it is $14 or $50 or even $100, the principle is the same. That is the trouble with this kind of amendment offered from the floor. In all equity such amendments should not come up here and be decided after 5 or 10 minutes of debate. To deal with such situations is why we have the House Committee on Agriculture.

I hope the amendment will be voted down.

Mr. HOFFMAN of Michigan. Mr. Chairman, I rise in support of the amendment.

Mr. HOFFMAN of Michigan. Mr. Chairman, unless I am completely mistaken, the validity of justice of this amendment is admitted both by the chairman of the committee and the ranking minority member.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. WHITTEN. May I say I have not so agreed and did not agree. But I say that if there is merit to the gentleman's argument then the proper place to present it is before the legislative Committee on Agriculture and not on the floor after the contracts have been entered into.

Mr. HOFFMAN of Michigan. Perhaps, unintentionally, I misstated myself. What I meant, and what I think the RECORD will show, if the gentleman does not revise his remarks, was that the chairman of the committee admitted there was merit in the amendment. I realize that the opposition to an amendment which has merit is to object that the present—that is, when it is offered from the floor—is neither the time nor the proper place to consider or adopt it—just postpone it—the amendment is all right, but let us not take it up now. That is the usual argument here when it appears that the committee had failed to see the need in committee.

This morning a letter came to me, which may be of interest to those who in the last session and since have continuously criticized and berated Secretary of Agriculture Benson. That letter was read to you just a few minutes ago. You might give it consideration in considering the pending amendment. In those days, we were told time and time again, not only by present Members of the House but by some who are not now here that, if we did not get rid of Secretary Benson, the country would go to the dogs; that Secretary Benson's agricultural program was worse than the program and the administration of the program which was adopted in 1938 by our Democrat friends.

And permit me to add that time and experience have demonstrated that that program, while it may have gained votes for its originators and sponsors, has as yet neither cured nor contributed to the cure of any of the ills affecting the agriculture industry, although we can all admit that it has been beneficial to a few large corporations which have been farming and collecting subsidies. It has not reduced our surpluses.

It has been my privilege to know something about farming for at least 60 years and, while the farmers suffered hardships, so did others, including an almost fixed percentage of businessmen.

A few years ago, a friend who was township clerk as well as chairman of the Republican township committee in one of the townships of my home county of Allegan, wrote me that, in his township, because of Secretary Benson's administration of the Democrat farm program, that is, the Agricultural Adjustment Act of 1938, and the amendments thereto, the farms in that particular township were being abandoned.

At my suggestion, personal surveys were made by disinterested people familiar with the situation in that township. One was by a member of the State senate and another by a disinterested individual, both acquainted not only with the farms but with the people who lived on the farms in that particular township.

Do you know what that survey pointed out? Sure, that many of my constituents and others living in the district of the gentleman from Michigan [Mr. FORD], were abandoning farming. But there was a joker in the situation. The farmers were not farming. Do you know what they were doing? They went to Holland City and to factories in our own towns in the Fourth Congressional District of Michigan and worked in the factories. They lived at home on the farms but they were letting the kids and the women of their households run the farms with the tractors and other farm machinery which made it possible to have two instead of one family income. That is the way they were moving out. They were enjoying two sources of income. Permit me to say to my colleagues on both sides of me that that explains why there are more Democrat votes than usual up there in the last election. Some people think it is fine to have Uncle Sam give them a cash benefit if others pay the larger part of it. They draw their wages in the factory. They want higher wages while working in the factory, then let the wife and kids run the farm. They have no objection to a gift of cash if it is paid in larger part by the other fellow. They are fine folks, they are the people who pay the taxes, but I do not know of any reason why we should let the farmer turn his soil into conservation payments and then take a job which another man needs and who has no source of income except his labor. But if you want it that way, you can have it.

In my judgment, it is neither right nor fair to permit a landowner to put his farm in the soil conservation program, draw down a subsidy for taking his land out of production, and be given a special benefit or subsidy which must be paid from the taxes collected from all of us. That procedure is a deliberate taking of the money paid to Uncle Sam by everyone, regardless of their wishes, and used for the benefit of those belonging to a special group.

It is especially reprehensible when the benefit payments go in large chunks to corporations or wealthy individuals who own large farms. Yet many brazenly assert that the program is for the aiding of the small farmer. That is nonsense and most of us know it. As many an editorial has pointed out, it is vote buying through the expenditure of tax dollars.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. BYRNES].

The question was taken; and on a division (demanded by Mr. BYRNES of Wisconsin) there were—ayes 51, noes 89.

So the amendment was rejected.

Mr. GUBSER. Mr. Chairman, I move to strike out the last word.

Mr. GUBSER. Mr. Chairman, when the bill was being considered under the 5-minute rule, I had planned to offer an amendment which would limit loans by the Commodity Credit Corporation to $25,000. Since I was unable to find language which would not be subject to a point of order, I decided not to offer the amendment.

Had I offered such an amendment it would have been in keeping with my very basic and deep-rooted philosophical belief that the price support program is entirely wrong. I take these few minutes to briefly tell you why I think it is wrong.

Since I have been a Member of Congress we have continually voted more and more money for farm subsidities. We vote public power subsidies, we vote subsidies to local cities and municipalities with which they can build sewerage treatment plants, we have started to rebuild cities through the urban renewal program, and we are talking about aid to education. We continue to subsidize housing, and we talk of subsidizing depressed areas.

May I say that I am not opposed to all of these programs I have voted for many of them and probably shall vote for others. But, Mr. Chairman, where is this going to end?

I suppose asking that question is reactionary, but it is understandable when you consider my background and the type of life I have led. I was always taught that when you wanted something you went out and you earned it, and you did not run to the Government first to ask for it.

Stop and think about this. The present speaker in the well of the House is 43 years of age. More than 50 percent of the people of this country are my age or younger. I was 17 in 1933 when this great, tremendous, emphasis upon the solution of individual problems by Government began, and has continued under Democratic and Republican administrations. At the age of 17 I had not thought much about Government. So, I think it is safe to say that over half of the people in this country today have known nothing but Government help; they have known nothing but looking first to the Government to solve their individual and personal problems before they look to themselves. It has become very easy to ask the Government to fulfill our needs—much easier than doing something for ourselves.

Such an attitude has weakened us as a people. We take the easy way out. We pass our debts on to our grandchildren. We endanger our financial stability and inflate our currency. We penalize thrift and industry; we encourage spending and idleness. In this day and age we live in a false paradise of cropless farming and workless pay. At the same time we observe the other nations of the world, where people ask less of their government, catching us in production, and making it conceivable that some time in the not too distant future the United States of America could become a second-rate power.

I have always felt that Congress should lead and should not follow. I have always thought it was our duty to look at our Government over the long pull and to do what is best for this Nation over the long pull. But, de we do so by making it possible for our people to take the easy way out and instinctively look to Government first before looking to themselves?

I am sorry to say that Congress apparently has become something like the Las Vegas croupier who watches the political wheel of fortune and makes his payments accordingly.

I sincerely hope that this Congress will soon have the courage to take an honest look, a long and hard look, at the price support system, to realize that it is not in the best interest of the farmers or of the Nation, and to start upon a gradual program of returning farms to farmers and getting the taxpayer out of the price support business.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was one of those who farmed in the twenties and all through the thirties, and we tried during that time just what the gentleman from California [Mr. GUBSER] now advocates. We tried to get along with our agricultural institution without any consideration from the Government whatsoever. Those of you—and I know there are quite a few here—hark back to 1932 and remember when we sold good corn on my farm in Minnesota for 8 cents a bushel or 10 cents and sometimes perhaps a little less. Anybody who went through that period would not get up and make the speech that the gentleman from California just now made. In my opinion he has not gone through the fire, and it is absolutely essential that the Government prevent the recurrence of such a catastrophe by maintaining a reasonable price support program. It is not only good for the farmers of America; it is also good for the entire economy. And, I remember in that year, 1932, when the total gross income of the people of America was less than $45 billion. Why? Simply because, as the gentleman from Iowa [Mr. JENSEN] said earlier today, the farm dollar was not there to generate purchasing power.

No, my friends, those who advocate that we can do without price supports at the same time when through the minimum wage and union contracts the Government assures union labor top prices for their work, have a wrong outlook. I think perhaps something is wrong with the line of thinking of some of my friends.

Mr. GUBSER. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from California.

Mr. GUBSER. I might say to the gentleman who implies that I was not around during the tough days——

Mr. ANDERSEN of Minnesota. I just implied that the gentleman did not go through that crucial period.

Mr. GUBSER. I was most definitely around during that crucial period and remember it well. I might say to the gentleman—and I hate to recite personal history—my grandfather came to this country in 1893 as an immigrant from Switzerland with nothing more than a satchel which he carried with him. He went into debt for a piece of property and entered the farming business. He raised my father and four other children on that piece of property, and I am proud to say that the Gubser family is still farming that same piece of property, farming it well, farming it prosperously, and we have yet to ask for a single dime in price supports from Uncle Sam.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

AGRICULTURAL MARKETING SERVICE

Marketing research and service

For expenses necessary to carry on research and service to improve and develop marketing and distribution relating to agriculture as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627) and other laws, including the administration of marketing regulatory acts connected therewith: *Provided*, That appropriations hereunder shall be available pursuant to 5 U.S.C. 565a for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of erecting any one building shall not exceed $10,000, except for two buildings to be constructed or improved at a cost not to exceed $20,000 each, and the cost of altering any one building during the fiscal year shall not exceed $3,750 or 3 per centum of the cost of the building, whichever is greater:

Mr. HAGEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask the chairman of the committee a question with reference to the language commencing on page 12, line 20, continuing through page 13, line 4. What is the justification for those provisos?

Mr. WHITTEN. Mr. Chairman, 2 years ago there was an effort at the departmental level to strike out some of the practices that had been carried on in the various States and counties. The Congress strongly differed with the action by the Department. We thought the Department had agreed to go along with the preceding year's program. It developed that just prior to our conference report instructions had gone out to eliminate some of those practices. So the committee, in an effort to keep the agreement which we thought had been reached wrote this language in.

The Clerk read as follows:

Marketing research and agricultural estimates: For research and development relating to agricultural marketing and distribution, for analyses relating to farm prices, income and population, and demand for farm products, and for crop and livestock estimates, $15,044,500: *Provided*, That not less than $350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and the consumer: *Provided further*, That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop;

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: Page 15, line 18, after "consumer", strike out "*Provided further*, That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop;" and insert a period.

Mr. VANIK. Mr. Chairman, a few years back they used to say, "An apple a day keeps the doctor away." Well, today the price of apples has skyrocketed so high that it is cheaper to get the doctor. They seem to have placed the apple completely out of the American diet. I do not know what the relationship of the price of apples is to this particular language, but I cannot for the

life of me understand why it remains in the bill. I understand it has been in previous legislation at the request of the apple producers.

Mr. HORAN. If the gentleman will yield to me, it is not in here at my request, I can assure the gentleman. If you knock it out, that is all right with me.

Mr. VANIK. I am glad to have the able support of the gentleman.

Mr. HORAN. It does not mean a thing in the world. The only warehouse receipts that mean a thing are for the commercial crop. So we can shorten this debate a long ways if we vote right now.

Mr. VANIK. If there is no objection to the amendment, I am willing to cease discussion of it.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman.

Mr. WHITTEN. I am not in a position to accept the amendment on behalf of the committee. May I say that this language was put in here at the instance of the applegrowers?

Mr. HORAN. That is not the case. It is for the applegrowers of a certain section.

Mr. WHITTEN. I was in the midst of saying that certainly it was not at the instance of my friend who is on the subcommittee. I certainly have no personal knowledge of it. The argument offered for it was that just about the time the producers had apples for sale, they began to estimate the crop so high that the farmer did not get anything for his apples. Later it developed that these guesses or estimates were unsound and that there was a shortage, but by then the farmer had gotten rid of his apples. I do not have any personal knowledge of it, but as long as the claim is that they estimate the supp'y tremendously high to get them out of the farmers' hands and to get a higher price for them, and as long as the argument is on the other side, I would rather that the matter be gone into a little more thoroughly than just to grab it at the moment. That is the story.

Mr. VANIK. Mr. Chairman, I want to point out that the very language I seek to remove from this bill is argued for in the report on page 20 where they say:

> For example, the development of objective methods of forecasting and estimating production of cling peaches appears to be an important matter in the peach-growing areas of the country.

I want to know the difference between these two fruits; that is, if it is desirable to have this for one, why not have it for the other? Why should there not be a uniform policy with respect to fruit?

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the chairman.

Mr. WHITTEN. I would like to say with respect to the language just pointed out, we are trying to set up a workable program. But I would like to say now that I have no personal knowledge of the particular instance. There was an incident reported where this language was questioned. With that much diversity involved in it, I think the matter ought to be gone into a little more thoroughly before this is stricken out.

Mr. HORAN. I will accept your amendment right now. You cannot store peaches so your reference to peaches has no relation to apples. It is true that with respect to winter fruits such as winter pears and apples, they do have warehouse accounting on the first of December and it has a commercial value, but only to the commercial crop. And they are excepted in this language, and it will continue because it is valuable to the producer and it is a safeguard to the small farmer. Yet, a lot of small farmers produce apples and winter pears.

Mr. VANIK. As I look at this general appropriation bill, my attention has been brought to the special provisos for apples which, it seems to me, have no place in an appropriation bill and I urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VANIK].

The amendment was rejected.

The Clerk read as follows:

FOREIGN AGRICULTURAL SERVICE

Salaries and expenses

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761–1768), and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed $25,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), $3,518,300: *Provided*, That not less than $400,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis: *Provided further*, That, in addition, not to exceed $2,493,000 of the funds appropriated by section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), shall be merged with this appropriation and shall be available for all expenses of the Foreign Agricultural Service in carrying out the purposes of said section 32: *Provided further*, That, in addition, not to exceed the equivalent of $1,310,000 in foreign currencies derived from sales under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, and made available to the Department of Agriculture, shall be available for expenses of the agricultural attaché service and for general operating expenses of the Foreign Agricultural Service in carrying out the purposes of section 104 (a) of that Act.

Mr. CURTIS of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this to ask the committee for a little further explanation about this section on Foreign Agricultural Service on page 21 and page 22 of the committee report. There is some discussion there, but the one thing I am particularly interested in is this statement:

> The Department has been requested to develop information on prices for which Public Law 480 commodities are sold by foreign governments. The committee would appreciate receiving this information as soon as it is available.

I presume from that that the committee has not been getting that information before. It is of real concern to me that they have not been.

Mr. WHITTEN. May I say to the gentleman that I agree with him and that is the situation. Early in our hearings, we asked the Department for this information and when we closed our hearings, we still had not obtained it. Involved in this is Public Law 480, as I understand it. One of the chief arguments is that it will increase world use. I will not mention the name of the country. It is no secret but I will not repeat it. In our own investigations, we found that at least one country added 70 percent to what we get for the commodity before they resell it to their own people. We are interested because we think if this is going to be sponsored in the name of increasing the use, the only way we can tell whether it is increasing the use is to see the rate at which the government that we give it to sells it to its own people. But they promised us the information, but at the close of the hearings we still had not received it.

Mr. CURTIS of Missouri. I want to commend the committee for this. As a matter of fact, this whole subject of Public Law 480 funds to me is very distressing. I think the Congress has not been doing its job in insisting that the executive department tighten up on these things. Furthermore, I submit that we still just go through the motions each time we discuss the foreign aid appropriation bill when we do not get Public Law 480 funds under the Committee on Appropriations. The bulk of these Public Law 480 funds still are not under the control of the Committee on Appropriations and of the Congress.

Mr. WHITTEN. May I say again, if the gentleman will read our report, we call on the Department next year for a report on the use of foreign currencies in connection with agriculture and the same detailed basis on which they do things with American dollars. It is a start toward getting a chance to see that we get the real information.

Mr. CURTIS of Missouri. Yes, and I noticed that in a prior paragraph, which was the other thing that I underlined and wanted to ask some questions about. You are asking for full justification and I think it is a tragedy that here the Congress is at this date, after this law has been in effect for so many years, still not knowing how the funds are spent. We are now talking in terms—what is this around $5 billion or $6 billion? and possibly more—and certainly with the excess commodities that we have which will generate more funds we are talking in terms of over $10 billion, perhaps. All these moneys can be used for the very purposes that we so meticulously—or not so meticulously, perhaps—go through the foreign aid appropriation bill to check. These foreign aid funds are going out this back door and billions of dollars are spent for the same purposes that the foreign aid appropriation bills cover.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and be

printed in the RECORD, and be open for amendment at any point. There are several reasons why we are very hopeful of completing this bill this afternoon, and it should not take but a few minutes, if this request is granted.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The remainder of the bill is as follows:

Commodity Exchange Authority

Salaries and Expenses

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1–17a), $909,500.

Soil bank program

Conservation Reserve

For necessary expenses to carry out a conservation reserve program as authorized by subtitles B and C of the Soil Bank Act (7 U.S.C. 1831–1837 and 1802–1814), and to carry out liquidation activities for the acreage reserve program, $310,000,000: *Provided,* That not to exceed $18,000,000 shall be available for administrative expenses, of which not less than $14,400,000 may be transferred to the appropriation account "Local administration, section 388, Agricultural Adjustment Act of 1938": *Provided further,* That no part of this appropriation shall be used to enter into contracts with producers which, together with contracts already entered into, would require payments to producers (including the cost of materials and services) in excess of $325,000,000 in any calendar year, and for purposes of applying this limitation, practice payments shall be chargeable to the first year of the contract period: *Provided further,* That no part of these funds shall be used to enter into contracts to pay compensation to any individual or corporation in excess of $3,000 per annum: *Provided further,* That no part of these funds shall be paid on any contract which is illegal under the law due to the division of lands for the purpose of evading limits on annual payments to participants: *Provided further,* That clause (2) of the fourth proviso relating to annual rental payments under this head in Public Law 85–459 shall not be applicable to contracts hereafter entered into: *Provided further,* That no part of these funds may be used to enter into contracts for a period in excess of five years or to pay annual rentals in excess of a fair rental value of land placed under contract, such fair rental value to be based on the actual production diverted each year.

Commodity Stabilization Service

Acreage Allotments and Marketing Quotas

For necessary expenses to formulate and carry out acreage allotment and marketing quota programs pursuant to provisions of title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301–1393), $39,135,000, of which not more than $6,886,300 shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938".

SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U.S.C. 1101–1161), $71,500,000, to remain available until June 30 of the next succeeding fiscal year: *Provided,* That expenditures (including transfers) from this appropriation for other than payments to sugar producers shall not exceed $2,297,426.

Federal Crop Insurance Corporation

Operating and Administrative Expenses

For operating and administrative expenses, $6,376,700.

Rural Electrification Administration

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901–924), as follows:

Loan authorizations

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3(a) of said Act, as follows: Rural electrification program, $136,000,000; and rural telephone program, $79,000,000; and additional amounts, not to exceed $25,000,000 for each program, may be borrowed under the same terms and conditions to the extent that such amount is required during the fiscal year 1960 under the then existing conditions for the expeditious and orderly development of the rural electrification program and rural telephone program.

Salaries and expenses

For administrative expenses, including not to exceed $500 for financial and credit reports, and not to exceed $150,000 for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), $9,632,000.

Farmers Home Administration

To carry into effect the provisions of titles I, II, and the related provisions of title IV of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1000–1031); the Farmers' Home Administration Act of 1946 (7 U.S.C. 1001, note; 31 U.S.C. 82h; 12 U.S.C. 371; 35 D.C. Code 535; 60 Stat. 1062–1080); the Act of July 30, 1946 (40 U.S.C. 436–439); the Act of August 28, 1937, as amended (16 U.S.C. 590r–590x—3), for the development of facilities for water storage and utilization in the arid and semiarid areas of the United States; the provisions of title V of the Housing Act of 1949, as amended (42 U.S.C. 1471–1483), relating to financial assistance for farm housing; the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440–444); the items "Loans to farmers, 1948 flood damage" in the Act of June 25, 1948 (62 Stat. 1038), and "Loans to farmers, property damage" in the Act of May 24, 1949 (63 Stat. 82); the collecting and servicing of credit sales and development accounts in water conservation and utilization projects (53 Stat. 685, 719), as amended and supplemented (16 U.S.C. 590y, z—1 and z—10); and the Act to direct the Secretary of Agriculture to convey certain mineral interests, approved September 6, 1950 (7 U.S.C. 1033–1039), as follows:

Loan authorizations

For loans (including payments in lieu of taxes and taxes under section 50 of the Bankhead-Jones Farm Tenant Act, as amended, and advances incident to the acquisition and preservation of security of obligations under the foregoing several authorities, except that such advances under title V of the Housing Act of 1949, as amended, shall be made from funds obtained under section 511 of that Act, as amended): Title I and section 43 of title IV of the Bankhead-Jones Farm Tenant Act, as amended, $24,000,000, of which not to exceed $2,500,000 may be distributed to States and Territories without regard to farm population and prevalence of tenancy, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public lands; title II of the Bankhead-Jones Farm Tenant Act, as amended, $180,000,000; the Act of August 28, 1937, as amended, $2,000,000: *Provided,* That not to exceed the foregoing several amounts shall be borrowed in one account from the Secretary of the Treasury in accordance with the provisions set forth under this head in the Department of Agriculture Appropriation Act, 1952: *Provided further,* That an additional amount, not to exceed $20,000,000, may be borrowed under the same terms and conditions to the extent that such amount is required during fiscal year 1960 under the then existing conditions for the expeditious and orderly conduct of the loan programs under the Bankhead-Jones Farm Tenant Act, as amended, not to exceed $5,000,000 of which shall be available for loans under title I and section 43 of title IV of such Act, as amended.

Salaries and expenses

For making, servicing, and collecting loans and insured mortgages, the servicing and collecting of loans made under prior authority, the liquidation of assets transferred to Farmers Home Administration, and other administrative expenses, $30,300,000, together with a transfer of not to exceed $1,000,000 of the fees and administrative expense charges made available by subsections (d) and (e) of section 12 of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1005(b)), and section 10(c) of the Act of August 28, 1937, as amended.

Office of the General Counsel

Salaries and expenses

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, $3,115,300.

Office of the Secretary

Salaries and expenses

For expenses of the Office of the Secretary of Agriculture; expenses of the National Agricultural Advisory Commission; stationery, supplies, materials, and equipment; freight, express, and drayage charges; advertising of bids, communication service, postage, washing towels, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, $2,881,000: *Provided,* That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedure Act (5 U.S.C. 1001).

Office of Information

Salaries and Expenses

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, $1,431,665, of which total appropriation not to exceed $537,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U.S.C. 417) and not less than two hundred and thirty-three thousand and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by section 73 of the Act of January 12, 1895 (44 U.S.C. 241): *Provided,* That in the preparation of motion pictures or exhibits by the Department, not exceeding a total of $10,000 may be used for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

Library

Salaries and Expenses

For necessary expenses, including dues for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members, $900,000.

TITLE II—CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year 1960 for such corporation or agency, except as hereinafter provided:

Federal Crop Insurance Corporation Fund

Not to exceed $2,330,000 of administrative operating expenses may be paid from premium income.

Commodity Credit Corporation

Restoration of Capital Impairment

To restore the capital impairment of the Commodity Credit Corporation determined by the appraisal of June 30, 1958, pursuant to section 1 of the Act of March 8, 1938, as amended (15 U.S.C. 713a-1), $1,435,424,413.

Limitation on Administrative Expenses

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided*, That not to exceed $39,600,000 shall be available for administrative expenses of the Corporation: *Provided further*, That $1,000,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: *Provided further*, That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such time as may become necessary to carry out program operations: *Provided further*, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof.

Reimbursement to Commodity Credit Corporation for Costs of Special Activities

To reimburse the Commodity Credit Corporation for authorized unrecovered costs through June 30, 1959 (including interest through date of recovery), as follows: (1) $63,875,000 under the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641-1642); (2) $104,508,000 for commodities disposed of for emergency famine relief to friendly peoples pursuant to title II of the Act of July 10, 1954, as amended (7 U.S.C. 1703, 1721-1724); (3) $968,016,000 for the sale of surplus agricultural commodities for foreign currencies pursuant to title I of the Act of July 10, 1954, as amended (7 U.S.C. 1701-1709); (4) $35,000 for grain made available to the Secretary of the Interior to prevent crop damage by migratory waterfowl pursuant to the Act of July 3, 1956 (7 U.S.C. 442-446); (5) $129,000,000 for strategic and other materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products and transferred to the supplemental stockpile pursuant to Public Law 540, Eighty-fourth Congress (7 U.S.C. 1856); (6) $1,056,500 for transfers to the appropriation "Diseases of animals and poultry" pursuant to authority contained under such head in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1959; and (7) $1,607,000 for transfers to the appropriation "Marketing research and service" pursuant to the Act of August 31, 1951 (7 U.S.C. 414a), for grading tobacco and classing cotton without charge to producers, as authorized by law (7 U.S.C. 473a, 511d).

TITLE III—RELATED AGENCIES

Farm Credit Administration

Not to exceed $2,125,000 (from assessments collected from farm credit agencies) shall be obligated during the current fiscal year for administrative expenses.

Federal Farm Mortgage Corporation

The Federal Farm Mortgage Corporation is authorized to make such expenditures, within available funds and in accordance with law, as may be necessary to liquidate its assets: *Provided*, That funds realized from the liquidation of assets which are determined by the Board of Directors to be in excess of the requirements for expenses of liquidation shall be declared as dividends which shall be paid into the general fund of the Treasury.

TITLE IV—GENERAL PROVISIONS

SEC. 401. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed four hundred and twenty-five passenger motor vehicles, of which four hundred and twenty-three shall be for replacement only, and for the hire of such vehicles.

SEC. 402. Provisions of law prohibiting or restricting the employment of aliens shall not apply to employment under the appropriation for the Foreign Agricultural Service.

SEC. 403. Funds available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131).

SEC. 404. No part of the funds appropriated by this Act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, or on behalf of the Department or any division, commission, or bureau thereof, issues, or causes to be issued, any predication, oral or written, or forecast, except as to damage threatened or caused by insects and pests, with respect to future prices of cotton or the trend of same.

SEC. 405. Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated by this Act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

SEC. 406. Not less than $1,500,000 of the appropriations of the Department for research and service work authorized by the Act of August 14, 1946, July 28, 1954, and September 6, 1958 (7 U.S.C. 427, 1621-1629; 72 Stat. 1793), shall be available for contracting or grants in accordance with said Acts.

SEC. 407. No part of any appropriation contained in this Act or of the funds available for expenditure by any corporation or agency included in this Act shall be used for publicity or propaganda purposes to support or defeat legislation pending before the Congress.

This Act may be cited as the "Department of Agriculture and Farm Credit Administration Appropriation Act, 1960".

The CHAIRMAN. Are there any points of order to this portion of the bill?

If there are no points of order to this portion of the bill, are there any amendments to this portion of the bill?

Mr. AVERY. Mr. Chairman, I have an amendment at the desk on page 27.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. AVERY: Page 27, line 18 strike out the period, add a colon, and insert *"Provided further*, That no funds appropriated in this section shall be used to process a Commodity Credit loan which is in excess of $50,000."

Mr. WHITTEN. Mr. Chairman, I reserve a point of order on the amendment.

Mr. AVERY. Mr. Chairman, I appreciate the action of the gentleman from Mississippi in reserving his point of order. I might add that it appears to me, and I do not regard myself as a constitutional lawyer, but it appears to me that certainly this amendment would be germane to the bill, and as I read the bill, it seems to me to be in perfect sequence to the language that precedes my amendment on page 27.

If there is any other way to accomplish what I seek to do, and that is to limit these large corporation farm loans under the Commodity Credit Corporation Act, then I would certainly be amenable to amending my proposal or to approach the problem some other way. This appears to me, however, to be the only approach to it and certainly I would beg the committee to give serious consideration to my amendment at this time.

Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. AVERY. Are we speaking now to the point of order to the merits of my amendment?

The CHAIRMAN. The gentleman from Kansas was recognized in support of his amendment; so he is speaking on the merits of his amendment. Should the gentleman from Mississippi press his point of order the Chair would be glad to hear the gentleman from Kansas on the point of order at that time.

Mr. AVERY. Mr Chairman, on every amendment that has been submitted from the floor of the House we hear the argument that it will do harm to the little farmer. I submit to the committee that if you will study this amendment you will see it is in harmony with the intent of the rest of the bill. You will note that in a previous section we have limited the payment under the ACP program to $2,500 to any one cooperator. We have limited the conservation reserve payment to $3,000. Therefore, it seems to me perfectly consistent that we should put a limit on the amount of Commodity Credit loan that will go to any one producer. If the amount $50,000 is not the right figure I am not wedded to that particular amount, but somewhere along the line there should be a

limit as to the size of the loan that would go to any one farmer, especially a corporation farmer.

I refer you, Mr. Chairman, to the CONGRESSIONAL RECORD of February 23, where in the other body a listing of some of the loans was made. I will simply refer to a few of the loans that were approved by the Commodity Credit Corporation in 1957. There are two loans for over $1 million—one in Mississippi and one in Arkansas—the one in Mississippi on cotton; the one in Arkansas on rice. There was one loan for over $500,000 to California cn cotton; 12 loans for over $250,000 on cotton; and there were two loans of $250,000 on rice.

And this is the surprising thing now for wheat—as there has been considerable criticism directed at wheat. The largest wheat loan I can find in this listing is for $330,000-plus, for the Campbell Farming Corp. in the State of Montana. If this is the kind of program you want, for these large loans to go to these corporation farms and large producers instead of to the family type farm, that is one thing, but that is not the purpose for which the program was initiated. Its purpose was to aid the family farm and not the gigantic agricultural enterprise, the large corporation.

Regardless of the economics of the situation, these large loans are not in the public interest. It cannot help but put the Department of Agriculture in a more unfavorable position economically than it is now. And you cannot refute this: As long as we have a commitment to support these commodities we are going to be bound morally and legally obligated to pay storage on them until they can be disposed of in some way. Let me call your attention to the fact that we are going to have a storage bill of about $1,500,000 a day by the time the harvest is in for 1959. That is what this storage bill will be, something in the neighborhood of $500 million, or one-tenth of the entire appropriation for the Department of Agriculture is going to be allocated to storage alone. If we are going to appropriate X number of dollars for the Department of Agriculture, let us give it to the farmers and not to the commercial storage interests.

I urge the adoption of this amendment.

The CHAIRMAN. Does the gentleman from Mississippi desire to press his point of order?

Mr. WHITTEN. I would like first, Mr. Chairman, if it is agreeable to the Chair, to answer the gentleman's statement in support of his amendment and then make the point of order.

The CHAIRMAN. The Chair would suggest that the point of order should probably be disposed of first.

Mr. WHITTEN. Mr. Chairman, the point of order I make is this: The Commodity Credit Corporation is chartered and its charter gives it certain authority. The language which the gentleman offers is legislation.

We are here dealing with the administration of the Commodity Credit Corporation in this bill. The gentleman's limitation would apply to what the Corporation could do and would have the effect of amending the charter of the Commodity Credit Corporation.

May I say in addition to that, the approach that the gentleman makes sounds very good. But actually it would destroy, in my opinion, the farm program that we have left and would be many, many times more expensive to the Treasury than the existing situation. I would like to explain why. If you limit the amount of loans in the program for stabilizing income and stabilizing prices, the Government is going to get its money back through sales of the various commodities. But the minute you put a limit on the production that can go into the Commodity Credit Corporation, and leave the rest out, that part that is out is going to get the business, domestic and foreign, and the Government will be left with the rest. You have to keep it in or take it out.

There are lots of things that we need to do to change and improve the agricultural program. We have tried to touch those things in this bill. If this amendment were put into effect, that part that is out would get all of the domestic and foreign markets, and the part that the Government has would not be sold.

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order that the gentleman is discussing the bill, not the amendment.

The CHAIRMAN. The Chair has indicated to the gentleman from Mississippi that he would prefer to dispose of the point of order. The Chair would further point out that the time consumed on the point of order will not be charged to the gentleman, whereas the time consumed in speaking on the merits of the bill would.

Mr. WHITTEN. Mr. Chairman, I would like to point out again that this amendment would have the effect of changing the authority of the Commodity Credit Corporation under its charter.

I respectfully submit the amendment is legislation on an appropriation bill and imposes restrictions not included in the law.

The CHAIRMAN. Does the gentleman from Kansas desire to be heard on the point of order?

Mr. AVERY. Yes, Mr. Chairman. I would like to ask our distinguished chairman of the subcommittee, Does the language of my amendment differ materially from the proviso that precedes it on page 27? It seems to me they are all directed against the basic legislation. My amendment, to me, would appear just as appropriate as the amendment the gentleman, himself, wrote in the bill. I would not think he would want to raise a point of order against his own language.

Mr. WHITTEN. Mr. Chairman, if I may be heard, the provisions the gentleman refers to have reference to funds in this bill and this paragraph. The gentleman's amendment would go to the authority of the Commodity Credit Corporation to use its capital which is not provided in this bill. The Corporation normally operates through borrowing authority granted in other legislation.

The CHAIRMAN (Mr. KILDAY). The Chair is prepared to rule.

The gentleman from Kansas has offered an amendment, which has been read by the Clerk. The gentleman from Mississippi makes the point of order against the amendment that it is legislation on an appropriation bill.

The Chair would point out that the amendment by its language is a restriction upon the purpose for which the funds appropriated in this bill may be used.

The Chair would point out further that even though there should be an existing liability on the Government or should be through other legislation granting powers to an organization of the Government, still a provision in an appropriation bill limiting the purpose for which the funds appropriated in that bill may be used is a limitation and not legislation.

The Chair, therefore, overrules the point of order.

Does the gentleman from Mississippi desire to be heard now on the merits of the amendment?

Mr. WHITTEN. Mr. Chairman, I shall not take too much time, but I would like to point out again that there is a great diversity of viewpoints as to what needs to be done with reference to the farm situation. Every farm organization has a different view. The Department has a different view. I have a different view. But I am sincere in saying that the gentleman from Kansas is doubling the cost to the Government, in my opinion, and is trying to write the destruction of the present farm program on the floor in these few minutes. Now, I just doubt that he would want to accept that kind of responsibility. In our bill we have tried to bring about improvements to the best of our ability. I do think that this goes sufficiently far, so that we should defeat the amendment and present the matter to the legislative committee to work it out.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Iowa.

Mr. GROSS. In what way will this destroy this program?

Mr. WHITTEN. If you place a limit on how much production can go into the Commodity Credit Corporation, you thereby leave outside the program all the production above that. The minute you leave out all the production above that, the production will increase, in connection with your domestic and foreign markets, and then you are left with the part that goes into Commodity Credit stocks. I am not trying to say that I know all the answers, but I say that is what you will get into, and it will require more study.

Mr. GROSS. Mr. Chairman, if the gentleman will yield further, you are not going to limit very much production on the basis of payments of $50,000 or less, will you?

Mr. WHITTEN. It says "loans."

Mr. GROSS. Well, loans. All right.

Mr. WHITTEN. If this were payments, it might be much less. And, believe me, this thing is too complex to do it this way, and I hope the amendment will be defeated.

Mr. BALDWIN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, it seems to me that this amendment would be the biggest help that we could possibly give to the small, individual, family farmer. Every family farmer is anxious to avoid some of the adverse publicity that is being created about the farm program, and one of the biggest sources of this publicity is when the statistics come out every year that various farm corporations got $1 billion or $500 million under this program. There is no way possible that we could help the small, family farmer in a more effective way than to stop these big loans, and bar those above $50,000, and say that it applies only to individual family farms.

Mr. GUBSER. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from California.

Mr. GUBSER. I would like to say that prior to this debate I was contemplating a similar amendment and requested figures from the Department of Agriculture for the crop year 1958, and I think they might shed light on this situation. If the amendment read $25,000 instead of $50,000, here would be the number of loans affected. This is for wheat, soybeans, grain sorghums, and rice. And, I must say that this does not include the area of Wisconsin, Iowa, and Missouri. Those were not included. In 1958, 450,922 wheat loans and only 788 were in excess of $25,000. Soybeans, 66,702 loans and only 84 in excess of $25,000. Grain sorghums, 180,538 and only 144 in excess of $25,000. Rice, 3,763 loans and only 213 in excess of $25,000. Now, I called off a list of 701,925 loans and there were only 1,229 of them that were in excess of $25,000. I remind you gentlemen that the amendment is for $50,000, and that figures out but eighteen one-hundredths of 1 percent of the Commodity Credit Corporation loans affected by the gentleman's amendment if it were $25,000.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from New York.

Mr. ROONEY. I have listened to this debate on the pending amendment offered by the distinguished gentleman from Kansas, and it occurs to me that we are not talking about give-aways of the taxpayers' money but that we are talking about loans. Would somebody advise us as to what the record of repayment of loans in this program is?

Mr. AVERY. Mr. Chairman, if the gentleman will yield, I could shed some light on this. I will say to my friend from New York that four corporations lost to the Commodity Credit Corporation $274,000 in 1957. That was the loss the Government took on their cotton loans. Every bale of cotton in 1957 lost to the Commodity Credit Corporation $22.30.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Minnesota.

Mr. NELSEN. I wish to comment regarding the amendment. My only regret is that it is not $25,000 instead of $50,000. Now, it is true that things have been called to our attention relative to the administration of this particular amendment, but I want to call attention to the fact that one of the most devastating things that is taking place regarding the farm program is the fact that these large loans are being made, and public opinion is turning on the entire program because of these abuses.

I think if the amendment were adopted the Congress could put some teeth in the law that would make it possible to do a better job of administering it. I believe this is a good amendment.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield.

Mr. CURTIS of Missouri. Mr. Chairman, I want to commend the gentleman from Kansas for bringing this matter before us again. We have had these amendments before, and some of us consistently have put in the RECORD each year the amount of payments that are made on these "loans." And when the term "loan" is used, let us put it in quotes, because while it has certain aspects of a loan, it is a very strange creature, because if you do not get your money out, you turn the crops over to the Government. So it really is not a loan.

Mr. Chairman, I think this is an excellent amendment and should be supported by all those who really want to see something left of this farm program, who want to turn it over to the small farmer, for whom most people are pleading.

Mr. MARSHALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is not my thought to prolong this discussion. There are some very serious things involved in this amendment. Besides bypassing the legislative committee which has considered these particular amendments, it is a matter of the operation of the Commodity Credit Corporation itself. The only protection—and I say this advisedly—that the livestock and poultry producers have today is the reservoir of stocks that go into the Commodity Credit Corporation. Every person who produces livestock and who produces poultry products throughout this country ought to be concerned with what happens to the Commodity Credit Corporation; because, with the enormous supply of feed stocks that we have on hand, if you turn that loose, the small family farmer will be hurt financially, because he cannot survive in that kind of competition.

This program we have of making these loans—and I repeat that they are loans—is a protection for that kind of farmer. You say there is a very small percentage involved in this matter. Agreed, there is a small percentage involved, but you let these major operators stay out of this program and step up their production, which they can do. Then can you imagine what that is going to do to the supply of stocks in this country?

If the Commodity Credit Corporation cannot act as a reservoir and a governor upon the production that we have and the potential production we have of agricultural commodities, then the small farmers are certainly going to be the ones who are going to suffer. I want to say that in the long run the consumers of this country are going to have a difficult time once they let the control of the production of agricultural commodities get out from under the control of the small family-operated farms. When you do that you are going to have a really difficult time.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman.

Mr. AVERY. It appears to me that the gentleman made a pretty fine speech in support of my amendment. I cannot conceive exactly how he would anticipate that the large operator, placing his commodities on the open market, would in any way affect the price level, at least not materially. The gentleman knows, as well as I know, and everybody else knows, that it is the support price that maintains the open market price. The number of bushels or the number of bales from the corporation farm or large producer that could go on the open market would not affect it. It would affect it less than 10 percent.

I want to remind the committee that we are escaping the responsibility of storing these commodities if we are not committed to a support price. We do not know how long, as we have had wheat in storage for 5 years.

Mr. MARSHALL. Mr. Chairman, I cannot yield further. I want to say this to my good friend. I am saying that when Commodity Credit Corporation ceases to be a reservoir for production of crops eligible for loan, then with the potential supply of corn, with the potential supply of feed stocks, with the potential supply of wheat that is going to be dumped onto this poor fellow out here, who is gathering his eggs, trying to raise his hogs and milk his cows, he will be in a most serious position.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman.

Mr. MAHON. Mr. Chairman, it may be that the amendment which is proposed sounds attractive on the surface, but I want to say that I agree with the gentleman from Minnesota [Mr. MARSHALL] that this type of amendment would in the long run be damaging, not just to the larger operator, but to the smaller operator, and would make impossible the successful operation of the program.

I certainly hope that this amendment will be defeated.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman.

Mr. WHITTEN. Mr. Chairman, I would like to repeat the point I seem to have been unable to get over, that the

minute you put these big operators out from under the program, you are giving them the incentive to increase production, world without end, to the point of getting what market there is. This matter is much more complex than to make it possible to write the legislation on this floor, in my sincere opinion.

Mr. Chairman, I hope this amendment will be defeated.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. ROOSEVELT. Because I am not a farmer, I wish you would try to explain something to me. If the amendment was adopted, would not the large operator, being unable to get a loan, would he not be likely to go out of business altogether and, therefore, would you not have less?

Mr. MARSHALL. I would say to my good friend that that would be the last thing in the world that would happen. It is not the large operator who would go out of business, but it would be the small operator who would face financial difficulty.

Mr. JOHNSON of Colorado. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it seem to me that this is one of those amendments that has a great deal of superficial attraction. If we were writing a new farm bill, many of us on this side would like to see a family-farm-type feature of this sort added to our farm progrm. But, we are at the same time grappling with a tremendous overstock of feed grains in corn and in wheat and far more corn is coming next year. The point that the gentleman from Minnesota was making so well needs to be clearly understood—that the recourse loans is the devise by which you get such acceptance as you now get of acreage controls—and granting that acreage controls are inadequate and I wish we had bushel control—but, if you say that the large operator is not going to have any chance to use these loans, then he will offer to sell to the CCC price and he will come in a half cent or a cent below and he can sell all that he has. This is what happened with potatoes 10 years ago and he will sell his crop first. More than that, since he no longer has any Federal program to which he is tied, he no longer is under any obligation to produce no more than a guaranteed amount and since he has a support price, in fact, only a cent or so below the CCC support price, he can sell his unlimited production and you will have far greater surpluses than you have today. This is the kind of amendment which has great superficial appeal. I wish I could vote for the principle that lies behind it, and in another guise I think I could. But, as it stands here this afternoon, it seems to me to be a new way of opening another dike through which far more surpluses will flood the market.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield.

Mr. GROSS. The big corn producer today in this year can grow unlimited amounts of corn, and the fact is that he might be paid $1.09 or $1.10 a bushel and never conform to any control.

Mr. JOHNSON of Colorado. The gentleman raises a question about the farm program that the Secretary put to the corn farmers and the corn alternatives which were given to them were of so slight value that any corn farmer with reasonable sense would choose the unlimited output. We are going to have corn coming out of our ears as a result. The exemption of the operator at $50,000 from the program makes no difference to the gentleman from Iowa, but I come from a State where we produce not corn but wheat in my State and the result would be exactly what the gentleman from Minnesota said it would be. If you want to get us in the same boat that you are in, then this is the way to do it.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield.

Mr. AVERY. Will the gentleman explain to me as long as we have marketing penalties as distinguished from acreage allotments, will the gentleman explain to me why and how it possibly could be a great increase over the present production of wheat under my amendment?

Mr. JOHNSON of Colorado. I do not see how you can ask a man to comply with a law that would deny him the availability of the benefits of the law.

Mr. BREEDING. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield.

Mr. BREEDING. I would like to answer my colleague from Kansas on that question. I am a wheat farmer and produce more than $50,000 normally of wheat per year. The minute they put that restriction on me, certainly I will go out and grow more barley and those crops that are not controlled and grow as much as I want, and I will produce more grain than I produce at present.

Mr. AVERY. The gentleman's alternative to diverting acreage to other cereal crops would not be any different than from the present circumstances. The gentleman can do that now. If he does not like the acreage allotment, there is nothing to prevent the gentleman now from planting the other crops and diverting the acreage.

Mr. BREEDING. The gentleman is forgetting that the support price, the loan price, has created an umbrella over your cash market, and certainly the cash market is a lot higher than the support price.

Mr. AVERY. That is what I am trying to say. Your umbrella is still going to be there. If the big fellow puts his production on the open market in excess of $50,000, it is not going to depress the open market because it is the support price that maintains the open market.

Mr. BREEDING. You are going to have more grain on the open market than we presently have.

Mr. AVERY. Oh, of course, the gentleman is absolutely right.

Mr. JOHNSON of Colorado. This, I think, is the key point, Mr. Chairman. We already have a year and a half supply and if the gentleman's motion prevails in place of having a chance that we expect to have to do something in respect to reducing the oversupply of wheat, this is a device to increase the oversupply.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. AVERY].

The question was taken; and on a division (demanded by Mr. AVERY) there were—ayes 42, noes 62.

Mr. AVERY. Mr. Chairman, I ask for tellers.

Tellers were ordered and the Chair appointed as tellers Mr. AVERY and Mr. WHITTEN.

The Committee again divided, and the tellers reported that there were—ayes 49, noes 59.

So the amendment was rejected.

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: Page 19, line 17, strike out the period and insert "or based upon its reasonable market value as agricultural land, whichever is less."

The CHAIRMAN. The gentleman from Ohio is recognized for 5 minutes in support of his amendment.

Mr. VANIK. Mr. Chairman, I do not expect to take five minutes on this amendment. I want to point out what it does. The present language of the bill, line 12, page 19, the section dealing with conservation reserve, reads as follows:

No part of these funds may be used to enter into contracts for a period in excess of five years or to pay annual rentals in excess of a fair rental value of land placed under contract, such fair rental value to be based on the actual production diverted each year—

I simply add this language—

or based upon its reasonable market value as agricultural land, whichever is less.

In other words, it provides an option for reaching a lesser amount than is provided in the suggested recommendation of the committee, which was arrived at after long and extensive deliberation.

Mr. WHITTEN. May I say to the gentleman that this amendment and the language contained therein invites what we have been reading about in the last 4 or 5 days. I wrote the language last year, trying to do what the gentleman wants to do. When it went out to the county committees they said, "Pay attention to land values."

I agree with the objective of the gentleman, but we have had this year's experience along the same line, and it results in just the opposite to what he and what I want to see done.

I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VANIK].

The amendment was rejected.

Mr. VANIK. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk, to strike out of the bill section 405.

The Clerk read as follows:

Amendment offered by Mr. VANIK: On page 30, lines 15 through 20, strike out section 405.

Mr. VANIK. Mr. Chairman, this section of the bill reads as follows:

SEC. 405. Except to provide materials required in or incident to research or experi-

mental work where no suitable domestic product is available, no part of the funds appropriated by this Act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

Mr. Chairman, this language in the bill should never have been placed in this appropriation bill because it amounts to a protective tariff measure for the cotton and twine industry. I think it should be deleted. I originally had an amendment which sought to strike out section 404 that I thought had no place in this bill. I have reduced the amendment to the one section, and I urge that the bill be improved by striking out section 405.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, may I say that this section was put in the bill before my service on the committee. The Federal Government was involved in all the problems that we had with cotton at that time. The Government was buying cotton from foreign countries, and at that time it was felt that this provision should be inserted.

The committee has felt that it should remain in the bill. The gentleman makes the point that it should go out. However, the reasons that existed for inserting it originally still exist, we still have our problems. This is basically in line with the question that was raised about using American automobiles. I do not think it is so bad to use American products, and that is what it would require.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VANIK].

The amendment was rejected.

Mr. GATHINGS. Mr. Chairman, permit me to voice my strong objection to any proposed violation of the principle of equal treatment under the law of all citizens. And, limitation of payments under the CCC orderly marketing programs, does violence to that principle. The CCC loan program is made available to farmers who grow controlled and uncontrolled crops. It differs from the voluntary type of programs.

It is absolutely necessary that we preserve the principle of fair treatment and that we do not destroy the orderly marketing program in an effort to penalize that farmer who, by virtue of hard work and success, has managed to enlarge his holdings. He and the tenants who work for him are entitled to the same treatment under Federal programs as any other.

We recognize this principle under our tariff laws which are equally beneficial to the small manufacturer and to the large Du Pont-size operation. We recognize this under the principle of postal subsidy which is the same for the large nationally-distributed slick paper magazines as for the small rural weekly newspaper. There is no statute of limitation there.

There should be none in our agricultural program.

But, although principle alone justifies this stand—the rule of reason also must prevail. If limitations are imposed on the larger farm operators we will destroy the orderly marketing procedures for which the program is devised. Unless we can adequately handle the great majority of the commodity harvest, then the little farmer and the big alike will lose all benefit of the program which permits him to be protected against market gluts at harvest. We must remember that 20 percent of the farmers grow 80 percent of the crops. If we refuse equal treatment to the larger farmers, then we will expect to see the entire system of marketing doomed and a resultant instability in the consumer market.

The press has been carrying accounts recently about individuals and firms who have participated in the Commodity Credit Corporation loan program. Among these participants were some from Arkansas and the district which I am privileged to serve. For example, it is alleged that the firm known as J. G. Adams & Son, of Hughes, Ark., had obtained a CCC loan in the amount of $420,343.70. The news items leave the impression that the Adams firm had obtained a subsidy from the CCC, or from the U.S. Government. That is a misapprehension that ought to be clarified. I would like to present some facts with respect to these transactions. A telegram was received by me from Mr. Charles Adams, which reads:

In regard to the recent statements that major benefits under the Government price-support program have gone to the very large corporate operations, I give you below the following information:

On cotton pledged for the loan and withdrawn with dollar amounts involved on the 1957–58 operations of J. G. Adams & Son, Hughes, Ark.:

Total bales pledged to the loan, 3,024; gross amount $420,343.70.

Total bales withdrawn from the loan—of the 3,024 put in—2,706.

The amount comes to the sum of $385,-121.01.

The interest paid by J. G. Adams & Son with respect to that cotton was $2,871.82. The total left in the loan was 318 bales.

So almost 90 percent of the cotton had been withdrawn by Adams & Son and sold. Adams & Son paid the carrying charges as well as the interest on the transactions. So there was no subsidy and could not be unless some of this cotton, after title passed to CCC was subsequently sold by the Government for less than it cost the agency. The remaining 318 bales of cotton are held subject to the order of Adams and if Adams wants to sell that cotton it could withdraw the balance of 318 bales before the takeover date by the Commodity Credit Corporation.

The CCC program on cotton, as well as on these other storable commodities, is a program that means for the orderly marketing of that commodity. It goes into that loan during the harvest season. The farmer puts it in there during September, October, and November, and he withdraws it from the loan during the lax season, January, February, or March. So it is a great protection to the little farmer as well as to the big farmer, because the big farmer takes advantage of it since he withdraws it from circulation, and, therefore, it stabilizes the price at a time when the crop is moving at harvesttime.

I want to call attention to another operation. The Miller Lumber Co., at Marianna, Ark., is alleged to have participated in the CCC to the extent of $319,000. This farming operation placed some 1,575 bales of cotton in the CCC program for the purpose of orderly marketing of the commodity at a more propitious time. Of this amount, all but one bale was redeemed through payment of interest and carrying charges, and sold out of the loan. There was only one bale left of the Miller Lumber Co. cotton according to the information furnished by this firm.

The Producers Rice Mill, Inc., was in the program for $1,460,902.11. That is a farmer-owned cooperative established for the purpose of drying and milling rice of the members of the cooperative. There are about 400 rice farmers who are members of this association. That is not one firm. Four hundred farmers participated, since they produced the rice, and those farmers find it more economical to deliver their rice to the mill for handling and to store the rice at the mill, rather than take it back for storage on the farm. This rice, delivered by some 400 growers, is placed in the loan for orderly marketing. Mr. H. M. Alderson, general manager of the cooperative, states that all but about 30 percent of this rice has been sold out of the loan, with payment of interest and carrying charges made to the Government.

I am opposed to the amendment of the gentleman from Kansas.

Mr. WHITTEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KILDAY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TABER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. TABER moves to recommit the bill to the Committee on Appropriations with instructions to report the same back forthwith with the following amendment: On page 27, line 18, strike out the period and insert "*Provided, further,* That no funds appropriated in this section shall be used to process a

Commodity Credit loan which is in excess of $50,000."

Mr. WHITTEN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. TABER. Mr. Speaker, on that I demand the yeas and nays.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further consideration of the bill be postponed until Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

ISRAEL INDEPENDENCE DAY

Mr. CURTIS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CURTIS of Massachusetts. Mr. Speaker, America salutes Israel on her 11th anniversary.

Never in the history of the world has so much progress been made by a new state in so short a period, or under greater difficulties. Cities have been built; lands have been brought under cultivation; the desert has been made to bloom; industry has expanded; the population has been trebled; refuge has been given to the oppressed; and—of great moment to the free world—the frontiers of democracy have been extended.

Israel is a potent example to other recently freed peoples seeking to lift their standards of living, of rapid progress in the ways of freedom.

Americans rejoice at the cordial relations existing between America and Israel—relations now at their best. America wishes Israel peace so that she can enjoy continued development and prosperity, and remain a shining beacon of freedom and democracy.

UNJUST DISCRIMINATION IN EMPLOYMENT BECAUSE OF AGE DESTROYS HUMAN DIGNITY AND SHOULD BE ABOLISHED

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, it is my earnest hope that the day will soon come when we can sincerely and honestly repeat the words of Emerson: "We do not count a man's years until he has nothing else to count."

This quotation seems to touch directly upon a problem confronting our society today. The unpleasant truth is that we tend to count a man's years without even considering his other qualities and characteristics. Many of the more thoughtful persons in our country have spoken out sharply against this narrow, cruel, and wasteful attitude, which is throwing many of our middle-aged and older citizens into a life of stagnation and hopelessness. Yet, too many of us have continued to evaluate a man by his years, thinking not of the wisdom and experience that these years have brought him, but only of the often imagined loss of vigor and strength which are too frequently associated with the passage of youth.

It is essential, I believe, that Congress take the initiative in promoting a more rational attitude toward our aging population. That is why I am urging passage of my bill, H.R. 1180, which is identical to my bill, H.R. 11918 of the 85th Congress, and which would be a progressive step in eliminating discrimination in employment because of age.

My bill, entitled the "National Act Against Age Discrimination in Employment," would eliminate this kind of discrimination for all our country's employees to the fullest extent permitted by the Constitution. This would include employees involved in all interstate or international commerce.

Congress cannot determine employment policies for everyone. By passing this bill we shall not immediately solve the job problems of all our older workers, but we shall have made an impressive start and demonstrated our firmness of opinion on this question by taking affirmative action instead of merely urging others to adopt a policy which we are not ready to follow through on ourselves.

There is one group in this country which I know is working hard on this problem facing older workers, and I should like to pay tribute to that organization at this time. It was the Fraternal Order of Eagles of which I am a member that supplied the inspiration behind the introduction of my bill, H.R. 1180, and other similar legislative measures on the subject.

The "jobs after 40" campaign launched in 1957 by the Grand Aerie of the Fraternal Order of Eagles embraced the entire Nation under the sponsorship of local lodges commonly known as local aeries. This well-directed grassroots movement has contributed greatly to focusing national attention on the determined effort to explode the myth that older workers are unreliable and should be consigned to the scrapheap of human wreckage.

The Eagles' campaign, headed by Grand Aerie Program Chairman Judge Robert Hansen, earned nationwide acclaim, being enthusiastically received as evidenced by the fact that an estimated 1 million signatures were obtained on petitions circulated by local Eagle aeries focusing attention on the need for immediate action to the plight of those 40 years of age or over seeking employment. In addition, the "jobs after 40" campaign elicited warm praise from outstanding leaders in government, business, and labor circles.

It is pertinent to state at this point that the Fraternal Order of Eagles has always been interested in vital issues that affect the American home and family life in the Nation.

Through its widespread influence in fraternal circles the Eagles championed America's first workmen's compensation law in 1908 and the first mothers' pension law in 1911, to be followed later by its advocacy and support in seeking approval of the old-age pension law in 1923, and the Social Security Act in 1935, with its subsequent amendments designed to strengthen and improve the original law. Finally, the pages of the Eagles' magazine, the monthly publication mailed to all members, has since its inception devoted a large portion of its space to publicizing the need for developing and maintaining interest in the necessity of providing for the health and welfare of American wage earners and their families.

Mr. Speaker, as a member of the Altoona, Pa., Aerie No. 286, Fraternal Order of Eagles, I am proud of the many splendid projects sponsored by this great fraternal organization, and especially of the fact that the Eagles are responsible to a marked degree for the introduction of legislation such as my bill, H.R. 1180, which if enacted would crown with success the "jobs after 40" program so earnestly advocated, and the principle of which deserves at this time our enthusiastic support.

Many of us are acquainted with the story of the middle-aged worker, with children still in school or college, and with many good, productive years ahead of him, who loses his job because of company reorganization, production cutbacks, or some other reason beyond his control. He does not consider retirement, not only because he needs the income, but because he cannot yet conceive of himself as too old and decrepit to be able to contribute something to society. I venture to say that most of us here, well over age 45 ourselves, can understand this feeling.

It is frightening to realize that this man—and there are many thousands in a similar position—is now subjected to the humiliation of being told that he is "too old" to even be considered for a job. His previous training, experience, and his maturity are counted as nothing next to the number of his birthdays.

It is my belief that the right to employment without discrimination based on age is a right that belongs to each of us and should be guaranteed by law. I believe this not only because of the principle involved, but because any other policy or attitude is wasteful and impractical.

This does not mean, of course, that older workers should be given overall preference in hiring when the situation doesn't warrant it. Rather, it is the hope that employers will begin to evaluate their applicants on the basis of in-

dividual characteristics and not on the basis of restrictive age limitations. There is no question in my mind that too many of our country's employers are unwittingly hurting themselves by imposing meaningless age barriers.

Mr. Speaker, the cold, hard facts will bear me out on this. Many objective studies have been made showing that the job performance of older workers is often not only equal, but superior to that of many younger workers. Let me give you one of the major conclusions about older workers which resulted from a recent study. The experts stated categorically that their findings showed that the values of workers over 50 from the standpoint of productivity far exceed any drawbacks of physical deterioration.

On the question of productivity, for example, older workers often show up even better than persons many years younger. Studies show that variations in output of individuals within any age group are very great—greater, in fact, than differences among groups. Productivity cannot be equalized with age alone. One expert has made this observation:

"Certainly," he says, "older men are less likely to accelerate the work pace in a short burst. But for sustained and steady work they are at least the equal of the younger men and women. Having less energy to waste, they tend to make more efficient utilization of their time by avoidance of waste motion and better use of their experience by developing and using efficient shortcuts."

I do not think anyone could argue that an inexperienced worker is better than an experienced one. An older person who is still vigorous and healthy is almost certain to acquire a mellowness of judgment and a sense of dependability that can rarely be found in younger workers.

A recent evaluation of the overall performance of older workers showed that they rated better or the same than younger persons on extremely vital considerations for management. This was overwhelmingly true on such questions as quality of workmanship, attitude toward job, loyalty to company, dependability, response to supervision, and overall performance.

These workers showed up just as well on matters of attendance and illness. This included evaluation of reports on lateness, turnover, accidents, frequency of illness, and general attendance. One of the most frequent reasons given for discrimination against the older worker is that he is a greater accident risk than his younger counterpart. Clearly, if an employer has had this in mind when establishing age limitations, he is badly underrating the mature man.

Mr. Speaker, surveys have consistently upheld the position of older workers, in showing that they almost always have accident records which are superior to other employees. The International Labor Organization, for example, found in one of its studies some years ago that there was a progressive decline in the frequency of accidents per 1,000 man-years worked, with increasing age. In fact, the accident frequency for ages 60 and over was less than half that for ages 20 to 29. The frequencies for ages 40 to 49 were less than three-fourths of those for ages 20 to 34.

It can also be said that no employer is going to suffer because an older employee is not in good physical condition. The great advances in medical science have reduced the argument that workers who have reached middle age are poor health risks. Out of a group of unemployed older workers the Department of Labor found that four out of five were in excellent physical condition, certainly fully capable of meeting regular production standards.

Both management and labor can benefit from having older people in the working force. They have knowledge and experience that younger workers simply cannot duplicate. There is little question that they exert a stabilizing influence on labor relations. They tend to be better informed and have more mature judgment, and so are more likely to act carefully and wisely on the problems which confront them.

One observer has noted: "With one hand society does everything possible to extend the life of man, while with the other it writes him off as useless because of the date of his birth certificate." I think it is regrettable that we must recognize this observation as a reality of our society. And I, for one, cannot understand why we are maintaining such a costly and absurd struggle with ourselves. Our older workers have much to contribute if we will only let them. To discriminate against them is to lose the benefit of our best developed minds and hands.

Thinking of the plight of our older workers, I am tempted to recall the words of one of the world's greatest creative thinkers. It was Michelangelo who adopted this simple, but eloquent motto: "I am still learning." It is important that we remember that these words apply not only to the schoolboy, but also to our mature men and women. The ability to learn is not something we automatically lose with the first gray hair, although many employers seem to think this is true. A person who is hired at age 45 is still perfectly capable of learning a new job, while still drawing upon his experience of years past.

Our Federal Government, as well as many other groups, is conducting an educational campaign against imposing discriminatory barriers on the sole basis of age. Such campaigns may have some slight effect. But it is perfectly clear that they are not going to solve our problem for us.

We in Congress have also occasionally raised our voices in behalf of the older worker. Perhaps our words, too, may be having some effect. We have failed, however, to take the most effective step open to us, to pass legislation which would eliminate this kind of discrimination within the limits of the Constitution. That is the objective which I am urging you to consider now. My bill, H.R. 1180, would do what I believe we would all like to do—enable the older worker to contribute to his own and the country's well-being through regular and efficient employment of his abilities.

It would be hazardous to delay passage of effective legislation on this issue much longer. The problem of the older worker is a growing one, and one which will continue to grow rapidly in the coming years, as the number of older persons in the population increases. Further delay will only mean more hardship, more people needing governmental assistance, and more waste in a period when we obviously cannot afford it.

Then too, at a time when we are concerned, as we certainly should be, with other problems of discrimination, we might examine the evils which accompany discrimination on the basis of age. We have already demonstrated that problems of discrimination are not untouchable. We can make progress against them. The fact that we have long erected age barriers does not mean that these barriers are indestructible. We can and must make an earnest effort to crumble them.

Businessmen and politicians are frequently thought of as people who make decisions based on practical considerations. The facts which I have presented today should be sufficient to convince realistic persons of the practical advantages of the legislation which this "National Act Against Discrimination in Employment" embodies. But there is a humanitarian side which also cannot be forgotten. We owe our older citizens some consideration for what they have already contributed to our country. We shall have fulfilled our obligation to them only when we can say, in the words of Browning:

"Grow old along with me!
The best is yet to be,
The last of life, for which the first was made."

It is my ardent hope that the 86th Congress will take the step necessary to alleviate the position of this growing segment of our population. As just and reasonable men and women, we can do no less.

TRANSFER OF SURPLUS GOVERNMENT EQUIPMENT TO STATE FISH AND GAME DEPARTMENTS

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. JOHNSON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, the House by its actions on many occasions has demonstrated its recognition of the fact that the conservation and wise use of natural resources is of vital importance to national security and public welfare. Existing laws permit the transfer of surplus personal property by the Federal Government to State agencies for a number of worthwhile purposes. Such surplus property transfers are not now possible, however, for the conservation of fish and wildlife resources.

Today, I have introduced a bill to correct this omission. This legislation

has been requested by the International Association of Game, Fish and Conservation Commissioners and has been recommended by other national conservation organizations. In my home State, the director of the Wisconsin Conservation Department, Mr. L. P. Voigt, requested that I introduce such legislation. He wrote me as follows:

The transfer of such surplus Government equipment to the States for fish and wildlife conservation operations would be of tremendous value and we would greatly appreciate your introducing the necessary amendments to present legislation authorizing such transfers of surplus property by the Bureau of Sport Fisheries and Wildlife.

My proposed bill would simply make possible the direct transfer of equipment which is declared surplus by the Federal Government but is useful to the States in their game management and conservation education programs. Such transfers would be made after the Secretary of the Interior has determined that the particular surplus property available would be useful and desirable for the purposes outlined in this act. The Secretary would also be directed to allocate such property on the basis of needs and prospective use prior to the transfer by the Administrator of General Services.

A resolution requesting this legislation was adopted by the International Association of Game, Fish, and Conservation Commissioners in their annual meeting at Philadelphia, Pa., September 12, 1958. I would like to include a copy of this resolution in the RECORD:

RESOLUTION 15—SURPLUS EQUIPMENT

Whereas the U.S. Government from time to time advertises as surplus to its needs certain types of equipment and supplies; and

Whereas State game and fish departments have not been privileged to apply for such items to use in developing and maintaining wildlife conservation, restoration and educational projects due to legal prohibitions; and

Whereas the International Association of Game, Fish, and Conservation Commissioners assembled at Philadelphia, Pa., in annual convention on September 12, 1958, holds that the fish and game conservation effort is equal in importance to presently approved uses of such equipment: Now, therefore, be it

Resolved, That the International Association of Game, Fish, and Conservation Commissioners support action to achieve this purpose and that this organization request legislation in the U.S. Congress or otherwise seek a solution whereby such equipment can be made available to State game and fish departments to use in furthering their wildlife conservation, restoration, and educational objectives.

WASTE, FRILLS, AND EXTRAVAGANCE IN AIR FORCE PLANS FOR BONG AIRBASE, WIS.

Mr. REUSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, I have been shocked to discover, from an examination of Strategic Air Command plans and sketches for buildings at R. I. Bong Air Force Base in Racine County, Wis., that these plans contain items that I consider to be wasteful frills and extravagance.

"Billions for defense but not one cent for squash courts," is the slogan that I have adopted in this matter, and I hope the House will adopt it, too.

The plans for Bong, prepared for the Strategic Air Command by the Leo A. Daly Co. of Omaha show such things as a bowling alley, hi-fi shops, and other hobby shops, a huge indoor swimming pool, and such other fancy appurtenances as a massage room, steamroom, and squash court.

Mr. Speaker, the fact that the Bong base is being built in totally the wrong location, right in the middle of the already crowded Milwaukee-Chicago air complex, is bad enough. The fact that it is going to cost the taxpayers more than $83 million is bad enough.

But the fact that the Air Force plans to have the taxpayers pay for such extravagant facilities—facilities which are available the year round a few miles away in Milwaukee, Racine, Kenosha, and Chicago—is almost unbelievable.

I urge the Congress right now to put the brakes on all nonessential spending at Bong Air Force Base.

A number of the buildings and facilities in the SAC-Daly plans seem to me to be a clear waste of tax dollars, possibly running into the millions.

I am particularly concerned over the SAC-Daly plans for a community center complex at Bong. These plans in which essential and wasteful items appear to be mixed include:

First. Gymnasium and indoor swimmining pool—gross area 37,058 square feet: Plans show the swimming pool—dimensions about 64 by 85 feet—with eight racing lanes and three diving boards. The gymnasium is 84 by 124 feet. Also included in the building, besides men's and women's showers, locker rooms and toilets, are a large exercise room, handball court, squash court, massage room, and steamroom.

Second. Theater, bowling alley, and workshop—gross area 19,803 square feet: Plans show six bowling lanes, with lobby and seats for spectators; theater seating 764, with lobby, stage, and dressing rooms; workshop section 48 feet by 80 feet, including woodworking room, radio and hi-fi shop, multipurpose room, and photography shop.

Third. Community service building—gross area 31,823 square feet: Plans show post exchange facilities, retail sales store, snackbar, maintenance shop, warehouse, laundry and dry cleaning, concessions, barbershop, central post office, reading room, music and special activities room, Red Cross office, and some eight rooms identified as classrooms.

Fourth. Commissary and clothing sales store—gross area 26,641 square feet: Plans show a building 140 feet by 187 feet 6 inches containing a large supermarket complete with meat preparation department, copious storage space and wire partition enclosing sensitive items, and a clothing store with alterations room, backup storage, and warehouse.

Besides this community center complex, other building groupings in the plans include an industrial composite—principally aircraft shop and equipment areas; dining and dormitory composite; operations and administration composite, and commercial composite—maintenance and supply.

The Strategic Air Command and the Leo A. Daly Co. have tossed in just about every possible convenience that might be enjoyed by the officers and men of Bong Air Force Base.

I suggest, however, that SAC and Daly have gone overboard—far overboard—in some of their planning. While we want the officers and men of the Air Force to have reasonable comfort and adequate facilities, there are limits to what the taxpayers should be asked to support on a base of this kind.

If Bong were being built in the middle of a great desert, or atop a mountain, or in some inaccessible place far from civilized centers, these grandiose plans might be somewhat justifiable.

But Bong is being built 15 miles from Racine and Kenosha, 20 miles from Milwaukee, 40 miles from Chicago, and within shorter distances of many smaller cities and villages. Most Americans will admit that all these are rather highly developed centers of civilization.

If the Air Force intends to confine all Bong personnel to the base all the time, I will withdraw my complaint. But I am sure the Air Force does not, since one reason for the selection of the Bong site was its proximity to Milwaukee, Chicago, Racine, and Kenosha, with their places of entertainment, their theaters, and restaurants, their country clubs, and beaches, and other recreational facilities.

Does Bong Air Force Base really need a huge indoor swimming pool? All summer and much of spring and fall Lake Michigan and scores of beautiful inland lakes are available and usable a few miles away. All year long indoor swimming pools are available at such places as Y.M.C.A.'s in the nearby cities, not to mention school pools and similar facilities. Has the Air Force bothered to investigate whether arrangements could be made to use these facilities, at considerably less cost than building and maintaining its own?

Much the same questions apply to the elaborate gym-exercise room-steam room-massage headquarters. Certainly the taxpayers need not supply all these extravagant facilities which only a few would or could use, particularly when the same facilities are available a few miles away for those who want them badly. I know some clubs in Milwaukee that would be glad to extend their facilities to Air Force personnel.

A base theater used as a multipurpose auditorium is probably justifiable. But the hobby shop attached to it seems highly questionable, and the bowling alley is certainly a frill that can be done without. In the Milwaukee area alone there are more than 100 bowling establishments, for example.

Of course the base requires the usual post exchange facilities. But to con-

struct an education center seems an extravagant undertaking. Again I point out that the very kind of adult education classes which I assume are planned for this center are available regularly at such outstanding educational institutions as Marquette University, the University of Wisconsin in Milwaukee, university extension centers in Racine and Kenosha, and vocational schools in all three cities.

I have no doubt that the Air Force could buy and operate—or contract for—buses running regularly to the nearby cities, enabling Bong personnel to enjoy the same activities shown in the SAC-Daly plans, at far less expense than constructing, maintaining and operating the facilities itself.

As for the commissary and clothing store, these are customary and necessary, but I question whether the extensive layout shown in these plans is a real requirement.

Frankly I cannot judge whether the items in the other composites are all essential. I can only suggest that, if the community center plans are any example, there may well be frills and extravagance in the other buildings.

According to the latest estimate I have seen, Bong Air Force Base is scheduled to cost the taxpayers $83,464,000. Any reduction we can make in that huge budget item will be welcome.

While construction of the Bong airfield is under way, construction fortunately has not begun on any of the buildings shown in the SAC-Daly plans. Congress therefore has the opportunity—and clearly has the responsibility—to see that every nonessential item is removed from these plans right now.

POTOMAC POLLUTION

Mr. LANKFORD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. LANKFORD. Mr. Speaker, I am today introducing a bill which will achieve a desperately needed accelerated cleanup of the Potomac River.

The Potomac River is one of our most famous, one of our most scenic, and one of our most important rivers. It is, in addition, one of the most polluted, one of the most neglected, and one of the least developed. It is rapidly filling with silt; it is inadequately controlled at floodtide and lacks suitable wildlife and recreational facilities.

A conference held under the provisions of the Federal Water Pollution Act in 1958 concluded that the major source of pollution in the metropolitan area is the District of Columbia and determined that remedial action to control storm water overflows should be completed by 1966.

My bill has been carefully drafted after numerous conferences with all interested officials. It is my belief that it represents a realistic, straightforward approach to a problem that is the responsibility of Congress. Delay and procrastination have met past attempts to solve the problems created by the Nation's dirtiest river. Delay can no longer be tolerated. The prompt enactment of my bill, while not a cure-all, will represent a great step forward.

POTOMAC POLLUTION

Mr. FOLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. FOLEY. Mr. Speaker, on July 9, 1956, the Congress established a Federal antipollution policy to preserve and protect the public health. The Water Pollution Control Act invested authority in the Surgeon General of the United States to render a citation against a municipality or State for causing the pollution of an interstate river. Likewise, one State may request the Attorney General to institute injunctive action against an offending State to abate a polluted condition. These strong enforcement provisions provide teeth for the congressional antipollution policy.

In February 1958 the Surgeon General found that the Potomac River is polluted in the metropolitan Washington area. The pollution is caused by the inadequate and antiquated sewage system in the District of Columbia. Only the Congress as the foster father of the District of Columbia can provide the means to abate this nuisance. To provide the necessary funds to build the plan C interceptor that will trap raw sewage for primary and secondary treatment, I have introduced a bill today, along with my colleagues, Mr. LANKFORD, Mr. BROYHILL, and Mr. BLATNIK. The urgent need for this facility, not to mention the requirement for the District of Columbia to comply with the Congress' own policy expressed in the Water Pollution Control Act, recommends early and favorable action by this House on this bill.

POTOMAC POLLUTION

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BLATNIK. Mr. Speaker, under the Federal Water Pollution Control Act of 1956 which I introduced, pollution of interstate waters is subject to abatement in accordance with a specific procedure set forth in that Act. There are three major steps to the enforcement procedure: First, the calling of a conference; second, holding a public hearing; and third, Federal court action. It is expected that most cases will be solved at the conference stage.

As the Potomac River in the Washington metropolitan area obviously has been so polluted an interstate stream it was not surprising to me that one of the first Federal enforcement actions was directed against the Potomac. At a conference held in 1957 under the provisions of the Federal Act it was concluded that until the Potomac River reaches the Washington metropolitan area it is a relatively clean stream. Pollution caused by discharges in the Washington metropolitan area contribute significantly to:

First. Increased concentration of coliform organisms associated with human disease which constitute a health hazard to recreational and commercial users of the river;

Second. Deterioration of the water quality to the extent that severe sight and odor nuisances have been created—due to floating solids and sludge deposits—resulting in serious impairment of the river as a residential, sight-seeing, and recreational area; and

Third. Impairment of water quality so as to render the river unsuitable for game fish habitation.

A second session of the conference was held in 1958 which established a time schedule for remedial action. The major source of pollution in the metropolitan area is the District of Columbia. The remedial action contemplated for the District of Columbia is twofold: First, the improvement of the Blue Plains plant to treat adequately liquid wastes; and secondly, the control of storm water overflows which are creating nuisance conditions.

Improvements to the Blue Plains plant have already been completed and should be in operation now.

The conferees also determined that remedial action to control storm water overflows should be completed by 1966. While a modest beginning is being made, appropriation authorizations have not been sought which will result in the meeting of this time schedule. Storm water overflows are the major cause of nuisance conditions along the Potomac. A June 1957 report of the Potomac River commented on this situation as follows:

> The several areas of nuisance constitute the major factor that has focused the public's attention on the pollution problem, and has engendered such an insistent demand for cleaning up the Potomac River. The floating sewage solids affront the sight, and the sewage sludge deposits cause odors offensive to the sense of smell. There are literally thousands who can attest to the fact that these localized nuisances have caused sections of the Potomac in the Washington area to be extremely objectionable. Equally certain is the fact that, no matter what sewage treatment is provided at existing plant sites, the public will not accept the Potomac as a clean river until the raw sewage overflow nuisances are eliminated.

The bill the gentlemen from Maryland and Virginia are introducing today will authorize the appropriation of $75 million to permit the District of Columbia to construct needed facilities to control storm water overflows. These facilities will also be designed to service nearby areas in Maryland and Virginia. When the local jurisdictions in Maryland and Virginia make use of these facilities these jurisdictions will be required to reimburse the District of Columbia for such use. Such funds will then be used by the District in its sewage works fund for the construction

operation, and maintenance of sewage collection, treatment, and disposal. I am happy to join with them in this bipartisan, joint effort to clean up the Potomac in the District of Columbia.

The improvements to the Blue Plains plant will for the first time in this century result in the improvement of the quality of the water in the Potomac River. We have a great opportunity to substantially reduce pollution in this river and finish the job by making possible the completion of facilities to control storm water overflow. Only when this is done will the river be able to be used without being a health hazard and without severe sight and odor nuisances being encountered.

POTOMAC POLLUTION

Mr. BROYHILL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BROYHILL. Mr. Speaker, it is my privilege to join with my distinguished colleagues the gentlemen from Maryland [Mr. LANKFORD and Mr. FOLEY] in sponsoring the introduction of a bill to authorize the construction of waste disposal facilities in the District of Columbia to reduce the pollution of the Potomac River from storm water overflows.

I sincerely believe that this pollution problem is by far one of the most serious problems confronting our Nation's Capital today. We have often referred to the Potomac River that flows by the Nation's Capital as the beautiful Potomac and, in fact, there are many historical references as to why this area was selected as the Nation's Capital, the most prominent reference of which was the beauty of the Potomac River. I do not believe that there is any argument, therefore, but what the Potomac River was and still is a major factor in the scenic beauty of our Nation's Capital.

In recent years, however, the increased pollution of the Potomac River is rapidly causing this so-called beautiful Potomac in the Washington area to become what could be appropriately referred to as an international cesspool. It most certainly is becoming a disgraceful situation. Not only are we losing the recreational benefits that the Potomac could provide but, on the contrary, it is rapidly becoming a hazard to the health and welfare of the people of the area.

It is imperative, therefore, that positive and prompt action be taken forthwith not only to stop the further pollution of the Potomac but to clean it up and restore it to its natural beauty and usage as a recreational facility.

The bill that Congressmen LANKFORD and FOLEY and I have introduced today is a major step in that direction. The Congress of the United States must assist in this matter as the maintenance and preservation of the beauty, health, and welfare of our Nation's Capital is primarily a responsibility of the Congress.

DECISIVE ACTION BY DEPARTMENT OF JUSTICE NEEDED

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, during March of last year, Subcommittee No. 5 of the House Small Business Committee held a series of hearings respecting the policies and operations of the American Society of Composers, Authors, and Publishers. At these hearings, detailed evidence was developed indicating that the smaller composers and publishers could not be expected to remain in business unless important changes were made in some of ASCAP's policies and procedures. Apparently the Department of Justice shared this view because immediately upon receipt of the record of the hearings held by the Small Business Committee it began conferring with ASCAP's attorneys with the view in mind of reaching agreement upon a new consent decree that would remedy the situation. The Department of Justice had obtained such a decree 9 years ago, but the hearings held last year by the Small Business Committee demonstrated the need for its revision.

The Department of Justice has been attempting—for one year—to make a decision respecting the nature of the corrective action that it should take. At various times during this past year, I was given to understand that this decision was imminent. Such reports reached me in September 1958, in October 1958, and again in January 1959. The same report reached me again just last week.

Of course, I am in no position to know whether the Department of Justice will act on this matter within the next few days or whether it will require another full year to make up its mind, but I do know that the continued existence of several thousand small business members of the industry is at stake. For that reason, I have felt obligated, as chairman of the Small Business Subcommittee that held the hearings, to make this report to the Members of the House.

At this time I prefer to withhold any further comment, but at the same time, want to make it clear that a comprehensive and detailed report concerning this entire matter will be presented to the Members of the House at a later date. I trust that the Antitrust Division of the Department of Justice will have taken decisive action by the end of this month.

NEED FOR ADEQUATE AIR DEFENSE

Mr. ANDERSON of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. ANDERSON of Montana. Mr. Speaker, I view with alarm trends evident today in our country to exchange dreams and unrealities sold by Madison Avenue tactics for the hard facts of today's realities. Specifically, I am deeply concerned over the readiness of many people to scrap the only operational land-based air-defense missiles we have in our arsenal—the Army's Nike family of air defense weapons—for an unproven weapon, Bomarc, which is not yet in the U.S. arsenal. As a matter of fact, Bomarc is still in the development and test phase and is undergoing the most unsuccessful series of tests any air defense missile has ever undergone. Bomarc was originally scheduled to be operational in 1955 and has now slipped 4 years. It is obsolescent now and will be obsolete in a few years.

When and if Bomarc achieves its specified performance, it will still retain the limitation of an interceptor-type weapon. Its dependence upon Sage will decrease its ability to intercept an enemy plane from the often quoted 400 mile range to something on the order of one-fourth that range. And in our pursuit of this dream we have spent over $2 billion.

This is more money than has been expended on the entire Nike-Hercules which is now deployed and defending critical targets throughout the country and overseas. Nike-Hercules, the second generation of the Nike air defense weapons, is the most lethal and most advanced air defense weapon in the hands of our forces today. In addition to its proven reliability, accuracy, and lethality, its growth potential is unrivaled and has been proven beyond question. The next generation of Nike missiles—the Nike-Zeus is in the hardware development stage. Despite newspaper advertisements claiming an antiballistic missile capability for Bomarc, investigation has revealed that these claims are foundless and that only Nike-Zeus is under development for this purpose.

I think we must all bear in mind that we are facing a real, not a mythical, enemy. We must be prepared to meet him with real weapons. What does the record show?

The first successful intercept of an aircraft by a guided missile was achieved by Nike on November 27, 1951—the year Bomarc was initiated. This missile was fired at an aerial target flying at about 15 miles range, 33,000 feet altitude, and 300 miles per hour.

In December 1953 the U.S. Army Air Defense Command placed the first operational surface-to-air missile system onsite in the continental U.S. air defenses. This unit, a Nike-Ajax battalion, was deployed in the Washington-Baltimore defenses. In that same year the Army started work on the more effective Nike-Hercules.

In November 1958 Nike-Hercules achieved the first free world intercept of a very high altitude supersonic target missile by destroying a supersonic target missile traveling faster than 1,500 miles per hour at an altitude greater than 60,000 feet.

In December 1958 Nike-Hercules successfully intercepted a supersonic target

missile traveling over 2,000 miles per hour 14 miles above the earth.

On November 6, 1958, a Nike-Hercules successfully intercepted a rocket-launched parachute target at an altitude over 100,000 feet.

These tests have proven the Nike-Hercules capability to engage any known manned bomber or cruise-type aerodynamically supported missiles, such as Hound Dog.

The fact that air-to-surface cruise-type missiles can be launched beyond the range of Nike defenses in no way reduces the effectiveness of these defenses since Hercules can in fact destroy the incoming missile before it reaches the target.

These are Hercules facts.

I challenge the Bomarc "salesmen" to state for the record the Bomarc facts—not fiction. After 6 years in development and with the expenditure of $1 billion, it knocked down a B–17, something that Nike-Ajax first accomplished 6 years before, and now after almost 9 years in development and with the expenditure of $2 billion, it has intermittently had a few successes against subsonic targets only—something that Nike-Ajax and Hercules have done over 2,000 times in actual firings, starting 8 years before.

In closing, I consider an adequate air defense an integral part of our retaliatory force. I believe that the ability to counter effectively a sneak attack serves to deter such an attack. I believe we must have real weapons and have them on time. I do not believe we should think of replacing an effective weapon in being with a paper weapon. Finally, I believe that Nike-Hercules provides a maximum increment of protection for a minimum expenditure not only of funds but also of training effort.

THE REIGN IN SPAIN IS MOSTLY ON THE WANE

Mr. PORTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, our policies toward Spain need to be changed to reflect accurately this Nation's deepest traditions of freedom. These changes had better come while there is still time to demonstrate to the Spanish people we are not just fair-weather friends.

Let us consider Cuba, a Spanish-speaking nation off our shores. We treated Batista with the cordiality we now accord Franco. The revolution came and in a country where there was no anti-Americanism, we now find a substantial amount of it.

Franco is a dictator. Milton Eisenhower in January recommended, and the President endorsed, that we treat dictatorships in Latin America with cold formality. But treat democracies with warm friendship. Why confine such a natural and patently correct policy to Latin America?

Our able colleague, ARMISTEAD SELDEN, of Alabama, who is chairman of the Inter-American Subcommittee of the House Foreign Affairs Committee, has just presented a unanimous report from his committee which recognizes that U.S. policy coddled dictators in Latin America, and that this policy was wrong and should be altered.

The same principles apply in Spain.

In a report I made to the House on March 12, 1958, I documented in detail the evidence for these 10 propositions about Spain:

First. Franco was morally and actually on the Axis side in World War II.

Second. The U.S. Ambassador to Spain, John Davis Lodge, contrary to Dr. Milton Eisenhower's recent recommendation which the President endorsed, publicly advocates an abrazo—embrace—for Spain from the United States.

Third. Even though our aid to Franco Spain now amounts to almost $2 billion, Franco's policy has been to hide the extent and importance of this aid. He claims that current Spanish inflation is caused by the construction of American bases.

Fourth. U.S. economic aid has not helped solve the country's economic problems but has merely permitted the Government to avoid facing them.

Fifth. Spaniards persist in smuggling large sums out of the country, hedging against both inflation and the fall of Franco.

Sixth. The Spanish Government has been selling at a big profit cotton purchased from the United States under the surplus agricultural disposal program.

Seventh. We have no binding assurances that we will be able to use our military installations on Spanish soil in case of war.

Eighth. The people of Spain do not like us because they believe us responsible in large part for their bad economic situation and because we appear to be closely identified with Franco.

Ninth. The U.S. message of freedom and democracy is not reaching the Spanish people.

Tenth. Communist support grows under Franco.

In the 85th Congress we approved, although many were not aware when it was done on this side, an invitation to Spain to be a member of NATO. The proposal has again been filed in the form of a joint resolution. I hope if it reaches the floor it will be soundly defeated.

Mr. Speaker, if authoritative recent evidence is required as to the need for a change in our policies toward Spain, I refer my colleagues to an article by Emmet John Hughes in the May 1959 issue of Esquire, the text of which I am including hereafter under unanimous consent.

Mr. Hughes is chief of the foreign correspondents for Time and Life. He was press attaché in Madrid for 4 years during World War II. He was a speech writer for President Eisenhower in both campaigns and in 1953 served on the President's personal staff.

His article tells of Franco's double-dealing and our gullibility.

His article shows the need for a change in our policy toward Franco.

The anti-Franco tide is swelling and U.S. diplomacy continues its siesta.

Here is the text of Mr. Hughes' article, "Spain's Coming Ordeal":

SPAIN'S COMING ORDEAL—AS THE ANTI-FRANCO TIDE SWELLS, U.S. DIPLOMACY CONTINUES ITS SIESTA

(By Emmet John Hughes)

"O Spain, how thou art the same into whatsoever part of thy history one may look. And there is no disguise to cover thee, no mask to hide thy face * * * for wherever thou appearest, thou art recognized at once from a hundred miles away—one-half of thy face fiesta, the other misery; one hand bearing laurels, and the other scratching thy leprous sores."

—Galdós: Episodios Nacionales.

For a decade now in this divided world, both Western policy and U.S. diplomacy displayed, too often, one classic mark, one chronic weakness. This has been—with many a crisis, in many a nation—to rise to meet each occasion only when the chance or challenge is sufficiently lost to prevent its being surely won, and thus to snatch delay from the jaws of defeat. This is troublingly true in Spain today, where U.S. diplomacy is enjoying a singular siesta time. The consequences could be costly. And the final result could be tragic—alike for the people of Spain and the policy of America.

Ever the land of paradox that Galdós described, Spain today boasts surface signs of well-being that obscure the sobering truth. In its foreign relations, it has been the beneficiary of nearly $2 billion in U.S. economic and military aid. Militarily, Spain will eventually inherit the $400 million worth of U.S. Strategic Air Command bases recently completed. Economically, the face of the land here and there shines with some show of progress: long, low aqueducts watering thousands of arid acres in the south; Madrid's new de luxe hotels and workers' apartments, attesting to the city's great postwar building boom; the miles-long rows of firs and acacias lining the highways, mute witnesses to the biggest reforestation program in modern Spanish history. And to the eye of many an American, striving to assess the grander strategy of the struggle for the world, the whole national scene in Spain sometimes seems a great comfort: Here no fractious parliament, such as has so often filled the air of France with pretentious and contentious nonsense. Here no open, organized, massive Communist Party, such as afflicts Italian democracy. Here, rather, rises the glowing image: a firmly united nation, a government of order, surely a loyal and secure fortress of the West.

Three facts fatally mar this image. Spain is not united. Its government is confused and fearful of its own future. And little in the land is notably secure. This is the true state of this nation two decades after the end of its catastrophic civil war and the ascent to power of that rather remarkable personality, the caudillo of Spain, Generalissimo Francisco Paulino Hermenegildo Téodulo Franco Bahamonde.

How can there be so sharp a contrast between appearance and reality in this land?

Perhaps because there is so much truth in the old cliché that Africa begins at the Pyrenees, the understanding of many an American or European seems to end at the same frontier. And today Spain's paradoxes multiply and bewilder.

Here is a military dictatorship decisively dependent upon army and police power, committed to the firm denial of such democratic devices as freedom of assembly or freedom of press—but solemnly allied with the United States in covenants proclaiming the common cause of freedom.

Here is a head of state whose personal popularity is so insignificant that not even his fondest admirer pretends that his power could survive a free expression of national opinion—yet a man whom a considerable

majority of the people have preferred to see in office rather than face an unknown, undefined alternative.

Here is a totalitarian state where the single national party, the Falange, faces no political challenge or competition—and yet that party fears it is heading toward total extinction.

Here is a regime that designates itself Catholic with a fervor and truculence unique in the world—and which reserves its most abusive language for the vilification of all Catholic-led Christian democratic movements in Europe.

Here is a regime which, with passionate sincerity, ever proclaims the decadence and evil of both capitalism and political democracy—and whose most crucial political assets today are the friendship and aid of the U.S. Government.

These anomalies, in recent months, have assumed clear shape—and made ominous news. Behind the smooth political facade, both Socialist and Communist underground activity has been quickening; its centers are in the areas of traditional strength in the north: Bilbao, the Asturias, Barcelona. On another political front, Franco police have had to round up scores of moderate and monarchist opposition leaders—students, lawyers, doctors, journalists. And behind the economic facade has persisted the flight of as much as $300 million in currency to safekeeping in foreign banks. This last, of course, represents no treasonous act by radical enemies of the regime—but the prudence (or the panic) of many of the nation's biggest and richest leaders: Bankers, industrialists, cabinet ministers, members of Franco's own family. Yet, through all such travail and despite all such omens, the adulatory rhetoric of the controlled press of Spain has droned on, as with Arriba's salute to Franco on the most recent anniversary of his assumption of power: "The moral qualities of Francisco Franco as a ruler are infinitely superior to those of Emperor Augustus, Charles V, and Napoleon."

The most elemental facts of economic life give key clues to the nation's contradictions and conflicts. The misery of centuries persists, with per capita income averaging less than $300 per year. Drought still is king in the land of clay and sand, and the loss of a year's wheat crop can cost—and has cost—more than the sum of a whole year of U.S. economic aid. An antiquated rail system stumbles along with locomotives whose vintage goes back to the 1880's. Foreign trade remains the smallest (per capita) in Europe: In the first 9 months of 1958, the country bore a trade deficit of $263 million, and gold reserves dipped so near totally vanishing that the nation could barely find ways to pay for the crude petroleum it must import each year.

Such facts make any honest economist shudder, but they bring sharper pains to the millions in Spain's countryside. The lives of these millions can be judged by one statistic: While the total population has risen almost 20 percent (from 25 million to nearly 30 million) in the last 20 years, the value of agricultural production has remained exactly the same. For uncounted scores of thousands, especially in the countryside and villages, this simple statistic means hunger, tuberculosis, and home in a slime-filled cave. The cave population around Madrid alone numbers some 20,000.

To blame one political regime for the need of millions would be a foolish slander; but the bold boasts of the Government's social program only summon attention to the sham and fraud which are that program's plainest marks. The splendid new highway running out of Madrid to Barajas Airport obviously meets the scrutiny of hordes of tourists—so the welfare program in this area has consisted of building neat, red-brick walls across inhabited caves so that foreign visitors are spared their troubling sight. There also exists a vaunted resettlement program for such cave dwellers; this program consists of asking the family its place of origin, shipping it there, and dumping it at the local station. As a result, cave dwellers around the capital now refuse to confess any place of origin other than Madrid itself. As for the vast funds of social security, they have been looted by no one knows how much, through a succession of financial scandals.

Neither graft nor the pompous lie is any newer to Spanish Government than disillusion and suffering are to its people. Yet it is doubtful if the presence of such annoying phenomena has rudely forced itself upon the attention of visiting U.S. Congressmen, Cabinet officers, generals, or admirals, whose sweeping firsthand view of the Spanish scene generally ranges from the splendid new government buildings to the Palace bar, and to the sumptuous dining terrace of the Ritz Hotel. And these half-hidden facts of economic life prepare one for the deeper, subtler contrasts between reality and appearance which spell the political life of Franco Spain.

THE PERILOUS BALANCE OF HATE AND FEAR

For 20 years now, fear has been the source of strength for the Franco regime—sharp and vivid fear of renewal in any form of the civil war of the thirties that cost more than a million lives, wracked and devastated the country, grimly augured World War II, and invited both Fascist and Communist political invasion. It is, in fact, well to remember the rather awesome omen that Spain was two decades ago. The fact has some bearing on present and future.

This popular fear—which the regime has systematically enjoyed and exploited—scarcely knows any limit in political or ideological terms. Socialists, Republicans, Monarchists, as well as the mass of the uncommitted or apolitical, all have tended to share common acquiescence in any political formula sparing the ordeal of civil strife. What would happen were Franco to die tomorrow? The question brings a shudder not only to servants of the regime, but scarcely less to his opponents. "I suppose if we had 2 months of political freedom here," a Madrid lawyer speculated to me when I last visited him, "the surest thing to expect would be the sight of Franco's body being dragged by a mule down the Gran Via." Within the Government, no apologist seriously pretends that the regime has any significant popular strength beyond the people's fear of what will happen when it ends. No official will even bother to try to persuade one that Franco's power could survive any test of the popular will. Free elections? Each official echoes the question with honest astonishment. But they are impossible. Thus, in a bizarre way, the very unpopularity of the regime serves as candid rationale for its methods.

Every Spaniard I know describes, in only slightly varying ways, this perilous balance of national hate and fear. As fair a conception as any is that privately expressed, not by any fanatic enemy of the regime, but by one of its ranking Ambassadors. "The feeling about Franco," he murmurs, "that you foreigners so often find incomprehensible—it is not very complicated. It is all summed up in an old folk rhyme of ours about love:

"Ni contigo, ni sin ti,
Mis penas tienen remedio;
Contigo, porque me matas,
Y sin ti, porque me muero."

[Translation]

(Neither with you, nor without you,
Have my sufferings relief;
With you, because you kill me,
Without you, because I die.)

And such security as is not provided by this inhibition of public passion, or the suppression of serious public discussion, is furnished by force. Army, civil guard, and police add up to a total of more than half a million men always under arms: a remarkable, as well as revealing, statistic—in a nation of 29,500,000 people. It is enough to suggest (if such suggestion is necessary) that fear alone is a poor guarantor of perpetual civil peace.

While the Franco regime has continued to achieve domestic order by its own special devices, it has performed an even more remarkable tour de force on the international stage. Here, in a few swift years, Franco Spain has rushed back from diplomatic ostracism, by a hostile world, to the strong and consoling embrace of the United States. In the first postwar years, the Western Powers joined in excoriation of the Spanish Government for "its origin, its nature, its record, and its close association with the aggressor states," followed by the Anglo-French-American demand in 1946 for the peaceful withdrawal of Franco. That era of bold and vain rhetoric ended officially in September of 1953 with the signing of a mutual defense agreement by Spain and the United States. And lest anyone deceive himself that this agreement hinted any reform or liberalization in the nature of his government, Franco told his Cortes with pride: "If the Spanish nation * * * has undertaken to cooperate closely with the United States, it has done so maintaining intact its ideology."

If this revolution in foreign relations (and the dollar benefits deriving therefrom) has been extravagant, even more startling has been the view of the event taken by Spain's leaders. Essentially—and publicly—Franco and his counselors give credit neither to the United States, nor to the exigencies of U.S. policy confronting Soviet aggression, but to their own virtue and sagacity. This view of recent history begins with the curious notion that all Western nations stand in debt to Spain for the Franco government's decision to limit its military assistance to Nazi Germany to the Spanish Blue Division that fought on the Russian front. This thesis—that one nation's failure to attack another puts the latter under deep moral obligation—not only suggests a kind of international ethics unknown outside the Communist world, but also colors all interpretation of present and future. Thus, as the year 1959 began, both Spanish press and Spanish officialdom, in all their utterances, largely ignored the very existence of U.S. aid. Franco's annual year-end speech—all 8,000 words of it—contained not a single reference to the United States. Instead, he uttered this not-immodest judgment upon himself and his regime: "Over the course of 22 years * * * nothing has been freely vouchsafed us excepting the aid and assistance of the Almighty." There are surely Members of the U.S. Congress, notably on the Appropriations Committee, who, without being impious, would question the accuracy of this declaration.

Meanwhile, the entrance of America upon the Spanish national stage has been on the grand scale. The great base-building program spans the country; from the huge docks of the Navy base at Cadiz to the splendidly modern SAC bases outside Sevilla, Madrid, and Zaragoza—linked by an almost 500-mile-long oil pipeline slicing clear across the peninsula. Close to 20,000 Americans have taken up residence in Spain in connection with the military program. American tanks and jets spearhead the Spanish ground and air forces—while the Spanish Government hopes to get more U.S. assistance in a $400 million program to modernize its five-division army.

Not surprisingly, in all of this U.S. enterprise and investment, Spanish officialdom has been eagerly cooperative. Rather surpris-

ingly, this spirit has inspired U.S. officers and diplomats in Spain with a warm sense of gratitude, at times seeming to border on euphoria. As a ranking U.S. officer told me on my last visit to Madrid: "These Spanish officials just couldn't be nicer—not a bit like the goddam French." One of the men in charge of the U.S. military mission in Madrid exulted to me: "Why this Government doesn't even hold the War of 1898 against us!" One day, walking away from the Spanish Victory Day military parade, the wife of a top U.S. diplomat in Madrid deplored American ignorance about the true nature of the Franco regime: "Why, how can people back home talk about this being a dictatorship—all those tanks we saw in that parade were ours." In some similarly fatuous mood of fraternity, the Pentagon, when visited by Defense Minister General Agustín Muñoz Grandes, World War II commander of the Spanish Blue Division fighting beside the Nazis, felt moved to award him the Legion of Merit.

Paradoxically (as always) even as the Spanish regime has achieved this triumphant rapprochement with America, its own essential and profound isolation in the world has become ever more apparent. This isolation is not dictated from without, but bred from within. It is ensured by a political discourse and a national press that effectively keep the people in ignorance of the simplest world affairs. "We are a closed society," a leader of Spanish Catholic Action concludes sadly. "The mind of Spain for 15 years now has been drugged with nonsense of the Government's invention. I know a pathetic Falangist leader who went traveling for a month in Italy and France, and came back weeping. Why? 'Now I know,' she said, 'the lies we live on in Spain—Communists are not running wild in the streets of Paris and Rome.' "

From minds thus sealed against truth, there comes a view of the world and a conduct of foreign affairs often so anachronistic or warped as to be scarcely believable. In all seriousness, the Foreign Office in Madrid has in the past called upon the French Ambassador to prove his interest in friendly relations by seeing that "remarks hostile to Spain" were no longer uttered by deputies in the French Assembly. In its English-language broadcasts to the United States, Radio Nacional's Voice of Spain beguiles American listeners with such sermons as "Democracy as a system of government has proven a failure * * * and the United States and Germany have moved away from it." And Madrid officialdom occasionally seems unable to realize that Chancellor Konrad Adenauer is not the pure-blooded political heir of Adolf Hitler. German Embassy officials in Madrid are commonly nonplused by Falangist leaders telling them how deeply they regret "your" loss of World War II.

From all these facts of Spanish political life—the rule by fear and force, the twisted vision of the world itself—there emerge questions posing, once again, the possibility of tragedy for the Spanish people. And they address sharp issues to the makers of U.S. policy.

What is the ultimate meaning—and the ultimate risk—of intimate alliance with this regime? Is it prudent that its fate be allowed also to be the fate of U.S. policy And what can its fate be? After Franco—what?

THE POST-FRANCO REGIME: WHAT WILL IT BE?

The dilemma for Spain is clear and imminent. And time for its resolution is fast slipping away. Not long ago one of the highest officials of the Government told me his candid fear: "I have not been so worried since 1936."

Franco himself is neither so idle nor foolish a man as to be unaware of the fateful issue. He has, however, been fumbling with it for a decade now. By the law of succession of 1947, Spain at that date became officially a kingdom, albeit without a king. It took 7 years for the first gesture toward serious action—and this a rather abortive one. Late in 1954 Franco met near the Portuguese border with Bourbon Pretender Don Juan—the symbol, for monarchists, moderates, most republicans within Spain, of the last hope for peaceful transition toward freedom. The result of that meeting was the bringing to Madrid of Juan's son, Prince Juan Carlos, to be tutored in the ways of royalty. The attempt was transparently obvious: to find a royal figure who could be indoctrinated in the ways of the regime, who would not be so alien as the Pretender to Falangist totalitarian doctrine, who might somehow, some day, lend some monarchist respectability, a touch of legitimacy, to a post-Franco regime, unreformed and unrepentant. The 3 years spent in this effort have only made it more than ever clear that Juan alone stands as the only successor to Franco whom the people would take seriously. Not even the young Juan Carlos himself can see any other king for Spain but Juan. Yet 3 precious years have passed—and nothing happens.

A monarchic restoration, on its political face, looks sensible to the point of being inescapable. The institution traditionally commands the loyalty of Spain's Army, decisive arbiter of Spanish politics. The fears of army and church—as well as the nervous skepticism of great masses of the people—make impossible any thought of an immediate republican restoration. And the conferring of a crown is a simple-sounding political act capable of quick execution.

The full truth, unhappily, is by no means so simple. As one fretful government leader observes with accuracy: "Monarchy—a fine-sounding word. But what does it mean? We cannot revert to 18th-century absolutism, so presumably it means a parliamentary monarchy. Parliament? But this means political parties. What parties? How do you decree them into existence? With what freedoms? The man who thinks that 'monarchy' means merely capping the present structure of government with a splendid crown is a fool."

Precisely here—at this critical point and moment—the Spanish regime must pay the full price for a decade and a half of political temporizing and expediency. For, in the most literal political sense, the Government of Spain has never been formed and does not exist. What exists—and all that has ever existed—is a political alliance of three key national forces: Church, army, and Falange. These three are united in nothing more fundamental than the resolve to guard what they conceive to be their respective rights. As the peace of Spain is essentially a truce, in like manner these forces are less true allies than chance cobelligerents. One rather notorious demonstration of this fact occurred, 4 years ago, when the Falange presided over what it called elections to the Madrid city government, i.e., publication of a single party-approved list for popular ratification. After Madrid monarchists stunned the party by presenting their own candidates, the Falange assured itself a comfortable 80 percent of the vote by such devices as: total party control of press and radio; free rein for Falangist thugs to attack monarchist observers at the polls; and party-controlled arithmetic that, in some sectors, recorded a Falangist vote greater than the number of all registered voters. All this was duly hailed by the Falangist press as proof of an extraordinary political maturity.

Only the consummately adroit political tactics of Francisco Franco has held these forces together so well for so long. Yet not even he can make a bishop who cherishes the monarchy, a Falangist who despises it, and a general who is happy with the present life all rejoice in change—the same change.

The roots of this fatal conflict in the regime go back to the civil war, even beyond. For the Falange Party, these roots are radical and fiercely anticlerical; one of the founders of the party has written of his pleasure at watching the Communist mobs of 1931 burn Jesuit churches in Madrid. Countless key Falangists—like Juan Aparicio, until recently government boss and censor of the nation's press for more than a decade—came to Spanish fascism out of the ranks of anarchism. The Falange's red and black flag itself preserves the traditional colors of Spanish anarchism. The party's greatest strength lies in those rural areas that today as always know greatest poverty and hold greatest danger of flaring revolution. Such origins and history explain the common Spanish aphorism that the blue uniformed Falange is "azul por fuera y rojo por dentro" (blue on the outside, red on the inside). For many of these men—however time or hunger for survival may temper their pure zeal—the prospect of a Bourbon's return seems as intolerably incongruous as would have been a fanatic Nazi's cheering of a Hohenzollern restoration.

The Spanish church hierarchy while scarcely less bound into the regime than the Falange, has scarcely more in common with the diehard core of the party than it has with the Socialist underground. Over the years, many a bishop has clashed bitterly with the Falange on all issues that traditionally plague the church in a one-party state: education, social welfare, and the press. Occasionally and with ringing force, a church voice has been raised in protest against the very strategy and premises of Falangist rule. One such voice has been that of Jesuit Father Jesus Iribarren, founder and director of Ecclesia, official organ of Spanish Catholic Action. Four years ago Father Iribarren wrote a scathing attack upon the suffocating censorship: "A catholicism must be weak and a national unity shattered, which have to be protected day by day with * * * imposed commentary and the order of obligatory silence. * * * It is said that there are things which cannot be told because the people are mental minors * * *. But * * * the answer would be valid only if steps were being taken simultaneously to make adults of the people." Not long after, Father Iribarren was removed from his post, and most of the hierarchy relaxed back into the embrace of the regime which is pledged to guard its welfare.

But if the great part of the hierarchy tends so to slumber, a great part of the Catholic laity knows no such facile peace. One Catholic Action leader has told me what he thought would be the fate of the church upon the fall of the Francos regime: "1936 again—churches made into bonfires—probably worse." To such people, the return of a monarchy, the breaking of Falangist power, and a modicum of civil freedom in Spain are more than political wishes. They are the imperative—the only—hopes for escaping sure eventual disaster.

Beside Falange and church, there stands the army: the decisive monolith—and political enigma. Ever since 1898 and the disappearance of the Spanish Empire, the army has been, in Ortega y Gasset's phrase, like a loaded gun, finding no target but the domestic politics of Spain. Ten to fifteen years ago, one could have said confidently that the army would encourage—might even some day precipitate—a monarchic restoration. But the key traditionalist generals have died. The voice of the army is now heard to rise only in murmur over its inadequate pay. In a sudden national crisis, what would the army do? The knowing Spaniard shrugs his unhappy, "Quien sabe?" (Who knows?).

Within these forces, and through all the people, there stirs today's struggle in the

shadows. Only rarely is a public sound uttered, a public blow struck—for the moment. Yet, ranged on one side are the stubborn Falangist, the content reactionary, the privileged general, the apolitical or unaware bishop or industrialist. And in anxious array against them stand the ever more desperate reformistas—many a liberal, many a Monarchist, many a Catholic—who dread that time is running out. For these last see ahead a political point-of-no-return, fast approaching. That can come with the black moment when even the monarchic idea has become hopelessly tainted with Falangism. Or it could come with Franco's sudden death. Or it could come with sudden, savage violence in the streets. And as the month—and the year—passes, the hopeful point of light at the end of the tunnel seems to get smaller, smaller.

Of such fears, and of this looming struggle, comes the sense of total suspense that hovers in the air of Spain today. When will Franco act? In time? How? Will an authentic parliamentry monarchy be allowed to come to life? Or will the price that a king pays for his crown be a guarantee to perpetuate the privileges of the Falange?

To these questions, only one man knows the answers—if he himself has decided. And no friend or foe knows this man truly well.

Francisco Franco is a Gallegan. Notoriously, all men of this northwesternmost Spanish province bear the traditional marks of Latin peasant character: they are stubborn, shrewd, cautious, patient, suspicious. All these are marks of the man and his political methods.

Like the country he rules, the man seems a living paradox; an unassimilated mixture of lofty mysticism and cold pragmatism. Not only is his personal Catholic devotion deep in intensity and scrupulous in observance; he believes with utter sincerity that he has borne and still bears a solemn mission to "save" Spain. Yet he can execute political maneuvers with the cool skill of a Tammany politician; he has more than once let personal vendettas in his cabinet seethe until he could seize the right moment to dismiss both antagonists, frighten whatever sides were forming to draw an issue, and bury the nagging problem in the spurious excitement of a government reshuffle.

There is much in this man (beyond his profound dislike of bullfights) that is not in common keeping with the Spanish temper. He is a stranger to fierce passion. As a young (and brilliant) officer fighting in Morocco or as a mature commander in the civil war, he could always bear bad news with stoic calm. He meets any political crisis with the same poise, the same impenetrable coolness. For all his impassioned patriotism, he occasionally reveals a sadly cynical view of the people he rules. In the weary tone of a father dismayed by haplessly wayward children, he once remarked: "We used to do one thing well—fight bulls. And now even that is no longer so." and some who have watched him for years hold that all his political attitudes—his cold dispatch, his skepticism, his passionless cunning—were born of his formative years battling Moors, playing off one tribe against another, maneuvering and weaving and dodging with tireless skill and improvisation. Thus, at least, has he ruled his own people.

He is, in morals and manners, a man of discipline edging on asceticism, order verging on fastidiousness. He is known for singularly un-Latin fidelity to his wife; to her and his three grandchildren his devotion is warm and complete. He does not smoke or drink, even wine. He has a passion for punctuality and for personal neatness. At work, he is feverishly industrious, maddeningly meticulous, and stubbornly secretive. At the Palace of the Pardo, he stays at his desk in disdain of hourly routine, often lunching as late as 5 or 6 in the afternoon. At Cabinet sessions, he has shown himself able (until recently) to sit from 5 p.m. to 3 a.m. without stirring, without even sipping a glass of water (while colleagues with weaker kidneys or stronger appetites miserably slide in and out to satisfy their needs). Discussion at Cabinet delves to the most minute details, but when he faces serious decisions, he listens to many and confides in none.

He is, plainly, a man alone, if not lonely. Ill at ease with people generally, boasting no intimate and trusting no confidant, he seemingly has ever lived so. The family into which he was born brought strangely little warmth to his life. He was never close to his father, and, of his two brothers, the younger, Ramon, was a dashing aviator hero in the Republican days: a career of fighting Francisco's armies in the Civil War ended with a fatal crash in 1936. Now more than 20 years later, in the palace of the Pardo, the cold and quiet older brother ponders what finally to do with the victory he wrought, for he alone knows what he proposes to do with his country.

But many a citizen of Spain, these days, wonders: does he know?

WILL THE FUTURE BE TRAGIC?

Neither for the people of Spain nor for the diplomacy of America do there exist brisk and simple answers to present dilemmas or future dangers. No simple axiom rules, no neat epigram reveals, no slick syllogism can resolve the Nation's problems. Yet it would not seem too much to ask of U.S. policy that it begin, at least, to show some awareness that the dilemmas and the dangers exist.

The issue can be neither evaded nor concealed by diplomatic genuflection to the sovereignty of Spain, as a thing that must be untouched and unmoved by U.S. pressure or influence. For no matter how passionately the United States professes a policy of "noninterference" in domestic Spanish affairs, the fact is that both its military and its economic investment in Spain does profoundly affect these affairs. In essence, the U.S. military presence casts America in a clear role on the Spanish scene—as an almost indispensable ally and friend of the Franco regime. As a politically temperate and dispassionate Madrid friend of mine recently remarked, coolly and without much rancor: "You know, of course, that you now have become the great strength of this regime. We are all, in a real enough sense, dependents of the Pentagon."

If Washington is unaware or unconcerned, Moscow is not. The Communist underground in Spain is thriving. Its efficiency can be judged from the speed with which Radio Moscow reports and comments on local Spanish developments. Its number of trained agents has increased precisely as the development of U.S. bases has summoned Soviet attention. And its propaganda shows the new zeal and force that might be expected, now that it has become so simple and plausible to identify the will of America with the rule of Franco.

The worst, indeed, may not happen. Time may not, perhaps, run out before chaos comes again. The Falange may be forced to tolerate slow emergence of new political groupings, the Monarchy may be restored before it has become hopelessly compromised by Falangist sponsorship, and a measure of civic freedom may let in some saving air for a people to breathe.

Yet the chance of all this happening spontaneously—and in time—scarcely seems the kind of rock upon which a provident diplomacy builds. For, in a near and rather fearful future, it is entirely possible that the following events could come to pass:

Spain could erupt in turmoil—with tens of thousands of U.S. soldiers and civilians, scores of U.S. bombers and jets, caught on the chaotic scene.

Forces of reform or revolution could swiftly gravitate toward the extreme left, to begin a reenactment of the tragedy of the 1930's.

This time there would and could be no U.S. "neutrality"—for the whole military posture of the Western allies could be put in jeopardy.

And—once again—U.S. policy would be forced, by rude exigency of the moment, into actively defending a kind of status quo hard to reconcile with American professions of political principle.

None of these can be called an imminent prospect. But the pertinent question is: Must U.S. diplomacy abjure all clear sense of purpose until such prospects are imminent—or inescapable?

If it is American purpose to slow the pace of political change in Spain as much as possible, all is well—for this is the end now being served by the entire weight of the U.S. presence in Spain, the full spirit of U.S. conduct.

If it becomes American purpose to encourage and urge change—in the name of the hope of peace and some freedom for the Spanish people—then U.S. diplomacy must soon find its tongue and its will.

Such a new sense of purpose might serve—and save—a number of things. It might, for example, save America and its allies a tormenting future crisis. It might spare the people of Spain infinite unwanted suffering. And it might spare freedom yet another national casualty, needlessly left to die.

SEVEN—ELEVEN—SEVEN

Mr. HERLONG. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Florida.

There was no objection.

Mr. HERLONG. Mr. Speaker, for the benefit of the Members, I should like to include with my remarks a complete, section-by-section explanation and analysis of the Housing bill, H.R. 7117, which I introduced last Thursday and which I hope the House will approve this week:

SECTION-BY-SECTION SUMMARY OF H.R. 7117, 86TH CONGRESS

Short title

The first section provides that the act may be cited as the "Housing Act of 1959."

TITLE I—FHA INSURANCE PROGRAMS

Section 101. Property improvement loans: This section amends section 2(a) of the National Housing Act so as to extend for 1 year (until October 1, 1960), FHA's home improvement and modernization insurance program.

Section 102. Section 203 residential housing mortgage insurance: Subsection (a)(1) amends section 203(b) of the National Housing Act (the regular residential housing program) to increase the maximum amount of an insured mortgage covering a one-family or two-family residence from $20,000 to $25,000. The maximum amount applicable under existing law to three-family residences ($27,500) and four-family residences $35,000) would not be changed by the bill.

Section (a)(2) amends section 203(b) of the National Housing Act to effect a moderate reduction in required downpayments. This is accomplished by providing that the downpayment (where the sales price equals appraised value) need include only 10 percent of that portion of appraised value between $13,500 and $18,000 and 25 percent of the amount above $18,000, instead of 15 percent of the amount between $13,500 and $16,000

and 30 percent of the amount above $16,000 as in existing law.

Subsection (b) amends section 203(b) of the National Housing Act to increase the maximum maturity of mortgages insured under that section from 30 to 35 years.

Subsection (c) amends section 203(b) of the National Housing Act to make a nonoccupant mortgagor (builder or realtor) eligible for mortgage insurance in the same amount as that available to an owner-occupant under that section, in order to facilitate trade-in financing and avoid duplicate closing costs, if he places 15 percent of the mortgage amount in escrow to be applied to reduce the mortgage should no purchaser be found within 18 months. Under existing law, the mortgage of a nonoccupant is limited to 85 percent of the mortgage which an owner-occupant could obtain.

Subsection (d) amends section 203(c) of the National Housing Act to lower the minimum FHA insurance premium (applicable to all of the title II programs) from one-half of 1 percent a year to one-fourth of 1 percent a year. The existing maximum FHA premium charge of 1 percent a year would not be changed by the bill, and the FHA insurance premium charge actually in effect at the present time (one-half of 1 percent) would continue in effect unless changed by the FHA Commissioner.

Section 103. Low-cost housing in outlying areas: This section amends section 203(i) of the National Housing Act (relating to low-cost residential housing in outlying areas) to increase the maximum mortgage which may be insured under that section from $8,000 to $9,000, and to make mortgages on existing housing (as well as mortgages on new construction, to which existing law is limited) eligible for such insurance, with a reduced loan-to-value ratio (90 percent instead of 97 percent) for existing housing less than 1 year old which was not subject to FHA or VA inspection during construction.

Section 104. Section 207 rental housing insurance: Subsection (a) amends section 207(c)(1) of the National Housing Act (the regular rental housing program) to increase from $125 million to $20 million the maximum amount of a mortgage which may be insured under that section.

Subsection (b)(1) amends section 207(c)(2) of the National Housing Act to increase the maximum loan-to-value ratio for mortgages insured under that section from 90 percent of value to 95 percent of value.

Subsection (c) amends section 207(c)(3) of the National Housing Act to increase the per-room and per-unit maximum dollar amounts (including those applicable to elevator-type structures and high-cost areas) by varying amounts ranging between 10 and 30 percent, and to provide corresponding increases in the maximum dollar amounts applicable to trailer spaces and trailer courts or parks.

Subsection (d) amends section 207(c) of the National Housing Act to increase the maximum interest rate for mortgages insured under that section from 4½ percent a year to 5 percent a year.

Subsection (e) adds a new subsection (r) to section 207 of the National Housing Act authorizing FHA to require mortgagors on housing hereafter insured under that section or any other provision of the National Housing Act to agree to pay FHA service charges (in lieu of insurance premiums) if their mortgages are later assigned to FHA.

Section 105. Cooperative housing insurance: Subsection (a) amends section 213(b)(1) of the National Housing Act to increase from $12.5 million to $20 million the maximum amount of a mortgage on cooperative housing which may be insured under that section.

Subsection (b) amends section 213(b)(2) of the National Housing Act to increase the maximum loan ratio for mortgages insured under the cooperative housing insurance program from 90 percent of replacement cost to 97 percent of replacement cost in the case of cooperatives composed mainly of nonveterans (or from 85 to 90 percent in the case of investor-sponsored cooperatives), and from 95 percent of replacement cost to 100 percent of replacement cost in the case of veterans' cooperatives. The maximum per-room and per-unit dollar amount limitations are also increased in amounts which are proportionate to the corresponding increases made in the FHA's regular rental housing program by section 104 of the bill.

Subsection (c) amends section 213(d) of the National Housing Act to permit community facilities to be included in sales-type housing mortgages and to permit both community and commercial facilities to be included in investor-sponsor-type mortgages. Permission to include community or commercial facilities in cooperative housing mortgages is restricted under existing law to management-type cooperatives.

Subsection (d) adds to section 213 of the National Housing Act a new subsection (i) permitting the insurance of mortgages covering existing dwellings where the mortgagor is a consumer cooperative, basing the maximum amount of such mortgages on appraised value rather than replacement cost and (in the case of construction commenced in the future) requiring FHA inspection and compliance with the labor standards of the Davis-Bacon Act.

Subsection (e) amends section 213 of the National Housing Act by adding subsections (j) through (n) (and makes conforming changes in other provisions of that act) to place the financing of the cooperative housing program on a mutual basis, so that refunds of premiums will be provided to the extent permitted by loss experience, through a newly created cooperative management housing insurance fund for financing management-type and investor-sponsor-type projects and a cooperative sales housing insurance fund for financing sales-type projects.

Section 106. Increased mortgage amounts in Alaska, Guam, and Hawaii: This section amends section 214 of the National Housing Act (which authorizes an additional high-cost allowance for housing in Alaska, Guam, and Hawaii) to make it clear that the statutory dollar ceilings provided by other sections of that act for high-cost areas in Alaska, Guam, and Hawaii may be increased by 50 percent in the same way as the regular statutory dollar ceilings.

Section 107. FHA mortgage insurance authorization: This section amends section 217 of the National Housing Act to provide an additional general mortgage insurance authorization for FHA's insurance programs of $6 billion to be available until July 1, 1959, and $4 billion (without carrying over any portion of such $6 billion which is not represented by insurance granted or commitments made before July 1, 1959) to be available after that date.

Section 108. Repeal of obsolete provision: This section repeals section 218 of the National Housing Act, which involves section 608 mortgage insurance for which application was filed prior to March 1950, and which has become obsolete.

Section 109. Section 220 mortgage insurance: Subsection (a)(1) amends the sales housing provisions of section 220 of the National Housing Act to make the same increases in the maximum amount of an insurable mortgage (from $20,000 to $25,000 for one-family and two-family residences) as those which were made in the section 203(b) sales housing program by section 102(a)(1) of the bill.

Subsection (a)(2) amends the sales housing provisions of section 220 to make the same reduction in the required downpayment (10 percent of the amount between $13,500 and $18,000 and 25 percent of the amount over $18,000, instead of 15 percent of the amount between $13,500 and $16,000 and 30 percent of the amount over $16,000) as was made in the section 203(b) sales housing program by section 102(a)(2) of the bill.

Subsection (a)(3) amends the sales housing provisions of section 220 to permit a nonoccupant mortgagor to obtain a mortgage in the same amount as that available to an owner-occupant by placing 15 percent of the mortgage amount in escrow to be applied to the reduction of the mortgage if no purchaser is found within 18 months, the same as was done in the section 203(b) sales housing program by section 102(c) of the bill.

Subsection (b) amends the rental housing provisions of section 220 to increase from $12.5 million to $20 million the maximum amount of a mortgage which may be insured thereunder.

Subsection (c) amends the rental housing provisions of section 220 to provide increases in the maximum per-room and per-unit dollar amount limitations (including increases applicable to elevator-type structures and high-cost areas) proportionate to those which were provided under the section 207 rental housing program by section 104 of the bill.

Section 110. Section 221 relocation housing mortgage insurance: Subsection (a) amends section 221(d)(2) of the National Housing Act to increase the maximum amount of an insurable mortgage on a single-family residence under that section from $9,000 to $10,000 in normal-cost areas and from $10,000 to $12,000 in high-cost areas.

Subsection (b)(1) amends section 221(d) of such act to increase the dollar amount limitations per family unit for rental housing mortgages insured thereunder from $9,000 to $10,000 in normal-cost areas and from $10,000 to $12,000 in high-cost areas.

Subsection (b)(2) amends the existing rental housing program for nonprofit organizations in section 221(d) to provide that the maximum loan ratio (which is 100 percent under existing law and would not be changed by the bill) shall be based on replacement cost in the case of new construction and on value in the case of rehabilitation projects, instead of on value in both cases as provided by existing law.

Subsection (b) also amends section 221(d) to establish a new rental housing program for profit organizations similar to the section 220 rental housing program. The maximum loan ratio for mortgages under the new program would be 90 percent of replacement cost in the case of new construction and 90 percent of value in the case of rehabilitation projects; and the Federal Housing Commissioner would be authorized to require the mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return, and methods of operation. The maximum mortgage amount and dollar amount limitation per family unit would be the same as in the case of the existing section 221 rental housing program for nonprofit organizations.

Subsection (c) contains a conforming amendment.

Subsection (d) amends section 212(a) of the National Housing Act to make the labor standards provisions of that section applicable to rental housing projects constructed by profit organizations with mortgage insurance under section 221.

Section 111. Servicemen's housing mortgage insurance: This section amends section 222(b) of the National Housing Act (relating to housing for servicemen and their families) to increase the maximum amount of a mortgage insurable thereunder from $17,100 to $20,000, and to extend mortgage insurance under such section 222 (with a maximum mortgage amount of $9,000) to

low-cost sales housing in outlying areas which meets the requirements of section 203(i) of the National Housing Act.

Section 112. Builder's cost certification: This section makes a technical amendment to section 227 of the National Housing Act to provide that the cost certification requirements of that section are applicable to the new profit rental housing program established under section 221 of that act by section 110(b) of the bill.

Section 113. Mortgage insurance for nursing homes: This section adds to title II of the National Housing Act a new section 229 establishing a program of FHA mortgage insurance for nursing homes.

Subsection (a) of the new section 229 declares that it is the purpose of the section to assist in the provision of urgently needed nursing homes.

Subsection (b) contains definitions of terms used in the section. The term "nursing home" would mean a proprietary facility (i.e., a facility privately owned and operated for profit) which is licensed or regulated by the State (or a political subdivision thereof where there is no State licensing law) for the accommodation of convalescents and other persons who are not acutely ill and not in need of hospital care but who require skilled nursing care and related medical services; such care or services would be prescribed by, or performed under the general direction of, persons licensed by State law to provide it.

Subsection (c) authorizes the Federal Housing Commissioner to insure mortgages on new or rehabilitated nursing homes and to make commitments for such insurance prior to the execution of such mortgages or disbursement thereon.

Subsection (d) sets forth the conditions on which the Commissioner may insure mortgages covering nursing homes under the new program. Any such mortgage would have to be executed by a mortgagor approved by the Commissioner; and the Commissioner could require the mortgagor to be regulated or restricted as to charges and methods of operation and, if the mortgagor is a corporation, as to capital structure and rate of return. Any such mortgage would be limited in amount to $1 million, and to 75 percent of the estimated value of the property. The maximum interest rate would be 5 percent of the outstanding principal balance (exclusive of premium charges for insurance), and the maturity would be determined by the Commissioner.

Subsection (d) also provides that no mortgage may be insured under the new program unless the Commissioner has received a certification of the need for the nursing home from the State agency which has been designated under title VI of the Public Health Service Act to survey the need in the State for the construction of hospitals and for the furnishing of hospital, clinic, and similar services.

Subsection (e) authorizes the Commissioner to permit the release of a part or parts of the mortgaged property from the lien of any mortgage insured under the program.

Subsection (f) makes the provisions of section 207 of the National Housing Act which relate to premiums and payment of insurance applicable to mortgages covering nursing homes under the new section 229.

This section of the bill also makes the labor standards of the Davis-Bacon Act (as contained in section 212 of the National Housing Act) applicable to the construction of nursing homes financed with insurance under the new section 229.

Section 114. Technical amendments. This section makes various amendments in the National Housing Act to add necessary cross references between section 204 of the act (relating to payment of insurance) and five of the insurance programs (the title I property improvement program, the section 220 sales housing program, the section 221 relocation housing program, the section 222 servicemen's housing program, and the section 809 program for civilian housing at defense installations) to which the section 204 procedures apply. The corresponding cross reference between section 204 and the section 213 cooperative housing program is provided in section 105(e)(5) of the bill.

Section 115. Inclusion of conveyance costs in debentures: This section amends section 204(k) of the National Housing Act to permit the Federal Housing Commissioner to include certain costs of conveying property to FHA in the debentures issued to mortgagees on default under any of the title II sales housing programs and under the title VI and title IX programs.

Section 116. Voluntary termination of insurance: This section adds to the National Housing Act a new section 230, permittnig the voluntary termination of FHA insurance (on a mortgage covering a one-, two-, three-, or four-family residence) before the mortgage is paid off in cases where such termination is mutually desired by the mortgagor and the mortgagee, upon payment of a termination charge sufficient to protect the insurance fund involved.

TITLE II—HOUSING FOR THE ELDERLY

Section 201. Adds a new section 231 to the National Housing Act to provide a new program of mortgage insurance on housing for elderly persons. Projects may consist of eight or more new or rehabilitated living units specially designed for elderly persons. The term "elderly person" is defined to mean any person 60 years of age or more. The maximum mortgage would be $20 million, except that governmental instrumentalities or specially controlled nonprofit corporations could receive mortgages up to $50 million.

The mortgage could be as high as $8,100 per living unit; and $8,400 in the case of elevator-type structures. In high-cost areas, an additional $1,000 could be added to the mortgage for each room in the living unit.

In the case of projects sponsored by private nonprofit corporations or by public instrumentalities, the mortgage could equal 100 percent of replacement cost. In the case of profit-motivated projects, the mortgage could not exceed 90 percent of replacement cost.

The maximum interest rate would be 5 percent.

The economic soundness test of FHA's regular rental housing program would not be applicable to this program. Prevailing wage requirements now applicable to FHA rental housing would be made applicable to profit-motivated projects for the elderly.

TITLE III—FEDERAL NATIONAL MORTGAGE ASSOCIATION

Section 301. Increase in mortgage ceilings: This section amends section 302(b) of the National Housing Act to increase the maximum mortgage which FNMA may purchase from $15,000 to $18,000 in the case of mortgages purchased under the regular secondary market program and from $15,000 to $17,500 in the case of mortgages purchased under the special assistance program. Under the bill, as under existing law, these limits would not be applicable to military housing mortgages insured under section 803 of the National Housing Act or to mortgages covering housing located in Alaska, Guam, or Hawaii.

Section 302. Secondary market operations: Subsection (a) amends section 301(a) of the National Housing Act (the statement of FNMA's purposes) to provide that its secondary market operations shall have the additional purpose of "aiding in the stabilization of the mortgage market"; and subsection (b) amends section 304(a) of such act (which sets forth the manner in which the secondary market operations are to be conducted) so as to reflect this purpose.

Subsection (c) amends section 304(a) of the National Housing Act to make the standby commitment feature of FNMA's secondary market program applicable to the financing of existing homes as well as proposed construction.

Section 303. Special assistance program: This section amends section 305(e) of the National Housing Act to authorize an increase in the special support fund for section 213 cooperative housing mortgages by such amounts, not exceeding $75 million, as may be specified from time to time in appropriation acts. Of this $75 million increase, $37.5 million could be approved for mortgages on consumer cooperatives and the other $37.5 million for mortgages on builder-sponsored cooperatives. The maximum amounts of commitments for the purchase of section 213 cooperative housing mortgages which may be outstanding in any one State could be increased (from $20 million) by up to $7.5 million as may be specified in appropriation acts.

Section 304. Loan program: This section amends section 304(a) of the National Housing Act (and makes confirming amendments in other provisions of title III of that act) to authorize FNMA, under the regular secondary market program, to make short-term (12-month) loans on pledged FHA or GI mortgages. Such loans could be made in amounts up to 90 percent of the unpaid principal balances of the mortgages securing them; and the aggregate amount of such loans outstanding at any one time could not exceed 10 percent of FNMA's total secondary market borrowing authority. The interest rate on such loans and the charges or fees required would be determined by FNMA from time to time with the objectives of preventing excessive use of its facilities and making its secondary market operations (including the new loan operations as well as the existing purchase operations) fully self-supporting. Borrowers under the new program would be required to make nonrefundable capital contributions (not exceeding one-half of 1 percent of the loan) in the same manner as mortgage sellers under existing law.

Section 305. Investments by FNMA: This section amends sections 304(b), 306(b), and 310 of the National Housing Act to authorize FNMA to invest its excess funds in obligations which are lawful investments for fiduciary, trust, or public funds, as well as in obligations issued or guaranteed by the United States.

Section 306. FNMA purchase of mortgages held by HHFA: This section amends section 306 of the National Housing Act to authorize FNMA to purchase (pursuant to commitments or otherwise), service, and sell any mortgages offered to it by the Housing and Home Finance Agency or a constituent unit or agency thereof.

TITLE IV—URBAN RENEWAL PROGRAM

Section 401. Capital grant authorization: This section would authorize appropriations of additional funds for the urban renewal program of $100 million for the present fiscal year and $250 million for each of the fiscal years 1960 and 1961. Such appropriations would be required before capital grant contracts may be entered into.

Section 402. Loan authorization: This section would authorize appropriations of up to $400 million for the purpose of obtaining additional loan funds for the urban renewal program.

TITLE V—COLLEGE HOUSING

Section 501. Authorization: This section amends section 401(d) of the Housing Act of 1950 to authorize appropriations, not exceeding $200 million, to provide additional funds for college housing loans. Of this increase, up to $20 million may be made available for

such related facilities as cafeterias and student centers and up to $20 million may be made available for loans to hospitals for housing interns and student nurses.

Section 502. Cooperative student housing: Subsection (a) amends section 404(b) of the Housing Act of 1950 to provide that nonprofit student housing cooperative corporations established for the sole purpose of providing housing for students (or students and faculty) at an educational institution shall be eligible to receive college housing loans.

Subsection (b) amends section 401 of such act to require that the note securing any such loan to a student housing cooperative corporation be cosigned by the educational institution where the cooperative is located. Under this amendment, title to the housing constructed with any such loan would vest in the educational institution in the event of the dissolution of the cooperative.

Section 503. Labor standards: This section adds to section 402 of the Housing Act of 1950 a new subsection (e), requiring that all persons employed in the construction of college housing after the date of the enactment of the bill shall be paid at not less than the prevailing wage rate in the locality, as determined in accordance with the Davis-Bacon Act, except in the case of persons who voluntarily donate their services without full compensation in order to lower construction costs.

TITLE VI—AVOIDANCE OF FORECLOSURE

Section 601. This section amends section 204(a) of the National Housing Act to authorize the Commissioner, where a mortgage covering a one-, two-, three-, or four-family dwelling insured under any of FHA's title II programs is in default due to circumstances beyond the mortgagor's control and the default will probably be corrected within a reasonable period of time, to extend the time for curing such default and to enter into an agreement providing for the payment to the mortgagee in debentures (if the mortgage is subsequently foreclosed) of any interest thereafter accruing.

TITLE VII—MISCELLANEOUS

Section 701. Reacquisition by former owners: Subsection (a) amends title IX of the National Housing Act to authorize the Commissioner, in disposing of properties acquired by him in insurance operations under such title, to give former mortgagor-owners a preference and priority of opportunity to reacquire such properties on prices and terms reasonably commensurate with the value of the properties and not less favorable than those offered by other prospective purchasers.

Subsection (b) amends section 608 of the National Housing Act to give to former mortgagor-owners of projects insured under that section the same right of reacquisition as that which is given to former mortgagor-owners of title IX projects under the amendments made by subsection (a).

Section 702. Surveys of public works planning: This section amends section 702 of the Housing Act of 1954 to authorize the Administrator to use during any fiscal year up to $50,000 from the section 702 revolving fund to conduct surveys of the status and current volume of State and local public works planning and surveys of estimated State and local public works requirements.

Section 703. Disposal of Passyunk and Newport war housing projects: Subsection (a) extends by 2 years the period during which military personnel (and civilians employed in defense activities) may continue to occupy the Passyunk war housing projects, which are presently owned by the Housing Authority of Philadelphia pursuant to section 406 of the Housing Act of 1956, with occupancy preference and without regard to their income.

Subsection (b) amends section 406 of the Housing Act of 1956 to provide a similar 2-year extension in the case of the housing project which was conveyed to the Housing Authority of Newport, R.I., under that section.

Section 704. Farm housing research: This section amends section 603(c) of the Housing Act of 1957 to extend the farm housing research program for 2 additional years (until June 30, 1961), and to authorize appropriations of $50,000 a year during such additional period.

Section 705. Hospital construction: This section amends section 605 of the Housing Act of 1956 so as to extend for 2 additional years (through June 30, 1960), the authority granted by that section for loans and grants to public and nonprofit agencies for hospital construction under the Defense Housing and Community Facilities and Services Act of 1951, where applications for such assistance were filed before June 30, 1953, and denied solely because of lack of funds. An appropriation of $7.5 million would be authorized for each of the 2 additional years.

Section 706. Real estate loans by national banks: This section adds to section 203 of the National Housing Act a new subsection (j), providing that mortgage loans insured under that section shall not be taken into account in applying the existing limitations (contained in sec. 24 of the Federal Reserve Act) on the total amount of real estate loans which a national bank may make in relation to its capital and surplus or its time and savings deposits.

Section 707. Purchase of participating interests by savings and loan associations: Subsection (a) amends section 5(c) of the Home Owners' Loan Act of 1933 to permit savings and loan associations to purchase (without regard to the existing area restriction) participating interests in first mortgages on one- to four-family homes, subject to two limitations: (1) No more than 20 percent of an association's assets may be used to purchase such interests; and (2) the aggregate of such participations plus all outstanding loans which the association has made under the existing exception from the $35,000 and 50-mile limitations may not at any time exceed 30 percent of its assets.

Subsection (b) further amends section 5(c) of such act to provide that participating interests in FHA or GI mortgages shall not be taken into account in determining the amount of loans which a savings and loan association may make within any of the percentage limitations contained in that section (the existing 20-percent limit on loans made without regard to the $35,000 and 50-mile restrictions, the new 20-percent limit on the purchase of participations, and the 30-percent combined limit.)

Section 708. Voluntary home mortgage credit program: This section extends for 2 years (until July 31, 1961), the voluntary home mortgage credit program established by section 610 of the Housing Act of 1954.

Section 709. Insurance of housing loans for migratory farm labor: Subsection (a) amends title V of the Housing Act of 1949 to establish a new program under which the Secretary of Agriculture would insure loans made by private lenders to farmers, associations of farmers, and county governments for the purpose of providing housing and related structures for migratory farm labor. Such loans would have to meet the conditions (set forth in the existing provisions of title V) applicable to direct farm housing loans by the Secretary, except that the maximum loan-to-value ratio would be 90 percent and the maximum interest rate would be 6 percent. An annual charge of up to 1 percent on the outstanding balance would be imposed for the insurance; and the maximum amount of the principal obligations of the loans insured under the new program in any 1 fiscal year could not exceed $25 million. In carrying out the new program, the Secretary would utilize the insurance fund created by the Bankhead-Jones Farm Tenant Act as well as certain of the procedures prescribed by that act.

Subsection (b) amends section 24 of the Federal Reserve Act to permit national banks to participate in the new insurance program established by subsection (a). It exempts loans insured under the new program from the limits prescribed by section 24 for loan-to-value ratios and maturities of real estate loans made by national banks.

CUBA IS NOT GOING RED

Mr. PORTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, Cuba is not going Red, Stuart Novins and his telecast over CBS 2 weeks ago to the contrary notwithstanding.

Cuba has many problems, one of them being Communist infiltration, but it is inaccurate and unfair to say, as Novins did, that Cuba is now a totalitarian dictatorship where dissent is immediately and drastically punished and where the Reds are rapidly acquiring a beachhead.

Castro and his top leaders are against communism and all other forms of tyranny. There is freedom of expression in Cuba. I referred the text of the Novins' telecast to the Inter-American Press Association for investigation. The report I received was in the form of a letter from Jules Dubois, Chicago Tribune Latin America correspondent and chairman of the IAPA freedom of press committee.

Dubois also happens to be the leading authority on Castro and is the author of a widely praised book on him. The winner of many awards for his work in journalism and for a free press, Jules Dubois knows more about freedom of the press in Cuba than anyone else.

His letter is appended in full to these remarks.

If the Communists were taking over rapidly, it would seem they would have arranged to win more positions than the very small number they did win in the recent labor union elections.

An editorial in the New York Times May 13, 1959, in part states:

> The Communist were appointed to posts of power by Batista. Their hold on the Cuban Confederation of Workers came through General Batista's appointments. They were not persecuted by the dictator during the last two critical years of the revolution when many thousands of peasants, students, and professional men and women were arrested, tortured, and killed.

Batista now is trying hard to get admitted to the United States. He paid Edward Hart $5,000 on April 15, 1959, to help him reinstall himself and family at Daytona Beach, according to enterprising newsman Ron May in the Madison (Wis.) Capital Times today. Hart registered as a foreign agent on May 5, 1959.

Hart prepared "Questions for Castro" which a Republican Congressman from Wisconsin inserted in the RECORD on April 20, 1959, all unaware of Hart's mission for Batista.

Hart refused to tell Ron May about his interest when he called May to tell him certain members of the Foreign Affairs Committee would have comments about the Novins telecast which was shown privately to several members of the Committee.

I understand Hart has in the past been active on behalf of several worthwhile causes. I also understand he has been sick and that he has three children. It is too bad he saw fit to help Batista. Batista does not need or deserve asylum here.

If Hart intends to go on serving Batista, he should make it clear to people with whom he deals that he is so employed.

Castro's Cuba is getting better every day. The military trials have ended. Habeas corpus will soon be restored. A date for the elections will, I feel sure, soon be announced. Castro's semiofficial newspaper, Revolucion, has been criticizing the Communists as "divisionists."

Cuba going Red? No; but in the other direction. Go look again.

The Columbia Broadcasting System has an aggressive, intelligent, and liberal news-gathering operation. I think Stuart Novins is honest, conscientious, and able, but I think his lack of knowledge of Spanish and the complex situation were too much for him. Certainly his evidence did not stand up under analysis by Jules Dubois. What was left did not support the Novins charge that Cuba is a totalitarian dictatorship where public dissent meets quick reprisal and where the Communists were rapidly taking over control.

On May 5, 1959, I inserted the text of the Novins telecast. Following these remarks I am including, by unanimous consent, the text of a telecast yesterday, "Is Cuba Going Red?—Part II," the text of the report Jules Dubois sent me about the Novins findings, a news story from the Havana Times—May 7, 1959—setting forth other Dubois statements, and a news story from the Washington Post of May 16, 1959:

IS CUBA GOING RED?—PART II

(Broadcast over the CBS Television Network, Sunday, May 17, 1959, 6–6:30 p.m. Participants: Dr. Ernesto Dihigo, Cuban Ambassador to the United States; Dr. Manuel Bisbe, Cuban Ambassador to the United Nations; Carlos M. Lechuga, Alternate Representative of Cuba to the U.N.; Representative CHARLES O. PORTER, Democrat, of Oregon; CBS News Correspondent Stuart Novins; Leo Cherne, director of the Research Institute of America. Moderator: CBS News Correspondent Howard K. Smith. Produced by William Weston. Directed by Michael Zeamer. Produced by CBS News from studio 41, New York)

ANNOUNCER. The CBS Television Network presents, "Is Cuba Going Red?"

Mr. TOWNSEND. Good afternoon, I'm Dallas Townsend. Two weeks ago today CBS News presented a special report entitled, "Is Cuba Going Red?" Correspondent Stuart Novins reported that Cuba today is becoming a totalitarian dictatorship and is rapidly becoming a Communist beachhead in the Caribbean. The program attracted wide attention and much favorable comment. It also drew criticism from representatives of the Cuban Government, who asked to be heard on the subject. CBS News stands behind its initial report. The material was carefully researched, reported and checked. CBS News also points out that, beginning in the spring of 1957 when its men visited Fidel Castro in the Sierra Maestra, it has reported what he and other representatives of the 26th of July Movement have had to say. Dr. Castro has appeared on "Face the Nation"; President Urrutia has appeared in an interview and has been quoted frequently. Several representatives of the current Cuban administration appeared in "Castro's Cuba," a news special aired on January 28 of this year. Since the first of this year the Cuban Government's viewpoint has been quoted and reported on numerous occasions and on various news shows. Nevertheless, because of the lively reaction to the program of 2 weeks ago and because of the vital importance of this subject to all Americans, CBS News has decided to provide an opportunity for continued discussion of the issues raised in "Is Cuba Going Red?"

CBS News points out that it is interested only in reporting the facts, that it is not a partisan on the subject of Cuba, or on any other subject. It is objectively reporting the situation in Cuba today as it did during previous Cuban administrations. For today's panel here is our moderator, Howard K. Smith.

Moderator SMITH. How do you do. The topic, "Is Cuba Going Red?"; and the participants are Mr. Carlos M. Lechuga, Cuban delegate to the United Nations; Dr. Manuel Bisbe, Cuban Ambassador to the United Nations; Dr. Ernesto Dihigo, Cuban Ambassador to the United States; CBS News Correspondent Stuart Novins; Congressman CHARLES PORTER, of Oregon; who has taken a special interest in Latin American affairs; Mr. Leo Cherne, the Executive Director of the Research Institute of America. May we begin with Correspondent Stuart Novins.

Mr. NOVINS. Yes, Howard. It is the policy of CBS News that its reporters are reporters and not debaters. I want to make it clear that I am a reporter and not a debater. I am here because personal attacks have been made against me after the report that was made 2 weeks ago. I would wish to say very clearly that the report that we made 2 weeks ago was not motivated in any way by any kind of malice. It was a friendly warning which was held up both to the Cuban people, the Cuban Government and the American people. If there are any errors in the report they are variances of detail, if they exist, and do not alter the findings. I stand by those as does CBS News. There is one thing more, if I may—the charges have been made in the Cuban press, since our report, that, in effect, I am on the pay of Mr. Batista. There was another charge that Mr. Batista owned either part of or all of the Columbia Broadcasting System. I don't need to comment on the second report, but on the charge that I am on the pay of Batista, I would point out that I was among the first to report the Batista administration as the kind of reprehensible dictatorship which it was and I think I will stand on that record. Gentlemen, to you, who represent Cuba, I can understand why the Cubans disagree publicly with what I said 2 weeks ago but I ask only that you accept that what I said or may say in this coming half hour is motivated by friendship for Cuba and Cuba's people. Congressman PORTER, I think we should say for the record, that although you are a Congressman you are here, I believe, as a private individual. That is my understanding.

Moderator SMITH. Can we hear from Mr. Carlos M. Lechuga, Cuban delegate to the United Nations.

Mr. LECHUGA. I will read a brief statement answering in a general way what Mr. Novins said 2 weeks ago. I want to say to the American public, only 90 miles away from the Florida coast, the island Republic of Cuba is rapidly becoming one of the most solid democracies of the hemisphere. Its people have at last regained the joy of living; they have placed their faith and their trust in the conviction that Cuba's present government will give the nation a permanent system of social justice and respect for human rights.

The struggle of the Cuban rebels has been rewarded by the immense popular backing of the present government. It is not true what Mr. Stuart Novins said in his program, that the Cubans cannot express in public any opposition. The proofs are on the contrary. It is not true that 475 large businesses have been interviewed by the government on economic or political grounds. All of these enterprises were affected by a decree of the Ministry for the Recovery of Stolen Government Property, which was one of the measures most hoped for by the Cuban people since it enables the Republic to recover part of the millions of dollars stolen by Batista and his partners. It is not true that the government has just decreed a 30 percent wage increase for editorial employees; and because of that many papers will have to close down. In order to insure the existence of a free press, the new Cuban Government has stopped subsidizing newspapers and are studying how to solve the economic situation of some of the publications, but no decision has been taken yet.

The Cuban press now enjoys absolute editorial freedom. The fact that any figure of the government responds to some criticism does not mean that free press is being curtailed. On the contrary, it is another instance of the free play of opinions, just as it exists in the United States. When President Roosevelt or President Truman, for example, referred to a certain American columnist in rather harsh terms, no one here thought of this as censorship.

There has been talk about the attack against some American news agencies and publications. Obviously Cubans cannot remain silent in the face of unfair criticisms, or when these agencies and publications distort the facts for the sake of sensationalism and try to undermine the prestige of the government.

It is ridiculous, as Mr. Novins did, to quote a three-line item from the Soviet newspaper Izvestia which mentioned the campaign that certain segments of the American press had launched against Cuba and use it as a proof of Soviet support. What has Cuba to do with it all? Izvestia has sometimes published statements made by President Eisenhower and no one has ever drawn the conclusion that he is a Communist.

In the CBS program 2 weeks ago, it was said that the Havana United Press office had received several telephone calls threatening to bomb their local office. We do not know how many calls were made, or if, in fact, the rumor quoted by Mr. Novins is true. However, both Mr. Novins and we are sure that no bomb was ever placed at the UP office. Another point raised by Mr. Novins came as a surprise to us. He said that the Cuban Government had the right to cancel paper import licenses. The truth is that the regulation operating in Cuba, more or less, is the same one existing in the United States as regards Canadian paper. And, we could say of the U.S. Government, what Mr. Novins says of ours.

Western diplomatic sources, to use the same pattern of Mr. Novins, told us that when he, on May 3, asserted that the newspaperman Juan Luis Martin was under arrest on April 16, he was released 10 days before Mr. Novin's program, and is free in his home in Havana. He was imprisoned not because he is an anti-Communist, but for different reasons. Not one of the anti-Communist Cuban newspapermen are in jail and

never were. All of them, including me, are writing daily attacking them, as always.

The new Cuba is a working democracy. And, that, indeed, is the only truth.

Moderator SMITH. That was an opening statement of the Cuban point of view. Gentlemen, may I ask you in your further opening statements to try to keep them short because a half hour is a very short time. Dr. Bisbe.

Dr. BISBE. I cannot justify the report made by Mr. Stuart Novins, "Is Cuba Going Red?" after Dr. Castro's trip to the United States. In fact, our Prime Minister explained very clearly the democratic position of our Government, and dispelled several false statements and rumors about the influence of communism in the present Cuban movement. Of course, there are Communists in Cuba, but there are also Communists in this country; nevertheless because of this Mr. Novins will not call Red the Government of the United States. Mr. Novins cannot prove what he says. For instance, he interviewed Mr. David Salvador, chief of the Cuban labor movement, and asked him if he was now a Communist—since nobody has denied that he was a Communist when he was young—and Mr. Salvador answered: "I am not a Communist now." This would suffice for anybody, but not for Mr. Novins. In spite of this, Mr. Novins affirms, without any proof, that Mr. Salvador is a Communist. That is false, absolutely false. I can assure and prove that when the April 1958 strike was being organized, Mr. Salvador, who for some years had been a member of the 26th of July Movement, rejected the participation of the Communist leaders in this strike, and I can add that at present Mr. Salvador is successfully struggling against the Communists in the reorganization of the C.T.C. Cuban Confederation of Labor. This is the truth and the whole truth about Mr. Salvador.

Why does Mr. Novins make these assertions without proof and try to mislead American public opinion? Certainly, in Cuba the Revolutionary Government does not persecute the Communists, but this, we maintain, is the right position, because if they are persecuted then you make martyrs out of them.

Moderator SMITH. Well, Dr. Bisbe, I want to return——

Dr. BISBE. Wait a minute—a little time. We think that the best way to fight communism is to solve the economic needs of the people.

I conclude. We must reaffirm democracy and build up democracy. To be anti-Red only is not the best way to guarantee democracy in this crucial moment that we are living.

Moderator SMITH. Dr. Dihigo?

Dr. DIHIGO. Thank you. I only want to say that I think that Mr. Novins' report was not quite fair on account of some of the facts that he said were not presented in their true light. I am going to refer to only two or three examples. For example, when he interviewed David Salvador he takes a film and he asks David Salvador if he controls the different unions—telephone, sugar, bankers, laboratories, airlines, radio, television—what does the American public see? Mr. Salvador, in the film, nodding yes, and what was the truth? Mr. Salvador answers in Spanish that the union is organized, that the other union is organized, too, but the impression that the American public got was that Mr. Salvador was saying yes, that he, who was presented as a Communist, a few words later, had the control of all the union workers in Cuba. A second case is this. Mr. Novins refers to Lawyer Da Costa. Da Costa was the lawyer for the aviators that were tried in Santiago de Cuba and Mr. Novins says the following—but he has since resigned from the Army and has not been seen publicly since. The implication is that Lawyer Da Costa has been put under arrest or killed or he has been taken away and killed. I know, personally, Mr. Da Costa. He is the brother-in-law of a very close friend of mine and I can assure Mr. Novins that it is true that Mr. Da Costa resigned from the Army but he is enjoying very good health and being free in Cuba. Any time that Mr. Novins comes back to Cuba I will be very pleased to introduce him to Lawyer Da Costa.

Mr. NOVINS. I am delighted to hear it.

Dr. DIHIGO. In the third place and I am going to finish—Mr. Novins talks about Communist-led unions and elections that had been held in the unions have resulted in a terrible defeat of the Communists. The Communists have lost almost all the elections in the unions, so where is the Communist influence in Cuba? I think naturally that Mr. Novins incurred these mistakes on account that he took his information from very unreliable sources and I can assure Mr. Novins and I am going to finish now—that if I thought that the Cuban Government was Communist, be sure I would not be the Ambassador in Washington.

Mr. NOVINS. Mr. Ambassador, for the sake of the record, I did not say that the Cuban Government was Communist anywhere in that report.

Moderator SMITH. Can we now call on Congressman CHARLES PORTER, of Oregon?

Congressman PORTER. I'd like to approach the main question: "Is Cuba Going Red?" And, of course, Mr. Novins answered that question by saying, "Yes." He said it is rapidly becoming a Communist beachhead and it's a totalitarian dictatorship now—you did say that?—where you can't stick up your head and argue or you get called a counterrevolutionary and the penalty for counterrevolution is death. Let's examine that.

First of all, all of us here are against dictatorship; all of us are against communism. We are for democracy. We want to see Cuba become a democracy. We are not disagreed on that.

What we are disagreed on: Is it a totalitarian dictatorship now?

I don't think it is. There is difference between Communist infiltration, which we have in this country and in every free country in the world, and Communist domination. Let me list six reasons why I don't think Cuba is going Red.

In the first place, Castro and his top leaders—and some of them are here—are not Communists. They speak out against communism, Communist dictators.

Thirdly, Cubans can criticize without reprisal.

I referred Mr. Novins' report to the Inter-American Press Association and John O'Rourke of the Washington Daily News referred to Jules Dubois, who is the head of their committee on freedom of the press. Jules Dubois made a very detailed report on the Novins' broadcast, found many errors in it, many errors which I can't go into here today.

Mr. NOVINS. Why not?

Congressman PORTER. We don't have the——

Mr. NOVINS. If you are going to make charges, let's specify.

Congressman PORTER. But he ends up, "there is freedom of the press today in Cuba."

Now, an election will be announced soon in Cuba, which is an important thing.

Mr. NOVINS. When, Congressman?

Congressman PORTER. It will be announced.

Mr. NOVINS. When?

Congressman PORTER. Five Communists lost overwhelmingly in the recent labor elections.

So, we do have infiltration; yes. We have infiltration everywhere and Cuba has many problems. But Cuba is not a dictatorship today.

Mr. Novins told me before the broadcast, as I suspected, he doesn't speak Spanish very well. He spent 2 months down there, half of those 2 months on vacation—vacation, mind you, in a country that is rapidly becoming a Communist beachhead and where a totalitarian dictatorship——

Mr. NOVINS. Mr. Smith, I can't allow that to go on.

What is your source of information?

Congressman PORTER. My source is Jules Dubois, who is the Cuban correspondent for the Chicago Tribune.

Mr. NOVINS. Did Mr. Dubois follow me for this month that I was allegedly on vacation?

Congressman PORTER. I am reading from his letter: "He spent half his time in what he described as a dictatorship on vacation, according to what he told me when I saw him briefly in Havana."

Mr. NOVINS. Obviously, you don't think I am going to tell my competition what I am doing on a story, Congressman. Let's be reasonable.

Congressman PORTER. I would think you would have asked Mr. Dubois about freedom of the press in Cuba.

Mr. NOVINS. Are you suggesting that the way to cover a story is to have a reporter talk to other reporters?

Congressman PORTER. I am suggesting that Jules Dubois is the best authority on freedom of the press in Latin America in the whole country. He has written this book on Fidel Castro. He has had many medals from people. He knows what's going on down there. And how can you tell about the Cuban press when you can't even read Spanish very well?

Moderator SMITH. Gentlemen, we are coming back to this point in a moment. But first, I would like to ask Mr. Leo Cherne to say something before Mr. Novins has a good slug of time to answer some of these statements.

Mr. CHERNE. What I would like to say flows directly from one of the most encouraging statements of all made by Dr. Fidel Castro when he addressed the Overseas Press Club in New York during his visit to this country. He said, the best friends of democracy are those who never support tyranny. I accept that. I am sure we all do, and precisely because we accept it we are, of course, all very sensitive therefore to whether or not those who do support tyranny—and communism is tyranny—whether they find themselves in any of the key, important spots in a community.

There is no question at all that you gentlemen, representing the Cuban Government, are the best representation of a democratic future. There is no question at all in my judgment that virtually all of the cabinet members of the government are equally that representation.

But I'd like to quote Congressman PORTER in fact. On May 2, Congressman PORTER, on the floor of the Congress, described as democratic and able public servants, Finance Minister Lopez-Fresquet, Ambassador Dihigo, Foreign Minister Agramonte. They are the hope of Cuba today, he said.

Then he continued, the opposing faction, however, include Army Chief Raul Castro, La Cabana Fortress Commandant "Che" Guevara, Labor Chief David Salvador, Revolucion Editor Carlos Franqui.

"Their policies"—these are Congressman PORTER'S words—"their policies, whatever their intention, are aiding the Communists in an attempt to take over the revolution."

The concern which I have and share with many in America, and certainly the members of the press, is in this effort to take over a government which so richly deserves a democratic, peaceful future determined by its own people.

Moderator SMITH. Can we have Stuart Novins now to answer some of the statements that have been made?

Mr. NOVINS. There have been a lot of statements made.

Congressman PORTER. Are you going to answer them in Spanish?

Mr. NOVINS. Let's talk about that for just about 30 seconds. That's just about as ridiculous—if you forgive the phrase—as any kind of quibbling I have heard.

For one thing, I think, to follow your suggestion to the logical conclusion, we should withdraw all reporters from the Middle East who don't speak Arabic or Hebrew. We should withdraw every correspondent whoever goes to any country.

The fact is—I will freely admit it—it was much harder to do it my way, but I got it done.

Congressman PORTER. And you read all the papers, I suppose?

Mr. NOVINS. Well, now, what do you want to do? List the papers and have me go down the line?

Mr. LECHUGA. May I——

Congressman PORTER. Take your——

Mr. LECHUGA. Because Mr. Novins said in his report, that you spoke with hundreds of persons in Cuba——

Mr. NOVINS. I did, indeed.

Mr. LECHUGA. In English or Spanish?

Mr. NOVINS. I spoke in English with those who could speak English and through interpreters with those who did not speak English.

Mr. LECHUGA. With hundreds of people in Cuba?

Mr. NOVINS. Absolutely.

Moderator SMITH. Can we let Mr. Novins have the floor for a moment?

Mr. NOVINS. Yes. I have a letter which is written by Congressman PORTER to the Columbia Broadcasting System, News and Public Affairs Department, under the letterhead of the Congress of the United States, although I assume this is a private letter, and in it he accuses me of putting out "a highly misleading report." Those were your words, Congressman?

Congressman PORTER. Yes.

Mr. NOVINS. He also said: "Half-truths were submitted by Novins," and you also referred to the observations that we made as "extreme and nonfactual statements."

Congressman PORTER. Do you want some examples?

Mr. NOVINS. Just a minute, Congressman. Let's turn to the CONGRESSIONAL RECORD. On May 5 this was said by a Congressman on the floor, speaking about our broadcast: "It is an honest, conscientious report." Then the Congressman goes on to say: "Novins' report, on the whole, intelligent, factual, and sincere, is, I hope, going to help in the process of cleaning up the situation."

Congressman PORTER. I think both——

Mr. NOVINS. Just a moment, just a moment. Who said that? Who was the Congressman? Congressman PORTER?

Congressman PORTER. Right.

Mr. NOVINS. You said it?

Congressman PORTER. Right.

Mr. NOVINS. Will you please explain how it is that I can be factual one day and false a week later on the basis of the same statements?

Congressman PORTER. Yes; because by that time I had a report from Jules Dubois, some four pages, single space.

Mr. NOVINS. I don't attempt to debate him. He is not here.

Congressman PORTER. No. But I had his story about the things you have said there. I had letters from other people about it, too. But Jules Dubois, who is the authority in this field and who received many awards——

Mr. NOVINS. Modesty forbids me to suggest that there may be other authorities than Mr. Dubois. I would hesitate to accept anything that any single source gave me, no matter how meritorious it might be.

Congressman PORTER. He is the representative of the Inter-American Press Association.

Mr. CHERNE. I don't carry the responsibility of sustaining, defending what it is that Stuart Novins did or what, in fact, CBS ever does. I do know, in the spirit in which this program has been arranged, that there is no one at table who has not been concerned about the possibility that the present penetration of certain areas of Cuban life by members of the Communist Party may not, in fact, jeopardize a democracy we all seek. I do know, Mr. Congressman——

Congressman PORTER. Let's be specific.

Mr. CHERNE. That you have been concerned——

Congressman PORTER. I have been.

Mr. CHERNE. That you were deeply concerned when former President Jose Figueres visited, with deep friendship, a sister democracy in Cuba and when he made his first speech to the Cuban people, to have the microphone pulled from his hand by David Salvador an act not only ungracious but containing a good deal more. I do know your concern, Mr. Congressman, so that it isn't really either useful or reasonable for us to jockey ourselves into a position that this is a problem that doesn't exist or is not of significant magnitude.

Congressman PORTER. Nobody says it isn't.

Mr. NOVINS. This is a problem which is capable of solution, and we mention that in the report. We suggested in the report that the situation could be changed by Dr. Castro if he called a constitutionally guaranteed free election.

Now, the record will show that on several occasions, first he said, we will do it in a year; then he said, we will do it in 18 months to 2 years. Then he said, we will do it in 4 years.

Congressman PORTER. We are agreed——

Mr. NOVINS. Then he said, we won't do it until all poverty is wiped out, until everyone has a hospital bed.

Certainly, we are in favor of poverty being wiped out and we are in favor of hospital beds. But where is the election, which will not drive the Communists gentlemen into prison, as has been suggested, but will bring them out in the open where you can count them.

Moderator SMITH. This is a specific and serious point. Can some of our Cuban guests answer this?

Mr. LECHUGA. I don't get the question. Please repeat it.

Mr. CHERNE. The question is: when will the election be held?

We have been concerned because, initially, Dr. Castro indicated that the election would be held within 18 months after the revolution; then, subsequently, he said, 2 years.

Mr. LECHUGA. Yes.

Mr. CHERNE. When he was in this country, he said within 4 years. There has been an additional statement of Dr. Castro in which he indicated there could not be an election until illiteracy, poverty and the other terrible social evils of Cuba are eliminated.

Dr. BISBE. As soon as possible we will have elections.

Dr. DIHIGO. The last statement made by Dr. Castro in the States was that 4 years was the maximum term, but that elections would be held as soon as possible, and we are waiting for a new statement from Dr. Castro saying when the elections will take place.

Mr. CHERNE. Dr. Dihigo, will you not concede, especially on the basis of the evidence of two other Caribbean nations, Venezuela and Costa Rica, for example, that an election 4 years after revolution is not exactly the best basis upon which to build a democratic future? You would regard that as rather excessive, would you not, Dr. Dihigo?

Dr. DIHIGO. I am sure we will have elections much before 4 years.

Mr. CHERNE. Much before.

The sooner, gentiemen, the better. In fact, if there were an announcement within the next few days that elections will take place within 12 to 18 months, I do believe a great deal will already have been accomplished, Doctor, to guarantee Cuba its democratic future.

Mr. LECHUGA. The date of the election has nothing to do with the accusations of Mr. Novins. That does not mean that Cuba is going Red because the government doesn't set a date for the election.

Mr. CHERNE. But the reverse is true: if elections are to be deferred for a period of up to 4 years—just a moment, I am taking Dr. Castro's statement—and if, as we do recognize, there are members of the Communist Party in active and significant roles in areas of Cuban life——

Mr. LECHUGA. No, no.

Mr. CHERNE. Then it is reasonable to conclude that the two of them do not bode well for a democratic future.

Mr. LECHUGA. They have been defeated only recently in union elections that have been held.

Mr. CHERNE. That is why they fear elections, because they have been defeated.

Moderator SMITH. I'm sorry. Our half hour has passed very quickly, indeed, I'm afraid. I have to thank you now for an interesting, animated, and, I hope, a useful discussion.

A hard and fast judgment on Cuba's future will have to wait until that future becomes a little more present. In the meantime, I hope our Cuban friends will acknowledge that old Latin-American complaint against us is now out of date. The complaint is that we are indifferent to our neighbors. In fact, we are vitally and intimately interested in them, as we hope they are in us.

Good evening.

JOHN O'ROURKE has referred to me the CONGRESSIONAL RECORD of May 5, 1959, which contains the text of the Stuart Novins Broadcast over CBS "Is Cuba Going Red?" He has written to you that I would reply to that part of your remarks concerning press freedom in which you suggest that "The Inter-American Press Association should investigate these charges immediately and make a public report."

The Inter-American Press Association has been aware of the true situation of the press in Cuba for many years. First, in evaluating the Novins performance it must be borne in mind that he is not fluent in the Spanish language and, undoubtedly, did not assiduously study the newspapers published in Cuba. He spent half of his time in what he described as a dictatorship on vacation, according to what he told me when I saw him briefly in Havana last month. At no time did he ask me for my views on the condition of the press in Cuba.

Mr. Novins' charges, that there is no free press in Cuba, are not supported by the facts. Neither has there been intimidation, as he charges. There is no remedy for fear.

There was criticism by Fidel Castro of certain newspaper commentaries. It is not true that he urged his listeners to boycott the publications of his critics. And, in the case of Prensa Libre, when the crowd—that heard his criticism of an editorial—shouted for reprisals, Castro quickly silenced them. He made it clear that he wanted no reprisals and that he was merely exercising the right to reply to his critics. He emphasized that he would continue to exercise such right and that the press had the right to express adverse opinions.

Sergio Carbo, the editor of Prensa Libre, not only published Castro's criticism but promptly replied to the premier in forceful and frank language. And, Prensa Libre has continued to criticize the government whenever it is considered necessary and to praise it when it deserved praise.

There have been constructive criticisms in other newspapers. One, recently, was criticized by Raul Castro in a May Day speech. He suggested a boycott but did not mention

the paper's name. It published a banner line that read "Urge Fidel To Return Home," and the story quoted Senator SMATHERS. The implication in the headline was interpreted that trouble was brewing at home.

The case of Juan Luis Martin had nothing to do with his journalistic activities at El Mundo. Dr. Jorge Quintana, dean of the College of Newspapermen of Havana and a member of the Committee of Freedom of the Press of the Inter-American Press Association, visited Martin in prison long before Novins probably heard of the case. Quintana was instrumental, though, in helping to obtain his release. Martin had drafted the army communiques that referred to Castro and his rebels as "bandits, rascals, and Communists" and carried an identification card issued by Batista's military intelligence.

That the United Press received threatening telephone calls from cranks after a Castro speech should not be surprising to anyone. You are familiar with the reasons of hostility in Cuba against that wire service. What Novins failed to report, and demonstrated a lack of objectivity, was that Castro made peace with the U.S. press during his visit to the United States.

In another marathon TV talkathon, that lasted 5½ hours, last Sunday night, Castro was asked whether steps would be taken by the Government to counter some attacks by the press in the United States. He replied that there were many newspapers in the United States that were not attacking him or the Government of Cuba. He did not lash into the wire services, magazines, or make any of the former charges that international oligarchies were paying for the attacks.

Yet, at no time in the past, when he gave, verbally, lashings to the above did he or any member of his Government attempt to inhibit the reporting from Cuba by physical measures.

The charge about Carlos Franqui, editor of Revolucion, is unfounded. I attach a tear sheet from the Times of Havana of May 7, 1959, which contains an interview with them.

The statement that Hoy, the Communist daily, increasingly gives credit to the Communists for having started the anti-Batista revolution, is infantile. They have claimed credit for the victory but have not gone as far as claiming authorship of the start of the revolution.

Hoy has as much influence in Cuba as the Daily Worker had in the United States.

Dr. Alberto Gainza Paz, editor of La Prensa of Buenos Aires and president of the Inter-American Press Association, has been subjected to recent criticism by Fidel Castro and the Cuban National College of Newspapermen. This is most unfortunate and is a result of statements by Dr. Gainza to the New York Daily News about the situation of the press in Cuba. It is most unfortunate that Dr. Gainza did not ask me for a full report of the situation before he made his pronouncement. I am afraid he was boobytrapped into it by a Cuban editor who has more than one ax to grind * * * and the situation in Cuba was entirely different to the one he faced in Argentina.

That same editor's papers had rejected a demand from the graphic arts local at the plant, to alter its editorial policy. That particular local has been Communist dominated for years. The papers rejected the demand. In this they were supported by the College of Newspapermen.

The case was closed. There was no need to carry the complaint even to the Ministry of Labor and much less to the Inter-American Press Association Executive Committee, as was done. There were no wage demands made in the document submitted to the editors.

One can debate whether or not the fears, expressed in the document that the newspapers would have to close for loss of circulation and advertising unless the editing and spirit of the newspapers were improved, are justified. But there was a principle involved of composing room interference in editorial policy.

Commenting on this principle, in his television appearance on the night of May 10, Fidel Castro said without equivocation: "We believe the workers have no right to demand a variation in the editorial line of a newspaper. This is our point of view * * * that would completely alter the foundations that have existed up to now about freedom of the press."

Only yesterday the editor, who broached the above case, was trying to mobilize other publishers to close down in Havana and lock out their employees, as "a protest against censorship and government pressure." He has found no support for his insidious maneuver. Yet, this action is designed wholly and solely to attempt to discredit the Castro regime and to make himself a belated hero on a par with Gainza Paz.

If any newspaper in Cuba is morally intimidated it is only because of a guilty conscience. My remarks to the Times of Havana explains why.

That most newspapers in Havana are financially unstable is true. There is no sound financial basis for the continued survival of 11 morning newspapers and 6 afternoon newspapers. They were able to exist in the past because of subsidies.

The insinuation that only Hoy, the Communist Party paper; and Revolucion, edited by Carlos Franqui, can survive because they are printed on bagasse (sugar cane paper) while the newsprint import licenses can be canceled of the other papers is far from objective. The newspapers of the above unnamed editor * * * the one who wants to close to embarrass the Government * * * are published on bagasse paper.

There is no danger of a suspension of import licenses for newsprint. On the contrary, Fidel Castro has been seeking means to facilitate the import precisely by the financially unstable papers.

I shall refrain from commenting on other phases of the CBS broadcast but, should you be interested, I refer you to my reply to it which was printed in the Chicago Tribune on May 6, 1959.

To summarize the condition of the press in Cuba as of today: There is freedom of the press.

Sincerely,

JULES DUBOIS.

[From the Havana Times, May 7, 1959]

TELECAST ON COMMIES IN CUBA "FULL OF HOLES," DUBOIS SAYS—NEWSMAN SAYS CBS SHOW BUILT ON "GOSSIPY CHARGES"

(By Henry Goethals)

Jules Dubois, author of the book "Fidel Castro: Liberator or Dictator?" and well-known Latin American correspondent for the Chicago Tribune, said today that the only way to fight communism is "with the truth—and not half truths."

Dubois said that the recent Columbia Broadcasting System exposé on communism in Cuba was "full of holes" and built around "gossipy charges."

Dubois is chairman of the Freedom of the Press Committee of the Inter-American Press Association and has long been active in campaigns for press freedom in Cuba and elsewhere in Latin America.

He said that charges made on the CBS program by Stuart Novins that Manuel Antonio Piñeiro, army commander in Santiago de Cuba, is a Red are made of "whole cloth."

He denied that the Cuban school system is being infiltrated by Communists or that Education Minister Armando Hart and his wife, Haydee Santamaria, are Reds.

"It is absurd to label Hart and his wife Communists," said Dubois. "They are merely leftwing revolutionaries."

"As for Novins' charges against Raúl Castro," Dubois continued, 'Raul has never made a secret out of his visit to Vienna."

Asked whether he considers Ernesto "Che" Guevara a Communist, the Chicago Tribune writer said: "I leave a question mark after him."

He said that the CBS broadcast which brought protests from Cuban diplomatic officials in the United States, was "as a whole, full of holes." "You can't answer communism with gossipy charges," he said. "You can beat communism only with the truth—and not half truths."

Dubois also denied that the Cuban press is censored, as charged by Novins.

"There is no remedy for fear," he said. "Many of the Cuban writers are reticent to speak out because they feel they are vulnerable to counterattacks, and justifiably so." He was referring to the fact that many Havana papers accepted subsidies from the Batista government.

On the other hand, he said, papers that did not take subsidies—Prensa Libre, Bohemia The Times of Havana—have spoken out with impunity. These papers, he said, are standing on solid moral ground.

He noted that some of the other papers are becoming more outspoken as the fear of censorship wears off.

"It is similar to January 1," said Dubois. "I had to go on the radio and ask the Cuban newspapers why they were scared to break censorship when the Batista regime had already left."

Dubois also vigorously denied that Carlos Franqui, editor of the semi-official government newspaper "Revolución," is a Communist.

"Franqui worked as a proofreader on the Communist newspaper 'Hoy' when he was 16, when everyone was honeymooning with Russia," he said. "He also worked on all the other newspapers in Havana. But he is not a Communist; he's a leftwing, radical revolutionary.

"I am firmly convinced that he is not a Communist," he added.

Dubois said that union elections, now in progress, are proving a drastic setback for Communist aspirations to penetrate the Cuban labor movement.

The Reds, he said, "are getting their pants beat off in these elections."

[From the Washington Post and Times Herald, May 16, 1959]

CASTRO ORDERS AN END TO WAR CRIMES TRIALS

HAVANA, May 15.—Premier Fidel Castro today ordered revolutionary war crimes trials ended and cases still pending turned over to civil courts.

According to unofficial compilations, a total of 621 persons have been executed by firing squads since the military war crimes trials started last January.

Castro's order was announced by Maj. Jorge Serguera, president of the war tribunal at Havana's La Cabana prison, where hundreds still are awaiting trial.

As the trial of Dr. Joaquin Martinez Saenz, former president of the National Bank of Cuba during the Batista dictatorship, was about to start in La Cabana, Serguera announced:

"By order of Prime Minister Fidel Castro, trials before revolutionary tribunals are suspended as of now . . . cases still pending will be transferred to the civil tribunals of the Republic."

Serguera's anouncement coincided with the disclosure that a group of legal experts was drafting a law restoring the right of habeas corpus and civil court procedure.

The right of habeas corpus was suspended shortly after Castro took power January 1.

The Cuban Navy announced, meanwhile, that the frigate *Antonio Maceo* captured the stolen yacht *Triton* on the high seas. Six followers of ousted President Fulgencio Batista were said to have been aboard.

Premier Castro's only son, Fidel, Jr., 9, underwent emergency surgery today for serious injuries suffered in an automobile accident. He was later reported in satisfactory condition.

FOOD ADMINISTRATION AND STAMP ACT OF 1959

The SPEAKER. Under previous order of the House, the gentleman from Iowa [Mr. WOLF] is recognized for 60 minutes.

Mr. WOLF. Mr. Speaker, I am taking this opportunity to introduce a bill which, I believe, will do much to clarify the problem of food assistance for the underprivileged and unemployed by integrating and expanding the administration of these programs under the Secretary of Health, Education, and Welfare. This Department of Government best understands the welfare function and is sympathetic to the policy considerations which underlie such assistance programs. The hungry and needy people of this Nation are well aware that this function has not been well understood at all by its present administrator, the Secretary of Agriculture. The Congress last year appropriated over $500 million for use in feeding our underprivileged. The Secretary of Agriculture has spent only $200 million of this amount and consistently refuses to spend the other $300 million although there are literally millions of our citizens going hungry and in need in America today. This same procedure has been followed by the Secretary for several years.

The purpose of my bill, therefore, is to, first, transfer the school lunch and special school milk programs and the domestic program of direct commodity distribution to the needy, to the Department of Health, Education, and Welfare; second, provide for the extension and expansion of the direct commodity distribution program by authorizing assistance to State and local governments for local storage and handling and by authorizing the appropriation of funds to increase the variety and improve the nutritional quality of foods distributed to charitable institutions. Besides these two purposes, the bill also provides for the adoption of a food-stamp plan. This plan would result in the increase of a variety of food presently received by family units or individuals under the commodity distribution program. Food stamps issued by the Secretary would be used at grocery or food stores for foods in adequate supply—such as fresh dairy products, meats, fruits and vegetables, and other food products not available to needy families through the direct commodity distribution program.

Mr. Speaker, 24 percent of our lower income families are not receiving recommended amounts of calcium. Nearly one-third of the low-income families in our Nation do not receive the minimum recommended allowances of vitamin C.

We are all well aware of the fact that persons who are on relief or old age assistance simply are not able to purchase the kinds of foods needed for a balanced or healthy diet. The amount of aid presently given to these people, and many times, the way it is given, does not help the person's sense of belonging or his dignity.

Mr. Speaker, we must realize that short-term unemployment and social security programs will become more important as automation becomes more prevalent in our society and the average age of our citizens increases. The Government has an obligation to these citizens. It is that these people be aided in their periods of economic dislocation or dependency or, in their periods of old age. A strong and free society today does not think of its citizens as machines that must or should be thrown away or scrapped if they wear out or cannot be used at a particular time. A strong and free society values each of its members and does what it can to make each individual's life bearable in times of economic or social crisis which are not necessarily his fault.

My bill follows this policy. It follows the policy that a welfare program, to be meaningful, must not be a haphazard, hodgepodge program administered by a department that should not have welfare distribution as part of its task.

It accepts the fact that our present surplus food commodity programs are not enough to give the kind of balanced diet needed by the men, women, and children of our Nation. Flour, cornmeal, dried milk, rice or beans do not provide the nutrients or variety so necessary to the health of our people. That is why it is so necessary to have a food stamp plan which will provide the individual with the wherewithal to buy dairy products, fruits, meat, and vegetables at retail grocery stores.

The costs of all aspects of this program should not run more than $650 million. This is a small price to pay for insuring the health, welfare, and dignity of millions of our citizens. This is a small price to pay to make some of our God-given abundance available to those in need.

Mr. Speaker, I firmly believe that an integrated domestic welfare distribution plan is now necessary in light of the great economic and social problems which will face the United States in the next decade. I hope that the appropriate committee will act favorably on this bill not only because people now are suffering, but because this program will do much to alleviate any kind of tension from economic dislocation old age levels which might occur in the near future. The program is a simple one which has been worked out, I believe, very carefully as to detail and policy.

This plan would have the following class of participants:

First. Charitable institutions.

Second. Recipients of assistance or benefits under programs of old age assistance, aid to dependent children, and to the blind and to the permanently or totally disabled.

Third. Recipients of unemployment benefits.

Fourth. Recipients of financial assistance provided for the needy by a State or local agency.

Fifth. Needy persons, including unemployed who are not receiving unemployment compensation.

Sixth. And others certified by local or State agencies to be in need of supplementary assistance.

The act would work as follows:

First. Welfare programs such as school lunch, school milk, and direct commodity distribution would be turned over to the Health, Education, and Welfare Department.

Second. A food stamp plan would be established as part of the general welfare program. An individual would be given $5 a month in food stamps. He would be allowed to spend the stamps at any retail grocery store for a prescribed list of foods if he spent $5 of his own money for food besides the $5 in stamps. This program is a matching program in which the individual must put forward at the grocery an amount equivalent to that which he spends in food stamps. Hence, food stamps would be issued, and would be used as 50 percent payment toward the purchase of $10 worth of the designated food products. These stamps would be distributed monthly and insofar as is possible, would be given with the monthly assistance payments.

In administering the program, the Secretary of Health, Education, and Welfare would work closely and through designated local and State agencies.

Another feature of this food-stamp plan is that food stamps will also be made available to charities and charitable institutions. These charitable institutions will also be able to buy food at retail food stores. The amount available for this aspect of the program is $150 million. This amount is included in the $650 million total cost of the program. We know full well that many of our charitable institutions are unable to supply the amount and kind of dairy products, meat, vegetable, and fruit products that are needed by the recipients of their aid. This program will help, in a small way, these institutions in their efforts to help the recipients of their aid.

Under this food stamp program, the Secretary of Health, Education, and Welfare will redeem food stamps through normal banking institutions. The Secretary is authorized to reimburse banking institutions for reasonable charges accrued in the handling of these stamps.

Under the transfer aspects of the bill, the departments are authorized to complete the transfer of necessary personnel, files, and machines, within 90 days. After the transfer of the present domestic distribution programs to the Department of Health, Education, and Welfare, the Commodity Credit Corporation is authorized to give priority to all requests of the Secretary of Health Education and Welfare for agricultural food products. In this way, we can insure a priority of help and assistance to the American people. This aspect of the program will have one other salutary effect. Farmers will not continue to be charged for a program that is complete-

ly welfare in nature. This will reduce the amount of costs we think we are spending on agriculture.

Mr. Speaker, I believe that this bill is an important one and I hope that prompt action will be taken by the appropriate comittee and the Congress. This program will aid our fellow citizens who are, because of unfortunate circumstances, unable to help themselves.

This bill we restore meaning, importance, and scope to our food-aid assistance programs and promote substantially the general welfare of our citizens.

Mr. Speaker, I am proud to include at this point the wording of my bill:

A BILL TO TRANSFER THE ADMINISTRATION OF THE SCHOOL LUNCH PROGRAM, THE SCHOOL MILK PROGRAM, AND THE DIRECT COMMODITY DISTRIBUTION PROGRAM UNDER WHICH AGRICULTURAL FOOD PRODUCTS ARE MADE AVAILABLE TO THE NEEDY IN CHARITABLE INSTITUTIONS AND FAMILY UNITS FROM THE DEPARTMENT OF AGRICULTURE TO THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, AND TO ESTABLISH A FOOD STAMP PLAN, AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food Administration and Stamp Plan Act of 1959".

STATEMENT OF FINDINGS

SEC. 2. The Congress finds that despite stocks of various farm products there is continuing malnutrition and want among millions of American families; that unemployment adds millions of citizens to the public assistance rolls; that the existence of food and fiber stocks in the face of tragic want is morally wrong and destructive of the faith of peoples here and abroad in our society as well as being economically wasteful and indefensible.

The Congress further finds that commodity distribution programs designed to improve or maintain health and nutrition should be administered through the Department of Health, Education, and Welfare in accordance with its general responsibilities in regard to health, security, and welfare.

STATEMENT OF PURPOSES

SEC. 3. It is the purpose of this Act to (1) transfer the school lunch and special school milk programs and the domestic program of direct commodity distribution to the needy to the Department of Health, Education, and Welfare, (2) provide for the extension and expansion of the direct commodity distribution program by authorizing assistance to State and local governments for local storage and handling and by authorizing the appropriation of funds to increase the variety and improve the nutritional quality of foods distributed to charitable institutions, (3) provide for a food stamp plan to increase the variety of food received by family units under the commodity distribution program, and (4) establish certain standards of eligibility designed to bring about an improvement in health and nutrition among lower income groups.

DEFINITIONS

SEC. 4. As used in this Act—

(a) The term "agricultural commodity" means any food product raised or produced in the United States on farms, including agricultural, horticultural, and dairy products, livestock, poultry, and honey.

(b) The term "agricultural food product" means a commodity held by the Commodity Credit Corporation, and includes any food product processed or manufactured in whole or substantial part from any such commodity.

(c) The term "direct commodity distribution" means the program for distributing food that the U.S. Department of Agriculture has operated in the past in cooperation with the States.

(d) The term "food stamp" means a certificate, coupon, or other similar medium of exchange issued to eligible recipients.

(e) The term "State" includes the District of Columbia, Puerto Rico, and the Virgin Islands.

(f) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(g) The term "eligible food store" means an established grocery store, or merchant engaged in the distribution of food at the retail level, located in the community, meeting the requirement of eligibility as determined by the Secretary.

TRANSFER OF DOMESTIC FOOD PROGRAMS TO DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

SEC. 5. Not later than ninety days after the date of enactment of this Act, the administration of school lunch and special school milk programs and the direct commodity distribution program shall be transferred to the Secretary of Health, Education, and Welfare including all legal authority, physical property, and available funds related to these programs.

TRANSFERS OF AGRICULTURAL FOOD PRODUCTS

SEC. 6. To facilitate the administration and continuation of these programs, upon request by the Secretary of Health, Education, and Welfare, the Secretary of Agriculture and the Commodity Credit Corporation shall make available a maximum quantity of the agricultural food products acquired by the Commodity Credit Corporation. The current market value of such commodities, on the date of transfer, shall be charged to the appropriate food program. The Commodity Credit Corporation shall upon request of the Secretary arrange for the processing, packaging and delivery to designated points of any agricultural food product.

PRIORITY OF REQUESTS FROM SECRETARY OF HEALTH, EDUCATION, AND WELFARE

SEC. 7. The Commodity Credit Corporation shall give priority to all requests of the Secretary of Health, Education, and Welfare for agricultural food products, except cash sales for not less than the full cost of the products to the Corporation, including the costs of acquisition, transportation, insurance, storage and any other ascertainable costs.

TRANSACTIONS TO BE INCLUDED IN ANNUAL REPORT OF COMMODITY CREDIT CORPORATION

SEC. 8. The Commodity Credit Corporation shall include in its annual report to the Congress, and in any request for administrative funds or funds for the replacement of its capital, a statement of the amount of the total which is properly chargeable to the food programs under this act. Appropriations for these purposes shall be made to the Department of Health, Education, and Welfare, but shall automatically be transferred to the Commodity Credit Corporation: *Provided,* That all expenses of the Commodity Credit Corporation up to the time of the Secretary's request for transfer of such commodities shall be borne by the Corporation.

SUPPLEMENT OF DIRECT COMMODITY DISTRIBUTION FOR CHARITABLE INSTITUTIONS

SEC. 9. (a) The Secretary is further authorized and directed to establish and administer a national food stamp plan to supplement the direct commodity distribution program for needy charitable institutions eligible hereunder, and shall make rules and regulations for the conduct thereof. Food stamps issued by the Secretary shall be good for foods in adequate supply, such as fresh dairy products, meats, fresh and canned fruits and vegetables, and other food products not available to needy charitable institutions through the direct commodity distribution program as appears to be desirable to supplement the foods available from the Department of Agriculture and the Commodity Credit Corporation.

(b) Annual expenditures under this section shall not exceed $150,000,000.

CHARITABLE INSTITUTIONS ELIGIBLE FOR FOOD STAMPS

SEC. 10. Any charitable institution serving needy persons including hospitals, orphanages, homes for aging and infirm, and other similar types of institutions are eligible to receive food stamps for any month.

FOOD STAMP PLAN TO SUPPLEMENT DIRECT COMMODITY DISTRIBUTION FOR NEEDY FAMILIES

SEC. 11. The Secretary is further authorized and directed to establish and administer a national food stamp plan to supplement the direct commodity distribution program for needy families eligible hereunder and shall make rules and regulations for the conduct thereof. Food stamps issued by the Secretary shall be good for foods in adequate supply such as fresh dairy products, meats, fresh and canned fruits and vegetables and other food products not available to needy families through the direct commodity distribution program as appears to be desirable to supplement the foods available from the Department of Agriculture and the Commodity Credit Corporation.

DESIGNATION OF SPECIFIC FOOD COMMODITIES

SEC. 12. The Secretary shall from time to time designate the specific food commodities in adequate supply which may be purchased with food stamps issued pursuant to the provisions of this Act, and such stamps may be used only for the purchase of such designated food. Food commodities shall be designated by the Secretary which contain nutrient ingredients found by him to be commonly deficient in the diets of persons receiving agricultural food products under the direct commodity distribution program.

PERSONS ELIGIBLE FOR FOOD STAMPS

SEC. 13. (a) The following persons shall be eligible to receive food stamps for any month—

(1) Every individual who is a recipient of assistance or benefits for such month under the programs of old-age assistance, aid to dependent children, aid to the blind, or aid to the permanently and totally disabled provided for in titles I, IV, X, and XIV, respectively, of the Social Security Act.

(2) Every individual who is a recipient of unemployment compensation benefits for all or any part of such month from any State.

(3) Every individual who is the recipient of financial assistance, including agricultural food products under the direct commodity distribution program, for such month provided for the needy by any State or political subdivision thereof.

(4) Every individual who, but for lack of legal residence only, would be eligible for such month for financial or other assistance provided for the needy by the State or local subdivision in which such individual is located.

(5) Every needy individual, including unemployed individuals not eligible for unemployment compensation benefits, with respect to whom the Secretary has received a certification for such month from the welfare or public assistance agency of a State or political subdivision thereof under an agreement entered into pursuant to subsection (b) of this section.

(b) The Secretary is authorized to enter into agreements with the welfare or public assistance agency of any State or political subdivision thereof whereby such agency shall certify to the Secretary, under regulations to be prescribed by the Secretary, the

names of individuals of such State or political subdivision who are in need of public assistance but are not eligible for food stamps under paragraphs (1), (2), or (3) of subsection (a), and the Secretary shall provide for the issuance of food stamps to be distributed to such individuals.

ISSUANCE AND VALUE OF FOOD STAMPS

SEC. 14. (a) The Secretary shall provide for preparation of monthly food stamps for issuance to individuals eligible therefor under section 13 and to charitable insitutions eligible under section 10. Such stamps shall be in such denominations as the Secretary shall determine; and no individual shall receive food stamps with a face value exceeding $5 for any month. They shall be issued monthly and shall be valid only with respect to purchases made during the month for which they are issued.

(b) Food stamps issued under the provisions of this Act may be used only at eligible food stores and may be used only as part payment for food commodities purchased. Part payment shall not exceed one-half of the total cost of the food commodities purchased at the time such stamps are used, and in no event shall such stamps be used as part payment for any food commodities other than those food commodities in adequate supply designated by the Secretary pursuant to section 12.

(c) Food stamps shall be distributed by the Secretary, in the case of State agencies making payments to individuals under the programs referred to in paragraphs (1), (2), and (3) of section 13(a), to the State agency making such payments, and, in the case of individuals eligible to receive food stamps under paragraph (4) or (5) of such section, to the State agency which certified the name of such individual to the Secretary. Subject to such rules and regulations as may be prescribed by the Secretary, the eligibility of any individual for food stamps shall be determined by the State agency making the payment by reason of which the individual is eligible for such stamps.

(d) Unless otherwise provided by the Secretary, food stamps for the use of individuals described in paragraphs (1), (2), and (3) of section 13(a) shall be issued to such individuals at the same time and together with any payments made by the State under programs described in such paragraphs. Food stamps for the use of individuals described in paragraphs (4) and (5) of section 13(a) shall be issued to such individuals in such manner as the Secretary shall prescribe.

(e) Food stamps shall not be transferred except as provided in this Act, and shall be valid only with respect to purchases made by or on behalf of the person to whom they are issued.

REDEMPTION OF SURPLUS FOOD STAMPS

SEC. 15. (a) The Secretary shall provide for redemption of food stamps through the cooperation of banking institutions throughout the Nation. For such purposes, he shall designate banking institutions which shall be authorized to accept such stamps from designated food stores. Institutions so designated shall pay at the time of presentation in cash or by credit to a demand deposit the full value of all food stamps presented to them.

(b) Banking institutions accepting food stamps may present to the Secretary, or such other agency as the Secretary may designate, evidence of the deposit with them of food stamps presented by eligible food stores, together with appropriate vouchers. Such evidence of deposit and vouchers shall be considered complete documentation for payment and payments may be made thereon.

(c) The Secretary may advance moneys to banking institutions, where such action appears necessary, to provide funds for the redemption of food stamps. Such advances shall be accounted for by such banking institutions at least monthly.

(d) The Secretary may contract to pay banking institutions designated to receive food stamps, a charge determined by the Secretary to be reasonable for the services rendered in acting as such repositories.

RULES AND REGULATIONS

SEC. 16. The Secretary may, from time to time, issue such rules and regulations as he deems necessary or proper in order to carry out the purposes and provisions of this Act.

AUTHORIZATION FOR APPLICATIONS

SEC. 17. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

CRIMINAL PROVISIONS

SEC. 18. (a) Whoever shall falsely make, alter, forge, or counterfeit or cause or procure to be falsely made, altered, forged, or counterfeited any food stamp or stamp similar thereto for the purpose of obtaining or receiving, or of enabling any other person to obtain or receive, directly or indirectly, from the United States or any of its officers or agents, any money or other thing of value, and whoever shall transfer or utter as true, or cause to be transferred or uttered as true, any such false, forged, altered, or counterfeited food stamp or stamp similar thereto, with intent to defraud the United States or any mercantile establishment, banking institution, or person, shall, upon conviction thereof, be fined not more than $5,000 or imprisoned not more than ten years, or both.

(b) Any person not being so authorized by this Act or the regulations issued pursuant thereto, who shall have food stamps in his possession or under his control, or any person who shall use, transfer, or acquire food stamps in any manner not authorized by this Act, or the regulations issued pursuant thereto, or who shall buy, sell, or exchange food stamps without being authorized to do so by this Act or regulations issued pursuant thereto shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than $5,000, or imprisoned for not more than one year, or both.

ADMINISTRATIVE ASSISTANCE TO STATES

SEC. 19. The Secretary is authorized to give assistance to State and local governments in meeting the costs of food distribution under the direct commodity distribution program to the needy in charitable institutions and family units. Such assistance shall be made available in accordance with standards developed by the Secretary and used as the basis for securing the appropriation of funds for this purpose. To this end the Secretary shall conduct a study of the current expenditures of local governments on the direct commodity distribution program, the amount necessary to extend and expand the program as directed in this Act, including the addition of other cities and counties in the program, and report to the Congress on a formula for division of the funds requested, such formula to be based on the per caipta revenues of the local government from whatever source, and the extent of need as represented by needy persons eligible for surplus foods.

STANDARDS

SEC. 20. The Secretary is authorized and instructed to establish minimum and maximum standards for participation in the program of direct commodity distribution to the needy in charitable institutions and family units. Maximum standards shall establish the upper limits in terms of income or other resources which an individual or family may have and remain eligible for participation in the program. Minimum standards shall establish the lower limits in terms of incomes or other resources paid or furnished to the needy by State or local governments, and shall constitute a bar to participation in such program by any State or local government which pays or furnishes less than the minimums fixed by the Secretary: *Provided*, That the right of any State or local government currently participating in this program shall not be denied under any such standards until the appropriate legislative body of such unit of government shall have had reasonable opportunity to adjust standards to those established by the Secretary: *And provided further*, That no State or local government which denies available foods to needy persons who are ineligible for reasons of lack of legal residence only shall be permitted to participate in such program.

OTHER AID AS RELATED TO STANDARDS

SEC. 21. In establishing minimum standards in the direct commodity distribution program, the Secretary shall deal specifically with recipients of other types of aid under the Social Security and related Acts, as well as the assistance available from State and local governments and shall bear in mind that the receipt of other types of assistance, as such, shall not bar participation. Maximum standards for participation shall, insofar as possible, relate only to income currently available to needy persons on a per capita basis.

REPORTS

SEC. 22. The Secretary shall make a semiannual report to Congress describing the operations of the programs administered by him under this Act, and such report shall include information with respect to the following: The number of individuals entitled to receive assistance; the number which have received assistance; the extent to which the program has been effective in improving or maintaining health; the extent to which the program has increased the consumption of agricultural products; the costs of the program to the Federal, State, and local governments; and recommendations for improvement of the program.

APPROPRIATIONS

SEC. 23. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

EFFECT ON OTHER ASSISTANCE PROGRAMS

SEC. 24. Receipt of benefits under this Act shall not be deemed to be income or resources under the Social Security, or any other Federal Acts pertaining to the security of the aged, blind, disabled, dependent children, unemployed or other similar groups. Nor shall any State or local government decrease the cash or other assistance benefits extended to any person or group by virtue of this Act, and upon evidence that such policies are put into effect by any State or local government the Secretary is directed to deny further participation in this program: *Provided*, That any such policies as may relate to assistance to the needy in charitable institutions or family units shall not deny participation in the school lunch or special milk programs.

Mr. HECHLER. Mr. Speaker, I desire to commend my colleague from Iowa [Mr. WOLF] for his excellent presentation. I believe that his approach to this subject makes a great deal of sense, as many of the programs he has mentioned really belong in the Department of Health, Education, and Welfare. I hope that his bill will receive additional and sympathetic consideration by the Congress.

ECONOMIC EXPANSION

The SPEAKER. Under previous order of the House, the gentleman from

Colorado [Mr. JOHNSON] is recognized for 20 minutes.

Mr. JOHNSON of Colorado. Mr. Speaker, I rise to discuss this afternoon the question of how to secure adequate economic expansion in the face of the announcement that the prime interest rate was raised one more half point today. First let us take a look at the monetary policy practiced in this country. When we raise the interest rate, we are rationing money, but we are rationing it in terms of those who can pay the price whether or not that is the best use of money. Now, you cannot be neutral with respect to monetary policy. Every choice that we make has a consequence. The question before us is do we intend the consequences. The present consequences of raising the interest rates are that we reduce the profit opportunities for small business. We reduce the profit ability of farming by raising the cost to the small businessman and the farmer. It should be noted that the interest rate has less effect on big business because big business is to a substantial extent self-financed. It does not go into the market for money. By having high interest rates, we raise the cost of housing; we make it more difficult for the low and middle income families to afford adequate and decent housing. By raising interest rates we discourage heavy construction, such as public utilities, hotels, and apartments, because interest is a major cost consideration on those investments which it takes many years to repay. By raising interest rates we make it more difficult for State and local governments to provide the necessary schools, hospitals, highways, water and sewer systems that the people need and that are increasingly needed in our growing population. By raising interest rates we have increased the cost to the Federal Government by several billion dollars.

We voted some $8 billion recently by way of an appropriation to pay the interest on the public debt. There is no reason why that should have been more than $5 or $5½ billion, except that the present administration seems to know no monetary policy except a hard money policy. In the process of raising the interest rate of Government bonds we have made many inroads on the orderly bond market. We have caused those who hold Government bonds, long-time Government bonds purchased a few years back, under the strong request of the Treasury, to take a great capital loss if they had to liquidate those bonds.

And finally, high interest rates raise the cost to the consumer of every item that he buys on time payments programs. The high interest rate, because it is harmful to economic expansion, causes us to be under pressure to vote for public works to restore the economic prosperity which has been damaged by the consequences of high interest. We have pressures upon Members of the Congress to cut down on imports because the depression we have been experiencing in the past year, even though we may now be climbing out of it, causes a raise in protectionism sentiment in the United States. The decline in the revenues to the Treasury from the depression-induced cut in tax revenues causes there to be a great pressure upon Federal, State, and local governments to refuse to meet the legitimate needs of the citizens, because in a low-level economy we do not have the revenues to afford decent schools, adequate hospitals, adequate highways, adequate water and sewer systems, and so on.

These programs are all vitally needed, and in a high-level economy the present tax rates would yield tax revenues sufficient to provide these services in adequate amounts and balance the budget.

I submit, Mr. Speaker, that the time has come for us to take a long look at the monetary policy that we are following and to change it. I recommend that we have a lower interest rate in order to get full employment, adequate economic growth and lower costs, and to increase profit opportunities for small businesses and farmers. I request lower interest rates to make housing available to lower income families, to stimulate heavy construction, to help State and local governments discharge their services.

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Colorado. For what purpose?

Mr. BYRNES of Wisconsin. For a question.

Mr. JOHNSON of Colorado. I yield.

Mr. BYRNES of Wisconsin. The gentleman has told us the consequences of high interest rates. I think it would be interesting to know to what the gentleman attributes high interest rates, and whether he is recommending that the Government simply get into the process of controlling the price of money, the next step to which would be control of the price of goods and then reinstate an OPA with which the gentleman is familiar.

Mr. JOHNSON of Colorado. The gentleman's question is a good one. It anticipates the very nature of the remarks I am about to make. I wanted to provide the background of the reason for my concern, because I think it is a legitimate concern to increase the profit opportunities for small business and farmers, to be concerned about the cost of interest in the governmental budgets, to be concerned about the cost of vital public services which involve long-term investments.

The opposition to doing this job is, of course, that if we lower interest rates we may see a tremendous increase in borrowing at low rates, and this may create the classical inflationary pressures. But this assumes that there are no other policies that can be used successfully to both keep interest rates down and prevent classical demand inflation.

The fact of the matter is that unless you have adequate cooperation between the Federal Reserve and the Treasury, of course, you will not get either job done adequately. I think we should lower interest rates by somewhat the following mechanism. The Federal Reserve ought to be reducing rather than raising its prime rate and rediscount rate. The Treasury should offer to sell bonds at lower rather than higher rates of interest, and if this is to happen the Federal Reserve must, of course, provide some kind of support for the market.

If the market does not respond adequately to such pressures there will be an increase in bank and Federal Reserve holdings of the Federal debt. And this, of course, will greatly increase the reserves available to banks. The argument is that this would cause a tremendous increase in price through increased demand. In order for this policy to succeed without having the inflationary potential we ought to be providing the Federal Reserve with adequate power over reserve requirements to prevent such an eventuality. The tragic fact is that the Senate has already passed, and the House Committee on Banking and Currency will be considering on Thursday, a measure to, in fact, still further reduce the reserve requirements power of the Federal Reserve.

Mr. Speaker, it seems to me inconceivable that at a time when the administration is complaining about the inflationary pressures that face us that the same administration should be recommending to us measures which will further weaken the Federal Reserve power to deal adequately with that inflation. The bulk cash bills what amounts to vault cash which would equal 2 percent toward the 13 percent to 26 percent requirement now in the law for the central Reserve city banks and it will add 2 percent toward the Reserve city banks requirement of 16.5 percent and the country banks 15 percent. Now, I submit that the present requirements, the present potential requirement of 26 percent on central Reserve city banks and 26 percent on the Reserve city banks and 14 percent on the country banks has proven inadequate at times in the past.

In September 1948 the 26 percent requirement was imposed. The 22 percent requirement temporarily granted by Congress was used against the Reserve city banks, the country banks up to 16 percent. In 1949, in the recession, of course, this was cut back. But we are again up to the maximum or almost the maximum of 20 or 24 percent. In January of 1951, 21 percent for the Reserve city banks and 14 percent for the country banks at that time.

My point is that the Federal Reserve has had the present power which it has got to brake the country all the way down to the floorboard without always being successful. Many feel the Federal Reserve ought to have still greater power to raise reserve requirements quite apart from the support for the Government bond market and since supports for the Government bond market is a necessary part of a lower interest policy, we have all the more reason for suggesting that the Federal Reserve be given the additional power to raise reserve requirements. Some years ago the Joint Economic Committee had a subcommittee on monetary credit and fiscal policies. This report which appears as Senate document No. 129, dated January 23, 1950, recommended that we

create a national monetary and credit council which would include the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Chairman of the FDIC, and the heads of the other principal Federal agencies that lend and guarantee loans. I think the suggestion that our Federal credit policies be integrated is a sound suggestion. A somewhat similar suggestion was repeated in 1952. I wish this administration would recommend to the Congress that we create such a national monetary and credit council and that we might even give it power through the FDIC and the Federal Reserve System and the Comptroller of the Currency to impose, if necessary, selective credit controls, because rationing by the interest rate has an adverse effect on the inflationary problem.

The consumer is not concerned about the interest rate. The consumer will pay any interest rate. Consequently, high interest does not restrict consumer credit. I would point out that the inflationary fire we have had since the end of World War II has been fed most extensively by heavy consumer credit without adequate controls over the consumer credit or without selective credit controls which we did use successfully during the war years. We have seen consumer credit be the single most inflationary factor in our society. The only way we can effectively control consumer credit is not by the interest rate. They will pay 25 percent interest rate and 50 percent interest on short-term loans. We can only do this by raising the downpayment requirement and shortening amortization policies. In other words, fewer people will borrow money for consumer loans if the loan must be repaid within 12 months than if the loan had to be repaid in 24 months. The housewife's concern is not as to what the interest rate is but how much it is going to cost per month, and I am afraid her husband goes along with her on this. Budget payments are far more effective than interest rates in restricting credit. But, the high interest rate which the consumers will pay, the producers will not pay because the profit margins are thin. As a result, high interest shrinks credit to those who by producing more would expand production and the economy and thus fight inflation while it does not restrict credit to the consumer who will buy more and thus feed inflation. I say that we should follow a policy which would restrict credit to the consumer in those areas suffering from a price rise or inflationary pressures, in other words, and we should extend credit to those who are producers who by the use of the additional credit would expand their output and thus fight the inflationary pressures.

The consequences of the present partial action on which we are proceeding, taking one swipe at a time at pieces of the whole problem has been as follows. We have raised the budget payments for interest on the public debt. We have raised the interest on GI housing loans. A bill will be coming to the floor tomorrow, S. 57, which will raise the allowable interest rate on FHA loans. There has been pressure for us to raise the interest rate paid by rural electric co-ops. High interest rates prevent adequate decent housing for the elderly.

Meanwhile we have also had pressure for more Federal grants, loans to States and local governments at less than market rates of interest because they cannot afford to borrow the money in the open market under the high interest policy we are now following.

It seems to me that we must recognize that we cannot do the job by the path that we have been following, and it seems to me that we ought to take the action of the bill which is before the House and approved by the Senate to change the reserve requirements in a manner which is consistent with our words. Our deeds frequently speak far more eloquently than our words. Everyone says he is against inflation, yet here is a bill which if it is not amended will take one more weapon away from the arsenal of anti-inflationary measures. It is one more case of a partial action which still further weakens our power to have a monetary policy which will truly serve the needs of the American consumer, the American home buyer, the small businessman, the farmer, the local government, the school board, the State governments, the Federal Government, and the taxpayers who support all of this proposition.

There are very few anti-inflation powers available these days. Our reserve requirements are one of them and I am just surprised that the Federal Reserve Board of Governors and other spokesmen for the administration are recommending to the Congress that we should further reduce their power over reserve requirements in the battle against inflation.

One witness who appeared before the subcommittee of the House Committee on Banking and Currency made the statement: "We do not need the power now. If we need it later we will come in and ask for it." Let me recall to you that in 1950 Congress had adjourned for the summer to go back and fight an election, and that is when those people in North Korea chose to cross the 38th parallel. Can you imagine getting Congress back into session in the middle of a campaign for reelection to put over a measure which would be unpopular? If you can you have a better imagination than I have or than history would support. In that year we added $1 billion new consumer credit each month from the outbreak of hostilities until February of 1951 when Congress finally lowered the boom.

I am for giving the Federal Reserve Board power when they do not need it so that when they do need it they will have it rather than having to wait for action upon a political calendar to get it. I would give them special consideration. This is the time for them to be asking for adequate power to raise reserve requirements. The present law says the maximum rate shall not be more than twice the minimum rate. Perhaps that law should be amended so as to give them treble the minimum rate.

I will move in committee for amendments in this direction. I hope my effort will be supported. I will move to support such position on the floor because my concern that we give adequate control against inflation to the executive agencies is a concern not merely for campaign propaganda during a political election but for legislative action during congressional sessions.

Now, Mr. Speaker, I would ask a question: Can monetary policy alone do the trick? The answer is "No." We must also have a tax policy; we must have an expenditure policy; we must have an insurance and loan policy; we must have an agricultural policy, and we must have a foreign trade policy, all of which are consistent with an expanding economy without inflation. But these measures are not involved in the bill which has come over from the other body, and I do not see that this is the occasion to discuss them in detail; suffice it to say that I fully recognize that monetary policy is only one of the weapons in the total arsenal of public policy. But it is a weapon which ought to be ready and loaded, so that the administration can use it; and I call upon the administration to use it in the way which serves the interest of the greatest of the groups I have heretofore mentioned and not as it is presently doing it in a way which does them a profound disservice.

The SPEAKER. The time of the gentleman from Colorado has expired.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FOGARTY (at the request of Mr. FORAND), on account of official business.

Mr. PUCINSKI (at the request of Mr. MCCORMACK), for today and tomorrow, May 18 and May 19, on account of official business in the district.

Mr. THOMPSON of New Jersey (at the request of Mr. KITCHIN), for May 18, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PORTER, for 30 minutes, on Wednesday, May 20.

Mrs. ROGERS of Massachusetts, for 10 minutes, today, and 10 minutes, tomorrow.

Mr. JOHNSON of Colorado, for 20 minutes, today.

Mr. SCHWENGEL (at the request of Mr. MICHEL), for 30 minutes, on tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL

RECORD, or to revise and extend remarks, was granted to:

Mr. HOGAN.

Mr. WOLF in two instances, and to include extraneous matter.

Mr. BROCK.

Mr. ALGER.

Mr. DEVINE.

Mr. FULTON in two instances, in each to include extraneous matter.

Mr. MCDONOUGH in two instances, in each to include extraneous matter.

Mr. VAN ZANDT.

Mr. MARSHALL to revise and extend his remarks made on the agricultural bill and to include extraneous matter.

Mrs. ROGERS of Massachusetts, to revise and extend her remarks on the space bill and to include extraneous matter.

Mr. METCALF, to revise and extend his remarks made in Committee of the Whole and include a chart.

Mrs. SULLIVAN, to include a letter in her remarks made in Committee of the Whole today.

(At the request of Mr. FLYNN, and to include extraneous matter, the following:)

Mrs. SULLIVAN.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1062. An act to amend the Federal Deposit Insurance Act to provide safeguards against mergers and consolidations of banks which might lessen competition unduly or tend unduly to create a monopoly in the field of banking; to the Committee on Banking and Currency.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on May 16, 1959, present to the President, for his approval, a bill of the House of the following title:

H.R. 5916. An act making supplemental appropriations for the fiscal year ending June 30, 1949, and for other purposes.

ADJOURNMENT

Mr. FLYNN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 13 minutes p.m.) the House adjourned until tomorrow, Tuesday, May 19, 1959, at 12 o'clock noon.

REPORT OF COMMITTEES ON USE OF COUNTERPART FUNDS

Mr. BURLESON. Mr. Speaker, pursuant to the provisions of the Mutual Security Act of 1958, chapter IV, section 401(a), there is submitted herewith the report of use of foreign currencies by the House Committee on Interstate and Foreign Commerce, received in the House Administration Committee May 14, 1959:

COUNTERPART FUNDS

REPORT OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, HOUSE OF REPRESENTATIVES, UNITED STATES

Foreign currency and U.S. dollar equivalents expended between July 1, 1958 and Dec. 31, 1958

Country	Name of currency	Transportation		Lodging		Meals		Gratuities		Miscellaneous		Total	
		Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars
Austria	Shilling	455.00	17.55	735.00	28.37	529.17	20.43	230.00	8.88			1,949.17	75.23
Australia	Pounds	99/32/00	225.80	249/12/12	563.27	125/23/8	281.73	35/11/0	79.85	13/29/0	32.50	526/17/0	1,183.15
Denmark	Kroner	646.50	69.78	1,248.50	181.28	1,159.97	167.42	383.50	54.94	297.58	42.92	3,736.05	516.34
France	Franc	147,632	338.71	92,257	219.93	165,880	394.94	32,326	76.96	92,739	220.52	530,834	1,252.02
Germany	Mark	413	98.25			440	104.75	77	18.50	250	59.50	1,180	281.00
Greece	Drachma	1,459	51.96	2,429	81.27	4,143	138.10	1,010	33.67	3,909	163.00	12,950	468.00
Hong Kong	HK dollar	300	52.69	575	100.99	875	153.89	350	58.06	150	24.30	2,250	389.94
Indonesia	Rupiah	150	5.00			3,200	106.60	3,525	117.40	225	7.50	7,100	236.50
Italy	Lire	918,962	1,472.66	255,982	409.90	457,028	731.85	26,326	92.14	1,354,360	216.91	1,825,722	2,923.46
Japan	Yen	14,700	44.14	41,134	119.88	59,366	176.19	20,200	59.80	6,000	16.55	141,400	416.56
Norway	Kroner	727.60	105.33			28.00	3.93	42.00	5.90			797.60	115.16
Singapore	S dollar	100.40	33.05	302.80	100.00	263.50	87.10	83.38	27.60	39.50	12.95	790.00	260.70
Spain	Peseta	3,050	66.18	5,100	108.65	6,616.00	135.27	1,540	33.00	1,994	64.63	19,200	407.73
Sweden	Kroner	10	1.93			8.50	1.65	40	7.74			58.50	11.32
Switzerland	S franc	540	121.38	877	201.41	660.00	153.89	228.20	51.78	122	29.48	2,427.20	557.94
Taiwan	T dollar			1,900	52.35	770	21.39	330	9.19	70	2.14	3,070.00	85.07
Thailand	Baht	1,200	57.98	1,693.30	79.65	1,127.30	54.43	630	30.36	248.40	12.07	4,899.00	234.49
United Kingdom	Pound	34/8/10	96.44	69/18/0	197.14	64/23/0	181.66	19/0/6	53.87	23/24/0	67.20	212/14/4	596.31
Total			2,858.83		2,445.06		2,915.22		819.64		972.17		10,010.92

OREN HARRIS, *Chairman.*

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

989. A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a report covering personal property made available for distribution to public health and educational institutions and civil defense organizations under section 203(j); and all real property disposed of to public health and educational institutions under section 203(k), pursuant to the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

990. A letter from the Comptroller General of the United States, transmitting our report on examination of Boeing Airplane Co. purchase orders E-10008 and E-10015 awarded to the Cessna Aircraft Co., Wichita, Kans., under Department of the Air Force negotiated prime contract AF 33(600)-26235; to the Committee on Government Operations.

991. A letter from the Administrator, General Services Administration, transmitting the report of the Archivist of the United States on records proposed for disposal under the law; to the Committee on House Administration.

992. A letter from the secretary, National Trust For Historic Preservation, transmitting the report of the National Trust for Historic Preservation for the calendar year 1958, pursuant to Public Law 408, 81st Congress; to the Committee on Interior and Insular Affairs.

993. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of proposed legislation entitled "A bill to discontinue Federal grants for vocational education and for construction of waste treatment facilities, and to reduce the Federal excise tax on local telephone service to assist the States in assuming financial responsibility for these programs"; to the Committee on Ways and Means.

994. A letter from the Assistant Secretary of Agriculture, transmitting a report for the month of April relating to the cooperative program of the United States with Mexico for the control and the eradication of foot-and-mouth disease, pursuant to Public Law 8, 80th Congress; to the Committee on Agriculture.

995. A letter from the Comptroller General of the United States, transmitting a report on review of the use of contractor-furnished drawings for procurement purposes in the Air Materiel Command (AMC), Department of the Air Force; to the Committee on Government Operations.

996. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

997. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of the order suspending deportation in the case of Joseph Pepe Pagnozzi, A-3183469, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

998. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "A bill to eliminate the date of termination of the provisions of law authorizing issuance of nonquota immigrant visas to certain alien orphans, and for other purposes"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of May 14, 1959, the following bill was reported on May 15, 1959:

Mr. WHITTEN: Committee on Appropriations. H.R. 7175. A bill making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes; without amendment (Rept. No. 365). Referred to the Committee of the Whole House on the State of the Union.

Mr. ANDREWS: Committee on Appropriations. H.R. 7176. A bill making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1960, and for other purposes; without amendment (Rept. No. 366). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted May 18, 1959*]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DAWSON: Committee on Government Operations. H.R. 5140. A bill to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time in conformity with the provisions of the act; with amendment (Rept. No. 367). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, pursuant to the order of the House of May 14, 1959, the following bills were introduced May 15, 1959:

By Mr. WHITTEN:

H.R. 7175. A bill making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

By Mr. ANDREWS:

H.R. 7176. A bill making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1960, and for other purposes.

[*Introduced and referred May 18, 1959*]

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MILLS:

H.R. 7177. A bill to revise and improve the financing of the administrative and loan fund provisions of the employment security program, to extend coverage under such program, and for other purposes; to the Committee on Ways and Means.

By Mr. SIMPSON of Pennsylvania:

H.R. 7178. A bill to revise and improve the financing of the administrative and loan fund provisions of the employment security program, to extend coverage under such program, and for other purposes; to the Committee on Ways and Means.

By Mr. ASPINALL:

H.R. 7179. A bill to provide for the striking of medals in commemoration of the 100th anniversary of the settlement of the State of Colorado and in commemoration of the establishment of the U.S. Air Force Academy; to the Committee on Banking and Currency.

H.R. 7180. A bill to revise, extend, and otherwise improve the Communications Act of 1934 (47 U.S.C. 315) to bring into focus and more proper perspective that section of the law governing political broadcasts; to the Committee on Interstate and Foreign Commerce.

By Mr. BAILEY:

H.R. 7181. A bill to provide for the establishment of a national cemetery at or near Oak Hill, W. Va.; to the Committee on Interior and Insular Affairs.

By Mr. DINGELL:

H.R. 7182. A bill to limit the amount of price support payments which may be made to producers of agricultural commodities; to the Committee on Agriculture.

By Mr. CHENOWETH:

H.R. 7183. A bill to provide for the striking of medals in commemoration of the 100th anniversary of the settlement of the State of Colorado and in commemoration of the establishment of the U.S. Air Force Academy; to the Committee on Banking and Currency.

By Mr. FALLON:

H.R. 7184. A bill to provide for the construction, equipment, and furnishing of a new building for the U.S. Court of Customs and Patent Appeals, and the Tax Court of the United States; to the Committee on Public Works.

By Mr. FOLEY:

H.R. 7185. A bill relating to the rate of wages and to the payment of benefits for persons employed in highway post office service by contractors; to the Committee on Post Office and Civil Service.

H.R. 7186. A bill to clarify a provision in the Black Bass Act relating to the interstate transportation of fish, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HARRISON:

H.R. 7187. A bill to equalize taxation and provide revenue; to the Committee on Ways and Means.

By Mr. HOGAN:

H.R. 7188. A bill to expand and extend the Soil Conservation and Domestic Allotment Act to provide increased nationwide emphasis upon soil and water conservation, to prevent the wasteful and uneconomic use of farm soil and water resources, to reduce the volume of Government-owned stocks of farm commodities, to provide greater economic opportunity to farm-operating families, and for other purposes; to the Committee on Agriculture.

By Mr. JOHNSON of Colorado:

H.R. 7189. A bill to provide for the striking of medals in commemoration of the 100th anniversary of the settlement of the State of Colorado and in commemoration of the establishment of the U.S. Air Force Academy; to the Committee on Banking and Currency.

By Mr. JOHNSON of Wisconsin:

H.R. 7190. A bill to provide that surplus personal property of the United States may be donated to the States for the promotion of fish and wildlife management activities, and for other purposes; to the Committee on Government Operations.

By Mr. KASTENMEIER:

H.R. 7191. A bill to authorize cooperative associations of milk producers to bargain with purchasers singly or in groups, and for other purposes; to the Committee on the Judiciary.

By Mr. KOWALSKI:

H.R. 7192. A bill to amend the Internal Revenue Code of 1954 so as to allow an additional income exemption of $1,200 for an individual who is a student at an institution of higher education; to the Committee on Ways and Means.

H.R. 7193. A bill to make permanent certain increases in annuities payable from the civil service retirement and disability fund; to the Committee on Post Office and Civil Service.

H.R. 7194. A bill to make permanent certain temporary increases in rates of compensation of employees of the postal field service, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 7195. A bill to grant civil-service employees retirement after 30 years' service; to the Committee on Post Office and Civil Service.

By Mr. LANKFORD:

H.R. 7196. A bill to authorize the construction of waste disposal facilities to reduce the pollution of the Potomac River from storm-water overflows, and for other purposes; to the Committee on Public Works.

By Mr. FOLEY:

H.R. 7197. A bill to authorize the construction of waste disposal facilities to reduce the pollution of the Potomac River from storm-water overflows, and for other purposes; to the Committee on Public Works.

By Mr. BLATNIK:

H.R. 7198. A bill to authorize the construction of waste disposal facilities to reduce the pollution of the Potomac River from storm-water overflows, and for other purposes; to the Committee on Public Works.

By Mr. BROYHILL:

H.R. 7199. A bill to authorize the construction of waste disposal facilities to reduce the pollution of the Potomac River from storm-water overflows, and for other purposes; to the Committee on Public Works.

By Mr. McINTIRE:

H.R. 7200. A bill to authorize the Secretary of Agriculture to cooperate with public and private agencies in the development and maintenance of recreational facilities on the national forests and other lands administered in connection therewith, and for other purposes; to the Committee on Agriculture.

By Mr. METCALF:

H.R. 7201. A bill to provide for the comprehensive operation of hydroelectric power resources of the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. O'HARA of Michigan:

H.R. 7202. A bill to promote the foreign policy of the United States and help to build essential world conditions of peace, by the more effective use of U.S. agricultural commodities for the relief of human hunger, and for promoting economic and social development in less developed countries; to the Committee on Agriculture.

By Mr. RAINS:

H.R. 7203. A bill to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes; to the Committee on Public Works.

By Mr. REUSS:

H.R. 7204. A bill to require warnings for the protection of children on certain plastic bags shipped in interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS of Colorado:

H.R. 7205. A bill to provide for the striking of medals in commemoration of the 100th anniversary of the settlement of the State of Colorado and in commemoration of the establishment of the U.S. Air Force Academy; to the Committee on Banking and Currency.

H.R. 7206. A bill to revise, extend, and otherwise improve the Communications Act of 1934 (47 U.S.C. 315) to bring into focus and more proper perspective that section of the law governing political broadcasts; to the Committee on Interstate and Foreign Commerce.

H.R. 7207. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for surviving spouses without deduction from original annuities; to the Committee on Post Office and Civil Service.

By Mr. SAUND:

H.R. 7208. A bill to amend section 301(c)(2) of the Sugar Act of 1948 to require that certain producers of sugar beets who are also processors of sugar beets shall pay for sugar beets purchased by them from any other producer at rates determined by the Secretary of Agriculture to be fair and reasonable, and for other purposes; to the Committee on Agriculture.

By Mr. SHELLEY:

H.R. 7209. A bill to amend the Immigration and Nationality Act to accord Korean war veterans equal naturalization privileges, and to authorize the Attorney General to admit certain aliens who have served in the Armed Forces of the United States for a period aggregating 5 years as permanent residents; to the Committee on the Judiciary.

By Mr. SPRINGER:

H.R. 7210. A bill to amend section 407 of the Federal Aviation Act of 1958; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas:

H.R. 7211. A bill to provide additional disability compensation for certain seriously disabled veterans; to the Committee on Veterans' Affairs.

By Mr. ZELENKO:

H.R. 7212. A bill to amend the Internal Revenue Code of 1954, as amended; to the Committee on Ways and Means.

By Mr. BERRY:

H.R. 7213. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit hospitals from certain excise taxes; to the Committee on Ways and Means.

By Mr. DURHAM (by request):

H.R. 7214. A bill to amend the Atomic Energy Act of 1954, as amended, with respect to cooperation with States; to the Joint Committee on Atomic Energy.

By Mr. McDOWELL:

H.R. 7215. A bill to amend the Historic Sites Act of August 21, 1935, to provide a method for preserving sites, areas, buildings, objects, and antiquities of national, regional, or local historical significance which are threatened with destruction by federally financed programs, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON:

H.R. 7216. A bill to amend the Tariff Act of 1930 to provide for the free importation of barrelheads made of softwood; to the Committee on Ways and Means.

By Mr. CLEMENT W. MILLER:

H.R. 7217. A bill to provide for the more orderly development of the recreation potential on U.S. public lands; to provide recreation facilities at Federal dams and on other Federal property; and to vest in the Secretary of the Interior such responsibility and authority as needed to administer this Federal property for recreational purposes; to the Committee on Interior and Insular Affairs.

By Mr. WOLF:

H.R. 7218. A bill to transfer the administration of the school lunch program, the school milk program, and the direct commodity distribution program under which agricultural food products are made available to the needy in charitable institutions and family units from the Department of Agriculture to the Department of Health, Education, and Welfare, and to establish a food stamp plan, and for other purposes; to the Committee on Agriculture.

By Mr. FINO:

H.J. Res. 394. Joint resolution to establish a Joint Committee on the United Nations; to the Committee on Rules.

By Mr. OSMERS:

H.J. Res. 395. Joint resolution providing for a Commission on Educational Standards to investigate standards in public primary and secondary educational systems in the United States; to the Committee on Education and Labor.

By Mr. McGOVERN:

H.J. Res. 396. Joint resolution to provide for the acceleration of the various reforestation programs of the Department of Agriculture and the Department of the Interior, and for other purposes; to the Committee on Agriculture.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. FORAND: Memorial of the Rhode Island General Assembly memorializing the Congress of the United States, the President of the United States, and the Secretary of Defense of the United States, urgently requesting that the reduction in force of civilian employees of the U.S. Naval Construction Battalion Center at Davisville be rescinded; to the Committee on Armed Services.

Also memorial of the Rhode Island General Assembly memorializing Congress in plea for cooperation by the U.S. Army Engineers for the removal of wrecks in Narragansett Bay and Providence Harbor; to the Committee on Public Works.

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States, relative to home rule for the District of Columbia; to the Committee on the District of Columbia.

Also, memorial of the Legislature of the State of Colorado, memorializing the President and the Congress of the United States relative to urging approval of the Curecanti storage unit of the Colorado River storage project, and requesting the appropriation of funds for the initiation of construction of the project at the earliest possible time; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Nebraska, memorializing the President and the Congress of the United States, relative to requesting the enactment of legislation for the establishment of a soil and water research laboratory in the Great Plains States; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of New Mexico, memorializing the President and the Congress of the United States relative to requesting passage of H.R. 3342, now pending in the House, which is a measure essential to the health and well-being of the Zuni Tribe; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of New Mexico, memorializing the President and the Congress of the United States against any increase in gasoline taxes; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of South Carolina, memorializing the President and the Congress of the United States to remove the wartime excise taxes on telegraphic service; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BELCHER:

H.R. 7219. A bill for the relief of Kiriaki Petros; to the Committee on the Judiciary.

H.R. 7220. A bill for the relief of Maria Ioannou and Vassiliki Ioannou; to the Committee on the Judiciary.

By Mr. FOLEY:

H.R. 7221. A bill for the relief of Blyth Ying Lee; to the Committee on the Judiciary.

By Mr. HEALEY:

H.R. 7222. A bill for the relief of Domenico Busetto; to the Committee on the Judiciary.

By Mr. LIPSCOMB:

H.R. 7223. A bill for the relief of Dr. Shahen A. Hovanessian; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H.R. 7224. A bill for the relief of Beatrice Anne Schlobohm; to the Committee on the Judiciary.

By Mr. GEORGE P. MILLER:

H.R. 7225. A bill for the relief of Sylvester L. Gardner; to the Committee on the Judiciary.

By Mr. MORRIS of Oklahoma:

H.R. 7226. A bill for the relief of Hughie D. Martin and Ione Martin; to the Committee on the Judiciary.

By Mr. O'HARA of Michigan:

H.R. 7227. A bill for the relief of Sumiko Imakuni; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H.R. 7228. A bill for the relief of Moises Izquierdo-Gonzalez; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

186. By the SPEAKER: Petition of John A. Conner, Southeastern New Mexico Bataan Veterans Organization, Carlsbad, N. Mex., petitioning consideration of their resolution with reference to going on record as being opposed to legislation that would erect a statuary memorial on Corregidor, and recommending the creation of a research hospital to advance the treatment and cures of tropical diseases for the betterment of all mankind; to the Committee on Appropriations.

187. Also, petition of James D. Wenzel and others, the Hun School of Princeton, Princeton, N.J., petitioning consideration of their resolution with reference to requesting passage of H.R. 4363, dealing with holiday pay and the establishment of basic work-week of Monday through Friday for civil service workers; to the Committee on Post Office and Civil Service.

EXTENSIONS OF REMARKS

German Sudeten Day Celebrated in Austria

EXTENSION OF REMARKS
OF
HON. LAWRENCE BROCK
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 18, 1959

Mr. BROCK. Mr. Speaker, the attention of the House is called to the annual Sudeten German Day, which will occur on Whitsuntide, May 17–18, in Vienna, Austria—free Austria.

On that occasion, several hundreds of thousands of people will gather, to reaffirm their dedication to the principles of democracy, the freedom and dignity of the individual, and the welfare of mankind.

It is significant that this testimonial should occur during the period that two other events of world interest have taken place. I refer you to the recent free elections in Austria, conducted without force or violence, when the last few seats held by the Communists in the Austrian Legislature were voted out of office. At the same time, the foreign ministers of the free world will be meeting with the representatives of the Soviet Union, in an effort to work out settlement of the German question and bring about reduction in the "cold war."

The Vienna gathering in the interest of democracy may not set too well with the Russian delegation at Geneva but should have a salutary effect on the foreign ministers of the free world, to hold fast in the determination that any negotiations must be concluded only on an honorable basis—without retreat from established principles and prior commitments.

Mr. Speaker, I, therefore, request permission to extend my remarks and include in the RECORD a copy of my letter to Dr. Walter Becher, Secretary General, Sudeten German Council, commending these people meeting at Vienna for their formidable stand in the face of adversity.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 4, 1959.

Dr. WALTER BECHER,
Secretary General, Sudeten German Council, Munchen, Germany.

DEAR DR. BECHER: This will acknowledge your letter of April 15, advising me of the annual Sudeten German Day occurring on Whitsuntide, May 17–18, in Vienna, Austria.

In these days of international stress and military and diplomatic uncertainty, it is refreshing to contemplate a gathering of several hundreds of thousands of willful people reaffirming their dedication to democracy and freedom of the individual—at the same time expressing their opposition to the fallacy of communism, which fails to recognize the dignity and the welfare of mankind.

The Third Congressional District of Nebraska, which I have the honor to represent, has a majority population of native Germans, and German extraction. They are very substantial, law-abiding and God-fearing citizens. The majority belong to and worship in the Lutheran Church. The present division of Germany is very distressing to these people.

I recall we had a German-language newspaper, published in Omaha, Nebr., which had a wide circulation in the Third District and throughout the State of Nebraska.

It is encouraging to know that your people stand firmly for the reunification of the German nation, under democratic principles of self-government and will vigorously oppose any attempts to foster Soviet-dominated rule in it's stead.

May I take this opportunity to commend your people for their courage and determination and to restore their nation, free from totalitarianism, atheism, and Marxism.

Sincerely,

LARRY BROCK,,
Member of Congress.

New Research Laboratory Marks AVCO Progress

EXTENSION OF REMARKS
OF
HON. JAMES G. FULTON
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 18, 1959

Mr. FULTON. Mr. Speaker, on May 14, the distinguished majority leader, Congressman JOHN MCCORMACK, of Massachusetts, spoke in tribute of the AVCO Corp. upon the establishment of its new laboratories in Wilmington, Mass. As a member of the Committee on Science and Astronautics I would like to join with him in congratulating AVCO for its foresight in creating great new facilities for vigorously pursuing its mission in this the space age.

AVCO has made major contributions to space technology that have substantially strengthened our country's military capabilities. As well, AVCO's research and development have enhanced the comprehensive space exploration programs presently being undertaken by the National Aeronautics and Space Administration.

AVCO's laboratories have been given a major responsibility for the research theory on the problem of reentry of space vehicles, rockets, and missiles into the earth's atmosphere. Under the guidance of Dr. Arthur Kantrowitz, an understanding of the related chemical and physical factors involved made possible the design and development of the successful nose cones for the Atlas, Titan, and Minuteman rockets.

The AVCO Research and Advanced Development Division now has the responsibility for the design, development, and production of the nose cones for the "second generation" Titan and "third generation" Minuteman ICBM's. The logical outgrowth of basic research and understanding of hypersonics and the newly developed materials to withstand reentry conditions has led to a preeminent capability in the many new areas which are opening in space technology. AVCO has been working diligently for 3 years on recovery systems for satellites, and in particular, to achieving early reliable and simple techniques for the recovery of manned satellites.

This new $16 million advanced laboratory and research center, financed by the corporation, is practical evidence of AVCO's faith in the future growth of space technology and of its foresight as a major contributor to the growing body of scientific knowledge so vital to our U.S. ballistic missile capability and to maintaining our U.S. leadership of the free world in the exploration of space.

Congratulations and a hearty pat on the back to AVCO for a job well done and for success in the future.

Replies to 17 Important and Vital Issues by the People of the 15th District of California

EXTENSION OF REMARKS
OF
HON. GORDON L. McDONOUGH
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 18, 1959

Mr. McDONOUGH. Mr. Speaker, I recently requested the people of the 15th Congressional District of California which I represent to give me their opinion on 17 issues of vital importance to the United States and all its citizens.

The range of these questions was great, covering both domestic affairs and our foreign relations—matters which will affect the future security of this Nation as well as the individual welfare of every citizen.

The response to my questionnaire was immediate and tremendous reaching a total of 51,000 replies in record time, and clearly establishing the keen interest of the people of the 15th District in the vital issues upon which this Congress must act.

In summarizing the replies I received from people in every precinct of the 15th District, it is significant to note that question No. 4—"Should we have strong legislation to curb labor racketeering?"—received the largest "yes" vote with 96.7 percent.

The next question with the highest "yes" vote was No. 3—"Should the House Un-American Activities Committee be retained?"—with 84 percent.

One of the most vital questions was No. 8—"Do you think we should keep American forces in Berlin along with British and French forces—even at the risk of war?"—which received the third highest "yes" vote, with 79.9 percent.

It is a great satisfaction to know that the thousands of people who participated in this questionnaire are so well informed on the current and important issues be-

fore Congress as their replies indicate, and it is a pleasure to represent such an intelligent and well-informed constituency.

The following are the results of my questionnaire, which I am sure will be of interest to all Members of this Congress:

[In percent]

	Yes	No	No opinion
1. Do you favor the admission of Hawaii as a State?	78.5	13.1	8.4
2. Do you think the United States should stop making tests with nuclear weapons and the H-bomb?	20.0	68.5	11.5
3. In your opinion, should the House Un-American Activities Committee be retained?	84.0	9.7	6.3
4. In your opinion, should we have strong legislation to curb labor racketeering?	96.7	1.7	1.6
5. Should health and medical benefits be added to social security on a voluntary basis at an increased cost to you?	35.4	50.5	14.1
6. Should postal rates be increased to further decrease the Post Office deficit?	45.1	47.3	7.6
7. In your opinion, should the Federal Government provide financial aid for education?	27.8	63.1	9.1
8. Do you think we should keep American forces in Berlin along with British and French forces, even at the risk of war?	79.9	11.5	8.6
9. In your opinion, does foreign aid strengthen the position of the United States in world affairs?	36.9	49.0	14.1
10. Do you believe foreign aid, other than military, should be reduced?	71.0	20.8	8.2
11. Should our immigration laws be revised to permit a greater number of immigrants to enter the United States for permanent residence?	20.3	71.0	8.7
12. In your opinion, are the present Federal benefits for our veterans adequate?	64.8	14.6	20.6
13. Should educational benefits be extended to veterans who are drafted for peacetime service?	41.3	47.7	11.0
14. In your opinion, should an all-out effort be made to excel Russia in the exploration and control of outer space?	45.1	34.6	20.3
15. Do you favor legislation to curb the authority of the Supreme Court?	57.2	34.6	8.2
16. In your opinion, is Government support for farm prices necessary to maintain a healthy farm economy?	14.9	71.0	14.1
17. Should the expanded use of atomic energy for civilian use be developed and promoted by private industry rather than under U.S. Government control?	68.5	20.3	11.2

Utilization of Military Manpower

EXTENSION OF REMARKS
OF
HON. LEONARD G. WOLF
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 18, 1959

Mr. WOLF. Mr. Speaker, our brilliant and courageous colleague, FRANK KOWALSKI, has given testimony before the House Armed Services Subcommittee on Manpower Utilization which should be read by every Member of Congress and the ranking officers in the Pentagon. Mr. KOWALSKI clearly shows that a better utilization of manpower, and an elimination of questionable servant and occupational duties would result in an increased combat force while strengthening the possibility of ending our outmoded military conscription system.

Congressman KOWALSKI does not come to this subject as a neophyte. He is a West Point graduate, a recently retired Army colonel, a former commandant of the Army Command Management School, and the former deputy chief of military government in Japan. We are indeed fortunate, and the people of this Nation are indeed fortunate to count as one of their Representatives a man who is so knowledgeable on matters of defense—an area which is truly a puzzle within an enigma. His testimony can be read in the RECORD of last Wednesday, May 13, page 8031, under the remarks of Mr. PROXMIRE.

Awards Day Review, Air Force ROTC, Pennsylvania State University, State College, Pa., May 14, 1959

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 18, 1959

Mr. VAN ZANDT. Mr. Speaker, in the presence of Dr. Eric A. Walker, president of the Pennsylvania State University, and Col. O. H. Rigley, Jr., USAF, professor of air science of the Pennsylvania State University, the annual awards day review of some 2,600 Air Force ROTC cadets was held on Beaver Field, May 14, 1959. In addition to presenting the awards to the year's outstanding cadets it was my privilege to deliver the following address on the subject of the Nation's ROTC and its contributions to our national security:

As a member of the House Armed Services Committee, I am particularly interested in every phase of our Military Establishment.

The ROTC training programs effective throughout our Nation today are an important part of our Military Establishment.

During the early days of the Civil War, the military reverses suffered by the Union Army staggered the North, which was wholly unprepared for war. To guard against a recurrence of this condition, the Congress, in July of 1862, enacted the Land Grant Act, which is the foundation of the whole ROTC program. This act facilitated the establishment in every State of at least one college in which military tactics would be taught.

In general reorganization of the Military Establishment in 1916, the Congress enacted the original National Defense Act. Provisions were included in this act for the establishment of the Reserve Officers' Training Corps as a source of officers for the newly authorized Officers' Reserve Corps.

In 1920, the Air Corps, then part of the Army, established ROTC units at the Universities of California and Illinois, Massachusetts Institute of Technology, and Texas A. & M. The current program now includes 100,000 students at approximately 177 institutions in 46 States and in the Territories of Hawaii and Puerto Rico.

Historically, then, the ROTC became a part of the educational scene as an effective way to prepare citizens in time of peace for military leadership in time of war, as well as to benefit those who will remain civilians.

Here at the Pennsylvania State University we have the third largest AFROTC unit in the United States with over 2,600 cadets enrolled, and I am honored to have been invited to participate in your annual awards day review.

In congratulating the officers and cadets of the Penn State units I do so in appreciation of their great contribution in advancing the objectives of the Air Force ROTC.

At this time I should like to briefly discuss our overall military programs and to encourage your continued interest in maintaining for the Nation the highest possible degree of military preparedness. I have in mind three points.

First, the international challenge facing the United States.

Second, the responsibilities of our defense program in supporting our national policy and, finally, the Air Force program within the Defense Establishment.

In connection with our international challenges I am sure all of you have read or have heard that "the aim of Soviet-directed communism is to establish its ideology throughout the world." In a theoretical sense the purpose is to create a Utopian society, with everybody equal, and without government. Their real interest is world control.

Based on what we know, the Soviets are increasing the capabilities of their military forces with a vigor and zeal available only to a forceful dictatorship. Concentrated scientific, industrial, educational, and military programs now underway in the Soviet Union are primarily geared to the creation of an aggressive force. We must call it an aggressive force—it is not a defensive structure—for no one has indicated an intent to attack them.

As a guarantee of future progress, the Soviets are increasing the number of graduates in the technical fields.

Unlike our own programs which incidentally will produce 10,000 fewer engineers than were needed this year—their educational plans virtually guarantee as many as the state requires.

It appears, then, that on the homefront the Soviets are gearing their capabilities to continued aggression, indirect or direct.

In discharging our responsibilities in meeting this challenge the pressure exerted by the Soviets against the free world has posed both political and military challenges to the United States. As a result, the Defense Department—which has the responsibility of equipping a force complex to counteract the military challenge—has created a versatile defense—offense capabilities in support of national policies.

These capabilities are inherent in our defense team that must be able to defend the homeland from attack, deter all-out war—or win such a war if deterrents fail—and maintain flexibility to cope with local crises whenever and wherever they occur. In all sincerity, I am convinced that we possess the ability to meet these requirements.

And when I say "We," I am referring to all the services—Air Force, Army, Navy, and the Marine Corps.

Time will not permit me to discuss in detail the Air Force program within the Defense Establishment. However, I want to assure you that the Air Force is ready to perform its assignments, and in a superior manner. Its integrated system that includes missiles, modern aircraft, radar warning lines, and the semi-automatic ground environment creates a formidable network ready to meet a potential aggressor. In a few words, our Air Force represents the air might we need within our Defense Establishment.

Again, let me congratulate the officers and cadets of the Air Force ROTC units here at Penn State because when we speak of the

military might of our Nation we must include the ROTC cadets—college students today and officers of tomorrow's Air Force. Congress and the American people are proud of your fine contributions to the security of our Nation.

A Bill That Would Take Positive Steps To Correct the Farm Problem

EXTENSION OF REMARKS
OF
HON. EARL HOGAN
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 18, 1959

Mr. HOGAN. Mr. Speaker, I am today introducing a bill that would take positive steps to correct the farm problem. Members of this House are fully familiar with the problem. I shall not dwell upon it.

During the past 6 years, the farm program has been so completely mismanaged that farm prices and incomes have fallen, retail prices of food have gone up, and the costs to the U.S. Treasury have soared. Thus, while farmers have been injured, so has the general public.

Farmers produced about a fifth more of the basic essentials of life but received a fourth less. But Federal policies of the executive branch have been so contrived that the general public paid more—more as consumers in higher grocery store prices and more as taxpayers in higher Government costs of operating the program.

The bill I am introducing is an attempt to reverse these adverse trends.

No farm program can be justified that does not contribute to the general welfare. Our Nation needs a new Federal farm policy that contributes to the fulfillment of the great basic national priorities of needs: long-term national security, full employment in a rapidly expanding national economy, the building of economic strength and moral spirit of the free world. To do this we need a program that will foster and improve the economic health and strength of the Nation's family farms.

Even more importantly, we need a program that will make certain that we shall have the strong resource base we need to insure an abundant and continuing supply of food for the future. We must provide a reserve of resources and a stockpile of strategic food commodities to insure against any national emergency. The program we need should provide the basis for the expanded use of food to build a lasting peace and provide the entire free world with the security of a strong and continuing base of ample reserves.

The bill I am introducing is my attempt to meet a part of these needs. Its provisions would, I think, be helpful if put into operation along with other parts of the needed national policy.

My bill recognizes that the population of the United States is increasing at one of the highest rates in the world; and the free world population is expanding at a rapid rate. Security, safety, and welfare of these generations yet unborn demand that our generation take the utmost care with the use and development of the precious soil and water resources that have been given us to utilize.

We have a magnificent soil and water conservation program in this country. Our progress along this line, beginning in 1933, has been tremendous. But, we still are not doing enough. We are still using up our resources at a faster rate than we are rebuilding them.

We need still further to emphasize and expand our national agricultural conservation efforts.

My bill would amend the Soil Conservation and Domestic Allotment Act of two decades ago to do this. My bill provides for the establishment of a national soil-building base on every farm of the Nation.

The soil-building base would be made up of two parts: one part contributed without payment by the farmer and the second part which would be rented by the Government. But to preserve our rural communities, and to prevent the further development of ghost county seat towns as the soil bank is now doing, no farm could be eliminated and no communities completely wiped out, as is now happening in some parts of the country.

Under the provisions of my bill each farmer would be required to contribute without payment 10 percent of his tillable acres above 20 on his farm to the national soil-building base; and he would be required to rent to the Government another 10 percent of the tillable acres, above 20, to be added to the soil-building base. No farmer would be allowed to put more than 60 percent of his tillable acres in the base.

All of the land placed into the soil-building base would have to be placed into its optimum soil conserving condition according to the highest land use and conservation standards. Such land could not be used for soil-depleting crops and practices.

On the Government-rental part of the base, the Secretary would arrange for the Government to share in the cost of this soil-building program along lines of familiar land restoration practices of the agricultural conservation program under the Soil Conservation and Domestic Allotment Act.

Payment per acre would be at a rate equal to the farmer's net income plus overhead carrying costs plus the cost of conservational treatment of the land placed in the soil-building base, but not more than one-third of the value of the annual yield of the land and not more than $45 per acre. In lieu of cash payments, the farmer could elect to accept payments in kind out of Commodity Credit Corporation stocks. Since this would help reduce storage and carrying charges that the President has estimated at $1 billion per year, I have suggested that payments in kind per acre be made at a rate of one-half the acreage yield of the land.

My bill provides that until such time as the unnecessary surplus of Government-owned stocks, above a national security reserve, are worked down, the program would carry upward of 65 million acres in the soil-building base; this would be for 2 or 3 years. Following that the program would provide for about 40 million acres in the soil-building base.

Adoption of this program would be a great stride forward in developing a permanent land reserve to insure food for the future in our domestic policy even while the Nation is making maximum utilization of food for peace in our foreign policy.

My bill also provides that the Nation consciously and specifically establish a national security and safety reserve of food, fiber, and biological oils as a deliberate program on its own merits and not as a side-issue adjunct to the price-support program. My bill places the responsibility for decisions concerning the magnitude, nature, and geographic dispersion of this food security stockpile strictly on the shoulder of those other than the executive branch who have been assigned the responsibility to make such determinations and to provide for the national safety against national emergencies arising from natural causes such as drought and flood as well as enemy attack—the Defense Mobilization Administration and the National Security Council.

In return for requiring each farmer to devote not less than 20 percent nor more than 60 percent of his tillable acres to the national soil-building effort, my bill provides that all of our important tilled crops—corn, wheat, cotton, rice, peanuts, soybeans, oats, sorghum grain, rye, barley, flaxseed, cottonseed, dry edible beans, and potatoes shall be supported at 90 percent of parity.

Estimates of reliable farm economists indicate that if the excess of production over demand is removed from the farm picture, a 90 percent of parity program can be operated without little, if any, cost to the Federal Treasury, if the Nation maintains full employment.

To make certain that production would not be reduced too low in event of growing unemployment, my bill would authorize the Secretary of Agriculture to use price support deficiency payments. Such payments could also be used to maintain to cotton producers' income while allowing market prices to drop to competitive level with synthetics and the world situation.

While I have been assured that placing of 60 million acres of tillable land into the soil-building base would make a 90 percent of parity program fully workable, my bill provides that for any individual commodity that gets out of balance, the Secretary is authorized to place into operation whatever specific marketing regulations or additional soil-building base requirements as are necessary to keep the market supply of each commodity in balance with market deman at 90 percent of parity.

My bill does not repeal the existing marketing quota programs but builds on them to set up an improved and more workable operation.

Placing of the provisions of my bill into full force and effect would, I am confident, greatly reduce the Government costs of the farm program, better insure the future food supply of the nation,

and improve farm income without requiring higher retail prices of food.

My bill applies exclusively to crops, to the direct products of the soil. I am continuing to study the deteriorating poultry situation and to take part in the efforts of the House to deal with their current emergency in broiler and egg prices. I am watching the hog situation carefully.

At the appropriate time, I shall wish to make suggestions to my colleagues of the manner in which we may prevent the deep drop, now predicted by the Department of Agriculture, in hog prices in 1960.

Mr. Speaker, I do not contend that the bill I am introducing is the last word. I know it does not cover everything that needs to be done. I offer it as a further contribution to the ultimate development of a workable comprehensive agricultural conservation and farm income program. I have been deeply impressed by and favorably inclined toward the suggestions made by my colleague, the gentleman from Montana [Mr. METCALF], the gentleman from Minnesota [Mr. MARSHALL], the gentlemen from South and North Dakota [Messrs. McGOVERN and BURDICK], and my colleague who several weeks ago joined with the gentleman from Iowa [Mr. COAD], and other Members in the bills they have introduced. I hope to work with them and with the members of the Committee on Agriculture of which I am a member.

I shall welcome suggested improvements in, and additions to, the bill I am introducing. I hope that together we can develop a comprehensive Federal farm policy that will reverse the adverse and disastrous trends of the past 7 years. I offer my bill as a modest contribution to the broad effort that is being made in this direction.

Twenty-five-year Record of Federal Housing Administration

EXTENSION OF REMARKS
OF
HON. GORDON L. McDONOUGH
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 18, 1959

Mr. McDONOUGH. Mr. Speaker, I am very much interested in the financial statement recently issued by Commissioner Julian H. Zimmerman of the Federal Housing Administration—particularly in view of the fact that FHA is celebrating its 25th anniversary this year. This statement is indicative of the splendid work record the FHA has maintained from its inception in 1934.

I think it highly fitting to stop a moment to pay tribute to the FHA—an outstanding Government agency that is certainly accomplishing the objectives for which it was created.

Let me call your attention to just a few of the highlights in FHA's progress through the years:

First. FHA has made home ownership possible for millions of American families because of the favorable terms of the mortgages it insures.

Second. FHA has helped to provide homes in rental and cooperative housing projects for innumerable other Americans.

Third. FHA has enabled millions of people to repair or improve their properties.

Fourth. FHA has helped to raise housing standards and better living conditions throughout the Nation.

Fifth. FHA has carried on technical studies that have been instrumental in improving the quality of materials and methods used in construction.

Sixth. FHA has operated on a completely self-supporting basis—no tax money goes into its coffers. Fees and premiums paid by the people who use its services are the source of FHA's income.

Seventh. FHA in 1954, as one of its first acts under the Eisenhower administration, repaid the full amount originally advanced to it by the U.S. Treasury—a total of $85.9 million, including $65.5 million principal and $20.4 million interest.

Eighth. FHA has worked closely with private enterprise, indeed all its programs are designed to encourage private enterprise, never to compete with it, in providing good housing for Americans in different income levels.

The financial statement I mentioned shows FHA's dollar-and-cent rating as of December 31, 1958. Here is how the agency stood then:

	Insurance written	Insurance outstanding	Losses to funds	Percent of losses to $100 of insurance written
Property improvement loans, sec. 2	[1] $11,500,629,588	$1,307,130,939	[1] $102,457,652	89
Home mortgages	35,234,047,258	19,717,469,248	24,213,928	7
Project mortgages	6,594,089,280	5,031,627,974	36,885,362	56
Manufactured housing	5,316,041		788,147	14.83
Total	53,334,082,167	26,056,228,161	164,345,089	31

[1] Includes $778,860,621 insurance written and $14,708,557 losses relating to insurance operations prior to the June 3, 1939, amendment which authorized FHA to collect an insurance charge.

NOTE.—Since July 1, 1940, the FHA has been self-supporting and has paid all expenses out of earnings. In the early years of operation, the Treasury Department advanced funds totaling $65,497,433 to pay expenses and to establish certain of the insurance funds. In the fiscal year 1954 all of the funds advanced were repaid to the U.S. Treasury together with interest thereon in the amount of $20,385,529.

But no statement, financial or otherwise, can adequately show the full value of the Federal Housing Administration to America as a whole. I am sure that all of my colleagues here in the House of Representatives join me in extending our best wishes to the Federal Housing Administration, Commissioner Julian H. Zimmerman, and all FHA personnel as it enters its 25th year of service.

Salute to Israel

EXTENSION OF REMARKS
OF
HON. JAMES G. FULTON
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 18, 1959

Mr. FULTON. Mr. Speaker, we in America are proud of the wonderful spirit and remarkable progress our friend and neighbor, Israel, has made in her first 11 years.

Not too many years ago, the State of Israel was little more than a dream in the minds of men. A dream of the ancient "Promised Land." Eleven years ago the dreams became a reality, but it was a long and difficult task to make the tiny new state into a "promised land."

We in America have been willing and more than happy to do our part to aid these brave and courageous people in their struggle to create a home and a sister democracy of the free world.

The hardworking citizens of Israel have done an outstanding job in building their economy and their nation, in spite of difficult circumstances.

Today, Israel stands as a beacon of democracy in a strategic area of the world. Israel has taken her full share of responsibility for the humanitarian ideals of the Western World by admitting the large number of refugees and immigrants to her small area every year, and working for their resettlement.

We salute the hardy people of Israel and wish them well as they progress through their 11th year of achievement. Congratulations and best wishes for continued success are the symbols of the friendship and confidence of the people of America for our good neighbor, Israel.

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, May 18, 1959

Mr. ALGER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following newsletter of May 16, 1959:

WASHINGTON REPORT
(By Congress BRUCE ALGER, Fifth District, Texas)
MAY 16, 1959.

The independent offices appropriation bill passed routinely with little controversy. The bill totaled $6,458 million, which is $387 million less than last year and $125.5 million under the budget, these reductions being significant of Congress expressing the current

temper of the citizens to reduce spending. Money is provided for these governmental units—the office of the President, the CAB, Civil Service Commission, the FAA, FCC, FTC, GSA, Housing and Home Finance Agency, FPC, ICC, SEC, VA, and others.

The Veterans' Administration received the largest part, $5,040 million. Some veteran statistics used in debate are interesting. Forty percent of the population are veterans or members of their families, there being 23 million veterans, and 3,800,000 veterans receiving compensation or disability pensions, totaling $3,300 million (2,400,000 service-connected disability compensations, and 1,400,000 disability pensions). There are 25,000 VA employees, and 121,000 in hospitals. There are 172 hospitals, 123,800 beds and 17 domiciliary institutions. Inpatient care cost is $778 million and outpatient care is $83 million. Plainly, the size of these VA programs and costs demonstrate the need for Congress to scrutinize carefully non-service-connected disability costs.

King Baudouin of the Belgians addressed a joint session of the House and Senate. The King's upright bearing, dignity, and youthfulness gained the close attention of all. His concise and carefully enunciated message was most thought-provoking, including this on peace: "Perhaps never before has peace been so difficult to achieve as it is today. At other times, the possibility of war endangered our homelands and our home. Today war endangers our minds and our hearts. The older imperialism sought the conquest of lands; the new seeks the mastery of intellects. The peace for which we have to labor is not to preserve our possessions, but our very personalities." About youth, he said: "Youth is the first victim of war, the first fruit of peace. It takes 20 years of peace to make a man; it takes only 20 seconds of war to destroy him. * * * In a certain sense, America is the land of youth, because it dedicates more of its energies, talents, money, and science to the birth and preservation of life than any other country in the world * * * nor shall our confidence in you be misplaced, for what is written on your coins, I have read in the hearts of American people: 'In God we trust.' "

The Rules Committee impasse on the housing bill, a 6 to 6 tie, has been broken. The multibillion bill desired by the House Democrat leadership has been voted out of Rules. The compromise was the agreement that a far more conservative bill, also Democrat, could be considered as a substitute bill (bypassing the administration bill as a substitute). This may gain the support of conservative Democrats, opposed to the big-spending Democrat bill, yet who are reluctant politically to support a Republican bill, even though a fiscally responsible one. Maybe the best condemnation of public housing and Federal money spent in the housing programs is found in Ecclesiasticus, chapter 21, verse 8: "He that buildeth his house with other men's money is like one that gathereth himself stones for the tomb of his burial." The further question now occurs. Will the big spending bills be held in check or will the housing bill open the floodgates of spending, which last year exceeded the budget $13 billion. The Murray-Metcalf aid to education bill has now been voted out by the Education and Labor Committee, a bill costing $11,400 millions in the first 4 years for aid to school construction, even teachers' salaries. Then there awaits us the mutual security (foreign aid) bill and other appropriation bills.

H.R.3, just approved by the Judiciary Committee for House consideration, is most encouraging. The bill endeavors to preserve States rights, from Federal encroachment and was passed in the House last year but killed in the Senate by one vote. I doubt that the House membership will pass this bill even if the Senators, including the Texans, try to undo their damage of last year.

Attending the dedication of Garland's new post office awhile back reminded me rather forcibly of the really great strides made by our Post Office Department over the last few years. Next time the postman calls, you might well compliment him, for his organization handles well over a billion letters and parcels every week—more than all the rest of the world's post offices combined—and with really remarkable efficiency. With about the same number of employees (up to 1.3 percent) they're moving 20 percent more mail than they did in 1953. Brandnew facilities opening in Garland, Irving, Grand Prairie, and Trinty Heights, Casa View and Royal Lane areas of Dallas are part of a multibillion dollar mechanization program under way, the first really comprehensive overhaul of the system since Ben Franklin's day, further increasing the speed and efficiency of this vital service.

Central Ohio Plan—Mutual Security Program

EXTENSION OF REMARKS
OF
HON. SAMUEL L. DEVINE
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, May 18, 1959

Mr. DEVINE. Mr. Speaker, about a month ago, I inserted in the CONGRESSIONAL RECORD the results of a poll conducted among my constituents in the Columbus and Franklin County area of Ohio. At that time, I indicated that a further questionnaire had been mailed to over 2,100 persons concerning primarily the proposed mutual security program.

During the 30-day period following the issuance of this questionnaire, I received 535 replies which amounts to a 25-percent return. The mutual security proposal was set forth in seven separate questions relating to each program.

In reply to the military assistance feature of $1.6 billion for material, weapons, and training to mutual security countries, 302 voted yes, 58 percent—180 voted no, 34 percent—and 43 were undecided, 8 percent. Ten percent of the group felt the amount should be reduced.

On economic assistance for defense in the amount of $835 million to Greece, Turkey, Iran, Pakistan, Thailand, Laos, Cambodia, Vietnam, Philippines, Republic of China, Korea, and Spain, 264 voted yes, 51 percent—206 voted no, 40 percent—and 50 were undecided, 9 percent. Eight percent favored reducing the amount.

On special assistance funds of $272 million for health programs, medical research and economic assistance to the Arab Nation, Tunisia, Morocco, Libya, Sudan, Jordan, West Berlin, and United Nations Emergency Fund, 243 favored the program, 47 percent—225 were against it, 43 percent—and 50 were undecided, 10 percent. Six percent wanted the amount reduced.

On technical cooperation programs in the amount of $211 million for technical assistance and training for governments, farmers, and scientists in 49 countries and 9 dependent Territories, 229 favored the program, 44 percent—245 opposed, 47 percent—and 46 were undecided, 9 percent. Six percent of those answering wanted the amount reduced.

On the $700 million development loan fund to help new countries get started, such as Libya, Israel, Jordan, India, Pakistan, Formosa, Sudan, and Nigeria, only 162 favored this fund, 31 percent—284 opposed, 55 percent—and 71 were undecided, 14 percent. Many people questioned whether this would be a loan in fact, and 4 percent of those answering felt the amount should be reduced.

On the special contingency fund of $200 million for emergency use by the President, 306 were in favor, 59 percent—163 opposed, 31 percent—and 54 were undecided, 10 percent. Four percent of those answering felt the amount should be reduced.

On the program of $112 million in miscellaneous funds for U.N. children's funds, ICA costs, and so forth, the vote was not conclusive as 230 favored, 44 percent—232 opposed it, 45 percent—and 60 were undecided, 11 percent. Six percent voted to reduce the amount.

Our questionnaire contained one inquiry unrelated to the mutual security program, involving a proposed increase of minimum wage in all business subject to Federal regulation from $1 to $1.25 per hour. The poll indicated 208, or 40 percent of the persons, favored an increase, 281, or 53 percent, were opposed and 38 persons, or 7 percent, were undecided.

Testimony of Hon. Leonard G. Wolf, Before Manpower Utilization Subcommittee

EXTENSION OF REMARKS
OF
HON. LEONARD G. WOLF
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Monday, May 18, 1959

Mr. WOLF. Mr. Speaker, under leave to revise and extent my remarks I would like to insert in the RECORD a copy of my testimony before the Armed Services Subcommittee on Manpower Utilization:

TESTIMONY OF HON. LEONARD G. WOLF, DEMOCRAT, OF IOWA, BEFORE MANPOWER UTILIZATION SUBCOMMITTEE OF THE HOUSE ARMED SERVICES COMMITTEE, MAY 12, 1959

Mr. Chairman and members of the subcommittee, I consider it on honor to appear before this committee today. I consider that the duty of this committee is one of paramount importance. And it seems to me that the committee, in order to do a comprehensive job, must undertake to investigate fully all aspects of our manpower procurement and manpower utilization programs. Hence, I suggest that the committee undertake a full and complete investigation and study of:

1. The operation of the Universal Military Training and Service Act, the Reserve programs and the programs of procurement of military personnel by the Amed Forces.

2. The alternatives to the system of induction of civilians for military training and service as a method of maintaining the personnel strength of the Armed Forces; and

3. Manpower utilization within the armed services in a way which will be the most efficient and give us maximum national security while protecting basic freedoms of the individual.

Clearly, this is a difficult task. I might suggest as you are already well aware, that there are going to be certain interests who out of a personal desire to potect themselves, will not necessarily help this committee in its task. On the other hand, there will be those who will honestly feel that no changes are necessary; that the present haphazard system is the best of all possible systems. Or some may be conservative in particular matters as, for example, Secreary Finucane was in his testimony before the Armed Services Committee. He stated that "conformity with habits of the past" governed much of the thinking on the draft issue, and in fact, seemed to be the reason that 4 years was chosen as the number of years for the draft extension. However, I do not wish to discuss this issue directly.

Clearly, the problems that will be considered by this committee will go to the very question of our defense posture and our methods of defense. It will be the task of this committee to shake out the cobwebs from the thinking on defense that has gone on in the administration in the past few years.

Because the title of this subcommittee is indeed "Manpower Utilization" is might be a good idea to start with a short discusssion of possible ways to change the present armed service idea that almost every cook, bookkeeper, and warehouse employee who is not attached to a combat outfit must be given combat training. It should be noted that at present no more than 25 percent of the men in the Army are actually combat troops. The rest fall into the category of supply or support personnel. It seems clear to me that a great number of the jobs presently performed by soldiers could be better performed by nonmilitary or civilian personnel. Certain illustrations tend to prove that the size of the Army could be cut drastically and improved as an effective fighting force if certain steps would be taken along the lines suggested by other similar projects.

In Aviation Week, September 6, 1954, there appears a discussion of a project called Project Native Son, which the Air Force put into practice. This program is described as essentially the replacement of a military man by an indigenous civilian. "We would save military personnel in support-type activities." In turn, this makes an airman available for a new combat unit. "This project also reduced requirements for military housing and supplies, thus saving money. This project uses civilians of the country where the Air Force maintains bases. In 1954 the Air Materiel Command found it could reduce its size by using 14,000 civilian personnel." I suggest that if such a program can be undertaken with foreign nationals, an even larger program could be undertaken by employing American civilians in the continental United States.

It is certainly the task of this committee to examine the extension of such programs in the United States in those activities that may just as well be performed by a civilian. Obviously, there will be some close questions in this field, but this should not stop the Congress from making some policy determination on this matter instead of letting the problem continue to slide.

A second illustration showing the ways of replacing armed services personnel with civilian manpower is given to us by the Seabee example. Congressman THOMAS B. CURTIS, before the Seabee veterans convention in St. Louis back in 1954 made the following remarks. His thoughts on this subject are still relevant today. "When we examine * * * the work performed by men in uniform for the Military Establishment, we will find that at least 80 percent (and some even estimate higher) is not fighting nor will it ever be fighting. It has to do with supplies, transportation, warehousing, maintenance, overhaul, bookkeeping, housing, feeding, overhead. Nor am I referring to the borderline cases, such as field or frontline maintenance, or frontline feeding, and so forth. Obviously any work on the frontlines will involve the need for military discipline."

Now if 80 percent of the men in uniform are never going to be engaged in fighting, what in heaven's name are we talking about training 100 percent to fight? If indeed an analysis of the job requirements of these 80 percent reveals, as it does, that the skills needed are similar to those used in the Seabees, then we had best follow the Seabees' formula in our personnel practices as it relates to the 80 percent.

The Seabees' formula was to take men of all ages and physical condition from civilian life and use the civilian skills without putting them through basic military training or into uniform or under the mlitary code.

Representative CURTIS added: "The men in the Seabees were put into jobs they already knew. The guiding light of the personnel system was to utilize civilian skills * * * The military knows full well that they need civilian skills. What they have not yet learned is that the civilian enterprise is better equipped to train men in these skills than the military and incidentally at one-tenth the cost because we don't have to provide room, board, and wages for our civilian trainees. Following such a formula we need neither universal military training, socialism, nor destructive high taxes."

Another problem similar to this one is that of duplication of military activities. For example our Military Establishment has three supply systems, not counting the supply systems organized under the single manager plan. Needless to say, duplication in supply activity results in endless economic waste and manpower personnel. I suggest that this committee investigate the possibility of a civilian managed agency under the Secretary of Defense, to handle the procurement, production, warehousing, distribution of supplies and equipment, standardization of control and supply functions for common supply items. Coincident to this would be an authorization by the Congress to the Secretary of Defense to take such actions as are necessary to acheive economy efficiency and effectiveness in noncombatant services by the elimination of overlapping and duplication. Within this context I believe it is wise to authorize the Secretary of Defense to expand contractual and civil service arrangements with men who fall within the supply or noncombat category. The areas that I think this committee should look into could possibly result in the ending of our present conscription system.

With your indulgence I would like to take a few moments to discuss the constription problem.

It is my feeling that our national military security policy must be a fairly long-run policy, based on the assumption that the cold war may continue for an extended period. (Obviously, all of us agree that the military should not add to the tensions. And, for the most part, I do not believe that this has been the case.) While our security plans must provide for dealing with individual Soviet offenses, these plans will fail if they consist only of a series of crash programs designed to meet specific Communist challenges.

Our military manpower programs, a vital element of our security policy, have been piecemeal responses to particular cold war crises. They have not been related to the circumstances and requirements of military preparedness in an era of crises and nuclear weapons.

The heart of our present military manpower programs is conscription. Indeed, it would be more accurate to call conscription the crutch upon which American military manpower programs lean.

In a free society, conscription is not a good crutch upon which to lean, because conscription violates a fundamental democratic principle—the principle of voluntarism. Moreover, conscription—at least as it now operates in the United States—is highly discriminatory, especially against the economically underprivileged. It is they who are generally drafted into the Army because this group of men cannot avail themselves of the sixty different ways of avoiding the 2-year obligation.

Finally, even if conscription were not a weak crutch, it would still be an inappropriate crutch. It would be inappropriate, because our national military strategy assumes that an all-out war would be decided quickly by a rapid and decisive nuclear exchange between the Soviet Union and the United States. Thus, our military manpower requirement for total war will be relatively small and highly trained forces.

Conscription has no place in a modern Military Establishment. Even if conscripts can be trained to operate the complex instruments of modern warfare, they are separated from service soon after they are trained. If they are not taught to operate the complex instruments of modern warfare, what real contribution can they make to our military power?

With respect to limited war, our national military strategy assumes that nuclear weapons will be employed to meet most situations short of general war. It would seem, therefore, that our military manpower requirement—quality rather than quantity—is basically the same for both limited and total war. If, on the other hand, we have a limited nonnuclear war what is needed are strong and large reserve forces that are well trained. Such a program would not necessitate a large standing army.

Instead of paying the costs of drafting and training 2-year men, and instead of paying the costs of training and then losing conscription-induced 3- and 4-year enlistees, would not the Nation save money and produce a better nuclear age defense force, if we eliminated conscription and invested the money saved thereby in the kinds of salaries and benefits necessary to maintain highly competent, professional Armed Forces?

It seems clear that continued reliance on the crutch of conscription can only perpetuate our irrational military manpower policies. We should continue to lean on this crutch only for so much time as is necessary to make a fundamental reevaluation of our military manpower policies.

A basic reevaluation of our military manpower policies would have to include an examination of the extent to which maximum benefit has been obtained from the Cordiner Committee's recommendations and realization that pay incentives to enter the Army are much too low. But more than this, a reevaluation of our military manpower policies should consider the extent to which a solution for our manpower problems presupposes major changes in military philosophy, in military life, and in the military way of doing things. Because our Army is seemingly bulging with enough men we do not stop to consider whether or not the service of draftees or reservists is helpful to the national defense. Nor do we consider whether or not these men learn anything about modern warfare, or indeed, can learn anything about modern warfare and modern weapons in the short time they serve. We might openly inquire and examine whether these men (draftees and noncombatants) actually hinder in the functioning of a modern army.

Furthermore, we must show that the ever-changing level of technology demands a new kind of soldier. Obviously, he must be one who is conversant with modern weapons. He must be someone who will make the armed services a career. He must be someone who will stay longer than 2 or 3 years of his own volition. He should not be someone who thinks only of the time he is wasting in the Army.

Our Nation's military manpower problems call for decisive and major action. We cannot afford to tinker any more with these problems. We can no longer delude ourselves into believing that the shaky crutch of conscription gives us real military security.

Decisive and major action on our military manpower policies, if that action is to be wise, must be preceded by a careful study and analysis of the needs and weaknesses of our whole Military Establishment. This kind of study and analysis, I am sure, this committee will do. Thank you.

Clarence Cannon Day in Missouri Legislature

EXTENSION OF REMARKS
OF

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 18, 1959

Mrs. SULLIVAN. Mr. Speaker, last Wednesday, May 13, was Clarence Cannon Day in the Missouri Legislature, honoring the outstanding American who is the dean of our Missouri delegation in the Congress, who is our beloved friend and adviser and leader, and who holds one of the most important roles in national life as chairman of the Committee on Appropriations of this House.

It had been my intention last Wednesday, while ceremonies in Mr. CANNON'S honor were being conducted in Jefferson City, to call the event to the attention of the House, but unfortunately for my purpose the House did not meet that day. I have delayed until now on this for the very good purpose of obtaining and including as part of my remarks a truly outstanding and scholarly speech on the role of the representatives of the people in a democracy made before the Missouri Legislature by our remarkable colleague, one of the world's greatest authorities on parliamentary law.

Showing through this excellent talk, in addition to the erudition and scholarship, is the warmth of personality we who know CLARENCE CANNON and who love him associate with this fine and decent and kind human being.

Mr. Speaker, every Member of this House will take pride, I am sure, in the description Mr. CANNON gave to the Missouri Legislature of the role of legislative bodies under our form of government, and will read his speech with delight.

I am sure that my colleagues here will also take pride, Mr. Speaker, in the introductory remarks made about Mr. CANNON in the Missouri House of Representatives by Speaker Richard H. Ichord on Clarence Cannon Day.

For that reason, I include as part of my remarks, under unanimous consent, the introductory remarks of Speaker Ichord and the address by the Honorable CLARENCE CANNON on Clarence Cannon Day, in the Missouri General Assembly, Wednesday, May 13, as follows:

INTRODUCTORY REMARKS OF SPEAKER RICHARD H. ICHORD ON CLARENCE CANNON DAY

Mr. CANNON, Governor Blair, Mr. President, members of the senate, ladies and gentlemen of the house, distinguished guests, this joint session of the Missouri General Assembly is our official way of saying on behalf of all the people of Missouri to the dean of the Missouri congressional delegation: Thanks for your dedicated representation of us in the Congress of the United States. Thanks for your many and varied important contributions to the art of self-government.

To our guests who have traveled here from all parts of the State for this occasion we extend a hearty welcome and we cordially invite you to attend the reception in the house lounge immediately following this joint session.

Before presenting our honored guest, may I review briefly a list of his many accomplishments, the cause of this day.

He has been Parliamentarian of the House of Representatives during both Democratic and Republican administrations.

He has served longer in the Congress of the United States than any other man in the history of our State, having broken the record established by Senator Thomas Hart Benton.

He has been chairman of the Committee on Appropriations in the House of Representatives longer than any other man in the history of our Nation.

He has been parliamentarian of all Democratic National Conventions since the year 1920.

He is the author of the "Precedents of the House of Representatives," now the accepted authority, not only in the Congress of the United States, but in State legislatures and other legislative bodies in other countries, notably the Philippine Commonwealth.

He is the author of "Cannon's Procedure in the House of Representatives," also used in the State legislatures and other legislative bodies. In this respect, his unseen hand has been present in every piece of legislation considered by the assembly, for his written word has decided the fate of many legislative measures.

He is the author of "Convention Parliamentary Manual," the only codification of procedure in national political conventions.

He is the author of numerous periodical articles, of the Treatises of Parliamentary Law in the "Encyclopedia Brittanica" and "Encyclopedia Americana."

He has been the authority on parliamentary law for Brittanica since 1927 and Americana since 1931.

He is a Regent of the Smithsonian Institution where he has interested himself in basic scientific research, making large contributions to the scientific advancement of our Nation.

His career has included many and varied endeavors: Professor of history, farmer, businessman, and an active attorney at law.

He is one of the few many-sided men in history who have been able to attain political as well as scholarly renown. Many scholars have been able to achieve a minor success in politics and many in politics have been able to achieve a minor degree of success as scholars, but rare indeed is the man who reaches both pinnacles. This is such a man.

For these achievements, for these contributions to his State, his Nation, and the world we have designated this day as Clarence Cannon Day. May I present to you, the Honorable CLARENCE CANNON, Congressman of the Ninth Congressional District of Missouri.

ADDRESS BY THE HONORABLE CLARENCE CANNON

Mr. Speaker, when Charles the first, of England, stalked angrily into the House of Commons and demanded of the speaker of the house the rescission of a resolution to which he objected, the speaker falling on his knees before the King said, "Your Majesty I have no eyes to see, no ears to hear or tongue to speak save as I am directed by this honorable body."

By the same rule that honorable body—which some years later beheaded His Majesty, the King—could be addressed only through its speaker. That rule has come down to us through the centuries.

So, on this formal occasion—during a session of the house—with the speaker in the chair—I am not permitted to address friends who may be present, or his Excellency, the greatest Governor of the greatest State of the Union, or even the house itself, save through its speaker.

Mr. Speaker, I cannot tell you how much Ida and I appreciate your kindness—and the indulgence of the house—for this great and undeserved and unmerited courtesy in permitting me to attend so unusual a session. I accept it as an indication of the attitude of the house toward the Missouri delegation in Congress, in both houses and on both sides of the aisle. The only difference in the service we have rendered is that I have lived just a little longer. And as must always be the experience of those admitted to the floor, I stand with the greatest humility before this body of exceptional and distinguished men—not only because they constitute the most carefully selected and carefully screened body of men within the confines of the State—the most eminent men of their respective communities—not only because they represent officially—important constituencies and the wealth and power of the State—but because here in this chamber assembled they are the visible symbol of the greatest achievement of the American people, our form of government, a form of government hitherto untried in human history, a form of government which has made possible in two short centuries the preeminence of the American people in every field of human endeavor, and the development of a civilization which has been the wonder and admiration of the world.

This assembly is the heart and soul of that system of government. It represents democracy in action. Destroy or nullify its functions and you have left but the shell of free government. Any influence which tends to reduce the confidence or the regard in which it is held by the people militates to that extent against the effectiveness of the Government, if not the preservation of the Government itself.

Mr. Speaker, wherever dictators and usurpers have climbed to autocratic power in any country, their first care has been to strike at the representatives of the people in the legislative branch of the government. Oliver Cromwell, in proroguing the English Parliament, pointed his sword at the mace lying upon the table of the House of Commons and cried, "Take away this bauble." And when it was carried out there went with it representative government in all England.

Again, Napoleon, stalking into the French Chamber of Deputies at the head of his grenadiers, cried "Follow me. I am destiny. I am the divinity of the day." As his bayonets drove out the representatives of the people, some of them climbing through windows to escape, they drove out civil and religious liberty.

From that day until the end of the Napoleonic dynasty, France, and all Europe controlled by France, was without representative government.

Again, more recently, Hitler, seizing the reins of government in Germany, as the first

step toward world domination, burned down the Reichstag Building, so that Germany's House of Representatives, unable to meet, was scattered in confusion, and before it could reassemble, a large number had been proscribed or were in concentration camps, and free government in Germany had been destroyed, and free government was in peril throughout the world.

Here in America, whenever any man or group of men have sought to establish autocratic control, whether political, economic, or industrial, they have struck, either directly or by innuendo, at the influence of the representatives of the American people. Of course, the American people have long ago advanced beyond the stage of armed interference with the legislative branch of the Government by military authorities. That would be impossible in America today. Our state of civilization does not countenance the political prison or the concentration camp. But there are other ways of undermining the standing and influence of the assembly in the regard and confidence of the people, which, whether with or without sinister motives, can be just as effective when carried to their ultimate conclusion.

Both Congress and the State legislatures have been subject to criticism—as they should be—ever since the establishment of the Republic. One of the most priceless prerogatives of every American citizen is the right to criticize his elected public servants, and that right has been widely and fully exercised from the admission of the State into the Union down to the 70th General Assembly now in session. At times that criticism has been more virulent and more undeserved than at others. And that is as it should be. Better that we be unjustly accused on many occasions than that we escape merited stricture on any single occasion.

The right to criticize—freedom of speech—has come down to us simultaneously with, and as a corollary of, parliamentary procedure. Freedom of speech is inevitably accompanied by parliamentary control of the right to speak.

Parliamentary practice had its inception when the tribe—beneath the oaks of England or in the Black Forests of Germany—finally agreed to sit down in a circle and speak one at a time. And that is the primary requisite in parliamentary procedure today.

We trace the beginning of the struggle for individual rights—the rights of the people—the protection of the citizen against the tyranny of the state from earliest times.

The spirit of democracy knows no geographical bounds. At the time the yeomen of the British Isles were maintaining their rights against autocracy the Gauls and Franks in Germany were fighting the same battle. After the Battle of Soissons there were vast quantities of booty—the wealth of the dying Roman Empire. Among the spoils was a beautiful vase which King Clovis asked be allotted to him. But a private soldier from the ranks insolently swung his battle axe and shattered it into a thousand fragments. So strong was the sense of equality and equity among the Germanic people that the King dared not show resentment. But a few weeks later when in the course of his inspection of the troops he discovered a spot and a broken thong on the soldier's shield, he cut him down with his battle axe and looking down at him said, "Thus didst thou to the vase of Soissons."

From these many divergent sources has come our love for democracy and the parliamentary law necessary to preserve it.

When Jefferson was called on as Vice President to preside over the Senate he—in his usual methodical manner—prepared a digest of the rules and practice of the English House of Commons. With his opportunities during his service as Washington's Ambassador to France to contrast the traditional deficiencies of the singularly ineffective rules of the succeeding French Assemblies his Jefferson's Manual probably embodied the most efficient system of parliamentary practice up to that time. And it remains today the basic law of the National House of Representatives.

A well established system of procedure is essential to expedition and efficiency in legislation. And familiarity with the procedure of the House is indispensible to a successful legislative campaign. How often have we seen a minority put its program through against a decisive majority through superior knowledge and application of parliamentary tactics.

But parliamentary law cannot be learned from a textbook. It requires practice and observation. For that reason those constituencies which retain their representative from year to year exercise the largest influence in the assembly.

It has always been so. President Taft, during his service as Chief Justice recalled that Edmund Burke himself related that it was by slow degrees and constant application that Charles James Fox became the greatest parliamentary debater in the world. Speaker Champ Clark, who knew whereof he spoke, said that a man has to learn to be a representative and the best rule is for a constituency to select a man of fair capacity, industrious, honest, sober and courageous, and keep him as long as he discharges his duties faithfully and well. It is to the interest of the State of Missouri that the constituencies represented here today observe that wise admonition—concurred in by two great Americans who left their impress indelibly on our national institutions. The lengthening service of your distinguished colleague Senator Kinney, and his invaluable contributions through the years to his district, his city, his State and to the Nation constitute a convincing example of the cogency of that long-tested rule.

As representatives you are faced today with the most momentous issues of any Missouri House since the civil war. For the problems of the Nation are the problems of the respective States. The Nation today is confronted with unprecedented complications in defense, inflation, labor standards, economic monopoly and predatory exploitation of the consumer, which mark the struggle today between democracy and totalitarianism in modern business. And in our State especially just at this time the price of agricultural products and farm income are among the critical domestic problems of the day. (I am gratified to see present in the chamber this afternoon a great farm leader, Mr. Heinkel, whom the Missouri delegation in Congress is always glad to follow in matters of agricultural policy.)

In its widest implications the field of legislative responsibility of the Missouri General Assembly is no longer provincial; it is nationwide.

Missouri is one of the great States of the Union. It has a great history and a greater destiny. A great and wise Governor. Progress and prosperity are just ahead. And in the future this house and its speaker and the senate and its lieutenant governor have ahead of them an ever widening field of service and accomplishment and achievement.

SENATE

TUESDAY, MAY 19, 1959

The Senate met at 10 o'clock a.m.

Rev. Charles Lynnwood Brown, pastor, White Memorial Presbyterian Church, Raleigh, N.C., offered the following prayer:

Almighty God who has all eternity for Thy use, we thank Thee for this day Thou hast given us. As we use it, may we remember it has its own place in Thy divine purpose.

We ask Thee to bless those assembled in this Chamber. Consecrate them anew this day to the task of guarding the liberties and guiding the way of this Nation. Thou knowest their private cares and their public responsibilities. Thou knowest their strength and their weakness. If, in their haste to answer the many demands of their office, they have forgotten Thy claim upon all their life, in this moment of prayer recall them to Thyself.

In the making of laws may they be governed by Thy law which they have not made. May they strive with time to do their best for the best, and may they be content to leave undone whatever remains. Give them a good heart to do the work Thou hast for them for this day. And may they be content to leave undone whatever remains of the work of this day, secure in the knowledge they have served Thy purpose. We make this, our prayer, committing our wisdom and our strength unto Thee, who only art the Final Judge. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Friday, May 15, 1959, was dispensed with.

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT (S. REPT. NO. 295)

Under authority of the order of the Senate of May 15, 1959,

Mr. ELLENDER, from the Committee on Agriculture and Forestry, on May 18, 1959, reported an original bill (S. 1968) to strengthen the wheat marketing quota and price support program, and submitted a report thereon; which bill was placed on the calendar.

WHEAT MARKETING QUOTA PROGRAM—WAIVER OF FIRST AND SECOND READINGS OF BILL

Mr. MANSFIELD. Mr. President, on Friday last the Senator from Louisiana [Mr. ELLENDER], chairman of the Committee on Agriculture and Forestry, obtained unanimous consent to report from that committee not later than 6 p.m. Monday, the 18th instant, two bills acted upon by the committee.

He reported only one bill, however, which was an original bill numbered S. 1968, to strengthen the wheat marketing quota and price support program, and therefore has not been read twice, as the rule requires.

I therefore ask unanimous consent that the first and second readings of the bill be deemed to have been waived.

The VICE PRESIDENT. Without objection, it is so ordered.

ENROLLED BILL SIGNED DURING ADJOURNMENT

Under authority of the order of the Senate of May 15, 1959,

The VICE PRESIDENT announced that on May 16, 1959, the President pro tempore had signed the enrolled bill (H.R. 5916) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes, which had previously been signed by the Speaker of the House of Representatives.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 902) to provide for the receipt and disbursement of funds, and for continuation of accounts when there is a vacancy in the office of the disbursing officer for the Government Printing Office, and for other purposes.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 322. An act for the relief of Monmouth County, N.J.;

H.R. 2740. An act to amend section 2734 of title 10, United States Code, to extend the statute of limitations in the case of certain foreign claims;

H.R. 2979. An act to amend section 752 of title 28, United States Code;

H.R. 3454. An act to disclaim any interest on the part of the United States in certain lands in the State of Colorado, and for other purposes;

H.R. 4060. An act to eliminate all responsibility of the Government for fixing dates on which the period of limitation for filing suits against Miller Act payment bonds commences to run;

H.R. 5212. An act to revise the minimum charge on pieces of mail of odd sizes and shapes;

H.R. 5747. An act to amend section 152, title 18, United States Code, with respect to the concealment of assets in contemplation of bankruptcy;

H.R. 6000. An act to amend title 28 of the United States Code to increase the limit for administrative settlement of claims against the United States under the tort claims procedure to $3,000; and

H.R. 6268. An act to amend title 10, United States Code, to provide that the Secretary of the Navy shall prescribe the compensation of the Academic Dean of the Naval Postgraduate School.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 17) authorizing and requesting the President to designate the period beginning June 14, 1959, and ending June 20, 1959, as National Little League Baseball Week, in which it requested the concurrence of the Senate.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H.R. 322. An act for the relief of Monmouth County, New Jersey;

H.R. 2740. An act to amend section 2734 of title 10, United States Code, to extend the statute of limitations in the case of certain foreign claims;

H.R. 2979. An act to amend section 752 of title 28, United States Code;

H.R. 4060. An act to eliminate all responsibility of the Government for fixing dates on which the period of limitation for filing suits against Miller Act payment bonds commences to run;

H.R. 5747. An act to amend section 152, title 18, United States Code, with respect to the concealment of assets in contemplation of bankruptcy; and

H.R. 6000. An act to amend title 28 of the United States Code to increase the limit for administrative settlement of claims against the United States under the tort claims procedure to $3,000; to the Committee on the Judiciary.

H.R. 3454. An act to disclaim any interest on the part of the United States in certain lands in the State of Colorado, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 5212. An act to revise the minimum charge on pieces of mail of odd sizes and shapes; to the Committee on Post Office and Civil Service.

H.R. 6268. An act to amend title 10, United States Code, to provide that the Secretary of the Navy shall prescribe the compensation of the Academic Dean of the Naval Postgraduate School; to the Committee on Armed Services.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 17) authorizing and requesting the President to designate the period beginning June 14, 1959, and ending June 20, 1959, as National Little League Baseball Week, was referred to the Committee on the Judiciary, as follows:

Resolved by the House of Representatives (the Senate concurring), That the President is authorized and requested to issue a proclamation designating the week beginning the second Monday in June of each year, as National Little League Baseball Week in recognition of the national and community benefits resulting from Little League activity, and inviting the people of the United States to observe such week in schools, parks, athletic fields, and other suitable places with appropriate ceremonies and activities.

LEAVE OF ABSENCE

Mr. GOLDWATER. Mr. President, I ask unanimous consent that I may absent myself from the sessions of the Senate from this evening until June 1, so that I may be in the State of Arizona to take care of some personal matters.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF LIFE INSURANCE COMPANY INCOME TAX ACT OF 1959

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at the conclusion of the morning hour, the unfinished business Calendar No. 221, House Concurrent Resolution 95, authorizing the reprinting of House Document No. 451 of the 84th Congress, be temporarily laid aside; and that at that time the Senate proceed to the consideration of Calendar 279, House bill 4245, relating to the taxation of the income of life insurance companies, and that it be made the pending business.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Committee on Interstate and Foreign Commerce was authorized to meet during the session of the Senate today.

On request of Mr. MANSFIELD, and by unanimous consent, the following committees and subcommittee were authorized to meet during the session of the Senate today:

The Committee on Interior and Insular Affairs; the Committee on the District of Columbia; the Committee on Aeronautical and Space Sciences; the Veterans Subcommittee of the Committee on Labor and Public Welfare; the Constitutional Rights Subcommittee of the Committee on the Judiciary; and the Subcommittee on Public Housing of the Committee on Banking and Currency.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

NOMINATIONS AS CONGRESSIONAL ADVISERS TO REPRESENTATIVES ON THE AD HOC COMMITTEE ON PEACEFUL USES OF OUTER SPACE

The VICE PRESIDENT. For the information of the Senate, the Chair announces that, with the concurrence of the majority and minority leaders, he has nominated the Senator from Iowa [Mr. MARTIN] and the Senator from Connecticut [Mr. DODD] to serve as congressional advisers to the U.S. representatives on the Ad Hoc Committee on the Peaceful Uses of Outer Space, established by the General Assembly of the United Nations as its 13th session.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF MOTOR VEHICLE SAFETY RESPONSIBILITY ACT OF DISTRICT OF COLUMBIA

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the Motor Vehicle Safety Responsibility Act of the District of Columbia, approved May 25, 1954, as amended (with an accompanying paper); to the Committee on the District of Columbia.

REPORT ON PERSONAL AND REAL PROPERTY MADE AVAILABLE FOR DISTRIBUTION AND DISPOSED OF TO PUBLIC HEALTH AND EDUCATIONAL INSTITUTIONS

A letter from the Acting Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on personal and real property made available for distribution and disposed of to public health and educational institutions, for the period January 1, through March 31, 1959 (with an accompanying report); to the Committee on Government Operations.

REPORT ON EXAMINATION OF CERTAIN PRICES NEGOTIATED BY RHEEM MANUFACTURING CO., DOWNEY, CALIF.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of prices negotiated for vertical stabilizer tips for model F–100 aircraft by Rheem Manufacturing Co., Downey, Calif., a subcontractor under Department of the Air Force prime contract with North American Aviation, Inc., Los Angeles, Calif., dated May 1959 (with an accompanying report); to the Committee on Government Operations.

REPORT ON EXAMINATION OF PURCHASE ORDERS AWARDED TO CESSNA AIRCRAFT CO., WICHITA, KANS.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of Purchase Orders E–10008 and E–10015, awarded to the Cessna Aircraft Co., Wichita, Kans., by Boeing Airplane Co., Wichita, Kans., dated May 1959 (with an accompanying report); to the Committee on Government Operations.

ANNUAL REPORT AND STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS, NATIONAL TRUST FOR HISTORIC PRESERVATION

A letter from the Secretary, National Trust for Historic Preservation, Washington, D.C., transmitting, pursuant to law, the annual report, and statement of cash receipts and disbursements, of that Trust, dated October 31, 1958, and for the calendar year ended December 31, 1958, respectively (with accompanying report and statement); to the Committee on Interior and Insular Affairs.

FAIR LABOR STANDARDS AMENDMENTS OF 1959

A letter from the Acting Secretary of Labor, transmitting a draft of proposed legislation to amend the Fair Labor Standards Act of 1938, as amended (with accompanying papers); to the Committee on Labor and Public Welfare.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report of the Acting Archivist of the United States on records proposed for disposal under the law (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution of the General Assembly of the State of Rhode Island; to the Committee on Armed Services:

"H. 1153

"Resolution memorializing the Congress of the United States, the President of the United States, and the Secretary of Defense of the United States urgently requesting that the reduction in force of civilian employees of the United States Naval Construction Battalion Center at Davisville be rescinded

"Whereas the pending reduction in force of 203 civilian employees at the United States Naval Construction Battalion Center at Davisville, R.I., is one of the series of proposed reductions which will eventually result in the disestablishment of the famed Seabee Center; and

"Whereas the proposed reduction will seriously impair the Navy's ability at Davisville to provide adequate facilities for the discharge of the advance base mobilization responsibility as assigned by the Chief of Naval Operations; and

"Whereas the proposed reduction will involve skilled artisans who will not be readily available for reemployment in the event of mobilization; and

"Whereas the current backlog of U.S. material and equipment to be repacked, preserved, repaired and rehabilitated and shipped, is more than sufficient to justify the present work force; and

"Whereas the strategic location capital investment in facilities should be utilized to the maximum capacity for the entire Defense Department and other Government agencies and not limited to Navy use, including pier facilities, dehumidified warehouses, roads, rail, air strip, and equipment, etc.; and

"Whereas the proposed reduction is not consistent with the present administration's policy in keeping employment stable in States that are in a critical labor area: Now, therefore, be it

"Resolved, That the General Assembly of the State of Rhode Island urgently requests the Congress of the United States, the President of the United States, and the Secretary of Defense of the United States to rescind the action bringing about the present reduction in force of the civilian employees at the United States Naval Battalion Construction Center at Davisville, and that the Senators and Representatives from Rhode Island in the Congress of the United States be and they are earnestly requested to use their best efforts to carry out the purposes hereof; and be it further

"Resolved, That the secretary of state be and he is authorized and directed to transmit to the President of the United States, the Secretary of Defense of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the United States and to each of the Senators and Representatives from Rhode Island in the Congress of the United States duly certified copies of this resolution."

Resolutions adopted by the 86th Continental Congress of the National Society of the Daughters of the American Revolution, in Washington, D.C.; to the Committee on the Judiciary.

RESOLUTIONS OF NEVADA LEGISLATURE

Mr. CANNON. Mr. President, in view of the variance of opinion among many people, not only in the State of Nevada, but throughout the Nation in the so-called wilderness bill, and in view of the interest of so many individuals and groups of people in the mining economy of the Nation, in behalf of myself and my colleague, the senior Senator from Nevada [Mr. BIBLE], I ask unanimous consent to have printed in the RECORD two resolutions of the Nevada State Legislature memorializing Congress on these two matters.

There being no objection, the resolutions were referred to the Committee on Interior and Insular Affairs, and, under the rule, ordered to be printed in the RECORD, as follows:

ASSEMBLY JOINT RESOLUTION 11

Whereas national legislation and regulation which establish wilderness preservation areas are contrary to the multiple-use principle in the management of Federal land; and

Whereas enactment of special interest legislation and regulation would seriously handicap multiple-use management of Federal land; and

Whereas wholesale withdrawals of public land would be detrimental to the general tax structure and would limit and reduce the normal operations and development of the following industries: Mining, timbering, reclamation, grazing, oil and gas, and dependent service industries in the Western States: Now, therefore, be it

Resolved by the Assembly and Senate of the State of Nevada (jointly), That the Congress of the United States is hereby memorialized to oppose the Wilderness Preservation System as proposed in the Wilderness Act as an infringement upon the administrative flexibility of the present system and because the enactment of such a proposal would subordinate policy decisions to a small council of nonrepresentative users; and be it further

Resolved, That the Congress of the United States is hereby memorialized to oppose all other legislation and regulation not in accord with the multiple-use principle in the management of public land.

ASSEMBLY JOINT RESOLUTION 13

Whereas the mining industry in Nevada and other sections of the United States has been seriously curtailed by the importation of minerals from foreign countries in which the costs of production are much lower than those which prevail in the United States under American standards; and

Whereas many areas of the United States are dependent in large measure upon the production of metals for the maintenance of their economies, and the drastic curtailment of such production has seriously affected the welfare of such areas through losses of revenue to local merchants, employees, business enterprises, and State and local governments; and

Whereas a healthy, stable domestic mining industry is a key to national security because without such industry the United States cannot be assured of a constant supply of minerals necessary for an effective defense program: Now, therefore, be it

Resolved by the Assembly and Senate of the State of Nevada, jointly, That the Congress of the United States be memorialized to aid the mining industry of Nevada and other sections of the United States either by imposing tariffs or by other reasonable

and effective methods so that the United States may become more prosperous and be assured of a constant supply of minerals necessary for an effective defense program.

JOINT RESOLUTIONS OF NEW MEXICO LEGISLATURE

Mr. ANDERSON. Mr. President, the secretary of state for the State of New Mexico has sent me a copy of Senate Joint Memorial 11, passed by the 24th Legislature of the State of New Mexico, memorializing the Congress of the United States against any increases in gasoline taxes, and a copy of Senate Joint Memorial 14, also passed by the New Mexico State Legislature and addressed to the President and Congress of the United States and the Postmaster General, requesting appropriate recognition through issuance of a commemorative stamp of the 350th anniversary of the founding of Santa Fe. I ask unanimous consent that these joint memorials be printed in the RECORD, and appropriately referred.

There being no objection, the joint resolutions were received and appropriately referred; and, under the rule, were ordered to be printed in the RECORD, as follows:

To the Committee on Finance:

"SENATE JOINT MEMORIAL 11

"Joint memorial memorializing the Congress of the United States against any increase in gasoline taxes

"Whereas an automobile is no longer a luxury, but a thing of necessity, especially in New Mexico where the area is sparsely settled and people often drive many miles to and from work each day; and

"Whereas an increase in gasoline tax will cause an increase in the retail price of gasoline which will deprive the people of money needed for food, shelter and clothing, as well as contribute to an inflationary trend; and

"Whereas the retail price of gasoline is now almost prohibitive as is evidenced by the increasing and wide use of foreign-made economy automobiles which deprive American workmen of opportunities for employment; and

"Whereas the motoring public now pays more than its fair share of taxes; and

"Whereas a larger share of the cost of highway maintenance and construction should be paid from the defense budget in accordance with the increasing and wide use made of our highways by equipment belonging to the Armed Forces: Now, therefore, be it

"Resolved by the Senate of the State of New Mexico, That the Congress of the United States do whatever is necessary to insure that gasoline taxes will not be increased; be it further

"Resolved, That duly enrolled and engrossed copies of this memorial be transmitted to the President of the United States, the President of the U.S. Senate, the Speaker of the House of Representatives of the Congress of the United States, and to each member of the New Mexico delegation in the Congress of the United States.

"ED V. MEAD,
"President, Senate.
"HAL THORNBERRY,
"Chief Clerk, Senate.
"MACK EASLEY,
"Speaker, House of Representatives.
"ALBERT ROMERO,
"Chief Clerk, House of Representatives.

"Approved by me this 24th day of March 1959.

"JOHN BURROUGHS,
"Governor, State of New Mexico."

(The VICE PRESIDENT laid before the Senate a joint resolution of the Legislature of the State of New Mexico, identical with the foregoing, which was referred to the Committee on Finance.)

To the Committee on Post Office and Civil Service:

"SENATE JOINT MEMORIAL 14

"Joint memorial to the President and Congress of the United States and to the Postmaster General of the United States requesting appropriate recognition through issuance of a commemorative stamp of the 350th anniversary of the founding of Santa Fe

"Whereas the city of Santa Fe, State capital of New Mexico, in the year 1960 will observe its 350th anniversary of its establishment as a capital city; and

"Whereas the city of Santa Fe is the oldest seat of government in the United States, having served as the capital under Spanish colonial rule, Mexican rule as well as capital of the Territory and State of New Mexico; and

"Whereas it is fitting and proper that national recognition be accorded to Santa Fe on the occasion of its 350th anniversary: Now, therefore, be it

"Resolved by the Legislature of the State of New Mexico, That the President of the United States, the Congress of the United States, and the Postmaster General of the United States be petitioned to use their offices to obtain appropriate recognition of the 350th anniversary of New Mexico's capital city through issuance during the year 1960 of a special commemoration postage stamp; be it further

"Resolved, That inscribed copies of this resolution be delivered to the members of New Mexico's congressional delegation for their consideration.

"ED V. MEAD,
"President, Senate.
'HAL THORNBERRY,
"Chief Clerk, Senate.
"MACK EASLEY,
"Speaker, House of Representatives.
"ALBERT ROMERO,
"Chief Clerk, House of Representatives.

"Approved by me this 24th day of March 1959.

"JOHN BURROUGHS,
"Governor, State of New Mexico."

RESOLUTION OF PATRONS OF SCHOOL DISTRICT 126, DICKINSON COUNTY, KANS.

Mr. CARLSON. Mr. President, the patrons of School District 126 of Dickinson County, Kans., unanimously adopted a resolution urging that further consideration be given to the watershed method of controlling water runoff before further action is taken on proposed reservoirs recommended in a Corps of Army Engineers report.

I ask unanimous consent that this resolution be printed in the RECORD, and referred to the Committee on Public Works.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

ABILENE, KANS., *May 6, 1959.*

HON. FRANK CARLSON,
Senate Office Building,
Washington, D.C.

DEAR SIR: The constituents of School District 126 of Dickinson County in Kansas have passed the following resolution pertaining to the Corp of Engineers' flood control program on the Kansas River basin:

"We wish the Congress to give more consideration to the watershed method of water conservation and flood control on the smaller contributaries of the Kansas River Basin. Also, that more time be given for watersheds to develop under the relatively new Hope-Aiken Act."

Yours truly,

K. C. HASSLER,
Clerk, School District 126.

RETAIL EXEMPTION IN FAIR LABOR STANDARDS ACT—RESOLUTION

Mr. JAVITS. Mr. President, I present, for appropriate reference, a resolution adopted by the retail merchants division of the chamber of commerce, of Newark, N.Y., relating to the retail exemption in the Fair Labor Standards Act. I ask unanimous consent that the resolution may be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

RESOLUTION OF THE NEWARK, N.Y., RETAIL MERCHANTS DIVISION OF THE CHAMBER OF COMMERCE, CONCERNING THE RETAIL EXEMPTION IN THE FAIR LABOR STANDARDS ACT

Whereas the Fair Labor Standards Act was enacted in 1938, retail employees and the employees of service trades and agriculture were specifically exempt from the minimum wage and maximum hours provisions. The retail exemption was written into the act because retailing was considered primarily local in character and not engaged in commerce. As originally enacted, FLSA was designed to spread employment by providing a premium rate of pay for all hours worked over 40 hours a week. It was recognized that retailing and other service trades could not limit hours of work through industrial assembly line techniques and that service to customers would require in many instances more than 40 hours of work; and

Whereas FLSA was amended in 1949 the retail exemption was retained. Recognition of the individual problems of the many and varied types of retailing clearly dictated the need of continuing the retail exemption. At that time this was spelled out more clearly by Congress in an attempt to stop the chipping away of the exemption by administrative rulings; and

Whereas any new legislation to remove or seriously modify the retail exemption in the Fair Labor Standards Act will in many places bring on one or a combination of these results: (a) increase consumer prices, (b) curtail retail service, (c) decrease job opportunities, (d) close many small town operations; and

Whereas retailing is a service business, store hours are determined by customer needs and demands. Customer traffic in retail stores is affected by many factors, including the weather, which cannot be controlled, yet store service must be available to all customers at all times, thus retailing, unlike the factory assembly line, cannot attain a smooth hour by hour production or sales schedule for its employees. For this reason the maximum hour provision of FLSA should not be applied to retailing; and

Whereas the retailer's job is to sell everything that is produced on the farms and in the factories of our country to the people—to consumers. They must do the job as efficiently and as economically as possible without unnatural economic interference: Now, therefore, be it

Resolved, That the Retail Merchants Division of the Newark Chamber of Commerce strongly recommend, that the members of the 1959 U.S. legislature ask that existing exemption in FLSA concerning retail and trade services be maintained;

1. That the members of the Newark Merchants Council of the Newark Chamber of Commerce use their best efforts to have this existing exemption be maintained;

2. That copies of this resolution be sent to the proper committees in Congress and to the Senators from the State of New York.

Adopted May 1, 1959.

JOHN D. MEYERS,
Secretary.

RESOLUTIONS OF ORGANIZATIONS IN STATE OF NEW YORK

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD resolutions adopted by organizations in the State of New York.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Whereas the Veterans' Administration has maintained a hospital at Castle Point, N.Y., for the care of tubercular veterans for the past 35 years; and

Whereas through improvement in tuberculosis treatment, the caseload of patients has in the past and is presently diminishing, with the result that the 512 bed Castle Point Veterans' Hospital is now utilizing only 270 beds; 230 for tubercular patients and 40 for general medical and surgical patients; and

Whereas the Veterans' Administration as of July 1, 1959, contemplates reducing the number of available beds by an additional 40; 30 for TB patients and 10 for general medical and surgical patients; and

Whereas the Veterans' Administration is contemplating a further reduction of beds as of July 1960; and

Whereas veterans from the mid-Hudson area must now be hospitalized in VA facilities in Albany and New York, where admittance waiting lists generally prevail, rather than at a VA hospital closer to home; and

Whereas the Administrator of Veterans' Affairs has the authority to allocate and relocate the 125,000 beds for veterans in VA facilities; and

Whereas there is a constant demand for hospitalization of veterans from the mid-Hudson area for general medical and surgical care: Now, therefore, be it

Resolved, That the Board of Supervisors of Putnam County go on record as urging the Administrator of Veterans' Affairs, and such other Government officials as are deemed necessary, to allocate at least 75 to 100 beds for veteran patients needing general medical and surgical treatment at the Castle Point facility thereby eliminating the needless delay in securing admittance in the Albany or New York VA hospitals and providing immediate hospital treatment for eligible veterans needing such hospital care. And the clerk of the board of supervisors is hereby instructed to forward certified copies of this resolution to the following named officials: Senator J. Javits; Ernest I. Hatfield, and Willis H. Stephens.

Resolution unanimously adopted.

RESOLUTION OF ORANGE COUNTY, N.Y., BOARD OF SUPERVISORS, REQUESTING ADMINISTRATOR OF VETERANS' AFFAIRS TO INCREASE FACILITIES AT CASTLE POINT VETERANS' HOSPITAL FOR GENERAL MEDICAL AND SURGICAL TREATMENT OF VETERANS

Whereas the Veterans' Administration has maintained a hospital at Castle Point, N.Y., for the care of tubercular veterans for the past 35 years; and

Whereas through improvement in tuberculosis treatment, the caseload of patients has in the past and is presently diminishing, with the result that the 512 bed Castle Point Veterans' Hospital is now utilizing only 270 beds; 230 for tubercular patients and 40 for general medical and surgical patients; and

Whereas the Veterans' Administration as of July 1, 1959, contemplates reducing the number of available beds by an additional 40; 30 for TB patients and 10 for general medical and surgical patients; and

Whereas the Veterans' Administration is contemplating a further reduction of beds as of July 1960; and

Whereas veterans from the mid-Hudson area must now be hospitalized in VA facilities in Albany and New York, where admittance waiting lists generally prevail, rather than at a VA hospital closer to home; and

Whereas the Administrator of Veterans' Affairs has the authority to allocate and relocate the 125,000 beds for veterans in VA facilities; and

Whereas there is a constant demand for hospitalization of veterans from the mid-Hudson area for general medical and surgical care:

Resolved, That the Board of Supervisors of the County of Orange, N.Y., hereby requests the Administrator of Veterans' Affairs, and such other Government officials, as have authority to do so, to allocate at least 75 to 100 beds for veteran patients needing general medical and surgical treatment at the Castle Point facility, thereby eliminating the needless delay in securing admittance in the Albany or New York VA hospitals, and providing immediate hospital treatment for eligible veterans needing such hospital care; further

Resolved, That the clerk of this board is hereby instructed to forward certified copies of this resolution to the following named officials:

1. The President of the United States, Washington, D.C.
2. Hon. JACOB J. JAVITS, Washington, D.C.
3. Hon. KENNETH KEATING, Washington, D.C.
4. Hon. KATHERINE ST. GEORGE, Washington, D.C.
5. Hon. Sumner G. Whittier, Administrator of Veterans' Affairs, Veterans' Administration, Washington, D.C.
6. Hon. OLIN E. TEAGUE, chairman, House Committee on Veterans' Affairs, House of Representatives, Washington, D.C.
7. William S. Middleton, M.D., Chief Medical Director, Department of Medicine and Surgery, Veterans' Administration, Washington, D.C.

RESOLUTION NO. 56, SULLIVAN COUNTY, N.Y., BOARD OF SUPERVISORS—RESOLUTION INTRODUCED BY THE COMMITTEE ON VETERANS

Resolved, That the Veterans' Administration be and hereby is urged to enlarge its general medical and surgical facilities at Castle Point Hospital, Castle Point, N.Y., instead of curtailing them and that 75 to 100 more beds in the said hospital be used for nontuberculosis patients to spare Sullivan County veterans and other veterans in the Hudson Valley area from having to go to veterans hospitals in Albany and in New York City; and be it further

Resolved, That the clerk of the board be and hereby is instructed to forward certified copies of this resolution to the Veterans' Administration, President Dwight D. Eisenhower, U.S. Senators Jacob K. Javits, and Kenneth B. Keating, and Congresswoman Katharine St. George.

RESOLUTION OF BOARD OF COMMISSIONERS OF BELTRAMI COUNTY, MINN.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a resolution adopted by the Board of Commissioners of Beltrami County, Minn., requesting acceleration in the development of natural resources of national forests, be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

RESOLUTION REQUESTING ACCELERATION IN THE DEVELOPMENT OF NATURAL RESOURCES OF NATIONAL FORESTS

Whereas the U.S. Forest Service has presented a long-range program for the national forests, which program has the approval of the Department of Agriculture and the Bureau of the Budget, and which program was formulated to lead toward accelerated development of the resources of the national forests for the benefit of the United States, and local areas where the national forests are located: Therefore, be it

Resolved, That, realizing the assets of the national forests in general and the Chippewa National Forest specifically to the Nation and to Beltrami County, the Congress, House of Representatives, Committee on Agriculture are respectfully requested to give favorable consideration to the program for the national forests and appropriations to implement the program in accord with overall fiscal needs and resources of the Federal Government. This resolution is submitted after due consideration and the realization that faster development of the resources represented by the national forests is necessary and desirable to meet future needs for timber, wildlife habitat, and outdoor recreation demands, which are increasing at a rapid rate and for the great population growth which the Nation is experiencing; be it further

Resolved, That copies of this resolution be sent to HAROLD D. COOLEY, chairman of the Committee on Agriculture, House of Representatives, Senator HUBERT HUMPHREY, and Representative ODIN LANGEN.

RESOLUTION OF MINNESOTA STATE PHARMACEUTICAL ASSOCIATION

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a resolution as adopted unanimously at the 75th annual convention of the Minnesota State Pharmaceutical Association, in support of the national fair trade bill, be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

RESOLUTION I

Whereas small business contributes greatly to checking recessionary trends by providing a major source of employment, providing the important channels and degree of incentive required to readily move the large quantities of goods resulting from a mass production economy; and

Whereas the opportunity of economic freedom in America should, under all circumstances, be preserved; and

Whereas providing adequate legislative procedures permitting manufacturers of trademarked products to protect established quality reputation is most desirable; and

Whereas protection of the ultimate consumer from the long-term ill effects inevitably resultant from a loss-leader or bargain-bait atmosphere in the marketplace is most urgent; be it

Resolved, That the membership of the Minnesota State Pharmaceutical Association, here assembled in convention this 21st day

of April 1959, hereby gives its most wholehearted and unqualified support to H.R. 1253, the national fair trade bill, and most sincerely requests the active support of Minnesota's Representatives to Congress in exerting every possible effort to assure its passage; be it further

Resolved, That the entire text of the above resolution, upon adoption, be immediately forwarded to the congressional representatives from Minnesota.

RESOLUTION OF BOARD OF MANAGERS OF CHURCH WORLD SERVICE

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the board of managers of the Church World Service in support of the objectives of World Refugee Year.

May I also take this opportunity to commend the Church World Service for this fine resolution and for the work which it has done in promoting assistance for the unfortunate refugees throughout the world.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION ON WORLD REFUGEE YEAR FOR CHURCH WORLD SERVICE BOARD OF MANAGERS MEETING, ATLANTIC CITY, FEBRUARY 5, 1959

Whereas the 13th session of the General Assembly of the United Nations on December 5, 1958, adopted a resolution in which it urged member states to promote a World Refugee Year, beginning in July 1959, as a practical means of securing increased assistance for refugees throughout the world; and

Whereas the U.S. Government has joined in sponsoring this proposal, and will be implementing its observance in the United States of America; and

Whereas Church World Service on behalf of over 30 American communions has a worldwide program for assistance to refugees in meeting their spiritual and physical needs and assisting in their plans for establishing new homes in their countries of asylum or by migration abroad: Therefore, be it

Resolved, That the Church World Service—

1. Strongly commends the objectives of the World Refugee Year; and

2. Offers its full cooperation to our Government as it initiates actions designed to improve and extend the effectiveness of all governmental and voluntary services to refugees, thus associating our churches with this significant worldwide effort to help resolve the world refugee problem;

3. Expresses the belief of our churches that planning for the World Refugee Year should take account of the fact that the refugee problem is dynamic and recurrent, not static and temporary; therefore, all plans for its solution should prevent raising false hopes of quick or final solutions, but work for real solutions which depend upon fundamental and long-range factors such as political and social justice, international cooperation, spiritual verities and a worldwide program of mutual concern and sharing among people everywhere;

4. Records its awareness of the magnitude, the urgency and the complexity of the worldwide refugee problem at this present time and the possibility by prompt concerted action of solving some of the worst emergencies affecting refugees; at the same time Church World Service reaffirms the concern of our churches for the plight of the individual men, women, and children who constitute the real challenge to our Christian responsibility for immediate assistance on their behalf.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STENNIS, from the Committee on Armed Services, with an amendment:

H.R. 5674. An act to authorize certain construction at military installations, and for other purposes (Rept. No. 296).

By Mr. JORDAN, from the Committee on Agriculture and Forestry, without amendment:

S. 1901. A bill to amend section 101(c) of the Agricultural Act of 1949 and the act of July 28, 1945, to stabilize and protect the level of support for tobacco (Rept. No. 297).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 218. A bill for the relief of Laurie Dea Holley and the legal guardian of Karmen Lael Holley, minor child (Rept. No. 298);

S. 707. O bill for the relief of Demetrios Pappathakis (Rept. No. 299); and

S. 1291. A bill for the relief of Marko Klapan (Rept. No. 300).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. HENNINGS, from the Committee on the Judiciary:

George M. Johnson, of California, to be a member of the Commission on Civil Rights.

By Mrs. SMITH, from the Committee on Aeronautical and Space Sciences:

William A. M. Burden, of New York, to be a member of the National Aeronautics and Space Council; and

Dr. John T. Rettaliata, of Illinois, to be a member of the National Aeronautics and Space Council.

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mr. SALTONSTALL. Mr. President, as in executive session, from the Committee on Armed Services I report favorably 3,116 nominations in the Navy and Marine Corps comprising midshipmen, NROTC, Nurse Corps, and other miscellaneous nominations. All these names have already appeared in the CONGRESSIONAL RECORD. In order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Vice President's desk for the information of any Senator.

The VICE PRESIDENT. The nominations will lie on the desk, as requested by the Senator from Massachusetts.

The nominations ordered to lie on the desk are as follows:

David K. Bishop, and sundry other midshipmen (Naval Academy), to be ensigns in the Navy;

Robert E. Borlik, and sundry other persons (Naval Reserve Officers Training Corps), to be ensigns in the line of the Navy;

Charles L. Anderson, and sundry other persons (Naval Reserve Officers Training Corps), to be ensigns in the Supply Corps of the Navy;

Weldon G. Amnable III, and sundry other persons (Naval Reserve Officers Training Corps), to be ensigns in the Civil Engineer Corps of the Navy;

Gordon B. Avery, and sundry other reserve officers, to be permanent lieutenants (junior grade), and temporary lieutenants, in the Medical Corps of the Navy;

William J. Babalis, and Thomas L. Hodges, Jr., reserve officers, to be permanent lieutenants and temporary lieutenant commanders in the Medical Corps of the Navy;

Billy G. Brooks, and sundry other reserve officers, to be permanent lieutenants in the Medical Corps of the Navy;

Richard E. Blanchard, and sundry other reserve officers, to be lieutenants (junior grade) in the Dental Corps of the Navy;

James L. Penola, U.S. Navy, retired, to be a permanent chief warrant officer;

Alfred F. Ferguson, U.S. Navy, revertee, to be a permanent chief warrant officer;

Robert J. Allen, and sundry other officer candidates, to be ensigns in the line of the Navy;

Janet L. Hersley, woman officer candidate, to be an ensign in the line of the Navy;

John S. Beal, Jr., and sundry other officer candidates, to be ensigns in the Supply Corps of the Navy;

Richard H. Varner, and sundry other officer candidates, selected as alternates, to be ensigns in the Supply Corps of the Navy;

Arthur C. Akerson, Jr., and sundry other persons, to be ensigns in the Navy with limited duty only;

Vincent E. Gallagher, and sundry other persons, to be lieutenants (junior grade), in the Navy, limited duty only;

Horace G. Walker, and sundry other persons selected as alternates, to be ensigns in the Navy, limited duty only;

Frederick P. Flack, and sundry other officers of the Navy, for transfer to, and appointment in, the Civil Engineers Corps of the Navy;

John L. Keener, for permanent promotion to the grade of Captain, Dental Corps of the Navy;

Shirley T. Godsey, and sundry other line officers of the Navy, for transfer to, and appointment in, the Supply Corps of the Navy;

Robert F. Ace, and sundry other officers, to be temporary lieutenants (junior grade) in the Navy;

Lawrence E. Aaron, and sundry other officers of the Navy, for permanent promotion to the grade of lieutenant (junior grade);

Francis J. Lemnartz IV, and sundry other persons (Naval Reserve Officers Training Corps), for permanent appointment to the rank of second lieutenant in the Marine Corps;

William R. Delahunty, Jr., from the temporary disability retired list, for the permanent rank of first lieutenant in the Marine Corps;

Daniel D. Schrader, U.S. Military Academy graduate, for permanent appointment to the rank of second lieutenant in the Marine Corps;

Alfred R. Sarvi, and Donald R. Stanton, (Army Reserve Officers Training Corps), for permanent appointment to the rank of second lieutenant in the Marine Corps;

George A. Baker III, and sundry other officers, for permanent appointment to the rank of first lieutenant in the Marine Corps; and

Howard E. Albright, and sundry other officers, for temporary appointment to the rank of first lieutenant in the Marine Corps.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LAUSCHE:

S. 1969. A bill for the relief of Jakob Hribar; to the Committee on the Judiciary.

By Mr. JAVITS:

S. 1970. A bill to increase the duty-free allowance for articles acquired abroad by residents of the United States;

S. 1971. A bill to permit visitors from abroad to bring a limited amount of gifts into the United States free of duty; and

S. 1972. A bill to reduce the period of absence from the United States required in order to entitle a resident to duty-free exemptions under the customs laws; to the Committee on Finance.

S. 1973. A bill to extend the validity of the passport to 3 years; to the Committee on Foreign Relations.

S. 1974. A bill to amend the Immigration and Nationality Act so as to authorize the Attorney General to permit certain aliens to pass through the United States without complying with certain provisions of such act relating to inspection and examination; to the Committee on the Judiciary.

(See the remarks of Mr. JAVITS when he introduced the above bills, which appear under a separate heading.)

By Mr. MANSFIELD (for himself and Mr. MURRAY):

S. 1975. A bill to provide for the relief of Milton Beatty and others by providing for determination and settlement of certain claims of former owners of lands and improvements purchased by the United States in connection with the Canyon Ferry Reservoir project, Montana; to the Committee on the Judiciary.

By Mr. NEUBERGER:

S. 1976. A bill to make payments to Indians for destruction of fishing rights at Celilo Falls exempt from income tax; to the Committee on Finance.

S. 1977. A bill to provide for the issuance of a national health research stamp for the support of the National Institutes of Health; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. NEUBERGER when he introduced the above bills, which appear under separate headings.)

By Mr. SMATHERS:

S. 1978. A bill to amend the Tariff Act of 1930 with respect to the marking of imported articles and containers; and

S. 1979. A bill to encourage the establishment of voluntary pension plans by self-employed individuals; to the Committee on Finance.

S. 1980. A bill for the relief of Alvaro Rodriguez Jimenez; to the Committee on the Judiciary.

By Mr. CANNON (for himself and Mr. BIBLE):

S. 1981. A bill to provide that the Veterans' Administration shall maintain in each State at least one regional office; to the Committee on Finance.

(See the remarks of Mr. CANNON when he introduced the above bill, which appear under a separate heading.)

By Mr. WILEY:

S. 1982. A bill for the relief of Onofrio D'Amato; to the Committee on the Judiciary.

S. 1983. A bill authorizing the improvement of the Menominee Harbor, Michigan and Wisconsin, in the interest of navigation and other purposes; to the Committee on Public Works.

By Mr. MURRAY (for himself, Mr. MANSFIELD, Mr. LANGER, and Mr. YOUNG of North Dakota):

S. 1984. A bill to make permanent the authority of the Secretary of Agriculture to make loans under section 17 of the Bankhead-Jones Farm Tenant Act, as amended, and the act of August 31, 1954, as amended; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. MURRAY when he introduced the above bill, which appear under a separate heading.)

By Mr. McCARTHY:

S. 1985. A bill to amend the Federal Credit Union Act; to the Committee on Banking and Currency.

CV——529

By Mr. HRUSKA (for himself and Mr. CURTIS):

S. 1986. A bill for the relief of Peony Park, Inc., and others; to the Committee on the Judiciary.

By Mr. ANDERSON (by request):

S. 1987. A bill to amend the Atomic Energy Act of 1954, as amended, with respect to cooperation with States; to the Joint Committee on Atomic Energy.

(See the remarks of Mr. ANDERSON when he introduced the above bill, which appear under a separate heading.)

By Mr HAYDEN:

S. 1988. A bill for the relief of B. V. Sturdivant; to the Committee on Finance.

S. 1989. A bill to authorize marketing agreements and orders under section 8c of the Agricultural Adjustment Act (as reenacted by the Agricultural Marketing Act of 1937), as amended, with respect to honey; to the Committee on Agriculture and Forestry.

By Mr. HUMPHREY:

S. 1990. A bill to strengthen the wheat marketing quota and price support program; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. ALLOTT (for himself and Mr. CARROLL):

S. 1991. A bill to provide for the striking of medals in commemoration of the 100th anniversary of the settlement of the State of Colorado and in commemoration of the establishment of the U.S. Air Force Academy; to the Committee on Banking and Currency.

S. 1992. A bill to provide for the free entry of a Siemens electron microscope for the use of the University of Colorado Medical Center, Denver, Colo.; to the Committee on Finance.

By Mr. JACKSON:

S. 1993. A bill to amend title 10, United States Code, to provide more efficient dental care for the personnel of the Army, and for other purposes; and

S. 1994. A bill to amend title 10, United States Code, to provide more efficient dental care for the personnel of the Air Force, and for other purposes; to the Committee on Armed Services.

By Mr. MUNDT:

S. 1995. A bill to authorize the establishment of the Central National Monument at the geographic center of the United States; to the Committee on Interior and Insular Affairs.

By Mr. KENNEDY:

S. 1996. A bill to amend the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. HUMPHREY (for himself, Mr. CLARK, Mr. DOUGLAS, Mr. HART, Mr. JAVITS, Mr. MAGNUSON, Mr. McCARTHY, Mr. McNAMARA, Mr. MORSE, Mr. MURRAY, Mr. NEUBERGER, and Mr. PASTORE):

S. 1997. A bill providing relief against certain forms of discrimination in interstate transportation and facilities furnished or connected therewith; to the Committee on Interstate and Foreign Commerce.

S. 1998. A bill to extend to uniform members of the Armed Forces the same protection against bodily attack as is now granted to personnel of the Coast Guard; to the Committee on the Judiciary.

S. 1999. A bill to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry; to the Committee on Labor and Public Welfare.

S. 2000. A bill outlawing the poll tax as a condition for voting in any primary or other election for national officers; to the Committee on Rules and Administration.

S. 2001. A bill to amend and supplement existing civil-rights statutes;

S. 2002. A bill to strengthen the laws relating to convict labor, peonage, slavery, and involuntary servitude; and

S. 2003. A bill to secure, protect, and strengthen the civil rights accruing to individuals under the Constitution and laws of the United States; to the Committee on the Judiciary.

(See the remarks of Mr. HUMPHREY when he introduced the above bills, which appear under a separate heading.)

By Mr. JAVITS (for himself, Mr. ENGLE, Mr. KEATING, and Mr. KUCHEL):

S.J. Res. 98. Joint resolution designating the week beginning July 27, 1959, and ending August 2, 1959, as "Model Aviation Week"; to the Committee on the Judiciary.

(See the remarks of Mr. JAVITS when he introduced the above joint resolution, which appear under a separate heading.)

CONCURRENT RESOLUTION

STANDARD OF LIVING OF AMERICAN INDIANS

Mr. McCARTHY submitted the following concurrent resolution (S. Con. Res. 36); which was referred to the Committee on Interior and Insular Affairs:

Whereas it is the understanding of Congress that its responsibility in the American Indian problem cannot be fulfilled by the dispersal of Indian communities, but by the continuous development of their human and economic potential; and

Whereas it is recognized that Indian communities cannot be considered to have reached the American level of well-being until the principles of consent of the governed, self-determination, and local self-government are operative, nor until Indian opportunities in economy, education, and health are measurably equal to those of their fellow citizens; and

Whereas the American "point 4 program," as it has been applied successfully in underdeveloped areas of the world, reveals tested techniques whereby American Indian communities may be so developed: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Bureau of Indian Affairs shall be, by definition, an agency to assist American Indian communities to reach the level of well-being enjoyed by other communities in the United States, and the governing program of the Bureau of Indian Affairs shall be an American Indian point 4 program.

It is declared to be the sense of Congress that this program shall be offered to the American Indian communities without exacting termination of Federal protection of Indian property or of any other Indian rights as its price; that Indian culture and identity shall not be restricted or destroyed; that technical guidance and financial assistance shall be made available; that the request for assistance shall come from the Indians themselves after each Indian group has studied itself in terms of its own needs; that an impartial effort shall be made to deal with the development of natural resources to maximum capacity, to develop the full capabilities of industrial and agricultural production, of improvements in housing, nutrition, clothing, sanitation, and health, and of the resettlement on their initiative of individuals and families in other areas; that technical assistance shall be given to long-term general, vocational, technical, and professional education to enable American Indians to share fully in our total American society and to contribute to it; and that older, revered values shall be respected and used as new forms of living are introduced.

It is further declared to be the sense of Congress that the Secretary of the Interior shall review all programs of the Bureau of Indian Affairs in order to develop its activities to further an American Indian point 4 program, and that he shall report to Congress at the earliest possible date his recommendations for such legislation as may be necessary to accomplish the purposes of this resolution.

Finally, it is declared to be the sense of Congress that Federal protection and services shall be ended for any tribe, band, or group only when such unit shall have adopted a plan for its organization and operation under State law, and such plan shall have been approved by the appropriate State and by the Secretary of the Interior prior to its submission to the Congress.

RESOLUTIONS

EX OFFICIO MEMBER OF SELECT COMMITTEE ON NATIONAL WATER RESOURCES

Mr. KERR (for himself and Mr. KUCHEL) submitted the following resolution (S. Res. 121); which was referred to the Committee on Interior and Insular Affairs:

Resolved, That the Senator from Montana [Mr. MURRAY], chairman of the Senate Committee on Interior and Insular Affairs, is hereby appointed a member ex officio to the Select Committee on National Water Resources.

Mr. KENNEDY (for himself and Mr. GOLDWATER) submitted a resolution (S. Res. 122) to print additional copies of Senate Document No. 22 of the 86th Congress on Labor-Management Policies, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when submitted by Mr. KENNEDY, which appears under a separate heading.)

PROPOSED LEGISLATION TO INCREASE INTERNATIONAL TRAVEL

Mr. JAVITS. Mr. President, I am today introducing five bills designed to increase international travel by U.S. citizens and through the removal of certain burdensome restrictions, to stimulate international tourism, and facilitate the visits of foreign tourists to this country during 1960 officially proclaimed by the President as Visit U.S.A. Year.

This proposed legislation is based on major recommendations contained in the Special Report to the President on International Travel submitted by Clarence B. Randall last year. The success of Visit U.S.A. Year when we should be able to attract some 600,000 foreign visitors who could spend close to $1 billion in the United States may well depend on whether or not Congress acts to remove certain travel barriers to foreign visitors and certain restrictions which tend to reduce the number of U.S. travelers overseas. The prompt consideration by both Houses of the following proposals to streamline travel regulations and procedures is the best means of encouraging reciprocal treatment by countries in Latin America and Europe whose nationals in 1958 helped to set a record high of 460,000 foreign visitors to the United States.

Before detailing the bills, Mr. President, I should like to emphasize that Americans go abroad in the enormous number of a million and a quarter a year and spend in their travels about a billion and a quarter dollars, or more.

Visits by citizens of foreign countries represent one of the most extensive and one of the best American imports known to our history. We receive a great many visitors into the United States, but not enough. Therefore the President has declared 1960 as Visit U.S.A. Year, when we hope to increase the number of foreign tourists in the United States by 25 percent.

I point out that Russia last year played host to 553,000 foreign visitors, thereby exceeding the number of foreign tourists who visited the United States. This increases the emphasis which the Russians place on tourism from abroad, and emphasizes the importance which we in this country should certainly place on tourism.

The bills I am introducing would:

First. Permit U.S. residents to bring home a total of $1,000 in duty-free articles every 6 months—at present, the occasional traveler is in effect limited to a $500 maximum;

Second. Permit foreign visitors to bring into the United States $200 worth of gifts duty free, compared to the present limit of $10 worth;

Third. Establish 24 hours as the uniform period of absence from the country required in order for a U.S. resident to bring in his duty free $200 monthly exemption;

Fourth. Extend the original life of a U.S. passport from 2 to 3 years while retaining the present 2-year extension limitation; and

Fifth. Permit the U.S. Attorney General to waive compliance for certain aliens in transit through the country with certain inspection and examination provisions now in the Immigration and Nationality Act, and regularize certain State Department procedures relating to the waiver of visa requirements in emergency situations.

Last year, Congress enacted S. 3997, my bill to allow U.S. residents to bring into the country duty free for temporary periods autos rented abroad, thus eliminating the previous regulation that either duty had to be paid on such a vehicle or it must be placed under bond. This amendment to Public Law 85-925 was also based on the Randall Commission report on international travel. Earlier this year, I proposed S. 542, now pending before the Committee on Finance, which would implement another of the Commission's recommendations by permitting the importation for an individual's own use and not for sale of trademarked items purchased abroad. The Randall report also proposed that 1960 be proclaimed Visit U.S.A. Year which the President has done.

Although there are no figures on the value of foreign tourist travel to the Soviet Union, Russia reports that it played host to 553,000 foreign visitors in 1958, thus exceeding the United States last year in the number of travelers from abroad. Actually, while Russia has been making tremendous strides in this area, the U.S. economy benefited by an increase of only 1 percent in 1958 over 1957 in terms of what foreign nationals spent during their visits here, whereas from 1956 to 1957, a jump of $80 million—or 11 percent—was registered. With a concerted drive by the private tourist industry in this country, by the Federal Government through promotional efforts abroad and in persuading France, England, Italy, and the Scandinavian countries to ease their restrictions on sums alloted for travel here, and by Congress through the enactment of modern travel regulations, it is forecast that foreign visitors can be spending $3 billion in the United States within a few years; that sum is nearly equivalent to double our present annual foreign economic aid effort under the mutual security program.

Also, the hoped-for success of Visit U.S.A. Year, in part dependent upon the upgrading of travel attractions and facilities throughout the Nation, will be a powerful stimulant for more domestic travel. Already, travel receipts in New York State are estimated at $2½ billion annually, while tourism is ranked among the first five principal industries in each one of our States. The total domestic travel expenditure of $15 billion for 1958 could be broken down into badly needed dollars spent on transportation, construction, services and amusements, and for the output of food growers and processors and servers, cite only a few.

For several years, Europe and Latin America are enjoying boom tourist trade—in 1958, U.S. travelers spent $536 million in Europe and $415 million in Latin America, for a total of nearly $1 billion. A major effort should be made now, keyed to the upcoming Visit U.S.A. Year, to enable this country to list tourism in the United States by those from abroad as one of its major exports.

During 1960, international travel will be in clear focus as a vital element in U.S. foreign policy. It is well known how such tourism has educated the 10,500,000 American travelers abroad since the end of World War II through their contacts with foreign peoples, their customs and their languages, but during Visit U.S.A. Year the emphasis will be on the opportunity for foreign visitors to learn firsthand about our country and our peoples through personal contact here in the United States.

Mr. President, I introduce the bills for appropriate reference.

The PRESIDING OFFICER (Mr. JORDAN in the chair). The bills will be received and appropriately referred.

The bills, introduced by Mr. JAVITS, were received, read twice by their titles, and referred as indicated:

To the Committee on Finance:

S. 1970. A bill to increase the duty-free allowance for articles acquired abroad by residents of the United States;

S. 1971. A bill to permit visitors from abroad to bring a limited amount of gifts into the United States free of duty; and

S. 1972. A bill to reduce the period of absence from the United States required in

order to entitle a resident to duty-free exemptions under the customs laws.

To the Committee on Foreign Relations:

S. 1973. A bill to extend the validity of the passport to 3 years.

To the Committee on the Judiciary:

S. 1974. A bill to amend the Immigration and Nationality Act so as to authorize the Attorney General to permit certain aliens to pass through the United States without complying with certain provisions of such act relating to inspection and examination.

EXEMPTION OF CELILO INDIANS FROM TAXATION ON INDEMNITY FOR FISHING RIGHTS

Mr. NEUBERGER. Mr. President, I introduce, for appropriate reference, a bill to make payments to Indians for the destruction of fishing rights at Celilo Falls exempt from income tax.

Under the terms of legislation enacted in the 83d Congress, various tribes of Indians in Oregon and Washington were to be paid for the loss of their treaty fishing rights at the famous Celilo Falls on the Columbia River, because of the construction of The Dalles Dam.

By various agreements made pursuant to this authority, the Yakima, Warm Springs, Umatilla, and Nez Perce Tribes were paid their proportionate share of the capitalized value of their fishing rights at Celilo, and these funds were credited to the accounts of the individual tribes. They total $25 million.

The Federal Internal Revenue Service has ruled that if the tribes wish to divide their respective funds on a per capita basis among their memberships, the funds will then become taxable. The bill which I am introducing today would exempt these funds from taxation on an individual basis. The Congress has been consistent in various acts—whether terminating Indians from Federal supervision and control or in paying Indian tribes for lands taken for public purposes—to provide that moneys paid to the Indians will not be taxable either by the Federal Government or by State governments.

I am certain that, in connection with the construction of The Dalles Dam, it was never contemplated that the Indians would be subjected to taxation for the funds paid to them for the rights that they have permanently lost, and this bill, if enacted, would assure that no taxes are collected from them by the United States or by the States of Oregon and Washington.

Mr. President, the department of the Interior has submitted this proposed legislation to the Congress for introduction, and I ask unanimous consent that the letter addressed to the Vice President dated May 7 requesting the introduction of the bill be printed in the RECORD.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1976) to make payments to Indians for destruction of fishing rights at Celilo Falls exempt from income tax, introduced by Mr. NEUBERGER, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The letter presented by Mr. NEUBERGER is as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 7, 1959.

Hon. RICHARD NIXON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed herewith is a draft of a proposed bill to make payments to Indians for the destruction of fishing rights at Celilo Falls exempt from income tax.

We recommend that the proposed bill be referred to the appropriate committee for consideration, and we recommend that it be enacted.

The construction of The Dalles Dam on the Columbia River in Washington and Oregon by the Corps of Engineers pursuant to the authorization in the Rivers and Harbors Act of May 17, 1950 (64 Stat. 163, 179), has caused the inundation of Celilo Falls and the loss to the Indians of an important fishing site. The right of the Indians to the use of the fishing site is recognized by treaty.

The acts of July 27, 1953 (67 Stat. 197, 198), and June 30, 1954 (68 Stat. 330, 331), authorize payment to the Indians as follows:

"The funds appropriated herein may at the discretion and under the direction of the Chief of Engineers be used in payment to the accounts of the Confederated Tribes of the Yakima Reservation; the Confederated Tribes of the Warm Springs Reservation; the Confederated Tribes of the Umatilla Reservation; or other recognized Indian tribes, and those individual Indians not enrolled in any recognized tribe, but who through domicile at or in the immediate vicinity of the reservoir and through custom and usage are found to have an equitable interest in the fishery, all of whose fishing rights and interests will be impaired by the Government incident to the construction, operation, or maintenance of The Dalles Dam, Columbia River, Washington and Oregon, and must be subordinated thereto by agreement or litigation."

Agreements have been made pursuant to this authorization for the following payments, and the money has been placed to the credit of the tribes in the U.S. Treasury:

Yakima	$15,019,640.00
Warm Springs	4,451,784.26
Umatilla	4,616,971.06
Nez Perce	2,500,000.00

The tribes intend to divide these funds among their members and make them available to the members for use in accordance with plans approved by the Department. The Internal Revenue Service has taken the position that the funds are not subject to the income tax while they are in the hands of the tribes, but that when the funds are distributed to the individual Indians they will be taxable as capital gain.

It has been the practice of Congress when authorizing the distribution of tribal funds to the members of a tribe to provide that the funds shall not be subject to income tax. This is particularly true when the funds represent the value of a tribal capital asset that has been taken from the tribe by the United States. See, for example, the statutes authorizing the distribution of judgments against the United States recovered by tribes in the Indian Claims Commission based upon inadequate compensation for lands taken (act of Aug. 30, 1954, 68 Stat. 979; act of Aug. 1, 1955, 69 Stat. 431; act of May 9, 1958, 72 Stat. 105), and the statutes authorizing payment for the taking of tribal lands in connection with the Missouri River flood control program (act of Sept. 2, 1958, 72 Stat. 1762; act of Sept. 2, 1958, 72 Stat. 1766; act of Sept. 2, 1958, 72 Stat. 1773), and the statutes providing for a termination of Federal supervision over the affairs of certain Indian tribes (act of Aug. 13, 1954, 68 Stat. 718; act of Aug. 13, 1954, 68 Stat. 724; act of Sept. 1, 1954, 68 Stat. 1099).

The payments for the destruction of the fishing site at The Dalles Dam should likewise be exempted from income tax, both when in the hands of the tribes and when divided among the individual Indians involved.

The Bureau of the Budget has advised us that there is no objection to the submission of this proposed legislation.

Sincerely yours,

ROGER ERNST,
Assistant Secretary of the Interior.

HEALTH STAMP WOULD ALLOW ALL TO AID IN FIGHT AGAINST DISEASE

Mr. NEUBERGER. Mr. President, many millions of Americans contribute funds each year to help finance medical research. Most gifts are small, but assume significance in the aggregate. Today I introduce for appropriate reference a bill which provides a method by which persons with small incomes may more easily assist in advancing man's knowledge of disease.

The proposal which I present is not original with me. On May 4 of this year Representative HERBERT ZELENKO, of New York, introduced a bill which would authorize the Postmaster General to issue a specially designed stamp of 4-cent denomination that would be sold to the public at a price of 6 cents. Purchase and use of the stamp would be voluntary. Two cents of each sale would be turned over by the Post Office Department to the Secretary of Health, Education, and Welfare to be utilized in supporting the activities of the National Institutes of Health in study of cancer, mental health, heart disease, arthritis, allergies, blindness, and other killing and crippling diseases. My bill is identical to Representative ZELENKO's measure, H.R. 6880.

Funds realized through this program would reinforce medical research efforts currently financed by private contributions and Government appropriations. Each purchaser of such a stamp would have the knowledge that he had aided in the furtherance of the general fight against disease. Recipients of a letter carrying the stamp would know that the writer was playing a role in the reduction of human suffering through medicine. The total program would make all the public more aware of the need for expansion of our efforts to conquer such insidious and terrible scourges as cancer.

It has been estimated that this plan might realize about $10 million a year for support of the work of scientists, doctors, and technicians engaged in medical research.

Because I believe that Congress should give this proposal serious consideration, I am pleased to introduce today this companion bill to H.R. 6880.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1977) to provide for the issuance of a national health research

stamp for the support of the National Institutes of Health, introduced by Mr. NEUBERGER, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

REGIONAL OFFICES OF VETERANS' ADMINISTRATION IN EACH STATE

Mr. CANNON. Mr. President, on behalf of myself, and my colleague, the senior Senator from Nevada [Mr. BIBLE], I introduce, for appropriate reference, a bill designed to preserve and assure that the veterans of our Nation receive the benefits to which they are entitled.

The aim of this bill, in essence, is to guarantee that the veterans of every State shall have equal opportunity to afford themselves of the rights and privileges granted to them by Congress.

Mr. President, this bill would provide that the Veterans' Administration shall maintain in each State at least one regional office. There has been a recent tendency to set up district offices embracing several States and thereby eliminate the accessibility of these veterans offices to the former servicemen of an entire State.

Wherever this perversion of the intent of Congress has been permitted, there has been a resultant slowdown in processing of veterans cases and serious impairment of services.

The Nevada delegation, in cooperation with veterans and other civic groups throughout our State, insist that the veterans agencies be located at the convenience of the people they were intended to serve. It is intolerable to place impossible obstacles in the way of the benefits which Congress has provided for all veterans. In my State of Nevada, transfer of the loan guarantee division from the Reno office to the Los Angeles VA regional office would require a journey by residents of western and northern Nevada of more than 500 miles.

Further ill effects when such moves are contemplated include serious inconveniences and hardships to veteran students at our universities, to disabled veterans and the families of veterans.

Such practices made in the false name of economy would only result in waste of time, effort, and money and would remove all personal contact with the people intended to be served by veterans legislation. Such proposed centralization would mean that veterans of some States would be confounded by delay and multiple correspondence. It would result in the complete negation of the intent of our veterans legislation which was designed to apply equally to all of the veterans throughout the Nation.

I ask unanimous consent to have the bill printed at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1981) to provide that the Veterans' Administration shall maintain in each State at least one regional office, introduced by Mr. CANNON (for himself and Mr. BIBLE), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 230(a) of title 38, United States Code, is amended to read as follows: "The Administrator may establish such regional offices and such other field offices within the United States, its Territories, Commonwealths, and possessions, as he deems necessary: *Provided*, That there shall be established and maintained within each State at least one regional office which shall be authorized and equipped to receive, consider, and adjudicate claims for compensation, pension, vocational rehabilitation, educational or training benefits, and loans, loan guaranties or grants to which any individual may be entitled under any provision of law administered by the Veterans' Administration."

PERMANENCY OF AUTHORITY OF SECRETARY OF AGRICULTURE TO MAKE CERTAIN LOANS

Mr. MURRAY. Mr. President, I introduce, for appropriate reference, a bill to extend the Farmers Home Administration's authority to make refinancing loans to farmers, and to make emergency loans.

The Bankhead-Jones Farm Tenant Act was amended August 1, 1956, to establish the refinancing loan program for family farmers and authorize Farmers Home Administration to make such loans through June 30, 1959.

At the same time, the emergency loan fund was increased from $15 million to $65 million, and such loans authorized through June 30, of this year.

The measure I have introduced on behalf of myself, my colleague, the junior Senator from Montana [Mr. MANSFIELD] and the Senators from North Dakota [Mr. LANGER and Mr. YOUNG] extends both of these programs indefinitely. It does not require additional appropriations, since loan funds are available to the agency.

There is a serious drought situation developing in eastern Montana and the Dakotas. The area has had little rainfall for several months and has been subjected to unusual winds. I am advised that dust storms rivaling those of the thirties are occurring and that not only dust, but heavily grazed sod, is blowing over a wide area.

Many farmers in the area have already seen their prospects of a crop in 1959 destroyed. They will be unable to meet their financial obligations. The authority of the Farmers Home Administration which I have proposed to extend beyond June 30 will be greatly needed.

Phone calls to my office in recent days from McCone, Valley, and Richland Counties in eastern Montana indicate an urgent need for extending this program. Similar drought conditions obtain in North Dakota. A letter I have just received from Garfield County written by Speaker John J. MacDonald, of the Montana House of Representatives, a rancher, provides further evidence of the need for extending these programs as provided for in the bill I now introduce.

I ask unanimous consent that Speaker MacDonald's letter be inserted in the RECORD at this point.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1984) to make permanent the authority of the Secretary of Agriculture to make loans under section 17 of the Bankhead-Jones Farm Tenant Act, as amended, and the act of August 31, 1954, as amended, introduced by Mr. MURRAY (for himself, Mr. MANSFIELD, Mr. LANGER, and Mr. YOUNG of North Dakota), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

The letter presented by Mr. MURRAY is as follows:

MAY 12, 1959.

The Honorable JAMES E. MURRAY,
U.S. Senator, Washington, D.C.

DEAR SENATOR MURRAY: It is my understanding that the refinance farm ownership program of the Farmers Home Administration, as authorized by title I of the Bankhead-Jones Farm Tenant Act, as amended, terminates June 30, 1959, unless legislation is introduced to extend this program.

I understand that the local office of the Farmers Home Administration here in Jordan has at least four applications awaiting action. It would appear to me that we should continue this program for another 3-year period. I feel that the Farmers Home Administration refinance program is necessary to maintain and improve the agricultural land tenure picture here in Montana.

May I respectfully suggest that you confer with the other delegates from Montana to find out what can be done to extend this important program.

With best personal regards, I am,

Sincerely yours,

JOHN J. MACDONALD.

AMENDMENT OF ATOMIC ENERGY ACT OF 1954, RELATING TO COOPERATION WITH STATES

Mr. ANDERSON. Mr. President, by request, I introduce for appropriate reference a bill submitted by the Atomic Energy Commission pertaining to cooperation with States. I introduce the bill for informational purposes only, and without endorsement, inasmuch as the hearings by the Joint Committee are intended to explore these problems and the possible need for this legislation more thoroughly.

Mr. President, I ask that an analysis of the bill, as prepared by the Atomic Energy Commission, be printed in the RECORD, together with a copy of the forwarding letter dated May 13, 1959, from AEC General Manager Luedecke to me.

The PRESIDING OFFICER. The bill will be received and appropriately referred and, without objection, the analysis and letter will be printed in the RECORD.

The bill (S. 1987) to amend the Atomic Energy Act of 1954, as amended, with respect to cooperation with States, introduced by Mr. ANDERSON, by request, was received, read twice by its title, and referred to the Joint Committee on Atomic Energy.

The analysis of the bill and text of the letter are as follows:

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., May 13, 1959.

Hon. CLINTON P. ANDERSON,
Chairman, Joint Committee on Atomic Energy, Congress of the United States, Washington, D.C.

DEAR SENATOR ANDERSON: On March 5, 1959, the Atomic Energy Commission forwarded a draft of proposed bill dealing with Federal-State relations in the atomic energy field. In a letter of that date the Commission advised the Joint Committee on Atomic Energy that the proposed bill was being forwarded before the Commission had completed its study of certain features of the bill and before receiving the views and advice of other Federal agencies. The Commission advised also that it might submit recommendations for modification of the draft bill at a later date.

The principal differences between the proposed bill attached to this letter (attachment I) and that forwarded to the committee on March 5, 1959, are the addition of subsections (a) and (k) and the revision of the provision which presently appears as the last sentence of subsection (b). A number of changes in phraseology have also been made, principally for purposes of clarification.

The proposed bill which is annexed incorporates a desirable approach to the question of adjusting the responsibilities of the Federal and State Governments with respect to the control of radiation hazards from atomic energy materials presently regulated by the Commission. The proposed bill is consistent with the recommendations of the President in his budget message for fiscal year 1960 and with the recommendations of the Joint Federal-State Action Committee to the President of the United States and to the Chairman of the Governors' Conference. The Bureau of the Budget has advised that enactment of legislation along the lines of this bill would be in accord with the program of the President.

On June 21, 1957, the Commission submitted to the Chairman of the Joint Committee on Atomic Energy a proposed amendment to the Atomic Energy Act of 1954 designed to clarify the Commission's authority to deal with the States in areas in which the Commission has regulatory functions; and to define the authority of the States to regulate areas of radiation protection regarding which Congress has delegated regulatory responsibilities to the Comimssion. That proposed bill is hereinafter referred to as the "1957 bill."

The 1957 bill contained three paragraphs. The first paragraph would expressly authorize the Commission to carry out cooperative programs with the States, including agreements with States under which they might perform inspections and provide other services to the Commission. It would also authorize the Commission to furnish employee training and other appropriate services to the States. This paragraph is carried over into the new proposed bill with only minor drafting changes. The third paragraph of the 1957 bill contained a direction to the Commission to "continually study, in consultation with the States, the desirability of recommending to Congress legislation which would further adjust Federal and State responsibilities in the radiation protection field." The new bill does not contain such a provision.

The second paragraph of the 1957 bill contained the principal substantive provisions of the bill. Under this paragraph the Atomic Energy Act would be amended so that the States might adopt, inspect against, and enforce radiation standards for the protection of health and safety in areas regulated by AEC. Thus the bill, subject to certain qualifications, would permit dual regulation by both Federal and State governments of activities involving source, special nuclear, and by-product material and production and utilization facilities for protection against radiation hazards.

It should be noted that the 1957 bill would merely authorize State regulation in addition to AEC regulation. It would not permit the Commission to withdraw from any of its regulatory responsibilities even in States having very good radiation regulatory programs.

It was recognized by the Commission at the time the 1957 bill was submitted to the JCAE that the concept of dual jurisdiction did not represent more than an interim solution to the problem of adjusting Federal and State responsibilities in the atomic energy field. In the letter of June 21, 1957, to Congressman DURHAM forwarding the 1957 bill, the Commission stated:

"The Commission does not feel that this proposed amendment should be regarded as the ultimate disposition of State and Federal responsibilities for the protection of the health and safety of the public in the field of radiation protection with regard to the processing and utilization of source, byproduct, and special nuclear material. The Commission proposes to continue to study this matter to determine whether it should propose legislation which would permit it to withdraw from some limited portions of its current regulatory jurisdiction for the radiation protection of the health and safety of the public. Such a study must consider, among other things, whether there is a continuing need for Federal control of radiation sources in order to keep the national radiation exposure level within the permissible limits in consideration of the long range effects of radiation, and must also consider the respective abilities of the States and Federal Government to best perform functions of radiation protection in the various fields covered by the act. The Commission feels that it is premature at this time to turn over to the States sole regulatory responsibility for any of the areas in the field covered by the 1954 act. However, the Commission recognizes that as knowledge in nuclear energy develops and becomes more widespread, and as we learn more about the hazards in this field, the States will undoubtedly gain a greater degree of competence through added technical resources, including technical personnel, laboratory facilities, and training programs. It should be pointed out that competence of the States to deal with radiation protection is not the sole criteria for deciding the scope of the responsibility that should be vested in them. Perhaps a more basic question is the extent to which Federal control must be exercised in the field of radiation health and safety in view of the national and international problems of atomic energy."

The proposed new bill (attachment I) represents, in the view of the Commission, a more definitive approach to the problem of adjusting Federal-State relations in the atomic energy field. It provides a statutory framework within which the States may assume an independent regulatory role in extensive areas now occupied by the Atomic Energy Commission on a basis which will assure appropriate protection for public health and safety and continued compatibility of the regulatory programs of the States and the Atomic Energy Commission.

Essentially, the objectives of this proposed bill (hereinafter referred to as the new bill) are to provide procedures and criteria whereby the Commission may turn over to individual States, as they become ready, certain defined areas of regulatory jurisdiction. Certain areas, as to which interstate, national, or international considerations may be paramount, would be excluded. In addition, certain areas would be excluded because the technical safety considerations are of such complexity that it is not likely that any State would be prepared to deal with them during the foreseeable future.

To assist the States to prepare themselves for assuming independent regulatory jurisdiction, the new bill (like the 1957 bill) specifically authorizes the Commission to provide training and other services to State officials and employees and to enter into agreements with the States under which the latter may perform inspections and other functions cooperatively with the Commission.

The bill includes criteria which would need to be met before the Commission could turn over any of its responsibilities to a State; and provisions pursuant to which the Commission might reassert its authority. The bill provides that the Commission may, upon request of the Governor or upon its own initiative, terminate or suspend its agreement with the State and reassert its regulatory authority if the Commission finds that such termination or suspension is required to protect public health and safety. Opportunity for hearing is provided.

The bill also contains specific provisions designed to remove doubt as to the relative responsibilities of the Commission and the States. These provisions are contained in the first sentence of subsection (b)(1) and in subsection (j).

The proposed bill does not affect the jurisdiction of other Federal regulatory agencies. It provides only for discontinuance of the exercise of Commission jurisdiction, after agreement with the Governor of a State. The jurisdiction of such agencies as the Interstate Commerce Commission, the Civil Aeronautics Board, Department of Health, Education, and Welfare, Federal Trade Commission, and other Federal regulatory agencies will not be affected.

Attachment II is a detailed section-by-section analysis of the proposed bill.

Sincerely yours,

———— ————,
General Manager.

ANALYSIS OF PROPOSED BILL TO AMEND THE ATOMIC ENERGY ACT OF 1954

Subsection a declares the purposes of the proposed bill. These include recognition of the interests of the States in peaceful uses of atomic energy; establishment of programs for cooperation between the States and the Federal Government regarding control of radiation hazards; promoting an orderly regulatory pattern between Federal and State governments respecting radiation hazards and nuclear development and use; and establishment of procedures for discontinuance of certain of the Commission's regulatory responsibilities, and the assumption thereof by the States.

Subsection b authorizes the Commission to enter into an agreement with the Governor of any State to provide for discontinuance of the regulatory and licensing authority of the Commission under chapters 6, 7 and 8 and section 161 of the Atomic Energy Act of 1954, as amended, with respect to certain defined activities within the State. Except as excluded in paragraph (2) of the subsection, these activities are:

(i) The ownership, possession, use, transfer, delivery, receipt and disposal of by-product material;

(ii) The possession, use, transfer, delivery, receipt, and disposal of quantities of special nuclear material which the Commission determines by regulation or order do not present a hazard of accidental criticality;

(iii) The ownership, possession, use, transfer, delivery, receipt, and disposal of source material.

These areas encompass by far the greatest part of present Commission licensing and

regulatory activities. They are areas which are susceptible of appropriate and adequate regulation by the States.

Three categories of activities are specified. Under the bill the Commission may enter into an agreement providing for discontinuance of its regulatory authority with respect to any one or more of those categories. Such an agreement may not provide for discontinuance of the Commission's authority with respect to part of a category. There may, however, be a series of agreements with a particular State adding additional categories as time goes on and the State program develops. It would be the intention of the Commission under this bill to enter into agreements with the States covering all of the categories as soon as the States are prepared to assume those responsibilities.

Quantities of special nuclear material which may present hazards of accidental criticality are excluded from the scope of the bill because of the difficult technical problems presented and because of the acute scarcity of experienced specialists in this field. As a consequence of the exclusior of such quantities, such activities as the processing of special nuclear material, fabrication of fuel elements and similar activities involving significant quantities of special nuclear material will remain subject to the licensing requirements and other regulatory controls of the Commission. As our store of knowledge concerning problems of criticality expands and the number of specialists in the field increases, it may become feasible by amendment of the section to include larger quantities of special nuclear material among the areas in which the Commission is authorized to discontinue its regulatory program.

The statement in paragraph (1) of the subsection that, "during the duration of such an agreement, nothing in this act shall be construed to affect the authority of the State to regulate and license the categories of activities" covered by any agreement with the State is designed to make clear the intent that, upon discontinuance of the Commission's authority, the State shall have full jurisdiction with respect to regulation of those activities for protection against radiation hazards.

Paragraph (2) of subsection b. defines those areas in which the Commission may not agree to discontinue its regulatory and licensing authority. These areas are:

(i) Any activity under a license issued by the Commission for the construction or operation of a production or utilization facility. Such activities include, but are not limited to, the possession and storage at the site of the licensed activity of nuclear fuel and of source, special nuclear material and byproduct materials used or produced in the operation of the facility; the transportation of nuclear fuels to and from the reactor site; and the discharge of effluent from the facility.

(ii) The export from or import into the United States of source, special nuclear or byproduct material or of any production or utilization facility. The reasons for excluding exports and imports from State regulatory jurisdiction are obvious. The control of exports and imports is a matter primarily of Federal rather than State interest. This exclusion applies only to the act of importation or exportation; and would not affect the authority of a State to regulate the possession or transfer of materials which are imported or exported.

(iii) The disposal of byproduct, source or special nuclear waste material into the ocean or sea as defined in regulations or orders of the Commission. This exclusion is included because the ocean disposal of those materials will frequently involve the interests of a number of States and may also frequently involve international considerations.

The Commission is authorized in the exclusion to define by regulation or order what constitutes disposal of material into the ocean or sea because difficult problems of statutory construction might otherwise arise. Under this exclusion the Commission would be authorized to reserve for the continued exercise of Federal control the disposal of source, special nuclear and byproduct material into such areas as the Gulf of Mexico and also, in appropriate cases, into harbors or waterways under circumstances where disposal into the harbor or waterway may result in significant contamination of an ocean or sea.

(iv) Such other disposal of byproduct, source or special nuclear waste material as the Commission determines by regulation or order should, because of the hazards or potential hazards thereof, not be disposed of without a license from the Commission. This provision gives the Commission authority, by regulation or order, to reserve for the continued exercise of Commission regulatory controls, such disposal of byproduct, source or special nuclear waste material other than into the ocean or sea as the Commission determines require the continued exercise of Commission regulatory controls because of the hazards or potential hazards of such disposal. It is anticipated, for example, that the Commission will reserve for the continued exercise of its regulatory controls, the disposal by burial of significant quantities or types of such materials. The disposal by burial of significant quantities of these materials may present unique and difficult problems requiring continued Federal control. Burial of fission products and other radioactive materials having a long life might require continued regulatory supervision for centuries or even millenia after burial. At the present time the Commission does not permit the disposal by burial of significant quantities of radioactive materials except on Commission-owned property.

Many States are developing good working relationships with neighboring States to provide for the joint control of pollution in waterways which are of mutual interest to them. It will be the policy of the Commission under this bill to encourage the States to extend these arrangements to the disposal of radioactive materials into rivers and other waterways or to enter into new arrangements for the protection of their common interests. Such arrangements could make it possible for the Commission to discontinue its regulatory controls in many States and regions over the disposal of radioactive materials into rivers and streams.

It should be noted that under paragraph (2)(i) the Commission will retain control over the disposal by licensed operators of production and utilization facilities (including reactors and chemical reprocessing plants) of radioactive wastes produced under licenses for the operation of production or utilization facilities.

The last sentence of subsection b provides that: "Notwithstanding any agreement between the Commission and any State pursuant to this subsection b, the Commission is authorized by rule, regulation or order, to require that the manufacturer, processor or producer of any equipment, device, commodity or other product containing source, byproduct or special nuclear material shall not transfer possession or control of such product except pursuant to a license issued by the Commission."

This sentence does not detract from any authority which may be turned over to a State. The authority which might be exercised by the Commission under this provision would be in addition to any authority exercised by a State following an agreement under paragraph (b)(1).

The controls which would be exercised by the Commission under this provision would apply only to transfer of possession or control by the manufacturer, processor, or producer. The Commission would not be authorized under this provision to regulate any radiation hazards which might arise during manufacture, transportation, or use of a product.

Under the provision, the Commission will be in a position to assure that articles containing byproduct, source, or special nuclear material will not be distributed unless they meet the Commission's minimum safety requirements, including appropriate manufacturing and processing specifications and labeling requirements. Manufacturers of such devices as gages, luminous markers, radiograph and teletherapy devices, electronic tubes, and so forth, sell their products throughout the United States and in many foreign countries. It is important to assure that controls with respect to such products should be uniform and should be uniformly applied.

There is an additional reason why it is important for the Commission to continue the exercise of control over the distribution of articles containing source, byproduct, or special nuclear material. As the supply of such radioactive materials, particularly byproduct materials, increases, there may be increasing proposals by manufacturers and processors to incorporate such materials in articles (such as consumer products) that receive widespread distribution. Although it is not a present problem, the extent to which the widespread distribution of radioactive materials should be permitted in this country may in the foreseeable future present questions of public policy which can be resolved, and the hazards controlled, only at the Federal level.

Subsection c is designed to make it clear that the bill does not affect the Commission's jurisdiction under the Atomic Energy Act of 1954, as amended, to issue appropriate rules, regulations or orders to protect the common defense and security, to protect restricted data, or to guard against the loss or diversion of special nuclear material. Under the bill the Commission would have continued authority to issue rules and regulations for these purposes applicable to any user of source, byproduct, or special nuclear material, even though the user might be exempt (pursuant to subsection f) from Commission licensing requirements and from Commission regulations designed to protect health and safety.

Subsection d specifies the findings which the Governor of the State and the Commission must make before the Commission can enter into an agreement with the State under the bill. The Governor must certify, and the Commission must find, that the State has a program for the control of radiation hazards which is adequate to protect the public health and safety with respect to activities within the State covered by the proposed agreement. The Commission must find that the State program is compatible with the Commission's program for the control of radiation hazards.

If this bill is enacted, the Commission would plan, in cooperation with the States and appropriate Federal agencies, to develop model State regulations and programs for assisting States to qualify under the bill.

Under the Atomic Energy Act of 1954 and regulations issued thereunder by the Commission, no person may acquire or possess, source, byproduct or special nuclear material without first obtaining a license from the Commission. As a result of this licensing requirement, the Commission makes a preevaluation of the ability of a license applicant and the adequacy of the applicant's procedures and equipment, to assure that appropriate safeguards can and will be

observed by the applicant. An adequate State program for control of radiation hazards may need to include appropriate preevaluation procedures applicable in some situations to assure that significant quantities of radioactive materials are not acquired by unqualified persons or organizations. This will require further study. Most State and local agencies which have issued radiation protection regulations have thus far only required the registration of the sources of radiation. It may be that in some States enabling legislation would need to be adopted before State agencies would have authority to adopt preevaluation procedures.

Subsection e specifies the public procedures which must be observed by the Commission before any agreement under subsection b may become effective. The procedures are self-explanatory.

Subsection f authorizes and directs the Commission, by regulation or order, to grant such exemptions from the licensing requirements contained in chapters 6, 7, and 8 of the act, and from its regulations applicable to licenses, as the Commission finds necessary or appropriate to carry out the provisions of any agreement entered into with a State under subsection b. Subsection f gives the Commission necessary authority to implement those agreements.

Subsection g authorizes and directs the Commission to cooperate with the States in the formulation of standards for protection against hazards of radiation to assure that State and Commission programs for protection against hazards of radiation will be coordinated and compatible with each other. In order to achieve the orderly development and exploitation of uses of sources of radiation in industry, research, medicine, agriculture, and other fields, on a basis which will adequately protect the public health and safety, it is important that Federal and State radiation protection programs be coordinated; and that there be reasonable compatability among the various Federal and State programs. Such cooperation will become even more important as the States assume independent regulatory responsibilities within areas presently occupied by the Atomic Energy Commission.

The first sentence of subsection h clarifies the Commission's existing authority under subsection 161(f) of the act. It would expressly authorize the Commission to enter into agreements with any State or group of States to perform inspections or other functions on a cooperative basis as the Commission deems appropriate, including such additional functions as assistance in evaluating the meteorological and hydrological conditions of sites proposed for nuclear activities, radiological surveys, and other appropriate services. The Commission has already made its intent clear to recognize where possible the functions of appropriate State agencies in the inspection of Commission licenses authorized to use byproduct and source material. This policy will assist States to prepare themselves to assume independent regulatory functions.

The second sentence of subsection h would authorize the Commission to provide training with or without charge to employees of any State (or political subdivision) and such other services as the Commission deems appropriate. The Commission already has general authority under section 31(b) to grant assistance for education and training in the fields specified in section 31(a). However, the Commission feels it is desirable in this bill to emphasize and clarify its authority to provide assistance in the training of State employees and to provide other services to the States without charge.

The training and other services furnished to the States under the second sentence of subsection h would be intended to assist the States to prepare for, and carry out, independent State radiation protection programs.

It is not our intention in connection with this training assistance to supplant the programs of other Federal agencies, such as the Department of Health, Education, and Welfare, which have existing authority much broader in scope. Rather, it is our intention to work closely with such agencies in correlating our training assistance with their programs and to use any training facilities or programs which they have established, to the extent that they are suitable to our purposes.

If this bill is adopted, the Commission will assist the State to qualify under the bill. In cooperation with the States, Federal agencies, other organizations such as the National Committee on Radiation Protection, the Council of State Governments, and the National Association of Attorneys General, the Commission would take appropriate steps to assure that appropriate model State regulations and legislation are prepared, and that adequate opportunities for training State employees are made available to the States. As noted above, the Commission will, as rapidly as qualified State personnel are available, enter into appropriate agreements with States to cooperate in performing inspection and other functions in connection with the Commission's regulatory program. Under the provisions of the proposed bill, the Commission will also be able to furnish States which have entered into agreements with the Commission with assistance in the form of consulting services and other specialized assistance.

Subsection (i) provides that the Commission may, upon its own initiative or upon the request of the Governor of a State with which an agreement under subsection b has become effective, terminate or suspend the agreement and reassert its licensing and regulatory authority. Before doing so, however, the Commission must find that such termination or suspension is required to protect public health and safety. If the termination or suspension is upon the Commission's initiative, notice and opportunity for hearing must be given to the Governor or other chief executive officer of the State.

Subsection j is designed to make it clear that nothing in this section is intended to affect the authority or regulations of any State or local agency to protect the health, safety and welfare of the public against hazards other than radiation hazards. This provision should remove whatever doubts may exist as to the authority of the States to regulate the activities of AEC licensees for purposes other than protection against radiation hazards.

Subsection k provides appropriate statutory recognition of the interest of the States in activities (defined in paragraph (2) of subsection b) which are retained under Commission control. It assures that the States will be given appropriate notice of the filing of applications for licenses to conduct such activities; and appropriate opportunity to participate in proceedings involving such applications.

Subsection l contains a definition of "State" as used in the proposed bill in order to make it clear that the provisions of the bill apply also to territories and possessions of the United States, the Canal Zone, Puerto Rico, and the District of Columbia. Because the District of Columbia does not have a governor, "Governor" is defined as meaning the chief executive officer of any "State."

Section 2 of the proposed bill would also amend section 108 of the act by deleting "distributed under the provisions of subsection 53(a)," from the second sentence. The purpose of this amendment is to assure that the authority of the Atomic Energy Commission under section 108 will not be impaired by reason of the Commission's having entered into an agreement with the Governor of any State.

Mr. ANDERSON. Mr. President, I may add, that the problem of protecting the public health and safety from radiation hazards is also under study by a subcommittee of the Senate Committee on Labor and Public Welfare, under the chairmanship of my distinguished and able colleague the senior Senator from Alabama [Mr. HILL]. The Joint Committee on Atomic Energy intends to cooperate fully with the Senate Labor Committee in considering any legislation to allocate radiation control responsibilities within the Federal Government, and between the Federal Government and the States.

I ask unanimous consent that the bill may be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

A bill to amend the Atomic Energy Act of 1954, as amended, with respect to cooperation with States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That:

SECTION 1. The following section to be added to the Atomic Energy Act of 1954, as amended:

"SEC. 272. COOPERATION WITH STATES.—

"a. It is the purpose of this section:

"(1) To recognize the interests of the States in the peaceful uses of atomic energy, including but not limited to radiation hazards regulated by the Commission under this Act;

"(2) To recognize the need, and establish programs, for cooperation between the States and the Federal Government with respect to control of radiation hazards;

"(3) To promote an orderly regulatory pattern among Federal and State governments respecting radiation hazards and nuclear development and use;

"(4) To establish procedures and criteria for discontinuance of certain of the Commission's regulatory responsibilities, and the assumption thereof by the States.

"b. (1) Except as provided in paragraph (2) of this subsection, the Commission is authorized to enter into agreements with the Governor of any State providing for discontinuance of the regulatory and licensing authority of the Commission under chapters 6, 7, and 8, and section 161 with respect to any one or more of the following categories of activities within the State and, during the duration of such an agreement, nothing in this Act shall be construed to derogate from the authority of the State to regulate and license the categories of activities covered by the agreement for the protection of the public health and safety from radiation hazards:

"(i) The ownership, possession, use, transfer, delivery, receipt, and disposal of byproduct material;

"(ii) The possession, use, transfer, delivery, receipt, and disposal of such quantities of special nuclear material as the Commission determines by regulation or order are not sufficient to form a critical mass;

"(iii) The ownership, possession, use, transfer, delivery, receipt, and disposal of source material.

"(2) No agreement entered into pursuant to this subsection shall provide for discontinuance of any authority of the Commission with respect to:

"(i) Any activity under a license issued by the Commission for the construction or operation of a production or utilization facility;

"(ii) The export from or import into the United States of source, special nuclear or byproduct material or of any production or utilization facility;

"(iii) The disposal of byproduct, source or special nuclear waste material into the ocean or sea as defined in regulations or orders of the Commission;

"(iv) Such other disposal of byproduct, source or special nuclear waste material as the Commission determines by regulation or order should, because of the hazards or potential hazards thereof, not be so disposed of without a license from the Commission.

"Notwithstanding any agreement between the Commission and any State pursuant to this subsection b., the Commission is authorized by rule, regulation or order, to require that the manufacturer, processor or producer of any equipment, device, commodity or other product containing source, byproduct or special nuclear material shall not transfer possession or control of such product except pursuant to a license issued by the Commission.

"c. No agreement entered into under subsection b., and no exemption granted pursuant to subsection f., shall affect the authority of the Commission under subsection 161 b. or (i) to issue rules, regulations or orders to protect the common defense and security, to protect restricted data or to guard against the loss or diversion of special nuclear material. For purposes of subsection 161(i), activities covered by exemptions granted pursuant to subsection f., shall be deemed to constitute activities auhorized pursuant to this Act; and special nuclear material acquired by any person pursuant to such an exemption shall be deemed to have been acquired pursuant to section 53.

"d. The Commission shall enter into an agreement under subsection b. of this section with any State if:

"(1) the Governor of that State certifies and the Commission finds that the State has a program for the control of radiation hazards which is adequate to protect the public health and safety with respect to activities within the State covered by the proposed agreement; and

"(2) the Commission finds that the State program is not incompatible with the Commission's program for the control of radiation hazards.

"e. (1) Before any agreement under subsection b. is signed by the Commission, the terms of the proposed agreement and of proposed exemptions pursuant to subsection f. shall be published once each week for 3 consecutive weeks in the Federal Register; and such opportunity for comment by interested persons on the proposed agreement and exemptions shall be allowed as the Commission determines by regulation or order to be appropriate.

"(2) Each agreement shall include the date as of which the agreement and exemptions will become effective. The agreement and exemptions shall be published in the Federal Register within 30 days after signature of the agreement by the Commission and the Governor.

"f. The Commission is authorized and directed, by regulation or order, to grant such exemptions from the licensing requirements contained in chapters 6, 7, and 8, and from its regulations applicable to licensees as the Commission finds necessary or appropriate to carry out any agreement entered into pursuant to subsection b. of this section.

"g. The Commission is authorized and directed to cooperate with the States in the formulation of standards for protection against hazards of radiation to assure that State and Commission programs for protection against hazards of radiation will, to the extent feasible, be coordinated and compatible.

"h. The Commission in carrying out its licensing and regulatory responsibilities under this Act is authorized to enter into agreements with any State, or group of States, to perform inspections or other functions on a cooperative basis as the Commission deems appropriate. The Commission is also authorized to provide training, with or without charge, to employees of, and such other assistance to, any State or political subdivision thereof or group of States as the Commission deems appropriate.

"i. The Commission, upon its own initiative after reasonable notice and opportunity for hearing to the State with which an agreement under subsection a. has become effective, or upon request of the Governor of such State, may terminate or suspend its agreement with the State and reassert the licensing and regulatory authority vested in it under this Act, if the Commission finds that such termination or suspension is required to protect the public health and safety.

"j. Nothing in this section shall be construed to affect the authority of any State or local agency to regulate activities for purposes other than protection against radiation hazards.

"k. With respect to each application for Commission license authorizing an activity as to which the Commission's authority is continued pursuant to paragraph (2) of subsection b., the Commission shall give prompt notice to the State or States in which the activity will be conducted of the filing of the license application; and shall afford reasonable opportunity for State representatives to offer evidence, interrogate witnesses, and advise the Commission as to the application without requiring such representatives to take a position for or against the granting of the application.

"l. As used in this section, the term 'State' means any State, Territory, or possession of the United States, the Canal Zone, Puerto Rico, and the District of Columbia. 'Governor' means the chief executive officer of any State."

SEC. 2. Section 108 of the Atomic Energy Act of 1954, is amended by deleting the phrase "distributed under the provisions of subsection 53 a.," from the second sentence.

STRENGTHENING OF WHEAT MARKETING QUOTA AND PRICE SUPPORT PROGRAM

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to strengthen the wheat marketing quotas and the price support program.

I do this in the full knowledge that the Senate Committee on Agriculture and Forestry has recently reported a bill relating to wheat marketing quotas and price supports levels, a bill which I vigorously oppose because it will neither reduce surpluses, on the one hand, nor improve farm income, on the other.

I believe the action of the Senate Committee on Agriculture and Forestry, in reporting the bill which it has recently reported—on Monday, according to my recollection—will lend itself to expanded production, increased inventories for the Commodity Credit Corporation, increased costs in terms of storage and lower farm income for farm producers.

I cannot agree to such a proposal. It is my view that any proposal the Senate or the Congress adopts should have as its first objective the improvement of farm income. Second, it should reduce Government surpluses. Third, it should reduce the cost of storage of the grain or of the supplies which are warehoused by Government agencies—in this instance, by the Commodity Credit Corporation. Finally, such a program should have as its purpose the providing of a series of controls and regulations so that production can be kept in reasonable balance with demand.

By "demand" I refer to both the domestic demand and to our foreign demand, exports for dollars sales, as well as exports required under our mutual security program.

Mr. President, the farm program has been riddled by maladministration and by foolish administration. I hope the Congress will not lend its hand to that kind of policy or program.

The bill I present today would effectively control marketings and plantings. It would reduce planted acreage by 20 percent. It would take away all price supports for the farmers who are noncompliers with the program.

My theory is that if one offers a price support on a commodity which is in excess supply already, there should be a minimum requirement that the producer who receives the price support must accept some regulation in terms of acreage and marketing. The American people expect the Congress to act responsibly.

I introduce the bill today. It will be referred to the Senate Committee on Agriculture and Forestry by tomorrow, I trust, for consideration at our regular meeting. At that time I shall press for its acceptance, because enactment of the bill would specifically restrict production and would lead to a great reduction of inventories. Adoption of the bill would reduce the cost to the Government. If properly administered, such a law would provide an improvement in farm income for wheat producers.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1990) to strengthen the wheat marketing quota and price support program, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

Mr. HUMPHREY. Mr. President, the reaction of Midwest wheatgrowers concerning the wheat bill reported by the Senate committee is best explained by the telegram I received from M. W. Thatcher, general manager of the Farmers Union Grain Terminal Association and president of the National Federation of Grain Cooperatives. I fully agree with Mr. Thatcher's analysis and statement. My bill, introduced today, corrects the weaknesses in the committee bill, and fulfills the requirements of sound and constructive legislation as suggested in Mr. Thatcher's telegram.

I ask unanimous consent that the telegram from Mr. Thatcher may be printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

ST. PAUL, MINN., *May 18, 1959.*

Senator HUBERT H. HUMPHREY,
Washington, D.C.:

Last week the House Agriculture Committee gave the President what he asked for—a wheat bill to meet an impending disaster

in wheat. The bill recommended that wheat acreage be cut 30 percent next year and the price support be boosted as much as 20 percent. While this would reduce the wheat surplus there is some question as to whether the price increase is enough to protect family-farmer income.

But since then there has been too much jockeying around—too much backing and filling—and too much evidence of retreat in Congress. The House Agriculture Committee has recalled its bill. The Senate Agriculture Committee has reported out a bill that is unsatisfactory to farmers—and could well play into the hands of the Secretary of Agriculture.

Congress ought to know how farmers feel. No wheat farmer can willingly accept a big cut in acreage unless he is sure of a substantial increase in the support price—to protect his income. Every farmer knows the Senate Agriculture Committee bill will not reduce production by a single acre or a single bushel. It only cuts the farmer's pay. This kind of a bill is doing just what the Secretary of Agriculture wants. It is the kind of a bill that will help kill all price supports. Farmers in our spring wheat States expect their Congressmen to stand up and be counted. They expect something more from the Agriculture Committee members than committee room politics. To say that this bill—or that bill—will not pass Congress or get by the President's veto—will not satisfy farmers.

Farmers expect the House and Senate Agriculture Committees to agree on a sound and reasonable wheat bill that will protect the income of producers and reduce wheat production. Anything less is unsatisfactory. At the moment, farmers are wondering whether many of the committee members do not know what they want—or are pliable to pressure from the Department of Agriculture. To argue that a good farm bill is not politically acceptable is no argument at all. Let the farm committee members do the best job they can and then let Congress decide whether the bill will give farmers a fair break. Then it is up to the President to decide whether or not he will veto a fair break for farmers, then the record is there—for everyone to see.

M. W. THATCHER,
General Manager, Farmers Union Grain Terminal Association, and President National Federation of Grain Cooperatives.

PROPOSED CIVIL RIGHTS LEGISLATION

Mr. HUMPHREY. Mr. President, I am about to introduce a series of bills relating to civil rights. I ask unanimous consent that I may speak on the bills in excess of the 3 minutes allowed under the order which has been entered.

The PRESIDING OFFICER. Without objection, the Senator from Minnesota may proceed.

Mr. HUMPHREY. Mr. President, on behalf of myself and Senators CLARK, DOUGLAS, HART, JAVITS, MAGNUSON, MCCARTHY, MCNAMARA, MORSE, MURRAY, NEUBERGER, and PASTORE, I introduce, for appropriate reference, a series of bills designed to assure to all Americans, regardless of their race, color, creed, or national origin, freedom, liberty, equal opportunity, and equal protection under the laws of our great Nation.

Mr. President, I am fully aware of the fact that there are administration proposals before Congress relating to civil rights and discrimination. I am fully aware of the fact that I have joined with my distinguished friend, the Senator from Illinois [Mr. DOUGLAS], in the introduction of what I believe to be a much better civil rights bill than the administration proposal.

I am likewise aware of the constructive proposals offered by the distinguished majority leader, proposals which I have commended because they represent progress.

I am also aware of the legislative proposals introduced by others.

We need to have before the committees of Congress—and I hope also before Congress itself—a total program relating to civil liberties and civil rights which is a reasonable and comprehensive program, constructive and in no way filled with any kind of bitterness or any kind of acrimony.

My proposals, which I am privileged to introduce for myself and other Members of the Senate, are offered in the spirit of helpfulness.

As never before in history there is a recognition that there can be no room for discrimination and the denial of equal rights due to blind prejudice and bigotry. There is a growing realization that in a free society the government has a duty to protect the God-given and constitutional rights of all of its citizens.

The present struggle between the free world nations and the Communist bloc is, after all, based upon the fundamental issue of man's right to freedom. This is what the present conflict, when all is said and done, is all about. The issue is whether government should be the servant of the people or master of the people.

In such a basic and crucial struggle we cannot afford to ignore denials of freedom here in America. We must put our own house in order if we are not to be considered hypocrites when we point an accusing finger at the Soviets for their denial of human rights.

And may I add that the problem we face right here at home is not a regional problem only confined to the South. We know this only too well from firsthand experience. Minority groups still face employment barriers and by gentlemen's agreements a system of restrictive covenants is effectively maintained in many towns and cities of the North.

At the conclusion of the New York hearings of the Civil Rights Commission, Father Hesbergh, president of Notre Dame, speaking on behalf of the Commission members, said that it had been demonstrated beyond a doubt that the problem of discrimination in housing is nationwide in scope.

We are talking about the face of America—

Said Father Hesbergh—

and that face must have the beauty and dignity and harmony of the Constitution.

Equal protection of the laws, he said, must begin in the homes of all Americans.

PROGRESS IS BEING MADE

In spelling out the problem which we face, I do not wish to leave the impression that we are not making progress. Advancements in the field of civil rights and human understanding are being made every day.

Yes, more and more jobs are opening to qualified Negroes. Fewer and fewer trade unions maintain color bars. Progress is being made, slowly to be sure, toward nonsegregated housing.

And in the South there is encouraging progress also. The opening of integrated schools in Virginia is a milestone. Its significance cannot be overestimated.

In Kentucky, 85 percent of the schools have been integrated.

In the border State of Maryland, integration of schools is almost complete and has taken place without any difficulties.

Tennessee is in the second year of a start with its capital city integration plan as accepted by the court.

In North Carolina, its largest city, Charlotte, is proceeding with an accepted plan; its fine university has for years had Negro students.

In Texas, Negroes were admitted to the university several years ago, and many of its towns and cities have integrated their schools.

Louisiana admitted Negroes to the State university 2 years ago, and this year admitted Negroes to its undergraduate school in New Orleans.

In Florida, a Negro has been admitted to its law school, and Governor Collins, a courageous and good man, has proposed the abolition of all Negro graduate schools and the admission to the regular university of their students this coming September.

There are only four States in the South which have made no start toward integration and in which a policy of massive resistance continues unabated.

So progress is being made. And this is the encouraging thing to remember. The job remaining to be done is still tremendous, but we have every reason to feel confident that we have reached the time in our country's history when the goal we seek of first class citizenship for all our people is in sight.

Both as mayor of Minneapolis and as a U.S. Senator, I have worked for legislation to protect the rights of all the people. I have advocated civil rights legislation on the basis of the moral law and the constitutional guarantees of freedom to all citizens.

I would like to set forth to you these basic and fundamental principles upon which I have based my stand. Emotional outbursts and arguments of those who oppose civil rights must not cloud the basic issue, namely, the moral and constitutional duty of the State to protect and to guarantee the rights of its citizens, regardless of their race, religion, creed, color, or national origin.

Mr. President, in the year 1896 a great American wrote one of the most famous documents on the role of the State in protecting the freedom of its citizens. Here is what he stated:

The sure guarantee of peace and security of each race is the clear, distinct, unconditional recognition by our governments, National and State, of every right that inheres in civil freedom, and of equality before the law of all citizens of the United States without regard to race. State enactments, regulating the enjoyment of civil rights, upon the basis of race, and cunningly devised to defeat legitimate results of the war, under the

pretense of recognizing equality of rights, can have no other result than to render permanent peace impossible and to keep alive a conflict of race the continuance of which must do harm to all concerned. We boast of freedom enjoyed by our people above all other people. But it is difficult to reconcile that boast with a state of the law, which, practically, puts the brand of servitude and degradation upon a large class of our fellow citizens, our equals before the law.

What I have read is from the dissenting opinion of Justice Harlan, of the U.S. Supreme Court, in the historic case of Plessy against Ferguson. As we all know, Justice Harlan's colleagues on the Supreme Court rejected his defense of man's rights under the Constitution by adopting the "separate but equal" doctrine.

However, Justice Harlan's dissenting opinion was finally accepted in 1954 in the case of Brown against Board of Education, in which the Court stated:

We conclude that in the field of public education the doctrine of "separate but equal" has no place. Separate educational facilities are inherently unequal.

In view of the heated emotions which have been generated by this 1954 decision, and the examples of open defiance of the Court, I think it is of utmost importance that we discuss civil rights in terms of the basic and fundamental principles involved. Passionate and prejudiced outbursts must not be permitted to cloud the central issue, namely, the duty of the State to protect the rights and freedom of all citizens, regardless of race, color, religion, or national origin. It is for this reason that I have quoted from Justice Harlan's dissent. It should be noted that Justice Harlan had been a slaveholder himself and an opponent of the 13th amendment. He was, however, a just and righteous man, with a deep reverence for the Constitution, and he clearly understood what was intended by the 14th amendment. As his biographer stated:

The simplicity and directness with which he viewed it approaches that of a layman. He believed that it should be construed in accordance with the views of the farmers and the dictates of commonsense.

Justice Harlan's opinion should be read and heard today by every citizen in the land. It demolishes the emotional arguments which have been raised in an effort to bury the simple and fundamental constitutional guarantee of equal protection of the law.

It is this guarantee, Mr. President, which we must constantly keep in mind. We must not let it be pushed aside and obscured by those who are opposing civil rights. The clear language of the 14th amendment states:

No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the law.

When the Supreme Court in 1954 overthrew the separate but equal doctrine, it breathed new life into the Constitution. Such a decision was inevitable in an age when the concept of second-class citizenship can no longer be tolerated.

There can be only one class of citizens permitted under our legal structure; and those who argue otherwise are in opposition to the supreme law of the land and the basic and fundamental principles upon which our Nation was founded.

The framers of the Declaration of Independence laid down the basic philosophy of our form of government when they wrote:

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed.

In these short sentences are summarized two great and abiding principles which have served to guide our country for almost 200 years.

First of all, that man has certain rights under the natural law; rights given to him not by the government, but rights given to him by God Himself. As such, these rights are unchangeable and everlasting and above the power of government to destroy or deny.

Second, governments are established by the people for the primary purpose of securing these natural rights—which include that of liberty—and to protect the individual in their enjoyment.

This indeed was a radical philosophy of government in the 18th century, and there were many who deemed it both dangerous and visionary. But this doctrine has served us well and under it our Nation has grown and prospered and government has remained the servant rather than the master of the people. Unfortunately, however, this great concept of a government established to protect the rights of all the people is still not accepted by all. There is still a denial of freedom and equality to many of our fellow citizens—particularly those who happen to be of the Negro race.

To the extent that our Federal Government and our State and local governments fail to protect the natural rights of the citizens, such governments are failing to fulfill their function according to our basic philosophy of the role of government.

Human rights are inalienable rights. They are God's gift to man—and their protection and advancement is the first obligation of organized society.

Government at all levels must give constructive and imaginative leadership in the effort to overcome discrimination throughout the Nation.

Protection of human rights is the moral responsibility of government officials in a free and democratic society. They have the obligation to establish standards and practices of equal rights and equal protection of the law for all citizens to follow.

However, action of representative government generally reflects moral and political standards of its citizenry. For that reason fulfillment of civil rights and civil liberties is the continuing responsibility of every community, of every civic organization, and of every individual. Action in Congress is vital and important, of course—but it is not enough alone.

We need courageous leaders in behalf of human rights in every community. We need local action, as well as national action. We need private action as well as public action.

The cause of civil rights should enlist the active support of government, of voluntary organizations, of religious groups and institutions, and of civic bodies. Only by such unified action can we truly fulfill mankind's inalienable rights.

Great progress has been made in recent years in the field of civil rights, but we still have a long way to go before we can say in all honesty that ours is a Nation in which the freedom of all the citizens is protected and assured by the Government.

So long as segregation is practiced in schools, parks, libraries, hospitals, buses, and trains, we will not have achieved true freedom. So long as color bars exist in housing, hotels, restaurants, and theaters, we will be short of the goal. So long as citizens are denied the right to vote or denied the right to a job because of their color, we will have failed in living up to our announced principles.

Those of us who maintain that it is the obligation of government to protect the civil rights of all citizens are proposing no new or radical idea. Our position is as old as the Declaration of Independence itself; founded on the basis of faith in the natural rights of man and in the Constitution of the United States.

I realize only too well that segregation cannot and will not be wiped out overnight. Prejudices which have developed over scores of years cannot be ignored in working toward the goal of equality under the law. But these very real problems and roadblocks to understanding should not and cannot be permitted to serve as excuses for refusing to act.

It is my firm conviction that the Federal Government must give constructive and imaginative leadership in this endeavor. This is no easy task. It will require patience and understanding and a determination on the part of men of good will from all sections of the country to cooperate in a dispassionate manner.

This is no time for name calling or for emotional tirades or for holier-than-thou attitudes. It is the time for us to calmly and rationally discuss and work out methods whereby equality under the law shall be assured to all citizens in as orderly and civil a manner as possible. I am convinced that it can be done if we but put our minds and our hearts to it. We in the Congress have a grave responsibility to aid in protecting the rights of all the people. We are, I am pleased to say, making headway.

The Civil Rights Act of 1957 was the first civil rights legislation passed by Congress since 1875. It added greatly to the excellent record of the 85th Congress. While it failed to contain many of the proposals that I, and many of my colleagues, had hoped and worked for, let there be no mistake: it was a positive step forward. Under this act there was created a Commission on Civil Rights, a Civil Rights Division in the

Department of Justice, and most important of all, the Attorney General was empowered to seek an injunction when a person was deprived or about to be deprived of his right to vote. These were provisions which many of us had striven for for many years.

This civil rights record of the 85th Congress, however, should not serve as an excuse for failing to take further action in the 86th. I am confident that we will have reason to be proud of the civil rights record of this Congress.

A number of bills have already been introduced in the Congress this year.

The Senator from Texas [Mr. JOHNSON] has offered a bill which would (a) make it a Federal crime to bomb schools, churches, and other buildings; (b) grant the Attorney General subpena power in investigations of violations of voting rights; (c) extend the life of the Civil Rights Commission another 2 years; and (d) establish a Community Relations Service to provide conciliation service to communities involved in civil rights disputes.

The administration's proposed bills would (a) make the use of force or threat of force to obstruct court orders in school integration cases a Federal offense; (b) provide funds for education of the children of members of the armed services in areas where the public schools have been closed; (c) make it a Federal offense to travel in interstate commerce to avoid prosecution for the bombing of religious or school property; (d) prohibit the destruction of voting registration lists and make such lists and records available for examination by the Department of Justice; (e) authorize appropriations by the Federal Government to assist local school agencies in desegregation programs; (f) extend the life of the Civil Rights Commission 2 additional years; and (g) create a Commission on Equal Job Opportunity Under Government Contracts.

The senior Senator from Illinois [Mr. DOUGLAS] and I, joined by several other Members of the Senate, have introduced a bill which (a) endorses the principle of the antidiscrimination decisions of the Supreme Court; (b) provides that the Attorney General may institute a civil action for the purpose of preventing any interference with a person's right to equal protection of the laws; and (c) authorizes the Secretary of Health, Education, and Welfare to first, render technical assistance to aid in schools desegregation; second, provide grants to areas where desegregation in public schools is being carried out; third, prepare plans for the elimination of segregation in public schools where no effort has been made to comply with the Court's decision; and fourth, institute legal proceedings to enforce compliance when such plans are rejected by State or local officials.

There has also been introduced by the junior Senator from Michigan [Mr. HART] a bill entitled the "Federal Antilynching Act." The recent tragic kidnaping and murder of Mack Charles Parker by a white mob in Poplarville, Miss., makes all too clear the real need for effective antilynching legislation. I wish to congratulate the Senator from Michigan for introducing this measure, and I would be honored to have my name added as a cosponsor.

All of the civil rights proposals which I have noted are commendable. They represent strides in the right direction and they warrant the approval of Congress. The bill offered by the Senator from Illinois [Mr. DOUGLAS], myself, and other Senators, is the most comprehensive measure now before the Senate; it deals not only with integration of schools, but also with the granting of authority to the Attorney General to go into the courts on behalf of individuals whose civil rights under the Constitution and laws of the land are being denied or threatened. I am proud to be a cosponsor of this important and meritorious measure.

There is, however, even more that the Congress can and should do to guarantee to all Americans that their God-given rights to freedom and equality shall be protected.

The Congress should consider and deal with denials of freedom such as discriminatory practices in interstate travel, discrimination in employment, poll taxes, involuntary servitude, and attempts to intimidate a person in the enjoyment of his rights under the Constitution and the laws of the land.

The denials of civil rights which I have just enumerated are all too real. There should be Federal legislation to deal with these matters. It is incumbent upon the Congress to make it clear that the Federal Government gives full protection to all of its people against threats of violence and any and all denials of equal rights. It is time we make it quite clear that in America there is no room for second-class citizenship.

Therefore, Mr. President, at this time I introduce, on behalf of myself and several other Senators, a series of bills which have as their purpose protecting the civil rights of all citizens. A great deal of thought and discussion has been given to the preparation of these bills. They embody the considered judgment of present and past Members of the Congress from both parties, of interested citizens, educators and religious leaders.

A brief explanation of each of the measures which I now send to the desk is as follows:

First. A bill to provide relief against certain forms of discrimination in interstate transportation, designed to implement Supreme Court rulings that segregation in interstate transportation is a denial of constitutional rights.

Second. A bill to extend to members of the Armed Forces the same protection against bodily attack as is now granted to personnel of the Coast Guard.

Third. A bill to prohibit discrimination in employment.

Fourth. A bill outlawing the poll tax as a condition of voting in any primary or other election for national officers.

Fifth. A bill to amend and supplement existing civil rights statutes.

Sixth. A bill to strengthen the criminal laws relating to peonage, slavery, and involuntary servitude.

Seventh. An omnibus bill including all the above measures in one general measure.

In conclusion may I say that we must face up to the evil of segregation and discrimination. There is no greater stain on the moral conscience of America. And we in the Congress have a duty to do all within our power to aid in eradicating this blight from the face of the land. The gap between the noble principles embodied in the Declaration of Independence and the Constitution and the denial of true freedom to all too many of our fellow citizens must be closed. And it can be closed if we will deal with this vital issue as men of reason who believe as did the Founding Fathers in the basic and God-given rights of all men.

The words of a distinguished American, a former U.S. Senator from North Carolina, Frank P. Graham, summarize the opportunity which we now have to advance the cause of freedom. I am pleased that this great American comes from North Carolina. His statement is all the more significant.

> With human liberty in peril around the earth, may the people of the United States, in cooperation with free nations, light up the wide heavens of the hopes of all peoples with another great declaration of the equal freedom and dignity of all people. Now is the time to make clear to the friends of freedom in the East and West that freedom, due process of equal justice under law, and the equal opportunity of all people are the historic and living sources of the faith of the American people in themselves, of the world's faith in America, and of America's moral influence and power in the world.

That is a great statement from a great man, a man of true Christian faith, one who, I believe, understands the moral imperatives of being a democrat with a small "d" and a Christian who believes in works and deeds, as well as words.

May we in the 86th Congress meet our obligations and advance the cause of freedom in this crucial period of history.

Mr. President, I ask unanimous consent that statements I have prepared concerning these bills, together with the texts of the bills themselves, with the exception of the omnibus bill, which is but a composite bill, be printed at this point in the RECORD.

The PRESIDING OFFICER. The bills will be received and appropriately referred; and, without objection, the bills and statements will be printed in the RECORD.

The bills, introduced by Mr. HUMPHREY (for himself and Senators CLARK, DOUGLAS, HART, JAVITS, MAGNUSON, MCCARTHY, MCNAMARA, MORSE, MURRAY, NEUBERGER, and PASTORE) were received, read twice by their titles, appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Interstate and Foreign Commerce:

S. 1997. A bill providing relief against certain forms of discrimination in interstate transportation and facilities furnished or connected therewith.

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) all persons traveling within the jurisdiction of the United States shall be entitled to the full and equal enjoyment of the accommodations, advantages, and privileges of any public conveyance operated by a common carrier engaged in furnishing transportation in interstate or foreign commerce, and of all

facilities furnished or connected with such transportation, subject only to conditions and limitations applicable alike to all persons, without discrimination or segregation based on race, color, religion, or national origin.

"(b) Whoever, whether acting in a private, public, or official capacity, denies or attempts to deny to any person traveling within the jurisdiction of the United States the full and equal enjoyment of any accommodation, advantage, or privilege of a public conveyance operated by a common carrier engaged in furnishing transportation of persons in interstate or foreign commerce, or of any facility furnished or connected with such transportation, except for reasons applicable alike to all persons of every race, color, religion, or national origin, or whoever incites or otherwise participates in such denial or attempt, shall be guilty of a misdemeanor and shall, upon conviction, be subject to a fine of not to exceed $1,000 for each offense, and shall also be subject to suit by the injured person or by his estate, in an action at law, suit in equity, or other proper proceedings for damages or preventive or declaratory or other relief. Such suit or proceeding may be brought in any district court of the United States as constituted by chapter 5 of title 28, United States Code (28 U.S.C. 81 and the following), or the United States court of any Territory or other place subject to the jurisdiction of the United States, without regard to the sum or value of the matter in controversy, or in any State or Territorial court of competent jurisdiction. Any such suit or proceeding for preventive or declaratory relief may be brought by the Attorney General for the United States, or in the name of the United States, but for the benefit of the real party in interest.

"SEC. 2. It shall be unlawful for any common carrier engaged in furnishing transportation of persons in interstate or foreign commerce, or any officer, agent, or employee thereof, to segregate, or attempt to segregate, or otherwise discriminate against passengers using any public conveyance of such carrier on account of the race, color, religion, or national origin of such passengers. It shall be unlawful for any person operating any facility furnished or connected with transportation of persons in interstate or foreign commerce, or any officer, agent, or employee thereof, to segregate, or attempt to segregate, or otherwise discriminate against such passengers on account of the race, color, religion, or national origin of such passengers. Any such carrier, or officer, agent or employee thereof, or any such person, or officer, agent, or employee thereof, who segregates or attempts to segregate such passengers or otherwise discriminates against them on account of race, color, religion, or national origin shall be guilt of a misdemeanor and shall, upon conviction, be subject to a fine of not to exceed $1,000 for each offense, and shall also be subject to suit by the injured person in an action of law, suit in equity, or other proper proceeding for damages or preventive or declaratory or other relief. Such suit or proceeding may be brought in any district court of the United States as constituted by chapter 5 of title 28, United States Code (28 U.S.C. 81 and the following), or the United States court of any Territory or other place subject to the jurisdiction of the United States, without regard to the sum or value of the matter in controversy, or in any State or Territorial court of competent jurisdiction. Any such suit or proceeding for preventive or declaratory relief may be brought by the Attorney General for the United States, or in the name of the United States, but for the benefit of the real party in interest.

"SEC. 3. For the purposes of this Act, the facilities furnished or connected with the transportation of persons in interstate or foreign commerce include, but are not limited to, waiting rooms, restrooms, restaurants, lunch counters, and similar facilities, and taxicabs and limousines, operated to service passengers using the public conveyances of carriers engaged in furnishing transportation of persons in interstate or foreign commerce."

The statement accompanying Senate bill 1997 is as follows:

STATEMENT BY SENATOR HUMPHREY

More than a decade ago the Supreme Court ruled that segregation in interstate transportation was a denial of constitutional rights.

The illegality of racial discrimination in interstate transportation was conclusively adjudicated in *Morgan* v. *Virginia* (328 U.S. 372 (1946)) and *Henderson* v. *United States* (339 U.S. 816 (1950)). Millions of Americans have recently taken justifiable pride and satisfaction in further decisions by the Court that the 14th amendment forbids segregation in intrastate commerce as well. Yet, Mr. President, even within the jurisdictional confines of the interstate commerce, there is no adequate machinery to protect these rights with the result that segregation and other discriminatory practices persist.

Despite all the recent court decisions outlawing Government-imposed segregation in the field of transportation, such segregation continues in large measure unabated.

Legislation to provide specific penalties for those who impose segregation in interstate transportation has been before the Congress continually since 1948. None of this legislation has ever been brought to the floor of either House for debate and vote. Mr. President, legislation must be enacted now to provide adequate remedies for this discrimination. The bill I send to the desk today is identical to S. 503 of the 85th Congress, and very similar to earlier ones which I have introduced ever since I have been in the Senate.

This bill provides that all persons traveling within the jurisdiction of the United States should be entitled to equal treatment in any public conveyance engaged in interstate commerce, without segregation or other discrimination based on race, color, religion, or national origin.

This bill would also make punishable by fine and subject to a civil suit the conduct of anyone who denies or attempts to deny equal treatment to travelers of every race, color, religion, or national origin in the use of a public conveyance or carrier.

The bill would make it unlawful for the bus, railroad or other public carrier facility engaged in interstate commerce to segregate or otherwise discriminate against passengers based on race, color, religion, or national origin. It would also make it unlawful for an officer, agent, or employee of such carrier to so discriminate.

The bill also provides:

1. That "facilities furnished or connected therewith" shall include, but not be limited to, waiting rooms, rest rooms, restaurants, lunch counters, and similar operations and taxicabs and limousines operating to service passengers in interstate or foreign commerce.

2. That any person operating any such facility or any officer, agent or employee thereof, also shall be subject to the provisions of section 2 of the bill.

3. In section 1(b) and section 2 that any action thereunder for injunctive or declaratory relief may be brought by the Attorney General for the United States, or in the name of the United States, but for the real party in interest.

To the Committee on Armed Services:

S. 1998. A bill to extend to uniformed members of the Armed Forces the same protection against bodily attack as is now granted to personnel of the Coast Guard.

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1114 of title 18 of the United States Code is amended by striking out 'officer or enlisted man of the Coast Guard' and inserting in lieu thereof 'uniformed member of the Army, Navy, Air Force, Marine Corps, or Coast Guard'."

The statement accompanying Senate bill 1998 is as follows:

STATEMENT BY SENATOR HUMPHREY

This bill would amend 18 United States Code 1114 to include members of the Armed Forces under its protection. The present statute makes it a Federal criminal offense to murder or assault the Government personnel named herein while they are in the performance of their duties. The proposed bill would extend the protection, presently guaranteed to Coast Guard personnel, to all members of the Armed Forces. This bill is identical to S. 504 which I introduced in the 85th Congress.

In no single area where discrimination presently occurs does the Federal Government owe a more distinct obligation than in the protection of its servicemen and women. Nowhere is racial violence a more direct insult to American democracy than there. Nowhere is the necessity for Federal action more obvious and impelling.

To the Committee on Labor and Public Welfare:

S. 1999. A bill to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry.

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

"SHORT TITLE

"SECTION 1. This Act may be cited as the 'Federal Equality of Opportunity in Employment Act'.

"FINDINGS AND DECLARATIONS OF POLICY

"SEC. 2. (a) The Congress hereby finds that, despite the continuing progress of our Nation, the practice of discrimination in employment against properly qualified persons because of their race, religion, color, national origin, or ancestry is contrary to the American principles of liberty and of equality of opportunity, is incompatible with the Constitution, forces large segments of our population into substandard conditions of living, foments industrial strife and domestic unrest, deprives the United States of the fullest utilization of its capacities for production, endangers the national security and the general welfare, and adversely affects the domestic and foreign commerce of the United States.

"(b) The right to employment without discrimination because of race, religion, color, national origin, or ancestry is hereby recognized as and declared to be a civil right of all the people of the United States.

"(c) The Congress further declares that the succeeding provisions of this Act are necessary for the following purposes:

"(1) To remove obstructions to the free flow of commerce among the States and with foreign nations.

"(2) To insure the more complete and full enjoyment by all persons of the rights, privileges, and immunities secured and protected by the Constitution of the United States.

"(3) To advance toward fulfillment of the international treaty obligations imposed by the Charter of the United Nations upon the United States as a signatory thereof to promote 'universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion'.

"DEFINITIONS

"SEC. 3. As used in this Act—

"(a) The term 'person' includes one or more individuals, partnerships, associations, corporations, legal representatives, trustees, trustees in bankruptcy, receivers, or any organized group of persons and any agency or instrumentality of the United States, including the District of Columbia, or of any Territory or possession thereof.

"(b) The term 'employer' means a person engaged in commerce or in operations affecting commerce having in his employ fifty or more individuals; any agency or instrumentality of the United States, including the District of Columbia, or of any Territory or possession thereof; and any person acting in the interest of an employer, directly or indirectly; but shall not include any State or municipality or political subdivision thereof, or any religious, charitable, fraternal, social, educational, or sectarian corporation or association, if no part of the net earnings inures to the benefit of any private shareholder or individual, other than a labor organization.

"(c) The term 'employment agency' means any person undertaking with or without compensation to procure employees or opportunities to work for an employer; but shall not include any State or municipality or political subdivision thereof, or any religious, charitable, fraternal, social, educational, or sectarian corporation or association, if no part of the net earnings inures to the benefit of any private shareholder or individual.

"(d) The term 'labor organization' means any organization, having fifty or more members employed by any employer or employers, which exist for the purpose, in whole or in part, of collective bargaining or of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, terms or conditions of employment, or for other mutual aid or protection in connection with employment.

"(e) The term 'commerce' means trade, traffic, commerce, transportation, or communication among the several States; or between any State, Territory, possession, or the District of Columbia and any place outside thereof; or within the District of Columbia or any Territory or possession; or between points in the same State, the District of Columbia, or any Territory or possession but through any point outside thereof.

"(f) The term 'affecting commerce' means in commerce, or burdening or obstructing commerce or the free flow of commerce.

"(g) The term 'Commission' means the Equality of Opportunity in Employment Commission, created by section 6 hereof.

"EXEMPTION

"SEC. 4. This Act shall not apply to any employer with respect to the employment of aliens outside the continental United States, its Territories and possessions.

"UNLAWFUL EMPLOYMENT PRACTICES DEFINED

"SEC. 5. (a) It shall be an unlawful employment practice for an employer—

"(1) to refuse to hire, to discharge, or otherwise to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's race, religion, color, national origin, or ancestry;

"(2) to utilize in the hiring or recruitment of individuals for employment any employment agency, placement service, training school or center, labor organization, or any other source which discriminates against such individuals because of their race, religion, color, national origin, or ancestry.

"(b) It shall be an unlawful employment practice for an employment agency to fail or refuse to properly classify or refer for employment, or otherwise to discriminate against any individual because of his race, color, religion, national origin, or ancestry.

"(c) It shall be an unlawful employment practice for a labor organization—

"(1) to exclude or to expel from its membership, or otherwise to discriminate against, any individual or any employer because of the race, color, religion, national origin, or ancestry of any individual;

"(2) to cause or attempt to force an employer to discriminate against an individual in violation of this section.

"(d) It shall be an unlawful employment practice for any employer, employment agency, or labor organization to discharge, expel, or otherwise discriminate against any person, because he has opposed any unlawful employment practice or has filed a charge, testified, participated, or assisted in any proceeding under this Act.

"THE EQUALITY OF OPPORTUNITY IN EMPLOYMENT COMMISSION

"SEC. 6 (a) There is hereby created a Commission to be known as the Equality of Opportunity in Employment Commission, which shall be composed of seven members who shall be appointed by the President by and with the advice and consent of the Senate. One of the original members shall be appointed for a term of one year, one for a term of two years, one for a term of three years, one for a term of four years, one for a term of five years, one for a term of six years, and one for a term of seven years, but their successors shall be appointed for terms of seven years each, except that any individual chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he shall succeed. The President shall designate one member to serve as Chairman of the Commission. Any member of the Commission may be removed by the President upon notice and hearing for neglect of duty or malfeasance in office, but for no other cause.

"(b) A vacancy in the Commission shall not impair the right of the remaining members to exercise all the powers of the Commission and three members thereof shall constitute a quorum.

"(c) The Commission shall have an official seal which shall be judicially noted.

"(d) The Commission shall at the close of each fiscal year report to the Congress and to the President concerning the cases it has heard; the decisions it has rendered; the names, salaries, and duties of all individuals in its employ and the moneys it has disbursed; and shall make such further reports on the cause of and means of eliminating discrimination and such recommendations for further legislation as may appear desirable.

"(e) Each member of the Commission shall receive a salary of $15,000 a year.

"(f) The principal office of the Commission shall be in the District of Columbia, but it may meet or exercise any or all of its powers at any other place and may establish such regional offices as it deems necessary. The Commission may, by one or more of its members or by such agents as it may designate, conduct any investigation, proceeding, or hearing necessary to its functions in any part of the United States. Any such agent, other than a member of the Commission, designated to conduct a proceeding or a hearing shall be a resident of the judicial circuit, as defined in title 28, United States Code, chapter 3, section 41 within which the alleged unlawful employment practice occurred.

"(g) The Commission shall have power—

"(1) to appoint, in accordance with the Civil Service Act, rules, and regulations, such officers, agents, and employees, as it deems necessary to assist it in the performance of its functions, and to fix their compensation in accordance with the Classification Act of 1949, as amended; attorneys appointed under this section may, at the direction of the Commission, appear for and represent the Commission in any case in court;

"(2) to cooperate with and utilize regional, State, local, and other agencies;

"(3) to furnish to persons subject to this Act such technical assistance as they may request to further their compliance with this Act or any order issued thereunder;

"(4) upon the request of any employer, whose employees or some of them refuse or threaten to refuse to cooperate in effectuating the provisions of this Act, to assist in such effectuation by conciliation or other remedial action;

"(5) to make such technical studies as are appropriate to effectuate the purposes and policies of this Act and to make the results of such studies available to interested governmental and nongovernmental agencies; and

"(6) to create such local, State, or regional advisory and conciliation councils as in its judgment will aid in effectuating the purpose of this Act, and the Commission may empower them to study the problem or specific instances of discrimination in employment because of race, religion, color, national origin, or ancestry and to foster through community effort or otherwise good will, cooperation, and conciliation among the groups and elements of the population, and make recommendations to the Commission for the development of policies and procedures in general and in specific instances. Such advisory and conciliation councils shall be composed of representative citizens resident of the area for which they are appointed, who shall serve without compensation, but shall receive transportation and per diem in lieu of subsistence as authorized by section 5 of the Act of August 2, 1946 (5 U.S.C. 73b–2), for persons serving without compensation; and the Commission may make provision for technical and clerical assistance to such councils and for the expenses of such assistance. The Commission may, to the extent it deems it necessary, provide by regulation for exemption of such persons from the operation of title 18, United States Code, sections 281, 283, 284, and 424. Such regulation may be issued without prior notice and hearing.

"PREVENTION OF UNLAWFUL EMPLOYMENT PRACTICES

"SEC. 7. (a) The Commission is empowered, as hereinafter provided, to prevent any person from engaging in any unlawful employment practice as set forth in section 5. This power shall be exclusive and shall not be affected by any other means of adjustment or prevention that has been or may be established by agreement, code, law, or otherwise: *Provided*, That an agreement between or among an employer or employers and a labor organization or labor organizations pertaining to discrimination in employment shall be enforcible in accordance with applicable law, but nothing contained therein shall be construed or permitted to foreclose the jurisdiction over any practice or occurrence granted the Commission by this Act: *Provided further*, That the Commission is empowered by agreement with any agency of any State, Territory, possession or local government, to cede, upon such terms and conditions as may be agreed, to such agency jurisdiction over any cases or class of cases, if such agency, in the judgment of the Commission, has effective power to eliminate and prohibit discrimination in employment in such cases.

"(b) Whenever a sworn written charge has been filed by or on behalf of any person claiming to be aggrieved, or class of cases, if such agency, in the judgment of the Commission, that any person subject to the Act has engaged in any unlawful employment practice, the Commission shall investigate such charge and if it shall determine after such preliminary investigation that probable cause exists for crediting such written charge,

it shall endeavor to eliminate any unlawful employment practice by informal methods of conference, conciliation, and persuasion.

"(c) If the Commission fails to effect the elimination of such unlawful practice and to obtain voluntary compliance with this Act, or in advance thereof if circumstances warrant, the Commission shall have power to issue and cause to be served upon any person charged with the commission of an ununlawful employement practice (hereinafter called the 'respondent') a complaint stating the charges in that respect, together with a notice of hearing before the Commission, or a member thereof, or before a designated agent, at a place therein fixed, not less than ten days after the service of such complaint. No complaint shall issue based upon any unlawful employment practice occurring more than one year prior to the filing of the charge with the Commission and the service of a copy thereof upon the respondent, unless the person aggrieved thereby was prevented from filing such charge by reason of service in the Armed Forces, in which event the period of military service shall not be included in computing the one-year period.

"(d) The respondent shall have the right to file a verified answer to such complaint and to appear at such hearing in person or otherwise, with or without counsel, to present evidence and to examine and cross-examine witnesses.

"(e) The Commission or the member or designated agent conducting such hearing shall have the power reasonably and fairly to amend any complaint, and the respondent shall have like power to amend its answer.

"(f) All testimony shall be taken under oath.

"(g) The member of the Commission who filed a charge shall not participate in a hearing thereon or in a trial thereof.

"(h) At the conclusion of a hearing before a member or designated agent of the Commission, such member or agent shall transfer the entire record thereof to the Commission, together with his recommended decision and copies thereof shall be served upon the parties. The Commission, or a panel of three qualified members designated by it to sit and act as the Commission in such case, shall afford the parties an opportunity to be heard on such record at a time and place to be specified upon reasonable notice. In its discretion, the Commission upon notice may take further testimony.

"(i) With the approval of the member or designated agent conducting the hearing, a case may be ended at any time prior to the transfer of the record thereof to the Commission by agreement between the parties for the elimination of the alleged unlawful employment practice on mutually satisfactory terms.

"(j) If, upon the preponderance of the evidence, including all the testimony taken, the Commission shall find that the respondent engaged in any unlawful employment practice, the Commission shall state its findings of fact and shall issue and cause to be served on such person and other parties an order requiring such person to cease and desist from such unlawful employment practice and to take such affirmative action, including reinstatement or hiring of employees, with or without back pay (payable by the employer, employment agency, or labor organization, as the case may be, responsible for the discrimination), as will effectuate the policies of this Act: *Provided*, That interim earnings or amounts earnable with reasonable diligence by the person or persons discriminated against shall operate to reduce the back pay otherwise allowable. Such order may further require such respondent to make reports from time to time showing the extent to which it has complied with the order. If the Commission shall find that the respondent has not engaged in any unlawful employment practice, the Commission shall state its findings of fact and shall issue and cause to be served on such person and other parties an order dismissing the complaint.

"(k) Until a transcript of the record in a case shall have been filed in a court, as hereinafter provided, the case may at any time be ended by agreement between the parties, approved by the Commission, for the elimination of the alleged unlawful employment practice on mutually satisfactory terms, and the Commission may at any time, upon reasonable notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any finding or order made or issued by it.

"(l) The proceedings held pursuant to this section shall be conducted in conformity with the standards and limitations of sections 5, 6, 7, 8, and 11 of the Administrative Procedure Act.

"JUDICIAL REVIEW

"SEC. 8. (a) The Commission shall have power to petition any United States court of appeals or, if the court of appeals to which application might be made is in vacation, any district court within any circuit or district, respectively, wherein the unlawful employment practice in question occurred, or wherein the respondent resides or transacts business, for the enforcement of such order and for appropriate temporary relief or restraining order, and shall certify and file in the court to which petition is made a transcript of the entire record in the proceeding, including the pleadings and testimony upon which such order was entered and the findings and the order of the Commission. Upon such filing, the court shall conduct further proceedings in conformity with the standards, procedures, and limitations established by section 10 of the Administrative Procedure Act.

"(b) Upon such filing the court shall cause notice thereof to be served upon such respondent and thereupon shall have jurisdiction of the proceeding and of the question determined therein and shall have power to grant such temporary relief or restraining order as it deems just and proper and to make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the Commission.

"(c) No objection that has not been urged before the Commission, its member, or agent shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances.

"(d) The findings of the Commission with respect to questions of fact if supported by substantial evidence on the record considered as a whole shall be conclusive.

"(e) If either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Commission, its member, or agent, the court may order such additional evidence to be taken before the Commission, its member, or agent and to be made a part of the transcript.

"(f) The Commission may modify its findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and it shall file such modified or new findings, which findings with respect to questions of fact if supported by substantial evidence on the record considered as a whole shall be conclusive, and its recommendations, if any, for the modification or setting aside of its original order.

"(g) The jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that the same shall be subject to review by the appropriate United States court of appeals, if application was made to the district court or other United States court as hereinabove provided, and by the Supreme Court of the United States as provided in title 28, United States Code, section 1254.

"(h) Any person aggrieved by a final order of the Commission may obtain a review of such order in any United States court of appeals of the judicial circuit wherein the unlawful employment practice in question was alleged to have been engaged in or wherein such person resides or transacts business or the Court of Appeals for the District of Columbia, by filing in such court a written petition praying that the order of the Commission be modified or set aside. A copy of such petition shall be forthwith served upon the Commission and thereupon the aggrieved party shall file in the court a transcript of the entire record in the proceeding certified by the Commission, including the pleadings and testimony upon which the order complained of was entered and the findings and order of the Commission. Upon such filing, the court shall proceed in the same manner as in the case of an application by the Commission under subsections (a), (b), (c), (d), (e), and (f), and shall have the same exclusive jurisdiction to grant to the Commission such temporary relief or restraining order as it deems just and proper, and in like manner to make and enter a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the Commission.

"(i) Upon such filing by a person aggrieved the reviewing court shall conduct further proceedings in conformity with the standards, procedures, and limitations established by section 10 of the Administrative Procedure Act.

"(j) The commencement of proceedings under this section shall not, unless specifically ordered by the court, operate as a stay of the Commission's order.

"(k) When granting appropriate temporary relief or a restraining order, or making and entering a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part an order of the Commission, as provided in this section, the jurisdiction of courts sitting in equity shall not be limited by the Act entitled 'An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes', approved March 23, 1932 (U.S.C., title 29, secs. 101, 115).

"(l) Petitions filed under this Act shall be heard expeditiously.

"INVESTIGATORY POWERS

"SEC. 9. (a) For the purpose of all investigations, proceedings, or hearings which the Commission deems necessary of such evidence may be required from any place in the Act, the Commission, or any member thereof, shall have power to issue subpenas requiring the attendance and testimony of witnesses and the production of any evidence relating to any investigation, proceeding, or hearing before the Commission, its member, or agent conducting such investigation, proceeding, or hearing.

"(b) Such attendance of witnesses and the production of such evidence may be required, from any place in the United States, including the District of Columbia, or any Territory or possession thereof, at any designated place of hearing.

"(c) In case of contumacy or refusal to obey a subpena issued to any person under this Act, any district court within the jurisdiction of which the investigation, proceeding, or hearing is carried on or within

the jurisdiction of which said person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the Commission shall have jurisdiction to issue to such person an order requiring him to appear before the Commission, its member, or agent, there to produce evidence if so ordered, or there to give testimony relating to the investigation, proceeding, or hearing.

"(d) No person shall be excused from attending and testifying or from producing documentary or other evidence in obedience to the subpena of the Commission, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committeed in so testifying. The immunity herein provided shall extend only to natural persons so compelled to testify.

"(e) Any member of the Commission, or any agent designated by the Commission for such purposes, may adiminister oaths, examine witnesses, and receive evidence.

"(f) Complaints, orders, and other process and papers of the Commission, its member, agent, or agency, may be served either personally or by registered mail or by telegraph or by leaving a copy thereof at the principal office or place of business of the person required to be served. The verified return by the individual so serving the same setting forth the manner of such service shall be proof of the same, and the return post-office receipt or telegraph receipt therefor when registered and mailed or telegraphed as aforesaid shall be proof of service of the same. Witnesses summoned before the Commission, its member, agent, or agency, shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

"(g) All process of any court to which application may be made under this Act may be served in the judicial district wherein the defendant or other person required to be served resides or may be found.

"(h) The several departments and agencies of the Government, when directed by the President, shall furnish the Commission, upon its request, all records, papers, and information in their possession relating to any matter before the Commission.

"ENFORCEMENT OF ORDERS DIRECTED TO GOVERNMENT AGENCIES AND CONTRACTORS

"SEC. 10. (a) The President is authorized to take such action as may be necessary (1) to conform fair employment practices within the Federal establishment with the policies of this Act, and (2) to provide that any Federal employee aggrieved by any employment practice of his employer must exhaust the administrative remedies prescribed by Executive order or regulations governing fair employment practices within the Federal establishment prior to seeking relief under the provisions of this Act. The provision of section 8 shall not apply with respect to an order of the Commission under section 7 directed to any agency or instrumentality of the United States, or of any Territory or possession thereof, or of the District of Columbia, or any officer or employee thereof. The Commission may request the President to take such action as he deems appropriate to obtain compliance with such orders.

"(b) The President shall have power to provide for the establishment of rules and regulations to prevent the committing or continuing of any unlawful employment practice as herein defined by any person who makes a contract with any agency or instrumentality of the United States (excluding any State or political subdivision thereof) or of any Territory or possession of the United States, which contract requires the employment of at least fifty individuals. Such rules and regulations shall be enforced by the Commission according to the procedure hereinbefore provided.

"NOTICES TO BE POSTED

"SEC. 11. (a) Every employer, employment agency, and labor organization, as the case may be, shall post and keep posted in conspicuous places upon its premises where notices to employees, applicants for employment, and members are customarily posted a notice to be prepared or approved by the Commission setting forth excerpts of this Act and such other relevant information which the Commission deems appropriate to effectuate the purposes of the Act.

"(b) A willful violation of this section shall be punishable by a fine of not less than $100 or more than $500 for each separate offense.

"VETERANS' PREFERENCE

"SEC. 12. Nothing contained in this Act shall be construed to repeal or modify any Federal, State, Territorial, or local law creating special rights or preference for veterans.

"RULES AND REGULATIONS

"SEC. 13. (a) The Commission shall have authority from time to time to issue, amend, or rescind suitable regulations to carry out the provisions of this Act. Regulations issued under this section shall be in conformity with the standards and limitations of the Administrative Procedure Act.

"(b) If at any time after the issuance of any such regulation of any amendment or recission thereof, there is passed a concurrent resolution of the two Houses of the Congress stating in substance that the Congress disapproves such regulation, amendment, or recission, such disapproved regulation, amendment, or recission shall not be effective after the date of the passage of such concurrent resolution.

"FORCIBLY RESISTING THE COMMISSION OR ITS REPRESENTATIVES

"SEC. 14. The provisions of section 111, title 18, United States Code, shall apply to officers, agents, and employees of the Commission in the performance of their official duties.

"SEPARABILITY CLAUSE

"SEC. 15. If any provision of this Act or the application of such provision to any person or circumstance shall be held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

"EFFECTIVE DATE

"SEC. 16. This Act shall become effective sixty days after enactment, except that subsections 7 (c) to (l), inclusive, and section 8 shall become effective six months after enactment."

The statement accompanying Senate bill 1999 is as follows:

STATEMENT BY SENATOR HUMPHREY

It has been a long time since President Truman wrote in his State of the Union message to Congress, January 5, 1949:

"We in the United States believe that all men are entitled to equality of opportunity. Racial, religious, and other invidious forms of discrimination deprive the individual of an equal chance to develop and utilize his talents and to enjoy the rewards of his efforts.

"Once more I repeat my request that the Congress enact fair employment practice legislation prohibiting discrimination in employment based on race, color, religion, or national origin. The legislation should create a Fair Employment Practice Commission with authority to prevent discrimination by employers and labor unions, trade and professions associations, and Government agencies and employment bureaus. The degree of effectiveness which the wartime Fair Employment Practice Committee attained shows that it is possible to equalize job opportunity by Government action and thus to eliminate the influence of prejudice in employment."

What has been done since by Congress to set up an effective Federal FEPC to prevent discrimination in employment? We know that FEPC bills have been before every session of Congress since 1944. Committees have reported FEPC bills favorably in at least six Congresses.

Yet no FEPC bill has ever been allowed to come to the floor of the Senate for debate and vote. In 1946 the vote to break the filibuster and take up an FEPC bill was 48 to 36; in 1950 the votes were 52 to 32 and 55 to 33 for taking up FEPC. Yet the filibusterers blocked the majority will because rule 22 required a two-thirds vote to break a filibuster.

In the House, no FEPC bill has ever been approved by the Rules Committee for floor debate and vote.

Yet the problem continues. There is presently no effective Federal protection from discrimination for workers engaged in interstate commerce.

The President's Committee on Government Contracts supposedly grants such protection to workers employed on Government contracts.

But, in spite of its publicity releases and the newspaper and magazine articles extolling its work, the fact remains that in its 5 years of operation, the committee has never canceled or denied a contract for failure of the contracting firm to live up to its contractural obligation not to discriminate.

The situation urgently requires the establishment of an administrative agency to receive and investigate complaints, attempt to eliminate discrimination by conference, conciliation, and persuasion, and, if unsuccessful, to hold hearings and issue cease and desist orders. Such orders would be reviewable and enforceable in the courts.

The bill I introduce is identical to S. 506 which I offered in the 85th Congress.

To the Committee on Rules and Administration:

S. 2000. A bill outlawing the poll tax as a condition for voting in any primary or other election for national officers.

"Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That this Act may be cited as the 'Federal Anti-Poll-Tax Act.'

"SEC. 2. When used in this Act—

"(a) The term 'poll tax' shall be construed to include specifically, but not by way of limitation, any tax, however designated, which is, or at any time was, imposed, increased, accelerated, or otherwise unfavorably modified, as a direct or indirect prerequisite to or consequence of voting in a national election.

"(b) The term 'voting in a national election' shall mean voting or registering to vote in any primary or other election for President, Vice President, or elector or electors for President or Vice President, or for United States Senator or for Member of the House of Representatives.

"SEC. 3. It shall be unlawful for any person, whether or not acting on behalf of any

State or any governmental subdivision thereof or therein, to levy, collect, or require the payment of any poll tax, or otherwise interfere with any person's voting in any national election by reason of such person's failure or refusal to pay or assume the obligation of payment of any poll tax. Any such action by any such person shall be deemed an interference with the manner of holding such elections, an abridgment of the right and privilege of citizens of the United States to vote for such officers, and an obstruction of the operations of the Federal Government.

"SEC. 4. (a) In the event of a violation or threatened violation of this Act, either the United States, or any person aggrieved or likely to be aggrieved by such violation or threatened violation, may apply to the appropriate district court of the United States for an order enjoining such violation or threatened violation, or for an order compelling compliance with this Act. Upon proof of such violation or threatened violation, the court shall issue, without bond, such restraining order, temporary or permanent injunction, writ of mandamus, or other order or orders as may be appropriate to insure prompt and effective compliance with this Act.

"(b) The district courts of the United States shall have jurisdiction over all actions brought pursuant to subsection (a) of this section. Any such action may be instituted in any judicial district in which any defendant resides or is violating or threatening to violate this Act.

"(c) In any action brought under subsection (a) of this section, any appeal to the appropriate court of appeals and any review thereof by the Supreme Court shall be heard expeditiously and shall, where practicable, be determined before the next national election in connection with which the violation or threatened violation of this Act is alleged.

"SEC. 5. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the Act and the application of such provision to other persons and circumstances shall not be affected thereby."

The statement accompanying Senate bill 2000 is as follows:

STATEMENT BY SENATOR HUMPHREY

The bill I now introduce would outlaw once and for all the poll tax in national elections. In decreeing that no State shall exact a price of admission to the Federal voting booth, it advances the United States a long step forward on the road to universal suffrage.

To eliminate this obstacle in voting, this bill declares it unlawful "to levy, collect, or require the payment of, any poll tax" as a condition of voting in any primary or other election for President, Vice President, Senator, or Member of the House of Representatives. The bill empowers Federal district courts to enjoin or otherwise prevent violations of the act and authorize the aggrieved voter or the Federal Government to bring civil suit for relief, should a violation take place.

Poll tax laws were enacted following the period of Reconstruction. There are historical reasons for these laws, Mr. President, and I fully appreciate them. The North must never forget and never ignore its share of the blame for the serious injury done the South in the period following the Civil War. All the poll tax laws now in effect were enacted between 1890 and 1903. That sorry era in our national history explains to a large extent the reason for the lingering prejudices which still continue to exist in many sections below the Mason-Dixon line.

Whatever historical reasons there may be for the poll tax, however, there can be no justification for this undemocratic infringement upon the franchise. The purpose of the poll tax was to limit the electorate and that it has done. In Virginia, for example, one of the five remaining poll tax States, the number of votes cast in the election of 1900, the last election before the enactment of the poll tax was 266,000. The number voting in Virginia in the election of 1902, the next election after the tax was enacted, was 136,000. The poll tax evidently caused a reduction in the electorate of 49 percent. Another State which illustrates the extent to which the poll tax was successful in limiting the electorate was Mississippi, which enacted its poll tax in 1890. The number of votes cast in the election prior to the enactment of the tax was 117,000. In the very next election the number voting was 52,000, a reduction of 56 percent.

The poll tax continues to disenfranchise American citizens and frustrate the principles of majority representative government.

I think it is fair for me to state that all who have the best interests of our Nation at heart will agree that the poll tax must be abolished. The legislative debate that has taken place in connection with this issue seems more directly to hinge on the question of how the poll tax is to be abolished. Many advocate a constitutional amendment as the means to accomplish this objective. In my honest judgment, I believe that an anti-poll-tax bill enacted by the Congress would be constitutional without an amendment.

There are many who say that the poll tax should be abolished by State action and by State action alone. They, too, condemn the poll tax but believe the most effective way to rid our Nation of its consequences is through local action. Local action, Mr. President, is, of course, always preferable but we have waited too long. These laws have been on the books in most cases for about 60 years. There are resistances to changing the poll tax within the States that now have such a tax because the very forces controlling the instrumentalities in the State government which have the power to abolish the tax are the very ones who benefit most from it. It is expecting a great deal to expect a genuine repeal of the tax by those whom the tax has put into authority.

President Truman in his message on civil rights in 1947 said, "We cannot await the growth of a will to act in the slowest State or the most backward community. Our National Government must show the way." The responsibility rests on the Congress. I pray that the Congress will live up to its responsibilities and accept the challenge. The bill I offer is identical to S. 507 which I offered in the 85th Congress.

To the Committee on the Judiciary:

S. 2001. A bill to amend and supplement existing civil-rights statutes.

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 18, United States Code, section 241, is amended to read as follows:

"'§ 241. Conspiracy against rights of citizens

"'(a) If two or more persons conspire to injure, oppress, threaten, or intimidate any inhabitant of any State, Territory, or District in the free exercise or enjoyment of any right or privilege secured to him by the Constitution or laws of the United States, or because of his having so exercised the same; or

"'If two or more persons go in disguse on the highway, or on the premises of another, with intent to prevent or hinder his free exercise or enjoyment of any right or privilege so secured, they shall be fined not more than $5,000 or imprisoned not more than ten years, or both.

"'(b) If any person injures, oppresses, threatens, or intimidates any inhabitant of any State, Territory, or District in the free exercise or enjoyment of any right or privilege secured to him by the Constitution or laws of the United States, or because of his having so exercised the same; or

"'If any person goes in disguise on the highway, or on the premises of another, with intent to prevent or hinder his free exercise or enjoyment of any right or privilege so secured, such person shall be fined not more than $1,000 or imprisoned not more than one year, or both; or shall be fined not more than $10,000 or imprisoned not more than twenty years, or both, if the injury or other wrongful conduct herein shall cause the death or maiming of the person so injured or wronged.'

"SEC. 2. Title 18, United States Code, section 242, is amended to read as follows:

"'§ 242. Deprivation of rights under color of law

"'Whoever, under color of any law, statute, ordinance, regulation, or custom, willfully subjects, or causes to be subjected, any inhabitant of any State, Territory, or District to the deprivation of any rights, privileges, or immunities secured or protected by the Constitution and laws of the United States, or to different punishments, pains, or penalties, on account of such inhabitant being an alien, or by reason of his color or race, than are prescribed for the punishment of citizens, shall be fined not more than $1,000 or imprisoned not more than one year, or both; or shall be fined not more than $10,000 or imprisoned not more than twenty years, or both, if the deprivation, different punishment, or other wrongful conduct herein shall cause the death or maiming of the person so injured or wronged.'

"SEC. 3. Title 18, United States Code, is amended by adding after section 242 thereof the following new section:

"'§ 242A. Enumeration of rights, privileges, and immunities

"'The rights, privileges, and immunities referred to in section 242 shall be deemed to include, but shall not be limited to, the following:

"'(1) The right to be immune from exactions of fines, or deprivations of property, without due process of law.

"'(2) The right to be immune from punishment for crime or alleged criminal offenses except after a fair trial and upon conviction and sentence pursuant to due process of law.

"'(3) The right to be immune from physical violence applied to exact testimony or to compel confession of crime or alleged offenses.

"'(4) The right to be free of illegal restraint of the person.

"'(5) The right to protection of person and property without discrimination by reason of race, color, religion, or national origin.

"'(6) The right to vote as protected by Federal law.'

"SEC. 4 (a) Any person who deprives an inhabitant of any State of any right, privilege, or immunity secured or protected by the Constitution or the laws of the United States shall be liable to such inhabitant, or to his estate, for damages sustained thereby and for injuries, including death, suffered by such inhabitant in the course of, or as a result of, the commission of the acts which constitute such deprivation.

"(b) The rights, privileges, and immunities secured or protected by the Constitution or laws of the United States referred to in subsection (a) include the rights, privileges, and immunities protected under title 18 of the United States Code and all other criminal laws of the United States. In any action brought under subsection (a) based upon an alleged violation of any provision of title 18 or of any other criminal law of the United States, it shall not be necessary to the commencement or maintenance of such action that any person against whom such action is brought has been convicted of violating such provision.

"(c) The district courts of the United States shall have jurisdiction of proceedings brought pursuant to subsection (a) and shall

exercise such jurisdiction without regard to whether the party aggrieved shall have exhausted any administrative or other remedies provided by law and without regard to the amount of the matter in controversy.

"(d) As used in this section—

"(1) The term 'district courts of the United States' means any district court as constituted by chapter 5 of title 28 of the United States Code and the United States court of any Territory or other place subject to the jurisdiction of the United States.

"(2) The term 'State' includes the Territories of the United States and the District of Columbia.

"SEC. 5. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the Act and of the application of such provision to other persons and circumstances shall not be affected thereby."

The statement accompanying Senate bill 2001 is as follows:

STATEMENT BY SENATOR HUMPHREY

This bill is identical to S. 508 of the 85th Congress. The need to enlarge the scope of Federal legislation protecting the rights of individuals to liberty, security, and citizenship is very clear. This can be achieved by enacting new legislation and it must also be achieved by strengthening existing civil rights laws. One such law to be strengthened is a criminal conspiracy statute (18 U.S. Code 241) which has been used to protect rights secured by the Federal Government against encroachment by private individuals and public officers. Section 1 of our bill is designed to achieve that effect. It does so by extending the protection of the Federal Government to any "inhabitant" of the United States, not just to a "citizen" alone. Our courts have ruled (*Baldwin* v. *Franks*, 120 U.S. 678) that an alien does not come within the protection of the statute. In deciding that case the court stated:

"It may be by this construction of the statute some are excluded from the protection it affords who are as much entitled to it as those who are included; but that is a defect, if it exists, which can be cured by Congress, but not by the courts."

The amendment which this bill proposes would bring the language of the statute into conformity with other supplemental protective statutes (18 U.S.C. 242). Under the broader statutes, the courts have held that an inhabitant is protected from interference by a State official in his constitutionally protected right to vote in a congressional election or primary. There is more than the need for conformity to support this section, however. The protection of inhabitants is a well-established public policy of our country. We, in fact, subscribed to that policy in the United Nations Charter to promote respect for the observance of human rights and fundamental freedoms for all.

This bill would make a further change in the existing statute by protecting inhabitants not only when their Federal rights are infringed upon as a result of the conspiracy but also where the infringement is performed by persons acting individually. Whenever a person enjoins, oppresses, threatens, or intimidates any inhabitant of the United States in the free exercise or enjoyment of his rights and privileges, that inhabitant should be protected by our laws.

Our bill would also plug gaps in the existing laws insofar as civil remedies to the aggrieved are concerned. The present statute (sec. 47, title 8) appears to provide a civil remedy whenever a citizen's rights are interfered with as a result of a conspiracy. Even this remedy is inadequate, as demonstrated by a recent Supreme Court decision (*Collins* v. *Hardyman*, June 4, 1951). It appears to me that a civil remedy should be provided the injured person, either where he has been the victim of a conspiracy or the victim of individual action to interfere with his rights and privileges as an inhabitant of the United States. Such an individual, therefore, should have the right to sue those found guilty of violating the law, whether the violators are public officials or private citizens. These suits should be brought in the Federal courts or appropriate State courts, no matter what the sum of money involved in the controversy.

One other question has been raised by the courts (*Screws* v. *United States* (325 U.S. 91)) with regard to the rights, privileges, and immunities which inhabitants of the United States should enjoy. The courts have held (*Pullen* v. *United States* (164 F. (2d))) that our statutes protect inhabitants only against being deprived of their constitutional rights "willfully." The proof of a general "bad" purpose alone may not be enough. We therefore consider it essential to enumerate in some detail some of the rights to be protected by our laws. All of these rights have already been sustained by the courts and are not new. The rights we desire specifically to set forth follow:

1. The right to be immune from exaction of fine without due process of law (*Culp* v. *United States* (131 F. (2d) 93)).

2. The right to be immune from punishment for a crime except after a fair trial and confession after due process of law (*Screws* v. *United States* (325 U.S. 91); *Crews* v. *United States* (160 F. (2) 746); *Moore* v. *Dempsey* (261 U.S. 86); *Mooney* v. *Holohan* (294 U.S. 103)).

3. The right to be immune from physical violence applied to compel a confession of a crime or to exact testimony (*Chambers* v. *Florida* (309 U.S. 227); *United States* v. *Sutherland* (37 F. Supp 344)).

4. The right to be free of illegal restraint such as being detained by a sheriff without jurisdiction (*Catlette* v. *United States* (132 F. (2d) 902); *United States* v. *Trierwieller* (52 F. Supp. 4)).

5. The right to protect the person and property without discrimination by reason of race, color, or national origin (*Catlette* v. *United States*; *Yick-Wo* v. *Hopkins* (118 U.S. 35)).

6. The right to vote as protected by Federal laws (*United States* v. *Classic* (313 U.S. 299); *United States* v. *Saylor* (322 U.S. 385); *Smith* v. *Allwright* (321 U.S. 649)).

S. 2002. A bill to strengthen the laws relating to convict labor, peonage, slavery, and involuntary servitude.

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 1581 of title 18, United States Code, is amended to read as follows:

"'(a) Whoever holds or returns any person to a condition of peonage, or arrests any person with the intent of placing him in or returning him to a condition of peonage. or attempts to hold, return, or arrest any person with such intent, shall be fined not more than $5,000 or imprisoned not more than five years, or both."

"SEC. 2. Section 1583 of such title is amended to read as follows:

"'§ 1583. Enticement into slavery.

"'Whoever holds or kidnaps or carries away any other person, or attempts to hold, kidnap, or carry away any other person, with the intent that such other person be held in or sold into involuntary servitude, or held as a slave; or

"'Whoever entices, persuades, or induces, or attempts to entice, persuade, or induce, any other person to go on board any vessel or other means of transportation or to any other place within or beyond the United States with the intent that he be made a slave or held in involuntary servitude, shall be fined not more than $5,000 or imprisoned not more than five years, or both.'

"SEC. 3. Section 1584 of such title is amended to read as follows:

"'§ 1584. Sale into involuntary servitude

"'Whoever knowingly and willfully holds to involuntary servitude, or sells into any condition of involuntary servitude, any other person for any term, or brings within the United States any person so held, or attempts to commit any of the foregoing acts, shall be fined not more than $5,000 or imprisoned not more than five years, or both.'"

The statement accompanying Senate bill 2002 is as follows:

STATEMENT BY SENATOR HUMPHREY

The bill I send to the desk is identical to S. 509 of the 85th Congress. I earnestly hope that this measure will achieve the merited attention which it has been denied in the past.

I have checked with the Department of Justice, which reports complaints of peonage and involuntary servitude, on a fiscal year basis, as follows: 1950, 43; 1951, 36; 1952, 40; 1953, 57; 1954, 68; 1955, 72; 1956 and 1957, statistics not available; 1958, 62; and for the 10 months ending April 30, 1959, 42 complaints were reported.

Peonage, of course is a form of involuntary servitude rising out of a payment of a debt. It is essential that our laws be strengthened so that this form of involuntary servitude will be eliminated once and for all from our society. This is certainly the intent of the 13th amendment to our Constitution.

Our existing laws (secs. 1581, 1583, and 1584 of title 17, U.S.C.) declare the following to be a crime: holding or returning persons to conditions of peonage; arresting persons with the intent of pressing them or returning them to conditions of peonage; kidnaping, arresting, or carrying away persons with the intent that they be sold into involuntary servitude or held as slaves; enticing, persuading, or inducing persons to go on board vessels with the intent that they be made or held as slaves; and knowingly and willfully holding persons to involuntary servitude or selling a person into any condition of involuntary servitude.

There are two basic changes which must be made to strengthen these laws. First it is essential to make clear that to hold an individual in involuntary servitude is punishable, secondly, it is important that not only the acts described above to be considered criminal, but an attempt to commit the acts be in itself criminal. Every human being must have the right to be protected in this most vital area of his personal security and human dignity.

During the 82d Congress I was chairman of the Senate Subcommittee on Labor and Labor-Management Relations. We had brought to our attention specific evidence of peonage which our staff investigated. The staff informed me that the persons reduced to peonage are impoverished, uneducated colored men, and that all persons having knowledge of the circumstances surrounding the peonage are for one reason or another extremely reluctant to discuss it.

The system apparently calls for certain law enforcement officers to release prisoners to the custody of employers when those employers pay the fine or post the bond necessary. The prisoners remain with their employers until the fine is repaid through payroll deductions. When the bond is posted, employment continues until the time of trial. If the accused leaves employment before the time of the trial, the bond is withdrawn and the accused is again put in jail.

This is an outrageous state of affairs. There is evidence of conspiracy with police officials which the Justice Department must investigate. Our laws must be strengthened to deal with this problem, and our enforcement officers must be reawakened to the need for firm and serious activity.

S. 2003. A bill to secure, protect, and strengthen the civil rights accruing to individuals under the Constitution and laws of the United States.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the bills may lie at the desk until Thursday of this week so that the names of additional Senators who may wish to be cosponsors may be received.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Fair Employment Gains," published in the Minneapolis Morning Tribune of May 12, 1959. The article relates to employment opportunities for Mexicans, Indians, and Negroes of American citizenship.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FAIR EMPLOYMENT GAINS

There is good news from the State fair employment practices commission. Its report for 1958, just released, shows an improving pattern of employment for workers of different racial, religious, and nationality backgrounds. Negroes, Filipinos, Mexicans, and Indians have obtained teaching jobs during the year and have been accepted by students, parents, and fellow teachers.

An increasing number of responsible positions in State agencies have gone to Negroes and other nonwhites. Members of these groups have also found opportunities in engineering, research, and technical fields.

The commission also reports that it found no indication of discriminatory layoffs resulting from the 1958 decline in employment. It describes its program of education and enforcement as "reasonably effective" in many areas of the State.

But overcoming the fears of many employers remains a big job. Here the successful experience of other employers in integrating workers is an important selling tool, one which the commission will increasingly use in 1959.

The FEPC processed 65 complaints last year, and satisfactorily resolved 50 of them. Only one case has gone to court thus far. We gather that education and conciliation are the commission's chief instruments and that it is employing both of them with good effect.

The fewness of the complaints made is perhaps one measure of its success. In a quiet and orderly way, it is making solid progress.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD the excellent editorial entitled "Five Years of Desegregation," published in the Washington Post and Times Herald of Sunday, May 17, 1959. The editorial analyzes what has happened since the historic 1954 decision of the Supreme Court in the case of Brown against the Board of Education.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FIVE YEARS OF DESEGREGATION

Depending upon whether you are awaiting realization of your rights as a citizen or being asked to readjust deeply rooted feelings and customs, 5 years can seem either a century or a mere moment. Historians may well record that the tumult since the epochal Supreme Court opinion in *Brown* v. *Board of Education* 5 years ago today has been the necessary and inevitable companion of change. There has been change. It has not come fast enough to suit some, and it has come far too fast to suit others. One of the tasks of equity proceedings in the courts over the school desegregation problem is to bring these two opposite reactions to a satisfactory common meeting point.

On the record the accomplishment in these 5 years has been substantial. Some 802 of the 2,909 biracial school districts in the 17 Southern and border States which officially practiced school segregation have now been nominally desegregated. The remaining 5,688 school districts in these States are composed entirely of either white or negro students at the present time..

All but 19 of these desegregated districts are in what are technically classified as border areas—Delaware, Kentucky, Maryland, Missouri, Oklahoma, West Virginia, and of course the District of Columbia. But there has been at least some desegregation in four Southern States—Arkansas, North Carolina, Tennessee, and now Virginia. Florida is expected to join this list with desegregation in Miami next September. The hard core of resistance thus narrows to five States—Alabama, Georgia, Louisiana, Mississippi, and South Carolina. In some of these States there are significant movements for compliance.

Statistics, moreover, do not tell the whole story of the change in attitude or scope of the readjustments that are taking place. Although in some areas the spirit of defiance continues to run high, in many others emotions have been tempered with the realization that public education is more important than private prejudice. When it has been made clear that the issue is between some desegregation and no public schools at all, the impetus for compliance has been strengthened. Compliance in many areas has required more an affirmation of good faith than any sweeping alteration of the school system.

The psychological effect elsewhere in the South of the recent action in Virginia to facilitate local compliance promises to be great. The wall of defiance has begun to crumble. Simultaneously voices of moderation and realism are beginning to make themselves heard again. The more strident extremists are finding fewer disciples.

Of course the advance of desegregation has not been accomplished painlessly. The ostensible costs in terms of inflamed emotions and disrespect for law need to be measured against the previous losses to society in unequal opportunity, inadequate schools and a tarnished national conscience. Nevertheless, the disruptions can by no means be wished away.

The most obvious of the costs is the pathetic situation in Little Rock—the sordid pandering to prejudice by the Governor, the lamentable necessity to send in Federal troops to prevent interference with law, the apotheosizing of unreason, the lingering resentments. "Faubus" seems destined to become a common noun signifying mean obstruction, in the fashion of "lynch" and "boycott" as borrowed from the cognomens of their practitioners.

There is also the cost of blocked communications and embittered relations between the races in parts of the South. There is the cost of the new excuses lent to spewers of old hatreds, of the appeals to violence that led to the insensate school bombings in Clinton and Nashville and the related church bombing in Atlanta. The abusive Southern Manifesto and the frustrating and distracting flirtation with interposition and massive resistance also must be reckoned as part of the bill.

Perhaps most costly of all is the license seized by some to snipe at the courts, not merely about school desegregation, but about other decisions which displease particular groups. This movement goes far beyond the intelligent criticism which the courts ought to have and approaches the destruction of confidence in the judicial system. Among the more recent manifestations are the recommendations of the American Bar Association politely but unmistakably attacking the Supreme Court, and the various bills in Congress to override Court decisions and limit Court jurisdiction. The full effect of this Frankensteinian business has not yet been felt.

Curiously enough, some of the more irrational resistance on desegregation seems to have stemmed from accidental or deliberate misunderstanding of what the Supreme Court said. Nowhere is the word integration to be found in the original *Brown* v. *Board of Education* decision of 1954 or the implementing order of 1955; and in later ancillary opinions the Court was careful to speak of desegration.

What the Court called for was the admission of qualified school applicants on a racially nondiscriminatory basis with all deliberated speed. It acknowledged, and subsequently defined, the criteria in prescribing flexibility. The essential requirement was not immediate and simultaneous desegregation everywhere, but good faith compliance at the earliest practicable date. The Supreme Court and lower courts have made it plain that what they envisage is not artificial mixing, but the abolition of strictly racial barriers to school entry.

Although Supreme Court decisions are most certainly the law of the land, their wisdom is of course not sacred or eternal. This newspaper has believed from the beginning that the decisions of 1954 and 1955 were both constitutionally sound and morally right. But it is interesting to speculate on whether the Court would approach the question in precisely the same way now if it had to decide the question anew.

Certainly the principle of equal protection of the laws under the 14th Amendment as applied to contemporary life would be the same. In a series of previous decisions going back into the 1930's, the Court had begun to reexamine the separate but equal doctrine of 1896 and had led students to expect reversal of *Plessy* v. *Ferguson*. The unanimous opinion attested the depth of the Court's conviction. But would the Supreme Court again employ the device of the District courts to interpret and enforce the decision in various localities? Would it have chosen a different technique if it had anticipated so little help from the executive branch at the beginning?

The use of district courts to supervise desegregation has had the advantage of incorporating flexibility and familiarity with local conditions. It has proved reasonably satisfactory in operation. But it also has brought some discomfiture to the courts. Ordinarily it is a mistake to convert the courts into policemen.

Undoubtedly the course of desegregation could have been smoothed if there had been a procedure whereby the Department of Justice had been associated as a friend of the court for the purpose of advising on priorities in establishing a timetable. To some degree the courts have followed a practice of ordering full compliance first in the areas where the problem is the easiest, but unwarranted fears might have been quelled if this had been an announced recommendation. Under the equity concept justice need not mean the identical course in differing circumstances.

Above and beyond this, of course, there is the question of presidential leadership. A President who does not agree with a Supreme Court decision cannot be expected to endorse it. But Executive responsibility on issues of great moral principle and social consequence is scarcely satisfied by saying that court decisions are the law. An affirma-

tive pronouncement by the President, urging compliance by good citizens not merely because the decision is the law, but equally important because it is right, would doubtless have had considerable impact at the time. Perhaps it still would.

An interesting commentary on the broader meaning of the school desegregation decision comes from an Asian teacher. Pressed by querulous students under heavy criticism to explain the ugly events of Little Rock, the professor replied: "Look, don't you understand? The explanation of the Little Rock incident is that it is the policy of the U.S. Government to eliminate discrimination." The satisfaction justifiably recorded today ought to be stimulus, not for resting on the status quo, but for renewing the effort of patience, tolerance, and determination to bring American practices even more abreast of American ideals.

Mr. HUMPHREY. Mr. President, this particular editorial, in my mind, is one of the most reasoned and reasonable presentations of one of the most highly emotional issues which has confronted the American community. The writer of the editorial is certainly to be commended not only for a splendid review of the 5 years of effort in the field of desegregation as a result of the Supreme Court decision of 1954, but he is also to be commended for the insight into the problems involved in this great social adjustment. We are mindful of those problems.

My plea to the American community is not only that we have a better understanding of the needs and problems of one another, but that we move ahead—yes, move ahead with deliberate speed, but that we move ahead consistently—so that each year we will be able to look back and review our accomplishments as a record of achievement, not as a record of frustration, regret, defeat, and hopelessness.

I really believe we are making progress. I want to be one who helps in that progress—sanely, sensibly, responsibly, and consistently—and, I might add, courageously, because I think it will take all those attributes if we are to move ahead at all and make the great gains to which the country is entitled to expect of us.

NATIONAL MODEL AVIATION WEEK

Mr. JAVITS. Mr. President, I introduce, for appropriate reference, a joint resolution designating the week beginning July 27, 1959, and ending August 2, 1959, as "Model Aviation Week." The joint resolution is introduced on behalf of myself and the senior Senator from California [Mr. KUCHEL], the junior Senator from California [Mr. ENGLE], and my colleague, the junior Senator from New York [Mr. KEATING].

The joint resolution would direct national attention to an activity which is enjoyed by millions of Americans, is endorsed by the U.S. Navy, is supported by the Academy of Model Aeronautics, and is used as a basis for recruitment by many American industries. Model aviation has served, continues to serve, and will serve four very important phases of this country's social and business patterns.

I call attention to the fact that the next great national display of model aircraft work being done in the United States will take place in California. Hence, I am very much honored that the California Senators have seen fit to join with me in the introduction of the joint resolution.

First. Although primarily regarded as a hobby-sport, model aviation has served this country as an important bridge between the learning of youth and the effectiveness of technical, adult thinking. It has in fact, stimulated countless youth to look toward American industry, and aviation in particular, to provide the incentive for their futures.

The Wright Brothers first began to dream and think in terms of man's use of the atmosphere as a means of travel through their avid, enthusiastic and, at that time, highly singular interest in model making. From those years to now, the list of men who spent the leisure hours of their youth building, constructing, and operating model airplane equipment, and then became so thoroughly indoctrinated to the ways of scientific thinking that they have actively and energetically engaged in occupations which benefit this country's technical progress, is long and impressive.

The Messrs. Stanley Hiller, Jr., Hiller Aircraft Corp.; Roy E. Marquardt, Marquardt Ram-Jet Co.; Leo A. Weiss, Avien, Inc.; Herbert K. Weiss, chief of weapons system analysis at Northrop; Frank Piasecki, Piasecki Aircraft Corp.; O. E. "Pat" Tibbs, chief of flight tests, Glenn L. Martin; Edward C. Wells, Boeing Aircraft; Andrew A. Kucher, director of research and engineering, Ford Motor Co.; the late Glenn L. Martin, Glenn L. Martin; Donald M. Douglas, Sr., Douglas Aircraft—all were initiated to their distinguished adult careers through their love and interest in model aviation. These men are but a few, yet they represent thousands of young men and women who today are seated before drafting boards, adjusting the mechanism of delicate instruments, or are conducting man's painstaking research into atmospheric conditions because early in their lives they came to know and love the field they are in now through model activity.

Second. For this country's armed services, model aviation has provided a vehicle by which the American public can come to know our forces. Each year, for the past 11 years, the U.S. Navy has cooperated with this country's model enthusiasts by offering the facilities of one of our major bases for model aviation competition. When staged, the annual meeting of the National Model Airplane Championships brings out hundreds of thousands of spectators to the Naval Air Station where the event is held to watch the between 1,000 and 2,000 youths competing in the finals contests. Of these spectators, 85 percent are civilians and it is estimated that almost as much as 70 percent of these civilians have never visited, nor been exposed to the operation of a naval air base. During the weeklong meeting of the National Model Airplane Championships, civilians come and go, meet with naval personnel and come to understand the operations of a naval air station.

The estimated 50,000 young people competing at preliminary and elimination meets in this event, sponsored by the Academy of Model Aernonautics, become vitally interested in the Armed Forces as a part of their plans for the future. The result is that youth has come to understand better the place of this country's Armed Forces in terms of their private lives.

Third. In the problem of how to channel youth's energies into constructive endeavor, we must do more than voice concern. We must show our youth a way. At the moment it is known that there are some 22,000 young adults and youths who enjoy membership in the Academy of Model Aeronautics. It is also known that millions of young people enjoy a keen interest in model aviation be it through the simplest construction of a collector's model or be it through the complicated design of a working, maneuverable model airplane.

Fourth. The fourth in the social and business phases of our country which is affected and actively engaged in the endorsement of model aviation is that of civic clubs. Chapters of the Lions Club and the Exchange Club, for example, have successfully used model aviation as a way of reaching the youth of their particular communities. Over the past years, these groups have sponsored events and contests at which local youth can compete. Perhaps most important, and far exceeding the very event itself, is that important civic clubs within the social and business framework of this country have factually and encouragingly seen what the proper stimulation and direction can mean to shaping youthful character toward its fullest, constructive potential.

In addition, it is perhaps significant to note that the American press, which sometimes has been accused of highlighting out of proportion the misdeeds of youthful wrongdoers has, also, used model aviation as a means of focusing great attention on a most constructive activity carried on by thousands of youths. Perhaps the most brilliant illustration is the model aviation event staged each year by the New York Daily Mirror of New York City. It is through such activities that the interests of youth are stimulated to flow in constructive channels and toward affirmative goals helpful to our national interest.

Mr. President, I ask unanimous consent that the text of the joint resolution may be printed in the RECORD.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD.

The joint resolution (S.J. Res. 98) designating the week beginning July 27, 1959, and ending August 2, 1959, as Model Aviation Week, introduced by Mr. JAVITS (for himself, Mr. ENGLE, Mr. KEATING, and Mr. KUCHEL), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Whereas the American system of freedom and enterprise nurtures and encourages the inventive genius of our Nation's youth which

in turn assures the future of aviation in the United States;

Whereas many of the Nation's leading aeronautical engineers, pilots, and aeronautical technicians trace their interest in aviation to model airplane building as boys;

Whereas in concentrating on a psychologically healthy hobby, the boundless energy of our youth can be channeled into education and training essential to the national interest; and

Whereas the national annual Model Airplane Championships will this year be staged at the United States Naval Air Station, Los Alamitos, California, July 27 through August 2: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the week beginning July 27, 1959 and ending August 2, 1959 inclusive, as "Model Aviation Week", and inviting the people of the United States to celebrate such week with appropriate ceremonies and activities.

PRINTING OF ADDITIONAL COPIES OF SENATE DOCUMENT NO. 22, 86TH CONGRESS

Mr. KENNEDY. Mr. President, on behalf of the Senator from Arizona [Mr. GOLDWATER] and myself, I submit for appropriate reference, a resolution providing for the printing of an additional 10,000 copies of Senate Document No. 22, "a collection of excerpts and a bibliography relative to labor-management policies best serving the people of the United States."

The Senate Committee on Labor and Public Welfare has received requests for 20,000 copies of this document; and since the previous printing was for 10,000, an additional 10,000 copies will be needed if the committee is to fill all its requests.

We have arbitrarily limited the requests to one copy for each 10 participants in the debates upon the subject matter, but we find that even with this limitation we need another 10,000 copies to meet the demand.

We believe that the public interest is best served by having a full discussion of the problems of labor-management policies, for this is one of our most important domestic issues.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 122) was referred to the Committee on Rules and Administration, as follows:

Resolved, That there be printed for the use of the Committee on Labor and Public Welfare 10,000 additional copies of Senate Document Numbered 22, Eighty-sixth Congress, first session, entitled "A Collection of Excerpts and a Bibliography Relative to Labor-Management Policies Best Serving the People of the United States."

AMENDMENT OF MUTUAL SECURITY ACT—AMENDMENTS

Mr. HUMPHREY. Mr. President, I submit a series of amendments, intended to be proposed by me, to the bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes. I ask that the amendments be printed and lie on the table.

The PRESIDING OFFICER. The amendments will be received, printed, and will lie on the table.

Mr. HUMPHREY. Mr. President, one amendment refers to the resettlement and repatriation of Palestine refugees.

Mr. President, a second amendment refers to the scaling down of military assistance.

Mr. President, a third amendment relates to the expansion of the United Nations program of technical assistance. I truly believe expansion of technical assistance is urgent and vital.

The fourth amendment, Mr. President, relates to the Development Loan Fund and the providing of funds from the Development Loan Fund to be contributed to international organizations for economic development.

A fifth amendment relates to improvement of our world health activities, and would authorize the expenditure of an additional sum of money for the World Health Organization for the purpose of research planning against cancer and cardiovascular diseases, the sum not to exceed $1 million for the fiscal year 1960. It seems to me such an amendment is a modest proposal but is directed for a very good and constructive purpose.

Finally, I offer an amendment which would strengthen the hand of the Surgeon General of the United States in taking leadership to encourage and assist in activities of international significance for the promotion of health and the prevention of or conquest of disease. I believe this one amendment, if adopted, would place the United States of America unquestionably in the forefront in the battle against disease not only at home but throughout the world.

Mr. President, these proposed amendments are the result of careful study on the part of the staff of the Senate Committee on Foreign Relations and of my own personal study over a long period of time, as to modest improvements in the Mutual Security Act.

I ask unanimous consent that the amendments be printed and lie on the table. I want to take up the amendments—or some of them—in the Committee on Foreign Relations, as we discuss the bill, but in case the amendments are not included in the bill when the committee acts I want the amendments to be available so that I may call them up when the bill comes before the Senate.

Mr. FULBRIGHT. Mr. President, I submit, for appropriate reference, an amendment to Senate bill 1451, the administration's proposed Mutual Security Act of 1959.

My amendment would affect the proposal of the administration to change section 505(b) of the Mutual Security Act of 1954, as amended. The third sentence of section 505(b) reads as follows:

Amounts received in repayment of principal and interest on any loan made under this section shall be held by the Treasury to be used for such purposes, including further loans, as may be authorized from time to time by Congress.

The version of this sentence proposed by the administration would, if enacted, read as follows:

United States dollars received in repayment of principal and payment of interest on any loan made under this section shall be deposited into miscellaneous receipts of the Treasury. Foreign currencies received in repayment of principal and payment of interest on any such loan may be sold by the Secretary of the Treasury to United States Government agencies for payment of their obligations abroad and the United States dollars received as reimbursement shall also be deposited into miscellaneous receipts of the Treasury. Foreign currencies so received which are in excess of the requirements of the United States in the payment of its obligations abroad, as such requirements may be determined from time to time by the President, shall be credited to the Development Fund, and, notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law relating to the use of foreign currencies or other receipts accruing to the United States, shall be available for use for purposes of title II of chapter II of this Act.

Thus, under the administration's proposal, repayments of foreign-aid loans received in foreign currencies could be sold by the Treasury to Government agencies for payment of their obligations abroad, and the excess of the amounts needed by the Treasury for that purpose would from time to time be credited to the Development Loan Fund, to be used, without appropriation therefor, for the purpose of the Development Loan Fund.

I have no quarrel with the general idea of the amendment proposed by the administration, but I feel that the change would cast doubt on the ability of international educational exchange programs to use foreign currencies received in repayment of foreign-aid loans and might tend to negate the preferential position given to the exchange program in using foreign currencies owned by the United States.

The trouble arises as follows: Section 32(b)(2) of the Surplus Property Act of 1944, as amended—the Fulbright Act—authorizes the use for educational exchanges of amounts received in repayment of principal or interest on any loan made under section 505(b) of the Mutual Security Act of 1954, as amended. As of the present time, I believe that this is the only use specifically authorized for such loan repayments.

The proposed amendment contained in the pending Mutual Security Act of 1959 makes these foreign currency loan repayments available for sale to any Government agency for payment of its obligations abroad. This provision creates a doubt with respect to the status of the exchange program for the following reasons:

First. While the provision does not specifically repeal the present provision authorizing the use of the currencies for exchanges under the Fulbright Act, it might be interpreted as superseding such provision since it is later in time and might be construed as containing the total authority for use of such loan repayments.

Second. It could be contended that the financing of exchanges under the Ful-

bright Act is an obligation and therefore would be covered by the proposed provision. It is not believed, however, that the executive agreements under which the program is operated establish an obligation in the legal sense. This is true because of a provision which has been inserted in each of the agreements since the enactment of section 1415 of the Supplemental Appropriation Act, 1953. The provision is inserted in each agreement for the specific purpose of avoiding the creation of an obligation in excess of the amounts appropriated for use in purchasing the foreign currencies from the Treasury. The provision reads as follows:

The performance of this agreement shall be subject to the availability of appropriations to the Secretary of State of the United States of America when required by the laws of the United States for reimbursement to the Treasury of the United States for currency of (name of country) held or available for expenditure by the United States.

I am also concerned about the effect of the administration's proposal on section 514 of the Mutual Security Act of 1954, as amended, which reads as follows:

Foreign currencies or credits owed to or owned by the United States where arising from this Act or otherwise, shall, upon a request from the Secretary of State certifying that such funds are required for the purpose of international educational exchange activities under programs authorized by section 32(b)(2) of the Surplus Property Act of 1944, as amended, be reserved by the Secretary of the Treasury for sale to the Department of State for such activities on the basis of the dollar value at the time of the reservation.

The preference given by existing law—section 514 of the Mutual Security Act—to international educational exchange activities needs to be preserved. My amendment would do this. It would require the Secretary of State to determine from time to time the requirements of the exchange program for foreign currencies. Only those foreign currencies in excess of these requirements could be used for the payment of Government agencies of their obligations abroad or deposited to the credit of the Development Loan Fund.

I wish to make clear that I have no evidence that the administration's draft amendment of section 505(b) of the Mutual Security Act was intended to injure the exchange programs. I believe that the possible effect of this amendment on the preferential position of the exchange programs with respect to the use of foreign currencies was inadvertent. All doubts about the status of the exchange program will be cleared up by my amendment.

The PRESIDING OFFICER. The amendment will be received, printed, and referred to the Committee on Foreign Relations.

PRICE SUPPORT FOR TOBACCO—ADDITIONAL COSPONSOR OF BILL

Mr. JORDAN. Mr. President, I ask unanimous consent that the name of the senior Senator from Kentucky [Mr. COOPER], be added as a cosponsor of the bill (S. 1901) to amend section 101(c) of the Agricultural Act of 1949 and the act of July 28, 1945, to stabilize and protect the level of support for tobacco, which I introduced on May 11, 1959.

The PRESIDING OFFICER. Without objection, it is so ordered.

ACCELERATION OF REFORESTATION PROGRAMS—ADDITIONAL COSPONSOR OF JOINT RESOLUTION

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have the name of the distinguished senior Senator from Minnesota [Mr. HUMPHREY] added as a cosponsor of the joint resolution (S. J. Res. 95) to provide for the acceleration of the various reforestation programs of the Department of Agriculture and the Department of the Interior.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. BYRD of Virginia:

Address delivered by Senator ERVIN at the dedication of the visitor center and headquarters for the Richmond National Battlefield Park at Richmond, Va., on May 16, 1959.

Article entitled "Can We Escape a Ruinous Inflation?" written by Senator BYRD, of Virginia, and published in the Reader's Digest.

By Mr WILEY:

Address delivered by him before the Norwegian Society of Washington, D.C., on May 16, 1959.

By Mr. CANNON:

Address delivered by Senator Moss, on May 1, 1959, at the Law Day banquet of the George Washington University Law School.

By Mr. SALTONSTALL:

Letters relating to the establishment of the Citizen's Scholarship Foundation of Greater Fall River, Mass.

NOTICE OF PUBLIC HEARINGS ON TRADING WITH THE ENEMY ACT

Mr. MANSFIELD. Mr. President, I am in receipt of a communication from the office of the senior Senator from South Carolina [Mr. JOHNSTON] relative to a notice of public hearings having to do with the Trading With the Enemy Act. The letter reads as follows:

DEAR SENATOR: Senator JOHNSTON is absent due to death in his family. Please insert "Notice of Hearings" for him with request that unanimous consent that they may be held in the event the Senate may then be in session on June 11.

Mr. President, on behalf of the Senator from South Carolina, I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered, and the notice will be printed.

There being no objection, the notice was ordered to be printed in the RECORD, as follows:

NOTICE OF PUBLIC HEARINGS

The Subcommittee on Trading With the Enemy Act of the Senate Committee on the Judiciary will hold public hearings commencing at 9:30 a.m., on Thursday, June 11, 1959, in room 2228, New Senate Office Building, for the purpose of hearing testimony on the following bills:

S. 105. A bill to provide scientific scholarships and fellowships for children of veterans and other individuals from interest resulting from the investment of certain funds obtained under the provisions of the Trading With the Enemy Act, and to provide for the payment from such funds of certain American war claims against Germany and Japan. (By Senator SMATHERS.)

S. 531. A bill to amend section 32(a)(2)(D) of the Trading With the Enemy Act to permit the return of property to certain individuals who have become U.S. citizens since the vesting of their property by the Alien Property Custodian. (By Senator BIBLE.)

S. 664. A bill to amend the Trading With the Enemy Act to permit the return of property to certain individuals who have become U.S. citizens since the vesting of their property by the Alien Property Custodian; and to amend the War Claims Act of 1948 to provide for the payment of certain American war damage claims. (By Senator LANGER.)

S. 672. A bill to amend the War Claims Act of 1948 and the Trading With the Enemy Act to provide for the payment of certain American war damage claims and the return of vested assets or the value thereof. (By Senator JOHNSTON.)

S. 744. A bill to amend the Trading With the Enemy Act and the War Claims Act of 1948 to allow, as a matter of grace, the return of certain vested assets, and to provide for the payment of certain American war damage claims. (By Senator YOUNG.)

S. 1103. A bill to amend section 9(a) of the Trading With the Enemy Act to permit the sale of vested property which is the subject of litigation. By Senator KEATING.)

With respect to the foregoing or substantially the same bills on which hearings have heretofore been held, the testimony or record evidence will be limited to new matters rather than a repetition of prior evidence already of record before the subcommittee. Needless repetition will cause delay. Written briefs and statements in the absence of personal appearance and oral presentation will be greatly appreciated by the subcommittee. Such limitation will facilitate an early consideration of and report on all pending measures and expedite the subcommittee's conclusions.

A reference by letter to the date, record page, and subject matter at any previous hearing will justify a full consideration to everyone's contention.

In the event you desire to testify orally, in conformity with section 133(e) of the Legislative Reorganization Act of 1946, kindly furnish your prepared statement to the subcommittee (room 2206, New Senate Office Building) not later than June 8, 1959.

OLIN D. JOHNSTON,
Chairman, Subcommittee on Trading With the Enemy Act.

STUDY OF PROBLEMS IN CONNECTION WITH THE MARKETING OF AUTOMOBILES

Mr. SCHOEPPEL. Mr. President, the importance of the automobile industry—both manufacturing and retailing—

to the well-being of our national economy is common knowledge.

Moreover, it is a readily accepted fact that we owe our high standard of living, in large part, to the development of this instrument of transportation and the contributions it has made to the efficiency and productivity of our industrial resources.

It is equally well known that, for some time now, the conditions in the industry have been something less than stable. They have been likened, in many respects, to those prevailing in an oriental bazaar. Indeed, there are very few of us who have nct been affected, in some fashion, by this unstable condition.

Therefore, it has been no surprise that former Congresses have found it in the public interest to provide legislative relief for some of this industry's most pressing problems. Such was the case with respect to the dealers' day in court measure. When signing that bill into law, President Eisenhower recognized, and so stated, that it did not solve all the problems of the automobile industry.

Both the automobile manufacturers and their franchised dealers are cognizant of this situation, and both have endeavored to institute and support corrective measures.

For example, the franchised dealers, through their national association, comprising some 23,000 members, endorsed and supported the truth-in-labeling law in an effort to take the mystery out of the price of a new automobile. In addition, the National Automobile Dealers Association has waged an unrelenting fight against unethical, misleading, and gimmick advertising which has contributed considerably to the confusion in the minds of the purchasing public.

Dealers in my own State of Kansas, substantial citizens and foresighted small business men, have frequently brought these conditions to my attention. In their desire to remedy the situation, they have, on occasion, suggested that I study corrective measures proposed by their spokesmen on a local and national level.

This, Mr. President, I have done in the past; and this I intend to do now, together with a careful perusal of the findings which have resulted from a recently conducted national poll of the franchised dealer members of NADA.

Reasonable and normal control of the distribution and service of new automobiles seems to be the crux of the matter. Under some recent interpretations of existing law, both manufacturers and dealers under the franchise system are prevented from exercising corrective jurisdiction over these conditions in order to benefit the purchasing public. Both have registered a firm intention to seek a remedy in the public interest for this situation. The relationship of the stability of the automobile industry to the well-being of our national economy demands that this matter receive our earnest and immediate attention.

These facts account for my personal interest, Mr. President. I am taking the matter under advisement, and in the very near future will make a recommendation to the Automobile Marketing Practice Subcommittee of the Interstate and Foreign Commerce Committee, of which I am the senior minority member.

NOMINATIONS ON EXECUTIVE CALENDAR NOT TO BE CALLED TODAY

Mr. MANSFIELD. Mr. President, I wish to announce to the Senate that it is not the intention to bring up any nominations on the executive calendar today.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LIFE INSURANCE COMPANY INCOME TAX ACT OF 1959

Mr. MANSFIELD. Mr. President, is morning business concluded

The PRESIDING OFFICER. Morning business is concluded.

Under the order previously entered, the Chair lays before the Senate, House bill 4245, which the clerk will state by title.

The LEGISLATIVE CLERK. A bill (H.R. 4245) relating to the taxation of the income of life insurance companies.

The Senate proceeded to consider the bill, which had been reported from the Committee on Finance, with amendments.

Mr. BYRD of Virginia. Mr. President, the Senate is now considering H.R. 4245, relating to the taxation of the income of life insurance companies. Last year the Congress passed a stopgap law, which extended the 1955 and 1956 treatment for the taxation of the income of the life insurance companies to the calendar year 1957. Under this treatment, a tax at the regular corporate rate was levied on the net investment income equal to 87½ percent on the first million of such income and 85 percent on the balance. The stopgap bill, if continued, would yield $319 million for the year 1958.

For the past 10 years the insurance companies have been left in a state of uncertainty as to the proper tax they would pay. The existing law was phrased so that if the so-called stopgap expired, the 1942 formula would immediately come into operation. The 1942 formula has been shown by its operation to be not a dependable source of revenue. It fluctuated to a point where it yielded no revenue for 1947 and 1948. In the testimony before our committee there was, as was the case last year, considerable opposition to letting the 1942 formula come into operation.

When H.R. 10021, extending the stopgap formula to the year 1957, was before the Senate last year, I pointed out that, while the committee did not favor the stopgap formula as a permanent method of taxing life insurance companies, it was necessary to adopt it because the Treasury Department was not in a position to recommend a permanent formula for the taxation of life insurance companies, and suggested that the stopgap formula be extended to the calendar year 1957. The Treasury Department on April 7, 1958, submitted to the Ways and Means Committee and to the Committee on Finance definite recommendations for a permanent plan for the taxation of life insurance companies. However, this plan was not in legislative form, and the Treasury desired more time to devote to it. During the latter part of last year the Treasury held frequent consultations with the life insurance representatives. It was pointed out during these conferences that a shift to the total income approach would cause a discrimination between mutual and stock companies. Since the total income approach would start with net gain from operations after payment of dividends to policyholders, the stock companies contended that the mutual companies by increasing the size of their dividends could greatly reduce their tax burden in a manner not available to the stock companies.

On November 17, 1958, the Treasury outlined to a subcommittee of the Committee on Ways and Means a combination formula which would combine elements of a net investment income approach and a total income approach. The investment income approach would represent a minimum tax and the mutual companies would not be permitted, in general, to deduct policy dividends in arriving at this phase of the tax. Other features of the plan would tax one-half of the excess of operating gains over investment income—largely underwriting gains—and tax the other half of the underwriting gain if distributed to the shareholder. This combination approach with some modifications was adopted by the House and was considered by the Finance Committee. The Finance Committee held 3 weeks of hearings on the House measure. The hearings are printed and copies are on the Senators' desks. It will be seen that the hearings cover 704 pages of testimony.

The House bill, H.R. 4245, as amended by the committee, is now before the Senate. Our committee is of the opinion that this bill, as amended by the committee, represents a permanent method for the taxation of life insurance companies. It taxes life insurance companies not only upon their investment income, which was the method employed for the taxing of life insurance companies since 1920, but also for the first time reaches out and taxes underwriting income.

This is a most complicated bill, and is fully explained in the committee report, which covers 132 pages. It will yield approximately $500 million for 1958, and at least $535 million for 1959. In fact, I think we can safely call this bill a $600 million tax bill.

In framing a bill of this importance our committee felt it important to maintain as far as possible the competitive relationship between stock and mutual companies. The total number of life

insurance companies has been increasing rapidly in recent years. Of 1,350 life insurance companies in operation in 1958, there were 1,200 stock companies and 150 mutual companies. Under existing law, the mutuals paid 75 percent of the total revenue and the stock companies 25 percent. Under the committee bill the mutuals will pay 69 percent of the total revenue and the stock companies 31 percent. In terms of dollars of the total revenue received in 1958, $345 million will come from mutual companies and $155 million from stock companies. The mutual companies, of course, are much larger companies. At the end of 1958, the life insurance industry had assets of around $107 billion. Mutual companies hold about three-fourths of the assets of the industry and have about 63 percent of the net operating gain after payment of policy dividends.

An important change over existing law is that the bill taxes for the first time underwriting gains and recognizes underwriting losses. Trends in the industry towards group, credit, and term insurance, which produce large underwriting profits and little income from investments, make it important to bring into the tax base underwriting gains. In addition, the bill taxes capital gains and recognizes capital losses. Net long-term capital gains in excess of net short-term capital losses are taxed at a flat rate of 25 percent. This is explained on page 8 of the committee report.

There are many special features for small and new businesses, including special deduction of 10 percent of investment yielding up to a maximum of $25,000; the carryover losses for the years 1955, 1956, and 1957, instead of from 1958 forward; a 10-year carry-forward of net losses incurred by new businesses in the first 5 years of their existence; permitting underwriting losses to be offset against the investment income tax base up to a maximum of $250,000. These and many others are explained on pages 9 and 10 of the report. An exemption is also provided for the investment income earned in connection with reserves accumulated for qualified employee pension and profit-sharing plans.

Some provisions of the bill will come into effect gradually. The bill provides that the phase 1 tax base is to apply for 1958 and subsequent years. The phase 2 tax base also is to apply for 1958 and subsequent years, but under the committee's amendments relief under this phase is to be provided for the year 1958. For any company whose phase 2 tax base for that year exceeds its phase 1 tax base—that is, where the gain from operations is more than twice the taxable investment income—the phase 2 tax base is to be reduced by 10 percent of this excess. The capital gains tax applies with respect to the calendar year 1959 and subsequent years. The phase 3 tax base is one-third effective for the calendar year 1959, two-thirds effective for the calendar year 1960, and fully effective thereafter. The exemption for qualified pension plan reserves under phase 1 also is made available over 3-year period, being one-third effective in 1959, two-thirds effective in 1960, and fully effective thereafter.

I shall now discuss some of the changes made in the House bill.

Life insurance companies derive income from two basic sources: from investments and from writing life insurance policies. The bill before the Senate taxes their income from both of these sources. This is provided in what has come to be known as a 3-phase-tax. The first phase imposes a tax on the investment income; and the last two phases on the underwriting income or income from mortality and loading savings. Under phase 2, one-half of this underwriting income is taxed in the year it is earned. Under phase 3 in the case of stock companies, the other half is taxed when it is distributed.

This underwriting income under the 1942 formula, and also under the stopgap formulas, was entirely untaxed. Thus, one of the major accomplishments of this bill is in finding a satisfactory way of reaching this income.

In phase 1, both the House bill, and the bill as amended by the Senate Committee, determine the tax base for investment income on an individual company basis. This differs from the procedure under the 1942 formula, which made this determination on an industry-wide basis and then applied an industry-wide ratio to each company's investment income.

Under the committee's amendments the portion of the investment income set aside as belonging to the policyholder, and therefore not taxable to the life insurance company, is determined in a somewhat different manner from the procedure under the House bill. Under the committee amendments, the policyholders' share is determined by applying to adjusted life insurance reserves an interest rate representing the average rate of interest each company has earned on its assets in the current and 4 prior years.

The House bill also takes into account the current year's earnings rates of the company, but it averages this with the interest rate assumed by the company in establishing its reserves, or with the industry average assumed rate for the prior year, whichever is higher. We believe using the company's only earnings rate, particularly the 5-year average which the committee's amendments provide, is more realistic than basing the rate in part on an arbitrary industry-wide average or on the company's assumed rate, the level of which is partially within its own control.

The committee's amendments also differ from the House bill in the manner of determining the insurance company's share of investment income and the manner of deducting or excluding tax-exempt income and the intercorporate dividends received deduction. The House bill determined the portion to tax to the insurance company by subtracting from a net investment income—from which tax-exempt interest and the intercorporate dividends received deduction already have been deducted—the amount to be set aside in reserves for policyholders. However, this is then reduced for the portion of the total income which consisted of tax-exempt income and the intercorporate deduction.

The committee, on the other hand, determines the share of total investment income belonging to the policyholders, including their share of tax-exempt income, and sets this aside. Then from the remaining income, the life insurance company's share, there is deducted the life insurance company's share of tax-exempt interest, intercorporate dividends received deduction, and so forth. In providing the formula I have described to the Senate it was the intention of the committee not to impose any tax on tax-exempt interest. The Treasury has assured the committee that this formula does not impose any tax on tax-exempt interest. The bill adds a proviso to the effect that if the formula I have described does result in the imposition of tax on this item, the formula is to be adjusted so that it does not do so.

In the phase 2 tax, both the House and the committee allow the deduction of policyholder dividends, since these represent a return to the policyholder of what were initially excessive premium payments. This is only allowed in phase 2, however, as policyholder dividends paid out of investment income do represent returned premiums. The House and the committee were aware of the fact, with policyholder dividends allowed as deductions, that the weight of a tax on underwriting gains would be principally on the stock companies. Moreover, it was recognized that stock companies have to maintain larger capital or surplus balances for contingencies to offset the fact that they do not have the excessive initial premium payments. In view of this the House and the committee provide a special deduction equal to 10 percent of reserves on other than mutual insurance policies. The committee's amendments also provide, as an alternative to this, a deduction equal to 3 percent of premiums on the nonmutual policies but only for those of 5 years or more.

The pending bill, H.R. 4245, increases the taxes on insurance companies on an average of 75 percent as compared to the stopgap legislation under which taxes were last paid.

The tax collections, as I have stated, for the last payment, amounted to $319 million, while the pending bill will collect $500 million the first year and $535 million the second year, and will increase thereafter.

This income meets the estimate contained in the President's budget, which was $500 million for this year. Notwithstanding this increase, which, in my judgment, is warranted, I am in receipt of a telegram from life insurance companies holding over 70 percent of all the assets of U.S. life companies.

This telegram approves the bill now pending, and I call especial attention to that part of the telegram which approves the proration method of treating tax-free interest and the dividends received on corporate stock which these companies state is similar in principle to the one included in all laws since 1942.

The telegram which I have received reads as follows:

Senator HARRY FLOOD BYRD,
Chairman, Committee on Finance,
Old Senate Office Building:

The undersigned life insurance companies which hold over 70 percent of all the assets of U.S. life companies favor the enactment of H.R. 4245 as reported by Senate Committee on Finance. The proration method of treating tax-free interest and the dividends received on corporate stock recommended by your committee is similar in principle to the one included in all laws since 1942 and we urge that it be adopted.

The telegram was signed by the following companies, which hold more than 70 percent of all the assets of the U.S. life insurance companies: Acacia Mutual Life Insurance Co., Baltimore Life Insurance Co., Bankers Life Co., Iowa, Bankers Life Insurance Co. of Nebraska, Berkshire Life Insurance Co., Boston Mutual Life Insurance Co., Central Life Assurance Co., Connecticut Mutual Life Inurance Co., Empire State Mutual Life Insurance Co., Equitable Life Assurance Society, General American Life Insurance Co., Guardian Life Insurance Co., Home Life Insurance Co., New York, John Hancock Mutual Life Insurance Co., Lutheran Mutual Life Insurance Co., Manhattan Life Insurance Co., Massachusetts Mutual Life Insurance Co., Metropoliton Life Insurance Co., Mutual Benefit Life Insurance Co., Mutual Life Insurance Co. of New York, Mutual Trust Life Insurance Co., National Life Insurance Co., Vermont, New England Mutual Life Insurance Co., New York Life Insurance, North Western Mutual Life Insurance Co., Pacific Mutual Life Insurance Co., Penn Mutual Life Insurance Co., Phoenix Mutual Life Insurance Co., Presbyterian Ministers Fund, Provident Mutual Life Insurance Co., Prudential Insurance Co., Security Mutual Life Insurance Co., Binghamton, N.Y., Standard Insurance Co., State Mutual Life Assurance Co.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. JAVITS. Do I understand correctly that all the companies named in the telegram approve the bill?

Mr. BYRD of Virginia. Yes; they approve the bill as it is.

Mr. JAVITS. I thank my colleague.

Mr. BYRD of Virginia. In addition, I have received a telegram from two leading insurance companies of Virginia, which reads as follows:

MAY 18, 1959.

Senator HARRY F. BYRD,
Senate Office Building,
Washington, D.C.:

Life Insurance Company of Virginia and Shenandoah Life Insurance Co. favor H.R. 4245 as we understand it was reported by the Senate Committee on Finance and we hope it will be the pleasure of the Senate to enact it as reported.

CHARLES A. TAYLOR,
President, Life Insuarance Company of Virginia.
BLAKE T. NEWTON, Jr.,
President, Shenandoah Life Insurance Co.

One of the companies is a stock company and the other is a mutual company.

These statements were made notwithstanding the fact, as I have said, that the bill increases the average tax on life insurance companies by 75 percent; and certain companies will be forced to pay an increase of very much more than that.

I wish to say, in conclusion, that in all my experience on the Senate Finance Committee, I do not believe I have seen any proposed legislation given more intensive and meticulous study than the bill now pending. The hearings lasted for 3 weeks, and consideration of the bill before the committee extended over 2 months. The result is the bill now before the Senate.

I hope the Senate will give speedy approval to the bill.

Mr. President, I have a letter from the Assistant to the Secretary of the Treasury, Mr. David A. Lindsay, dated May 18, 1959, in which Mr. Lindsay takes the position that the bill as now written does not tax tax-exempt securities. The letter will be available to all Members of the Senate who desire to read it. I ask that it be made a part of the record.

There being no objection the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE SECRETARY
OF THE TREASURY,
Washington, May 18, 1959.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: This is in reference to your request for the opinion of the Treasury Department on the effectiveness of the provisions of H.R. 4245, as amended by the Senate Finance Committee, for the exclusion of interest on State and local obligations from the taxable income of life insurance companies.

It has been the objective of the provisions in question to exclude fully from tax in the hands of life insurance companies the interest on State and municipal bonds. At the same time, however, it has been considered essential not to allow anything in the nature of a double deduction or a tax loophole arising from the special characteristics of the unique formula to be applied to these companies.

In our opinion, there is no question that the bill H.R. 4245, as amended by your committee, achieves these objectives.

For purposes of phase 1, your committee's bill provides that a portion of the earnings on each and every investment, including tax-exempt interest, partially tax-exempt interest, corporate stocks, taxable bonds, and every other investment, is considered to be set aside in trust for the benefit of policyholders and exempted from tax. This portion, termed the policyholders' share of the investment income, is determined in accordance with the 5-year earnings rule adopted by your committee.

From the company's share of the earnings which remains after the exclusion of the policyholders' share, there is deducted all the remaining amount of tax-exempt interest. Similarly, the 85 percent intercorporate dividend deduction and the deduction for partially tax-exempt interest are allowed with respect to the company's share of dividends and partially tax-exempt interest. The balance of taxable income after these deductions is included in the tax base subject to corporate tax rates.

A similar procedure is provided in phase two of the formula.

To resolve any possible doubts as to the effectiveness of these procedures, your committee's bill also provides that if it is established in any case that the application of the definition of taxable income just described results in the imposition of tax on any tax-exempt interest (or upon the amount deductible for partially tax-exempt interest or the portion of dividends subject to the 85 percent intercorporate dividend deduction), adjustment shall be made to prevent such imposition.

In our opinion, this additional language is not necessary, since we cannot envision a situation in which the operation of the proposed tax formula would result in the substantive imposition of tax on municipal bond interest or on any other form of tax-exempt income.

As you know, this is a matter which has been examined from all viewpoints by your committee, a study in which the staff of the Department and of the Joint Committee on Internal Revenue Taxation have lent their fullest assistance. We are confident that the solution to this problem, which has been reached in your committee's bill, is a sound and effective one. Accordingly, it is our opinion, reached on the basis of most careful examination of H.R. 4245 as amended by your committee, that the bill does not result in the imposiiton of any tax on the tax-exempt interest on State and municipal bonds.

Thank you for giving us this opportunity to express our views on this important aspect of H.R. 4245.

Sincerely yours,

DAVID A. LINDSAY,
Assistant to the Secretary.

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an explanation of the amendments made by the Committee on Finance.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

EXPLANATION OF COMMITTEE AMENDMENTS

I should like to insert in the RECORD at this point a listing of the major committee amendments, together with quotations from the committee report explaining the reason for adopting these amendments. The references to page numbers are to pages in the report from which the quotations were taken.

1. The committee revised the method employed in phase 1 of the bill in computing the deduction rate. Instead of this being the average of each company's earned rate and an assumed rate (the company's own assumed rate for the current year or the industry average assumed rate for the prior year, whichever is higher) it is to be the company's own average earned rate for the last 5 years (current year and 4 prior years) (p. 15):

"One of the principal changes made by your committee's amendment of the House bill relates to the method of determining the amount of investment income set aside with respect to life insurance reserves. Your committee's amendments provide that the interest rate to be applied in determining this amount is to be the average rate of interest earned on assets (other than those used in carrying on the insurance trade or business) in the current and 4 prior taxable years. The House bill also used the earnings rate for the current year but did not depend entirely on this. Under the House bill the "deduction rate" was halfway between the current earnings rate and an assumed rate (either that of the individual company or that of the industry for the prior year, whichever was higher). The House bill also differed from your committee amendments in that the earnings rate used was only that of the current year rather than the 5-year average provided by your committee's amendments.

"Your committee decided to use only the earnings rate because, as was pointed out in

its hearings, there are certain problems in the use of an assumed rate. For example, allowing a company to use its own assumed rate to some extent still makes it possible for a company to vary its own tax burdens by making liberal or conservative evaluations as to its reserve needs. On the other hand, allowing a company to use an industry average assumed rate means to some extent that the arbitrariness of an industry-wide formula such as was used in the laws applicable from 1942 to 1955 would still remain as a factor. Also, complaints were made in your committee's hearings that the industrywide average unduly favored certain large companies which used a low rate of interest in establishing their reserves. These companies would be able to obtain a larger deduction under phase 2 by reason of larger additions to reserves, yet could not be limited in phase 1 to the corresponding smaller interest additions, since they could use the higher industry average assumed rate. Your committee concluded, however, that rather than use the earnings rate of a single year, it would be more appropriate to use a 5-year average to prevent sharp rises or declines in this rate."

2. The committee decided that amounts deducted under phase 2 under the two special deductions, the deduction equal to 10 percent of additions to nonparticipating reserves and the deduction equal to 2 percent of current year's premiums on group insurance, should be taxed under phase 3 if these amounts are ultimately paid out to stockholders. This is accomplished by requiring the amount of these two special deductions to be added to the policyholders surplus account (p. 26):

"Both the House bill and your committee's bill also provide a second surplus account called the policyholders surplus account. Into this account is placed the half of the underwriting profits which are not taxed on a current basis. Your committee has also amended the bill to add to this account the amounts deducted with respect to nonparticipating policies (either the 10 percent of additions to reserves or the 3 percent of premiums) and also the amount equivalent to 2 percent of premiums on group insurance. The effect of placing these amounts in this account is to impose a tax on these amounts at any time they are withdrawn from the life insurance company, or when any of the other circumstances occur which result in the imposition of a phase 3 tax. Your committee approves of the allowance of these deductions and believes that they provide a desirable cushion for special contingencies which may arise in the case of the policies involved. However, your committee concludes that if the insurance company itself decides to distribute these amounts to stockholders, it has demonstrated that this cushion is no longer needed."

3. The committee increased the small business deduction under both phases 1 and 2 from 5 percent to 10 percent of net investment income (as otherwise computed). The ceiling deduction of $25,000, however, remains the same. Thus, the maximum benefit will be reached with an income of $250,000 instead of $500,000 (pp. 17–18):

"A further deduction allowed in arriving at taxable investment income is the so-called small business deduction. Under your committee's bill this is 10 percent of investment yield but not more than $25,000. Under the House bill a special small business deduction was allowed equal to 5 percent of a company's net investment income up to a ceiling of $25,000. The small business deduction is patterned after the 2½ percent differential provided on the first $1 million of net investment income under the 1955 stopgap formula. The substitution of the 5 percent by the House bill for the 2½ percent increased the relief for small companies which do not reach the $25,000 ceiling, and the additional increase of this percentage to 10 percent which was made by your committee still further increases the relief for such small companies. By retaining the $25,000 ceiling, the additional relief provided by your committee is entirely confined to the smaller life insurance companies."

4. The committee adopted an alternative to the deduction equal to 10 percent of additions to nonparticpating reserves. In lieu of this deduction taxpayers may elect to take a deduction equal to 3 percent of the current year's premiums on nonparticipating policies for contracts for periods of 5 years or more (p. 22):

"Policyholder dividends in part reflect the fact that mutual insurance is usually written on a higher initial premium basis than nonparticipating insurance, and thus the premiums returned as policyholder dividends, in part, can be viewed as a return of redundant premium charges. However, such amounts provide a cushion for mutual insurance companies which can be used to meet various contingencies. To have funds equivalent to a mutual company's redundant premiums, stock companies must maintain relatively larger surplus and capital accounts, and in their case the surplus generally must be provided out of taxable income. To compensate for this, the House bill allows a deduction for nonparticipating insurance equal to 10 percent of the increase in life insurance reserves attributable to nonparticipating life insurance (not including annuities). Your committee has recognized the validity of the reasons for providing such a deduction and has therefore continued it in your committee's version of the bill. However, basing this addition, as does the House bill, only upon additions to life insurance reserves does not take account of the mortality risk factor present in policies involving only small reserves. To overcome this deficiency, your committee's amendments provide that a special 3 percent deduction based on premiums is to apply, instead of the 10 percent deduction, where it results in a larger deduction. This is a deduction equal to 3 percent of the premiums for the current year attributable to nonparticipating policies (other than group or annuity contracts) issued or renewed for a period of 5 years or more."

5. The committee provided that net operations losses from the years 1955, 1956, and 1957 may be carried forward to 1958 and subsequent years.

6. The committee provided that in lieu of the regular 5-year carryforward of net operations losses, new companies for their first 5 years of existence are to have a 10-year carryforward from each of these 5 years (p. 23):

"The House bill provides a net operations loss deduction which is similar to the net operating loss deduction available to corporations generally. As in the case of the net operating loss deduction generally available, under the House bill this operations loss deduction may be carried back 3 years or forward 5 years. Under the House bill these loss carryforwards are available only for 1958 and subsequent years. Your committee has in general accepted the net operations loss deduction provided by the House bill but has made two extensions in its application. It has provided that a new company, for losses incurred in any of its first 5 years as an insurance company, is to have a 10-year carryforward of losses, rather than the usual 5-year carryforward. Your committee made this change because of its special interest in helping new companies in getting started. Also, your committee recognized that for such companies the net operations loss 3-year carryback provides very little assistance, since such companies are unlikely to have income in their early years to which they can carry back losses. Thus, in effect, they would have available to them (without this amendment) only the 5-year carryforward. A company is not considered as new for this provision if at any time during the loss year it was a nonqualified corporation within the meaning of the bill."

7. The bill presently provides that if a company in any year does not qualify as a life insurance company any income on which the tax was deferred under phase 3 becomes due as of the end of the last year it qualified as a life insurance company. The committee amended this to provide a 2-year interval of nonqualification as an insurance company, before this phase 3 tax becomes due in such cases. However, if any of this income on which the tax was deferred is paid out in this 2-year period the tax becomes due on this amount (pp. 27–28):

"Third, the House bill provided that any amount in the policyholders surplus account was to become taxable as of the end of the prior year, if a company ceased to be a life insurance company (unless the carryover provisions of section 381(c)(22) were applicable to its successor). Your committee has in general retained this provision but has liberalized it somewhat by providing that the tax deferral is not to be terminated in the case of an insurance company which no longer qualifies as a life insurance company unless for 2 years it does not so qualify. This makes allowance for the fact that an insurance company through accidental circumstances, such as the cancellation of a large group policy, may temporarily and unintentionally be disqualified as a life insurance company, with the result that its full deferred tax becomes due."

8. The committee changed the bill to provide in phase 1 for a division of all items of income, including tax-exempt income, partially tax-exempt interest and dividends received from other corporations, between the policyholders and the life insurance company. The portion of all items attributed to the policyholder are set aside and not taken into account in computing the life insurance company's tax. The portion of the income items attributed to the policyholder is to be determined by expressing the policyholders' requirements as a percent of investment yield (net investment income plus tax-exempt income, etc.). The policyholder requirements (except for the use of the 5-year average) are determined in the same manner as the policy and other contract liability deduction under the House bill except that there is no downward adjustment in the requirements for tax-exempt interest, etc.

The life insurance company's tax base is then computed by subtracting from its share of investment yield, its share of tax-exempt interest, its share of thirty fifty-seconds of partially tax-exempt interest, and its share of the 85 percent intercorporate dividends received deduction. An added statutory proviso makes it clear that in no event is any tax to be imposed on tax-exempt interest or on the 85 percent of intercorporate dividends which are deductible under general code provisions. A somewhat similar revision was made in the phase two tax base (p. 17):

"Under your committee's amendments the taxable investment income of a life insurance company is the life insurance company's share of each item of investment yield, with certain reductions. The life insurance company's share of investment yield is the amount remaining after setting aside the policyholders's share of investment yield. The policyholder's share of the investment yield is the percentage of this investment yield represented by the policy and other contract liability requirements. Thus, the insurance company's share of the investment yield is the difference between this percentage and 100 percent.

"Included in this investment yield which is divided between the policyholder and the life insurance company is tax-exempt interest on State and municipal bonds, partially tax-exempt Federal bond interest, and 85 percent of dividends received with respect to which a deduction is available. To arrive at taxable investment income of the life insurance company, its share of investment yield is reduced by its share of this tax-exempt interest, partially tax-exempt interest, and 85 percent dividends received deduction. The purpose of your committee in providing this treatment is to exempt a life insurance company from tax on any tax-exempt interest, on thirty fifty-seconds of partially tax-exempt interest, and on 85 percent of dividends received. To give further assurance that no tax is to be imposed on tax-exempt interest and the other items, your committee has added a special paragraph to the bill providing that if the application of the definition of taxable investment income does result in the imposition of tax on tax-exempt interest, on the thirty fifty-seconds of partially tax-exempt interest, or on the 85 percent of dividends received, adjustment is to be made to the extent necessary to prevent any such imposition of tax."

9. The committee decided to allow policyholder dividends, the 10 percent deduction for additions to reserves for nonparticipating policies (or 3 percent deduction for premiums) and the 2 percent deduction for group insurance to add to, or create, an underwriting loss which may be offset against phase one taxable investment income to the extent of $250,000 of such items, (p. 22):

"In the case of participating policies (insurance written on a mutual basis) deductions are allowed for dividend payments or rate credits to policyholders. Under the House bill these dividend payments, although allowed as deductions in computing the phase 2 tax base, were not allowed to reduce taxable investment income under phase 1 or to create a net operations loss which could be carried over and applied in reduction of underwriting gains of another year. Under your committee's bill these dividends (plus certain other deductions described below) are allowed as offsets against the phase 1 tax base, or are allowed to create an underwriting loss for tax purposes, up to the extent of $250,000. Your committee realized that to permit these dividends to offset in full the phase 1 tax base would in effect allow mutual companies to distribute their investment income as dividends without payment of tax. On the other hand, it recognized that smaller mutual companies paying what are recognized as ordinary policyholder dividends may, nevertheless, incur underwriting losses if they attempt to expand their operations. It was the problem faced by these smaller mutual companies that led your committee to the conclusion that policyholder dividends should be allowed as deductions, to a limited extent, in determining any underwriting loss to be offset against the phase 1 taxable investment income."

10. The committee adopted a provision preventing a double tax with respect to reinsurance where the reinsuring company pays the ceding company's tax with respect to the reinsurance (pp. 38–39):

"Modified coinsurance is a form of indemnity reinsurance (as contrasted to assumption reinsurance) to indemnify an insurer against a risk it has assumed. Hence, as distinct from assumption reinsurance, the initial risk in this case remains with the insurer but he covers this risk by reinsuring part or all of a contract with another insurance company (referred to here as the reinsurer). Three forms of this indemnity reinsurance have been developed. The first of these, called coinsurance, calls for the premium with respect to the insurance reinsured to go to the reinsurer, with the result that the reinsurer, with respect to this insurance, is treated substantially in the manner he would be if he had issued the insurance policy (or part thereof) directly. Any expenses incurred by the initial insurer with respect to the policy are reimbursed by the reinsurer. This form of indemnity reinsurance presents few special tax problems. This is also true of the so-called yearly renewable term reinsurance. Under this plan the initial insurer covers his risk by purchasing one year renewable term insurance from the reinsurer. The insurance purchased in this case is usually the face amount of the policy less reserves with the premium per thousand dollars increasing as the age of the policyholder increases. No special tax problem is involved here because the entire investment income at all times remains with the initial insurer."

11. The committee agreed to provide in the case of organizations taxed as insurance companies, which would be exempt from tax as local beneficiary associations under section 501(c)(9) except for the fact that their investment income exceeded 15 percent of their total receipts, that (A) under the phase 1 tax their actuarial reserves are to be treated as life insurance reserves even though not required by State law and (B) under the phase 2 tax only a small proportion of decreases in reserves built up before 1958 arising from voluntary lapses of policies are to be taken into account in determining receipts (pp. 36–37):

"Under present law (sec. 501(c)(9)), voluntary employees' beneficiary associations providing for the payment of life, sick, accident, or other benefits to members of the association or their dependents are exempt from income tax if no part of their net earnings inures to the benefit of any private shareholder or individual (other than through these payments) and if 85 percent or more of their income consists of amounts collected from the members and amounts contributed by the employer. The attention of your committee has been called to the fact that some employee beneficiary associations meet all of the requirements for this exemption except for the fact that more than 15 percent of their income consists of earnings on accumulated funds. As a result, they fail to qualify for exemption, since less than 85 percent of their income in derived from the employees or the employer. In the past, when such associations, because of this excess investment income, failed to qualify for exemption, they were taxed as life insurance companies where they paid life, sickness, or accident benefits. However, under the bill as passed by the House, no portion of their income would be set aside as belonging to the policyholder, as distinct from the insurance company, because the reserves of these companies do not meet the definition of 'life insurance reserves' in one respect: These reserves are not required by law. To meet this problem, your committee has amended the bill to provide that in the case of policies issued by organizations which would qualify under section 501(c)(9) except for the 85-percent requirement, reserves are to qualify as life insurance reserves even though not required by State law.

"In addition, the attention of your committee was called to one of these employee beneficiary associations where there apparently would have been a large phase 2 tax base because there was a large volume of voluntary lapses in policies. This results in decreases in reserves, which in turn increase the income subject to the phase 2 tax. These were lapses in policies issued before January 1, 1958, and thus the reserves were built up in a period before any phase 2 tax was applicable. To the extent there are no offsetting increases in reserves occurring currently, these lapses, in large part, at least, represent pre-1958 income. Because of this, your committee concluded that it would be appropriate to take these voluntary lapses into account only to the extent of 11½ percent of any decrease in life insurance reserves attributable to them with respect to policies issued before January 1, 1958. This will have the effect, in the case called to the attention of your committee, of imposing approximately the same tax in 1958 as was imposed in 1957. This is an elective provision, and those who elect it are not to have available to them the carry-forward of losses from years prior to 1958 or the special 1958 10-percent reduction in the phase 2 tax base to the extent that this base exceeds the phase 1 tax base."

12. The committee agreed that distributions to shareholders in redemption of life insurance stock are not to be treated as resulting in a phase 3 tax if the stock was issued before 1958, if the stock is limited as to dividends, and if the stock can be called at the option of the company at a premium of not more than 5 percent (p. 38):

"Under phase 3, the bill in general provides that distributions to shareholders after 1958 are to be treated as being made first out of the shareholders surplus account to the extent of any balance in this account, then out of the policyholders surplus account, to the extent of any balance in this account, and finally out of all other accounts. Only after tax has been paid on the amount of policyholders surplus may redemptions be made out of surplus without tax effect. The attention of your committee has been called to situations where this may result in hardship because the companies involved had issued special callable stock before 1958 with the agreement that it would be callable at a small premium when the company no longer required the use of the funds. Under the general priority of distributions established under phase 3, the redemption of this stock would under the House bill result in a phase 3 tax whenever distributions exceed any balance in the shareholders surplus account. To prevent this effect where the clear and obvious intent of the parties involved was to make the funds available to the insurance company only for the period of time the funds were needed by the company, your committee has added a proviso to the bill providing that a distribution in redemption of stock issued before 1958 under certain conditions is not to be considered a distribution for purposes of applying the distribution priorities referred to above. The conditions which must be met are that the stock must at all times be limited as to dividends, and be callable at the option of the company at a price not in excess of 105 percent of the amount initially paid in with respect to the stock."

13. Although the phase 3 tax is not to apply to 1958 income, the committee agreed to set up the shareholders surplus account for income of 1958. Therefore amounts taxed in 1958 can be paid out in subsequent years without first paying a tax on distributed income of the subsequent year (p. 26):

"The effect of the amendment made by your committee establishing this account for 1958 and subsequent years, instead of for 1959 and subsequent years, is to permit life insurance companies to distribute amounts with respect to which they paid tax for 1958, without first having to pay tax on amounts earned in 1959 (and possibly subsequent years) on which the tax had been deferred. This seems desirable in view of the fact that companies could not plan their 1958 distributions with knowledge as to the tax effect of any phase 3 tax."

14. The committee agreed in phase 3 to lower the ceiling for the policyholders surplus account. The 60-percent ceiling was lowered to 50 percent in the case of premiums. In the case of reserves the committee provided a ceiling of 25 percent of addi-

tions to reserves since 1958 or 15 percent of total reserves, whichever is higher, instead of the present single limit of 25 percent of reserves (p. 27):

"Second, the House bill provided that the balance in the policyholders surplus account could not exceed 25 percent of life insurance reserves or 60 percent of net premiums received in the current year, whichever is the higher. When the cumulative balance exceeded the higher of these two limits, the excess over the higher limit was subjected to tax. Your committee has accepted the concept of a ceiling on the policyholders surplus account but has provided somewhat different limitations from those specified in the House bill. Thus, under your committee's amendments, the maximum amount in the policyholders surplus account may not exceed the highest of the following: (a) 15 percent of total life insurance reserves, or (b) 25 percent of the cumulative additions to life insurance reserves since 1958, or (c) 50 percent of the net premiums received during the year.

"This modification was made by your committee in order to place relatively more emphasis on increases in reserves since 1958. It is believed that this will be relatively more favorable for the new and expanding companies."

15. The committee agreed to provide assessment companies with a 3-percent assumed rate of interest on their reserves for phase 1. Although they set aside a portion of assessments as reserves, since they have no assumed rate they technically would have no policy reserve requirements without this change (p. 35):

"In the case of mutual assessment companies, the House bill and also prior law provided that amounts deposited by these companies with State officials as guarantee or reserve funds, and also funds maintained exclusively for the payment of claims, were to be treated as life insurance reserves. Thus, these assessment companies have consistently been treated as life insurance companies and it was thought that they were so treated under the House bill. However, in determining the division of investment income between policyholders and the life insurance company, both for purposes of phase 1 and phase 2 tax bases, it is necessary to have an assumed rate of interest. However, these assessment companies have no interest rate which qualifies for this purpose. To overcome this deficiency, your committee has amended the bill to provide that the assumed rate of interest for these mutual assessment companies is to be 3 percent."

16. Where a company has reinsured policies of assessment companies and reserves of these companies are used by the reinsuring company to cover deficiency reserves and loading expenses with respect to the reinsured policies, the committee agreed that the reserves are to qualify as deficiency reserves to the extent that they do not represent loading expenses. Therefore decreases in these deficiency reserves (except for the loading element) will not be treated as taxable income (pp. 31–32):

"Cases were called to the attention of your committee where companies had reinsured policies of assessment companies and the reserves of these companies were used by the reinsuring company to cover the difference between the gross premiums required under ordinary life insurance and the smaller premiums payable under the original assessment-type policies. Your committee thought that these reserves should qualify as deficiency reserves to the extent they did not represent loading expenses. Therefore, the definition of deficiency reserves has been modified by your committee so that it refers to 'that portion' of a reserve which meets the specified conditions, and so that portion which qualifies will be covered by this provision. In addition, your committee made certain technical changes in this provision to express it in terms of individual contracts instead of in terms of a group of contracts."

17. Where a company sold its entire industrial insurance business in 1958, the committee agreed the sale is to be considered a capital transaction. Since capital gains and losses are not to be taxed in 1958 such transactions would have no tax effect in 1958. No implications are to be drawn from this, however, as to the tax treatment of such transactions in the future (p. 30):

Second, your committee has provided that where a life insurance company sells all of its business of one particular type, such as an entire industrial life insurance department, in either a single transaction or series of related transactions to another company (or companies) the transaction is to be treated as a sale of a capital asset if the transaction occurred in 1958. Since capital gains under the bill are taxable in 1958, this in effect means that for 1958 such a transaction is not to have any tax effect. By making this amendment, however, your committee intends no inference to be drawn as to the treatment of similar transactions in subsequent years. Where a company did in 1958 sell all of its insurance contracts of one particular type, your committee believed that it would be unfair to retroactively impose a tax in such a case, since this is the type of transaction a company would have been likely not to have made had it had any knowledge that any sizable tax was applicable."

18. The committee agreed to permit companies to make an election for 1958 only between the approximate and exact methods of revaluing preliminary term reserves to a net level premium basis. Then under the committee decision, the company would have a new election between these methods binding for 1959 and subsequent years (p. 31):

"The House bill provides that the election to take the exact revaluation method or the approximate revaluation method is a binding election once made and must be adhered to unless a change is approved by the Secretary or his delegate. Your committee has modified this, however, to provide that, if for 1958 a life insurance company selects the approximate revaluation method, it may change and select the exact revaluation for 1959 and subsequent years without the consent of the Secretary or his delegate. This flexibility in elections is provided because it has been suggested to your committee that the time now is too short to permit many insurance companies to make the computations necessary under the exact revaluation method for 1958. This makes the adoption of the approximate method necessary for 1958 and if the election were to be binding would make it impossible for a company to shift over to the exact method in a subsequent year unless the shift were approved by the Secretary or his delegate."

19. The committee agreed to make it clear in the committee report that life insurance departments of mutual savings banks are to be treated as life insurance companies for all purposes of the bill. It also agreed to provide in the statute that these departments of mutual savings banks are to have until April 16, instead of until March 16, each year to determine the amount of their policyholder dividends (pp. 37–38):

"The attention of your committee was called to the fact that in the case of life insurance departments of mutual savings banks in certain cases there is a centralized auditing of the life insurance departments for all of such departments within one State. It is further understood that the auditors in such cases make recommendations to the mutual savings banks as to the policyholder dividends which they believe should be made in the case of the bank's life insurance policies. Experience has indicated that it is not possible in all cases to supply this information to the boards of directors of mutual savings banks in time for them to set aside the amount determined for policyholder dividends before the 16th day of March of the year following the year of liability. Your committee decided, therefore, to give mutual savings banks with these life insurance departments up to April 16 for the determination of policyholder dividends.

"Your committee would also like to make it clear that, wherever in the bill there is a reference to a life insurance company, in the case of mutual savings banks with life insurance departments this is intended to include such a life insurance department. It is your committee's understanding that this is the effect of section 594 of the code, which imposes a substitute tax in the case of mutual savings banks having separate life insurance departments. The substitute tax provided in this case consists of two partial taxes: one a partial tax on the regular mutual savings bank operations and the second a tax on the life insurance department activities of the bank, the latter being computed in the same manner as for a separate life insurance company."

20. The committee agreed to provide that foreign insurers may for phase 3 allocate the portion of a distribution that is allocable to U.S. business on the basis of either U.S. surplus to total surplus (as in the bill) or on the basis of U.S. insurance liabilities to total insurance liabilities. It also provided apportionment rules where a Canadian company mutualizes, along the lines of those provided elsewhere in the bill (pp. 33–40):

"For purposes of the phase 3 tax base, the House bill determines the portion of a distribution which is allocable to U.S. business on the basis of the ratio of the amount assumed to be the U.S. surplus to the company's actual total surplus. As an alternative to this your committee's amendments provide that the portion of a distribution considered as being made with respect to U.S. business can be determined on the basis of the ratio of the insurance liabilities of the company in the United States to the company's total insurance liabilities. Your committee's bill also provides apportionment rules where a foreign insurance company mutualizes."

21. Since under the bill capital gains occurring prior to 1959 are not taxed, the committee agreed to provide that proceeds from installment payments received after 1958 on pre-1959 sales are not subject to tax (p. 30):

"Your committee has retained the basic capital gains provisions of the House bill but has made two relatively minor modifications in the treatment provided by the House bill. First, it is provided in the case of transactions, such as installment sales, where the transaction occurred before the effective date of the capital gains provision, namely, before January 1, 1959, no capital gains tax is to apply merely because payment is received after that date."

22. Where an insurance company is required to shift to an accrual method of accounting an adjustment in income is taxed by a measurement which includes one-tenth of the adjustment in 1957 income (then after this additional tax is determined, the final tax on the adjustment is 10 times this amount). The committee agreed to provide that in measuring the additional tax on this adjustment under 1957 law that the 2 for 1 limit (designed to tax investment income of overcapitalized companies at 52 percent) is not to be taken into account by reason of this adjustment. It also agreed to provide that for the additional tax on the adjustment any effect of this additional income in reducing the special interest deduction (where investment income was less, or only slightly exceeded, interest requirements) is to be ignored (p. 32–33):

"Your committee's amendments accept the House method of computing the tax with respect to the accounting adjustment

with two minor modifications. The committee has provided that, in measuring the additional tax on this adjustment for 1957, there is not to be taken into account the special ceiling on the policy deduction in the 1957 law (designed to tax investment income of overcapitalized companies at 52 percent) where the reserve and other policy liability deduction otherwise available was not allowed to exceed two times the required interest on life insurance reserves. Also, your committee has provided that the special interest deduction available where investment income is less, or only slightly exceeds, the required interest on the reserves is not to be reduced because of the increase in investment income for 1957 resulting from the adjustment. The one-tenth of the readjustment income taken into account in 1957 (which after the tax is obtained is subsequently multiplied by 10) is a rough approximation of the result which would be obtained if this income were spread back over a 10-year period. The fact that these special provisions apply in 1957 is no indication that they would apply in the other 9 years of this spread and, therefore, since the tax determination is based upon a multiple of the 1957 tax computation, your committee concluded that it generally would achieve the wrong result to spread in effect the application of these special provisions over the other 9 years."

23. The committee agreed to make it clear under the bill that the interest paid deduction is to be available where a life insurance company is required to make payments or credits on special contingency reserves of a nonforfeitable character which it must hold as a liability under some group insurance policy such as that authorized under the Federal Employees Group Life Insurance Act of 1954 (p. 17).

"In addition, your committee has added a provision to make it clear that interest added by a life insurance company to special contingency reserves required by section 8 (d) of the Federal Employees Group Life Insurance Act of 1954 are to be included in this category. All of the interest payments included under this provision are similar in nature to the deduction for interest paid or credited on deposits by a bank and therefore properly are not taken into account in determining the income of the life insurance company making the payment."

24. The committee agreed to make the phase 3 tax gradually effective over a 3-year period, with the result that one-third of the phase 3 tax otherwise payable in 1959 will be due; two-thirds of the 1960 tax will be due; and the full tax will be due in 1961 (pp. 25–26).

"Under the House bill this phase 3 addition to the tax was to be fully effective for 1959 and subsequent years. Your committee decided, however, that since this represented a new tax, more time should be given insurance companies to adjust to it. For that reason your committee's amendments make this tax one-third effective in 1959, two-thirds effective in 1960, and fully effective in 1961. This tax relief under phase 3 for 1959 and 1960, however, is to be available only in the case of actual distributions and not under any of the other circumstances which may result in the imposition of a phase 3 tax."

25. The committee agreed to treat variable annuity companies as life insurance companies for tax purposes and their reserves as life insurance reserves. This treatment is provided for a 5-year period to give Congress an opportunity to review the treatment at that time to determine whether they should come under the life insurance provisions or some special provisions should be adopted for them (pp. 35–36):

"Your committee has added a provision to the House bill to make it clear that variable annuities are in general to be taxed in the same manner as other annuities. This was considered especially desirable in view of the recent Supreme Court case in this area (*Securities and Exchange Commission* v. *Variable Life Insurance Company of America et al.*, March 23, 1959). Thus, companies issuing such contracts will, if they otherwise qualify, be treated as life insurance companies. Variable annuities differ from the ordinary or fixed dollar annuities in that the annuity benefits payable under the variable annuity vary with the insurance company's overall investment experience. The fixed dollar annuity, on the other hand, guarantees the payment of a specified amount irrespective of the actual investment earnings. Both the fixed dollar annuities and the variable annuities, however, are based upon the principle of paying out either specified amounts, or specified units with values which vary with investment experience, over the life of each member of an annuitant group. Thus, in both cases the insuring company bears the mortality risk. In view of this your committee believes variable annuities should in general be treated like other annuities for tax purposes.

"Your committee's amendments provide that variable annuity contracts using recognized mortality tables but with annuity payments based on the investment experience of the company issuing the contract are to be treated as regular annuity contracts for purposes of the life insurance company tax. Therefore, such reserves will qualify as life insurance reserves and companies primarily issuing such policies will qualify as life insurance companies for Federal income tax purposes. The current earnings rate of such a company to be used in determining the portion of investment income belonging to the policyholder and the portion representing the life insurance company's share is to be computed in the usual manner, except that there is to be deducted from the company's current earnings rate any actuarial margin charge prescribed by the contract. This same rate is also to be used as the company's assumed rate of interest.

"This actuarial margin charge represents a charge made by the company to cover general expenses which are over and above the expenses provided for in the charges made against premiums. In addition, this actuarial margin provides contingency mortality reserves as well as the profit margin for the shareholders of the company."

26. The committee agreed to impose certain limitations on the application of phase 2 for the 1958 tax liability. If the phase 2 tax base for 1958 (after deduction of the phase 1 base from gain from operations and reduction of the remainder by 50 percent) exceeds the phase 1 tax base, the phase 2 tax base is to be reduced by 10 percent of this excess (p. 23):

"In view of the fact that the tax on underwriting gains is entirely a new tax for life insurance companies, your committee has added a special provision limiting the additional tax which may arise as a result of taxing underwriting gains for the first time. It has added a proviso to the effect that for the calendar year 1958 if the half of the underwriting gain taxed currently (phase 2 tax base) exceeds the taxable investment income (phase 1 tax base) the amount of underwriting gain taxed currently is to be reduced by 10 percent of the amount by which this exceeds the taxable investment income. This will ameliorate the initial impact of this phase 2 tax."

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. CURTIS. I thank the distinguished chairman of the Committee on Finance for yielding to me. My purpose at this time is to make an inquiry to establish legislative intent. My inquiry relates to section 804(c)(1), and my question is this:

Is it the intent of section 804(c)(1) of the bill to grant to a life insurance company a deduction under phase 1 for the real estate taxes, depreciation, and other expenses attributable to office space owned by the company and utilized in connection with its investment function?

Mr. BYRD of Virginia. I will say, in answer to the Senator's question, that I have submitted his question to the Treasury Department, and what I now say in reply has been approved by the Treasury Department. In answering this question, I wish to refer to the committee report which on page 14 refers to a deduction for investment and similar expenses. It states:

> The other similar expenses which, under both the House bill and your committee's bill, are deductible are real estate expense, depreciation, depletion, and trade or business deductions, but only to the extent these deductions relate to the investment income and not to the income of the insurance business as such.

It is, therefore, the intent of section 804(c)(1) to grant a life insurance company a deduction under phase 1 for the real estate taxes, depreciation, and other expenses attributable to office space owned by the company and utilized in connection with its investment function. Such items would be deductible as general investment expenses and as such would be subject to the limitations of section 804(c)(1).

Mr. CURTIS. I thank the Senator.

Mr. BYRD of Virginia. This statement has been approved by the Treasury.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 3, line 19, to strike out "and"; after line 19, to insert:

"(B) in the case of policies issued by an organization which meets the requirements of section 501(c)(9) other than the requirement of subparagraph (B) thereof, and";

At the beginning of line 24, to strike out "(B)" and insert "(C)"; on page 4, after line 14, to insert:

"For purposes of this part, the rate of interest assumed in calculating the reserves described in subparagraphs (A) and (B) shall be 3 percent."

In line 20, after the word "reserves", to strike out:

"For purposes of this paragraph and subsection (c), the term 'deficiency reserves' means the total present value of the amounts by which—

"(A) the net premiums required for life insurance and annuity contracts, exceeds

"(B) the actual premiums and other consideration charged for such contracts." and, in lieu thereof, to insert:

"For purposes of this subsection and subsection (c), the deficiency reserves for any contract is that portion of the reserve for such contract equal to the amount (if any) by which—

"(A) the present value of the future net premiums required for such contract, exceeds

"(B) the present value of the future actual premiums and consideration charged for such contract.";

On page 6, after line 20, to insert:

"(g) VARIABLE ANNUITIES.—

"(1) IN GENERAL.—For purposes of this part, an annuity contract includes a contract which provides for the payment of a variable annuity computed on the basis of recognized mortality tables and the investment experience of the company issuing the contract.

"(2) CURRENT EARNINGS RATE.—For purposes of section 805(b)(1), the current earnings rate of a life insurance company with respect to contracts described in paragraph (1) is the current earnings rate determined under such section reduced by—

"(A) the annual rate of the actuarial margin charge as prescribed by the contract, or

"(B) if no such rate is prescribed by the contract, the percentage obtained by dividing the amount of the actuarial margin charge on all contracts described in paragraph (1) issued by the taxpayer by the mean of the taxpayer's assets obligated under all such contracts to satisfy liabilities under all such contracts.

"(3) ASSUMED RATE.—For purposes of this part, the rate of interest assumed by the taxpayer for any taxable year in calculating the reserve on an annuity contract described in paragraph (1) shall be the percentage obtained under paragraph (2).

"(4) INCREASES AND DECREASES IN RESERVES.—In the case of annuity contracts described in paragraph (1)—

"(A) for purposes of section 810, any increase in reserves shall be computed only with respect to increases by reason of premiums and gross investment income, and

"(B) for purposes of section 810, any decrease in reserves shall be computed only with respect to decreases by reason of benefits paid under such contracts.

"(5) TERMINATION.—Paragraphs (1), (2), (3), and (4) shall not apply with respect to any taxable year beginning after December 31, 1962."

On page 9, after line 2, to insert:

"(3) SPECIAL RULE FOR 1959 AND 1960.—If any amount is subtracted from the policyholders surplus account under section 815(c)(3) for a taxable year beginning in 1959 or 1960 on account of a distribution in 1959 or 1960 (not including any distribution treated under section 815(d)(2)(B) as made in 1959 or 1960), the tax imposed for such taxable year on the life insurance company taxable income shall be the amount determined under paragraph (1) reduced by the following percentage of the amount by which the tax imposed by paragraph (1) is (without regard to this paragraph) increased, on account of the amount so subtracted, by reason of section 802(b)(3)—

"(A) in the case of a taxable year beginning in 1959, 66⅔ percent; and

"(B) in the case of a taxable year beginning in 1960, 33⅓ percent.

The preceding sentence shall not apply with respect to any payment treated as a distribution under section 815(d)(3)."

On page 10, line 2, after "section 804)", to strike out "or" and insert "or, if smaller,"; in line 3, after the numerals "809", to strike out "(a)"; in the same line, after the comma, to strike out "whichever is the smaller,"; after line 10, to insert:

"In the case of a taxable year beginning in 1958, if the amount determined under paragraph (2) (without regard to this sentence) exceeds the amount determined under paragraph (1), the amount taken into account under paragraph (2) shall be reduced by an amount equal to 10 percent of such excess."

After line 16, to strike out:

"SUBPART B—INVESTMENT INCOME

"Sec. 804. Taxable investment income.

"Sec. 804. Policy and other contract liability deduction.

"Sec. 806. Change of basis in computing reserves.

"SEC. 804. TAXABLE INVESTMENT INCOME.

"(a) IN GENERAL. For purposes of this part, the amount of the taxable investment income for any taxable year shall be an amount (not less than zero) equal to the net investment income (determined under subsection (c)), minus the policy and other contract liability deduction (determined under section 805).

"(b) GROSS INVESTMENT INCOME.—For purposes of this part, the term 'gross investment income' means the sum of the following:

"(1) INTEREST, ETC.—The gross amount of income from—

"(A) interest, dividends, rents, and royalties,

"(B) the entering into of any lease, mortgage, or other instrument or agreement from which the life insurance company derives interest, rents, or royalties, and

"(C) the alteration or termination of any instrument or agreement described in subparagraph (B)

"(2) SHORT-TERM CAPITAL GAIN.—In the case of taxable year beginning after December 31, 1958, the amount (if any) by which the net short-term capital gain exceeds the net long-term capital loss.

"(3) TRADE OR BUSINESS INCOME.—The gross income from any trade or business (other than an insurance business) carried on by the life insurance company, or by a partnership of which the life insurance company is a partner. In computing gross income under this paragraph, there shall be excluded any item described in paragraph (1).

"Except as provided in paragraph (2), in computing gross investment income under this subsection, there shall be excluded any gain from the sale or exchange of a capital asset, and any gain considered as gain from the sale or exchange of a capital asset.

"(c) NET INVESTMENT INCOME DEFINED.—For purposes of this part, the term 'net investment income' means the gross investment income less the following deductions:

"(1) INVESTMENT EXPENSES.—Investment expenses and the taxable year. If any general expenses are in part assigned to or included in the investment expenses, the total deduction under this paragraph shall not exceed the sum of—

"(A) one-fourth of 1 percent of the mean of the assets (as defined in section 805(b)(6)) held at the beginning and end of the taxable year,

"(B) the amount of the mortgage service fees for the taxable year, plus

"(C) whichever of the following is the greater:

"(i) one-fourth of the amount by which the investment yield (as defined in section 805(b)(5), but computed without any deduction for investment expenses allowed by this paragraph) exceeds 3¾ percent of the mean of the assets (as defined in section 805(b)(6)) held at the beginning and end of the taxable year, reduced by the amount described in subparagraph (B), or

"(ii) one-fourth of 1 percent of the mean of the value of mortgages held at the beginning and end of the taxable year for which there are no mortgage service fees for the taxable year.

"(2) REAL ESTATE EXPENSES.—The amount of taxes (as provided in section 164), and other expenses, for the taxable year exclusively on or with respect to the real estate owned by the company. No deduction shall be allowed under this paragraph for any amount paid out for new buildings, or for permanent improvements or betterments made to increase the value of any property.

"(3) DEPRECIATION.—The deduction allowed by section 167. The deduction under this paragraph and paragraph (2) on account of any real estate owned and occupied for insurance purposes in whole or in part by a life insurance company shall be limited to an amount which bears the same ratio to such deduction (computed without regard to this sentence) as the rental value of the space not so occupied bears to the rental value of the entire property.

"(4) DEPLETION.—The deduction allowed by section 611 (relating to depletion).

"(5) TAX FREE INTEREST.—The amount of interest which under section 103 is excluded from gross income.

"(6) PARTIALLY TAX EXEMPT INTEREST.—In lieu of the deduction allowed by section 242 (relating to deduction for partially tax exempt interest), a deduction in an amount which bears the same ratio to the amount allowable under such section as—

"(A) the normal tax rate for the taxable year prescribed by section 11, bears to

"(B) the sum of the normal tax rate and the surtax rate for the taxable year prescribed by section 11.

"(7) DIVIDENDS RECEIVED.—The deductions allowed by sections 243, 244, and 245.

"(8) TRADE OR BUSINESS DEDUCTIONS.—The deductions allowed by this subtitle (without regard to this part) which are attributable to any trade or business (other than an insurance business) carried on by the life insurance company, or by a partnership of which the life insurance company is a partner; except that in computing the deduction under this paragraph—

"(A) There shall be excluded losses—

"(i) from (or considered as from) sales or exchanges of capital assets,

"(ii) from sales or exchanges of property used in trade or business (as defined in section 1231(b)), and

"(iii) from the compulsory or involuntary conversion (as a result of destruction, in whole or in part, theft or seizure, or an exercise of the power of requisition or condemnation or the threat or imminence thereof) of property used in the trade or business (as so defined).

"(B) Any item, to the extent attributable to the carrying on of the insurance business, shall not be taken into account.

"(C) The deduction for net operating losses provided in section 172, and the special deductions for corporations provided in part VIII of subchapter B, shall not be allowed.

"(9) SMALL BUSINESS DEDUCTION.—An amount equal to 5 percent of the net investment income for the taxable year (computed without regard to this paragraph). The deduction under this paragraph shall not exceed $25,000.

"SEC. 805. POLICY AND OTHER CONTRACT LIABILITY DEDUCTION.

"(a) IN GENERAL.—For purposes of this part, the term 'policy and other contract liability deduction' means the sum of—

"(1) the deduction for the investment yield on adjusted life insurance reserves,

"(2) the deduction for the investment yield on pension plan reserves, and

"(3) the deduction for interest paid, reduced by the adjustment provided in subsection (e).

"(b) DEDUCTION FOR INVESTMENT YIELD ON ADJUSTED LIFE INSURANCE RESERVES—

"(1) IN GENERAL.—For purposes of this part, the deduction for the investment yield on adjusted life insurance reserves is the amount determined by multiplying—

"(A) the adjusted life insurance reserves, by

"(B) the deduction rate.

"(2) DEDUCTION RATE.—For purposes of this part, the deduction rate for any taxable year is the amount ascertained by dividing by 2 the sum of—

"(A) whichever of the following percentages is the higher—

"(i) the average rate of interest assumed by the taxpayer in calculating life insurance reserves (other than pension plan reserves), or

"(ii) a percentage for such year to be determined and proclaimed by the Secretary or his delegate for the life insurance industry as the average rate of interest assumed in calculating life insurance reserves (other than pension plan reserves), plus

"(B) the investment yield rate (as defined in subsection (c)(1)).

The percentage determined and proclaimed by the Secretary or his delegate under subparagraph (A)(ii) shall be based on such data with respect to life insurance companies for the preceding taxable year as the Secretary or his delegate considers representative. If the percentage determined under subparagraph (A) exceeds the investment yield rate, the deduction rate for the taxable year is the investment yield rate.

"(3) ADJUSTED LIFE INSURANCE RESERVES.—For purposes of this part, the term 'adjusted life insurance reserves' means

"(A) the means of the life insurance reserves (as defined in section 801(b)), other than pension plan reserves, at the beginning and end of the taxable year, multiplied by

"(B) that percentage which equals 100 percent—

"(i) increased by that percentage which is 10 times the average rate of interest assumed by the taxpayer in calculating such reserves, and

"(ii) reduced by that percentage which is 10 times the deduction rate.

"(4) AVERAGE INTEREST RATE ASSUMED.—For purposes of this part, the average rate of interest assumed in calculating reserves shall be computed—

"(A) by multiplying each assumed rate of interest by the means of the amounts of such reserves computed at that rate at the beginning and end of the taxable year, and

"(B) by dividing (i) the sum of the products ascertained under subparagraph (A), by (ii) the means of the total of such reserves at the beginning and end of the taxable year.

"(5) INVESTMENT YIELD. For purposes of this part, the investment yield for any taxable year is the net investment income for such taxable year computed without—

"(A) the deduction for tax free interest provided by section 804(c)(5),

"(B) the deduction for partially tax-exempt interest provided by section 804(c)(6),

"(C) the deduction for dividends received provided by section 804(c)(7), and

"(D) the small business deduction provided by section 804(c)(9).

"(6) ASSETS. For purposes of this part, the term 'assets' means all assets of the company (including nonadmitted assets), other than real and personal property (excluding money) used by it in carrying on an insurance trade or business. For purposes of this paragraph, the amount attributable to—

"(A) real property and stock shall be the fair market value thereof, and

"(B) any other asset shall be the adjusted basis (determined without regard to fair market value on December 31, 1958) of such asset for purposes of determining gain on sale or other disposition.

"(7) ADJUSTMENT TO MEANS FOR CERTAIN TRANSFERS OF LIABILITIES. For purposes of this part, if, during the taxable year, there is a change in life insurance reserves attributable to the transfer between the taxpayer and another person of liabilities under contracts taken into account in computing such reserves, then, under regulations prescribed by the Secretary or his delegate, the means of such reserves, and the mean of the assets, taken into account in applying paragraphs (2), (3), and (4) shall be appropriately adjusted, on a daily basis, to reflect the amounts involved in such transfer. This paragraph shall not apply to reinsurance ceded to the taxpayer or to another person.

"(c) DEDUCTION FOR INVESTMENT YIELD ON PENSION PLAN RESERVES.—

"(1) IN GENERAL. For purposes of this part, the deduction for the investment yield on pension plan reserves is the amount determined by multiplying—

"(A) the pension plan reserves, by

"(B) the investment yield rate.

For purposes of this part, the investment yield rate is the percentage obtained by dividing (i) the taxpayer's investment yield for the taxable year, by (ii) the mean of the taxpayer's assets at the beginning and end of the taxable year.

"(2) PENSION PLAN RESERVES DEFINED.—For purposes of this part, the term 'pension plan reserves' means that portion of the life insurance reserves which is allocable to contracts—

"(A) purchased under contracts entered into with trusts which (as of the time the contracts were entered into) were deemed to be (i) trusts described in section 401(a) and exempt from tax under section 501(a), or (ii) trust exempt from tax under section 165 of the Internal Revenue Code of 1939 or the corresponding provisions of prior revenue laws;

"(B) purchased under contracts entered into under plans which (as of the time the contracts were entered into) were deemed to be plans meeting the requirements of section 401(a)(3), (4), (5), and (6), or the requirements of section 165(a)(3), (4), (5), and (6) of the Internal Revenue Code of 1939; or

"(C) provided for employees of the life insurance company under a plan which, for the taxable year, meets the requirements of section 401(a)(3), (4), (5), and (6).

"(3) SPECIAL TRANSITIONAL RULE.—For purposes of this part, the amount taken into account as pension plan reserves shall be—

"(A) in the case of a taxable year beginning after December 31, 1957, and before January 1, 1959, zero;

"(B) in the case of a taxable year beginning after December 31, 1958, and before January 1, 1960, 33⅓ percent of the amount thereof (determined without regard to this paragraph);

"(C) in the case of a taxable year beginning after December 31, 1959, and before January 1, 1961, 66⅔ percent of the amount thereof (determined without regard to this paragraph); and

"(D) in the case of a taxable year beginning after December 31, 1960, 100 percent of the amount thereof (determined without regard to this paragraph).

"(d) DEDUCTION FOR INTEREST PAID.—For purposes of this part, the deduction for interest paid is the sum of—

"(1) INTEREST ON INDEBTEDNESS.—All interest for the taxable year on indebtedness, except on indebtedness incurred or continued to purchase or carry obligations the interest on which is wholly exempt from taxation under this chapter.

"(2) AMOUNTS IN THE NATURE OF INTEREST.—All amounts in the nature of interest, whether or not guaranteed, for the taxable year on insurance or annuity contracts (including contracts supplementary thereto) which do not involve, at the time of accrual, life, health, or accident contingencies.

"(3) DISCOUNT ON PREPAID PREMIUMS.—All amounts accrued for the taxable year for discounts in the nature of interest, whether or not guaranteed, on premiums or other consideration paid in advance on insurance or annuity contracts.

"(e) ADJUSTMENT TO PREVENT DOUBLE DEDUCTIONS. The adjustment referred to in subsection (a) is the amount determined by multiplying—

"(1) the sum of the amounts deductible under paragraphs (5), (6), and (7) of section 804(c), by

"(2) the ratio—

"(A) the numerator of which is the sum of—

"(i) the deduction for the investment yield on adjusted life insurance reserves,

"(ii) the deduction for the investment yield on pension plan reserves,

"(iii) the deduction for interest paid, plus

"(iv) the small business deduction provided by section 804(c)(9), and

"(B) the denominator of which is the investment yield for the taxable year.

If the denominator referred to in paragraph (2)(B) is less than the numerator referred to in paragraph (2)(A), the adjustment under this subsection shall be the sum determined under paragraph (1).

"SEC. 806. CHANGE OF BASIS IN COMPUTING RESERVES.

"If the basis for determining the amount of any item referred to in section 810(c) as of the close of the taxable year differs from the basis for such determination as of the beginning of the taxable year, then for purposes of this subpart the amount of such item—

"(1) as of the close of the taxable year shall be computed on the old basis, and

"(2) as of the beginning of the next taxable year shall be computed on the new basis."

And, in lieu thereof, to insert:

"SUBPART B—INVESTMENT INCOME

"Sec. 804. Taxable investment income.

"Sec. 805. Policy and other contract liability requirements.

"Sec. 806. Certain changes in reserves and assets.

"SEC. 804. TAXABLE INVESTMENT INCOME.

"(a) IN GENERAL.—

"(1) EXCLUSION OF POLICYHOLDERS' SHARE OF INVESTMENT YIELD.—The policyholders' share of each and every item of investment yield (including tax-exempt interest, partially tax-exempt interest, and dividends received) of any life insurance company shall not be included in taxable investment income. For purposes of the preceding sentence, the policyholders' share of any item shall be that percentage obtained by dividing the policy and other contract liability requirements by the investment yield.

"(2) TAXABLE INVESTMENT INCOME DEFINED.—For purposes of this part, the taxable investment income for any taxable year shall be an amount (not less than zero) equal to the sum of the life insurance company's share of each and every item of investment yield (including tax-exempt interest, partially tax-exempt interest, and dividends received), reduced by—

"(A) the sum of—

"(i) the life insurance company's share of interest which under section 103 is excluded from gross income,

"(ii) the deduction for partially tax-exempt interest provided by section 242 (as modified by paragraph (3)) computed with respect to the life insurance company's share of such interest, and

"(iii) the deductions for dividends received provided by sections 243, 244, and 245 computed with respect to the life insurance company's share of the dividends received; and

"(B) the small business deduction provided by paragraph (4).

For purposes of the preceding sentence, the life insurance company's share of any item shall be that percentage which, when added to the percentage obtained under the second sentence of paragraph (1), equals 100 percent.

"(3) PARTIALLY TAX-EXEMPT INTEREST.—For purposes of this part, the deduction allowed by section 242 shall be an amount which bears the same ratio to the amount determined under such section without regard to this paragraph as (A) the normal tax rate

for the taxable year prescribed by section 11, bears to (B) the sum of the normal tax rate and the surtax rate for the taxable year prescribed by section 11.

"(4) SMALL BUSINESS DEDUCTION.—For purposes of this part, the small business deduction is an amount equal to 10 percent of the investment yield for the taxable year. The deduction under this paragraph shall not exceed $25,000.

"(5) EXCEPTION.—If it is established in any case that the application of the definition of taxable investment income contained in paragraph (2) results in the imposition of tax on—

"(A) any interest which under section 103 is excluded from gross income,

"(B) any amount of interest which under section 242 (as modified by paragraph (3)) is allowable as a deduction, or

"(C) an amount of dividends received which under sections 243, 244, and 245 is allowable as a deduction,

adjustment shall be made to the extent necessary to prevent such imposition.

"(b) GROSS INVESTMENT INCOME.—For purposes of this part, the term 'gross investment income' means the sum of the following:

"(1) INTEREST, ETC.—The gross amount of income from—

"(A) interest, dividends, rents, and royalties,

"(B) the entering into of any lease, mortgage, or other instrument or agreement from which the life insurance company derives interest, rents, or royalties, and

"(C) the alteration or termination of any instrument or agreement described in subparagraph (B).

"(2) SHORT-TERM CAPITAL GAIN.—In the case of a taxable year beginning after December 31, 1958, the amount (if any) by which the net short-term capital gain exceeds the net long-term capital loss.

"(3) TRADE OR BUSINESS INCOME.—The gross income from any trade or business (other than an insurance business) carried on by the life insurance company, or by a partnership of which the life insurance company is a partner. In computing gross income under this paragraph, there shall be excluded any item described in paragraph (1).

Except as provided in paragraph (2), in computing gross investment income under this subsection, there shall be excluded any gain from the sale or exchange of a capital asset, and any gain considered as gain from the sale or exchange of a capital asset.

"(c) INVESTMENT YIELD DEFINED.—For purposes of this part, the term 'investment yield' means the gross investment income less the following deductions—

"(1) INVESTMENT EXPENSES.—Investment expenses for the taxable year. If any general expenses are in part assigned to or included in the investment expenses, the total deduction under this paragraph shall not exceed the sum of—

"(A) one-fourth of one percent of the mean of the assets (as defined in section 805(b)(3)) held at the beginning and end of the taxable year,

"(B) the amount of the mortgage service fees for the taxable year, plus

"(C) whichever of the following is the greater:

"(i) one-fourth of the amount by which the investment yield (computed without any deduction for investment expenses allowed by this paragraph) exceeds 3¾ percent of the mean of the assets (as defined in section 805(b)(3)) held at the beginning and end of the taxable year, reduced by the amount described in subparagraph (B), or

"(ii) one-fourth of one percent of the mean of the value of mortgages held at the beginning and end of the taxable year for which there are no mortgage service fees for the taxable year.

"(2) REAL ESTATE EXPENSES.—The amount of taxes (as provided in section 164), and other expenses, for the taxable year exclusively on or with respect to the real estate owned by the company. No deduction shall be allowed under this paragraph for any amount paid out for new buildings, or for permanent improvements or betterments made to increase the value of any property.

"(3) DEPRECIATION.—The deduction allowed by section 167. The deduction under this paragraph and paragraph (2) on account of any real estate owned and occupied for insurance purposes in whole or in part by a life insurance company shall be limited to an amount which bears the same ratio to such deduction (computed without regard to this sentence) as the rental value of the space not so occupied bears to the rental value of the entire property.

"(4) DEPLETION.—The deduction allowed by section 611 (relating to depletion).

"(5) TRADE OR BUSINESS DEDUCTIONS.—The deductions allowed by this subtitle (without regard to this part) which are attributable to any trade or business (other than an insurance business) carried on by the life insurance company, or by a partnership of which the life insurance company is a partner; except that in computing the deduction under this paragraph—

"(A) There shall be excluded losses—

"(i) from (or considered as from) sales or exchanges of capital assets.

"(ii) from sales or exchanges of property used in the trade or business (as defined in section 1231(b)), and

"(iii) from the compulsory or involuntary conversion (as a result of destruction, in whole or in part, theft or seizure, or an exercise of the power of requisition or condemnation or the threat or imminence thereof) of property used in the trade or business (as so defined).

"(B) Any item, to the extent attributable to the carrying on of the insurance business, shall not be taken into account.

"(C) The deduction for net operating losses provided in section 172, and the special deductions for corporations provided in part VIII of subchapter B, shall not be allowed.

"SEC. 805. POLICY AND OTHER CONTRACT LIABILITY REQUIREMENTS.

"(a) IN GENERAL.—For purposes of this part, the term 'policy and other contract liability requirements' means, for any taxable year, the sum of—

"(1) the adjusted life insurance reserves, multiplied by the average earnings rate,

"(2) the mean of the pension plan reserves at the beginning and end of the taxable year, multiplied by the current earnings rate, and

"(3) the interest paid.

"(b) EARNINGS RATES.—

"(1) CURRENT EARNINGS RATE.—For purposes of this part, the current earnings rate for any taxable year is the amount determined by dividing—

"(A) the taxpayer's investment yield for such taxable year, by

"(B) the mean of the taxpayer's assets at the beginning and end of the taxable year.

"(2) AVERAGE EARNINGS RATE.—

"(A) IN GENERAL.—For purposes of this part, the average earnings rate for any taxable year is the average of the current earnings rates for such taxable year and for each of the 4 taxable years immediately preceding such taxable year (excluding any of such 4 taxable years for which the taxpayer was not an insurance company).

"(B) SPECIAL RULES.—For purposes of subparagraph (A)—

"(i) the current earnings rate for any taxable year beginning before January 1, 1958, shall be determined as if this part (as in effect for 1958) applied to such taxable year, and

"(ii) the current earnings rate for any taxable year of any company which, for such year, is an insurance company (but not a life insurance company) shall be determined as if this part applied to such company for such year.

"(3) ASSETS.—For purposes of this part, the term 'assets' means all assets of the company (including nonadmitted assets), other than real and personal property (excluding money) used by it in carrying on an insurance trade or business. For purposes of this paragraph, the amount attributable to—

"(A) real property and stock shall be the fair market value thereof, and

"(B) any other asset shall be the adjusted basis (determined without regard to fair market value on December 31, 1958) of such asset for purposes of determining gain on sale or other disposition.

"(c) ADJUSTED LIFE INSURANCE RESERVES.—

"(1) ADJUSTED LIFE INSURANCE RESERVES DEFINED.—For purposes of this part, the term 'adjusted life insurance reserves' means—

"(A) the mean of the life insurance reserves (as defined in section 801(b)), other than pension plan reserves, at the beginning and end of the taxable year, multiplied by

"(B) that percentage which equals 100 percent—

"(i) increased by that percentage which is 10 times the average rate of interest assumed by the taxpayer in calculating such reserves, and

"(ii) reduced by the percentage which is 10 times the average earnings rate.

"(2) AVERAGE INTEREST RATE ASSUMED.—For purposes of this part, the average rate of interest assumed in calculating reserves shall be computed—

"(A) by multiplying each assumed rate of interest by the means of the amounts of such reserves computed at that rate at the beginning and end of the taxable year, and

"(B) by dividing (i) the sum of the products ascertained under subparagraph (A), by (ii) the mean of the total of such reserves at the beginning and end of the taxable year.

"(d) PENSION PLAN RESERVES.—

"(1) PENSION PLAN RESERVES DEFINED.—For purposes of this part, the term 'pension plan reserves' means that portion of the life insurance reserves which is allocable to contract—

"(A) purchased under contracts entered into with trusts which (as of the time the contracts were entered into) were deemed to be (i) trusts described in section 401(a) and exempt from tax under section 501(a), or (ii) trusts exempt from tax under section 165 of the Internal Revenue Code of 1939 or the corresponding provisions of prior revenue laws;

"(B) purchased under contracts entered into under plans which (as of the time the contracts were entered into) were deemed to be plans meeting the requirements of section 401(a) (3), (4), (5), and (6), or the requirements of section 165(a) (3), (4), (5), and (6) of the Internal Revenue Code of 1939;

"(C) provided for employees of the life insurance company under a plan which, for the taxable year, meets the requirements of section 401(a) (3), (4), (5), and (6); or

"(D) purchased to provide retirement annuities for its employees by an organization which (as of the time the contracts were purchased) was an organization described in section 501(c)(3) which was exempt from tax under section 501(a) or was an organization exempt from tax under section 101(6) of the Internal Revenue Code of 1939 or the corresponding provisions of prior revenue laws.

"(2) SPECIAL TRANSITIONAL RULE.—For purposes of this part, the amount taken into account as pension plan reserves shall be—

"(A) in the case of a taxable year beginning after December 31, 1957, and before January 1, 1959, zero;

"(B) in the case of a taxable year beginning after December 31, 1958, and before January 1, 1960, 33⅓ percent of the amount thereof (determined without regard to this paragraph);

"(C) in the case of a taxable year beginning after December 31, 1959, and before January 1, 1961, 66⅔ percent of the amount thereof (determined without regard to this paragraph); and

"(D) in the case of a taxable year beginning after December 31, 1960, 100 percent of the amount thereof.

"(e) INTEREST PAID.—For purposes of this part, the interest paid for any taxable year is the sum of—

"(1) INTEREST ON INDEBTEDNESS.—All interest for the taxable year on indebtedness, except on indebtedness incurred or continued to purchase or carry obligations the interest on which is wholly exempt from taxation under this chapter.

"(2) AMOUNTS IN THE NATURE OF INTEREST.—All amounts in the nature of interest, whether or not guaranteed, for the taxable year on insurance or annuity contracts (including contracts supplementary thereto) which do not involve, at the time of accrual, life, health, or accident contingencies.

"(3) DISCOUNT ON PREPAID PREMIUMS.—All amounts accrued for the taxable year for discounts in the nature of interest, whether or not guaranteed, on premiums or other consideration paid in advance on insurance or annuity contracts.

"(4) INTEREST ON CERTAIN SPECIAL CONTINGENCY RESERVES.—Interest for the taxable year on special contingency reserves established pursuant to section 8(d) of the Federal Employees' Group Life Insurance Act of 1954 (5 U.S.C. § 2097(d)).

"SEC. 806. CERTAIN CHANGES IN RESERVES AND ASSETS.

"(a) ADJUSTMENTS TO MEANS FOR CERTAIN TRANSFERS OF LIABILITIES.—For purposes of this part, if, during the taxable year, there is a change in life insurance reserves attributable to the transfer between the taxpayer and another person of liabilities under contracts taken into account in computing such reserves, then, under regulations prescribed by the Secretary or his delegate, the means of such reserves, and the mean of the assets, shall be appropriately adjusted, on a daily basis, to reflect the amounts involved in such transfer. This subsection shall not apply to reinsurance ceded to the taxpayer or to another person.

"(b) CHANGE OF BASIS IN COMPUTING RESERVES.—If the basis for determining the amount of any item referred to in section 810(c) as of the close of the taxable year differs from the basis for such determination as of the beginning of the taxable year, then for purposes of this subpart the amount of such item—

"(1) as of the close of the taxable year shall be computed on the old basis, and

"(2) as of the beginning of the next taxable year shall be computed on the new basis.

"SUBPART C—GAIN AND LOSS FROM OPERATIONS

"Sec. 809. In general.

"Sec. 810. Rules for certain reserves.

"Sec. 811. Dividends to policyholders.

"Sec. 812. Operations loss deduction."

On page 38, after line 8, to strike out:

"SEC. 809. IN GENERAL.

"(a) GAIN FROM OPERATIONS DEFINED.—For purposes of this part, the term 'gain from operations' means the amount by which the sum of the items referred to in subsection (c) exceeds the deductions provided by subsection (d).

"(b) LOSS FROM OPERATIONS DEFINED.—For purposes of this part, the term 'loss from operations' means the amount by which the sum of the deductions provided by subsection (d) exceeds the sum of the items referred to in subsection (c).

"(c) GROSS AMOUNT.—For purposes of subsections (a) and (b), the following items shall be taken into account:

"(1) PREMIUMS.—The gross amount of premiums and other consideration (including advance premiums, deposits, fees, assessments, and consideration in respect of assuming liabilities under contracts not issued by the taxpayer) on insurance and annuity contracts (including contracts supplementary thereto); less return premiums, and premiums and other consideration arising out of reinsurance ceded. Amounts returned where the amount is not fixed in the contract but depends on the experience of the company or the discretion of the management shall not be included in return premiums.

"(2) DECREASE IN CERTAIN RESERVES.—Each item of net decrease in reserves which is required by section 810 or 811(b)(2) to be taken into account for purposes of this paragraph.

"(3) SHORT TERM CAPITAL GAIN.—In the case of a taxable year beginning after December 31, 1958, the amount (if any) by which the net short-term capital gain exceeds the net long-term capital loss.

"(4) OTHER AMOUNTS.—All amounts, not includible under paragraph (1), (2), or (3), which under this subtitle are includible in gross income.

Except as provided in paragraph (3), there shall be excluded any gain from the sale or exchange of a capital asset, and any gain considered as gain from the sale or exchange of a capital asset.

"(d) DEDUCTIONS.—For purposes of subsections (a) and (b), there shall be allowed the following deductions:

"(1) DEATH BENEFITS, ETC.—All claims and benefits accrued, and all losses incurred (whether or not ascertained), during the taxable year on insurance and annuity contracts (including contracts supplementary thereto).

"(2) INCREASES IN CERTAIN RESERVES.—Each item of net increase in reserves which is required by section 810 to be taken into account for purposes of this paragraph.

"(3) DIVIDENDS TO POLICYHOLDERS.—The deduction for dividends to policyholders (determined under section 811(b)).

"(4) OPERATIONS LOSS DEDUCTION.—The operations loss deduction (determined under section 812).

"(5) SMALL BUSINESS DEDUCTION.—A small business deduction in an amount equal to the amount determined under section 804(c)(9).

"(6) RESERVES FOR CERTAIN NONPARTICIPATING CONTRACTS.—An amount equal to 10 percent of the increase in the reserves for nonparticipating contracts. For purposes of this paragraph, the term 'reserves for nonparticipating contracts' means such part of the life insurance reserves (excluding that portion of the reserves which is allocable to annuity features) as relates to nonparticipating contracts (other than group contracts).

"(7) GROUP LIFE, ACCIDENT, AND HEALTH INSURANCE.—An amount equal to 2 percent of the premiums for the taxable year attributable to group life insurance contracts and group accident and health insurance contracts. The deduction under this paragraph for the taxable year and all preceding taxable years shall not exceed an amount equal to 50 percent of the premiums for the taxable year attributable to such contracts. For purposes of this paragraph, the term 'premiums' means the net amount of the premiums and other consideration taken into account under subsection (c)(1).

"(8) ASSUMPTION BY ANOTHER PERSON OF LIABILITIES UNDER INSURANCE, ETC., CONTRACTS.—The consideration (other than consideration arising out of reinsurance ceded) in respect of the assumption by another person of liabilities under insurance and annuity contracts (including contracts supplementary thereto).

"(9) OTHER DEDUCTIONS.—Subject to the modifications provided by subsection (e), all other deductions allowed under this subtitle for purposes of computing taxable income.

Except as provided in paragraph (3), no amount shall be allowed as a deduction under this subsection in respect of dividends to policyholders.

"(e) MODIFICATIONS.—The modifications referred to in subsection (d)(9) are as follows:

"(1) INTEREST.—In applying section 163 (relating to deduction for interest) no deduction shall be allowed for interest in respect of items described in section 810(c).

"(2) BAD DEBTS.—Section 166(c) (relating to reserve for bad debts) shall not apply.

"(3) CHARITABLE, ETC., CONTRIBUTIONS AND GIFTS.—In applying section 170—

"(A) the limit on the total deductions under such section provided by the first sentence of section 170(b)(2) shall be 5 percent of the gain from operations computed without regard to—

"(i) the deduction allowed by section 170,

"(ii) part VIII (except section 248) of subchapter B,

"(iii) the adjustment provided by subsection (f),

"(iv) the deductions provided by paragraphs (3), (6), and (7) of subsection (d), and

"(v) any operations loss carryback to the taxable year under section 812; and

"(B) under regulations prescribed by the Secretary or his delegate, a rule similar to the rule contained in section 170(b)(3) shall be applied.

"(4) AMORTIZABLE BOND PREMIUM.—Section 171 shall not apply.

"(5) NET OPERATING LOSS DEDUCTION.—The deduction for net operating losses provided in section 172 shall not be allowed.

"(6) PARTIALLY TAX-EXEMPT INTEREST.—The deduction allowed by section 242 shall be an amount which bears the same ratio to the amount determined under such section without regard to this paragraph as (A) the normal tax rate for the taxable year prescribed by section 11, bears to (B) the sum of the normal tax rate and the surtax rate for the taxable year prescribed by section 11.

"(7) DEDUCTION FOR DIVIDENDS RECEIVED.—In applying section 246(b) (relating to limitation on aggregate amount of deductions)—

"(A) the limit on the aggregate amount of the deductions allowed by sections 243(a), 244, and 245 shall be 85 percent of the gain from operations computed without regard to—

"(i) the adjustment provided by subsection (f),

"(ii) the deductions provided by paragraphs (3), (6), and (7) of subsection (d),

"(iii) the operations loss deduction, and

"(iv) the deductions allowed by sections 243(a), 244, and 245, but

"(B) such limit shall not apply for any taxable year for which there is a loss from operations.

"(f) ADJUSTMENT TO PREVENT DOUBLE DEDUCTIONS.

"(1) AMOUNT OF ADJUSTMENT.—The total of the amounts allowable as deductions under subsection (d) shall be reduced by the amount determined by multiplying—

"(A) the sum of—

"(i) the amount of interest which under section 103 is excluded from gross income,

"(ii) the deduction provided by section 242 (as modified by subsection (e)(6)), and

"(iii) the deductions provided in sections 243, 244, and 245 (as modified by subsection (e)(7)), by

"(B) the ratio—

"(i) the numerator of which is the sum of the required interest (as defined in paragraph (2)) plus the small business deduction provided by subsection (d)(5), and

"(ii) the denominator of which is the investment yield (as defined in section 805(b)(5)) computed without regard to the limitation in section 804(c)(1) (relating to deduction for investment expenses).

If the denominator referred to in subparagraph (B) (ii) is less than the numerator referred to in subparagraph (B) (i), the adjustment under this paragraph shall be the sum determined under subparagraph (A).

"(2) REQUIRED INTEREST.—For purposes of paragraph (1), the term 'required interest' means the total of—

"(A) the sum of the products ascertained under section 805(b)(4)(A);

"(B) the deduction for the investment yield on pension plan reserves (determined under section 805(c)); and

"(C) the deduction for interest paid (as defined in section 805(d)).

"(g) LIMITATION ON CERTAIN DEDUCTIONS.—

"(1) IN GENERAL.—The amount of the deductions under paragraphs (3), (6), and (7) of subsection (d) shall not (after the application of subsection (f)) exceed the amount by which—

"(A) the gain from operations for the taxable year, computed without regard to such deductions, exceeds

"(B) the taxable investment income for the taxable year.

"(2) APPLICATION OF LIMITATION.—The limitation provided by paragraph (1) shall apply first to the amount of the deduction under paragraph (7), then to the amount of the deduction under paragraph (6), and finally to the amount of the deduction under paragraph (3)."

And, in lieu thereof, to insert:

"SEC. 809. IN GENERAL.—

"(a) EXCLUSION OF SHARE OF INVESTMENT YIELD SET ASIDE FOR POLICYHOLDERS.—

"(1) AMOUNT.—The share of each and every item of investment yield (including tax-exempt interest, partially-exempt interest, and dividends received) of any life insurance company set aside for policyholders shall not be included in gain or loss from operations. For purposes of the preceding sentence, the share of any item set aside for policyholders shall be that percentage obtained by dividing the required interest by the investment yield.

"(2) REQUIRED INTEREST.—For purposes of this part, the required interest for any taxable year is the sum of the products obtained by multiplying—

"(A) each rate of interest required, or assumed by the taxpayer, in calculating the reserves described in section 810(c), by

"(B) the means of the amount of such reserves computed at that rate at the beginning and end of the taxable year.

"(b) GAIN AND LOSS FROM OPERATIONS.—

"(1) GAIN FROM OPERATIONS DEFINED.—For purposes of this part, the term 'gain from operations' means the amount by which the sum of the following exceeds the deductions provided by subsection (d):

"(A) the life insurance company's share of each and every item of investment yield (including tax-exempt interest, partially tax-exempt interest, and dividends received), reduced by—

"(i) the sum of the items described in paragraph (3), and

"(ii) the small business deduction provided by section 804(a)(4); and

"(B) the sum of the items referred to in subsection (c).

"(2) LOSS FROM OPERATIONS DEFINED.—For purposes of this part, the term 'loss from operations' means the amount by which the sum of the deductions provided by subsection (d) exceeds the sum of—

"(A) the amount determined under paragraph (1)(A); and

"(B) the sum of the items referred to in subsection (c).

"(3) TAX-EXEMPT INTEREST, ETC.—The items referred to in paragraph (1)(A)(i) are—

"(A) the life insurance company's share of interest which under section 103 is excluded from gross income,

"(B) the deduction for partially tax-exempt interest provided by section 242 (as modified by section 804(a)(3)) computed with respect to the life insurance company's share of such interest, and

"(C) the deductions for dividends received provided by sections 243, 244, and 245 (as modified by paragraph (5)) computed with respect to the life insurance company's share of the dividends received.

"(4) LIFE INSURANCE COMPANY'S SHARE.—For purposes of this subpart, the life insurance company's share of any item shall be that percentage which, when added to the percentage obtained under the second sentence of subsection (a)(1), equals 100 percent.

"(5) APPLICATION OF SECTION 246(B).—In applying section 246(b) (relating to limitation on aggregate amount of deductions for dividends received) for purposes of this subsection—

"(A) the limit on the aggregate amount of the deductions allowed by sections 243(a), 244, and 245 shall be 85 percent of the gain from operations computed without regard to—

"(i) the deductions provided by paragraphs (3), (5), and (6) of subsection (d),

"(ii) the operations loss deduction provided by section 812, and

"(iii) the deductions allowed by sections 243(a), 244, and 245, but

"(B) such limit shall not apply for any taxable year for which there is a loss from operations.

"(6) EXCEPTION.—If it is established in any case that the application of the definition of gain from operations contained in paragraph (1) results in the imposition of tax on—

"(A) any interest which under section 103 is excluded from gross income,

"(B) any amount of interest which under section 242 (as modified by section 804(a)(3)) is allowable as a deduction, or

"(C) any amount of dividends received which under sections 243, 244, and 245 (as modified by paragraph (5)) is allowable as a deduction,

adjustment shall be made to the extent necessary to prevent such imposition.

"(c) GROSS AMOUNT.—For purposes of subsections (b) (1) and (2), the following items shall be taken into account:

"(1) PREMIUMS.—The gross amount of premiums and other consideration (including advance premiums, deposits, fees, assessments, and consideration in respect of assuming liabilities under contracts not issued by the taxpayer) on insurance and annuity contracts (including contracts supplementary thereto); less return premiums, and premiums and other consideration arising out of reinsurance ceded. Except in the case of amounts of premiums or other consideration returned to another life insurance company under an indemnity reinsurance contract, amounts returned where the amount is not fixed in the contract but depends on the experience of the company or the discretion of the management shall not be included in return premiums.

"(2) DECREASES IN CERTAIN RESERVES.—Each net decrease in reserves which is required by section 810 or 811(b)(2) to be taken into account for purposes of this paragraph.

"(3) OTHER AMOUNTS.—All amounts, not included in computing investment yield and not includible under paragraph (1) or (2), which under this subtitle are includible in gross income.

Except as included in computing investment yield, there shall be excluded any gain from the sale or exchange of a capital asset, and any gain considered as gain from the sale or exchange of a capital asset.

"(d) DEDUCTIONS.—For purposes of subsections (b) (1) and (2), there shall be allowed the following deductions:

"(1) DEATH BENEFITS, ETC.—All claims and benefits accrued, and all losses incurred (whether or not ascertained), during the taxable year on insurance and annuity contracts (including contracts supplementary thereto).

"(2) INCREASES IN CERTAIN RESERVES.—The net increase in reserves which is required by section 810 to be taken into account for purposes of this paragraph.

"(3) DIVIDENDS TO POLICYHOLDERS.—The deduction for dividends to policyholders (determined under section 811(b)).

"(4) OPERATIONS LOSS DEDUCTION.—The operations loss deduction (determined under section 812).

"(5) CERTAIN NONPARTICIPATING CONTRACTS.—An amount equal to 10 percent of the increase in the reserves for the taxable year for nonparticipating contracts or (if greater) an amount equal to 3 percent of the premiums for the taxable year (excluding that portion of the premiums which is allocable to annuity features) attributable to nonparticipating contracts (other than group contracts) which are issued or renewed for periods of 5 years or more. For purposes of this paragraph, the term 'reserves for nonparticipating contracts' means such part of the life insurance reserves (excluding that portion of the reserves which is allocable to annuity features) as relates to nonparticipating contracts (other than group contracts). For purposes of this paragraph and paragraph (6), the term 'premiums' means the net amount of the premiums and other consideration taken into account under subsection (c)(1).

"(6) GROUP LIFE, ACCIDENT, AND HEALTH INSURANCE.—An amount equal to 2 percent of the premiums for the taxable year attributable to group life insurance contracts and group accident and health insurance contracts. The deduction under this paragraph for the taxable year and all preceding taxable years shall not exceed an amount equal to 50 percent of the premiums for the taxable year attributable to such contracts.

"(7) ASSUMPTION BY ANOTHER PERSON OF LIABILITIES UNDER INSURANCE, ETC., CONTRACTS.—The consideration (other than consideration arising out of reinsurance ceded) in respect of the assumption by another person of liabilities under insurance and annuity contracts (including contracts supplementary thereto).

"(8) INVESTMENT EXPENSES.—Investment expenses to the extent not allowed as a deduction under section 804(c)(1) in computing investment yield.

"(9) OTHER DEDUCTIONS.—Subject to the modifications provided by subsection (e), all other deductions allowed under this subtitle for purposes of computing taxable income to the extent not allowed as deductions in computing investment yield.

Except as provided in paragraph (3), no amount shall be allowed as a deduction under this subsection in respect of dividends to policyholders.

"(e) MODIFICATIONS.—The modifications referred to in subsection (d)(9) are as follows:

"(1) INTEREST.—In applying section 163 (relating to deduction for interest), no deduction shall be allowed for interest in respect of items described in section 810(c).

"(2) BAD DEBTS.—Section 166(c) (relating to reserve for bad debts) shall not apply.

"(3) CHARITABLE, ETC., CONTRIBUTIONS AND GIFTS.—In applying section 170—

"(A) the limit on the total deductions under such section provided by the first sentence of section 170(b)(2) shall be 5 percent of the gain from operations computed without regard to—

"(i) the deduction provided by section 170,

"(ii) the reduction required by subsection (b)(1)(A)(i),

"(iii) the deductions provided by paragraphs (3), (5), and (6) of subsection (d), and

"(iv) any operations loss carryback to the taxable year under section 812; and

"(B) under regulations prescribed by the Secretary or his delegate, a rule similar to the rule contained in section 170(b)(3) shall be applied.

"(4) AMORTIZABLE BOND PREMIUM.—Section 171 shall not apply.

"(5) NET OPERATING LOSS DEDUCTION.—The deduction for net operating losses provided in section 172 shall not be allowed.

"(6) PARTIALLY TAX-EXEMPT INTEREST.—The deduction for partially tax-exempt interest provided by section 242 shall not be allowed.

"(7) DIVIDENDS RECEIVED.—The deductions for dividends received provided by sections 243, 244, and 245 shall not be allowed.

"(f) LIMITATION ON CERTAIN DEDUCTIONS.—

"(1) IN GENERAL.—The amount of the deductions under paragraphs (3), (5), and (6) of subsection (d) shall not exceed $250,000 plus the amount (if any) by which—

"(A) the gain from operations for the taxable year, computed without regard to such deductions, exceeds

"(B) the taxable investment income for the taxable year.

"(2) APPLICATION OF LIMITATION.—The limitation provided by paragraph (1) shall apply first to the amount of the deduction under subsection (d)(6), then to the amount of the deduction under subsection (d)(5), and finally to the amount of the deduction under subsection (d)(3)."

On page 56, after line 1, strike out:

"(a) ADJUSTMENT FOR DECREASE.—If the amount of any item described in subsection (c) as of the beginning of the taxable year exceeds the amount of such item as of the close of the taxable year, the excess shall be taken into account as an item of net decrease referred to in section 809(c)(2).

"(b) ADJUSTMENT FOR INCREASE.—If the amount of any item described in subsection (c) as of the close of the taxable year exceeds the amount of such item as of the beginning of the taxable year, the excess shall be taken into account as an item of net increase referred to in section 809(d)(2)."

And in lieu thereof to insert:

"(a) ADJUSTMENT FOR DECREASE.—If the sum of the items described in subsection (c) as of the beginning of the taxable year exceeds the sum of such items as of the close of the taxable year (reduced by the amount of the required interest for the taxable year), the excess shall be taken into account as a net decrease referred to in section 809(c)(2).

"(b) ADJUSTMENT FOR INCREASE.—If the sum of the items described in subsection (c) as of the close of the taxable year (reduced by the amount of the required interest for the taxable year) exceeds the sum of such items as of the beginning of the taxable year, the excess shall be taken into account as a net increase referred to in section 809(d)(2)."

On page 59, after line 17, to insert:

"(e) CERTAIN DECREASES IN RESERVES OF VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATIONS.—

"(1) DECREASES DUE TO VOLUNTARY LAPSES OF POLICIES ISSUED BEFORE JANUARY 1, 1958.—For purposes of subsection (a), in the case of a life insurance company which meets the requirements of section 501(c)(9) other than the requirement of subparagraph (B) thereof, there shall be taken into account only 11½ percent of any decrease in life insurance reserves attributable to the voluntary lapse on or after January 1, 1958, of any policy issued before such date. The preceding sentence shall apply for any taxable year only if the taxpayer has made an election under paragraph (3) which is effective for such taxable year.

"(2) INAPPLICABILITY OF CERTAIN PROVISIONS.—In the case of a life insurance company to which paragraph (1) applies for the taxable year—

"(A) the last sentence of section 802(b) shall not apply, and

"(B) section 812(b)(1) shall not apply with respect to any loss from operations for any taxable year beginning before January 1, 1958.

"(3) ELECTION.—Paragraph (1) shall apply to any taxpayer for any taxable year only if the taxpayer elects, not later than the time prescribed by law (including extensions thereof) for filing the return for such taxable year, to have such paragraph apply. Such election shall be made in such manner as the Secretary or his delegate shall prescribe by regulations. Such election shall be effective for the taxable year for which made and for all succeeding taxable years, and shall not be revoked except with the consent of the Secretary or his delegate."

On page 61, line 8, after "805", to strike out "(d)" and insert "(e)"; in line 11, after "809", to strike out "(g)" and insert "(f)"; on page 62, line 3, after the word "year", where it occurs the second time, to insert "(or, in the case of a mutual savings bank subject to the tax imposed by section 594, before the 16th day of the fourth month of the year following such taxable year),"; in line 9, after the word "under", to strike out "subsection (b)(1)(B)" and insert "paragraph (1)(B)"; in line 12, after the word "be" to strike out "an item of" and insert "a"; after line 13, to insert:

"(3) 1958 RESERVE FOR DIVIDENDS TO POLICYHOLDERS.—For purposes of paragraph (1), the amounts held at the end of 1957 as reserves for dividends to policyholders payable during 1958 shall be the amounts actually paid as such dividends during 1958."

On page 63, after line 4, to strike out:

"(1) YEARS TO WHICH LOSS MAY BE CARRIED.—The loss from operations for any taxable year (hereinafter in this section referred to as the 'loss year') ending after December 31, 1957, shall be—

"(A) an operations loss carryback to each of the 3 taxable years preceding the loss year, and

"(B) an operations loss carryover to each of the 5 taxable years following the loss year. A loss from operations shall not be an operations loss carryback to any taxable year beginning before January 1, 1958."

And in lieu thereof to insert:

"(1) YEARS TO WHICH LOSS MAY BE CARRIED.—

"(A) IN GENERAL.—The loss from operations for any taxable year (hereinafter in this section referred to as the 'loss year') beginning after December 31, 1954, shall be—

"(i) an operations loss carryback to each of the 3 taxable years preceding the loss year,

"(ii) an operations loss carryover to each of the 5 taxable years following the loss year, and

"(iii) subject to subsection (e), if the life insurance company is a new company for the loss year, an operations loss carryover to each of the 5 taxable years following the 5 taxable years described in clause (ii).

"(B) SPECIAL TRANSITIONAL RULES FOR CARRYBACKS.—A loss from operations for any taxable year beginning before January 1, 1958, shall not be an operations loss carryback to any taxable year beginning before January 1, 1955. A loss from operations for any taxable year beginning after December 31, 1957, shall not be an operations loss carryback to any taxable year beginning before January 1, 1958.

"(C) APPLICATION FOR YEARS PRIOR TO 1958.—For purposes of this section, this part (as in effect for 1958) shall be treated as applying to all taxable years beginning after December 31, 1954, and before January 1, 1958."

On page 65, line 6, after the word "this", to strike out "subsection" and insert "section"; in line 16, after "809", to strike out "(c)(7)" and insert "(b)(5)"; on page 66, after line 5, to insert:

"(e) RULES RELATING TO NEW COMPANIES.—

"(1) NEW COMPANY DEFINED.—For purposes of this part, a life insurance company is a new company for any taxable year only if such taxable year begins not more than 5 years after the first day on which it (or, if section 381(c)(22) applies, any predecessor) was authorized to do business as an insurance company.

"(2) LIMITATIONS ON 10-YEAR CARRYOVER.—

"(A) IN GENERAL.—For purposes of subsection (b)(1)(A)(iii), a life insurance company shall not be treated as a new company for any loss year if at any time during such year it was a nonqualified corporation. If, at any time during any taxable year after the loss year, the life insurance company is a nonqualified corporation, subsection (b)(1)(A)(iii) shall cease to apply with respect to such loss for such taxable year and all subsequent taxable years.

"(B) NONQUALIFIED CORPORATION DEFINED.—For purposes of subparagraph (A), the term 'nonqualified corporation' means any corporation connected through stock ownership with any other corporation, if either of such corporations possesses at least 50 percent of the voting power of all classes of stock of the other such corporation. For purposes of subparagraph (A), a corporation shall be treated as becoming a nonqualified corporation at any time at which it becomes a party to a reorganization (other than a reorganization which is not described in any subparagraph of section 368(a)(1) other than subparagraphs (E) and (F) thereof)."

On page 67, line 15, to change the subsection number from "(e)" to "(f)"; on page 68, at the beginning of line 4, to insert "after December 31, 1958"; in line 10, after the word "subsection" to insert "and subsection (d)"; in line 14, after the word "its", where it occurs the second time, to strike out "stock" and insert "stock, and does not include any distribution in redemption of stock issued before 1958 which at all times on and after the date of issuance and on and before the date of redemption is limited as to dividends and is callable, at the option of the issuer, at a price not in excess of 105 percent of the sum of the issue price and the amount of any contribution to surplus made by the original purchaser at the time of his purchase."

On page 69, line 2, after "January 1," to strike out "1959" and insert "1958"; in line 5, after "December 31," to strike out "1958" and insert "1957"; in line 11, after "(ii)", to insert "in the case of a taxable year beginning after December 31, 1958,"; in line 17, after the word "section", to strike out "809(e)(6)" and insert "804(a)(3)"; in line 20, after the figures "809", to strike out "(e)(7)" and insert "(b)(5)"; in line 24, after the word "section" to strike out "809(d)(5)" and insert "804(a)(4)"; on page 70, after line 4, to strike out:

"(3) SUBTRACTIONS FROM ACCOUNT.—There shall be subtracted from the shareholders surplus account for any taxable year the amount which is treated under this section as distributed out of such account."

And in lieu thereof, to insert:

"(3) SUBTRACTIONS FROM ACCOUNT.—

"(A) IN GENERAL.—There shall be subtracted from the shareholders surplus account for any taxable year the amount which is treated under this section as distributed out of such account.

"(B) DISTRIBUTIONS IN 1958.—There shall be subtracted from the shareholders surplus account (to the extent thereof) for any taxable year beginning in 1958 the amount of distributions to shareholders made during 1958."

After line 22, to strike out:

"(2) ADDITIONS TO ACCOUNT.—If the gain from operations for any taxable year beginning after December 31, 1958, exceeds the taxable investment income, there shall be added to the policyholders surplus account an amount equal to 50 percent of such excess."

And in lieu thereof to insert:

"(2) ADDITIONS TO ACCOUNT.—The amount added to the policyholders surplus account for any taxable year beginning after December 31, 1958, shall be the sum of—

"(A) an amount equal to 50 percent of the amount by which the gain from operations exceeds the taxable investment income,

"(B) the deduction for certain nonparticipating contracts provided by section 809(d)(5) (as limited by section 809(f)), and

"(C) the deduction for group life and group accident and health insurance contracts provided by section 809(d)(6) (as limited by section 809(f))."

On page 71, line 24, after the word "amount", to insert "(determined without regard to section 802(a)(3))"; on page 72, line 1, after the figures "802" to strike out "(a)(1)"; in line 8, after the word "year" to insert "for which it is a life insurance company"; after line 24, to strike out:

"(2) TERMINATION AS LIFE INSURANCE COMPANY.—Except as provided in section 381(c)(22) (relating to carryovers in certain corporate readjustments), if for any taxable year the taxpayer is not a life insurance company, then the amount taken into account under section 802(b)(3) for the preceding taxable year shall be increased by the amount remaining in its policyholders surplus account at the close of such preceding taxable year."

And in lieu thereof insert:

"(2) TERMINATION AS LIFE INSURANCE COMPANY.—

"(A) EFFECT OF TERMINATION.—Except as provided in section 381(c)(22) (relating to carryovers in certain corporate readjustments), if—

"(i) for any taxable year the taxpayer is not an insurance company, or

"(ii) for any two successive taxable years the taxpayer is not a life insurance company,

then the amount taken into account under section 802(b)(3) for the last preceding taxable year for which it was a life insurance company shall be increased (after the application of subparagraph (B)) by the amount remaining in its policyholders surplus account at the close of such last preceding taxable year.

"(B) EFFECT OF CERTAIN DISTRIBUTIONS.—If for any taxable year the taxpayer is an insurance company but not a life insurance company, then any distribution to shareholders during such taxable year shall be treated as made on the last day of the last preceding taxable year for which the taxpayer was a life insurance company."

On page 74, line 22, after the word "for", to strike out "the taxable year" and insert "a taxable year for which the taxpayer is a life insurance company"; on page 75, line 2, after the word "exceeds", to strike out "the greater of" and insert "whichever of the following is the greatest—"; after line 3, to strike out "(A) 25 percent of life insurance reserves, or" and insert:

"'(A) 15 percent of life insurance reserves at the end of the taxable year,

"'(B) 25 percent of the amount by which the life insurance reserves at the end of the taxable year exceed the life insurance reserves at the end of 1958, or";

In line 11, to change the subsection from "(B)" to "(C)"; in the same line, after the amendment just above stated, to strike out "60" and insert "50"; after line 14, to strike out:

"The amount so subtracted, less the amount of the tax imposed with respect to such amount by reason of section 802(b)(3), shall be added to the shareholders surplus account as of the beginning of the succeeding taxable year."

And in lieu thereof, to insert:

"The amount so treated as subtracted, less the amount of the tax imposed with respect to such amount by reason of section 802(b)(3), shall be added to the shareholders surplus account as of the beginning of the succeeding taxable year."

On page 76, at the beginning of line 3, to insert "after December 31, 1958"; in line 20, after "December 31", to strike out "1958" and insert "1958, and adjusted as provided in subparagraph (B)"; on page 77, line 10, after section 819, to insert a new section as follows:

"SEC. 820. Optional treatment of policies reinsured under modified coinsurance contracts."

On page 78, after line 9, to strike out:

"(b) GAIN ON PROPERTY HELD ON DECEMBER 31, 1958.—In the case of property acquired by the taxpayer before December 31, 1958, if—

"(1) the fair market value of such property on such date exceeds the adjusted basis for determining gain as of such date, and

"(2) the taxpayer has been a life insurance company at all times on and after December 31, 1958,

the gain on the sale or other disposition of such property shall be treated as an amount (not less than zero) equal to the amount by which the gain (determined without regard to this subsection) exceeds the difference between the fair market value on December 31, 1958, and the adjusted basis for determining gain as of such date. In the case of property having a substituted basis (within the meaing of section 1016(b)), the preceding sentence shall apply, but only if during the holding periods concerned the property or properties were held only by life insurance companies. For purposes of this subsection, the term 'property' does not include insurance and annuity contracts (and contracts supplementary thereto) and property described in paragraph (1) of section 1221."

And in lieu thereof to insert:

"(b) GAIN ON PROPERTY HELD ON DECEMBER 31, 1958, AND CERTAIN SUBSTITUTED PROPERTY ACQUIRED AFTER 1958.—

"(1) PROPERTY HELD ON DECEMBER 31, 1958.—In the case of property held by the taxpayer on December 31, 1958, if—

"(A) the fair market value of such property on such date exceeds the adjusted basis for determining again as of such date, and

"(B) the taxpayer has been a life insurance company at all times on and after December 31, 1958,

the gain on the sale or other disposition of such property shall be treated as an amount (not less than zero) equal to the amount by which the gain (determined without regard to this subsection) exceeds the difference between the fair market value on December 31, 1958, and the adjusted basis for determining gain as of such date.

"(2) CERTAIN PROPERTY ACQUIRED AFTER DECEMBER 31, 1958.—In the case of property acquired after December 31, 1958, and having a substituted basis (within the meaning of section 1016(b))—

"(A) for purposes of paragraph (1), such property shall be deemed held continuously by the taxpayer since the beginning of the holding period thereof, determined with reference to section 1223,

"(B) the fair market value and adjusted basis referred to in paragraph (1) shall be that of that property for which the holding period taken into account includes December 31, 1958,

"(C) paragraph (1) shall apply only if the property or properties the holding periods of which are taken into account were held only by life insurance companies after December 31, 1958, during the holding periods so taken into account,

"(D) the difference between the fair market value and adjusted basis referred to in paragraph (1) shall be reduced (not less than zero) by the excess of (i) the gain that would have been recognized but for this subsection on all prior sales or dispositions after December 31, 1958, of properties referred to in subparagraph (C), over (ii) the gain that was recognized on such sales or other dispositions, and

"(E) the basis of such property shall be determined as if the gain which would have been recognized but for this subsection were recognized gain.

"(3) PROPERTY DEFINED.—For purposes of paragraph (1) and (2), the term 'property' does not include insurance and annuity contracts (and contracts supplementary thereto) and property described in paragraph (1) of section 1221."

After line 12, to insert:

"(d) GAIN ON TRANSACTIONS OCCURRING PRIOR TO JANUARY 1, 1959.—For purposes of this part, there shall be excluded any gain from the sale or exchange of a capital asset, and any gain considered as gain from the sale or exchange of a capital asset, resulting from sales or other dispositions of property prior to January 1, 1959.

"(e) CERTAIN REINSURANCE TRANSACTIONS IN 1958.—For purposes of this part, the reinsurance in a single transaction, or in a series of related transactions, occurring in 1958, by a life insurance company of all of its life insurance contracts of a particular type, through the assumption by another company or companies of all liabilities under such contracts, shall be treated as a sale of a capital asset."

On page 84, line 25, after the word "his", to strike out "delegate" and insert "delegate, except that if, pursuant to an election made for a taxable year beginning in 1958, the basis adopted is the basis provided in paragraph (2), the taxpayer may adopt the basis provided by paragraph (1) for its first taxable year beginning after 1958."

On page 86, line 16, after the word "to", to strike out "1957" and insert "1857, modified as provided in paragraph (4)"; on page 88, after line 16, to insert:

"(4) MODIFICATIONS OF 1957 TAX COMPUTATION.—In recomputing the taxpayer's tax for 1957 for purposes of paragraph (1)—

"(A) section 804(b) (as in effect for 1957 shall not apply with respect to any amount required to be taken into account by such paragraph, and

"(B) the amount of the deduction allowed by section 805 (as in effect for 1957) shall not be reduced by reason of any amount required to be taken into account by such paragraph."

On page 89, after line 19, to strike out:

"(A) the policy and other contract liability deduction (determined under section 805 without regard to this subsection), and

"(B) the total of the amounts allowable as deductions under section 809 (determined without regard to this subsection),

shall each be reduced by an amount determined by multiplying such excess by the

investment yield rate (as defined in section 805(c)(1))."

And, in lieu thereof, to insert:

"(A) the amount of the policy and other contract liability requirements (determined under section 805 without regard to this subsection), and

"(B) the amount of the required interest (determined under section 809(a)(2) without regard to this subsection),

shall each be reduced by an amount determined by multiplying such excess by the current earnings rate (as defined in section 805(b)(1))."

On page 91, after line 20, to strike out:

"(c) DISTRIBUTIONS TO SHAREHOLDERS.—In applying sections 802(b)(3) and 815 for purposes of subsection (a), the amount of the distributions to shareholders shall be the amount which bears the same ratio to the total amount of the distributions to shareholders (within the meaning of section 815) of the foreign life insurance company as the minimum figure for the taxable year (determined under subsection (b)(2)(A)) bears to the excess of the assets of the company over the total insurance liabilities."

And, in lieu thereof, to insert:

"(c) DISTRIBUTIONS TO SHAREHOLDERS.—

"(1) IN GENERAL.—In applying sections 802(b)(3) and 815 for purposes of subsection (a), the amount of the distributions to shareholders shall be determined by multiplying the total amount of the distributions to shareholders (within the meaning of section 815) of the foreign life insurance company by whichever of the following percentages is selected by the taxpayer for the taxable year:

"(A) the percentage which the minimum figure for the taxable year (determined under subsection (b)(2)(A)) is of the excess of the assets of the company over the total insurance liabilities; or

"(B) the percentage which the total insurance liabilities on United States business for the taxable year is of the company's total insurance liabilities.

"(2) DISTRIBUTIONS PURSUANT TO CERTAIN MUTUALIZATIONS.—In applying section 815(e) for purposes of subsection (a)—

"(A) the paid-in capital and paid-in surplus referred to in section 815(e)(1)(A) of a foreign life insurance company is the portion of such capital and surplus determined by multiplying such capital and surplus by the percentage selected for the taxable year under paragraph (1); and

"(B) the excess referred to in section 815(e)(2)(A)(i) (without the adjustment provided by section 815(e)(2)(B)) is whichever of the following is the greater:

"(i) the minimum figure for 1958 determined under subsection (b)(2)(A), or

"(ii) the surplus described in subsection (b)(2)(B) (determined as of December 31, 1958)."

On page 93, line 17, after the word "foreign", to strike out "corporations." " and insert "corporations."; after line 18, to insert:

"SEC. 820. OPTIONAL TREATMENT OF POLICIES REINSURED UNDER MODIFIED COINSURANCE CONTRACTS.

"(a) IN GENERAL.—

"(1) TREATMENT AS REINSURED UNDER CONVENTIONAL COINSURANCE CONTRACT.—Under regulations prescribed by the Secretary or his delegate, an insurance or annuity policy reinsured under a modified coinsurance contract (as defined in subsection (b)) shall be treated, for purposes of this part (other than for purposes of section 801), as if such policy were reinsured under a conventional coinsurance contract.

"(2) CONSENT OF REINSURED AND REINSURER.—Paragraph (1) shall apply to an insurance or annuity policy reinsured under a modified coinsurance contract only if the reinsured and reinsurer consent, in such manner as the Secretary or his delegate shall prescribe by regulations—

"(A) to the application of paragraph (1) to all insurance and annuity policies reinsured under such modified coinsurance contract, and

"(B) to the application of the rules provided by subsection (c) and the rules prescribed under such subsection.

Such consent, once given, may not be rescinded except with the approval of the Secretary or his delegate.

"(b) DEFINITION OF MODIFIED COINSURANCE CONTRACT.—For purposes of this section, the term 'modified coinsurance contract' means an indemnity reinsurance contract under the terms of which—

"(1) a life insurance company (hereinafter referred to as 'the reinsurer') agrees to indemnify another life insurance company (hereinafter referred to as 'the reinsured') against a risk assumed by the reinsured under the insurance or annuity policy reinsured,

"(2) the reinsured retains ownership of the assets in relation to the reserve on the policy reinsured,

"(3) all or part of the gross investment income derived from such assets is paid by the reinsured to the reinsurer as a part of the consideration for the reinsurance of such policy, and

"(4) the reinsurer is obligated for expenses incurred, and for Federal income taxes imposed, in respect of such gross investment income.

"(c) SPECIAL RULES.—Under regulations prescribed by the Secretary or his delegate, in applying subsection (a)(1) with respect to any insurance or annuity policy the following rules shall (to the extent not improper under the terms of the modified coinsurance contract under which such policy is reinsured) be applied in respect of the amount of such policy reinsured:

"(1) PREMIUMS AND GROSS INVESTMENT INCOME.—The premiums (to the extent allocable to the participation of the reinsurer therein) received for the policy reinsured shall be treated as received by the reinsurer and not by the reinsured. The gross investment income (to the extent allocable to the participation of the reinsurer therein) derived from the assets in relation to the reserve on the policy reinsured shall be treated as gross investment income of the reinsurer and not of the reinsured. The gross investment income so treated shall be considered as derived proportionately from each of the various sources of gross investment income of the reinsured.

"(2) CAPITAL GAINS AND LOSSES.—The gains and losses from sales and exchanges of capital assets, and gains and losses considered as gains and losses from sales and exchanges of capital assets, of the reinsured shall (to the extent of the participation therein by the reinsurer under the terms of the modified coinsurance contract) be treated as gains and losses from sales and exchanges of capital assets of the reinsurer and not of the reinsured.

"(3) RESERVES AND ASSETS.—The reserve on the policy reinsured shall be treated as a part of the reserves of the reinsurer and not of the reinsured, and the assets in relation to such reserve shall be treated as owned by the reinsurer and not by the reinsured.

"(4) EXPENSES.—The expenses (to the extent reimbursable by the reinsurer) incurred with respect to the policy reinsured and with respect to the assets referred to in paragraph (3) shall be treated as incurred by the reinsurer and not by the reinsured.

"(5) DIVIDENDS TO POLICYHOLDERS.—The dividends to policyholders paid in respect of the policy reinsured shall be treated as paid by the reinsurer and not by the reinsured. For purposes of the preceding sentence, the amount of dividends to policyholders treated as paid by the reinsurer shall be the amount paid, in respect of the policy reinsured, by the reinsurer to the reinsured as reimbursement for dividends to policyholders paid by the reinsured. This paragraph shall apply also in respect of an insurance or annuity policy reinsured under a conventional coinsurance contract.

"(6) REIMBURSEMENT FOR 1957 FEDERAL INCOME TAX.—Any amount paid in 1958 or any subsequent year by the reinsurer to the reinsured is reimbursement for Federal income taxes imposed for a taxable year beginning in 1957 or any preceding taxable year shall not be taken into account by the reinsured as an item under section 809(c) or by the reinsurer as a deduction under section 809(d).

"(7) RULES PRESCRIBED BY THE SECRETARY.—Such other rules as may be prescribed by the Secretary or his delegate.

In applying the rules provided by paragraphs (1), (2), (3), (4), (5), and (6) and the rules prescribed under paragraph (7), an item shall be taken into account as income only once under subpart B and only once under subpart C by both the reinsured and the reinsurer, and an item shall be allowed as a deduction only once under subpart B and only once under subpart C to both the reinsured and the reinsurer."

On page 99, in the third line of the wording following line 22, after "section 812", to strike out "(e)" and insert "(f)"; on page 101, after line 19, to insert:

"(g) LIMITATIONS ON ASSESSMENT AND COLLECTION.—Section 6501(c) of such Code (relating to exceptions to limitations on assessment and collection) is amended by adding at the end thereof the following new paragraph:

"(6) TAX RESULTING FROM CERTAIN DISTRIBUTIONS OR FROM TERMINATION AS LIFE INSURANCE COMPANY.—In the case of any tax imposed under section 802(a)(1) by reason of section 802(b)(3) on account of a termination of the taxpayer as an insurance company or as a life insurance company to which section 815(d)(2)(A) applies, or on account of a distribution by the taxpayer to which section 815(d)(2)(B) applies, such tax may be assessed within 3 years after the return was filed (whether or not such return was filed on or after the date prescribed) for the taxable year for which the taxpayer ceases to be an insurance company, the second taxable year for which the taxpayer is not a life insurance company, or the taxable year in which the distribution is actually made, as the case may be."

And, on page 102, at the beginning of line 18, to strike out "(g)" and insert "(h)".

Mr. BYRD of Virginia. Mr. President, on behalf of the committee, I offer a technical amendment which simply changes the date for the filing of reports.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 103, after line 4, it is proposed to insert the following:

(i) INCOME TAX RETURNS FOR 1958.—Every life insurance company subject to the tax imposed by section 802(a) of the Internal Revenue Code of 1954 (as amended by section 2 of this Act) shall, after the date of the enactment of this Act and on or before September 15, 1959 (in lieu of at the time prescribed by section 6072(b) of such Code), make a return for its taxable year beginning in 1958 with respect to the tax imposed by such section (as amended by section 2 of this Act). The return required by this subsection for such taxable year shall constitute the return for such

taxable year for all purposes of the Internal Revenue Code of 1954; and no return for such taxable year, with respect to the tax imposed by part I of subchapter L of such Code (as in effect prior to the effective date of the amendment made by section 2 of this Act), filed on or before the date of the enactment of this Act shall be considered for any of such purposes as a return for such taxable year. All payments made on or before the date of the enactment of this Act with respect to the tax for such taxable year imposed by part I of subchapter L of such Code (as in effect prior to the effective date of the amendment made by section 2 of this Act), to the extent that such payments have not been credited or refunded, shall be deemed to be payments made on September 15, 1959, on account of the tax for such taxable year imposed by section 802(a) of such Code (as amended by section 2 of this Act). The provisions of section 6152(a)(1) of such Code shall not apply with respect to the tax for such taxable year imposed by section 802(a) of such Code (as amended by section 2 of this Act).

Mr. BYRD of Virginia. Mr. President, this committee amendment provides a new date for the filing of income tax returns by life insurance companies for their 1958 income tax liabilities. It provides for the filing of returns on September 15, 1959. Also, the full tax liability becomes due on that date.

Under present law, which the bill does not change, the life insurance company returns for 1958 liabilities were due March 15 although the Treasury Department had granted an automatic extension of time for filing life insurance company returns until June 15. Under present law life insurance companies last September 15, in 1958, were required to file declarations of estimated tax, paying up to one-quarter of their tax liability in excess of $100,000. A similar payment was required on December 15, 1958. The balance was then payable in two equal installments, on March 15 and June 15 of this year. Interest at 6 percent is payable on due but unpaid amounts.

Since Congress has not yet taken final action in determining 1958 tax liabilities of these companies, it would have been very difficult indeed for any company to have paid the correct amount on the dates which are already past. Moreover, in view of the uncertain status of life insurance taxation, the Treasury Department in fact has not yet issued any tax return forms for life insurance company taxation. In addition, it now appears that even if action on this bill is completed promptly, we will be fortunate to have tax return forms available to the companies by July 15.

Thus, even the September 15 date is likely to provide the insurance companies with no more than a month to prepare their tax returns. By also making the entire tax due on that date the amendment wipes out interest charges for tax liabilities which were not paid in many cases because, at the time they were due, the companies could not know the amount of their eventual tax.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Virginia [Mr. BYRD]. Without objection, the amendment is agreed to.

GRADUATE SCHOOL FOR TRAINING OF AMERICAN DIPLOMATS

Mr. NEUBERGER. Mr. President, the recent controversies over Presidential appointments of ambassadors to foreign lands have heightened interest in a graduate school for diplomats, which would train career men to serve abroad in such capacities.

The Register-Guard, of Eugene, Oreg., in its issue of May 15, 1959, published a thoughtful editorial on this proposal, entitled "Diplomatic School."

The editorial effectively summarizes what I think is the major case for a graduate school for diplomats. I am particularly pleased that the editorial agrees there should be no political appointments to this diplomatic school, but, rather, that selections should be wholly on the basis of individual merit.

I ask unanimous consent that the editorial be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Eugene Register-Guard, May 15, 1959]

DIPLOMATIC SCHOOL

Hardly a month passes that somebody doesn't sound off about the need for a Foreign Service Academy, patterned after West Point, Annapolis, and the new institution for future Air Force officers. Those who favor such a school start from a sound premise—that a nation which regards itself as peace-loving should spend as much of its substance in the training of soldiers of peace as it spends in the training of soldiers of war. And Heaven knows we need better people in the Foreign Service. But there is a question if an Academy on the West Point pattern is the answer.

Better, we think, is the proposal now in Congress. Sponsored by Oregon's RICHARD L. NEUBERGER and other Senators, the bill calls for a graduate school, offering a course comparable to that expected of a candidate for a master's degree.

The specialized knowledge needed by a diplomat is the graduate school sort of knowledge. It should be superimposed upon a broad general education of the kind that can be obtained in any number of civilian institutions. The diplomatic corps suffers already because its officers are too often of a single mold. This would be remedied if the young men and women came from as broad a segment of the population as possible, with the many influences of many colleges and universities at work upon them.

The bill now in the Senate specifies that students get subsistence and quarters while attending this graduate school. That is proper, although probably they should be paid, as cadets at the military establishments are paid while attending school. And perhaps if this thing really gets under way, the Federal Government might find it wise to offer scholarships to undergraduates, preparing at their own colleges for appointment to the Foreign Service Institute. Wisely, the bill does not provide for political appointments by Congressmen, which feature is one of the weaknesses of the Military Academy program. And it does provide that graduates must agree to serve after they are graduated, thus guaranteeing a reduction in "fallout."

STANAKER DAM, UPPER COLORADO RIVER DEVELOPMENT, UTAH

Mr. MOSS. Mr. President, on May 14 I had the honor of representing the Senate Committee on Interior and Insular Affairs at the groundbreaking ceremonies incident to initiation of construction of Stanaker Dam, the first structure of the Vernal unit, central Utah project, upper Colorado River development. This dam will impound waters of Ashley Creek, a tributary of Green River, and the occasion was important since it represented Utah's first irrigation participation in the upper Colorado River project.

The initiation of the Vernal unit is a tribute to the foresight and ardent support the good folks of the Vernal area and of all the Uintah Basin have given Reclamation and the upper Colorado River project. Through storage and exchange of water, the Vernal unit will provide supplemental irrigation for about 14,700 acres of productive land which is constantly threatened by water shortages. The unit will also provide supplemental municipal water for the thriving municipalities of Vernal, Naples, and Maeser.

In addition, there will be fish and wildlife development and recreational opportunities.

The estimated construction cost of the Vernal unit is about $7 million, practically all of which will be repaid by water users and from power revenues of the upper Colorado River project. Utah's water makes a substantial contribution to these revenues.

Mr. President, I call attention to the fact that the Congress made the initial appropriation for the Vernal unit of $1,035,000 for fiscal year 1959 without a budget estimate from the Eisenhower administration. There was one important break in the no-new-starts policy of the administration, a policy which would have the effect of throttling western reclamation if the Congress permits this downtown obstruction to a national program.

I note we have a budget request for $2 million for fiscal year 1960 to continue construction of Stanaker Dam, Vernal unit. While this indicates some relenting on the part of the Eisenhower administration, western reclamationists must keep up the fight to break this ban on new starts, which is shortsighted and lacking in a recognition of the importance of the reclamation program. We want other units of the central Utah project under way, and we will cooperate with our fellow reclamationists throughout the West on other projects.

I have dealt primarily with the Vernal unit and the upper Colorado project in my remarks, Mr. President, but our concern in Utah is much broader.

I have recently been honored by designation as an additional member of the Select Committee on Water Resources created by Senate Resolution 48. The membership was augmented by Senate Resolution 111; and, as the junior Senator from Utah, I was selected, by reason of our State's concern in national water resources.

The problem of the development and use of water resources is national, and affects the well-being and future of 175 million people today, and many more

millions in the coming years—not too distant.

As a member of the select committee, I am privileged not only to participate in an inventory of existing water resources, but also to study how they can be augmented and developed for the beneficial use of our expanding population. Utah has a vital place in this picture.

Stanaker Dam, the Vernal unit, and the entire upper Colorado project are important phases of the national picture concerned with water resources. As a member of the select committee, I shall make it my business to see that full recognition is given Utah's place in water development.

Utah was the birthplace of American irrigation as we know it today, and coordinated development of water resources has been demonstrated in our State to be the most effective economic approach to a solution of the national water problem.

What helps one area of the country in water development aids every other area. We, in the West, are cognizant of the problems of the Midwest, the East, the South, and the Southwest. As a member of the select committee, I shall take a national view of the problems, and shall have particular concern for those that affect individual areas of the country.

THE STRAUSS NOMINATION SHOULD BE REJECTED ON THE SAME GROUND ON WHICH A REPUBLICAN SENATE REJECTED THE NOMINATION OF CHARLES WARREN TO BE ATTORNEY GENERAL

Mr. CURTIS obtained the floor.

Mr. O'MAHONEY. Mr. President, I have asked the Senator from Nebraska whether he will be kind enough to yield to me, in order that I may speak briefly on the nomination of Admiral Strauss to be Secretary of Commerce.

Mr. CURTIS. I yield.

Mr. O'MAHONEY. I desire to make some brief remarks in regard to the question of confirmation of the nomination of Admiral Strauss to be Secretary of Commerce.

Mr. President, the nomination of Charles Beecher Warren, of Michigan, who had been nominated by President Calvin Coolidge on March 5, 1925, to be Attorney General of the United States, was rejected by a substantially Republican Senate on an issue of public policy. It is a question of public policy which should now bring about the rejection of the nomination of Admiral Strauss, who has been named by President Eisenhower to be Secretary of Commerce.

AN ISSUE OF PUBLIC POLICY

Indeed, it is the same issue of public policy. The Warren nomination was rejected because he was too closely identified with the efforts of big business to dominate the American economy. The late Senator Thomas J. Walsh, of Montana, whose qualifications as a constitutional lawyer no one will deny, led the opposition to confirmation of the Warren nomination. That opposition was not based upon partisan or personal grounds. Senator Walsh urged the rejection of the Warren nomination, and said that he was not qualified to be the Attorney General because of his association with the activities of the American Sugar Co., then generally known as the Sugar Trust. Senator Walsh thought Mr. Warren was not qualified to be entrusted with the enforcement of the antitrust laws.

The same principle, although not the same incident, is involved in the Strauss case. The admiral has been too closely identified with the fiscal and complex corporate devices of modern big business to be trusted to administer the functions of the Department of Commerce in the public interest.

Mr. President, it may be of interest to note that on March 10, 1925, when the vote was taken on the question of confirmation of the nomination of Mr. Warren, the Senate was composed of 56 Republicans, 39 Democrats, and 1 member of the Farmer-Labor Party. When the vote was taken on the question of confirmation of that nomination, there were 39 yeas and 41 nays. Of the yeas, the Republican Members of the Senate cast 38 votes; the Democratic Members cast 1 vote; of the nays, the Democratic Members of the Senate cast 30 votes, the Republican Members cast 10 votes, and the Farmer-Labor Party member cast his 1 vote. Sixteen Senators—9 Democrats and 7 Republicans—were recorded as not having voted. This is the famous case in which Vice President Charles Dawes was absent from the Senate Chamber, having been assured, as I recall the incident, that no important votes were likely to be taken. However, when the vote was taken, and when those who were supporting the nomination of Mr. Warren felt that if the Vice President had been present, perhaps the result might have been different, one of the Republican Senators changed his vote from "yea" to "nay," and then moved for reconsideration. On the reconsideration vote, which was taken after the Vice President had arrived in the Chamber, the nomination was again rejected.

Thereafter, President Coolidge again sent the nomination to the Senate. On the second occasion, the nomination was sent to the Senate, as I recall, 2 days after it first had been rejected. The second vote was taken on March 16, 1925. On that occasion, four of the Senators who were not present at the time of the vote on March 10 were present, and voted; and that increased the negative vote to 46. So on the second occasion the nomination was rejected by a vote of 46 nays to 39 yeas.

It is also important to take note of the fact that the two Michigan Senators—from the State from which the nominee came—voted against confirmation of the nomination. They were Senator James Couzens, a Republican; and Senator Woodbridge N. Ferris, a Democrat.

The issue was decided upon the argument, I believe, of Senator Walsh, of Montana, namely, that the association of Mr. Warren was too close to the big business leaders of that time.

Mr. President, I may say that, as I recall, Senator Walsh, of Montana, in his speech stated that he would be very glad to support the nomination of Mr. Warren to another office, but not to the important office of the head of the Department of Justice.

Admiral Strauss was a leading figure in bringing about a contract between the Government and the Mississippi Valley Generating Co. to produce electric power for the Atomic Energy Commission. That was a contract between the Atomic Energy Commission, of which Admiral Strauss was then chairman, and the Mississippi Valley Generating Co.

The company was a subsidiary of two holding companies headed, respectively, by Mr. Dixon and Mr. Yates. It was grossly undercapitalized. It filed with the Securities and Exchange Commission an application to raise capital stock in the amount of $5,500,000, although the estimated cost of the project to be built was $106,115,000. When the SEC issued its notice of a hearing on the application, it revealed that the intention of the sponsors of this project was to raise $99,115,000 by borrowing from institutional investors and banks.

A TYPICAL HIGH FINANCE PROMOTION

The capital stock authorized in the charter of the generating company was scarcely one-twentieth of the capital cost of the proposed project. The charter of the company, although prepared under the laws of Arkansas, was signed by three incorporators who gave the same New York address—120 Broadway, New York City. They acknowledged the articles of incorporation before a notary public in Queens County, N.Y. These three incorporators each subscribed for one share of stock. That was the only money put up by the sponsors, for article 7 of the charter referred to this subscription in these words:

> The amount of paid-in capital with which the corporation will begin business is $300.

Meanwhile, Mr. Adolphe Wenzell, of the First Boston Corporation, was induced by the group surrounding the President to join the staff of the Bureau of the Budget, to analyze the Tennessee Valley Authority. Thus, the whole Dixon-Yates plan was a typical promotion of high finance to enable private managers to use other people's money to make profit for a couple of holding companies. No person associated as Admiral Strauss was associated with this plan would be qualified to be Secretary of Commerce.

Not only are there economic grounds on which the Senate may properly reject the nomination of Admiral Strauss, but there are also unimpeachable constitutional grounds.

A GOVERNMENT OF CHECKS AND BALANCES

The Government of the United States was carefully constructed by the framers of the Constitution as one of checks and balances. "All legislative power"—and these are the words of section 1, article 1—was vested in the Congress. But the Constitution gave the President the right to veto any bill passed by the Congress and, therefore, to prevent it from becoming law, provided, however, that the Congress was authorized to override the

veto by a two-thirds vote. That was a check upon Congress.

The Constitution gives the President the power to execute the laws enacted by Congress; but it placed a limitation upon his power to make appointments, by providing that he should be required to have the advice and consent of the Senate, not only to the appointments of ambassadors, other public ministers and consuls and judges of the Supreme Court, but also to the appointment of "all other officers of the United States whose appointments are not herein otherwise provided for, and which shall be established by law."

All of the departments of the Government have been established by law, and the heads thereof are officers of the United States who cannot assume office constitutionally without the advice and consent of the Senate.

Admiral Strauss has been nominated by the President to be the head of the Department of Commerce; and the functions of that Department, involving, as they do, the promotion of interstate and foreign commerce and all the industrial manufacturing, shipping, and transportation interests of the United States, deal with all the profound economic problems which affect the freedom and prosperity of this country and the whole world. The nomination, therefore, is one that is clearly subject to one of the checks upon the Executive power written into the Constitution.

SENATE SHOULD NOT WAIVE RIGHT TO CONFIRM

It is argued that the Senate should waive the right to exercise this constitutional check, because, it is said, the President ought to be entitled to make up his Cabinet by selecting persons in whom he has confidence, even though the Senate does not share that confidence.

Mr. President, there is not the slightest constitutional basis for that argument. The right of the Senate to waive its power to give advice and consent to a presidential nominee could only be established by law of Congress. This is clear from the words of the Constitution itself, for, after having created the confirmation power of the Senate as a check on the authority of the President to make appointments, the framers of the Constitution added another proviso in these words:

> But the Congress may by law vest the Appointment of such inferior officers, as they think proper, in the President alone, in the Courts of Law, or in the Heads of Departments.

CABINET MEMBER NOT AN INFERIOR OFFICER

Congress never enacted such a law to vest in the President alone the appointment of Cabinet members. Moreover, it is clear from the language used by the framers of the Constitution that they believed that the heads of departments were in the category of officers which could not be appointed except by the joint action of the President and the Senate. The President may act without the Senate only in the cases of "inferior officers" when the Congress, by law, gives him the power. A Cabinet member is certainly not an inferior officer.

Now that we have a President who, in the complexities of the modern world, delegates to others so much of his power, it is particularly important that the Senate ought not waive its constitutional right to deny confirmation in the case of a nominee like Admiral Strauss, whose record amply establishes the charge that he aspires to have his own way in matters of public importance, the Congress and even the President to the contrary notwithstanding. This is a government of law, not a government of men, and the history of the Dixon-Yates case is conclusive proof that Admiral Strauss is a supporter of the doctrine of those who believe in government by men.

WHITE HOUSE ACKNOWLEDGES CONFLICT OF INTEREST

The Dixon-Yates case involved an attempt by men surrounding the President, of whom the present nominee was one, to confine the functioning of the Tennessee Valley Authority, which had been established by law, by devising a contract between the A.E.C. and a merger of private utilities to supply electric energy to the City of Memphis, Tenn. A White House release of June 29, 1955, acknowledged the fact that one Adolphe Wenzell, an employee of the First Boston Corporation, a private financing agency, had been taken into the Bureau of the Budget to prepare—and these are the words taken from the release of Mr. Hagerty—"an analysis of the records and accounting systems of the Tennessee Valley Authority." The President, at a press conference that very morning, had said that "Mr. Wenzell was never called in or asked a single thing about the Dixon-Yates contract." It was obvious that the President had not been correctly advised by Admiral Strauss or any of the others in the group surrounding him as to what was going on.

The conflict of interest which had been invited by this group became a matter of such public concern that the President had ordered the release issued by Mr. Hagerty after the press conference. In that release it was clearly stated that Wenzell, of the First Boston Corp., had been employed by the Bureau of the Budget to make an analysis of the records and accounting systems of the Tennessee Valley Authority. The President finally ordered the contract which Admiral Strauss had supported to be canceled. And it was canceled. The nominee for Secretary of Commerce, however, has repeatedly asserted since that time his belief that it was a good contract.

MONOPOLISTIC MERGERS A GRAVE DANGER

He thus gives compelling evidence that he is a supporter and advocate of the monopolistic mergers which are now undermining free enterprise in the United States and forcing small business to pound on the door of the Treasury to obtain Government loans which are not available from private banks.

If free government is to survive in the world, it must first be preserved in the United States itself. It is, therefore, incumbent upon the people of this country to prevent monopolistic management from taking over control of the national economy. The Constitution gives to the Congress of the United States the power and the duty to regulate—not to control, but to regulate—interstate and foreign commerce. Private monopoly would control it and destroy local economic self-government in all the States and all the cities of the Nation from coast to coast.

If we are to prevent concentrated private economic power from taking over the management of business and industry, we must prevent the promoters of monopolistic mergers, like that of Dixon and Yates, from taking over the direction of the Department of Commerce. A man like Admiral Strauss, who used his authority as head of the Atomic Energy Commission to promote the high finance plan represented by the Dixon-Yates contract is not qualified, as a matter of public policy, to head the Department of Commerce.

Let no one forget that Mr. Dixon was the head of one private utility and Mr. Yates the head of another, which, with the advice and consent, if I may use the words, of Admiral Strauss, would have been aided to complete a private merger to undermine the Tennessee Valley Authority.

Mr. President, this is far more than a controversy between private development power and public power. It is a controversy which involves the type of high finance which was revealed in the application of the generating company created by Dixon and Yates to obtain authority to sell $5.5 million worth of stock, less than one-twentieth of the cost of building the project, and of borrowing more than $99 million. That is the reason why it was urged by those opposing the contract, before the investigation of a subcommittee of the Judiciary Committee, that Mr. Wenzell was wearing two hats—one hat being that of the Bureau of the Budget, by which he was being employed on the side, and the other hat being that of the First Boston Corp., which was expecting to float some of the bonds.

As I said, it was a plain scheme to use the money of the people for the benefit of private promoters, a scheme which should not be condoned, and certainly nothing like it should be found in the record of a person who is to be the head of the great Department of Commerce.

This Nation needs now a Secretary of Commerce who can be depended upon not to cooperate with those who use the devices of high finance to transfer the constitutional power of Congress to regulate commerce for the benefit of the public into the hands of the private managers of giant business, who are energetically striving to concentrate the economic power of this Nation in a manner that is enabling private promoters and managers to control the economy of the country.

SHOULD THE OIL DEPLETION ALLOWANCE BE CUT?

Mr. PROXMIRE. Mr. President, I firmly believe in plugging the gaping oil depletion loophole in our tax laws, and I

am delighted to rise on the floor today to praise the sense of fairness of the National Petroleum News, a splendidly fair-minded oil trade publication, that has printed a vigorous debate on this controversy in its May issue.

Vice President Samuel H. Elliott, Standard Oil Co. of Ohio's officer in charge of exploration and production, argues for retention of the 27½-percent depletion allowance. Jack Coughlin, Minot, N. Dak., an independent marketer of Westland Oil and vice president of the National Oil Marketers Association, argues for last year's Proxmire amendment, which would have reduced depletion allowances on a graduated basis.

Mr. President, I ask unanimous consent that this article be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. CARLSON in the chair). Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SHOULD THE DEPLETION ALLOWANCE BE CUT?

("Yes," says Jack Coughlin, Minot, N. Dak., independent. A marketer who "integrated backward" into refining and production, Coughlin says he'll still produce—and profitably—if the depletion provision of the tax code is reduced. Coughlin, 39, is a vice president of National Oil Marketers Association.)

I'd like to point out that I wear two shirts. One, I'm an oil marketer competing against tax-privileged competitors. Two, I'm personally interested in oil production, and I'm firmly convinced that my company—Westland Oil—in time must have at least some of its own production.

I like to be a good fellow in the oil fraternity. Therefore, I have a self-serving interest in preserving the status quo of the depletion allowance. I assure you that I have studied the arguments for depletion with a selfish hope that somewhere I could find at least a neutral ground on which to stand.

I can only report that the more I studied the question, the more convinced I became that depletion is unjustified.

Some 33 years ago, when the 27½ percent depletion allowance was established by law, it was determined—on the basis of what its proponents call "extremely careful and scientific explanation and testimony"—that a 27½ percent allowance would permit a proper and adequate incentive for the oil industry. The corporate tax at the time was 13 percent.

Significantly, the value of the depletion allowance to any corporation depends on the corporate income tax. To put it another way, the value of the depletion allowance would be zero if corporate income tax were eliminated. However, since 1926 the corporate tax rate—instead of being reduced—has been quadrupled to 52 percent. Consequently the value of the depletion allowance and drilling charge-offs has increased 400 percent—not to mention the benefits on crude price increases.

The oil industry claims, and rightfully, that it is entitled to regain its capital investment the same as other businesses. However, I would like to point out the rarely mentioned fact that in addition to the highly favorable depletion allowance, oil producers can immediately deduct for tax purposes a substantial part of their outlays for drilling and development. The amounts of capital investment thus written off at the outset have no effect on the future percentage depletion deductions. This results in a double deduction with respect to the same capital investment.

Naturally, if I drill a dry hole I can charge it off as a current expense. But here is the businessman's dream: If I bring in a producing well, I am permitted by special act of Congress to charge off the same year all my intangible drilling and development costs. Intangible costs include seismographing, drilling, labor, muds, and cement—in fact, everything except tubing, storage tanks, a small amount of pipe and a pump, if necessary. And these last tangible items can be depreciated like any other capital asset.

When you build a building, or any income-producing property, you are obliged to set up all your labor costs, architectual fees, legal fees, materials, and costs of financing, to be depreciated over the life of the property. Only the oil industry enjoys a special chargeoff privilege, and in addition is still given a 27½ percent depletion allowance. The value of the chargeoff privilege has been estimated by competent experts to be almost as great as the depletion allowance itself.

Now let's look at some of the more popular arguments for depletion.

First, the one the public hears most often is the statement that eight of nine holes are dry. Some depletion proponents will state that the ratio applies to wildcats, but a good many don't, leaving the inference that it applies to all wells.

At no time have I heard the full story when discussing depletion. Here it is:

According to the Oil & Gas Journal, we find that there were 11,739 wildcat wells drilled in 1957, of which 1,652 were successful and 10,087 were dry. These are the eight out of nine you hear about, and I don't think I have to dwell on the importance of a successful wildcat.

However, there were 41,038 additional development wells drilled, of which 30,424 were producers. In other words, out of 52,777 wells drilled, we had 32,076 successful wells and 20,701 dry holes—or a ratio of more than one and a half producers to each dry hole.

Another argument advanced for depletion is that exploration and drilling would otherwise decline to the point where we would endanger our national security. This would seem to be off base on two counts.

For one thing, just about everyone admits that the next war, if there is one, will be over in a matter of hours or days.

Second, since the 1930's we've had such a surplus of domestic production that two measures were taken to curtail it—namely the Oil Compact Commission, to prorate oil by States through daily allowables, and the Connally Hot Oil Act. It seems contradictory to have tax subsidies in the form of depletion allowances and chargeoffs encouraging production, while on the other hand restricting wells to 10 days' production.

Equally contradictory seems the argument that the recently imposed import restrictions are being beneficial to national defense. It means we'll be using up our own national resources at a time when—for obvious social and political reasons—we should keep Middle East oil producers operating and encourage our Canadian friends as well.

Still another argument for depletion is that without it, the price of gasoline would increase as much as 3 cents or more.

First of all, that statement should defeat itself because it is threatening by implication. Let's forget the threat and look at it realistically.

Businesses don't pass on their advantages to the customer. A manufacturing plant or a refinery with a favorable geographical location doesn't lower its price by the amount of freight saved. Neither does a business that cuts costs by being efficient, or a cooperative because it buys at a savings.

Business is not a philanthropy, and any retained profits it realizes through tax privileges are returned to stockholders or used for expansion.

Yet oil says it needs these tax privileges to keep an important industry healthy. I say no industry or group grows healthy on subsidies. Subsidies favor the certain few who least need them. Depletion allowance, drilling chargeoffs, proration of oil to or below market demand, transportation profits from pipelines or tank ships, and fast tax writeoffs for so-called emergency facilities have removed the financial risk of integrated oil companies, so that they can be said to operate in a preferred class.

The only competition left in the oil industry is in a few remote places where there are some hardy independent refiners left, or where a couple of dealers or jobbers get into a local disagreement and try to prove who has the longest pocketbook. But even these remnants of a once hardy, competitive industry are fast disappearing. Dealers are becoming more and more the employees of the major oil companies. Wholesalers cannot operate unless they sign up.

Little wonder the Senate small business subcommittee found that "the petroleum industry can be set down as definitely a monopoly." By no stretch of the imagination can a monopolistic industry be a healthy one.

As late as 1916, in legislating on depletion, Congress included safeguards against evasion beyond full recovery of cost, by declaring: "That when the allowance authorized shall equal the capital originally invested, or, in the case of purchase made prior to March 1, 1913, the fair market value as of that date, no further allowance shall be made."

That should have remained the basis for depletion in the oil industry—a method whereby a taxpayer in the natural resource industries avoided paying taxes on capital, and yet contributed its fair share of taxes on income.

But here's what happened. The first error occurred in 1918, when Congress provided for "discovery depletion" or the use of "discovery value" for computing the capital investment, rather than the actual investment. From this inflated value after discovery of oil, gas, or minerals, the depletion could thereafter be computed. Under this method, when an oil or gas well was brought in, an engineering concept of the amount of oil that would be produced was set up on the books, and thereafter this became the so-called capital subject to depletion.

Following this first error in 1918, Congress in 1926 abandoned the "discovery depletion" principle. The principle was bad enough in itself, yet at least it provided an incentive bonus to the wildcatter. The tax laws since 1926 have authorized an oil or gas company to deduct 27½ percent from the gross income from any property producing oil or gas. This 27½ percent deduction is computed as a percentage of income from each property without regard to the amount of the investment or the amount of prior depletion deductions. One saving condition was attached: namely, that in no case may the deduction exceed 50 percent of the income from the property—something that doesn't happen very often.

Obviously, over the life of an oil well or gas-producing property the depletion allowance will not only exceed the investment or cost, but will go on and on without limitation of time or value.

There have been many suggestions advanced to correct or alleviate the inequities of these tax privileges. They range from true depreciation, to "discovery depletion" for the wildcatter, to divorcement of the oil industry to prevent subsidizing refining and marketing losses with depletion benefits, to a change in the present structure of the allowance—specifically, a graduated reduction to 15 percent.

While true depreciation may be the fair and ideal basis, the realist in me says it's too big a step. My personal belief is that some time in the near future, the Senate will pass a reduction based on a bill similar to the Proxmire amendment of last year.

Briefly stated, the Proxmire amendment would amend the present law three ways: (1)

To allow the present 27½ percent depletion on gross income up to $1 million; (2) to reduce the depletion rate to 21 percent on income from $1 million to $5 million; (3) to reduce the depletion rate to 15 percent on income over $5 million. The drilling charge-off privilege would not be changed. Oil companies would be allowed to write off 10 times the cost of their investment as compared to depreciation, based on figures from a recent Presidential commission.

That's what I see ahead for the depletion allowance, and I think it's a good thing.

("No," says Samuel H. Elliott, Standard Oil Co., Ohio's newly appointed vice president for exploration and production, Elliott, 57, joined Sohio in 1929 in its business research department. He has been vice president for transportation and for marketing and is a director. He is also active in American Petroleum Institute.)

The job of a marketer is to give service to others at a profit to himself. The lower the price he can afford to charge, the better he serves. The lower the price he has to pay for his products, the higher his profits.

Why, then, should marketers concern themselves with depletion of crude oil when their interest at best is indirect, their knowledge of the subject sketchy, and the effect of any change on them a long way off? The reasons for our interest, therefore, are not simple. They are complex. But they are also important.

Certainly one of the reasons for marketers to be concerned with the subject is that some members of the fraternity are saying integrated companies subsidize marketing operations with the depletion allowance.

Others are taking advantage of the present furor over the subject to use it as a sort of polite or impolite "blackmail" to gain concessions of one kind or another. (Recently, according to Petroleum Week, the Nation's two largest maritime unions have come out in favor of a reduction in the depletion allowance, ostensibly to force oil companies owning tankers to change their registry in accordance with union preference.)

Another reason for our interest is that changes in the rate of depletion allowed for tax purposes will, as I hope to show, inevitably affect prices and availability of products—and will, therefore, produce changes in competitive relationships within the industry.

The depletion allowance is simply a device to permit an owner of crude oil in the ground to recover the value of this capital asset. A basic premise of tax laws is that business shall be allowed to recover the capital invested in profit-producing assets before any taxes are levied on earnings.

In the case of most business assets, such as buildings, and machinery, their cost or value is easily determined. Even in the case of in-the-ground crude oil purchased from another party, the cost is known and thereby establishes a value upon which depletion can be taken.

The rub comes in determining the value of crude oil already discovered, which usually has a value in excess of the cost of finding it. This is where percentage depletion applies, and the whole question revolves around the justice or adequacy of that percentage.

For 33 years this percentage has been 27½ percent of the well price of oil produced from any given property, provided that this is no more than 50 percent of the net income from the property. It is here that the problem begins to become complicated.

For our purposes, however, it is sufficient to say that the 27½ percent is a maximum figure; and because of the restrictions on its application, that the average depletion allowance is considerably less. Actually it has been determined to be about 23 percent.

It might be argued that the depletion allowance for oil is too high because the allowance for sulfur is only 23 percent, for metals 15 percent, and for coal 10 percent. But Congress, in establishing allowances for the several extractive industries, gave weight to, among other things, the value of the product above ground as compared with its value in place.

In the case of coal, for example, reserves in the ground typically have a value of 10 percent or less of the above-ground market price. Hence a depletion allowance of 10 percent, on say, $4 a ton would allow the owner to recover 40 cents per ton as a return of his capital free of any income taxes.

In the case of crude oil, domestic reserves have a value typically about one-third of the market price above ground. Hence it would seem that with a wellhead price of $3 a barrel and a value in the ground of $1 a barrel, the depletion allowance might well be 33⅓ percent instead of 27½ percent in order for the owner to recover his capital free of taxes.

But logic goes out the window when we hear of a wildcatter accidentally discovering an east Texas field with a reserve of 2 or 3 billion barrels, or of a major company scientifically selecting a location and drilling into 100 million barrels of reserves.

The catch is that there is no other field like east Texas, that only two fields of as much as 100 million barrels have been found in this country since 1952, and that only about 1 wildcat well in 10 discovers oil.

To argue that the depletion allowance provides a source of income with which to subsidize unprofitable marketing operations suggests either that the arguer has missed the relevant facts, or that by opposing the oil producers and integrated companies, some advantage can be gained.

As to the facts, one need go no further than the study of C. C. Anderson, chief petroleum engineer of the U.S. Bureau of Mines, presented at the recent World Power Conference in Montreal. It shows that total expenditures for finding, developing, and producing crude oil and gas have increased from $3.9 billion in 1948 to $7.1 billion in 1955, while the value of the oil and gas produced increased from $4.8 billion to only $6.7 billion.

This resulted in an actual deficit for the finding and producing segment of the industry amounting to $400 million in 1955. In that year, finding costs alone were $2.3 billion.

Even if the maximum depletion allowance of 27½ percent, rather than the average of 23 percent, was applied to the $6.7 billion value of the crude oil and gas produced, it would have generated only $1.8 billion, or half a billion dollars less than the cost of finding oil alone—to say nothing of the developmental expenses.

Circumstances since 1955 would tend to increase rather than decrease the deficit of the depletion allowance to cover the cost of finding oil.

An additional fact to consider is that substantial evidence exists to show that marketing needs no subsidy. A number of companies have entered the oil business by way of marketing, acquiring refineries and pipelines and eventually crude oil production.

In such instances, perhaps a case could be made that if any subsidizing was done it was done by the marketing activities—subsidizing production.

Perhaps most convincing, however, is the growth of private-brand marketing, which, as every marketer knows, is vigorously expanding and obviously without subsidy of any kind.

It would seem that such evidence provides a reasonable basis for accepting the statements of integrated companies that their marketing operations are conducted at a profit and are, therefore, in no need of subsidy from the depletion allowance or from any other source.

Relating to the fairness of the present depletion allowance, what would be the effects of reducing it? Some say only the independent producers (who, incidentally, drill most of the wildcat wells) would be hurt and would begin selling out to the majors; others that by thus reducing the attractiveness of searching for oil, less oil would be discovered and our dependence on foreign supplies would increase; still others that the integrated companies would simply make less money, a change which they could well afford.

No one knows precisely what would happen, but there can be little doubt that profound changes would occur that would gradually affect all segments of the oil industry, the industries which supply and are supplied by the oil industry, and eventually of course, that little guy who takes the brunt of everything—the consumer.

As marketers we should face up to the inevitability of increased prices as a result of a reduction or elimination of the depletion allowance. Surely no one will quarrel with the proposition that in the long run, prices must cover all costs, including the cost of capital.

If the depletion allowance is reduced, income taxes will be increased. Income taxes are a cost the same as any other taxes.

This is not to argue that if costs go up today because of a wage increase, prices can be raised tomorrow. Prices are the result of the relationship between supply and demand, but it is not necessary here to examine in detail the factors that would force an adjustment in the supply resulting in increased prices. It is sufficient to remind ourselves that the return on investment in the oil business must be adequate to attract capital; that if this fails to be the case, expansion will cease, supplies will diminish relative to demand, and prices will rise.

Several studies have been made showing that over a long period of years the percent return on net assets of oil companies is comparable with, though somewhat less than, that of manufacturing companies generally.

It seems clear, therefore, that increased costs resulting from a reduction in the depletion allowance will result in increased prices.

Perhaps, however, we might take the comfortable position that rising demand will solve the problem. What difference does it make to the marketer if he sells a little less but gets a higher price? Calculations have been made showing that increase in prices, depending on the assumptions made, would be on the order of 1½ cents to 3 cents gal. on light products.

It may not be idle to speculate what effect such changes would have where heating oil is competing with coal, gas and electricity, or the effect on consumption of gasoline if added to rising gasoline taxes. Last year, for example, the sale of small foreign cars increased by 80 percent while the sale of domestic makes was declining by 26 percent.

There are some who say that prices need not rise; that oil imported from overseas should be allowed to flow freely into domestic markets and thereby keep prices at current levels or lower. From the viewpoint of a theoretical economist, the argument is appealing.

Such a viewpoint, however, is of little validity when considering the desirability of keeping the oil industry healthy in times of peace or the necessity of ample domestic reserves in time of war. Furthermore, the question has been settled for us by the imposition of compulsory import controls as a part of our national policy.

The contributions of the oil industry to higher standards of living in times of peace

and to victory in times of war need no elaboration here. It might have performed adequately with a different depletion allowance, but that is something we will never know.

What we do know is that its impressive accomplishments were achieved with the present depletion allowance unchanged for 33 years.

ISRAEL AND THE AFRO-ASIAN WORLD

Mr. PROXMIRE. Mr. President, too few Americans realize that the little country of Israel is beginning to do a giant job of leadership and assistance in Africa. This heroic little country is providing inspiring technical assistance as well as capital investment for countries of Africa which are beginning the long, tough technological and political climb from primitive colonies to national political and economic independence and individual freedom. Israel, through its own immensely difficult experience, is providing hard help as well as elevating example. The prospects for the triumph of freedom and democracy are greatly advanced by this splendid Israel effort.

I ask unanimous consent that an article by Arnold Rivkin entitled "Israel and the Afro-Asian World" in the April issue of Foreign Affairs be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ISRAEL AND THE AFRO-ASIAN WORLD

(By Arnold Rivkin)

I

A striking development in international relations is the mounting interest with which more and more states of Africa and Asia, notably Ghana and Burma, are looking to Israel. They have found in Israel a state with an advanced technology capable of extending assistance, providing technicians, entering into trade, and supplying investment capital without in any way compromising their sovereignty or threatening their independence. Israel also has the advantage of being a relatively neutral source of assistance, without any of the possible ideological implications which might attach to assistance from the West or the Communist bloc. In addition, the dynamism of the Israeli development effort, the pioneer spirit that pervades it, and its visible achievements in difficult circumstances have undoubtedly excited the interest of many underdeveloped countries, and provide an attractive model with which they can identify themselves.

For Africa, Israel's desire to establish reciprocal relations offers a special attraction in that it can serve as a countervailing political force to offset Egypt's ambitions there. This was first perceived by Prime Minister Nkrumah of Ghana, who has his own plans for Africa, and as a result the Israeli initiative has found its warmest reception in Ghana.

African relations with Israel, which have been evolving over the past 18 months, have proved capable of withstanding antagonistic and even disruptive external pressures. Egypt's previously discreet efforts to weaken the Ghanian-Israeli relationship became relatively overt at the Accra Conference of Independent African States in April 1958. There, the Egyptians tried to obtain an anti-Israel resolution which would tend to drive a wedge between Ghana and other African states on the one hand and Israel on the other. They were defeated. Dr. Fawzy, Foreign Minister of the United Arab Republic, sustained a double rebuff, first, in his failure to have the question of Israel placed on the Conference agenda as a separate item, and second, in the noncommittal resolution which emerged from the Conference, calling for a "just" resolution of the Arab-Israeli dispute. At the subsequent All-African People's Conference held in Accra in December 1958, Egypt sustained still another set back in her efforts to introduce the Israeli issue at an African conference. This meeting of representatives of African political parties, trade unions and nationalist organizations firmly resisted Egyptian efforts to label Israel as an "imperialist" state along with the United Kingdom and France.

One of the highlights of the All-African People's Conference, which assumes particular importance in this context, was a somewhat enigmatic statement by Prime Minister Nkrumah in his address to the opening session of the conference. "Do not let us also forget," he warned, "that colonialism and imperialism may come to us yet in a different guise, not necessarily from Europe. We must alert ourselves to be able to recognize this when it rears its head and prepare ourselves to fight against it."[1] Certainly this is susceptible, inter alia, to the interpretation that Nkrumah was warning against direct Egyptian expansionism or indirect Communist penetration of African areas through a willing Egypt. This interpretation is consistent with the report that "Dr. Nkrumah told intimates late last week that he would ignore Bandung [conference of African and Asian states in 1955] because he felt that President Gamal Abdel Nasser * * * had corrupted its principles of noninterference and intruded Asian and Communist influences into African affairs."[2]

The role President Nasser envisages for Egypt in Africa is set forth in his book on the Egyptian revolution. It expresses a latter-day version of the "white man's burden," complete with references to Egypt's "manifest destiny" and "civilizing burden" in "the interior of the Dark Continent:"

"The peoples of Africa will continue to look to us, who guard their northern gate, and who constitute their link with the outside world. We will never in any circumstances be able to relinquish our responsibility to support, with all our might, the spread of enlightenment and civilization to the remotest depths of the jungle."[3]

In north Africa this role has meant interference in the internal political affairs of Tunisia and Morocco and calculated campaigns to penetrate the public administration and educational system of Libya. In the Sudan it has meant interference in the Sudanese national elections, assertion of territorial claims against the northern frontier boundary of the Sudan, and disputes over use of the Nile River waters. In the Horn of Africa it has meant an intrusion in domestic affairs by a political appeal to "Moslem unity." In Africa generally it has meant a drumfire of anti-Western and anti-Israel propaganda and a beehive of conspiratorial activity against incumbent regimes in independent African states as well as in dependent territories.

Under the circumstances, for an African nation to establish close relations with Israel is at once courageous and useful. The kind of political penetration that Egypt has achieved in Libya would be particularly dangerous in sub-Sahara Africa at a time when education and public administration are generally undergoing drastic changes with the coming of independence. The ability and willingness of Israel to supply technicians and management personnel on reasonable terms for sterling reimbursement is thus extremely important. It could be a crucial factor in preventing indirect aggression by Egypt.

II

The most far-reaching of the evolving relationships between Israel and Afro-Asian States is that between Israel and Ghana. As a precedent and as a model for other countries to follow, it warrants examination in greater detail. What are the elements of this new relationship which may at first glance appear unlikely between states with seemingly disparate interests?

Trade: Early in 1957 the Israeli Minister of Commerce and Industry went to Ghana to represent Israel at the Independence Day ceremonies of the new nation. Shortly thereafter trade relations between Ghana and Israel were inaugurated, and the first shipment, a modest export of 1,000 tons of cement and miscellaneous industrial items from Israel, took place in May 1957. In the following August the Ghanaian Minister of Trade and Industry headed a trade mission to Israel to explore the possibilities of developing a regular flow of trade between the two countries. These visits at the ministerial level led to the initialing of a preliminary trade agreement in January 1958, and in July long-term trade and payments agreements came into force. The agreements are for a period of 4 years but are automatically renewable on a yearly basis unless terminated by either party after appropriate notice.

A principal feature of the agreements is the provision of credits to Ghana in the impressive sum of $20 million over the 4-year period. Credits for capital goods and services are to run 6½ years; others are to run 5 years. All credits involve a 2-year grace period for payments of principal. Under the trade agreement Ghana will buy cement and other building material and equipment, tires, glass, ceramics, paper, cardboard, leather goods, plastics and other industrial goods, processed foods, chemicals and pharmaceuticals, and in return will export to Israel cocoa, coffee, copra, oil seed, hides and skins, palm kernels and oil, hardwoods, bauxite, manganese and rough diamonds.

In 1956, prior to independence, Israeli trade with the Gold Coast was virtually nonexistent; 1 year later Israeli exports to Ghana during its first 9 months of independence exceeded $100,000, and imports from Ghana reached $300,000. In 1958, on the basis of unofficial statistics, Ghanaian exports to Israel will show a further growth but are not likely to increase at the rate of growth projected for Israeli exports to Ghana.

Dizengoff West Africa, Ltd., was organized in Israel in 1957 as a trading company with the exclusive purpose of engaging in two-way trade between Israel and West Africa. It established an office in Accra early in the same year and a second branch office was opened early in 1958 at Lagos, Nigeria. In the first 9 months of operation of the Accra branch, Dizengoff received orders for $550,000 worth of Israeli goods—primarily cement, tires, and food products—and placed orders for approximately $250,000 worth of Ghanaian goods—mainly cocoa and timber.

Investments: In the fall of 1957, the Black Star Line was incorporated in Ghana with 60 percent ownership vested in the Government of Ghana and 40 percent ownership in Zim Israel Navigation Co., Ltd., a private Israeli corporation. The corporation has an authorized capitalization of $1,400,000, with $840,000 paid in. Zim is the managing agent and will operate the Black Star Line for the first 5 years. Thereafter, the Government of Ghana may, if it desires, take over these functions and, in fact, buy out the Zim interest. The company owns three vessels and has four others under long-term charter sail-

[1] The New York Times, Dec. 9, 1958.

[2] Ibid.

[3] Gamal Abdul Nasser, "Egypt's Liberation: The Philosophy of the Revolution" (Washington: Public Affairs Press, 1955), pp. 109–110.

ing on regular schedules, primarily between West Africa and the United Kingdom and Western Europe. The start of operations in December 1957 was commemorated by Ghana in a series of three colorful postage stamps designed by an Israeli artist.

In conjunction with the establishment of the Black Star Line, Israel has provided a technical assistance mission to assist in the establishment and operation of a Ghanaian Nautical Academy to train officers for the developing merchant marine. For a number of years Israel will help to staff the academy and on-the-job training will be made available aboard Zim vessels and in Zim offices in Israel and abroad.

The second major Israeli investment in Ghana is in the building industry. The Ghana National Construction Co., Ltd., was established in March 1958, with 60-percent participation by the Ghana Industrial Development Corp., a wholly owned government corporation, and the remaining 40 percent controlled by Solel Boneh, the industrial complex of the Israeli labor organization, Histadrut. The new corporation is to engage primarily in large-scale construction projects in the public sector, but it may also participate in private projects, particularly industrial building. Technical assistance is also an important feature of this investment. Solel Boneh is to train a substantial number of Ghanaians in the skills and techniques of the construction industry. The capitalization of the new corporation, all paid in, is $560,000.

These two investments have established precedents, particularly with respect to the distribution of ownership and the provision of Israeli technical personnel and assistance. Future investments in Ghana are likely to adhere to the pattern set in these two important ventures.

Technical assistance: In addition to private technical assistance associated with the two Israeli investments described, the Government of Israel has provided technical assistance in the fields of city planning, public veterinarian services, trade union organization, irrigation and drinking water supplies, and maritime law. Ghana has also shown considerable interest in receiving technical assistance in the operation of cooperatives. During the fiscal year 1958, Ghana received visits from Israeli technicians in the fields of cooperative farming and resettlement projects, cooperative banking, cooperative marketing, and consumer cooperatives.

Perhaps the most dramatic technical assistance is to be found in the agricultural field. An Israeli cooperative settlement expert is studying the feasibility of creating farm communities patterned on the Israel kibbutzim and moshavim. Other Israeli technicians are pioneering in water drilling experiments in the hinterlands. And still others are concerned with commodity marketing, agricultural credit, and agricultural productivity generally.

Exchange program: In addition to trade, investment and technical assistance, there has been a growing exchange of official and unofficial visits between the two countries. Israel has initiated a scholarship program for Ghanaian students to study in Israel; more than 40 have already arrived there and the number is expected to increase steadily. The Israeli Government helped to recruit two Israeli professors of civil engineering to teach at Kumasi College of Technology for 3-year periods. There is also a growing number of private scholarships, such as the 10 granted by Solel Boneh to provide Ghanaians with the opportunity to become architects, engineers, and building foremen.

The evolving Ghanaian-Israeli relationship thus brings together two new postwar states, both pioneers in their respective ways and areas, and both seeking in difficult circumstances to create enduring and viable nations. It brings together two former segments of the British Empire which, as part of the Empire, had no contacts. It brings together two states heretofore unrelated by historic ties, tradition, or habit solely on the basis of newly developing mutual interests.

III

Many of the elements found in Israel's relationship with Ghana are present in her expanding relations with other areas of Africa and Asia. These contacts have been abetted by the completion of Israel's dryland Suez Canal, the hard-surface road reaching to the port of Eilat on the Gulf of Aquaba. Israel has instituted regular freight service between Eilat and the entire east coast of Africa and the Union of South Africa, postal service between Eilat and Ethiopia and British East Africa, and expanding commercial contacts with Ethiopia, British East Africa, the Federation of Rhodesia and Nyasaland, Mozambique, and the Union of South Africa. The recent trade agreement between the Federation of Rhodesia and Nyasaland and Israel is among the most important of these expanding trade relations. The agreement puts trade between the two countries for the first time on a general open license system and a most-favored-nation basis.

Both Liberia and Ethiopia maintain diplomatic relations with Israel, and both have been developing trade, investment, technical assistance and cultural relations with that country. Both are reported to have stood firm with Ghana in resisting Egyptian attempts to obtain an anti-Israel declaration from the Accra Conference of Independent African States. The Liberian Construction Corp. was set up in Israel for the expressed purpose of constructing public works and roads in Liberia; and the Alliance Tire and Rubber Co., Ltd., of Israel, is in an advanced state of negotiations with respect to investment in a new rubber plantation in the western region of Nigeria. Israel has also developed increasing contacts with other parts of West and Central Africa, and trade with French West Africa, especially, increased last year, partly, perhaps, as a result of the visit of Mrs. Golda Meir, the Israeli Foreign Minister, to that area and to Nigeria in March 1958. In 1957 Israeli exports to the Belgian Congo and French Equatorial Africa also started to increase significantly.

In Asia the relationship between Israel and Burma comes closest to the Israel-Ghana model. Burma is Israel's oldest friend in Asia. Their growing relationship has been subjected to hostile pressure ever since early 1955, when Burma incurred Egyptian displeasure by its efforts to moderate the Arab anti-Israel resolution at the Bandung Conference. Shortly thereafter Prime Minister U Nu, of Burma, defied an Egyptian demand that he abandon an official visit to Israel. Instead U Nu made his visit to Israel and canceled a planned 3-day visit to Egypt scheduled at the same time. Israel has established diplomatic relations with Japan, Thailand, Laos, Ceylon, and the Philippines, as well as Burma. The one striking gap is the absence of any rapprochement with India, which has steadfastly refused to exchange ambassadors although it recognized Israel as long ago as 1950.

On the economic side, there has been a growing stream of Israeli technicians going to Burma, and a reverse flow of Burmese trainees going to Israel. Both groups have been largely concerned with agricultural development. Recently 56 Burmese arrived in Israel to spend 1 year living and working on collective and cooperative farms on the frontiers of the country. At the same time a Burmese Army contingent of 33 officers and men will spend 1 year studying defense arrangements in these border settlements. In 1956 and 1957 Israeli exports to Burma, made up entirely of industrial goods, totalled approximately $1 million while Israeli imports from Burma amounted to $900,000 in each of these years. For both countries, these are not insignificant totals.

A shipping partnership has recently been formed with financial interests in Hong Kong, which annually handles Israeli exports amounting to more than $2 million. The Gold Star Line is to operate between Far Eastern ports, the United States and West Africa, with the Black Star Line serving as its representative in West Africa and as a connecting link with Western Europe. Thus, Israel has brought together in an imaginative way its developing and complementary relationships with Ghana and Hong Kong. In this type of arrangement there are potentially interesting possibilities for triangular trade.

Elsewhere in Asia, Israel has growing trade relations with Japan, the Philippines and Iran. In 1957 trade with these states showed a significant increase over the 1956 levels. Growing numbers of Asian trainees are finding their way to Israel, including a small group of trainees from Thailand, India, and Japan who are studying at Israeli scientific and technical institutions. The most recent development is the creation by the Israeli Government of an integrated program of several months' duration for the study of agricultural settlements and cooperative enterprises. At the present time 60 trainees from 17 Afro-Asian countries and territories are participating.

IV

One of the most hopeful aspects of Israel's relations with Afro-Asian states is that her economic methods, rather than those of the Communists, may serve as a model for underdeveloped areas.

The Soviet and Chinese Communist models undoubtedly have a strong attraction for those countries which, after centuries of subsistence-level economies and, in many cases, generations of colonial status, are seeking the shortest route to economic development. The underdeveloped countries are casting about for the formula that will not only work for them but also achieve maximum results in minimum time. The temptation to find a shortcut by the use of authoritarian policies and techniques is constantly with them.

The forced pace of Russian and Chinese development is likely to be attractive for new political leaders in underdeveloped countries under a variety of circumstances: for those laboring under a compulsion to show tangible results within a single generation; for those impatient with democratic processes for obtaining a consensus on development policies; for those unsure of their position and fearful of the political pressures likely to accompany economic growth; for those attracted by the argument that poor nations cannot afford the luxury of relatively unplanned growth of private economic sectors; and for those whose anti-colonialism leads them to regard all private enterprise with suspicion and to consider private ownership of the means of production a dangerous relic of the colonial past.

The Israeli model might well prove to be a sort of economic "third force"—an alternative differing from the western pattern but certainly far more compatible with free-world interests than any Communist model. For Israel has many things in common with the underdeveloped countries: limited natural resources, short supplies of capital, fundamental social problems, major tasks of building a national state and developing new political institutions, and a will to develop modern economies—indeed, the whole range of problems confronting almost any new state in today's world. The inspirational note and sense of purpose associated

with the Israeli economic development effort are likely to exercise an appeal for underdeveloped countries with a drive to achieve expanding economies and higher standards of living. Finally, and most important, Israel by no stretch of the imagination presents an external threat to these newly independent countries. Israeli assistance can be accepted without fear of "strings" which might in any way be thought to compromise the independence of the recipient states.

As Israel develops its relationships with other African and Asian countries, her economy and development schemes will be on exhibit before a growing number of visitors. The availability of qualified Israeli technicians and the apparent adaptability of Israeli economic development techniques are likely to enhance the possibilities for a transfer of some or much of the Israeli experience to African and Asian areas.

V

The general benefit to Israel of expanding relations with the Afro-Asian States is implicit in the foregoing. In conclusion, it seems worthwhile to note some of the specific advantages which may accrue to Israel as these relationships develop.

Already, Israel is breaking out of Nasser's "Arab circle." Measures to secure and develop the port of Eilat and an overland route from the Mediterranean Sea to the Gulf of Aqaba are part of the unfolding strategy of outflanking the Arab blockade on the east. Similarly, the Black Star Line, founded in Ghana with substantial Israeli participation, provides a greater measure of security on the western flank. It would appear unlikely that Egypt will choose to interfere with free access to the Suez Canal of ships flying the flag of Ghana even if such ships should be plying routes originating or terminating in Israel.

The friendly and mutually profitable relations which Israel has achieved with other young states have also been successful thus far in forestalling Egyptian efforts to turn the Afro-Asian bloc against Israel. The refusal of the African States and political organizations to take an anti-Israel position at the respective Accra Conferences, already noted, is one instance of this important development.

The material advantages for Israel in developing fruitful economic ties with African and Asian states and territories are no less promising. The Afro-Asian world represents both markets for her manufactured goods—cement, tires, chemicals, and pharmaceuticals—and sources of raw materials for her processing and manufacturing industries and of agricultural products which supply her with food and animal fodder on reasonable terms. Israel is particularly interested in obtaining rough diamonds for her important diamond finishing industry, which furnishes her second most important export by value. African areas, such as Ghana, are a source of diamonds outside the control of the international cartel, which in recent years has reduced Israel's share of total production within the syndicate.

Investment opportunities of the type already developed in Ghana and Hong Kong are also advantageous to Israel. They afford employment opportunities for her technicians, provide a return on capital invested, and, in sterling areas, achieve savings in foreign exchange.

Finally, the advantages which Israel finds in her growing relations with the states of Africa and Asia are shared by the free world generally. Her assistance in economic development, the expanding use of her technicians and her agricultural and industrial technology, the increase in her private and quasi-public external investment and the growth of her trade—all these contribute to the strength of a number of young and uncertain states in Africa and Asia. In addition, in several of these states Israel offers an economic model as an attractive alternative to that offered by the Soviet Union. These developments are in the general interest as well as of value to the nations directly involved.

TEACHER RECOGNITION DAY

Mr. KEATING. Mr. President, May 19 has been proclaimed Teacher Recognition Day in New York State. Today the people of my State pay tribute to the more than 100,000 teachers currently serving over 2,624,500 children in our public schools. The people of New York deeply appreciate the invaluable service which capable and dedicated teachers are rendering both within the State and throughout the Nation.

Throughout the history of New York State, our public officials, legislators, educators, and citizens alike have expressed their faith in education as an essential foundation for a democratic society and as the best single means of safeguarding and improving that society. In fact, well over a hundred years age, Gov. DeWitt Clinton proclaimed a philosophy of education to which New York has continued to adhere through the years of progress and change. In his 1825 message to the legislature, Governor Clinton emphasized that:

> Every effort ought to be made to fortify our free institutions, and the great bulwark of security is to be found in education * * * Upon education we must * * * rely for the purity, the preservation and the perpetuation of republican government.

Indeed, the history of education in New York State is highlighted by numerous educational firsts. In the early 1600's, the Dutch set up the first common school in America in what is now New York City. As early as 1784, the board of regents was established as the first State board of education in the United States. Ten years later, the first teachers' association in this country, of which there is known record, was organized in New York City under the title of the Society of Associated Teachers.

A year later, in 1795, New York State passed an act offering the first State aid to schools. New York also pioneered in the first move for the organization of elementary schools into a common system. In 1812 a State provision for the office of State superintendent of common schools marked the first step of this kind taken in the Nation. It is also believed that Utica was the site of the first convention of teachers in the United States, in 1830.

We of New York are also proud of being the first State in the Union to assume the responsibility for the preparation of teachers for the common schools. The enactment of the New York law of 1834 was the first legislative provision by a State for the establishment of teacher training institutions. Moreover, 10 years later, we were the second State, after Massachusetts, to establish a State institution for the training of teachers, at Albany. The first teachers' institute held in the State, and probably the first in the country, was that in Ithaca in 1843.

The New York State Teachers Association, organized in 1845, was also the first permanent State association of teachers in the Nation. Between 1845 and 1867, the association was one of the strongest advocates for the establishment of schools free to all and supported at public and general expense. Some of this organization's early objectives were realized with State tax support for schools in 1851, compulsory education and provisions for public high schools in 1853, and a separate State department of public instruction in 1954.

Our teachers also may point with pride to the fact that in 1857 the association took the initiative in the formation of the National Teachers Association which later became the National Education Association, and which today constitutes a vital and moving force in the field of education. I need not emphasize how important this initial step was to become in extending the influence of the Nation's teachers in educational legislation and in the field of education in general. As early as 1873, the New York State Teachers Association also called for uniform standards of requirement for securing licenses to teach in the common schools of the State. Our State Teachers Association, in fact, has a 114-year history of efforts and achievements to gain and develop recognition for teaching as a profession, for raising the level of teacher education, and for improving the qualifications of teachers. These are some of the efforts and accomplishments responsible for the high level of teaching we now enjoy in New York.

If our schools are the most important means of safeguarding our way of life, then we must have superior schools. And superior schools depend, most of all, on superior teachers. As a resolution adopted in November 1958 by House of Delegates of the New York State Teachers Association stated, high quality education depends upon high quality teaching service. Henry Adams once said that "a teacher affects eternity. He can never tell where his influence stops."

It is clear that the need for teaching excellence at all levels of education is more crucial than ever and that the challenges which confront our educators are more numerous and significant than ever.

Today, on Teacher Recognition Day the people of my State assure the teachers of the State of their continued appreciation, interest, and support. We are aware of the increased responsibilities which the growing enrollments and diverse and complex problems of the space age have placed on our educators. We respect them for the way they have responded to these challenges. We realize also that, more than ever before in our history, we must rely on teachers capable of doing the demanding job which must be done—the job of the development of well-informed, alert, responsible young minds.

Mr. President, Gov. Nelson A. Rockefeller's eloquent proclamation of Teacher Recognition Day emphasized the re-

sponsibilities and challenges for our educators today. I ask unanimous consent to have it printed in the RECORD following my remarks.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

PROCLAMATION BY GOVERNOR ROCKEFELLER

Since education is the cornerstone of a successful democracy, the teacher is a figure of paramount importance to our society. It is a privilege to issue a proclamation in recognition of teachers' contributions to our social, cultural, and economic advancement.

Few groups of citizens are more dedicated in their services than the teachers in our schools. In the face of great odds, our teachers try to instill in the youth of our State a love for learning and at the same time prepare them to take their proper place as participating citizens in our great democracy.

Schools of today cannot be divorced from the society in which they exist. If they are criticized, the critics are directing their attack on the society which the schools reflect. In recent months there has been great public discussion about the purposes and programs of our schools. Leaders in education in this State have reaffirmed and underscored the chief objective of intellectual development. At the same time, it has been emphasized that there are other essentials for schools in a society which expects that all children shall be educated to the full extent of their abilities. Our school programs must be adapted to the whole wide range of abilities, needs, and interests in a rapidly growing population looking forward to living in a society that is also becoming increasingly complex.

There is growing evidence that the teachers of this State are rising to the new challenges of the atomic-space age. It is gratifying especially to see the progress being made in providing flexible, effective programs for the academically talented and for the mentally retarded at the same time.

Our teachers deserve the interest and support of all of the citizens of this State. It is fitting that we should encourage and give recognition to those who staff the classrooms now and by so doing stimulate and encourage able young people to consider teaching as a career.

Now, therefore, I, Nelson A. Rockefeller, Governor of the State of New York, do hereby proclaim May 19, 1959, as Teacher Recognition Day in New York State, and urge the people in every community to join actively in honoring our teachers for their many important services.

Given under my hand and the privy seal of the State at the capitol in the city of Albany this 11th day of March in the year of our Lord 1959.

By the Governor:

NELSON A. ROCKEFELLER.

ADMINISTERED PRICES

Mr. KEFAUVER. Mr. President, one of the clearest demonstrations of how administered prices are costing the taxpayer exhorbitant sums and contributing in heavy measure to inflation in our country today is described ably by Julian Granger of the Knoxville News-Sentinel.

Mr. Granger made a thorough investigation of bids submitted to the TVA for electrical equipment, using the TVA's own records and studies, and reported on his findings in last Sunday's issue of the News-Sentinel.

The identical bids of suppliers—especially of General Electric and Westinghouse—and the almost simultaneous successive price boosts to higher and higher levels, have placed TVA and other large users in the position of considering seeking suppliers outside our own country. TVA's only other choice is to pick a bid out of a hat—from among identical bids at higher and higher prices.

"Administered prices" has been a term that many people did not exactly understand. This demonstration of administered prices as they have affected the taxpayer and the TVA is very easy to understand.

It means that monopolistic big business, operating without substantial competition, can name practically any price it wants to name, and get it.

And this, in turn, means that we are paying more and more, helplessly, for everything we buy in the electrical field.

This is only one of the fields in which administered prices are having this result.

I ask unanimous consent that Mr. Granger's article in the News-Sentinel be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Knoxville News-Sentinel, May 17, 1959]

RECORDS BARE MORE TVA IDENTICAL BIDS—DELIVERED PRICES FOR ALL SAME DESPITE VARYING DISTANCES

(By Julian Granger)

CHATTANOOGA, May 16.—TVA purchasing records revealed today that at least 47 large and small American manufacturers have taken part in identical bidding on a wide variety of items during the past 3 years.

A News-Sentinel sampling of these records back to October 1956, disclosed 24 instances of matched bids—some figured to a hundredth of a cent—on 15 classes of equipment and materials, mostly electrical goods.

In half of these instances, identical delivered prices were quoted by all bidders, numbering at times up to eight. TVA was left no choice in many cases but to award the contract on a chance drawing "from the hat."

DISTANCES VARIED

The agency's requisition files were examined on the heels of a TVA revelation, first reported in this newspaper, of three instances of identical bidding in current contract awards.

One thread ran through the entire sampling here. The identical bids quoted the same delivered prices even though distances varied by hundreds or thousands of miles.

Two of the biggest names in electrical manufacturing, General Electric and Westinghouse, turned up as identical bidders more frequently than others in the biggest spread of electrical equipment purchases.

JOINS ITS RIVALS

GE in 10 instances bid prices identical with its competitors on transformers, insulators, transformer bushings, lightning arresters, circuit breakers and bushings for circuit breakers.

Westinghouse in seven instances joined its rivals, occasionally including GE, in submitting matched bids on transformers, circuit breakers, transformer bushings and lightning arresters.

Other information supplied by TVA showed that between 1950 and 1956, GE and Westinghouse set an almost parallel pattern of six price increases on power transformers, one firm following the other by only a few days.

PRICES MOVED UP

Between 1946 and 1957, the two firms advanced prices 10 times on large turbines in a similarly parallel pattern. Most of the increases were identical and the rival announcements came usually within a few days of each other.

TVA said the information about GE and Westinghouse price increases on these and other items came from the firms themselves during talks which preceded TVA's recent round of heavy equipment buying abroad.

Elsewhere in the sampling of TVA purchase records, six big names in the metals field emerged as identical bidders among a brace of biddings on conductor cable during the space of 2 days in November 1958.

SOME DIFFERENT

On all four biddings, consistently identical prices were quoted by Kaiser Aluminum & Chemical Sales, Anaconda Wire & Cable Co., General Cable Co., and Southern Electric Co., a division of Olin Mathieson Chemical Corp.

Aluminum Co. of America and Reynolds Metals Co. quoted prices identical with each other, but different from the identical set of Kaiser and four others, in one of the biddings. But in the other biddings Alcoa and Reynolds each submitted bids different from all others.

But in each of the four cases, the contract went to a nonidentical bidder who had underbid all others. The contracts ranged in amounts from $59,586 to $257,230.

Other items among the 15 classes in which identical bidding appeared included galvanized pipe, portland cement, electrodes, steel drums, condenser tubing, boiler tubing and even industrial salt.

EIGHT BIDS CAME IN

In December 1957, TVA requested bids on condenser tubing for its Gallatin Steam Plant. Eight bids came in—all identical. They all quoted $.6212 and $.9455 as the per-pound unit prices of the two types of tubing TVA wanted.

Among the bidders were Phelps Dodge Corp., delivering from Laguna, Calif., or Bayway, N.J.—thousands or hundreds of miles, respectively, from Gallatin—and Wolverine Tube, whose factory at Decatur, Ala., is less than 200 miles away.

The contract for $287,895 went to Chase Brass & Copper Co., Cleveland, Ohio, as what TVA called "the equal low bidder with the best escalation clause." Chase guaranteed both bid price and shipment within 90 days, whereas the others did not.

DOWNWARD ADJUSTMENT

On other occasions of identical bidding, TVA has been forced to choose or narrow the field on the basis of slight discount for prompt payment, a gimmick called "downward adjustment" on price which has proved to be virtually valueless; or the fact that the goods would be made in a labor surplus area.

At other times when all bids have been identical, TVA has spread the business equally among all the bidders, with their concurrence. This happened in October 1956, when Lone Star Cement Corp., Lehigh Portland Cement Co., both of Birmingham, and Alpha Portland Cement Co., Phoenixville, Ala., each bid $300,000 on cement for the new lock at Wilson Dam. Each got a $100,000 contract.

ALL WERE EQUAL

It was also true only last April 7 when Great Lakes Carbon Corp., Niagara Falls, N.Y., and National Carbon Co., Columbia, Tenn., the only bidders, each quoted $47,730.12 on carbon electrodes and connecting pins for TVA's chemical plant at Wilson Dam. TVA split this award so as to make comparative performance tests, still going on, of the rival products.

There have been other times when all bidders have been equal in price and all other

respects, and TVA's only recourse has been to draw "from the hat." This was done on August 28, 1958, when GE's insulator department, Pittsfield, Mass., Lapp Insulator Co., LeRoy, N.Y., and Ohio Brass Co., Barberton, Ohio, each quoted $1,090 on bushings for circuit breakers for Nashville and Jackson, Tenn. Lapp's name was drawn.

INTER-AMERICAN RELATIONS

Mr. MANSFIELD. Mr. President, some weeks ago the distinguished Senator from Florida [Mr. SMATHERS] made a very important speech on the occasion of Pan-American Day. The able Senator's remarks on inter-American relations are always worthy of the closest attention, because he is one of the Senate's best informed men on the affairs of this hemisphere. He has traveled widely in the other American Republics. He studies deeply the intricate problems of hemispheric relations. Representing the great State of Florida, which has extensive economic and other contacts with the countries in the south, he is ever alert to the changing needs of effective policy for Latin America.

His speech on Pan-American Day was, in every respect, an exceptional exposition of new ideas, creative ideas, on policy for the Americas, and I commend it very highly to the attention of the Senate and the executive branch. The distinguished Senator from Florida has recommended that there be established, under the Organization of American States, a police force made up of volunteers from the member nations and the creation of a Court of Justice for the Western Hemisphere. This combination is indeed a constructive suggestion for peace and is one which I hope most earnestly will be given every consideration by the Department of State and the administration.

I am delighted that the press has recognized the import of the Senator's remarks. In my hand are an editorial from the Washington Daily News, columns by Gould Lincoln and William S. White which appeared in the Washington Star, and an editorial from the Tampa Tribune. All pay tribute to the excellence of the contribution of the Senator from Florida, particularly to his thoughts on creating an inter-American police force for the Organization of the American States. I ask unanimous consent that the three articles referred to be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Daily News, May 12, 1959]

A USEFUL SPEECH

A couple of weeks ago, in commemoration of Pan-American Day, Senator GEORGE SMATHERS, Democrat, Florida, recalled for the benefit of his colleagues a recent trip he made through Central America.

During the course of his speech, he recommended the creation of a police force for the Organization of American States made up of volunteers from member nations. This proposal made very little splash in the press and this is unfortunate, because Senator SMATHERS' remarks made a lot of sense and deserve wider attention.

Essentially, for instance, it was a police action by OAS drawing upon forces from Colombia and other Caribbean lands as well as the United States, which successfully rid Panama recently of the Cuban marauders, and similar situations may yet develop in Haiti, the Dominican Republic, Nicaragua and elsewhere.

Senator SMATHERS' suggestion calls to mind another worthy proposal made to the OAS itself by former Costa Rican Ambassador Gonzalo Facio.

Dr. Facio felt that the cost of hemisphere defense arms furnished to South American nations by the United States was an undue burden on these relatively improverished economies. Furthermore, he questioned the usefulness of much of the materiel in a missile and nuclear bomb age. He thought that the money spent for obsolete arms and equipment could be better spent on social services or capital development.

His plan got little editorial support except this newspaper's. There was almost no feeling for it among OAS delegates and Luis Quintanilla, Mexico's delegate at the time, opposed it on the silly grounds that it was a U.S.-inspired maneuver to disarm our neighbors.

Senator SMATHERS' proposal, if adopted and implemented, would provide a means of controlling irresponsible inter-American aggressions without raising the nasty bugaboo of intervention by any single state.

Senator SMATHERS said a great many other useful things in his speech. Noting the truism that the United States is such a huge customer of the other American Republics that any controls we impose have immediate and drastic effect on their economies, he suggested that this placed the United States under an obligation to exercise a great care in setting up quotas on imports, raising tariffs and generally tampering with the free flow of goods.

He also said that the best sort of aid we can give our underdeveloped sister nations is technical aid to help them make good use of their own riches.

This is an area in which the Senator can be of great help by persuading members of his own party to vote for the administration's foreign aid program. The Democrats seem to have narrowed their vision substantially in reference to foreign aid and shortened it, too.

In the long run, economically depressed neighbors will aways be a liability—for all concerned, including ourselves; on the other hand, a wealthier, developed, and expanding South America is good for them, for us, and for the world.

[From the Washington Evening Star, May 18, 1959]

AN ALL-AMERICAN PEACE FORCE

(By Gould Lincoln)

The United States has an opportunity, if it will, to take a lead in another important plan for the maintenance of peace in the Western Hemisphere. The plan calls for the creation of a military police force to be set up by the OAS—the Organization of American States. Twenty-one in number, they include the United States, Canada, and the Latin American Republics. Senator GEORGE A. SMATHERS, of Florida, advanced the idea of such a police force in a speech in the Senate which has created wide interest, particularly in view of the recent attempt of armed forces, setting out from Cuba, to invade the Republic of Panama and take over its government.

This attempted invasion, it is reported, was Communist inspired, and if it had been successful was to have been followed by similar attacks upon other Central American countries. Fortunately, advance notice of the sailing of the expedition was available, and fortunately, also, the OAS was able quickly in this case to move in the matter, sending representatives to investigate and authorizing the sending of arms to Panama to aid in the capture of the invaders.

A successful invasion of Panama and establishment of a revolutionary government with a Communist tinge would have established a new foothold for the Reds—and this time in the country through which runs the Panama Canal.

Since making his address on inter-American relations on April 15, prior to the attempt to invade Panama, Senator SMATHERS has received letters from Ambassadors and Chargés d'Affaires of 14 Latin American countries expressing keen interest in his recommendations for economic development and for the maintenance of peace. These diplomats said they would pass the Smathers proposals on to their home governments for consideration.

ONLY CUBA CRITICAL OF IDEA

Only one, the ambassador of Cuba's Castro government, was critical—which was natural since Senator SMATHERS placed in the record reports that the Castro government was honeycombed with Communists. The Senator's address was prophetic. He said, for example: "Since Fidel Castro deposed a dictator and came into power in Cuba, the Caribbean has been brewing up a storm. Gale warnings are up. We must take precautions now before a series of revolutionary hurricanes sweep away the peace." He prefaced this with a statement that "OAS has a duty to keep the peace in Latin America."

Deep interest was expressed in the Smathers address by the Latin-American diplomats, though of course they did not undertake to say that they were in agreement at this time. Those from whom he has heard to date—in addition to Cuba—are the representatives of Guatemala, Ecuador, Colombia, Dominican Republic, Peru, Haiti, Brazil, Honduras, Chile, Argentina, Venezuela, Uruguay and Mexico. The need for maintenance of peace was stressed by many of them.

President Eisenhower, when asked at his press conference May 5 if he favored the creation of an OAS police force to help keep the peace in this hemisphere by repelling invasions, said the proposal would require very thorough study before any plan could possibly be accepted, particularly when it came to supplying military units. He said the proposal for such a force was new to him. He expressed great interest, however, in OAS and the part it is playing in American affairs.

COURT OF JUSTICE URGED

Senator SMATHERS has coupled with his recommendation for the establishment of an OAS police force the creation of a Court of Justice for the Western Hemisphere, "similar to, but we hope more effective than, the World Court," where disputes and differences among the American nations could be settled in a peaceful manner and without resort to arms. With an OAS police force in being, the court should, he contends, be able to act with promptness and justice.

In the opinion of the Florida Senator—an opinion in which he is supported by Latin American leaders in some of the countries, relatively small but strongly armed revolutionary forces could take over some of these countries quickly. But with a mobile, well-armed volunteer "police force" the OAS could act with great speed, and could be a great deterrent to aggression.

In addition to assuring peace, the establishment of such a force would materially benefit the American countries economically. They would not feel constrained to spend their money to build up their individual armed forces. Nor would the United States find it necessary to contribute large funds for "military assistance" to these countries. Mr. SMATHERS pointed to the fact that the 1960 military assistance program of this

country for Latin America totals $66.8 million.

Furthermore, Latin American neighbors who have in the past warred with each other over boundary lines would not be impelled to request more money for arms. Taxes in some of the countries could be used to far better purpose, for schools and roads and other services.

[From the Washington Evening Star, May 18, 1959]

EROSION IN LATIN AMERICA—COLLECTIVE MILITARY ACTION SEEN AS SALVATION OF U.S. INFLUENCE

(By William S. White)

Our principal ally, Britain, is negotiating in the Foreign Ministers Conference at Geneva under the cruel pressure of steadily increasing dangers to vital British interests in the Middle East.

It is not merely the Berlin crisis which Britain must face, along with the rest of the West. Beyond the Mediterranean, Iraq—which both the United States and the British have so long sought to keep in the pro-West camp—has now seemingly gone all the way into international communism. Moscow has turned the Middle Eastern screw at a brutally apt moment.

Responsible informants in Washington therefore assume, as they must, that British policy at Geneva over Germany is bound to be softened by British concern as to what the Russians might further do in the Middle East.

A chief Western negotiator at Geneva is thus being distracted and weakened by unavoidable fears as to what might happen a long way from Berlin. The long story of declining British power in what used to be a great sphere of British influence, the Valley of the Nile is developing a sad new chapter.

Not at this present Big Four Conference will America be similarly bedeviled and enfeebled by perils elsewhere to American interests. But there is a rising possibility that one day, in some other Big Four meeting over Europe, we, too, will have to fight with one hand while the other hand gropes for solutions of other problems far away.

For U.S. influence in the vast 21-nation area of pan-America is crumbling away, all but unnoticed in our preoccupation with the old world. This vast pan-American expanse, as the Middle East expanse used to be to the British, is our traditional sphere of influence. And it is the source of much of our real economic strength, though few realize it and most of these few forget it.

Neither the Eisenhower administration nor Congress is paying great heed to this slow erosion in the Western Hemisphere. But a few quiet men are pressing constantly for facing up to the realities in Latin America before it is too late for us, as it is already too late for the British in the Middle East.

One of these men is Senator GEORGE SMATHERS, of Florida, whose awareness of Latin America is sharpened by his political location. SMATHERS for years has been telling the administration and Congress that things are not good for us south of the border. He knows because he goes down periodically to make fresh checks and because he has thoroughly reliable private sources of intelligence.

Communism is an increasing force. Anti-Americanism (U.S. style) is growing, in part because of our own faults. But most of all, economic problems aside, the danger in Latin America comes from the absence of real military power properly restrained.

SMATHERS has highly reliable information for example, that the recent invasion of Panama from Cuba would have succeeded had it involved as many as 250—repeat 250—well-armed men. This may seem a comic opera thing; but it is far from that.

A revolutionary overturn in Panama would intolerably threaten us if, as almost certainly would be the case, it endangered the Panama Canal. In such an event we should be compelled to intervene with troops—and then the cry of "Yankee imperialism" would resound from the Rio Grande to the bottom tip of South America.

What is the answer? It is to supply what is now absent—a real and collective military power in Latin America which the Latin Americans themselves would respect, and not suspect. SMATHERS and others, therefore, are working for the establishment of an all-American international police force, made up of volunteers from all the 21 pan-American nations.

Such a force might one day avoid in the New World the chaos now gripping the ancient Middle East. And it might avert the clear possibility of an ultimate loss of practical U.S. influence right here in the Western Hemisphere.

[From the Tampa Tribune, May 4, 1959]

A NATO FOR LATIN AMERICA

The invasion of Cuban interlopers, which until the intervention of the Organization of American States, threatened the life of the Panamanian Government, has come to a fortunate end with the surrender of the ragtag outfit.

While the incident was not without its comic-opera aspects, it should serve to illustrate the need for a better system of protecting the sovereignty of Latin American states from outside forces.

In this case the OAS was able to put an end to the trouble through moral suasion. What would have occurred if a larger, more determined invasion force had been involved is a matter of conjecture. It is difficult for the North American to understand how an armed force of fewer than 90 men could pose much of a threat to even a small nation.

There are two reasons, as Tribune Associate Editor Jim Powell pointed out in a dispatch from Panama Saturday.

Even in a democratic nation, where poverty and illiteracy are rampant, the spirit of revolution forever seethes just below the surface. Secondly, in the case of Panama and many other Latin American nations, the armed forces are largely trained for urban police work, not for military battle.

Despite the fact that each year the United States pours $50 or $60 million into military assistance for Latin American nations, few of them are equipped to protect themselves against the kind of outside force which invaded Panama.

Further, as Florida Senator GEORGE SMATHERS pointed out in a recent speech in the Senate, "too often the arms which we have sent to Latin American countries have been, unfortunately, used by the governments then in power, not against some outside threat, but rather against the people of the country to which the arms were sent."

It is not unlikely that the political and economic unrest which breeds in the poverty of many Latin American countries will spawn other attempts from the outside to overthrow their governments, led by Communists, political adventurers, or both.

How are these nations to protect themselves?

Senator SMATHERS proposes that the Organization of American States be armed with more than moral suasion. He proposes that U.S. military aid now being sent to individual Latin American nations be diverted to the OAS to establish and maintain a voluntary police force to protect the nations from attacks from outside forces. Says he:

"Certainly the knowledge that there was such a force in existence which could keep the peace would make it possible for every Latin American country thereafter to reduce the size of its own military budget; and the moneys which are now being used to create armies, navies, and air forces could be put to much better use in the building of schools, roads, and hospitals and in raising the economic and social levels of the people of Central and South America."

There is nothing radical in this proposal. Indeed, it is not dissimilar to the NATO defense system which forms a shield against Communist aggression in Europe and SEATO which was designed to protect the free nations of Southeast Asia.

Sometimes we become so concerned with the threat of Communist aggression in Europe, Asia, and Africa that we overlook the fact that our Latin American neighbors are extremely vulnerable to the same danger. This is a type of myopia we can ill afford.

We should be giving far more attention to the economic problems and the military security of those nations closest to us, geographically, economically, and politically. Senator SMATHERS offers a sound approach to these problems. The United States should take the lead in making his proposal a reality.

Mr. SYMINGTON. Mr. President, will the Senator yield to me?

Mr. MANSFIELD. I yield.

Mr. SYMINGTON. I congratulate the distinguished Senator from Montana for what he has just said with respect to the knowledge, the care, and the thoroughness with which the able Senator from Florida has studied and evaluated the problems in Central and South America. I agree with the distinguished Senator from Montana that there is no one in this body or in the House of Representatives who more fully understands those problems, who works more assiduously at the subject, or who is more respected by our neighbors and friends to the south than the distinguished Senator from Florida.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr MANSFIELD. I yield to the Senator from Florida.

Mr. SMATHERS. I should like to say first to my good friend the able Senator from Montana [Mr. MANSFIELD] how appreciative I am of the very generous remarks which he has made in connection with my suggestion that a police force be established for the Western Hemisphere. Coming from him, a member of the Foreign Relations Committee, and from one who has likewise evidenced, over a long period of time, great interest in this area and in the affairs of Latin Americans, his expression is particularly appreciated by me, and, I know, by the Latin Americans.

I also wish to say how grateful I am to the able junior Senator from Missouri [Mr. SYMINGTON] for his always kind and generous remarks in connection with me.

FEDERAL-STATE RELATIONSHIPS IN THE ATOMIC ENERGY FIELD

Mr. ANDERSON. Mr. President, the Joint Committee on Atomic Energy scheduled public hearings commencing today on Federal-State relationships in the atomic energy field.

An outline of the hearings has been prepared, and witnesses requested to testify, so that the first 2 days—May 19 and 20—will be primarily of an informational nature, summarizing activities

of Federal, State, and local governments in the atomic energy field. On the third and fourth days—May 21 and 22—proposals and recommendations will be presented by representatives of Federal, State, and local governments and other interested groups on, first, responsibilities of States and relationships to Federal Government; second, responsibilities of Federal Government and allocation of responsibilities within Federal Government; and, third, possible needs for increased training and assistance from Federal and State Governments.

If necessary, the hearings will be continued on Monday and Tuesday of the following week, May 25 and 26.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of the press statement made on May 6 concerning these hearings, and also the outline of the hearings, dated May 18, 1959.

There being no objection, the press statement and outline of hearings were ordered to be printed in the RECORD, as follows:

STATEMENT FROM THE OFFICE OF THE JOINT COMMITTEE ON ATOMIC ENERGY

Senator CLINTON P. ANDERSON, chairman of the Joint Committee on Atomic Energy, made public today the tentative outline of the public hearings on Federal-State relationships, scheduled to be held from May 19–22, 1959. The hearings will be continued on May 25 and 26, if necessary.

The tentative outline has been prepared by the joint committee staff, with the assistance of an informal advisory panel. Under the tentative outline, the first 2 days (May 19 and 20) will be devoted to testimony by witnesses providing background information and summarizing activities of Federal, State, and local governments in the atomic energy field.

On the third and fourth days (May 21 and 22) proposals and recommendations may be presented by witnesses from Federal, State, and local governments, and other interested groups on (1) responsibilities of States and relationships to Federal Government; (2) responsibilities of Federal Government and allocation of responsibilities within Federal Government; and (3) possible needs for increased training and assistance from Federal and State governments. If necessary, the hearings will be continued on Monday and Tuesday of the following week, May 25 and 26.

Senator ANDERSON indicated that he was distributing copies of the tentative outline to the Governors of all States, and to many other persons who have indicated an interest in these hearings. Requests to testify or file statements should be made to the joint committee staff (David R. Toll, staff counsel).

CONGRESS OF THE UNITED STATES—JOINT COMMITTEE ON ATOMIC ENERGY—PUBLIC HEARINGS ON FEDERAL-STATE RELATIONSHIPS, MAY 19–22, 1959—OUTLINE AND LIST OF WITNESSES

NOTE.—The first 2 days, May 19 and 20, are scheduled for witnesses to present background information, and summaries of activities of Federal, State, and local governments, on an informational basis. The next 2 days, May 21 and 22, are scheduled for witnesses to present proposals, recommendations, and opinions. The hearings will be continued on Monday and Tuesday of the following week, May 25 and 26, if necessary. All hearings will be in room P–63 of the Capitol (the old Supreme Court room) except the hearings for Friday, May 22, and Monday, May 25 (if held) will be in room F–39 of the Capitol).)

FIRST DAY, TUESDAY, MAY 19, 1959, ROOM P–63, CAPITOL

I. Review of the Nature of Radiation and Need for Regulations, G. Hoyt Whipple, Jr., University of Michigan School of Public Health (one-half hour, 10–10:30 a.m.).

(a) Types of ionizing radiation.
(b) Sources of radiation.
(c) Effects of radiation upon man.

II. Radiation Standards as a Basis for Regulation, Dr. Lauriston Taylor, chairman, National Committee on Radiation Protection (NCRP) one-half hour, 10:30–11 a.m.).

(a) NCRP relation to ICRP.
(b) Permissible dose concept.
(c) NCRP Subcommittee on State Regulations.

III. Activities of Federal Government.

A. Atomic Energy Commission (2 hours, 11–12 a.m., 2–3 p.m.).

1. Commissioner J. S. Graham: Introduction.
2. Dr. Charles H. Dunham: Contract operation and standards.
3. Dr. Joseph Lieberman: Waste disposal.
4. Oscar S. Smith: Training of personnel.
5. Curtis A. Nelson: Inspection.
6. Harold Price: Licensing activities.
7. Dr. Clifford Beck: Reactor hazards.

B. U.S. Public Health Service, Dr. David Price and Dr. Francis J. Weber (1 hour, 3–4 p.m.).

1. Responsibility for X-rays, radium, machines, and other radiation sources.
2. Recent report of Advisory Committee on Radiation.
3. Inspection and enforcement.
4. Relationships with States.

C. Statements for the record may be received from other Federal agencies, including Interstate Commerce Commission, Department of Defense, Department of Labor, Bureau of Mines, Department of Agriculture, Civil Aeronautics Administration, Maritime Administration, and Food and Drug Administration.

(Previous statement obtained from Federal agencies on their activities in regulating radiation hazards are reprinted at chapter 3, pp. 35–150, of Joint Committee print, entitled "Selected Materials on Federal-State Cooperation in the Atomic Energy Field," March 1959.)

SECOND DAY, WEDNESDAY, MAY 20, 1959, ROOM P–63, CAPITOL

IV. Activities of State and local governments.

A. Activities of Joint Federal-State Action Committee in Atomic Energy Field, Gov. Robert E. Smylie, of Idaho (one-half hour, 10–10:30 a.m.).

B. Summary of State Statutes and Regulations, Lee Hydeman, University of Michigan Law School Atomic Energy Research Project (1 hour, 10:30–11:30 a.m.).

C. Round Table Report on Activities of States (1 hour, 2–3 p.m.).

1. Texas: Dr. W. L. Wilson, Activities of a State Health Department.
2. New York: Dr. Morris Kleinfeld, Activities of a State Labor Department.
3. Colorado: Mr. P. W. Jacoe, Activities of a State Health Department With Respect to Uranium Mining and Processing.

D. Local and Municipal Activities, Mr. Harold Sandbank, American Municipal Association (one-half hour, 3–3:30 p.m.).

THIRD DAY, THURSDAY, MAY 21, 1959, ROOM P–63, CAPITOL

V. Proposals and recommendations: Witnesses may make recommendations for Federal legislation and other measures as to (1) responsibilities of States and relationships to Federal Government; (2) responsibilities of Federal Government and allocation of responsibilities within Federal Government; and (3) possible needs for increased training and assistance from Federal and State Governments.

A. AEC, Commissioner John S. Graham and AEC staff (1 hour, 10–11 a.m.).

1. Description of bill proposed by AEC.
2. Other recommendations and proposals.

B. U.S. Public Health Service, proposals and recommendations (1 hour, 11–12 a.m.).

C. Recommendations by representatives of State governments (2 hours, 2–4 p.m.).

1. Jo M. Ferguson, attorney general, Kentucky, representing Association of Attorneys General.
2. Charles F. Schwan, representing Council of State Governments.
3. Frank Norton, Texas, representing Southern Governors' conference.
4. Representatives of Governors of some States will be present, and may desire to make statements, including the following:

(a) Massachusetts: Raymond I. Rigney.
(b) West Virginia: Clement R. Bassett.
(c) Florida: Karl R. Allen and George Kinsman.

FOURTH DAY, FRIDAY, MAY 22, 1959, ROOM F–39, CAPITOL

D. Recommendations of other interested groups:

1. Leonard English, representing Firefighters Union (one-half hour, 10–10:30 a.m.).
2. Andrew Biemiller, representing AFL–CIO (one-half hour, 10:30–11 a.m.).
3. William McAdams, representing U.S. Chamber of Commerce (one-half hour, 11–11:30 a.m.).
4. William Berman and Lee Hydeman, University of Michigan law school, atomic energy research project (one-half hour, 11:30–12 a.m.).
5. Otto Christenson, representing Conference of State Manufacturers Association (one-half hour, 2–2:30 p.m.).
6. Prof. George Frampton, University of Illinois law school (one-half hour, 2:30–3 p.m.).
7. Representative of State and Territorial health offices (one-half hour, 3–3:30 p.m.).

ORDER OF BUSINESS

Mr. CURTIS. Mr. President——

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The Senator from Nebraska.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. Is the Senate still in the morning hour?

The PRESIDING OFFICER. In response to the inquiry of the distinguished minority leader, the Chair will state that the morning hour has been concluded and the pending business before the Senate is H.R. 4245.

Mr. DIRKSEN. Mr. President, will the Senator from Nebraska yield?

Mr. CURTIS. Mr. President, I yield to the distinguished minority leader.

INTERNATIONAL MONETARY FUND

Mr. DIRKSEN. Mr. President, I feel impelled to bring to the attention of the Senate the fact that the conference report on the so-called Bretton Woods International Fund and International Bank is still pending on the Vice President's desk. Bills relating to this subject were passed in the House of Representatives and in the Senate in the middle of March, nearly 2 months ago.

The bill has not yet been sent to conference, and of course has not been considered in conference.

I took it upon myself to call Mr. Jacobsson, Managing Director of the International Monetary Fund, because I learned through the press there had been a conference in London. I wondered whether the matter had been discussed there.

I can understand there could be some impact upon thinking in other nations about our leadership, in view of the fact that some other countries have already taken action with respect to the Fund, and have consented. In other cases, the matter is before the parliaments for final action. It has become a matter of very considerable moment.

The difference between the two bills to which I have referred is that in the House bill the matter is thrown into fiscal year 1959 and in the Senate bill it is thrown into fiscal year 1960.

I am concerned about the delay having an effect upon our leadership in this field, in view of the fact that we undertook to act on this matter as a result of a conference in Delhi, India, some time in the fall of last year. I earnestly hope the chairman of the Committee on Foreign Relations will undertake to get the bill sent to conference so that the matter can be disposed of a an early date.

LIFE INSURANCE COMPANY INCOME TAX ACT OF 1959

The Senate resumed the consideration of the bill (H.R. 4245) relating to the taxation of the income of life insurance companies.

Mr. CURTIS. Mr. President, if we may return to consideration of the pending business, I should like to address myself to the provisions of H.R. 4245.

Mr. President, in these days of extremely high income tax rates, there has been an ever-increasing concern about the erosion of the tax base which is in part responsible for such high rates. Circumstances attributable to the times in which we live currently impose very heavy fiscal demands upon our Government. In large part, these fiscal demands must be financed through current income taxation. The smaller the tax base—that is, the smaller the total amount of income subject to tax—the higher the tax rate must be to raise a given amount of money. Thus, if any one segment of our economy is not paying its fair share because all or a part of its income is not being taxed, the rest of the economy must make up the difference, and bear an even heavier burden than it otherwise would.

The pending bill, H.R. 4245, will establish the means of determining the income tax to be imposed on the life insurance industry for 1958 and subsequent years. The intention is to require the life insurance industry to pay its fair share of the total income tax to be collected—no more and no less. This presents no easy problem. Some persons have argued that the industry was too heavily taxed under prior law and that H.R. 4245—which, on the whole, will increase the industry's total tax bill—will cause the industry to bear more than its fair share of the total tax. Others have argued that, even under the provisions of H.R. 4245, the industry will not be taxed sufficiently. I believe that, on balance, the bill provides a basically proper and satisfactory formula under which the insurance industry as a whole, as well as the particular members of the industry, will bear an appropriate and fair share of the tax burden which, unfortunately, all Americans today must carry.

The income taxation of life insurance companies has always presented difficult problems in determining a fair and equitable tax base. These complex problems are inherent; they inhere in the unique nature of the business. One may ask, "Why not tax life insurance companies just like any other corporation?" The answer is that, basically, H.R. 4245 does do just that, whereas prior law did not. Basically, H R. 4245 undertakes to tax life insurance companies like other corporations—to tax them annually, on their current net profit, at regular corporate rates. The complexity—the need to provide a long and complicated taxing statute—arises out of the great difficulty involved in determining annually, as we must do in the income tax statute, how much money a life insurance company has made in a given year, and the necessity of equating for tax purposes, so far as we reasonably can, the basic division of the industry into privately-owned stock companies and policyholder-owned mutual companies.

Briefly, the difficulty in accurately measuring how much money a particular company has made in a given year—and this is true both of stock companies and mutuals—arises from two unique characteristics of the business. First, the companies make contracts to pay fixed numbers of dollars at unknown dates in the future—when the policyholder dies, which may be 10, 20, 30, 50, or more years later. It obviously is impossible to determine with certainty at the end of any year, before the policyholder dies, whether the company has made money or lost money on that particular contract. This basic fact is present whether we look at only one policy or a thousand policies; though, obviously, as the number of policies increases and the risk is spread, so the risk of making an erroneous measurement of each year's income is also minimized.

The second unique characteristic of the life insurance business which makes it difficult accurately to measure its true profit is this: The company receives premiums "in advance"—often 10, 20, 30, 50 years in advance of the date when the policyholder dies and the company is obligated to pay out those premium dollars. In the intervening years the company invests those premium dollars in income producing investments, and thus has large sums of investment income, which, on the surface, might appear to constitute taxable income. But, in fact, this investment income is not all profit to the companies. In fact, at best, only a portion of it is profit. This is because, in determining the amount of premium it will charge for a policy, the company has foreseen that it will have this income from investing the premiums from the time it receives them until the policyholder's death, and, in effect, has contracted to use this anticipated investment income in paying the face amount of the policy when the policyholder dies. Since much of this investment income is thus not profit but is legally dedicated to the payment of claims, it obviously should not be taxed.

Moreover, as I mentioned earlier, there is a basic division within the industry into two kinds of companies—stock companies and mutual companies. This fact creates further problems which I shall briefly describe later on.

From 1921 to date the income tax imposed on life insurance companies was determined only with reference to their investment income. Underwriting profits and other earnings and profits were not taxed. This reflected two principal policy decisions: First, that both stock and mutual life insurance companies should be taxed on the same basis, and, second, that principles believed to be appropriate to mutual enterprises such as mutual life insurance companies should be applied to all life insurance companies, regardless of whether they were stock or mutual companies. The thought seems to have been that, at least in the case of mutual companies, all premium receipts should be regarded as capital contributions that would be redistributed by the company either through various forms of benefit payments over the years or through rebates in the form of policyholder dividends, and that therefore the only income actually created in the whole process was the income earned on the capital invested by the company. As I have explained, obviously it would not be proper to tax the entire investment income because at least a part of that investment income was going to be required to satisfy the life insurance company's commitments under its policy contracts. It is, of course, a fact that, on the average, the premium receipts on life insurance contracts are less than the amount which will have to be paid out under the contracts. The difference must be made up out of investment income. Thus the approach to taxing life insurance companies has been that a life insurance company has income which is properly subject to tax in its hands only to the extent that the insurance company's investment income, after payment of investment expenses, is not needed as a reserve to pay future claims of policyholders and beneficiaries. The problem of properly measuring the portion of a company's investment income which is needed as a reserve to pay future claims has been the source of long discussion and much controversy for many years.

Now, with the passing of time, the improvement of actuarial and tax accounting techniques, and the growth and maturity of the life insurance industry, it has become increasingly apparent that the 1921 policy decision to use only investment income as the base for taxing life insurance companies misses entirely

an important segment of the profits of many life insurance companies, or, at least, does not tax funds which companies themselves treat like profits since they retain them in surplus and, subsequently, in some cases, pay them out as dividends to stockholders. These profits or funds to which I refer are the underwriting profits which result when premiums collected actually exceed actual mortality costs, other policy claims or benefits, and related expenses. Moreover, capital gains and losses of life insurance companies have been excluded from investment income and, thus, from the tax base. Trends in the insurance industry toward group insurance, credit life insurance, and term life insurance—which produce underwriting profits but, in comparison to endowment and ordinary life insurance, produce relatively little investment income—have made it increasingly unrealistic to confine the tax base to investment income.

On the other hand, the use of a tax base determined simply in the manner used to tax other corporations—wholly upon what is called a total income approach without adaptation to the unique nature of the life insurance business—is subject to two principal objections: First, as I have already indicated, because of the long-term nature of the insurance business, it is difficult to make a completely accurate final determination as to what portion of a life insurance company's total gross income represents profit in any one year; and, second, unless adapted, the total income approach might create a serious and undesirable competitive problem between stock and mutual life insurance companies.

This competitive problem results from the fact that, under a total income approach which does not take it into account, all amounts returned to policyholders as dividends would be deductible in computing the taxable income of the company. If dividends to policyholders are simply distributions of what otherwise would be underwriting profits, they properly could be viewed as simply a return of an excessive premium charge, and, therefore, in effect, an adjustment in the premium, properly deductible in full in measuring the company's taxable profit. However, it has been argued that this is not actually so—that in part dividends to policyholders are distributions from investment income. The contention is that such investment income—which is excess income, not needed for reserves to pay claims—has been generated at the level of the life insurance company from its investments, is properly subject to tax in the hands of the company, and that there would be very serious discrimination against the stock companies if such income is taxed in the case of stock companies but not taxed in the case of mutual companies because such mutual companies distribute it to policyholders as policyholder dividends.

To resolve these conflicting considerations, provision has been made in H.R. 4245 for an income tax base consisting of three parts: the first part is the portion of the company's investment income above its needs to meet future claims of policyholders and beneficiaries; the second part is one-half of the excess of its total income from all sources—called its net operating gain—over the portion of its investment income included in part 1. This part would comprise, chiefly, underwriting gain. The third part is—to the extent distributed to shareholders of stock companies—the other half of the underwriting gain on which no tax was paid under part 2. If the net operating gain computed in step 2—that is, one-half of the excess of total income over the investment income not needed for reserves to meet claims—is less than the investment income base of step 1, only the net operating gain is taxed.

The regular corporate income tax rates are to be applied to the tax base thus determined. This determines the tax payable. In addition, long-term capital gains of life insurance companies will be taxed at a 25-percent rate, beginning in 1959.

In general, the result of the three-part tax base will be as heretofore, that the life insurance companies' net investment income will continue to be a part of the tax base, but, in addition, to the extent that the total net income of a life insurance company exceeds the taxable part of its investment income, that excess will no longer escape taxation, but in part will be taxed currently and in part will be taxed later when it becomes clear beyond any possible dispute that it is actually income because it has been distributed to shareholders.

Under this plan, any possible inaccuracies in the determination of what portion of the total gross income of a particular year represents profits become much less significant inasmuch as the tax on one-half of the excess of such profit over investment income is postponed as long as it is kept in the company for the protection of policyholders. Not until it is actually distributed to shareholders or until it exceeds certain well established limits is it subjected to tax.

For many years Congress has provided for the taxing of mutual life insurance companies the same as stock companies. The present bill continues that principle. I concur in this. We should strive for legislation which will result in the same tax consequences resulting from the writing of a given amount of insurance of a particular type for the mutual company as for the stock company.

At the end of 1957 the mutual life insurance companies had 63 percent of the insurance in force and 61 percent of the surplus funds. It is estimated that under the bill as reported by the Committee on Finance, the mutuals will pay 69 percent of the tax and the stock companies will pay 31 percent of the tax.

During the hearings before the Committee on Finance, a strong case was made by representatives of mutual companies for the consideration of the dividends paid to policyholders as an offset against their taxable income. The case was based upon the fact that the House bill does not permit companies to deduct from their operating income the full amount of dividend refunds to policyholders, even though such refunds represent a return to the policyholders of their own money, previously deposited. This means that a part of the dividends paid to the policyholders is being taxed.

It was contended by several witnesses that dividends to policyholders are price adjustments and do not in any sense constitute taxable income to the company, and that in other businesses return of part of the purchase price to the buyer is excluded from the seller's income. These witnesses contended further that the failure to allow deduction of these premium refunds will result in a tax for many mutual companies of more than 52 percent of their net gain from operations. Other businesses are taxed on the final result of the year's operations, that is on the net balance of profits and losses on the various types of income received. Losses on one part of operations are deductions from gains on other parts.

The Senate version of the bill has afforded some recognition of this rather persuasive argument by permitting this offset of operating losses caused by premium refunds up to a maximum of $250,000. This is certainly a step in the right direction, because it recognizes as sound and desirable the principle of deducting these losses. It will bring relief to a number of small companies which have negative amounts that could not otherwise be offset.

No amendment along these lines will be proposed now, but further consideration of this problem should be given at a later time. People buy these policies on the understanding and in the faith that the unneeded part of the premium will be returned. A taxpayer should not be taxed on money returned to a buyer as a price adjustment.

Basically, H.R. 4245 embodies a total income approach. Although several steps are involved in determining the amount which is subject to tax, there is but a single tax on a single amount. The first step in the determination of this tax base—that is, of the amount on which tax is assessed—is the determination of the taxable portion of investment income. This serves the purpose of establishing what portion of the total investment income is to be taxed currently. The other part of the total income, that is, the noninvestment income, in effect is divided in half. One half of it is to be taxed currently. The tax on the other one-half of the excess of the total income over the taxable portion of the investment income is to be postponed until such later date as it is distributed, or when it exceeds specified limits.

The first phase of the determination of the amount of total income which is to be taxed currently, sets out a new formula for measuring the taxable portion of a life insurance company's investment income. This formula is a major improvement over that contained in prior law. As I said earlier, the principal problem in taxing the investment income of life insurance companies is to determine what portion of it should not be taxed because it will be needed to meet future claims of policy-

holders and beneficiaries. If the tax law permitted an insurance company to deduct whatever part of its investment income it chooses to add to its reserves for policyholders based upon its own assumed interest rates and calculations, the companies to a large extent could determine their own tax liabilities. Moreover, such a provision might encourage companies to follow a policy of allocating unduly large portions of their investment income to reserves, with the result that they might charge less than a safe margin of premiums. On the other hand, industrywide average formulas such as prior law provided in recent years do not allow for the individual needs of the individual companies. The untaxed portion of the net investment income under such industrywide formulas bears no relationship to the real reserve requirements of individual companies. The result has been that the incidence of the tax on each individual company has been illogical and haphazard.

As I have said, the part of the investment income which is needed to meet the claims of policyholders and beneficiaries, and which therefore is not to be subjected to tax, is determined under the bill in a new manner which will reflect each individual company's own reserve needs based on its own experience. The most important part of this need is to build up life insurance and annuity reserves. The bill provides that the amount needed to build up life insurance reserves and annuity reserves to meet the claims of policyholders and beneficiaries as they mature will be determined by applying the individual company's own average earnings rate for the last 5 years to the company's adjusted insurance reserves. The company's actual insurance reserves are adjusted to the extent the company's average actual earnings rate differs from the rate it assumed in establishing the reserves. This adjustment is designed to make the reserves consistent with the 5-year average earnings rate used. If the individual company's 5-year average earnings rate is higher than the earnings rate they have assumed in creating their reserves, as currently would almost always be the case, the reserves will be adjusted downward.

Another provision in the bill concerns that part of the amount needed to meet future claims of policyholders and beneficiaries which relates to pension plan reserves. This provision is intended to remove a discrimination in prior law against pension plans of small employers which are likely to be funded through insurance companies. Income from trusteed pension plans—which usually are larger than insured plans—is free from tax under present law. Thus, provision is made in House bill 4245 for the exemption of the portion of the company's investment income which is attributable to pension plan reserves. This is designed simply to equate the tax treatment of small employers—and their employees—who cannot establish separate trusteed plans, with the tax treatment long provided by law for large employers. However, because of revenue considerations, this exemption will not become fully operative until 1961.

Finally, the amount needed to meet future claims of policyholders and beneficiaries includes interest paid on policyholder deposits, policy-dividend accumulations, and similar indebtedness.

The result of these computations provides the first part of the total tax base—that is, the first part of the total amount on which the tax is to be assessed.

Before discussing phase 2 of the tax base, I wish to mention a matter which has deeply concerned your committee. That was the problem of making sure that we did not, by inadvertence, tax any of a life insurance company's tax-exempt interest income. The bill meets that problem most accurately and fairly. It provides for a division of all items of investment income—referred to in the bill as "investment yield"—into what are called the "policyholder's share" and the "life insurance company's share." The "policyholder's share" represents the part of the investment income which will be required to meet future claims of policyholders and beneficiaries. That share is exempt from tax. By dividing all items of investment income—including tax-exempt income, partially tax-exempt income and dividends received from other corporations—in this way, rather than by providing for a deduction for policy and other contract liabilities, as has been done under existing law and under the House version of the bill, all items of tax-exempt income and credits are appropriately divided between the part of the investment income that is to be subjected to tax and the part that is not; and a full, complete deduction is allowed, in computing the net taxable portion, for all tax-exempt interest—and credits—attributable to the taxable portion of the investment income.

An example may be helpful. Let us suppose that in a given year a company has $100 of tax-exempt interest income, and that it is determined that 70 percent of its investment income is needed to build up its life insurance reserves and annuity reserves to meet future claims of policyholders and beneficiaries. Under the bill, $70 of the $100 tax-exempt interest income would be allocated to policyholders reserves, and the other $30 would be allocated to the company. Since no part of the policyholders reserves would become a part of the tax base, no part of the $70 tax-exempt interest allocated to those reserves would be taxed. Moreover, no part of the $30 allocated to the company would be taxed, because a deduction of the full $30 would be made in determining what part of the company's share of its investment income was to be subjected to tax.

Thus, no tax-exempt income or credits of life insurance companies will be included in the tax base of such companies, under this bill. This should allay any fear that any constitutional provision is transgressed.

Phase 2 of determining the tax base is the one which clearly marks the bill as a "total income" approach. In effect, it starts out by including all of a life insurance company's income in its gross income for tax purposes. It then proceeds to determine the excess of the company's total income over the taxable portion of its investment income. This excess, of course, consists chiefly of underwriting gain. To make the computation, the company first computes its total income from all sources. As is also done in determining the portion of investment income which is taxable, all items of investment income—both the taxable and tax exempt items—are divided into a part set aside for policyholders—which is not taxed—and the part deemed the insurance company's share—part of which may be taxed. This appropriately divides the tax-exempt income and credits between the income which is to be taxed and the income which is not to be taxed, because it is needed for reserves for policyholders. Of course, the part of such tax-exempt income which falls into the taxable portion of the investment income is excluded in the final outcome. So, as I stated before, there is no tax on any tax-exempt income.

As I have said, all income from all sources is included in phase 2. Appropriate deductions are allowed for all proper items of expense and reserve requirements. Within the limitation previously mentioned, deduction is allowed for dividends to policyholders and certain other deductions.

The result of the computation is a determination of the company's net income from all sources. This result is then compared with the result of the computation under phase 1 of the taxable investment income; and one-half of the amount by which the phase 2 computation of total income exceeds—or is more than—the phase 1 computation of taxable investment income is added to the tax base, and thereby is subjected to the regular corporate tax.

Again an example may be helpful. Suppose that, under phase 1, it is determined that the net taxable portion of a company's investment income is $1,000; and suppose that it is determined, under phase 2, that the company's total net income from all sources, including investment income, is $1,800. Note that the company's total net income from all sources—$1,800—exceeds by $800 its net taxable investment income—$1,000—one-half of that difference is $400. Under the bill, that one-half of the excess of the company's total net income for all sources over its net taxable investment income is added to the tax base. Thus, in this example, the company's tax base—the amount on which it pays a tax at regular corporate rates—is $1,400. This tax base consists of the amount determined to have been its net taxable investment income—$1,000—plus one-half of the excess of its total net income from all sources over its net taxable investment income, which in the example is $400.

The third phase of the determination of the tax base under the bill complements the partial tax on operating income under phase 2. As I stated previously, only one-half of the underwriting gains are taxed currently under phase 2, because of the difficulty of determining on an annual basis the true

earned income of a life insurance company. When, however, a stock life insurance company distributes to its stockholders dividends which are in excess of income previously subjected to tax, it becomes completely apparent that the company has itself determined that such excess was not needed to meet future claims of policyholders and beneficiaries. Such amounts, therefore, necessarily represent income which has not previously been taxed. Accordingly, phase 3 of the bill provides that income thus distributed, which is in excess of the amounts already taxed under phase 2 on a current basis, is to be added to the income tax base of the life insurance company at the time in later years when the company pays it out to its stockholders, or, if the company so chooses, at the time when the company elects to be taxed on all or on a part of this amount. The bill contains certain provisions which are designed to protect the revenue against unreasonable accumulations of such untaxed income. Such previously untaxed income will be included in the tax base whenever, and to the extent that, the accumulative amount of such untaxed income exceeds certain percentages of reserves or of current premium income, or if the company ceases to be a life insurance company for two successive years, or if it ceases to be an insurance company.

In addition to the foregoing, I should like to invite attention to a relatively minor matter of somewhat technical nature on which I fear the language and intent of the bill might be misconstrued if some appropriate explanation were not made. The point is this: Most appropriately, section 811(b)(3) of the bill, which was added by the committee, makes it perfectly clear that where, through inadvertent error, a life insurance company's reserve and policyholders dividends at the beginning of 1958 were overstated, the error is to be corrected in computing the company's taxable income for 1958 by referring to the dividends actually paid by the company during 1958.

The point I wish to make clear is that there are a good many other types of beginning 1958 reserves which enter into computation of the taxpayers' 1958 taxable income. Any error in any of those opening reserves will result in an erroneous computation of taxable income, if not corrected. Such errors should be corrected in making the tax computations, whether the errors were protaxpayer or progovernment. If such errors are not corrected, the result is an inaccurate and erroneous computation of tax, which, because of the nature of the tax computation, will never be corrected. I think it quite clear that, even without any special provision in the bill itself, a taxpayer or the Internal Revenue Service, as the case may be, has ample authority under other law to correct any error in any opening reserves, in computing taxable income under this bill. Since I understand that to be the law, I am not offering any amendment to the bill on this point, but thought it well to make the record on it completely clear.

This measure, if enacted into law, will be retroactive to January 1, 1958. I am sure that the entire Congress regrets that this must be so. I personally dislike to see taxes imposed retroactively.

This bill will call for some very sharp increases in taxes for a number of companies. Some of these companies have been referred to as specialty companies. A number of them will, however, develop into general or ordinary life insurance companies. This bill will, however, increase the tax retroactively for the year 1958 over 1957 by 300 percent, 400 percent, 500 percent, and more in some instances. I have always felt that Congress should legislate in time enough so as not to impose a retroactive tax upon any concern, whether it be an individual or corporate entity. I, therefore, offered an amendment in the Finance Committee which would provide some relief for 1958 only for those companies that had their taxes increased by more than 200 percent. My original amendment provided, in substance, that when the phase 2 tax base exceeded the phase 1 tax base, the excess should be reduced by 25 percent. This proposal failed. I reoffered it, changing the 25 percent to 10 percent. It was adopted, and is now a part of the bill before the Senate. Based on the total tax that a company will pay, this reduction is small, percentagewise, but it is an effort to do some equity in a case where a taxpayer is faced with an excessive increase in tax retroactively.

I believe in life insurance. I believe it is sound public policy that our laws be such as will encourage purchase of life insurance by our citizens. It promotes thrift and self-reliance. It lessens the burdens of the taxpaying public in respect to the care of individuals at a time in their lives when some of them cannot provide for themselves. Life insurance is a part of the American way of life. It is an important factor in our private enterprise economy. The business of life insurance is exceedingly important to the State of Nebraska. The employment it provides and the enterprise it generates are of great significance to the economy of my State. Federal income taxes on life insurance companies should require them to pay their just share, but such taxes should never be punitive and the burden should never be so heavy as to discourage the industry, because when we do so we are discouraging the American way.

When we consider all the factors, including the need for revenue and the tax burdens borne by individuals and other businesses, and the complexities in writing a tax bill for life insurance companies, I cannot escape the conclusion that H.R. 4245, in the form now before us, is a fairly good piece of proposed legislation. I hope that the House concurs with the Senate version, and that it may become law without delay.

If I may have the attention of the chairman of the Finance Committee, I offer a corrective amendment, which is now at the desk, and I ask to have it stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Nebraska will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 81, line 22, to strike out the word "life" where it occurs the second time.

Mr. CURTIS. Mr. President, I am advised informally that the Treasury Department has no objection to this corrective amendment. In fact, the Department is inclined to favor it.

Mr. BYRD of Virginia. Mr. President, I will accept the amendment.

Mr. CURTIS. I thank the distinguished chairman of the committee, and I yield the floor.

The PRESIDING OFFICER (Mr. CANNON in the chair). The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. CURTIS].

The amendment was agreed to.

Mr. SMATHERS. Mr. President, I wish to speak briefly about the tax insurance bill, which is the pending measure. First of all, I think I should congratulate the able chairman of the Finance Committee, the Senator from Virginia [Mr. BYRD], for the manner in which he so judiciously, patiently, and wisely presided over many days of complicated hearings. I do not believe the committee would have reported such a satisfactory bill had it not been for his wisdom, for his counsel, and for his patience in adjusting differences as they arose before the committee, and in keeping our minds on the right track and our eyes, figuratively speaking, on the ball.

Mr. President, the pending measure, in my opinion, provides a fair and equitable solution to a problem which has existed for many years and which has been the source of considerable concern both to the insurance industry and to the Congress; namely, that of finding a permanent method of taxation for life insurance companies.

The House Ways and Means Committee made a substantial contribution toward this objective of sound tax legislation. The subject is both complicated and complex, to say the least.

Many of us considered the bill as it came from the House to be a good bill. As a result of extensive hearings, both in open and executive session, I feel the Senate Finance Committee made substantial improvements. It is, in my opinion, a better bill now. It has, so to speak, been perfected. Before the Senate is the result of more legislative study and research than any other insurance tax measure in our history.

The pending measure represents an important forward step in the method of taxation of the income of the life insurance industry. It provides an entirely new approach to a complex problem which has long troubled the Congress.

There are many items in the bill which constitute substantial improvements over past legislation. I shall not attempt to list all of them. Suffice it to mention what I believe to be the most significant. They are as follows:

First. The measure provides a fair, equitable and permanent method of taxation to replace the stop-gap approach which has been used since 1949.

Second. It taxes all the income of life insurance companies—both investment and underwriting income. Heretofore, only investment income was the subject of taxation.

Third. It taxes life insurance companies on the basis of their actual individual experience, instead of using assumptions and industry-wide averages.

Fourth. It contains a number of provisions giving advantages to newer and smaller companies so as to permit them to grow and compete in the insurance field.

The pending measure is estimated to produce revenue receipts totaling $500 million or $181 million more than the 1955 stop-gap formula would have produced. Sixty-nine percent of this amount will be paid by mutual companies and the remaining 31 percent by stock companies.

BACKGROUND OF INSURANCE INDUSTRY TAXATION

Because I believe it will be helpful in explaining the points I should like to emphasize, I shall summarize briefly the history of life insurance company taxation.

Ever since 1921 life insurance companies have been taxed on their investment income only. In determining taxable investment income, the deduction for reserves and other policy liabilities has been by far the most significant and at the same time the most troublesome factor.

During the 37-year period, six different statutory approaches have been used.

The 1921 law granted a reserve interest deduction equal to a flat 4 percent of the reserves.

In 1932 this figure was changed to 3¾ percent of reserves.

In 1942 the formula was revised to explain the deduction as a percentage of net investment income. This percentage was based on an industrywide average; that is the ratio of assumed interest requirements to net investment income for the industry as a whole. The figure for interest requirements was determined by assuming an arbitrary requirement of 3¼ percent as to 65 percent of the reserves and using the actual reserve interest assumptions to compute the remaining 35 percent of the figure.

Because the 1942 law proved to be unsatisfactory, both to the industry and to the Government, the Congress in 1950 enacted a stopgap law which was retroactive for the 1949 taxable year. This stopgap formula followed the same general approach of the 1942 law but used the actual reserve interest assumptions of the companies instead of the arbitrary 3¼-percent factor.

In each of the years 1951, 1952, 1953, and 1954 a stopgap law was adopted which expressed the tax at 6½ percent of net investment income or the equivalent of a 52-percent tax on net investment income less a credit of 87½ percent.

Again in 1955, 1956, and 1957 stopgap laws were enacted granting a reserve interest deduction of 87½ percent of the first $1 million of net investment income and 85 percent of all investment income in excess of that figure.

PENDING MEASURE PROVIDES A PERMANENT METHOD OF TAXATION

It can readily be seen that during the past 37 years there have been numerous changes in the tax law applicable to the insurance industry. As a matter of fact, for each of the last 9 tax years a one-year stop-gap law has been applicable, with the threat hovering over the insurance industry of reverting to the 1942 law—admitted to be unsound by all concerned—in the event such a stop-gap law was not enacted.

It has been generally agreed by congressional committees and by the industry itself that the 1942 law was wholly unsound, primarily because it was based both on arbitrary assumptions and industrywide averages. In fact, for the taxable years 1947 and 1948 the law produced no revenue at all for the reason that actual industry earnings were less than the average assumed rates of the companies.

Ever since 1949, the industry has not known from year to year what their tax would be, and on occasion did not know until after the expiration of the taxable year. Obviously, this situation of uncertainty has been unfair to the industry as well as unsatisfactory to the Congress.

The pending measure will remedy the situation by providing a permanent and what I believe to be a sound and satisfactory method of taxation for the industry. It is a measure which is not wholly satisfactory to all. This is what leads me to believe that it is good legislation. Of course, it can and undoubtedly will at some future date be further improved, and any inequities not apparent at this time can be corrected.

The passage of the bill will put an end to the air of uncertainty of the stopgap approach which has long existed, and will enable the industry itself to anticipate its tax burden and conduct its business accordingly. This, to my mind, is a most significant advance and one which has been long overdue.

THE BILL TAXES UNDERWRITING GAINS AS WELL AS INVESTMENT INCOME

This bill also provides a new and more equitable approach to the taxation of life insurance companies. Ever since 1921, the companies have been taxed on their investment income only. Whether or not that was a sound approach in those earlier years, it most certainly is not a sound approach today.

To me, it seems clear beyond doubt that under present-day circumstances equity demands that the life insurance companies be taxed on their underwriting gains as well as on their investment income.

The investment income of the life insurance companies comes from the reserves which they must maintain on their long-term contracts, such as ordinary life insurance and endowment insurance, in order to be able to meet their policy obligations when they become due. In 1920 long-term policies of this type accounted for approximately 73 percent of all the life insurance in force. By 1957, however, that figure had dropped to approximately 47 percent. During the same period, group insurance and term insurance have increased from approximately 4 percent to more than 33 percent of the total of life insurance in force.

Group insurance and term insurance require relatively insignificant reserves and, therefore, produce little investment income. These types of insurance may, however, give rise to underwriting gains; that is, profits from the premiums charged for the policies as distinguished from investment income arising from the reserves held on policies.

It is quite apparent, therefore, that to continue to tax life insurance companies on investment income only would be to burden unduly those companies which engage heavily in the long-term type of business, and to favor unduly those companies which specialize in short-term business.

The bill before the Senate corrects this defect by providing a three-phase procedure for the taxation of life insurance companies.

Phase 1 of the tax base is the life insurance companies' share of the investment income; that is, that portion not set aside for policyholders, less investment expenses. In other words, this phase continues to levy a tax on investment income.

Phase 2 proposes a current tax on 50 percent of the gain from operations; that is, the excess of total net income from all sources over the taxable investment income. This is often referred to as underwriting gain. If there should be an underwriting loss, the entire loss is deducted from the investment income under phase 1.

The remaining 50 percent of the gains from operations goes into phase 3 of the tax base and is not subject to tax until, first, it is made available to shareholders; second, when the company elects to be taxed on that income; third, when the company ceases to exist; or fourth, when the untaxed income exceeds 25 percent of the additions to reserves since 1958 or 15 percent of the total reserves—whichever is higher—or 50 percent of the annual premiums received.

To give insurance companies a chance to adjust to this phase, in the case of actual distributions to shareholders, only one-third of the tax is effective in 1959. The law will become two-thirds effective in 1960 and fully effective in 1961.

Phases 2 and 3 tax insurance underwriting gains for the first time since 1921. In this respect, the bill represents a significant improvement in the approach to the taxation of the life insurance business.

Moreover, it will have the salutary effect of preventing a few companies which specialize in short-term business from making large profits and at the same time escaping taxation. More and more in recent years we have heard the charge that the life insurance business

provides a tax haven. This, of course, has not been true with respect to the great bulk of the life insurance companies. At the same time, there is no justification for permitting a few companies to continue to escape taxation through an escape hatch in the law. Closing this loophole will not only provide much-needed revenue, but at the same time will more equitably distribute the tax burden of the industry itself.

The 52 percent regular corporate rate is applied—30 percent rate to the first $25,000 of taxable income—to the sum total of the three phases. A separate 25 percent tax is imposed on net long-term capital gains.

THE BILL ELIMINATES THE USE OF ASSUMPTIONS AND INDUSTRYWIDE AVERAGING

Another significant accomplishment of this bill is that it will eliminate the use of assumed rates of interest and industrywide averaging in computing the investment income tax base.

As I have said, between 1921 and 1942 each company was granted a reserve interest deduction equal to a flat percentage of its reserves, regardless of its earnings and regardless of its reserve interest requirements.

Since 1942, each company has received a deduction based on a percentage of its net investment income. The percentage used has involved both industrywide averaging and assumed rates of interest. Such an industrywide ratio is not an appropriate measure of the requirements of the individual companies, since the reserve requirement expressed as a percentage of net investment income varies widely among the companies.

Thus, a company with low reserve interest assumptions received a deduction beyond its requirements, and a company with high reserve interest assumptions received a deduction smaller than the amount actually set aside to fulfill its policy obligations.

So long as the tax was based on reserve interest assumptions, it was impossible to avoid some form of industrywide averaging.

These reserve interest assumptions are simply actuarial assumptions used by the companies to determine the amounts necessary to be set aside from premiums at assumed rates of interest in order to maintain solvency.

Obviously these assumptions can and do vary considerably, depending on the management policies of the various companies. One company might set aside a larger amount from premiums with a lower reserve interest assumption. Another company might set aside a smaller amount from premiums with a higher interest assumption. For this reason, the deduction could not be based on the reserve interest requirement of each individual company, since it might induce management decisions to increase their interest assumptions in order to reduce their taxes.

The bill before the Senate entirely eliminates assumed rates and industry averages. It provides for the determination of the reserve interest deduction on an individual company basis. In addition, the deduction is based on the actual experience of each company instead of on the basis of reserve interest assumptions subject to management policy.

As amended by the Finance Committee, the bill provides that the reserve deduction rate is to be based on the individual company's average earned rate for the past 5 years. The company's reserves are to be adjusted on the basis of this rate, and the rate is then to be applied to the adjusted reserves to determine the amount of the deduction. Consequently, only actual earnings are considered.

In this particular area, I believe the bill as reported by the Finance Committee represents a substantial improvement over the bill as it came to the Senate from the House. As the bill passed the House, the reserve interest deduction was based on the average of the company's actual earned rate and its assumed interest rate, or the industry average assumed rate—whichever was higher. Although that approach reduced the effect of assumed interest rates and industry averaging, those unsound factors were still present.

THE BILL INCLUDES A NUMBER OF PROVISIONS TO ASSIST THE NEWER AND THE SMALLER COMPANIES

This bill also includes a number of important provisions designed to benefit the newer and the smaller companies.

The investment income approach which has been in effect for the past several decades has always been unfair to new companies. In the life insurance business, a company usually operates at a loss during its early years because of the heavy expenses involved in putting new business on the books. Such a company will, however, have some investment income. Accordingly, a statute which levies a tax on investment income alone penalizes new companies by failing to give recognition to their underwriting losses.

The pending bill corrects that condition by taking into consideration both investment income and underwriting gains or losses. If the phase 2 tax base, representing gains from all operations, is smaller than the phase 1 tax base, representing investment income, the phase 2 tax base is used to determine the tax. If a company has an underwriting loss, it receives full credit for the loss against investment income. And if the company has an actual loss for the year, taking into consideration both investment income and underwriting gains, it receives loss carrybacks and carryovers in other years.

The bill provides that net operations losses for the years 1955, 1956, and 1957 may be carried forward to 1958 and subsequent years, but in determining the extent of the loss, the formula of the pending bill must be used as if it has been in existence at that time. This feature should be of considerable help and assistance to the new companies.

Furthermore, the bill has a number of other features which will be helpful to the smaller and the newer life insurance companies. I shall briefly summarize those features.

As the bill came from the House, it provided a small business deduction equal to 5 percent of net investment income, up to a maximum of $25,000. The Finance Committee increased the percentage figure to 10 percent, with the same maximum, so that the ceiling will be reached with an income of $250,000 instead of $500,000.

As passed by the House, the bill contained a 5-year carryover for operations losses, the same as other corporations receive. The Finance Committee changed this to provide that losses in any one of the first 5 years of operation can be carried forward for 10 years from the loss year.

The Finance Committee has also added a provision permitting the deductions in phase 2 for policyholder dividends, for increases in reserves for nonparticipating policies, and for group premiums to be used to reduce phase 1 taxable investment income up to the amount of $250,000. Although this provision is, of course, applicable to all life insurance companies, it obviously will be primarily helpful to small companies.

All of these features, I believe, constitute important and necessary advances toward treating the smaller and the newer companies more equitably.

There are many other aspects of this bill which could be mentioned. I have discussed only those which I consider to be the most significant.

As I said at the outset, I think this is a very good bill. It recognizes the changes which have taken place in the life insurance business during the past several decades. It taxes underwriting gains as well as investment income, and thereby closes an escape hatch which has existed for years. It levies a tax equitably on both stock and mutual companies. It represents a major forward step by providing a fair, permanent method of taxation for a highly complex and complicated industry.

I strongly urge every Member of the Senate to support the bill as reported by the Senate Finance Committee.

Mr. DIRKSEN. Mr. President, will the Senator from Florida yield for a moment?

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I wonder whether the Senator from Indiana will defer for a moment, so that I may ask a question on this particular point.

Mr. HARTKE. Certainly.

Mr. DIRKSEN. I ask the Senator to do so because I must attend a policy committee meeting. While the chairman of the committee is present I should like to say to the Senator from Florida that an amendment was submitted by me with reference to taxation on the income of life insurance companies from business which is done abroad, as distinguished from domestic business. There are two reasons for it: One, of course, is that they are in a competitive position with the operating companies in other countries. Second, it would provide an incentive for doing business abroad.

I rather traded on the theory that the matter had been presented to the committee by the distinguished Senator from Florida and that, while no committee action had been taken on the amendment, if such an amendment were offered it would probably be accepted and taken to conference.

I have conferred with the chairman of the Committee on Finance, and I have also conferred with the distinguished Senator from Delaware [Mr. WILLIAMS]. For the moment I do not see on the floor the Senator from Oklahoma [Mr. KERR], who, I understand, is interested in the amendment and will support it.

However, Mr. President, I have very high regard for the very distinguished chairman of the Committee on Finance. I know his problems. I know, of course, that he would prefer to have the bill enacted without having to take it to conference.

Therefore, if the Senator from Florida will permit me to do so, I should like to offer the amendment and to write a bit of legislative history on it. Then, if necessary, I can withdraw the amendment. Since my friend from Florida had a particular interest in the matter I thought this was the time to raise the point.

Mr. SMATHERS. I offered the amendment in committee. I felt very strongly about it. As has been stated by the able minority leader, the Senator from Illinois, there is a great deal of equity and a great deal of merit behind the amendment. If it is not adopted, then, of course, it means that the life insurance companies which are doing business in areas outside the United States will no longer be able to compete in doing business abroad. For example, in Canada, the Canadian Government permits Canadian life insurance companies to do business outside Canada without requiring the companies to pay a tax on the business written outside Canada.

The bill as drawn now would apply a tax on any kind of life insurance business, no matter where the insurance was written, inside or outside the United States.

I offered the amendment in committee. It was very sympathetically considered by most members of the committee. Then it was stated it was a matter which should be brought up in connection with the overall problem of considering how foreign investments, including insurance companies and other businesses should be taxed. It was the consensus of opinion of the members of the committee that they would prefer to handle it in that way. I therefore withdrew the amendment and did not ask for a vote on it in committee.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. DIRKSEN. Am I correct in my understanding that, in conjunction with the Treasury Department, the Ways and Means Committee of the House is going into the whole question of the taxation of investments and business done abroad and that the matter is being reviewed in contemplation of possibly considering another bill on the subject?

Mr. SMATHERS. The Senator is correct. Insofar as I have been informed, that is correct. I was told that that is true. Possibly the Senator from Delaware can give us some more information about it. I, of course, take it as being true.

Mr. DIRKSEN. If the Senator from Florida will yield, perhaps the Senator from Delaware can enlighten us in that connection.

Mr. SMATHERS. I yield.

Mr. WILLIAMS of Delaware. The Senator is correct. The Treasury Department is now in process of making recommendations to the Ways and Means Committee of the House and to the Senate Committee on Finance in connection with a formula dealing with foreign tax credits of corporations. It was with that understanding that the Senator from Florida agreed to withdraw his amendment, without prejudice.

Mr. DIRKSEN. Does the chairman of the Committee on Finance have any comment to make?

Mr. BYRD of Virginia. Yes; I should like to say that this matter is included in the Boggs bill now pending in the Committee on Ways and Means of the House. The bill relates to the taxation of profits of companies doing business in foreign countries. If that bill is passed by the House, I assure the Senate that it will receive thorough consideration by the Committee on Finance of the Senate.

Mr. DIRKSEN. Mr. President, I should like formally to send forward the amendment and have it made a part of the RECORD. Then I shall withdraw it.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 93, after line 18, it is proposed to insert the following:

SEC. 819A. DOMESTIC LIFE INSURANCE COMPANIES OPERATING IN FOREIGN COUNTRIES.

(a) GENERAL RULE.—The life insurance taxable income of a domestic life insurance company which during the taxable year carries on a life insurance business within any foreign country (other than Canada) shall be computed in accordance with the provisions of this section with respect to such business.

(b) EXCLUSION OF FOREIGN INVESTMENT INCOME.—In the case of a domestic life insurance company to which subsection (a) applies for the taxable year, the investment yield (as defined in section 804(c) and the policy and other contract liability requirements (determined under section 805) shall each be reduced by an amount which bears the same ratio to the investment yield, or the policy and other contract liability requirements, as the case may be (determined without regard to this section), as—

(1) the sum of the company's total insurance liabilities on business outside the United States and Canada, bears to

(2) the company's total insurance liabilities.

For purposes of this paragraph, the term "total insurance liabilities" has the meaning assigned to it by section 819(b)(2).

(c) EXCLUSION OF GAIN OR LOSS FROM FOREIGN OPERATIONS.—In the case of a domestic life insurance company to which subsection (a) applies for the taxable year—

(1) ITEMS OF INCOME.—For purposes of paragraphs (1) and (2) of section 809(c), income from sources outside the United States and Canada shall not be taken into account. For purposes of paragraph (3) of section 809(c) there shall not be taken into account an amount which bears the same ratio to the gross amount of the times taken into account under such paragraph (determined without regard to this section) as—

(A) the sum determined under subsection (b)(1), bears to

(B) the sum determined under subsection (b)(2).

(2) DEDUCTIONS.—For purposes of section 809(d), no deduction shall be allowed to the extent attributable to income which is excluded under paragraph (1).

(3) RULES FOR CERTAIN RESERVES.—For purposes of sections 809(c)(2) and 809(d)(2), the items enumerated in section 810(c) shall be computed by excluding amounts attributable to business outside the United States and Canada.

(4) DIVIDENDS TO POLICYHOLDERS.—For purposes of section 811, dividends and similar distributions on business outside the United States and Canada shall not be taken into account.

(d) FOREIGN TAX CREDIT INAPPLICABLE.—Subpart A of part III of subchapter N (relating to foreign tax credit) shall not apply to a domestic life insurance company for any taxable year for which subsection (a) applies to such company to the extent that income of such company is excluded under this section.

On page 77, at the end of the matter following line 10, insert before the last item the following:

SEC. 819A. Domestic life insurance companies operating in foreign countries.

On page 98, strike out lines 23, 24, and 25, and insert the following:

Such Code is amended—

(1) by striking out "The" in the first sentence and inserting in lieu thereof "Except as provided in section 819A(d), the";

(2) by striking out "811", in the first sentence; and

(3) by striking out paragraph (1) and inserting in lieu thereof the following.

Mr. KERR. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. KERR. I should like to say that I am deeply interested in the amendment. I am happy to hear the chairman say that if the proposal comes from the House in the form of a bill it will be adequately and fully heard by the Committee on Finance, on its merits as such.

Mr. DIRKSEN. Mr. President, will the Senator yield further?

Mr. SMATHERS. I yield.

Mr. DIRKSEN. I ask unanimous consent at this point to have printed in the RECORD a statement in connection with my amendment, in further explanation of it.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DIRKSEN

I desire to introduce at this time an amendment to the life insurance company income tax bill which will effect the exclusion of certain foreign income of American life insurance companies from domestic taxation.

I have, primarily, two reasons for supporting this amendment to the bill. First, it will restore to American life insurance companies a measure of competitive equality

with life insurance companies based in other countries with respect to their foreign operations. This is simply a matter of fairness. Second, it is a means of encouraging the investment of private American capital abroad with the loss of an insignificant amount of tax revenue, particularly when considered in relation to the total amount of which this bill is expected to produce.

I should like to develop briefly the reasons for the tax inequities under which American life insurance companies currently operate in foreign countries.

In most countries the savings aspect of life insurance is considered coequal in importance to the family-protection factor. As a result, life insurance companies have been traditionally treated taxwise in such a way as to insure that they would remain a repository of savings and so as to allow them to charge reasonable premium rates. A typical example is Canada. Under Canadian law the income of a life insurance company is not taxed except for amounts set aside for dividends to shareholders. The result is, of course, that Canadian life insurance companies are taxed at levels substantially lower than even the present domestic income tax rates of American life insurance companies.

These substantially smaller domestic tax burdens are naturally reflected in the net premium costs which Canadian life insurance concerns are able to charge. They are substantially lower than those of their American competitors. Thus, even now American life insurance companies operate overseas at some disadvantage. The Internal Revenue Code's foreign tax credit does not erase this because income taxes on the life insurance industry in most countries are, as I have pointed out, substantially lower than our own.

The rise in tax rates contemplated under H.R. 4245 will at least discourage the growth in foreign countries of the American life insurance industry. It may do much more. Its effect could well be to price the American life insurance industry out of the world market.

This brings me to the second reason why I believe this amendment worthy of strong support. A great amount of attention has been devoted in the postwar period to means by which private American investment abroad may be expanded. There is no doubt that we are engaged in a many-faceted economic conflict with the Soviet Union. Foreign trade and expansion of capital investment abroad are a great part of this overall struggle. American companies selling life insurance in foreign countries have in the past invested millions of dollars out of the proceeds of such sales in these countries. In part this is a matter of business policy and in part this is due to statutory requirements of those countries. Whatever the reason, however, our life insurance concerns have made a substantial contribution to the expansion of our private investment abroad. If given a measure of competitive equality with life insurance concerns in other countries through the relief which I propose in this amendment, they will play an ever-greater role in the expansion of our economic influence in foreign nations.

Passage of this amendment would have another significant effect for life insurance companies operating abroad. In many cases profits from foreign operations have been illusory. Exchange restrictions have limited the ability of all U.S. companies to repatriate their income on a current basis and, when repatriation has been allowed, it has often been with currency which is heavily devalued. At the same time, such profits must be accounted for on a current basis with respect to U.S. tax law.

This is a problem generally faced by all U.S. companies engaged in foreign operations but it is particularly severe for life insurance companies. The reason is that such companies are required to retain a portion of their reserves in certain countries and must maintain certain fixed amounts of capital and surplus as a condition of doing business therein. As a result, they cannot adjust their foreign income with the freedom of industrial and commercial concerns which do not bear such restrictions. Exclusion of such income would provide a solution to this problem and would provide an additional inducement for domestic life insurance companies to engage in foreign operations. Yet it would entail no great loss in tax receipts.

Turning to another point, it has been suggested that this amendment may more properly be considered in connection with the so-called Boggs bill. I should like to state strongly that I do not agree. The Boggs bill is certainly worthy of consideration but it does not answer the problem faced by American life insurance companies. There are several reasons for this.

Many American life insurance companies cannot form subsidiary corporations. Yet this is the purpose of the Boggs bill—to expand into other areas of the world the concept of the Western Hemisphere Trading Corp. Unless the Boggs bill were extensively revised, some life insurance companies simply would not be able to participate in its benefits.

Further, the Boggs bill would not create the competitive equality which the amendment which I have introduced seeks to produce because it contemplates only a deferral of income taxes until the income is repatriated to this country. Thus, American companies would still have to pay higher income taxes than their Canadian competitors with respect to their foreign income.

It has also been suggested that insurance actuarial regulations require that reserves be set up for the amount of the tax to be paid when the foreign income is repatriated. Since this would be done at the current valuation of foreign currency, this would partially destroy even deferral of income.

For all these reasons then, I suggest that this amendment should be adopted now and that action should not be deferred until consideration of the Boggs bill later this year.

I would like to give a brief explanation of the amendment. There is contemplated a new section of the life insurance company income tax bill entitled "Domestic Life Insurance Companies Operating In Foreign Countries." Like the basic act, this amendment differentiates between "investment income" and "underwriting gain." It is so drafted that it will set apart income which is derived from life insurance sold in foreign countries other than Canada. This income will be excluded from domestic taxation. At the same time, the exclusion is not so great that a company by investing all its assets in other countries can entirely escape domestic taxation. The amendment is intended to encourage sales of life insurance abroad by excluding from domestic taxation only income attributable to such sales. As a matter of fairness, of course, such companies operating abroad cannot deduct their losses.

I strongly urge that this amendment be adopted. It is fair and equitable to American life insurance companies and it will have clearly beneficial influence in encouraging the development and expansion of our foreign economic interests.

Mr. GORE. Mr. President, will the Senator yield?

Mr. SMATHERS. I promised to yield first to the Senator from Indiana. As a matter of fact, I should like to yield the floor, if it is agreeable to the Senator.

Mr. HARTKE. I will take no more than 30 seconds. I should like to ask a question of the chairman of the Committee on Finance. On page 55 of the committee report there is a statement which is not clear to me. In the second paragraph there is a statement that the deduction of 3 percent of nonparticipating premiums does not apply to "that portion of the premiums which is allocable to annuity features." This concept could be misunderstood.

For example, I do not believe it is the intention of the committee to require companies to separate the premiums for certain types of life insurance contracts such as endowment policies where there is a provision for life insurance until the maturity age which is usually 65, followed by an option in the insured to take cash or an annuity. In fact, practically all life insurance policies contain the option of paying the proceeds at death or maturity in either a lump sum or in monthly installments. I am sure the committee had no intention that regular life insurance policies should be separated into these insurance and these investment features. Am I correct in that assumption?

Mr. BYRD of Virginia. The answer to the Senator's question is "Yes."

Mr. JAVITS obtained the floor.

Mr. DIRKSEN. Mr. President, my amendment is pending at present. Does the Senator from New York desire to address himself to the amendment?

Mr. JAVITS. I desire to address myself to the bill.

Mr. DIRKSEN. Under the circumstances, having had comment by various members of the Committee on Finance, I thought, opportunely, I should withdraw the amendment at this time.

Mr. CURTIS. Has the Senator from Illinois offered his amendment?

Mr. DIRKSEN. Yes; it is pending.

Mr. CURTIS. I am in favor of the amendment offered by the Senator from Illinois. It seems to me it is sound public policy to encourage life insurance business by American companies in Central and South America. But if they must operate at a competitive disadvantage because of the tax, so as to defeat that purpose, the Government will collect no revenue anyway. It is my understanding that, it is estimated, the amendment would affect revenue only to the amount of about $500,000.

Mr. DIRKSEN. The Senator is correct.

Mr. CURTIS. It is my hope that the amendment will be adopted.

Mr. DIRKSEN. After the colloquies I have had with various members of the Committee on Finance, including the chairman of the committee, I think, under the circumstances, the amendment should be withdrawn, particularly since the matter is under further study by the Treasury and the House Committee on Ways and Means.

So I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. JAVITS. Mr. President, I shall support the bill as reported by the committee. In that connection, I should like to make a brief statement.

The great bulk of the insurance business written by the mutual insurance

companies of the United States is written by companies domiciled in New York; hence, we have a very keen interest in the proposed legislation. I have been waited on by the committee on taxation of the mutual life insurance companies, consisting of a very distinguished group of the chief executive officers and presidents of the mutual insurance companies, so many of which, as I have said, are located in the State of New York.

While they had rather strong reservations about the bill, to start with, apparently many of the things which troubled them in terms of their millions of policyholders were worked out in the bill. Nevertheless, I feel it my duty, because of the tremendous incidence of this line of business in the State of New York, to state for the record some of their views as they gave them to me.

First, they emphasized the fact that millions of individuals are affected through their savings which are in life insurance for their families and for their old age. The companies, acting as the trustees for those individuals, must be very careful to make certain that they are not taxed more heavily than any other form of thrift, and that this type of saving is not discouraged by excessive taxation.

The group of mutual companies in New York, represented as I have just described, makes the following additional representations of fact:

Life insurance companies paid $292 million in Federal taxes on 1957 business. Under the tax formula then in effect, they would have paid $320 million for 1958. Under the bill, the tax will soar to $500 million. This is a very substantial increase, and it is estimated that almost 70 percent of it will be paid by the mutual companies.

The mutual companies point out also that they have no alternative but to pass on the entire tax to the policyholders. In addition, again according to this group's estimate, the life insurance companies are paying some $300 million annually in State taxes, plus millions of dollars more for various licenses, fees, and in many other levys.

Apparently, the principal sticking point seems to be a proper allowance for dividends which the mutual companies credit to their policyholders. The mutual companies contend that dividends on mutual life insurance are simply partial refunds of premium payments. In no way, they contend, are such dividends comparable to the dividends or shares of profits disbursed to stockholders by other types of companies. They allege that the allowance for dividends is built into the premiums on mutual policies, and that when such amounts are not needed they are returned to the policyholders.

I have taken a considerable amount of time and interest in the problems of these insurance companies and have decided to support the bill because it seems to me to be a step in the direction of solving the recurring problems we have encountered in the taxation of life insurance companies.

I appreciate, too, the fact that the stock companies themselves have very material complaints. They maintain that the total amount of taxes which they will have to pay will be increased substantially. They also claim that the bill contains other inequities.

But I feel that in the future we can correct inequities which now appear in the bill or which may develop. I am persuaded that the important thing, in view of the relative balance which has been attained, is to have the bill passed by the Senate and become law.

I join with my colleagues in congratulating the distinguished Senator from Virginia [Mr. BYRD], chairman of the Committee on Finance, who I know from my own experience with all the very distinguished insurance company leaders, has performed a monumental service in reconciling diverging points of view and in eliminating so many objections which seemed from time to time to be insurmountable.

Mr. BYRD of Virginia. I thank the distinguished Senator from New York.

Mr. President, I offer a technical amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 62, after line 13, to strike out:

(3) 1958 RESERVE FOR DIVIDENDS TO POLICYHOLDERS.—For purposes of paragraph (1), the amounts held at the end of 1957 as reserves for dividends to policyholders payable during 1958 shall be the amounts actually paid as such dividends during 1958.

Mr. BYRD of Virginia. Mr. President, this is a technical amendment requested by the Treasury. The amendment strikes out a provision added by the committee to deal with a minor technical problem. The provision in the bill was designed to prevent the denial of a deduction for policyholder dividends actually paid in 1958.

However, it now appears that this is unnecessary and that the same result can be obtained administratively by recognizing the error in the reserve balance at the end of 1957. The Treasury Department has stated that the problem can be handled by administrative action, because it is now understood that the provision unintentionally might injure others and deny them deductions for policyholder dividends which they actually paid. Therefore, the amendment removes paragraph (3) of section 811(b).

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, a letter I have received from David A. Lindsay, Assistant to the Secretary of the Treasury, in support of the amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE SECRETARY
OF THE TREASURY,
Washington, May 19, 1959.

HON. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: This is in reference to your request for our opinion on a proposed amendment to H.R. 4245, the pending life insurance company income-tax bill, dealing with the special rule under section 811(a)(3), which provides a special rule for the 1958 reserve for dividends to policyholders.

This special rule was originally included in H.R. 4245 for the relief of certain companies which had overstated their reserve for policyholder dividends at the end of 1957, due to technical errors, caused, in certain cases, for example, by the introduction of new data-processing equipment.

It is further understood that the introduction of this special relief rule will work unintended hardship on certain other companies. Accordingly, it has been suggested that an amendment be adopted to take care of this situation by eliminating section 811(a)(3), thus leaving the adjustment for the error in the starting policy dividend reserve to administrative action.

The Department would have no objection to such an amendment.

Sincerely,

DAVID A. LINDSAY,
Assistant to the Secretary.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Virginia [Mr. BYRD] is agreed to.

Mr. WILLIAMS of Delaware. Mr. President, I submit an amendment which I have discussed with the chairman of the Committee on Finance and also with the Treasury Department. The amendment relates to two stock companies which were mutualized prior to 1958. The amendment will partially protect them for actions taken prior to the time they were aware of the provisions of this bill. This does not give them the full relief they requested; but it does correct much of the impact created under this bill.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 53, after line 13, insert the following:

(9) CERTAIN MUTUALIZATION DISTRIBUTIONS.—The amount of distributions to shareholders made in 1958 and 1959 in acquisition of stock pursuant to a plan of mutualization adopted before January 1, 1958.

On page 53, line 14, strike out "(9)" and insert "(10)".

On page 53, line 23, strike out "(d)(9)" and insert "(d)(10)".

On page 55, after line 24, insert the following:

(g) LIMITATIONS ON DEDUCTION FOR CERTAIN MUTUALIZATION DISTRIBUTIONS.—

(1) DEDUCTION NOT TO REDUCE TAXABLE INVESTMENT INCOME.—The amount of the deduction under subsection (d)(9) shall not exceed the amount (if any) by which—

(A) the gain from operations for the taxable year, computed without regard to such deduction (but after the application of subsection (f)), exceeds,

(B) the taxable investment income for the taxable year.

(2) DEDUCTION NOT TO REDUCE TAX BELOW 1957 LAW.—The deduction under subsection (d)(9) for the taxable year shall be allowed only to the extent that such deduction (after the application of all other deductions provided by subsection (d)) does not reduce the amount of the tax imposed by section 802(a)(1) for such taxable year below the amount of tax which would have been imposed by section 802(a) as in effect for 1957, if this part, as in effect for 1957, applied for such taxable year.

(3) APPLICATION WITH SECTION 815(e).—Section 815(e) shall apply to any distribution described in subsection (d)(9) only with respect to so much of the amount of such distribution as is not allowed as a deduction

by reason of paragraph (1) or (2) of this subsection.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an explanation of the amendment and a letter signed by David A. Lindsay, Assistant to the Secretary of the Treasury, in which Mr. Lindsay states that the Department has no objection to the amendment.

There being no objection, the statement and letter were ordered to be printed in the RECORD, as follows:

STATEMENT BY MR. WILLIAMS OF DELAWARE

MUTUALIZATIONS OCCURRING BEFORE 1958

This amendment is concerned with stock companies which became mutual companies, or "mutualized," before 1958. Thus, they were unaware at the time of the mutualization that a tax would be placed on underwriting income. A problem has been presented by some of the companies where they did not have the funds to spare—over and above funds needed to protect policyholders—to redeem all of the stock outstanding at the time they adopted the plan of mutualization. These companies have been redeeming this stock gradually out of annual earnings since the adoption of their mutualization plan.

The addition of a phase 2 tax on these companies makes it more difficult for these companies to retire the stock as rapidly as they planned. Moreover, it places them at a disadvantage with their mutual competitors who are likely to entirely avoid any phase 2 tax by paying out equivalent funds in policyholder dividends.

The request has been made to grant deductions under phase 2 for payments to shareholders in redemption of their stock in the case of these pre-1958 mutualizations, in the same manner as is presently provided for policyholder dividends. This amendment grants this treatment only for 1958 and 1959, but not for subsequent years. The amendment is limited in this manner because it is recognized that the policyholders, even though perhaps they would not have planned it this way had they known the tax consequences, nevertheless are increasing their ownership in the company as the shareholders are paid off in much the same way as in the case of funds used to retire indebtedness.

The amendment is limited to funds actually paid to the shareholders in 1958 and 1959 and does not include accruals paid in subsequent years. The deduction allowed is also limited to the amount of phase 2 income and is not to be available to any extent in an underwriting loss which may reduce phase 1 income subject to tax.

Further, the amendment is limited in that deductions for such amounts are available only to the extent that they do not reduce 1958 tax liability (excluding the capital gains tax) below the amount it would have been had the 1957 law been made applicable in 1958. It appeared that taxes up to this level did not present the element of surprise which would justify the granting of the additional exemption.

THE SECRETARY OF THE TREASURY,
Washington, May 19, 1959.

Hon. HARRY FLOOD BYRD,
Chairman, Senate Committee on Finance, Washington, D.C.

MY DEAR MR. CHAIRMAN: This is in reference to your request for our views on a proposed amendment to H.R. 4245, the life insurance company tax bill, dealing with certain mutualizations occurring before 1958.

This amendment would modify the provisions of section 809(d) by adding an additional subsection. This amendment would provide relief for certain companies with mutualization plans entered into before 1958, at a time when the companies were unaware of the tax impact on underwriting income which would arise under H.R. 4245. It is our understanding that the addition of a phase 2 tax on companies in this situation would make it more difficult for them to retire the stock as rapidly as they planned or otherwise impose an undue burden on the companies or their policyholders.

The proposed amendment would grant deductions under phase 2 for payments to shareholders in redemption of their stock in the case of the pre-1958 mutualization plans, in the same manner as is presently provided under H.R. 4245 for policyholder dividends. The amendment grants this treatment only for 1958 and 1959, but not for subsequent years. The amendment is limited to funds actually paid to shareholders in 1958 and 1959 and does not include accruals paid in subsequent years. The proposed deduction is limited to the amount of phase 2 income and may not reduce phase 1 income. Furthermore, the amendment is limited in that deductions for such payments are available only to the extent that they do not reduce 1958 tax liability below the amount it would have been had the 1957 law been made applicable to 1958.

The Department would have no objection to the adoption of this proposal as a floor amendment to H.R. 4245.

Sincerely yours,

DAVID A. LINDSAY,
Assistant to the Secretary.

Mr. BYRD of Virginia. Mr. President, I am informed that the Treasury Department supports the amendment. The committee staff also supports it. Therefore, I accept the amendment.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Delaware [Mr. WILLIAMS] is agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is on the passage of the bill.

Mr. KERR. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceed to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. (Mr. LAUSCHE in the chair). Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, a number of Senators seriously considered submitting amendments to this bill. Those amendments would have provided for substantial improvements in the equity of the tax structure. They were loophole plugging, revenue raising amendments. Although we wished to lose no opportunity to give the Senate a chance to adopt those amendments, we did not press for their adoption, because we felt very strongly that this one-half billion dollar revenue measure, this insurance tax bill is most urgently needed by the Federal Government. For those reasons, we decided to withhold our amendments for the time being.

We also recognized that there had been no notice of our amendments, no hearings on them, and no real opportunity in this session for the committee to consider the changes we proposed in the tax law.

However, we wish to make crystal clear that our failure to press for the adoption of these tax-reform amendments at this time—reforms which we believe to be most urgently needed—in no sense should be construed as meaning that we do not strongly favor such tax reforms, and should not be considered by anyone to mean that we will not press very vigorously in the future for their adoption. On the contrary, I am serving notice on the Senate and the Finance Committee that we want hearings and full consideration of these tax reforms as soon as possible.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Wisconsin yield to me?

The PRESIDING OFFICER (Mr. GORE in the chair). Does the Senator from Wisconsin yield to the Senator from Delaware?

Mr. PROXMIRE. I yield.

Mr. WILLIAMS of Delaware. I appreciate the courtesy of the Senator from Wisconsin in yielding to me.

I wish to concur in what he has said. I, to, had prepared some amendments which I had planned to offer to the Revenue Code, particularly one dealing with the depletion allowance, as well as various other amendments relating to other tax loopholes.

However, this bill is of such importance and the time limit is such that this measure is not deemed to be the proper vehicle for the incorporation of such amendments. There will be an opportunity later in this session to offer such amendments.

Mr. PROXMIRE. Mr. President, I appreciate the comment the Senator from Delaware has made.

I warmly supported his reform amendments last year, as he did mine; and I intend to do so again. Certainly, this oil depletion loophole is one loophole in the tax law which we wish to correct.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Wisconsin yield further to me?

Mr. PROXMIRE. I yield.

Mr. WILLIAMS of Delaware. I point out that the Treasury Department has made some recommendations in connection with an even larger loophole under the depletion allowances as the result of a recent court decision. We now find that there are even larger benefits than had first been visualized. I am confident that hearings on all these questions will be held in both the House committee and the Senate committee, and that at a later time we shall have an opportunity to offer our suggestions, and that they will be carefully considered by the committee. Such action is certainly needed.

Mr. PROXMIRE. I thank the Senator from Delaware for making that

statement. I concur wholeheartedly in his view that the previously existing loophole with respect to the depletion allowance has been widened very greatly by court interpretations, and that the loss to the Treasury has become correspondingly more serious. The Secretary of the Treasury recognizes this.

Mr. LAUSCHE. Mr. President, will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. I yield.

Mr. LAUSCHE. Mr. President, I wish to join in the remarks which have been made by the Senator from Wisconsin [Mr. PROXMIRE] in regard to the need to plug the leaks in connection with the collection of taxes. Tax leaks give great discomfort and dissatisfaction to the taxpayers; and the dissatisfaction becomes accentuated when the ordinary taxpayers learn that there are leaks in connection with the collection of taxes from those who are in a far better position to pay than are those who are groaning under the tax load.

On this floor, mention has been made of a number of respects in which the tax laws should be amended, so as to plug the leaks.

I hope the Senator from Wisconsin will indulge me for a moment when I state than when I was Governor of Ohio—and I believe the same view was shared by other Governors—my aim was to find where the leaks were, and to plug them.

I think we shall be seriously remiss in the performance of our duty unless during this session or at least in the next session we take up the various amendments which have been mentioned by the Senator from Delaware, the Senator from Wisconsin, and the Senator from Virginia, and make certain that there is equality of treatment of all citizens of the United States in the case of the payments they make under the tax load they have to bear.

Mr. President, in conclusion let me say that I join the Senator from Wisconsin in the remarks he has made; and I will be prepared to unite with other Senators who contemplate making the fight, so that those who are given special consideration will be placed on a basis of equality with all other taxpayers in respect to carrying the financial burden of running the Government.

I thank the Senator from Wisconsin very much for yielding to me.

Mr. PROXMIRE. I thank the Senator from Ohio for his comments.

Mr. President, I am very happy the Senator from Ohio particularly stressed the importance of having citizens with equal incomes pay equal taxes. I notice that was one of the criteria set forth by the distinguished chairman of the House Ways and Means Committee within the last day or two. I think it an excellent criterion, one which certainly is not now provided by our tax laws, and one which I believe we can approximate much more closely by making the reforms which previously have been proposed in the Senate. I hope that soon we will achieve these reforms. That will be the purpose of the tax bills we offer.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The question is, Shall the bill pass?

Mr. KEFAUVER. Mr. President, I know the chairman of the committee, the Senator from Virginia [Mr. BYRD], and the other members of the committee have worked hard to report a bill on this subject, which is very technical and very difficult. It seems to me they have done a fine job in reconciling the conflicting interests and claims. Although everyone is not satisfied with the bill, certainly those Senators are to be congratulated on the work they have done.

I wish to call the attention of the chairman of the committee to a situation about which a number of insurance companies in my State have talked to me—namely, contracts have been entered into, commitments have been made, policies have been written, and money has been collected, on the basis of the 1942 formula; and they believe that phase 2 should not apply retroactively to 1958 income. In other words, they believe that phase 2, which is referred to on page 10 of the bill, should apply only to income in 1959.

This matter has been dealt with by an amendment on page 10, lines 11 through 16, of the bill as passed by the House.

I hope that in conference the distinguished chairman of the committee and other members of the conference will give serious consideration to not making phase 2 taxation retroactive to 1958 income.

I wonder whether there was any substantial controversy on that subject, or whether the chairman of the committee will consider the matter in conference.

Mr. BYRD of Virginia. Mr. President, of course we will consider it in conference. We have worked on the bill the very best we could; and I think we have worked out a very equitable bill. There were many complications, including taxation of mutual companies and of stock companies. As the Senator knows, it has been customary since the time the 1942 act was suspended, to make these laws retroactive. For instance, the stopgap law which was enacted last year was made retroactive.

Should this question come up in conference, I will certainly see that it is given full consideration, and I feel confident the Senate conferees will likewise give full consideration to the statement of the Senator from Tennessee.

Mr. KEFAUVER. I thank the Senator. I assumed the question would be in conference, inasmuch as the language in lines 11 through 16 on page 10 is new language and was not contained in the House bill. I appreciate what the Senator from Virginia has said.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KEFAUVER. I am very happy to yield to my colleague.

Mr. GORE. As the able senior Senator from Tennessee will recall, last year Congress passed a bill which gave retroactive benefits to life insurance companies. At that time I opposed retroactivity for the benefit of life insurance companies, as did my senior colleague. During the consideration of the pending bill in committee, I expressed views not dissimilar to those just now expressed by my colleague, and suggested that, although a mistake was made last year in extending the so-called stopgap bill, retroactivity in assessment of larger tax liability for some taxpayer companies was also questionable, and was something which I did not favor.

The committee took the general view that since the bill represented such an improvement over existing law, and since the insurance industry in general had expressed a desire that a more equitable and practical formula be devised, the bill should apply to income of 1958.

I wanted to say to the Senator, with reference to the question of receiving consideration in the committee, that the views which I expressed there were not out of accord with the views which he has here expressed.

Mr. KEFAUVER. I appreciate very much the statement of my colleague from Tennessee. Every insurance executive I have talked with—and the main ones I have talked with have been in Tennessee; I met with a number of them last Saturday—believes there should be a permanent basis of taxation, and they are grateful to the committee for working out an equitable bill. They all express the feeling which has been stated by my distinguished colleague from Tennessee, that inasmuch as policies have been written and commitments have been made, not knowing that the retroactive feature would be put into the bill, they felt the bill should not be retroactive. But generally, they are very grateful for the fact that there is to be a permanent basis for tax legislation.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. KEFAUVER. I yield.

Mr. GORE. Though the pending bill, in my view, represents a vast improvement, not only over existing law, but over any life insurance company income tax law enacted since 1921, its enactment, either in the form in which it passed the House or in the form in which it is now pending before the Senate, will still leave the life insurance industry in one of the more favored tax positions within the Internal Revenue law.

The pending bill is a more equitable proposal than existing law or the 1955 law. It will impose some additional tax liability, but, in my view, the committee has not gone as far as it should go. There are, particularly, instances of the kind to which attention has been called in the supplemental views which the senior Senator from Illinois and I signed. I appreciate the indulgence of my able colleague.

Mr. ANDERSON. Mr. President, will the senior Senator from Tennessee yield to me?

Mr. KEFAUVER. I shall be very happy to yield the floor. I merely wanted to call to the attention of the chairman of the committee the position of thoughtful insurance executives. I know it was well considered and sincerely taken. I appreciate the willingness of the chairman of the committee to give

this matter consideration in the conference between the House and the Senate.

Mr. ANDERSON. Mr. President, I would not want the bill to pass without paying tribute to the senior Senator from Virginia [Mr. BYRD], who has done a magnificent piece of work on this bill. I would, however, like to say that a year or two ago the junior Senator from Tennessee [Mr. GORE] and I took a position on the bill which was contrary to that of the chairman. We felt then we were right. Some subsequent events have reinforced that opinion. But I quite agree with the Senator from Tennessee that this bill does represent an improvement.

I congratulate the chairman of the committee, the able Senator from Virginia, who stayed loyally with the consideration of the bill and worked for very long weeks on it.

I would also like to include in my praise the able Senator from Oklahoma [Mr. KERR], whose knowledge of finance and whose ability to understand the intricacies of this bill were, I would say, distinguished in the extreme.

I see present on the floor also the Senator from Delaware [Mr. WILLIAMS], the ranking member of the committee on the Republican side. The people of the United States are fortunate indeed that he carried a great deal of the load of the bill. I pay tribute to him as well as to the other Senators for their part in the preparation of the bill.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall the bill pass?

The bill (H.R. 4245), was passed.

Mr. ANDERSON. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. KERR. Mr. President, I move to lay tht motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD of Virginia. Mr. President, I move that the Senate insist on its amendments to H.R. 4245, relating to the taxation of the income of life insurance companies, request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Virginia.

The motion was agreed to; and the Presiding Officer appointed Mr. BYRD of Virginia, Mr. KERR, Mr. FREAR, Mr. WILLIAMS OF Delaware, and Mr. CARLSON conferees on the part of the Senate.

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent that the bill be printed, with the Senate amendments numbered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Virginia? The Chair hears none, and it is so ordered.

REPRINTING OF HOUSE DOCUMENT NO. 451, 84TH CONGRESS

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. The concurrent resolution (H. Con. Res. 95) authorizing the reprinting of House Document No. 451 of the 84th Congress.

RADIATION HAZARDS

Mr. HUMPHREY. Mr. President, on the afternoon of Friday, May 15, 1959, there was published in the Washington Evening Star an excellent article entitled "Radiation Hazard Worse for Children." This article was written by a contributing writer, Lillian Levy. It is an excellent article. The writer has a very good understanding of the basic scientific problems involved in atomic energy work and radioactive fallout.

Mr. President, I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RADIATION HAZARD WORSE FOR CHILDREN

(By Lillian Levy)

Facts that every mother or prospective mother should know about the hazards to children from therapeutic or medical radiation as well as radioactive fallout from weapons testing were disclosed by leading scientists at the recent congressional hearing on atomic fallout.

There is a higher incidence of leukemia among children whose mothers had received abdominal X-ray examinations during the relevant pregnancy.

Members of the Joint Subcommittee on Atomic Energy received this information from Dr. Austin Brues, director of the biological and medical research division of the Argonne National Laboratory and Dr. E. B. Lewis, professor of biology at the California Institute of Technology.

Both men referred to the pioneer work of Dr. Alice Stewart of Oxford University, who had made a study of all cases of childhood cancer and leukemia over a 3-year period covering a population of about 3 million in both England and Wales. Dr. Stewart determined that a statistically significant greater number of mothers of the children who had developed malignancies had received prenatal abdominal X-rays. Studies by American doctors substantiate this.

CURE EMINENT

The committee also learned that science is on the threshold of discovering a way to cure leukemia. Bone marrow transplants used on patients suffering acute radiation sickness from an atomic accident in Yugoslavia appear to make it possible to give leukemic patients massive radiation doses to kill the cancers without killing the patients.

Dr. Brues, who reported on this, said, "We are now at the point where only certain details need to be ironed out."

Thyroid cancer in children may be induced by therapeutic X-rays.

Studies made of children who had received X-ray doses in the chest region in infancy for the treatment of enlarged thymus showed an increased incidence in thyroid cancer considered statistically highly significant despite the low numerical ratio, according to a report by Dr. Lewis. Only 10 cases of thyroid cancer developed in the 1,502 children involved in the study who had received the chest X-rays for the serious thymus defect. The 1,902 brothers and sisters of these children who had not had X-ray therapy had no incidence of thyroid cancer whatsoever.

Scientific opinion seems generally agreed that, while X-ray diagnosis and therapy should be kept at a minimum, the positive benefits in saving countless lives of both adults and children certainly justify their employment.

CHILDREN SUSCEPTIBLE

The committee also was informed that the unborn child is the most susceptible to manmade radiation resulting from fallout. Next in line are infants and children.

The more obvious and dangerous elements in fallout are strontium 90 and radioiodine 131. The iodine 131 has a short life, but strontium 90 will remain to contaminate our atmosphere for more than a generation, once it is released in a nuclear bomb explosion.

Children, infants, and the unborn child tend to absorb iodine 131 in the thyroid at several times the rate it is absorbed by adults. In the past 5 years, the amount of iodine 131 estimated from nuclear debris makes it likely that the younger segments of our population had absorbed double the amount of idoine 131 in addition to the normal amount of iodine in the natural background radiation.

This means that among the 40 million children born in the United States since the atomic age from 80 to 1,600 cases of thyroid cancer may develop.

The contamination levels, according to the opinions of most of the scientists who testified at the hearing, has not yet reached a level that warrants alarm. However, all scientists and the Congressman agreed that it is a matter of grave concern.

"The soundest basis on which to proceed at the present time," according to Dr. Brues, "seems to be to take the worst assumptions that can have a reasonable basis and then try to estimate a balance between the benefit and necessity of any procedure and the conceivable harm."

Mr. HUMPHREY. Mr. President, as we all know, the Joint Committee on Atomic Energy is currently conducting hearings relating to radioactive fallout and the dangers and hazards incident thereto. This is a subject matter to which the senior Senator from Minnesota has addressed himself for the past 4 years.

I am proud to state—and I do so with humility—that our Subcommittee on Disarmament was one of the first groups, if not the first group, in the Congress to examine publicly the whole question of radioactive fallout. This question properly belongs within the jurisdiction of the Joint Committee on Atomic Energy. Recently we have had hearings in that committee, as well as hearings in the Senate Committee on Labor and Public Welfare, relating to a proposal to expand research activities on the part of the U.S. Public Health Service in the field of radioactivity and radioactive fallout. I fully support that proposal. In fact, it was my privilege to make such a proposal in the Senate about 2 months ago.

I further believe we should have a biologist as a member of the Atomic Energy Commission. The problem of the health of mankind is so vitally affected, either constructively or adversely, by atomic energy that I believe it is imperative for scientists to be among those who serve on the Atomic Energy Commission. At least some of the members should have an orientation toward the health needs of the Nation and of the world, toward the protection of humankind. We should not rely solely on an emphasis on development of weapons and development of atomic energy technology as such.

The time is at hand when every Member of Congress and every responsible citizen needs to be deeply concerned about the dangers inherent in this tremendous force, this new source of energy called atomic energy. We can harness that energy for constructive purposes, without endangering human life, if we apply ourselves to the research needed to protect human life from radioactive fallout.

I support a ban on nuclear testing—a ban on testing in the atmosphere and even at high altitudes. Now we find that atmospheric tests give forth radioactive fallout; and, contrary to what people were led to believe, as a result of the Argus series of high altitude tests we have learned that radioactive particles from high altitude tests find their way to the earth as well. There is no protection to human health, to the health of mankind, from merely testing explosions far in the stratosphere or beyond. High altitude tests in themselves are not a protection.

We of course understand this. I will say that headlines in the newspapers and releases from the departments of Government have had a tendency to lead the American people to believe that one escape from the dangers of radioactive fallout is merely to have a high altitude test. That is not true, Mr. President, and it is time somebody pinned the label of misrepresentation upon that kind of talk or thinking.

Furthermore, as the Senator from Texas [Mr. YARBOROUGH] pointed out the other day, we have the problem of the disposal of radioactive waste, atomic energy waste. That is a very serious problem, and it is becoming more serious. Disposal of such waste is costly. It is yet uncertain how much of the waste can be deposited in the sea without serious damage to the marine life and vegetable life of the oceans. These matters require the most careful research.

I hope, as the Congress considers the appropriation bills this year, we shall provide not only for atomic energy research as a matter of protecting life, but also for research by the Public Health Service and the Department of Agriculture, because plant life and animal life are involved.

There is good reason to hope that research can be done in terms of the seas and what happens when vast quantities of atomic waste are deposited in the depths of the oceans. I think we are indebted to the Senator from Texas for what was a very constructive and thoughtful statement relating to this particular subject.

THE INTERNATIONAL HEALTH AND MEDICAL RESEARCH ACT OF 1959

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am happy to yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 232, Senate Joint Resolution 41.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (S.J. Res. 41) to establish in the Department of Health, Education, and Welfare the National Advisory Council for International Medical Research, and to establish in the Public Health Service the National Institute for International Medical Research, in order to help mobilize the efforts of medical scientists, research workers, technologists, teachers, and members of the health professions generally, in the United States and abroad, for assault upon disease, disability, and the impairments of man and for the improvement of the health of man through international cooperation in research, research training, and research planning.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the joint resolution (S.J. Res. 41) which had been reported from the Committee on Labor and Public Welfare, with an amendment to strike out all after the resolving clause and insert:

That this joint resolution may be cited as the "International Health and Medical Research Act of 1959".

SEC. 2. It is the purpose of this joint resolution to advance the status of the health sciences in the United States, the health standards of the American people, and those of other countries and peoples, by cooperative endeavors in health research, research planning, and research training with the scientists, research workers, technicians, experts, and teachers of other countries; and to that end to help mobilize the health sciences in the United States as a force for peace, progress, and goodwill among the peoples of the world.

SEC. 3. There is hereby established in the Public Health Service, within the National Institutes of Health, the National Institute for International Health and Medical Research (hereinafter referred to as the "Institute").

SEC. 4. Subject to the supervision and direction of the Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary"), the Surgeon General of the United States Public Health Service, through the Institute and in cooperation with the National Advisory Council for International Health and Medical Research hereinafter established, shall carry out the provisions of this joint resolution, and for such purpose may utilize, in addition to the Institute, other units of the Public Health Service and, subject to the approval of the Secretary, the Office of Vocational Rehabilitation, the Children's Bureau, and such other agencies and offices in the Department of Health, Education, and Welfare (hereinafter referred to as the "Department") as he may deem advisable.

SEC. 5. (a) There is hereby established a National Advisory Council for International Health and Medical Research (hereinafter referred to as the "Council"), consisting of the Surgeon General, who shall be Chairman, the Director of the Office of Vocational Rehabilitation or his representative, and the Chief of the Children's Bureau or his representative, who shall be ex officio members, and sixteen members appointed by the Secretary without regard to the civil service laws, twelve nominated by the Surgeon General, two nominated by the Director of the Office of Vocational Rehabilitation, and two nominated by the Chief of the Children's Bureau. The sixteen appointed members shall be leaders in the fields of health research; health sciences; teaching and training in the health sciences; and public and international affairs; and shall include, among others, leaders in fields related to the health of mothers and children and in the field of rehabilitation. Each appointed member shall hold office for a term of four years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and (2) the terms of the members first taking office after the date of enactment of this joint resolution shall expire, as designated by the Secretary at the time of appointment, four at the end of four years after such date, four at the end of three years after such date, four at the end of two years after such date, and four at the end of one year after such date. None of the appointed members shall be eligible for reappointment until a year has elapsed since the end of his preceding term.

(b) The Council is authorized to—

(1) advise, consult with, and make recommendations to the Secretary and the Surgeon General on matters relating to the purposes and activities authorized by this joint resolution;

(2) review applications for financial grants under section 6(a) and recommend to the Surgeon General its approval of those applications which it believes show promise of making valuable contributions to carrying out the purposes of this joint resolution, and no financial grant made under the terms of this joint resolution shall be approved by the Surgeon General except after review and recommendation for approval by the Council; and

(3) review, and make recommendations to the Surgeon General with respect to, such other research projects or programs or proposals therefor, relating to the purposes of this joint resolution, as may be submitted to or initiated by it.

(c) Appointed members of the Council who are not otherwise in the employ of the United States, while attending meetings of the Council or otherwise serving at the request of the Surgeon General, shall be entitled to receive compensation at a rate to be fixed by the Secretary, but not exceeding $50 per diem, including travel time, and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 73b–2) for persons in the Government service employed intermittently.

(d)(1) Any appointed member of the Council is hereby exempted, with respect to such appointment, from the operation of sections 281, 283, 284, and 1914 of title 18 of the United States Code, and section 190 of the Revised Statutes (5 U.S.C. 99), except as otherwise specified in paragraph (2) of this subsection.

(2) Such exemption shall not extend—

(A) to the receipt or payment of salary, in connection with the appointee's service as a member of the Council, from any source other than the private employer of the appointee at the time of his appointment, or

(B) during the period of such appointment, and the further period of two years after the termination thereof, to the prosecution or participation in the prosecution, by any person so appointed, of any claim against the Government involving any matter concerning which the appointee had any responsibility arising out of his appointment during the period of such appointment.

(e) Provision shall be made by the Secretary for representatives of other Federal departments or agencies engaged in or supporting research in the sciences relating to

health to be invited to meet with the Surgeon General, and, when appropriate, with the Council, to discuss programs and problems of common interest.

SEC. 6. (a) In carrying out the purposes of this joint resolution, the Surgeon General is authorized to encourage, support, promote the coordination of, and otherwise cooperate and assist in the training for, and the planning and conduct of, in foreign countries and (when deemed necessary to carry out such purpose) in the United States, research, investigations, experiments, and studies relating to the causes, diagnosis, treatment, control, and prevention of physical and mental diseases and impairments of mankind (including nutritional and other health deficiencies), or relating to the rehabilitation of the physically or mentally handicapped, and to these ends—

(1) make financial grants to universities, hospitals, laboratories, or other public or private institutions or agencies, or to individuals, in foreign countries or in the United States, or contract with such institutions, agencies, or individuals without regard to sections 3648 and 3709 of the Revised Statutes;

(2) make grants or loans of equipment, or of medical, biological, physical, or chemical substances or other materials; for use by such institutions, agencies, or individuals;

(3) furnish technical assistance and advice to such institutions or agencies;

(4) provide to such institutions or agencies, and pay the compensation and expenses of, scientists and experts from the United States and other countries and facilitate the interchange among foreign countries of scientists and experts (including the payment of travel and subsistence for such scientists and experts when away from their places of residence);

(5) cooperate and assist in the planning and conduct of research, research planning, and research training programs and projects by the World Health Organization and other international organizations or groups engaged in, or concerned with, research or research training endeavors in the health sciences, and through financial grants or other appropriate means, assist in special research, research planning, or research training projects conducted by or under the auspices of such organizations where they can effectively carry out such activities contemplated by this joint resolution;

(6) encourage and support the coordination of experiments and programs of research conducted in the United States with related programs conducted abroad, by facilitating the interchange of research scientists and experts between the United States and foreign countries and among other countries who are engaged in such experiments and programs of research, including the payment of per diem compensation, subsistence, and travel for such scientists and experts when away from their places of residence, as provided for experts and consultants in subsection (b) hereof;

(7) establish and maintain research fellowships within the National Institutes of Health and elsewhere with such allowances (including travel and subsistence expenses) as may be deemed necessary to train United States research workers, research teachers, technicians, and experts in the laboratories of other countries and to provide for the training of talented research fellows from abroad in the United States or in other countries, and, in addition, provide for such fellowships and other research training through financial grants to public and other nonprofit institutions or agencies in the United States or other countries;

(8) provide, through financial grants, loans, or contracts (without regard to the provisions of sections 3648 and 3709 of the Revised Statutes) for the improvement or alteration of facilities, including the erection of temporary facilities, for research and research training purposes when necessary to carry out the purposes of this joint resolution with respect to any project;

(9) conduct research, investigations, experiments, and studies in foreign countries or in the United States;

(10) encourage and support international communication in the sciences relating to health by means of calling or cooperating in the convening, and financing or contributing to the financing of the expenses of, international scientific meetings and conferences; and provide, or arrange for the provision of, translating and other services, and issue or finance publications, leading to a more effective dissemination of relevant scientific information with respect to research conducted in the United States or foreign countries; and

(11) upon recommendation of the Council, employ such other means as he may deem necessary or appropriate for carrying out the purposes of this joint resolution.

(b) The Surgeon General is authorized, to the extent he deems it necessary to carry out the provisions of this joint resolution, (1) to employ experts and consultants or organizations thereof, as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); individuals so employed shall be entitled to compensation and allowances as provided in section 5(c) for members of the Council; and (2) to employ and make payments of compensation to aliens notwithstanding any prohibition in any other law.

(c) The Secretary is authorized to establish and fix the compensation for, within the Department (including any agency thereof), in addition to other positions for carrying out this joint resolution, not more than ten scientific, professional, and administrative positions to effectuate those activities in the Department in carrying out this joint resolution which require the services of specially qualified scientific, professional, or administrative personnel, in the same manner and subject to the same limitations as in the case of the positions authorized under section 208(g) of the Public Health Service Act.

(d) In carrying out the provisions of this joint resolution the Surgeon General is authorized to establish offices in foreign countries, for such areas as he may deem advisable, and for such purpose appropriations for carrying out this joint resolution shall be available for rental or lease outside the United States of offices, buildings, grounds, and living quarters to house personnel; maintenance, furnishings, necessary repairs, improvements, and alterations to properties owned or rented by the United States Government abroad; and costs of fuel, water, and utilities for such properties.

SEC. 7. In the exercise of his authority under the provisions of this joint resolution the Secretary shall take such steps as in his judgment are necessary or appropriate to assure that, in the administration of the program—

(a) the facilities and services of agencies and offices of the Department other than the Public Health Service are utilized to the optimum extent;

(b) provision is made for coordination of the work of, and consultation between, the Public Health Service and such other agencies and offices of the Department;

(c) in determining (within the limits of available appropriations) the relative emphasis, priorities, and fund allocations for the various areas within the overall program, appropriate weight and recognition is given to research and research-training needs in fields involving or related to rehabilitation and to maternal health and child health; and

(d) this joint resolution shall be administered consistently with the foreign policy of the United States as determined by the President and the Secretary of State.

"SEC. 8. (a) There is hereby authorized to be appropriated to the Surgeon General the sum of $50,000,000 annually, to carry out the provisions of this joint resolution. Amounts appropriated for any fiscal year and remaining unobligated at the end of such year shall be available for obligation during the next fiscal year in addition to the amounts appropriated for such next fiscal year.

(b) The Secretary is authorized to transfer, from appropriations made hereunder, to other agencies and offices of the Department utilized in carrying out this joint resolution, such amounts as the Secretary may determine to be necessary for the payment of salaries and expenses of such agencies and offices.

SEC. 9. (a) The Surgeon General is authorized to make, with the approval of the Secretary, such administrative and other regulations as he finds necessary to carry out the provisions of this joint resolution.

(b) The Surgeon General may delegate to any officer or employee of the Service such of his powers and duties under this joint resolution, except the making of regulations, as he may deem necessary or expedient.

SEC. 10. The activities authorized herein shall not extend to the support of public health, medical care, or other programs of an operational nature as contrasted with research, research planning, and research training, nor shall any of the grants herein authorized include grants for the improvement or extension of public health administration in other countries except for necessary research, research planning, and research training in the science of public health and public health administration.

SEC. 11. Nothing in this joint resolution shall be construed to repeal or restrict authority otherwise vested in the Secretary, the Surgeon General, or any other officer or agency of the Department, or in any other officer or agency of the United States.

SEC. 12. The Surgeon General shall transmit to the Secretary, for transmission to the Congress at the beginning of each regular session, a report summarizing the activities under this joint resolution and making such recommendations as he may deem appropriate. The Surgeon General shall include in his annual report a statement covering recommendations made by the Council and the disposition thereof.

Mr. MANSFIELD. Mr. President, the purpose of bringing up this particular measure is to serve notice on Senators that it will be discussed this afternoon. There will be no votes taken on this joint resolution until tomorrow.

At this time I thank the Senator from Minnesota for his courtesy in allowing me the opportunity to perform this pleasant task.

AID TO REFUGEES FROM COMMUNIST TERROR

Mr. HUMPHREY. Mr. President, I know that a number of my colleagues have expressed considerable concern over the matter of assistance to the refugees from Tibet, who have fled into India. I am delighted to note, in that connection, a release issued by the Washington CARE office. CARE is the Cooperative for American Remittance to Everywhere, Inc. The release reads, in part, as follows:

Mrs. Raymond Clapper, director of the Washington CARE office, announced today that CARE is distributing the first food relief to reach the 10,000 Tibetan refugees in camps of Tezpur and Missamari, Asam, India.

The release goes on to point out that the agency's international headquarters in New York had allocated $20,000 to

permit its mission chief in India to purchase food there and speed up help.

Mr. President, I ask unanimous consent that the entire text of the news release be printed in the RECORD at this point.

There being no objection, the news release was ordered to be printed in the RECORD, as follows:

CARE AIDING TIBETAN REFUGEES IN INDIA

WASHINGTON, May 14, 1959.—Mrs. Raymond Clapper, director of the Washington Care office announced today that CARE is distributing the first food relief to reach the 10,000 Tibetan refugees in camps at Tezpur and Missamari, Assam, India. The nonprofit oversea aid agency's international headquarters in New York has allocated $20,000 to permit Oden Meeker, its mission chief in India, to purchase food there and speed up help. He is working with the Central Relief Committee formed by private citizens of India.

The initial distribution consists of 54,800 pounds of rice, flour, lentils, salt, sugar, potatoes and cooking oil, covering the entire basic ration for the first month of the CARE operation.

India's Government is cooperating by providing free transportation of the food from Calcutta to the camps.

Meeker's cabled reports said about 10,000 other Tibetans are sheltered in Lamasaries but are likely to seek refuge in the camps when the limited resources of the religious houses are exhausted.

The project has been made part of the CARE Food Crusade and its continuance will depend on American public support of the agency's appeal for funds.

Donations for Aid to Tibetan refugees may be sent to Washington CARE office, 1028 Connecticut Avenue, Washington 6, D.C.

Mr. HUMPHREY. Mr. President, I also wish to note that this is not merely a responsibility of a great organization such as CARE, but it is also an opportunity for the United States of America again to demonstrate to the world our keen concern over the welfare of refugees, not only from Tibet, but also from other areas.

These refugees are in India because of Communist tyranny and brutality. The Tibetan refugees are in India because their great spiritual leader was literally driven from his country. The Communist Government of Red China has again demonstrated the villainy and tyranny of communism and its utter disdain for the religious freedom of people and for the independence and autonomy of nations and states.

I hope the Government of the United States, through the Department of State and through the Department of Agriculture, which has control over our vast food surpluses, will make it crystal clear to any responsible international agencies such as CARE or the Red Cross, or any other similar organization, that we are prepared to help feed these refugees. It should be made clear that we are not only ready to feed them, but also to offer them medical services and other kind of assistance. Let the world know that as Communist leaders use their whips and their swords and their guns to punish people, we in the United States are prepared to save their lives.

Let us assure the Government of India that whatever cost may be entailed in connection with the refugee program to take care of the refugees from Tibet, we in the United States are prepared to help share the cost.

Here is a glorious opportunity for the President of the United States and for the Secretary of State and for the Secretary of Agriculture—yes, and for Congress, too—to say, with a clear and unmistakable voice, that the United States of America is prepared at all times to aid the refugees from Communist tyranny, and that we are prepared to walk the extra mile in helping to feed these people. Let us assure the Government of India that, as the Indian Government provides asylum and refuge for these unhappy people, who have been literally driven from their homes by the armies of Communist China, we stand with them and we hope at all times that India, as a free country, will provide asylum and refuge for people who love liberty and who wish to worship their God as they see fit and who believe in religious freedom and in the dignity of man.

Mr. President, this little statement this morning from CARE touched my heart, because here again is this great voluntary organization responding to the needs of humanity. I hope that the American people will support CARE with ever greater generosity. What a wonderful work they do. I have seen the work of CARE all over the world. When I think of the lives they have saved and when I think of the bodies that have been healed, when I think of the people who have been fed, and when I think of the hands that have been provided with tools by CARE, I feel it a great privilege to rise in the Senate and say, Thank God for CARE. Thank God this Nation was able to give birth to CARE, which represents the cooperative activities of Americans in feeding the hungry and healing the sick and teaching the illiterate, and providing people with an opportunity for finding gainful employment.

So let the message go out from the Senate today that the American people are never unmindful of the sacrifices made by patriots of liberty. Let it never be forgotten that a refugee from Communist tyranny, whether he is in Hongkong or India or in Germany, or wherever he may be, is by the very fact that he is a refugee from any form of totalitarianism a person who has a friend in the United States. Let us make that quite clear.

Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

NORWEGIAN INDEPENDENCE DAY

Mr. HUMPHREY. Mr. President, it is a pleasure to join the friends of Norway who celebrate Norwegian Independence Day on May 17.

I have always been proud to claim a family connection with Norway. My mother is a native of Christiansand in Norway, and her father, a sea captain, settled on a homestead in our great American Middle West. I think all Americans can also take pride in the adventurous, hardy spirit of the Norwegians who crossed the seas to join the great American adventure. Their presence helps us in the endless quest for peace, prosperity and freedom.

Norway established its own government and constitution on May 17, 1814, and has steadily maintained the traditional principles and liberties of the free world. In spite of Soviet pressures and threats, this Scandinavian democracy joined the North Atlantic Treaty Organization, and it continues to stand strong and resolute, a reliable NATO partner.

HYDROELECTRIC POWER DEVELOPMENT IN ALASKA

Mr. GRUENING. Mr. President, the St. Louis Post-Dispatch, which is one of the truly great American daily newspapers and has served the public interest with unsurpassed distinction for several generations, has recently published an important editorial entitled "Strength for Alaska," which discusses the importance of hydroelectric power development in Alaska. It refers particularly to the resolution of the Senate Public Works Committee calling upon the Army Corps of Engineers to conduct a survey of the potentialities of a great dam at Rampart on the Yukon.

This dam, when completed, would produce substantially 1½ times more energy than the entire Tennessee Valley development, and three times the power generated by Grand Coulee.

This project is of particular importance not only to Alaska, but to our entire Nation. The Corps of Engineers has noted and reported the tremendous power developments that the Russians are undertaking across the Bering Strait in Siberia.

For the initial studies on this dam, a very modest appropriation—only $100,000—has been asked for fiscal 1960.

The initiation of this great project would be an important test as to whether we wish to keep abreast of Russian development, or whether we wish to lag behind. "Strength for Alaska," the title of this Post-Dispatch editorial, is indeed strength for the United States of America—it means strength for the United States of America in the very latitudes where the Russians have long been active, and consequently knowledgeable, and where, unless we promptly make a beginning and proceed with vigor, they will far outstrip us.

I ask unanimous consent that the editorial be printed in the RECORD at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STRENGTH FOR ALASKA

Senator GRUENING proposes for the 49th State an inaugural project of development consonant with its size, its natural resources, and its promise for the future.

He would have the Union contemplate harnessing the water resources of the Yukon River Valley, to supply electric power necessary for population growth, for developing mining and manufacturing, and for defense.

The Senate Public Works Committee has approved his resolution calling on the Army engineers to conduct a survey.

Alaska desperately requires electric power. Though it possesses the potentially most productive power sites in North America, capable

of producing at phenomenally low cost, the power production at its disposal is almost negligible in quantity and exorbitant in cost.

Many communities depend wholly or largely on small diesel plants for their electricity, and as important a city as Anchorage has had to resort to generation from a shipwrecked oil tanker. The cost of producing electricity often amounts to as much as 35 mills a kilowatt-hour, five times as much as is generally considered the marketable maximum. Fuel oil and local bituminous coal are the most widely used fuels for house heating, cooking, and water heating, but they too are high priced because of transportation costs.

Industrially, the abundant power which could be produced at low cost in Alaska would open up a new frontier for aluminum and other light metals. The aluminum industry, which consumes very large quantities of power, looks for locations where electricity is available at a cost of 3 mills a kilowatt-hour or less. It has exhausted virtually all such power sites in the United States and has turned to Canada.

For a long while, the industry has been interested in Alaskan power, huge quantities of which engineers estimate can be produced for about 2 mills a kilowatt-hour.

Pulp and paper industries would be drawn to Alaska by the combination of ample low-cost power with its inexhaustible timber resources. Without power tools, forests capable of a sustained yield of a billion board feet of lumber a year are going unused. They could supply a fourth of all the newsprint used in the United States in addition to other wood, pulp and paper products.

Meanwhile, Alaska's rivers waste into the sea a force capable of generating a fifth as much electricity as was consumed in the entire United States in a recent year.

Epitomizing the potential of the power-stunted new State is one particular power site on the Yukon to which Senator GRUENING and the Senate committee have asked the Army Engineers to devote their attention.

Some 90 miles northwest of Fairbanks and 400 miles north of Anchorage the Yukon, on its winding 1,400-mile course across Alaska, enters a steep gorge called Rampart Canyon. There, a dam and powerplant could generate as much hydroelectric power as five Hells Canyons—two and a half times as much as Grand Coulee, now the mightiest single hydroelectric plant in the United States—half as much again as the entire TVA system, the largest power system in the world. It could produce that power, the Corps of Engineers estimates, for about 2 mills a kilowatt-hour.

What plentiful, cheap electric power could do to bring undeveloped Alaska full stature ought to fire the imagination of Americans.

We sincerely trust that the development for which Senator GRUENING has just begun the fight will engage the support of many others in Congress who, like himself, want the maximum utilization of our national resources to make the strongest and most productive possible America.

Mr. GRUENING. Likewise, Mr. President, and related to this subject, there appeared recently in the New York Times, a letter to the editor entitled "To Arouse Pioneer Spirit." The letter comments on the excellent series of articles in the New York Times by its correspondent, Max Frankel, who reported on the tremendous developments which were taking place in Siberia.

The correspondent, Mr. Joseph C. Potter, makes what I think is a very pertinent comment. He says:

To students of the Soviet scene it could hardly come as a surprise that Moscow has imbued its people with a pioneering spirit that has turned the vast eastern wasteland into an up-and-coming community. But to most folks it must have been a rude jolt. It seems that while the Russians are going to Siberia, Americans are going to Florida. There is no dearth of opportunities in our own Alaska and much of our upper Midwest. But their growth is dwarfed by the Siberian development. Nor is there any dearth of people who would migrate and industries that would expand if only Washington showed a little imagination.

The correspondent, Mr. Potter, then goes on to point out that in this country there are certain depressed areas, such as the mining areas of Kentucky and West Virginia, the plight of whose people has been so well presented to the Nation by the distinguished Senators from those States; and I am happy to see the junior Senator from West Virginia [Mr. BYRD], my good friend, now presiding over the Senate. He and his colleague the senior Senator from West Virginia [Mr. RANDOLPH] have done a magnificent job in presenting to the Nation the plight of their constituents in this field.

Mr. Potter also refers in his letter to the depressed areas in New England, where there is also a chronic labor surplus, and to the automotive centers of Michigan, where there is unemployment that bids fair to be continual. He suggests that—

the land, the capital and the labor are available to lift untold thousands of our people out of a rut.

Then he asks, very pertinently:

But is anybody in Washington doing anything to bring all the necessary elements together?

He says that if anybody is, he has not heard about it. He concludes with the following expression of views which I fully share:

I do not subscribe to the theory heard on all sides these days, that the pioneer spirit has gone out of the American people. Given the kind of leadership that would make life meaningful again to families that can only look forward to molly-grub and unemployment compensation, I dare say this Nation would get a lift such as it has not known in a generation.

In short, he says, "Moscow is doing it, but Washington is not."

Mr. President, the Senate has passed an excellent housing bill, an area redevelopment bill, and an airport bill, and is hoping for equivalent action in the other body of this Congress. But both Houses of Congress operate under the dark shadow of the veto threat. Both feel themselves shackled by the unimaginative, regressive, and wholly deficient administration policy of no new starts.

I intend to discuss this subject further, at greater length, on other occasions; but it is time that the American people woke up to their tragic lack of leadership in the White House, to its declared opposition to adequate measures for progress, and to the need for a forward-looking program which will be in harmony with the American pioneer spirit and will enable it to have full play. That spirit has by no means gone out of the American people, but for its fullest expression awaits a return of Executive leadership which was so magnificently displayed by the administrations of President Roosevelt and of President Truman, but has been so sadly lacking in the White House for the last 6 years. What progress has been made in those 6 years was due to the momentum imparted to our Nation in the preceding 20 years by the vigorous leadership in those two decades.

The American people do not need or desire handouts. But they do want the development of our natural resources, which will result in greater economic opportunities for all and a standard of living for all which we rightly associate with the American way of life. Opportunity for a livelihood should be the unfailing ingredient of our national policy.

Mr. President, I ask unanimous consent that the letter to the editor of the New York Times, written by Mr. Joseph C. Potter, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 11, 1959]

TO AROUSE PIONEER SPIRIT—LAND, CAPITAL, AND LABOR DECLARED AVAILABLE TO AMERICANS

To the EDITOR OF THE NEW YORK TIMES:

As a veteran newsman I can only envy Max Frankel, whose journey into Siberia produced some splendid reporting, and pay my respects to your newspaper for the type of enterprise that has made the New York Times just about indispensable.

To students of the Soviet scene it could hardly come as a surprise that Moscow has imbued its people with a pioneering spirit that has turned the vast eastern wasteland into an up-and-coming community. But to most folks it must have been a rude jolt.

It seems that while the Russians are going to Siberia, Americans are going to Florida. There is no dearth of opportunities in our own Alaska and much of our upper Midwest (notably the oil-rich Williston Basin), but their growth is dwarfed by the Siberian development. Nor is there any dearth of people who would migrate and industries that would expand if only Washington showed a little imagination.

Surely it is less than imaginative to let thousands of our people rot in such mining areas as Kentucky and West Virginia, where machinery has ruled out the possibility of a return to full employment regardless of the level of operations. Top railroad officials, as another example, have told me that mechanical progress means thousands of railroadmen never will be called back. Then there is New England, with its chronic labor surplus, and the automotive centers, where hopes of full employment are, indeed, forlorn.

The land, the capital, and the labor are available to lift untold thousands of our people out of a rut, but if anybody in Washington is doing anything to bring all of the necessary elements together I haven't heard about it.

I do not subscribe to the theory, heard on all sides these days, that the pioneer spirit has gone out of the American people. Given the kind of leadership that would make life meaningful again to families that can only look forward to mollygrub and unemployment compensation, I dare say this Nation would get a lift such as it has not known in a generation.

JOSEPH C. POTTER.

THE CONFRONTATION OF INFLUENCES IN INDONESIA—ADDRESS BY AMBASSADOR NOTOWIDIGDO

Mr. FULBRIGHT. Mr. President, in recent months, I have had occasion to read many speeches and articles concerning various aspects of our foreign policy. Recently, I was privileged to have come across my desk a most interesting speech delivered by Ambassador Moekarto Notowidigdo, of the Republic of Indonesia, before the 63d annual meeting of the American Academy of Political and Social Science.

Ambassador Notowidigdo develops many interesting points in his speech. It was of particular interest to me to learn the manner in which the people of Indonesia have recognized the need for intellectual and spiritual investment. When Indonesia achieved its independence, about 7 percent of the people could read and write. In the short period of 10 years, more than 52 million have become literate through the Republic's mass education program.

Ambassador Notowidigdo's appointment as the Ambassador of the Republic of Indonesia to the United States was approved in 1953. He had previously served as Foreign Minister in the Wilopo Cabinet, and was Deputy Chief Delegate to the United Nations in 1950.

Mr. President, his is an excellent speech. I ask unanimous consent that it be printed in the body of the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE CONFRONTATION OF INFLUENCES IN INDONESIA

(Speech delivered by Moekarto Notowidigdo, Ambassador of the Republic of Indonesia, at the 63d annual meeting of the American Academy of Political and Social Science, the Warwick Hotel, Philadelphia, on April 11, 1959)

Mr. Chairman, ladies and gentlemen, it is indeed a pleasure and a privilege for me to have been invited to participate in this morning's session, and I greatly appreciate the opportunity of addressing such a distinguished gathering.

The successive waves of cultures that have swept across Indonesia have touched all our people. They have permeated throughout our islands, and left a lasting imprint on our social life. Indonesia today is a product of the adaptation, acceptance and assimilation of these influences. Today, the effect of their impact can be seen and felt throughout our islands. The temples of Borobudur and Prambanan, and the many Mosques throughout the country are evidence that contact with these societies has not been transitory.

A PERIOD OF PEACE AND PROGRESS

Hindu period: Almost 2,000 years ago Indonesia was brought into contact with India. The Hindu religion was comparatively sophisticated. Contact with these people influenced Indonesia profoundly. Mighty kingdoms arose that were Hindu-Indonesian in custom and extended over large areas. With the rise of the Crivijaya empire in the 7th century A.D., Buddhism reached its peak. And in the 13th century A.D., the Madjapahit empire, a Hindu-Indonesian empire, gained supremacy of the entire archipelago. With the growing concentration of political power over large areas, the majority of the Indonesian people were gradually converted to Brahamanism or Buddhism. Or to a synthesis of the two.

But we must note that the Hindu religions and philosophies did not completely displace the more ancient indigenous religious culture. Rather, a process of assimilation and integration took place. And this assimilation produced a highly individual Indonesian-Hindu civilization. Many elements of this civilization are evident today. Indeed, the ancient Javanese drama "Arjunavivaha," or "the Marriage of Arjuna," is based on Hindu legends imported from India. During this period Indonesian literature was born. And important, too, was the lively intercourse stimulated between Indonesian and overseas communities.

Islam period: The 13th century brought a fresh cultural invasion of Indonesia—that of Islam. It was first introduced by Moslem traders from India; initially in northern Sumatra and the coastal cities in northeastern Java. This new religion gradually spread throughout the islands. The first Islamic kingdom arose in central Java in the 15th century. This coincided with the decline of the Madjapahit empire. The appeal of Islam to the Indonesian people was in harmony with their traditional concepts, embracing brotherly love, equality of all men, forbearance, humility, and honesty. So, with the conversion of many of the population, the caste system of the Hindu religion was superseded by Islamic concepts. Once again the process of adaptation, assimilation, and acceptance took place.

It is interesting to note that the Moslem teachers in Indonesia accepted local practices. And the architecture of Indonesian mosques indicates our tradition rather than the Moslem tradition. Also many concepts from the earlier ancestor worship and from the Hindu beliefs are retained in Moslem religious ceremonies.

Here I would like to stress to you that tolerance is characteristic of the Indonesian outlook. As a people, we are very receptive to new ideas. We welcome them as factors sustaining and contributing to a dynamic way of life. We are open minded. We do not reject new ideas through fear or lack of understanding. Rather, they are examined and tested. And those concepts that are acceptable to us become a part of our traditions and life. This, of course, does not mean that any one system is incorporated in its entirety. But only those portions which are in harmony with our fundamental traditions, improving and perhaps tempering them in some aspects. This process of adaptation may be called a continuing one, affecting all of the Indonesian culture.

Another point I would like to emphasize is the phenomenon of acceptance by the Indonesian people. As Toynbee has noted, Indonesian history has been remarkably devoid of the strife and bloodshed common to religious conflicts waged in the past by other countries. Indonesians accept and welcome discussions of problems. And they seek compromise. We continually strive for harmony in life and endeavor to avoid conflict. This does not mean, let me say, that we will not fight for our fundamental beliefs. But to us, conflict is an ultimate and profoundly regrettable last resort, and one to be shunned.

The traditional social pattern of Indonesian communities has been one of cooperation. To this day neighbors cooperate one with another in the heavy work of the villages. The village meeting—which may be compared to New England town meetings—are the focal point of the village organization. Here the needs of the community are discussed and resolved. Consultation, compromise, collective decisions, and cooperation are the foundation stones of village life in Indonesia, reflecting how deeply this modus vivendi is ingrained in our character and philosophy. This can be well illustrated by our village education of today, with the village communities building the schools and providing equipment, while the Government provides the teachers.

We have then, at the turn of the 17th century, an Indonesia composed of many elements. And yet, an Indonesia that is in essence harmonious. We have the traditional communal life of the villages that I have just mentioned. The early forms of religion, art, drama, and culture modified by overtones of the Hindu and Islamic religions. And the influence of these religious and cultural impacts has remained with our people. They pervade all aspects of life, and necessarily, our attitudes, actions and reactions.

A PERIOD OF STRIFE

Dutch period: The end of the 16th century saw the arrival of the first Dutch traders in our land. Dutch rule was extended over large areas of the country during the next two centuries. When the Dutch first arrived in Indonesia the disintegration of the Islamic kingdom was under way. Their arrival was timely, and—for them—at an opportune moment. The old order was giving way and the new order had not been established.

The Dutch occupation of our country was characterized by war and bloodshed. The Java war between the Dutch and Prince Diponegoro lasted 5 years. More strife broke out in the Acheh War which ravaged Sumatra for 25 years.

But by the end of the 19th century Java and most of the islands of the archipelago had been subjugated. And with military subjugation was to come an equally disastrous event—economic subjugation.

Industrial developments in the West had motivated the search for raw materials. And in Indonesia was to be found a rainbow's end of raw materials. Coffee, tea, sugar, rubber, copra, tobacco and petroleum—the islands were a literal paradise for exploitation. Such exploitation meant huge profits for the Dutch. So, inevitably, the economy of Indonesia became oriented toward the West. Our people were forced to plant crops calculated to bring attractive prices in world markets. The Indonesian farmer was totally unprepared for this drastic change. His resentment was deep and long lasting. And with reason. Not only did the imposed system upset village tradition, but colonial exploitation reduced him to abject poverty. Not only this. Economic penetration took on another guise. With the continuing industrialization of the West, a market was needed for cheap, readymade goods. What better market than the colony? So manufactured goods, especially cotton goods, were exported to Indonesia to displace the traditional native products.

The economic picture of our country during this period was far from encouraging. Nor was the educational picture a bright one. The Dutch took little interest in the education of the Indonesian population. So it is not surprising that, until the end of the 19th century, there were few schools in Indonesia. At the beginning of the 20th century the Dutch Government adopted the so-called "ethical policy." The alleged aim of this policy was the development of the colony, not only for the sake of profit, but also for the sake of the population. This led to the establishment of a few schools. A few faculties formed the nucleus of a university. But even this improved system had many serious drawbacks. Most students able to attend the available schools received their education in the villages. However, a mastery of the Dutch language was a prerequisite for attending secondary and higher schools. This rigid qualification excluded the great majority of aspirants.

In the period prior to the Second World War only about 6 percent of the population could take advantage of advanced, or even secondary education. In consequence, the religion and culture of most Indonesians was

unaffected by the Dutch occupation. Whereas, the economic life of the average Indonesian was vastly affected. Only the fortunate few who obtained higher education came in contact with Western culture. This meant that only a handful of Indonesians were made aware of the political and social philosophies and practices of the West.

In summarizing the period of history before Indonesian independence, we can say that Indonesia was the product of many influences. The Hindu and Moslem religions and cultures had been modified and absorbed by our people. These religions and cultures had been spread by peaceful contact. But this had been changed by the Dutch invasion. Rule by the sword had come to Indonesia. There was no understanding, among the majority of our people, of the underlying culture and philosophy of the newcomer. Only a few of our people were privileged to receive education in the Western systems. And among those few were the leaders of the nation at the time of independence.

But these leaders could rely on one vital factor. That was the basic desire for conciliation and harmony that permeated the entire social structure of the country. The leaders during that time were men who held a variety of political views. Some favored free enterprise as the ideal form of society, some liberalism, some socialism, and some communism. The one uniting factor was the desire for independence. And these leaders hoped that prosperity, education, and an improved living standard for the people would follow independence. The ultimate aim was a free society dominated by neither one faction nor another.

INFLUENCE OF AMERICAN LEADERS

During the struggle for independence, the people of Indonesia had been impressed by such great leaders as Washington, Jefferson, and Lincoln. Their words and actions had been an inspiration during these dark hours. The principles for which they fought were regarded as principles for Indonesia. And the fact that they were not easily achieved only emphasized their fundamental worth. We recognized them to be precious and worthy of great sacrifice. Indeed, you may find a parallel in the Pantja-Sila, or five principles of our constitution.

Actually, at the time of independence, Indonesia was tremendously influenced by the West. The country was oriented toward the West and ripe for the acceptance of Western ideas and inspiration. As a people, we looked to the West for guidance—to the West for ideals, concepts, and patterns which might help to mold the nation of the future.

But the development of a free society demands, above all, a peaceful environment. A peaceful environment is essential to any truly creative endeavor. And we of Indonesia needed to devote all our energies to tackling our problems. Try to picture, if you will, the economic chaos, the dislocation of communications, the food shortage, the upheaval attendant upon our fight for independence. But you, as Americans, certainly appreciate the birth pangs of liberty. To cope with this situation, we, too, had only a handful of trained personnel. We had practically no experience in the higher administration of our own country. Important posts in Indonesia had always been saved for the Dutch, both in business and government. In addition, the Dutch imposed restrictive agreements on our new nation as the price of freedom—agreements as burdensome as those forced upon the newborn American Republic. Thus, in achieving our goals we were faced with staggering problems—problems that demanded not only the utmost determination and backbreaking efforts on our part, but also the assistance and understanding of other free nations.

PERIOD OF COLD WAR

But what was the international climate existing at that time? The phrase "cold war" needs no elaboration here. Moreover, we have often seen manifestations of the hot side of the cold war. We have a picture of almost unlimited armament by both sides. Accusations, recriminations, have become daily occurrences. Any pronouncement or move by one of the major powers has a profound effect on all nations. And the overshadowing presence of the cold war absorbs the attention and efforts of many peoples. Often to the exclusion of the needs and wants of the less influential nations. Nations struggling to survive and make their own way, peaceably and with the ultimate welfare of their people at heart. Indonesia is one of these latter.

One unfortunate aspect of the cold war is that nations are expected to aline themselves on one side or the other. So-called uncommitted nations are often regarded with suspicion. Their independent policies are viewed with distrust. They are termed "unreliable." Because they do not wish to be involved in a military alliance, they are charged—to use a colloquialism—with playing both ends against the middle.

But this does a grave injustice to many of the young nations of the world. Freedom and independence have been won at great cost. And once they have been won they must be cherished and guarded. Our national actions must be directed to this end. I maintain that each new nation is entitled to pursue its ideals, shape its society, and achieve its own destiny. Every nation has its own national identity. Is this too much to ask of the great powers of the world today?

Our foreign policy is directed to achieve just this objective. And our foreign policy is profoundly influenced by the Pantja-Sila—the philosophy of the Five Principles—I mentioned before. These principles constitute, in effect, our Indonesian Bill of Rights. They, together with our tradition of conciliation and harmony in life, motivate our desire to establish good relations with other nations. We define our foreign policy as an "active independent foreign policy." We do not wish to aline with any military bloc.

But this does not mean that our policy is without contribution to the family of nations. Our wholehearted participation in the United Nations, the Colombo plan, and other international organizations belies this. I think I can say that we can be counted on to support actively any international organization that aims at improving relations between nations. And the living standards of mankind. Therefore, in simple terms, Indonesia is working for peace. Because only through peace can our national aspirations be achieved. And to us peace is not a luxury, an unattainable ideal, but a necessity.

Mr. Chairman, this brings me to a point of concern in this country. The unfounded belief that Communist influence is growing in Indonesia. In Indonesia, as in many other countries, the Communist Party is legal. Participation by the Communist Party in the general election in 1955 was a matter of course. And the basis of its freedom of activities is the same as for other political parties. That is, within the framework of the law and the constitution. In 1948 the Communist Party attempted to flout the constitution and overthrow the newly established government by force. The government, under President Sukarno and Prime Minister Hatta crushed the rebellion within 2 months.

In the election of 1955 the Communist Party obtained 39 out of 267 seats in Parliament. The Communist Party received about 15 percent of the total votes. But this is not extraordinary when it is compared to the percentages prevailing in Italy and France. And remember that the Communist Party in Indonesia is only fourth after the Nationalist Party, the Moslem Masjumi Party, and the Moslem Nahdatul Ulama. About 6 million votes were cast for the Communist Party. But by far the vast majority of votes were cast for other parties.

In 1957 the Communist Party made some gains in provincial elections. Various factors contributed to this situation. Perhaps the dominant one was the apathy on the part of leaders of other parties. Apathy born of lack of determined programing and of complacency. And underestimation of the force and drive of the Communist campaigning. Adverse economic conditions in some parts of Java played a large part in the Communist gains. Another factor was the political offensive and the dynamic economic drive of the Communist bloc. But you must also realize that our leaders were influenced by the attitude of the West. Not only toward Indonesia, but also toward nations struggling for their independence. Nations striving to break the bonds of colonialism. We had seen the Western Powers support the colonial powers when anticolonial issues arose. And the same was true of racial issues. The Western statesmen talked in terms of a free world, self-determination, equal rights. At the same time they acquiesced in, or even supported, the suppression of independence movements. And the suppression of human rights in South Africa. Can you wonder that Indonesian leaders were baffled and disappointed by such insincerity? How else could they interpret this paradox? We had looked to the West for guidance when we were fighting for independence. Now we felt mentally isolated from the West. We could not reconcile these contradictions. They were totally alien to our concept of Western ideals. And yet they stood before us as factors we could not ignore.

The impact of these factors was one of the reasons which moved our leaders to search for a new formula. One that would give them fresh inspiration and idealism. Inspiration to build a just and prosperous society. A society built on freedom. This new kind of democracy was called democracy with leadership. It was based on Indonesian culture and experience.

The 1955 election results have also had a good effect on our country. They have made leaders of other parties aware of the need for dynamic action. That elections cannot be won by mere repetition of phrases. And that there is no substitute for vital leadership, reaching down to the very roots of the electorate.

THE FUTURE

With this background in mind, I wish to make a few remarks about the future. I have outlined the hopes and aspirations of Indonesia, and the climate we believe essential for the attainment of these hopes. Our traditional way of discussion, compromise and conciliation. The need of our country for understanding. And along with the need to develop the economic and industrial life of Indonesia, we must not ignore the development of the social and political systems. Our course is unalterably set toward a free society. Our need is to cultivate and nourish in our people this state of mind, so that all Indonesians will have a true appreciation of the immeasurable benefits of such a society, and also the obligations. In this our friends in the West can be of great help.

Today we hear much of investment in capital goods in foreign lands. The building of factories. The exploration for oil. The modernization and mechanization of agriculture. All of these go a long way toward improving living standards. But is

there not need for intellectual and spiritual investment too? Capital goods, the so-called hardware, wear out and can be replaced. But the goodwill and understanding engendered by intellectual and spiritual investment last. Our young people, the future leaders of our country, must also be shown the concepts, philosophy, and way of life of other countries. Surely investment in such understanding will reap the greatest profits in time to come. Educating young people in the free institutions of the West, their historical background, traditions, and purposes, must inevitably lead to a greater understanding between our peoples. And it is for such understanding that we are striving today. This is what I mean by intellectual and spiritual investment.

You may remember that when President Sukarno came to this country in 1956 he said he wanted to learn from America, not merely as a nation, "but America as a state of mind, America as the center of an idea." Besides the education of our people in engineering, medicine, science, should we not also strive for education in a state of mind?

How to achieve this? I strongly believe that students should be afforded sufficient time for such study. Time to meditate on, and fully comprehend the free society of America. You must remember that the men and women who come as students from my country are stepping into surroundings almost totally strange to them. They have a certain facility with the language, but naturally their knowledge is not complete. And we all know from experience how confusing colloquialisms can be. The pace of Western life is new to them. The climate is different. Yes, even the American hotdog baffles the inexperienced digestion. So, for the first few months of their stay they have almost a full-time job in orienting themselves to the everyday things of life. And apart from the physical orientation, there is mental orientation. The understanding of attitudes, concepts, philosophies. The realization that many of the ideals we are still striving for in Indonesia are already taken for granted in your country. The evaluation of the way of life and the state of mind.

Now this cannot be achieved in the space of a few months. These are basic elements of life that cannot be absorbed in so short a time. No, I say give our young people 4 years, or more, to live in your country. To get to know your hopes and aspirations. Your doubts and troubles. Your motives and reasoning. Then, indeed, they will take with them a truer understanding of the American state of mind. A sympathy for your attitudes and actions. A realization of the deepest meaning of the American way of life. And I believe that this can be achieved. It should be achieved. It is of the utmost importance. And no effort is too great on the part of all of us to attain such a goal. A technical assistance program, by its very nature, is a long-term program. It is not a program to be governed by caprice. Year-to-year changes defeat its purpose. They cast doubt on the basic philosophy of the program. And thereby undermine its very foundations. But apart from instilling technical know-how, can we not have a long-term program of intellectual and spiritual education? I truly believe that this type of program could become the most effective instrument of your foreign policy.

Our people are receptive. They come to this country with an open mind. They are eager to learn. Not only the techniques of industry. They want to get to know people. And when they return home, to put their new-found knowledge into practice. So we must not limit their knowledge to one aspect alone. We must have faith in these future leaders. We must respect their discernment and judgment, their ability to seek out the truth, and their eagerness to impart to others the insight they have gained. To make such an investment in our young people is, I believe, one of the most rewarding and meaningful steps that can be taken. Not to invest means to prolong the status quo. It means that understanding is still something we talk about in abstract terms, as if we desire it but do not hope to achieve it. I do not believe this is true. It can be achieved. We have the means at our disposal. And I am convinced that the day of achievement is on the horizon.

Now, here I would caution you. You cannot expect Indonesians to accept completely everything that is good for America. We have our own national identity. Our own traditions. Our own way of life. And no one political and social system can be absolutely integrated with the Indonesian political and social system. I repeat, we have our own national identity. But what is important is the creation of a solid basis for understanding and appreciation. We Indonesians, on our part, open our doors to your scholars, educators, and students. We welcome them as students of our history, our culture, our language, and our way of life. In this way your evaluation of Indonesia will be based not merely on biased articles appearing in newspapers, or on fantastic intelligence reports. Rather, your judgment will be based on profound, perceptive knowledge of Indonesia and of Indonesia as a state of mind.

In Indonesia we have a saying, "Insja Allah," which means "God willing." Must we not prove that we are willing too?

"THE UGLY AMERICAN" AND STATE DEPARTMENT POLICIES

Mr. FULBRIGHT. Mr. President, in the past several months a book, called "The Ugly American," has become a conversation piece throughout the United States, and in many other countries, too. The well-advertised theme of the book—the deficiencies of our Foreign Service people in Asia—assured its wide sale. And its prose style—a kind of vivid journalese—assured its being read by anyone who bought it.

It has occurred to me that, while the question of the book's validity has become a minor polemic in many world capitals, it has not been widely discussed in the Congress. Yet the impact of "The Ugly American" is of concern to us all.

This book is fiction. However, in their epilog the authors plead, and I quote, that "each of the small and sometimes tragic events we have described has happened—many times. Too many times."

Most of the American Foreign Service officers who people this book are hopelessly incompetent in their jobs. At one level, they are generalists in an area that needs specialists. At another, they are unexceptional people lured from mediocrity by the promise of a guaranteed income, embellished with generous overseas allowances and other prerequisites of the Foreign Service. Almost without exception they decline to learn languages, or to acquaint themselves with the customs and folkways of the people with whom they are supposed to be forging closer ties. Rather than making even the smallest bow to the local way of life they bring the American way of life with them. This means American cars, American food and multiple-unit, compound-type dwellings fitted out with the latest in American gadgetry.

By contrast, in "The Ugly American," every Soviet diplomat can speak the language of the host country. They arrive with at least a working knowledge of the language and an intimate understanding of the culture and mores of the people.

Much of "The Ugly American" is set in Sarkhan, an imaginary country located in southeast Asia. Sarkhan is neutral and, despite a sizable American aid program, is flirting with communism. A new American Ambassador arrives just 1 week in advance of a new Soviet Ambassador. The American is pictured as a former Senator, who has been rewarded with the post after losing his campaign for reelection. The Russian is a professional who has served on the staff of Mao Tse-tung and studied in the Moscow School of Asian Areas.

In almost no time at all, according to the authors, the Russian wins a stunning victory over the clumsy Americans. American ships carrying rice to a famine ridden part of Sarkhan are to arrive in a few days. However, the Soviet Ambassador and the local Communist propaganda outlets assure the population that thousands of tons of rice are enroute as a gift from the Soviet people. The American rice arrives on schedule and is received in a showy public ceremony by the Prime Minister. However, while the speeches are being made and the trucks are waiting to take the rice away, Communist agents have time to stencil in Sarkhanese on each bag of rice: "This is a gift from Russia."

Inasmuch as "The Ugly American," although fiction, purports to be based on fact, the State Department has prepared some rebuttal material, which recently came to my attention. A United States Operations Mission Director in southeast Asia was queried and replied:

> Our labeling program has been so thorough—the handshake is an ubiquitous symbol throughout Free Asia—that we have been more often criticized for overdoing it than for not doing it enough.

The State Department says it has absolutely no knowledge of a basis for this story.

Mr. LONG. Mr. President, will the Senator from Arkansas yield to me?

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Does the Senator from Arkansas yield to the Senator from Louisiana?

Mr. FULBRIGHT. I yield.

Mr. LONG. Since in most instances the commodities shipped as economic aid are sold to the population anyway so what difference does the particular label which is used make? In most cases, the food does not come as a gift to the people, but it is sold to the people—as in the case of Greece. So what difference does it make what label is put on the food, if the people have to pay for it, anyway?

Mr. FULBRIGHT. I submit that there are great variations in the way these relief programs are handled. In the case of disaster relief and so forth, we have given large amounts of foodstuffs;

and in other cases also, the food is given to the people. Sometimes the food is sold by the recipient government, and in some instances the proceeds collected are used for programs of development and in other instances are used to retire the existing public debt and for many other purposes.

The point I am making is that the story set forth in the book "The Ugly American" is, I believe, without foundation, although its purpose was to prove how stupid all American diplomats are.

I am only stating that I do not think American diplomats are uniformly more stupid than Russian diplomats.

Mr. LONG. The point I have in mind is, first, it sems to me that we are not so bad as the book makes us out to be; but, second, we are inexcusably deficient in our knowledge of foreign languages and knowledge of people who live in foreign countries. So there is some merit to that point made in the book. However, I must say that some poetic license is indulged in by the authors.

Mr. FULBRIGHT. To illustrate how often we overdo this labeling business, I ask unanimous consent to insert several news items from a Malayan newspaper into the RECORD at this point. These articles illustrate the contrary view—that we should not go too far in insisting that everything we do be labeled. These are Malayan reactions to the policies in that respect.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Malay Mail, Apr. 24, 1959]

"THIS WILL HUMILIATE US," SAYS NARAYANAN

It would be humiliating for Malaya to erect signs on her bridges and other development projects announcing they were built with American aid said Mr. P. P. Narayanan (trade union member), at yesterday's Legislative Council meeting.

"We are not children," he said. "We are people with a lot of pride in us. We want our grandchildren to be proud of what we are doing today. I say that these terms and conditions are not in very good taste."

Mr. Narayanan was speaking on the Development Loan Fund bill, which requires that every new road and bridge financed by the Fund, an agency of the U.S. Government, must be denoted by "signs, emblems or similar markings at appropriate points."

Mr. Narayanan gave what he called an illustration of his argument. "Suppose I borrow money from a bank to buy some new suits. Must I label the suits to the effect that they were purchased with financial aid from that bank?"

AN EXAMPLE

He recalled that Malaya had a brilliant example of generosity shown to her recently in the $100 million loan from Brunei. "They have not asked us to put the emblem of Brunei on the bridges and other projects we erect with that loan."

"Maybe," he said, "we don't quite realize the significance of this condition. This loan is not a gift. We have had gifts before—and very generous ones too—from the United Kingdom, New Zealand and Australia. We erected tablets to commemorate some of these from the gratitude of our hearts, not because we were required to."

"This example is a case of somebody giving us a loan and collecting interest. Every time I cross a bridge built through this loan must I be reminded of the fact?"

He referred to other conditions made under the loan agreement, regarding shipping of American goods, insurance and contracts. "We must let Washington know everything," he said.

"I urge the Government to have something inserted in the bill to get these conditions withdrawn. I agree we want money, but we also want our children and grandchildren to be proud of us."

NOT DEGRADING

Replying, Sir Henry Lee, the Minister of Finance pointed out that the same conditions were imposed in other territories which had derived loans from the same source.

"I do not see anything degrading in stating the fact that the loan came from a certain country," he said.

Mr. Narayanan interrupted to say "We are not a poor country."

Please do not intrrupt me," shouted Sir Henry, "if the Honorable Member had listened carefully he would be aware that interest on this loan is charged at 3½ percent per annum.

"I defy him to get that interest anywhere else in the world."

[From the Malay Mail, Apr. 25, 1959]

GIFT HORSE

"Where else could Malaya get a loan with the interest as little as 3 percent?" asked the Minister of Finance, Sir Henry Lee, when queried in the Legislative Council about the signboards which must be erected on projects completed out of the U.S. Development Loan Fund. It was a good question.

Malaya tried London first when seeking a development loan and later the United States. Whether the United States best interests were served by attaching the clause regarding emblems to the loan is for the Americans to decide, but it is a very small "string" to a generous and very welcome loan. Perhaps the minister can add his own sign to the American one: "Don't look a gift horse in the mouth."

[From the Malay Mail, Apr. 29, 1959]

FOREIGN CASH, POLITICS AND RELIGION

DEAR UNCLE TAN: It is an accepted principle in every democratic country that foreign money should not be allowed to be used to further the growth of any political party.

We can imagine what will happen if someone suggested that a political party in the federation was accepting money from America or Russia.

The air will be thick with furious protests and denials and the grand-daddy of all—libel suits will follow.

And yet, without a breath of protest from anyone, vast amounts of foreign money are being imported into this country every year and openly used to change the religions of the people of this country.

If it is reprehensible to use foreign money to change the political outlook of the people, is it any more commendable to use it to obtain converts for a particular religion?

A. P. S.

KUALA LUMPUR.

(Since you have said all that can be said, what can I say?)

[From the Malay Mail, Apr. 29, 1959]

WHY NOT SIGNS SAYING "AID FROM BRUNEI"?

SIR: It is disappointing to read in your paper of the proceedings of the Legislative Council when the matter of the U.S. loan was raised, that our Government has seen fit to accept the loan with strings attached.

If I recollect correctly, there was no strings when the loan was proposed and I wonder how it is that there are now strings to it. When it was announced that conditions such as the labeling of projects built under the loan, were included I felt strongly about it and Mr. Narayanan just about expressed my thoughts.

To my mind a loan is a loan and has to be repaid and with interest too. So as a taxpayer we shall have to foot the bill. So where is the sense in accepting the clause that projects have to be labeled?

Is it with the idea that our children will be led to believe that Malaya was built by the United States? Or perhaps to remind us that what we have today was built with U.S. money.

If the Finance Minister claims that there was nothing wrong in labeling such projects then it is only fair that all projects that have been carried out or are to be constructed under loans or gifts from other countries should also be properly labeled such as for example "Aid from Brunei" our very close neighbor, friend and relative.

What about other countries such as Singapore who have given freely, and Britain and others? Need I say more?

If the government aims to improve the lot of the people then let them first run the administration on more economical lines instead of creating more and more departments with a consequent increase in spending. If the various departments are run more efficiently this will lead to savings.

Yours, etc.,

TAXPAYER.

KUALA LUMPUR.

[From the Malay Mail, Apr. 29, 1959]

MONEY LOST ON INTEREST COULD HAVE BEEN TREATED AS A GIFT

Sir: I agree wholeheartedly with Mr. Narayanan when he said it was humiliating for us Malayans to have all our projects built with the U.S. loan denoted with signs announcing they were built with U.S. aid.

It goes to show that a great Nation like the United States of America, in spite of all the propaganda about being a champion of underdeveloped countries, is after all not as generous as a small and underdeveloped country like Brunei.

Sir Henry Lee's reply that 3½ percent, was not obtainable elsewhere is no reply to a question of upholding national pride. Personally if I had to wear a shirt with the notice that it was purchased with somebody's money I would be much happier to do without it.

All this could have been avoided if instead of imposing such conditions the United States were to treat the discount in the interest as a gift to the Malayan Government. It would certainly be of great value to the United States both in esteem and in winning the hearts of people.

Yours etc.,

PUBLIC.

KUALA LUMPUR.

[From the Malay Mail, Apr. 29, 1959]

THIS HAS BLOWN PARTY STATEMENTS SKY HIGH

SIR: From Sir Henry Lee's reply to Mr. P. P. Narayanan one can only conjecture that the only source of financial assistance is the United States.

This loan is solely for the purpose of completing the Fort Swettenham project and building bridges and roads.

I maintain every bridge or road built should bear the sign "Built with U.S. cooperation and assistance" in extra-large letters to enable every citizen to know that some of the speeches made by a few politicians just after Merdeka that "Malaya by reason of its immense wealth and rubber and tin production is in a stronger financial position than other Asian countries" have been blown sky high.

We should thank Mr. Narayanan for asking questions in the council, for so long as the

views, sometimes selfish, of a single party in power can frustrate the combined wisdom of the rest, it will be very difficult to insure that the best solutions win the day.

Yours, etc.,

W. T. L.

KUALA LUMPUR.

Mr. FULBRIGHT. To return to "The Ugly American," I have noted that the authors of this best seller are fond of citing Burma as an area in which Americans stumble about in a self-satisfied, insensitive fashion, while the artful Soviets are successfully wooing the Burmese. Do the facts bear out the allegation?

A news story from Burma was widely publicized earlier this month. It concerned a Russian military attaché in Rangoon, named Colonel Strygin, who was taken back to Russia under guard, after having (A) taken an overdose of sleeping tablets, and (B) jumped through a closed hospital window in an attempt to escape his Soviet guards.

Over the protests of Burmese doctors, Colonel Strygin was forcibly removed to the Soviet Embassy. Two days later, he arrived at the airport, apparently drugged, and was put aboard a Russian bound Chinese airplane by 40 Soviet thugs, who had the poor judgment to strong-arm several Burmese reporters assigned to witness this tragic little story.

This incident should remind us of a similar one which took place in New York several years ago when a woman employee of a Soviet agency there jumped from a window.

According to some accounts of the incident, a large number of the reporters, after writing their bitterly critical stories, picketed the Soviet Embassy with angry placards, many of which demanded the closing of the Embassy. Some of the Burmese even threw tomatoes at the Soviet guards, who retaliated by breaking up chairs and hurling the pieces at their tormentors.

This is not the first such incident of a disenchanted Soviet diplomat seeking asylum. It has happened in other countries—in Japan and Australia, most recently—and will happen again, I daresay. Yet some of us, including the authors of "The Ugly American," insist on ascribing to Soviet envoys a performance record far superior to our own. We fall easily for the line that any American loyal and devoted enough to serve his Nation overseas is a misfit or worse, but somehow the Russian diplomats are all talented, dedicated servants of communism. This is what the authors of "The Ugly American" would have us believe.

Well, I do not believe it. And I do not think any other American citizen who considers the matter objectively will believe it either.

The fact is the men and women who serve the United States overseas have the same kind of background and patriotism and ability as your and my neighbors in Washington or Fayetteville or Portland.

But to return to Burma, where this Strygin affair has surely impaired relations between Burma and the Soviet Union, the Americans in "The Ugly American" find themselves outwitted by the diabolically clever Soviets even in so unsubtle and straightforward an area as agriculture.

Yet the State Department's Burma experts report that the "Russian agricultural mission to Burma, whose services are being terminated, includes 23 people, of whom 9 are interpreters from Russian to English, not Russian to Burmese. They report the Russians do live inconspicuously, by direct order and for lack of funds." They are described as "bored stiff by their isolation, irritated by a lack of amenities," and waiting only "for their tours to be over."

There is much more of this glaring error of fact and interpretation in "The Ugly American," but I would rather not labor the point.

The danger here, Mr. President, is that a great many people who read this book will conclude that the Ambassadors and lesser officers they find between its covers are typical of the breed. Nothing, I submit, could be more misleading. Sarkhan, for example, appears to be a southeast Asian country; yet the fact is we have not a single noncareer Ambassador in southeast Asia at this time. All our Ambassadors in this area are veteran officers and, so far as I can determine, they are all diligent, able men.

It occurs to me that for a writer nothing is easier, nor more rewarding commercially, than ridiculing institutions and professional groups. Take the Senate, for example. We all know that now and then this body has been burdened with a demagog or two. All too frequently, such men have sidetracked the Senate from its work and dominated the headlines. Happily, it seems not yet to have occurred to any team of aspirant novelists to personify the entire Senate in terms of the mischief wrought by these few Senators. We have had no novel called "The Ugly Senator." Nor have we had "The Ugly Journalist," "The Ugly Barrister," or even "The Ugly Ad Man." But we might have. Like the Foreign Service, each of these professions has its share of misfits, mischief-makers, buffoons, and shirkers.

Moreover, now and then the Senate itself is party to a bit of mischief. I am thinking specifically about the marble palace we have just built for ourselves and into which some of us—including myself, unfortunately—have moved. Nine of us supervised the growth of this unfortunate edifice. A majority of us voted for it. And now a good many are laughing at it. The Washington Post says this:

Elevators balk; clocks begin chattering; unearthly wails come down from the loud speaker system; and a subway stops 300 feet short of its appointed destination. Every repair seems to attract an added swarm of costly bugs. For example, when that $150,000 of carpeting is unrolled on the $100,000 tile floor, it will be necessary to trim 600 massive walnut doors by half an inch. It will take outside specialists to grind down the metal doors on special machinery.

I imagine it would be difficult to find any foreign project under the ICA which was any more ineptly executed than was the Senate Office Building right here under our noses.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LAUSCHE. In connection with the statement which the Senator from Arkansas has just made, I have resolved to stop grinders and others from coming into my office to achieve what has been suggested will have to be done. I am glad the Senator from Arkansas is pointing out that ineptness and inefficiency abide right beneath the dome of the Capitol to a greater degree that occur in the administration of the foreign aid program.

Mr. FULBRIGHT. I appreciate the comment of the Senator from Ohio. I may say the Senator has been very diligent in following the testimony of the committee on this subject, and his views are entitled to great weight. I should think, as a percentage matter, it would be very difficult to find a foreign project under ICA in which waste or inefficiency would be greater than that demonstrated in the construction of the new office building.

I mention this only because I feel it is wise to remember that such things can happen in the very shadow of this Capitol. That whimsical building has cost in the neighborhood of $25 million.

Now all over the world our foreign aid administrators are involved in projects of similar, sometimes even greater, size. In most cases, local conditions are far from ideal. Occasionally, there is mismanagement, and even more often there are delays, wasted motion, and some wasted money. But such, I submit, is the price of progress, and I hope that in considering this year's foreign aid legislation, my colleagues will keep that in mind. Unhappily, the authors of this book did not.

Mr. President, I am not suggesting that they have no case at all. I simply feel that in yielding to the requirements of slick fiction, they have grossly overstated the case, have misled a number of gullible Americans, including a few Senators, and may have done most serious damage to the national interest. "The Ugly American" does contain a number of challenging observations and thoughts, even if they must be sifted from the oversimplifications and romantic nonsense with which the book is overburdened.

I would agree, for example, that foreign language facility is an important, if not a vital, asset to a diplomat; that too many of our officers fail to learn the languages of the countries in which they serve. The Department of State is making some effort to improve this situation, but I am not convinced it is making enough of an effort. However, I am also convinced that an obstacle to that effort has been the niggardliness of appropriations by the Congress to supply money for such instruction. I think the record will bear out that statement. The Congress has not seen fit to give the

Department enough money to train our diplomats in the many languages they require in their work. Some progress was made last year, but it is of very recent origin.

As for Americans bringing their way of life with them when they go abroad, a recent editorial in the Foreign Service Journal had this to say in response to a French journalist's criticism of this very thing:

> When there is an American Government restaurant in Place de la Concorde, an American grocery store in Grosvenor Square, when American commissaries sell canned spaghetti in Naples, canned beer in Munich, processed cheese in Copenhagen, and minute rice in Tokyo can a foreign journalist be blamed for holding views like these?

This editorial suggests that the impact of "The Ugly American" has generated a good deal of soul-searching among foreign service people. This is good. Moreover, many people have been goaded into arguing the collateral and tangential questions the book raises. For example, has the proliferation of advisory groups and missions established to administer the aid program resulted in too many people representing us abroad? And, who is most competent to decide upon the projects of which an underdeveloped country is most in need, our officials, or those of the country concerned?

There is another question. Has the aid program been overbalanced on the military side? If so, where should the stress be? Are development loans, by and large, a better device than technical assistance and outright grants?

These are all critical questions and have been for a number of years. However, the wide circulation of "The Ugly American" has alerted many more people to the need to find some answers. This also is good. We survive only if we keep searching for better ways of doing what we must do.

My point in making this statement is simply to urge the American people and Members of this body, in considering foreign aid this year, not to confuse fiction with fact, not to let emotion becloud judgment, and most of all not to forget that the foreign-aid program which we shall debate shortly is a part of the security program of this Nation.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Alaska.

Mr. GRUENING. Some time ago, a great American, Adlai Stevenson, remarked that self-crticism was America's secret weapon. I think that was a very pertinent observation, and I hope it will always continue to be true. I believe our ability to indulge in self-criticism constitutes perhaps the most basic distinction between us and the totalitarian powers. In Russia and in other dictatorships criticism of the government is not permitted; one uttters it at one's peril.

I, too, have read "The Ugly American." I found it most readable. I found in it many valuable suggestions which reflected some of my own observations abroad, although I know they are very much more limited than those of the distinguished Chairman of the Committee on Foreign Relations.

I think the net result of the publishing of the book has been extremely useful. I recall some years ago that I traveled with the United States delegation, as its adviser, to the Seventh Inter-American Conference at Montevideo, where we initiated and implemented the Good Neighbor Policy with the Latin-American republics. We stopped on the way at various Latin American capitals, where our delegation, headed by that great statesman, Cordell Hull, was received and entertained. The period has sufficiently long passed so that no criticism of any officials now in our foreign service is applicable or implied. Nevertheless, we all observed that practically no natives of the countries where we were entertained were present at the entertainments at the various American embassies.

This was a very important mission. It represented the first venture of the Roosevelt administration into foreign fields, and was a venture from which much was hoped and anticipated. Latin America, some of whose nations had been the victims of our gunboat diplomacy, which had come into being a third of a century earlier, were deeply interested. One would have expected that at those receptions for the distinguished Secretary of State and other members of his delegation headed for their important and historic mission, there would have been leaders of thought, representatives of the culture of each nation, university professors, writers, poets, who are highly esteemed in Latin America, and other exponents of the intellectual as well as of the material activity in those countries. But they were conspicuously absent. They had not been invited. Virtually the only guests present were the heads of American corporations doing business in each country who represented their respective enterprises in the countries whose capitals the United States delegation visited, and where in each the United States Embassy entertained us.

I think we have a good deal to learn with respect to our relationships with foreign countries, especially since we have embarked on a program essentially dedicated to the cultivating of good will and to assisting those countries in their aspirations and to an endeavor to present a valid picture of the United States as a friend of liberty, as the true cradle of revolution, and as a country which asks nothing for itself but seeks merely peace, freedom, and justice for the whole world.

While I am impressed by the well-balanced comments of the distinguished chairman with regard to "The Ugly American," I want to record my view that the publication of that book has rendered a distinct service to our Nation and to the conduct of our foreign relations. We know that fiction is a form in which many things can be effectively presented, as they cannot often be presented in nonfiction. We know that in the history of literature great reforms have been achieved by novels which exposed abuses and stated truths which could not have been stated so effectively in other than fiction form.

I am convinced the two authors of "The Ugly American" are thoroughly sincere and devoted Americans who want nothing but to improve the conduct of our foreign policy. I should like to add my word of commendation to them for that effort.

Mr. FULBRIGHT. I thank the Senator from Alaska for his comments, which as usual are very penetrating. I tried to indicate that I think the Foreign Service itself, in its comment, is beginning to take note of some of the criticisms, but I think it is important to keep things in balance and not go too far toward destroying and crippling the foreign aid program because of such criticisms.

Mr. LONG. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Louisiana.

Mr. LONG. I agree with a considerable portion of the Senator's statement. I believe, however, that much of the fundamental criticism of our foreign policy as spelled out in the book is sound, although I admit that perhaps the specific illustrations do not necessarily prove the case.

The Senator has pointed out that we are inexcusably weak in the failure of our Foreign Service representatives to understand foreign languages, and that efforts are being made to overcome that deficiency. In a number of respects Congress itself is to blame for this weakness.

Mr. FULBRIGHT. Exactly. I think the Senator is absolutely correct about that.

Mr. LONG. In the second instance, as indicated by the book to which the Senator has referred, it seems to me that our people have demonstrated a failure to understand the people in foreign lands and that we are weaker than we should be in this respect. The book is also correct in regard to the fact that Americans in general—I refer not simply to the Foreign Service personnel but also to American tourists—have demonstrated a lack of respect for foreign customs to a considerable degree, and in some respects the Americans in foreign lands, while boasting of their own country, have been inclined to make invidious comparisons with regard to what the other nations have. Such conduct injures our Foreign Service.

The concluding chapter of "The Ugly American" relates to the fact that the Foreign Service officer who was trying diligently to do a very good job and who, after a few initial mistakes, was doing an extremely good job, lost his job because of doing that which he felt was in the national interest. That officer was replaced by someone inferior in ability and a person with less genuine desire to serve the Nation.

Unfortunately, in this respect our Nation has been particularly weak by failing to advance those who have proved to be the most competent and most able in our Foreign Service to positions where they can render their best service. In

a number of cases we have seen rewarded those who are less deserving of advancement. In those respects, it seems to me, fundamentally much of the criticism of our foreign policy does have some foundation.

Mr. FULBRIGHT. I appreciate very much the observations of the Senator from Louisiana. I think they are well taken.

Mr. President——

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT OF BRETTON WOODS AGREEMENTS ACT

Mr. FULBRIGHT. Mr. President, I ask the Presiding Officer to lay before the Senate the message from the House of Representatives with regard to S. 1094.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1094) to amend the Bretton Woods Agreements Act, which was, to strike out all after the enacting clause and insert:

That the Bretton Woods Agreements Act is amended by adding at the end thereof the following new section:

"SEC. 16. (a) The United States Governor of the Fund is authorized to request and consent to an increase of $1,375,000,000 in the quota of the United States under article III, section 2, of the articles of agreement of the Fund, as proposed in the resolution of the Board of Governors of the Fund dated February 2, 1959.

"(b) The United States Governor of the Bank is authorized (1) to vote for increases in the capital stock of the Bank under article II, section 2, of the articles of agreement of the Bank, as recommended in the resolution of the Board of Governors of the Bank dated February 2, 1959, and (2) if such increases become effective, to subscribe on behalf of the United States to thirty-one thousand seven hundred and fifty additional shares of stock under article II, section 3, of the articles of agreement of the Bank."

SEC. 2. Section 7(b) of the Bretton Woods Agreements Act is amended by striking out "of $950,000,000", and by striking out "not to exceed $4,125,000,000" and inserting in lieu thereof "such amounts as may be necessary".

Mr. FULBRIGHT. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arkansas.

The motion was agreed to; and the Presiding Officer appointed Mr. FULBRIGHT, Mr. GREEN, Mr. SPARKMAN, Mr. HUMPHREY, Mr. MANSFIELD, Mr. WILEY, Mr. HICKENLOOPER, and Mr. LANGER conferees on the part of the Senate.

RUBBER TILE

Mr. BUSH. Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my very brief remarks a letter which I have received from the Danbury Rubber Co., Inc.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. BUSH. Mr. President, the debate which has been in progress with regard to the rubber tile in the New Senate Office Building has had some unfortunate results, in that it is hurting the business of some manufacturers of perfectly good rubber tile. One of those manufacturers is in my State.

I am an old rubber-tile salesman myself. Thirty-five years ago I used to sell rubber tile for use in hospitals, office buildings, homes, and in various other places. Rubber tile demonstrated then, and through the years has demonstrated, that it is a very excellent type of flooring.

I think it is most unfortunate that things are being said which, although innocently uttered, have unfortunate repercussions upon the people who are in the rubber-tile business. I join with those who have economy views about this matter as to the New Senate Office Building. Inasmuch as rubber tile was put down, I do not believe we should authorize the placing of carpets over this very splendid flooring.

That is, of course, aside from the point. The main point I want to make today is that I hope there will be no misunderstanding about the quality of this type of flooring, since it was very carefully selected because of its quality as a valuable flooring for the new office building.

EXHIBIT 1

THE DANBURY RUBBER CO., INC.,
Danbury, Conn., May 13, 1959.

HON. PRESCOTT BUSH,
U.S. Senate, Washington, D.C.

DEAR SENATOR: Referring to the controversial installation of rubber tile costing $100,000, in the new Senate Office Building in Washington, D.C., by one of our competitors, we believe that you should be interested to know that our company in Danbury, Conn., is one of the largest rubber tile manufacturers in the country.

We specialize in the manufacturing of rubber tile for flooring and our 150 employees depend on rubber tile for a living.

We want to assure you that rubber tile is a fine product which is used extensively in offices, churches and all kinds of institutions besides being used extensively in homes. Many people buy it for self-installation.

The slippery condition that is being referred to in the press is due to the type of wax used and the rubber tile is not at fault. We ourselves recommend very little waxing and mostly buffing. The noise condition, which is much less than in other types of resilient floors, can be reduced further by using acoustical ceilings and inexpensive drapes alongside the windows.

All publicity made around that floor is detrimental to our product and may hurt our company. We would appreciate any help you can give us in giving the public the truth about rubber tile.

We also hope that this letter will help save some taxpayers' money.

A copy of this letter is being sent to our employees' union CIO–AFL local 402.

Very respectfully yours,

JOHN E. RYAN, *President.*

URBAN RENEWAL MORE THAN PAYS FOR ITSELF

Mr. CLARK. Mr. President, as the Federal urban renewal program picks up momentum, it is evident that this program is turning out to be one of the most spectacular wealth-producing programs in the history of our Nation. Those of us who have spent long hours in taking testimony on the subject of urban renewal, in the field as well as in Washington, have become increasingly impressed by the ability of the urban renewal program to stimulate and generate substantial investment by private enterprise.

Figures are now available to demonstrate this point in dollars and cents. In 246 urban renewal projects, which made up the majority of the projects approved for execution as of December 31, 1958, the ratio of private investment to Federal grants is 5.15 to 1. In other words, every dollar authorized by Congress for urban renewal is estimated to generate $5.15 of private investment. And the term "private investment," as I am now using it, does not include new construction by nonprofit organizations and local public bodies; that is, a local enterprise such as a nonprofit hospital built in an urban renewal area is not included in the definition of "private investment."

Mr. President, I ask unanimous consent that a tabulation prepared by the Housing and Home Finance Agency showing the private investment and public investment in 246 urban renewal projects be printed at this point in my remarks.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

TWO HUNDRED AND FORTY-SIX URBAN RENEWAL PROJECTS APPROVED FOR EXECUTION THROUGH DECEMBER 31, 1958

Estimated private investment:	
Improved land	233,663,000
New construction	1,531,401,000
Rehabilitation	36,000,000
Total	$1,801,064,000
Estimated public investment in project undertakings for private investment:	
Local grants-in-aid	179,406,000
Federal grants:	
Project capital grants	335,894,000
Estimated relocation grants	13,996,000
Total	529,296,000

Mr. CLARK. Mr. President, I am sure it will be of interest to my colleagues to look at these figures in terms of some specific examples which have been furnished me by Housing and Home Finance Agency. For example, in my own State the East Poplar No. 2 project in Philadelphia, which is now complete, brought forth private investment in a ratio of $9.90 to every Federal dollar.

Mr. President, I ask unanimous consent to have the Housing and Home Finance Agency table covering these specific examples printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Ratios of private investment to public and Federal costs—Selected projects, as of Dec. 31, 1958

State	City	Project	New construction, percent complete	Ratio (dollars) of private investment to—	
				Public cost	Federal grant
Maryland	Baltimore	Waverly	100	1.61:1.00	2.41:1.00
Minnesota	Duluth	St. Croix	60	2.54:1.00	3.80:1.00
New Jersey	Perth Amboy	Forbesdale [1]	90	4.69:1.00	8.31:1.00
New York	New York	Corlears Hook	100	4.58:1.00	6.87:1.00
Do	do	Morningside	100	2.16:1.00	3.24:1.00
Pennsylvania	Philadelphia	East Poplar No. 2 [1]	100	4.93:1.00	9.90:1.00
Puerto Rico	Ponce	El Bosque	85	1.38:1.00	2.07:1.00

[1] Local grants-in-aid exceed 33.3 percent of net project costs in these cases. Excesses can be credited as part of the local share of the net project costs in other projects.

Mr. CLARK. Mr. President, finally, let us consider the effect upon Federal revenues of the investment which is generated.

My economist friends tell me that expenditures for construction are estimated to have a multiplier of 2 to 2½—that is, because money expended in the first instance is reexpended, and a portion of the reexpenditures are reexpended again, ultimately $1 of original investment produces an addition of $2 to $2.50 in the gross national product.

When the gross national product expands, Federal revenues automatically rise—at the rate of about one-to-five.

Let us apply these computations to urban renewal.

Each $1 in Federal expenditure for urban renewal makes possible $5.15 in private investment; $5.15 in private investment means an increase in gross national product of $10.30 to $12.88. Taking the lower figure, this increase in the national product results in an increase of $2.06 in Federal revenues.

Thus, Federal expenditures for urban renewal pay for themselves twice over in returns to the Federal Treasury.

These figures are, of course, subject to a wide margin of error. It is true that a portion of the investment in urban renewal areas would take place elsewhere if urban renewal were not underway. On the other hand, public and private nonprofit investment is omitted from the figures. And I used the lower figure in computing the multiplier. So I think it may be fair to conclude that the return to the Federal Government from urban renewal is at least of the general magnitude of two-for-one.

This is an illustration that applies to many Federal programs. The activities of Government make an important contribution to economic growth, which must not be overlooked when we debate the broad issue of Federal spending and the particular programs that make up the budget.

USES OF ATOMIC ENERGY FOR MUTUAL DEFENSE PURPOSES—AGREEMENTS WITH GOVERNMENTS OF FRANCE AND GREAT BRITAIN—MESSAGES FROM THE PRESIDENT

Mr. MANSFIELD. Mr. President, pursuant to the Atomic Energy Act of 1954, as amended, the President of the United States has transmitted to the Congress two messages, with accompanying papers, concerning agreements with certain foreign governments in regard to the uses of atomic energy for mutual defense purposes.

These messages have been read in the House, and I ask unanimous consent that they be printed in the RECORD without reading and be referred to the Joint Committee on Atomic Energy.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair) laid before the Senate two messages from the President of the United States, together with Memo No. 13937, transmitting certain restricted, secret data, which were referred to the Joint Committee on Atomic Energy.

(For President's messages, see House proceedings of today.)

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HILL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE INTERNATIONAL HEALTH AND MEDICAL RESEARCH ACT OF 1959

The Senate resumed the consideration of the joint resolution (S.J. Res. 41) to establish in the Department of Health, Education, and Welfare the National Advisory Council for International Medical Research, and to establish in the Public Health Service the National Institute for International Medical Research, in order to help mobilize the efforts of medical scientists, research workers, technologists, teachers, and members of the health professions generally, in the United States and abroad, for assault upon disease, disability, and the impairments of man and for the improvement of the health of man through international cooperation in research, research training, and research planning.

Mr. HILL. Mr. President, before I begin a discussion of the provisions of Senate Joint Resolution 41, I should like to take a moment to set forth the history of this resolution, to explain its origin, and to tell some of the things that have transpired in connection with the resolution since it was first introduced in the 85th Congress.

Early last year Congress spent many weeks, even months, discussing matters arising out of the spectacle of a world divided into two armed camps, each of them in possession of civilization-destroying weapons of nuclear warfare. There was much talk of sputniks, of space stations serving as bases from which destruction could be hurled upon nations, of intercontinental ballistic missiles, of the Atlas, the Jupiter, the Polaris. We talked then, as now, of the relative sizes of armed forces, of how to raise the billions which might be needed for defense, and of how we could make sure that at least some of our people and some of our civilization might survive should atomic warfare burst upon us.

Thinking of such things, we could not help considering that one force which throughout history has bound men together, the one field in which a victory by men of any nation is hailed by others as a triumph for all mankind.

We thought of the world of medicine, which does not now and which never has recognized national boundaries nor petty rivalries. As has been so well said by my good friend, Dr. Howard Rusk, professor and chairman, Department of Physical Medicine and Rehabilitation, New York University Bellevue Medical Center, and medical editor of the New York Times:

> Medicine has never been anything but international. You go back in history, and it is the most beautiful evidence of internationalism that exists in the world.

We thought of the eagerness with which men of science working in the many fields of health in many lands seize hold of every opportunity to exchange ideas and to work with one another. And we thought of that dread triumvirate represented by disease, disability, and death which threatens all men everywhere and against which men of all nations would be more than willing to join together as allies fighting in a common cause.

Thinking thus, we wondered if it might not be a constructive move to create a mechanism through which scientists of all nations competent in fields of health could plan and carry out the research training and the research projects through which we might hope to find solutions for the diseases which beset all mankind.

The result was Senate Joint Resolution 199, which I introduced in the Senate on August 13, 1958. That resolution, called the Health for Peace Act, we regarded, not as a measure to be acted upon immediately, but rather as a vehicle for securing comment, criticism, or suggestion. During the recess of Congress, copies of the resolution were widely circulated to doctors and scientists and to men concerned with public affairs all over the country. The response was most gratifying. I received hundreds of letters, every single one of them endorsing the idea and the plans contained in Senate Joint Resolution 199. Some 200 outstanding citizens banded together under the leadership of General of the

Army Omar Bradley; Dr. Detlev Bronk, president, Rockefeller Institute for Medical Research and president of the National Academy of Sciences; and Dr. Howard Rusk, and organized the Committee on Health for Peace to support the measure.

In this session of Congress I reintroduced the resolution, which is now Senate Joint Resolution 41, the pending business. It is cosponsored by 63 of my colleagues in the Senate.

Mr. President, Senate Joint Resolution 41 is a measure designed to join the skills and resources of the health scientists of this Nation with the research talents and capabilities of scientists in other countries in a concerted attack upon the unsolved problems of disease and disability which confront all peoples of the world.

Senate Joint Resolution 41 creates a new National Institute for International Health and Medical Research which will be organized within the existing National Institutes of Health. It authorizes the Surgeon General of the U.S. Public Health Service, under the general supervision and direction of the Secretary of the Department of Health, Education, and Welfare, to encourage, support, and cooperate in the training for, and the planning and conduct of, research, experiments, and studies relating to the causes, diagnoses, treatment, control, and prevention of physical and mental diseases and impairments of mankind or relating to the rehabilitation of the physically or mentally handicapped. Such research, experiments, and studies may be carried on in the United States or in foreign countries. It also authorizes the Surgeon General to encourage and support the rapid international exchange of research knowledge concerning disease and disability. An appropriation of $50 million annually is authorized to carry out the provisions of the joint resolution.

The joint resolution creates a National Advisory Council for International Health and Medical Research, which is authorized to advise, consult with, and to make recommendations to the Secretary and to the Surgeon General. The council must review all applications for financial grants authorized by the joint resolution.

In carrying out his responsibilities under the joint resolution, the Secretary shall take such steps as may be necessary to assure that, in the administration of this program, the facilities and services of all the offices and agencies of the Department of Health, Education, and Welfare are utilized to the greatest possible extent and to provide for coordination of the work of, and consultation between, the Public Health Service and other agencies and offices of the Department.

The thoughtful and searching views eloquently presented by the witnesses in testifying in support of this legislation did much to enable the committee to formulate a clear concept of the needs to be dealt with, the essential terms and conditions of action, and the prospect of both immediate and far-reaching results which activities under this resolution promise.

I should like to state briefly these considerations which I believe should be foremost in our minds as we deliberate upon this resolution here today.

First. The scientific and economic resources of this Nation, prudently and purposively employed, can be a crucial factor in bringing to bear upon the urgent problems of disease and disability the world's scientific research potential in fields of health to the benefit of the people of the United States and of all countries.

Second. The ravages of disease, the despair of disability, and the tragedy of premature death are specters which menace all the peoples of the world.

Third. Discoveries through medical research and progress in the health sciences, regardless of their geographical or national origin, augment a common reservoir of knowledge to which all mankind should have access.

Fourth. Science and research are activities of the human mind which cannot be viewed as limited or confined by national boundaries. They flourish best and are most productive in a context which encourages support, cooperation, and communication between scientists sharing mutual interests wherever they may reside.

Fifth. In thus joining with the health scientists and research workers of other nations in a cooperative attack upon health problems we can seek to further man's knowledge, not out of fear for our security, nor from pride in our achievements, but as a venture in the cause of health and the betterment of all mankind.

It is in the recognition that disease and disability know no international boundaries; that research in the health sciences fostered on an international basis holds great promise of advancement of benefit to all peoples; and that an effort on the part of the United States to advance health sciences in the interest of all peoples can be a potent instrument of peace and good will, that the committee has acted upon this joint resolution.

The great Louis Pasteur once wrote:

> Science does not belong to any country, because knowledge is the patrimony of humanity.

In 6 days of hearings the committee received testimony supporting the purposes and objectives of the joint resolution from the American Medical Association, the American Dental Association, many voluntary health associations, and from individuals of great stature and eminence in the fields of health, medicine, science, research, industry, and public affairs. No one testified against the joint resolution. The witnesses, listed in the chronological order in which they appeared before the committee, included:

General of the Army Omar N. Bradley, former Administrator of Veterans' Affairs and chairman of the Committee on Health for Peace; Dr. Paul Dudley White, past president, International Society of Cardiology one of the world's most eminent authorities on cardiac diseases; Dr. Detlev Bronk, president, Rockefeller Institute for Medical Research, chairman of the Advisory Council of the Citizens Committee on Health for Peace, and president of the National Academy of Sciences; Dr. Howard A. Rusk, professor and chairman, Department of Physical Medicine, and Rehabilitation, New York University Bellevue Medical Center.

Dr. I. S. Ravdin, chairman of the board of regents of the American College of Surgeons, vice president of medical development, University of Pennsylvania; John T. Connor, president, Merck & Co., Inc.; Dr. Gunnar Gundersen, president, American Medical Association; Dr. Sidney Farber, professor of pathology, Harvard Medical School, and the Children's Hospital, Boston; Dr. Frederick J. Stare, professor of nutrition, and chairman, department of nutrition, Harvard School of Public Health.

Dr. Cornelius P. Rhoads, medical director, Sloan-Kettering Institute; Dr. Ross T. McIntire, executive director, International College of Surgeons; E. B. Whitten, executive director, National Rehabilitation Association.

Dr. Martha Eliot, head, department of maternal and child health, Harvard School of Public Health; Leo Cherne, executive director, Research Institute of America, and chairman of the board, International Rescue Committee; Dr. Peter D. Comanduras, secretary general, Medical International Cooperation; Basil O'Connor, president, the National Foundation.

Maj. Gen. Melvin J. Maas, USMCR, retired, Chairman, President's Committee on Employment of the Physically Handicapped; Dr. Matthew Besdine, member of the American Dental Association's Council on Legislation; Dr. George C. Paffenbarger, director of the American Dental Association's Research Division at the National Bureau of Standards; Dr. C. Willard Camalier, assistant secretary, American Dental Association.

Hon. Arthur S. Flemming, Secretary, Department of Health, Education, and Welfare; Dr. Leroy E. Burney, Surgeon General, Public Health Service, Department of Health, Education, and Welfare; Miss Mary E. Switzer, Director, Office of Vocational Rehabilitation, Department of Health, Education, and Welfare; Mrs. Katherine B. Oettinger, Chief, Children's Bureau, Social Security Administration, Department of Health, Education, and Welfare; Hon. Hubert H. Humphrey, U.S. Senator from the State of Minnesota.

Witnesses appearing before the committee pointed out time and time again that research is the single most important component in any effort to deal with the problems of disease, ill health and disability which confront the world. The continuing enlargement of our fund of basic knowledge, together with the purposeful application of existing knowledge, in increasingly effective ways, is essential to progress in health and ultimate victory over the major crippling and killing diseases that have baffled and plagued mankind through the centuries.

The challenge was aptly worded by Mr. Leo Cherne, executive director of the Research Institute of America, and

chairman of the board of the International Rescue Committee, when he brought this thought to the committee:

Millions of people suffer from diseases which can only be ameliorated at present, but whose cure may lie in further research and the international exchange of medical information and personnel contemplated in the legislation before us.

Today it is clear that effective progress in medical research involves horizons considerably broader than those encompassed in the activities of a single nation. The prospect and promise of significant findings in the fields of health and medicine exist wherever men pursue research in these fields.

Dr. Frederick Stare, professor of nutrition and chairman, department of nutrition, Harvard School of Public Health, told the committee that with his associates he had engaged in cooperative research in the field of nutrition in Peru, Bolivia, Indonesia, Cook Islands, Guam, Guatemala, Costa Rica, Jamaica, Colombia, Japan, and Nigeria. Based on his experience and cooperation with foreign scientists, he told the committee that:

From our personal experience we know that we can learn as much or more than we can give to others in this field.

Dr. Howard Rusk, professor and chairman, Department of Physical Medicine and Rehabilitation, New York University Bellevue Medical Center, pointed out the international character of medical research:

Microbiology came from Holland. Immunology with vaccination came from Great Britain. Bacteriology came from Pasteur in France. Antisepsis and asepsis came from Joseph Lister in England. Sulfonamides came from Germany—but they waited 16 years because an assistant missed one compound, and it was found 16 years later in a laboratory in another country. Penicillin came from Great Britain. Insulin came from Canada. Cortisone came from the United States. Anesthesia came from the United States. Rauwolfia lay dormant 400 years in India until some raw material came to a laboratory in Boston, to be tried with a series of other drugs on patients with high blood pressure. At the end of the fifth week, they were ready to abandon the drug because nothing had happened, not realizing that it took six. They went on to the sixth week. And they gave us the greatest tool we have in our hands today for the management of high blood pressure and certain types of mental disease.

In a like manner, Dr. Gunnar Gundersen, president of the American Medical Association, said:

Our association feels that medicine has no geographic boundaries, for it is truly an international science for the benefit of everyone. Furthermore we believe that only through coordinated effort can physicians throughout the world bring to their people the maximal health benefits that modern medicine can provide.

Today, more than ever before, medical men all over the world are interdependent. Consequently, physicians in America are interested not only in exporting new developments in the art and science of medicine, but we also are equally anxious to import new techniques and discoveries by our colleagues in other countries. Worldwide progress in medicine can continue in the future only through the free exchange of ideas between medical scientists in all countries.

Not only is the committee convinced that medical research on a worldwide basis is of the utmost importance, but we are confident that the people of the United States stand to gain immeasurable health benefits through the programs and activities which are authorized under Senate Joint Resolution 41.

Dr. Leroy E. Burney, Surgeon General, Public Health Service, Department of Health, Education, and Welfare, made this statement to the committee:

Many major problems of disease and disability can be studied effectively only on a worldwide or regional basis.

The worldwide distribution of disease as related to natural and manmade environmental conditions may reveal variations which could provide significant insight into their causation and dissemination. Such variations and contrasts, studied systematically, may provide the key clues to the control or eradication of many diseases.

For example, it is probable that clear understanding of and basic knowledge relating to the phenomena of the viruses, their origin, modification, and distribution, will be achieved only through long-range integrated studies on the part of the world's virologists working through a network of viral laboratories in cooperatively planned and uniformly pursued observation and study.

* * * * *

There are many examples in medical research where knowledge has remained either indecisive or unused for unnecessarily long periods of time because of the lack of collaboration and communication among scientists working individually upon the same problems. Had they combined their efforts rather than continued in isolation, or had there been means for ready access to knowledge of the accomplishment of others, it is probable that more rapid progress would have been made in many important areas of research.

In a like manner, Dr. Gundersen told the committee:

I believe that Senate Joint Resolution 41, 86th Congress, will provide an important way in which the United States can contribute to the health and well-being of our own citizenry and of all the peoples of the world.

In addressing himself to the committee on this point, Dr. Detlev Bronk, president of the Rockefeller Institute for Medical Research, and president of the National Academy of Sciences, said:

Benefit to our own people will unavoidably accrue from whatever we do for others in the field of sicence. That is in the very nature of shared scientific effort and the common value of the resulting scientific knowledge.

In the same vein, Dr. Paffenbarger, speaking for the American Dental Association, said:

The place of medical discovery is not important; a cure for disease is a boon to all humanity regardless of the country of its origin. A review of medical history will show that significant discoveries have not been limited to any geographic area; achievements have come from all corners of the world. The names in an international "Who's Who in Health Research" would doubtless read like the membership roster of the United Nations.

Not only will the United States benefit from an international program in medical and health research, but such a program will inevitably have a fundamental long-range value in enlarging the basis for understanding among peoples of the world and enhancing the possibilities for peace.

The committee strongly feels that Senate Joint Resolution 41 can make a substantial contribution to peace and better relationships among peoples of the world, that this can come through a joining of hands in a scientific endeavor which has no political, military, or economic objective.

In support of this thought, Dr. Howard Rusk asserted:

The International Health and Medical Research Act of 1959 is essentially a humanitarian program directed toward a global assault on mankind's most important enemies—disease and disability. But it has tremendous political implications, for its rehabilitation aspects emphasize our belief in the United States of America that man's mission on earth is to heal and not to hurt, to build and not to destroy.

Dr. Ravdin, chairman of the board of regents of the American College of Surgeons, and vice president for medical development of the University of Pennsylvania, told the committee:

I venture to state that a national institute for international medical research which would "mobilize the efforts of medical scientists, research workers, technologists, and members of the health professions for an assault upon disease, disability, and the impairments of man" would create the circumstances for a better international understanding than can be achieved by any other means.

John T. Connor, president of Merck & Co., stated:

The International Medical Research Act stirs the imagination with its opportunities for a new breakthrough in international relations as well as in medical research.

Maj. Gen. Melvin J. Maas, USMCR, retired, Chairman of the President's Committee on Employment of the Physically Handicapped, and Chairman of the People to People's Committee on the Handicapped, strongly supported this position when he said:

I am sure that by exchanging medical research, we can do more toward the ultimate gain of achieving man's oldest and most cherished dream, universal and lasting peace, than anything else that we can possibly conceive of. I look so strongly on the possibilities of this legislation that I say without hesitation, Mr. Chairman, there is no one thing that I know of that the free world can do to advance the cause of ultimate peace and universal and lasting peace than by assisting the peoples of the world through medical research.

Dr. Ross. T. McIntire, executive director of the International College of Surgeons, and former Chairman of the President's Committee on Employment of the Physically Handicapped, supported the same thought:

I believe that in addition to the great advantage to all our health agencies, both governmental and civil, we are taking a step that I am sure will do more to promote the cause of world peace than anything I could think of.

All these people emphasize that this joint resolution would do a great deal indeed for our own people, as well as for all the other people of the world.

Mr. President, great resources in trained scientific manpower and skills are available for productive work in medical and health research in foreign countries. A great potential for the effective growth of health research exists in the many talented students in other lands who need only support or the opportunity for training to permit their joining in effective research endeavors. The importance of providing support for both the research activities and the training of promising scholars was emphasized again and again by the witnesses appearing before the committee.

For example, Dr. C. P. Rhoads, medical director of the Sloan-Kettering Institute, said:

> In short, I have spoken to the principal points of your bill. I have indicated that I can differ with no point; that on the basis of personal experience with young scientists from other countries in our own institution and personal experience in other countries, limited on my part but very extensive on the part of my staff, we are satisfied that there is a vast reservoir of unused scientific talent. There is certainly a vast store of suppressed enthusiasm and ability. Almost limitless opportunity exists to exploit this talent and this enthusiasm in fields most important to us, if it can be adequately managed so that existing barriers to this kind of work will no longer exist.

In like manner, Dr. Paffenbarger, speaking for the American Dental Association, told the committee:

> Perhaps the single most significant aspect of Senate Joint Resolution 41, from the standpoint of both immediate and long-term advancement in research, is the provision for training additional research workers and for making maximum utilization of those presently available. The No. 1 need today, at least in this association's chief area of interest, is for additional skilled investigators. Many extremely promising areas of investigation are not now receiving adequate study simply for lack of sufficiently trained personnel. This is why this association has supported the domestic training and fellowship programs in the past and today is supporting the proposal for a similar program abroad.

Dr. Sidney Farber, professor of pathology, Harvard Medical School, also addressed himself to this problem:

> In a great basic research institute in Sweden * * * a distinguished pathfinder in research concerning the cell could double his research activities, and double the number of scientists trained in this field where trained men are so rare, with a relatively small increase in his budget.

Dr. Paul Dudley White, past president of the International Society of Cardiology, illustrated this thought and explained how the great and radical advances which have been made in the treatment of heart disease in the past twoscore years resulted from a stimulus provided the world of medicine back in 1913 by Sir James MacKenzie of St. Andrews, Scotland. Dr. White told us:

> If only the physicians and medical research workers of the world could be more closely knit together in friendly relationship, and in fruitful research in particular, their influence on international health and happiness could be profound.

These talents are desperately needed to be put to work to relieve suffering and to prevent death, disease, and disability. These talents are not being taken advantage of and not being trained. The joint resolution would open the door and make possible the training of these talents.

Mr. President, I have spoken concerning the purposes and objectives of Senate Joint Resolution 41 and of the reasons why I believe that it should be enacted promptly.

I will now bring to the attention of the Senate a few of the many areas in which the program authorized by Senate Joint Resolution 41 can be of assistance. It would be impractical if not impossible to name here all of the diseases which should be attacked under the provisions of this joint resolution.

The most frequent cause of death in North America and in most of Europe is degenerative heart disease. As we know, cardiovascular disease causes more deaths in the United States than all other diseases combined. The cardiovascular mortality rate in the United States is 460 per 100,000 population. In contrast, Ceylon has a rate of about 68 per 100,000 population. These contrasts in mortality rates provide a basis of study of those factors involved in environment, foods, habits, and living conditions which may shed light upon the etiology and eventually the prevention of this disease.

The dread disease of cancer is also one of the major causes of death in the heavily industrialized countries of the world. The mortality rate from cancer is 146 per 100,000 population in the United States. In contrast, Ceylon, a nonindustrial country, has a rate of 18 per 100,000 population. For every 2 minutes that we have been discussing this joint resolution a man, woman, or child in the United States has died a tortured and agonized death from cancer. Cancer is rising in its incidence in 33 countries of the world.

Arthritis, and its related rheumatic diseases, is more prevalent among Americans than cancer, heart disease, tuberculosis, and diabetes combined. In the United States today it afflicts more people, cripples and disables more people, and brings more pain to more people than any other chronic disease. Approximately 30 million people in the United States, counting the families of arthritics, are affected by the tremendous medical, social, and economic problems presented by the rheumatic diseases.

Although the chronic arthritic diseases have been studied for many years the cause or causes are still unknown. During the past decade extensive medical research effort has resulted in new modifications of cortisone which have proved to be more potent and more effective for long-term administration. But despite this real and gratifying progress in the control of the disease, and the intense research effort that has been directed toward basic research, there is still little that is known about its fundamental cause and nature.

Millions of persons who suffer from neurological disorders have been afflicted since birth or early childhood. Such long periods of disability bring with them a tremendous drain psychologically and financially on the families of these individuals and upon the total economy. Statistics for the United States reveal that in the United States there is a new case of cerebral palsy every 53 minutes; one-third of the estimated 4½ million persons who are mentally retarded are children; 126,000 of the 4,200,000 children born annually are mentally retarded.

Mental illness is a major medical problem in the United States. More than half of all the hospital beds in the United States today are occupied by persons suffering from some form of mental illness, and we know that there are millions of persons so afflicted who are not in any hospital or institution. Where mental illness exists the toll in human misery is great, not only to the patient, but to everyone in his immediate environment. For many if not most of these mental patients the only hope of recovery and restoration to useful life lies in the possibility of new discoveries which remain yet to be made, developed and tested by the research scientists of the world.

Health problems associated with nutrition exist throughout the world. For the United States, and other more prosperous nations, overnutrition and malnutrition emerge as significant threats to health and have become important elements in the problems of coronary heart disease and strokes. There remains an enormous amount of knowledge needed to understand the relationship of food to health and disability. Worldwide variations in these relationships studied purposefully could clearly contribute much needed information.

Senate Joint Resolution 41 will be of great assistance in the field of disability and rehabilitation.

The economic loss, to say nothing of the distress and despair, which is the result of disability and incapacitation resulting from disease, ill health, and accidents in terms of its worldwide dimensions is enormous. It is estimated that 7 to 8 percent of the world's population have some handicap—approximately 215 million people.

On this problem, Dr. Howard Rusk has this to say in his testimony before the committee:

> With a relatively small investment in research in rehabilitation, a tremendous impact on the individual lives of human beings throughout the world can be made. Among the crippled, paralyzed, palsied, blind, deaf, mute, arthritic, rheumatic, tuberculous, cardiac, and malformed are members of the great majority of every family in the world.

The joint resolution makes provision for research, research planning, and research training in rehabilitation of the physically and mentally handicapped. Expert testimony before the committee emphasized the tremendous opportunities which this resolution would create for so advancing knowledge in rehabilitation that handicapped men and women of many nations may well overcome their impairments and be restored to active and useful lives. This is a natural and basic corollary to the total research effort of the joint resolution, aimed at producing new knowledge to

improve the health and well-being of the peoples of the world.

The present-day dimensions of the problem of infectious disease are illustrated by the following selected examples of infectious diseases affecting significant numbers of the world's population:

Tuberculosis is a disease of truly worldwide proportions occurring in both temperate and tropical countries and for centuries one of the chief causes of death in practically all areas of the globe. Although great progress has been made in the control of tuberculosis, the mortality rates from tuberculosis are still extremely high in many countries and little accurate information about the prevalence of the disease is available on a worldwide basis.

More than 250 million people, a number half again as large as the population of the United States, are estimated to be afflicted with filariasis, a parasitic worm infection of the lymph glands which causes tremendous swelling of the limbs.

Schistosomiasis is a debilitating parasitic disease caused by several species of small worms called blood flukes and is believed to affect 150 million persons in the tropical and subtropical parts of the world.

Leprosy is of little significance in the United States but still remains an important health problem in many undeveloped areas of the world. Estimates of the total number of cases in the world range from 2 to 12 million. Many of the main factors affecting the distribution of this disease remain unknown.

An estimated 50 million cases of yaws are believed to exist in the world today. The disease is highly disfiguring, and decreases potentiality for productive work. It begins to take its toll in early childhood and is found primarily in the underdeveloped countries.

Trachoma and infectious conjunctivitis, communicable diseases causing blindness and disabling eye lesions, are estimated to affect more than 400 million people, over one-seventh of the total world population.

Although many of the diseases I have just mentioned are not important in the United States, experience has shown that research efforts to conquer one disease frequently result in discoveries which are of direct importance in the control and treatment of other diseases.

For example, in 1948 Dr. J. E. Anadel and Dr. T. E. Woodward, working in Malaya, were engaged in studies of the treatment and control of scrub typhus, a rickettsial disease of great importance in the Far East but unknown in the Western Hemisphere. In the course of this work they used for the first time a new drug, chloramphenicol. Effects in the form of diminishment of fever and recovery were startling.

Word was immediately sent by radio from this laboratory to major laboratories in the United States concerned with problems of rickettsial disease, suggesting use of chloramphenicol in treatment. Although scrub typhus is unknown in this country other rickettsial diseases, notably Rocky Mountain spotted fever, spread by woodticks, is prevalent and important. This drug was used successfully by Dr. M. C. Pincoffs in Baltimore in the treatment of spotted fever within a few weeks after the initial success in Malaya.

As a result chloramphenicol became the drug of choice in the treatment of spotted fever throughout the United States. An even more startling consequence of this work in Malaya was the fact that some of the patients in which this drug was initially clinically tried turned out to be suffering from typhoid fever rather than scrub typhus as suspected. Thus it was discovered, wholly by accident, that chloramphenicol was completely effective in the treatment of typhoid fever and remains the drug of choice in that field today.

Acute respiratory diseases of virus origin are the most prevalent illnesses in the United States, outnumbering the next closest contender by five times. Although there is no data upon which accurate observation can be made, it is probable that this relationship is not greatly different in the rest of the world.

The distinguished virologist, Nobel Prize Winner Dr. Wendell Stanley, of the University of California, has said that viruses may "hold the key to the secret of the nature of life, to the solution of the cancer problem, to biological evolution, to the understanding and control of heredity, perhaps to the nature of all future life on this earth."

Yet, as was emphasized, if we are to find the key, then we must have the virologists not only of the United States, but of all the countries of the world, uniting their efforts, and cooperating to find the key. Scientists tell us that within the next few years we may have definitely classified at least 100 new viruses of man which were unrecognized before 1947.

The most dramatic recent illustration of the explosive emergence of a new virus and the worldwide problems it presented was the Asian influenza epidemic of 1957 and 1958. Originating in China, it came across the ocean to the United States. It emerged upon the world through Hong Kong. This new strain of virus influenza spread rapidly throughout the world, causing much illness and many deaths. Mortality from diseases of the cardiovascular system in the United States increased in 1957 over the previous year. This increase in the total number of deaths from cardiovascular disease is thought to be attributable to the Asian influenza epidemic. This shows how a disease which originated in China can come the thousands of miles across an ocean to the United States and bring not only suffering, disability, and economic loss, but also death itself.

Present-day scientific knowledge of viruses may open the way to a significant advance in dealing with cancer. Through 50 years of slow, painstaking work by many scientists throughout the world there has developed evidence that viruses are involved in the initiation and development of some malignant tumors and in some instances may cause such tumors. This development has opened new vistas of cancer research including the prospect of successful immunological approach to the prevention of cancer. Much additional basic work in this area must be done. The difficulties are formidable. The prospect, however, for productive cooperative work on a worldwide basis is promising.

There is a very important problem facing medical science arising out of the development of resistance by insects to insecticides and the emergence of antibiotic resistant strains of bacteria.

The early successes with DDT and other new insecticides after World War II led to the hope that the last form of the insect vectors of disease might be eradicated. In recent years, however, it has become apparent that a number of insects of public health importance were becoming resistant to DDT and to one or another of the other insecticides. This has had a definite impact on the progress of disease control operations. In some 17 different countries species of Anopheles mosquitoes have been confirmed as physiologically resistant to insecticides. This problem demands new and intensive research work in the nature of the resistance process.

Although antibiotic therapy has had a revolutionary impact on the practice of medicine, the recent emergence of staphylococcal strains marked by their communicability and virulence and by high resistance to the antibiotics has brought about a situation which many hospitals now recognize as the most immediately urgent of all problems in the field of infectious disease. In this country alone the number of deaths from staphylococcal septicemia has increased almost 200 percent since 1949.

Despite the fact that staphylococcal infection has been a common hazard of hospital confinement throughout the centuries, very little is known of the fundamental mechanisms involved in its relationship to men. With the discovery of the sulfonamides and antibiotics, fundamental research on the staphylococci was dropped entirely. As a result of the everyday miracles following the use of these drugs, further investigation seemed unnecessary. Unfortunately, the problem was far from solved, and, in fact, the most recent evidence has demonstrated unequivocally that the emergence of these troublesome strains of staphylococci actually parallels the introduction and widespread use of the antibiotics in specific localities throughout the world. At the present time, the most discouraging aspect of the problem is the overwhelming evidence that the staphylococci have the faculty for becoming resistant to every antibiotic originally effective against them. Only through continuing intensive research will it be possible to overcome this setback.

On Saturday morning I picked up my home town newspaper, the Montgomery, Ala., Advertiser. There I read an article to the effect that the fine hospital at the Air University, the greatest university of its kind in the United States, had to stop taking any more patients. Why? Because of the staphylococcal infection which has been growing by leaps and bounds and bringing so much concern and distress to so many hospitals

throughout the Nation. Yet we know that at one time through the use of insecticides, and more recently by means of antibiotics, it has been possible to eliminate much of that type of infection. But the infection now has become resistant. It has become more or less exempt from the actions of insecticides and powerful antibiotics.

So epidemics are raging in the hospitals today, just as in the case of the Air University Hospital in Alabama, which has had to stop taking any more patients until it is possible to rid the hospital of the dread infection.

It is only through intensive research such as is contemplated and provided for in the pending resolution that it will be possible to find the answer to this infection, together with the answers to the many other infections and diseases which befall and plague mankind.

Mr. President, I have set forth briefly the provisions of Senate Joint Resolution 41, summarized the reasons why the Committee on Labor and Public Welfare believes it should be enacted, and indicated in some small degree a few of the areas in which medical and health research authorized under Senate Joint Resolution 41 will inevitably advance the health sciences for the benefit of all mankind.

Senate Joint Resolution 41, of which the distinguished Senator from Kentucky [Mr. COOPER], the distinguished Senator from Michigan [Mr. MCNAMARA], the distinguished Senator from Oregon [Mr. NEUBERGER], and many other Senators are cosponsors, in simple terms sets forth our belief that disease is a universal threat to the family of man, and that we must unite our medical research efforts to wipe out this threat. It accepts the fact that no nation has a monopoly on medical research and that our own self-interest dictates a maximum effort toward the rapid pooling of the fruits of such research. It lays out a path that leads to understanding and peace.

Dr. Gunnar Gundersen, speaking for the American Medical Association, well declared:

> There is a growing recognition that medicine, with its resources and its influence fully mobilized, can perhaps do more for world peace than all the billions of dollars being poured into armaments.

More than 300 years ago an old English philosopher declared:

> If every man would but mend a man, the world would all be mended.

The approval of this joint resolution and its implementation will light a beacon in America which all mankind will see. Although it is a small beacon, its light will shine the more brightly because of the gloom which today pervades the earth.

And who can say that this beacon will not serve to encourage the kindling of others, which together may illumine the way not only in life and health for the victims of disease and suffering, but for all mankind to find the way to peace and understanding?

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. HILL. I am glad to yield.

Mr. NEUBERGER. Words are difficult to express my approval and gratitude to the Senator from Alabama for his continued leadership in this body and in the Nation in the fields of health and medical research. I believe Senate Joint Resolution 41 is merely another symbol of his creative and imaginative role in this respect. In particular, I am grateful to him for his insistence that the new Institute of International Health and Medical Research be operated by the National Institutes of Health, and not by the Department of State. Despite my great respect and admiration for the Department of State, I feel that the Senator from Alabama is essentially correct in insisting that the proposed Institute shall not be an instrument of diplomacy or foreign policy, but rather an instrument of human health.

What we are interested in is a program of doctor-to-doctor, of scientist-to-scientist relationship, regardless of ideologies, regardless of anything which might separate nations. It seems to me that nothing so unites nations as problems of human health and human suffering. In a way, Shakespeare expressed it movingly when he said:

> Prick us and we bleed.

That is true of all mankind. Kipling said it in a little more colloquial sense when he wrote:

> The colonel's lady and Judy O'Grady are sisters under the skin.

The truth of this was brought home to me recently when I was asked by the Damon Runyon Memorial Fund for Cancer Research to present grants to the Ambassadors of Belgium, Sweden, and Denmark, in Washington, D.C. I was asked to do this because, in those countries overseas, were great medical researchers who had made important discoveries in the field of cancer research which could be furthered with the private funds advanced by the Damon Runyon Memorial Research Fund.

When I was presenting the checks to the ambassadors in Washington, I said that I was dedicating them to the valiant struggle of our Secretary of State, John Foster Dulles. It seemed to me that the ceremony which took place in the Capitol served to indicate how all mankind is united by these diseases, which, as the Senator from Alabama has said, cross every boundary, every border, and every frontier. The scientists in their laboratories in Belgium, Denmark, and Sweden are seeking methods to cure the disease which has struck down the American Secretary of State, 3,000 or 4,000 miles away.

I believe the Senator from Alabama is entirely correct in pointing out that these are questions which relate to the whole world. He tells us, for example, how a virus which originated in distant Asia within the past few years has stricken, immobilized, and in some instances claimed the lives of Americans. No person on the face of the earth, regardless of where he may live, is immune from disease. Neither is he insulated from the benefits which can come from the legislation which is being sponsored in the Senate today.

I do not like to talk about personal problems or personal experiences, but I think, perhaps, I myself, as much as any other Member of the Senate, can appreciate Senate Joint Resolution 41, of which I am privileged to be a cosponsor. When I was told last August by my doctors that they had diagnosed a malignancy in me, I also was told by them that my chances for recovery were advanced and improved greatly because of cobalt radiation. Lo and behold, cobalt radiation represents the joint and mutual efforts of the scientists, doctors, and medical researchers of the United States and Canada. The ingenuity represented by our friends in Canada has crossed the frontier to help me, a resident and Senator of the United States, but beyond all that, a resident of the world.

It seems to me that when a man, a woman, or a child is sick, even more than being a resident of a particular country, that person is a part of the great family of man. The joint resolution which the Senator from Alabama is advancing today is designed to benefit the family of man.

This measure is not for the United States alone or for Canada alone or for Great Britain alone or for Italy alone. Instead, it is for all mankind.

So far as I am concerned—and I know I speak for the Senator from Alabama—I care not whether the scientist who finally solves the dreadful riddle of cancer or multiple sclerosis or muscular distrophy or massive coronary attacks lives in my State of Oregon or in Alabama or in the Soviet Union or in Afghanistan or in France or anywhere else on the planet. The point is—as all of us know—that such great discoveries, regardless of where they may be made, will help every member of the human race.

I have spoken overly long and with some emotion, Mr. President. I am particularly pleased to be a cosponsor of this measure. I believe that many of the things the Senate does will be forgotten, when the joint resolution creating the National Advisory Council for International Medical Research and the National Institute for International Medical Research, as parts of our great national institutes of health, will be serving mankind everywhere on earth.

Mr. HILL. Mr. President, I wish to thank the distinguished Senator from Oregon [Mr. NEUBERGER] for the very fine contribution he has made to this debate. I know that no one, either in or out of the Senate, has a greater interest in, or is more sincerely devoted to, the cause of the health of the American people and the health of all peoples than is the distinguished Senator from Oregon. He is always diligent, always pressing forward, always doing all in his power and seizing every opportunity to press the battle against disease, disability, and suffering, and for the health, the welfare, and the strength of our people and of all peoples. He is one of the sponsors of this joint resolution. It is not the joint resolution of the Senator from Alabama; it is now the joint resolution of all of us. The Senator from Oregon has made a very distinct contribution to the joint resolution, and I wish to thank him.

Mr. NEUBERGER. I thank the Senator from Alabama.

I should like to ask his indulgence while I request unanimous consent to have printed at this point in the RECORD an article which I wrote for the Progressive magazine in October 1958. The article deals with this general program, and in the article I stress the great medical legacy of the Senator from Alabama.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Progressive magazine, October 1958]

NEXT THE INTERNATIONAL MEDICAL YEAR

(By Hon. RICHARD L. NEUBERGER, of Oregon)

"The groundwork of all happiness is health." (Leigh Hunt, 1821.)

I have a proposal which I believe might stir all mankind. We have just concluded the International Geophysical Year, during which the nations of the world spent some 18 months studying the earth and its environment. This ranged from outer space to caves and crevasses, from Antarctica to the steaming jungles of the Amazon and Congo. New mountains of ore were discovered, to say nothing of 40 percent more ice than anybody thought existed in the polar regions.

Now, what of an International Medical Year, to be held beginning early in 1961, under the auspices of the newly inaugurated President of the United States? This would afford time to prepare for the undertaking.

Such a project could mobilize all the world's skills, knowledge, and facilities for an all-out onslaught against heart disease, against the grim series of malignant diseases known as cancer, against malaria, against the blinding glaucoma which plagues the Orient, and against all the other sinister maladies that kill and torment members of the human race.

An International Medical Research and Health Year was proposed by Adlai E. Stevenson in an eloquent commencement address to the students of Michigan State University last June. The vast potential significance of this idea was brought home to me recently when I read the letter of a young American doctor, Thomas A. Dooley, treating natives in the swamps of Vietnam. He wrote that the effect of tender medical care on these forsaken people could be "Christ-like in power and simplicity." The idea occurred to me again, when I noticed that, during both 1956 and 1957, not more than 1 percent of our foreign-aid funds were used for health measures. Yet what could have a more favorable and enduring impact on our friends overseas than clinics to reduce the tragic rate of infant mortality, to cope with malaria, to eliminate the bacteria-nurtured diseases which snuff out so many young lives in Asia and Africa before even the age of 35 is reached?

Nor would an IMY—meaning International Medical Year—be without immense potential benefits to America itself. Despite our vaunted standard of living, the male residents of the United States have a shorter life expectancy than the males of no fewer than seven other countries—Holland, Great Britain, New Zealand, Israel, Norway, Sweden and Denmark. And, although Soviet medical education is quite a bit less thorough than our, Russia today is producing four times as many doctors annually as we do: about 25,000 as compared with 6,000. Russia has 164 doctors for each 100,000 people as contrasted with our 130 per each 100,000. And we in the United States cannot afford to ignore the increasing number of deaths in this country each year from cancer, climbing steadily from 211,000 in 1950 to 250,000 in 1957.

Furthermore, I believe the political climate is right in the United States for such a proposal as IMY. In a world racked by war and rumors of war, hopeful tidings often escape public notice. This is particularly true in the realm of politics, where Cassandra-like wailing can become an occupational disease.

Yet, I would confidently declare that one of the truly auspicious events of our era is the ever-increasing support of research on the frontiers of medical science by the U.S. Government. Indeed, it is little short of miraculous that Congress has been able to achieve this goal during a period when the executive branch of the Government is headed by a President whose budget actually had discouraged such a program.

Perhaps this overwhelming challenge helps to explain my answer when people ask for my opinion of the outstanding legislative feats with which I have been associated. They expect me to enumerate spectacular bills such as statehood for Alaska, repeal of the Federal freight tax, or funds for the 1-million-kilowatt John Day Dam on the Columbia River. Instead, I reply:

"The vast increase in appropriations for medical research generally and cancer research in particular."

The efforts of the Government in this category center at the National Institutes of Health, in the green Maryland countryside near Bethesda. Research is carried on here by some of the Nation's most eminent medical scientists. I rejoice that some of us recently were able to secure congressional approval of adequate salaries for these gifted men and women. In addition, the National Institutes provide substantial grants to medical schools, clinics, private laboratories, hospitals, and other places throughout the 48 States where promising avenues of medical exploration have been opened.

Here is how Federal funds for the various separate divisions of the NIH have been progressively expanded in the 4 fiscal years since I came to the Senate:

[In millions]

	1955	1959
Mental health	$14.1	$52.4
Heart	16.6	45.6
Cancer	21.7	75.2
Dental health	1.9	7.4
Arthritis	8.2	31.2
Allergy, etc.	6.1	24.0
Neurology and blindness	7.6	29.4

Shamefully enough, the budgets of the Eisenhower administration literally, on occasion, have recommended reductions in appropriations for the National Cancer Institute. But Senators who had seen such illustrious colleagues as Vandenberg, Taft, McMahon, and Neely die lingeringly of cancer, would not hold still for this kind of economy. They rallied behind the Nation's premier political figure in the field of public health, Senator LISTER HILL, of Alabama, to make available for research into cancer, heart disease, and blindness at least a fraction of what we invest in armaments and other weapons of destruction.

This reveals why Senator HILL is my first choice to be American chairman of IMY. Few people outside the inner citadel of medical science are such symbols of concern for health as this southern liberal, who has served in Congress since 1923 and whose grandfather and father before him were eminent physicians. The author of the Hill-Burton hospital act and other medical legislation comes by his interest as a matter of rightful legacy. His father, Dr. Luther L. Hill, was the first American surgeon to perform a successful suture of the human heart. He had studied in London under the great British scientist, Sir Joseph Lister, and this is how Dr. Hill's son received his name.

LISTER HILL works successfully with other people, for a humorous and kindly disposition affirms the sincerity of his solicitude for human suffering. He has rallied bipartisan support for his pioneering efforts in health legislation from such responsible Republicans as Senator MARGARET CHASE SMITH of Maine. Another effective lieutenant is Mrs. Mary Lasker, the beautiful and wealthy founder of the National Health Education Committee, whose presence in Washington is almost invariable when Senator HILL and some of the rest of us are fighting for adequate funds to support the National Institutes of Health.

These citizens—and many others—could give vitality to America's participation in an International Medical Year. And IMY, originating in the United States, might help to instill in Americans a renewed appreciation for the wonders of medical research. I remember a day in the Senate, some months ago, when some of the lack of this appreciation was vividly impressed upon me.

I had recently passed the great Senate caucus room where a hearing was underway of the Senate Rackets Committee. The huge marble hall was crowded. At least two dozen reporters thronged the press tables. The klieg lights of television flooded the place. Radio microphones were placed at strategic intervals to catch every word. Some wretched racketeer from a strife-ridden labor union was on the witness stand, testifying reluctantly to his thefts from the union membership.

My wife and I had as our guests two nurses from the fine teaching hospital at the University of Oregon Medical School. We thought they would be interested in attending a hearing before Senator LISTER HILL'S subcommittee on National Cancer Institute appropriations, in the basement of the Capitol Building. The witnesses were two of America's foremost doctors, Sidney Farber of the Children's Cancer Research Foundation, and Isador Ravdin of the American College of Surgeons and University of Pennsylvania. Quietly, they talked of a possible breakthrough employing chemotherapy as a method of treating cancer, and of the fact that viruses might be the etiological agent for cancer in human beings. They described the direction which cancer research ought to follow during the years directly ahead.

In that room, besides four or five of us from the Senate, were our two Oregon nurse guests and Mrs. Mary Lasker and a few of her personal friends. There was not one newspaper reporter, not one TV camera, no microphones, no flash bulletins, no communication to the public from the green-felt table where Drs. Ravdin and Farber were somberly testifying.

I thought of the vast panoply of communication which has been brought to bear on a labor racketeer's testimony upstairs. And I thought, too, of the 250,000 Americans who had died agonizingly of cancer in 1957, and of the hundreds of helpless child patients under Dr. Farber's care for leukemia, the deadly cancer of the blood. It seemed to me, in this moment, that an International Medical Year, centering in our own country where skills exist so abundantly in the realm of medicine, might help to achieve many purposes. One of these could be a greater talent for separating the things of lasting value from those of only transitory importance.

Mr. McNAMARA. Mr. President, will the Senator from Alabama yield to me?

Mr. HILL. I yield.

Mr. McNAMARA. I wish to congratulate the Senator from Alabama, the chairman of the Committee on Labor and Public Welfare, on which I have the honor to serve, for the fine presentation

he has made here today. Again I congratulate him for the tremendous amount of work he has put into this program, which is merely an extension to the world of the Hill-Burton Act, an act which, by its existence and its application in this country, already has greatly benefited mankind.

I suppose it would be impossible even to begin to estimate the number of years which have been added to the lifespan of the people of the United States and of the people of other countries by the activities of the Senator from Alabama over the years in the area to which Senate Joint Resolution 41 relates.

Again let me say that I am glad to be a cosponsor of the joint resolution; and I assure him of all the cooperation I can give him in any way to see that this measure becomes law at this session of Congress.

Mr. HILL. Mr. President, I thank the distinguished Senator from Michigan. He is a member of the Senate Committee on Labor and Public Welfare which held hearings on Senate Joint Resolution 41 and from which the joint resolution was reported. As a member of the committee, he has made many fine contributions to the progress of the pending joint resolution. He is always in attendance at the meetings of the committee; and whenever any matter concerning the health of the American people is before the committeee we know that the Senator from Michigan will be there, will make fine, constructive contributions, and will play his full part as a valiant warrior in the battle for the health of the American people and for the health of all peoples.

Mr. McNAMARA. I thank the Senator from Alabama.

Mr. COOPER. Mr. President, will the Senator from Alabama yield to me?

Mr. HILL. I yield to my friend, the Senator from Kentucky.

Mr. COOPER. Mr. President, I cannot add anything to the valuable presentation and exposition of Senate Joint Resolution 41 which already have been made by the distinguished senior Senator from Alabama [Mr. HILL], the chairman of the Committee on Labor and Public Welfare, who, on behalf of the committee, has reported the joint resolution, with a recommendation that it be passed.

Many of us have joined in sponsoring this proposed legislation. But I think all of us agree that of greatest importance has been the leadership of the senior Senator from Alabama, both in the preparation of the joint resolution, then in the hearings which were conducted before the Senate committee, and now in the consideration of the joint resolution on the floor of the Senate. As other Senators have previously stated, this joint resolution is another step and another milestone in his long record of seeking the enactment of measures to improve the health of the people of the United States and the health of the peoples of all the world.

As the Senator from Alabama has so ably pointed out, such knowledge does not belong to any one country; it belongs to all the countries of the world.

If this joint resolution becomes law, it will enable our Government to encourage the collaboration of the great scientists and the great physicians of the world, to pool their existing knowledge and to pool their facilities for research and to search for new means to combat disease. As he has said, that effort will not only be directed toward finding means to combat the grim killers of mankind, but it will also be directed to searching for means to prevent disease and also means to make possible the full use of the physical and mental capabilities of man.

So I am very happy the Senator from Alabama is pressing the joint resolution, which he himself introduced in the first place. I hope the joint resolution will soon be enacted by the Congress, and will become the law.

I know that all of us, in our preoccupation with the daily affairs of this body and of the country, may forget that peoples throughout the world, particularly peoples in less favored lands, are struggling every day against disease and for fuller use of their physical and mental capabilities; but many of them are denied, because of disease, their full opportunity to participate even in the ordinary affairs of life.

So I am glad the Senator from Alabama, in his imaginative way, is advocating so strongly this joint resolution, which reminds us of the elemental fact that men and women everywhere are still—as they always have been—struggling against disease. I am glad we shall have an opportunity to play a small part in that eternal fight.

Mr. HILL. Mr. President, I thank the distinguished Senator from Kentucky. He, too, is one of the cosponsors of the joint resolution. It is as much his measure as it is mine. We have joined hand in hand in our efforts to have the joint resolution passed by the Senate.

Let me say, Mr. President, that for a number of years the distinguished Senator from Kentucky and I have been privileged to serve on the Senate Committee on Labor and Public Welfare and on its Subcommittee on Health. There never has been a time when the Senator from Kentucky has not been there, working and doing his best to advance the cause of the health of the American people.

He speaks with very special and commanding authority in regard to this joint resolution, because, as we well recall, for some time he was our country's very distinguished Ambassador to India. While he was in India, among her millions of people—many of them suffering from disadvantages, many of them underprivileged, and many of them sick and diseased—he had an opportunity to appreciate even better the possibilities which lie in the enactment of this joint resolution. He speaks with authority.

Mr. President, since I have referred to India, there comes to my mind, in thinking of the Senator from Kentucky, the words of Kipling—"A first-class fighting man."

That is what the Senator from Kentucky is, Mr. President. We rejoice that he has fought side by side with us in this battle for the health of the American people and for the health of all other people.

Mr. MOSS. Mr. President, we rarely have an opportunity to consider legislation that represents such a dramatic step forward in furthering our humanitarian and democratic ideals as does the international health and medical research resolution which we are considering now.

Not only is this resolution an imaginative and provocative one, but it gives us a solid foundation for making new contributions to world health.

Essentially, the bill provides for heightened international cooperation and coordination in health and medical research through such means as grants and loans here and abroad, the exchange of scientists and other research workers, the collection and dissemination of information, and the conduct and planning of international research projects.

Our Nation is becoming increasingly aware of the value of basic research in the prevention and control of disease and sickness. Our own doctors and research scientists have made spectacular discoveries. The bill recognizes that this progress could be compounded many times by more effective and efficient coordination with similar specialists around the world.

Speaking as president of the American Medical Association at the recent hearings on Senate Joint Resolution 41, Dr. Gunnar Gundersen made this potent argument for international cooperation:

Our association—

He said—

feels that medicine has no geographic boundaries, for it is truly an international science for the benefit of everyone. Furthermore, we believe that only through coordinated effort can physicians throughout the world bring to their people the maximal health benefits that modern medicine can provide.

Consider, for a moment, how essentially international in origin our medical progress has been. Penicillin came from Great Britain. Microbiology came from Holland. Bacteriology was developed by Pasteur in France. Insulin came from Canada. Cortisone came from the United States.

Unfortunately, it is not only the cures for disease that are international. Peoples of all parts of the world share common problems of sickness and disability. In an era of rapid and easy transportation and communication, there is a growing danger. A striking example of this was the Asian flu that swept this country, and many others, in 1957. We learned then, conclusively, that our health and safety are closely tied to the measures taken by these other countries to control and conquer this common enemy.

In considering any legislation, I am well aware that one of our first thoughts must be of the cost involved. But in examining the cost of this particular program, I believe there can be no question that $50 million is a small sum to pay for the unlimited health and medical benefits that will result. It is less than $1 of every $100 spent by Americans each year on tobacco products. It is less than $1

out of every $200 spent on alcoholic beverages. Would not these $50 million be better spent than the nearly $300 million we spend annually on chewing gum alone? This is an investment which has no limit on the possible returns in better health and good will.

I endorse wholeheartedly the statement of Dr. Howard A. Rusk, professor of medicine and associate editor of the New York Times, who stated:

I feel that this bill gives us two great opportunities—first, to uncover something that may help us to live longer, happier, more productive, and healthier lives. And second, I know of no other way that we can let the world know how we feel about sharing these things and about the dignity of the individual in our democratic way of life, than this, as the interest phase of the program.

Passage of this resolution should bring each of us a sense of personal pride and gratification for a substantial contribution to the eternal struggle for better health.

Mr. PROUTY. Mr. President, I deem it a high privilege to rise in support of Senate Joint Resolution 41, the International Health and Medical Research Act of 1959, introduced by the distinguished Senator frcm Alabama, whose legislative contributions to health and medicine in this country have indeed been significant.

How rare an occasion it is when, during the course of a legislative hearing, no witness appears to testify in opposition to the bill or resolution under consideration. That such a situation developed in the case of Senate Joint Resolution 41 is a singular tribute to its merit.

Perhaps it may be truly said that this resolution is directed at the enemies of life itself—heart disease, tuberculosis, cerebral palsy, cancer, and all their crippling and disabling allies.

It is designed to marshal the scientific skills and resources of this Nation and all other nations in a worldwide attack on sickness and disease, for sickness and disease are not confined by national boundaries or even an iron curtain. They may be found in every society.

Dr. Gundersen, president of the American Medical Association, brought sharply to focus the need for an American partnership and participation in worldwide medical research when he told the Senate Labor and Public Welfare Committee:

Today, more than ever before, medical men all over the world are interdependent. Consequently, physicians in America are interested not only in exporting new developments in the art and science of medicine, but we also are equally anxious to import new techniques and discoveries by our colleagues in other countries. Worldwide progress in medicine can continue in the future only through the free exchange of ideas between medical scientists in all countries.

Dr. Paul Dudley White, the well-known heart specialist, and Dr. Howard Rusk, chairman of the department of medicine at New York University, in moving testimony, strongly cited the need for international understanding and cooperation in the field of medicine.

Dr. Rusk pointed out the international character of medical research when he stated:

Medicine has never been anything but international. You can go back in history, and it is the most beautiful evidence of internationalism that exists in the world.

Mr. President, there is a vast reservoir of unused scientific talent and scientific talent handicapped by lack of funds to carry on basic research. It was pointed out in committee, for example, that a distinguished pathfinder in research concerning the cell, a field where trained men are rare, is struggling along in a laboratory in Sweden with limited funds, when only a small increase in his budget could double his research activities.

The key which will unlock the door to cancer and other diseases which ravage mankind may be found some day in this or other small laboratories.

Mr. President, the objective of Senate Joint Resolution 41 has been best stated by its distinguished author, the Senior Senator from Alabama. In the Senator's own words, the resolution is to make possible "an international mobilization for war—a cooperative war against disease and disability, those historic enemies of all men and peoples."

I strongly urge the adoption of this resolution.

Mr. President, at this time I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HILL in the chair). Without objection, it is so ordered.

VISIT OF POLISH WOMEN SUBJECTED TO SURGICAL AND MEDICAL EXPERIMENTS BY NAZI DOCTORS

Mr. CARLSON. Mr. President, I feel privileged to call the attention of the Senate to the presence in the Capitol at this time of some very distinguished ladies who during the past few months have been guests in this country. These women are from Poland. They are the survivors of medical and surgical experimentation by Nazi doctors in World War II. They were forced to submit to surgical experiments involving muscle and bone transplanting. They were also used as involuntary human guinea pigs in sulfanilamide experiments. Massive infections were produced in the legs of these women. They have had many operations since then.

Mr. President, I suppose some may say that it is better we should forget these things. But this is our trouble; most of us have forgotten. It is precisely because the world had forgotten these women that their ordeal did not end when they left the Ravensbrueck Concentration Camp in 1945. It is necessary for us to be reminded that the accounts have never been squared. No amount of money can ever compensate these women for their suffering, yet they have yet to receive any pensions or compensation from the German Government. Other concentration-camp victims have received payment, so there is no question of a precedent.

In any event, these ladies have been brought to this country for medical and surgical treatment and home care. They were brought to the United States by the same group of volunteer Americans who undertook the historic project which has made such good will for the United States in the Far East. I refer to the project which made it possible for 25 Hiroshima maidens to come to the United States for reconstructive surgery that helped to restore their disfigured faces or deformed arms and legs.

As in the case of the Hiroshima maidens, the Polish ladies have lived with American families in communities from coast to coast. They have had a chance to see something of this Nation. But, most important of all, they have been able to be close to the hearts of our people. In turn, they have been excellent ambassadors. They go back to Poland next week. They will take with them vivid recollections of their trip here, of the good will they found wherever they went, and of the warm sympathy of the American people.

Ladies from Poland, we honor your presence among us today. We are proud to have had you with us in this country, and we offer you every good wish for your return and for your health and happiness.

Mr. MANSFIELD. Mr. President, will the Senator from Kansas yield to me?

Mr. CARLSON. I am very pleased to yield to the very distinguished acting majority leader.

Mr. MANSFIELD. I should like to join the distinguished acting minority leader in extending greetings and best wishes to the ladies from Poland who underwent such terrible torture in years gone by, and who—as the Senator from Kansas has so aptly stated—today serve as reminders that evil does exist in the world, reminders of some things which should never be forgotten. We hope that from their experience there may come some benefits in the way of better understandings, better feelings, mutual tolerance, and fuller recognition of the needs of all mankind.

So I am delighted to join the distinguished Senator from Kansas in welcoming these ladies to the United States. I hope that upon their return they will, in our behalf, carry to their own people our best wishes for their success in the future, and the universal hope that before too long it will be possible to achieve a degree of universal peace which will react to the benefit of all mankind.

Mr. CARLSON. Mr. President, the words of the distinguished acting majority leader are, I know, greatly appreciated by all.

Mr. MUSKIE. Mr. President, will the Senator from Kansas yield to me?

Mr. CARLSON. I am glad to yield to the Senator from Maine.

Mr. MUSKIE. Mr. President, I am deeply appreciative of the opportunity

the Senator from Kansas has given me to speak on this occasion.

I hope the Senate will forgive me if I speak in a rather personal way of these courageous women and their visit to this country.

I am speaking, not only for myself, but also for my father, who is not here to speak for himself. Fifty years ago he came to this country from Russian-occupied Poland. He came to the United States to escape tyranny and to find opportunity. I can remember standing long hours at his knee, as he told me of his homeland and of the kind of people from which he and I sprang.

I am sure that if he were here today, he would say to these countrywomen of his that what he found in the United States justified the sacrifice which was involved in his coming to this country. He found in the United States a love of liberty and unparalleled opportunity. More than that, and of even more significance, in terms of these ladies, he found in the United States compassion and a great heart for the unfortunate and the oppressed.

He told me many stories illustrating that the Polish people are courageous, and have intense pride in their traditions, particularly in their tradition of freedom and love of liberty. He told me of their stoicism in the face of oppression and tyranny, of their patience in the face of adversity, and of their fierce determination to fight always to maintain their integrity as a nation and the sacredness of their traditions.

All America, I think, has been touched by the story of these ladies. All America has been shocked, in the first instance, by the horrible experience to which they were subjected, but also has been touched, ultimately, by the resources of spirit and heart which have made it possible for them to turn their backs on the terror of the past and to look to the future with hope and with confidence in their ability to deal with life as they find it.

The Senators from New York [Mr. JAVITS and Mr. KEATING] and I had what I found to be a most moving experience this noon in meeting with these ladies. It was moving because we could see on their faces and in their eyes the character, the courage, and the firm belief in freedom and in the ultimate compassion of mankind which have made it possible for them to put the past behind them and to live for the future.

I am grateful to my distinguished colleagues for the interest they have taken in my father's countrywomen. I shall not repeat the story of these ladies, which already has been touched upon by my colleague, the distinguished Senator from Kansas [Mr. CARLSON], and will also be touched upon by the distinguished Senators from New York.

However, Mr. President, I should like to obtain unanimous consent to have printed at this point in the RECORD, in connection with my remarks, a statement I have prepared, which outlines some of the considerations which I think may be of interest to the Senate, and also a statement which is a chronological outline of the steps taken by the Ravensbrueck Lapins and groups acting on their behalf to obtain indemnification from the Federal Republic of West Germany.

I cannot close without paying particular tribute to Mr. Norman Cousins and to Miss Caroline Ferriday for the dedication and the interest they have given to this project, without which it would not have materialized.

I thank the Senator from Kansas for yielding to me, Mr. President; and I now ask that the two matters to which I have referred be printed at this point in the RECORD.

There being no objection, the statement and the memorandum were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MUSKIE ON THE RAVENSBRUECK LAPINS

I should like to add a few words of sincere praise for the dedicated efforts of Mr. Norman Cousins, editor of the Saturday Review of Literature, and of Caroline Ferriday, who took the trouble to interest themselves in the problems of the Polish survivors of the surgical brutalities practiced by Nazi physicians during the darkest moments of the Second World War.

Credit also should be given to the Pan-American Airlines for providing free transportation for the 30 women who are making their visit to this country, and to the individuals in private life who, through public donations, have made free medical diagnosis and treatment possible.

It is significant, I think, that even now, a decade and a half after the end of the war, we are still far from having achieved substantial justice for these victims of some of the most inhuman actions on record. It is to be hoped that the Federal Republic of West Germany will find it possible to support the resolution adopted by its own Cabinet as long ago as July 26, 1951, when the Federal Government of West Germany recognized, in the Cabinet resolution, the existing moral obligation in cases of special need to grant effective aid to such victims of medical experiment as were persecuted for reasons of race, religion, ideology, or political conviction. For nearly 10 years, various groups and individuals have attempted to persuade the Government of West Germany that it has an obligation to these courageous women.

It does not seem unfair to suggest that the German Government has been able to find an unusual number of obstacles in the way of taking effective action. In some cases, the German Government has said that money was not the real problem; that the real stumbling block lay in the fact that there were no diplomatic relations between Poland and the Federal Republic. The Polish representatives then proposed that, until such time as diplomatic relations were established, the matter be handled by the International Red Cross. This was rejected by the German Ministry of Foreign Affairs.

Last year Mr. Norman Cousins went to Warsaw and arranged to bring 35 of the Ravensbrueck Lapins to the United States for physical and psychological rehabilitation. At the same time, Mr. Cousins held discussions with officials of the West German Government and gained an agreement that the German Government's objections about dealing with nationals of an unrecognized state would not hold once the Lapins were outside Poland and a responsible committee to represent them was organized in the United States.

Twenty-seven of these ladies arrived in this country on December 23, 1958. In February of this year, the original group was augmented by eight additional Lapins. On February 27, Mr. Cousins was informed by the Press and Information Office of the German Embassy that in 30 cases, a decision had been made to pay $1,000 each as a contribution to the healing costs, provided that these Polish women were then in the United States.

On April 16, the American representatives of the Lapins group met with an official of the German Government in Washington. They advised him that all concerned appreciated the Government's offer of $1,000 per Lapin, but that the funds could not be accepted if acceptance would prejudice negotiations for payment of pensions or compensation.

From this point forward, the situation seems to have reached a stalemate. Apparently, partly because of the strong opposition of the West German Finance Ministry. Since the German Government apparently already has on file medical reports which demonstrate that the victims now in the United States are entitled to maximum compensation under the prevailing rules, it is hard to understand the reasons for any further delay.

It is to be hoped that the visit of the Ravensbrueck Lapins to our Nation's Capital will serve to dramatize the necessity for a prompt and just settlement of their claims against the Federal Republic of West Germany.

CHRONOLOGICAL OUTLINE OF STEPS TAKEN BY THE RAVENSBRUECK LAPINS AND GROUPS ACTING ON THEIR BEHALF TO OBTAIN INDEMNIFICATION FROM THE FEDERAL REPUBLIC OF WEST GERMANY

1951

July 26: Cabinet of Federal Republic of West Germany passed the following resolution:

"The Federal Government, in recognition of the existing moral obligation is prepared in cases of special need to grant effective aid also to such victims of medical experiments as were persecuted for reasons of race, religion, ideology, or political conviction. * * * Victims of medical experiments who for other reasons are not entitled to file an indemnification claim shall not be excluded from help insofar as they have sustained permanent injury to health by virtue of gross disregard of human rights."

The Human Rights Division of the United Nations transmitted to Bonn 12 dossiers on the Polish women victims of Nazi medical experiments. No action had been taken on these women by the Federal Government although a certain number of other victims had been given one-time grants.

1956

A revised and improved Federal compensation law, the so-called BEG, was enacted by the Germans. Under these laws only a select group were entitled to payments. Members of a resistance movement were excluded—in direct violation of previous pledges made to allied authorities by the Federal Government.

1957

ZBOWID, a Polish organization devoted to helping war crimes victims obtain indemnification, called together a special commission consisting of Prof. Dr. Jan Glbrycht, dean of the medical division and director of legal medicine at the Cracow Judiciary; Prof. Dr. Karl Micheda, director of the first surgical clinic of the Medical Academy, Cracow; Dr. Josef Bogusz, director of Surgical Clinic, Cracow; and Dr. Jan Sehl, director of the Institute of Judicial Appraisal, Cracow.

The commission, basing itself on the documents gathered by the Commission for German War Crimes in Poland (which had examine i all the Polish women victims in

1946), reexamined the 53 cases individually from both the clinical and medical standpoints. Their findings were taken by Dr. Sehn and Dr. Adam Zaharski, legal adviser to ZBOWID, to Bonn, and presented to Advisers Schulthe and Koppe, Dr. Blessin, Director of the Division and Commentator of the Compensation Law Ministerialrat, and an unknown delegate from the Foreign Ministry. Basing their appeal on the 1951 Cabinet decision, the two men asked the Germans for compensation.

The Germans replied that money was not the problem; the real stumbling block lay in the fact that there were no diplomatic relations between Poland and the Federal Republic; difficulties of monetary exchange precluded payments. The Polish representatives then proposed that, until such time as diplomatic relations were established, the matter be handled by the International Red Cross. The Germans replied that this decision would have to be made by the Ministry of Foreign Affairs. The Germans gave the ZBOWID representatives 9-page questionnaires to be filled out by each of the 53 Polish women.

In November the delegates returned to Bonn and presented the questionnaires to the Ministry of Finance. The Ministry of Foreign Affairs flatly rejected the International Red Cross proposal. However, they explained that this was not to be construed as a refusal of the victims' claims. The Germans said that the instant diplomatic relations were established with Poland they hoped to have all the claims revived by German experts.

1958

In the spring of this year Friends of A.D.I.R., Inc., an American nonprofit corporation, supplied the Human Rights Division of the U.N. with complete documentation on the 53 cases. This material was forwarded by the U.N. to Bonn.

In November the U.N. transmitted this information to A.D.I.R.:

"In notes verbales dated August 1 and October 16 the Federal Government stated that, because of the legal and practical difficulties it does not consider itself at present able to act upon requests submitted by persons who live in a country with which it does not maintain diplomatic relations. The Secretary General (of the U.N.) has renewed his assurances that he would be prepared to assist the Federal Government in any manner possible to overcome such difficulties."

Early in 1958 Caroline Ferriday, an executive of Friends of A.D.I.R., Inc., brought the problem of the Lapins to the attention of a group of Americans who had just completed the highly successful Hiroshima Maidens project. This project brought 25 young women from Hiroshima, Japan, to the United States. The Hiroshima girls had been disfigured in the atomic explosion of August 1945. In the United States they received free plastic surgery, hospital care, and vocational training. They returned to Japan and are now living useful lives.

Norman Cousins, chairman of this project, went to Warsaw and arranged to bring 35 of the Ravensbrueck Lapins to the United States for physical and psychological rehabilitation. He also held discussions with the West German Government which agreed that its objections about dealing with nationals of an unrecognized State would not hold the moment the Lapins were outside Poland and a responsible committee to represent them was organized in the United States. This paved the way for some action by Germany with respect to payments for the Lapins.

Twenty-seven Lapins arrived in the United States on December 23. After a short stay in New York, the group broke up into two's and three's and went off to various parts of the United States where their treatment and home care would take place. In February the original group was augmented by eight additional Lapins.

1959

On February 27 Mr. Cousins received a letter from Herr J. Haas-Heye of the Press and Information Office of the German Embassy, Washington, D.C. It read as follows:

"In 30 cases out of a total of 34 cases being investigated, a positive decision has been taken, i.e., to pay $1,000 each as a contribution to the healing costs, provided that these Polish women are in the United States. Investigations of the four additional cases have not yet been concluded."

On March 2, Mr. Cousins wrote to Herr Haas-Heye as follows:

"Many thanks for your letter of February 27 with respect to the contribution of the Bundesrepublik Deutschland toward the healing costs of the Ravensbrueck victims of experimental medicine and surgery. The members of our Committee are most grateful to receive this genuine indication by your Government of its willingness to contribute toward the care of the ladies. What pleases us particularly is the creation of a happy atmosphere as a result of your letter, in which we can now proceed to the matter of pensions and compensation. As I explained in my letter to Herr Borchardt, we are eager that a basis for such pensions and compensations be worked out as quickly as possible in view of the high interest in this project by the American people at this time."

On April 16, Messrs. Julian Bach and Benjamin Ferencz (an attorney retained by Friends of the A.D.I.R., Inc.) met with Herr Borchardt in Washington. They advised him that all concerned appreciated the Governments' offer of $1,000 per Lapin, but that the funds could not be accepted if acceptance would prejudice negotiations for payment of pensions or compensation. Mr. Ferencz advised Herr Borchardt that he was proceeding at once to Bonn on behalf of the Lapins.

Mr. Ferencz returned from Bonn on May 12 and reported that discussions with all of the officials responsible for handling this matter were completely without avail. They were privately and personally sympathetic and recognized the need to do something, but were unable to withstand the strong opposition of the Finance Ministry. The Finance Ministry's arguments in opposition to payment were that the agitation in the United States was prompted by either political or commercial motives. This indicates a total lack of comprehension concerning the activities of the hundreds of people who have participated in the Ravensbrueck Lapins project, giving freely of their time and energy.

A more real argument of the Finance Ministry was that it would prejudice the German position concerning other possible claims from persons behind the Iron Curtain. This argument is without merit. It is known in the Finance Ministry that there are only about 75 other cases of medical experiment victims in Poland and the West German Government itself is now in negotiation with the Yugoslav Government concerning payments to persons in Yugoslavia.[1]

Another point made by the Finance Ministry was that they would have no way to examine the claimants in Poland or to verify the validity of the claims. This argument, too, is without merit, since a German delegation could easily proceed to Poland for the purpose of conducting whatever medical examinations would be required. Indeed, this has already been done in connection with the planned visit of many of the victims to the United States. Reliable medical reports are already on file in the Finance Ministry in Bonn and already demonstrate that at least those victims now in the United States are entitled to the maximum compensation under the prevailing rules.

Another point made by the Finance Ministry was that they could not distinguish between those Polish nationals who are now resident in Poland and those who are temporarily in the United States, since that would encourage a flood of refugees across the border simply for the purpose of obtaining German compensation. This argument fails when one realizes the very limited number of persons affected. Even if 75 persons were to proceed from Poland to Germany to receive compensation—compensation to which as human beings who suffered a terrible injury at the hands of the Germans they are entitled—no great harm would be done and such a payment could in no way damage the present or future relations between West Germany and Poland.

Mr. JAVITS. Mr. President, will the Senator from Kansas yield to me?

Mr. CARLSON. I yield.

Mr. JAVITS. Mr. President, first of all, I, too, wish to thank the Senator from Kansas for giving us this opportunity on the floor of the Senate to say a few words about the Ravensbrueck Lapins.

Mr. President, I, to, will speak personally for a moment. Like my disinguished colleague, the Senator from Maine [Mr. MUSKIE], I, too, am the son of immigrant parents, who have come from a long line of people who, during the centuries, have felt the heel of the oppressor and the persecutor. We know what it means to be terrorized and brutalized—perhaps not with the refinements of cruelty which have been visited upon the unfortunate victims who are with us today, but certainly enough to assault any human conscience.

One thing all of us have learned the hard way is the specter which haunts mankind when totalitarian governments or despots—not the people—rule.

The courageous ladies who are visiting the Capitol today are living examples to all of us of what can happen even to moral and religious faiths that are trampled upon and are all but destroyed—as in this case—when the people do not rule, but when others rule in their name, and usurp authority.

Mr. President, what can we do to show our sympathy and our understanding? Of course we show hospitality and the warmth of the human heart. My colleague, the Senator from Kansas [Mr. CARLSON], spoke for all of us when he spoke with such feeling in that regard.

We can try to help bind up the wounds of these people. In that regard, the German Federal Republic has already acknowledged its obligation to many other victims of Nazi brutality, and has spent enormous sums of money in that behalf. I think we have the right to express the hope it will make acceptable amends to these victims.

I understand the German Federal Republic is already offering $1,000 toward the medical costs in the United States of each of these ladies, but that problems of compensation or pension are complicated, according to the German Federal Republic, by the fact that it does

[1] Poland and Yugoslavia are the only countries behind the Iron Curtain with medical experiment victims.

not have diplomatic relations with Poland.

I say for myself, and probably it is true of many other Members of Congress, I shall make utmost efforts to facilitate the resolution of what appear to be of relatively lesser important considerations so there may be major consideration given to doing elemental justice in this case, as the German Federal Republic has done in many other cases. I shall do my utmost in that regard. I know I will be joined in that effort by many colleagues.

I close with an expression of appreciation to Norman Cousins and his associates who have made possible the visit to this country, and to Dr. William M. Hitzig, of my own hometown of New York City, a great medical leader, for helping these ladies, as he has heretofore helped others who have been hurt in war, and to the organizations which have backed this whole effort.

Again, Mr. President, we say welcome to these ladies. We shall try to help. Most of all, we extend to them our human, heartfelt sympathy, and call attention to the lesson which their suffering so well teaches to the free world.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. CARLSON. I yield to the Senator from Oregon.

Mr. NEUBERGER. I think it is particularly fitting, although I know it was not timed that way, that the eminent Senator from Kansas should bring this matter to our attention on a day when our colleague from Alabama [Mr. HILL] is sponsoring a bill for an international health and research institute at the National Institutes of Health.

There is quite a contrast between the very barbaric and inhuman tortures which were inflicted upon our guests from Poland and the fact that, at this very moment, the U.S. Senate is considering a bill to authorize an expenditure of $50 million. This expenditure would be used, as proposed by the Senator from Alabama, to further medical research throughout the world, so that human suffering may be alleviated. I hope that our guests from Poland, who have suffered so greatly, will take back to their compatriots in their homeland the story that on the day they were in the Capitol, the U.S. Senate was considering legislation to use some of the funds of the American people to further medical research all over the world, so that precisely some of the agony which our guests from Poland suffered might somehow, through new medical techniques, be alleviated.

I support the expression of appreciation to Norman Cousins, editor of the Saturday Review, for helping to bring these ladies to the United States. Mr. Cousins is also the wise man who helped bring to the United States some of the victims of the atomic bombing of Hiroshima, so they might receive plastic surgery and other medical attention in order that their wounds and other injuries inflicted in that tragic event might somehow be lessened and healed.

As the name Neuberger might indicate, my paternal grandfather came to this country from Mannheim, Germany, in 1869, for the very understandable reason that he did not want to get in the Franco-Prussian War. Therefore, the land of my ancestors helped to inflict the terrible injuries on the ladies from Poland who have been lauded today. Germany has much to atone for in such a terrible deed.

I join the Senators from Kansas, Maine, and New York in expressing the hope that the West German Government, which today is enjoying an era of unprecedented economic prosperity, will aid in providing generous financial indemnity to these ladies.

I think it is characteristic of the kindness of the Senator from Kansas [Mr. CARLSON] and his innate humanitarianism, that he is the person who has presented to the Senate this afternoon the story of these brave women.

Mr. DODD. Mr. President, will the Senator yield to me?

Mr. CARLSON. I yield to the Senator from Connecticut.

Mr. DODD. I am particularly interested in the statements which have been made on the floor of the Senate today for a personal reason. It fell to my lot, as many of my colleagues know, to serve as chief trial counsel for Supreme Court Justice Jackson at the international trial at Nuremburg.

I do not know that it needs to be said, but perhaps it ought to be said as a matter of record, that the things which have been mentioned today did happen, that these dreadful experiments were carried out. Perhaps as a footnote to that statement I should add that even the defendants in the dock at Nuremburg never denied that these evil things were done. The physicians who carried out these dreadful experiments on these tragically unfortunate human beings admitted they did so. They confessed to their crimes. So the record of that proceeding stands clear. There is not any doubt at all about the fact that these terrible things did happen.

I speak today, Mr. President, for two reasons. First, to affirm the fact of these horrible crimes.

I approached my responsibilities in that international proceeding with something more than an attitude of one who must be shown. I was just old enough to remember the tales and the stories about the allegedly inhuman activities of the Imperial German Army during World War I. And I was old enough to remember, as well, the fact that most of the accusations which had been made against the Imperial German Army were, to the shame of many after that conflict, found to be untrue.

So when I arrived at Nuremburg, I had the fixed purpose in my mind that I would find the facts and establish the truth; that I would examine carefully every shred of evidence having to do with matters of this kind. I did that and I can say the record is completely truthful. And the chapter referred to here today is a terrible part of the story. It was distressing and shocking, as were all the stories we heard in those 10 long months in that city of shambles, sorrow, and shame.

Yes, these things happened, and I think it is good that the Senator from Kansas has brought this matter before us. Reference has been made—and I take great pride in the reference—to the concern and activities of Mr. Norman Cousins, the distinguished editor of the Saturday Review of Literature. I am particularly pleased about his interest because he is a resident of my State. He started this whole line of concern about these people, and he has not stopped, and he will not stop until some measure of justice is meted out to these women, because Norman Cousins is a just and compassionate man.

As I thought about these events this morning, for I knew something would be said on the floor of the Senate this afternoon about the subject, I thought to myself, "Well, what good does it do, really? What can we do for these tragic people?"

I answered my own question, "Well, certainly, we can try to see that they are compensated, insofar as it is possible for humankind to be compensated for an outrage of this type."

No amount of compensation given these ladies can possibly undo the damage done to them. But the failure to try to compensate in some measure compounds the original injustice. That is why all men of good will must take heart at the consideration now being given to these cases by the Bonn Government.

It would seem incredible to me if the Bonn government, which has already allocated some 2 billion marks for the inmates of concentration camps, were to overlook or ignore or not take care of these persons who survived their awful experiences. So it is encouraging that now it appears that West Germany will make some money available to compensate, in some measure, these victims.

But, in a larger sense, there is a second and more important reason for noting this occasion. A larger answer and a better reason, I think, is that the world needs to be reminded of this incident of debasement of human dignity.

This occasion in the Senate today has a lesson for all of us. The debasement of human dignity, the outlawing of human decency is always the end result of tyranny.

Most of the hideous crimes of the Nazis were merely repetitions of lessons learned from the Communists. The same hatred of individual dignity and moral values was rooted in the origins of both systems.

The Nazi regime has been replaced by a remarkable group of leaders of the highest type who have led Germany back into the family of upright civilized nations. But the Communists remain to perpetuate the concentration camp and all that it stands for. Let us remember that always in our dealings with this evil force in the world.

I add one further statement on this occasion. There has been a lot of debate about the proceedings at Nuremberg over the years. But I know there is one criticism which has not been made, and in my judgment will never be made, and in truth cannot be made. Lawyers may

argue about the retroactive features of the fundamental charter of the proceedings, or jurists may argue about the manner and form in which the trials were conducted, but no honest man will ever rise to say that the proof adduced at Nuremberg was falsified. This is a matter of great comfort and of great importance to all who live in the world today and to those who may follow. The record is honest and truthful.

I could sum up, in a shorter way, by saying I never cared during those long months at Nuremberg whether Goering was hung or Ribbentrop was shot or all of the prisoners were released. I never thought it made any difference, because in my mind's eye they were broken reeds and their power for evil was spent. What was important, as I thought then and as I am utterly convinced now, was that we should write a truthful record as to what happened, so that the world could know about it and learn a lesson from what someone has described as an autopsy on the worst era, certainly, of modern times.

This matter of which we speak today, is not even a chapter in the volumes which record that autopsy, because there were thousands more like these heroic women, who suffered all kinds of pain and shame.

The least we can do is to see to it that in a material way, as I said earlier, some measure of compensation is made available to these ladies and we can pause for a moment to reflect upon the inevitable result of tyranny, wherever and in whatever form it exists. We owe a debt of gratitude, therefore, to the Senator from Kansas and to all those who have spoken today, and certainly to Mr. Norman Cousins.

I am glad I have had an opportunity to comment upon this significant occasion.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. CARLSON. I yield to the Senator from Michigan.

Mr. McNAMARA. I should like to associate myself with the remarks which have been made by the distinguished Senator from Kansas and by the present distinguished occupant of the Chair, the Senator from Maine [Mr. MUSKIE]. I wish to point out that the courage of these freedom fighters, who are in our country today, to me represents simply another milestone in the continuing demonstration of the faith of the Polish people that their country will soon again, with the help of God, be free to join the rest of the free world.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. CARLSON. I yield to the Senator from Minnesota.

Mr. McCARTHY. I wish to associate myself with the Members of the Senate who have spoken on this significant occasion, particularly with the Senator from Connecticut [Mr. DODD] who has spoken so well on the dignity of the human person and on how fundamentally this dignity is involved in the particular case of the visiting ladies, and on the consequences of a disregard of this basic dignity.

The Senator from Oregon [Mr. NEUBERGER] has pointed out the happy coincidence that we are paying tribute to these heroic women today at the very time when the Senator from Alabama [Mr. HILL] proposes to advance a program which has been entitled "Health for Peace."

The Senator from Maine [Mr. MUSKIE] has spoken movingly of the heroism of these women, as a manifestation of the tradition and spirit of the Polish people, a spirit and tradition which has sustained them through the centuries. The Polish people have not been proved by just one shining hour, as is true of many other peoples and nations, but rather they have been subjected to a slow and most difficult testing.

We can draw a lesson by reflecting upon the heroism of these women, demonstrated under most regrettable circumstances and conditions; namely, that in a free, democratic society we must at all times be concerned not only about the ends or the purposes which we seek, but we must also at all times be concerned about the procedures and about the methods and the means which we use in order to arrive at those purposes.

The Senator from Alabama proposes a program under which, through the proper use of means and the proper use of persons, we hope to make great advances toward the improvement of health. In contrast the women from Poland who have been guests in the Capitol today were exploited and their human dignity was disregarded.

We must stand firm against such abuses. We must never make the first compromise, that is, to be dishonest for the sake of honesty, or dishonorable in the name of honor, or to say that because the objectives which we seek are good we need not be to much concerned about our methods. In the very first compromise we in effect lose the whole cause. It is as though in the early stages of our action, we write our compromise in invisible ink and so seek to avoid responsibility. The record of history will in the end prove us false and the acid of time reveal our infidelity, our dishonesty, and our dishonor. Let us then from the beginning, now and in the future, always be dedicated to truth and right, both as to ends and objectives, insofar as we can determine them, and also to the methods and means by which we seek to advance the causes which we consider to be good.

Mr. CARLSON. Mr. President, first I wish to express my sincere appreciation to the distinguished Senator from Alabama [Mr. HILL] for his most generous kindness in giving us the opportunity to present our statements regarding this fine group of women from Poland.

I hope that when these fine, heroic ladies return to Poland, they will remember the words spoken on behalf of every section of our Nation—the west coast, the east coast, and every section of the United States. We all pray God's blessing on and a safe return of these ladies to their home country.

Mr. HILL. Mr. President, I felt privileged to yield to the distinguished Senator from Kansas so that he and other Members of the Senate might pay their tribute to these splendid, God-fearing women from Poland, who have suffered so much, and who have set for us such an inspiring and challenging example of heroism, of devotion, and of faith. So long as courage is cherished as a virtue, they will be remembered.

NAVAJO IRRIGATION AND SAN JUAN-CHAMA PROJECTS, NEW MEXICO

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business and the pending business both be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 142, Senate bill 72.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 72) to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate resumed the consideration of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment heretofore proposed by the Senator from Arizona [Mr. HAYDEN], for himself and the junior Senator from Arizona [Mr. GOLDWATER], the Senators from California [Mr. KUCHEL and Mr. ENGLE], and the Senators from Nevada [Mr. BIBLE and Mr. CANNON].

Mr. ANDERSON. Mr. President, as I stated 2 weeks ago when we had this bill before us, the amendment offered by the senior Senator from Arizona [Mr. HAYDEN], for himself, the junior Senator from Arizona, and the Senators from California and Nevada, is completely acceptable to the senior Senator from New Mexico [Mr. CHAVEZ] and to me, and we shall be happy to have the amendment agreed to.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. LAUSCHE. I should like to learn what is the position of the Federal agencies which have a relationship to this type of project in connection with the bill. It is my understanding that full studies have not been made. On the basis of that fact, the Federal agencies which are responsible for such matters urge that no action be taken on the bill at this time.

Mr. ANDERSON. I should like to ask the senior Senator from Ohio if he will permit the Hayden amendment to be agreed to. I could then answer the question. The Hayden amendment relates only to the storage of water and to other activities in respect to the river, rather than to the project itself. I do not care how the matter is handled, and I shall

be glad to explain the bill, but I hope we can first dispose of the Hayden amendment.

Mr. LAUSCHE. Is the Senator from New Mexico familiar with the Hayden amendment?

Mr. ANDERSON. I am familiar with the fact that the compact sets forth clearly the uses to which the water shall be put, and the priorities which may be involved. The water users in California, Arizona, and Nevada, which are three lower basin States, would like to have clearly stated the rights to the water and the fact that the water comes under the compact, recognizing the provisions of the Boulder Canyon Act, the Boulder Canyon Adjustment Act, and the various other projects, acts, and compacts affecting the Colorado River.

Mr. LAUSCHE. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. HAYDEN] for himself and other Senators.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ANDERSON. Mr. President, I should like to comment on the question of the Senator from Ohio.

The actual fact is that the studies with respect to the bill have been finished for quite a while. In 1958 Mr. Floyd Dominy, who was at that time Associate Commissioner, Bureau of Reclamation, and who is now the Commissioner of the Bureau of Reclamation, testified with regard to an identical bill, and stated its purposes. Mr. Dominy was asked about the bill and particularly whether the studies had been completed. He gave the supporting reasons for the project and he said, as is shown on page 50 of the record of the hearings:

> Construction of this proposed project is urgently needed to stabilize the irrigation economy of irrigation units on the tributaries of the Rio Grande Basin in New Mexico. Development of these tributary units would alleviate the economic distress to a measurable degree in these areas that have long been plagued with problems of low-level standards of living and employment. Development of the initial stage of the project would also provide badly needed supplemental irrigation water supplies for lands in the Middle Rio Grande Conservancy District. In addition, it would provide a water supply for rapidly growing requirements of municipalities and defense establishments in the Rio Grande Basin.

Then the committee considered the fact that the Bureau of the Budget had recommended we go slower on the project. I shall read the Bureau's reports later. Mr. Dominy said:

> I would think, Mr. Chairman, that the Bureau of the Budget ought to have its position firmed up very quickly, because although the report was not transmitted formally until last week, the Bureau's staff has had some opportunity to review preliminary information which we made available to them.

On page 53 of the hearings of last year Mr. Dominy states:

> We in the Interior Department are prepared to work with the Bureau of the Budget on a day-to-day basis, and you may be sure we will cooperate as effectively as we can to get prompt consideration.

Then, at the bottom of page 53 of the 1958 hearings, Mr. Dominy is quoted as saying:

> The Department's legislative report, which has been made a part of the record here, I think clearly indicates that the Secretary of the Interior has no reservation concerning his endorsement of the principles of the project proposed covered in the bill. The report does suggest certain amendments which would clarify certain portions of it, but they are not of major significance in terms of changing the plans as proposed in our coordinated report.

These changes were made and the bill is in full conformity with the recommendations which were made.

This year we asked for a report, and the Department of the Interior gave us a somewhat similar report to what they had given us last year. The report refers to the project, but it expresses its belief that it should be delayed. I read from the shorter report, dated April 8, 1959, on the pending bill. I read from page 13 of that report, from the letter written to the chairman of the Committee on Interior and Insular Affairs, the Senator from Montana [Mr. MURRAY] by Mr. Fred G. Aandahl, Assistant Secretary of the Interior:

> As we informed your committee in that report, a proposed coordinated planning report on the Navajo Indian irrigation project and the San Juan-Chama project has been prepared jointly by the Commissioner of Indian Affairs and the Commissioner of Reclamation, and has been approved and adopted by this Department. Copies have been sent to the affected States for review under the Flood Control Act of 1944 and the act of August 14, 1946, and to the interested Federal agencies for review under existing law and interagency agreements. The processing of the report has not yet been completed. Therefore, we are not in a position to make any recommendation with respect to the enactment or provisions of the bill, and it is suggested that the committee may wish to defer action on authorizing legislation until the planning report has been submitted to the Congress.

As a matter of fact, the committee did not wish to do so. It voted unanimously to report the bill in 1959, as it had done in 1958.

The reason for that is that there was instituted a program of no more new starts of irrigation projects. However, since then we have authorized the San Luis project, as well as a great many others, including the Trinity project. We have gone right along authorizing these projects whenever they seemed to be required or justified by economic considerations. The Department passes on and approves a project; it considers all the engineering studies. In this case all the necessary engineering work has been done, and the project is now ready to be started. I should say that the Navajo Dam is under construction, and is to cost $40 million. Within a very few years that dam will be finished. The water will back up behind that dam, and it will be ready to be put on the irrigation project. Therefore we felt, since the dam was to be completed, the construction of the irrigation project itself should go ahead.

Furthermore, the Navajo Indians are wards of the U.S. Government. The day is coming when they will have plenty of money. There can be no doubt about that. They have uranium assets, as well as assets of oil and gas. Within a period of not too many years I hope they will be self-sustaining.

However, the development of this land, as in so many cases with respect to the development of land, cannot be done by the Navajos. It needs to be done by the Federal Government. For that reason the committee reported the bill, and reported it unanimously.

I see on the floor the senior Senator from Arizona [Mr. HAYDEN], who understands the problem of getting reports from the interested executive agencies. There is no question, as Mr. Aandahl, of the Department of the Interior, has pointed out, that the consolidated report has been approved and adopted by the Department.

Mr. LAUSCHE. Am I correct in my understanding that no hearings have been held on the bill this year, but that the testimony from which the Senator from New Mexico has read is contained in the transcript of the testimony which was taken in 1958?

Mr. ANDERSON. A short hearing was held this year on the bill, to ascertain if there was any change in the position of any of the agencies involved. Testimony was received from various groups, but there was no shift in the position taken by the various groups.

Mr. LAUSCHE. The official position of the Department of the Interior is set forth in the letter dated March 9th, appearing at page 13 of the report. In that letter there appears this statement:

> The processing of the report has not yet been completed. Therefore we are not in a position to make any recommendation with respect to the enactment or provision of the bill, and it is suggested that the committee may wish to defer action on authorizing legislation until the planning report has been submitted to the Congress.

Mr. ANDERSON. I would only say to the Senator from Ohio that the program is the same year in and year out. The reports go from the Bureau of Reclamation to the affected States. Theoretically, the only affected State in this instance is New Mexico; but actually, we wrote into the bill, in line with an agreement between the then junior Senator from Texas, Mr. Daniel, and the junior Senator from New Mexico, a provision that the report should be submitted, as well, to the State of Texas.

We then suggested that the Department of the Interior might also want to send the report to the other States for comments. The comments sometimes come back in a reasonable time, and sometimes they do not. The Department has not received the comments from some of the States, possibly due to the fact that they are not affected, except by the amendment offered by the able Senator from Arizona, which we have accepted, and which has now been adopted into as a part of the bill.

Mr. LAUSCHE. On the basis of the official letter of the Department of the Interior, I suggest that it recommends

that we do not go forward with the authorization at this time.

Mr. ANDERSON. I do not believe it says quite that. I do not believe it says it in those words. It says: "It is suggested that the committee may wish to defer action." We did not wish to defer action, and voted to report the bill unanimously.

Mr. LAUSCHE. I suppose that what the Department wrote was a polite way of suggesting that we probably ought not to go forward with the project. There are certainly two interpretations which can be placed on the language.

Mr. ANDERSON. I agree with that statement.

Mr. LAUSCHE. I invite the attention of the Senator from New Mexico to the letter from the executive office of the President, the Bureau of the Budget, dated March 4, addressed to the Senator from Montana [Mr. MURRAY] which appears at page 14 of the report on the pending bill. I read from the next to the last paragraph:

> The review of the proposed report of the Secretary of the Interior on the Navajo Indian irrigation project and the San Juan-Chama project under the procedures set forth in Executive Order No. 9384 has not been completed. Until this review has been completed, the Bureau of the Budget has no basis for appraising the merits of S. 72.
>
> Accordingly the Bureau of the Budget would recommend that your committee defer action on S. 72 until a report has been submitted to the Congress in accordance with established procedures.

The Bureau of the Budget definitely recommends that no action be taken on the bill.

Mr. ANDERSON. By the committee. Even when the committee had that statement in front of it, it went right ahead and did take action unanimously recommending that the bill do pass.

I say again that the review to which Mr. Hughes refers in that letter is a review of the comments of the various States, not a review of the work of the Department of the Interior itself. The studies have been reviewed, and, as Mr. Aandahl stated in his letter, the report has been "approved and adopted by this department."

I stated to the Senator from Ohio that we did not hold long hearings. I show him 45 pages of the hearings we held this year. Those hearings were held on the pending bill. I do not say that we made an exhaustive study, because a study has been made of the bill year in and year out since about 1956 or 1957. In the earlier years the suggestion was made to us that we could defer action on the project because the Navajo Dam would not be built. I have been to the Navajo Dam. It is under construction. The work is being done adequately by a very excellent firm of contractors, and the dam is moving rapidly ahead. The question is what will we do when the water begins to back up behind the dam? That is why the committee voted to report the bill unanimously.

Mr. LAUSCHE. Am I correct in my understanding that the two agencies of the Federal Government which are directly charged with responsibility in connection with the proposed legislation and the proposed project have both declared that their studies are not complete and have suggested or recommended that no action be taken until the reports are processed and the studies completed?

Mr. ANDERSON. No; I believe the word "studies" is not correct. The studies have been completed. I do not believe the Federal agencies have stated that the studies have not been completed. I believe they state that their reviews have not been completed. That refers to their own reviews which are provided for by the so-called Millikin-O'Mahoney amendment, under which the reports go back to the States for review. The reviews from the States not having come in, the Department of the Interior can truthfully say that all the views have not been received.

Nevertheless, the Department of the Interior has stated:

> As we informed your committee in that report, a proposed coordinated planning report on the Navajo Indian irrigation project and the San Juan-Chama project has been prepared jointly by the Commissioner of Indian Affairs and the Commissioner of Reclamation, and has been approved and adopted by this Department.

Mr. LAUSCHE. Let me put the question this way, then: Is it not correct that the two interested agencies of the executive branch have stated that the review in accordance with the executive order which prescribes what course shall be followed has not been completed, and that, therefore, they cannot recommend the passage of the bill?

Mr. ANDERSON. I think that is correct; indeed, there is no question that it is correct. They have said the review has not been completed. The Department of the Interior suggested that the committee might wish to defer action; the Bureau of the Budget recommended that the committee defer action.

Mr. LAUSCHE. Yes; that is correct.

Mr. ANDERSON. The committee rejected the recommendation on both counts, and went ahead and reported the bill.

Mr. LAUSCHE. What is the estimated cost of the project?

Mr. ANDERSON. It is $221 million.

Mr. LAUSCHE. So if the bill shall be passed, we will be authorizing the expenditure of $221 million, even though the two responsible agencies of the executive branch of the Government have stated that their reviews have not been completed, and that, therefore, they cannot recommend the passage of the bill.

Mr. ANDERSON. I think the able Senator from Arizona [Mr. HAYDEN] would not agree that we are authorizing the expenditure. I think we are authorizing the appropriation of the money; but the authorization for the expenditure has to come through the Committee on Appropriations.

Mr. LAUSCHE. I will correct my statement to that extent. Why cannot we wait until the review has been completed? If the agencies are slow in processing it, why cannot we suggest that it be processed and then proceed with the passage of the bill in an orderly manner? Why should we proceed at a time when the responsible executive agencies have stated that they cannot recommend the project?

Mr. ANDERSON. I do not believe they cannot recommend it or that they cannot go ahead at this time. Probably they will never finish the review until an executive decision has been made to open up on irrigation projects. That has been the history of such projects. I have been the chairman of the Subcommittee on Irrigation and Reclamation of the Committee on Interior and Insular Affairs for quite a while. We have approved a great many projects which had not received final approval. Mr. Dominy, in his statement to the committee last year, said:

> The Department's legislative report, which has been made a part of the record here, I think fairly indicates that the Secretary of the Interior has no reservation concerning his endorsement of the principles of the project proposal covered in the bill.

A year ago, I tried my very best to have the matter of the report cleared up. An actual examination of the project had been completed then, as it is now, but because not every State's report had been considered and evaluated by the Secretary of the Interior, he could not and did not recommend upon it. Why? Because a ceiling had been placed on such new starts. He was not in a position, in view of his requirements, to make a report. But the project stays the same.

The Senator from Ohio asks, Why do we not wait? We waited in 1956; we waited in 1957; we waited in 1958. Here we are waiting in 1959. Why? Because there is a situation in the executive departments which requires that some of these new projects not be started. Meanwhile, the situation has changed in the field. The dam is under construction. It will be finished in a very short time. It will represent an expenditure of $40 million. Why let it stand idle, with water piling up behind it, when we are at the same time contributing money for the support of the Navajos, who could be supporting themselves if they were on the land? I think that in the long run this is a sensible project.

I have referred many times to the Salt River project in Arizona, the home State of the chairman of the Committee on Appropriations [Mr. HAYDEN]. People can say whether or not it was a wise expenditure of money. I do not know how many times—the Senator from Arizona would know—the total cost of the Salt River project has been repaid to the Federal Treasury in income taxes from the farmers who live there and benefit from that project.

The project now before us will be, in the long run, extremely valuable because it will put many of the Navajo Indian families onto the land, where they can make a good living. It will take them off rolls of the Federal Government.

Mr. LAUSCHE. Does the Senator from New Mexico know whether the various States involved have expressed their views in conformity with the practices which are followed?

Mr. ANDERSON. Yes. As a matter of fact, our project was initiated by former Governor Mechem, a Republican Governor of New Mexico. Every succeeding official in our State has followed the recommendations he then made. I have endorsed them.

The able senior Senator from Arizona [Mr. HAYDEN] is better qualified to speak with respect to his State, but I know that Arizona has not taken the slightest exception to this project; on the contrary, it has supported it. The senior Senator from Arizona and the junior Senator from Arizona [Mr. GOLDWATER] are actively supporting the project, as they have been from the beginning, because two-thirds of the Navajos live in Arizona. I think that is a correct statement, is it not?

Mr. HAYDEN. The Senator is correct.

Mr. ANDERSON. Two-thirds of them live in Arizona. The headquarters is at Window Rock, Ariz. The only reason the project comes as it does is that all the land lies within the State of New Mexico.

As the Senator from Arizona knows, I went into the Navajo country about 8 or 9 months ago. A special day had been set aside by the Navajo Tribal Council. We discussed their problem. It was appreciation day for the Representative from Arizona, Mr. UDALL, and the junior Senator from New Mexico.

They were happy because we were trying our very best to get roads for them, as well as Navajo projects. I am sure the Senator from Arizona recalls that event. The Navajos have asked me, round after round, to get this project started.

We will be taking a portion of the water allotted to New Mexico—a very large portion of it—and pouring it on this land for the benefit of the Navajos, two-thirds of whom live within Arizona. But we feel that our Government and our people have a liability and a responsibility to the Navajo Indians, and we desire to discharge it.

Mr. LAUSCHE. Is it the position of the Senator from New Mexico that the Department of the Interior and the Bureau of the Budget have failed to make the review because they desire to comply with the recommendation of the President that no new projects be started?

Mr. ANDERSON. I think that is correct.

Mr. LAUSCHE. The Senator from New Mexico earlier stated that the State Governors are slow in submitting their reports.

Mr. ANDERSON. I have stated to the Senator from Ohio that a favorable report, beyond what has already been given, is not given and cannot be given by the Department because of the overriding policy of no new starts in this particular field.

As an illustration, only a day or two ago the atomic energy appropriation bill provided money for the expansion of a project which is very greatly desired by Admiral Rickover. The cost will be some $18 million. The Atomic Energy Commission could not ask for it. The Bureau of the Budget had turned down the request of the Commission for the funds. Mr. McCone was not in a position to request it. But he was in a position to stand before our committee and say:

> This will be money well spent. If the committee will ask for it, the Commission will spend it and will be happy to have it.

He had his limit, beyond which he could not ask for more. That is what the situation is in this instance.

Mr. LAUSCHE. The position of the Senator from New Mexico is that the Department of the Interior and the Bureau of the Budget have failed to review the reports, although all the reports have been filed by the different Governors, solely because the executive department wants to comply with the President's recommendation that no new start be authorized or appropriated for in the fiscal year 1960.

Mr. ANDERSON. No; I would have to qualify that statement from this standpoint. I do not wish to have my position too refined. I did not say, or did not mean to say, that all the reports have come in from all the States.

Mr. LAUSCHE. That is what I had in mind.

Mr. ANDERSON. There are no other States which have any real involvement in this project. A letter is sent to the Governors in which they are told: "If you have any objection, please file it." They are asked to state what they need, so that their request can be put on "ice." That is probably what happened. I do not know what reports have been received. I only know that the Bureau of the Budget has stated that a complete review is not possible. If the report is lying in the office and the Bureau does not wish to review it, then the report is not finished. I do not know whether the report lies in the office or remains in the office of the Governor of Texas.

We were informed that the Governor of Texas did not intend to file a report. I, myself, talked to Gov. Price Daniel in Texas on this subject. I do not know whether or not he filed a report. He said he did not intend to file a report; that he was perfectly satisfied with the language of the bill. So I would not be able to say whether a report from Texas is lying in the Department of the Interior.

Mr. LAUSCHE. It seems to me it would be a simple matter to get the Governor of Texas to act merely by communicating with him. Does the Senator from New Mexico state that he did communicate with him, and that the report still has not been submitted?

Mr. ANDERSON. I did not ask him to file a report. We were trying to make certain that the rights of Texas were adequately protected by the bill, and I think they are.

Mr. LAUSCHE. One final question. Is my understanding correct that a vote in the affirmative for this measure will be tantamount to a repudiation of the President's request with respect to his purpose to develop a balanced budget by not starting any new projects by way of public works or otherwise for the next fiscal year?

Mr. ANDERSON. I dislike to use the word "repudiation." I only say that funds for this project would be voted as Congress has many times voted money which the Bureau of the Budget has not approved.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WILLIAMS of Delaware. How many acres, roughly, would be brought into production under this proposal?

Mr. ANDERSON. In the Navajo project the amount at one time was as much as 150,000 acres. I rode over the project at that time. I think it was perhaps in 1948 or 1949. I believe the present figure is 110,000 acres in the Navajo project.

Mr. WILLIAMS of Delaware. Does this project, generally speaking, authorize or propose to furnish irrigation for others than Indians?

Mr. ANDERSON. Yes, it does.

Mr. WILLIAMS of Delaware. How much is provided for others than Indians?

Mr. ANDERSON. Eighty-six million dollars is for the San Juan section, and $135 million is for the Navajo section. The San Juan section is the transmountain diversion to the Rio Grande Valley.

I would not be able to state to the able Senator from Delaware the number of acres which will be involved in that section, because it is the hope of the people living in the valley that more of the water will be used first for municipal purposes in the Defense Establishments of Los Alamos, Sandia, and White Sands.

Eventually the water will find its way back into the stream. It may help make additional irrigation possible, although no irrigation of new land. No irrigation of new land is contemplated; but the project will supply water to the Middle Rio Grande Conservancy District and to the Elephant Butte irrigation system. However, until a determination is made of the amount of water which will be used by the three Defense Establishments I have mentioned and the amount of water which will be used by the city of Albuquerque and by other cities in the valley, I cannot say exactly how much water will be used.

Mr. WILLIAMS of Delaware. Is not that a part of the determination which will be made in the report when it is submitted to Congress?

Mr. ANDERSON. No; because the Engineers' report shows the details of gathering the water from tiny fingers in Colorado and bringing it across the high country to the Rio Grande Valley.

Mr. WILLIAMS of Delaware. And what will be done with the water after it reaches the Rio Grande Valley will be the province of the Secretary of the Interior.

Is there anywhere available evidence as to the number of acres of new land which will be brought into cultivation, other than the land on the Indian reservation?

Mr. ANDERSON. I do not think so. The land which will be watered by this project in the valley will not be new land.

Mr. WILLIAMS of Delaware. But additional water will be made available; will it not?

Mr. ANDERSON. The land on which the additional water will be used will be land which at present is supplied with water from deep wells or from natural rainfall. But this project will provide a supplemental supply of water, exactly as in the case of the Big Thompson project, in Colorado, and exactly as contemplated by various other Colorado projects, such as the one near Pueblo.

Mr. WILLIAMS of Delaware. But this project will, if constructed, increase enormously the productivity of the land to which the added water is made available; will it not?

Mr. ANDERSON. I do not think so. As I have stated, the primary purpose is to provide additional supplies of water for municipal, domestic, and industrial uses, particularly for the three Department of Defense Establishments. At the present time, at Los Alamos the water is pumped from the Rio Grande River, at a plant near Buckman, and is brought up considerably more than 1,000 feet to the level of the Los Alamos project. If it were possible to bring the water in a conduit from the reservoir which is being constructed upstream, near Chama, there would be a possibility of not having as expensive a pumping project as the one now used.

Mr. WILLIAMS of Delaware. I should like to know what increase in the productive capacity of this land is anticipated. Certainly we now have a surplus of all types of crops which are produced in this area and in other areas. Furthermore, as pointed out in connection with the recent debate on the San Luis project, I question the advisability of spending several million dollars to increase the productive capacity of our land. We may need to increase the productive capacity of our land at a later date, but I wonder whether this is the time to do it, particularly when we do not have the money with which to do it.

Mr. ANDERSON. I do not think there will be an increase in the production of crops which already are in surplus supply. There is a dairying area in and around Albuquerque, and that area is dependent upon the production of alfalfa. I can say to the Senator from Delaware that a few hundred acres of alfalfa are produced on a farm that I know is moving in the direction of dairying. Some of the land there is devoted to the production of apples.

In the lower area, below Elephant Butte Dam, cotton is produced. But the water from this project will not be used to increase that production.

For some years there has been a shortage of water in the Elephant Butte area, and that area was in debt to the district, because the rainfall was insufficient. Exactly how many acres would be added, I cannot predict. I only know that the Defense Establishment has requested this project. It has hundreds of millions of dollars invested in the Los Alamos laboratories, in the Sandia Base facilities, and in the White Sands Proving Grounds.

Mr. WILLIAMS of Delaware. But to the extent that the project increases or expands the productive capacity of this cotton acreage, the cotton surplus will be expanded, will it not?

Mr. ANDERSON. If that were done, the surplus would be expanded; yes. But I say to the Senator from Delaware that I do not believe that is the purpose of the bill, nor do I believe that will be its effect.

Mr. WILLIAMS of Delaware. It may not be the purpose of the bill; but I am not so sure about its effect, because certainly in an area that is deficient in water, if the supply of water is increased, the productive capacity of the land in the area will be increased.

Mr. ANDERSON. But the basic crops which now are in difficulty, in terms of surplus, are tobacco—and no tobacco is grown there—and peanuts—and no peanuts are grown there—and corn—and corn is not grown there, except for a variety of Indian corn which is used for silage—and wheat—and no wheat is grown there—and so forth.

Mr. WILLIAMS of Delaware. How about cotton?

Mr. ANDERSON. Cotton is grown in the Elephant Butte irrigation district, but that district has had a very satisfactory supply of water. Cotton requires, in that area, from 2½ to 3 acre-feet of water; and that area does not suffer too much from lack of water.

Mr. WILLIAMS of Delaware. But it is my understanding that cotton is involved in some of the acreage in that area.

Mr. ANDERSON. I do not believe any item of that sort is to be found in the report or in the testimony.

Mr. WILLIAMS of Delaware. I do not believe it is in any report; but I understand there is some in that area.

Mr. ANDERSON. That is not my understanding, unless the fact that an additional supply of water would be brought to the cities and to the Defense Establishments in that area would mean that the water might find its way back into the Rio Grande, and eventually might be used for additional irrigation.

Mr. WILLIAMS of Delaware. Reference has been made to the position of the Department of the Interior and the Bureau of the Budget on this project. From the report, it is obvious that the Department of the Interior is not in a position to make any recommendation in regard to this measure, and neither is the Bureau of the Budget.

On the other hand, of course, if Congress authorizes the appropriation of these funds, and if Congress subsequently appropriates the funds—and it is understood that the appropriation will follow, once we make the authorization—the result will be that, to that extent, deficit spending will be increased.

Mr. ANDERSON. I do not know how quickly the money will be appropriated. The primary purpose of seeking the authorization now is to make sure that as the Navajo dam moves to completion, the Bureau of Reclamation will be able to make plans for the proper and efficient utilization of the water supply, which will be very satisfactory and large; and we do not want it to be wasted.

Mr. WILLIAMS of Delaware. Mr. President, because I have such great confidence in the ability of the Senator from New Mexico, I am sure that if the authorization is made, the appropriation will soon follow.

Mr. HAYDEN. No, Mr. President; the appropriation will have to wait until the Senate receives a report on the project from the Appropriations Committee.

There is no question that there has been suffering because of a shortage of water, all the way to the area below the Elephant Butte Dam. Of course, there has been a great shortage of water; and the purpose of this measure is to see that additional water is made available, and that it is not wasted.

Until very recently, New Mexico has not been able to supply the water which she agreed to supply to Texas. There has been a great shortage of water. Water is the most precious thing the people of those areas have. I am quite confident there will be no material increase in the production of any basic crop which is supported by crop loans.

Mr. WILLIAMS of Delaware. If there is to be no increase in the productive capacity of the land there, why spend the $200 million to put water on the land?

Mr. ANDERSON. I have never said there would be no additional crops in the Indian reservation. But no cotton will be grown at elevations of 5,000 or 6,000 feet, and no tobacco or rice will be grown. Some corn may be grown, but I doubt it. There will be grazing, and alfalfa will be produced.

As for the other part of the proposal, the estimated construction cost of the San Juan-Chama project features of the initial stage is about $86 million, and that includes the transmountain diversion. Furthermore, I have said that a great deal of the water will be used for an additional water supply for the cities, and eventually that water will go back into the river. But the project is not primarily designed to increase agricultural production in the Rio Grande Valley.

Mr. WILLIAMS of Delaware. But, to the extent that it does increase it, it will add to our surplus problem; will it not?

Mr. ANDERSON. I have said that I do not believe it will, because the crops produced in that area are not the ones which are in trouble, insofar as surpluses are concerned.

The PRESIDING OFFICER (Mr. McGEE in the chair). The bill is open to further amendment. If there be no further amendment to be proposed——

Mr. LAUSCHE. Mr. President, as for myself, I cannot see my way clear to support this measure. I cannot support it, because it is obvious that the responsible branches of the Government in the executive department have not processed the studies to a point where they can take a definite position in regard to this proposal.

As for myself, I think it is bad business and bad legislative practice to go forward with a $221 million authorization when it is apparent that the Bureau of the Budget and the Department of the Interior have stated that their reviews

have not reached a point where they can make a recommendation either in the affirmative or in the negative on this proposed project.

I have listened to the arguments about the purpose of aiding the Navajo Indians. But the longer the debate continues, the more apparent it is that the Navajo Indians are not the ones who are going to be the principal beneficiaries of this project.

I think the Senator from New Mexico stated that there will be put into more abundant production about 100,000 acres in the Navajo Indian Reservation; and, on the basis of his figures, $86 million of the total amount will be expended for the purpose of providing water supply to municipalities.

Mr. ANDERSON. And Defense Establishments.

Mr. LAUSCHE. Yes. So if one takes the outside figure of approximately $221 million, and subtracts from it the $86 million which will be expended for the supply of water to the municipalities and Defense Establishments, $135 million will go into the Navajo project.

Mr. President, I take it that the only purpose of providing this project for the Navajo Reservation is to produce an increased supply of food, and probably to provide a supply of water. But can we, on the basis of what has been said here, justify this expenditure of $135 million, when there is an overabundance of food supply in the Nation, when we know the $135 million is intended to expand the production of food?

On the one hand, we are paying the farmer to take his land out of production; and, on the other hand, we are expending money, by way of irrigation projects, to increase production. I simply cannot put those two situations together and reach a judgment that they are compatible.

I want the record to show, No. 1, that I do not favor this project, because the reviews by the two responsible agencies of Government have not been completed. No. 2, I would want some further evidence about the feasibility of what is proposed to be done. I think that there should be a clear showing made that we are not falling into the error of paying money to take land out of production on the one hand, and paying money to increase production on the other hand. To me, those two situations standing together amount to nothing but folly. They contribute to the creation of a fiscal situation which cannot be sustained.

It is simply frightening to read in the newspapers that gold is being withdrawn from our Treasury and moved into other countries of the world. It is frightening to have citizens say to a Member of Congress, "I will not buy any more Government bonds, because when I pay $100 for a Government bond, if you continue doing what you are, I will probably get back $50." We are robbing the bondholder, the thrifty person who has placed some money in a bank, the schoolteacher, the minister, the worker who is living on retirement pay. We are robbing them all by indulging in deficit operations, and in the folly of paying, on the one hand, to take land out of production, and, on the other hand to increase the production of food.

I want the record to show that if this measure went to a record vote, I would vote against it on the basis of the statements which I have made.

Mr. WILLIAMS of Delaware. Mr. President, I join the Senator from Ohio in opposing this bill. I do not think there can be any question that its passage will increase the productive capacity of a substantial number of acres.

In reading the committee report, on page 8, we are told that in the Navajo Indian irrigation project there will be provided 110,630 acres of irrigated land for the sole use of Navajo Indians. But, moving over to page 9 of the report, we find that there is a proposal for a substantial amount of other newly irrigated lands. For instance, reading from the report, on page 9:

> The plan recommended by the State of New Mexico for initial stage development and construction of the San Juan-Chama project, which is authorized by S. 72, contemplates an average annual diversion of about 110,000 acre-feet from the San Juan River for utilization in the Rio Grande Basin in New Mexico. The water would be used for additional municipal and industrial water supply for the city of Albuquerque, and supplemental irrigation of 39,300 acres of land in Cerro, Taos, Llano, and Pojoaque tributary irrigation units and 81,600 acres in the existing Middle Rio Grande Conservancy District.

That is a total of 120,000 acres, and with the 110,000 for the Navajo project it brings the total to 230,000 acres in those two areas on which additional water will be made available.

So this cannot be pictured as a bill which is primarily for the benefit of the Navajo Indians. More than half the acreage involved is acreage outside of the Navajo area. All of it, regardless of the type of crops to be produced, will be producing crops of which we already have an abundance or an oversupply.

I certainly concur in the statement which has been made by the Senator from Ohio that at a time when we are having a $10 billion to $12 billion deficit in our budget and over $9 billion invested in surplus agriculture commodities we cannot justify an expenditure of $221 million in order to increase the productive capacity of another 200,000 acres. Why bring into production more land whose products another agency of the Government will have to buy?

I also emphasize again the fact that this bill is opposed by both the responsible agencies of Government which have jurisdiction over such projects. I think they made a very constructive suggestion when they stated the very least we should do is to withhold action until such time as a report on the projects can be made to justify the feasibility of such expenditures.

I certainly shall vote against the bill.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 72) was ordered to be engrossed for a third reading, read the third time, and passed.

ORDER FOR ADJOURNMENT UNTIL TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEATH OF ELDER STEPHEN L. RICHARDS

Mr. MOSS. Mr. President, I rise to state in the Senate that one of the great citizens of Utah has passed on today. I should like to make a few remarks about this outstanding citizen.

Elder Stephen L. Richards, the first councilor in the presidency of the Church of Jesus Christ of Latter-day Saints, has passed on. Elder Richards has been one of the leading citizens of our State and of the West for many years. He has served his church in an official capacity for more than 40 years.

Stephen L. Richards was a lawyer by profession. As a young man he had a brilliant career at law. At one time he was a candidate for the nomination for Governor of Utah, on the Democratic ticket. When he was called to full-time ecclesiastical service with his church, he immediately divorced himself completely from the political field and from the legal field and spent full time in the service of his church and of his fellow man. He was widely known not only in Utah and in the western part of the United States but also in all sections of the world where the Mormon Church has organizations and branches. He was widely traveled, and was one of the great scholars of our State.

Elder Richards will be sorely missed. He was a man well advanced in years but of keen intellect and well preserved. I visited with him about 30 days ago and found him to be in excellent spirits and excellent health. We can rejoice that he was able to serve fully right up to the time he was called to meet his Maker.

All of the people of my State, and I feel sure all the people of the United States, are better because of the life and service of Elder Stephen L. Richards.

Mr. President, I wanted to pay that tribute to Elder Richards' memory on the floor of the Senate of the United States.

ADJOURNMENT

Mr. MANSFIELD. Mr. President, pursuant to the order previously entered, I move that the Senate stand in adjournment.

The motion was agreed to; and (at 5 o'clock and 31 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Wednesday, May 20, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 19, 1959:

DEPARTMENT OF DEFENSE

Thomas Sovereign Gates, Jr., of Pennsylvania, to be Deputy Secretary of Defense, vice Donald A. Quarles, deceased.

IN THE REGULAR ARMY

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3299. All officers are subject to physical examination required by law:

To be captains

Abbott, Walter H., O68852.
Absher, Richard L., O66649.
Ackerman, Arthur H., O68413.
Ackerman, David G., O74618.
Adams, David G., O68853.
Adams, James E., O82131.
Adamson, George W., O68855.
Ades, LeRoy P., O68414.
Agather, Frederic G., O68415.
Aguilar, William P., O68856.
Aikman, Jim B., O79159.
Alch, Wayne F., O68417.
Aldrich, Herbert C., O85119.
Alexander, John V., 3d, O82132.
Alexander, Robert L., O68418.
Allan, James R., O71752.
Allebach, Victor L., O70130.
Allen, Leverne E., O76936.
Allen, Stanley C., O72809.
Alston, Lonnie N., O68860.
Alter, Allen G., O79161.
Ambrose, Thomas J., O71753.
Ames, William I., Jr., O68861.
Anderson, Benjamin H., Jr., O70160.
Anderson, James C., O68863.
Anderson, Paul F., O75136.
Anderson, Thomas L., O82133.
Anderson, Thurman E., O69847.
Andrews, Edward P., O68419.
Andrews, Wilson P., O72813.
Angel, Jack F., O68806.
Angstadt, John P., O68420.
Appleton, James L., Jr., O68421.
Apuna, Samuel K., Jr., O81368.
Arduna, Arthur A., O68422.
Arnaud, John F., Jr., O65645.
Arnhym, Rolfe G., O68423.
Artzberger, Ronald E., O84692.
Asbelle, Charles T., O84940.
Ash, Philip L., Jr., O68868.
Atwood, Thomas W. W., O68872.
Auer, Charles H., O68873.
Austin, Kenneth S., O79168.
Ayers, Robert E., O68424.
Bacey, Algirdas S., O71756.
Bahr, Henry J., O66678.
Bailey, David G., O79169.
Bailey, Richard R., O81371.
Bailey, Rusian B., O68212.
Baird, Niven J., O80207.
Baker, John F., O75139.
Baker, Russell A., Jr., O68425.
Bal, Roscius I. D., O68807.
Ball, Charles F., Jr., O81373.
Ball, Duard D., O68213.
Bambery, James R., O68426.
Bamford, Charles F., 2d, O76945.
Banks, Douglas T., O68877.
Bardwell, Lloyd R., O82137.
Barker, James M., O79174.
Barnett, Walter L., O68214.
Barrett, Robert E., O68884.
Bartlett, Fred O., Jr., O66686.
Barton, Jack L., O76946.
Barton, Robert E., O68428.
Basic, Nick J., O72817.
Bauerband, Edward H., Jr., O81377.
Baughman, Larry J., O71442.
Bauman, William F., O68430.
Baynard, Richard A., O71641.
Beall, George F., O68887.
Bean, Calvin R., O84900.
Beardsley, William M., O68889.
Beasley, James M., O66485.
Beasley, Linton C., O73284.
Beatty, Robert D., O76947.
Becker, Hans V., Jr., O79181.
Beckwith, Charlie A., O76948.
Beebe, John McR., O80209.
Bell, Robert R., O68890.
Bell, Robert S., O73285.
Bell, Wiley W., O76950.
Bell, William R., O68432.
Bellis, William H., O81378.
Bennett, Lloyd P., O68891.
Bente, James A., O82140.
Bentley, Ernest E., Jr., O68893.
Berzinec, William E., O68894.
Bickmore, Jesse O., Jr., O68897.
Biggerstaff, Allan C., O68436.
Birmingham, David F., O79187.
Bishop, Edward L. P., O68438.
Black, William T., O68904.
Blackledge, David W., O68905.
Blalock, Charlie L., O72821.
Blanton, Clay E., O71447.
Blastos, Constantine J., O68439.
Blauvelt, Richard B., O68906.
Bleecker, James F., O68440.
Blottie, Donald L., O70131.
Blum, Robert W., O68441.
Bohlin, Harry J., O68909.
Boman, Jack D., O32143.
Bomberger, Richard W., Jr., O71904.
Bond, Gene T., O67896.
Bonnett, Thomas J., O68911.
Bookman, Edmund B., Jr., O66711.
Boone, Louis C., Jr., O68442.
Boring, Landin F., O68913.
Born, Keith L., O68443.
Bostian, Robert E., O81383.
Boucher, Leo P., Jr., O68914.
Bourne, Harold O., O75148.
Bowen, James E., 3d, O68444.
Bowers, James M., O68219.
Boxell, Robert A., O68445.
Boykin, Curtis R., O79194.
Boyland, William G., Jr., O66719.
Boyle, Richard D., O68446.
Bracken, Glenn A., O84956.
Brain, Tom H., O68447.
Brake, John W., O66722.
Brannon, William W., Jr., O81386.
Breckenridge, Robert C., O68448.
Brewbaker, Chalmers L., O68450.
Brewer, Curtis A., O68451.
Brewster, Lawrence C., O68917.
Bricker, James W., O68918.
Bridgman, Earl N., Jr., O67793.
Briggs, Philip D., O66731.
Brigman, Laneau M., Jr., O82147.
Brinson, William B., Jr., O79200.
Britten, Gerald H., O68328.
Broadbent, Carl DeL., O66366.
Brons, Russell L., O70287.
Brooker, Clarence B., Jr., O68221.
Brophy, Jeremiah J., O68454.
Brosious, George D., O68455.
Brown, Arthur E., Jr., O68456.
Brown, Bury G., Jr., O82149.
Brown, Donald S., O68457.
Brown, Henry L., O77973.
Brown, Robert E., O71767.
Bruen, John D., O73522.
Brumley, William B., O76967.
Bruns, Bernard W., O73296.
Bryan, Edward P., O73297.
Bryant, Deewitt T., Jr., O76968.
Bryant, Joel W., O73298.
Buchanan, Elton E., O76969.
Buck, Horatio S., Jr., O69872.
Buck, Kent L., O68329.
Bukoski, James R., O76970.
Burdeau, Edward K., O68459.
Burdeshaw, William B., O68460.
Burghardt, Charles A., O76971.
Burke, Robert J., O67993.
Burkhardt, William A., O68461.
Burkland, James M., O68462.
Burns, Sumner C., O79207.
Busck, Albert A., O75159.
Butler, Don A., O72833.
Butler, Robert E., O68463.
Butterworth, James R., O74655.
Buzzell, Kenneth E., O79209.
Byrnes, Vincent F., Jr., O68931.
Cahill, Philip J., O68792.
Cain, James W., O66594.
Callahan, Bernard L. J., O68934.
Campbell, James G., O68936.
Campbell, William E., O71768.
Camper, William C., O85306.
Canedy, Charles E., O68937.
Cannon, Glen B., O79212.
Cannon, Lee B., Jr., O68223.
Cannon, Sammy J., O79213.
Canonico, John N., Jr., O68938.
Cantrell, Waniford A., O68939.
Carlin, Robert S., O67902.
Carlson, Dale L., O75161.
Carr, Gordon W., O68941.
Carter, John B., O67994.
Carter, Robert A., O68465.
Caruso, John P., O68945.
Casey, John P., Jr., O70079.
Cassidy, John J., O76974.
Cates, Arthur J., O68467.
Cauthen, John R., O85135.
Ceglowski, John P., O68468.
Chabot, Don W., O73063.
Chaffin, Jimmie M., O68948.
Chafin, Leonard D., O68811.
Chamberlain, George R., O79220.
Chamberlain, William C., O70173.
Chandler, Victor E., O76975.
Cheves, Charles J., Jr., O68470.
Childress, Gerald, O76977.
Ching, Harry L. F., O68949.
Chomko, Gene N., O68813.
Christman, Daniel P., O68472.
Churchill, Jack B., O71770.
Churchill, Johnny J., O68334.
Cioffi, William G., O76979.
Cipriani, Lawrence J., O68951.
Claggett, William, O67906.
Clapp, Max A., O76980.
Clardy, Lawrence L., Jr., O68181.
Clark, Allison P., O76981.
Clark, John F., O79226.
Clingempeel, William D., O76984.
Cochran, Reubin W., O68474.
Coffey, Vernon C., Jr., O71463.
Coggins, Donald W., O79232.
Cole, William A., O68475.
Cole, William L., O75164.
Coleman, Edward R., O76986.
Collins, Ashby F., O68959.
Colonna, Gary S., O68476.
Colson, Alfred B., Jr., O69887.
Colson, James B., Jr., O68960.
Colvin, William R., O68477.
Comiskey, Ralph E., O79235.
Compton, James McV., O68336.
Conder, Raymond C., Jr., O68478.
Condit, Richard B., O66788.
Connell, Charles R. 3d, O68962.
Connolly, Thomas F., O73306.
Connolly, William J., O68963.
Conover, Robert L., O76987.
Conway, Donald J., O74665.
Conzelman, Peter S., O68479.
Cook, Ralph J., Jr., O79236.
Cooper, Hamilton A., O73308.
Cooper, John H., O68480.
Corey, John D., O81401.
Coroneos, Paul P., O73309.
Corprew, Gerald W., O68483.
Coston, Charles D., O73441.
Coughlin, Charles L., O69889.
Coursin, Raymond E., O79237.
Cousland, Walter C., O68484.
Coye, Roger H., O76989.
Cragun, Dwight L., O79239.
Crampton, Theodore H. M., O83825.
Crawford, Elder T., Jr., O67997.
Creamer, Edmund J., Jr., O82161.
Creighton, Neal, O68486.
Crerar, John H. 2d, O68487.
Crevoiserat, Laurence W., O68488.
Crim, William T., O68489.
Cristan, Anthony F., O68969.
Crocker, Merle MacD., O79241.
Crosby, Robert L., O68490.
Cross, George M., O68970.

Cross, John S., O70134.
Crowell, William B., O68972.
Crowley, Francis L., Jr., O75057.
Cunningham, Alfred J., O71776.
Currey, Charles E., O76993.
Currier, Eugene R., O68493.
Curry, Paul R., O79244.
Curtiss, Lester R., O71664.
Daggit, Edward A., O68494.
Daly, Robert F., O68495.
Damon, James A., Jr., O73314.
Danielson, John N., O66818.
Dannemiller, Leo M., O68338.
Dare, James T., O68496.
Darivoff, Irvin, O76994.
Darling, John E., O79245.
Davis, Donald F., O68498.
Davis, Edwin G., O71477.
Davis, Lauren S., O68499.
Davis, Robert L., O69477.
Davis, Robley W., Jr., O68978.
Davis, Willys E., O68815.
Davisson, Henry L., Jr., O68502.
Dawson, Kenneth E., Jr., O68503.
Dawson, Wallace H., 3d, O71779.
Day, Robert G., O68504.
DeLorenzo, William A., O76996.
DeLuca, Anthony P., O68506.
DeMuynck, Jack E., O79248.
DeSilva, Ernest B., Jr., O68983.
DeSonier, Harold L., Jr., O81408.
Dearborn, Charles S., O82163.
Del Santo, Michael J., O68982.
Delahanty, Raymond A., Jr., O68981.
Delbridge, Norman G., Jr., O68505.
Dennis, Donald A., O68508.
Descoteau, Rudolph D., O73443.
Devins, Joseph H., Jr., O66558.
Dewberry, Dale, O68229.
DiSimone, Frank B., O71341.
Dick, Harvey M., O68230.
Dickson, Lee C., O68986.
Dierdorff, H. Beecher, Jr., O68509.
Dieterle, Junior H., O79254.
Digison, Donald K., O75175.
Dillon, John P., O79256.
Dimtsios, George J., O68510.
Dinges, Edward A., O68511.
Dismore, William E., Jr., O76998.
Dixon, John B., O76999.
Dodds, Jack A., O79257.
Dodge, Griffin N., O68987.
Dombrowski, Anthony J., O68989.
Donahue, James G., O68512.
Donahue, Robert J., O73318.
Donnal, John A., O68990.
Donnell, Henry K., O73319.
Doran, Fred R., O71780.
Dotson, Larry D., O75177.
Doty, Benjamin E., O68991.
Dowling, Drew, O68513.
Dowling, John H., O66845.
Downer, Harry S., Jr., O82166.
Downey, Allan N., O77003.
Doyle, David K., O77004.
Doyle, Francis J., O68514.
Drenz, Charles F., O79258.
Duffy, James P., Jr., O68994.
Duffy, William D., O75181.
Duffy, William J., O81417.
Dukkony, Stephen J., O68997.
Dunham, Gerald L., O71783.
Dunlap, Robert R., O79259.
Dunn, Charles H., O72860.
Dunnuck, Donald W., O68517.
Durany, John A., O79260.
Dyment, LeRoy W., Jr., O73322.
Earl, George L., O68817.
Earle, Thomas B., Jr., O69003.
Early, Felix L., Jr., O75182.
Echols, Herald V., O77006.
Eckles, Donald R., O68233.
Ecrette, Joe D., O79261.
Edward, Charles E. H., O68519.
Edwards, David F., O68340.
Edwards, Jerry S., O73323.
Egbert, George L., Jr., O68520.
Ehlers, O. Kirk, O68521.
Ehlert, Richard A., O68184.
Eineigl, Raymond J., O68522.
Elder, Robert L., Jr., O69005.
Elliott, Harry L., O69007.
Elliott, James W., O69008.
Ellis, Donald D., O77010.
Ellis, James P., O79265.
Ellman, Roger P., O68524.
Elmore, Arthur C., O66431.
Elmore, Donald J., O74683.
Epps, Ferdinand Q., Jr., O73326.
Estep, Glenn R., O77012.
Eubanks, James A., O68526.
Evangelos, Christos J., O84903.
Evans, Ira K., Jr., O72862.
Evans, James L., O68234.
Evans, Robert B., O73327.
Evrard, James A., O68341.
Eyman, Robert F., O77013.
Fague, Donald L., O73328.
Fail, Eulan T., O79268.
Falconer, Walter J., O66878.
Fallon, Joel B., O79269.
Fargason, William H., Jr., O69919.
Farlow, Wilbur McD., O69017.
Faught, William F., O68003.
Favre, Rolland M., Jr., O79271.
Fedko, John T., O79272.
Feiock, Ray D., O69020.
Fell, Richard W., O69021.
Felton, Robert G., O69023.
Fenech, Paul M., O77015.
Ferguson, William H., Jr., O66883.
Ferguson, William P., O68343.
Fernandez, Robert N., O68528.
Ferrara, Leonard S., O69025.
Fewell, Oscar C., Jr., O68235.
Fiala, Charles J., O68529.
Field, Nathaniel A., Jr., O77017.
Fields, Charles E., O84694.
Fifer, William A., O69026.
Fike, Edward C., O68344.
Filaseta, Bart M., O68530.
Fincham, Jack E., O77018.
Fischer, Arthur F., O77019.
Fischer, Richard F., O68531.
Fischer, Richard L., O77020.
Fisher, Clyde, Jr., O77021.
Fisher, Samuel H., Jr., O68532.
Fitch, John B., O68533.
Fitzsimmons, Eugene L., O68534.
Flaherty, William J., O69028.
Flanagan, John S., O69029.
Fleming, Daniel M., O79278.
Fleming, Robert J., O79279.
Flertzheim, Henry A., Jr., O68536.
Floyd, Paul E., O68537.
Forbes, Stanley R., O77023.
Ford, Allan T., O68186.
Forrest, Ernest E., Jr., O71495.
Foster, Andrew J., Jr., O71789.
Foster, Edward H., O81426.
Foster, Samuel G., O79281.
Fox, Bernard J., O85169.
Fox, John G., O74638.
Fox, Joseph H., O68237.
Franklin, James A., O77027.
Franseen, Leonard R., O69033.
Frechette, Joseph P., O81428.
Freeze, James E., O79283.
Freimark, Gaillard A., O68539.
French, Rodney M., O68540.
Frenier, Julius A., O72872.
Friedersdorff, Louis C., Jr., O68541.
Friedman, Arthur M., O79284.
Friesen, Herbert E., O68542.
Frost, Theodore N., O71790.
Fukumoto, George M., O69037.
Fuller, Elbert E., Jr., O68543.
Fulton, Thomas G., O79285.
Gallant, George W., Jr., O79287.
Gan, Maurice K., O79290.
Gannon, Timothy G., O79291.
Garcia, Efraim S., O68005.
Gardner, Matthew L., O75187.
Garman, Frederick E., O82173.
Garrett, Samuel J., O69040.
Gartman, Frank T., O67921.
Gaumond, Robert J., O71791.
Gausvik, Donald E., O81434.
George, Manuel J., O81438.
George, Raymond L., O70342.
Germond, George F., O67923.
Germuga, Gerald A., Jr., O79296.
Gibbons, William C., O69041.
Gibbs, Robert M., O79298.
Gill, Oather J., Jr., O75192.
Gillespie, John W., O77030.
Gilliam, Robert, O72878.
Gingrich, Robert B., O65774.
Ginsburgh, Howard D., O69044.
Gioiosa, Thomas E., O69045.
Glasgow, Robert E., O68546.
Glauner, Frederick W., O68547.
Goetsch, Elmer A., O68241.
Goetz, Jerald L., O68548.
Gonzales, Orlando E., O79304.
Goodale, George S., O79305.
Graffis, Howard W., O79309.
Graham, Harl G., O68549.
Grant, Samuel J., Jr., O68243.
Gray, Paul A., O66472.
Gray, Ralph S., O69052.
Greany, Virgil R., O82177.
Greeley, Leonard J., Jr., O68550.
Greenquist, James C., O68244.
Greyhosky, August, O69057.
Greynolds, William A., O69058.
Griffin, Guilford W., O79312.
Gruen, Robert W., O69060.
Grum, Allen F., O68552.
Gulley, Willard C., O66960.
Gutschenritter, Earl J., O77037.
Hadad, Gerard A., O75201.
Hale, Delmas M., O73450.
Haley, John C., O79316.
Hall, Alvin O., Jr., O79317.
Hall, Henry R., Jr., O68011.
Hall, Hugh J., Jr., O68554.
Hallock, Richard G., O69062.
Halterman, Harry W., Jr., O68556.
Hamby, Dolph F., O68245.
Hamilton, Frank H., O84695.
Hancock, Jack L., O77040.
Hand, Lee M., O75202.
Hanson, Donald F., O73340.
Harbuck, Robert L., O70095.
Harlan, John R., O73342.
Harrer, Lee J., O77043.
Harrick, Stephen R., O69065.
Harris, Bobby J., O68188.
Harris, James H., O68560.
Harris, John R., O67927.
Harris, William H., O68561.
Harrison, Robert C., O81452.
Haskell, Richard B., O66552.
Hastings, C. Frederick, Jr., O82183.
Hatch, William T., O66931.
Hausman, Conrad K., O81453.
Hawkins, Billy R., O84696.
Hawlk, Robert C., O69069.
Haxton, Owen V., O82184.
Hayes, Jack O., O68563.
Hayward, Barton M., O68819.
Hazlett, Howard, 3d, O68564.
Heath, Bobby R., O72894.
Heath, Harry A., O71801.
Heiberg, Elvin R., 3d, O68565.
Heinke, Hilton E., Jr., O68820.
Heitzke, Kenneth S., O68566.
Hembree, Jack E., O74720.
Hendricks, Arthur D., O72896.
Hensley, Rayburn K., O68821.
Henslick, James R., O73344.
Herndon, Phillip H., O69076.
Hertel, Robert G., O77048.
Hetherly, James H., O79323.
Hewell, Robert E., O68014.
Higgins, James W., O71803.
Higgins, Wiley T., Jr., O69078.
Hilley, William W., O68569.
Hillman, John K., O77050.
Hilty, James R., O84906.
Hino, Peter J., O69081.
Hodges, Albert P., O68250.
Hodgson, Lowell F., O71805.
Hoerning, Richard E., O69083.
Holcombe, Thomas W., O68573.
Holdcroft, George T., O69085.
Holden, Joseph B. J., O65663.
Holihen, Joseph M., O77051.
Holley, James P., O69087.
Holmes, Arthur, Jr., O75210.
Holtz, Dennis C., O69090.
Horne, Jasper C., Jr., O67018.

Horner, David DuB., O68575.
Horton, Richard D., O79332.
Horton, William D., Jr., O68576.
Hosford, Jerry N., O83628.
Howard, Jakie M., O79333.
Howard, McErvin, O84907.
Howard, William C., O77052.
Howe, Roderick R., O69095.
Hoye, James G., O79334.
Hoyle, Frank E., O72902.
Hudson, Charles F., Jr., O68363.
Hudson, William R., O68189.
Hughes, Bernard C., O68580.
Hughes, Philip B., O85187.
Hukill, Phillip E., O84909.
Huntington, Raymond F., O75212.
Huntley, David L., O82188.
Hurd, Philip S., O71525.
Hurless, Bernard F., Jr., O68582.
Husa, Richard F., O74729.
Hutchins, Charles F., O77053.
Hutchinson, Cary B., Jr., O68583.
Hyde, Darwin S., O77054.
Hyde, Richard G., O74730.
Imhoff, Maximilian, O73347.
Ingram, Harvie T., O81461.
Irons, Martin H., O69104.
Irwin, Thomas G., O68253.
Iverson, Harold E., O69105.
Ivy, James M., 4th, O81462.
Jackson, James L., O68585.
Jackson, James M., O71812.
Jackson, John H., O71813.
Jarvis, Ronald J., O81463.
Jenes, Theodore G., Jr., O70138.
Jenkins, William McG., Jr., O71927.
Jennings, Robert H., O69111.
Jensen, William C., O77057.
Jewell, William M., Jr., O68587.
Johnson, Cornell, O82190.
Johnson, Frank F., Jr., O68254.
Johnson, Harold R., Jr., O68364.
Johnson, Jodie, Jr., O75218.
Johnson, John S., Jr., O77058.
Johnson, John S., Jr., O79345.
Johnston, Joseph E., O80213.
Jones, Bernel, O71817.
Jones, Charles L., O77059.
Jones, Gordon D., O79346.
Jones, Thomas M., O77062.
Jones, William D., O68590.
Jordan, Donald R., O73351.
Joyce, Thomas F., Jr., O68365.
Judge, Richard F., O77063.
Junot, Arthur J., O83629.
Kallman, Michael E., O68593.
Kaltenthaler, John H., O67051.
Kamakahi, Ronald D., O69121.
Kaplan, Robert L., O68594.
Katayama, Robert N., O81860.
Kaufman, Louis A., O68595.
Kay, Joe E., O69123.
Keister, Leland W., Jr., O84910.
Keith, Norman A., O79349.
Kelley, Kent C., O69124.
Kelley, William B., O69125.
Kempf, Neil H., O79352.
Kennedy, John L., Jr., O67936.
Kennedy, Walter G., O82192.
Kennington, Roy A., O84911.
Kenyon, Robert B., O69126.
Ketzler, Kenneth LeR., O69127.
Kiefer, Charles A., O69129.
Killion, Edward P., O84912.
Kimball, Douglas S., O68597.
Kincaid, Frank C., Jr., O68598.
King, Ivan W., O66543.
Kinnie, Irvin G., Jr., O68599.
Kirkpatrick, James S., O79353.
Kitchin, James W., O77069.
Kloke, John G., O70139.
Klopp, Charles A., O71820.
Kmiotek, George V., O69132.
Kniffin, Arnold D., O77072.
Knoebel, Frederick W., O68257.
Knox, James R., O68600.
Knox, Robert R., Jr., O81470.
Kobata, Katsuji, O77073.
Koch, Ralph A., Jr., O68601.
Koontz, William E., O71538.
Kostner, Ray J., O84698.
Koval, Emil D., O69134.
Kramer, John C., O68823.
Kretzer, Alonzo S., O69135.
Kuhn, Robert J., O70140.
Kupec, Edward W., O73360.
Kwasigroch, John F., O77077.
Locquement, Hubert W., O68603.
LaFlam, Robert J., O68604.
LaFrance, Raymond J., O71542.
Lammie, James L., O68605.
Land, Joe E., Jr., O68258.
Landry, Clifford J., O68606.
Lang, John E., O79359.
Larsen, David P., O79360.
Larson, Richard A., O69147.
Larson, Walter R., O69148.
Lawrence, Herbert L., O69153.
Lawrence, Paul B., O76957.
Lawrence, Richard D., O68608.
Lawrence, Robert S., O82199.
Layne, Leslie A., O77086.
Leach, Anthony J., Jr., O73529.
Leaf, Edwin B., Jr., O69155.
Leander, Richard C., O69156.
Lee, Wallace A., O69157.
Leedy, George F., O69158.
Lefebvre, Bernard R., O79362.
Leisinger, Richard W., O69159.
Leisner, Herbert W., O81477.
Lembrich, Derald L., O65755.
Leonard, Richard E., O68609.
Leonard, Robert R., O85199.
Leuppert, Fred W., O68262.
Lewis, Grover H., Jr., O75234.
Lewis, William M., O84496.
Light, Allen H., Jr., O77094.
Lilliker, Thomas W., O68024.
Lindholm, Allen T., O68611.
Linka, James E., O68612.
Linkous, Claude D., Jr., O82200.
Liveoak, Felix L., Jr., O68613.
Lodge, Thomas C., O77096.
Logan, Donald G., O74760.
Logan, Francis S., O72921.
Long, John W., O71827.
Lopkoff, Alexander, Jr., O68374.
Lowman, Charles J., O68616.
Lowry, Montecue J., O68617.
Luby, Victor L., O68618.
Lucas, Warren J., O77099.
Luck, Leland P., O68619.
Lynch, Gordon P., O72923.
MacLennan, Robert G., O69187.
Macomber, Michael D., O68263.
Mactagone, Serafin G., O69188.
Magoni, John C., O67127.
Magruder, Lewis F., O84700.
Mahan, Gary C., O68196.
Maher, John P., O68621.
Males, William R., O75245.
Malone, William E., O67937.
Malouin, Leon F., Jr., O79370.
Manbert, Rush M., O75246.
Manfre, Louis E., O68622.
Mann, Everett E., Jr., O77106.
Mann, Kenneth L., O68380.
Manning, Monroe L., O69194.
Manning, Thomas J., O68197.
Manning, William J. H., Jr., O69195.
Mansfield, Eldon L., Jr., O68026.
Marden, Richard H., O67133.
Marshall, James L., Jr., O69197.
Martin, Donald R., O68624.
Martin, John F., O68625.
Martin, Robert N., O68626.
Matson, Howard R., O68627.
Matson, Hugo W., O74764.
Matthews, Paul D., Jr., O77109.
Maurer, William W., O73968.
May, Edwin M., Jr., O74765.
Mayer, Anton F., O73371.
Mayhew, Charles H. 3d, O69201.
Mays, George G., O77110.
McCarthy, James E., O84913.
McClean, Raymond J., O77111.
McClelland, Thomas, O71700.
McCluskey, James F., O68629.
McCormack, Harold J., O70211.
McCormack, Robert F. 3d, O69174.
McCormick, George R., O75248.
McDonald, Billy A., O71939.
McDonald, Harold F., O85037.
McDonald, John R., O68630.
McElmoyl, Frank B., Jr., O69178.
McElroy, Robert I., O68030.
McGahee, Mack M., O77114.
McGee, Charles F., O77116.
McGillicuddy, Cornelius F., Jr., O75249.
McGinn, Harry L., O77117.
McGinnis, William A., O71838.
McGregor, Rob R., O68632.
McGregor, Thomas, O68633.
McGuffin, Robert F., O70212.
McGurl, Peter W., O71940.
McIntosh, John H., O72936.
McIntyre, Graham W., O68634.
McIvor, James C., O77118.
McKenzie, Colin W., Jr., O72939.
McKinney, John W., O79380.
McLain, James L., O69184.
McLaughlin, Kenneth L., O85212.
McLennan, Stuart G., Jr., O68636.
McLeod, John S., O69185.
McMahon, John F., O77119.
McMillen, James A., O79381.
McNally, John W., O77120.
McNeese, Luna V., Jr., O68268.
McNeil, Frank H., O71558.
McNutt, Donald L., O68637.
McQuade, John P., O84914.
McSpadden, William A., O67942.
Meadows, Benjamin T., O72942.
Meanor, John E., O68270.
Mechtly, Ivan R., Jr., O66241.
Medbury, Paul R., O69203.
Meglen, John D., O68638.
Mehl, Walter J., O75250.
Meinhardt, Harry P., O79383.
Meister, Eugene C., O69207.
Meloy, Guy S. 3d, O68639.
Menzies, Neil A., O69210.
Merrigan, Jack A., O68640.
Merritt, Allen S., O68641.
Merritt, Jack N., O71396.
Metcalfe, Robert W., O69211.
Metzner, Edward P., O71842.
Meyer, Donald L., O68643.
Meyer, Frederick F., Jr., O74778.
Meyer, Richard M., O69212.
Michael, Lloyd D., O77122.
Middleton, Wilbur A., O70141.
Mihalik, John A., O79384.
Mihas, Leo B., O69217.
Milam, Jerome C., O68272.
Miley, James F., O68644.
Miller, Clarence A., Jr., O77123.
Miller, David C., O74781.
Miller, John J., O69989.
Miller, Leon M., O69220.
Miller, Richard A., O68645.
Miller, Thomas A., O81490.
Minix, Thomas E., O81491.
Miotke, William A., O68646.
Mitchell, George W., O71844.
Mitchell, William H., O84702.
Mitchell, William L., Jr., O66414.
Mitchum, Dwyer K., O80216.
Moffatt, Edwin G., O68830.
Moffett, Norman A., O74785.
Mollichelli, Edward V., O72626.
Monclova, Irving, O69223.
Montrose, John L., Jr., O79387.
Moody, Theodore R., O68387.
Mooneyhan, Jack L., O79388.
Moore, James B., O69224.
Moore, James E., O68032.
Moore, Robert L., O72420.
Moran, Conrad V., O77132.
Morano, Frank T., O67196.
Moretti, Francis C., O69231.
Morris, Hubert, O71567.
Morrison, Clyde L., O69235.
Morton, Richard E., O68831.
Moseley, Bernard R., O68388.
Moser, Alexander J., O67202.
Moss, Robert E., O77135.
Motta, Paul R., O68033.
Moulthrop, Robert M., O77136.
Muller, Ludwig J., O79396.
Mullins, Robert R., O69238.
Murdoch, William L., Jr., O81495.
Murphy, Donald G., O75256.

Myers, Richard L., O79399.
Myrah, Halvor H., Jr., O68652.
Nabell, Eugene V., O77142.
Neal, Beverly L., O85052.
Neal, Charles O., O68653.
Neff, Paul R., O79401.
Neilson, Clifford C., O68654.
Nerone, Francis A., O68655.
Nesbitt, Thomas E., O68656.
Nestlerode, George H., O68035.
Neuberger, Jack A., O68658.
New, Guy E., O68276.
Newman, Francisco B., Jr., O69241.
Nicks, Jerry W., O68659.
Niemann, Thomas E., O77145.
Nikkel, Roy G., O68036.
Nims, Richard H., O70146.
Noah, Max W., O68660.
Noeding, John P., O68834.
Nolde, William B., O68037.
Nolet, Robert A., O77146.
Noll, Wallace W., O68661.
Noll, William S., O69247.
Norcross, John C., O77147.
Nordgren, Courtland C., Jr., O68662.
Nugent, Thomas J., O68663.
Nunn, Thomas C., O77148.
Oblinger, John B., Jr., O68665.
O'Brien, Jack E., O69249.
Ochs, Charles C., O69250.
O'Connell, Leo A., O69251.
O'Connor, Edward C., O72955.
O'Connor, Mortimer L., O68666.
Odekirk, Carl J., O77149.
Odiorne, David W., Jr., O69252.
O'Donnell, Matthew B., Jr., O85356.
O'Donohue, John D., O72956.
Ogg, Robert D., O68278.
O'Hair, Edgar A., Jr., O68667.
O'Keefe, Neil L., O71849.
Olmsted, James H., O69254.
Olsen, Edmund J., Jr., O81500.
Olson, Arthur G., O74793.
Olson, Joseph C., O68279.
O'Meara, Edward J., O79410.
Opel, Donald M., O67242.
Orr, Jerry C., O68835.
Osborn, Robert B., O81502.
Otis, Glenn K., O68668.
Owens, Bidwell A., O68281.
Owre, Peter T., O70147.
Ozaki, John, O68393.
Panton, William E., O70218.
Park, William H., O69263.
Parker, Walter E., O68669.
Parker, Wilson C., Jr., O79414.
Passano, John D., O77152.
Patton, William W., Jr., O73183.
Paul, Alfred L., O82218.
Payne, James A., Jr., O79418.
Pearce, Richard H., O69266.
Peck, Darrell L., O84246.
Peckham, Herbert D., O68671.
Pedersen, Alfred L., O74803.
Perlow, Joseph P., O68672.
Perrin, William S., O68040.
Perry, Richard A., O77153.
Perry, William R., O75265.
Peters, Perry E., O77155.
Peterson, John R., O79422.
Peterson, Russell B., O73386.
Peterson, Thorwald R., O68673.
Petree, Neal C., Jr., O79423.
Petterson, Charles W., O77156.
Petty, Howard P., O84703.
Pfanzelter, Max R., O71586.
Phillips, Ernest L., O83106.
Phillips, Harry LeR., Jr., O68836.
Phillips, James V., O77157.
Phillips, James W., O68041.
Pigg, Jimmy L., O68675.
Pinney, David R., O79426.
Pins, Dwane F., O79427.
Pistenma, David A., O68676.
Pledger, Walter R., O77159.
Plunkett, John J., O70017.
Poe, Donald E., O79428.
Pogoloff, Boris, O79429.
Pollard, Louis M., Jr., O69273.
Ponder, Arno L., Jr., O71590.
Poor, William T., O68042.
Poplin, Carroll B., O79431.
Porter, Howard C., Jr., O81511.
Potter, Edwin J., O69275.
Potter, Russell C., O77162.
Prather, William R., O67281.
Pratt, James R., O79432.
Pratt, Joseph B., O71952.
Pratt, Theodore W., O68283.
Prevatt, Richard M., Jr., O77164.
Price, Robert W., O70148.
Priem, Charles M., O84704.
Prillaman, John P., O69280.
Prime, Charles W., O68677.
Primm, Charles F., Jr., O75271.
Pritchett, Charles C., O68043.
Proietti, Raymond A., O69281.
Pruitt, James R., O79434.
Pugh, Hilton E., O77168.
Pugliese, Nicholas R., O77169.
Pulsifer, Donald W., O69283.
Pulsipher, Elwin D., O69284.
Pulver, Elmer W., O72972.
Purcell, Henry, 3d, O68678.
Purple, Robert A., O67950.
Purrington, Donald E., O82225.
Quast, Lorus L., O77171.
Queeney, Edward L., O79435.
Quinn, Paul D., O69285.
Raisig, Paul J., Jr., O79437.
Rametta, Thomas P., O68045.
Ramos, Domingo, O77174.
Ramsay, Donald A., O68679.
Ramsey, Leroy S., Jr., O77175.
Ramsey, Phillip E., O79438.
Randall, Douglas A., O75274.
Randels, Dale K., O81514.
Ranney, Frederick J., O71859.
Rawlinson, William E., Jr., O68680.
Ray, William D., O69289.
Ray, William E., O77176.
Reade, John C., Jr., O74821.
Rears, Joseph T., O68681.
Reed, Lynn M., O79441.
Reese, Grady G., O68286.
Reid, John A., Jr., O79442.
Renner, William D., O68684.
Rew, Leland C., Jr., O68685.
Reynolds, Frederick P., 3d, O68686.
Rhyne, Hal B., O68687.
Rice, David K., O68688.
Richard, Donald W., O69294.
Richardson, Ronald R., O77181.
Rickard, Daniel S., O68689.
Riggs, Harold B., O72975.
Riley, Clemens A., O72976.
Riley, Otto N., Jr., O68690.
Rinehart, Jack L., O68287.
Rittgers, Forest S., Jr., O69299.
Rizzo, Paul J., O67321.
Robbins, William C., O77183.
Robinson, Frank E., O66413.
Roderick, Roger L., O68691.
Rodolph, John E., O67333.
Rogers, Ellietson, D., O68692.
Romedy, Cornelius S., Jr., O69309.
Ropp, Ralph E., O79448.
Rose, Llewellyn H. M. P., O84509.
Ross, James K., O69311.
Rothwell, John C., O77185.
Rousse, William C., O68205.
Routh, Elmer LeR., O73392.
Rowe, James R., O68206.
Rumbough, David H., O68695.
Rumph, Horry L., O69313.
Rumsey, David W., O79454.
Rush, Earl J., 3d, O68696.
Russell, Lawrence, 3d, O66282.
Russo, Vincent M., O79455.
Sajo, Alexander J., O79456.
Sakayeda, Mitsuo, O85248.
Salguero, Manuel M., Jr., O73394.
Sampson, Eldon F., O85082.
Sanders, Connelly, Jr., O75283.
Sandy, Roger D., O69319.
Satchell, Max E., O68700.
Satterfield, James R., O68288.
Sawyer, Donald E., O85373.
Scalise, James J., O75286.
Scanlon, Andrew J., O75287.
Schaenzer, John E., O68839.
Schmidt, Herbert R., O68702.
Schmidt, Walter H., Jr., O68703.
Schnarr, Charles A., O72984.
Schoebel, James G., O70229.
Schotanus, Merle W., O69323.
Schrack, Neil W., O70230.
Schriever, Byron N., O68291.
Schroeder, Robert L., O68704.
Schult, Arthur E., O81519.
Schultz, Arthur H., O81520.
Shultz, Robert H., Jr., O67374.
Schuver, Rudy P., O68289.
Schweitzer, Robert L., O77192.
Schweizer, Robert L., O79463.
Scofield, Robert E., O68707.
Scott, Julien A., Jr., O67955.
Scott, Thomas L., O75291.
Segal, Robert, O68709.
Seigle, John W., O68710.
Selavka, Carl, O69330.
Semerjian, Sarkis, O68711.
Senich, Donald, O69331.
Seto, Sam C., Jr., O69332.
Shave, Kenneth LeR., O79470.
Shaw, Donald E., O68712.
Sheard, Joe H., O68713.
Shelby, Roy E., O74840.
Shellenbaum, Glen E., O77196.
Sheppard, Irving T., O71868.
Sherman, William G., O71869.
Shields, Maynard E., O77198.
Shields, Roger J., O79473.
Short, Frisco W., O79474.
Shultz, Robert H., Jr., O67374.
Shunk, William A., O79476.
Sibley, James S., O68714.
Siebert, Frederick J., O68715.
Sievers, Ralph H., Jr., O69337.
Sifford, William F., Jr., O68716.
Simko, Andrew M., O68717.
Simmons, John E., O77199.
Simons, Frank D., O69339.
Singleton, Russell K., Jr., O69341.
Sinoff, Alvan C., O81525.
Skanchy, Rex K., O77201.
Skidmore, Lowell H., O68718.
Slusar, Peter, O69344.
Small, Eugene F., O81526.
Smallwood, Eugene F., O67960.
Smartt, Richard W., O69347.
Smith, Bailey B., 3d, O68293.
Smith, Billy R., O67961.
Smith, Dan R., O73403.
Smith. David C., O79479.
Smith, Donald E., O68294.
Smith, Edgar H., Jr., O68720.
Smith, Harlan V., O82238.
Smith, James D., O71873.
Smith, James D., O68295.
Smith, Ralph H., O68049.
Smith, Raymond C., O69353.
Smith, Richard H., O81528.
Smith, Robert LaF., O68722.
Smith, Rodney H., O68723.
Smith, Vernard J., O68296.
Smith, William F., O71963.
Smythe, John D., O68724.
Snead, William K., O68725.
Snow, Robert R., O79481.
Solomon, Robert B., O72990.
Somers, Charles E., Jr., O77206.
Soukup, John P., O69354.
Spang, Allan G., O77207.
Spaulding, Stanley L., O79483.
Spears, Gilbert, Jr., O69355.
Speer, Robert M., O65804.
Speir, Montgomery T., O68728.
Spilker, Wayne E., O77209.
Spotts, Rodney W., O69357.
Stanford, Thomas L., Jr., O68405.
Starke, John B., O69359.
Staum, Vernon E., O77212.
Stearns, Clarence L., O73081.
Stephens, James H., Jr., O68053.
Stevens, Richard W., O68844.
Stevenson, William J., O74856.
Stewart, David T., O72992.
Stewart, Donald B., O75298.
Stewart, John R., O69367.
Stinson, William C., Jr., O68731.
Stipo, Vito D., O71877.
Stockelman, James C., O79490.

Stone, Hardy R. 3d, O69368.
Stoneburner, John F., O68732.
Story, Billy L., O77215.
Stoudemire, Harry B., O69371.
Stoutamire, David F., Jr., O68300.
Strauss, Stephan N., O70151.
Strickfaden, Wellington J., O70153.
Stromfors, Robert E., O67422.
Stromgren, Kenneth G., O77216.
Strouse, William R., O77217.
Stuart, James R., Jr., O68733.
Stuckey, Jack C., O79494.
Suess, Philip M., Jr., O74864.
Sullivan, Milton D., O66394.
Sullivan, Roland R., O68734.
Sullivant, Harold T., O77218.
Suplizio, Paul E., O68736.
Sutton, Thomas R., O68407.
Sutton, William J. 3d, O68737.
Swaddell, Robert A., O85267.
Swain, Carroll E., O68302.
Swank, Robert D., O79496.
Swanson, Carl O., Jr., O68303.
Sweede, Jack E., O81542.
Sweeney, Kenneth J., O68738.
Sydnor, Elliott P., Jr., O72656.
Tant, Benjamin E., Jr., O68740.
Tanzer, John B., O68741.
Tate, Penfield W. 2d, O69378.
Taylor, Cedric DeV., O69379.
Tchon, Richard J., O68742.
Teller, Floyd E., O69381.
Temp, John R., O68743.
Tennant, Frank B., Jr., O79499.
Terry, Bennett E., O71881.
Tervin, Wallace, O70124.
Therianos, Pericles L., O82243.
Thomas, Giles R., Jr., O73413.
Thomas, Joseph T., O82244.
Thomas, Robert J., O68744.
Thomas, Samuel M., Jr., O68745.
Thomason, David A., O81545.
Thompson, Harry J., Jr., O71882.
Thompson, Howard B., O68747.
Thompson, William J., O69386.
Thrasher, Billy J., O82247.
Thurmond, Herbert K., O71883.
Tighe, Charles J., O68748.
Tobey, Joel N., O73416.
Tolbert, James R., O69388.
Toman, John, O68749.
Tomlingson, Paul D., O68750.
Tompkins, Hiram K., O68751.
Ton, James G., O73417.
Touchstone, Stanford M., O68752.
Tourtillott, Raymond J., O74871.
Tower, John B., O71615.
Treece, Frank LaR., O77222.
Trepagnier, Jules C., Jr., O68057.
Trushel, David H., O74872.
Tuck, William A., O69389.
Tullar, Thomas A., O69390.
Turnage, Preston B., Jr., O77225.
Turner, James J., O66523.
Tyree, John B., O67462.
Underwood, Bibb A., O68209.
Van Camp, Joseph L., O75309.
Vance, Larkin B., O70055.
Vander Meer, Richard G., O68755.
Van Deusen, Frederick F., O68756.
Van Horn, Robert H., O82252.
Van Meter, Maurice R., O67467.
Varnum, Charles S., O79507.
Vawter, Raymond M., O68308.
Veditz Raymond P., O73418.
Veley, Corydon A., Jr., O79509.
Vernon, Graham D., O68758.
Viereck, Ennis A., Jr., O68760.
Vilas, John R., O69394.
Vorhies, Harold W., O79511.
Wade, James P., Jr., O68764.
Waldrop, Max L., O69397.
Walker, James H., O69398.
Walker, Joe K., Jr., O81550.
Walker, Theodore H., O83635.
Walker, William E., O68766.
Wallace, Festus E., O71887.
Wallace, John C., Jr., O77229.
Wallace, Robert G., O74882.
Walsh, Alden C., O79514.
Walsh, Eugene R., O69399.
Walters, Monty W., O68767.
Ward, Edward W., O73004.
Warden, James R., O65803.
Wardlaw, Worth L., Jr., O68768.
Warren, James R., O71890.
Washington, Sylvester, O67492.
Wasiewski, Richard F., O69403.
Waters, Douglas G., O68769.
Watson, Elmer E., O85278.
Watts, William D., O73424.
Weihmiller, William W., O68771.
Weikert, Jerry L., O68410.
Welch, Joseph H., Jr., O73426.
Wells, Arthur D., O68772.
Wells, David T., O68773.
Wells, Don R., O77233.
Wells, William T., O69413.
Welsh, Robert W., O69414.
Westall, Bynum P., O77234.
Westbrook, Thomas J., O69415.
Westin, Paul R., O79522.
Westlake, Richard K., O79523.
Weyland, Bruce M., O79524.
Whalen, Dennis D., O68774.
Whann, John T., O69417.
Whelan, William E., O74887.
Whitbeck, Robert E., O82255.
White, Dean, O84919.
White, Robert N., Jr., O68775.
Whitesel, Thomas K., Jr., O69421.
Wieland, Kay L., O69424.
Wielga, Stanley V., O68776.
Wier, Melville B., O73428.
Wild, John E., O75316.
Wild, Julian S., O75317.
Wilkes, Jack B., O79529.
Wilkinson, Paul F., O67524.
Willard, Robert B., O82256.
Williams, Cyrus L., O79531.
Williams, Grady W., O68848.
Williams, James E., O81559.
Williams, Royce C., O68061.
Williams, Roy L., Jr., O74893.
Williams, Raleigh N., Jr., O79533.
Williams, Thomas E., O68778.
Wills, Robert V., O68849.
Wilson, Alvin T., Jr., O69432.
Wilson, Gene F., O71746.
Wilson, Gerald F., O69436.
Wilson, Jack D., O68780.
Wilson, Joseph C., O68781.
Winegar, Lucien T., O72666.
Wirthlin, Floyd R., O73430.
Wisdom, Donald A., O75323.
Wise, John E., O68782.
Withers, Peter C., O66492.
Wohlfarth, Howard K., O68063.
Wolbert, Herbert K., O79537.
Wollenberg, William F., O69439.
Wood, Charles C., O79538.
Wootten, James P., O71631.
Worthy, Clifford, Jr., O68783.
Wright, Joseph, O82259.
Wright, Robert W., O69442.
Wubbena, William L., Jr., O68784.
Yaden, Jesse L., Jr., O68064.
Yanamura, Kenneth K., O83108.
Yantis, William J., O68316.
Yee, George S., O83831.
Yetter, Greyson T., O68317.
Yoder, Charles D., O68318.
Young, Clifford E., O81566.
Young, John D., O73460.
Young, John H., Jr., O68785.
Young, John W., O69443.
Youngker, Joe L., O68320.
Zargan, Robert T., O68788.
Zarnick, Dale LeR., O79544.
Zeller, Leonard J., O75329.
Ziek, Thomas G., O77244.
Zimmer, Charles E., O67977.
Zimmer, Leon S., O68789.
Zipp, Charles W., O68790.
Zoeckler, William R., O73015.
Zwicker, Ralph L., O81568.

To be captains, Chaplain

Claiborne, James L., O84140.
Mueller, Edward M., Jr., O84233.

To be captains, Women's Army Corps

Berry, Elizabeth A., L538.
Brown, Eleanor R., L452.
Chong, Emma B., L450.
Devany, Rebecca B., L540.
Ellis, Janet M., L483.
Fisher, Audrey A., L470.
Lippman, Renee E., L457.
Oliver, Williemae M., L479.
Patterson, Betty A., L451.
Thompson, Martha J., L454.
Trible, Elizabeth W., L489.
Waters, Ethel D., L502.

To be captains, Medical Corps

Abrams, Harold, O82305.
Acuff, Robert P., O82306.
Adams, Neil D., Jr., O85117.
Aiken, Hovey E., Jr., O80234.
Alexander, James S., O83673.
Alexis, Carlton P., O84115.
Andersen, Stig B., O84116.
Andrews, Billy F., O82308.
Arata, James A., O73461.
Ballard, Anthony, O85288.
Bass, James W., O82409.
Beach, Robert A., O83852.
Benway, Robert E., O82310.
Berghorn, Bronson M., O83682.
Berman, Donald A., O83683.
Blackwell, Travis L., O82423.
Bowler, Donald L., O74643.
Bowser, Barry LeR., O83684.
Bradley, Douglas D., O84127.
Brierty, Robert E., O82442.
Buchanan, Darrell S., O82456.
Burns, Anthony J., O85303.
Chamberlin, Frank H., O73266.
Chipman, David W., O82486.
Cruse, Joseph R., O84772.
Danaher, Thomas H., O84151.
DeHaven, Charles R., O82528.
De Nardo, Gerald L., O82537.
Des Rosiers, Joseph L., O82539.
Deller, John J., Jr., O82529.
Downs, Peter E., O84977.
Druckrey, Gerald R., O82550.
Druepple, LeRoy G., O82318.
Duback, Richard T., O83701.
Duffy, Michael M., O84162.
Durden, Walter D., Jr., O82319.
Easterling, Ronald E., O82557.
Farbstein, Martin E., O75353.
Farrell, Thomas E., O82323.
Farrington, John K., O83709.
Faulkner, Robert F., O84166.
Fike, Robert H., O83712.
Geiger, Edwin R., Jr., O82325.
Glenn, Guy C., O84175.
Graziani, Leonard J., O73556.
Griffith, William B., O84178.
Halling, Leonard W., O84179.
Harle, Thomas S., O84997.
Heck, Francis J., O84182.
Helfrich, Richard B., O83724.
Henry, Thomas S., 2d, O84184.
Henshaw, Dan M., O82655.
Hoja, Witold A., O82335.
Hollowell, Opie W., O85002.
Howe, Patrick A., O85419.
Hoy, William J., O84780.
Hunter, Ripley H., Jr., O83737.
Inglefield, Joseph T., Jr., O83927.
Intile, Joseph A., Jr., O83740.
Jack, Marious K., O85007.
Jones, Donald A., O85010.
Kay, Robert E., O85338.
Keenan, Richard L., O82344.
Kleanthous, Costas, O84205.
Kroening, Paul M., O82345.
Kundel, Donald W., O82735.
LaFollette, Bruce F., O82738.
Lundberg, George D., Jr., O83748.
Lynch, Robert E., O85345.
Madjedi, Ahmad, O85432.
Maier, Eugene S., O81807.
Margiotta, Mark R., O84217.
Margolis, Bernard M., O81809.
Massarik, Ronald B., O82780.
Mathews, Thomas P., O82349.
McCollum, Kenneth B., O74768.
McDaniel, Edwin C., O82785.
McDowell, Milton K., O82789.
McGough, Benjamin, O84219.
McIlroy, William, O82350.
Miller, William MacA., O75023.

Mittelmann, Michael, O82351.
Modlin, Robert K., O82815.
Moll, Joseph H., O84229.
Montaner, Luis F., O82818.
Moran, Paul T., O82822.
Murphy, William M., O82832.
Mussell, Joseph R., O82833.
O'Connell, Thomas J., Jr., O84242.
Patterson, Peter H., O82354.
Peterson, James F., O82874.
Pfenninger, Mark W., O84249.
Phillips, Elbert W., O82875.
Reba, Richard C., O82897.
Robbins, Warren J., O84258.
Roberts, Fred F., O81825.
Robinson, James P., O84259.
Robinson, Sherman S., O83979.
Rockey, Dean McD., O84260.
Ross, Curlee, O85448.
Rudnicki, Richard P., O82362.
Sandefur, John C., O82932.
Sanford, Douglas M., O85451.
Sarre, Stefan G., O84264.
Scarff, Richard B., Jr., O84799.
Scott, Monte M., O82364.
Scragg, William H., Jr., O83786.
Sell, Irl T., 3d, O82952.
Shields, Charles E., O84271.
Smith, Darrell F., O82365.
Snyder, Richard J., O83794.
Sower, Norman D., O84277.
Stoehr, Bruce J., O85090.
Stoehr, Naor U., O83005.
Stone, Norman, O83007.
Stones, Lyle L., O84282.
Stutzman, Ray E., O84807.
Taft, Foster H., Jr., O83016.
Teich, John C., O84286.
Torin, David E., O83028.
Wall, Richard L., O83048.
Watson, Horace E., O84293.
Weldon, William V., O84294.
Wells, Ralph F., O82375.
Yancey, Henry A., Jr., O82377.
Zlotsky, Norman A., O85287.

To be captains, Dental Corps

Belzile, Joseph D., O77969.
Burns, Richard C., O77974.
Carter, Harold G., O77975.
Cochran, Robert M., O77978.
Conner, Harold V. D., O84143.
Frisch, George F., O77984.
Fullmer, Frederick, O77985.
Gautier, Samuel P., O77986.
Harper, James C., O77989.
Howland, John P., O77997.
Huey, Robert McC., O77998.
Hughes, Charles L., O78068.
Hutchins, Dale W., O78071.
Hutchison, Byron F., O78072.
Jackson, Ralph L., O77999.
Johnson, Thomas R., O74737.
Kopp, Edgar N., O78001.
Lilleskov, Glenn C., O78004.
Lucksinger, Henry C., O84791.
Lyons, Edward J., Jr., O78005.
Mast, David, O78093.
McCoy, Robert E., O78095.
McGeown, John R., O78099.
McGrath, Terence J., O78007.
McRoberts, Terry E., O78603.
Norris, Jed W., O78011.
Plegge, John, O78017.
Radke, Ryle A., Jr., O78020.
Rees, Terry D., O78021.
Reiter, Donald E., O78022.
Rushford, Charles B., O78121.
Shaffer, Ronald P., O77936.
Starr, John W., O78025.
Teofan, Ronald O., O81831.
Urban, Daniel P., O84289.
Walker, Jack B., O77957.
Wolverton, James K., O78028.
Young, William K., O78159.

To be captains, Medical Service Corps

Bullock, Howard R., O73023.
Burke, James C., O70291.
Burris, Carshall A., O76811.
Campbell, William J., O73089.
Dooley, Thomas R., O84838.
Drenner, Buckley L., O78665.
Dyke, Lester M., 2d, O71916.
Edmonson, George B., O74001.
Eigenberg, Alfred, O84163.
Fisher, James B., O84168.
Forest, Philip E., O75357.
Frus, Robert L., O84758.
Gilley, William F., O68347.
Gregory, Charles W., O76812.
Griffin, Robert E., O75364.
Hatfield, Jimmy L., O76813.
Heath, Jack F., O73036.
Hoggan, Malcolm D., O73037.
Howlett, Bryon P., Jr., O75374.
Jan, Lloyd V., O75377.
Johnson, Wirt VanM., O73040.
Kellel, Frank, Jr., O72393.
Kelly, Charles L., O70399.
Krueger, George R., O84754.
Lesher, Edward R., O71933.
Marble, David W., O68027.
McFadyen, Ross M., O71703.
Meadow, Seymour, O71942.
Miller, Norman G., O67945.
Mittenthal, Lothrop, O83844.
Moore, A. Gordon, O78670.
Mulrenin, Bernard K., O68800.
Noble, James W. H., O78672.
Pedigree, Richard B., O73477.
Petersen, Donald L., O71949.
Randolph, George B., O72354.
Reber, John A., O71954.
Reding, Donald J., O84761.
Riggs, Albert C., Jr., O71956.
Rocke, Donald C., O69304.
Rusiewicz, Lawrence, O69316.
Schiavone, Albert L., O71959.
Seabourne, Thomas G., O84801.
Vielhaber, David P., O73538.
Walter, Fred L., O78674.
Wright, John P., O84762.

To be captains, Army Nurse Corps

Belleville, Helen E., N2736.
Bloxham, Carolyn A., N2660.
Cole, Alberta M., N2720.
Ekberg, Helen I., N2757.
Forsha, Sue M., N2851.
Galloway, Marie E., N2758.
Gilson, Claire E., N2874.
Graham, Janet R., N2796.
Gray, Mary F., N2861.
Hall, Ruth M., N2886.
Helmann, Eleanor M., N2784.
Henschen, Retha M., N2683.
Higgins, Mary E., N2748.
Houghton, Jean M., N2749.
Jesten, Oza B., N2779.
Jones, Virginia A., N2816.
Kishpaugh, Barbara F., N2742.
Kressler, Alta, N2760.
Lewis, Betty J., N2835.
Light, Lucile M., N2667.
Lyons, Mary E. D., N2756.
Mahoney, Bettijane, N2743.
McCarthy, Rosemary T., N2622.
Montgomery, Roena, N2737.
Perrin, Edna M., N2723.
Pritchard, Mary L., N2763.
Ranberg, Florence B., N2820.
Theriault, Jeanette B., N2774.
Wilson, Marjorie J., N2730.

To be captains, Army Medical Specialist Corps

Accountius, Patricia L., R10158.
Damsbo, Ann M., M10158.
Diggs, Mary M., R10161.
Dwyer, Mary P., R10172.
Fisk, Mary L., R10164.
Gregory, Rita T., M10162.
Marlowe, Patricia E., R10170.
Matthews, Nancy L., M10170.
McVay, Mary R., J79.
Price, Helen E., R10165.
Ricker, Hetty A., J82.
Stearns, Barbara J., M10163.
Strong, Corinne L., M10161.
Van Harn, Mary A., M10174.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3298. All officers are subject to physical examination required by law:

To be first lieutenants

Abruzzese, John P., O74617.
Adams, Donald S., O74619.
Alexander, William E., O74044.
Allman, John W., Jr., O74045.
Anderson, Douglas F., O74049.
Anderson, George W., O74625.
Archer, James H., O74052.
Arnold, John M., O74056.
Baldwin, Robert C., O74630.
Barnes, Theodore F., O74632.
Barnum, Robert C., O78219.
Barry, Arthur A., O78221.
Barry, Raymond D., O72573.
Berman, Myron B., O74076.
Boiani, Peter J., O74085.
Boll, Albert F., O74902.
Bourne, William G., O74092.
Brill, James H., O74645.
Britt, Henry McD., O74099.
Broder, Nathan S., O74647.
Bromley, Barton W., Jr., O74100.
Brookhart, Edgar W., O74102.
Brown, Bernard B., O85130.
Brown, Fred D., O74648.
Brown, Robert M., O74649.
Buckner, David L., O83110.
Burbery, John W., Jr., O83640.
Buxton, John L., O78253.
Campbell, Charles B., O83643.
Cann, Donald C., O74120.
Cei, Peter G., Jr., O74906.
Charles, George H., Jr., O72127.
Clarke, Charles C., Jr., O78260.
Clowe, John F., Jr., O74661.
Codd, Nicholas J., Jr., O74129.
Cooper, Robert T., O85142.
Corless, Robert L., O84968.
Counts, Perry L., O74976.
Cover, John P., O74137.
Croft, John A., O74142.
Danieli, Joseph A., Jr., O74152.
Davenport, Charles L., O84522.
Dion, George J., O79572.
Doar, James M., O74675.
Dougherty, Maurice F., O74676.
Dow, Richard A., O74169.
Dross, David D., O74173.
DuBose, Perryman F., O74175.
Dyke, Charles W., O85316.
Ely, Harold A., Jr., O85160.
Emrick, Charles W., O78294.
Feaster, Lewis L., O78298.
Feeney, Richard L., O74687.
Fiorentino, William J., O74909.
Flynn, James F., O79576.
Frisbie, James G., O74689.
Garrett, James W., O74911.
Garside, Robert E., O74209.
Gayler, Earl D., O74692.
Gilpatrick, Volney T., Jr., O74216.
Glasker, Samuel J., O74218.
Gonzalez, Alvaro R., O74701.
Gowell, Earl R., Jr., O74227.
Gross, Woolf P., O74706.
Gullen, John P., O74707.
Hall, William E., O79579.
Hanks, James W., O79581.
Harbuck, Eugene L., O74710.
Hardegree, Bobby L., O74711.
Harig, John A., Jr., O74713.
Harris, Bruce R., O74239.
Hartmann, Frederick D., O78342.
Harwig, Donald H., O74240.
Haupert, Francis J., O74717.
Heggen, Larry E., O74246.
Higgins, James M., O79583.
High, Charles S., O74723.
Hilgeman, Charles E., Jr., O74250.
Hill, Theron H., O74724.
Hodkinson, Peter, 3d, O74725.
Holladay, Van D., O75065.
Hollenbeck, Elmer W., O74260.
Holt, Richard L., O74948.
Horton, Floyd W., O74268.
Howe, Robert H., O77462.
Huff, Donald W., O74273.
Hurt, Maure, Jr., O76362.

Hutson, Leonard E., O74277.
Janert, Alfred C., Jr., O77479.
Jarvies, Richard C., O74286.
Jefferson, Walter, Jr., O74287.
Joiner, Carey P., Jr., O81674.
Kane, Eugene R., O74918.
Katz, Charles M., O74297.
Kennedy, Irwin D., O74302.
Kilpe, Gunars, O74305.
King, Thomas H., O74745.
Kinsloe, Rupert C., Jr., O73748.
Koonce, Philip H., O74749.
Kubas, Michael J., O74751.
Landry, Bernard A., O74324.
Leckinger, Paul A., O74332.
Lehner, William J., Jr., O74335.
Lewis, John C., O78402.
Ligon, Robert E., Jr., O85026.
Lindanger, Earl L., O74338.
Lingaitis, Francis V., O74339.
Littlejohn, Thomas W., O74340.
Loop, James W., O79599.
Lucas, Dale A., O79600.
Maguire, James E., O74351.
Mah, Joe, O85030.
Marsh, Elgin R., Jr., O74360.
Martin, Ernest H., O79601.
Martin, Samuel, O74361.
Marx, Thomas J., O74362.
Mason, John, O74363.
McClain, Terrence W., O74370.
McCready, David J., O74372.
McCue, Robert B., O85211.
McDowell, Robert C., O74376.
McFarland, Timothy V., O79603.
McGowan, Paul A., O74379.
McKinney, Collin J., Jr., O74383.
McLaughlin, James J., O74387.
Meyer, Allan E., O74392.
Meyers, Stewart E., Jr., O74393.
Mikuta, Joel J., O74394.
Monahan, Edward J., O74399.
Morey, William S., O74401.
Nack, John M., O81709.
Nock, Carleton C., O74416.
Norbo, Gary J., O74417.
O'Bryant, James E., O74421.
Paquin, Wilfred J., O85231.
Parham, Byron A. P., O74433.
Parker, Richard G., O74801.
Parks, Donald, O74434.
Penzler, Harry D., O80226.
Pothin, Paul F., O74446.
Rakowitz, James A., O79614.
Ray, Robert L., O74456.
Rhodes, Chester J., O74463.
Roberts, Charles W., O74467.
Rodenmayer, John P., O74825.
Rowinski, Thomas H., O78484.
Rupp, James E., O74831.
Santiesteban, Humberto T., O74484.
Sapp, Clarence D., O79616.
Savery, Donald F., Jr., O78491.
Schofield, David G., O74493.
Seiser, William R., O74498.
Serpico, Frank L., Jr., O80228.
Shumway, James D., O78503.
Simons, Simon I., O79619.
Sinagra, Robert L., O74514.
Smith, Albert J., O78507.
Smith, Raymond G., O74518.
Squires, Myron E., O74525.
Steffen, Albert J., O82299.
Stewart, Harold L., O77707.
Stewart, Robert C., O74857.
Taylor, Henry S. 3d, O74557.
Taylor, William H., O74560.
Tettelbach, Donald C., O75043.
Thomas, Harry L., O74868.
Tompkins, Raymond E., O74567.
Vaughn, William V., Jr., O74876.
Walker, Peter H., O74586.
Walker, Tommy L., O74880.
Wheatley, Robert R. 3d, O74592.
Wiley, Chester J., O74890.
Williams, Donald E., Jr., O79628.
Wilson, Daniel M., O78552.
Wojtal, Robert J., O74603.
Wolfe, Robert A. O74605.
Wolfe, William M., O74606.
Wright, Lloyd R., O84929.
Zoubandis, James, O74615.

To be first lieutenant, Women's Army Corps

Kirk, Frances J., L525.

To be first lieutenants, Medical Service Corps

Allgood, Gerald D., O79546.
Baxter, John R., O83557.
Bissell, Donald F., O83558.
Cooney, James P., Jr., O78164.
Crenshaw, William A., O79568.
Dawson, William J., O84973.
Gossage, Donald R., O84338.
Haswell, Edward A., O78681.
Inge, Bobby M., O84784.
McGinnis, John W., O78684.
Stubblefield, James B., Jr., O83562.

To be first lieutenants, Army Nurse Corps

Forbes, Betty L., N2826.
Gregory, Barbara A., N2814.
Mullen, Sally A., N2803.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of title 10, United States Code, sections 3285, 3286, 3287, 3288, 3291, 3292, and 3294:

To be majors

Cumming, James L., JAGC, O415825.
Telle, Lewis D., MC, O4046616.

To be captains

Ellerson, Robert D., MC, O5003164.
Fishter, Michael F., MC, O4070638.
James, Frank K., Jr., MC, O998437.
Liff, Elliot, MC, O4051015.
Lodge, James L., MC, O4043781.
Outlaw, Hazel, ANC, N764487.
Petersen, John R., MC.
Reynolds, James S., MC, O4067930.
Snyder, Richard W., JAGC, O981981.
Tilson, Donald H., Jr., MC, O4067888.

To be first lieutenants

Brunner, Jeanne M., ANC, N902437.
Burdick, Robert L., MSC, O4006627.
Conant, Charles N., MC, O2290251.
Day, Donna J., AMSC, J100197.
Engquist, David S., MSC, O4006628.
Fedalei, Albert F., DC, O4004669.
Gamber, Herbert H., MC, O2290106.
Harville, Donald D., MC.
Hawley, Richard S., JAGC, O2104221.
Hoffmeister, Richard A., MC, O4018507.
Marden, Jack M., JAGC, O2291869.
Schultz, Charles M., MC, O4077741.
Staples, Jack E., MSC, O2205819.
Steckbar, Janette L., ANC, N901508.
Welborn, Carl W., JAGC, O2293047.

To be second lieutenants

Bennett, Winston R., MSC, O5300592.
Borrevik, Berge A., Jr., MSC, O5700490.
Clark, Harry H., Jr., MSC.
Lines, Max M., MSC, O5302232.
McGough, Sammy, MSC, O5401009.
Reynolds, David G., MSC, O4057229.
Romero, Daniel J., MSC, O4077124.
Snyder, Harvey W., II, MSC, O5403301.
Ulrich, Wayne E., MSC, O5401501.
VanElmendorf, John C., MSC, O5302424.
Weaver, Joseph U., Jr., MSC, O5304079.

The following-named person for reappointment to the active list from the temporary disability retired list, in the Medical Service Corps, Regular Army of the United States, in the grade specified under the provisions of title 10, United States Code, section 1211:

To be major

Deragisch, William J., MSC, O31202.

The following-named persons for appointment as chaplain in the Regular Army of the United States in the grades specified, under the provisions of title 10, United States Code, sections 3285, 3286, 3287, and 3288:

To be major

Walsh, Emmett L., O929461.

To be captain

Reaves, James M., O2281289.

The following-named persons for appointment in the Regular Army of the United States, in the grades specified under the provisions of title 10, United States Code, sections 3285, 3286, 3287, and 3288:

To be majors

Alexander, Charles R., O1590954.
Bieschke, Keith A., O1307499.
Carew, Thomas E., O422755.
Colon-Tirado, Jose I., O1637215.
Haines, Aubrey M., O413077.
Hartley, C. W., Jr., O1636013.
Hermann, Richard M., O1573274.
Pencak, William O1301534.

To be captains

Alves, Manuel A., O1881945.
Andrews, Donald A., O965791.
Armstrong, William H., O1114035.
Bailey, Robert A., Jr., O2204645.
Basgall, Julian E., O2029690.
Bates, William J., O1644625.
Braun, Albert W., O2208011.
Dall, Burt, O2263078.
Dean, George B., O983008.
Dean, Reginald L., Jr., O2004393.
Donahue, Charles F., O1924827.
Ewing, Paul R., O975878.
Feeney, Raymond E., O1876332.
Gardner, Richard W., O1015108.
Gleason, William J., O983125.
Hampton, Robert W., O1922506.
Harris, Claude R., O967179.
Johnston, Carl T., O1011021.
Lewis, William L., O987233.
McCoy, James M., O1110109.
Merryman, James H., O2206473.
Moore, Donald P., O1535804.
Nettles, Elritt N., O1914842.
Racke, Joseph C., O2021076.
Sanders, William L., O534220.
Seiber, Woodford S., O1924767.
Sigholtz, Robert H., O1559511.
Spaulding, Thomas J., O980969.
Tickle, Leroy B., O2021220.

To be first lieutenants

Barrentine, Robert T., O4062992.
Brier, James R., O4033037.
Brown, Marion L., O4062939.
Brown, William W., O2295915.
Carter, Jack P., O2102751.
Coleman, Jerry L., O1941317.
Cottrell, Walter A., O4006928.
Dettmar, Richard P., O1925786.
Dodd, William H., O2289768.
Elliott, Bernard V., Jr., O1941293.
Forrell, William J., O4032226.
Fulk, Emmett A., O4012142.
Govatos, John J., O2104245.
Hardy, Eugene A., Jr., O4047093.
Hedgepeth, LeRoy J., O4000173.
Lyman, Myron E., Sr., O4031157.
Mastropasqua, Domenic P., O4037854.
Mahew, John W., O4006592.
McCleave, Robert E., Jr., O4068747.
Mendelson, Joseph R., Jr., O1931085.
Mitchell, William T., O4012439.
Newton, William P., O4031345.
Nosek, George F., O4002494.
Osselaer, Philip J., O4036365.
Poarch, Henry H., Jr., O4048302.
Radspinner, Frank H., Jr., O4045080.
Repp, Edgar F., O1883877.
Rideout, Donald N., O4037016.
Rodeman, Dean A., O4026944.
Rohland, Robert G., O4036469.
Sanford, David G., O4010990.
Schnepp, William H., O4000019.
Schumacher, David J., O1341587.
Sikorski, Leo P., O4030291.
Smith, William A., O4025344.
Spann, Bobby G., O4025834.
Straughan, Robert M., O1891448.
Sullivan, Robert D., O4038019.
Sweet, William E., O4003790.
Tate, Wallace L., O1931507.
Vaaler, John G., O4010922.

Ventrella, Rocco F., Jr., O2289468.
Wallace, John W., O1937416.
Wappes, George R., O4041443.
Weiler, Harold E., O4058432.
Wells, Norman S., O1923691.
West, Pleasant H., O4023699.
Whatley, Wayne B., O1887220.
White, Richard R., O1892247.
Willette, William P., O4063677.
Williamson, Jerry G., O4026264.
Zamora, Emilio B., O4048293.

To be second lieutenants

Beavers, Eldon L., O5506167.
Bennett, Eugene W., O4084433.
Bickley, James B., O4058832.
Borneman, Frederick H., O5702362.
Brockway, Lawrence N., Jr., O5003700.
Brown, Roland D., O4051342.
Bunnell, Woodbury L., Jr., O4050571.
Cavoli, Ivo, O4065782.
Coon, Robert L., O4061224.
Cyr, Charles W., Jr., O5700154.
Easton, Donald G., O4065819.
English, John A., O4068641.
Drake, John E., O5502436.
Fenton, Curtis D., Jr., O5401074.
Finch, Arthur L., Jr., O4049166.
Freyder, James G., O4061445.
Gerstenberger, Clayton R., O4076447.
Gilbert, William N., O5505480.
Haines, Richard E., O5505291.
Hopkins, Stephen H., O5402305.
Johnson, Edward H., O4085672.
Judson, Alan L., O4064191.
Kramer, James S., O5302947.
Lee, Francis G., O4084796.
Lee, Robert E., O4085030.
Lemes, Ralph V., O2283177.
Louis, William R.
Luke, Dawson B., O4075586.
McCarthy, Richard F., O4037747.
McDonnell, Joseph M., O5502124.
McDowell, John N., Jr., O5001175.
McGown, Richard L., O5401706.
McKibbon, Robert P., Jr., O4044434.
Menefee, William P., O4047509.
Meredith, James M., O4060475.
Meyer, Conan G., O5400434.
Mills, Robert R., Jr., O4061929.
Morgan, Thomas A., O5700847.
Morrow, Cecil R., Jr., O4061670.
Neiffer, Leo R., O4049947.
Oakes, William H., O5505226.
Oneto, John B., O4077188.
Paladino, Vito W., O5201625.
Palme, Francis J., Jr., O5200420.
Pietsch, Robert C., O5505781.
Pompa, John R., O4068527.
Poor, George R., O5201807.
Price, George W., Jr., O4070014.
Reback, Herman R., O5504226.
Ronish, Robert R., O5504683.
Ryan, William D., O4044896.
Sanders, Freeman H., O5300937.
Sexton, Herman L., O4049557.
Sherman, Charles L., IV, O5202084.
Simons, Robert J., O4066081.
Sivils, Doye O., O5400262.
Slater, Paul A., O5401585.
Smith, James A., O5204115.
Smith, Martin A., Jr., O5400197.
Smith, Thomas S., Jr., O5506744.
Stepp, Robert H., O5203933.
Stokes, Jesse D., Jr., O5502392.
Tannenbaum, David L., O5305015.
Terpstra, John J., Jr., O5701766.
Theroux, Gilbert L., O4071727.
Thomas, Govan C., O5302537.
Thomas, Robert W., O4076127.
Thompson, George H., O5302387.
Treacy, John T., O5304045.
Tucker, James M., O4075467.
Van Tuyl, George H., III, O5200270.
Wadhams, Bruce M., O4068686.
Wagner, Robert E., O5200451.
Weatherman, James A., O4059394.
Whitmire, James D., O4023664.
Young, Wallace J., O5304087.
Zoeller, William A., O5201768.

The following-named distinguished military students for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 3285, 3286, 3287, and 3288:

Arrisgado, Maurice M.
Cincotti, Joseph G.
Coleman, James L.
Dongieux, Francis M., Jr.
Dunne, Rory W.
Evans, Jaye H.
Lapkins, Juris
Mangum, Charles G.
McDonald, Charles D., Jr.
Olson, Robert W.
Osterhout, Joseph C.
Payne, Jerry J.
Peterson, Roger W.
Powell, Nick, Jr.
Radford, Wilbur E.
Scott, Gordon W.
Shaw, David L.
Stanley, Frederick J.
Towles, Robert J.
Tozier, Robert E.
Watkins, Wayne C.
Willey, Frank G., Jr.
Windham, Carter L.
Wright, James L.
Young, Troy R.
Zukowski, Albin T.

The following-named cadets, graduating class of 1959, U.S. Military Academy, for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 3285, 3286, 3287, and 3288, subject to physical examination required by law:

Aamodt, Ludvig Jarad
Abrahamson, James Leonard
Abrams, Harry Clayton
Adams, James Walter Rosenoff
Adamson, Henry Kinmond, III
Anderson, Frederick Douglas
Bagdonas, Edward
Bair, Arthur Henry, Jr.
Baker, Dorsey Lynn
Baldwin, Alan Wren
Baldwin, Ronald Calvin
Ballenger, Thomas Henry
Barry, Robert Michael
Battersby, Bernard Joseph
Baugh, Raymond Chapman
Beach, Dwight Edward, Jr.
Beale, Robert West, III
Beard, Louin Lester
Bechtold, Wayne Henry
Beech, Gary Dean
Bell, Arleigh Todd, Jr.
Bell, Randall William
Benagh, William Edward, Jr.
Bennett, Richard Carl
Bennett, Stuart Neil
Bertils, Bertel Randolph
Bertolett, Craig Randolph
Besson, Frank Schaeffer, III
Beurket, Raymond Thomas, Jr.
Boggs, Haymon Harrellson, II
Bohman, Jack Edward
Bolick, Thomas Gordon
Borlund, Thomas Vagn, Jr.
Bowers, Robert French
Boyd, Thomas, III
Boyle, Conrad Lloyd
Boyle, Russell Thomas, Jr.
Bradley, Bruce Ray
Brass, Ronald William
Breen, William Wallace
Breuel, Albert Augustine, 3d
Briggs, Harold Lee, Jr.
Broocke, Nathan Irvin
Brown, Walter Tarleton, Jr.
Bryer, John Edward, Jr.
Buell, William Collins, V
Burba, Edwin Hess, Jr.
Burchell, Larry Edward
Burleson, Willard McKenzie, Jr.
Burroughs, Robert Huntley
Burwell, James Montgomery
Bush, William Anding
Campbell, Douglas Neil
Campbell, J. Frank
Cannon, Richard Melvyn
Carr, Benny Merle
Carrier, David Roger
Carroll, John Frederick
Caruso, Louis, III
Chalmers, Paul Aloysius, Jr.
Chandler, Fitzhugh Horton, Jr.
Chappell, James Edward
Clark, Richard Lee
Clarke, William Edward, Jr.
Coen, Donald Carlton
Cohan, John Armand
Colby, Nathaniel Fred
Conway, Rody Mead
Corby, John Francis
Coreth, Joseph Herman
Corr, James Colton
Cotts, David George
Covington, Henry Harris, III
Cox, John Robert
Cummings, Sean Howard
Cyr, Arthur Robert, Jr.
Dannell, John Theodore, III
Darby, Charles Dale
Davis, Donald Richard
Dawkins, Peter Miller
Day, George Ellis
DeAtkine, Norvell Bonds
DeMont, Robert Warren
Dearmin, Paul Edward, Jr.
Delikat, Stanley John
Devereaux, Alfred Boyce, Jr.
Dick, James Stephens
Dishman, Benjamin Estes
Dorland, Gilbert Noyes
Dorris, Albert Francis
Dorsey, James Arthur
Dorshow, Henry Bernard
Duggan, Dennis Michael
Duke, Charles Edward
Dyer, Glenn Harold
Eberhard, Edward John
Eckelbarger, Donald Eugene
Edwards, Robert Howell
Elias, Paul Joseph
Engler, Jean Helms
Enright, Joseph Francis, Jr.
Ernharth, Ronald Louis
Evans, Robert Dobson
Faber, Ben Davis
Fannin, Clayton Allen
Farrell, John Herbert
Ferguson, James Carmeron, Jr.
Fernandez, Victor Michael
Fertig, Stephen Williams
Fielder, Jimmie Dean
Fisher, Raymond Warren
Fitchett, Donald James
Fitzgerald, William Atwood, Jr.
Fletcher, Michael John
Fletcher, Thomas Henry
Forbes, Richard Earl
Frank, Frederick Melvin, Jr.
Franz, Jay Clifford
Freeland, James Thaddeus, Jr.
Frey, Robert Stephen
Fried, David Eugene
Friedel, George Charles
Fuller, Dwight Hunter
Gabel, Michael Anthony
Gailey, William
Gains, Roger Quinn
Garcia, William Joseph, Jr.
Gasienica, Andrew Michael, III
George, Alfred Whitby
Gercz, Francis Gary, Jr.
Gerhardt, Igor Dexter
Getz, Charles Edward
Gibbs, James Andrew, II
Gibbs, Philip Edward
Gillette, Michael James
Gilligan, Thomas William
Goodpasture, Albert Virgil, III
Grant, Alexander M.
Graven, Marion Finney, III
Gray, David Thomas
Greenawalt, Jeryl Clyde
Greene, Larry Michael
Griffin, Arthur Ralph
Groth, Carl Harry, Jr.
Gruschow, Donald Clarence
Guild, William Bradford
Gurr, John Wooten
Guthrie, John Simpson, Jr.
Gwin, Samuel Donnell
Hahn, James Stanley
Haight, Barrett Slocum
Harkins, John Foster
Harle, Richard Torrence

Harnly, Richard Wells
Harrell, John Rhodes
Harris, Wiley Valentine, Jr.
Harrison, George Franklin
Hayes, Charles Willard, III
Heath, Guy Hill, Jr.
Herrera, Frank Emilio
Hewitt, Russell Alvoid
Hightower, Louis Victor, III
Hill, Jimmy Calvin
Hilliard, Maurice Glen
Hilmes, Jerome Bernard
Holman, Robert Everett, Jr.
Hotchkiss, Richard Meyer
Houltry, Allyn Clyde
Howard, Freeman Irvin
Howe, Robert Bowman, Jr.
Huntingdon, John Philip
Hurley, John Stephen
Hurst, Joseph Wilson, Jr.
Hutton, Cuthbert Powell
Hyde, John Benton
Imler, Estan Francis, Jr.
Ingram, Donald Doan
Isacco, Michael Dominick
Ivey, Herman Van
Jervell, Broder Lysholm, Jr.
Joh, John Adam, 3d
Johnson, Bruce Campbell
Johnson, Charles Edward
Johnson, Darel Stephen
Johnson, George Peter
Johnson, John Palmer, III
Johnson, Richard Barton
Jordan, Richard Kenneth
Joyce, Kenneth Harold
Kadlec, Gregory John
Kalpagian, Gregory
Kampf, Joel
Kanarowski, Stanley Martin, Jr.
Kapp, Kirby Stanley
Katsarsky, Leonard George
Kelley, Wilbourne Anderson, III
Kendall, Donald Stuart
Kennedy, James Ervin, Jr.
Keogh, Peter Kenneth
Kinell, Carl Everett
Kissinger, George Donald
Kleb, George Roy
Klein, Stephen
Knowles, Bernard Allen
Kocienda, Richard Vincent
Koisch, John Joseph
Krawciw, Nicholas Stephen Hordij
Krulcik, James Robert
Kubo, Arthur Shiro
Kuschner, Andrew Karl
Langford, Ollie Legree
Larsen, Henry Sofus, Jr.
Laughlin, Edward Nikolai
Lawrence, Ashton Christal, Jr.
LeClere, Dick Tucker
Lehrfeld, William Richard
Leo, Thomas Walter, Jr.
Letchworth, Robert
Lewis, David Alfred
Lhotak, Gerald Joseph
Lidy, Albert Martin
Losey, Roy Edgar, Jr.
Ludlam, Donald Morgan
Luedtke, David Arnim
Luther, William Arthur, Jr.
Lutz, Charles Michael
Lymn, Harry Charles
Lynch, Claude Everett
Lytle, Charles Edward
Madden, James Willard
Madigan, Eugene Francis
Maglin, Richard Raymond
Magnussen, Mark Harge
Malek, Frederic Vincent
Mansfield, Clayton John, Jr.
Manzo, Fred Vincent
Markham, Don
Marsh, Byron Drake
Marshall, William Kay
Martin, Lewis Ray
Massey, James Lee, Jr.
Matthes, Donald Timothy
Mayers, John Junious, Jr.
McCahan, Marlin Eugene
McClurg, Donald William
McConville, Frederick John
McCoy, Jerald William
McCracken, Henry Emmett, Jr.
McDonald, Robert Archibald
McInerney, Thomas Gillis
McKinney, David Lawrence
McMorrow, Thomas Francis
McNerney, John Cameron
McPeek, Richard Bruce
McSweeney, Albert Stephen, Jr.
McLaughlin, Godwin Patrick
Medaris, John Bruce, Jr.
Meloy, John Nourse
Mercer, Clifford Wayne
Meyer, Richard John, Jr.
Mikelonis, Eugene Charles
Miller, James Holman
Millick, Charles Alan
Mills, Jerry Cleveland
Milton, John Francis
Miner, Russell Melroy, Jr.
Minnich, Lawrence Edgar
Moellering, John Henry
Monroe, Dewitt Talmadge, Jr.
Mooney, Thomas Rodger
Moore, Riley Roy, II
Moorhead, Thomas Leib
Morales, Michael
Moraski, Leon Karol
Morefield, Alvin Jackson
Moriarty, Joseph Thomas
Morrissey, Dennis Joseph, Jr.
Moss, Marvin Franklin
Mullen, Cassius Joseph
Mullen, William Joseph, III
Munz, Thomas Clark
Murry, William Vance
Nash, John Michel
Neal, John Oman, Jr.
Netzloff, Edwin Arthur
Newberry, Milton Sims
Newman, Glen Edward
Noga, Gerald Wayne
Nordgren, Alfred Edward, Jr.
Norman, Kenneth George
Novogratz, Robert Martin
Nunn, Lee Roy, Jr.
O'Brien, James Jeffrey
O'Brien, John Arthur
O'Connor, Hugh Thomas
O'Meara, Andrew Pick, Jr.
O'Meara, William Joseph
O'Neill, Kevin John
Oliver, Eugene Leroy, Jr.
Orndorff, John Franklin
Palmer, Laurence James
Panko, John, Jr.
Paquette, Roger Karl
Parolini, George Whittington
Paschall, Jim Roddy
Passarella, Patrick Francis
Peffenbach, Richard Renner
Phillips, Alan Burgess
Phillips, Joseph Albert
Pistone, Ronald Anthony
Plassmeyer, Martin Lloyd
Plummer, Thomas Francis, Jr.
Pokorny, Anthony George, Jr.
Porter, Bruce Allan
Poole, William Jackson
Pollock, William Cramer, Jr.
Prisk, Courtney Edward
Quinn, Roger Allan
Ramsey, Raymond Russell, Jr.
Ranalli, Robert Joseph
Ranch, Lewis Charles
Ravan, Jack Edward
Ray, James Floyd
Recher, Ronald Richard
Redding, Frank Jay, III
Reinhard, Donald Robert
Renalds, Hugh Henkel
Rhein, Reginald Walter, Jr.
Riordan, Robert Walter, Jr.
Rizzi, Robert Daniel
Roberts, Richard Owen
Roberts, Thomas DuVal, II
Robinson, Edward Charles
Roesler, Gilbert Eugene
Rogers, David Henry
Rogers, Richard Edwin
Rosner, Norman Harold
Ross, Lawrence Calvin
Roth, Robert William
Rothblum, Richard Albert
Roush, David Lee
Rowe, James Carter
Rowe, William Gerald
Rushton, Pierce Albert, Jr.
Russell, Thomas Button
Ruth, John Homer, Jr.
Ryan, Robert Hinkle
Salter, Ronald Howard
Salvatore, Frank Merle, Jr.
Santos, Melecio Zamora, Jr.
Sasfy, James Douglas
Satterwhite, James Joseph
Schepps, Winston Moffatt
Schlemmer, Roger Bruce
Schmacker, Bruce Edward
Schmidt, Peter Benjamin
Schmidt, Richard Charles
Schnick, Ronald Leonard
Schow, Robert Alwyn, Jr.
Schrader, Daniel Wallace
Schroeder, Louis John
Schwartz, William Lee
Sefton, Douglas William
Servis, Hubert Thomas
Seybold, Thomas Koenig
Shain, Robert George
Shapiro, Robert
Shea, Joseph Merton
Sheaffer, Phillip Galen
Sheehan, John Patrick, Jr.
Shelton, Ronald Thomas
Shock, John Paul, Jr.
Shuck, Laurence Harrison, Jr.
Siciliano, Arthur John
Simpson, Donald Thomas
Simpson, John Duncan
Simroe, Theodore William, Jr.
Sisson, Brooks Hubbard
Skowronek, Richard Paul
Smart, Donald Lee
Smith, Jack Coldwell, Jr.
Smith, Warren Stanley
Socks, Hugh J., Jr.
Soli, Thomas Russell
Sper, Paul Nelson
Stadler, Gerald Philip
Stauch, Edward George
Steinberg, Sherwin Lewis
Stiles, Howard James
Stocker, William Lloyd Ramsay
Street, Russell Keith
Stromberg, Peter Leonard
Struble, Lawrence Athey, Jr.
Sullenberger, Louis Edward, Jr.
Sullivan, Joseph Harrold
Sundt, Richard Sheriden
Svendsen, Don Frederick
Temple, William Edward
Tennant, Charles Edward
Thomas, Marvin Lyle, Jr.
Thudium, Christian Charles, Jr.
Tillar, Donaldson Preston, Jr.
Todaro, Joseph Enrico
Tomiczek, Paul William, Jr.
Toskey, William Manford
Train, William Frew, III
Tully, Walter Busill, Jr.
Tulp, David Paul
Turner, Robert Avera
Tyler, Erven Somerville
van Loben Sels, James Warren
Veidt, John Howard, Jr.
Versace, Humbert Roque
Walsh, James Edward, Jr.
Walter, Dennis Ivyle
Walters, Harry Ned
Walters, James Paul
Wands, Donald Richard
Ware, Roger Blaine
Warren, Warren Jay
Weaver, Carl Augusta, Jr.
Weber, Ralph Paul
Weber, William Ralph
Webster, Carl Stephen
Webster, Dan Moody, Jr.
Weekley, Robert Matthew

Weisenseel, Gerald Edward
Weisler, Julian Earl, II
Welch, Richard Delmas, Jr.
Wells, Theodore Danford
Werbel, Stephen Kay
Wheeler, David Robert
Wheeler, Joseph William, Jr.
Wheeler, Robert Allen
White, Thomas Harrold
Wiley, Larry Norman
Williams, Donald Bruce
Williams, Joe Estill
Wilmoth, Frederick Lee
Wilson, John Stewart
Wosicki, Walter John
Wright, William Warren
Yateman, Sidney Hersh
Yeats, Philip Lansdale
Yelverton, Rush Spencer
Young, Thomas Owen
Zagalak, Stanley James
Zaldo, William Thomas, III
Zierdt, William Henry, III

The following-named midshipmen, graduating class of 1959, U.S. Naval Academy, for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 541, 3285, 3286, 3287, and 3288, subject to physical examination required by law:

Cronin, Michael Joseph
Emmerson, Arthur, 7th
Keefe, Paul Francis
Rourke, John Michael
Trite, James William
Wooldridge, Marshall

The following-named officer for appointment as professor of physical education, U.S. Military Academy, under the provisions of title 10, United States Code, sections 4331 and 4333:

Kobes, Frank J., Jr., O21949.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for permanent appointment to the grade of colonel:

Manchester, Benjamin B., III
Reeve, Lowell S.
Smith, Samuel W., Jr.
Aplington, Henry, II
Beamer, Francis X.
Cool, Darrell L.
Snider, Robert E.
Taylor, Harry W.
Frazer, Fred J.
Cash, Earl A.
Decher, John E., Jr.
Graves, Elbert D.
Houston, Kenneth C.
Hollar, Frank E.
Rupp, Russell D.
Bohnet, John R.
Kennedy, Robert D.
Maloney, Elbert S.
Lyman, Andrew I.
Smith, Robert L.
Craig, Clifton M.
Owens, Alfred L.
Bailey, Charles J., Jr.
Davis, Robert R.
Russell, Joe B.
Wellman, Henry M., Jr.
Hudgins, Louis E., Jr.
Wiggins, John D.
Hansen, Herman, Jr.
Glidden, Elmer G., Jr.
Everton, Loren D.
Chamberlain, William C.
Donovan, James A., Jr.
Walker, Robert C.
Hubbard, Donald B., Sr.
Ryan, Michael P.
West, Gordon H.
Hooper, Harry B., Jr.
Williams, Hensley
Schreier, Robert L.
Holdt, Arthur E.
Pace, Nat M.
Hudgins, Vance H.
Hunt, Wilson E.
Rowse, Earl J.
Gentleman, Alexander W.
Miller, William M.
Herring, William T.
Parry, Francis F.
Pala, William P.
Ellis, John H.
Wright, Raymond D.
Picardi, Robert J. J.
Brush, Charles H., Jr.
Lowell, Arthur C.
Marshall, Harry T., Jr.
Kennedy, Donald R.
Fuller, Regan
Durand, Fenlon A.
La Grone, Max H.
Walker, Anthony
Chaisson, John R.
Wood, William A.
Atkinson, William H.
Churley, Robert A.

The following-named officers of the Marine Corps for permanent appointment to the grade of lieutenant colonel:

Codispoti, Gildo S.
Houghton, Kenneth J.
Mabie, Howard L.
Wood, Roy I., Jr.
Garber, Charles D.
Bigelow, K. K.
Nichols, Warren P.
Harrison, Patrick
Kicklighter, Edward C.
Voss, William G.
Mann, Thomas H., Jr.
Wojcik, Michael F.
Peterson, Donald M.
Parker, George K.
Kaenzig, William W.
Fields, John R.
Faw, Duane L.
McLeod, Stanley N.
Valente, Raymond L.
Noren, Wesley C.
Graham, Lawrence L.
Stankus, Henry W.
Kuhn, Richard C.
Ferguson, Glenn E.
Daddazio, Armand G.
Bosshard, Lawrence H.
Reid, George K.
Sitter, Carl L.
Roach, Richard E.
Flake, Keigler E.
Holmgrain, Eric S.
McLellan, Paul F.
Rottenberg, Aaron M.
Steman, Louis H.
Moret, Alfred T., Jr.
Daniel, Homer L.
Lemarie, Paul A., Jr.
Jacobi, H. Leverett
Morton, Richard
Williamson, Harold P.
Parker, Tom S.
Flynn, Maurice E.
Allen, Paul L.
Kovich, George J., Jr.
Remington, Richard M.
O'Donnell, John J.
Benda, Michael D.
Boress, Bernard M.
Hunt, Richard M.
Jeter, Robert B.
Spuhler, Raymond H.
Leitner, Warren A.
Mentzer, John F.
Schumacker, David W.
Jerue, George E.
Manion, Thomas A.
Galbreaith, Don W.
Hammerbeck, Edward E.
Sadler, Mitchell O.
Fening, Raymond J.
Le May, John, Jr.
Perkins, Thurman L.
Staples, Murray M.
West, Corbin L.
Peck, Richard C.
Motelewski, Joseph R.
Fenton, Francis I., Jr.
Paige, Mitchell
Hansen, Neil M.

The following-named officers of the Marine Corps for permanent appointment to the grade of major:

Kaufer, Edward E.
Pointer, Eugene V.
Hovatter, Eugenous M.
Bohn, Robert D.
Bowen, Ermel D.
Wears, Leo G.
Clary, Matthew A., Jr.
Laspada, John F.
Barrineau, William E.
Heywood, Ralph A.
Murray, Edward D.
Straner, Frank L.
Dormady, William K.
Jackson, Gordon K.
Galbraith, Donald L.
Stawicki, Theodore A.
Kirsch, Oscar H.
Kellogg, Wilbur C., Jr.
Miller, Roland R.
Shank, James W.
Vining, Norman
Engelhardt, Lloyd J.
Haines, Frederick B.
Corcoran, Clement T.
Luker, Joseph W.
White, Thomas A.
Smith, Ardath C.
Derrickson, Eugene W.
Keeling, Harvey A., Jr.
Edwards, Delmar L.
Costello, Keith W.
Abrahams, Charles W.
Zagrodzky, Howard H.
Cullins, George H.
Itzin, Martin J.
Thompson, Earl W.
Mariades, James P.
Hamilton, Robert W.
Airheart, William C.
Walls, Edward L., Jr.
Dodenhoff, George H.
Goebel, Jerome L.
Kelly, William D.
King, Paul D.
Bloomer, Donald M.
Smith, Arthur R.
Nolan, Keith D.
Meyer, Robert A.
Nelson, Robert E.
Judge, Donald R.
Schwartz, Leo R.
Connelly, Frederick G.
Grey, Jack R.
Schuster, Stephen L., Jr.
Dial, Oliver E.
Wallace, Samuel A.
Hunter, Walter G.
Silverthorn, Russell L.
Slack, Arthur B., Jr.
Harris, William S.
McNeill, Edward B., Jr.
Cooper, Milton B.
Curtis, Paul F.
Skow, Duane W.
Hughes, Orlin A. P.
Crossman, Ralph B.
Brooks, Donald H.
Mize, Charles D.
Lucas, Burton L., Jr.
Doehler, William F.
Sherwood, James M.
Claterbos, Henry L.
Holzbauer, Joseph F.
Fallon, Eugene B.
Gleason, Thomas E.
Vale, Sumner A.
Wickham, Lawrence V. M.
Cosgrove, William P.
Roeder, Horton E.
Rixey, Palmer H.
Hale, Frederic A., Jr.
McCulloch, William L.
Blanchard, Don H.
Joens, Ray N.
Dionisopoulos, James G.
McNulty, John W., Jr.
Gasser, James C.
Tope, Lyle V.
Fuson, Harold C.
Temple, Richard D.
Persac, Walter L.
Kraince, Francis R.

The following-named officers of the Marine Corps for permanent appointment to the grade of captain:

Robinett, Henry M.
Harper, Francis R., Jr.
Clements, Frederick D.
Geister, Herbert H.
Hergert, John C., Jr.
Lindemuth, Donald L.
Poorman, Donald W.
Grayson, Edward F., Jr.
St. Germain, Donald C.
Johnson, Joe L.
Wilson, Charles W.
Schlef, William K.
Vugteveen, Harold L.
Seissiger, John E.
Thornton, Dale
Van Winkle, Archie
Elstner, Earl T.
Knapp, Charles W.
McIntyre, Philip G.
Koethe, Frank R.
Rehfus, James R. A.
Hill, Billy J.
Slack, Robert K.
Smola, John K.
Burin, Michael
Walker, Phillip C.
Winfield, Charles R.
Glancy, Robert F.
Ford, Charles T.
Visage, Billy F.
Kerrigan, Hunt S.
Seymour, Rufus A.
Costello, Frank P., Jr.
Baker, Charles E.
Eckmann, Ronald P.
Elkins, Jim T.
Cook, Gorton C.
Greer, MacDonald
Donnelly, Thomas E.
Quinn, Francis X.
McCaffrey, Joseph J.
Barth, Olav
Coleman, Joseph E., Jr
Allison, James O.
Detroy, John W.
Newmark, Charles C.
Rilling, Fred C., Jr.
Farnsworth, Francis W., Jr.
Day, James L.
Colleton, Francis X.
Wright, Herbert L.
Iverson, Rhonald D.
Weiland, Joseph K.
Haggard, Robert G.
Johnson, Lee R.
Wills, Daniel
Kaasmann, Bernard A.
Diamond, Donald L.
Barrett, Richard C.
Watts, Ivan L.
Gehrsitz, Richard N.
Cahill, Edward D., Jr.
Fitch, William E. H., III
Iverson, Ronald L.
Johnson, Robert C.
Wickham, John C.
Wildermuth, Loren K.
Plauche, Brockman L.
Clark, William E.
Lee, Kurt C. E.
Hoffman, Olin V., Jr.
Baxter, Gordon S.
Campbell, George W.
Vanderswag, Irwin J.
Ferguson, Robert W.
Scheunemann, Robert P.
Hannan, James E.
Krieger, Roy E.
Harris, Robert P.
Gutheinz, Joseph R.
Walsh, Ronald L.
Day, John R.
Williams, Kenneth W.
Buckon, William E.
Slater, Richard B.
Carroll, John T.
Maher, James E., Jr.
Patrick, Victor E.
Glazer, August A.
Day, Warren H., Jr.
Horais, Walter G.
Henn, Howard R.
Steele, Raymond B.
Hollingshead, John S.
Bolves, Rudolph W.
Price, Joseph V.
Vaught, Richard H.
Hyslop, Kenneth D.
McKee, Roland D.
Gray, Alfred M., Jr.
Buckman, John G.
Roberts, Stanley G., Jr.
Farrington, Norman C., Jr.
Enoch, John T.
Allen, Albert D., Jr.
Kern, Richard J.
Burritt, Richard R.
Shinbaum, Marvin S.
Daigle, Chester J.
Allen, Terence M.
Ward, Guy W.
Hoffner, Charles W.
Guay, Gerald F.
Oden, Thomas S.
Bolton, James H.
Wilson, George M.
Huguenin, Sidney A., Jr.
Bell, Ray H.
Lyons, Robert J.
Sanford, Dale W.
Yourishin, George P.
Irish, James F.
Romano, Carlo
Bonsall, William O.

The following-named officer for permanent appointment to the rank of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Heffley, Henry S., Jr.

IN THE COAST GUARD

The following-named persons to be lieutenant commanders in the U.S. Coast Guard:

George W. Hardy, Jr.
Glenn L. Smith

The following-named persons to be lieutenants in the U.S. Coast Guard:

Maynard Fontaine
Harold W. Doan

The following-named persons to be lieutenants (junior grade in the U.S. Coast Guard:

Merrill K. Wood
Barry P. Sebralla
Benjamin A. Ramsey
John R. Butler
Gerald C. Hinson
Royce R. Garrett

POSTMASTERS

The following-named persons to be postmasters:

ARIZONA

Chloie P. Gandolfo, Duncan, Ariz., in place of H. C. Dean, retired.

Eva C. Morales, Sonora, Ariz., in place of J. S. Granillo, resigned.

CALIFORNIA

Doris B. Jorgensen, Castaic, Calif., in place of R. M. Maupin, retired.

Alfred F. Patane, Cathedral City, Calif., in place of J. S. Hillery, removed.

Clarence J. Rehberg, Del Paso Heights, Calif., in place of C. V. Shaffer, transferred.

Charles K. Elder, Moss Beach, Calif., in place of R. G. Smith, retired.

COLORADO

Ancil R. Stringer, Byers, Colo., in place of W. T. Day, retired.

CONNECTICUT

John E. French, Central Village, Conn., in place of F. J. Wakely, retired.

Sarah B. Friedman, Colchester, Conn., in place of J. J. Shea, retired.

Arthur W. Hayes, Winsted, Conn., in place of R. E. A. Doherty, retired.

FLORIDA

Thelbert M. Harbison, Altoona, Fla., in place of M. B. McWhorter, resigned.

Chester E. Nelson, Longwood, Fla., in place of M. B. Payne, retired.

William P. Bangs, Ormond Beach, Fla., in place of Arnold Bridges, resigned.

GEORGIA

Dorace A. Freeman, Sylvania, Ga., in place of C. D. Hollingsworth, retired.

ILLINOIS

William T. Overbeck, Granite City, Ill., in place of C. T. Heaton, removed.

Benton Pullen, Princeville, Ill., in place of R. P. Callery, deceased.

Arthur M. Mulford, San Jose, Ill., in place of F. E. Smith, retired.

INDIANA

Vita J. Hutchinson, Oakville, Ind., in place of B. E. Garrett, removed.

IOWA

Raymond J. Donovan, Bernard, Iowa, in place of W. F. Dunn, retired.

Thomas J. Hamilton, Epworth, Iowa, in place of S. J. Callahan, retired.

Jerry J. Snoble, Hazleton, Iowa, in place of G. E. Sherrer, retired.

Vera G. Combs, Redding, Iowa, in place of K. W. Shaw, resigned.

KANSAS

Erma E. Belden, Edmond, Kans., in place of E. M. Nelson, transferred.

KENTUCKY

Freeman Fitch, Ashland, Ky., in place of H. D. Shanklin, retired.

LOUISIANA

Bobby Ray Holley, Dubberly, La., in place of Joe Butler, transferred.

N. Landis Robertson, Pineville, La., in place of I. H. Chandler, retired.

MASSACHUSETTS

Arthur B. Morin, Springfield, Mass., in place of T. J. Ashe, retired.

MICHIGAN

Herbert J. Dyble, Bloomfield Hills, Mich., in place of J. J. Redmond, retired.

Irene M. Reed, Hulbert, Mich., in place of Beatrice Gissberg, retired.

Frederick E. Reyer, Marshall, Mich., in place of M. C. Kibler, deceased.

MINNESOTA

Clarence M. Whiting, Clitherall, Minn., in place of H. V. Nelson, transferred.

MISSOURI

Bernard A. Beurisaw, Cadet, Mo., in place of G. C. Long, retired.

Claude I. Bakewell, St. Louis, Mo., in place of B. F. Dickmann, retired.

NEBRASKA

Ralph H. Kroeker, Henderson, Nebr., in place of P. P. Braun, retired.

Richard D. Barney, Shickley, Nebr., in place of L. L. Gratopp, transferred.

Leo M. Gorman, Sidney, Nebr., in place of D. C. Gillham, resigned.

NEVADA

Shirley G. Walker, Empire, Nev., in place of I. B. McCormick, resigned.

NEW HAMPSHIRE

Earle W. Ladd, West Stewartstown, N.H., in place of L. Y. Ladd, resigned.

NEW JERSEY

Louesa M. Headley, Green Village, N.J., in place of Luther Headley, retired.

Frederick V. Schmitz, Glen Ridge, N.J., in place of F. J. Kiernan, deceased.

NEW YORK

Earl B. Kane, Central Bridge, N.Y., in place of Morgan Crapser, retired.

Frances W. Christiana, Circleville, N.Y., in place of E. B. Henderson, deceased.

Hamilton C. Fish, Great Neck, N.Y., in place of E. F. Higgins, retired.

June E. Fiasconaro, Miller Place, N.Y., in place of H. H. Davis, deceased.

Milford W. Ostrander, Sidney, N.Y., in place of F. D. Doolittle, retired.

Alexander Adamson, Victory Mills, N.Y., in place of A. F. Barrett, retired.

Joseph J. Giordano, West Islip, N.Y., office established September 15, 1958.

NORTH CAROLINA

Glenn O. Pasour, Bessemer City, N.C., in place of R. M. Kiser, deceased.

Viola E. Whitehart, Efland, N.C., in place of C. A. Brown, declined.

Katie B. Miller, Moyock, N.C., in place of M. F. Dunston, retired.

NORTH DAKOTA

Harold D. Dunahay, Bismarck, N. Dak., in place of D. F. Cordner, retired.

Arnold F. Fahrer, New Rockford, N. Dak., in place of L. J. Allmaras, deceased.

OHIO

William B. Spradlin, Derby, Ohio, in place of H. R. Matthaes, retired.

Clarence L. Dulin, Powell, Ohio, in place of W. W. Weinstock, transferred.

PENNSYLVANIA

Robert G. Burgan, Cresson, Pa., in place of C. R. Tobin, removed.

Bruce B. DeLong, Martztown, Pa., in place of E. F. Fox, retired.

Francis L. Underwood, Parkesburg, Pa., in place of P. C. Althouse, transferred.

John D. Watts, Sheffield, Pa., in place of H. O. Shirey, retired.

Isadore B. Oberman, Southampton, Pa., in place of F. E. Zimmerman, resigned.

SOUTH CAROLINA

Ralph H. Ellis, Little River, S.C., in place of R. M. G. Roof, retired.

SOUTH DAKOTA

Edwin Stromwall, Aberdeen, S. Dak., in place of W. G. Guhin, retired.

Harry E. Brown, Bradley, S. Dak., in place of R. L. Brown, deceased.

TEXAS

Geneva L. Barton, Anna, Tex., in place of Sam Hagin, retired.

Joseph J. Fournace, Jr., Bellaire, Tex., in place of L. L. Rosner, retired.

James D. Baldwin, Seagoville, Tex., in place of C. O. Bruce, retired.

Jewell I. Brewer, Westbrook, Tex., in place of G. E. Moore, deceased.

UTAH

Earl W. Sadleir, Draper, Utah, in place of B. W. Young, retired.

Reed N. Brown, Sandy, Utah, in place of G. L. Larson, retired.

VERMONT

Yvonne H. Jillson, Whitingham, Vt., in place of F. R. Jillson, failed to return from military duty.

WASHINGTON

Richard L. Van Zandt, Burlington, Wash., in place of W. F. Gorman, retired.

Dean M. Corliss, Port Orchard, Wash., in place of R. J. Caretti, resigned.

H. Lloyd Lopeman, Soap Lake, Wash., in place of D. H. Dannenmiller, retired.

WEST VIRGINIA

Claude G. Pownall, Romney, W. Va., in place of C. J. Powell, retired.

Robert C. Fenton III, Williamstown, W. Va., in place of J. L. Henderson, retired.

WISCONSIN

Lawrence J. Haumschild, Arpin, Wis., in place of E. H. Setzkorn, deceased.

Wilfred H. Harvey, Bruce, Wis., in place of D. E. Worrall, resigned.

James E. Plucker, Rochester, Wis., in place of R. G. Winkler, retired.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 19, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 145: 3: *Great is the Lord and greatly to be praised; and His greatness is unsearchable.*

O Thou who are the Creator and source of life and light, we thank Thee for the many beautiful and marvelous revelations of Thy grace and goodness which we are witnessing in the world of nature during this glorious spring season.

May the mysteries and splendor of the great out of doors, upon which we again look, awaken within us a sense of wonder and a lofty aspiration for greater beauty of character and conduct.

Hear us in the name of our blessed Lord whom poets and prophets have called the Lily of the Valley, the Rose of Sharon, the Bright and Morning Star, the Fairest Among Ten Thousand. Amen.

The Journal of the proceedings of yesterday was read and approved.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Ratchford, one of his secretaries.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

OUR DEPRESSED AREAS NEED ACTION, NOT RUNAROUND

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, the May report of the U.S. Department of Labor shows that unemployment nationwide has dropped from 4,362,000 in March to 3,627,000 for the month of April, or a decrease of nearly three-quarters of a million. Percentagewise the unemployment in March was 5.8 percent of the Nation's labor force while the April figures represent 5.3 percent or a drop of one-half of 1 percent.

The improvement in the Nation's employment as reflected by the figures in the above paragraph should not hide the real unemployment problem that the Nation is faced with in the 74 major labor surplus areas which suffer from continuous and chronic unemployment that numbers in excess of 2 million. The Nation's unemployment problem can never be corrected until the chronic unemployment is erased in these 74 labor surplus areas, and every one of the some 2 million unemployed are provided job opportunities.

Mr. Speaker, over a period of years the Congress has helped those areas where the impact of defense activities has been felt by providing Federal funds for schools, and recreational activities. Every time there is a disaster such as a tornado or flood Congress renders assistance to stricken areas. The farmer over a period of years has felt the bite of inflation, and so forth, and he has been assisted to the tune of billions of dollars. Areas with slums have been aided with housing development programs. Therefore, all that these chronic labor surplus areas are asking for is not relief but Federal assistance in their efforts to rehabilitate their economy for the purpose of erasing the stigma of unemployment.

The area redevelopment bill which is now tied up in the House Rules Committee while not the complete answer to the problem is a step in the right direction and therefore, the House has the responsibility of considering this legislation at the earliest possible date since the Senate has already approved it. Let us not put ourselves in the position where we can be accused of giving the chronic labor surplus areas the old runaround, by listening to some who advocate such treatment while they ignore the plight of the communities in the 74 labor surplus areas with over 2 million unemployed.

Mr. Speaker, on Wednesday, May 13, 1959, the Harrisburg (Pa.) Patriot carried the following editorial entitled "Our Depressed Areas Need Action Not Runaround." The editorial explains the unemployment problem in Pennsylvania and I call it to the attention of the membership of the House:

OUR DEPRESSED AREAS NEED ACTION, NOT RUNAROUND

Is Pennsylvania being set up for another runaround in Congress?

That's the way it is beginning to look. In both Senate and House, Republican leadership is pointing at the dramatic drop in unemployment as testimony that the bigger spending proposals of the Democrats aren't needed. And Democrats, especially the Dixie die-hards, are nodding agreement. Towering over all of them, President Eisenhower continues to wave the threat of vetoes.

Let's sort out this big spending versus balanced budget controversy:

The President is right on balancing the budget. This demands tax increases. The President has proposed two—higher postal rates and a 1½-cent-a-gallon gasoline tax hike. There's a question whether this would be enough additional money to balance the President's budget but even these revenue-raisers are getting the cold shoulder from most Congressmen, including the Republicans. Balanced budget oratory now by congressional leaders has a phony ring. They're just talking.

Pennsylvania's biggest stake in the budget is not a lot more money for airports, or housing, or community facilities, or dams.

Pennsylvania's biggest stake and greatest need is Federal aid for the depressed areas. There continues to be more of these areas of chronic unemployment in our Commonwealth than in any other State in the Union.

Because of this, the dramatic jobs gain and jobless drop nationally has not been equally spectacular in Pennsylvania. Where 6 in every 100 workers still are idle nationally, 9 in every 100 are still out of work in our State. In the hardest hit of our coal areas, 20 of every 100 workers still can't find jobs.

Even if Secretary of Labor Mitchell doesn't have to eat his hat in October, with national unemployment falling below 3 million then, there will still be massive jobless totals in Pennsylvania's chronically depressed areas and our State's unemployment overall still will run 1½ times higher than the national average.

If Secretary Mitchell's forecast is right, there'll still be 5 percent unemployment nationally. But here in Pennsylvania, the jobless total will be 7½ to 8 percent.

There still are, as the Secretary just has emphasized again, far too many long-term unemployed in the depressed areas. For all the good jobs-jobless news of mid-April, this continues to be a cause for deep concern.

What is going to happen to the Federal aid program for depressed areas?

A stripped-down version of the Senate-passed bill now is stymied in the House Rules Committee where Dixie Democratic Neanderthals hold forth. Is this bill going to be held back again until the final days of the session and killed off in the closing rush?

The Democrats have a clear-cut majority in both the House and on the Rules Committee. But will they act in behalf of the depressed areas?

CAPEHART HOUSING PROGRAM

Mr. COLLIER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. COLLIER. Mr. Speaker, I take this brief moment to respectfully direct the attention of the membership of this House to pages 7529–7530 of the CONGRESSIONAL RECORD of yesterday, Monday, May 18, upon which appears my extension of remarks titled "It's Time We Look Into the Cost and Extravagance of the Capehart Housing Program."

I believe every Member of this body will agree with me, after they have analyzed the financial operation of the present Capehart housing program that it conceals the true amount of our national debt on one hand, and, on the other hand, encourages and almost demands bids in excess of the actual cost of the military housing required.

We certainly owe it to the taxpayers of this country to make certain that before we approve continuing a program of this character we study all phases of this program and particularly the factors of cost and extravagance which the present system of financing encourages.

I again suggest that my colleagues read the remarks on this subject to which I referred in my opening sentence.

ATOMIC ENERGY ACT — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Joint Committee on Atomic Energy:

To the Congress of the United States:

Pursuant to the Atomic Energy Act of 1954, as amended, I am submitting herewith to each House of the Congress an authoritative copy of an amendment to the Agreement Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes of July 3, 1958. The amendment was signed at Washington on May 7, 1959.

The agreement of July 3, 1958, for cooperation on the uses of atomic energy for military purposes provided for the exchange of information covering the design and use of atomic weapons and other military applications of atomic energy and for the sale to the United Kingdom of a nuclear submarine propulsion plant and necessary fuel. Numerous exchanges have been made under this agreement, and both nations have benefited from these exchanges.

Under the provisions of the agreement there have been discussions between representatives of the two nations concerning the nature and scope of equipment and materials exchanges which would best contribute to our common defense and security and further benefit our two nations. As a result of these discussions an amendment to the agreement has been developed to further the goal of our mutual defense. It is gratifying to note that this amendment will also result in conservation of scientific and technical manpower and effort, and capital which would otherwise be required in providing duplicate facilities to meet our corresponding but separate requirements.

I am also transmitting a copy of the Secretary of State's letter accompanying authoritative copies of the signed amendment, a copy of a joint letter from the Chairman of the Atomic Energy Commission and the Secretary of Defense recommending my approval of this amendment, and a copy of my memorandum in reply thereto setting forth my approval.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *May 19, 1959.*

AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND FRANCE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Joint Committee on Atomic Energy:

To the Congress of the United States:

Pursuant to the Atomic Energy Act of 1954, as amended, I am submitting herewith to each House of the Congress an authoritative copy in the English text of an agreement between the Government of the United States of America and the Government of the Republic of France for Cooperation in the Uses of Atomic Energy for Mutual Defense Purposes. The agreement has been executed on May 7, 1959, by the Secretary of State on behalf of the Government of the United States, and by the Ambassador of France to the United States on behalf of the Government of the Republic of France.

To assist France in the development of a land based prototype submarine propulsion plant, and in response to a request by France for United States cooperation in this field, our Governments have concluded this agreement whereby the United States will sell to France a quantity of enriched nuclear fuel for this purpose.

The agreement recognizes the relationship of this assistance to the mutual security of the two nations, and the contribution to joint defense arrangements which transfer of this material will make. As the result of discussions with the French, it has been determined that the amounts envisaged for sale to France should permit them to carry out the proposed project.

The transfer of the nuclear fuel under this agreement will be carried out in accordance with the Atomic Energy Act of 1954, as amended, and pursuant thereto I have determined that performance of this cooperation will promote, and will not constitute an unreasonable risk to, the common defense and security of the United States. It will be noted that the agreement does not provide for the communication of restricted data.

I am also transmitting a copy of the Secretary of State's letter accompanying the text of the agreement, a copy of a joint letter from the Chairman of the Atomic Energy Commission and the Secretary of Defense recommending my approval of this agreement, and a copy of my memorandum in reply thereto setting forth my approval.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *May 19, 1959.*

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

MRS. ELBA HAVERSTICK CASH

The Clerk called the bill (H.R. 1434) for the relief of Mrs. Elba Haverstick Cash.

Mr. AVERY. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

THOMAS A. HOWE

The Clerk called the bill (H.R. 1601) for the relief of Thomas A. Howe.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. ZELENKO. I object, Mr. Speaker.

The SPEAKER. Two objections are required.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in computing the primary insurance amount of Thomas A. Howe, of Atlanta, Texas (social security account numbered [redacted], for purposes of title II of the Social Security Act (and in determining the amount of his liability for taxes under subchapter E of chapter 1 of the Internal Revenue Code of 1939 and chapter 21 of the Internal Revenue Code of 1954), the said Thomas A. Howe shall be deemed to have had self-employment income of $3,600 for the year 1954 and $4,200 for the year 1955.

With the following committee amendment:

Page 1, line 9, following the comma, insert "and under chapter 2 of the Internal Revenue Code of 1954".

The committee amendment was agreed to.

Mr. LANE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LANE: At the end of the bill insert the following: *"Provided,* That no benefits shall accrue prior to the enactment of this Act."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSE SANTIAGO SAVEDRA CALZA

The Clerk called the bill (H.R. 3817) for the relief of Jose Santiago Savedra Calza.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Jose Santiago Savedra Calza shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee.

Mr. CHELF. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CHELF: At the end of the bill, change the period to a colon and add the following: "*Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FOR RELIEF OF NORTH COUNTIES HYDRO-ELECTRIC CO.

The Clerk called the resolution (H. Res. 189) providing for sending the bill (H.R. 5093) for the relief of North Counties Hydro-Electric Co. and accompanying papers to the Court of Claims.

There being no objection, the Clerk read the resolution, as follows:

Resolved, That the bill (H.R. 5093) entitled "A bill for the relief of North Counties Hydro-Electric Company", now pending in the House, together with all the accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the House of Representatives, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable against the United States, and the amount of damages, if any, legally or equitably due from the United States to the claimant, the statute of limitations, the plea of res judicata, laches, any lapse of time, or any prior court decision of this claim by any court of the United States to the contrary notwithstanding. The Court of Claims is directed to consider the records of any previous trial of this case.

The resolution was agreed to.

A motion to reconsider was laid on the table.

VIKTORS NEIMANIS

The Clerk called the bill (H.R. 1391) for the relief of Viktors Neimanis.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

LEON OSWALD DICKEY

The Clerk called the bill (H.R. 1509) for the relief of Leon Oswald Dickey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212 (a)(3) of the Immigration and Nationality Act, Leon Oswald Dickey may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provision of such Act: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act.

With the following committee amendment:

On page 1, line 7, after the word "Act" change the colon to a comma, strike out the

remainder of the bill, and insert in lieu thereof "under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That, unless the beneficiary is entitled to care under Chapter 55, Title 10, United States Code, a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act: *Provided further*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF CERTAIN ALIENS

The Clerk called the bill (H.R. 4242) for the relief of certain aliens.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Surma, David, Esther, Theodor, Rowena, Sargon, Marie, Rowena (daughter of Marie) and Plarim D-Mar Shimum, and Elishwa, Sulty, Paul, Sophia, Surma, Eshaya, Virginia, George, Mersina, Sophia (daughter of Elishwa) Zaya, and Mrs. Khanna Zecharia, shall be held and considered to be classifiable as nonquota immigrants under the provisions of section 101(a)(27)(F) and section 204 of that Act shall not be applicable in their cases.

With the following committee amendments:

On page 1, line 7, after the name "Mersina," strike out the following: ", Sophia (daughter of Elishwa)".

On page 1, line 8, strike out the name "Zaya," and substitute in lieu thereof the name "D-Mar Shimum,".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IVY MAY LEE

The Clerk called the bill (H.R. 5963) for the relief of Ivy May Lee.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Ivy May Lee shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon the payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PETER E. DIETRICH

The Clerk called the bill (S. 381) for the relief of Peter E. Dietrich.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HEMPHILL and Mr. BOLAND objected, and, under the rule, the bill was recommitted to the Committee on the Judiciary.

ESTATE OF SINCLAIR G. STANLEY

The Clerk called the bill (S. 607) for the relief of the estate of Sinclair G. Stanley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of the late Sinclair G. Stanley, of Cook County, Illinois, the sum of $33,333 plus simple interest at the rate of 3 per centum per annum from November 1, 1946. The payment of such sum shall be in full satisfaction of all claims of the estate of the said Sinclair G. Stanley for just compensation for the yacht "Seventeen", such yacht having been sold to the Navy in May 1941 for $1 by the said Sinclair G. Stanley who was mentally incompetent at the time of such sale: *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provision of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, lines 6, 7, and 8: Strike the language "plus simple interest at the rate of 3 per centum per annum from November 1, 1946".

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAULINE D. KIMBROUGH

The Clerk called the bill (S. 667) for the relief of Pauline D. Kimbrough.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Mrs. Pauline D. Kimbrough, widow of Colonel J. Claude Kimbrough, deceased, is hereby relieved of all liability to repay to the United States the sum of $6,367.20, representing gratuity pay received by her upon death of her husband; the Judge Advocate General of the Army having determined subsequent to such payment that the said Colonel Kimbrough's status at the time of his death was not that of a retired officer on active duty and that no authority existed for payment of such gratuity.

With the following committee amendment:

Line 5, strike out "$6,367.20" and insert "$5,577.89."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF VERENTES BENT, DECEASED

The Clerk called the bill (S. 947) for the relief of Verentes Bent, deceased.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to the estate of Verentes Bent, deceased. The payment of such sum shall be in full settlement of all claims of the estate against the United States on account of the death of Verentes Bent caused when a vehicle owned by the United States and operated by the Navy Department collided with a public bus on July 27, 1946, near the city of Colon, Republic of Panama: *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "the estate of Verentes Bent, deceased" and insert in lieu thereof "Lenora Bent, the mother of Verentes".

Page 1, line 7, strike out "the estate" and insert in lieu thereof "the said Lenora Bent as the dependent mother of Verentes Bent".

Page 1, line 8, after the words "death of", insert "her son".

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Lenora Bent."

A motion to reconsider was laid on the table.

T. SGT. WALTER CASEY

The Clerk called the bill (H. R. 1547) for the relief of T. Sgt. Walter Casey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Technical Sergeant Walter Casey, 608170,

United States Marine Corps, of North Andover, Massachusetts, the sum of $173.12 in full settlement of his claims against the United States for reimbursement of the cost of shipping his household goods from Norfolk, Virginia, to North Andover, Massachusetts, in December of 1957, just prior to his being transferred to Boston, Massachusetts, for duty early in 1958: *Provided*, That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 7, strike out "$173.12", and insert in lieu thereof "$270.02".

Page 1, line 10, after the name "Massachusetts," insert "and dislocation allowances,".

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BASILE IGNATIOS MAVRIDIS

The Clerk called the bill (H.R. 1579) for the relief of Basile Ignatios Mavridis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Basile Ignatios Mavridis, of 187 South Warley Street, Florence, South Carolina, the sum of $500. The payment of such sum shall be in full settlement of all claims of said Basile Ignatios Mavridis against the Government of the United States, in connection with the $500 departure bond posted by the said Basile Ignatios Mavridis on behalf of himself on approximately July 3, 1956: *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Strike all after the enacting clause and insert "That Basile Ignatios Mavridis, of 187 South Warley Street, Florence, South Carolina, is relieved of all liability and responsibility to the United States based upon a departure bond posted by the said Basile Ignatios Mavridis on behalf of himself on approximately July 3, 1956, and that said bond is canceled as of the date of its execution."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GALVESTON, HOUSTON & HENDERSON RAILROAD CO.

The Clerk called the bill (H.R. 1711) for the relief of Galveston, Houston & Henderson Railroad Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Galveston, Houston and Henderson Railroad Company the sum of $38,726.40. The payment of such sum shall be in full settlement of all claims of the said Galveston, Houston and Henderson Railroad Company against the United States for reimbursement for actual expenses borne by Galveston, Houston and Henderson Railroad Company for alteration of its bridge 5.4 over Brays Bayou in Houston, Harris County, Texas, which alteration was made in connection with the improvement of Brays Bayou for flood-control purposes and for which amount the said Galveston, Houston and Henderson Railroad Company has not otherwise been reimbursed, and if Galveston, Houston and Henderson Railroad Company had not made such bridge alteration, such alteration would have been made subsequently at the expense of the United States as a part of its flood-control project which included the improvement of Brays Bayou, and such bridge alteration inured to the benefit of the United States in subsequently carrying out such flood-control project which it approved and authorized: *Provided*, No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim and the same shall be unlawful any contract to the contrary notwithstanding. Any persons violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof, shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LENORA HOLMES MOLA

The Clerk called the bill (H.R. 2011) for the relief of Lenora Holmes Mola.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the limitations of time contained in section 33 of the Trading With the Enemy Act, as amended, with respect to the filing of claims and the institution of suits for the return of property or any interest therein pursuant to section 9 or 32 of such Act, Lenora Holmes Mola, an Italian national, may, within six months after the date of enactment of this Act, file a claim or institute a suit for the return, pursuant to section 9 or 32 of such Act, of all right, title, interest, and claim of any kind or character whatsoever of said Lenora Holmes Mola in and to trusts under the will of Esther R. Holmes, an American citizen, deceased, late of the town of Monson, county of Hampden, Commonwealth of Massachusetts, Hampden County probate case numbered 59738, which property was described and designated in vesting order numbered 1478 of the Alien Property Custodian, dated May 15, 1943, and designated as account numbered 38-6755 in the records of the Office of the Alien Property Custodian. Any such claim or suit for return of said property shall be received, considered, and determined as if such claim or suit had been filed within the time limitations prescribed in section 33 of such Act. Any return made pursuant to authority conferred by this Act shall be subject to the provisions of section 20 of the Trading With the Enemy Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GANNON BOGGS

The Clerk called the bill (H.R. 2078) for the relief of Gannon Boggs.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 15 to 20, inclusive, of the Federal Employees' Compensation Act are hereby waived in favor of Gannon Boggs, Lakeland, Florida, and his claim for compensation for injuries sustained on April 11, 1945, while in the performance of his duties as a civilian storekeeper at the Lakeland Army airfield (Drane Field Air Base), Lakeland, Florida, shall be acted upon under the remaining provisions of such Act if he files such claim with the Bureau of Employees' Compensation, Department of Labor, within six months after the date of the enactment of this Act. No benefits shall accrue by reason of the enactment of this Act for any period prior to the date of its enactment.

With the following committee amendment:

Page 1, line 6, after the word "injuries" insert "alleged to have been".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RONALD RAGNAR LONG

The Clerk called the bill (H.R. 2290) for the relief of Ronald Ragnar Long.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of all laws administered by the Veterans' Administration, Ronald Ragnar Long, of Thompsonville, Michigan, shall, effective as of November 11, 1956, be held and considered to be the legally adopted child of Roland Long (Veterans' Administration claim number XC 20072464).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PEONY PARK, INC., AND OTHERS

The Clerk called the bill (H.R. 3096) for the relief of Peony Park, Inc., and others.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and

directed to pay, out of any money in the Treasury not otherwise appropriated, to the following-named persons, groups of persons, or entities, respectively, in the amounts appearing after their names the total sum of $95,370.34:

Peony Park, Incorporated of Omaha, Nebraska, $43,933.39.

Geraldine L. Webber, doing business as Riverside Park, of Norfolk, Nebraska, $5,178.88.

Glen Webber and Arthur F. Schmidt, of Norfolk, Nebraska, $3,080.32.

Blanche E. King and Harry H. King, of Norfolk, Nebraska, $11,299.03.

Pauley Lumber Company, doing business as Turnpike Ballroom, of Lincoln, Nebraska, $5,120.09.

V. C. Sloan and E. H. Sheffert, doing business as Pla-Mor Party House, of Lincoln, Nebraska, $10,712.54.

Robert L. Ferguson, Richard D. Ferguson, Roberta Ferguson, William L. Ferguson, and Robert J. Ferguson, doing business as King's Ballroom, of Lincoln, Nebraska, $1,815.13.

Frank Schamp, Robert Schamp, and Richard Schamp, doing business at East Hills Club, of Lincoln, Nebraska, $7,064.40.

Howells Volunteer Fire Department, a corporation incorporated under the laws of the State of Nebraska, doing business as Howells Ballroom, of Howells, Nebraska, $7,166.56.

The payment of such sums shall be in full settlement of all claims of the above-named persons and entities against the United States for taxes collected by the Secretary of the Treasury and the Commissioner of Internal Revenue on the receipts for food, refreshments, and merchandise sold by such persons and entities in dance halls and ballrooms operated by them in the State of Nebraska during the period of September 1948 through October 1951. Such taxes were not collected from dance halls and ballrooms in most other States for this same period, and the Congress on October 20, 1951, provided that dance halls and ballrooms should not be subject to such taxes where the serving or selling of food, refreshments, or merchandise is merely incidental to the music and dancing privileges: *Provided,* That no part of the amount appropriated in this Act for the payment of any one claim in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 7, strike out "$95,370.34", and insert in lieu thereof "$100,706.50".

Page 2, line 6, strike out "$5,120.09" and insert "$5,120.12".

Page 2, line 12, strike out "$1,815.13", and insert "$7,151.26".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BOLAND. Mr. Speaker, this bill seeks to reimburse a number of taxpayers against whom a cabaret tax was levied between August 1948 and November 1951. The Judiciary Committee, in its judgment, resolved that an inequity was placed upon the taxpayers involved and recommend its passage. The report before me does not indicate whether the operators of the businesses concerned actually collected the 20-percent cabaret tax from the patrons during the period in question. Since I did not desire to see a windfall accrue to the operators, I would have objected to the present consideration of this bill. However, I have been assured by the author of the bill, and his colleague from Nebraska that the patrons were not charged the tax in question. Committee testimony, I understand, substantiates this fact. Thus, I have no objection to the bill.

DR. RAYMOND A. VONDERLEHR ET AL.

The Clerk called the bill (H.R. 4120) for the relief of Dr. Raymond A. Vonderlehr and certain other officers of the Public Health Service.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective as of November 1, 1955, the retired pay of Doctor Raymond A. Vonderlehr, and effective as of October 1, 1949, the retired pay of Doctor Charles V. Akin, Doctor Richard H. Creel, Doctor Marshall C. Guthrie, Doctor John W. Kerr, Doctor Allan J. McLaughlin, Doctor John McMullen, Doctor Roy P. Sandidge, Doctor Frederick C. Smith, Doctor Walter L. Treadway, Doctor Clifford E. Waller, and Doctor Mark J. White, under the Public Health Service Act (42 U.S.C., ch. 6A) shall be computed as though they had continued in the grade of Assistant Surgeon General of the Public Health Service until the close of December 31, 1943.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FORREST E. DECKER

The Clerk called the bill (H. R. 6080) for the relief of Forrest E. Decker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Chief Warrant Officer Forrest E. Decker, rural delivery numbered 1, Commodore, Pennsylvania, the sum of $241.94, in full settlement of all claims against the United States for damages on account of loss or destruction of household goods and personal property belonging to Forrest E. Decker that were destroyed by fire on December 4, 1956, while in the warehouse of National Movers Company, Incorporated, East Rutherford, New Jersey. This sum of $241.94 is in addition to the sum of $6,500 previously paid to Forrest E. Decker for this fire loss pursuant to the provisions of the Military Personnel Claims Act (10 U.S.C. 2732), as implemented by Army regulations: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DOROTHY E. GREEN AND THELMA L. ALLEY

The Clerk called the bill (H. R. 5836) for the relief of Dorothy E. Green and Thelma L. Alley.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

The Clerk called the joint resolution (H.J. Res. 353) to facilitate the admission into the United States of certain aliens.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Tomoko Uehara, the financée of Glenn Chigges, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of three months: *Provided,* That the administrative authorities find that the said Tomoko Uehara is coming to the United States with a bona fide intention of being married to the said Glenn Chigges and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named persons does not occur within three months after the entry of the said Tomoko Uehara, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within three months after the entry of the said Tomoko Uehara, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Tomoko Uehara as of the date of the payment by her of the required visa fee.

SEC. 2. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Tadao Kameshima Littlecook, shall be held and considered to be the natural-born alien child of Technical Sergeant and Mrs. Alex Littlecook, Junior, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEC. 3. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Matilde Ponzo Spinelli, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Joseph A. Spinelli, citizens of the United States: *Provided,* That the natural

parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEC. 4. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Lewis Dosa, shall be held and considered to be the natural-born alien child of Mr. and Mrs. William Dosa, citizens of the United States: *Provided*, That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEC. 5. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor children, Michaline, Antonio, and Pancrazio Montesano, shall be held and considered to be the natural-born alien children of Mr. and Mrs. Mike Montesano, citizens of the United States.

SEC. 6. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Kim Mi Soo, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Carrol G. Lewis, citizens of the United States.

SEC. 7. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Anna Petrakakis Palatos, shall be held and considered to be the natural-born alien child of Mr. and Mrs. James Palatos: *Provided*, That the natural mother of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEC. 8. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Fai Ying Chan (Chin), shall be held and considered to be the natural-born alien child of Chin Bock Quai, a citizen of the United States.

SEC. 9. For the purposes of sections 203(a)(2) and 205 of the Immigration and Nationality Act, Domingos Jose Barreto shall be held and considered to be the parent of Rosa Barreto Andrade, a citizen of the United States.

SEC. 10. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Djuro Tasich shall be held and considered to be the natural-born alien child of Mr. and Mrs. Joseph Tasich, citizens of the United States: *Provided*, That the natural mother of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEC. 11. For the purposes of the Immigration and Nationality Act, Thirza Skoff shall be deemed to have been born in Austria.

SEC. 12. For the purposes of the Immigration and Nationality Act, Mrs. Amy B. Westwood shall be deemed to have been born in Great Britain.

With the following committee amendments:

On page 3, line 16, after the first word, strike out "Mr. and".

On page 3, line 16, after the name "Montesano," strike out "citizens" and substitute in lieu thereof "a citizen".

On page 3, line 20, strike out the name "Mi-Soo" and substitute the names "Mi Soo".

The committee amendments were agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that further calling of the Private Calendar be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

HOUSING ACT OF 1959

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 264 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Banking and Currency now in the bill, and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. It shall also be in order to consider without the intervention of any point of order the text of the bill H.R. 7117 as a substitute for the committee amendment printed in the bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 44]

Alford	Fogarty	Moorhead
Andersen, Minn.	Fountain	Morgan
	Gallagher	Mumma
Barden	Garmatz	Nix
Barrett	Gavin	O'Brien, N.Y.
Betts	Granahan	Perkins
Brewster	Green, Pa.	Powell
Bush	Holland	Prokop
Byrne, Pa.	Hosmer	Pucinski
Cahill	Irwin	Quigley
Cannon	Jackson	Roberts
Carnahan	Johnson, Md.	Rogers, Tex.
Clark	Jones, Ala.	Rostenkowski
Coffin	Kearns	Saylor
Corbett	Kilburn	Simpson, Pa.
Curtin	Lafore	Taylor
Dague	Laird	Toll
Dawson	Lankford	Walter
Fenton	Metcalf	Willis
Flood	Milliken	Yates

The SPEAKER. On this rollcall, 372 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

HOUSING ACT OF 1959

The SPEAKER. The Chair recognizes the gentleman from New York [Mr. DELANEY].

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN], and now yield myself 5 minutes.

Mr. Speaker, House Resolution 264 makes in order the consideration of S. 57, known as the Housing Act of 1959. The resolution provides for an open rule with 4 hours of general debate and also makes in order the consideration of H.R. 7117 as a substitute for the committee amendment printed in the bill.

The House Banking and Currency Committee, in reporting out S. 57, struck out all language after the enacting clause and inserted the language of the committee substitute. There are eight titles in this bill, the first title dealing with FHA insurance programs. Among the changes to be made in this program are: An increase in the permissive maximum mortgage, reduction in required down payments, extension of the permissive maturity from 30 to 35 years, inauguration of a new escrow procedure to facilitate trade-in financing and a reduction in the required insurance premiums by the FHA Commissioner.

Title II would provide a new program designed to provide rental housing for elderly persons at rentals which they can afford. Under the present program, inauguarated in the Housing Act of 1956, very few projects have been actually started and the program appears to benefit those elderly persons in the higher income brackets. It would set up in the Housing and Home Finance Agency a new loan program to provide low-cost financing on liberal terms to nonprofit corporations interested in building housing for the elderly, and would permit substantially lower rentals for elderly tenants.

Under title III an increase on loans eligible for sale to the Federal National Mortgage Association would be made from the present $15,000 ceiling to $17,500 for the special assistance program, and to $18,000 for the regular secondary market operation.

The urban renewal program, contained in title IV, was initiated in the Housing Act of 1949 and continued in the Housing Act of 1954, and under this program the Government provides advances, loans, and grants to localities to assist in the elimination of slums and blight and prevent their recurrence. The principal forms of Federal assistance are capital grants of up to two-thirds of the net cost of slum clearance and urban renewal projects. In general, the net projects cost is the difference between the gross project cost and proceeds derived from the sale of project land for redevelopment in accordance with the

urban renewal plan. The gross project cost consists of expenditures for project planning, acquisition of property; relocation of individuals, families, and businesses displaced from the project area; clearance of acquired properties; street, utility, and other site improvements; and administrative overhead. In addition, the Housing and Home Finance Agency makes advances, repayable out of funds subsequently available for carrying out the project, to defray the costs of project planning; temporary loans to finance project execution; and definitive loans to fund the capital value of land leased for redevelopment.

Title V relates to college housing. The mounting enrollments in our colleges has resulted in a serious housing problem. Since the inauguration of this program in 1950, housing for students and faculty members has been provided on 650 campuses in 48 of the 49 States, plus Hawaii, the District of Columbia, and Puerto Rico. At the end of December 1958 the colleges under this program had completed or had under construction more than 172,115 living units. The committee substitute would provide the absolute minimum needed to continue this vital program.

The low rent public housing program, under title VI, would expire on June 30 of this year. It has been determined that approximately half of the families displaced by urban renewal, highway construction and other public activities cannot be rehoused except in public housing because of their low incomes. Under the basic Housing Act of 1949, 810,000 units were provided, of which approximately 400,000 units have been constructed or are under contract. The committee substitute authorizes the construction of 35,000 additional low rent public housing units annually.

Title VII, pertaining to armed services housing, would extend the present military housing program until September 30, 1960, at the same time extending the maximum maturity of a loan insured under this program from 25 to 30 years. It would also authorize the FHA Commissioner to reduce the amount of the mortgage insurance premium of one-half of 1 percent for mortgages on Wherry projects acquired by the Defense Department. The committee has been advised that there are still many localities near and adjacent to military installations where the need for adequate housing has not been met, due to the fact that FHA is unable to insure mortgages on housing under its sales housing and rental housing programs in these areas in sufficient numbers because of the requirement that the Commissioner must apply a test of economic soundness to the proposed housing. The proposed program, it is believed, will help to provide housing for families employed and serving at remote military installations.

In order to safeguard a deserving homeowner from losing his home because of unemployment which is not permanent, the committee substitute, under title VIII, would permit the FHA Commissioner, in the case of default and subsequent foreclosure, to include unpaid interest in the debentures issued to the mortgagee. It would also authorize the Commissioner, as a last resort in order to avoid foreclosure, to acquire the mortgage in return for debentures paid to the mortgagee. This would bring the FHA loan program more in line with the GI loan program.

I urge the adoption of this resolution.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, the gentleman from New York [Mr. DELANEY], a member of the Rules Committee, has, I think, rather clearly stated the provisions of this rule which is now before us which would make in order the consideration of the bill S. 57 as amended by the House Committee on Banking and Currency. It would also make in order for consideration as a substitute the bill H.R. 7117, known as the Herlong bill.

I hope that I may in just a few moments clarify a bit the provisions of this rule, going a little further even than my distinguished colleague from New York. I think we might as well speak frankly about these matters when they come up on the floor of the House. You know there was a division in the Rules Committee 6 and 6 which held S. 57 in that committee for some 5 or 6 weeks, or perhaps even a little longer, because many of us on the Rules Committee believed that the provisions of S. 57 as amended by the House Committee on Banking and Currency known as the Rains bill, because it struck out all of the original S. 57 and substituted the provisions of the new bill, we believed that bill went entirely too far and we just could not approve it. It ran far ahead of the President's budget. It would provide in title VI for public housing, and I want to discuss that in just a moment. So the committee, in order to break the deadlock I mentioned a moment ago, 6 to 6, so that we might have some legislation here, so that we might consider at least the parts of the measure that should be enacted into law in order to permit essential parts of the housing program to continue, an agreement was made in the Rules Committee and we reported a rule which makes in order the bill S. 57 as amended by the so-called Rains bill, would allow the Rains bill to be considered as an original bill; then it went one step further and provided that the Herlong bill, H.R. 7117, might be offered as a substitute to the Rains bill, and read in the House almost as an original bill, that is as a substitute subject to amendment under the 5-minute rule.

What does this mean, if I can explain it in ordinary language? This means that when S. 57 comes to the floor consideration of the Rains bill would be in order, and after the first paragraph of the Rains bill has been read it will be in order for the gentleman from Florida [Mr. HERLONG], or any member of the Committee on Banking and Currency, to offer as a substitute the bill H.R. 7117; whereupon H.R. 7117, the Herlong bill, will be considered as a substitute subject to amendment and will be voted on in the Committee of the Whole and amended if the Committee sees fit to amend. Then, finally, the question will come in the Committee of the Whole as to whether or not we will adopt H.R. 7117 as a substitute for the so-called Rains bill. If H.R. 7117, the Herlong bill, is adopted as a substitute with or without amendment, as the case may be, then the bill will be reported back by the Committee of the Whole to the full House and the question will occur first upon whether or not the House itself will accept the amendment, the Herlong bill, as a substitute. Upon that there can be a rollcall.

If, on the other hand, the substitute, H.R. 7117, is defeated in the Committee of the Whole, the Rains bill will be read and it will be open to amendment as an original bill. That is the committee measure. Then it will be reported to the full House.

Let me go a step further, if I may, to explain this situation: If H.R. 7117, the Herlong bill, is approved by the House on a rollcall vote as an amendment, then the question recurs on whether or not the House will accept such bill as amended by the substitute bill.

Finally, of course, there will be a motion to recommit either with or without instructions.

I hope I have explained the rule and the way it will work to the satisfaction of all Members and so that it is clear to everyone.

I am going to support H.R. 7117, the substitute. It is not entirely satisfactory to me, but I do not think the issue that confronts us in connection with this legislation is a political issue. As I have said in connection with some other bills, it is a great economic issue as to what we should or should not do. What we want to do is a matter of governmental and economic policy in this country. I have been opposed to the Rains bill because it carries a provision authorizing the construction of some 190,000 more public housing units when we already have some 440,000 public units being occupied at the present time in this country, when we have 30,000 more public housing units under construction, and when we have 110,000 public housing units that have been authorized and have not been started or placed under construction. I do not think we should extend public housing any further at this time, the cost of which, according to the best estimates we can get, and there has been a great division in the statements and opinions before the Committee on Rules and elsewhere, will run as long as 45 years and would cost the American people at least $3½ billion. This is according to the best statement I can get. Unless conditions change drastically, if they remain in the next 30 or 40 years as they have in the last 30 years, every dollar of that will be borrowed money, which will mean greater inflation and a greater tax burden on the people.

In my opinion, and you can disagree with me, public housing as now constituted is a socialistic venture and a socialistic activity. Originally it was conceived with the idea that it would take care of the poor people, persons who

could not find adequate homes or adequate places in which to live, and should be subsidized. Instead, the record shows it has become a haven for those who are not poor any longer or have in many instances a higher income per family, getting a subsidy for housing, than do the ordinary taxpayers of the country who own homes and pay taxes in order to support this sort of program.

The substitute bill takes care of the extension of FHA. FHA has been a well operated function of Government. According to my understanding, we have some $760 million, or a little better, profit from FHA activities thus far. That is something we can all be proud of. Either bill continues FHA insurance authority and would increase, as I remember, by $10 billion the amount of such insurance to be authorized. This bill carries a provision to continue, as I understand it, the college housing program involving some $200 million of additional loan authority.

It would extend for 2 years the urban renewal program. It would provide $100 million to finish up and pay for any commitments during this fiscal year, $250 million for fiscal year 1960, which starts on July 1, and $250 million for fiscal year 1961, the 2 years in which this Congress has authority to legislate and to appropriate. Then let the new Congress and the next Congress decide whether this program should go on or not. If I had my way about it, and this is a compromise measure, I would like to see the urban renewal program set up on the basis where the local communities pay 50 percent and the Federal Government contributes 50 percent. These two bills are identical in that respect. Both provide for the local government or city to pay one-third and the Federal Government two-thirds.

I have been amazed, and I am not sure what it means, by the testimony before the Rules Committee. The city of Baltimore wanted $900 million for urban renewal out of the Federal Government. I have a friendly attitude toward Baltimore, our neighboring city up here, but I do not know of any reason why the people of my district should finance the rebuilding of the city of Baltimore, much as it may or may not need it, as the case may be.

This bill also carries some provisions that I think will adequately meet the requirements of the elderly and will take care of their situation. It also carries a provision that I think is very worthwhile, which permits the FHA to secure loans up to 75 percent—that is, they will take the responsibility of insuring 75 percent of any loan that may be made for the construction of any nursing home or home for the aged; then private interests, or whoever may ask for it, a church or local group, will put up 25 percent. That is something which is needed in this country, and I am sure those loans will be safe.

I think we also should point out that this bill provides, as does the other measure, for lowering of the down payment that will have to be made to obtain FHA loans for the construction of private homes. So, the real difference, however, in these two measures—there is another difference I want to mention later—but the real difference, the great difference, in my opinion, between these two bills, is public housing, $3.5 billion, a 45-year subsidized program, and whether or not we shall place the bonds of taxation and the public spending upon our children and our grandchildren who will have to meet their own problems in their own age.

I would like to mention one other thing, and that is that under the Herlong bill the Committee on Appropriations of the House will have the right and the authority to pass upon the additional appropriations as authorized in this legislation, so that if in the future some expenditure is not needed, there is not just an open gateway to go to the Treasury and get the money whether it is needed or not. And, I think that is a very, very important change or difference between these two bills. I think we have to preserve the right of the Congress of the United States, especially the House, where all appropriations originate—preserve the right, if you please, for them, for the House, for the people, those of us who sit here as representatives of the people, to determine whether these appropriations in the future are necessary or are unnecessary. That is a safeguard we should have on all legislation.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Indiana.

Mr. HALLECK. First of all, I should like to commend the gentleman for the very fine statement that he is making in respect to these two proposals that are before us. As I am sure many here will remember, he and I and others have been in this controversy about what we ought to have in the way of housing legislation through many, many years. I would just like to say that in my opinion the Herlong bill, providing, as it does, in title I the same provisions as the committee bill relating to title I, provides what I feel are adequate amounts for urban renewal, adequate amounts for college housing, fair provisions to take care of the housing for the elderly and others, and being within the budgetary situation that has been advocated to us. I would just like to say that in my opinion the substitute to be offered provides for a sound housing program designed to meet all of the reasonable needs of the country and that we ought to proceed with the substitute because I believe it will do the job.

Now, just one further observation, if the gentleman will permit. I have already suggested that the homebuilders have taken some sort of a position on this matter. I was quite interested to read in the press this morning direct quotes where it is said that—

> In recommending the bill, NAHB is absolutely opposed to its public housing provisions and wants reasonable reductions in the spending authorized for urban renewal and college housing.

It seems to me that the substitute which will be offered exactly fits that specification.

Mr. BROWN of Ohio. I thank the gentleman from Indiana very much for his comment and his contribution.

I am not at all certain in my own mind where anybody stands on this legislation. I have had members of the great National Association of Home Builders say to me, and I have read articles where they are opposed to the public housing provisions of the bill. Then I have had other people tell me that they like the public housing provisions. Perhaps there is a difference of opinion; I do not know. Undoubtedly there is a difference of opinion in this House as to what kind of housing legislation we should have. I know one thing, speaking for myself, that I am not entirely pleased with all of the provisions in the Herlong bill. If I had my way, it would be written a little differently; there would be some changes made. But, I have served here for nearly a quarter of a century in this House, and I have learned in some 40 years of legislative life that legislation usually is a compromise; that it is never all white or all black when we get through with it. It is sort of a motley gray, and we have to make up our minds whether a measure in the finality contains more good than bad, and we should vote for it, or whether it contains more bad than good, and we should vote against it. It seems to me that this being a compromise measure it may fix the ground upon which we can all meet and all agree as a reasonable bill that will give us the housing that we need in this country and that we can afford to pay for through our Federal tax structure without unbalancing the budget further and without placing a grave burden upon our children and our grandchildren to meet commitments throughout the years, as long as 45 years.

May I reiterate in closing that this is not, in my opinion, a political measure.

It crosses party lines. Undoubtedly many of you here will vote according to the needs of your own community. Very few rural districts or semirural districts, or even small city districts, at least in our part of the country, have any public housing. Some of the large cities do benefit. Some people feel that it is necessary. A great many people feel it is an unjust and an unfair burden upon them to meet the responsibility of the cities, to take care of these who must be housed or to renew certain areas of those cities that may be blighted. So I am asking all of you, if I may, to consider this measure as a sort of compromise, that does not do everything I want, that perhaps goes further than I would like to go, and may not go as far as you want to go, or it may go further—I do not know. But if we are to have housing legislation that is needed, let me emphasize that we have to have some sort of legislation upon which we can all agree and which can and will be signed into law by the President of the United States.

And without quoting the President, let me say this: I am convinced in my own mind, from things that have been said to me, and from conversations I have had with others, that if the so-called Rains bill is adopted "as is," with a public housing provision which will cost some

$3.5 billion over the next 45 years, the bill will not become law, and we will again be faced with a situation such as we were faced with during the deadlock in the Committee on Rules. We must accept some compromise to get needed housing legislation through the Congress.

Mr. Speaker, I reserve the balance of my time.

Mr. DELANEY. Mr. Speaker, I yield 10 minutes to the chairman of the Committee on Rules, the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, I am supporting this rule. The gentleman from Ohio [Mr. BROWN] who preceded me has given you a very clear and accurate description of what this rule does, and it is unnecessary for me to go into it very deeply. I will say this about the rule, however, that there are two very distinct and separate lines of thought about what ought to go into a housing bill this year. The Herlong bill represents one school of thought; the committee bill represents another school of thought.

The Herlong bill is framed on the committee bill. If adopted it will still be S. 57, the committee bill.

There was considerable criticism about the type of rule granted in this case making the Herlong bill in order. That has been done time and time again during my service on the Committee on Rules. As a matter of fact, there were some eyebrows raised in very high places in disapproval of that procedure. I think it is a fair procedure that where you have a very clear division in this House between two schools of thought, that each ought to have an equal opportunity to present its case and let the House work its will by a majority.

I want to talk to you, not about the bill, although I will say this, that the substantial difference between the two bills is in three items. The Herlong bill is substantially the same as the committee bill with these exceptions: first, public housing; second, urban renewal is cut back to the budget figure and confined to a period of 2 years so that the next Congress may have the opportunity to look at this again. The third one is a subject that has been discussed very much and upon which there is a very strong feeling in this House; namely, to cut out of this bill what we have generally spoken of as the back door to the Treasury. That is where the bill authorizes the Administrator of Public Housing to go to the Secretary of the Treasury and hand him his note for however many millions of dollars he wants at that time, and the Secretary of the Treasury is bound to pay the money over and it never comes to Congress and never goes into the record of the appropriations of this House.

That is something that is very vital and we ought to take care of it, and we have taken care of it in this Herlong bill. As a matter of fact, in the new provision housing for the aged the committee itself has recognized the fallacy of that policy and has provided for direct appropriations.

What I want to talk to you about today, and I hope I may have your attention because I am not going to be very long, but it is the most vital thing that this Congress is confronted with; namely, the fiscal solvency of this Nation.

Heretofore for generations the soundest securities in the world markets have been the bonds of the United States. Do you know what happened to them in the last few weeks? I am going to tell you, and the figures I am going to give you are accurate because I have had them verified. To begin with, last year we were paying $8 billion approximately every year in interest. That is about one-third of what the national debt was when I came to the Congress. We were paying that much in interest last year. Now what you are going to pay in interest next year is a matter of grave concern. I want to give you the figures of how Government bonds were selling a year ago and how they are selling today, because this bill is going to be a test of whether you want fiscal solvency or whether you are going to go wild. Now, I have seen Members whom I never suspected of entertaining this kind of sentiment get up here in the well of this House during this session of the Congress and demand that we must balance the budget and that we must stop spending. Now this bill is a prelude to the spending spree and if we lose this fight for the solvency of our country, we are going to lose it all the way down the line. Now let us see what happened to your bond market in the last year.

The bonds of a year ago—10-year bonds yielding 2½ percent were selling at 98 to yield 2.70 percent. They sold at 98 a year ago. Do you know what they are selling at today? They are selling at 86 and they are yielding 4.29 percent interest.

In other words, those bonds are yielding interest above the ceiling of 4¼ percent which the Congress has set on the rate of interest the Secretary of the Treasury is permitted to pay.

The bonds of 1963—2⅝ a year ago sold at 101 and are now selling at 94; 1½s, 1963, sold at 96 and are now selling at 90; 4 percent bonds of 1969 a year ago sold at 108—today they are selling at 98.

The 3 percents of 1995 a year ago sold at 97 and today they are selling at 83.

There is a drop of about 14 points in a year in your Government securities. Gentlemen, does that mean anything to you? Do you attach any significance to that? Is it a red flag waving at you? Because you know you can appropriate all the money you want to in this Congress, but when the security people who buy these bonds stop buying them, what then. I will plagiarize my old friend, Bob Rich, a former Member and say, when that happens, "Where are you going to get the money" when nobody will buy your bonds? You are confronted with that this morning. You are not confronted with just a housing bill. You are confronted with a great, big picture of the solvency of this Nation, the attrition that is taking place in the bonds of your country within the last year. And who did it? We did it. You cannot duck that responsibility. Your people are demanding a balanced budget louder than they have done before in my time, and I am talking about the people back home who want to stop this thing now.

I am going to give you one more example which is the most significant of all and that is what happened last week in your bond market.

A year ago the Treasury put out $1,800 million of certificates of indebtedness; and the interest rate on them was what? It was 1¼ percent on 1-year debentures. Those bonds came due this year, and last week the Treasury offered them to the holders of these same bonds. Do you know what rate of interest the Treasury offered to trade those bonds in for a year—not 10, not 20, not 50 years—just 1 year? Old Uncle Sam came up with his plug hat in his hand and his stars-and-stripes coattails waving out behind him, and he said to the money lenders: "Please renew my note for a year."

Did he ask them to do it at 1¼ percent? He asked them to do it at 4 percent, and many of them did not do it; 33⅓ percent of those bondholders refused to renew your Uncle Sam's note at over 3 times the rate of interest of 1¼ paid last year.

There may be some folks in here today, I expect there are, who have gone to their banker and asked him to renew their note, and the banker said: "No, you must pay up or else. Some of us know how that feels. How do you reckon the people of the United States feel when the obligations that were bought freely by the public at 1¼ percent just a year ago are now refused and spurned at 4 percent interest?

What are you going to say when the Secretary of the Treasury comes up here as the financial writers and experts freely predict he will within a few months, and says that he cannot sell bonds at 4¼ percent? What are you going to do about it when he requests you to raise the interest rate to 5 percent?

I ask you to consider these things, I ask you to consider them seriously today when you vote on the Herlong amendment, because this is the beginning of the fight for solvency and sanity in this session of Congress; it is the beginning of the time when the 86th Congress is going to make its history, good or bad. You are about to begin the writing of that history. Are you going to make it for sound fiscal policy, or are you going to open the floodgates of inflation that is going to ruin your people?

I just read an article in the Readers' Digest about a 10-cent dollar. That has happened in other countries, and it happened because they did what we are doing: They spent more money than they had, and they kept on spending it until they could not sell their obligations and the public would not buy them.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I beg the gentleman's pardon. I decline to yield, because I am just about to conclude and I do not want to be diverted from what I am talking about.

Mr. PATMAN. I want to talk about the 10-cent dollar.

Mr. SMITH of Virginia. Yes; that is what I am talking about.

Mr. PATMAN. The 10-cent dollar is a real one for interest-paying purposes on short-term Federal obligations. The dollar today compared to 1945, 1946, and 1947 in paying interest on short-term obligations of the Government is a 10-cent dollar.

Mr. SMITH of Virginia. I am so glad the gentleman is with me with all the powerful influence he exerts in this House and in the Committee on Banking and Currency; and it is comforting to me to know that he realizes and affirms what I am saying to you here now.

Mr. PATMAN. That is for interest-paying purposes.

Mr. SMITH of Virginia. One word, Mr. Speaker, and I am finished. There is an organization in Washington now that happens to be holding for some reason, I do not know why, its annual meeting, and gave a great banquet to Members of Congress last night. I understand they are opposing the Herlong bill. They happen to be the National Home Builders Organization. That is a very pretty-sounding name and I have no quarrel with them at all, but these fellows are looking at this and they are the boys who have made the millions and billions out of Federal housing. They do not like the idea of having to go to the Congress to get all this money they need; they still want to slip up to the back door of the Treasury and be able to hand in a piece of paper and say: "Give us a billion dollars." Now, that is what that argument is all about, and I know they have been approaching a lot of Members of Congress because they have talked to me.

I think you are going to make a serious mistake if you let the people who have made the billions out of this housing situation tell you how to vote on a measure that is so vital not only on the question of housing but also is absolutely vital and crucial on the solvency of your country.

Mr. BROWN of Ohio. Mr. Speaker, I have no further requests for time.

Mr. O'NEILL. Mr. Speaker, I yield 3 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Speaker, I want to express my support for the committee bill. I am primarily interested in title V—College Housing.

When my subcommittee of the Committee on Education and Labor, and a subcommittee headed by the distinguished gentleman from Alabama, reported to this Congress during the last session of the 85th Congress legislation that the Congress approved, known as the Education Defense Act of 1958, we created a housing situation among the colleges and universities of the Nation that this bill is absolutely necessary to meet.

Let me remind you that some 1,300 or 1,400 colleges and universities are participating with the Department of Education in carrying out our student loan program. Already we have applications amounting to $62 million from high school graduates who want to go on to college. Can you not get a mental picture of the situation that is going to be created in the colleges and universities in this country when those high school youngsters go to college. They have to have dormitories, they have to have facilities. This provision is absolutely necessary.

I could not fail to note the remarks of the minority leader who said that the Herlong substitute carries all of these college loans. The Herlong substitute would provide one-half of the amount provided in the Rains bill, the committee bill. It is not adequate. It is necessary that we retain this item for taking care of a situation that the Congress itself is directly responsible for.

Then, too, I have a general interest in the entire bill in addition to the educational features of it. In some 13 or 14 States of the Nation, including the State of West Virginia, we need some jobs for our unemployed people. I appeared before the Committee on Banking and Currency and I brought letters from 16 of the 17 colleges and universities eligible for loans in the State of West Virginia. Every one of them endorsed this loan program, stating that they had applications for loans that totaled between $6 and $7 million.

I am interested in a few jobs for some working people who are unemployed over in West Virginia.

Mr. O'NEILL. Mr. Speaker, I yield the balance of my time to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SO-CALLED BACK DOOR TO THE TREASURY AN EXCUSE

Mr. PATMAN. Mr. Speaker, I agree with the gentleman from Virginia [Mr. SMITH] that bonds have gone down. I think it is a disgrace that they have. Someone has failed in his duty, and I believe that I know who has failed. If we were to get the same interest rates today on short-term U.S. Government obligations that we received during the war and after the war, the hardest time on earth to maintain interest rates at a low level, we would be paying one-tenth of what we are paying today. In other words, the dollar today for the purpose of paying interest on short-term obligations of the Government is worth 10 cents compared to 1945, 1946, or 1947.

Who is to blame for that? The present administration when it came into power gave notice it was going to recognize the independence of the Federal Reserve System. In other words, the Federal Reserve illegally and unlawfully seceded from the executive branch of the Government. The prior administration refused to recognize that secession. This administration says that the Federal Reserve System is footloose and fancy free and interest rates are going to the sky all because of that so-called independence.

Now, the executive branch is responsible for the enforcement of the laws. Under the title "President" in article III of the Constitution it says that the President "shall take care that the laws be faithfully executed." The Federal Reserve Act is one of the laws. The President has an obligation. Congress must act on these interest rates. But, I am not going to insist that you do it on every bill that comes up. I think that is the wrong way. That brings up the question of the back-door approach to the Treasury that Judge SMITH mentioned. But I do not believe in picking and choosing the obligations that should go through the Committee on Appropriations and leave out bills involving much larger amounts. If we are to have it, let us have it for everything, and I do not believe that will be proposed.

Now, the distinguished gentleman from Virginia [Mr. SMITH] mentioned about the back door. Just a short time ago we had a bill involving billions of dollars for the World Bank and the International Monetary Fund. That was a back-door approach to the Treasury under the definition of Judge SMITH, but he did not try to stop it. It went right on through. He did not say a word about it. Why just bring it up on housing and things like that where so many of the people are involved? If you are going to have it for one, have it for all. What about the Export-Import Bank? When we were increasing the authority by $5 billion, these same people who are complaining about the back-door approach to the Treasury did not say a word about that $5 billion. That helps the big business of the country. It helps all the country, I admit that, but nothing was said about the back-door approach. What about the 80th Congress when a bill was passed through and became a law to permit the back-door approach up to $3 billion for the Federal Deposit Insurance Corporation, providing the directors of FDIC can go down to the Treasury and take out $3 billion any time they want to? That is a back-door approach, but nobody ever says anything about these billions of dollars. So, I think that we should not consider the question of the back-door approach to the Treasury in this housing bill. That is a separate question. Let us settle that once and for all, just like we ought to settle the fundamental principle of low interest rates and high interest rates. Settle it fundamentally, as I say, before this Congress; not take it up on every bill. So, let us not take up this question of the back-door approach to the Treasury just on a bill that helps the people. Let us take up that question on a resolution that settles it one time for all.

Therefore, I hope the Members of the House will not vote against the committee bill because of what they call the back-door approach. That seems to be brought up only in the case of bills where it involves things that are very close to the people.

Now, in conclusion, may I suggest that we have got to come to grips with this question of supporting U.S. Government bonds. I think the most terrible thing that has happened in our country is the

failure of the Federal Reserve to support the Government bond market. The Federal Reserve could do it. They are not doing it. It would not cost them a penny to do it. I repeat that; it would not cost them a penny to do it, and they are refusing to do it. Why? Because they have the support of the administration in refusing to do it. The administration, using this hard money and high interest policy, has caused all this high interest. We are paying today $10 billion a year more interest than we would pay under the interest rates of the administration prior to January 20, 1953—$10 billion a year. Divide that by the number of people in the country. It is $60 for every man, woman, and child. It is $300 for every family of five every year. That means that we are diverting purchasing power, too much of the purchasing power, from the consumers of this country in the paying of extortionate interest rates—yes, extortionate interest rates. It should not be done. Congress should give it consideration on its own merits, not on an incidental question as comes up here today as an excuse for voting against housing for the people.

Mr. Speaker, I hope that the substitute when it comes up is voted down.

Mr. DELANEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 57, with Mr. BONNER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am not going to discuss the details of the bill. They will be discussed by others.

The Banking and Currency Committee has given great time to the consideration of this legislation. Blackstone said that the common law was the perfection of human reason. The common law was the result of the experience of mankind through the years. It was formulated by a process of trial and error. Its wisdom was recognized by everybody.

The parliamentary law, which, when I first came to Congress I thought had many imperfections because I could not visualize the reason for many of its provisions, was formulated the same way. It was the result of the experience of the legislative body through the years. It was built up as the common law was built up, by trial and error, and it was found to be essential to the orderly procedure of legislation.

The committee bill has been the result of long study and of hearings by the Committee on Banking and Currency. The committee consumed 6 days in hearings on this bill. It heard 75 witnesses. The printed hearings consist of 720 pages. The committee has a report explaining the provisions of the bill and the reasons for reporting it. All of this is available to the Congress.

When we asked for a rule, the Committee on Rules refused to give us a rule for the consideration of S. 57. They provided in the rule that H.R. 7117 might also be considered as an original bill and be offered as a substitute. That bill could have been offered as a substitute whether it was in the rule or not, and any provision of that bill is germane to the bill we are considering.

Why does the Congress want to tie its hands and not give consideration to the bill that was reported by the Committee on Banking and Currency? Why should the Committee on Rules substitute a bill that has never been referred to our committee, that has never been considered by our committee, that has no report, that has no explanation of it, that has no committee to explain it? Is that the way you want to tie your hands in the consideration of legislation?

We feel that we are entitled to consideration of the committee bill. We feel that the Herlong amendment should be voted down and through the orderly processes of legislation you should consider the bill reported by the Committee on Banking and Currency. This is not only an affront to our committee, it is an affront to every committee in the House. After your committee had had long hearings on a bill and had reported it, would it please you when a rule was requested to have the Rules Committee substantially ignore your bill and provide for the consideration of another bill?

We expect that those who have devoted their time to this housing bill will give you the information you need, will give you the information that they have acquired through long hearings and deep study and consideration which has extended over the years. We hope you will vote down the Herlong amendment and give yourselves an opportunity to consider this bill in the orderly fashion as provided by the rules of the House. When you depart from the rules, you usually make a mistake, and I am sure you will make a mistake this time. No argument about economy is pertinent to what I am saying. Voting down the Herlong amendment merely means that you want to consider S. 57 as provided by the rules—you want to consider it in an orderly fashion and you want to have an opportunity to offer the amendments in which you are interested. If you believe that the Herlong amendment is the best bill, you can make it the will of the House by voting for the provisions of that bill as amendments to the committee bill. But, let us not be diverted by these appeals for economy. There is neither economy nor prodigality involved in this question. Are you afraid of yourselves? Are you afraid to pass upon these questions? Do you want to tie your hands or do you want to consider this bill in an orderly manner and in a way that will be in the interest of the people and in a way that will do honor to you?

Mr. McDONOUGH. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this is a complicated piece of legislation, and it has been made more complicated by the fact that we have three bills before us for consideration. The Senate bill, the House committee bill, and the Herlong bill. It seems to me that the source we should go to first to find out what our requirements are is the statement made by the President of the United States in his budget message of January on this particular subject. He stated at that time:

> A year ago I presented to the Congress a carefully considered program for revision and extension of the basic statute governing several major housing and community development programs. Adjournment of the Congress without enactment of these recommendations made it necessary to adopt temporary expediencies to handle continuing applications for urban renewal, capital grants college housing loans and until new authorizations were made available, emergency legislation has already been proposed to the Congress to provide the funds necessary for these programs and to increase mortgage insurance authority available for the remainder of the fiscal year.

On urban renewal, the President stated:

> The Federal Government is providing major assistance to communities in halting urban deterioration and replacing it with orderly redevelopment. Approximately 650 urban renewal projects are now under way or completed in more than 380 cities. These will involve an ultimate net cost estimated at about $2 billion so $1,300 million will be supplied by Federal capital grants. The Federal Government has also outstanding loans and loan guarantee commitments totaling about $700 million for temporary financing of these projects. When urban renewal legislation was not enacted by the Congress last year, authority subject to the President's discretion had to be used to make available $100 million for capital grants. Since these authorizations will soon be exhausted, the emergency legislation already proposed contains that additional $100 million for 1959 and also $100 million to restore the discretionary authority for future emergencies.

The President further recommended that the Congress should act promptly upon four major revisions of urban renewal laws to assure States and cities of continuing Federal support of urban renewal for authorization of capital grants $1,350 million for the next 6 years.

For each of the 3 years, 1960 to 1962, $250 million should be authorized and with $200 million annually for 1963–65. This forward authorization together with administrative steps already taken to allocate the available funds equitably should enable each community to develop long-term communitywide plans which may then be financed on realistic annual installments. In accordance with predominantly local benefits received, require States and cities to assure gradual increased share of expenses of buying and improving the land and of other net project costs.

On public housing, the President further stated:

> At the end of the fiscal year, 1960, over 475,000 federally aided public housing units will be occupied by about 2 million people and the additional 110,000 units already authorized will be under contract for Federal contribution but will not yet be constructed. These 585,000 units should meet most of the demand for such housing by low-income families displaced by highway construction, urban renewal, or similar Government action in the next few years.

Therefore, he is not asking for any additional public housing units in his budget.

For college housing, no additional authorizations were provided for college housing in the Congress last year and while processing of loan applications has continued, only a limited number of new commitments have been made.

The emergency legislation we have before Congress would provide $200 million in new lending authority at once. This should be adequate to meet the needs for loans for the remainder of the fiscal year 1959.

These are the recommendations of the President on the controversial sections of the bill. The public housing section of the bill is more than is necessary and when we consider the committee bill we also have to realize that in the Senate bill there is a request for some 45,000 new public housing units. The President, in his message and through all the information I have been able to discover, the additional units that are under construction will meet our needs for the next fiscal year.

For college housing the President requested an additional $350 million. The committee bill provides $400 million, and the Senate bill provides $300 million. So if you should adopt the committee bill you are going higher than was requested and exceeding the budget requests of the President.

In the matter of classroom construction and direct loans to colleges, the Senate bill provides $125,000 for classroom direct loans.

There is inflation in the committee bill. That cannot be denied, for the reason that the obligation on the budget will be exceeded; and, furthermore, in the request of the committee bill for additional urban renewal $500 million for each year for the next 3 years the first of which could be obligated at the end of fiscal 1959, the next within the first month of 1960, and the third $500 million within another 12 months. In other words, we could be obligating ourselves for $1,500 million for urban renewal and development, in the next 14 months. Yet the history of urban renewal and development up to the present time shows there has been spent $1,300 million in the past 10 years.

I think we should give consideration to that on the question of urban renewal. It is certainly excessive in the committee bill, and insofar as the administration bill is concerned the $1,300 million extends over a 6½-year period; and in the Herlong bill it is even more conservative and probably necessary to meet the requirements of the next fiscal year, because it provides for about $600 million for the next 3 years.

The public housing units that are in the committee bill are excessive because of the fact that we have 110,000 units under consideration, and 30,000 under construction. There is a turnover in the tenancy of public housing that provides an increase of about 25 percent a year on these units each year. That should be given consideration.

Furthermore, there is an additional obligation that the taxpaying public is assuming in the tax-exempt feature of the bonds that are sold for the construction of public housing units. Up to the present time there are some $300 billion of these bonds that have been sold, and the bondholders are tax-exempt insofar as the income tax on the interest of those bonds is concerned. If we should proceed to obligate ourselves for the additional public housing units provided in the committee bill we will be obligating ourselves for a loss in revenue over a period of time on those bonds of about 45 percent of $1,900 million.

Mr. Chairman, the requirements in the Herlong bill for the next fiscal year on low downpayments for individual homes is the same as in the administration bill and the same as in the Rains bill.

I recommend that the committee give consideration to the Herlong substitute as a needed piece of legislation to meet our housing requirements for the next fiscal year.

Mr. SPENCE. Mr. Chairman, I yield such time as he might require to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, S. 57, as amended by the Banking and Currency Committee, is a general housing bill which represents a good deal of work on the part of our committee and its Housing Subcommittee, under the chairmanship of my able colleague, ALBERT RAINS, of Alabama.

I deeply hope, Mr. Chairman, that we will have the opportunity to take up S. 57 as reported by the Banking Committee and work our will on it title by title if necessary. Those who are not in favor of all sections can offer amendments as they see fit. I do not feel it proper for us to consider seriously the Herlong substitute bill, H.R. 7117. To do so would be to bypass the entire committee procedure of this body, and would ignore completely the many months of labor our committee, and particularly its Housing Subcommittee, have devoted to the bill.

I note that the National Association of Real Estate Boards, which urges support for the Herlong bill, says in their newsletter that it contains, and I quote, "all of the good features of the original measure." That being so, Mr. Chairman, I can see no reason for not considering the committee bill with the freedom of all to offer amendments to sections they find objectionable.

IMPROVEMENTS TO THE FHA HOME OWNERSHIP PROGRAM

I am particularly pleased with the provisions in the bill which improve the regular section 203 sales housing program under the FHA.

The bill makes a number of important changes to the section 203 program which will encourage participation by builders and lenders and which will help reduce housing costs to the home buyer.

One important change would reduce further the required minimum downpayments for homes in the middle price ranges. To give an example, on a $16,000 house where the present minimum downpayment, exclusive of closing costs, is $780, the proposed bill would permit the buyer to buy his home with a downpayment of $655, or $125 less. On an $18,000 house the downpayment would be reduced from $1,380 to $855.

Another important change would be an increase in the maximum permitted mortgage which is presently $20,000 for 1 and 2 families. Under the bill, that ceiling would be raised to $25,000. I think this is a more realistic mortgage maximum which will enable the FHA to play its role in helping the financing of the normal price range of most American homes. This normal range includes homes in higher cost areas, homes which are suitable for large families, and those which contain the additional space and equipment frequently demanded in today's market.

A third important change to the section 203 program would be an increase in the permitted loan maturity from 30 to 35 years. I recognize that, as a general principle, the longer the term the larger the total of interest payments which the borrower must make over the life of the loan. However, I hope that this modest increase in the term, by lowering the monthly mortgage payment, will help more families to qualify for homeownership. For many families, the reduced monthly payment may be a decisive factor in determining whether their income is regarded as sufficient in carrying the loan.

A fourth important change would give discretionary authority to the FHA Commissioner to reduce the annual insurance premium which the borrower must pay on an FHA-insured loan. Currently, the premium is one-half of 1 percent, the minimum permitted by statute. The bill would authorize the FHA Commissioner to reduce the premium down to one-fourth of 1 percent, if he is convinced that the reserves of the FHA program are adequate to support such an action. This action would also reduce monthly housing costs for the homebuyer.

A fifth important change would facilitate trade-in financing by permitting a builder or real estate dealer to obtain a mortgage for the full amount authorized for the owner-occupant, provided he puts 15 percent of the original principal amount in escrow. If at the end of 18 months a purchaser is not found, the escrow funds would then be applied to a reduction in the mortgage amount.

This new procedure would facilitate the trade-in type of financing which is becoming more and more common and would help families with an equity in their present home buy larger and better homes. One of the virtues of the plan is that it would require only one mortgage instead of two in the trade-in

financing transaction, and consequently the duplication of many closing costs would be avoided at a substantial saving to the homebuyer.

The bill would make two important changes in the special FHA section 203(i) program which is designed to encourage low-cost housing outside of built-up areas. Adequate standards are insured under the program but the minimum requirements are not as rigid as those required under the regular section 203 program.

Presently the maximum mortgage permitted under the section 203(i) program is $8,000, a ceiling which has proved unduly burdensome in some areas. By increasing the permitted mortgage maximum to $9,000, we hope that this will encourage the construction of more low-cost housing.

The bill would also extend the financing benefits of section 203(i) currently confined to proposed construction, to existing housing. In many cases lower income families, including elderly families, are being penalized by the inability to purchase low-cost existing homes under the section 203(i) program, a condition which the bill would correct.

FHA INSURANCE AUTHORIZATION

The bill contains a vital amendment to increase the FHA insurance authorization. Without such increase the FHA cannot continue its essential role in stimulating home construction and home financing. FHA has been a prime mover in spreading home ownership among the ever-increasing number of American families. It is now estimated about 60 percent of American families own their own homes as against 44 percent in 1940.

FEDERAL NATIONAL MORTGAGE ASSOCIATION

The bill would strengthen further the important role which the FNMA plays in supporting FHA and GI financing. The par purchase requirement would be continued for 1 additional year in recognition of the need to make the most favorable financing terms available for loans in the special assistance category which finance especially deserving and worthwhile programs such as military housing, and disaster housing.

The bill will also make FNMA's regular secondary market more effective by increasing the maximum mortgage which FNMA can buy from the present $15,000 ceiling to $18,000. This should enable FNMA to be a more effective credit backstop for both FHA-insured loans and GI-guaranteed loans.

The bill also declares a new policy objective under the regular secondary market operation which instructs FNMA in its operations to aid in the stabilization of the mortgage market. By and large FNMA officials have done a good job in their pricing policy but I think this legislative change will make it easier for them to conduct FNMA operations so that it will be a stabilizing and supporting element in the mortgage market.

Another section of the bill would give FNMA a new function. In addition to present authority to buy and sell loans, FNMA would be authorized to make loans on pledged FHA and GI mortgages. This should provide another "warehousing" financing facility which will undoubtedly help home construction and home financing.

COLLEGE HOUSING

One of the most successful programs administered by the Housing and Home Finance Agency is the college housing program which was first authorized in the Housing Act of 1950.

Since its beginning in 1950, the college housing loan program has provided essential housing for students and faculty members on 650 campuses in 48 of the 49 States. At the end of December 1958, we were informed that the colleges under this program had completed, or had under construction, more than 172,115 living units to serve men and women students, student families and a limited number of faculty members. In addition, funds of that date had been reserved for 21,512 more units.

In view of the continued rapid growth in our student population, and the new demands being made upon education by reason of developments in science and the international scene, I am convinced of the necessity to provide additional funds to permit the continuation, and needed expansion, of this program so essential to the national welfare.

I am also pleased to note that there has not been a single default on any loan made under this program.

Existing funds for the college housing program are virtually exhausted. The bill would enable this worthwhile program to continue by providing an increase of $400 million in additional loan authority, $40 million of which would be reserved for housing for student nurses and interns.

MILITARY HOUSING

Title VII of the bill extends the military housing program so essential to our national security. It also contains a new program to provide rental housing near military bases for military personnel and civilian employees of the armed services.

AVOIDANCE OF FORECLOSURE

With the development of the 1957–58 economic recession, our committee naturally became concerned over the problem of helping deserving homeowners in economic distress. We have found that the present FHA program is lacking in certain important protections to protect the deserving homeowner from losing his home because of unemployment. We noted a marked difference between the FHA and GI home loan program in this regard. The GI loan program is so framed as to encourage the lender to cooperate in working out a default and to prove safeguards against foreclosure.

I am pleased that our bill would make several amendments to the FHA program to reduce the incentive on the part of the lender to hasty foreclosures, and would give discretionary authority to the FHA Commisisoner as a kind of last resort to buy the loan and help the homeowner back on his feet to prevent the loss of his home.

OTHER IMPORTANT PROVISIONS

Another important section of the bill would extend and authorize additional money for the farm housing research program. Too often people think that the housing program is confined to urban centers which is simply not true. The farm housing research program may well help us to find the answer to the problem of how to provide better farm housing at a lower cost and how to improve financing sources for farm housing.

The bill would also extend the voluntary home mortgage credit program for another 2 years. The VHMCP has helped provide FHA and GI loans in smaller communities and rural areas. Of course, we have the outstandingly successful Veterans' Administration direct loan program for veterans who live in smaller communities and rural areas, but the VHMCP is still a helpful supplement to the VA direct loan program and also in many cases is the only means of providing FHA-insured loans in these areas.

Mr. McDONOUGH. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Chairman, the $1.3 billion Herlong bill is far more preferable than is the $6 billion committee bill, S. 57. Accepting the deficiencies of the Herlong bill, this bill is still "the lesser of two evils," and on that basis I intend to vote for it. Funds for urban renewal is one of the faults I find with the Herlong bill. This subject I have treated at length earlier in a special order which may be found in the RECORD of March 17, 1959, pages 4363–4378. I am pleased to see the lack of public housing in the Herlong bill. This is certainly to its credit, and there is less reason now to point out the faults of the tax-exempt bonds accompanying public housing financing.

I have not the time to discuss the many features of each of the bills before us. Rather, I shall meet head on certain statements in the report accompanying this bill, S. 57. These statements are such basic fallacies, as I see it, that they should be contradicted categorically.

Concerning the home builders support of the committee bill, I want to point out that the article appearing in the morning paper about home builders supporting the $6 billion committee bill does not represent all of them. I can assure my colleagues that many home builders down my way do not agree with the national organization in such support.

Now, Mr. Chairman, to take issue with some of the basic statements set out in the report accompanying S. 57 which I have had the opportunity of studying this morning. I think a few things need to be said along this line which in some instances may be critical of both bills.

The report on pages 1 and 2 says:

> At a time when the number of Americans still out of work is approaching 5 million, we must provide the legislative aids necessary for an expanding rate of housing production. This will be one way we can help implement the Employment Act of 1946 which states as our national policy that no American willing and able to work shall be denied employment.

This statement I claim fallacious and deny categorically. Beyond the fact

that the unemployed figure is not 5 million but 3½ million is the fallacious premise that this housing bill is to provide work for the unemployed. This is incorrect. It is to provide housing, not jobs, and is not to implement the Employment Act of 1946.

On page 2 the report emphasizes the need for a Federal solution and Federal money for the local problems of slum clearance and low-rent public housing. This is a fallacious assumption, as I see it. Local problems require local solutions, not Federal.

Next, on page 3, the report states:

> Because of the considerable timelag between authorization and actual expenditure, the grant authorizations involved in the bill as reported by your committee will have virtually no effect whatever on the fiscal 1960 budget.

It is absolutely fallacious to say that there will be no effect on the budget just because of a timelag, since obviously huge expenditures do have a budgetary effect even if postponed.

Further, on page 3, the report states:

> Your committee rejects emphatically the thesis that the legislation proposed in the committee substitute would have an inflationary impact.

I categorically brand this fallacious since Government deficit spending beyond the budget is inflationary, watering the buying power of the dollar, pious statements to the contrary notwithstanding.

Continuing on chronogically, the report on page 6, discussing maximum loan maturity, neatly overlooks the fact that increasing a loan increases the cost of this loan to the home owner through additional interest. The borrower will pay more in interest than the amount of the loan.

Next, relative to urban renewal and public housing, I find on page 20 of the report the program described as "a matter of paramount national interest." This I must contradict by pointing out there is no greater national interest in these matters than there is local and State interest. In fact, it is more likely that the localities and States involved have a far greater interest than has the distant Federal Government.

It is also fallacious to state, as the report does on page 20:

> Your committee is convinced that local and State governments just do not have the resources to finance unaided the massive urban renewal program which is required to save and preserve our American cities.

Well, the only resources available for any program, Federal or local, come from the local taxpayers. The Federal Government is over a quarter of a trillion dollars in debt and is not better off financially to justify such a statement. It is up to the taxpayers at the local and State level to decide whether their resources are great enough to finance "massive urban renewal" and not us here acting as the Federal Government.

On page 22, it is equally fallacious to state:

> Your committee believes that the administration's proposal to reduce the Federal share would be a death blow to the program and in effect would condemn tens of millions of Americans to live perpetually in slums.

To go so far as to say that a reduced Federal share or an increased local share would kill the urban renewal program is quite incorrect.

Loans are discussed on page 23 as they frequently are throughout the report, and I must brand it fallacious to represent that Federal loans are sound fiscal arrangements when the Federal Government is operating at a deficit. This is an absurdity.

An underestimation rather than outright fallacy is implicit in the discussion of the one-third local participation, including the provision of tax-exempt public housing sites. The cost to the various localities throughout the United States of this tax exemption is far greater than many proponents of public housing have ever computed. It would be well for all Members here to compute the loss of tax revenue in their respective communities owing to this tax exemption.

A misunderstood part of urban renewal, almost a fallacy, is the part that public housing plays as relocation housing. The Texas Urban Renewal Enabling Act forbids public housing within the urban renewal site. But this overlooks the fact that public housing can be an adjunct to urban renewal outside the urban renewal site. In fact, as pointed out on page 24, there is a larger Federal contribution for public housing outside the urban renewal site than within it. This committee bill, the report points out, provides even more Federal aid by accepting the tax exemption in lieu of the one-third share in writedown now required. Public housing is a part of urban renewal.

Another fallacy appears on page 28, and is akin to the preceding reference to public housing, when the report says:

> Your committee is gravely concerned because the administration apparently does not understand that by opposing an extension of the low-rent public housing program, it is in effect placing an insuperable roadblock in the way of the urban renewal program.

This is erroneous, it seems to me, to brand the denial of public housing an insuperable roadblock to urban renewal, but if it is true, then there should be even further opposition to the urban renewal program.

Contrary to the belief of many, that urban renewal is residential, there is explained on page 24 the provision permitting commercial buildings in downtown areas to be included in slum clearance. Also the words "substantial change" qualify such area for renewal when defined as 20 percent change—20 percent does not seem a "substantial" percentage to me.

Further, the fallacy or error of believing that Federal aid for urban renewal is necessary for city property can best be shown by pointing out that downtown buildings, offices, factories, stores, warehouses, are strategically located and income-producing, and when refurbished or replaced will pay for themselves. No government aid is necessary and certainly not Federal aid.

The retroactive 5-year inclusion of community facilities and public works projects as part of the one-third local participation in urban renewal may come as a surprise to many and certainly proclaims the danger of an urban renewal program with such carte blanche community projects, quite apart from the original intent of urban renewal as such. Such a provision greatly broadens the area of urban renewal.

On pages 25, 26, and 27, the college and university facilities are discussed, including the expanding of educational facilities and the inclusion of dormitories, all tied to the Federal grant and loan program. I must brand as fallacious the thought that academic and educational facilities of this sort cannot be financed by means other than Federal aid. Specifically, they can be financed through private means or, if necessary, local and State government entities.

A classic example of Federal myopia, self-proclaimed, is found on page 29 of the report that states: "Your committee is convinced by irrefutable evidence that a major cause of the present slowdown has been the overfederalization of the program. Your committee is concerned because the judgments of the Federal officials have too often been substituted in their entirety for those of the local community." When in the world are we in this body to recognize and declare that Federal money and Federal programs necessarily mean Federal control, and that our local administrators must necessarily be Federal "rubberstamps" as the committee describes them. Nor will any declaration of policy which the committee report describes change this any more than legislation passed here today, no matter how fine the language, will assure us pretty weather next week. This is just the nature of the beast.

Other fallacies are present, of course. But I should mention first that public housing was intended for the low-income groups and now it is being sought for the middle-income groups, which certainly contradicts the original intent.

Secondly, public housing is not economical as compared to private construction and this fallacy should be understood best of all rather than hidden and forgotten. I want to include at this point the comparison of a public housing and private housing development which are truly comparable, a study made for Members of Congress 2 years ago, entitled "Adverse Effects of the Expanding Activities of the National Government on the Private Economy and the Federal System, the Case for Free Enterprise and Local Self-Government." I will put in this comparative study, a very interesting one, right under our nose here in Washington, between some buildings built on Alabama Avenue SE., and some privately built properties on Minnesota Avenue SE., as to their cost, Federal versus private, as to their condition, architect's fees, and other

things. I shall include this additional material:

THE COST OF PUBLIC HOUSING PER HOUSING UNIT

Under the Housing Act of 1949, as amended, the cost of building and equipping dwelling units cannot exceed $1,750 per room, excluding the cost of land and nondwelling facilities. An extra $750 per room is allowed in some of the higher-cost areas.

The Housing Act of 1956 permits an extra $500 per room for dwellings designed for elderly families.

Thus, the full cost for standard dwelling unit rooms can be as high as $2,500 each; dwellings for elderly families may cost as much as $3,000 per room, if built in a high-cost area. The size of the units varies within each project. The average is two bedrooms, but a few have as many as four or five bedrooms.

A publication of the Foundation for Economic Education, Inc., makes the following statement with regard to the hidden costs involved in building public housing:

"Not all of the high cost of low-rent Government housing is revealed by a direct comparison of construction costs for public versus private housing projects. The public housing calls for continuing subsidy, not only by way of federally collected tax funds, but also by way of added burden of local taxes on property owners of the community in which the partially tax-exempt housing project is located.

"Some citizens of Los Angeles recently took the trouble to look into the total costs which might be involved in a proposed 10,000-unit public housing program in their community. The cost of construction was to have been $11,000 per unit. Their conclusion was that the taxpayers would be much better off * * * to build 10,000 houses costing $11,000 each and give them away than to build and subsidize the 10,000-unit public housing program." [1]

Members of the real estate and building materials industries contend that public housing is not only costly in terms of the cost to the taxpayer of the subsidy, but that the original construction costs are higher than they would be if the projects were privately sponsored. To support this contention, the National Association of Real Estate Boards makes the following comparison of private and public housing costs based upon projects located in Washington, D.C.: [2]

	Frederick Douglas (Government)	Greenway (private)
Location	200 Alabama Ave. SE.	Minnesota Ave. and A St. SE.
Year constructed	1941	1941.
Per room cost	$1,120	$849.
Number of units built	313	796.
Architect's fees	$61,000	$10,000.
Type of construction	Concrete block and frame	Fireproof high-grade brick.
Type of heating	Coal-burning stove in living room	Central heat: coal.
Period to be paid out	60 years	25 years.
Rent for 2-bedroom apartment	$40.50	$60 per month.
Federal subsidy	Yes	No.
Local tax exemption	Yes	No.
Tenant pays for utilities	About $5 per month average for coal	Nothing.
Condition in 1948	Deteriorating rapidly	Excellent.

How does the cost compare with private housing? At hearings before the House and Senate Committees on the District of Columbia, held in 1944, testimony was presented by the National Capital Housing Authority as to the costs of building some of the projects under its jurisdiction. Representatives of the Federation of Citizens Associations of the District of Columbia; the Washington Taxpayers' Association, the Home Builders Association and others presented cost data in rebuttal which indicated that the National Capital Housing Authority costs were from 26 to 41 percent higher than construction costs on similar projects erected by private builders. Some of the comparative costs follow:

PUBLIC

Fort Dupont Dwellings located on Ridge Road near Minnesota Avenue SE., were built in 1940 by the Alley Dwelling Authority and cost $4,724 per unit, including land.

Frederick Douglass Dwellings for colored occupancy were completed in 1941 by the Alley Dwelling Authority. They are of permanent frame construction with part masonry, have individual space-heating units, no tile baths, or basements and cost $4,511 per unit, including land.

Parkside Dwellings for colored occupancy located on Kenilworth Avenue NE., were built by the National Capitol Housing Authority and completed in 1943. They have individual space heating units, no tile baths or basements and cost $5,376 per unit, including land.

Bennings Road Houses were built by the National Capital Housing Authority. These are demountable war houses completed in 1943 with individual space heating unit, no basements or tile baths and cost $5,072 per unit. This is construction cost only.[3]

Greenway, Minnesota Avenue and East Capitol Street SE., completed by Cafritz Construction Co. in 1941. It has tile baths and hallways, strand steel and concrete floors, washing machines and laundry room in each building, recreation rooms, playgrounds, etc. It cost $2,778 per unit, including land.

Suburban Gardens for colored, Deanwood NE., was completed by A. Lloyd Goode Construction Co. in 1942. It has tile baths and central heating plant and cost $3,949 per unit, including land, etc.

Four-family flats built by David & Murphy in 1943 in the 3200 block of East Capitol Street. They have tile baths, weather-stripped windows and basements, and cost $3,335 per unit, including land, etc.

Homes on East Pine Drive, Md., built by Standard Properties and sold in 1943. Four-room houses sold for $3,775; four and a half rooms $4,300 and $4,350 on lots that cost $550 each. They cost from $813 to $963 a room and if two rooms are finished in the attic, the cost would drop to about $609 per room. These figures include the builder's profit.[4]

The Christopher Columbus Homes, New Jersey's largest low-rent housing project was completed in July 1955, at a cost of $20,800,000. This project includes a health clinic, library, hobby shops, and an auditorium with a motion picture projection room. It serves 1,556 families through 96 one-bedroom apartments, 960 two-bedroom apartments, 384 three-bedroom apartments, 96 with four bedrooms, and 20 five-bedroom units. The average cost per unit in this project was $13,367.60.[5]

The June 25, 1954, St. Louis Post-Dispatch reported on the building of the Joseph Darst public housing project in St. Louis. It reported that developmental costs would be $9,353,772, with a cost of $14,173 per dwelling unit.

According to a May 1950 report of the National Association of Real Estate Boards, Greenhills projects completed in Cincinnati, Ohio, in the early part of 1938, consisted of 676 urban units and 60 rural units. The average cost per dwelling unit was $16,030. The overall cost including shopping facilities, administration building, etc., was $11,800,000. According to the BLS reports, the average construction costs of all dwelling units started in 1939, was $3,783.[6]

In 1948, in a statement before the House Committee on Banking and Currency, Thomas S. Holden, president of the F. W. Dodge Corp., made the following comments:

"Experience shows that the one effective means of steadily reducing production costs is the operation of free competitive enterprise. The only cost factor in housing with which the Government can deal directly and effectively is financing cost. This it has done by creating and operating the financing services of the Federal Home Loan Bank System and the Federal Housing Administration. Government can also render appropriate research and information services of signal assistance to private enterprise in cost reduction.

"When it comes to direct intervention in housing production, Government can inflate costs, can conceal costs, can pass excessive costs on to the taxpayers; it cannot reduce costs.

"According to a recent report of the U.S. Bureau of Labor Statistics, the average construction of new privately financed nonfarm dwelling units started in the United States in the first 9 months of 1948 was $7,640, whereas the average publicly financed unit cost was $9,350. The difference may reflect generally higher standards in the publicly financed units.

"Cost limits imposed in this bill—Housing Act of 1949—for subsidized housing units could permit expenditures as high as $9,500 for a 3½ unit, including land costs. Currently, the Housing and Home Finance Agency is spearheading a drive for production by private homebuilders of economy houses, to be sold with lots at $6,000 to $8,000.

"Published figures on costs of public housing projects never include the overhead administrative costs of the Public Housing Administration in Washington, of its many regional and field offices, or of the local public housing authorities. Such administrative costs are very high. Senator HARRY F. BYRD, of Virginia, has estimated that the average overhead cost of administering Federal grants-in-aid is 15 percent. Many programs cost more." [7]

The Public Housing Administration reported average development costs of $10,475 per unit on 1949 act projects as of June 30, 1953, an average per unit cost of $10,648 as

[1] Poirot, Paul L. "Public Housing." The Foundation for Economic Education, Inc., Irvington-on-Hudson, N.Y. 1954, p. 26.

[2] National Association of Real Estate Boards. Realtors' Washington Committee. "Socialized Public Housing Background and History." Washington, 1959, p. 5.

[3] These are no longer in existence.

[4] Hearings before the House Subcommittee on the Judiciary of the Committee on the District of Columbia on several bills dealing with the elimination of alley dwellings. (78th Cong., 2d sess., 1944.)

[5] Newark Sunday News, July 31, 1955, sec. IV, p. S 10.

[6] This is based upon the total of 406 dwelling units started in 1938, at a total construction cost of $1,583.9 million, as taken from data compiled by U.S. Bureau of the Census in "Historical Statistics of the United States 1789–1945."

[7] House Committee on Banking and Currency. Hearings on Housing Act of 1949, p. 458. (81st Cong., 1st sess.)

of the end of 1954; and a national average total development cost of $11,083 as of June 30, 1955. The ninth annual report of the Housing and Home Finance Agency stated that the total development cost for the average unit of 4.9 rooms during 1955 was $10,615.

Some units can cost as much as $15,000 per unit. Under the Housing Act of 1956, at a maximum per room cost of $1,750, only a 7½-room unit would cost as high as $15,750, not including the cost of the land. This seven and one-half-room unit would represent a kitchen, bathroom, living room, and 5 bedrooms. Very few units this size are found in the projects, but in a high-cost area a 6-room unit could conceivably cost $15,000 (e.g., top per-room costs of $2,500 times 6 rooms equals $15,000). Since eligibility is based upon family units and family size, public housing projects contain several three- and four-bedroom units (six- and seven-room units).

The National Association of Homebuilders believes that all units cost at least $15,000 each based upon the following calculations under the Housing Act of 1949.

1. Room costs as high as $2,500 each are permitted. This would be $15,000 for a 6-room unit, not including land, etc.

2. Thus the unit cost, with land and nondwelling facilities, might run as high as $16,000 to $17,000.

3. The law does not specify that the maximum Federal contribution shall be $31.69 [debt service] per unit per month. This is an HHFA estimate. Actually, this is an average calculated by dividing the total authorized Federal subsidy ($12,320,000,000) by the total number of units authorized (810,000). [1949 act.] This equals $15,210 subsidy per unit over 40 years. Divided by 12 months this equals $31.69. But—

4. Section 10 (b) and (c) of the public housing law provide [that] the legal maximum for Federal contributions on an annual basis of 4½ percent of the development cost (including land and everything). Thus, 4½ percent of $16,500 (as an example of a cost permitted under the law), is $742.50 Federal subsidy per year, or $61.87 per month per unit. For 29 years this would be $21,532, or for 40 years it would be $29,700.

5. Furthermore, the PHA need not authorize the full 810,000 units if they find the costs are such that higher subsidies are needed. There is nothing to compel PHA to so build that the average of $15,210 subsidy or any other amount will be maintained. The $12-billion-plus can be spread over fewer units if needed. (They can always go back to Congress for more money—and will.)[8]

The dollars-and-cents costs of the Government's operations in housing can never be measured precisely, but the data shown above indicate that the Government cannot operate as efficiently as private industry.

As to urban renewal with Federal money, to summarize my criticisms, I want to say to my colleagues—

First. To those who believe in constitutional government, in eminent domain—that private property can be taken for public use for just compensation—let me point out that now private property can be taken through eminent domain for private use property, your home, your place of business, thought by generations of Americans to be constitutionally protected against Government seizure, except for a necessary public use, no longer enjoys any such immunity.

[8] National Association of Home Builders, American home ownership versus public housing. Washington, The Association. [1951] p. 22.

Second. To Supreme Court critics let me point out that this Supreme Court has redefined eminent domain so that private property can be taken for spiritual and esthetic reasons as a redevelopment board may decree, or for reasons of well-balanced planning.

Third. To those interested in small business, let me point out that the two-thirds shrinkage value Federal expenditure holds the greatest possibility for windfall profit at John Doe taxpayer's expense that big businessmen have ever been extended. The small businessman cannot so benefit. He just pays.

Fourth. To those who favor constitutional appropriation of public moneys let me point out that urban renewal sets up procedures for direct Federal expenditures bypassing Congress.

Fifth. To those who criticize public housing for whatever reasons, let me point out that public housing is, by definition, part and parcel of the relocation problem, so decreed by the Urban Renewal Administration.

There is a way to do this job and do it locally. The proof can be found in a number of other cities that are doing urban renewal work right now without Federal aid. I can talk knowledgeably because Dallas was the first city to do so in our Little Mexico project. This rehabilitation is a matter of local pride that goes with the idea of "Let's clean up, paint up our own neighborhood." This can be done all over the country.

The comprehensive program for neighborhood conservation is a blueprint for every city and no Federal money for urban renewal needed. Here it is:

COMPREHENSIVE PROGRAM

First. Establish realistic city ordinances specifying health, safety, and sanitary standards for housing. Rehabilitate the substandard housing, at the expense of the property owners, through firm enforcement of these ordinances.

Second. Demolish those slum structures which are unfit for rehabilitation, at the expense of property owners, again through firm enforcement of city ordinances.

Third. Establish systematic public improvements to schools, streets, parks, sewers, and to such municipal services as refuse collection, traffic and other facilities.

Fourth. Establish more livable, attractive and convenient neighborhood environment by replanning, rezoning, and replatting cleared and long vacant sites and by closing or widening streets.

Fifth. Acquire and remove structures and uses of land which might delay, obstruct or hinder carrying out the program.

Sixth. Attractive investment in new construction, as well as in rehabilitation and modernization, by the application of specific Federal income tax incentives.

Seventh. Elicit the cooperation of local financing institutions to secure credit facilities for property owners participation in the conservation program. Most banks and lending institutions can offer loans or monthly payment plans or credit may be secured under the FHA section 220 mortgage insurance program and the FHA title I program for insurance of home repair loans.

Eighth. Improve credit facilities for your city through Federal insurance of municipal neighborhood conservation bonds on the basis of an insurance premium, so that these bonds will be readily marketable at favorable interest rates.

The Herlong bill is far more acceptable than is S. 57, the committee bill. While I would delete any urban renewal money from the Herlong bill, yet I want to commend the gentleman from Florida [Mr. HERLONG] for his effort to give us a moderate housing bill. It is my hope that the Members will vote for the Herlong bill in preference to S. 57.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

HERLONG SUBSTITUTE SHOULD BE DEFEATED

Mr. PATMAN. Mr. Chairman, I am supporting the committee bill, and I hope the substitute is defeated.

In the discussion on the rule, our distinguished friend, Judge SMITH, made some mention about the back-door approach to the Treasury. Anything that I say should not be considered as critical of Judge SMITH. I have known Judge ever since he came to Congress a long time ago, and I admire him very much as a real statesman. I have no personal criticism of Judge SMITH at all. In fact, we have worked together over a long period of time. But I do not share his views on this question of the back-door approach to the Treasury in this bill. If the issue were brought out here on the floor and we settled it once and for all and included everything, I would not oppose it going through the Appropriations Committee. That is, if it included every agency, every appropriation, and if we treated everybody and every proposal, big or little, exactly alike. But certainly I do not think it is right or fair to pick and choose, just to pick out certain bills and say, "This is something that the people are very much interested in, housing and shelter, something that they need, and we want to make it as difficult as we can for them, so we want to go through the Appropriations Committee after we give them an authorization."

Well, maybe it should go through the Appropriations Committee. That is not the point. The point is we should not just pick out certain bills and say that this bill should go through the Appropriations Committee, but that the rule should not apply to others.

I mentioned in my remarks awhile ago that there are certain bills that mean billions of dollars that have been enacted into law and certainly, according to the definition of those who want this Appropriations Committee substitute, they would represent a back-door approach to the Treasury. I refer to the FDIC, $3 billion, which they are using to keep down the assessments on the banks to the point that in 1934 the FDIC had 83 cents to back up and support, as a guarantee, $100 of liability; and today, with that $3 billion back-door approach to the Treasury they have less than they had in 1934—it is only 81 cents, as an

insurance fund against every $100 of liability. The FDIC is safe and sound only because the credit of the Nation is behind it and not because of the 81 cents to secure or guarantee every $100 of liability.

I mentioned the International Monetary Fund and the World Bank, and others. Just recently the World Bank and International Monetary Fund, with a potential lending power directly from the Treasury of the United States of more than $4.5 billion, passed this House and went through the Rules Committee without objection—the back door approach to the Treasury, if you please. There was no objection to it and that involved over $4½ billion.

Now I want to show you the kind of note that is issued on that $4½ billion. Here is one that was issued when Mr. Snyder was Secretary of the Treasury and the same type that will be issued by Mr. Bob Anderson who is now Secretary of the Treasury. It says:

TREASURY DEPARTMENT,
Washington, D.C.

SPECIAL NOTE OF THE UNITED STATES—INTERNATIONAL MONETARY FUND SERIES

The United States of America for value received promises to pay to International Monetary Fund the sum of $10 million, without interest, 5 years from the date hereof. This note is one of a series of notes issued pursuant to the provisions of section 7 of the act approved July 31, 1945 (Public 171, 79th Cong.) and under the authority and subject to the provisions of the Second Liberty Bond Act, as amended. It is nonnegotiable, bears no interest, and is payable at the Treasury Department, Washington, D.C., or at the Federal Reserve Bank of New York, in whole or in part, at the option of the International Monetary Fund prior to maturity upon demand made in writing or by duly authenticated cablegram, telegram, or radiogram to the Secretary of the Treasury, Washington, D.C., and surrender hereof to the Treasury Department, Washington, D.C., or the Federal Reserve Bank of New York; in case of partial payment a new note or notes of like terms and date for the sum remaining unpaid hereon will be issued and delivered.

JOHN W. SNYDER,
Secretary of the Treasury.

You see they are in denominations of $10 million so that they can collect it as they want it. Notice the language, "is payable at the Treasury Department, Washington, D.C., upon demand * * * made in writing or by duly authenticated cablegram, telegram, or radiogram," and so forth.

In other words, they do not have to go to the back door—just send them word and you get the money.

The issue whether an authorization or a debt transaction should be used in this bill should not be considered. That issue should be settled on its own merits and not injected into every bill in the interest of the masses of the people that come before the House of Representatives. I hope the substitute is defeated.

Mr. McDONOUGH. Mr. Chairman, I yield 20 minutes to the gentleman from Virginia [Mr. BROYHILL].

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield.

Mr. GROSS. I tried to get the gentleman from Texas to yield a moment ago. I still remember when the increase of more than a billion dollars in the International Monetary Fund went through the House a short time ago; I opposed it and I certainly would have welcomed the support of the gentleman from Texas. But I did not notice him then opposing that back-door approach to the Treasury. So when he says that nobody around here opposed the back-door approach to the Treasury he could make an exception for a few of us, and the next time I will welcome his support when one of these bills is up for consideration.

I thank the gentleman from Virginia for yielding to me.

Mr. BROYHILL. Mr. Chairman, I rise today to speak on the subject of housing with reluctance and hesitancy, and after extensive deliberation as to whether I should or not. The reason for this reluctance is that, prior to becoming a Member of Congress, I was extremely active in the building industry. While I am not physically active in the building industry today, I do maintain a financial interest in a real estate and building corporation which my family is operating. I, therefore, want to be extremely cautious in avoiding any formal action on my part that may involve the slightest conflict of interest in the performance of my official duties and responsibilities. I do not wish to imply by this statement that this is an unusual position. I believe that every Member of this body would take the same position insofar as their official responsibilities are concerned.

Yet on the other hand, I feel that by experience, I am better qualified to speak on this subject than any other subject before Congress and may be able to offer some constructive suggestions concerning this problem.

Even though I may seem to be passing the bounds of modesty, I should like to add that I was a principal partner in a development firm that was designated at one time by a clay products organization as the world's largest builder of brick homes. Whether or not this designation was accurate, the firm with which I was affiliated was generally considered one of the major homebuilder organizations in this country. I make this reference in an attempt to establish the extent of my experience in this particular field.

Furthermore, I feel constrained to take the floor today since I have been reminded several times during the past few years that since the homebuilding industry is a principal industry in my congressional district, the home builders of my district, and the home buyers, are entitled to just as enthusiastic representation from me as any other group of citizens in my congressional district. In addition, I have been reminded on several instances by some of my colleagues that, since I am more familiar with this subject than any other subject, my colleagues are likewise entitled to the benefits of any contributions that I can make toward solving problems arising in the housing field. It is only after taking these factors into consideration that I rise to speak on the subject, and most assuredly not with any intention whatsoever of being of any special assistance to members of my family or close friends who may be affiliated with the building industry. First of all, in speaking of the subject of housing legislation in general, I should like to review what I feel are the main objectives of the Federal Housing Administration home insurance program as well as the Veterans' Administration loan guaranty program under the GI bill of rights. I believe that we can simplify these objectives by stating that they are:

First. To assist the home buyer of America in buying a home with a reasonable downpayment and a reasonable monthly payment within his income limitation.

Second. To help assure that he obtains a reasonable value for the purchase price of his home. In the case of the veteran under the GI bill of rights, it must be assured that he does not pay more than the reasonable value of the home as appraised by the Veterans' Administration.

Third. That the Government receives reasonable protection from a financial standpoint in mortgage insurance or loan guarantee in the case of a Veterans' Administration loan by assuring that the loan insurance or loan guarantee is not in excess of a joint appraised value.

I believe that these are the basic objectives of the Federal Government in the homebuilding program. I feel that they are reasonable objectives. There are, however, many obstacles to the attainment of those three objectives.

The first obstacle is that the Federal agencies have unwittingly become bogged down in redtape and excessive regulations, so that they are practically strangling the homebuilding industry and preventing, not facilitating, the attainment of these simple objectives.

I want to emphasize at this point, by repeating the phrase, that "the Federal agencies have unwittingly become bogged down in redtape and excessive regulations," because often such regulations and redtape are imposed upon the agency by congressional action. By and large, the people in these agencies are qualified individuals, conscientiously trying to carry out their duties and responsibilities. I might add that I am personally acquainted with Mr. Thomas C. Barringer, the Director of the local FHA Insuring Office, as well as with Mr. F. C. Hasselbring, the local Chief Loan Guaranty Officer of the Veterans Administration, and can asure you that both of these men are extremely able and qualified executives, and that they are doing a magnificent job in administering the program under adverse circumstances, including a shortage of personnel as well as an unreasonable amount of redtape.

I hold in my hand a copy of the Minimum Property Standards issued by the Federal Housing Administration, which is a 315-page list of various requirements which must be met by the home building industry in order to qualify for a Federal housing loan. These lists of requirements

not only are punitive in many instances but are subject to constant change and revision even during the actual construction of a project originally approved. Instead of confining itself to basic, sound, structural requirements, the Federal Housing Administration has written detailed specifications for every item included in the construction of a home. These requirements are written without regard to sound, local building codes, structural specifications of various manufacturers of materials and supplies, recommendations of the American Institute of Architects, and opinions of other organizations which are eminently qualified and experienced in the building field. They go so far, for example, as to include the number of shade trees which should be planted in front of a home, whether the home buyer desires shade trees on his front lawn or not; the number of feet of shelves to be provided in the closets; and the size of nails to be used for toenailing in relationship to the size of lumber being used. For example, section 801–4 of the new Minimum Property Standards for one and two living units recently promulgated by the FHA described in minute detail the type of nails to be used in certain types of construction. It states, and I quote:

> In general the nailing pattern used herein provides for eightpenny and tenpenny nails for toenailing, sixteenpenny nails for end or facenailing of 2-inch material and eightpenny nails for facenailing boards or other three-fourths-inch material.

Mr. Chairman, under detailed construction requirements such as these, not even the White House itself could obtain an FHA-insured mortgage. In fact, a detailed inspection of the White House at 1600 Pennsylvania Avenue would find several instances of variations from these Minimum Property Standards that would disqualify the Executive Mansion from being eligible for FHA mortgage insurance. I will go further to state that there is not one Member of this body whose home, subjected to meticulous inspection and rigorous technical interpretation, could meet every minute detail of these FHA standards. If I had the time I could list hundreds of inconsistencies in the construction requirements which are contained in these Minimum Property Standards, as well as punitive items that have no relationship either to the structural quality, or to the actual market value, of the home.

I submit that it is not necessary or desirable for the Federal Housing Administration and the Veterans' Administration to become involved in such minor details. I believe that they could fulfill their obligation to the public and to the Federal Government merely by requiring that the building on which they issue mortgage insurance or a loan guarantee be structurally sound and generally consistent in design and size with other homes in the neighborhood and the community.

It is a physical impossibility for any agency of Government, or any group of individuals, to write one set of specifications to meet every requirement of the home building industry or of all individual home buyers. In every community of any size there is a reasonable building code which all builders are required to meet, and official inspections are made to assure compliance. I strongly feel that some arrangement can be made between the local FHA and VA offices and these community building inspector's offices to utilize the local inspection facility in order to avoid duplication, waste, and conflict.

I am afraid that our Government agencies are, perhaps unconsciously, taking the position that all home builders are either crooks or illiterates, and therefore have to be directed and supervised in what they build; and that all home buyers are imbeciles, and therefore should be told what is good for them and what they should have in their homes.

All of these unnecessarily detailed requirements are harassing the building industry, and making thousands and thousands of builders reluctant to attempt to sell a home through FHA financing. They cause many extra months of needless delays, with consequent cost, due to the unreasonable amount of time it takes to process the individual cases through all the redtape. This cumbersome system, I believe, is costing millions of dollars to administer, and is adding further millions of dollars to the cost of construction.

The American people are being led to believe that the Federal Housing Administration or the Loan Guaranty Division of the Veterans' Administration are the final arbitrators determining what is a properly built home and what is a fair market value for that home. In fact, needless requirements and redtape are making these homes cost a great deal more than they should, and the American people are therefore paying for a great deal more than they are getting.

I strongly recommend that the House Committee on Banking and Currency review the procedures of these two Federal agencies and make recommendations to simplify their operations. I am confident that this simplification would result in millions of dollars of savings, not only to the home builders but to the home buyers as well.

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Alabama.

Mr. RAINS. I want to say to the gentleman that I appreciate what he is saying now. In the main I agree with it, and I am glad to see the gentleman, who is one of the very outstanding homebuilders of the Nation, who really knows the technical aspects of homebuilding, participate in the debate. When at some later time our committee meets to consider this matter and study it further, I hope the gentleman will be present and give us the benefit of his views.

Mr. BROYHILL. I thank the gentleman.

The second obstacle between us and our desired objective is that while, by legislation and/or regulation, we are trying to establish a minimum reasonable interest rate for FHA and GI loans, we find that because these low interest rates are unrealistic, additional charges are being made by the home buyer as a loan fee to make up for any deficiency in the interest rate. For example, it is entirely unrealistic to think that we are protecting the veteran by setting interest rates at 4¾ percent, under the assumption that we are providing a low interest rate. It is entirely unrealistic to think that we are protecting the veteran by setting interest rates for the veteran purchaser, when in order to get a lender to take the discount, and thus make the loan marketable, a payment of some 4 to 8 percent has to be absorbed. It might be considered by some that this discount fee is absorbed by the builder or by the seller, and not by the veteran purchaser. But in the competitive building industry as we have it today, I can assure you that in order to market and produce, every builder and/or seller is going to set his sales price at the lowest possible figure in order to meet competition and stay in business. It is obvious that any discount fee or loan fee that must be paid in order to market a loan is, in the final analysis, added to the price of the home.

I have in my hand several examples of specific cases showing the unreasonable loan fee or discount fee that is being paid on FHA and GI purchases, and that should be eliminated. The first group of examples are the actual settlement sheets on three identical pieces of property in the same subdivision selling at the same sales price, namely $22,250.

Mr. Speaker, under unanimous consent, I include these three settlement sheets and the analysis of them at this point in the record as exhibit 1:

EXHIBIT 1

	Fees paid by—		
	Seller	Purchaser	Total
CASE NO. 1			
FHA Loan, $19,500:			
Loan fee	[1] $292.50	[2] $195	$487.50
Appraisal fee	-------	20	20.00
Inspection fee [3]	25.00	-------	25.00
Total, case No. 1	317.50	215	532.50
CASE NO. 2			
VA Loan, $20,000:			
Loan fee	[4] 800.00	[5] 200	1,000.00
Appraisal fee [3]	20.00	-------	20.00
Inspection fee [3]	25.00	-------	25.00
Total, case No. 2	845.00	200	1,045.00
CASE NO. 3			
Conventional loan, $12,000	[6]	[6]	[6]

[1] 1½ percent.
[2] 1 percent
[3] Although they are not shown on the settlement statements, these service charges were paid by the seller in order to make Government insured financing available. In addition to the charges shown above, similar charges not shown here are paid by the seller in every case as follows: To the lender, for appraisals; to State, county, or other local authorities who inspect construction and enforce compliance with building codes and ordinances.
[4] 4 percent.
[5] 1 percent.
[6] No fees.

ADAMS, PORTET, RADIGAN, HERRELL & MAYS
Arlington, Va.

SETTLEMENT STATEMENT

Case No. 1

Case No. 23598 Date: November 17, 1958

Property: Lot 59, section 1, Broyhill's McLean Estates, Fairfax County, Va. M. T. Broyhill & Sons to Albert P. Kergel, et ux.

PURCHASER

	Amount	Amount
Purchase price		$22,250.00
Loan	$19,500.00	
Interest, Nov. 17-30, 1958, $2.84 per day		39.76
Deposit	2,910.00	
Taxes, Jan. 1-Aug. 14, 1958	76.50	
Occupancy:		
Interest, Aug. 14-Nov. 17, 1958 $280.70		
Insurance, Aug. 14-Nov. 17, 1958 7.13		
		287.83
Examination of title		87.00
Certificate of title		15.00
Recording deed: Clerk's fee, $4; State tax, $33.45; $11.15		48.60
Recording trust: Clerk's fee, $6; State tax, $29.25; $9.75		45.00
F. & E.C. insurance, $19,500; 38 months, Weaver Bros., Inc.		118.37
1 month advance taxes		22.00
Pay 1958 taxes		125.24
1 month FHA insurance escrow		8.07
Title insurance premium		48.75
Title insurance application		15.00
Survey		35.00
Appraisal fee		20.00
Loan fee		195.00
Preparing trust and note, notary and settlement fee		26.00
Photo fee		1.00
Total	22,486.50	23,387.62
Balance due	901.12	

This is to certify that this is a true copy of the settlement statement delivered to the purchaser at settlement.

[SEAL] EVELYN B. HUTCHERSON,
Notary Public.

My commission expires January 11, 1963.

SELLER

Purchase price		$22,250.00
Deposit	$2,910.00	
1st deed of trust Interstate Building Association	15,500.00	
Interest Nov. 1-Nov. 21, 1958	54.18	
Release	9.67	
Taxes Jan. 1-Aug. 14, 1958	76.50	
Occupancy:		
Interest Aug. 14-Nov. 17, 1958 $280.70		
Insurance Aug. 14-Nov. 17, 1958 7.13		
		287.83
Preparation of deed by seller.		
Federal stamps	24.75	
Appraisal fee		20.00
Loan fee	292.50	
Total	18,867.60	22,557.83
Balance due	3,690.23	

Case No. 24513 Dated Jan. 8, 1959

Property: Lot 61, section 1, Broyhill's McLean Estates, Fairfax County, Va. M. T. Broyhill & Sons to Roland Savilla, et ux.

PURCHASER

	Amount	Amount
Purchase price		$22,250.00
Loan	$20,000.00	
Deposit	3,050.00	
Additional deposit	160.00	
Taxes Aug. 4-Dec. 31, 1958		50.66
Examination of title		87.00
Certificate of title		15.00
Recording deed: Clerk's fee $4; State tax, $33.45; $11.15		48.60
Recording trust: Clerk's fee $6; State tax, $30; $10		46.00
F. & E.C. insurance $19,000. 36 months, Weaver Bros., Inc.		106.78

PURCHASER—continued

	Amount	Amount
3 months advance taxes		$57.00
Title insurance premium		50.00
Title insurance application		15.00
Survey		35.00
Loan fee		200.00
Total	$23,210.00	22,961.04
Balance due	248.96	

This is to certify that this is a true copy of the settlement statement delivered to the purchaser at settlement.

[SEAL] EVELYN B. HUTCHERSON,
Notary Public.

My commission expires January 11, 1963.

SELLER

Purchase price		$22,250.00
Additional deposit	$160.00	
Deposit	3,050.00	
1st deed of trust, Interstate Building Association	15,500.00	
Interest, Feb. 4	10.33	
Release	9.67	
Taxes		50.66
Occupancy:		
Interest Aug. 4, 1958, to Jan. 8, 1959 $460.54		
Insurance 11.78		
		472.32
Credit on occupancy	3.00	
Preparation of deed by seller		
Federal stamps	24.75	
Loan fee	800.00	
Preparing trust and note, notary and settlement fee	26.00	
Total	19,583.75	22,772.98
Balance due	3,189.23	

Case No. 3

Case No. 23729 Date: August 11, 1958

Property: Lot 63, section 1, Broyhill's McLean Estates, Fairfax County, Va. M. T. Broyhill & Sons to Kean Ashurst, Jr., et ux.

PURCHASER

	Amount	Amount
Purchase price		$22,250.00
Loan	$12,000.00	
Deposit	1,354.00	
Taxes, Jan. 1-Aug. 11, 1958	15.61	
Change orders		280.00
Examination of title		87.00
Certificate of title		15.00
Recording deed: Clerk's fee, $4; State tax, $33.45; $11.15		48.00
Recording trust: Clerk's fee, $4; State tax, $18; $6		28.00
F. & E. C. insurance, $19,000, 3 years, American Security Corp. (homeowner's policy)		182.01
Title insurance premium		30.00
Title insurance application		15.00
Survey		35.00
Preparing trust and note, notary and settlement fee		26.00
Total	13,369.61	22,996.01
Balance due	9,626.40	

This is to certify that this is a true copy of the settlement statement delivered to the purchaser at settlement.

[SEAL] EVELYN B. HUTCHERSON,
Notary Public.

My commission expires January 11, 1963.

SELLER

Purchase price		$22,250.00
Deposit	$1,354.00	
1st deed of trust, interstate	15,500.00	
Interest, Aug. 1-22	56.76	
Release	9.67	
Taxes, Jan. 1-Aug. 11, 1958	15.61	
Change orders		280.00
Commission		
Preparation of deed by seller		
Federal stamps	24.75	
Escrow	300.00	
Escrow (Chandelier)	150.00	
Total	17,410.79	22,530.00
Balance due	5,119.21	

Case No. 1 represents a piece of property which was sold under an FHA loan in the amount of $19,500. The settlement sheet shows that at the time of settlement the purchaser paid an additional amount of $195 for loan fee, representing 1 percent of the FHA loan, and $20 for an appraisal fee, or a total of $215. The seller's settlement sheet on this same case shows that the seller paid a loan fee in the amount of $292.50, representing a 1½ percent fee, and a $20 inspection fee, or a total of $317.50. In other words, the purchaser and the seller together paid a total loan and inspection fee, in order to obtain FHA financing on this house, of $532.50.

In case No. 2, an identical house in the same subdivision, the house was sold, with the purchaser obtaining a GI loan from the Veterans' Administration, in the amount of $20,000. The settlement sheet shows that at the time of settlement the purchaser paid, in addition to the settlement charges, an amount of $200, representing 1 percent of the total mortgage. The seller's settlement sheet shows that a fee of $800 was paid, representing 4 percent of the mortgage, plus $45 for appraisal and inspection fees, or a total of $845. In case No. 2, the total amount of extra fees on the transaction amounted to $1,045.

In case No. 3, again the same type of house in the same subdivision, the house was sold with a conventional loan, which does not require the payment of loan, appraisal, or inspection fees. I can assure the Members of this body that in this particular subdivision, if these loan fees were not necessary in FHA- and VA-financed purchases, the overall sales prices of all the homes in this subdivision would be reduced accordingly and that the purchasers would have paid an average of about $500 less on each of these houses that were sold for $22,500. No attempt is being made on the part of anyone to deceive or hoodwink the purchaser, for, as I stated above, every builder wants to market his homes at the lowest competitive rate. If an extra fee is made necessary in order to finance his homes, it obviously will be reflected somewhere along the line in the sales price.

I also have another specific example which, under unanimous consent, I include at this point in the RECORD as exhibit 2:

EXHIBIT 2

APPLICATION FEES, BUILDER

FHA built, $45 deposit ($25 refunded if FHA purchaser).

FHA existing, none.

VA built, $20 appraisal per type, plus $4 for each additional type.

VA existing, $25 appraisal fee.

INSPECTION FEES

FHA built, none.

FHA existing, none.

VA built, $21 ($7 additional for slab) chargeable to purchaser.

VA existing, $7.

SETTLEMENT CHARGES, PURCHASER

FHA

A. $592.51 ($18,100).

B. $660.88 ($16,000).

C. $618.69 ($16,500).

VA

D. $705.73 ($18,500).
E. $724.20 ($17,990).
F. $601.08 ($18,500).

Conventional

G. $467.56 ($14,000).
H. $385.05 ($9,500).

Nationwide average settlement cost is 3 percent to 4 percent of loan amount for FHA or VA loans.

Included in above settlement costs are 1 percent loan fee on FHA or VA loans.

LOANS FEES, BUILDER

FHA's 5¼ percent, 2 points.

VA's 4¾ percent, 7 points, no money down, 30-year; 5½ points, 5 percent down, 25-year.

VA's 5¼ percent, 2 points; 5 percent down, 25-year.

Conventional, 5½ percent, par.

Savings if homes were conventionally financed, with same loan amount

PURCHASER SAVINGS

FHA

A. Loan fee	$181.00
FHA insurance	7.49
FHA processing fee	20.00
Total	208.49
B. Loan fee	160.00
FHA insurance	6.62
FHA processing fee	20.00
Total	186.62
C. Loan fee	165.00
FHA insurance	6.83
FHA processing fee	20.00
Total	191.83

VA

D. Loan fee	$185.00
VA inspection fee	21.00
Total	206.00
E. Loan fee	179.00
Va inspection fee	21.00
Total	200.00
F. Loan fee	185.00
VA inspection fee	21.00
Total	206.00

BUILDER SAVINGS

FHA

A. Loan fee	$362.00
Application fee	20.00
Site plans	25.00
Miscellaneous construction cost	100.00
Total	507.00
B. Loan fee	320.00
Application fee	20.00
Site plans	25.00
Miscellaneous construction costs	100.00
Total	465.00
C. Loan fee	330.00
Application fee	20.00
Site plans	25.00
Miscellaneous construction costs	100.00
Total	475.00

VA

D. Loan fee (4 points)	$740.00
Appraisal fee	15.00
Site plans	25.00
Final certificate	30.00
Miscellaneous construction costs	100.00
Total	910.00

Savings if homes were conventionally financed, with same loan amount—Con.

E. Loan fee (4 points)	$716.00
Appraisal fee	15.00
Site plans	25.00
Final certificate	30.00
Miscellaneous construction costs	100.00
Total	886.00
F. Loan fee (4 points)	740.00
Appraisal fee	15.00
Site plans	25.00
Final certificate	30.00
Miscellaneous construction costs	100.00
Total	910.00

Total savings if conventionally financed

A	$715.49
B	651.62
C	666.83
D	1,116.00
E	1,086.00
F	1,116.00

PROCESSING TIME

Both FHA and VA local offices are now taking 5 to 6 weeks for processing prior to issuance of commitment or CRV.

No delay in processing conventional-type loans.

Preliminary approval of site grading plans required before full submission is acceptable.

ADDED EXPENSE IN BUILDING UNDER FHA OR VA

1. Site grading plans for each house.

2. Minimum grade requirements make it difficult to build on rough terrain and meet requirements.

3. Slab-type construction, mesh reinforcing required, piers required, rods between piers required.

4. Delays in inspection—FHA only.

Procedure requires notification of FHA office preceding day for inspection. No definite notice as to time inspector will arrive—extremely difficult when pouring footings or slabs.

Suggest that Col. Hugh Askew, Mortgage Finance Department of NAHB, former FHA Deputy Commissioner, be contacted for further information as to operation and requirements of FHA and VA.

A

JESSE, PHILLIPS, KLINGE & KENDRICK

STATEMENT OF SALE FOR PURCHASER

Dated: February 24, 1959.

Charges to purchaser:		
Purchase price		$20,200.00
5½ percent interest adjustment from possession on $18,100 from Nov. 22, 1958		254.41
County taxes (adjusted) 1958, purchaser's share on acreage		2.54
FHA loan processing fee		20.00
Total amount due seller		20,476.95
Credits to purchaser:		
Amount paid down		2,600.00
First trust FHA		18,100.00
Total credits		20,700.00
Due purchaser, applied on expenses below		223.05
Expenses:		
Preparing deed		10.00
Preparing deed of trust and note		15.00
Recording deed:		
State tax and county	$40.40	
Transfer	1.00	
Clerk of court	3.00	
Federal revenue stamps	22.55	
		66.95
Recording trust (1st):		
State tax and county	36.20	
Clerk of court	6.00	
		42.20
Survey		20.00
Examination of title		97.00
Settlement fee		20.00
Title insurance premium for loan		45.25
Application for title insurance		10.00
FHA mortgage insurance, 1 month premium		7.49
Fire insurance, etc., escrow 2 months		5.62
Expenses—Continued		
Taxes, 4 months estimated 1959		$70.00
Notary fees		1.00
Loan fee 1 percent		181.00
Photo fee		1.00
Total expenses		592.51
Balance due from purchaser		369.46

B

LAWYERS TITLE INSURANCE CORP., RICHMOND, VA.

WASHINGTON BRANCH OFFICE

WASHINGTON, *January 15, 1959.*

Case No.: M11251
Name: Hyman Weinstock et ux
Purchase from: Anmar Development Co., Inc., 5102 25th Place SE., Washington, D.C.
Lot: 29, block F, Hillcrest Estates, Prince Georges County.

	Charges	Credits
Price of property	$17,990.00	
Taxes at $280.60 from January 1, 1959 (estimated)		$10.41
Deposit held by L.T.I.C.		2,540.00
Examination of title	79.00	
Interim binder	2.50	
Title insurance, mortgagee full and owners guaranty	45.00	
Tax certificate and service	2.00	
Settlement fee	21.50	
Preparing 1 deed, $7.50	7.50	
Recording 1 deed, $4.50; 1 trust, $20.00	24.50	
Notary fees	2.00	
Survey	30.00	
Revenue stamps	19.80	
Advance taxes, 7 months	163.33	
Amount of loan First Federal Savings and Loan Association		16,000.00
Appraisal fee, stock	15.00	
Fire and ext. cov. ins. $16,000.00 3 years furnished.		
Fire and ext. cov. ins. for 1 month	3.48	
Prince Georges transfer tax	35.98	
Loan fee	160.00	
FHA insurance premium (1 month)	6.62	
Credit report	3.00	
Interest on new loan, February 1, 1959	39.67	
Balance required to complete settlement		100.77
Total	18,650.88	18,650.88

The undersigned hereby approve and accept the above statement as correct and do hereby agree that the correctness of information furnished Lawyers Title Insurance Corp. as to insurance, taxes, assessments, principal and interest on assumed deeds of trust, if any, and rents, including water rents, is not to be guaranteed by said corporation. No liability on part of title company for matters not appearing of record when guaranty policy is to be issued.

HYMAN WEINSTOCK.

C

JESSE, PHILLIPS, KLINGE & KENDRICK

STATEMENT OF SALE FOR PURCHASER

Dated: January 28, 1959.

Lawrence Park, Inc. to Leroy S. Guy and Kathryn Guy. No. 7605 Jervis St., Springfield, Va.

Charges to purchaser:		
Purchase price		$19,500.00
5 percent interest adjustment from possession $19,000 from Nov. 25, 1958		166.25
County taxes (adjusted) 1958, purchaser's share		2.36
Tota amount due seller		19,668.61
Credits to purchaser:		
Amount paid down		500.00
First trust, FHA loan		6,500.00
Refrigerator credit		183.00
Total credits		17,183.00
Balance due		2,485.61
Expenses:		
Preparing deed of trust and note		15.00
Recording deed:		
State tax and county	$39.00	
Transfer	1.00	
Clerk of court	3.00	
		43.00
Recording trust (1st):		
State tax and county	33.00	
Clerk of court	6.00	
		39.00
Survey		25.00
Examination of title		95.00

Expenses—Continued

Settlement fee	$20.00
Title insurance premium for loan	41.25
Application for title insurance	10.00
FHA mortgage insurance	6.83
Fire insurance, etc. $16,500.00—3 yrs.	92.73
Fire insurance, etc. escrow 2 months	5.16
Taxes 3 months 1959 estimated	49.50
Notary fees	1.00
Loan fee	165.00
Credit report	3.00
5¼ percent interest to Feb. 1, 1959	7.22
Total expenses	618.69
Balance due from purchaser	3,104.30

D

JESSE, PHILLIPS, KLINGE E. KENDRICK

STATEMENT OF SALE FOR PURCHASER

Dated: April 7, 1959.

Lawrence Park, Inc., to Alexander B. Stavovy and Mary A. Stavovy, No. 5207 Kipling St., Springfield, Va.
Charges to purchaser:

Purchase price		$19,500.00
5 percent interest adjustment from possession on $18,500 from Mar. 27, 1959		25.69
VA inspections		21.00
Total amount due seller		19,546.69
Credits to purchaser:		
Amount paid down		1,000.00
1st trust, VA loan		18,500.00
Total credits		19,500.00
Balance due		46.69
Expenses:		
Recording deed:		
State and county tax	$39.00	
Transfer	1.00	
Clerk of court	3.00	
		43.00
Recording trust (1st):		
State and county tax	37.00	
Clerk of court	6.00	
		43.00
Survey		25.00
Examination of title		95.00
Title insurance premium for loan		46.25
Application for title insurance		10.00
Fire insurance, etc., 3 years on $16,500		92.73
Fire insurance, etc., escrow, 2 months		5.16
Taxes, 6 months 1959, estimated		99.00
Loan fee 1 percent		185.00
Credit report		3.00
4¾ percent interest to May 1, 1959		58.59
Total expenses		705.73
Balance due from purchaser		752.42

The undersigned hereby certifies that prior to settlement the cash payment shown as "amount paid down" above was made and this settlement is approved as being in accordance with the terms of the contract with the seller.

ALEXANDER B. STAVOVY.
MARY A. STAVOVY.

E

LAWYERS TITLE INSURANCE CORP., RICHMOND, VA.

WASHINGTON BRANCH OFFICE

WASHINGTON, *January 15, 1959.*

Case No.: M11246.
Name: John Paul Cavanaugh et ux.
Purchase from: Anmar Development Co., Inc., 5110 25th Place SE., Washington, D.C.
Lot: 25, block F, Hillcrest Heights Estates, Prince Georges County.

	Charges	Credits
Price of property	$17,990.00	
Taxes at $280 from Jan. 1, 1959 (estimated)		$10.11
Deposit held by L.T.I.C		550.00
Examination of title	79.00	
Interim binder	2.50	
Title insurance, mortgagee full and owners guaranty	50.00	
Tax certificate and service	2.00	
Recording (1) deed $4.50, (1) trust $	24.50	
Survey	30.00	
Revenue stamps, State	19.80	
Advance taxes, 7 months (estimated)	163.33	
Amount of loan by First Federal Savings & Loan Association		17,990.00
Credit report	3.00	
Fire and Ext. Cov. Ins. $15,500, for 3 years	91.30	
Fire and Ext. Cov. Ins. for 1 month accrual	2.54	
Prince Georges transfer tax	35.98	
Loan fee (1 percent)	$179.90	
New loan interest to Feb. 1, 1959	40.35	
Balance required to complete settlement		$164.09
Total	18,714.20	18,714.20

The undersigned hereby approve and accept the above statement as correct and do hereby agree that the correctness of information furnished Lawyers Title Insurance Corp. as to insurance, taxes, assessments, principal and interest on assumed deeds of trust, if any, and rents, including water rents, is not to be guaranteed by said corporation. No liability on part of title company for matters not appearing of record when guaranty policy is to be issued.

JOHN PAUL CAVANAUGH.

F

JESSE, PHILLIPS, KLINGE & KENDRICK

STATEMENT OF SALE FOR PURCHASE

Dated: January 14, 1959.

Mayfair Park, Inc., to: William R. Boucher and Joan C. Boucher. No. 7697 Kedron street, Springfield, Va.

Charges to purchaser:		
Purchase price		$19,500.00
5 percent interest adjustment from possession Nov. 8, 1958 to Jan. 14, 1959, $18,500		169.58
County taxes (adjusted) 1958, purchaser's share		3.38
VA inspections		21.00
Total amount due seller		19,693.96
Credits to purchaser:		
Amount paid down		1,000.00
First trust, VA		18,500.00
County taxes 1958 paid by seller.		
Total credits		19,500.00
Balance due		193.96
Expenses:		
Preparing deed: Seller.		
Recording deed:		
State and county tax		39.00
Transfer		1.00
Clerk of court		3.00
Total		43.00
Recording trust (1st):		
State and county tax		37.00
Clerk of court		6.00
Total		43.00
Survey		25.00
Examination of title		95.00
Title insurance premium for loan		46.25
Application for title insurance		10.00
Fire insurance, etc. 13 months $17,500		104.33
Taxes, 3 months estimated, 1959		49.50
Loan fee, 1 percent		185.00
Total expenses		601.08
Balance due from purchaser		795.04

The undersigned hereby certifies that prior to settlement the cash payment shown as "amount paid down" above was made and this settlement is approved as being in accordance with the terms of the contract with the seller.

WILLIAM R. BOUCHER
JOAN C. BOUCHER.

G

JESSE, PHILLIPS, KLINGE & KENDRICK

STATEMENT OF SALE FOR PURCHASER

Dated: March 18, 1959.

Mayfair Park, Inc. to: James B. Reeder and Margaret A. Reeder. No. 7630 Highland Avenue, Springfield, Va.

Charges to purchaser:		
Purchase price		$22,950.00
Extras		868.50
Interest adjustment from possession on $20,000 from Nov. 30, 1958 to Mar. 18, 1959		300.00
County taxes (adjusted) 1958, purchaser's share		2.00
Total amount due seller		24,120.50
Credits to purchaser:		
Amount paid down		2,950.00
1st trust conventional		14,000.00
Open note to seller		750.00
Credits		111.00
Total credits		17,811.00
Balance due		6,309.50
Expenses:		
Preparing deed: Seller.		
Preparing deed of trust and note		$12.50
Recording deed:		
State and county tax	$46.00	
Transfer	1.00	
Clerk of court	3.00	
		50.00
Recording trust (1st):		
State and county tax	28.00	
Clerk of court	4.50	
		32.50
Survey		25.00
Examination of title		101.00
Settlement fee		20.00
Title insurance premium for loan		35.90
Application for title insurance		10.00
Fire insurance, etc., 38 months on $14,000		83.06
Taxes, 5 months, estimated 1959 to loan company		97.50
Notary fees		1.00
Loan fee paid by seller, $70		
Total expenses		467.56
Balance due from purchaser		6,777.06

H

JESSE, PHILLIPS, KLINGE & KENDRICK

STATEMENT OF SALE FOR PURCHASER

Dated: March 16, 1959.

Mayfair Park, Inc., to: George W. Mann and Louise A. Mann. No. 7612 Gresham Street, Springfield, Va.

Charges to purchaser:		
Purchase price		$19,500.00
5 percent interest adjustment from possession on $9,500 from Mar. 9, 1959		9.24
Total amount due seller		19,509.24
Credits to purchaser:		
Amount paid down		10,000.00
First trust, conventional		9,500.00
Standard refrigerator		183.00
County taxes (adjusted) 1959: To be adjusted later.		
Total credits		19,683.00
Due purchaser, applied on expenses		173.76
Expenses:		
Preparing deed of trust and note		7.50
Recording deed:		
State and county tax	$39.00	
Transfer	1.00	
Clerk of court	3.00	
		43.00
Recording trust (1st):		
State and county tax	19.00	
Clerk of court	4.50	
		23.50
Survey		25.00
Examination of title		95.00
Settlement fee		20.00
Title insurance premium for loan		23.75
Application for title insurance		10.00
Fire insurance, etc., $16,500, annually		55.30
Taxes, 4 months 1959, estimated		66.00
Notary fees		1.00
Appraisal-loan company		15.00
Total expenses		385.05
Balance due from purchaser		211.29

This group of examples was picked at random from other subdivisions. The settlement sheets on these cases are labeled cases A through H. These settlement sheets show that the settlement charges alone to the purchasers in the case of FHA or VA loans are far in excess of the settlement charges on a conventional loan. These examples will show that settlement charges on homes from $16,000 to $18,000 on FHA loans are averaging approximately $650. On houses selling for an average of $18,000, the average settlement charges are $725. On houses sold on conventional loan the settlement charges average $400. I call to your attention that these are only the settlement charges. In the case of the VA, an additional discount fee of 5 to 7 points is being paid on the loan. In the case of the FHA, the additional discount fee will be 2 to 3 percent. These discount fees must necessarily increase the price of the house, or, conversely, the price of the house would be reduced if the payment of these fees

were not necessary. The last exhibits I submitted show that on the houses sold under FHA and VA, the substitution of conventional loan would save an average of $850 to $1,000.

In further evidence of the lack of marketability of FHA and GI loans, due to the fact that interest rates are set below the competitive market, I have in my hand an article which appeared in the Washington Evening Star on Wednesday, April 22, 1959, which, under unanimous consent, I include in the RECORD at this point as exhibit 3.

EXHIBIT 3

LENDING FUNDS AMPLE, VARIED RATES LISTED

An ample supply of money at favorable rates will be available to home buyers and other real estate investors in the Washington metropolitan area this spring and summer, according to a survey by the Washington Real Estate Board, of which J. A. Weinberg, Jr., is president.

Findings were reported in the May edition of Washington Realtor, the board's monthly magazine, published today. The survey was conducted by the board's mortgage and finance committee headed by Francis G. Little, Frank C. Devlin, vice chairman, tabulated the results and compiled the report.

The committee polled 55 large financial institutions servicing the area market. They included banks, mortgage bankers, insurance companies, and savings and loan associations. The District Bankers Association, the Mortgage Bankers Association, and the District Savings and Loan League cooperated.

CONVENTIONAL RATES LISTED

Of the 52 lenders reported active in the conventional loan market, 36 said they would make new home loans at a 5½ percent interest rate, seven at 5¼ percent, seven at 5¾ percent, and two at 6 percent. For refinancing existing houses, 20 reported they would make loans at 5½ percent, 15 at 5¾ percent, five at 5¼ percent, and three at 6 percent.

Sixteen lenders reported they would finance new apartment structures at 5½ percent, eight at 5¾ percent, and one at 5¼ percent. Twelve firms would make loans for refinancing apartment buildings at 5¾ percent, seven at 5½ percent, and one at 5¼ percent.

Loans for stores, shopping centers, and warehouses were being made at 5½ to 5¾ percent interest. For stores, 10 lenders said their rate was 5½ percent and eight said 5¾ percent. For shopping centers, 10 reported a 5¾-percent rate and nine at 5½-percent rate. For warehouses, six cited a 5¾-percent rate and five a 5½-percent rate.

For new houses, 30 lenders said they would make 25-year loans, while 22 indicated a preference for 20-year loans. Thirty-four lenders would make 20-year loans for refinancing existing homes and eight would make 25-year loans for this purpose.

EIGHTEEN IN FHA LOAN MARKET

Of the 55 respondents, 18 said they would be active in the market for home loans insured by the Federal Housing Administration.

Discounts for this type of loan, which have a maximum 5¼ percent interest rate, range all the way from 1 to 4 points, with the predominating discount being 3 points on 30-year, minimum downpayment loans.

Only 11 institutions indicated interest in home loans guaranteed by the Veterans' Administration, principally because of the maximum interest rate of 4¾ percent. Discounts for this type of financing, with minimum downpayments, run from 6 to 8 points. In cases where buyers pay 10 percent or more down, the discount runs from 4 to 5 points.

Thirty-eight lenders were active in construction loans, with 24 institutions stating their interest rate for home construction was 5½ percent, with construction loan charges of 1¼ percent. Ten lenders said their construction rate was 6 percent for apartment construction, while another nine said they were charging 5½ percent for this type of loan.

Chairman Ladd said the survey is the first of its type undertaken by the board. He expressed hope that it can be repeated semiannually.

This article shows the results of a survey made among the 55 leading financial institutions servicing the homebuilding market in the Washington metropolitan area. It showed that the interest rate on the average conventional loans was running from 5¼ to 6 percent, the average interest rate being 5½ percent. It showed, further, that only 18 of the 55 institutions surveyed are willing to participate in the Federal Housing Administration loan market, and even the 18 that participated charge the discount rate or loan fee of from 1 to 4 points, 3 percent being the predominant charge on a 30-year loan. Even more amazing, of the 55 lending institutions surveyed, only 11 were willing to participate in the VA loan guarantee program, and then at a discount rate of from 4 to 5 percent, and in some cases as high as 8 percent.

Mr. Chairman, I strongly feel that if these interest rates, which are set by Congress or by agency regulation, are to mean anything, some provision must be made to prohibit these exorbitant discount fees, which, as I have stated before, must be ultimately reflected as an additional cost of the house.

This discount fee can be eliminated by establishing a policy whereby the FHA and the VA will not insure or guarantee any portion of the loan within the first 60 percent of the sales price of the house. This would oblige the lending institution to place an unguaranteed or uninsured first trust on the property in an amount of at least 60 percent of the sales price, before any FHA insurance or VA loan guarantee could be issued. I submit that it is not necessary for the Federal Government to be involved in a financial assistance program for the first 60 percent of the sales price. I think that free enterprise will be more than able to provide a convenient and competitive mortgage loan program. It would also cause a lending institution to have a real equity in the loan and consequently to take more interest in the appraisal and economic valuation of the properties. If the first 60 percent of the purchase price were sufficiently financed, neither the Congress nor the Federal Government would have to determine the interest charged, as competition would adjust the interest rates at a proper level.

Then in order to assist the home buyer or veteran in obtaining a home at a low downpayment with reasonable monthly payments, we could establish a loan guaranty or insurance program for the upper 40 percent of the purchase price, In this way the amount of mortgage insurance and loan guaranty would be a great deal less, and possibly, rather than having the interest rates set by law, it might be provided that the interest rate would not be in excess of the interest rate on the conventional portion of the loan.

I realize that we shall encounter many complications to working out a change in the present program, and that many objections could be raised to the suggestion I have made. I should like to point out, however, that the suggested plan is similar to the program we now have under the GI bill of rights, in that the unguaranteed portion of the loan made by the lending institution is very seldom in excess of 50 percent of the sales price, and the GI guaranteed portion is in effect a second trust on which no reduction in principal is made until the unguaranteed portion provided by the lending institution has been eliminated. Where the present VA program differs from the one I suggest is that the lending institution is charging a loan discount rate on both the guaranteed and the unguaranteed portions, and that the Federal Government is fixing the interest rate on the guaranteed as well as on the unguaranteed portion of the loan.

The third obstacle which is keeping us from attaining the objectives outlined above is the conflict or competition between two Federal agencies now operating in the housing field; namely, the Federal Housing Administration and the Loan Guaranty Division of the Veterans' Administration. These two agencies have many conflicts with each other in carrying out their respective programs, and this makes matters very difficult and, therefore, costly to the homebuilder and in turn to the home buyer. A builder must build under the regulations of both agencies if he does not know in advance whether the home buyer will be buying the home with a VA loan or an FHA loan. There is, of course, a vast amount of duplication of work in the two agencies that involves a needless cost to the taxpayers of several million dollars a year. One of the major discrepancies between the two agencies is the inconsistency in the appraisals and the valuations of property. The American public is led to believe that when the FHA or VA appraises a piece of property the appraisal is sound and accurate and an assurance that they have received a fair value for their purchase dollar. If this were so, then, of course, you would find the evaluation by both agencies always identical. I have in my hand two appraisals on the same piece of property, and under unanimous consent, I include them in the RECORD at this point as exhibit 4.

EXHIBIT 4

VETERANS' ADMINISTRATION—CERTIFICATE OF REASONABLE VALUE—LOAN GUARANTY SERVICE

Case No.: 106–310.

Established reasonable value of property, $21,600.

Amount of reasonable value allocated to land, $3,600.

Expiration of validity period, May 9, 1959.

Remaining economic life of property is estimated to be not less than 45 years.

Property address: 5900 North 19th Street, Arlington, Va.

Legal description: Lot 169, less and except westerly 5.03 feet by the full depth thereof, section 2, Overlee Knolls, Arlington County, Va.

Plot size: 55.03 x 115.45 x 44.90 x 115.

Existing—not previously occupied: 7 rooms, 1½ baths, 3 bedrooms, and den, 12 years old, colonial, 2 stories, brick construction, composition roof, full basement, oil FWA heat, fireplace; 1,350 square feet.

Water, sewer, gas, electricity, walks, curb, paving.

Based upon observation of the property in its as is condition.

Equipment: 36-inch Hardwick gas range, $60; 8-foot Servel refrigerator, $70; venetian blinds, $75.

Builder's certification (Sec. 36.4312).

Date: March 9, 1959.

Address of Regional Office: Munitions Building, Washington, D.C.

Administrator of Veterans' Affairs. By C. E. Damron, Acting Loan Guaranty Officer.

COMMITMENT FOR INSURANCE

Your application identified by the serial number above has been examined and the Commissioner hereby issues to you:

Conditional commitment.

One.

That the mortgagor will be the owner and occupant of the mortgage property at the time of endorsement for insurance.

Execution of form 2562.

That the mortgagors acknowledge on the reverse side hereof, as part of the mortgaged property, and as fully paid for, the following easily removable real estate items: Refrigerator, range.

This commitment shall become null and void after October 2, 1959.

Located at Washington, D.C.

Property address: 5900 North 19th Street, Arlington, lot 169, less and except the westerly 5.03 feet by the full depth thereof, section 2, Overlee Knolls, Arlington County, Va.

Insurable loan: $16,600.

Amortization period: 30 years.

Interest rate: 5¼ percent.

Number installments, including interest and principal, of 360.

Dwelling units: One.

FHA valuation: $18,000.

One piece of property was appraised by the FHA, and then, within a few weeks, by the VA. The commitment by the FHA expires on October 2, 1959, but the commitment by the VA expires on May 9, 1959. These are on the same property, 5900 North 19th Street, Arlington, Va. The FHA appraised the property at $18,000. This is supposed to be a sound, reasonable, accurate appraisal, and a guide to the home purchaser, assuring him that he is receiving a fair value for his purchase price, and at the same time providing some protection to the Federal Government on the mortgage insurance. The appraisal made by the VA on the identical property was $21,600, which I assume the VA felt was a reasonable value for the purchase price, and would provide the proper protection to the Government and to the purchaser. In other words, this exhibit shows two appraisals by two agencies, having a difference in valuation of $3,600. This means that the VA appraised the property for a 20-percent higher value than did the FHA.

I submit, Mr. Chairman, that there cannot possibly be that much difference in valuations of the same piece of property if made by sound, reasonable evaluation agencies. In order not to make it appear that the VA was too liberal in its appraisal, I should like to suggest that I believe the discrepancy was due rather to the fact that the FHA is inclined to be too conservative in its appraisals. I have in my hand a copy of a letter from my good friend, Mr. Thomas C. Barringer, director of the D.C. Insuring Office, written to all FHA employees and persons having business with FHA, dated June 18, 1958, which, under unanimous consent, I include in the RECORD at this point as exhibit 5, which points out that the FHA evaluation does not in itself establish the selling price but is merely an evaluation used as a basis on which to set a mortgage value:

EXHIBIT 5

FEDERAL HOUSING ADMINISTRATION,

Washington, D.C., June 18, 1958.

Circular letter No. 39.

To: All FHA employees and persons having business with FHA.

Subject: New procedure regarding requests for reconsideration of appraisals.

By reason of the continuing volume of requests for FHA appraisals represented by applications for conditional commitments on existing houses and due to the fact that this volume is largely handled by fee appraisers, we have had a great increase in requests for considerations and increases in valuations which in most cases are without tangible justification. It is clear that in many instances these requests are made to the mortgagee by the homeowners, but more frequently by brokers on the basis that the FHA valuation has not reached the selling price. In some instances the application for reconsideration involves small amounts ranging from $150 to $500. This office is always prepared to give reconsideration to our appraisals where the mortgagee presents some additional data that we may have overlooked. On the other hand, we feel that a lot of these requests are simply for the purpose of carrying out a sales transaction more readily, due to a lack of understanding amongst the real estate group that FHA valuation does not in itself establish the selling price.

A letter on the subject of the matter of FHA valuations versus selling price is in the process of being prepared to be sent all the real estate firms in the area that will emphasize to the public and trade that FHA valuations are for mortgage loan purposes, and FHA does not attempt to establish the fair market value for selling purposes as the case with a VA appraisal.

We are hopeful in this proposed letter to also point out to the broker, the homeowner, and the buyer that selling prices on today's market can readily be in excess of FHA valuations as long as the variance is reasonable, without the house being overbought.

In view of the problem that we are faced with, you are advised that, effective immediately, no request for reconsideration and change of the valuation amount as set forth on the commitment will be accepted by this office unless the mortgagee states in the letter of request that they have (1) inspected the property, and (2) that on the basis of additional supporting data set forth in the letter there is merit in the reappraisal request. By additional data, the mortgagee should submit sales information on at least two comparable properties or cite FHA appraisals that are comparable in support of the request for reconsideration.

We feel very strongly that the institutions who are lending the money themselves should be mutually in agreement with the owner of the property that the request for the reappraisal is justified, and your cooperation to that end is requested.

Very truly yours,

THOS. C. BARRINGER,
Director.

Yet, I also have in my hand a copy of an article which appeared in the Washington Evening Star, Friday, April 24, by Julian H. Zimmerman, Commissioner, Federal Housing Administration, which I should also like to have inserted in the RECORD at this point, which in effect told the home-buying public if they finance their homes with a mortgage insured by the Federal Housing Administration they have the benefit of a careful, unbiased FHA appraisal, and assurance that the house at least complies with FHA's minimum property standards.

GETTING GOOD VALUE IN YOUR NEW HOME

(By Julian H. Zimmerman, Commissioner, Federal Housing Administration)

A big consideration in buying a home is whether you are getting full value for your money.

The value of a house and its price are two different things, of course. The price is what you are asked to pay. The value is what you are justified in paying. Value is personal; price is impersonal. Value can have different meanings for different people, because tastes and living arrangements vary from one family to another.

When you think of buying a particular house, ask yourself questions like these: Is it a house you would be proud to own? Does it have what your family needs for comfortable living? Would it be inexpensive to maintain? Would it appeal to other buyers if you wanted to sell it later on?

The appearance of the house, needless to say, has a lot to do with its value. There are fads in house design just as there are in clothes and automobiles. The more extreme styles lose value almost as quickly as a sack dress.

Livability, after all, is the big consideration. You want a house that has space enough for your family, and one that is arranged for convenience, comfort, and necessary privacy. You want a house with enough closet and storage space. It is more important to have space, good arrangement, and storage room than to have elaborate equipment. You can add that later.

Think about the cost of upkeep, too, particularly in an older house. You probably can get more space for your dollar when you buy an older house. But you may have to pay more for repairs and for replacing outworn equipment. The cost of upkeep can vary a lot even among new houses, when one is built of more durable materials and has better equipment than another.

The surroundings are as important to lasting value as the house itself. Your house should harmonize with the others in the neighborhood in design and cost. A house that is too expensive for the neighborhood can lose value. So can a house that is strikingly different from the others in appearance.

The value of a perfectly good house will decline if the neighborhood loses value. A neighborhood of homeowners may keep its value longer than one in which tenants come and go. And if you have children growing up, you will probably be happier in a neighborhood of other families with children. Then you have to think about shops, schools, churches, transportation, and other necessary items.

Your best protection in buying a house is to deal with reputable people. Check with others who have done business with your real estate agent, architect, builder, or seller, to find out how satisfactory their experience has been.

If you finance your home with a mortgage insured by the Federal Housing Administration. You have the benefit of a careful, unbiased FHA appraisal, and assurance that the house at least complies with the objectives of FHA's minimum property standards.

FHA was set up 25 years ago to help improve housing standards and safeguard homeownership, as well as to bring it within the reach of more families. Three of every

five American families own their homes today and, largely through FHA's influence, they are better homes.

You can buy a home today with more assurance than ever before that it is well planned and built; and you have better financing available than ever before. This is a good time to buy.

Mr. Chairman, we have here a conflict between two officials within the same agency as to what a fair evaluation is, and, as demonstrated by these two appraisals, there is a great difference between two Federal agencies as to what the fair value of the market should be. My question is twofold: First, how can we expect any industry to comply with the requirements of two agencies when there is so wide a discrepancy between them? and second, how can we expect the home-buying public to look to these agencies as arbitrators and protectors when there is so much inconsistency between them? I suggest, Mr. Chairman, that when two agencies operate in the same field in competition with each other, the duplicating cost is positively ridiculous and should be eliminated. I say this realizing that the veterans in our country would like to keep our loan guarantee program in a separate Federal agency. However, the loan guarantee program can be kept in a separate agency, namely, the Veterans Administration, but minimum requirements should be set and inspections made by the same agency that inspects and appraises under the FHA. Later on today, when the bill is read for amendment, I propose to offer an amendment which would permit the Federal Housing Administration to accept and validate inspections made during construction by the Veterans Administration. At the present time, the VA will accept for VA loans, homes which have been built under FHA inspections. My amendment would make a corresponding provision for the FHA to accept homes that were built and inspected under VA. This would not prohibit the FHA from making final inspection as well as their own appraisal of the property when finished, but would make the home eligible for FHA mortgage insurance providing it met all other requirements and was inspected during the construction by the Veterans Administration.

Often homes are built under one Federal agency or the other rather than both because the builder does not know before the houses are completed what type of loan the home purchaser might require. If we are going to keep these two agencies operating we should at least have each of the two agencies respect the ability of the other.

I should also like to comment at this time on the housing bill. I would like to make clear in my remarks that I feel that this committee bill contains essentially sound legislation which will be beneficial to our economy in general and to house buyers throughout this country.

The residential construction industry has maintained a healthy pace of activity in the last 6 months. We must remember, however, that a sound housing industry is essential to the basic interests of our general economy, and that many of the features of this bill are necessary to maintain this pace. We must not overlook the fact that a healthy housing industry is vitally important to provide employment and jobs not only for its directly related industries of building materials and supplies but also for those industries which we do not often directly associate with it, such as furnishings, appliances and other household items whose production is directly affected by a high level of residential construction activity.

This bill before us contains more features beneficial to the average home buyer in the moderate income bracket than any other housing bill in recent years. I will return to this point at the conclusion of my remarks.

Before we can support the much needed and essential features of this bill, however, I must bring to your attention as forcefully as I can those features which I believe are so out of balance that at the present time they seriously detract from the beneficial aspects of the bill. These deleterious features are so serious that I believe when the bill is sent to the White House the President will be forced to veto the bill, because it is an urgent necessity in these difficult times to maintain a well balanced and sound budget.

The features which I consider damaging to the otherwise beneficial terms of the proposed legislation are five: One, the public housing features of the bill; two, the provisions authorizing local autonomy to public housing authorities; three, the excessive amounts of urban renewal monetary authorizations; four, the direct loan authorizations for multifamily housing; and five, the subsidized interest rate for college housing.

First of all, let us consider the public housing features of this bill. Although apparently modest in numbers since it only appears to be authorizing 51,000 new public housing units, it actually allows the public housing program to continue for a total of almost 200,000 units at the rate of 35,000 units per year with no further supervision or control by the Congress of the United States. This feature I earnestly submit to you is unsound for it completely relinquishes congressional control over future public housing construction, and places control in the hands of local public housing authorities, who are not further responsible to the public interest in the conduct of this program.

In this regard, I would like to draw your attention also to a feature which is an equally serious problem in regard to public housing. The committee bill will give local public housing authorities more authority for setting rent limits and increases than they have ever had before. As a matter of fact, the result of this new feature will place almost complete control and responsibility for public housing operations on the local authorities. Supervision of this multimillion dollar program by the Public Housing Administration will be reduced to a very narrow and limited degree.

Thirdly, I would like to object as strongly as I can to the excessive money amounts authorized for the urban renewal program in the committee bill. Heretofore I have consistently endorsed a high level of annual grants as recommended in the President's program. But clearly in the committee bill the monetary authorizations for urban renewal have been carried much too far. The committee bill authorizes an amount of $500 million per year for a total of $1.5 billion in a program of 3 years. This gigantic sum of money in itself will unbalance the very tightly controlled budget which the President has proposed to the Congress.

I would favor instead the urban renewal grants recommended by the administration which amount to $250 million for 3 years plus $200 million for another 3 years—or a total of $450 million for a 6-year program.

The need for this program is great as we all know, but unless the Federal Government is to take over control of the urban renewal aspects of our cities and States then the administration's more reasonable approach should be adopted.

Fourthly, in regard to college housing, I have always been opposed to subsidized interest rates which are contained in this particular program. There is a need for this type of loan, I feel, and the administration has recommended $200 million to fill this gap. Four hundred million dollars, however, as contained in the committee bill is excessive and should be cut down.

Lastly, I would like to direct your attention of the direct loan features for the construction of elderly family housing.

I want to make especially clear that I would favor a special housing program for our elderly citizens, and, specifically the FHA program which is contained in the Senate bill. This FHA program would provide special FHA insurance authority for housing constructed for elderly family needs.

Through such a program I feel we can obtain the housing that we need for this very important housing program; but in doing so we will not unbalance the Federal budget and bring other essential features of the housing bill into jeopardy.

As mentioned earlier, there are several important provisions of the committee bill which will help immensely to provide more and better homes for the average American family. These features I would like to emphasize are as follows:

An increase in the maximum mortgage from $20,000 to $25,000 for one- and two-family homes.

A revision of the required downpayment on the amount between $13,500 and $18,000 of value from the present 15 to 10 percent and 25 percent above $18,000 instead of the present 30 percent above $16,000. The maximum maturity is also advanced from 30 to 35 years.

These features would change the FHA downpayment requirements and monthly carrying charges substantially so that the average American home buyer would realize a bigger and better house than he can now attain.

Perhaps one of the most unique features of this new program would be the trade-in house feature which permits a builder to be eligible for an insured loan provided 15 percent of the mortgage is

placed in escrow to be applied to the mortgage if no sale is made within 18 months. This would eliminate one set of closing costs and enable much higher allowances to be made on traded-in houses.

A critical feature, of course, is the additional $10 billion of insurance authorization for the FHA. Without this new authorization I would greatly fear the FHA's operations would be so seriously disrupted that it would be almost impossible to operate.

The maximum mortgage which FNMA may purchase in the secondary market program would be increased from $15,000 to $18,000 and the maximum commitment and purchase charges on a special assistance mortgage would be reduced from 1½ percent to 1 percent.

Another important feature of the act would authorize FNMA under its secondary market program to make short-term loans on pledged FHA and VA mortgages. This feature alone has great significance in establishing within the mortgage market a stabilizing influence. It would go far toward the creation of a more stable and fluid mortgage money market which can prevent the serious peaks and valleys which have historically been disruptive of a steady flow of construction in the residential segment of our economy.

To sum up then, it is my distinct feeling that there is a great deal of good legislation contained within the framework of the committee bill but in order to enable it to operate satisfactorily, it is extremely important that we remove those features of the act which not only unbalance the bill itself but very probably would unbalance the entire fiscal budget as prepared by the administration. I urge then that we eliminate the public housing features of the act and reduce the urban renewal authorization to that proposed in the President's program.

Mr. Chairman, I have tried to cover very broadly and yet briefly some of the problems faced by the whole building industry, and by the Federal agencies involved. I believe that much can be done to improve this program. I believe it could be made more efficient and more economical. I believe it could provide the American homebuilding public with a sounder, more economical value at millions of dollars of savings to the taxpayers. I sincerely hope and trust the Congress will review this entire program with the intention of improving it.

Mr. SPENCE. Mr. Chairman, I yield 30 minutes to the gentleman from Alabama [Mr. RAINS].

Mr. RAINS. Mr. Chairman, I appreciated very much the remarks of our colleague, the gentleman from Virginia [Mr. BROYHILL]. I am perfectly frank to say I like to hear people talk who know what they are talking about.

Mr. Chairman, housing legislation is the most complex legislation, or one of the most complex pieces of legislation, that come before the House of Representatives. The hearings upon which S. 57 and the amendments which the Committee on Banking and Currency reported to this House included not only hearings this year but last year, and we heard many, many witnesses detail the problems affecting housing in America. We heard it with an open mind. We had—and I can say specifically that I had, I am sure—no preconceived notion about what ought to be or ought not to be in the housing bill. I was positive of one thing, though, after I listened to the people through their spokesmen before our committee, that we needed a good housing bill.

I want to make a statement that you may doubt.

With the vast growth of the American people, the fast family formation of the youngsters of our day and generation, the need for housing today is greater than ever before at any time in our history.

So let us begin with the premise that we have a job to do in this legislation and that we are not just passing a piece of legislation in order to put another needless bill on the statute books. We are here today actually trying to help the American family to have a decent home in which to live. And I do not mind telling you that whereas the reading of this bill seems mundane and dull and uninteresting, as most law does, but wrapped up in this bill is all of the yearning and hope that go with making an American home. So I do not hesitate to tell you that you have not had before the Congress so far this year any more important piece of domestic legislation.

I want to say this further. Last year, in the closing days of the Congress—and I do not care about pointing the finger at who caused it—we had to take up the housing bill under suspension of the rules. That bill was larger in dollar amount than this bill is—much larger. And yet even last year we lacked only six votes of getting a two to one majority for housing. And I do not believe there are too many people who have been convinced in the meantime that we do not need a housing bill since last year. So I hope that we will consider seriously, carefully, and conscientiously, this bill and write a good piece of legislation.

I admit to you that I am sometimes dismayed when we start on housing each year, because it always winds up in the Rules Committee, according to the papers—and I am like Will Rogers in this respect, all I know about that is what I read in the papers—six to six. And then finally, after long and lengthy delays, we turn out with a rule, and usually we have some kind of a hastily concocted, inadequate, so-called substitute that is put in order. Of course, I am no parliamentarian, but I know that you do not have to put any substitute in order. A substitute is always in order, whether the Rules Committee says so or not. So the whole idea is to give a certain amount of stature, if you please, to a bill that had not even been printed, much less referred to the Committee on Banking and Currency.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield.

Mr. McDONOUGH. A moment ago the gentleman referred to the bill that we considered a year ago as compared to the bill that has been reported by the committee. I am sure the gentleman will agree with me——

Mr. RAINS. If the gentleman will ask me a question, I yield, but not for more than a question.

Mr. McDONOUGH. When we considered the bill a year ago we compromised and reduced the total expenditure to $975 million. The bill before us today means far in excess of that amount.

Mr. RAINS. The bill before us last year was in greater dollar amount than this bill. But I do not want to argue that. Go look at the bill and then look at this one.

Mr. McDONOUGH. We reduced it before it was considered under suspension of the rules.

Mr. RAINS. I still make the statement that the bill which we originally brought to the Congress last year was bigger in dollar amount than the one the committee brings in this year. And so here we have offered a substitute, one that is intended to get in a lot of different types of voters here in the Congress, which reached in and took all of title I of the bill which, I am sorry to say, the distinguished head of the Housing and Home Finance Agency who now supports the so-called Herlong bill opposed almost letter perfect before our committee. But he has now changed. Do you know why? It has a little sugar in it that was intended by some of the proponents of the bill to get the homebuilders on their side. I was a little amused at my distinguished friend from Virginia this morning; he seemed chagrined because the homebuilders did not bite that bait. A great many other people did not bite it, because wrapped up back of this is House Joint Resolution 161, the gentleman from Virginia's pet project against only the bills he does not like. I hope the judge is present, because one day I sat up in the Rules Committee and I watched a $4.5 billion bill—and I am looking at the distinguished ranking minority member of the Banking and Currency Committee when I say this—a $4.5 billion public debt transaction that went through the Rules Committee, supported on that side of the aisle in the Rules Committee, passed down here with hardly a dissenting vote—$4.5 billion to build houses all over the world. But we now cannot spend, and we cannot stand, for less than $100 million to build houses for the folks at home.

Mr. KILBURN. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield.

Mr. KILBURN. Of course, the gentleman understands that that bill had a future date to it and they could not very well put it through the budget because it had to go through the appropriations—not the Appropriations Committee—but they had to agree to this thing before it went through. Everybody knew that.

Mr. RAINS. Yes; they had to agree, I will say to the gentleman. I am sorry that I brought that up, but I will tell you what really happened to that. In the House committee—and I voted for the bill—please do not misunderstand

me, I think the bill is needed, but I am just making comparisons. In the House committee, we put into that Export-Import Bank bill that it would take effect before July 1, the end of this fiscal year; is that not correct?

Mr. KILBURN. Yes.

Mr. RAINS. Well, we were told that they might need it in their international transactions. That was correct; was it not? But the other body—and you notice that we have not been to conference yet, I am sure—said, "No," the chairman of the Committee on Foreign Affairs there who happened to be on it, said, "No, they do not need it until next year." So I will give you the real truth. They wanted $4½ billion to be included in the budget this year so that the administration did not bust its own budget next year by $4½ billion. Now that is it.

Mr. KILBURN. The gentleman is exactly right.

Mr. RAINS. You are right, and I appreciate the fairness of my distinguished colleague.

Mr. KILBURN. That is why I think we should go to conference on it and pass it this year.

Mr. RAINS. So that it would not show up—that would be the only reason.

Mr. KILBURN. I am being frank and honest about it.

Mr. RAINS. I know that perfectly well, I will say that about the gentleman, he is very frank and honest.

Mr. KILBURN. Will the gentleman yield further, and I will give him extra time?

Mr. RAINS. I yield.

Mr. KILBURN. The gentleman, of course, is one of my best friends in the Congress. But, is it not true that the houses that have been built in the first quarter of this year are the most that we have ever had in a first quarter?

Mr. RAINS. I think that is correct.

Mr. KILBURN. And we had no housing bill.

Mr. RAINS. Well, now, wait just a minute. We put a billion dollars in this "back-door approach," you know, last year in the month of April when our economy was dragging the ground, and many experts say that is what pulled us out of the depression. We are still getting the results of that legislation.

Mr. KILBURN. Last year we had no housing bill.

Mr. RAINS. Last year we had the emergency housing bill.

Mr. KILBURN. And we extended the FHA.

Mr. RAINS. Yes; and we extended Fannie May $1 billion lending authority.

Mr. KILBURN. All right then. So that is it not also true that in the last 2, 3, or 4 years our committee has brought out a housing bill and that some Member comes in here who is not on our committee and substitutes his own bill and that bill has been passed.

Mr. RAINS. That has been true for 2 years.

Mr. KILBURN. It is not a very usual thing though to have somebody outside of the committee come in here and pass a bill.

Mr. RAINS. I say to the gentleman—and I mean this in all kindness—the gentleman himself introduced the administration bill.

Mr. KILBURN. That was by request.

Mr. RAINS. By request for the administration.

Mr. KILBURN. That is right.

Mr. RAINS. And that bill is here now. But, instead of supporting that bill, and it is a fairly good bill, as the gentleman well knows—but that bill has a better public debt transaction section.

Mr. KILBURN. I think they were wrong.

Mr. RAINS. It also had many of the other items which all of a sudden the administration has turned its back on, and we wind up with a substitute proposed by certain housing experts outside of the Banking and Currency committee.

I do not profess to be an expert, but I think I know as much about housing as some of the distinguished gentlemen who promote the Herlong bill—and I say it is a farce and not an adequate substitute. I hail from a small city. But, I happen to be chairman of the committee, and I feel I have a responsibility and I know the gentleman feels the same way—whether he favors a certain specific measure or not, to give an overall study to all of the housing problems of all the people.

Mr. KILBURN. I am trying to think of what is best for the country. I mean that sincerely. It does not seem to me that we need any housing bill at all except possibly to extend the FHA. If the gentleman's committee had come in with a bill extending FHA it would have been passed by this House without question.

That is the last word I have to say, really the last.

Mr. RAINS. I want again to commend the gentleman for his frankness. He does not want any bill at all; he just wants FHA insurance, nothing else. If that is the type of bill that the supporters of the Herlong amendment want, then that is likely what they are going to get.

I want to speak a little bit about the public debt transaction. I do not want to get involved in all these semantics about costs. I will say this, the housing legislation in this country has made a profit for the American people. There is nearly three quarters of a billion dollars profit now lying down in FHA, as profit on all these programs. The Federal National Mortgage Association, called "Fannie Mae," as we know it, lends money; they do not give money away. They lend money; it is returned to the Federal Government at a profit. Did you know that the FHA has the unbelievable record of repayment of just a little bit more than 1 percent in default? So when you look at the housing program in this country you want to know it is private enterprise and Government working together at its best.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from New Jersey.

Mr. WIDNALL. Is there any difference in your bill and the Herlong bill with respect to the title known as Title I—FHA Insurance Programs.

Mr. RAINS. I have not had a chance to read the Herlong bill.

Mr. WIDNALL. They are identical except for the matter of date; it is in both bills.

Mr. RAINS. I will say to the gentleman further I do not intend to debate the Herlong bill; I intend to debate the committee bill. That is the legislation before us and it was voted by an orderly process by a tremendous majority of the members of our committee and presented to this Congress. I know what is in the committee bill and shall support it. I do not know what is in the Herlong bill.

College housing; there is very little college housing in it or housing for the elderly that can be paid for out of the small amount of income aged people have from social security pensions and so forth. It is not intended to be a complete housing bill. We got the reaction from our distinguished friend from New York [Mr. KILBURN], the ranking member of the committee, when he said: "We do not need a housing bill; all we need is to continue FHA." That is it.

So I do not intend to debate the Herlong bill.

Now, one other thing, this public debt transaction amazes me. As I said, it is only emphasized on bills that apparently certain members of the Rules Committee do not like. I have not heard it raised on these great international spending programs, and they are really something, the lending programs of the Federal Government, "the back-door approach." How anybody can stand in the well of this House and condemn the "back-door approach," using that as a slogan, when the Rules Committee and this House has OK'd a $4½ billion back-door approach, is beyond me. Does that make sense? Not too much. You know it always depends on who is eating the cake as to whether or not they want it.

Now, I want to talk for a few minutes about the bill itself. Back on the desk is a green pamphlet. I got the idea from a good friend, the gentleman from Texas [Mr. TEAGUE], who whenever he has a veterans' bill always has a blue paper there in which he states exactly what the bill will do, what it will not do, and what the committee has prepared. There is a green sheet back on the page's desk that will tell you specifically in layman's language exactly what S. 57 as amended has in it. I hope you will get it and really look at it, and when you do you will find that about 90 percent of the bill is private enterprise. You will find 35,000 units of public housing per year for 4 years. I am sorry I do not see the distinguished ranking minority member of the Rules Committee here, the gentleman from Ohio [Mr. BROWN]. I listened to him speak. He made a very good speech, as a matter of fact, calm, deliberate, and I liked it. I heard him talk about public housing. In this bill the public housing units were first authorized by a great Republican, Bob Taft. I wonder if anyone here thinks he was a Socialist? These are not new units. These are Bob Taft's units that he wrote in the Wagner-Ellender-Taft bill.

Mr. KILBURN. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from New York.

Mr. KILBURN. Is the gentleman for public housing?

Mr. RAINS. The gentleman favors an amount of public housing needed and necessary to house people uprooted by Government action. We need, according to the House and Home Finance Agency, 35,000 units as a minimum. I am quoting Albert Cole. We all know Albert. We need a minimum of 35,000 units of public housing just to take care of the people we uproot by urban renewal and the highway programs. Am I not right about that?

Mr. KILBURN. How much public housing does this bill contain?

Mr. RAINS. This bill provides 35,000 units of public housing a year for 4 years.

Mr. KILBURN. That is about 140,000 units?

Mr. RAINS. Yes.

Mr. KILBURN. Is the gentleman in favor of 140,000 new units?

Mr. RAINS. The gentleman is in favor of voting 35,000 units a year until 140,000 units are used up.

Mr. KILBURN. Then the gentleman is for 140,000 public housing units?

Mr. RAINS. I just said that I am, at the rate of 35,000 units a year.

Can you build a house under present costs and rent it to a man who has six kids and needs three bedrooms, who only makes $1,800 a year, and make a profit on it? The answer is obvious to anybody. No, it cannot be done. It is for those cases that we have to do something. I hope the day will come when we will not need public housing. I hope through an upturn in our economy we will not need them. You give them old-age pensions, you give them an increase in unemployment benefits, yet some are willing to let them live in a piano box. We need public housing and we need it greatly.

Let us talk now about urban renewal. I want to say to you that you should realize when we wrote this bill we had the Senate bill before us, S. 57. The clamor was to cut the dollar amounts. It does not make any difference whether it is a loan, they will probably say in the paper that you have raided the Treasury for that amount, whether it is going to be in loans or not.

We cut the House bill in dollar amounts $600 million under the Senate bill. My good friend the gentleman from New York [Mr. KILBURN], had a $1,600 million administration bill still lying in the committee, out of which we took a good many things. So the bill we present to you is halfway between the Senate bill and the original bill.

Mr. KILBURN. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from New York.

Mr. KILBURN. The gentleman understands I introduced that administration bill by request. I am not for it.

Mr. RAINS. I know that, and I appreciate the gentleman's statement.

You know, there are some people here who apparently think it would be a wonderful thing if we could just amend the Constitution and abandon the other body in Congress. It so happens we cannot do that. They will be over there as long as we are over here, I am quite sure. The distinguished gentlemen over here have been offering housing bills many times. I know who will be sitting on their conference committee, and you do, too. There will not be a man who will accept the public debt transaction amendment, not one. And then what happens?

Let us be frank. Now, I do not have any sympathy for the substitute bill, I want you to know that frankly. But one of these days toward the end of this session you will wind up with 40 minutes' debate on a conference report, and no other chance, with the Senate bill.

Now, who doubts that, Who is kidding whom? We have been through this time after time. So, what I would like to say to my colleagues is this: We worked hard on this bill. I do not say that it does not need amendment. I do not say that we have done everything exactly right. I do not believe any committee can do that. I heard the gentleman from Virginia talk a moment ago about the FHA and the VA appraisals. He will offer an amendment. I saw it. If he offers the amendment, I am going to say that I have no objection to it. I think it is a good amendment. You cannot find answers to all the problems in this kind of legislation. Therefore I would rather have the combined judgment of what this House will do in a day and a half of grinding debate than to take some bill out of thin air that was not even printed when put in order by the Rules Committee.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from California.

Mr. McDONOUGH. Well, now, that is a dramatic statement, but it does not carry any significance of the full value of what it really means, because the Herlong bill, insofar as a housing bill is concerned, has urban renewal, and it is no different than the urban renewal in your bill, except for the authorization. Now, it has the college housing, the same as your bill.

Mr. RAINS. Oh, no.

Mr. McDONOUGH. Well, the authorization.

Mr. RAINS. No, no. It has the public-debt transaction. It takes an appropriation. If you were to get a college housing loan, you would have to make your planning and consult your architect 2 or 3 years in advance; but you could not do that, because you do not know whether the Committee on Appropriations would give you the money.

Mr. McDONOUGH. It has been done with foreign aid and the defense budget of this Nation for years. They need long leadlines on defense as well as foreign operations, and we have been doing it with an authorization.

Mr. RAINS. That is not what can happen with the housing bill. Why change it suddenly? Housing programs, as such, were written by the distinguished gentleman from Virginia, Carter Glass, and a man from Alabama named Henry Steagall, and all of a sudden we decide that we must use some other type of approach to one that has been working perfectly. Can the gentleman point to one single instance in which the Federal Government has lost any great amount of money because of the public-debt transaction? Not a one. Why change it? Why not take the course that has made us have a great housing program in this country, that has brought up home ownership from the low 30 percent to the 52 and 53 percent?

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield at that point?

Mr. RAINS. I will for a question. You realize you have more time than I have.

Mr. McDONOUGH. We will give you time.

Mr. RAINS. All right.

Mr. McDONOUGH. Insofar as home ownership is concerned, you know that sections of your bill and the Herlong bill and the administration bill are exactly alike.

Mr. RAINS. No; I do not know that.

Mr. McDONOUGH. Yes; they are. Now, the downpayment is liberalized, and the percentage up to $18,000 is about the same, so your home ownership question is not there. I will admit that the gentleman did agree—and in committee we had quite a problem with it—that what was in the bill are the urban renewal and public housing sections of this bill. But, as far as that is concerned, we are not promoting home ownership. We are demoralizing a lot of people by giving them public housing that they, in many instances, should not have or do not need, and staying there beyond their earning capacity.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. McDONOUGH. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. RAINS. I thank the gentleman.

I would like to call to the attention of the distinguished gentleman that one of the very ardent advocates of urban renewal happens to be his distinguished mayor of the great city of Los Angeles who at one time was a distinguished colleague of ours, and who fought public housing at every breath, but who says today, when he is sitting at the other end, "We find we have to have it." Am I right or wrong?

Mr. McDONOUGH. I will not dispute the gentleman on that question. Yes, we have urban renewal, not one but several projects in the city of Los Angeles, and they have been no end of trouble, if you want to know the truth of the matter in getting title from the right people and the funds from the city council, funds for going through with the project. I am for urban renewal, and I am not seeking to destroy it in this bill, but I do not think we need to obligate ourselves for a billion and a half for the next 14 months which we could do under your bill; $500 million each year for the next 3 fiscal years. That is not necessary, I am sure the gentleman will agree.

Mr. RAINS. I point out to the gentleman that the Senate bill has $2.3 billion for urban renewal, and that the

original administration bill had, as I recall it—and I am pulling these figures out of my memory—about $1.3 billion.

Mr. McDONOUGH. That is right.

Mr. RAINS. And all of a sudden that dropped down to $100 million for 1 year, $250 million for the next year—I did glance at the Herlong bill, I will admit that—and $250 million for another year.

Mr. McDONOUGH. That is enough for 2 fiscal years.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from New Jersey.

Mr. WIDNALL. When you contrast your own bill with the Senate bill and you just add dollar amounts, you are not telling the whole story about the fact that you would spend in urban renewal $1.5 billion in 3 years in your bill, while there would be substantially less spending in the Senate bill during the same period, $450 million less.

Mr. RAINS. I am saying this, though, that the impact on the 1960 budget, which seems to be the sacred cow—I am saying that the impact of the committee bill would be less than $100 million. And that seems like an awfully small amount in next year's budget for all the folks in America for housing. And if we are going to go to the people of this country and say that we can do all of these other things but we cannot spend $100 million next year for the great housing programs in this country, I have the idea that we are going to hear from them. That is my honest feeling about it.

Mr. WIDNALL. If the gentleman will yield further, the gentleman recognizes that you can commit yourself for $500 million in 2 years under the administration bill, as originally suggested and also by the Herlong substitute.

Mr. RAINS. I realize you can commit yourself over a long period of time. We have done it on the highway bill. We have done it on every piece of legislation on which we operate. I also know that any time Congress wants to take a relook at the program, they can do that, just as they did with the 1949 Housing Act.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield further?

Mr. RAINS. I yield.

Mr. WIDNALL. What is the dollar amount in the gentleman's bill as it is presented to us on the floor right now?

Mr. RAINS. As I recall it, it is $2.1 billion.

Mr. WIDNALL. That is as the gentleman reads the figures, $2.1 billion. From the RECORD of August 18, 1958, the gentleman's own statement made on the floor, on the bill that he presented for action at that time under suspension of the rules, the expenditures would have been about $900 million.

Mr. RAINS. The gentleman is splitting hairs with me. I did not say that it was the bill that was presented to the floor of the House. I said it was the bill that the committee reported to the House.

Mr. WIDNALL. I should like to call attention of the House to the fact that the impression that has been generated is that this bill is less than the bill of last year, whereas it is substantially more than that and includes new public housing.

Mr. RAINS. But it is not as large as the bill that we reported out of the committee and brought over here. Is not that the fact? And that is what I said.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman.

Mr. McDONOUGH. I am sure that is true. The bill that we voted on was far smaller than the bill we are considering at the present time. The bill we voted on carried $975 million total obligation.

Mr. RAINS. Let me tell you something about dollar amounts. It is just like adding up apples and oranges when you refer to dollar amounts in a Housing bill. I hope that nobody here actually thinks that this bill is about to take out of the Treasury of the United States, not to be returned, $2.1 billion. Yet, ill-informed propagandists would make you believe that we are appropriating that much money. Instead, Uncle Sam is not going to lose a cent, if we can judge the future by the past.

I think I should like to give for the benefit of the Members of the House a detailed discussion of the important provisions of this bill.

In the concerted propaganda campaign which has been directed at the bill, we have seen two great sins, one of omission and one of commission.

First, in the great debate over the true cost of the bill, the opponents have carefully avoided giving any attention to the positive aspects of the bill. They have glossed over completely what the bill will actually accomplish in meeting the housing needs of the American people. I want to emphasize those accomplishments now because I think the record should be made crystal clear as to just what the opponents are against when they oppose this bill.

Basically, there are four great objectives sought by the bill.

First, it will unquestionably maintain a healthy construction industry and ward off a threatened slump in the home building industry later this year.

Second, it will help us maintain an effective fight against the disgraceful slum problem which afflicts most of our urban centers.

Third, it has special measures to help meet the housing needs of our lowest income families.

And fourth, it has numerous provisions designed to achieve better housing generally for our people by improving the various sales and rental housing programs of the Federal Housing Administration, by stimulating more cooperative housing, by continuing the vitally needed college housing loan program, by extending and improving our programs to provide better housing in rural areas, and by extending and improving the military housing program so essential to our national security.

Later on I will spell out in detail the carefully thought out programs which will benefit all segments of the American people. In my judgment, this great housing bill we have before us will become a landmark in the history of housing legislation second only to the monumental Housing Act of 1949—the so-called Taft-Ellender-Wagner bill—which established the basic framework for our great national housing programs.

The greatest sin of commission against this bill has been the flood of distorted and misleading propaganda designed to confuse the Congress and the American people as to its true cost. We have heard a drumfire of almost frantic propaganda that this bill is an inflationary bill, and that it will have an unbalancing effect upon the national budget.

Now what are the facts? First, let me point out that the bill as passed by the Senate called for a total of loans and grants amounting to approximately $2.7 billion. The program proposed by the administration totals approximately $1.8 billion. The bill, as reported by the House Banking and Currency Committee, falls almost squarely in the middle with an amount of approximately $2.1 billion.

It should, of course, be emphasized that a considerable portion of the funds involved are loan funds which will not cost the Federal Government a penny, and which indeed will enrich the Federal Treasury as the loans are repaid with interest. Moreover, the funds involved will not be expended in any one year but will be spread over a period of years in the future.

The point on which there has been the greatest misunderstanding is the allegation that the bill would have a serious unsettling effect on the 1960 budget with a consequent inflationary impact. I submit that this argument is completely specious. The fact is that actual expenditures under the housing bill will be less than $100 million in fiscal 1960, mainly because in most of the programs involved there is a long lag time between authorization and actual disbursement. This unchallengeable fact has been deliberately ignored by the opponents of the bill.

Indeed, far from being inflationary, the bill is essential to help us achieve a full employment economy. Our economy is showing encouraging signs of recovery but there is still a distressingly high total of unemployed Americans. I don't care what economic indicators are cited, we will never have achieved complete economic recovery in my judgment until we can provide jobs for every American willing to work.

One of the kingpins in the healthy functioning of our overall economy is the housing construction industry. Almost everyone concedes that one of the prime movers in the economic recovery we have achieved from the low point of this recession, was the sharp pickup in housing construction in 1958. During that year we saw the seasonally adjusted annual rate of private housing construction rise from a pitifully low point of 915,000 in February to over 1,400,000 in the closing months of the year.

And I would emphasize to you gentlemen that this did not come about by chance either. True there was a general improvement in the mortgage market last spring which helped builders obtain

the forward commitments which is the life blood of a healthy construction rate. But never forget that it was the Congress which provided the catalyst which sparked the 1958 recovery in housing construction. You will recall that the Emergency Housing Act last spring provided $1 billion in par commitment money for the purchase by the Federal National Mortgage Association of low cost FHA and GI loans. I think that it is generally agreed that this was the greatest single factor in reversing the trend in housing construction, and in my judgment, in also reversing the direction of our entire economy.

But what of the present situation? We must realize that the $1 billion special assistance fund is now fully committed so that we can expect no impetus to construction from this source.

Even though our economy is still substantially below full employment levels, the unpleasant truth is that we are again in a tight money situation. For reasons mysterious to me, the Federal Reserve Board is once again tilting its lance at the inflation it sees behind every bush.

Despite the uncomfortable high level of unemployment and despite the fact that much unused capacity exists, what do we find? We find the administration and the money managers in Washington reaching for the one nostrum they seem to understand—tight money. The Federal Reserve Board never seems to learn that tight money just makes the problem worse by throttling production and swelling the ranks of the unemployed.

To prevent the expected fall-off in housing construction, the bill contains a number of important measures designed to stimulate housing demand and housing construction. It would liberalize the FHA program by lowering required downpayments, by permitting a longer repayment period, and authorizing a reduction in the FHA insurance premium. These measures alone will provide a strong stimulus by strengthening effective consumer demand in the market for housing.

Other provisions of the bill would make the FNMA a more effective secondary market support for FHA and GI loans. Still others would stimulate the production of more rental housing and more cooperative housing. Taken together these provisions, in my judgment, will at least prevent housing production from falling below current rates, and without their support I am fearful that a serious decline in housing construction may set in.

In short, gentlemen, the allegations that this is an inflationary bill are clearly a smokescreen thrown up by those who object to the housing bill in principle. In truth, it is a bill which should prove of immeasurable benefit in lifting the economy from its lethargic state and help us toward a common goal of full production economy with job opportunities for all.

Mr. Chairman, I am proud to have had a part in formulating this much-needed legislation. I would now like to discuss in some detail the important provisions of the bill. And I would ask those who might be considering an opposing vote to this bill to bear carefully in mind just what these provisions mean to the American people.

TITLE I—FHA INSURANCE PROGRAMS

First and foremost, the bill provides a substantial increase in the basic FHA insurance authorization. Specifically, it provides a $6 billion increase upon enactment and an additional $4 billion on July 1. This, of course, is merely insurance authorization and does not cause any expenditure on the part of the Federal Government. But it is absolutely vital that we provide this increase so that the FHA can continue in business. Failure to continue the FHA insurance program would be a tragic body blow to the home financing and real estate industry, as well as to the home-ownership aspirations of the American people.

Also, unless we act, another vitally needed FHA program will expire next fall. I refer to the FHA title I home improvement loan program which is essential to help homeowners repair and modernize their homes. The bill would extend the title I program for 1 year until October 1, 1960.

Title I of the bill also makes a number of important changes to the FHA sales and rental housing programs. It would benefit the homeowner in a number of ways by liberalizing the regular FHA section 203 home buyer program.

First. Required minimum downpayments in the middle price ranges would be reduced further.

Second. The maximum eligible mortgage would be increased from $20,000 to $25,000.

Third. The permissive loan maturity would be extended from 30 to 35 years, thus permitting lower monthly carrying charges.

Fourth. The FHA would be authorized to reduce the FHA insurance premium which would also reduce the monthly carrying charges.

A provision of the bill would greatly facilitate trade-in financing to help home buyers use the equity they have in their present homes. The new procedure would cut out the duplication of closing costs which presently make trade-in financing arrangements very costly to the buyer.

The bill would also improve the special section 203(i) program designed to encourage low cost housing outside of built-up areas. This program is especially meritorious because it offers the hope of helping the housing problem of lower income groups, particularly elderly retired persons.

The bill also contains improving amendments to encourage more rental housing construction and cooperative housing construction in urban centers. An acute shortage of such housing still exists in many cities and the bill would help remedy this deficiency.

The section 221 relocation housing program—an important part of the entire urban renewal and slum clearance program—would be improved by the bill. If we are ever to make inroads in our fight on slums, we must provide a way to rehouse the hundreds of thousands of families who are inevitably displaced by highway and slum clearance programs.

The permissive mortgage maximum would be increased to make the section 221 sales housing program more workable in many areas and the bill would also set up a new section 221 rental housing program designed to attract builders into providing this form of housing.

The special program of servicemen's housing under section 222 of the National Housing Act has proved a great boon to active duty servicemen and the bill contains several amendments to improve this worthwhile program.

Another important amendment would set up a new program of FHA loan insurance to encourage the construction of much-needed private nursing homes. This new program is endorsed by the American Nursing Homes Association, the American Medical Association, and the American Hospital Association.

One of the most difficult problems facing proposed sponsors of proprietary nursing homes is the difficulty of obtaining financing on reasonable terms, a difficulty which the proposed mortgage insurance program should help overcome. The proposed insurance program would be set up on a conservative basis with the maximum insured loan limited to 75 percent of the FHA Commissioner's estimate of value of the property.

To prevent construction of nursing homes in areas where existing nursing facilities are adequate, and to assure proper supervision and minimum health standards, the bill would require in all cases that approval of the proposed nursing home by the appropriate State health agency be mandatory. Another safeguard against abuse is provided by a provision which gives the FHA Commissioner the power to regulate charges, methods of operation, and rate of return to the sponsoring corporation.

TITLE II—HOUSING FOR ELDERLY PERSONS

Mr. Chairman, title II of the bill is dear to the hearts of those of us who think that the time is long overdue for providing a really effective program to build low-cost housing for our senior citizens. The present program for housing the elderly under FHA's section 207 program, in my judgment, can never get to the heart of the program because its financing costs are too high. It may be helpful for well-to-do elderly persons, but it can never provide housing within the grasp of the typical elderly person.

Under the new program proposed in title II of the bill, loans would be provided to nonprofit corporations on favorable financing terms. The maximum interest rate would be 3½ percent per annum. The loan term could extend to 50 years and the required equity investment on the part of the nonprofit sponsor would be limited to 2 percent of the project cost.

Mr. Chairman, this program would for the first time permit rentals which most elderly families can afford. By

reducing financing costs to 3½ percent—as compared with 5½ percent under the present program and by extending the loan term to 50 years as against 40 years presently—the typical housing unit will rent for as much as $20 a month less than the rent required for the same unit if financed under the present section 207 program.

Mr. Chairman, the $100 million authorization to be appropriated for this program would, in my judgment, be a great forward step toward providing housing within the means of elderly families and persons. It is time we stopped talking about this problem and I am convinced that the new program proposed in the bill would for the first time turn talk into action and provide a program of which we can all be proud.

TITLE III—FEDERAL NATIONAL MORTGAGE ASSOCIATION

This title would make a number of improving changes to the mortgage purchase programs of the Federal National Mortgage Association.

For the special assistance program the par purchase requirement which unfortunately expired in August of last year, would be extended until September 30, 1960. Under this requirement FNMA pays 100 cents on the dollar for special assistance mortgages which finance especially deserving and meritorious housing programs, for example, military housing, cooperative housing, urban renewal housing and disaster housing.

As a further incentive to the special assistance program, the bill would also reduce the required commitment and purchase fees required by FNMA for such mortgages.

Another important change would increase the maximum loan which FNMA can buy. Under present law an eligible loan cannot exceed $15,000 in original principal amount, except for military housing mortgages under section 803, and mortgages covering property located in Alaska, Guam, and Hawaii. Recognizing increased housing costs and the need to supply financing support to families needing larger homes, the bill increases the $15,000 ceiling to $17,500 for the special assistance program and $18,000 for the regular secondary market operation.

Another amendment would set forth an additional and significant objective to guide FNMA in its conduct of the regular secondary market operation. By adding the new purpose "aiding in the stabilization of the mortgage market," the bill would encourage FNMA's operation to bring a degree of stability to the mortgage market to the maximum extent consistent with its sound operation.

Recognizing the special financing needs of cooperative housing, the bill would provide an additional $75 million in special assistance funds to purchase section 213 cooperative housing mortgages. Half of the increase would be earmarked for mortgages on consumer cooperatives and the other half for builder-sponsored cooperatives. We believe this FNMA backstop is needed to stimulate the production of cooperative housing which offers such great promise for meeting the middle income housing need in our urban centers.

In connection with this amendment I think a clarifying remark concerning the committee report would be helpful. At page 49, the committee report states:

> The maximum amount of commitments for the purchase of such mortgages (i.e., FHA section 213 cooperative housing mortgages) which may be outstanding in any one State (presently $20 million) would be increased by $2,500,000 on the date of enactment and by an additional $5 million next July 1; while the reservation for commitments for the purchase of consumer cooperative mortgages in each State would be kept the same ($5 million per State) as in existing law.

I wish to make it clear that this $5 million is not a limitation. Presently, the limit per State is $20 million on commitments outstanding at any one time. Thus, if in a given State there were outstanding commitments for builder-sponsored cooperatives in the amount of $13 million, there would be available for consumer cooperatives $7 million. However, there is a limit—$15 million at present—on the amount of builder-sponsored mortgages, thus assuring that at least $5 million is available for consumer type—including investor sponsors selling to consumer type—in each State. This $5 million is not, however, a limitation. The only limit on consumer type at present is the $20 million per State, which under the bill would eventually be increased to $27.5 million.

Under the bill FNMA would be given two additional functions which should improve the home financing process. First, the so-called standby commitment under the FNMA regular secondary market operation would be made available to existing homes as well as proposed construction. And second, FNMA would be given the authority to make loans on pledged FHA and GI mortgages, an authority which would bring the FNMA secondary market operation closer to the broader concept of a central mortgage discount bank.

TITLE IV—URBAN RENEWAL

Title IV of the bill would provide the minimum amount of funds necessary to continue an effective fight on our national slum problem.

Presently the slum clearance program faces a critical capital grant crisis. A sizable backlog is already on hand and it is estimated that by the end of this fiscal year, gross capital requirements of the program will be approximately $700 million.

Mr. Chairman, we cannot let this great program lose the momentum which it has finally gained after a painfully slow start. We must provide an adequate fund for title I grants, and we must make these funds available over a sufficient time period to permit rational planning and orderly program operation. To achieve this objective the bill would authorize $500 million a year in title I grants for a 3-year period, for a total of $1.5 billion.

This compares with a $2.1 billion total under the Senate-passed bill, which would call for a $350 million authorization annually for a 6-year period. The administration's proposal, which we rejected as totally inadequate, called for a $1,350 million total with $250 million a year for the next 3 fiscal years and $200 million for the succeeding 3 fiscal years.

Not only did the administration propose an inadequate total authorization, but it compounded its error, in my judgment, by calling for a gradual scaling down of the Federal contribution from its present two-thirds to one-half.

Had we adopted the administration proposal we might just as well have buried the slum clearance program. The administration proposal demonstrates a lack of knowledge of the facts of municipal finance. All of us know that local governments are in a period of the severest financial strain and any proposal to reduce the Federal share of the cost of slum clearance can only be motivated, in my judgment, either by ignorance of the problems of municipal finance or by a secret desire to render the program impotent by killing off incentive on the part of the local community to participate.

In the extended hearings on housing legislation conducted by our subcommittee, we heard the groups representing the cities of our country and the redevelopment experts testify that the $500 million a year in title I grants for a 3-year period as proposed by the bill is the absolute minimum amount necessary to maintain an effective urban renewal and slum clearance program. In fact, these witnesses who know the problems of municipal government first hand, advocated a 10-year program at a $600 million annual rate. Clearly the program proposed in the bill before us is a rock bottom minimum which cannot be reduced one penny without impairing the overall success of the slum clearance program.

Title IV contains a number of other important amendments designed to improve the urban renewal program. I am pleased that one amendment would prohibit further use of the administration's rationing formula which has caused hardship for our cities and which has hampered the program with crippling redtape.

Another amendment would ease the hardship on families and businesses displaced by governmental action in urban renewal areas. Under present law displaced individuals and families can be reimbursed for moving expenses up to a maximum of $100, with a $2,500 ceiling for displaced businesses. To make the financial hardship involved less onerous, the bill would increase these maxima to $200 and $3,000, respectively.

The bill makes an important change regarding the predominantly residential requirement which, I believe, is long overdue. Under present law urban renewal projects must be predominantly residential either before or after redevelopment, except that an exception is made up to 10 percent of the capital grant authorization, for projects in areas which are not predominantly residential, and which are not to be redeveloped for predominantly residential use, provided such areas contain a substantial number of slum dwellings.

The bill would increase this 10 percent limitation to 20 percent of future title I grant money authorizations, an amend-

ment which should double the opportunity for cities to undertake the clearance of their commercial and industrial slums and renew them for more productive and commercial purposes. This amendment will pay for itself many times over in terms of an improved environment and increased production, income, and taxes. At the same time, it will remove some of the worst eyesores, firetraps, and run-down sections of our cities. It clearly will serve to revitalize the industrial and commercial hearts of our urban centers.

Another amendment would encourage cities to locate low rent public housing projects in urban renewal areas. By permitting the city's tax exemption on such sites to count as its one-third contribution toward the cost of clearing the slum, cities will be more willing to locate some of their low rent housing projects on these newly cleared areas. This should help relieve one of the great headaches of our city officials who, when they propose a renewal program in any area, are immediately confronted with an understandable outcry from the low income families who will be forced out of their neighborhoods unless they can be provided with new low rent public housing projects.

Mr. Chairman, I am pleased to say that this year's bill contains an entirely new provision designed to help our great universities and colleges rehabilitate and renew the blighted areas and deteriorating neighborhoods which are threatening to engulf them. To encourage urban renewal activities by colleges and universities, the bill would permit their renewal expenditures to be counted toward the city's one-third contribution, and also would permit a waiver of the predominantly residential requirement.

Another important amendment would enable the planning grant program to continue. Funds for this essential activity are exhausted and the bill would provide an additional $10 million to enable rational program planning to go forward.

TITLE V—COLLEGE HOUSING

The bill provides adequate loan funds for the college housing loan program which has proved so outstandingly successful in helping our colleges and universities cope with the aggravated housing problem caused by mounting enrollments. To date the college housing loan program has provided essential housing for students and faculty members on 650 campuses in virtually every State in the Union, as well as in the District of Columbia and Puerto Rico. At the end of December, approximately 175,000 living units were completed or under construction to serve men and women students, student families, and a limited number of faculty members.

In view of the continued rapid growth in our student population, and the new demands being made on education by reason of developments in science and the international scene, we are convinced of the necessity to provide additional funds to permit the continuation and expansion of this program so essential to the national welfare.

In my judgment, the $400 million in additional loan authority proposed by the bill would provide the absolute minimum needed to continue this vital program. Of the $400 million increase, $40 million will be reserved for "other educational facilities"—such as cafeterias and student centers—and another $40 million will be reserved for student-nurse and intern housing facilities.

TITLE VI—LOW RENT PUBLIC HOUSING

Mr. Chairman, it is an irony to me that the title of this bill which I believe should be least controversial will be, in actual fact, the battleground on which we will undoubtedly see the fiercest struggle. Title VI of the bill, Mr. Chairman, extends and improves the low rent public housing program. I am unwavering in my conviction that an adequate low rent public housing program is absolutely essential not only to an effective slum clearance program but also to meet the needs of our unfortunate families who cannot afford decent private housing.

Unless we act favorably to extend low-rent public housing now, this vitally needed program will expire on June 30 of this year. Frankly, I find it incomprehensible and inexcusable that the administration recommended no additional units of public housing and apparently is reconciled to kill the program entirely.

I reject such a policy not only as reactionary and as a futile attempt to turn back the clock, but as a cold and inhuman policy lacking in all compassion for low-income families. Now the housing problem of the low-income family is not just something which we have dreamed up or manufactured. It is an unfortunate fact of life. Our housing subcommittee has received endless testimony which has documented beyond contradiction the indisputable fact that a large group—at least 50 percent—of the millions of families now living in slums just do not have sufficient income to afford the prices and rents which private enterprise must charge for decent housing in today's market. The opponents of public housing apparently do not understand that by opposing an extension of the program it is, in effect, placing an insuperable roadblock in the way of the urban renewal program. When you clear slums, you uproot low-income people who cannot be housed except through the low-rent public housing program.

The administration itself concedes that approximately half of the families displaced by urban renewal and highway construction cannot be rehoused except in public housing because of their low incomes. And, Mr. Chairman, I do not mean to imply that the overall national need for public housing is limited to the requirements of families displaced by slum clearance, highway construction, and other public improvement programs. The blunt truth is that until we can reduce poverty in our land, we must face the fact that there are millions who will be forced to live in slums unless there is an adequate supply of low-rent public units.

To meet the minimum needs of low-income families the bill would permit the construction of the unused units authorized in the original Taft-Ellender-Wagner Housing Act of 1949, at a maximum rate of 35,000 units a year. Let me emphasize, Mr. Chairman, that in our bill we are actually not proposing any new authorization. We are merely restoring units already authorized by a previous Congress. Since the subsidy rates authorized in the original bill would remain unchanged, it is estimated that the bill would permit a total construction of approximately 140,000 units at a 35,000-unit rate over a 4-year period.

I deeply hope that the House will adopt this provision. I find it senseless to have the Congress arguing each year over the extension of a program which amounts actually to a program equivalent to only about 3 percent of the annual total of housing production. When the day comes that private industry can show to me how it can produce housing that our lowest income families can afford—when and if that day comes, I will gladly embrace their alternative progam. But that millennium, Mr. Chairman, has not yet arrived and simple arithmetic will prove that these families cannot be decently housed without Government subsidy. Either we condemn these unfortunate families to perpetual life in the slums, or we continue the low-rent public housing program. It is as simple as that, in my judgment.

I am pleased to report that title VI of the bill also contains a number of amendments designed to give the low-rent public housing program more vitality. There clearly has been an administrative slowdown in the program and I am convinced that the major cause has been the overfederalization of the program. It has literally become bogged down because there is too much centralized control in Washington and too little initiative given to local authorities. There is a growing and understandable resentment on the part of local housing commissioners to be required to serve as mere rubberstamps of the Public Housing Administration. I am concerned to learn that it is becoming increasingly difficult to retain or attract high-caliber community leaders for a program dominated and smothered by centralized direction in Washington.

To correct this the bill contains a new declaration of policy with the major objective of restoring more local autonomy to the program's operation. Under the language of that declaration of policy we have been assured by the Public Housing Commissioner that local authorities would have a local option to approve their own management budgets and to undertake their own audits. However, as a safeguard, it would be understood that the Public Housing Administration would have the right to terminate these arrangements should flagrant abuse come to light.

Another amendment would give local authorities more say in the setting of rents and income ceilings locally, although final approval would still be vested in the Public Housing Administration.

I have already discussed in connection with the urban renewal title the amendment which would facilitate the construction of low-rent public housing on urban renewal sites. Another section of the bill has a special provision designed to ease the difficult housing problem of displaced families by reducing the 20-percent gap for such families to 10 percent. Under present law, present housing rentals must be at least 20 percent below the rents available for decent private accommodations. This amendment, by easing the income rules, should prove especially helpful to displaced families.

And, finally, there is an important amendment which should prove most helpful to elderly women and to disabled persons. Presently, elderly single persons can be admitted to low-rent public housing only if they are at least 65 years of age. This requirement would remain unchanged for single men, but would be lowered to 62 for women and to age 50 for disabled persons. This most desirable amendment would conform the program to the age requirements of the Social Security Act.

TITLE VII—ARMED SERVICES HOUSING

The title VIII military housing program has played an indispensable role in meeting the housing needs of our military personnel and thereby has made a vital contribution to national security. Despite program difficulties, the program has made excellent progress but we find the need for several improving amendments.

For one thing, the bill extends the program for 1 additional year in order that the overall program can be put under construction in an orderly manner. Other perfecting amendments would facilitate the Wherry acquisition program. The title also sets up a new program, on a limited basis, to provide rental housing near military bases for military personnel and civilian employees of the armed services. It is our belief that this new program will fill a gap in the present program.

TITLE VIII—AVOIDANCE OF FORECLOSURES

When the current economic recession set in with attendant economic hardship for the unemployed, we naturally turned our attention to the problem of helping deserving homeowners in economic trouble.

In our inquiry we discovered that the FHA home loan program is sadly deficient in its protection against foreclosure in cases where the borrower became unemployed. Unlike the GI loan program, which does have safeguards to protect the veteran homeowner from foreclosure, the FHA program is not designed to encourage the lender to extend forbearance and to ward off foreclosure.

For example, we found that defaulted interest payments are a legitimate part of the lender's claim for guarantee under the GI-loan program. However, under the FHA program, defaulted interest payments between the date of default and the date of foreclosure are not properly includible in the FHA debentures in the event of ultimate foreclosure. They are, it is true, includible in the certificate of claim, but that may be academic from the lender's viewpoint since the certificate of claim has worth only if FHA is ultimately made whole upon liquidation of the security.

The bill will correct this defect in the FHA program by permitting the Commissioner, in the case of default and subsequent foreclosure, to include unpaid interest in the debentures issued to the mortgagee. This worthwhile provision will reduce the incentive on the part of the lender to hasty foreclosure.

We also found that the FHA could not take over the loan as a last resort to prevent foreclosure. The bill, therefore, provides that the Commissioner can acquire the loan in return for debentures whenever the lender is either unwilling or unable to cooperate in curing the default. Similar authority has existed in the GI-loan program since its inception, and it has been successfully administered with no abuses.

I would like to emphasize, Mr. Chairman, that both of these measures designed to prevent foreclosure are not mandatory but discretionary with the FHA Commissioner. I am happy to report also that these provisions, which we pioneered in last year's bill, have been incorporated in the bill as passed by the Senate. I strongly believe that the authority given by title VII of the bill will provide the Commissioner with the necessary tools to encourage lenders to avoid foreclosure and at the same time to provide a court of last resort to help the homeowner back on his feet and to prevent loss of his home.

TITLE IX—MISCELLANEOUS

Title IX, the final title of the bill, contains a number of important miscellaneous amendments. They can be found in detail in the section-by-section summary in the committee report so I will not discuss them all.

One important amendment would extend and provide additional money for the farm housing research program. Too often, Mr. Chairman, in our consideration of housing problems, people tend to overlook the fact that many of our rural areas are just as afflicted with slum housing as our big urban areas. The farm housing research program which I have been proud to sponsor has great potential in helping us discover the kind of programs we need to meet the farm housing problem, and I am delighted that the bill provides an additional authorization and extension of time in order to reap the harvest which this essential program will inevitably yield.

Another amendment extends the Voluntary Home Mortgage Credit Program for another 2 years. In many cases, this program has provided the only means of making FHA and GI loans available in our smaller cities and rural areas. It has served as a helpful adjunct to the outstandingly successful direct loan program of the Veterans' Administration and is deserving of continuation.

By exempting FHA loans from existing limitations on real estate loans by national banks, which would place them on a parity with GI loans, another section of the title would encourage increased participation in the FHA insured program by commercial banks.

Another amendment would permit savings and loan associations to purchase participating interests in first mortgages up to 20 percent of their assets. This amendment would help achieve a more even flow of mortgage credit by encouraging the transfer of mortgage funds from plentiful areas to areas where mortgage capital is in short supply. Under present law, participating interests in loans beyond a 50-mile radius from the home office are included with certain other special classes of loans in a category limited to 20 percent of assets. Section 907 would add an additional category for participations up to 20 percent of assets, with a proviso that the two categories could not exceed 30 percent of assets.

The committee report comment on this section was based upon the assumption that most associations would have at least 10 percent of assets in other special loans under the first clause of the proviso and thus under the formula would have to stay within a 20-percent factor for participation loans. That is not the case, nor the way the section reads, and is intended to read. Some associations have less than 10 percent of loans in the special category and therefore would have leeway for participation loans in excess of 20 percent. In fact, an association which did not have any other loans in the special category could have loan participations equal to 30 percent of assets.

And, finally, the bill would set up a new program of insurance by the Secretary of Agriculture of housing loans for migratory farm labor. This is a difficult problem in many areas and we hope the new program can furnish at least an experimental basis for providing needed housing for these people.

Mr. Chairman, this concludes my rather lengthy summary of the general housing bill now before the House. I frankly could not have made it much briefer because this is a comprehensive housing bill which vitally affects the whole range of essential national housing programs. It is a bill with many vital objectives which cannot help but advance materially the national welfare and the public interest. It will continue our fight on slums. It will provide a broadscale program to achieve economic recovery and put the unemployed back to work. It will provide better housing for the American people. In short, Mr. Chairman, this housing bill is vital legislation and I deeply hope that we can pass it with no delay and with no crippling amendments.

Mr. McDONOUGH. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. COLLIER].

Mr. COLLIER. Mr. Chairman, I do not like to take up the time of the very able committee handling this bill. But I would be remiss if I did not take these few moments to direct the attention of the membership of this House to a phase of housing which I suppose we might call "the sacred cow" of the housing program, that is, military housing. I think it demands, if not this year, certainly in the early future, the attention of this House. I refer to the so-called Capehart Housing Program.

We have heard about the cost of discount rates paid by individuals, but I respectfully point out that the Federal Government today under the Capehart Housing Program is paying tremendous discount rates in the per-unit cost of housing. May I respectfully refer you to page 7529 of the CONGRESSIONAL RECORD of May 5, in my extension of remarks? I know that the committee handling the housing bill and the very capable members of the Committee on Armed Services need not this information, but I think it is important enough to the other Members of this House to take a good, careful look at just exactly what goes on in the Capehart Housing Program. The character of the financing breeds extravagance and, in fact, demands waste in sums damaging to our financial well-being.

I think we owe it to the taxpayers of the country before we get involved in any further authorization of military housing to take a very careful and a very close look at just how the so-called Capehart housing program operates, because with the present system—and I think we all have to admit this in appraising it—we not only encourage financing on a basis that is tremendously costly, but the financial responsibility in this type of financing program is "lock stock, and barrel" that of the Federal Government. Here is a case where the obligation is definitely a Federal obligation. Nowhere does it show actually in the true account of our national debt. I do not profess to know the exact answer as to just what our specific solution is; but I do know it is a pretty sad state of affairs when the Federal Government's credit has reached the point that we must accept bids and include the cost of discounts in addition to the unrealistic 4½-percent interest rate established in the face of securing private loans required under the financing procedures of the Capehart housing program.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. ADDONIZIO].

Mr. ADDONIZIO. Mr. Chairman, I rise in support of S. 57 with the committee substitute as reported by the House Banking and Currency Committee.

We have before us one of the most comprehensive housing bills ever presented on the floor of the Congress. The bill represents the culmination of 2 years of hard work on the part of the Banking and Currency Committee and particularly the Housing Subcommittee, of which I am proud to be a ranking member. It is a bill which is almost 2 years overdue. I think the American people were dealt a tragic blow last year when administration opposition killed the housing bill.

The bill we have before us today is similar in many essentials to last year's bill. But in many ways we have improved and perfected this year's bill so that it will be an even more effective instrument in meeting the housing needs of our country.

Before discussing those aspects of the bill which I think are especially meritorious, I would like to answer the charge on the part of the Administration and the Republican leadership that this bill is inflationary. Frankly, such a charge is plain nonsense. In the first place the record has been made clear that actual expenditures in the next fiscal year will be less than $100 million. In an economy with a gross national product exceeding $450 billion any one who can see an inflationary impact in the expenditure of $100 million is chasing a will-o'-the-wisp.

In plain truth the inflation issue is a red herring which the opponents are trying to drag in front of this bill because they object to the basic principles of this housing legislation. The opponents of this bill carefully refrain from discussing its merits and the positive things it would do to meet the housing needs of the American people.

I am confident that the great majority of this Congress will not be misled by the barrage of false propaganda which has been fed out by the opponents of this bill in a constant stream. In a nutshell this housing bill will help prevent a slump in the great home building industry which is vital to achieving overall prosperity; it will help us cope with the growing slum problem which is strangling the hearts of many of our cities; and it will make great strides forward in meeting the housing needs of middle and low income families.

One could speak for hours on the helpful provisions which this great bill contains. In the time I have available, I would like to stress the features of the bill which I think will be especially beneficial.

One title of the bill is designed to make home ownership easier for the average family under the FHA home ownership program. For one thing the required downpayment in the middle price ranges would be further reduced. Also by permitting a longer loan maturity and by authorizing a reduction in the insurance premium, the monthly housing payment will be lowered so that more and more families will be able to become home owners for the first time.

I might point out that an indirect benefit of these increased incentives to home ownership will be a stimulating economic effect on the home construction industry. By widening consumer demand in the housing market we can maintain a healthy rate of housing construction and prevent a serious slump in home building from developing later this year.

The bill contains two amendments which are absolutely essential to the continuance of the FHA program. FHA has reached the limit on its insurance authority and the bill would provide the substantial increase necessary to continue the basic FHA home insurance program. We should realize also that the FHA title I home loan improvement program, which enables home owners to repair and improve their properties, will expire next fall unless we pass this bill.

I am happy to say that the bill has special provisions to encourage the construction of the rental and cooperative housing vitally needed in our cities. One of the most difficult nuts to crack in our urban centers is the problem of encouraging more multifamily housing at rents which the average family can afford. The bill before us, by decreasing the amount of investment required by sponsors in the regular FHA section 207 rental housing program, should go a long way toward encouraging builders to undertake construction of such housing. Under the present administration, the rental housing program has failed miserably to get off the ground, and I am hopeful that with its improving amendments this bill will get the program off dead center and start the production of rental housing which our cities must have.

I have always had a keen interest in the promise which the FHA cooperative housing program offers in helping us solve the middle income housing and dilemma. By liberalizing this program substantially, I am especially hopeful that we can encourage more cooperative housing construction which will offer urban families decent housing at a moderate monthly cost.

One amendment to the cooperative housing program deserves special mention. For the first time we will make it possible for cooperatives with a majority of veterans to build their cooperatives with no downpayments. Under present law they must make a downpayment of at least 5 percent. By reducing the required downpayment to zero, veteran members of a housing cooperative will have the same benefits as their compatriots who buy sales housing under the GI loan program.

To assure that cooperative housing projects will be able to obtain the necessary financing another title of the bill would increase by $75 million the special support fund of the FNMA to purchase cooperative housing mortgages.

The bill also makes realistic changes designed to improve the section 221 relocation housing program which should help many cities and communities to provide the sorely needed, modestly priced housing required by families who are forced to move from slum-cleared areas. The housing needs of the lowest income families forced to move from slums can only be met through low-rent public housing, but the section 221 program may help the housing problem of displaced families higher up in the income scale.

I am especially pleased also that at long last we have fashioned a program to meet the housing needs of our elderly citizens. The present FHA section 207 program to provide housing for the elderly is clearly not the answer, and in my opinion will never effectively operate because of the unchallengeable fact that the rents charged under the present program are entirely too high for the incomes of most of our elderly citizens.

Under the present program sponsoring nonprofit corporations cannot effectively reduce rentals because they will have to pay 5½ percent for their financing—5 percent interest plus one-half of 1 percent insurance premium. The program

proposed in title II of the bill will require sponsoring nonprofit corporations to pay only 3½ percent for their financing. Also, the required equity investment will be reduced from 10 percent to 2 percent and the maximum loan term will be stretched from the present 40 years to 50 years. Taken together, these liberalizations will offer decent rental housing accommodations to elderly families and persons at rents $15 to $20 less than those which must be charged under the present program.

Personally, I would have preferred a larger dollar authorization than the $100 million which the bill proposes for this new program. But at least the modest program proposed will provide a breakthrough which will point the way to an actual demonstration of what can really be done to provide decent low-cost housing for our neglected elderly citizens.

We can all be pleased with another important provision of the bill which will provide substantial funds for the college housing program which has been so outstandingly successful in helping our institutions of higher learning provide the dormitory and faculty housing needed by their expanding student enrollments.

Another meritorious title of the bill would extend and improve the military housing program which has been a vital link in our national security program.

Another provision would help alleviate hardship on FHA homeowners who get into economic trouble because of unemployment. By authorizing the FHA Commissioner to acquire the loan as a last resort, the FHA homeowner in economic distress will be protected where the lender is either unwilling or unable to exercise forbearance so that the default can be worked out.

These are but several examples of the great number of the essential objectives which the bill would achieve. I think they prove conclusively that we have before us perhaps the most comprehensive housing bill ever considered—a bill which will improve all of our great national housing programs, a bill which will meet the special housing needs of practically all segments of our population and meet the needs of all geographic sections.

I have intentionally reserved for the last my discussion of two titles of the bill which I regard as paramount in importance. I refer to titles IV and VI of the bill, which deal, respectively, with urban renewal and the slum clearance and the low-rent public housing program.

I am proud to have played a role in the slum-clearance program recommended in the bill.

Presently the slum-clearance program has ground to a dead halt as far as new activity is concerned. Funds are exhausted and the backlog of new applications is heavy. It is estimated that the gross Federal capital requirement will exceed $700 million by the end of the current fiscal year.

To provide adequate funds for the slum-clearance program, the bill would make $500 million a year available for 3 years. It should be emphasized that the mayors' groups, who should know, testified that we should have a $600 million annual program for 10 years. I would have preferred the adoption of such a program, but, at least, the $500 million program for 3 years should meet the minimum program requirements necessary to maintain a determined attack on the slum problem which threatens to engulf our cities.

The bill would improve the urban-renewal program in many ways. For one thing, it would provide greater relief to displaced families and businesses by increasing the relocation payments which help those uprooted families and businesses pay their moving expenses.

The bill would encourage the construction of low-rent public housing on urban-renewal sites by counting the city's tax exemption as its one-third contribution of the cost of slum clearance.

It would give greater incentive to urban renewal projects carried on by colleges and universities by counting the urban renewal expenditures of such institutions toward the city's one-third contribution and by waving the residential requirement.

On this subject, I am proud to say that I was the special champion for the amendment in the bill which liberalizes the residential requirement.

Under present law urban renewal projects must be predominantly residential either before or after redevelopment, except that an exception is made up to 10 percent of the capital grant authorization, for projects in areas which are not predominantly residential, and which are not to be redeveloped for predominantly residential use, provided such areas contain a substantial number of slum dwellings.

I have long maintained that the present 10-percent limitation is too restrictive. Most communities have substantial areas which contain few, if any, substandard dwelling units. They are obsolete rundown areas and often are not suitable for redevelopment with housing construction.

To permit the redevelopment of areas of this kind, the bill would increase the 10-percent limitation to permit 20 percent of total future capital grant authorizations to be used for the redevelopment of commercial and industrial areas. Also, the present restrictive requirement that an area contain a substantial number of slum dwellings would be removed.

One of the great accomplishments of the bill is title VI which extends and improves the low-rent public housing program. This program is absolutely essential, not only to an effective slum clearance program, but also to meet the housing needs of our unfortunate families who just cannot afford decent private housing.

Unless we pass this bill the vitally needed low-rent public housing program will expire on June 30 of this year. I frankly found it almost incomprehensible when I learned that the administration was proposing no additional public housing units, and in effect was recommending killing the program entirely. I reject this policy as both reactionary and lacking in all compassion for low-income families. I think the administration policy in this matter is another clear manifestation of its preoccupation with the higher income groups, and its callous lack of concern with the special needs of low-income families.

No one can dispute that the large proportion of the millions of unfortunate families now living in slums cannot afford decent private housing. Without of the low-rent public housing program their housing problem is hopeless. Either we condemn these families to a perpetual life in the slums or we must continue the low-rent public housing program. It is as simple as that, Mr. Chairman.

I have long fought for the low-rent public housing program, Mr. Chairman. I have done so because clearly it was the only means of providing housing for a large segment of our population. Moreover, all of the facts available to us prove incontestably that we can never rid ourselves of the slums which afflict our cities unless we have a means of providing decent housing for the hundreds of thousands of low income families inevitably displaced by the slum clearance programs.

By restoring the unused units in the original 1949 act, the bill would permit the construction of 35,000 units a year up to a total of approximately 140,000. Again I would have preferred to see a larger authorization, but in view of the administration's opposition to this housing program for low income families, I believe we can feel satisfied in having achieved a program of the magnitude proposed in the bill.

To introduce more flexibility into the program, the bill would give more local autonomy in program operation. Local housing authorities would be given more say in the preparation of their budgets and in the fixing of local rent and income ceilings. One especially helpful amendment is designed to help the difficult housing problem facing displaced families by reducing the 20 percent gap for such families to 10 percent. Under present law public housing rentals must be at least 20 percent below the rents available for decent private accommodations. This amendment would make the income rules more helpful to displaced families.

Another very important amendment would help the housing problem of elderly single women and of disabled persons. Presently elderly single persons are eligible for admission to low-rent public housing only if they are 65 years of age or over. The bill would continue this minimum age requirement for single men, but would reduce it to 62 in the case of women and to age 50 in the case of disabled persons of either sex. This would conform the program to the age requirement of the Social Security Act. I am proud to have sponsored this most worthwhile amendment.

Mr. Chairman, I think I have said enough to prove conclusively that the housing bill before this body is legislation of the most vitally needed kind. It is clearly a bill devoted to promoting the public welfare in general and the housing needs of our people in partic-

ular. This housing legislation has been too long delayed and I urge its prompt passage by the House.

Mr. McDONOUGH. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. CURTIN].

Mr. CURTIN. Mr. Chairman, I have examined the legislation which is now being debated with much interest. I find that, among other things, it makes relatively easy the acquisition of homes by persons in the low-income bracket through the use of FHA mortgages. However, it seems to me that the law presently existing, as well as this proposed legislation, fails to cover one very important matter, namely, help in retaining such homes after the homeowner has acquired it.

We have had many instances throughout my district, and, indeed throughout the entire country, within the last few years of conscientious and industrious persons losing their FHA-insured homes due to the fact that they were residing in a depressed area, and due to the further fact that they were temporarily unemployed through no fault of their own. I think it is high time that this feature of the problem relating to the ownership of a home should be explored by this Congress, and that some affirmative action should be taken.

To that end, I had previously introduced legislation, known as H.R. 4796, which provided for a moratorium up to, but not exceeding, 1 year, for such unemployed homeowners.

S. 57, the bill now being debated, seeks to bring the law regarding FHA mortgages in line with existing laws relating to foreclosure of VA guaranteed mortgages. It provides, in title 8, for an amendment to title 2 of the National Housing Act whereby the Commissioner may "buy back mortgages in default from the loaning institution and issue therefor to the loaning institution debentures having a total face value equal to the unpaid principal of the loan," and so forth. Thereupon, the Commissioner may "under such regulations and conditions as he may prescribe, extend the time for curing default," and so forth.

This is fine as far as it goes, but the mortgagor, or owner of the property, is still in default and the Commissioner can at any time that he desires—and, in fact, must after a certain time—foreclose on the mortgage, and the property owner is then divested of any interest he has in the property, including the loss of any equity he may have built up after a period of installment payments.

To my mind, this can, and does in many instances, impose a hardship on a conscientious and honest property owner who is temporarily unable to meet his obligation under the mortgage through no fault of his own.

I propose, by an amendment which I shall offer at the appropriate time, to provide for a moratorium in such worthy cases. My amendment will provide that persons who are unemployed through no fault of their own and living in a distressed area, as defined in the amendment, can have a moratorium up to but not exceeding 1 year on such mortgage payments. Such payments will not be forgiven, but will be added to the end of the existing term of the said mortgage.

As I see it, this will cost the Government very little money, due to the fact that the Government has the security for the mortgage, and these postponed payments, in the house which is mortgaged. I think we must assume that the mortgagor, or property owner, will have paid a certain number of payments on his mortgage after acquiring the property and, consequently, we can assume that he has some equity in it. Therefore, the Government's security would remain as good, or even better, than it was at the time the commitment on the obligation was granted.

Normally, an American's most valued possession is his home, and I believe we have an obligation to protect that possession as far as is possible and consistent with good government. I see no reason why a person whose economic status is temporarily in jeopardy because of conditions beyond his control should lose that home if the Government can, at least partially, stand as a buffer between him and his loss for a period sufficiently long to enable him to rehabilitate his economic condition. This is particularly true if it can be done wth little cost to the taxpayer, as I believe would be the case under the amendment which I shall offer.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentlewoman from Missouri [Mrs. SULLIVAN].

A BROAD-GAGED ATTACK ON AMERICA'S HOUSING NEEDS

Mrs. SULLIVAN. Mr. Chairman, after months of maneuvering by opponents of this legislation to prevent it from coming before the House of Representatives for debate and decision, I am happy, Mr. Chairman, that the Democratic leadership has managed to overcome the procedural tangle and the delaying tactics and thus provide us with the opportunity to vote for or against a good housing bill.

It is conceivable that the long delay has been, in the long run, a good thing, because we are now getting down to the bottom of the barrel on FHA-guaranteed housing loans and at this point we absolutely have to pass legislation to keep the FHA program going. We on the subcommittee, and the majority of the Banking and Currency Committee generally, have made clear that we are not going to go along on a piece-meal approach as we did last year in agreeing to the extension of FHA without at the same time insisting on a broad attack on the whole housing problem.

Much of the correspondence I have received opposing S. 57 is based on the misconception that this is a public housing bill. Even the customarily exact and accurate House Calendar prepared in the office of the Clerk of the House is guilty of this misconception in identifying S. 57 as "Housing, public, extend."

PROGRAMS COVERED IN BILL

While there is some public housing provided for in this bill—to the extent of maintaining or reinstating authorizations for public housing agreed to by Congress 10 years ago, in a bill coauthored by the late Senator Taft, this is, of course, an omnibus bill covering all phases of our national housing program—such as:

First. FHA-guaranteed home loans issued by private financial institutions and representing the bulk of homes built in this country over the past 25 years;

Second. Urban renewal for the rescue of our cities and towns from blight and the eradication of slums.

Third. The remarkably successful college housing program which has been a prime factor in enabling our colleges and universities to expand enrollments, particularly for the millions of GI bill students who descended on the colleges after World War II and the Korean war;

Fourth. The growing tenant-owned cooperative housing program.

Fifth. The secondary mortgage market operations under the Federal National Mortgage Association—known familiarly in the financial industry as Fanny Mae—which maintains a constant stream of mortgage funds for the banks and buildings and loans by enabling to trade in or sell FHA and VA guaranteed loans.

Sixth. Rental housing programs under private enterprise for armed services personnel.

Seventh. Special programs for aiding nonprofit organizations to provide rental housing for elderly persons.

Eighth. A new FHA program for construction of privately owned nursing homes; and so on.

These, along with the small amount of public housing, go to comprise a vast attack on the whole problem of providing decent housing for the American people—most of it, as I noted, under private enterprise at a profit, and very little of it at any actual or ultimate cost to Uncle Sam.

ATTEMPT TO MISLEAD PUBLIC

This is, as Mr. RAINS, the subcommittee chairman, said, a true story of the housing bill before us. It does not bear any relationship to the scare stories circulating and circulated by some groups of organized business such as the National Association of Manufacturers and the Chamber of Commerce about this being a huge and budget-busting giveaway out of the National Treasury.

The main purpose of this legislation is to enable America's wage earners, small businessmen, professional people—the public generally—to continue to buy good housing under reasonable downpayment and carrying charges, or to rent such housing under reasonable monthly charges. Most of the effort in our housing programs goes in that direction. We have from time to time improved the FHA program, by lowering downpayments, widening coverage, extending the repayment period, and so forth, and in this bill we continue to do so. But it is only a part of the whole housing problem.

RESTORING AMERICA'S MAJOR CITIES

We are restoring our cities—St. Louis is an excellent example of that—rooting out festering slums and replacing them with wonderfully attractive residential and commercial areas—making our downtown areas again extremely desirable residential areas for people in all

income levels. This is an urgent need, if we are to prevent our cities from being strangled in blight, congestion, and obsolescence.

NURSING HOMES, COLLEGE, COOPERATIVE, AND ARMED SERVICES HOUSING

We are providing loans at reasonable interest rates for the construction of privately operated nursing homes, for college dormitories, for cooperative housing, for armed services housing.

We are giving some subsidies to the very lowest income groups to make possible the construction of decent housing to shelter those whose slum homes are being demolished for urban renewal, or for vast new highway networks swallowing up vast areas of existing urban housing.

URBAN RENEWAL FUNDS RUNNING OUT

If we are to have urban renewal, we must have some public housing to provide a means for relocating those of very low income whose homes are demolished.

Our urban renewal programs are just now really getting up steam, and the funds available are running out swiftly. The demand for loan funds, and for capital grants under the program, has reached such proportions that the Housing and Home Finance Agency has had to ration allocations on a very limited basis among the various cities which are making detailed applications.

In St. Louis we are launching several huge projects—the most recent has just been given the go-ahead—Kosciusko. Every city in the country has projects in the works—underway or about to begin—of the same type as this one and our Mill Creek and Plaza projects. This legislation, by providing the funds to help cover the difference between site acquisition costs, which are very high, and the receipts from sale of the redevelopment area land to private developers, at prices enabling them to build and operate the new facilities at a profit, will make possible a great expansion of urban renewal.

Mr. Eisenhower says the idea is fine, but the money provided is too much. I do not agree. I am afraid he does not get around to the slum areas of our cities and see the extent of the problem.

HAS PRESIDENT SEEN EXTENT OF NEED?

Nor has he seemed to be aware of the needs in rehousing those who are displaced by urban renewal or by new highway projects. And he certainly has not seemed to be very much concerned over the frightfully neglected need of providing reasonably priced, privately run nursing homes for the aged or chronically ill under FHA, as this bill proposes. It is an outstanding program, and will make possible the elimination of so many of the firetraps now being operated as private nursing homes.

PREVENTING RECESSION FORECLOSURES UNDER FHA

Another provision of this bill which I want to emphasize, and I believe this will be of interest to the gentleman from Pennsylvania, who preceded me, is one that will not cost Uncle Sam a cent but which will avoid a repetition of the extreme hardship which was visited upon many FHA-insured homeowners during the 1957–58 recession which still hangs on in many areas despite rising production.

I am referring to a provision cosponsored by Chairman Rains and myself and others on the Housing subcommittee to prevent widespread foreclosure actions on FHA-insured mortgages against homeowners about to lose their homes as a result of temporary unemployment.

As the law now stands, the lending institution, in case of default by the purchaser, has to foreclose and sell the property in order to exercise its right to any indemnity under FHA insurance. Under our amendment, the lender is encouraged to hold off on foreclosure, and in extreme cases the FHA can pay off the mortgage, take it over, and work out arrangements for future payments by the homeowner, so that he can retain his home during a recession and stay in it and then pay off his indebtedness when he gets back to work.

This would bring FHA procedures, in this situation, into line with those of the Veterans' Administration.

LOGICAL IMPROVEMENTS IN TESTED PROGRAMS

These are some of the things we are setting out to do in this legislation. Most of it is not new. None of it is revolutionary. None of it is extreme or experimental or untested. It is not wasteful. It is substantially the same housing program we have carried out year after year since 1949 with some modifications, some improvements, some changes as experience under the old programs showed the way to better administration or better techniques.

SAME GROUPS OPPOSED ALL NEW DEAL PROGRAMS

The improvements have come slowly, and only after the most thorough study and analysis. Those groups which oppose this bill today opposed just about every single housing bill since 1949, yet many of those business interests which are so vehement in opposition to this bill have made millions upon millions of dollars as a result of the existence of the programs for helping America's millions of families to rent or buy decent homes at prices they can afford.

They are largely the same groups which opposed every forward-looking proposal from the earliest New Deal days onward. I wonder if they ever bother to go back and read some of their old propaganda and lobbying material. They would blush in shame if they did. It is 23 years since these groups are warning that the then brand-new social security law would destroy free enterprise in America. It is 23 years since the Republican Party in its 1936 platform promised to repeal social security. And in all of those 23 years we have been hearing the same scare predictions from the same groups on so much legislation that it has become a meaningless shout of "wolf, wolf" and no one really pays much attention anymore.

It is too bad that self-appointed spokesmen for the business community and the free enterprise system have made so many foolishly frantic warnings of doom over every piece of social welfare legislation of the past 25 years. As a result they would not be able to succeed today in convincing the public of actual danger if a situation should arise where they were really right. They have cried doom so often, on such flimsy fears, that most voters now assume the right thing to do is the opposite of what these doom-seers suggest.

THE "RADICALISM" OF ROBERT A. TAFT

Many of the people and interests opposing this bill contributed generously to the $1 million fund for the erection of the Robert A. Taft Memorial Bell Tower on the Capitol Grounds. They did this as a monument to their ideal of a responsible legislator representing the conservative viewpoint. Like my chairman mentioned before me, I am at a loss to understand how they could not oppose so strenuously all of the housing program which Senator Taft helped to write into law. Presumably they believe that in that one area of legislation he was a wild-eyed radical, and irresponsible. As the Pennsylvania Dutch saying goes: "It wonders me."

SUBSTANTIALLY SAME AS LAST YEAR'S BILL

Mr. Chairman, the record shows that S. 57 passed the Senate February 7 after extensive hearings and prolonged Senate debate. Our Housing Subcommittee here in the House also conducted extensive hearings, and we hammered out our bill in painstaking attention to every detail of the legislation. The House Banking and Currency Committee reported it out on February 27. It languished in the House Rules Committee until just last week.

But this bill has been pending here much longer than since last February. We, on the Housing Subcommittee studied this whole area of legislation with single-minded devotion during all of the 85th Congress and we reported out last year a bill substantially similar in direction to this one. It failed of a two-thirds vote in the House under the special procedures in effect at the time the bill was brought up for a vote. But a clear majority of the Members of the House last year voted for it and were disappointed at its failure to pass. It is interesting to recall that many of the Members last year who comprised the slightly more than one-third who voted against it are no longer Members of the House. The voters of this country had this bill in mind, among several major pieces of legislation, when they voted for an overwhelmingly liberal majority in the 86th Congress.

EFFECTIVE LAW MUST INCLUDE ALL PROGRAMS

Mr. Chairman, now we are faced with the responsibility of making good on the trust placed in us by the voters last November. This bill is a keystone of progress for America. We can tolerate no further delay in putting these programs into effect, or back into effect, as the case may be. This bill must be passed. And to be effective, it must be passed substantially in the form in which we drafted it in the Subcommmittee on Housing; any bill stripped of these major provisions will not do.

I do not say that in any sense of arrogance. Certainly every Member of the House is entitled to his own views—

his own personal opinion—on every provision of this legislation. Admittedly some of the provisions of this bill have been controversial ever since the earliest days of the New Deal when FHA began. But let us discuss these issues on their merits, rather than on scare slogans of budget buster, or socialism, or hobgoblins dredged up out of a fiscal Halloween.

DIFFERENCES OF DEGREE

The main difference between this bill and the administration's proposals in the same field is that while the administration has given lipservice to every goal we seek to achieve it has demurred over spending the money to do as much as must be done to make these goals achievable. That is all. It is only a dispute over degree, not over fundamentals. Mr. Eisenhower, and his advisers in the area of housing legislation, are great believers in more and better housing for all, I'm sure, but their approach is much like that of the Pharaoh who ordered the slaves to make bricks without straw. The funds authorized in this bill for loans, or in most cases merely for loan guarantees, are the vital ingredients of any successful private enterprise attack on our housing needs. The relatively small grants included in the bill—the so-called subsidies for urban renewal and so on—will come back to Uncle Sam, along with the loans, many times over in higher tax receipts resulting from improved economic conditions and real estate values.

It is disgraceful that many prospective home purchasers today have to pay near usury to get loans. It is tragic that the money market generally is so tight that even Uncle Sam has to pay over 4 percent to borrow necessary funds on the best security which exists in this whole world—the faith of the U.S. Government.

EXCESSIVE RATES OF INTEREST

Let us stop moaning that low interest loans for college dormitories or for rental housing for the elderly and for other types of housing will cost money because of the Government adverse interest rate situation, and instead use our brains in a democracy to see how we can pull down the exhorbitant interest rates our Government is now paying,

No bank, or building and loan, enjoying great prosperity on its lending operations seems to be very concerned over the frightful cost to all taxpayers in this country as a result of the ever-increasing interest rates on the national debt. When some of these institutions now oppose low-rate loans to nonprofit organizations for housing the elderly, and tell us this will bankrupt the country, I just wonder to myself why an $8 billion annual charge against Uncle Sam for interest on the national debt does not seem to bother them at all.

Is it because of the fact that the higher the interest rates Uncle Sam must pay, the higher the profits to the stockholders of our financial institutions?

I think the question answers itself.

Mr. McDONOUGH. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Chairman, I take this time merely to correct what I think was a wrong answer on the part of the gentleman from Alabama [Mr. RAINS]. If I understood the gentleman correctly, he said that the FHA has a profit of some five or six hundred million dollars to the Government.

Mr. RAINS. Yes. That was made off the insurance premiums which the people paid and, as I remember it offhand, it is over $700 million.

Mr. YOUNGER. That is about correct. It is $392 million. But we all know that is not a profit to the Government. That is part of the mutual guarantee fund and the Government cannot touch it.

Mr. RAINS. I did not say that the Government could take it out. I said it had not cost the Government any money and it is a profit to the Government.

Mr. YOUNGER. It is not a profit to the Government. That fund cannot be touched by the Government, and the gentleman knows that. It is part of the mutual guarantee fund.

Mr. RAINS. It is part of the guarantee fund on mortgages that have already been paid off, and there is no further liability on those mortgages. We have in this bill the right to cut that amount, if the Administrator wants to cut it.

Mr. YOUNGER. Under the law, as I understand it, they have to refund to the borrowers when they pay off the loan that portion of the mutual fund that is not used in their guarantee. I just checked that and I think that is true. That fund must remain there. The only thing you can say is that it is self-supporting. It has been a wonderful program. But I did not want the Members of the Committee to understand that this is a Federal Government profit because it is not a profit to the Government.

Mr. RAINS. All right. I will give you an example. You remember the HOLC, the Home Owners Loan Corporation.

Mr. YOUNGER. Yes. I worked for them for many years.

Mr. RAINS. My committee happened to wind that one up. We turned into the Treasury of the United States $30 million profit. The gentleman does not deny that, does he?

Mr. YOUNGER. I do not deny that you turned in $30 million, but bear in mind that the HOLC never paid $1 of dividends on their stock for a long time. They had free money from the Treasury; $300 million of free money plus expenses in the first year.

Mr. RAINS. That may be true, but the statement still stands that these housing programs, that people are putting their fingers on and saying that they are spending programs, are not costing the Government any money. Is that not right?

Mr. YOUNGER. That I agree with. I did not want the impression to get out that this fund, which is the mutual guarantee fund of the FHA, belongs to the Government, because it does not.

Mr. RAINS. I differ with the gentleman about that.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. SPENCE. Mr. Chairman, I yield 12 minutes to the gentleman from Ohio [Mr. ASHLEY].

Mr. ASHLEY. Mr. Chairman, I rise in support of S. 57, as amended, which is now before the House. This bill would extend the life of a number of our vital programs in the field of housing and urban renewal, and make many important improvements in the operation of these programs.

Mr. Chairman, this country, through the foresight and initiative of the Congress, now has a far-reaching program designed to maintain a healthy home-building industry, help satisfy the housing needs of the Nation, and rebuild the blighted areas of our urban communities. While some areas of special need are not yet adequately served and some problems remain unresolved, we have established the basic machinery for achieving the goal set forth in the Housing Act of 1949: "the realization, as soon as feasible of a decent home and a suitable living environment for every American family."

Under these programs, we have been making progress in meeting our most pressing housing needs. However, much remains to be done. The Bureau of the Census reports that there are still 4 million dilapidated dwelling units in our inventory—about the same number as in 1950. Many other units lack adequate facilities or are in slum neighborhoods. We cannot relax our efforts to solve the housing problems of the Nation.

In fact, this is a particularly opportune time to step up our attack on slums and to improve housing standards. We have been hearing for many years that the early 1960's would be a period of slack in housing demand because of the low birth rates in the 1930's. Right now, there are fewer persons in the prime family-forming age bracket, 18–24 years, than there were 20 years ago. In a few years, however, this will change dramatically when those born in the postwar baby boom come of age. In the late 1960's, the housing market will be under tremendous pressure. We must make every effort to accomplish as much as possible in replacing substandard housing before that time.

One of the most urgent measures contained in this bill is the provision of additional grant funds for the urban renewal program. The funds previously authorized for this purpose are virtually exhausted. Altogether, $1,326 million of the total $1,350 million provided has now been committed, and a substantial backlog of applications has built up.

As the grant authority was used up last year, the administration took it upon itself to institute a rationing system based on an arbitrary population formula. This caused the withdrawal of more than $200 million of applications to the Urban Renewal Administration. In spite of this, there still remained an official backlog of $185 million at the end of 1958. Testimony received by the Subcommittee on Housing indicates that the true backlog, taking into account the applications which were withdrawn and held back by the rationing system, is

approximately $460 million. In addition to this, the Urban Renewal Administration estimates that about $240 million will be applied for before June 30, 1959. This is a total requirement of about $700 million by the end of the current fiscal year.

Beyond that, a survey taken by the American Municipal Association and the U.S. conference of mayors found that the responding communities plan to file applications for at least $469 million during calendar 1959 and another $516 million in 1960.

The funds provided in S. 57, as amended, are in line with these present and prospective requirements. The bill would increase the existing capital grant authorization by $500 million upon enactment and an additional $500 million on July 1, 1959, and July 1, 1960—a total of $1.5 billion.

In spite of the fact that the authorization provided for urban renewal is clearly a minimum amount, the opponents of the bill claim that we cannot afford even this. I would like to put this authorization in its proper perspective. The Department of Labor has calculated that in 1965, our gross national product will reach $560 billion—fully $100 billion more than our present rate of output. It is imperative that we plan now that some part of that increase go toward eliminating slums and relieving poverty. Just as businessmen so wisely invest billions of dollars every year in modernizing their plant and equipment, we must plan to invest in the improvement of our great social assets, the cities. Poverty in the midst of plenty should be a source of deep concern to every one of us today; we cannot allow it to persist into the even greater America of future years. Truly, the question is not whether the amounts provided here are too much, but whether they are too little.

In addition to extending the urban renewal program, this bill would make improvements to insure the maximum benefits from this investment. I would like to mention some of them briefly.

First, the Housing Administrator would be authorized to accept as local grants-in-aid, public improvements and facilities built within 5 years prior to the grant contract, provided that these improvements fit into the approved community renewal program. This would make it possible for the local government to proceed at once with urgently needed projects without waiting for Federal recognition of an urban renewal project, and yet not lose the credit for it to which it should be entitled.

Second, the bill would also assist urban colleges and universities in expanding and improving their facilities to meet the ever-growing demand for higher education. It would do this by waiving the predominantly residential requirement in urban renewal areas where the land is to be made available to educational institutions. Also, expenditures by such institutions for land in urban renewal areas would be made eligible as local grants-in-aid.

Third, testimony received by the subcommittee also indicated that many cities, in order to obtain the greatest benefit from their urban renewal efforts, need more leeway in clearing and redeveloping nonresidential areas. While the basic objective of the urban renewal program is the elimination of residential blight, latitude is needed to meet the needs of comprehensive overall plans. As a result, this bill would increase the proportion of future urban renewal grant funds which may be used for nonresidential exception projects from 10 percent of the total to 20 percent. Also, to facilitate the administration of these funds, the bill would eliminate the present requirement that such areas contain a substantial number of slum or blighted dwellings.

Another provision of the bill would give more equitable treatment to persons displaced by Government action. At present, only families displaced by the local renewal agency or by a program of code enforcement or voluntary rehabilitation are eligible for these payments. As a result, a family in an urban renewal area who is displaced by other government action, such as the building of a highway, is not eligible. The bill would correct this by making any family displaced by government action in a renewal area eligible for relocation payments. Also, the maximum amount of such payments would be increased from $100 to $200 for displaced families and individuals and from $2,500 to $3,000 for business. While actual payments in most instances are substantially below the maximum, testimony received by the subcommittee showed that the existing ceilings worked hardships in some localities.

This bill would also extend the highly successful urban planning assistance program, under which the Housing and Home Finance Agency is authorized to make grants to small communities and to metropolitan and regional planning agencies for area-wide studies. These grants can cover up to 50 percent of the cost of such plans. When this program was established by the Housing Act of 1954, $10 million was authorized, of which $9,025,000 has been appropriated. These funds are nearly exhausted, and the present bill would authorize an additional $10 million to be appropriated for this purpose.

Another important improvement in our urban renewal program which the bill would make is the provision to facilitate the use of urban renewal sites for low-rent housing. To achieve this, S. 57 would accept the tax exemption, which the community is required to grant low-rent housing, in lieu of the requirement that the local government pay one-third of the write-down on cleared land. Thus this land would be made available to local housing authorities at the same written-down value as if the land were sold to a private bidder, but without requiring the double subsidy of both tax exemption and a portion of the land cost. These and other measures of this bill would make the urban renewal program smoother working and more fruitful.

Even more basic is the need for rehousing families of low income who are displaced from slums. Since many of these families cannot afford decent private housing, they must be aided by the Government if urban renewal is to be meaningful. To do this, the bill would extend the program of Federal assistance to low-rent housing. Without this, new activity under that program will come to a halt on June 30 of this year although the need for low-rent housing will continue or even expand as our cities intensify their efforts to eliminate blight.

Low-rent housing and urban renewal are inseparable. If we are to improve our cities and clear slums, we must make provision for the rehousing of families who will be displaced. In addition to the basic humanitarian need to relieve the effects of extreme poverty, there is a very specific moral obligation to those evicted by Government action. Moreover, it is imperative as a practical matter that adequate housing be made available, or displaced families of low-income will simply be forced into other blighted areas. To the extent that this is allowed to happen, urban renewal is little more than an empty gesture.

One of our most important housing programs, Mr. Chairman, the FHA mortgage insurance operation, is faced with an immediate crisis due to the virtual exhaustion of its insurance authorization. Since last fall, FHA has avoided issuing commitments to insure in cases where the buyer was not yet known and instead it has issued agreements to insure. These agreements can be converted into commitments upon application by the holder, provided that FHA has insurance authorization available. A shutdown in new commitment activity is imminent because the statutory ceiling on insurance authorization has nearly been reached. When that occurs, the program will be restricted to operating solely on such authority as can be recaptured through repayments of loans and expiration and cancellation of commitments. This will be far too little for the current high rate of operations. Failure to act promptly on this legislation will seriously interfere with the private home building market.

The bill would also provide more liberal terms to families who buy homes under the FHA program. Minimum downpayment requirements for homes valued at more than $13,500 would be substantially lowered. Existing law requires a family buying a home under FHA to make a downpayment equal to 3 percent of value up to $13,500, plus 15 percent of the next $2,500 of value, and 30 percent of any amount over $16,000. S. 57, as amended, would retain the requirement of 3 percent on the first $13,500, but above that, it would lower the downpayment to 10 percent of the next $4,500 of value, plus 25 percent of any amount over $18,000.

The maximum amount of mortgage which FHA can currently insure on one- and two-family homes is $20,000, no matter what the valuation is. This bill would raise that ceiling to $25,000, thus lowering the cash equity requirement on the larger homes which many growing families need.

These more liberal provisions on downpayments and maximum mortgage amount would apply both to FHA's basic

section 203 program and to sales housing in urban renewal areas built under section 220.

In addition, the maximum loan maturity under section 203 would be extended from 30 to 35 years. While the use of this maximum term depends on the desire of the home buyer and the approval of the lender, it can be of strategic importance in enabling a potential buyer to qualify for a loan by reducing the housing expense-to-income ratio. Longer maturities have proven an attractive feature in the programs of urban renewal relocation housing under section 221 and sales-type cooperative housing under section 213, each of which allows terms up to 40 years.

Another important improvement in the FHA program would benefit trade-in housing. At present, a builder or real estate dealer who takes a house in trade can obtain a loan on that home equal to only 85 percent of the amount available to an actual home buyer. As a result, when this home is resold, a new mortgage must be given and a new set of closing costs is incurred. This bill would allow a nonoccupant owner to close an FHA loan in the full amount available to an actual buyer, provided that 15 percent of the proceeds of the loan are placed in escrow to be applied to the loan in the event that the home has not been sold in 18 months. Under this method, the builder or dealer, when he finds a buyer for the home, can transfer the loan already written and thus avoids duplicate closing costs. Since a large and growing proportion of today's home buyers are already homeowners, and must dispose of one unit when they purchase another, this less expensive way of handling trade-ins will contribute greatly to the efficiency of the housing market.

A more effective cooperative housing program would result from the provisions of this bill. At present, FHA-insured mortgages on cooperative housing are limited to 90 percent of replacement cost, except that those with 50 percent or more veterans can have mortgages up to 95 percent of replacement cost. S. 57, as amended, would increase these ratios to 97 percent and 100 percent respectively. In the case of cooperatives for veterans, this would extend to them the same benefits available under the GI bill.

Another improvement in the cooperative housing program would be the establishment of the mutual form of mortgage insurance, similar to that under section 203. This would recognize the fact that cooperative housing is not rental housing, but homeownership, identical in principle with the section 203 program. Under this provision, families buying their homes under section 213 would be eligible to receive whatever part of their insurance premiums is not actually needed by FHA in the operation of the program.

Cooperative housing would also be aided by the provision which authorizes the Federal National Mortgage Association to purchase $75 million of loans insured under section 213. At the same time, the bill would extend the requirement that FNMA purchases under this and other special assistance operations be made at par.

A matter of basic importance to the housing market is the amendment to the statutory provisions which state the purpose of FNMA's secondary market operation. This bill would add the phrase, "aiding in the stabilization of the mortgage market." Perhaps no single factor is more important in the instability which we have seen in home building than the fluctuations which have occurred in the flow of funds to home mortgages. Smoothing the sharp changes in mortgage lending will help builders and lenders to operate more efficiently and thereby serve the home buying public better.

An important new program would be provided by S. 57 to help solve a serious and growing problem—that of housing elderly persons. At present, limited aid is extended through the FHA rental housing program. While this is a worthwhile effort, the high interest rates and limited terms on these mortgages make it impossible to provide units at rentals which most older persons can afford. In fact, projects built under FHA frequently require initial cash payments, or founders fees, of several thousand dollars, plus substantial monthly rent.

To make it possible for housing to be built which can be rented to older persons of limited income, this bill would establish a loan fund for which $100 million is authorized to be appropriated. These loans would cover up to 98 percent of the cost of the project, and would be made for terms up to 50 years, at an interest rate of 3½ percent. This extended term and reduced interest rate would make it possible to build units to rent for as much as $20 a month less than is possible under the present FHA program.

This aid is sorely needed. The housing conditions of our older families compare unfavorably with those of younger persons. The Bureau of the Census reports that 29 percent of our older families live in homes which are dilapidated or lack adequate plumbing. This proportion is half again higher than that for families headed by persons under 65 years of age—where the proportion is 19 percent.

Mr. Chairman, I will not cover every aspect of this bill since other speakers have discussed it and emphasized the features which I have not covered. However, I do want to say that the whole range of measures in this bill are designed to expand residential construction and to make our towns and cities better places in which to live. All of these measures—urban renewal grants, the extension of low-rent housing, and the stimulation of private home building—make up a coordinated attack on slums and a comprehensive program to improve the housing conditions of the American people.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from California.

Mr. McDONOUGH. I appreciate the information the gentleman is giving the committee on the number of urban renewal applications, but I am sure you realize that many of the applications do not qualify, and therefore there is no final commitment made on them; for instance, that the planning stages indicate they have not a workable program or that the city has not got the one-third contribution of the two-thirds cost. So, therefore, the figures the gentleman is reading are evidently not net at all; the gentleman is reading the gross figures.

Mr. ASHLEY. Mr. Chairman, let me answer the gentleman as follows. The Urban Renewal Administration itself admits that there is a backlog of $219 million. The U.S. Conference of Mayors and the American Municipal Association, through answers to questionnaires sent them and based on information from these groups indicate that there will be a backlog of some $700 million by June 30, 1959, for this urban renewal program.

I point this out because I think it is extremely important to weigh carefully the job that has to be done and the amount of money that it takes to do the job before we come to any fast conclusion or decision that the dollar amount requested in this bill is excessive.

Mr. Chairman, I want to say a few words about public housing. I think it is clear to most of us that unless the Congress acts on this measure before us, on this committee bill, that the public housing program will expire, it will be dead. The committee bill, the bill under consideration at the present time, is the only bill that would extend public housing. The so-called Herlong bill and the administration bill—and they are one and the same to all intents and purposes—would kill public housing.

Mr. Chairman, the objective of public housing is very simple. It is to furnish decent shelter to families whose incomes are too low for private housing. There is nobody on the committee, so far as I know, who is in favor of public housing per se. But we do believe that until private enterprise can do the job, there is obviously a need for public housing, and that need simply has to be met.

Mr. Chairman, it is very interesting that the administration itself, which would kill public housing, admits that there is an overwhelming need for it. I quote from page 28 of the committee report which says:

> The administration itself concedes that approximately half of the families displaced by urban renewal, highway construction, and other public activities cannot be rehoused except in public housing because of their low incomes. This is clearly shown in the following table which presents estimates by the administration.

At the proper time, Mr. Chairman, I shall ask unanimous consent to include as part of my remarks that table on page 28 of the committee report.

Mr. Chairman, I would like to say one further thing concerning what the gentleman from California and his colleagues have presented. They say, "We

are not trying to kill public housing, because there are 100,000 units or so in the pipeline." As a matter of fact, they know that that does not answer the argument that public housing is being killed. The fact is that these 100,000 units that are in the so-called pipeline are committed to a particular geographical area. They are practically in being. The units that are contained in the bill before us are units that are not committed. They are units which will be made available for the placement of families who have been displaced by urban renewal projects and by other governmental activities that will take place in the months and in the years to come.

Mr. Chairman, this is a tremendously important distinction. I repeat, Mr. Chairman, the 100,000 units that the gentleman on my right referred to are committed units, while the units in the bill are, of course, uncommitted units. There is the vast difference.

Finally, Mr. Chairman, let me comment briefly on the charge that this bill is inflationary. The chairman of our subcommittee, the gentleman from Alabama [Mr. RAINS], has made it clear, I think, that the impact of the Rains bill, the committee bill, on the President's budget for the next fiscal year will be less than $100 million. Mr. Chairman, the President's budget that we have referred to is approximately $77 billion. The impact on that budget, as far as this bill is concerned, would be less than $100 million. And this is supposed to be the great ogre of inflation. I do not believe it. But I would say this. Even if it were, and to the extent that the bill is inflationary, the funds, nevertheless, must be made available by approving the committee bill. I say this because it will cost far more to do the job later on, Mr. Chairman, if we do not approve the bill that is before us today. If we adopt the Herlong substitute, which is, of course, the great play that is before us, there will be a far greater danger of inflation later on when our economy, years hence, will be something to the tune of $100 billion a year greater in terms of gross national product. That is the time when the burden with respect to urban renewal and the other areas touched upon in this bill would be far greater and far more difficult to carry, if we do not take the steps that are in the committee bill before us today.

Mr. DOLLINGER. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield.

Mr. DOLLINGER. Mr. Chairman, I urge passage of S. 57, the Housing Act of 1959, as reported by the House Banking and Currency Committee. The housing crisis demands our immediate attention and constructive action.

A conscientious and honest appraisal of the Nation's housing needs will allow no compromise; anything less than the program provided in the $2.1 billion omnibus housing bill would be entirely unacceptable to me. Any bill or program which scuttles public housing is unconscionable.

Slum clearance, urban renewal projects, college housing, housing for the elderly, and authority for 35,000 new public housing units a year for 4 years, represent a constructive and vitally needed program. It is not too ambitious; it only begins to meet the minimum standards we should set for American living.

Countless Americans now merely exist in substandard dwellings. Housing conditions in my own congressional district are deplorable. I have thousands of letters in my files describing intolerable living quarters—rodent infested, dilapidated, unheated, overcrowded. More than a million people must rely on the help of our Federal Government for public housing; they can afford nothing else; they have no hope of owning a home of their own, and they cannot pay the high rentals of the better apartment buildings. It is inconceivable to me that our President, who promised us a good housing program, should now recommend only that the Federal Housing Administration be given increased authority to insure FHA housing loans and that he should ignore completely the needs of the unfortunate whose housing needs can be met only by the building of new public housing units for many years to come.

Our older citizens, whose only income is social security payments or a small pension or annuity, are entitled to our sympathetic consideration. High living costs, increased medical expenses, leave them very little toward rent payments. In their last years, when they should have a little comfort, they are deprived of decent living quarters because they cannot afford them. Our great and rich Nation can afford to help these older persons who are in desperate need of a small apartment which would furnish them at least a minimum of comfort and a place they can call "home."

Poor housing conditions, slums, are breeding places of juvenile delinquency and crime. Those who object to S. 57, as amended by the House committee, on the ground of expense, should consider the bill as an investment in the youth of our Nation as well as in the general welfare of our people. The child who is reared in clean and attractive surroundings has a much better start toward respectable adulthood than the child reared in a miserable tenement.

As I stated before, let us have the good housing legislation which the country needs. Let us, as Members of Congress, discharge the responsibility which rests upon us; let us have the courage to pass the Housing Act of 1959, as reported by the House committee; let us defeat any compromise which scuttles any part of the program set forth in the bill.

Mr. McDONOUGH. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, after listening to the debate thus far, reading the report and analyzing the committee bill and the Herlong substitute I am convinced that I should cast my lot with those supporting the substitute proposal. I support the substitute for a number of reasons not the least of which is that it does not include 140,000 public housing units as does the committee bill. It does, however, include an FHA martgage insurance program of housing for the elderly at a 5 percent maximum interest rate. It does include $100 million in 1959 and $250 million in each of the years 1960 and 1961 for the urban renewal program. I do regret that these capital grants will still be apportioned on a two-thirds Federal, one-third local participation. Frankly I would like to see more local participation to the extent of at least 50 percent. The substitute also includes $200 million in additional borrowing authority for college housing.

All told the Herlong substitute as I understand it will involve an expenditure of $1.3 billion over the next 3 years compared to $3.7 billion in the committee bill in the same period.

Mr. Chairman, there are no hidden budget impacts in the Herlong bill—impacts that could obligate this Government until the year 2000. Personally I am a firm believer in the concept that we of the present generation should not foist our obligations and unpaid bills upon our children and their children.

The committee bill is extravagant and much to costly and I will support the moderate approach as embodied in the Herlong bill. It provides for our basic housing needs in a manner which we can afford.

Mr. McDONOUGH. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HIESTAND].

Mr. HIESTAND. Mr. Chairman, I think we are all agreed on several things. There are several parts of this legislation that need renewal. The FHA insurance authorization simply must be renewed. There are two or three other things that must be done, but further than that I have searched very hard to find justification for a giant omnibus bill. I have tried. This is an omnibus bill. It is very technical. Its basic objective and our objective is to create more housing. Many of the items in the bill will have nothing to do with creating more housing. They are technical and some of them can be adopted without great harm. But, a great many of them are not necessary. No need for them has been shown. I looked over the bills a little while ago and I had studied them thoroughly prior to the committee meeting. I found there are approximately 100 measures in the bill. Some 49 of those 100 have no justification—at least no justification for them has been shown. Some are outright objectionable. In other words, we are enacting, if we pass this committee bill, a great omnibus authorization without proper need. There are some things that are needful and upon those we are agreed and we shall not argue about them. But, essentially the bill is inflationary—not for this month or this year, perhaps, but over the next number of years. It is my judgment that the major cause of our $12 billion deficit right now, aside from the smaller income, are the measures that we, in the

Congress, have adopted over the years, the year 1955, 1956, 1957 and for a long time prior thereto. So it is with several of the measures that are proposed in this bill; public housing, for instance, Theoretically, that does not cost the Treasury very much—immediately, some authorization money—but not too bad because this public housing is, as most people know, financed by the sale of municipal bonds. However, we do have the liability over the years of making up the difference between the rentals received and the cost of amortizing those bonds, and that amounts to an average of $28.50 per month per unit. Over a 40- or 45-year period that adds up undeniably for the measure in this bill to over $3,700 million.

For urban renewal, it is much the same in this way—these two measures are contract authorizations. They are the measures by which this Congress authorizes the agency to go ahead and make firm contracts. When the appropriation committees come to consider each year's appropriation, they are bound to O. K. these contract authorizations. We have been up against it again and again in this House when we tried to cut appropriation bills and could not, because they were authorized by law. The agencies had made firm contracts in advance and all the appropriation committees could do would be to say, "OK, we have to grant that because the Government has made those commitments." I direct your attention to that. There is $1½ billion contract authorization in the urban renewal section, $3,700,000 of contract authorization in the public housing section. We cannot get away from them. We shall have delegated that authority and Congress has no more control over those vast expenses.

In this bill there will be $75 million for FNMA and $400 million for college housing.

Those are the so-called back-door authorizations to the Treasury where the agency can draw on the Treasury without any further O. K. from this Congress. In other words, we have signed away the authorization control of expense in excess of $5 billion. These programs as they increase by law over the years certainly will be more and more inflationary.

I have studied the proposed Herlong bill and I can assure you it is not a hatched up or entirely new bill; section after section after section of it was taken from or very slightly varied from the housing bills that have been previously proposed and adopted. It is not new, it is simply a modified version. I suggest that you turn to page 8180 of the CONGRESSIONAL RECORD of May 14 where you will find a concise statement the gentleman from Florida has made of his bill section by section. It is just the same as the committee bill except that it adds this, or this, or this. I suggest that we consider the Herlong bill from that brief statement. In my judgment it is sound. The greatest part of it is noncontroversial. We all agree on the vast part of it. Only a little bit of it might be the subject of issue, and I suggest that if we do this we will do more for our country toward the creation of more housing than we can do in any other way.

Mr. Chairman, I yield back the balance of my time.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. CLEM MILLER].

Mr. CLEM MILLER. Mr. Chairman, it is with great reluctance that I as a new Member take the well of the House. I have been advised that everybody has made up his mind on this bill and there is no sense in talking to this House about this bill for that reason. But on the bare chance that there is one Member of this House who has not made up his mind on this bill I believe that I should present these facts.

There is only one issue in this bill and that is the issue of public housing. There are three points I think we should raise in connection with public housing. I would like to put this public housing in perspective.

There are 13 million substandard homes in the United States today.

We build 1,250,000 units of private housing in the United States every year. Of this amount there are only 25,000 units of public housing in the United States. Two percent of the total building in this country is public housing. At this rate of construction it would take from two to three hundred years to destroy the slums presently existing in the United States, two to three hundred years. In other words, what are we talking about when we talk about public housing? We are talking about a drop in the bucket. That is point No. 1. Let us get public housing in perspective.

Point No. 2: People say: "Oh, I am not interested in amounts; I am just interested in the principle of the thing." If it is principle you are interested in let me ask if there is any Member of this House who would be willing to see evicted from their home in America any citizen or family? I doubt very much if there is any Congressman who would willingly see any American family evicted from their home; yet, Mr. Chairman, every year we are evicting 166,000 American families as the result of our highway program, our urban renewal program, and other large Federal programs. Thirty-six thousand of these families need help finding homes. Where, Mr. Chairman, are these individuals to go?

The Rains bill calls for 35,000 units. In other words, if we use every single one of the authorized public housing units, we will not satisfy the need of those who are displaced by our Federal programs. Thus, I would say to you, if it is a principle that we are talking about, then the principle that we shall not evict without giving replacement housing is an important one and one which must not be lost sight of.

Third. I might add those who are opposed to public housing, to this miserable drop in the bucket, have an obligation to this Congress and to the American people to tell us what they are going to put in its place. I ask everyone here before they vote on this bill, and before they vote against public housing to read the testimony of Mr. Carl A. Mitnick, of the National Association of Home Builders before the Senate committee. In that testimony he admits that those opponents are bankrupt in their opposition to public housing. They must reconsider and come up with some good answers. Their opposition, if accurately registered in this morning's newspapers, saddens me because he clearly indicated they do not have such good answers at the present time.

Therefore, may I summarize by saying that public housing is a drop in the bucket of our needs, a pitiful 25,000 units against 1,250,000 to be built by private enterprise. There are 13 million substandard dwellings in the United States, and it would be 300 years before our slum clearance program would meet present needs.

Secondly, and as a matter of principle, we have an obligation to house those individuals displaced by our Federal programs.

And, thirdly, those who are opposed have the obligation to come up with some good answers in return for their opposition.

Mr. Chairman, I include the following:

Fact sheet, replacement housing, 1959

Substandard nonfarm units in United States	12,600,000
Number of public housing-built units per year since 1937 (total, 557,229) (Library of Congress official figures)	25,000
Number of private houses built per year (10-year average) (National Association of Homebuilders)	1,100,000
Dwelling units in public housing program as of Jan. 1, 1959 (Congressional Digest, March 1959 based on official U.S. figures)	441,000
Committed authorizations, under construction and contract as of Jan. 1, 1959 (Congressional Digest, March 1959 based on official U.S. figures)	[1] 141,000
Dwelling units authorized but uncommitted (Banking and Currency Committee, Housing Committee staff)	5,000
Dwelling units as provided in Rains bill over 4-year period (per year)	35,000
Dwelling units needed per year as replacement for urban renewal, highway, etc., programs (500,000 for 3 years) (administration testimony, p. 180, House hearings)[2]	166,000
Replaced families eligible for public housing (49 percent) (same source)	81,340
Eligible families who will avail themselves of public housing (22 percent) (same source)	36,520
Dwelling units needed per year based on the increased urban renewal program (Witness William Wheaton, National Housing Conference, at p. 184 of House hearings)	200,000–300,000
Eligible families who will use public housing based on this estimate	44,000–66,000

[1] These units are not available for current and future programs as some witnesses would have us infer, (for example, Mr. Slusser at p. 34 of House hearings).

[2] Lower figures as supplied in Banking and Currency Committee Report No. 86 at p. 28, are for fiscal 1958, 1959, 1960, not future fiscal 1960, 1961, 1962.

Conclusion to be drawn from above: No matter whether one uses the conservative figures of the administration or the more optimistic figures of Dr. Wheaton, the needed replacement units outnumber the units provided for by the Rains bill.

I further include the following statement:

TESTIMONY OF MR. CARL T. MITNICK, PRESIDENT, NATIONAL ASSOCIATION OF HOME BUILDERS, BEFORE SENATE COMMITTEE ON BANKING AND CURRENCY, ON HOUSING ACT OF 1959, JANUARY 22–28, 1959

Senator JAVITS. I notice you want no new public housing to be authorized. There is a backlog of some 22,000 units with respect to public housing, according to our figures. That backlog arises by virtue of the fact that reservations have been issued and applications are in process for some 51,893 units as against 30,009, which are available until June 30, 1959. Why do you feel that no new public housing units should be authorized?

Mr. MITNICK. Well, I think that we have presented our feeling many times. It is in our 1958 submission that we are opposed to public housing, and we stand on this.

Senator CLARK. You haven't told us why, though. I think you should. I don't think you are entitled just to come in and say you are opposed to something without telling us why.

Mr. MITNICK. I think at this time, Senator, a good look into the public housing question—the Senate should look into it very deeply. I really do. I believe this, for instance, last year there was proposed legislation to go into private communities and buy single lots, build one- or two-family things right in there, the general system. Some of the things were asked for last year for local control with no explanation to the Government at all. I think this is too far gone.

We believe in good housing for every American in all segments.

Senator CLARK. I don't see how you can make that statement and oppose public housing.

Mr. MITNICK. If you will read our statement, we think it should be a local option.

Senator CLARK. I have read your statement.

Mr. MITNICK. And that is where we think it should be. A town should be able to vote on it, if they want it or don't want it.

Senator JAVITS. Suppose the majority does not want it and the minority need it, shall we let the need go unmet?

Mr. MITNICK. Well, this is certainly up to the Congress. We feel that we have presented our stand, we have gone over this many, many times, sir.

Senator JAVITS. In other words, if we think that a majority might not want it, but the minority needs it, we will have to make the decision. You are not going to help us by backing us, is that right?

Mr. MITNICK. That is exactly correct. We think that the section 220 and section 221 programs go a long way toward doing the job.

Senator CLARK. How many section 220 and section 221 projects have you participated in?

Mr. MITNICK. None.

Senator CLARK. How many has your association participated in?

Mr. MITNICK. I wouldn't be able to answer that.

Senator CLARK. The answer is practically none.

Mr. MITNICK. Yes, Senator; I would like to answer that further, if I may, by saying that if some of the regulations in the section 220 and the section 221, which we have recommended, if this Congress will pass them, you will see a lot of urban renewal started. There are so many ways that make it almost impossible for the builder to do them under the present law.

Senator CLARK. I agree with that.

* * * * *

Senator PROXMIRE. Before we get away completely from this public housing discussion don't you consider it inconsistent to support urban renewal on the one hand and to oppose public housing on the other? Aren't you saying that you can breathe in but you can't breathe out?

Mr. MITNICK. No.

Senator PROXMIRE. Let me ask you what you would do about relocation. What would you do about people who were driven out of their homes by urban renewal? Where do you locate them?

Mr. MITNICK. I don't think public housing is the answer.

Senator CLARK. What is, then, Mr. Mitnick?

You are in the unfortunate position of having three committee members here who don't agree with you. You have some friends but they are not here.

Mr. MITNICK. I sure wish you would send for them.

I think that urban renewal should be made so that it takes care of this thing. When you say you displace people, certainly you should provide in your urban renewal for taking care of them.

Senator CLARK. It is in the law that you have to furnish them with safe and sanitary homes. How can you furnish a low-income family without public housing? That is the question he is asking you.

Mr. MITNICK. Our idea on public housing is that it is much too expensive. When you say reasonably replace them. You can't do it with public housing—that is our opinion. It costs too much. It costs the taxpayer too much.

Senator CLARK. Certainly you are entitled to your opinion, even though not many of us, I think, including Senator SPARKMAN, would be apt to agree with you. But I do think that you have to come up with an answer to Senator PROXMIRE's question because your recommendation E on page 4 in opposition to public housing seems to us to be diametrically opposed to your recommendation F in favor of highway and grant funds. The testimony which has been adduced before this committee in the last week or 10 days, that has been adduced before this committee on many trips it has taken in the field during the last 2 years, is that you cannot possibly comply with the requirement of furnishing relocated families of low income with a safe and sanitary home unless you build additional units of public housing. The testimony from experts in the field here yesterday was that there is a need just from relocation programs for 250,000 additional units of public housing in the next 4 years. I would be happy to have you rebut that.

Mr. MITNICK. We have reports that there are many places in this country where you have vacant public housing.

Senator CLARK. If you have any such reports in statistical form we would be happy to have you present them for the record.

Mr. MITNICK. I would be glad to submit them.

Senator CLARK. We have no such evidence before the committee at this moment and we have had witness after witness from the mayors and from the public housing administrators throughout the country come in and tell us that that is not the fact. So, if you have any adverse evidence we would cerainly like to have it.

Mr. MITNICK. I would certainly be pleased to give it to you, and we will.

* * * * *

Senator CLARK. Thank you very much.

Could I return for a moment to sections 220 and 221? Since you are keeping such a close look on urban renewal and on public housing can you tell us whether I am correct in stating that sections 220 and 221 have been almost entirely ineffective in helping with the relocation problem in the area east of the Mississippi and north of the Ohio River and the Mason-Dixon line?

Mr. MITNICK. No; I wouldn't say that.

Senator CLARK. Do you know how many starts there have been under section 221 in that area?

Mr. MITNICK. I know people that are building them. I couldn't tell you how many, sir.

Senator CLARK. The testimony before this committee indicates only 46 have been completed, and that there are practically no displaced families living in any of those projects. Would that startle you?

Mr. MITNICK. No, I am not startled because I said before if your law is made what we think would be the proper law that you can multiply this many times.

Senator CLARK. You think if we relaxed the requirements under sections 220 and 221 that the homebuilders might come in and give us some real help?

Mr. MITNICK. Yes, sir; and I can answer for one homebuilder who would be glad to go in there.

Senator CLARK. How do you think increasing the maximum mortgage from $10,000 to $12,000 is going to make it possible for low income families who are displaced by urban renewal to buy a home under secton 221?

Mr. MITNICK. You lengthen the term.

Senator CLARK. What good is that going to do a family with an income of around $3,000 or $4,000 a year?

Mr. MITNICK. This is a social problem.

Senator CLARK. Of course it is, and you are purporting to be an expert on it. I am suggesting you are not, in all fairness I don't mean to be disagreeable with you, I really have the greatest sympathy with a great many of your proposals. I am just wondering if this is a subject which——

Mr. MITNICK. Senator, you and I disagree on one thing, public housing; we are opposed to it.

Senator CLARK. You are certainly entitled to your opinion.

Mr. MITNICK. I still repeat that urban renewal can do this job with the proper legislation. I don't know of any time that you can accomplish the whole social system, but public housing as it is today is certainly not acceptable to us.

Senator CLARK. Let me ask you once more and then I will depart from the subject because there is no use just getting into an argument. How would you, the homebuilders propose to take care of relocation of a quarter of a million families under governmental programs in the next 3 years?

Mr. MITNICK. I believe that if we build to the tune of about one-million-four a lot of your problems are solved, and let's remember this, that so many, when people upgrade themselves and get into newer and better homes there is a better class of secondary homes that are existing that go to the people of lower incomes.

Senator CLARK. That is the trickle-down theory and it works to some extent but it has been our experience, and I think the testimony before this committee sustains it, that the trickle-down theory stops trickling down at an income of around $6,000 a year. It doesn't trickle any further because people with that income or less just cannot afford even secondhand housing.

Mr. MITNICK. Well, there is housing being built——

Senator CLARK. Particularly in urban areas.

Mr. MITNICK. There is housing being built in this country for people in the $3,500, $4,000 area. I am building some myself.

Senator CLARK. Within metropolitan areas? What house have you built inside a standard metropolitan area which you can expect to sell to a family with an income of $3,500 a year, since World War II.

Mr. MITNICK. There are some being built right near your location in South Jersey.

Senator CLARK. What are you selling them for?

Mr. MITNICK. $8,250, $8,900, $9,900.

Senator CLARK. Out in the Pines?

Mr. MITNICK. There are houses being built within 14 miles of the city of Philadelphia for that price.

Senator CLARK. All right, how many?

Mr. MITNICK. I know of 120 just completed.

Senator CLARK. Are you familiar with the provision in S. 193 which calls for a special program for middle-income families who have to be relocated because of governmental action at 3 percent interest with 50-year mortgages, 100 percent of value?

Mr. MITNICK. I'm not informed on this at all, Senator. I couldn't answer you.

Senator CLARK. If that were to be enacted into law do you think your association would be interested in building that?

Mr. MITNICK. Would you repeat what that accomplishes again, please?

Senator CLARK. This is to be available only to families relocated by governmental action, that is the housing program, urban renewal and the like. It calls for mortgage up to 100 percent of the value of the house, to be insured, 50-year terms, 3 percent rate of interest.

Mr. MITNICK. I think this would be a good thing.

Senator CLARK. You would be interested in looking into it?

Mr. MITNICK. Yes; I certainly would.

Senator CLARK. Thank you. One more question. And I say this with a smile on my face. What would you think of extending the workable program requirements to suburban areas within metropolitan areas in the interest of getting an overall urban renewal program which would prevent some of the abuses of suburban building which I am sure you are now familiar with? In other words, extend from the urban renewal city area to the suburban area the requirements for having an overall workable program before, let's say, FHA will insure a mortgage?

Mr. MITNICK. I think that is a good answer to the problem, an excellent answer to it.

Senator CLARK. Thank you very much, sir.

Mr. MITNICK. You are quite welcome, sir. Thank you.

Mr. McDONOUGH. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DERWINSKI].

Mr. DERWINSKI. Mr. Chairman, it is not my purpose this afternoon to shed any more light on the housing bill than we have already heard this afternoon. As a freshman Member I have been told that this sort of debate goes on year after year and it would be too much to think that I could give you veteran gentlemen any additional information that you do not already have. However, to say the least, it is rather obvious that this housing bill as such is a complex and controversial issue. I say this in deepest respect to the distinguished gentleman from Alabama [Mr. RAINS]. However, I have a different opinion of the Rules Committee than that which he has expressed earlier.

The Rules Committee was kind enough to grant me permission to appear before it and help that committee in the complex and controversial discussion on this housing bill. I would like to feel if I ever had a piece of legislation before the Rules Committee I would certainly wish to receive the same fair consideration and understanding from those gentlemen that they gave the housing bill.

I also feel—I think it is only fair to say this and I assume I will not receive any argument in opposition—that when we do pass a housing bill this year we are not going to solve the housing problems of the country. I would anticipate that in many years to come we will have a repetition or at least a similar debate on the floor of the House.

I would like to think if we could, and maybe this is asking too much, that we take the provisions of this overall housing bill and break them down, section by section, into separate legislation and take the controversial issues, such as public housing, and another controversial issue, the urban renewal amount and consider those separately, take the FHA, the GI interest rates, and the various technical FNMA provisions and handle them separately. If we did this, I think in the long run we would provide better housing legislation for the people of the country.

I have not had the good fortune as yet to meet and get to know the distinguished gentleman from Florida [Mr. HERLONG], but in reading his bill I cannot help but make the comment he must be very close to a legislative genius, since any man who could take the complex, controversial provisions of this housing bill and boil them down to a good, sound piece of fundamental legislatin, such as he has presented to us, proves his ability and his achievement. I would like to think that the gentleman from Florida [Mr. HERLONG] would be a worthwhile member of the Housing Committee, since his bill has a fundamental grasp of the problems of the housing needs of the country.

Incidentally, 3 or 4 years ago, when I was just an ordinary citizen and a taxpayer, before I thought I would ever serve as a Member of Congress, I had the opportunity of attending a savings and loan convention at which the distinguished chairman of the House subcommittee, the gentleman from Alabama [Mr. RAINS] was the featured speaker. I was impressed by his grasp of the housing thinking and his further interest and sincerity in private enterprise so far as homeownership is concerned. I find myself a bit puzzled today over what I think is an inconsistency, since as I remember him 3 or 4 years ago he was a firm advocate of homeownership, yet he appears before us in this housing bill as a firm advocate of socialistic public housing.

Incidentally, I must, not having legislative experience, fall back and comment briefly on some personal business experiences. About 8 or 9 years ago we had an influx of people, some welcome and some perhaps not, referred to as displaced persons who came over to this country after being either prohibited or not wishing to return to their eastern European countries.

Many of these people settled in my district, in the large metropolitan area of Chicago. They were an interesting group of people. Coming over, as they were, without funds, without any personal resources, instead of flocking to the public housing units that were available, they did their very best to save and save rapidly, and as soon as they acquired a fair amount of funds, they invested those funds in homes, and now, 8 or 9 years later, they are substantial homeowners and solid citizens of their community. Nobody took them by the hand and told them if they had less initiative and less courage, they could live in subsidized public housing projects. I would like to think perhaps if we followed the example of some of these newer citizens and showed appreciation and an understanding of the right and the beauty of homeownership, we would have less need and less demand and less pressure for public housing.

I would just like to make one additional comment in regard to the Committee on Rules. As I mentioned earlier, I was privileged to appear before the Committee on Rules, and I cannot help but think, as I watched them perform and listened to them, that the gentleman from Virginia, Judge SMITH, seems to have quite a grasp of legislation and seems to have quite a bit of understanding of the problems of this housing bill. And, I would like to think if the veteran gentleman from Virginia saw fit to insist on a back-door provision in the housing bill, I, as a freshman, bow to his experience and wisdom and say that most certainly this is a worthwhile provision.

I would like to point out again, in closing, that this complex and controversial housing debate will be repeated a year from now, and I am sure it will be met with just as intense consideration. I am sure, as the gentleman from Alabama mentioned, that we will all have an open mind about the matter. None of us approach this thing with a preformed opinion, and I hope that the great American homebuilding industry this year is going to build a record number of private homes and prove to us in the years to come that if we permit them to expand and expand and if we permit them to serve the justified needs of the public, they will be able to provide all the housing that the country needs and that this socialized public housing will be terminated.

In an effort to clearly spell out the issues involved in this Housing bill, I believe, Mr. Chairman, that we should first completely discuss the principles, as well as the administrative problems contained in the entire question of Government Public Housing. It is my intention, in my remarks today, to be completely nonpartisan and nonpolitical and explain this Public Housing dilemma to the Members of the House in a manner which will permit them to think of it as it relates to the taxpayers and the American homeowner.

WHAT IS PUBLIC HOUSING?

It is housing built, owned, operated and managed by the Government. It was first introduced in this country in the early 1930's to help "prime the pump" of the national economy. Since then 440,000 units have been built.

During the war over 700,000 more units were built by the Federal Government, and for most of these the Government is still the landlord. Many of these are temporary and prefabricated units serving a useful purpose as veterans housing, on college campuses and in other areas with a serious housing shortage. These temporary units, however, should not be confused with the permanent subsidized apartment-type public housing units built before the war and proposed again.

Public housing is supposed to provide shelter for persons whose income is not sufficient to afford them adequate shelter. The Government is the landlord; it pays no real estate taxes; it charges rent less than needed to pay the full building and operating costs of each dwelling unit.

The difference between rent charged and rent needed is a loss. This loss is paid by the American taxpayer through Federal income taxes and higher real estate taxes.

When the present housing shortage became apparent, the public housing officials dressed up their plans for expanding the housing under their bureaus in a housing bill and presented it to Congress. The measure called for the spending of billions of dollars to quadruple the number of subsidized homes which the Government would own and operate.

Even though the program they proposed involved billions, public housing officials called it only a beginning. With that much of his money at stake, the American taxpayer is entitled to know what public housing will do and will not do.

While we have had public housing in this country for 15 years, it was only after investigation by the General Accounting Office of the Federal Government and two committees of Congress that the whole story has been revealed and the flowery claims of housing officials exploded.

Here are some of these facts everyone should know:

PUBLIC HOUSING IS INFLATIONARY

Public housing always competes with private industry for manpower and building materials, all of which are being used at the present time by contractors to build over 1 million homes a year. A tremendous black market in men and materials would be created by bringing public housing into today's building picture. Public housers—armed with all kinds of priorities—would snatch up scarce building materials. Prices would be bid up as Government subsidies clashed head-on with private demands. Large public housing expenditures would shove building costs beyond the reach of all but a handful of the very wealthy families and the selected public housing project families. The typical thrifty income-earner would be out of luck. Billions more would be added to our dangerously high Federal debt and more fuel—more credit—would be thrown on the flames of inflation. Of the things needed to build homes—men, materials, and money—the Government has only money, and that is already the cheapest and most abundant of the three. There is more than enough credit in private hands to meet all housing finance needs.

PUBLIC HOUSING WON'T CLEAR SLUMS

Although heralded as a solution to the slum problem, public housing has resulted in miserably little progress in clearing slums. This failure is no accident because the public housing has usually been located on land that was vacant or sparsely developed and because the families that live in the real slums can't qualify for admittance into the new Government houses. Frequently, slum dwellers, dispossessed by public housing projects, have been compelled to move to other slum areas. In Savannah, Ga., for example, slum dwellings on a proposed public housing site were sold, put on rollers, and moved across the street where the former occupants continued to live in them.

PUBLIC HOUSING SPURS POLITICAL FAVORITISM

Tenant selection gives wide leeway for the passing out of political patronage. People in charge of local housing projects are appointed by elected public officials, who of course like to reward the "faithful" for campaign support. In Pittsburgh, Pa., 80 percent of public housing tenants "happen" to be members of the incumbent political party. Congressional investigators have reported evidence of compulsory campaign contributions in a Government housing project in California. In short, the widely-publicized efforts to aid the underprivileged are often a guise for a program to expand bureaucratic power and political influence.

PUBLIC HOUSING COSTS MORE THAN PRIVATE BUILDING

The promises of public housing advocates that Government units would cost less than comparable privately built dwellings have never materialized. By the very nature of its operation, the Government can rarely do anything inexpensively. For example, a Chicago project built in 1938, when building costs were half of what they are now, cost $7,000 a unit—much more than the dwelling of the average taxpayer. A survey in Washington, D.C., revealed that a public housing unit cost 43 percent more than a similar one built by a private contractor. The difference can, of couse, be traced to the inefficiencies of Government bureaucracy, heavily bound with redtape of its own making.

PUBLIC HOUSING BOOSTS REAL ESTATE TAXES

Most American cities already have whopping realty taxes. Public housing projects are tax exempt, and thus increase the tax burden on other properties in cities where they are located. Since the public housing projects do not pay taxes, the rest of the city's taxpayers must pay the high cost of schools, fire and police protection and other municipal services not only for themselves, but for the favored Government housing tenants as well. In fact, property owners must pay twice for public housing—through Federal income levies, as well as real estate taxes. The average real estate taxpayer will look suspiciously at plans to expand public housing projects, when many of the public housing tenants have incomes higher than his and yet pay no taxes.

PUBLIC HOUSING DOESN'T HELP OUR NEEDIEST FAMILIES

Public housing officials have ignored our neediest families. They have filled Government projects with middle- and high-income families well able to afford their own shelter without a Government subsidy. The average income of public housing tenants several years ago was $2,200 annually, with many having incomes of $4,000, $5,000, and higher. Some have had incomes of as high as $13,000 a year.

Public housing officials openly admit that 20 to 40 percent of their tenants have reported incomes in excess of the maximum standards set by the Congress. Yet this is a conservative estimate, for in Dallas, Tex., one tenant was found to have an income 2½ times that carried on the project's reported records. A Federal employee with an income of $8,179 was able to rent two Government houses in San Diego, Calif., for a total rent of $39 a month. A notorious gambler and bookmaker who vacationed in Florida every winter resided in a Government housing project in New Jersey at a subsidized low rent.

This is vivid evidence that public housing officials have disregarded the welfare of American families at the bottom of our economic scale. In fact, during recent hearings before Congress, public housing leaders openly testified that they do not intend to make more than a small fraction of their units available to welfare families and those on relief. They told Congress that public housing is for families with steady incomes.

PUBLIC HOUSING WILL NOT RELIEVE THE HOUSING SHORTAGE

Experience shows that it would take at least 2 or 3 years before any newly authorized public housing would be available for occupancy. It would take that long for the Government to act. There would be surveys and conferences and every little decision would have to be approved by city, county, State and Federal bureaus. No law can build houses. All that a public housing program could do is siphon labor and material from one type of housing to another. Should the Government keep materials bottled up in warehouses awaiting completion of its plans, there would be even fewer houses built.

GOVERNMENT HOUSING IS NOT THE ANSWER

Its past record is proof that public housing is by no stretch of the imagination the answer to the Nation's housing needs. The only answer is being supplied by the private housing industry today. All over this country men are building homes, other men are financing them, and thousands of families are geting new quarters and vacating houses and apartments for thousands more.

It is likely that nearly 1,400,000 homes will be completed this year. Think of it—1,400,000 new homes. That is the kind of housing production that will end

the housing shortage long before public housing advocates go beyond the planning stage. And what is more, we will have solved the problem the American way, without any subsidies, without any socialistic cure-alls, and without any regimentation of millions of families in political housing.

The privately owned American home is the safeguard of American liberties.

Mr. SPENCE. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. BURKE].

Mr. BURKE of Massachusetts. Mr. Chairman, as a member of the House Committee on Banking and Currency, may I commend our chairman, the Honorable BRENT SPENCE, for his leadership, his counsel and advice given on this most important piece of housing legislation.

The Subcommittee on Housing, headed by the brilliant chairman, the Honorable ALBERT RAINS, of Alabama, has given unstintingly of its time and has demonstrated a complete understanding of the problems this great Nation of ours faces in the matter of housing.

Our country is developing rapidly, our population is growing rapidly, thousands of our citizens are being displaced from their homes due to an accelerated highway program. Steps must be taken to clean up the slums in our teeming tenement districts in our large metropolitan cities.

Our FHA insurance program must be extended and liberalized—there is a crying need for a sound urban renewal housing program. Additional funds are necessary for college housing.

The need for housing for the elderly cannot be overemphasized. As Members of Congress we certainly have a moral obligation to take care of the needs of our elderly citizens.

The defeat of the housing bill last year has stagnated several important Government-assisted housing and urban renewal programs. Time is running out and prompt passage is vitally essential, in order to go forward with our national housing programs.

The committee bill, if passed, will result in giving employment to thousands of our American workmen who are today idle.

This housing bill is a moderate approach. It is conservative in character—and while it will not come close to solving the Nation's problems on housing, it is a step in the right direction.

We must have faith in the ability of our great country.

The Herlong bill which has been mentioned here today as a substitute for our committee bill, in the parlance of the legislator, is a phantom bill. Presented on the 14th of May, with less than a week to consider it, it certainly would be a reflection on the work of your Committee on Banking and Currency if it were substituted.

I trust that this House will follow the sound leadership on a sound piece of legislation, on a bill that will do a great deal toward helping people throughout the entire country. I trust that we will follow the leadership of the gentleman from Alabama [Mr. RAINS] and the gentleman from Kentucky [Mr. SPENCE], and act favorably on the recommendations of the Banking and Currency Committee.

Mr. PORTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Chairman, the defeat of the omnibus housing bill reported by the House Banking and Currency Committee last year has unquestionably slowed us in our progress toward our goal of a decent home in a good living environment for every American family.

Many of our important Government-assisted housing and urban renewal programs have been brought, for all practical purposes, to a halt. For this reason it is my hope that the House of Representatives will promptly consider and speedily approve the committee substitute for the Senate approved bill S. 57. These housing and renewal programs must be reactivated and revitalized to an extent commensurate with the great national need.

The bill reported out by the Banking and Currency Committee is a markedly improved and properly extended version of last year's measure. It will help make it possible for local areas to step up their fight on slums and blight. It will widen the opportunities for increased home ownership.

It will go far in providing better housing for low- and middle-income families. I believe that it will contribute significantly to the expansion of the home building industry and increase the number of dwelling units built during the years to come.

Here is how the bill will materially assist in increasing the number of housing starts during future years:

First. Under existing laws the rapid increase in cash equity investment required under the current FHA downpayment schedule has the practical effect of curtailing the use of FHA financing on moderate to higher bracket mortgages.

LIBERALIZED FHA DOWNPAYMENTS

The liberalization of FHA downpayment requirements as proposed by the House Banking and Currency Committee in S. 57 will ease the burden of required equity investment for FHA-financed housing. This particular provision would enable a considerable number of additional financially able families to buy homes. This particular provision gives a long-overdue break to large families requiring four or more bedrooms to adequately meet their housing requirements.

Second. Liberalization of the amortization terms as provided for in the committee bill under the section 203 sales housing program from 30 to 35 years will make possible lower monthly payments. It is believed the additional 5 years will make possible a reduction in the monthly payment which will be a decisive factor for some families in determining their ability to carry the load.

I want to commend the committee for their work to do everything possible to encourage home ownership under as favorable financing terms as are possible under the FHA insurance program.

SPEEDS NEW HOUSE SALES

Third. Builders and realtors are finding it necessary to accept trade-in houses on new house sales. Most home owners who wish to purchase new dwellings need to use the equity in their existing homes as part of the downpayment for the new one.

The proposed bill will enable the seller of a new house to place a mortgage on the old house equal to that now obtained when a purchaser for the old house is found. It gives the builder or real estate dealer up to 18 months to resell the trade-in house and transfer the mortgage debt to the purchaser. By following this procedure, one set of closing costs are eliminated. This can amount to a substantial saving for the purchaser. To utilize this type of trade-in financing the builder or dealer puts into escrow 15 percent of the original principal mortgage amount until such time as he sells the property to an owner occupant. This particular provision will facilitate new house sales and will make old houses available to our lower income families.

Fourth. When the FHA program was originated in 1934, the maximum mortgage amount which could be insured under the program was set at $16,000. Since that time cost levels have more than doubled. The ceiling was raised to $20,000 in 1954. It is obvious today that that increase is no longer commensurate with the increased cost levels resulting during the postwar period.

WISE RECOMMENDATION

The committee wisely has recommended that the ceiling for one- and two-family homes be increased from $20,000 to $25,000. This will prove conducive to increased home building. A lower downpayment schedule, affords a needed break for families in need of houses with four bedrooms or more.

The committee's recommended liberalization of the section 203(I) program is designed to encourage low-cost housing outside of built-up areas. It also is most desirable and will prove conducive to the construction of badly needed low-cost housing.

Recognition on the part of the committee of defects in the existing FHA section 207 rental housing program and the provisions recommended by its members to rectify these weaknesses should go far to strengthen and expand the FHA rental housing programs. Increasing the permissive loan-to-value ratio from the present 90 percent of value to 95 percent of value should prove helpful in attracting sponsors who have been wary of the program because of the very substantial equity investment required. The increase of the statutory cost limitations on rental housing under sections 207 and 220 reflect proper recognition on the part of the committee of the increase in cost level since the original program was enacted.

OTHER IMPORTANT PROVISIONS

Other important provisions of the bill are the new programs of housing for elderly persons, the extension of the military housing program, the measures to improve the effectiveness of the secondary market operation, the special assistance programs of the Federal National Mortgage Association, the additional aids to cooperative housing, and the extension of the program for farm housing research.

I cannot emphasize too strongly the tremendous importance of a continued and markedly strengthened urban renewal program. The $500 million yearly for 3 years recommended should prove a tremendous stabilizing force in the economy during future years. Based on current program costs, the urban renewal program operating on a $500-million-a-year level would mean the demolition of approximately 175,000 slum units annually.

Experience to date has demonstrated that for every $1 of Federal grant-in-aid money expended an additional $5 to $10 of private investment is spent in carrying out the program. Thus a $500-million-a-year annual expenditure of Federal grant funds plus an additional expenditure of $250 million of local grand-in-aid money will generate from $250 billion to $500 billion in private investment. Much of this money would be spent for additional sales and rental housing.

A BETTER PUBLIC HOUSING PROGRAM EQUALS NEW JOBS

This legislation also provides needed extension and improvement of the low-rent public housing program. The committee in reporting this provision recognize that low-rent housing and urban renewal grow with one another. The clearance of slums, the acquisition of highway right-of-way and code enforcement and other governmental activities are displacing nearly 80,000 families annually. Nearly half of these families are in the low-income category.

The latest available statistics on unemployment show little improvement in the level of employment. A housing program can provide jobs for Americans.

Each dwelling unit constructed provides at least 2.3 man-years of employment. One hundred thousand new homes constructed means 230,000 workers will be fully employed for 1 year.

The housing bill as recommended to us by the Banking and Currency Committee will spark economic growth such as was started by the Emergency Housing Act of 1958. As a result of that action by the Congress, the annual—seasonally adjusted—rate of housing starts increased from 918,000 in February to 1,430,000 in December.

HOUSING STARTS CAN BE BOLSTERED

It is significant that housing starts experienced a decline in January of this year and a further decline in February. While these are not vital drops, they can be considered as significant omens requiring quick action to stimulate increased housing construction activity.

The construction of an additional 200,000 more units of housing during the forthcoming year over and above the level attained during the last year will absorb one-tenth of our total unemployed. Since each house uses more than 3,000 different products in construction, it is obvious that increases in construction activity stimulates new production activity and, therefore, jobs throughout the entire country.

The economy of Oregon and the economy of my congressional district is largely dependent upon the lumber industry and the home-building industry. The largest single market for forest products is in housing construction.

MORE HOMES, MORE JOBS

The construction of 100,000 new homes accounts for the use of in excess of 1 billion board feet of lumber, 104 million square feet of plywood, 115 million board feet of finished wood flooring, 1,400,000 window frames, 49,000 garage doors, 1,200,000 assorted house doors, and 1 million kitchen cabinets.

I agree with the finding of the committee that the legislation proposed would have no inflationary impact on the economy. I agree with its conclusion that "by strengthening our basic rate of housing production and by helping to create a more favorable business environment through the removal of slums" the bill will "contribute to the expanded production which is the best weapon against inflation and pressures."

The committee bill should be approved.

Mr. McDONOUGH. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. WIDNALL].

Mr. WIDNALL. Mr. Chairman, on January 7 of this year, the first day of the Congress, several of us submitted a resolution, a proposal on behalf of the administration, which would have provided the authorizations immediately needed for urban renewal, college housing and FHA. The resolution could have been passed that day. There was agreement, regardless of party lines, with respect to those programs. It could have become law long since and taken out of the realm of controversy at this time. It would have given ample time to discuss within committee and on the floor of the House all the other provisions that are contained in the omnibus housing bill.

This bill, as many have pointed out, becomes highly controversial because of public housing. Over the period of years that I have been in the Congress I have supported a moderate public housing program. I have supported 35,000 units a year by way of authority. And, as a matter of fact, it is in the record within the committee, that I offered an amendment for 35,000 units of public housing for 1 year, which was turned down by the committee, because it wanted this full-scale authorization over a period of years.

I cannot understand the difference between this year's and last year's housing proposal, because the same sponsor, the gentleman from Alabama [Mr. RAINS] in his housing bill had not one new unit of public housing in that bill. Yet, this year, there must be 140,000 new units. That is a very substantial difference in the bill.

We are told that we must review a lot of these programs every year. We have to look over the needs of the people. We have to understand exactly the conditions at the time. To have a program like FHA, which is generally accepted and which could very well have an open-end authorization—they say that that must be reviewed each year. And yet the most controversial part of the omnibus housing bill—public housing—has to cover a period of years. If there is to be any public housing it certainly should not go beyond the 1-year authorization. As I say, I personally offered an amendment for 35,000 units, and do not forget, if the Herlong substitute is enacted with no public housing in it, there are 45,000 units in the Senate bill, and we would go to conference with 45,000 units in the Senate bill and no units in the House bill.

Under this new committee bill offered by the gentleman from Alabama [Mr. RAINS] I think one important provision that has been included in urban renewal changing the existing law should be brought fully to the attention of this committee. Section 404(3) in effect says that proper urban renewal applications must be processed in the order of their receipt and no size limitation may be imposed on any project which otherwise is eligible. That will bring a filing rush the like of which you have not seen since they opened the Oklahoma Territory. Quite probably it would not take a year and a half to use the $1½ billion authorization committed in this bill. That accelerated filing incentive would give the large cities a great preference because they have in existence the planning bodies, the employees on a permanent basis, to develop urban renewal plans. The smaller towns and municipalities in many instances that need urban renewal would find that everything had been gobbled up by the big cities. To prove my point, Mayor D'Alesandro of Baltimore came before our committee in the last session and testified that for Baltimore alone they could use $900 million in urban renewal—$900 million for one city. And how they would gobble up the authorization if this bill went through as proposed.

I would like to emphasize some things in connection with the housing for the elderly program. The way some people talk about it now, it is just as though the new proposals in the Rains bill were the first housing for the elderly program that has been offered for the elderly people of America. There is an elderly housing program in existence and it is doing a good job and accumulating momentum. There are now about 9,000 units programed, and I think far more would have been programed if this bait of 3½ percent subsidized money had not been held out in the present bill. What I cannot understand about some of the criticism that is addressed to the Herlong substitute is this. Under the terms of the Herlong substitute, it would

be necessary to go to the Committee on Appropriations for money. Therefore, it is argued that that would then destroy the existing programs for urban renewal and college housing. Yet, at the same time the Rains bill in its new $100 million direct lending program of housing for the elderly would use the same procedure. Does that mean that this bill is just a window dressing with respect to the $100 million appropriation? Because, if it is believed in the one instance that going to the Committee on Appropriations would destroy college housing and urban renewal, then going to the Committee on Appropriations for $100 million in the elderly housing program is going to destroy the elderly housing program. I do not understand the inconsistency that is contained within the Rains bill.

I would like to ask some questions of the gentleman from Alabama [Mr. RAINS] if he is here at the moment.

Meanwhile, I would like to call attention to one phase of the elderly housing program in the Herlong bill. The present program which has proven quite successful has been changed in the Herlong substitute so that a non-profit-making organization could obtain guaranteed money for 100 percent of replacement value at a not more than 5 percent interest rate. The present program is for 90 percent of the replacement value. There was no testimony before the committee that I can recall saying that any of these projects had failed because of the existing interest rates. Some said that there could be a better job done if 100 percent could be borrowed rather than 90 percent.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from California.

Mr. McDONOUGH. The point in connection with the 100 percent replacement value for elderly housing is that there is no limit to the amount of money that can be borrowed at that rate while in the Rains bill there is a $100 million limitation, and that provides for approximately 10,000 housing units.

Mr. WIDNALL. I thank the gentleman from California for that contribution because under the proposed Herlong substitute far more housing for the elderly can be put into building and construction in fulfilling the desires of the people than under the $100 million program offered in the Rains bill.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield.

Mr. JOHNSON of Colorado. If I understand the Herlong bill correctly, the interest rates will be 5 percent; is that correct?

Mr. WIDNALL. That is right.

Mr. JOHNSON of Colorado. I think if you check back to the testimony which I offered in committee, you will find that the question I raised there was—How could a person on the income which an old age assistance recipient gets, for example, which averages $61 nationwide and, therefore, is both above and below that, how can he pay the rentals which would have to be charged at 5 percent interest in any project in which he would want to go? In other words, that would be building only for persons whose income is substantially above this minimum.

Mr. WIDNALL. Under the existing program, it has been found possible by many nonprofit organizations—labor unions, charitable organizations, churches and so on to build housing for the elderly that can be occupied by people who have limited incomes. I feel that by this 100 percent replacement value program with a not more than 5 percent interest rate—and it is not fixed at 5 percent, but not more than 5 percent interest rate, you can very well meet the aims and desires of all of us who want a full-scale housing for the elderly program.

Mr. JOHNSON of Colorado. At what income level?

Mr. WIDNALL. I do not think there has been any testimony as to what income level would be served under the 3½ percent subsidized rate.

Mr. JOHNSON of Colorado. I think it is fairly easy to calculate. The difference in the rentals would be down about $12 per month at the lower interest rate. Since we normally calculate that it cannot be, even with the elderly, more than one-third or one-quarter of their income for rental, that means a $50 a month difference in qualifying income. That is a substantial difference.

Mr. WIDNALL. I might also call the gentleman's attention that even with the program of $100 million it would take care of only 10,000 elderly people out of 15 million; it would only scratch the surface; it would hold out hope to very few elderly people in the United States.

Let me call the attention of the membership to the fact that title I in the Herlong substitute is exactly the same as in the Rains bill. With respect to armed services housing we are told—and I would like to have asked the gentleman from Alabama a question about this—that it is proposed to take from the committee bill that section with respect to the armed services housing. If that is done it would be identical with the Herlong substitute.

With respect to the "save your homes" clause which has been played up on the floor of the House, and rightfully so, that is the same in the Herlong substitute and would help the borrower who was in difficulty.

Sometimes from the talk that goes around on the floor of the House you get the idea when emphasis is laid on hospital construction in one bill, that the other bill contains nothing about it. The provisions of the Herlong substitute are identical with the provisions of the Rains bill. The same with respect to the mortgage insurance program for migratory farm workers.

The extension of the voluntary home mortgage program is identical.

The very best features of the Rains proposal are in this bill. Not all of them are in the administration bill introduced by the gentleman from New York [Mr. KILBURN], by request. The Herlong bill is not the administration bill. The Herlong bill has taken the best provisions from the committee bill in trying to find something to meet the wants and desires of the House. I feel that it is a good substitute and I hope it will have the support of the House.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Ohio.

Mr. VANIK. What specifically was the reason for shifting emphasis from the administration proposal which I assume is known to everybody, to emphasis on the program found in the Herlong bill?

Mr. WIDNALL. I believe the gentleman from Florida [Mr. HERLONG] is best qualified to answer the gentleman's question.

Mr. VANIK. The gentleman and I are both members of the committee.

Mr. WIDNALL. I am a member of the Committee on Banking and Currency, but I did not help prepare the Herlong substitute.

Mr. VANIK. This is a strange way to legislate. It seems to me we get to this point in the consideration of every bill. The committee, not the floor, is the place where bills should be perfected and amendments threshed out. Here we find ourselves confronted with a sudden shift away from a much publicized administration bill to another proposal presented to the Congress by one who has not participated in the discussions of the committee.

Mr. WIDNALL. May I answer the gentleman in this way: Last year when the housing bill was brought up under suspension of the rules, the Committee on Banking and Currency in its wisdom reported a bill embodying expenditures of $2,400 million, but before it was called up on the floor of the House in an effort to attract support so that a housing bill could be passed, the chairman of the Subcommittee on Housing cut that bill $1,500 million without further hearings in the committee.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, the proposals of the committee bill are of tremendous necessity to the city of Cleveland, one-half of which is my constituency. As a matter of fact, the committee proposals constitute the basis for only a minimum program of urban regeneration.

My community entered the urban renewal program inspired by the Housing Acts of 1949 and 1954. In 1954 we planned a program that would take 10 years for consummation, and we relied upon a continuance of the Federal program.

If the Federal urban renewal program is permitted to deteriorate into mere community shock treatment—it would have been more economic and perhaps wiser, if it had never been commenced, because a job half done is little better than nothing at all.

My community is shouldering as much of the burden of urban renewal and redevelopment as it can afford. The costly local expenses of planning, utility relocation and necessary public improvements constitute almost half of the total cost of urban renewal projects. To demand an increased local participation in this important work is to order the demise of urban renewal as a community function.

In this connection, I am not delighted with all phases of the public housing program. However, I must emphasize that since urban renewal and the highway program, plus increased housing code enforcement and other governmental activities will continue to displace low-income families at a fairly high rate during the next 10 years, the existing low-rent public housing programs must be strengthened in order to assure continued progress in these other programs.

With respect to low-cost or public housing, a community can take one of two courses of action. It can ignore the problem of needy people requiring decent housing in the hope that the problem will go away—and sometimes it does in the migration of these unfortunate souls to other communities.

The more humane approach is to face up to the problem that subsidy housing must be provided for subsidy families. A subsidy family is one that through circumstances—certainly beyond the control of its infant members—is unable to pay a reasonable price for decent rental accommodations.

In the State of Ohio and under the State law, no family can earn more than $2,400 per year and occupy public housing space. No builder in America can provide unsubsidized construction and meet this kind of a salary limitation.

In my community public housing totaling 5,850 units is almost entirely occupied by welfare or community support cases—elderly persons of no income except a small social security or old-age pension check, families in which the wage earner has been deceased or injured through industrial accidents or casualties.

Six hundred eighty-four families receiving aid to dependent children occupy public housing suites. Nine hundred twenty-two families of runaway or deserting fathers occupy public housing quarters.

Without these low-cost housing suites in my community, local welfare and relief costs would almost double because adequate housing in nonpublic facilities would cost 4 to 5 times as much. These are not the problems of a local community—they are in every way, the problems of all America.

I sincerely hope that this bill will be adopted. It has been well considered by the Subcommittee on Housing and the Banking and Currency Committee. It is a moderate proposal—and a just proposal.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from California.

Mr. McDONOUGH. The gentleman states he has so many units of public housing in his city. How many have you made application for in addition to what you have?

Mr. VANIK. I can provide that figure in a moment.

Mr. McDONOUGH. In the early part of the gentleman's remarks he said that the city of Cleveland has done as much as it can with reference to urban renewal.

Mr. VANIK. That is correct.

Mr. McDONOUGH. The city of Cleveland can borrow money cheaper than the Federal Government, it has not the debt obligation of the Federal Government; still you are receiving aid from us in order to reduce your own debt.

Mr. VANIK. In my community we have faced the terrible consequences of the recent recession. We are now running out of our relief and welfare funds. I do not know how we are going to carry on this obligation for the rest of the year. This is a problem that is very, very acute in my community. Why is it that the people of the central cities, the taxpayers of the cities, rather than the suburbs, should be burdened with all of this extra cost of the subsidy families who move in from all over the country?

Mr. McDONOUGH. You are in no different position from the other cities that suffered from the recession. However, except for your welfare problems, you are still in a better position than the Federal Government is.

Mr. VANIK. I think I could produce figures to convince the gentleman that the city is no better off.

Mr. McDONOUGH. They are better off so far as financial solvency is concerned.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. MOORHEAD].

Mr. MOORHEAD. Mr. Chairman, a strange and unfortunate irony has marked the debate on the omnibus housing bill.

For while the urban renewal and public housing provisions in the committee bill are opposed here in the Nation's Capital along party lines in the name of economy they have strong bipartisan support back home in communities across the country.

We should examine the reasons for this support.

We should heed the economy every businessman knows—that it is actually false economy to let a plant deteriorate just as it is sound, long-range economy to keep a plant in good repair and to spend $1 to produce $5 or $10 in potential wealth.

At a time when our economy is not growing at as rapid a rate as the economies of some of our Communist competitors, we must take advantage of the bargain opportunity to purchase $5 or $10 of real wealth for $1 of public funds.

This is exactly what we can do under urban renewal section of the committee bill.

This, perhaps, is the most important reason why the committee bill has the support of many practical and hard-headed businessmen who have studied it.

It is a most curious incongruity that in this field the administration lags behind so many of the responsible business leaders for whom it professes to speak.

More and more businessmen and other community leaders realize that the wealth of our Nation is focused around its urban centers.

They recognize that these urban centers have been and are deteriorating rapidly and that this deterioration is affecting the economic condition of the entire country.

Wherever this problem of urban deterioration has been studied, private enterprise and local government have realized that urban renewal is the answer which will benefit all of the Nation.

Local civic, business, and government leaders have joined forces, crossing political lines, to fight for urban renewal and against blight.

Local communities have not been merely waiting for Federal handouts.

They have organized strong, forceful local agencies to do as much as possible on the local level with local funds to promote urban renewal.

In my community of Pittsburgh, the agencies are the Allegheny Conference on Community Development and Action-Housing, Inc.; in Baltimore, it is the Fight Blight Fund; in Kansas City, it is the Downtown Development Committee; in St. Louis, it is Civic Progress, Inc.; in Buffalo, it is the Buffalo Redevelopment Foundation; and in Cleveland it is the Cleveland Redevelopment Foundation.

This list could be expanded to cover practically every community that has recognized the danger of urban decay which is taking place in its midst.

Some of these agencies undertook urban renewal before there was any Federal program.

For example, Pittsburgh has undertaken 10 redevelopment projects, and 6 of these projects have been carried out without any Federal financial assistance whatsoever. I believe that this is more private redevelopment than has been carried out by any other city.

Such work, undertaken without Federal financial aid, proves that private enterprise wants to and can go far in redeveloping commercial and industrial areas in a city in cooperation with local public redevelopment agencies.

These projects instituted by these agencies demonstrate the genuine local support for urban renewal. They also illustrate how such redevelopment can mean a handsome return on the public and private investment.

Few Federal investments have had such a beneficial economic effect as the urban renewal grants. The Federal grants operate as seed money leading to tremendous private investment which otherwise would not be made. The Urban Renewal Administration estimates conservatively that for every dollar in Federal grants $5 in private and local funds are being invested in urban renewal projects.

Mayor Dilworth, of Philadelphia, estimates, and I believe more realistically, that the ratio is closer to $10 for every $1 of Federal funds.

Thus, as a result of urban renewal we have an increase in wealth which is real and tangible rather than false or inflationary.

However, we have reached the point where local communities have done as much as their limited resources will permit in today's fiscal situation in which the Federal Government has preempted the most productive and lucrative tax sources.

Cities necessarily and quite appropriately turn to the Federal Government for aid. Assistance through the urban renewal process not only strengthens the economy of the cities and of the Nation, it also improves the standard of living and the taxpaying ability of millions of Americans.

Broadening these programs today will result in an economy expanding on sound increases in wealth. Such an expanding economy is our best answer to unemployment, Communist economic competition, and inflation.

Local, practical businessmen realize that there must be Federal assistance of the type proposed in this bill.

In a recent speech, Mr. J. Stanley Purnell, who is the assistant to Mr. Richard K. Mellon, president of T. Mellon & Sons, of Pittsburgh, said:

> We in Pittsburgh are well aware, however, that our urban renewal program cannot be continued without Federal assistance. Three major projects now underway, and many more in early planning stages, are dependent upon Federal aid.

Mayors of many cities testified that a Federal urban renewal program of $600 million each year for 10 years was necessary. The committee bill provides only $500 million for 3 years. Any further reduction would result in the acceleration of urban blight.

Local business leaders also realize that the success of the urban renewal, highway programs, and other community improvements will be seriously impaired, if not totally blocked, unless there is an ample reservoir of low-rent housing backed by continued strong Federal assistance.

Experience in Allegheny County shows that at least one-half of the persons displaced by urban renewal and other improvements will be unable to find decent quarters in the private housing market at rents which they can afford.

Public low-rent housing is the only answer.

We cannot have urban renewal without public housing and we must have urban renewal if we want to keep the economic health of our cities and our Nation sound.

Mr. CURTIS of Missouri. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Fifty-five Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 45]

Alexander	Gallagher	Perkins
Alford	Garmatz	Pirnie
Andersen, Minn.	Glenn	Prokop
	Granahan	Pucinski
Baker	Green, Pa.	Quigley
Barrett	Hoffman, Mich.	Rabaut
Betts	Holifield	Roberts
Blatnik	Holland	Rostenkowski
Bowles	Horan	Saylor
Brewster	Hosmer	Steed
Bush	Irwin	Taylor
Byrne, Pa.	Johnson, Md.	Toll
Cahill	Lafore	Udall
Celler	Laird	Van Pelt
Clark	Machrowicz	Vinson
Corbett	Mack, Wash.	Walter
Dague	Meader	Watts
Dawson	Metcalf	Whitten
Dent	Meyer	Withrow
Fenton	Milliken	Yates
Flood	Morgan	
Fogarty	Nix	
Fulton	Norblad	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BONNER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill S. 57, and finding itself without a quorum, he had directed the roll to be called when 367 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. McDONOUGH. Mr. Chairman, as a point of information for the membership, is there any intention on the part of the chairman of the committee to proceed to read the bill tonight or just complete general debate.

Mr. SPENCE. The bill will not be read for amendment tonight.

Mr. McDONOUGH. I thank the gentleman.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. Chairman, I first want to assure those who just came into the Chamber that it was not my idea to invite you all to come and hear what I have to say, but I welcome you.

Mr. Chairman, for some 5 long years I have devoted a great deal of my extracurricular time and attention to the question of housing for the elderly. I was recalling to the gentleman from Illinois [Mr. O'HARA] a conversation we had in 1954 before there were any special Federal provisions for housing for the elderly. I will say to the committee that during the Easter recess it was my rare good fortune to return to Denver and dedicate one of the first housing projects for the elderly to be built under the law especially passed for that purpose by the Congress. For those of you who want to consult your hearings, you will find in the hearings of the House committee at pages 52 and 53 the names of the FHA housing projects for the elderly which have been built under section 207, especially designed for the elderly. You will find there a total of 37 projects that have been initiated, and some 4,600 units that are in the process in the pipeline as of December 1958. The total amount of the mortgages on these projects will be some $40 million. This demonstrates that the housing for the elderly, which is being constructed under section 207, as of today will cost an average of $10,000 per unit, which means that the average monthly rental on the open market for money that has to be paid out is just about $100 per unit per month for the elderly person.

In the Senate hearing back in 1954 I introduced income figures which showed that as of 1949, when we made a study of income for the aged, roughly 46 percent of the aged had annual incomes below $1,000. Let us grant that in the 10 years since that census was taken that the income situation has improved somewhat. It would still be true, I believe, that over one-third of the elderly persons in the United States have annual incomes of less than $1,200 a year. Yet the rental that they must pay on the average for the housing for the elderly which we are now building under the existing program would take that entire income if they paid $100 a month.

By working very closely with the Federal Housing Administration, 4 churches, including my own, have cosponsored 148 units for the elderly which will be completed this coming month. Our average cost is just over $6,500 per unit, but we had to get the FHA to waive certain features which they have done, to find vacant land at about $9,000 an acre, and by building 1-story units with slab construction we have average rentals for a 2-bedroom unit of $75; a 1-bedroom unit $62.50, and an efficiency, a room and bath for one person at $42.50 per month.

But I call your attention to the fact that in the State of Colorado an elderly person is guaranteed by the State constitution a minimum income of $100 per month. And, therefore, we have been able in our own State, with the conventional financing, to build housing for the elderly.

The question was raised here on the floor a few moments ago as to whether there was any testimony to justify the action of the Committee on Banking and Currency in reporting to the floor in S. 57 provisions for direct Government loans at 3½ percent. Let me point out to the members of the committee what this will do.

Mr. Chairman, I would suggest that you follow with me this very elementary mathematical calculation. If it will continue to be true that the average unit for the elderly will cost $10,000 and we are raising the interest rate to 5½ percent, plus one-half percent for the FHA, that means that 6 percent of that amount will simply go to pay the interest. This does not even retire the principal.

The bill pending before the Committee calls for a 3½ percent interest rate without any special FHA insurance feature. Under these circumstances something like 2 or 2½ percent will be saved on the $10,000 in terms of annual cost for that housing, other things be equal, the amortization period, the taxes, the

utility bills, and so forth. The difference will be about $250 per year or just over $20 per month, as shown in the report of the committee to the House in defense of the recommendation which the committee has made.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield.

Mr. McDONOUGH. However, there is only $100 million that can be treated in the manner the gentleman is reciting. Therefore, if you build units at $10,000 apiece you only have a certain number of units that you can build, while under the substitute bill, there is an unlimited sum of money, of FHA-insured loans, at 5½ percent over the prescribed 50-year period.

Mr. JOHNSON of Colorado. The point that I am trying to make is that as one who has been very close to the market for the past 5 years, who has tried desperately to finance and build these units and finally succeeded, I have only been able to succeed in my own State because we have a guaranteed income, so that we can make older persons of lower income qualify. If what you want to build is housing for the elderly which is going to rent at $100 a month, I am saying that you will take care of the upper-income segment of the elderly, but you will make no dent on the needs of the lower-income figures.

The aged will live somewhere. They will lead lives of quiet desperation. In a letter to Commissioner Norman Mason back in 1955 I suggested that a visit to any overcrowded State home or hospital, to a private home for the aged, which is sometimes a firetrap, to any downtown fringe slum, crowded with old-timers, or to an isolated home for the aged out in the country—these would put flesh and bone on anyone's concern for the problem. By contrast with this statistical expression, something like 20 percent of the elderly need better housing than they have. There are some 15 million elderly persons in the United States. There is a call for some 3 million units. The point the gentleman makes is well taken. I do not expect we will have to build the entire 3 million units out of Federal loans. I am suggesting, if we would reach the entire market, or the low-income segment of the market, short of going into State homes—and my own State has already built one and has authorized six more, because we have not got an adequate number of private or church-sponsored or nonprofit homes built—short of a program of this sort we will be driven to more State and county homes rather than nonprofit sponsored homes.

I, for one, much prefer the nonprofit sponsorship and I think the committee bill is extremely important at that point.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield.

Mr. McDONOUGH. I appreciate the concern that the gentleman has for the elderly, and I think most of us have the same concern. However, there is a provision in the committee bill and I think most of us will be in agreement with it, that in public housing priority should be given to the people who are recipients of social security or the people who are 62 years of age or over who have a very limited income for housing. Still you speak of providing individual housing at 3.5 percent over a 50-year period for people whose income is limited to $60.

Mr. JOHNSON of Colorado. I do not mean individual houses. I mean apartment houses or multiple-dwelling units.

Mr. McDONOUGH. That is houses with six families in each unit? Or something like that?

Mr. JOHNSON of Colorado. That is right.

Mr. McDONOUGH. Then you are getting almost to the point of making a contribution of housing without cost to the elderly.

Mr. JOHNSON of Colorado. No; my intent is that they cover all costs. I am not trying to subsidize them by any direct taxpayer contribution.

Mr. McDONOUGH. But they would hardly live long enough, if they are retired, to pay out the obligation.

Mr. JOHNSON of Colorado. Oh, come—you know that these housing accommodations will not stand vacant when the first tenant dies. A new tenant will move in. My point is that each tenant would be paying enough rental to amortize the cost.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. SPENCE. Mr. Chairman, I yield 2 additional minutes to the gentleman.

Mr. JOHNSON of Colorado. Mr. Chairman, in the 2 additional minutes that I have, I want to call attention to a second related feature for the elderly. We have through the Hill-Burton Act and others been trying to raise the standards for nursing home care for the elderly to eliminate firetraps. I think it is extremely important to pass this bill which includes a proviso that we can at least experiment with loans to a profitmaking nursing home even if we only authorize loans up to 75 percent here. This, I think, will be a very helpful addition under private sponsorship without cost to the taxpayers for housing for nursing homes.

I wish to submit in the RECORD, Mr. Chairman, three telegrams I have in support of nursing home care.

The telegrams are as follows:

DENVER, COLO., *May 15, 1959.*

Representative BYRON JOHNSON,
Washington, D.C.:

Please support nursing home section Senate bill 57.

BERKLEY MANOR NURSING HOME,
A. M. PENS,
MARY M. LACROIX,
LUCILLE COVINGTON,
MABLE JOHNSON,
MURIAL EAKINS.

GREELEY, COLO., *May 15, 1959.*

Representative BYRON JOHNSON,
Representative from Colorado,
Washington, D.C.:

We solicit your support of Senate bill 57 which provides for FHA financing of nursing homes. The need in this area is urgent.

KENTON NURSING HOME,
BARNARD HOUTCHENS,
B. E. ETHERTON.

DENVER, COLO., *May 15, 1959.*

HON. BYRON JOHNSON,
House of Representatives,
Washington, D.C.:

It has been called to my attention that S. 57 (Housing Act of 1959) includes a section that will give needed financial backing to proprietary nursing homes. I will appreciate your support of this bill.

Rev. KELLY ONEALL,
Central Christian Church.

And, Mr. Chairman, because there has been discussion of the urban renewal program, I should like to submit for the RECORD telegrams from two—not one, but two—Republicans which I have received today—one is the outgoing mayor of the city of Denver, Mayor W. F. Nicholson, who asks for our passage of S. 57, and the other is from his deputy and candidate for mayor in the election apparently being conducted, Hon. Richard Batterton.

The telegrams are as follows:

DENVER, COLO., *May 18, 1959.*

HON. BYRON JOHNSON,
House of Representatives,
Washington, D.C.:

S. 57 provides technical amendments and capital grant authorizations which would enable Denver to significantly expand its urban renewal program. This program is vitally needed here. Will appreciate your support for this bill.

W. F. NICHOLSON, *Mayor.*

DENVER, COLO., *May 16, 1959.*

Representative BYRON JOHNSON,
House Office Building,
Washington, D.C.:

Strongly urge you to fight and vote for amendment to Senate bill 57 regarding noncash grants and aid to urban renewal program. Denver's economy such that no urban renewal program can be maintained without passage of bill. This is utmost importance to Denver. Please advise me of progress of bill and any help I may be in securing passage. This urban renewal amendment vital to Denver's growth and economy. Kindest personal regards.

DICK BATTERTON.

Mr. Chairman, I have asked for these telegrams to be made a part of my remarks for the completion of the RECORD.

I sincerely hope the Committee will not be deceived, but will proceed to pass the bill, S. 57, as it was recommended by the Committee on Banking and Currency that these important steps forward may be taken.

Mr. McDONOUGH. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Chairman, I support the committee bill, S. 57, to extend and amend the laws relating to the provision and improvement of housing and the renewal of urban communities. I oppose the Herlong bill, H.R. 7117, because it does not contain the provisions for public housing or low-income housing. It does not adequately provide for housing for the old folks and is deficient in other respects.

The time has come for Congress to take definite action to rejuvenate the Nation's housing program. The housing bill, S. 57, is designed to meet the goal of adequate housing for all income lev-

els. This is basic to the general welfare and security of America.

We cannot afford to ignore our obligation to wipe out slums, to restore deteriorating industrial centers and displaced families. We cannot overlook our duty to relocate displaced tenants and people, and to provide more low-rent housing. We cannot afford to ignore our middle-income citizenry. In addition, the special needs of the veterans, the minority groups, the elderly persons, and colleges must be met. S. 57 is a noble attempt to meet these needs for the betterment of America.

I represent in the city of New York a district which has slums and high-income projects—a transition from the poorest to the richest, from the dilapidated buildings to luxurious dwellings. In my area we have public housing and luxury apartments. Those with moderate incomes are feeling the squeeze. They cannot qualify for public housing and their limited income prohibits their admission into luxury apartments. Many of these luxury apartments rent from $40 to $100 per room per month.

We, in the city of New York, want this bill. We need it. The mayor of the city of New York, with his broad vision, has called for its passage with certain technical amendments. The facts in housing show that we need this far-reaching bill. Since the inception of the public housing program in the United States, the city of New York, with its own funds or with the aid of State subsidies or Federal subsidies, has embarked upon an extensive program of public housing.

Despite the tremendous efforts, we have in the city of New York only 136,847 units representing 136,847 families out of 8½ million people. This represents approximately 6 percent of the population of the city of New York in public housing.

The major difference between the committee bill and the Herlong bill—the substitute bill—is the provisions for public housing. A great cry and hullabaloo has been made as to the cost of the 35,000 units provided for in the committee bill. Let us see what the cost is in dollars and cents, and let us see who in these United States is paying to carry the U.S. Government.

The Federal Administrator has estimated that 35,000 units would cost the Federal Government the sum of $20,600,000 in fixed annual contributions on the basis of $500 contribution per unit. This sum of $20,600,000 represents less than three one-thousandths of 1 percent of our Federal budget.

Let us see who pays the taxes which our Government receives in its annual tax collections. We, in the State of New York, during the year 1958, contributed $15,348,079,000 of the Federal receipts of $79 billion plus, or 19.2 percent of the total tax collections in the United States. Do you realize that four States, New York, California, Illinois, and Pennsylvania, who want this public housing bill, paid into the U.S. Treasury in 1958 the total sum of $34,385,228,000 or 42 percent of the total tax collections? All we ask are 35,000 units per year or a modest subsidy of $20,600,000 per year, not for the four States alone, but for all the United States.

The FHA programs, the other urban renewal programs in the committee bill, are of great benefit to the United States. Improved FHA programs can also help alleviate the serious problem of resettling families displaced by urban renewal and highway construction. The bill proposes the liberalization of the special FHA insurance programs which are designed to encourage low-cost housing in the outlying areas. The lower minimum downpayment requirements plus the increased loan ceilings under this special program should permit families to purchase existing low-cost housing as well as newly constructed dwellings outside of congested urban centers.

An effective housing program geared to meet the special needs of our senior citizens has been needed for a long time. This group has been steadily growing, proportionately, every year. The FHA loan insurance program for the construction of rental housing for the aged, enacted as part of the Housing Act of 1956, benefited primarily the elderly families in the middle and higher income groups.

But many elderly families are on fixed incomes and face serious financial problems in these inflationary times. A new FHA construction loan program for the elderly has been included in the Housing Act of 1959, which lowers the maximum interest rate and extends the loan period. These revisions will give nonprofit corporations greater incentive to provide the type of low-rent housing needed to meet this problem.

Another way we can help these older people is to provide them with decent nursing homes at reasonable cost. Encouraging the construction of nursing homes for the elderly, ill, and disabled through an FHA loan insurance program could attain this objective. Such a proposal is included in S. 57.

We are losing ground in our fight against slums which is a manifold problem with serious economic and social implications. The blighted areas in our cities include commercial and industrial structures and housing which has been allowed to deteriorate. The entire economic health of a city is seriously threatened as the blighted area grows.

Urban renewal can play an integral part in protecting the economic and social welfare of our country. Cities are our important manufacturing and commercial centers and house 65 percent of the American people.

Cooperative national-local efforts are needed to deal effectively with this problem. Without Federal loans and grants many cities would not be able to undertake urban redevelopment projects that will eliminate slums and prevent their recurrence.

In the 10 years since the passage of the Housing Act of 1949, which initiated the urban renewal program, urban redevelopment has been gaining steadily. Approximately 400 cities located in 40 States are now participating in this joint effort. Cities, whose plans have been federally approved, can now receive Federal grants covering up to two-thirds of the cost of a redevelopment project. The Housing and Home Finance Agency also makes loans to smaller communities which lack adequate planning resources. Loans for renewal projects are also available.

A shortage of available funds has slowed down progress and necessitated the rationing of Federal contributions for urban renewal. Redevelopment plans for entire slum areas in many municipalities have had to be revised or postponed. Any further limitation of urban renewal grant authorizations will bring the promising developments in this field to a standstill.

The public housing provisions of this bill are an integral part of the urban redevelopment program. Clearing slums does not provide new housing for those who lived in the slums. At least 50 percent of the families displaced in the redevelopment process are in the lowest income group. Without the low-cost housing provided by the public housing program, these people are forced to move into adjacent areas and create more slums. Urban renewal projects will fail to eliminate the slum problem unless adequate low-cost housing is provided. The FHA programs designed to increase the number of homes available at reasonable cost must be supplemented with a realistic public housing program.

The existing shortage of housing, particularly in the lower and moderate price range, constitutes a problem which cannot be ignored. The Housing Act of 1959 can alleviate this shortage—many of these programs do not require large amounts of Federal expenditure and failure to continue these programs will aggravate the inflationary effects of a housing shortage.

This bill will determine whether we recognize the needs of our people, whether we have the pure heart to understand, and the will to choose our high course of action. America has tried to help the world; now is the time for America to provide the homes and decent housing for its own.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. HERLONG].

Mr. HERLONG. Mr. Chairman, I should first like to express my appreciation to the chairman of the Committee on Banking and Currency for his fairness and for the time he has given to me. I know the demands for time have been great from the members of his committee, and I am grateful to you for permitting me to have this time to make a short explanation of the substitute that I propose to present at the proper time for the consideration of the Committee. I should also like to commend the housing subcommittee and its distinguished chairman, my good friend, ALBERT RAINS, for what I think has been a laborious, conscientious job. They have worked diligently and have come up with something that in many respects is an excellent bill, but in some respects, in my judgment, goes a little too far. The chairman of the Housing

Subcommittee said himself that it may need to be amended and that the Committee could work its will on those amendments. What I have done, Mr. Chairman, is to simply put all of these amendments into one bill and in the hope that we could take care of it at one fell swoop.

If we cannot do it in that manner we will attempt to put them in one at a time.

There have been implications here this afternoon that I had no right to do what I have attempted to do in this bill. I would like to say that there are ample precedents for the offering of a substitute at the beginning of a bill. It is true I am not a member, Mr. Chairman, of the distinguished Committee on Banking and Currency, and I am not an expert on housing; I do not claim to be. But I am a member of the Committee on Ways and Means which has to raise the money to pay for all of this housing; and, believe me it does not take an expert to read all the authorizations in the committee substitute and know that we do not have enough money to pay for them. I do not want to go back to the Ways and Means Committee and have to participate in telling the people of this country that we are going to have to raise more taxes in order to meet the obligations of the committee amendment.

I believe that what I have in my substitute is certainly adequate for the time being, amply adequate, may I add.

Mr. Chairman, the substitute I shall offer will be the provisions of H.R. 7117. At the time I introduced the bill I placed in the RECORD a short analysis of it. That was on last Thursday. I hope you have had an opportunity to read it. Since that time, on yesterday, I placed in the RECORD a section by section detailed analysis of this same legislation.

I can assure you that this section by section detailed analysis is completely objective and that it is not colored by any opinions or conclusions. That, as you know, is not the case with the usual committee report in support of or in defense of a bill.

There are two principal differences between my substitute and the committee bill. The rest of it is almost exactly like the bill as it was reported by the committee except that parts of my bill were in the bill passed by the other body. These are the principal differences:

I have left title VI out of my bill. That, as you know, is the section dealing with public housing.

Second. In several cases where the lending authorizations and grants have been increased I have added the requirement that the new money for these authorizations must be approved by the Appropriations Committee.

There are some changes in dollar amounts, but what I have given to you are the major changes involved.

Briefly going over my bill, title I is taken bodily from the committee bill. I do not think there need be any further discussion of that. It has been thoroughly explained this afternoon. It liberalizes the FHA insurance program, and increases the amount of insurance authorization available to FHA. So regardless of which bill is passed you are going to have the same treatment of FHA. I do not think there is any question about that.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. HERLONG. I wonder if the gentleman from California can yield me 5 minutes.

Mr. McDONOUGH. Mr. Chairman, I yield the gentleman 5 minutes.

The CHAIRMAN. The gentleman from Florida is recognized for 5 additional minutes.

Mr. HERLONG. Mr. Chairman, title II of both bills deals with housing for the elderly. The committee bill calls for the initiation of a new direct loan program in this field. It authorizes, but it requires the appropriation of $100 million for this purpose. Instead of the direct loan program I have provided for a liberalized FHA mortgage insurance program with the mortgages running up to 100 percent of replacement cost where they are sponsored by private nonprofit corporations or public instrumentalities.

Title III of both bills deals with FNMA. I have left intact those provisions of the committee amendment with the exception that I have removed that section of the bill which calls for mandatory par purchase of the special assistance mortgages as well as the provision reducing the fees and charges below the going market rates.

The effect of this provision, Mr. Chairman, if left in the legislation, would be to unnecessarily shift to the Government much of the financing which otherwise can be handled by private lenders.

I have also required in my bill that the new $75 million authorization provided in this title be placed under the control of the Appropriations Committee.

Title IV deals with urban renewal. My bill authorizes the appropriation of additional funds for urban renewal in the amount of $100 million for the remainder of this year and $250 million a year for each of the next 2 years, totaling $600 million.

By limiting this program to 2 years we are not doing anything that would bind any other Congress, as this Congress must provide the appropriations for fiscal 1960 and 1961. That is as far as my bill goes.

We also authorize an appropriation of up to $400 million for the purpose of obtaining additional loan funds which are an essential part of the program. In most instances, as I have said, the money must come through the Appropriations Committee.

Title V of both bills deals with college housing. The committee bill increases the loan authorization $400 million. This would be a public debt transaction, about which we have heard so much this afternoon.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. HERLONG. I yield to the gentleman from West Virginia.

Mr. BAILEY. What is the justification for the $200 million provided in the gentleman's substitute bill as compared with the $400 million that is in the committee bill? On what ground did you make that allocation, or on what basis of fact did you act?

Mr. HERLONG. I will be glad to discuss that with the gentleman. I do not know what has been requested of the Department, but I believe that we will do well to hold it down to $200 million. I think that is an adequate amount.

Mr. BAILEY. The gentleman is predicating his position on what he thinks about it, not the actual facts?

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. HERLONG. I yield to the gentleman from California.

Mr. McDONOUGH. When I had the opportunity of addressing the House in the early part of this debate, I read from the President's budget message in which the President informed us that the requests that were made by the colleges for college housing had not all met the required specifications, therefore there was no need for any more than $200 million. In the discussion and in the hearings and in the requests that were made of us the requirement for additional college housing was added to it, as was urban renewal. We have in the committee bill $500 million.

Mr. BAILEY. Mr. Chairman, will the gentleman yield so that I might reply to the gentleman from California?

Mr. HERLONG. I will be glad to yield to the gentleman.

Mr. BAILEY. Let me say to the gentleman from California that of 17 colleges and universities in the State of West Virginia eligible for this program, 16 of them have written to me and urged that I vote for and work to sustain the college loan program. They have loan applications pending now amounting to between six and seven million dollars, so I am informed by these 16 of the 17 institutions. If the committee had made a nationwide survey it would have found that that sentiment exists in all the colleges and universities throughout the Nation.

Mr. McDONOUGH. I do not doubt that at all. We had a request for $900 million to rehabilitate the city of Baltimore when we had hearings before the committee. If we had acceded to all the requests of every county and city, there is not enough in the budget or will there be enough in the budget to meet these demands.

Mr. HERLONG. Mr. Chairman, I want to say that on page 2 of the committee report in defense of this bill the committee says:

> Your committee wishes to emphasize that certain of the authorizations involved in the committee substitute are loan funds which will not cost the Federal Government a penny and which indeed will enrich the Federal Treasury as the loans are repaid with interest.

The interest rate provided in this college housing loan program is 3½ percent. The only money that the Federal Government has to lend is that which it

borrows. The Federal Government is now paying 4 percent and over for the money that it is borrowing. So I fail to see how the Federal Treasury can be enriched in that kind of a transaction, especially when the Government picks up the tab for the administrative costs. We have been getting rich on that kind of financing for so long now that our national debt has again about reached the limit, even though we have raised it a number of times.

The committee report says further:

> The only sizable programs under the bill involving direct Federal grants are the urban renewal and low rent housing program. But because of the considerable timelag between authorization and actual expenditure, the grant authorizations involved in the bill as reported by your committee will have virtually no effect whatever on the fiscal 1960 budget.

Of course, I want to balance the budget on a year-to-year basis just as much as anybody else does, but I also do not want any hidden budget impact. I do not think it makes good sense for me to buy something today that I cannot afford just because I do not have to pay for it until next year. Just because this transaction avoids the Appropriations Committee and is not counted as tending to further unbalance this year's budget does not mean that we will not owe it. It is still added to our national debt, and I read over the weekend that we may be called on shortly to again increase the national debt ceiling.

Title VI of the committee amendment which deals with public housing is left out of my substitute. I believe there has been ample discussion about public housing this afternoon.

Title VII of the committee amendment relates to military housing. It is my understanding there is a difference of opinion as to committee jurisdiction on at least certain phases of the program, and that there has been an agreement to take title VII from the committee amendment. If this disagreement is harmonized, and it is possible to put back in the bill extension of the so-called Capehart military housing program, I would be most happy to see this added as an amendment to the bill when it is before the House.

Title VIII of the committee bill is title VI of my substitute, with the exception that I have left out the second section of that title. The first section of that title would benefit the homeowner if he got behind in his payments due to circumstances beyond his control, by permitting the lender to extend the time for curing such a default. In such a case the FHA enters into an agreement with the mortgagee providing for the payment to the mortgagee—if the mortgage is subsequently foreclosed—of any interest which accrued by reason of the fact that the mortgagee gave the homeowner further time, and the homeowner was not able to work out all his difficulties.

The second section of that title would shift from the lender to the FHA all of the problems of a mortgage which was getting into difficulty. It is purely for the lender's benefit, and I do not think it ought to be in the bill, and so I did not include it.

Title IX of the bill, which is title VII of my bill, contains a number of miscellaneous provisions, and they are identical in both bills.

Mr. Chairman, I hope I have made myself clear in this explanation. It has been rather sketchy and rushed because of shortness of time, but what I have tried to do is to give the House an opportunity to work its will on a housing bill. I think that the great majority of us want some kind of a housing bill. Of course, there are great differences as to the kind of bill various Members want. In our desire to get a bill, I would hope that the committee will also consider whether what we pass here can become law. I am convinced that the substitute that I have offered can become law. I am equally convinced that the committee bill, unless it is drastically amended, cannot become law. Of course, there are those who say that regardless of what anyone else does about a bill after we have acted on it, our responsibility is to do what we think best, regardless of what happens after it leaves us.

May I remind you in this connection that we also have an obligation to be fiscally responsible, and I do not believe that there has been any time since I have been here that the people of the country were as concerned about Government spending as they are today. So far this year, in spite of the things that were predicted about this being a wild-spending Congress, this House of Representatives has, in my judgment, met its responsibility squarely and has, in fact, appropriated less money than was in the budget. So, let us not by our actions on this bill open the floodgates.

The whole question, however, turns on what we want to accomplish, that is, whether you want a political issue or a housing bill, and I submit to you that a housing bill is more important to this country at this time, and that is what I want to get, and that is the reason for presenting this substitute.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. HERLONG. I yield to the gentleman from New Jersey.

Mr. WIDNALL. I think the gentleman from Florida would be interested in a statement that has just been issued by the Housing Administrator, Norman P. Mason. He said:

> The House will have before it two bills on which to base its discussion and action.
>
> One is the original committee bill. As I have said before, it is extravagant and unsound. It would commit the Federal Government to heavy costs over many years to come.
>
> The other is a substitute, introduced by Congressman HERLONG, of Florida. I do not endorse every detail in this bill, but it represents, in my judgment, a moderate approach. Its cost is within the country's means. It affords a basis on which differences in judgment can be reasonably reconciled.
>
> The Herlong bill would enable our basic housing and urban programs to be resumed at their previous levels, without excessive cost to the taxpayer. There are several key reasons why it offers the prospect of a bill that can be enacted—rather than another housing stalemate.
>
> 1. The Herlong bill provides the support necessary to continue our present high level of home building to meet the needs of the American people. It contains the urgently needed increase in the FHA authorization to enable the FHA program to resume on a normal basis instead of its present hand-to-mouth operations. The bill contains the same liberalized provision for FHA mortgage insurance as the original committee bill.
>
> 2. Early enactment of such legislation would unblock the measure already passed by the House to unfreeze VA interest rates. As a result of the present pegged VA rate, applications for veterans home loans are falling off sharply.
>
> 3. The Herlong bill omits the costly and unneeded $3.7 billion public housing proposal in the committee bill. It would be folly to endanger other programs needed for housing now for a controversial proposal that could at best house no one for several years to come.
>
> 4. The Herlong bill brings the annual urban renewal expenditures into line with sound budgetary estimates for Federal obligations. Although it would provide only half of the 6-year program recommended by the President, it is—unlike the committee bill—geared to our ability to spend.
>
> The Herlong bill has been criticized by some because it would give the Appropriations Committee the right, where the expenditure of new Federal funds is involved, to approve such expenditures before instead of after they are made. I find it hard to argue against the logic of such control. It is properly a matter for the Congress to determine how it can best discharge its responsibilities in the spending of public funds.
>
> Furthermore, I can see no difference in principle on this point between the two bills. The committee bill, in its proposal for $100 million in direct loans for housing for the elderly, would also require Appropriations Committee approval before such money could be used.

Mr. HERLONG. I thank the gentleman.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. RHODES].

Mr. RHODES of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RHODES of Pennsylvania. Mr. Chairman, S. 57, the Housing Act of 1959, as reported by the Banking and Currency Committee, is a sound and comprehensive approach to the urgent housing needs of our Nation.

The failure of the House to pass an omnibus housing bill in the last Congress has placed in jeopardy many of the most successful and important programs, such as public housing, slum clearance, and urban renewal projects. If these and other important programs are to be carried forward, we must enact S. 57.

Urban renewal projects are essential to eliminate slums and economic decay in our urban areas. Almost two-thirds of our total population now reside in cities, which produce more than three-quarters of our total Federal revenue. Urban renewal projects offer the best

hope for reversing the spreading cancer of slums, blight, juvenile delinquency, industrial decline, and bankruptcy of large urban areas of the Nation.

The $500 million capital grant authorization for urban renewal projects for each of the next 3 years, provided for in title IV of S. 57, is based on the backlog of requests from more than 300 communities. In my opinion, this amount is an absolute minimum needed to carry out these important projects.

My own city of Reading, Pa., has an important stake in this legislation. The local redevelopment authority has three important urban renewal projects under way. The Walnut Street project is now a reality, while the Cherry Street and Court Street urban renewal projects are in preliminary stages, having a combined capital grant reservation of about $1.3 million. These projects, so important to the growth and orderly development of Reading, have been delayed by the lack of funds. Their successful completion depends on the enactment of the full amount provided for in S. 57.

Public and aged housing likewise is of major importance to cities throughout the land. The 35,000 public housing units provided for in the committee bill for each of the next 4 years will fulfill the total number of units originally authorized by the Housing Act of 1949. Public housing is vitally needed to accommodate those low-income families displaced by urban renewal projects, highway construction in metropolitan areas, and other public improvement programs.

As a former member of the Reading Housing Authority, I can testify to the tremendous benefits which such projects provide for our less fortunate families and for the community as well. The city of Reading is embarking on the first aged housing project in the Middle Atlantic region, a pioneering effort which is of primary importance to our area.

Mr. Chairman, the new program for loans to nonprofit corporations to build special housing for the elderly is of additional importance to this segment of our population. The committee is to be commended for the inclusion of this program of long-term loans at low interest rates for housing projects for elderly persons.

The provisions of title VI, restoring more local initiative and autonomy to local housing authorities, are of major importance in terms of the long-range success of public housing programs. Unnecessary and unwarranted interference by Federal authorities has produced costly delays and has imposed rigid, preconceived judgments of administrators in Washington on the first-hand, informed judgments of local housing officials.

The provisions of title VIII of S. 57, designed to provide relief to FHA homeowners who lose their jobs, is of great importance to many thousands of persons suffering from the effects of the recession. The safeguards provided for in this title to assure that a deserving homeowner will not lose his home because of temporary unemployment are deserving of our full support, as is the new program established in this bill to insure housing loans for migratory farm labor and the college housing loan program.

Mr. Chairman, S. 57 is a sound and balanced approach to the housing problems in this country. It will help to maintain a healthy construction industry and stimulate the homebuilding to meet our growing needs. It assures the continuance of our program to eliminate slums and to provide urban renewal projects, so important to the survival of our cities. It provides special housing programs for the elderly and for our low-income families. It increases the FHA insurance authorization and provides a new program of FHA loan insurance for private nursing homes. It provides special assistance for cooperative housing, military housing, and encourages local autonomy in the carrying out of public housing projects. It is a bill which deserves support.

I urge that the inadequate Herlong proposal be rejected and that S. 57 be approved.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, a moment ago the gentleman from New Jersey [Mr. WIDNALL] read into the RECORD a statement by the Housing Administrator, Norman P. Mason. I have a copy of that statement which reached my office, and before I refer to the statement I want to read a section of the United States Code, title 18, section 1913, "Lobbying with appropriated moneys":

> No part of the money appropriated by any enactment of Congress shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation; but this shall not prevent officers or employees of the United States or of its departments or agencies from communicating to Members of Congress on the request of any Member or to Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business.

And thereafter follows the penal section of the law.

I want to point out that the publication in question was a release issued by the head of the Housing and Home Finance Agency on a public letterhead, addressed and mailed not only to each Member of Congress, but it was mailed to the entire publications list of the Housing and Home Finance Agency, including every lumber yard, every supplier, every materialman, and every homebuilder. This brought to our offices a great number of telegrams and messages.

I do not know what action the Attorney General ought to take on this matter. That is in his discretion. But it certainly seems to me that this is a clear violation and an invasion of the rights of Members charged with the legislative process. It is improper for a member of the administration to try to induce action in this way, using public funds, using public equipment and public materials. I think it violates the spirit of the law at least.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield.

Mr. WIDNALL. I think it should be made clear that this was a press statement issued to the people of the United States by the Housing and Home Finance Administrator with respect to the two pending House bills and certainly he has the right to comment on the body of those two bills.

Mr. VANIK. I think by the wording of the code itself a procedure is established under which he can make his views known. I think he has a perfect right to write a letter to a Member or to reply to a Member's request. That letter can be made public. But this is a unique procedure. I do not know of any precedent for this kind of approach to Members of Congress; at least, not in my time.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield further, for a question?

Mr. VANIK. I yield.

Mr. WIDNALL. Can the managers of the public housing authorities use public funds to wire their Members of Congress to support a public housing program? I have had a great many of those come into my office.

Mr. VANIK. I think that would be a violation of this section of the code; I certainly do.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the distinguished minority leader, the gentleman from Indiana.

Mr. HALLECK. Mr. Chairman, as I understand it, Mr. Mason had a press conference at which he was asked a great many questions. These are covered in the release. Subsequently, the result of that conference was reduced to writing. I have heard many times around here complaints that people in the Government have not had press conferences. Many people say that this indicates they are not willing to have the people of the country know their views. It would seem to me there would be nothing at all wrong with reducing to writing the results of a press conference.

I am quite sure I am right about the press conference because some newspaper people said to me today that they were present when this was discussed.

Mr. VANIK. Let me point out to the distinguished gentleman from Indiana that this is posted for immediate release. The document is a statement. It does not indicate that it is in response to any questions. If it were in response to an interview or questions by a reporter, I am certain I would have noticed it in the local newspapers as a reported press conference item. This comes to us as a press release—a statement by the head

of the Housing and Home Finance Agency.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to my distinguished colleague.

Mr. McDONOUGH. It seems to me the humor the gentleman is getting out of this is what I have seen and known in committee frequently.

Mr. VANIK. There is nothing humorous about a possible violation of the law which calls for a $500 fine or imprisonment for 1 year or both and removal from office. This is a serious matter.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. McDONOUGH. Mr. Chairman, I yield the gentleman 2 additional minutes. Will the gentleman yield?

Mr. VANIK. I yield.

Mr. McDONOUGH. The press release of Mr. Mason must have had quite an effect on the gentleman or he would not be so concerned. Let me ask—are you implying that the freedom of speech of a Member of the House of Representatives should be curtailed because of that section of the code in connection with a bill that is before the House? Have we not had such requests from publications and from other interested agencies? Furthermore, if it had no effect and if you are on the other side of the picture, would you have cited that section of the code?

Mr. VANIK. I think the code applies to both sides of the aisle at all times.

Mr. McDONOUGH. Of course, it does.

Mr. VANIK. Any time anybody on this side of the aisle or who is any part of the administration of which I may be a member should transgress, I think they ought to be called on it. The purpose of the law is to insure a separation of powers and here we have an administrator of the executive branch of the Government endeavoring to tell the legislative branch what to do. I think it is a clear-cut transgression by the executive branch of the power and authority of the legislative branch of the Government as set forth by the Constitution and by the laws of our country.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. POWELL].

Mr. POWELL. Mr. Chairman and colleagues, I rise to explain two amendments which I am going to offer tomorrow. But first, I would like to congratulate the gentleman from Alabama [Mr. RAINS] and our distinguished chairman, the gentleman from Kentucky [Mr. SPENCE], for bringing out this sorely needed bill to rescue so many Americans from slum shock. I am going to do everything I can to support that bill and also to defeat the Herlong substitute. I have two types of amendments. I want to apologize for not bringing this first type of amendment before the committee during its hearings, but it did not come to me in my thinking over the bill until this past weekend. It consists of three separate amendments aimed at only one thing, and that is to bring back small business that has been dislocated by virtue of slum clearance into the public housing projects. At the present time, especially those of us from the large cities, know how small business is wiped out in slum clearance projects because there is no law that allows them to be put into the public housing projects or to put any type of commercial facility into the project. In New York City when these small businesses are wiped out—and I have had some 11,000 that have been wiped out in my district because I have more slum clearance projects built or being built than any other district in the United States—when they are wiped out, only the big chain stores come back. The way the big chain stores come back is simply that the builder cannot use the Federal mortgage insurance for commercial facilities and must go to private corporations, banks and insurance companies, and these banks and insurance companies refuse to lend money to build stores unless the builder indicates who the lessees are going to be, and those lessees must be blue chip. They must be the A&P, Safeway, or Whelan Drug Stores, or that type of national operation. The first of these amendments is as follows, and provides for commercial facilities to be included:

Page 107, after line 6, add the following new subsection:

"(d) Subsection (d)(4) of section 220 of such act is amended by adding at the end thereof the following new sentence: 'Property covered by a mortgage coming within the provisions of paragraph (3)(B) of this subsection may include such commercial facilities as the Commissioner deems adequate to serve the occupants.' "

Second. Those small businessmen who have been dislocated will have priority to return to the new public housing and insofar as practicable the same average size in premises or square feet for the store.

Page 138, insert "(a)" after "SEC. 409." in line 2 and insert after line 21 the following new subsection:

"(b) Section 110(c) of such Act is further amended by adding at the end thereof the following new paragraph:

" 'Notwithstanding any other provision of this title, commercial establishments existing in an urban renewal area after its development or redevelopment with assistance extended under this title shall, insofar as practicable, be of the same average size (in terms of square feet of commercially-utilized floor space) and type as those which existed in such area before the commencement of the project; and the owners and proprietors of the commercial establishments which existed in such area before the commencement of the project shall, under regulations prescribed by the Administrator, be afforded a priority of opportunity to purchase or rent the commercial establishments existing in such area after its development or redevelopment.' "

Third. At least 75 percent of the total amount of commercial property shall go to the former small businessmen in that area.

Page 138, insert "(a)" after "SEC. 409." in line 2, and insert after line 21 the following new subsection:

"(b) Section 110(c) of such Act is further amended by adding at the end thereof the following new paragraph:

" 'Notwithstanding any other provision of this title, the total amount of commercial property existing in any urban renewal area after its development or redevelopment under the urban renewal plan with assistance extended under this title (in terms of square feet of commercially-utilized floor space) shall be at least 75 percent of the total amount of commercial property which existed in such area before the commencement of the project.' "

I will explain the amendments more in detail tomorrow, but I would like to let the Members of the House think about it overnight because this is one of our great needs and I am sure that no one can testify to this more than our distinguished colleague the gentleman from Texas [Mr. PATMAN] and our colleague the gentleman from California [Mr. ROOSEVELT] who have worked so hard on it.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield.

Mr. PATMAN. The gentleman points out an evil in the merger of these banks, particularly in New York City, like the Guaranty Trust and the J. P. Morgan Co., that have interlocking directorates in hundreds of big concerns. That causes the evil that he has spoken of here. I discussed this merger April 27, 1959, in a speech commencing at page 6850 of the CONGRESSIONAL RECORD.

Mr. POWELL. That is right.

A second amendment that I shall propose is this. I deliberately did not bring it before the committee because I felt that to go into any discriminatory clause, even in the case of my own Committee on Education and Labor, might make it difficult to procure a rule for the consideration of the bill. But I am proposing a new title at the end of the bill, as follows:

TITLE X. NONDISCRIMINATION

SEC. 1007. No insurance, grant, loan, contribution, or guarantee, or commitment to insure, grant, loan, contribute, or guarantee, or other assistance authorized under any title of this Act, shall be given or made by the Commissioner, Administrator, or other governmental official or agency administering the program under which the insurance, grant, loan, contribution, guarantee, or commitment, or other assistance is to be given or made unless the recipient and beneficiary of such insurance, grant, loan, contribution, guarantee, or commitment, or other assistance gives assurance in writing that the property for which the insurance, grant, loan, contribution, guarantee, or commitment is to be given or made shall be available for sale, lease, or occupancy without regard to the race, creed, or color of the purchaser, lessee, or occupant.

In the event that the recipient, beneficiary, or any successor in title fails to conform to such written assurance, the Commissioner, Administrator, or other governmental official or agency administering the program under which the insurance, grant, loan, contribution, guarantee, or commitment, or other assistance has been or is to be given or made shall have the authority to deny, withhold, suspend, or terminate the insurance, grant, loan, contribution, guarantee, or commitment, or other assistance.

The CHAIRMAN. All time for general debate has expired. The Clerk will read the committee amendment as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Housing Act of 1959."

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BONNER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill S. 57, to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes, had come to no resolution thereon.

IMPROVEMENTS IN THE LAWS RELATING TO NATIONAL BANKS

Mr. BROWN of Georgia. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BROWN of Georgia. Mr. Speaker, on Tuesday, May 26, hearings will begin on H.R. 6092 and H.R. 6093, bills I have introduced to make certain improvements in the laws relating to national banks. Hearings will be held by Subcommittee No. 2 of the House Banking and Currency Committee. Members and other persons interested in testifying on these bills should direct their request to me, as chairman of Subcommittee No. 2, at room 1301, New House Office Building, Washington, D.C.

I am inserting at this point a summary of the provisions of each bill:

SECTION BY SECTION SUMMARY OF H.R. 6092

Section 1 increases the number of Deputy Comptrollers of the Currency by two, authorizing a total employment of five Deputy Comptrollers.

Section 2 increases the borrowing authority of national banks from 100 percent of capital to 100 percent of capital and surplus. This authority would permit national banks to meet temporary high seasonal demands of their customers by borrowing from correspondent banks.

Section 3 amends the lending limitations of national banks in the following manner:

(1) It increases from 10 percent to 25 percent of capital and surplus the amount of obligations which may be acquired from a single borrower if they are secured by insured refrigerated or frozen readily marketable staples.

(2) It increases from 10 percent to 25 percent of capital and surplus the amount of obligations which may be acquired by a national bank from a single borrower arising out of the sale of dairy cattle when the obligations bear the full recourse endorsement or unconditional guarantee of the seller and are secured by the dairy cattle being sold.

(3) It permits any obligations, whether or not in the form of notes, secured by U.S. Government obligations to be acquired up to 25 percent of the national bank's capital and surplus.

(4) It sets a limit of 25 percent of capital and surplus on the total amount of consumer installment paper, whether negotiable or nonnegotiable, which may be acquired from a single dealer. This limit will not apply to obligations where the bank relies on the credit of the original borrower, if a bank officer executes a written certificate to that effect. In that case, the usual limit of 10 percent of capital and surplus would apply on all loans to that particular borrower. Under present law there is no limitation on the amount of negotiable consumer installment paper which could be acquired from a dealer. Nonnegotiable consumer paper could only be acquired under present law up to 10 percent of capital and surplus.

Section 4 makes a number of changes in the law governing real estate loans made by national banks.

(1) It authorizes loans secured by leaseholds which run or may be extended at the option of the lessee to run for a period of 10 years beyond the maturity of the loan. Under present law a lease to qualify for a real estate loan must be for 99 years and be renewable or must have a period of not less than 50 years to run from the date the loan is made.

(2) It increases the loan-to-appraised-value ratio from 66⅔% to 75% in the case of 20 year fully amortized loans.

(3) Real estate loans which are fully guaranteed or insured by a State or State authority are exempted from the usual real estate loan limitations.

(4) National banks would be authorized to make 18-month construction loans on industrial and commercial buildings where there is a valid and binding takeout agreement, without regard to the usual real estate loan limitations. The total amount of all authorized construction loans, industrial, commercial, residential, or agricultural, would be increased from 50 percent of capital to 100 percent of capital and surplus.

(5) Loans made to manufacturing and industrial businesses where the national bank relies primarily on the borrower's general credit standing and future prospects would be considered as ordinary commercial loans and not subject to the real estate loan limitations even though a mortgage on real estate is taken as an additional precaution.

SECTION-BY-SECTION SUMMARY OF H.R. 6093

Section 1 repeals obsolete references to Home Owners' Loan Corporation, now out of existence.

Section 2 requires that all the capital stock be paid in before a national bank may begin business. Existing law requires 50 percent, but the practice since 1935 has been to require 100 percent.

Section 3 would require the approval of the Comptroller of the Currency before a national bank may move its main office within its own city limits; approval of the Comptroller is now required only for a move outside the city.

Section 4 conforms with section 2 in requiring that all the capital stock of a national bank be paid in before it may commence business.

Section 5 repeals an obsolete provision of law relating to installment payments of capital stock; as indicated in the explanation of section 2 all stock must now be paid 100 percent in cash before a national bank may commence business.

Section 6 repeals an obsolete provision relating to increase of capital by vote of the shareholders of a national bank. This provision has been superseded by an amendment to section 5142 of the Revised Statutes (12 U.S.C., sec. 57).

Sections 7 and 8 repeal obsolete provisions relating to the liability of shareholders of a national bank for debts of the bank. These provisions were rendered obsolete by the Banking Act of 1935, which eliminated the individual liability of such shareholders.

Section 9 provides that where the regular annual shareholders' meeting day falls on a legal holiday the meeting shall be held instead on the next following banking day.

Section 10 eliminates an obsolete reference to the Reconstruction Finance Corporation, now out of existence.

Section 11 eliminates a reference to Alaska in conformity with the recent granting of statehood to Alaska.

Section 12 lengthens the period for filing reports of condition of national banks. These reports must now be filed with the Comptroller within 5 days after he requests them. The bill would lengthen this period to 10 days.

Section 13 is a technical amendment necessitated by section 23 of the bill which relates to dividend reports.

Section 14 sets forth the procedure for amending the articles of association of a national bank to provide for amendment by a majority vote of shareholders at a meeting called with 10 days' notice.

Section 15 sets forth the areas in which the national banking laws apply. In conformity with sections 40 and 41 of title 12 of the U.S. Code it covers the Virgin Islands and Guam. It also covers all other Territories and possessions of the United States, expressly including the Commonwealth of Puerto Rico, as well as the several States and the District of Columbia.

Section 16 continues the existing requirement that liquidation of a national bank must be approved by vote of the shareholders owning two-thirds of the stock and adds a new requirement that if the liquidation involves the sale of its assets to another bank the purchase-and-sale agreement must also be approved by two-thirds vote, except in emergencies.

Sections 17 and 18 repeal obsolete provisions relating to shareholder liability. See explanation of section 7.

Section 19 makes a number of changes in the details of the procedures for winding up the affairs of a national bank. The principal change is to substitute the FDIC for the Comptroller of the Currency in supervising receiverships of closed national banks where the FDIC is appointed receiver under the Federal Deposit Insurance Act.

Section 20 authorizes the Acting Comptroller of the Currency to serve as a member of the Board of Directors of the FDIC in lieu of the Comptroller in the event of the Comptroller's incapacity to serve.

Section 21 rewrites the existing provisions on consolidations of national banks, consolidations of State banks into national banks, and mergers of State or national banks into national banks, principally in order to eliminate unjustified differences in the procedures involved. For example, the new section 21 contains the same provisions for notice in newspapers of an intended merger of 2 national banks, as are contained in existing law for such notice in the case of an intended consolidation of 2 national banks.

Section 22 imposes restrictions on the payment of dividends by national banks. It prohibits payment, without the Comptroller's approval, of dividends in any year which exceed that year's net profits plus retained net profits from the previous 2 years minus required transfers to surplus or stock-retirement fund.

Section 23 repeals the existing requirement that national banks make reports to the Comptroller of the Currency within 10 days after declaring dividends. It adds to the existing provision of law on reports by national banks a specific authorization for the Comptroller to require reports of divi-

dend payments. This conforms to the existing practice of requiring a report of earnings and dividends of each national bank every 6 months, which makes unnecessary a separate report when dividends are declared.

Section 24 prohibits any firm from engaging in banking unless it is subject to examination and regulation by State or Federal authority.

Section 25 repeals obsolete provisions of law relating to national agricultural credit corporations. The last such corporation was liquidated in 1938 and no such corporation may now be formed.

HOUSING

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, "Business is good" as they say. Generally speaking, profits are higher and wages are higher, and so are prices. The graph of the American economy looks like a battle line on the move, with bulging advances over most of the map, accentuated by a few retreats here and there.

One of these fall-backs is in the area of housing and slum clearance, endangering the flanks of general progress. Approximately 13 million families still live in farm shacks, sagging tenement houses, and in ancient big-city blocks unfit for human habitation.

Construction of about 1 million houses a year is quite an achievement in itself, but it is not enough. The 13 million families living in quarters that should be condemned, equal the number of people in this unfortunate category as of 1950. In effect, we are just managing to hold our own against the slums—in terms of the number of people still forced to live in these wretched shelters—without making any progress toward reducing and finally eliminating them.

Private enterprise is unwilling—or is unable—to solve this problem. Some people argue that this is not the responsibility of private enterprise. But this does not get us anywhere. The fact is that we have the continuing and deplorable spectacle of 13 million Americans living in ancient, brokendown and unsafe dwellings that are a menace to the occupants and to the communities that suffer from this blight.

Because no individuals or groups could find a solution to this problem, the Federal Government had to face up to it. But the programs it has developed to date, combining public housing projects with encouragement and financial assistance to private builders, while they have accomplished much, have consistently aimed too low. As a result, they have failed to overcome the housing deficit.

While half a program is better than none, it is still far short of the effort that is required to solve this problem. To meet the needs of our expanding population, and at the same time, to eliminate and redevelop the areas that are steadily deteriorating into slums, we must reach a goal of 2 million new homes each year.

The building and construction trades department of the AFL–CIO, as a result of extensive research, and its unsurpassed practical experience in this field, asks the Congress to enact a housing and slum clearance program that will:

First. Continue FHA home insured loans.

Second. Provide adequate Federal slum clearance aid.

Third. Extend public housing.

Fourth. Enlarge cooperative middle-income housing.

Fifth. Improve housing programs for elderly persons.

Sixth. Broaden farm housing program.

Seventh. Enlarge veterans direct loan housing program.

Eighth. Provide for payment of prevailing wages and overtime payments on federally assisted home construction programs.

In this Congress which has veered toward moderation on most other issues, housing is the exception to the trend. Many conservatives recognize that the Congress has failed, year after year, to enact a program of sufficient substance to meet the Nation's housing needs.

They are now prepared to join with other Members in support of a genuine housing and slum clearance bill, if such legislation is brought to a vote.

We welcome their assistance which will guarantee the passage of an omnibus housing bill at this session.

UP-TO-DATE AIRPORTS FOR THE JET AGE

Mr. LANE. Mr. Speaker, June 1, 1959 marks the inauguration of commercial jet service between Boston and Los Angeles.

Contrast this with another date, June 30, 1959. The Federal Airport Act of 1946 will expire a month and a half from now unless legislation is enacted to extend and improve it. "Improve" is the word.

Most airports have made little progress toward meeting the needs of the jet age. The airlines are up to date, but the airports are not. The expansion in transportation by air has completely outdistanced the estimates incorporated in the Federal Airport Act of 1946. There are seven times as many civilian aircraft, and the number of passengers carried yearly has quadrupled.

With the steady shrinkage and eventual elimination of passenger train service, the Post Office Department is relying more and more upon the airlines for transportation of the mail.

Two hundred and fifty-seven of our commercial airports are used by military aircraft which enjoy free landing rights on airports which are federally assisted.

All in all, modern airports are becoming an increasingly vital factor in our national life. They must grow with the need. Because 70 to 80 percent of accidents to aircraft occur within the vicinity of a landing field, longer runways must be constructed to serve the big, fast jet planes, and to insure the maximum safety for plane crews and passengers, as well as the safety of those living in the neighborhood of our airports.

The Federal Aviation Agency has estimated that $1,300 million is needed by our airports over a 4-year period to meet the demands of the increasing volume of air traffic.

The Monroney-Harris airport bill calls for $1,150 million—including matching local funds—to be spent over a period of 5 years on the construction and modernization of airports. This lesser amount should be the irreducible minimum.

Those of us who have faith in our expanding economy believe that it should be given every encouragement and assistance by Government at every level, and especially in those functions where private enterprise alone cannot do the job.

If we cut back on essential programs, we cramp and slow down our progress. This may create the temporary illusion of prudence. In the long run, involving programs that must have leadtime, this policy is shortsighted and self-defeating.

The Monroney-Harris bill would extend the Federal Airport Act for 5 years. It would make $100 million available each year for 5 years, to be matched by local funds. It would provide assistance to small airports for necessary improvements.

There is still time—at this session—for legislation that will make our airports safe, sufficient, and adequate, and provide a sound and constructive stimulus to our whole economy in the process. Fear to go forward is no excuse for halfhearted and inadequate programs. Either we really believe in the future of our Nation or we become the victims of excessive caution. An airport modernization program, to fulfill its responsibilities, must prepare for tomorrow—today.

OUR NATION'S DEFENSE PICTURE: A WISE CHOICE AND AN UNWISE ADVISER

Mr. ANDERSON of Montana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. ANDERSON of Montana. Mr. Speaker, the appointment of Navy Secretary Thomas B. Gates, Jr., as Deputy Defense Secretary is a good choice. Like Gen. Maxwell Taylor, Mr. Gates has fully realized that there is no easy push-button solution to the national defense problems. When less well-balanced brass in the Pentagon were pushing for the machines of massive retaliation and neglecting all else, Mr. Gates evidenced a full realization of the fact that America is actually much more apt to fight a limited war than one of all-out massive nuclear exchange. He has supported a

proper balance of effort between the superweapons of intercontinental warfare and those that must be on hand for the limited wars that are much more likely. As Deputy Defense Secretary he will be in position to assure a logical apportionment of our defense effort to meet whatever threats may come.

It is unfortunate that the same news dispatches which told of the auspicious assignment of Mr. Gates should also inform us that Admiral Radford has been called in as a consultant to the Defense Department. Admiral Radford's theories of defense are pretty thouroughly discredited.

Based on his testimony before the Congress in 1957, Admiral Radford sees only need for forces in being and ready for use on the day war starts. This is making the presumptuous conclusion that the only war we are likely to fight is an all-out nuclear war.

Admiral Radford has never exhibited any understanding of the defense means that must be available to meet the threat of our Communist enemy. He swallowed the massive retaliation doctrine hook, line, and sinker. He never realized that although our nuclear deterrent could be effective against certain threats, there were other Communist aggressions on the free world against which massive retaliation is impotent. Indeed, the threat of hydrogen bomb annihilation is impotent against the most likely Communist moves today.

As Chairman of the Joint Chiefs of Staff, Admiral Radford was one of the most gullible and inflexible of the prophets of total global war—completely unable to see the much more likely threat of limited war—adverse to providing the forces and equipment needed to fight a limited war. The Admiral thought any war would be over in a few weeks and could not see the importance of Reserve forces to be mobilized to reinforce our armies after the balloon goes up.

It is most discouraging to note that when Admiral Radford appeared before the Mahon subcommittee on appropriations January 30, 1957, he declared that probably the more important value of Reserve forces, and I quote, "would be their use to restore order in the event of a surprise attack."

In other words, he would relegate our Reserve to the role of a home guard outfit.

Admiral Radford, continuing his testimony before the subcommittee previously mentioned, said, "Reserves are no longer, in my opinion, the same type of asset that they were before. They exist, they are important, but they are important in a different way and perhaps for different reasons."

The Reserve and the National Guard did not like Admiral Radford's idea of their usefulness in 1957 and they would not agree to it now. The Army Reserve and the National Guard are right now reorganizing into a Pentomic structure, ready to fight beside the Active Army, whether in general or limited warfare, with atomic weapons or with conventional weapons.

Nor does the Congress agree with Admiral Radford's downgrading of the civilian components and that part of the Defense Establishment whose job it is to fight a limited war. They proved that a year ago by providing more adequate manning levels for Active Army, Marines, National Guard, and Army Reserve than asked by the Department of Defense.

Now that Admiral Radford is an adviser to the Department of Defense it becomes increasingly important that we write into the appropriation bills a positive injunction that will force the Department to maintain the Army at 900,000, the Marines at 200,000, the National Guard at 400,000, and the Army Reserve at 300,000 lest Admiral Radford's insidious influence thwart the determination of Congress that America will be ready to fight and win a limited war if need be.

THE HONORABLE VINCENT M. BRENNAN

Mr. DIGGS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DIGGS. Mr. Speaker, it is with profound regret that I report to the House, the untimely passing, on February 4, 1959, of one of my distinguished predecessors, the Honorable Vincent M. Brennan.

Mr. Brennan was elected to the 67th Congress on November 2, 1920, by the constituents of the 13th Congressional District, which I presently have the honor of representing.

Mr. Brennan, who had resided in Detroit since 1895, received his bachelor of arts from the Detroit College, graduating in 1909; bachelor of laws from Harvard University in 1912; master of arts from the University of Detroit in 1914. He was the former legal adviser to the Michigan State Labor Department; assistant corporation counsel of the city of Detroit from 1915 to 1920, and a Michigan State Senator. He was also a former professor of contracts at the University of Detroit Law School.

He was married in 1915 to Miss Ruth Hurley, who with his daughter, Mrs. Richard W. Moore, and sons, Vincent, Jr., and John Brennan, survive him.

During his fruitful lifetime, Mr. Brennan made numerous contributions to the civic welfare of our community and our Nation.

Major bills introduced and remarks by Mr. Brennan in the 67th Congress were:

H.R. 7342, a bill authorizing the Secretary of War to donate 10 cannons to city of Detroit, Mich.

Remarks concerning first annual convention of the Disabled American Veterans of the World War.

Remarks concerning commutation of quarters for Public Health Service employees.

Remarks concerning Veterans' Bureau.

Amendment to river and harbor bill and remarks concerning funds for Federal building at Detroit, Mich.

H.J. Res. 386, proposing amendment to the U.S. Constitution providing for popular referendum on proposition of permitting sale of 5 percent beer.

H.R. 9544, to insure trial by jury in prosecutions for libel.

H.J. Res. 278, providing for installation and operation of radiotelephone apparatus for purpose of transmitting proceedings and debates of Senate and House.

H.R. 12461, to permit immigration of aliens who served in military and naval forces of United States during World War.

Remarks on Great Lakes-St. Lawrence project.

Remarks opposing an amendment to limit tenture of district judges to 4 years.

Remarks concerning D.C. Government, Knickerbocker Theater catastrophe, and snow removal.

Remarks concerning beer tax to finance soldiers' bonus and House Joint Resolution 386, above.

Remarks concerning preparedness and Navy Department appropriation bill.

Remarks concerning coal shortage.

H.R. 13126, amendment to article IV of War Risk Insurance Act.

H.R. 13129, to authorize acquisition of site and erection of Federal building at Detroit, Mich.

H.R. 13375, supplemental to National Prohibition Act.

H.R.13405, to make provision for and grant relief to vocational trainees who suffer an additional injury while pursuing vocational training.

H.R.13961, to sell marine hospital reservation in Detroit and acquire suitable site for and erect hospital nearby.

H.R. 14307, to sell Federal building at Detroit, Mich., and acquire site for and erect a new one.

SURPLUS FARM CROPS

Mr. BROOMFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BROOMFIELD. Mr. Speaker, in Biblical times—and even today in parts of the Middle East—a plague of locusts descending upon a field of grain struck terror into the hearts of the people of that region. The locust meant starvation and hard days ahead. They meant an end to trade and barter for the essentials of life.

In the United States, the sight of such a swarm of locusts devouring the $9 billion worth of surplus farm crops we have stored in warehouses, granaries, and elevators throughout the Nation could only be greeted with glee and great rejoicing by our farmers, our agricultural economists, our taxpayers, and Congress.

For a number of years, we have been faced with a dilemma on our farms which Congress has failed to face. The intent of some of the laws passed in recent years on this subject certainly defies my efforts to understand their purpose and aim.

Congress appears to want to match every bushel of wheat or other surplus crops now in storage with a bushel of money. By some peculiar alchemy, this practice is expected to turn all the surplus crops to gold and our Nation is expected to flourish and prosper and our agriculture problems are expected to solve themselves. Needless to say, something went wrong with this reaction. Instead of turning the wheat to gold, the gold has turned to wheat and we already have too much of that particular commodity on hand.

Over the years, we have poured some $30 billion into this nebulous process under the guise of helping the farmer. All we have succeeded in doing is to hurt the taxpayer who has to foot the bill for such folly.

We have promised the American farmer greater economic independence and a better life. All we have managed to do is to bind him hand and foot with Government regulations and redtape.

Because of the high prices which our Federal Government demands under the agricultural laws passed by Congress, we find our farm goods priced out of the world market, further adding to our growing mountains of surpluses.

Farmers do not grow for the marketplace anymore. They grow for the Government warehouse. In this ridiculous situation, Congress has no one but itself to blame. This is a Government-created crisis, brought about by ignoring the laws of economics and replacing them with the anarchy of partisan politics in the worst sense of the word.

Today, the Commodity Credit Corporation has borrowing authority greater than the yearly net income of every farmer in our Nation. Even the $14.5 billion now authorized will probably have to be increased if our present policies in agriculture are permitted to continue.

Our farmers have learned their lessons in agriculture very well indeed. Our productivity is the envy of the world. We now can grow more crops on less land using less manpower than ever before. For instance, we have taken some 20 million acres of land out of wheat production since 1949. Yet we now have the largest wheat surplus in our history, and it is going to get bigger—not smaller—unless we do something about it.

We are going to have to take some drastic steps to restore freedom to our farmers. Therefore, I am introducing a bill today to get our Federal Government out of the agricultural business as rapidly and as completely as possible.

Under the terms of this bill, the $9 billion in surplus farm goods controlled by the Commodity Credit Corporation would be frozen for a 2-year period. All buying as well as all selling of these surpluses would terminate at the end of this calendar year. The sole exception to this provision would be that food for the school lunch programs, our welfare programs, homesteaders and other essential public uses would be permitted under the direction of the Secretary of Agriculture.

At the end of the 2-year period the Commodity Credit Corporation would begin to be liquidated and the surpluses disposed of over a period of years at whatever price they will bring on the open market.

For the 2-year period, completely free market conditions for your agricultural commodities would prevail. Our crops would once again be items of trade in the world at prices in competition with those of the rest of the world.

In my opinion, such action will assure us of no large surpluses in agricultural goods. I feel certain that we will be able to use up all of our crops either through our own consumers or through world markets.

The time has come for our Federal Government to permit our farmers to stand on their own feet and shape their own destinies. Our productivity and mechanization in farming would make us very lively competitors in world markets if we are permitted to turn back to a free economy in the field of agriculture.

There is no reason why the taxpayers of the United States should have to carry the farmers around on their backs. Certainly, the farmers do not want such humiliating treatment. They have said so many times.

This is no time for halfway measures. The huge surpluses and the problems created by them can only be solved by cutting out the cause at its roots. Simply pruning of our farm subsidy program will only cause further subsidies to flourish at the expense of our Federal Treasury and our taxapayers.

Recently, the Chicago Daily News printed an article written by Mr. George Thiem on the price-fixing system which has piled up surpluses at a tremendous rate. For the information of my colleagues, the article follows:

TEN BILLION DOLLAR GLUT AND NO END IN SIGHT

(By George Thiem)

Stanley Yankus, the Michigan poultry farmer, revolted against a farm price-fixing system that has piled up nearly $10 billion of farm commodities in Government hands.

None of the stuff—the wheat, corn, cotton, tobacco, grain, sorghum, etc.—is worth what the Government has invested in it.

Yankus' trouble arose over a 35-acre wheat patch. The Government owns 1.3 billion bushels of wheat. This is enough to last the United States 2 years and more if we don't grow another bushel. It cost $3.1 billion, or $2.43 a bushel, of your money and mine.

Canadians recently offered wheat for export at Fort William for $1.66 a bushel. Wheat of similar grade cost $2.08 at Minneapolis.

So American exporters get a subsidy to meet cheaper wheat prices in world markets. Price fixing has priced wheat out of the feed market.

Farmers can make more money selling their wheat to the Government than in the open market. The big wheat farmers in the Great Plains have been collecting millions of dollars in subsidies. And under the wheat price support program, wheat growing has spread all over the United States while the taxpayers picked up the tab for the surplus.

The Government told Yankus that under the allotment program he could raise only 14 acres of wheat. But he needed 35 acres to feed his chickens. He defied the wheat program, planted the 35 and had to pay a fine of $5,000.

Yankus could have gone to his local grain elevator and bought the extra wheat he needed, paying the high fixed price.

But he chose to rebel, thus dramatizing the faults of a program that hasn't worked.

That program is the crux of what we know as the farm problem.

And the farm problem, in a nutshell, is this.

1. We have nearly $10 billion worth of farm products piled up all over the land and we don't know what to do with them.

2. We taxpayers will be paying more than $7 billion a year to store the products, to pay subsidies, to run the farm program—and to buy up more surpluses to put on the pile.

3. We will pay a higher and higher price every year on the program as long as it continues, and taxpayers are beginning to ask, "Where will it end?"

4. But if the farm program is thrown out, many small and inefficient farmers face extinction—and many people think the livelihood of the farmer generally may go to pot.

Fewer than 20 million people—about 11 percent of our 176 million population—live on farms. Only 7 or 8 percent of the 20 million are engaged in commercial agriculture.

In 1910 there were 6.4 million farms. Today there are fewer than 4½ million.

A million words have been said and written about how to solve the farm problem. A hundred plans have been brought forward. At the moment these are the ones primarily in the spotlight:

1. Absolute regimentation, with marketing quotas for every farmer that would decree how much he could sell out his front gate.

2. The soil bank, a part of the Government's current program.

3. A long-range program to stop building the surplus, get rid of what we've got on hand now, and then have a free market on farm products.

THE FARM PROBLEM

Mr. LANGEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. LANGEN. Mr. Speaker, American farmers are not responsible for the surpluses of barley and oats which are presently costing us approximately $26 million a year in storage. American farmers have produced no surplus in barley or oats during the past 10 years. Instead, this contradictory situation is a result of our having imported more barley and nearly as much oats since 1949 as we presently have in surplus.

All this may come as a surprise to most of you. I hope it does, for people all over the country are complaining about the high cost of the farm program and a great deal of the blame, together with penalties in the form of lower price supports, is being placed on the farmer. In the case of barley and oats, this blame

and these penalties are not justified, and I would like to set the record straight by pointing to concrete research which our office has carried out using figures from the United States Department of Agriculture to prove this.

Our barley surplus has grown 95 million bushels in the last 10 years, to the point where it now stands at almost 200 million bushels. This surplus costs us approximately $20 million a year for storage alone. During this same period, 1949–1958, we have imported over 224 million bushels of barley. These imports are not only twice the amount of our surplus growth since 1949, but are also larger than the total barley surplus on hand today.

With regard to oats, our surplus has increased by 85 million bushels in the last 10 years, giving us a total surplus on hand today of almost 375 million bushels. Storage costs for this surplus average roughly $6 million a year. Imports of oats during this same 10-year period have been over 344 million bushels, which is more than 4 times the amount of the increase in our surplus and approximately equal to the surplus in storage today.

Why this should be I don't know. But it certainly does not seem reasonable that our American farmers should be penalized and blamed for these surpluses and for the cost of storing them, when in reality they have produced less than our average domestic use and export during the past 10 years. And it certainly does not seem reasonable that the effect of these imported surpluses should be reflected in lowered price supports to our small grain farmers, as has recently been done, since these are surpluses for which our American farmers are in no way responsible.

I have introduced legislation which will provide to the small grain farmer the opportunity to achieve full parity prices. In the light of the above, it is even more obvious that this is certainly no more than he deserves. I urge that this legislation be very carefully and sincerely considered.

OIL AND DEFENSE

Mr. MICHEL. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. CONTE] may extend his remarks at this point in the RECORD, and include a newspaper editorial.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CONTE. Mr. Speaker, all of us interested in a sensible national policy on oil, and in good relations with Canada, certainly welcomed President Eisenhower's proclamation of April 30, exempting Canadian oil from oil import quotas.

But the President's order, which only affects oil entering the United States by land routes, is only a first step toward restoring free competition and holding down oil prices for the American consumer.

I deeply regret that restrictions on importation of residual oil, so important to New England's economy, were not similarly eased. We in New England look forward to the time when all restrictions on residual fuel oil imports will be lifted.

Last week's order, while it brought relief to the Far West and other areas of the Nation which receive oil directly by pipeline from Canada, was of little help to New England, which is primarily dependent on oil received through the port of Boston.

We in New England will not cease in our efforts to remove the discriminatory import restrictions which are so harmful to our economic welfare.

At this point I wish to include in the RECORD the text of an editorial on this subject which appeared in the Boston Herald for May 4, 1959, under the heading "Oil and Defense":

OIL AND DEFENSE

President Eisenhower's decision to lift the controls on oil imported from Canada effective June 1 is a wise one. The controls should never have been put on in the first place. But the new policy doesn't go far enough.

Mandatory controls were imposed March 11 on imports of crude oil and its principal products regardless of source. The pretext was that oil imports threaten to impair the national security by making it unprofitable for domestic producers to develop new sources here. Actually it was a backhanded way of protecting domestic oil and coal producers from troublesome competition. The chief victims were consumers in areas like New England where imported oil now provides the only cheap fuel. Consumers will pay through the nose in higher fuel costs this winter unless the whole scheme is abandoned.

But the policy also irritated neighboring states like Canada and Venezuela who supplied most of the imports. They didn't like having their oil trade cut. And they liked even less being put off with the transparent excuse that our national security required it.

The President tacitly recognized the absurdity of the defense plea last March when he announced that conversations were being held with Canada and Venezuela looking toward a coordinated approach to the problem of oil as it relates to the defense of the hemisphere. The Canadian agreement is belated acceptance that Canada's oil is as vital to our security as U.S. oil.

Unfortunately the same thinking is not being extended to Venezuela. It should be. In World War II, when sealanes were under constant attack, Venezuela was not a very secure source of supply even for us, just across the Caribbean. But in modern war the chief threat is from the sky, from a blitz of devastating missiles. And Venezuelan oil is far more secure against this kind of destruction than is our own or Canada's.

Also the cold war is making it increasingly desirable that Western Hemisphere oil resources be developed, and this means all such resources. Clifford Frank Owen points out in the latest Harvard Business Review that U.S. oil companies are thinking twice about enlarging their investments in the troubled Middle East.

"Increased investment in the oil resources of the Western Hemisphere—both Canada and Latin America," he says, "provide the opportunity of circumventing the uncertainty of Middle East supplies. In fact, conditions now are highly propitious for a favorable solution of the oil problems that have beset United States-Latin American relations for the past decade."

They would be propitious, that is, if our Government would stop listening to the self-serving propaganda of the coal interests and really consider our security. The whole quota rigmarole should be dropped. The Canadian concession should be just the first step.

LEAVE OF ABSENCE

By unanimous consent (at the request of Mr. BASS of Tennessee) leave of absence was granted as follows for today, on account of official business to:

Mr. JOHNSON of Maryland, Mr. FRIEDEL, Mr. GARMATZ, Mr. LANKFORD, Mr. FALLON, Mr. BREWSTER.

Mr. YATES (at the request of Mr. LIBONATI), for Tuesday, May 19, 1959, on account of official business.

SPECIAL ORDERS GRANTED

By special consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. DIGGS for 1 hour today, to revise and extend his remarks, and include extraneous matter.

Mrs. ROGERS of Massachusetts, to vacate the special order she had for today, and to be allowed to address the House for 10 minutes tomorrow and 10 minutes on Thursday.

Mr. PHILBIN, for 20 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mrs. KEE and to include extraneous matter.

Mr. COLLIER and to include extraneous matter.

Mr. JOHNSON of Colorado, to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter.

Mr. PATMAN, to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter.

Mr. BROYHILL (at the request of Mr. MICHEL), to revise and extend the remarks he made in the Committee of the Whole and include tables and extraneous matter.

Mr. CLEM MILLER, to revise and extend the remarks he made in the Committee of the Whole today and include certain tables and extraneous matter.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 902. An act to provide for the receipt and disbursement of funds, and for continuation of accounts when there is a vacancy in the office of the disbursing officer for the Government Printing Office, and for other purposes.

AGRICULTURE APPROPRIATION BILL

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Speaker, on yesterday just before the House adjourned, the gentleman from New York [Mr. TABER] introduced an amendment to the agricultural appropriation bill, which I am very much afraid he did not understand, and I am very much afraid the Members of the House did not understand.

The amendment provides:

Provided, That no funds appropriated in this section shall be used to process a Commodity Credit loan which is in excess of $50,000.

The effect of that amendment would be to completely and utterly destroy the farm program and it will destroy a program through which we have had orderly marketing. I want to emphasize the effect it will have on the producers of all commodities and when the program is operated through co-ops. For instance, our tobacco program is operated through the Tobacco Stabilization Corporation. The Tobacco Stabilization Corporation borrows money from the Commodity Credit Corporation. If we are restricted to $50,000 loans we will be out of business overnight. I urge the Members of the House to vote against the amendment. I am certain the gentleman from New York [Mr. TABER] does not want to destroy the farm program.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Indiana.

Mr. HALLECK. Of course, the gentleman has the floor and he is completely within his rights under the rules of the House to make the statement he is making. But I would like to point out to him that this matter was very thoroughly debated the other day. It is coming on for a vote tomorrow. Very few Members are present and it would seem to me that the gentleman is, I would not say taking undue advantage, but certainly taking something of an advantage of the Members who debated the amendment and who urged its adoption and who are not present and will not have anything in the RECORD on the matter by the time the vote comes tomorrow.

I am going to support this amendment and I think the reasons that will persuade the House to adopt it in the vote on the motion to recommit that carries over will be sufficient.

Mr. COOLEY. If the gentleman will look at the record, it was proposed by the gentleman from New York [Mr. TABER], after all the Members had left the House. He is confused, I am sure, with the other Taber amendment dealing with the ACP program.

Mr. HALLECK. The amendment was originally offered by the gentleman from Kansas [Mr. AVERY]. It was thoroughly debated, it was defeated in the Committee of the Whole; so everybody was here listening to the debate. Now then, when the amendment was put in the motion to recommit, of course that was after the Committee had risen, but there would be no further opportunity except as the gentleman has taken advantage of the situation tonight to debate the amendment.

Mr. COOLEY. I am not trying to debate the amendment other than to notify the Members of the House of the dangerous trend of the amendment. I am asking the farm organizations and the Department of Agriculture for an opinion and will have it here by noon tomorrow.

Mr. HALLECK. May I say to the gentleman that if he has not been debating the amendment, then I have not heard a debate in the House. I say it will not destroy the program.

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER. The Chair may say that the gentleman from North Carolina has the floor and has a right to speak on anything he pleases.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. Mr. Speaker, I would point out that not only would this amendment do what the chairman has just explained it would do if it has any effect at all, but the way it is written it probably has not any effect and it certainly will not do the things that its advocates claim it will do. They tell you that the probabilities of it is to prevent one man or one group of men from getting large and excessive loans from the Government. But read the motion to recommit. It says:

No funds appropriated in this section shall be used to process a Commodity Credit loan which is in excess of $50,000.

I may have a crop worth a quarter of a million dollars.

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 58 minutes p.m.) the House adjourned until tomorrow, Wednesday, May 20, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

999. A letter from the Secretary of the Army transmitting a letter from the Chief of Engineers, Department of the Army, dated January 21, 1959, submitting a report, together with accompanying papers and illustration, on Great Lakes harbors study—interim report on Ashtabula Harbor, Ohio, requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956, and June 27, 1956 (H. Doc. No. 148); to the Committee on Public Works and ordered to be printed with illustrations.

1000. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated March 17, 1959, submitting a report, together with accompanying papers and illustration, on a Great Lakes harbors study—interim report on Calumet Harbor, Ill. and Ind., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956, and June 27, 1956 (H. Doc. No. 149); to the Committee on Public Works and ordered to be printed with illustrations.

1001. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated February 4, 1959, submitting a report, together with accompanying papers and illustrations, on a Great Lakes harbors study—interim report on Duluth-Superior Harbor, Minn. and Wis., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956, June 29, 1955, and June 27, 1956, respectively (H. Doc. No. 150); to the Committee on Public Works and ordered to be printed with two illustrations.

1002. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated January 21, 1959, submitting a report, together with accompanying papers and an illustration, "Great Lakes Harbors Study—Interim Report on Buffalo Harbor, N.Y.," requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956, and June 27, 1956 (H. Doc. No. 151); to the Committee on Public Works and ordered to be printed with illustrations.

1003. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to authorize the use of funds arising from a judgment in favor of the Coeur d'Alene Indian Tribe, and for other purposes"; to the Committee on Interior and Insular Affairs.

1004. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation entitled "A bill to amend section 403 of the Housing Amendments of 1955 so as to authorize an alternative procedure which may be utilized in lieu of title insurance on military family housing, and for other purposes"; to the Committee on Banking and Currency.

1005. A letter from the Administrator, Federal Aviation Agency, transmitting a draft of proposed legislation entitled "A bill to provide for the settlement of claims of military personnel and civilian employees of the Federal Government for damage to, or loss, destruction, capture, or abandonment of, personal property occurring incident to their service, and for other purposes"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the

Clerk for printing and reference to the proper calendar, as follows:

Mr. DAWSON: Committee on Government Operations. S. 900. An act to amend section 204(b) of the Federal Property and Administrative Services Act of 1949 to extend the authority of the Administrator of General Services to pay direct expenses in connection with the utilization of excess real property and related personalty, and for other purposes; with amendment (Rept. No. 368). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASPINALL: Committee on Interior and Insular Affairs. H.R. 7120. A bill to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes; without amendment (Rept. No. 369). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Montana:

H.R. 7229. A bill to make permanent the authority of the Secretary of Agriculture to make loans under section 17 of the Bankhead-Jones Farm Tenant Act, as amended, and the act of August 31, 1954, as amended; to the Committee on Agriculture.

By Mr. BROOMFIELD:

H.R. 7230. A bill to free farmers from Government control; to the Committee on Agriculture.

By Mr. BUCKLEY:

H.R. 7231. A bill to repeal the tax on transportation of persons; to the Committee on Ways and Means.

By Mr. BURDICK:

H.R. 7232. A bill to make permanent the authority of the Secretary of Agriculture to make loans under section 17 of the Bankhead-Jones Farm Tenant Act, as amended, and the act of August 31, 1954, as amended; to the Committee on Agriculture.

By Mr. CELLER:

H.R. 7233. A bill to amend section 632 of the Bankruptcy Act (11 U.S.C. 1032) by inserting the word "first" before "meeting" and by adding a new section 644 so as to require claims to be filed and to limit the time within which claims may be filed in chapter XIII proceedings (wage earners' plans); to the Committee on the Judiciary.

H.R. 7234. A bill to amend the act entitled "An act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes," approved July 5, 1946, with relation to the importation of trademarked articles and for other purposes; to the Committee on the Judiciary.

By Mr. FORAND:

H.R. 7235. A bill to amend the Internal Revenue Code of 1954, so as to restore competitive equality to retailers and other distributors with respect to certain sales to business and other organizations; to the Committee on Ways and Means.

By Mr. KILGORE:

H.R. 7236. A bill to amend the Internal Revenue Code to allow gas tax refunds due for gasoline used by aerial applicators serving farmers to be refunded to the aerial applicators providing such service to farmers; to the Committee on Ways and Means.

By Mr. LANE:

H.R. 7237. A bill to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes; to the Committee on the Judiciary.

By Mr. LOSER:

H.R. 7238. A bill to repeal the tax on transportation of persons; to the Committee on Ways and Means.

By Mr. MOORE:

H.R. 7239. A bill to eliminate the date of termination of the provisions of law authorizing issuance of nonquota immigrant visas to certain alien orphans, and for other purposes; to the Committee on the Judiciary.

H.R. 7240. A bill to increase the annual income limitations governing the payment of pension to certain veterans and their dependents; to the Committee on Veterans' Affairs.

H.R. 7241. A bill to amend section 503 of title 38, United States Code, to provide that social security benefits shall not be counted as income in determining eligibility for pension; to the Committee on Veterans Affairs.

By Mr. POFF:

H.R. 7242. A bill to amend sections 1, 57j, 64a(5), 67b, 67c and 70c of the Bankruptcy Act, and for other purposes; to the Committee on the Judiciary.

By Mr. RIVERS of Alaska:

H.R. 7243. A bill to amend the act providing for a program to eradicate the dogfish shark on the Pacific coast in order to expand such program; to the Committee on Merchant Marine and Fisheries.

By Mr. SPENCE:

H.R. 7244. A bill to promote and preserve local management of savings and loan associations by protecting them against encroachment by holding companies; to the Committee on Banking and Currency.

By Mr. WAMPLER:

H.R. 7245. A bill to provide for the increased use of agricultural products for industrial purposes; to the Committee on Agriculture.

By Mr. COOLEY:

H.R. 7246. A bill to amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74, 77th Congress, as amended; to the Committee on Agriculture.

By Mr. DERWINSKI:

H.R. 7247. A bill to amend the act of August 16, 1950, relating to exclusion from the mails of obscene articles, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. GIAIMO:

H.R. 7248. A bill to amend the Lanham Act to provide a preference in the purchase of housing thereunder to the widows of veterans; to the Committee on Banking and Currency.

H.R. 7249. A bill to amend the Public Health Service Act to provide for a public health training program, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Colorado:

H.R. 7250. A bill to amend section 12 of the act of September 11, 1957; to the Committee on the Judiciary.

By Mr. McDOWELL:

H.R. 7251. A bill to amend the Mutual Defense Assistance Control Act of 1951; to the Committee on Foreign Affairs.

By Mr. O'KONSKI:

H.R. 7252. A bill to amend section 6150 of title 10, United States Code, to provide for advancement on the retired list of officers of the Army or Air Force specially commended for performance of duty before January 1, 1947, in actual combat; to the Committee on Armed Services.

By Mrs. ROGERS of Massachusetts:

H. Con. Res. 175. Concurrent resolution endeavoring to reduce the number of accidents and deaths from accidents on the highways; to the Committee on Interstate and Foreign Commerce.

By Mr. McDOWELL:

H. Res. 267. Resolution expressing the sense of the House of Representatives with respect to determinations of whether certain disputes involving the United States are subject to the compulsory jurisdiction of the International Court of Justice; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. GIAIMO: Memorial of the General Assembly of the State of Connecticut memorializing Congress to allow an additional income exemption of $1,200 for an individual who is a student at an institution of higher education; to the Committee on Ways and Means.

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to more than two terms for the President of the United States; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Illinois, memorializing the President and the Congress of the United States relative to requesting and recommending passage of legislation creating a Youth Conservation Corps; to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AVERY:

H.R. 7253. A bill for the relief of Mrs. Luella Johnson; to the Committee on the Judiciary.

By Mr. COOLEY:

H.R. 7254. A bill for the relief of Simeen Chaghaghi; to the Committee on the Judiciary.

By Mr. DANIELS:

H.R. 7255. A bill for the relief of Eva, Albertina, and Rita Carrino; to the Committee on the Judiciary.

H.R. 7256. A bill for the relief of Miss Remedious Villaneuva; to the Committee on the Judiciary.

By Mr. DURHAM:

H.R. 7257. A bill for the relief of Helen W. Barksdale; to the Committee on the Judiciary.

By Mr. GEORGE:

H.R. 7258. A bill for the relief of Dimitroula A. Kehages; to the Committee on the Judiciary.

By Mr. GIAIMO:

H.R. 7259. A bill for the relief of Francesco Michienzi, M.D.; to the Committee on the Judiciary.

By Mr. MAILLIARD:

H.R. 7260. A bill for the relief of John Napoli; to the Committee on the Judiciary.

By Mr. MASON:

H.R. 7261. A bill for the relief of Magdalena Bier; to the Committee on the Judiciary.

By Mr. ROGERS of Florida:

H.R. 7262. A bill for the relief of George W. Roberts; to the Committee on the Judiciary.

By Mr. UDALL:

H.R. 7263. A bill for the relief of Edward Ketchum; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

188. By Mr. WESTLAND: Petition of the editors of Szavad Magyarsag, an American-Hungarian newspaper, published in the city of New York, concerning free elections in Hungary and other capitive nations; to the Committee on Foreign Affairs.

189. By Mr. DOOLEY: Resolution of the Westchester County (N.Y.) Committee for a Sane Nuclear Policy, in favor of international agreement on the cessation of all nuclear weapons testing, supporting and urging adoption of Senate Resolution 96 and similar legislation in the House of Representatives, and suggesting that responsibility for the safeguarding of public health relevant to radiation hazards be transferred to the U.S. Public Health Service; to the Committee on Foreign Affairs.

190. By Mr. LANE: Petition of the Textile Workers Union of America, AFL–CIO, local unions in Lawrence, Mass., on minimum wage legislation; to the Committee on Education and Labor.

191. By Mr. LOSER: Petition of the Bishop Adrian, General Assembly, Fourth Degree, Knights of Columbus, Nashville, Tenn., that proper authority of the U.S. Government be requested to prepare and develop a motion picture in colored film which will show existing proper rules and customs pertaining to the display and use of the flag of the United States, and that said film be made available to schools, universities, libraries, clubs and other organizations throughout the country; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Our Inheritance: An Indestructible Union of Indestructible States

EXTENSION OF REMARKS
OF
HON. HARRY FLOOD BYRD
OF VIRGINIA
IN THE SENATE OF THE UNITED STATES
Tuesday, May 19, 1959

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an extremely fine address delivered by the senior Senator from North Carolina [Mr. ERVIN], on the occasion of the dedication of the Visitor Center and Headquarters for the Richmond National Battlefield Park at Richmond, Va., on May 16, 1959.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

OUR INHERITANCE: AN INDESTRUCTIBLE UNION OF INDESTRUCTIBLE STATES

(Remarks of Senator SAM J. ERVIN, JR., of North Carolina, at the dedication of the visitor center and headquarters for the Richmond National Battlefield Park at Richmond, Va., May 16, 1959)

Ladies and gentlemen, we meet today on the site of the famous Chimborazo Confederate Hospital in the erstwhile capital of the Confederacy to dedicate the generous gift of the people of Richmond to the United States for use as a visitor center and headquarters for the Richmond national battlefield park.

I am grateful for the invitation to participate in this dedication because of the opportunity it offers me to commend the National Park Service, and because of the part my own State, North Carolina, played in the great conflict which Collier Cobb, one of my beloved teachers at Chapel Hill, was accustomed to call the Uncivil War.

The National Park Service merits the highest praise for its unceasing devotion to its patriotic task of preserving and making available to all the people the Nation's historic shrines. As one who has been privileged during recent months to visit the battlefields at Gettysburg, Antietam, Fredericksburg, Chancellorsville, the Wilderness, and Spotsylvania, I bear witness that the National Park Service emphasizes "with a touch impartially tender" that the unconquerable spirit of those who wore the blue and the undying valor of those who wore the gray constitute the common heritage of all Americans, regardless of whether they dwell above or below the Mason and Dixon line.

I trust you will pardon at this point an allusion rather personal in nature. I cannot come to the Old Dominion without experiencing emotions similar to those which prompted Moses to remove his sandals from his feet because he stood on holy ground. Kindred of mine fought for the Confederacy in virtually every engagement on Virginia soil from Bethel to Appomattox. One of my great-uncles was killed in action at Seven Pines. Another fell in combat on the Darbytown Road.

In the words of Britain's heroic poet, Rupert Brooke:

"These laid the world away; poured out the red
Sweet wine of youth; gave up the years to be
Of work and joy, and that unhoped serene,
That men call age; and those who would have been,
Their sons, they gave, their immortality."

Since their dust is commingled forever with Virginia's good earth, Virginia to me is hallowed ground.

These dedicatory services call to mind words quoted by Father Abram J. Ryan, the poet laureate of the Confederacy, in the headnote to his poem entitled "A Land Without Ruins."

"A land without ruins is a land without memories—a land without memories is a land without history. Crowns of roses fade—crowns of thorns endure."

The Richmond National Battlefield Park, which was established in 1944 and now contains 691 acres, is located in a land storied in memories and history. This is true because it is located in a land which has suffered ruins and worn a crown of thorns.

As the capital of the Confederacy, Richmond was the chief military prize of a fratricidal war, which lasted 4 long years and sent about 530,000 Americans to untimely graves. Of those so dying, thousands were killed or mortally wounded in battles and skirmishes fought in areas lying within or near the Richmond National Battlefield Park.

Let me enumerate a few of the major engagements occurring within these areas:

1. The Battle of Seven Pines, which was fought at Fair Oaks, 6 miles east of Richmond, on May 31 and June 1, 1862, when the retreating Confederate Army under Gen. Joseph E. Johnston turned and fought to a standstill the Union forces commanded by Gen. George B. McClellan.

2. The Seven Days' Battle, which was fought at Mechanicsville, Gaines' Mill, Savage Station, Fraziers' Farm, White Oak Swamp, and Malvern Hill in the neighborhood of Richmond from June 26 to July 2, 1862, when the Confederate forces under Gen. Robert E. Lee made a series of counterattacks upon General McClellan's army and removed its threat to Richmond.

3. The Battle of Yellow Tavern, which was fought at the Yellow Tavern, 6 miles north of Richmond on May 11, 1864, when the gallant Confederate cavalier, Gen. J. E. B. Stuart, overtook Gen. Philip H. Sheridan, and sacrificed his own life in a desperate but successful effort to save Richmond from capture by General Sheridan's forces.

4. The Battle of Cold Harbor, which was fought at Cold Harbor, 10 miles northeast of Richmond, from May 31 to June 12, 1864, when Gen. U. S. Grant continued the campaign of attrition begun by him at the Wilderness and Spotsylvania by throwing massive Union forces against the Confederates under General Lee, who held a strongly entrenched line.

5. The Petersburg Campaign, which began about June 15, 1864, when General Grant laid siege to Richmond and Petersburg, and continued until April 2, 1865, when General Lee abandoned Richmond and Petersburg and started the retreat, which ended in his surrender at Appomattox on April 9, 1865.

We are prompted to attend this ceremony by two motives. One, which is external and objective, is our desire to witness the dedication of a visitor center and headquarters marking the beginning of an expanded service by the National Park Service to those who visit the Richmond National Battlefield Park. The other, which is internal and subjective, is our wish to do reverence to those brave men of the North and those brave men of the South, who fought near Richmond for causes they believed right and whose silent tents are now spread "on Fame's eternal camping ground."

It is well for us to call to mind the valor and sacrifice of those who wore the blue and those who wore the gray. This is so because:

"If their memories part
From our land and heart
'Twould be a wrong to them,
And a shame for us."

The men of the North fought to preserve the Union, and the men of the South fought to preserve the States. As a consequence, all Americans have inherited a country whose Constitution contemplates "an indestructible Union composed of indestructible States."

If we are to do full reverence to those who wore the blue and those who wore the gray, we must do more than call to remembrance their valor and their sacrifices. We must dedicate ourselves to the preservation of the America they bequeathed to us.

This America is threatened by foes within and foes without.

The foes without are the Communist nations which strive to erase all human dignity and all human freedom from earth's surface.

A Confederate officer from North Carolina was mortally wounded during the advance on the second day at Gettysburg. After being knocked to the ground by the impact of the bullet which wounded him, he took from his pocket a pencil and a piece of paper,

and wrote these words with his dying hand: "Tell my father I fell with my face to the enemy."

America will be able to defend herself against the Communists and all other external foes as long as her sons are ready to die with their faces to her enemies.

Sometimes it seems that the foes within pose a more serious threat to America than the foes without. It is certainly easier to devise a defense against external foes.

The foes within are those who seek to destroy our "indestructible Union of indestructible States" by reducing the States to meaningless zeros on the Nation's map and concentrating all governmental powers in the Federal Government. If they should succeed in their objective, their success would sound the death knell of liberty in America. This is true because "the States are the only breakwater against the ever-pounding surf which threatens to submerge the individual and destroy the only kind of society in which personality can survive."

America's protection against the foes within is to be found in the answer to this prayer:

"God give us men. A time like this demands
Strong minds, great hearts, true faith, and ready hands;
Men whom the lust of office does not kill;
Men whom the spoils of office cannot buy;
Men who possess opinions and a will;
Men who have honor—men who will not lie.
Men who can stand before a demagog
And damn his treacherous flatteries without winking;
Tall men, sun-crowned, who live above the fog
In public duty and in private thinking."

A Tribute to the Good Citizens of Maywood, Ill.

EXTENSION OF REMARKS
OF
HON. HAROLD R. COLLIER
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 19, 1959

Mr. COLLIER. Mr. Speaker, on Sunday, May 17, the people of Maywood, Ill., joined in a ceremony which should long be remembered in the history of this fine residential community. The occasion was the dedication of a memorial to Company B of the 192d Tank Battalion at the site of the old Maywood Armory from which the gallant band of young men left to play an historic role in the bloody defense of the Philippines.

Veterans organizations with their service auxiliaries, boy scouts, girl scouts, civic organizations, fraternal societies and church and school groups of Maywood and its environs assembled for the colorful and solemn program. Thousands of folks turned out to watch the dedicatory parade as it moved through the heart of the community and others joined at the site of the ceremony for the climax of the program.

It was an occasion of mixed emotions, one of many recollections for the families and friends of those who made the supreme sacrifice at Bataan or on the "death march" after its fall. Yet there was a feeling that the event embraced more than a tribute to the members of the fighting Maywood Corps which is recorded in the annals of heroism in World War II. It was a symbol of solemn gratitude of the folks of this village to every veteran who contributed in any measure to the preservation of the ideals of this great Republic.

There on the site of this historic old armory now stands a bronze plaque with the names of each member of this gallant company there inscribed, and the "eternal light" which will illuminate this plaque after the light of day has passed will serve as a reminder of the gratitude, respect and honor which will be indelibly written upon the history of this typical American community.

Pornographic Material in the Mails

EXTENSION OF REMARKS
OF
HON. ELIZABETH KEE
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 19, 1959

Mrs. KEE. Mr. Speaker, several days ago the Department of Justice announced that three men had been indicted in Detroit for violation of a law Congress passed to step up the campaign against persons who distribute obscene material through the mails.

These indictments, Mr. Speaker, will be good news for parents, schoolteachers, and others who are seriously worried over the increasing amount of pornographic material which is being placed in the hands of our young people.

The law which the 85th Congress passed, in response to strong demands by the public, enables the Government to prosecute a person charged with violation of this law at the point where the material was distributed. Previously, the Government was required to bring the indictment at the point of mailing.

This provision of the law was a handicap to law-enforcement officials. The new weapon which Congress voted should go a long way in helping to eradicate this national evil.

All of us want to keep this highly unsuitable material out of the hands of our children. It is difficult to believe that men would stoop to practice this despicable deed. Yet, it is reported to be a highly lucrative business and I assume some persons felt the high return warranted the risk involved.

Perhaps this new weapon in the hands of Federal law-enforcement officials will bring about a real crackdown. It is encouraging that the Department of Justice has moved so rapidly under the new law.

Mr. Speaker, I want to congratulate the Federal officials who obtained this first indictment under the new law. I know they will do everything they possibly can to eradicate this loathsome racket.

And especially, Mr. Speaker, I want to commend my gracious and wonderfully capable colleague, the Honorable KATHRYN GRANAHAN, of Philadelphia, for the magnificent work she is doing as chairman of a subcommittee of the House Post Office and Civil Service Committee in bringing this whole matter not only to the attention of Members of the Congress but to the American people. Mrs. GRANAHAN is giving unselfishly of her time and talents toward this serious problem, and she is to be congratulated for her outstanding service to the parents and youth of America.

Responsibilities in Government

EXTENSION OF REMARKS
OF
HON. HOWARD W. CANNON
OF NEVADA
IN THE SENATE OF THE UNITED STATES
Tuesday, May 19, 1959

Mr. CANNON. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address delivered by the Senator from Utah [Mr. Moss] before the Student Bar Association of the George Washington University Law School, at the Law Day banquet, May 1, 1959. Senator Moss presented a thought-provoking challenge to the law students on their responsibilities in government. His encouragement to take the plunge into politics for the betterment of mankind through a government of law deserves the widest possible dissemination among the legal profession and to the Nation.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SPEECH OF SENATOR FRANK E. MOSS, DEMOCRAT OF UTAH, BEFORE THE STUDENT BAR ASSOCIATION OF THE GEORGE WASHINGTON UNIVERSITY LAW SCHOOL, LAW DAY BANQUET, MAY 1, 1959

Mr. Toastmaster, and ladies and gentlemen, thank you for asking me to speak here tonight. It is always a pleasure for a student to return to his alma mater, and I have the further pleasant duty to talk to you on this occasion on a very challenging subject. My own student days at George Washington University Law School are still fresh in my memory, and I know how many late and lengthy discussions are centered around what you are learning here, and what you can do with it today, as well as what you will do with it later on when you become a member of one of the world's most distinguished professions.

We who are alumni and students of George Washington University, and particularly of the law school, have a right, I believe, to be proud of the fact that our school has become not only a training ground for the professions, but for political and public service. I am confident that no other school in the Nation has sent as many former students and graduates to the U.S. House of Representatives and to the U.S. Senate as has George Washington University. At the risk of treading on the toes of any Virginians who are here, I might suggest that GW could properly be called the mother of Congressmen.

In England, Law Day, the subject of our discussion tonight, is a term used to designate the day in court on which a mortgage debtor is called to account for his indebtedness. In a sense Law Day, United States of

America, is somewhat analogous. On this day, solemnly dedicated by Presidential proclamation, American lawyers are called to the bar of national and world opinion to account for the opportunities for service granted them as members of an ancient and truly honorable, if not always honored, profession.

This is, therefore, the ideal occasion to speak of the law student's responsibilities in a Government under laws such as we have enjoyed for more than 180 years.

The student of law in our day must take on responsibilities possibly graver than any ever borne heretofore by members of the profession. He must hold himself twice accountable for his acts to a skeptical, distrustful and often unfriendly public. He must answer as an individual and as a member of a profession. For his character and his conduct as an individual lawyer will determine the reputation and standing of his profession.

In the beginning of a career, the absorption of the student or the young lawyer in his daily professional tasks is not easily penetrated by a sense of responsibility for things less immediate than earning a livelihood.

I would like to repeat, however, the warning sounded by one of the very eminent members of our profession, Chief Justice Arthur T. Vanderbilt:

"There is nothing more pathetic than the successful professional man who wants to serve his community but who has never schooled himself in the world of political realities. A day of public service and of real interest in the world of politics at the age of 25, is worth infinitely more to the community than a month of any old man's leisure."

Upon some of you this warning will never register. For some of you will never be more than technicians. A great many it is true will become extremely skilled technicians and be the craftsmen of the law. As a legal craftsman, you will develop a sure fast skill at drawing a note and deed of trust which squeezes the turnip dry, a skill in filing a divorce suit accompanied by injunctions and other remedies which right from the start ties the opposite spouse hand and foot, a skill in taking a release in a personal injury settlement from which there can be no escape, and at drawing and executing a will no one can break.

But some of you, I hope, will take to heart Judge Vanderbilt's admonition, and while you are still young, go out into the world of practical politics and make yourself of service to your community, your State, and your Nation. You have the training—you have the tools to do the job.

I hope you will do more than join community organizations and participate in get-out-the-vote drives. I hope you will actually go into the organization of the political party of your choice, and become an active member of it. Join at the precinct level, and work up in party councils to a position of trust and responsibility. And then when you are seasoned, and have won the confidence of your community or your area, run for public office. One way a lawyer can most fully carry out his responsibilities in a government under law is to go where the laws are made, and use his background and experience to enact those new laws made necessary by a changing world, and to improve the statutes already on the books.

There is no current compilation of the number of lawyers who are members of State legislatures throughout the country, but I am sure I am safe in saying that in most legislatures, the law is more widely represented than any other profession or calling.

In the National Congress, that is indisputably true. In this 86th Congress, 228 out of 437 Members of the U.S. House of Representatives are members of the legal profession. Seventy are Republicans and 158 are Democrats.

In the U.S. Senate, 61 of the 98 Members serving at the present time have law backgrounds. Eighteen are Republicans and 43 are Democrats. The chairmen of 13 of the 16 standing committees of the Senate have had legal training. Both Senators from 19 States were trained in the profession which you are now aspiring to join.

Those of you who followed closely the debate on the floor of the Senate last week on the labor-reform bill, and the compromises which were effected and which prepared the way for passage of the embattled bill, know that many members of the bar were in the thick of the fight. Senator MCCLELLAN is a lawyer, as are Senator ERVIN, the cosponsor of the bill, and Senator KUCHEL the leader of the group whose compromise proposal on the bill of rights finally cleared the way for passage of the bill itself. Senators MORSE, BRIDGES, JAVITS, DIRKSEN, DODD, COOPER, CASE, CLARK, and CHURCH—to name only a few—are some of the other lawyers whose names figured in debate or as the sponsor of amendments. Senator KENNEDY, the brilliant young man whose name the bill bears, and Senator GOLDWATER, who was its most vociferous critic, both somehow escaped special training in the law, so we cannot claim them in the legal fraternity. But the labor-reform bill as it was sent to the House last week has the handiwork of many lawyers in it.

The point I hope I have made is this. An attorney—or an embryo attorney has a greater responsibility than other citizens, because he is better equipped and trained to be of service to his country in the legislative field. Every citizen of this country is in politics—whether he likes it or not—because that is the way of a democracy. It is a government for and by the people. But, in my opinion, it is not enough for a law student, or for a member of the bar, simply to inform himself on the issues and vote. That is like stopping at the water's edge. I sincerely hope that many of you will take the plunge into politics, and will be of service to your community, your county, your State, and your Nation.

Some of you, and I hope there are many, will remember down through the years ahead of you that the law is a profession, an exacting profession; that a profession is a group of men pursuing a learned art as a common calling in the spirit of a public service—no less a public service because it may incidentally be a means of livelihood. Pursuit of the learned art in the spirit of public service is the primary purpose. Gaining a livelihood is incidental, whereas in a business or a trade it is the entire purpose.

Underlying the structure and fabric of our law is a Bill of Rights designed to protect the life of every citizen, his liberty and his property. At the time they framed this charter of liberties, the lawyers who in an earlier day set the first of the Revolution were mentally smarting from the personal abuses heaped upon them by King and government and the violation of personal and property rights that had been secured to freemen by the Magna Carta. Officers of the King had broken into shops and homes of friends and neighbors, searched and seized anything and everything at pleasure. Respected and honored citizens had not been free of arrest upon a hint or a sly suggestion of a petty official. Often they were imprisoned on suspicion with no opportunity to be heard and without a fair trial.

Out of their bitter memories they wrote into the Constitution basic and fundamental principles to restrain any excesses of government and check any arbitrary power that might invade the rights of personal liberty and private property.

Today the principles of freedom and fair play are being challenged and opposed around the world by totalitarian ideology that denies the existence of God and subjects the individual to arbitrary naked power of the state.

The danger of our present crisis cannot be overestimated. The very advances in science and technology that you and I and every citizen, not alone of this country, but of all the remaining free nations, rely upon to protect us may well contribute the factors to destroy freedom forever.

The advancements made in public education, the tremendous strides in mass communication—the radio, the television, the news services, the shattering of time barriers in transportation—all these have given more citizens a voice in making decisions.

The greatest threat to the rule of law in any of the nations of our free world is the danger that the people will become dissatisfied with the functioning of their system of justice and do irreparable injury to it without realizing that by so doing they are destroying the very foundation of the rule of law in their society.

It is our professional responsibility to keep the pulse of life beating strongly in the law. We cannot do this by treating our fundamental freedoms as abstract theoretical concepts of a legal system. The people of the free world must learn to believe those freedoms to be what we believe them to be, the practical dynamic concepts for living, unalienable in every human being.

In earlier days the status of law in other nations was not a vital concern to us. But we are living in an era where it is no longer possible to ignore the attitudes of other peoples. This state of society is the result of two factors. Under the impact of science and technology our world is shrinking. And old empires are dissolving into new nations, filled with aspiration not unlike our own.

The tremendous success of scientists and technicians has left a gap between our scientific discoveries and their beneficial and peaceful utilization within the framework of the institutions devised to insure freedom and rights of the individual. The bridging of this gap may well prove to be the legal framework of free societies in the making. Most certainly it will be impossible unless you understand your fellow lawyers of other nations.

If we reflect on the issues at stake in the cold war, if we analyze its deepest meaning, we come to the inevitable conclusion that among the most essential values at stake are legal ones: the relation between citizen and State, the liberty and liberties of individuals.

Now it seems to me it is with reference to this most important value—that is the relation between citizen and State—that the responsibiliy of the young lawyer is of greatest importance. Let me explain. The very cornerstone of this great experiment in democratic government is the theory that the average citizen himself is best qualified to govern. Thus, all citizens must be informed and acquainted with the workings of the government which they control. They must be free to consult with each other, to discuss, consider, debate and deliberate upon any ideas, and through such deliberation, to arrive at the ultimate truth. Indeed, it is this search for truth in the area of human relations that makes our form of government so noble and so satisfying.

We must not permit any man or group of men to impede or destroy the right of our citizens to grapple with any and all ideas that are presented, since we believe that

through such consideration and discussion of ideas, doubt is resolved, the wheat is sifted from the chaff, the spurious and erroneous are rejected. Truth is the result.

Justice Holmes once said in a very famous dissent:

"But when men have realized that time has upset many fighting faiths, they may come to believe even more than they believe the very foundations of their own conduct that the ultimate good desired is better reached by free trade in ideas—that the best test of truth is the power of the thought to get itself accepted in the competition of the market, and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution."

You are all very well aware of the grave concern in this country over the threat of communism. At times this concern is irrational and hysterical. Capable men of good intentions have become so frightened by the specter of communism that they seem to forget that the cornerstone of our Government is the right to discuss ideas in the search for truth. They would build a wall around Communist thought and ideas. They would be unwilling to consider, discuss and debate its implications, whether they be good or bad, false or true. They would prohibit the rest of us from coming to grips with such ideas. In effect, they doubt the ability of our citizens to entertain such thoughts and ideas and to recognize and reject the false while gleaning what little truth there may be. In so doing, they seem to doubt the very validity of our form of government.

I submit that if we accept such a philosophy, we are rejecting the very thing which has made this country and its form of government great. If we have become afraid of ideas, afraid to face them, to discuss them, to accept the truth in them as readily as we reject the false, then we are on the road to despotism.

If we permit our Government to remove any subject from the area of thought, investigation, and discussion, we have then provided a tool by which men may be kept in ignorance, and ignorance is the tool by which our form of government may be destroyed and replaced by a despot or a dictator.

The framers of our Constitution recognized the problem and made provision for it in the first amendment. The Supreme Court on many occasions has asserted its allegiance to this doctrine and yet in these days of hysteria, responsible people, including lawyers of great skill and understanding, are criticizing the Supreme Court for its allegiance to this most basic concept of our Government. We as lawyers should be gravely concerned with this matter. We as lawyers with our background and training in the problems of government should be the first to realize the danger caused to our democracy by declaring certain thoughts and ideas off limits.

You as students of the law and leaders in your community have the responsibility for safeguarding the right most basic to our democracy—the right of our citizens to hear and to discuss; to debate and to choose; to accept or reject any and all ideas wherever their birthplace. This is the most basic right in the search for truth.

The search for truth and for what is good is man's most noble endeavor. Those men who conceived our democratic government recognized the inherent value of such an objective and believed that through free and unlimited examination and discussion of all ideas by all people, that such an objective becomes possible. It is this very philosophy which permits all of the people to participate in the search for the truth. It is through this participation of our people that we have built a strong, healthy, and happy United States where men and women still enjoy their self respect and our great liberties.

We must not through fear, greed, hatred, or suspicion, tamper with the one great cherished and practical ideal upon which our democratic government is based.

Your ability, your background and your training have fitted you well for the responsibility of taking part in government. I urge you to lead in the democratic process—to devote your talents and energy to the betterment of mankind through a government of law. I entreat you to study well the great ideal of our government—the free expression and exchange of thought.

Your responsibility is a serious one. If you meet it with dispatch, honor and energy, men will continue to enjoy the freedoms which permit them to choose their own destiny.

Inflation

EXTENSION OF REMARKS
OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, May 19, 1959

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an article entitled "Can We Escape a Ruinous Inflation," prepared by me, and published in the Reader's Digest.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CAN WE ESCAPE A RUINOUS INFLATION?

(By HARRY F. BYRD, U.S. Senator from Virginia since 1933)

Everybody knows now that America is menaced in the years ahead with an inflation that could wipe out savings and impoverish millions who are living on fixed incomes. Is there any way we can keep this from happening? Let us study this question from the bottom up:

A country is suffering from inflation when a unit of currency buys less and less. Our money supply consists of two elements—the Government-engraved dollars we carry in our billfolds (our actual hand-to-hand currency), and the dollars we carry in our checking accounts—our demand bank deposits. It is in the latter that nine-tenths of the country's business is transacted.

Our total money supply increased from $36 billion at the end of 1939 to 135 billion in April 1958—a jump of 275 percent. In the same period the rate of production of industrial goods increased only 119 percent. The cost of living went up 108 percent.

In other words, though we have more than doubled our rate of producing goods in the last two decades, we have almost quadrupled the supply of money. As we have increased the supply of money faster than the supply of goods, money has become cheaper in terms of goods, and goods have become dearer in terms of money: Prices have risen.

Obviously the way to stop inflation is to stop increasing the supply of money faster than the supply of goods. We must stop manufacturing money. There are several ways in which we have been manufacturing it, but I wish to concentrate on just one, which seems to me the most important.

When the Government spends more than it collects in taxes, the difference constitutes a deficit. How does the Government pay for this deficit spending? It sells its I O U's—notes, certificates, bills, etc.—to the banks. The banks pay for them by putting a deposit credit on their books for the amount of the Government I O U's, and the Government can then draw checks against this deposit to make its own payments. In this way bank-deposit money is created. More dollars are, in effect, manufactured. This is what I meant by deficit financing.

From my experience in the Senate, dealing with annual budgets for 25 years, I long ago came to this conclusion: Federal deficit spending has been the greatest single factor in the cheapening of the value of our money.

It follows that the most important single step that we must take, if we wish to halt inflation, is to balance the Federal budget and assure our people that it will stay balanced except in extreme emergency. We will never halt inflation until we do this.

President Eisenhower made a fine start in 1953 in seeking to balance the budget. He was confronted with President Truman's Korean war budget, prepared for the fiscal year 1954, of $78.6 billion. Eisenhower reduced it to $67.8 billion. He did an even better job in fiscal year 1955, when he reduced expenditure to $64.6 billion, approaching his announced goal of a $60 billion budget.

And then the record changed. In fiscal 1956, there was an increase of $2 billion; in fiscal 1957, another $3.8 billion; in fiscal 1958, there was proposed still another increase of $3.6 billion. It will be noticed that, even before the concern caused by the launching of the first Russian satellite, this was an increase of $9.4 billion over the budget of 1955. Then, this January, a budget for fiscal 1959 was submitted which came to $76.6 billion, including roads, or $12 billion more than for 1955.

The President acknowledged in 1953 the importance of reducing planned deficits. George M. Humphrey, then Secretary of the Treasury, testified with satisfaction before the Senate Finance Committee on June 18, 1957: "Planned deficits have been eliminated." He added:

"Federal deficits necessitate increased Federal borrowing. More Federal borrowing, to the extent it comes from the banks, means the creation of additional bank credit. This tends to create more spendable dollars than there are goods to buy. * * * In ending deficits, we have eliminated this very inflationary pressure."

Unfortunately, this claim cannot now be made. On June 30 last, the deficit for the fiscal year 1958 was almost $3 billion. The prospective deficit for 1959 is estimated at $12 billion.

This a grave outlook. In the last 27 years we have had 22 deficits, with 2 more deficits in prospect. Those who favor a deficit as an alleged antirecessionary measure tell us that it will be temporary. But there is no such thing as temporary large-scale deficit financing. We know from 28 years' experience that deficit spending is not turned on and off as if controlled by a spigot. If the 1959 deficit is as large as is now clearly indicated, Federal deficits will continue as long as anyone can foresee.

Deficits pile up debt. We are now approaching a $300 billion debt. This would be the greatest the world has ever known. But this official or visible debt figure does not cover the total. In addition, the Federal Government has accumulated contingent liabilities of at least $250 billion. These are obligations that the Federal Government has guaranteed and insured, such as $40 billion in Federal housing programs.

Liabilities of this magnitude exert enormous pressure for inflation. Such inflation is a kind of invisible tax. It is a tax, moreover, without exemptions; a tax on the incomes of the poor in the same percentage as on the incomes of the rich. It is also, in

effect, a capital levy on the savings of the thrifty.

As no one needs to be told, the inflation we have already had is grave enough. As measured by the 1939 index of the cost of living, the dollar has fallen to a comparative purchasing power of only 48 cents. In the year ending last May the dollar lost more than 3 percent of its purchasing power.

Taxes already inordinately high. They already place, on business and on the people, burdens that smother incentives and reduce our potential volume of production and our potential living standards. To avoid deficits now of a magnitude which would produce a disastrous inflation, the people of this country must demand that Federal expenditures be limited to absolute essentials.

If we are sincerely looking for places to economize there is no lack of them. Let us look at a few:

1. The first thing we should eliminate (and should never have undertaken in the first place) is mere pump-priming public works. Such works are not undertaken for their own sake, but principally because of the belief that they create employment. But they never work as their proponents promise. They nearly always fail to get underway until after recovery has already started. They are always continued long after recovery has taken place. We are lucky when they are not continued indefinitely.

2. Stop launching new spending programs. This includes such projects today as Federal aid to school building, and the recent crash highway-building appropriations. And it applies to new State-aid programs generally. Sad experience shows that a new activity of the Federal Government, once started, is practically never stopped. The 18 State-aid programs of 1934 had grown to 57 State-aid programs in 1957. Where the 18 programs of 1934 cost a total of $126 million, the 57 programs of 1957 cost more than $4 billion.

3. We must also try to halt the constant expansion of established spending programs. The history of our road and housing programs, of farm subsidies, and veterans' aid, should be a sufficient warning. For example, budget experts have forecast that the farm program may cost a record $6 billion in the current fiscal year, against $4.6 billion in the budget submitted in January.

4. An outstanding example not only of the permanence but of the expansive tendency of so-called emergency programs is foreign aid. When the Marshall plan was adopted, President Truman gave solemn assurance to the American people that it was an emergency plan limited to 4 years at a cost of $15 billion. Aid has already run for 11 years. Gross expenditures have totaled more than $75 billion, including loans, grants, and use of foreign currencies. Of this, only $22.5 billion has been spent in direct military assistance, while $52.5 billion has been spent for economic aid.

I do not suggest that we can totally cut off foreign aid now. But I do suggest that we can eliminate so-called economic aid, and should develop a definite tapering-off program for much of our military aid. All this will have to be done carefully and diplomatically. But it is precisely the careless and lavish extension of military aid in the past that creates now the diplomatic problem of gradual extrication.

5. Defense spending should not be considered sacrosanct. Our security must, of course, at all times take first place. But defense spending must be constantly reviewed for efficiency to make sure that every dollar counts, and that the American people are getting the security for which they are paying. We must constantly eliminate outmoded programs and obsolete weapons to make available more funds for research and new weapons.

6. Finally, I believe there is hardly an agency of the Government that cannot reduce its administrative or so-called overhead expenditures by 5 or 10 percent and still function effectively. This is a broad and fertile field for reduction. We still have 2.4 million regular Federal employees.

In sum, the first requirement for economy is to return to a philosophy of economy. We must have the will to economize. If we had this, we would certainly revise our budgetary procedures. Three main reforms are possible here:

Many Federal agencies each year carry over huge unexpended balances in previous appropriations which continue available for expenditure in future years, usually without further consideration or action by Congress. Federal agencies started the fiscal year 1959 on July 1 with more than $70 billion in unexpended balances from prior year appropriations. This means that there can be a vast difference between annual expenditures and the appropriations for the same year. In August Congress enacted an overdue reform in this respect.

We should enact appropriations in a single bill capable of being calculated on an expenditure basis and measured against revenue.

We should amend the Constitution to permit the President to veto or reduce individual items in appropriation bills, instead of being forced to accept or reject the entire appropriation bill.

If these economies and these budgetary reforms were made, there would be real room for debt reduction and for urgently needed tax cuts. Nothing would do more to restore confidence in the stability of the dollar than to inaugurate a program of debt reduction and to show our determination to adhere to it except in periods of the gravest emergency. If we get our overall expenditures back, say, to the level of those in the fiscal year 1955, this would leave room for substantial tax reduction.

But the most important step we must take, if we wish to halt inflation, is, I repeat, to balance the Federal budget and assure our people that it will stay balanced. The menace of a disastrous inflation is real. All the pressure groups and special interests that campaign for more and more Federal spending are helping to bring it on and are thereby doing a grave disservice in the long run to their own people.

Will the leaders of these organizations ultimately realize the peril, and join in a crusade for the economies and reforms above suggested?

Address by Hon. Alexander Wiley, of Wisconsin, Before the Norwegian Society of Washington

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EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Tuesday, May 19, 1959

Mr. WILEY. Mr. President, several years ago, when I happened to be chairman of the Foreign Relations Committee, I was privileged to fly to Dublin. There I became acquainted with Prime Minister Costello. In the course of our conversation, he asked, "Where did your forebears come from?"

"Oh," I said, "they were Vikings; they came from Norway."

He said, "Senator, you are 1,200 years late."

I replied, "What do you mean?"

He said, "The Vikings settled Dublin in 750."

I said, "Put it here, brother."

Mr. President, the other evening it was my privilege to address the Norwegian Society in this city, and I related that incident. I ask unanimous consent that the address which I delivered on that occasion be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

WILEY HAILS NORWAY'S CONTRIBUTION TO WORLD PEACE—ENDORSES WEST'S 32-POINT PEACE PACKAGE; URGES PATIENT VIGILANCE IN DEALING WITH SOVIET OBSTRUCTIONIST TACTICS AT GENEVA CONFERENCE

(Address by Senator WILEY before the Norwegian Society of Washington, D.C., at the Broadmoor Hotel, May 16, 1959)

I am delighted to be with you tonight.

Particularly, I welcome the opportunity to participate in this celebration honoring Norway's Independence Day—the Syttende Mai.

Over the years, our own beloved United States has been enriched by the migrations of nearly 900,000 Norwegian sons and daughters to our shores.

The transfusion into the lifeblood of our country by these stanch loyal citizens brings all the virile spirit of the traditions of Norway.

In communities throughout the country, our American culture has been enhanced, our spirit of enterprise strengthened, and loyalties and devotion to duty have been enriched. Indeed, the whole fabric of our Nation has been greatly bolstered by the infusion of the spirit, ideas, determination, and fortitude of Americans of Norwegian heritage.

As does our own "Star Spangled Banner," the stirring national anthem of Norway, also, embodies the spirit, loyalty, and deep devotion imbued in her offspring by this rugged land. To illustrate, I quote the last verse of the anthem:

"Yes, we love with fond devotion
This, the land that looms
Rugged, storm-scarred
O'er the ocean
With her thousand homes.

"And as warrior sires have made her
Wealth and fame increase
At the call we too will aid her
Armed to guard, to guard her peace."

Fortunately, this strong individual dedication—borne in mind and flesh and spirit—has blessed us—as well as Norway—with outstanding leaders in political, economic, military and almost every other field of endeavor.

As we pay tribute to Norway's Independence Day, let us look to this land across the sea, to which—in these brief moments—we pay homage.

UNITED STATES-NORWAY FRIENDSHIP

Throughout history, Norway and the United States have maintained warm bonds of respect and friendship. Although both countries have a proud history of independence, the exigencies of today's world have fostered another spirit: that of interdependence, particularly among the nations of the free world.

Today, among the few nations with a common border with the Soviet Union—an ever-present threat to security—Norway has stood firmly and resolutely in the shadow of these threats to her life.

To us, who are thousands of miles away, this sometimes may not seem so significant. In reality, however, the act has required stanch courage with a willingness to sacrifice to live up to the high ideals so indelibly imprinted in the history of Norway.

Too, displaying a proud spirit, Norway has joined the North Atlantic Treaty Alliance to cooperate with other freedom-loving peoples for the preservation of the liberty of peoples and nations against the encroachment of ever-expanding communism.

The United States and the free world can indeed be proud that we have as our ally this land. Norway, too, has admirably supported the Western efforts to create and carry out an effective program for lessening the dangers to freedom posed by communism; for easing East-West tensions; for standing up to the Kremlin as it strives by threats, intimidation, blackmail, deception to extend its influence over more people and more lands.

SPIRIT OF UNITY

At the East-West conference now in progress in Geneva, we need this kind of stanch support, not only morally, but economically, militarily and strategically.

During the early meetings, unfortunately, the Soviets have displayed the irresponsible, self-serving — not peace-serving — tactics which have characterized previous conferences.

Throughout the discussions, we can expect the Soviet representatives to muddy the waters periodically.

If we are to obtain any real results, however, it may be necessary for the West to patiently tolerate these obstructionist tactics—while at the same time remaining alert to assure that these do not serve as a facade behind which the Soviets gain concessions.

For the most part, these actually serve as ruses by which the Soviets hope eventually—through overtaxing the patience of the free world—to obtain their objectives of more and more concessions from the Western nations.

We realize, of course, that not only the United States and Norway, but all the countries in the Western alliance, as well as the other nations of the world, have a stake in the outcome of the Geneva Conference.

Among other things, it may well prove how effective we are—or are not—in stopping Soviet aggression through agreement-breaking and trumped-up crises.

MAJOR ISSUES AT GENEVA

Briefly, let's look at the issues of the conference.

The principles and goals of the Western Allies include:

Resolving the Berlin crisis, while maintaining respect for the rights of access by the West to Berlin; as well as protecting the free world's interests in West Berlin;

Easing East-West tensions;

Making progress toward German reunification and an eventual peace treaty with Germany to lessen the possibility of future trouble;

Establishment of a foundation upon which to promote greater security—and lessen the possibility of an outbreak of war on the European continent.

WEST'S PEACE PACKAGE

To attain these goals, the West has proposed a 4-stage, 32-point plan aimed at establishing a series of progressive steps to bring about German reunification and promotion of security on the European continent.

The West's peace package, I believe, is a constructive, comprehensive, realistic plan which, if adopted, would lay the foundation for solving the problems relating to Germany, as well as reduce East-West tensions and promote security on the continent of Europe.

As we know, the West's 32-step plan generally aims at:

1. Uniting Berlin by free elections;

2. Establishment of a 35-member German committee made up of 25 representatives from the Federal Republic of Germany and 10 from the so-called German Democratic Republic, charged with the responsibility of working out problems between these two areas of that country, subject to certain four-power supervision;

3. Reduction of armed forces and armaments, safeguarded by an inspection and control system.

4. Establishment of procedures for ultimate free elections to allow the German people to adopt a government by self-determination;

5. Provision for writing a final peace treaty with an all-German Government; and

6. Establishment of certain security safeguards aimed at eliminating threats to security in the future on the European Continent.

The West's peace package, I believe, is a good one.

CONSTRASTING EAST-WEST POSITIONS

Now, let's review the contrasting positions of the West and the Soviet Union upon the major issues of the conference.

As regards the peace treaty:

The West feels that a peace treaty can be signed only after the reunification of Germany. By contrast, the Soviets insist that it be signed now, with the two German states, and that reunification be left up to the two Germanys. In this, the Soviet position definitely violates the postwar agreements which it signed—but chooses now to break.

To agree to these unjustified demands would be to violate our own postwar commitments. If agreed to, it might well set the stage by which the German people—imbued with a deep nationalistic spirit—would one day seek reunification—by force, if necessary.

PROMOTING EUROPEAN SECURITY

Secondly, increasing security on the European continent.

The West feels that any security plan should be linked to progress on reunification of Germany and that such plans should contain systems of inspection and control—to prevent the Soviets from (a) again violating the agreements; and (b) carrying on subversive or other activities that would threaten the areas for which we are now seeking safeguarded security.

By contrast, the Soviets say that no link exists between unification of Germany and European security. In addition, they seek the establishment of a zone in central Europe where arms and troops would be limited or withdrawn entirely.

To accept such a proposal would, I believe, be extremely dangerous. Again and again, the Soviets have demonstrated they have no intention of adhering to agreements or treaties—unless it serves the cause of communism.

A so-called demilitarized zone—a power vacuum—would be an open invitation to the Soviets to embark—as they have in the case of East Germany—at first clandestinely, and then openly—on a program of clamping an iron grip by the Kremlin on the area.

PROTECTING WEST BERLIN

Third, as for protection of West Berlin, the allies recognize that to maintain the integrity and security of West Berlin there can be no weakening of our military position in Europe and West Germany—until it is assured that the interest and welfare of the people would be fully protected.

To me, this is only realism.

The Soviets' position, by contrast, aims toward exposing West Berlin for a possible Communist takeover gaining recognition of East Germany—and thus, in effect, a recognition of an extended sphere of Soviet influence in Eastern Europe.

GERMANY: PART OF WORLD PICTURE

Although the current topics of East-West meetings focus around the problems of Germany and European security, the negotiations are, in reality, only part of the larger global struggle.

The worldwide Communist conspiracy reaches greedily toward all lands and all people. Witness not only Europe, but also Tibet and Iraq.

Tomorrow, the Communist plotting may ripen in another country.

The free nations of the world must be constantly and vigilantly alert to the ever-present dangers of this global encircling network of intermingled military power, ideological operations and subversive activities, coupled with economic pressures and threats.

As we face the future, the free world can be proud that it counts among its members Norway—to whose independence day we pay homage.

The spirit which marked the unending fight of her proud people against nazism in World War II, now strengthens, by deeds of the past and dedication to the future—the free world alliance against today's threat of tyrannical communism.

CONCLUSION

Friends, I have welcomed the opportunity to join you in this celebration and tribute to Norway's Independence Day.

Thank you.

Citizen's Scholarship Foundation of Greater Fall River

EXTENSION OF REMARKS

OF

HON. LEVERETT SALTONSTALL

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Tuesday, May 19, 1959

Mr. SALTONSTALL. Mr. President, Massachusetts has long been known as one of the great intellectual centers of the United States. One of the first moves made by our Pilgrim forefathers when they landed on this shore was to provide for the education of their younger generation. Today Massachusetts citizens still have that feeling. Our many great universities and colleges attest their interest.

In particular, however, the citizens of one city in Massachusetts are carrying their interest in education even further. The city of Fall River, recognizing that private education is a necessary adjunct to public education, and that the youth of today is faced with an even greater problem in achieving knowledge than the youth of any previous age, has instituted the Citizen's Scholarship Foundation of Greater Fall River. Beginning last year, they collected funds from the ordinary citizen to provide for the awarding of scholarships to qualified but needy local high school graduates. Truly this is a real advance in the interest of education. The United States can be proud that its citizens feel so strongly about the future generation's ability to meet the challenge of our expanding knowledge.

I congratulate the Scholarship City, Fall River.

Mr. President, I ask unanimous consent that several letters bearing on this subject be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CITIZEN'S SCHOLARSHIP FOUNDATION,
OF GREATER FALL RIVER,
Fall River, Mass.

The recent announcement by the Citizen's Scholarship Foundation of Greater Fall River of the awarding of 24 scholarships to qualified but needy local high school graduates was a milestone. Never before has an organization composed of thousands of ordinary citizens attained such a goal.

Because this type of a grass-roots movement is unique to Fall River, considerable favorable national publicity has come to our city. We all benefit from such favorable comment eventually and we are proud to have had a part in it's inception.

Yours for a better community through education.

John M. Arruda, Mayor of Fall River; Albert H. Brosnihan, Chairman Merchants Division, Fall River Chamber of Commerce; Raymond J. Conners, M.D., Past President of Bristol County South Medical Society; Roland K. Desmarais, Attorney at Law; George W. Graham, President, Fall River Trust Co.; William S. Lynch, Superintendent of Schools; Daniel J. McCarthy, Business Agent, ILGWU; C. J. McCauley, President of Firestone and Latex Products; Thomas A. Rodgers, President of Globe Manufacturing Co.; Myer N. Sobiloff.

THOMASVILLE, GA.

DR. IRVING A. FRADKIN,
Chairman, Citizen's Scholarship Fund of Greater Fall River, Fall River, Mass.:

It is good to learn of the scholarship project begun by the citizens of Greater Fall River. This is a splendid example of the kind of increased local concern for education needed in communities throughout the Nation. In order to achieve the fruitful goals of democracy, everyone must help our talented young people develop their abilities to the full.

DWIGHT D. EISENHOWER.

MRS. FRANKLIN D. ROOSEVELT,
New York, N.Y., January 28, 1958.

DEAR MR. MCCARTHY: I was interested to get your letter and to learn of the effort being made in your community to make your people more aware of the opportunities and advantages of a college education. I congratulate you and am happy to send a dollar toward this effort.

I would just like to add, however, that I hope all able young people will someday get their education at the taxpayer's expense.

Very sincerely yours,

ELEANOR ROOSEVELT.

APRIL 18, 1958.

Your letter of April 7 to Mr. Root has been turned over to me. I was very glad to see it and extremely interested in the material you had to present.

As you surmised, the story on your committee that we ran was rewritten from a New York Times dispatch. The story appeared in the Times just as we were going to press and I felt that it was interesting enough to try to get in immediately. Had we had more time we probably would have written to you for greater information.

I can understand your feeling against having this committee written up as a one-man plan, but even after reading the column that you enclosed, I gather that this is primarily your baby. This is certainly nothing to be ashamed of.

Unfortunately, at this moment, I don't think we could do anything more with your story. Having run the little item sort of kills it for us for at least a couple of months. It still, however, looms as a possible story for us, say in the fall. At that time we could carry it on the basis of the number of high school graduates you were able to help go to college and the success of the first year's drive. I am going to mark my calendar for some time in September to get in touch with you again, and I wish you would do the same. Perhaps at that time we can get together on a longer story on your plan, one that would blueprint for other cities ways in which they could set up such a committee. In the meantime, I would be very happy to be kept informed about all of your activities.

I too feel that this is a wonderful idea and something that could be done in any community. We have carried many stories recently of citizen action to help their schools and the children of their schools, but none have done anything quite like this.

Thank you for writing to us. I hope to hear from you again in the near future.

Sincerely yours,

PAUL ABRAMSON,
Managing Editor.

OFFICE OF THE MINORITY LEADER,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 19, 1958.

GREATER FALL RIVER SCHOLARSHIP FOUNDATION,
Fall River, Mass.

DEAR DR. FRADKIN: I was delighted to learn that the house-to-house canvas in Somerset for the Greater Fall River Scholarship Foundation has been such a huge success. This has given great impetus to the scholarship fund drive and augurs well for a successful climax for a project of immense importance to the youth of the Greater Fall River area.

The spirit of the scholarship fund is that no talented youth in our area should be denied higher education because of the lack of financial means. The importance of higher education, in this age of intense international competition, is common knowledge. For this reason, the scholarship drive merits enthusiastic and generous support.

Sincerely yours,

JOSEPH W. MARTIN, Jr.

NEWSWEEK,
New York, N.Y., April 16, 1958.

CITIZEN'S SCHOLARSHIP FUND OF GREATER FALL RIVER,
Post Office Box 103,
Fall River, Mass.:

Thank you for your letter of April 8 including the material on the Fall River plan and its latest achievements. It certainly is an inspiring project.

I am sending it on to our education editor, and he will be in touch with you if it is decided to do an article.

Thank you for thinking of us.

Sincerely yours,

MALCOLM MUIR, Jr.

THE READER'S DIGEST,
Pleasantville, N.Y., April 24, 1958.

CITIZEN'S SCHOLARSHIP FUND OF GREATER FALL RIVER,
Fall River, Mass.:

You're certainly to be commended on the "Fall River Plan" and several of us here have read your material on the subject with keen interest.

We're all agreed that this is a fine and worthy project. We do think, however, that a Digest article now would be premature; that a story with greater impact and appeal could be developed after the plan has been in operation for a couple of years and there is some record of accomplishment on the part of the scholarship winners. We would welcome a progress report in another year or two.

Meantime, our best wishes for the continuing success of your "grassroots" campaign.

Sincerly yours,

KENNETH W. PAYNE.

DIOCESE OF FALL RIVER,
Fall River, Mass., February 6, 1958.

MR. DANIEL J. MCCARTHY,
Corresponding Secretary, Citizen's Scholarship Fund of Greater Fall River, Fall River, Mass.

MY DEAR MR. MCCARTHY: Here enclosed find my contribution, small enough, for the establishment of a scholarship fund in Greater Fall River.

Since your demands are so modest, I feel quite confident that the community as a whole will respond generously and trust that many of our deserving young men and women will benefit by the scholarships through the medium of this fund.

Believe me, with every good wish.

Sincerely yours,

JAMES L. CONNALLY,
Bishop of Fall River.

DEPARTMENT OF
HEALTH, EDUCATION, AND WELFARE,
OFFICE OF EDUCATION
Washington, D.C., March 20, 1958.

Your letter of February 14 to President Eisenhower has been referred to this Office for reply.

It is certainly a real pleasure to learn of the spirit which the citizens of Fall River have entered into their drive for a fund for scholarships to help superior, needy youngsters to go on to college. In addition to contributing to a worthy cause the people of Fall River have set a fine example of democracy in action.

We are delighted that another city is already following your leadership and join with you in the hope that other communities will undertake similar action.

Sincerely yours,

J. HAROLD GOLDTHORPE,
Assistant Director
Student Assistance Project.

CITIZEN'S SCHOLARSHIP FOUNDATION
OF GREATER FALL RIVER,
Fall River, Mass.

DEAR SENATOR SALTONSTALL: In our form of democracy, one principle, the principle of self-help has done more to insure the success of our way of life than any other. Because we feel that education of our children is the basic necessity in the formula for keeping our country great, we of the Fall River plan are making every effort to keep alive the principle of self-help.

The Citizen's Scholarship Foundation of Greater Fall River is such an organization founded to raise moneys for the advanced education of gifted but needy high school graduates. This project has the unqualified support of President Eisenhower, Mrs. Roosevelt, and many other dignitaries.

Last year we awarded 24 scholarships—this year we expect to double that amount, ranging from $100 to $500. This money is obtained from the broad base of over $10,000—mainly from the $1 memberships.

We have found that a grassroots movement becomes more than merely giving out scholarships. It becomes a uniting factor in a

community; it stimulates parents' interest in higher education; it gives students the incentive to do better work, finish high school, and consider college. It is a fine example of brotherhood in action.

The enclosed brochure is available to any interested party writing to Citizen's Scholarship Foundation, P.O. Box 103, Fall River, Mass.

Yours for a better America through education,

Dr. IRVING A. FRADKIN.

MARCH 17, 1959.

DEAR DR. FRADKIN: I was thrilled with the Fall River plan. Its cross-sectionalism is exactly what this country needs, in education as in all other aspects of our communal life.

My personal problem concerning becoming president of this great grassroots movement is that I simply have so little time to devote to the duties which must arise from the association. I'm with you all the way and would be glad to lend my name to the idea with the understanding that I just can't get out to your town to help. If my name can help you've got it.

Sincerely yours,

SAM LEVENSON.

B. M. C. DURFEE HIGH SCHOOL,
Fall River, Mass., April 6, 1959.

Dr. IRVING A. FRADKIN,
President, Citizen's Scholarship Foundation of Greater Fall River, Fall River, Mass.

DEAR DR. FRADKIN: Although you are aware I am sure of my intense personal interest in the efforts of the Citizen's Scholarship Foundation of Greater Falls River since its inception, I feel compelled to put in writing some of my reactions to this splendid project.

In these days when the need for scholarship help is truly great and continuing, the foundation is doing a superior job in stimulating students of high school years to do better work, in encouraging them to feel that they have a real opportunity to go to college, and in urging their parents to regard a college education as truly desirable for them. All of these will result in direct benefit to our country.

The New York Times, issue of April 5, 1959, carried a front page story decrying the fact that little scholarship help reaches pupils of families in the lower income bracket. It is primarily this feature in the work of the Citizen's Scholarship Foundation of Greater Fall River which makes it unique and which calls, I believe, for universal support.

As principal of B. M. C. Durfee High School, I am particularly proud that our students, working with other young people, have participated actively in the work of the foundation, arranging their own programs and being so successful therein that they are able now to present a scholarship of their own. By their unselfish attitude these students are setting an example not only for others of their age group but for adults as well.

It is my sincere hope that the efforts of the Citizen's Scholarship Foundation of Greater Fall River will continue strong and that it may serve as a model for other communities.

Very sincerely yours,

AMBROSE F. KEELEY,
Principal.

FALL RIVER PUBLIC SCHOOLS,
ADMINISTRATION OFFICES,
Fall River, Mass., April 3, 1959.

Dr. IRVING A. FRADKIN,
Fall River, Mass.

DEAR DR. FRADKIN: May I express once again my enthusiasm for the Community Scholarship Fund and the work it is doing. There is no doubt in my mind that the good effects transcend and go away beyond the actual donation of scholarship moneys to the recipients.

I am convinced that the publicity attendant upon the raising and donating of these moneys prompts parents to think in terms of college education for their children where formerly there was no hope. Particularly, a parent who would like to see his child have the opportunity to attend college and cannot quite make it financially is given an added boost. At the same time a student who can get some financial aid and needs a little bit more is able to convince his parents that a college educatino is within reach. Here you are giving added incentive to the able student and at the same time stimulating him to a realization of his potentialities. I have no doubt that the number of students who will elect a college curriculum in high school will increase and that students in general will avail themselves of additional opportunities.

A greater number of pupils going on to higher education should result in a more enlightened citizenry and a more progressive community.

Sincerely yours,

WILLIAM S. LYNCH,
Superintendent of Schools.